



PRESS RELEASE

The Board Of Directors Of Dmail Group S.p.A. Approved the Half Year Report for the Six Months Ended 30 June 2010

- Significant events in the first half of 2010:

- **Net revenues:** 56.8 million euros (against 58.7 million euros at 30 June 2009);
- **Gross Operating Income:** 1.2 million euros (against 3.3 million euros at 30 June 2009);
- **Operating Results:** losses amounting to 0.1 million euros (against 1.8 million euros at 30 June 2009);
- **Net Results:** losses amounting to 1.1 million euros (against losses of 0.4 million euros at 30 June 2009);
- **Net financial position:** minus 25.3 million euros (minus 24.5 million euros at 31 December 2009);

Milan, 5 August 2010 - The Board of Directors of **Dmail Group S.p.A.**, a company listed on the Star segment of Borsa Italiana, earlier today approved the **Half Year Report** for the six months ending **30 June 2010**.

SIGNIFICANT EVENTS AT 30 JUNE 2010

Following the Shareholders' Approval, on 29 June 2010, of the financial statements of Buy On Web S.p.A. for the period ended 31 December 2009, the consolidation scope of the Dmail Group at 30 June 2010 now includes the above mentioned subsidiary, which was not comprised in the Consolidated Financial Statements for the year ended 31 December 2009. The figures of the Balance Sheet and Profit and Loss Account, both separate and consolidated, as approved by the Board of Directors on 13 April 2010, have been restated as of 1st January 2009 and incorporated in this Half-Year Report at 30 June 2010.

COMMENTARY ON KEY CONSOLIDATED FIGURES AT 30 JUNE 2010

At 30 June 2010, the Dmail Group achieved **Net Revenues** amounting to 56.8 million euros, down 3% on the 58.7 million euros for the first half of 2009. In particular, the **Local Media** segment's Net Revenues amounted to 15 million euros (down 4% compared to the figures at 30 June 2009) while the **Media Commerce** Net Revenues amounted to 41.8 million euros (down 3% on 30 June 2009). It should be noted that the Media Commerce segment includes the subsidiary Buy On Web S.p.A. that, at 30 June 2010, reported net revenues amounting to 17.8 million euros, in line with the figures at 30 June 2009.

The Group's Gross Operating Income at 30 June 2010 amounted to approximately 1.2 million euros, against 3.3 million euros at 30 June 2009. Such results were determined both by the extraordinary costs incurred by the Group in relation to Buy On Web (amounting to 0.7 million euros at 30 June 2010) and by the extraordinary costs incurred by DMedia Commerce S.p.A. (0.1 million euros).

In particular, the **Local Media** segment's GOI amounted to 1.2 million euros (down 13% on 30 June 2009) while the Media Commerce segment reported a GOI of 0.9 million euros (down 69% on 30 June 2009). The **Media Commerce** GOI was affected by 0.73 million euros in extraordinary costs incurred by the subsidiaries Buy On Web S.p.A. and Dmedia Commerce S.p.A. The Media Commerce segment's GOI includes the gross operating losses of Buy On Web S.p.A., which at 30 June 2010 amounted to 160 euro thousand.



The Group's **Operating Results** for the first half of 2010 were negative by 0.1 million euros, against profits of 1.8 million euros at 30 June 2009. In particular, the **Local Media** segment reported operating results amounting to 0.4 million euros (down 23% on 30 June 2009) while the **Media Commerce** segment's operating results were 0.3 million euros (down 84% on 30 June 2009). The figure was a result of extraordinary costs of 0.73 million euros incurred by Buy On Web S.p.A. and Dmedia Commerce S.p.A.. The Media Commerce figures include the operating results of Buy on Web S.p.A., which show losses of euro 268 thousand at 30 June 2010.

The Group's **Net Results** for the first half of 2010 are negative by 1.1 million euros, against 0.4 million euros at 30 June 2009. In particular, the **Local Media** segment's net results amounted to 0.1 million euros and the **Media Commerce** segment reported losses of 0.2 million euros. The net results of the Media Commerce segment include the extraordinary costs incurred by Buy on Web S.p.A. and Dmedia Commerce S.p.A., which amount to 0.73 million euros, and exchange losses of 0.2 million euros. The Media Commerce figure includes the net results of Buy on Web S.p.A., which shows a gain of euro 124 thousand at 30 June 2010.

The **Net Financial Position** of the Dmail Group at 30 June 2010 shows an indebtedness of 25.3 million euros, against indebtedness of 24.5 million euros at 31 December 2009.

RESULTS OF DMAIL GROUP S.P.A. AT 30 JUNE 2010

At 30 June 2010, the parent company continued to provide centralized strategic, business development and communication services, in addition to administrative, financial, control and cash pooling services for its subsidiaries, with **revenues** of euro 0.5 million, compared to 0.3 million euros for the first half of 2009.

The **Gross Operating Income** at 30 June 2010 is negative by 0.8 million euros, in line with the figure at 30 June 2009. It should be noted that such result is significantly affected by the costs incurred by the ultimate parent company, in relation with Buy On Web S.p.A., amounting to 0.4 million euros.

The **Net Operating Results** at 30 June 2010 show a loss of 0.8 million euros, in line with the figure for the first half of 2009.

Net results at 30 June 2010 show a profit of 0.2 million euros compared to a profit of 0.6 million euros at June 30 2009.

SUBSEQUENT EVENTS

With regard to Buy On Web S.p.A. it is to be noted that the extraordinary meeting of the shareholders held on 28 July 2010 approved an increase in capital to cover the losses at 31 December 2009 and reconstitute the share capital to the minimum statutory requirement of euro 120 thousand. The Dmail Group intends to continue the operating activities of its subsidiary Buy on Web S.p.A. regardless of the outcome of the share capital increase.

BUSINESS OUTLOOK

Consumer trends in the first half of 2010 did not change direction by comparison to the previous period. It is, therefore, reasonable to expect further uncertainty before economic recovery sets in.

The strategic priority of our company will be a stronger focus on the management of core business.

Whereas the short-term evolution of the reference markets is hard to foresee, provided the trend remains significantly unchanged, the Local Media segment will presumably maintain the same level of profitability of operations shown in the previous year, whilst the operations of the Media Commerce segment would show a less profitable performance.



Finally, the second half of 2010 will also have to account for the effects arising from the ongoing assessments on the subsidiary Buy On Web S.p.A. in addition to the costs already incurred by the Group at 30 June 2010, amounting to 0.7 million euros.

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DECLARATION OF THE COMPLIANCE OFFICER

For the purposes of Article 154 of the Italian Consolidated Finance Law, Dr. Mauro Albani, the compliance officer in charge of drawing up the company's accounting documents, declares that the accounting information disclosed in this press release matches the results of the accounting books and records of the company.

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The Interim Management Report of Dmail Group S.p.A. at 30 June 2010 is available for public consultation at the offices of the Company and of Borsa Italiana S.p.A., as well as on the company's website: www.dmailgroup.it by 29 August 2010 (section Company's data → Registration of meetings documents).

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Dmail Group S.p.A., listed on the Star segment of the Italian Stock Exchange, operates in the areas of Media Commerce and Local Media.

In the Media Commerce area, the Group is leader in the direct, multi-channel sales, particularly online, in Italy and abroad, of innovative and good value products branded "Dmail - Idee utili e introvabili - www.dmail.it", "Dcomfort - Idee per vivere meglio - www.dcomfort.it", "DGarden - Idee per vivere il tuo spazio verde - www.dgarden.it", "DPets - Idee per chi ama gli animali - www.dpets.it"; of mass consumer electronics branded "Bow - Tentazioni tecnologiche - www.bow.it", of highly discounted branded products in the format "OVO - Online virtual outlet - www.ovo.it", reserved for members only and, in outsourcing, on behalf of leading companies of the Made in Italy and publishers.

Publishing activities are managed by Dmedia Group which controls Netweek, the first local media circuit in Northern Italy. Comprising 40 local publications and the leading regional weekly in terms of circulation, "IN Europa", Netweek has a circulation of 453 thousand copies and over two million readers every week. Dmedia also runs Netweek.it, a local news website. News and information on the company are available on the website: www.dmailgroup.it



CONSOLIDATED BALANCE SHEET

BALANCE SHEET ASSETS in thousands of euros	30/06/2010	31/12/2009
Non current assets		
Intangible assets		
Goodwill and other intangible assets with indefinite useful life	16,339	16,339
Intangible assets with finite useful life	6,311	6,162
Tangible assets		
Property, plant and equipment	12,108	12,360
Other non current assets		
Shareholdings	582	540
Securities and loans receivable	301	0
Miscellaneous amounts receivable and other non current assets	0	289
Deferred tax assets	2,330	2,288
TOTAL NON CURRENT ASSETS (A)	37,971	37,979
Current assets		
Stocks	14,949	13,627
Due from tax authorities	457	711
Trade receivables and other current assets	22,664	25,115
Held-for-trading securities	0	0
Loans receivable and other current financial assets		
Cash and cash equivalents	4,899	4,552
TOTAL CURRENT ASSETS (B)	42,969	44,005
TOTAL ASSETS (A+B)	80,940	81,984

BALANCE SHEET LIABILITIES in thousands of euros	30/06/2010	31/12/2009
TOTAL SHAREHOLDERS' EQUITY (C)	16,050	17,280
Non-current liabilities		
Non-current financial liabilities	6,358	4,291
Post employment benefit (TFR) and other staff-related reserves	1,992	1,885
Reserve for deferred tax liabilities	1,982	2,002
Provisions for risks and charges	6,509	6,723
Finance lease liabilities	1,334	1,371
Miscellaneous payables and other non current liabilities		
TOTAL NON-CURRENT LIABILITIES (D)	18,175	16,272
Current liabilities		
Current financial liabilities	22,326	23,179
Finance lease liabilities	183	193
Due to tax authorities	1,082	1,421
Trade and other current payables	23,124	23,640
TOTAL CURRENT LIABILITIES (E)	46,715	48,432
TOTAL LIABILITIES (F=D+E)	64,890	64,704
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES (C+D+E)	80,940	81,984



SEPARATE CONSOLIDATED PROFIT AND LOSS ACCOUNT

Amounts in thousands of euro	30/06/2010	Marg. %	30/06/2009	Marg. %	Change	Change %
Revenues	55,018	97%	56,674	97%	(1,656)	-3%
Other revenues	1,778	3%	2,045	3%	(267)	-13%
Total revenues and other operating income	56,796	100%	58,719	100%	(1,923)	-3%
Cost of goods	(27,023)	-48%	(28,194)	-48%	1,171	-4%
Gross contribution margin	29,774	52%	30,525	52%	(751)	-2%
Cost of services	(22,049)	-39%	(21,272)	-36%	(777)	4%
Staff costs	(5,100)	-9%	(4,854)	-8%	(246)	5%
Other operating expenses	(1,395)	-2%	(1,071)	-2%	(324)	30%
Gross operating income	1,229	2%	3,328	6%	(2,099)	-63%
Amortisation, depreciation and write-downs	(1,378)	-2%	(1,478)	-3%	100	-7%
Operating income	(150)	0%	1,850	3%	(2,000)	> 100%
Net financial income (expense)	(818)	-1%	(805)	-1%	(13)	2%
Profit (losses) before tax from continuing activities	(968)	-2%	1,045	2%	(2,013)	> 100%
Tax	(177)	0%	(625)	-1%	448	-72%
Net profit from continuing activities	(1,145)	-2%	420	1%	(1,565)	> 100%
Net profit from discontinued operations	0		(850)		0	
Net profit	(1,145)	-2%	(430)	-1%	(715)	> 100%

PROFIT AND LOSS ACCOUNT - DMAIL GROUP S.P.A.

Amounts in thousands of euro	30/06/2010	30/06/2009	Change	Change %
Revenues	299	258	41	16%
Other revenues	206	23	183	>100%
Total revenues and other operating income	505	281	224	80%
Cost of goods	(8)	(7)	(0)	4%
Cost of services	(923)	(737)	(186)	25%
Staff costs	(349)	(278)	(71)	26%
Other operating expenses	(51)	(56)	5	-9%
Gross operating income	(825)	(797)	(29)	4%
Amortisation, depreciation and write-downs	(21)	(22)	1	-4%
Operating income	(846)	(819)	(27)	3%
Net financial income (expense)	706	1.106	(400)	-36%
Profit before tax	(140)	287	(427)	>100%
Tax	325	309	16	5%
Net profit	185	596	(411)	-69%



PROFIT AND LOSS ACCOUNT BY SEGMENTS

LOCAL MEDIA

Amounts in thousands of euro	30/06/2010	% margin	30/06/2009	% margin	Change	% Change
Revenues	14,734	98%	15,333	98%	(600)	-4%
Other revenues	284	2%	241	2%	43	18%
Total revenues and other operating income	15,018	100%	15,574	100%	(557)	-4%
Cost of goods	(1,203)	-8%	(1,377)	-9%	174	-13%
Cost of services	(10,327)	-69%	(10,491)	-67%	164	-2%
Staff costs	(1,931)	-13%	(2,009)	-13%	79	-4%
Other operating expenses	(370)	-2%	(337)	-2%	(33)	10%
Gross operating income	1,188	8%	1,360	9%	(173)	-13%
Amortisation, depreciation and write-downs	(755)	-5%	(796)	-5%	41	-5%
Operating results	433	3%	564	4%	(131)	-23%
Net financial income (expense)	(103)	-1%	(183)	-1%	81	-44%
Profit (loss) before tax	330	2%	381	2%	(51)	-13%
Tax	(236)	-2%	(223)	-1%	(13)	6%
Net profit (loss)	95	1%	158	1%	(64)	-40%

MEDIA COMMERCE

Amounts in thousands of euro	30/06/2010	% margin	30/06/2009	% margin	Change	% Change
Revenues	40,363	96%	41,558	96%	(1,195)	-3%
Other revenues	1,481	4%	1,783	4%	(302)	-17%
Total revenues and other operating income	41,843	100%	43,341	100%	(1,497)	-3%
Cost of goods	(25,838)	-62%	(26,929)	-62%	1,091	-4%
Gross contribution margin	16,006	38%	16,412	38%	(407)	-2%
Cost of services	(11,150)	-27%	(10,392)	-24%	(758)	7%
Staff costs	(2,820)	-7%	(2,567)	-6%	(253)	10%
Other operating expenses	(1,168)	-3%	(688)	-2%	(480)	70%
Gross operating income	867	2%	2,764	6%	(1,898)	-69%
Amortisation, depreciation and write-downs	(526)	-1%	(660)	-2%	134	-20%
Operating results	340	1%	2,104	5%	(1,764)	-84%
Net financial income (expense)	(275)	-1%	(29)	0%	(246)	>100%
Profit (loss) before tax	65	0%	2,075	5%	(2,010)	-97%
Tax	(287)	-1%	(711)	-2%	424	-60%
Net profit (loss)	(221)	-1%	1,364	3%	(1,585)	>100%

GROUP'S NET FINANCIAL POSITION

(amounts in thousands of euro)			30/06/2010	31/12/2009
A	Cash and cash equivalents		4,899	4,552
B	Held-for-trading securities			
C	Cash and marketable securities	A+B	4,899	4,552
D	Current financial receivables			
E	Current bank loans		(17,833)	(19,263)
F	Current portion of medium/long-term loans		(4,493)	(3,790)
G	Other current financial liabilities (financial leases)		(183)	(193)
H	Other current financial liabilities			
I	Current financial liabilities	E+F+G+H	(22,510)	(23,246)
J	Net current financial liabilities	I+D+C	(17,610)	(18,694)
K	Non current bank loans		(6,163)	(4,179)
L	Other non-current liabilities (financial leases)		(1,335)	(1,371)
M	Other non-current liabilities			
N	Other non current liabilities (towards minority shareholders)		(31)	(31)
O	Non current financial liabilities	K+L+M+N	(7,529)	(5,580)
P	Net financial indebtedness as per CONSOB Communication DEM/6064293/2006	J+O	(25,139)	(24,275)
Q	Other non current financial receivables (fair value derivatives)			
R	Other non current loans receivable			
S	Other non current liabilities (fair value derivatives)		(163)	(207)
T	Total net financial indebtedness	P+Q+R+S	(25,302)	(24,482)