



Press Release in accordance with CONSOB Regulation No. 11971/1999 and subsequent modifications

SONY MUSIC ENTERTAINMENT AND DADA STRENGTHEN THEIR STRATEGIC PARTNERSHIP

GUIDANCE UPDATED FOLLOWING THE TRANSACTION

New York, Florence - June 24, 2009 - Sony Music Entertainment and Dada, a leading international provider of web and mobile community and entertainment services today announced that they have entered into a new strategic agreement which further strengthens their partnership.

Overview and rationale of the operation

Key elements of the agreement:

- the acquisition by Sony Music of a 13% stake in Dada.net S.p.A. through the contribution of its holding in the Joint Venture Dada Entertainment LLC (hereafter also the "JV"), together with put and call options with Dada S.p.A. and governance rights relating to Dada.net;
- the signing of a International Content Distribution Agreement which allows Dada to access the catalogue of digital content of Sony Music to be distributed through its web and mobile channels.

The transaction will provide Dada with full operating control over the JV and it will expand the Group's consolidation area; it will also provide Dada with access to quality content from Sony Music's vast catalogue and it will allow Dada to accelerate the Group's efficiency plan, with significant opportunities in terms of overhead, technological and distribution cost synergies.

Corporate transactions

The agreement provides for the initial contribution by Sony Music of its 50% stake in the JV into Dada.net S.p.A., currently held 100% by the Parent Company Dada S.p.A., in exchange for a 13% stake in Dada.net S.p.A..

It is expected that this part of the transaction will be completed in the forthcoming 60/90 days. Sony Music will be recognised with some governance rights in Dada.net, including the right to appoint a non-executive member of the Board of Directors and one permanent and one alternate member of the Board of Statutory Auditors, together with a right of prior consultation in the case of particularly significant shareholders' meeting or board resolutions.



Sony Music, 3 years after the closing, or on the occurrence of significant events (for example the delisting of Dada S.p.A. or significant resolutions approved despite objections by Sony Music), will have the right to sell its investment to Dada S.p.A. which may settle this stake, in its sole discretion, entirely in cash, through shares of Dada S.p.A. (treasury shares or newly issued shares) or through a combination of cash and shares. The valuation of the stake will be determined by an Investment Bank jointly chosen by the parties. The agreement also contains reciprocal protections regarding the valuation of the shareholding: specifically, Dada S.p.A. will not be obliged to issue shares or the equivalent in cash for any amount exceeding 13% of the market value of Dada S.p.A. on the exercise of the sales option, although a minimum floor was set at Euro 8 million. If Dada decides to pay in newly issued or treasury shares, Sony Music will be paid in cash any difference between the market value of the shares received and the valuation by the Investment Bank, with a maximum disbursement of Euro 5.5 million. If Dada although, having opted to issue new listed shares as the only means of payment, is unable to deliver to Sony Music listed shares, the minimum floor will be increased to Euro 13.5 million, and the consideration for the Dada.net shares acquired by Dada will be paid entirely in cash.

Where Dada elects shares as payment, upon certain conditions being met, Sony Music will comply with predefined lock-up arrangements regarding term, price and volume conditions, which will govern any sales on the stock market in order to mitigate the impact on Dada's share price.

Furthermore, Dada, 2 years after the closing, will have the right to repurchase the holding in Dada.net S.p.A. at a price equal to the higher between 130% of the valuation determined by the Investment Bank and Euro 10 million.

The duration of the corporate agreements is for a period of 5 years from the date of the closing and in this period the shares of Dada.net S.p.A. held by Sony Music may not be sold to third parties.

International Content Distribution Agreement

The transaction also provides for the signing of a Global Content Agreement, not exclusive for either party, which will permit Dada access to the Sony Music catalogue of content to be distributed in every digital formats through its own channels on a worldwide basis, excluding Japan. The agreement also provides for the realization of marketing projects together with the implementation of joint promotional initiatives.

The duration of the International Content Distribution Agreement will be 3 years or earlier termination on the occurrence of significant events.

Dada Entertainment LLC, held 50% by Sony Music and 50% by Dada USA Inc., operating since October 2007 and with headquarters in New York City, was established in order to develop and promote digital entertainment and community services accessible via web and mobile in the United States. In 2008 the JV, valued under the equity method by both shareholders, recorded net revenues of USD 53.2 million and a net profit of USD 1.6 million; revenues in the first quarter of 2009 amounted to USD 12.4 million. The JV currently has 35 highly specialised employees.

Any material development regarding the transaction will be communicated in accordance with applicable regulatory requirements.



2009 Guidance

Estimates for the full year 2009 were examined - considering also the extraordinary transaction, the ongoing actions aimed at redefining the product portfolio and the currently predictable sector trend - and forecast consolidated revenues of approx. Euro 160 million. This estimate includes the consolidation of Dada Entertainment LLC from June 1, 2009, whose revenues contribute to consolidated revenues net of intercompany items, relating in particular to the provision of some technological and advertising services by the Dada Group, estimated in the period at approx. Euro 9 million. In consolidating Dada Entertainment from January 1, 2009, Dada Group revenues for the full year 2009 would amount to approx. Euro 175 million. On December 3, 2008, a preliminary revenue forecast for 2009 was communicated of approx. Euro 190 million.

Dada S.p.A. (dada.dada.net) is an international leader in Community and Entertainment services via web and mobile, as well as in Domain, Hosting and advanced online Advertising solutions.

The company is organized into 2 business areas: Dada.net (www.dada.it, services focused on digital music) and Dada.pro (www.dada.pro, professional services and online advertising solutions). Dada is listed on the MTA market of Borsa Italiana (DA.MI) in the STAR segment.

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