



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

## **RESULTS FOR THE FIRST 9 MONTHS OF 2012 APPROVED:**

**Consolidated revenue amounts to €64.8 mn (+ 9% vs 9M 2011<sup>1</sup>)**

**EBITDA<sup>2</sup> comes in at €9.3 mn (+ 41 % vs 9M 2011)**

**EBIT and Net Profit reach €4.2 mn and €1.3 mn, respectively (vs -  
€1.9 mn and -€2.9 mn at 30 September 2011)**

**Net Financial Position at 30 September 2012 reduced from the -  
€27.0 mn posted at 31 December 2011 to -€25.9 mn**

**Customer base exceeded 510 thousand clients  
and more than 1.8 million domains registered in  
Europe**

Florence, 8<sup>th</sup> November 2012 - Today the Board of Directors of Dada S.p.A. approved the Dada Group's Consolidated Interim Management Statement at 30 September 2012.

Despite a particularly challenging market environment and increased competition, in the first nine months of the year the Group was able to significantly improve its financial-economic results and business performance with respect to the prior year, reinforcing the European positioning of its core business focused on professional services for the management of online presence and visibility.

### **The Group's results in the first nine months of 2012**

**Consolidated revenue for the Dada Group in the first nine months of 2012 amounted to €64.8 million, an increase of approximately 9% with respect to the €59.4 million recorded in the same period 2011 thanks to the positive performance of both businesses<sup>3</sup>:**

---

<sup>1</sup> Following 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 companies sold (Dada.net and E-Box) are shown in a single line of the income statement and the capital and financial figures are shown in a single line of the balance sheet.

<sup>2</sup> EBITDA is gross of impairment losses on receivables and non-recurring charges.

<sup>3</sup> As of 31 December 2011 the Dada Group, following the redefinition of its business and organizational structure, is now organized in a single business segment and the corporate activities have been completely integrated in the new structure and no longer qualify as a separate business segment under IFRS 8.



- i) **professional services for domain registration, hosting and creation of web and e-commerce sites**, which represents approximately 75% of the consolidated revenue, continued to grow, particularly in Italy and the UK region; Italy, the UK, France, Spain, Ireland, Portugal and the Netherlands contributed the most to revenue in the first nine months;
- ii) the **performance advertising** business contributed the remaining circa 25% to the Group's revenue.

The Dada Group's international expansion also continued: in the first nine months of the year foreign activities accounted for 68% of consolidated revenue, an increase with respect to the first half of the year and to the same period in 2011 (66% of consolidated revenue).

**Consolidated EBITDA** in the first nine months of 2012 amounted to €9.3 million, an increase of more than 40% compared to the €6.6 million reported in the same period of 2011, and 14% of revenue (11% in 9M 2011). The margins improved thanks to the above mentioned increase in turnover, as well as greater efficiency in managing the main services and the positive outcome of the steps taken to control general and overhead costs: more in detail, service costs as a percentage of consolidated revenue were reduced from the 70% recorded in the first nine months of 2011 to 69% in 2012, while payroll costs as a percentage of consolidated revenue fell from the 23% recorded in 9M 2011 to 21%.

The Group reported **consolidated EBIT** of €4.2 million in the period under examination, an improvement of approximately €6.1 million in absolute terms (-€1.9 million in 9M 2011). More in detail, EBIT was impacted by depreciation and amortization of €5.0 million, down with respect to the €5.6 million posted in 2011 also due to lower intangible assets to be amortized with respect to the prior year. Non-recurring charges in the first nine months reached approximately €0.2 million, versus €2.9 million in the same period of the prior year (related primarily to employee severance).

**Net financial charges** amounted to a negative €2.0 million in the period, down with respect to the -€2.3 million posted in the prior year; this figure is explained by financial charges of €2.2 million (€2.3 million in the same period of 2011) which reflect primarily the interest owed on bank loans (€0.9 million vs. €1.0 million in 9M 2011) and bank fees (€0.9 million vs €0.8 million in 9M 2011) related primarily to commissions on credit card payments. The net profit for exchange activities reached €0.2 million versus a net loss of €0.1 million in the same period of 2011.

**Tax** in the period amounted to a negative €0.9 million (-€1.1 million in 9M 2011), and is explained primarily by current tax (IRAP or regional business tax) of €0.7 million relative to the Italian companies and tax for the foreign companies which posted positive pre-tax income and by deferred tax assets amounting to a negative €0.2 million.

The **consolidated Net Profit** for the first nine months of the year amounted to €1.3 million, a significant improvement with respect to the loss of €2.9 million recorded in the same period of 2011 which, moreover, benefitted from the positive contribution of discontinued operations of €2.3 million.



## Group Balance Sheet and Financial Position at 30 September 2012

The consolidated Net Financial Position at 30 September 2012 came in at -€25.9 million versus -€27.0 million at 31 December 2011, a decrease achieved thanks mainly to the operating cash flow of €7.7 million generated in the period (€7.2 million in the first nine months of 2011). The aggregate was also impacted by: capex of €5 million which included investments in intangible assets (€2.9 million) - primarily for the internal development of proprietary processes and platforms - and in technology (€2.1 million); lastly, non-recurring expenditures amounted to €0.2 million.

The Net Financial Position at 30 September 2012 consists in short-term debt of €8.0 million, M/L term loans of €22.5 million, as well as bank deposits and financial receivables totalling €4.6 million.

## Business Performance in the first nine months of 2012

In the first nine months of the year, thanks also to the gradual improvement in the average renewal rate for the main services and the continuous acquisition of new clients, Dada succeeded in confirming its European leadership in the sector of **professional services for online presence management, brand protection and visibility**, with a customer base that reached approximately **510 thousand international clients**, mostly small and mid-sized businesses and **more than 1.8 million domains under management**; this milestone is attributable to the positive impact of marketing initiatives and the expanded range of the services offered which including a new program dedicated to resellers based on a totally customizable control panel simplifies and streamlines client management. Six months after its release, a total of approximately 3,000 resellers have signed up, 10% of which are new clients. A new version of the product for the development of e-commerce sites, designed to give sites ever greater visibility, make them easier to find through search engines and to simplify the purchase process was also launched. In the month of October Dada launched a new educational project - the Register.it School - which seeks to support the growth and innovation of Italian SMEs and professionals, the fiber of Italy's economic base, through training events and in-depth online discussion groups focusing on the web and the latest technological developments involving e-Commerce, Search Engine Optimization, Social Media Marketing, Advertising Online and Certified E-mail.

With regard to **advertising on-line**, in the period Dada continued with the strategy to strengthen and internationally expand its performance advertising business, thanks, in particular, to the expansion of the Peeplo service in new markets and the close collaboration with the world's main Ad networks. At the end of September 2012, Google started some changing measures regarding its global "policy" which governs the ways in which advertisers may acquire traffic on the Google network, the largest advertising network in the world. While initially performance advertising reported a decrease in volumes together with stable margins, it isn't currently possible to estimate the long term impact of these changes.

## Highlights for third quarter 2012

In the third quarter of the year the Group posted consolidated revenue of €21.3 million, a rise of 11% with respect to the figure reported in third quarter 2011. Growth was recorded by both of the Group's businesses in the quarter.



EBITDA in the period amounted to €3.2 million, an increase of 26% with respect to the €2.5 million posted in third quarter 2011. EBIT reached a positive €1.5 million (versus €0.2 million in the same period 2011); amortization, depreciation and non-recurring charges in the quarter were reduced with respect to prior quarters for the reasons mentioned above.

Net Profit reached €0.4 million versus a loss of €0.7 million in third quarter 2011.

## Significant events

### **Corporate reorganization**

Following the change in the business scope as a result of the disposal of the Dada.net division, the opportunity to better align the Group's corporate structure with the new organizational structure emerged. The rationalization of the corporate structure resulted, in September, in the formation of a new company MOQU Adv S.r.l., a wholly-owned subsidiary of Dada S.p.A., to which the performance Advertising business was spun-off by Register.it. The transaction will be finalized by 31 December 2012 while for legal, accounting and tax purposes, the transaction will take effect as of 1 January 2013.

By the end of January 2013 it is also expected that MOQU Adv S.r.l. will form a new Irish company which will acquire all the assets and assume the liabilities relative to the performance advertising business currently held by Namesco Ireland.

## Outlook for the current year

Based on the Group's performance in the first nine months of the year it is reasonable to confirm the estimates for the current fiscal year with regard to the Group's revenue, EBITDA and Net Profit which are expected to improve with respect to the prior year, despite difficult global market conditions and increased competition and challenges for both businesses, as also previously mentioned.

With regard to the core business of Domain & Hosting, the focus in the last quarter of the year will be on strengthening the quality of the service and introducing new performing products which can together support the acquisition of new clients and the loyalty of the newly acquired customer base. Of note, is the upcoming launch in all the reference markets of a ground breaking service which will allow both beginners and professionals to create - on the web and mobile devices - innovative, professional sites using Cloud platform technologies.

Steps will continue to be taken to carefully manage operating and overhead costs in order to sustain the gradual improvement of the Group's overall efficiency.

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

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



The Consolidated Interim Management Statement at 30 September 2012 will be made available to the public at the Company's registered office and on the company's website [www.dada.eu](http://www.dada.eu) (Investor Relations / Reports), in accordance with the law.

\*\*\*

*Dada S.p.A. - listed on the STAR segment of the Italian Stock Exchange - is an international leader in professional online presence services (domains, hosting, server, online brand protection) and in several advanced online advertising solutions.*

*With 510 thousand business clients and more than 1.8 million domains under management, Dada is one of the leading names in the European Domain & Hosting sector and is a key player in the markets where it is active: in Italy through its brand Register.it, as well as Spain, the UK, Ireland, France, Portugal and the Netherlands under the brands Nominalia, Namesco, PoundHost, Register365 and the Amen Group, respectively. With regard to online advertising, Dada continues with the strategic international expansion of its Performance Advertising business.*

For additional information:

**Nicoletta Pinoia**

Investor Relations Dada

Tel: +39 02 54027790

Mob: +39 334 6971556

[nicoletta.pinoia@dada.eu](mailto:nicoletta.pinoia@dada.eu)

**Cinzia Trezzi**

Press Office

Burson-Marsteller

Tel. (+39) 02 72143813

[cinzia.trezzi@bm.com](mailto:cinzia.trezzi@bm.com)



## ATTACHMENTS

### RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 SEPTEMBER 2012\*

In EUR/000	30-Sept-12		30-Sept-11**		DIFFERENCE	
	9 months		9 months		Absol.	%
	Amount	%	Amount	%		
<b>Net revenue</b>	<b>64,831</b>	<b>100%</b>	<b>59,379</b>	<b>100%</b>	<b>5,452</b>	<b>9%</b>
Chg, in inventories & inc, in own wk, capitalized	2,718	4%	2,669	4%	49	2%
Service costs and other operating expenses	-44,433	-69%	-41,489	-70%	-2,944	7%
Payroll costs	-13,804	-21%	-13,946	-23%	141	-1%
<b>EBITDA ***</b>	<b>9,311</b>	<b>14%</b>	<b>6,613</b>	<b>11%</b>	<b>2,698</b>	<b>41%</b>
Depreciation and amortizations	-4,967	-8%	-5,604	-9%	637	-11%
Non-recurring income/(charges)	0	0%	-1,847	-3%	1,847	n.s.
Write-downs	0	0%	0	0%	0	
Other provisions and impairment losses	-150	0%	-1,086	-2%	937	n.s.
<b>EBIT</b>	<b>4,194</b>	<b>6%</b>	<b>-1,924</b>	<b>-3%</b>	<b>6,118</b>	<b>n.s.</b>
Financial income	1,056	2%	737	1%	318	43%
Financial charges	-3,094	-5%	-3,020	-5%	-74	2%
Share of associates	0	0%		0%	0	
Capital gain	0	0%		0%	0	
<b>Profit/(loss) before taxes</b>	<b>2,156</b>	<b>3%</b>	<b>-4,207</b>	<b>-7%</b>	<b>6,363</b>	<b>n.s.</b>
Income taxes	-897	-1%	-1,073	-2%	176	-16%
<b>Profit/(loss) from continuing operations</b>	<b>1,259</b>	<b>2%</b>	<b>-5,280</b>	<b>-9%</b>	<b>6,539</b>	<b>n.s.</b>
Non-controlling interests	0	0%	0	0%	0	
Profit/(loss) from discontinued operations	0	0%	2,346	4%	-2,346	n.s.
<b>Group net profit/(loss)</b>	<b>1,259</b>	<b>2%</b>	<b>-2,934</b>	<b>-5%</b>	<b>4,193</b>	<b>n.s.</b>

\* Unaudited

\*\* Following application of International Financial Reporting Standard 5

\*\*\* Gross of impairment losses on receivables and non-recurring charges



**THE DADA GROUP'S NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 30 SEPTEMBER 2012\***

In EUR/000	30-Sept-12	31-Dec-11	DIFFERENCE	
			Absol.	%
<b>Fixed assets (A)</b>	<b>92,127</b>	<b>90,918</b>	<b>1,209</b>	<b>1%</b>
Current operating assets (B)	19,776	19,975	-199	-1%
Current operating liabilities (C)	-31,758	-31,936	178	-1%
<b>Net working capital (D)=(B)-(C)</b>	<b>-11,982</b>	<b>-11,961</b>	<b>-21</b>	<b>0%</b>
Provision for termination indemnities (E)	-849	-877	29	-3%
Provision for risks and charges (F)	-1,657	-2,781	1,124	-40%
Other payables due beyond one year (G)	-207	0	-207	
<b>Net capital employed (A+D+E+F+G)</b>	<b>77,432</b>	<b>75,299</b>	<b>2,134</b>	<b>3%</b>
Bank loans (due beyond one year)	-22,424	-17,745	-4,679	26%
<b>Shareholders' equity</b>	<b>-51,534</b>	<b>-48,250</b>	<b>-3,284</b>	<b>7%</b>
Current bank borrowings	-7,121	-15,868	8,746	-55%
Current financial receivables and derivatives	1,000	156	844	539%
Current financial payables and derivatives	-998	-1,069	71	-7%
Cash and cash equivalents	3,645	7,476	-3,831	-51%
<b>Current Net Financial Position</b>	<b>-3,475</b>	<b>-9,304</b>	<b>5,829</b>	<b>-63%</b>
<b>Total Net Financial Position</b>	<b>-25,898</b>	<b>-27,049</b>	<b>1,151</b>	<b>-4%</b>

\* Unaudited