Dada

SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS OF THE DADA GROUP AS AT DECEMBER 31, 2007
(Prepared in according with IAS/IFRS)

Registered Offices: Viale Giovane Italia, 17 - Florence
Share capital Euro 2,755,711.13 full paid-in
Florence Company Registry Office no. F1017-68727-REA 467460
Fiscal code/Vat no. 04628270482

2007

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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	Director [2]
Salvatore Amato	Director [3,4,5]
Marco Argenti	Director [2]
Lorenzo Lepri	Director [2]
Raffaello Napoleone	Director [3,4]
Barbara Poggiali	Director
Monica Alessandra Possa	Director [5,6]
Roberto Ravagnani	Director
Riccardo Stilli	Director
Giorgio Valerio	Director
Pietro Varvello	Director
Danilo Vivarelli	Director [3,4,5]

1 - Chairman with signatory powers for all operational areas of the Company
2 - Director with signatory powers in some areas of the Company
3 - Independent director in accordance with the self-governance code for Listed Companies
4 - Member of the Internal Control Committee
5 - Member of the Remuneration Committee
6 - Co-opted in accordance with article 2386 of the civil code during the year

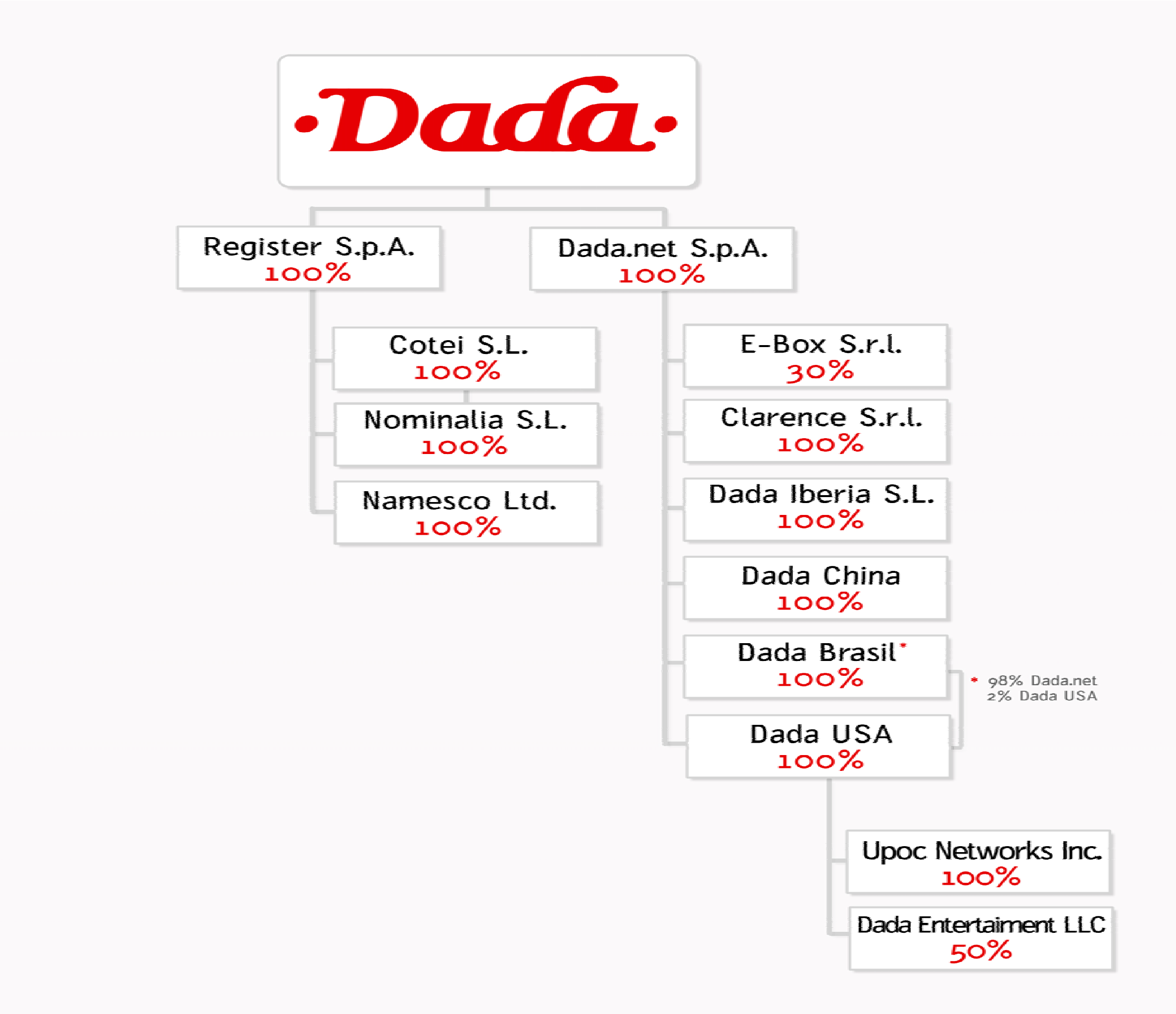
BOARD OF STATUTORY AUDITORS

Pier Angelo Dei	Chair - Board of Stat. 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.

STRUCTURE OF THE GROUP



KEY FINANCIAL RESULTS OF THE DADA GROUP AS PER IAS/IFRS ACCOUNTING STANDARDS

Consolidated Results (12 months)

(millions of Euro)	31/12/2007	31/12/2006
Revenues	158.5	111.4
Ebitda	22.2	15.7
Amortisation & Depreciation	-5.4	-4.0
Ebit	15.8	10.8
Group net profit	12.5	12.5

Consolidated balance sheet as at December 31, 2007

(millions of Euro)	31/12/2007	31/12/2006
Net Working Capital	1.5	7.0
Net Capital Employed	85.3	42.8
Net Equity	68.5	54.3
Short-term net financial position	9.7	11.8
Total net financial position	-16.8	11.5
Number of employees	474	373

* For the calculation of the alternative performance indicators, reference should be made to page 19

KEY FINANCIAL RESULTS OF THE PARENT COMPANY DADA S.P.A. AS PER IAS/IFRS ACCOUNTING STANDARDS

Results of Dada SpA (12 months)

(millions of Euro)	31/12/2007	31/12/2006
Revenues	106.4	68.5
Ebitda	8.2	7.6
Amortisation & Depreciation	-3.4	-2.8
Ebit	4.0	4.3
Net profit for the year	1.0	7.3

* For the calculation of the alternative performance indicators, reference should be made to page 19

Balance Sheet data of Dada SpA as at December 31, 2007

(millions of Euro)	31/12/2007	05/03/1900
Net Working Capital	2.0	3.5
Net Capital Employed	46.8	50.0
Net Equity	56.9	-53.5
Short-term net financial position	10.1	3.5
Number of employees	194	177

DIRECTORS' REPORT ON OPERATIONS

INTRODUCTION

The present consolidated financial statements at December 31, 2007 were prepared in accordance with IAS/IFRS issued by the IASB approved by the European Union and article 81 of the Issuers' Regulations No. 11971, issued by Consob on May 14, 1999, and subsequent amendments.

The present 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 2007. If this occurs, therefore, it is possible that there will be an effect on the data presented in the IFRS first half-year report.

DADA GROUP PROFILE

Dada S.p.A. is an international leader in the community and entertainment sector via web and mobile, and is the parent company of a Group fully dedicated to the development of Net activities and services.

Dada is listed on the Milan Stock Exchange on the STAR segment (DA.MI) and includes the RCS group (which holds approx. 46.9%) among its shareholders, in addition to the management and founding shareholders with approx. 12.4% of the share capital.

In 2007, the Dada Group continued the implementation of the following strategic guidelines:

- focus on the objectives and the development of the three business areas: Dada.net for Dada.net, Dada.adv for online and mobile advertising, and Dada.pro for professional business services;
- increased investment in the development of new products aimed at further expansion on international markets, including through the acquisition of other companies.

The Dada Groups services are provided through the Dada.net community (www.dada.net) and offers its customers a wide range of "Mobile Entertainment" and "Community" products and services, accessible both via PC and Mobile phone (through the SMS/MMS channel and its "Deck" presence - the micro-portals of the main mobile phone operators).

The uniqueness of the Dada services is due to the convergence of a vast number of applications and a rich library of content, from Entertainment/Infotainment to Social Networking and Dating, in a single all inclusive subscription, accessible via web and mobile.

Through the business unit Dada.adv and the brand Dada Ad, Dada offers advertising solutions on the internet and portals of UMTS mobile carriers. Dada.adv is in fact the advertising agency of Dada, which manages exclusively the advertising spaces on the mobile phones of 3 Italia, Vodafone and Ansa (on the Wind platform), in addition to the advertising spaces on well-known websites and portals.

Dada.pro includes the activities of Register.it S.p.A., the consolidated leader in the registration of internet domains and the management of the online presence of individuals and businesses. In 2006, Dada.pro acquired Nominalia S.L. and in July 2007 acquired Namesco Ltd., leaders respectively in Spain and in the UK in the same sector of domains and hosting.

The Dada Group includes Upoc Networks - a provider of added value web and mobile phone services in the US, Tipic Inc. - an international leader in the blog and social networking sector with the Splinder and Motime brands, and Blogo - the most visited Italian vertical blog network.

It is recalled that on July 16, 2007, the creation of the joint venture "Dada Entertainment LLC" by Dada and SONY BMG MUSIC ENTERTAINMENT was announced, which aims to develop a new offer of entertainment services accessible via web and mobile.

50% of Dada Entertainment will be held by Dada USA Inc and the remaining 50% by SONY BMG MUSIC ENTERTAINMENT.

OPERATIONAL OVERVIEW

Dear Shareholders,

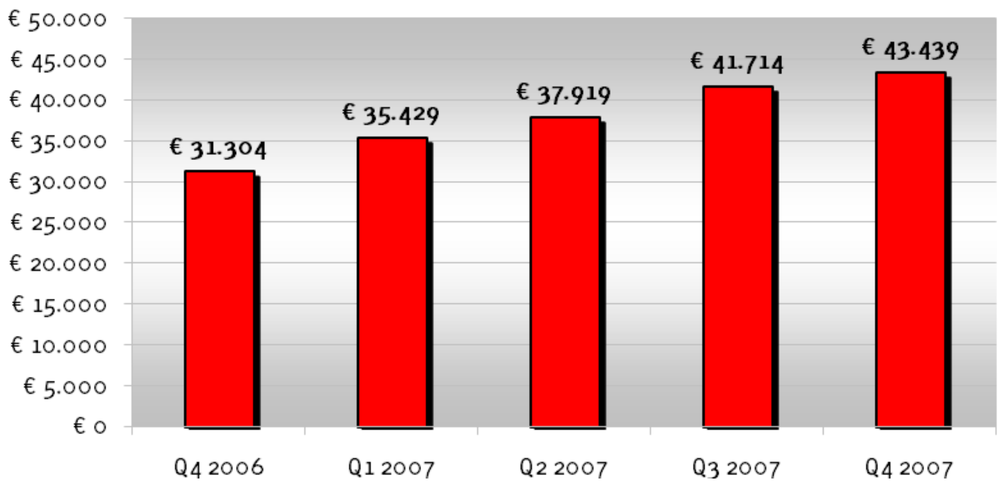
In 2007, the **DADA Group** recorded **consolidated revenues** of **Euro 158.5 million**, compared to Euro 111.4 million in the previous year, **an increase of 42%**.

In the fourth quarter of 2007, the Dada Group recorded **consolidated revenues of Euro 43.4 million,** an increase of 39% compared to the fourth quarter of 2006 (Euro 31.3 million) and 5% compared to the third quarter of 2007 (Euro 41.8 million).

The **Parent Company DADA S.p.A** in 2007 recorded revenues of Euro 106.4 million compared to Euro 68 million in 2006, a growth of 56%. In the fourth quarter, the sales of the Parent Company amounted to Euro 21.4 million, a growth of 21.5%.

The consolidated revenues trend in the last 5 quarters is shown in the table below:

CONSOLIDATED QUARTERLY REVENUES



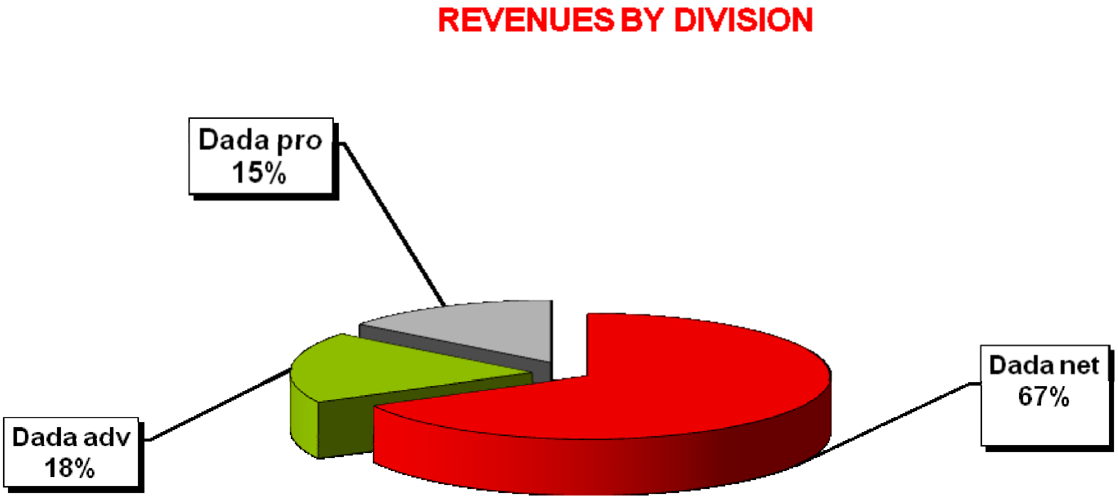
The contribution of the Dada net division to DADA Group turnover in 2007 was 67% compared to 72% in the previous year.

In 2007, Dada.adv accounted for 18% of consolidated turnover, in line with the previous year. The Dada pro division accounted for 15% of consolidated turnover, a growth of 10% compared to the previous year.

The contribution of the divisions was impacted by the change in the consolidation scope, whose effects are described below.

For further information on the performance of the divisions, reference should be made to the paragraph on segment information as per IAS 14.

The Graph below shows the breakdown of turnover by business unit in the fourth quarter of 2007:



Overseas sales have made further significant advances in the year through expansion in countries in which the group already operated in 2006 and the opening of Dada net in new countries and through acquisitions (Namesco, an English company, for the Dada pro division). Revenues from international activities grew significantly in 2007, accounting for 47% of turnover compared to 39% in 2006.

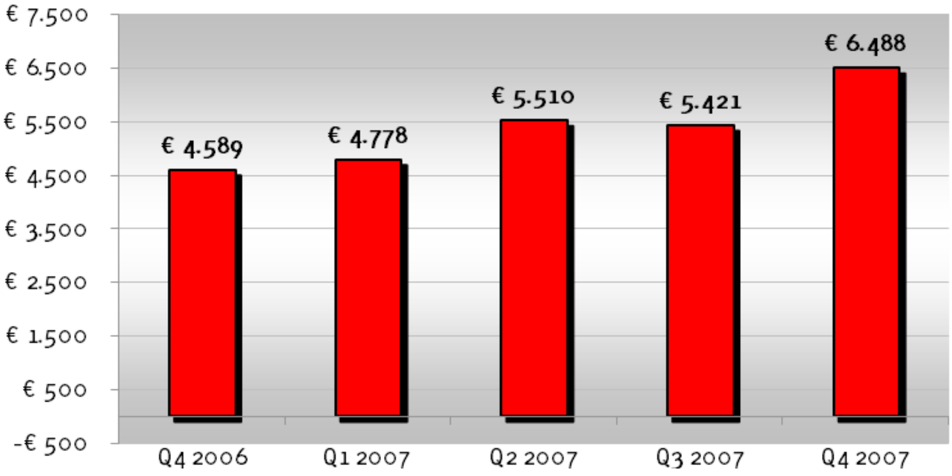
The contribution from the Brazilian and Spanish markets were particularly significant, as was turnover in the US where the activities of Dada net were conferred into the Joint Venture with Sony BMG Dada Entertainment LLC in the fourth quarter.

The **consolidated EBITDA of the Group in 2007** (before write-downs and other extraordinary items) **amounted to Euro 22.2 million** compared to Euro 15.7 million in the previous year, growth of 41%. In the fourth quarter of 2007, the Ebitda was Euro 6.5 million compared to Euro 4.6 million in the fourth quarter of 2006, a growth of 41%.

The **Parent Company DADA S.p.A.** reported an Ebitda of Euro 8.2 million compared to Euro 7.6 million in 2006, a growth of 12%.

The trend of the consolidated Ebitda in the last 5 quarters is shown in the graph below:

CONSOLIDATED EBITDA



The total net financial position, which includes loans repayable beyond one year, was a net debt of Euro 16.8 million, in comparison to a cash position of Euro 11.5 million in 2006 and a net debt of Euro 18.3 million in the previous quarter.

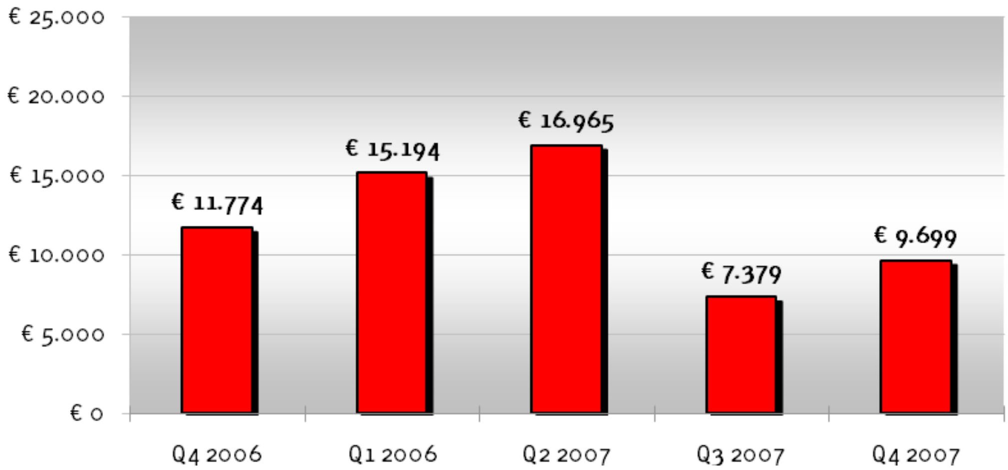
The cash position was significantly impacted by the Group investment activities as described in further detail in the present report.

The year also saw a significant sales drive in relation to international expansion as previously described. In the fourth quarter of 2007 the short-term net financial position grew by approx. Euro 2.3 million, from Euro 7.4 million at September 30, 2007 to Euro 9.7 million at December 31, 2007.

Funds were also absorbed in the year amounting to Euro 8.2 million for the purposes of technological investments and development activities.

The graph below shows the changes in the net financial position:

CONSOLIDATED SHORT-TERM NFP



The short-term Consolidated Net Financial Position of the Dada Group at December 31, 2007 was a cash position of Euro 9.7 million, compared to Euro 11.8 million at December 31, 2006. The **Parent Company DADA S.p.A.** ended the year with a short-term net financial position of Euro 10.1 million compared to Euro 3.5 million at December 31, 2006.

Financial Highlights

The key financial highlights of the **Dada Group** in 2007 are provided below, together with a comparison with the previous year:

Amounts in Euro/thousand	Dec 31, 07 12 months		Dec 31, 06 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	**158,514**	**100%**	**111,435**	**100%**	**47,079**	**42%**
Changes in inventory and internal work	4,557	3%	3,547	3%	1,010	28%
Service costs and other operating costs	-116,976	-74%	-84,080	-75%	-32,896	39%
Personnel costs	-23,895	-15%	-15,190	-14%	-8,705	57%
Ebitda*	**22,200**	**14%**	**15,712**	**14%**	**6,488**	**41%**
Depreciation & amortisation	-5,368	-3%	-3,982	-4%	-1,386	35%
Non-recurring income (charges)	-261	0%	-272	0%	11	-4%
Revaluations/(Write-downs)	-751	0%	-673	-1%	-78	12%
Ebit	**15,820**	**10%**	**10,785**	**10%**	**5,035**	**47%**

* before write-downs and extraordinary items of Euro 1.0 million

The reclassified results of the **Parent Company DADA S.p.A.** for 2007 and 2006 are reported below:

Amounts in Euro/thousand	Dec 31, 07 12 months		Dec 31, 06 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	106,441	100%	68,472	100%	37,969	55%
Changes in inventory and internal work	3,110	3%	2,869	3%	241	8%
Service costs and other operating costs	-89,456	-84%	-55,177	-52%	-34,279	62%
Personnel costs	-11,931	-11%	-8,544	-8%	-3,387	40%
Ebitda	8,164	8%	7,620	7%	544	7%
Depreciation & amortisation	-3,364	-3%	-2,832	-3%	-532	19%
Non-recurring income (charges)	-183	0%	-150	0%	-33	22%
Revaluations/(Write-downs)	-575	-1%	-369	0%	-206	56%
Ebit	4,042	4%	4,269	4%	-227	-5%

* before write-downs and extraordinary items of Euro 0.8 million

For further information on the results, reference should be made to attachments 2) and 3) on pages 76 and 77.

The consolidated revenues of the DADA Group in 2007 amounted to Euro 158.5 million (of which Euro 72 million, net of inter-company sales, related to the Parent Company DADA S.p.A.) compared to Euro 111.4 million in the previous year (Euro 52 million, net of inter-company sales, from DADA S.p.A), an increase of 42%.

The revenue trend by quarter shows similar results, with sales in the fourth quarter of Euro 43.4 million (of which Euro 26 million from the Parent Company DADA S.p.A.), while sales in the fourth quarter of 2006 amounted to Euro 31.3 million (an increase of 39%) and Euro 41.8 million in the third quarter of 2007 (an increase of 5%).

During the year, the consolidation scope changed significantly – for further information, reference should be made to the table on page 78 of the notes to the consolidated financial statements.

The principal effects on revenues in the year and the fourth quarter of 2007 compared to the same periods of 2006 are shown below:

- in 2006 Planet Com S.p.A. was consolidated for 6 months (sold in July 2006) and Softec for 12 months - sold in April 2007 and was therefore consolidated for just 3 months in 2007. The total net effect of this change was Euro -4.8 million in 2007;

- in 2007, the following companies were fully consolidated: Namesco Ltd for six months (purchased in July 2007) with a contribution to revenues of Euro 6.8 million, Nominalia SL (consolidated for 6 months in 2006) and Upoc (consolidated for 5 months in 2006) for 12 months with a greater contribution to revenues of Euro 4.3 million;

- in the fourth quarter of 2006, Softec S.p.A. was fully consolidated, contributing Euro 0.6 million and the Dada.net service related activities in the United States carried out prevalently by Dada Usa Inc had a net effect on revenues of Euro 2.6 million. These activities were conferred to the Joint Venture Dada Entertaiment LLC, incorporated with Sony BMG, whose operations began in 2007. This company is valued in the present financial statements under the equity method;

- in the fourth quarter of 2007, the Company Namesco Ltd. was fully consolidated with a total contribution of Euro 3.4 million.

At divisional level, it is recalled that from the current year the organisational structure of the Dada Group was reviewed and now comprises the following divisions: **Dada.net**, **Dada.adv** and **Dada.pro**.

As described in greater detail in the section "Segment Information", the principle change is the creation of the Dada.adv Division which comprises the provision, purchase and sale of advertising on the web and mobile phone and assumes the revenue sources of the preceding Business Division. The advertising revenues in the previous year were included in the Consumer division, now Dada.net.

The Self Provisioning Division was renamed Dada.pro.

The breakdown of consolidated revenues of the Dada Group **by sector of activity** reports:

The **Dada.net Division:** contributed consolidated revenues in 2007 of Euro 111 million, an increase of 23% on 2006 (Euro 90 million). The contribution of the division to Group sales fell from 80% in the previous quarter to 67%, due to both the change in the consolidation area of the Dada.pro division, which benefited from the sales of the company Namesco Ltd, and from the conferment of the VAS mobile services of the US subsidiary Dada USA to the Joint Venture with Sony Bmg. This is reported in greater detail below.

The contribution to consolidated revenues in the fourth quarter of 2007 was Euro 26 million, an increase of 11% on 2006 (Euro 23.5 million). Also in this period, the contribution to Group consolidated turnover decreased for the same reasons described above.

The **Dada.adv Division** contributed Euro 30.2 million to consolidated revenues in the year (18% of Group sales), compared to Euro 11 million in 2006 (10% of Group sales), an increase of 174%.

At pro-forma level, sales in the division in 2006 included the consolidation of the company Softec S.p.A. for the entire year (contribution of Euro 2.6 million), which was sold in April 2007, and included in the consolidation in 2007 for just three months (contribution of Euro 0.6 million). The same considerations apply in relation to the contribution of Namesco Ltd. to the sales of the Dada.pro division and to the conferment of the VAS services in the USA to Dada Entertaiment.

The contribution to consolidated sales was Euro 11.6 million, an increase of 166% on 2006 (Euro 4.4 million). Also in this period, the contribution to Group consolidated turnover changed due to the afore-mentioned changes in the consolidation scope.

The **Dada.pro Division** contributed Euro 24 million to consolidated sales in the year (15% of Group sales), compared to Euro 11.2 million in 2006 (10% of Group sales), an increase of 118%.

The inclusion of the English company Namesco Ltd, with revenues for the six months of approx. Euro 6.8 million, and of Nominalia (consolidated for 6 months in 2006) with higher revenues of Euro 3 million, contributed to this increase.

The contribution to consolidated revenues in the final quarter of 2007 was Euro 8 million, an increase of 110% on 2006 (Euro 3.8 million). Also in this period, the contribution to Group consolidated turnover changed due to the afore-mentioned changes in the consolidation scope.

The breakdown of consolidated revenues by **geographic area** in 2007 shows a growth in international business from 39% in the previous year to 47%. For the fourth quarter of 2007, the contribution of the international business amounted to 47% compared to 40% in the previous year. The growth in the Brazilian and Spanish markets was particularly significant.

The above-mentioned changes in the consolidation area also impacted upon this figure, particularly in relation to the conferment of the VAS mobile services in the United States from Dada Usa Inc. to the Joint Venture with Sony BMG, Dada Entertaiment LLC, and the acquisition of the English company Namesco.

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 of the Dada Group in 2007 (before write-downs and other extraordinary items) was **Euro 22.2 million** (a margin of 14% on consolidated sales), compared to Euro 15.7 million in the previous year (margin of 14%).

In the fourth quarter alone, the Ebitda was Euro 6.5 million (margin of 14% on consolidated sales), compared to Euro 4.6 million in the same period of the previous year (margin of 15%).

In a similar manner to the preceding quarters, a significant proportion of the service and other operating costs consisted of expenses incurred in the development and strengthening of the Dada.net Division's subscription user base at both international and national level.

The costs incurred in the quarter for the acquisition of the user base were approximately Euro 5.9 million, while in the previous quarter these costs amounted to Euro 13.8 million and Euro 14.3 million for the fourth quarter of 2006. On an annual basis, the total cost for 2007 amounted to Euro 44.3 million, compared to Euro 50 million in the previous year. The costs in the quarter were affected by the conferment, on October 1, 2007, of the value added services in the American market into the JV Dada Entertaiment LLC.

Within the individual cost accounts, personnel costs increased in absolute terms from Euro 4.7 million in the fourth quarter of 2006 to Euro 6.4 million in the fourth quarter of 2007, with an annual increase from Euro 15.2 million in 2006 to Euro 23.4 million in 2007 - an increase of 57%. However, in percentage terms on consolidated sales these costs remains largely unchanged in 2007 (14%) compared to 2006. Growth in absolute terms is entirely related to the expansion of the activities of the companies and in particular of the development within the Dada.net sector and to the change in the consolidation scope. The number of employees increased from 373 at December 31, 2006 to 474 at December 31, 2007.

There was a similar trend in relation to general costs and lease and rental costs which amounted to Euro 9 million in 2007 (8% of consolidated sales) compared to Euro 7.8 million in 2006 (8% of consolidated sales). The effects of the change in the consolidation scope on this cost account were not significant.

The account "inventory changes and increases of internal work capitalised" relate to the expenses incurred for the development of the proprietary platform necessary for the launch and management of the services provided via web and mobile by the DADA Group. In relation to this, the expenses incurred for the Dada.net product, the easy click project and the new Dada.pro sector webmail are noted.

The total effects of the changes in the consolidation scope described above was a higher Ebitda of Euro 1.7 million in 2007 compared to 2006, while the effect on the fourth quarter of 2007 compared to the fourth quarter of 2006 was a higher Ebitda of Euro 0.8 million.

The **consolidated EBIT** of the DADA Group in 2007 was Euro 15.8 million (margin on revenues of 10%), a significant growth on Euro 10.8 million (+47%) in 2006.

The depreciation on tangible assets amounted to Euro 2 million and amortisation on intangible assets amounted to Euro 3.3 million, while in 2006 the respective amounts were Euro 1.3 million and Euro 2.7 million, an increase of 38%. The effect deriving from the change in the consolidation scope was insignificant on this cost item.

However the significant technology investments in the year impacted on the result, among which we recall the new data centre at Chicago and the activities for the development of products and processes previously described.

The write-downs and non-recurring charges amounted to Euro 1 million (Euro 0.9 million in 2006). These provisions relate to the provisions for risks and charges, disputes in course and doubtful debt provisions.

In the fourth quarter of 2007, the Ebit was Euro 4.1 million (10% of consolidated sales), growth in absolute terms of Euro 1 million compared to Euro 3.1 million in the same period of 2006 (+30%).

The Ebit for the quarter includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 1.8 million compared to Euro 1.3 million in the previous year (+38%), while write-downs and non-recurring charges amounted to Euro 0.5 million.

The change in the consolidation area, as previously described, had a positive effect on the net result of Euro 1.3 million compared to 2006. In the fourth quarter of 2006, the effect amounted to Euro 0.5 million.

The Parent Company DADA S.p.A. recorded an Ebit of Euro 4 million in 2007 compared to Euro 4.3 million in 2006.

The consolidated pre-tax profit for the year was **Euro 13.5 million**, 9% of consolidated revenues, and an increase compared to the previous year, which amounted to Euro 11.9 million (11% of sales). The previous year included the gain from the sale of Planet Com of Euro 2.2 million.

The year 2007 also includes investment income deriving from interest matured on securities and on the Group liquidity. The net financial charges principally related to interest expense on the loan of Euro 30 million for the acquisition of Namesco and exchange differences on the consolidation of the foreign subsidiaries. These exchange losses principally relate to the strong appreciation of the Euro against the US Dollar.

In the fourth quarter of 2007 the pre tax profit was Euro 2.4 million, after net financial charges of Euro 1.7 million, compared to Euro 2 million in the previous year, after net financial charges of Euro 1.1 million.

The DADA Group net profit in 2007 was **Euro 12.5 million**, 8% of consolidated sales, compared to Euro 12.4 million in the previous year (11% of consolidated sales).

In the fourth quarter of 2007, the net profit was Euro 2.8 million, 7% of consolidated revenues, compared to Euro 3.3 million in the same period of the previous year (10% of consolidated revenues).

This figure was impacted by the change of the tax rates introduced by the new tax law in force from 2008. The new law introduced a reduction of the IRES rate from 33% to 27.5% and the IRAP rate from 4.25% to 3.90%, thus the Group reviewed the calculation of deferred income taxes in previous periods. The effect of these changes was Euro 636 thousand.

Current income taxes for the year amounted to Euro 2.2 million, principally relating to Irap taxes for the Italian companies and the income taxes of the foreign companies. Deferred tax income was also recorded amounting to Euro 1.4 million - calculated on the temporary timing differences of provisions and write-downs made in previous years, and on the expected recovery of fiscal losses carried forward as resulting from the business plans.

In relation to this, the Group has matured fiscal losses carried forward of Euro 60 million, of which Euro 46 million are for an unlimited period.

Therefore, the total fiscal effect for the year was a charge of Euro 0.8 million.

The minority interest share has reduced following the acquisition of a further stake of 25% in Nominalia during the year. Following this acquisition, the holding of the Group is now 75%.

The change in the consolidation area, as previously described, had a positive effect on the net result of Euro 1.1 million compared to 2006. In the fourth quarter of 2006, the effect amounted to Euro 0.7 million.

The parent company DADA S.p.A recorded a net profit of Euro 1 million.

Financial position and balance sheet

The composition of the short-term net financial position at December 31, 2007 compared to December 31, 2006 is shown below:

	FINANCIAL POSITION	Dec 31, 07	Dec 31, 06	DIFFERENCE	
				Absolute	Percent.
A	Cash	21	49	- 28	-57%
B	Bank and postal deposits	15,638	10,482	5,156	49%
C	Securities held for trading		2,456	- 2,456	-100%
D	**Liquidity (A+B+C)**	**15,659**	**12,987**	**2,672**	**21%**
E	**Current financial receivables**	**1,359**	**-**	**-**	
F	Current bank payables	- 2,377	- 970	- 1,407	145%
G	Current portion of non-current debt	- 4,942	- 243	- 4,699	1934%
H	**Current debt (F+G+H)**	**- 7,319**	**- 1,213**	**- 6,106**	**503%**
I	**Current net financial position (I-E-D)**	**9,699**	**11,774**	**- 2,075**	**-18%**
J	Non-current bank payables	- 26,454	- 244	-26,210	10742%
K	Other non-current payables	-	-	-	
L	**Non-current debt (K+L)**	**- 26,454**	**- 244**	**-26,698**	**10942%**
M	**Total net financial position (J+M)**	**- 16,755**	**11,530**	**-28,285**	**-245%**

The short-term Consolidated Net Financial Position at December 31, 2007 was a cash position of Euro 9.7 million, compared to Euro 11.8 million at December 31, 2006 and Euro 7.4 million at September 30, 2007.

The total net financial position (including medium/long term sources and uses) amounted to debt of Euro 16.8 million, net of payables to banks and other lenders repayable beyond one year of Euro 26.5 million. This amount at December 31, 2006 was a cash position of Euro 11.5 million and at September 30, 2007 a net debt of Euro 18.3 million.

In 2007, there was an absorption of liquidity amounting to Euro 28.3 million. The cash outflows principally relate to the Group investment activities, which particularly refers to the acquisition of controlling shareholdings.

The principal events in 2007 were:

- acquisition of the company Namesco Ltd for Euro 36.7 million including transaction costs, of which Euro 6.7 million was paid utilising Group cash flow, and the remaining Euro 30 million through a loan from a primary banking institution for a 7 year period. The table above shows the part of the loan due within the year 2007 classified in the account "current portion of non-current debt";
- acquisition of a minority stake (30% of the share capital) in Blogo Srl, for a total consideration of Euro 720 thousand, of which 50% was paid in cash on signing while the remainder will be paid one year from the acquisition date;
- acquisition of the second tranche of Nominalia SA (equal to 25% of the share capital) with a total payment of Euro 1.3 million entirely paid during 2007;
- acquisition by Namesco of a user base totalling Euro 1.3 million financed with a bank loan for a duration of two years. The part maturing by 2008 of this loan was included in the account "current portion of non-current debt".

For further information relating to these operations, reference should be made to the paragraph "significant events in 2007".

In addition, important investments were made for the acquisition of tangible fixed assets (prevalently servers) and intangible fixed assets, for the development of products and processes, for a total amount of approx. Euro 8.2 million. In the previous year, these investments amounted to Euro 7.2 million. For further information, reference should be made to the paragraph on investment activities.

The investments in securities held for trading at December 31, 2006 (Top propensity investments) were entirely disposed of during 2007 realising a gain of Euro 67 thousand.

The composition of the net working capital and the net capital employed at December 31, 2007 is shown below:

Amounts in Euro/thousand	Dec 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**86,428**	**38,552**	**47,876**	**124%**
Current assets (B)	80,161	63,475	16,686	26%
Current liabilities (C)	-78,667	-56,518	-22,149	39%
Net working capital (D) = (B)-(C)	**1,494**	**6,957**	**-5,463**	**-79%**
Employee leaving indemnity provision (E)	-1,545	-1,790	245	-14%
Provision for risks and charges (F)	-1,125	-911	-214	23%
Net capital employed (A+D+E+F)	**85,252**	**42,808**	**42,444**	**99%**

The composition of the net working capital and the net capital employed of the Parent Company Dada S.p.A. at December 31, 2007 is shown below:

Amounts in Euro/thousand	Dec 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**46,781**	**48,259**	**-1,478**	**-3%**
Current assets (B)	95,152	52,754	42,398	80%
Current liabilities (C)	-93,228	-49,259	-43,969	89%
Net working capital (D) = (B)-(C)	**1,924**	**3,495**	**-1,571**	**-45%**
Employee leaving indemnity provision (E)	-1,106	-1,089	-17	2%
Provision for risks and charges (F)	-805	-659	-146	22%
Net capital employed (A+D+E+F)	**46,794**	**50,006**	**-3,212**	**-6%**

The Net working capital at December 31, 2007 amounted to Euro 1.5 million, an improvement on December 31, 2006, when it amounted to Euro 7 million and on September 30, 2007 (Euro 4.4 million). This trend follows the improvement between the payment and collection periods, as well as the conferment of the VAS activities on the American market to the Dada Entertainment LLC Joint Venture created with Sony BMG, which resulted in an increase in this amount equal to the carrying value of the investment (Euro 3.7 million).

It is recalled that in general the value-added services activities undergo temporary differences between the creation/strengthening of the user base and the benefit in monetary terms. In addition, this business is also characterised by significant temporary differences between the average period between payment and receipt.

Trade receivables at December 31, 2007 amounted to Euro 70.6 million on consolidated sales for the period of Euro 158.5 million, while at December 31, 2006 trade receivables amounted to Euro 63.4 million on consolidated sales for the year of Euro 111.4 million.

In relation to trade receivables, it is recalled that over 80% of the total value is due from telephone carriers, directly or through affiliates, and from which a large part of the sales are generated for the fee-based services of the Dada.net Division.

The changes in the principal balance sheet accounts are due to the normal increases related to the increased business activity of the DADA Group, both in terms of sales and current spending.

The net working capital of the Parent Company Dada S.p.A. was Euro 2 million, an improvement compared to Euro 3.5 million in 2006. The reasons for the movements in the net working capital are similar to those at consolidated level.

The Group's cash flow was boosted with a cash inflow from the exercise of the first stock option plan. On February 6, 2007, the period closed for the subscription to the share capital increase approved by the Board of Directors on June 20, 2005 for the stock option plan for employees of Dada S.p.A. and its subsidiaries. The number of options exercised was 128,041 and the financial contribution was Euro 1.4 million.

The cash flow from financing activity in the previous year was very strong following the disposal of the investment in the company Planetcom S.p.A. which contributed cash of Euro 2.7 million to the Group.

In addition, the change in the consolidation area, therefore with the exclusion of the Softec operating results and the inclusion of Namesco Ltd, resulted in an improvement in the NFP of Euro 1.3 million in 2007 compared to December 31, 2006.

For further information on the balance sheet, reference should be made to attachment 1) at page 44.

Investments

A summary of the tangible and intangible fixed asset investments of the DADA Group is reported below:

Description	Increase 31/12/07	Increase 31/12/06	Change	Change %
Technology investments	3,442	2,254	1,188	53%
Purchase of furniture and fittings	562	107	455	425%
Development new products and processes	4,557	3547	1,010	28%
Licences and Trademarks	97	565	-468	-83%
Software	2,628	624	2,004	321%
Other	962	107	855	799%
TOTAL	12,248	7,204	5,044	70%

Significant investments were made at Group level during 2007. In fact, in addition to the equity investments as described previously, investments amounted to Euro 10.5 million, an increase of 70% on the previous year.

The capital expenditure of the Dada Group in 2007 amounted to Euro 5.5 million compared to Euro 2.4 million in the previous year, an increase of 129%. This increase is related to the growth in turnover and services provided by the Dada Group.

The technological investments relate to the purchases of the Dada.net and Dada pro divisions, and in particular the investments incurred in the new data centre at Chicago which will provide value added services to the American market.

Purchase of furniture and fittings increased significantly and prevalently related to the investments in the new Dada Group head office at Florence.

Development expenses for new products and processes refer to the proprietary platform developed internally and necessary for the provision of the services of the Dada net and Dada pro divisions. The increase is entirely related to the growth in turnover and particularly the entry into new countries during the year. Specifically, the developments related to the division Dada pro concerning the projects easy click and new webmail.

Software purchases increased by 22% in 2007 on 2006, which includes expenses incurred for extending and updating the SAP management system, for which the final implementation phase is currently in course in all the foreign subsidiaries, as well as the software necessary for the provision of the Dada net services.

Financial risks

The growth of the activities of the Dada Group on the international markets, including through acquisitions of important operating companies, increased the overall financial risk profile of the Group. In particular, the exchange risk became significant, against greater revenues in foreign currencies, the interest rate risk against a medium term loan for the acquisition of the UK company Namesco Ltd and the general liquidity risk against the possible changes in financing.

The Dada Group in 2007 has consequently paid much attention to the analysis and the preparation of adequate reporting and monitoring procedures of the exchange and interest/liquidity risks, as well as strengthening the operating structure of the corporate area for the monitoring and control of these financial risks.

For further detail, reference should be made to note 5.8 of the consolidated financial statements.

Alternative performance indicators:

In the present report, the following additional economic and financial performance indicators are provided in respect of those contained in IAS 1:

Ebitda: defined as the operating result before amortisation/depreciation, write-downs and non-recurring charges;

Net working capital: defined as the difference between current assets and liabilities, identifying current as within from the balance sheet date. Within this account, the deferred tax assets are divided between current and non-current, based on the portion which is considered recoverable from the result of the following year;

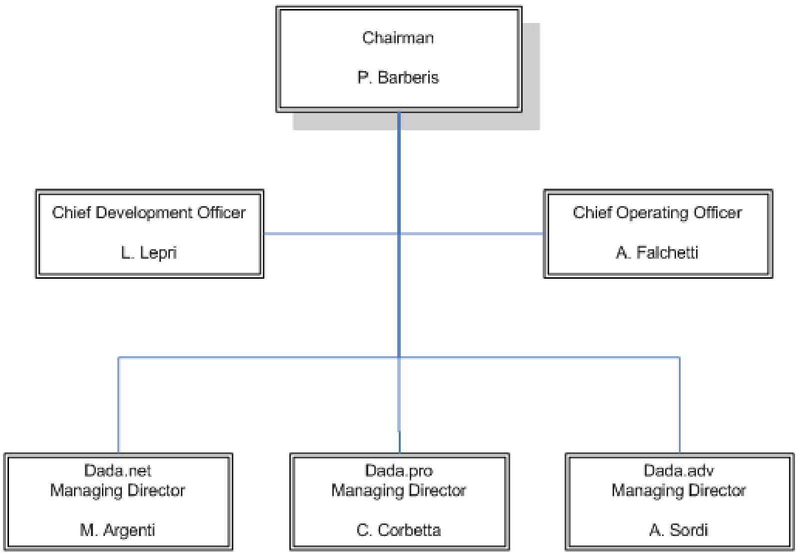
Net capital employed: fixed assets plus net working capital and less non financial consolidated liabilities (employee leaving indemnity and provision for risks and charges);

Net financial position – short term: includes cash and cash equivalents, current financial assets and short-term financial liabilities;

Total net financial position: includes the short-term net financial position and all financial receivables and payables due beyond one year.

THE ORGANISATIONAL STRUCTURE OF THE DADA GROUP

The structure of the Group at December 31, 2007 is shown below:



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

From the present year, the Group organisational structure has changed and therefore the Business Units are comprised of the **Dada.net Division**, the **Dada.adv Division** and the **Dada.pro Division.**

The secondary level is identified as the geographic areas.

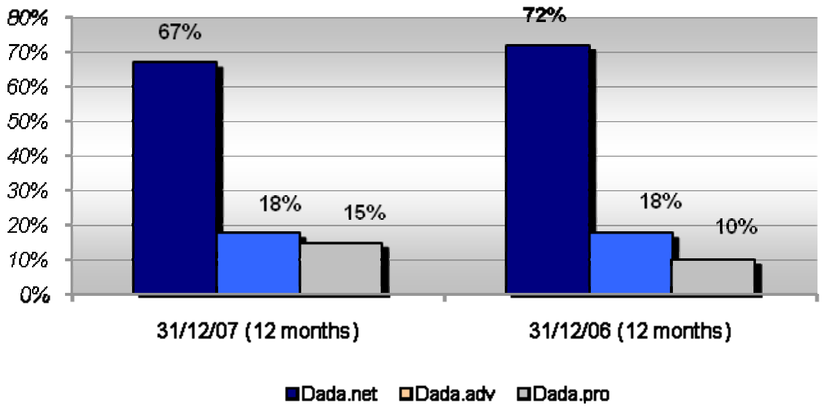
Segment results are shown gross of inter-divisional transactions. Furthermore, compared to the Group's consolidated operating result, common costs have not been included.

For further information, reference should be made to the section on segment information at page 92.

The following tables report the segment consolidated revenues by business activity and by geographic area.

Breakdown of Consolidated Revenues into the three divisions (12 months)

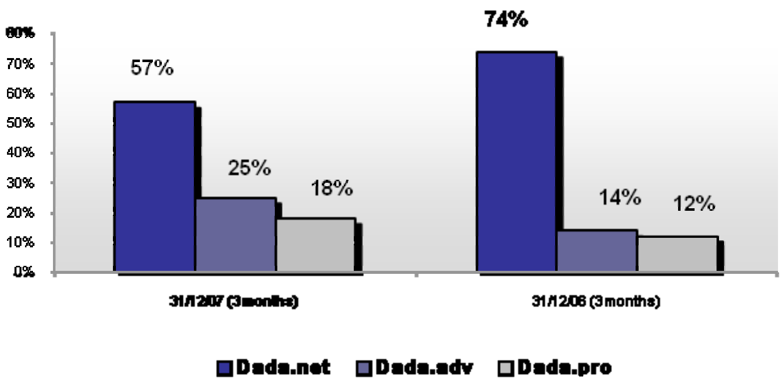
Description	31/12/2007		31/12/2006	
	Amount	% of total	Amount	% of total
Dada.net	111,005	67%	81,026	72%
Dada adv	30,202	18%	20,256	18%
Dada.pro	23,874	15%	11,254	10%
Inter-divisional revenues	-6,581		-1,101	
Consolidated Revenues	158,501	100%	111,435	100%



Breakdown of the quarterly Consolidated Revenues into the three divisions (3 months)

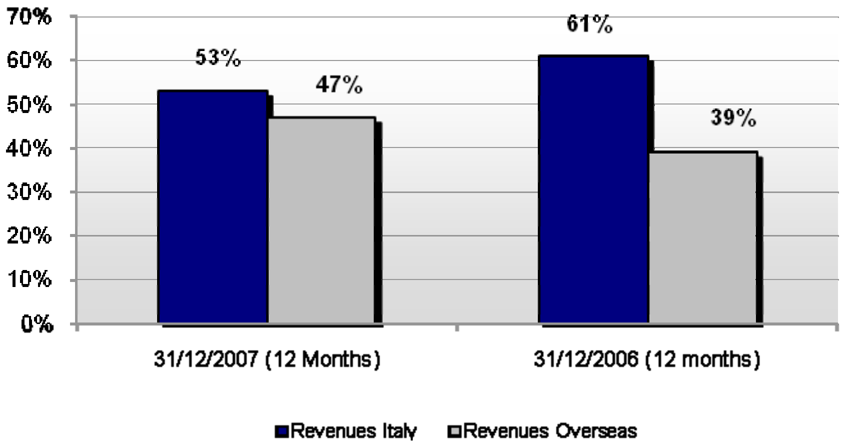
Description	31/12/2007 (3 months)		31/12/2006 (3 months)	
	Amount	% of total	Amount	% of total
Dada.net	26,046	57%	23,558	74%
Dada adv	11,596	25%	4,359	14%
Dada.pro	7,982	18%	3,773	12%
Inter-divisional revenues	-2,186		-379	
Consolidated Revenues	43,438	100%	31,311	100%

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



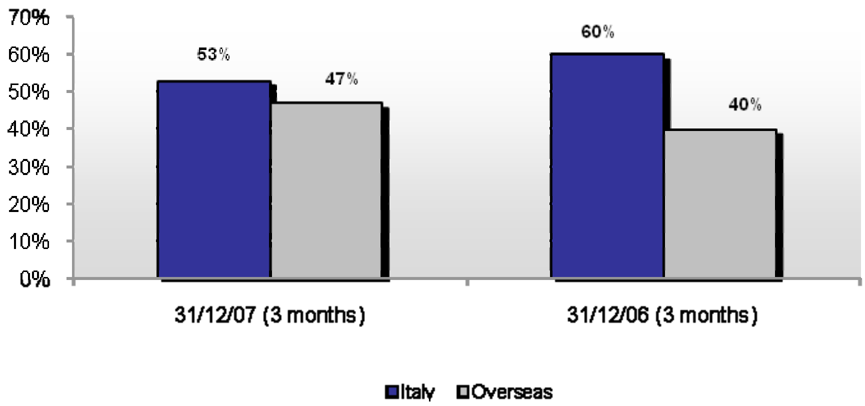
Division of consolidated sales by geographic area (12 months)

Description	31/12/2007 (12 Months)		31/12/2006 (12 Months)	
	Amount	% of total	Amount	% of total
Revenues Italy	84,785	53%	67,887	61%
Revenues Overseas	73,716	47%	43,548	39%
Consolidated Revenues	**158,501**	**100%**	**111,435**	**100%**



Division of consolidated sales by geographic area (3 months)

Description	31/12/2007 (3 months)		31/12/2006 (3 months)	
	Amount	% of total	Amount	% of total
Revenues Italy	22,853	53%	18,665	60%
Revenues Overseas	20,586	47%	12,646	40%
Consolidated Revenues	**43,439**	**100%**	**31,311**	**100%**



Dada.net Services

The revenue sources of the Dada.net Division of Dada are principally constituted of: VAS (Value Added Services) revenues; services that are provided against a payment by the final user of a fee that may be for consumption or subscription; advertising revenues from community sites.

Operational performance of Dada.net services

In 2007, Dada further expanded its offer of products in the Consumer sector, which covers an international market with its Web and Mobile services.

<u>Products</u>

In 2007, there was a strong expansion in the products offered by Dada.net, which now includes, in a single integrated environment, Community, Social Networking, Video, Audio, Blogging and Mobile Entertainment via both Web and mobile. In particular, the launch of the community advertising programme 'friend$' is noted : this programme, in collaboration with Google, permits users to share the advertising revenues generated from their own personal web pages and content, creating a strong incentive for activity in the community, and to invite friends, with the generation of a high level of traffic.

<u>Internationalisation</u>

In 2007, the turnover from international operations amounted to 59% of revenues in the Dada.net Division.

The most important overseas countries by revenues are the United States, Spain, Brazil, Australia and Germany.

The launch also took place of Dada.net in Hong Kong, Indonesia, Hungary and the Czech Republic.

The international growth was sustained by financial investments in order to expand and strengthen its user base, through campaigns for the acquisition of both web clients and on the portals of mobile carriers.

At the end of the third quarter of 2007, DADA was connected with multiple mobile carriers worldwide – permitting the group to offer its services to a much larger user base.

Dada therefore currently offers its value added Services/Products in Italy, the USA, Germany, the UK, France, China, Portugal, Australia, Spain, Belgium, Austria, Brazil, Holland, Hungary, the Czech Republic, Indonesia and Hong Kong.

<u>Italy</u>

In 2007, Dada confirmed its leadership in the Web and Mobile Community & Entertainment services in the domestic market. Its presence on the 'decks' of the principal mobile phone operators such as Vodafone Live!, Tim, Pianeta Tre and Imode is an important source of revenue, especially through subscriptions to the Dada.net service.

Financial highlights – Dada.net

Dada.Net (12 months)						
In Euro thousands	2007		2006		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	52,667	48%	38,940	48%	13,727	35%
Revenues - third parties Overseas	56,310	51%	41,603	52%	14,707	35%
Revenues- inter-sector	1,816	2%	65	0%	1,751	2694%
Net revenues	**110,793**		**80,608**		**30,185**	**37%**
Increases in internal work	3,308	3%	2,917	4%	391	13%
Services	-83,673	-76%	-63,910	-79%	-19,763	31%
Labour costs	-13,496	-12%	-7,066	-9%	-6,429	91%
Segment Ebitda	**16,933**	**15%**	**12,549**	**16%**	**4,384**	**35%**
Depreciation & amortisation	-2,904	-3%	-2,280	-3%	-624	27%
Segment Ebit	**14,029**	**13%**	**10,269**	**13%**	**3,760**	**37%**

The Division reported sales of Euro 111 million in 2007 compared to Euro 80.6 million in 2006, an increase of 37%. It is recalled that in the previous year the company Upoc was fully consolidated for a period of 5 months, while in current year the company was consolidated for 12 months with an effect of Euro 1.3 million.

In the fourth quarter of the year, Dada net revenues were Euro 26.4 million, compared to Euro 23.6 million in the previous year (+11%). The above-mentioned change in the consolidation scope had no effect on the fourth quarter.

The contribution of the division to consolidated sales of the DADA Group decreased from 80% in 2006 to 67% in 2007, principally due to two factors – on the one hand the conferment on October 1 of the added value activities in the US market to the Dada Entertaiment LLC Joint Venture which was consolidated through the equity method, and on the other the change in the consolidation scope of the Dada pro division which increased revenues (reference should be made to the Dada pro division). In the fourth quarter of 2006, the VAS activities in the US market amounted to Euro 6.9 million.

It is underlined that in the year just ended, the international activity saw significant increases in turnover. In fact international revenue represents 51% of the consolidated turnover of the division, in line with the previous year and despite the conferment of the activities in the US market to the JV. The contribution from the Brazilian and Spanish markets was particularly strong with the Group providing its services through the subsidiaries Dada Brasile and Dada Iberia.

International business accounted for 43.3% of division revenues in the fourth quarter of 2007 compared to 49% in the fourth quarter of the previous year.

The Ebitda for the year was Euro 16.7 million (15% of division revenues), compared to Euro 12.5 million (16% of division revenues) in the previous year, an increase of 35%. The percentage of personnel costs increased from 9% to 12% (from Euro 7 million to Euro 13.5 million), while the percentage of service costs decreased from 79% to 76%, increasing however in absolute terms from Euro 64 million to Euro 84 million.

The sector Ebitda in the quarter amounted to Euro 4.8 million (19% of division sales) compared to Euro 4.1 million (17% of division sales) in the same period of the previous year, an increase of 18%.

The segment Ebit in 2007 was Euro 14 million (13% of division sales), after depreciation and amortisation of Euro 2.9 million, while in 2006 the Ebit was Euro 10.3 million (13% of division sales), an increase of 37%.

In the fourth quarter, the Ebit in the division was Euro 3.8 million (15% of the division sales) after depreciation and amortisation of Euro 1 million. In the fourth quarter of 2006 the Ebit amounted to Euro 3.3 million, after amortisation/depreciation of Euro 0.8 million. Therefore, growth of 14% was recorded in the period.

The increase in amortisation and depreciation is strictly correlated to the investments as previously described.

The contribution of the Dada net Division to the total consolidated results is in line with that of the previous year, representing 68% of Group Ebitda and 73% of Group Ebit.

Segment investment activities

The investments in the Dada net division amounted to Euro 7.5 million compared to Euro 4.3 million in the previous year and relate for Euro 3.5 million to development costs for new products and processes, and for Euro 4 million to the purchase of technological assets to support the increased business activities.

The investments in product and process development relate to the implementation of platforms necessary for the provision of value added services. In particular, this relates to the new Dada.net platform for the Italian and international markets. Capital expenditures related to the server and network systems, among which the creation of the new farm server at Chicago is highlighted.

Dada.adv Services

Dada.adv is the internal division of Dada dedicated to the advertising market.

From January 1, 2007, the following activities were consolidated within this division:

- Revenues from advertising on the Mobile Channel;
- Revenues from advertising on the Web Channel;
- Revenues from activity solutions.

Operational performance of Dada.adv services

Online advertising is in a growth phase, with growth in investment in the web and continual parallel innovation of distribution channels and formats. Dada.adv purchases and sells web and mobile advertising.

Mobile Advertising

Dada Ad has exclusive management of all of the properties of 3 (H3G), the leading Italian UMTS carrier. The products offered are SMS profiled, MMS visual, banners and graphic space on the mobile portal Pianeta3 – these products are marketed to a user base of 6.8 million UMTS clients subscribing to H3G services. On an experimental basis, Dada Ad commenced the sale of advertising through the DVB-H mobile television channel.

From March 2007, Dada is also the exclusive agency for the Vodafone Italia channels. The products covered by the concession are FreetimeSMS, MMSmania and space on the mobile portal VodafoneLive.

The MMS ANSA services for clients of Wind complete the range of Dada Ad mobile services.

Web Advertising

In the Advertising Web sector, Dada.adv is positioned 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 technological platforms and sales networks, Dada.adv plans its campaigns with various offers.

Dada.adv in this sector is among the leaders working in close collaboration with the large search engines such as Google, Yahoo and MSN.

In the fourth quarter of 2007, the advertising network grew strongly, finishing the year with 60 million contactable users worldwide.

An important reorganisation of Dada Adv's activities occurred in the final quarter of 2007, which involved the focussing on advertising products sold on performance, with preference to CPA (cost per acquisition) and CPC (cost per click) contracts, amounting to 60% of the offer, in comparison to the traditional CPM (cost per 1000 impressions), amounting to approximately 40% of the offer and in expansion thanks to the new sales and collection technological platforms at international level.

At a geographic level, 40% of advertising revenues derive from Italy, 40% from the UK and the remaining 20% from Latin America.

Financial highlights – Dada.adv

Dada.adv (12 Months)						
In Euro thousands	2007		2006		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	20,725	69%	20,070	97%	655	3%
Revenues - third parties Overseas	5,679		0		5,679	
Revenues- inter-sector	3,841	13%	706	3%	3,135	444%
Net revenues	**30,245**		**20,776**		**9,469**	**46%**
Increases in internal work	160	1%	104	1%	56	54%
Services	-26,195	-87%	-14,493	-70%	-11,703	81%
Labour costs	-3,301	-11%	-4,556	-22%	1,255	-28%
Segment Ebitda	**909**	**3%**	**1,832**	**9%**	**-923**	**-50%**
Amortisation & Depreciation	-219	-1%	-477	-2%	258	-54%
Segment Ebit	**690**	**2%**	**1,355**	**7%**	**-664**	**-49%**

The Dada.adv division reported revenues of Euro 30.2 million in 2007, an increase of 46% on 2006 which amounted to Euro 20.7 million.

It is recalled that in 2007 a strong focus was placed on the online advertising sector by the division, while in the previous year a large contribution came from the business sector. The exclusive contracts with H3G and Vodafone also contributed to sales, as described previously.

The consolidation scope has changed compared to the previous year following the disposal of the investment in Planet S.p.A. (sold in July 2006 and therefore consolidated for the first six months of the year). This company contributed sales of Euro 3.1 million in 2006. In addition, the company Softec S.p.A. was consolidated in 2006 for the entire year, while in 2007 the company was consolidated for the first quarter following the disposal of the company in July, with an effect of greater revenues in 2006 over 2007 of Euro 1.6 million. In the fourth quarter of 2006, the effect was for higher revenues of Euro 0.6 million.

The Ebitda was Euro 0.9 million (3%% of division sales), compared to Euro 1.8 million in 2006, due to the higher management costs on the start-up of some Division activities. The Ebitda in the quarter was Euro 190 thousand compared to a loss of Euro 57 thousand in 2006. The above-mentioned change in the consolidation scope resulted in a higher Ebitda in 2006 compared to 2007 of approximately Euro 120 thousand.

The segment Ebit was Euro 0.7 million (2% of division sales), after depreciation and amortisation of Euro 0.2 million, compared to Euro 1.3 million in the same period of the previous year (3% of division sales). The effect deriving from the change in the division consolidation area on this amount was Euro 100 thousand.

The contribution of the division to Group consolidated revenues was 18% compared to 10% in the previous year while the contribution in the fourth quarter was 25% compared to 14% in the fourth quarter of 2006, in spite of the change described in the consolidation scope.

Dada.pro

The sources of revenue for the Dada.pro Division are from domain registration, fee-based e-mail and hosting services - or to be more precise, services with automatic supply and provision methods directed mainly at SME's.

Operational performance of the Dada Pro services

The acquisition of Namesco Ltd. was the most significant event in the year. The acquisition took place in July 2007. For further information, reference should be made to that previously reported.

During 2007, the growth already seen in 2006 was further consolidated, driven by, in addition to registrations and renewal of domains, an increase in the sales of upselling email and hosting products.

The growth recorded in the previous quarters was consolidated in the final quarter of 2007 with the local brands in Italy, Spain and the UK operating at full capacity registering over 60,000 new domains, bringing the Group total to 800,000.

In the 3 countries, approximately 18,000 new clients were gained directly through marketing campaigns; in the UK, a push was made on small local clients, which in the final 2 months of 2007 increased the client portfolio by over 20,000. The number of fee-based clients therefore rose to over 230,000 in Europe.

Financial highlights – Dada Pro

Dada.Pro (12 Months)						
In Euro thousands	2007		2006		Change	
	Amount	% of total	Amount	% of total	Absolute	%
Revenues- third parties Italy	11,407	48%	8,843	79%	2,564	29%
Revenues - third parties Overseas	11,726	49%	1,979	18%	9,747	
Revenues- inter-sector	774	3%	330	3%	444	135%
Net revenues	**23,907**		**11,152**		**12,755**	**114%**
Increases in internal work	1,089	5%	526	5%	563	107%
Services	-11,858	-50%	-5,454	-49%	-6,404	117%
Labour costs	-6,259	-26%	-2,989	-27%	-3,270	109%
Segment Ebitda	**6,879**	**29%**	**3,235**	**29%**	**3,644**	**113%**
Amortisation & Depreciation	-1,603	-7%	-884	-8%	-719	81%
Segment Ebit	**5,276**	**22%**	**2,351**	**21%**	**2,925**	**124%**

Revenues in the Dada pro Division in 2007 amounted to Euro 24 million, an increase of 114% on the previous year (Euro 11.2 million). Contributing to this growth was the change in the consolidation scope following the purchase of the English company Namesco, which was consolidated from July with revenues of Euro 6.8 million, and the consolidation for the full 12 months of 2007 of the Spanish company Nominalia (consolidated for 6 months in 2006) with an effect of higher revenues of Euro 2.8 million.

In the fourth quarter of 2007, division revenues amounted to Euro 8 million, an increase of 112% compared to the same period in the previous year (Euro 3.8 million). The positive effect of the change in the consolidation scope in the fourth quarter of 2007 compared to the same period in the previous year was Euro 3.4 million.

The Ebitda in the sector was Euro 6.9 million (29% of division revenues), compared to Euro 3.2 million (29% of division revenues) in the previous year, an increase of Euro 3.6 million (+113% year on year). The composition and trend of the costs are in line with the previous year. The effects deriving from the above-mentioned change in the consolidation scope amounted to Euro 2.4 million.

In the fourth quarter, the Ebitda amounted to Euro 2.1 million (27% of division revenues), compared to Euro 1 million in the fourth quarter 2006. The effect deriving from the change in the consolidation scope was approximately Euro 0.8 million.

The Ebit in the segment was Euro 5.3 million (22% of division sales) after depreciation and amortisation of Euro 1.6 million. In 2006, the Ebit was Euro 2.4 million (21% of division sales) after amortisation and depreciation of Euro 0.9 million. The growth in 2007 was therefore Euro 2.9 million, an increase of 124%.

The sector result in the fourth quarter was a profit of Euro 1.6 million (20% of division sales), growth of 124% on the previous quarter. The effects related to the change in the consolidation scope were Euro 2.1 million for the full year and Euro 0.7 million for the fourth quarter.

Finally it is recalled that the Dada pro division recorded deferred revenues in the financial statements at December 31, 2007 of approx. Euro 11.9 million, of which Euro 5.1 million from subsidiary companies.

Segment investment activities

The main balance sheet captions of the division are commented upon below.

Investments in Dada pro amounted to Euro 39.3 million and related to:

Equity investments with the acquisition of 100% of the company Namesco Ltd in July and the increase in the holding in Nominalia with the acquisition of a further 25% for an increase in intangible assets totalling Euro 36 million. For further information on these operations, reference should be made to the paragraph relating to significant events in 2007.

The purchase of EDP equipment for a total of Euro 1.7 million and development costs for new products and processes for the supply of domain and hosting services of Euro 1.1 million.

This latter spending principally related to the following areas:

- Project for the realisation of the common platform for the provision of the services at Group level, which provides for an integration of the processes between Register and the foreign companies;
- Realisation of the easy click platform for the Pay Per Click advertising sales with a new payment system to be recharged automatically and invoiced on consumption;
- Design, development and programming of the new Webmail Ajax-based platform.

Expansion of the Media Group area resulted in an increase in the fixed assets of the sector totalling Euro 6 million.

STOCK OPTION PLANS

The main details of the stock option plans existing at December 31, 2007 are shown below:

PLAN OF JUNE 20, 2005:

With the resolution of the Extraordinary Shareholders' Meeting of 28/04/2005, the Board of Directors in accordance with articles 2443 and 2441, paragraph 8 of the civil code were conferred: the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries.

In execution of these powers, on June 20, 2005, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan in favour of the employees of DADA S.p.A. and its subsidiaries.

The above-mentioned plan provides for the issue of a total of 441,406 shares divided into three annual tranches and offered in subscription to the employees of the Group at an exercise price of Euro 10.82 per share, and in the period between January 18 and February 6 of each of the next three years, and thus in the three-year period 2006-2008 (in relation to the second subscription period, reference should be made to the paragraph on the subsequent events after the end of the half year):

- tranche 1: vesting period from June 20, 2005 to January 17, 2006, exercise period from January 18, 2006 to February 6, 2006.

- tranche 2: vesting period from February 7, 2006 to January 17, 2007, exercise period from January 18, 2007 to February 6, 2007.

- tranche 3: vesting period from February 7, 2007 to January 17, 2008, exercise period from January 18, 2008 to February 6, 2008.

The subscription price was determined as the average price of Dada shares in the month prior to the issue of the plan, taking into account the average share price in the last six months.

The subscription of the options of the present plan, and of the subsequent plan of March 16, 2006, is not subject to achieving set results, nor are the shares subscribed subject to availability restrictions.

The actuarial valuation of the Stock Option plan of the DADA S.p.A Group at June 20, 2005, in accordance with IFRS2, was made by an independent actuary applying the binomial method.

The model is based on a simple imposition, in which the time to maturity of the option is divided into periods, within which the price of the underlying share can assume only two alternative values based on one change on the price of the preceding period - one an increase and one a decrease. The application of this method resulted in the calculation of the stock option value, at June 20, 2005 (issue date of the plan), of Euro 1.3 per option for the first tranche, Euro 1.967 per option for the second tranche and Euro 2.18 for the third tranche.

PLAN OF FEBRUARY 3, 2006:

With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code were conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries.

In execution of these 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 Executives with specific appointments and/or General Managers and/or senior management 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 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 shares subscribed are not subject to any availability restrictions.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

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 rights and in any case taking into account the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.232 per option.

PLAN OF MARCH 16, 2006:

Also in execution of the delegated powers of the Shareholders’ Meeting of April 28, 2005, the Board of Directors on March 16, 2006 deliberated to increase the share capital for the issue of a new three-year stock option plan in favour of the employees of DADA S.p.A. and its subsidiaries.

The above-mentioned plan provides for the issue of a total of 33,000 shares divided into three annual tranches and offered in subscription to the employees of the group at an exercise price of Euro 16.92 per share, equal to the average official price recorded of the Dada shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the last six months, and a subscription period between January 18 and February 6 in the three-year period 2007-2009.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method. The application of this method resulted in the calculation of the stock option value as Euro 1.967 per option for the second and Euro 2.18 per option for the third.

PLAN OF JULY 28, 2006:

The Board of Director's meeting of July 28, 2006 also approved a paid-in share capital increase for a maximum amount of Euro 9,350, through the issue of a maximum of 55,000 new shares, to service the incentive and loyalty plan of two new Top Managers of the company and as partial execution of the powers attributed to the Dada Board by the Shareholders' Meeting of December 30, 2005 and recorded in the Florence company's registration office on January 9, 2006.

The Board of Directors of Dada determined the subscription price of Euro 15.47 for the shares, including the share premium and nominal value, equal to the official average arithmetical prices recorded of the ordinary shares of DADA in the period between the assignment date of the subscription rights and the same day in the previous month, taking into account the share price in the past six months.

This plan has the same features as the plan of February 3, 2006, previously described.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

PLAN OF FEBRUARY 12, 2007:

Also based on the powers conferred to the Board of Directors by the extraordinary shareholders' meeting resolution of December 30, 2005, the Board, on February 12, 2007 assigned 25,000 options for the subscription of a similar number of Dada ordinary shares to 3 US Managers of the Group and approved the regulations of the plan, approving therefore on May 11, 2007 a share capital increase for a maximum amount of Euro 4,250 to service the above-mentioned plan.

This plan has the same features as the plan of February 3, 2006, previously described.

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 16.99 per share, equal to the average official price registered of the DADA shares in the month prior to the assignment of the rights and in any case higher than the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

The movements of the stock option plans are shown in the following tables:

	2007 Number of shares	Average exercise price	Market price	2006 Number of shares	Average exercise price	Market price
(1) Existing rights at 1/1	1,064,465	13.86	-	441,406	10.82	-
(2) New rights assigned	25,000	16.99	-	700,700	14.78	
				33,000	16.92	
				55,000	15.47	
(3) Rights exercised in the period	(128,954)	10.82		(132,217)	10.82	
Rights exercised in the period	(67)	16.92	-			
(4) Rights expired in the period	(25,151)	10.82		(33,424)	10.82	
(5) Existing rights at 31/12/2007	935,293	14.44		1,064,465	13.86	

Exercise price:	RIGHTS ASSIGNED AT 31/12/2007 (granted)				OF WHICH EXERCISEABLE (vested)	
	Life of the residual contract			TOTAL	TOTAL	Average residual contract life
	< 1 year	1-2 years	> 2 years			
					-	-
Euro 10.82	134,864		-	140,034		
Euro 14.78	-	700,700	-	700,700		
Euro 16.92	9,871	9,858	-	19,729		
Euro 15.47		55,000	-	55,000		
Euro 16.99		25,000	-	25,000		
TOTAL	144,735	790,558	-	935,293		

PURCHASE OF TREASURY SHARES

The Shareholders' Meeting of April 20, 2007 renewed the Board of Directors' authorisation to acquire within 18 months from the date of the resolution up to a maximum number of ordinary shares representing 10% of the share capital at a price not lower than 20% and not above 10% of the reference price traded on the stock exchange on the day prior to each purchase and for a total amount not above the reserves available resulting from the latest approved financial statements; the same Shareholders' Meeting also authorised the Board of Directors to hold shares already in portfolio or acquired resulting from the present authorisation in order to be utilised for operations on sales/purchases, share swaps or conferment.

The utilisation of the treasury shares, in relation to those already in portfolio or those that may be acquired due to the present authorisation renewal, may be carried out within three years of the approval by the Shareholders' Meeting at a price, or at a valuation, not lower than 95% of the average reference price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the official deeds of commitment. The terms of this authorisation expire on 20/10/2008.

At 31/12/2007, the company does not hold treasury shares in portfolio.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF DIRECTORS						
Paolo Barberis	Chairman of the Board of Directors	1/1 – 31/12/07	Financial statements at 31/12/2008	292,150	173,490	
Angelo Falchetti	Chief Executive Officer	1/1 – 31/12/07	Financial statements at 31/12/2008	193,450	104,094	
Marco Argenti	Director	1/1 - 31/12/07	Financial statements at 31/12/2008	2,800	171,392	242,789
Lorenzo Lepri	Director	1/1 – 31/12/07	Financial statements at 31/12/2008	2,800	118,656	173,916
Alberto Ronzoni *	Director	1/1 – 26/7/07	Financial statements at 31/12/2008	875		
Barbara Poggiali	Director	1/1 – 31/12/07	Financial statements at 31/12/2008	1,925		
Pietro Varvello	Director	1/1 – 31/12/07	Financial statements at 31/12/2008	1,400		
Salvatore Amato	Director	1/1 - 31/12/07	Financial statements at 31/12/2008	1,575		
Giorgio Valerio	Director	1/1 - 31/12/07	Financial statements at 31/12/2008	875		
Raffaello Napoleone	Director	1/1 - 31/12/07	Financial statements at 31/12/2008	1,750		
Danilo Vivarelli	Director	1/1 - 31/12/07	Financial statements at 31/12/2008	1,225		
Roberto Ravagnani	Director	1/1 – 31/12/07	Financial statements at 31/12/2008	1,575		
Riccardo Stilli	Director	1/1 – 31/12/07	Financial statements at 31/12/2008	1,225		
Monica Alessandra Possa **	Director	27/7 – 31/12/07	Next Shareholders' meeting	525		

* Director resigned during the year
** Director since July 27, 2007

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF STATUTORY AUDITORS						
Pier Angelo Dei	Chairman	1/1 – 31/12/07	Financial statements at 31/12/2008	30,000		
Piero Alonzo	Statutory Auditor	1/1 – 31/12/07	Financial statements at 31/12/2008	19,000		
Massimo Cremona	Statutory Auditor	1/1 – 31/12/07	Financial statements at 31/12/2008	19,000		

Investments held directly or indirectly by Directors, Statutory Auditors, General Managers and senior management with strategic responsibilities.

Name	Company	Number of shares held at 31/12/2006	Number of shares held at 31/12/2007
Paolo Barberis	DADA S.p.A.	986,454	870,000
Angelo Falchetti	DADA S.p.A.	430,341	350,341
Marco Argenti	DADA S.p.A.	56,081	66,081
Lorenzo Lepri	DADA S.p.A.	4,400	5,900

Options assigned to Directors and Executives with strategic responsibilities during the year

Name	Options held at beginning of the year		
	Number of options	Average exercise price	average expiry
Marco Argenti	65,000	10.82	From January 18 to February 6 of 2006, 2007, 2008
Marco Argenti	91,000	14.78	*
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012

* January 15 to January 31, February 16 to February 28, June 1 to June 15, September 15 to September 30 (extended to

October 15 only for the year 2012) and, finally, November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

Name	Options exercised during the year			Options expired in the year
	Number of options	Average exercise price	Average market price in year	Number of options
Marco Argenti	32,500	10.82		

Name	Options held at the end of the year		
	Number of options	Average exercise price	Average expiry
Marco Argenti	32,500	10.82	From January 18 to February 6, 2008
Paolo Barberis	127,400	14.78	From the approval of the annual accounts 2008 up to 2012
Angelo Falchetti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012
Lorenzo Lepri	68,250	14.78	From the approval of the annual accounts 2008 up to 2012
Marco Argenti	91,000	14.78	From the approval of the annual accounts 2008 up to 2012

SIGNIFICANT EVENTS IN 2007

The principal extraordinary operations of the DADA Group in the year are reported below:

On February 22, 2007, Dadan.Net S.p.A., a subsidiary of DADA S.p.A., completed the agreement for the acquisition of 30% of E-Box S.r.l., owner of the platform Blogo, and signed agreements to acquire 100% of the company over a period of 2 years.

Founded in January 2005 with head office at Milan, E-Box undertakes the activity of Nano-Publishing through its own Blogo platform which constitutes the most visited vertical blog network nationally and one of the top 10 Italian Internet Web Properties, with over 16 million monthly page visits and approximately 3.3 unique visitors per month (source: Audiweb/Nielsen, January 2007).

E-Box expects to end the year 2007 with revenues of Euro 420 thousand, principally from advertising income - over 10 primary insertion clients signed permanent sponsoring contracts with the Company – and an Ebit of Euro 50 thousand (equal to an Ebit margin of approx 12%). E-Box does not have any employees and is managed by the 4 founding shareholders, which coordinate the activities of over 50 bloggers.

The acquisition of 30% of the share capital of E.Box S.r.l. was for a payment by Dada.Net of Euro 720 thousand from the liquidity of the Group and was paid in two equal tranches, the first paid on the closing on February 22, 2007 and the second one year after the Closing.

Simultaneous to the entry into the share capital, Dada was recognised rights relating to the appointments to the Board of Directors and control of the Company and the right of veto on important board and shareholder meeting resolutions.

Purchases and sales options were also signed relating to the residual holding of the share capital which may be exercised 2 years from the Closing, subject to certain conditions.

On February 27, 2007 Register.it S.p.A. completed the second tranche of the Cotei/Nominalia operation. This operation involved the acquisition of the remaining 33% of Cotei – thus increasing its stake to 100% of Cotei and therefore 75% of Nominalia – for a payment of Euro 1.3 million of which Euro 650 thousand to be paid immediately and the balance to be paid in 2 equal quarterly instalments.

February 12, 2007 In execution of the powers delegated to the Board of Directors in the extraordinary shareholders' meeting resolution of December 30, 2005, the Board deliberated on February 12, 2007 to issue a new three-year stock option plan for executives with specific appointments and/or general managers 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 25,000 options for the subscription of the same number of ordinary Dada shares to Group Managers.

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, on achieving 90% of the objective Consolidated Ebitda for the year 2008 as determined by the Board.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

On June 10, 2007, Dada S.p.A., in further implementing the optimisation of the Group structure, completed the sale of the entire investment held in Softec S.p.A., equal to 50% of the share capital.

Dada's strategy is to focus on its wholly owned subsidiaries and its core businesses, represented by the scalable services relating to the community and entertainment world accessible via web and mobile as well as Adv and Dada pro services.

The sale of the entire holding in Softec S.p.A. to minority shareholders was for a cash payment of Euro 400 thousand, of which Euro 100 thousand payable on closing and the remaining Euro 300 thousand to be paid to Dada in three equal half-yearly payments.

The holding in Softec S.p.A. was recorded in the separate financial statements of Dada at December 31, 2006 at a value of Euro 362 thousand, while in the consolidated financial statements at December 31, 2006, goodwill was recorded of Euro 125 thousand. Therefore, this operation resulted in the recording at June 30, 2007 of a gain of Euro 38 thousand in the separate financial statements of Dada S.p.A. and of Euro 275 thousand in the consolidated financial statements.

In 2006, the Softec Group contributed revenues of Euro 2.5 million, Ebitda of Euro 503 thousand and net profit of Euro 102 thousand to the consolidation.

At 31/12/2006, the net equity of the company was Euro 62 thousand and the short-term NFP was a debt position of Euro 970 thousand.

Following its disposal, the Company was consolidated in the present half-year only at Income Statement level.

For the economic effects of the deconsolidation, reference should be made to that previously reported.

On July 18, 2007 Dada, through the subsidiary Register.it S.p.A. acquired 100% of the share capital of the English company Namesco Ltd. The total payment for the company was approx. Euro 36.7 million including transaction costs, entirely paid on closing. The financing of the purchase was comprised in part by Register.it liquidity and the remainder by a medium/long-term bank loan of Euro 30 million, guaranteed by the parent company Dada S.p.A..

Founded in 1996, Namesco is the fourth largest company in the United Kingdom and among the top 50 companies in the world in the professional Internet services market (Source: Netcraft Company Analysis, January 2007). Namesco's registered office is at Worcester and its headquarters in London, employing 59 highly-qualified professionals and managing approximately 265,000 domains for a total portfolio of over 80,000 fee-based clients. Agreements with the main Registries throughout the world allow Namesco to offer registration and management of domains and Internet professional services to both its business and consumer clients in more than 100 different countries.

In the year 1/4/2006 - 31/3/2007, Namesco recorded revenues of over GBP 8.3 million (approximately Euro 12.2 million) and an EBITDA of GBP 1.8 million (approximately Euro 2.7 million), with a margin of approximately 22%. For the year 2007/8, the Company forecasts revenues of approximately GBP 9.8 million (approximately Euro 14.5 million), an Ebitda margin of 29% and a net profit of GBP 1.7 million (approximately Euro 2.5 million). The economic benefits of the consolidation of the company were illustrated previously.

September 12, 2007 – the joint venture between Dada and SONY BMG MUSIC ENTERTAINMENT to create the company "Dada Entertainment LLC" was completed, following the agreement reached and communicated to the market on July 16 and will offer to consumers a new and innovative range of entertainment services via web and mobile phone.

Initially targeting US customers, the services of Dada Entertainment LLC will combine a wide selection of musical content, ringtones, images, video, mobile phone games, backgrounds, audio files and video in integrated format and will incorporate the extensive experience gained through the community web 2.0 and the social networks. In particular, Dada will provide access to its proprietary technological and billing platforms while SONY BMG will make its complete catalogue of musical and video content available to customers of the JV and promote its services through their multiple distribution channels, including their web properties and video network, cd production, media-buying, third-party media and sales point networks.

50% of Dada Entertainment LLC is held by Dada USA Inc and 50% by SONY BMG MUSIC ENTERTAINMENT and will be governed under rules stipulating extensive co-management. The current CEO of Dada USA Inc will act as CEO of the new company. The start date and beginning of operating activities of Dada Entertainment LLC was October of last year.

On December 20, 2007, following the integration of its activities within the Group, and as part of a rationalisation of the group organisational structure and reduction of overhead costs, the company Tipic Inc. was merged by incorporation into the company Dada USA Inc.

TRANSACTIONS WITH RELATED PARTIES

Reference should be made to the section in the notes to the financial statements (note 23).

SUBSEQUENT EVENTS AFTER THE YEAR-END

On January 9, 2008 the transfer was completed of the company Media Dada Science and Development (Beijing) Co. Ltd which distributes the Dada.net product/service on the Chinese market, from Dada S.p.A. to Dada.net S.p.A., which within the Group is the distribution vehicle in the various countries of the product, and which already holds the investment in the other foreign companies of the Group undertaking similar activities; the sale was made at standard conditions and therefore at book value.

On January 30, Register.it S.p.A. completed the acquisition of Nominalia S.l., acquiring the remaining 25% of the company shares from the founding shareholders, for an amount of Euro 1.3 million.

The results after the end of the year confirm the growth in revenue in 2006. In particular, international activities grew, with growth expected to continue over the coming quarters.

CORPORATE GOVERNANCE

1 Introduction

The Self-Governance Code of listed companies prepared by the Committee for the Corporate Governance of listed companies indicates an adequate corporate organisational model to manage the Company, the enterprise risks and potential conflicts of interest that can arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of international best practice. Its adoption is voluntary and not obligatory.

Borsa Italiana S.p.A., in the Instructions of the Regulations of the New Market, Section IA. 2.6, requires that listed companies must prepare a specific communication annually relating to its organisational choices in view of the recommendations made by the Corporate Governance Committee, to be made available to the shareholders together with the documentation required for the Annual Shareholders' Meeting to approve the annual accounts. In this communication, the Board of Directors of listed companies that have not applied the recommendations of the code or only applied them in part, must provide information on the reasons for this decision. Similar provisions are contained in article 123 bis of Legs. Decree 58/98 (hereafter also the "CFA") and article 89 bis of CONSOB regulation No. 11971/99.

The Chairman of the Board of Directors of Dada S.p.A. announced, on behalf of the Board, that the company approved on November 9, 2006 the internal code on Corporate Governance, which cover the regulations relating to the corporate governance adopted by the Board of Directors of Dada S.p.A. and of the Board of Statutory Auditors of the company, and in relation to the regulations applicable to this latter, are in compliance with the Self-Governance Code of listed companies updated in March 2006.

The Board therefore approved the Criteria Document of the above-mentioned internal Code on Corporate Governance, with which some resolutions were adopted in application of the Code.

In order to provide adequate disclosure, information is provided on the application of the Self Governance Code for listed companies, indicating which recommendations have been effectively applied and in which manner, having regard to the Self-Governance Code and providing adequate information on which recommendations have not been applied, either partially or delayed.

Shareholding structure:

At the date of the present report, based on the communications received in accordance with articles 120 and 122 of Legislative Decree No. 58 of 1998, the significant holdings in the share capital of Dada S.p.A. are:

RCS Media Group S.p.A. 46.54%
Paolo Barberis 5.36%
Simona Cima 2.35%
Alessandro Sordi 2.40
Angelo Falchetti 2.16%
Jacopo Marello 2.10%
Oyster Sicav 2,24%
Eurizon Inv. SGR 2.34%
Axa World Fund Sicav 2.15%

It is recalled that a shareholder agreement currently exists between Rcs MediaGroup S.p.A. and Paolo Barberis, Angelo Falchetti, Jacopo Marello, Alessandro Sordi and Marco Argenti, originally signed on November 11, 2005. Reference should be made to the communications made in accordance with law for further information.

2. Role and functions of the Board of Directors

Article 1 of the Self Governance Code:

1. The Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner to guarantee an effective and efficient performance of its functions.

2. The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, where the Company, in accordance with the law is subject to the direction and coordination and/or control by third parties, the Directors of the Company, in the undertaking of the offices held, must also take into account the directives and policies defined for the group to which the company belongs, as well as the benefits deriving from belonging to the group.

GENERAL CRITERIA

i) the Board of Directors, in the undertaking of its responsibility to determine and identify the strategic objectives of the Company and of the Group, in addition to its activities in accordance with the company's by-laws, and within the powers delegated internally to deal with third parties, exclusively:

a) examines and approve the strategic, industrial and financial plans of the Company and of the Group which the Company heads, the corporate governance of the Company and the structure of the group;

b) evaluates the adequacy of the organisational, administration and general accounting system of the Company and of its subsidiaries having strategic importance, which has been implemented by the corporate boards with particular reference to the internal control system and to the management of a conflict of interests;

c) assigns and revokes the delegation of powers to the chief executive officers as well as of the general managers, where present, and the executive committee, establishing the limits and manner of exercising such power and the frequency of reporting, normally for a period not beyond three months, through which the appointed bodies must report to the directors on the activities performed in relation to the powers conferred;

d) establishes, after examining the proposals of the relevant Remuneration Committee and after having consulted with the Board of Statutory Auditors, the fee to be paid to executive directors and those who hold specific offices, as well as dividing the total fees to which the directors are entitled among the individual members of the board, if this has not already been decided by the shareholders' meeting;

e) evaluates the general operational performance, taking into account, in particular, the information received from executives, as well as periodically comparing the results with the budgets;

f) examines and approves the operations of the Company and its subsidiaries, when these operations have a significant strategic, economic, or financial importance for the Company, with particular attention to the situations in which one or more directors have an interest on their own behalf or on behalf of third parties and, in general, in the transactions with related parties; they establish general criteria to identify significant transactions;

g) undertakes, at least once a year, a valuation on the size, on the composition and on the functioning of the Board and on the committees, and where necessary, expresses opinions on the appointment of professional persons to the Board;

h) provides information, in the corporate governance report, on the application of the present Article I and, in particular, on the number of meetings of the Board and of the Executive Committee, where present, which were held during the year and on the relative percentage of participation of each director.

The above-mentioned self-governance code has been implemented in the governance structure of the Company which recognises to the Board of Directors a central role within the Company, and in relation to this it should be noted that article 20, letter E of the By-laws of Dada S.p.A., largely in conformity with the provisions of the Self-Governance Code on Corporate Governance, establishes that "The Board of Directors can delegate its powers to an Executive Committee and/or to one or more Directors determining the limits of the powers delegated. The powers indicated in article 2381 of the Civil Code cannot be delegated, nor those that are not permitted by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors in the following board meeting in relation to the most important economic, financial and equity operations of the company.

In particular, they report on operations in potential conflict of interest or on those of an atypical or unusual nature compared to the normal operations of the company. The same information must be provided to the Board of Statutory Auditors.

In addition to powers that cannot be delegated under law, the Board of Directors has exclusive competence for:

- the determination of the general management strategy;
- the remuneration of the directors appointed to carry out particular duties (where this has not been already decided by the Shareholders' Meeting) and the division of the total

remuneration among the individual members of the Board of Directors and of the Executive Committee;

- the creation of committees and commissions determining their duties, responsibilities and functioning, including with the purpose of modelling the corporate governance in accordance with that established in the self-regulation code of listed companies;
- the approval of important economic, financial, and equity transactions, with particular reference to transactions with related persons.

The board of directors can, in addition, nominate general managers determining their duties and powers and can also nominate procurers for single deeds or categories of deeds.

The criteria for the determination of particularly significant operations, that may not be delegated, were indirectly fixed through the structure of the delegated powers made by the Board in the meeting of May 9, 2006 (and subsequently re-evaluated in the meeting of July 27, 2007) and thus from a quantitative and qualitative viewpoint. In particular, from a quantitative view point, all operations are considered significant whose value is above Euro 3 million. From the qualitative viewpoint, significant operations are considered, without regard to their value, as being the approval of the strategic, industrial and financial plans of the company and the corporate structure of the group, acquisitions, mergers, disposals, conferment of equity investments, quotas, business units, the incorporation of joint ventures, the purchase of buildings and company assets and the concession and granting of loans of significant amounts, that may not be delegated.

In order to clarify the identification of the significant operations, while maintaining the above-mentioned criteria, the Board of Directors approved the Procedure for the conclusion and execution of the significant operations with related parties or with a director having an interest on February 12, 2007.

The criteria for the determination of the significant operations were and are already in part indirectly fixed through the executive powers and, in particular, by the qualitative and quantitative limits, and therefore from a quantitative and qualitative viewpoint, but they were specifically outlined in the above-mentioned Procedure for the conclusion and execution of the significant operations, with related parties or in which a director has an interest; this procedure provides for the identification of the criteria characterising significant operations, which includes the most important extraordinary operations and in any case those above a value of Euro 3 million, at the same time including ad hoc procedures for the approval of these operations which require Board approval or the appointment of third party experts or of the Internal Control Committee.

This procedure was applied during 2007 specifically relating to some significant operations.

In its meetings (the last one being on 27/07/07 and referred to in greater detail in the following paragraph), the Board approved the corporate governance system as resulting from the system of powers and proxies delegated currently in force within the company in conformity with the matters previously outlined.

In its meetings, the Board also examined and approved the operations of significant strategic, economic, equity or financial importance, in relation to both the Company and its subsidiaries.

The Board also confirmed the approval of the group structure and positively evaluated the organisational, administrative and general accounting structure of the company and its subsidiaries with strategic importance; the organisational structure was verified under different profiles, including through the activities of the internal control committee and is based on a system of procedures and controls, largely centralised on the corporate structures of the parent company; in addition, Dada S.p.A. and its subsidiaries with strategic importance have an internal control system which is largely based on a series of analyses and procedures. In addition, the

Ethical Code and the Organisational Model as per Legislative Decree No. 231/2001 were adopted, as was the Procedure for the management of confidential and privileged information.

In relation to this, it is reported that the Board, in line with the criteria used for the preparation of the present Report, defines subsidiary companies with strategic importance as each subsidiary in accordance with law which undertakes its principal activities in the sectors of Internet and communications and has the obligatory requirement to audit their financial statements in accordance with the Consolidated Finance Act, or each subsidiary which, by its economic, equity or financial size, or by the particular characteristics of its activities, is defined as such by the Chairman of the company.

In relation to significant operations, with related parties and the management of conflicts of interest, the procedures already adopted based on the above-mentioned Self-Governance Code of listed companies was further confirmed by the approval of the specific procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest.

The Board also established that the executive boards report at least quarterly on the activities undertaken in relation to the delegations conferred to them.

With regard to the maximum number of offices which each director of Dada may have in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking, or insurance companies or of significant size, in 2007 the Board considered the limit which should be imposed for the effective execution of the role of Director of the Issuer.

Following this analysis it was considered appropriate to introduce a limit to the maximum number of offices which each director of Dada S.p.A. may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking or insurance companies or companies of a significant size and which considers the role covered by the Director as one which requires discriminatory judgement and whether belonging or not to the Dada Group. The limits introduced did not give rise to any issues or conflict with the offices effectively held by the Directors of the Issuer.

In particular, each Executive Director of Dada may not hold Executive Director positions within other large companies (as listed in the previous paragraph), but may simultaneously hold other offices (up to a maximum of seven) as non Executive Director, including as independent director or standing statutory auditor (or member of another supervision board) of companies of a significant size.

However, each Non Executive Director of Dada may hold offices up to a maximum of 5 Executive Directorships in other listed companies in regulated markets as indicated above, and up to a maximum of 12 offices of non Executive Director.

In order to correctly outline the application of the regulation, companies of a significant size are considered those which in the previous year were not permitted to prepare financial statements in abbreviated form.

A number of exceptions are applicable to the above-mentioned regulations:

- in the case of offices held within the Dada Group or in subsidiaries directly or indirectly held by Dada S.p.A., these offices are not included;
- in the case in which these offices are held in holding companies, subsidiaries or other companies subject to common control, the offices held are considered as a single office.

Finally it should be noted that these limitations are not imperative as the Board of Directors has the right to make exceptions to the above-mentioned limits by means of a resolution.

The Board also determined, as further described in the present report, after examining the proposals of the Remuneration Committee and after having consulted the Board of Statutory Auditors, the remuneration of the Executive Directors, as well as dividing the total remuneration to which the directors are entitled among the individual members of the Board.

In 2007, the Board of Directors held 9 meetings. At the date of the preparation of the present document, one meeting of the BoD had been held in 2008, while for the current year a total of 6 meetings are planned. The by-laws provide that the Board meets at least on a quarterly basis. The percentage of participation of each director at the meetings is indicated in table 1 attached to the present report.

The members of the Board of Directors are provided with the necessary documentation within a reasonable time period in advance, except in the case of urgency, in order that the Board may express opinions in an informed manner on the matters on the agenda.

3. Composition of the Board of Directors

The Self-Governance Code states that the Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner which guarantees an effective and efficient performance of its functions.

The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, the directors, in the undertaking of the office held, must also take into account the directives and policies established for the group to which the company belongs as well as the benefits deriving from belonging to the group.

The Board of Directors of Dada S.p.A. is composed of 13 members: they were elected at the shareholders' meeting held on April 21, 2006, with the exception of the Directors Riccardo Stilli and Roberto Ravagnani, co-opted by the Board on November 9, 2006 replacing the resigning Directors, Vittorio Colao and Aldo Bisio and confirmed by the shareholders' meeting of April 20, 2007; the Director Monica Alessandra Possa was co-opted by the Board on July 27, 2007 to replace the resigning Director Alberto Ronzoni. All of the board members offices expire with the approval of the annual accounts for the year ended December 31, 2008 with the exception of Monica Alessandra Possa, whose office will expire at the next Shareholders' Meeting.

Members of the Board of Directors		
Name	Place and date of birth	In office from
Paolo Barberis	La Spezia 08/12/1967	21/04/2006
Marco Argenti	La Spezia 16/03/1967	21/04/2006
Angelo Falchetti	Senigallia (AN) 14/09/1967	21/04/2006
Salvatore Amato	Florence 23/05/1956	21/04/2006
Danilo Vivarelli	La Spezia 06/06/1964	21/04/2006
Raffaello Napoleone	Rome 30/10/1954	21/04/2006
Monica Alessandra Possa	Milan 18/10/1964	27/07/2007
Riccardo Stilli	Sanremo (IM) 01/06/1962	09/11/2006
Giorgio Valerio	Milan 13/07/1966	21/04/2006
Barbara Poggiali	Milan 04/03/1963	21/04/2006
Lorenzo Lepri	Rome 11/12/1971	21/04/2006
Pietro Varvello	Vigevano 18/07/1965	21/04/2006
Roberto Ravagnani	Monza (MI) 04/05/1968	09/11/2006

Composition of the BoD at March 10, 2008

The directors, in such capacity, act with the objective of creating value for the shareholders and deliberate in complete autonomy with prior exhaustive knowledge of the facts, which may also be obtained from information distributed before each board meeting.

The Board of Directors is composed of executive and non-executive directors. The Executive Directors are the Chairman and Chief Executive Officer and the Directors with delegated powers and therefore Angelo Falchetti, Lorenzo Lepri and Marco Argenti.

The powers attributed to the executive directors are contained in the Board resolution of 27/07/2007. The Executive Director Angelo Falchetti has been delegated the following powers: A) relations with the market and investors, B) administration, finance and tax, C) personnel, D) logistics and office purchasing, F) sales and marketing, G) production, technical, network and software, H) community; in the exercise of the powers delegated to Angelo Falchetti, he may represent the company for each individual exercise of the power with single signature up to a maximum amount of Euro 1 million.

The Executive Director Marco Argenti has been delegated the following powers: F) sales and marketing, G) production, technical, network and software, H) community.

In the exercise of the delegated powers held, the Executive Director Marco Argenti can represent the Company with single signature up to a maximum amount of Euro 500,000.

The Executive Director Lorenzo Lepri has been delegated the following powers: A) relations with the market and investors, E) disputes, I) Merger & Acquisitions, L) Strategic planning.

In the exercise of the delegated powers held, Lorenzo Lepri can represent the Company with single signature up to a maximum amount of Euro 200,000.

In conformity with the requirements of the provisions introduced through article 1.C.2, the members of the Board of Directors of Dada S.p.A. that hold offices in other listed companies, financial, banking, or insurance companies, or of significant size, are provided below:

- Barbara Poggiali, director of RCS Broadcast S.p.A., Unidad Editorial SA, 3 Italia S.p.A., M-dis Distribuzione Media S.p.A., Rai Sat S.p.A. and RCS Digital S.p.A.;
- Raffaello Napoleone, director Pitti Immagine, Ente Moda Italia;
- Riccardo Stilli, director of RCS Pubblicità S.p.A., RCS Libri, unidad Editorial SA, m-dis Distribuzione Media S.p.A., RCS Factor and Flammarion SA;
- Giorgio Valerio, director of Rcs Quotidiani, RCS Digital and Unidad Editorial SA;
- Pietro Varvello, director of Finelco S.p.A. Group and RCS Broadcast S.p.A

The executive directors report to the Board on the most important activities undertaken in relation to the powers delegated to them and on the most important activities undertaken by the Company and its subsidiaries.

The Board of Directors made a positive evaluation in relation to the numbers on the board, its composition and its function.

4. Independent directors

The Self-Governance Code affirms an adequate number of non-executive directors are independent, indirectly, with the issuer or with parties related to the issuer, as they do not have, or have not recently had, relations that would affect their independent judgment.

The independence of the directors is periodically evaluated by the Board of Directors. The result of the evaluation of the Board is communicated to the market.

Article 3 of the Self-Governance Code recommends that the board of directors elect an adequate number of independent directors and attributes the duty to evaluate the independence of its non-executive members to the Board, with regard in particular to the substance rather than the form and taking into account that a director is normally not independent in the following situations:

a) if, directly or indirectly, including through subsidiary companies, trusts or interposed persons, controls the issuer or is capable of exercising a significant influence, or participates in a shareholder agreement through which one or more parties can exercise the control or have a significant influence on the issuer;

b) if he is, or was in the previous three years, a significant member of the issuer, of a subsidiary with strategic importance or of a company under joint control with the issuer, or of a company or of an entity which, also together with others through shareholder agreements, controls the issuer or is able to exercise a significant influence;

c) if, directly or indirectly (for example through a subsidiary or through which it has a significant holding, or as a partner of a professional studio or a consultancy company), has, or had in the previous year, a significant commercial, financial or professional relationship:

- with the issuer, one of it's subsidiaries or with relevant members thereof;
- with a party which, also together with others through a shareholder agreement, controls the issuer, or – relating to a company or entity – with the relative significant holdings or is, or was in the previous three years, an employee of one of the above-mentioned parties;

d) if receives, or has received in the previous three years, from the issuer or from a subsidiary or holding company a significant additional remuneration compared to the “fixed” emoluments of a non-executive director of the issuer, including the participation in incentive plans related to the performance of the company, including share-based payments;

e) if he was a director of the issuer for more than nine of the past 12 years;

f) if he held the role of executive director in another company in which an executive director of the Issuer is a director; g) if he is a partner or director of a company or of an entity belonging to the network of the audit company of the issuer;

h) if he is a close family member of a person relating to one of the situations in the previous points.

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The Board of Directors of Dada S.p.A. nominated by the Shareholders' Meeting of April 21, 2006 includes three independent directors (Salvatore Amato, Raffaello Napoleone and Danilo Vivarelli): The three Directors before the Shareholders' Meeting filed declarations that they qualify as independent directors in accordance with the new edition of the Self-Governance Code (as per article 148, paragraph 3 of Legislative Decree No. 58/1998 and the regulations of the Italian stock exchange applicable to the Company); the Board meeting of May 9, 2006 positively evaluated the independence of the above-mentioned directors and subsequently confirmed the evaluation on the approval of the 2006 Corporate Governance Report.

The number and expertise of the current independent Directors is assessed as adequate by the Board of Directors, both in relation to the Regulations of Borsa Italiana and in relation to the constitution of the Committees in accordance with the provisions of the Self-Governance Code of listed companies and adequate guarantees of independent management. The independent Directors met during the year in the absence of the other directors.

The positive evaluation of the independence of the directors, in light of their declarations in accordance with the Self-Governance Code, is reconfirmed with the approval of the present annual report on the Corporate Governance by the Board and, also with the approval of the present report, the positive evaluation was made by the Board of Statutory Auditors on the correct application of the criteria and procedures utilised by the Board in this valuation.

5. Chairman of the Board of Directors

The role of the Chairman of the Board of Directors outlined by the Self-Governance Code is fundamental to ensuring an efficient functioning of the Board and efficient Corporate Governance: he is in fact responsible for the functioning of the Board, and of the distribution of information between directors.

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According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the legal representative of the company. The Chairman calls the Shareholders' Meetings, of which he is the chairman, verifying the correctness of the convocation and the procedures for voting. He also calls and establishes the agenda of the Board and ensures that all of the Directors receive in a timely manner (compatible with the requirements of confidentiality, urgency and the nature of the resolutions) the necessary documentation and information in order to vote in an informed manner.

The Board of Directors of Dada S.p.A. meeting of July 27, 2007 conferred all the operational powers to the Chairman of the Board of Directors, consequently also on the Chief Executive Officer with the same signature powers in all operational areas and with a spending limit of Euro 1 million, which increases to Euro 3 million in the case of participation at public tenders; in relation to this, it is noted however that among the three Executive Directors, also appointed by the Board on July 27, 2007, the executive powers were delegated in the different management areas, having been conferred the ordinary management of the business, in relation to their respective operational areas.

As the Chairman is not considered the principal and main person responsible for the operational management of the business, it was not considered necessary to appoint a Lead independent director.

6. Treatment of reserved information

The Directors and Statutory Auditors maintain maximum confidentiality with respect to the documents and information acquired in the performance of their duties, and conform to the procedure adopted by the Company for the internal management and public disclosure of these documents and information.

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The Chairman and Chief Executive Officer, together with the Executive Directors ensures the correct management of corporate information; for this purpose, the Board of Directors implemented the recommendation of the Self-Governance Code, and on September 11, 2006 adopted, as replacement of the previous code, a new procedure which has the purpose to govern the internal management and external publication of Reserved Information, and in particular Confidential Information, relating to DADA S.p.A., to all subsidiaries, and/or financial instruments issued, in order to implement instruments which would prevent the non-compliance of legal obligations in relation to public communications and market abuse and avoid that the internal management of its information is undertaken in an inadequate manner and respects a general principle of confidentiality and that the external communication in not untimely, incomplete, or which in any case would result in asymmetric information, through an internal procedure which identifies the parties with the power to deal with confidential information and the criteria for the diffusion of the same; this is applicable to all companies of the DADA Group.

The procedure is therefore applicable to each subsidiary; in addition, the procedure is related to the internal procedure, also adopted by the Board, to maintain an updated register of the persons having access to confidential information in accordance with article 115-bis of the finance act and article 152-bis and thereafter of the Issuers' Regulations.

Internal Dealing

The Board of Directors of Dada S.p.A. on March 16, 2006 adopted the new Code of Conduct in relation to operations made on Dada shares and related financial instruments, subsequently modified on May 11, 2007 and prepared in accordance with article 152.6 and thereafter of the Consob Regulations adopted with Resolution No. 11971 and the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A. and introduced the so-called "black-out period", or a prohibitory period in which relevant parties may not carry out operations involving the company's shares in the 15 days preceding the Board of Directors' meetings called to approve the draft financial statements, the half-year report and the quarterly reports; this code replaces the previous code adopted by the Company.

The Code governs the conduct that Relevant Persons must comply with in relation to operations undertaken by these latter and by persons strictly related to them on Financial Instruments (as defined), also in order to permit DADA S.p.A. to comply with the communication obligations to the market in accordance with the Issuers' Regulations, and in accordance with the procedures and terms contained in the Code.

7. Holdings of Directors and transactions with related parties

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n relation to transactions with related parties, the Self-Governance Code provides that: "The board of directors adopts measures in order to ensure that the transactions in which a director has an interest, on his own behalf or on behalf of third parties, and those undertaken with related parties are undertaken in a transparent manner and applying criteria which are correct both in substance and in form."

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In accordance with this requirement, the "Procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest" approved by the board provides that the realisation by the Company, directly or through a subsidiary company, of operations with related parties or with a director having an interest, must be undertaken in accordance with the criteria of transparency and be correct both in substance and form, and in consideration of the law and in particular the provisions of articles 2391 and 2391-bis of the Civil Code, and relative regulations. In particular, this procedure, for the part relating to transactions with related parties, identifies criteria for the identification of significant operations, both of a qualitative nature and relating to the value of the operation and requires the Board to be fully informed on the terms and conditions of the operation and of the evaluation procedure required; in the case of relevant operations under the procedure, the intervention of independent experts or the internal control committee is required. The procedure also provides that, where a Director has, on his own behalf or on behalf of third parties, an interest even potential or indirect, in relation to a transaction or matter subject to examination and approval by the Board of Directors, this Director must inform in a timely manner and exhaustively, the Board of Directors, in addition to the Board of Statutory Auditors – indicating the nature, the terms, the origin, and the amount of this interest – and abstaining from the meeting during the relative discussions, except where the Board does not consider this appropriate, taking into account the circumstances and also the necessity to maintain the required quorum.

8. Formation and functioning of the internal committees of the Board of Directors

The Self-Governance Code states that the Board of Directors forms one or more committees for the purposes of making proposals and of a consultative nature as illustrated in the subsequent paragraphs.

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The Committees are created and operate in accordance with the principles and applicable criteria of the Self-Governance Code, as described below. In relation to this, the Board of Directors approved the regulations governing the activities of the two committees formed by the Board – the Remuneration Committee and the Internal Control Committee.

9. Appointment of Directors and the Nominations Committee

The Self-Governance Code provides that the nomination of the directors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the personal and professional characteristics of the candidates for the office. The Board of Directors evaluates whether to create an internal committee for nominations, composed of a majority of independent directors.

General criteria

The slate of candidates, together with the professional and personal information, as well as whether they qualify as independent directors in accordance with the Code, must be filed at the registered office of the company at least 15 days before the date fixed for the Shareholders' Meeting. The slates, together with the information on the candidates, are published in a timely manner on the Internet site of the Company.

In relation to this, it is noted that, and considering the application of the provisions of law and the company by-laws in relation to the nomination of the Board of Directors, on the convocation of the relative shareholders' meeting, and the relative documentation required to be presented before the shareholders' meeting in accordance with law, the Board recalls the above-mentioned recommendations.

Where formed, the committee for nominations may have one or more of the following functions:

a) propose to the Board of Directors, the candidates for the board in the cases provided by article 2386, first paragraph of the civil code, where it is necessary to replace an independent director;

b) indicate – provided there is compliance of law and of the company by-laws – candidates for the office of independent directors to be proposed to the shareholders' meeting of the company, taking account of any indications received from the shareholders;

c) provide opinions to the Board of Directors in relation to the size and composition of the Board and on the necessity to appoint professional persons to the Board.

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Article 19 of the by-laws of Dada S.p.A. was amended in accordance with the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the administrative board in accordance with the so-called savings law and by related CONSOB regulation; in particular, this resolution introduced the voting by slates, the necessity that at least one director was representative of the minority slate and the necessity that the Board of Directors is composed of a minimum number of independent Directors.

In order to address some of the salient points required by the new laws, the proposals for the appointment of members of the Board of Directors must be filed at the registered office at least 15 days before the Shareholders' Meeting. The shareholders may also present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations. In addition, except for the minimum number reserved by law for the minority slate, the appointment of the directors is as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates. If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority, all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority. In any case, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In relation to the present point, it should be noted that in the meeting of May 9, 2006, the Board, exercising a right expressly included in the Self-Governance Code and in consideration of the changes to the shareholding structure of the company, deliberated not to re-elect the nominations committee; the Self-Governance Code of the listed companies in fact recognises that the formation of this Committee normally arises in systems characterised by a high degree of shareholder dispersion, in order to ensure an adequate level of independence of the directors in comparison to management and that they undertake a function of particular importance in the identification of the directors in companies with a wide shareholder base.

10. Remuneration Committee

The internal Code on Corporate Governance recommends that the remuneration of the directors should be established in a sufficient manner to attract, maintain and motivate directors with the professional qualities required to manage the Company and also that the remuneration of the executive directors should be such as to provide motivation in the achievement of the primary objective of the creation of value for the shareholders over a long-term period.

The Code provides that the Board of Directors forms a remuneration committee composed of non-executive directors, the majority of which being independent directors.

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The Remuneration Committee was created from within the Board of Directors, and currently consists of the following non-executive directors, the majority of which independent: Danilo Vivarelli (Chairman), Monica Alessandra Possa and Salvatore Amato; in relation to the composition of the Committee it is noted that in September 2007 the Director Barbara Poggiali, previously Chairman of the Committee, communicated to the company her renouncement of the role; consequently, the Board of Directors' resolution of September 5, 2007 appointed Monica Alessandra Possa as new member of the Committee and Danilo Vivarelli as the Chairman.

The objective of this Committee, confirmed by the Board on the approval of its regulations, is:

- to present to the Board proposals for remuneration of the executive directors and of the other directors holding specific offices, monitoring the application of the decisions adopted by the board;

- periodically evaluating the criteria adopted for the remuneration of the senior management with strategic responsibility, review the application based on the information provided by the executive directors and formulate to the Board of Directors general recommendations;
- with reference to the utilisation of the stock options and to the other incentive systems based on shares, the Remuneration Committee presents to the board its recommendations in relation to their utilisation and all the significant technical aspects in relation to their form and application, and in particular makes proposals to the Board in relation to the incentive systems considered most appropriate and monitors the progress and the application of the plans approved by the shareholders' meeting proposed by the Board.

The decisions of the Remuneration Committee must be made in such a manner that no director can influence the determination of his remuneration, allowing their participation only in the areas in which their remuneration is not under discussion.

The total remuneration to be attributed to the Board was fixed by the Shareholders' Meeting of April 4, 2006, which also confirmed the amount for attending each board meeting.

In relation to the total remuneration, the Board, with the assistance of the Committee, has therefore identified the remuneration of directors with specific roles, attributing a significant part to the achievement of the objectives indicated by the Board. Similarly, a significant part of the remuneration of the senior management with strategic responsibility is related to the achievement of specific objectives. However, the remuneration of the non-executive directors is related to the commitment requested of each director and is not related to the economic results of the Company. The executive directors and the managers with strategy responsibility are also beneficiaries of stock option plans, as this instrument is considered effective for the loyalty and retention of management.

During 2007, the Committee undertook a benchmarking analysis on the remuneration of the Company's top management and presented to the Board of Directors its proposals for the remuneration of Executive directors and provided its indications on the general criteria of the remuneration of the top managers, and also on the adoption by the Board of the stock option plans for the Top management of Dada S.p.A. and its subsidiaries. In relation to this latter after the end of the year 2007, the Committee also presented to the Board a proposal for a specific intervention on a part of the options already previously assigned to a director operating on the US market, and in application of the stock option regulations for senior management. The proposal was approved. Minutes are kept of the Committee meetings.

11. Internal Control

The Self-Governance Code defines the internal control system as the overall rules, procedures and organisational structures aimed at permitting, through an adequate process of identification, measurement, management and monitoring of the principal risks, a healthy, correct and coherent management of the enterprise with its set objectives.

An effective internal control system contributes to safeguarding the company's assets, the effectiveness of the business operations, the reliability of the financial information, the compliance with law and regulations. The Board of Directors evaluated the adequacy of the internal control system in relation to the requirements of the enterprise.

The Board of Directors ensures that it evaluations and decisions relating to the internal control system, to the approval of the financial statements and the half-year reports and the relationships between the issuer and the external auditors are supported by adequate instructions. For this purpose, the Board of Directors created an internal control committee composed of non-executive directors, the majority of which independent directors. If the issuer is controlled by other listed companies, the internal control committee is composed exclusively of independent directors. At least one member of the committee has adequate accounting and financial experience, to be evaluated by the board of directors on the nomination.

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The Internal Control Committee of Dada S.p.A., in compliance with the provisions of law and the internal Code on Corporate Governance, is composed entirely of independent directors; the members of the committee are as follows: Salvatore Amato (Chairman), Raffaello Napoleone and Danilo Vivarelli; among the directors, Mr. Vivarelli has adequate accounting and financial experience.

The Board of Directors appointed the CEO Angelo Falchetti as the person responsible for supervising the operations of the internal control system.

As indicated in the internal regulations of the Committee, the Internal control committee, which undertakes general consultative and proposal functions, in addition to assisting the Board of Directors in undertaking its duties, indicated by the Self-Governance Code:

a) evaluates, together with the executive responsible for the preparation of the corporate accounting documents and with the auditors, the correct utilisation of the accounting principles and, in relation to the Group, their uniformity in the preparation of the consolidated financial statements;

b) on request, the executive director, where necessary, expresses an opinion on specific aspects relating to the identification of the principal business risks as well as the planning, realisation and management of the internal control system

c) examines the work plan prepared by the person responsible for internal control as well as the periodic reports prepared by this person;

d) evaluates the proposals made by the external audit firms for the audit appointment, as well as the work plan prepared by the auditors and the auditors opinion and management letter;

e) reviews the efficiency of the audit;

f) undertakes additional duties which may be attributed by the Board of Directors in relation to transactions with related parties;

g) reports to the Board, at least on a half-yearly basis, on the approval of the financial statements and on the half-year report, on the activities undertaken as well as on the adequacy of the internal control system.

The chairman of the Board of Statutory Auditors or another statutory auditor designated by him attends the internal control committee meetings.

In accordance with the above-mentioned Self-Governance Code, the Board of Directors, with the assistance of the Committee, defined the guidelines for the internal control system and periodically verified the adequacy and the functioning of the control system, and also on the examination and approval of the half-yearly reports presented by the committee on the activity undertaken.

On the proposal of the Committee, the Board also approved the guidelines on the control system in order that the principal risks relating to the issuer and its subsidiaries are correctly identified, and adequately measured.

The annual evaluation on the adequacy, efficiency and effective functioning of the internal control system was positively renewed during the Board meeting of 10/03/2008 on the presentation by the Committee of the Report on the activities undertaken during the second half of 2007 and based on the considerations and results of the Committee.

Minutes of the Committee meetings confirming their proper regulation are kept.

In relation to the control structure, it is noted that in 2006 there were two persons responsible for the internal control committee; in consideration of the changes made to the Self-Governance Code and to the change in the organisational structure of the company, on February 12, 2007, the Board, on the proposal of the executive director and having consulted with the Committee, approved a different structure of the persons responsible for internal control, in favour of the confirmation of the person responsible for internal control Mr. Carlo Ravazzin and appointing Mr Leonardo Bonciani in the role as Company Contact Person responsible for internal control.

The function of the person responsible for internal control is to verify whether the operational processes of the "normal" controls are adequate compared to the potential risks, making recommendations to management and to the control committee, where necessary, on the adoption of all the measures required to eliminate risks of a financial nature and to improve the efficiency and effectiveness of business processes.

The activity of the person responsible for internal control is continually directed at the identification of further areas of risk, to be reported to the Control Committee for the adoption of appropriate measures.

The person responsible reports to the internal control committee and to the board of statutory auditors; in addition, he also reports to the executive director responsible for supervising the functioning of the internal control system. In particular, he reports on the manner in which the management of the risks is undertaken, as well as compliance of the plans defined for their containment.

The Manager and the Internal Control Committee consult with the Supervisory Board of the Group established in accordance with Legislative Decree 231/2001 also in the application and verification of the procedures as per Legislative Decree 231/2001 (governing the administrative responsibility of legal persons), for the purposes of the adoption of the most appropriate preventive and control model. The activities of the Supervisory Board, comprising the independent Director Danilo Vivarelli, the statutory auditor Piero Alonzo and the Head of Internal Control Carlo Ravazzin, in 2007 undertook an on-going verification of the organisational model, with particular regard to matters concerning workplace security, which the legislature has recently enacted through Legislative Decree 231/2001.

The above-mentioned committee defines the procedures in order to examine, identify and resolve new potential risk areas in accordance with the current organisational structures and responsibilities.

The company also created an internal audit department, under the responsibility of the Person Responsible for Internal Control, an external party to the Company and head of this Department in consideration of his competence and experience already matured in relation to the companies of the Dada Group.

The audit firm of the Issuer is Reconta Ernst & Young S.p.A., appointed by the shareholders' AGM of April 2006 and appointed as auditor for the period 2006-2011.

Federico Bronzi was appointed as the executive responsible for the preparation of corporate accounting documents. He has been the Administration Director of Dada S.p.A. since 2000 and holds all the statutory requirements necessary, and therefore has adequate expertise in the administrative and financial field confirmed through experience matured covering managerial roles in administrative/accounting activities and/or financial and/or control undertaken within the Company and/or at other companies.

12. Relations with institutional investors and other shareholders

The Self-Governance Code states that the Board of Directors promotes initiatives in order to favour the greatest participation possible of the shareholders at shareholder meetings and facilitates the exercise of the rights of the shareholders.

The Board of Directors actively attempts to establish a continual dialogue with its shareholders based on an understanding of their reciprocal roles.

The Committee for Corporate Governance consider that it is in the interest of the company to implement a continual dialogue with all shareholders and with institutional investors, including nominating a person responsible, and if necessary, creating a corporate structure dedicated to this function.

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The Board of Directors operates in a timely manner and facilitates the access of significant information to the shareholders, in order to ensure that these latter can exercise their rights in a knowledgeable manner. For this purpose, the Company has created a separate section on its Internet site, easily identifiable and accessible, in which, in accordance with the provisions of law and the internal procedure for the management and communication of corporate information of importance to the shareholders is made available concerning the issuer, such as the manner for participation in the exercise of the voting rights in shareholder meetings, the documentation relating to the matters on the agenda, including the list of candidates for the role of director or statutory auditor.

The Board also appointed the Executive Director Lorenzo Lepri as Investor Relator and created a department for this function.

Financial communication activity is carried out through press releases and periodic meetings with the financial community in order to pursue the principal of information symmetry and in respect of "price sensitive" information.

13. Shareholders' Meetings

Article 12 of the Self -Governance Code underlines the central role that the Shareholders' Meeting must have in the life of a company, as a fundamental forum of corporate debate and relations between the shareholders and the Board of Directors.

On the proposal of the Board of Directors, the Shareholders' Meetings must approve a regulation that indicates the procedures to be carried out in order to permit the functioning of the Shareholders' Meetings, without however affecting the rights of each shareholder to express their opinion on the matters under discussion.

In order to facilitate the participation of the shareholders at the shareholders' meeting of the company, the Board of Directors convenes the meetings in locations easily accessible from the headquarters of the company and from central stations; in addition, the shareholders' meetings are called in the early afternoon in order to facilitate the participation of shareholders from outside of the city.

The shareholders' meetings are governed by Regulations approved by the shareholders' meeting in 2001, whose adoption was considered appropriate, for a correct and normal functioning of the meetings. The regulations are available at the registered office of the company and govern the organisation of the shareholders' meetings, the right of shareholders to attend meetings, executive powers of the Chairman of the Shareholders' Meeting and other matters related to the meeting.

The company encourages and facilitates the widest possible participation of the shareholders at the Shareholders' Meetings, providing, in respect of the Governance on price sensitive communications, the information, requested by the shareholders relating to the company, in order to enable informed voting at the shareholders' meetings. The participation at the Shareholders' Meetings is regulated by the provisions of law and current regulations on the matter. For the participation at the Shareholders' Meetings the shareholder must file at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

The shareholder having the right to participate at the Shareholders' Meeting, subject to the provisions for proxies contained in Legislative Decree No. 58/98, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

14. Statutory Auditors

The Self-Governance Code provides that the appointment of the statutory auditors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the professional and personal characteristics of the candidates.

The statutory auditors act with autonomy and independence also in relation to the shareholders who elected them.

The issuer prepares the measures which guarantee an efficient undertaking of the duties of its board of statutory auditors. The Self-Governance Code provides that the statutory auditors act in a transparent manner.

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Article 24 of the by-laws of Dada S.p.A. was amended by the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the board of statutory auditors under the so-called savings law and by related CONSOB regulation; in particular this resolution introduced the requirement that at least one statutory auditor is elected from the minority slate, as well the limit in relation to the maximum amount of offices of direction and control that may be held.

The by-law in particular provides that the slates must be filed at least 15 days before the first convocation of the shareholders' meeting and establishes that only the shareholders that, alone or together with other shareholders, holding at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations, may present slates.

The procedure for electing Statutory Auditors shall be as follows:

from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order, 2 standing members and 2 alternate members;

from the slate that obtained the second largest number of votes, and that are not related in any manner in accordance with law, even indirectly, with the slate in the previous letter a), based on the progressive numbering of the slate, the remaining standing members, from which the chairman of the Board of Statutory Auditors is elected and the other alternate member.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

In the case where two or more slates have obtained the same highest number of votes and where they are not related, even indirectly, with the shareholders who presented or voted in favour of the other, a further ballot takes place.

Where only one slate is presented, all candidates on this slate are elected with the votes of those representing a majority of the share capital at the Shareholders' Meeting.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by the majority vote of the share capital represented at the Shareholder' Meeting.

In the latter case, the Chairman of the Board of Statutory Auditors is the first on the slate presented or the person nominated by the shareholders' meeting where no slate was presented.

The positive evaluation on the independence of the current Statutory Auditors in accordance with the Self-Governance Code is carried out on the appointment and with the approval of the present annual report on Corporate Governance by the Board.

The Board of Statutory Auditors, during 2007, met with the Internal Control Committee and with the audit firm.

TABLE 1: BOARD OF DIRECTORS

(information on attendance in 2007)

	BOARD OF DIRECTORS							INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE	
OFFICE	MEMBER	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	INDEPEND. CFA	% HOLDING	OTHER OFFICES	MEMBER	% HOLDING	MEMBER	% HOLDING
CHAIRMAN	PAOLO BARBERIS		X			100					
EXECUTIVE DIRECTOR	ANGELO FALCHETTI	X				88.8					
EXECUTIVE DIRECTOR	MARCO ARGENTI	X				88.8					
DIRECTOR	GIORGIO VALERIO		X			70	5				
DIRECTOR DELEGATO	LORENZO LEPRI	x				100					
DIRECTOR	DANILO VIVARELLI			X	X	77.7		X	100	X	100
DIRECTOR	ALBERTO RONZONI (*)		X			57.1	1				
DIRECTOR	SALVATORE AMATO			X	X	88.8	1	X	100	X	100
DIRECTOR	RAFFAELLO NAPOLEONE			X	X	77.7	2	X	33		
DIRECTOR	RICCARDO STILLI		x			77.7	6				
DIRECTOR	BARBARA POGGIALI		X			100	6			X(***)	100
DIRECTOR	PIETRO VARVELLO		X			88.8	1				
DIRECTOR	ROBERTO RAVAGNANI		X			100					
DIRECTOR	MONICA ALESSANDRA POSSA (**)		X			100				X(****)	100
NUMBER OF MEETINGS HELD IN THE YEAR			BOD: 9					INTERNAL CONTROL COMMITTEE: 3		REMUNERATION COMMITTEE: 4	

(*) director resigned 26/07/2007
(**) director since 27/07/2007
(***) member of the Committee until 03/09/2007
(****) member of the Committee since 05/09/2007

TABLE 2: BOARD OF STATUTORY AUDITORS

OFFICE	MEMBER	IN OFFICE SINCE	SLATE	INDEPENDENCE FROM CODE	PERCENATE OF ATTENDANCE AT BOARD MEETINGS	NUMBER OF OTHER OFFICES HELD
CHAIRMAN	PIER ANGELO DEI	21/04/2006	m	X	100%	3
STATUTORY AUDITOR	PIERO ALONZO	21/04/2006	M	X	100%	3
STATUTORY AUDITOR	MASSIMO CREMONA	21/04/2006	M	X	33%	10
ALTERNATE AUDITOR	FRANCESCA PIRRELLI	21/04/2006	M	X		
ALTERNATE AUDITOR	CLAUDIO PASTORI	21/04/2006	M	X		

			NUMBER OF MEETINGS IN YEAR: 4
			Shareholders may present a slate for the appointment of the statutory auditors alone or together with other shareholders, if they represent at least 2.5% of the shares with voting rights at an ordinary shareholders' meeting.

TABLE 3: OTHER REQUIREMENTS OF THE GOVERNANCE CODE

	YES	NO	Summary of any differences from the recommendations of the Code
Powers delegated and transactions with related parties			
The BoD has attributed powers defining:			
a) limits	x		
b) functioning	x		
c) and periodical information?	x		
The BoD reviews and approves the transactions of an important economic and financial nature (including transactions with related parties)?	x		
The BoD has defined guidelines and criteria for the identification of "significant" operations?	x		
The above guidelines and the criteria are described in the report?	x		
The BoD has defined specific procedures for the review and approval of operations with related persons?	x		
Are the procedures for approval of transactions with related parties described in the report?	x		
Procedures for the most recent appointment of directors and statutory auditors			
Was the candidature for director filed at least 10 days in advance?	x		
The candidature for director is accompanied by full and complete information?	x		
Were the appointments for statutory auditor filed at least 10 days in advance?	x		
The candidature for statutory auditor is accompanied by full and complete information?	x		
Shareholders' Meetings			
The company has approved Shareholders' Meeting Regulations?	x		
The Regulation is attached to the report (or indicated where it can be obtained)?	x		
Internal Control			
Has the company appointed persons responsible for internal control?	x		
Are they hierarchically independent from Business Area managers?	x		
Organisational internal control dept. (ex art. 9.3 of the Code)			The person in charge of Internal Control is the head of the Internal Audit department, Mr. Carlo Ravazzin and in undertaking these activities avails of an appointed assistant within the Company.
Investor relations			
Has the Company appointed an investor relations manager?	x		
Structural unit and references (address/telephone/fax/email) of investor relations manager	x		IR Manager: Mr. Lorenzo Lepri, Milan, Via della Braida, 5 Tel. 02540271, lorenzo.lepri@staff.dada.net

DISCLOSURES ON SHAREHOLDERS IN ACCORDANCE WITH ARTICLE 123 BIS

The following information is required by article 123 bis of Legs. Decree 58/1998

a) The structure of the share capital, including the securities which are not traded on a regulated market in a European Community State, with indication of various share categories and, for each share category, the related rights and obligations, as well as the percentage of the share capital held.

The share capital of Dada S.p.A. comprises only ordinary shares; therefore there are no other categories of shares, nor limitations to the related rights;

	Current share capital		
	Euro	No. of shares	Unitary nominal value
Ordinary shares	2,755,711.73	16,210,069	0.17

b) Any restriction to the transfer of the securities, such as limits to the holding of securities or the necessity to obtain the approval by the company or other shareholders.

In relation to this it is noted that by law or Statute there are no restrictions, except those described in relation to shareholder agreements, the contents of which were communicated to Consob on the date indicated below, and therefore published in the appropriate sections of the Internet site www.consob.it as well as on the site of the company at the Internet address http://dada.dada.net/it/investor_relations/corporate_governance/pattiparas.php

- agreement signed between DADA S.p.A. and RCS MediaGroup S.p.A. with registered office at Milan, Via San Marco 21, concerning 2,417,957 Dada shares owned by this latter, communicated to CONSOB on March 12, 2004.

- agreement between RCS MediaGroup S.p.A., with registered office at Milan, Via San Marco 21 - concerning 7,063,568 Dada shares owned by this latter - and Mr. Paolo Barberis, born at La Spezia, December 8, 1967, - concerning 986,454 Dada shares owned by this latter -, Angelo Falchetti, born at Senigallia, on September 14, 1967, - concerning 430,341 Dada shares owned by this latter -, Alessandro Sordi, born at Florence, on January 24, 1967 -, concerning 480,109 Dada shares owned by this latter - Jacopo Marello, born at Florence, on March 28, 1967, - concerning 376,487 Dada shares owned by this latter - Marco Argenti, born at La Spezia, on March 16, 1967, - concerning 48,581 Dada shares owned by this latter -, all agreements communicated to CONSOB on November 21, 2005 and the most recent amendments communicated to CONSOB on August 9, 2007.

c) The significant direct or indirect equity investments, for example through pyramid structures or interlocked equity investments, in accordance with communications made pursuant to art. 120.

The shareholders with holdings of more than 2%, in accordance with article 120 of the Consolidated Finance Act, are as follows:

RCS MediaGroup S.p.A. 46.54%

Paolo Barberis 5.36%

Alessandro Sordi 2.40%

Angelo Falchetti 2.16%

Jacopo Marello 2.10%

Simona Cima 2.34%

Eurizon Inv. Sgr 2.34%

Axa World Funds 2.15%

Oyster Sicav 2.24%

d) If known, the holders of each security which confers special rights of control and a description of these rights.

There are no holders of securities which confer special control rights.

e) The exercise mechanism of the voting rights contained in any share investment by employees, where these voting rights are not exercised by these latter.

There is no particular system for employees to exercise voting rights.

f) Any restriction to voting rights, for example limitation of the voting rights up to a determined percentage or to a certain number of votes, terms imposed for the exercise of the voting right or systems in which, with the cooperation of the company, the financial rights related to the securities are separated from the possession of the securities.

There are no restrictions on voting rights.

In accordance with article 14 of the by-laws for the participation at the Shareholders' Meetings, the shareholder must file at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

Voting by mail is also permitted in accordance with the provisions of law and regulatory norms.

g) Agreements by the company pursuant to article 122.

The shareholder agreements concerning the shares of the company and known to the companies are those already indicated at point b) of the present document.

h) The regulations applicable for the nomination and replacement of the directors and the members of the supervisory and management boards as well as changes to the by-laws where different to those applicable through supplementary norms.

The applicable regulations for the appointment and substitution of the directors are contained in article 19 of the By-Laws of Dada S.p.A which state:

"The company shall be administered by a Board of Directors, composed of a minimum of 3 and maximum of 15 members appointed, including among non shareholders, by the Shareholders' Meeting that from time to time determine the number.

The members of the Board of Directors are appointed for a period of three years and their mandate expires at the date of the Shareholders' Meeting that approves the financial *statements relating to the last year of their appointment, or the period from time to time determined by the Shareholders' Meeting in accordance with the provisions of article 2383, paragraph 2 of the civil code;*

The Directors must possess the requisites required by the current legal regulations in force and by the by-laws of the company and are re-electable. The number of independent directors must be in accordance with the requirements of article 148, paragraph 3 of Legislative Decree No. 58 of 1998.

The Board of Directors is appointed by the Shareholders' Meeting on the basis of slates in which the candidates must be listed by means of progressive number.

Each candidate can be presented only on one slate at the risk of being declared ineligible.

Each slate must contain, individually identified, a number of independent candidates pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998 at least equal to the minimum number required by current regulations.

Shareholders may present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations.

Each shareholder cannot contribute to the presentation of or present, through other persons with voting rights or trust companies, on more than one slate. Shareholders belonging to the same group, those parties pursuant to article 93 of Legislative Decree No. 58/98, who are subject to the control or joint control, even if the control is by a physical person, and the shareholders of a shareholding agreement on the shares of the Company may not present or vote with others presenting more than one slate or vote on other slates. Slates presented in violation of the preceding regulations are deemed as having not been presented and votes cast in favour of such slates are not attributed to any slate.

The slates, together with the curriculum vitae of the candidates containing professional and personal details and the shareholders that presented them, or their mandate, with information on their respective identity and the total holding certified by copies of the certificates issued by the authorised intermediary, must be filed at the registered office at least 15 days before the date of the Shareholders' Meeting in first call.

On the presentation of the slates, the declarations that the candidates accept their nomination and a declaration under their own responsibility must be filed:

1) of the inexistence of causes of ineligibility and incompatibility, as well as the existence of the qualifications required by current regulations;

2) whether the candidates are independence pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998.

Slates presented in violation of the above rule are considered null.

The procedure for electing the directors shall be as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) or with the shareholders that presented or voted this slate, the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates.

Where a minimum number of independent directors are not elected pursuant to article 148, paragraph 3 of Legislative Decree No. 58/1998 required by law in relation to the total minimum number of directors, the non-independent candidates elected last in progressive order of the slate which had the highest number of votes, of the previous letter a), will be replaced by the first candidate, according to the respective progressive order, of the non elected independent director of the same slate or, where, for any reason, this is not sufficient, from the slates which have obtained the next highest number of votes, commencing with that at letter b) above and continuing through a decreasing order of the number of votes obtained.

Where this procedure does not ensure an outcome, the Shareholders' Meeting will elect in accordance with the majority by law, the independent directors.

In the case where two or more slates have obtained the same number of votes, a new ballot takes place.

If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority.

In relation to that established in the preceding paragraph, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

If during the year one or more vacancies occur on the Board, the Board replaces them in accordance with the provisions of article 2386 of the Civil Code, with approval from the Board of Statutory Auditors, as follows:

a) the Board of Directors appoints the replacements from the same slate to which the directors resigning belonged and the Shareholders' Meeting makes resolutions, in accordance with statutory majority, respecting this criteria;

(b) when the above-mentioned slate does not contain candidates not previously elected or candidates with the necessary requisites, or when for whatever reason that stated in letter a) cannot be complied with, the Board of Directors makes the replacement in accordance with statutory majority, without the voting of slates.

The Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

The above regulations are subject to any further amendments to the law and regulations"

The norms applicable to the changes in the by-laws are those provided by law and regulations, although it should be noted that the current article 22 of the company By-Laws, as permitted by article 2365 of the civil code attributes powers to the board, subject to the provisions of articles 2420 ter and 2443, for resolutions concerning:

a) merger in the cases provided for by articles 2505 and 2505 bis of the Civil Code and spin-off of business divisions as per article 2506 ter of the Civil Code;

b) the opening and closing of secondary offices;

c) the reduction of the share capital in the case of return of shares by shareholders;

d) modify the company by-laws in compliance with law;

e) the transfer of the registered office in the national territory.

f) the existence of powers for share capital increases pursuant to article 2443 of the civil code or rather the power of the board or the members of the Board of Directors to issue equity financial instruments as well as authorise the purchase of treasury shares.

The powers conferred by the Shareholders' Meeting of Dada S.p.A. for the share capital increase pursuant to article 2443 and the authorisation to purchase treasury shares are shown below:

- With the resolution of the Extraordinary Shareholders' Meeting of 28/04/2005, the Board of Directors in accordance with articles 2443 and 2441, paragraph 8 of the civil code were conferred: the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries. In execution of this power the Board of Directors has deliberated thereon on a number of occasions as further described in the chapter of the present directors' report and in the information document prepared in accordance with article 84 bis of the Issuers' Regulations.
- With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code were conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries. In execution of this power the Board of Directors approved on a number of occasions as further described in the chapter of the present directors' report and in the information document prepared in accordance with article 84 bis of the Issuers' Regulations.
- The resolution of the Extraordinary Shareholders' Meeting of April 20, 2007 authorised the Board of Directors, in accordance with article 2357 and subsequent of the Civil Code to purchase and sell treasury shares of the Company, for the amount, price and terms and conditions as illustrated below:

a) The purchase and sale of treasury shares of the Company may be made, in full or in part, within 18 months from the date of the present resolution in order to be utilised for operations on sales/purchases, share swaps or conferment.

The purchase price may not be 20% lower or 10% higher than the market price recorded on the day preceding each individual transaction.

c) The utilisation of the treasury shares must take place at a price, or at a valuation, not lower than 95% of the average reference price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the commitment deeds, in accordance with current regulations and will be accounted in accordance with applicable norms and accounting standards.

d) The purchases of treasury shares will be made, pursuant to articles 132 of legislative decree No. 58 of February 24, 1998 and article 144 bis, paragraph 1, letter b) of the Issuers'

Regulations issued by CONSOB resolution No. 11971 of May 14, 1999, as supplemented up to a maximum number of ordinary shares representing 10% of the share capital of the nominal value of Euro 0.17 each, in accordance with the provisions of the market regulations in order to ensure equal treatment of shareholders. The purchases will be made exclusively, also on more than one occasion for each procedure, on markets organised and managed by Borsa Italiana S.p.A., under the operating procedures established by this latter, which does not permit the direct joint proposal to purchase with predetermined proposals to sell. The shares which will be acquired in execution of the shareholders' meeting authorisation may form parts of deeds and, in this context, also be sold, even before the quantity of the purchases subject to the present authorisation, on one or more occasions, in the manner considered most appropriate in the interest of the Company in accordance with law, including the disposal on the stock exchange or an institutional placement or as payment for the acquisition of equity investments and/or assets and/or activities.

e) In order to comply with the limit contained in article 2357 third paragraph of the civil code, the number of shares to be purchased and the relative amount must take into account the shares already held in portfolio. The purchases and the treasury shares held will be accounted in accordance with the provisions of law and the applicable accounting principles.

f) The Shareholders' Meeting conferred to the Board of Directors all powers necessary to undertake the purchases and sales and in any case to implement the above resolutions, including through proxies, complying with any requests by the relevant authorities.

g) the significant agreements in which the company and its subsidiaries are party to and which are effective, are modified or settled in case of change of control of the company, and their effects, except where due to their nature their publication would gravely damage the company; this exception is not applicable when the company has the specific obligation to publish this information on the basis of other provisions of law.

In order to govern the assignment of the so-called stock options made by the Board of Directors of Dada S.p.A. respectively on February 3, 2006, July 28, 2006 and February 12, 2007, as further described in the section of the present directors' report and in the information document prepared in accordance with article 84 bis of Issuers' Regulations, the Board approved a regulation which, through partial exception of the normal provisions, provides that in the case in which RCS MediaGroup S.p.A. (hereafter "RCS") loses control of the Company: (i) following the launch of a public purchase offer on the share capital of the Company by a party other than those that signed the Shareholder Agreement related to the Company on November 11, 2005 (which was published in accordance with article 122 of Legislative Decree No. 58/1998), including alternative and competitive public purchase offer which the parties to the above-mentioned Shareholder Agreement are obliged to undertake against this latter (hereafter "Bid") or (ii) with any other (noting that, in this case, the reference date for the loss of control, is taken as the effective transfer date, through any manner, of the ownership of the ordinary shares of the Company by RCS such as to result in the loss of control by this latter or, if prior, the date in which a party (or more parties, other than RCS, which participate in a shareholder agreement, recorded in accordance with article 122 of Legislative Decree No. 58/1998 and which provides for the obligation of uniform exercise of the vote in the ordinary shareholders' meeting of the Company on indications of one of these) acquires, directly or indirectly, the ownership of an equity holding in the share capital of the Company above that of RCS):

- where the loss or disposal of the control occurs before the date of approval of the 2008 consolidated financial statements, all the options already assigned become immediately exercisable in the same annual periods corresponding to the exercise period prior to the same date of approval of the 2008 consolidated financial statements and up to the last exercise period contained in the plan, and where this does not occur it is ineffective and the obligation of performance contained by the plan is not applied, with the exception that however, in the case of a launch of a Bid, the top managers will have the right to exercise the options: (a) where the Board of Directors have expressed in the form required by applicable legislation (currently the communication as per article 103, paragraph 3 of Legislative Decree No. 58/1998) substantially negative evaluations and/or in any case critical and/or not agreed in relation to the appropriateness of the offer price and/or any other aspects of the Bid, in the time period indicated above, from the date in which, on the completion of the Bid, RCS effectively loses control (which will take place at the moment of the formal attribution of the Dada shares in the ownership of the bidder in accordance with applicable legislation and regulations), or (b) where the Board of Directors have not given an opinion in accordance with the previous point (a), also in the subscription period to the Bid, by (i) the sixth calendar day (inclusive) prior to the closing of the subscription to the Bid, except in the case where RCS, before this date, has irrevocably communicated to the market that it will not subscribe to the Bid or (ii) in the case in which the purchase of the shares to the Bid is conditional on reaching a determined level of subscription to the Bid, by the successive day to that in which the condition was complied with, also provided that the communication was published as per point (i) above;
- where the loss or disposal of the control occurs on or subsequent to the date of approval of the 2008 consolidated financial statements, the options assigned and for which the maturity conditions of paragraph 3.2 may be exercised under the same terms and procedures which would have been applied under the PLAN without the loss or disposal of control (and therefore in the exercise period and applying the condition of reaching the performance objective), with the exception however, in the case of a launch a Bid, the top managers will have the right to exercise the options: (a) where the Board of Directors have expressed in the form required by applicable legislation (currently the communication as per article 103, paragraph 3 of Legislative Decree No. 58/1998) substantially negative evaluations and/or in any case critical and/or not agreed in relation to the appropriateness of the offer price and/or any other aspects of the Bid, in the time period indicated above, from the date in which, on the completion of the Bid, RCS effectively loses control (which will take place at the moment of the formal attribution of the Dada shares in the ownership of the bidder in accordance with applicable legislation and regulations), or (b) where the Board of Directors have not given an opinion in accordance with the previous point (a), also in the subscription period to the Bid, by (i) the sixth calendar day (inclusive) prior to the closing of the subscription to the Bid, except in the case where RCS, before this date, has irrevocably communicated to the market that it will not subscribe to the Bid or (ii) in the case in which the purchase of the shares to the Bid is conditional on reaching a determined level of subscription to the Bid, by the successive day to that in which the condition was complied with, also provided that the communication was published as per point (i) above.

h) the agreements between the company and the directors and members of the supervisory or management boards which provide indemnity in the case of resignation or dismissal of office without just cause or termination of employment following a public purchase offer.

There are no agreements of the above-mentioned type between the company and the directors.

ATTACHMENT 1

WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AT December 31, 2007

Amounts in Euro/thousand	Dec 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	86,428	38,552	47,876	124%
Current assets (B)	80,161	63,475	16,686	26%
Current liabilities (C)	-78,667	-56,518	-22,149	39%
Net working capital (D) = (B)-(C)	1,494	6,957	-5,463	-79%
Employee leaving indemnity provision (E)	-1,545	-1,790	245	-14%
Provision for risks and charges (F)	-1,125	-911	-214	23%
Net capital employed (A+D+E+F)	85,252	42,808	42,444	99%
Medium-long term payables	-26,454	-244	-26,210	10742%
Shareholders' equity (G)	-68,497	-54,338	-14,159	26%
Short-term bank debt	-7,319	-1,213	-6,106	503%
Short-term financial receivables and securities	1,359	2,456	-1,097	-45%
Cash and cash equivalents	15,659	10,531	5,128	49%
Short-term net financial position	9,699	11,774	-2,075	-18%

ATTACHMENT 2

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT December 31, 2007

Amounts in Euro/thousand	Dec 31, 07 12 months		Dec 31, 06 12 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	%
Net Revenues	**158,514**	**100%**	**111,435**	**100%**	**47,079**	**42%**
Changes in inventory and internal work	4,557	3%	3,547	3%	1,010	28%
Service costs and other operating costs	-116,976	-74%	-84,080	-75%	-32,896	39%
Personnel costs	-23,895	-15%	-15,190	-14%	-8,705	57%
Gross Operating Margin (*)(**)	**22,200**	**14%**	**15,712**	**14%**	**6,488**	**41%**
Depreciation	-5,368	-3%	-3,982	-4%	-1,386	35%
Non-recurring income (charges)	-261	0%	-272	0%	11	-4%
Revaluations/(Write-downs)	-751	0%	-673	-1%	-78	12%
Ebit	**15,820**	**10%**	**10,785**	**10%**	**5,035**	**47%**
Investment income	870	1%	2,767	2%	-1,897	-69%
Share of expenses/(income) from equity valuations	-3,195	-2%	-1,653	-1%	-1,542	93%
Profit before taxes	**13,495**	**9%**	**11,899**	**11%**	**1,596**	**13%**
Income taxes	-833	-1%	697	1%	-1,530	-220%
Net profit	**12,662**	**8%**	**12,596**	**11%**	**66**	**1%**
Minority interest profit	-174	0%	-141	0%	-33	23%
Group net profit	**12,488**	**8%**	**12,455**	**11%**	**33**	**0%**

(**) Operating result before amortisation/depreciation, write-downs and extraordinary items
(**) before write-downs and extraordinary items of Euro 0.5 million

ATTACHMENT 3

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AS AT December 31, 2007

Amounts in Euro/thousand	Dec 31, 07 3 months		Dec 31, 06 3 months		DIFFERENCE	
	Amount	% of total %	Amount	% of total %	Absolute	%
Net Revenues	**43,452**	**100%**	**31,311**	**100%**	**12,141**	**39%**
Changes in inventory and internal work	1,892	4%	1,361	4%	531	39%
Service costs and other operating costs	-32,527	-75%	-23,338	-75%	-9,189	39%
Personnel costs	-6,326	-15%	-4,745	-15%	-1,581	33%
	0					
Gross Operating Margin (*)(**)	**6,491**	**15%**	**4,589**	**15%**	**1,902**	**41%**
Depreciation	-1,837	-4%	-1,309	-4%	-528	40%
Non-recurring income (charges)	-10	0%	58	0%	-68	-117%
Revaluations/(Write-downs)	-501	-1%	-174	-1%	-327	188%
Ebit	**4,143**	**10%**	**3,164**	**10%**	**979**	**31%**
Investment income	233	1%	114	0%	119	104%
Share of expenses/(income) from equity valuations	-1948	-4%	-1247	-4%	-701	56%
Profit before taxes	**2,428**	**6%**	**2,031**	**6%**	**397**	**20%**
Income taxes	411	1%	1241	4%	-830	-67%
Net profit	**2,839**	**7%**	**3,272**	**10%**	**-433**	**-13%**
Minority interest profit	9	0%	-15	0%	24	-160%
Group net profit	**2,848**	**7%**	**3,257**	**10%**	**-409**	**-13%**

(**) Operating result before amortisation/depreciation, write-downs and extraordinary items
(**) before write-downs and extraordinary items of Euro 0.5 million

CONSOLIDATED INCOME STATEMENT OF THE DADA GROUP AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

	Ref.	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Net Revenues	4-5	**158,514**	**111,435**
- of which related parties	23	*4,166*	*2,790*
Cost of raw materials and consumables	4	-156	-56
Changes in inventory and internal work	4-9	4,557	3,547
Service costs and other operating costs	4	-116,393	-84,194
- of which related parties	23	*-7074*	*-3,221*
Personnel costs	4-5.7	-23,895	-15,190
- of which related parties	23	*-913*	*-977*
Other charges	4-5.5	-688	-102
Provisions and write-downs	4-5.5	-751	-673
Amortisation & depreciation	4-5.6	-5,368	-3,982
Ebit		**15,820**	**10,785**
Investment income	5.3	870	2,767
- of which from non-recurring activities		190	2,246
Financial charges	5.3	-2,843	-1,653
Share of profit/losses of associates	5.4	-352	0
Profit before taxes		**13,495**	**11,899**
Income taxes	6	-833	697
Profit from normal operations		**12,662**	**12,596**
Minority interest profit		-174	-141
Group net profit		**12,488**	**12,455**
Basic earnings per share	7	0.770	0.780
Diluted earnings per share		0.737	0.731

* Gross gain from discontinued operations

CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AS AT DECEMBER 31, 2007
PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

ASSETS		31/12/07 *(12 months)*	31/12/06 *(12 months)*
Non-current assets			
Goodwill	11	63,331	23,411
Intangible assets	9	10,316	6,422
Other tangible assets	8	8,168	4,573
Equity investments in non-consolidated subsidiaries, associated and other companies	10	4,296	825
Financial assets	12	296	235
Deferred tax assets	6	9,309	8,081
Total		95,716	43,547
Current assets			
Inventories	15	73	111
Trade receivables	16	56,144	41,449
- of which related parties	23	*1,927*	*1,972*
Tax receivables and others	16	14,655	16,920
Held-for-trading financial assets	17	1,388	2,456
Cash and cash equivalents		15,630	10,531
Total current assets		87,890	71,467
Non-current assets of discontinued operations			
TOTAL ASSETS		183,606	115,014

CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AS AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

SHAREHOLDERS' EQUITY AND LIABILITIES		31/12/07 *(12 months)*	31/12/06 *(12 months)*
SHAREHOLDERS' EQUITY			
Capital and reserves			
Share capital	18	2,737	2,715
Share premium reserve	18	30,867	29,493
Treasury shares	18		
Legal reserve	18	902	538
Other reserves	18	6,398	-311
- of which related parties	18	*964*	*493*
Retained earnings	18	15,208	9,844
Net profit	18	12,488	12,455
Total Group Shareholders' equity		68,600	54,734
Minority interest share		-103	-396
Total Shareholders' Equity		68,497	54,338
Medium/long term liabilities			
Bank loans (payable beyond one year)	19	26,454	244
Provisions for risks and charges	20	1,125	911
Employee leaving indemnity	14	1,545	1,790
Other payables beyond one year			
Total non-current liabilities		29,124	2,945
Current liabilities			
Trade payables	21	54,020	37,809
- of which related parties	23	*3,756*	*2,125*
Other payables	21	19,805	15,666
- of which related parties	23	*568*	*573*
Tax payables	21	4,842	3,043
Bank overdrafts and loans (payable within one year)	21	7,318	1,213
Total current liabilities		85,985	57,731
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		183,606	115,014

CONSOLIDATED CASH FLOW OF THE DADA GROUP AS AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

Amounts in Euro/thousand	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Operating activities		
Net profit for the year	**12,488**	**12,455**
Adjustments for:		
Income from trading activities	-870	-2,767
Financial charges	3,195	1,653
Income taxes for the year	833	-697
Depreciation of property, plant & equipment	2,026	1,334
Amortisation of other intangible assets	3,342	2,648
Other provisions and write-downs	751	1,207
Increases/(decreases) in provisions	-355	36
Cash flows generated from operating activities before working capital changes	**21,410**	**15,869**
Increase in inventories	38	261
(Increase) / decrease in receivables	-20,668	-29,116
Increase in trade payables	22,532	22,194
Cash flow generated from operating activities	**23,312**	**9,208**
Income taxes paid	-1,093	-964
Interest paid	-3,195	-641
Net cash flow generated from operating activities	**19,024**	**7,603**
Investing activities		
Interest received	870	521
Purchase of subsidiary and associated companies	-36,600	-14,439
Effect of changes in the consolidation area	-540	-775
Sale of subsidiary and associated companies	400	2,500
Purchase of tangible fixed assets	-5,621	-2,678
Purchase of financial assets		13
Purchase/sale of financial assets available-for-sale	1,068	9,438
Purchase of intangible assets	-2,679	-1,219
Product development costs	-4,557	-3,547
Net Cash flow used in investing activities	**-47,659**	**-10,185**

CONSOLIDATED CASH FLOW OF THE DADA GROUP AS AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS		
Amounts in Euro/thousand	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Financing activities		
Dividends from subsidiaries		25
Repayment of loans		-690
Payments deriving from share capital increases	1,395	1,431
New loans	26,210	
Other changes	24	-8
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	27,629	758
Net increase/(decrease) in cash and cash equivalents	-1,006	-1,824
Cash and cash equivalents at beginning of the year	9,318	11,143
Cash and cash equivalents at 31/12/2007	8,312	9,318

Additional information on the cash flow statement	2007	2006
Cash and cash equivalents at the beginning of the year:	9,318	9,377
Cash and cash equivalents	15,630	11,887
Bank payables – current portion	-7,318	-2510
Cash and cash equivalents at the end of the year:	8,312	9,318
Cash and cash equivalents	9,525	10,531
Bank payables – current portion	-1,213	-1,213
Increase/ (decrease) in the year	-1,006	-59

SCHEDULE OF MOVEMENTS IN THE CONSOLIDATED NET EQUITY FROM 01/05/2005 TO 31/12/2007

Description	Share capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings	Net profit	Total
Balance at Jan. 1, 2005	2,664	34,015	406	-9,703	4,349	-2,725	29,006
Allocation of 2004 result		-6,699			3,975	2,725	0
Share capital increase	28	769					797
Sale of treasury shares				3,370	-770		2,600
Other changes				251	-205		46
Translation difference				18			18
Result 2005						7,222	7,222
Balance at 31/12/05	**2,692**	**28,085**	**406**	**-6,064**	**7,349**	**7,222**	**39,689**
Allocation of 2005 result			133	4,734	2,355	-7,222	0
Share capital increase	22	1,408					1,430
Translation difference				-64			-64
Other changes					140		140
Stock Option				1,083			1,083
Result 2006						12,455	12,455
Balance at 31/12/06	**2,715**	**29,493**	**539**	**-311**	**9,844**	**12,455**	**54,735**
Allocation of 2006 result			363	6,904	5,188	-12,455	0
Share capital increase	22	1,374					1,396
Translation difference				-1,133			-1,133
Other changes				-3	176		173
Stock Option				1,020			1,020
Consolidation reserve				-79			-79
Result 2007						12,488	12,488
Balance at 31/12/07	**2,737**	**30,867**	**902**	**6,398**	**15,208**	**12,488**	**68,600**

ACCOUNTING PRINCIPLES AND NOTES

1. Corporate information

DADA S.p.A. is a limited liability company incorporated in Italy at the Florence Company's Registry Office. The addresses of the registered office and of the locations in which the main activities of the Group are carried out are shown in the introduction to the accounts.

The DADA Group operates in the Internet sector and its principal activities are in the consumer market, with applications for PC and mobile telephone services, the business solutions market and the Hosting & domain market (self-provisioning). For further information, reference should be made to the Directors' Report on operations.

2. Criteria for the preparation of the Financial Statements

The present consolidated financial statements were prepared in accordance with the historical cost convention with the exception of financial assets held for trading which were measured at fair value.

The present consolidated financial statements are expressed in Euro as this is the currency in which the majority of the operations of the Group are carried out.

The report comprises the balance sheet, income statement, statement of change in shareholders' equity, cash flow statement and the present notes.

Declaration of compliance with IFRS

The annual consolidated financial statements for the year 2007 are prepared in accordance with IFRS issued by the International Accounting Standards Board and approved by the European Union. IFRS also include all the revised international accounting standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").

Consolidation principles

The present consolidated financial statements include the results of the Parent Company Dada S.p.A. and of the companies it controls as at December 31, 2007. Based on the accounting standards applied the control of a company is 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.

All significant transactions between companies included in the consolidation scope are eliminated. Business combinations are recorded in the consolidated financial statements in accordance with the purchase method, as described below.

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 separate financial statements of each company belonging to the Group are prepared in the primary currency where they operate (operational currency). For the purposes of the consolidated financial statements, the financial statements of each foreign entity are expressed in Euro, which is the operational currency of the Group and the presentation currency of the consolidated financial statements.

All of the assets and liabilities of foreign subsidiaries in currencies other than the Euro which are included in the consolidation are translated using the exchange rate at the balance sheet date (current exchange rate method). Income and costs are translated at the average exchange rate for the year. The translation differences deriving from the application of this method are classified in equity until the sale of the investment. In the preparation of the consolidated cash flow statement, the average exchange rates for the year are used to convert the cash flows of foreign subsidiaries.

The exchange differences on the translation between the initial net equity translated at current exchange rates and those translated at historical exchange rates, as well as the differences between the result expressed at average exchange rates and those expressed at current exchange rates, are allocated to the shareholders' equity account "Other reserves".

On the sale of a foreign entity, the accumulated exchange differences recorded in the equity reserve, relating to the foreign entity, are recorded in the income statement.

The exchange rates used for the translation to Euro of the income statement and balance sheet of the companies included in the consolidation are shown in the table below.

CURRENCY	AVERAGE EXCHANGE 31.12.2007	EXCHANGE RATE AT 31.12.2007
US Dollar	1.37048	1.47210
Brazilian Real	2.66379	2.61078
Chinese Yuan	10.41780	10.75240
UK Sterling	0.68434	0.73335

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 of the DADA Group changed as follows:

The company Softec S.p.A. was sold at the beginning of April 2007. This investment was therefore fully consolidated in the income statement for the first six months of the year. The disposal of the company generated a gain of Euro 247 thousand.

At December 31, 2007, the acquisitions made in the year are included. In particular, the acquisition of Namesco Ltd at the beginning of July is fully consolidated in the balance sheet and for the period July – December in the income statement.

The holding in the company Tipic was merged into the parent company Dada USA in December 2007 and is therefore no longer included in the consolidation scope.

The consolidation scope for the period is shown below:

Consolidation scope	At December 31, 2007			At September 30, 2007			At March 31, 2007		
Values: Euro/000	Perc. Held	Period Consol.	Share capital	Perc. Held	Period Consol.	Share capital	Perc. Held	Period Consol.	Share capital
Dada SpA (FI)	Parent Company	Jan-Dec 2007	2,736	Parent Company	Jan-Sept. 2007	2,736	Parent Company	Jan-Mar 2007	2,736
Media Dada Science and Development Co. Ltd (Beijing - CHINA)	100.00%	Jan-Dec 2007	759	100.00%	Jan-Sept. 2007	759	100.00%	Jan-Mar 2007	759
Register SpA (BG)	100%	Jan-Dec 2007	1,913	100%	Jan-Sept. 2007	1,913	100%	Jan-Mar 2007	1,913
- Cotei SL (Barcelona - ES) ind.	100%	Jan-Dec 2007	23	100%	Jan-Sept. 2007	23	66.75%	Jan-Mar 2007	23
- Nominalia SL (Barcelona - ES) ind.	75.00%	Jan-Dec 2007	3	75.00%	Jan-Sept. 2007	3	75,00%	Jan-Mar 2007	3
- Namesco Limited (Worcester- GB) ind.	100%	July – Dec 2007		100%	July – Sept.	-	-	-	-
Softec SpA (Pistoia)**	50.00%	Jan-Mar 2007	300	50.00%	Jan-Mar 2007	300	50,00%	Jan-Mar 2007	300
- WebNet S.r.l. (FI) ind**	100.00%	Jan-Mar 2007	21	100.00%	Jan-Mar 2007	21	100,00%	Jan-Mar 2007	21
- Business Engineering Srl (PT) ind.**	100.00%	Jan-Mar 2007	21	100.00%	Jan-Mar 2007	21	100,00%	Jan-Mar 2007	21
Dada.net S.p.A. (FI)*	100.00%	Jan-Dec 2007	9933	100.00%	Jan-Sept. 2007	9933	100,00%	Jan-Mar 2007	9933
- Clarence S.r.l. (FI) ind.	100.00%	Jan-Dec 2007	21	100.00%	Jan-Sept. 2007	21	100,00%	Jan-Mar 2007	21
- Dada USA Inc (NY - USA) ind.	100.00%	Jan-Dec 2007	-	100.00%	Jan-Sept. 2007		100,00%	Jan-Mar 2007	
- Upoc Inc (NY - USA) ind.	100.00%	Jan-Dec 2007	-	100.00%	Jan-Sept. 2007		100,00%	Jan-Mar 2007	
- Dada Brasil Serviços de Tecnologia Ltda (SP - BR) ind.	100.00%	Jan-Dec 2007	163	100.00%	Jan-Sept. 2007	163	100,00%	Jan-Mar 2007	163
- Tipic Inc (NY - USA) ind. ***	-	-	-	100.00%	Jan-Sept. 2007	1	100,00%	Jan-Mar 2007	1
- Dada Iberia SL (Barcelona - ES) ind.	100.00%	Jan-Dec 2007	3	100.00%	Jan-Sept. 2007	3	-	-	-

* DadaMobile S.p.A. changed its name to Dada.net S.p.A..
** Company sold and consolidated at income statement level for only the first quarter of 2007.
*** Company merged with Dada Usa Inc in December 2007.

2.1 Main accounting principles

Business combinations and goodwill

Business combinations are recorded using the purchase method.

The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the company acquired, plus any costs directly attributable to the business combination. The cost method requires the recording at fair value of the identifiable assets (including the intangible assets previously not recognised) and the identifiable liabilities (including the contingent liabilities and excluding future restructuring) of the enterprise acquired.

The goodwill acquired in a business combination is initially recorded at cost represented by the excess of the purchase price compared to the Group’s share of the fair value of the identifiable assets, liabilities and contingent liabilities (from the purchase). If the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is immediately recognised in the income statement. The application of the purchase method provides for a first phase which provisionally determines the fair values of the assets, liabilities and contingent liabilities to permit an initial recording of the operation in the consolidated financial statements. This initial recording is completed and adjusted within 12 months from the acquisition date. Goodwill is recognised as an asset and reviewed annually to verify that there has been no loss in value. The losses in value are recognised immediately in the income statement. At the end of the analysis, the goodwill acquired in a business combination is allocated, at the date of acquisition, to the individual Group cash-generating units, or to the group of cash-generating units which should benefit from the synergies of the business combination, independently of the fact that other assets or liabilities of the Group are allocated to this unit or group of units. Each unit or group of units to which the goodwill is allocated:

Represents the lowest level within the Group to which the goodwill is monitored at internal management level;

It is not larger than the segment identified on the basis of either the primary or secondary presentation of the Group's segment information, determined in accordance with IAS 14 segment information.

When the goodwill constitutes part of a cash-generating unit (group of cash-generation units) and part of the internal activities of this unit are sold, the goodwill associated with the activity sold is included in the book value of the activity to determine the gain or loss deriving from the sale. The goodwill sold in these circumstances is measured on the basis of the relative values of the activities sold and of the portion of the units maintained.

When the sale relates to a subsidiary company, the difference between the sales price and the net assets plus the accumulated translation differences and the goodwill not amortised is recorded in the income statement.

Interests in joint ventures

The Dada Group has a holding in a joint venture (Dada Entertainment LLC). The Group consolidates its joint venture investments under the equity method in accordance with IAS 31.38. The joint venture prepares its financial statements for the same financial period as the parent company and applies the same accounting criteria. The joint venture began its activities on October 1, 2007.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is applicable only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current conditions and management has undertaken a commitment to sell, which should take place within 12 months from the date of classification of this account.

Intangible assets

The intangible assets acquired separately are initially capitalised at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. The intangible assets produced internally, with the exception of development costs, are not capitalised and are recognised in the income statement in the year incurred. The useful life of the intangible assets are measured as definite.

The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible loss in value. The period and method of amortisation applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded adjusting the period and method of amortisation, and treated as changes in the accounting estimates. The amortisation of definite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

Research and development costs

The research costs are recognised in the income statement in the period in which they are incurred. The development costs incurred in relation to a specific project are capitalised only when the Group can demonstrate the technical possibility to complete the intangible asset in order to make it available for use or sale, its intention to complete this asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial and other resources in order to complete the development and its capacity to evaluate in a reliable manner the cost attributable to the activity during its development.

During the development period, the asset is reviewed annually in order to determine any loss in value. Subsequent to the initial recording, the development costs are valued at cost less amortisation or accumulated loss. Amortisation begins when the development is completed and the asset is available for use. Amortisation is made with reference to the period in which it is expected the related project will generate revenues for the Group. During the period the asset is no longer in use, it is reviewed annually in order to determine any loss in value.

Other intangible assets

They are initially recognised at purchase cost and are amortised on a straight line basis over their expected useful life. Reference should be made to the accounting policy relating to the loss in value and impairment test.

The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue from the disposal and the carrying value of the intangible asset and recorded in the income statement when the asset is sold.

Other tangible assets

The other tangible assets, plant, machinery and equipment are recognised at purchase or production cost, net of accumulated depreciation and any write-down for loss in value. Cost includes any related charges and direct and indirect costs reasonably attributable to the asset.

Tangible assets are depreciated each year on a straight-line basis reflecting the estimated useful life of the asset applying the following percentages:

Equipment and EDP: 20%
Furniture and fittings: 12%
Ordinary office machines: 12%

A tangible asset is eliminated from the financial statements when the asset is sold or when no economic benefits are expected from its use or disposal. Any gains or losses are included in the income statement in the year of its disposal. The residual value of the asset, the useful life and the depreciation methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Investments in associated companies

The Group investments in associated companies are measured under the net equity method. An associated company is one in which the Group exercises significant influence and is not classifiable as a subsidiary or joint venture.

For purposes of the net equity method, a share in an associated company is recorded in the balance sheet at cost, increased by changes, subsequent to acquisition, in the Group's share of the associate's net equity. Goodwill pertaining to the associate is included in the book value of the share, and is not subject to amortisation. After application of the net equity method, the Group decides if it necessary to record any losses in added value referring to the Group's net share in the associate. The income statement reflects the Group's share of the associate's result for the period. If an associated company records adjustments with direct charge to net equity, the Group records its share and records this (where applicable) in the schedule of changes in net equity. Gains and losses deriving from transactions between the Group and associated companies are eliminated in proportion to the investment held in the associated company.

The closing date of associates' accounts is aligned with that of the Group. The accounting standards used conform to those used by the Group for transactions and events of the same type and under similar circumstances.

Impairment

At each balance sheet date, the Group reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. When it is determined that a potential loss exists, the Directors make valuations on the recoverable amount of those assets in order to identify the potential amount of the loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

The indefinite intangible assets (including goodwill) are verified annually and whenever there is an indication of a possible loss in value in order to determine whether loss in value has occurred.

The recoverable value is the higher between fair value less costs to sell and value in use. The recoverable value is determined by single asset except when this asset generates cash flows which are not sufficiently independent from other assets or groups of assets. If the carrying value of an asset is higher than its recoverable value, this asset has incurred a loss in value and the loss in value is consequently recorded in the income statement. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset.

When the reasons for the impairment no longer exist, the carrying value of the asset (or CGU) – except for goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are immediately recognised in the income statement.

Inventories

The inventory relates to work in progress on contracts in progress at the balance sheet date. The valuation of the contracts is made in accordance with the percentage of completion method.

Receivables

The receivables are measured at nominal value and reduced to net realisable value through the recording of a specific allowance for doubtful debts. Such provisions are calculated on the basis of an assessment of recoverability, carried out through analysis of individual positions and overall degree of risk, taking into account guarantees and existing insurance covers.

Receivables due beyond one year, non-interest bearing or which mature interest below lower market rates are discounted using market rates.

Financial assets

The financial assets are recognised and derecognised from the financial statements on the basis of the trading date and are initially measured at fair value, including the transaction costs.

After initial recognition, the financial assets that Dada S.p.A. has the positive intention and ability to hold to maturity (securities held to maturity) are stated at amortised cost using the effective interest method, net of write-downs to reflect losses in value.

Financial assets other than those held to maturity are classified as held for trading or available-for-sale, and are measured at the end of each period at fair value. When the financial assets are held for trading, the gains and losses deriving from the changes in the fair value are recognised in the income statement in the period; for the financial assets available-for-sale, the gains and losses deriving from the changes in the fair value are recognised directly to equity until they are sold or have incurred a loss in value; at that moment, the total gains and losses previously recorded under equity are recognised in the income statement of the period.

Cash and cash equivalents

The account relating to the cash and cash equivalents includes cash, bank current accounts and deposits on demand and other highly liquid short-term financial investments readily convertible into cash and that do not have a significant risk of a change in value. They are recorded at their nominal value. For the purposes of the consolidated cash flow statement, cash and cash equivalents are recorded as available funds, as defined above, net of bank overdrafts.

Payables

Payables are recognised at their nominal value.

Bank borrowings

The interest bearing bank loans and overdrafts are recognised based on the amounts received, net of the cost of the operation and subsequently valued at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded based on the proceeds received, less direct issue costs.

Provisions and funds for risks and charges

The provisions are recorded in the financial statements when the Company has a present obligation resulting from a past event and it is probable that the obligation must be met. Provisions are made based on the Directors best estimate of the cost of fulfilling the obligation at the balance sheet date and are discounted to present value when the effect is significant.

Transactions in foreign currencies

The consolidated financial statements are presented in Euro, which is the company's operative currency. Each Group company decides the operative currency to be used to value the accounts in the financial statements. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the balance sheet date.

All the exchange differences are recorded in the income statement, with the exception of the differences deriving from loans in foreign currencies to hedge a net investment in a foreign entity, which are recorded directly in equity until the net investment is sold and then recognised in the income statement. The deferred taxes attributable to exchange differences on these loans are also recorded directly in equity. Non-monetary items valued at historical cost in foreign currency are translated by using the exchange rates in effect on the date the transaction was first recorded. Non-monetary items recorded at fair market value in foreign currency are translated by using the exchange rate on the date the value was calculated.

Revenue recognition

Revenues are recorded in accordance with the probability that the Group will receive economic benefits and the amount can be determined reliably. The revenues are measured at the fair value of the amount received, excluding discounts, premiums or other sales taxes. The following criteria are used for the recording of revenues in the income statement:

Sale of goods

The revenues are recognised when the company has transferred to the buyer all of the significant risks and rewards connected to the ownership of the asset, generally the shipping date of the goods.

Services

The revenues deriving from services are recognised on the provision of the service. When they relate to projects, the revenues are measured in proportion to the hours worked compared to the estimated hours on each contract. When the outcome of the contract cannot be measured reliably, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

Interest

Amounts are recorded as financial income in relation to interest income matured (using the effective interest method which is the rate that precisely discounts the expected future cash flows based on the expected life of the financial instrument to the net book value of the financial asset).

Dividends

Revenues are recorded when the right of the shareholders to receive the payment arises.

Pension provision and other post-service benefits

These provisions and benefits are not financed. The expected cost of defined benefit plans are determined separately for each plan using the projected unit credit actuarial method. The gains and losses deriving from the actuarial calculation are recorded in the income statement as cost or income. These gains or losses are recorded on the basis of the average residual working life expected of the employees of the plan.

The pension costs relating to previous employment (past service cost) is recorded as a cost on a straight-line basis on the average maturity period of the benefit. If the benefits mature immediately after the introduction or the change of the plan, the pension cost relating to past services is recorded immediately.

The assets or liabilities relating to the benefits defined include the current value of the defined benefit obligations less any pension costs relating to past services not yet recorded less the fair value of the assets to service the plan which will directly settle the obligations. The value of any asset is limited to the aggregate of any cost for past services not yet recorded and the current value of any financial benefit in the form of repayment from the plan or reduction in future contributions to the plan.

Share-based payments (stock options)

Operations settled with securities.

The cost of the operations with employees settled with securities for benefits granted after November 7, 2002 is measured with reference to the fair value at the assignment date. Fair value is calculated by an independent assessor using an appropriate valuation method. For further information, reference should be made to the note relating to stock options.

The cost of the operations settled with securities, together with the corresponding increase in the net equity, is recorded in the period when the conditions relating to the reaching of the objectives and/or provision of the services are satisfied, and terminate at the date when the employees concerned have fully matured the right to receive the compensation ("maturity date"). The cumulative costs relating to these operations at each balance sheet date until the maturity date are compared to the maturity date and to the best estimates available of the number of participating instruments which will effectively mature. The cost or revenue recorded in the income statement for the year represents the change of the cumulative cost recorded at the beginning and at the end of the year.

The probability of exercise was defined on the basis of an estimate by management, taking into account the effects of the non-transferability of the shares, of the returns in the year and considerations on the behaviour of the assignees.

No cost is recorded for the rights which have no definitive maturity, except in the case of rights whose assignment is subject to market conditions, which are treated as if they independently mature from the fact that the market conditions to which they are subject are complied with, provided that all the other conditions are satisfied.

If the initial conditions are modified, a cost should be recorded assuming that these conditions are unchanged. In addition, a cost will be recorded for all changes which result in an increase in the total fair value of the payment plan, or which is in any case favourable for employees; this cost is measured with reference to the date of the change.

If the rights are cancelled, they are treated as if they matured at the cancellation date and any costs not yet recorded against these rights are recorded immediately. However, if a right cancelled is replaced by a new right and this is recognised as a situation at the date on which granted, the right cancelled and the new right are treated as if it is a change to the original right, as described in the previous paragraph.

The effect of the dilution of the operations not yet exercised is reflected in the calculation of the diluted earnings per share (see note 7).

Income taxes for the year

Current income tax

Current income taxes are valued at the amount expected to be paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the financial statements.

Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred income taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the financial statements.

The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

when deferred taxes derive from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, where the temporary differences can be controlled and it is probable that they will not materialise in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

the deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the financial statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, deferred tax assets are recognised only when it is probable that the temporary deductible differences will reverse in the immediate future and that there will be adequate fiscal profits against which the temporary differences can be utilised.

Deferred tax assets and liabilities are compensated when there is a legal right to compensate the tax assets and liabilities and when they refer to income taxes due to the same fiscal authority and the Group intends to pay the amount on a net basis.

Earnings per share

The earning per share is calculated dividing the profit or loss attributable to the shareholders of the Parent Company by the weighted average ordinary shares outstanding during the period referred to. The diluted earnings per share is calculated dividing the profit or the loss attributable to the shareholders of the Parent Company by the average weighted number of shares outstanding, taking into account the effects of all the potential ordinary shares with dilution effects (stock option plans to employees).

Use of estimates

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may vary from such estimates. The estimates are used to value the intangible and tangible assets subject to impairment tests as described above in addition to record provisions for risks on receivables, inventory obsolescence, amortisation and depreciation, write-down of assets, employee benefits and income taxes. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

Transactions with group and related companies

The transactions with group and related companies are reported in the notes (note 23).

Seasonal activities

The principal activities of Dada Group are not impacted by seasonal factors which could influence the current results.

Change of accounting standards

The accounting standards adopted are in line with those of the previous year with the exception of the following new and revised IFRS standards and IFRIC interpretations and entering into force (after the final change) from January 1, 2007; The adoption of these revised standards and interpretations had no effect on the financial statements of the Group, however some of them gave rise to additional disclosures.

IAS 33 (note 1) Earnings per share, effective from January 1, 2007

IAS 17 (note 1) Leasing, effective from January 1, 2007

The standard does not apply to the activities of the Group.

IFRS 7 Financial Instruments: disclosures, effective from January 1, 2007

IAS 1 (note 1) Presentation of financial statements, effective from January 1, 2007

IFRS 1 (note 1) First-time adoption of the International Financial Reporting Standards, effective from January 1, 2007

The standard does not apply to the activities of the Group.

IFRIC 8 – Scope of IFRS 2

The interpretation clarifies some aspects of IFRS 2 (Share-based payments).

The Group chose not to apply in advance the following IFRS standards and IFRIC Interpretations, published but not compulsory at December 31, 2007:

IFRS 8 "Operating segments", effective from January 1, 2009, will replace IAS 14 "Segment reporting".

With respect to the current situation, the disclosures require an analysis on the products and services provided and on the major clients.

IFRIC 11 "Group and treasury share transactions" effective from January 1, 2008.

3. BUSINESS COMBINATIONS

Purchase of Namesco Ltd.

On July 18, 2007, Dada, through the subsidiary Register.it S.p.A. acquired 100% of the share capital of the English company Namesco Ltd. The total payment for the company was approx. Euro 36.7 million including transaction costs, entirely paid on closing. The indirect costs relating to the acquisition amounted to Euro 431 thousand. The financing of the purchase is comprised in part by Register.it liquidity and the remainder by a medium/long-term bank loan of Euro 30 million, guaranteed by the parent company Dada S.p.A.. The value of the identifiable assets and liabilities of Namesco at the acquisition date was as follows:

Description	Value of the acquisition
Intangible assets	4,993
Property, plant & equipment	1,031
Financial assets	10
Cash and cash equivalents	246
Trade receivables	50
Other receivables	560
Trade payables	- 482
Other payables	- 4,344
Provisions for risks and charges	-
Total net assets	**2,064**
Share of net assets	**2,064**
Goodwill of the acquisition	**34,593**
Total cost	**36,657**

Payments	- 36,657
Net liquidity of the subsidiary	246
Net liquidity utilised	**- 36,411**
Residual payable due	-

From the acquisition date, the company contributed Euro 6.8 million to Group consolidated sales, while the net result for the year was a profit Euro 1.3 million.

4. SEGMENT INFORMATION OF THE GROUP AS PER IAS 14

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

From the present year, the Group organisational structure has changed and therefore the Business Units are comprised of the Dada.net Division, the Dada.adv Division and the Dada.pro Division.

The Dada.net division is operated by the Parent Company and by Dada.net S.p.A., the Division Dada.adv is operated by Dada S.p.A. while the Dada.pro division is operated by the subsidiaries Register.it S.p.A. and Cotei/Nominalia SL and Namesco.

All of the subsidiary companies of Dada.net S.p.A. operate in the Dada.net Division - Clarence S.r.l., Dada USA Inc, Upoc Inc, Tipic Inc, Dada Iberia, Dada Brasil and Dada China, while Softec S.p.A. (a consolidated company at income statement level for the first three months of 2007) operated in the Dada adv Division.

Until December 31, 2006, the Business Units of the Group comprised of the Consumer Division, the Business Division and the Self Provisioning Division.

The change is principally due to the focus on value added services (VAS services) in the Dada.net division, while the advertising services (mobile and web) are attributed to the Dada.adv Division which also includes the services previously included in the Business Division (Web solutions, mobile and infrastructure). The consolidation area of the Dada.pro division (previously Self Provisioning) was expanded with the entry of Namesco Ltd. With regard to this, reference should be made to the preceding paragraph.

The following divisional income statements take into account the costs and revenues relative to 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 inter-divisional balances, which are eliminated in the consolidation process (see column "adjustments" of the tables).

The secondary segment was determined as two geographic areas.

The comments relating to the main accounts in the following tables appear in the directors' report on operations.

Segment Income Statement 2007

31/12/2007 (12 Months)					
Segment information	Dada net	Dada adv	Dada pro	Adjustments	Consolidated
Revenues- third parties Italy	52,667	20,725	11,407		84.799
Revenues - third parties Overseas	56,310	5,679	11,726		73.715
Revenues- inter-sector	1,816	3,841	774	-6,432	0
Net revenues	**110,793**	**30,245**	**23,907**	**-6,432**	**158.514**
Increases in internal work	3,308	160	1,089		4.557
Services	-83,673	-26,195	-11,858	6,432	-115.295
Personnel costs	-13,496	-3,301	-6,259		-23.055
Amortisation & depreciation	-2,904	-219	-1,603		-4.726
Segment Ebit	**14,029**	**690**	**5,276**	**0**	**19.995**
Segment Ebit / Sales					
		Corporate depreciation & amortisation			-643
		General expenses not allocated			-3,532
		EBIT			**15,820**
		Financing activities			-2,325
		Profit/ before taxes			**13,495**
		Income taxes			-833
		Net profit for the year			**12,662**
		Minority interest share			-174
		Group net profit			**12,488**

Segment Income Statement 2006

31/12/2006 (12 Months)					
Segment information	Dada net	Dada adv	Dada pro	Adjustments	Consolidated
Revenues- third parties Italy	38,940	20,070	8,843		67.853
Revenues - third parties Overseas	41,603	0	1,979		43.582
Revenues- inter-sector	65	706	330	-1,101	0
Net revenues	**80,608**	**20,776**	**11,152**	**-1,101**	**111.435**
Increases in internal work	2,917	104	526	0	3.547
Services	-63,910	-14,493	-5,454	1,101	-82.755
Personnel costs	-7,066	-4,556	-2,989	0	-14.611
Amortisation & depreciation	-2,280	-477	-884	0	-3.641
Segment Ebit	**10,269**	**1,355**	**2,351**	**0**	**13.975**
Segment Ebit / Sales					

Corporate depreciation & amortisation	-340
General expenses not allocated	-2,848
EBIT	10,787
Financing activities	1,114
Profit/ before taxes	**11,901**
Income taxes	697
Net profit for the year	**12,598**
Minority interest share	-141
Group net profit	**12,457**

Breakdown of DADA Group sales by geographic area

31/12/2007 (12 months)

Description	Revenues Italy	Revenues Overseas	Eliminations/adjustments	Total
Dada net	54,483	56,310	-1,816	108,976
Dada adv	24,566	5,679	-3,841	26,404
Dada pro	12,182	11,726	-774	23,134
Segment revenues	**91,231**	**73,715**	**-6,432**	**158,515**
Inter-sector Revenues	-6,432	-		
Net revenues	**84,799**	**73,715**		**158,514**

31/12/2006 (12 months)

Description	Revenues Italy	Revenues Overseas	Eliminations/adjustments	Total
Dada net	48,536	41,570	- 174	89,932
Dada adv	11,279		- 616	10,663
Dada pro	9,173	1,979	- 311	10,841
Segment revenues	**68,988**	**43,548**	**- 1,101**	**111,435**
Inter-sector Revenues	- 1,101	-		
Net revenues	**67,887**	**43,548**		**111,435**

Breakdown of DADA Group quarterly sales by geographic area

31/12/2007 (3 months)

Description	Revenues Italy	Revenues Overseas	Eliminations/adjustments	Total
Dada net	14802	11,296	-456	25,642
Dada adv	7011	4586	-1498	10,099
Dada pro	3240	4,703	-232	7,711
Segment revenues	**25,053**	**20,585**	**-2,186**	**43,452**
Inter-sector Revenues	-2186	-		
Net revenues	**22,867**	**20,585**		**43,452**

31/12/2006 (3 months)

Description	Revenues Italy	Revenues Overseas	Eliminations/adjustments	Total
Dada net	14,969	11,420	- 23	26,366
Dada adv	1,527		- 141	1,386
Dada pro	2,581	1,193	- 214	3,560
Segment revenues	**19,077**	**12,612**	**- 378**	**31,311**
Inter-sector Revenues	-378	-		
Net revenues	**18,699**	**12,612**		**31,311**

Breakdown of assets and liabilities by sector at December 31, 2007

31/12/2007					
Segment information	Dada net	Dada adv	Dada pro	Corporate	TOTAL
Segment assets	58,324	14,229	60,012		132,565
Investments in associated companies	4,296				4,296
Unallocated assets				46586	46,745
TOTAL ASSETS	62,802	14,229	60,012	46,586	183,606
Segment liabilities	28,648	3,077	49,016		80,741
Unallocated liabilities					34,368
TOTAL LIABILIITES	28,648	3,077	49,016	0	115,109
Other information					
Provisions	25		50	351	426
Employee leaving indemnity provision	512	57	184		753
Amortisation of intangible assets	520	315	750	1757	3342
Depreciation of property, plant & equipment	1095	162	853		2110
Write-down of fixed assets					
Tangible asset investments	2,864	383	1432	1152	5,831
Intangible asset investments	3,648		35,681	1293	40,622

Breakdown of assets and liabilities by sector at December 31, 2006

	31/12/2006				
Segment information	Dada net	Dada adv	Dada pro	Corporate	TOTAL
Segment assets	65,481	5,007	16,491	1,002,00	87,980
Investments in associated companies	825				825
Unallocated assets					26,209
TOTAL ASSETS	66,306	5,007	16,491	1,002	115,014
Segment liabilities	35,231	2,661	12,647	1,603	52,142
Unallocated liabilities					8,534
TOTAL LIABILIITES	35,231	2,661	12,647	1,603	60,676
Other information					
Provisions		36			36
Employee leaving indemnity provision	324	114,00	110,00		548
Amortisation of intangible assets	1,504	315	583		2,402
Depreciation of property, plant & equipment	775	162	301		1,238
Write-down of fixed assets	0	0	0		0
Tangible asset investments	1,793	383	0	857	3,033
Intangible asset investments	14,781	197,00	4,657,00		19,635

Breakdown of assets by Geographic Area at December 31, 2007 and December 31, 2006

31/12/2007			
Geographic area:	Italy	Overseas	TOTAL
Segment assets	83,487	49,079	132,565
Investments in associated companies	758	3,558	4,296
Unallocated assets			46,745
TOTAL ASSETS	84,245	52,637	183,606
Segment liabilities	54,094	26,648	80,741
Unallocated liabilities			34,368
TOTAL LIABILIITES	93,898	26,648	115,109

31/12/2006			
Geographic area:	Italy	Overseas	TOTAL
Segment assets	55,396	32,584	87,980
Investments in associated companies	825		825
Unallocated assets			26,209
TOTAL ASSETS	56,221	32,584	115,014
Other information			
Tangible asset investments	2,815	218	3,033
Intangible asset investments	8,990	10,645	19,635

5. Other costs and revenues

5.1 Revenue

In relation to the composition of revenues in the year, reference should be made to paragraph 4 on segment information and the directors' report.

Turnover increased throughout 2007 compared to 2006. The increase was particularly concentrated in the fee-based services of the Dada.net division. For further information, reference should be made to the directors' report. The effects related to the change in the consolidation scope are also reported.

5.2 Other operating expenses

The table below reports the breakdown of other operating costs for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
IDeduct. taxes	20	26	-6	-23.08%
Non-deduct. taxes	62	55	7	12.73%
Other non-deductible costs	169	21	148	704.76%
Other operating charges	176	0	176	
Non-recurring operating costs	261	0	261	
Total	688	102	325	318.63%

5.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Interest income from bonds	323	208	115	55.29%
Interest income on bank and postal accounts	330	306	24	7.84%
Other interest and income	27	7	20	285.71%
Gain on sale of investments	190	2,246	-2,056	-91.54%
Total	870	2,767	-1,897	-68.56%

Financial income is comprised of the interest matured on bank accounts, interest matured on bonds, entirely sold in the previous year and income deriving from gains on disposals and valuation of the investments in securities.

The gain of Euro 0.2 million arises from the disposal of the company Softec during 2007. The gain of Euro 2.2 million in 2006 relates however to the sale of Planetcom in July 2006.

The table below reports the breakdown of financial charges for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Interest on current accounts	-69	-81	12	-14.81%
Interest on loans	-702	-10	-692	6920.00%
Bank charges and commissions	-558	-542	-16	2.95%
Other charges	-84	-8	-76	950.00%
Exchange losses	-1,430	-1,012	-418	41.30%
Total	-2,843	-1,653	-1,190	71.99%

Financial charges mainly comprise bank interest matured on bank current accounts, medium-long term financing and commissions on credit card receipts and other bank charges. The increase in interest expense on loans relates to the loan of Euro 30 million obtained from a primary banking institution in relation to the acquisition of the English company Namesco Ltd. For further information on this operation, reference should be made to the directors' report.

The exchange losses arise from the consolidation of foreign subsidiaries with particular regard to the effects of the Euro/Dollar exchange rate movements.

5.4 Share of profit/losses of associates

The table below reports the share of profits/losses of associates for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes
Dada Entertainment LLC	-370	0	-370
E-Box S.r.l.	18	0	18
Total	-352	0	-352

Both associated companies were purchased/incorporated in 2007. For greater information, reference should be made to the director's report and note 10. The loss of Dada Entertainment LLC is exclusively related to the application of the revenue recognition accounting principle which results in a deferment of revenues for the company in start-up.

5.5 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes	Change %
Doubtful debt provision	-426	-637	211	-33,12%
Provisions for risks	-325	-36	-289	802,78%
Total	-751	-673	-78	11,59%

Reference should be made to note 16 in relation to the doubtful debt provisions and to note 20 for the provision for risks and charges.

5.6 Amortisation and depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes	Change %
Depreciation of property, plant & equip.	2,026	1,334	692	51,88%
Amortisation of development costs	2,590	1,970	620	31,47%
Amortisation of patents and trademarks	234	300	-66	-22,00%
Amortisation of the other intangible assets	518	378	140	37,04%
Total	5,368	3,982	1,386	34,81%

The increases are entirely related to the higher investments in intangible and tangible fixed assets in the year. Reference should be made to notes 8 and 9 in the directors' report for a more detailed analysis. The change in the consolidation scope did not have a significant effect on this account.

5.7 Personnel costs

The table below reports the breakdown of personnel costs for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/2006	Changes	Change %
Salaries and wages	18,624	11,548	7,076	61.27%
Social charges	4,509	3,072	1,437	46.78%
Leaving indemnity	754	570	184	32.28%
Other	8	0	8	
Total	23,895	15,190	8,705	57.31%

The national work contract applied is that for the commercial sector.

The employee leaving indemnity was calculated in accordance with the projected unit credit method. For further information, reference should be made to note 14.

The effects deriving from the change in the consolidation scope resulted in higher costs of Euro 1 million in the year. The value of the stock options calculated in accordance with IFRS 2 resulted in a total cost of Euro 570 thousand.

The movements in personnel of the DADA Group are shown in the table below:

Description	December 31, 2006	New	Depart.	Other movements	December 31, 07	Average
Executives	6			1	7	7
White-collar	367	175	-66	-9	467	432
Total	373	175	-66	-8	474	439

The account other movements includes the variations related to the change in the consolidation scope. In particular, the deconsolidation of the company Softec S.p.A. resulted in a reduction of 47 employees, while the conferment of the US activities of Dada Usa Inc. into the Joint Venture Dada Entertainment LLC (a company valued at equity and not fully consolidated) resulted in a reduction of 18 and the acquisition Namesco Ltd resulted in an increase of 57 employees.

5.8 Non-recurring income

Discontinued operations:

Softec S.p.A. (I/S 2007)

In 2007, the group formalised the sale of the full investment held in the company Softec S.p.A., a company specialised in software development. The sale was in favour of the founding shareholders of the company for a price of Euro 0.4 million. The Dada group recorded a gain of Euro 0.2 million from the sale, classified under investment income as shown in the following point and summarised on the face of the balance sheet. In the consolidated financial statements, at December 31, 2007, these amounts were consolidated for the first three months, included in the Dada adv business segment.

The income statement and balance sheet effects were as follows:

Revenues of Euro 930 thousand (Euro 2,586 thousand in 2006), Ebitda of Euro 124 thousand (Euro 325 thousand in 2006), result from discontinued operations Euro 62 thousand (Euro 103 thousand in 2006) and gain from sale of discontinued operations Euro 190 thousand. The discontinued assets amounted to Euro 1,662 thousand, while the discontinued liabilities amounted to Euro 2,707 thousand.

The Company had a net debt of Euro 974 thousand at the date of the disposal (Euro 662 thousand in 2005).

The effect on the basic earnings per share of the discontinued operations was 0.003842 (0.006351 in 2006) while the effect on the diluted earnings per share on the discontinued operations was 0.003659 (0.006079 in 2006).

Planet.com (I/S 2006)

On July 4, 2006, the group formalised the sale of the full investment held in the company Planet.com S.p.A., a company specialised in judicial court auctions. The sale was to the company Asteimmobili.it S.p.A. for a cash payment of Euro 2.5 million, of which Euro 2 million paid on July 4, 2006 and the remainder on September 30, 2006. The Dada group recorded a gain of Euro 2,246 thousand from the sale, classified under investment income as shown in the following point and summarised on the face of the balance sheet. In the consolidated financial statements, at December 31, 2006, these amounts were consolidated for the first six months, included in the Dada adv segment.

The income statement and balance sheet effects were as follows:

Revenues of Euro 3,138 thousand, Ebitda of Euro 136 thousand, result from discontinued operations Euro 56 thousand and gain from sale of discontinued operations Euro 2,209 thousand.

The effect on the basic earnings per share of the discontinued operations was 0.00351 (0.01156 in 2005) while the effect on the diluted earnings per share on the discontinued operations was 0.00329 (0.01124)

5.9 FINANCIAL RISKS

The Group's main financial instruments include short-term bank deposits on demand and bank loans and investments of liquidity in treasury and corporate bonds. The objective of such instruments is to finance Group operational activities. The Group has various other financial instruments, such as trade payables and receivables deriving from operational activity.

Currently, the company does not utilise derivative instruments to manage exposure to interest rate risks; derivative instruments are utilised to hedge against foreign currency movements.

The DADA Group is exposed to various financial risks: Market risks (interest rate and exchange rate risks), liquidity risk and credit risk.

Interest rate risk

The Group's exposure to the risk of changes in market rates is principally related to the bank debt represented by bank overdrafts at variable interest rates, repayable on demand against which the company has not subscribed any hedging contract.

Currency risk

From the second half of 2006, in consideration of the investments made in the United States and the rapid growth of international turnover, the financial statements of the Group may be significantly affected by variations between the exchange rates of the Euro and the US Dollar.

The group is also exposed through foreign currency transactions to the US Dollar and the UK sterling. This exposure results from sales or purchases in foreign currencies. Approximately 30% of the Group sales are denominated in currencies other than the currency utilised by the operating unit, while approximately 24% of the costs are denominated in foreign currencies (USD).

During the year 2007, the group did not undertake any derivative instrument operations (forward currency contracts) in relation to the foreign currency risk.

Liquidity risk

The liquidity risk is managed by the Group through the investment of liquidity in short term operations, such as insurance policies and bonds. In order to optimise the utilisation of the group liquidity, the parent company implemented a cash pool line with the subsidiaries Register.it Spa and Dada.Net Spa.

Utilisation of the short-term lines generally covers a minimal portion of the capital invested.

Credit risk

The exposure to the Group credit risk refers to trade and financial receivables. Given the particular type of business, a significant part of trade receivables is concentrated with a limited number of clients, principally telephone carriers. This type of clientele is characterised by a high credit rating.

In relation to the financial receivables, the investment operations of the liquidity are made only with high standing banks.

Price risk

The Group is not exposed to significant risks in relation to price fluctuations.

For further information, reference should be made to note 24 relating to the information required by IFRS 7.

Other risks

It should be noted that the market in which the Dada Group operates is extremely competitive, both in relation to the continual and fast pace of innovation, including product technology, and for the potential entry into the market of new competitors; this environment requires constant investment in innovation of the services proposed to the customer, and updating of the products and services in order to maintain the Group's competitive position.

The Group undertakes its activity largely utilising connectivity providers and telephone carriers, and provides contents to its clients which in some cases are supplied by outside content suppliers; an interruption of services from these suppliers or a deterioration in the services with one or more of these suppliers could infringe upon the capacity to supply the products and services to the final client, impacting upon the financial results.

The sector in which the Group operates, both in Italy and internationally, is subject to competitive regulations, among which, the protection of personal data, the safeguarding of consumers, regulations on commercial communications, and generally norms governing the telecommunication sector. It is expected that the above-mentioned regulations will have an increasingly direct effect on the activities of the company with possible effects - in general terms - for the market and on the profitability of the business.

6. Income taxes for the year

The table below reports the breakdown of income taxes for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes	Change %
Regional taxes	-1,251	-1,102	-149	13,52%
IRES income taxes	-833	-3	-830	27666,67%
Deferred tax charges	1,251	1,802	-551	-30,58%
Total	**-833**	**697**	**-1,530**	**-219,51%**

The movements in deferred tax assets in 2007 are shown in the table below:

Description	Balance at 31/12/06	Increase for the year	Utilisation in the year	Other movements	Exchange differences	Balance at 31/12/07
Deferred tax assets	8,081	5,149	-3,898	141	-164	9,309
Total	**8,081**	**5,149**	**-3,898**	**141**	**-164**	**9,309**

Deferred tax assets, recorded in the financial statements for Euro 9.4 million, originate from the temporary timing differences recoverable in the short-term relating to provisions made for write-downs on investments, doubtful debts and risks and charges and all of the other temporary adjustments which will be recovered in future years (so-called "temporary differences"). In addition, deferred tax assets were recorded on the expected recovery of fiscal losses, as well as the temporary differences relating to the transitional adjustments to the international accounting standards.

In particular, the deferred tax assets on the fiscal losses carried forward amount to Euro 9,100 thousand.

The tax losses carried forward amount to approximately Euro 60 million, of which Euro 46 million are for an indefinite period. The losses on which the deferred tax assets were not calculated amount to Euro 27 million.

The utilisations for the period relate to the fiscal charge for the period, while the increase was calculated on the basis of the recovery of the above mentioned items as resulting from the business plans of the individual companies of the group.

The account "other movements" includes the deferred tax assets related to the change in the consolidation scope during the year 2007. In particular, it refers to the company Namesco Ltd.

This income statement account was affected by the change in the tax rates introduced in 2008.

The new law introduced a reduction of the IRES rate from 33% to 27.5% and the IRAP rate from 4.25% to 3.75%, thus the Group reviewed the calculation of deferred income taxes in previous periods. The effect of these changes was Euro 636 thousand.

The deferred tax assets have been recorded, on a prudent basis, up to the amount for which there is reasonable certainty that they will be recovered.

The table below shows the reconciliation between the actual fiscal charge and the theoretical fiscal charge:

SCHEDULE OF RECONCILIATION BETWEEN THEORETICAL AND FISCAL CHARGE		
(Euro/thousands)	2007	2006
Profit before taxes	13,495	11,898
Theoretical tax charge	4,453	3,926
Permanent differences	-499	-521
Temporary differences	-2,020	-3151
Effect of recovery of fiscal losses	-8,448	-8216
Assessable tax	2,528	10
Total current taxes	833	3
Total deferred taxes	-1,251	-1,802
IRAP - current taxes	1,251	1,102
Total income taxes for the year	833	-697

The deferred tax assets and liabilities are shown below

	IRES income taxes		
	2007		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	9	28%	2
Doubtful debt provision not deductible	44	28%	12
Other temporary differences	269	28%	74
Provisions for risks and charges	50	28%	14
Amortisation of Trademarks	5	28%	1
Goodwill	1,096	28%	301
Other deferred charges	600	30%	180
Total	2,073		586
Deferred tax asset relating to fiscal losses in prior years	869	30%	261
Deferred tax asset relating to fiscal losses in prior years	4,678	34%	1,591
Deferred tax asset relating to fiscal losses in prior years	24,774	28%	6,813
Effect on accounts	32,394		9,250

	Regional taxes 2007		
	Amount of temporary difference	rate	Tax effect
Deferred tax asset:			
Sales representatives expenses	9	3.90%	0
Other temporary differences	357	3.90%	14
Amortisation of Trademarks	5	3.90%	0
Goodwill amortisation	1,096	3.90%	43
Effect on accounts	1,467		58
Total deferred tax asset (IRAP +IRES)	33,861		9,309

It is also recalled that the DADA Group adhered to the tax consolidation regime, which includes, in addition to the Parent Company DADA S.p.A. (consolidating company), the subsidiary companies Dada Net S.p.A., Clarence S.r.l. and Register.it S.p.A. (consolidated companies).

7. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the average weighted number of ordinary shares outstanding during the year. The diluted earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders of the parent company by the average weighted number of ordinary shares outstanding during the year and the potential shares deriving from the exercise of all options outstanding.

The results and share information are shown below for the calculation of the basic and diluted earnings per share:

Euro/000 PROFITS	31/12/2007	31/12/2006
Profit for the calculation of the earnings per share	12,488	12,455
TOTAL	12,488	12,455
NUMBER OF SHARES	31/12/2007	31/12/2006
Number of shares for the calculation of the earnings per share	16,210,069	15,968,058
Dilution effect (options on shares)	732,200	1,068,780
TOTAL	16,942,269	17,036,838

There are no other operations on the ordinary shares or potential ordinary shares between the balance sheet date and the date of the preparation of the financial statements.

The Company did not approve or distribute any dividends in the year.

8. Plant & equipment

The movements in tangible assets in 2007 are shown in the table below:

Description	Value at 31/12/06	Increases	Decreases	Other movements	Exchange diffs	Depreciation	Value at 31/12/07
EDP	4,181	3,442	-195	490	-51	-1,599	6,268
Furniture and fittings	305	562	0	215	-17	-139	926
Others	88	962	-1	218	-8	-285	974
Total	4,573	4,966	-196	923	-76	-2,026	8,168

The increase in the year of plant and machinery is principally due to the purchase of a server for the internet and the installation of new equipment for the enlargement of the farm server, represented by servers, networking and storage systems.

The increases in furniture and fittings relate to the expenses incurred for the new Dada offices at Florence.

The account "other movements" includes the effects related to the change in the consolidation scope and in particular to the sale of Softec S.p.A. and the acquisition of Namesco Ltd.

9. Intangible assets

The movements in intangible assets in 2007 are shown in the table below:

Description	Value at 31/12/06	Increases	Decreases	Other movements	Exchange diffs.	Amortisation	Value at 31/12/07
Goodwill	23,411	41,572	-125	-	-1,528	-	63,330
Total goodwill	*23,411*	*41,572*	*-125*	-	*-1,528*	-	*63,330*
Development of products/services expenses	4,874	4,557	-	167	-5	-2,590	7,004
Concessions, licenses, trademarks	776	97	-	-181	-12	-234	446
Others	772	2,628	-24	8	-	-518	2,866
Total intangible assets	*6,422*	*7,282*	*-24*	*-6*	*-17*	*-3,342*	*10,316*
Total	29,833	48,854	-149	-6	-1,545	-3,342	73,646

In relation to the goodwill, reference should be made to note 10.
In relation to the composition of goodwill, reference should be made to note 11.

The "other movements" includes the changes in the consolidation scope and, in particular, the combined effect of the sale of the company Softec S.p.A. and the acquisition of the investments in Namesco ltd.

The increase in the "development expenses on products/services" refers to the capitalisation of the costs incurred for the development of the new products and services prevalently relating to the portals and Dada net and Dada pro Services. These assets relate to the portfolio of "Community & Entertainment" fee-based products and services via web and mobile, through the single SMS numbers of the Operators.

In relation to this, the expenses incurred for the Dada.net product, particularly for the provision of services in foreign markets, and the new web mail and easy click projects in the Dada.pro sector are noted.

Reference should be made to the information on the activities in these two sectors in the directors' report.

The capitalisation is made based on their future profitability and in accordance with the criteria established by international accounting standards.

The recognition is supported by a careful evaluation in order to determine the future economic benefits connected to these services.

The amortisation is made on a straight-line basis over a period of 5 years.

The account "others" is prevalently comprised of the software acquired by the Group, expenses for the registration of the brands and licences which are amortised on a straight-line basis over five years.

10. Equity investments in non-consolidated subsidiaries, associated and other companies

The composition and movements of the investments in associated companies and non-consolidated subsidiary companies is shown in the table below:

Company	Reg. offices	Share Capital at 31/12/2007	Net equity 31/12/06	Result 2006	% held	Carrying value
E-Box	Milan	10	30	16	30%	738
Dada Entertaiment *	NY - USA				50%	3,558
Total		10	30	16		4,296

* Company operative from October 1, 2007

On February 22, 2007, the Group completed the agreement for the acquisition of 30% of E-Box S.r.l., owner of the platform Blogo, and signed agreements to acquire 100% of the company over a period of 2 years.

E-Box recorded revenues of Euro 872 thousand in 2007, principally from advertising income - over 10 primary insertion clients signed permanent sponsoring contracts with the Company – with a net profit of Euro 18 thousand and assets of Euro 510 thousand.

On September 12, 2007, the joint venture between Dada and SONY BMG MUSIC ENTERTAINMENT to create the company “Dada Entertainment LLC” was completed, following the agreement reached and communicated to the market on July 16 and will offer to consumers a new and innovative range of entertainment services via web and mobile phone. These investments are valued in the financial statements under the equity method.

Dada Entertainment LLC recorded revenues for the fiscal year 2007, which commenced on October 1, 2007, of USD 17,365 thousand, and a loss of USD 1,014 thousand, deriving from the application of the accruals revenue recognition accounting principle which resulted in a deferral of the revenues for the company in a start-up situation. The assets of the company amount to USD 12,145 thousand.

Compared to December 31, 2006, the differences are as follows:

The Company Euclide, Mediatec Srl (recorded in 2006 for a value of Euro 43 thousand) and Sailg Srl (recorded in 2006 for Euro 10 thousand) were excluded from the consolidated financial statements of the Dada Group following the disposal of the investment in Softec S.p.A.

11. Verification of the loss in value of intangible assets and goodwill

The movement of the goodwill during 2007 are shown in the table below:

Description	31/12/06	Increases	Decreases	Other movements	Exchange differences	31/12/07
Register.it SpA	7,119					7,119
DadaNet SpA	1,265					1,265
Clarence Srl	430					430
Softec SpA	125		-125			
Upoc Inc	6,008				-639	5,369
Nominalia SA	3,220	1,511				4,731
Dada Brasil	14					14
Dada Iberia		10				10
Namesco		39,575			-434	39,141
Merger deficit (on Dada)	899					899
Tipic	4,331	476		-4,807		
Dada Usa				4,807	-455	4,352
Total	**23,411**	**41,572**	**-125**	**0**	**-1,528**	**63,331**

The increases relate to the acquisitions made by the DADA Group during 2007, for which reference should be made to the directors' report. The following operations are noteworthy:

Cotei/Nominalia SA: On February 27, 2007, Register.it S.p.A. completed the second tranche of the Cotei/Nominalia operation. This operation involved the acquisition of the remaining 33% of Cotei - thus increasing its stake to 100% of Cotei and therefore 75% of Nominalia - for a payment of Euro 1.3 million;

Namesco Ltd: On July 18, 2007, the Dada Group acquired 100% of the share capital of the English company Namesco Ltd. The total payment for the company was approx. Euro 36.7 million including transaction costs, entirely paid on closing. The financing of the purchase is comprised in part by Register.it liquidity and a medium/long-term bank loan of Euro 30 million. The goodwill of Namesco includes that relating to two investments in the financial statements of the company amounting to approx. Euro 4 million;

Tipic Inc.: The increase relates to the variable part of the price provided for under the agreement of October 12, 2006;

The decrease of Euro 125 thousand in the investment Softec is related to the disposal of the company during the year. As a consequence of this disposal, a gain was realised of approx. Euro 190 thousand.

The account "other movements" between Tipic and Dada USA is related to the merger by incorporation of the former into the latter in December 2007.

For all of the Companies acquired during the year, a fairness opinion was obtained from independent consultants on the values of the acquisitions.

The impairment test is made on an annual basis on the preparation of the annual accounts. The recoverable value of the cash-generating units, to which the individual goodwill is allocated, is verified through the determination of the value in use.

In particular, for all of the companies in the Group, a valuation was made to verify the recovery of the investments by preparing financial and cash flow forecasts on the basis of the best information currently available and approved by the Board of Directors of the Parent Company and the subsidiary companies. These annual valuations are verified at the end of each periodic accounts through an analysis which verifies the absence of external and internal impairment indicators.

In particular, it is reported that:

- the value of the goodwill of the companies Register.it Spa, Nominalia SA and Namesco Ltd were verified through the projected cash flow method contained in the three-year financial plans of each of the 3 companies belonging to the Dada pro Division.

These plans were formulated commencing from the budgets of the individual companies and forecasting an annual growth rate of 5-7%. The discount rate utilised was 10.54%;

- the value of the goodwill of the company Tipic Inc. (merged with Dada Usa with effect from December) was verified through the projected cash flow contained in the three-year consolidated financial plan of Dadanet Spa, as this operation was undertaken for the development of the group in the "social networking" and so-called "user generated content" sector, which represents an activity already present in the range of services of Dada.net, through the site Life. This plan was formulated commencing from the budget relating to the sub-consolidated Dada.Net Spa, forecasting an annual growth rate of 5-7%. The discount rate utilised was equal to 10.54%;

- the value of the goodwill of Upoc Networks Inc. was verified through the projected cash flow method contained in the three-year financial plan relating to the sub-consolidated Dada USA, in consideration of the operational integration between the two American companies. This plan was formulated commencing from the related budget and forecasting an annual growth rate of 7%. The discount rate utilised was 10.54%.

The growth rates utilised represent the assumed growth rates by management based on their experience within the group in the existing markets. The verification made at December 31, 2007 confirmed that it was not necessary to make any changes to the values recorded in the accounts.

12. Other financial assets

The balance of financial assets is composed of:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Bonds	-	2,372	-2,372	-100.00%
Financial receivables	1,388	84	1,304	1552.38%
Total	1,388	2,456	-1,068	-43.49%

The account "financial receivables" in 2007 includes the interest-bearing loan in favour of the Joint Venture Entertainment LLC, set up with SONY BMG and operative from October 1. The agreement includes financial support by Dada USA and Sony BMG totalling USD 4 million (paid on December 31 for USD 2 million) by each company for the start-up of the joint venture. The interest on the loan is equal to Libor at 1 month.

The bond securities at December 31, 2006 related to a Top propensity insurance policy investment, which was entirely disposed of during the year, resulting in a gain of Euro 67 thousand.

13. Share-based payment plans

The share-based payment plans (so-called Stock Options) are described in detail in the directors' report.

The relevant features of the DADA Group plans at December 31, 2007 were as follows:

Details	Plan of 20/06/2005	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/07
Duration of the plan	2006-2008	2009-2012	2007-2009	2009-2012	2009-2012
Total options to be issued	441,406	700,700	33,000	55,000	25,000
Total residual options at 31/12/2006	280,068	700,700	33,000	55,000	25,000
Value of issue	10.82	14.782	15.47	16.92	16.99

The data utilised in the valuation models of the four plans are shown below:

Data used for the valuation	Plan of 20/06/2005	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/07
Valuation Date	Issue of the plan	Issue of the plan	Issue of the plan	Issue of the plan	Issue of the plan
Model utilised	Binomial	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%	5%
Expected volatility		23.50%	31-36%	29.07%	29.07%
Interest rate without risk	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	nil	nil	nil	nil	nil
Vesting conditions	none	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may not coincide with the actual outcome.

The fair value of the plans is measured at the assignment date. For a detailed description of the plans, reference should be made to the directors' report.

14. Pensions and other employee post-service benefits

The movement of the employee leaving indemnity is shown in the table below:

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Other movements	Interest charge on liability	Balance at 31/12/2007
Leaving indemnity	1,790	175	-287	-185	51	1,544
Total	1,790	175	-287	-185	51	1,544

The provision at December 31, 2007 of Euro 1.54 million reflects the indemnity matured in favour of employees, in conformity with legislation and collective employment contracts.

The "other movements" includes the reduction related to the sale of Softec S.p.A. which was sold at the beginning of 2007.

In accordance with international accounting standards, the obligation was calculated through the projected unit credit method which considers each employment period a source of an additional unit of benefit and separately measures each unit in order to calculate the final obligation.

In accordance with finance law No. 296 of December 27, 2006, for IAS 19 purposes only the liability relating to the Employee Leaving Indemnity matured remaining in the company was considered, as the quota maturing after this period is paid to a separate entity.

This calculation was made by an independent actuary. The methodology utilised can be summarised in the following points:

- projection for each employee in service at 31/12/2007 of the employee leaving indemnity matured up to the estimated time of pension;
- determination for each employee in service at 31/12/2007 and for each year up to the estimated time of pension, the probable employee leaving indemnity payments which will be made by the Company in the case of the employee leaving due to redundancy, dismissal, resignation, death and pension;
- discounting, at the measurement date, of each probable payment;
- proportionately, for each employee in service at 31/12/2007, of the payments, estimated and discounted, based on the years matured at the measurement date compared to the years matured at the date of each probable payment.

In particular, the assumptions adopted were as follows:

VALUTATION DATA	31/12/2007
Mortality table	SIM/F 1998
Reduction of mortality table	20.00%
Rate relating to advanced request by EXECUTIVES	1.00%
Rate relating to advanced request by MANAGERS	0.50%
Rate relating to advanced request by EMPLOYEES	1.00%
Rate relating to advanced request by TRAINEES	0.00%
Future inflation rate	2.10%
Discount rate	4.10%
Rate relating to advance departure of EXECUTIVES	0.50%
Rate relating to advance departure of MANAGERS	0.50%
Rate relating to advance departure of EMPLOYEES	4.00%
Rate relating to advance departure of TRAINEES	0.50%

15. Inventories

The balance of inventories consists of:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Work-in-progress	73	111	-38	-34%
Finished products and goods for resale			-	
Total	73	111	-38	-34%

The final inventories relate to the work in progress for projects not yet completed as at December 31, 2007. The criteria utilised for this measurement is the percentage of completion method.

16. Trade and other receivables

The trade account consists of:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Trade receivables - Italy	58,453	44,533	13,920	31%
Less: bad debt provision	-2,309	-3,084	775	-25%
Total	56,144	41,449	14,695	35%

The level of trade receivables is in line with increased Group operations and sales volumes in 2007. The average collection period for trade receivables is 120 days.

It is also recalled that a significant part of trade receivables is concentrated among a limited number of clients, principally telephone carriers.

Given the nature of the principal clients, there was a general increase in the average collection period, against which these companies are characterised by high credit ratings.

The movement in the provision for doubtful debts is summarised in the following table:

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Exchange diffs	Other movements	Balance at 31/12/07
Bad debt provision	3,084	426	-1,034	-4	-163	2,309
Total	3,084	426	-1,034	-4	-163	2,309

The increase in the provision reflects the necessity to write-down, on a prudent basis, several positions which have arisen in the year as a consequence of the economic/financial difficulties of some clients.

The “other movements” includes the variation related to the change in the consolidation scope and, in particular, the decrease for the sale of Softec.

The utilisations relate to positions closed in the year for which either recognition was made of the impossibility to recover the amount or a decision made relating to the settlement with the debtor.

The provision as at December 31, 2007 is considered adequate to meet the potential losses relating to the entirety of trade receivables.

There are no trade receivables due over one year for which it would be necessary to record a financial loss.

The Company estimates that the book value of trade and other receivables approximate their fair value.

There are no receivables over 5 years.

The table below shows the composition of other receivables:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Tax receivables	1,618	976	642	66%
Advances to suppliers	138	166	-28	-17%
Other receivables	3,312	1,468	1,844	126%
Accrued income	9,587	14,310	-4,723	-33%
Total	**14,655**	**16,920**	**-2,265**	**-14%**

The accrued income principally relates to the subscription services in the Consumer division, recording the revenues in the income statement on an accruals basis.

This correlation was determined on the basis of the historical LTV (life time value) of the users acquired for the paid services. Prudently, this amount is estimated as not greater than 6 months (depending on the purchase period).

In relation to the above, IASB at the end of 2007, issued an exposure draft of the Improvement Project, re-examining and reviewing some aspects related to the issue. In particular, the proposal to amend the IASB standards expanded upon the concept of the prepaid charges, which would sanction an approach to limit the recording of prepayments to certain circumstances.

The above amendments, in accordance with the IASB calendar, should be concluded in the first half of 2008 and be effective as of January 1, 2009, with the possibility of advanced application.

The Dada Group will apply this new interpretation from the year 2008.

The application of this accounting principle in the present accounts would have had a negative impact on the net equity of approx. Euro 6.5 million, while the effect on the income statement would have been positive for approx. Euro 1 million before the tax effect.

The decrease in this account is also related to the conferment of the VAS activities on the American market to the Joint Venture Dada Entertainment LLC.

In addition, this account includes telephone carrier fees and domain registration costs of the Self Provisioning division.

The account “other receivables” include deposits paid to the various authorities relating to the domain registration activity for a total of Euro 1 million and receivables on contractual advances relating to minimum guaranteed contracts with telephone operators.

Tax receivables include the payments on account for Irap regional tax and withholding taxes and other credits.

17. Cash and cash equivalents

The composition of the liquidity is shown in the table below:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Bank and postal deposits	15,609	10,482	5,127	48.91%
Cash in hand and similar	21	49	-28	-57.14%
Total	15,630	10,531	5,099	48.42%

The balance represents the liquidity and cash balances at December 31, 2007.

The yield on Italian bank deposits, prevalently relating to two Credit Institutions, is equal to Euribor at three months -0.3/-0.5.

The movement in this account was positively impacted by the divestment of the financial assets held which were present in the financial statements at the end of the previous year, and negatively impacted by the investment activity undertaken during the year. For further information, reference should be made to the directors' report.

For further information relating to the liquidity movements in the year, reference should be made to the directors' report and to the Cash Flow Statement.

18. Share capital and reserves

The share capital of Dada S.p.A at December 31, 2007 consists of 16,097,079 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,737 thousand. During the year, the share capital increased by Euro 22 thousand due to the subscription of the reserved share capital increase for employees of Dada S.p.A. (stock options plan).

The movements in net equity in the year are shown in the table at page 83.

Description	Amount	Possibility of utilisation	Quota available	Summary of utilisations made in the three previous years	
				to cover losses	for other reasons
Share capital	2,737				
Capital reserves:					
Share premium reserve	30,867	A-B-C	30,867	-6,699	
Extraordinary reserve	11,626	A-B-C	11,626		
Other reserve	-5,228				
Retained earnings	15,208				
Profit reserves:					
Legal reserve	902	B	902		
Total			43,395		
Non-distributable quota			902		
Residual distributable			42,493		

*** Possibility of utilisation:**

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

Legal reserve: this account relates to a profit reserve and increased from the net profits of the financial statements approved. The account may only be utilised for the part exceeding one fifth of the share capital.

At December 31, 2007 the reserve amounted to Euro 902 thousand. The movement in the year relates to the allocation of the 2006 result.

Share premium reserve: this is an equity reserve comprising of contributions by shareholders or conversion of bonds into shares. There is no specific limit relating to its utilisation. At December 31, 2007 the reserve amounted to Euro 30,867 thousand. The movement during the year relates to the subscription, on February 6, 2007, of 129,021 shares subscribed for an amount of Euro 1,374 thousand.

Other reserves: the account comprises the IAS Reserve (created on the transition to the IFRS) and the Extraordinary Reserve. The Extraordinary Reserve amounts to Euro 5,372 thousand and the movements during the year relate to the allocation of the 2006 result. The IAS Reserve amounts to Euro 5,372 thousand and the movements during the year relate to the Stock Options.

Translation reserve: the account arises from the differences deriving from the translation of the individual financial statements of the foreign currencies prepared in a currency other than that utilised for the preparation of the consolidated financial statements. The balance of this reserve at 31/12/2007 amounted to Euro - 1,197 thousand. The movements during the period, amounting to Euro -1,133 thousand, derive from the translation of the financial statements of the subsidiaries Dada USA, Dada Brazil, Upoc, Dada China and Namesco.

Consolidation reserves: At December 31, 2007 this reserve amounted to Euro -79 thousand and related to the differences between the carrying value of the subsidiaries consolidated and the corresponding share of net equity at the date of first consolidation.

The reconciliation of the net result and net equity of the parent company, with the consolidated net result and net equity at December 31, 2007 is shown in the table below:

	Dec 31, 07			
	NET PROFIT		SHAREHOLDERS' EQUITY	
	Group	Minority interest	Group	Minority interest
As per Parent Company financial statements*	966		56,865	
Effect of changes in the consolidation scope	148		-	
Write-back of equity investments	722		722	
Translation reserve	-		-1,197	
Exchange adjustments	-3		-3	
Net result of subsidiaries	10,655		12,286	
Min. interest net equity and result	-	-174	-	-103
Other adjustments	-		-73	
As per consolidated financial statements	12,488	-174	68,600	-103

* It is recalled that the financial statements of the parent company DADA S.p.A. were prepared in accordance with IAS/IFRS international accounting standards.

The Softec gain is the difference which arises from the disposal of the company and related to the different valuation criteria of the investment utilised for the separate financial statements of Dada S.p.A.

19. Loans and financing

The composition is shown in the following table:

Description	31/12/07	31/12/06	Changes	Change %
Payables:				
Banks	26,454	244	26,210	10741.80%
Other lenders	0	0	0	
Bank overdrafts and loans	***26,454***	***244***	***26,210***	**10741.80%**
Others	0	0	0	
Other payables	0	0	0	
Total	**26,454**	**244**	**26,210**	**10741.80%**

The bank payables relate to short-term loans of the DADA group.

Details of the loans of the DADA Group at December 31, 2007:

Company	Bank	Initial balance	Residual amount at 31/12/2007	Loan Duration	Average
Register.it SpA	Banca Intesa	30,000	30,000	7 years	Euribor 6 months + 0.3 p.
Dada Usa Inc	Banca Intesa	1,766	1,766	3 months	Libor 1 M
Namesco Limited	HSBC	1,397	1,397	2 years	English Bank's rate + 2%
Total		**33,163**	**33,163**		

* The loans are reclassified to short-term for the portion due within one year.

The loan by Register relates to the acquisition of the company Namesco Ltd in July 2007. For further information on this operation, reference should be made to the directors' report.
This loan was received from Banca Intesa San Paolo on July 16, 2007 totalling Euro 30 million, to be repaid in 14 half yearly instalments on January 31 and July 31 of each year. The interest rate is based on EURIBOR 1M, 3M or 6M at the discretion of the company, increased by a variable spread (currently30 b.p.). Final instalment July 31, 2014.

The Loan received by Namesco Ltd relates to the acquisition made by the company of a client portfolio in December 2007. This loan was provided by HSBC, totalling GBP 1 million, to be repaid in 24 monthly instalments; the interest rate is based on the Bank's Sterling Base Rate increased by 2%. Final instalment December 31, 2009.

The Loan received by Dada USA Inc is a short-term credit line from the Banca Intesa New York for USD 2.6 million to be paid in 3 months, at a variable Libor 1 month interest rate. The loan is renewable month by month at the discretion of the company.

The short-term portion, quota repayable within one year, of the above-mentioned loans is classified under short-term bank payables.

20. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/07
Provisions for risks and charges	911	325	-110	-1	1,125
Total	**911**	**325**	**-110**	**-1**	**1,125**

The provisions for risks and charges were created against probable liabilities arising from contractual and legal disputes.

The utilisations in the year relate to the settlement of disputes.
The increases relate to new disputes which arose during the year and the reassessment of previous disputes during the year.
The provisions include a provision for a fiscal control relating to the year 2004.

The account "other movements" includes the provision for risks and charges related to the change in the consolidation scope during 2007. In particular, it refers to the sale of Softec S.p.A.

The provision for risk and charges at December 31, 2007 include Euro 350 thousand for labour disputes, Euro 500 thousand for disputes of an operational nature and Euro 274 thousand for other disputes.

No detailed information is given on the specific positions in order not to prejudice the outcome of the proceedings in course.

21. Trade and other payables

The composition of the payables is as follows:

Description	31/12/07	31/12/06	Changes	Change %
Payables:				
Banks	7,318	1,213	6,105	503.30%
Bank overdrafts within one year	7,318	1,213	6,105	503.30%
Trade payables	54,020	37,809	16,211	42.88%
Ass. companies				
Trade payables	54,020	37,809	16,211	42.88%
Taxes	4,842	3,043	1,799	59.12%
Tax payables	4,842	3,043	1,799	59.12%
Others	6,381	4,109	2,272	55.29%
Social security inst.	1,234	721	513	71.15%
Deferred income	12,190	10,836	1,354	12.50%
Other payables	19,805	15,666	4,139	39.610
Total	85,985	57,731	28,254	48.94%

"Bank payables" consist principally of bank overdrafts repayable on demand of Euro 969 thousand, and the short-term portion (repayable within one year) of bank loans. Reference should be made to page 131 for details.

The account "trade payables" includes the amounts related to purchases of a commercial nature and other costs. The Company estimates that the book value of trade and other payables approximates their fair value. The increase is strictly related to the growth in the business activities of the Group.

"Tax payables", amounting to Euro 5 million, include withholding taxes on salaries and consultants and other current taxes for the period, principally relating to IRAP regional tax for the Italian companies and local taxes for the foreign companies.

The account "Other payables" includes:

- employee payables for the month of December, the accrual on the "fourteenth" month and vacation days matured;

- the payables for the acquisitions of the investments completed during 2007. In particular, the payables relating to Nominalia SA. In relation to the payment for these investments, reference should be made to the directors' report on operations;

Deferred income originates from the accruals on connectivity, domain and hosting contracts and other resale services referring to future periods. The increase in this account is due, in addition to the increased operations of the Group and Register.it, to the change in the consolidation area related to the acquisition of the English company Namesco Ltd in July.

22. Commitments and risks

The composition and movements are reported in the following tables:

Description	31/12/2007	31/12/2006	Changes	Change %
Guarantees	35,862	7,239	28,623	395.40%
Total	35,862	7,239	28,623	395.40%

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/07
Guarantees	7,239	34,486	5,827	-36	35,862
Total	7,239	34,486	5,827	-36	35,862

The guarantees provided at December 31, 2007 amounting to Euro 35.9 million (compared to Euro 7.2 million at December 31, 2006) are recorded for the amount guaranteed.

The most important increases related to:

. Guarantee for a loan received by Register.it from Banca Intesa for the purchase of Namesco ltd. For further information, reference should be made to the directors' report;

. Guarantee for DADA Iberia and DADA USA Inc. credit lines at Banca Intesa San Paolo;

. Guarantee for the acquisition of the residual part of E-Box Srl for Euro 360 thousand;

. Guarantee for the rental of new offices of the Dada Headquarters in Florence totalling Euro 1.2 million;

The decrease in the period amounting to Euro 5.8 million relates to:

Reduction of the guarantee for the closure of the second tranche of Nominalia for Euro 1.8 million, agreed in February 2007 and closed in July 2007;

Closure of the guarantee for the payment of the second tranche for the acquisition of Tipic totalling Euro 2.9 million;

No potential commitments exist that are not recorded in the balance sheet.

23. Transactions with related parties

The transactions with related parties relate to normal operations and are conducted at normal market conditions.

The company undertakes commercial transactions consisting of the acquisition and purchase of services, with subsidiary companies and with companies belonging to the RCS group, which has a 46.9% shareholding in DADA. The following table shows the transactions with companies of the group and the balance sheet and income statement values in 2007 between companies of the Dada Group and "related parties" with the exclusion of inter-group transactions eliminated in the preparation of the consolidated financial statements.

The transactions of Dada S.p.A. with RCS, the majority shareholder, with subsidiaries and associated companies, disclosed in the notes to the financial statements of the parent company in the individual accounts of the balance sheet and income statement, principally relate to:

- transactions related to contracts for the provision of centralised services;
- transactions of a financial nature, relating to loans and cash pooling in relation to the treasury financial management;
- transactions of a fiscal nature deriving from the national consolidated fiscal regime, with the objective of neutrality and parity of treatment.

(Amounts expressed in Euro/thousands)

Description	Trade receivables	Trade payables	Revenues	Costs
RCS Group	1,927	3,756	4,166	5,941
Total	1,927	3,756	4,166	5,941

For further information in relation to the directors and executives with strategic responsibility reference should be made to the directors' report. Transactions with the companies of the Group largely relate to the provision of services and the provision and use of financial resources as well as transactions of a fiscal nature which are regulated at market conditions. In this domain, the DADA S.p.A. parent company acts as a central treasury for the Groups' main companies.

In accordance with IAS 24, the following information is provided in relation to the remuneration of the directors of the group with strategic responsibilities, in the various forms in which they are paid for the year 2007 and the year 2006.

Description	31/12/2007		31/12/2006		Other financial instruments represented by equity
	Services	Personnel costs	Services	Personnel costs	
Directors fees :					
- Emoluments for office	504		487	6	
- Bonus and other incentives	278	290	248	325	
- Non-monetary benefits	13	13	5	7	
- Other remuneration		417		399	
- Share-based payments	278	193	253	240	
Total Directors	1,073	913	993	977	
The Board of Statutory Auditors	60		65		

Total related parties	1,133	913	1,058	977	
Total as per financial statements	116,393	23,895	84,194	15,190	
In percentage terms	0.97%	3.82%	1.26%	6.43%	

Transactions with associated companies

(Amounts expressed in Euro/thousands)

Description	Trade receivables	Trade payables	Revenues	Costs
Dada Entertainment LLC	819	1,192	4,634	382
E-Box S.r.l.	56	192	56	471
Total	875	1,383	4,690	852

24. Disclosure pursuant to article 149 of the Consob Issuers' Regulation

The following table, prepared pursuant to article 149 of the Consob Issuers' Regulations, reports the payments made in 2007 for audit services and other services carried out by the audit firm and companies associated with the audit firm.

Service	Party providing the service	Company	Payments relating to 2007 (thousands of Euro)
Audit	Reconta Ernst & Young SpA Reconta Ernst & Young SpA Reconta Ernst & Young SpA	Parent Com. Italian subsidiaries Foreign subsidiaries	98 31 131
Certification work			-
Other services	Reconta Ernst & Young SpA (1)	Parent Com.	72
Total			332

(1) The other services include:
Euro 40 thousand for support and assistance in the testing phase on the controls made in order to obtain the certification as per article 154 of the Consolidated Finance Act, as required by article 81 of the Issuers' Regulations; Euro 25 thousand fees in relation to the application of the accounting principles.

25. Information as per IFRS 7

The information required by IFRS 7 is shown below:

1) Classification of the financial instruments and Fair Value

The standard requires the disclosure of the accounting value of each category defined in IAS 39, with separate indication, in the category assets and liabilities valued at fair value through the profit and loss account, of the amount classified as "held for trading".

Table 1 (page 147) shows a summary relating to the amount of each category of financial instruments used.

- The financial assets/liabilities held for trading show the bond securities and the derivatives not treated under Hedge Accounting.
- The account financial assets available-for-sale include the minority equity investments which have increased considerably compared to 2006 due to the incorporation of the Joint Venture DADA/Sony BMG.
- The account loans and receivables includes:
- a loan to the Joint Venture of Euro 1,388 thousand,
- Prepayments and accrued income of Euro 9,587 thousand prevalently relating to acquisition costs (COA).
- Other receivables (excluding employee receivables, tax and social security) which principally relate to payments on account to suppliers.

2) Collateral

The standard requires disclosures relating to collateral both in relation to financial assets given in lien (book value, terms and conditions of the lien), and assets held as collateral and in which the company can hold in the absence of default of the counterparty (fair value, terms and conditions of the lien)

Given the insignificance of the collateral given by the group DADA, only the book value of 2007 compared to 2006 is shown in the table below:

Collateral given (€ /000)	Book value	
	December 31, 2007	December 31, 2006
Guarantee deposits	1,100	560

3) Provision for doubtful debts

Where the Company records losses for permanent reduction of value on financial assets of a commercial nature in a separate account, a reconciliation must be disclosed of the variations in the account during the year for each of the financial asset classes.

The other movements for the year 2007 include Euro 197 thousand relating to the deconsolidation of Softec, a company disposed in 2007.

The table shows only trade receivables:

	Write-down of trade receivables (Euro/000)	
	Dec 31, 07	Dec 31, 06
Balance at beginning of year	-3,084	-2,558
Increases in the year	0	0
- individual write-downs	-376	-536
- collective write-downs	-50	-102
Utilisations	999	112
Write-back of value	0	0
Other movements	197	0
Exchange differences	5	0
Balance at end of year	-2,309	-3,084

4) Revenue, cost, profit and loss accounts:

IFRS 7 requires disclosure of information relating to the payment of interest, commissions and expenses deriving from financial instruments.

The amounts in the accounts should always exclude the values relating to receivables/payables of employees, social security, tax, and all instruments recorded in accordance with IAS 12 and 19 and not within the scope of IAS 39.

The profits and losses from the tables are as follows:

- financial assets/liabilities held for trading (table 2 on page 148) include in this category the gains (or losses) relating to securities sold in 2007 (Bond fund units), minority investments (DADA Entertainment and E-box Joint Venture) and derivative instruments (Gains or losses for roll over of derivatives held by DADA USA)

- interest income/expense on financial assets/liabilities not valued at fair value: include interest income or expenses deriving from financial instruments classified in categories which are not measured under the amortised cost method. The account Loan interest expense includes, in addition to the interest payments for 2007, also the negative effect of the discounting in accordance with the IRS curve.

	Book value (€ 000)	
NTEREST INCOME	Dec 31, 07	Dec 31, 06
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	497	377
INTEREST EXPENSE	Dec 31, 07	Dec 31, 06
Interest expense on financial liabilities not valued at fair value		
- Bank and postal deposits	40	6
- Loans and receivables and other payables		
- Mortgages loans	681	13
TOTAL	721	19

5) Information on qualitative risks

- Credit risk

The Group has various concentrations of credit risk based on the nature of the activities undertaken by the various sectors (Dada net division, Dada adv division and Dada pro division). In relation to the most significant receivable account, the Consumer division, the risk is concentrated in primary telephone carriers; the parent company has a trade payable with a telephone carrier (Mitigating factor).

The credit exposure of the Dada adv division is principally related to the Advertising sector.

The credit exposure of the Dada pro division is mitigated as it is spread among a large number of counterparties and clients.

A deal was agreed between DADA Usa Inc. and Sony BMG for the creation of a Joint Venture, DADA Entertainment LLC, which provides for a start-up loan totaliing USD 4 million by each shareholder, paid 50% at December 31, 2007; the loan is included in the account financial assets, while that to be paid is included in the account "iirevocable commitments to provide loans".

The guarantees include the maximum amount which the Entity may pay; these include sureties and guarantees given by the Banca Intesa group on behalf of third parties.

The table below indicates the maximum exposure to the credit risk, with the exclusion of amounts from personnel, social security and tax entities and all those instruments governed by IAS 12 and 19 and not within the scope of IAS 39.

Maximum exposition to credit risk (Euro thousands)	Dec 31, 07	Dec 31, 06
Financial assets at fair value with impact on the Income Statement		
- Held-for-trading financial assets		
- Securities		2,456
Loans and receivables		
Deposits	15,630	10,531
Trade and other receivables	56,144	41,449
Financial assets	1,388	-
Other receivables	3,308	3,016
Receivables for derivative financial instruments	171	-
Irrevocable commitments to provide loans	1,359	-
Guarantees	35,862	7,239
Total	113,862	64,691

IFRS 7 requires the disclosure of the maturity of the financial assets (trade receivables) net of write-downs.

The table below shows the client ageing net of write-downs and intercompany which are eliminated in the consolidation.

Analysis by maturity of financial assets (Euro/thousands)	Book value	
	Dec 31, 07	Dec 31, 06
Trade receivables		
- Due in less than 30 days	15,201	16,965
- Due between 30 and 90 days	9,515	6,177
- Due between 90 and 180 days	3,735	127
- Due between 180 and 365 days	2,486	7,597
- Due between 1 and 2 years	127	
Total	31,064	30,866

The breakdown of the customer receivables not overdue by division are shown in the table below:

Breakdown of customer receivables not overdue	Dec 31, 07	Dec 31, 07
Dada net division	22,208	8,975
Dada adv division	2,760	1,553
Dada pro division	112	55
Total	25,080	10,583

The trade receivable risk is shown by division and geographic area in the table below:

Concentration of commercial credit risk (Euro thousands)	Book value		%	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
By division				
Dada net division	49,516	36,206	88.2%	87.4%
Dada adv division	6,455	4,662	11.5%	11.2%
Dada pro division	173	581	0.3%	1.4%
Total	56,144	41,449	100%	100%
By geographic area				
Italy	32,552	26,018	58.0%	62.8%
Overseas	23,592	15,431	42.0%	37.2%
Total	56,144	41,449	100%	100%

Liquidity risk

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) as shown in the table relating to 2007 and 2006:

Analysis of maturity at December 31, 2007 (Euro thousands)	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	56,675					56,675
Loans (Register, Names, Dada USA)						
- capital portion	4,231	2,511	4,993	12,857	8,571	33,163
- interest Portion	831	666	1,307	2,504	556	5,864
Short-term lines	1,359					1,359
Other payables	6,380					6,380
Total	*69,476*	*3,177*	*6,300*	*15,361*	*9,127*	*103,441*

Analysis of maturity at December 31, 2007 (Euro thousands)	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	37,809					37,809
Loans (Softec and Dada)						-
- capital portion	1,683	207				1,890
- interest portion	15	18				34
Short term lines						-
Other payables	4,109					4,109
Total	43,616	225	-	-	-	43,842

For the maturity analysis above, the future cash flows are not discounted, separating the capital and interest.

The liquidity risk of the Group may arise from the difficulty to obtain loans to support operating activities in a timely manner.

The cash flows, financing requirements and the liquidity of the companies of the Group are monitored and managed centrally under the control of the Group Treasury, with the objective of guaranteeing efficient management of the financial resources.

Management believes that the funds and credit lines currently available, in addition to those that will be generated from operating and financial activities, will permit the Group to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

Market risk

For the market risk, IFRS 7 requires a sensitivity analysis with an impact on the income statement and equity for the possible market scenarios.

There are two types of market risk: exchange rate risk and interest rate risk.

Currency risk

Table 3 and table 3A shows the situation at the end of 2007 compared with the end of 2006, as well as the positive and negative effects on the income statement due to the changes of the assumed exchange rates - in accordance with the actual situation during the year (Shock Market Analysis).

The exchange risk is considered for the exposures in foreign currencies related to the individual legal entities, as well as for the trade and financial intercompany accounts, which although eliminated in the consolidated financial statements, generate exchange profits or losses in the legal entity exposed to foreign exchange risks.

Since the middle of 2007, the Group utilises a simple derivative instrument (Forward purchase or sale of foreign currencies to mitigate the exchange risks).

The exposure of the exchange risk is constantly monitored through adequate reporting.

Interest rate risk

IFRS 7 requires the analysis of the exposure and the sensitivity analysis on the basis of shock calculated taking into account interest rate fluctuations during the year.

The table below shows the exposures by currency and the effects of currency fluctuations:

Analysis of sensitivity to the interest rate risk (Euro thousands)	Currency	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
Interest bearing assets	Euro	10,745	12,987	50	52	-50	-52
Financial liabilities at variable interest rates not hedged	Euro	-30,000	-496	300	-4	-300	4
Total		-19,255	12,491	350	48	-350	-48

Analysis of sensitivity to the interest rate risk (Euro thousands)	Currency	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06			Dec 31, 07	Dec 31, 06
Interest bearing assets	GBP	680		2		-2	
Financial liabilities at variable interest rates not hedged	GBP	-1,397		-10		10	
Total		-717	0	-8	0	8	0

Analysis of sensitivity to the interest rate risk (Euro thousands)	Currency	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06			Dec 31, 07	Dec 31, 06
Interest bearing assets	USD	3,864		18		-18	
Financial liabilities at variable interest rates not hedged	USD	-1,766	0	-8		8	
Total		2,098		10	0	-10	0

Analysis of sensitivity to the interest rate risk (Euro thousands)	Currency	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06			Dec 31, 07	Dec 31, 06
Interest bearing assets	BRL	1,043		0		0	
Financial liabilities at variable interest rates not hedged	BRL						
Total		1,043	0	0	0	0	0

Analysis of sensitivity to the interest rate risk (Euro thousands)	Currency	Book value		Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06			Dec 31, 07	Dec 31, 06
Interest bearing assets	RNY	14		0		0	
Financial liabilities at variable interest rates not hedged							
Total		14	0	0	0	0	0

Analysis of sensitivity to interest rate risk		Book value		the Income statement			
				Shock up		Shock down	
		Dec 31, 07	Dec 31, 06			Dec 31, 07	Dec 31, 06
Interest bearing assets		16,346	12,987	70	52	-70	-52
Financial liabilities at variable interest rates not hedged		-33,163	-496	281	-4	-281	4
Total		-16,817	12,491	351	48	-351	-48

The account "interest bearing assets" also includes the negative bank position of the intercompany current account with RCS Media Group Spa. For the deposits in Brazilian and Chinese currency there are no interest rates whose fluctuations could have significant effects, and thus these deposits are shown only for reconciliation purposes.

	Valore contabile		
CONTO ECONOMICO (€ /.000)	Attività/passività finanziarie detenute per la negoziazione	Crediti e Finanziamenti	Passività finanziarie al costo ammortizzato
UTILI (PERDITE) NETTI	31-dic-07	31-dic-07	31-dic-06
- Titoli	67		
- Partecipazioni di minoranza	-352		
- Crediti per strumenti finanziari derivati	343		
- Attività Finanziarie		-921	
Totale	**30**	**-921**	**0**
UTILI (PERDITE) NETTI	31-dic-06	31-dic-06	31-dic-06
- Titoli	208		
- Partecipazioni			
- Crediti per strumenti finanziari derivati	0		
- Attività Finanziarie		-1.012	
Totale	**208**	**-1.012**	**0**

Esposizione al rischio di cambio (€ /.000)	AUD		USD		GBP		EUR		IDR (Rupia Indonesiana)		HUF		CNY (Renminbi)		Totale	
	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06
ATTIVITA'																
Cassa e simili in divisa															0	0
Prestiti e finanziamenti intercompany in divisa				4.577											0	4.577
Crediti commerciali intercompany in divisa			3.423												3.423	0
Partecipazioni di minoranza in divisa			3.903												3.903	0
Crediti commerciali in divisa	653	959	728	89	118	152			299		133				1.931	1.200
Totale attività	653	959	8.054	4.666	118	152	0	0	299	0	133	0	0	0	9.257	5.777
PASSIVITA'																
Debiti commerciali in divisa	70	38	102	404	10	78					13			14	195	534
Debiti commerciali intercompany in divisa								6.898							0	6.898
Prestiti e finanziamenti intercompany in divisa							8.377	8.020							8.377	8.020
Debiti diversi in divisa															0	0
Totale passività	70	38	102	404	10	78	8.377	14.918	0	0	13	0	0	14	8.572	15.452
ESPOSIZIONE AL 31 DICEMBRE	583	921	7.952	4.262	108	74	-8.377	-14.918	299	0	120	0	0	-14	685	-9.675

STRUMENTI FINANZIARI DERIVATI

ATTIVITA'	AUD		USD		GBP		EUR		IDR (Rupia Indonesiana)		HUF		CNY (Renminbi)		Totale	
	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06	31/12/07	31/12/06
Derivati non di copertura			3.000				-7.239								-4.239	0
Totale	0	0	3.000	0	0	0	-7.239	0	0	0	0	0	0	0	-4.239	0
ESPOSIZIONE NETTA AL 31 DICEMBRE	583	921	4.952	4.262	108	74	-1.138	-14.918	299	0	120	0	0	-14	4.924	-9.675

Analisi di sensitività al rischio di cambio (€ /000)	AUD Impatto a Conto Economico				USD Impatto a Conto Economico				GBP Impatto a Conto Economico				EUR Impatto a Conto Economico			
	Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down	
	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06
ATTIVITA'																
Cassa e simili in divisa																
Prestiti e finanziamenti intercompany in divisa						-539		539								
Crediti commerciali intercompany in divisa					-403		403									
Partecipazioni di minoranza in divisa					-460		460									
Crediti commerciali in divisa	-2,6	0	2,6	0	-86	-10	86	10	-11	0	11	0				
Totale attività	-3	0	3	0	-549	-549	549	549	-11	0	11	0	0	0	0	0
PASSIVITA'																
Debiti commerciali in divisa	0,3	0	-0,3	0	12	47	-12	-47	1	0	-1	0		-803		803
Prestiti e finanziamenti in divisa													-969	-931	969	931
Debiti diversi in divisa																
Totale passività	0	0	0	0	12	47	-12	-47	1	0	-1	0	-969	-1.734	969	1.734
ESPOSIZIONE AL 31 DICEMBRE	-2	0	2	0	-936	-502	936	502	-10	0	10	0	-969	-1.734	969	1.734
STRUMENTI FINANZIARI DERIVATI																
ATTIVITA'																
Derivati non di copertura					353		-353						853		-853	
ESPOSIZIONE NETTA AL 31 DICEMBRE	-2	0	2	0	-583	-502	583	502	-10	0	10	0	-117	-1.734	117	1.734

Analisi di sensitività al rischio di cambio (€ /000)	IDR (Rupia Indonesiana) Impatto a Conto Economico				HUF Impatto a Conto Economico				RMY (Renminbi cinese) Impatto a Conto Economico				Totale Impatto a Conto Economico			
	Shock up		Shock down		Shock up		Shock down		Shock up		Shock down		Shock up		Shock down	
	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06	31-dic-07	31-dic-06
ATTIVITA'																
Cassa e simili in divisa													0	0	0	0
Prestiti e finanziamenti intercompany in divisa													0	-539	0	539
Crediti commerciali intercompany in divisa													-403	0	403	0
Partecipazioni di minoranza in divisa													-460	0	460	0
Crediti commerciali in divisa	-50		50		-1		1						-150	-11	150	11
Totale attività	-50	0	50	0	-1	0	1	0	0	0	0	0	-1013	-550	1013	550
PASSIVITA'																
Debiti commerciali in divisa									1		-1		14	-756	-14	756
Prestiti e finanziamenti in divisa													-969	-931	969	931
Debiti diversi in divisa													0	0	0	0
Totale passività	0	0	0	0	0	0	0	0	1	0	-1	0	-955	-1.687	955	1.687
ESPOSIZIONE AL 31 DICEMBRE	-50	0	50	0	-1	0	1	0	1	0	-1	0	-1.968	-2.237	1.968	2.237
STRUMENTI FINANZIARI DERIVATI																
ATTIVITA'																
Derivati non di copertura													1.206	0	-1.206	0
ESPOSIZIONE NETTA AL 31 DICEMBRE	-50	0	50	0	-1	0	1	0	1	0	-1	0	-763	-2.237	763	2.237

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RELAZIONE DELLA SOCIETÀ DI REVISIONE
ai sensi dell'art. 156 del D.Lgs. 24.2.1998, n. 58

Agli Azionisti
della Dada S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio consolidato, costituito dallo stato patrimoniale, dal conto economico, dal prospetto dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, della Dada S.p.A. e sue controllate ("Gruppo Dada") chiuso al 31 Dicembre 2007. La responsabilità della redazione del bilancio compete agli amministratori della Dada S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2. Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio consolidato sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

   Per il giudizio relativo al bilancio consolidato dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 3 aprile 2007.

3. A nostro giudizio, il bilancio consolidato della Dada S.p.A. al 31 dicembre 2007 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico, le variazioni del patrimonio netto ed i flussi di cassa del Gruppo Dada per l'esercizio chiuso a tale data.

Firenze, 7 aprile 2008

Reconta Ernst & Young S.p.A.

Fulvio Favini
(Socio)

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Firenze,10 marzo 2008

ATTESTAZIONE

del Bilancio consolidato al 31/12/2007 ai sensi dell'art. 81-*ter* del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni

- I sottoscritti, Paolo Barberis in qualità di Presidente del Consiglio di Amministrazione, Angelo Falchetti in qualità di Amministratore Delegato e Federico Bronzi in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Dada S.p.A., attestano, tenuto anche conto di quanto previsto dall'art. 154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:
  - l'adeguatezza in relazione alle caratteristiche dell'impresa e
  - l'effettiva applicazione,

  delle procedure amministrative e contabili per la formazione del Bilancio consolidato, nel corso dell'esercizio 2007.

- Si attesta, inoltre, che il Bilancio consolidato al 31 dicembre 2007:
  - corrisponde alle risultanze dei libri e delle scritture contabili;
  - redatto in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005, a quanto consta, è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente e dell'insieme delle imprese incluse nel consolidamento.

Dada S.p.A
Presidente Consiglio di Amministrazione
Paolo Barberis

Dada S.p.A.
Amministratore Delegato
Angelo Falchetti

Dada S.p.A.
Dirigente Preposto
Federico Bronzi

OPERATIONAL OVERVIEW

Dear Shareholders,

DADA S.p.A. recorded revenues of Euro 106.4 million in the year, an increase of 55.3% compared to Euro 68.5 million in the previous year. In the fourth quarter, the sales of DADA S.p.A. amounted to Euro 35 million, compared to Euro 21.4 million in the fourth quarter of 2006 and Euro 24 million in the third quarter of 2007.

The Dada.net Division contributed significantly to growth in turnover in 2007, which accounted for 60% of consolidated revenues in the year (a decrease on 91% in the previous year). The Dada.adv Division accounted for 40% of consolidated revenues in 2007, a significant growth on the previous year. A part of the Dada.adv turnover derives from purchases for resale of advertising made on behalf of other Group companies for the Dada.pro activities.

At divisional level, it is recalled that from the current year the organisational structure of the Dada Group was reviewed and now comprises the following divisions: **Dada.net**, **Dada.adv** and **Dada.pro**.

The principle change is the creation of the Dada.adv Division which involves the provision, purchase and sale of advertising on the web and mobile phone and assumes the revenue sources of the preceding Business Division. The advertising revenues in the previous year were included in the Consumer division, now Dada.net.

The Self Provisioning Division was renamed Dada.pro.

DADA Group full year consolidated revenues amounted to Euro 158.5 million compared to Euro 111.4 million in 2006. The breakdown by sector was as follows: Dada.net Division 67% (80% in 2006), Dada.adv 18% (10% in 2006) and Dada.pro 15% (10% in 2006).

In relation to this, further information is provided in the consolidated directors' report.

The breakdown of consolidated revenues by **geographic area** in 2007 shows a growth in international business from 39% in the previous year to 47%, a growth of 21%. For the fourth quarter of 2007, the contribution of the international business amounted to 47% compared to 40% in the previous year. The growth in the Brazilian and Spanish markets was particularly significant.

The reclassified results of the **Parent Company DADA S.p.A.** for 2007 and 2006 are reported below:

Amounts in Euro/thousand	Dec 31, 07 12 months		Dec 31, 07 12 months	
	Amount	% of total	Amount	% of total
Net Revenues	**106,441**	**100%**	**68,472**	**100%**
Changes in inventory and internal work	3,110	3%	2,869	4%
Service costs and other operating costs	-89,456	-84%	-55,177	-81%
Personnel costs	-11,931	-11%	-8,544	-12%
Ebitda	**8,164**	**8%**	**7,620**	**7%**
Amortisation & depreciation	-3,364	-3%	-2,832	-4%
Non-recurring income (charges)	-183	0%	-150	0%
Revaluations/(Write-downs)	-575	-1%	-369	-1%
Ebit	**4,042**	**4%**	**4,269**	**4%**

** before write-downs and extraordinary items of Euro 0.5 million*

The Ebitda of Dada SpA (before write-downs and other extraordinary items) was Euro 8.2 million (8% of revenues) compared to Euro 7.6 million in the previous year (7% of revenues), a growth of 8%.

Included in the service and other operating costs are costs incurred for the acquisition of traffic and adv resold to Group companies.

Other significant expense accounts included in the service costs were the sharing for the distribution of the services utilised by the companies of the Group, in particular to the subsidiary Dada.net, owner of the relative product.

Relating to the other expense items, personnel costs increased from Euro 8.5 million in 2006 to Euro 11.9 million in 2007, an increase of 40%. However, these costs decreased as a percentage of sales to 11% (12% in the previous year). The increase in absolute terms is entirely related to the expansion of the company's activities and in particular to the growth in the Dada.net Division. The number of employees increased from 177 at December 31, 2006 to 208 at December 31, 2007.

The general costs and expenses, comprising principally of utilities, are in line with the previous year with the same percentage on revenues.

The account "inventory changes and increases of internal work capitalised" relates to the expenses incurred for the development of the proprietary platform necessary for the launch and management of the services provided via web and mobile by the DADA Group. These activities were particularly significant in relation to the overseas section of the Dada.net division.

The consolidated Ebitda of the Dada Group in 2007 (before write-downs and other extraordinary items) was **Euro 22.2 million** (a margin of 14% on consolidated sales), compared to Euro 15.7 million in the previous year (margin of 14%).

In the fourth quarter alone, the Ebitda was Euro 6.5 million (margin of 14% on consolidated sales), compared to Euro 4.6 million in the same period of the previous year (margin of 15%).

The Ebit of the parent company Dada SpA in 2007 was Euro 4 million, compared to Euro 4.3 million in 2006.

The Ebit for the quarter includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 3.4 million (Euro 2.8 million in 2006), while write-downs and non-recurring charges amounted to Euro 0.76 million (Euro 0.5 million in 2006). The operating result margin on revenues remains stable.

Depreciation/amortisation increased compared to the previous year (+Euro 0.5 million year on year) due to the investments made in the development of products and capital expenditures.

The consolidated pre-tax profit for the year was Euro 1 million, 10% of revenues, compared to Euro 7.2 million in the previous year.

This decrease is principally due to two factors:

The accounts in the previous year benefited from the gain on the sale of Planet Com of Euro 2.2 million.

In the previous year the company recorded tax income of Euro 0.8 million as a consequence of the deferred tax effect. In the current year, the tax charge amounts to Euro 2.8 million, therefore an increase of Euro 3.6 million.

This figure was influenced by the change of the tax rates introduced by the new tax law in force from next year. The new law introduced a reduction of the IRES rate from 33% to 27.5% and the IRAP rate from 4.25% to 3.90%, thus the Group reviewed the calculation of deferred income taxes in previous periods. The effect of these changes for Dada S.p.A. was Euro 636 thousand.

The Dada Group net profit in 2007 was Euro 12.5 million, 8% of consolidated sales, compared to Euro 12.4 million in the previous year (11% of consolidated sales).

In the fourth quarter of 2007, the net profit was Euro 2.8 million, 7% of consolidated revenues, compared to Euro 3.3 million in the same period of the previous year (10% of consolidated revenues).

The composition of the short-term net financial position at December 31, 2007 is shown below:

	FINANCIAL POSITION	Dec 31, 07	Dec 31, 07	DIFFERENCE	
				Absolute	Percent.
A	Cash	42	3	39	1300%
B	Bank and postal deposits	5,174	4,294	880	20%
C	Securities held for trading	28	2,441	- 2,413	-99%
D	**Liquidity (A+B+C+D)**	**5,244**	**6,738**	**- 1,494**	**-22%**
E	**Treasury management cash pooling**	**4,827**	**- 2,805**	**7,632**	**-272%**
F	**Current financial receivables**			**-**	
G	Current bank payables	255	- 210	465	
H	Current portion of non-current debt	- 255	- 243	- 12	5%
I	**Current debt (G+H)**	**-**	**- 453**	**453**	**-100%**
J	**Current net financial position (I-F-E-D)**	**10,071**	**3,480**	**6,591**	**189%**
K	Non-current bank payables	-	-	-	
L	Other non-current payables			-	
M	**Non-current debt (K+L)**	**-**	**-**	**-**	
N	**Total net financial position (J+M)**	**10,071**	**3,480**	**6,591**	**189%**

The short-term Net Financial Position of Dada SpA at December 31, 2007 was a cash balance of Euro 10.1 million, compared to Euro 3.5 million at December 31, 2006.

In 2007, there was therefore an increase in absolute terms of Euro 6.5 million. The total net financial position, which comprises medium/long-term loans is the same as the short-term financial position as Dada S.p.A does not have loans over one year.

Further investments, as previously reported, were made in technology and development expenses for products and processes principally in the Consumer Division.

The Group's cash flow was boosted with a cash inflow from the exercise of the first stock option plan.

On February 6, 2007, the period closed for the subscription to the share capital increase deliberated by the Board of Directors on June 20, 2005 for the stock option plan for employees of Dada S.p.A. and its subsidiaries. The number of options exercised was 128,041 and the financial contribution was Euro 1.4 million.

The investments in Securities at December 31, 2006 were fully disposed of in the year.

The short-term Consolidated Net Financial Position at December 31, 2007 was a cash position of Euro 9.7 million, compared to Euro 11.8 million at December 31, 2006 and Euro 7.4 million at September 30, 2007.

The total net financial position (including medium/long term sources and uses) amounted to debt of Euro 16.8 million, net of payables to banks and other lenders repayable beyond one year of Euro 26.5 million. This amount at December 31, 2006 was a cash position of Euro 11.5 million and at September 30, 2007 a net debt of Euro 18.4 million. The cash position was significantly impacted by the Group investment activities; for a detailed analysis, reference should be made to the consolidated directors' report.

The composition of the net working capital and the net capital employed of the Parent Company Dada S.p.A. at December 31, 2007 is shown below:

Amounts in Euro/thousand	Dec 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**46,781**	**48,259**	**-1,478**	**-3%**
Current assets (B)	95,152	52,754	42,398	80%
Current liabilities (C)	-93,228	-49,259	-43,969	89%
Net working capital (D) = (B)-(C)	**1,924**	**3,495**	**-1,571**	**-45%**
Employee leaving indemnity provision (E)	-1,106	-1,089	-17	2%
Provision for risks and charges (F)	-805	-659	-146	22%
Net capital employed (A+D+E+F)	**46,794**	**50,006**	**-3,212**	**-6%**

The net working capital at December 31, 2007 amounts to Euro 1.9 million, an increase on December 31, 2006 (Euro 3.5 million). This change is principally due to a realignment in the average collection and payment terms.

In relation to trade receivables, it is recalled that over 80% of the total value is due from telephone carriers, and from which a large part of the sales are generated for fee-based services of the Consumer Division.

The changes in the principal balance sheet accounts are due to the normal increases related to the increased business activity, both in terms of sales and current spending. In particular, the level of business with some Group companies is significant.

At consolidated level, the Net working capital at December 31, 2007 amounted to Euro 1.5 million, an improvement on December 31, 2006, when it amounted to Euro 7 million and on September 30, 2007 (Euro 4.4 million). This trend follows the improvement between the payment and collection periods, as well as the conferment of the VAS activities on the American market to the Dada Entertainment LLC Joint Venture created with Sony BMG, which resulted in an increase in this amount equal to the carrying value of the investment (Euro 3.7 million).

Financial risks

Reference should be made to note 5.8 of the consolidated financial statements.

Alternative performance indicators:

In the present report, the following additional economic and financial performance indicators are provided in respect of those contained in IAS 1:

Ebitda: defined as the operating result before amortisation/depreciation, write-downs and non-recurring charges;

Net working capital: defined as the difference between current assets and liabilities, identifying current as one year from the balance sheet date. Within this account, the deferred tax assets are divided between current and non-current, based on the portion which is considered recoverable from the result of the following year;

Net capital employed: fixed assets plus net working capital and less non financial consolidated liabilities (employee leaving indemnity and provision for risks and charges);

Net financial position – short term: includes cash and cash equivalents, current financial assets and short-term financial liabilities;

Total net financial position: includes the short-term net financial position and all financial receivables and payables due beyond one year.

STOCK OPTION PLANS

The main details of the stock option plans existing at December 31, 2007 are shown below:

PLAN OF June 20, 2005:

With the resolution of the Extraordinary Shareholders' Meeting of 28/04/2005, the Board of Directors in accordance with articles 2443 and 2441, paragraph 8 of the civil code were conferred: the power to increase the share capital, for a five year period, on one or more occasions, up to a maximum nominal value of Euro 79,922.95, through the issue of ordinary shares with the nominal value of Euro 0.17 as an incentive plan for the employees of Dada S.p.A. and its subsidiaries.
In execution of these powers, on June 20, 2005, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan in favour of the employees of DADA S.p.A. and its subsidiaries.
The above-mentioned plan provides for the issue of a total of 441,406 shares divided into three annual tranches and offered in subscription to the employees of the Group at an exercise price of Euro 10.82 per share over the period between January 18 and February 6 of each of the next three years, and thus in the three-year period 2006-2008 (in relation to the second

subscription period, reference should be made to the paragraph on the subsequent events after the end of the half year):

- 1st tranche: vesting period from June 20, 2005 to January 17, 2006, exercise period from January 18, 2009 to February 06, 2006.

- 2nd tranche: vesting period from February 7, 2006 to January 17, 2007, exercise period from January 18, 2009 to February 06, 2007.

- 3rd tranche: vesting period from February 7, 2007 to January 17, 2008, exercise period from January 18, 2009 to February 06, 2008.

The subscription price was determined as the average price of Dada shares in the month prior to the issue of the plan, taking into account the average share price in the last six months.

The subscription of the options of the present plan, and of the subsequent plan of March 16, 2006, is not subject to achieving set results, nor are the shares subscribed subject to availability restrictions.

The actuarial valuation of the Stock Option plan of the DADA S.p.A Group at June 20, 2005, in accordance with IFRS2, was made by an independent actuary applying the binomial method.

The model utilises a straight-forward premise, in which the time to maturity of the option is divided into periods, within which the price of the underlying share can assume only two alternative values based on one change on the price of the preceding period - one an increase and one a decrease. The application of this method resulted in the calculation of the stock option value, at June 20, 2005 (issue date of the plan), of Euro 1.3 per option for the first tranche, Euro 1.967 per option for the second tranche and Euro 2.18 for the third tranche.

PLAN OF February 3, 2006:

With the Extraordinary Shareholders' Meeting resolution of December 30, 2005, the Board of Directors in accordance with article 2443, paragraph 2 of the civil code were conferred: the power to increase the share capital, on one or more occasions, up to a maximum nominal value of Euro 136,000.00, through the issue of 800,000 ordinary shares with a par value of Euro 0.17 as an incentive plan for the executives with specific appointments and/or general managers and/or senior management and divisional managers of Dada S.p.A. and its subsidiaries. In execution of these 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 Executives with specific appointments and/or General Managers and/or senior management 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 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 shares subscribed are not subject to any availability restrictions.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

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 rights and in any case taking into account the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.232 per option.

PLAN OF MARCH 16, 2006:

Also in execution of the delegated powers of the Shareholders’ Meeting of April 28, 2005, the Board of Directors deliberated to increase the share capital for the issue of a new three-year stock option plan in favour of the employees of DADA S.p.A. and its subsidiaries.

The above-mentioned plan provides for the issue of a total of 33,000 shares divided into three annual tranches and offered in subscription to the employees of the group at an exercise price of Euro 16.92 per share, equal to the average official price recorded of the Dada shares in the month prior to the assignment of the rights and in any case taking into account the average share price in the last six months, and a subscription period between January 18 and February 6 in the three-year period 2007-2009.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method. The application of this method resulted in the calculation of the stock option value as Euro 1.967 per option for the second and Euro 2.18 per option for the third.

PLAN OF JULY 28, 2006:

The Board of Director’s meeting of July 28, 2006 also approved a paid-in share capital increase for a maximum amount of Euro 9,350, through the issue of a maximum of 55,000 new shares, to service the incentive and loyalty plan of two new Top Managers of the company and as partial execution of the powers attributed to the Dada Board by the Shareholders’ Meeting of December 30, 2005 and recorded in the Florence company's registration office on January 9, 2006.

The Board of Directors of Dada determined the subscription price of Euro 15.47 for the shares, including the share premium and nominal value, equal to the official average arithmetical prices recorded of the ordinary shares of DADA in the period between the assignment date of the subscription rights and the same day in the previous month, taking into account the share price in the past six months.

This plan has the same features as the plan of February 3, 2006, previously described.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

PLAN OF FEBRUARY 12, 2007:

Also based on the powers conferred to the Board of Directors by the extraordinary shareholders' meeting resolution of December 30, 2005, the Board, on February 12, 2007 assigned 25,000 options for the subscription of a similar number of Dada ordinary shares to 3 US Managers of the Group and approved the regulations of the plan, approving therefore on May 11, 2007 a share capital increase for a maximum amount of Euro 4,250 to service the above-mentioned plan.

This plan has the same features as the plan of February 3, 2006, previously described.

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 16.99 per share, equal to the average official price registered of the DADA shares in the month prior to the assignment of the rights and in any case higher than the average share price in the previous six months.

The actuarial valuation of the plan, in accordance with IFRS2, was made by an independent actuary applying the binomial method and resulted in a unitary value of Euro 4.3192 per option.

The movements of the stock option plans are shown in the following tables:

	2007 Number of shares	Average exercise price	Market price		2006 Number of shares	Average exercise price	Market price
(1) Existing rights at 1/1	1,064,465	13.86	-		441,406	10.82	-
(2) New rights assigned	25,000	16.99	-		700,700	14.78	
					33,000	16.92	
					55,000	15.47	
(3) Rights exercised in the period	(128,954)	10.82			(132,217)	10.82	
Rights exercised in the year	(67)	16.92	-				
(4) Rights expired in the year	**(25,151)**	**10.82**			**(33,424)**	**10.82**	
(5) Existing rights at 31/12/2007	935,293	14.44			1,064,465	13.86	

Exercise price:	RIGHTS ASSIGNED AT 31/12/2007 (granted)				OF WHICH EXERCISEABLE (vested)	
	Life of the residual contract			TOTAL	TOTAL	Average residual contract life
	< 1 year	1-2 years	> 2 years			
					-	-
Euro 10.82	134,864		-	140,034		
Euro 14.78	-	700,700	-	700,700		
Euro 16.92	9,871	9,858	-	19,729		
Euro 15.47		55,000	-	55,000		
Euro 16.99		25,000	-	25,000		
TOTAL	144,735	790,558	-	935,293		

PURCHASE OF TREASURY SHARES

The Shareholders' Meeting of April 20, 2007 renewed the authorisation to the Board of Directors to acquire within 18 months from the date of the resolution, up to a maximum number of ordinary shares representing 10% of the share capital at a price not lower than 20% and not above 10% compared to the reference price traded on the stock exchange on the day prior to each purchase and for a total amount not above the reserves available resulting from the latest approved financial statements. The Shareholders' Meeting also authorised the Board of Directors, in accordance with article 2357 ter of the civil code, to utilise the treasury shares already held in portfolio or acquire shares in order to carry out sales/purchase operations, exchanges, conferment etc.

The utilisation of the treasury shares, in relation to those already in portfolio or those that may be acquired due to the present authorisation renewal, may be carried out within three years of the approval by the Shareholders' Meeting at a price, or at a valuation, not lower than 95% of the average reference price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the official deeds of commitment. The terms of this authorisation expire on 20/10/2008.

At 31/12/2007, the company does not hold any treasury shares in portfolio.

CORPORATE GOVERNANCE

1 Introduction

The Self-Governance Code of listed companies prepared by the Committee for the Corporate Governance of listed companies indicates an adequate corporate organisational model to manage the Company, the enterprise risks and potential conflicts of interest that can arise between directors and shareholders and between majority and minority shareholders. This model is therefore in line with the principles of international best practice. Its adoption is voluntary and not obligatory.

Borsa Italiana S.p.A., in the Instructions of the Regulations of the New Market, Section IA. 2.6, requires that listed companies must prepare a specific communication annually relating to its organisational choices in view of the recommendations made by the Corporate Governance Committee, to be made available to the shareholders together with the documentation required for the Annual Shareholders' Meeting to approve the annual accounts. Similar provisions are contained in article 123 bis of Legs. Decree 58/98 (hereafter also the "CFA") and article 89 bis of CONSOB regulation No. 11971/99.

The Chairman of the Board of Directors of Dada S.p.A. announced, on behalf of the Board, that the company approved on November 9, 2006 the internal code on Corporate Governance, which cover the regulations relating to the corporate governance adopted by the Board of Directors of Dada S.p.A. and of the Board of Statutory Auditors of the company, and in relation to the regulations applicable to this latter, are in compliance with the Self-Governance Code of listed companies updated in March 2006.

The Board therefore approved the Criteria Document of the above-mentioned internal Code on Corporate Governance, with which some resolutions were adopted in application of the Code.

In order to provide adequate disclosure, information is provided on the application of the Self Governance Code for listed companies, indicating which recommendations have been effectively applied and in which manner, having regard to the Self-Governance Code and providing adequate information on which recommendations have not been applied, either partially or delayed.

Shareholding structure:

At the date of the approval of the present report, based on the communications received in accordance with articles 120 and 122 of Legislative Decree No. 58 of 1998, the significant holdings in the share capital of Dada S.p.A. are as follows:

RCS Media Group S.p.A. 46.54%
Paolo Barberis 5.36%
Simona Cima 2.35%
Alessandro Sordi 2.40%
Angelo Falchetti 2,16%
Jacopo Marello 2.10%
Oyster Sicav 2.24%
Eurizon Inv. SGR 2.34%
Axa World Fund Sicav 2.15%

It is recalled that a shareholder agreement currently exists between Rcs MediaGroup S.p.A. and Paolo Barberis, Angelo Falchetti, Jacopo Marello, Alessandro Sordi and Marco Argenti, originally signed on November 11, 2005. Reference should be made to the communications made in accordance with law for further information.

2. Role and functions of the Board of Directors

Article 1 of the Self Governance Code:

1. The Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner to guarantee an effective and efficient performance of its functions.

2. The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, where the Company, in accordance with the law is subject to the direction and coordination and/or control by third parties, the Directors of the Company, in the undertaking of the offices held, must also take into account the directives and policies defined for the group to which the company belongs, as well as the benefits deriving from belonging to the group.

GENERAL CRITERIA

The Board of Directors, in the undertaking of its responsibility to determine and identify the strategic objectives of the Company and of the Group, in addition to its activities in accordance with the company's by-laws, and within the powers delegated internally to deal with third parties, exclusively:

a) examines and approve the strategic, industrial and financial plans of the Company and of the Group which the Company heads, the corporate governance of the Company and the structure of the group;

b) evaluates the adequacy of the organisational, administration and general accounting system of the Company and of its subsidiaries having strategic importance, which has been implemented by the corporate boards with particular reference to the internal control system and to the management of a conflict of interests;

c) assigns and revokes the delegation of powers to the chief executive officers as well as of the general managers, where present, and the executive committee, establishing the limits and manner of exercising such power and the frequency of reporting, normally for a period not beyond three months, through which the appointed bodies must report to the directors on the activities performed in relation to the powers conferred;

d) establishes, after examining the proposals of the relevant Remuneration Committee and after having consulted with the Board of Statutory Auditors, the fee to be paid to executive directors and those who hold specific offices, as well as dividing the total fees to which the directors are entitled among the individual members of the board, if this has not already been decided by the shareholders' meeting;

e) evaluates the general operational performance, taking into account, in particular, the information received from executives, as well as periodically comparing the results with the budgets;

f) examines and approves the operations of the Company and its subsidiaries, when these operations have a significant strategic, economic, or financial importance for the Company, with particular attention to the situations in which one or more directors have an interest on their own behalf or on behalf of third parties and, in general, in the transactions with related parties; they establish general criteria to identify significant transactions;

g) undertakes, at least once a year, a valuation on the size, on the composition and on the functioning of the Board and on the committees, and where necessary, expresses opinions on the appointment of professional persons to the Board;

h) provides information, in the corporate governance report, on the application of the present Article I and, in particular, on the number of meetings of the Board and of the Executive Committee, where present, which were held during the year and on the relative percentage of participation of each director.

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The above-mentioned self-governance code has been implemented in the governance structure of the Company which recognises to the Board of Directors a central role within the Company, and in relation to this it should be noted that article 20, letter E of the By-laws of Dada S.p.A., largely in conformity with the provisions of the Self-Governance Code on Corporate Governance, establishes that "The Board of Directors can delegate its powers to an Executive Committee and/or to one or more Directors determining the limits of the powers delegated. The powers indicated in article 2381 of the Civil Code cannot be delegated, nor those that are not permitted by current legislation. The Executive Committee and the Executive Directors report to the Board of Directors in the following board meeting in relation to the most important economic, financial and equity operations of the company.

In particular, they report on operations in potential conflict of interest or on those of an atypical or unusual nature compared to the normal operations of the company. The same information must be provided to the Board of Statutory Auditors.

In addition to the powers that may not be delegated by law, the following powers may not be delegated by the Board of Directors:

- the determination of the general management strategy;
- the remuneration of the directors appointed to carry out particular duties, where this has not been already decided by the Shareholders' Meeting, the division of the total remuneration to the individual members of the Board of Directors and of the Executive Committee;
- the creation of committees and commissions determining their duties, responsibilities and functioning, including with the purpose of modelling the corporate governance in accordance with that established in the self-regulation code of listed companies;
- the approval of important economic, financial, and equity transactions, with particular reference to transactions with related persons.

The board of directors can, in addition, nominate general directors determining their duties and powers and can also nominate procurers for single deeds or category of deeds.

The criteria for the determination of particularly significant operations, that may not be delegated, were indirectly fixed through the structure of the delegated powers made by the Board in the meeting of May 9, 2006 (and subsequently re-evaluated in the meeting of July 27, 2007) and thus from a quantitative and qualitative viewpoint. In particular, from a quantitative view point, all operations are considered significant whose value is above Euro 3 million. From the qualitative viewpoint, significant operations are considered, without regard to their value, as being the approval of the strategic, industrial and financial plans of the company and the corporate structure of the group, acquisitions, mergers, disposals, conferment of equity investments, quotas, business units, the incorporation of joint ventures, the purchase of buildings and company assets and the concession and granting of loans of significant amounts, that may not be delegated.

In order to clarify the identification of the significant operations, while maintaining the above-mentioned criteria, the Board of Directors approved the Procedure for the conclusion and execution of the significant operations with related parties or with a director having an interest on February 12, 2007.

The criteria for the determination of the significant operations were and are already in part indirectly fixed through the executive powers and, in particular, by the qualitative and quantitative limits, and therefore from a quantitative and qualitative viewpoint, but they were specifically outlined in the above-mentioned Procedure for the conclusion and execution of the significant operations, with related parties or in which a director has an interest; this procedure provides for the identification of the criteria characterising significant operations, which includes the most important extraordinary operations and in any case those above a value of Euro 3 million, at the same time including ad hoc procedures for the approval of these operations which require Board approval or the appointment of third party experts or of the Internal Control Committee.

This procedure was applied during 2007 specifically relating to some significant operations.

In its meetings (the last one being on 27/07/07 and referred to in greater detail in the following paragraph), the Board approved the corporate governance system as resulting from the system of powers and proxies delegated currently in force within the company in conformity with the matters previously outlined.

In its meetings, the Board also examined and approved the operations of significant strategic, economic, equity or financial importance, in relation to both the Company and its subsidiaries.

The Board also confirmed the approval of the group structure and positively evaluated the organisational, administrative and general accounting structure of the company and its subsidiaries with strategic importance; the organisational structure was verified under different profiles, including through the activities of the internal control committee and is based on a system of procedures and controls, largely centralised on the corporate structures of the parent company; in addition, Dada S.p.A. and its subsidiaries with strategic importance have an internal control system which is largely based on a series of analyses and procedures. In addition, the Ethical Code and the Organisational Model as per Legislative Decree No. 231/2001 were adopted, as was the Procedure for the management of confidential and privileged information.

In relation to this, it is reported that the Board, in line with the criteria used for the preparation of the present Report, defines subsidiary companies with strategic importance as each subsidiary in accordance with law which undertakes its principal activities in the sectors of Internet and communications and has the obligatory requirement to audit their financial statements in accordance with the Consolidated Finance Act, or each subsidiary which, by its economic, equity or financial size, or by the particular characteristics of its activities, is defined as such by the Chairman of the company.

In relation to significant operations, with related parties and the management of conflicts of interest, the procedures already adopted based on the above-mentioned Self-Governance Code of listed companies was further confirmed by the approval of the specific procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest.

The Board also established that the executive boards report at least quarterly on the activities undertaken in relation to the delegations conferred to them.

With regard to the maximum number of offices which each director of Dada may have in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking, or insurance companies or of significant size, in 2007 the Board considered the limit which should be imposed for the effective execution of the role of Director of the Issuer.

Following this analysis it was considered appropriate to introduce a limit to the maximum number of offices which each director of Dada S.p.A. may hold in a company listed on a regulated market or whose shares are quoted on regulated markets (including overseas) in financial, banking or insurance companies or companies of a significant size and which considers the role covered by the Director as one which requires discriminatory judgement and whether belonging or not to the Dada Group. The limits introduced did not give rise to any issues or conflict with the offices effectively held by the Directors of the Issuer.

In particular, each Executive Director of Dada may not hold Executive Director positions within other large companies (as listed in the previous paragraph), but may simultaneously hold other offices (up to a maximum of seven) as non Executive Director, including as independent director or standing statutory auditor (or member of another supervision board) of companies of a significant size.

However, each Non Executive Director of Dada may hold offices up to a maximum of 5 Executive Directorships in other listed companies in regulated markets as indicated above, and up to a maximum of 12 offices of non Executive Director.

In order to correctly outline the application of the regulation, companies of a significant size are considered those which in the previous year were not permitted to prepare financial statements in abbreviated form.

A number of exceptions are applicable to the above-mentioned regulations:

- in the case of offices held within the Dada Group or in subsidiaries directly or indirectly held by Dada S.p.A., these offices are not included;
- in the case in which these offices are held in holding companies, subsidiaries or other companies subject to common control, the offices held are considered as a single office.

Finally it should be noted that these limitations are not imperative as the Board of Directors has the right to make exceptions to the above-mentioned limits by means of a resolution.

The Board also determined, as further described in the present report, after examining the proposals of the Remuneration Committee and after having consulted the Board of Statutory Auditors, the remuneration of the Executive Directors, as well as dividing the total remuneration to which the directors are entitled among the individual members of the Board.

In 2007, the Board of Directors held 9 meetings. At the date of the preparation of the present document, one meeting of the BoD had been held in 2008, while for the current year a total of 6 meetings are planned. The by-laws provide that the Board meets at least on a quarterly basis. The percentage of participation of each director at the meetings is indicated in table 1 attached to the present report.

The members of the Board of Directors are provided with the necessary documentation within a reasonable time period in advance, except in the case of urgency, in order that the Board may express opinions in an informed manner on the matters on the agenda.

3. Composition of the Board of Directors

The Self-Governance Code states that the Company is managed by a Board of Directors that meets on a regular basis and which is organised and operates in a manner which guarantees an effective and efficient performance of its functions.

The directors act and deliberate in a knowledgeable and independent manner pursuing the creation of value for the shareholders. In line with this objective, the directors, in the undertaking of the office held, must also take into account the directives and policies established for the group to which the company belongs as well as the benefits deriving from belonging to the group.

The Board of Directors of Dada S.p.A. is composed of 13 members: they were elected at the shareholders' meeting held on April 21, 2006, with the exception of the Directors Riccardo Stilli and Roberto Ravagnani, co-opted by the Board on November 9, 2006 replacing the resigning Directors, Vittorio Colao and Aldo Bisio and confirmed by the shareholders' meeting of April 20, 2007; the Director Monica Alessandra Possa was co-opted by the Board on July 27, 2007 to replace the resigning Director Alberto Ronzoni.

All of the board members offices expire with the approval of the annual accounts for the year ended December 31, 2008 with the exception of Monica Alessandra Possa, whose office will expire at the next Shareholders' Meeting.

Members of the Board of Directors		
Name	Place and date of birth	In office from
Paolo Barberis	La Spezia 08/12/1967	21/04/2006
Marco Argenti	La Spezia 16/03/1967	21/04/2006
Angelo Falchetti	Senigallia (AN) 14/09/1967	21/04/2006
Salvatore Amato	Florence 23/05/1956	21/04/2006
Danilo Vivarelli	La Spezia 06/06/1964	21/04/2006
Raffaello Napoleone	Rome 30/10/1954	21/04/2006
Monica Alessandra Possa	Milan 18/10/1964	27/07/2007
Riccardo Stilli	Sanremo (IM) 01/06/1962	09/11/2006
Giorgio Valerio	Milan, 13/07/1966	21/04/2006
Barbara Poggiali	Milan, 04/03/1963	21/04/2006
Lorenzo Lepri	Rome 11/12/1971	21/04/2006
Pietro Varvello	Vigevano 18/07/1965	21/04/2006
Roberto Ravagnani	Monza (MI) 04/05/1968	09/11/2006

Composition of the BoD at March 10, 2008

The directors, in such capacity, act with the objective of creating value for the shareholders and deliberate in complete autonomy with prior exhaustive knowledge of the facts, which may also be obtained from information distributed before each board meeting.

The Board of Directors is composed of executive and non-executive directors. The Executive Directors are the Chairman and Chief Executive Officer and the Directors with delegated powers and therefore Angelo Falchetti, Lorenzo Lepri and Marco Argenti.

The powers attributed to the executive directors are contained in the Board resolution of 27/07/2007. The Executive Director Angelo Falchetti has been delegated the following powers: A) relations with the market and investors, B) administration, finance and tax, C) personnel, D) logistics and office purchasing, F) sales and marketing, G) production, technical, network and software, H) community; in the exercise of the powers delegated to Angelo Falchetti, he may represent the company for each individual exercise of the power with single signature up to a maximum amount of Euro 1 million.

The Executive Director Marco Argenti has been delegated the following powers: F) sales and marketing, G) production, technical, network and software, H) community.

In the exercise of the delegated powers held, the Executive Director Marco Argenti can represent the Company with single signature up to a maximum amount of Euro 500,000.

The Executive Director Lorenzo Lepri has been delegated the following powers: A) relations with the market and investors, E) disputes, I) Merger & Acquisitions, L) Strategic planning.

In the exercise of the delegated powers held, Lorenzo Lepri can represent the Company with single signature up to a maximum amount of Euro 200,000.

In conformity with the requirements of the provisions introduced through article 1.C.2, the members of the Board of Directors of Dada S.p.A. that hold offices in other listed companies, financial, banking, or insurance companies, or of significant size, are provided below:

- Barbara Poggiali, director of RCS Broadcast S.p.A., Unidad Editorial SA, 3 Italia S.p.A., M-Dis Distribuzione Media S.p.A., Rai Sat S.p.A. and RCS Digital S.p.A. ;
- Raffaello Napoleone, director Pitti Immagine, Ente Moda Italia;
- Riccardo Stilli, director of RCS Pubblicità S.p.A., RCS Libri, unidad Editorial SA, m-dis Distribuzione Media S.p.A., RCS Factor and Flammarion SA;
- Giorgio Valerio, director of Rcs Quotidiani, RCS Digital and Unidad Editorial SA
- Pietro Varvello, director of Finelco S.p.A. Group and RCS Broadcast S.p.A

The executive directors report to the Board on the most important activities undertaken in relation to the powers delegated to them and on the most important activities undertaken by the Company and its subsidiaries.

The Board of Directors made a positive evaluation in relation to the numbers on the board, its composition and its function.

4. Independent directors

The Self-Governance Code affirms an adequate number of non-executive directors are independent, indirectly, with the issuer or with parties related to the issuer, as they do not have, or have not recently had, relations that would affect their independent judgment.

The independence of the directors is periodically evaluated by the Board of Directors. The result of the evaluation of the Board is communicated to the market.

Article 3 of the Self-Governance Code recommends that the board of directors elect an adequate number of independent directors and attributes the duty to evaluate the independence of its non-executive members to the Board, with regard in particular to the substance rather than the form and taking into account that a director is normally not independent in the following situations:

a) if, directly or indirectly, including through subsidiary companies, trusts or interposed persons, controls the issuer or is capable of exercising a significant influence, or participates in a shareholder agreement through which one or more parties can exercise the control or have a significant influence on the issuer;

b) if he is, or was in the previous three years, a significant member of the issuer, of a subsidiary with strategic importance or of a company under joint control with the issuer, or of a company or of an entity which, also together with others through shareholder agreements, controls the issuer or is able to exercise a significant influence;

c) if, directly or indirectly (for example through a subsidiary or through which it has a significant holding, or as a partner of a professional studio or a consultancy company), has, or had in the previous year, a significant commercial, financial or professional relationship:

- with the issuer, a subsidiary, or with some relevant members;
- with a party which, also together with others through a shareholder agreement, controls the issuer, or – relating to a company or entity – with the relative significant holdings or is, or was in the previous three years, an employee of one of the above-mentioned parties;

d) if receives, or has received in the previous three years, from the issuer or from a subsidiary or holding company a significant additional remuneration compared to the "fixed" emoluments of a non-executive director of the issuer, including the participation in incentive plans related to the performance of the company, including share-based payments;

e) if he was a director of the issuer for more than nine of the past 12 years;

f) if he held the role of executive director in another company in which an executive director of the Issuer is a director; g) if he is a partner or director of a company or of an entity belonging to the network of the audit company of the issuer;

h) if he is a close family member of a person relating to one of the situations in the previous points.

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The Board of Directors of Dada S.p.A. nominated by the Shareholders' Meeting of April 21, 2006 includes three independent directors (Salvatore Amato, Raffaello Napoleone and Danilo Vivarelli): The three Directors before the Shareholders' Meeting filed declarations that they qualify as independent directors in accordance with the new edition of the Self-Governance Code (as per article 148, paragraph 3 of Legislative Decree No. 58/1998 and the regulations of the Italian stock exchange applicable to the Company); the Board meeting of May 9, 2006 positively evaluated the independence of the above-mentioned directors and subsequently confirmed the evaluation on the approval of the 2006 Corporate Governance Report.

The number and expertise of the current independent Directors is assessed as adequate by the Board of Directors, both in relation to the Regulations of Borsa Italiana and in relation to the constitution of the Committees in accordance with the provisions of the Self-Governance Code of listed companies and adequate guarantees of independent management. The independent Directors met during the year in the absence of the other directors.

The positive evaluation of the independence of the directors, in light of their declarations in accordance with the Self-Governance Code, is reconfirmed with the approval of the present annual report on the Corporate Governance by the Board and, also with the approval of the present report, the positive evaluation was made by the Board of Statutory Auditors on the correct application of the criteria and procedures utilised by the Board in this valuation.

5. Chairman of the Board of Directors

The role of the Chairman of the Board of Directors outlined by the Self-Governance Code is fundamental to ensuring an efficient functioning of the Board and efficient Corporate Governance: he is in fact responsible for the functioning of the Board, and of the distribution of information between directors.

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According to the By-laws of Dada S.p.A., the Chairman of the Board of Directors is the legal representative of the company. The Chairman calls the Shareholders' Meetings, of which he is the chairman, verifying the correctness of the convocation and the procedures for voting. He also calls and establishes the agenda of the Board and ensures that all of the Directors receive in a timely manner (compatible with the requirements of confidentiality, urgency and the nature of the resolutions) the necessary documentation and information in order to vote in an informed manner.

The Board of Directors of Dada S.p.A. meeting of July 27, 2007 conferred all the operational powers to the Chairman of the Board of Directors, consequently also on the Chief Executive Officer with the same signature powers in all operational areas and with a spending limit of Euro 1 million, which increases to Euro 3 million in the case of participation at public tenders; in relation to this, it is noted however that among the three Executive Directors, also appointed by the Board on July 27, 2007, the executive powers were delegated in the different management areas, having been conferred the ordinary management of the business, in relation to their respective operational areas.

As the Chairman is not considered the principal and main person responsible for the operational management of the business, it was not considered necessary to appoint a Lead independent director.

6. Treatment of reserved information

The Directors and Statutory Auditors maintain maximum confidentiality with respect to the documents and information acquired in the performance of their duties, and conform to the procedure adopted by the Company for the internal management and public disclosure of these documents and information.

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The Chairman and Chief Executive Officer, together with the Executive Directors ensures the correct management of corporate information; for this purpose, the Board of Directors implemented the recommendation of the Self-Governance Code, and on September 11, 2006 adopted, as replacement of the previous code, a new procedure which has the purpose to govern the internal management and external publication of Reserved Information, and in particular Confidential Information, relating to DADA S.p.A., to all subsidiaries, and/or financial instruments issued, in order to implement instruments which would prevent the non-compliance of legal obligations in relation to public communications and market abuse and avoid that the internal management of its information is undertaken in an inadequate manner and respects a general principle of confidentiality and that the external communication in not untimely, incomplete, or which in any case would result in asymmetric information, through an internal procedure which identifies the parties with the power to deal with confidential information and the criteria for the diffusion of the same; this is applicable to all companies of the DADA Group. The procedure is therefore applicable to each subsidiary; in addition, the procedure is related to the internal procedure, also adopted by the Board, to maintain an updated register of the persons having access to confidential information in accordance with article 115-bis of the finance act and article 152-bis and thereafter of the Issuers' Regulations.

Internal Dealing

The Board of Directors of Dada S.p.A. on March 16, 2006 adopted the new Code of Conduct in relation to operations made on Dada shares and related financial instruments, subsequently modified on May 11, 2007 and prepared in accordance with article 152.6 and thereafter of the Consob Regulations adopted with Resolution No. 11971 and the Regulations of the Markets Organised and Managed by Borsa Italiana S.p.A. and introduced the so-called "black-out period", or a prohibitory period in which relevant parties may not carry out operations involving the company's shares in the 15 days preceding the Board of Directors' meetings called to approve the draft financial statements, the half-year report and the quarterly reports; this code replaces the previous code adopted by the Company. The Code governs the conduct that Relevant Persons must comply with in relation to operations undertaken by these latter and by persons strictly related to them on Financial Instruments (as defined), also in order to permit DADA S.p.A. to comply with the communication obligations to the market in accordance with the Issuers' Regulations, and in accordance with the procedures and terms contained in the Code.

7. Holdings of Directors and transactions with related parties

In relation to transactions with related parties, the Self-Governance Code provides that: "The board of directors adopts measures in order to ensure that the transactions in which a director has an interest, on his own behalf or on behalf of third parties, and those undertaken with related parties are undertaken in a transparent manner and applying criteria which are correct both in substance and in form."

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In accordance with this requirement, the "Procedure for the conclusion and execution of significant operations, with related parties or with a director having an interest" approved by the board provides that the realisation by the Company, directly or through a subsidiary company, of operations with related parties or with a director having an interest, must be undertaken in accordance with the criteria of transparency and be correct both in substance and form, and in consideration of the law and in particular the provisions of articles 2391 and 2391-bis of the Civil Code, and relative regulations. In particular, this procedure, for the part relating to transactions with related parties, identifies criteria for the identification of significant operations, both of a qualitative nature and relating to the value of the operation and requires the Board to be fully informed on the terms and conditions of the operation and of the evaluation procedure required; in the case of relevant operations under the procedure, the intervention of independent experts or the internal control committee is required. The procedure also provides that, where a Director has, on his own behalf or on behalf of third parties, an interest even potential or indirect, in relation to a transaction or matter subject to examination and approval by the Board of Directors, this Director must inform in a timely manner and exhaustively, the Board of Directors, in addition to the Board of Statutory Auditors – indicating the nature, the terms, the origin, and the amount of this interest – and abstaining from the meeting during the relative discussions, except where the Board does not consider this appropriate, taking into account the circumstances and also the necessity to maintain the required quorum.

8. Formation and functioning of the internal committees of the Board of Directors

The Self-Governance Code states that the Board of Directors forms one or more committees for the purposes of making proposals and of a consultative nature as illustrated in the subsequent paragraphs.

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The Committees are created and operate in accordance with the principles and applicable criteria of the Self-Governance Code, as described below. In relation to this, the Board of Directors approved the regulations governing the activities of the two committees formed by the Board – the Remuneration Committee and the Internal Control Committee.

9. Appointment of Directors and the Nominations Committee

The Self-Governance Code provides that the nomination of the directors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the personal and professional characteristics of the candidates for the office. The Board of Directors evaluates whether to create an internal committee for nominations, composed of a majority of independent directors.

General criteria

The slate of candidates, together with the professional and personal information, as well as whether they qualify as independent directors in accordance with the Code, must be filed at the registered office of the company at least 15 days before the date fixed for the Shareholders' Meeting. The slates, together with the information on the candidates, are published in a timely manner on the Internet site of the Company.

In relation to this, it is noted that, and considering the application of the provisions of law and the company by-laws in relation to the nomination of the Board of Directors, on the convocation of the relative shareholders' meeting, and the relative documentation required to be presented before the shareholders' meeting in accordance with law, the Board recalls the above-mentioned recommendations.

Where formed, the committee for nominations may have one or more of the following functions:

a) propose to the Board of Directors, the candidates for the board in the cases provided by article 2386, first paragraph of the civil code, where it is necessary to replace an independent director;

b) indicate – provided there is compliance of law and of the company by-laws – candidates for the office of independent directors to be proposed to the shareholders' meeting of the company, taking account of any indications received from the shareholders;

c) provide opinions to the Board of Directors in relation to the size and composition of the Board and on the necessity to appoint professional persons to the Board.

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Article 19 of the by-laws of Dada S.p.A. was amended in accordance with the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the administrative board in accordance with the so-called savings law and by related CONSOB regulation; in particular, this resolution introduced the voting by slates, the necessity that at least one director was representative of the minority slate and the necessity that the Board of Directors is composed of a minimum number of independent Directors.

In order to address some of the salient points required by the new laws, the proposals for the appointment of members of the Board of Directors must be filed at the registered office at least 15 days before the Shareholders' Meeting. The shareholders may also present slates that, alone or together with other shareholders, hold at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations. In addition, except for the minimum number reserved by law for the minority slate, the appointment of the directors is as follows:

a) from the slate that obtained the majority votes in the Shareholders' Meeting, all of the directors to be elected to the board, except the minimum number required by law from the minority slate, will be elected according to the progressive order with which they were listed in the slate;

b) from the slate that obtained the second largest number of votes, and that are not related in any manner, even indirectly, with the slate in the previous letter a) the minimum number of directors reserved by law for the minority slate will be elected, according to the progressive order in which they were indicated on the slate.

In relation to that above, consideration is not taken of the slates which have not obtained at least half of the votes required for the presentation of the slates. If only one slate is presented, the above procedure is not applied and the Shareholders' Meeting elects by statutory majority all of the directors, according to the relative progressive order and up to the number of directors determined by the Shareholders' Meeting, with the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In the case where no slate is presented and in the case where a minimum number of directors are not elected as required by the company by-laws for the composition of the Board, the Board of Directors is, respectively, appointed or supplemented by the Shareholders' Meeting by statutory majority. In any case, the Shareholders' Meeting must ensure the election of at least the minimum number of independent directors pursuant to article 148, paragraph 3, of Legislative Decree No. 58/1998.

In relation to the present point, it should be noted that in the meeting of May 9, 2006, the Board, exercising a right expressly included in the Self-Governance Code and in consideration of the changes to the shareholding structure of the company, deliberated not to re-elect the nominations committee; the Self-Governance Code of the listed companies in fact recognises that the formation of this Committee normally arises in systems characterised by a high degree of shareholder dispersion, in order to ensure an adequate level of independence of the directors in comparison to management and that they undertake a function of particular importance in the identification of the directors in companies with a wide shareholder base.

10. Remuneration Committee

The internal Code on Corporate Governance recommends that the remuneration of the directors should be established in a sufficient manner to attract, maintain and motivate directors with the professional qualities required to manage the Company and also that the remuneration of the executive directors should be such as to provide motivation in the achievement of the primary objective of the creation of value for the shareholders over a long-term period.

The Code provides that the Board of Directors forms a remuneration committee composed of non-executive directors, the majority of which being independent directors.

The Remuneration Committee was created from within the Board of Directors, and currently consists of the following non-executive directors, the majority of which independent: Danilo Vivarelli (Chairman), Monica Alessandra Possa and Salvatore Amato; in relation to the composition of the Committee it is noted that in September 2007 the Director Barbara Poggiali, previously Chairman of the Committee, communicated to the company her renouncement of the role; consequently, the Board of Directors' resolution of September 5, 2007 appointed Monica Alessandra Possa as new member of the Committee and Danilo Vivarelli as the Chairman.

The objective of this Committee, confirmed by the Board on the approval of its regulations, is:

- to present to the Board proposals for remuneration of the executive directors and of the other directors holding specific offices, monitoring the application of the decisions adopted by the board;– periodically evaluating the criteria adopted for the remuneration of the senior management with strategic responsibility, review the application based on the information provided by the executive directors and formulate to the Board of Directors general recommendations;- with reference to the utilisation of the stock options and to the other incentive systems based on shares, the Remuneration Committee presents to the board its recommendations in relation to their utilisation and all the significant technical aspects in relation to their form and application, and in particular makes proposals to the Board in relation to the incentive systems considered most appropriate and monitors the progress and the application of the plans approved by the shareholders' meeting proposed by the Board.

The decisions of the Remuneration Committee must be made in such a manner that no director can influence the determination of his remuneration, allowing their participation only in the areas in which their remuneration is not under discussion.

The total remuneration to be attributed to the Board was fixed by the Shareholders' Meeting of April 4, 2006, which also confirmed the amount for attending each board meeting.

In relation to the total remuneration, the Board, with the assistance of the Committee, has therefore identified the remuneration of directors with specific roles, attributing a significant part to the achievement of the objectives indicated by the Board. Similarly, a significant part of the remuneration of the senior management with strategic responsibility is related to the achievement of specific objectives. However, the remuneration of the non-executive directors is related to the commitment requested of each director and is not related to the economic results of the Company. The executive directors and the managers with strategy responsibility are also beneficiaries of stock option plans, as this instrument is considered effective for the loyalty and retention of management.

During 2007, the Committee undertook a benchmarking analysis on the remuneration of the Company's top management and presented to the Board of Directors its proposals for the remuneration of Executive directors and provided its indications on the general criteria of the remuneration of the top managers, and also on the adoption by the Board of the stock option plans for the Top management of Dada S.p.A. and its subsidiaries. In relation to this latter after the end of the year 2007, the Committee also presented to the Board a proposal for a specific intervention on a part of the options already previously assigned to a director operating on the US market, and in application of the stock option regulations for senior management. Minutes of the Committee meetings confirming their proper regulation are kept.

11. Internal Control

The Self-Governance Code defines the internal control system as the overall rules, procedures and organisational structures aimed at permitting, through an adequate process of identification, measurement, management and monitoring of the principal risks, a healthy, correct and coherent management of the enterprise with its set objectives.

An effective internal control system contributes to safeguarding the company's assets, the efficiency and effectiveness of the business operations, the reliability of the financial information, the compliance with law and regulations. The Board of Directors evaluated the adequacy of the internal control system in relation to the requirements of the enterprise.

The Board of Directors ensures that it evaluations and decisions relating to the internal control system, to the approval of the financial statements and the half-year reports and the relationships between the issuer and the external auditors are supported by adequate instructions. For this purpose, the Board of Directors created an internal control committee composed of non-executive directors, the majority of which independent directors. If the issuer is controlled by other listed companies, the internal control committee is composed exclusively of independent directors. At least one member of the committee has adequate accounting and financial experience, to be evaluated by the board of directors on the nomination.

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The Internal Control Committee of Dada S.p.A., in compliance with the provisions of law and the internal Code on Corporate Governance, is composed entirely of independent directors; the members of the committee are as follows: Salvatore Amato (Chairman), Raffaello Napoleone and Danilo Vivarelli; among the directors, Mr. Vivarelli has adequate accounting and financial experience.

The Board of Directors appointed the CEO Angelo Falchetti as the person responsible for supervising the operations of the internal control system.

As indicated in the internal regulations of the Committee, the Internal control committee, which undertakes general consultative and proposal functions, in addition to assisting the Board of Directors in undertaking its duties, indicated by the Self-Governance Code: a) evaluates, together with the executive responsible for the preparation of the corporate accounting documents and with the auditors, the correct utilisation of the accounting principles and, in relation to the Group, their uniformity in the preparation of the consolidated financial statements; b) on request, the executive director, where necessary, expresses an opinion on specific aspects relating to the identification of the principal business risks as well as the planning, realisation and management of the internal control system c) examines the work plan prepared by the person responsible for internal control as well as the periodic reports prepared by this person; d) evaluates the proposals made by the external audit firms for the audit appointment, as well as the work plan prepared by the auditors and the auditors opinion and management letter; e) reviews the efficiency of the audit; f) undertakes additional duties which may be attributed by the Board of Directors in relation to transactions with related parties; g) reports to the Board, at least on a half-yearly basis, on the approval of the financial statements and on the half-year report, on the activities undertaken as well as on the adequacy of the internal control system.

The chairman of the Board of Statutory Auditors or another statutory auditor designated by him attends the internal control committee meetings.

In accordance with the above-mentioned Self-Governance Code, the Board of Directors, with the assistance of the Committee, defined the guidelines for the internal control system and periodically verified the adequacy and the functioning of the control system, and also on the examination and approval of the half-yearly reports presented by the committee on the activity undertaken.

On the proposal of the Committee, the Board also approved the guidelines on the control system in order that the principal risks relating to the issuer and its subsidiaries are correctly identified, and adequately measured.

The annual evaluation on the adequacy, efficiency and effective functioning of the internal control system was positively renewed during the Board meeting of 10/03/2008 on the presentation by the Committee of the Report on the activities undertaken during the second half of 2007 and based on the considerations and results of the Committee. Minutes of the Committee meetings confirming their proper regulation are kept.

In relation to the control structure, it is noted that in 2006 there were two persons responsible for the internal control committee; in consideration of the changes made to the Self-Governance Code and to the change in the organisational structure of the company, on February 12, 2007, the Board, on the proposal of the executive director and having consulted with the Committee, approved a different structure of the persons responsible for internal control, in favour of the confirmation of the person responsible for internal control Mr. Carlo Ravazzin and appointing Mr Leonardo Bonciani in the role as Company Contact Person responsible for internal control.

The function of the person responsible for internal control is to verify whether the operational processes of the “normal” controls are adequate compared to the potential risks, making recommendations to management and to the control committee, where necessary, on the adoption of all the measures required to eliminate risks of a financial nature and to improve the efficiency and effectiveness of business processes.

The activity of the person responsible for internal control is continually directed at the identification of further areas of risk, to be reported to the Control Committee for the adoption of appropriate measures.

The person responsible reports to the internal control committee and to the board of statutory auditors; in addition, he also reports to the executive director responsible for supervising the functioning of the internal control system. In particular, he reports on the manner in which the management of the risks is undertaken, as well as compliance of the plans defined for their containment.

The Manager and the Internal Control Committee consult with the Supervisory Board of the Group established in accordance with Legislative Decree 231/2001 also in the application and verification of the procedures as per Legislative Decree 231/2001 (governing the administrative responsibility of legal persons), for the purposes of the adoption of the most appropriate preventive and control model. The activities of the Supervisory Board, comprising the independent Director Danilo Vivarelli, the statutory auditor Piero Alonzo and the Head of Internal Control Carlo Ravazzin, in 2007 undertook an on-going verification of the organisational model, with particular regard to matters concerning workplace security, which the legislature has recently enacted through Legislative Decree 231/2001.

The above-mentioned committee defines the procedures in order to examine, identify and resolve new potential risk areas in accordance with the current organisational structures and responsibilities.

The company also created an internal audit department, under the responsibility of the Person Responsible for Internal Control, an external party to the Company and head of this Department in consideration of his competence and experience already matured in relation to the companies of the Dada Group.

The audit firm of the Issuer is Reconta Ernst & Young S.p.A., appointed by the shareholders' AGM of April 2006 and appointed as auditor for the period 2006-2011.

Federico Bronzi was appointed as the executive responsible for the preparation of corporate accounting documents. He has been the Administration Director of Dada S.p.A. since 2000 and holds all the statutory requirements necessary, and therefore has adequate expertise in the administrative and financial field confirmed through experience matured covering managerial roles in administrative/accounting activities and/or financial and/or control undertaken within the Company and/or at other companies.

12. Relations with institutional investors and other shareholders

The Self-Governance Code states that the Board of Directors promotes initiatives in order to favour the greatest participation possible of the shareholders at shareholder meetings and facilitates the exercise of the rights of the shareholders.

The Board of Directors actively attempts to establish a continual dialogue with its shareholders based on an understanding of their reciprocal roles.

The Committee for Corporate Governance consider that it is in the interest of the company to implement a continual dialogue with all shareholders and with institutional investors, including nominating a person responsible, and if necessary, creating a corporate structure dedicated to this function.

The Board of Directors operates in a timely manner and facilitates the access of significant information to the shareholders, in order to ensure that these latter can exercise their rights in a knowledgeable manner. For this purpose, the Company has created a separate section on its Internet site, easily identifiable and accessible, in which, in accordance with the provisions of law and the internal procedure for the management and communication of corporate information of importance to the shareholders is made available concerning the issuer, such as the manner for participation in the exercise of the voting rights in shareholder meetings, the documentation relating to the matters on the agenda, including the list of candidates for the role of director or statutory auditor.

The Board also appointed the Executive Director Lorenzo Lepri as Investor Relator and created a department for this function.

Financial communication activity is carried out through press releases and periodic meetings with the financial community in order to pursue the principal of information symmetry and in respect of “price sensitive” information.

13. Shareholders’ Meetings

Article 12 of the Self -Governance Code underlines the central role that the Shareholders’ Meeting must have in the life of a company, as a fundamental forum of corporate debate and relations between the shareholders and the Board of Directors.

On the proposal of the Board of Directors, the Shareholders’ Meetings must approve a regulation that indicates the procedures to be carried out in order to permit the functioning of the Shareholders’ Meetings, without however affecting the rights of each shareholder to express their opinion on the matters under discussion.

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In order to facilitate the participation of the shareholders at the shareholders' meeting of the company, the Board of Directors convenes the meetings in locations easily accessible from the headquarters of the company and from central stations; in addition, the shareholders’ meetings are called in the early afternoon in order to facilitate the participation of shareholders from outside of the city.

The shareholders’ meetings are governed by Regulations approved by the shareholders’ meeting in 2001, whose adoption was considered appropriate, for a correct and normal functioning of the meetings. The regulations are available at the registered office of the company and govern the organisation of the shareholders’ meetings, the right of shareholders to attend meetings, executive powers of the Chairman of the Shareholders’ Meeting and other matters related to the meeting.

The company encourages and facilitates the widest possible participation of the shareholders at the Shareholders’ Meetings, providing, in respect of the Governance on price sensitive communications, the information, requested by the shareholders relating to the company, in order to enable informed voting at the shareholders’ meetings. The participation at the Shareholders’ Meetings is regulated by the provisions of law and current regulations on the matter. For the participation at the Shareholders’ Meetings the shareholder must file at the registered office of the company, in accordance with the procedures established in the convocation notice, at least two days prior to the date fixed for the first convocation, specific communication given in accordance with the current regulations to the intermediary appointed holding the securities.

The shareholder having the right to participate at the Shareholders’ Meeting, subject to the provisions for proxies contained in Legislative Decree No. 58/98, can be represented, through written proxy, by any person that is not one of the parties mentioned in article 2372 of the civil code.

14. Statutory Auditors

The Self-Governance Code provides that the appointment of the statutory auditors is made in a transparent manner. This guarantees, among other matters, timely and adequate information on the professional and personal characteristics of the candidates.

The statutory auditors act with autonomy and independence also in relation to the shareholders who elected them.

The issuer prepares the measures which guarantee an efficient undertaking of the duties of its board of statutory auditors. The Self-Governance Code provides that the statutory auditors act in a transparent manner.**********************************

Article 24 of the by-laws of Dada S.p.A. was amended by the Extraordinary Shareholders' Meeting resolution of June 29, 2007 in accordance with the new legislative provisions in relation to the appointment of the board of statutory auditors under the so-called savings law and by related CONSOB regulation; in particular this resolution introduced the requirement that at least one statutory auditor is elected from the minority slate, as well the limit in relation to the maximum amount of offices of direction and control that may be held.

The by-law in particular provides that the slates must be filed at least 15 days before the first convocation of the shareholders' meeting and establishes that only the shareholders that, alone or together with other shareholders, holding at least 2.5% of the share capital with voting rights at an Ordinary Shareholders' Meeting at the date of the presentation of the slate or lower representations fixed by law or regulations, may present slates.

The procedure for electing Statutory Auditors shall be as follows:

from the slate which obtained the highest number of votes in the Shareholders' Meeting, based on the progressive order, 2 standing members and 2 alternate members;

from the slate that obtained the second largest number of votes, and that are not related in any manner in accordance with law, even indirectly, with the slate in the previous letter a), based on the progressive numbering of the slate, the remaining standing members, from which the chairman of the Board of Statutory Auditors is elected and the other alternate member.

For the purposes of the appointment of the statutory auditors as per letter b) in the previous paragraph, in the case of parity between slates, the candidate presented by the shareholder with the largest holding will prevail or, the largest number of shareholders.

In the case where two or more slates have obtained the same highest number of votes and where they are not related, even indirectly, with the shareholders who presented or voted in favour of the other, a further ballot takes place.

Where only one slate is presented, all candidates on this slate are elected with the votes of those representing a majority of the share capital at the Shareholders' Meeting.

Where no slate is presented, the Shareholders' Meeting appoints the Board of Statutory Auditors by the majority vote of the share capital represented at the Shareholder' Meeting.

In the latter case, the Chairman of the Board of Statutory Auditors is the first on the slate presented or the person nominated by the shareholders' meeting where no slate was presented.

The positive evaluation on the independence of the current Statutory Auditors in accordance with the Self-Governance Code is carried out on the appointment and with the approval of the present annual report on Corporate Governance by the Board.

The Board of Statutory Auditors, during 2007, met with the Internal Control Committee and with the audit firm.

TABLE 1: BOARD OF DIRECTORS

(information on attendance in 2007)

	BOARD OF DIRECTORS							INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE	
OFFICE	NAME	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	INDEPENDENT CFA	% HOLDING	OTHER OFFICES	MEMBER	% HOLDING	MEMBER	% HOLDING
CHAIRMAN	PAOLO BARBERIS		X			100					
EXECUTIVE DIRECTOR	ANGELO FALCHETTI	X				88.8					
EXECUTIVE DIRECTOR	MARCO ARGENTI	X				88.8					
DIRECTOR	GIORGIO VALERIO		X			70	5				
EXECUTIVE DIRECTOR	LORENZO LEPRI	x				100					
DIRECTOR	DANILO VIVARELLI			X	X	77.7		X	100	X	100
DIRECTOR	ALBERTO RONZONI (*)		X			57.1	1				
DIRECTOR	SALVATORE AMATO			X	X	88.8	1	X	100	X	100
DIRECTOR	RAFFAELLO NAPOLEONE			X	X	77.7	2	X	33		
DIRECTOR	RICCARDO STILLI		x			77.7	6				
DIRECTOR	BARBARA POGGIALI		X			100	6			X(***)	100
DIRECTOR	PIETRO VARVELLO		X			88.8	1				
DIRECTOR	ROBERTO RAVAGNANI		X			100					
DIRECTOR	MONICA ALESSANDRA POSSA (**)		X			100				X(****)	100
NUMBER OF MEETINGS IN YEAR			BOD: 9					INTERNAL CONTROL COMMITTEE: 3		REMUNERATION COMMITTEE: 4	

(*) director resigned 26/07/2007

(**) director since 27/07/2007

(***) member of the Committee until 3/09/2007

(***) member of the Committee since 5/09/2007

TABLE 2: BOARD OF STATUTORY AUDITORS

OFFICE	MEMBER	IN OFFICE FROM	SLATE	INDEP. FROM CODE	PERCENATE OF ATTENDANCE AT BOARD MEETINGS	NUMBER OF OTHER OFFICES HELD
CHAIRMAN	PIER ANGELO DEI	21/04/2006	M	X	100%	3
STATUTORY AUDITOR	PIERO ALONZO	21/04/2006	M	X	100%	3
STATUTORY AUDITOR	MASSIMO CREMONA	21/04/2006	M	X	33%	10
ALTERNATE AUDITOR	FRANCESCA PIRRELLI	21/04/2006	M	X		
ALTERNATE AUDITOR	CLAUDIO PASTORI	21/04/2006	M	X		
				NUMBER OF MEETINGS IN YEAR: 4		
				Shareholders may present a list for the appointment of the statutory auditors alone or together with other shareholders, if they represent at least 2.5% of the shares with voting rights at an ordinary shareholders' meeting.		

TABLE 3: OTHER REQUIREMENTS OF THE GOVERNANCE CODE

	YES	NO	Summary of any differences from the recommendations of the Code
Powers delegated and transactions with related parties			
The BoD has attributed powers defining:			
a) limits	x		
b) functioning	x		
c) and periodical information?	x		
The BoD reviews and approves the transactions of an important economic and financial nature (including transactions with related parties)?	x		
The BoD has defined guidelines and criteria for the identification of "significant" operations?	x		
The above guidelines and the criteria are described in the report?	x		
The BoD has defined specific procedures for the review and approval of operations with related persons?	x		
Are the procedures for approval of transactions with related parties described in the report?	x		
Procedures for the most recent appointment of directors and statutory auditors			
Were the appointments for director filed at least 10 days in advance?	x		
The candidature for director is accompanied by full and complete information?	x		
Were the appointments for statutory auditor filed at least 10 days in advance?	x		
The candidature for statutory auditor is accompanied by full and complete information?	x		
Shareholders' Meetings			
The company has approved Shareholders' Meeting Regulations?	x		
The Regulation is attached to the report (or indicated where it can be obtained)?	x		
Internal Control			
Has the company appointed persons responsible for internal control?	x		
Are they hierarchically independent from Business Area managers?	x		
Organisational internal control dept. (ex art. 9.3 of the Code)			The Internal Control Executive is the Internal Audit Manager Carlo Ravazzin who reports internally within the Company.
Investor relations			
Has the Company appointed an investor relations manager?	x		
Dept. (address /telephone/fax/e-mail) and person responsible for investor relations	x		IR Manager: Mr. Lorenzo Lepri, Milan, Via della Braida, 5 Tel. 02540271, lorenzo.lepri@staff.dada.net

PURCHASE OF TREASURY SHARES

The Shareholders' Meeting of April 21, 2006 renewed the authorisation to the Board of Directors to acquire within 18 months from the date of the resolution, up to a maximum number of ordinary shares representing 10% of the share capital at a price not lower than 20% and not above 10% compared to the reference price traded on the stock exchange on the day prior to each purchase and for a total amount not above the reserves available resulting from the latest approved financial statements. The Shareholders' Meeting also authorised the Board of Directors, in accordance with article 2357 ter of the civil code, to utilise the treasury shares already held in portfolio or acquire shares in order to carry out sales/purchase operations, exchanges, conferment etc.

The utilisation of the treasury shares, in relation to those already in portfolio or those that may be acquired due to the present authorisation renewal, may be carried out within three years of the approval by the Shareholders' Meeting at a price, or at a valuation, not lower than 95% of the average reference price recorded in the previous thirty stock exchange trading days prior to the sales deed or, if prior, to the official deeds of commitment. This third authorisation expires on 22/10/2007. At 31/12/2007, the company does not hold treasury shares in portfolio.

REMUNERATION OF DIRECTORS AND STATUTORY AUDITORS

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF DIRECTORS						
Paolo Barberis	Chairman of the Board of Directors	1/1 – 31/12/07	Financial statements as 31/12/2008	292,150	173,490	
Angelo Falchetti	Chief Executive Officer	1/1 – 31/12/07	Financial statements as 31/12/2008	193,450	104,094	
Marco Argenti	Director	1/1 - 31/12/07	Financial statements as 31/12/2008	2,800	171,392	242,789
Lorenzo Lepri	Director	1/1 – 31/12/07	Financial statements as 31/12/2008	2,800	118,656	173,916
Alberto Ronzoni *	Director	1/1 – 26/7/07	Financial statements as 31/12/2008	875		
Barbara Poggiali	Director	1/1 – 31/12/07	Financial statements as 31/12/2008	1,925		
Pietro Varvello	Director	1/1 – 31/12/07	Financial statements as 31/12/2008	1,400		
Salvatore Amato	Director	1/1 - 31/12/07	Financial statements as 31/12/2008	1,575		
Giorgio Valerio	Director	1/1 - 31/12/07	Financial statements as 31/12/2008	875		
Raffaello Napoleone	Director	1/1 - 31/12/07	Financial statements as 31/12/2008	1,750		
Danilo Vivarelli	Director	1/1 - 31/12/07	Financial statements as 31/12/2008	1,225		
Roberto Ravagnani	Director	1/1 – 31/12/07	Financial statements as 31/12/2008	1,575		
Riccardo Stilli	Director	1/1 – 31/12/07	Financial statements as 31/12/2008	1,225		
Monica Alessandra Possa **	Director	27/7 – 31/12/07	Next Shareholders' meeting	525		

* Director resigned during the year
** Director since July 27, 2007

Person	Description of office			Remuneration		
Name	Office held	Period of office	Expiry	Emoluments	Bonuses	Other
BOARD OF STATUTORY AUDITORS						
Pier Angelo Dei	Chairman	1/1 - 31/12/07	Financial statements as 31/12/2008	31,000		
Piero Alonzo	Statutory Auditor	1/1 - 31/12/07	Financial statements as 31/12/2008	19,000		
Massimo Cremona	Statutory Auditor	1/1 - 31/12/07	Financial statements as 31/12/2008	19,000		

Investments held directly or indirectly by Directors, Statutory Auditors, General Managers and senior management with strategic responsibilities.

Name	Company	Number of shares held at 31/12/2006	Number of shares held at 31/12/2007
Paolo Barberis	DADA S.p.A.	986,454	870,000
Angelo Falchetti	DADA S.p.A.	430,341	350,341
Marco Argenti	DADA S.p.A.	56,081	66,081
Lorenzo Lepri	DADA S.p.A	4,400	5,900

Options assigned to Directors and Executives with strategic responsibilities during the year

name	Options held at beginning of the year		
	Number of options	Average exercise price	average expiry
Marco Argenti	65,000	10.82	From January 18 to February 6 of 2006, 2007, 2008
Marco Argenti	91,000	14.78	*
Paolo Barberis	127,400	14.78	Office held from the approval of the accounts for 2008 until 2012
Angelo Falchetti	91,000	14.78	Office held from the approval of the accounts for 2008 until 2012
Lorenzo Lepri	68,250	14.78	Office held from the approval of the accounts for 2008 until 2012

* January 15 to January 31, February 16 to February 28, June 1 to June 15, September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, November 15 to November 30 of each year until November 11, 2012 and from

the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

name	Options exercised during the year			Options expired in the year
	Number of options	Average exercise price	Average market price in year	Number of options
Marco Argenti	32,500	10.82		

name	Options held at the end of the year		
	Number of options	Average exercise price	Average expiry
Marco Argenti	32,500	10.82	From January 18 to February 6, 2008
Paolo Barberis	127,400	14.78	Office held from the approval of the accounts for 2008 until 2012
Angelo Falchetti	91,000	14.78	Office held from the approval of the accounts for 2008 until 2012
Lorenzo Lepri	68,250	14.78	Office held from the approval of the accounts for 2008 until 2012
Marco Argenti	91,000	14.78	Office held from the approval of the accounts for 2008 until 2012

PRIVACY

With reference to compliance in relation to privacy and treatment of personal data, it should be noted that the regulations of legislative decree No. 196 of June 30, 2005 implementing "The regulations on the protection of persons and parties in relation to the treatment of personal data" (so-called Privacy Law), and in particular the document on the minimum measures of security Attachment (B) to the code on privacy prescribes (point 26) that, in the case of the obligation to prepare the directors' report attached to the financial statements (articles 2428-2478 bis and 2435-bis of the civil code), reference should be made to the adoption or updating of the programmed document on security.

The planning document on security is required by the minimum technical regulations of attachment B to Legislative Decree of June 30, 2003 (Privacy Law), being the minimum mandatory security measure in the treatment of information, in the use of computers, that, according to this same law, is deemed to be "sensitive" or "judicial".

Dada S.p.A. utilises electronic instruments for its personal data bank and for which the company is obliged to prepare (and to update) the planning document on security, in accordance with the requirements of law.

In compliance with the obligations contained in point 19 of the regulations, Dada S.p.A., in accordance with article 29 of the Privacy Law, has already, in previous years, prepared the planning document on security, while with reference to the updating of the document, this will be completed by March 31, 2008, as prescribed by the regulations.

SIGNIFICANT EVENTS IN 2007

The principal extraordinary operations of the DADA Group in the year are reported below:

On February 22, 2007, Dada.Net S.p.A., a subsidiary of DADA S.p.A., completed the agreement for the acquisition of 30% of E-Box S.r.l., owner of the platform Blogo, and signed agreements to acquire 100% of the company over a period of 2 years.

Founded in January 2005 with head office at Milan, E-Box undertakes the activity of Nano-Publishing through its own Blogo platform which constitutes the most visited vertical blog network nationally and one of the top 10 Italian Internet Web Properties, with over 16 million monthly page visits and approximately 3.3 unique visitors per month (source: Audiweb/Nielsen, January 2007).

E-Box expects to end the year 2006 with revenues of Euro 420 thousand, principally from advertising income - over 10 primary insertion clients signed permanent sponsoring contracts with the Company – and an Ebit of Euro 50 thousand (equal to an Ebit margin of approx 12%). E-Box does not have any employees and is managed by the 4 founding shareholders, which coordinate the activities of over 50 bloggers.

The acquisition of 30% of the share capital of E.Box S.r.l. was for a payment by Dada.Net of Euro 720 thousand from the liquidity of the Group and was paid in two equal tranches, the first paid on the closing on February 22, 2007 and the second one year after the Closing. Simultaneous to the entry into the share capital, Dada was recognised governance rights relating to the nominations on the Board of Directors and control of the Company and the right of veto on important board and shareholder meeting resolutions.

Purchases and sales options were also signed relating to the residual holding of the share capital which may be exercised 2 years from the Closing, subject to certain conditions.

On February 27, 2007 Register.it S.p.A. completed the second tranche of the Cotei/Nominalia operation. This operation involved the acquisition of the remaining 33% of Cotei - thus increasing its stake to 100% of Cotei and therefore 75% of Nominalia - for a payment of Euro 1.3 million, of which Euro 650 thousand to be paid immediately and the balance to be paid in 2 equal quarterly instalments.

February 12, 2007 In execution of the powers delegated to the Board of Directors in the extraordinary shareholders' meeting resolution of December 30, 2005, the Board deliberated on February 12, 2007 to issue a new three-year stock option plan for executives with specific appointments and/or general managers 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 25,000 options for the subscription of the same number of ordinary Dada shares to Group Managers.

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, on achieving 90% of the objective Consolidated Ebitda for the year 2008 as determined by the Board.

In general terms, the exercise of the options may take place from January 15 to January 31, from February 16 to February 28, from June 1 to June 15, from September 15 to September 30 (extended to October 15 only for the year 2012) and, finally, from November 15 to

November 30 of each year until November 11, 2012 and from the date of the approval of the consolidated financial statements relating to the Dada Group for the year ended December 31, 2008.

On June 10, 2007, Dada S.p.A., in further implementing the optimisation of the Group structure, completed the sale of the entire investment held in Softec S.p.A., equal to 50% of the share capital.

Dada's strategy is to focus on its wholly owned subsidiaries and its core businesses, represented by the scalable services relating to the community and entertainment world accessible via web and mobile as well as Adv and Dada pro services.

The sale of the entire holding in Softec S.p.A. to minority shareholders was for a cash payment of Euro 400 thousand, of which Euro 100 thousand payable on closing and the remaining Euro 300 thousand to be paid to Dada in three equal half-yearly payments.

The holding in Softec S.p.A. was recorded in the separate financial statements of Dada at December 31, 2006 at a value of Euro 362 thousand, while in the consolidated financial statements at December 31, 2006, goodwill was recorded of Euro 125 thousand. Therefore, this operation resulted in the recording at June 30, 2007 of a gain of Euro 42 thousand in the separate financial statements of Dada S.p.A. and of Euro 190 thousand in the consolidated financial statements.

In 2006, the Softec Group contributed revenues of Euro 2.5 million, Ebitda of Euro 503 thousand and net profit of Euro 102 thousand to the consolidation.

At 31/12/2006, the net equity of the company was Euro 62 thousand and the short-term NFP was a debt position of Euro 970 thousand.

Following its disposal, the Company was consolidated in the present half-year only at Income Statement level.

For the economic effects of the deconsolidation, reference should be made to that previously reported.

On July 18, 2007 Dada, through the subsidiary Register.it S.p.A., purchased 100% of the share capital of the English company Namesco Ltd. for a total cash payment of GBP 24.5 million (approximately Euro 36.2 million), fully paid at closing. The financing of the purchase is comprised in part by Register.it liquidity and the remainder by a medium/long-term bank loan of Euro 30 million, guaranteed by the parent company Dada S.p.A..

Founded in 1996, Namesco is the fourth largest company in the United Kingdom and among the top 50 companies in the world in the professional Internet services market (Source: Netcraft Company Analysis, January 2007). Namesco's registered office is at Worcester and its headquarters in London, employing 59 highly-qualified professionals and managing approximately 265,000 domains for a total portfolio of over 80,000 fee-based clients. Agreements with the main Registries throughout the world allow Namesco to offer registration and management of domains and Internet professional services to both its business and consumer clients in more than 100 different countries.

In the year 1/4/2006 - 31/3/2007, Namesco recorded revenues of over GBP 8.3 million (approximately Euro 12.2 million) and an EBITDA of GBP 1.8 million (approximately Euro 2.7 million), with a margin of approximately 22%. For the year 2007/8, the Company forecasts revenues of approximately GBP 9.8 million (approximately Euro 14.5 million), an Ebitda margin of 29% and a net profit of GBP 1.7 million (approximately Euro 2.5 million). The economic benefits of the consolidation of the company were illustrated previously.

September 12, 2007 – the joint venture between Dada and SONY BMG MUSIC ENTERTAINMENT to create the company "Dada Entertainment LLC" was completed, following the agreement reached and communicated to the market on July 16 and will offer to consumers a new and innovative range of entertainment services via web and mobile phone.

Initially targeting US customers, the services of Dada Entertainment LLC will combine a wide selection of musical content, ringtones, images, video games, mobile phone games, backgrounds, audio files and video in integrated format and will incorporate the extensive experience gained through the community web 2.0 and the social networks. In particular, Dada will provide access to its proprietary technological and billing platforms while SONY BMG will make its complete catalogue of musical and video content available to customers of the JV and promote its services through their multiple distribution channels, including their web properties and video network, cd production, media-buying, third-party media and sales point networks.

50% of Dada Entertainment LLC is held by Dada USA Inc and 50% by SONY BMG MUSIC ENTERTAINMENT and will be governed under rules stipulating extensive co-management. The current CEO of Dada USA Inc will act as CEO of the new company. The start date and beginning of operating activities of Dada Entertainment LLC was October of last year.

On December 20, 2007, following the integration of its activities within the Group, and as part of a rationalisation of the group organisational structure and reduction of overhead costs, the company Tipic Inc. was merged by incorporation into the company Dada USA Inc.

TRANSACTIONS WITH RELATED PARTIES

Reference should be made to the section in the notes to the financial statements (note 23).

SUBSEQUENT EVENTS AFTER THE YEAR END

On January 9, 2008 the transfer was completed of the company Media Dada Science and Development (Beijing) Co. Ltd which distributes the Dada.net product/service on the Chinese market, from Dada S.p.A. to Dada.net S.p.A., which within the Group is the distribution vehicle in the various countries of the product, and which already holds the investment in the other foreign companies of the Group undertaking similar activities; the sale was made at standard conditions and therefore at book value.

On January 30, Register.it S.p.A. completed the acquisition of Nominalia S.l., acquiring the remaining 25% of the company shares from the founding shareholders, for an amount of Euro 1.3 million.

The results after the end of the year confirm the growth in revenue in 2007. In particular, international activities grew, with growth expected to continue over the coming quarters.
On January 28, 2008, Dada S.p.A sold to the subsidiary Register.it S.p.A. a line of credit of Euro 2,000,000 to be utilised for the payment of the first instalment of the loan underwritten for the purchase of Namesco Ltd and subsequent instalments.

ALLOCATION OF THE RESULT FOR THE YEAR

It is proposed to the Shareholders' Meeting that 5% of the profit of Euro 965,886 is allocated to the legal reserve and the remainder to extraordinary reserves.

Florence, April 24, 2008

For the Board of Directors

The Chairman, Paolo Barberis

ATTACHMENT 1

WORKING CAPITAL AND NET FINANCIAL POSITION OF DADA S.p.A. AS AT DECEMBER 31, 2007

Amounts in Euro/thousand	Dec 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percent.
Fixed assets (A) (*)	**46,781**	**48,259**	**-1,478**	**-3%**
Current assets (B)	95,152	52,754	42,398	80%
Current liabilities (C)	-93,228	-49,259	-43,969	89%
Net working capital (D) = (B)-(C)	**1,924**	**3,495**	**-1,571**	**-45%**
Employee leaving indemnity provision (E)	-1,106	-1,089	-17	2%
Provision for risks and charges (F)	-805	-659	-146	22%
Net capital employed (A+D+E+F)	**46,794**	**50,006**	**-3,212**	**-6%**
Medium-long term payables	0	0	0	
Shareholders' equity (G)	**-56,865**	**-53,486**	**-3,379**	**6%**
Short-term bank debt	0	-453	453	-100%
Short-term financial receivables and securities	28	2,441	-2,413	-99%
Treasury management cash pooling	4,827	-2,805	7,632	-272%
Cash and cash equivalents	5,216	4,297	919	21%
Short-term net financial position	**10,071**	**3,480**	**6,591**	**189%**

ATTACHMENT 2

RECLASSIFIED INCOME STATEMENT DADA S.p.A. AS AT DECEMBER 31, 2007

Amounts in Euro/thousand	Dec 31, 07 12 months		Dec 31, 07 12 months	
	Amount	% of total	Amount	% of total
Net Revenues	**106,441**	**100%**	**68,472**	**100%**
Changes in inventory and internal work	3,110	3%	2,869	4%
Service costs and other operating costs	-89,456	-84%	-55,177	-81%
Personnel costs	-11,931	-11%	-8,544	-12%
Ebitda (*)	**8,164**	**8%**	**7,620**	**7%**
Amortisation & depreciation	-3,364	-3%	-2,832	-4%
Non-recurring income (charges)	-183	0%	-150	0%
Revaluations/(Write-downs)	-575	-1%	-369	-1%
Ebit	**4,042**	**4%**	**4,269**	**4%**
Investment income	844	1%	2,553	4%
Share of expenses/(income) from equity valuations	-1,038	-1%	-305	0%
Profit before taxes	**3,848**	**4%**	**6,517**	**6%**
Income taxes	-2,882	-3%	750	1%
Group net profit	**966**	**1%**	**7,267**	**7%**

(**) Operating result before amortisation/depreciation, write-downs and extraordinary items

FINANCIAL STATEMENTS OF DADA S.P.A.

DADA S.p.A INCOME STATEMENT AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

	Ref.	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Net Revenues	3	106,441	68,472
- of which related parties	*19*	*38,878*	*18,599*
Cost of raw materials and consumables	3	-65	-39
Changes in inventory and internal work	3-6	3,110	2,869
Service costs and other operating costs	3	-89,069	-55,225
- of which related parties	*19*	*-42,135*	*-20,872*
Personnel costs	3.6	-11,931	-8,544
- of which related parties	19	*-913*	*-977*
Other charges	3.2	-505	-63
Provisions and write-downs	3.4	-575	-369
Amortisation & depreciation	3.5	-3,364	-2,832
Ebit		4,042	4,269
Investment income	3.7	844	2,553
- of which related parties		*646*	*107*
- of which non-recurring activities		*41*	*1,968*
Financial charges	3.3	-316	-305
- of which related parties		*-128*	*-168*
Write-down in subsidiary companies	3.9	-722	
Profit before taxes		3,848	6,517
Income taxes	4	-2,882	750
Net profit for the year		966	7,267
Basic earnings per share		0.060	0.459
Diluted earnings per share		0.057	0.446

DADA S.p.A BALANCE SHEET AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

ASSETS	Ref.	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Non-current assets			
Goodwill	6	899	899
Intangible assets	5	6,662	4,963
Other tangible assets	7	3,586	2,699
Investments in subsidiary companies	7	27,486	28,494
Equity investments in associate and other companies		-	-
Financial assets	8	8,128	8,118
- of which related parties		*8,000*	*8,000*
Deferred tax assets	4	2,621	5,294
Total		49,382	50,467
Current assets			
Inventories	11		111
Trade receivables	12	96,928	47,988
- of which related parties	*19*	*65,136*	*25,595*
Tax receivables and others	12	1,385	5,495
- of which related parties	19	*137*	*148*
Held-for-trading financial assets	13	28	2,441
Cash and cash equivalents		5,216	4,297
Total current assets		103,557	60,332
TOTAL ASSETS		152,939	110,799

CONSOLIDATED BALANCE SHEET OF DADA S.p.A. AS AT December 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS

SHAREHOLDERS' EQUITY AND LIABILITIES	Ref.	31/12/07 *(12 months)*	31/12/06 *(12 months)*
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	14	2,737	2,715
Share premium reserve	14	30,867	29,493
Treasury shares	14		
Legal reserve	14	902	538
Other reserves	14	16,998	9,078
- of which related parties	*14*	*471*	*493*
Retained earnings	14	4,395	4,395
Net profit	14	966	7,267
Total Net Equity		56,865	53,486
Medium/long term liabilities			
Bank loans (payable beyond one year)	15	0	0
Provisions for risks and charges	16	805	658
Employee leaving indemnity	10	1,106	1,089
Other payables beyond one year		0	0
Total non-current liabilities		1,911	1,747
Current liabilities			
Trade payables	17	88,152	49,943
- of which related parties	*19*	*60,546*	*29,706*
Other payables	17	4,322	3,746
- of which related parties	*19*	*568*	*592*
Tax payables	17	1,689	1,424
Bank overdrafts and loans (payable within one year)	17		453
Total current liabilities		94,163	55,566
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		152,939	110,799

CASH FLOW OF DADA S.p.A. AS AT DECEMBER 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS		
Amounts in Euro/thousands	31/12/07 *(12 months)*	31/12/06 *(12 months)*
Operating activities		
Net profit for the year	966	7,267
Adjustments for:		
Income from trading activities	-844	-2,553
Financial charges	1,038	305
Costs for share-based payments	1,020	1,094
Income taxes for the year	2,882	-750
Depreciation of property, plant & equipment	943	823
Amortisation of other intangible assets	2,421	2,009
Other provisions and write-downs	1,052	706
Increases/(decreases) in provisions	-563	-114
Cash flows generated from operating activities before working capital changes	8,915	8,787
Increase in inventories	111	260
(Increase) / decrease in receivables	-40,628	-30,304
Increase in trade payables	42,420	25,427
Cash flow generated from operating activities	10,818	4,170
Income taxes paid	-734	-1,094
Interest paid	-132	-305
Net cash flow generated from operating activities	9,952	2,771
Investing activities		
Interest received	158	610
Changes in investments in subsidiaries and associated companies	649	-1,483
Sale of subsidiary and associated companies	400	2,500
Purchase of tangible fixed assets	-1,830	-1,512
Purchase of financial assets	-10	-8,029
Purchase/sale of financial assets available-for-sale	2,413	6,868
Purchase of intangible assets	-1,010	-910
Product development costs	-3,110	-2,869
Net Cash flow used in investment activities	-2,340	-4,825

CASH FLOW OF DADA S.p.A. AS AT December 31, 2007 PREPARED IN ACCORDANCE WITH IAS/IFRS

Financial activities		
Dividends from subsidiaries		-25
Repayment of loans		-290
Payments deriving from share capital increases	1,396	1,431
Sale of treasury shares		
Other changes	-4	
Increases (decreases) in bank overdrafts		
Net Cash flow generated from financing activities	1,392	1,116
Net increase/(decrease) in cash and cash equivalents	9,004	-938
Cash and cash equivalents at beginning of the year	1,039	1,977
Cash and cash equivalents at 31/12/2007	10,043	1,039

SCHEDULE OF MOVEMENTS IN THE NET EQUITY OF DADA S.P.A. IN THE LAST THREE YEARS

Description	Share capital	Share premium reserve	Legal reserve	Other reserves	Retained earnings	Net profit	Total
Balance at Jan. 1, 2005	2,664	34,015	406	-265	4,362	-6,699	34,483
Allocation of results 2004		-6,699				6,699	0
Share capital increase	28	769					797
Sale of treasury shares				3,370	-770		2,600
Other changes				156	1,015		1,171
Result 2005						4,643	4,643
Balance at 31/12/05	**2,692**	**28,085**	**406**	**3,261**	**4,607**	**4,643**	**43,694**
Allocation of results 2005			133	4,723	-212	-4,643	0
Share capital increase	22	1,408					1,430
Stock Option				1,094			1,094
Result 2006						7,267	7,267
Balance at 31/12/06	**2,714**	**29,493**	**539**	**9,078**	**4,395**	**7,267**	**53,485**
Allocation of results 2006			363	6,904		-7,267	0
Share capital increase	23	1,374					1,397
Stock Option				1,020			1,020
Other changes				-3			-3
Result 2007						966	966
Balance at 31/12/07	**2,737**	**30,867**	**902**	**16,998**	**4,395**	**966**	**56,865**

ACCOUNTING PRINCIPLES AND NOTES

3. Corporate information

DADA S.p.A. is a limited liability company incorporated in Italy at the Florence Company's Registry Office. The addresses of the registered office and of the locations in which the main activities of the Group are carried out are shown in the introduction to the accounts. DADA operates in the Internet sector and its principal activities are in the consumer market, with applications for PC and mobile telephone services (Dada.pro division), the business solutions market and the Hosting & domain market (Dada pro division) and on line advertising market (Dada adv).

For further information, reference should be made to the Directors' Report on operations.

4. Criteria for the preparation of the Financial Statements

The present financial statements were prepared on the basis of the historical cost criteria.

The present separate financial statements are expressed in Euro as this is the currency in which the majority of the operations are carried out.

The report comprises the balance sheet, income statement, statement of change in shareholders' equity, cash flow statement and the present notes.

5. Declaration of compliance with IFRS

Dada S.p.A. has adopted international accounting standards as from the financial statements for the year 2007.

The separate financial statements for the year 2007 are prepared in accordance with IFRS issued by the International Accounting Standards Board and standardised by the European Union. IFRS also include all the revised international accounting standards (IAS) and all of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including those previously issued by the Standing Interpretations Committee ("SIC").

Investments in subsidiaries and associated companies

The investments in subsidiaries are measured under the cost method and periodically subject to an impairment test to assess whether any loss in value exists. This test is made at least annually, or whenever there is an indication of a probable loss in the value of the investments. The valuation method utilised is based on the Discounted Cash Flow, applying the method described in the "Losses in value of the assets". Where it is necessary to make a write-down, this is charged to the income statement in the year in which it is recorded. When the reasons for the write-down no longer exist, the book value of the investment is increased up to the original cost. The restated amount is recorded in the income statement.

Impairment

At each balance sheet date, Dada S.p.A. reviews the carrying value of its intangible and tangible assets to determine if there are indications that these assets have incurred a loss in value. When it is determined that a potential loss exists, the Directors make valuations on the recoverable amount of those assets in order to identify the potential amount of the loss. Where it is not possible to make an estimate of the recoverable amount of an asset individually, the Company makes an estimate of the recoverable amount of the cash-generating unit the asset belongs to.

The indefinite intangible assets (including goodwill) and the investments are verified annually and whenever there is an indication of a possible loss in value in order to determine whether a loss in value has occurred.

The recoverable value is the higher between fair value less costs to sell and value in use. In determining the value in use, the estimated future cash flows are discounted on a pre-tax basis which reflects the market assessment of the time value of money and the risks specific to the asset.

When the reasons for the impairment no longer exist, the carrying value of the asset (or CGU) – except for goodwill – is increased to the revised estimate of its recoverable value. The new value cannot exceed the net carrying value if no write-down for impairment had being recorded. The restated values are immediately recognised in the income statement.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying value and market value less selling costs.

Non-current assets (and disposal groups) are classified as held for sale when their carrying value is expected to be recovered by means of a sales transaction rather than through use in company operations. This condition is applicable only when the sale is highly probable, the asset (or group of assets) is available for immediate sale in its current conditions and the management has undertaken a commitment to sell, which should take place within 12 months from the date of classification of this account.

Intangible assets

The intangible assets acquired separately are initially capitalised at cost, while those purchased through business combinations are capitalised at fair value defined at the acquisition date. After initial recognition, the intangible assets are recorded at cost less accumulated amortisation and any loss in value. The intangible assets produced internally, with the exception of development costs, are not capitalised and are recognised in the income statement in the year incurred. The useful life of the intangible assets are measured as definite.

The definite intangible assets are amortised over the useful life of the asset and verified for any indications of a possible loss in value. The period and method of amortisation applied is reviewed at the end of each year or more frequently if necessary. Changes in the expected useful life or of the manner in which the future economic benefits related to the intangible assets are received by the Group are recorded amending the period and method of amortisation, and treated as changes in the accounting estimates. The amortisation of finite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

Research and development costs

The research costs are recognised in the income statement in the period in which they are incurred. The development costs incurred in relation to a specific project are capitalised only when the Group can demonstrate the technical possibility to complete the intangible asset in order to make it available for use or sale, its intention to complete this asset for use or sale, the manner in which it will generate probable future economic benefits, the availability of technical, financial and other resources in order to complete the development and its capacity to evaluate in a reliable manner the cost attributable to the activity during its development.

During the development period, the asset is reviewed annually in order to determine any loss in value. Subsequent to the initial recording, the development costs are valued at cost less amortisation or accumulated loss. Amortisation begins when the development is completed and the asset is available for use. Amortisation is made with reference to the period in which it is expected the related project will generate revenues for the Group. During the period the asset is no longer in use, it is reviewed annually in order to determine any loss in value.

Other intangible assets

They are initially recognised at purchase cost and are amortised on a straight line basis over their expected useful life. Reference should be made to the accounting policy relating to the loss in value and impairment test.

The gains and losses deriving from the disposal of an intangible asset is measured as the difference between the net sales revenue from the disposal and the carrying value of the intangible asset and recorded in the income statement when the asset is sold.

Other tangible assets

The other tangible assets, plant, machinery and equipment are recognised at purchase or production cost, net of accumulated depreciation and any write-down for loss in value. Cost includes any related charges and direct and indirect costs reasonably attributable to the asset.

Tangible assets are depreciated each year on a straight line basis reflecting the estimated useful life of the asset applying the following percentages:

- Equipment and EDP: 20%
- Furniture and fittings: 12%
- Ordinary office machines: 12%

Inventories

The inventory relates to work in progress on contracts in progress at the balance sheet date. The valuation of the contracts is made in accordance with the percentage of completion method.

Receivables

The receivables are measured at nominal value and reduced to net realisable value through the recording of a specific allowance for doubtful debts. Such provisions are calculated on the basis of an assessment of recoverability, carried out through analysis of individual positions and overall degree of risk, taking into account guarantees and existing insurance covers.

Receivables due beyond one year, non-interest bearing or which mature interest below lower market rates are discounted using market rates.

Financial assets

The financial assets are recognised and unrecognised from the financial statements on the basis of the trading date and are initially measured at cost, including the transaction costs.

After initial recognition, the financial assets that Dada S.p.A. has the positive intention and ability to hold to maturity (securities held to maturity) are stated at amortised cost using the effective interest method, net of write-downs to reflect losses in value.

Financial assets other than those held to maturity are classified as held for trading or available-for-sale, and are measured at the end of each period at fair value.

When the financial assets are held for trading, the gains and losses deriving from the changes in the fair value are recognised in the income statement in the period; for the financial assets available-for-sale, the gains and losses deriving from the changes in the fair value are recognised directly to equity until they are sold or have incurred a loss in value; at that moment, the total gains and losses previously recorded under equity are recognised in the income statement of the period.

Cash and cash equivalents

The account relating to the cash and cash equivalents includes cash, bank current accounts and deposits on demand and other highly liquid short-term financial investments readily convertible into cash and that do not have a significant risk of a change in value. They are recorded at their nominal value. For the purposes of the consolidated cash flow statement, cash and cash equivalents are recorded as available funds, as defined above, net of bank overdrafts.

Payables

Payables are recognised at their nominal value.

Bank borrowings

The interest bearing bank loans and overdrafts are recognised based on the amounts received, net of the cost of the operation and subsequently valued at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded based on the proceeds received, less direct issue costs.

Provisions and funds for risks and charges

The provisions are recorded in the financial statements when the Company has a present obligation resulting from a past event and it is probable that the obligation must be met. Provisions are made based on the Directors best estimate of the cost of fulfilling the obligation at the balance sheet date and are discounted to present value when the effect is significant.

Transactions in foreign currencies

The financial statements are presented in Euro, which is the company's operative currency. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the balance sheet date.

All the exchange differences are recorded in the income statement, with the exception of the differences deriving from loans in foreign currencies to hedge a net investment in a foreign entity, which are recorded directly in equity until the net investment is sold, which are then recognised in the income statement. The deferred taxes attributable to exchange differences on these loans are also recorded directly in equity.

Revenue recognition

Revenues are recorded in accordance with the probability that the Company will receive economic benefits and the amount can be determined reliably. The revenues are measured at the fair value of the amount received, excluding discounts, premiums or other sales taxes. The following criteria are used for the recording of revenues in the income statement:

Sale of goods

The revenues are recognised when the company has transferred to the acquirer all of the significant risks and rewards connected to the ownership of the asset, generally the shipping date of the goods.

Services

The revenues deriving from services are recognised on the provision of the service. When they relate to projects, the revenues are measured in proportion to the hours worked compared to the estimated hours on each contract. When the outcome of the contract cannot be measured reliably, the revenues must be recognised only to the extent that the costs recognised will be recoverable.

Interest

Amounts are recorded as financial income in relation to interest income matured (using the effective interest method which is the rate that precisely discounts the expected future cash flows based on the expected life of the financial instrument to the net book value of the financial asset).

Dividends

Revenues are recorded when the right of the shareholders to receive the payment arises.

Pension provision and other post service benefits

These provisions and benefits are not financed. The expected cost of defined benefit plans are determined separately for each plan using the projected unit credit actuarial method. The gains and losses deriving from the actuarial calculation are recorded in the income statement as cost or income. These gains or losses are recorded on the basis of the average residual working life expected of the employees of the plan.

The pension costs relating to previous employment (past service cost) is recorded as a cost on a straight-line basis on the average maturity period of the benefit. If the benefits mature immediately after the introduction or the change of the plan, the pension cost relating to past services is recorded immediately.

The assets or liabilities relating to the benefits defined include the current value of the defined benefit obligations less any pension costs relating to past services not yet recorded less the fair value of the assets to service the plan which will directly settle the obligations. The value of any asset is limited to the aggregate of any cost for past services not yet recorded and the current value of any financial benefit in the form of repayment from the plan or reduction in future contributions to the plan.

Share-based payments (stock options)

Operations settled with securities.

The cost of the operations with employees settled with securities for benefits granted after November 7, 2002 is measured with reference to the fair value at the assignment date. Fair value is calculated by an independent assessor using an appropriate valuation method. For further information, reference should be made to note 18.

The cost of the operations settled with securities, together with the corresponding increase in the net equity, is recorded in the period when the conditions relating to the reaching of the objectives and/or provision of the services are satisfied, and terminate at the date when the employees concerned have fully matured the right to receive the compensation ("maturity date"). The cumulative costs relating to these operations at each balance sheet date until the maturity date are compared to the maturity date and to the best estimates available of the number of participating instruments which will effectively mature. The cost or revenue recorded in the income statement for the year represents the change of the cumulative cost recorded at the beginning and at the end of the year.

No cost is recorded for the rights which have no definitive maturity, except in the case of rights whose assignment is subject to market conditions, which are treated as if they independently mature from the fact that the market conditions to which they are subject are complied with, provided that all the other conditions are satisfied. If the initial conditions are modified, a cost should be recorded assuming that these conditions are unchanged. In addition, a cost will be recorded for all changes which result in an increase in the total fair value of the payment plan, or which is in any case favourable for employees; this cost is measured with reference to the date of the change.

If the rights are cancelled, they are treated as if they matured at the cancellation date and any costs not yet recorded against these rights are recorded immediately. However, if a right cancelled is replaced by a new right and this is recognised as a situation at the date on which granted, the right cancelled and the new right are treated as if it is a change to the original right, as described in the previous paragraph.

Income taxes for the year

Current income tax

Tax receivables and payables for the current and previous years are valued at the amount expected to be paid to / received from the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the financial statements.

Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred income taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the financial statements.

The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

when deferred taxes derive from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;

with reference to temporary differences related to investments in subsidiaries, associates, and joint ventures, if the reversal of the temporary differences can be controlled and it is probable that it will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

the deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the financial statements or on profit or loss calculated for tax purposes;

with reference to temporary taxable differences associated to investments in subsidiaries, associated companies and joint ventures, deferred tax assets are recognised only when it is probable that the temporary deductible differences will reverse in the immediate future and that there are will be adequate fiscal profits against which the temporary differences can be utilised.

Use of estimates

The preparation of the financial statements and the relative notes in application of IFRS require that management make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the balance sheet date. The actual results may vary from such estimates. The estimates are used to value the intangible and tangible assets subject to impairment tests as described above in addition to record provisions for risks on receivables, inventory obsolescence, amortisation and depreciation, write-down of assets, employee benefits and income taxes. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

Transactions with group and related companies

The transactions with group and related companies are reported in the notes (note 19).

Seasonal activities

The principal activities of DADA are not impacted by seasonal factors which could influence the current results.

Change of accounting standards

The accounting standards adopted are in line with those of the previous year with the exception of the following new and revised IFRS standards and IFRIC interpretations and entering into force (after the final change) from January 1, 2007; The adoption of these revised standards and interpretations had no effect on the financial statements of the Group, however some of them gave rise to additional disclosures.

IAS 33 (note 1) Earnings per share, effective from January 1, 2007

IAS 17 (note 1) Leasing, effective from January 1, 2007
The standard does not apply to the activities of the Group.

IFRS 7 Financial Instruments: disclosures, effective from January 1, 2007

IAS 1 (note 1) Presentation of financial statements, effective from January 1, 2007

IFRS 1 (note 1) First-time adoption of the International Financial Reporting Standards, effective from January 1, 2007
The standard does not apply to the activities of the Group.

IFRIC 8 – Scope of IFRS 2
The interpretation clarifies some aspects of IFRS 2 (Share-based payments).

The Group chose not to apply in advance the following IFRS standards and IFRIC Interpretations, published but not compulsory at December 31, 2007:

IFRS 8 “Operating segments”, effective from January 1, 2009, will replace IAS 14 “Segment reporting”. With respect to the current situation, the disclosures require an analysis on the products and services provided and on the major clients.

IFRIC 11 “Group and treasury share transactions” effective from January 2008.

3. Other costs and revenues

3.1 Revenue

The table below reports the breakdown of revenues for the year 2007 compared to the previous year:

Description	31/12/2007		31/12/2006	
	Amount	%	Amount	%
Web Development Projects	1,302.96	1.22%	1,899.38	2.77%
Infrastructure Projects	2,100.43	1.97%	3,366.20	4.91%
Net Marketing	1,042.44	0.98%	902.29	1.31%
VAS Mobile Revenues	65,072.21	61.07%	47,944.10	63.52%
Online Advertising	16,482.19	15.47%	5,391.56	7.86%
Connectivity	442.23	0.42%	937.11	1.37%
Other	697.00	0.65%	84.47	0.12%
Purchase of services for companies of the Group	19,412.17	18.22%	8,097.05	11.80%
TOTAL	106,551.61		68,622.16	

The increase in revenues is described in the directors' report on operations. In particular, the increase in the value added services (Mobile and Web) of the Dada.net Division is noteworthy. The turnover of DADA S.p.A. derives principally from Italy. In fact, the overseas activities are undertaken by the subsidiary companies Dadanet S.p.A. and Dada USA Inc.

3.2 Other operating expenses

The table below reports the breakdown of other operating costs for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Other taxes & duties deductible	13	16	-3	-18.75%
Other taxes & duties non deductible	40	47	-7	-14.89%
Other non-deductible costs	110	0	110	
Other operating charges	159		159	
Non-operating costs	183		183	
Total	505	63	442	702%

The difference between other operating costs and non-operating costs was classified in a different manner in the previous year, being included under service costs.

3.3 Financial charges and income

The table below reports the breakdown of financial income for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Interest income from securities	67	208	-141	-67.79%
Interest income on bank accounts	90	233	-143	-61.37%
Other interest income	646	144	502	348.61%
Gain on sale of investments	41	1,968	-1,927	
Total	**844**	**2,553**	**-1,709**	**-66.94%**

Financial income is comprised of the interest matured on bank accounts, interest matured on the securities included in current assets and income deriving from gains on disposals and valuation of the investments in securities. The gains from investments relate to the sale of the investment Planetcom for a payment of Euro 2.5 million. The Interest income includes the interest recharged to companies of the Group for existing loans.

The table below reports the breakdown of financial charges for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Interest on current accounts	-35	-6	-29	483.33%
Interest on loans	-9	-13	4	-30.77%
Bank charges and commissions	-75	-132	57	-43.18%
Other interest payable	-201	-168	-33	19.64%
Exchange gains	4	14	-10	-71.43%
Total	**-316**	**-305**	**-11**	**3.61%**

Financial charges mainly comprise bank interest matured on bank current accounts, medium-long term financing and commissions on credit card receipts and other bank charges. The exchange gains arise from the translation of trade accounts.

3.4 Provisions and write-downs

The table below reports the breakdown of the provisions and write-downs for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Change	Change %
Receivables write-downs	-325	-369	44	-11.92%
Other write-downs	-250		-250	
Total	-575	-369	-206	55.83%

For the write-down of receivables, reference should be made to note 16. The other write-downs relate to the accruals made to the risks and charges provision, in relation to which reference should be made to the relevant table.

3.5 Amortisation and depreciation of fixed assets

The table below reports the breakdown of the amortisation and depreciation for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes	Change %
Depreciation of tangible fixed assets	943	823	120	14.58%
Amortisation of Development Costs	1,926	1,566	360	22.99%
Amortisation of patents and trademarks	151	201	-50	-24.88%
Amortisation of the other intangible assets	344	242	102	42.15%
Total	3,364	2,832	532	18.79%

The increases are entirely related to the higher investments in intangible and tangible fixed assets in the year. For further information, reference should be made to the relative note.

3.6 Personnel costs

The table below reports the breakdown of personnel costs for the year 2007 compared to the previous year:

Description	Balance at 31/12/07	Balance at 31/12/06	Change	Change %
Salaries and wages	8,872	6,457	2,415	37.40%
Social charges	2,582	1,751	831	47.46%
Leaving indemnity	477	336	141	41.96%
Total	11,931	8,544	3,387	39.64%

Personnel costs increased principally as a result of the increased operations of the company. The average number of employees rose in the year from 178 to 194.

The national work contract applied is that for the commercial sector. The movements in personnel of the DADA Group are shown in the table below:

Description	31/12/2006	New	Depart.	31/12/2007	Average
Executives	6			6	6
White-collar	171	50	-19	202	188
Total	177	50	-19	208	194

3.7 Non-recurring income

Operations discontinued:

Softec S.p.A. (I/S 2007)

In 2007, the group formalised the sale of the full investment held in the company Softec S.p.A., a company specialised in software development. The sale was to the founding shareholders of the same company for a cash payment of Euro 0.4 million, of which Euro 100 thousand on closing and the remainder in three annual repayments. The Dada Group recorded a gain of Euro 41 thousand from the sale.

Planet.com (I/S 2006)

On July 4, 2006, the group formalised the sale of the full investment held in the company Planet.com S.p.A., a company specialised in judicial court auctions. The sale was to the company Asteimmobili.it S.p.A. for a cash payment of Euro 2.5 million, of which Euro 2 million paid on July 4, 2006 and the remainder on September 30, 2006. The Dada group recorded a gain of

Euro 2,246 thousand from the sale, classified under investment income as shown in the following point and summarised in the balance sheet tables.

3.8 Risk management

For a detailed analysis, reference should be made to the consolidated financial statements. The principal risks to which the company is exposed are shown below.

Financial risks

Currently, the company does not utilise derivative instruments to manage exposure to currency risks.

Dada is principally exposed to credit risk and to a negligible degree to liquidity rate risk and price risk.

Credit risk

The exposure to the credit risk refers to trade and financial receivables.

Given the particular type of business, a significant part of trade receivables is concentrated with a limited number of clients, principally telephone carriers. This type of clientele is characterised by a high credit rating.

In relation to the financial receivables, the investment operations of the liquidity are made only with high standing banks.

Interest rate risk and liquidity risk

Dada spa's exposure to the risk of changes in market rates is principally related to the bank debt represented by occasional bank overdrafts and short-term loans at variable interest rates against which the company has not subscribed any hedging contract. In order to optimise the utilisation of the group liquidity, a cash pool line was implemented with the subsidiaries Register.it Spa and Dada.Net Spa.

The liquidity risk is managed by the Company through the investment of liquidity in short term operations, such as insurance policies and bonds.

Utilisation of the short-term lines generally covers a minimal portion of the capital invested.

Price risk

The company is not exposed to significant risks in relation to price fluctuations.

Other risks

It should be noted that the market in which Dada S.p.A. operates is extremely competitive, both in relation to the continual and fast pace of innovation, including product technology, and for the potential entry into the market of new competitors; this environment requires constant investment in innovation of the services proposed to the customer, and updating of the products and services in order to maintain the Group's competitive position.

The company undertakes its activity largely utilising connectivity providers and telephone carriers, and provides contents to its clients which in some cases are supplied by outside content suppliers; an interruption of services from these suppliers or a deterioration in the services with one or more of these suppliers could infringe upon the capacity to supply the products and services to the final client, impacting upon the financial results.

The sector in which Dada S.p.A. operates, both in Italy and international, is subject to competitive regulations, among which, the protection of personal data, the safeguarding of the consumers, regulations on commercial communications, and in general norms governing the telecommunication sector. It is to be expected that the above-mentioned regulations will have an increasingly direct effect on the activities of the company, with possible effects, in general terms for the market, on the profitability of the business.

3.9 Write-downs of subsidiary companies

Description	31/12/07	31/12/06	Changes
Write-downs of subsidiary companies	-722	0	-722
Total	--722	0	-722

The increase in these charges relates to the write-downs of the subsidiary Dada China following the negative results in the year.

4. Income taxes for the year

The table below reports the breakdown of income taxes for the year 2007 compared to the previous year:

Description	31/12/07	31/12/06	Changes	Change %
Regional taxes	-727	-649	-78	12.02%
IRES income taxes	0	0	0	
Deferred tax charges	-2,155	1,399	-3,554	-254.04%
Total	-2,882	750	-3,632	-484.27%

The movements in deferred tax assets in 2007 are shown in the table below:

Description	Balance at 31/12/06	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/07
Deferred tax assets	5,294		-2,673		2,621
Total	5,294	-	-2,673	-	2,621

Deferred tax assets, recorded in the financial statements for Euro 2.6 million, originate from the temporary timing differences recoverable in the short-term relating to provisions made for write-downs on investments, doubtful debts and risks and charges and all of the other temporary adjustments which will be recovered in future years (so-called "temporary differences"). In addition, deferred tax assets were recorded on the expected recovery of fiscal losses, as well as the temporary differences relating to the transitional adjustments to the international accounting standards.

It is noted that the tax losses carried forward amount to approximately Euro 12 million.

The utilisations in the year relate to:

- the charge for the year, while the increase was calculated on the basis of the criteria at the end of the previous year, on the basis of the recovery of the above mentioned items as resulting from the business plan prepared.

- This figure was impacted by the change of the tax rates introduced by the new tax law in force from next year. The new law introduced a reduction of the IRES rate from 33% to 27.5% and the IRAP rate from 4.25% to 3.75%, thus the Group reviewed the calculation of deferred income taxes in previous years. The effect of these changes for Dada S.p.A. was Euro 636 thousand.

The deferred tax assets have been recorded, on a prudent basis, up to the amount for which there is reasonable certainty that they will be recovered.

It is also recalled that the DADA Group adhered to the tax consolidation regime, which includes, in addition to the Parent Company DADA S.p.A. (consolidating company), the subsidiary companies Dadanet S.p.A., Clarence S.r.l. and Register.it S.p.A. (consolidated companies).

5. Plant & equipment

The movements in tangible assets in 2007 are shown in the table below:

Description	Value at 31/12/06	Increases	Decreases	Other movements	Deprecia tion	Value at 31/12/07
EDP	2,494	1,647	-195	-20	-835	3,091
Furniture and fittings	202	357	0	0	-81	478
Others	3	21	0	20	-27	17
Total	2,699	2,025	-195	0	-943	3,586

The increase in the period is principally due to the purchase of a server for the internet and the installation of new equipment for the enlargement of the farm server, represented by servers, networking and storage systems. The increases in furniture and fittings relate to the expenses incurred for the new Dada offices at Florence. The decreases relate to the sale of assets in the year at book value and thus not resulting in gains or losses in the income statement.

6. Intangible assets

The movements in intangible assets in 2007 are shown in the table below:

Description	Value at 31/12/06	Increases	Decreases	Other movements	Amortisation	Value at 31/12/07
Goodwill	899					899
Total goodwill	*899*	*0*	*0*	*0*	*0*	*899*
Development of products/services expenses	3,848	3,110			-1,926	5,032
Concessions, licenses, trademarks	456	54			-151	359
Others	659	981	-25		-344	1,271
Total intangible assets	*4,963*	*4,145*	*-25*	*0*	*-2,421*	*6,662*
Total	5,862	4,145	-25	0	-2,421	7,561

The goodwill recorded in the accounts relates to the merger difference arising following the incorporation of the company Wireless Solutions S.p.A. in 2005.

The increase in the "development expenses on products/services" refers to the capitalisation of the costs incurred for the development of the new products and services prevalently relating to the portals and the Dada.net product. These assets relate to the portfolio of "Community & Entertainment" fee-based products and services via web and via mobile, through the single SMS numbers of the Operators.

In relation to this, the expenses incurred for the product Dada.net related to the services provided in foreign markets.

Reference should be made to the information on the Consumer business described in the section on segment activities.

The capitalisation is made based on their future profitability and in accordance with the criteria established by international accounting standards.

Their recognition is supported by a careful evaluation in order to determine the future economic benefits connected to these services.

The amortisation is made on a straight-line basis over a period of 5 years.

The account “others” is prevalently comprised of the software acquired by the company, expenses for the registration of the brands and licences which are amortised on a straight-line basis over five years.

7. Equity investments

The composition and movements of the investments in associated companies and non-consolidated subsidiary companies is shown in the table below:

Description	31/12/06	Increases	Decreases	Other movements	31/12/07
Investments in subsidiary companies	28,494	75	-361	-722	27,486
Total equity investments in subsidiary companies	**28,494**	**75**	**-361**	**-722**	**27,486**
Loans to subsidiaries	8,000				8,000
Guarantee deposits	118	16	-6		128
Total financial assets	**8,118**	**16**	**-6**		**8,128**
Total	**36,612**	**91**	**-367**		**35,614**

The decrease relates to the sale of Softec in 2007. The sale of the entire holding in Softec S.p.A. to minority shareholders was for a cash payment of Euro 400 thousand, of which Euro 100 thousand payable on closing and the remaining Euro 300 thousand to be paid to Dada in three equal half-yearly payments.

The holding in Softec S.p.A. was recorded in the separate financial statements of Dada at December 31, 2006 at a value of Euro 362 thousand, while in the consolidated financial statements at December 31, 2006, goodwill was recorded of Euro 125 thousand. Therefore, this operation resulted in the recording of a gain of Euro 42 thousand in the separate financial statements of Dada S.p.A..

The loan of Euro 8 million was issued in the year to the subsidiary Dada Usa for the acquisition of Upoc. The interest on these loans is regulated at normal market conditions.

The movements of the investments in subsidiary companies are shown in the following table:

Company	Value at 31/12/06	Increases	Decreases	Other movements	Value at 31/12/07	% held
Register.it SpA	15,308	70			15,378	100%
Softec SpA	361		-361		0	
Dada.Net SpA	12,066	5			12,071	100%
Media Dada Science & Development Co. Ltd	759			-722	37	100%
Total	**28,494**	**75**	**-361**	**-722**	**27,486**	

The other movements relate to the write-down of Media DADA Science & Development Co. Ltd with registered offices in Peking for an amount relating to the losses incurred by the company in 2007.

The other movements relating to the investments Register.it Spa, Dada.net Spa and Softec Spa, principally refer to the increase in the investments following the recording of the stock options assigned to executives of the DADA Group and in the equity account "Other equity financial instruments", in accordance with IFRS 2.

The impairment test is made on an annual basis on the preparation of the annual accounts. The recoverable value of this investment was verified through the determination of the value in use based on the Discounted Cash Flow. In particular the following was applied:

- the value of the investment of the company Register.it Spa was verified through the projected cash flow method contained in the three-year financial plan of the company. This plan was taken from the budget of the company, forecasting annual growth rates of 5-7% and a discount rate of 10.54%;

- the value of the investment of the company Dadanet Spa was verified through the projected cash flow method contained in the three-year financial plan of the sub-consolidated Dada.Net Spa. This plan was formulated commencing from the budget relating to the sub-consolidated Dada.Net SpA, forecasting an annual growth rate of 5-7%. The discount rate utilised was equal to 10.54%.

The verification made at December 31, 2007 confirmed that it was not necessary to make any changes to the values recorded in the accounts.

8. Other financial assets

The balance of financial assets is composed of :

Description	Balance at 31/12/07	Balance at 31/12/06	Change	Change %
Bonds	0	2,372	-2,372	-100.00%
Financial receivables	28	69	-41	-59.42%
Total	**28**	**2,441**	**-2,413**	**-98.85%**

The Top propensity investment was sold for Euro 1.8 million - a Euro 67 thousand gain on disposal.

9. Share-based payment plans

The share-based payments (Stock Options) are described in detail in the directors' report. The salient features of the DADA SpA plans at December 31, 2007 were as follows:

Details	Plan of 20/06/2005	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/07
Duration of the plan	2006-2008	2009-2012	2007-2009	2009-2012	2009-2012
Total options to be issued	441,406	700,700	33,000	55,000	25,000
Total residual options at 31/12/2006	280,068	700,700	33,000	55,000	25,000
Value of issue	10.82	14.782	15.47	16.92	16.99

The data utilised in the valuation models of the four plans are shown below:

Data used for the valuation	Plan of 20/06/2005	Plan of 03/02/2006	Plan of 16/03/2006	Plan of 28/07/2006	Plan of 12/02/07
Valuation Date	plan issue	plan issue	plan issue	plan issue	plan issue
Model utilised	Binomial	Binomial	Binomial	Binomial	Binomial
Percentage of annual exit	5%	5%	5%	5%	5%
Expected volatility		23.50%	31-36%	29.07%	29.07%
Interest rate without risk	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve	Zero coupon on spot interest curve
Estimated dividends	nil	nil	nil	nil	nil
Vesting conditions	none	90% Ebitda 2008	none	90% Ebitda 2008	90% Ebitda 2008

The expected volatility reflects the assumptions that the historical volatility is indicative of future trends which may not coincide with the actual outcome.

The fair value of the plans are measured at the assignment date. For a detailed description of the plans, reference should be made to the directors' report.

10. Pensions and other employee post service benefits

The movement of the employee leaving indemnity is shown in the table below:

Description	Balance at 31/12/06	Increase for the year	Utilisation in the year	Other movements	Interest charge on liability	Balance at 31/12/07
Leaving indemnity	1,089	477	-82	-449	71	1,106
Total	**1,089**	**477**	**-82**	**-449**	**71**	**1,106**

The provision at December 31, 2007 of Euro 1.1 thousand reflects the indemnity matured in favour of employees, in conformity with legislation and collective employment contracts.

In accordance with international accounting standards, the obligation was calculated through the projected unit credit method which considers each employment period a source of an additional unit of benefit and separately measures each unit in order to calculate the final obligation.

In accordance with finance law No. 296 of December 27, 2006, only the liability relating to the Employee Leaving Indemnity matured remaining in the company was valued under IAS 19, as the quota maturing after this period is paid to a separate entity.

This calculation was made by an independent actuary. The methodology utilised can be summarised in the following points:

projection for each employee in service at 31/12/2007 of the employee leaving indemnity matured up to the estimated time of pension;

determination for each employee in service at 31/12/2007 and for each year up to the estimated time of pension, the probable employee leaving indemnity payments which will be made by the Company in the case of the employee leaving due to redundancy, dismissal, resignation, death and pension;

discounting, at the measurement date, of each probable payment;

proportionately, for each employee in service at 31/12/2007, of the payments, estimated and discounted, based on the years matured at the measurement date compared to the years matured at the date of each probable payment.

In particular, the assumptions adopted were as follows:

DADA GROUP	31/12/2006
Mortality table	SIM/F 1998
Reduction of mortality table	20.00%
Rate relating to advanced request by EXECUTIVES	1.00%
Rate relating to advanced request by EMPLOYEES	1.00%
Rate relating to advanced request by TRAINEES	0.00%
Growth rate of salaries of EXECUTIVES	4.00%
Growth rate of salaries of EMPLOYEES	3.50%
Growth rate of salaries of TRAINEES	2.10%
Future inflation rate	2.10%
Discount rate	4.10%
Rate relating to advance departure of EXECUTIVES	0.50%
Rate relating to advance departure of EMPLOYEES	4.00%
Rate relating to advance departure of TRAINEES	0.50%

11. Inventories

The balance of inventories consists of:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Work-in-progress	0	111	-111	-100%
Total	0	111	-111	-100%

The final inventories relate to the work in progress for projects entirely concluded in 2007.

12. Trade and other receivables

The trade account consists of:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Trade receivables - Italy	33,343	24,112	9,231	38%
Trade receivables from subsidiaries	55,500	18,954	36,546	193%
Financial receivables from subsidiaries	7,709	4,987	2,722	55%
Receivables from holding companies	579	0	579	
Receivables from other related parties	1,348	1,655	-307	-19%
Less: bad debt provision	-1,551	-1,720	169	-10%
Total	**96,928**	**47,988**	**48,940**	**102%**

The level of trade receivables is in line with Group operations in 2007. The average collection period for trade receivables is 120 days.

It is also recalled that a significant part of trade receivables is concentrated among a limited number of clients, principally telephone operators.

Given the nature of the principal clients, there was a general increase in the average collection period, against which these companies are characterised by high credit ratings.

The movement in the provision for doubtful debts is summarised in the following table:

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/07
Bad debt provision	1,720	325	-494		1,551
Total	**1,720**	**325**	**-494**	-	**1,551**

The increase in the provision reflects the necessity to write-down, on a prudent basis, several positions which have arisen in the year as a consequence of the economic/financial difficulties of some clients.

The utilisations relate to positions closed in the year for which either recognition was made of the impossibility to recover the amount or a decision made relating to the settlement with the debtor.

The provision as at December 31, 2007 is considered adequate to meet the potential losses relating to the entirety of the trade receivables.

There are no trade receivables due over one year for which it would be necessary to record a financial loss.

The Company estimates that the book value of trade and other receivables approximate their fair value.

There are no receivables over 5 years.

In relation to receivables from subsidiaries, reference should be made to the paragraph concerning related parties.

The table below shows the composition of other receivables:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Tax receivables	741	786	-45	-6%
Advances to suppliers	43	43	0	0%
Other receivables	289	346	-57	-16%
Deferred income	312	4,320	-4,008	-93%
Total	**1,385**	**5,495**	**-4,110**	**-75%**

Deferred income decreased as the activities of the Dada.net product were allocated to Dada.net S.p.A. and therefore the deferral relating to user acquisition costs were not present in the financial statements

This account includes telephone carrier fees referring to two accounting periods.

The account "other receivables" includes deposits paid to the various authorities relating to domain registration activity.

Tax receivables include the payments on account for Irap regional tax of Euro 650 thousand and Euro 91 thousand of withholding taxes and other tax credits.

13. Cash and cash equivalents

The composition of the liquidity is shown in the table below:

Description	Balance at 31/12/07	Balance at 31/12/06	Changes	Change %
Bank and postal deposits	5,207	4,255	952	22.37%
Cash in hand and similar	9	42	-33	-78.57%
Total	**5,216**	**4,297**	**919**	**21.39%**

The balance represents the liquidity and cash balances at December 31, 2007.

The yield on bank deposits, prevalently relating to one Credit Institution, is equal to Euribor at three months -0.3.

For further information relating to the liquidity movements in the year, reference should be made to the Directors' Report on Operations and to the Cash Flow Statement.

14. Share capital and reserves

The share capital of Dada S.p.A at December 31, 2007 is made up of 16,097,079 ordinary shares, of a nominal value of Euro 0.17, for a total value of Euro 2,737 thousand. During the year, the share capital increased by Euro 22 thousand due to the subscription of the reserved share capital increase for employees of Dada S.p.A. (stock options plan).

The movements in net equity in the year are shown in the table at page 202.

Description	Amount	Possibility of utilisation	Quota available	Summary of utilisations made in the three previous years	
				to cover losses	for other reasons
Share capital	2,737				
Capital reserves:					
Share premium reserve	30,867	A-B-C	30,867	-6,699	
Extraordinary reserve	11,626	A-B-C	11,626		
Other reserves	5,372				
Profit reserves:					
Legal reserve	902	B	902		
Total			43,395		
Non-distributable quota			547		
Residual distributable			42,848		

*** Possibility of utilisation:**

Key:

A: for share capital increase

B: to cover losses

C: for distribution to shareholders

Legal reserve: this account relates to a profit reserve and increased from the net profits of the financial statements approved. The account may only be utilised for the part exceeding one fifth of the share capital.

At December 31, 2007 the reserve amounted to Euro 902 thousand. The movement in the year relates to the allocation of the 2006 result.

Share premium reserve: this reserve is an equity reserve comprising contributions by shareholders or conversion of bonds into shares. There is no specific limit relating to its utilisation. At December 31, 2007 the reserve amounted to Euro 30,867 thousand. The movement during the year relates to the subscription, on February 6, 2007, of 129,021 shares subscribed for an amount of Euro 1,374 thousand.

Other reserves: the account comprises the Reserve created on the transition to the IFRS and the Extraordinary Reserve. The Extraordinary Reserve amounts to Euro 11,626 thousand and the movements during the year relate to the allocation of the 2006 result. The IFRS Transition Reserve amounts to Euro 5,372 thousand and the movements during the year relate to the Stock Options.

15. Loans and financing

There were no medium/long term loans at December 31, 2007.
The portion of the loan is fully classified under short-term as the residual repayments are all due within one year.

16. Provisions for risks and charges

The following table shows the movements in the year in the provisions for risks and charges:

Description	Balance at 31/12/2006	Increase for the year	Utilisation in the year	Other movements	Balance at 31/12/2007
Provisions for risks and charges	659	250	-104		805
Total	659	250	-104	0	805

The provisions for risks and charges were created against probable liabilities arising from contractual and legal disputes.
The utilisations in the period relate to the settlement of disputes. The increases relate to new disputes and litigation arising in the year.
The provision for risk and charges at December 31, 2007 consists of Euro 350 thousand for labour disputes, Euro 250 thousand for disputes of an operational nature and Euro 105 thousand for other disputes.
No detailed information is given on the specific positions in order not to prejudice the outcome of the proceedings in course.

17. Trade and other payables

The composition of the payables is as follows:

Description	31/12/07	31/12/06	Changes	Change %
Payables:				
Banks	0	453	-453	-100.00%
Bank overdrafts within one year	**0**	**453**	**-453**	**-100.00%**
Trade payables	27,606	20,237	7,369	36.41%
Subsidiaries – trade	54,925	21,627	33,298	153.96%
Subsidiaries - financial	1,256	5,954	-4,698	-78.90%
Holding - trade	189	68	121	177.94%
Holding - financial	609		609	
Other group companies	3,567	2,057	1,510	73.41%
Trade payables	**88,152**	**49,943**	**36,090**	**72.26%**
Taxes	1,689	1,424	265	18.61%
Tax payables	**1,689**	**1,424**	**265**	**18.61%**
Others	3,087	2,677	3,087	115.32%
Social security institutions	810	435	375	86.21%
Deferred income	425	635	-210	-33.07%
Other payables	**4,322**	**3,747**	**3,252**	**11.321**
Total	**94,163**	**55,567**	**39,154**	**70.46%**

The account “trade payables” includes the amounts related to purchases of a commercial nature and other costs. The Company estimates that the book value of trade and other payables approximates their fair value. The increase is strictly related to the growth in the business activities of DADA S.p.A..

"Tax payables”, amounting to Euro 1.7 million, include withholding taxes on salaries and consultants and other current taxes for the year, principally relating to IRAP regional tax.

The account “Other payables” includes:

– employee payables for the month of December, the accrual on the “fourteenth” month and vacation days matured;

- the payables for the share capital to be subscribed relating to the company Media Dada Science & Development Co. Ltd with head offices at Peking. It is recalled that this company was not operative at December 31, 2006;

Deferred income originates from the accruals on connectivity, housing and other resale services deferred to future periods.

18. Commitments and risks

The composition is shown in the following table:

Description	31/12/07	31/12/06	Change	Change %
Guarantees	33,749	3,727	30,022	805.53%
Leased assets	0	0	0	
Total	33,749	3,727	30,022	805.53%

Description	31/12/06	Increases	Decreases	31/12/07
Guarantees	3,727	34,120	-4,098	33,749
Leased assets	0	0	0	
Total	3,727	34,120	-4,098	33,749

The guarantees provided at December 31, 2007 amounting to Euro 33.7 thousand (compared to Euro 3.8 million at December 31, 2006) are recorded for the amount guaranteed.

The most important increases related to:

- Guarantee for a loan received by the subsidiary Register.it from Banca Intesa for the purchase of Namesco ltd.
- Guarantee for DADA Iberia and DADA USA Inc. credit lines at Banca Intesa San Paolo
- Guarantee for the acquisition of the residual part of E-Box Srl for Euro 360 thousand;
- Guarantee for the rental of new Headquarters in Florence totalling Euro 1.2 million.

The decrease relates to the maturity of a guarantee for the payment of the residual part of Tipic Inc. given by DADA S.p.A. for a total amount of Euro 2,925;

No potential commitments exist that are not recorded in the balance sheet.

19. Transactions with related parties

The transactions with related parties relate to normal operations and are conducted at normal market conditions.

The company undertakes commercial transactions consisting of the acquisition and purchase of services, with subsidiary companies and with companies belonging to the RCS group, which has a 46.9% shareholding in DADA. The following table indicates the transactions with companies of the group and the balance sheet and income statement values in 2007 between companies of the Dada Group and "related parties".

The following tables show the composition of the transactions with related parties:

Trade receivables - related parties

(Amounts expressed in Euro/thousands)

Company	Trade receivables	Other receivables	Total trade receivables
DadaNet SpA	51,276	5,662	56,938
Clarence Srl	829	197	1,026
Dada Usa Inc	430		430
Upoc Inc	3		3
Dada Iberia SL	303		303
Dada Brasil Serviços de Tecnologia Ltda	376		376
Dada Media Science and Development (Beijing) Co. LTD	242		242
Register.it SpA	1,823	1,850	3,673
Nominalia SL	218		218
Namesco Ltd	-		-
Total	55,500	7,709	63,209
RCS Group	1,927		1,927
Total	57,427	7,709	65,136

Trade payables to related parties
(Amounts expressed in Euro/thousands)

Company	Trade payables	Other Payables	Total trade payables
DadaNet SpA	51,738	655	52,393
Clarence Srl	915	-	915
Upoc Inc	725		725
Dada Media Science and Development Co. LTD	-	275	275
Register.it SpA	1,547	326	1,873
Total	**54,925**	**1,256**	**56,181**
RCS Group	3,756	609	4,365
Total	**58,681**	**1,865**	**60,546**

Company	Trade receivables	Trade payables	Revenues	Costs
RCS Group	1,927	3,756	4,166	5,941
TOTAL	1,927	3,756	4,166	5,941

Transactions with associated companies
(Amounts expressed in Euro/thousands)

Description	Trade receivables	Trade payables	Revenues	Costs
Dada Entertainment LLC	247	178	247	178
E-Box S.r.l.	56	192	56	471
Total	**303**	**369**	**303**	**649**

The transactions of Dada S.p.A. with subsidiaries and associated companies, disclosed in the notes to the financial statements of the parent company in the individual accounts of the balance sheet and income statement, principally relate to:

- transactions related to contracts for the provision of centralised services;
- transactions of a financial nature, relating to loans and cash pooling in relation to the treasury financial management;
- transactions of a fiscal nature deriving from the national consolidated fiscal regime, with the objective of neutrality and parity of treatment.

The transactions with related parties also include the interest on bank accounts managed in cash pooling for a total amount of Euro 168 thousand, as well as the interest income matured on the loans provided to the American company DADA USA Inc.

In accordance with IAS 24, the following information is provided in relation to the remuneration of the directors of the group with strategic responsibilities in the various forms in which they are paid (short-term benefits, service benefits, long-term benefits, leaving indemnities and share-based payments) for the year 2007 and the year 2006.

Description	31/12/2007		31/12/2006		Other equity financial instruments
	Services	Personnel costs	Services	Personnel costs	
Directors fees :					
- Emoluments for office	504		487	6	
- Bonus and other incentives	278	290	248	325	
- Non-monetary benefits	13	13	5	7	
- Other remuneration		417		399	
- Share-based payments	278	193	253	240	
Total Directors	1,073	913	993	977	
Board of Statutory Auditors	60		65		
Total related parties	1,133	913	1,058	977	
Tot. as per accounts	89,069	11,931	55,225	8,544	
In percentage terms	1.27%	7.65%	1.92%	11.43%	

For further information in relation to the directors and executives with strategic responsibility, reference should be made to the directors' report.

20. Disclosure pursuant to article 149 of the Consob Issuer's Regulation

The following table, prepared pursuant to article 149 of the Consob Issuer's Regulations, reports the payments made in 2007 for audit services and also other services carried out by the audit firm and companies associated with the audit firm.

Service	Party providing the service	Company	Payments relating to 2007 (thousands of Euro)
Audit	Reconta Ernst & Young SpA	Parent Com.	98
Certification work			-
Other services	Reconta Ernst & Young SpA (1)	Parent Com.	47
Total			**145**

(1) The other services include:

Euro 22 thousand for support and assistance in the testing phase on the controls made in order to obtain the certification as per article 154 of the Consolidated Finance Act, as required by article 81 of the Issuers' Regulations; Euro 25 thousand fees in relation to the application of the accounting principles.

21. Information as per IFRS 7

The information required by IFRS 7 follows:

3) Classification of the financial instruments and Fair Value

The standard requires the disclosure of the accounting value of each category defined in IAS 39, with separate indication, in the category assets and liabilities valued at fair value through the profit and loss account, of the amount classified as "held for trading".

The following table shows a summary relating to the amount of each category of financial instruments used.

	Book value									
	Held-for-trading financial assets/liabilities		Loans and receivables		Total		of which current		Of which non current	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
ASSETS										
- Securities		2,371								
- Minority investments										
- Cash and cash equivalents			5,216	7,345	5,216	7,345	5,216	7,345		
- Intercompany cash and cash equivalents			5,762		5,762	-	5,762			
- Trade receivables			33,717	24,048	33,717,0	24,048	33,717	24,048		
- Other receivables										
- Short-term			281	298	281	298	262	298,0	19	
- Medium and Long term										
- Intercompany trade receivables										
- Short-term			55,500	18,954	55,500	18,954	55,500	18,954		
- Medium and long term										
- Intercompany financial assets										
- Group VAT			390	899	390	899	390	899		
- Short-term					577	-	577			
- Medium and long term			8,000	8,000	8,000	8,000			8000	8000
Total financial assets	-	2,371	108,866	59,544	109,443	59,544	109,424	59,544	19	-

	Book value									
	Held-for-trading financial assets/liabilities		Loans and receivables		Total		of which current		Of which non current	
	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07	Dec 31, 07
LIABILITIES										
- Trade payables			31,363	22,462	31,363	22,462	31,363	22,462		
- Loans and financing										
- Short-term			609	197	609	197	609	197		
- Medium and Long term				255	-	255		255		
- Other payables										
- Short-term			409	1,191.8	409.0	1,191.8	409.0	1,191.8		
- Intercompany trade payables										
- Short-term			55,300	21,627.0	55,300.0	21,627	55,300	21,627		
- Medium and Long term										
- Intercompany Loans and financing					-	-				
- Group VAT			555	5,854	555	5,854	555	5,854		
- Short-term			326		326	-	326			
- Medium and Long term										
- Payables for derivative financial instruments										
Total financial liabilities			**88,562.0**	**51,586.8**	**88,562.0**	**51,587**	**88,562**	**51,587**	-	-

4) Collateral

The standard requires disclosures relating to collateral both in relation to financial assets given in lien (book value, terms and conditions of the lien), and assets held as collateral and in which the company can hold even in the absence of default of the counterparty (fair value, terms and conditions of the lien).

Given the insignificance of the collateral given by Dada S.p.A., only the book value of 2007 compared to 2006 is shown in the table below:

Collateral given	Book value	
	Dec 31, 07	Dec 31, 07
Guarantee deposits	138	128

3) Provision for doubtful debts

Where the Company records losses for permanent reduction of value on financial assets of a commercial nature in a separate account, a reconciliation must be disclosed of the variations in the account during the year for each of the financial asset classes.

The table below refers only trade receivables:

	Write-down of trade receivables	
	Dec 31, 07	Dec 31, 06
Balance at beginning of year	-1,720	-1,635
Increases in the year	-325	-369
- individual write-downs	-325	-369
- collective write-downs		
Utilisations	494	388
Write-back of value		
Other movements		-104
Exchange differences		
Balance at end of year	-1,551	-1,720

4) Revenue, cost, profit and loss accounts:

IFRS 7 requires disclosure of information relating to the payment of interest, commissions and expenses deriving from financial instruments.

The amounts in the accounts should always exclude the values relating to receivables/payables of employees, social security, tax, and all instruments recorded in accordance with IAS 12 and 19 and not within the scope of IAS 39.

The profits and losses are detailed in the following tables:

- financial assets/liabilities held for trading in this category include the gains (or losses) relating to securities sold in 2007 (Bond fund units), minority investments
- interest income/expense on financial assets/liabilities not valued at fair value: includes interest income or expenses deriving from financial instruments classified in categories which are not measured under the amortised cost method. The account Loan interest expense includes, in addition to the interest payments for 2007, also the negative effect of the discounting in accordance with the IRS curve.

INCOME STATEMENT	Book value		
	Financial assets/liabilities at fair value with changes recognised in the Income Statement	Held-for-trading financial assets/liabilities	Loans and Receivables
	Dec 31, 07	Dec 31, 07	Dec 31, 07
NET PROFIT/LOSSES			
- Securities		67	
Losses from financial instruments written-down			
- Trade receivables			-325
Total at December 31, 2007			
NET PROFIT/LOSSES	Dec 31, 06	Dec 31, 07	Dec 31, 06
- Securities		208	
Losses from financial instruments written down[10]			
- Trade receivables			-369
Total			

	Book value	
NTEREST INCOME	Dec 31, 07	Dec 31, 06
Interest income on financial assets not valued at fair value		
- Bank and postal deposits	90	233
- Financial assets		
- Intercompany receivables	646	107
Interest on financial instruments written-down		
INTEREST EXPENSE	Dec 31, 07	Dec 31, 06
Interest expense on financial liabilities not valued at fair value		
- Bank and postal deposits		
- Loans and receivables and other payables		
- Mortgages loans	681	14
- Intercompany loans	127	168

5) Information on qualitative risks

- Credit risk

The table below indicates the maximum exposure to the credit risk, with the exclusion of amounts from personnel, social security and tax entities and all those instruments governed by IAS 12 and 19 and not within the scope of IAS 39.

The guarantees include the maximum amount which DADA S.p.A must pay; these include sureties and guarantees given on behalf of third parties.

Maximum exposition to credit risk	Dec 31, 07	Dec 31, 06
Financial assets at fair value with impact on the Income Statement		
- Held-for-trading financial assets		
- Securities	-	2,372
<u>Loans and receivables</u>		
Deposits	5,216	7,345
Intercompany deposits	5,762	
Trade and other receivables	33,717	24,048
Financial assets	8,000	8,000
Intercompany financial assets (Inter-group VAT account)	390	899
Other receivables	281	298
Intercompany trade receivables	55,500	18,954
Receivables for derivative financial instruments		
Irrevocable commitments to provide loans		
Guarantees	33,616	3,727
Total	142,482	65,643

IFRS 7 requires the disclosure of the maturity of the financial assets net of write-downs, which is shown in the following table:

Analysis by maturity of financial assets	Book value	
	Dec 31, 07	Dec 31, 06
Trade receivables		
- Not overdue		
- Due in less than 30 days	3,453	7,143
- Due between 30 and 90 days	5,607	
- Due between 90 and 180 days	3,671	85
- Due between 180 and 365 days	2,464	7,446
- Due between 1 and 2 years	127	
- Due between 2 and 3 years		140
- Due beyond 3 years		145
Intercompany trade receivables		
- Due in less than 30 days	198	3,568
- Due between 30 and 90 days		2,435
- Due between 90 and 180 days	197	388
- Due between 180 and 365 days	15,060	2,290
- Due between 1 and 2 years	4,796	535
- Due between 2 and 3 years	293	
- Due beyond 3 years		
Financial assets		
- Not overdue	8,000	8,000
Other Receivables		
- Not overdue	281	298
Total	44,147	32,473

Dada S.p.A. has various concentrations of credit risk based on the nature of the activities undertaken by the various sectors (the Dada net division and the Dada adv division). In relation to the most significant receivable account, the DADANet division, the risk is concentrated in primary telephone carriers; the parent company has a trade payable with a telephone carrier (Mitigating factor).

The credit exposure of the Business division is principally related to the Advertising sector.

The following tables show the details by sector for the division of the concentration of trade receivables not overdue and also the concentration of total receivables.

Trade receivables not overdue	Book value	
	Dec 31, 07	Dec 31, 06
Dada net	52,999	17,123
ADV Division	330	1,554
PRO Division	22	150
	53,351	18,827

Concentration of trade receivables credit risk	Book value		%	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
For counterparties				
Dada net Division	85,171	35,652	95%	83%
ADV Division	1,500	3,550	2%	8%
PRO Division	2,546	3,800	3%	9%
Total	89,217	43,002	100%	100%
By geographic area				
Italy	88,740	42,882	99%	100%
Overseas	477	120	1%	0%
Total	89,217	43,002	100%	100%

- Liquidity risk

IFRS 7 requires a maturity analysis for the financial liabilities (trade receivables included) are shown in the table relating to 2007 and 2006:

Analysis of maturity at December 31, 2007	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	31,363					31,363
Intercompany trade payables	55,300					55,300
Loans and financing	609					609
Intercompany Loans and financing	881					881
Other payables	409					409
Intercompany other payables						-
Sureties						-
Total	*88,562*	-	-	-	-	*88,562*

Analysis of maturity at December 31, 2006	Less than 6 months	6 - 12 months	1 - 2 years	2-5 years	More than 5 years	Total
LIABILITIES						
NON-DERIVATIVE FINANCIAL INSTRUMENTS						
Trade and other payables	22,462					22,462
Intercompany trade payables	21,627					21,627
Loans and financing	126	85				211
Intercompany Loans and financing	160	81				241
Other payables	1,192					1,192
Intercompany other payables	5,854					5,854
Sureties						-
Total	*51,421*	*166*	-	-	-	*51,587*

For the above maturity analysis, the future cash flows are not discounted.

The liquidity risk of DADA Spa may arise from the difficulty to obtain loans to support operating activities in a timely manner.

The cash flows, financing requirements and the liquidity of the companies of the Group are monitored and managed centrally under the control of the Group Treasury, with the objective of guaranteeing efficient management of the financial resources.

The management believes that the funds and credit lines currently available, in addition to those that will be generated from operating and financial activities, will permit DADA Spa to satisfy its requirements deriving from investment activities, working capital management and repayment of debt in accordance with their maturities.

Market risk

For the market risk, IFRS 7 requires a sensitivity analysis with an impact on the income statement and equity for the possible market scenarios.

There are two types of market risk: exchange rate risk and interest rate risk

- Currency risk

The following tables shows the situation at the end of 2007 compared with the end of 2006, as well as the positive and negative effects on the income statement due to the changes of the assumed exchange rates - in accordance with the actual situation during the year (Shock Market Analysis). The exchange risk is considered for the exposures in foreign currencies, as well as for the trade and financial intercompany accounts, which although eliminated in consolidated financial statements, generate exchange profits or losses in the legal entity exposed to foreign exchange risks.

The exposure of the exchange risk is constantly monitored through adequate reporting.

Exposition to foreign currency risks	AUD		USD		GBP		Total	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06
ASSETS								
Cash and cash equivalents in foreign currencies Trade receivables in foreign currencies Financial assets in foreign currencies Other receivables in foreign currencies Intercompany receivables in foreign currencies			709	89			709	89
Total assets	-	-	709	89	-	-	709	89

Exposition to foreign currency risks	AUD		USD		GBP		Total	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 06	Dec 31, 07
ASSETS								
LIABILITIES								
Trade payables in foreign currencies Loans and financing in foreign currencies Other payables in foreign currencies Intercompany payables in foreign currencies	41		12	14	10		63	14
Total liabilities	41	0	12	14	10	0	63	14

Foreign currency risk concentration	% AUD		% USD		% GBP		% Total	
	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 07	Dec 31, 06	Dec 31, 06	Dec 31, 07
Financial assets			100%	100%			100%	100%
Financial liabilities	65%		19%	100%	16%		100%	100%

- **Interest rate risk**

IFRS 7 requires the analysis of the exposure and the sensitivity analysis on the basis of shock calculated taking into account exchange rate fluctuations during the year. There is no significant interest rate risk for DADA Spa.

ATTACHMENT 1

RECONCILIATION BETWEEN THEORETICAL AND FISCAL CHARGE AS AT DECEMBER 31, 2007

(Euro/thousands)

IRES income taxes	2007
Profit before taxes	3,848
Theoretical tax charge	1,270
Permanent differences	1,313
Temporary differences	-825
Assessable tax	4,336
Total current taxes	1,431
Regional taxes	**2007**
Difference between value and cost of production	4,042
Non relevant costs for IRAP	13,475
Theoretical tax base	17,517
Theoretical tax	744
Permanent differences	-1,111
Temporary differences	721
Recovery from prior years	-20
Assessable income	17,107
Total current taxes	727

ATTACHMENT 2
The deferred tax assets and liabilities are shown below

	IRES income taxes	
	2007	
	Amount of temporary difference	Fiscal effect (rate 27.5%)
Deferred tax asset:		
Deferred tax asset on deferred costs fiscally	349	96
Other temporary differences	8	2
Total	357	98
Deferred tax asset relating to fiscal losses in prior years	9,129	2,510
Net	9,486	2,609

	Regional taxes	
	2006	
	Amount of temporary difference	Fiscal effect (rate 3.9 %)
Deferred tax asset:		
Deferred tax asset on deferred costs fiscally	349	14
Net	349	14

Total deferred tax asset (IRAP +IRES)	9,835	2,621

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RELAZIONE DELLA SOCIETÀ DI REVISIONE
ai sensi dell'art. 156 del D.Lgs. 24.2.1998, n. 58

Agli Azionisti
della Dada S.p.A.

1. Abbiamo svolto la revisione contabile del bilancio d'esercizio, costituito dallo stato patrimoniale, dal conto economico, dal prospetto dei movimenti del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative, della Dada S.p.A. chiuso al 31 dicembre 2007. La responsabilità della redazione del bilancio compete agli amministratori della Dada S.p.A.. E' nostra la responsabilità del giudizio professionale espresso sul bilancio e basato sulla revisione contabile.

2. Il nostro esame è stato condotto secondo i principi e i criteri per la revisione contabile raccomandati dalla CONSOB. In conformità ai predetti principi e criteri, la revisione è stata pianificata e svolta al fine di acquisire ogni elemento necessario per accertare se il bilancio d'esercizio sia viziato da errori significativi e se risulti, nel suo complesso, attendibile. Il procedimento di revisione comprende l'esame, sulla base di verifiche a campione, degli elementi probativi a supporto dei saldi e delle informazioni contenuti nel bilancio, nonché la valutazione dell'adeguatezza e della correttezza dei criteri contabili utilizzati e della ragionevolezza delle stime effettuate dagli amministratori. Riteniamo che il lavoro svolto fornisca una ragionevole base per l'espressione del nostro giudizio professionale.

   Per il giudizio relativo al bilancio dell'esercizio precedente, i cui dati sono presentati ai fini comparativi, si fa riferimento alla relazione da noi emessa in data 3 aprile 2007.

3. A nostro giudizio, il bilancio d'esercizio della Dada S.p.A. al 31 Dicembre 2007 è conforme agli International Financial Reporting Standards adottati dall'Unione Europea, nonché ai provvedimenti emanati in attuazione dell'art. 9 del D.Lgs. n. 38/2005; esso pertanto è redatto con chiarezza e rappresenta in modo veritiero e corretto la situazione patrimoniale e finanziaria, il risultato economico, le variazioni del patrimonio netto ed i flussi di cassa della Dada S.p.A. per l'esercizio chiuso a tale data.

Firenze, 7 aprile 2008

Reconta Ernst & Young S.p.A.

Fulvio Favini
(Socio)

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Firenze,10 marzo 2008

ATTESTAZIONE

del Bilancio di esercizio ai sensi dell'art. 81-*ter* del Regolamento Consob n. 11971 del 14 maggio 1999 e successive modifiche e integrazioni

- I I sottoscritti, Paolo Barberis in qualità di Presidente del Consiglio di Amministrazione, Angelo Falchetti in qualità di Amministratore Delegato e Federico Bronzi in qualità di Dirigente Preposto alla redazione dei documenti contabili societari di Dada S.p.A. attestano, tenuto anche conto di quanto previsto dall'art. 154-bis, commi 3 e 4, del decreto legislativo 24 febbraio 1998, n. 58:
  - l'adeguatezza in relazione alle caratteristiche dell'impresa e
  - l'effettiva applicazione,

  delle procedure amministrative e contabili per la formazione del Bilancio di esercizio, nel corso dell'esercizio 2007.

- Si attesta, inoltre, che il Bilancio di esercizio al 31 dicembre 2007:
  - corrisponde alle risultanze dei libri e delle scritture contabili;
  - redatto in conformità agli International Financial Reporting Standards adottati dall'Unione Europea nonché ai provvedimenti emanati in attuazione dell'art. 9 del D. Lgs. n. 38/2005, a quanto consta, è idoneo a fornire una rappresentazione veritiera e corretta della situazione patrimoniale, economica e finanziaria dell'emittente.

Dada S.p.A
Presidente Consiglio di Amministrazione
Paolo Barberis

Dada S.p.A.
Amministratore Delegato
Angelo Falchetti

Dada S.p.A
Dirigente Preposto
Federico Bronzi

RELAZIONE DEL COLLEGIO SINDACALE ALL'ASSEMBLEA DEGLI AZIONISTI DI DADA S.p.A. AI SENSI DELL'ARTICOLO 153 DEL D.LGS. N. 58/1998 E DELL'ARTICOLO 2429, COMMA 3, DEL CODICE CIVILE

Signori Azionisti,

nel corso dell'esercizio chiuso al 31 dicembre 2007, il Collegio Sindacale ha svolto le attività di vigilanza previste dalla Legge, tenendo anche conto dei principi di comportamento raccomandati dai Consigli Nazionali dei Dottori commercialisti e dei Ragionieri. Nel redigere la presente relazione sono state considerate, tra l'altro, le comunicazioni Consob n. 3021582 del 4 aprile 2003, n. 2064231 del 30 settembre 2002, n. 1025564 del 6 aprile 2001, n. 98015554 del 2 marzo 1998, n. 98015375 del 27 febbraio 1998, n. 97001574 del 20 febbraio 1997.

L'obbligo di informativa al Collegio Sindacale di cui all'art. 150, comma 1, D.Lgs. 58/1998 è stato assolto dagli Amministratori della Dada S.p.A. secondo la dovuta periodicità, principalmente tramite le notizie ed i dati riferiti nel corso delle riunioni del Consiglio di Amministrazione, alle quali il Collegio Sindacale ha sempre assistito.

Il collegio dà atto che gli Amministratori, nella sezione relativa ai rapporti con parti correlate della Relazione sulla Gestione, indicano ed illustrano le principali operazioni di detta natura a cui si rinvia, anche per quanto attiene alle caratteristiche di tali operazioni ed ai loro effetti economici e finanziari. Il Collegio ha riscontrato che tali operazioni sono concluse nell'interesse di Dada S.p.A. e secondo normali condizioni di mercato, nonché nel rispetto delle procedure interne vigenti.

Nel corso del 2007 e sino alla data odierna non sono pervenute al Collegio Sindacale né denunce ex art. 2408 c.c. né esposti.

Nel corso dell'esercizio 2007, il Collegio Sindacale ha partecipato a tutte le dieci riunioni del Consiglio di Amministrazione, assicurandosi che le delibere assunte e attuate fossero conformi alla legge ed all'oggetto sociale e non fossero in potenziale conflitto di interessi o in contrasto con le delibere assembleari. Sempre nel corso del 2007 si sono tenute cinque riunioni del Collegio Sindacale.

Il Collegio Sindacale, ai sensi dell'art. 151 del D.Lgs. 58/1998, ha acquisito conoscenza e vigilato, per quanto di competenza, sul rispetto dei principi di corretta amministrazione tramite osservazioni dirette, raccolta di informazioni dai responsabili delle articolazioni organizzative della Società, dal Comitato per il controllo interno e dal Comitato per la remunerazione, da incontri con il Preposto al controllo interno e con la

Società di Revisione Reconta Ernst & Young Spa. Inoltre il collegio ha incontrato la società di revisione incaricata del controllo contabile ai fini del reciproco scambio di dati e notizie rilevanti.
Il Collegio sindacale ha, altresì, scambiato informazioni con i corrispondenti organi delle società controllate in merito ai sistemi di amministrazione e controllo ed all'andamento generale dell'attività sociale ai sensi dell'art. 151, comma 2 del TUF.

Il Collegio Sindacale, allo stesso modo, ha acquisito conoscenza e vigilato, per quanto di competenza, sull'adeguatezza della struttura organizzativa della Società e sul relativo funzionamento. E' stata valutata l'adeguatezza del sistema amministrativo-contabile, nonché l'affidabilità di quest'ultimo a rappresentare correttamente i fatti di gestione, mediante l'ottenimento di informazioni dai responsabili delle articolazioni organizzative e funzionali della Società, l'esame dei documenti aziendali e l'analisi dei risultati del lavoro svolto dalla Società di Revisione Reconta Ernst & Young S.p.A..

Nel corso dell'esercizio 2007 la Società ha conferito alla Reconta Ernst & Young S.p.A. incarichi diversi dalla revisione incaricata i cui corrispettivi, escluso le spese e l'IVA, sono riepilogati di seguito:

- Prestazioni professionali in ordine alla verifica del bilancio di apertura della controllata *Namesco* – importo Euro 9.480;

- Prestazioni professionali per l'informativa finanziaria IFRS 7 – importo Euro 27.000.

I corrispettivi sopra indicati appaiono in linea con la dimensione, la complessità e le caratteristiche dei lavori effettuati.

Inoltre, a seguito del coinvolgimento nella valutazione dell'indipendenza della società di revisione, come previsto dal documento "Principi di indipendenza del revisore" paragrafo 4.5.2.2, il Collegio Sindacale non ravvisa in tali ulteriori incarichi aspetti critici sull'indipendenza delle società di revisione.

Il Collegio Sindacale ha valutato e vigilato sull'adeguatezza del sistema di controlli interni. In particolare, ha raccolto con regolarità informazioni sulle attività svolte mediante riunioni con i soggetti preposti al controllo interno. E' emerso che il sistema di controllo interno è nel suo complesso, adeguato per garantire ragionevolmente l'efficacia e l'efficienza delle operazioni, l'attendibilità delle informazioni, la salvaguardia del patrimonio aziendale ed il rispetto della legislazione vigente.

Con particolare riferimento a quanto previsto dal D.Lgs. 231/01 il Collegio ha altresì raccolto le risultanze emerse dalle riunioni dell'organismo di vigilanza, al fine di monitorare l'efficienza del Modello Organizzativo 231, già adottato nel corso del 2003.

·Da

La Società dispone di un proprio Codice di Autodisciplina in aderenza con quanto previsto dal Comitato per la *Corporate Governance* delle società quotate.

La Società è dotata, sin dal 2003, di un codice di comportamento in materia di *internal dealing*, per la disciplina e per la comunicazione al mercato di quelle operazioni aventi ad oggetto strumenti finanziari della Società stessa. Inoltre, con riferimento alle informazioni *price sensitive*, la Società dispone, di una specifica procedura per la gestione interna e per la comunicazione all'esterno di documenti e informazioni definite come tali..

Il Collegio Sindacale, inoltre, ha monitorato le attività intraprese dalla Società per l'adeguamento del sistema di controllo interno alle novità introdotte dalla Legge sul risparmio (Legge n. 262/2005).

Il Collegio ha verificato l'osservanza delle norme di legge inerenti alla formazione ed impostazione del Bilancio al 31 dicembre 2007 e della Relazione sulla Gestione, tramite verifiche dirette ed informazioni assunte dalla Società di Revisione.

In conclusione, il Collegio Sindacale prende atto delle risultanze del Bilancio al 31 dicembre 2007 e non formula obiezioni, per quanto di propria competenza, anche riguardo alla proposta di deliberazione presentata dal Consiglio di Amministrazione in merito all'utile netto d'esercizio pari ad Euro 1.013.000.

Il Collegio Sindacale di Dada S.p.A. infine ringrazia gli Azionisti per la fiducia accordatagli.

Firenze, 1 Aprile 2008

Il Collegio Sindacale

Dott. Pier Angelo Dei

Dott. Piero Alonzo

Dott. Massimo Cremona