



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

RESULTS FOR FIRST HALF 2011 APPROVED:

CONSOLIDATED REVENUE AMOUNTS TO €40.2 MN (€36.2 MN in 1H 2010)

EBITDA* COMES IN AT €4.1 MN (€2.1 MN in H1 2010)

EBIT AT -€2.2 MN AFTER NON-RECURRING CHARGES OF €1.6 MN (-€3.7 MN in H1 2010)

NET LOSS OF €2.3 MN (-€1.7 MN at 30 June 2010)

NET FINANCIAL POSITION REDUCED FROM -€50.6 MN AT 31 DECEMBER 2010 TO €25.5 MN

Florence, 27 July 2011 - Today the Board of Directors of Dada S.p.A. approved the Dada Group's Consolidated Half-Year Financial Report at 30 June 2011.

The Group's results in first half 2011

In first half 2011 the Dada Group's asset portfolio was redefined by the sale of Dada.net which, in line with Dada's previously announced strategy to focus its resources on the core business of professional domain and hosting services and advertising on-line, also helped to significantly reduce consolidated financial debt.

Following this transaction and the consequent application of International Financial Reporting Standard 5, relating to "non-current assets held for sale and discontinued operations," as of 1 January 2011 the income-related items of the company sold are shown in a single line of the income statement and its assets, liabilities and financial position in a single line of the balance sheet. For the sake of comparison, last year's income statement has been restated accordingly. The consolidated reporting, as was in the first quarter of the year, is now divided between the **Dada.pro Division** (professional domain registration and hosting services and online advertising solutions) and the **Corporate Division** (chiefly the Parent Company Dada S.p.A. which provides centralized services to subsidiaries). The results of Clarence S.p.A. and Fueps S.p.A., which were outside the scope of the operations being sold and marginal in the first half of 2011, have also been grouped in a separate item.



Consolidated revenue for the Dada Group in first half 2011 amounted to €40.2 million, an increase of approximately 11% with respect to the €36.2 million recorded in first half 2010.

Foreign operations made up 66% of consolidated revenue, versus 50% in the first half of the prior year. This aggregate is largely explained by the growth of the scalable advertising business abroad and the withdrawal from the premium advertising agency business in Italy.

The **Dada.pro** Division recorded revenue of €40.2 million in the first six months of 2011 versus €37.0 million in first half 2010; more in detail, revenue from third parties (net of interdivisional revenue) amounted to €39.8 million, an increase of approximately 11% with respect to the €36 million posted in H1 2010. Revenue in the first half from professional services for domain registration, hosting and online brand protection represented around 70% of the division's revenue, while online advertising contributed the remaining 30%; revenue for both segments was up with respect to first half 2010. The most significant countries in terms of contribution to revenue in the period were Italy, the United Kingdom, France, Spain, Ireland and Portugal.

In the first six months of the year Dada.pro, which today has a customer base of approximately 480 thousand for a total of more than 1.7 million domains under management, confirmed its European leadership in professional services for domain registration and hosting, as well as for online brand protection, positioning itself among the top five market players in Italy, the UK, France, Ireland and Portugal. During the first half the Division successfully achieved its goals: i) to integrate Poundhost's platforms, as well as its dedicated and virtual hosting products, with Namesco's platform in the UK in order to take advantage of cost synergies and business opportunities and ii) to expand the range of services offered by launching new applications which include "WebSite" and "E-commerce" - services for creating, respectively, professional websites and online stores - and by entering into a new strategic partnership with Sedo, the most important domain and website marketplace, in order to offer its customers aftermarket services. In order to further increase the online presence of Italian SMEs, in May the new project "LaMiaImpresaOnline.it" was launched. Born out of a partnership with Google, the purpose of the project is to offer small and medium sized companies professional tools to create their own website and develop their business through the web. As part of the partnership, Dada will provide its simple, flexible and comprehensive e-commerce platform.

In online advertising, the Dada.pro continued with its strategy to strengthen



its scalable advertising business thanks to the consolidation of the Peeplo service, the constant fine-tuning of proprietary algorithms, the close collaboration with the world's main Ad networks as well as to the release of new internationally scalable models such as "Save n' Keep," and the new theme portals like Sconti.it in Italy and OnlyTopDeals.co.uk in the UK.

The **Corporate Division** reported revenue of €2.4 million in first half 2011 (in line with the €2.5 million posted in H1 2010).

Consolidated EBITDA for the first six months of 2011 amounted to €4.1 million or 10% of revenue, an increase with respect to the same period in 2010 (which amounted to €2.1 million due also to the net costs incurred to launch Fueps' online poker).

Service costs - while up slightly in absolute terms - fell significantly as a percentage of consolidated revenue in the first half from 76% to 70%, while payroll costs as a percentage of revenue was unchanged with respect to H1 2010 at 24%.

The Dada.pro Division's EBITDA in the quarter (€5.3 million) showed a decreasing performance with respect to the same period in the prior year (€6.0 million) due primarily to lower internal works capitalized for the development of proprietary platforms and an increase in the cost of labour.

The Group's **EBIT** in first quarter 2011 was a negative €2.2 million (-€3.7 million in H1 2010), affected in particular by depreciation and amortization of €3.9 million (in line with the €3.8 million recorded in same period of the prior year) and non-recurring charges of approximately €1.6 million (€0.2 million in H1 2010), mostly relating to employee severance.

Net financial charges, which amount to a negative €1.8 million in the period (-€1.2 million in H1 2010), reflected primarily financial charges of €2.5 million (€2.0 million in H1 2010) and a lower financial income due largely to a decrease in exchange gains with respect to the first six months of the previous year. The benefit in terms of debt cost related to the net financial position improvement thanks to the sale of Dada.net had a marginal impact on the first half as the transaction was completed at the end of May.

Tax in the period totalled a negative €0.6 million (+€0.8 million in H1 2010) and reflects current tax of €0.7 million (IRAP or regional business tax relative to a few Italian companies and tax for the foreign companies which posted positive pre-tax income) and the recognition of deferred tax assets of €0.1 million relative to foreign subsidiaries.



The net profit attributable to assets held for sale was a positive €2.3 million explained primarily by the total capital gain generated by the sale of Dada.net and the disposal of E-Box S.r.l. finalized during the first half.

The consolidated net loss for first half 2011 reached €2.3 million, versus a net loss of €1.7 million at 30 June 2010.

Group Balance Sheet and Financial Position at 30 June 2011

The consolidated net financial position at 30 June 2011 came in at a negative -€25.5 million compared to a negative -€50.6 million at 31 December 2010: this aggregate was impacted, in particular, by the extraordinary transactions completed during the period which generated inflows of €26 million (the consideration received for the sale of Dada.net net of the repurchase of the Sony Music minority and for the disposal of E-Box). Operating activities generated cash of €3.9 million and investments totaling €3.4 million were made in property, plant and equipment and in intangible assets for the internal development of the processes and proprietary platforms used by the Dada.pro Division to provide services. Non-recurring charges of approximately €3 million were also recorded in the first half.

At 30 June 2011 the Dada Group had 374 employees versus 569 at 31 December 2010.

Outlook for the current year

The disposal of Dada.net, which is in line with the previously mentioned strategy to rationalize the asset portfolio, allows to both focus the Group's financial and managerial resources more effectively and to significantly reduce consolidated debt.

Following this transaction the focus of Dada's business and organizational structure is now focused on the core business of internet domain registration and hosting services, as well as on some innovative advertising online activities. The strategic priorities are, on the one hand, the development of the core business, consolidation in strategic markets and, on the other, further improvement of operating efficiency. Internal growth will be based primarily on expanding and innovating the current offer, enhancing the quality of the service, strengthening the sales channels and the marketing initiatives supporting the growth of the international customer base. The efficiency plan currently underway, finalized to further optimize the



general expenses and structural costs, requires some measures, partly already implemented, which will involve extraordinary costs, the larger part of which will be incurred this year.

In light of the overall reference scenario, the measures currently being implemented and in absence of any currently unforeseeable events, the Group's FY 2011 revenue and EBITDA are expected to be in line with the performance recorded in the first half-year.

Statement by the Financial Reporting Officer

The financial reporting officer of Dada S.p.A., Federico Bronzi, declares pursuant to Art. 154 *bis* (2) of the Italian Finance Code (*Testo Unico della Finanza* or TUF) that the financial information contained in this press release corresponds to the Company's records, ledgers and accounting entries.

* EBITDA is gross of impairment losses on receivables and non-recurring charges.

The Consolidated Half-Year Financial Report at 30 June 2011 will be made available to the public at the Company's registered office and via the Italian Stock Exchange (Borsa Italiana) NIS circuit, as well as on the company's website www.dada.eu in accordance with the law. Please note that the External Auditors report has not been released yet.

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