



Press release pursuant to CONSOB Regulation 11971/1999, as subsequently amended

1Q15 CONSOLIDATED RESULTS APPROVED:

CONSOLIDATED REVENUE €16 MN
(IN LINE WITH 1Q14)

EBITDA¹ UP TO €2.8 MN (+25% VS €2.3 MN IN 1Q14)

EBIT UP TO €1.1 MN (+104% VS €0.5 MN IN 1Q14)

NET PROFIT BACK POSITIVE (VS -€0.5 MN AT 31 MARCH 2014)

NET FINANCIAL POSITION DOWN TO -€26.9 MN (FROM -€33.6 MN AT 31 DECEMBER 2014)

ORGANIZATIONAL STRUCTURE CONFIRMED

Florence, 13 May 2015 - Today, the Board of Directors of DADA S.p.A., international leader in professional online presence and visibility services, approved the Interim Management Report at 31 March 2015.

The event that marked 1Q15 was the disposal by Dada S.p.A. of the entire share capital of Moqu Adv S.r.l. to Italiaonline S.p.A.. This has required the application of the accounting standard IFRS 5 "non-current assets held for sale and discontinued operations". The main effect is that all of the income statement items relating to the disposed companies have been grouped on the line "Profit/(loss) from discontinued operations".

For the sake of comparison, all income statement and statement of financial position items from the prior year have been restated and reclassified. Assets and liabilities of the prior year are, instead, still shown on a continuing operations basis.

As a result of the above, the Dada Group is currently organized around the single business unit falling under the "Domain and Hosting" division.

GROUP RESULTS IN 1Q15

In 1Q15, the Dada Group achieved **consolidated revenue** of €16.00 million, in line with the figure in 1Q14 (€15.98 million) and up by 7% versus €15.02 million in 4Q14.

NB: for the sake of clarity, changes in percentage and absolute terms appearing in this Press Release have been calculated using exact amounts.

¹ EBITDA is before impairment losses and non-recurring items.



The turnover trend also reflects the favourable dynamics of the depreciation of the Euro against the British Pound, which accounted for approximately €0.6 million versus 1Q14 and for €0.3 million versus 4Q14, and is, instead, affected by the change in the scope of consolidation related to the disposal of the UK ADSL business (disposed of at the end of May 2014), which contributed €0.2 million to revenue in 1Q14.

Foreign-based activities contributed 54% to consolidated revenue in 1Q15 (55% in 1Q14), confirming the predominant weight of international business in the overall development of the Group.

In 1Q15, consolidated **EBITDA** came to a positive €2.8 million, up by 25% versus 1Q14, with margin on revenue increasing to 18% (14% in 1Q14).

Specifically:

- Service costs fell by €0.3 million to €9.2 million, dropping as a percentage of revenue from 60% in 1Q14 to 58% of revenue in 1Q15. Mention should be made of the benefits from the start-up of the new Datacenter in the UK;
- Payroll costs in 1Q15 amounted to €4.5 million, down by 9% versus 1Q14, falling to 28% of revenue (31% in 1Q14). The trend of this aggregate is mainly ascribable to the reduction in staff, thanks also to the success of the efficiency measures announced last year;
- the item “Change in inventories and increase in own work capitalized”, amounting to €0.6 million versus €0.8 million in 1Q14, consists of expenses incurred for the development of the platforms needed to launch and manage services; a reduction mainly attributable to the gradual implementation of the investments made over the past few quarters.

In 1Q15, the Group achieved a positive **EBIT** of €1.1 million (7% on revenue), increasing versus €0.5 million (3% on revenue) in 1Q14.

EBIT's performance was mainly affected by:

amortization and depreciation, which amounted to €1.7 million (€0.9 million of which for tangible assets and €0.7 million for intangible assets). This figure is basically in line with 1Q14, when such costs amounted to €1.7 million, down by 13% versus 4Q14 (€1.9 million). A reduction explained mainly by the abovementioned gradual implementation of the investments made in prior years in the development of the proprietary platforms.

- Consolidated EBIT was impacted by impairment losses, provisions and other non-recurring income/charges of €0.1 million, in line with the figure in 1Q14.

Financial Activities (the difference between financial income and charges) in 1Q15 came overall to a negative figure of -€0.4 million versus -€0.8 million in 1Q14, an improvement linked mostly to the trend in foreign currency fluctuations, regarding the Euro and British pound in particular.

This aggregate was impacted by: (i) interest expense on bank loans, amounting to €0.3 million (in line with 1Q14); (ii) other bank commissions and interest owed on bank overdrafts amounting to €0.4 million (€0.5 million in 1Q14), linked primarily to interest paid on current account overdrafts and to bank commissions on credit card payments; (iii);



the positive impact of forex in 1Q15 of approximately €0.3 million, improving versus a basically breakeven figure in 1Q14.

In 1Q15, the overall **Tax Burden** came to -€0.3 million (-€0.2 million in 1Q14), and reflects current tax of €0.2 million (referring mainly to the tax burden on foreign-based companies with positive pre-tax income), increasing versus 1Q14 (€0.1 million), while deferred tax had a negative impact of €0.1 million in both 1Q15 and 1Q14.

Profit (loss) from discontinued operations, which comprises the financial results of the Performance Advertising division sold in 1Q15 with financial effects from 28 February, showed a loss of €0.3 million (a loss of €0.1 million in 1Q14), €0.2 million of which from non-recurring costs incurred by the Group to carry out the transaction.

Consolidated Net Profit: after showing a loss for six straight quarters, Dada Group in 1Q15 posted a profit (€11 thousand).

GROUP BALANCE SHEET AND FINANCIAL POSITION AT 31 MARCH 2015

The total consolidated **Net Financial Position** at 31 March 2015 came to -€26.9 million, improving versus -€33.6 million at 31 December 2014.

In 1Q15, this aggregate was influenced in particular by: (i) the positive cash flows generated by operating activities after changes in working capital of €4.1 million (€2.8 million in 1Q14, including the contribution of discontinued operations); (ii) positive investing activities of €3.4 million (including the deconsolidation effect of €4.8 million from the disposal of Moqu) versus -€1.9 million in 1Q14 (including €0.2 million in discontinued operations). Investment outlays amounted to €1.4 million, €0.7 million of which for intangible assets versus €1.0 million in 1Q14 (€0.2 million referring to discontinued operations), and €0.7 million of which for tangible investments in technology, decreasing versus €0.9 million in the prior year; (iii) the remainder by cash flow for financing activities, tax and non-recurring items amounting to -€0.8 million (-€0.3 million in 1Q14).

The total Net Financial Position at 31 March 2015 consisted of current debt of €12.1 million (€18.2 million at 31 December 2014), medium/long-term loans and other borrowings of €22.2 million (€16.7 million at 31 December 2014) and financial assets totaling €7.5 million (€1.4 million at 31 December 2014). The reduction in short-term exposure is mainly the result of the renegotiation of the medium/long-term loan with Banca Intesa and the issuance of a new loan with Unicredit, both made effective from 31 March 2015, which allowed the Group to pursue the following main objectives: (i) to improve pricing in terms of spreads; (ii) to extend the duration of overall debt, reducing the current portion and increasing the non-current one; (iii) to align the cash flows of the Group more to the instalment payments of principal.

Mention should be made that the cash consideration of €5 million from the disposal of Moqu on 23 March 2015 was used after the reporting period to further reduce current debt.

BUSINESS PERFORMANCE IN 1Q15

The recent disposal of the Performance Advertising division has allowed the Group to focus even more on the core business of **professional online presence services**, and has



strengthened Dada's position among the top European players in the **business of professional services for domain name registration, hosting, virtual and dedicated servers and cloud-based solutions**, in the creation, management and visibility of web and e-commerce sites for European SMEs, and in online **brand protection services**.

At the end of March 2015, Dada counted over **525 thousand business clients** and over **1.7 million total domains managed** in Spain, UK and Ireland, France, Portugal and Holland through the Nominalia, Namesco, PoundHost, Register365 and Amen brands, respectively.

1Q15 confirmed the **general drop in the Domain & Hosting business** in the Group's main European markets of operation previously witnessed in 2014, as well as fiercer competition, due to the aggressive customer acquisition policies implemented by major competitors in most of the geographies.

Against this backdrop, **price repositioning** policies, implemented particularly in the domains and servers segment in the main countries, brought **solid results in terms of new customers acquired**.

The further focus on **customer service**, with the expansion of the channels and extension of contact time for customer care (now available also through phone and live chat 7 days a week), has added extra impetus to the **improvement in the average rate of renewal and upselling** of services to the customer base.

The reorganization of the **sales teams**, with **dedicated accounts** for Resellers, corporate clients and large businesses, which started in 2014, has increased customer retention, especially in Spain and France, and, therefore, the embedded value of the customer base.

Customer satisfaction was further confirmed also by the improved performance in the **Net Promoter Score**, the system that measures the customer satisfaction and loyalty rate adopted by Dada in 2013 and now used in all countries.

The large number of new incoming clients is also helping to change the mix of **products sold**, the results of which in terms of value and quantity over the last period are partly mitigating the decline in the number of new domain registrations.

The early months of 2015 also confirmed:

- the growing success of the **new professional Email platform** developed in 2014, now chosen by an increasing number of customers across all segments and currently available in all geographies.
- the evolution of Dada's positioning also as a provider of **Cloud Hosting, dedicated and managed Virtual Servers** services, thanks to a further expanded range to allow the management of websites on virtualized and highly powerful servers, now at really affordable prices.

Interest is also growing in **consultancy services** for website development and management, by using custom content and design, which complements the range of software and CMS available in self-provisioning mode, recently enriched with additional features.

EVENTS AFTER 1Q15, GROUP STRATEGIC GUIDELINES AND BUSINESS OUTLOOK FOR THE YEAR

EVENTS AFTER 1Q15



On 24 April 2015, a strategic agreement was signed to combine Dada's business unit named ProAdv/Simply with 4w MarketPlace S.r.l., one of the top online advertising players in Italy.

The transaction will take place through contribution in kind by Register.it of the ProAdv BU to 4w MarketPlace, and a related capital increase of the latter reserved to Register.it equal to 25% of the share capital. This will allow the Dada Group to become the second main shareholder of 4w MarketPlace. The value assigned to ProAdv as part of the contribution is approximately €2.1 million. Under the agreements, the Dada Group will continue to provide 4w MarketPlace, for a transitional period of at least 12 months at arm's length, with certain indirect services (IT, Corporate, etc.) in order to ensure the continuation of business.

Further details are found in the press release issued on 24 April 2015.

STRATEGIC GUIDELINES FOR EACH BUSINESS SEGMENT

Thanks also to the success of the Dada Group's strategy to refocus on digital services for SMEs related to the Domain and Hosting division, the results achieved in the first three months of the year basically confirm the expectations already announced in the 2014 financial statements on the outlook for 2015.

The following are the strategic guidelines for the Group's future development in the core business of digital services to SMEs.

In both the EU and UK business areas, the strategic priorities, partly outlined upon approval of the 2014 financial statements, aim at retaining the existing clients and gaining new ones, to further strengthen the domestic and international customer base, also through the:

- inclusion of new products in the portfolio of offerings, with a view to providing a one-stop-shop experience of digital services for online presence and business, in line with the latest trends in technology and based on the increasingly strategic role of mobility, to satisfy every need to optimize management and increase opportunities to do business on the web;
- improvement of service quality, with the aim of providing clients with outstanding before and after-sales service and, more specifically, with full-circle support in the management of the online presence, visibility and brand protection of businesses on the web;
- increased focus on the business client segment of SMEs and SOHOs, traditionally those boasting the highest retention rates and ARPU;
- increased ability to acquire and serve new customers also through offline channels, thanks to a growing presence across the territory by increasing points of local presence.

Other resolutions

The Board of Directors also confirmed the top management of the Company, hinged on the two Executive Directors and General Managers Claudio Corbetta and Lorenzo Lepri, the former as Chief Executive Officer of Dada S.p.A., the latter as General Manager and CFO.



The Board also verified, based on their statements, CVs and the information available to the Company, the existence of the independence requirements of the newly-appointed directors Barbara Adami Lami, Cristiano Esclapon, Carolina Gianardi and Sofia Maroudia, who stated their independence under the Corporate Governance Code for Listed Companies, acknowledged by the Company, and under art. IA.2.13.6 of the Instructions accompanying the Regulations of the markets organized and managed by Borsa Italiana S.p.A..

The Board also appointed the Control and Risk Committee, which has the same composition as the Committee for Related Party Transactions, as well as the Compensation and Nominations Committee, in accordance with the Corporate Governance Code for Listed Companies, composed as follows:

Compensation and Nominations Committee: Sofia Maroudia (Independent Director), Maurizio Mongardi (Non-Executive Director) and Barbara Adami Lami (Independent Director) as Chairman of the Committee.

Control and Risk Committee: Barbara Adami Lami (Independent Director), Sofia Maroudia (Independent Director) and Carolina Gianardi (Independent Director) as Chairman of the Committee;

The Board also appointed the Supervisory Board, pursuant to Legislative Decree 231/2001, whose members are Maria Stefania Sala (Standing Auditor), Carlo Ravazzin (Head of Internal Audit) and Carolina Gianardi (Independent Director) as Chairman of the Committee.

Statement by the Manager responsible for preparing the Company's Financial Reports

Mr. Federico Bronzi, the Manager responsible for preparing the Company's financial reports, declares pursuant to art. 154 *bis* (2) of the Uniform Finance Act (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.

The Consolidated Interim Financial Report at 31 March 2015 will be made available to the public at the Company's registered office, as well as on the Company's website www.dada.eu (Investor Relations/Financial Reports section) in accordance with the law.

DADA S.p.A. - listed on the STAR segment of the Italian Stock Exchange - is an international leader in professional online presence services (domains, hosting, servers, online brand protection) and in a number of advanced online advertising solutions.

With over 525 thousand business clients and over 1.7 million domains under management, Dada is one of the leading names in the European Domain & Hosting sector and is a key player in its markets of operation: in



Italy through its established brand Register.it, as well as in Spain, the UK, Ireland, France, Portugal and Holland under the Nominalia, Namesco, PoundHost, Register365 and Amen brands, respectively.

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ANNEX

RECLASSIFIED CONSOLIDATED INCOME STATEMENT AT 31 MARCH 2015

EUR/000	31-Mar-15 3 months		31-Mar-14 3 months		DIFFERENCE	
	Amount	% of	Amount	% of	Absolute	%
Net revenue	16,001	100%	15,979	100%	22	-
Chg. in inventories & inc. in own wk. capitalized	607	4%	826	5%	-220	-27%
Service costs and other operating expenses	-9,230	-58%	-9,561	-60%	331	-3%
Payroll costs	-4,544	-28%	-4,978	-31%	434	-9%
EBITDA	2,834	18%	2,266	14%	568	25%
Depreciation and amortization	-1,657	-10%	-1,691	-11%	34	-2%
Non-recurring income/ (charges)	-21	0%	0	0%	-21	-
Impairment losses and other provisions	-92	-1%	-53	0%	-38	72%
EBIT	1,064	7%	522	3%	542	104%
Financial income	438	3%	109	1%	329	302%
Financial charges	-848	-5%	-878	-5%	30	-3%
Profit/(loss) before taxes	654	4%	-247	-2%	902	-365%
Income taxes	-313	-2%	-207	-1%	-107	52%
Profit/(loss) from continuing operations	341	2%	-454	-3%	795	-175%
Profit/ (loss) from discontinued operations	-330	-2%	-67	0%	-263	390%
Group net profit (loss)	11	0%	-521	-3%	532	-102%

NET WORKING CAPITAL AND NET FINANCIAL POSITION AT 31 MARCH 2015

EUR/000	31-Mar-15	31-Dec-14	DIFFERENCE	
			Absolute	%
Fixed assets	97,115	95,364	1,751	2%
Current operating assets	16,280	17,585	-1,305	-7%
Current operating liabilities	-27,710	-27,851	141	-1%
Net working capital	-11,430	-10,266	-1,164	11%
Provision for termination indemnities	-688	-815	127	-16%
Provision for risks and charges	-518	-544	25	-5%
Other payables due beyond one year	-17	-17	0	0%
Net capital employed	84,462	83,723	739	1%
Non-current financial payables	-22,158	-16,674	-5,484	33%
Shareholders' equity	-57,595	-50,150	-7,445	15%
Current bank debt	-12,079	-18,183	6,105	-34%
Current financial receivables and derivatives	5,397	0	5,397	-
Current financial payables and derivatives	-4,952	-107	-4,845	4531%
Cash and cash equivalents	6,924	1,391	5,533	398%
Current net financial position	-4,710	-16,899	12,189	-72%
Total net financial position	-26,868	-33,573	6,706	-20%

HIGHLIGHTS ON CONSOLIDATED RESULTS BY GEOGRAPHY

Description	31/03/2015 (3 months)		31/03/2014 (3 months)	
	Amount	% of total	Amount	% of total
Revenue - Italy	7,305	46%	7,243	45%
Revenue - abroad	8,696	54%	8,736	55%
Total	16,001		15,979	

CONSOLIDATED CASH FLOW STATEMENT AT 31 MARCH 2015

EUR/000	31 March 2015	31 March 2014
Cash flow from operating activities before changes in working capital	2,815	2,275
(Increase)/decrease in receivables	-928	-603
Increase / (decrease) in payables	1,898	1,844
Change in working capital due to assets held for sale	0	-527
Cash flow from operating activities	3,785	2,988
Income taxes paid	-12	-40
Interest (paid)/received	-516	-434
Change in taxes and interest paid on assets held for sale	0	17
Net cash flow from operating activities	3,257	2,531
Investing activities		
Sale of subsidiaries and associates	5,000	0
Financial effect of discontinued operations	-206	0
Purchase of property, plant and equipment	-715	-914
Sale of fixed assets	10	0
Purchase of intangible assets	-34	-40
Product development costs	-607	-826
Investing activities from assets held for sale	0	-165
Net cash flow used in investing activities	3,449	-1,945
Financing activities		
Change in loans	5,484	65
Other changes	29	16
Net financial income (charges) from assets held for sale	0	-10
Net cash flow from/(used in) financing activities	5,512	71
Net increase/(decrease) in cash and cash equivalents	12,218	657
Cash and cash equivalents at beginning of period	-16,792	-9,514
Cash and cash equivalents at end of period	-4,574	-8,856