



Press release pursuant to CONSOB Regulation 11971/199, as subsequently amended

2011 RESULTS APPROVED:

CONSOLIDATED REVENUE AMOUNTS TO €80.3 MN (€73.6 mn in 2010)

EBITDA^[1] AND EBIT COME IN AT €9.2 MN AND -€5.6 MN, RESPECTIVELY (€3.2 mn and -€9.2 mn in 2010)

NET LOSS -€ 8.5MN (-€ 17.5 mn at 31 December 2010)

NET FINANCIAL POSITION AT 31/12/2011 DOWN FROM THE -€50.6 MN RECORDED AT 31 DECEMBER 2010 TO -€27 MN

SHAREHOLDERS' MEETING TO APPROVE THE 2011 FINANCIAL STATEMENTS CONVENED

Florence, 12 March 2012 - The Board of Directors of Dada S.p.A. has approved the Draft Statutory Financial Statements of Dada S.p.A. and the Consolidated Financial Statements of the Dada Group for the year ended 31 December 2011.

In 2011 the Dada Group executed a significant rationalization of its asset portfolio which, in line with the strategy to focus on professional digital services for the management of individual and corporate online presence and visibility, led to the disposal of the Dada.net division. Redefining the Group's business and organizational structure helped to significantly reduce consolidated financial debt and to focus on the core business, also allowing Dada to invest its resources in international growth and in the Group's marginality improvement.

Following the application of International Financial Reporting Standard 5, relating to "non-current assets held for sale and discontinued operations," as of 1 January 2011 the income-related items of the company sold are shown in a single line of the income statement and its assets, liabilities and financial position in a single line of the balance sheet. For the sake of comparison, the income statement for 2010 has been reclassified and restated accordingly. Please note, also, that as of 31 December 2011 the Dada Group's activities are all grouped in one single operating division and that the corporate activities were totally absorbed by this division making the reporting of results by business segment required under IFRS 8 unnecessary.

2011 Group Results

The Dada Group's consolidated revenue in FY 2011 reached €80.3 million, an increase of 9% with respect to the €73.6 million recorded in 2010, thanks to



the positive performance of both businesses: i) the activities relative to the professional services for domain registration, hosting, and online brand protection amounted to around 76% of consolidated revenue with particularly significant growth in the Italian and English markets; ii) the performance advertising business, which posted growth of more than 40% with respect to the prior year, contributed the remaining approximate 23% to the Group's revenue.

Foreign operations contributed about 66% to consolidated revenue versus 48% in the prior year, confirming the ever increasing international business contribution to the Dada Group's overall growth. This aggregate was largely explained by the growth of the international performance advertising business and the shift away from the Premium advertising agency business in Italy (which in 2010 contributed €5.8 million to the Group's revenue). In 2011 the most significant countries in terms of contribution to consolidated revenue were Italy, the United Kingdom, France, Spain, Ireland, Portugal and the Netherlands.

Consolidated EBITDA for 2011 amounted to €9.2 million or 11% of revenue, compared to €3.2 million or 4% of revenue in 2010. The marginality improvement in 2011 derived from the increased efficiency of the domain registration and hosting business, the growing contribution of the performance advertising activities, as well as the implementation of some measures to contain and control general and structural costs, particularly in the second half of 2011, despite lower expenses capitalized incurred for the development of proprietary platforms (€3.6 million in 2011 vs €4.0 million in 2010). Service costs as a percentage of consolidated revenue fell with respect to the prior year (from 77% to 70%), while payroll costs in 2011 decreased from the 24% reported in 2010 to 23% of consolidated revenue, rising in absolute terms from €17.7 to €18.7 million. Please note that 2010 EBITDA was impacted by the operating costs incurred to launch Fueps' on-line gaming services.

The Group's **EBIT** in 2011 was a negative €5.6 million (-€9.2 million in 2010). More in detail, EBIT for the year was impacted by: depreciation and amortization of €7.0 million, a drop with respect to the €7.8 million recorded in 2010, due primarily to impairment of some intangible assets, related to internally developed projects which were no longer in line with future business expectations, amounting to approximately €2 million; goodwill impairment of €1.8 million following impairment testing. This figure was also negatively impacted by non-recurring charges, in addition to other impairment and provisions, totalling approximately €4.1 million (€2.9 million in 2010), related primarily to the above mentioned Group reorganization.

Net financial activities (the difference between financial income and charges) amounted to a negative €2.8 million in 2011, unchanged overall



with respect to the prior year and are explained by financial income of €0.2 million and financial charges of €3.0 million (€2.7 million in 2010), attributable to interest on bank loans undertaken in previous years to finance acquisitions (€1.7 million vs. €1.4 million in 2010) and charges related to bank commissions on credit card payments. The trend in interest owed is primarily explained by the increase in the interest rates applied and the spread on short term loans which rose in the last few months of 2011 as the international financial market conditions worsened which was only partially offset by the improvement in the net financial position following the sale of Dada.net and recorded in the second half of the year. The net result for exchange activities was basically flat in 2011 versus a negative €0.1 million in 2010.

Tax in the period amounted to a negative €1.3 million (+€2.1 million in 2010) and reflects current tax of €2.2 million (IRAP or regional business tax on some Italian companies and tax for the foreign companies which posted positive pre-tax income) versus €0.5 million in 2010, and the recognition of deferred tax assets of €0.9 million relative to the partial recovery of tax losses which in the prior year amounted to €2.7 million.

The net profit attributable to assets sold was a positive €1.2 million explained by the capital gain generated by the sale of Dada.net and the disposal of the equity interest in E-Box S.r.l. net of the costs incurred to finalize these transactions in the first half of the year.

The consolidated net loss for 2011 amounted to €8.5 million, a net improvement with respect to the loss of €17.5 million recorded at 31 December 2010.

Business Performance in 2011

In 2011 Dada strengthened its European position in the **business of professional services for domain registration, hosting, online presence and brand protection**, achieving its goals to:

- i. increase the international user base which today boasts over 490 thousand business clients and more than 1.8 million domains under management overall (more than 120,000 clients were acquired and approximately 550,000 new domains were registered in the year);
- ii. improve the average renewal rate of its services;
- iii. integrate Poundhost's marketing tools and the dedicated and virtual hosting products with Namesco's platform in the UK;
- iv. expand the range of services offered by launching new applications which were well received by the market, including: "WebSite" and "E-commerce", which together provide a complete package of services for the creation of e-commerce sites, from the registration of domains and the customization of website graphics, to the management of



online sales, orders and logistics; certified e-mail, a digital solution for the delivery of legally binding content which guarantees dispatch and delivery to the recipient, the adoption of which, moreover, is obligatory for all businesses, professionals and public entities in Italy.

Furthermore, in order to increase the online presence of Italian SMEs, in May 2011 the project "LaMiaImpresaOnline.it" was launched. The purpose of the project, conceived in partnership with Google, Seat PG with PagineGialle.it, as well as Poste Italiane, is to provide small and medium sized businesses with the professional tools needed to create their own website and develop their businesses opportunities through the web. A recent in-house study, conducted in 2011 in Italy, shows that the number of users who set-up virtual shops has more than tripled since 2010 and of these more than 67% were SMEs.

During the period under examination, Dada continued with its strategy to strengthen and internationally expand its performance advertising business thanks to the consolidation of the Peeplo and Save n' Keep services, the constant fine-tuning of proprietary algorithms, the close collaboration with the world's main Ad networks, as well as the launch of new, international services: in the last quarter of the year the new thematic portal "Newsorganizer" dedicated to gathering world news was added in order to expand the product range and take advantage of new traffic channels.

Group Balance Sheet and Financial Position at 31 December 2011

The consolidated net financial position at 30 December 2011 came in at a negative -€27 million versus a negative -€50.6 million at 31 December 2010: this decreasing trend is primarily attributable to the extraordinary transactions completed during the period which generated inflows of €26 million (related to the sale of Dada.net - net of the repurchase of the Sony Music minority - and the disposal of E-Box). This figure was also impacted by: non-recurring charges of approximately €4.9 million, explained for €1.5 million by charges incurred for the extraordinary transactions and for €3.1 million by employee severance; investments totaling €6.5 million were made, of which 55% in intangible assets for the internal development of proprietary processes and platforms, 39% in technology and the remainder in the purchase of software and licenses.

Employees

At 31 December 2011 the Dada Group had 367 employees (44% of which abroad) versus 407 at 31 December 2010 (like-for-like).

The 2011 Parent Company's Financial Statements

The Parent Company Dada S.p.A., which mainly provides corporate services to other companies in the Group, recorded revenue of €7.0 million in 2011, compared to €8.9 million in the prior year.



EBITDA amounted to -€1.6 million (vs. -€2.0 million the previous year) and EBIT to -€2.1 million (vs. -€8.1 million at 31 December 2010). The year closed with a net profit of €18.0 million (vs. -€13.1 million in 2010) due primarily to the capital gain generated by the sale of Dada.net and to all the preparatory actions. The short term net financial position (which also represents total debt as there are no financial payables due beyond one year) at 31 December 2011 was positive for some €20.9 million, versus the negative €13.9 million posted at 31 December 2010 due to the previously described extraordinary transactions.

Highlights of the results for 2011 fourth quarter

In the last quarter of 2011, the Dada Group posted consolidated revenue of €20.9 million, an increase of 6.5% with respect to the last quarter of 2010. The consolidated EBITDA amounted to €2.6 million or 12% of consolidated revenue, a significant growth with respect to the fourth quarter of the prior year (€1.3 million or 7% of consolidated revenue). Consolidated EBIT was a negative €3.7 million (vs. €2.9 million in Q4 2010) due to the above mentioned impairment which impacted the last quarter of the year. The Group's net loss reached -€5.6 million (vs. -€14 million in Q4 2010).

Outlook for the current year

In light of the reorganization finalized in 2011 and the first indications regarding the Group's performance in the first two months of the current year, it is reasonable to assume that in 2012 Dada will consolidate its position in strategic markets and continue with the international expansion of its core business: priorities will include strengthening client relationships and loyalty, as well as continuously providing more performing services, in line with the potentiality evolution of the web.

The main focus, therefore, of Dada's development during the year will be on continuously updating its product platform, introducing new products to the range of services offered, strengthening the quality of customer service and support, and improving the on-line marketing activities.

The initiatives implemented to optimize the cost structure and to ensure tight operating cost control in order to enhance the Group's efficiency and profitability will continue to be carried out in 2012.

In light of the above and in absence of any currently unforeseeable events, in 2012 revenue, EBITDA and the Group's net result should be therefore expected to improve with respect to the prior year.

Calling of the Annual General Meeting

The Board of Directors, considering the Boards' and the External Auditors' mandate expiring on the approval of the 2011 Financial Statements, after having set the agenda and approved the relative shareholder reports, resolved to convene the Annual General Meeting on 24 and 26 April in first



and second call, respectively, to be held at 3:00 pm CET at the Company's registered office in Florence in order to:

- approve the Statutory Financial Statements of Dada S.p.A. for the year ended 31 December 2011: with regard to the Parent Company's net profit of €18,011,273.69 for the year, the Board of Directors proposed to allocate €11,105,917.04 to cover previous years' losses and the remainder to extraordinary reserves;
- appoint the Board of Directors and the Board of Statutory Auditors: to this purpose the Board has invited the Shareholders to present the candidate in accordance with the law and the Company by-laws;
- appoint the auditing firm for the financial years 2012-2020, whose mandate (Reconta Ernst & Young S.p.A.) will expire upon the Shareholders meeting;
- review of the Company's Remuneration Policy pursuant to art. 123-ter of the Legislative Decree No. 58/98;
- resolve on the request to renew the authorization, after revoking the current one, to purchase and sell treasury shares for a period of up to 18 months from the resolution date.

The purpose of this authorization, up to a maximum of ordinary share representing one tenth of the share capital, is to give the Company a tool of strategic and operational flexibility which will allow it, among other things, to dispose of treasury shares previously acquired and to carry out transactions such as purchases, swaps and assignments including for the purpose of acquiring equity stakes.

Based on the Board's proposal, treasury shares may be purchased at a price which is not less than 20% or more than 10% of the official Stock Exchange price registered on the trading day prior to each purchase.

The shares are to be purchased according to the regulations of the Italian Stock Markets organized and managed by Borsa Italiana S.p.A., as per the procedures established by the latter which prohibit the direct matching of bid prices with predetermined ask prices.

Currently, the Company does not hold treasury shares in portfolio.

Declaration by the Financial Reporting Officer

The Financial Reporting Officer of Dada S.p.A., Mr. Federico Bronzi, declares pursuant to Art. 154 *bis* (2) of the Italian Finance Code (*Testo Unico della Finanza* or TUF) that the financial information contained in this press release corresponds to the Company's records, ledgers and accounting entries.

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The Draft of the 2011 Statutory Financial Statements and the 2011 Consolidated Financial Statements, along with the Reports of the Board of Directors, the Board of Statutory Auditors and the Independent Auditors, will be made available to the public at the Company's registered office and via the Italian Stock Exchange (Borsa Italiana)'s NIS circuit in accordance with the law, as well as on



the company's website www.dada.eu. The external auditors are currently completing their audit, but their report has not been issued yet.

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[1] EBITDA is gross of impairment losses on receivables and non-recurring charges

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