



CONSOLIDATED QUARTERLY REPORT OF THE DADA GROUP AS AT JUNE 30, 2006

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

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

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CORPORATE BOARDS

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

BOARD OF DIRECTORS

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

- 1 - Chairman with executive powers
- 2 - Independent director in accordance with the self-governance code for Listed Companies
- 3 - member of the Internal Control Committee
- 4 - member of the Remuneration Committee.

BOARD OF STATUTORY AUDITORS

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

INDEPENDENT AUDIT FIRM

Reconta Ernst & Young S.p.A.

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

Consolidated Results (3 months)

| (millions of Euro) | 30/06/2006 | 30/06/2005 |
|-------------------------------|------------|------------|
| Revenues | 26.1 | 15.4 |
| Ebitda | 3.8 | 3.3 |
| Amortisation and depreciation | -0.8 | -0.7 |
| Ebit | 2.8 | 2.4 |
| Group net profit | 2.9 | 1.8 |

Consolidated Results (6 months)

| (millions of Euro) | 30/06/2006 | 30/06/2005 |
|-------------------------------|------------|------------|
| Revenues | 48.7 | 29.9 |
| Ebitda | 7.2 | 6.3 |
| Amortisation and depreciation | -1.6 | -1.4 |
| Ebit | 5.2 | 4.6 |
| Group net profit | 4.6 | 3.5 |

Consolidated balance sheet as at June 30, 2006

| (millions of Euro) | 30/06/2006 | 31/12/2005 |
|-----------------------------------|------------|------------|
| Net working capital | 5.4 | 0.7 |
| Net Capital employed | 23.8 | 18.1 |
| Shareholders' Equity | 46.2 | 40.2 |
| Short-term net financial position | 23.1 | 23.0 |
| Number of employees | 290 | 251 |

INTRODUCTION

The consolidated quarterly report at June 30, 2006 was prepared in accordance with the provisions of the International Accounting Standard No. 34 “Interim Reporting” (IAS 34) and, in relation to the accounting principles, in accordance with IAS/IFRS issued by the IASB and standardised by the European Union as per article 81 of the Issuers’ Regulations No. 11971, issued by Consob on May 14, 1999, and subsequent amendments. For comparative purposes, the figures for the previous periods were also prepared in accordance with IAS/IFRS.

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

Consolidation principles

The present quarterly report includes the quarterly results of the Parent Company Dada S.p.A. and of the companies it controls as at June 30, 2006. Based on the accounting standards applied, the control of a company is defined as when the company has the power to determine the financial and operating policies of a company so as to benefit from its activities.

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

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

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

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

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

In addition, as reported below, the investment in the company Planet Com was sold at the beginning of July whose income statement was therefore fully consolidated for the period prior to disposal with separate indication of the result from discontinued operations. The balance sheet shows the aggregated assets and liabilities from discontinued operations, while in the reclassified balance sheet this account is divided between current and financial assets and current and long-term liabilities.

The consolidation scope for the period is shown below:

| Consolidation scope | At June 30, 2006 | | | At December 31, 2005 | | | At June 30, 2005 | | |
|--|------------------|---------------|----------------|----------------------|--------------|----------------|------------------|---------------|----------------|
| | Values: Euro/000 | Perc. Held | Period Consol. | Share capital | Perc. Held | Period Consol. | Share capital | Perc. Held | Period Consol. |
| Dada S.p.A. (FI) | Parent company | Jan-June 2006 | 2,714 | Parent company | Jan-Dec 2005 | 2,692 | Parent company | Jan-June 2005 | 2,664 |
| Ad Maiora S.p.A. (RM) | | | | | | | 60,00% | Jan-June 2005 | 780 |
| PlanetCom S.p.A. (MI) | 50.00% | Jan-June 2006 | 263 | 50.00% | Jan-Dec 2005 | 263 | 50.00% | Jan-June 2005 | 263 |
| Register S.p.A. (BG) | 97.04% | Jan-June 2006 | 1,913 | 97.04% | Jan-Dec 2005 | 1,913 | 67.89% | Jan-June 2005 | 1,913 |
| Softec S.p.A. (PT) | 50.00% | Jan-June 2006 | 300 | 50.00% | Jan-Dec 2005 | 300 | 50.00% | Jan-June 2005 | 300 |
| - WebNet S.r.l. (FI) indirect | 100.00% | Jan-June 2006 | 21 | 100.00% | Jan-Dec 2005 | 21 | 100.00% | Jan-June 2005 | 21 |
| - Altair S.r.l. (PT) indirect | 100.00% | Jan-June 2006 | 10 | 100.00% | Jan-Dec 2005 | 10 | 100.00% | Jan-June 2005 | 10 |
| - Business Engineering S.r.l (PT) ind. | 100.00% | Jan-June 2006 | 21 | 100.00% | Jan-Dec 2005 | 21 | 100.00% | Jan-June 2005 | 21 |
| DadaMobile S.p.A. (FI) | 100.00% | Jan-June 2006 | 9.933 | 100.00% | Jan-Dec 2005 | 9,933 | 100.00% | Jan-June 2005 | 10,885 |
| - Clarence S.r.l. (FI) indirect | 100.00% | Jan-June 2006 | 21 | 100.00% | Jan-Dec 2005 | 21 | 100.00% | Jan-June 2005 | 11 |
| - DadaMobile Inc. (NY - USA) indirect | 100.00% | Jan-June 2006 | | 100.00% | Feb-Dec 2005 | | 100.00% | Feb-June 2005 | |

INFORMATION ON OPERATIONS

Dear Shareholders,

In the second quarter of 2006 the DADA Group recorded consolidated revenue of Euro 26.1 million with an increase of 69.5% compared to the second quarter of 2005 (Euro 15.4 million) and 15% compared to the first quarter of 2006. In the first half-year the Group recorded total sales of Euro 48.7 million, an increase of 63% compared to 2005.

The Ebitda in the quarter was Euro 3.8 million compared to Euro 3.3 million in the second quarter of the previous year (increase of 18%), and Euro 3.2 million in the previous quarter (increase of 19%).

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

| Amounts in Euro/thousands | June 30, 2006 | | June 30, 2005 | | DIFFERENCE | |
|--|---------------|-------------|---------------|-------------|---------------|------------|
| | 3 months | | 3 months | | Absolute | % |
| | Amount | % | Amount | % | | |
| Net Revenues | 26,078 | 100% | 15,413 | 100% | 10,665 | 69% |
| Changes in inventory & inter. work capitalised | 790 | 3% | 416 | 3% | 374 | 90% |
| Service costs and other operating costs | -19,544 | -75% | -9,811 | -64% | -9,733 | 99% |
| Personnel costs | -3,477 | -13% | -2,724 | -18% | -753 | 28% |
| Ebitda | 3,847 | 15% | 3,294 | 21% | 553 | 17% |
| Amortisation and depreciation | -838 | -3% | -748 | -5% | -90 | 12% |
| Non-recurring income (charges) | 45 | 0% | -150 | -1% | 195 | -130% |
| Amortisation and depreciation | -224 | -1% | -35 | 0% | -189 | 540% |
| Ebit | 2,830 | 11% | 2,361 | 15% | 469 | 20% |

The breakdown of sales by sector reports the greater contribution of the Consumer Division, which accounts for 79% of the consolidated revenues in the quarter, an increase compared to the same period of the previous year and the first quarter of 2006, which accounted for 63% and 73% respectively. In this sector, the DADA Group is positioned as market leader in the entertainment services, based on mobile and web platforms, achieving important growth in both the number of users paying for the services and the number of products launched.

The Business Division contributed 13% to the Group turnover, compared to 26% in the second quarter of 2005.

The contribution of the Self Provisioning Division on the consolidated revenues was 8%, in line with the previous year.

The geographic breakdown of sales reports a significant increase in international operations, accounting for 37% of the DADA Group consolidated revenues in the second quarter, compared to 31% in the first quarter and 15% in the final quarter of 2005.

The operations in the United States contributed significantly to this growth, a market in which the DADA Group operates through its subsidiary Dadamobile Inc. In the same period in the previous year, this international expansion was in the start-up phase and therefore the contribution to sales was marginal.

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

The consolidated Ebitda in the quarter was Euro 3.8 million (margin of 15% on the consolidated turnover), an improvement compared to the same period in the previous year, which amounted to Euro 3.3 million (margin of 21%).

The growth in the relative margin is lower than the growth in turnover. This is due to the fact that in the quarter just ended, as for the previous quarter, the DADA Group sustained its important economic investments in the creation and strengthening of the Consumer Division's subscription user base.

This activity was particularly important in some of the international bases. In relation to this, the expenses in the quarter for the acquisition of clients was Euro 10.6 million, while in the previous quarter these costs amounted to Euro 9.5 million. Therefore, the total costs in the first half-year were over Euro 20 million. In the second quarter of 2005, these expenses amounted to Euro 1.5 million and in the first half-year of 2005 amounted to Euro 3.8 million.

It is recalled that the business model of these services is characterised by the time deferral between the initial cost necessary for the creation of the customer base and the related economic returns. This expansion policy continued after the end of the period (in particular the international expansion) .

Within the individual cost accounts, personnel costs increased in absolute terms by 28% compared to the second quarter of 2005 - however decreasing as a percentage of sales (from 18% to 13%). This increase is entirely related to the increase in the activities of the company and to the growth in the Consumer Division.

In the second quarter of 2006 the consolidated Ebit was Euro 2.8 million (11% of the consolidated turnover), an increase compared to the second quarter of 2005 and the previous quarter which amounted to Euro 2.4 million. The Ebit included write-downs and non-recurring charges of approximately Euro 200 thousand. The amortisation and depreciation of intangible and tangible fixed assets amounted to Euro 0.9 million, an increase compared to the previous year (Euro 0.7 million) and due to the investments made in the development of products and capital expenditures.

The consolidated pre-tax profit for the second quarter of 2006 was Euro 2.8 million, equal to 11% of consolidated revenues and an increase compared to the same period in the previous year which amounted to Euro 2.3 million. The investment income deriving from the interest matured on securities and the liquidity of the Group positively impacting on this account and financial charges in relation to guarantee/financing operations and bank commissions relating to collection services had a negative impact.

The Group net profit for the second quarter of 2006 was Euro 2.9 million, equal to 11% of consolidated revenues, compared to Euro 1.8 million in the same period of the previous year.

This result was impacted by income taxes of Euro 0.8 million, principally relating to Irap taxes. Deferred tax income was also recorded amounting to Euro 1.5 million - calculated on the temporary timing differences of provisions and write-downs made in previous years, and on part of the fiscal losses carried forward. The Group has matured fiscal losses carried forward of Euro 70 million, of which Euro 46 million for an unlimited period.

A summary of the principal consolidated balance sheet accounts of the Dada Group at June 30, 2006 are shown below compared with December 31, 2005:

Financial position and balance sheet

The composition of the short-term net financial position at June 30, 2006 is shown below:

| Amounts in Euro/thousands | June 30, 2006 | Dec. 31, 2005 | DIFFERENCE | |
|--|------------------|------------------|------------|-----------|
| | Amount | Amount | Absolute | % |
| Short-term bank debt | -1,212 | -734 | -478 | 65% |
| Short-term fin. receivables and securities | 2,972 | 11,894 | -8,922 | -75% |
| Cash and cash equivalents | 21,307 | 11,877 | 9,430 | 79% |
| Short-term net financial position | 23,067 | 23,037 | 30 | 0% |

The short-term Consolidated Net Financial Position at June 30, 2006 was a positive amount of Euro 23.1 million, compared to Euro 23 million at December 31, 2005 and Euro 23.4 million at March 31, 2006. During the first six months of 2006, there was therefore an increase in this figure in absolute terms of Euro 0.1 million. The investments made in expanding the user base in some foreign countries, as well as technology investments and expenses for the development of products and processes resulted in a lower growth in the net financial position compared to the previous quarters.

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

The total net financial position (that also includes medium/long term sources and uses) amounted to Euro 22.4 million, net of payables to banks and other lenders repayable beyond one year of Euro 0.7 million. This position was Euro 22 million at December 31, 2005.

The composition of the net working capital at June 30, 2006 is shown below:

| Amounts in Euro/thousands | June 30, 2006 | Dec. 31, 2005 | DIFFERENCE | |
|--|------------------|------------------|--------------|-------------|
| | Amount | Amount | Absolute | % |
| Fixed assets (A) (*) | 20,900 | 19,704 | 1,196 | 6% |
| Current assets (B) | 48,386 | 34,999 | 13,387 | 38% |
| Current liabilities C | -43,009 | -34,276 | -8,733 | 25% |
| Net working capital (D) = (B)-(C) | 5,377 | 723 | 4,654 | 644% |

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

The net working capital at June 30, 2006 records an increase compared to December 31, 2005 and compared to March 31, 2006, principally due to the investments made for the launch of the products in the Consumer Division in some overseas countries.

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

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.

Within the composition of the net working capital accounts, it is noted that a significant part of the trade receivables are concentrated on a limited number of high standing clients. In particular, approximately 75% of the total value of the Group receivables is due from telephone operators and from which a large part of the sales are generated for payment services of the Consumer division, that as previously reported have increased significantly in recent months.

The investment activities have principally related to the purchase of tangible fixed assets for the renewal of the technical structure of approximately Euro 900 thousand, and the expenses for the development of new products and services (and other intangible assets) of Euro 1,490 thousand. The positive investment cash flow relates to the disposal of financial assets and income from investments.

Other Information

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

The Board, on the proposal of the Remuneration Committee of the Company, approved the regulations of the Plan and assigned 700,700 options for the subscription of the same number of ordinary DADA shares to 10 Directors holding specific offices and

Top Managers of the Group, also approving a share capital increase totalling Euro 119,119.00 to service the above-mentioned options.

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

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

In further implementing the optimisation of the Group structure, Dada S.p.A. completed the sale of the entire investment held in Planet Com S.p.A., equal to 50% of the share capital.

Dada's strategy is to focal on its wholly owned subsidiaries and its core businesses, represented by the scalable services related to the community and entertainment world accessible via web and mobile. In the first quarter of 2006 these services represented 74% of Dada's consolidated sales and registered sales in constant growth.

Dada sold the entire holding in Planet Com S.p.A., specialised in judicial court auctions, to Asteimmobili.it S.p.A. for a cash payment of Euro 2.5 million, of which Euro 2 million payable on the purchase date and the remainder payable on September 30, 2006.

The number of personnel in the Dada Group at June 30, 2006 was 290 (of which four executives), while at December 31, 2005, the number of personnel was 250 and at March 31, 2006 the number was 283 (of which four executives).

SEGMENT INFORMATION OF THE GROUP AS PER IAS 14

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

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

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

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

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

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

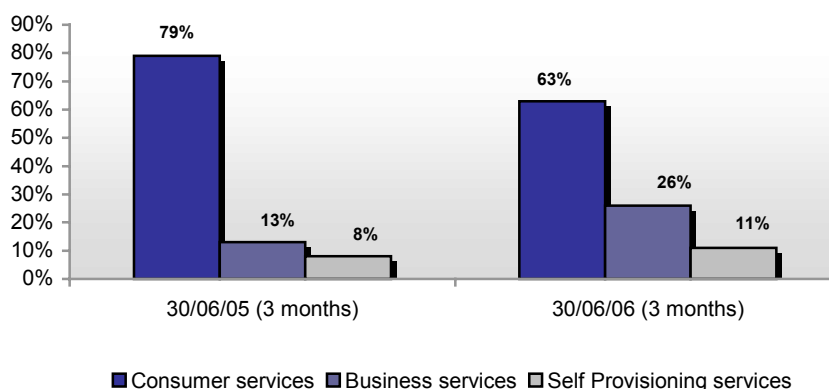
The segment costs and revenues are considered before infra-divisional balances, which are eliminated in the consolidation process (column "adjustments" of the tables).

The secondary segment was determined as two geographic areas.

Break Down of consolidated sales in the three divisions

| Description | 30/06/2006 | | 30/06/2005 | |
|------------------------------|---------------|-------------|---------------|-------------|
| | Amount | % of total | Amount | % of total |
| Consumer Services | 20,628 | 79% | 10,032 | 63% |
| Business Services | 3,501 | 13% | 4,145 | 26% |
| Self-Provisioning Services | 2,144 | 8% | 1,751 | 11% |
| Intra-divisional revenues | -195 | | -515 | |
| Consolidated Revenues | 26,078 | 100% | 15,413 | 100% |

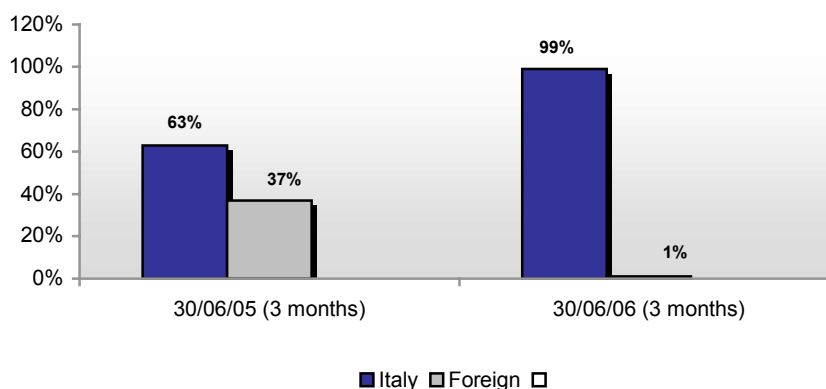
The percentages are calculated based on the sales figures of the three divisions, gross of intra-divisional revenues



Division of consolidated sales by geographic area

| Description | 30/06/2006 | | 30/06/2005 | |
|------------------------------|---------------|-------------|---------------|-------------|
| | Amount | % of total | Amount | % of total |
| Revenues Italy * | 16,482 | 63% | 15,240 | 99% |
| Revenues Overseas | 9,596 | 37% | 173 | 1% |
| Consolidated Revenues | 26,078 | 100% | 15,413 | 100% |

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



* The figure in 2005 was positively impacted by various contractual recognitions of revenues with a mobile phone operator. At pro-forma level, sales in 2005 would have been lower by Euro 1.4 million with a neutral effect on the Ebitda.

CONSUMER SERVICES

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

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

Operational Performance

In the second quarter of 2006 Dada confirmed its choice to focus on Consumer services continuing and implementing important new Web and Mobile projects on the domestic and international markets.

Internationalisation

In the second quarter of 2006, the turnover from international operations amounted to 47% of revenues in the Consumer Division, an increase from 39% compared to Q1 2006.

In the United States, where the Company operates through its subsidiary Dadamobile Inc., this market is confirmed as the most important market for Dada at international level.

The DADA.net service, launched in the USA in Q2 2005, recorded sales of Euro 8 million in Q2 2006, 38% of the total revenues in the Consumer Division, an increase of 35% compared to Q1 2006.

The second quarter, as per plan, saw the start-up of the DADA.net business in Spain, Belgium and Austria.

Dada therefore currently offers its value added Services/Products in Italy, the USA, Germany, the UK, France, China, Portugal, Australia, Spain, Belgium and Austria.

Italy

In the second half of 2006, Dada will confirm its leadership in the Web and Mobile Community & Entertainment services in the domestic market, with over:

- 1.1 million clients in its VAS mobile services
- 2.2 million registered users on its Community
- 14.1 million unique browsers per month on its web sites superEva, Clarence and Dadamobile.

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 revenues, especially for subscription to the DADA.net service.

Dada believes in the potential of this channel, as it forms a part of the mobile internet services now available, and will have an ever-increasing influence on the success of the services offered by Dada, resulting in an increased customer base and in opportunities for use at any time of day.

Dada.net and Rebranding

The second quarter saw the definitive launch of the single Dada.net (<http://it.dada.net/>) product which through its Mobile Dada, Love Dada and Life Dada sections, offers its subscribers an integrated Mobile Entertainment, Dating, Blog and Community environment based on AJAX technology, which, thanks to the complete and transparent integration of the mobile and internet platforms, increases its value and simplifies and maximises its chance of success.

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

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

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

Significant resources were used by the company in the new branding strategy, which was implemented simultaneously to the launch of the single product.

The branding strategy of Dada was completely revisited with emphasis on simplicity, convergence and internationalisation.

"Dada.net" became the brand which unifies, characterises and personifies the entire consumer offer, from a single domain access to the community & entertainment universe: love.dada.net, mobi.dada.net, life.dada.net.

Also the new Dada logo - now more lively, attractive, lucid and emotional - marks an important step in the evolution of the company.

Net Marketing

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

CPM - with advertising being the driver of the campaign, that is the number of times the advertising message is visited

CPC - where the number of clicks which DADA is able to bring to the client's site through its own platform is the driver.

CPA - where DADA has a full Net Marketing structure operating with a success fee based on defined criteria such as: registered users, purchases made, forms issued, etc.

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

RCS and Dada collaboration

In the second quarter of 2006, the "RCS mobile" service, a mobile phone information service and personalised entertainment package ("powered by" Dada), completed a successful initiative which not only won over a very young target, but also an adult user base.

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

Consumer Services results

| Consumer Services | | | | | | |
|----------------------------------|------------------------|------------|------------------------|------------|---------------|-------------|
| In Euro thousands | 30/06/06 (3 months) | | 30/06/05 (3 months) | | Change | |
| | Amount | % of total | Amount | % of total | Absolute | % |
| Revenues - third parties Italy | 10,964 | 53% | 9,558 | 95% | 1,406 | 15% |
| Revenues - third parties Foreign | 9,596 | 47% | 173 | 2% | 9,423 | 5447% |
| Revenues - inter-sector | 59 | 0% | 301 | 3% | -242 | -80% |
| Net sales | 20,619 | | 10,032 | | 10,587 | 106% |
| Increases in internal work | 638 | 3% | 265 | 3% | 373 | 141% |
| Servcies | -16,008 | -78% | -6,872 | -69% | -9,136 | 133% |
| Personnel costs | -1,729 | -8% | -1,054 | -11% | -675 | 64% |
| Segment Ebitda | 3,519 | 17% | 2,370 | 24% | 1,150 | 49% |
| Amortisation and depreciation | -372 | -2% | -360 | -4% | -12 | 3% |
| Segment Ebit | 3,147 | 15% | 2,009 | 20% | 1,138 | 57% |

The Division ended the second quarter of 2006 with total sales of Euro 20.6 million, compared to Euro 16.9 million in the previous quarter (+20%) and Euro 10 million in the first quarter of 2005 (+100%).

It is underlined that in the quarter just ended and in the previous quarters the international activity saw significant increases in turnover, consisting of 47% of the total revenues of the division and approximately 37% of the consolidated net revenues of the Group.

In the same period of the previous year, the contribution of the international operations was marginal as the international expansion was in its start-up phase.

The Ebitda in the quarter was Euro 3.5 million (17% of sales), compared to Euro 2.4 million in the same period of the previous year. As previously mentioned, the margin percentage should be considered in view of the launch of the international operations, whose full benefits will be seen in the coming quarters.

The Ebit in the segment was Euro 3.1 million (15% of division sales) after amortisation and depreciation of Euro 0.4 million. In the second quarter of 2005, this amounted to Euro 2 million.

The contribution of the Consumer Division to the total consolidated results continues to increase, with the turnover in the second quarter representing 79% of the consolidated net revenues of the Group while amounting to 80% of the Group Ebitda and 75% of the Group Ebit.

BUSINESS SERVICES

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

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

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

In particular, the first quarter of the year saw the realisation of an important project for H3G Italia, as evidence of multidisciplinary requested. DADA has manufactured 25 multimedia jukeboxes that will be placed at TRE sales points in Italy. The jukeboxes allow you to record music, video and films on to TRE mobiles, with an innovative system of interconnection and updates, created entirely by DADA. This venture combines mobile solutions, web design and system integration competences, as well as a strong creative flair, giving the consumer easy access to the world of TRE.

Business Services results

| Business Services | | | | | | |
|--------------------------------|------------------------|------------|------------------------|------------|-------------|-------------|
| In Euro thousands | 30/06/06 (3 months) | | 30/06/05 (3 months) | | Change | |
| | Amount | % of total | Amount | % of total | Absolute | % |
| Revenues - third parties Italy | 3,430 | 98% | 4,006 | 97% | -576 | -14% |
| Revenues - inter-sector | 80 | 2% | 139 | 3% | -59 | -43% |
| Net sales | 3,509 | | 4,145 | | -636 | -15% |
| Increases in internal work | 47 | 1% | 45 | 1% | 2 | 5% |
| Services | -2,319 | -66% | -2,468 | -60% | 148 | -6% |
| Personnel costs | -953 | -27% | -1,087 | -26% | 134 | -12% |
| Segment Ebitda | 284 | 8% | 635 | 15% | -351 | -55% |
| Amortisation and depreciation | -111 | -3% | -220 | -5% | 109 | -50% |
| Segment Ebit | 173 | 5% | 415 | 10% | -242 | -58% |

The Business Division ended the second quarter of 2006 with a turnover of Euro 3.5 million, a decrease compared to the second quarter of 2005, which amounted to Euro 4.1 million. It is recalled that from the fourth quarter of 2005 the company Ad Maiora S.p.A. was deconsolidated, which had contributed sales of Euro 0.5 thousand in the second quarter of 2005. Therefore, at pro-forma level the sales were in line with the previous year.

The Ebitda was Euro 0.3 million, a decrease compared to the previous year which amounted to Euro 0.6 million and which had benefited from the contribution of the company Ad Malora for Euro 0.2 million.

The Ebit amounted to Euro 0.2 million, after amortisation and depreciation of approx. Euro 0.1 million.

SELF PROVISIONING SERVICES

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

The second quarter of 2006 was strongly characterised by the introduction at a European level of the registration of the .EU domains. Register.it registered over 25,000 domains for over 10,000 clients in the first three months of activity, in addition to the over 8,000 registration requests received during the 4 month sunrise period. Register.it represents one quarter of the Italian market.

Overall, the second quarter of 2006 was the most active in the recent history of Register.it, amounting to over 90,000 domains between new and renewals and over 9,000 new clients acquired.

It is noted that 9,000 new paying customers were acquired in the first three months of 2006 (approx. 4,300 Q1 2005) partly on account of the interest generated by .EU pre-registrations, and 27,500 new domains were registered (21,000 Q1 2005). Due to existing customer retention incentives, over 39,000 domains were renewed, with an average renewal rate of 75%, compared to 32,000 in Q1 2005 (72.5%).

Results of the Self Provisioning Services

| Self Provisioning | | | | | | |
|--------------------------------|------------------------|------------|------------------------|------------|-------------|-------------|
| In Euro thousands | 30/06/06 (3 months) | | 30/06/05 (3 months) | | Change | |
| | Amount | % of total | Amount | % of total | Absolute | % |
| Revenues - third parties Italy | 2,088 | 97% | 1,675 | 96% | 412 | 25% |
| Revenues - inter-sector | 56 | 3% | 76 | 4% | -20 | -26% |
| Net sales | 2,144 | | 1,751 | | 392 | 22% |
| Increases in internal work | 105 | 5% | 92 | 5% | 13 | 14% |
| Servcies | -1,140 | -53% | -680 | -39% | -460 | 68% |
| Personnel costs | -554 | -26% | -447 | -26% | -108 | 24% |
| Segment Ebitda | 554 | 26% | 716 | 21% | -162 | -23% |
| Amortisation and depreciation | -219 | -10% | -137 | -8% | -82 | 60% |
| Segment Ebit | 335 | 16% | 579 | 17% | -244 | -42% |

The sales in the Self Provisioning Division in the first quarter of 2006 amounted to Euro 2.2 million, an increase of 22% compared to the previous year, which amounted to Euro 1.6 million. The .EU domain pre-launch registration phase contributed to the increase.

There was an increase in service costs which had an impact on the margin in the period.

This increase in costs was related to the launch of the .EU domains whose benefits will already be in evidence from the next quarter. This reduction in the margin is to be considered temporary and limited to the period.

The Ebit in the segment was Euro 0.4 million (16% of division sales) after depreciation and amortisation of Euro 219 thousand. In the second quarter of the previous year the Ebit was Euro 0.5 million. In relation to amortisation and depreciation, the previous considerations apply in relation to the impact of the international accounting standards.

The Self Provisioning Division also recorded deferred revenues of approx. Euro 5.2 million at June 30, 2006.

SUBSEQUENT EVENTS TO THE PERIOD END

The figures after the end of the period confirm the revenues trend in the first 6 months of the year. There has been a growth in international activity in particular - the contribution of which is expected to be seen in the following quarters.

Florence, July 28, 2006

For the Board of Directors

The Chairman, Paolo Barberis



**CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AS AT JUNE 30, 2006 PREPARED IN
ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS**

| ASSETS | 30/06/06 (6 months) | 31/12/05 (12 months) |
|---|--------------------------------|---------------------------------|
| <i>Non-current assets</i> | | |
| Goodwill | 9,262 | 9,261 |
| Intangible assets | 4,931 | 4,304 |
| Other tangible assets | 3,746 | 3,229 |
| Equity investments in non-consolidated subsidiaries, associated and other companies | - | 15 |
| Financial assets | 244 | 248 |
| Deferred tax assets | 4,975 | 4,829 |
| Total non-current assets | 23,158 | 21,886 |
| <i>Current assets</i> | | |
| Inventories | 150 | 372 |
| Trade receivables | 28,242 | 23,499 |
| Tax and other receivables | 15,365 | 8,946 |
| Financial assets held for trading | 2,972 | 11,894 |
| Cash and cash equivalents | 20,528 | 11,877 |
| Total current assets | 67,257 | 56,588 |
| Non-current assets of discontinued operations | 3,149 | - |
| TOTAL ASSETS | 93,564 | 78,474 |

**CONSOLIDATED BALANCE SHEET OF THE DADA GROUP AS AT JUNE 30, 2006 PREPARED IN
ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS**

| SHAREHOLDERS' EQUITY AND LIABILITIES | 30/06/06 (6 months) | 31/12/05 (12 months) |
|---|------------------------|-------------------------|
| SHAREHOLDERS' EQUITY AND LIABILITIES | | |
| <i>Capital and reserves</i> | | |
| Share Capital | 2,715 | 2,692 |
| Share premium reserve | 29,493 | 28,085 |
| Legal reserve | 538 | 406 |
| Other reserves | -1,319 | -6,065 |
| Retained earnings/accumulated losses | 9,668 | 7,349 |
| Profit for the period | 4,557 | 7,222 |
| Total Group shareholders' equity | 45,652 | 39,689 |
| Minority interest share | 511 | 520 |
| Total Shareholders' Equity | 46,163 | 40,209 |
| <i>Medium/long term liabilities</i> | | |
| Bank loans (beyond one year) | 611 | 934 |
| Provisions for risks and charges | 789 | 836 |
| Employee leaving indemnities | 1,590 | 1,455 |
| Other payables beyond one year | 0 | 30 |
| Total medium/long liabilities | 2,990 | 3,255 |
| <i>Current liabilities</i> | | |
| Trade payables | 28,520 | 22,371 |
| Other payables | 10,115 | 9,965 |
| Tax payables | 2,012 | 1,940 |
| Bank overdrafts and loans (within one year) | 1,168 | 734 |
| Total current liabilities | 41,815 | 35,010 |
| Non-current liabilities of discontinued operations | 2,596 | 0 |
| TOTAL EQUITY & LIABILITIES | 93,564 | 78,474 |

CONSOLIDATED INCOME STATEMENT OF THE DADA GROUP AS AT JUNE 30, 2006 PREPARED IN ACCORDANCE WITH IAS/IFRS ACCOUNTING STANDARDS

| | 30/06/06 (6 months) | 30/06/05 (6 months) |
|---|--------------------------------|--------------------------------|
| Operating activities: | | |
| Net revenues from “operating activities” | 45,609 | 29,934 |
| Cost of raw materials and consumables | -24 | -68 |
| Changes in inventory & inter. work capitalised | 1,486 | 709 |
| Service costs and other operating costs | -33,886 | -19,177 |
| Personnel costs | -6,224 | -5,242 |
| Other operating expenses | -45 | -116 |
| Provisions and write-downs | -224 | -22 |
| Amortisation and depreciation | -1,580 | -1,427 |
| Operating result from “operating activities” | 5,112 | 4,591 |
| Investment income | 313 | 168 |
| Other income and financial charges | -279 | -205 |
| Result from operating activities | 5,146 | 4,554 |
| Income taxes | -588 | -880 |
| Net profit from operating activities | 4,558 | 3,674 |
| Activities relating to discontinued operations: | | |
| Net revenues from “discontinued operations” | 3,138 | |
| Costs from “discontinued operations” | -3,086 | |
| Net result for the period from discontinued operations | 52 | 0 |
| Profit for the period | 4,610 | 3,674 |
| Minority interest profit | -53 | -209 |
| Group net profit | 4,557 | 3,465 |

DADA GROUP CONSOLIDATED QUARTERLY INCOME STATEMENT AS AT JUNE 30, 2006

| Amounts in Euro/thousands | June 30, 2006 | March 31, 2006 | June 30, 2005 |
|--|--------------------|--------------------|--------------------|
| | 3 months Amount | 3 months Amount | 3 months Amount |
| Net Revenues | 26,078 | 22,669 | 15,413 |
| Changes in inventory & inter. work capitalised | 790 | 696 | 416 |
| Service costs and other operating costs | -19,544 | -16,745 | -9,811 |
| Personnel costs | -3,477 | -3,263 | -2,724 |
| Ebitda | 3,847 | 3,357 | 3,294 |
| Amortisation and depreciation | -838 | -779 | -748 |
| Non-recurring income (charges) | 45 | -149 | -150 |
| Provisions and write-downs | -224 | -10 | -35 |
| Ebit | 2,830 | 2,419 | 2,361 |
| Investment income | 155 | 162 | 70 |
| Financial income and charges | -128 | -160 | -116 |
| Profit before taxes | 2,857 | 2,421 | 2,315 |
| Income taxes | 38 | -705 | -478 |
| Net profit | 2,895 | 1,716 | 1,837 |
| Minority interest profit | -16 | -37 | -74 |
| Group net profit | 2,879 | 1,679 | 1,763 |

WORKING CAPITAL AND NET FINANCIAL POSITION OF THE DADA GROUP AS AT JUNE 30, 2006

| Amounts in Euro/thousands | June 30, 2006 | Dec. 31, 2005 |
|--|----------------|----------------|
| | Amount | Amount |
| Fixed assets (A) (*) | 20,900 | 19,704 |
| Current assets (B) | 48,386 | 34,999 |
| Current liabilities C | -43,009 | -34,276 |
| Net working capital (D) = (B)-(C) | 5,377 | 723 |
| Employee leaving indemnity provision (E) | -1,687 | -1,455 |
| Provision for risks and charges (F) | -789 | -836 |
| Net capital employed (A+D+E+F) | 23,801 | 18,136 |
| Medium-long term payables | -704 | -964 |
| Shareholders' equity (G) | -46,164 | -40,209 |
| Short-term bank debt | -1,212 | -734 |
| Short-term fin. receivables and securities | 2,972 | 11,894 |
| Cash and cash equivalents | 21,307 | 11,877 |
| Short-term net financial position | 23,067 | 23,037 |