



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

1Q13 RESULTS APPROVED:

CONSOLIDATED REVENUE €20.6 MLN
(€22.0 MN IN 1Q12, MOSTLY DUE TO THE DISCONTINUITY IN
PERFORMANCE ADVERTISING BUSINESS)

EBITDA¹ €3.3 MN (+6% VS 1Q12)

EBIT AND NET PROFIT €1.7 MN AND €0.4 MN RESPECTIVELY
(VS €1.5 MN AND €0.5 MN AT 31 MARCH 2012)

NET FINANCIAL POSITION AT 31 MARCH 2013 -€26.8 MN
(-€26.2 MN AT 31 DECEMBER 2012, DUE ALSO TO ONE-OFF
INVESTMENTS TO REALIZE NEW DATACENTER IN THE UK)

More than 515,000 clients achieved in Europe

Florence, 9 May 2013 - Today, the Board of Directors of DADA S.p.A. approved the Consolidated Interim Financial Report of the DADA Group at 31 March 2013.

Despite the highly challenging reference market and fiercer international competition, in 1Q13 DADA maintained its strong position in Europe and improved its margins. This proves the greater sustainability of the Group's current business model and the positive outcome of the rationalization and cost-optimization measures.

GROUP RESULTS IN 1Q13

In 1Q13 the DADA Group achieved consolidated revenue of €20.6 million, down 6% versus €22.0 million in 1Q12²:

- i) professional services for domain name registration, hosting, brand protection and online visibility decreased slightly versus the prior year (€16.1 million versus €16.5 million in 1Q12), and accounted for approximately 78% of consolidated revenue. Italy and the UK were the

¹ EBITDA is before impairment losses and non-recurring items

² Under IFRS 8, starting from the 2013 financial year, a new reporting system is applied to reflect the current operational divisions as identified by business segment information and named "Domain and Hosting" and "Performance Advertising". Following this change, for the sake of comparison, prior-year figures have been restated.



countries that contributed the most to revenue with over 75% of the division's revenue (these markets also enjoyed the highest growth in number of services sold versus the prior year), followed by France, Spain, Ireland, Portugal and the Netherlands.

- ii) Performance Advertising contributed the remaining circa 22% of the Group's revenue. The division's revenue performance was greatly affected by the change in Google's policy, which caused a drop in volumes in 4Q12 versus the previous months; 1Q13, despite the decline versus 1Q12, saw revenue increased and marginality confirmed versus 4Q12.

Foreign-based activities accounted for 64% of consolidated revenue, confirming their strong influence on the overall growth of the DADA Group.

In 1Q13, consolidated **EBITDA** rose to €3.3 million from €3.1 million in 1Q12, up by 6% and contributing 16% of revenue (14% in 1Q12). An improvement in margins attributable to greater operational efficiency of the Domain and Hosting business - whose margins on consolidated revenue increased to 19% (approximately 21% excluding the negative contribution of Simply) versus the previous 18% - and to the measures taken throughout the year to control general and overhead costs. Performance advertising marginality were in line with the prior year, accounting for 11% of the division's revenue.

In 1Q13, service costs decreased in absolute terms (from €14.8 million in 1Q12 to €13.3 million in 1Q13) and as a percentage of consolidated revenue versus the prior year (from 67% to 64%). Payroll costs remained basically unchanged in absolute terms and as a percentage of consolidated revenue (approximately 24% in 1Q13).

At 31 March 2013, the Group's headcount rose by 12 units to 384 employees (of whom 43% foreign-based) versus the 372 employees at 31 December 2012.

In 1Q13, the Group achieved a positive **EBIT** of €1.7 million, up by approximately 12% versus €1.5 million in 1Q12. EBIT was mainly impacted by amortization totalling €1.6 million, in line with the prior year.

In 1Q13, overall **financial activities** (the difference between financial income and charges) showed a negative figure of approximately €1.0 million (-€0.8 million in 1Q12). A figure affected by: i) total financial charges of €0.8 million (€0.7 million in 1Q12), whose main components were interest expense on bank loans (€0.3 million, in line with 1Q12) and charges for bank commissions on credit card payments (€0.3 million vs 0.2 million in 1Q12); ii) the impact of forex in 1Q13 came to a negative €0.2 million mostly as a result of the appreciation of the Euro versus the Pound, compared with the basic balance achieved in 1Q12.

Tax in 1Q13 came to a negative €0.3 million (in line with the figure in 1Q12) and reflects current tax of €0.2 million (the regional *IRAP* tax on some Italian companies and tax on foreign-based companies which posted positive pre-tax income) versus €0.3 million in 1Q12, and negative deferred tax of €0.1 million (in 1Q12 the impact of deferred tax was basically neutral).

In 1Q13, consolidated **Net Profit** came to a positive €0.4 million (€0.5 million at 31 March 2012).

BUSINESS PERFORMANCE IN 1Q13

Despite the entry of some major competitors, particularly on the Italian market, in 1Q13 DADA's **Domain and Hosting** division confirmed its strong position among the top European players in the business of professional services for domain name registration, hosting, for the creation, management and visibility of web and e-commerce sites and for online brand protection: important goals were achieved to improve the average renewal rate of services and to expand the international user base, which boasted **more than 515,000 clients** (mostly Small and Medium sized Businesses) and over 1.7 million domains managed at the end of the first quarter, thanks to the evolution and optimization of a series of marketing initiatives and to the expansion of the portfolio of services with the launch of new applications which have received a positive feedback from the market. These include:

- the launch in Italy and Spain of **Cloud Site**, a solution designed to easily create professionally-advanced websites based on cloud platforms, in line with the latest trends in technology and based on the increasingly strategic role of mobility and integration with social networks to effectively engage with target audiences; this ground-breaking solution is available in the two versions for consumers and businesses, both featuring an intuitive interface and customizable graphical models allowing users to build a fully-fledged website that meets every market need;
- accreditation by the Italian Digital Agency of Register.it as one of the official operators of **certified e-mail**, a digital solution for sending documents with legal validity, giving senders certainty that the message has been sent and delivered to recipients. Certified e-mail is mandatory in Italy for businesses, professionals, government agencies and, starting from 30 June 2013, also for sole proprietorships. To date, Register.it counts over 47,000 active mailboxes on its certified e-mail platform;
- DADA's **debut on TV** with Register.it in Italy through a resounding **advertising campaign** with a spot blending TV and web platforms to reach different targets, aimed at raising the awareness on a massive scale among viewers and users of the importance of the Internet for growth and development.

During the period under review despite the above mentioned changing measures regarding Google's global policies that started at the end of September 2012, DADA continued with its strategy to consolidate the **Performance Advertising** business through the international expansion of its brands Peeplo and Save n' keep and the continuous improvement of its proprietary algorithms.

GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2013

The consolidated **Net Financial Position** at 31 March 2013 came to -€26.8 million versus -€26.2 million at 31 December 2012: this aggregate was impacted by the positive cash flows generated from operating activities amounting to €2.7 million, and by investing activities amounting to €2.4 million, related to intangible assets (€1.1 million versus €0.9 million in 1Q12) - mostly for the internal development of proprietary processes and platforms - and to tangible investments in technology for a total of €1.3 million (€1.0 million in 1Q12), €0.7 million of which consists in assets under development and advances related to the the new Datacenter project in the UK, as explained in detail below.



During the quarter, non-recurring cash outflows totalled €0.1 million (€0.2 million in 1Q12).

The Net Financial Position at 31 March 2013 includes current debt of €11.4 million, medium-long term loans of €19.3 million and bank overdrafts and financial receivables totalling €3.9 million.

SIGNIFICANT EVENTS DURING AND AFTER 1Q13

- **Investment in new Datacenter in the UK**

In order to expand the portfolio of solutions offered, improve service quality and streamline operating costs, in 4Q12 DADA undertook a project to realize a dedicated Datacenter in the UK. A strategic partnership was started with a highly experienced UK player, who is in charge of the realization and management of a new facility covering about 5,000 m², based on cutting-edge specifications shared by the two parties (Tier 4 level). A large part of the facility will be dedicated specifically to DADA. The agreement has an initial five-year validity, with the possibility, at DADA's discretion, to be extended for another 5 years. DADA is expected to invest about €3 million over a three-year period, of which approximately €0.7 million incurred in 4Q12 and €0.7 million in 1Q13. The facility will start operations from the second half of 2013.

- **Company reorganization**

After completing the corporate reorganization process of the DADA Group, on 1 January 2013, the newly-formed company MOQU Adv S.r.l., wholly-owned by DADA S.p.A., began operations at the head of the Performance Advertising business activities. MOQU Adv Ireland Ltd. wholly-owned by MOQU Adv S.r.l., was also formed, and after acquiring in February all the assets and liabilities of the Performance Advertising business held by Namesco Ireland Ltd., began operations on 1 March 2013.

- On **19 March 2013**, the Board of Directors of DADA S.p.A., with regard to the request received from the parent RCS MediaGroup S.p.A. and previously announced to the market by the latter on 13 March 2013, to provide information on the DADA Group to potential interested parties, as part of the activities of valorization of its assets made by RCS, resolved to agree to such request, having regard to the interests of the Company and all its shareholders.
- On **11 April 2013**, the Annual General Meeting of DADA S.p.A., which in ordinary session and on first call, approved DADA S.p.A.'s Separate Financial Statements at 31 December 2012, the Remuneration Report and the authorization to purchase and dispose of treasury shares, confirmed Maurizio Mongardi, previously co-opted by DADA's Board of Directors on 22 February 2013, following the resignation of Monica Alessandra Possa, as Director of the Company; appointed as new Director Riccardo Taranto, who replaces Riccardo Stilli, and Maria Stefania Sala as Standing Auditor, who replaces Cesare Piovone Porto Godi. The Meeting also appointed Agostino Giorgi as Alternate Auditor.

BUSINESS OUTLOOK FOR THE CURRENT YEAR

Early indications on the Group's performance in the first three months of 2013 to date basically confirm expectations for both business lines:

- in the **Domain and Hosting** division, corporate strategy will focus on enhancing service quality and launching increasingly-performing products which combined can help gain new clients and retain the existing customer base, with the aim of consolidating the Company's position on the main reference markets, Italy and the UK in particular, which currently contribute about 75% of the division's revenue;
- the **Performance Advertising** division will continue with its strategy of international expansion of innovative solutions for online traffic monetization, thanks also to the release of new portals and development of the offering in new languages, and also by leveraging on the opportunities offered by the mobile channel. While forecasts point to lower revenue this year as a result of the changes adopted by Google in 4Q12, the growth recorded in 1Q13 versus 4Q12 indicates a positive outcome of the strategic measures implemented to tackle this change.

The ongoing project regarding the realization of the new Datacenter in the UK will impact on the 2013 results in terms of higher costs of approximately €1 million, but will allow DADA to achieve economic benefits of over €1 million on an annual basis starting from 2014, when the migration of all the hardware to the new facility will be completed, as well as to have adequate space to sustain the future growth of the Group.

The initiatives implemented to ensure tight control of operating costs and overheads, in order to enhance the Group's overall efficiency, will continue to be carried out also in 2013.

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 Financial Report of the DADA Group at 31 March 2013 will be made available to the public at the Company's registered office as well as on the Company's website www.dada.eu 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 more than 515 thousand business clients and more than 1.7 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:

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ATTACHMENTS

**DADA GROUP'S RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT
31 DECEMBER 2012***

In EUR/000	31-Mar-13 3 months		31-Mar-12 3 months		DIFFERENCE	
	Amount	%	Amount	%	Absol.	%
Net revenue	20,593	100%	22,015	100%	-1,422	-6%
Chg, in inventories & inc, in own wk, capitalized	899	4%	900	4%	-1	0%
Service costs and other operating expenses	-13,264	-64%	-14,827	-67%	1,563	-11%
Payroll costs	-4,958	-24%	-5,011	-23%	53	-1%
EBITDA **	3,271	16%	3,077	14%	194	6%
Depreciation and amortizations	-1,595	-8%	-1,600	-7%	5	-
Other provisions & write-downs	-21	-	-	-	-21	-
EBIT	1,654	8%	1,477	7%	177	12%
Financial income	279	1%	376	2%	-97	-26%
Financial charges	-1,231	-6%	-1,084	-5%	-147	14%
Profit/(loss) before taxes	702	3%	769	3%	-67	-9%
Taxes	-317	-2%	-261	-1%	-56	21%
Group Net Profit/(loss)	385	2%	508	2%	-123	-24%

* Unaudited

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

HIGHLIGHTS ON CONSOLIDATED RESULTS BY BUSINESS UNITS

In EUR/000	31/03/2013 (3 months)					31/03/2012 (3 months)				
	Revenue	EBITDA	% on revenue	EBIT	% on revenue	Revenue	EBITDA	% on revenue	EBIT	% on revenue
Domains & Hosting	16,130	3,131	19%	1,757	11%	16,532	2,941	18%	1,588	10%
Performance Advertising	4,295	452	11%	336	8%	5,254	573	11%	494	9%
Adjustments	168	-312	-185%	-439	-261%	229	-437	-190%	-605	-264%
TOTAL	20,593	3,271	16%	1,654	8%	22,015	3,077	14%	1,477	7%

**DADA GROUP'S NET WORKING CAPITAL AND NET FINANCIAL POSITION
AT 31 DECEMBER 2012***

In EUR/000	31-Mar-13	31-Dec-11	DIFFERENCE	
			Absol.	%
Fixed assets (A)	91,036	91,872	-836	-1%
Current operating assets (B)	19,314	18,825	490	3%
Current operating liabilities (C)	-31,786	-31,615	-171	1%
Net working capital (D)=(B)-(C)	-12,472	-12,790	318	-2%
Provision for termination indemnities (E)	-847	-849	1	0%
Provision for risks and charges (F)	-1,302	-1,461	159	-11%
Other payables due beyond one year (G)	-166	-166	-	-
Net capital employed (A+D+E+F+G)	76,249	76,606	-357	0%
Bank loans (due beyond one year)	-19,211	-18,679	-532	3%
Shareholders' Equity	-49,470	-50,399	930	-2%
Current bank borrowings	-11,244	-10,724	-520	5%
Current financial receivables and derivatives	1,103	1,000	103	10%
Current financial payables and derivatives	-247	-810	564	-70%
Cash and cash equivalents	2,819	3,006	-187	-6%
Current Net Financial Position	-7,568	-7,528	-40	1%
Total Net Financial Position	-26,779	-26,207	-572	2%

* Unaudited

DADA GROUP'S RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF MARCH, 31 2013*

In EUR/000	31 Mar 2013	31 Mar 2012
Cash flow from (used in) operating activities before	3,163	2,912
(Increase)/decrease in receivables	(448)	(72)
Increase/(decrease) in payables	19	1,262
Cash flow from (used in) operating activities	2,735	4,102
Income taxes paid	(51)	-
Interest paid	(884)	(594)
Net Cash flow from (used in) operating activities	1,800	3,507
Investing Activities		
Purchase of property, plant and equipment	(1,316)	(969)
Other changes in fixed assets	(1)	-
Purchase of intangible assets	(155)	(27)
Product development costs	(900)	(900)
Cash flow from (used in) investing activities	(2,372)	(1,896)
Financing Activities		
Change in financing	532	4,718
Other changes	(666)	86
Cash flow from (used in) financing activities	(134)	4,804
Total Net Cash Flow for the period	(706)	6,415

* Unaudited