



# CONSOLIDATED QUARTERLY REPORT OF THE DADA GROUP AS AT MARCH 31, 2007

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

Registered Office: Viale Giovine Italia, 17 - Florence  
Share capital Euro 2,736,503.43 fully paid-in  
Florence Company Registry Office No. Flo17- 68727 - REA 467460  
Fiscal code/VAT 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 <sup>1</sup>
Angelo Falchetti	Managing Director
Salvatore Amato	Director <sup>2,3,4</sup>
Marco Argenti	Director
Lorenzo Lepri Pollitzer	Director
Raffaello Napoleone	Director <sup>2,3</sup>
Barbara Poggiali	Director <sup>4</sup>
Roberto Ravagnani	Director
Alberto Ronzoni	Director
Riccardo Stilli	Director
Giorgio Valerio	Director
Pietro Varvello	Director
Danilo Vivarelli	Director <sup>2,3,4</sup>

1 - Chairman with powers to sign, exercisable in the event of the absence or impediment of the other delegated bodies, currently not utilised.

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

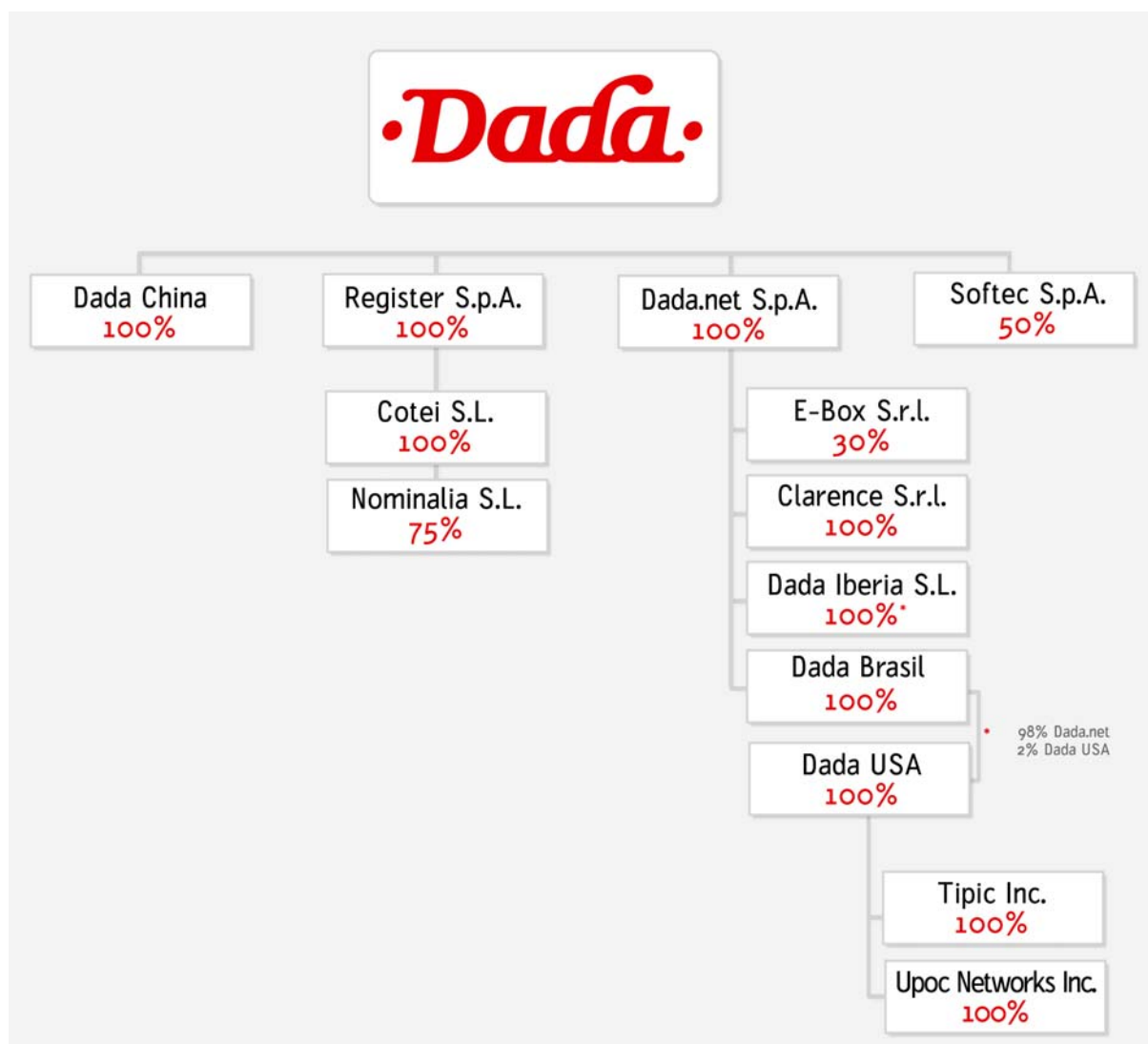
3 - member of the Internal Control Committee

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

## STRUCTURE OF THE DADA GROUP



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

### Consolidated Results (3 months)

(millions of Euro)	31/03/2007	31/03/2006
Revenues	35.4	22.7
Ebitda	4.7	3.4
Amortisation and depreciation	-1.0	-0.8
Ebit	3.7	2.4
Group result	3.1	1.7

### Consolidated balance sheet as at March 31, 2007

(millions of Euro)	31/03/2007	31/12/2006
Net working capital	5.2	7.0
Net Capital employed	44.3	42.8
Shareholders' Equity	59.5	54.3
Short-term net financial position	15.2	11.8
Number of employees	417	373

## INTRODUCTION

The consolidated quarterly report at March 31, 2007 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, it is therefore 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.

## DADA GROUP PROFILE

**Dada S.p.A.** is the leader in Italy 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 in the STAR segment (DA.MI) and includes the RCS group (which holds approximately 44.2%) among its shareholders, in addition to the management and founding shareholders with approximately 14.6% of the share capital.

Dada’s services are provided through **the community Dada.net** ([www.dada.net](http://www.dada.net)) and the brands **life.Dada.net**, **mobi.Dada.net** and **love.Dada.net** – and offers its customers a broad range of fee-based community and entertainment products and services to communicate, entertain and educate, and are accessible both via PC and mobile phone (through the SMS/MMS channel and the micro-portals of the main mobile phone operators). With its consumer offer, Dada operates, in addition to Italy, in the United States – through the subsidiary Dada USA, in Spain through the subsidiary Dada Iberia, in Brasil through the subsidiary Dada Brasil, in China through the subsidiary Dada China and in **Portugal, Germany, the United Kingdom, France, Belgium, The Netherlands, Austria, Hungary, Czech Republic, Canada, Australia, Indonesia, India, Mexico, Argentina, Chile, Columbia and Uruguay.**

The professional services in the self-provisioning division (Dada.pro) are provided by the subsidiary Register.it S.p.A. ([www.register.it](http://www.register.it)), consolidated leader in the registration of Internet domain names, which has recently acquired Nominalia S.L., leader in Spain in the same sector.

## Consolidation principles

The present quarterly report includes the quarterly results of the Parent Company Dada S.p.A. and of the companies it controls as at March 31, 2007. 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 for the period is shown below:

<i>Consolidation scope</i>	At March 31, 2007			At December 31, 2006			At March 31, 2006		
	Perc. Poss.	Period Consol.	Share Capital	Perc. Poss.	Period Consol.	Share Capital	Perc. Poss.	Period Consol.	Share Capital
Dada S.p.A. (FI)	Parent Company	Jan - Mar 2007	2,714	Parent Company	Jan - Dec 2006	2,714	Parent Company	Jan - Mar 2006	2,692
PlanetCom S.p.A. (MI)*	-	-	-	-	-	-	50.00%	Jan - Mar 2006	263
Media Dada Science and Development Co. Ltd (Beijing - CHINA) ***	100.00%	Jan - Mar 2007	759	-	-	-	-	-	-
Register S.p.A. (BG)	100%	Jan - Mar 2007	1913	97.04%	Jan - Dec 2006	1913	97.04%	Jan - Mar 2006	1913
- Cotei SL (Barcelona - ES) ind.	66.75%	Jan - Mar 2007	23	66.75%	Aug - Dec 2006	23	-	-	-
- Nominalia SL (Barcelona - ES) ind.	75.00%	Jan - Mar 2007	3	75.00%	Aug - Dec 2006	3	-	-	-
Softec S.p.A. (Pistoia)	50.00%	Jan - Mar 2007	300	50.00%	Jan - Dec 2006	300	50.00%	Jan - Mar 2006	300
- WebNet S.r.l. (FI) ind.	100.00%	Jan - Mar 2007	21	100.00%	Jan - Dec 2006	21	100.00%	Jan - Mar 2006	21
- Business Engineering Srl (PT) ind.	100.00%	Jan - Mar 2007	21	100.00%	Jan - Dec 2006	21	100.00%	Jan - Mar 2006	21
Dadamobile S.p.A. (FI)**	100.00%	Jan - Mar 2007	9933	100.00%	Jan - Dec 2006	9933	100.00%	Jan - Mar 2006	9933
- Clarence S.r.l. (FI) ind.	100.00%	Jan - Mar 2007	21	100.00%	Jan - Dec 2006	21	100.00%	Jan - Mar 2006	21
- Dada USA Inc (NY - USA) ind.**	100.00%	Jan - Mar 2007		100.00%	Jan - Dec 2006		100.00%	Feb - Mar 2006	
- Upoc Inc (NY - USA) ind.	100.00%	Jan - Mar 2007	17	93.00%	Sept - Dec 2006	17	-	-	-
- Dada Brasil Serviços de Tecnologia Ltda (SP - BR) ind.	100.00%	Jan - Mar 2007	163	100.00%	Jun - Sep 2006	163	-	-	-
- Tipic Inc (NY - USA) ind.	100.00%	Jan - Mar 2007	1	100.00%	Nov - Dec 2006	1	-	-	-

\* Company sold on July 4, 2006, only the income statement consolidated for the first 6 months of the year.

\*\* Dadamobile Inc changed its name to Dada USA Inc.

\*\*\* Company non-operative from December 31, 2006.



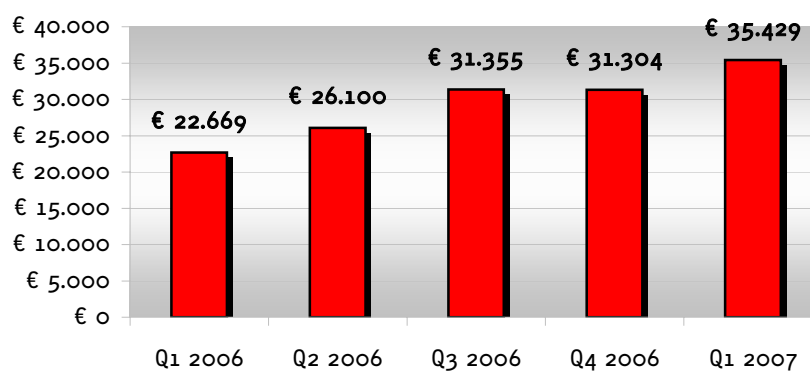
## INFORMATION ON OPERATIONS

Dear Shareholders,

In the first quarter of 2007, the Dada Group recorded consolidated revenues of Euro 35.4 million, an increase of 56% compared to the first quarter of 2006 (Euro 22.7 million) and 13% compared to the fourth quarter of 2006 (Euro 31 million).

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

### CONSOLIDATED QUARTERLY SALES

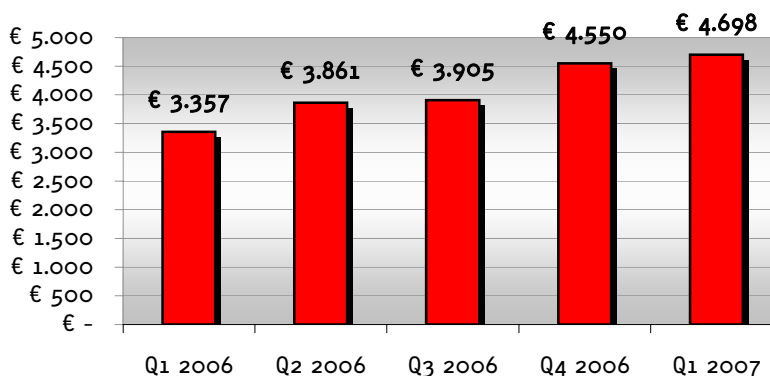


Amounts expressed in Euro/thousand

The consolidated Ebitda of the Dada Group in the first quarter of 2007 amounted to Euro 4.7 million (14% of consolidated sales), an increase of 41% compared with the first quarter of 2006, which amounted to Euro 3.4 million (14% of consolidated sales), and 5% compared to the fourth quarter of 2006, which amounted to Euro 4.5 million.

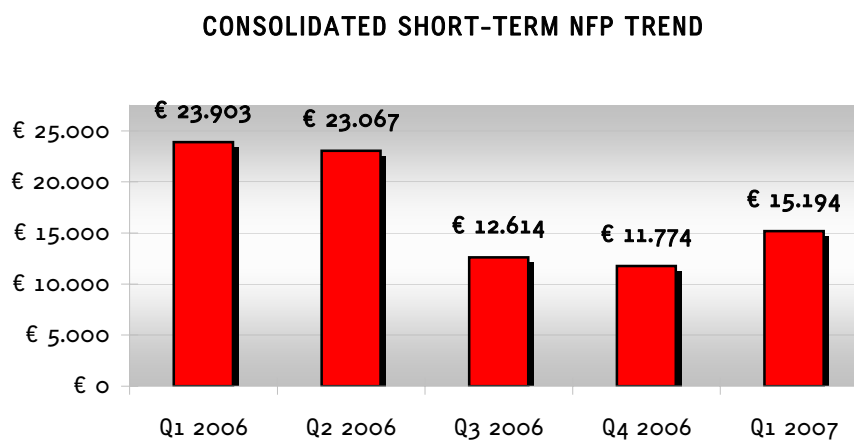
The trend of the consolidated Ebitda in the last 5 quarters is shown in the graph below:

### CONSOLIDATED EBITDA TREND



Amounts expressed in Euro/thousand

The short-term Consolidated Net Financial Position at March 31, 2007 was a positive amount of Euro 15.2 million, compared to Euro 11.8 million at December 31, 2006, therefore an increase of Euro 3.4 million. The graph below shows the changes in the net financial position:



Amounts expressed in Euro/thousand

## Results

A summary is provided below of the results of the Dada Group in the first quarter of 2007, compared to the same period in the previous year:

Amounts in Euro/thousand	Mar 31, 07 3 months		Mar 31, 06 3 months		DIFFERENCE	
	Amount	% of total	Amount	% of total	Absolute	Percentage
<b>Net Revenues</b>	<b>35,429</b>	<b>100%</b>	<b>22,669</b>	<b>100%</b>	<b>12,760</b>	<b>56%</b>
Increases in internal work	795	2%	696	3%	99	14%
Services	-25,890	-73%	-16,745	-74%	-9,039	54%
Personnel costs	-5,636	-16%	-3,263	-14%	-2,373	73%
<b>Ebitda</b>	<b>4,698</b>	<b>13%</b>	<b>3,357</b>	<b>15%</b>	<b>1,447</b>	<b>43%</b>
Amortisation and depreciation	-963	-3%	-779	-3%	-184	24%
Non-recurring income (charges)	-	-	-149	-1%	43	-29%
Revaluations/(Write-downs)	-	-	-10	-	10	-100%
<b>Ebit</b>	<b>3,735</b>	<b>11%</b>	<b>2,419</b>	<b>11%</b>	<b>1,316</b>	<b>54%</b>

The Dada Group ended the first quarter of 2007 with sales of Euro 35.4 million compared to Euro 22.7 million in the same period of the previous year and Euro 31.4 million compared to the fourth quarter of 2006.

In the comparison of the quarters, the following changes in the consolidation area took place:

- in the first quarter of 2006, the company Planet Com S.p.A. was fully consolidated (sold in July 2006) with a contribution to revenues of Euro 1.7 million;
- in the first quarter of 2007, the companies Nominalia SL (acquired in July 2006), Upoc Inc. (acquired in August 2006), Tipic Inc. (acquired in November 2006) and the company Dada Brasil (operative since December 2006) were fully consolidated for the whole period, contributing sales in the quarter of Euro 2.8 million.

At divisional level, it is recalled that from the current year the reorganisation 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 "Segment information", the principal change is represented by the creation of the Dada.adv Division which comprises the placement and sale of web and mobile advertising, the purchase and management of Web traffic for all of the group, as well as revenue sources from the previous Business Division.

The revenue sources from web and mobile advertising were previously attributed to the Consumer Division, now Dada.net, which consequently is focused on web and mobile added value service.

The Self-Provisioning Division was renamed Dada.pro.

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

The **Dada.net Division** contributed 72% to consolidated revenues in the first quarter.

This contribution has increased compared to the same period of the previous year, which accounted for 65% of sales, and is in line with the fourth quarter of 2006. In this sector, the Dada Group is positioned as market leader in 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.

Compared to the first quarter of 2006, the consolidation area has positively changed due to the acquisition of the companies Upoc Inc. and Tipic Inc. and to the incorporation of the company Dada Brasil.

The **Dada.adv Division** accounted for 17% of consolidated sales compared to 25% in the first quarter of 2006 and 14% in the fourth quarter of 2006.

At pro-forma level sales in the division were impacted by the consolidation of the company Planet Com S.p.A. (contribution of Euro 1.7 million), which was sold at the beginning of July and therefore not present in the first quarter of 2007.

The **Dada.pro Division** accounted for 11% of consolidated sales, increasing compared with the same quarter in the previous year (10%) and the previous quarter (10%).

The geographic breakdown of consolidated sales of the Dada Group shows a significant increase in international operations, accounting for 47% of the Dada Group consolidated revenues in the first quarter of 2007, compared to 31% in the first quarter of 2006 and 40% in the fourth quarter of 2006.

The operations in the United States contributed significantly to this growth, a market in which the Dada Group operates through its subsidiary Dada USA 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 4.7 million** (margin of 13.3% on consolidated sales), compared to Euro 3.4 million in the same period of the previous year (margin of 15%).

A significant proportion of the service and other operating costs consisted of expenses incurred in the creation 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 was Euro 12.6 million, while in the first quarter of 2006 these costs amounted to Euro 9.6 million, an increase of 31%.

Within the individual cost accounts, personnel costs increased in absolute terms from Euro 3.3 million in the first quarter of 2006 to Euro 5.6 million in the first quarter of 2007. This increase is entirely related to the increase in the activities of the company and to the growth in the Consumer Division and from the change in the consolidation scope.

The general and overhead costs are substantially in line with the previous quarters.

The change in the consolidation scope previously described had a positive impact of Euro 250 thousand on the Ebitda in the first quarter of 2007 compared to the first quarter of 2006.

In the first quarter of 2007, the **consolidated Ebit was Euro 3.7 million** (11% of the consolidated turnover), an increase of 54% compared to the first quarter of 2006, which amounted to Euro 2.4 million.

The Ebit for the quarter includes amortisation and depreciation on tangible and intangible fixed assets totalling Euro 1 million, while write-downs and non-recurring charges were insignificant.

Depreciation/amortisation increased compared to the previous year (Euro 0.8 million) and compared to the previous quarter, due to the investments made in the development of products and capital expenditures.

The change in the consolidation scope, as previously described, resulted in lower amortisation/depreciation at pro-forma level of Euro 0.1 million in 2006.

**The Group net profit** of the Dada Group at March 31, 2007 was Euro 3.1 million, equal to 9% of consolidated revenues, while in the first quarter of 2006 it amounted to Euro 1.7 million (7% of consolidated revenues). The growth in the net profit compared to the corresponding period of 2006 was therefore 83%.

The Group has matured fiscal losses carried forward of Euro 68 million, of which Euro 46 million for an unlimited period.

## Financial position and balance sheet

The composition of the net financial position at March 31, 2007 is shown below, compared with December 31, 2006:

FINANCIAL POSITION		Mar 31, 07	Dec 31, 06	DIFFERECCE	
				Absolute	Percentage
A	Cash	49	8	41	513%
B	Bank and postal deposits	14,918	10,523	4,395	42%
C	Securities held for trading	2,398	2,456	- 58	-2%
<b>D</b>	<b>Liquidity (A+B+C)</b>	<b>17,365</b>	<b>12,987</b>	<b>4,378</b>	<b>34%</b>
<b>E</b>	<b>Current financial receivables</b>			-	
F	Bank payables - current portion	- 1,916	- 970	- 946	98%
G	Current portion of non-current debt	- 255	- 243	- 12	5%
<b>HH</b>	<b>Current debt (F+G+H)</b>	<b>- 2,171</b>	<b>- 1,213</b>	<b>- 958</b>	<b>79%</b>
<b>II</b>	<b>Current net financial position (I-E-D)</b>	<b>15,194</b>	<b>11,774</b>	<b>3,420</b>	<b>29%</b>
J	Bank payables - non-current portion	-	- 244	244	-100%
K	Other non-current payables			-	
<b>LL</b>	<b>Non-current debt (K+L)</b>	<b>-</b>	<b>- 244</b>	<b>- 244</b>	<b>100%</b>
<b>M</b>	<b>Total net financial position (J+M)</b>	<b>15,194</b>	<b>11,530</b>	<b>3,664</b>	<b>32%</b>

The short-term Consolidated Net Financial Position at March 31, 2007 was a positive amount of Euro 15.2 million, compared to Euro 11.8 million at December 31, 2006 and Euro 23.1 million at March 31, 2006.

In the quarter, there was therefore an increase in the cash position of Euro 3.4 million.

The cash flow was impacted by the investment activities in equity holdings completed in the period, and in particular the acquisition of 30% of the company E-Box S.r.l. and the second closing of the Cotei/Nominalia operation. For further information, reference should be made to page 15.

Investment activities also related to the purchase of tangible fixed assets for the renewal and expansion of the technical structure of approximately Euro 1 million, and the expenses for the development of new products and services (and other intangible assets) of Euro 0.9 million.

There was a positive cash inflow in the quarter due to the exercise of the second tranche of the 2005 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 128,594 and the financial contribution was Euro 1.4 million.

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

In addition, the change in the consolidation scope, therefore with the exclusion of Planet Com, and the inclusion of Nominalia SL , Upoc Inc. and Tipic Inc. in the Dada Group resulted in a contribution to the NFP of Euro 0.3 million.

The total net financial position (which also includes medium/long term sources and uses) amounted to Euro 15.2 million, net of payables to banks and other lenders repayable beyond one year of Euro 0.2 million. This position was Euro 11.5 million at December 31, 2006.

The composition of the **net working capital** at March 31, 2007 is shown below:

Amounts in Euro/thousand	Mar 31, 07	Dec 31, 06	DIFFERENCE	
			Absolute	Percentage
<b>Fixed assets (A) (*)</b>	<b>41,899</b>	<b>38,552</b>	<b>3,347</b>	<b>9%</b>
Current assets (B)	77,860	63,475	14,385	23%
Current liabilities (C)	-72,693	-56,518	-16,175	29%
<b>Net working capital (D) = (B)-(C)</b>	<b>5,167</b>	<b>6,957</b>	<b>-1,790</b>	<b>-26%</b>
Employee leaving indemnity provision (E)	-1,908	-1,790	-118	7%
Provision for risks and charges (F)	-845	-911	66	-7%
<b>Net capital employed (A+D+E+F)</b>	<b>44,313</b>	<b>42,808</b>	<b>1,505</b>	<b>4%</b>

(\*) 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 March 31, 2007 amounted to Euro 5.2 million, a significant increase compared to December 31, 2006 (Euro 6.9 million), and in growth compared to March 31, 2006 (Euro 2.5 million).

This increase is significantly impacted by the expenses incurred by the Group for the launch and support of products in the Consumer Division, as well as the receipts from the telephone operators.

It is underlined that the increase in the main working capital accounts is due to the significant growth of the Group compared to the previous periods.

As previously described, this type of activity results in a financial management characterised by important temporary differences between the average period of payments to suppliers and collection of trade receivables.

In relation to trade receivables, it is recalled that over 80% of the total value is due from telephone operators, directly or through affiliates, and from which a large part of the sales are generated for fee-based services of the Consumer Division, that as previously reported have increased significantly in recent months.

Reference should be made to the previous comments in relation to fixed assets and capital investments made by the Group and the acquisition of equity holdings and investments in intangible and tangible assets.

## Other Information

The principal extraordinary operations of the Dada Group in the first quarter of 2007 are reported below:

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

The acquisition of 30% of the share capital of E.Box S.r.l. will be for a payment by Dadamobile of Euro 720 thousand from the liquidity of the Group and will be paid in two equal tranches, the first paid on the closing and the second one year after the Closing. Simultaneous to the entry in 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.*

The number of personnel in the Dada Group at March 31, 2007 was 417, of which 7 executives, while at December 31, 2006, the number of personnel was 373 (of which 7 executives) and at March 31, 2006 the number was 283 (of which 4 executives).

## 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 organisation structure changed and therefore the Business Units are comprised of the **Dada.net Division**, the **Dada.adv Division** and the **Dada.pro Division**.

Two of these Divisions – Dada.net and Dada.adv – are managed by the Parent Company – while Register.it and Cotei/Nominalia SL operate in the Dada.pro Segment.

The Dada.net Division also includes Dada.net S.p.A., Clarence S.r.l, Dada USA Inc, Upoc Inc, Tipic Inc, Dada Iberia, Dada Brasil and Dada China, while Softec S.p.A. is part of the Dada Adv. Division.

Up to December 31, 2006, the Business Units of the Dada Group were 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). For the Dada.pro Division (previously Self Provisioning), there were no changes compared to the previous year.

The following divisional income statements take into account the costs and revenues relative to each segment.

The share of general expenses and 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).

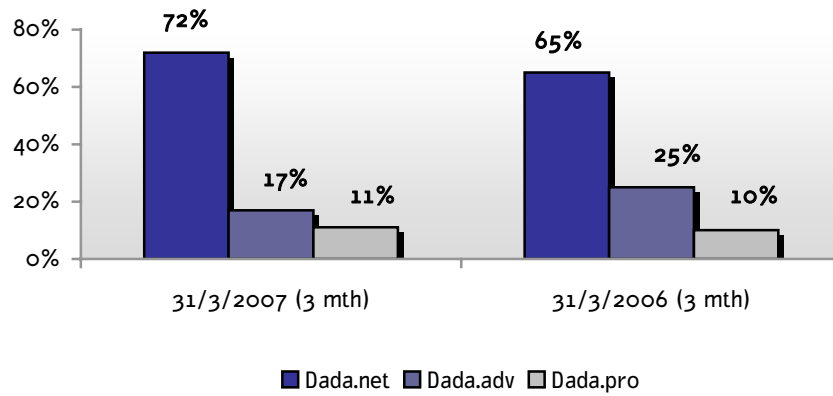
The secondary segment was determined as two geographic areas.

### Breakdown of consolidated revenues in the three divisions

Description	31/03/2007 (3 months)		31/03/2006 (3 months)	
	Amount	% of total	Amount	% of total
Dada.net	26,191	72%	15,039	65%
Dada.adv	6,213	17%	5,768	25%
Dada.pro	3,954	11%	2,185	10%
Inter-divisional revenues	929		323	
<b>Consolidated Revenues</b>	<b>35,429</b>	<b>100%</b>	<b>23,523</b>	<b>100%</b>

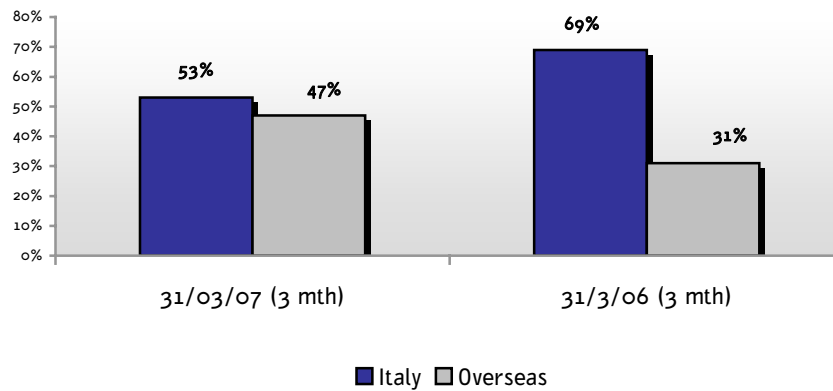
The percentages are calculated based on the sales figures of the three divisions, gross of intra-divisional revenues





## Division of consolidated sales by geographic area

Description	31/03/2007 ( 3 months)		31/03/2006 ( 3 months)	
	Amount	% of total	Amount	% of total
Revenues Italy	18,883	53%	17,751	69%
Revenues Overseas	16,546	47%	6,917	31%
<b>Consolidated Revenues</b>	<b>35,429</b>	<b>100%</b>	<b>22,669</b>	<b>100%</b>



## Segment Income Statement for the three months to March 31, 2007

31/03/2007 (3 Months)					
Segment information	Dada.net	Dada.adv	Dada.pro	Adjustments	Consolidated
Revenues- Italy	10,527	5,741	2,615		18,883
Revenues - Overseas	15,336		1,210		16,546
Revenues- inter-sector	328	473	129	-929	0
<b>Net revenues</b>	<b>26,191</b>	<b>6,213</b>	<b>3,954</b>	<b>-929</b>	<b>35,429</b>
Increases in internal work	630		165		795
Services	-19,177	-5,290	-1,925	929	-25,463
Personnel costs	-3,275	-1,072	-1,107		-5,455
<b>Segment Ebitda</b>	<b>4,369</b>	<b>-149</b>	<b>1,087</b>	<b>-</b>	<b>5,306</b>
Segment Ebitda/Sales					
Amortisation/depreciation	-523	-55	-248		-827
<b>Segment Ebit</b>	<b>3,845</b>	<b>-205</b>	<b>839</b>	<b>-</b>	<b>4,480</b>
					Corporate depreciation/amortisation -136
					General expenses not allocated -608
					<b>Ebit 3,735</b>
					Financing activities -303
					<b>Profit before taxes 3,432</b>
					Income taxes -222
					<b>Group and minority interest result 3,210</b>
					Minority interest share -95
					<b>Group net profit 3,115</b>

## Dada.net Services

The revenue sources of the Dada.net Division are principally composed of:

- Revenues from VAS (Value Added Services): this relates to fee-based services to the final user through consumption or subscription;
- Advertising revenues on the sites of the community.

### Operational performance of the Dada.net services

In the first quarter of 2007, in the Consumer division, Dada further expanded both the product range and the international coverage of its web and mobile services.

#### Products

The first quarter of 2007 saw strong expansion in the Dada.net products, which now includes, within a single integrated solution, features of Community, Social Networking, Video, Audio, Blogging and Mobile Entertainment via both Web and PC. In particular, the launch of the community advertising programme 'friend\$' is recalled: this programme, in collaboration with Google, permits the 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.

#### Internationalisation

In the first quarter of 2007, the turnover from international operations amounted to 59% of revenues in the Consumer 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 which expanded and strengthened its user base, with campaigns for the acquisition of both web clients and on the portals of mobile operators.

At the end of the first quarter of 2007, Dada was connected with 48 mobile carriers worldwide – permitting the group to offer its services to a significant user base.

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

#### Italy

In the first quarter of 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 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.

The closure of agreements for the launch of the Dada.net in 'whitelabel' revenue sharing model is also recalled. Among these was the agreement with the portal Alice, of the Telecom Italia group, for the management of the Mobile Entertainment and Dating sections.

## Dada.net Results

The Division ended the first quarter of 2007 with total sales of Euro 26.2 million, compared to Euro 15 million (+74%) in the first quarter of 2006 and Euro 23.6 million in the fourth quarter of 2006 (+11%).

Of particular note is the international contribution to revenues in the division, which were 59% in the quarter just ended compared to 46% in the first quarter of 2006 and 49% in the fourth quarter of 2006.

The Ebitda in the quarter amounted to Euro 4.4 million (17% of division sales) compared to Euro 2.4 million (16% of division sales) in the same period of the previous year, an increase therefore of 85%. As already commented upon, the margins should be considered in view of the fact that the launch phase of some activities was in the summer.

The Ebit in the division was Euro 3.8 million (15% of the division sales) after depreciation and amortisation of Euro 0.5 million. In the first quarter of 2006, the Ebit amounted to Euro 1.9 million, after amortisation/depreciation of Euro 0.5 million. Therefore, the year recorded growth of 103%.

The contribution of the Dada.net Division to the total consolidated results continues to increase, with the turnover in the first quarter representing 74% of the consolidated net revenues of the Group while amounting to 85% of the Group Ebit.

## Dada.adv Services

Within Dada.adv division, there's **Dada Ad**, the web and mobile advertising agency of Dada.

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 the Dada.adv services

Online advertising is in a consolidation phase with growth in investment on the web worldwide and parallel continual innovation of distribution channels and formats. Dada Ad, is the internal web advertising web and mobile advertising agency.

### 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 Ad 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 own technological platform and its retailer network, Dada Ad 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 seen.

CPC – where the number of clicks which Dada Ad is able to bring to the client's site through its own platform and partner is the driver.

CPA – where Dada Ad operates on a defined parameter for example: registered users, purchases made, forms issued, etc.

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

## **Dada.adv Results**

The Dada.adv Division in the first quarter of 2007 recorded sales of Euro 6.2 million, an increase of 8% compared to the first quarter of 2006 and of 43% on the fourth quarter of 2006.

It is recalled that the consolidation scope has changed compared to the same period in the previous year following the sale of the investments in Planet Com S.p.A. (sold in July 2006 and therefore consolidated for the first six months of the year). This company accounted for sales of Euro 1.7 million in the first quarter of 2006.

The Ebitda was a negative Euro 0.1 million due to the higher management costs on the start-up of some activities in the Division in the quarter, and whose benefits will be realised in the coming quarters.

## Dada.pro

The sources of revenue for the Dada.pro Division result from domain registration, 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

During the first quarter of 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.

Total domain sales in the quarter (new registrations and renewals) amounted to over 92,000 in Italy and over 35,000 in Spain compared to a combined total of approx. 75,000 in the same period of 2006. Over 11,500 new clients were acquired in both markets combined.

Within the up-selling of products on the domain (email and hosting), there was an increase in the new solutions launched in Italy in recent months which resulted in the sale (or renewal) of over 22,000 packages compared to 13,000 in Q1 2006, while in Spain this type of offer will be launched in the second quarter of 2007.

### Servizi Dada.pro Results

The sales in the Dada.pro Division in the first quarter of 2007 amounted to Euro 3.9 million, an increase of 26% compared to the previous year, which amounted to Euro 2.2 million. At pro-forma level, the company Nominalia SL was not included in the consolidation scope. This company was acquired at the end of July and was therefore consolidated for two months in the quarter with a contribution to sales of approximately Euro 1.2 million.

The Ebitda was Euro 1.1 million, compared to Euro 0.7 million in first quarter of 2006.

The Dada.pro Division also recorded deferred revenues of approx. Euro 8 million at March 31, 2007.

## SUBSEQUENT EVENTS AFTER THE QUARTER

The figures after the end of the quarter confirm the growth in revenue in the first three months of 2007. In particular, the growth in international activities continues and whose contribution is expected to increase in the coming quarters.

Florence, May 11, 2007  
For the Board of Directors  
The Chairman, Paolo Barberis



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

Amounts in Euro/thousand	Mar 31, 07	Dec 31, 06
<b>Fixed assets (A) (*)</b>	<b>41,899</b>	<b>38,552</b>
Current assets (B)	77,860	63,475
Current liabilities C	-72,693	-56,518
<b>Net working capital (D) = (B)-(C)</b>	<b>5,167</b>	<b>6,957</b>
Employee leaving indemnity provision (E)	-1,908	-1,790
Provision for risks and charges (F)	-845	-911
<b>Net capital employed (A+D+E+F)</b>	<b>44,313</b>	<b>42,808</b>
Medium-long term payables	-	-244
<b>Shareholders' equity (G)</b>	<b>-59,507</b>	<b>-54,338</b>
Short-term bank debt	-2,171	-1,213
Short-term financial receivables and securities	2,398	2,456
Cash on hand and in bank	14,967	10,531
<b>Short-term net financial position</b>	<b>15,194</b>	<b>11,774</b>

CONSOLIDATED INCOME STATEMENT AS AT MARCH 31, 2007

Amounts in Euro/thousands	Mar 31, 07 3 months		Mar 31, 06 3 months	
	Amount	% of total	Amount	% of total
<b>Net Revenues</b>	<b>35,429</b>	<b>100%</b>	<b>22,669</b>	<b>100%</b>
Changes in inventory and internal work	795	2%	696	3%
Service costs and other operating costs	-25,890	-73%	-16,745	-74%
Personnel costs	-5,636	-16%	-3,263	-14%
<b>Ebitda*</b>	<b>4,698</b>	<b>13%</b>	<b>3,357</b>	<b>15%</b>
Amortisation and depreciation	-963	-3%	-779	-3%
Non-recurring income (charges)	-	-	-149	-1%
Revaluations/(Write-downs)	-	-	-10	-
<b>Ebit</b>	<b>3,735</b>	<b>11%</b>	<b>2,419</b>	<b>11%</b>
Investment income	139	-	162	1%
Financial income and charges	-442	-1%	-160	-1%
<b>Profit before taxes</b>	<b>3,432</b>	<b>10%</b>	<b>2,421</b>	<b>11%</b>
Income taxes	-222	-1%	-705	-3%
<b>Net profit</b>	<b>3,210</b>	<b>9%</b>	<b>1,716</b>	<b>8%</b>
Minority interest profit	-95	-	-37	-
<b>Group net profit</b>	<b>3,115</b>	<b>9%</b>	<b>1,679</b>	<b>7%</b>

\* before write-downs and non-recurring charges.