



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

## **FIRST HALF 2013 RESULTS APPROVED:**

**CONSOLIDATED REVENUE €39.7 MN**  
(€43.6 MN IN 1H12, MOSTLY DUE TO DISCONTINUITY IN THE  
PERFORMANCE ADVERTISING BUSINESS)

**EBITDA<sup>1</sup> €6.3 MN (+4% VS 1H12)**

**EBIT AND NET PROFIT €2.7 MN AND €0.7 MN RESPECTIVELY (VS**  
**€2.7 MN AND €0.9 MN AT 30 JUNE 2012)**

**NET FINANCIAL POSITION AT 30 JUNE 2013 -€28.5 MN (FROM -€26.2**  
**MN AT 31 DECEMBER 2012, MOSTLY DUE TO ONE-OFF INVESTMENTS FOR**  
**THE NEW DATACENTER IN THE UK)**

**RESIGNATION OF THE CHAIRMAN AND OF OTHER DIRECTORS**

**EARLY EXERCISE OF OPTIONS RESULTING FROM THE 2011-2013 STOCK**  
**OPTION PLAN**

### **More than 520,000 clients achieved in Europe**

Florence, 30 July 2013 - Today, the Board of Directors of DADA S.p.A. approved the Consolidated Half-Year Financial Report of the DADA Group at 30 June 2013.

Thanks to the rationalization of the business portfolio now focused on professional digital services aimed primarily at SMEs at a European level, in 1H13 DADA strengthened its position and confirmed the pace of improvement in marginality versus the prior year. This bears witness to the greater sustainability of the Group's current business model, despite a highly competitive and challenging reference market.

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<sup>1</sup> EBITDA is before impairment losses and non-recurring items

## GROUP RESULTS IN 1H13

In 1H13, the DADA Group achieved consolidated revenue of €39.7 million, down 9% versus €43.6 million in 1H12<sup>2</sup>:

- i) professional services for domain name registration, hosting, brand protection and online visibility, which dropped slightly versus the prior year (€31.2 million versus €32.5 million in 1H12) mainly due to the negative trend of Simply online advertising, accounted for approximately 79% of consolidated revenue. Italy and the UK were the countries that contributed the most with over 75% of the division's revenue, followed by France, Spain, Ireland, Portugal and the Netherlands.
- ii) Performance Advertising contributed the remaining circa 21% of the Group's revenue. The division's revenue trend was greatly affected by the change in Google's policy, which resulted in a drop in volumes, starting from 4Q12, versus the prior months; moreover, 1H13, despite the decline versus 1H12 (€8.2 million versus €10.7 million in 1H12), enjoyed a growing trend in revenue and marginality versus 4Q12.

Foreign-based activities accounted for 64% of consolidated revenue (66% in 1H12), confirming their huge influence on the overall growth of the DADA Group.

In 1H13, consolidated EBITDA rose to €6.3 million from €6.1 million in 1H12, up by 4% and contributing 16% of revenue (14% in 1H12). An improvement in margins mainly attributable to greater operational efficiency of the Domain and Hosting business - whose margins on consolidated revenue increased to 18% (approximately 20% from the previous 18%, excluding the negative contribution of Simply) - to the Performance Advertising business (whose margins rose from 12% to 14% of the division's revenue) - and to the measures taken to control general and overhead costs.

In 1H13, service costs decreased in absolute terms (from €29.9 million in 1H12 to €25.8 million in 1H13) and as a percentage of consolidated revenue versus the prior year (from 69% to 65%). Payroll costs remained basically unchanged in absolute terms versus 1H12.

At 30 June 2013, the Group counted 390 employees (of whom 43% foreign-based) versus an headcount of 372 at 31 December 2012.

In 1H13, the Group achieved a positive EBIT of €2.7 million, basically in line with the figure achieved in 1H12.

EBIT over the period was impacted mainly by depreciation and amortization totalling €3.5 million (of which €1.7 million related to tangible assets and €1.8 million to intangible assets), versus €3.3 million in 1H12, and by non-recurring charges of approximately €0.1 million, in line with 1H12.

In 1H13, overall financial activities (the difference between financial income and charges) showed a negative figure of approximately €1.7 million (-€1.5 million in 1H12). A figure affected by: i) total financial charges of €1.5 million (in line with 1H12), whose main components were interest expense on bank loans (€0.5 million versus €0.6 million in 1H12) and charges for bank commissions on credit card payments (€0.5 million, in line with 1H12); (ii) the impact of forex in 1H13 came to a negative €0.3 million, mostly as a result

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<sup>2</sup> Under IFRS 8, starting from 31 December 2012, 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.



of the appreciation of the Euro on the Pound, versus the positive contribution of approximately €0.1 million in 1H12.

Tax in 1H13 came to a negative €0.3 million (€0.4 million in 1H12), and reflects current tax of €0.7 million (the regional IRAP tax on some Italian companies and tax on foreign-based companies with positive pre-tax income) versus €0.5 million in 1H12, and positive deferred tax of €0.4 million (in 1H12 the impact of deferred tax showed a positive figure €0.1 million).

In 1H13, consolidated Net Profit came to a positive €0.7 million (€0.9 million at 30 June 2012).

### **GROUP BALANCE SHEET AND FINANCIAL POSITION AT 30 JUNE 2013**

The consolidated Net Financial Position at 30 June 2013 came to -€28.5 million versus -€26.2 million at 31 December 2012: this aggregate was impacted by the cash flows generated from operating activities amounting to €4.1 million, and by investing activities amounting to globally €5.5 million. Investments over the period were made in intangible assets (€2.4 million versus €2.1 million in 1H12) - mostly for the internal development of proprietary processes and platforms - and in tangible assets in technology for a total of €3.1 million (€1.4 million in 1H12), €1.6 million of which related to the new Datacenter project in the UK.

As previously illustrated, starting from end 2012, DADA undertook a project to realize a Datacenter in the United Kingdom, with the aim of streamlining operating costs in technology and of expanding the Group's portfolio of solutions. Overall investments made by DADA, which started a strategic partnership with a highly experienced UK player, who was in charge of its realization and will be responsible for management of the new facility, amounted to approximately €1.6 million in 1H13, in addition to the €0.7 million incurred in 4Q12. The facility will start operations from the second half of 2013, when migration of all of the hardware components will be completed. During this period, further investments totalling €1.6 million will be required.

Non-recurring cash outflows during the period totalled €0.3 million (€0.1 million in 1H12).

The Net Financial Position at 30 June 2013 includes current debt of €15.6 million, long-term loans of €15.7 million and bank overdrafts and financial receivables totalling €2.8 million.

### **BUSINESS PERFORMANCE IN 1H13**

Despite the entry of major competitors, particularly on the Italian market, and growing competitive pressure on all main markets, in 1H13 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 520,000 business clients and over 1.7 million domains managed at end June. Thanks to the



evolution and optimization of a series of marketing cross-country initiatives, and to the expansion of the portfolio of services, mention must be made of 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;
- the launch of new **dedicated servers** in France, Portugal and the UK;
- 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. Certified e-mail is mandatory in Italy for businesses, professionals, government agencies and, from 30 June 2013, also for sole proprietorships. To date, Register.it counts over 60,000 active mailboxes on its certified e-mail platform;
- DADA's debut on TV with Register.it in Italy through a resounding advertising campaign 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, the Performance Advertising division continued with its strategy to consolidate business through the global expansion of its brands Peeplo and Save n' keep, the launch of the Supereva.com and Kuidle.com portals, a search engine that specializes in seeking trends and events, and the continuous improvement of its proprietary algorithms.

### HIGHLIGHTS IN 2Q13

In 2Q13, the Group achieved **consolidated revenue** of €19.1 million, down from €21.6 million in 2Q12.

**EBITDA** came to €3.0 million, basically in line with 2Q12. **EBIT** came to a positive €1.0 million (versus €1.2 million in 2Q12); during the quarter under review, depreciation and amortization components increased versus the previous quarters owing to the larger amount of investments made by the Group.

**Net profit** amounted to €0.3 million, in line with the figure posted in 2Q12.

### SIGNIFICANT EVENTS AFTER 1H13

- **11 July 2013:** DADA formally acknowledged the content of the communications released on the same day by RCS MediaGroup S.p.A. (RCS) and Orascom TMT Investments S.à.r.l. (OTMTI), regarding the agreement reached on the sale of the entire stake held by RCS in the Company. Following execution of the transaction scheduled on 7 August, the Board of Directors of DADA will meet to decide on matters falling within its competence, in the manner and within the prescribed time limits of applicable law, also with regard to the proposed takeover bid on DADA shares listed on the market.



- **Resignation of the Chairman of the Board of Directors and of other Directors**

The Board of Directors also formally acknowledged the resignation of Chairman Avv. Alberto Bianchi, who resigned during the today's meeting effective as from the date of finalization of the foregoing transaction.

The Directors of DADA express their heartfelt gratitude to Avv. Bianchi for his qualified, professional and passionate contribution over the years to the activities of the Board and to the Company as a whole.

Today, also the Directors Claudio Cappon, Giorgio Cogliati and Riccardo Taranto resigned, effectively too as from the date of finalization of the foregoing transaction.

Based on the information currently held by the Company, Alberto Bianchi, Claudio Cappon, Giorgio Cogliati and Riccardo Taranto do not hold, whether directly and/or indirectly, any ordinary share of DADA S.p.A..

The Board of Directors, which will meet on August 7, will also decide on the appropriate resolutions to adopt regarding the abovementioned resignation, as well on Alessandro Foti's resignation as released to the market on July 3, 2013.

- **Early exercise of options resulting from the 2011-2013 Stock Option Plan**

It must be noted that, on 25 October 2011, DADA shareholders approved: (i) in ordinary session - in accordance with art. 114-*bis*, paragraph 1 of Legislative Decree n. 58 of 24 February 1998 - a stock option plan for the 2011-2013 period benefitting Dada Group employees, (ii) in extraordinary session, authorized the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, to increase, in one or more tranches, the share capital to service the incentive plan by a maximum amount of € 85,000.00 through the issue of a maximum of 500,000 DADA S.p.A. ordinary shares with a nominal value of € 0.17 each, benefitting DADA Group employees, in particular executives and/or managers of the Company and/or its subsidiaries, pursuant to art. 2359 of the Italian Civil Code, with the exclusion of option rights, pursuant to art. 2441, paragraph 8 of the Italian Civil Code.

On 28 October 2011, the Board of Directors of DADA accordingly exercised such authority, approving the Stock Option Plan Regulations and certain assignments of options, identifying the relevant assignees, and exercised its powers to increase the share capital to service the assigned options for the maximum number of shares required.

The Stock Option Plan Regulations, approved on 28 October 2011, as also outlined in paragraph 3.2 of the information document released on 28 October 2011, pursuant to art. 84-*bis* of Regulation No. 11971 of 14 May 1999, provided and provide for an acceleration clause in the exercise of options, such that:

- i) in the event of the opening of any procedure that may lead to the delisting of Company shares, except for the launch of a public offer for purchase or exchange on the capital of DADA S.p.A. by one or more entities: a) other than the Parent or by a company directly or indirectly controlled by the Parent (hereinafter, individually or taken together, the "Controlling Entity") and b) by entities that are not party with the Controlling Entity to a significant shareholders' agreement, pursuant to art. 122 of Legislative Decree n.58/1998



- in respect of the Company (hereinafter, individually or taken together, the "Bidder"), and provided that the Controlling Entity is not party in any way to such public offer for purchase or exchange and/or has not entered into any agreement with the Bidder on such public offer for purchase or exchange, or
- ii) in the event in any case a) of loss, and/or agreement providing for the loss of control of the Company by the Controlling Entity in relation to a public offer for purchase or exchange of the capital of the Company launched by a different party, or b) that such loss of control occurs in any other form, the Assignees be entitled to the early exercise of the options ahead of the regular exercise period and within the period to be determined by the Board, in any case within a period of at least 20 business days, provided that, as a result of the abovementioned acceleration of the right to exercise the options, the options may be exercised even if not vested yet and/or exercisable and without prior verification of the fulfilment of the performance conditions.

Today, the Board of Directors, having regard in this connection to the proposal made by the Compensation Committee in the meeting held on 26 July 2013, all other Plan provisions being confirmed, resolved that the effective finalization of the sale agreement between Libero Acquisitions S.à.r.l. and RCS MediaGroup, scheduled for next 7 August (Closing), represents the trigger event for application of the acceleration clause provided for in the Regulations of the Stock Option Plan for the 2011/2013 period, benefitting a number of company executives, including the two executives with strategic responsibilities, with the resulting acceleration of the exercise period of the 470,000 presently existing options for all assignees, without verifying the performance conditions provided for in the Stock Option Plan.

The Board of Directors also decided, again according to the provisions of the Plan Regulations and upon proposal of the Compensation Committee, that the time horizon for the subscription of stock options be equivalent to the duration of the acceptance period of the proposed takeover bid, and that it therefore commence concurrent to commencement of the acceptance period of the takeover bid.



## BUSINESS OUTLOOK FOR THE CURRENT YEAR

Indications on the Group's performance in the first half of the year to date basically confirm expectations for both business lines:

- in the Domain and Hosting division, efforts will continue to enhance service quality and launch increasingly-performing products. The aim is to help gain new clients, retain the existing customer base, and consolidate the position achieved on the main reference markets, Italy and the UK in particular;
- 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 in new countries, 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 foregoing changes in 4Q12, the growth reported in 1H13 versus 4Q12 indicates a positive outcome of the strategic measures implemented to tackle this discontinuity.

The on-going project regarding the realization and setup of the new Datacenter in the UK will impact negatively on 2H13 results in terms of higher costs of approximately €1.2 million (incurred mainly for the migration of all of the hardware components to the new facility), but will allow DADA to achieve more than €1 million in economic benefits on an annual basis, starting from 2014, as well as to have adequate space to sustain the future growth of the Group.

The initiatives implemented to ensure meticulous control of operating costs and overheads to enhance the Group's overall efficiency will continue to be carried out 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 Half-Year Financial Report at 30 June 2013 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), in accordance with the law. The External Auditors are currently completing their audit of the Financial Statements and their report has not been released yet.

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*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 520 thousand business clients and 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:*

[www.dada.eu](http://www.dada.eu)

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## ATTACHMENTS

### DADA GROUP'S RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 30 JUNE 2013

In EUR/000	30 June 13 6 months		30 June 12 6 months		DIFFERENCE	
	Amount	%	Amount		Amount	%
<b>Net revenue</b>	<b>39,719</b>	<b>100%</b>	<b>43,579</b>	<b>100%</b>	<b>-3,860</b>	<b>-9%</b>
Chg, in inventories & inc, in own wk, capitalized	1,959	5%	1,941	4%	18	1%
Service costs and other operating expenses	-25,770	-65%	-29,903	-69%	4,133	-14%
Payroll costs	-9,594	-24%	-9,518	-22%	-76	1%
<b>EBITDA **</b>	<b>6,315</b>	<b>16%</b>	<b>6,100</b>	<b>14%</b>	<b>216</b>	<b>4%</b>
Depreciation and amortizations	-3,495	-9%	-3,325	-8%	-170	5%
Other provisions & write-downs	-121	0%	-115	0%	-6	
<b>EBIT</b>	<b>2,700</b>	<b>7%</b>	<b>2,660</b>	<b>6%</b>	<b>40</b>	<b>2%</b>
Financial income	312	1%	907	2%	-595	-66%
Financial charges	-1,980	-5%	-2,327	-5%	347	-15%
<b>Profit/(loss) before taxes</b>	<b>1,031</b>	<b>3%</b>	<b>1,240</b>	<b>3%</b>	<b>-208</b>	<b>-17%</b>
Taxes	-328	-1%	-390	-1%	62	-16%
<b>Group Net Profit/(loss)</b>	<b>704</b>	<b>2%</b>	<b>850</b>	<b>2%</b>	<b>-146</b>	<b>-17%</b>

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

## HIGHLIGHTS ON CONSOLIDATED RESULTS BY BUSINESS UNITS

In EUR/000	30/06/2013 (6 months)					30/06/2012 (6 months)				
	Revenue	EBITDA	% on revenue	EBIT	% on revenue	Revenue	EBITDA	% on revenue	EBIT	% on revenue
Domains & Hosting	31,234	5,738	18%	2,624	8%	32,508	5,716	18%	2,802	9%
Performance Advertising	8,174	1,110	14%	862	11%	10,686	1,284	12%	1,036	10%
Adjustments	310	-533	n,a,	-786	n,a,	385	-900	n,a,	-1,177	n,a,
<b>TOTAL</b>	<b>39,719</b>	<b>6,315</b>	<b>16%</b>	<b>2,700</b>	<b>7%</b>	<b>43,579</b>	<b>6,100</b>	<b>14%</b>	<b>2,660</b>	<b>6%</b>

**DADA GROUP'S NET WORKING CAPITAL AND NET FINANCIAL POSITION  
AT 30 JUNE 2013**

In EUR/000	30-June-13	31-Dec-12	DIFFERENCE	
			Absol.	Absol.
<b>Fixed assets (A)</b>	<b>91,625</b>	<b>91,872</b>	<b>-247</b>	<b>0%</b>
Current operating assets (B)	18,514	18,825	-311	-2%
Current operating liabilities (C)	-30,332	-31,615	1,283	-4%
<b>Net working capital (D)=(B)-(C)</b>	<b>-11,817</b>	<b>-12,790</b>	<b>973</b>	<b>-8%</b>
Provision for termination indemnities (E)	-847	-849	2	0%
Provision for risks and charges (F)	-1,067	-1,461	394	-27%
Other payables due beyond one year (G)	-84	-166	83	-50%
<b>Net capital employed (A+D+E+F+G)</b>	<b>77,810</b>	<b>76,606</b>	<b>1,204</b>	<b>2%</b>
Bank loans (due beyond one year)	-15,747	-18,679	2,931	-16%
<b>Shareholders' Equity</b>	<b>-49,335</b>	<b>-50,399</b>	<b>1,064</b>	<b>-2%</b>
Current bank borrowings	-15,448	-10,724	-4,724	44%
Current financial receivables and derivatives	1	1,000	-999	-100%
Current financial payables and derivatives	-118	-810	692	-85%
Cash and cash equivalents	2,837	3,006	-168	-6%
<b>Current Net Financial Position</b>	<b>-12,728</b>	<b>-7,528</b>	<b>-5,199</b>	<b>69%</b>
<b>Total Net Financial Position</b>	<b>-28,475</b>	<b>-26,207</b>	<b>-2,268</b>	<b>9%</b>

**DADA GROUP'S RECLASSIFIED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF JUNE, 30 2013**

In EUR/000	30 June 2013	30 June 2012
Cash flow from (used in) operating activities before	6,210	5,731
(Increase)/decrease in receivables	547	-1,523
Increase/(decrease) in payables	-2,629	1,410
Cash flow from (used in) operating activities	4,128	5,618
Income taxes paid	-20	-303
Interest paid	-1,107	-1,364
Net Cash flow from (used in) operating activities	3,000	3,951
<b>Investing Activities</b>	-2,933	-1,474
Purchase of property, plant and equipment	25	0
Other changes in fixed assets	-1	-2
Purchase of intangible assets	-400	-91
Product development costs	-1,959	-1,941
Cash flow from (used in) investing activities	-5,269	-3,508
<b>Financing Activities</b>	-2,931	4,702
Change in financing	307	-102
Other changes	-2,624	4,600
Cash flow from (used in) financing activities	-4,893	5,043