



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

## RESULTS FOR FIRST QUARTER 2011 APPROVED:

CONSOLIDATED REVENUE AMOUNTS TO €21.0 MN (€18.0 MN IN Q1 2011)

EBITDA\* AND EBIT COME IN AT €2.0 MN AND -€1.4 MN RESPECTIVELY (€0.2 mn and -€1.6 mn in Q1 2010)

NET LOSS OF €2.9 MN (-€1.3 mn at 31 March 2010)

Florence, 11 May 2011 - Today the Board of Directors of Dada S.p.A. approved the Consolidated Interim Financial Report at 31 March 2011.

### Results in first quarter 2011

Due to the binding agreement signed on 19 April 2011 with Buongiorno for the sale of Dada.net S.p.A., it was necessary to apply the International Financial Reporting Standard n.5 relating to "non-current assets held for sale and discontinued operations," which entailed presenting all of Dada.net's economics for the period on a single line of the Income Statement and all of its assets and liabilities on a single line of the Balance Sheet.

The capital gain generated by the sale of the holding in E-Box on 16 February 2011 was equally recognized under assets held for sale.

For the sake of comparison, last year's income statement has been restated accordingly. Due to the above-mentioned agreement for Dada.net disposal and the resulting change in the Group's organizational structure, consolidated reporting 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 are outside the scope of the activities being sold to Buongiorno and marginal in the first quarter of 2011, have also been grouped into a separate item.

**Consolidated revenue** for the Dada Group in first quarter 2011 amounted to €21.0 million, an increase of approximately 17% with respect to the €18.0 million recorded in first quarter 2010.

Foreign operations made up 66% of consolidated revenue, versus 50% in the first quarter of the prior year. This aggregate trend is largely explained by the significant growth of the international scalable advertising business and



the withdrawal from the premium advertising agency in Italy which in first quarter 2010 contributed revenue of €1.4 million.

The **Dada.pro** Division recorded revenue of €20.9 million in Q1 2010 compared to €18.4 million in Q1 2009; more in detail, revenue from third parties (net of interdivisional revenue) amounted to €20.8 million, an increase of approximately 18% with respect to the €17.7 million posted in Q1 2009. Revenue from professional services for domain registration, hosting and online brand protection represented about 70%, while online advertising contributed the remaining 30% to division revenue, both businesses growing with respect to first quarter 2009. The most significant countries in terms of contribution to revenue in the quarter were Italy, the United Kingdom, France, Spain, Ireland and Portugal. In the first quarter of the year Dada.pro, which today has a customer base of almost 480 thousand for a total of more than 1.6 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 quarter the Dada.pro Division successfully achieved its goals: i) to renew its marketing tools in order to optimize strategies for the retention of existing and the acquisition of new customers, ii) 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 iii) to expand the range of services offered by launching new applications - "WebSite" a simple, flexible and comprehensive tool for the creation of professional sites and "E-commerce", a complete package for creating an online store - and entered 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 enhance the vertical integration of the digital services offered, from registration to presence to online visibility, technological development and expansion of the Simply network also continued.

In online advertising, the division continued with its strategy to strengthen its scalable advertising business (traffic refining services), including thanks to the constant fine-tuning of proprietary algorithms and close collaboration with the world's main Ad Networks. Through the strengthening of Peeplo.com, the launch of new, internationally scalable models such as "Save n' Keep," and the release of new vertical portals - Sconti.it in Italy and OnlyTopDeals.co.uk in the UK - this business made a positive contribution to the quarter's results.

The **Corporate Division** reported revenue of €1.2 million in first quarter



2011 (versus €1.3 million in Q1 2010).

**Consolidated EBITDA** in first quarter 2011 amounted to €2.0 million or 9.4% of revenue, an increase with respect to the same period in 2010 (which amounted to €0.2 million due primarily to the net costs incurred to launch Fueps' online poker service).

The Dada.pro Division's EBITDA in the quarter (€2.6 million) was largely in line with the same period in the prior year.

Service costs - while higher in absolute terms - fell as a percentage of consolidated revenue in the quarter from 77% to 72%, while labour costs fell both in absolute terms and as a percentage of revenue from 28% to 23%.

The Group's **EBIT** in first quarter 2011 was a negative €1.4 million (-€1.6 million in Q1 2010), mainly affected by depreciation and amortization of €1.9 million, largely in line with the same period of the prior year (€1.8 million), and by non-recurring charges of approximately €1.4 million (not posted in Q1 2010), mostly relating to personnel severance.

Net financial charges of €0.9 million in the period (€0.7 million in Q1 2010) reflect financial charges of €1.1 million (€0.8 million in Q1 2010) attributable also to the negative impact of exchange differences, and financial income of €0.2 million, slightly more than in the prior year (€0.1 million in Q1 2010).

Tax in the period totalled €0.2 million (€0.3 million in Q1 2010), due mostly to current tax of €0.3 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.

The **net profit attributable to assets held for sale** was a negative €0.5 million, compared with a positive €1.3 million in first quarter 2010.

The **consolidated net loss** for first quarter 2011 reached €2.9 million, versus a net loss of €1.3 million at 31 March 2010.

### **Balance Sheet and Financial Position at 31 March 2011**

The **consolidated net financial position** at 31 March 2011 came in at -€44.9 million compared to -€50.6 million at 31 December 2010: exclusion of the net financial position of the assets held for sale, as per the agreements signed with Buongiorno, had a positive impact of €4.1 million.

This figure was impacted, on the one hand, by generation of cash from operating activities of €0.5 million and, on the other, the investments and



disposals made during the quarter which had a net positive affect of €1 million: more in detail, investments concerning property, plant and equipment and intangible assets for the internal development of the processes and proprietary platforms to provide services totaling €2.5 million and the disposal of Dada Group holding in E-Box S.r.l. have been reported. Non-recurring charges of €1.3 million were recorded in the quarter.

At 31 March 2011 the Dada Group had 402 employees (excluding the resources which are considered part of the assets held for sale) versus 569 at 31 December 2010.

### Subsequent events

On 19 April 2011, Dada S.p.A. announced that it had signed a contract for the sale of 100% of Dada.net S.p.A. to Buongiorno S.p.A., following the sign of the agreement for the repurchase of the 13% of Dada.net held by Sony Music Entertainment.

For further information regarding this transaction please refer to the press release issued on the same date.

On 21 April 2011, the Shareholders' Ordinary and Extraordinary AGM, approved the 2010 Financial Statements and confirmed as Director Stanislao Chimenti, Esq. (Independent Director) and Alberto Bianchi, Esq., also appointing him as Chairman, until the expiry of the mandate of the Board of Directors, i.e. until the Shareholders' Meeting for the approval of the Financial Statements at December 31, 2011. The Shareholders' AGM also renewed the authorization for the purchase and sale of treasury shares within 18 months from the authorization date and resolved, in Extraordinary session, to approve amendments to Articles 11, 13, 14, 17 and 18 of the Company's by-laws in order to comply with Legislative Decree n. 27/2010 pertaining to the exercise of shareholders' rights in listed companies.

On 2 May 2011, the repurchase of the 13% of Dada.net S.p.A. held by Sony Music Entertainment was finalized for a cash consideration of €7.2 million.

### Outlook for the current year

The agreement signed with Buongiorno is in line with Dada's previously announced strategy to rationalize its asset portfolio and will allow to significantly reduce debt and to focus the Group's financial and managerial resources more effectively.

Following this transaction Dada's business and organizational structure will



be focused on the core business of internet domain registration and hosting services, as well as on some innovative advertising on-line activities. The strategic priorities will be the development of the current business, consolidation in strategic markets and further improvement of the 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.

### 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

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The Consolidated Interim Financial Report at 31 March 2011, which 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 <http://dada.dada.net> in accordance with the law, is not subject to financial audit.

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