



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

## DADA SIGNS THE AGREEMENT FOR THE SALE OF DADA.NET TO BUONGIORNO

**Milan, Florence - 19 April 2011** - Dada S.p.A. announces that the contract for the sale of 100% of Dada.net S.p.A. to Buongiorno S.p.A. was signed, following the sign of the agreement for the repurchase of the 13% of Dada.net held by Sony Music Entertainment.

### Transaction with Sony Music

Based on the agreement with Sony Music, Dada S.p.A., which currently owns 87% of Dada.net S.p.A, will repurchase the residual 13% of the share capital held by Sony Music for €7.2 million in cash which will be paid using available bank credit lines. Furthermore, please note that Sony Music owned a put option for the sale of its shares to Dada exercisable, among others, on the occurrence of a change of control of Dada.net at a floor price of €8 million. Following the execution of this transaction, Dada S.p.A. will benefit from Dada.net's entire consolidated net financial position which amounted to a positive €17.4 million at 31 December 2010.

### Transaction with Buongiorno

The transaction with Buongiorno synthetically provides for:

- Buongiorno's purchase of 100% of Dada.net S.p.A.'s capital. The sale perimeter includes, in addition to Dada.net S.p.A., its subsidiaries: Dada Iberia SL, Dada Brasil Servicios de Tecnologia Ltda, Dada Entertainment Inc., Dada Media Science and Technology Development Beijing CO. Ltd, Dada Entertainment Canada Inc., Play Me LLC, Giglio Group S.p.A. and Youlike S.r.l.. In 2010 this perimeter (which includes the VAS, music and digital television businesses) recorded revenue of approximately €76 million and an EBITDA\* of approximately €10 million, decreasing by approximately 15% and 30%, respectively, compared to the results recorded in the prior year;
- a cash consideration of €28.5 million in addition to Dada.net S.p.A.'s consolidated net financial position at closing excluding the Giglio Group's net financial position (negative for approximately €3.8 million at 31 December



2010), with an overall financial benefit for Dada of approximately €32.3 million;

- the downpayment of the purchase price by the buyer in two tranches: at the closing will be paid the first one of €27.5 million (a portion of which will be held in escrow for 12 months to service the usual representations and warranties), in addition to the net financial position\*\* at closing with a best effort from Dada to maintain such net financial position below +€5.5 million; the remaining €1 million will be paid upon occurrence of certain predefined events and, in any case, within 24 months after the closing;

- an earn-out for Dada of up to a maximum of €2.5 million in the event the interest in Giglio Group is sold to third parties for a capital gain within three years of the closing.

There are also certain conditions precedent included in the agreement, including certain events which could have a significant and negative impact on the Company's financials between the signing and the closing, and which the buyer may waive.

Buongiorno will maintain Dada.net's headquarters in Florence, along with the current level of employment, for a period of not less than 18 months from the closing and is committed to enhancing the professional expertise and experience of Dada.net's employees.

The law firm Clifford Chance and the financial advisor Fineurop Soditic acted as Dada's advisors for the transaction with Buongiorno, while Lazard provided support in the financial valuation of the price to be paid. The law firm Shearman & Sterling acted as Dada's advisor for the transaction with Sony Music.

#### Timing of the transactions

Both of the transactions are expected to close approximately in the next 90 days.

Any developments with regard to these transactions will be disclosed in accordance with any applicable regulatory requirements.

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#### Strategic guidelines



The transactions described above are in line with Dada's announced strategy to rationalize its asset portfolio and will allow to considerably reduce the consolidated financial debt\*\*\* and to accelerate the Group's efficiency plan, already started, with benefits in terms of general overhead and structural costs.

As a result of the above transactions, the strategic, business and organizational structure of the Company will be focused on internet domain registration and hosting services, as well as on some innovative advertising on-line activities. The strategic priorities will be the development of the current business, the consolidation in strategic markets and the further improvement of the operating efficiency, and will result in the expansion of the offer, the increase of the quality of the service, the strengthening of the sales channels and of the marketing initiatives supporting the growth of the customer base, and in the creation of a structure aimed at constant technological and product innovation.

[\*] EBITDA: earnings before interest, taxes, depreciation and amortization (gross of impairment losses on receivables and non-recurring charges).

[\*\*] Net of the Giglio Group net financial position.

[\*\*\*] Dada Group closed the 2010 financial year with a negative net financial position of €50.6 million, sales equal to €151.5 million and Ebitda of €14.6 million.

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