



CONSOLIDATED QUARTERLY REPORT OF THE DADA GROUP AS AT MARCH 31, 2006

(Prepared in accordance with IAS/IFRS international accounting standards)

Registered Offices: Borgo degli Albizi 12 - Florence
Share Capital Euro 2,714,569.86 fully paid-in
Company Registry Office No. FI017- 68727 - REA 467460
Fiscal Code/V.A.T No. 04628270482





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CORPORATE BOARDS

The corporate boards were appointed by the Shareholders' Meeting on April 21, 2006 for the three-year period 2006-2008.

BOARD OF DIRECTORS

Paolo Barberis	Chairman ¹
Angelo Falchetti	Managing Director
Salvatore Amato	Director ^{2,3,4}
Marco Argenti	Director
Aldo Bisio	Director
Vittorio Colao	Director
Lorenzo Lepri Pollitzer	Director
Raffaello Napoleone	Director ^{2,3}
Barbara Poggiali	Director ⁴
Alberto Ronzoni	Director
Giorgio Valerio	Director
Pietro Varvello	Director
Danilo Vivarelli	Director ^{2,3,4}

1 - Chairman with executive powers

2 - Independent director in accordance with the self-governance code for Listed Companies.

3 - member of the Internal Control Committee

4 - member of the Remuneration Committee.

BOARD OF STATUTORY AUDITORS

Pier Angelo Dei	Chairman of the Board of Statutory Auditors
Piero Alonzo	Statutory Auditor
Massimo Cremona	Statutory Auditor
Claudio Pastori	Alternate Auditor
Francesca Pirrelli	Alternate Auditor

INDEPENDENT AUDIT FIRM

Reconta Ernst & Young S.p.A.



RESULTS OF THE DADA GROUP IN ACCORDANCE WITH IAS/IFRS¹ ACCOUNTING STANDARDS

Consolidated Results (3 months)

(Euro/Millions)	31/03/2006	31/03/2005
Revenues	22.7	14.5
Ebitda	3.4	3.0
Amortisation and depreciation	-0.8	-0.7
Ebit	2.4	2.2
Group result	1.7	1.7

Consolidated balance sheet as at March 31, 2006

(Euro/Millions)	31/03/2006	31/12/2005
Net working capital	2.7	0.7
Net Capital employed	20.1	18.1
Shareholders' Equity	43.5	40.2
Short-term net financial position	23.9	23.0
Number of employees	283	251

¹ The comparative data at March 31, 2005 was reclassified and adjusted in accordance with international accounting standards.



INTRODUCTION

The consolidated quarterly report at March 31, 2006 was prepared in accordance with the provisions of the International Accounting Standard No. 34 “Interim Reporting” (IAS 34) and, in relation to the accounting principles, in accordance with IAS/IFRS issued by the IASB and standardised by the European Union as per article 81 of the Issuers’ Regulations No. 11971, issued by Consob on May 14, 1999, and subsequent amendments. For comparative purposes, the figures for the previous periods were also prepared in accordance with IAS/IFRS.

It is also noted that the present quarterly report was prepared taking into consideration the current accounting standards at the date of their preparation. It is possible that new versions or interpretations of the IFRS will be issued before the publication of the financial statements for 2006. If this occurs, therefore, it is possible that there will be an effect on the data presented in the IFRS half-year report and in the reconciliation schedules prepared in accordance with IFRS 1.

Consolidation principles

The present quarterly report includes the quarterly results of the Parent Company Dada S.p.A. and of the companies it controls as at March 31, 2006. Based on the accounting standards applied, control of a company is defined as when the company has the power to determine the financial and operating policies of a company so as to benefit from its activities.

The results of subsidiaries acquired or sold during the year are included in the consolidated income statement from the date of acquisition until the date of sale.

Where necessary, adjustments are made to the financial statements of subsidiaries in order to apply uniform Group accounting policies.

All of the significant operations undertaken between the companies of the Group and the relative balances are eliminated in the consolidation.

The minority share interests in the subsidiaries consolidated are recorded separately in shareholders’ equity. This minority interest is determined based on the percentage held in the fair value of the assets and liabilities recorded at the original acquisition date (see below) and in the changes in shareholders’ equity after this date. After the initial recording, the losses attributable to the minority shareholders exceeding the shareholders’ equity pertaining to them are allocated to the Group shareholders’ equity, except where the minority shareholders have a binding obligation and are capable of making further investments to cover the losses.

The consolidation scope has not changed compared to December 31, 2005, while compared to the same period in the previous year, the company Ad Maiora S.p.A. was deconsolidated, and the company Dadamobile Inc was included in the consolidation.



The consolidation scope for the periods is shown below:

Consolidation scope	At March 31, 2006			At December 31, 2005			At March 31, 2005		
	Values: Euro/000	Perc. held	Consol. period	Share capital	Perc. held	Consol. period	Share capital	Perc. held	Consol. period
Dada S.p.A. (FI)	Parent company	Jan -Mar 2006	2,714	Parent company	Jan - Dec 2005	2,692	Parent company	Jan -Mar 2005	2,664
Ad Maiora S.p.A. (RM)							60.00%	Jan -Mar 2005	780
PlanetCom S.p.A. (MI)	50.00%	Jan -Mar 2006	263	50.00%	Jan -Dec 2005	263	50.00%	Jan -Mar 2005	263
Register S.p.A. (BG)	97.04%	Jan -Mar 2006	1,913	97.04%	Jan -Dec 2005	1,913	67.89%	Jan -Mar 2005	1,913
Softec S.p.A. (PT)	50.00%	Jan -Mar 2006	300	50.00%	Jan -Dec 2005	300	50.00%	Jan -Mar 2005	300
- WebNet S.r.l. (FI) indirect	100.00%	Jan -Mar 2006	21	100.00%	Jan -Dec 2005	21	100.00%	Jan -Mar 2005	21
- Altair S.r.l. (PT) indirect	100.00%	Jan -Mar 2006	10	100.00%	Jan - Dec 2005	10	100.00%	Jan -Mar 2005	10
- Business Engineering S.r.l (PT) indirect	100.00%	Jan -Mar 2006	21	100.00%	Jan - Dec 2005	21	100.00%	Jan -Mar 2005	21
DadaMobile S.p.A. (FI)	100.00%	Jan -Mar 2006	9,933	100.00%	Jan - Dec 2005	9,933	100.00%	Jan -Mar 2005	10,885
- Clarence S.r.l. (FI) indirect	100.00%	Jan -Mar 2006	21	100.00%	Jan - Dec 2005	21	100.00%	Jan -Mar 2005	11
- DadaMobile Inc. (NY - USA) indirect	100.00%	Jan -Mar 2006		100.00%	Feb -Dec 2005				



INFORMATION ON OPERATIONS

Dear Shareholders,

In the first quarter of 2006, the DADA Group recorded consolidated revenues of Euro 22.7 million compared to Euro 14.5 million in the first quarter of 2005, an increase of 56%.

In the comparison of sales with the fourth quarter of 2005 (amounting to Euro 23.5 million), it should be recalled that there was a positive contribution from the definition of revenue recoveries with some telephone operators referring to previous quarters of the year, which on a prudent basis had not been credited to the income statement given the uncertainty on these items, and a different contractual recognition of revenues by some operators. The pro-forma growth of consolidated revenues, taking into account the above matters would have been 20% in the first quarter of 2006 compared to the fourth quarter of 2005.

A summary is provided below of the results of the Dada Group in the first quarter of 2006, compared to the same period in the previous year:

Amounts in Euro/thousands	Mar 31, 06		Mar 31, 05		Change	
	Amount	%	Amount	%	Absolute	percent.
Net Revenues	22,669		14,521		8,148	56%
Changes in inventory and internal work capitalised	696	3%	293	2%	403	138%
Service costs and other operating costs	-16,745	-74%	-9,332	-64%	-7,413	79%
Personnel costs	-3,263	-14%	-2,518	-17%	-745	30%
Ebitda	3,357	15%	2,964	20%	393	13%
Amortisation and depreciation	-779	-3%	-679	-5%	-100	15%
Non-recurring income (charges)	-149	-1%	-68	0%	-81	119%
Provisions and write-downs	-10	0%	13	0%	-23	-177%
Ebit	2,419	11%	2,230	15%	189	8%

The breakdown of sales by sector reports the greater contribution of the Consumer Division, which accounts for 74% of the consolidated revenues in the quarter, an increase compared to the same period of the previous year and the fourth quarter of 2005, which accounted for 73% and 62% respectively. In this sector, the DADA Group is positioned as market leader in the entertainment services, based on mobile and web platforms, achieving important growth in both the number of users paying for the services and the number of products launched.

The Business Division contributed 17% to the Group turnover, compared to 28% in the first quarter of 2005.

The contribution of the Self Provisioning Division on the consolidated revenues was 10%, compared to 11% in the previous year.



Geographically, there was an important growth in international operations, which contributed 31% of consolidated revenues in the quarter, compared to 15% in the final quarter of 2005. It is recalled that the internationalisation process, which began in the second part of 2005, has primarily been concerned with value added services provided by the Consumer Division.

For further information on the performance of the divisions, reference should be made to the paragraph on segment information of the Group.

The consolidated Ebitda in the quarter was Euro 3.4 million (margin of 15% on the consolidated turnover), an improvement compared to the same period in the previous year which amounted to Euro 2.9 million (margin of 20%).

In relation to sales margins, it is recalled that the DADA Group undertook significant investments in the quarter aimed at developing, in the different countries where it commenced operations, the customer base of the subscription services of the Consumer Division.

The expenses in the quarter for promotion and acquisition of clients was Euro 9.5 million, compared to Euro 1.6 million in the first quarter of 2005 and Euro 5.8 million in the fourth quarter of 2005.

The business model of these services is characterised by the time deferral between the initial investment in the creation of the customer base and the related economic returns. This expansion policy of the operation (in particular the international expansion) continued after the end of the quarter. The principal benefits from these investments are expected to be seen in the following quarters.

Within the individual cost accounts, personnel costs increased in absolute terms by 30% compared to the first quarter of 2005 and 20% compared to the fourth quarter of 2005.

The fair value of the stock option plans, for a total value of approximately Euro 170 thousand, are included in personnel costs, in accordance with IFRS 2.

In the first quarter of 2005 the consolidated Ebit was Euro 2.4 million (11% of consolidated turnover), in line with the first quarter of 2005 and an improvement compared to the fourth quarter of 2005, which was impacted by write-downs and non-recurring costs of approximately Euro 1.2 million. The amortisation and depreciation of intangible and tangible fixed assets amounted to Euro 0.9 million, an increase compared to the previous year, due to the investments made in the development of products and capital expenditures.

The consolidated pre-tax profit for the first quarter of 2006 was Euro 2.4 million, 11% of consolidated revenues, in line with the same period in the previous year. The investment income deriving from the interest matured on securities and the liquidity of the Group positively impacts on this account; the financial charges in relation to guarantee/financing operations and bank commissions relating to collection services, meanwhile, have a negative effect.

The Group consolidated pre-tax profit for the first quarter of 2006 was Euro 1.7 million, 7% of consolidated revenues, in line with the same period in the previous year.

This result was impacted by income taxes of Euro 0.7 million, principally relating to Irap taxes on all of the Group companies. The Group has matured fiscal losses carried forward of Euro 70 million, of which Euro 46 million for an unlimited period.



The principal consolidated balance sheet accounts of the Dada Group in the first quarter of 2006, compared to December 31, 2005 are shown below:

Financial position and balance sheet

The composition of the short-term net financial position at March 31, 2006 is shown below:

Amounts in Euro/thousands	Mar 31, 06	Dec 31, 05	Change	
	Amount	Amount	Absolute	percent.
Short-term bank debt	-1,083	-734	-349	48%
Short-term fin. receivables and securities	5,617	11,894	-6,277	-53%
Cash and cash equivalents	19,369	11,877	7,492	63%
Short-term net financial position	23,903	23,037	866	4%

The short-term Consolidated Net Financial Position at March 31, 2006 was a positive amount of Euro 23.9 million, compared to Euro 23 million at December 31, 2005 and Euro 23.4 million at March 31, 2006. During the first three months of 2006, there was therefore an increase in this figure in absolute terms of Euro 0.9 million or 4%.

All of the securities are characterised by short-term investments on demand and low risk profile. These securities are measured at market value (fair value), represented by the average quotations obtained from the issuers.

The total net financial position (that also includes medium/long term sources and uses) amounted to Euro 23.3 million, net of payables to banks and other lenders repayable beyond one year of Euro 0.6 million.



The composition of the net working capital at March 31, 2006 is shown below:

Amounts in Euro/thousands	Mar 31, 06	Dec 31, 05	Change	
	Amount	Amount	Absolute	percent.
Inventories	298	372	-74	-20%
Trade receivables	29,046	23,499	5,547	24%
Other receivables	11,506	11,128	378	3%
Current assets	40,850	34,999	5,851	17%
Trade payables	-25,920	-22,371	-3,549	16%
Other payables	-12,251	-11,905	-346	3%
Current liabilities	-38,171	-34,276	-3,895	11%
Net working capital	2,679	723	1,956	269%

(*) The deferred tax assets were reclassified under current assets as they are expected to be utilised in the short-term period.

The net working capital records an increase compared to December 31, 2005 and compared to March 31, 2005, principally due to the investments made for the launch of the products in the Consumer Division in some overseas countries.

As previously described this type of activity results in a financial management, at least in the initial phase, characterised by important temporary differences between the average period of payments and receipts. It is expected that the net working capital will continue to increase in the second quarter of 2006, due to the planned development of the operations.

The overall change in the main asset accounts are due to the natural increase connected to the business growth of the DADA Group in terms of sales and current spending.

Within the composition of the net working capital accounts, it is noted that a significant part of the trade receivables are concentrated on a limited number of high standing clients. In particular, approximately 65% of the total value of the Group receivables are due from telephone operators and from which a large part of the sales are generated for payment services of the Consumer division, that as previously reported have increased significantly in recent months.

The table below shows the Consolidated Cash Flow for the period:

Amounts in Euro/thousands	Mar 31, 06
	(3 months)
Cash flow from operating activity	849
Cash flow from investing activity	-1,141
Cash flow from financing activity	1,158
Net cash flow for the period	866



In the first three months of 2006, the Dada Group recorded positive cash flow of Euro 0.9 million - of which Euro 0.8 million from operating activity and Euro 1.2 million from financing activity (consisting of the share capital increase deriving from the exercise of stock options in February). Utilisation of resources amounted to Euro 1.1 million and principally related to the investment activity of the Group.

The positive operating cash flows, together with financing cash flows, have permitted the DADA Group to fully self-finance investment activities in the period.

The investment activities have principally related to the purchase of tangible fixed assets for the renewal of the technical structure of approximately Euro 400 thousand, and the expenses for the development of new products and services (and other intangible assets) of approximately Euro 600 thousand. The positive investment cash flow relates to the disposal of financial assets and income from investments.

Other Information

In execution of delegated powers, on February 3, 2006, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan for the directors with specific appointments and/or general directors and/or general and divisional managers of Dada S.p.A. and its subsidiaries.

The Board, on the proposal of the Remuneration Committee of the Company, approved the regulations of the Plan and assigned 700,700 options for the subscription of the same number of ordinary DADA shares to 10 Directors holding specific offices and Top Managers of the Group, also approving a share capital increase totalling Euro 119,119.00 to service the above-mentioned options.

The stock option plan has the purpose of providing incentives and ensuring the loyalty of the Top Management and therefore the exercise of the options is conditional, within the limits established in the regulations, of achieving 90% of the objective Consolidated Ebitda for the year 2008 as determined by the Board.

The subscription price of the shares was determined by the Board of Directors of the Company, in accordance with the criteria indicated by the Shareholders' Meeting, as Euro 14.782 per share, equal to the average official price registered of the DADA shares in the month prior to the assignment of the option rights and in any case above the average share price in the last six months.

The number of personnel in the Dada Group at March 31, 2006 was 283, of which four Executives, while at December 31, 2005 the number of personnel was 251 and at March 31, 2005 the number was 226 (of which four executives).



SEGMENT INFORMATION OF THE GROUP AS PER IAS 14

The DADA Group's primary information disclosure is by Business Units.

The Business Units of the DADA Group are comprised of the Consumer Division, the Business Division and the Self-Provisioning Division.

Two of these Divisions - Consumer Services and Business Services - are managed by the Parent Company, while the Self-Provisioning Division is managed by Register.it S.p.A.

The Consumer Division includes Dadamobile S.p.A. and Clarence s.r.l, while Softec S.p.A. and Planetcom S.p.A. are part of the Business Division.

The following divisional income statements and balance sheets take into account the costs and revenues and assets and liabilities of each segment.

The share of general expenses and overhead amortisation and depreciation is not allocated to the individual divisions, but only allocated at consolidated level ("corporate depreciation and amortisation" and "general expenses not allocated" accounts). In addition, write-downs, extraordinary items and income taxes are not included in the divisional results.

The segment costs and revenues are considered before infra-divisional balances, which are eliminated in the consolidation process (column "adjustments" of the tables).

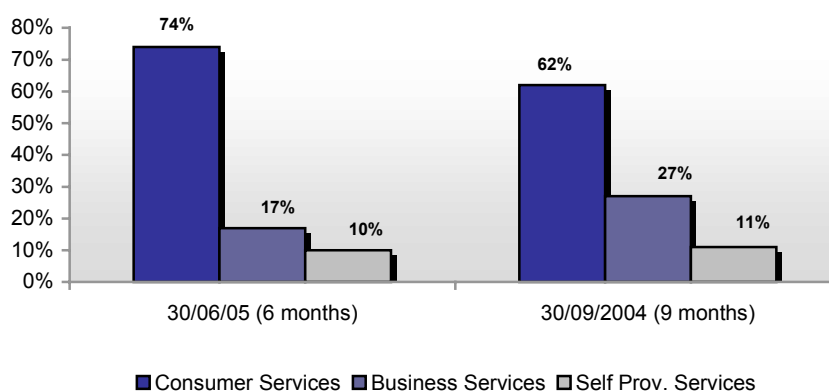
The secondary segment was determined as two geographic areas.



Break Down of consolidated sales in the three divisions

Description	31/03/2006		31/03/2005	
	Amount	% of total	Amount	% of total
Consumer Services	16,927	74%	9,388	62%
Business Services	3,880	17%	4,114	27%
Self-Provisioning Services	2,185	10%	1,633	11%
Inter-divisional revenues	-323		-615	
Consolidated Revenues	22,669	100%	14,521	100%

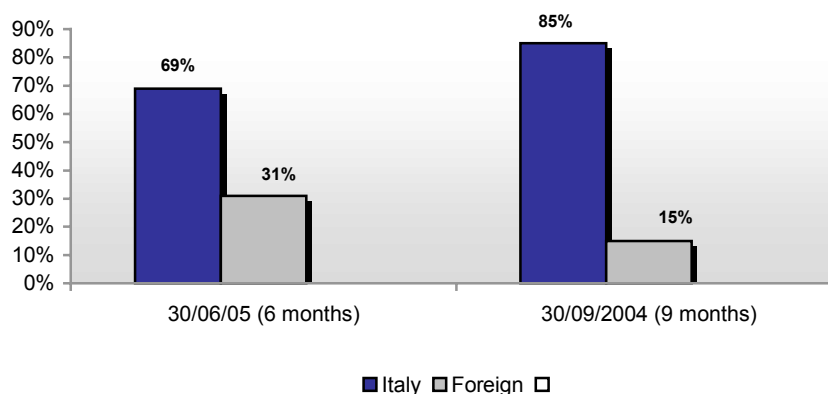
The percentages are calculated based on the sales figures of the three divisions, gross of intra-divisional revenues



Division of consolidated sales by geographic area

Description	31/03/2006 (3 Months)		31/12/2005 (3 Months)	
	Amount	% of total	Amount	% of total
Revenues Italy	15,751	69%	20,031	85%
Revenues Overseas	6,917	31%	3,490	15%
Consolidated Revenues	22,669	100%	23,521	100%

The percentages are calculated based on the sales figures of the three divisions, gross of intra-divisional revenues



CONSUMER SERVICES

The revenue sources of the **Consumer Division** are shown below:

- Revenues from VAS (Value Added Services): this relates to fee-based services to the final user through consumption or subscription;
- On-line advertising revenues on its portals, interactive marketing and connectivity.

Operational Performance

In the first quarter of 2006, Dada continued in the direction of the previous year and confirmed its decision to focus on Consumer services. Dada also initiated important new Web and Mobile projects and continued the expansion of both its Italian and international customer base.

Internationalisation

In the first quarter of 2006, the turnover from international operations amounted to 46.8% of revenues in the Consumer Division, an increase of 89.7% compared to Q4 2005.

The most important market for Dada at international level is the United States, where the Company operates through its subsidiary Dadamobile Inc. The Dadamobile service, launched in the USA in Q2 2005, recorded sales of Euro 5.9 million in Q1 2006, 34.8% of the total revenues in the Consumer Division, an increase of 103% compared to Q4 2005. Contributing to this increase was the 24.3% increase in investments in the US compared to the final quarter of 2005, in order to acquire new customers through advertising campaigns on the leading websites, search engines and affiliated American networks.

The growth of US business marked a milestone for Dada in the first quarter of 2006 with the expansion of its Services to over 50 million Verizon (a leading USA telephone operator) customers - thus allowing Dada to reach a catchment area of approximately 150 million US mobile phone users for distribution of its services.

The first quarter saw Dada as the main player in important international events such as the annual "CTIA Wireless 2006" trade fair, held in Las Vegas and organised by the International Cellular Telecommunications Industry Association.

DADA's participation in the event, which is the main international meeting point for sector operators, is linked to its recent entrance into the Mobile Entertainment Forum, the association which groups together mobile entertainment's largest international players.

Dada currently offers its value added Services/Products in Italy, the USA, Germany, the UK, France, China and, beginning in the first quarter of 2006, Portugal and Australia. The launch will take place in the first half of 2006 in The Netherlands, Spain, Belgium, Austria and Ireland.

Italy

In the first quarter of 2006, Dada consolidated its leadership within the Italian market in the Community and Entertainment services via internet and mobile telephony field, with over 0.9 million active VAS mobile services customers, over 2.1 million users registered to its Community and 13.9 million unique browsers/month to its superEva, Clarence and Dadamobile websites.

Dadamobile and superEva products are suited to Web and SMS but are also accessible through the Microbrowsing channel thanks to the deck presence of primary mobile operators such as Vodafone Live!, Tim, PianetaTre and Imode.

Management believe that this channel, representative of mobile internet, will have an ever-increasing influence on the success of the Net and consequently on the



services offered by Dada, resulting in an increased customer base and in opportunities for use at any time of day.

For instance, exclusive content relating to the launch of Gianna Nannini's new album, "Grazie" and specials for artists such as Cesare Cremonini, Anastacia, Nomadi, Sugarfree, Riccardo Cocciante, Red Hot Chilli Peppers, Ron, Jack Johnson, Michael The Turtle, Dolce era and Ricky Martin can now be downloaded by 3 mobile videophones.

Dada created a world exclusive, with digital content, for the 30 participants of the 2006 edition of the San Reno Festival, again through the Microbrowsing channel, as well as the ringtones for competition pieces, the wallpapers and background, the full specials for the most popular artists and the ringtones of famous San Remo songs.

Dada.net

The first quarter of 2006 saw the gradual consolidation of the products and services offered by Dada into a unique "all inclusive" package. Dada.Net (<http://beta.dada.net>).

Through its Mobile Dada, Love Dada and Blog Dada sections, Dada offers its subscribers an integrated Mobile Entertainment, Dating, Blog and Community environment based on AJAX technology, which, thanks to the complete and transparent integration of the mobile and internet platforms, increases its value and simplifies and maximises its chance of success.

Through Dada.net for instance, you can create a Blog mobile (Mobcast) by simply sending a photo via MMS. The blog is immediately accessible through Web and Mobile and can be sent to your "Social Network" members via an SMS link. It can also be indexed and searched through Tags and votes can be made via web or mobile.

Making new friends, exchanging messages and chatting via Web, SMS and WAP are fully integrated. Finally, you can listen to previews and download thousands of ringtones, realtones, full songs as well as images, backgrounds, Java games and subscribe to information services via SMS and MMS.

Dada.net is based on platforms wholly designed by Dada, through its 10-year experience of the infrastructure and internet and IP-base applications field, one of the Company's strengths.

Net Marketing

In the Net Marketing sector, DADA is promoting itself as a partner capable of directing Internet traffic towards business activity sites or portals that can thus increase earnings from their own models. Through its sales force and its retailer network, present throughout Italy, DADA plans its campaigns using the most up-to-date systems:

CPM - where advertising impression drives the campaign, that is, the number of times that an advertising message is shown; CPC - where the number of clicks DADA is able to bring to the customer's site through its own platform drives the campaign; CPA - where DADA works on all angles of Net Marketing and applies a success fee to a defined parameter, for example: registered users, purchases made, forms issued, etc.

These activities include:

- sale and development of on-line advertising campaigns, in particular banners, sponsored news-letters and Direct Email Marketing, as well as advertising via text messaging. These activities are carried out with help from the network of portals owned by DADA and centred on www.supereva.it. This Network is in constant and continuous growth and in April superEva was consulted by 18,389,000 unique monthly users (Source: Audiweb Census Report 04-2006) with a total of 169 million network pages viewed, reasserting its position as one of the most visited sites by Italian users.

- In respect of the provision of Search Engine Marketing services, which includes a range of products aimed at businesses that wish to have optimum search



engine ratings, the first quarter of 2006 saw the launch, in collaboration with Register.it, of “100Motori”, the first fully automatic indexing product available online. In three months, in excess of 1,000 packages were sold online.

Within Net Marketing, the internal agency continues its expansion in the Italian online advertising markets. Three vertical portals on the world of television and cinema were acquired as property destined for sale. Thanks to the DADAclick offer, the first quarter also saw the consolidation of the quality pay-per-click market.

Companies investing on the Net receive an immediate and measurable return from their investment and will make up the largest part of the on-line advertising market, with the remainder left to brand awareness. DADA is one of the leading sector players, having created the so-called DADAclick platform, capable of transforming different kinds of on-line traffic into revenue for the client. During the course of this year, DADAclick, set up in December 2005, will focus not only on national campaigns but also on the international market - and the USA in particular.

RCS and Dada collaboration

The first significant collaboration with RCS began in 2006; in particular - the launch of the RCS Mobile service, a mobile telephone information service and personalised entertainment package powered by Dadamobile.

The service consists of the provision of editorial and entertainment content for the RCS Group newspapers and magazines, such as Gazzetta, Corriere, Astra, Novella and Max, in addition to the full provision of mobile entertainment through Dadamobile. Through RCS Mobile, customers can activate information services and receive real-time information on sports, news and lifestyle, download wallpapers and theme ringtones, such as football anthems for top football teams or wallpapers for the most popular footballers or Max Top Models; all this within an all inclusive package.

In the community sector, the radio station of the Rcs Group - Playradio - has entrusted DADA with the creation of a series of blogs focused on the radio programmes and listeners. All of the online diaries have been developed on the DADA.net platform, the first community combining web and mobile phones with blogs and social networking.

For example, “Casa Play” (<http://casaplay.blog.dada.net>), the fly on the wall blog about the radio station, has been online since April. Each day, a “mystery voice” recounts tales and gossip about presenters and what goes on behind the scenes on programmes in a lively, original and entertaining way. The blog allows listeners to find out what happens in the “play” world when the microphones are switched off.

Play Radio will soon offer its listeners the possibility of creating their own personal blog on the DADA.net platform.



Consumer Services results

Consumer Services						
In Euro thousands	First quarter 2006		First quarter 2005		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	9,943	59%	9,283	99%	660	7%
Revenues- third parties Foreign	6,917	41%	21	0%	6,896	100%
Revenues- inter-sector	67	0%	84	1%	-17	-25%
Net sales	16,927		9,388		7,539	45%
Increases in internal work	534	3%	203	2%	331	62%
Services	-13,303	-79%	-6,462	-69%	-6,841	51%
Other revenues	-1,628	-10%	-962	-10%	-666	41%
Segment Ebitda	2,530	15%	2,166	23%	364	14%
Amortisation and depreciation	-477	-3%	-388	-4%	-89	19%
Segment Ebit	2,053	12%	1,778	19%	275	13%

The Division ended the first quarter of 2006 with total sales of Euro 16.9 million, compared to Euro 17.5 million in the previous quarter and Euro 9.4 million in the first quarter of 2005. Compared to revenues in the fourth quarter of 2005 reference should be made to the previous comments on the recoveries from some telephone operators amounting to Euro 2 million.

It is underlined, in particular, that in the first quarter the international activity saw significant increases in turnover, consisting of 41% of the total revenues of the division and approximately 31% of the consolidated net revenues of the Group.

The Ebitda in the quarter was Euro 2.3 million compared to Euro 2.2 million in the same period in the previous year. In relation to this margin, consideration should be taken of the launch of the international operations, whose full benefits will be seen in the coming quarters.

The Ebit in the segment was Euro 1.8 million (11% of division sales) after amortisation and depreciation of Euro 0.5 million. In the first quarter of 2005, this amounted to Euro 1.8 million.

The contribution of the Consumer Division to total consolidated results continues to increase, with the turnover in the first quarter representing 75% of the consolidated net revenues of the Group, while amounting to 80% of the Group Ebitda and 75% of the Group Ebit.

BUSINESS SERVICES

The revenue sources of the **Business Division** are shown below:

- Revenues from development of Web projects;
- Revenues from design and realisation of infra-structures.

In relation to the technological solutions developed by DADA for business clients, the marked increase in the demand of VAS mobile solutions is noted, or rather platforms that permit companies to offer their base users content, services and applications available through mobile.

In particular, the first quarter of the year saw the realisation of an important project for H3G Italia, as evidence of multidisciplinary requested. DADA has manufactured 25 multimedia jukeboxes that will be placed at TRE sales points in Italy. The jukeboxes allow you to record music, video and films on to TRE mobiles,



with an innovative system of interconnection and updates, created entirely by DADA. This venture combines mobile solutions, web design and system integration competences, as well as a strong creative flair, giving the consumer easy access to the world of TRE.

Business Services results

Business Services						
In Euro thousands	First quarter 2006		First quarter 2005		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	3,658	94%	3,622	88%	36	1%
Revenues- inter-sector	222	6%	492	12%	-270	-122%
Net revenues	3,880		4,114		-235	-6%
Increases in internal work	57	1%	14	0%	43	75%
Services	-2,562	-66%	-2,692	-65%	130	-5%
Personnel costs	-940	-24%	-1,004	-24%	64	-7%
Segment Ebitda	434	11%	432	11%	2	0%
Amortisation and depreciation	-79	-2%	-128	-3%	49	-62%
Segment Ebit	355	9%	304	7%	51	14%

The Business Division ended the first quarter of 2006 with a turnover of Euro 3.9 million, a decrease compared to the first quarter of 2005, which amounted to Euro 4.1 million. It is recalled that from the fourth quarter of 2005, the company Ad Maiora S.p.A. was deconsolidated and which had contributed to sales of Euro 435 thousand in the first quarter of 2005.

The Ebitda amounted to Euro 0.4 million, in line with the result in the previous year.

The segment Ebit was Euro 0.4 million after amortisation and depreciation of approximately Euro 0.1 million (an improvement compared to the previous year when it was Euro 0.3 million).

SELF PROVISIONING SERVICES

The sources of revenue for the Self Provisioning Division result from domain registration, payable e-mail and hosting services or to be more precise, services with automatic supply and provision methods directed mainly at SME's.

In the first quarter of 2006, Register.it focused on the launch of the new .EU domains, introduced in December 2005 (reserved for those holding rights on names and trademarks for the first 4 months and available to the general public from April 2006). In the first 4 months of the reserved registrations, Register.it consolidated its leadership of the Online Brand Protection market for Italian companies and issued over 7,500 registration requests, representing over 37% of Italian requests.

Partly on account of the interest generated by .EU pre-registrations, 9,000 new paying customers were acquired in the first three months of 2006 (approx. 4,300 Q1 2005) and 27,000 new domains were registered (21,000 Q1 2005). Due to existing customer retention incentives, over 39,000 domains were renewed, with an average renewal rate of 75%, compared to 32,000 in Q1 2005 (72.5%). Finally, email and hosting products also saw an increase in turnover, from approximately Euro 500 thousand in Q1 2005 to over Euro 630 thousand in the first 3 months of 2006.



Self Provisioning Services results

Self Provisioning						
In Euro thousands	First quarter 2006		First quarter 2005		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	2,151	98%	1,595	98%	556	26%
Revenues- inter-sector	34	2%	38	2%	-4	-12%
Net revenues	2,185		1,633		552	25%
Increases in internal work	105	5%	90	6%	15	14%
Services	-955	-44%	-596	-37%	-359	38%
Personnel costs	-556	-25%	-474	-29%	-81	15%
Segment Ebitda	779	36%	653	40%	126	16%
Amortisation and depreciation	-151	-7%	-126	-8%	-24	16%
Segment Ebit	628	29%	526	32%	102	16%

The sales in the Self Provisioning Division in the first quarter of 2006 amounted to Euro 2.2 million, an increase of 34% compared to the previous year, which amounted to Euro 1.6 million. The .EU domain pre-launch registration phase contributed to the increase.

There was a similar increase in the margins which amounted to Euro 0.8 million and equal to approximately 36% of turnover.

The Ebit in the segment was Euro 0.6 million (30% of division sales) after depreciation and amortisation of Euro 150 thousand. In the first quarter of the previous year, the Ebit was Euro 0.5 million. In relation to amortisation and depreciation, the previous considerations apply in relation to the impact of the international accounting standards.

The Self Provisioning Division also recorded at March 31, 2006 deferred revenues of approx. Euro 4.4 million.

SUBSEQUENT EVENTS TO THE PERIOD END

The figures after the end of the period confirm the trend of the revenues in the first 3 months of the year. There has been a growth in international activity in particular - the contribution of which is expected to be seen in the following quarters.

Florence, May 9, 2006

For the Board of Directors,

The Chairman, Paolo Barberis




WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT MARCH 31, 2006

Amounts in Euro/thousands	Mar 31, 06	Dec 31, 05
Fixed assets (A) (*)	19,813	19,704
Current assets (B)	40,850	34,999
Current liabilities C	-38,171	-34,276
Net working capital (D) = (B)-(C)	2,679	723
Employee leaving indemnity provision (E)	-1,559	-1,455
Provision for risks and charges (F)	-826	-836
Net capital employed (A+D+E+F)	20,107	18,136
Medium-long term payables	-527	-964
Shareholders' equity (G)	-43,483	-40,209
Short-term bank debt	-1,083	-734
Short-term fin. receivables and securities	5,617	11,894
Cash and cash equivalents	19,369	11,877
Short-term net financial position	23,903	23,037



RECLASSIFIED CONSOLIDATED INCOME STATEMENT OF THE DADA GROUP AT MARCH 31, 2006

Amounts in Euro/thousands	Mar 31, 06 (3 months)	Mar 31, 05 (3 months)
Net Revenues	22,669	14,521
Changes in inventory and internal work	696	293
Service costs and other operating costs	-16,745	-9,332
Personnel costs	-3,263	-2,518
Ebitda	3,357	2,964
Amortisation and depreciation	-779	-679
Non-recurring income (charges)	-149	-68
Provisions and write-downs	-10	13
Ebit	2,419	2,230
Financial income	162	98
Financial charges	-160	-89
Profit before taxes	2,421	2,239
Income taxes	-705	-402
Net profit	1,716	1,837
Minority interest profit	-37	-135
Group net profit	1,679	1,702



CONSOLIDATED CASH FLOW OF THE DADA GROUP AS AT MARCH 31, 2006 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousands	31/03/06 (3 months)
Operating activities	
Result for the period	1,679
<i>Adjustments for:</i>	
Investment income	-162
Financial charges	160
Income tax expense	705
Depreciation of tangible assets	277
Amortisation of other intangible assets	502
Other provisions	114
Increases/(decreases) in provisions	-10
Cash flows generated from operating activities before changes in working capital	3,265
Increase in inventories	74
(Increase)/ decrease in receivables	-5,520
Increase in trade payables	3,190
Cash flow generated from operating activities	1,009
Income taxes paid	
Interest paid	-160
Net cash flow generated from operating activities	849
Investment activities	
Interest received	162
Purchase of tangible fixed assets	-484
Purchase of trading financial assets	4
Acquisition of other intangible assets	-823
Net Cash flow used in investment activities	-1,141
Financial activities	
Repayment of loans	-437
Payments deriving from share capital increases	1,431
Other changes	164
Net Cash flow generated from financing activities	1,158
Net increase/(decrease) in cash and cash equivalents	866
Cash and cash equivalents at beginning of the period	23,037
Cash and cash equivalents at 31/03/06	23,903



RECONCILIATION STATEMENT OF THE BALANCE SHEET AT MARCH 31, 2005

DADA GROUP BALANCE SHEET	31/03/05			31/03/05	
	Amounts in Euro/thousands	Italian GAAP	Reclass.	Adjustments	IAS/IFRS
ASSETS					
<i>Fixed assets</i>					
Property, plant and equipment	2,820	46		2,866	
Goodwill	4,564		2,107	6,671	
Intangible fixed assets	5,306	-46	-1,092	4,169	
Financial assets	579			579	
Deferred tax assets	4,150			4,150	
Total	17,419	0	1,015	18,434	
<i>Current assets</i>					
Inventories	62			62	
Trade receivables	21,382		-90	21,292	
Tax receivables and others	1,465	1,852		3,317	
Financial assets held for trading	12,555	-3,387		9,168	
Cash and cash equivalents	11,550			11,550	
Prepayments and accrued income	1,852	-1,852		0	
Total	48,866	-3,387	-90	45,389	
TOTAL ASSETS	66,285	-3,387	925	63,823	
SHAREHOLDERS' EQUITY AND LIABILITIES					
<i>Capital and reserves</i>					
Share Capital	2,692			2,692	
Share premium reserve	31,397		3,464	34,860	
Treasury shares	0		-4,209	-4,209	
Legal reserves	406			406	
Other reserves	3,368	-3,387		-19	
IAS reserve	0		-7,899	-7,899	
Retained earnings/accumulated losses	-6,662		9,334	2,672	
Profit for the period	1,477		225	1,702	
total	32,677	-3,387	915	30,205	
Minority interest share	2,595			2,595	
Total Shareholders' Equity	35,272	-3,387	915	32,800	
<i>Medium/long term liabilities</i>					
Bank loans (beyond one year)	2,283		11	2,294	
Provisions for risks and charges	1,255			1,255	
Employee leaving indemnity	1,527			1,527	
Other payables beyond one year	300			300	
total	5,365	0	11	5,376	
<i>Current liabilities</i>					
Trade payables	16,050			16,050	
Other payables	2,478	4,952		7,430	
Tax payables	1,451			1,451	
Bank overdrafts and loans (within one year)	716			716	
Accruals and deferred income	4,952	-4,952		0	
total	25,647	0	0	25,647	
TOTAL EQUITY & LIABILITIES	66,285	-3,387	925	63,823	



RECONCILIATION STATEMENT OF THE INCOME STATEMENT AT MARCH 31, 2005

DADA GROUP INCOME STATEMENT		31/03/05			31/03/05
Amounts in Euro/thousands	Italian GAAP	Reclass.	Adjustments	IAS/IFRS	
Net Revenues	14,521			14,521	
Cost of raw materials and consumables	-18			-18	
Change in inventory and internal works	293			293	
Service costs and other operating costs	-9,314	-40	-28	-9,382	
Personnel costs	-2,518			-2,518	
Operating charges	0			0	
Non-recurring income/(charges)	0			0	
Provisions and write-downs	527		-513	13	
Amortisation and depreciation	-799		120	-679	
Amortisation of goodwill	-722		722	0	
Ebit	1,968	-40	300	2,229	
Investment income	98			98	
Other financial income	-52		1	-51	
Financial charges	-38			-38	
Extraordinary income (charges)	37	40	-76	0	
Profit before taxes	2,013	0	225	2,239	
Income taxes	-402			-402	
Net result	1,611	0	225	1,837	
Minority interest profit	-135			-135	
Group net result for the period	1,476	0	225	1,702	

