DADA S.P.A. AND DADA GROUP FINANCIAL STATEMENTS AS AT DECEMBER 31, 2009

Registered Office: Piazza Annigoni, 9B - Florence
Share capital: Euro 2,755,711.73 fully paid in
Florence Company's Registration Office: 04628270482 - REA 467460
Fiscal code/VAT No. 04628270482
Internet Site: www.dada.dada.net

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CORPORATE BOARDS

The corporate boards were appointed by the Shareholders' Meeting on April 23, 2009 for the three-year period 2009-2011.

BOARD OF DIRECTORS

Paolo Barberis	Chairman
Barbara Poggiali [1]	Chief Executive Officer
Alberto Bigliardi	Director
Giorgio Cogliati	Director
Alessandro Foti [2]	Director
Claudio Cappon [3]	Director
Lorenzo Lepri [4]	Director
Vincenzo Russi	Director
Salvatore Amato [5]	Director
Monica Alessandra Possa [6]	Director
Matteo Novello	Director
Riccardo Stilli	Director
Giorgio Giannino Valerio	Director
Danilo Vivarelli [5]	Director

[1] The Director Barbara Poggiali was appointed Chief Executive Officer with the organisational role of General Director with Board resolution of May 8, 2009

[2] Member of the Internal Control Committee

[3] Appointed director of the company with Board of Directors' resolution of July 27, 2009 following the resignation of Director Paolo Aurelio Gatti on July 14, 2009

[4] The Director Lorenzo Lepri was appointed Chief Corporate Officer with organisational role of Vice Director General with Board of Directors' resolution of May 8, 2009

[5] Member of the Remuneration Committee and of the Internal Control Committee

[6] Member of the Remuneration Committee

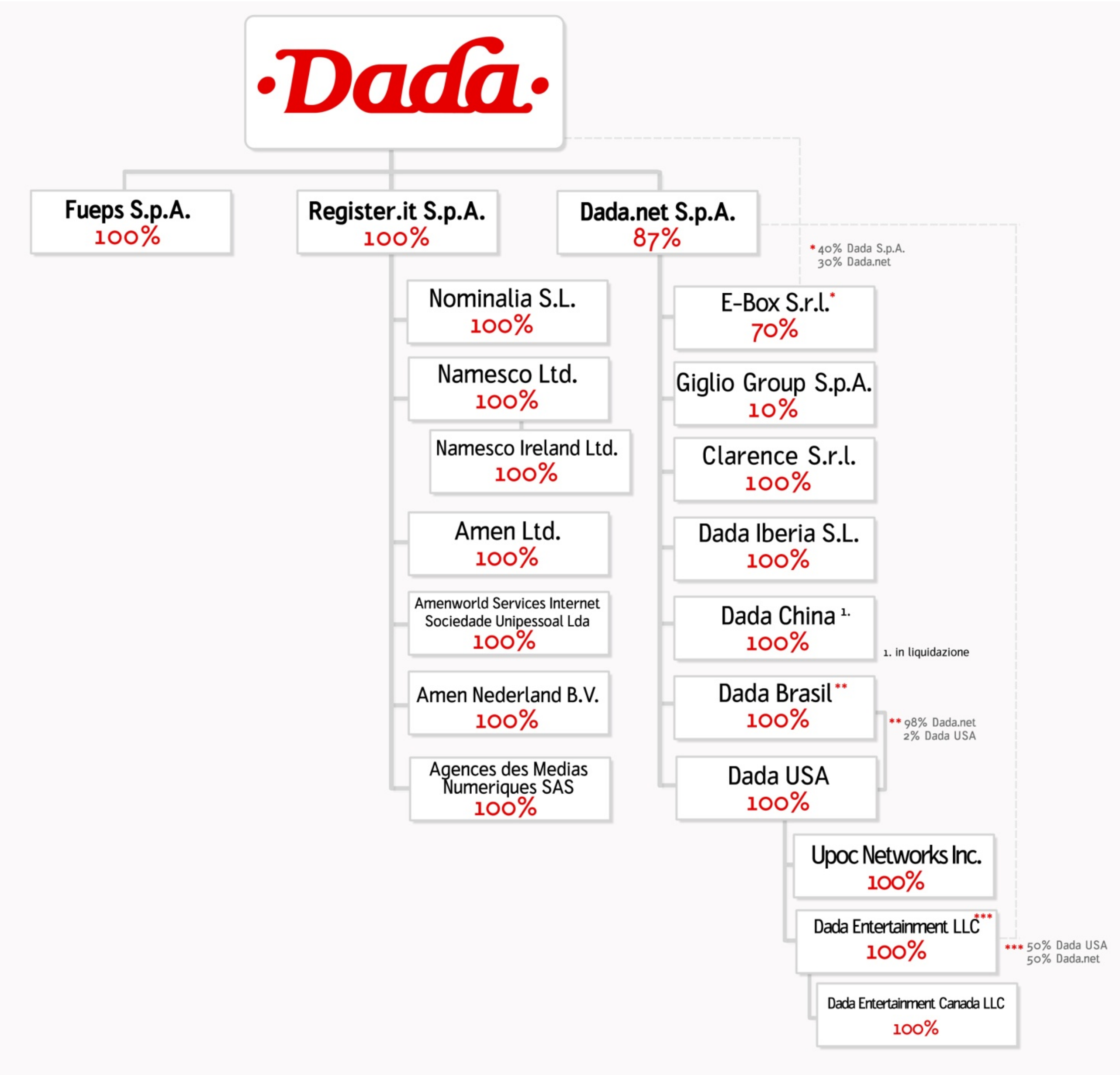
BOARD OF STATUTORY AUDITORS

Silvio Bianchi Martini	Chair - Board of Stat. Auditors
Claudio Pastori	Statutory Auditor
Cesare Piovene Porto Godi	Statutory Auditor
Michele Galeotti	Alternate Auditor
Maria Stefania Sala	Alternate Auditor

INDEPENDENT AUDIT FIRM

Reconta Ernst & Young S.p.A.

STRUCTURE OF THE GROUP



DADA GROUP FINANCIAL HIGHLIGHTS

Consolidated results

(Euro millions)	2009	2008
Revenues	155.1	170.2
Ebitda *	20.5	28.9
Amortisation & Depreciation	-11.4	8.3
Ebit	4.6	14.6
Group net profit	6.9	7.6

*EBITDA: EBITDA gross of non-recurring charges, provisions and write-downs of Euro 4.5 million (Euro 1.8 million in 2008)

Consolidated Results (3 months)

(Euro millions)	Q4 2009	Q4 2008
Revenues	40.1	44.2
Ebitda**	4.0	6.9
Amortisation & Depreciation	-3.1	-2.7
Ebit	-1.4	-0.7
Group net profit (loss)	5.6	-3.8

**EBITDA: EBITDA gross of non-recurring charges, provisions and write-downs of Euro 2.3 million (Euro 0.7 million in 2008)

Consolidated Balance Sheet as at December 31, 2009

(Euro millions)	31/12/2009	31/12/2008
Net Working Capital	-8.7	-11.5
Net Capital Employed	109.5	92.9
Net Equity	72.8	61.5
Short-term net financial position	-5.8	-2.9
Total net financial position	-36.7	-31.4
Number of employees	593	563

DADA SpA FINANCIAL HIGHLIGHTS

Results of Dada SpA (12 months)

(Euro millions)	2009	2008
Revenues	11.3	50.0
Ebitda *	-1.8	2.5
Amortisation & Depreciation	-2.5	-3.1
Ebit	-4.7	-1.0
Net loss for the year	-4.1	-1.7

*EBITDA: EBITDA gross of non-recurring charges, provisions and write downs of Euro 0.4 million (Euro 0.4 million in 2008)

Balance Sheet data of Dada SpA as at December 31, 2009

(Euro millions)	31/12/2009	31/12/2008
Net Working Capital	7.1	-3.8
Net Capital Employed	68.3	54.2
Net Equity	53.4	-57.1
Short-term net financial position	-14.8	2.8

DIRECTORS' REPORT

INTRODUCTION

The present consolidated financial statements at December 31, 2009 were prepared in accordance with IAS/IFRS issued by the IASB and approved by the European Union, as per Issuers' Regulation No. 11971, issued by Consob on May 14, 1999 and subsequent amendments and additions.

The present consolidated report was prepared utilising the accounting standards in force at the date of their preparation.

DADA GROUP PROFILE

Dada S.p.A., listed on the MTA market in the STAR (DA.MI) segment of the Italian Stock Exchange, is an international leader in Community and Entertainment services via web and mobile, as well as in Domain, Hosting and advanced online Advertising solutions.

Today, Dada is divided into 3 business areas: Dada.net (www.dada.it, community & entertainment services), Dada.pro (www.dada.pro.com, professional services and advertising on the Internet) and Fueps (www.fueps.com and www.4a.com, casual and skill games services).

Dada.net

Dada's offer to the final user - in 15 countries – is currently centred on services for the personalisation of content for mobile phones and on Dada – The Music Movement, a community in which users can form relationships and share their musical tastes and purchase tracks in MP3 DRM-free format from a large catalogue of the major and independent record labels.

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.net division 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.

The Giglio Group also forms part of the Dada.net division, a company operating in the satellite television market as part of the Sky network broadcasting two music channels Live! And Music Box.

Dada.pro

With over 465 thousand business clients and more than 1.5 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.

In April 2009, Dada launched Simply (www.simply.com), the online advertising platform, entirely developed in-house and available on networks worldwide, which allows businesses to efficiently plan their advertising campaign utilising marketing instruments for the selection of targets and analysis of results and website owners to expand advertising revenue.

Through the brands Dada Ad, Dada.pro also offers advertising solutions on the internet and portals of UMTS mobile carriers.

Fueps

With the sites www.fueps.com and www.4a.com, Fueps is the business unit operating in the casual and skill games market.

With a catalogue of over 100 games and a community of over 520,000 registered users, Fueps.com is among the principal web properties in its sector in Italy with a direct on-line presence while also developing white-label sites for third party operators such as Virgilio.

In November 2009, Fueps launched its online poker service in Italy through the 4A (www.4a.com) brand, managed in partnership with a leading market player.

OPERATIONAL OVERVIEW

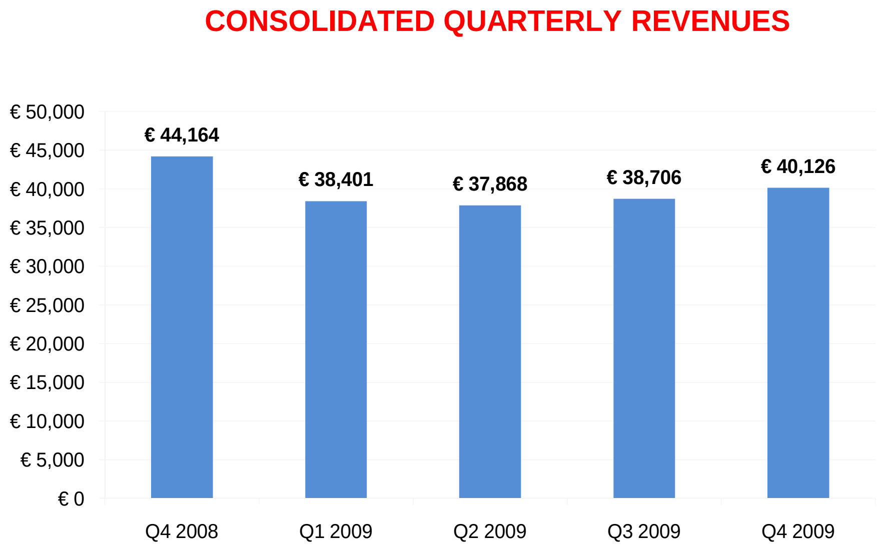
Dear Shareholders,

In 2009, the DADA Group recorded **consolidated revenues of Euro 155.1 million**, compared to Euro 170.2 million in the previous year, a decrease of 9%.

In the fourth quarter of 2009 alone, the Dada Group recorded **consolidated revenues of Euro 40.1 million** – a decrease on the fourth quarter of 2008 (Euro 44.2 million – a contraction of 9%), while increasing on the third quarter of the present year (Euro 38.8 million, +3%).

The Parent Company Dada S.p.A. in 2009 recorded revenues of Euro 11.2 million compared to Euro 50 million in 2008, a decrease of 77%. In the fourth quarter, the sales of the Parent Company amounted to Euro 3.5 million compared to Euro 7.6 million in Q4 2008. The result of the Parent Company is essentially due to the corporate reorganisation in 2008, which saw the contribution 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 resulted in the Parent Company benefiitting from the activities of these businesses in the first half of 2008, while in 2009 the company focused on the provision of corporate services to all Group companies.

The **consolidated revenues trend of the Dada Group** in the last 5 quarters is shown in the table below:



Consolidated revenues were impacted by the change in the consolidation scope, whose effects are described below.

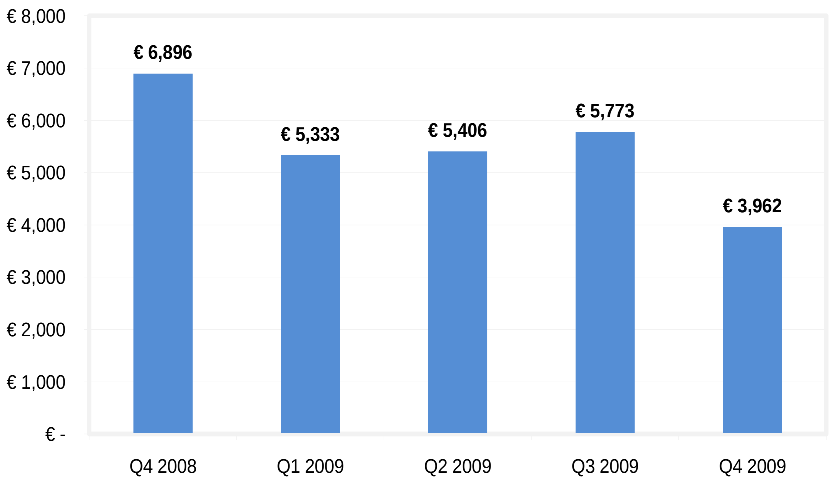
For further information on the performance of the divisions, reference should be made to the paragraph on segment information as per IAS 14/IRFS 8.

Consolidated EBITDA of the Dada Group in 2009 (before write-downs and other extraordinary items) amounted to **Euro 20.5 million** compared to Euro 28.9 million in 2008, a decrease of 43%. This is due to the focus on new business, whose start-up costs were entirely expensed in the year. In the fourth quarter the EBITDA was Euro 4 million, a decrease compared to the fourth quarter of 2008 (Euro 6.9 million) and also compared to the third quarter of 2009 which recorded an EBITDA of Euro 5.8 million.

The Ebitda of the **Parent Company Dada S.p.A.** was a loss of Euro 2.5 million compared to a profit of Euro 2.5 million in 2008; the reorganisation in the previous year as described previously also impacted upon this result.

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

CONSOLIDATED EBITDA TREND

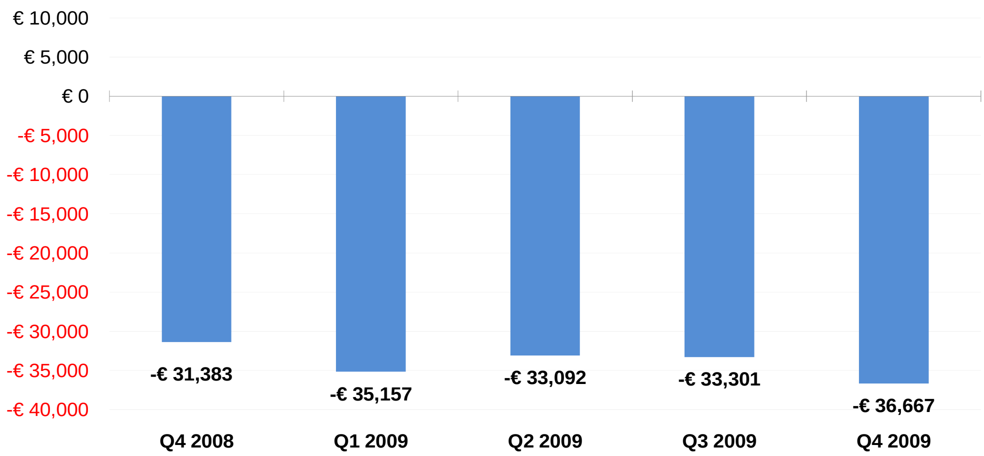


The total net financial position, which also includes loans repayable beyond one year, was a net debt of Euro 36.7 million at December 31, 2009 compared to Euro 31.3 million at December 31, 2008. Therefore, in 2009 funds were absorbed in the year of Euro 5.3 million (Euro 14.6 million in 2008).

This figure was impacted by the Group investment activities 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 to deliver these services.

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

CONSOLIDATED NFP TREND



Financial Highlights

The key financial highlights of the **Dada Group** in 2009 (full year and quarterly) are shown below, together with a comparison with the previous year:

Amounts in Euro/thousand	2009		2008		DIFFERENCE	
	Amount	% of total	Amount	% of total	Tot.	%
Net Revenues	**155,101**	**100%**	**170,220**	**100%**	**-15,119**	**-9%**
Changes in inventory and internal work	5,229	3%	4,879	3%	350	7%
Service costs and other operating costs	- 110,278	-71%	-117,725	-69%	7,447	-6%
Personnel costs	-29,579	-19%	-28,500	-17%	-1,079	4%
Ebitda *	**20,473**	**13%**	**28,874**	**17%**	**-8,401**	**-29%**
Amortisation & Depreciation	-11,362	-7%	-8,314	-5%	-3,048	37%
Non-recurring income (charges)	-3159	-2%	-214	0%	-2,945	1376%
Write-down of fixed assets		0%	-4120	-2%	4,120	
Revaluations/(Write-downs)	-1363	-1%	-1635	-1%	272	-17%
Ebit	**4,589**	**3%**	**14,591**	**9%**	**-10,002**	**-69%**

* EBITDA gross of non-recurring charges, provisions and write downs of Euro 4.5 million (Euro 1.8 million in 2008)

The reclassified results of the Parent Company Dada S.p.A. for 2009 and 2008 are reported below:

Amounts in Euro/thousand	2009		2008		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	% of total
Net Revenues	**11,273**	**100%**	**49,973**	**100%**	**-38,700**	**-77%**
Changes in inventory and internal work	0	0%	1,442	13%	-1,442	-100%
Service costs and other operating costs	-9,251	-82%	-40,808	-362%	31,557	-77%
Personnel costs	-3,845	-34%	-8,104	-72%	4,259	-53%
Ebitda *	**-1,823**	**-16%**	**2,503**	**22%**	**-4,326**	**-173%**
Amortisation & Depreciation	-2,454	-22%	-3,116	-28%	662	-21%
Non-recurring income (charges)	-154	-1%	-184	-2%	30	-16%
Revaluations/(Write-downs)	-228	-2%	-200	-2%	-28	14%
Ebit	**-4,659**	**-41%**	**-997**	**-9%**	**-3,662**	**367%**

* EBITDA gross of non-recurring charges, provisions and write downs of Euro 0.4 million (Euro 0.4 million in 2008)

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

The consolidated revenues of the Dada Group in 2009 amounted to Euro 155.1 million (of which Euro 11 million, net of inter-company sales, related to the Parent Company Dada S.p.A.) compared to Euro 170.2 million in the previous year (of which Euro 35 million, net of inter-company sales, related to the Parent Company Dada S.p.A), a decrease of 9%.

Revenues in the fourth quarter recorded a similar reduction on the same period of 2008 (Euro 40.1 million in 2009 compared to Euro 44.2 million in 2008), while increasing on the third quarter of the present year (Euro 38.7 million).

Consolidation scope

In 2009, 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 2009" and to the consolidated notes:

- in 2009, Giglio Group S.p.A. was consolidated for the full year while in 2008 the company was consolidated for only the second half year, having been acquired on July 9, 2008;

- In 2009 the companies owned by Amen SA were fully consolidated for the entire year, acquired in July 2008 and therefore contributing to the Group consolidation in the preceding year for only the second half year;
- The company E-Box S.r.l. was fully consolidated for the entire year 2009, while in 2008 the company was fully consolidated only for the second half of the year; in the first half of 2008 the company was consolidated at equity - the acquisition of the further 40% occurred in July 2008;
- The company Dada Entertainment LLC was fully consolidated in 2009 from June following the operation which is described in the significant events in the year. Therefore the company contributes to Group results for 7 months of 2009 (in the first 5 months being valued at equity), while in 2008 the company was consolidated for the entire year under the equity method;
- The acquisition of 100% of Fueps S.p.A. was completed in October 2009 and therefore fully consolidated in the last quarter of 2009.

The total effect on the consolidated revenues of the Dada Group in 2009 compared to 2008, due to the combined changes to the consolidation scope described above, amounted to Euro 23.8 million, of which Euro 5 million relating to the last quarter of the year (compared to Q4 2008). Therefore the total pro-forma reduction in revenues was Euro 38.9 million.

Sectors of activity

Following the acquisition of Fueps Spa, the organisational structure of Dada Group was updated to include a new Business Unit from the fourth quarter of 2009. The activities of the Group are therefore broken down into the **Dada.net Division, the Dada.pro Division and the Fueps Division**. The **Corporate Division** is also considered, principally centred within the parent company Dada S.p.A., mainly providing services to the subsidiary companies and therefore to the three Business Units (see also that reported in the segment information in accordance with IFRS 8).

The breakdown of revenue of the Dada Group by **segment of activity** was significantly impacted by the change in the consolidation scope, whose effects were described previously.

The **Dada.net Division** contributed Euro 85.1 million to consolidated revenues of the Dada Group in 2009 (gross of inter-divisional revenues), recording a decrease of Euro 8.3 million on 2008 (Euro 93.4 million - also gross of inter-divisional revenues). The contribution of the Dada.net division to Group sales fell from 54.1% to 53.7%, due to both the increase in the Dada.pro division contribution following the change in the consolidation scope and the gradual withdrawal of some traditional products, in particular the Vas product in Italy, only partially offset by the new “The Music Movement” product.

The benefit for the division in revenue terms from the consolidation of Giglio Group S.p.A. and Dada Entertainment was approx. Euro 16.5 million.

The contribution of the Dada.net division to Group revenues in the last quarter of the year was Euro 24.5 million (Euro 19.6 million net of changes in the consolidation scope) compared to Euro 22 million in 2008 with overall growth of Euro 2.5 million.

The **Dada.pro Division** contributed (gross of inter-divisional revenues) Euro 82.6 million to consolidated revenues in 2009 (46.2% of Group revenues), compared to Euro 81 million in 2008 (45.9% of Group revenues), an increase of 2%.

The inclusion of the Amen Group in the consolidation scope contributed Euro 6.8 million.

At quarterly level, the Dada.pro division recorded revenues of Euro 20.5 million in the fourth quarter of 2009 compared to Euro 23.1 million in the fourth quarter of 2008 (a reduction of 11%) and Euro 18.3 million in the third quarter of 2008.

This reduction substantially relates to the advertising market and in particular, as well as the contraction of the market, the mobile advertising agency.

The **Fueps Division** contributed (gross of inter-divisional revenues) Euro 178 thousand to consolidated revenues in 2009.

The breakdown of consolidated revenues of the Dada Group by **geographic area** in 2009 shows an increased contribution of international business on the previous year. International sales amount to 59% compared to 48% in the previous year. The contribution of the international business in the fourth quarter grew to 59% compared to 52% in the previous year. The above stated changes in the consolidation area also significantly impacted this data.

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 2009 (before write-downs and other extraordinary items) was Euro 20.5 million (a margin of 13% on consolidated sales), compared to Euro 28.9 million in the previous year (margin of 17%), a reduction therefore of 29%.

The contraction is principally due to the gradual refocalization of the Vas product in Italy and the focus on the music business, which is still in a start-up phase and a lower contribution from advertising. The launch of the online poker service by Fueps in the final quarter of 2009 incurred charges of Euro 2.2 million.

The result for 2009 includes net charges incurred for the Music business of Euro 5.5 million.

Non-recurring charges of Euro 3.8 million (non-recurring charges were not recorded in 2008) principally related to the reorganisation implemented in 2009.

In the fourth quarter, the Ebitda was Euro 4.0 million (margin of 10% on consolidated sales), compared to Euro 6.9 million in the same period of the previous year (margin of 16%). The decrease in EBITDA in the final quarter of 2009 compared to the same period of 2008 was principally due to the above stated start-up net costs relating to the launch of online poker of Euro 2.2 million and the reduced contribution of mobile advertising. For the Dada.net division, the positive impact from the change in consolidation scope on 2008 only in part offset the reduction in margin caused principally by the wind-down of the traditional Vas market, in particular in Italy.

In the fourth quarter alone non-recurring charges of Euro 2.2 million were recorded (no non-recurring charges were recorded in the fourth quarter 2008).

Service and other operating costs decreased in absolute terms on the previous year, but increased in percentage terms of consolidated revenues, partly due to the impact of the changes in the consolidation scope already highlighted of Euro 17.7 million and net charges relating to The Music Movement product stated above.

Within the individual accounts, personnel costs increased both in absolute values and in percentage terms - from Euro 28.5 million in 2008 to Euro 29.6 million in 2009, while on a quarterly basis this amount remains substantially stable increasing from Euro 7.1 million in the fourth quarter of 2008 to Euro 7.5 million in the fourth quarter of 2009, rising slightly as a percentage on revenues (from 16% in 2008 to 19% in 2009). The increase in absolute terms in this amount is mainly related to the changes in consolidation scope following the acquisitions in the year. The number of employees increased from 563 at December 31, 2008 to 593 at December 31, 2009.

General overhead and rental expenses trend was in line with revenues one.

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. In relation to this, we report the expenses incurred in the development of some new products, including the Music Movement and Play.me products in the Dada.net division, as well as Simply – the digital advertising platform – developed in the Dada.pro division.

The total effect on the EBITDA of the change in the consolidation scope previously described was positive in the twelve months for Euro 4.9 million, of which Euro 0.3 million relating to the fourth quarter of 2009.

The consolidated EBIT of the Dada Group in 2009 was **Euro 4.6 million** (margin on consolidated revenues of 3%), a decrease compared to Euro 14.6 million in the previous year (a margin of 9%).

The depreciation on tangible assets amounted to Euro 4.2 million and amortisation on intangible assets amounted to Euro 7.2 million, while in 2008 the respective amounts were Euro 3.3 million and Euro 5 million, an increase of 37%. Amortisation and depreciation increased on the previous year due to both the investments made in the development of products and capital expenditure and to the change in the consolidation scope previously described. The amount of write downs and non-recurring charges increased to Euro 4.5 million compared to Euro 1.8 million in 2008. The non-recurring provisions and charges principally related to legal disputes as well as restructuring charges relating in particular to personnel costs.

In the fourth quarter of 2009, the consolidated Ebit was a loss of Euro 1.4 million, compared to a loss of Euro 0.7 million in the fourth quarter of 2008. The Ebit for the quarter includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 3.1 million compared to Euro 2.7 million in the previous year (+12%), while write-downs and non-recurring charges amounted to Euro 2.3 million compared to Euro 0.7 million in 2008.
In addition, this amount in 2008 was also impacted by write-downs of intangible fixed assets, related to the effect of an impairment test on goodwill at the balance sheet date and amounting to Euro 4.1 million. In the present year no impairment test was required on the goodwill recorded in the financial statements.

The change in the consolidation scope, as previously described, had a positive effect on the Ebit of Euro 3.1 million in 2009 compared to 2008. In the fourth quarter, this effect was Euro 1.8 million.

The Parent Company Dada S.p.A. recorded an Ebit loss of Euro 4.8 million in 2009 compared to a loss of Euro 1 million in 2008. In the previous year Dada S.p.A. for the first six months directly managed the two advertising businesses and the Vas business, subsequently conferring them respectively to Register.it S.p.A. and Dada.net S.p.A., while in 2009 the Parent Company progressively focused on the provision of corporate services to its subsidiaries.

The consolidated pre-tax profit for the year was **Euro 8.6 million**, 6% of consolidated revenues compared to Euro 12.6 million (7% of sales) in 2008. This amount was negatively impacted by that previously stated regarding the write-down and non-recurring charges recorded in 2009.

The result also includes the negative contribution of the net equity share of the associated companies of Euro 0.5 million, compared to a positive contribution of Euro 0.6 million in the previous year. This account exclusively relates to the shareholding of the Dada Group (50%) in the net results reported of the Joint Venture Dada Ent. LLC until May 31, 2009 (valued at equity), while subsequently the company was fully consolidated.

Income from investment activities also had a positive impact on this account in the year for Euro 2.1 million.

Overall however financial activities recorded a net charge, principally as a consequence of interest charges on the residual part of Group loans undertaken to finance the acquisitions of 2007 and 2008.

The financial charges of the Dada Group in 2009 increased by 26% on 2008, but as a percentage of consolidated revenues were largely unchanged (2% in both 2009 and 2008).

The capital increase of Dada.net impacted significantly on this amount following the conferment by Sony Music of 50% of Dada Entertainment LLC with a revaluation gain recorded of Euro 6.7 million related to the advance application of IFRS 3 Revised and IAS 27 Revised which provides for, among other aspects, the revaluation of the amount acquired prior to gaining control of a company: a gain of Euro 6.7 million was recorded from the measurement of the previously held equity interest in Dada Entertainment to the fair value emerging from the valuation due to the contribution of the 50% held by Sony in September 2009. This concerns non-recurring income.

In the fourth quarter of 2009, the pre-tax profit was Euro 4.5 million, after net financial charges of Euro 0.8 million, compared to a loss of Euro 2.1 million in the previous year,. The last quarter clearly benefitted from the above stated revaluation gain.

The Dada Group **Net profit in 2009** was **Euro 6.9 million**, 4% of consolidated sales, compared to Euro 7.6 million in the previous year (5% of consolidated sales).

In the fourth quarter of 2009, the Group net profit was Euro 5.6 million, compared to a loss of Euro 3.8 million in the same period of the previous year (-9% of consolidated revenues). The last period of the year was strongly affected by the recording of revaluation gain in the consolidated financial statements in 2009 while the previous year was affected by write-downs of some intangible assets for a total of Euro 4.2 million.

Total income taxes in 2009 were Euro 1.2 million, compared to Euro 4.2 million in 2008. In the fourth quarter of 2009 income taxes amounted to Euro 0.3 million, compared to Euro 1.1 million in the fourth quarter of 2008. The tax rate reduced significantly in 2009 prevalently due to some non-assessable items and in particular the investment revaluation gain. In greater detail, current income taxes amounted to Euro 2.7 million and comprised of IRAP regional taxes on the Italian companies of Euro 0.8 million (Euro 1.2 million in 2008) and income taxes relating to the Italian and foreign companies for Euro 1.9 million (Euro 2.9 million in 2008). Deferred tax income amounted to Euro 1.5 million and was calculated both on the temporary differences on provisions, write-downs and other fiscal deductions which will be absorbed in future years and on the expectations of recovery of part of the fiscal losses matured in previous years. This latter amount was made taking into account the real potential of future positive assessable income, as extrapolated from the budgeted financial data available. In the previous year, deferred tax income amounted to Euro 0.2 million, while deferred tax charges (not present in the 2009 consolidated financial statements) amounted to Euro 0.4 million.

In relation to this, the Dada Group has matured fiscal losses carried forward of Euro 47 million, of which Euro 37 million are for an unlimited period. This is substantially in line with the previous year.

The minority interest result reduced both in absolute terms and in percentage terms from Euro 0.9 million in 2008 to Euro 0.4 million in 2009. This amount refers to the two Group companies which still have minority shareholders, respectively E-Box S.r.l. (held 70%) and principally Giglio S.p.A. (held 10%). This latter 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". In the period immediately after the year-end the holding in this company increased to 25%; reference should be made to the section regarding subsequent events to the year-end.

The change in the consolidation scope, as previously described, had a positive effect on the net result of Euro 2.7 million in 2009 compared to 2008. In the fourth quarter this difference was Euro 0.8 million.

The Parent Company Dada S.p.A. net loss was Euro 4.1 million compared to a net loss of Euro 1.7 million in 2008.

Financial position and balance sheet

The composition of the net financial position at December 31, 2009 compared to that at December 31, 2008 is shown below:

FINANCIAL POSITION	Dec.31, 09	Dec.31, 08	DIFFERENCE	
			Absolute	Percent.
Cash	429	174	255	147%
Bank and postal deposits	7,732	13,529	-5797	-43%
Liquidity (A+B)	8,161	13,703	-5,542	-40%
Current financial receivables		2,156	-2,156	-100%
Total financial assets (C+D)	**8,161**	**15,859**	**-7,698**	**-49%**
Current bank payables	-4,923	-1,315	-3608	274%
Current portion of non-current debt	-8,072	-17,433	9361	-54%
Current debt (F+G)	-12,995	-18,748	5,753	-31%
Non-current bank payables	-30,862	-28,494	-2368	8%
Derivatives	-970	-	-970	100%
Non-current debt (I+J)	-31,832	-28,494	-3,338	12%
Total financial liabilities (H+K)	**-44,827**	**-47,242**	**2,415**	**-5%**
Total net financial position (E+L)	**-36,666**	**-31,383**	**-5,283**	**17%**

<u>The Total Net Consolidated Financial Position</u> of the Dada Group, which also includes medium/long term sources and uses, at December 31, 2009 was a net debt of Euro 36.7 million, (net of payables to banks and other lenders repayable beyond one year of Euro 30.9 million), compared to net debt of Euro 31.4 million at December 31, 2008.

<u>The Consolidated Short-Term Net Financial Position at December 31, 2009</u> was Euro 4.8 million, compared to Euro 2.9 million at December 31, 2008.

In 2009, the total cash absorption amounted to Euro 5.3 million while for the current financial position the absorption was Euro 1.8 million.

The change in the consolidation scope, due to the acquisitions of Dada Ent and Fueps had a negative impact of approx. Euro 1 million.

A summary of the cash flows in the year referring to the cash and banks accounts in the financial statements are reported below. For a more detailed analysis of these cash flows, reference is made to the Cash Flow Statement in the Consolidated Financial Statements:

Amounts in Euro/thousand	31/12/09 (12 months)	31/12/08 (12 months)
Cash flow from operating activity	12,748	18,667
Cash flow from investing activity	-8,997	-34,675
Cash flow from financing activity	-3,541	2,651
Net cash flow for the period cash and cash equivalent	**210**	**-13,357**

In relation to operating activities reference is made to the section relating to net working capital.

Operating investments in 2009 related to:

- investments in controlling shareholdings: in October the acquisition of Fueps was completed, in relation to which reference should be made to the paragraph concerning principal operations concluded by the Group in 2009. The operation relating to the acquisition of the residual 50% of Dada Entertainment LLC did not result in cash payments and impacted on the consolidated net financial position only for the effect of the change in the consolidation area;
- investments in intangible assets: these principally relate to costs of Euro 5.2 million for the development of proprietary platform and processes necessary for the provision of the services of the Dada.net (The Music Movement project) and Dada.pro (The Simply project) divisions and Euro 0.7 million for the acquisition of trademarks, licenses and software.
- investments in tangible assets: in 2009 these amounted to Euro 4.3 million and principally comprised the purchases of servers and other EDP equipment. For greater details, reference should be made to the paragraph on investments.

The cash flow absorbed from financing activities was Euro 4.9 million and attributable to the combined effect of loan repayments in 2009 of Euro 9.7 million and new loans of Euro 4.8 million. For further details relating to Group loans at December 31, 2009, as well as their movements in the year, reference is made to the notes of the present consolidated financial statements.

The composition of the consolidated net working capital and the consolidated net capital employed at December 31, 2009 compared to December 31, 2008 is shown below:

Amounts in Euro/thousand	Dec.31, 09	Dec.31, 08	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	129,733	108,161	21,572	20%
Current assets (B)	56,350	73,832	-17,482	-24%
Current liabilities (C)	-65,013	-85,316	20,303	-24%
Net working capital (D) = (B)-(C)	-8,663	-11,484	2,821	-25%
Employee leaving indemnity provision (E)	-1,210	-1,368	158	-12%
Provision for risks and charges (F)	-2,350	-1,907	-443	23%
Other payables beyond one year	-8,000	-539		
Net capital employed (A+D+E+F)	109,510	92,863	16,647	18%

The composition of the net working capital and the net capital employed of Dada S.p.A. at December 31, 2009 compared to December 31, 2008 is shown below:

Amounts in Euro/thousand	Dec. 31, 09	Dec. 31, 08	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	61,584	58,751	2,833	5%
Current assets (B)	12,658	26,506	-13,848	-52%
Current liabilities (C)	-5,584	-30,282	24,698	-82%
Net working capital (D) = (B)-(C)	7,074	-3,776	10,850	-287%
Employee leaving indemnity provision (E)	-219	-266	47	-18%
Provision for risks and charges (F)	-186	-467	281	-60%
Net capital employed (A+D+E+F)	68,253	54,242	14,011	26%

<u>Consolidated net working capital</u> of the Dada Group at December 31, 2009 was a negative amount of Euro 8.7 million, while at December 31, 2008 it was a negative amount of Euro 11.5 million, a decrease of approx. Euro 2.8 million. The decrease in absolute terms of the principal aggregates which make up working capital (mainly trade receivables and payables which decreased on average by 25%) is principally due to the first full consolidation from June 2009 of the US company Dada Ent. LLC (until December 31, 2008 the company was consolidated under the equity method). The first consolidation led to the elimination of receivables/payables between this company and the rest of the Group. The effect on net working capital of the change in the consolidation scope with the acquisition of Fueps S.p.A. was approx. Euro 1 million.

In relation to trade receivables, it is recalled that over 80% of the total value is due from telephone carriers, directly or through affiliates, through which a large part of the sales are generated for fee-based services of the Dada.net division. The performance of this division in 2009 is reflected in the net working capital evolution.

The short-term liabilities in the year include the deferred income related to the domain & hosting activities of the Dada.pro division for a total of Euro 11.8 million, a decrease on the previous year (Euro 14 million). This account will not generate future cash outflows.

In general the value-added services activities undergo temporary differences between the charges incurred for the creation of these investments and the benefit received. In addition, this business is also characterised by significant temporary differences between the average period between payment and receipt.

Other payables include the payable for the Put option in favour of Sony relating to 13% of Dada.net S.p.A. This option was valued at Euro 8 million, equalling the floor amount of the agreement. The amount constitutes the fair value at December 31, 2009.

Reference should be made to that reported previously in relation to the description of the net financial position and that detailed further in the following paragraph.

The net working capital of Dada S.p.A. at December 31, 2009 was Euro 7.7 million compared to a negative amount of Euro 3.8 million at the end of 2008.

Investments

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

Description	Increase 31/12/2009	Increase 31/12/2008	Changes	Change %
Technology investments	3,658	2,987	671	22%
Purchase of furniture and fittings	144	588	-444	-76%
Development new products and processes	5,229	4,879	350	7%
Licences and Trademarks	64	223	-159	-71%
Patent & trademarks	1,263		1,263	
Software	880	565	315	56%
Others	45	3,585	-3,513	-99%
Assets under development and payments on account	397		397	
TOTAL	11,680	12,827	-1,120	-9%

2009 investment activities amounted to Euro 11.7 million compared to Euro 12.8 million in the previous year, a decrease of Euro 1.2 million.

The acquisition of a user portfolio of the Dada.pro division was included among investments in 2008, acquired on the Irish market by the subsidiary Namesco Ltd, for Euro 3.2 million. Therefore net of this acquisition, investments in the previous year would have amounted to approx. Euro 9.6 million, lower than the present year. The significant investment activity begun in recent years driving growth in Group bussinesses and the launch of new services.

The total capital expenditure of the Dada Group in 2009 amounted to Euro 3.8 million, an increase of 9% on Euro 3.5 million in the previous year.

This account principally includes technology investments, relating to the acquisition of EDP equipment such as servers and other equipment necessary for the provision of Dada.net and Dada.pro division services. Furniture and fittings comprise a residual amount in 2009 and decreased on the previous year, where expenses for the restructuring of the Italian offices and some of the foreign Dada Group offices were incurred.

The expenses for the development of new products and processes relate to the in-house proprietary platform necessary for the provision of Dada.net and Dada.pro division services. The increase is related, for the Dada.net Division, to the launch and development of new products including The Music Movement in Italy and Play.me in the United States. For the Dada.pro Division, investments relate principally to the creation and strengthening of the platform for the development of the Simply project, which progressed during the year.

Investments in trademarks and patents of Euro 1.3 million, not present in the previous year, related to the purchase of television rights in the year by the Group company Dada Giglio S.p.A.

The purchase of Software increased by 56% in 2009 on the previous year. These investments include both the charges sustained for the expansion and updating of the SAP management system, which was further extended in some foreign subsidiary companies (for all of the companies in Spain and some of the companies in the United States), as well as the software necessary for the provision of the Dada.net and Dada.pro product services acquired from third party suppliers.

The account "others" is entirely residual in 2009 compared to the previous year when it included the acquisition of the previously mentioned user portfolio.

Investments in assets under development and payments on account amounted to Euro 0.4 million and refer to further investments which had not yet entered into production at the end of the year. In particular reference is made to the SAP system module for the management of the liability cycle, which entered into use at the beginning of 2010, as well as the acquisition of patents, whose utilisation will, in some foreign markets, begin from the second half of 2010.

Group employees

Employees at December 31, 2009 of the Dada Group numbered 593. This amount includes employees joining from companies acquired in 2009 (Dada Entertainment in June 2009, Fueps in October 2009).

The details of the employees by Business Unit is reported below:

BU	Al 31-12-2008	Al 31-12-2009	Differenza
Dada.net	174	182	8
Dada.pro	320	336	16
Corporate	69	70	1
FUEPS		5	5
Totale	**563**	**593**	**30**

The Dada.net BU also includes the employees of the companies Dada.Ent., E-Box and the Giglio Group.
Employees by Geographic Area are broken down as follows:

BU	Italia		Spagna		Francia		UK		US		Brasile		Altri Paesi (NL, PT, Cina, Argentina)		TOTALE	
	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009	Al 31-12-2008	Al 31-12-2009
Dada.net	135	133	11	8					13	32	11	8	4	1	174	182
Dada.pro	151	176	42	33	34	32	83	82		1	1	2	9	10	320	336
Corporate	66	54	1	4		1		3	2	7		1			69	70
FUEPS		5														5
Totale	**352**	**368**	**54**	**45**	**34**	**33**	**83**	**85**	**15**	**40**	**12**	**11**	**13**	**11**	**563**	**593**

Changes in the organisational structure

Main events in 2009:
- The acquisition of the company Dada Entertainment in June 2009 which led to a review of the organisational model of the **Dada.net Business Unit** and a consequent rationalisation.
- The new organisational structure of the **Dada.pro Business Unit** in March 2009 featuring a new **international** configuration by product line, compared to the previous structure by country and by brand.
- The implementation of the **Simply** organisational unit supporting the Advertising Online platform also occurred within the Dada.pro business unit.
- The acquisition of **Fueps** in October 2009, focused on Poker and digital online Games.

Human resources activities

Main events in 2009:
- The continuation of courses begun in 2008 for **managerial training** for middle management.
- The introduction of a new **employee IT system** in Italy, whose development will continue in 2010.
- A strong focus on the **selection** process for the management of turnover, in Italy and abroad.
- The extension of the **Incentivisation system.**
- The introduction of **procedures** focused on guaranteeing a series of management processes: work hours, equipment, travel and transfers.
- A policy focused on **work place security and health,** fully in line with regulations in force.

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

SECURITY

The policy of the 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 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.

PRINCIPAL RISKS AND UNCERTAINTIES

Market risk

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 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 value added services, and in general norms governing the telecommunication sector. It is expected that the above-mentioned regulations (for example purposes only, the new national numbering plan regarding decade 4 services) following some recent measures, already have and increasingly will have a 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 have, or may have, disputes in relation to the provision of their services, although recently some cases have been resolved in the United States in 2009, that could have led to a collective action.

Financial risk management

The financial performance of the Dada Group is based on a multitude of factors, first and foremost however is the achievement of targeted financial objectives. The loans presently in place have a medium/long term duration (from 5 to 7 years) and were obtained to finance acquisitions, carried out particularly from 2007.

The structure of these loans, in particular in relation to interest rates, is in line with the current financial market situation. Cash flows generated from operating activities in the current scenario allow for the achievement and maintenance of financial equilibrium for the Dada Group.

Other risks

The Group undertakes its activity largely utilising connectivity providers and telephone carriers, and provides content to its clients which in some cases are supplied by outside content suppliers or of rights to the same; an interruption of services from these suppliers, with the occurrence of one of the risks relating to the market performance described above, 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 or be sources of possible disputes, impacting upon the financial results.

Risks relating to the Parent Company Dada S.p.A.

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

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.

PERFORMANCE OF THE BUSINESS UNITS

From the present year, the Group organisational structure has changed and therefore the Business Units are comprised of the **Dada.net Division**, the **Dada.pro Division** and the **Fueps Division.**

It is also noted that in application of IFRS 8, which provides that the segment information is structured according to the same criteria utilised for management reporting purposes, a further segment was identified - the **Corporate Division**. This segment is comprised prevalently of services provided by the Parent Company Dada S.p.A. in favour of subsidiary companies belonging to the operating divisions.

According to this new structure, the comparative data of the previous period was reclassified.

Financial highlights by segment

The key financial results in the individual segments for the full year 2009 and Q4 2009, compared with the same periods in the previous year, are shown below:

	2009					2008				
	Revenues	Ebitda	Ebitda %	Ebit	Ebit %	Revenues	Ebitda	Ebitda %	Ebit	Ebit %
Dada.net	85.107	16.682	20%	9.129	11%	93.369	18.192	19%	9.760	10%
Dada.pro	82.581	10.003	12%	2.922	4%	81.004	12.388	15%	8.013	10%
Fueps	178	-2.326		- 2.609	-1466%	0	0		-	n,a,
Corporate	11.123	-2.107	-19%	- 4.852	-44%	8.696	-1.706	-20%	- 3.182	-37%
Intersector	-23.889	-1.778	n,a,	-	n,a,	-12.849	0	n,a,	-	n,a,
Total	155.100	20.474	13%	4.589	3%	170.220	28.873	17%	14.591	9%

	Q4 2009					Q4 2008				
	Revenues	Ebitda	Ebitda %	Ebit	Ebit %	Revenues	Ebitda	Ebitda %	Ebit	Ebit %
Dada.net	24.445	5.696	23%	2.948	12%	21.984	3.370	15%	-2.192	-10%
Dada.pro	20.546	1.813	9%	-277	-1%	23.135	3.914	17%	2.364	10%
Fueps	178	-2.326	-1308%	-2.609	-1466%	0	0		0	
Corporate	3.142	-776	-25%	-1.504	-48%	1.800	-388	-22%	-857	-48%
Intersector	-8.186	-445	n.a.	0	n.a.	-2.754	0	n.a.	0	n.a.
Total	40.125	3.962	10%	- 1.441	-4%	44.165	6.895	16%	- 685	-2%

Breakdown of consolidated sales by geographic area

The breakdown of consolidated revenues between Italian and overseas is reported in the following tables, for the full year 2009 and Q4 2009, compared with the same periods in the previous year:

Description	2009 (12 months)		2008 (12 months)	
	Amount	% of total	Amount	% of total
Revenues Italy	64,128	41%	88,534	52%
Revenues Overseas	90,972	59%	81,686	48%
Consolidated Revenues	155,100		170,220	

Description	Q4 2009		Q4 2008	
	Amount	% of total	Amount	% of total
Revenues Italy	16,396	41%	21,394	48%
Revenues Overseas	23,728	59%	22,770	52%
Consolidated Revenues	40,125		44,164	

Dada.net Services

Dada's offer to the final user - in 15 countries – is currently centred on services for the personalisation of content for mobile phones and on Dada – The Music Movement, a community in which users can form relationships, share their musical tastes, listen and purchase tracks in MP3 DRM-free format from a large catalogue of the major and independent record labels.

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.net division 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.

The Giglio Group also forms part of the Dada.net division, a company operating in the satellite television market broadcasting two music channels Live! and Music Box in the Sky network.

Operational performance of Dada.net services

With the signing of the agreements with the principal major and independent record labels and a catalogue of over 2.6 million licensed tracks, Dada – The Music Movement (www.dada.it) has established itself as one of the most innovative products in the digital music scene. The competitive offer is unique in presenting exclusive community content (exclusive meet & greets with artists, live chat, video-interviews, interaction with the fan clubs) and boasts unlimited and free streaming of the full-track version of the entire catalogue with subscription through credit card or PayPal.

In October, Play.me was released in the US, a new international online music project focussed on the listening to, discovery and sharing of music, not only via computer but also via mobile phones, thanks to partnerships with the principal social networks.

During the year, in the value added services sector, Dada began a rebranding process of all VAS services at a global level under the "Motime" brand and also extended its offer of community and entertainment products and services via web and mobile to the Argentinean, Canadian and Mexican markets.

The Group is currently operating in over 15 countries: Italy, the USA, Canada, Germany, Portugal, Australia, Spain, Belgium, Austria, Brazil, Argentina, Mexico, Hungary, India, Indonesia and South Africa.

In the community related content sector, Blogo continued its international expansion begun at the end of 2008 and is today present, in addition to Italy, in Brazil, the UK, France and Spain.

In April 2008, the Giglio Group expanded its offer launching on the SKY satellite the Live! Channel whose programming throughout the day features live events and music concerts, already achieving great success in terms of audience.

Financial Highlights – Dada.net

Dada.Net (12 months)						
In Euro thousands	2009		2008		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues – Italy	30,168	35%	48,031	51%	-17,863	-37%
Revenues – Overseas	53,119	62%	44,085	47%	9,034	20%
Revenues- inter-sector	1,820	2%	1,253	1%	567	45%
Net revenues	85,107	100%	93,369	100%	-8,262	-9%
Increases in internal work	1,808	2%	2,909	3%	-1,101	-38%
Services	-59,542	-70.0%	-66,253	-71.0%	6,710	-10.1%
Personnel costs	-10,691	-12.6%	-11,834	-12.7%	1,143	-9.7%
Segment Ebitda	16,682	20%	18,192	19%	-1,510	-8%
Amortisation & depreciation	-4,906	-6%	-7,602	-8%	2,696	-35%
Write downs, provisions and non-recurring charges	-2,647	-3%	-830	-1%	-1,817	219%
EBIT	9,129	11%	9,760	10%	-631	-6%

Dada.net Division revenues in 2009 amounted to **Euro 85.1 million** compared to Euro 93.4 million in 2008, a contraction of 9%, largely owing to that outlined above. The change in the consolidation scope of the division, with the entry of the Giglio Group and E-Box S.r.l. in July 2008 and following the strategic agreement with Sony which led to the full consolidation of Dada Entertainment (previously consolidated at equity) from June of this year led to an increase of Euro 16.8 million.

Due to the previously stated gradual wind-down of the Vas product in Italy, as well as the increase in the percentage of revenues of the Dada.pro division following the entry of the Amen Group into the consolidation scope, from the second half of 2008, the contribution to revenues of the Dada.net division decreased from 54.1% to 53.7%.

In 2009, turnover from international operations represented 62% of revenues in the Dada.net Division from 47% in 2008.

This increase is due to – as well as the full consolidation of Dada Entertainment – the expansion of some markets in the Far East and Latin America, in particular Argentina, and also North America as well as the previously mentioned wind-down of the Vas product in Italy, a market which is concentrated on The Music Movement, still in a start-up phase.

The most important overseas countries in terms of revenues are Spain, USA, Brazil and Germany.

The Consolidated Ebitda of the Dada.net Division in 2009 amounted to Euro 16.7 million (margin of 20%), a decrease on the previous year (Euro 18.2 million – margin of 19%). "Service costs" and "personnel costs" decreased in absolute terms, respectively by 10.1% and 9.7% with personnel costs remaining substantially in line on revenues at 12.6% from 12.7%, principally following the consolidation of Dada Ent, while service costs decreased from 71% to 70%.

The change in the consolidation scope of the division resulted in a higher Ebitda in 2009 of approx. Euro 5.4 million compared to 2008.

The **segment Ebit** in 2009 was Euro 9.1 million (11% of division sales) after amortisation and depreciation of Euro 4.9 million and write-downs and extraordinary items of Euro 2.6 million, while in 2008 the Ebit was Euro 9.8 million (10% of division sales), after amortisation and depreciation of Euro 7.6 million and write-downs and extraordinary items of Euro 0.8 million.

The increase in amortisation and depreciation is entirely related to the investments as previously described.

Dada.pro Services

Dada.pro is the division of Dada dedicated to:

- *domain registration*, fee-based e-mail and hosting services - or to be more precise, services with automatic supply and provision methods directed mainly at SME's.
- *advertising,* which is based on: revenues from advertising on the mobile and web channels.

Operational performance of Dada.pro services

With over 465 thousand business clients and more than 1.5 million domains under management in 7 European countries, Dada.pro is one of the leading European operators in the registration of internet domains and the management of online presence for 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 brands Dada Ad, Dada.pro also offers advertising solutions on the internet and portals of UMTS mobile carriers.

In the first quarter of 2009, the international reorganisation of the Dada.pro division was completed: the objective of this process is to equip the sector with a structure capable of better tackling the increasingly internationalised Business market; in this regard, the integration of the Amen Group, purchased in July 2008, was completed successfully, which has further consolidated the European leadership in the sector for the registration of domains and the management of online presence.

In April 2009, Dada.pro launched Simply (www.simply.com), the online advertising platform of the Group developed entirely in-house. Simply allows small and medium-sized businesses to efficiently plan their advertising campaigns and for owners of websites to expand their opportunities for advertising revenues.

The platform, available on networks throughout the world, thanks to the new optimisation of technology output assures the maximum possible value for:

- the advertiser: Simply is a promotion instrument aimed particularly at small and medium-sized businesses who can create a single internet advertising campaign defining their times, targets and objectives and providing analysis of results;

- website owners: Simply allows website owners to count the visits which arrive naturally to their sites with advertising and obtaining therefore the best possible results from clicks generated.

Simply has now recorded over 3 billion page impressions thanks to a network of over 4,000 publishers and 2,000 advertisers registered. In July the strategic agreement with Google was developed further with the addition of AdWords™ to the Simply platform which will expand the client base allowing the planning of advertising campaigns both through the webs leading search engine and the network of Google's partners - the world's leading advertising network.

Financial Highlights - Dada.pro

Dada.pro (12 months)						
in Euro thousands	2009		2008		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues - Italy	33.760	40,9%	40.503	50,0%	-6.742	-17%
Revenues - Overseas	37.853	45,8%	37.601	46,4%	252	1%
Revenues - Intersector	10.968	13,3%	2.900	3,6%	8.068	278%
Net Revenues	82.581	100%	81.004	100%	1.577	2%
Increases in internal work	3.421	4%	1.970	2%	1.451	74%
Services	-61.009	-74%	-57.625	-71%	-3.384	6%
Personnel costs	-14.990	-18%	-12.961	-16%	-2.029	16%
Segment Ebitda	10.003	12%	12.388	15%	-2.385	-19%
Amortisation & depreciation	-5.687	-7%	-3.356	-4%	-2.331	69%
Write downs, provisions and non-recurring charges	-1.395	-2%	-1.019	-1%	-376	37%
EBIT	2.922	4%	8.013	10%	-5.091	-64%

The Dada.pro division in 2009 **recorded revenues of Euro 82.6 million** (Euro 75.8 million net of the contribution of Euro 6.8 million related to the acquisition of the Amen Group in July 2008), growth of 2% on 2008 (Euro 81.0 million, -6% net of the contribution of the Amen Group).

The international contribution to Dada.pro revenues was substantially in line with 2008 both in absolute terms and in percentage of total revenues.

The **segment Ebitda** in 2009 was Euro 10 million (12% of division revenues), compared to Euro 12.4 million in the previous year (15% of revenues). The change in the consolidation scope resulted in a higher Ebitda in the year of approx. Euro 1.8 million.

The "service costs" increased (+6% and substantially in line net of the Amen Group whose impact on the total was Euro 3.7 million), while "personnel costs" remained substantially stable accounting for between 16% and 18% of revenues with an increase in absolute terms of Euro 2.0 million, of which Euro 1.4 million attributable to the change in the consolidation scope.

The segment Ebit in 2009 was Euro 2.9 million (margin of 4%), after amortisation and depreciation of Euro 5.7 million and write-downs and extraordinary items of Euro 1.4 million compared to Euro 8.0 million (margin of 10%) in the previous year, a decrease therefore of 64% substantially due to the increase in amortisation and depreciation on investments in new business projects.

The Fueps Services

Fueps is the division of the Dada Group dedicated to casual and skill games services:

- *www.fueps.com* offers a catalogue of over 100 games and a community of over 520 registered users with a direct on-line presence while also developing white-label sites for third party operators such as Virgilio;
- www.4A.com is the site dedicated to online poker launched in November 2009.

Operational performance of Fueps services

Dada entered the online games sector with the acquisition of Fueps.

On June 26, 2009, Dada signed agreements for the purchase of the 51% held by RCS Digital. On October 12, having established the conditions to acquire the entire share capital of Fueps through one single operation (the 51% held by RCS Digital and the remaining 49% held by the Digital Bros Group) and in light of the future development opportunities in the skill games sector, Dada acquired the entire share capital and therefore full operational control of the company.

The casual & skill games market, which has significant synergies with community and entertainment services, presents significant development opportunities.

In 2009, overall global revenues of skill games for money amounted to Euro 2.4 billion and forecasts for 2010 are for revenues of approx. Euro 3 billion, also in consideration of the cash version of poker, scheduled to launch by the end of the first half of 2010.

The casino games are also scheduled to launch in the first half of 2010 - a market opportunity which Fueps is ready to take advantage of.

Financial Highlights – Fueps

Fueps						
In Euro thousands	2009		2008		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues – Italy	143	80%	0	n.a	143	
Revenues - Overseas	0	0%	0	n.a	0	
Revenues- inter-sector	35	20%	0	n.a	35	
Net revenues	178	100%	0	n.a	178	
Increases in internal work	0	0%	0	n.a	0	
Services	-2,347	-1319%	0	n.a	-2,347	
Personnel costs	-157	-88%	0	n.a	-157	
Segment Ebitda	-2,326	-1308%	0	n.a	-2,326	
Amortisation & depreciation	-93	-53%	0	n.a	-93	
Write downs, provisions and non-recurring charges	-189	-106%	0	n.a	-189	
EBIT	-2,609	-1466%	0	n.a	-2,609	

The Fueps division revenues in the fourth quarter of 2009 amounted to **Euro 178 thousand,** deriving from advertising on the Fueps.com website, B2B activities (white-label transactions) and marginally the launch of online poker.

EBITDA in Q4 was a loss of Euro 2.3 million. This result was almost entirely related to the launch of the online poker business with significant advertising both in order to acquire clients and for branding purposes.

The **segment Ebit** was a loss of Euro 2.6 million, after amortisation and depreciation of Euro 0.1 million and extraordinary items of Euro 0.2 million.

Corporate Services

The Corporate Services Division carries out service activities for the companies of the group and therefore the three Business Units.

The division revenues are comprised of recharges to the companies of the Group for services provided centrally such as administration, finance, tax, planning and control, purchases, legal and corporate, communications, personnel administration, facility management and general services.

Operational performance of Corporate services

The revenues of the corporate division in 2009 amounted to approx. Euro 11.1 million compared to the restated figure of 8.7 million in 2008, while the Ebitda was a loss of Euro 2.1 million, a small decrease compared to 2008.

TRANSACTIONS WITH RELATED PARTIES

For an analysis of the transactions with related parties, reference is made to that described in note 23.

SIGNIFICANT EVENTS IN THE YEAR

The principal events of the Dada Group in 2009 are reported below:

On January 9, 2009, the Shareholders' Meeting 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, 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 ordinary shares of Dada 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 *September 30, 2009*, Dada announced the completion of the operations subject to the strategic agreements signed on June 24 with Sony Music Entertainment. These concerned in particular the conferment by Sony Music of its 50% stake in Dada Entertainment LLC (already consolidated entirely from June 2009 under the governance agreements) to Dada.net Spa, in exchange for a 13% holding in the latter, effective as of October 6.

Under the agreements signed on June 24, together with the signing of reciprocal put and call options based on set conditions, the governance of Dada Ent was modified in order to allow the full consolidation of the company from June 1.

On October 8, 2009, Dada S.p.A., on the proposal of the Remuneration Committee of the Company and as part of the 2009-2011 Top Manager Plan, assigned 50,000 options for the subscription of the same number of ordinary Dada shares to the Top Managers of the Dada Group. The Board also set a unit subscription price for the shares of Euro 6.875 in accordance with the criteria within the Plan Regulation based on those approved by the Shareholders' Meeting of January 9, 2009.
The assignment took place under the Top Manager Plan 2009-2011, previously approved on the

prior assignment of February 24, 2009 and following the Shareholder Meeting resolutions of January 9, 2009.

On October 12, 2009, Dada S.p.A. acquired the entire capital of Fueps S.p.A., under the agreement signed on June 26, 2009 – and announced to the market on the same date – relating to the acquisition of 51% of the share capital held by RCS Digital.

Subsequently, having established the conditions to acquire the entire share capital of Fueps through one single operation (the 51% held by RCS Digital and the remaining 49% held by the Digital Bros Group) and in light of the future development opportunities in the skill games sector, Dada considered it opportune to acquire the entire share capital and therefore full operational control of the company.

The transaction was completed for a cash consideration of Euro 1.70 million, paid on closing to the sellers in proportion to their holdings. A maximum earn-out of Euro 0.9 million comprising 12.5% of the Ebitda recorded in the financial statements for the years 2010 – 2014 of Fueps S.p.A. inclusive will also be paid to each seller.

SUBSEQUENT EVENTS AFTER THE YEAR-END

On January 18, 2010, the acquisition of 100% of the capital of the companies comprising Poundhost was completed, one of the leading UK players in dedicated and virtual hosting services, for a total consideration of GBP 6.5 million (approximately Euro 7.2 million), through the English subsidiary Namesco Ltd. A maximum earn-out of GBP 300 thousand will be paid in April 2010 on the reaching of target financial results relating to the first quarter 2010. The agreement was completed on November 19, 2009 and announced to the market on the same date.

On February 10, 2010, Dada.net acquired a further 15% stake in Giglio Group S.p.A. for a total consideration of Euro 1,125,000, increasing its holding to 25%. The amount is in line with the valuation made on the first acquisition of July 9, 2008. The principal terms of the agreements - concerning governance and call options assigned to Dada to acquire 51% or 100% to be exercised at the exclusive decision of Dada within 3 years of the previous closing - were extended for a further year.

OUTLOOK

The macroeconomic situation in the first months of the year continues to be characterized by strong uncertainty, therefore not enabling a clear visibility for the full year. In this context the Dada Group – in the absence of unforeseen events - confirms for the current year the guidance announced to the market on December 3, 2009 for consolidated revenues of approx. Euro 170 million.

STOCK OPTION PLANS

The main details of the stock option plans existing at December 31, 2009 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 a maximum 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 resolution of the Extraordinary Shareholders' Meeting of April 28, 2005, the Board of Directors in accordance with articles 2443 and 2441, paragraph 8 of the civil code were conferred: 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 provided 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, with the options of the last tranche already having been subscribed.

ASSIGNMENT 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 assignment 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. In 2009 one of the two recipients resigned, losing therefore their rights on the assigned options.

PLAN OF FEBRUARY 24, 2009

With resolution of the Extraordinary Shareholders' Meeting of January 9, 2009, the Board of Directors in accordance with article 2443, paragraph two of the civil code, was conferred the power to increase, within a period of five years, in one or more occasions, with consequent issue of ordinary shares, with normal rights, to be subscribed under the stock option Plan approved by the same shareholders' meeting for directors with specific responsibilities and/or general directors and/or senior managers and/or managers of the Divisions of Dada S.p.A. and/or its subsidiaries, with exclusion of the pre-emptive right in accordance with the provisions of the fifth, sixth and eighth paragraphs of article 2441 of the civil code, for a maximum amount of Euro 85,000 through issue of a maximum number of 500,000 ordinary shares of a nominal value of Euro 0.17 each.

In conformity and partial execution of the Shareholders' Meeting resolution, the Board of Directors on February 24, 2009, on the proposal of the Remuneration Committee of the Company, approved the regulations of the plan and assigned 410,000 options for the subscription of the same number of ordinary Dada shares to 5 Top Managers of the Group, also approving a share capital increase totalling Euro 69,700 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 the cumulative objective Ebitda for the years 2009-2011 as determined by the Board.

In general terms, the exercise of the options may take place from January 15 to January 31, from March 16 to March 31, 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, 2011 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2011.

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 6.05 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 2.3 per option. In 2009 one of the beneficiaries resigned, losing therefore all rights on the options assigned.

ASSIGNMENT OF OCTOBER 8, 2009

Also based on the powers conferred to the Board of Directors by the Extraordinary Shareholders' Meeting resolution of January 9, 2009, the Board, on October 8, 2009 assigned 50,000 options for the subscription of a similar number of Dada ordinary shares to a Top Manager of the Group, approving therefore on November 10, 2009 a share capital increase for a maximum amount of Euro 8,500 to service the above-mentioned assignment.

Such assignment is governed by the Regulation already reviewed and approved by the Board of Directors meeting of Dada S.p.A. on February 24, 2009 called for the approval of the Plan.

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 6.875 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 2.3 per option.

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

	2009 Number of shares	Average exercise price	Market price	2008 Number of shares	Average exercise price	Market price
(1) Existing rights at 1/1	624,544	15.01	-	935,293	14.44	-
(2) New rights assigned	460,000	6.14	-	-	-	-
(3) Rights exercised in the period	-	-	-	(112,990)	10.82	-
(4) Rights expired in the period (relates entirely to the plan of June 20, 2005)	-	-	-	(21,874)	10.82	-
Rights expired in the period (relates entirely to the plan of March 16, 2006)	(8,994)	16.92	-	(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 July 28, 2006)	(5,000)	15.47	-	-	-	-
Rights expired in the period (relates entirely to the plan of February 12, 2007)	-	-	-	(25,000)	16.99	-
Rights expired in the period (relates entirely to the plan of February 24, 2009)	(30,000)	6.05				
(5) Existing rights at 31/12/09	1,040,550	11.08	-	624,544	15.01	-

The average residual contractual life of the options is 2.5 years.

PURCHASE OF TREASURY SHARES

Reference is made to the Dada S.p.A. directors' report.

Investments held directly or indirectly by Directors, Statutory Auditors and General Directors

Name	Company	Number of shares held at 31/12/09	Number of shares held at 31/12/08
Paolo Barberis	Dada S.p.A.	870,000	870,000
Lorenzo Lepri	Dada S.p.A.	7,400	7,400

Options assigned to Directors during the year

S		Options held at beginning of the year		
Name	Office	Number of options	Average exercise price	Year
Paolo Barberis	Chairman	127,400	14,78	From the approval of the consolidated 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 annual accounts relating to the Dada Group for the year ended December 31, 2008.

Name	Office	Options assigned during the year		
		Number of options	Average exercise price	Exercise period
Paolo Barberis	Chairman	170,000	6,05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)
Barbara Poggiali	E.D.	90,000	6,05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)
Lorenzo Lepri	Director	70,000	6,05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)

(*) In general terms, the exercise of the options may take place from January 15 to January 31, from March 16 to March 31, 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 - all dependant on fulfilling the conditions of the plan.

In 2009 no options of the above-mentioned beneficiaries expired or were exercised.

Name	Office held	Options held at the end of the year		
		Number of options	Average exercise price	Exercise period
Paolo Barberis	Chairman	297,400	9.79	From the approval of the 2008 accounts up to 2012 for 127,400 options and from the date of the approval of the consolidated accounts of 2011 until November 11, 2015 for 170,000 options
Barbara Poggiali	E.D.	90,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015
Lorenzo Lepri	Director	70,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015

TRANSACTIONS WITH RELATED PARTIES

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

Florence, March 10, 2010

For the Board of Directors

The Chairman, Paolo Barberis

The Chief Executive Officer Barbara Poggiali

CORPORATE GOVERNANCE REPORT AND SHAREHOLDER STRUCTURE

1. Introduction

In order to provide adequate disclosure, information is provided on the corporate governance system adopted by the Company and the Group and on the shareholder structure, as well as further information required by article 123 bis of Legs. Decree 58/98 (hereafter also the "CFA") 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.

The Self-Governance Code of listed companies prepared by the Committee for the Corporate Governance of listed companies (hereafter the "Code") 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 Regulation of Markets organised and managed by Borsa Italiana S.p.A., 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 the CFA and article 89 bis of CONSOB regulation No. 11971/99 in relation to Issuers (hereafter "Issuers Regulation").

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

2. SHAREHOLDERS

2.1. Shareholder structure; Powers to increase share capital and authorisation to purchase treasury shares

The share capital of Dada S.p.A. amounts to Euro 2,755,711.73 and is composed of 16,210,069 ordinary shares of a par value of Euro 0.17 each. Dada S.p.A. is listed on the MTA market of the Italian Stock Exchange in the STAR segment.

In accordance with the By-laws:

- The shares are indivisible and freely transferable. Every share has the right to one vote. The shares are nominative and, if fully paid, as permitted by law, can be to bearer. The conversion from one type to another is permitted at the expense of the shareholder. The Company can issue shares (of special categories) and financial instruments in favour of employees of the Company and subsidiary companies in accordance with the provisions of article 2349 of the civil code. In the case that, for any reason, a share or the rights to the shares belong to more than one person, the rights of the owners must be exercised by a common representative (Article 7: "Shares");
- In addition to the ordinary shares, that attribute to the shareholders equal rights, categories of shares may be created having different rights including the division of losses (Article 8: "Category of shares");
- The Company can issue bonds to the bearer or nominative, including convertible in accordance with law, determining the conditions relating to the placement. The Company can also issue, in accordance with the provisions of law, financial instruments that both attribute voting rights and those that do not attribute voting rights (Article 10: "Bonds and financial instruments").

At December 31, 2009, 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. The Company did not issue bonds or any financial instruments.

In relation to the powers to increase the share capital in accordance with article 2443 of the civil code reference is made to the description contained in the section dedicated to the Stock Option Plans in the Financial Statements at December 31, 2009 as well as the relative information documents prepared in accordance with article 84bis of the Issuers' Regulations, documentation also available on the internet site of the Company.

The Shareholders' Meeting of April 23, 2009 revoked the authorisation of April 24, 2008 relating to the purchase and sale of treasury shares and renewed the authorisation of the Board of Directors, to acquire, in one or more occasions, in full or in part, 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 however for a total amount not above the reserves available resulting from the latest approved financial statements and within the distributable profits; the Shareholders' Meeting on the same date also authorised the Board of Directors to hold treasury shares already in portfolio or acquired resulting from the present authorisation, in order to undertake sales/purchases, exchanges, conferment etc. as well as the acquisition of investments.

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 October 23, 2010.

At December 31, 2009, the company does not hold treasury shares in portfolio.

2.2. Restrictions on the transfer of securities

Under article 7 of the By-laws, the shares of Dada S.p.A. are freely transferable.

The restriction on the transfer of Dada S.p.A. shares relating to the three shareholder pacts are described below, the content of which were communicated to Consob on the dates indicated below:

- shareholder pact signed on November 11, 2008 between RCS MediaGroup S.p.A. with registered offices in Milan, Via San Marco No. 21 and Paolo Barberis, born in La Spezia on December 8, 1967, relating to, according to that announced by the subscribers, 8,025,101 Dada S.p.A. shares held by RCS MediaGroup S.p.A. and 870,000 Dada S.p.A. shares held by Paolo Barberis and therefore a total of 8,895,101 Dada S.p.A. shares, accounting for 54.87% of the total ordinary shares issued; this agreement was communicated to CONSOB on December 20, 2008 (published in the relevant section of the www.consob.it site, as well as the company website www.dada.dada.net);
- agreement signed on October 10, 2002 between Dada S.p.A. and RCS MediaGroup S.p.A., with registered offices in Milan, Via San Marco 21, regarding 2,417,957 ordinary shares of Dada S.p.A. amounting to 14.9% of the ordinary shares issued; this agreement was communicated to CONSOB and published on the relevant section of the website www.consob.it, as well as on the internet site of the Company www.dada.dada.net;
- agreement signed between Dada S.p.A. and Messrs. 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 and Luca Wilson Lizzeri born in Milan on August 1, 1970 concerning 9,192 shares owned by this latter. This agreement was communicated to CONSOB on July 8, 2008 and based on which Messrs. Marco Magnocavallo, Francesco Magnocavallo, Filippo Bassoli and Luca Wilson Lizzeri undertook to maintain the above indicated securities until the approval of the financial statements for 2009.

2.3. Significant shareholdings

Based on the communications received in accordance with article 120 of Legislative Decree No. 58/1998 and as shown in the shareholders' register of Dada S.p.A. at December 31, 2009, the shareholdings above 2% of the share capital were as follows:

Party	Shares held	Percentage of Share Capital
RCS MediaGroup S.p.A.	8,025,101	49.5069%
Paolo Barberis	870,000	5.3670%
Alessandro Sordi	380,000	2.3442%
Simona Cima	360,277	2.2226%
Angelo Falchetti	350,341	2.1613%
Jacopo Marello	341,487	2.1066%

On January 18, 2010, RCS Mediagroup S.p.A. announced it had increased on January 15, 2010 its holding in Dada S.p.A. to 8,225,101 shares, equal to 50.741% of the share capital.

At the date of the approval of the present report there were no further changes in relation to that stated above.

2.4. Securities which confer special rights; Employee holdings: method of exercise of voting rights; Voting restrictions

No shares were issued which confer special rights of control or share participation to employees which provide specific mechanisms in relation to the exercise of the voting right. The By-laws of the Company do not contain any restrictions on voting rights.

2.5. Shareholder Agreements pursuant to article 122 of Legislative Decree No. 58/1998

The company is aware of the following significant shareholder pacts as per article 122 of Legislative Decree No. 98/1998:

- shareholder pact signed on November 11, 2008 between RCS MediaGroup S.p.A. with registered offices in Milan, Via San Marco No. 21 and Paolo Barberis, born in La Spezia on December 8, 1967, relating to, according to that announced by the subscribers, 8,025,101 Dada S.p.A. shares held by RCS MediaGroup S.p.A. and 870,000 Dada S.p.A. shares held by Paolo Barberis and therefore overall a total of 8,895,101 Dada S.p.A. shares, accounting for 54.87% of the total ordinary shares issued.
- shareholder pact signed on October 10, 2002 between Dada S.p.A. and RCS MediaGroup S.p.A., with registered office at Milan, Via San Marco 21, concerning 2,417,957 ordinary shares of Dada S.p.A. amounting to 14.9% of ordinary shares issued.

The complete extract of the stated agreements is available in the relevant section of the Consob website (www.consob.it) as well as the Company website (www.dada.dada.net).

2.6 Change of control clauses

No significant agreements are in place in which Dada or its subsidiaries pursuant to article 93 of Legs. Decree 58/1998 are part of, or which could take efficacy, be modified or extinguished through change of control of Dada S.p.A..

The American operating companies of the Group, in carrying out their normal activities, have undertaken contracts of a commercial nature which, as is normal for such types of contracts, include clauses that require in the case of "assignment" of the contract by one of the parties (including also changes in direct/indirect control of one of the parties) consent of the other party.

2.7 Management and direction activity

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 influence 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, management 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.

2.8. Modification of the following articles of the Company Statutes:

The By-laws may be amended:

- with resolution of the Extraordinary Shareholders' Meetings, which in accordance with article 18 of the same By-Law, are correctly constituted, in first and in second convocation, with the participation of shareholders that represent the percentage of share capital indicated respectively in articles 2368, second paragraph and 2369 third paragraph of the civil code and in third convocation with the participation of shareholders representing at least one-fifth of the share capital. The Extraordinary Shareholders´ Meeting pass resolutions, both in first, second and third convocation, with the favourable vote of at least two thirds of the share capital represented in the Shareholders' Meeting;
- with resolution of The Board of Directors, as permitted by article 2365 of the civil code, in accordance with article 22 of the same By-Law on the following matters:
  - i. mergers, in the cases specified in Articles 2505 and 2505 bis of the civil code. spin-offs in accordance with article 2506-ter c.c.;
  - ii. the reduction of the share capital in the case of return of shares by shareholders;
  - iii. modify the company By-laws in compliance with law;
  - iv. re-locating the registered office within the national territory.

*

No agreements have been signed between the Company and the Directors which provide indemnity in the case of resignation or dismissal or revocation of office without just cause or termination of employment following a public purchase offer.

3. Board of Directors

3.1. Role and functions of the Board of Directors

Article 1 of the Self Governance Code:

Principles

1. The Issuer 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, the Directors of the Company, in the undertaking of their duties, must also take into account the directives and policies established for the group to which the Company belongs as well as taking advantage of the benefits deriving from belonging to the group.

General criteria

1.The Board of Directors:

a) examines and approve the strategic, industrial and financial plans of the Issuer and of the Group which the Company heads, the corporate governance of the Issuer and the structure of the group;
b) evaluates the adequacy of the organisational, administration and general accounting system of the Issuer and of its subsidiaries having strategic importance, which has been implemented by the executive directors 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 executive directors and the executive committee, establishing the limits and manner of exercising such power and the frequency of reporting, normally not above 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 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 Issuer 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.

2. The directors accept the office only when they believe they can diligently carry out the tasks in the necessary time period, also taking into account the number of other directorships or statutory auditor offices they hold in other listed companies in regulated markets, including abroad, in financial companies, banks, insurance companies and unlisted large companies. The Board, on the basis of the information received from the directors, annually reports in the Corporate Governance report the offices held by directors or statutory auditors in these companies.

3. The Board expresses its opinion on the maximum number of offices of director or statutory auditor as per the previous paragraph, which can be considered compatible with a current undertaking of the office of director of the issuer. General criteria are set out based on the commitment related to each role (executive director, non executive or independent), also in relation to the nature and to the size of the companies in which the roles are held as well as whether belonging to the group of the issuer. Account may also be taken of the participation of the directors in internal committees of the board.

4. Where the Shareholders' Meeting, in order to meet requirements of an organisational nature, authorises a general and prior exception to the prohibition of competition as per article 2390 of the Civil Code, the Board of Directors evaluates each situation and reports at the next Shareholders' Meeting. For this purpose, each director informs the board, on the acceptance of the appointment, of any activities exercised in competition with the issuer and, subsequently, of any significant changes.

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 22, first paragraph of the By-laws of Dada S.p.A. establishes that "The Board of Directors is invested with the complete powers of ordinary and extraordinary administration of the Company and can therefore carry out all actions considered necessary for achieving the corporate objectives, excluding only those reserved to the shareholders' meeting, while article 20, letter E of the By-laws in line with the internal Corporate Governance code 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 administrative body can, in addition, nominate general directors 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 December 3, 2008 and subsequently confirmed in the meeting of May 8, 2009, following the appointment of the new Board of Directors by the Shareholders' Meeting of April 23, 2009, 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 2009 specifically relating to some significant operations.

Finally, article 22, second paragraph, of the Company By-laws attributes powers to the board, in accordance with article 2365 of the civil code, except where otherwise provided for by articles 2420 ter and 2443 of the civil code, for resolutions concerning:

a) mergers, in the cases specified in Articles 2505 and 2505 bis of the civil code, including spin-offs in accordance with article 2506-ter c.c.;
b) the opening and closing of secondary offices;
c) the reduction of the share capital in the case of return of shares by shareholders;
d) modify the company By-laws in compliance with law;
e) the transfer of the registered office in the national territory.

In accordance with article 24 of the By-laws, the Board of Directors appoints, upon obligatory approval of the Board of Statutory Auditors, the executive responsible for the preparation of the corporate accounting documents in accordance with article 154 bis of Legislative Decree 58/98.

The appointed person must hold 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. The Board of Directors establishes the duration of the appointment which may also, with prior obligatory approval, but not binding on the Board of Statutory Auditors, revoke the office of the executive responsible for the preparation of the corporate accounting documents, providing furthermore a new conferment of the office.

The Board of Directors appointed Mr. Federico Bronzi, executive responsible for the preparation of the corporate accounting documents in accordance with article 154 bis of Legislative Decree 58/98.

In its meetings (the last one being on May 8, 2009 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.

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, 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.

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 Chairman and the Chief Executive Officer, as well as dividing the total remuneration to which the directors are entitled among the individual members of the Board.

In accordance with the By-laws, the Board of Directors meets periodically and at least on a quarterly basis, inform the Board of Statutory Auditors on the activities undertaken and on the most important economic and financial operations carried out by the Company or by subsidiary Companies, and report on any operations with potential conflict of interest or that are affected by any person that exercises management or coordination activities.

The meetings of the Board of Directors must enable the overall direction provided in relation to the delegated powers from the Board of Directors to the Executive Committee, if constituted, to the Delegated Directors, of the activities assigned to the General Managers and to the single Special Procurers.

In 2009, the Board of Directors held 10 meetings. At the date of the preparation of the present document, in 2010 two meetings of the Board of Directors had been held, while for the current year a total of 6 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.

At the board meetings, reasonably in advance of the meeting, except in the case of necessity and urgency, all of the members of the Board of Directors are provided with the relevant documentation and information – also through extensive and detailed notes on the Matters on the Agenda – to allow the Board to express knowledgeably on the material matters proposed for examination, in conformity with article 20, letter B of the By-laws.

3.2. Nomination and replacement of directors

Article 6 of the Self Governance Code:

Principles

1. The nomination of the directors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the professional and personal characteristics of the candidates.
2. The Board of Directors assesses whether to set up a nomination committee, composed of a majority of independent directors.

General criteria

1. The slates of candidates, together with the professional and personal information, as well as whether they qualify as independent directors in accordance with article 3, must be filed at the registered office of the company at least 15 days before the date fixed for the Shareholders' AGM. The slates, together with the information on the candidates, are published in a timely manner on the internet site of the issuer.

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The By-laws, in the latest version issued on November 10, 2009, at article 19, provide that the Company shall be administered by a Board of Directors composed of a minimum of 3 and maximum of 15 members appointed, including 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 was appointed by the Shareholders' Meeting based on slates with the minimum participation quota of the share capital required for the presentation of the slates of candidates currently 2.5% of the share capital, as subscribed at the date of presentation of the slate or representing a lower percentage fixed by law or regulations. Each slate must contain a number of candidates considered independent in accordance with law amounting to at least the minimum provided by the pro-tempore regulations in force and accompanied by the curriculum vitae of the candidate containing information on personal and professional characteristics and must be filed at the registered offices of the company at least 15 days before that established for the Shareholders' Meeting in first call.

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. The slates are published in a timely manner on the Internet site of the Company.

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.

3.3. Composition of the Board of Directors

Article 2 of the Self Governance Code:

Principles

1. The Board of Directors is composed of executive and non-executive directors.
2. The non-executive directors provide their specific expertise in the board meetings, contributing to the undertaking of balanced decisions and providing particular attention to areas which may give rise to conflicts of interest.
3. The number, the expertise, the authority and the availability of time of the non executive directors is such to guarantee that their opinion can have a significant impact on board resolutions.
4. The concentration of offices held should not be with one person.
5. The Board of Directors, where operational powers have been delegated to the chairman, provides adequate information in the corporate governance annual report in relation to the reasons for this organisational choice.

General criteria

1. Executive directors are:
   - the executive directors of the issuer or of a subsidiary with strategic importance, including the relative chairman when they are attributed individual powers of management or when they have a specific role in the strategies of the business;
   - the directors that hold offices in the issuer or in a subsidiary with strategic importance, or in the parent company where the office also regards the issuer;
   - the directors that are members of the executive committee of the issuer, when an executive director has not been appointed or when the participation at the executive committee, taking into account the frequency of the meetings and the relative resolutions, results in de facto, the systematic involvement of its members in the current management of the issuer.

   The attribution of powers for the sole cases of urgency to directors not holding operational powers does not in itself configure as executive directors, except where these powers are utilised on a frequent basis.
2. The directors must be aware of the tasks and responsibilities relating to the appointment. The chairman of the Board of Directors ensures that the directors expand their knowledge on the business activities, also with reference to regulatory norms, so they may correctly carry out their office.

3. Where the chairman of the Board of Directors is the principal person responsible for the management (chief executive officer), or where the office of chairman is held by the person that controls the issuer, the Board appoints an independent director as lead independent director, which acts as a point of reference and coordination of the contributions of the non executive directors and, in particular, of the independent directors as per article 3 below.

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The current Board of Directors of Dada S.p.A., appointed by voting of slates by the Shareholders' Meeting of April 23, 2009 – with the exception of the Director Claudio Cappon, co-opted by the Board of Directors on July 27, 2009 as replacement for the resigned Director Paolo Aurelio Gatti – is comprised of 14 members as follows, whose office expires with the Shareholders' Meeting for the approval of the financial statements for the year ending December 31, 2011, with the exception of the Director Claudio Cappon whose mandate will expire, in accordance with law, at the next Shareholders' Meeting of the Company.

The Shareholders' Meeting of April 23, 2009 also appointed Paolo Barberis as Chairman of the Board of Directors of the Company and resolves that the Directors are exonerated from the non competition obligation in accordance with article 2390 of the civil code.

Members of the Board of Directors	
Name and Office	Place and date of birth
Paolo Barberis (Chairman)	La Spezia, 08/12/1967
Barbara Poggiali (CEO and GM)	Milan, 04/03/1963
Lorenzo Lepri (Vice GM)	Rome, 11/12/1971
Salvatore Amato	Florence, 23/05/1956
Alberto Bigliardi	Curtatone (MN), 03/11/1944
Claudio Cappon	Rome, 09/07/1952
Giorgio Cogliati	Rome, 20/02/1963
Alessandro Foti	London (UK), 26/03/1963
Matteo Novello	Camposampiero, (PD) 4/12/1962
Monica Alessandra Possa	Milan, 18/10/1964
Vincenzo Russi	Lanciano (CH,) 01/01/1959
Riccardo Stilli	Sanremo, (IM) 01/06/1962
Giorgio Valerio	Milan, 13/07/1966
Danilo Vivarelli	La Spezia, 06/06/1964

At the first meeting following the appointment by the Shareholders' Meeting of April 23, 2009, on May 8, 2009, the Board of Directors confirmed the same organisational structure and signatory powers approved by the Board of Directors meeting of December 3, 2008 which establishes in particular Paolo Barberis as Chairman, in his strategic role, Barbara Poggiali as Chief Executive Officer and Director General and Lorenzo Lepri as Vice Director General and Chief Corporate Officer.

Chief Executive Officer Barbara Poggiali was attributed powers in all management areas with a maximum limit in single exercise of Euro 1 million, increased to Euro 3 million in the case of public tenders, in every case with the faculty to delegate to third parties.

Taking account of that stated above, in 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 specific power of attorney.

Director Lorenzo Lepri – who, as mentioned, also fulfils the organisational role of Vice Director General – with power of attorney of the Company has the power to sign within a maximum limit of Euro 500,000 for single exercise in the following areas: market and investor relations; control, administrative, finance and tax; purchases, resources, logistics and offices; legal and disputes; merger & acquisitions; strategic planning.

In conformity with the requirements of the provisions introduced through article 1.C.2 of the Self-Governance Code, the most significant roles held by members of the Board of Directors of Dada S.p.A. at December 31, 2009 (including therefore offices in other listed companies, financial, banking, or insurance companies, or of significant size) are provided below.

- **Barbara Poggiali,** Director Finelco S.p.A. Group;
- **Alberto Bigliardi,** Director of Lucchini S.p.A., TOP - Terminal Offshore Piombino S.p.A., Lucchini RS S.p.A., Chairman of the Board of Statutory Auditors of HDI Assicurazioni S.p.A.;
- **Giorgio Cogliati:** Director of Raisat S.p.A., RCS International NewsPapers BV and RCS International Books BV
- **Alessandro Foti,** Independent Director of Camfin S.p.A. and Vice Chairman of Board of Directors of Ferretti S.p.A.
- **Matteo Novello:** Chairman and Chief Executive Officer of Sfera Editore S.p.A., Chairman di Digicast S.p.A., Pubblibaby S.p.A., Editrice Abitare Segesta S.p.A., RCS Direct S.r.l., Rizzoli Publishing Italia S.r.l., Sfera Service S.r.l., Sfera Direct S.l., Feria Bebe S.l., Sfera Editores Espana S.l., Sfera Editores mexico S.A. and of Trend Service S.A., Director and General Director of RCS Periodici S.p.A. and Director of RCS Digital S.p.A., all companies belonging to the RCS MediaGroup S.p.A. Group;
- **Vincenzo Russi,** Director General of CEFRIEL (consortium company with limited liability);
- **Riccardo Stilli**, Chairman of RCS Factor S.p.A., Director of RCS Pubblicità S.p.A., RCS Libri S.p.A., Unidad Editorial SA, m-dis Distribuzione Media S.p.A. and Flammarion S.A., all companies belonging to the RCS MediaGroup S.p.A. Group;
- **Giorgio Valerio**, Chief Executive Officer – Italian Newspaper Sector – of RCS Quotidiani S.p.A., Director of Unidad Editorial SA, Chairman and Chief Executive Officer of RCS Digital S.p.A., Chairman of City Italia S.p.A., Director of Digicast S.p.A., RCS Sport S.p.A., Editoriale Corriere di Bologna S.r.l., Editoriale Fiorentina S.r.l., Agenzia

ANSA S.c.a.r.l. and RCS International NewsPapers BV, all companies belonging to the RCS MediaGroup S.p.A. Group.

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 with approval of the current report made a positive evaluation in relation to the numbers on the board, its composition and its function.

4. Independent Directors

Article 3 of the Self-Governance Code provides:

Principles

1. 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.

2. 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.

General criteria

1. The Board of Directors assesses the independence of its non-executive members 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) 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 the issuer, a subsidiary, or with some relevant members;
   - 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 is or was in the previous three years, an employee of one of the above 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.

2. For the purposes of the above, "relevant members" of a company or of a body are as follows: the chairman of the body, the legal representative, the chairman of the Board of Directors, the executive directors and senior management of the company or of the body considered.

3. The number and the duties of the independent directors are adjusted in relation to the size of the Board and the activities undertaken by the issuer; they are also such to permit the constitution of internal committees of the board, in accordance with the recommendations of the Code. Where the issuer is subject to the management and coordination by a third party or is controlled by an operator, directly or through other subsidiary companies, in the same sector of activity or in similar sectors, the composition of the Board of Directors of the issuer is appropriate to guarantee adequate independence in the management and therefore the creation of value for the shareholders of the issuer.

4. After the appointment of an independent director and at least once a year, the Board of Directors assesses, on the basis of the information provided by the party concerned or in any case available to the issuer, the relations, which could exist or appear as such to compromise the independent judgment of this director. The Board of Directors report on the outcome of its evaluations, on the appointment, through a communication to the market and, subsequently, in the corporate governance report, adequately indicating the reasons if the parameters differ from those indicated in the present applicative criteria.

5. The Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members. The results of the controls are made available to the market in the corporate governance report.

6. The independent directors meet at least once a year in the absence of the other directors.

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The Board of Directors of Dada S.p.A. appointed by the Shareholders' Meeting of April 23, 2009, following the cooption of the Director Claudio Cappon, is composed of six independent directors (Salvatore Amato, Alberto Bigliardi, Claudio Cappon, Alessandro Foti, Vincenzo Russi and Danilo Vivarelli): Salvatore Amato, Alberto Bigliardi, Alessandro Foti, Vincenzo Russi and

Danilo Vivarelli before the Shareholders' Meeting filed (also Claudio Cappon on the meeting of the Board of Directors of July 27, 2009) declarations of independence in accordance with the new edition of the Self-Governance Code of article 148, paragraph 3 of Legislative Decree No. 58/1998 and the regulations of Borsa Italiana applicable to the Company.

The Board of Directors in its meeting of May 8, 2009, and in relation to Claudio Cappon in the meeting of July 27, 2009, approved the independence of the above stated Directors, subsequently confirming such on the approval of the present Corporate Governance Report.

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 on the independence of the Directors, in light of their declarations, in accordance with the Self-Governance Code and the information available to the Company, is reconfirmed with the approval of the present annual report on Corporate Governance by the Board.

The Board of Statutory Auditors verifies the correct application of the assessment criteria and procedures adopted by the Board to evaluate the independence of its members, reporting the outcome of these controls in the Report to the Shareholders' Meeting.

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.

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According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the legal representative of the company, 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 2009, in line with the review of the organisational structure of the Company approved at the Board of Directors' meeting of December 3, 2008 and confirmed by the Board of Directors in its new composition, following the appointment by the Shareholders' Meeting of April 23, 2009, the Chairman of the Board of Directors has carried out a strategic role within the Group. 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

Article 4 of the Self Governance Code:

Principles

1. 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.

General criteria

1. The executive directors ensure the correct management of corporate information; for this purpose the Board of Directors adopted a procedure for the internal management and external communication of documents and information relating to the issuer, with particular reference to price sensitive information.

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The Board of Directors implemented the recommendation of the Self-Governance Code, and on November 11, 2006 adopted, in place of the previous code, a new procedure which governs 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 fulfils a general principle of confidentiality and that the external communication in not untimely, incomplete, or which in any case would result in inaccurate 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 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, article 9 of the Self-Governance Code provides:

Principles

1. 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."

General criteria

1. The Board of Directors, having consulted with the Internal Control Committee, establish the procedures for the approval and execution of the transactions undertaken by the issuer, or its subsidiaries, with related parties. In particular, they define the specific transactions (or determine the criteria to identify the transactions), which must have prior approval by the Internal Control Committee and/or the opinion of independent experts.
2. The Board of Directors adopts appropriate and adequate operating measures to identify and to manage the situations in which a director has an interest on his own behalf or on behalf of third parties.

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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.

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The Committees are therefore 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. 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, following the appointment by the Board of Directors on May 8, 2009, and currently consists of the following non-executive directors, the majority of which independent: Danilo Vivarelli (Chair), Monica Alessandra Possa and Salvatore Amato. The objective of this Committee, confirmed by the Board of Directors 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 23, 2009, which also confirmed the amount for attending each board meeting and the committee meetings.

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. A significant part of the remuneration of top management is related to the reaching of specific objectives.

The remuneration of the non-executive directors is in line with the duties requested of each director, established by the Board of Directors and not related to the performance of the company. The executive directors and top 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 2009, the Committee undertook an 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, 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.

Minutes of the Committee meetings confirming their proper regulation are kept.

10. Internal Control

Article 8 of the Self-Governance Code provides:

Principles

1. The internal control system is 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 safe, correct and coherent management of the enterprise with it set objectives.

2. An effective internal control system contributes to the safeguarding of the company assets, the efficiency in the business operations, the reliability of the financial information and compliance with law and regulations.

3. The Board of Directors assesses the adequacy of the internal control system with the characteristics of the business.

4. The Board of Directors ensures that its 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.

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The Internal Control Committee of Dada S.p.A., in compliance with the provisions of law and the internal Code on Corporate Governance, and also following the appointment of the latest member on May 8, 2009, is composed entirely of independent directors; the members of the committee are as follows: Salvatore Amato (Chairman), Alessandro Foti 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 March 10, 2010 on the presentation by the Committee of the Report on the activities undertaken during the second half of 2009 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 2009 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 and Control 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, reconstituted following the renewal by the Shareholders' Meeting of April 2009 and comprising the independent Director Danilo Vivarelli, the statutory auditor Claudio Pastori and the Head of Internal Control Carlo Ravazzin, in 2009 undertook an on-going verification of the organisational model, with particular regard to matters concerning workplace security which the legislature 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 2009, 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 activities of the Committee relating to the verification of workplace security procedures are particularly noted.

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.

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, four subsidiary companies are recognised (the three US companies Dada USA Inc., UPOC Networks Inc., Dada Entertainment LLC and the Brazilian company Dada Brasil Servicos de Tecnologia Ltda) which at December 31 exceeded the relevant individual size parameters as set out in article 151 of the Issuers' Regulations.

The above-mentioned companies were provided with the significant internal procedural indications relating to the compliance, as well as the possibility of verification and obtainment of specific evidence, in relation to:

i) provision to the appointed company for the auditing of the company financial statements of information necessary to conduct the control of annual and half yearly accounts of the Company;

ii) the presence of an administrative-accounting system drawn up to provide to senior management and the above stated auditors the results, balance sheet and financial situation necessary for the preparation of the consolidated financial statements.

necessary, although substantially already implemented, with respect to that contained in paragraph 1 of article 36 of the Markets Regulation.

11. Principle characteristics of the risk management and internal control systems in relation to financial disclosure

11.1 Introduction

The Dada Group has adopted a system of procedures and processes such as to guarantee the reliability, the accuracy, the trustworthiness and the timeliness of the financial information as well as to allow the correct functioning of the internal control system in order to monitor and mitigate the relative risks relating to the financial disclosure process as applied to the company. The System of processes and procedures was drawn up and implemented by Top Management in line with the model established by the CO.SO Framework (Entity Level Assessment). In this regard, the CO.SO Framework establishes the internal control system as "a system of mechanisms, procedures and instruments aimed at ensuring the reaching of corporate objectives".

Within the Dada Group, the drawing up and structuring of processes is carried out taking account of the internal organisation and developments within the regulatory environment. In relation to the first, financial risk evaluation and the self assessment of risk control is implemented through elements regarding: the integrity and the conduct code, valuation of skills, the philosophy and the operational style, the attribution of powers and responsibilities as well as policies, processes and procedures implemented by Human Resources.

In this regard, activity relating to the guaranteeing of the continual updating of operational and processes and procedures is undertaken, as well that relating to the adequacy of the internal control system within the financial disclosure process. In particular this activity is aimed at verifying that all of the components of the CO.SO Framework are correctly and continually applied.

The key elements are illustrated below: "environment of control", "valuation of risk", "control activity", "information and communication" and "monitoring".

In particular the monitoring activity is periodically carried out also with recourse to internal communications, staff meetings, written experts' opinions and a process which allows for the testing of controls, the definition of the remediation plan, the action plan, up to the follow-up of results of the exceptions established.

11.2 Significant characteristics

The system of accounting and administrative procedures is implemented to guarantee the functioning of the internal control system relating to financial disclosure, regarding and applied both by the Parent Company Dada S.p.A. and all of the subsidiary companies, both direct and indirect.

In this remit, the two significant procedures are represented by "closure and reporting" and "consolidation", where in a clear manner the following are defined: the accounting standards (which are updated regularly), the utilisation of the accounts plan of the Group, the structure of the consolidated reporting packages, the identification and the management of inter-group transactions and the consolidation process.

The documentation was provided to all subsidiary companies of the Parent Company, to ensure the correct application of the same.

The correct functioning of the Internal control system of financial disclosure provides that a process for the identification of financial risks is drawn up. Also for these activities the Dada Group referred to the CO.SO. Framework stated above and in particular identified the areas of greatest significance where risks of errors may occur (including fraud) in the various types of financial disclosure documents, in particular the financial statements and the half-yearly and quarterly reports.

The process has a number of stages:

a) Identification of risks of error on financial disclosure, as well as the sources upon which they are based. Greater emphasis is given to processes and financial statements accounts of greater significance in the financial communication;
b) Structuring of the controls on the corporate processes aimed at preventing and managing risks of errors identified above;
c) Carrying out of control activities and monitoring defined in the previous point. The test on controls are carried out annually and relate to all of the corporate and Group structures involved in the same processes. The Dada Group has appointed Reconta Ernst & Young – principal external auditor of the Group – which was conferred a specific appointment for the testing activities. This appointment is limited to the provision of professional and methodological support both for the drawing up of testing techniques and the execution and formalisation of periodic tests.
d) Wherever the execution of the above-defined controls identify procedural gaps or potential areas of improvement, a remediation plan is drawn up, with consequent extension and re-execution of the controls.

12. Relations with institutional investors and other shareholders

Article 11 of the Self-Governance Code provides:

Principles

1. The Board of Directors promotes initiatives in order to favour the greatest participation possible of the shareholders at shareholder meetings and that facilitate the exercise of the rights of the shareholders.

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

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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 (www.dada.dada.net), 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 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

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 rights 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. 58/58, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

In accordance with the Shareholders’ Meeting regulation above anyone who, based on law or the company By-laws, having the right to attend the Shareholders’ Meeting, shall be identified, at the entry to where the Shareholders’ Meeting is held, through the presentation of appropriate identification documentation or by other means of recognition and present the valid documentation for admission, in conformity with that established in the convocation notice.

Employees of the Company or of group companies or other persons may participate, where their presence is considered useful by the Chairman of the meeting in relation to the issues to be dealt with and for the carrying out of the work.

The Chairman, in setting out the matters on the agenda and the replies to the arguments, may be assisted by some of the directors or statutory auditors or parties which may validly participate at the shareholders' meeting. The order of the discussions as per the convocation notice, may be varied by the Chairman and other matters can also be dealt with, at the discretion of the Chairman, except on the request of the shareholders' meeting.

The Chairman establishes the procedures for the matters on the agenda, manages and regulates the discussions giving the floor to the shareholders that have made a request in accordance with the present article, to the directors' or statutory auditors or to persons having the right to attend the Shareholders' Meeting.

For this purpose the Chairman establishes the procedures to request an intervention and the order in which they take place ensuring the persons who have requested the floor have the possibility of a brief reply.

The Chairman ensures the correctness of the discussions and adopts all appropriate measures to impede that the normal carrying out of the Shareholders' Meeting work is disturbed.

All the shareholders having the right to vote have the right to take the floor on the matters under discussion in order to request clarifications and express their opinions. The request by the shareholders to take the floor shall relate exclusively to the matters on the agenda. Attendees who wish to take the floor must make the request to the Chairman presenting the request in writing containing an indication of the matter on the agenda, after he has read the agenda and until the discussions on the matter have not been declared closed on that issue.

The Chairman can establish on the opening of the discussion, also in consideration of the matters on the agenda, the maximum duration of the interventions – in any case not above 15 minutes – and the replies – in any case not above 2 minutes – in order to favour the widest participation of the shareholders in the discussion.

The Chairman will request a conclusion to the interventions and to the replies when they exceed the maximum duration established or they are not pertinent to the matters in discussion and, after having made this request, take the floor from any shareholder that does not respond to such a request.

The Chairman can also request persons to leave the meeting, for all of the discussion, to the shareholders, despite being warned, that do not permit the proper carrying out of the Shareholders' Meeting work.

During the meeting the Chairman, where he believes necessary, can suspend the Shareholders' Meeting work for a brief period providing the reason for this decision.

Once the interventions, the replies, and the response to the replies are completed, the Chairman declares the discussion closed.

The voting of the shareholders' meeting is made by open ballet. Before commencing the vote, the Chairman establishes the procedure for expression, recording and counting of the votes and can fix a maximum term within which the vote must be expressed.

At the end of the voting the ballet is made by the Chairman of the meeting, even with the assistance of the Secretary or Notary, declaring to the meeting the results of the voting.

For any matters not contained in the present Regulations the provisions are applied of the Civil Code, specific law and the company By-laws; in particular, the Chairman as per the company By-laws adopts the solutions considered most appropriate for the carrying out of the Shareholders' Meeting work.

14. Statutory Auditors

Article 10 of the Self-Governance Code provides:

Principles

1. The nomination 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.

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

3. The issuer prepares the measures which guarantee an efficient undertaking of the duties of its board of statutory auditors.

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Article 25 of the By-laws of Dada S.p.A. provides that the Board of Statutory Auditors is composed of 3 standing members, of which one acting as Chairman and two alternate members appointed by the Ordinary Shareholders' Meeting and that the members so appointed remain in office for three years and are re-electable. The Statutory Auditors must possess the relevant requisites established by law and by the relevant regulations, also with regard to the holding of multiple offices. Statutory Auditors may not be elected if they are ineligible by law.

The By-laws also provide, in conformity with law and applicable regulations, that at least one statutory auditor is appointed by the minority slate, that the Chairman of the Board of Statutory Auditors is appointed by the shareholders' meeting from among the statutory auditors elected from the minority slate, as well as the limit of offices of direction and control that may be held.

The By-Laws in particular provide 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.

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.

Currently the Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 23, 2009 is comprised of Silvio Martini Bianchi, Chairman, Claudio Pastori and Cesare Piovene Porto Godi, Statutory Auditors and Maria Stefania Sala and Michele Galeotti Alternate Auditors.

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 2009, met with the Internal Control Committee, the Supervisory and Control Board and with the audit firm.

SUMMARY DATA

TABLE 1: BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS							INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE	
Office	Members	Executive	Non Executive	Independent	% (*)	Other Offices	Member	% (*)	Member	% (*)
Directors in Office										
Chairman	Paolo Barberis		X		100					
Chief Executive Officer	Barbara Poggiali	X			100					
Director	Lorenzo Lepri	X			100					
Director	Salvatore Amato		X	X	60		X	66.66	X	33.33
Director	Alberto Bigliardi (1)		X	X	85.71					
Director	Claudio Cappon		X	X	80					
Director	Giorgio Cogliati		X		100					
Director	Alessandro Foti		X	X	71.43	1	X	100		
Director	Matteo Novello		X		28.57					
Director	Monica Alessandra Possa		X		100				X	100
Director	Vincenzo Russi		X	X	85.71					
Director	Riccardo Stilli		X		70					
Director	Giorgio Valerio		X		30					
Director	Danilo Vivarelli		X	X	90		X	100	X	100
Directors no longer in office										
Director	Pietro Varvello (2)		X		100					
Director	Roberto Ravagnani (2)		X		66.66					
Director	Paolo Aurelio Gatti (2)		X		100					
Director	Raffaello Napoleone (2)		X	X	100		X	50		
Number of meetings held in the year		Board of Directors: 10					Internal Control Committee: 3		Remuneration Committee 3	

(*) Percentage of participation of Directors at the BoD meetings and Committee meetings in 2009

(**) The number of offices of statutory auditor held in other listed companies on regulated Italian and foreign markets. A more detailed list relating to the offices held is contained in the Corporate Governance Report and Shareholder Structure at section 3.3.

(1) Relating to the minority slate
(2) Resigned at Shareholders' Meeting of April 23, 2009
(3) Appointed Director by the Shareholders' Meeting of April 23, 2009 and resigned on July 14, 2009

TABLE 2: BOARD OF STATUTORY AUDITORS

OFFICE	MEMBER	Slate: (*)	INDEPENDENCE AS PER CODE	PERCENTAGE OF ATTENDANCE AT BOARD MEETINGS	NUMBER OF OTHER OFFICES HELD (**)
Statutory Auditors in office					
Chairman	Silvio Bianchi Martini	m	X	100	2
Statutory Auditor	Cesare Piovene Godi	M	X	100	2
Statutory Auditor	Claudio Pastori	M	X	90	
Alternate Auditor	Maria Stefania Sala	M	X	-	
Alternate Auditor	Michele Galeotti	M	X	-	
Statutory Auditors no longer in office					
Chairman	Pierangelo Dei	M	X	100	
Statutory Auditor	Piero Alonzo	M	X	100	
Statutory Auditor	Claudio Pastori	M	X	90	
Alternate Auditor	Maria Stefania Sala	M	X	-	
Alternate Auditor	Francesca Pirrelli	M	X	-	
		NUMBER OF MEETINGS IN YEAR: 7			
		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.			

(*) M: majority slate; m: minority slate

(**) The number of offices of statutory auditor held in other listed companies on regulated Italian markets. The complete list relating to the offices held is contained in the attachments to the Board of Statutory Auditors Report.

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	x		

in advance?			
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: Dott. Lorenzo Lepri, Florence, Piazza Pietro Annigoni 9/b, Tel. 055 2002107, lorenzo.lepri@.dada.net

ATTACHMENTS

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2009						
Amounts in Euro/thousand	Dec. 31, 2009 12 months		Dec. 31, 2008 12 months		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	**155,101**	**100%**	**170,220**	**100%**	**-15,119**	**-9%**
Changes in inventory and internal work	5,229	3%	4,879	3%	350	7%
Service costs and other operating costs	-110,278	-71%	-117,725	-69%	7,447	-6%
Personnel costs	-29,579	-19%	-28,500	-17%	-1,079	4%
Ebitda *	**20,473**	**13%**	**28,874**	**17%**	**-8,401**	**-29%**
Amortisation & depreciation	-11,362	-7%	-8,314	-5%	-3,048	37%
Non-recurring income (charges)	-3159	-2%	-214	0%	-2,945	1376%
Write-down of fixed assets		0%	-4120	-2%	4,120	
Revaluations/(Write-downs)	-1363	-1%	-1635	-1%	272	-17%
Ebit	**4,589**	**3%**	**14,591**	**9%**	**-10,002**	**-69%**
Financial income	2,095	1%	860	1%	1,235	144%
Financial charges	-4,241	-3%	-3,371	-2%	-870	26%
Share of associates	-535	0%	584	0%	-1,119	-192%
Gain	6,654	4%	-	-	-	-
Profit before taxes	**8,562**	**6%**	**12,664**	**7%**	**-4,102**	**-32%**
Income taxes	-1205	-1%	-4241	-2%	3,036	-72%
Net profit	**7,357**	**5%**	**8,423**	**5%**	**-1,066**	**-13%**
Minority interest profit	-451	0%	-796	-1%	345	
Group net profit	**6,906**	**4%**	**7,627**	**5%**	**-721**	**-9%**

* EBITDA gross of non-recurring charges, provisions and write-downs of Euro 4.5 million (Euro 1.8 million in 2008)

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 DECEMBER, 2009

Amounts in Euro/thousand	Dec.31, 2009 3 months		Dec.31, 2009 3 months		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	**40,126**	**100%**	**44,164**	**100%**	**-4,038**	**-9%**
Changes in inventory and internal work	1,360	3%	1,229	3%	131	11%
Service costs and other operating costs	-30,042	-75%	-31,434	-71%	1,392	-4%
Personnel costs	-7,483	-19%	-7,062	-16%	-421	6%
Ebitda *	**3,961**	**10%**	**6,897**	**16%**	**-2,936**	**-43%**
Amortisation & depreciation	-3,071	-8%	-2,730	-6%	-341	12%
Non-recurring income (charges)	-1663	-4%	50	0%	-1,713	-3426%
Write-down of fixed assets	0	0%	-4120	-9%	4,120	
Write-downs & provisions	-668	-2%	-781	-2%	113	-14%
Ebit	**-1,441**	**-4%**	**-684**	**-2%**	**-757**	**111%**
Investment income	1,484	4%	491	1%	993	202%
Financial charges	-2,150	-5%	-1971	-4%	-179	9%
Share of associates	11	0%			11	
Gain	6,654	17%			6,654	
Profit before taxes	**4,558**	**11%**	**-2,164**	**-5%**	**6,722**	**-311%**
Income taxes	299	1%	-1175	-3%	1,474	-125%
Net profit	**4,857**	**12%**	**-3,339**	**-8%**	**8,196**	**-245%**
Minority interest profit	740	2%	-465	-1%	1,205	
Group net profit	**5,597**	**14%**	**-3,804**	**-9%**	**9,401**	**-247%**

*EBITDA gross of non-recurring charges, provisions and write-downs of Euro 2.3 million (Euro 0.7 million in 2008)

WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT DECEMBER 31, 2009				
Amounts in Euro/thousand	Dec.31, 2009	Dec.31, 2008	Change	
			Absolute	percent.
Fixed assets (A) (*)	**129,733**	**108,161**	**21,572**	**20%**
Current assets (B)	56,350	73,832	-17,482	-24%
Current liabilities (C)	-65,013	-85,316	20,303	-24%
Net working capital (D) = (B)-(C)	**-8,663**	**-11,484**	**2,821**	**-25%**
Employee leaving indemnity provision (E)	-1,210	-1,368	158	-12%
Provision for risks and charges (F)	-2,350	-1,907	-443	23%
Other Payables beyond one year	-8,000	-539		
Net capital employed (A+D+E+F)	**109,510**	**92,863**	**16,647**	**18%**
Medium-long term payables	-30,861	-28,494	-2,367	8%
Shareholders' equity (G)	**-72,844**	**-61,480**	**-11,364**	**18%**
Short-term bank debt	-12,996	-18,748	5,752	-31%
Short-term financial receivables and derivatives	50	2,156	-2,106	-98%
Short-term financial paybles and derivatives	-1,020			
Cash	8,161	13,703	-5,542	-40%
Short-term net financial position	**-5,805**	**-2,889**	**-2,916**	**101%**
Total net financial position	**-36,666**	**-31,383**	**-5,283**	**17%**

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES OF THE DADA GROUP AT DECEMBER 31, 2009

Registered Office: Piazza Annigoni 9b - 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 GROUP

CONSOLIDATED FINANCIAL STATEMENTS

DADA GROUP CONSOLIDATED INCOME STATEMENT YEAR ENDED DECEMBER 31, 2009			
	Ref	FY 09	FY 08
Net Revenues	4	**155,101**	**170,220**
- of which related parties	23	*10,898*	*20,101*
Cost of raw materials and consumables		-130	-88
Changes in inventory and internal work		5,229	4,879
Service costs and other operating costs		-109,041	-116,579
- of which related parties	23	*-7,411*	*-8,273*
Personnel costs	5.7	-29,579	-28,500
- of which related parties	23	*-981*	*-549*
Other operating income and revenues		280	
Other operating charges	5.2	-4,546	-1,272
- of which non-recurring charges	5.8	*-3,159*	
Provisions and write-downs	5.5	-1,363	-1,635
- of which non-recurring charges	5.8	*-559*	
Amortisation & Depreciation	5.6	-11,362	-8,314
Write-down of fixed assets			-4,120
Ebit	4	**4,589**	**14,591**
Investment income	5.3	2,095	860
- of which related parties	23	*1*	*0*
Financial charges	5.3	-4,241	-3,371
- of which related parties	23	*-2*	*0*
Share of profit/losses of associates	5.4	-535	584
Profit from revaluation of investments	5.3	6,654	
- of which non-recurring charges	5.8	6,654	
Profit before taxes	4	**8,562**	**12,664**
Income taxes	6	-1,205	-4,241
Profit from normal operations		**7,357**	**8,423**
Minority interest profit		-451	-796
Group net profit		**6,906**	**7,627**
Basic earnings per share		0.426	0.471
Diluted earnings per share		0.426	0.453

DADA GROUP CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2009

ASSETS	Ref	31/12/09	31/12/08
Non-current assets			
Goodwill	9-11	102,818	77,778
Intangible assets	9	15,356	14,153
Other tangible assets	8	11,459	11,560
Equity investments in non-consolidated subsidiaries, associated and other companies	10	-	4,350
Financial assets	12	138	320
Deferred tax assets	12	10,581	8,963
Total		140,352	117,124
Current assets			
Inventories	15	7	42
Trade receivable	16	33,960	55,308
- of which related parties	23	*1,502*	*0*
Tax receivables and others	16	11,814	9,519
Held-for-trading financial assets		-	2,156
Cash and cash equivalents	17	8,161	13,703
Total current assets		53,942	80,728
TOTAL ASSETS		194,294	197,852

DADA GROUP CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2009			
SHAREHOLDERS' EQUITY AND LIABILITIES	Ref	31/12/09	31/12/08
SHAREHOLDERS' EQUITY			
Capital and reserves			
Share capital	18	2,756	2,756
Share premium reserve	18	32,071	32,071
Treasury shares			
Legal reserve	18	950	950
Other reserves	18	836	-3,226
- of which related parties	24	*2,012*	*1,808*
Retained earnings	18	28,118	20,490
Net profit	18	6,906	7,627
Total Group Shareholders' equity		71,637	60,668
Minority interest share	18	1,207	812
Total Shareholders' Equity		72,844	61,480
Medium/long term liabilities			
Bank loans (payable beyond one year)	19	30,861	28,494
Provisions for risks and charges	21	2,350	1,907
Employee leaving indemnity	14	1,210	1,368
Deferred tax liabilities		1,197	1,228
Other payables beyond one year	20	9,020	539
Total non-current liabilities		44,638	33,536
Current liabilities			
Trade payables	22	36,789	57,039
- of which related parties	24	*3,780*	*18,970*
Other payables	22	22,427	22,226
- of which related parties	23	*391*	*614*
Tax payables	21	4,600	4,823
Bank overdrafts and loans (payable within one year)	19	12,996	18,748
Total current liabilities		76,812	102,836
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		194,294	197,852

COMPREHENSIVE CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2009

Amounts in Euro/thousand	2009 12 months	2008 12 months
Profit for the year (A)	**7,357**	**8,423**
Losses on exchange risk derivatives (cash flow hedge)	-479	-539
Tax effect on gains (losses)	132	148
	-347	-391
Equity transaction reserve	2,339	
Other reserves	-63	
Profits (losses) from conversion of accounts of foreign companies	1,615	-10,908
Total other profits (losses), net of the fiscal effect (B)	**3,544**	**-11,299**
Total Comprehensive Profit (A)+(B)	**10,901**	**-2,876**
Total Profits attributable to:		
Parent company shareholders	10,901	-3,672
minority interest share	0	-796

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT DECEMBER 31, 2009

Description	Share capital	Share Premium	Legal Reserve	Other reserves	Equity transaction reserve	Cash Flow Hedge Reserve	Translation reserve	Retained earnings	Net profit	Total	Min. Inter.	Total NE
Balanc at January 1, 2009	2,756	32,070	950	9,269		-391	-12,105	20,491	7,627	**60,667**	812	**61,479**
Allocation of 2008 result								7,627	-7,627	0		0
Result 2009									6,906	**6,906**	451	**7,357**
Other comprehensive profits (losses)				-63	2,339	-347	1,615			**3,544**	-56	3,488
Total comprehensive profits/losses				**-63**	**2,339**	**-347**	**1,615**	**0**	**6,906**	**10,450**	**395**	**10,845**
Share-based payments				458						**458**		458
Other changes				60						**60**		60
Balance at Dec. 31, 2009	**2,756**	**32,070**	**950**	**9,724**	**2,339**	**-738**	**-10,490**	**28,118**	**6,906**	**71,637**	**1,207**	**72,844**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT DECEMBER 31, 2008

Description	Share capital	Share Prmium	Legal Reserve	Other reserves	Equity transaction reserve	Cash Flow Hedge Reserve	Translation reserve	Retained earnings	Net profit	Total	Min. Inter.	Total NE
Balance at January 1, 2008	2,737	30,867	902	7,595		0	-1,197	7,842	13,676	**62,422**	-103	**62,319**
Allocation of 2007 result			48	980				12,648	-13,676	0		0
Result 2009									7,627	**7,627**	796	
Other comprehensive profits (losses)				0		-391	-10,908			**-11,299**	0	-11,299
Total comprehensive profits/losses				**0**		**-391**	**-10,908**	**0**	**7,627**	**-3,672**	**796**	0 **-2,876**
Share capital increase	19	1,203								**1,222**		**1,222**
Share-based payments				736						**736**		736
Decons./Acquis./Var. % held										**0**	119	119
Other changes				-41						**-41**		-41
Balance at December 31, 2008	**2,756**	**32,070**	**950**	**9,270**	**0**	**-391**	**-12,105**	**20,491**	**7,627**	**60,668**	**812**	**61,480**

CONSOLIDATED CASH FLOW OF THE DADA GROUP AT DECEMBER 31, 2009 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousand	31/12/09 (12 *months*)	31/12/08 (12 *months*)
Operating activities		
Net profit for the year	6,958	7,627
Adjustments for:		
Income from trading activities	-2,095	-860
Financial charges	4,241	2,137
Income taxes	1,205	4,241
Stock Option Cost	457	
Depreciation of property, plant & equipment	4,181	3,332
Amortisation of other intangible assets	7,181	9,102
Revaluations of fixed assets	-6,654	0
Other provisions and write-downs	1,363	108
Increases/(decreases) in provisions	-158	782
Cash flows generated from operating activities before working capital changes	16,679	26,469
Increase in inventories	35	31
(Increase) / decrease in receivables	22,549	-165
(increase) / decrease in payables	-20,205	-945
Cash flow generated from operating activities	19,058	25,390
Income taxes paid	-2,069	-3,352
Interest paid	-4,241	-3,371
Net cash flow generated from operating activities	12,748	18,667
Investing activities		
Interest received	2,095	860
Purchase of subsidiary and associated companies (change in goodwill)	-2,075	-21,358
Effect of changes in the consolidation scope	2,663	-1,353
Sale of subsidiary and associated companies		0
Purchase of tangible fixed assets	-3,802	-3,920
Purchase of financial assets		0
Purchase/sale of financial assets available-for-sale		-24
Purchase of intangible assets	-2,649	-4,001
Product development costs	-5,229	-4,879
Net Cash flow used in investing activities	-8,997	-34,675

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

Amounts in Euro/thousand	31/12/09 *(12 months)*	31/12/08 *(12 months)*
Financing activities		
Dividends from subsidiaries		
Repayment of loans	-8,038	-4,937
Payments deriving from share capital increases		1,222
New loans	4,466	6,326
Sale of treasury shares		40
Other changes	31	
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	**-3,541**	**2,651**
Net increase/(decrease) in cash and cash equivalents	**210**	**-13,357**
Cash and cash equivalents at beginning of the year	**-5,045**	**8,312**
Cash and cash equivalents at end of the year	**-4,835**	**-5,045**

ADDITIONAL INFORMATION ON THE CASH FLOW STATEMENT	2009	2008
Cash and cash equivalents at the beginning of the year consist of:	**-5,045**	**8,312**
Cash and cash equivalents	13,703	9,525
Bank payables – current portion	-18,748	-1,213
Net increase/(decrease) in cash and cash equivalents	**-4,835**	**-5,045**
Cash and cash equivalents	8,161	13,703
Bank payables – current portion	-12,996	-18,748
Increase/ (Decrease) in the year	**210**	**-13,357**

ACCOUNTING PRINCIPLES AND NOTES

1. Corporate information

Dada S.p.A. is a limited liability company incorporated in Italy and registered at the Florence Company's Registration Office and listed on the Star segment of the Italian Stock Exchange. The address of the registered offices is stated in the introduction to the present financial statements.

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), advertising services, as well as new business related to online gaming. 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 2009 are prepared in accordance with IAS/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 include the results of the Parent Company Dada S.p.A. and of the companies it controls as at December 31, 2009 and approved by the respective Boards of Directors. 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 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 31.12.2009	EXCHANGE RATE AT 31.12.09
US Dollar	1.47134	1.3917
Canadian Dollar	1.51280	1.58496
Brazilian Real	2.68231	3.2436
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 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.

Changes in the consolidation scope

The consolidation scope of the Dada Group changed as follows:

Dada Entertainment LLC was valued under the equity method in the financial statements at December 31, 2008 and in the first five months of 2009 the result was recorded under the account "share of associated companies result". From June 2009, following the change in the governance structure of the company, described in the directors' report, Dada acquired control of the company, which was therefore fully consolidated from that date. From October 1, following the completion of the operation described in the directors' report, the Group holds the entire share capital of Dada Ent.

The companies of the Amen Group were fully consolidated for all of 2009, while for 2008 they were consolidated only for the second half year, having been acquired on July 16, 2008.

The company E-Box Srl was fully consolidated for all of 2009, while in the previous year the company was only consolidated for the second half year.

The company Giglio Group S.p.A. was fully consolidated in 2009, while in the previous year only being consolidated for the second half year. This consolidation was 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 agreements.

The accounting principles adopted for the present financial statements are the same as those utilised for the annual accounts at December 31, 2008 with the exception of the following:

The Dada Group decided to apply in advance IFRS 3 Revised and IAS 27 Revised and therefore these standards were adopted from January 1, 2009. The effects of this application were reported in the section relating to changes in accounting principles. According to these revised principles, enacted with Regulation 494-495/2009 of the European Commission of June 3, 2009, such amendments are obligatory for all periods beginning after June 30, 2009.

Consolidation scope at December 31, 2009

Consolidation scope	At December 31, 2009		
Values: Euro/000	Perc. Held	Period Consol.	Share capital
Dada S.p.A. (FI)	Parent Company	Jan - Dec 2009	2,756
Register.it S.p.A. (BG)	100%	Jan-Dec 2009	8,401
- Nominalia Internet SL (Barcelona - SP) ind.	100%	Jan-Dec 2009	3
- Namesco Limited (Worcester- GB) ind.	100%	Jan-Dec 2009	
- Namesco Ireland Ltd (Dublin- IE) ind.****	100%	Jan-Dec 2009	
- Agence des Medias Numerique Sasu (Paris-FR)	100%	Jan-Dec 2009	37
- Amen Ltd (London- GB) ind.	100%	Jan-Dec 2009	0
- Amen Nederland B.V. (Amsterdam- NL) ind.	100%	Jan-Dec 2009	18
- Amenworld Servicios Internet Societade Unipersonal Nda (Lisbon- PT) ind.	100%	Jan-Dec 2009	10
Dada.net S.p.A. (FI)*	87%%	Jan-Dec 2009	13,054
- Clarence S.r.l. (FI) ind.	87%%	Jan-Dec 2009	21
- Dada USA Inc (NY - USA) ind.	87%%	Jan-Dec 2009	-
- Upoc Networks Inc (NY - USA) ind.	87%%	Jan-Dec 2009	-
- Dada Ent. LLC	87%	June-Dec 2009	-
- Dada Ent. Canada	87%	June-Dec 2009	-
- Media Dada Science and Development Co.Ltd (Beijing-CHINA) ind.	87%	Jan-Dec 2009	759
- Dada Brasil Serviços de Tecnologia Ltda (SP-BR) ind.	87%	Jan-Dec 2009	163
- Dada Iberia SL (Barcelona – ES) Ind.	87%	Jan-Dec 2009	3
- Giglio Group S.p.A. (Rome – IT) Ind.	8.7%	Jan-Dec 2009	2,100
- E-Box S.r.l. (Milan – IT)	66.1%	Jan-Dec 2009	10
Fueps S.p.A. (Florence – IT)	100%	Oct – Dec. 2009	

The company Media Dada Science is currently in liquidation.

2.1 Main accounting principles

Business combinations and goodwill

Business combinations from January 1, 2009

Business combinations are recorded using the purchase method.
The acquisition cost is calculated as the total of the fair value at the date of acquisition and the value of any minority equity holding in the acquisition. For every business combination, the group values any minority holding in proportion to the amount held in the identifiable net assets of the acquisition. The acquisition costs are expensed.

When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date.

If the business combination is realised in a series of phases, the group recalculates the fair value of the holding previously held and records to the income statement any resulting profit or loss.

Every potential payment is recorded by the Group at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability will be recorded in accordance with IAS 39 in the income statement and in the statement of the other components in the comprehensive income statement. If the potential payment is classified in net equity, the value must not be recalculated until its elimination is recorded against net equity.

Goodwill is initially measured at cost calculated as the difference between the amount paid and the net value of the assets acquired and liabilities assumed by the Group. If the amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recorded in the income statement.

After the initial recognition, goodwill is measured at cost, less any accumulated loss in value. For the purpose of impairment testing, goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the Group's cash generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units.

If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to activities sold is calculated based on the relative values of the activity sold and the part maintained by the cash generating unit.

Business combinations before December 31, 2008

The differences from the principles outlined above are reported below.

Business combinations are recorded using the purchase method. Transaction costs directly attributable to the combination were considered as part of the purchase cost.

The business combinations acquired in a series of phases were recorded as separate instances. Each new acquisition of holdings did not have an effect on the previous goodwill recorded.

The potential payments were recorded if, and only if, the Group had a current obligation and the cash outflow was probable and the estimate reliably determinable. The changes following the payment had an effect on goodwill.

Loss in value of assets

At the end of each year, the Group verifies the existence of indicators of loss in value of the assets. In this case, or in the cases in which an annual verification is required for losses in value, the Group carries out an estimate of the recoverable value, which is the higher between the fair value of the assets, less selling costs, and the value in use.

The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets. If the book value of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset.

The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.

At each balance sheet date, the Group evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the book value which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation gain.

Goodwill

The goodwill is verified for losses in value annually and more frequently if circumstances exist which may indicate that the book value could have incurred a loss of value.

The loss in value of goodwill is determined through a valuation of the recoverable value of the cash-generating unit (or group of units) to which the goodwill is allocated. When the recoverable value of the cash-generating unit to which the goodwill is allocated is lower than the book value, a loss in value is recorded. The decrease in the value of goodwill cannot be restated in future years.

Interests in joint ventures

The Dada Group participated in a joint venture (Dada Entertainment LLC) classifiable as a jointly controlled company until May 31, 2009. 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. This holding was thereafter fully consolidated following the acquisition of the other 50% previously held by Sony.

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, in almost all cases, 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.

Loss in value ("Impairment") of tangible and intangible assets

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)

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

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.

Derivative 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 derivative instruments may be accounted for under hedge accounting only when the derivative and the subject of the hedge are formally documented and the hedge is highly effective (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.

Changes in international accounting standards

The accounting standards adopted are in line with those of the previous year with the exception of the following new and revised IFRS standards and IFRIC interpretations adopted by the Group.

During the year the Group has adopted the following new or revised IFRS and the following new or revised interpretations:

IAS 1 Presentation of Financial Statements, effective from January 1, 2009
IAS 23 Borrowing Costs (Revised), effective from January 1, 2009
IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements adopted in advance from January 1, 2009
IFRS 8 Operating segments, effective from January 1, 2009
IFRS 2 Share-based payments – Vesting and Cancellation conditions, in force from January 1, 2009
IFRS 7 – Financial Instruments: Disclosure, in force from January 1, 2009

When the adoption of a standard or an interpretation has an impact on the financial statements or the performance of the Group, the impact is described as follows:

IAS 1 Presentation of Financial Statements

The IAS 1 revised standard requires the movements in equity to show those attributable to the parent and to minority interest. The statement of change in shareholders' equity includes all transactions with shareholders while all the changes relating to transactions with non shareholders are 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 opted for the presentation of two statements.

IAS 23 Borrowing costs

IAS 23 (Revised) requires the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The previous accounting principle adopted by the Group recorded the borrowing costs in the income statement in the period they arose. In conformity with the regulations for the transition to IAS 23, the Group adopted the principle in advance.

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

The two revised standards were approved in January 2008 and were adopted in advance by the Group from January 1, 2009. IFRS 3R introduces some changes in the recording of the business combinations which 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.

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 were applied in advance from January 1, 2009 and had the following impacts:

The recording to the income statement of revalued investment gains of Euro 6,684 thousand due to the recalculation of the fair value of the equity investment previously held in Dada Entertainment; under the previous standard, the investment would be recorded at historical cost;

The recording to net equity under the equity transaction reserve of the higher value deriving from the sale of 13% of Dada.net within the acquisition of control of Dada Entertainment equal to Euro 5,145 thousand; under the previous standard, the higher value would be recorded to the income statement;

The recording to net equity of the liabilities deriving from the put option on the Dada.net minority interests; under the previous standard, the difference between the minority interest equity and the value of liabilities would be recorded to goodwill instead of a reduction of net equity.

The recording to the income statement of the costs related to the business combination of Euro 230 thousand; these costs were previously recorded as an increase of the acquisition cost.

IFRS 8 – Operating segments

The accounting standard IFRS 8 replaced IAS 14 segment information from the date of its entry into force. 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.

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

The IASB issued an amendment to IFRS 2 which clarifies the definition of vesting conditions and the accounting treatment in the case of a bonus effectively cancelled following the non fulfilment of a vesting condition. The Group adopted this amendment from January 1, 2009. The adoption of this amendment did not have an impact on the financial position or the performance of the Group.

IFRS 7 – Financial Instruments: disclosures

The amended standard requires additional disclosure in relation to the determination of the fair value and the liquidity risk. The determination of the fair value must show an additional disclosure on the input sources utilising a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the initial value and the final value of the determination of the fair value for level 3 is required, as is also the case for the measurement of significant transfers between the various levels. The amendments also state the requirements in relation to liquidity risk disclosure of derivatives and financial assets utilised for the management of foreign liquidity.

Amendments and interpretations effective as of January 1, 2009 which are not significant for the Group

The following amendments, improvements and interpretations, effective as of January 1, 2009, concern matters and events not present in the Group at the date of the present financial statements but which may have accounting effects:

amendments to IAS 32 and to IAS 1 Financial Instruments "for sale".

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

Improvement to IAS 29 - Financial reporting in hyperinflationary economies;

Improvement to IAS 40 - Investment property

IFRIC 13 – Customer loyalty programmes

IFRIC 15 - Arrangements for the construction of real estate

IFRIC 16 - Hedges of a net investment in a foreign operation

IFRS and IFRIC interpretations not yet in force

The Group has not yet adopted, in advance, the following new standards and interpretations and believes that their application will not have significant impacts on the financial statements.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 – Financial instruments: recognition and measurement (applicable from June 30, 2009)

IFRIC 18 – Transfer of assets from customers (applicable from July 1, 2009)

Improvements to IFRS

In May 2008 and April 2009, the IASB issued a series of improvements to the standards, principally in order to eliminate the inconsistencies and clarify the terminology. Each standard has ad hoc transition clauses. The adoption of the following amendments did not have any impact on the financial position or the results of the Group.

IFRS 5 non-current assets held for sale and discontinued operations clarifies the additional disclosure required in relation to non-current assets and discontinued groups classified as held for sale or relating to discontinued operations. The information required by other IFRS standards is applied only if specifically required with reference to these types of non-current assets or discontinued operations.

IFRS 8 Operating Segment clarifies that segment assets and liabilities need only be presented if they are included in the reporting utilised at the highest decisional level.

As the highest decisional level of the Group utilise the segment assets and liabilities, the Group continues to provide such disclosure in Note 8.

IAS 1 - Presentation of financial statements: assets and liabilities classified as held for trading according to IAS 39 Financial Instruments: recognition and measurement. They are not automatically classified as current items within the balance sheet or financial position.

IAS 7 Cash flow statement affirms explicitly that only expenditure that results in the recognition of an asset may be classified as cash flows from investment activity. This amendment will modify the presentation of the cash flow statement of the potential payments relating to business combinations completed in 2009 at the moment of cash payment.

IAS 16 Property, plant and equipment: substitution of the term "net sales price" with "fair value less selling costs".

IAS 20 Accounting for government grants and disclosure of government assistance: non-interest bearing loans or with low interest rates are not exempt from the requirement to record interest. Interest must be attributed to loans provided with interest rates below the market rate. This amendment does not have any impact on the Group which has received public assistance not in the form of loans but rather in the form of direct grants.

IAS 23 Borrowing costs: the definition of Borrowing Costs was revised to include under one item the two components of Borrowing Costs – the interest is calculated utilising the effective interest rate method according to IAS 39.

IAS 36 Impairment of assets: for the estimate of the "fair value less selling costs" the discounted cash flows require an additional disclosure on the discount rate, in line with the information required when the discounted cash flows are utilised for the estimate of the "value in use". This amendment clarifies that the largest unit to which goodwill acquired can be allocated in a business combination is the operating segment as defined by IFRS 8 before the combination for reporting purposes.

Risks

Financial

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

The Dada Group since 2007, the year in which Namesco Ltd was purchased, has consequently given great 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.

In particular the following was applied:

- an IRS contract was signed with a primary Credit Institution to hedge against the interest rate risk on the loan in Euro by the subsidiary Register.it. The fair value of the derivative instrument was recorded under an equity reserve in accordance with IAS 39. In 2009 a CAP contract was also signed with a primary credit institution with a Euribor threshold at 3.5% relating to the loan in place at December 31, 2009 for a residual Euro 7,200 thousand; the fair value was recorded to the income statement for the difference in the time value and to net equity for the difference of the intrinsic value. Forward currency sales/purchase contracts were undertaken to cover the exchange risk (USD Dollar). The effects of these derivative instruments were recorded in the income statement.

3.1 3. BUSINESS COMBINATIONS

Acquisition of Fueps S.p.a.

On October 12, 2009, Dada S.p.A. acquired 100% of the share capital of the company Fueps S.p.A. for a cash amount on closing of Euro 1.7 million, paid to the sellers – RCS Digital for 51% and Digital

Bros for 49% - in proportion to their relative shareholdings. A maximum earn-out of Euro 0.9 million comprising 12.5% of the Ebitda recorded in the financial statements for the years 2010 – 2014 of Fueps S:p.A. inclusive will also be paid to each seller. In accordance with IFRS 3 this potential payment at the acquisition date was estimated at Euro 860 thousand and was based on the data available at December 31, 2009.

Description	Value of the acquisition
Intangible assets	280
Property, plant & equipment	150
Financial assets	-
Cash and cash equivalents	250
Trade receivable	203
Other receivables	29
Trade payables	- 315
Financial payables	
Other payables	- 107
Employee leaving indemnity & deferred liabilities	- 20
Total net assets	**470**
Share of net assets	**470**
Goodwill of the acquisition	**2,075**
Total cost	**2,545**
Payments	- 1,685
Net liquidity of the subsidiary	250
Net liquidity utilised	**- 1,435**
Residual payable due	**860**

Further information	
Revenues included in consolidation	178
Net loss included in consolidation	- 2,609
Theoretical revenues in 12 months	483
Theoretical profit in 12 months	- 3,641

The costs relating to the acquisition entirely expensed to the income statement amounted to Euro 11 thousand.

Acquisition of Dada Ent. LLC

On September 30, 2009, Sony Music finalised the conferment of the 50% holding in the Joint Venture Dada Entertainment LLC to Dada.net S.p.A., in exchange for a holding of 13% in Dada.net, previously entirely held by Dada Spa. Concurrently, agreements relating to the shareholder structure and governance in addition to industrial agreements and those relating to put and call options with Dada S.p.A. were signed. In June, agreements relating to the governance of Dada.net and Dada Entertainment were signed, which allowed for the full consolidation of the company from June 2009.
These concern a business combination carried out in phases (step acquisition) with the recording of a gain of Euro 6,654 thousand following the redetermination of the fair value of the equity investment previously held, which was recorded to the income statement account "revaluation gains from equity investments".

Description	Value of the acquisition
Intangible assets	145
Property, plant & equipment	
Financial assets	
Cash and cash equivalents	1,304
Trade receivable	18,235
Other receivables	470
Trade payables	- 13,831
Financial payables	- 2,731
Other payables	- 3,385
Provisions for risks and charges	- 753
Employee leaving indemnity provision	- 43
Total net assets	- 589
Payment transferred	- 10,339
Fair value of stake previously held	10,347
Total Goodwill	**21,275**
Issue shares in Dada.Net	**10,339**

Further information	
Revenues included in consolidation	21,910
Profit included in consolidation	4,676
Theoretical revenues in 12 months	35,374
Theoretical profit in 12 months	3,791
Method to determine fair value of the instruments issued	Criteria used to estimate value: comparables, and DCF on future plans

The costs relating to the acquisition entirely expensed to the income statement amounted to Euro 291 thousand.
The payment for this acquisition is represented by the sale of 13% of Dada.net. The difference between the price paid and the book value of the holding acquired was Euro 5,145 thousand and was recorded to net equity as an equity transaction reserve.
In relation to the transaction, agreements were signed which established call options for Dada S.p.A. on 13% of Dada.net held by the minority interests and put options of the minority interests against Dada S.p.A. on the same holding.

The repurchase obligation deriving from the put option on the minority interests of Dada.net was represented through the recording of a liability of Euro 8 million which constitutes the minimum price in the agreements signed between the parties and relates to the fair value at the balance sheet date taking account of the market performance of the parent company Dada. This effect is represented through the reclassification under liabilities of the minority interest net equity share of Dada.net with the recording to the equity transaction reserve of the difference between minority interest net equity and the value of the liabilities. The minority interest result continues to be recorded to them.

4. SEGMENT INFORMATION IN ACCORDANCE WITH IFRS 8

As stated previously, from 2009 the Dada Group presents segment information as per IFRS 8.

For management purposes, the Dada group is organised by segment of activity (Business Units), which from the previous year have comprised of the Dada.net division, the Dada.pro division and the Fueps Division. This latter was included from the present year following the acquisition of Fueps S.p.A. on October 12, 2009 which is engaged in online gaming services.

In accordance with IFRS 8, which requires the organisation of the segment information according to the same criteria utilised for management reporting purposes, a further division, that of the Corporate Division, was identified.

Based on that previously reported, the different divisions can be broken down as follows:

a) The Dada.net Division: comprised, as stated in the directors' report, of fee-based services to the final user through subscription;

b) The Dada.pro Division: comprised of automatically provided services, such as the registration of domains, fee-based e-mail and hosting services and the digital advertising activities, generated via mobile and web channels;

Fueps Division: With the sites www.fueps.com and www.4a.com, Fueps is the business unit operating in the casual and skill games market.

With a catalogue of over 100 games and a community of over 520,000 registered users, Fueps.com is among the principal web properties in its sector in Italy with a direct on-line presence while also developing white-label sites for third party operators such as Virgilio.

c) The Corporate Division: the Corporate Services Division carries out service activities for the companies of the group and therefore the three Business Units.
The division revenues are comprised of recharges to the companies of the Group for services provided centrally such as administration, finance, tax, planning and control, purchases, legal and corporate, communications, personnel administration, facility management, general services and ICT.

The Dada.net Division, in addition to Dada.net, also includes the Italian and foreign subsidiaries (direct and indirect) - Clarence S.r.l., Dada USA Inc, Upoc Inc, Dada Iberia SL, Dada Brasil Ltda., E-Box S.r.l., Giglio Group S.p.A., Dada Entertainment LLC and Dada Canada Inc.

The Dada.pro division is headed by Register.it S.p.A., and includes Nominalia SL, Namesco Ltd., Namesco Ireland Ltd and the companies of the Amen Group.

For the Dada.pro Division, there were no changes in the consolidation scope.

For the Dada.net division, the consolidation scope changed with the entry of Dada Entertainment LLC. In relation to this, reference should be made to the Directors' Report.

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

Financial activities 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 management individually monitors the operating results of its business units in order to make decisions on the allocation of resources and the evaluation of the performance. The segment performance is evaluated based on the business volumes and the operating margin. The financial management results (including financial income and charges) and income taxes are managed at group level and therefore not allocated to the single operating segment level.

According to this new structure, the comparative data of the previous year was reclassified.

The comments relating to the main accounts in the following tables appear in the Directors' Report on operations.

Consolidated Income Statement by segment for the year ended December 31, 2009

2009						
Segment information	Dada.net	Dada pro	Fueps	Corp.	Adjustments	Consolid.
Revenues - Italy	30,168	33,760	143	57		64,128
Revenues - Overseas	53,119	37,853				90,972
Revenues - inter-sector	1,820	10,968	35	11,066	-23,889	0
Net revenues	**85,107**	**82,581**	**178**	**11,123**	**-23,889**	**155,100**
Increases in internal work	1,808	3,421				5,229
Service costs	-59,542	-61,014	-2,347	-9,484	22,111	-110,276
Personnel costs	-10,691	-14,990	-157	-3,741		-29,579
Segment Ebitda	**16,682**	**9,998**	**-2,326**	**-2,102**	**-1,778**	**20,474**
Amortisation & Depreciation	-4,906	-5,687	-93	-2,454	1,778	-11,362
Write-downs and provisions	-2,647	-1,395	-189	-292		-4,523
EBIT	**9,129**	**2,917**	**-2,609**	**-4,847**	**0**	**4,589**
Segment Ebit / Sales						

Financial activities	3,973
Profit before taxes	**8,562**
Income taxes	-1,205
Group and minority interest result	**7,357**
Minority interest share	-399
Group net profit	**6,958**

Consolidated Income Statement by segment for the year ended December 31, 2008

2008					
Segment information	Dada.Net	Dada Pro	Corporate	Adjustments	Consolidated
Revenues - Italy	48,031	40,503			88,534
Revenues - Overseas	44,085	37,601			81,686
Revenues - inter-sector	1,253	2,900	8,696	-12,849	0
Net revenues	93,369	81,004,0	8,696	-12,849	170,220
Increases in internal work	2,909	1,970			4,879
Service costs	-66,253	-57,625	-6,695	12,849	-117,723
Personnel costs	-11,834	-12,961	-3,707		-28,502
Segment Ebitda	18,192	12,388	-1,706	0	28,873
Amortisation & Depreciation	-7,602	-3,356	-1,476		-12,434
Write-down and provisions	-830	-1,019			-1,849
EBIT	9,760	8,013	-3,182	0	14,591

Financial 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 – Q4 2009

Q 4 2009						
Segment information	Dada.Net	Dada Pro	Fueps	Corp.	Adj.	Consolid
Revenues - Italy	7,289	8,945	143	19	0	16,396
Revenues - Overseas	16,558	7,170	0	0	0	23,728
Revenues - inter-sector	597	4,431	35	3,123	-8,186	0
Net revenues	**24,445**	**20,546**	**178**	**3,142**	**-8,186**	**40,125**
Increases in internal work	236	1,124	0	0	0	1,360
Service costs	-16,589	-15,879	-2,347	-2,966	7,741	-30,040
Personnel costs	-2,397	-3,977	-157	-952	0	-7,483
Segment Ebitda	**5,696**	**1,813**	**-2,326**	**-776**	**-445**	**3,962**
Amortisation & Depreciation	-1,340	-1,475	-93	-608	445	-3,071
Write down and provisions	-1,407	-616	-189	-120	0	-2,332
EBIT	**2,948**	**-277**	**-2,609**	**-1,504**	**0**	**-1,441**
Segment Ebit / Sales						

Financial activities	5,999
Profit before taxes	**4,558**
Income taxes	299
Group and minority interest result	**4,857**
Minority interest share	764
Group net profit	**5,621**

Segment Income Statement – Q4 2008

Q4 2008					
Segment information	Dada.Net	Dada Pro	Corp.	Adj.	Consolid.
Revenues – Italy	48,031	40,503			88,534
Revenues – Overseas	44,085	37,601			81,686
Revenues – inter-sector	1,253	2,900	8,696	-12,849	0
Net revenues	93,369	81,004,0	8,696	-12,849	170,220
Increases in internal work	2,909	1,970			4,879
Service costs	-66,253	-57,625	-6,695	12,849	-117,723
Personnel costs	-11,834	-12,961	-3,707		-28,502
Segment Ebitda	18,192	12,388	-1,706	0	28,873
Amortisation & Depreciation	-7,602	-3,356	-1,476		-12,434
Write down and provisions	-830	-1,019			-1,849
EBIT	9,760	8,013	-3,182	0	14,591

Financial 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

Dada Group breakdown of revenues by geographic area

Description	2009		2008	
	Amount	% of total	Amount	% of total
Revenues Italy	64,128	41%	88,534	52%
Revenues Overseas	90,972	59%	81,686	48%
Consolidated Revenues	155,100		170,220	

Description	Q4 2009		Q4 2008	
	Amount	% of total	Amount	% of total
Revenues Italy	16,396	41%	21,394	48%
Revenues Overseas	23,728	59%	22,770	52%
Consolidated Revenues	40,125		44,164	

Breakdown of assets and liabilities by sector at December 31, 2009

	31/12/2009				
Segment information	Dada.net	Dada.pro	Fueps	Corporate	TOTAL
Segment assets	73,242	89,176	1,140	25379,7	188,938
Investments in associated companies	0	0	0	0	0
Unallocated assets					5,356
TOTAL ASSETS	73,242	89,176	1,140	25,380	194,294
Segment liabilities	35,943	64,507	1,626	13597,6	115,674
Unallocated liabilities					5,777
TOTAL LIABILITIES	35,943	64,507	1,626	13,598	121,451
Other information					
Provisions	620	515	0	228	1,363
Employee leaving indemnity provision	307	698	9	157	1,171
Amortisation of intangible assets	1587	3,402	83	2,107	7,179
Depreciation of property, plant & equipment	1540	2,284	10	346	4,180
Write-down of fixed assets	0	0	0	0	0
Tangible assets investments	592	1809	0	225	2,626
Intangible asset investments					0

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 LIABILITIES	48,949	78,886	8,537	136,372
Other information				
Provisions	1189	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 assets investments	743	2932	272	3,947
Intangible asset investments	5,757	32,341	383	38,481

Breakdown of assets and liabilities by geographic area at December 31, 2009

31/12/2009			
Geographic area	Italy	Overseas	TOTAL
Segment assets	143,923	47,626	191,549
Investments in associated companies	0	0	0
Unallocated assets			2,745
TOTAL ASSETS	**143,923**	**47,626**	**194,294**
Segment liabilities	76,547	39,127	115,674
Unallocated liabilities			5,777
TOTAL LIABILITIES	**76,547**	**39,127**	**121,451**

Breakdown of assets and liabilities by geographic area at December 31, 2008

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 LIABILITIES	**93,898**	**26,648**	**136,372**

5. Other costs and revenues

5.1 Revenues

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 decreased in 2009 compared to 2008; this related particularly to 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 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Deductible taxes	-73	-12	-61	508.33%
Non-deductible taxes	-904	-971	67	-6.90%
Other non-deductible costs	-123	-226	103	-45.58%
Other operating charges	-288	-62	-226	364.52%
Restructuring charges	-3,158	0	-3158	-
Total	**-4,546**	**-1,271**	**-3,275**	**257.67%**

The non-deductible taxes, amounting to Euro 904 thousand, refer prevalently to withholding taxes on the transfer of funds to the subsidiary Dada Brasile. This account is strictly related to the business operations of Dada Brasile and its transactions with other Group companies. The Brazilian tax system allows a limited tax deductibility for withholding taxes deducted at source, with the consequent recording of such expenses in the accounts. On the other hand, the other non-deductible expenses are in line with the previous year.

The restructuring charges of Euro 3.2 million includes the extraordinary expenses paid for employee leaving incentives and charges relating to the settlement of contractual disputes arising from operational activities, which were prevalent in the year. Reference should be made to section 5.8 Non-recurring Income and Charges.

5.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Interest income from bonds				
Interest income on bank and postal accounts	66	438	-372	-84.93%
Other interest and income	38	422	-384	-91.00%
Exchange gains	1,991	0	1,991	-
	2,095	**860**	**1,235**	**143.60%**
Gain on goodwill revaluation	6,654	0	6,654	-
	6,654	**0**	**6,654**	**100.00%**
Total	8,749	860	7,889	917.33%

Financial income is comprised of the interest matured on bank accounts and of income from derivatives. The revaluation gain recorded of Euro 6.7 million related to the advance application of IFRS 3 Revised and IAS 27 Revised which provides for, among other aspects, the revaluation of the amount acquired prior to gaining control of a company. The revaluation related to the 50% held by Dada Entertainment, from 2007, to the value established by an expert's valuation prepared for the conferment of the 50%, held by Sony, in September 2009. This concerns non-recurring income.

Exchange gains refer in particular to the conversion of some trade receivables/payables in foreign currencies, as well as transactions carried out in the year. In particular gains were recorded relating to the conversion of the Brazilian currency following the revaluation during 2009.

The table below reports the breakdown of financial charges for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Interest on current accounts	-154	-325	171	-52.62%
Interest on loans	-1,173	-1,695	522	-30.80%
Other interest expense	-3	-22	19	-86.36%
Bank charges and commissions	-966	-682	-284	41.64%
Exchange losses	-1945	-547	-1398	255.58%
Other charges	-	-100	100	-100.00%
Total	-4,241	-3,371	-970	28.77%

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 changes in interest expenses also relates to charges on the loan of Euro 16 million with a primary credit institution for acquisitions in the year. The reduction on the previous year is strictly related to significant decreases in the Euribor rate in 2009 from 2008.

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.

Overall the exchange rate positions in the year remained stable.

5.4 Share of profit/losses of associated companies

The table below reports the breakdown of profit/losses of associated companies for 2009 compared to the previous year:

Associated companies	2009	2008	Changes	Change %
Dada Entertainment LLC	-535	554	-1,089	-197%
E-Box S.r.l.	0	30	-30	-100%
Total	**-535**	**584**	**-1,119**	**-297%**

The company Dada Entertainment LLC was a jointly controlled company until May 31, 2009, while from June 1, 2009 the company was full consolidated following the change in the agreements relating to the Governance of the company. In the first 5 months of 2009 the valuation was made according to the net equity method with the recording of a loss of Euro 535 thousand.

The company E-Box S.r.l. was acquired and consolidated fully for 2009, while in 2008 it was valued at equity until June 30 and subsequently fully consolidated.

5.5 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Doubtful debt provision	-380	-285	-95	33.33%
Provisions for risks	-983	-1,350	367	-27.19%
Total	**-1,363**	**-1,635**	**272**	**6%**

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 and depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Dep. of property, plant and equipment	4,181	3,327	854	26%
Amort. of research and development costs	4,324	3,178	1,146	36%
Amort. of patents and trademarks	719	316	403	128%
Amort. of other intangible assets	2,138	1,493	645	43%
Total Depreciation & Amortisation	**11,362**	**8,314**	**3,048**	**232%**
Goodwill write-downs	0	4,115	-4,115	-100%
Write down of other intangible assets	0	5	-5	-100%
Total fixed asset write-downs	**0**	**4,120**	**-4,120**	**-100%**
Total	**11,362**	**12,434**	**-1,072**	**-9%**

The increases are entirely related to the greater investments in intangible and tangible fixed assets in the year. 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 Labour costs

The table below reports the breakdown of personnel costs for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Salaries and wages	22,561	22,720	-159	-0.70%
Social security expenses	5,854	4,966	888	17.88%
Employee leaving indemnity	1163	814	349	42.87%
Other		0	0	-
Total	**29,578**	**28,500**	**1,078**	**4%**

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 1.7 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 260 thousand.

The table below shows the breakdown of employees by category at December 31, 2009 and December 31, 2008:.

Description	31/12/2009	31/12/2008	Changes	Change %
Executives	8	7	1	14%
White-collar	585	556	29	5%
Total	**593**	**563**	**30**	**5%**

The account other movements includes the variations related to the change in the consolidation scope that occurred in the year.

5.8 Non-recurring income and charges

The income from non-recurring activities in the present year relates to the revaluation gain recorded of Euro 6.7 million related to the advance application of IFRS 3 Revised and IAS 27

Revised which provides for, among other aspects, the revaluation of the amount acquired prior to gaining control of a company. (reference is made to note 5.3)

Non-recurring charges refer to extraordinary charges in 2009 (not present in 2008). These costs relate to contractual penalties and those relating to the redundancies following the restructuring of some sectors of activity of the Group. In particular redundancy costs are included under other operating charges of Euro 1,463 thousand, while those included under provisions and write downs amount to Euro 300 thousand. The charges paid for contractual penalties for the supply of services considered excessively onerous amount to Euro 1,131 thousand.

The following table shows the composition of non-recurring income and charges in 2009:

Description	2009	2008	Changes
Gain from revaluation of investments	6,654		6,654
Other operating charges	(3,159)	-	(3,159)
Provisions and write-downs	(559)	-	(559)
Total	**2,936**	-	**2,936**

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 utilises derivative instruments such as IRS and CAP to manage interest rate risk;

The Group also utilises derivative instruments in order to hedge against foreign currency movements.

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. This latter risk is offset through IRS and CAP hedges.

Foreign exchange 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 and the Euro and British Sterling.

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 2009, 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. 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., Dada.net S.p.A. and Fueps.

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. For Dada.net, 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. The Dada.pro division carries out part of its business activities in the advertising sector and therefore is subject to the risks related to this market.

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.

6. Income taxes

The table below reports the breakdown of income taxes for 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Regional taxes	-787	-1,216	429	-35%
IRES income taxes	-1,973	-2,858	885	-31%
Deferred tax income	1,555	228	1327	582%
Deferred tax charge	0	-396	396	-100%
Total	**-1,205**	**-4,241**	**3,037**	**-72%**

The movements in deferred tax assets and liabilities in 2009 are shown in the table below:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Exchange Diff.	Other movements	Balance at 31/12/09

Deferred tax assets	8963	2,886	- 1,367	- 32	131	10,581
Deferred tax liabilities	-1,228	0	0	41	-10	-1,197
Total	7,735	2,886	-1,367	8	121	9,384

Deferred tax assets, recorded in the 2009 financial statements for Euro 10.5 million, originate from the temporary timing differences recoverable in the short-term relating to provisions made for 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 part of the fiscal losses incurred by some Group companies, as well as the temporary differences relating to the adjustment of the subsidiaries to Group accounting standards. For the calculation of the recoverability of fiscal losses a time period was used which would allow the identification of the assessable taxes considering in particular the economic-financial outlook based on the best assumptions which could be made from the information examined and shared by the Board of Directors of the subsidiary companies.

In particular, the deferred tax assets on the fiscal losses carried forward amount to Euro 8,200 thousand.

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 tax losses carried forward amount to approximately Euro 47 million, of which Euro 38 million are for an indefinite period. The tax losses on which deferred tax assets were not calculated amount to approx. Euro 18 million.

The utilisations of deferred tax assets in 2009 relate to the fiscal charge for the year, while the increase was calculated on the basis of the recovery of the above mentioned items as resulting from the forecasts 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 2009. In particular this refers to deferred tax assets which were recorded in the financial statements of the US company Dada Entertainment LLC, consolidated from June 1, 2009.

The deferred tax assets relate to the positive adjustments to the financial statements of the US companies in previous years but which may be reabsorbed in future years with consequent payment of taxes.

The exchange rate effect related to the conversion into Euro of deferred tax assets and liabilities from the US company recorded in US dollars in their financial statements.

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

RECONCILIATION BETWEEN THEORETICAL AND ACTUAL FISCAL CHARGE FOR YEAR ENDED DECEMBER 31, 2009

(Euro/thousands)

IRES income taxes	2009

Profit before taxes	8,562
Theoretical tax charge	2,355
Permanent differences	2,346
Temporary differences	916
Taxable income	11,824
Effect of recovery of fiscal losses	-4,651
Total current taxes	1,973

Regional taxes	2009
Difference between value and cost of production	4,589
Non relevant costs for IRAP	17,123
Theoretical tax base	21,712
Theoretical tax	847
Permanent differences	-95
Temporary differences	-1,235
Recovery from prior years	-199
Taxable income	20,183
Total current taxes	787

The deferred tax assets and liabilities are shown below

	IRES income taxes 2009		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	46	27.50%	13
Doubtful debt provision not deductible	1,945	27.50%	535
Other temporary differences	735	27.50%	232
Other temporary differences	363	30.00%	109
Provisions for risks and charges	949	27.50%	261
Provisions for risks and charges	616	34.00%	209
Amortisation of Trademarks	610	27.50%	168
Goodwill	845	27.50%	231
Non-realised exchange gains	61	27.50%	17
Non-realised exchange gains	119	34.00%	40
Tax on Cash Flow Hedge Reserve	1,020	27.50%	280
Total	7,309		2,065
Deferred tax asset relating to fiscal losses for the Italian companies	25,057	27.50%	6,891
Deferred tax asset relating to fiscal losses for the foreign companies	4,479	34.00%	1,523
Effect on accounts	36,845		10,478

	Regional taxes 2009		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	46	3.90%	2
Other temporary differences	196	3.90%	8
Provisions for risks and charges	949	3.90%	37
Amortisation of Trademarks	610	3.90%	24
Goodwill amortisation	845	3.90%	33
Effect on accounts	2,646		103

Total deferred tax asset (IRAP +IRES)	39,491		10,581

It is also recalled that the Dada SpA adhered to the Italian 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). The US companies Dada USA Inc., Upoc Inc. and Dada Entertainment LLC comply with the local tax consolidation and Dada USA is the consolidating company. Dada Entertainment LLC is not subject to taxes according to US regulations, but attributes its pre-tax result to the two American parent companies (Dada.net S.p.A. and Dada USA Inc.) and therefore contributes to the tax charge.

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	2009	2008
Profit for the calculation of the earnings per share	6,958	7,627
TOTAL	7,627	7,627

NUMBER OF SHARES	2009	2008
Number of shares for the calculation of the earnings per share	16,210,069	16,210,069
Dilution effect (options on shares)	0	624,544
TOTAL	16,210,069	16,834,613

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 table below shows the movements in property, plant and equipment in 2009:

Description	31/12/08	Increases	Write-downs	Other movements	Exch. diff	Depreciation	31/12/09
EDP	9,058	3,658	-73	1,058	1	-3,609	10,093
Furniture & fittings	1,397	144	0	178	34	-525	1,228
Others	1,105	45	0	-966	1	-47	138
Total	11,560	3,847	-73	270	36	-4,181	11,459

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 the account furniture and fittings relates to the expenses incurred for the improvement of the Group headquarters with particular regard to some foreign offices.

The write-downs relate to plant and machinery sold and eliminated in the year, before the conclusion of the depreciation process.

The account "other movements" includes the effects related to the consolidation of the companies Dada Entertainment and Fueps 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 table below shows the movements in intangible fixed assets in 2009:

Description	31/12/08	Increases	Decreases	Revaluations	Other movements	Exch. Diff.	Amortisation	31/12/09
Goodwill	77,778	16,773	-325	6,654	-	1,938	-	102,818
Total goodwill	*77,778*	*16,773*	*-325*		-	*1,938*	-	*102,818*
Development on products and services	8,708	5,229	0	-	279	37	-4,324	9,929
Concessions, licenses, trademarks	531	64	0	-	-2	0	-298	295
Others	4,914	880	-62	-	242	45	-2,138	3,881
Patent rights		1,263			0	0	-421	842
Assets in progress and advances		397	0	-	12	0	0	409
Total intangible assets	*14,153*	*7,833*	*-62*	-	*531*	*82*	*-7,181*	*15,356*
Total	91,931	24,606	-387	-	531	2,020	-7,181	118,174

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 Dada Entertainment LLC, fully consolidated from June 1, 2009 and Fueps S.p.A., consolidated from October 1, 2009.

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 for 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.

The capitalisation of these assets 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, based on the forecasted financial and economic data available of the two divisions. The amortisation is made on a straight-line basis over a period of 5 years.

Assets in progress and advances include the projects begun in the final part of 2009 but production only commences in 2010. In particular, this refers to the MM module of the integrated SAP system, which entered into operation in January 2010 and licences and trademarks whose utilisation will only begin from the second half of 2010.

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:

Description	Value at December 31, 2008	Share of result	Decreases	Other changes	Value at al December 31, 2009
Associated companies	4,350	- 535	- 3,815	-	-
Total	4,350	- 535	- 3,815	-	

The holding in associated companies relates to Dada Entertainment LLC which became a 100% subsidiary from June 1, 2009 following the change in governance of the company, as described in detail above. The portion of the result matured by the company until May 31, 2009, previously recorded according to the net equity method, amounted to Euro 535 thousand.

11. Impairment test of intangible assets and goodwill

The breakdown of goodwill evolution was as follows:

Description	31/12/08	PURCHASES	Reval.	TOTAL INCRE.	DECRE.	Exchange diff.	RECLAS.	31/12/09
Register.it SpA	7,119							7,119
Dada.Net SpA	1,265							1,265
Clarence Srl	430							430
Upoc Inc	5,080					- 172		4,908
Nominalia SL	6,141						2,409	8,550
Dada Brasil	14							14
Dada Iberia	10							10
Namesco	28,087					2,096		30,183
Merger difference	899					- 15		884
Tipic	817					- 12	-	805
Amen Group	24,900				- 325	118	- 2,409	22,284
E-Box Srl	2,262							2,262
Giglio Group	753							753
Dada Ent.		14,698	6,654	21,352		- 77		21,275
Fueps		2,075		2,075				2,075
TOTAL	77,777	16,773	6,654	23,427	- 325	1,938		102,817

Increases

The acquisitions in the year related to:

Fueps S.p.A.: On October 12, 2009, Dada S.p.A. acquired the entire share capital of Fueps S.p.A. The transaction was completed for a cash consideration of Euro 1,700 thousand, paid on closing to the sellers in proportion to their holdings. A maximum earn-out of Euro 900 thousand comprising 12.5% of the Ebitda recorded in the financial statements for the years 2010 – 2014 of Fueps S.p.A. inclusive will also be paid to each seller. The goodwill recorded in the financial statements for Euro 2,075 thousand includes also the potential payments related to the earn-out quota, estimated at Euro 860 thousand.

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

Dada Entertainment LLC*:* On June 24, 2009 Sony Music Entertainment and Dada signed a strategic agreement for the development of a more extensive partnership. The agreements provides for the acquisition by Sony Music of a 13% stake in Dada.net S.p.A. – through the contribution of its holding in the Joint Venture Dada Entertainment LCC together with reciprocal put options and governance agreements relating to Dada.net and Dada Entertainment, which allowed for the full consolidation of Dada Ent from June 2009.

Subsequently, on October 3, 2009, Sony Music finalised the contribution of the 50% holding in Dada Entertainment LLC to Dada.net S.p.A., in exchange for a 13% share in Dada.net, previously entirely held by Dada Spa. Concurrently, agreements were signed relating to the shareholder structure and governance in addition to industrial agreements.

The recording of this operation, following the advance application of IFRS 3 revised and IAS 27 revised, as described in the accounting principles, had multiple accounting effects related to the various phases of the operation and which are described below:

- Increase in the share capital of Dada.net S.p.A. against the conferment of 50% of Dada Entertainment LLC. This phase led to the recording of goodwill of Euro 10,339 thousand on the portion of Dada Ent. acquired; this valuation is based on the figures utilised for the operation (including from independent experts).

- This operation led to a gain in the consolidation from the 13% sale of Dada.net S.p.A. as the difference between the price paid and the book value of the holding acquired of Euro 5,146 thousand; this amount was entirely recorded to the equity transaction reserve, as per IFRS 3 revised;

- Recording of the adjustment in value of the shareholding previously held by the Dada Group in Dada Entertainment of 50%; this relates to a business combination in phases (step acquisition), recording a gain of Euro 6,654 thousand deriving from the redetermination of the fair value of this holding, which was recorded in the income statement account "gains from revaluation of holdings";

- Recording of the put option for the re-acquisition of 13% of Dada.net S.p.A. by Dada S.p.A. to be exercised within three years from the date of conferment. This contractual condition was recorded as a liability of Euro 8 million. This obligation was recorded through the reclassification under liabilities of the minority interest net equity share of Dada.net with the recording to the equity transaction reserve of the difference between minority interest net equity and the value of the liabilities. The Euro 8 million valuation is the minimum price contained in the agreements signed between the parties and represents the fair value at the balance sheet date.

The following table reports the principal effects described above:

Description	Book value	Amount
Goodwill valuation on the 50% acquisition by Dada. Net	Goodwill	10,339
Allocation to net equity of the implicit gain in the sale of 13% of Dada.net	Equity transaction reserve	(5,145)
Recording 13% minority interests of Dada.net	Minority interest reserve	(5,194)
Adjustment value of holding in Dada USA (first 50% acquired in 2007)	Goodwill	6,654
Economic revaluation of the above matters	Gain	(6,654)
Put Valuation for the 13% repurchase of Dada.net (equity transaction)	Equity transaction reserve	2,806
Reversal 13% minority interest of Dada.net	Minority interest reserve	5,194
Put Valuation for 13% repurchase of Dada.net	Other payables	(8,000)

Exchange rate effect

Goodwill in foreign currencies is converted at the exchange rate at the end of the period utilising the rates reported on page 63 of the present notes. The conversion of the Euro/Sterling exchange rates for the goodwill of Namesco Ltd and Amen France resulted in an increase in the value of goodwill respectively of Euro 2,096 thousand and Euro 118 thousand. This increase is recorded in the translation reserve as part of consolidated net equity.

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.

<u>Identification of the cash generating units (CGU):</u> 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 the individual companies or unions of these, which are the smallest entities of the sector activity utilised for the sector information, i.e. Dada.pro, Dada.net and Fueps.

The impairment test was carried out on the following CGUs:

- Register.it S.p.A.;
- Namesco Group: consolidation of the individual financial statements of Namesco Ltd and Namesco Ireland;
- Amen Group/Nominalia SA: consolidation of the individual financial statements of the Amen Group and Nominalia SA;
- US Activities: consolidation of the individual financial statements of Dada Usa Inc, Upoc and Dada Entertainment LLC;
- CRC Activities: individual financial statements of E-Box S.r.l. including the contribution of assets from Tipic Inc.. These assets relate to the sector activities of "social networking and the so-called "user generated content".

  Fueps: individual financial statements of the company.

The first CGU refers to the Dada.pro sector activities, the second and third refer to the Dada.net sector while the last represents the new sector of activities of the Dada Group.

The following changes were made on the previous year:

-The Nominalia and the Amen Group CGUs were unified, following the integration (organisational and business) of the two entities and also following the merger by incorporation of the company Amen Spain into Nominalia;

- The Fueps CGU was added following the acquisition of the company in 2009;

- The company Dada Ent LLC was added to the "USA activities" CGU following the operation described above, a company which was consolidated under the net equity method previously.

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	Fueps	Register.it
Period of plan	5 years	5 years	5 years	5 years	5 years	5 years
Growth rate:						
Revenues	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company
EBITDA	Based on the considerations above	Based on the consideration s above	Based on the consideration s above	Based on the considerations above	Based on the considerations above	Based on the considerations above
Growth rate beyond plan period	0%	0%	0%	0%	0%	0%

The terminal value was generally calculated over an infinite time period for all of the CGUs examined.

The valuation activity was carried out also with the support of a leading specialised consultancy firm in this area.

In relation to the economic-financial data it is stated that:

- 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 management of the company believes that the growth rates in this sector will principally depend on the strategic lines put in place. Account was also taken of the new business initiative taken in 2009 and which will be consolidated over the coming years.

- The expected growth rates of the CGUs belonging to the Dada.net division were based on the growth rates forecast internally of the business in each distribution market considering available data. Also for this sector account is taken of the economic effects relating to the launch of new services.

- Revenues in the period reflect an increase in the "music" line of business and the start-up of new products and/or new initiatives, including further commercial partnerships with third parties.
- In relation to the CGU concerning the Dada.pro sector (Namesco Ltd, Register.it S.p.A. and Nominalia/Amen) account is taken of the following elements and upon which the budget and projection plans were based:
    - Renewal and new sales rates of the Domini & Hosting sector in line with historical data, along with the development of new products in the sector;
    - Development of management services for advertising traffic;
    - Development of internal advertising management platform, begun in 2009.
- For the CGUs belonging to the Fueps sector account is taken of the following elements on which the budget and the plan projections were based; in particular, the revenues reflects the implementation of new offer strategies for products in the skill games segment.

The discount rate used for future cash flows is the weighted average cost of capital (WACC); this rate, pre-tax, utilised for the projection of cash flows was based on different measures for the individual CGUs and takes account, among others, of 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 following rates were applied:

Cash Generating Unit	WACC (post tax)
CRC	9.70%
USA Activities	7.0%
Namesco	9.10%
Nominalia/Amen	7.70%
Fueps	10.3%
Register.it	8.50%

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 Discounted Cash Flow method, utilising the projected cash flow contained in the five year plan described above of each of the 3 CGUs.

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.

Given the particular significance of the value of goodwill of the Namesco Ltd. CGU, the principal data based on a sensitivity analysis utilising the WACC discounted rate and the growth rate utilised for the determination of the terminal value, relating to the valuation of this CGU, carried out with the infinite terminal value and utilising the above reported rate, is set out below:

Sensitivity Analysis - Enterprise Value

€.000	g (growth) rate				
WACC	(0,50%)	(0,25%)	**0,00%**	0,25%	0,50%
8,61%	43.366	44.298	45.284	46.329	47.439
8,86%	42.123	42.998	43.921	44.899	45.934
9,11%	40.946	41.768	**42.634**	43.549	44.517
9,36%	39.829	40.602	41.415	42.274	43.181
9,61%	38.768	39.495	40.261	41.067	41.918

Sensitivity Analysis - Plus (Minus)

€.000	g (growth) rate				
WACC	(0,50%)	(0,25%)	**0,00%**	0,25%	0,50%
8,61%	13.885	14.817	15.803	16.848	17.958
8,86%	12.642	13.517	14.440	15.417	16.453
9,11%	11.465	12.286	**13.153**	14.068	15.036
9,36%	10.348	11.121	11.934	12.793	13.700
9,61%	9.287	10.014	10.780	11.586	12.437

The verification of the recoverability of the goodwill from the companies Dada Entertainment LLC., UPOC Inc, Dada USA Inc and E-box Srl was carried out applying the DCF method, based on the cash flow projections of the economic and financial five year data, described above for each of the CGU's.

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 verification of the recoverability of the goodwill of Fueps S.p.A., was carried out applying the DCF method, based on the projection of the economic and financial five year forecasts, described above.

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.

These impairment procedures were subject to specific and independent approval of the directors of the parent company Dada S.p.A..

The Dada Group as an overall entity passed the impairment test on its consolidation.

Dada S.p.A., listed on the MTA market of Borsa Italiana in the Star segment, has a market capitalisation at December 31, 2009 of Euro 95 million and at the current date is above the net equity value (Euro 83 million).

Other changes

The other changes reported in the table of movements of goodwill are due to two operations which were concluded in the year:

- In April 2009 the Parent Company Dada S.p.A. acquired from the American subsidiary Dada USA the assets from the former holding Tipic Inc (classified in the account merger difference). This operation was carried out at book value with payment in cash. This activity today relates to the CRC CGU.
- In October 2009, the merger process involving the Spanish companies into the Dada.pro sector was concluded. In particular Nominalia SA incorporated the companies Amen Spagna and Cotei SA. This operation was carried out as part of the re-structuring of the companies operating in Spain, at book value on a neutral tax base and back-dated to January 1, 2009.

12. Other financial assets

The table below shows the breakdown of "other financial assets" at December 31, 2009 compared to the previous year:

Description	31/12/2009	31/12/2008	Changes	Change %
Financial receivables and other non-current assets	138	320	-182	-56.88%
Financial assets for financial instruments	-	-	-	
Total financial assets	**138**	**4,670**	**-4,532**	**-97.04%**
Deferred tax assets	**10,682**	**8,963**	**1,719**	**19.18%**

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, 2009 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	Plan of 24/02/09	Plan of 08/10/09
Duration of the plan	2009-2012	2007-2009	2009-2012	2009-2012	2009-2015	2009-2015
Total options to be issued	700,700	33,000	55,000	25,000	410,000	50,000
Total residual options at 31/12/2009	469,550	0	50,000		380,000	50,000
Value of issue	14.782	15.47	16.92	16.99	6.05	6.875

The plans of the Dada Group were subject to an actuarial valuation carried out by an independent actuary, in relation to which the data utilised in the valuation models of the six plans is listed 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	Plan of 24/02/09	Plan of 08/10/09
Valuation Date	issue of plan	issue of plan	issue of plan	issue of plan	issue of plan	issue of plan
Model utilised	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%	5%	5%
Expected volatility	23.50%	31-36%	29.07%	29.07%	29.07%	37.30%

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	Plan of 24/02/09	Plan of 08/10/09
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	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	zero	zero	zero	zero	zero	zero
Vesting conditions	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008	88.5 % Ebitda for the three-year period 2009-2011	88.5 % Ebitda for the three-year period 2009-2011

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 31/12/2008	Increase for the year	Utilisation in the year	Other movements	Interest charge on discounting	Balance at 31/12/09
Employee leaving indemnity	1,368	817	-310	-713	47	1,209
Total	**1,368**	**817**	**-310**	**-713**	**47**	**1,209**

The Employee leaving indemnity provision at December 31, 2009 of Euro 1,209 thousand 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:

- o projection for each employee in service at 31/12/2009 of the employee leaving indemnity matured up to the estimated time of pension;
- o determination for each employee in service at 31/12/2009 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;
- o discounting, at the measurement date, of each probable payment;
- o proportionately, for each employee in service at 31/12/2009, 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	31/12/2009
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

Description	Balanca at 31/12/09	Balance at 31/12/08	Changes	Change %
Work-in-progress	7	42	-31	-74%
Total	7	42	-31	-74%

The final inventories relate to the work in progress for projects not yet completed as at December 31, 2009. The criteria utilised for this measurement is the percentage of completion method.

16. Trade and other receivables

The table below shows the breakdown of "trade payables" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/09	Balance at 31/12/08	Changes	Change %
Trade receivables - Italy	36,710	57,675	-20,965	-36%
Less: bad debt provision	-2,750	-2,367	-383	16%
Total	**33,960**	**55,308**	**-21,348**	**-1%**

The contraction in absolute values of trade receivables, as illustrated in the table above, was principally due to the first consolidation of the company Dada Ent LLC from June 1, 2009. The Group in fact undertakes significant commercial transactions with this company and therefore the first consolidation led to the elimination of the reciprocal trade receivables/payables, with a consequent reduction in these balances and a similar reduction in trade payables.

Considering that described above, the level of trade receivables is in line with the level of Group operations and sales volumes in 2009. The average collection period for trade receivables is 60/90 days and varies for each of the three divisions of the Dada Group. In particular the Dada.pro division has very quick payment times (or even advance payment) for the management of domains and hosting, while a longer collection period for online advertising.

On the other hand, the Dada.net division has a significant part of trade receivables concentrated among a limited number of clients, principally telephone carriers and affiliates, both Italian and foreign. The third business division relates to online games, which is still in a start-up phase at December 31, 2009 and therefore not recording relative trade receivables.

Given the nature of the principal clients in 2009 there was a general increase in the average collection period, although many clients are characterised by high credit ratings.

The movement in the provision for doubtful debts is summarised in the following table:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Exchange differences	Other movements	Balance at 31/12/09
Bad debt provision	2,367	380		3		2,750
Total	**2,367**	**380**	**0**	**3**	**0**	**2,750**

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 increase in the provisions on the previous year is also due to the generalised market crisis which led to great difficulties in recovering receivables, particularly those related to online advertising.

The doubtful debt provision as at December 31, 2009 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 following table shows the composition of "other receivables" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/09	Balance at 31/12/08	Changes	Change %
Tax receivables	2,805	2,212	593	27%
Advances to suppliers				
Other receivables	6,132	3,764	2,368	63%
Prepayments	2,877	3,542	-665	-19%
Total	**11,814**	**9,518**	**2,296**	**13%**

Tax receivables principally include the sums paid by the various Group companies on account for direct taxes, as well as the VAT payments on account at the end of the year. The increase in tax receivables on the previous year is principally due to the increase in the VAT payments on account paid at the end of 2009. The tax receivables include the substitute taxes and the withholding taxes applicable in certain countries in which the Group operates, whose recovery will take place in the coming year.

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 relating to advances.

The prepayments includes service costs relating to periods beyond the year-end. This principally refers to the costs related to the provision of Domain & Hosting services of the Dada.pro division, but also some categories of purchased content relating to the Dada.net division. The amounts in 2009 compared to the previous year are in line with the decreasing costs and volumes.

17. Cash and cash equivalents

The following table shows the composition of "cash and cash equivalents" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/09	Balance at 31/12/08	Changes	Change %
Bank and postal deposits	7,732	13,529	-5,797	-42.85%
Cash in hand and similar	429	174	255	146.55%
Total	**8,161**	**13,703**	**-5,542**	**-40.44%**

The balance represents the liquidity and cash balances at December 31, 2009.

The yield on Italian bank deposits, prevalently relating to two Credit Institutions, is equal to Euribor at one month -0.3%/-0.5%.

18. Share capital and reserves

18.1 Group Net Equity

The share capital of Dada S.p.A at December 31, 2009 consists of 16,097,079 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,756 thousand.

The movements in net equity in the year are shown in the table at page 90.

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	-10,490				
Other reserves	1600				
IAS reserve	-2,755				
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 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, 2009 the reserve amounted to Euro 950 thousand. The breakdown did not change on December 31, 2008, as entirely consisting of the retained earnings.

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, 2009 the reserve amounted to Euro 32,070 thousand. There were no increases in 2009 in this reserve.

Other reserves: the account comprises the FTA Reserve (created on the transition to the IFRS), the Extraordinary Reserve, the cash flow hedge reserve and the equity transaction reserve. The Extraordinary Reserve amounted to Euro 12,543 thousand and has not changed from the previous year. The FTA Reserve amounts to Euro -2,755 thousand and the movements during the year relate to the portion of Stock Options for employees and directors recorded in the income statement. The cash flow hedge reserve at December 31, 2009 amounts to Euro -738 thousand while it was not present in the previous year.

The transaction equity reserve was created in the present year and entirely relates to the application of IFRS 3 revised related to the recording of the conferment operation of the holding in Dada Ent. LLC.. The breakdown is shown below:

Description	Amount
Higher value sale of minority stake to Sony	5,145
Valuation Put at realisable value	- 8,000
Allocation minority share related to the exercise of the Put	5,194
Equity transaction reserve balance	**2,339**

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 December 31, 2009 amounted to Euro - 10,490 thousand. The movements during the year, amounting to Euro 1,615 thousand, derive from the translation of the financial statements of the subsidiaries Dada USA, Upoc, Dada Ent, Dada Brasil and Namesco and especially the adjustment of goodwill of this latter.

Consolidation reserve: At December 31, 2009, 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, 2009 is shown in the table below:

RECONCILIATION BETWEEN THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2009

	Dec. 31, 09			
	NET PROFIT/(LOSS)		SHAREHOLDERS' EQUITY	
	Group	Minority interest	Group	Minority interest
As per Parent Company financial statements*	-4,086		53,449	
Translation reserve	0		-10,490	
Gain from revaluation of investments	6,654		6,654	
Put Operation Sony-Dada Ent.			2,339	
Net result of subsidiaries	4,368		20,423	
Cash Flow Hedge Reserve	0		-738	
Min. interest net equity and result	0	451	0	1,207
Other adjustments	-30			
As per consolidated financial statements	6,906	451	71,637	1,207

18.2 Minority interest equity

Minority interest equity refers to the minority interest result within the Group. The minority interests arising following the acquisition of Dada Ent LLC described previously were eliminated based on the put options agreed in favour of third parties, while the share of the result matured in the year was attributed to the minority shareholders. Reference should be made to note 11.

19. Loans and financing

The following table shows the composition of "loans and financing" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/09	Balance at 31/12/08	Changes	Change %
PAYABLES				
long term bank payables	30,861	28,494	2,367	8.31%
short term bank payables	12,996	18,748	-5,752	-30.68%
Description	**43,857**	**47,242**	**-3,385**	**-7.17%**

Bank payables include the loans with scheduled repayment plans of the Dada Group for Euro 38,934 thousand, bank overdrafts of Euro 3,250 thousand, current account advances of Euro 1,252 thousand and other current account payables of Euro 422 thousand.

Company	Initial amount	Residual amount at 31/12/2009	Loan duration
Register.it S.p.A.	30,000	21,429	7 years
Register.it S.p.A.	8,000	7,200	5 years
Register.it S.p.A.	8,000	6,857	7 years
Giglio Group S.p.A.	1,500	1,382	3 years
Giglio Group S.p.A.	350	168	4 years
Giglio Group S.p.A.	300	300	on demand
Giglio Group S.p.A.	28	26	4 years
Namesco Ltd	1,050		2 years
Namesco Ltd	2,477	1,872	3 years
Dada USA Inc	3,844	2,950	1 mese
Total	55,549	42,184	

The loans are reclassified to the short-term portion for the amount maturing in the year.

The following table reports the movements in the long-term loans and the short-term bank payables:

Description	Balance at 31/12/08	INCREASES	DECREASES	CHANGES	Balance at 31/12/09
PAYABLES					
long term bank payables	28,494	5,886	-3,519		30,861
short term bank payables	17,371	2,099	-8,038	-104	11,328
Total	45,865	7,985	-11,557	-104	42,189
current account payables	1,377		-77		1,300
Other		368			368
Total	47,242	8,353	-11,634	-104	43,857

Description of loans at December 31, 2009:

The loan of Register.it S.p.A. for an original amount of Euro 30 million relates to the acquisition of the company Namesco Ltd in July 2007; the current residual value of the loan is Euro 21,429 thousand.

This loan was received on July 16, 2007 for a total of Euro 30 million, expiry July 31, 2014, to be repaid in 14 half yearly instalments on January 31 and July 31 of each year. The interest rate is based on Euribor 1,3,6 months increased by a variable spread. An Interest Rate Swap hedge was taken out on this loan at the rate of 3.81%.

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.

This was a result of the renegotiation of the original revolving bullet loan no longer in place with maturity December 31, 2009 for Euro 8 million; the new loan of Euro 8 million has a duration of 5 years with maturity on June 30, 2014 and is repayable in 10 half yearly instalments (December 31 and June 30); the interest rate is linked to the Euribor 1,3,6 months rate increased by a variable spread. A CAP interest rate was opened on this loan with threshold of 3.5%; at the end of 2009 the residual value was Euro 7,200 thousand. The second with maturity in 7 years (July 31, 2015) is repayable in 14 half yearly instalments (January 31 and July 31); the interest rate is linked to the Euribor 1,3,6 months increased by a variable spread; currently its residual value is Euro 6,857 thousand.

The loans of the Giglio Group relate to:

a loan of Euro 1,500 thousand issued by a primary credit institution on April 7, 2009 with a duration of four years, with expiry on April 30, 2013 and with quarterly repayments at an average Euribor at 3 months rate, plus spread;

a loan with a primary credit institution for an original amount of Euro 350 thousand issued on October 2007, with duration of four years and repayable through monthly instalments; the reference rate is Euribor at 3 months plus spread; the residual value is currently Euro 169 thousand;

a credit line of Euro 300 thousand issued at September 2007 at a Euribor at 3 months rate plus spread;

The loan of Namesco Ltd with a primary credit institution of GBP 2,200 thousand (Euro 2,477 thousand at December 31, 2009 exchange rate) was used to repay the residual loan in place with the same credit institution for an original amount of GBP 1 million and the repayment of the intercompany loan from Register.it. This loan was received on April 4, 2009, to be repaid in 36 monthly instalments; the interest rate is based on the Bank's Sterling Base Rate. At December 31, 2009 the residual value was GBP 1,650 thousand.

The Loan received by Dada USA Inc is a short-term credit line from a primary credit institution in New York for USD 4,250 thousand (Euro 2,950 thousand) at a variable Libor 1 month interest rate, plus spread. The loan is renewable month by month at the discretion of the company.

The short-term portion repayable within one year of the loans listed above are classified as short-term bank payables.

As well as the capital repayments above relating to the Giglio Group, advances on current accounts of Euro 1,252 thousand and other current account payables of Euro 54 thousand exist. Included in the other current accounts payables is an intergroup account between Dada Spa and RCS MediaGroup with a balance of Euro 368 thousand at December 31, 2009.

20. Other liabilities beyond one year

The following table shows the breakdown of "other liabilities beyond one year" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/09	Balance at 31/12/08	Changes	Change %
Payables for PUT option	8,000	539	7,461	1384.23%
Non-current derivative liabilities	1,020		1,020	-
Total	**9,020**	**539**	**8,481**	**1573.47%**

For greater details relating to the PUT options, reference is made to the paragraph on business combinations and in particular the section relating to the Dada Ent. LLC operation. In relation to non-current derivative liabilities , reference is made to the paragraph on IFRS 7 at the end of the present report.

21. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Other changes	Change in exchange rates	Balance at 31/12/09
Provisions for risks and charges	1,907	983	-1152	617	-5	2,350
Total	1,907	983	-1,152	617	-5	2,350

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, 2009 consists of Euro 290 thousand for labour disputes and of Euro 1,932 thousand for disputes of an operational nature and Euro 127 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.

22. Trade and other payables

The following table shows the breakdown of “trade receivables” and “other payables” at December 31, 2009 compared with 2008:

Description	31/12/2009	31/12/2008	Changes	Change %
Payables:				
Trade payables	36,789	57,039	-20,250	-35.50%
Trade payables	**36,789**	**57,039**	**-20,250**	**-35.50%**
Taxes	**4,701**	**6,051**	**-1,350**	**-22.31%**
Other	5,984	6,942	-958	-13.80%
Social security Inst.	1,221	1,177	44	3.74%
Deferred income	15,223	14,107	1,116	7.91%
Other payables	**22,428**	**22,226**	**202**	**1%**

Total	77,280	104,064	-26,784	-25.74%

As already described for trade receivables, the contraction in absolute values of payables, shown in the table above is consequent also of the first consolidation of the company Dada Ent. LLC from June 1, 2009. The Group undertook significant commercial transactions with the company and therefore the first consolidation involved the elimination of reciprocal trade receivables/payables, with a consequent reduction in the relative accounts.

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 therefore strictly related to the growth in the business activities of the Group.

"Tax payables", amounting to Euro 4,701.7 thousand, include withholding taxes on salaries and consultants and other current taxes for the year, principally relating to IRAP regional tax for the Italian companies and local taxes for the foreign companies. The reduction on the previous year is related to the lower tax charge in 2009 on 2008 following the reduction the pre-tax result.

The account "Other payables" includes:

- employee payables for the month of December, the accrual on the "fourteenth" month and vacation days matured;
- the payable for the put option granted to the minority shareholders of Dada.net of Euro 8,000 thousand. This option is related to the conferment operation by Sony to Dada.net S.p.A. of 13% of the share capital of the company. In relation to the nature of this operation and the put option in particular, reference should be made to the directors' report on operations.

Euro 8 million constitutes the fixed floor amount which approximates the fair value at December 31, 2009 of the option.

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 and Namesco Ltd, to the change in the consolidation scope related to the consolidation of Dada Entertainment LLC.

23. Commitments and risks

The following table shows the composition of "commitments and risks" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/2009	Balance at 31/12/2008	CHANGE	CHANGE %
Guarantees	49,783	53,659	-3,876	-13.84
Leased assets	-	-	-	-
Total	49,783	53,659	-3,876	-13.84

The sureties provided at December 31, 2009 amounting to Euro 49.8 million (compared to Euro 49.8 million at December 31, 2008) are recorded for the amount guaranteed.

The following movements took place during the year on sureties:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/2009
Guarantees	53,659	9155	13336	305	49,783
Total	53,659	9155	13336	305	49,783

Increases:

Among the most significant increases was the guarantee granted to sellers for the acquisition of Poundhost, which was signed in January 2010; this guarantee was granted by a primary Italian credit institution for GBP 6,500 thousand, with a value at December 31, 2009 of Euro 7,319 thousand. This guarantee expired on the signing of the acquisition in January 2010.

Decreases:

The most significant reductions included the repayment of capital instalments of the Register.it spa loan of Euro 6,229 thousand and the closing of the guarantee of Euro 5,000 thousand for a tender presented by Dada Brasile.

No potential commitments exist that are not recorded in the balance sheet.

24. 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 purchase and sale of services, with subsidiary companies and with companies belonging to the Group RCS MediaGroup, which holds 50.7% of Dada S.p.A.. The following table indicates the transactions with companies of the group and the balance sheet and income statement values in 2009 between companies of the Dada Group and "related parties" with the exclusion of inter-group transactions eliminated in the preparation of the consolidated financial statements.

The acquisition of Fueps incurred a cash payment of Euro 1.7 million, of which half paid to RCS Digital.

The transactions of Dada S.p.A. with RCS MediaGroup and with its subsidiaries and associated companies, disclosed in the notes to the financial statements of Dada S.p.A. in the individual accounts of the balance sheet and income statement, principally relate to:

- transactions related to contracts for the provision of services and activities related to the business;
- transactions of a financial and treasury nature with the management of an inter-group current account;

Commercial transactions

Company	Trade receivable	Trade payables	Revenues	Costs
RCS Group	1,502	- 3,780	3,696	- 6,643
TOTAL	1,502	- 3,780	3,696	- 6,643

Financial transactions

Company	RECEIVABLES	PAYABLES	Interest income	Interest expense
RCS Group		-368	1	- 2
TOTAL	-	- 368	1	- 2

For further information in relation to the directors, reference should be made to the directors' report. Transactions with the companies of the Dada 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 terms. At inter-group level the ex Tipic activities were sold by the American subsidiary Dada USA Inc. to the Parent Company Dada S.p.A.; this transaction was carried out at book values. In this domain, the Dada S.p.A. parent company acts as central treasury for the Groups' main companies.

The acquisition of 51% of Fueps from RCS Digital S.p.A. at a value confirmed by an independent expert was completed.

In accordance with IAS 24, the following information is provided in relation to the remuneration of the directors of the Parent Company with strategic responsibilities, in the various forms in which they are paid for the year 2009 and the year 2008.

Description	31/12/2009		31/12/2008	
	Services	Personnel costs	Services	Personnel costs
Directors fees :				
- Emoluments for office	440	6	496	4
- Bonus and other incentives	125	223	293	253
- Non-monetary benefits	6	103	15	15
- Other remuneration	-	550		131
- Share-based payments	105	99	162	82
Total directors' remuneration	**677**	**981**	**966**	**485**
Board of Statutory Auditors	91		68	
Total related parties	**768**	**981**	**1,034**	**485**

Commercial transactions with associated companies

Transactions with associated companies	Receivables	Payables	Revenues	Costs
Dada Entertainment LLC	0	0	7,202	0
Total	0	0	7,202	0

These relate to transactions undertaken with Dada Ent LLC until May 31, 2009; from June 1 the company was fully consolidated within the Dada Group.

25. 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 2009 for audit services and also other services carried out by the audit firm and companies associated with the audit firm.

Type of service	Party providing the service	Company	Payments relating to 2009 (thousands of Euro)
Audit	Reconta Ernst & Young S.p.A.	Parent Company	149
	Reconta Ernst & Young S.p.A.	Italian subsidiaries	49.4
	Reconta Ernst & Young S.p.A.	Foreign subsidiaries	189.75
Certification services	Reconta Ernst & Young S.p.A. (1)	Parent Company	70
Other services	Reconta Ernst & Young S.p.A. (2)	Parent Company	171
Total			629.15

(1) Certification services include:

Euro 20 thousand for an independent report on the assignment of the 2009 stock option plan and Euro 50 thousand for an independent report in accordance with article 2441 of the civil code related to the share capital increase of Dada.net S.p.A. undertaken with the conferment of shares.

(2) Other services include:

Euro 125 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 46 thousand for an independent report on extraordinary operations involving companies of the Dada Group.

26. Information in accordance with IFRS 7

The information required by IFRS 7 is reported below:

1) **Classification of the financial instruments**

The standard requires the disclosure of the assets held for sale valued at fair value, investments held to maturity, loans and receivables, and also of financial liabilities recorded at fair value and liabilities at amortised cost. All the details are reported in the table on page 73, while the principal descriptions are as follows:

The category "Financial assets held for sale" and the account "Receivables from derivative financial instruments" includes the Forward Foreign Exchange contract for the purchase of US Dollars to hedge financial risks arising from exchange rate movements on invoices; this derivative did not satisfy the efficacy test and therefore was not included in Hedge Accounting and valued at fair value for Euro 12 thousand (USD 510 thousand notional value).

The category "Hedging derivatives" includes an Interest Rate Swap and an Interest Rate CAP valued at Fair Value; these latter derivative instruments were tested for the efficacy of the hedge which was higher than 80%, therefore both the derivatives were classified under Hedge Accounting.

Amounts in Euro/thousand			Fair Value		
Hedge	Type of risk	Risk hedged	31-12-209	31/12/08	Changes
Loan hedged	CAP	Interest Rate risk	38		38
Loan hedged	IRS	Interest Rate risk	-1,020	-539	-481
Non-hedging Forward currency	FWD	Currency Rate risk	12	390	-378
Total			**-970**	**-149**	**-821**

- The category "Receivables and Loans" with regard to "Trade Receivables" includes the value net of the doubtful debt provision.

- In the category "Receivables and Loans" the account "financial assets" includes collateral "deposits" for a value of Euro 100 thousand.

- In the category "Receivables and Loans" the account "Other Receivables" includes tax receivables which are not accounted as per IAS 39; for further information reference is made to that reported above;

Liabilities include, other than trade payable:

- In the category "Financial assets and liabilities available for sale" the account "Hedging derivatives" includes the Interest Rate Swap valued at Fair Value for Euro 1,020 thousand and recorded under Hedge accounting having passed the efficacy test.

- In the category "Receivables and Loans", the account "Bank overdrafts" principally includes the credit line from Banca Intesa and utilised for Euro 4,250 thousand by the subsidiary Dada USA Inc. (Euro 2,950 thousand) and bank advances of the Giglio Group spa utilised for Euro 1,252 thousand, as well as other current account payables. In the account "Loans", the most significant amount relates to the loan with capital repayment plan of Register.it spa for

Euro 35,486 thousand as well as those related to Namesco UK for Euro 1,872 thousand (GBP 1,662 thousand) and the Giglio Group Spa for Euro 1,576 thousand.

In relation to the loan contracts in place of the Dada Group, no specific demands for repayments related to default covenants were present.

For information purposes it should be noted that the above clauses contain higher interest rate spreads where some performance indicators are exceeded.

In the category “Receivables and Loans”, the account “other payables” includes the payable relating to the Sony put option for the sale of 13% of the share capital of Dada.net for Euro 8,000 thousand.

ASSETS	Financial assets/liabilities held for trading		Hedging derivatives		Loans and Receivables		Financial liabilities at amortised cost		Book value: Total		of which current		of which non-current	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/07	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
- Minority interest investments	0	5,037												
- Securities														
- Cash and cash equivalents					8,161	13,704			8,161	13,704	8,161	13,704		
- Trade receivables					33,960	55,308			33,960	55,308	33,960	55,308		
- Financial assets					100	2,156			100	2,156	100	2,156		
- Other receivables					6,511	3,374			6,511	3,374	6,511	3,374		
- Prepayments and accrued income						3,543								
- Receivables for financial derivative instruments	12	390	38						50	390	20	390	30	
Total financial assets	**12**	**5,427**	**38**	**0**	**48,732**	**78,085**	**0**	**0**	**48,782**	**74,932**	**48,752**	**74,932**	**30**	**0**

LIABILITIES	Financial assets/liabilities hel for trading		Hedging derivatives		Loans & Payables		Financial liabilities at amortised cost		Book value: Total		of which current		of which non-current	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/07	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
- Trade payables					39,726	57,040			39,726	57,040	39,726	57,040		
- Bank overdrafts					4,923	1,315			4,923	1,315	4,923	1,315		
- Loans and financing							38,934	45,927	38,934	45,927	8,439	17,433	30,495	28,494
- Other payables					14,860	6,942			14,860	6,942	6,860	6,942	8,000	
- Accruals and deferred income														
- Payables for financial derivative instruments			1,020	539					1,020	539	204	539	816	
Total financial liabilities	**0**	**0**	**1,020**	**539**	**59,509**	**65,297**	**38,934**	**45,927**	**99,463**	**111,763**	**60,152**	**83,269**	**39,311**	**28,494**

2) Collateral

The standard requires information relating to collateral both in relation to financial assets provided as collateral and in the case of liabilities recorded to the financial statements for collateral given by third parties. Given the small individual amounts of collateral and the numerous sums of collateral given by the DADA Group to third parties, the following table shows only the book value in 2009 compared with 2008; no collateral was received from third parties (liabilities of the Dada Group)

Collateral given (Euro/thousand)	Book value	
	31/12/09	31/12/08
Guarantee deposits	100	320

3) Provisions for doubtful debts

The following table shows the movements in the doubtful debt provision in 2009 compared with 2008. The provision in 2009 relates to specific trade receivable positions of Euro 350 thousand and a further general provision of Euro 30 thousand:

Description	*Doubtful debt provision (Euro/thousand)*	
	31/12/09	31/12/08
Balance at beginning of year	-2,367	-2,309
Increase in the year		
- individual provisions	-350	-210
- general provision	-30	
Utilisations		152
Write-back of value		
Other movements		
Exchange differences	3	
Balance at end of year	-2,750	-2,367

4) Revenue, cost and gains and losses on financial instruments

IFRS 7 requires disclosure on the payment of interest, commissions and expenses deriving from financial instruments. The following table shows the gains and losses in 2009 and 2008:

INCOME STATEMENT (Euro/thousand)	Book value		
	Held-for-trading financial assets/liabilities	Loans and Receivables	Financial liabilities at amortised cost
	31/12/09	31/12/09	31/12/09
NET PROFIT/(LOSS)			
- Securities			
- Minority interest investments			
- Hedged financial instruments		-395	
- Non-hedged financial instruments	-153		
- Financial assets			
Total	-153	-395	0
NET PROFIT/(LOSS)	31/12/08	31/12/08	31/12/08
- Securities			
- Equity Investments			
- Hedged financial instruments			
- Non-hedged financial instruments	944		
- Financial assets	74		
Total	1,018	0	0

- Losses on Interest Rate Swap derivatives and an Interest Rate CAP recorded under Hedge accounting, which had an impact on the income statement for a total loss of Euro 395 thousand, composed of a loss relating to the differential between the fixed interest and the variable interest for the IRS, amounting to Euro 431 thousand and a positive CAP Time value differential of Euro 36 thousand; for further details reference is made to the section relating to "Interest Rate Risk".
- Net loss for non hedging Forward Exchange rate derivatives (Purchase and sale of forward contracts) for Euro 153 thousand and comprising derivative gains of Euro 541 thousand and Euro 12 thousand of Forward purchases at fair value of USD at December 31, 2009, as well as losses on exchange rate derivatives of Euro 706 thousand.
- The Interest income account principally includes income from credit institutions relating to the Italian companies which provide for remuneration on deposits, and also includes interest on the intergroup current account DADA SPA/RCS MEDIAGROUP SPA for Euro 2 thousand.
- The Interest expense account includes bank overdraft interest for Euro 157 thousand and interest on loans for Euro 742 thousand; the effect of IRS derivatives on fixed interest rate changes from the variable interest rate commented above are excluded.

	Book value	
INTEREST INCOME	31/12/09	31/12/08
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	67	371

INTEREST EXPENSE	Book value	
	31/12/09	31/12/08
Interest expense on financial liabilities not valued at fair value - Bank and postal deposits - Loans and other payables - Guaranteed loans	742	1,726
TOTAL	899	2,095

– The account Bank charges and commissions principally include bank charges of Euro 270 thousand and client credit card management commissions of Euro 696 thousand:

	Book value	
CHARGE AND COMMISSIONS	31/12/09	31/12/08
– Bank charges and commissions	966	683

5) Information on qualitative risks

The Dada Group is exposed to the following financial risks: credit risk, liquidity risk and market risk, this latter including exchange rate risk, interest rate risk and price risk.

In order to monitor the above stated risks, adequate forms and procedures were drawn up to govern the corporate policies and all of the above risks. The financial risks are identified, evaluated and managed according to Group strategies and the Group risk policy. All of the activities in relation to risk management are undertaken and supervised by a specialised team with sufficient knowledge and experience. The group policy is not to undertake speculative trading derivatives.

– *Credit risk*

The Group has various concentrations of credit risk due to the nature of the activities it carries out in various sectors. The maximum exposure of the Dada Group is shown below:

Maximum exposure to credit risk(€ /.000)	31/12/09	31/12/08
Banks and Deposits	7,832	13,704
Trade receivables	33,960	55,308
Financial assets	-	2,156
Other receivables	6,511	3,374
Receivables from financial instruments	50	390
Irrevocable commitments to provide loans		719
Total	48,353	75,651

The table below shows the breakdown of the trade receivable risk within the Dada.net and Dada.pro divisions by geographic area:

Concentration of commercial credit risk (Euro/thousands)	Book value		%	
	31/12/09	31/12/08	31/12/09	31/12/08
By division				
NET Division	25,073	41,266	73.8%	74.6%
PRO Division	7,924	13,591	23.3%	24.6%
CORPORATE Division	963	451	2.8%	0.8%
Total	33,960	55,308	100%	100%

Concentration of commercial credit risk (Euro/thousand)	Book value		%	
	31/12/09	31/12/08	31/12/09	31/12/08
By geographic area				
Italy	13,253	23,313	39.0%	42.2%
USA	11,610	20,343	34.2%	36.8%
Europe (excluding Italy)	6,254	7,106	18.4%	12.8%
Brazil	1,978	3,108	5.8%	5.6%
Australia	489	703	1.4%	1.3%
Other	376	735	1.1%	1.3%
Total	33,960	55,308	100%	100%

The following table shows the breakdown of trade receivables and the respective bad debt provision utilisation:

Analysis of the Credit quality (Euro/thousands)	31/12/09	31/12/08
Trade receivables not overdue and not written down	21,008	28,781
Trade receivables overdue and not written down	12,952	26,527
Trade receivables overdue and written down	2,750	2,367
Doubtful debt provision	-2,750	-2,367
Total	33,960	55,308

The following table shows the ageing analysis by receivable due date and the ratings of clients not yet overdue:

Analysis of maturity of trade assets overdue (Euro/thousand)	Book value	
	31/12/09	31/12/08
Trade receivables		
- Due within 30 days	9,890	10,308
- Due between 30 and 90 days	932	10,133
- Due between 90 and 180 days	1,248	3,955
- Due between 180 and 365 days	882	2,131
- Due between 1 and 2 years		
Total	12,952	26,527

Analysis of the credit rating of non overdue receivables (Euro/thousand)	31/12/09	31/12/08
Rating: High-end	20,565	22,647
Rating: Mid-range	134	1,614
Not Rated	309	4,520
Total	21,008	28,781

A very significant proportion of receivables have a high credit rating as they stem from leading national and regional telephone carriers.

The table below shows the maximum exposition to credit risk (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):

Maximum exposure to credit risk (Euro/thousand)	31/12/09	31/12/08
Financial assets at fair value with Income Statement impact		
- held for trading		
- Securities		
Loans and receivables		
Deposits	7,832	13,704
Trade receivable	33,960	55,308
Financial assets	-	2,156
Other receivables	6,511	3,374
Receivables from financial instruments	50	390
Irrevocable commitments to provide loans		719
Total	48,353	75,651

- In addition to the value of bank current accounts for Euro 7,732 thousand the account Deposits also includes the value of deposits given to third parties for Euro 100 thousand. The risk of non payment by primary credit institutions is close to zero.

- The account "Receivables for derivative financial instruments" includes the positive fair value at December 31, 2009 of the Forward Foreign Exchange contract for the purchase of USD for Euro 12 thousand and the CAP interest rate contract for Euro 38 thousand.

IFRS 7 requires an analysis of overdue receivables for financial assets (trade receivables) with expiry, 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 of maturity of trade assets overdue (Euro/thousand)	Book value	
	31/12/09	31/12/08
Trade receivables		
- Due within 30 days	13,327	10,308
- Due between 30 and 90 days	932	10,133
- Due between 90 and 180 days	1,248	3,955
- Due between 180 and 365 days	882	2,131
- Due between 1 and 2 years		
Total	16,389	26,527

– ***Liquidity Risk***

The liquidity risk may arise from the difficulty to obtain loans to support operating activities in a timely manner.

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) as shown in the tables attached relating to 2009 and 2008:

Analysis of maturity at December 31, 2009	Note	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		33,960					33,960
Guaranteed loans							
- capital portion		3,976	4,463	8,444	20,908	1,143	38,934
- interest portion		276	247	780	252	8	1,563
Short- term loans		4,923					4,923
Other payables		5,958		8,902			14,860

Total		49,093	4,710	18,126	21,160	1,151	94,240
DERIVATIVE FINANCIAL INSTRUMENTS		Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
Derivatives on rate risks		285	273	297	165		1,020
Total		285	273	297	165	-	1,020
EXPOSITION AT December 31, 2009		**49,378**	**4,983**	**18,423**	**21,325**	**1,151**	**95,260**

Analysis of maturity at December 31, 2008		Less than 6 months	6 - 12 months	1 - 2 yeard	2-5 years	More than 5 years	Total
LIABILITIES							
NON DERIVATIVE FINANCIAL INSTRUMENTS							
Trade and other payables		57,040					57,040
Guaranteed 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 loans		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		Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
Derivatives on rate risks		200	220	119			539
Total		200	220	119	-	-	539
EXPOSITION AT DECEMBER 31, 2008		**69,787**	**11,886**	**8,206**	**18,392**	**5,608**	**113,879**

For the previous maturity analysis the future cash flows not discounted broken down by the capital and interest portions were considered.

Other payables include the repayment of payables for vacation days not taken which may be exercised between one and two years as well as the Sony put option for the sale of 13% of the share capital of Dada.net spa for Euro 8,000 thousand.

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.

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.

Only two types of market risk are considered: exchange rate risk and interest rate risk, with no price risk for the Dada Group relating to the loss in value of financial assets/liabilities or capital securities, following changes in the price of the commodities sold by the Dada Group. In order to offset the exchange rate movements and interest rate movements, hedging derivative contracts are signed, which are not for trading or speculative purposes.

– *Exchange rate risk*

The exchange rate risk is considered for the foreign currency exposition of the individual companies 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 companies denominated in foreign currencies.

The breakdown of the Net Financial Position by currency is shown below (values expressed in Euro/000 for each currency, with application of the exchange rate at year-end):

	2009						
Net debt	TOTAL	Euro	USD	GBP	AUD	CAD	BRL
M/L Debt	-30,861	-29,815		-1,046			
Short-term Debt	-12,996	-9,220	-2,950	-826			
Derivative financial instruments	-970	-970					
Other financial receivables							
Cash and cash equivalents	8,161	3,542	2,864	843	2	238	672
TOTAL	-36,666	-36,463	-86	-1,029	2	238	672

	2008						
Net debt	TOTAL	Euro	USD	GBP	AUD	CAD	BRL
M/L Debt	-28,487	-28487					
Short-term Debt	-18,754	-15160	-3054	-540			
Derivative financial instruments							
Other financial receivables	2,156		2156				
Cash and cash equivalents	13,702	11474	730	174	5		1319
TOTAL	-31,383	-32,173	-168	-366	5	0	1,319

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.

In the following table the financial situation expressed in thousands of Euro for the various positions in foreign currencies, at the 2009 balance sheet date compared with 2008, 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.

Shock Table 2009		
Currency	UP	DOWN
AUD	10%	-10%
USD	20%	-20%
GBP	10%	-10%
Euro	10%	-10%
CAD	15%	-15%
HUF	10%	-10%
INR	15%	-15%
BRL	10%	-10%
IDR	15%	-15%

Exposition to exchange rate risk (Euro/thousand)	AUD		USD		GBP		Euro		CAD		IDR		Total	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
ASSETS														
Cash and similar in foreign currencies	2	11	90	298	49		20						161	309
Intercompany loans in foreign currencies							2,820	2,920					2,820	2,920
Intercompany trade rec. in foreign currencies			65	1,442	14	157							79	1,599
Trade receivables in foreign currencies	489	441	399	626	13	30					279		1,180	1,097
Total assets	491	452	554	2,366	76	187	2,840	2,920	0	0	279	0	4,240	5,925
	AUD		USD		GBP		Euro		CAD		IDR		Total	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
LIABILITIES														
Trade payables in foreign currencies		-42	-2,677	-2,702		-155		-304					-2,677	-3,203
Intercompany trade payables in foreign currencies			-564	-548		-113	-4,921	-2,809	-66				-5,551	-3,470
Intercompany loans in foreign currencies							-3,500	-9,920					-3,500	-9,920
payables in foreign currencies	-47				-137								-184	0
Total liabilities	-47	-42	-3,241	-3,250	-137	-268	-8,421	-13,033	-66	0	0	0	-11,912	-16,593
EXPOSITION AT DECEMBER 31	444	410	-2,687	-884	-61	-81	-5,581	-10,113	-66	0	279	0	-7,672	-10,668
DERIVATIVE FINANCIAL INSTRUMENTS														
	AUD		USD		GBP		Euro		CAD		IDR		Total	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
Non-hedging derivatives			-375					-5,000					-375	-5,000
Total	0	0	-375	0	0	0	0	-5,000	0	0	0	0	-375	-5,000
NET EXPOSITION AT DECEMBER 31	444	410	-2,312	-884	-61	-81	-5,581	-5,113	-66	0	279	0	-7,297	-5,668

Exposition to exchange rate risk (Euro/thousand)	AUD				USD				GBP				Euro				CAD				IDR				Total			
	31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08	
ASSETS	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down
Cash and similar in foreign currencies	0	0	1	-1	15	-23	50	-75	4	-5	0	0	2	-2											21	-30	51	-76
Intercompany loans in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	256	-313	265	-324									256	-313	265	-324
Intercompany trade rec. in foreign currencies	0	0	0	0	11	-16	240	-361	1	-2	14	-17	0	0							36	-49			48	-67	255	-378
Trade receivables in foreign currencies	44	-54	40	-49	67	-100	104	-157	1	-1	3	-3	0	0											112	-156	147	-209
Total assets	45	-55	41	-50	92	-139	394	-592	7	-8	17	-21	258	-316	265	-324	0	0	0	0	36	-49	0	0	438	-566	718	-987
	AUD				USD				GBP				Euro				CAD				IDR				Total			
	31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08	
LIABILITIES	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down
Trade payables in foreign currencies	0	0	-4	5	-446	669	-450	676	0	0	-14	17													-446	669	-468	697
Intercompany trade payables in foreign currencies	0	0	0	0	-94	141	-91	137	0	0	-10	13	-511	664	-255	312	-9	12							-614	816	-357	462
Intercompany loans in foreign currencies	0	0	0	0	0	0	0	0	0	0	0	0	-583	875	-1,508	2,213									-583	875	-1,508	2,213
Payables in foreign currencies	-4	5	0	0	0	0	0	0	-12	15	0	0													-17	20	0	0
Total liabilities	-4	5	-4	5	-540	810	-542	813	-12	15	-24	30	-1,094	1,539	-1,763	2,525	-9	12	0	0	0	0	0	0	-1,660	2,381	-2,333	3,372
EXPOSITION AT DECEMBER 31	40	-49	37	-46	-448	672	-147	221	-6	7	-7	9	-836	1,223	-1,498	2,201	-9	12	0	0	36	-49	0	0	-1,222	1,815	-1,615	2,385

DERIVATIVE FINANCIAL INSTRUMENTS	AUD				USD				GBP				Euro				CAD				IDR				Total			
	31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08		31/12/09		31/12/08	
	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down	Shck up	Shock Down
Non-hedging derivatives					-63	94																			-63	94	0	0
Total	0	0	0	0	-63	94	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-63	94	0	0
NET EXPOSITION AT DECEMBER 31	40	-49	37	-46	-385	578	-147	221	-6	7	-7	9	-836	1,223	-1,498	2,201	-9	12	0	0	36	-49	0	0	-1,159	1,721	-1,615	2,385

- 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	1 % point	-1 % point

The income statement shock for interest rate movements + and - is shown below:

Value in Euro thousands							
Analysis of sensitivity to the interest rate risk (Euro/thousand)	Reference rates	Book value		Income statement			
				Shock up		Shock down	
		31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
Interest bearing assets	Euribor 1M	2,481	12,756	0	32	0	-32
Financial liabilities at variable interest rates hedged	Euribor 1,3,6M + spread	-21,429	25,718	-134	0	102	0
Financial liabilities at variable interest rates not hedged	Euribor 1,3,6M + spread	-17,606	-17,902	-186	-69	139	69
Financial liabilities at variable interest rates not hedged	England Base Rate + 2%	-1,872	-540	-14	-2	9	2
Financial liabilities at variable interest rates not hedged	Libor 1M + 1.25%	-2,950	-3,054	-34	-6	7	6
Total		-41,376	16,978	-368	-45	257	45

The account interest bearing assets includes only interest bearing deposits of Italian current accounts; for 2009 the interest rate effect on the income statement was substantially zero, given the low level of interest rates.

The loan undertaken by Register.it spa for the acquisition of Namesco UK still open at December 31, 2009 for a residual Euro 21,429 thousand was hedged with an Interest Rate Swap derivative at a fixed rate of 3.81%. The table above includes this loan in the analysis of the interest rate risk, in this case concerning an interest rate risk for a variable interest rate loan and indicating the value in a separate account. The impact on the income statement of an increase of 1 percentage point on the reference rate is negative for Euro 134 thousand and considered completely absorbed by the relative IRS derivative.

For Italy the Euribor 1M is utilised; for the GBP area the Bank of England Base Rate + spread 2% is utilised, while for the USD area the Libor 1m + Spread 1.25% is used.

In order to offset the movements, as well as the Interest Rate Swap above, an Interest Rate CAP with threshold of 3.5% was undertaken relating to the loan in place at December 31, 2009 for a residual 7,200 thousand; the notional value of the IRS and the CAP are in line with the capital repayment plan of the underlying loan.

At December 31, 2009, considering the IRS effect, approx. 49% of all of the loans, amortised and overdrafts, are to be considered at a fixed rate and the remaining 51% at a variable rate.

The following table shows the breakdown of the fair value of the hedging derivatives with interest rates for the current part within one year and over one year:

FAIR VALUE OF DERIVATIVE INSTRUMENTS	Note	2009 Assets	2009 Liabilities	2008 Assets	2008 Liabilities
Interest Rate CAP for hedging of Cash Flows		30.4			
Interest Rate Swap for trading					
Interest Rate Swap for hedging of cash flows			-462		
NON-CURRENT		30.4	-462	0	0
Interest Rate CAP for hedging of Cash Flows		7.6			
Interest Rate Swap for trading					
Interest Rate Swap for hedging of cash flows			-558		-539
CURRENT		7.6	-558	0	-539
TOTAL		38	-1,020		-539

The following table shows the underlying value at December 31, 2009 and the payment plan, relating to the interest rate derivatives above:

Derivative instrument expiry period	Total	Area	Rate	Less than 6 months	6-12 months	1-2 years	2-5 years	over 5 years
Interest Rate CAP for hedging of Cash Flows	-7,200	Euribor 1,3,6 M + Spread	3,5% + Spread	-800	-800	-1,600	-4,000	
Interest Rate Swap for hedging of cash flows	-21,428	Euribor 1,3,6 M + Spread	3,81% + Spread	-2,142	-2,142	-4,286	-12,858	
TOTAL	-28,628			-2,942	-2,942	-5,886	-16,858	

Florence, March 10, 2010

For the Board of Directors

The Chairman Paolo Barberis

The Chief Executive Officer Barbara Poggiali

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p.iva 04628270482
capitale sociale € 2.755.711,73 i.v.
registro imprese Fi n.467460

DECLARATION

on the consolidated financial statements at December 31, 2009
as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

- The undersigned Barbara Poggiali, as Chief Executive Officer, and Federico Bronzi, Executive responsible for the preparation of the corporate accounting documents of Dada S.p.A., affirm, and also in consideration of article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
  - the accuracy of the information on company operations and
  - the effective application,

  of the administrative and accounting procedures for the compilation of the consolidated financial statements approved by the Board of Directors on March 10, 2010 for the year 2009.

- It is also noted that:

1. the consolidated financial statements as at December 31, 2009:
   - correspond to the underlying accounting documents and records;
   - were prepared in accordance with International Financial Reporting Standards adopted by the European Union and also in accordance with article 9 of Legislative Decree 38/2005 and provide a true and fair representation of the balance sheet, financial position and results of the issuer and of the consolidated companies.
2. The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Florence, March 10, 2010

Amministratore Delegato
Barbara Poggiali

Dirigente preposto alla redazione
dei documenti contabili societari
Federico Bronzi

DADA INDIVIDUAL FINANCIAL STATEMENTS AND NOTES AT DECEMBER 31, 2009

Registered Office: Piazza Annigoni 9b - Firenze
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 11.2 million in 2009 compared to Euro 50 million in 2008. The decrease entirely relates to the reorganisation at Group level in the previous year in which Dada S.p.A. progressively refocused on the provision of centralised and corporate services to other Group companies.

The fall was less apparent in the fourth quarter of 2009, in that the reorganisation had already begun from Q4 2008.

The reclassified results of the Parent Company Dada S.p.A. for 2009 and 2008 are reported below:

Amounts in Euro/thousand	FY 09 12 months		FY 08 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	**11,273**	**100%**	**49,973**	**100%**	**-38,700**	**-77%**
Changes in inventory and internal work	-	0%	1,442	3%	-1,442	-100%
Service costs and other operating costs	-9,251	-82%	-40,808	-82%	31,557	-77%
Personnel costs	-3,845	-34%	-8,104	-16%	4,259	-53%
Ebitda	**-1,823**	**-16%**	**2,503**	**5%**	**-4,326**	**-173%**
Amortisation & Depreciation	-2,454	-22%	-3,116	-6%	662	-21%
Non-recurring income (charges)	-154	-1%	-184	0%	30	-16%
Revaluations/(Write-downs)	-228	-2%	-200	0%	-28	14%
Ebit	**-4,659**	**-41%**	**-997**	**-9%**	**-3,662**	**367%**

The results of Dada spa were 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. With this operation, the business lines managed by the Parent Company were conferred to the subsidiaries Dada.net S.p.A. and Register.it S.p.A. (with effect from July 1, 2008).

Therefore in 2009, the revenues of Dada S.p.A. were made up principally of the provision of services to the direct subsidiaries for re-charges for the utilisation of brands and software and corporate overhead re-charges in relation to services provided to the subsidiaries.

The Ebitda of Dada S.p.A. (before write-downs and other extraordinary items) was a loss Euro 1.8 million compared to a profit of Euro 2.5 million in the previous year (5% of revenues). The general costs and expenses, comprising principally of utilities, rent & lease charges, maintenance and consultant fees are in line with the drop in revenues.

The Ebit of the parent company Dada S.p.A. in 2009 was a loss of Euro 4.7 million, compared to a loss of Euro 1 million in 2008. The Ebit for the year includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 2.5 million (Euro 3.1 million in 2008), with the decrease owing to the fact that investments are increasingly made directly by the other Group companies. The write-downs and non-recurring charges amounted to Euro 0.4 million (in line with the previous year).

For the sector performances and the breakdown by geographic area, reference is made to the report to the consolidated financial statements.

The composition of the short-term net financial position at December 31, 2009 compared to December 31, 2008 is shown below:

	FINANCIAL POSITION	Dec. 31, 09	Dec. 31, 08	DIFFERENCE	
				Absolute	Percent.
A	Cash	6	4	2	50%
B	Bank and postal deposits	2,020	8,814	-6,794	-77%
C	Securities held for trading		48	-48	-100%
D	**Liquidity (A+B+C+D)**	2,026	8,866	-6,840	-77%
E	**Treasury management cash pooling**	-16,829	-6,031	-10,798	179%
F	**Current financial receivables**			-	
G	Current bank payables		-	-	
H	Current portion of non-current debt		-	-	
I	**Current debt (G+H)**		-	-	
J	**Current net debt (I-F-E-D)**	-14,803	2,835	-17,638	-622%
K	Non-current bank payables		-	-	
L	Other non-current payables			-	
M	**Non-current debt (K+L)**		-	-	
N	**Total net debt (J+M)**	-14,803	2,835	-17,638	-622%

The short-term Net Financial Position of Dada S.p.A. at December 31, 2009 was a debt position of Euro 14.8 million, compared to a cash position of Euro 2.8 million at December 31, 2008. There were no financial payables beyond one year.

In 2009, there was therefore a decrease in the financial position of Euro 17.7 million, due in part to net working capital movements and in part to investments made. This movement was impacted by the reorganisation described previously and which affected the results (and therefore the related financial benefits) of the subsidiaries Dada.net and Dada.pro. For the changes in the consolidated net financial position, reference should be made to the Directors' Report to the 2009 consolidated financial statements.

The investments in the year relate principally to the acquisition of the company Fueps S.p.A., with a cash payment of approximately Euro 1.7 million, the improvements to the offices in Florence, and the purchase of management software and technology for the provision of corporate services.

The composition of the net working capital and the net capital employed of the Parent Company Dada S.p.A. at December 31, 2009 and at December 31, 2008 is shown below:

Amounts in Euro/thousand	Dec. 31, 09	Dec. 31, 08	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**61,584**	**58,751**	**2,833**	**5%**
Current assets (B)	12,658	26,506	-13,848	-52%
Current liabilities (C)	-5,584	-30,282	24,698	-82%
Net working capital (D) = (B)-(C)	**7,074**	**-3,776**	**10,850**	**-287%**
Employee leaving indemnity provision (E)	-219	-266	47	-18%
Provision for risks and charges (F)	-186	-467	281	-60%
Net capital employed (A+D+E+F)	**68,253**	**54,242**	**14,011**	**26%**

The net working capital at December 31, 2009 was Euro 7.1 million, a significant increase on a negative amount of Euro 3.8 million at December 31, 2008. 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 those from Group companies. The increase in fixed assets is due to the investments described previously.

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.

Acquisition of treasury shares

The Shareholders' Meeting of April 23, 2009 revoked the authorisation of April 24, 2008 relating to the purchase and sale of treasury shares and renewed the authorisation of the Board of Directors, to acquire, in one or more occasions, in full or in part, 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 however for a total amount not above the reserves available resulting from the latest approved financial statements and within the distributable profits; the Shareholders' Meeting on the same date also authorised the Board of Directors to hold treasury shares already in portfolio or acquired resulting from the present authorisation, in order to undertake sales/purchases, exchanges, conferment etc. as well as the acquisition of investments.

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 October 23, 2010.

At December 31, 2009, the company does not hold treasury shares in portfolio.

Investments held directly or indirectly by Directors, Statutory Auditors and General Directors

Name	Company	Number of shares held at 31/12/2009	Number of shares held at 31/12/2008
Paolo Barberis	Dada S.p.A.	870,000	870,000
Lorenzo Lepri	Dada S.p.A.	7,400	7,400

Options assigned to Directors during the year

		Options held at beginning of the year		
Name	Office	Number of options	Average exercise price	Year
Paolo Barberis	Chairman	127,400	14.78	From the approval of the consolidated 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 annual accounts relating to the Dada Group for the year ended December 31, 2008.

Name	Office	Options assigned during the year		
		Number of options	Average exercise price	Exercise period
Paolo Barberis	Chairman	170,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)
Barbara Poggiali	E.D.	90,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)
Lorenzo Lepri	Director	70,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015(*)

(*)In general terms, the exercise of the options may take place from January 15 to January 31, from March 16 to March 31, 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, subject to the conditions contained in the plan.

In 2009, no options expired or were exercised.

Name	Office held	Options held at the end of the year		
		Number of options	Average exercise price	Exercise period
Paolo Barberis	Chairman	297,400	9.79	From the approval of the 2008 accounts up to 2012 for 127,400 options and from the date of the approval of the consolidated accounts of 2011 until November 11, 2015 for 170,000 options
Barbara Poggiali	E.D.	90,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015
Lorenzo Lepri	Director	70,000	6.05	From the approval of the consolidated accounts of 2011 until November 11, 2015

For the Corporate Governance Report and Shareholder Structure of Dada S.p.A. reference should be made to the Directors' Report of the consolidated financial statements of the Dada Group.

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 2010, as prescribed by the regulations.

TRANSACTIONS WITH RELATED PARTIES

Reference should be made to the section in the notes to the financial statements (note 19).

PERSONNEL

For further information reference should be made to the Dada Group consolidated directors' report.

ENVIRONMENT

For further information reference should be made to the Dada Group consolidated directors' report.

SIGNIFICANT EVENTS IN 2009

For further information reference should be made to the Dada Group consolidated directors' report.

SUBSEQUENT EVENTS TO THE YEAR END

For further information reference should be made to the Dada Group consolidated directors' report.

OUTLOOK

Despite the uncertain economic situation continuing to impact on the subsidiaries, it is considered that the Parent Company can maintain levels of recharges and dividends such as to allow – excluding events not presently foreseeable – improved results on 2009.

ALLOCATION OF THE RESULT FOR THE YEAR

Dear Shareholders,

We present for your approval the Financial Statements at December 31, 2009 which report a loss of Euro 4,086,244.10.

We propose to carry forward the loss, presenting therefore for your approval the following proposal:

"The Shareholders' AGM of Dada S.p.A.

- having examined the Board of Directors' report;
- having examined the Board of Statutory Auditors' and Independent Audit Firm Reconta Ernst & Young S.p.A. reports;
- and having examined the Financial statements at December 31, 2009 which report a loss of Euro 4,086,244.10:

RESOLVES

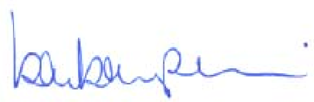
1) To approve the Board of Directors' report and the Financial Statements at December 31, 2009, reporting a loss of Euro 4,086,244.10 as presented by the BoD;
2) To carry forward the loss reported in the 2009 Financial Statements"

Florence, March 10, 2010

For the Board of Directors

The Chairman, Paolo Barberis

The Chief Executive Officer Barbara Poggiali



Attachment 1

RECLASSIFIED INCOME STATEMENT DADA S.p.A. FOR YEAR ENDED DECEMBER 31, 2009

Amounts in Euro/thousand	2009 12 months		2008 12 months		DIFFERENCE	
	Amount	% of total %	Amount	% of total %	Absolute	%
Net Revenues	11,273	100%	49,973	100%	-38,700	-77%
Changes in inventory and internal work	0	0%	1,442	3%	-1,442	-100%
Service costs and other operating costs	-9,251	-82%	-40,808	-82%	31,557	-77%
Personnel costs	-3,845	-34%	-8,104	-16%	4,259	-53%
Ebitda	-1,823	-16%	2,503	5%	-4,326	-173%
Amortisation & Depreciation	-2,454	-22%	-3,116	-6%	662	-21%
Non-recurring income (charges)	-154	-1%	-184	0%	30	-16%
Revaluations/(Write-downs)	-228	-2%	-200	0%	-28	14%
Ebit	-4,659	-41%	-997	-9%	-3,662	367%
Investment income	143	1%	1,262	3%	-1,119	-89%
Share from equity valuations	-325	-3%	-268	-1%	-57	21%
Loss before taxes	-4,841	-43%	-3	0%	-4,838	
Income taxes	755	7%	-1,743	-3%	2,498	-143%
Net loss	-4,086	-36%	-1,746	-3%	-2,340	134%

Attachment 2

WORKING CAPITAL AND NET FINANCIAL POSITION OF DADA S.p.A. AS AT DECEMBER 31, 2009

Amounts in Euro/thousand	Dec. 31, 09	Dec. 31, 08	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**61,584**	**58,751**	**2,833**	**5%**
Current assets (B)	12,658	26,506	-13,848	-52%
Current liabilities (C)	-5,584	-30,282	24,698	-82%
Net working capital (D) = (B)-(C)	**7,074**	**-3,776**	**10,850**	**-287%**
Employee leaving indemnity provision (E)	-219	-266	47	-18%
Provision for risks and charges (F)	-186	-467	281	-60%
Net capital employed (A+D+E+F)	**68,253**	**54,242**	**14,011**	**26%**
Medium-long term payables	0	0	0	
Shareholders' equity (G)	**-53,449**	**-57,077**	**3,628**	**-6%**
Short-term bank debt	0	0	0	
Short-term financial receivables and securities		48	-48	-100%
Treasury management cash pooling	-16,830	-6,031	-10,799	179%
Cash and cash equivalents	2,026	8,818	-6,792	-77%
Short-term net financial position	**-14,804**	**2,835**	**-17,639**	**-622%**

DADA S.P.A.

INDIVIDUAL FINANCIAL STATEMENTS

DADA S.p.A INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

	Ref	31/12/09 (12 months)		31/12/08 (12 months)	
Net Revenues			11,273		49,973
- of which related parties	19	*11,217*		*20,433*	
Cost of raw materials and consumables			-82		-69
Changes in inventory and internal work					1,442
Service costs and other operating costs			-8,948		-40,722
- of which related parties		*-1,632*		*-17,058*	
Personnel costs	4.6		-3,845		-8,104
- of which related parties	19	*-981*		*-485*	
Other operating income and revenues			24		
Other operating charges	4.2		-399		-201
- of which non-recurring charges	4.7	*-154*			
Provisions and write-downs	4.4		-228		-200
Amortisation & Depreciation	4.5		-2,454		-3,116
Ebit			-4,659		-997
Investment income	4.3		143		1,262
- of which related parties	19	*113*		*464*	
- of which non-recurring activities	4.3			*396*	
Financial charges	4.3		-325		-268
- of which related parties	19	*-196*		*-40*	
Loss before taxes			-4,841		-3
Income taxes	5		755		-1,743
Net loss for the year			-4,086		-1,746
Basic earnings per share			-0.252		-0.108

BALANCE SHEET OF DADA S.p.A. AS AT DECEMBER 31, 2009 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

ASSETS	Ref	31/12/09		31/12/08	
Non-current assets					
Goodwill	7		1,704		899
Intangible assets	7		3,640		5,368
Other tangible assets	6		1,123		1,272
Investments in subsidiary companies	8		51,517		43,111
Equity investments in associate and other companies			-		-
Financial assets	8		3,600		8,101
- of which related parties	19	*3,500*		*8,000*	
Deferred tax assets	5		1,543		756
Total			63,127		59,507
Current assets					
Trade receivable	12		25,916		29,179
- of which related parties	*19*	*24,771*		*28,732*	
Tax receivables and others	12		1,447		1,256
- of which related parties		*0*		*21*	
Held-for-trading financial assets			-		48
Cash and cash equivalents	13		2,026		8,818
Total current assets			29,389		39,301
TOTAL ASSETS			92,516		98,808

CONSOLIDATED BALANCE SHEET OF DADA S.p.A. AS AT DECEMBER 31, 2009 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

SHAREHOLDERS' EQUITY AND LIABILITIES	Ref	31/12/09	31/12/08
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	2,756	2,756
Share premium reserve	14	32,071	32,071
Treasury shares	14		
Legal reserve	14	950	950
Other reserves	14	19,109	18,652
- of which related parties	19	*1,413*	*1,208*
Retained earnings		2,649	4,395
Net loss		-4,086	-1,746
Total Shareholders' Equity		53,449	57,078
Medium/long term liabilities			
Provisions for risks and charges	15	186	467
Employee leaving indemnity	11	219	266
Total non-current liabilities		405	733
Current liabilities			
Trade payables	16	36,477	38,653
- of which related parties	*19*	*33,638*	*35,469*
Other payables	16	2,078	1,267
- of which related parties	*19*	*348*	*546*
Tax payables	16	107	1,077
Bank overdrafts and loans (payable within one year)			
Total current liabilities		38,662	40,997
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		92,516	98,808

CASH FLOW STATEMENT OF DADA S.p.A. FOR THE YEAR ENDED DECEMBER 31, 2009 PREPARED IN ACCORDANCE WITH IAS/IFRS		
Amounts in Euro/thousand	31/12/09 *(12 months)*	31/12/08 *(12 months)*
Operating activities		
Net loss for the year	**-4,086**	**-1,746**
Adjustments for:		
Income from trading activities	-143	-981
Financial charges	325	-13
Costs for share-based payments	396	672
Income taxes	-754	1,743
Depreciation of property, plant & equipment	346	726
Amortisation of other intangible assets	2,107	2,390
Other provisions and write-downs	385	530
Increases/(decreases) in provisions	-668	-1,057
Cash flows generated from operating activities before working capital changes	**-2,092**	**2,264**
Increase in inventories	0	0
(Increase) / decrease in receivables	14,647	42,966
Increase in trade payables	-25,764	-42,798
Cash flow generated from operating activities	**-13,209**	**2,432**
Income taxes paid	0	-377
Interest paid	-151	0
Net cash flow generated from operating activities	**-13,360**	**2,055**
Investing activities		
Interest received	133	97
Changes in investments in subsidiaries and associated companies	-7,484	-8,897
Sale of subsidiary and associated companies	0	433
Goodwill of the new acquisition	-805	0
Purchase of tangible fixed assets	-197	-673
Purchase of financial assets	4,501	27
Purchase/sale of financial assets available-for-sale	0	0
Purchase of intangible assets	-379	-77
Product development costs	0	-1,442

Net Cash flow used in investing activities	-4,231	-10,532

Amounts in Euro/thousand	31/12/09 (12 months)	31/12/08 (12 months)
Financing activities		
Dividends from subsidiaries		
Repayment of loans		
Payments deriving from share capital increases	0	1,223
Sale of treasury shares		
Other changes	0	-2
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	0	1,221
Net increase/(decrease) in cash and cash equivalents	-17,591	-7,256
Cash and cash equivalents at beginning of the year	2,787	10,043
Cash and cash equivalents at the end of the year	-14,804	2,787

COMPREHENSIVE INCOME STATEMENT OF DADA S.p.A. FOR THE YEAR 2009

Amounts in Euro/thousand	FY 2009 12 months	FY 2008 12 months
Loss for the year (A)	-4,086	-1,746
Total other profits (losses), net of the fiscal effect (B)	0	0
Total Comprehensive Loss (A)+(B)	-4,086	-1,746

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF DADA S.p.A. AT DECEMBER 31, 2009

Description	Share capital	Share Premium	Legal Reserve	Other reserves	Retained earnings	Net loss	Total
Balance at January 1, 2009	2,756	32,070	950	18,652	4,395	-1,746	**57,077**
Allocation of 2008 result					-1,746	1,746	0
Result 2009						-4,086	**-4,086**
Other comprehensive profits (losses)				0			**0**
Total comprehensive losses				**0**	**0**	**-4,086**	**-4,086**
Share-based payments				458			**458**
Balance at December 31, 2009	**2,756**	**32,070**	**950**	**19,110**	**2,649**	**-4,086**	**53,449**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF DADA S.p.A. AT DECEMBER 31, 2008

Description	Share capital	Share Prmium	Legal Reserve	Other reserves	Retained earnings	Net loss	Total
Balance at January 1, 2008	2,737	30,867	902	16,998	4,395	966	**56,865**
Allocation of 2007 result			48	918		-966	0
Result 2009						-1,746	**-1,746**
Other comprehensive profits (losses)				0			**0**
Total comprehensive losses				**0**	**0**	**-1,746**	**-1,746**
Share capital increase	19	1,203					**1,222**
Share-based payments				736			**736**
Decons./Acquis./Var. % held							**0**
Balance at December 31, 2008	**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 and registered at the Florence Company's Registration Office and listed on the Star segment of the Italian Stock Exchange. 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.

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 2009 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.

Loss in value ("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.

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 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:

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.

Changes in international accounting standards

The accounting standards adopted are in line with those of the previous year with the exception of the following new and revised IFRS standards and IFRIC interpretations adopted by the Group.

During the year the Group has adopted the following new or revised IFRS and the following new or revised interpretations:

IAS 1 Presentation of Financial Statements, effective from January 1, 2009
IAS 23 Borrowing Costs (Revised), effective from January 1, 2009
IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements adopted in advance from January 1, 2009
IFRS 8 Operating segments, effective from January 1, 2009
IFRS 2 Share-based payments – Vesting and Cancellation conditions, in force from January 1, 2009
IFRS 7 – Financial Instruments: Disclosure, in force from January 1, 2009

When the adoption of a standard or an interpretation has an impact on the financial statements or the performance of the Group, the impact is described as follows:

IAS 1 Presentation of Financial Statements

The IAS 1 revised standard requires the movements in equity to show those attributable to the parent and to minority interest. The statement of change in shareholders' equity includes all transactions with shareholders while all the changes relating to transactions with non shareholders are 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 opted for the presentation of two statements.

IAS 23 Borrowing costs

IAS 23 (Revised) requires the capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. The previous accounting principle adopted by the Group recorded the borrowing costs in the income statement in the period they arose. In conformity with the regulations for the transition to IAS 23, the Group adopted the principle in advance.

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

The two revised standards were approved in January 2008 and were adopted in advance by the Group from January 1, 2009. IFRS 3R introduces some changes in the recording of the business combinations which 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.

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.

IFRS 8 – Operating segments

The accounting standard IFRS 8 replaced IAS 14 segment information from the date of its entry into force. 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.

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

The IASB issued an amendment to IFRS 2 which clarifies the definition of vesting conditions and the accounting treatment in the case of a bonus effectively cancelled following the non fulfilment of a vesting condition. The Group adopted this amendment from January 1, 2009. The adoption did not have an impact on the financial position or the performance of the Group.

IFRS 7 – Financial Instruments: disclosures

The amended standard requires additional disclosure in relation to the determination of the fair value and the liquidity risk. The determination of the fair value must show an additional disclosure on the input sources utilising a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the initial value and the final value of the determination of the fair value for level 3 is required, as is also the case for the measurement of significant transfers between the various levels. The amendments also state the requirements in relation to liquidity risk disclosure of derivatives and financial assets utilised for the management of foreign liquidity.

Amendments and interpretations effective as of January 1, 2009 which are not significant for the Group

The following amendments, improvements and interpretations, effective as of January 1, 2009, concern matters and events not present in the Group at the date of the present financial statements but which may have accounting effects:

amendments to IAS 32 and to IAS 1 Financial Instruments "for sale".

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

Improvement to IAS 29 - Financial reporting in hyperinflationary economies;

Improvement to IAS 40 - Investment property

IFRIC 13 – Customer loyalty programmes

IFRIC 15 - Arrangements for the construction of real estate

IFRIC 16 - Hedges of a net investment in a foreign operation

IFRS and IFRIC interpretations not yet in force

The Group has not yet adopted, in advance, the following new standards and interpretations and believes that their application will not have significant impacts on the financial statements.

IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 – Financial instruments: recognition and measurement (applicable from June 30, 2009)

IFRIC 18 – Transfer of assets from customers (applicable from July 1, 2009)

Improvements to IFRS

In May 2008 and April 2009, the IASB issued a series of improvements to the standards, principally in order to eliminate the inconsistencies and clarify the terminology. Each standard has ad hoc transition clauses. The adoption of the following amendments did not have any impact on the financial position or the results of the Group.

IFRS 5 non-current assets held for sale and discontinued operations clarifies the additional information required in relation to non-current assets and groups assets classified as held for sale or relating to discontinued operations. The information required by other IFRS standards is applied only if specifically required with reference to these types of non-current assets or discontinued operations.

IFRS 8 Operating Segment clarifies that segment assets and liabilities need only be presented if they are included in the reporting utilised at the highest decisional level.

As the highest decisional level of the Group utilise the segment assets and liabilities, the Group continues to provide such disclosure in Note 8.

IAS 1 - Presentation of financial statements: assets and liabilities classified as held for trading according to IAS 39 Financial Instruments: recognition and measurement. They are not automatically classified as current items within the balance sheet or financial position.

IAS 7 Cash flow statement affirms explicitly that only expenditure that results in the recognition of an asset may be classified as cash flows from investment activity. This amendment will modify the presentation of the cash flow statement of the potential payments relating to business combinations completed in 2009 at the moment of cash payment.

IAS 16 Property, plant and equipment: substitution of the term "net sales price" with "fair value less selling costs".

IAS 20 Accounting for government grants and disclosure of government assistance: non-interest bearing loans or with low interest rates are not exempt from the requirement to record interest. Interest must be attributed to loans provided with interest rates below the market rate. This amendment does not have any impact on the Group which has received public assistance not in the form of loans but rather in the form of direct grants.

IAS 23 Borrowing costs: the definition of Borrowing Costs was revised to include under one item the two components of Borrowing Costs – the interest is calculated utilising the effective interest rate method according to IAS 39.

IAS 36 Impairment of assets: for the estimate of the "fair value less selling costs" the discounted cash flows require an additional disclosure on the discount rate, in line with the information required when the discounted cash flows are utilised for the estimate of the "value in use". This amendment clarifies that the largest unit to which goodwill acquired can be allocated in a business combination is the operating segment as defined by IFRS 8 before the combination for reporting purposes.

4. Other costs and revenues

4.1 Revenues

In relation to revenues, in the previous year, from July 1, 2008, a conferment of business units by Dada S.p.A. to the subsidiaries Dada.net S.p.A. (VAS services) and Register.it S.p.A. (advertising services) was carried out. Following this extraordinary operation, the Parent Company principally carries out centralised and corporate services in favour of the other Group companies. Therefore the revenues of Dada S.p.A. are prevalently represented by recharges made to the other subsidiary companies. In the first six months of the previous year, Dada S.p.A. was still managing the two businesses mentioned above.

For further information, reference is made to the consolidated directors' report in the section related to segment activities, particularly the corporate segment.

4.2 Other operating expenses

The table below reports the breakdown of other operating costs for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Deductible taxes	66	5	61	1228.27%
Non-deductible taxes	54	70	-16	-22.34%
Other non-deductible costs	63	92	-29	-31.52%
Other operating charges	62	34	28	80.94%
Total other operating charges	**245**	**201**	**44**	22.04%
Non-recurring charges	**154**		154	

Total	399	201	198	98.66%

The non-recurring charges recorded in the financial statements of Euro 154 thousand were not recorded in the financial statements in the previous year. The account includes extraordinary expenses, particularly the amounts paid for the settlement of contractual disputes, which were prevalent in the period.

4.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Interest income on bank and postal accounts	22	113	-91	-80.53%
Other interest and income	113	472	-359	-76.06%
Gain on sale of equity investment		396	-396	
Exchange gains	8	281	-273	-97.15%
Description	143	1,262	-1,119	-88.67%

Financial income is comprised of the interest matured on bank accounts and on that matured on cash pooling accounts undertaken with other group companies. Both these totals are lower than the previous year following the interest rate reductions and the new organisation which saw Dada S.p.A. exclusively carry out management and recharging activities which led to a general reduction in the direct activities. The exchange gains arise from the translation of trade accounts.

The table below reports the breakdown of financial charges for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Interest on current accounts		-1	1	-100.00%
Other interest expense	-188	-83	-105	126.51%
Bank charges and commissions	-59	-47	-284	604.26%
/Exchange losses	-78	-137	59	-43.07%
Description	-325	-268	-329	122.76%

The account other interest expense relates to recharges by the Group companies following the centralised cash pooling of the Group treasury.

The exchange losses arise from the translation of trade accounts.

4.4 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Doubtful debt provision	45	0	45	
Other write-downs	183	200	-17	-8.50%
Total	**228**	**200**	**28**	**14.00%**

For further information on 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.

4.5 Amortisation and depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Tangible assets investments	346	726	-380	-52.34%
Amortisation of Development Costs	1,778	2,014	-236	-11.72%
Amortisation of patents and trademarks	132	139	-7	-5.04%
Amortisation of other intangible assets	197	236	-39	-16.53%
Total	**2,454**	**3,116**	**-662**	**-21.25%**

Amortisation and depreciation decreased generally across all fixed asset categories. This relates to the reorganisation described in the directors' report, with investments (consequent amortisation and depreciation) carried out by the Group operating companies.

4.6 Labour costs

The table below reports the breakdown of personnel costs for the year 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Salaries and wages	2,979	6,014	-3,035	-50.47%
Social security expenses	709	1,760	-1,051	-59.72%
Employee leaving indemnity	157	330	-173	-52.42%
Total	**3,845**	**8,104**	**-4,259**	**-52.55%**

The significant decrease in this account is due to the conferment of activities carried out in 2008.

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.

4.7 Non-recurring income and charges

No non-recurring income was recorded in 2009, while in 2008 a gain from the sale of the holding in Softec was recorded. For details of the impacts of this operation reference is made to the financial statements of the previous year.

The composition of non-recurring charges for 2009 is shown in the table below:

Description	31/12/2009	31/12/2008	Changes
Other operating charges	154	-	154
Total	**154**	**-**	**154**

These are extraordinary charges which were prevalent in 2009 (not present in 2008). Such costs include contractual penalties paid.

4.8 FINANCIAL RISKS

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. has a limited exposure to credit risk, as receivables are principally from Group companies, with insignificant interest rate risk, liquidity risk and price risk.

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 Dada S.p.A. 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 sector in which the Company 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 value added services, and in general norms governing the telecommunication sector. It is expected that the above-mentioned regulations, following some recent measures relating to the new national numbering plan for mobile phones, 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 have, or may have, disputes in relation to the provision of their services and that, although recently some cases have been resolved in the United States in 2009, they could have led to a collective action.

5. Income taxes

The table below reports the breakdown of income taxes for 2009 compared to the previous year:

Description	2009	2008	Changes	Change %
Regional taxes	0	-353	353	-100.00%
Other taxes	-32	0	-32	
Deferred taxes	787	-1,390	2,177	-156.62%
Total	**755**	**-1,743**	**2,498**	**-143.32%**

The movements in deferred tax assets and liabilities in 2009 are shown in the table below:

Description	2009	Increase for the year	Utilisation in the year	2008
Deferred tax assets	756	814	-27	1,543
Total	**756**	**814**	**-27**	**1,543**

Deferred tax assets, recorded in the financial statements for Euro 1.5 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”).

For the calculation of the recoverability of fiscal losses a timeline was used (variable from three to four years), also following the compliance to the parent company tax consolidation of the subsidiary companies, in order to allow the identification of the assessable taxes based particularly on the economic-financial outlook determined based on the best assumptions available which had been examined and shared with the Board of Directors of the subsidiary companies.

It is noted that the tax losses carried forward amount to approximately Euro 4.1 million. The tax losses on which deferred tax assets were calculated amount to Euro 2.9 million.

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

(Euro/thousands)

IRES income taxes	2009	2008
Loss before taxes	-4,841	-3
Theoretical tax charge	-1,234	-1
Permanent differences	518	-358
Temporary differences	253	831
Taxable income/Tax Loss	-4,070	470
Total current taxes		129
Regional Taxes	**2009**	**2008**
Difference between value and cost of production	-4,659	-601
Non relevant costs for IRAP	5,749	9,781
Theoretical tax base	1,090	9,179
Theoretical Tax	43	358
Permanent differences	252	241
Temporary differences	-1,453	-343
Recovery from prior years	-70	-49
Taxable income	-181	9,028
Total current taxes		353

The deferred tax assets are shown below:

	IRES income taxes		IRES income taxes	
	2009		2008	
	Amount of temporary difference	Fiscal effect (rate 27.5%)	Amount of temporary difference	Fiscal effect (rate 27.5%)
Deferred tax asset:				
Sales representatives expenses	43	12	157	43
Doubtful debt provision not deductible	1,271	350	1,401	385
Provisions for risks and charges	186	51	467	128
Amortisation of brands	547	150	422	116
Other temporary differences	564	155	127	35
Total	2,611	718	2,574	707
Tax charge transferred to consolidated tax return on which deferred tax asset calculated	2,867	788		-
Net	5,478	1,506	2,574	707

	Regional taxes		Regional taxes	
	2009		2008	
	Amount of temporary difference	Fiscal effect (rate 3.9%)	Amount of temporary difference	Fiscal effect (rate 3.9%)
Deferred tax asset:				
Deferred taxes on deferred costs	933	36	1,292	50
Net	933	36	1,292	50

Total deferred tax asset (IRAP +IRES)	6,411	1,543	3,866	756

It is recalled that Dada S.p.A. adhered to the Italian tax consolidation regime, as the consolidating party, which included the subsidiary companies Dada.net S.p.A., Clarence S.r.l. and Register.it S.p.A. (consolidated companies).

6. Plant & equipment

The changes in plant and equipment in the year were as follows:

Description	31/12/08	Increases	Decreases	Depreciation	31/12/09
EDP	783	134	-29	-258	630
Furniture & fittings	477	64	0	-77	464
Others	13	27	0	-11	29
Total	**1,273**	**225**	**-29**	**-346**	**1,123**

The increase in the year is principally due to the purchase of servers for the internet and the installation of new equipment for the enlargement of the farm server, necessary for the provision of corporate services.

The increase in the account furniture and fixtures relates to the expenses incurred for the Florence offices.

7. Intangible assets

The table below shows the movements in intangible fixed assets in the year:

Description	31/12/08	Increases	Decreases	Other movements	Amortisation	31/12/09
Goodwill	899	805	0	0	0	1,704
Total goodwill	*899*	*805*	*0*	*0*	*0*	*1,704*
Development on products and services	4,461	0	0	0	-1,778	2,683
Concessions, licenses, trademarks	220	0	0	0	-132	88
Others	687	262	0	0	-197	752
Assets in progress and payments on account		117	0	0	0	117
Total intangible assets	*5,368*	*379*	*0*	*0*	*-2,107*	*3,640*
Total	6,267	1,184	0	0	-2,107	5,344

The goodwill recorded in the accounts relates to the merger difference arising following the incorporation of the company Wireless Solutions S.p.A., while the increase in the year relates to the acquisition of the ex Tipic activities from the subsidiary (through Dada.net S.p.A.) Dada Usa Inc.. This transaction was carried out at book values.

Following the reorganisation previously described, the company no longer carries out activities relating to the development of products and processes which however are carried out directly by the operating subsidiaries Dada.net S.p.A. and Register.it S.p.A.

The account "others" is prevalently comprised of the software acquired by the company, which is amortised on a straight-line basis over five years. The increases principally relate to the acquisition of management software.

Assets in progress and advances include the projects begun in the final part of 2009 but production only commences in 2010. These particularly refer to the MM module of the SAP accounting/management system, which started up in January 2010.

8. Equity investments

The following table shows the movements in the account "equity investments" in the year:

Description	31/12/08	Increases	Decreases	Other movements	31/12/09
Investments in subsidiary companies	43,111	8,344		62	51,517
Total equity investments in subsidiary companies	**43,111**	**8,344**	**0**	**62**	**51,517**
Loans to subsidiaries	8,000		-4,500		3,500
Guarantee deposits	101		-1		100
Total financial assets	**8,101**	**0**	**-4,501**		**3,600**
Total	**51,212**	**8,344**	**-4,501**		**55,117**

The increases relate to:

- recapitalisation of the subsidiary Register.it S.p.A. of Euro 5 million in order to implement the development and growth strategy through acquisitions begun by the company;

- acquisition of Fueps S.p.A. on October 12, 2009. The transaction, of the 51% share in Fueps held by RCS Digital and the 49% held by Digital Bros Group, was completed for a total of Euro 1.70 million paid on closing to the sellers in proportion to their respective holdings. A maximum earn-out of Euro 0.9 million comprising 12.5% of the Ebitda recorded in the financial statements for the years 2010 - 2014 of Fueps S.p.A. inclusive will also be paid to each seller. The goodwill recorded in the financial statements of Euro 2,075 thousand also includes the earn-out quota. For the acquisition of Fueps, a fairness opinion was obtained from independent consultants on the value of the acquisition. The value of the acquisition increased in 2009 due to the share capital payment of Euro 800 thousand.

- The extraordinary conferment operation into Dada.net of the 50% held by Sony Music in Dada Ent. LLC was also completed in the year.

Against this conferment Sony Music received 13% of the share capital of Dada.net S.p.A., previously entirely held by Dada S.p.A., whose shareholding therefore reduced to 87%. The agreements signed include a put option in favour of Sony to sell the 13% in Dada.net to Dada S.p.A. within 3 years from the signing of the operation.

The loan of Euro 8 million was issued in 2006 to the subsidiary Dada USA for the acquisition of Upoc. The reduction is due to the repayment by this company in 2009. 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:

(Amounts expressed in Euro/thousand)

Company	31/12/08	Increases	Decreases	Other movements	31/12/09	% held
Register.it SpA	23,189	5,000		51	28,240	100%
Dada.net SpA	18,322			10	18,332	87%
E-Box Srl	1,600				1,600	40%
Fueps	0	3,345			3,345	100%
Total	**43,111**	**8,345**	**0**	**61**	**51,517**	

As required by article 2426 of the Civil Code, we report the comparison between the cost value and the Dada S.p.A. share of net equity:

Company	Location	Share capital	Shareholders' equity as at December 31, 2009	Result for year 2009
Direct:				
Dada.Net S.p.A.	Florence - Italy	15,005	38,812	4,047
Register.it S.p.A.	Florence - Italy	8,401	13,085	-1,058
Fueps S.p.A.	Florence - Italy	1,500	-1,340	-3,641
E-Box S.r.l.	Milan - Italy	10	97	-46

In relation to the subsidiary Fueps S.p.A., whose financial statements at December 31, 2009 report a negative net equity of Euro 1,340 thousand, it is reported that on March 4, 2010 a payment was made of Euro 2,840 thousand in order to recapitalise the company.

As required by the accounting standards applied, the shareholdings held by Dada S.p.A. were subject to impairment tests. The impairment test is made on an annual basis on the preparation of the annual accounts. The recoverable value of these investments were verified through the determination of the value in use based on the Discounted Cash Flow, with the exception of the subsidiary Dada.net, whose cost is lower than the relative share of net equity. The following table shows the principle assumptions used for the impairment test:

Assumptions	E-box	Register.it	Fueps S.p.A
Period of plan	5 years	5 years	5 years
Growth rate:			
Revenues	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company	2009 actual results, 2010 from the Budget approved by BoD of the company; years 2011 to 2014 based on the best available information on the business and reviewed by the BoD of the company
EBITDA	Based on the considerations above	Based on the considerations above	Based on the considerations above
Growth rate beyond explicit period	0%	0%	0%

The expected growth rates for Register.it S.p.A. 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 businesses E-box S.r.l. and Fueps S.p.A were based on the growth assumptions of the business taken from a sector analysis.

A pre-tax discount rate was used. 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 following rates were applied:

Cash Generating Unit	WACC (post tax)
E-box S.r.l.	9.70%
Fueps S.p.A.	10.30%
Register.it	8.50%

The verification made at December 31, 2009 confirmed that it was not necessary to make any changes to the values recorded in the accounts.

9. Other financial assets

The balance of the account is shown in the table below:

Description	Balance at 31/12/2009	Balance at 31/12/2008	Changes	Change %
Financial receivables	0	48	-48	-100%
Total	0	48	-48	-100%

10. Share-based payment plans

The salient features of the Dada Group plans at December 31, 2009 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	Plan of 24/02/09	Plan of 08/10/09
Duration of the plan	2009-2012	2007-2009	2009-2012	2009-2012	2009-2015	2009-2015
Total options to be issued	700,700	33,000	55,000	25,000	410,000	50,000
Total residual options at 31/12/2009	469,550	0	50,000	0	380,000	50,000
Value of issue	14.782	15.47	16.92	16.99	6.05	6.875

The plans of the Dada Group were subject to an actuarial valuation carried out by an independent actuary, in relation to which the data utilised of the valuation models of the six plans is listed 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	Plan of 24/02/09	Plan of 08/10/09
Valuation Date	issue of plan	issue of plan	issue of plan	issue of plan	issue of plan	issue of plan
Model utilised	Binomial	Binomial	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%	5%	5%
Expected volatility	23.50%	31-36%	29.07%	29.07%	29.07%	37.30%

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	Plan of 24/02/09	Plan of 08/10/09
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	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	zero	zero	zero	zero	zero	zero
Vesting conditions	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008	88.5 Ebitda for the three-year period 2009-2011	88.5 Ebitda for the three-year period 2009-2011

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.

11. Pensions and other employee post-service benefits

The movement of the employee leaving indemnity is shown in the table below:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/2009
Employee leaving indemnity	266	157	-67	-137	219
Total	**266**	**157**	**-67**	**-137**	**219**

The Employee leaving indemnity provision at December 31, 2009 of Euro 0.2 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 31/12/2009 of the employee leaving indemnity matured up to the estimated time of pension;
- determination for each employee in service at 31/12/2009 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 31/12/2009, 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	31/12/2009
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%

12. Trade and other receivables

The following table shows the breakdown of "trade receivables" at December 31, 2009 compared with 2008:

Description	Balance at 31/12/2009	Balance at 31/12/2008	Changes	Change %
Trade receivables - Italy	2,737	1,995	742	37%
Trade receivables from subsidiaries	7,313	19,479	-12,166	-62%
Financial receivables from subsidiaries	17,458	8,948	8,510	95%
Trade receivables from holding companies	0	3	-3	-100%
Financial receivables from holding companies	0	301	-301	-100%
Receivables from related parties	0	0	0	
Less: Doubtful debt provision	-1,592	-1,547	-45	3%
Total	25,916	29,179	-3,263	-11%

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 31/12/2008	Increase for the year	Utilisation in the year	Balance at 31/12/2009
Doubtful debt provision	1,547	45		1,592
Total	1,547	45	0	1,592

The provision as at December 31, 2009 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 following table shows the breakdown of “other payables” at December 31, 2009 compared with 2008:

Description	Balance at 31/12/2009	Balance at 31/12/2008	Changes	Change %
Tax receivables	1,002	793	209	26%
Advances to suppliers	0	43	-43	-100%
Other receivables	313	277	36	13%
Accrued income	132	143	-11	-8%
Total	**1,447**	**1,256**	**191**	**15%**

Accrued income includes telephone carrier fees referring to two accounting periods.

The account “other receivables” includes the advances to suppliers.

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 following table shows the composition of “cash and cash equivalents” at December 31, 2009 compared with 2008:

Description	Balance at 31/12/2009	Balance at 31/12/2008	Changes	Change %
Bank and postal deposits	2,020	8,814	-6,794	-77.08%
Cash in hand and similar	6	4	2	50.00%
Total	**2,026**	**8,818**	**-6,792**	**-77.02%**

The balance represents the liquidity and cash balances at December 31, 2009.

The yield on Italian bank deposits, prevalently relating to two Credit Institutions, is equal to Euribor at one month plus a spread of -0.3/-0.5.

This account was affected by the reorganisation of the operational activities in the previous year.

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, 2009 consists of 16,097,079 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,756 thousand.

The movements in shareholders' equity in the year are shown in the table at page 163.

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		
IAS reserve	6,566				
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 part exceeding one fifth of the share capital may be utilised.

At December 31, 2009 the reserve amounted to Euro 950 thousand. The reserve did not change on December 31, 2008 as the result for the previous year was entirely carried forward.

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, 2009 the reserve amounted to Euro 32,070 thousand. There were no increases in 2009 in this reserve.

Other reserves: the account comprises the Reserve created on the transition to the IFRS and the Extraordinary Reserve. The Extraordinary Reserve amounted to Euro 12,544 thousand and has not changed from the previous year. The IAS Transition Reserve amounts to Euro 6,108 thousand and the movements during the period relate to the Stock Options.

15. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2008	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/2009
Provisions for risks and charges	467	183	-464		186
Total	**467**	**183**	**-464**	**0**	**186**

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 which arose during the period and the reassessment of previous disputes during the period.

The provision for risks and charges at December 31, 2009 entirely relates to disputes of an operational nature.

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

16. Trade and other payables

The following table shows the breakdown of "trade payables" and "other payables" at December 31, 2009 compared with 2008:

Description	31/12/09	31/12/08	Changes	Change %
Payables:				
Trade payables	2,839	3,184	-345	-10.84%
Trade payables - subsidiaries	95	24,427	-24,332	-99.61%
Financial payables - subsidiaries	32,971	10,725	22,246	207.42%
Trade payables – holding companies	204	165	39	23.64%
Financial payables – holding companies	368	0	368	
Trade payables - other group companies		152	-152	-100.00%
Trade payables	**36,477**	**38,653**	**-2,176**	**-5.63%**
Taxes	107	1,077	-970	-90.06%
Tax payables	**107**	**1,077**	**-970**	**-90.06%**
Other	1,923	1,093	830	75.94%
Social security institutions	155	170	-15	-8.82%
Deferred income	0	4	-4	-100.00%
Other payables	**2,078**	**1,267**	**811**	**4.156**
Total	**38,662**	**40,997**	**-2,335**	**-5.70%**

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.

Payables to other group companies refers to purchases of a commercial nature from RCS Group companies excluding the Parent Company RCS MediaGroup S.p.A., reclassified in the account "financial payables - holding companies".

Financial payables to subsidiaries includes the cash pooling management of the Group treasury. Interest in line with market values is recognised by the Parent Company in this amount.

"Tax payables", amounting to Euro 107 thousand, 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;
- payable for the earn-out relating to the acquisition of Fueps S.p.A. of Euro 860 thousand. Reference should be made to the directors' report.

17. Commitments and risks

The following table shows the composition of "commitments and risks" at December 31, 2009 compared with 2008:

Description	31/12/09	31/12/08	Changes	Change %
Guarantees	41,059	46,581	-5,522	-11.85%
Total	**41,059**	**46,581**	**-5,522**	**-11.85%**

The guarantees provided at December 31, 2009 amounting to Euro 41.1 million (compared to Euro 46.6 million at December 31, 2008) are recorded for the amount guaranteed.

The following movements took place during the year on guarantees:

Description	31/12/08	Increases	Decreases	Other movements	31/12/09
Guarantees	46,581	1,848	7,621	251	41,059
Total	**46,581**	**1,848**	**7,621**	**251**	**41,059**

Increases:

Among the most significant increases was the guarantee granted to sellers for the acquisition of Poundhost, which was signed in January 2010; the guarantee was granted by Banca Intesa, an Italian primary credit institution, for GBP 6,500 thousand, with a value at December 31, 2009 of Euro 7,319 thousand.

This guarantee expired on the signing of the acquisition in January 2010.

Decreases:

The principal decreases relate to the repayment of capital instalments for a total of Euro 6,229 thousand of Register.it spa, loans guaranteed by the Parent Company.

No potential commitments exist that are not recorded in the balance sheet.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

S	Description of office			Remuneration			
Name	Office held	Period in which office held	Expiry of office (*)	Emoluments for office	Non-monetary benefits (**)	Bonuses and other incentives	Others
BOARD OF DIRECTORS **Directors in office**							
Paolo Barberis (1)	Chairman	1.1.09 – 31.12.09	31.12.11	363,325	6,078	125,000	
Barbara Poggiali (2)	Chief Executive Officer and General Manager	1.1.09 – 31.12.09	31.12.11	3,150	62,578	130,000	300,000
Lorenzo Lepri (3)	Director	1.1.09 – 31.12.09	31.12.11	3150	40,255	92,857	250,000
Salvatore Amato	Director	1.1.09 – 31.12.09	31.12.11	7,800			
Danilo Vivarelli	Director	1.1.09 – 31.12.09	31.12.11	8,850			
Giorgio Valerio	Director	1.1.09 – 31.12.09	31.12.11	5,525			
Riccardo Stilli	Director	1.1.09 – 31.12.09	31.12.11	6,400			
Monica Alessandra Possa	Director	1.1.09 – 31.12.09	31.12.11	8,150			
Giorgio Cogliati	Director	1.1.09 – 31.12.09	31.12.11	6,225			
Vincenzo Russi	Director	23.04.09 – 31.12.09	31.12.11	6,925			
Alberto Bigliardi	Director	23.04.09 – 31.12.09	31.12.11	6,750			
Matteo Novello	Director	23.04.09 – 31.12.09	31.12.11	5,350			
Claudio Cappon (4)	Director	27.07 .09 – 1.12.09	Prossima Assemblea dei Soci	5,875			
Alessandro Foti	Director	23.04.09 – 31.12.09	31.12.11	6,575			
Director no longer in office							
Pietro Varvello	Director	1.1.09 –23.4.09	23.04.09	525			

Roberto Ravagnani	Director	1.1.09 –23.04.09	23.04.09	350			
Paolo Aurelio Gatti (5)	Director	23.04.09 - 14.07.09	14.07.09	350			
Raffaello Napoleone	Director	1.1.09-31.12.09	23.04.09	1225			

(*) The mandate expires with the Shareholders' Meeting for the Approval of the Financial Statements for the year indicated
(**) Fringe benefits (at recognised tax values) granted to the party.

(1) The gross fixed annual emolument for the office of Chairman is Euro 360,000 as well as attendance fees. In 2009 an MBO was paid relating to 2008 for an amount of Euro 42,400 as well as a bonus in consideration of the strategic direction guaranteed to the Group of Euro 57,600.
(2) As appointed as CEO on December 3, 2008 he did not qualify for the MBO process for 2008 and therefore received no such payments in 2009
(3) In 2009, an MBO was paid relating to 2008 for an amount of Euro 76,475.
(4) Appointed by the Board of Directors on July 27, 2009 by co-optation in replacement of the resigning Director Paolo Aurelio Gatti
(5) Resigned on July 14, 2009

	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments (*)	Bonuses	Other
BOARD OF STATUTORY AUDITORS **Statutory Auditors in office**						
Silvio Martini Bianchi	Chairman	23.04.09 - 31.12.09	31.12.11	12,000		
Cesare Piovene Porto Godi	Statutory Auditor	23.04.09-31.12.09	31.12.11	8,000		
Claudio Pastori	Statutory Auditor	01.01.09 – 31.12.09	31.12.11	11,333		12,000(**)
Statutory Auditor no longer in office						
Pier Angelo Dei	Chairman	01.01.09 – 23.04.09	23.04.09	5,000		19,930
Piero Alonzo	Statutory Auditor	01.01.09 – 23.04.09	23.04.09	3,333		19,420

(*) The Shareholders' AGM of April 23, 2009 resolved an annual emolument for the office of the Chairman of the Board of Statutory Auditors of Euro 18,000 and for Statutory Auditor of Euro 12,000, excluding the Chartered Accountants' Professional indemnities.
(**) Refers to the office of Chairman of Board of Statutory Auditors of Fueps S.p.A., purchased by the Company on October 12, 2009.

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 MediaGroup, which holds 50.7% of Dada S.p.A. at December 31, 2009. The following table indicates the transactions with companies of the group and the balance sheet and income statement values in 2009 between companies of Dada S.p.A. and companies of the Dada Group and "related parties".

The transactions between Dada S.p.A. and RCS MediaGroup, which is the largest shareholder of the company, with subsidiary and associated companies of the latter, principally relate to:

- service contracts related to the business;
- transactions of a financial nature through an inter-group current account;

The transactions of Dada S.p.A. with the subsidiaries (direct and indirect) relate to:

- - Management of corporate services including legal, tax and administration services, office purchases etc.
- - Centralised treasury management and cash pooling system.

Company	Trade receivable	Other receivables	Total trade receivables
Dada.Net SpA	1,117	7,242	8,359
Clarence Srl	-		-
Dada Usa Inc	22		22
Upoc Inc	-		-
Dada Iberia SL	-		-
Dada Brasil Serviços de Tecnologia Ltda	68		68
Dada Media Science and Development (Beijing) Co. LTD	-		-
Register.it SpA	5,788	9,630	15,418
Nominalia SL	0		0
Namesco Ltd	65		65
E-Box S.p.A.	103	586	689
Fueps S.r.l.	150		150
Dada Entertainment LLC	1		1
Total	7,313	17,458	24,771
RCS Group			0
Total	7,313	17,458	24,771

Payables to related parties

(Amounts in Euro/thousand)

Company	Trade payables	Other Pay.	Total trade payables
Dada.Net SpA	28	25,754	25,782
Clarence Srl	2	955	957
Dada Usa Inc	-		-
Upoc Inc	49		49
Dada Iberia SL	-		-
Dada Brasil Serviços de Tecnologia Ltda	-		-
Dada Media Science and Development (Beijing) Co. LTD	-	-	-
Register.it SpA	6	5,791	5,797
Nominalia SL	-		-
Namesco Ltd	-		-
E-Box S.p.A.	10		10
Fueps S.r.l.	-	469	469
Dada Entertainment LLC	-		-
Total	95	32,970	33,064
RCS Group	204	368	572
Total	299	33,338	33,636

Transactions with the companies of the Group largely relate to the provision of services (Group VAT management and tax consolidation) and the provision and use of financial resources as well as transactions of a fiscal nature which are regulated at market conditions. 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 Parent Company with strategic responsibilities, in the various forms in which they are paid for the year 2009 and the year 2008.

Dada S.p.A. acquired 51% of Fueps from Rcs Digital S.p.A., controlled indirectly by RCS MediaGroup, at a value confirmed by an independent expert.

Description	2009		2008	
	Service costs	Personnel costs	Service costs	Personnel costs
Directors fees :				
- Emoluments for office	440	6	496	4
- Bonus and other incentives	125	223	293	253
- Non-monetary benefits	6	103	15	15
- Other remuneration	-	550		131
- Share-based payments	105	99	162	82
Total related parties	**677**	**981**	**966**	**485**
Board of Statutory Auditors	91		68	
Total related parties	**768**	**981**	**1,034**	**485**

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 2009 for audit services and also other services carried out by the audit firm and companies associated with the audit firm.

Type of service	Party providing the service	Company	Payments relating to 2009 (thousands of Euro)
Audit	Reconta Ernst & Young SpA	Parent Company	149
Certification services	Reconta Ernst & Young S.p.A. (1)	Parent Company	20
Other services	Reconta Ernst & Young SpA (2)	Parent Company	125
Total			**294**

(1) The certification services relate to the opinion obtained for the assignment of the 2009 stock option plan.

(2) Other services include:
Euro 125 thousand for support on the testing phase on the controls carried out for the declaration as per article 154 bis CFA and article 81 of the Issuer's Regulations.

21. Information in accordance with IFRS 7

The information required by IFRS 7 is reported below:

1) Classification of the financial instruments

The standard requires the disclosure of the assets held for sale valued at fair value, investments held to maturity, loans and receivables, and also of financial liabilities recorded at fair value and liabilities at amortised cost. For Dada Spa we report the details in the following table:

	Financial assets/liabilities available-for-sale		Loans and Receivables		Total		of which current		of which non-current	
	31/12/09	31/12/08	Dec. 31, 09	Dec. 31, 08	Dec . 31, 09	Dec. 31, 08	Dec. 31, 09	Dec. 31, 08	Dec. 31, 09	Dec. 31, 08
ASSETS										
- Cash and banks			5,309	8,818	5,309	8,818	5,309	8,818		
- Financial assets			100		100				100	
- Loans			3,500	8,000	3,500	8,000	3,500	4,000		4,000
- Trade receivables			8,459	29,931	8,459	29,931	8,459	29,931		
- Other receivables			228	1,256	228	1,256	228	1,256		
Total financial assets			17,596	48,005	17,596	48,005	17,496	44,005	100	4,000
LIABILITIES	Financial assets/liabilities available-for-sale		Loans and Receivables		Total		of which current		of which non-current	
	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08	Dec. 31, 08	Dec. 31, 07
- Trade payables			3,139	3,511	3,139	3,501	3,139	3,501		
- Loans and financing			19,745	24,427	19,745	24,427	19,745	24,427		
- Other payables			2,078	1,083	2,078	1,093	2,078	1,093		
- Intercompany loans				10,715	-	10,715		10,715		
Total financial liabilities			24,962	39,736	24,962	39,736	24,962	39,736	-	-

- No assets or liabilities valued at fair value available-for-sale are present.

- The category "Receivables and Loans" with regard to "Trade Receivables" includes the value net of the doubtful debt provision which amounts to Euro 1,592 thousand.

- In the category "Receivables and Loans", the account "financial assets" includes collateral "deposits" with maturity beyond one year for a value of Euro 100 thousand. The category "Loans and Receivables" includes the intercompany loan to the subsidiary Dada USA Inc..
- In the category "Receivables and Loans", the account "Other Receivables" does not include tax and social security institution receivables which are not accounted as per IAS 39; for further information reference is made to that reported above. Supplier advances were however included.

Liabilities include, other than trade payable:
- In the category "Loans and Receivables", the account "Loans" includes the intercompany current account payable of Dada Spa with the subsidiary Register.it spa for Euro 18,385 thousand, with Clarence srl for Euro -891 thousand and with Fueps for Euro -469 thousand.

2) Collateral

The standard requires information relating to collateral both in relation to financial assets provided as collateral and in the case of liabilities recorded to the financial statements for collateral given by third parties.

Given the small individual amounts of collateral and the numerous sums of collateral given by the DADA Group to third parties, the following table shows only the book value in 2009 compared with 2008; no collateral was received from third parties (liabilities of the DADA Group)

Collateral given (euro thousand)	Book value	
	31/12/09	31/12/08
Guarantee deposits	100	115

3) Provisions for doubtful debts

The following table shows the movements in the doubtful debt provision in 2009 compared with 2008. The provision in 2009 relates to specific trade receivable positions of Euro 45 thousand.

	Doubtful debt provision	
	Dec. 31, 09	Dec. 31, 08
Initial balance	-1,547	-1,551
Increase in the year		
- individual provisions	-45	
- general provisions		
Utilisations		4
Write-back of value		
Other movements		
Exchange differences		
Closing balance	-1,592	-1,547

4) Revenue, cost and profit and loss on financial instruments

IFRS 7 requires disclosure on the payment of interest, commissions and expenses deriving from financial instruments. The following table shows the gains and losses in 2009 and 2008:

	Book value	
INTEREST INCOME	Dec. 31, 09	Dec. 31, 08
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	23	113
Intercompany loans	90	
Intercompany financial receivables for cash pooling	22	458
TOTAL	135	571
INTEREST EXPENSE	Dec. 31, 09	Dec. 31, 08
Interest expense on financial liabilities not valued at fair value		
Bank and postal deposits	-3	-30
Intercompany financial payables for cash pooling	-186	-40
TOTAL	-189	-70

Expenses and commissions not included in the effective interest rate	Book value	
	Dec. 31, 09	Dec. 31, 08
- Bank charges and credit card commissions	-59	-47
TOTAL	-59	-47

- The account interest income includes the interest from current accounts with MPS and Banca Intesa SanPaolo; the intercompany cash pooling with Register.it spa amounts to Euro 22 thousand and the interest from the intercompany loans to Dada USA amounts to Euro 90 thousand.

- Interest expense includes the interest for the intergroup current account of Dada spa with RCS MediaGroup spa; the account also includes income expense from the cash pooling current account of Euro 172 thousand with Dada.net spa.

The following table reports expenses and bank commissions; no commission costs for the management of credit card payments were recorded:

Expenses and commissions not included in the effective interest rate	Book value	
	Dec. 31, 09	Dec. 31, 08
- Bank charges	-59	-47
TOTAL	-59	-47

5) Information on qualitative risks

Dada is exposed to the following financial risks: credit risk, liquidity risk and market risk, this latter including exchange rate risk, interest rate risk and price risk. Relating to the exchange rate risk and the price risk, no significant positions requiring disclosure existed.

- Credit risk

Dada spa has various concentrations of credit risk due to the nature of the activities it carries out in various sectors. The table below shows the maximum exposition to credit risk from insolvency (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):

Maximum exposure to credit risk	Dec. 31, 09	Dec. 31, 08
Loans and receivables		
Deposits	5,403	8,818
Trade receivables - third parties	146	752
Intercompany trade receivables	8,313	29,179
Intercompany financial assets	3,500	8,000
Other receivables	311	1,256
Guarantees	41,059	46,581
Total	58,732	94,586

The account deposits includes the bank current accounts with third parties for a total of Euro 2,020 thousand, the cash pooling current account with Register.it spa for Euro 2,697 thousand and E-Box for Euro 586 thousand, as well as deposits for commitments to third parties of Euro 100 thousand. The account Guarantees includes the guarantees given by Dada Spa in favour of third parties and in favour of group companies: the first includes guarantees given to Poligrafici editoriali for Euro 1,050 thousand relating to the rental of premises in Florence; the guarantee in favour of the group companies includes principally the guarantee to Register.it spa for Euro 35,486 thousand relating to loans.

In relation to trade receivables, the following table shows the Ageing of overdue receivables and a rating of those not yet due.

Analysis of maturity of commercial assets overdue (Euro/thousands)	Book value		Percentage	
	31/12/09	31/12/08	31/12/09	31/12/08
Trade receivable				
- Overdue within 30 days	3,738	638	45%	5%
- Overdue between 30 and 90 days	1,586	8,982	19%	76%
- Overdue between 90 and 180 days	1,527	557	18%	5%
- Overdue between 180 and 365 days	1,482	1,540	18%	13%
- Overdue between 1 and 2 years		73		1%
Total	8,333	11,790	100%	100%

Analysis of the credit rating of non overdue receivables (Euro/thousand)		
	31/12/09	31/12/08
Rating: High-end	126	10,556
Rating: Mid-range		7,585
Not Rated		
Total	126	18,141

The following table shows a breakdown of commercial credit risk for the NET, PRO and Corporate divisions. Following the establishment of the business units on June 30, 2008, Dada Spa no longer undertakes direct transactions with telephone operators managed by the subsidiary Dada.net Spa and with advertising clients managed by Register.it spa.

Concentration of commercial credit risk (Euro/thousands)	Book value		%	
	31/12/09	31/12/08	31/12/09	31/12/08
By division				
NET Division		21,072	0.0%	74.1%
PRO Division		1,668	0.0%	5.9%
CORPORATE Division	8,459	5,687	100.0%	20.0%
Total	8,459	28,427	100%	100%

The following table shows the breakdown of trade receivables and the respective bad debt provision utilisation:

Analysis of the Credit quality (Euro/000)	31/12/09	31/12/08
Non overdue and non written down trade receivables	126	18,141
Overdue and non written down trade receivables	8,333	11,790
Trade receivables overdue and written down	1,592	1,547
Write-down provision	-1,592	-1,547
Total	8,459	29,931

- *Liquidity Risk*

The liquidity risk may arise from the difficulty to obtain loans to support operating activities in a timely manner.

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) as shown in the tables attached relating to 2009 and 2008:

Analysis of maturity at December 31, 2009	On demand	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
FINANCIAL INSTRUMENT LIABILITIES							
Trade and other payables		3,139					3,139
Loans and financing		19,745					19,745
Other payables		1,807		271			2,078
Total		24,691	-	271	-	-	24,962

Analysis of maturity at December 31, 2008	On demand	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
FINANCIAL INSTRUMENT LIABILITIES							
Trade and other payables		3,501					3,501
Intercompany trade payables		24,427					24,427
Loans and financing							-
Other payables		809		284			1,093
Total		28,737	-	284	-	-	29,021

For the previous maturity analysis in the account "Loans and financing" the inter-group current accounts for which payment is scheduled within six months are considered; the financing requirements and the liquidity of Dada SPA and the Group Companies are monitored and managed centrally under the control of the Group Treasury, with the objective of guaranteeing efficient management of the financial resources.

- *Market risk*

Only the interest rate risk is considered, as an exchange rate risk and a price risk are not applicable to Dada.

- *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	1 % point	-1 % point

The shock + and – for interest rate movements is shown below:

Analysis of sensitivity to the interest rate risk (Euro/thousand)	Reference rates	Book value		Income statement			
				Shock up		Shock down	
		31/12/09	31/12/08	31/12/09	31/12/08	31/12/09	31/12/08
Interest bearing assets	Euribor 1M	5,403	9,115	1	12	0	-12
Interest bearing assets	Libor 6M	3,500	8,000	0	32	0	-32
Financial liabilities at variable interest rates	Euribor 1M	-19,745	-10,715	-3	0	0	0
Total		**-10,842**	**6,400**	**-3**	**44**	**-0**	**-44**

The account interest bearing assets includes bank current accounts and the Euribor at one month cash pooling current accounts; the intercompany loan to Dada USA Inc at Libor at six months, open at December 31, 2009 for Euro 3,500 thousand, is also considered.

Financial liabilities at variable interest rates include intercompany cash pooling current accounts which generate interest at a Euribor at one month interest rate, principally comprising the Dada spa payable to Dada.Net spa for Euro 18,384 thousand, as well as the inter-group current account payable to RCS MediaGroup Spa for Euro 368 thousand.

Florence, March 10, 2010

For the Board of Directors

The Chairman, Paolo Barberis

The Chief Executive Officer Barbara Poggiali

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DECLARATION

of the Financial statements as at December 31, 2009
as per Article 81-ter of Consob Regulation No. 11971 of May 14, 1999 and subsequent modifications and integrations

- The undersigned Barbara Poggiali, as Chief Executive Officer, and Federico Bronzi, Executive responsible for the preparation of the corporate accounting documents of Dada S.p.A., affirm, and also in consideration of article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of February 24, 1998:
  - the accuracy of the information on company operations and
  - the effective application,

  of the administrative and accounting procedures for the compilation of the financial statements approved by the Board of Directors on March 10, 2010 for the year 2009.

- It is also noted that:

1. the Financial statements as at December 31, 2009:
   - correspond to the underlying accounting documents and records;
   - were prepared in accordance with International Financial Reporting Standards adopted by the European Union and also in accordance with article 9 of Legislative Decree 38/2005 and provide a true and fair representation of the balance sheet, financial position and results of the issuer and of the consolidated companies.

The Directors' Report includes a reliable analysis on the performance and operating result as well as the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Florence, March 10, 2010

Amministratore Delegato
Barbara Poggiali

Dirigente preposto alla redazione dei documenti contabili societari
Federico Bronzi