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Annual Report
2015



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Annual report as at
December 31, 2015

seat **PG**
pagineGialle

Registered office: Corso Mortara, 22 - 10149 Torino (Italy)

Fully paid-up share capital: Euro 20.000.000 i.v.

Tax code and VAT code: 03970540963

Milan Register of Companies No. 03970540963



SEAT is the only media agency to offer local marketing services throughout Italy. In addition to traditional paper and telephone visibility services, it offers companies 360-degree support in promoting their activities on the Internet, through a network of agencies (the SEAT media agencies). SEAT's web marketing services stretch from the construction and management of internet sites, which are also optimized for mobile use, to the creation of multimedia content; from activities related to web visibility, to e-commerce and web marketing services and managing presence on social networks. It also offers advertising on third-party, digital, television, radio and cinema media in partnership with specialist operators.

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" il **Giallo**
ti sorprende "



Pictured above extracted from the last spot of SEAT PG

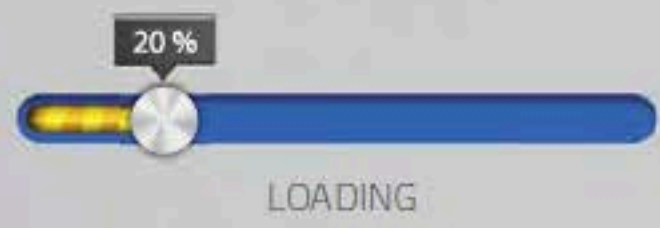
Nuova generazione di opportunità

tutti gli strumenti più evoluti per il business

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Highlights
and general
information



Corporate Boards \

(Information updated on March 15, 2016)

Board of Directors ⁽¹⁾

Chairman of the Board of Directors

Khaled Galal Guirguis Bishara

Vice Chairman of the Board of Directors

David Alan Eckert ⁽²⁾

Chief Executive Officer (CEO)

Antonio Converti ⁽²⁾

Sophie Sursosck

Onsi Naguib Sawiris

Corrado Sciolla ⁽ⁱ⁾

Maria Elena Cappello ⁽ⁱ⁾

Antonia Cosenz ^{(i) (3)}

Cristina Finocchi Mahne ⁽ⁱ⁾

Appointments and Remuneration Committee ⁽⁴⁾

Chairman

Antonia Cosenz ⁽³⁾

Cristina Finocchi Mahne

Corrado Sciolla

Control and Risk Committee ⁽⁴⁾

Chairman

Cristina Finocchi Mahne

Maria Elena Cappello

Antonia Cosenz ⁽³⁾

Board of Statutory Auditors ⁽⁵⁾

Chairman

Maurizio Michele Eugenio Gili

Standing Auditor

Guido Nori

Ada Alessandra Garzino Demo

Alternate Auditor

Roberta Battistin

Giancarlo Russo Corvace

Common Representative of Savings Shareholders

Stella d'Atri

Chief Financial Officer

Andrea Servo

Independent Auditing Firm ⁽⁷⁾

PricewaterhouseCoopers S.p.A.

⁽¹⁾ The Board of Directors was appointed by the Shareholders' Meeting of October 8, 2015.

⁽²⁾ Appointed by Board resolution of 8 October 2015.

⁽³⁾ On March 8, 2016, the Shareholder Meeting in the ordinary session appointed the lawyer Antonia Cosenz – already co-opted by the Board of Director on November 10, 2015 following the resignation of Dr. Mollis on November 6, 2015 from positions held on the Company's Board of Directors – member of the Board of Directors.

⁽⁴⁾ The Committees were appointed by the Board of Directors on October 8, 2015 and confirmed by the Board of Directors on March 8, 2016, following the appointment of Antonia Cosenz as mentioned above.

⁽⁵⁾ The Board of Statutory Auditors was appointed by the Shareholders' Meeting of April 23, 2015. It should be noted that on September 5, 2015, the Alternate Auditor, Dr. Massimo Parodi passed away, to replace him, on March 8, 2015, the Ordinary Shareholders' Meeting has appointed Dott. Giancarlo Russo Corvace as alternate auditor.

⁽⁶⁾ Appointed by the Special Meeting of Savings Shareholders on May 2, 2013 for the fiscal years 2013, 2014 and 2015.

⁽⁷⁾ Appointed by the Meeting of Shareholders of June 12, 2012.

⁽ⁱ⁾ Directors meeting the requirements of independence provided by the combined provisions of Articles 147-ter, paragraph 4 and 148, paragraph 3, of Legislative Decree 58/1998 and the Code of Conduct for Listed Companies.

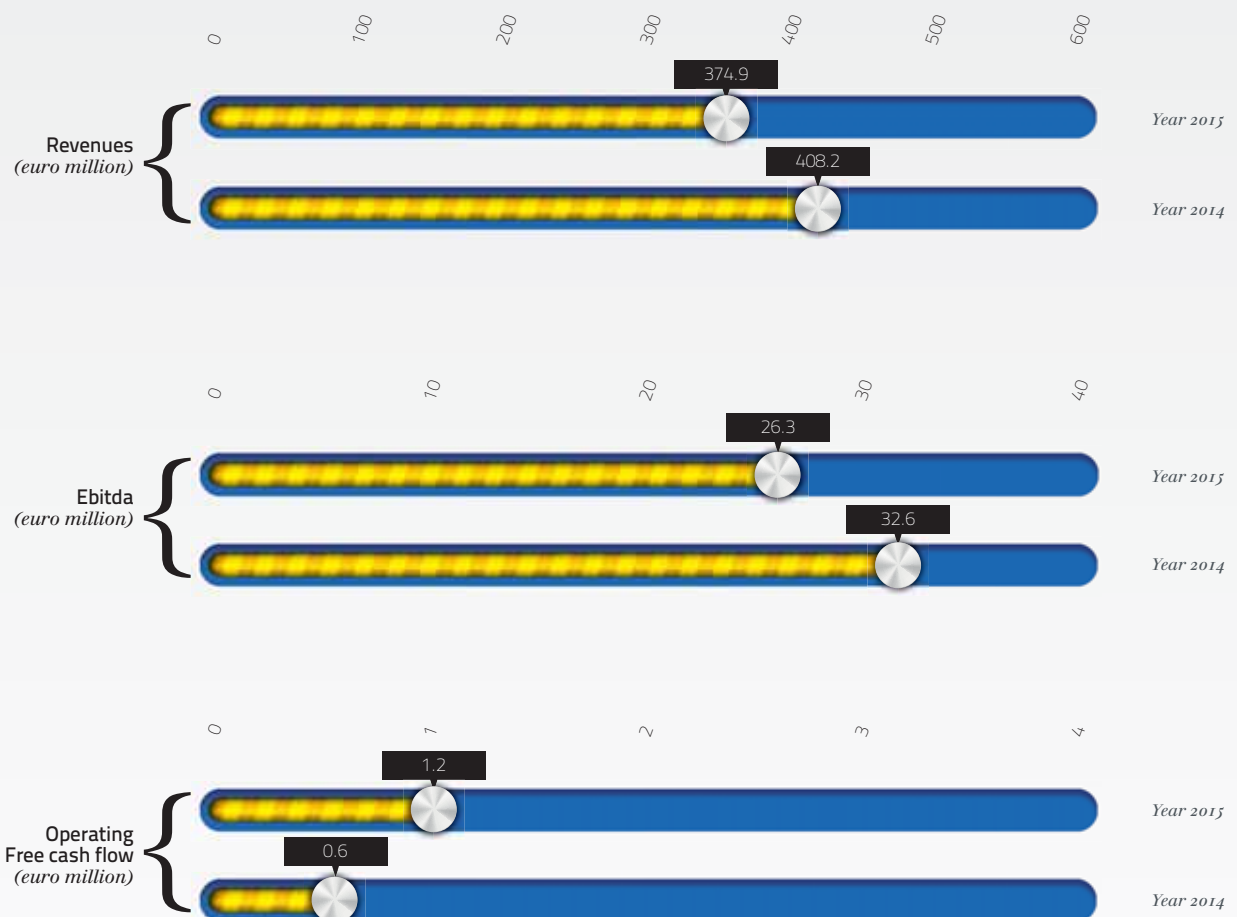
Financial Highlights of the Group

The economic and financial results of the Seat Pagine Gialle group for 2015 and for 2014 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

- Consolidated REVENUES amounted to € 374.9 million in 2015, a decrease of 8.1% compared to 2014; they include the effect of the change in accounting estimate on the portion of revenues attributable to the online component of PagineBianche offer, adopted from the first quarter of 2015 to reflect evidence from usage data, understood as a proxy of the generation of leads for customers. Net of

this effect, revenues for the year 2015 were lower by around €10 million.

- Consolidated EBITDA amounted to € 26.3 million, a decrease of 19.3% compared to 2014. Net of the effect of the estimate of the revenue share of the policy change attributable to the online component of the PagineBianche, the EBITDA for 2015 is lower by approximately €9.4 million.
- FREE CASH FLOW UNLEVERED was positive by € 1.0 million and NET FINANCIAL DEBT was positive by €106.5 million, an improvement of € 35.1 million compared to December 31, 2014..



	Year 2015	Year 2014
<i>(euro/milion)</i>		
Economic and financial data		
Revenues from sales and services	374.9	408.2
GOP (*)	46.9	61.6
EBITDA (*)	26.3	32.6
EBIT (*)	(26.3)	(25.5)
Pre-tax profit (loss)	(29.7)	1,408.5
Profit (loss) on continuing operations	(19.3)	1,393.4
Profit (loss) pertaining to the Group	(19.1)	1,379.2
OFCF (*)	1.2	0.6
Unlevered FCF (*)	1.1	(5.7)
Capital expenditure	30.8	29.9
Net invested capital (*)	54.3	102.3
<i>of which marketing related intangibles</i>	21.6	25.3
<i>of which net operating working capital</i>	(26.5)	(12.2)
Equity of the Group	160.9	174.4
Net financial indebtedness	(106.5)	(71.4)
Economic and financial ratio		
EBITDA/Revenues	7.0%	8.0%
EBIT/Revenues	(7.0%)	(6.2%)
OFCF/Revenues	0.3%	0.1%
Operating working capital / Revenues	(3.0%)	(3.0%)
Workforce		
Workforce at the end of the period (units) (**)	1,849	1,932
Average workforce for the period on continuing operations	1,642	1,785
Revenues/Average workforce	228	229

(*) See "Non GAAP measures" below for details on how the items are calculated.

(**) It should be noted that the active workforce, net of the employees that use Wage Guarantee Fund ("Cigs zero heures" is 1,714 unit December 31, 2015 and 1,915 units at December 31, 2014.

Non-GAAP measures \

This section reports on several non-GAAP measures used in Seat Pagine Gialle Group's consolidated financial statements and in Seat Pagine Gialle SpA's separate financial statements as at December 31, 2015 to provide tools for analyzing the financial performance of the Group, in addition to those based on the financial statements. These indicators are not identified as accounting measures within the IFRS framework, and therefore must not be considered an alternative standard by which to assess the results of the Group or its equity or financial position. Since these measures are not governed by benchmark accounting standards, the calculation methods used by the Company may not be consistent with those implemented by others, meaning that measures may not be comparable. These indicators are as follows:

- **GOP** (*gross operating profit*) refers to EBITDA before other operating income and expense, net valuation adjustments and provisions for risks and charges.
- **EBITDA** (*operating result before amortization, depreciation and other net non-recurring and restructuring costs*) refers to EBIT (*operating result*) before net non-recurring and restructuring costs and operating and non-operating amortization, depreciation and write-downs.
- **Operating working capital and non-operating working capital** are respectively calculated as operating current assets (relating to operating revenues) net of operating current liabilities (relating to operating costs) and as non-operating current assets net of non-operating current liabilities.
- **Net invested capital** is the sum of operating working capital, non-operating working capital, goodwill and customer databases, and other operating and non-operating non-current assets and liabilities.
- **Net financial debt** is a measure of ability to meet financial obligations comprising current and non-current financial payables net of cash and cash equivalents and current financial receivables.
- **OCF** (*operating free cash flow*) is the EBITDA, adjusted to take into account the effect of capital expenditure and the change in operating working capital and operating non-current liabilities on the net financial position.
- **FCF unlevered** (*Unlevered free cash flow*), corresponds to the OCF adjusted by the effect of taxes paid.

Information for Shareholders \

Shares \

		As at 12.31.2015	As at 12.31.2014
Share capital	euro	20,000,000.00	20,000,000.00
Number of ordinary shares	n.	64,267,615,339	64,267,615,339
Number of saving shares	n.	6,803	6,803
Market capitalization (based on market price as at December 30)			
Ordinary shares	euro/mln	199	186
Saving shares	euro/mln	2	1
Total	euro/mln	201	187
Equity per share	euro	0.0025	0.010
Profit (loss) per share on continuing operations pertaining to the Group	euro	(0.0003)	0.081
Profit (loss) per share from non-current assets held for sale and discontinued operations pertaining to the Group	euro	0.000003	(0.00083)

Shareholders \

The holders at ordinary shares of Seat Pagine Gialle S.p.A. holding over 5% of the Company's share capital as at December 31, 2015 are:

- **ItaliaOnLine SpA: 80.23 %**

For completeness, it should also be noted that following the completion of the merger of ItaliaOnLine SpA into the subsidiary Seat Pagine Gialle SpA, based on information available as at January 20, 2016 (date on which the merger has been approved by the respective boards at directors), the share capital composition of the merged company will be as follows:

Declarant	Shareholders	n. Shares	% on share capital
The Marchmont Trust	Libero Acquisition S.à.r.l.	67,500,000,000.00	58.82
Golden Tree Asset Management LP	Golden Tree Asset Management LP	18,608,147,550.00	16.22
GL Europe Luxembourg S.à.r.l.	GL Europe Luxembourg S.à.r.l.	15,930,433,350.00	13.88
	Market	12,708,758,478.00	11.08
		114,747,339,378.00	100.00

Performance of Ordinary Shares of Seat Pagine Gialle S.p.A. on the Italian Telematic Stock Market for the Period Ending on December 31, 2015

Between December 30, 2014 and December 30, 2015, the official market price of ordinary shares Seat Pagine Gialle SpA reported an increase of 7.3% (from € 0.00289 to € 0.0031), which corresponds to an increase in market capitalization of €13.5 million (from € 186 to €199 million).

In the same period, around 76 billion ordinary shares were traded, with an average daily exchange of approximately 298 million shares (corresponding to 0.5% of the ordinary share capital).

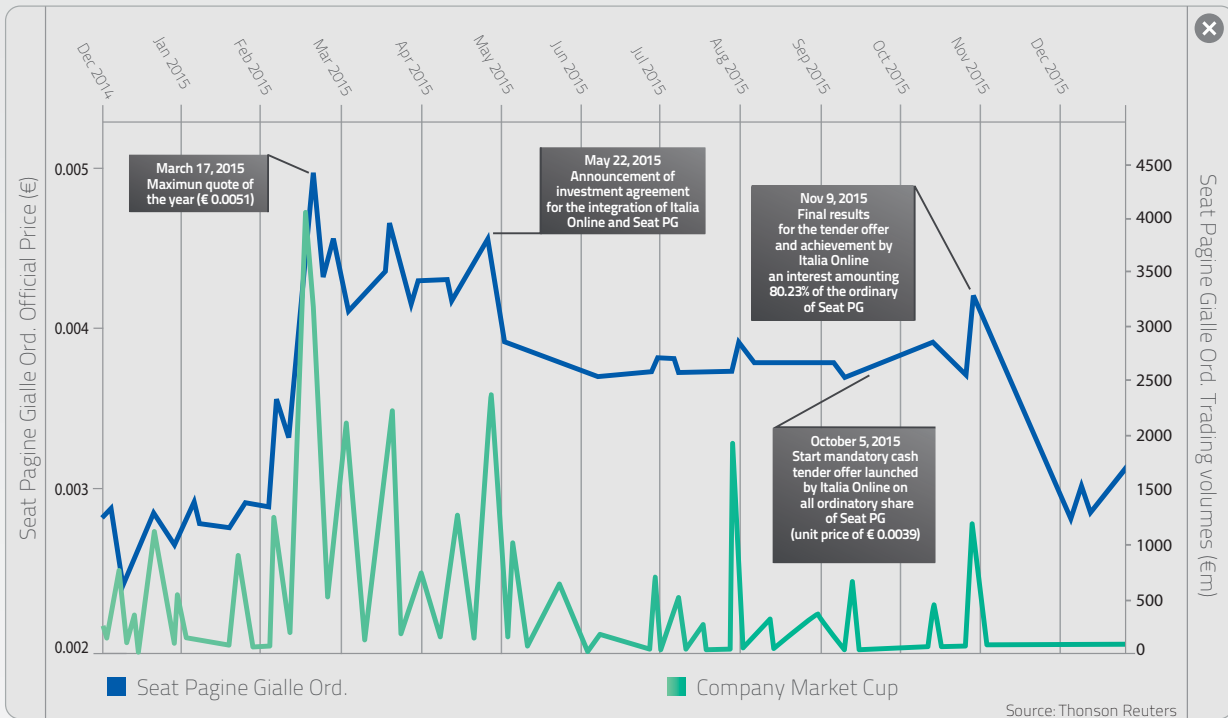
In particular, the ordinary shares of Seat Pagine Gialle S.p.A.:

- On March 17, 2015, following approval by the Board of Directors of the draft Financial Statements for the year 2014, have reached their maximum value (equal to €0.0051);
- with effect from May 22, 2015, following the announcement by ItaliaOnLine SpA ("ItaliaOnLine"),

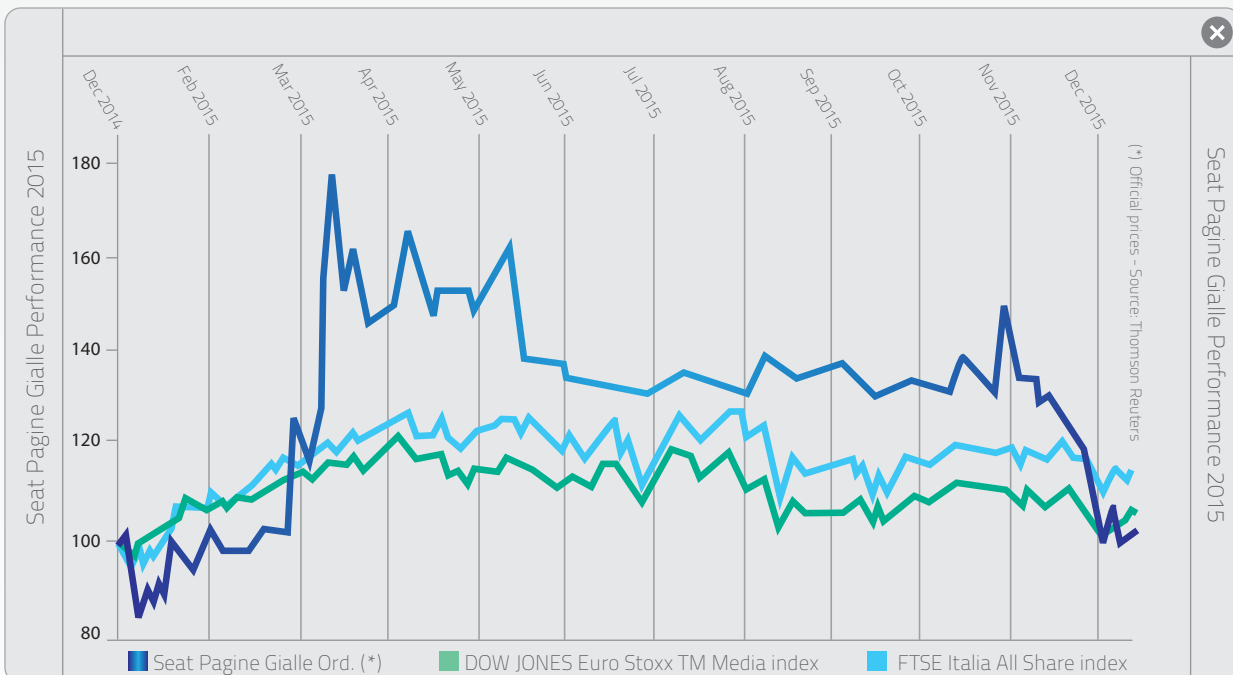
- Libero Acquisition Sàrl ("Libero Acquisition"), GL Europe Luxembourg Sàrl ("Avenue"), GoldenTree Asset Management Lux Sàrl, GoldenTree SG Partners LP, GT NM LP and the San Bernardino County Employees' Retirement Association (together "GoldenTree") of the signing of an investment agreement for the integration of ItaliaOnLine and Seat Pagine Gialle SpA, which have gradually aligned to the unit value of the consideration, equal to € 0.0039, which was recognized by ItaliaOnLine as part of the mandatory public tender offer for consideration ("Opa"), which began October 5, covering all the ordinary shares of Seat Pagine Gialle S.p.A.;
- in the period following November 9, 2015, the date on which they were informed of the final results of the public tender offer that led ItaliaOnLine to acquire an 80.23% stake in the ordinary share capital of Seat Pagine Gialle S.p.A., which gradually moved towards lower values, closing the year 2015 at a price of € 0.0031, in line with the tender offer.

Performance of the Official Price and Stock Market Trading Volumes of Ordinary Shares of Seat Pagine Gialle S.p.A. for the Year Ended December 31, 2015

(information correct as at March 17, 2016)

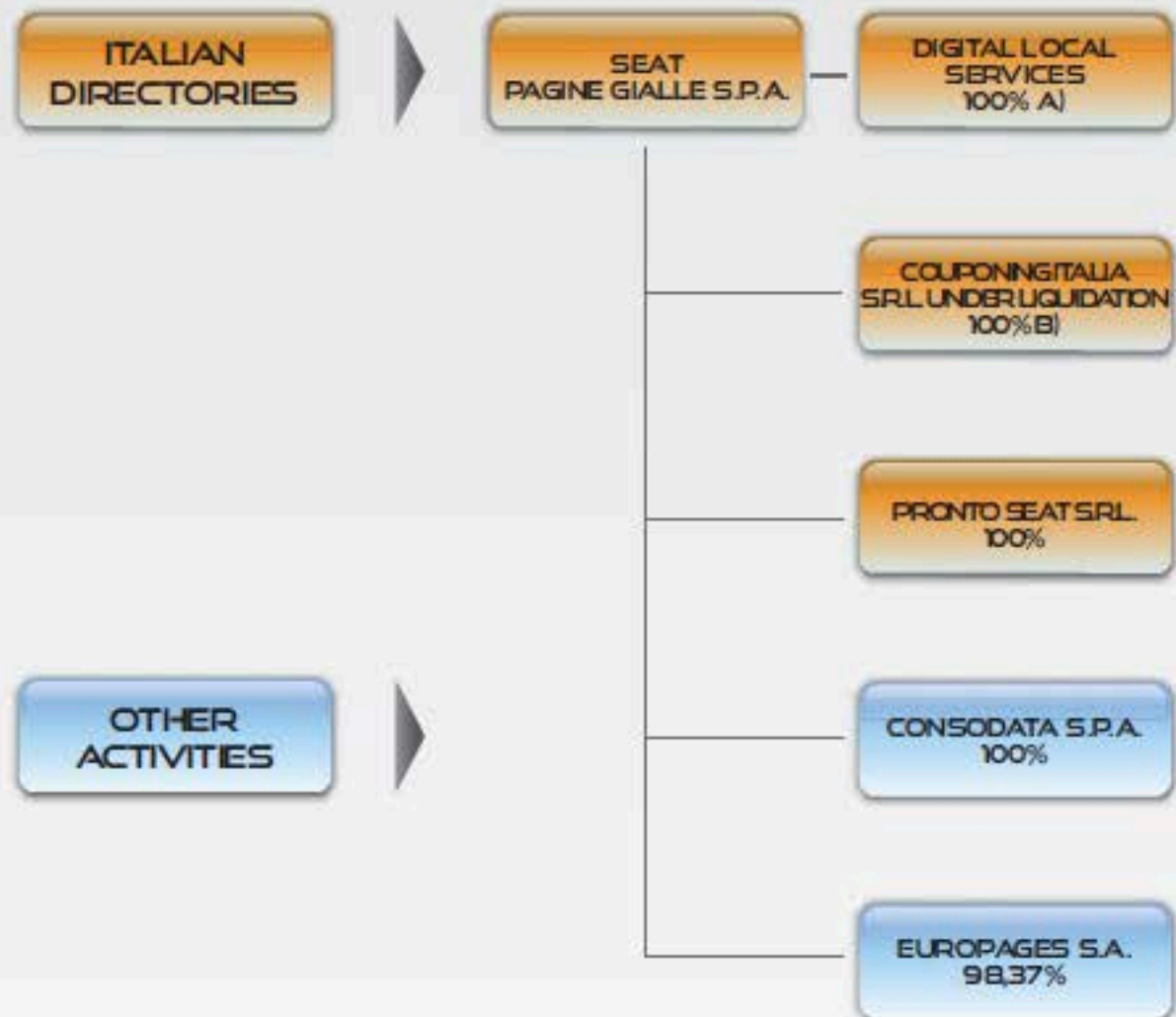


Stock Market Performance of Ordinary Shares of SEAT Pagine Gialle S.p.A. vs. FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index in the Period Ending on December 31, 2015



Organizational Structure of the Group

(Information updated on March 15, 2016)



LEGEND

A) 74 single shareholders limited liability companies directly owned by Seat Pagine Gialle S.p.A.

B) On January 28, 2015 Glamoo Ltd transferred its entire stake in Glamoo S.r.l. to Seat Pagine Gialle S.p.A.

On December 22, 2015 the Shareholder's Meeting of Glamoo S.r.l. approved the liquidation of the company; the transcript from the Register of Companies of Milan Chamber of Commerce took place on January 21, 2016 resulting in the change of the name in Couponing Italia S.r.l. under liquidation.

Market Situation and Strategic Positioning

SEAT

The Seat Group operates in the advertising industry and the local communication services, mainly in Italy, acting as a broker between companies that offer products and services and their potential customers, with the aim of encouraging the development of direct contacts between these subjects.

The above-mentioned strategic positioning is set to change over the next few months, as part of the completion of the project to integrate the ItaliaOnLine Group and the Seat Group, which was approved by the respective Boards of Directors on January 15, 2016 (the "Business Plan 2016-2018"). For more details, please refer to the comments regarding Business development.

Seat Group carries out its activities by providing: (i) traditional print and voice advertising services; (ii) online search services through its proprietary online portals and web marketing services and (iii) visibility in traditional (television, radio and cinema) and digital media, in partnership with specialized operators.

SEAT's operations, therefore, can be broken down into three main areas:

- "Traditional" activities, characterized by integrated search and advertising services in directories available in the following formats: Directories available on: (i) paper, through the publication of PagineGialle® and PagineBianche® (which contain the telephone numbers and addresses of private individuals as well as businesses); and (ii) voice, which provides the same information that can be found in the print publications, but via telephone using the numbers 12.40 Pronto Pagine Bianche® and 89.24.24 Pronto Pagine Gialle®;
- *Online* activities, which include (i) online advertising services, involving the management of proprietary portals and mobile applications that use search engines to provide commercial information (www.paginegialle.it) and the telephone numbers and addresses of public and private parties and businesses (www.paginebianche.it), in addition to service geolocation (www.tuttocitta.it), and the sale of display advertising services (banners on third-party portals) and search engine marketing (SEM) services, primarily on Google; and (ii) web agency activities, consisting of web visibility/communications services, such as creating and managing websites, e-shops, pages and social network campaigns. In the so-called *online segment*, SEAT Group offers companies a complete range of support services to promote their business online via an agency network (the so-called Seat media agency); and

- the activities of the so-called media agency, consisting of selling advertising space on third-party media such as cinema, thematic television and local radio, on the basis of partnership agreements entered into with significant media operators.

The Group also provides a number of direct marketing and communications services (through the subsidiary Consodata), and the management of an online European business to business directory (through the subsidiary Europages).

The SEAT Group thus competes in the advertising market which, in Italy, grew 2.4% annually to reach a value of approximately €5 billion in 2015, according to official sources (IAB and Nielsen) as well as the Company's internal calculations. In the segmentation of this market by business strategy and customer size, the Seat Group is deemed a generalist, which stands out due to its the ability to offer a complete portfolio of services designed for small and medium-sized enterprises. In this market, players with similar business models are represented exclusively by small, local web agencies, which can claim proximity to the customer and offer a wide range of tailored services, but cannot leverage the economies of scale and the industrial processes quality offered by the Seat Group itself.

As regards market shares at the end of 2015, calculated with reference to revenues of the SEAT Business Area (Seat Pagine Gialle SpA and Digital Local Service) alone, sizing estimates of different segments in the advertising market based on official sources (IAB and Nielsen), and internal Company calculations, referred exclusively to the Italian market, it should be mentioned that:

- the combined market share of SEAT Group fell from 7.9% to 6.9% on an annual basis;
- in the context of traditional services (print, telephone, media agency, direct marketing and other minor products), the market share of the SEAT Group fell from 14.6% to 13.4% on an annual basis;
- as regards online advertising, including online directories, banners, paid search engine positioning services, and the management of advertising campaigns on social networks, the SEAT Group's market share fell from 7.5% to 6.9% on an annual basis; and
- With regard to web agency, website creation and optimization services, SEAT Group's market share fell from 3.3% to 2.9% on an annual basis.

Operating profit for the year 2015 was achieved within a context of a slowdown in the economic recovery at the end of the year and a slowly recovering advertising market:

■ According to ISTAT, in Q4, the Italian gross domestic product (GDP) grew by 0.1% compared to the previous quarter, and by 1.0% with respect to the fourth quarter of 2014. In 2015, the Italian GDP, calculated according to gross quarterly data, grew by 0.7%. When amended in order to consider effects of the calendar - there were three more working days in 2015 than in 2014 - the growth was 0.6%. This forecast is less than the objective defined by the Government contained in the update to the Document for Economic and Financial Planning (DPEF), which suggested that GDP would grow by 0.9%. This government objective was then downgraded in December to a more cautious 0.8%. The slowdown of Italian GDP, judging by the quarterly data, has been constant: +0.4% in the first quarter, +0.3% in the second, +0.2% in the third and +0.1% in the fourth. With regard to the longer-term forecast for the Italian economy, in February, the European Commission has revised its GDP growth estimates slightly downwards: +1.4% in 2016, and +1.3% in 2017. However, the preliminary estimate last November *had shown growth for said individual years of +1.5% and +1.4% respectively. "Having grown moderately in 2015, the Italian economy will gain momentum in 2016 and 2017 with the strengthening of*

domestic demand" pointed out the European Commission, according to which *"The fall in oil prices and an expansionary fiscal position will support demand, and offset the slowdown in exports"* in the second half of 2015.

■ According to Nielsen, in 2015 the advertising market in Italy increased by 1.7% to € 7,912 million compared 2014. Considering the web share (primarily search engines and social networks) estimated by Nielsen, the web world would appear to have grown by 8.5% (to €2,104 million) caused mainly by the strong growth in the Social channel (+45.8%). With regard to other means, radio was characterized by considerably higher growth than the market average (+8.8%), TV grew by 0.7%, the out-of-home offering grew significantly, driven primarily by the Milan Expo 2015; outdoor (+3.3%), transit (+15.6%) and out-of-home TV (+13.1%). Movies (-4.1%), newspapers (-6.6%), magazines (-4.1%) and direct mail (-8.3%) all fell.

According to Nielsen, *"After a difficult start, 2015 ended positively, driven by a good second semester, which is reason to be optimistic given the likely positive consolidation forecast for 2016"*.

Main Italian and Foreign Subsidiaries

On January 28, 2015, Glamoo Ltd transferred its entire stake in Glamoo Srl to Seat Pagine Gialle SpA.

On December 22, 2015, the Assembly of Glamoo S.r.l. approved the liquidation of the company; the transcript at the Register of Companies of Milan's Chamber of Commerce took place on January 21, 2016, resulting in the change of name to Couponing Italy S.r.l. under liquidation.

The Parent Company continued to oversee its other subsidiaries with a view to preserving their value. In particular, **Consodata S.p.A.**, one of Italy's leading providers of data-driven marketing and marketing intelligence, saw its revenues drop slightly due to the unfavorable macroeconomic climate. This occurred in spite of the continued development of innovative, high-added-value business lines to offset falling revenues from traditional direct marketing activities.

" il Giallo è crescita "



Pictured above extracted from the last spot of SEAT PG

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tutti gli strumenti più evoluti per il business

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on operations





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Economic and Financial Performance of the Group \

The financial results of the Seat Group for 2015 and for the previous year have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

The annual financial report of December 31, 2015 was prepared on the assumption of the continuation of the company's activity, since there is a reasonable expectation that Seat Pagine Gialle SpA will continue to operate for the foreseeable future (and in any case for a timespan of more than twelve months).

The "Outlook" section contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to its financial results and other aspects of its business and strategies. Readers of this Annual Report should not place excessive confidence in the reliability of these forward-looking statements, since the final results may differ from those contained in these forecasts for a number of reasons, some of which are beyond the Group's control.

Tables – Consolidated Data \

Reclassified Consolidated Income Statement

<i>(euro/thousand)</i>	Year	Year	Change	
	2015	2014	Absolute	%
Revenues from sales and services	374,941	408,185	(33,244)	(8.1)
Costs of materials and external services (*)	(240,677)	(251,313)	10,636	4.2
Salaries, wages and employee benefits (*)	(87,349)	(95,261)	7,912	8.3
Gross Operating Profit (GOP)	46,915	61,611	(14,696)	(23.9)
<i>% on revenues</i>	12.5%	15.1%		
Net valuation adjustments and provisions to reserves	(20,304)	(27,026)	6,722	24.9
Other operating income (expenses)	(316)	(1,957)	1,641	83.9
EBITDA	26,295	32,628	(6,333)	(19.4)
<i>% on revenues</i>	7.0%	8.0%		
Operating amortization, depreciation and write-down	(40,092)	(40,349)	257	0.6
Non-operating amortization, depreciation and write-down	(3,751)	(9,572)	5,821	60.8
Net non-recurring and restructuring costs	(8,784)	(8,243)	(541)	(6.6)
EBIT	(26,332)	(25,536)	(796)	(3.1)
<i>% on revenues</i>	(7.0%)	(6.3%)		
Net financial expense	(2,581)	(128,352)	125,771	98.0
Value adjustments of financial assets and losses from subsidiaries disposal	(6,645)	(2,648)	(3,997)	n.s.
Net income from composition with creditors	5,887	1,565,052	(1,559,165)	(99.6)
Profit (loss) before taxes	(29,671)	1,408,516	(1,438,187)	n.s.
Income taxes	10,333	(15,069)	25,402	n.s.
Profit (loss) on continuing operations	(19,338)	1,393,447	(1,412,785)	n.s.
Profit (loss) from non-current assets held for sale and discontinued operations	222	(18,428)	18,650	n.s.
Profit (loss) for the year	(19,116)	1,375,019	(1,394,135)	n.s.
- of which pertaining to the Group	(19,080)	1,379,167	(1,398,247)	n.s.
- of which pertaining to minority interests	(36)	(4,148)	4,112	99.1

(*) Minus costs debited to minority interests and shown in the FRS financial statements under "Other revenue and income".

Consolidated Statement of Comprehensive Income

<i>(euro/thousand)</i>	Year 2015	Year 2014
Profit (loss) for the year	(19,116)	1,375,019
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year:</i>		
Actuarial gains (losses)	999	(1,669)
Profit (loss) from fair-value measurement of securities and investments AFS	(40)	-
Profit (loss) from warrant valuation	4,715	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year	5,674	(1,669)
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year:</i>		
Profit (loss) from fair-value measurement of securities and investments AFS	(103)	50
Profit (loss) from translation of accounts of foreign subsidiaries	-	(984)
Profit (loss) from warrant valuation	-	-
Other movement in the year	-	-
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year	(103)	(969)
Total other comprehensive income (expense), net of tax	5,571	(2,638)
Total comprehensive income (expense) for the year	(13,545)	1,372,381
- of which pertaining to the Group	(13,509)	1,376,549
- of which pertaining to minority interests	(36)	(4,168)

Reclassified Consolidated Statement of Financial Position

<i>(euro/thousand)</i>	As at 12.31.2015	As at 12.31.2014	Change
Marketing related intangible assets	21,559	25,312	(3,753)
Other non-current assets (*)	116,660	147,860	(31,200)
Operating non-current liabilities	(33,695)	(42,416)	8,721
Non-operating non-current liabilities	(23,241)	(20,754)	(2,487)
Operating working capital	(26,521)	(12,197)	(14,324)
- Operating current assets	208,708	231,772	(23,064)
- Operating current liabilities	(235,229)	(243,969)	8,740
Non-operating working capital	(445)	5,381	(5,826)
- Non-operating current assets	24,617	27,167	(2,550)
- Non-operating current liabilities	(25,062)	(21,786)	(3,276)
Net non-current assets held for sale and discontinued operations	-	(250)	250
Net invested capital	54,317	102,936	(48,619)
Equity of the Group	160,922	174,429	(13,507)
Equity of minority interests	(128)	(92)	(36)
Total equity (A)	160,794	174,337	(13,543)
Current financial assets, cash and cash equivalent	(115,452)	(111,173)	(4,279)
Current financial debts	1,177	7,428	(6,251)
Non-current financial debts	7,798	32,344	(24,546)
Net financial debt (B)	(106,477)	(71,401)	(35,076)
Total (A+B)	54,317	102,936	(48,619)

(*) This item includes the financial assets available for sale, as well as non-current financial assets.

Reconciliation of Seat Pagine Gialle S.p.A.
Equity and Consolidated Equity at December 31, 2015

<i>(euro thousand)</i>	Group				Minorities			Total
	Share capital	Reserves	Profit (loss) for the year	Total	Share capital and reserves	Profit (loss) for the year	Total	
Seat Pagine Gialle S.p.A. as at December 31, 2015	20,000	161,648	(27,114)	154,534	-	-	-	154,534
Profit (loss) for the year, share capital and reserves of consolidated companies	-	13,915	(5,111)	8,804	(78)	(35)	(113)	8,691
Book value of consolidated companies	-	(15,048)	2,500	(12,548)	-	-	-	(12,548)
Consolidation adjustments								
Reversal of write off of financial and commercial receivables to Glamoo S.r.l.	-	(325)	1,807	1,482	-	-	-	1,482
Reversal of write off of financial receivables to Europages	-	-	8,801	8,801	-	-	-	8,801
Other movements	-	(188)	37	(151)	(14)	(1)	(15)	(166)
Share capital, reserves and consolidated results as at December 31, 2015	20,000	160,002	(19,080)	160,922	(92)	(36)	(128)	160,794

Reconciliation of Seat Pagine Gialle S.p.A.
Equity and Consolidated Equity at December 31, 2014

	Group				Minorities			Total
	Share capital	Reserves	Profit (loss) for the year	Total	Share capital and reserves	Profit (loss) for the year	Total	
<i>(euro thousand)</i>								
Seat Pagine Gialle S.p.A. as at December 31, 2014	20,000	(1,234,035)	1,390,295 (*)	176,260	-	-	-	176,260
Profit (loss) for the year, share capital and reserves of consolidated companies	-	166,085	(106,312)(*)	59,773	16,422	(2,270)	14,152	73,925
Book value of consolidated companies	-	(95,991)	83,443	(12,548)	-	-	-	(12,548)
Consolidation adjustments								
Goodwill arising from the acquisition	-	4,619	(4,619)	-	-	-	-	-
Dividends	-	5,914	(5,914)	-	-	-	-	-
Exchange differences	-	108	-	108	-	-	-	108
Telegate deconsolidation	-	(82,823)	34,178	(48,645)	(12,354)	(1,877)	(14,231)	(62,876)
<i>Cancellation</i>								
<i>AG write off</i>	-	(89,457)	79,202	(10,255)	-	-	-	(10,255)
<i>IFRS 5 effect</i>	-	4,513	(6,412)	(1,899)	1,321	(1,877)	(556)	(2,455)
<i>Loss due to the</i>								
<i>Telegate deconsolidation</i>	-	2,121	(38,612)	(36,491)	(13,675)	-	(13,675)	(50,166)
Other movements and change in the scope of consolidation	-	11,385	(11,904)	(519)	(12)	(1)	(13)	(532)
Share capital, reserves and consolidated results as at December 31, 2014	20,000	(1,224,738)	1,379,167	174,429	4,056	(4,148)	(92)	174,337

(*) It includes the effect to the Telegate write off into the Telegate GmbH financial statements amounting to € 70.7 million and into Seat Pagine Gialle S.p.A. amounting to € 8.5 million, totally resumed by the Telegate deconsolidation

Reclassified Consolidated Income Statement for 2015

Revenues from sales and services in 2015 amounted to € 374,941 thousand in 2015, a decrease of 8.1% compared to 2014 (€ 408,185 thousand); they include the effect of the change in accounting estimate on the portion of revenues attributable to the online component of PagineBianche offer, adopted from the first quarter of 2015 to reflect evidence from usage data, understood as a proxy of the generation of leads for customers. Net of this effect, revenues for the year 2015 were lower by around €10 million.

Gross of adjustments between the Group's different Business Areas, revenues from sales and services were as follows:

- Product sales and services "Italian Directories" (*Seat Pagine Gialle SpA, Digital Local Services, ProntoSeat, Glamoo Ltd and Couponing Italy Srl in liquidation already Glamoo Srl*) amounted to € 357,145 thousand in 2015, a decline of 8.4 %, compared to 2014. Revenues of SEAT (*Seat Pagine Gialle SpA and Digital Local Services*) amounted to € 356.538 thousand in 2015, down 8.3%, compared to 2014. For more details about trends in terms of individual product lines, please refer to the comment regarding SEAT Business Area.

Revenue from ProntoSeat, almost all of which was intra-group, amounted to € 5,358 thousand in 2015, up by €1,650 thousand compared with the same period in year 2014 (€ 3,708 thousand). The higher turnover is mainly due to an increase in outbound revenues (€ 1,085 thousand compared to 2014) in view of the improved management of Rinnovì Elenchi Standard, the new management of Rinnovì Web business, the increase in customer care activities for customer loyalty and "SmartSite" for creating next-generation sites, and to SEAT's telesales incentive system, introduced last year.

Inbound revenues also increased (€ 543 million compared to 2014) thanks to the launch of the 89.24.24. service and part of the 12.40 service from June 1, 2015.

Glamoo – now Couponing Italy Srl in liquidation – revenues for the year 2015 amounted to € 1,062 thousand. On December 22, 2015, the General Meeting of Shareholders of the Company passed a resolution to wind up the company.

- Revenue in the "Other activities" Business Area (*Europages and Consodata*) totaled € 22,368 thousand in 2015, down 7.8% compared to 2014 (€ 24,280 thousand), due to the drop in sales both in Europages and Consodata.

Costs of materials and external services, net of costs debited to third parties included in the IFRS financial statements under the item "Other revenues and income", totaled € 240,677 thousand in 2015, down by € 10,636 thousand compared with 2014 (€ 251,313 thousand).

The breakdown of materials and services costs is as follows:

- Industrial costs: amounted to €109,402 thousand, an increase of € 2,146 thousand compared to 2014, mainly due to the increase in commissions to web publishers (€ 3,519 thousand compared to 2014) in the management of Digital reselling offers, and partnership agreements signed with major players in the media world;
- Commercial costs: amounted to € 85,300 thousand in 2015 (€ 96,187 thousand in 2014). The reduction was mainly due to lower advertising expenses incurred in the course of 2015 due to the reduction in advertising on corporate image, along with lower costs incurred for commissions and other selling expenses related to the corresponding reduction in revenue;
- Overheads totaled € 45,975 thousand down by € 1,895 thousand compared with the previous year (€ 47,870 thousand), due to policies for limiting costs.

Salaries, wages and employee benefits, minus recovered costs, which are included in the IFRS financial statements under the item "Other revenues and income", amounted to € 87,349 thousand in 2015, down by € 7,912 thousand compared with 2014 (€ 95,261 thousand). This decrease is mainly due to the restructuring actions implemented within the Seat Group.

The Group workforce – including directors, contract workers and interns – had a headcount of 1,849 as at December 31, 2015 (1,932 as at December 31, 2014). The active workforce, net of the employees that use Wage Guarantee Fund ("Cigs zero hours") is 1,714 units at December 31, 2015 and 1,915 units at December 31, 2014. The average salaried workforce (FTE) in 2015 was 1,642 employees (1,785 in 2014).

Gross operating profit (GOP) totaled €46,915 thousand in 2015, down by € 14,696 thousand compared with the previous year (€ 61,611 thousand). The operating margin for the year 2015 stood at 12.5% compared to 15.1% in 2014.

Net valuation adjustments and provisions for risks and charges totaled € 20,304 thousand in the first half of

2015 (€ 27,026 thousand in the first half of 2014). Net valuation adjustments relate for € 16,954 thousand to the net allocation to the bad debts provision, down by € 7,775 thousand compared to the previous year, thanks to devoting careful attention to management and the quality of sales for receivables from customers. This item also includes net provisions for operating risks and charges of € 1,931 thousand (€ 1,933 thousand in the first half of 2014).

Other operating income (expense) showed net expenditure of € 316 thousand in 2015 (compared with € 1,957 thousand in 2014).

The **operating result before amortization, depreciation and net non-recurring and restructuring costs (EBITDA)** totaled € 26,295 thousand in 2015, down by 19.4% compared with 2014 (€ 32,628 thousand), with an operating margin of 7.0% (8.0% in 2014).

Operating amortization, depreciation and write-downs totaled € 40,092 thousand in 2015, broadly in line with 2014 (€ 40,349 thousand), and relate to intangible assets with finite useful life for € 35,109 thousand (€32,682 thousand in 2014) and to property, plant and equipment for € 4,983 thousand (€ 7,667 thousand in 2014).

Non-operative amortization, depreciation and write-downs amount to € 3,751 thousand (€ 9,572 thousand in 2014) and refer to the amortization share of intangible assets related to Customer Relationship of Seat Pagine Gialle SpA and the Italian subsidiary Consodata SpA.

In 2014, this item includes amortization of intangible Customer Relationship assets, write-downs resulting from the impairment test, such as the goodwill impairment charge of Glamoo – now Couponing Italy Srl in liquidation – for € 4,619 thousand.

Net non-recurring and restructuring costs amounted to € 8,784 thousand (€ 8,243 thousand in 2014) and consist of non-recurring income for € 30,007 thousand, net restructuring costs of € 32,788 thousand, and non-recurring expenses of €6,003 thousand.

Of non-recurring income, € 30,000 thousand refers to the amount paid by former directors of Seat Pagine Gialle SpA regarding transaction arising from the results of the liability settlement.

Net non-recurring costs amounted to € 6,003 thousand (€ 7,246 thousand in 2014) and relate to € 2,195 thousand for strategic consultation, of which € 1,416

thousand for the planned merger with IOL, and to € 2,000 thousand for the sums due to the former CEO at the time of termination of his office provided as per Company's terms.

Net restructuring costs amount to € 32,788 thousand, for which € 32,277 thousand refer to amount set aside for the company restructuring fund – current and non-current share – following the new plan of staff reorganization of Seat Pagine Gialle SpA as at February 2015 (for more details please refer to the paragraph "Industrial relations" in Other Information, at this Report).

The **operating result (EBIT)** was negative for € 26,332 thousand in 2015 (-€ 25,536 thousand in 2014). Operating income reflects the business performance recorded in terms of GOP and EBITDA, as well as effects connected to restructuring process costs.

Net financial expenses totaled € 2,581 thousand in 2015 (€ 128,352 thousand in 2014).

In particular, *financial expenses* amounted to € 4,350 thousand (€ 130,573 thousand in 2014), and are mainly related to the fair value adjustment of the warrants amounting to € 3,391 thousand (for more details, please refer to the Net Financial Debt of this Report).

The significant change compared to 2014 is due to the payment of the Senior Secured bonds and financial debts to The Royal Bank of Scotland, which took place in December 2014 in performance of proposed creditor agreements, as well and termination of 5 out of 7 financial lease agreements in effect as at January 1, 2015.

In 2015, financial income totaled € 1,769 thousand (€ 2,221 thousand in 2014) and related almost entirely to interest income from investing short-term liquidity in the banking system at market rates.

Value adjustments of financial assets and loss on disposal of investments amounted to €6,645

thousand in 2015, and include the effects of the reduced assessment of the fair value of equity investments held by Seat Pagine Gialle SpA in Telegate AG by 16.24% as the company, in accordance with IAS 39, with the prolonged decline of stock market values, identified an impairment index. In doing so it attributed the depreciation to the profit and loss account in reference to the stock listing on September 30, 2015, considered indicative of a now stable values situation. In 2014, the item showed a balance of € 2,648 thousand and referred to the loss related to the sale of CIPI SpA.

Net income from composition with creditors represented € 5,887 thousand in 2015, and referred to the net effect of termination of 5 of the 7 lease agreements, resulting in the elimination of the related financial debt and the fixed assets subject to the financial lease. In 2014, this

item amounted to € 1,565,052 thousand and related to the effects of the clearance of SEAT's debt, including interest, following the execution of the transactions set forth in the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A..

For 2015, **income taxes** are broken down as follows:

(euro thousand)	Year 2015	Year 2014	Change	
			Absolute	%
Current income taxes	(885)	(2,207)	1,322	59.9
Provision (reversal) of deferred tax assets	4,887	(14,747)	19,634	n.s.
(Provision) reversal of deferred tax liabilities	6,339	1,882	4,457	n.s.
Income taxes referred to the previous year	(8)	3	(11)	n.s.
Total income taxes for the year	10,333	(15,069)	25,402	n.s.

The provision of deferred tax assets amounts to € 4,887 thousand and, may primarily be attributed to Seat Pagine Gialle S.p.A. It refers in particular to the movement in the provision for risks, the effect of the change of the Italian Corporate Tax (IRES) rate, taking account the value attributable to these for repayment of deferred taxes that the company believes it can recover in the future through the plan approved in the Board of Directors on January 15, 2016. The reversal of *deferred tax liabilities* amounts to € 6,339 thousand, and is mainly attributed to Seat Pagine Gialle Sp.A. It particularly refers to the partial withdrawal of the difference between the financial statement values and values that are recognized in tax terms on other intangible assets, in addition to the effect of the change in the IRES (Italian Corporate Tax) tax rate.

On October 2, 2015, the company was notified of five tax assessment notices, issued by the the Italian Revenue Service Office, following that received on December 24, 2014, in reference to the tax year 2009. The findings suggested that withholding taxes were not applied on interest paid to the Royal Bank of Scotland in 2010, 2011 and 2012, for the so-called "Senior" loan for around 7.7 million Euro, in addition to around 8 million Euro in sanctions and 1 million Euro in interest.

Following the verdict of the Provincial Tax Commission of Milan filed on December 1, 2015, the appeal against the assessment for the 2009 tax year was heard and annulment at first instance was issued. Following this sentence, the amounts paid by the company pending judgment, amounting to € 1.2 million, will presumably be repaid in the early months of 2016.

During February 2016, supported by its tax advisors, the company contested the assessment notice for the years 2010, 2011 and 2012 and arranged to carry out payment on a provisional basis, pending judgment, of a third of the requested sum, amounting to € 2.9 million. For more details see point 30 of the explanatory note.

Profit/(loss) on continuing operations presented a loss of € 19,338 thousand (against a profit of € 1,393,447 thousand in 2014 due from the clearance of debts resulting from the composition with creditors procedure).

Profit/(loss) from non-current assets held for sale and discontinued operations in the year 2015 presents a positive balance of € 222 thousand attributable to the sale of the entire stake held by Seat Pagine Gialle SpA in Katalog Yayın ve Tanıtım Hizmetleri A.Ş. to Doğan Sirketler Grubu Holding A.Ş. Last year, this item showed a negative balance of € 18,428 thousand attributable to Telegate Group, as a result of the valuation of assets and liabilities at the lower of carrying value and fair value in accordance with IFRS 5.

Profit (loss) pertaining to minority interests in 2015 was a loss of € 36 thousand and is attributable to the minority shareholders of the Europages Group. In 2014, the loss was equal to € 4,148 thousand and was mainly attributable to the minority shareholders of the Telegate Group.

Profit/(loss) pertaining to the Group totaled for the year 2015 a profit of € 19,080 thousand against a loss of € 1,379,167 thousand in 2014).

Reclassified Consolidated Statement of Financial Position as at December 31, 2015 \

Net invested Capital

Net invested capital, at € 54,317 thousand as at December 31, 2015, fell by € 48,619 thousand compared with December 31, 2014.

Net invested capital can be broken down as follows:

- **marketing-related intangible assets** totaled € 21,559 thousand at December 31, 2015 and related to the Group's intangible customer relationship assets. The decrease compared with December 31, 2014 is the result of the amortization for the year.
- **Other non-current assets** totaled € 116,660 thousand as at December 31, 2015 (€ 147,860 thousand as at December 31, 2014). These assets include:
 - *Intangible and tangible fixed operating assets*, which totaled € 103,836 thousand as at December 31, 2015, down by € 26,722 thousand compared to December 31, 2014 (€ 130,558 thousand). The change reflects mainly the € 17,378 thousand effect of termination of 5 of the 7 lease agreements related to the real estate complex hosting the Turin offices of the Parent Company, following an agreement reached on March 31, 2015 between Mediocredito Italiano SpA and Seat Pagine Gialle SpA.

Capital expenditure of € 30,821 thousand (€ 29,878 thousand in 2014) related to the following areas at business:

- In the SEAT Business Area (€ 27,447 thousand in 2015; € 27,058 thousand in 2014):
 - Improvement of Web and Mobile service systems, aimed at enhancing the performance of the integration between the various systems and involve in particular *i)* real-time updating of content and its publication, *ii)* improvement of search algorithms and *iii)* identification of new graphic-functional services of the Company's web portals;
 - Improvement of the Web products in the commercial offer, related mainly to the optimization of the graphics concept for use via mobile, development for the new Site line for development of Custom offers for Major Clients;
 - Commercial and publishing improvements to upgrade the systems and adapt them to new product offerings;
 - The purchase of software and licenses intended for technological updates for agents and employees (e.g. Microsoft license);
- In Consodata SpA. (€ 3,232 thousand in 2015, compared with € 2,517 thousand in 2014), for investments in the improvement of software platforms, database

enhancement and data bank acquisition, in particular related to commercial information.

- *Other investments*, amounting to € 3,568 thousand as at December 31, 2015 (€ 10,254 thousand as at December 31, 2014), representing the fair value measurement of 16.24% of the remaining investment held by Seat Pagine Gialle SpA in Telegate AG (following of the proceedings with creditors) which, pursuant to IAS 39, is a financial asset available for sale.
 - *Other non-current assets*, equal to € 8,960 thousand as at December 31, 2015 (€ 6,586 thousand as at December 31, 2014), including *i)* tax receivables of € 4,518 thousand for excess corporation tax (IRES) paid for fiscal periods prior to 2012, as a result of the failure to deduct regional production tax (IRAP) relating to staff and similar expenses that were recognized in 2013 in accordance with the available official interpretations; *ii)* € 1,719 thousand for loans to employees granted at market rates for such operations.
 - *Deferred tax assets* totaled € 296 thousand as at December 31, 2015 (€ 462 thousand as at December 31, 2014).
- **Operating non-current liabilities** totaled € 33,695 thousand as at December 31, 2015 (€ 42,416 thousand as at December 31, 2014). The item includes:
 - *The reserve for sales agents' termination indemnities*, which totaled € 18,046 thousand as at December 31, 2015, up by € 6,437 thousand compared with December 31, 2014 (€ 24,483 thousand). This reserve represents the accrued debt at the end of the period to sales agents for the indemnities due to them in the event of termination of the agency contract, in accordance with current legislation. Taking into consideration future cash flows, the reserve was discounted using an average market rate for debts of similar duration, estimating its expected future use over time based on the average life of agency contracts;
 - *The reserve for severance compensation* totaled € 12,821 thousand as at December 31, 2015 (€ 14,456 thousand as at December 31, 2014);
 - **Non-operating non-current liabilities** totaled € 23,241 thousand as at December 31, 2015 (€ 20,754 thousand as at December 31, 2014). The item includes:
 - *Deferred tax liabilities*, amounting to € 10,100 thousand

as at December 31, 2015 (€ 20,740 thousand at December 31, 2014), fully relating to Seat Pagine Gialle SpA;

- *The non-current portion of the company restructuring fund* of € 12,877 thousand, established in Seat Pagine Gialle SpA following the new plan of staff reorganization as at February 2015. This fund should be considered in conjunction with the current portion of the restructuring reserve.

- **Operating working capital** was -€ 26,521 thousand as at December 31, 2015 (-€ 12,197 thousand as at December 31, 2014).

The following describes the major changes that occurred over the course of the year with particular reference to:

- *Trade receivables*, which totaled € 163,452 thousand as at December 31, 2015, falling by € 19,378 thousand compared with December 31, 2014 (€182,830 thousand), and related mainly to the SEAT Business Area (€ 23,193 thousand);
- *Payables for services to be rendered and other current liabilities*, which totaled € 109,545 thousand at December 31, 2015, down by € 14,489 thousand compared with December 31, 2014 (€ 124,034 thousand). This change primarily reflects purchase

and invoice times for advertising services;

- *Trade payables*, which amounted to € 109,388 thousand as at December 31, 2015. The increase of € 15,172 thousand compared to December 31, 2014, is mainly attributable to the SEAT Business Area.

- **Non-operating working capital**, which was negative for € 445 thousand as at December 31, 2015 (compared with € 5,381 thousand as at December 31, 2014). This includes:

- *Income tax payables* of € 244 thousand as at December 31, 2015, down by € 3,071 thousand compared with December 31, 2014 (€3,315 thousand). The change mainly reflects the payment of approximately €2.9 million in the month of January 2015 for the bankruptcy debts for taxes;
- *provisions for current non-operating risks and charges* were € 21,128 thousand (€ 12,149 thousand as at December 31, 2014). The change reflects mainly the contribution to the current portion of the restructuring fund of € 8,979 thousand made by Seat Pagine Gialle SpA as a result of the aforementioned company restructuring plan;
- *current tax assets* totaling € 23,223 thousand as at December 31, 2015 (€ 27,130 thousand as at December 31, 2014).

Equity

Consolidated net equity totaled € 160,794 thousand as at December 31, 2015 (€ 174,337 thousand as at December 31, 2014), of which € 160,222 are attributable to the Parent Company (€ 174,429 thousand as at December 31, 2014).

The reduction of € 13,507 thousand in the portion corresponding to the Parent Company was mainly attributable as follows:

- € 19,080 thousand for the loss for the year;
- € 999 thousand for the decrease (net of the related tax effect) of actuarial losses with reference to non-current reserves related to the staff;
- € 4,714 thousand for the positive effect resulting from setting of the option price of the "Warrant Subscription Price", which reduced the amount posted for the option valuation.

Net Financial Debt

As at December 31, 2015, the **net financial debt** totaled € 106,477 thousand (€ 71,401 thousand at December 31, 2014).
As at December 31, 2015, net financial debt was structured as follows:

<i>(euro thousand)</i>		As at 12.31.2015	As at 12.31.2014	Change
A	Cash	114,734	108,455	6,279
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C) Liquidity		114,734	108,455	6,279
E.1	Current financial receivables from third parties	718	2,718	(2,000)
E.2	Current financial receivables from related parties	-	-	-
F	Current bank debt	-	95	(95)
G	Current portion of non-current debt	1,118	4,976	(3,858)
H.1	Other current financial debt to third parties	59	2,357	(2,298)
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H) Current financial debt		1,177	7,428	(6,251)
J=(I-E-D) Net current financial debt		(114,275)	(103,745)	(10,530)
K	Non-current bank debt	-	-	-
L	Bonds issued	-	-	-
M.1	Other non-current financial debt to third parties	7,798	32,344	(24,546)
M.2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M) Non-current financial debt		7,798	32,344	(24,546)
O=(J+N) Net financial debt (ESMA)		(106,477)	(71,401)	(35,076)

The change of the net financial position compared with December 31, 2014 is mainly attributable, apart from the net cash flow from operations, to the collection of a total of € 30,000 thousand in February, related to the settlement of the liability action and to the termination of 5 of the 7 lease agreements in March 2015, resulting in an overall debt reduction of approximately € 23,216 thousand.

It is noted that with the notification of the Warrant Subscription Price, which took place on April 17, this financial instrument has become an option classified under net equity, since its price is now established and in case of its exercise results in delivery of a fixed number of shares; therefore, the resulting financial liability, arising by virtue of accounting at fair value in the period between the date of completion of the capital increase and the date of setting of the option price, is no longer included in the net debt.

- **Non-current financial debt** as at December 31, 2015 amounted to € 7,798 thousand (€ 32,344 thousand as at December 31, 2014), and consist of the item *Other non-current financial debt*, which refers to the two remaining finance lease contracts for the buildings of Turin of Seat Pagine Gialle SpA. These agreements provide for repayment through the payment of 32 remaining installments, all of which are quarterly deferred installments subject to a floating interest pegged to the three-month Euribor plus a spread of approximately 65 basis points per annum. The surrender value is fixed at approximately 1% of the value of the buildings covered by the agreement.
- **Current financial debt** amounted to € 1,177 thousand as at December 31, 2015 (€ 7,428 thousand as at December 31, 2014), and relates for € 1,118 thousand to the current portion of the two remaining finance leases.

- **Current financial receivables, cash and cash equivalents** amounted to € 115,452 thousand as at December 31, 2015 (€ 111,173 thousand as at

December 31, 2014), including € 114,734 million of cash and cash equivalents (€ 108,455 thousand as at December 31, 2014).

Risk Associated with Financial Debt

As at December 31, 2015, the contractual maturities of the financial instruments in place are as follows:

<i>(euro thousand)</i>	due within			Total
	by 1 year	by 1-5 years	over 5 years	
Debts toward Mediocredito Italiano S.p.A. (*)	1,118	4,915	4,372	10,405
Total financial debts	1,118	4,915	4,372	10,405

(*) In the consolidated financial statements, the item amounted to € 8,916 thousand for the measurement at amortized cost.

In view of the availability of funds as at December 31, 2015, there are no risks associated with financial debt.

Credit Risk

The Seat Pagine Gialle Group operates in the multi directional advertising market, where there are a large number of clients. As at December 31, 2015, 94% of the Group's trade receivables (97% at December 31, 2014) related to Seat Pagine Gialle S.p.A., which has around 231 thousand customers spread throughout Italy, consisting mainly of small and medium-sized businesses. Each year, SEAT alone issues some 498 thousand invoices, each providing on average for payment in 2 installments of around € 427 each, meaning more than 1.0 million receipts.

There is, therefore, no concentration of credit risk. The type of business and customer base are, however, the factors that have always guided SEAT in putting together an effective credit management

system. Over time, SEAT has introduced a widespread and continually strengthened team that is able to efficiently manage all phases of the payment request process. The in-house team, call centers, collection agencies and legal experts constitute a total of around 500 people.

Credit risk exposure – represented by the allowance for doubtful receivables on the financial statements – is measured using a statistical model that breaks down the client base by location and seniority, which reflects the historical experience of SEAT in debt collection and projects it into future estimates.

At Group level, the allowance for doubtful trade receivables stood at €51,959 thousand at December 31, 2015, a decrease on December 31, 2014 (€ 75,596 thousand) also due to utilizations during the year, while maintaining sufficient coverage of overdue receivables. As a percentage of total trade receivables, the coverage of the allowance was 24.1% (29.3% as at December 31, 2014).

Consolidated Cash Flows for 2015 \

	Year 2015	Year 2014	Change
<i>(euro thousand)</i>			
EBITDA	26,295	32,628	(6,333)
Gain (losses) from discontinuing operating assets and liabilities	(38)	(1,834)	1,796
Decrease (increase) in operating working capital	7,686	296	7,390
(Decrease) increase in operating non current liabilities (*)	(1,957)	(555)	(1,402)
Capital expenditure	(30,821)	(29,878)	(943)
(Gains) losses on disposal of non-current operating assets	(1)	(11)	10
Operating free cash flow - OFCF	1,164	646	518
Income taxes paid	(72)	(6,361)	6,289
Free cash flow unlevered	1,092	(5,715)	6,807
Payment of interest expense, net	875	1,389	(514)
Payment of non-recurring and restructuring expense	(18,882)	(40,771)	21,889
Cash-in under the settlement for the action of responsibility	30,000	-	30,000
Cash-in of dividends	-	6,743	(6,743)
Execution of composition with creditors procedure (**)	-	1,564,477	(1,564,477)
Capital increase (***)	-	141,035	(141,035)
Effect from the dissolution of leases agreements	23,216	-	23,216
Other movements (****)	(1,225)	(135,828)	134,603
Change in net financial debt	35,076	1,531,330	(1,496,254)

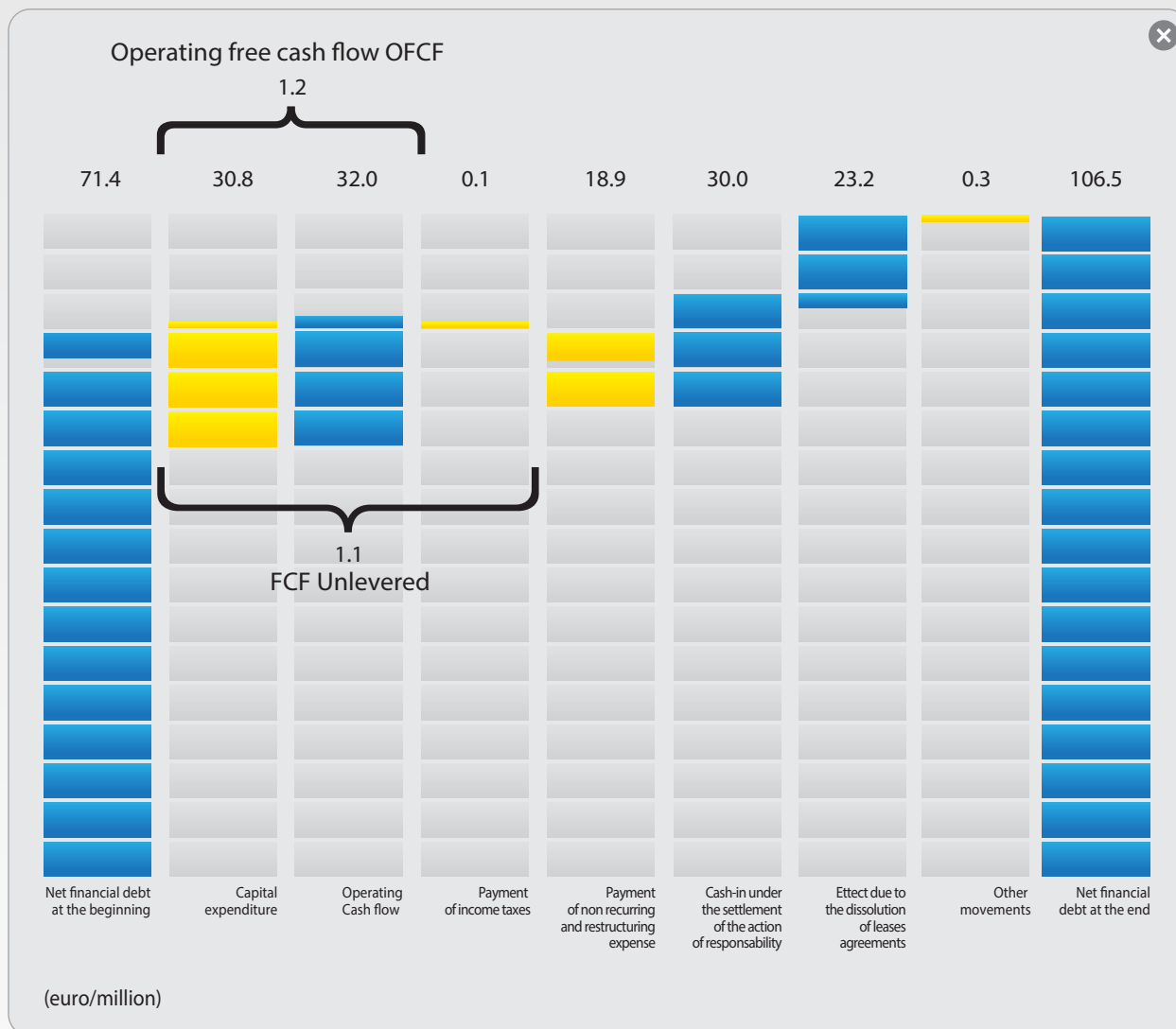
(*) The change doesn't include the non - monetary effects arising from profit and losses recognised to equity.

(**) This non monetary item includes the deletion of the portion of the debt remainig B and C classes.

(***) This non monetary item includes the capital increased against the delation of debt B and C classes.

(****) This item includes in 2014 accrued interest on Term and Revolving Facility Agreement and on Senior Secured until the execution of composition with creditor procedure amounting to € 126.3 million.

The following graph summarizes the main elements that affected the change in net financial debt during 2015:



The change in the net financial position with respect to December 31, 2014, is mainly due to the collection of € 30 million related to the settlement of the liability action and termination of 5 out of 7 lease agreements in March 2015, resulting in an overall debt reduction of approximately € 23.2 million.

Free cash flow unlevered, generated during the year 2015, amounting to € 1,092 thousand, was an improvement compared to that generated during 2014 (-€ 5,715 thousand) due to lower tax payments.

Operational free cash amounted to € 1,164 thousand and increased slightly (+€ 518 thousand) compared to last year; this decrease reflects the decline in EBITDA, down by € 6,333 thousand compared to the previous year, which was more than offset by positive contributions for € 7,390 thousand million in operating working capital. Higher industrial investments of € 30,821 thousand (€ 29,878 thousand in 2014) were made in 2015. In particular, these involved the SEAT Business Area as explained above.

Economic and Financial Performance of SEAT \

Notes on the individual items can be found in the "Economic and Financial performance by Business Area: "SEAT"

Reclassified Income Statement of SEAT

<i>(euro/thousand)</i>	Year	Year	Changes	
	2015	2014	Absolute	%
Revenues from sales and services	356,538	388,872	(32,334)	(8.3)
Costs of materials and external services (*)	(238,355)	(248,568)	10,213	4.1
Salaries, wages and employee benefits (*)	(71,420)	(79,730)	8,310	10.4
Gross Operating Profit (GOP)	46,763	60,574	(13,811)	(22.8)
<i>% on revenues</i>	13.1%	15.6%		
Net valuation adjustments and provisions to reserves	(20,113)	(26,771)	6,658	24.9
Other operating income (expenses)	422	(1,330)	1,52	n.s.
EBITDA	27,072	32,473	(5,401)	(16.6)
<i>% on revenues</i>	7.6%	8.4%		
Operating amortization, depreciation and write-down	(36,083)	(36,653)	570	1.6
Non-operating amortization, depreciation and write-down	(3,176)	(3,176)	-	
Net non-recurring and restructuring costs	(7,940)	(5,797)	(2,143)	(37.0)
EBIT	(20,127)	(13,153)	(6,974)	(53.0)
<i>% on revenues</i>	(5.6%)	(3.4%)		
Net income from composition with creditors	5,887	1,555,981	(1,550,094)	(99.6)
Net financial expense	(12,609)	(129,858)	117,249	90.3
Gains (losses) on investments accounted for at equity	(9,802)	(11,738)	1,936,	16.5
Profit (loss) before taxes	(36,651)	1,401,232	(1,437,883)	n.s.
Income taxes	9,934	(14,167)	24,101	n.s.
Profit (loss) on continuing operations	(26,717)	1,387,065	(1,413,782)	n.s.
Profit (loss) from non-current assets held for sale and discontinued operations	222	942	(720)	(76.4)
Profit (loss) for the year	(26,495)	1,388,007	(1,414,502)	n.s.

(*) Reduced the amount of costs to be paid by third parties and included in the IFRS financial statements as "other income".

SEAT Reclassified Statement of Financial Position

<i>(euro thousand)</i>		As at 12.31.2015	As at 12.31.2014	Change
"Marketing related" intangibles assets		21,176	24,354	(3,178)
Other non-current assets (*)		100,669	131,255	(30,586)
Operating non-current liabilities		(32,160)	(40,636)	8,476
Non-operating non-current liabilities		(8,775)	(6,288)	(2,487)
Operating working capital		(29,840)	(11,116)	(18,724)
- Operating current assets		197,640	226,481	(28,841)
- Operating current liabilities		(227,480)	(237,597)	10,117
Non-operating working capital		(1,463)	(19)	(1,444)
- Non-operating current assets		24,176	22,113	2,063
- Non-operating current liabilities		(25,639)	(22,132)	(3,507)
Net non-current assets held for sale and discontinued operations		-	(250)	250
Net invested capital		49,607	97,300	(47,693)
Equity	(A)	154,681	175,560	(20,879)
- Current financial assets, cash and cash equivalent		(119,829)	(118,481)	(1,348)
- Current financial debts		6,957	7,877	(920)
- Non-current financial debts		7,798	32,344	(24,546)
Net financial debt	(B)	(105,074)	(78,260)	(26,814)
Total	(A+B)	49,607	97,300	(47,693)

(*) This item includes the financial assets available for sale, as well as non-current financial assets.

Significant Events in 2015 \

Resignation of Members of the Board of Directors

On January 2, 2015, Guido de Vivo resigned from the positions of the Chairman and member of the Board of Directors.

On August 31, 2015 Dr. Vincent Santelia ceased from his position as member of the Company's Board of Directors.

On September 4, 2015, the Attorney Michaela Castelli and Dr. Francesca Fiore, resigned with immediate effect from their positions as members of the Company's Board of Directors.

Appointment of the Board of Statutory Auditors

On January 27, 2015, the Seat Pagine Gialle SpA Ordinary Shareholders' Meeting took the necessary measures to appoint new members to the Board of Statutory Auditors in the wake of the resignation of the standing members of that control body who were in office until October 14, 2014. As a result, until the natural expiration of the control body mandate, or until the Meeting of April 23, 2015, the Board of Statutory Auditors consists of standing auditors Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo, and alternate

auditors Roberta Battistin and Marco Benvenuto Lovati. On April 23, 2015, the Ordinary Meeting of Shareholders appointed the members of the new Statutory Board of Auditors, composed of the Statutory Auditors Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo, and the Alternate Auditors Roberta Battistin and Massimo Parodi, who will remain in office until the Shareholders' Meeting called to approve the financial statements as at December 31, 2017, as further described below.

Liability Action and Settlement Proposal

On January 27, 2015, the SEAT Pagine Gialle SpA Ordinary Shareholders' Meeting approved the settlement proposal concerning the liability action against the former directors that held office between August 8, 2003 and October 21,

2012, and the settlement of relationships with parties other than the former directors called before the court, following payment of a total of €30 million. Payment for the entire amount was made on February 10, 2015

Industrial Relations: Company restructuring agreement with trade unions signed on February 12, 2015 before the Ministry of Employment and Social Policies

On February 12, 2015, SEAT Pagine Gialle SpA signed a company restructuring agreement with trade unions, which was approved on the same day by the Ministry of Employment and Social Policies. The new agreement involves making recourse to the wage guarantee fund (CIGS) for up to 160 workers. This policy will remain in place from February 12, 2015 to February 11, 2017 and will apply to all offices and company departments. Furthermore, a CIGS moratorium is provided for the remaining personnel by means of a rotation

mechanism for a maximum of 36 days per person during the two-year period.

While CIGS is applied, initiatives may be put into place to safeguard employment levels and reduce the number of excess staff using retirement incentives, part-time arrangements and turnover blocks and new job placements via transfers between operating offices, primarily resulting from the closure of four offices (for more details please refer to the paragraph "Industrial relations" in Other Information, at this Report).

Settlement with Mediocredito Italiano SpA Regarding Termination of Real Estate Lease Agreements

On March 31, 2015, Mediocredito Italiano SpA and Seat Pagine Gialle SpA reached an agreement for termination of 5 of 7 lease agreements regarding the real estate complex in Turin hosting the offices of the Parent Company in relation to the authorization of the Court of Turin

pursuant to Art. 169-*bis* of the Bankruptcy Act with the decision filed on July 9, 2014.

The agreement involved payment of an indemnification of approx. € 3.2 million, which was paid by April 2, 2015 as agreed.

Complete Execution of the Composition with Creditors Procedure

The final report regarding the execution of the composition with creditors procedure, together with the opinion of the Commissioners Office, were filed on April 14, 2015.

On April 23, 2015, the Court filed the decision confirming the complete execution of the agreement involving the Company and the subsidiary Seat Pagine Gialle Italia SpA. The decision followed the decree approving the preliminary agreements proposed by the Company and

the subsidiary, and confirms full performance of the agreement's terms with complete performance of the agreement's obligations, in terms of pre-existing debts and bankruptcy debts owed to the creditors of Classes A, B, C and D of both agreements.

In view of this, the Court ordered that the Company is free of any personal or in rem liens or encumbrances on its property, related to obligations owed to the creditors under the agreements.

Transfer of Katalog Yayın ve Tanıtım Hizmetleri A.Ş.

On April 10, 2015 the entire stake held by Seat Pagine Gialle SpA in Katalog Yayın ve Tanıtım Hizmetleri A.Ş. was transferred to Doğan Şirketler Grubu Holding A.Ş.

Administrative proceedings by Consob (The Italian Securities and Exchange Commission)

On April 16, 2014, "Consob", the Italian Securities and Exchange Commission, notified of the commencement of an investigation of administrative proceedings concerning communications published by the company on January 28, February 4/5 and March 8, 2013. The notification for the commencement of proceedings was served to the company on September 25, 2013. On October 24 and May 15, 2014, the company presented its own conclusions, arguing for the groundlessness of the violations advanced by the Commission.

The proceedings also concern a further violation of Article 114, Paragraph 1 of the Consolidated Law on Finance (TUF) as implemented by Article 66, Paragraph 2 of

Consob Regulation 11971/1999 concerning broadcasting. With ruling no. 19023 of September 10, 2014, Consob imposed a financial penalty of 5,000.00 Euros, which the company duly paid on October 14, 2014. Consob also arranged for the non-publication of the ruling in the Official Bulletin, in accordance with Article 195, Paragraph 3 of the Consolidated Law on Finance (TUF). On October 20, 2014, Seat filed an appeal under Article 195, Paragraph 4 of TUF against Consob with a view to annulling the aforementioned penalty. With order of July 20, 2015, the Court of Appeal of Milan rejected the opposition advanced by SEAT, ordering that SEAT should pay the required legal fees.

Seat Pagine Gialle SpA Warrant 2014-2016

On April 17, 2015 the information was provided that the Subscription Price of the "Seat Pagine Gialle SpA Warrants 2014-2016" (ISIN IT0005070286) (the

"Warrants"), determined pursuant to Article 1.2, paragraph 2, of the Warrant Regulations, was equal to € 0.0045.

Ordinary Shareholders' Meeting of April 23, 2015

On April 23, 2015, the Ordinary Meeting of Shareholders of Seat Pagine Gialle SpA approved the financial statements for 2014 of the parent company Seat Pagine Gialle SpA, the drafting of which was approved by the Board of Directors on March 12, 2015, showing a positive result of €1,390,295,399.26, €12,203,233.78 of which was allocated to cover accrued losses, €1,340,610,506.94 of which was allocated to cover the merger deficit from the merger of Seat Pagine Gialle Italia SpA into Seat Pagine Gialle SpA, and the remaining €37,481,658.54 to the available reserve.

Moreover, at the Meeting it was resolved to:

- Set the number of members of the Board of Directors at 7, establishing the duration of their mandates until the approval of the financial statements for the year ending on December 31, 2016, and establish compensation for each director at € 75,000, plus € 5,000 per each day of directors' activities above the threshold of 18 days per year – authorizing an insurance policy covering the civil liability of directors to be taken out with an annual premium of up to € 350,000;
- Appoint Vincenzo Santelia, Maria Elena Cappello, Michaela Castelli, Mauro Del Rio, David Eckert, Francesca Fiore and Corrado Sciolla as directors, also appointing Vincenzo Santelia as the Chairman of the Board of Directors. The appointed directors were all drawn from the single list submitted for the Shareholders' Meeting. That list was submitted through GoldenTree Asset Management LP, in its capacity as asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP

and Goldentree Asset Management Lux Sàrl, and was approved by majority vote;

- Appoint Maurizio Gili, Ada Garzino Demo and Guido Nori as Standing Auditors, Massimo Parodi and Roberta Battistin as Alternate Auditors, and Maurizio Gili as Chairman of the Board of Statutory Auditors, until the approval of the financial statements as at December 31, 2017, establishing at € 90,000 the annual compensation owing to the Chairman of the Board of Statutory Auditors and at € 60,000 the annual compensation owing to each Standing Auditor. The Board of Statutory Auditors was appointed based on the single list submitted for the Shareholders' Meeting. That list was submitted through GoldenTree Asset Management LP, in its capacity as asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and Goldentree Asset Management Lux Sàrl, and was approved by majority vote;
- Adjust the fees due to the independent auditors PricewaterhouseCoopers SpA for the financial years from 2015 to 2020;
- Approve Section I of the Remuneration Report pursuant to Article 123-ter of Legislative Decree 58 of February 24, 1998.

Maria Elena Cappello, Mauro Del Rio, David Eckert, Francesca Fiore and Corrado Sciolla declared that they met the criteria of independence pursuant to Article 148, paragraph 3 of Legislative Decree 58/1998 and to the Code of Corporate Governance for Listed Companies.

Shareholders' Agreements

A shareholders' agreement was signed on April 2, 2015 between GoldenTree Asset Management LP and GL Europe Sàrl, regarding 34,619,965,094 ordinary shares of SEAT, representing approximately 53.87% of the Company capital and effective until the third anniversary of the subscription date. Among other things, the agreement contained provisions regarding the voting rights of the aforementioned shareholders regarding the issues included in the agenda of Shareholders Meetings of April 23, 2015.

A Shareholders' Agreement was signed on May 21, 2015 between Italiaonline SpA, Libero Acquisition Sàrl, GL Europe Luxembourg Sàrl, GoldenTree Asset Management Lux Sàrl, GoldenTree SG Partners LP, GT NM LP and The San Bernardino County Employees' Retirement Association involving a voting trust, the exercise of a controlling influence over the company, as well as the share transfer limits pursuant to Art. 122, paragraph 5, letters a), b) and d), of Legislative Decree No. 58/98.

The Shareholders' Agreement indicates that the majority shareholders of the Company have a favorable opinion to the appointment of Dr. Antonio Converti, after the execution of the assignment, as the Chief Executive Officer of the Company.

A modifying agreement was signed on July 20, 2015 between Italiaonline SpA., Libero Acquisition Sàrl, GL Europe Luxembourg Sàrl, GoldenTree Asset Management Lux Sàrl, GoldenTree SG Partners LP, GT NM LP and San Bernardino County Employees' Retirement Association, concerning certain shareholders' agreements contained in the investment agreement signed on May 21, 2015 regarding the 34,619,965,094 ordinary shares of SEAT PG equal to approximately 53.9% of the company capital, the subscription of which was communicated to the market on May 26, 2015.

In the context of the conferment in favor of ItaliaOnline SpA stake consists of 34,619,965,094 ordinary shares of the Company, representing approximately 53.87% of the share capital, as executed by GL Europe Luxembourg Sàrl.

("Avenue"), GoldenTree Asset Management Lux Sàrl, GoldenTree SG Partners LP, NM GT LP and San Bernardino County Employees' Retirement Association ("GT Funds"), a Shareholders' Agreement was signed on September 9, 2015 between Libero Acquisition Sàrl. ("Libero"), Avenue and GT Funds in compliance with the terms of the investment of May 21, 2015 (already communicated to the market on May 26, 2015).

Subsequently, it was also announced that:

- On November 4, 2015, following the payment of SEAT ordinary shares tendered in the mandatory, full public tender offer launched by ItaliaOnline, in cooperation with Libero, Avenue and Fondi GT, ("OPA"), all SEAT shareholdings held by ItaliaOnline, and transferred to the Agreement, were changed by n. 50,500,960,699 ordinary shares of SEAT, representing 78.58% of the share capital;
- On 23 November 2015, an Agreement was signed to modify the Agreement, taking note of the delegation of powers voted upon by SEAT's Board of Directors to the CEO, and then eliminate any conflict between the provisions of the Agreement relating to the powers of the Chief Executive Officer, and the delegation to these conferred by the SEAT's Board, and that during the opening period for the terms of the mandatory, full public tender offer launched by ItaliaOnline, in cooperation with Libero, Avenue, and Fondi GT, 1,057,902,965 ordinary shares of SEAT, representing 1.65% of the share capital, have been tendered; therefore, 51,558,863,664 ordinary shares of SEAT, representing 80.23% of the share capital, were transferred to the Agreement.

Finally, on February 8, 2016, a second agreement modifying the Agreement, adding a further provision to Matters Reserved to Shareholders (i.e. those subjects that need to be deliberated upon following Libero's approval, and that of Avenue or Fondi GT) in the case of capital increases delegated to the Board of Directors pursuant to Art. 2443 of the Italian Civil Code. The above information was communicated on February 10, 2016.

New Chairman of the Remuneration and Appointments Committee and Lead Independent Director

On July 9, 2015, Director David Eckert announced his resignation from the post of Lead Independent Director of the Company while maintaining his position as a member of the Board of Directors. The decision was based on the fact, communicated by the director to the Board, that the necessary independent requirements were no longer met. Therefore, on the same date the Board of Directors of the Company appointed Corrado Sciolla as the new chairman

of the Remuneration and Appointments Committee. David Eckert will retain the role of the member of the same committee to the effect consisted of Corrado Sciolla (Chairman David Eckert, and Francesca Fiore.

On 20 July 2015, the Board of Directors of the Company approved the nomination of Maria Elena Cappello as the new Lead Independent Director, replacing David Eckert.

Meeting of Savings Shareholders

On July 16, 2015 the special Shareholders meeting of savings of Seat Pagine Gialle SpA, resolved to authorize the Common Representative, Ms. Stella D'Atri, to take the necessary steps to appeal – in accordance with the effects of Article No. 2377 and following of the Civil Code – the resolution adopted by the General Shareholders Meeting of Seat Pagine Gialle SpA. on April 23, in part concerning the allocation of the profits for the year ended December 31, 2014. The Company reiterated that the request to allocate part of the operating result for 2014 to the distribution of

dividends in favor of the savings shareholders is not compatible with the agreed proposal ratified by the Court of Turin and, before that, with the resolution passed by the Extraordinary General Meeting of the Company on 4 March 2014 and by the Meeting of Savings Shareholders of July 2, 2014, and is therefore untenable.

On July 17, 2015, the Company was served the summons on the part of Ms. D'Atri. Following the first hearing, held on January 13, 2016, the Court of Turin adjourned the hearing for the parties for May 25, 2016.

Contribution of Shares in ItaliaOnLine SpA

On 9 September 2015, the company announced that it was informed of the completion, on the same date, of the transfer of shares regarding Italiaonline SpA of the shares held by Avenue and Fondi GT, corresponding to 34,619,965,094 ordinary shares in Seat, in other words 53.87% of the ordinary Seat share capital (hereinafter, the "Transfer"). Following the execution of the Transfer, ItaliaOnLine, together with Libero, Avenue, and Fondi GT, made a mandatory public take-over bid relating to all of Seat's ordinary shares – less 34,919,955,094 ordinary Seat shares held by ItaliaOnLine as at the same

date, in other words 54.34% of Seat's ordinary share capital (the sum of the shares the Transfer concerns and the other 299,990 thousand Seat ordinary shares already held by ItaliaOnLine as at the same date) – pursuant to Articles 106(1) and 109 of Legislative Decree No. 58 of February 24, 1998 (hereinafter, the "TUF"). Therefore, the communication pursuant to article 102(1) of the TUF has been made available on the Company's website. ItaliaOnLine also published it on the same date.

Appointment of Chief Executive Officer and New Members of the Board of Directors

On September 9, 2015 the Board of Directors of the Company resolved to appoint by co-option, Antonio Converti and Sophie Sursock as the new Directors of the Company, describing them as "not independent" in accordance with applicable regulatory

requirements. The Directors shall remain in office until the Shareholders' Meeting, convened for October 8, 2015.

The Board of Directors also decided to grant Mr. Antonio Converti the offices of Chairman and CEO.

Mandatory Public Tender Offer

On September 11, 2015, ItaliaOnLine SpA (the "Bidder") submitted, to the National Commission for Companies and the Stock Exchange ("CONSOB") – pursuant to article 102(3) of the TUF and Article 37-ter of the Issuers' Regulation – and the Italian Stock Exchange (Borsa Italiana SpA) – the bid document ("Bid Document") for publication of the mandatory total public takeover bid pursuant to Articles 102, 106(1), (109) of the TUF (the "Bid") prepared, by the Offeror, together with Libero, Avenue, and Fondi GT, concerning all of the ordinary shares in the Company (the "Issuer"), less 34,919,955,094 ordinary shares held by the Issuer, in other words 54.34% of the Issuer's ordinary shares, held by the Bidder on September 11, 2015; the Offeror announced that, by resolution No. 19387 of September 24, 2015, CONSOB approved the offer document for publication.

On September 24, 2015 the Board of Directors of the Company approved the statement prepared in accordance with Article 103, paragraph 3, of Legislative Decree No. 103, paragraph 3 of the TUF and Art. 39 of the Issuers' Regulation (the "Announcement of the Issuer"), relating to said mandatory public bid. For approval purposes, the Board also took into account the opinion of the Independent Directors, unrelated to the Offeror, issued pursuant to Art. 39-bis of the Issuers' Regulation, and the opinion of the independent advisor Nextam Partners Sim SpA., issued pursuant to the same Article. In particular, as a result of the meeting, the Board considered the price of €0.0039 cum dividend for each ordinary share tendered in the Bid as reasonable from a financial point of view.

On October 5, 2015, Italiaonline promoted a mandatory takeover bid ("OPA") for all Seat shares, in cash, at a price of € 0.0039 per ordinary share, equal to the price paid by Italiaonline to purchase the shares transferred from Avenue and Fondi GT through the issuance of its new shares. The public bid ended on 23 October with the amount of shares 15,581,005,605 tendered, in other words 24.24% of the total ordinary shares in Seat Pagine Gialle. The bid consideration was paid to the parties concerned on October 30, 2015. Given that the ItaliaOnLine shareholding reached more than two-thirds of the ordinary shares, the terms of the subscription period were reopened for five trading days, and

precisely for the sessions on November 2, 3, 4, 5 and 6, 2015.

Further to the press release dated November 6, 2015, on November 9, 2015 ItaliaOnLine announced that ended extension of the deadline (the "Reopening of the Terms") of the acceptance period of the public offer mandatory complete-acquisition under Articles 102, 106, paragraph 1, and 109 of the TUF promoted by ItaliaOnLine, in cooperation with Libero, Avenue and GT Funds (collectively, the "People acting in Concert").

Based on the final results of the extension of the deadline communicated by Banca IMI SpA, in its capacity as the intermediary in charge of coordinating the collection of acceptances, the extension of the deadline resulted in 1,057,902,965 shares being acquired, in other words, approximately 3.60% of the shares the bid concerned and approximately 1.65% of the ordinary shares in the Company and the Company's share capital.

The payment of the consideration to the holders of the shares tendered during the extension of the deadline was paid to the purchasers on November 13, 2015, corresponding to the fifth trading day following the last day of the extension of the deadline, against the simultaneous transfer of the ownership right on the shares to the Offeror. The Offeror, taking into account the shares tendered in the bid, also during the extension of the deadline, and the ordinary shares already held directly by the Issuer on the date of commencement of the bid (34,919,955,094 ordinary shares, that is approximately 54.34% of the ordinary shares of the Issuer and the Issuer's share capital), thereby reached a shareholding of 51,558,863,664 of the Issuer's ordinary shares, in other words 80.23% of the Issuer's ordinary shares and the Issuer's share capital. In light of the failure by the Offeror to reach a shareholding of more than 90% of the Issuer's ordinary shares, there is no basis for the requested legal requirements to (i) restore float funds sufficient to ensure regular trading of the shares on the Online Stock Market organized and managed by Borsa Italiana SpA; and (ii) the fulfillment of the Offeror's obligation to purchase pursuant to Article 108(1) of the TUF.

Therefore, with the payment of the Consideration due to the holders of the Shares tendered during the extension of the deadline, the Offer is terminated permanently.

Ordinary Shareholders' Meeting of October 8, 2015, and Corporate Governance

On October 8, 2015 the Ordinary General Meeting of Shareholders of the Company resolved to dismiss members of the Board of Directors appointed by the ordinary shareholders on April 23, 2015. On September 17, 2015, the Company announced that it had filed and made available to the public, the list of appointments for members of the Board of Directors submitted by the shareholder Italiaonline SpA, which holds 34,919,955,094 ordinary shares, in other words 54.34% of the ordinary share capital of the Company, accompanied by the professional curricula of each candidate and the declarations in which each candidate states, under their responsibility, the willingness to accept the nomination, and that there are no reasons for ineligibility and incompatibility as per the requirements of the law and Articles of Association for the respective offices and any independence requirements.

The Meeting took the necessary decisions for the appointment of the new Board of Directors, for the following effect:

- To set the number of members of the Board of Directors at 9, establishing the duration of their mandates until the approval of the financial statements for the year ending on December 31, 2017, and setting the annual compensation for each director at € 75,000, plus € 5,000 per each day of directors' activities above the threshold of 18 days per year - authorizing an insurance policy to be taken out, covering civil liability of directors with an annual premium of up to € 350,000;
- To appoint the following as directors: Khaled Galal Guirguis Bishara, Antonio Converti, Sophie Sursock, Onsi Naguib Sawiris, David Alan Eckert, Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne, naming Khaled Galal Guirguis Bishara as the Chairman of the Board of Directors. The appointed directors are all on the list submitted to the General Meeting, submitted by the shareholder ItaliaOnline and voted for by the majority.

Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne declared they were in possession of the independence requirements provided for by Art. 148, paragraph 3 of Legislative Decree 58/1998 and to the Code of Corporate Governance for Listed Companies.

On October 8, 2015, the Board of Directors of the Company defined the governance structure of the Company and confirmed Antonio Converti as the CEO. The Board of Directors, subject to confirmation of the existence of the requirements of independence of directors also resolved to elect Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne, for the period 2015-2017:

- The Vice Chairman of the Board of Directors in the person of David Alan Eckert;
- The Nominations and Remuneration Committee comprised of Director Cristina Mollis (Chair), Cristina Finocchi Mahne and Corrado Sciolla;
- The Audit and Risk Committee comprised of the Directors Cristina Finocchi Mahne (Chair), Maria Elena Cappello and Cristina Mollis.

On November 10, 2015, after evaluation of the existence of the requirements of independence, the Board of Directors of the Company resolved to co-opt Antonia Cosenz to replace Director Cristina Mollis, who resigned on November 6, 2015. Antonia Cosenz was also appointed Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee. (i) The Nomination and Remuneration Committee now comprises as directors Antonia Cosenz (Chairman), Cristina Fennel Mahne and Corrado Sciolla; (ii) the Audit and Risk Committee is now composed of the directors Cristina Fennel Mahne (Chairman), Maria Elena Cappello and Antonia Cosenz.

Significant Events Subsequent to December 31, 2015 \

Industrial Plan Approval

On January 15, 2016 the SEAT Board of Directors has approved the Business Plan 2016-2018 of the Group resulting from the merger by incorporation of ItaliaOnLine into SEAT. This will pave the way for the leading company

on the Italian digital advertising market to utilize prestigious accounts and communication services for SMEs, which are the real backbone of the Italian economic fabric.

Approval of the Merger Plan

On January 20, 2016, the Board of Directors of the Company and ItaliaOnLine SpA approved the merger by incorporation of ItaliaOnLine into SEAT (the "Merger").

The Merger, part of the industrial and strategic plan already announced to the market with the press release issued by ItaliaOnLine on May 22, 2015, consistently with what was subsequently communicated to the market by both companies on October 23, 2015, seeks to create, through the integration of SEAT and ItaliaOnLine, the leader in the Italian market of digital advertising for large accounts, and local marketing services for small and medium-sized enterprises.

The Merger will be achieved through a merger (so-called reverse) by incorporation of ItaliaOnLine into the subsidiary SEAT, and represents the completion of the wider integration operation between SEAT and ItaliaOnLine. The Boards of Directors of both companies (i) resolved to carry out the Merger based on the balance sheets of the Companies Participating in the Merger as at September 30, 2015; and (ii) determined the exchange ratio (the "Exchange Ratio") to be of 1,350 ordinary shares of SEAT, with an accrual date identical to that of the SEAT ordinary shares outstanding at the effective date of the Merger, for each share of ItaliaOnLine, without the expectation of any cash payment. For the purpose of determining the economic elements of the Merger, the respective boards of directors have availed of a financial

advisor of proven professionalism. The Merger will be carried out without increasing the share capital of the Absorbing Company, by assigning to ItaliaOnLine shareholders: (i) the ordinary shares of SEAT owned by ItaliaOnLine; and (ii) the shares in exchange issued to consider the economic value of ItaliaOnLine.

Upon completion of the Merger, all ItaliaOnLine shares will be canceled and exchanged for SEAT ordinary shares in accordance with the Exchange Ratio.

The newly issued shares granted in exchange, like the SEAT ordinary shares, will have the same rights as those currently in circulation and will be listed on the MTA managed by Borsa Italian SpA, as well as subject to the centralized management system of Monte Titoli SpA pursuant to a dematerialization scheme under the law. SEAT shares allocated to serve the share exchange will be made available to the shareholders of ItaliaOnLine from the effective date of the Merger provided this is a trading day, or on the following trading day that will be communicated in the manner provided for by law. The Merger will produce civil effects from the date of the last registration provided for by Article 2504-bis of the Civil Code or the subsequent date indicated in the Merger deed. From that date, the Acquiring Company will take over all the assets and liabilities pertaining to ItaliaOnLine. The accounting and tax effects at the Merger will be backdated to January 1. The right of withdrawal does not apply.

Proposed Stock Option Plan

On January 20, 2016, the Company's Board of Directors resolved to adopt the "Stock Option Plan 2014-2018 of Seat Pagine Gialle" (the "Plan"), the effectiveness of which, approved by the SEAT shareholders' meeting of March 8, 2016, is subordinated to that of the merger of ItaliaOnLine SpA ("ItaliaOnLine") and SEAT (the "Merger"). In particular, if the Merger is effective, SEAT will automatically replace, among others, the stock option plan of the merged ItaliaOnLine, the Plan adopted by the SEAT Board of Directors and, in fact, the stock option plan of ItaliaOnLine, as modified to take into account the effects of the Merger, and the fact that the shares of the company resulting from the Merger are traded on a regulated market. Simultaneously therefore, the SEAT Board of Directors also resolved to submit to the said General Meeting the adoption of the Plan, pursuant to Article 114-bis of Legislative Decree No. 58 of February 24, 1998 (the "TUF"). The Shareholders' Meeting has been asked to vote to vest the Board of Directors with all powers necessary or appropriate to ensure full implementation of the Plan, including the power to proceed to increases the share capital in the Plan, without prejudice to the right of the Board of Directors, having consulted the Appointments and Remuneration Committee, to execution the options on any shares held by the Company and purchased by the Company.

The Plan is reserved for managers and executive directors of SEAT and subsidiaries thereof in accordance with Art. 93 of the TUF identified by the Board of Directors, in its discretion, having consulted the Appointments and Remuneration Committee, including those who hold organizational positions of significant importance to the Company or its subsidiaries, or otherwise considered worthy of being incentivized and/or their loyalty sought, at the Board of Directors' option (the "Beneficiaries"). The Plan is structured in two tranches, namely tranche A and tranche B, the performance periods of which are, respectively, January 1, 2014 to December 31, 2016, and January 1, 2016 to December 31, 2018. Tranche A shall end on December 31, 2020 and tranche B on December 31, 2022. Therefore, the Plan shall end of December 31, 2022. In particular, the Beneficiaries of tranche A of the Plan have been identified by the ItaliaOnLine Board of Directors on December 15, 2014, and confirmed by the Company's Board of Directors on January 20, 2016. As at January 20, 2016, the Plan shows n. 9 Beneficiaries at tranche A, among which also the current CEO of SEAT, Dr. Antonio Converti. Given their functions and positions held at SEAT by Dr. Antonio Converti, and the anticipation of the latter among the beneficiaries of Tranche A, the

Plan is considered "of particular significance" pursuant to Article 114-bis, paragraph 3 of the TUF and Article 84-bis, paragraph 2 of the Issuers' Regulation. As at January 20, 2016, however, the Beneficiaries at tranche B have not been identified.

The Plan provides for the free allocation of options that allow, under the conditions established and based on the achievement of SEAT's performance (at least 85% cumulative EBITDA for the duration of the Plan), the next subscription and/or purchase of a maximum of 4,589,893,575 shares of the company resulting from the Merger (the "Shares"), corresponding to 4% of SEAT's total shares outstanding at the effective date of the Merger, in the ratio of 1,350 shares for each exercised option right, with settlement by physical delivery. These are thus stock options. With regard to tranche A, the Board of Directors of ItaliaOnLine assigned 1,004,424 options, equal to around 1.073% of the post-merger share capital, to individuals that have remained beneficiaries of tranche A. With regard to tranche B, the Plan provides for the allocation of a maximum of 2,395,497 options, representing approximately 2.927% of the share capital post-merger, to be distributed at the discretion of the Board of Directors, after consulting the Appointments and Remuneration Committee.

Tranche B of the Plan provides for a number of Shares equal to 25% of the Shares subscribed and/or purchased through exercise of the option rights pursuant to the rules of the Plan by the Beneficiaries identified from time to time by the company as "key management personnel" in its annual report on remuneration, which will not be transferred until after 24 months after the date of subscription and/or purchase (lock-up). For key management personnel that also qualify as executive directors, such term shall be deemed deferred until the expiry of his term of office, whichever occurs later.

Tranche B also provides for a claw-back clause, which states that, if at a later date, but within 5 years from the vesting date of the options, the Board of Directors determines that the degree of target achievement financial which determined the option rights vesting was calculated on manifestly erroneous or false data, and the differences between data used and corrected figures were likely to have caused, if known in time, the non-vesting of the option rights, Directors shall be entitled to require Beneficiaries to return an amount equal to the share price upon vesting minus the exercise price or an amount equal to the theoretical gain for the beneficiaries would not have gotten if they had been known the amended data in time.

Approval of the merger by incorporation

On March 8, 2016, at shareholders' meetings and ItaliaOnLine S.p.A. ("ItaliaOnLine" or the "Merged Company") approved the merger by incorporation of reverse ItaliaOnLine in the Company

The Ordinary and Extraordinary Shareholders' Meeting also resolved to approve:

- The "Stock Option Plan 2014-2018 of Seat Pagine Gialle" and the grant of a proxy to the Board of Directors to increase the share capital for the aforementioned Stock Option Plan pursuant to Article 2441, paragraphs 5, 6 and 8, of the Italian Civil Code;
- The authorization of the Board of Directors to increase once or several times the share capital, excluding pre-emption rights pursuant to article 2441, paragraph 4, of the Italian Civil Code;
- To appoint as member of the Company's Board of Directors, the lawyer. Antonia Cosenz - co-opted on November 10, 2015 in replacement of Dr. Cristina Mollis who resigned on November 6, 2015 - which will remain

in office until the expiration of the Board of Directors, ie until the Shareholders 'Meeting called to' approval of the budget that will end on December 31, 2017;

- To appoint alternate auditor Dr. Giancarlo Russo Corvace, replacing Dr. Massimo Parodi died on September 5, 2015.

On the same date, the Company's Board of Directors decided - after an assessment of the existence of the independence requirements - to confirm the lawyer. Antonia Cosenz as Chairman of the Nomination and Remuneration Committee and member of the Audit and Risk Committee. To the effect:

- The Appointments and Remuneration Committee is composed of Directors Antonia Cosenz (Chairman), Cristina Finocchi Mahne and Corrado Sciolla;
- The Control and Risk Committee is composed of the Cristina Finocchi Mahne (Chairman), Maria Elena Cappello and Antonia Cosenz.

Outlook \

The EBITDA achieved by SEAT Group for 2015 are higher for € 14.7 million than the guidance announced last November on the occasion of the results of the first nine months of 2015. These results include the positive effects from the cost-cutting measures that have accelerated in the second half of the year and that are aimed at achieving an operating margin level of online business with what is proper to the directories of the world.

During 2016, in addition to continuing incisively in margin recovery actions in terms of costs, the management will focus on a number of initiatives in support of the top line, in particular of digital revenues:

- with reference to online directory revenues major innovations have been planned to adapt these products to the highest technological standards and to provide the highest-quality services to customers and users. More specifically, these initiatives include: (i) developing vertical portals (dedicated to three key sectors: food, housing and health); (ii) producing exclusive content (professional, SEO and social-friendly content); (iii)

developing a dynamic taxonomy (i.e. detailed classification and dynamics of the commercial operators to maximize searchability on search engines);

- referring instead to web agency revenues, the Company will focus on optimizing the process of creating websites based on three areas: (i) production speed based on a standard and industrialized process in line with market benchmarks; (ii) the most rigorous quality control; (iii) real-time management of the maintenance of the sites themselves;
- regarding finally the reselling revenues, the Company will launch a series of strategic initiatives designed to strengthen its position as an all-round media planner for the communications campaigns of small and medium businesses based on search, display and social advertising. More specifically, it will launch an integrated platform that will allow customers to optimize their investment on Google, Facebook and display, thus allowing them to benefit from a unified management system.

Financial performance by Business Area

(euro milion)		Italian Directories	Other Activities	Aggregate total	Eliminations and other adjustments	Consolidated total
Revenues from sales and services	Year 2015	357.1	22.4	379.5	(4.6)	374.9
	Year 2014	389.9	24.3	414.2	(6.0) (*)	408.2
GOP	Year 2015	45.5	1.0	46.5	0.4	46.9
	Year 2014	58.6	0.9	59.5	2.1 (*)	61.6
EBITDA	Year 2015	25.6	0.8	26.3	-	26.3
	Year 2014	30.4	0.4	30.8	1.8 (*)	32.6
(EBIT)	Year 2015	(22.2)	(4.0)	(26.2)	(0.1)	(26.3)
	Year 2014	(20.6)	(6.3)	(26.9)	1.4 (*)	(25.5)
Total assets	December 31 2015	483.1	21.5	504.6	(17.6)	487.0
	December 31 2014	543.2	20.4	563.6	(20.3)	543.3
Total liabilities	December 31 2015	323.4	25.8	349.2	(23.0)	326.2
	December 31 2014	362.7	22.5	385.2	(16.3)	368.9
Net invested capital	December 31 2015	45.5	9.0	54.5	(0.2)	54.3
	December 31 2014	104.6	5.5	110.1	(7.2)	102.9
Capital expenditure	Year 2015	27.5	3.4	30.9	(0.1)	30.8
	Year 2014	27.2	2.6	29.8	0.1	29.9
Average workforce	Year 2015	1,480	162	1,642	-	1,642
	Year 2014	1,613	172	1,785	-	1,785
Average number of sale agents	Year 2015	1,321	35	1,356	-	1,356
	Year 2014	1,382	51	1,433	-	1,433

(*) This includes the effects of Cipi S.p.A. deconsolidation..

Key performance indicators of the Group	Year 2015	Year 2014
Number of published directories		
PAGINEBIANCHE® (*)	-	103
PAGINEGIALLE®	-	153
SMARTBOOK (*)	113	-
Number of distributed directories (values in million)		
PAGINEBIANCHE®	-	20.2
PAGINEGIALLE®	-	15.1
SMARTBOOK (*)	18.6	-
Number of visits (values in million)		
<i>Uninterrupted site access for 30 minutes</i>		
PAGINEBIANCHE.it® (**)	174.6	169.9
PAGINEGIALLE.it® (**)	360.7	366.1
TuttoCittà.it®	59.0	58.4
Europages.com (**)	26.4	25.3
Download SEAT' s mobile applications (values in million)		
PagineGialle Mobile	3.7	3.5
PagineBianche Mobile	3.3	2.9
Tuttocittà Mobile	2.1	1.8
89.24.24 Mobile	0.3	0.3
Glamoo Mobile	0.3	0.3

(1) This includes Gorizia e Treviso "One Book".

(*) From 2015 one volume "Smartbook" distributed includes directories PAGINEBIANCHE® e PAGINEGIALLE®.

(**) The total traffic includes the web and mobile visits and online websites of customers.

Italian Directories \

Market scenario

Since the Italian Directories Business Area accounts for the bulk of the Group's activity, the relevant market situation and strategic positioning are those described

in the introductory section under the same heading in relation to the Group as a whole and to SEAT in particular.

Revenue per SEAT product

			12 months 2015	12 months 2015 on total revenues
Digital	Online Directory	  	221.5	62.1
			117.0	32.8
	Web Agency	 	51.4	14.4
	Reselling	 	53.1	14.9
Print			102.1	28.6
Voice		 	16.2	4.6
Third Party		 	16.7	4.7
		  		
Total revenues			356.5	100.0

Product innovation

Despite the uncertain market scenario, SEAT has strengthened its positioning in the SME segment by taking a “one-stop-shop” approach, offering a wide range of products and services from traditional directory products to web agency-like products, from traditional media advertising to digital advertising.

By strengthening its partnerships (Google, Facebook Sky, etc.), SEAT has expanded its product range and increasingly positioned itself as the media agency for SMEs. At the same time, it has continued to invest to increase the *Usage* of its *Properties*, be they traditional or digital. Indeed, the digital segment was able to claim a significant growth rate once again in 2014, for both the desktop and mobile components.

Online and mobile directory services

SEAT has continued to invest in product and process innovation within its digital directory product range, in order to ensure that it remains competitive and to consolidate its leadership in the local advertising segment. Following the complete renovation of *PagineGialle.it*, which finished at the end of 2014, the main measures implemented in 2015 have focused on:

1. Improving user experience in order to counteract the natural decline in traffic in the Italian Desktop segment (in favor of the tablet and mobile segments)
2. Developing innovative offers that meet customers' needs, thereby ensuring competitiveness and market appeal;
3. Improving the performance of existing products by implementing new functions and technologies, and integrating them with the overall ecosystem to guarantee the best possible return in terms of advertiser visibility.

Some of the main development initiatives launched during the year are listed below.

Usage: in 2015, the usage growth strategy involved both desktop and mobile product innovations:

- I. Improving and optimizing the “Quotes” service of *PagineGialle*: expanding the categories and enhancing user experience to bring value both to the user (ability to quickly receive quotes on multiple categories) and to the merchant (increase in qualified leads)
- II. Ongoing technological developments and improvement of content and services on all web and mobile properties in order to improve the customer experience and boost traffic. In particular, A/B testing with rainbow software aimed at identifying new usage solutions in order to

increase qualified leads and traffic on the company's page.

- II. Vertical launch of “Eccellenze Italia” to increase the visibility of Italian activities and professionals during the Expo 2015 period, with cross promotion on the web and mobile properties of *PagineGialle*, *PagineBianche* and *Tuttocittà*.
- IV. Increase in SEO oriented content by creating category guides on *PagineGialle* to direct traffic from search engines.
- V. “Mobile friendly” SEO optimization, which has brought about important developments in both the desktop and mobile segment, with changes in coding, sitemap and robots.txt, in order to increase traffic from search engines
- VI. Ongoing operations relating to “mobile-friendly” optimizations and app-indexing were carried out on mobile properties, involving the msites and apps of *PagineGialle*, *PagineBianche* and *Tuttocittà*. Moreover, in July, a completely new msite to *PagineGialle* went online, which also introduced new ordering in December based on hourly user intent, e.g. Pharmacy/ Open supermarkets/i HOUR. Also in July, proximity marketing activities were carried out on the *PagineGialle* apps
- VII. On *Tuttocittà*, the new “Local Events” section was developed for the mobile site and app also, with an increasing alignment to the website. During Expo 2015, the new “Events EXPO 2015” section also went online, with new content relating to the events of the 2015 World Fair in Milan, divided into three types:
 - a. EXPO2015 Events within the Fair website.
 - b. Events relating to EXPO2015 near Milan and Hinterland.
 - c. Events relating to EXPO2015 held in Italy.
- VIII. Also on *Tuttocittà*, Ticketing was introduced by Mobile and on msite and mobile APPs relating to Sporting Events and Arts/Cultural Events.
- IX. The Museums and Culture section and itineraries were entered on *TorinoApp* in collaboration with *Torino Turismo* as part of the *WalkTo* Project.

Advertisers: in 2015, particular attention was dedicated to developing products and services that can generate value and a greater return for advertisers, while maintaining appeal and competitiveness over other national and international players in the sector. In particular:

- I. The algorithm to provide results on *PagineGialle* and *PagineBianche* listings has been improved to enhance the presence of advertisers.

- II. The use of Programmatic Advertising has come into effect, ensuring the monetization of 90% of the available inventory (in 2014 it stood still at 60%); ADV Mobile Neodata (banners) were added to Tuttocittà on iOS/Android Apps as well as the ADV mobile Ogury (interstitial) on Android Apps.
- III. New features were introduced for customer files, such as the use of price lists and menus for restaurants, in order to increase interesting content for visitors and boost engagement among customers.
- IV. The focus has been kept on the content within the customer files in order to increase product quality, improving the consistency checks between keywords and descriptive texts, and aiming to acquire new multimedia content (photos, virtual tours, videos etc.) which are of interest for users.
- V. We have aimed to achieve a 360° cross-platform customer searchability, facilitating the presence of most of our advertisers, not only on print and voice directories, but also on PagineGialle, PagineBianche and Tuttocittà (both web and mobile) with increasingly structured contact information and availability.
- VI. The new Mobile Top offer has also been integrated and enhanced on Evolved Locations, Mypoints and for National Clients.

Directory assistance services

In 2015, the strategy of efficiently managing structurally decreasing volumes caused by profound market changes – specifically focusing on cost reduction – has been confirmed, which has led Call Centre contracts to be revised.

For the 89.24.24 and 12.40 service, customer management received a good deal of attention with the evolved CRM system, which provides hyper-segmentation and highly-targeted management of initiatives and promotions.

Various ongoing partnerships with brands and national leaders (relating to both leisure and to public interest and administration) have made it possible to launch initiatives through a communications plan also via media partnerships.

Publishing products

In 2015, the new single volumes of PAGINEBIANCHE® PAGINEGIALLE® and TUTTOCITTA' completed their first year of distribution: they are a completely new product in terms of size (new compact format), structure (3 products combined), contents and graphics both inside and on the covers.

On the cover of PagineBianche®, city landmarks play a leading role once again, while the cover of PagineGialle gives a soul and face to professionals and craftsmen who

have always been the driving force of our country and product.

The inside has been completely revised thanks to significant investment to improve the legibility of surnames, addresses and phone numbers. All non-metropolitan area codes have been reintroduced and the advertisement provision has been simplified, making it possible to redesign the graphics for advertising space.

Institutional repositioning of PagineBianche®

Traditional Useful Numbers (timetables, addresses, local public administration contacts) have been introduced at the beginning of the volume and highlighted since the end of the year with a blue layout which is visible even when the volume is closed. These have become a Practical Guide for the Citizen: a full display of services dedicated to Emergencies, Safety, Transport, Health, Family, Business, Social Services, Museums and Leisure. Everything is set up to make the relationship between citizens and public administration easier and faster.

Since 2015, SEAT has supported Local Government Administration and confirmed its commitment by providing all regional capital cities with a new publishing space in which the major strategic initiatives for the local area can be developed.

25 administrations have joined the initiative so far. The objective is that, by 2016 all regional capital cities will gradually have been affected.

Thereby, Pagine Bianche® will reinforce its institutionality and especially its status as a focal point of reference in people's lives; a single essential tool, which is always available to citizens and always close to hand.

Development of PagineGialle®

In order to reinforce the local aspect of the product, Tuttocittà was given back a prominent position in AvantiElenco. It was enhanced by a section of "outdoor" cultural and gastronomic itineraries, focusing on the so-called "Italia Minore", on those locations (and there are hundreds of them from North to South of Italy) which make up the backbone of our tourism industry outside of major destinations such as Rome and Venice.

To give greater clarity and value to the Italia Minore as a vessel for culture and excellence, this section contains pages concerning typical traditions and local foods. This includes all products coming under various, qualitative labels, from PDO to DOCG who are certified by the Ministry of Agricultural Food and Forestry. This section also contains designated sections to highlight local, entrepreneurial excellence and the region's industrial districts.

The contents of the various sections in AvantiElenco have

been updated with practical and regulatory recommendations to better address the important decisions of our lives: from large home projects (renovation, energy saving, etc.) to practical advice on professionals, technical advice, and the choices we most commonly make.

With regard to the advertisement side of the business, some high-impact areas have been re-launched, and the range of standard advertising spaces has been optimized, making it easier to navigate through the pages. Meanwhile larger spaces now have settled on more modern, striking graphics designed on an adhoc basis and founded on customer needs.

Aside from these innovations, the distribution process is also completely new and, above all, certified, ensuring greater control over the actual product distribution, and especially, the certainty as to where, when and how much was distributed.

Web agency products

This area has been the focus of special attention, with a view to strengthening the expansion of the traditional business model linked with the directory. In particular, the product range has increased to gain greater competitive advantage over local web agencies. We are especially focused on improving and expanding the advertisement propositions as well as product quality and performance.

In 2015, the SmartSite range was expanded (responsive websites), launching the SmartSite Easy to target customers with low-budget needs and availability. The SmartSite Easy offer involves creating a website which can have up to 8 pages, with the option to customize the layout and graphical elements using 100 different moods. The SmartSite Easy is made available to convert existing and new customers from the old Visual Site offer. This product supports SmartSite, which instead anticipates a greater number of pages and a specific design based on the needs expressed by the customer.

The e-commerce offer has been renewed with a more scalable and flexible solution than the previous offer, which also allows you to manage both your ecommerce selection and gallery of items on Amazon using a single platform.

A new service has been launched to create and manage your presence on Facebook, which, in addition to the creating a graphically appealing "website-like" page, offers a professional service for the creation of a weekly and monthly post publishing plan.

Lastly, a new "business intelligence" service was launched for B2B customers, providing them with detailed

information on customers that visit their site or do research about related business on paginegialle.it.

Goods traffic (reselling) and partnerships

In 2015, in line with SEAT's new "one-stop-shop" approach, they are continuing investment for the expansion of advertising proposals linked to the world of resale, continuing and speeding up the conclusion of partnerships with leading international, domestic and local media companies. SEAT has therefore expanded its product range, increasingly positioning itself as the media agency for SMEs.

In the digital area, we have concentrated on the main audience drivers, gaining leverage in the the development of well-established partnerships such as Google and reinforcing the most recent ones such as Facebook. During the course of the year, ItaliaOnLine product sales were also introduced in the Seat portfolio, consolidating its leadership in the market and gaining a competitive edge.

During 2015, we have continued to invest in the Pgclick product (Google Adwords resale) to make the campaigns more efficient and consistent with the needs of customers, including those who can access the international market thanks to campaigns in their own language. Customer satisfaction and engagement has been improved in terms of the returns obtained by reviewing the campaign monitoring process and KPI reports. Therefore, Pgclick manages to effectively combine industrialized campaign management with distinct personalization for individual customers where required, embracing a wide range of different customers. Having launched in autumn 2014, ADV saw the offer being enhanced on Facebook in 2005, to refine their existing offers and seize the opportunities provided by the Facebook platform. While maintaining its unique and distinctive selling proposition, the offer has been developed by the honing of target profiling skills – both from a geographical and lifestyle point of view – and by launching the video as form of communication in line with the main market trends. Having Adv on Facebook is therefore an effective way for SMEs to contact specific targets, those who occupy their own area of commercial competence via an established channel and large internet audience.

In the realm of traditional media, SEAT has significantly expanded its offers by entering into agreements with leaders at a national and local level in all types of media: TV, radio, outdoor, press, cinema. SEAT is therefore able to offer all customers a full range of communication products across almost the whole of Italy that can be used to co-create a complete media plan.

Development of new IT systems

The IT investments in 2015 primarily concerned:

- Product innovation aimed at providing a service that increasingly meets customers’ needs, focusing on flexibility and faster response times
- Development of Internet Factory systems and application architectures necessary for the provision of Seat’s Online Services. Design activities aimed at the development of these architectures, as is necessary for business continuity
- Implementing the necessary upgrades on the main IT systems to incorporate advanced iPad e-signature capabilities for use by the sales team, to replace paper forms.
- Developing operations to adapt to the Track.it monitoring system in order to consolidate it as a centralized and shared platform to track production progress.
- Developing operations on Customer DataBase systems in order to generate savings on the purchase of external data and on the optimization of CDB principals
- Developing operations aimed at optimizing the publishing process for Key Clients, as well as the revision and harmonization of the TOP Clients

- Implementing risk prevention strategies on commercial, administrative and credit systems in order-to-cash processes, while maximizing and improving proceeds.
- Launching actions to review Credit Systems in order to integrate the scoring process with that of credit collection and to reduce maintenance costs

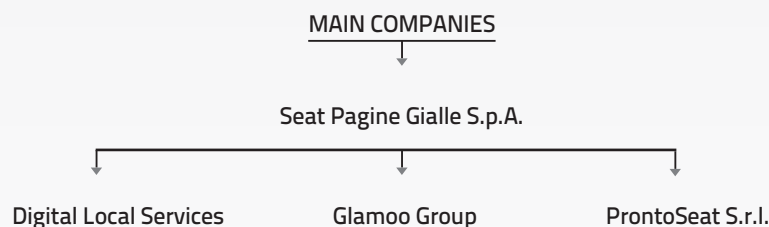
With reference to product innovation during the year, upgrades were made to the Seat platforms (Print, Web, Mobile and Voice) based on the Marketing Initiatives launched. In particular, major releases included: the new offer of EasySite; the new commercial offer of PGCommerce; the new commercial offer of Facebook Presence; the new commercial offer of Business Contact; the Custom offer of PGClick.

In addition, the following Media Offer initiatives have all been released: the new management model for specialized offers such as Outdoor/billboarding (Avip, Publiemme, Publimarka, etc.)

In 2015, with regard to infrastructure technologies, we continued with the renewal of the employees’ hardware workstations and of the network. The ‘Multibrowser’ Project was also completed to adjust SEAT’s systems and applications enabling the use of the most popular browsers such as Internet Explorer 11, Firefox and Chrome.

Structure of the Business Area

The Italian Directories Business Area is organized as follows:



The table below shows the main results for the 2015 fiscal year compared with those from the previous year.

<i>(euro million)</i>	Year	Year	Change	
	2015	2014	Assolute	%
Revenues from sales and services	357.1	389.9	(32.8)	(8.4)
GOP	45.5	58.6	(13.1)	(22.4)
EBITDA	25.6	30.4	(4.8)	(15.8)
EBIT	(22.2)	(20.6)	(1.6)	(7.8)
Capital expenditure	27.5	27.2	0.3	1.1
Average workforce	1,480	1,613	(133)	(8.2)
Net invested capital	45.5	104.6	(59.1)	(56.5)

Below is an analysis of the data classified by the SEAT Business Area, for ProntoSeat Srl and for Couponing Italia Srl in liquidation already Glamoo S.r.l..

SEAT

This area comprises data relating to the Seat Pagine Gialle S.p.A. and the 74 Digital Local Services companies, established to improve supervision of the sales network and dispense and offer appropriate support to agents and customers.

The table below shows the main results for the 2015 fiscal year compared with those from the previous year.

<i>(euro million)</i>	Year	Year	Change	
	2015	2014	Assolute	%
Revenues from sales and services	356.5	388.9	(32.4)	(8.3)
GOP	46.8	60.6	(13.8)	(22.8)
EBITDA	27.1	32.5	(5.4)	(16.6)
EBIT	(20.1)	(13.2)	(6.9)	(52.3)
Capital expenditure	27.4	27.1	0.3	1.1
Average workforce	1,321	1,462	(141)	(9.6)
Net invested capital	44.9	92.6	(47.7)	(51.5)

It should be noted that, from the time of the interim management report of March 31, 2015, the company started to display revenues on the basis of a new classification (Digital, Print, Voice, and Third Party Products) that proved to be more consistent than that of the past, with its positioning as a "one-stop-shop" in the SME segment.

SEAT's **revenues from sales and services** amounted to € 356.5 million in 2015 fiscal year, down by 8.3%

compared with the previous fiscal year. This *trend* is mainly attributable to the customer base performance which, at the end of the 2015 fiscal year, was down 10.6% on an annual basis, coming in at 231,000 units, as well as – to a lesser extent – the ARPA performance, i.e. the average revenue per customer, which decreased by 0.5% on an annual basis to € 1,316. In this respect, it should be noted that the 2016-2018 Business Plan includes effective measures to contain the negative customer base

value (*churn*), which are expected to reverse the downward *trend* in customer numbers and revenue by 2018.

Trends in the different product lines are shown herein, represented by normalizing the effect of the change in accounting estimate on the portion of revenues attributable to the online component of PagineBianche offer for 2015 and 2014, in order to make an even comparison possible.

a) **Digital Revenues** (coinciding with core *internet & mobile* revenues as per the previous classification) amounted to € 221.5 million in the 2015 fiscal year, down 11.4% (down 0.8% on a normalized basis) compared to the 2014 fiscal year. The total share of digital revenues in this period amounted to 62% (58% on a *normalized* basis). These are as follows:

- *Directory* (portal owners www.paginegialle.it, www.paginebianche.it and www.tuttocitta.it and mobile applications): traditional *directory* product revenues, amounting to € 117.0 million in the 2015 fiscal year, which decreased by 25.3% (down 11.7% on a *normalized* basis), compared to the 2014 fiscal year.
- *Web Agency* (construction and management of *websites* optimized for mobile use, multimedia content creation, *web* visibility activities, *e-commerce*, *web marketing* and managing presence on *social networks*): *web agency* product revenues were recorded at € 51.4 million in the 2015 fiscal year, down 6.6% compared to the 2014 fiscal year. This result, while confirming the negative *trend* for *web agency* products, (mainly due to the increased competition of *social media* compared with *website* owners), does however show an upward *trend* over the first nine months of the year, which saw a decrease of 8.9% over the same period in 2014. This *trend* was largely led by the gradual dissemination of the new range of websites called "*Smart Sites*" to all Seat customers. These were introduced in 2014, representing the company's main competitive edge over other local *web agencies*.
- *Reselling* (services for *display advertising*, SEM - *search engine marketing* - Google AdWords and *hyperlocal* advertising campaigns - *Adv on Facebook*): product revenues from digital *reselling*

amounted to €53.1 million in the 2015 fiscal year, up 38.4% compared to the 2014 fiscal year. This positive *trend*, which follows the strong growth recorded in the first nine months of the year (+41.4% compared to the same period of 2014), reflects the benefits of consolidating the *partnerships* with Google and Facebook, allowing the Company to gain *leadership* as well as a competitive edge in the relevant market.

In the fiscal year of 2015, the overall traffic trend, including customer visits to PAGINEGIALLE.it®, PAGINEBIANCHE.it® and TUTTOCITTA'.it®, (coming from both *web* and *mobile* access, and on customers' *online* and *mobile* sites), was recorded at approximately 594 million visits, in line with the *audience* figure recorded in the 2014 fiscal year. With reference to the mobile aspect, it should be noted, in particular, that at the end of December 2015, SEAT's mobile applications (PagineGialle Mobile, PagineBianche Mobile, Tuttocittà Mobile, 89.24.24 Mobile, Glamoo Mobile, Giallo Emergenza and TorinoAPP) had reached a threshold of around 10 million *downloads* overall (+11,3% compared to December 2014), taking into consideration both iOS and other operating systems.

In February, the company launched the new PagineGialle app, which differs from its predecessor by the presence of three user-friendly homepages (classic, lifestyle and services), new contents and functions such as the ability to request estimates and to search by drawing the area on a 3D map.

b) **Print** (which includes *core* print revenues, as per the previous classification, the revenues from distribution lists and other minor revenues relating to paper products): the print revenue, including revenue resulting from the two applications *e-book* Pagine Gialle and Pagine Bianche for iPad, amounting to € 102.1 million in the 2015 fiscal year, have increased by 12.6% compared to the 2014 fiscal year. This *trend*, which is down by 18.2% on a *normalized* basis – although in an improved position compared to its *peers* – benefits from the distribution of the Smartbook (a single volume of Pagine Bianche and Pagine Gialle in a new format, with a larger font size for ease of reference, integrated with TuttoCittà information and with new pages dedicated to services, divided into areas, and the specials features of each area) starting in February 2015.

c) **Voice** (including *core* telephone advertising revenues as per the previous classification and telephone traffic revenues): revenues from *directory assistance* services 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® amounted to € 16.2 million in the 2015 fiscal year, down 42.2% from the 2014 fiscal year, with a greater reduction of the advertising component (-63.4%), compared to that from telephone traffic (-32.9%). In this respect, it should be noted that the Company is continuing its strategy to efficiently handle volumes that are structurally declining due to a market undergoing profound transformation, with a particular focus on cost reduction.

d) Revenues on **Third Party Products** (coinciding with other revenues and minor products as per the previous classification, net of revenues from the telephone traffic of *directory assistance* services, revenues from distributing lists and other minor revenues relating to paper products): revenues from other products amounting to € 16.7 million in 2015, down 17.3% compared to 2014. In particular, there are revenues from *partnership* agreements signed with major players in the media world worth € 8.8 million (mainly relating to Sky's TV offer) and revenues from *Direct Marketing* products and *Merchandising*, which amounted to € 6.2 million.

The **GOP** amounted to € 46.8 million in the 2015 fiscal year, down € 13.8 million compared to the 2014 fiscal year. The contraction was due to the negative trend of revenues, which have been counteracted with actions to improve cost efficiency. The costs of materials and external services, net of costs debited to third parties, amounted to € 238.3 million in the 2015 fiscal year, down € 10.2 million (-4.1%) compared to the previous fiscal year. In particular, *production costs* amounted to € 108.6 million in the 2015 fiscal year, an increase of € 1.2 million compared to the 2014 fiscal year (€ 107.4 million) while the drop in the volume of calls to the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services caused a reduction in inbound call center service costs (- € 3.8 million to € 4.9 million). Commissions significantly increased (+€ 3.5 million to € 38.3 million) as part of the

management of *Digital reselling* offers and partnership agreements signed with major players in the media world.

Commercial costs amounting to € 85.3 million in the 2015 fiscal year are down € 10.5 million compared to the previous fiscal year (€ 95.8 million), this reduction reflects lower advertising expenses amounting to € 6.8 million in 2015, down from the previous fiscal year by € 8.3 million.

Commission costs and other costs related to sales force decreased by €2.4 million in line with the performance of revenues.

Overhead totaling € 44.3 million in the 2015 fiscal year are down 2.1% compared to the previous fiscal year.

Salaries, wages and employee benefits, net of recovered costs for personnel seconded to other Group companies, amounted to €71.4 million in the 2015 fiscal year, down €8.3 million (-10.4%) compared with the 2014 fiscal year. The reduction was achieved by progress made with restructuring to Seat, by downsizing management staff and, for the rest, by activating solidarity arrangements (wage guarantee fund on a rotating basis).

The workforce, including directors, project workers and trainees, consisted of 1,425 employees as at December 31, 2015 (1,539 employees as at December 31, 2014).

EBITDA totaled € 27.1 million in the 2015 fiscal year, down by € 5.4 million compared with the 2014 fiscal year (-16.6%) with a margin on revenue of 7.6% (against 8.4% in the previous fiscal year). The margin essentially reflects the downward trend in GOP, offset partially by lower provisions to the allowance for doubtful trade receivables (€7.8 million), thanks to maintaining a special focus on quality of sales and the management of receivables from customers. Provisions to the allowance for doubtful trade receivables came to €16.9 million. Although this was down compared with the previous fiscal year, it still enabled sufficient coverage of past-due receivables.

EBIT, negative by € 20.1 million in the 2015 fiscal year, reflects the performance in EBITDA and includes operating and non-operating amortization, depreciation, and write-downs of € 39.3 million and net non-recurring costs of € 7.9 million, comprising mainly net restructuring costs of €32.4 million, non-recurring costs of €5.0 million, and non-recurring income of €30 million relating to the sum paid by the former directors of Seat Pagine Gialle SpA in relation to the outcome of the liability action settlement.

Capital expenditure amounted to € 27.4 million in the 2015 fiscal year and mainly relates to: *i)* evolutionary improvements on Web and Mobile delivery systems (approximately € 7.2 million), in particular for the real-time updating of the content and its publication, for better algorithms for searching and identifying new graphical-functional solutions of the Company's web portals; *ii)* evolutionary improvement of web products (approximately € 4.9 million) mainly relating to the optimization of the graphical *concept* for mobile use, to developments for the new range of websites for

customized offers for Key Clients; *iii)* improvements (approximately 7.3 million) in commercial and publishing areas to adapt and strengthen systems for the new product ranges.

The **average workforce** amounted to 1,321 employees in the 2015 fiscal year compared to 1,462 in that of 2014, with the 141-employee decrease being mainly due to Seat's restructuring progress.

Net invested capital amounted to €44.9 million at December 31, 2015, net of the carrying value of investments in subsidiaries, a decrease of €47.7 million compared to December 31, 2014 (€92.6 million) mainly attributable, to the extent of €17.4, to the elimination of the posting under assets of the fixed assets involving the leasing agreements subjected to termination and to the extent of €32.4 to the provision to the current and non-current portions of the restructuring reserve, following the new workforce restructuring plan launched at Seat Pagine Gialle S.p.A. in February 2015.

Glamoo Group

Wholly owned by Seat Pagine Gialle S.p.A.

On December 22, 2015 the Shareholders' Meeting of Glamoo S.r.l. approved the company's liquidation without debt, changing its name to Couponing Italia Srl in liquidation. The transcript at the Register of Companies of Milan's Chamber of Commerce took place on January 21, 2016.

On February 9, 2016, the company Glamoo Ltd. was

dissolved from *Companies House UK*.

Glamoo Ltd and its wholly owned operating subsidiary Glamoo Srl – now **Couponing Italia S.r.l. under liquidation** – have been consolidated since May 31, 2014. Therefore, the table for the 2014 fiscal year includes their economic data from June 1 to December 31, 2014.

<i>(euro million)</i>	Year 2015	Year 2014	Change Absolute	%
Revenues from sales and services	1.1	1.0	0.1	10.0
GOP	(1.1)	(1.4)	0.3	21.4
EBITDA	(1.3)	(1.5)	0.2	13.3
EBIT	(2.1)	(2.0)	(0.1)	(5.0)
Average workforce	18	29	(11)	(37.9)
Net invested capital	(0.4)	-	(0.4)	n.s.

Prontoseat S.r.l.

Wholly owned by Seat Pagine Gialle S.p.A.

The table below shows the main results for the 2015 fiscal year compared with those from the previous year.

(euro million)	Year 2015	Year 2014	Change Absolute	%
Revenues from sales and services	5.4	3.7	1.7	45.9
GOP	(0.1)	(0.6)	0.5	83.3
EBITDA	(0.1)	(0.6)	0.5	83.3
EBIT	(0.2)	(0.9)	0.7	77.8
Capital expenditure	-	0.2	(0.2)	(100.0)
Average workforce	141	122	19	15.6
Net invested capital	0.7	0.6	0.1	16.7

Revenues from sales and services amounted to € 5.4 million in the 2015 fiscal year, up by € 1.7 million compared with the previous fiscal year (€ 3.7 million). The higher turnover is mainly due to an increase in *outbound* revenues (+€ 1.1 million compared to the 2014 fiscal year) in view of the improved management of Rinnovi Elenchi Standard, the new management of the Rinnovi Web business, the increase in *customer* care activities for customer loyalty and "SmartSite" for creating next-generation sites, and to SEAT's *telesales* incentive system introduced last year.

Inbound revenues also increased (+€ 0.5 million compared to the previous year) thanks to the launch of the 89.24.24. service and part of the 12.40 service from June 1, 2015.

GOP is down by €0.1 million, but an improvement of €0.5 million compared to 2014 due to the increase in revenues and the continuation of a careful policy of cost reduction and containment.

EBITDA and **EBIT** were down, respectively, by € 0.1 and € 0.2 million, performing in line with the GOP.

The **average workforce** (141 employees in 2015) increased by 19 compared to the previous fiscal year.

Regulations

The regulations applicable to the activities carried out by the SEAT Group in general and by Seat Pagine Gialle SpA in particular fall under the scope of the package of EU Directives on telecommunications:

Directive **2002/19/EC** (Access to electronic communications networks); Directive **2002/20/EC (Authorization of electronic communications networks and services)**; Directive **2002/21/EC** (Common regulatory framework for electronic communications networks and services); Directive 2002/22/EC (Universal service); and Directive 2002/58/EC (Processing of personal data and the protection of privacy in the electronic communications sector).

These guidelines were subject to reform and, at the end of 2009, the Commission approved a new regulations package: Directive **2009/140/EC** (for "Better Regulation"); Directive **2009/136/EC** ("Citizens' Rights Directive"); Regulation **2009/1211**, establishing supranational regulation body "BEREC" (Body of European Regulators for Electronic Communications).

While the reform came into force on May 25, 2011 in most EU countries, in Italy the time frame for adoption was longer:

- On June 1, 2012, the new **Electronic Communications Code** came into force (Legislative Decree No. 70 of May 28, 2012, implementing EU Directive 140/EC/2009). As far as SEAT Pagine Gialle is concerned, the most important aspect introduced by the decree is the exclusion of telephone directories from the universal-service obligations.
- On May 28, 2012, **the Legislative Decree No. 69** (implementing EU Directives 136/2009/EC and 140/2009/EC) was issued, introducing a number of amendments to the Personal Data Protection Code (Legislative Decree No. 69/2012). The aspect most

relevant to the Company concerns the regulations governing the use of cookies, which state that, in order for cookies to be installed on a user's computer (for marketing or other identification purposes) the user must receive clear notification and give their express consent. The Italian data protection authority has issued a general measure establishing detailed rules on the technical and communication methods used to send this online notification, to inform users about the use of cookies and provide instructions to obtain consent (when required by law). For compliance with the provisions of that Authority, a transition period of one year has been planned, starting from the date on which the measure was published in the Italian Official Gazette (June 3, 2014). The Measure came into force on June 2, 2015.

- In January 2012, the European Commission presented its draft General Data Protection Regulation, which will supersede Directive 95/46/EC and will govern the new European legal framework on *Data Protection* together with a directive on data processing for judicial and police purposes (this is also under discussion). SEAT actively participated in the discussions on the text and submitted its own "*position paper*" to ensure that the final version of the Regulation takes our recommendations into consideration. On December 18, 2015 an agreement was reached on the text of the Regulation and Directive which is likely to be formalized by the EU Parliament and Council within the first months of 2016. The Regulation will be enforced immediately (directly applying to all the Member States) and companies will have two years to adjust. With regard to the Directive, Member States will have two years to transpose this directive into their national legislation.

Privacy - Telemarketing - New rules on the processing of data relating to persons included in public directories of telephone service subscribers: introducing the "opt-out" principle and establishing the Public Objections Register

Law 166 of November 20, 2009 ("Urgent provisions for the implementation of EU obligations and the execution of judgements of the Court of Justice of the European Union") converted Decree 135 of September 25, 2009 (the "Malan amendment") into law and made significant amendments to Article 130 of the personal data protection code ("unwanted

communication"). These provisions of law permit telephone processing of the data of subscribers included in telephone directories for advertising, direct sales, market research and commercial communication purposes for those who have not exercised their right to *opt out*. Subscribers may opt out by including their telephone number in a

public opt-out register created on November 2, 2010 following the publication of Presidential Decree 178 of September 7, 2010, **"Public register of subscribers opposed to the use of their telephone number for direct-marketing purposes"**.

The register, which is managed by the Ugo Bordoni Foundation, was activated on February 1, 2011.

With effect from this date:

- companies operating in the telemarketing sector may no longer contact subscribers with numbers included in the register. All telesales lists taken from telephone directories (such as Pagine Bianche and Pagine Gialle) must therefore be checked against the opt-out database before being used. The validity of lists containing the names of subscribers who can be contacted has been reduced to 15 days;
- direct-marketing companies must describe themselves as such to the Ugo Bordoni Foundation and must sign a contract under which they agree to match their lists with the opt-out database.

The Order of the Italian data protection authority issued on January 19, 2011 ("Regulations on operator-assisted telephone processing of personal data for marketing purposes following the creation of the public opt-out register") stipulates that the new regulatory framework also gives businesses the right to opt out. Therefore, telesales of the products of any company aimed at a business audience may be carried out using the

aforementioned matching procedure (or using lists of parties that have given their express consent). SEAT has therefore signed up to the opt-out register for matching.

In February 2011, the Italian data protection authority issued Order 73 of February 24, 2011 ("Models of information and request for consent to process personal data of subscribers to fixed and mobile telephone services"), which, in light of the introduction of the new opt-out regime for telemarketing activities, is aimed at telecommunications operators, with a view to clarifying the methods of including and/or keeping the data of subscribers in the single database and the publication of these data in directories.

Lastly, on May 22, 2011, the previous regulation on postal marketing, which established an opt-out system (the possibility of being contacted without express consent), without prejudice to the right of individuals to object to postal marketing by signing up to the public opt-out register, was modified within the "Development Decree" (Legislative Decree 70 of May 22, 2011, Article 6). As a result, regulations on direct marketing provided for equal treatment for telephone and postal marketing.

The Italian Data Protection Agency has not issued the implementing measure as of yet, and its impact on Seat involves elimination of the "envelope" symbol printed in the Pagine Bianche directory, to make the consent of subscribers to receiving postal marketing materials (the current opt-in system) more explicit.

Signing up for the opt-out regime

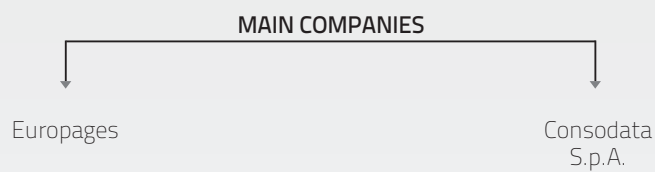
On January 28, 2013, the Company's Board of Directors resolved to sign up for the opt-out regime established under Article 70, paragraph 8, and Article 71, paragraph 1-bis, of the Issuers' Regulation, thereby availing itself of the option to avoid the obligation to publish a

prospectus for significant mergers, demergers, and capital increases by way of in-kind consideration, acquisitions and disposals. On February 1, 2013, the Company released appropriate information to the market.

Other activities \

Structure of the Business Area

This Business Area comprises all activities not included in the previous area. It is organized as follows:



Economic and financial data

The table below shows the main results for the 2015 fiscal year compared with those from the previous fiscal year.

<i>(euro million)</i>	Year 2015	Year 2014	Change Absolute	%
Revenues from sales and services	22.4	24.3	(1.9)	(7.8)
MOL	1.0	0.9	0.1	11.1
EBITDA	0.8	0.4	0.4	100.0
EBIT	(4.0)	(6.3)	2.3	36.5
Investimenti industriali	3.4	2.6	0.8	30.8
Forza lavoro media	162	172	(10)	(5.8)
Capitale investito netto	9.0	5.5	3.5	63.6

In the following, the value analysis is divided by the different companies that make up the Business Area.

Europages

98.37% owned by Seat Pagine Gialle S.p.A.

Europages is a lead generation and company research platform operating in the *Business to Business* (B2B) segment. It has a multilingual search engine that allows users to select and contact potential suppliers, clients and distributors from 35 countries, mainly in Europe. Firms are free to create their own profile on web pages that are set up for indexing on the major search engines. Europages gives its members the chance to manage published

content and to monitor a series of useful indicators for optimizing results. Its database consists of more than 2.6 million companies. Europages is also offering an exhaustive range of services for online marketing on its own media, from placement in multilingual search results to display advertising and in *retargeting through the Google Display Network*, and from online catalogues to *email campaigns*.

The table below shows the main results for the 2015 fiscal year compared with those from the previous fiscal year.

(euro million)	Year 2015	Year 2014	Change Absolute	%
Revenues from sales and services	7.3	8.0	(0.7)	(8.8)
GOP	(1.6)	(1.8)	0.2	11.1
EBITDA	(1.7)	(1.9)	0.2	10.5
EBIT	(2.1)	(2.8)	0.7	25.0
Capital expenditure	0.1	0.1	-	-
Average workforce	65	72	(7)	(9.7)
Net invested capital	0.3	(2.7)	3.0	n.s.

In 2015, revenues from sales and services amounted to €7.3 million (€8.0 million in 2014). The decline in billings is mainly attributable to the sharp contraction of the Italian market (-20.2% compared to the previous fiscal year), affected by economic conditions that still show no tangible signs of improvement for SMEs, and by the performance of the advertising market that remains weak. The contribution of the Spanish market is still down (-11.4%). Revenues from the other countries witnessed growth (+12.5%), with an important contribution from the German market.

Traffic remained stable in the first eight months of 2015 – at around 2 million monthly views – and then underwent a change of pace in the past four months, with a monthly average of 2.5 million visits, closing 2015 with 26.4 million (+4% compared to 2014). The quality of visits given by positive indicators such as the number of searches per visitor (+2% compared to the same period in 2014), the number of page views (+8%) and duration of visits (+5%) continue to improve.

In 2015, 33,995 new companies created a profile on Europages. In the same period, there were 94,776 new registered users. Registration has been mandatory since October 2014 and it is required for all users who use the contact tools available on the platform for sending messages to the businesses searched.

GOP was -€1.6 million, showing a slight improvement compared to last year (-€1.8 million in 2014), owing to the above-mentioned fall in revenues offset by a careful cost-containment policy.

EBITDA and **EBIT** were -€1.7 and -€2.1 million respectively (-€1.9 and -€2.8 million respectively in 2014), performing in line with **GOP**.

The **average workforce** was 65 employees in 2015 (72 in 2014).

The **net invested capital** was positive at € 0.3 million at December 31, 2015 (negative by € 2.7 million at December 31, 2014).

Consodata S.p.A.

Wholly owned by *Seat Pagine Gialle S.p.A.*

Consodata SpA, the Italian market leader in Data-driven Marketing and Marketing Intelligence, with an increasingly significant presence in the business&credit information market, has been offering wide-ranging and innovative customer acquisition, evaluation and management

services to thousands of businesses operating in various product sectors for over 20 years. Consodata SpA focuses its business on the significant wealth of statistical data and content of your database and on the recognized expertise in dealing with and imparting value to the data.

The table below shows the main results for the 2015 fiscal year compared with those from the previous fiscal year.

(euro million)	Year 2015	Year 2014	Change Absolute	%
Revenues from sales and services	15.0	16.3	(1.3)	(8.0)
GOP	2.7	2.6	0.1	3.8
EBITDA	2.5	2.3	0.2	8.7
EBIT	(2.1)	(3.5)	1.4	40.0
Capital expenditure	3.2	2.5	0.7	28.0
Average workforce	96	100	(4)	(4.0)
Net invested capital	8.6	8.2	0.4	4.9

Revenues from sales and services amounted to € 15.0 million in the 2015 fiscal year, down by 8.0% compared to 2014. This decrease is mainly attributable to the drop in direct *marketing* sales within the SEAT agent network (–€1.0 million), due to 2015's lack of publishing products connected with the summer 2014 sporting events (World Cup).

Revenues from products and services marketed by the Key Client channels increased essentially in line with the same period of the previous year (0.9% compared to 2014). The positive performance of the marketing data sales segment, boosted through various business partnerships, offset the delay in Geomarketing and Marketing Intelligence product sales due to the normal dynamics of contract renewals.

Revenues in the *business&credit information* amounted to €2.4 million in the 2015 fiscal year, in line with the ever-increasing strategic focus on this area and this type of offer.

The decrease in revenues with relatively low profit

margins from the SEAT agents network together with initial benefits of the organizational restructuring, carried out in the company during the second half of year 2014, resulted in a positive **EBITDA** of € 2.5 million, up by € 0.2 million compared to the previous year (€ 2.3 million).

EBIT is down €2.1 million (down by €3.5 million in the 2014 fiscal year), showing an improvement of €1.4 million compared to last year, despite being impacted in 2015 by restructuring expenses for €0.8 million.

Industrial investments in 2015 amounted to €3.2 million, up by € 0.7 million compared to the previous fiscal year (€ 2.5 million) and were aimed at providing the usual software platform developments, enriching the database and acquiring databases mainly linked to commercial information.

The **average workforce** was 96 employees in the fiscal year of 2015 (100 in 2014).

The **net invested capital** amounted to € 8.6 million at December 31, 2015 (€ 8.2 million at December 31, 2014).

Regulations

In June 2008, the Italian data protection authority issued an order against Consodata SpA preventing the company (and a number of telephone operators) from continuing to process personal data obtained from telephone directories published prior to August 1, 2005, on the grounds that such data had been obtained without providing required information to the individuals concerned or obtaining their express consent where required to do so by law.

Following notification challenging that order, Consodata SpA appealed to the Court of Rome to have it annulled. The appeal was rejected in light of new legislation (the "one thousand extensions decree") allowing subscriber data obtained prior to August 2005 to be used by direct marketing operators until December 31, 2009.

At the end of November 2009, the authority issued a prohibitive order, which Consodata also appealed before the Court of Rome. On October 5, 2011, the Court of Rome totally rejected the appeal lodged by Consodata on March 19, 2010. It was therefore confirmed that Consodata was not able to use data obtained without specific consent, apart from for postal purposes.

In February 2010, the authority gave notification that it was initiating a sanction procedure relating to certain databases used by Consodata SpA, giving the company

the possibility to either submit a statement of defense to the authority or pay a reduced amount of the fine issued via a cash settlement. The company again decided to submit a statement of defense in order to clarify its actions.

In response to this statement, the authority acknowledged Consodata's new operational set-up for controlling data processing and reiterated the need for specific consent to data processing to be obtained for each method used to contact subscribers. The authority also accepted the company's proposal to use the data contained in some of its databases where consent had been given, in compliance with the principle of "single use" (whereby the customer undertakes to restore or delete the data after an agreed period of use).

On January 10, 2013, an order of injunction was finally issued to definitively impose the fine resulting from the prohibitive order issued by the Italian data protection authority on November 26, 2009. Through this order of injunction, which imposed a fine of €0.4 million in total, the authority issued a severe and definitive punishment, but also acknowledged that Consodata has substantially altered its behavior since 2009 with a view to bringing a more cautious and informed approach to its operating and commercial processes.

Other information \

Human resources \

Seat Pagine Gialle Group

	As at 12.31.2015	As at 12.31.2014	Change
Employees	1,836	1,916	(80)
<i>of which use Wage Guarantee Fund (CIGS zero hours)</i>	135	17	118
Directors, project workers and trainees	13	16	(3)
Total workforce at the end of the period	1,849	1,932	(83)
	Year 2015	Year 2014	Change
Senior managers	120	111	9
Managers	180	212	(32)
White collars	1,211	1,333	(122)
Journalists	-	1	(1)
Call operators	115	95	20
Employees	1,626	1,752	(126)
Directors, projects workers and trainees	16	33	(17)
Average workforce for the period	1,642	1,785	(143)

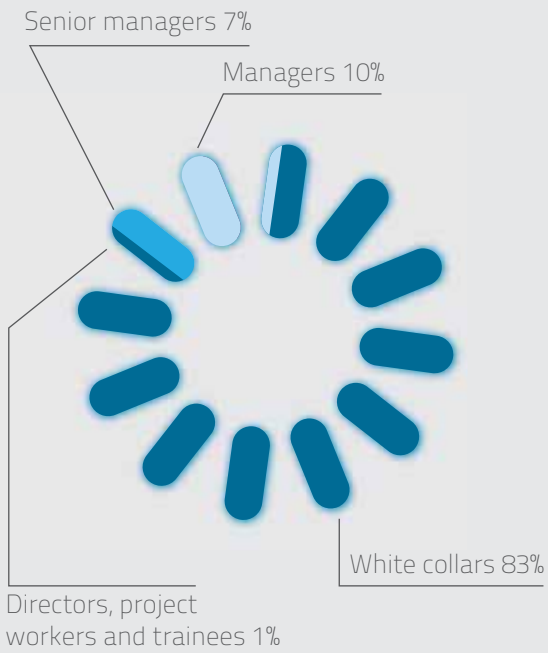
The Seat Pagine Gialle Group has a total workforce of 1,849 employees as at December 31, 2015, 83 less than on December 31, 2014 (of which active workforce 1,714 units at December 31, 2015 and 1,915 units at December 31, 2014), as a result of reorganization actions implemented at Seat Pagine Gialle S.p.A. and in the Group companies.

The average presence in the first half of 2015 was

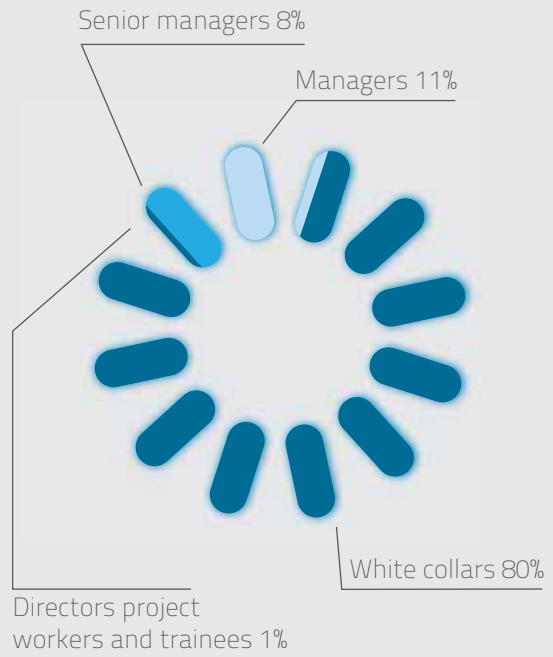
1,642 employees, 143 fewer compared to the previous year (1,785 employees).

As regards the distribution of human resources across the various Business Areas, the SEAT Business Area (Seat Pagine Gialle S.p.A. and the Digital Local Services companies) employed 80.5% of the average total workforce in 2015, despite having generated approximately 95.1% of the revenue in 2015.

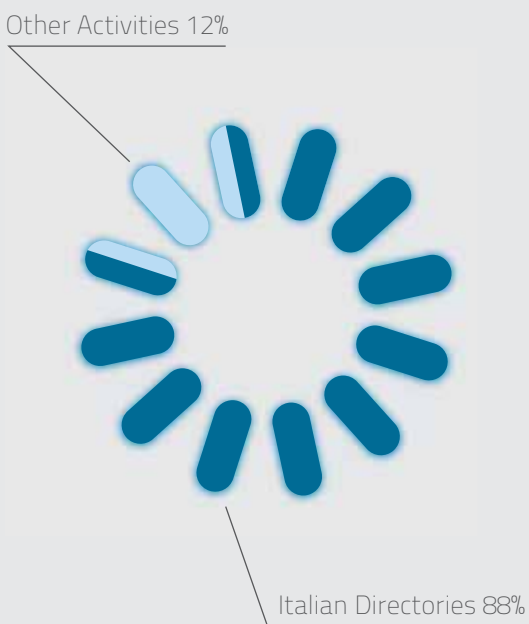
Seat Pagine Gialle Group



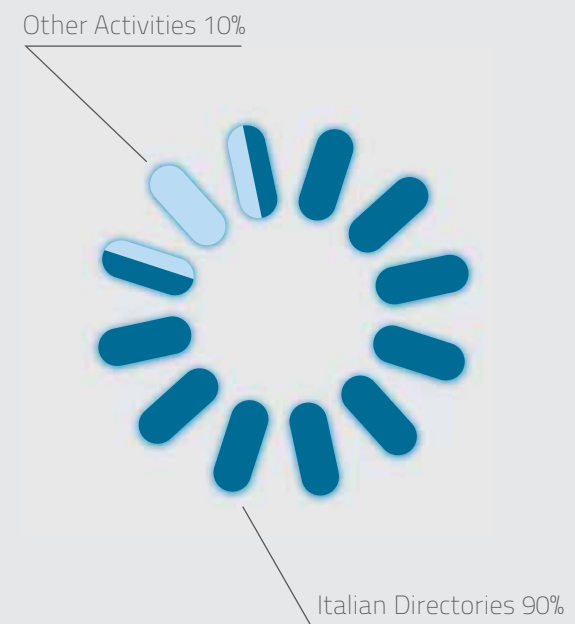
SEAT (Seat Pagine Gialle S.p.A., Digital Local Services)



Labor cost by Business Area



Average workforce by Business Area



SEAT Business Area (SEAT Pagine Gialle S.p.A. and the Digital Local Services companies)

	As at 12.31.2015	As at 12.31.2014	Change
Employees	1,415	1,528	(113)
<i>of which use Wage Guarantee Fund (CIGS zero heures)</i>	128	17	111
Directors, project workers and trainees	10	11	(1)
Total workforce at the end of the year	1,425	1,539	(114)
	Year 2015	Year 2014	Change
Senior managers	114	103	11
Managers	153	179	(26)
White collars	1,041	1,152	(111)
Journalists	-	1	(1)
Employees	1,308	1,435	(127)
Directors, projects workers and trainees	13	27	(14)
Average workforce for the year	1,321	1,462	(141)

As at December 31, 2015, the workforce had fallen by 114 persons compared to December 31, 2014. This phenomenon is due to the restructuring process

affecting Seat and a gradual consolidation of the structures of Digital Local Services to high-value-added technical and commercial network support activities.

Sales network

As at December 31, 2015, SEAT Pagine Gialle S.p.A.'s sales network comprised 1,188 agents and dealers and 119 employees, categorized by type of customer and market potential. In particular:

- The National Clients segment, which comprises nationwide companies with specific communication needs, is served by a sales force of 19 employees, broken down as follows: Channel Managers; 8 Sales / Area / Channel Managers and 11 "Key Account" Managers; there are additional 13 agents. The network is supported by a team of highly skilled specialists who are responsible for overseeing market developments, responding to the need for innovation and specialization, proposing and developing new solutions, ensuring a service level-based market approach following accurate customer segmentation, and sharing expertise within the organization.
- the SME segment, which ranges from small businesses to high-spending clients with local and

specialized service needs, is overseen by nine Regional Divisions containing 74 branches ("Seat Media Agencies"), managed by employee field managers, 1 Area dedicated to Top customers and a telephone sales channel that also manages customer care and retention. Each structure provides the support network with support in planning, coordination and training, and, together with the Customer Operations Department, sales operations. Customers are served by a network of 1,175 agents, who cover the SME communication market, Top Customer agents, and around 600 telesales and customer care operators. The 74 "Seat Media Agency" branches, local units established in the form of limited companies wholly owned by Seat P.G. S.p.A., use a workforce of roughly 500 people to provide back office and website creation services, technical assistance, and commercial and training support to the agents.

Organizational development

The first half of the year witnessed the 2015 – 2017 Reorganization Plan, which affected rationalization and efficiency in the company organization, consistent with the principles set out in the industrial relations agreement signed in February 2015.

In December, the new corporate structure of Seat was announced: the main criteria of organizational design were the simplification and rationalization of structures, the importance of the "Customer", a clear definition of organizational responsibilities, the commercial structures

focusing on the business and the search for continuous improvement of product quality. In this context, five departments were formed, all reporting directly to the CEO: Sales and Marketing, Administration, Finance and Control, Information Technology, Customer Operations and Human Resources. These departments are joined by the Internal Audit function, which reports to the Board of Directors and functionally to the CEO, and the Integration Team, tasked with the governance of the merger process between Seat and ItaliaOnLine.

Selection, training, sales & marketing and learning

In 2015, recruiting activity continued to focus mainly on the search of junior commercial agents targeting the potential market, with 358 new resources hired.

Search and recruitment activities also continued for positions in the DLS companies, and there are now 18 media consultants and 21 web masters.

The Company also consolidated its activities aimed at improving its positioning on the job market, including through the use of modern employer branding tools, with a special focus on the management of a corporate career page on LinkedIn, with more than 14,000 followers, and the creation of a fan page on Facebook, which received more than 4,000 "likes" and post coverage that received more than 40,000 views per week. Employer branding is also reinforced with participation in career days and job fairs.

During 2015, we have continued with the delivery of courses and training pathways dedicated to employees, totaling about 16,000 hours and 1,100 participants. The training sessions have focused on support for technical issues through specialized training in Web content (Web Copywriting, Web Design, SEO, HTML) and Office (Excel, Power Point, Access) and on cross-cutting issues in support of the reorganization of projects to reorganize the workload, the development of management and managerial skills, and dedicated pathways towards development goals. In the first half of the year, training meetings with middle management on "feedback and communication", aimed at supporting managers in communication and providing effective feedback to employees, were completed, and the training program "MI. TO" was run by the Politecnico di Milano for 60 employees from the IT&OP Department.

Linguistic training was improved, with 40-hour English language proficiency courses provided in classes of approximately 6 participants (12 classrooms in Turin and 3 classrooms in Milan) for head office staff, using online methods for staff working in other offices or as sales staff. Throughout the year the following courses have also been provided: "Designing the Future", a course on Resilience and positive management of change, involving 340 employees over a total of 29 editions; a mandatory course on employee safety (low risk) for a total of 300 participants at the main offices; coaching certification for Training Coordinators and Trainers, involving a total of 23 persons. Individual employees also attended external courses on specialized topics as requested by the management.

In the second half of 2015, a training course dedicated to talent identified by the Company as a result of an Assessment Centre was launched, involving 25 participants, on operational and managerial issues for a total of 3 editions, which will continue in early 2016. At the same time, individual coaching sessions on the basics of Management and Group Coaching sessions were launched for 17 participants engaged in the upgrading of certain areas for improvement, such as change management and stress management.

During 2015, two new training plans were submitted to and approved by Fondimpresa, one for employees and the other for staff on zero-hour contracts. At year end, steps were also taken to report on the training plan for the previous year, with recovery of €123,000.

In November, the first funded training course to retrain staff on zero-hour contracts was launched, which will continue with various editions and themes in 2016.

Throughout 2015, a total of 54 orientation courses were held for new Sales Assistants. A new orientation process was also established with the introduction of an initial e-learning component followed by classroom training alternating with on-the-job training and in-the-field sales training. A test of this new approach was started in February 2015, for a total of 5 editions, then extended between July and September throughout Italy. Depending on the comprehensive review of the content, the module on Sales Techniques has also been redesigned, and will be delivered from 2016.

At the end of 2015, an ad hoc re-employment module was designed for Italia OnLine Agents who will become part of the Seat Sales Force in 2016. This module will run in early 2016.

For Agents that have already gone through orientation, 8 different training modules in 31 editions were prepared and provided with specific objectives of improving sales performance and overcoming competition-related objectives.

A training module aimed at improving the sales efficiency of Agents through roleplay in conjunction with the launch of new products has been created. This module has been tested at three training events. To reinforce the goal of improving the performance of Agents, one training module has been completely redesigned, also based on roleplay, and will be delivered across Italy in 2016. Finally, a module on how to approach potential customers, focused on segmentation, has been organized and delivered.

Mapping of the product competencies of all Agents and Team Leaders was also designed and run. This mapping, obtained via multiple choice online tests, served to identify the strong points and areas of improvement of each Seat sales representative, in order to carry out specific, targeted subsequent training.

A new training course was also constructed for team leaders to improve their managerial skills, particularly skills relating to recruitment, management and motivation of the sales force, as well as providing feedback. Five different training modules were provided for a total of 15 editions.

Five different training modules (25 editions) were also carried out in order to improve public speaking performance and motivation of Field Manager and Media Consultant professionals. For the DAT 8 MC group, a course in Elements of NLP has been delivered. Starting in November,

the Internal Coaching pathway was launched for DAT 6 Field Managers, with an ICF-certified Seat Corporate University coach: 14 one to one sessions, over 28 hours, 7 trainees. This pathway has received excellent feedback. It will conclude by Q2 2016, and is potentially expandable, since another group of internal trainers is currently working on ICF certification.

EvaluAction, an opportunity to compare the Field Manager's skills and knowledge related to the 2014 sales performance of Agents, Team Leaders, Media and Digital Consultants, was concluded on April 30, 2015.

The objective of the process was to map and identify strength and improvement areas to work on through a robust and more effective offering of training and growth. The target for the 2014 process was 1,344 sales personnel, comprised of 1,153 Agents, 75 Team Leaders, 97 Media Consultants and 19 Digital Consultants. The evaluation percentage was satisfactory, equal to 68% of the total, with a peak of 70% for Media Consultants.

In 2015, the training initiatives planned and carried out for the DLS resources was related to copywriting abilities for Web Masters (7 courses planned and conducted) and 5 introductory courses on knowledge of the site range and use of all platforms (Skipper and Smarteditor 3.0 management software); audience management elements (Public Speaking training sessions) for Media Consultants. The media consultants also enrolled and participated in 10 events and seminars on digital topics and attended 5 webinars on ADWORDS conducted by a Google instructor to continuously develop and refresh their knowledge.

In 2015, the third technical-practical assessment on WMs (Photoshop, HTML and CSS content) was conducted, and 9 basic/advanced HTML/CSS courses were delivered.

A media planning training course was also carried out with the MIP (Polytechnic University of Milan business school), with the participation of all 120 media consultants and digital consultants.

Finally, all MCs/DCs, after obtaining Google Adwords certification, participated in a 2-day course designed and organized internally, meant to provide all the skills for planning/preparation and management of pay-per-click campaigns, on internal applications (PGC Admin Panel) as well as directly on the Adwords Panel.

Activities also included the design, planning and launch of new products/tools across the entire sales force. 5,775 editions of courses were delivered across Italy, thanks to the assistance of the Training Coordinators and MC/DCs, with an average per agent of around 86 training hours.

In detail, the following courses were offered: new 2015

Multimedia offerings (offer packages); news updates on Pg.it (PG EXPO) regarding national and local specialized products (Cinema Movemedia; Moto GP and Moto 3, SKY Diventa protagonista, Cairo Di più, Rai, CentoStazioni, 7Gold, Radio, Stadi, Viaggi del Gusto, Offerta Display, displays on verticals and DEM IOL), news updates on web products (New FOPR signs, new SmartDominio application, new PGMOBAPP features, new E-commerce offering, new features of ADV on FB, new FB Precence offering, news updates on Smartsite production flow and new SmartSite Easy Nuovo e Conversione offering, Retargeting Europeages offerings, new Business Contact offering, new PGClick Custom, Premium and Website Responsive offering, updates to the Skipper management panel and updates to the Mobile Top and PGMOBAPP offering).

The methods of conversion for Box – lifetime offerings and the conditions for the access of +3% of the “Verdissimo” flow dedicated to collection from late-paying customers and “secure” purchasing were also released.

Further releases were included: the Segmentation project, Analysis of the competition and Smartbook product news. Five “20 minutes of...” were designed and delivered (ADV on FB, Gambero Rosso, PGClick, Europages and professional SEO), training and information streaming session addressed to the entire sales force and all DLS headcount with the following format: marketing information and network information with a highlighting of the best cases gathered from the region and interviews performed by the best sales performers.

Some sales tests were launched and implemented in cooperation with product reference persons to investigate market expectations with respect to new offerings: ADV on MOBILE, PayBack and Native ADV.

A new APP (SMAPP for the segmenting project) was designed and created and new sections were developed and updated on the Company Intranet, Yellow Friend, to facilitate the provision of training and information for the sales network. The Yellowfriend commercial Intranet registers 2,270 unique users per month; 168,000 accesses per month; 160 sections online (e.g. monthly data for September 2015).

The phase of 74 local SeatMediAgency responsive design SmartSites with company fact sheets on paginegialle.it and paginebianche.it continued to be updated. Editorial activities and content updating continue on the website and on the SEAT Media Agency national fan pages, which direct to the 74 local websites and fan pages.

The phase of design and online publishing of 74 ADWORDS (search and display) campaigns to promote and increase traffic on the DLS SmartSites was completed.

Also during 2015, in addition to the normal activity of organization and logistics management of 3 meetings, 5 sales committees, 22 online streams and 3 sales meetings throughout the country, a meeting dedicated to agents who won the 2014 national competition was organized and held in Thailand.

People services

The SEAT4PEOPLE program continued its work in 2015 by signing agreements and creating initiatives for SEAT employees and agents, e.g. employee service desks located at company offices, conventions, travel events, Expo tickets and cooperation agreements signed with other Turin companies such as Lavazza, Robe di Kappa, Teatro Regio, etc.

The SEAT community is kept up-to-date via SEAT4PEOPLE on the Company Intranet, Company notice boards and personalized emails.

SEAT4PEOPLE also managed initiatives in synergy with the CRAL DLF/FITEL for all regional branches.

For the eighth consecutive time, SEAT4PEOPLE organized company summer camps for children of employees between 6 and 12 years of age, in which approximately 30 children participated.

2 company events were organized:

LOYALTY PRIZE related to Company Seniority in September, involving around 90 colleagues, including employees and agents;

and in December the KIDS CHRISTMAS party organized for 500 children of colleagues across the three main offices: Turin, Milan and Rome.

For this event, the charity operation was brought forward, and structured in three phases:

Donation of money for the purchase of the games to be distributed during the event at the NPO FORMA; Collection of games to be sent to children at the Ospedale Regina Margherita in Turin, and the donation of 400 Glamoo cuddly toys, used in fundraising during the Hospital festival.

Seat4People supported Glamoo in publicizing initiatives

of water park ticket sales to colleagues, and direct advocacy of the sale of around 700 The Space cinema chain tickets.

In cooperation with Palo Alto Società di Formazione di Milano, an "Educating Children in Happiness" Laboratory was organized as a free initiative, with an open proposal to all employees concerned to participate.

With a view toward cost containment, the automobile

fleet was managed in a more streamlined manner. An agreement was signed with the FCA for a gradual fleet renewal using exclusively Fiat models. The agreement is not limited exclusively to services, but involves synergic development of activities of both companies.

Health coverage through Cassa Mutua continues. It covers approximately 3,200 enrolled employees, dependent family members and retirees.

Industrial relations

On January 15, 2015, Seat Pagine Gialle S.p.A. signed a preliminary agreement with trade union representatives for the period of February 2015 – February 2017, approved by the Ministry of Labor and Social Policies on February 12, 2015, identifying Cost of Labor saving actions and pursuing at the same time the objective of non-traumatic management of labor surpluses found, by using the following tools:

- Employment separation incentives for a maximum number of 150 persons;
- Temporary leave for 160 persons, 35 of which would retire early pursuant to Law 416/81;
- Further rightsizing of the management structure to 20 positions;

- Increased use of part time up to 60 units;
- Rotation bank for a maximum of 36 days per person per 2-year period;
- Closing of the Bolzano, Ancona, Bari and Cagliari offices;
- Remote work override;
- Other measures for reducing remuneration structure: blocking of overtime, freezing of vacation time.

Within this context, trade union relations were managed in accordance with the guidelines set out in the plan by holding joint talks to monitor the reorganization process and workloads as well as to manage training, particularly by defining the Company training plan financed by Fondimpresa.

Property and facilities management

In 2015, this department provided property management, ordinary and extraordinary maintenance of the Seat PG S.p.A. office, covered internal and external logistics needs, as well as everyday services such as the mail service, internal and external logistics and cleaning.

During the reporting period, this department was intensely involved in the implementation of the new commercial model - in line with the company directives and according

to area manager recommendations - favoring "Digital Local Services" in the areas of property, facility, logistics and security (handled by the operative management, reviewing the layout in terms of improvements, maintenance, normalization and reallocation).

The department was also responsible for workplace health and safety monitoring, in all its aspects, through the Health and Safety unit.

Litigation involving the Seat Pagine Gialle S.p.A. Group

1) Conclusion of the Cecchi Gori Litigation - Settlement Agreement Signing

On May 12, 2015, a settlement agreement was signed by FALLIMENTO CECCHI GORI GROUP FIN.MA.VI. s.p.a. ("FINMAVI") and TELECOM ITALIA MEDIA s.p.a. ("TI MEDIA") with the intention of resolving all pending legal matters with Gruppo Cecchi Gori, releasing TI MEDIA from any possible further risk as well as any management or economic obligation, not only vis-à-vis FINMAVI, but also vis-à-vis CGG Media Holding.

The settlement agreement was reached inasmuch as:

- a) Recently there were two favorable outcomes for TO MEDIA in the two actions still pending with Cecchi Gori Group (ruling of the Court of Appeals of Milan involving the nullity of the deed of pledge and the Appeals decision regarding the resolutions made on August 11, 2000 by the special meeting of Cecchi Gori Communications S.p.A.).
In both rulings, Fallimenti FINMAVI and Cecchi Gori Media Holding were ordered to pay the legal costs of TI MEDIA;
- b) TI MEDIA was a creditor in the FINMAVI Bankruptcy, holding secured and unsecured claims;
- c) Within the timeframe for appealing the most-recent decision before the Supreme Court (i.e., the ruling of the Court of Appeals of Milan regarding the nullity of the pledge deed), the FINMAVI Bankruptcy debtor was authorized by order of the Court of Rome to reach and enter into a settlement agreement with TI MEDIA permanently resolve any controversy that arises or may arise later on between the Parties.

In view of the above, the Parties have agreed as follows:

- 1) The FINMAVI Bankruptcy debtor agreed not to appeal the ruling described in points a) and c) above, permitting it to become final. It also agreed not to take any other legal actions against TI MEDIA, accordingly releasing expressly any claims against CGG Media Holding and/ or its bankruptcy, which the parties considered probable in view of the fact that the CGG Media Holding Bankruptcy did not appeal the aforementioned ruling of the Court of Appeals of Milan, which is presently in the conclusion phase pursuant to the bankruptcy Art. 118, no. 4, and once this bankruptcy is concluded, CGG Media Holding

- should be removed from the business register;
- 2) TI MEDIA agreed to release all bankruptcy claims it has against the FINMAVI Bankruptcy debtor, whether listed in the bankruptcy proceedings or not;
- 3) TI MEDIA also agreed to compromise and settle all secured claims it has against the FINMAVI Bankruptcy debtor (as well as the amounts due in accordance with court decisions described in the previous points) at an all-inclusive amount of € 1,700,000.00 (one million seven hundred thousand /00), waiving all rights to claim further amounts due as principal and/ or interest;
- 4) The FINMAVI Bankruptcy debtor agreed to pay this amount in one payment;
- 5) However, it is agreed that in case the CGG Media Holding Bankruptcy debtor files legal action against TI MEDIA, or if the CGG Media Holding Bankruptcy proceedings are concluded without the company's timely removal from the business register, the FINMAVI Bankruptcy debtor will pay an additional amount of € 150,000.00 (one hundred fifty thousand) to TI MEDIA in addition to the amount described in point 3) above.

On June 8, 2015, the FINMAVI Bankruptcy debtor paid the all-inclusive amount of € 1,700,000.00 (one million seven hundred thousand /00) to TI MEDIA.

2) Appeal of the declaring judgment decision in the FINMAVI bankruptcy

By notice of appeal to TI Media on November 12, 2012, FINMAVI appealed decision no. 2850 of the Court of Appeals of Rome of May 28, 2012, confirming the Finmavi bankruptcy, requesting that the decision be overturned on the following grounds:

- 1) Presumed nullity of the lower court proceedings due to irregularities in the notification of the opposition to the PM and certain creditors participating in the pre-bankruptcy phase;
- 2) Presumed lack of basis of the appeal ruling as it pertains to the application of provisions of Art. 177 of the Bankruptcy Act to the case in question, and as a result of same, satisfaction of the majority approval requirement of the preliminary creditors agreement.

TI Media has in turn counter-appealed.

3) Arbitration initiated by Contacta S.p.A.

On November 13, 2014, SEAT received a demand for arbitration from the Milan Chamber of National and International Arbitration made by Contacta S.p.A., with which SEAT entered into a series of agreements in May 2010 linked to the sale of call centers (also through legal entities distinct from but associated with Contacta, namely, People Care and Voice Care) dedicated to SEAT telephone services, such as 89.24.24 and 12.40, as part of the sale of business units of Telegate Italia S.r.l., at the time it was a member of the Group.

These five-year agreements expiring on May 31, 2015, require SEAT to guarantee the payment of a minimum guaranteed amount to Contacta S.p.A. every year. In the arbitration request, the opposing party appointed its arbitrator (Attorney Valeria Mazzoletti) and requested that SEAT be ordered to pay Contacta S.p.A. € 1,669,986.49 (later reduced to approximately € 1,350 thousand after an agreed upon portion was paid) plus VAT, interest and legal fees, equal to the difference between the sums received in 2012-2013 and the period's minimum guaranteed amount (third annual payment), which SEAT allegedly failed to pay, after finding that such claimed amount is not covered by the bankruptcy arrangement with creditors.

On December 18, 2014, Seat Pagine Gialle S.p.A. duly entered an appearance in the arbitration proceedings by submitting its reply, in which it also appointed its own arbitrator (Attorney Francesco Macario). It requested that the opposing party's demands be rejected, and, with reference to the fourth and fifth annual payment, that the obligations relating to the minimum guaranteed amount be found null and void (due to Contacta S.p.A.'s breach of its obligation to maintain employment levels) and, alternatively, that the amount due as claimed be reduced, with Contacta S.p.A. ordered to pay back € 1,735,381.20, plus interest, with offsets between the respective items.

The two parties' arbitrators selected a third party to act as chairman of the Arbitration Panel (Attorney Massimo Fabiani).

The first arbitration hearing was held before the Arbitration Panel on March 12, 2015. On that date, the arbitration panel was established and set deadlines for the parties of April 17 and May 8 for the submission of briefs. The hearing with in-person appearance of the parties was set for May 21, 2015, and the final deadline for the arbitration award was confirmed on September 14, 2015.

At the hearing of May 21, 2015, the arbitration panel submitted a settlement proposal to the parties and in any case granted time until June 5, 2015 for formulation of conclusions and until June 26 for submission of concluding arguments, setting the argument hearing for July 8, 2015.

Following this settlement proposal, the parties entered into negotiations in order to settle the dispute amicably.

An agreement was reached as a result of the negotiation, signed by the parties in form of a private settlement agreement dated July 8, 2015, providing for the mutual release of all claims and dismissal of the arbitration (which in the meantime declared a recess to permit the parties to proceed with the settlement) with payment of costs.

Therefore, in particular, Contacta released its claims for the third annual payment and Seat released its claims related to the fourth and fifth annual payments, with compensation of the final premiums and penalties due reciprocally upon termination of the agreement.

4) Settlement with Mediocredito Italiano S.p.A. regarding termination of real estate lease agreements

On March 31, 2015, Mediocredito Italiano S.p.A. and Seat Pagine Gialle S.p.A. reached an agreement for termination of 5 of 7 lease agreements regarding the real estate complex in Turin hosting the offices of the Parent Company in relation to the authorization of the Court of Turin pursuant to art. 169-*bis* of the Bankruptcy Act with the decision filed on July 9, 2014.

The agreement involved payment of an indemnification of approx. € 3.2 million, which was paid by April 2, 2015 as agreed.

5) Request for damages

In an arraignment of July 30, 2014, Mr. Rocco Amabile and additional 32 individuals (the "Actors") – by representing minority shareholders of SEAT – filed an action for damages against, among others, Seat Pagine Gialle at the Court of Rome. The "actors" requested the establishment of the liability of Seat Pagine Gialle contractually and extracontractually, "the financial collapse of the company and related degradation of the stock and, consequently, to ascertain and declare the right of Actors to be recognized as having the amounts resulting banking documents attached". The facts alleged by the Actors include a series of operations that involved Seat Pagine Gialle (in particular, the merger of 2003, the distribution of a dividend in 2004, the restructuring of the Debt of 2012 and the admission to the composition with creditors procedure made in 2013). Seat Pagine Gialle appeared according to the terms, and called for the rejection of the requests of the Actors based on a series of preliminary objections (in particular, a lack of locus standi of the Actors, a lack of passive legitimacy of Seat Pagine Gialle, the statute of limitations), and that the case was unfounded on its merits.

During the first hearing held on February 10, 2015, the Actors requested for a hearing for the personal appearance of the parties and in the alternative terms for preliminary

briefs pursuant to Art. 183, paragraph 6 of the Italian Code of Civil Procedure. The Company insisted on the acceptance of various preliminary objections formulated as absorbent for the definition of the judgment.

After hearing the arguments, the judge granted time for preliminary submission pursuant to Art. 183, paragraph 6, of the Italian Code of Civil Procedure.

The arguments were heard on the preliminary submission at a hearing held on May 19, 2015. At the conclusion of the hearing, the judge declared that the case was warranted and set the date of April 5, 2016 for submission of final arguments.

6) Savings Shareholders

On July 16, 2015 the special meeting of savings shareholders of Seat resolved to authorize the common representative, Ms. Stella D'Atri, to take the necessary action to challenge - under and for the purposes set out in Article 2377 of the Civil Code - the resolution passed by the shareholders of Seat of April 23, 2015, in the part concerning the allocation of profit for the year ended December 31, 2014. The Issuer has reiterated that the request to allocate part the result for the year 2014 the distribution of dividends in favor of the savings shareholders is not compatible with the concordat proposal approved by the Turin Court and, before that, with the resolution of the extraordinary Meeting of SEAT of March 4, 2014 and by the assembly of the savings shareholders of July 2, 2014, and is therefore untenable.

On July 17, 2015 was notified to the Issuer an act of forward summons to the Court of Turin by the common representative of the savings shareholders. The plaintiff requested the annulment of the resolution of April 23, 2015 claiming that this decision was taken in violation of the rights of the savings shareholders to pay the preferred dividend provided for in Article 6, the sixth and eighth paragraphs, of the Bylaws, and therefore he requested to have the complete or partial cancellation of the aforementioned resolution. The Issuer has filed an appearance by pleading the invalidity of the opposing questions and also noting that the decision had made by the same savings shareholders subject to prior approval. At the first hearing of January 13, 2016 the judge invited the parties to consider a possible conciliatory resolution of the dispute and set to May 25, 2016 a hearing for the

personal appearance of the parties under Article 185 of the Civil Procedure Code.

7) Provision Guarantor Authority for Communications ("AGCOM") of the Contribution for the period 2006-2010

On May 9, 2012 was held the hearing to discuss the merits of the appeal before the Administrative Court, following which the Lazio Regional Administrative - Seat on request - by order of May 22, 2012, stayed the proceedings pending the resolution of question left to the European Court of Justice in the appeal hinged on the other of the telecommunications business operator against the decisions made by AGCOM with regard to contribution.

On July 18, 2013 the European Court of Justice has ruled on the question by stating that Member States may impose on undertakings providing a service to the general authorization shall only administrative rights that together cover the costs incurred in the management, control and enforcement of the general authorization regime. Such grants may only cover costs relating to these activities in a proportionate, objective and transparent and cannot include other types of expenditure.

The September 23, 2015, AGCOM notified an application for preliminary decision on jurisdiction with which it has asked the Supreme Court to declare the incompetence of the TAR of Lazio to decide on the contribution, arguing that the issue falls within the exclusive jurisdiction the tax court. Same AGCOM has made application for stay of proceedings before the Administrative Court until the definition of the preliminary issue of jurisdiction to the Supreme Court.

On October 7, 2015 was held at the Regional Administrative Court of Lazio a new hearing to discuss where Seat, besides confirming the illegality of the enforcement decisions of the Contribution in accordance with the approach adopted by both the European Court of Justice, both from the next Italian administrative case law, it opposed the suspension of the administrative proceedings required by AGCOM.

By order filed October 20, 2015, however, the TAR of Lazio decided to stay its judgment pending the appeal for determination of jurisdiction, first proposed to the Supreme Court. As part of that judgment Seat it was formed by depositing a defense as provided by law. The hearing has not yet been set.

Corporate Governance \

Introduction

It should be noted that:

- on April 24, 2013, the Board of Directors resolved to adopt the Corporate Governance Code of listed companies (hereafter the "Code"), as amended at the end of 2011, identifying the conduct to implement the recommendations set forth in the same;
- most recently on July 9, 2015, the Corporate

Governance Committee made a number of amendments to the Code, with respect to which on August 5, 2015, the Board of Directors granted a mandate to carry out the relevant in-depth verifications and identify the actions deemed necessary to implement the recommendations of the Code, if any, not yet internalized by the Company.

Guidance and Coordination Activity

SEAT is subject to guidance and coordination activities by Italiaonline.

Pursuant to article 2497-*bis* of the Italian Civil Code, the companies controlled directly by SEAT have identified the latter as the entity that exercises guidance and coordination activities over them. Such activity consists in indicating the general

strategic and operating guidelines of the Group and takes concrete form in the definition and updating of the corporate governance and internal audit model, and in the formulation of the general policies for the management of human and financial resources, the procurement of production, training and communication factors.

Corporate organisation

The organisational structure of Seat is articulated according to the traditional system and is comprised of:

- The **Shareholders' Meeting**
- The **Board of Directors**
- The **Board of Statutory Auditors**

Statutory auditing activities are carried out by the Independent Auditors.

The role of the Board of Directors (Article 1 of the Code; article 123-*bis*, paragraph 2, letter d) of the TUF)

The Board of Directors is assigned a central role in the Company's Corporate Governance system. It meets regularly (usually on a monthly basis; however, in consideration of the need arose in the course of 2015,

among which the succession in the corporate bodies and the beginning of the integration process with Italiaonline, the frequency has been higher), organising itself and operating in such a way as to assure real and effective performance of its functions.

It is specified that the Board is vested with the widest powers for ordinary and extraordinary management of the Company, and therefore has the power to perform all actions that it deems appropriate for the implementation and achievement of the corporate purposes, both in Italy and abroad, the only exception being those measures that by law are reserved as being the prerogative of Shareholders' Meetings (article 19 of the Corporate By-Laws).

Board of Directors

The Shareholders' Meeting of October 8, 2015 resolved, inter alia:

- to set the number of the members of the Board of Directors at 9, establishing a term of office up to the approval of the financial statements for the financial year ended December 31, 2017;
- to appoint Messrs. Khaled Galal Guirguis Bishara, Antonio Converti, Sophie Sursock, Onsi Naguib Sawiris, David Alan Eckert, Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne (all drawn from the slate submitted by Italiaonline S.p.A.), also appointing Khaled Galal Guirguis Bishara as Chairman of the Board of Directors. Such resolution was passed with the approval of 98.637% of the voting capital.

It should be noted that the Directors Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne declared that they met the independence requirements laid down in the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3, of legislative decree no. 58/1998 and of the Code (see below).

Furthermore, again on October 8, 2015 the Board of Directors appointed Antonio Converti as Chief Executive Officer of the Company and David Alan Eckert as Vice Chairman.

On November 10, 2015 the Board of Directors of the Company resolved to co-optate Attorney Antonia Cosenz as Director, after verifying that the independence requisites were met, to replace Mrs. Cristina Mollis, who resigned with effect as of November 6, 2015.

The appointment and replacement of directors are regulated by article 14 of the Corporate By-Laws, as finally amended by the Extraordinary Shareholders' Meeting held on June 12, 2012.

Specifically, the proposed amendments to article 14 (Composition of the Board of Directors) of the Corporate By-Laws arose from the need to comply with the regulations introduced by Law no. 120 of July 12, 2011, governing gender equality in the composition of governing and supervisory bodies of listed companies, which, in amending the provisions governing the appointment of the members of the governing and supervisory bodies laid down in Legislative Decree no. 58 of February 24, 1998, as subsequently amended, require the listed companies to comply with the gender equality criteria so that the less represented gender should include at least one fifth of the members for the first mandate after August 12, 2012 and at least one third for the two subsequent mandates.

Furthermore, the Issuers' Regulations require the listed companies, inter alia, to regulate, in the Corporate By-Laws, the procedures to form slates, as well as to replace the members of the bodies that cease to hold office in order to ensure compliance with the gender equality principle.

Having stated this, the Board of Directors is appointed on the basis of slates submitted by the shareholders or by the outgoing Board of Directors. Each slate must contain and expressly indicate at least two candidates who meet the independence requirements required by article 147-ter, IV C, of Legislative Decree no. 58/1998.

The slate possibly submitted by the outgoing Board of Directors and the slates submitted by the shareholders must be deposited at the registered office of the Company within the twenty-fifth day prior to the date of the shareholders' meeting called to resolve on the appointment of the members of the Board of Directors and must be made available to the public at the registered office, on the Company's website and according to the other procedures envisaged by Consob regulations at least twenty-one days prior to the date of the Shareholders' Meeting itself.

Every shareholder may submit, or contribute to the submission of only one slate and any candidate may be appointed to only one slate under penalty of ineligibility. Only those shareholders who, alone or together with other shareholders, own voting shares representing at least 2% of the voting capital in the ordinary shareholders' meeting, or representing the lower percentage determined by CONSOB pursuant to article 147-ter, I C, of Legislative Decree no. 58/1998, are entitled to submit slates. In such regard, it should be noted that on January 28, 2016, through Resolution No. 19499, Consob set, pursuant to article 144-septies, first paragraph, of the Issuers Regulation, at 42.5% the shareholding percentage necessary for the submission of candidate slates for the election of the management and control bodies, subject to the possibility for a lower percentage to be set forth in the Corporate By-Laws; therefore, in accordance with the Corporate By-Laws provision currently in force, the threshold for the submission of slates for the appointment of the management body must be deemed to be 2%.

In order to prove ownership of the aforesaid right, copies of the certifications issued by authorised intermediaries must be deposited at the Company's registered office, proving ownership of the number of shares necessary to submit the slates themselves, within the time limit set out for the publication of the slates.

Together with each slate, within the term indicated above, professional resumes and statements are to be submitted in which each candidate accepts the nomination and attests, under his/her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position, and mentions the possibility of being qualified as independent pursuant to article 147-ter, IV C, of Legislative Decree no. 58/1998. The

slates that present a number of candidates equal to or higher than three must also include candidates of different genders, as required in the notice of call of the Shareholders' Meeting, so as to allow a composition of the Board of Directors that complies with the current regulations governing gender equality.

Having stated this, as regards offices held by our Directors as statutory auditors or directors of companies indicated in article 1C2 of the Code, we highlight - based on the information received - the following:

Khaled Bishara	Member of the Board of Directors of Orascom Telecom Media and Technology Holding S.A.E., Member of the Board of Directors of Orascom Construction Limited Member of the Board of Directors of Orascom Hotels and Development S.A.E.
Antonio Converti	Member of the Board of Directors and Chief Executive Officer Italiaonline S.p.A. Member of the Board of Directors of ITnet S.r.l. Member of the Board of Directors of Joyent, Inc., San Francisco Member of the Board of Directors, Chairman and Chief Executive Officer of Moqu Adv S.r.l.
David Alan Eckert	-
Sophie Sursock	Member of the Board of Directors of DADA S.p.A.
Onsi Sawiris	-
Corrado Sciolla	-
Maria Elena Cappello	Member of the Board of Directors of A2A S.p.A. Member of the Board of Directors of Saipem S.p.A. and Chairman of the Appointment and Remuneration Committee Member of the Board of Directors of Banca Monte dei Paschi di Siena, Chairman of the Remuneration Committee and member of the appointment Committee Member of the Board of Directors of FEEM (Fondazione Eni Enrico Mattei) Member of the Board of Directors of Prysmian S.p.A. and member of the Control and Risk Committee
Cristina Finocchi Mahne	Member of the Board of Directors of Inwit Member of the Board of Directors, of the Control and Risk Committee, of the Related-Party Committee and of the Appointment and Remuneration Committee of Trevi Group Member of the Board of Directors and of the Control and Risk Committee, of the Related-Party Committee of Gruppo Banco Desio Member of the Board of Directors of Natuzzi
Antonia Cosenz	-

It is possible find the information on the personal and professional characteristics of the Directors within the aforementioned Report on corporate

governance and ownership structure as well as on the website of www.seat.it/corporate section.

Delegated bodies

Within the Board of Directors currently in office the Company has appointed two different directors, the Chairman and the Chief Executive Officer, to hold corporate positions further identifying a Vice-Chairman entrusted with supporting functions to the Chief Executive Officer in specific areas. Pursuant to the application criterion 2C1, only the Chief Executive Officer – Mr. Antonio Converti – and Vice Chairman – Mr. David Alan Eckert – may be considered executive Directors. The other directors, who are therefore non-executive directors, are therefore such, in terms of number, authority and authoritativeness, as to assure that their opinion carries significant weight in Board decision-making; specifically, they particularly supervise areas where conflicts of interest may arise.

For the sake of completeness, please further note that the administrative body appointed by the shareholders' meeting of April 23, 2015 – the mandate of which expired with the shareholders' meeting of October 8, 2015 – on April 24, 2015 deemed necessary to appoint a lead independent director in the person of David Alan Eckert because the Chairman in office at the time (Mr. Vincenzo Santelia) was also the main person responsible for business management.

Furthermore, subsequent to the resignation from the office of the Lead Independent Director of the Company by Mr. Eckert on July 20, 2015, Seat Board of Directors subsequently resolved to appoint Maria Elena Cappello as new Lead Independent Director.

For a more complete disclosure, below are listed the attributions of the Chairman and of the Chief Executive Officer, as well as information about the power delegation system.

The Chairman is vested with powers of corporate signature and legal representation of the Company vis-à-vis third parties and before courts. The Chairman – who is not ordinarily vested with operating powers – is ordinarily responsible for organising the board proceedings and for acting as a connection between the executive director and the non-executive directors.

The Chief Executive Officer, Mr. Antonio Converti, oversees the technical and administrative performance of the Company and ensures the execution of the resolutions passed by the Board of Directors; Mr. Converti is vested with powers of corporate signature and legal representation of the Company vis-à-vis third parties and before courts, as well as – in accordance with the applicable obligations laid down by the law and by the Corporate By-Laws, in terms of matters that cannot be delegated by the Board of Directors – specific powers and responsibilities aimed at ensuring the operational management of the corporate activities, within a general limit of an amount up to Euro 5 million. For some types of deeds, specific limits are envisaged.

The Chief Executive Officer has also been appointed as director responsible for the internal audit and risk management system (referred to below).

The Vice chairman, Mr. David Alan Eckert, is responsible – without prejudice to the powers of the Chief Executive Officer and/or Board of Directors and in addition to the powers provided for pursuant to the applicable laws and regulations – for supporting the Chief Executive Officer in defining and implementing the Company's strategic plan, as well as in relation to commercial transactions of strategic relevance.

Independent directors

The Board of Directors adopts a procedure to assess the independence of the directors, pursuant to which the Directors, after the appointment and on an annual basis, sign an appropriate declaration form (for submission to the Board of Directors and to the Chairman of the Board of Statutory Auditors), in which they certify that they meet the independence requirements under article 3 of the Code, if they in fact do so, with specific regard to the valuation criteria under the application criterion 3C1 of the Code.

On the basis of the information received, the Board – during the meeting of March 15, 2015 – considered whether the independence requirements as regards each of the non-executive directors were met and, accordingly,

acknowledged and confirmed the independence of Directors Corrado Sciolla, Maria Elena Cappello, Antonia Cosenz and Cristina Finocchi Mahne. Note that the abovementioned Directors also meet the independence requirements under article 148, paragraph 3, of the TUF. It should be noted that on the occasion of the appointment of the Board of Directors currently in office by the Ordinary Shareholders' Meeting held on October 8, 2015, the Directors Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne declared that they meet the independence requisites provided under the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3, of Legislative Decree 58/1998.

Internal committees of the Board of Directors

In accordance with principle 4P1 and criterion 4C1 of the Code, the Board of Directors finally established, by resolution of October 8, 2015, the following internal committees:

- the Appointments and Compensation Committee and
- the Control and Risk Committee,

with proactive and consultative functions.

It should be noted that, in accordance with the comments on article 4, the Board, by reason of the organisational structure of the Group, as well as of the competences expressed by the designated members, has resolved that the functions referred to in articles 5 and 6 of the Corporate Governance Code must be carried out by a single committee (Appointments and Compensation Committee) made up of three members provided with adequate professional skills for these functions.

A chairman has been appointed for both the Committees. Duties are defined by resolution of the Board of Directors, in line with the provisions of articles 6 and 7 of the Code, and may be supplemented or changed by a subsequent resolution of the Board.

Committees are entitled to access corporate information and departments as necessary for the performance of their functions.

In this regard, the Chairmen of the two Committees are also entitled to submit specific requests for resources for the Committees in consideration of specific requirements that will be reported to the Board from time to time.

In accordance with the articles 5P1 and 6P3 of the Code, the Appointments and Compensation Committee is currently fully composed of non-executive directors, who are independent directors, in the persons of Antonia Cosenz (Chairman), Cristina Finocchi Mahne and Corrado Sciolla.

It should be noted that the chairmanship is then entrusted with an independent Director and that all the members have adequate knowledge and experience of financial issues or remuneration policies.

Finally, the Committee was appointed by the Board of Directors on October 8, 2015.

As regards the functions referred to in article 5 of the Code, the Committee in question performs the following duties:

- to submit opinions to the board as to the size and composition of the same, and to express recommendations as to the professionals the presence of which within the Board is deemed appropriate, as well as on the arguments referred to in articles 1C3 and 1C4;
- to submit proposals to the Board on the candidates to the position of director in the cases of co-option where it is necessary to replace independent members.

Furthermore, with reference to article 5C2 of the Code, it should be noted that the Board did not assume any resolution as regards the adoption of a plan for the succession of executive directors.

As regards the duties performed by the Committee pursuant to article 6P4 of the Code, it should be noted that the same submits proposals to the Board of Directors on the remuneration policy of directors and executives with strategic responsibilities.

That said, on April 4, 2016 the Board adopted a Remuneration Policy, according to what illustrated in the Report on remuneration to which reference is made.

On October 8, 2015, in accordance with the criterion 6C5 of the Code, such Committee was assigned by the Board of Directors the task of:

- periodically assessing the adequacy, the overall consistency and the actual application of the policy for the remuneration of directors and of the executives with strategic responsibilities, with regard to the latter, it will make use of the information provided by Chief Executive Officers; submitting proposals to the board of directors concerning this issue;
- submitting proposals or giving opinions to the board of directors concerning the executive directors' compensation and that of other directors holding particular positions, as well as the performance targets correlated to the variable component of such remuneration; monitoring application of the decisions adopted by the board itself, specifically verifying the actual achievement of the performance targets.

Unless expressly invited to provide supporting information, no director takes part in Committee meetings in which proposals regarding his/her emoluments are submitted to the Board of Directors (criterion 6C6 of the Code). Furthermore, should the Committee intend to make use of services rendered by a consultant in order to obtain information on market practices concerning remuneration policies, the Committee will preliminarily verify that he/she is not in a situation which could compromise his/her independence of opinion.

Finally, in accordance with the "comment" on the article 6 of the Code, it should be noted that the Appointments and Compensation Committee

- is supported, in performing its duties, by the competent corporate departments;
- provides for the participation of the Chairman of the Board of Statutory Auditors or of any other Statutory Auditor appointed by the latter in its own meetings, in which any other statutory auditors may also participate.

General policy for the remuneration

It is noted that the policy for the remuneration of the CEO and key management personnel of Seat Pagine Gialle S.p.A., defined by the Board of Directors on the proposal of the Remuneration Committee pursuant to

art. 6.P.4 and criterion 6.C.1 of the Corporate Governance Code, is given in the already mentioned report on corporate governance and ownership structure, which necessarily refer.

Internal Audit system

1) Control and Risk Committee

The Control and Risk Committee, which was finally appointed by the Board meeting held after the shareholders' meeting on 8 October 2015, is made up of the Directors Cristina Finocchi Mahne (Chairman), Maria Elena Cappello and Antonia Cosenz¹.

Please note that the Committee was previously comprised, until April 23, 2015, of Mr: Chiara Burberi (Chairman), Luca Rossetto and Harald Rösch. After the Ordinary Shareholders' Meeting of April 23, 2015, it was comprised of Michaela Castelli (Chairman), Maria Elena Cappello and Francesca Fiore; subsequent to the resignation on September 4, 2015 of Board Members Castelli and Fiore, the Committee was comprised – until October 8, 2015 – by Board Members Maria Elena Cappello (Chairman), Corrado Sciolla and David Alan Eckert.

The current Committee is comprised of independent Directors and adequately experienced in accounting and financial issues or risk management (in accordance with article 7.P.4 of the Code).

Meetings may be attended by the Chairman of the Board of Statutory Auditors or by another auditor, the Secretary to the Board of Directors and Internal Audit Manager, in addition to the members of the Committee. Furthermore, depending on the items on the agenda, meetings may also be attended, upon invitation by the Committee, by the Chief Executive Officer, as well as by the representatives of the Independent Auditors and the Company's management.

During the aforesaid meeting of October 8, 2015, the Board of Directors resolved to confer on the Committee the tasks described in article 7.C.2 of the Code².

The Regulations of the Committee contain, coherently with the information in the Code, the rules for the appointment, composition and functioning of the Committee itself. Specifically, pursuant to the Regulations, as most recently approved on December 18, 2012 and in accordance with the abovementioned article 7C2, the Committee:

1. evaluates, together with the manager responsible for preparing the Company's financial reports and having heard the independent auditor and the board of statutory auditors, the correct use of the accounting standards applied and, in the case of groups, their consistency for the purposes of the preparation of the consolidated financial statements;
2. expresses opinions on specific aspects concerning the identification of the main business risks;
3. examines interim reports concerning the assessment of the internal audit and risk management system, and those of particular importance prepared by the internal audit function;
4. monitors the independence, adequacy, effectiveness and efficiency of the internal audit function;
5. may ask the internal audit function to carry out checks on specific operating areas, giving notice thereof to the chairman of the board of statutory auditors;
6. reports to the Board, at least on a six-monthly basis, on the occasion of the approval of the annual and half-year financial report, on the work carried out, as well as on the suitability of the internal audit and risk management system.

In performing its Supervisory Board duties, the Committee is permanently supported by the Internal Audit function

¹ On November 6, 2015 Mrs. Cristina Mollis, non-executive director of the Company, resigned, with immediate effect, from the offices held within the Board of Directors of the Company for supervened personal commitments together with the increased and incompatible needs of her professional activity. Mrs. Mollis, as independent director, was Chairman of the Appointment and Remuneration Committee and member of the Control and Risk committee of the Company.

On November 10, 2015 the Board of Directors of the Company resolved to co-opt, having verified that the independence requirements were met, Antonia Cosenz in substitution of Board Member Cristina Mollis. Antonia Cosenz has also been appointed as Chairman of the Appointment and Remuneration Committee and member of the Control and Risk Committee.

² As previously mentioned, the Board, in consideration of the fact that all members of the Audit and Risks Committee meet the independence requirements envisaged for the directors, also resolved to assign to the same committee the functions of the Committee of Independent Directors pursuant to and for the purposes of the provisions laid down in the Regulation on transactions with related parties.

and may make use of both other internal functions and external persons, whose professionalism might be necessary from time to time.

The Control and Risk Committee met 13 times in 2015 (the average duration of the meetings was equal to about 2 hours) and 5 times from January 1, 2016 and up to the date of approval of this Report. During the meetings the Committee performed, *inter alia*, the following activities:

- monitored the development of the organisational and operational structure of the Internal Audit Department;
- examined and assessed the progress of the activities envisaged in the audit programme prepared by the Internal Audit Function for FY2013 and the results of the action taken;
- met with the Manager responsible for preparing the Company's financial reports, the top management of the Administration, Finance and Control department, the Board of Statutory Auditors and the representatives of the Independent Auditors in order to examine the main features of the annual Financial Statements as at December 31, 2014, the correct use of the accounting standards and their uniformity for the purposes of preparing the consolidated financial statements;
- met with the representatives of the Independent Auditors to examine the outcome of the audit work done;
- examined and assessed the method adopted in the performance of the impairment test, which are already being examined by the Independent Auditors;
- examined and evaluated the outcomes of the Enterprise Risk Management (ERM) process aimed at defining an integrated approach to the identification, assessment, management and monitoring of business risks;
- examined the "document describing the organisational, administrative and accounting structure" prepared by the competent corporate functions in order to contribute to the assessment of the Company's corporate governance system, of the Group's structure and of the organisational, administrative and accounting structure of Seat pursuant to Article 1.C.1 of the Code;
- expressed favourable opinion on occasion of "minor transactions", pursuant to the Procedure in the matter of related parties transactions.

As regards the activity carried out in 2016 until the date of this Report, please note, *inter alia*, that with reference to the Merger by incorporation transaction of ItaliaOnline S.p.A. into Seat Pagine Gialle S.p.A. and in accordance with the Procedure in the matter of related parties transactions, the Committee – in its role as Independent Directors Committee – expressed its favourable opinion

on the existence of an interest for the Company in the execution of the Merger, based upon the terms specified by the management in the draft Merger plan, as well as on the convenience and substantial fairness of the terms and conditions of the Merger.

The Committee has also provided a preliminary opinion to the Board of Directors for the performance of the duties entrusted to it pursuant to article 7C1 of the Code (referred to below).

2.1) Board of directors

The Board of Directors carries out activities of direction and assessment of the suitability of the internal audit system.

Pursuant to article 7.C.1. of the Code, the Board, subject to the preliminary opinion of the Control and Risk Committee:

- defines the guidelines of the internal audit and risk management system;
- pursuant to article 7.C.1., letter b), of the Code, has assessed the suitability of the internal audit and risk management system with respect to the features of the Company and the risk profile assumed, as well as its efficacy: such evaluation was conducted after the Board carried out its review of the adequacy of both the Company's corporate governance system and of the Group's structure, and the organisational, administrative and accounting structure of the Company (see the paragraph above concerning the "role of the Board of Directors", reference is made to article 1 of the Code); pursuant to article 7.C.1., letter d), of the Code, it has resolved that it considers the Company's internal audit system to be adequate, efficient and effective;
- approves the work plan prepared by the Internal Audit manager on an annual basis;
- assesses, after having heard the Board of Statutory Auditors, the results reported by the Independent Auditors in the letter of suggestions (if any) and in the report on the basic issues that arose at the time of the statutory audit of accounts.

Specifically, it should be noted that the Board examines, on an annual basis, the results of the ERM process (Enterprise Risk Management, referred to below, Paragraph 2.4.1.), aimed at the identification, assessment and monitoring of the main risks to which the Company is exposed. In this circumstance, the Board approves the work plan of the Internal Audit Function, after having heard the Board of Statutory Auditors and the Director responsible for the internal audit and risk management system.

Furthermore, the Board, upon a proposal by the Director

in charge of the internal control system and with the Board of Statutory Auditors' favourable opinion, (i) appoints and dismisses the Internal Audit Manager, (ii) ensures that the same is provided with adequate resources to perform his duties and (iii) defines his remuneration consistently with the company's policies (referred to below).

2.2.) Director responsible for the internal audit and risk management system

In accordance with article 7.C.4. of the Code, on October 8, 2015 the Chief Executive Officer was identified by the Board of Directors as the Director responsible for the internal audit and risk management system. Accordingly, the following functions were assigned to him:

- ensuring that the main business risks have been identified, taking account of the characteristics of the activities carried out by the issuer and its subsidiaries, submitting them for consideration by the board of directors on a periodical basis;
- executing the guidelines defined by the board of directors, taking care of the design, implementation and management of the internal audit and risk management system and constantly assessing its adequacy and efficacy;
- being responsible for adapting the system to the dynamics of the operational conditions and the legislative and regulatory framework;
- asking the Internal Audit Function to carry out checks on specific operating areas and on the compliance with internal rules and procedures in the performance of corporate transactions, giving notice thereof to the Chairman of the Board of Directors, the Chairman of the Control and Risk Committee and the Chairman of the Board of Statutory Auditors;
- promptly reporting to the Control and Risk Committee (or to the Board of Directors) as to problems and critical issues that arise in the performance of his activity or which he is become aware of, so that the Committee (or the Board) may take the appropriate initiatives.

2.3.) Internal Audit Manager

As previously mentioned, the Company makes use of the Internal Audit Function.

The Internal Audit function is structured in such a way as to (i) check and ensure the effectiveness and efficiency of the Internal Audit System and (ii) ascertain whether the system provides reasonable guarantees that the organisation will be able to achieve its objectives economically and efficiently.

It should be noted that, in the Board's meeting of October 8, 2015, as proposed by Converti, the Board (subject to the preliminary favourable opinion of the Control and Risk

Committee, as well as after having heard the Board of Statutory Auditors), resolved (i) to acknowledge and confirm the Internal Audit Manager; (ii) to acknowledge that the Internal Audit Manager is not responsible for any operating unit and hierarchically reports to the Board of Directors; (iii) to ensure that the Internal Audit Manager is provided with adequate resources to perform his duties; (iv) to grant a mandate to the Appointments and Compensation Committee to assess the consistency of the fees due to the Internal Audit Manager with the business policies and to report the results of this assessment to the Board itself; (v) to entrust the Internal Audit Manager with the functions provided for by article 7C5 of the Code.

The Internal Audit Manager is appointed to verify that the internal audit and risk management system is functioning and adequate. Furthermore, in accordance with article 7.C.5. of the Code:

- a) he verifies, both on an ongoing basis and in relation to specific needs and in accordance with international standards, the operations and suitability of the internal audit and risk management system, through an audit plan, approved by the Board of Directors, based on a structured process of analysis and assessment of the main risks;
- b) he is not responsible for any operating unit and hierarchically depends on the Board of Directors;
- c) he has direct access to all useful information for the performance of his/her duties;
- d) he prepares interim reports containing adequate information on his/her activity, the manner in which risk management is carried out, as well as on compliance with the plans drawn up to deal with risks; interim reports contain an assessment of the suitability of the internal audit and risk management system;
- e) he promptly prepares reports on events of particular importance;
- f) he transmits the reports referred to in points d) and e) to the chairmen of the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors, as well as the Director in charge of the internal audit and risk management system;
- g) he verifies, within the audit plan, the reliability of the IT system, including accounting recognition systems.

In order to perform his/her duties, the Internal Audit Manager has access to all the information he/she deems useful, has the appropriate means for the fulfilment of the functions that have been assigned to him/her and acts in accordance with the action plan defined on the basis of risk-based methods and approved by the Control and Risk Committee. The action plan mainly includes activities relating to the Risk Assessment process, compliance with Legislative Decree 231 / 2001, compliance with Law no. 262/2005, checks on specific processes, checks carried out after events have been reported by

the management and monitoring the effective implementation of the recommendations made on the occasion of previous actions (follow up).

During 2015, the Internal Audit Manager:

- carried out the checks set out in the action plan established for the financial year;
- periodically reported to the Director responsible for the Internal Audit and Risk Management System as to how activities are conducted and the results of the actions taken;
- participated in all the meetings of the Control and Risk Committee, illustrating the results of the actions taken;
- participated in all the meetings of the Supervisory Board and, on request, in the meetings of the Board of Statutory Auditors.

2.4.) Main features of the risk management and internal audit system in relation to the financial reporting process (pursuant to article 123-bis, paragraph 2, letter b) of the TUF)

2.4.1) Preamble

For years now the Company has been developing an Enterprise Risk Management (ERM) process aimed at identifying, assessing and monitoring the main business risks.

The ERM process is a process implemented by the management in order:

- to identify any events which could affect the achievement of the objectives the company has set, assessing their risk and establishing their acceptable level;
- to provide the Board of Directors and the Management with the information required to define operational and organisational strategies for the company;
- to provide reasonable confidence that the processes and the main checks identified are effective and aimed at ensuring the achievement of the company objectives.

For this purpose, a dedicated web-based application was developed for the collection, management and consolidation of information. Consistently with the international best practise, the risks identified and to which the Company is exposed, are classified under four macro-categories: strategic, operational, financial (reporting) and compliance risks.

The process, which is coordinated by the Internal Audit function, is conducted annually and, using a Self-Assessment activity which involves any and all company functions, has the objective to identify the key activities and checks that are suitable to reduce the occurrence of the identified risks and/or to mitigate their impact. On the basis of a calculation algorithm, which considers the initial assessment of the risk and the effectiveness of the audit system in place, each risk is attributed a "residual score

rating". On an annual basis, the risks identified which show a high residual score rating are reported to the Director responsible for the internal audit system, the Control and Risk Committee, the Board of Statutory Auditors and the Board of Directors.

2.4.2) Description of the main features of the risk management and internal audit system in relation to the financial reporting process.

With reference to financial and reporting risks identified within the ERM process, the Company has for some years now identified a sequence of specific activities which are deemed to be suitable to ensure that financial disclosure is reliable, accurate, trustworthy and up to date as required by Law no. 262/05. These activities include, inter alia:

- *definition of the "scope"*, that is the quantitative analysis of the significance of the companies included in the scope of consolidation. This analysis is conducted on the occasion of significant changes in the Group's structure or in the relevant business of each subsidiary. On the basis of the scoping process it was assessed that, to date, in quantitative terms (as indicated by the Board) the other subsidiaries are not of significant size in quantitative terms (see, in this regard, the information reported above with regard to the assessment by the Board of the adequacy of the general organisational, administrative and accounting structure – article 1 of the Code);
- *identification of the significant corporate processes* and of the risks arising from the possible failure to achieve audit objectives. This activity entails the quantitative and qualitative analysis of current processes and the consequential identification of those considered to be the most sensitive;
- *assessment of controls*. The processes identified in the previous phase are subject to a specific analysis activity through the preparation and/or updating of the accounting and administrative procedure and in particular of the flowchart and process descriptions, and of the audit matrix. The latter identifies the main key controls and features of the same: type (automatic or manual), how often it is conducted, the person responsible for any process or sub-process and the person responsible for control;
- *performance of tests* on the key controls identified in order to check for compliance with the statements of preparation of the Financial Statements (Completeness, Existence, Rights & obligations, Valuation, Recognition, Presentation, Disclosures);
- *identification of possible improvements* to be made to the current Internal Audit System in order to ensure an increased monitoring of the areas and processes which are considered relevant in terms of impact on the financial disclosures.

These activities are carried out by the Internal Audit Function on the basis of an action plan defined on an annual basis. The results and the improvement actions (if any) identified are submitted to the Manager responsible for preparing the reports, the Control and Risk Committee and the Board of Statutory Auditors.

The Internal Audit Function, where required, carries out activities aimed at assessing the adequacy of the Internal Audit System in place within subsidiaries – within the administrative and accounting procedures in place with the same – on the basis of the instructions given by the supervisory bodies and by the Company's management.

2.5.) Organisational, management and control model pursuant to Legislative Decree no. 231/2001 - Supervisory Board

In 2004 the Company adopted an Organisational, Management and Control Model defined pursuant to Legislative Decree no. 231/2001 in relation to legal entities' administrative liability for criminal offences perpetrated by persons in top management positions and by those subject to their direction or supervision. In this context, the following documents have been issued which are considered to be suitable to illustrate the system of procedures and controls aimed at reducing the risk of those crimes being committed that are envisaged by the regulations in question: the "Group Code of Business Ethics", the "Principles and guidelines of the organisational, management and control model"; the "Organisational Model".

A special section dedicated to this subject can be consulted on the Company website at the following address www.seat.it. It should be noted that the Organizational Model has been subject to a series of updates, the most recent of which took place in 2013, approved by the Board of Directors at the proposal of the Supervisory Board. The Model addresses and governs the following matters:

- summary of the relevant provisions of Legislative Decree 231/2001;
- system adopted for the realization of the organization, management and control model;
- composition, function and powers of the Supervisory Board;
- description of information flows concerning the Supervisory Board;
- sections governing the criminal offenses envisaged ((i) criminal offenses in relationships with Government and Public Entities; (ii) cybercrimes/computer-related crimes and the unlawful processing of data; (iii) criminal offenses of counterfeiting of instruments or distinctive marks and crimes against industry and commerce; (iv) corporate crimes; (v) crimes related to the abuse of privileged information and market manipulation; (vi) negligent homicide and serious or very serious bodily injury committed through breach of the laws and regulations for accident prevention and the protection of health and safety in the workplace; (vii) crimes involving the receipt of stolen goods, laundering and use of money, assets or goods of unlawful origin as well as self-laundering; (viii) crimes related to the breach of copyrights; (ix) environmental crimes; (x) inducement to refrain from making statements to to make mendacious statements to the Judicial Authorities; (xii) employment of citizens of foreign countries whose presence in Italy has not been legalized);
- the model also includes sections concerning training communication principles, the disciplinary system, as well as the Ethics Code in the form of a schedule.

It should also be noted that the implementation of the system pursuant to Legislative Decree 231/2001 (with consequent updating of the Organizational Models) concerned the main subsidiaries.

The Supervisory Board (pursuant to Legislative Decree no. 231/2001).

The Supervisory Board has most recently been appointed by the Board of Directors on April 24, 2015 in the persons of Mr. Alberto Mittone (Attorney, with the role as Chairman), Michaela Castelli (Board Member until October 8, 2015) and Francesco Nigri (Internal Audit Manager), with expiry of office coinciding with that of the Shareholders' Meeting that will be called to approve the financial statement as at December 31, 2016. Mrs. Castelli resigned from said office effective as of October 8, 2015.

Previously, until April 24, 2015, the Body was comprised of Marco Rigotti (Adjunct professor of commercial law at

Bocconi University) as Chairman, and the Directors Chiara Burberi and Michaela Castelli.

This structure of this composition is in fact able to assure consistency with the guidance contained in the Accompanying Report of Legislative Decree no. 231/2001, endowing the Committee with the requisites of autonomy, independence, professionalism and continuity of action needed to perform the necessary activity efficiently. The Board has resolved that the Supervisory Board meetings shall always be attended by a member of the supervisory board envisaged by the Corporate By-Laws.

The Supervisory Board is assigned the following tasks:

- overseeing the effectiveness of the Model, in order to guarantee that the lines of conduct adopted in the company comply with the established Organisational, management and control Model;
- monitoring the effectiveness of the Model, in order to assess its appropriateness in preventing the occurrence of the envisaged crimes ;
- managing updates to the Model, in order to propose appropriate adjustments following environmental and/or organisational changes in the company.

For purposes of performing the above activities, the Supervisory Board avails itself of the Internal Audit Function. In carrying out the assigned tasks, the Supervisory Board has unlimited access to company information for the activities of investigation, analysis and control. Upon requests from the Supervisory Board or upon the occurrence of events or circumstances that are significant for purposes

of the performance of the Supervisory Board's activities, all of the company's functions, employees and/or members of the corporate bodies are under a duty to provide information in such regard.

The Supervisory Board met five times in 2015 and, as of the date of this Report, once since January 1, 2016.

In 2015, the Supervisory Board continued to pursue its ordinary oversight activities. In particular it assessed and examined the update activities of the Organizational Model pursuant to Legislative Decree 231/2001 of the Company, which ended with the adjustment of the document in light (i) of the completion of the Merger transaction of Seat PG Italia S.p.A. into Seat P.G. S.p.A and (ii) of the recent legislative news.

As a consequence, on August 5, 2015, the Board of Directors approved (upon proposal of the Supervisory Body) the updates made to the Organizational Model and to the Principles and Guidelines of the Model. Subsequently, the disclosure activity to employees and agents has been completed.

Independent Auditors

The Ordinary Shareholders' Meeting held on June 12, 2012 appointed, pursuant to article 159 of the Consolidated Act, the Independent Auditors PricewaterhouseCoopers S.p.A. to carry out the statutory audit of the Company's annual and consolidated financial statements relating to financial years

2012-2020, to carry out a limited audit of the six-monthly reports as at June 30 of the financial years 2012-2020 and to verify the regularity of the company's bookkeeping and the correct recognition of the management events in the accounting records during the course of the said financial years.

Manager responsible for preparing the Company's reports (pursuant to article 154-bis of the TUF)

In accordance with the provisions under article 154-bis of Legislative Decree no. 58/98, introduced by the so-called "Savings Act", the Extraordinary Shareholders' Meeting of the Company held on April 19, 2007 resolved to amend article 19 of the Corporate By-Laws, providing for the Board of Directors (subject to the mandatory opinion of the Board of Statutory Auditors) to be granted the power to appoint and dismiss the Manager responsible for preparing the Company's financial reports (hereinafter also referred to as the "Manager Responsible") determining his/her term of office. Only persons with at least three years of experience in a position of appropriate responsibility in the administrative and/or financial area of the Company or of another company of comparable size or organisational structure may be appointed as Manager responsible for preparing the Company's financial reports.

Most recently, at the Board meeting held on April 24, 2015, Dr. Andrea Servo (who was also placed in charge of the Company's Administration, Finance and Control Department) was appointed as "Manager responsible for preparing the Company's financial reports", since the position held by him fully meets the technical and professional requirements under article 154-bis no. 3 of the

TUF and article 19 of the Corporate By-Laws. The Board of Statutory Auditors has given its favourable opinion as to this proposed appointment. The term of office of this assignment has been set up to the shareholders' meeting which will be called to approve the financial statements as at December 31, 2016.

The Board also resolved that the Manager responsible for preparing the Company's financial reports should exercise the powers and have the means at his disposal that are necessary for the effective performance of the duties referred to in the abovementioned article 154-bis of Legislative Decree no. 58/98. The Manager Responsible reports at least every six months on the manner in which the management and control activity is carried out with regard to the process of preparing the accounting documents, on any criticalities found during the relevant period and on the adequacy of the structure and means put at his disposal.

As it is known, the position of the Manager Responsible takes on a fundamental role in the light of the strengthening of the Company's internal audit system, attributing express importance to the internal process of preparing the draft of the annual report in particular, and to the main information documents concerning the Company's financial position in general.

Board of Statutory Auditors

The Board of Statutory Auditors consists of three standing auditors and two alternate auditors, appointed by the Shareholders' Meeting, which also fixes their remuneration. Having said this, it should be noted that

- the Shareholders' Meeting of January 27, 2015 took the necessary measures to supplement the Board of Statutory Auditors and as a result, the Board of Statutory Auditors resulted comprised – until the approval of the financial statements relating to the financial year closed on December 31, 2014 – of Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo as standing auditors and Roberta Battistin and Marco Benvenuto Lovati as alternate auditors. Dr. Gili was confirmed in his role as Chairman of the Board of Statutory Auditors.
- The Shareholders' Meeting of April 23, 2015 appointed Maurizio Gili, Ada Garzino Demo and Guido Nori as standing auditors and Mrr. Massimo Parodi and Roberta Battistin as alternate auditors, until the approval of the financial statement for the financial year closed on December 31, 2017, also appointing Maurizio Gili as Chairman of the Board of Statutory Auditors.

Please note that Mr. Massimo Parodi died on September 5.

Only those shareholders who, alone or together with others, own voting shares representing at least 2% of the voting capital in the Ordinary Shareholders' Meeting, or representing the lower percentage determined by CONSOB pursuant to Article 147-ter, I C, of Legislative Decree no. 58/1998, are entitled to submit slates.

In such regard, let us point out that on January 28, 2016, through Resolution No. 19499, Consob set, pursuant to article 144-septies, first paragraph, of the Issuers Regulation, at 42.5% the shareholding percentage necessary for the submission of candidate slates for the election of the management and control bodies, subject to the possibility for a lower percentage to be set forth in the Corporate By-Laws; therefore, in accordance with the Corporate By-Laws provision currently in force, the threshold for the submission of slates for the appointment of the management body must be deemed to be 2%.

The slates must be filed at the Company's registered offices by the end of the twenty-fifth day before the date of the shareholders' meeting convened to resolve appointment of the members of the Board of Statutory Auditors. In order to prove the aforesaid title, a copy of the certificates issued by authorised intermediaries and proving ownership of a number of shares necessary to present the slates themselves is to be filed with the registered offices of the Company by the deadline established for publication of the slates.

No shareholder, as well as shareholders belonging to the same group, may submit, personally or through a trustee, more than one slate and vote for different slates. Each candidate may appear on only one slate, or shall otherwise be disqualified.

Candidates who do not meet the ethical and professional requirements established in applicable legislation may not be included in the slates. Exiting statutory auditors may be re-elected.

Together with each slate, within the term indicated above, the designated parties' professional resumes are lodged, plus the declarations with which each candidate accepts the nomination and attests, under his or her own responsibility, that there is no cause for ineligibility or disqualification, and to his/her compliance with the requirements of law and the Corporate By-Laws prescribed for the position.

Any slates which fail to observe the foregoing requirements shall be considered as not having been submitted.

The procedures indicated below are to be followed in electing the Statutory Auditors:

- 1) two permanent members and one alternate are to be selected from the slate that received the greatest number of votes in the Shareholders' Meeting, based upon the order of priority in which they are listed in the sections of the slate;
- 2) the remaining permanent member and alternate member are to be selected from the slate that received the second greatest number of votes in the Shareholders' Meeting and which is not connected, either directly or indirectly, with the shareholders who have presented or voted the slate which has ranked first in the number of votes, based upon the order of priority in which they are listed in the sections of the slate.

The chairman of the Board of Statutory Auditors is the candidate appointed from the second slate, if any, that receives the greatest number of votes.

If the requirements of pertinent laws or the Corporate By-Laws are not met, the statutory auditor is dismissed from the position.

In the event of replacement of a statutory auditor, the alternate auditor from the same slate as the auditor being replaced shall be the substitute. If this replacement does not allow compliance with the current regulations governing gender equality, the second alternate member, if present, belonging to the less represented gender and elected from the slate of the replaced candidate, will be the alternate member. Should the application of the procedures referred to above not allow compliance with the current regulations

governing gender equality, the shareholders' meeting shall be called as soon as possible in order to ensure compliance with the provisions under these regulations.

The foregoing requirements for appointing the Board of Statutory Auditors do not apply to the Shareholders' Meetings, which, according to law or the Corporate By-Laws, must appoint the permanent and/or alternate auditors and the chairman as necessary to compose the Board of Statutory Auditors following replacement or dismissal and for appointing auditors for any reason if they are not appointed in accordance with the previous paragraphs. In these cases, the Shareholders' Meeting is to proceed according to the quorum required by law, without prejudice to the requirement – where applicable – of Article 144-*sexies*, paragraph 12, of the Issuers' Regulation, adopted by CONSOB with its resolution no. 11971 of 14 May 1999, as well as in accordance with the regulations governing gender equality and any additional applicable provisions of law.

Slate submitted on the occasion of the appointment of the Board of Statutory Auditors (information pursuant to article 144-*decies* of the Consob Issuers' Regulations)

On the occasion of the Ordinary Shareholders' Meeting held on April 23, 2015, within the terms set out by the regulations in force, information was provided and the documentation was prepared referred to in article 144-*sexies*, paragraph 4, of the Consob Issuers' Regulations. Furthermore, the shareholders – The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and Goldentree Asset Management Lux S.à.r.l., through Goldentree Asset Management LP as relating asset manager – which submitted the slate, as well as the

aggregate stake held (29.022% of the ordinary share capital). The Company has promptly taken steps to make public the documentation concerning the slate submitted through the internet website at the address

<http://www.seat.it/documents/10184/166117/Lista+nomina+CdiA+e+CS+.pdf/187c87b0-17cd-4c37-b74f-3d126a2778e8>.

Furthermore, with reference to the provisions under article 144-*octies*, paragraph 2, of the Consob Issuers' Regulations, the Company has notified that, at the date of expiry of the time limit set for filing the slates for the appointment of the Board of Statutory Auditors, no minority slates had been submitted. Therefore, in accordance with the provisions under article 144-*sexies*, paragraph 5, of the aforesaid Issuers' Regulations, it was notified that additional slates for the appointment of the Board of Statutory Auditors could be deposited by and no later than April 2, 2015 and that the percentage of interest necessary for submitting slates, as per the Corporate By-Laws, was reduced to half (and it was then equal to 1% of the voting share capital at the ordinary shareholders' meeting). See, for this purpose, the press release circulated by the Company:

<http://www.seat.it/comunicati-stampa/-/listing/2015/deposito-di-liste-di-minoranza-per-la-nomina-del-collegio-sindacale-di-seat-pagine-gialle-s-p-a->.

Finally, it should be noted out that the Company – following the Shareholders' Meeting of April 23, 2015 – informed the public of the appointment of the Board of Directors and of the Board of Statutory Auditors in the press release available through the website at the address

<http://www.seat.it/comunicati-stampa/-/listing/2015/l-assemblea-degli-azionisti-approva-il-bilancio-di-esercizio-al-31-dicembre-2014-e-nomina-cda-e-collegio-sindacale>.

Shareholders' Meetings

As is known, the so-called "Shareholders Rights" rule (Legislative Decree no. 27 of January 27, 2010, as amended and supplemented) adopted the EU directive no. 2007/36/EC on the exercise of certain rights of shareholders in listed companies.

Specifically, the decree amended articles 2366/2373 of the Italian Civil Code and strongly affected Legislative Decree no. 58 of 1998 (TUF), introducing new important provisions for listed companies, with specific regard to the carrying out of the activities of the shareholders' meetings.

In light of these new regulatory developments, the current text of article 8 of the Corporate By-Laws (as attached hereto), as finally amended by the resolution passed by the Shareholders' Meeting on October 22, 2012, provides that those who are entitled to vote and are authorised according to the applicable regulations may attend the Shareholders' Meeting, in the manner and at the terms and conditions set out³.

Each party who has the right to vote and who has the right to attend shareholders' meetings can cause himself/herself to be represented by means of a written proxy or a proxy granted via electronic mail pursuant to the applicable regulations.

It should be remembered that the Extraordinary Shareholders' Meeting held on April 20, 2011 resolved to amend article 8 in order to make it more compliant with article 135-*novies* of the TUF, which provides for the possibility of granting proxies by electronic means: each party who has the right to vote and who has the right to attend shareholders' meetings can cause himself/herself to be represented by means of a written proxy or a proxy granted via electronic mail pursuant to the applicable regulations.

The proxy may be issued to an individual or legal entity.

The proxy can be notified electronically via use of a specific

section of the Company's website, according to the procedures indicated in the meeting notice, or via certified email sent to the email address indicated at any given time in the meeting notice. It should be noted that, pursuant to article 135-*undecies* of the TUF, as introduced by Legislative Decree 27/2010, the companies with listed shares may designate, for each Shareholders' Meeting a person to which the shareholders may grant a proxy with voting instructions on all or some of the proposals on the agenda, according to procedures and time limits set out by the rule itself. It is also provided for the application of the rule, except for any provisions to the contrary laid down in the Corporate By-Laws.

Having stated this, the Board has deemed it appropriate, in the interests of the Company, not to deprive itself of the possibility of resorting, in specific circumstances, to the designation of the person specified by paragraph 1 of article 135-*undecies* of the TUF referred to above; for this reason, the Extraordinary Shareholders' Meeting of April 20, 2011 resolved to grant the Board itself, where it deems appropriate, the right to make this designation, giving specific notice thereof in the notice of call of the related Shareholders' Meeting.

In order to ensure the best possible management with regard to the organisation of the shareholders' meeting's proceedings (in technical/logistics terms), the Extraordinary Shareholders' Meeting of April 20, 2011 also resolved to provide for the place of calling of the shareholders' meetings to coincide with the Municipality district where the registered office or, if required, the secondary office of the Company is located (article 10 of the Corporate By-Laws).

Pursuant to the article 10 of the Corporate By-Laws, as amended by the aforesaid Extraordinary Shareholders' Meeting⁴, note the following.

³ Under the provisions in force, the persons who are the holders of the securities account at the end of the trading day on the seventh trading day prior to that scheduled for the Shareholders' Meeting are entitled to vote at the Shareholders' Meeting. Furthermore, as the ownership of the shares could vary between the seventh day prior to the shareholders' meeting and the date of the shareholders' meeting, it is not necessarily correct to talk about shareholders, but about "those who are entitled to vote".

⁴ In fact, the Shareholders' Meeting of April 20, 2011 resolved, with reference to article 10, as follows:

Amendments to paragraph 2

The combined provisions of articles 154-*ter* of the TUF, as amended by Legislative Decree 27/2010, and by article 2364, paragraph 2, of the Italian Civil Code, allow companies that are required to prepare consolidated accounts to make use, once again, of the right to call the Shareholders' Meeting for the approval of the financial statements within the higher time limit of 180 days from the closure of the company's financial year, without prejudice to the time limit of 120 days to make available the related documentation to the public. The Shareholders' Meeting has resolved to make use of this right in order to allow greater flexibility.

Amendment to paragraph 4 and introduction of a new paragraph 5.

Legislative Decree 27/2010 has amended article 2369 of the Italian Civil Code, providing for the Articles of Association of companies that resort to the risk capital market to exclude calls subsequent to the first one and providing that the single call shall be subject, for the Ordinary Shareholders' Meeting, to the majorities specified for the second call and, for the Extraordinary Shareholders' Meeting, to the majorities envisaged for calls subsequent to the second one. Having stated this, the Shareholders' Meeting of April 20, 2011 resolved to amend article 10 of the Articles of Association, providing for the Ordinary and Extraordinary Shareholders' Meetings to be held normally following more than one call, without prejudice to the fact that the Board of Directors may consider the opportunity for the Ordinary and Extraordinary Shareholders' Meetings to be held following one single call.

The Shareholders' Meeting is convened in accordance with law in the municipal district in which the registered office of the company is located or, if required, the secondary office, by means of a notice published in the manner and within the terms envisaged by applicable regulations. The Ordinary Shareholders' Meeting for approval of year-end financial statements must be held within 180 days after the end of the company's financial year, according to the relevant law, due to the Company being required to prepare consolidated financial statements or, in any case, whenever specific needs concerning the structure and the corporate purpose of the Company render it necessary.

Shareholders' meetings are also held whenever the Board deems it to be appropriate or when the law requires that they be held.

The Extraordinary Shareholders' Meeting held on October 22, 2012 amended article 10 of the Corporate By-Laws, providing for the ordinary and extraordinary shareholders' meetings, the notice of call of which was published after January 1, 2013, to be held on a single call, pursuant to law.

Pursuant to article 11 of the Corporate By-Laws, the quorum for the establishment and resolutions of Shareholders' Meetings is provided for by the law.

The Shareholders' Meeting, upon the proposal of the meeting's Chairman, appoints a secretary, who need not be a shareholder. In the possible cases contemplated by law and when the meeting's Chairman deems it to be necessary, meeting minutes are prepared in the form of a public deed by a notary designated by the Chairman.

It should be noted that article 19 of the Corporate By-Laws - pursuant to article 2365, paragraph 2, of the Italian Civil Code - states that the attributions provided for therein do not fall within the competence of the shareholders' meeting and must instead be allocated to the Board of Directors (see, in this regard, the information reported above in the paragraph "The role of the board of directors - Article 1 of the Code").

Directors make every effort to facilitate shareholders' attendance of shareholders' meetings. Whenever possible, all

directors and statutory auditors (especially those directors who - by virtue of the position held - can make a useful contribution to meeting discussions) take part in shareholders' meeting.

As regards application criterion 9C3 of the Code, the characteristics of the shareholders' meetings - i.e. streamlined proceedings and absence of criticalities - have allowed us not to propose, thus far, adoption of a shareholders' meeting regulation. It is also pointed out that article 2371 of the Italian Civil Code expressly provides, as regards meeting chairmanship, for the meeting's Chairman to check proper constitution of the meeting and the identity and the legitimate right of those present, to manage proceedings and to ascertain the results of voting (pursuant to article 12 of the Corporate By-Laws, the meeting's Chairman checks - also through specifically appointed officers - the right to attend, compliance of proxies with current legislation, the valid constitution of the meeting as such, and the identity and the legitimate right of those present. He then manages meeting proceedings and takes appropriate measures to assure orderly discussion and voting, defining the latter's approach and ascertaining results.

In particular, it should be noted that:

- With reference to the matters from time to time on the agenda, the Board has taken action to ensure that the shareholders are provided with adequate disclosure on the elements necessary in order to make decisions falling under their responsibility;
- In order to ensure that each shareholder is guaranteed the right to speak on items on the agenda, the Chairman of the meeting, prior to addressing each item on the agenda, reminds the attendees who intend to take the floor to book their speech and that during discussions such speeches must be concise and pertain to the agenda and be completed within a maximum of 10 minutes per speaker; most recently, those who have already taken part in the discussions may take the floor once again for a short speech not to exceed, in general, 5 minutes, in order to reply.

Meetings held in 2015

In 2015, the following Meetings were held:

1) Ordinary and Extraordinary Shareholders' Meetings

a) On January 27, 2015, the Ordinary Shareholders' Meeting:

i) approved the settlement offer received by the Company and, therefore, the settlement of the liability action against the former directors who held office of the period from August 8, 2003 until October 21, 2012 and the settlement of relationships with additional persons other than the former directors summonsed as defendants upon payment of a sum totaling € 30 million;

ii) took the necessary steps to supplement the Board of Statutory Auditors in consideration of the resignations submitted by the standing members of the control body in office until October 14, 2014. As a result, the Board of Statutory Auditors came to include as standing auditors Maurizio Michele Eugenio Gili, Guido Nori and Ada Alessandra Garzino Demo and as alternate auditors Roberta Battistin and Marco Benvenuto Lovati. Dr. Gili was confirmed as Chairman of the Board of Statutory auditors. Such auditors remained in office until the shareholders' meeting that approved the financial statement for year ended December 31, 2014.

The above-mentioned shareholders' meeting was attended by 2 directors.

b) On April 23, 2015 met the Ordinary Shareholders' Meeting of the Company, which approved the Company 2014 financial statements, the draft of which was approved by the Board of Directors of March 12, 2015, recording a positive result equal to € 1,390,295,399.26, allocated as per € 12,203,233.78 to covering for accrued losses, per € 1,340,610,506.94 to covering for the deficit deriving from the merger of Seat Pagine Gialle Italia S.p.A. into Seat Pagine Gialle S.p.A. and the remaining € 37,481,658.54 to available reserves.

The same Shareholders' Meeting further resolved

i) to determine at 7 the number of members of the Board of Directors, setting the term of office until the approval of the financial statements for the financial year closed on December 31, 2016, and to determine in € 75,000 the annual compensation for each board member – plus € 5,000 per each day of board activities additional to the threshold of No. 18 days per year –, authorising the entering into of an insurance policy to

cover for the civil liability of directors with annual premium up to a maximum of € 350,000;

ii) to appoint as Directors Mr. Vincenzo Santelia, Maria Elena Cappello, Michaela Castelli, Mauro Del Rio, David Eckert, Francesca Fiore and Corrado Sciolla, also appointing Vincenzo Santelia as Chairman of the Board of Directors. The directors appointed were all drawn from the only slate submitted for the Shareholders' Meeting, proposed, through GoldenTree Asset Management LP as relating asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and GoldenTree Asset Management Lux S.à.r.l. and voted by the majority;

iii) to appoint as Statutory Auditors, until the approval of the financial statements for the financial year closed on December 31, 2017, Mr. Maurizio Gili, Ada Garzino Demo and Guido Nori and as Alternate Auditors Mrr. Massimo Parodi and Roberta Battistin, also appointing Maurizio Gili as Chairman of the Board of Statutory Auditors and determining in € 90,000 the annual compensation for the Chairman of the Board of Statutory Auditors and in € 60,000 the annual compensation due to the each Statutory Auditor. The Board of Statutory Auditors has been appointed based on the only slate submitted for the Shareholders' Meeting, proposed, through GoldenTree Asset Management LP as relating asset manager, by shareholders The San Bernardino County Employees' Retirement Association, GT NM LP, GoldenTree SG Partners LP and GoldenTree Asset Management Lux S.à.r.l. and voted by the majority;

iv) to adjust the compensation due to the auditing firm PricewaterhouseCoopers S.p.A. for financial years included in the period 2015-2020;

v) to express favourable opinion to Section I of the Report on Remuneration pursuant to art. 123-ter of Legislative Decree No. 58 of February 24, 1998 ("Report on Remuneration").

The aforementioned meeting was attended by 4 directors.

c) On October 8, 2015 the Ordinary Shareholders' Meeting of the Company resolved to revoke the members of the Board of Directors in office as appointed by the Ordinary Shareholders' Meeting on April 23, 2015 and, subsequently, adopted the necessary decisions for the purpose of appointing the new Board of Directors, resolving to the effect:

i) to determine at 9 the number of members of the Board

of Directors, setting the term of office until the approval of the financial statements for the financial year closed on December 31, 2017 and to determine in € 75,000 the annual compensation for each board member – plus € 5,000 per each day of board activities additional to the threshold of No. 18 days per year –, authorising the entering into of an insurance policy to cover for the civil liability of directors with annual premium up to a maximum of € 350,000;

ii) to appoint as Directors Mr. Khaled Galal Guirguis Bishara, Antonio Converti, Sophie Surssock, Onsi Naguib Sawiris, David Alan Eckert, Corrado Sciolla, Maria Elena Cappello, Cristina Mollis and Cristina Finocchi Mahne, also appointing Khaled Galal Guirguis Bishara as Chairman of the Board of Directors. The directors appointed are all drawn from the only slate submitted for the

Shareholders' Meeting, proposed by the shareholder Italiaonline S.p.A. and voted by the majority.

The meeting was attended by one director.

2) Savings Shareholders' Meeting

On July 16, 2015 the Special Meeting of the Savings Shareholders resolved to authorise the Common Representative, Mrs. Stella d'Atri, to start the initiatives necessary to appeal – pursuant to and to the effects of art. 2377 et seq. of the Italian Civil Code –, the resolution adopted by the Ordinary Shareholders' Meeting of Seat Pagine Gialle S.p.A. of April 23, 2015, for the part concerning the allocation of the result of the financial year closed on December 31, 2014.

The above-mentioned shareholders' meeting was attended by two directors.

Relations with Shareholders

In accordance with principles under article 9 of the Code, pursuant to which the Board of Directors promotes initiatives aimed at encouraging participation of the shareholders in the meetings as widely as possible and helping them to exercise their rights, it should be noted that, as to the selection of the location, the shareholders' meetings are generally held at the Company's office located in Turin.

Documents to be consulted for the purposes of the Shareholders' Meetings, which are made available pursuant to the regulations in force, must be sent to all shareholders that request them, also by means of an appropriate e-mail address. Information may also be given by phone.

As regards application criteria under article 9 of the Code, it should be noted that in 2015 the Company gave precise and timely notice in order to guarantee correct and transparent disclosures on the Company's activities, in compliance with the "Procedure of Seat Pagine Gialle S.p.A. for the management and market disclosure of

inside information" (referred to above).

Appropriate corporate functions guarantee, in particular, relations with the national and international financial community (Investor Relations) and the shareholders (Corporate Affairs).

To encourage dialogue with all operators on the financial markets, the Company published on its, all of its economic and financial documentation (financial statements, half-year and quarterly reports), supporting documents (presentations to the financial community), a special section named "Investors & Governance" (including the documentation relating to the Company's governance system, information on corporate bodies, as well as the reports and material to be used by the shareholders' meeting), as well as press releases issued by the Company, both in Italian and English. The website also has a section with useful information for all Shareholders and the update of the price and volumes performance of Seat PG stock.

Environmental sustainability \

Since the end of 2009, SEAT Pagine Gialle S.p.A. has been one of the promoters of a pan-European project, alongside other leading operators and associations representing the entire printed-paper industry.

This project, under the single brand "Print Power", can be broken down into two initiatives aimed at proving to the market that printed products are sustainable, in terms of both their advertising effectiveness and their environmental impact:

1) "Print Power": is an advertising campaign that highlights the effectiveness of specific qualities of printed materials (to reinforce or complement campaigns online or in other media). It is aimed at advertising investment decision-makers in companies, media centers and advertising agencies.

2) "Two Sides - the green side of paper": is an information campaign on the environmental sustainability of the

printed-paper industry aimed at a wide range of individuals. The campaign uses facts and figures to highlight the recyclable nature of printed paper and to objectively overcome certain stereotypes about the presumed negative impact that this material has on the environment.

The Two Sides campaign was launched in late 2010 (and resumed in May 2011 and early 2013). At the end of 2015, the new *"IT IS NOT TRUE THAT PAPER IS THE ENEMY OF FORESTS"* campaign was approved for 2016.

The ADV pages will be published in newspapers, magazines and the trade press, thanks to the collaboration of the associations of the publishers FIEG and ANES, and may be viewed together with the information content on the website www.twosides.info/it and on the social networks Facebook and Twitter. SEAT will again contribute with the publication of a full-color page on the PAGINEBIANCHE® in Rome, Milan, Turin and Naples.

Social responsibility \

Strongly convinced of the need to carry out its business ethically – not only from an industrial point of view, but also, and especially, a social point of view – Seat PG has developed one of its characteristic entrepreneurial approach models, sustaining over time its concrete support for hundreds of thousands of small and medium-size client companies, objectively favoring their capacity to face the crisis and develop their businesses.

Also in 2015, Seat Pagine Gialle continued to work to ensure the environmental harmonization of its products and services and to continue spreading a digital culture of multi-channel communication and promotion, to positively influence the everyday activities, values, customs and lifestyles of stakeholders, concretely influencing the revival of the economic and social fabric, and thus contributing to the sustainability of the Italian economy.

SeatPG is proposed as a useful and effective tool to promote an informed, participatory relationship between the citizen and the country. Also from this point of view, the capacity to observe and monitor new habits and the needs of new consumers enables SeatPG to achieve the essential momentum for development of new products and services and the opportunities offered by new-generation IT tools to be familiar with Public Administration services without space or time limitations, and use them in the best possible way. All this without losing sight of the need to ensure equal rights to fair and efficient access to information for all sectors of the public, even those who for some reason are disadvantaged in terms of the continuous innovation and technological adaptation of new multimedia information models, online and mobile.

The new single-volume PagineGialle/Bianche was confirmed as effective in “guiding” the relationship between the citizen and the country.

The decision to transform each of the 110 editions of the PagineBianche® and TuttoCittà® into a single compact, handy guide, even richer in information, has proven a particularly successful one, suitable for the public and local institutions and government around the country, from north to south, making the service even more reliable and complementary to other Seat PG channels (telephone, web and mobile), generating one billion consultations per year. Alongside traditional content, PagineBianche® contains a still richer and more structured Guide to services, with schedules,

addresses, local contact details of the public utilities – focusing on online services available to the public – simplifying the relationship between citizens and Public Administration.

SeatPG is thus strengthening its position as the indispensable partner for information for citizens, both in emergencies and on a daily basis: a social function strengthening the company’s credibility not only among PA partners but also among commercial operators and individual citizens.

In order to address everyone’s requirements, the font size was enlarged and a new font constructed to facilitate reading, along with new infographics, to facilitate finding offices and activities.

In addition to practical tips to solve domestic emergencies or face large expenses, space is given in the cultural and food and drink travel guide, along with a list of branded products certified (DOC, DOCG, DOP, IGP, IG, IGT, PAT) by the Ministry of Agricultural, Food and Forestry Policies, with a special area dedicated to Business Excellence in local areas.

We inserted cultural, wine and food itineraries into PagineGialle®, certified by the Ministry of Food and Forest Policies.

Finally, to keep a check on the use of industrial and environmental resources, and to make their use particularly efficient, through the distribution of around 20 million volumes throughout Italy, the new Urbis Project is being tested in large metropolitan areas and in some provinces, enabling real-time monitoring of unified-volume distribution using a computerized mapping system.

DIGITALY continues the approach of CNA and SeatPG for the digitization of Small and Medium Enterprises.

The many meetings around Italy of the Digitaly tour continue. This is a project conceived and promoted by CNA in partnership with SeatPG, Google, Amazon and Registro.it-CNR, with the aim of spreading digital culture among small and medium businesses through a series of training events and custom matching. Seat PG and other partners provide their know-how by building new entrepreneurial awareness and providing skills to grasp digital opportunities, in order to grow businesses and construct new markets. The participating companies are also involved in B2B meetings organized by CNA, resulting in a fruitful comparison between digital and “traditional” companies.

ANCI for EXPO and EXPO2015

With the closure of the Expo2015 in October, all Seat PG activities – in partnership with the National Association of Italian Cities – as the “Ambassador” of the ANCI initiative for EXPO 2015, the large national tour, which between 2014 and 2015, reached all the regions of Italy, to anticipate the experience and spirit of Expo2015 held in Milan from May to October, and to promote the production and tourism excellence of various regions, were completed. Thanks to this partnership, the “Anci - Italy in all directions” logo was launched. Expo 2015 sponsoring cities” logo was published in all directories in various places.

Seat PG also supported ANCI during the days managed at the Italy Pavilion and at Cascina Triulza, an ancient rural construction of 8000 square meters that hosted the Civil Society Pavilion.

Still in harmony with Expo2015 support and promotion activities, SeatPG has become its Official Sponsor, emphasizing and promoting the entire program of activities and initiatives within and outside of exposition areas on its web properties and mobile apps - in particular on the PagineGialle® and Tuttocittà® digital platforms.

WALKTO: as part of the SmartCity projects in Turin, a map and a new SeatPG section of the TorinoAPP, to enhance tourist and cultural itineraries around the city.

To contribute to the improvement of the quality of life of citizens and tourists in a concrete way, pursued through the redesign of sustainable and affordable mobility, Seat PG has included information from Turismo Torino e Provincia in a specific section of the TorinoAPP – a real vade mecum for city services, right at your fingertips.

Thanks to the scientific contribution of Turismo Torino e Provincia, the productivity contribution of Seat Pagine Gialle and the economic contribution of GTT (Gruppo Torinese Trasporti), WALKTO, a map has been created, branded Tuttocittà®, for walking tours around the urban geography: with notes on all the pedestrian streets, pedestrian/cycling routes and porticoes in the city, all connections between one zone and another, using means of transport inspired by best environmental practice (TO-bike, electric car sharing, the Metro, environmentally friendly buses), with notification of all access routes to the city, with boards dedicated to green areas and with the proposed 12 routes identified through the subdivision of the map into concentric circles, in terms of numbers of kilometers, minutes, calories burned, grams of CO2 saved, and why not even the permitted consumption of chocolates in relation to number of calories burned!

This is an effective example of how cooperation between the Government, public bodies and innovative private companies can result in continuous development, able to improve everyone's everyday life, in a concrete manner.

Promotion of regional and religious tourism: the TorinoAPP® and Ostensione della Sindone

At Ostensione della Sindone, visited by more than 2 million pilgrims from the whole world, SEAT PG as the media partner for the event, prepared a special section of the Turin App, providing open data of the City in cooperation with the City of Turin. With a few simple touches, the citizens were able to easily obtain complete information and services for the best possible participation in the Ostensione, as well as all notices and contact references regarding the cultural and tourism offerings of the city, directly from their smartphone or tablet: events, museums, attractions, hotels and restaurants, transport, health care and pharmacies. With the same view of providing a service capable of involving all the groups of the general public, including those less familiar or not familiar at all with digital technologies, the company created - as for the past edition of 2010 - 300,000 maps “powered by TuttoCittà”, distributed to pilgrims and tourists participating in events and visiting the city.

Alongside the Ministry of Labor and Social Policy, INPS, INAIL and the Casse Edili construction funds, in support of the DURC Online project.

As part of the complete computerization of procedures and the link between different public databases, the Ministry of Labor has launched DURC Online, a major new initiative that aims to provide easy and immediate access for Italian companies to social security documentation, to obtain real-time single certification of regularity of contributions valid for 120 days, to be used for any purpose required by law. This project will lead to an annual saving for the government and businesses of over €100 million.

Seat PG has provided support and visibility to the campaign of institutional information dedicated to the project on the PagineBianche, PagineGialle and Tuttocittà websites, with their 600 million hits per year, confirming its vocation of service in the public interest and the ability to reach and connect institutions to citizens and businesses.

DIAMOCI UNA MANO (lend us a hand): a solidarity pact with the community to promote active citizenship in the municipalities.

Also alongside the Ministry of Labor and Social Policy, and through the widespread dissemination and use of its

online properties by Italian citizens, Seat PG supported and disseminated on #diamociunamano the initiative, arising from an agreement protocol between the Ministry, ANCI and the Third Sector Forum, aimed at persons collecting welfare to involve them in volunteer activities useful for society, in projects carried out jointly by the third sector, municipalities and local entities.

30 Ore per la Vita (30 Hours for Life): SeatPG for children.

The Association 30 Ore per la Vita launched the campaign “Anyone who saves a child’s life is a hero” to promote the protection of health of children. This year, the campaign focused on two areas: the promotion of pediatric airway clearance and support of the Home project targeting pediatric cancer patients and their families. The online course, with the testimonial of Lorella Cuccarini, teaches how to recognize foods and objects that are dangerous for children and how to act quickly in the event of choking. 50 children die of choking every year in Italy.

Always caring for the most vulnerable sections of the population, Seat PG joined the program promoting the campaign via its properties: on the company website www.seat.it (news section) and the site www.glamoo.com (All Deals section), you can buy or donate an online course for € 9.90. Also, a Facebook campaign has been uploaded to the Fan page of PagineGialle, with PostADV, with 4 different persons in rotation, to provide maximum visibility to the initiative. A portion of the profit from the sale of the course was provided to the “Home” project to offer a home to families that have to move to another city to treat their children suffering from cancer.

The Seat PG Group supports “EARTH HOUR”: THE GLAMOO GUFO FOR THE WWF.

Seat PG supported the worldwide WWF campaign “Earth Hour”, by putting Gufo teddies on sale for charity, along with mascots of Glamoo, an Italian social shopping company in the Seat PG Group. The profits from sales were dedicated to support of projects protecting the immense richness represented by biodiversity and natural ecosystems, many of which are vital for human populations. Info: www.earthhour.org.

Solidarity: a value suitable for children

At the end of the year, the children of Seat PG employees responded enthusiastically to support the activities of the Fondazione Forma – the foundation of the Turin Ospedale Regina Margherita, a highly specialized

children's hospital of national importance and center of reference for many children suffering from various serious diseases, including from other regions and foreign countries – by donating a toy of their own, during the usual annual hospital “Children’s Christmas” festival, to make the best of Christmas for the unfortunate children who are inpatients at the hospital. Hundreds of toys were collected, and Seat PG, having caught the enthusiasm of the children, decided to donate the budget usually reserved for gifts for employees’ children to the Foundation, along with 400 gadgets. which were sold during the Turin gathering of 16,000 Santa Clauses. The budget and proceeds of the sale went to support the initiative “Friendly Resonance – an examination suitable for children”, aimed at playfully demonstrating to children how CT and MRI scans work, reducing the level of anxiety they cause, but, more importantly, the percentage who require sedation.

With ItaliaOnLine, the launch of the operation codenamed “Santa Claus”

For years, ItaliaOnLine, Web pioneer and the first Italian ISP, has been engaged in computer and digital literacy projects, in particular in avant-garde schools, where it supports the teaching of programming languages to students and develops programs to integrate students into the world of work.

At the end of 2015, following the acquisition of SEAT Pagine Gialle, the collaboration codenamed “Santa Claus” was launched, as an initiative in keeping with “Class Gifts”, a plan for Christmas 2014, whereby ItaliaOnLine set up new IT labs in three outstanding high school specialized in sciences (Volta in Milan, Dini in Pisa and Virgilio in Rome) in the historic homes of the company, opening up its digital expertise to the public by organizing training session for children at each of the three institutions. Now, with the support of ItaliaOnLine and Seat Pagine Gialle, the three high schools will set up courses in programming led by specialized teachers, both from within their staff and others they select.

This commitment will not be limited to three high schools in Milan, Pisa and Rome. In 2016, a Turin institution will also be selected, to represent the historic headquarters of Seat PG and a city that has always had a strong innovative spirit.

" il **Giallo**

è professionalità "



Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

tutti gli strumenti più evoluti per il business

SeatPG
pagineGialle

15

Consolidated
Financial Statements
of the Seat
Pagina Glialle Group





Consolidated statement of the financial position as at December 31, 2015

Assets

<i>(euro thousand)</i>		As at 12.31.2015	As at 12.31.2014	Note
Non-current assets				
Intangible assets with indefinite useful life		-	-	(5)
Intangible assets with finite useful life		111,716	121,115	(7)
Property, plant and equipment		7,051	9,978	(8)
Leased assets		6,628	24,777	(9)
Other investments		3,568	10,254	(10)
Other non-current financial assets		2,145	869	(11)
Deferred tax assets		296	462	(30)
Other non-current assets		6,815	5,717	(14)
Total non-current assets	(A)	138,219	173,172	-
Current assets				
Inventories		3,789	3,927	(12)
Trade receivables		163,452	182,830	(13)
Current tax assets		24,669	27,567	(30)
Other current assets		41,415	44,615	(14)
Current financial assets		718	2,718	(18)
Cash and cash equivalent		114,734	108,455	(18)
Total current assets	(B)	348,777	370,112	-
Non-current assets held for sale and discontinued operations	(C)	-	-	(31)
Total assets	(A+B+C)	486,996	543,284	-

Liabilities

<i>(euro thousand)</i>		As at 12.31.2015	As at 12.31.2014	Note
Equity of the Group				
Share capital		20,000	20,000	(15)
Additional paid-in capital		117,155	117,155	(15)
Legal reserve		4,000	4,000	(15)
Reserve for foreign exchange adjustments		(52)	51	(15)
Reserve for actuarial gains (losses)		(769)	(1,768)	(15)
Other reserves		39,668	(1,344,176)	(15)
Profit (loss) for the year		(19,080)	1,379,167	-
Total equity of the Group	(A)	160,922	174,429	(15)
Non-controlling interests				
Share capital and reserves		(92)	4,056	-
Profit (loss) for the year		(36)	(4,148)	-
Total non-controlling interests	(B)	(128)	(92)	(15)
Total equity	(A+B)	160,794	174,337	(15)
Non-current liabilities				
Non-current financial debts		7,798	32,344	(18)
Non-current reserves to employees		14,030	15,651	(20)
Deferred tax liabilities and non-current tax payables		10,100	20,740	(30)
Other non-current liabilities		32,806	26,779	(21)
Total non current liabilities	(C)	64,734	95,514	-
Current liabilities				
Current financial debts		1,177	7,428	(18)
Trade payables		109,388	94,216	(23)
Payables for services to be rendered and other current liabilities		113,235	130,356	(23)
Reserve for current risks and charges		34,368	26,865	(22)
Current tax payables		3,300	14,318	(30)
Total current liabilities	(D)	261,468	273,183	
Liabilities directly associated with non-current assets held for sale and discontinued operations	(E)	-	250	(31)
Total liabilities	(C+D+E)	326,202	368,947	-
Total liabilities and equity	(A+B+C+D+E)	486,996	543,284	-

Consolidated income statement for 2015

	Year 2015	Year 2014	Note
<i>(euro thousand)</i>			
Sales of goods	4,463	5,112	(25)
Rendering of services	370,478	403,073	(25)
Revenues from sales and services	374,941	408,185	(25)
Other income	4,596	3,948	(26)
Total revenues	379,537	412,133	-
Costs of materials	(18,422)	(15,670)	(26)
Costs for external services	(224,439)	(238,050)	(26)
Salaries, wages and employee benefits	(87,349)	(95,292)	(26)
Valuation adjustments	(18,373)	(25,093)	(13)
Provisions to reserves for risks and charges, net	(1,931)	(1,933)	(21;22)
Other operating expenses	(2,728)	(3,467)	-
Operating income before amortization, depreciation, non-recurring and restructuring costs, net	26,295	32,628	-
Amortization, depreciation and write-down	(43,843)	(49,921)	(7-9)
Non-recurring costs, net	24,004	(7,242)	(26)
Restructuring costs, net	(32,788)	(1,001)	(26)
Operating results	(26,332)	(25,536)	
Interest expense	(4,350)	(130,573)	(27)
Interest income	1,769	2,221	(27)
Gains (losses) from subsidiaries disposal	(6,645)	(2,648)	(28)
Net income from execution of composition with creditors procedure	5,887	1,565,052	(29)
Profit (loss) before income taxes	(29,671)	1,408,516	-
Income taxes for the year	10,333	(15,069)	(30)
Profit (loss) on continuing operations	(19,338)	1,393,447	-
Profit (loss) from non-current assets held for sale and discontinued operations	222	(18,428)	(31)
Profit (loss) for the year	(19,116)	1,375,019	-
- of which pertaining to the Group	(19,080)	1,379,167	-
- of which non-controlling interests	(36)	(4,148)	-
	As at 12.31.2015	As at 12.31.2014	
Number of Seat Pagine Gialle S.p.A. shares	64,267,622,142	64,267,622,142	
- ordinary shares	n. 64,267,615,339	64,267,615,339	
- saving shares	n. 6,803	6,803	
weighted average shares outstanding	64,267,622,142	17,255,404,452	
Profit (loss) on continuing operations of the Group	€/thousand (19,302)	1,393,495	
Profit (loss) from non-current assets held for sale and discontinued operations of the Group	€/thousand 222	(14,328)	
Profit (loss) par share from continuing operations of the Group	€ (0.0003)	0.081	
Profit (loss) par share from non-current assets held for sale and discontinued operations of the Group	€ 0.000003	(0.00083)	

Consolidated statement of comprehensive income for 2015 \

	Year 2015	Year 2014	Note
<i>(euro/thousand)</i>			
Profit (loss) for the year	(19,116)	1,375,019	
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year:</i>			
Actuarial gains (losses)	999	(1,669)	
Profit (loss) from fair-value measurement of securities and investments AFS	(40)	-	
Profit (loss) from warrant valuation	4,715	-	
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year	5,674	(1,669)	
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year:</i>			
Profit (loss) from fair-value measurement of securities and investments AFS	-	(35)	(15)
Profit (loss) from translation of accounts of foreign subsidiaries	(103)	50	(15)
Profit (loss) from warrant valuation	-	(984)	
Other movement in the year	-	-	
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year	(103)	(969)	
Total other comprehensive income (expense), net of tax	5,571	(2,638)	
Total comprehensive income (expense) for the year	(13,545)	1,372,381	
- of which pertaining to the Group	(13,509)	1,376,549	
- of which pertaining to minority interests	(36)	(4,168)	

Consolidated statement of cash flows for 2015 \

		Year 2015	Year 2014	Note
<i>(euro thousand)</i>				
Cash inflow (outflow) from operating activities				
Operating result		(26,332)	(25,536)	
Amortization, depreciation and write-down		43,843	49,921	(7)-(8)-(9)
(Gain) loss on disposal of non-current assets		(1)	(11)	
Change in working capital		14,474	(32,083)	
Income taxes paid		(72)	(6,361)	
Change in non-current liabilities		11,119	(2,538)	
Foreign exchange adjustments and other movements		2	10	
Cash inflow (outflow) from operating activities	(A)	43,033	(16,598)	
Cash inflow (outflow) for investments				
Purchase of intangible assets with finite useful life		(29,466)	(27,517)	(7)
Purchase of property, plant and equipment		(1,355)	(2,361)	(8)
Other investments		(2,996)	(9,718)	
Proceeds from disposal of non-current assets		31	214	
Cash inflow (outflow) for investments	(B)	(33,786)	(39,382)	
Cash inflow (outflow) for financing				
Repayment of non-current loans		(2,127)	(2,870)	
Paid interest expense, net		875	1,389	
Change in financial asset and liabilities		(1,716)	(30,931)	
Cash inflow (outflow) for financing	(C)	(2,968)	(32,412)	
Cash inflow (outflow) from non-current assets held for sale and discontinued operations				
	(D)	-	(11,029)	(31)
Increase (decrease) in cash and cash equivalents in the year	(A+B+C+D)	6,279	(99,421)	
Cash and cash equivalents on continuing operations at the beginning of the year				
	(E)	108,455	196,426	(18)
Cash and cash equivalent of subsidiaris reclassified into non-current assets held for sale and discontinued operation at the beginning of the year				
	(F)	-	11,450	
Cash and cash equivalents at beginning of the year		108,455	207,876	(18)
Cash and cash equivalents at end of the year				
		114,734	108,455	

Consolidated statement of changes in equity for 2015

	Share capital	Addition paid-in capital	Legal reserve	Reserve for foreign exchange adjustments	Reserve for actuarial gains and (losses)	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
<i>(euro thousand)</i>										
As at 12.31.2014	20,000	117,155	4,000	51	(1,768)	(1,344,176)	1,379,167	174,429	(92)	174,337
Allocation of previous year profit (loss)	-	-	-	-	-	1,379,167	(1,379,167)	-	-	-
Total other comprehensive profit (loss) for the period	-	-	-	(103)	999	4,675	(19,080)	(13,509)	(36)	(13,545)
Other movements	-	-	-	-	1	1	-	2	-	2
As at 12.31.2015	20,000	117,155	4,000	(52)	(769)	39,668	(19,080)	160,922	(128)	160,794

Consolidated statement of changes in equity for 2014

	Share capital	Addition paid-in capital	Legal reserve	Reserve for foreign exchange adjustments	Reserve for actuarial gains and (losses)	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
<i>(euro thousand)</i>										
As at 12.31.2013	450,266	466,847	50,071	1	(322)	(1,962,167)	(347,603)	(1,342,907)	19,479	(1,323,428)
Capital increase	19,880	121,155	-	-	-	-	-	141,035	-	141,035
Allocation of previous year profit (loss)	-	-	-	-	-	(347,603)	347,603	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	(1,730)	(1,730)
Cover overall losses Seat	(450,146)	(470,847)	(46,071)	-	-	967,064	-	-	-	-
Deconsolidation Telegate AG	-	-	-	-	-	-	-	-	(13,675)	(13,675)
Total other comprehensive profit (loss) for the period	-	-	-	51	(1,448)	(1,221)	1,379,167	1,376,549	(4,168)	1,372,381
Other movements	-	-	-	(1)	2	(249)	-	(248)	2	(246)
As at 12.31.2014	20,000	117,155	4,000	51	(1,768)	(1,344,176)	1,379,167	174,429	(92)	174,337

Accounting policies and explanatory notes \

1. Company information

SEAT is the only media agency to offer local marketing services throughout Italy. In addition to traditional paper and telephone visibility services, it offers companies 360-degree support in promoting their activities on the Internet, through a network of agencies (the SEAT media agencies). SEAT's web marketing services include website and mobile site construction and management, multimedia content creation, web visibility, e-commerce and online marketing and managing clients' presence on social networks.

It also offers advertising on third-party, digital, television, radio and cinema media in partnership with specialist operators.

The Parent Company, Seat Pagine Gialle S.p.A., has its registered office in Turin located at Corso Mortara 22, and has a share capital of € 20,000 thousand; the duration as required by the Statute is until December 31, 2100.

The Group's main activities are described in the report on operations, under the heading "Financial performance by Business Area".

2. Basis of presentation

The consolidated financial statements were drafted in accordance with the provisions of Legislative Decree No. 38 of February 28, 2005, applying the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board and approved by the European Union, including all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC), and in compliance with the applicable Consob regulations. The Seat Pagine Gialle Group adopted IAS/IFRS in compliance with Regulation (EC) No. 1606 of July 19, 2002. The Consolidated Financial Statements were drawn up based on the historical cost principle, except for Other Investments which were recorded at fair value.

The financial statement formats adopted are consistent with those of IAS 1. The specifics:

- the consolidated statement of financial position was prepared by classifying assets and liabilities as "current/non-current" and showing "Non-current assets/liabilities held for sale and discontinued operations" as two separate items, as required by IFRS 5;
- the consolidated income statement was prepared by classifying operating costs by type, as this is considered the best way to present the Group's activities and complies with internal reporting methods. In addition, the economic results of continuing operations are separated by "net profit (loss) from continuing non-current assets held for sale and discontinued operations" as required by IFRS 5. As required by Consob resolution no. 15519 of July 27, 2006, in the context of the profit and loss statement by type, income and expenditure from non-recurring transactions were specifically identified, highlighting their impact on the operating result.

Non-recurring income and expenses include those which, by their nature, do not occur continuously in the normal course of operations, such as:

- company restructuring costs;
- stock option plan costs;
- extraordinary and highly strategic consultancy (relating mainly to identifying and implementing solutions for the financial and/or corporate restructuring);
- costs linked to director and department manager severance pay;

In keeping with the provisions of IAS 1, according to which an entity must present additional items, headings and subtotals in the statements of profit (loss) for the financial year and other comprehensive income when that presentation is significant for the purpose of understanding the entity's operating and financial results, the item "Net income from composition with creditors" was inserted into the aforementioned statements to show the economic effects of the execution of the composition with creditors proposals.

- the consolidated statement of comprehensive income shows the cost and/or revenue items not yet recognized in the statement of operations with an impact on Group equity as at the reporting date;
- the consolidated statement of cash flows was prepared by recording cash flows from operating activities according to the "indirect method," as allowed by IAS 7, showing cash flows from operating, investment and financial activities separately from those from non-current assets held for sale and discontinued operations.

Cash and cash equivalents in the financial statement include cash, checks, bank overdrafts and short-term securities which are readily convertible into cash.

Cash flows from operating activities were presented after adjusting the fiscal year's operating result for the effects

of: non-cash transactions; any deferment or setting aside of past or future operating receipts or payments; items of income or expenditure associated with investing or financing cash flows or which relate to non-current assets held for sale and discontinued operations.

- The statement of changes in equity shows the changes that took place in equity items in relation to:
 - the allocation of the result for the year of the Parent Company and the subsidiaries to minority interests;
 - the breakdown of the total profit/(loss);
 - the effect of errors or changes in accounting policies.

The data are presented in euros and all figures have been rounded off to the nearest thousand, unless otherwise indicated.

On March 15, 2016, the Board of Directors authorized publication of the Seat Pagine Gialle Group's Consolidated Financial Statements at December 31, 2015.

2.1 Going concern evaluation

The annual financial report of December 31, 2015 was prepared on the assumption of the continuation of the company's activity, since there is a reasonable expectation that Seat Pagine Gialle S.p.A. will continue to operate for the foreseeable future (and in any case for a timespan of more than twelve months).

2.2 Consolidation principles

The consolidated financial statements include the separate financial statements of Seat Pagine Gialle S.p.A. and its subsidiaries. Where necessary, these financial statements have been amended to make them consistent with the measurement criteria adopted by the Parent Company.

Subsidiaries:

The Parent Company Seat Pagine Gialle S.p.A. has control when it simultaneously has:

- decision-making power over the investee, i.e., the ability to direct the investee's relevant activities, or those activities that significantly affect the investee's returns;
- the right to variable (positive or negative) returns from the investee;
- the ability to affect these returns through its power over the investee.

The company reassesses whether it controls the investee any time that events or circumstances indicate that one or more of the three elements of control has changed.

The subsidiaries are consolidated fully as of the date of acquisition, or the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside of the Group or if they are held for sale.

The following principles of consolidation were also used:

- recognition of assets, liabilities, costs and revenue in their total amount, not considering the amount of equity held, and recognizing to minority interests, in separate items, the share of equity and profit for the year pertaining to them;
- elimination of receivables and payables, as well as costs and revenue arising from intra-group transactions;
- elimination of intra-group dividends.

Non-controlling interests represent the portion of the profit or loss and equity of the subsidiaries not held by the Group. These are presented separately from the portions pertaining to the Group in the consolidated statements of operations and equity.

2.3 Accounting estimates and assumptions

Pursuant to IAS/IFRS, when preparing consolidated financial statements and corresponding explanatory notes, the management must make estimates and assumptions that affect the figures for revenue, costs, and assets and liabilities in the financial statements, as well as the information on contingent assets and liabilities as at the closing date. The actual results may differ from these estimates.

The estimates are used to measure the provisions for risks on receivables and errors, amortization, asset depreciation, employee benefits, taxes, restructuring reserves and other provisions and reserves.

The estimates and assumptions are periodically reviewed, and the effects of any change are immediately reflected in the profit and loss account.

These valuations and estimates must be considered together with the measurement criteria described in more detail in Note 4.

3. Accounting principles and interpretations issued by the IASB/IFRIC

3.1 Accounting Policies, Amendments and Interpretations Issued by the IASB/IFRIC, Applicable from January 1, 2015

On December 18, 2014, EU Regulation No. 1361-2014 was issued; endorsing certain improvements to the IFRS at Community level for the period 2011-2013.

These improvements specifically involved the following matters:

- “Amendment to IFRS 3 – Business Combinations”; this amendment clarifies that IFRS 3 does not apply when accounting for the formation of any type of joint arrangement in the financial statements of the joint arrangement itself (IFRS 11);
- “Amendment to IFRS 13 – Fair Value Measurement”; this amendment clarifies that the principle of measuring groups of financial assets and liabilities on a net basis applies to all contracts accounted for within the scope of IAS 39/IFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in IAS 32;
- “Amendment to IAS 40 – Investment Property”.

These amendments – which came into force from January 1, 2015 – do not have a significant impact on the Group’s half-year consolidated financial statement.

On December 17, 2014, EU Regulation No. 28-2015 was issued; this endorsed some improvements to the IFRS at Community level for the period 2010-2012. With regard to the aforementioned modifications, the following should be specifically noted:

- “Amendment to IFRS 2 – Share-based payment”: this amendment consists of clarification of some of the features of vesting conditions;
- “Amendment to IFRS 3 – Business combinations”: this amendment clarifies the methods of accounting for “contingent consideration” in a business combination;
- “Amendment to IFRS 8 – Operating segments”: this amendment introduces additional disclosures to be presented in the financial statement about the way in which operating segments are aggregated;
- “Amendment to IFRS 13” – there have been changes in order to clarify that it is possible to measure short-term receivables and payables at the face value of the invoice if the impact of discounting is immaterial;
- “Amendment to IAS 16 – Property, Systems and Equipment” (Revaluation method – proportionate restatement of accumulated depreciation);
- “Amendment to IAS 24 – Related Party Disclosures” (Key

management personnel);

- “Amendment to IAS 38 – Intangible assets” (Revaluation method – proportionate restatement of accumulated amortization).
- “Amendments to IAS 19 – Employee benefits, Defined Benefit plans”, contributions from employees, arising from EU Regulation No. 29-2015 of December 17, 2014. These changes are specifically intended to clarify how to account for contributions made by employees under a defined benefit plan. The change is not mandatory for financial statements ending December 31, 2015 but may be applied on a voluntary basis. The objective of the amendment is to simplify accounting for contributions to pension plans which are independent of the number of years of service and are paid by third parties or employees. In some countries, the conditions of pension plans require employees or third parties to contribute to the pension plan at a reduced cost which is borne by the employer. These are non-discretionary contributions; the current version of IAS 19 requires that they be considered as per the accounting for defined benefit plans, including them in the measurement of liabilities and attributing them to “work periods”, according to the provisions of paragraph 70 of the standard.

These amendments – which came into force from January 1, 2015 – do not have a significant impact on the Group’s half-year consolidated financial statement.

3.2 New standards and interpretations issued by the IASB, endorsed by the EU, but not yet effective

At the date of preparation of the current consolidated financial statement, the following new Standards / Interpretations have been issued by the IASB and endorsed by the EU but are not yet effective:

- IFRS 11 – the amendment requires that an entity adopts the principles contained in IFRS 3 to determine the accounting effects resulting from the acquisition of an interest in a joint operation which constitutes a “business”. This standard applies both to the acquisition of an initial stake and to subsequent acquisitions of additional interests. However, a previously held shareholding is not re-evaluated when the acquisition of an additional share does not alter the joint control (i.e. the additional acquisition does not involve obtaining control over the investee).
- Amendments to IAS 16 (Property, systems and equipment) and to IAS 38 (Intangible assets) – Clarification of methods of amortization applicable to intangible and tangible assets:

application mandatory from January 1, 2016. The amendment made to both these standards states that it is incorrect to base the evaluation of an asset's amortization on the revenues it generates itself in a given period. According to the IASB, the revenues generated by assets generally reflect factors other than the consumption of the economic benefits derived from the asset itself;

- Improvements to the IFRS (2012-2014 cycle): application mandatory from January 1, 2016:
 - IFRS 5 Non-current assets held for sale and discontinued operations: these amendments relate to changes in the methods of disposal (from a plan to sell to a plan to distribute to shareholders and vice versa);
 - IFRS 7 Financial instruments: disclosures - these amendments relate to the disclosure on servicing contracts, in terms of continuing involvement, and to whether the disclosure required by IFRS 7, on the offsetting of financial assets and liabilities on interim financial statements, is applicable;
 - IAS 19 Employee benefits: the subject of this amendment is the discount rate (with reference to market area);
 - IAS 34 Interim financial reporting: the amendment clarifies how the information included in the interim financial statement may be supplemented by other available information contained in other sections of the Interim Report (e.g. the Business report) through the incorporation by reference technique.

These amendments must be applied from January 1, 2016. It is expected that these changes will not have a significant impact on the Group's consolidated financial statement.

- Amendment to IAS 1 - Presentation of financial statements: the changes, which are part of a wider initiative to improve the presentation and disclosure of financial statements, specifically include updates in the following areas: materiality, aggregation of items, display of subtotals, structure of financial statements and disclosure as regards accounting policies. The amendment also modifies the demands for additional information by other components of the comprehensive income statement. Paragraph 82A of IAS 1 now explicitly requires that the share of OCI attributable to equity-accounted associates and joint ventures be presented, indicating which of these amounts will or will not subsequently be reclassified under profit (loss) for the financial year.

These amendments must be applied from January 1, 2016. It is expected that these changes will not have a significant impact on the Group's consolidated financial statement.

New standards and interpretations issued by the IASB and not yet approved by the EU

As on the reporting date of the present consolidated financial statement, the following new Standards / Interpretations have been issued by the IASB but have not yet been approved by the EU:

- IFRS 14 (Regulatory deferral accounts– Deferred accounting of regulated activities) applicable starting January 1, 2016;
- Accounting for acquisition of interests in joint operations (Amendments to IFRS 11 – Joint arrangements): application mandatory from January 1, 2016;
- Amendments to IFRS 10 (Consolidated Financial Statements) and IAS 28 (Investments in associates and joint ventures): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: application mandatory from January 1, 2016. There is a conflict between the provisions contained in IFRS 10 and IAS 28 in the event that an investor sells or contributes a business to its associate or joint venture, in that:
 - according to IFRS 10, in the event of loss of control by an investee, an investor should recognize the difference between the fair value of the consideration received and the book value of assets and liabilities eliminated in its financial statement, as a profit or loss in the profit and loss account (as best defined by paragraphs B98 and B99 of IFRS 10); however,
 - in accordance with paragraph 28 of IAS 28, the effect of transactions between an investor and its own associate or joint venture are only recognized in the financial statement up to the third party's share in that associate or joint venture.

The amendment made to the two standards is that, in the case of the sale or contribution of a business to its own associate or joint venture, the investor applies the principles contained in IFRS 10 and recognizes the entire capital gain or loss resulting from the loss of control in its own financial statement. The amendment does not apply in the event that the assets sold or contributed to its associate or joint venture do not constitute a business under IFRS 3. In the latter case, the profit or loss will be recognized on the basis set out in paragraph 28 of IAS 28.

- Amendments to IFRS 12, IFRS 10 and IAS 28 (Investment entities – Exception to consolidation): application mandatory from January 1, 2016;
- Amendments to IAS 1 (Initiative on financial statement disclosures): application mandatory from January 1, 2016.
- IFRS 15 (Revenue from contracts with customers): application mandatory from January 1, 2017;
- IFRS 9 (Financial instruments): application mandatory from January 1, 2018.

4. Assessment Criteria

Intangible assets

Intangible assets acquired separately are initially capitalized at cost, while those acquired as part of a business combination are capitalized at a fair value as on the date of acquisition. After initial recognition, intangible assets are stated at cost, net of accumulated depreciation and any accumulated impairment losses. Internally generated intangible assets, excluding development costs, are not capitalized and are recorded in the statement of operations for the financial year in which they are incurred. The useful life of intangible assets is recognized as finite or infinite.

Intangible assets with a finite useful life are amortized over their useful life and are subject to impairment tests whenever there are signs of possible impairment. The amortization period and method applied are reviewed at the end of each financial year, or as often as necessary. The amortization methods applied are as follows:

- *marketing-related intangible assets: customer relationship assets and databases, amortized on a straight-line basis over a period of four to 10 years, taking into account their useful life;*
- *Industrial patent rights and rights to use the works of business intelligence are amortized over the estimated useful life;*
- *concessions, licenses, trademarks and similar rights are amortized over the estimated useful life;*
- *costs for the acquisition of application software are amortized over three years;*
- *other capitalized costs are amortized over a period of three to five years.*

Gains or losses on the disposal of an intangible asset are calculated as the difference between the divestment value and the book value of the asset and are recorded in the statement of operations at the time of disposal.

Research costs are allocated to the statement of operations at the time they are incurred.

Development costs incurred in relation to a specific project are capitalized only when the Company can demonstrate its ability and intention to complete the intangible asset to make it available for use or sale. The company must also be able to demonstrate how the asset will generate probable future economic benefits, the availability of technical, financial or other resources to complete its development, and its ability to reliably measure the cost attributable to the asset during its development. After their initial recognition, development costs are valued at cost, net of any amortization or accumulated impairment losses. Any capitalized development cost is amortized

over the period during which the respective project is expected to generate revenues.

The carrying value of development costs is reviewed annually in order to record any loss in value when the asset is not yet in use, or more frequently when there is an indication of a possible impairment during the year.

Intangible assets with an indefinite useful life refer to goodwill. Goodwill resulting from an acquisition or merger is initially valued as described in the "Business combinations" section.

After initial recognition, goodwill is measured at a cost less any accumulated impairment losses: it is evaluated annually, or more frequently if events or changes in circumstances indicate that it suffered a loss of value, to identify any reductions in value (impairment test), in accordance with IAS 36 (impairment of assets).

On the date of its initial recognition, goodwill is allocated to each of the cash-generating units (CGUs) expected to benefit from the synergies of the acquisition. Any impairment losses are identified through assessments based on the ability of each unit to generate sufficient cash to recover the portion of goodwill allocated to it.

If the value recoverable by the CGU is lower than the book value attributed to the relevant portion of goodwill, an impairment loss is recorded. If the goodwill is attributed to a CGU whose assets are partially disposed of, the goodwill associated with the assets sold is taken into consideration for the purposes of calculating any capital gains (losses) on the transaction. In such circumstances, the goodwill sold is measured in relation to the assets disposed of by the CGU as a proportion of the assets it still owns.

Property, plant and equipment

Property, plant and equipment are recorded at acquisition cost, including directly attributable additional costs, and are displayed net of depreciation and accumulated impairment losses.

Costs incurred after the acquisition are capitalized only if they increase the future economic benefits of the asset to which they are related. All other costs are recognized in the statement of operations at the time they are incurred. Costs incurred to maintain the efficiency of an asset are recorded in the financial year they are incurred.

Land, including that pertaining to company buildings, is not depreciated.

Depreciation is calculated systematically based on rates considered to represent an appropriate distribution of the book value of property, plant and equipment, according to their residual useful life.

With regard to assets disposed of during the financial year, depreciation is calculated for the portion relating to

the period of availability of the assets in question, except for assets acquired during the financial year.

Leased assets

Assets held via finance leases, pursuant to which all risks and benefits related to ownership of the asset are essentially transferred to the Group, are recorded as assets at their fair value or, if lower, the current value of all minimum payments due pursuant to the lease, including any sums to be paid for exercising a call option. The corresponding liability due to the lessor is recorded under financial liabilities in the financial statements. The financial expense is allocated directly to the statement of operations.

With regard to the Turin real estate complex, the assets under financial leasing are amortized over a period that reflects their useful life. Leases pursuant to which the lessor essentially retains all risks and benefits related to ownership of the assets are classified as operating leases. Operating lease payments are recorded in the statement of operations on a straight-line basis for each financial year of the term of the lease.

Impairment of Assets

At the end of each financial year, the Seat Pagine Gialle Group assesses the existence of impairment indicators. If impairment indicators exist, or if an annual impairment test is required, the Group estimates the recoverable amount of the asset in question. The recoverable amount is the greater of the fair value of an asset or CGU, net of sale costs, and its value in use, and is calculated for each individual asset, except when the asset in question does not generate cash that is completely independent of that generated by other assets or groups of assets. If the carrying value of an asset is greater than its recoverable amount, the asset has been impaired and is consequently written down to its recoverable amount. When calculating an asset's value in use, the Seat Pagine Gialle Group discounts estimated future cash flows to their present value using a discount rate that reflects market valuations of the time value of money and the specific risks of the asset. Impairment losses on continuing operations are recorded under the cost categories relating to the function of the impaired asset in the statement of operations.

Investments - associates and joint ventures

Investments in associates and joint ventures are included in the consolidated financial statements with the equity method, as required under "IAS 28 - Investments in Associates and Joint Ventures" and "IFRS 11 - Joint Arrangements". An associate is a company in which the Group holds at least 20% of the voting rights, or over which

it exercises significant influence, but not control or joint control.

Under the equity method, the equity investment is recorded in the statement of financial position at cost, plus any changes (subsequent to the acquisition) in the share of the net assets of the associate or joint venture pertaining to the Group. The goodwill relating to the associate or joint venture is included in the carrying value of the equity investment and is not subject to amortization. After the initial recognition of an equity investment, the Group determines whether it is necessary to record any impairment losses. The statement of operations reflects the share of the associate's or joint venture's profit for the financial year pertaining to the Group. If an associate or joint venture records adjustments directly attributable to equity, the Group records the share of the adjustments that pertains to it and, where applicable, recognizes this in the statement of changes in equity.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associates and joint ventures are included in the consolidated financial statements for as long as the investor has significant influence or joint control. In application of the equity method, investments in associates or joint ventures are initially recognized at cost, and the carrying value is increased or decreased to recognize the investor's share of the investee's profit or loss after the acquisition date. The investor's share of the investee's profit or loss is recognized in the consolidated statement of operations. Dividends received from an investee decrease the investment's carrying value. If an entity's share of the losses of an associate or joint venture is equal to, or greater than, its interest in the associate or joint venture, the entity discontinues recognizing its share of further losses. After the interest is reduced to zero, additional

losses are allocated and recognized as a liability only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The closing date of the financial year for associates and joint ventures is the same as that of the Seat Pagine Gialle Group. The accounting standards used are those used by

the Group for transactions and events of the same nature and in similar circumstances.

Other Investments

Other investments (other than those in subsidiaries, associates and joint ventures) are classified as non-current assets if the Group intends to maintain them for more than 12 months or, otherwise, as current assets. They are classified in the following categories at the time of acquisition:

- “financial assets available for sale”, under either non-current or current assets;
- “assets at fair value through profit or loss”, under current assets if they are held for trading.

Other investments classified as “financial assets available for sale” are measured at fair value. Changes in the value of these investments are recognized in an equity reserve through allocation to other comprehensive income (Reserve for fair value adjustment of financial assets available for sale), which is transferred to the profit and loss account at the time of disposal or impairment believed to be definitive. Other unlisted investments classified as “financial assets available for sale” for which the fair value cannot be determined reliably are measured at cost adjusted by impairment losses recognized in the profit and loss account in accordance with the provisions of IAS 39 (Financial Instruments: recognition and measurement). Impairment losses on other investments classified as “financial assets available for sale” cannot be reversed subsequently.

The exchange rates used are as follows:

<i>Euro/Currency</i>	Average exchange rate	Exchange rate as at December 31, 2015	Average exchange rate	Exchange rate as at December 31, 2014
Pound sterling	1,37554851	1,357220413	1,261045257	1,287830006

(*) The equity investment in Glamoo Ltd has been consolidated as far as May 31, 2014

Changes in the value of other investments classified as “financial assets at fair value through profit or loss” are recognized directly in the income statement.

Effects of changes in exchange rates

Financial statements of subsidiaries that are not euro denominated are translated into euros by applying year-end exchange rates (current exchange-rate method) to statement of financial position items and year-average exchange rates to statement of operations items. Translation differences arising from the conversion of opening equity and closing profit/loss are recognized in the statement of comprehensive income until disposal of the equity investment concerned.

The consolidated statement of cash flows applies year-average exchange rates to the conversion of the cash flows of foreign subsidiaries.

Transactions in foreign currency are initially recorded at the existing exchange rate (relating to the functional currency) on the transaction date. Monetary assets and liabilities denominated in foreign currency are reconverted into the functional currency at the existing exchange rate on the closing date of the financial year.

All foreign-exchange differences are recorded in the statement of operations. Non-monetary items valued at historical cost in foreign currency are converted using the exchange rates in force on the date the transaction is initially recognized. Non-monetary items recorded at fair value in foreign currency are converted using the exchange rate in force on the date this value is determined.

Financial assets

IAS 39 provides the following types of financial instruments: financial assets at fair value through profit or loss, loans and receivables, investments held-to-maturity and available for sale. Initially all financial assets are recorded at fair value, plus any additional costs.

The Seat Pagine Gialle Group determines how to classify its financial assets after their initial recognition and, where appropriate and allowed, reviews this classification at the end of each financial year.

All standardized acquisitions and sales of financial assets (acquisitions and sales of assets with delivery in the period generally provided for by the regulations and market conventions in which the exchange takes place) are recorded on the transaction date, or on the date the Group undertakes to acquire such assets.

Financial assets include:

- *under financial assets at fair value through profit or loss*, the category of financial assets held for trading, comprising financial assets acquired in order to be sold in the short term. These assets are measured at fair value. Gains or losses on assets held for trading are recognized in the statement of operations;
- *investments held to maturity*: non-derivative financial assets with fixed or determinable payments and a fixed maturity where an entity intends and is able to hold to maturity. They are recorded at fair value and subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are entered in the income statement when the investment is de-recognized for accounting purposes or when impairment occurs beyond the amortization process;
- *loans and receivables*: non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are valued based on the amortized cost criterion, using the effective interest rate method. Gains and losses are recognized in the statement of operations when the loans and receivables are eliminated or impaired, and through the amortization process;
- *financial assets available for sale*: non-derivative financial assets designated as such or not classified in any of the previous categories. This category includes equity investments in companies other than subsidiaries, associates and joint ventures. Such financial assets are valued at fair value based on internal estimates, and the corresponding gains and losses are recorded in a separate item under equity until such assets have been eliminated from the books or until it is ascertained that they have undergone a loss in value. In either of these cases, the gains or losses accumulated

up to that time in equity are allocated to the statement of operations.

Valuations are frequently carried out to find objective evidence of impairment of a financial asset or group of assets. If there is objective evidence, the impairment is recorded as a cost for the financial year in the statement of operations.

Cash and cash equivalents

Cash and cash equivalents include cash and on-demand and short-term bank deposits with an original maturity of three months or less.

Financial debts

Financial debts are recorded at amortized cost.

Medium- and long-term loans are recorded net of additional transaction costs incurred.

Derivatives

According to IAS 39.9, a derivative is a financial instrument or other contract included in the scope of application of IAS 39 with the following three features: "a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; b) it requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors; and c) it is settled at a future date".

In accordance with the provisions of IAS 39, derivatives are accounted for using hedge accounting only if, at the inception of the hedge, the derivative is formally designated as such, and the hedge is highly effective and this effectiveness can be reliably measured. All derivatives are measured at market value.

When derivatives meet the necessary criteria for hedge accounting, the following accounting treatment is applied:

- *fair value hedge*: if the derivative is designated as a hedge against exposure to changes in the current value of an asset or liability attributable to a particular risk that may have an effect on the statement of operations, the gain or loss arising from subsequent measurements of the current value of the derivative is recorded in the statement of operations. Gains or losses on the hedged item that are attributable to the hedged risk change the book value of this item and are recorded in the statement of operations;
- *cash flow hedge*: if a financial instrument is designated as a hedge against exposure to changes in the cash

flows of an asset or liability or of a highly probable transaction that may have an impact on the statement of operations, the effective portion of the gains or losses on the financial instrument is recorded in the statement of comprehensive income. The accumulated gains or losses are recognized in the statement of operations in the period in which the hedged transaction is recorded. The gains or losses associated with a hedge or the ineffective portion of the hedge are immediately recorded in the statement of operations.

The Seat Pagine Gialle Group used derivatives exclusively to hedge interest- and exchange-rate risk. It does not currently use derivatives for those purposes.

Inventories

Inventories are valued at the lesser of the acquisition or production cost and the value inferred from market trends.

To be more specific, they include:

- raw materials, which are valued at acquisition cost, including additional costs, calculated using the progressive weighted average cost method;
- products in process, which are valued based on directly attributable costs, taking into account auxiliary production costs and the depreciation and amortization of assets used;
- contract work in progress, comprising services not yet completed at the end of the financial year in relation to contracts for inseparable services that will be completed in the next 12 months, which are valued at production cost;
- finished products, comprising telephone directory products, which are valued at production cost and may be adjusted via a corresponding write-down in relation to the period of publication;
- goods, relating to the merchandising of products acquired for resale, which are valued at acquisition cost.

Trade and other receivables

Trade receivables arising from the sale of goods or services produced or marketed by the Group, including those with a maturity of greater than 12 months, are included in current assets. They are recognized at the original invoice amount net of allowance for doubtful accounts, accrued based on estimates of the risk of outstanding bad loans at year-end.

Reserves for risks and charges

These reserves are recorded when, pursuant to a legal or constructive obligation to a third party, it is likely that the Company will have to use financial resources to fulfill its

obligation, and when the value of the obligation can be reliably estimated.

Changes in the estimate are reflected in the statement of operations in the financial year in which they take place.

In case of reserves for future risks (beyond 12 months), the liability, if significant, is discounted at a pre-tax discount rate that reflects the current market valuation of the market cost of money. The increase in the reserves due to the passage of time is recognized as a financial expense.

They can be broken down into:

- *reserve for taxes*: this includes a provision that corresponds to an assessment of fiscal risks;
- *reserve for sales agents' termination indemnities*: this represents the debt due at the end of the financial year to active sales agents for the indemnities owed to them in the event of termination of the agency contract, based on the Collective Economic Agreement;
- *reserve for commercial and contractual risks and other charges*: this is designed to cover risks associated with the execution of contractual commitments and legal disputes in progress, as well as any other liabilities;
- *reserve for risks and charges related to equity investments*: this is designed to cover balance sheet deficits incurred by subsidiaries, associates and joint ventures in excess of the direct write-down recorded in relation to these companies; the reserve also covers the risks and liabilities arising from the restructuring of equity investments held for sale or liquidation;
- *restructuring fund*: this is designed to cover risks associated with the execution of a program planned and controlled by management to significantly change the scope of an activity undertaken by a company or the way in which the company is run.

Employee benefits

Pension plans

The Seat Pagine Gialle Group operates various types of defined-benefit and defined-contribution pension plans, in accordance with the conditions and local practices of the countries in which it operates. Defined-benefit pension plans are based on the expected remaining average working life of the employees paying for the plans and the remuneration they receive throughout a predetermined period of service.

Assets intended to fund the reserves for benefit pension-defined plans and the related annual cost recorded in the statement of operations are valued by independent actuaries using the projected unit credit method.

Actuarial gains and losses are immediately recognized in

the year in which they occur, being recorded on the statement of comprehensive income and in a dedicated “Reserve for actuarial gains (losses)” under equity.

Accrued liabilities are recorded net of assets intended to fund their future provision.

Contribution-defined pension plan payments are recorded in the statement of operations as a cost, where applicable.

Employee severance indemnities

The reserve for severance indemnities held by Italian companies, insofar as it continues to represent an obligation for the Company, is considered to be a benefit-defined plan and is accounted for in the same way as other benefit-defined plans.

Share-based payment

Pursuant to the provisions of “IFRS 2 - Share-based Payment”, the total amount of the fair value of the stock options on the grant date is recognized in the statement of operations as a cost during the vesting period in equal monthly installments, with a counter-entry made in the statement of comprehensive income in a dedicated reserve under equity. The fair value is calculated by an external valuer using a lattice model, which does not take into account conditions relating to the achievement of objectives (performance), but does consider conditions that influence the Seat Pagine Gialle Group’s share price (market conditions). Changes in the fair value after the grant date do not have an impact on the initial valuation. The accumulated costs recorded on the closing date of each financial year are based on the best available estimate of the number of equity instruments that will actually come to maturity. The cost in the statement of operations for the financial year represents the change in the accumulated cost recorded at the beginning and end of the year. The dilutive effect of options not yet exercised is reflected in the calculation of diluted earnings per share. With reference to the financial statements at December 31, 2015, the Seat Pagine Gialle Group does not grant additional benefits to specific categories of employees considered to be “key”, due to their responsibilities and/or skills, through stock option plans.

Adoption of IFRIC 19

The extinguishing of financial liabilities by issuing equity instruments in the previous year was accounted for in accordance with the IAS 39 interpretation entitled “IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments”. This interpretation defines the accounting process to be applied if the terms of a financial liability are renegotiated resulting in the issue of equity instruments

to the creditor in order to fully or partially extinguish the same financial liability.

This interpretation guides the measurement and accounting of the transaction from the debtor/issuer side, and clarifies that:

- the issue of equity instruments entails the derecognition of the liability;
- the equity instruments issued are the consideration paid to extinguish the debt, in accordance with IAS 39, paragraph 41;
- the equity instruments issued should be measured at fair value at the date on which the financial liability is extinguished. The fair value was determined by referring to stock market listings;
- the difference between the carrying value of the liability and the fair value of the equity instruments issued is recognized as income or expense in profit or loss. Due to the extent of the profit, it was recognized on a new line of the statement of operations entitled “Net income from composition with creditors”.

Non-current assets held for sale and discontinued operations - disposal groups (IFRS 5)

Non-current assets held for sale and discontinued operations refer to business lines and assets (or groups of assets) sold or being disposed, whose carrying value has been or will be recovered mainly through the sale thereof, rather than through continued use. Non-current assets held for sale are measured at the lesser of net carrying value and fair value, minus sale costs.

Discontinued operations are a part of the Group that has been disposed of or classified as held for sale, and:

- represents a significant business unit or geographical area of activity;
 - is part of a coordinated plan to dispose of a significant business unit or geographical area of activity;
- or
- is a subsidiary acquired solely to be resold.

In accordance with IFRS, the data relating to significant business lines (discontinued operations) are presented as follows:

- In two specific statement of financial position items: “Non-current assets held for sale and discontinued operations” and “Liabilities directly associated with non-current assets held for sale and discontinued operations”;
- In a specific consolidated statement of operations item: “Net profit/(loss) on non-current assets held for sale and discontinued operations”.
- In a specific consolidated statement of cash flows item: “Cash inflow/(outflow) from non-current assets held for sale and discontinued operations”.

The corresponding statement of operations and statement of cash flows values relating to the previous financial year, where present, are reclassified and presented separately for comparative purposes.

With regard to business lines considered not significant (assets held for sale), the statement of financial position figures alone is presented separately in two specific items ("Non-current assets held for sale and discontinued operations" and "Liabilities directly associated with non-current assets held for sale and discontinued operations"); there was no need to restate the relevant comparative values.

Business combinations

Pursuant to "IFRS 3 - Business Combinations", goodwill is recognized in the consolidated financial statements as at the date of acquisition of control of a business, and represents the excess of a) over b), where:

a) is the sum of:

- the amount paid (measured in accordance with IFRS 3, generally calculated based on fair value as at the acquisition date);
- the value of any minority interest in the acquired entity, valued in proportion to the minority interest in the identifiable net assets of the acquired entity, recognized at fair value;
- in the case of a business combination carried out in several stages, the fair value as at the date of acquisition of control of the equity interest already held in the acquired company;

b) is the fair value of the identifiable assets acquired, net of the identifiable liabilities assumed, measured as at the date of acquisition of control.

IFRS 3 also stipulates that:

- accessory costs associated with the business combination must be recognized in a separate consolidated statement of operations;
- in the case of a business combination carried out in several stages, the acquirer must remeasure the value of the equity interest it previously held in the acquired entity at fair value as at the date of acquisition of control, recognizing the difference in a separate consolidated income statement.

Goodwill is classified as an intangible asset with an indefinite useful life.

The goodwill initially recognized is subsequently reduced only for accumulated impairment losses (for further details, please see the "Impairment of intangible assets and property, plant and equipment - goodwill" section below). In the event of the loss of control of a previously acquired company, the calculation of the capital gain or loss on the transaction takes account of the corresponding value of goodwill.

Recognition of revenues

Revenues are recorded to the extent that the corresponding economic benefits are likely to be achieved by the Group and the related amount may be reliably calculated. The following criteria must be met when allocating revenues to the statement of operations:

- *sale of assets*: the revenue is recognized when the Company has transferred all significant risks and benefits associated with ownership of the asset to the acquirer;
- *provision of services*: print revenues, which relate to the publication of paper directories, are recorded in full at the time of publication, whereas online and voice revenues are recorded on a straight-line basis throughout the duration of the contract. Consequently, the amount relating to advertising services already invoiced that will be executed after the closing date of the financial year is recorded under liabilities in the statement of financial position, under the item "Payables for services to be rendered".
- *interest*: this is recorded as financial income following an assessment of relevant interest income using the effective interest rate method;
- *dividends*: these are recorded when the shareholders are entitled to receive the payment.

Government grants

Government grants are recorded when there is a reasonable certainty that they will be received and all the conditions relating thereto are met. When grants relate to cost components, they are recorded as revenues but are systematically distributed over several financial years so as to be proportionate to the costs they are intended to offset. If grants relate to an asset, their fair value is recorded in the statement of financial position as an adjustment to the carrying value of the asset.

Financial income and expense

Interest income and expense and other income and expense are recognized and shown in the financial statements on an accrual basis.

In accordance with "IAS 23 - Borrowing Costs", financial expenses directly related to the acquisition, construction and production of assets that require a significant period of time to be ready for use or sale are capitalized as part of the cost of the asset. The Group has not had expenses of this type to date. If these requirements are not satisfied, financial expense is recognized in the statement of operations on an accrual basis.

Income taxes

Current taxes

Current income taxes, which are recorded in the statement of operations, are accounted for based on the rates in force on the reporting date in the various countries in which the Seat Pagine Gialle Group operates.

Income taxes relating to items recorded directly in equity are allocated directly to equity and are accounted for using the tax rates in force.

Taxes not relating to income, such as real estate and capital taxes, are included in other operating expenses.

Deferred taxes

Deferred taxes are calculated at the end of each financial year, using the liability method, on temporary differences on the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the end of the previous year.

Deferred tax liabilities are recorded for all taxable temporary differences on the most recent reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recorded for all deductible temporary differences and for tax assets and liabilities carried forward to the extent that they are likely to be able to be recovered against future taxable income. An exception is made for the following: Exception:

- deferred taxes arising from the initial recognition of goodwill or of an asset or liability in a non-business-combination transaction that does not have an impact

on either the result for the financial year calculated for the purpose of financial statements or the result for the financial year calculated for tax purposes;

- temporary taxable differences associated with equity investments in subsidiaries and associates if the reversal of such differences can be controlled and it is likely that this will not take place in the foreseeable future.

The value of deferred tax assets recorded at the beginning of the financial year is reviewed at the end of the year and reduced to the extent that it is no longer likely that the asset will be used in future. Deferred tax assets not recorded are reviewed annually and recorded to the extent that it becomes likely that they will be used in future.

Deferred tax assets and liabilities are calculated using the tax rates expected to be applicable, pursuant to the respective regulations of the countries in which the Seat Pagine Gialle Group operates, in the financial years in which the temporary differences will be realized or eliminated.

Current and deferred tax assets and liabilities are offset if the entity has a legally enforceable right to offset current tax assets with current tax liabilities and the deferred taxes relate to the same tax entity and the same tax authority.

Value-added tax

Revenues, costs, intangible assets, and property, plant and equipment are recognized net of value-added tax, except where such tax, applied to the acquisition of goods or services:

- It is non-deductible, therefore it is recognized as part of the acquisition cost of the intangible asset or material or part of the cost item recognized in the income statement;
- relates to receivables and/or payables recorded including the amount of tax.

The net amount of value-added tax is included on the statement of financial position under tax receivables or payables, depending on whether it is to be recovered from or paid to the Treasury.

Profit/(loss) per share

Profit/(loss) per ordinary share is calculated by dividing the Group's profit or loss by the average number of ordinary shares in circulation during the financial year.

5. Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life were zero as at December 31, 2015.

6. Impairment test

As of December 31, 2015 intangible assets with a finite useful life are recognized, referring in particular to Customer Relationships, amounting to €21,559 and Trademarks, amounting to €44,862 thousand.

For intangible assets with a finite useful life, according to IAS 36, impairment tests must be done at the end of each half-year financial statements on intangible assets subject to such testing, if specific events or circumstances occur that could lead to the assumption of impairment (trigger events), pursuant to IAS 36, section 9; in particular, in assessing whether an asset may have suffered impairment, information from external and internal sources must be considered.

To that end, it is noted that the said intangible assets are amortized in order to systematically recognize their loss of value over time, such that any additional write-downs for impairment may be made only if forecast cash flows and the operating parameters on which these are based are highly negative.

As of December 31, 2015, no indicators of impairment have been identified from market interest rate trends and

other financial parameters, together with the comparison between market capitalization and the book value of equity, there are no signs that could indicate impairment requirements.

Likewise for Seat Pagine Gialle S.p.A., which has recognized Customer Relationship assets of €21,176 and Trademarks of €44,862 thousand, actual performance during the first half, both in terms of results and orders, are in line with the corresponding forecasts, as described in the Management Report (Management Outlook section).

Due to the foregoing, there are no specific events or circumstances that would lead one to assume an impairment of such intangible assets and, therefore, no impairment tests have been performed. This statement is supported by the preliminary evaluation provided by Prof. Amaduzzi to the Boards of Directors of Seat PG and IOL with a letter dated March 9, 2016 which confirm that intangible assets with finite useful in the financial statement are not subject to an impairment in accordance with IAS 36 § 9.

7. Intangible assets with finite useful life

Intangible assets with a finite useful life totaled €111,716 thousand as at December 31, 2015 and can be broken down as follows:

	Year 2015				Year 2014	
	Marketing related intangibles assets	Software	Patents, concessions, brands and licences	Other intangible assets	Total	Total
<i>(euro / thousand)</i>						
<i>Cost</i>	81,495	317,256	74,959	21,458	495,168	469,253
<i>Accrued amortization</i>	(56,183)	(276,708)	(25,995)	(15,167)	(374,053)	(338,915)
Balance at beginning of the year	25,312	40,548	48,964	6,291	121,115	130,338
- Investments	-	22,854	36	6,576	29,466	27,517
- Purchases	-	18,541	36	6,110	24,687	22,488
- Capitalized costs	-	4,313	-	466	4,779	5,029
- Amortization	(3,751)	(29,350)	(4,063)	(1,262)	(38,426)	(36,412)
- Write-downs	-	(347)	-	(87)	(434)	(1,259)
- Change in consolidation scope (*)	-	-	-	-	-	933
- Other movements	(2)	3,652	12	(3,667)	(5)	(2)
Balance at end of the year	21,559	37,357	44,949	7,851	111,716	121,115
<i>of which:</i>						
<i>Cost</i>	81,495	245,815	69,130	24,281	420,721	495,168
<i>Accrued amortization</i>	(59,936)	(208,458)	(24,181)	(16,430)	(309,005)	(374,053)

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

Intangible assets with finite useful lives consist of:

- *Marketing-related intangible assets* totaled € 21,559 thousand as at December 31, 2015 and related to customer relationship assets. In 2015, this item decreased as a result of the share of amortization for the period, which came to € 3,751 thousand.
 - *software* totaled € 37,357 thousand as at December 31, 2015, and includes costs relating to acquisitions from third parties and the internal creation of proprietary programs and programs under license, used mainly to improve the algorithms used by search engines to support the new online&mobile commercial offering. During 2015, the item decreased due to depreciation of € 29,350 thousand but investments of € 22,854 thousand were made, intended in particular to support the new sale offers on internet & mobile platforms at Seat Pagine Gialle S.p.A.;
 - *patent rights, concessions, trademarks and licenses*, of € 44,949 thousand as of December 31, 2015 (€ 48,964 thousand as of December 31, 2014). During the year, these assets were amortized in the amount of € 4,063 thousand;
 - *other intangible assets*, amounting to € 7,851 thousand as of December 31, 2015 (€ 6,291 thousand as of December 31, 2014), refer primarily to software projects in progress.
- Capital expenditure* in intangible assets of € 29,466 thousand (€ 27,517 thousand in 2014) related to the following business areas:
- in the SEAT Business Area (€26,198 thousand in 2015; € 24,938 thousand in 2014):
 - improvement of Web and Mobile service systems, aimed at enhancing the performance of the integration between the various systems and involve in particular *i)* real-time updating of content and its publication, *ii)* improvement of search algorithms and *iii)* identification of new graphic-functional services of the Company's web portals;
 - improvement of the Web products in the commercial offer, related mainly to the optimization of the graphics concept for use via mobile, development for the new Site line for development of Custom offers for Major Clients;

- commercial and publishing improvements to upgrade the systems and adapt them to new product offerings;
- in Consodata S.p.A. (€ 3,165 thousand in 2015, compared

with € 2,475 thousand in 2014), for investments in the improvement of software platforms, database enhancement and data bank acquisition, in particular related to commercial information.

The following table gives an overview of the amortization rates used:

	Year 2015	Year 2014
Marketing related intangible assets	10-25%	10-25%
Software	33-50%	33-50%
Trademarks	7%	7%
Other intangible assets	20%	20%

8. Property, plant and equipment

Property, plant and equipment amounted to € 7,051 thousand as at December 31, 2015. This item was recorded net of reserves for depreciation totaling € 53,783 thousand

as at the end of the period, which as a proportion of the gross value was 88.41%.

These are broken down as follows:

<i>(euro / thousand)</i>	Year 2015			Year 2014	
	Property	Plant and equipment	Other fixed assets	Total	Total
<i>Cost</i>	2,890	5,895	52,346	61,131	61,458
<i>Accrued amortization</i>	(1,537)	(4,509)	(45,107)	(51,153)	(48,714)
Balance at beginning of the year	1,353	1,386	7,239	9,978	12,744
- Investments	308	182	865	1,355	2,361
- Depreciation and write-downs	(391)	(451)	(3,371)	(4,213)	(5,141)
- Change in consolidation scope (*)	-	-	-	-	45
- Disposals and other movements	(56)	-	(13)	(69)	(31)
Balance at end of the year	1,214	1,117	4,720	7,051	9,978
<i>of which:</i>					
<i>Cost</i>	2,366	5,761	52,707	60,834	61,131
<i>Accrued amortization</i>	(1,152)	(4,644)	(47,987)	(53,783)	(51,153)

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

This item includes:

- *property* worth €1,214 thousand as at December 31, 2015 (€ 1,353 thousand as at December 31, 2014). Investments made during the year amounted to € 308 thousand, and the assets were amortized in the amount of €391 thousand;
- *plant and equipment* worth €1,117 thousand as at December 31, 2015 (€ 1,386 thousand as at December 31, 2014). This item decreased during the period mainly as a

result of depreciation, by € 451 thousand;

- *other fixed assets* worth € 4,720 thousand as at December 31, 2015 (€ 7,239 thousand as at December 31, 2014), including € 3,590 thousand relating to IT equipment and systems. Investments during the period amounted to € 865 thousand, of which € 640 thousand related to Seat Pagine Gialle S.p.A., primarily for sales area technological upgrades in line with the New Sales Model.

The current reserves for depreciation (€ 53,783 thousand) are considered to be adequate, for each fixed-asset class, to cover the depreciation of the assets in relation to their estimated residual useful life.

The following table gives an overview of the amortization rates used:

	Year 2015	Year 2014
Property	3%	3%
Plant and equipment	10-25%	10-25%
Other fixed assets	10-40%	10-40%

9. Leased assets

The assets under financial leasing amounted to € 6,628 thousand on December 31, 2015 and concern the two remaining financial lease agreements for the

Seat Pagine Gialle S.p.A. buildings in Turin. The real-estate complex is comprised of assets which are broken down as follows:

	Year 2015					Year 2014	
	Leased land	Leased property	Leased plant	Other leased assets	Total	Total	
<i>(euro / thousand)</i>							
Cost	5,170	33,076	16,524	3,739	58,509	58,509	
Accrued amortization	-	(18,866)	(12,133)	(2,733)	(33,732)	(31,206)	
Balance at beginning of the year	5,170	14,210	4,391	1,006	24,777	27,303	
- Amortization and write-downs	-	(294)	(319)	(157)	(770)	(2,526)	
- Disposals and other movements	(3,623)	(10,001)	(3,115)	(640)	(17,379)	-	
Balance at end of the year	1,547	3,915	957	209	6,628	24,777	
<i>of which:</i>							
Cost	1,547	9,806	4,845	1,484	17,682	58,509	
Accrued amortization	-	(5,891)	(3,888)	(1,275)	(11,054)	(33,732)	

On March 31, 2015 Mediocredito Italiano S.p.A. and Seat Pagine Gialle S.p.A. have reached an agreement for the dissolution of five of the seven leases agreements pursuant to Art. 169-bis of the Bankruptcy Law in

connection with the authorization of the Court of Turin with an order filed on July 9, 2014.

These effects are included in the disposals and other movements item.

10. Other Investments

This item includes the fair value measurement of 16.24% of the remaining investment held by Seat Pagine Gialle S.p.A. in Telegate AG (€ 3,568 thousand) which,

pursuant to IAS 39, is an available for sale financial asset measured in accordance with level 1 (quoted market price) in the fair value hierarchy.

11. Other non-current financial assets

Other non-current financial assets totaled € 2,145 thousand as at December 31, 2015 (€ 869,000 as at December 31, 2014), and specifically include loans to

employees worth € 1,719 thousand, issued at market rates for transactions of this kind.

12. Inventories

The value of inventories can be broken down as follows:

	Year 2015					Year 2014
	Raw material, suppliers and consumables	Merchandising products	Work in progress and semi-finished goods	Finished goods	Total	Total
<i>(euro / thousand)</i>						
Balance at beginning of the year	2,367	48	1,354	158	3,927	4,458
Increase (decrease)	(233)	(45)	123	18	(137)	(593)
Change in consolidation scope (*)	-	-	-	-	-	62
Other movements	-	(1)	-	-	(1)	-
Balance at end of the year	2,134	2	1,477	176	3,789	3,927

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

As at December 31, 2015, inventories amounted to € 3,789 thousand (€ 3,927 thousand as at December 31, 2014). Raw materials and consumables refer to inventories

relating to Seat Pagine Gialle S.p.A. print products and products for resale refer to goods allocated to merchandising activities.

13. Trade receivables

	Year 2015			Year 2014
	Trade receivables	Allowance for doubtful trade receivables	Net value	Net value
<i>(euro / thousand)</i>				
Balance at beginning of the year	258,426	(75,596)	182,830	229,815
Provisions in the income statement	-	(17,202)	(17,202)	(25,083)
Utilization	-	40,591	40,591	44,992
Other movements	(43,015)	248	(42,767)	(66,957)
Change in consolidation scope (*)	-	-	-	63
Balance at end of the year	215,411	(51,959)	163,452	182,830

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

Trade receivables, net of provisions for doubtful receivables, totaled €163,452 thousand as at December 31, 2015.

The *allowance for doubtful trade receivables* totaled € 51,959 thousand as at December 31, 2015 (€ 75,596 thousand as at December 31, 2014), including € 51,738 thousand relating to Seat Pagine Gialle S.p.A., and is considered to be adequate to cover expected losses.

During the course of 2015, € 40.591 thousand was drawn down from the allowance (of which € 40,469 thousand

related to Seat Pagine Gialle S.p.A.), and a provision of € 17,202 thousand was added to it, meaning that the coverage of overdue receivables remained adequate, by being able to maintain careful attention to the quality of sales and the management of receivables from customers.

The € 43,015 thousand difference in trade receivables reflects invoice and collection trends linked to business performance. For a more detailed analysis of the Group's credit risk, see Note 19.

14. Other assets (current and non-current)

Other assets (current and non-current) amounted to € 48,230 thousand as of December 31, 2015 (€ 50,332 thousand as of December 31, 2014) and are broken down as follows:

(euro / thousand)	As at 12.31.2015	As at 12.31.2014	Change
Advances on sales commissions and other receivables from agents	19,205	22,204	(2,999)
Prepaid expenses	10,728	11,113	(385)
Advances to suppliers	5,728	4,917	811
Other receivables	5,754	6,381	(627)
Total other current assets	41,415	44,615	(3,200)
Other non-current assets	6,815	5,717	1,098
Total other current assets and non-current assets	48,230	50,332	(2,102)

The specifics:

- *advances on sales commissions and other receivables from agents* amounted to € 19,205 thousand as of December 31, 2015 (€ 22,204 thousand as of December 31, 2014) and are recorded net of the respective allowance for doubtful receivables totaling € 1,987 thousand as of December 31, 2015 (€ 1,688 thousand as of December 31, 2014).
- *prepaid expenses* amounted to € 10,728 thousand as of December 31, 2015 (€ 11,113 thousand as of December 31, 2014); the item includes the deferral of direct production costs with the same frequency with which the corresponding revenues are recognized on the income statement;
- *advances to suppliers*, totaling € 5,728 thousand as of December 31, 2015 (€ 4,917 thousand as of December 31, 2014), include €2,254 thousand in advances paid to the printer Rotosud S.p.A. (€ 3,375 thousand as at December 31, 2014 to the printer Rotosud S.p.A.);
- *other receivables*, totaling € 5,754 thousand as of December 31, 2015 (€ 6,381 thousand as of December 31, 2014), include receivables of Seat Pagine Gialle S.p.A. from INPS of € 1,565 thousand, security deposits of € 679 thousand and receivables of € 1,186 thousand that arose following provisional payment made pending judgment in reference to the tax assessment notice issued by the Italian Revenue Agency. This contested the failed application of tax withholdings on interest paid to the Royal Bank of Scotland (Milan branch) as part of the so-called "Senior" loan (for more details, see point 30 of this note);
- *other non-current assets* totaled € 6,815 thousand as at December 31, 2015, and included tax receivables of € 4,518 thousand for excess corporation tax (IRES) paid for fiscal periods prior to 2012 as a result of the failure to deduct regional production tax (IRAP) relating to staff and similar expenses that were recognized in 2013 in accordance with the available official interpretations.

15. Equity

Equity can be broken down as follows:

<i>(euro / thousand)</i>	As at 12.31.2015	As at 12.31.2014	Change
Share capital	20,000	20,000	-
- <i>ordinary shares</i>	20,000	20,000	-
- <i>saving shares</i>	-	-	-
Additional paid-in capital	117,155	117,155	-
Legal reserve	4,000	4,000	-
Reserve for foreign exchange adjustments	(52)	51	(103)
Reserve for actuarial gains and (losses)	(769)	(1,768)	999
Other reserves	39,668	(1,344,176)	1,383,844
Profit (loss) for the year	(19,080)	1,379,167	(1,398,247)
Total equity of the Group	160,922	174,429	(13,507)
Share capital and reserves	(92)	4,056	(4,148)
Profit (loss) for the year	(36)	(4,148)	4,112
Total non-controlling interests	(128)	(92)	(36)
Total equity	160,794	174,337	(13,543)

Share capital

The share capital stood at € 20,000 thousand as of December 31, 2015 and was unchanged compared to December 31, 2014.

As of December 31, 2015, the share capital consisted of 64,267,615,339 ordinary shares and 6,803 savings shares. The number and class of shares into which the share capital is currently divided is the result of transactions approved by the Special Shareholders' Meeting of Seat Pagine Gialle S.p.A. on March 4, 2014.

Of the share capital, € 13,741 thousand was subject to taxation in case of distribution. Deferred tax liabilities were not calculated on this sum, as Seat Pagine Gialle S.p.A. is not considering repayment of the principal.

Additional paid-in capital

The legal reserve stood at € 117,155 thousand as of December 31, 2015, and was unchanged compared to December 31, 2014. It is to be considered fully subject to taxation in case of distribution as a result of the realignment made in 2005

between the book value and the tax value of the Customer Data Base, pursuant to Law No. 342/2000. As reported in other sections of this document, the 2014 impairments to the share premium reserves are attributable solely to the coverage of losses in prior years.

Legal reserve

The legal reserve stood at € 4,000 thousand as of December 31, 2015, and was unchanged compared to December 31, 2014.

This reserve is subject to taxation in the event of distribution with regard to € 1,499 thousand pursuant to Article 109 of the Consolidated Income Tax Law, and with regard to € 2,501 due to the realignment carried out in 2005 pursuant to Law 342/2000.

Reserve for foreign-exchange adjustments

The loss was € 52 thousand as at December 31, 2015, and relates to the consolidation of the balances of the UK subsidiary Glamoo Ltd.

Reserve for actuarial gains/(losses)

The reserve for actuarial gains (losses) was -€ 769 thousand (€ 1,768 thousand as at December 31, 2014) and included the effect of recording actuarial gains (losses) on defined-benefit pension plans (for Italian companies, the reserve for severance indemnities) due to their recognition in the financial statements pursuant to IAS 19, paragraph 93A.

For more details on how these amounts were determined, see Note 20.

Other reserves

Other reserves resulted in a loss of € 39,668 thousand as of December 31, 2015 (negative by € 1,344,176 thousand as of December 31, 2014) and relate to:

- Reserve for adoption of IAS/IFRS negative by € 890 thousand at December 31, 2015 and unchanged compared to December 31, 2014;
- Other reserves and retained earnings/(losses), which were -€ 40,558 thousand (negative by € 1,343,286 thousand as at December 31, 2014).

16. Other comprehensive income (expenses)

<i>(euro/thousand)</i>	Year 2015	Year 2014
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year</i>		
Actuarial gain (loss)	1,377	(2,299)
Tax effect of actuarial gain (loss)	(378)	630
Profit (loss) from fair value measurement of AFS securities	(40)	-
Profit (loss) from the fair value of warrant	4,715	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year	5,674	(1,669)
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year</i>		
Profit (loss) for foreign exchange adjustments	(103)	50
Profit (loss) from fair value measurement of AFS securities	-	(35)
Profit (loss) from the fair value of warrant	-	(984)
Other movements in the year	-	-
Other movement in the year	(103)	(969)
Total other comprehensive profit (loss), net of tax effect	5,571	(2,638)

The item "Profit (loss) from the fair value of warrant" includes the effect from the notification of the Warrant Subscription Price, which took place on April 17.

This financial instrument has become an option classified under net equity, since its price is now established and in case

of its exercise results in delivery of a fixed number of shares; therefore, the resulting financial liability, arising by virtue of accounting at fair value in the period between the date of completion of the capital increase and the date of setting of the option price, is no longer included in the net debt.

17. Profit/(loss) per share

Profit (loss) per share is calculated by dividing the Group's profit or loss by the average number of shares in circulation throughout the year.

		As at 12.31.2015	As at 12.31.2014
Number of Seat Pagine Gialle S.p.A. shares		64,267,622,142	64,267,622,142
- <i>ordinary shares</i>	<i>n.</i>	64,267,615,339	64,267,615,339
- <i>saving shares</i>	<i>n.</i>	6,803	6,803
weighted average shares outstanding		64,267,622,142	17,255,404,452
Profit (loss) on continuing operations of the Group	€/thousand	(19,302)	1,393,495
Profit (loss) from non-current assets held for sale and discontinued operations of the Group	€/thousand	222	(14,328)
Profit (loss) par share from continuing operations of the Group	€	(0.0003)	0.081
Profit (loss) par share from non-current assets held for sale and discontinued operations of the Group	€	0.000003	(0.00083)

18. Net Financial Debt

As at December 31, 2015, net financial debt totaled € 106,477 thousand (€ 71,401 thousand at December 31, 2014).

As of December 31, 2015, net financial debt was structured as follows:

<i>(euro/thousand)</i>		As at 12.31.2015	As at 12.31.2014	Change
A	Cash	114,734	108,455	6,279
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C) Liquidity		114,734	108,455	6,279
E.1	Current financial receivables from third parties	718	2,718	(2,000)
E.2	Current financial receivables from related parties	-	-	-
F	Current bank debt	-	95	(95)
G	Current portion of non-current debt	1,118	4,976	(3,858)
H.1	Other current financial debt to third parties	59	2,357	(2,298)
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H) Current financial debt		1,177	7,428	(6,251)
J=(I-E-D) Net current financial debt		(114,275)	(103,745)	(10,530)
K	Non-current bank debt	-	-	-
L	Bonds issued	-	-	-
M.1	Other non-current financial debt to third parties	7,798	32,344	(24,546)
M.2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M) Non-current financial debt		7,798	32,344	(24,546)
O=(J+N) Net financial debt (ESMA)		(106,477)	(71,401)	(35,076)

The difference in the net financial position compared to December 31, 2014 is due primarily not only to the net cash flow from operations, but also to the collection in February of a total of € 30,000 thousand relating to settlement produced by the outcome of the liability actions and to the termination in March 2015 of 5 out of 7 property leasing agreements, which meant an overall reduction in debt of approximately € 23,216 thousand.

It is noted that with the notification of the Warrant Subscription Price, which took place on April 17, this financial instrument has become an option classified under net equity, since its price is now established and in case of its exercise results in delivery of a fixed number of shares; therefore, the resulting financial liability, arising by virtue of accounting at fair value in the period between the date of completion of the capital increase and the date of setting of the option price, is no longer included in the net debt.

A description of the items that make up net financial debt is provided below:

Non-current financial debts

As of December 31, 2015, non-current financial liabilities totaled € 7,798 thousand (€ 32,344 thousand as of December 31, 2014).

The Other non-current financial debt refers to two residual finance leases (commencing in December 2008) relating to the purchase of Seat Pagine Gialle S.p.A.'s real estate complex in Turin. These agreements provide for repayment through the payment of 32 remaining installments, all of which are quarterly deferred installments subject to a floating interest pegged to the three-month Euribor plus a spread of approximately 65 basis points per annum. The surrender value is fixed at approximately 1% of the value of the buildings covered by the agreement.

Current financial debt

As of December 31, 2015, non-current financial liabilities totaled € 1,177 thousand (€ 7,428 thousand as of December 31, 2014) and are broken down as follows:

<i>(euro thousand)</i>	As at 12.31.2015	As at 12.31.2014	Change
Current bank debt	-	95	(95)
Current portion of non-current financial debt	1,118	4,976	(3,858)
Other current financial debt to third parties	59	2,357	(2,298)
Current financial debt	1,177	7,428	(6,251)

They include the current portion of the two remaining finance leasing agreements in the amount of € 1,118 thousand. Other current financial debt to third parties as at December 31, 2014, the fair value measurement of warrants amounts to € 1,696 thousand.

Current financial assets

The current financial assets amounted to € 718 thousand as of December 31, 2015 (€ 2,718 thousand as of December 31, 2014) and refer mainly to financial receivables totaling € 637 thousand (€ 2,613 thousand as of December 31, 2014) and loans to staff totaling € 81 thousand (€ 105 thousand as of December 31, 2014).

Cash and cash equivalents

Cash and cash equivalents totaled € 114,734 thousand as of December 31, 2015 (€ 108,455 thousand as of December 31, 2014) and refer mainly to Seat Pagine Gialle S.p.A. in the amount of €113,039 thousand. The change compared to December 31, 2014 is due to the collection of a total of € 30,000 thousand relating to the settlement of liability actions, offset in part by the remaining payments of debts relating to the composition with creditors, made by the deadlines provided for in the proceeding. It should be noted that around 4.3% of the cash and cash equivalents are subject to restrictions/guarantees.

19. Information on financial risks

Risk associated with financial debt

As at December 31, 2015 the contractual maturities of the financial instruments in place are as follows:

(euro thousand)	due within			Total
	by 1 year	by 1-5 years	over 5 years	
Debts toward Mediocredito Italiano S.p.A. (*)	1.118	4.915	4.372	10.405
Total financial debts	1.118	4.915	4.372	10.405

(*) In bilancio la voce ammonta a € 8.916 migliaia per la valutazione al costo ammortizzato.

In view of the availability of funds as at December 31, 2015, there are no risks associated with financial debt.

Credit risk

The Seat Pagine Gialle Group operates in the multi directional advertising market, where there are a large number of clients. As at December 31, 2015, 94% of the Group's trade receivables (97% at December 31, 2014) related to Seat Pagine Gialle S.p.A., which has around 231,000 customers spread throughout Italy, consisting mainly of small and medium-sized businesses. Each year, SEAT alone issues some 498,000 invoices, each providing on average for payment in 2 installments of around € 427 each, meaning more than € 1.0 million of receipts.

There is, therefore, no concentration of credit risk. The type of business and customer base are, however, the factors that have always guided SEAT in putting together an effective credit management system. Over time, SEAT has introduced a widespread and continually strengthened team that is able to efficiently manage all phases of the payment request process. The in-house team, call centers, collection agencies and legal experts constitute a total of around 500 people.

Credit risk exposure – represented by the allowance for doubtful receivables on the financial statements – is measured using a statistical model that breaks down the client base by location and seniority, which reflects the historical experience of SEAT in debt collection and projects it into future estimates.

At Group level, the allowance for doubtful trade receivables stood at €51,959 thousand at December 31, 2015, a decrease on December 31, 2014 (€ 75,596 thousand) also due to utilizations during the year, while maintaining sufficient coverage of overdue receivables. As a percentage of total trade receivables, the coverage of the allowance was 24.1% (29.3% as at December 31, 2014).

Financial instruments

In accordance with IAS 39 and based on the instructions of IFRS 7, assets and liabilities as at December 31, 2015 are recognized at cost, with the exception of Other Investments of € 3,568 thousand.

20. Non-current reserves relating to employees

Seat Pagine Gialle Group companies provide post-employment benefits to active and retired former employees, both directly and through contributions to external funds. The terms under which these benefits are provided vary depending on the legislative, fiscal and economic conditions in each country in which the Group operates. Employee benefits are usually based on remuneration and length of service.

Group companies provide post-employment benefits through defined-contribution and/or defined-benefit plans. Under defined-contribution plans, the Group pays

contributions to public or private insurers pursuant to a statutory or contractual obligation, or on a voluntary basis. The Group fulfills all its obligations by paying these contributions. The cost for the year is accrued based on the employee's service and is recorded in the statement of operations (€ 3,220 thousand in 2015).

Defined-benefit plans are either unfunded, as in the case of the reserve for severance indemnities, or fully funded by the contributions paid by the Company and its employees to a legally separate entity or fund that provides employee benefits.

The table below shows the changes in the various types of plans in place during the year:

	Year 2015			Year 2014	
	Net liabilities for defined benefit pension plans	Reserve for severance indemnities	Reserve for defined contribution pension plans	Total	Total
<i>(euro / thousand)</i>					
Balance at beginning of the year	231	14,456	964	15,651	15,210
Provisions	-	812	3,220	4,032	4,252
Contributions	-	-	860	860	888
Benefits paid/received	-	(2,128)	(4,328)	(6,456)	(7,736)
Discounting losses	-	250	-	250	452
Actuarial losses (gains) recognised to equity	-	(1,376)	-	(1,376)	2,226
Change in consolidation scope (*)	-	-	-	-	132
Foreign exchange adjustments and other movements	(23)	807	285	1,069	227
Balance at end of the year	208	12,821	1,001	14,030	15,651

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

The figures for pension plans, payables to employees and related costs in the statement of operations were determined based on valuations carried out by an independent expert using the projected unit credit method, in accordance with the provisions of IAS 19.

Net liabilities for defined-benefit pension plans

Net liabilities for defined-benefit pension plans totaled € 208 thousand as at December 31, 2015 (€ 231 thousand as at December 31, 2014). They are recorded net of assets intended to finance these plans.

Reserve for severance indemnities

The reserve for severance compensation, amounting to € 12,821 thousand as of December 31, 2015 (€ 14,456 thousand as of December 31, 2014), was valued (being considered a defined-benefit plan) according to the

instructions contained in IAS 19 revised.

Following the entry into effect of the supplemental pension reform (Legislative Decree No. 252 of December 5, 2005), the institution of severance compensation changed effective January 1, 2007, from a defined-benefit plan to a defined-contribution plan. Consequently, the debt recorded in the financial statements represents the defined-benefit plan liability – valued based on the criteria of IAS 19 – for employees rendering services through December 31, 2006. Changes in equity were recorded in 2015 in the amount of € 1,376 thousand, of which € 983 thousand related to Seat Pagine Gialle Italia S.p.A. In application of IAS 19, paragraph 93A, such profits are recorded, net of the related tax effect, directly in comprehensive income.

<i>(euro/thousand)</i>	As at 12.31.2015	As at 12.31.2014
A. Change in benefit obligation		
1. Benefit obligation at the beginning of the year	14,456	13,531
2. Current service cost	812	715
3. Interest expense	250	452
4. Benefit paid form plan/company	(2,128)	(2,539)
5. Other movements and change in consolidation scope	807	71
6. Changes recognised to equity (OIC effect)	(1,376)	2,226
a. Effects due to changes of demographic events	-	
b. Effects due to changes of financial events	(962)	2,480
c. Effects due to changes of actuarial events	(414)	(254)
7. Curtailment		
Benefit obligation at the end of the year	12,821	14,456
B. Account recognised in the statement of financial position		
<i>Plants that are fully unfunded and plants that are wholly or partly funded</i>		
1. Present value of defined-benefit unfunded obligations at the end of the year	12,821	14,456
2. Other movements		
Net liability recognised in the statement of financial position	12,821	14,456
<i>Amounts in the statement of financial position</i>		
1. Liabilities	12,821	14,456
2. Assets		
C. Component of pension costs		
<i>Amounts recognised in the income statement</i>		
1. Current service costs	812	715
2. Interest expense	250	452
Total pension cost recognised in the income statement		
D. Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligation</i>		
1. Discount rate	2.23%	1.70%
3. Rate of price inflation	1.50%	2.00%
<i>Weighted-average assumptions to determine net pension cost</i>		
1. Discount rate	1.80%	3.50%
3. Rate of price inflation	2.00%	2.00%
E. Past experience of actuarial (profits) and losses		
a. Amount (*)	n.s.	n.s.
b. Percentage of plan liabilities at the closing data	n.s.	n.s.
F. Sensitivity analysis - benefit obligation evaluation based on events below		
1. Discount rate		
a. Discount rate - xx basis points	12,246	14,547
Events		
- SEAT PG S.p.A:	1.75%	1.45%
- DLS:	2.20%	-
Weighted-average duration of benefit obligation (years)		
- SEAT PG S.p.A:	11.22	11.47
- DLS	14.31	15.5

(*) This is the amount of actuarial gains/ (losses) from applying the previous year's actuarial assumptions to the current workforce.

continued →

→ follows

<i>(euro/thousand)</i>	As at 12.31.2015	As at 12.31.2014
b. Discount rate + xx basis points	11,557	13,716
Events		
- SEAT PG S.p.A:	2.25%	1.95%
- DLS	2.70%	-
Weighted-average duration of benefit obligation (years)		
- SEAT PG S.p.A:	11.12	11.34
- DLS	14.03	15.16
G. Expected cash flow for next year		
1. Member contributions	503	1,246
2. Contributions forecasted to reimbursements	-	-
3. Expected payments of total performances		
Year 1	503	1,246
Year 2	415	617
Year 3	407	412
Year 4	390	405
Year 5	416	369
Next 5 years	2,876	2,722
H. Statistics		
1. Census date	12.31.2015	12.31.2014
2. Assets		
Numbers	1,171	1,273
b. Total annual payable pension	-	-
c. Annual average payable pension	-	-
d. Average age		
- SEAT PG S.p.A:	46.7	46.1
- DLS	36.8	36.0
e. Average age of service		
- SEAT PG S.p.A:	19.1	18.7
- DLS	2.4	1.4

(*) This is the amount of actuarial gains/ (losses) from applying the previous year's actuarial assumptions to the current workforce.

21. Other non-current liabilities

Other non-current liabilities stood at € 32,806 thousand as of December 31, 2015 (€ 26,779 thousand as of December 31, 2014) and are broken down as follows:

	Year 2015				Year 2014	
	Reserve for sale agents' termination indemnities	Other non-current operating liabilities	Reserve for restructuring expenses	Other non-operating liabilities	Total	Total
<i>(euro / thousand)</i>						
Balance at the beginning of the year	24,483	2,282	-	14	26,779	30,018
Provisions	1,353	-	12,877	250	14,480	1,444
Utilizations/repayments	(2,001)	(655)	-	-	(2,656)	(1,463)
Discount losses (gains)	(228)	-	-	-	(228)	1,557
Other movements	(5,561)	(8)	-	-	(5,569)	(4,777)
Balance at the end of the year	18,046	1,619	12,877	264	32,806	26,779

As at December 31, 2015, non-current reserves were discounted, taking into consideration expected future cash flows, using the pre-tax discount rate that reflects the current market valuation of the cost of money over time. The increase due to the passage of time and the variation in the discount rate applied was recorded as financial income (€ 228 thousand).

The *reserve for agent termination* represents the matured debt with active sales agents for compensation owed to them in the event of termination of the agency relationship, as provided for by current regulations.

As of December 31, 2015, this reserve totaled € 18,046 thousand and decreased over the period by € 6,437

thousand (€ 24,483 thousand as of December 31, 2014). This change is partly connected to the results of the analyses described at point 23 of this note.

The *non-current portion of the corporate restructuring reserve* amounted to € 12,877 thousand as of December 31, 2015 as a result of the provision made during the year at Seat Pagine Gialle S.p.A. as a result of the new workforce restructuring plan started in February 2015 (for further details, please refer to the paragraph "Industrial relations" included among the section "Other information" in the Report of Operations). This fund should be considered in conjunction with the current portion of the restructuring reserve.

22. Reserves for (operating and non-operating) current risks and charges

These break down as follows:

	Year 2015			Year 2014	
	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves	Total	Total
<i>(euro / thousand)</i>					
Balance at the beginning of the period	5,483	9,233	12,149	26,865	71,705
Provisions	1,952	426	20,043	22,421	3,234
Utilizations	(1,998)	(846)	(9,266)	(12,110)	(25,907)
Estimation revised	-	(447)	(14)	(461)	(8,483)
Change in consolidation scope (*)	-	-	-	-	229
Other movements	-	(563)	(1,784)	(2,347)	(13,913)
Balance at the end the period	5,437	7.803	21,128	34,368	26,865

(*) This includes in 2014 the consolidation of Glamoo Ltd and Glamoo S.r.l.

The reserves for current risks and charges totaled € 34,368 thousand as of December 31, 2015 (€ 26,865 thousand as of December 31, 2014) and were broken down as follows:

- the reserve for commercial risks, totaling € 5,437 thousand as of December 31, 2015 (€ 5,483 thousand as of December 31, 2014) is commensurate with any charges associated with imperfect performance of contractual obligations;
- the reserves for contractual and other operating risks, which totaled € 7,803 thousand (€9,233 thousand as of December 31, 2014), include € 4,645 thousand in reserves for legal disputes (€ 5,270 thousand as of December 31, 2014) and € 2,793 thousand in reserves for lawsuits pending with agents and employees (€ 3,611 thousand as of December 31, 2014). For further details please refer to the Note 20 in the Separate financial statement;
- the current portion of non-operating reserves totaled € 21,128 thousand at December 31, 2015 (€ 12,149 thousand as at December 31, 2014). These include: (i)

€ 15,833 thousand for the corporate restructuring reserve – current portion which reflects the provision of € 19,400 thousand made during the year by Seat Pagine Gialle S.p.A. as a result of the new workforce restructuring plan started in February 2015 (for further details, please refer to the paragraph “Industrial relations” included among the section “Other information” in the Report of Operations). This reserve which utilization has been € 8,514 thousand in 2015 should be considered in conjunction with the non-current portion of the corporate restructuring reserve; (ii) € 3,442 thousand for the sales network restructuring reserve, €612 thousand of which was used in 2015 and (iii) € 750 thousand for the risk fund, calculated by taking into account the applicable provisions and the reasonable possibility of striking an agreement with the Pension Regulator (tPR) and the trustee of the TDL Fund concerning financial support for the TDL fund, bearing in mind the winding-up proceedings applied

23. Trade payables and other current liabilities

Trade payables and other current liabilities can be broken down as follows:

(euro / thousand)	As at 12.31.2015	As at 12.31.2014	Change
Payables to suppliers	67,583	58,042	9,541
Payables due to sales agents	19,380	11,612	7,768
Payables due to employees	15,398	16,988	(1,590)
Payables due to social security institutions	5,231	6,289	(1,058)
Payables due to other	1,796	1,285	511
Total trade payables	109,388	94,216	15,172
Payables for services to be rendered	106,148	119,884	(13,736)
Advances from customers	1,653	1,867	(214)
Other current liabilities	5,434	8,605	(3,171)
Total payables for services to be rendered and other current liabilities	113,235	130,356	(17,121)

All trade payables have a maturity of less than 12 months. The specifics:

- out of *payables to suppliers*, which amounted to € 67,583 thousand as of December 31, 2015 (€ 58,042 thousand as of December 31, 2014), € 61,801 thousand refer to Seat Pagine Gialle S.p.A.;
- *payables to sales agents*, which totaled € 19,380 thousand (€ 11,612 thousand as at December 31, 2014), should be considered in conjunction with the item “Advances on sales commissions”, recorded under “Other current assets”, which amounted to € 19,205 thousand (€ 22,204 thousand as at December 31, 2014). It should be noted that, following the implementation of

new IT procedures during the semester, it was possible to proceed with an accurate analysis of the balance sheet figures concerning relationships with sales agents. In this way, amount could be set aside that were previously allocated in the corresponding funds;

- *payables for services to be rendered* amounted to € 106,148 thousand (€ 119,884 thousand as of December 31, 2014); the item includes advance billing for advertising services in print directories, as well as the deferral of revenues from the provision of web and voice services on a straight-line basis throughout the on-line and on-voice contractual periods.

24. Information by Business Area

The primary presentation of the Seat Pagine Gialle Group is by Business Areas, since the risks and profitability of the Group are significantly affected by the differences between the products and services they offer. The secondary breakdown is by geographical area.

The Group's activities are organized and managed separately depending on the nature of the products and services provided, with each area representing a strategic business unit that offers different products and services to different markets.

Prices of intercompany transfers between areas are

defined using the same conditions that apply to transactions with third parties.

Revenues, costs and results by Business Area include transfers between areas, which are eliminated at consolidated level.

The geographical areas of the Group are identified based on the location of the Group's activities and more or less equate to the legal entities operating in each Business Area.

The table below shows the main financial data of the SEAT Pagine Gialle Group's Business Areas.

		Italian Directories	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
<i>(euro/thousand)</i>						
Revenues from sales and services	Year 2015	357,145	22,368	379,513	(4,572)	374,941
	Year 2014	389,875	24,280	414,155	(5,970) (*)	408,185
GOP	Year 2015	45,484	1,036	46,419	496	46,915
	Year 2014	58,602	870	59,438	2,173 (*)	61,611
EBITDA	Year 2015	25,637	759	26,295	-	26,295
	Year 2014	30,402	354	30,722	1,906 (*)	32,628
EBIT	Year 2015	(22,185)	(4,046)	(26,332)	-	(26,332)
	Year 2014	(20,582)	(6,296)	(26,912)	1,376 (*)	(25,536)
Total assets	December 31, 2015	483,122	21,517	504,639	(17,643)	486,996
	December 31, 2014	543,230	20,403	563,633	(20,349)	543,284
Total liabilities	December 31, 2015	323,388	25,786	349,174	(22,972)	326,202
	December 31, 2014	362,710	22,506	385,216	(16,269)	368,947
Net invested capital	December 31, 2015	45,512	8,979	54,491	(174)	54,317
	December 31, 2014	104,622	5,465	110,087	(7,151)	102,936
Capital expenditure	Year 2015	27,466	3,355	30,821	-	30,821
	Year 2014	27,235	2,643	29,878	-	29,878

(*) This includes the effects of Cipi S.p.A. deconsolidation.

25. Revenues from sales and services

Revenue from sales and services totaled € 374,941 thousand in 2015, down by 8.1% on 2014 (€ 408,185 thousand) and they include the effect of the change in accounting estimate on the portion of revenues attributable to the online component of PagineBianche offer, adopted from the first quarter of 2015 to reflect evidence from usage data, understood as a proxy of the generation of leads for customers. Net of this effect, revenues for the year 2015 were lower by around € 10 million

Gross of adjustments between the Group's different

Business Areas, revenues from sales and services were as follows:

- revenues from the Italian Directories Business Area (*Seat Pagine Gialle S.p.A.*, the *Digital Local Services companies*, *Glamoo Ltd*, *Glamoo S.r.l.* – now *Couponing Italia S.r.l.* in liquidation – and *ProntoSeat S.r.l.*) totaled € 357,145 thousand in 2015, down by 8.4% compared with 2014.
- revenue from the "Other Activities" Business Area (Europages and Consodata) amounted to € 22,368 thousand in 2015, down by 7.8% compared with the previous year (€ 24,280 thousand).

26. Other operating costs and revenue

26.1 Other revenue and income

Other revenue and income totaled € 4,596 thousand in 2015 (€ 3,948 thousand in 2014). The item includes € 2,184 thousand relating to the recovery of postal, legal and administrative costs from third parties and € 2,404 thousand from other revenue and income.

26.2 Costs of materials

The costs for materials amount to € 18,422 thousand in 2015 (€ 15,670 thousand in 2014). These primarily include € 15,419 thousand for paper consumption.

26.3 Costs of materials

Costs for external services amounted to € 224,439 thousand in 2015 (compared with € 238,050 thousand in 2014). External services costs specifically include:

- *manufacturing costs*, totaling € 91,349 thousand in 2015, of which (i) € 21,417 thousand related to production costs, (ii) € 8,893 thousand related to distribution and storage costs, (iii) € 15,894 thousand related to costs for digital services associated with the creation of online products, (iv) € 4,285 thousand related to inbound call center costs, and (v) € 38,320 thousand related to commissions paid to web publishers as part of the management of new online offers intended to boost web traffic;

- *advertising costs* totaling € 7,129 thousand in 2015, down by € 8,392 thousand compared with 2014;
- *commissions and other agent costs*, which totaled € 65,091 thousand in 2015, in direct relation to revenue figures;
- *consultancy and professional service costs*, which totaled € 18,083 thousand in 2015;
- *outbound call center service costs*, which totaled € 7,595 thousand in 2015.

26.4 Personnel costs

Salaries, wages and employee benefits totaled € 87,349 thousand in 2015 (€ 95,292 thousand in 2014).

This item decreased with respect to the previous year due to the headcount reduction and the implementation of solidarity arrangements (wage guarantee fund on a rotating basis).

The Group's workforce, including directors, project workers and trainees, consisted of 1,849 employees as at December 31, 2015 (against 1,932 as at December 31, 2014). The average salaried workforce in 2015 was 1,642 employees (1,785 as at December 31, 2014).

26.5 Net non-recurring costs

There was a positive balance of net non-recurring costs, amounting to € 24,004 thousand (€ 7,242 negative in 2014) and are broken down as follows:

<i>(euro/thousand)</i>	Year	Year	Change	
	2015	2014	Absolute	%
Non - recurring costs	(6,003)	(7,246)	1,243	17.2
Non - recurring income	30,007	4	30,003	n.s.
Total non - recurring costs, net	24,004	(7,242)	31,246	n.s.

Specifically, non-recurring costs include:

- € 2,000 thousand related to the amounts to be paid to the former CEO for termination of his office on the terms announced by the Company;
- € 2,195 thousand mainly relating to strategic consultancy, of which € 1,416 thousand incurred for the merger with IOL;
- € 358 thousand of consultancy and other residual expenses connected with the composition with creditors procedure.

Non-recurring income is reported at € 30,000 thousand for the amount paid by the former directors of Seat Pagine Gialle S.p.A. regarding the liability settlement.

In 2014, this item included: *i)* € 8,385 of costs related to consultancy and other expenses connected with the composition with creditors procedure; *ii)* € 2,351 thousand for costs incurred in the restructuring of the SEAR Business Area; *iii)* € 7,900 thousand of lower costs due to the revision of the estimated liability previously recognized in the provision for risks and charges for the dispute with ILTE/Rotosud. This amount is based on

the settlement agreement entered into with that company and authorized by the competent bodies of the composition procedure, which put an end to the dispute that had arisen with one of the company's top suppliers and made it possible to establish a relationship with the printing company for the 2014-2016 three-year period.

26.6 Net restructuring costs

Net restructuring costs amounted to € 32,788 thousand in 2015 (€1,001 thousand in 2014), of which € 32,277 thousand refer to the amount allocated to the corporate restructuring reserve – current and non-current portion – as a result of the new workforce restructuring plan begun at Seat Pagine Gialle S.p.A. starting in February 2015 (for further details, please refer to the paragraph "Industrial relations" included among the section "Other information" in the Report of Operations).

Net restructuring costs in 2014 related to € 703,000 in costs incurred by Consodata to restructure its workforce.

27. Financial income and expense

27.1 Financial expense

Financial expenses in 2015, which totaled € 4,350 thousand (€ 130,573 thousand in 2014), can be broken down as follows:

<i>(euro/thousand)</i>	Year 2015	Year 2014	Change Absolute	%
Interest expense on loan with The Royal Bank of Scotland Plc.	-	36,927	(36,927)	(100.0)
Interest expense on Bond	-	89,264	(89,264)	(100.0)
Interest expense on leasing debt	300	1,452	(1,152)	(79.3)
Foreign exchange losses	125	8	117	n.s.
Other financial expenses	3,925	2,922	1,003	34.3
Total interest expense	4,350	130,573	(126,223)	(96.7)

They are mainly due to the fair value adjustment of the warrants amounting to € 3,391 thousand (for further details, please refer to the section net financial debt in this Note).

The significant change compared to 2014 is due to the payment of the Senior Secured bonds and financial debts to The Royal Bank of Scotland, which took place in December 2014 in performance of proposed creditor agreements, as well and termination of 5 out of 7 financial

lease agreements in effect as of January 1, 2015.

27.2 Financial income

In 2015, financial income totaled € 1,769 thousand (€ 2,221 thousand in 2014), including € 869 thousand in interest income from investing short-term liquidity in the banking system at market rates.

28. Adjustments to the value of financial assets and losses on disposal of investments

The reduced assessment of the fair value of equity investments held by Seat Pagine Gialle SpA in Telegate AG by 16.24% is included in 2015, as the company, in accordance with IAS 39, identified an impairment index in the sustained decline of stock market values. In doing so, it allocated the

depreciation to the profit and loss account, in reference to the listing of the share on September 30, 2015, as it was considered indicative of a values situation that is now stable. In 2014, this item presented a net value of € 2,648 thousand, which referred to the loss related to the sale of CIPI S.p.A.

29. Net income from execution of composition with creditors procedure

Net income from composition with creditors represented € 5,887 thousand in 2015, and referred to the net effect of termination of 5 of the 7 lease agreements, resulting in the elimination of the related financial debt and posting of the fixed assets subject to the financial lease.

In 2014, the item amounted to € 1,565,052 thousand, referring to the effects of the clearance of SEAT's debt, including interest, following the execution of the transactions set forth in the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A.

30. Income taxes

Income taxes for the year totaled € 10,333 thousand, against - € 15,069 thousand in 2014, and are broken down as follows:

<i>(euro thousand)</i>	Year	Year	Change	
	2015	2014	Absolute	%
Current income taxes	(885)	(2,207)	1,322	59.9
Provision (reversal) of deferred tax assets	4,887	(14,747)	19,634	n.s.
(Provision) reversal of deferred tax liabilities	6,339	1,882	4,457	n.s.
Income taxes referred to the previous year	(8)	3	(11)	n.s.
Total income taxes for the year	10,333	(15,069)	25,402	n.s.

Current income taxes totaled € 885 thousand in 2015.

The provision of *deferred tax assets* amounted to €4,887 thousand and is mainly attributable to Seat Pagine Gialle S.p.A. This can be ascribed in particular to the movements of the provisions for risks, and to the effect of the change in the IRES (Italian Corporate Tax) Tax rate, taking into account the value that can be ascribed to them up to the amount of the deferred taxes that the company believes it can recover with the plan in future. The reversal of the deferred tax liabilities of € 6,339 thousand, ascribable mainly to Seat Pagine Gialle S.p.A., may be attributed in particular to the partial deficiency of the difference between the financial statements values and the values that are fiscally recognized for other intangible assets, in addition to the effect of the change to the IRES (Italian Corporate Tax) rate.

On December 24, 2014, the Company received a tax assessment notice from the Italian Revenue Service - Lombardy Regional Office (hereinafter "DRE"), claiming that the company failed to apply withholding taxes in 2009 on interest paid to the Royal Bank of Scotland (Milan branch) for the "Senior" loan.

According to the DRE, the Company should have applied withholding tax on part of the interest paid to the Royal Bank of Scotland. The DRE has calculated the withholding tax that it believes should have been applied in 2009 as € 5.2 million, in addition to approximately € 1 million in interest. The DRE did not apply penalties due to the objective uncertainty inherent in this issue. Therefore, the total amount requested is approximately € 6.2 million. The above tax assessment notice was partially annulled, by own determination, reducing the amount of the greater withholdings to 3 million Euros. Supported by its own tax advisors, the company therefore contested this tax assessment notice. The appeal, aimed at achieving the total annulment of the claim, was notified to the Italian Revenue Agency on May 13, 2015 and was filed for official proceedings before the relevant Provincial Tax Commission on May 25, 2015. As provided by tax collection regulations, before official proceedings on May 21, the company arranged to pay a third of the request sum on a provisional basis, amounting to € 1.2 million. The appeal is subjected to discussion by the relevant Provincial Tax Commission on November 3, 2015. Following the judgement by the Provincial Tax

Commission of Milan filed on December 1, 2015, the appeal against the tax assessment for the 2009 tax year was upheld, and an annulment in the first instance was issued. Subsequent to this judgement, the amounts paid by the Company pending judgement, totalling € 1.2 million, will be reimbursed, presumably in early 2016.

On October 2, 2015, the company was served with five tax assessment notices issued by the DRE following the one received on December 24, 2014 in relation to the 2009 tax year. These findings questioned the failure to apply tax withholdings in 2010, 2011 and 2012 on interest paid to the Royal Bank of Scotland as part of the so-called "senior" loan for around 7.7 million Euros, in addition to around 8.0 million Euros of sanctions and 1 million Euros in interest. Therefore, the total claim amounted to around 16.6 million Euros, plus interest. In light of the above, the company entrusted its tax advisors with the task of preparing the appeal in respect of legal acts relating to the years 2010, 2011 and 2012. In

February 2016, the company, supported by its tax advisers, contested the tax assessment notice for the years 2010, 2011 and 2012 and arranged to make a provisional payment, pending judgement, of a third of the requested sum, amounting to € 2.9 million.

On the basis of the foregoing, for the purposes of this Annual Report as at December 31, 2015, the risk of having to use resources intended to produce economic benefits with respect to the assessment sent by the DRE should not be deemed likely, although it is possible. Therefore, pursuant to IAS 37, no addition was made to the reserves for tax risks and charges.

The *reconciliation* of the income taxes reported in the financial statements and the theoretical income taxes resulting from the application of the tax rates in force in Italy to pre-tax income for the financial years ended December 31, 2015 and December 31, 2014 respectively is as follows:

<i>(euro/thousand)</i>	Year 2015	Year 2014
Profit (loss) before income taxes	(29,671)	1,408,516
Current income taxes calculated with theoretical tax rate (31,40%)	9,317	(442,274)
Tax effects on non-deductable expenses for IRAP purposes (personnel expenses, interest income and expenses, etc.)	(4,426)	54,734
Deferred tax adjustment due to rate change	1,415	-
Benefits of fiscal losses not recognized in previous years	-	(1,440)
Effects of different tax rates in foreign countries	86	(343)
Deferred tax assets non entered	13,118	9,250
Tax IRES effect due to the reduction of composition with creditors procedure debt	7	444,181
Permanent differences and other movements	(9,184)	(79,176)
Total income taxes for the year	10,333	(15,069)

The permanent differences (€ 9,184 thousand in 2015 and € 79,176 thousand in 2014) are mainly attributable to the deduction of part of the interest expenses that were not deducted in the previous tax period pursuant to Article 96 of

the Consolidated Income Tax Law (€ 1,227 thousand) and for the tax effect on fiscal losses in the period, for which deferred tax assets were not recorded, which for Seat Pagine Gialle S.p.A. amounted to € 7,992 thousand.

Net deferred tax assets and liabilities

Net deferred tax assets and liabilities are detailed in the table below:

	As at 12.31.2014	Change during the year			As at 12.31.2015
		Income taxes for the income statement	Income taxes accounted for equity	Foreign exchange adjustment and other movements and change in consolidate scope	
<i>(euro / thousand)</i>					
Deferred tax assets					
Tax losses	569	(150)	-	-	419
Allowance for doubtful trade receivables	20,523	(7,266)	-	-	13,257
Reserves for contractual risks	13,863	1,921	-	-	15,784
Deferred tax assets not entered	(39,827)	15,000	-	-	(24,827)
Reserves to employees	119	36	(86)	-	69
Goodwill	3,712	(939)	-	-	2,773
Other	6,000	(3,715)	(373)	(1)	1,911
<i>Total deferred tax assets</i>	<i>4,959</i>	<i>4,887</i>	<i>(459)</i>	<i>(1)</i>	<i>9,386</i>
Deferred tax liabilities					
Customer Relationship	(8,068)	1,808	-	-	(6,260)
Brands	(17,034)	2,643	-	-	(14,391)
Reserves to employees	(459)	1,000	(292)	-	249
Other	324	888	-	-	1,212
<i>Total deferred tax liabilities</i>	<i>(25,237)</i>	<i>6,339</i>	<i>(292)</i>	<i>-</i>	<i>(19,190)</i>
Total	(20,278)	11,226	(751)	(1)	(9,804)

The tax changes in the income statement include the positive adjustment of deferred tax provisions introduced by the Stability Law 2016 which provides

inter alia, the reduction in IRES from 27.5% to 24% as of January 1, 2017, for a total amount of approximately € 1.4 million.

Current tax assets

Current tax assets totaled € 24,669 thousand as at December 31, 2015 (€ 27,567 thousand as at December 31, 2014) and can be broken down as follows:

<i>(euro / thousand)</i>	As at 12.31.2015	As at 12.31.2014	Change
Income tax receivables	23,223	27,130	(3,907)
Other tax receivables	1,446	437	1,009
Total current tax assets	24,669	27,567	(2,898)

The amount of € 23,223 thousand as at December 31, 2015 referred mainly to the corporation tax (IRES) credit resulting from the SEAT Group's participation in the domestic tax consolidation system, which was

carried forward from previous tax periods, of which € 18,000 thousand was subject to a refund request by the Parent Company submitted on the 2014 Global National Consolidation form.

Current tax payables

Current tax payables totaled € 3,300 thousand as at December 31, 2015 (€ 14,318 thousand as at December 31, 2014) and can be broken down as follows:

<i>(euro / thousand)</i>	As at 12.31.2015	As at 12.31.2014	Change
Income tax payables	244	3,315	(3,071)
Other tax payables	3,056	11,003	(7,947)
Total current tax payables	3,300	14,318	(11,018)

31. Non-current assets/assets held for sale

In line with the provisions of IFRS 5, the economic and financial results of Katalog Yayın ve Tanıtım Hizmetleri A.Ş for 2015 (and for the Telegate Group

in 2014) were recorded as "Discontinued operations and non-current assets held for sale" (*Discontinued operations – D.O.*).

Conto economico

(euro/thousand)	Year 2015 Katalog	Year 2014 Telegate Group
Revenues from sales and services	-	62,262
Other income	-	657
Total revenues	-	62,919
Costs for external services	(28)	(21,574)
Salaries, wages and employee benefits	-	(28,122)
Valuation adjustments	-	(2,651)
Provisions to reserves for risks and charges, net	-	27
Other operating expenses	-	(560)
Operating income before amortization, depreciation, non-recurring and restructuring costs, net	(28)	10,039
Non - recurring costs, net	250	(6,063)
Restructuring costs, net	-	(745)
Operating result	222	3,231
Interest expense	-	(55)
Interest income	-	474
Gain (loss) from disposal or fair value evaluation	-	(20,226)
Profit (loss) before income taxes	222	(16,576)
Income taxes for the year	-	(1,852)
Profit (loss) for the year	222	(18,428)

Statement of the financial position

The balance sheet items "Liabilities directly related to discontinued operations and non-current assets held for sale" included amounts as of December 31, 2014 relating to the Turkish joint venture Katalog Yayın ve Tanıtım Hizmetleri A.Ş., which was sold on April 10, 2015.

<i>(euro/thousand)</i>	As at 12.31.2015	As at 12.31.2014
		<i>Katalog</i>
Non-current assets held for sale and discontinued operations	-	-
Reserve for risks and charges	-	250
Liabilities directly associated with non - current assets held for sale and discontinued operations	-	250

Cash flow statement

<i>(euro/thousand)</i>	Year 2015	Year 2014
		<i>Telegate Group</i>
Cash inflow (outflow) from operating activities	-	(1,524)
Cash inflow (outflow) for investments	-	(4,770)
Cash inflow (outflow) for financing	-	(4,735)
Cash inflow (outflow) from non - current assets held for sale and discontinued operations	-	(11,029)

32. Transactions with related parties

With reference to the provisions of IAS 24 and pursuant to Consob Regulation No. 17221 of March 12, 2010, the effects of transactions with parties related to Seat Pagine Gialle S.p.A. as at December 31, 2015 are listed below.

On September 9, 2015, Italiaonline S.p.A. ("Italiaonline") notified that it had completed the purchase of all the shares in the share package (consisting of 34,619,965,094 ordinary shares) in SEAT Pagine Gialle S.p.A. ("SEAT"), equating to 53.87% of the corresponding share capital, held by GL Europe Luxembourg S.à.r.l., GoldenTree Asset Management S.à.r.l., GoldenTree SG Partners L.P., GT NM, L.P. and San Bernardino County Employees' Retirement Association (the "Purchase"). Italiaonline therefore became the majority share holder in SEAT Pagine Gialle.

On October 8, 2015, the SEAT Meeting of Shareholders elected a new Board of Directors for the company, based on the list submitted by the same IOL.

With the election of the new Board, the legal and practical preconditions were laid down for IOL to conduct management and coordination activities of SEAT, pursuant to Articles 2497 and following of the Italian Civil Code.

The effects of intra-group transactions between consolidated companies have been eliminated in the consolidated financial statements.

The transactions carried out by Group companies with related parties, including inter-company transactions, fall within the ordinary course of business and are settled at market conditions or based on specific regulatory provisions. There were no atypical and/or unusual transactions, nor were there any transactions giving rise to a possible conflict of interests.

In line with the above, the following tables illustrate the relationships with Italiaonline and other subjects that qualify as associated parties.

Income statement

	Year 2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro thousand)</i>						
Costs for external services	(224,439)	(788)	-	-	(924)	(1,711)
Salaries, wages and employee benefits	(87,349)	-	-	-	(3,834)	(3,834)
Non-recurring costs, net	24,004	-	-	-	(2,000)	(2,000)

(*) Directors, statutory auditors, managers with strategic responsibilities

	Year 2014	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro thousand)</i>						
Costs for external services	(238,050)	-	-	-	(315)	(315)
Salaries, wages and employee benefits	(95,292)	-	-	-	(3,640)	(3,640)

(*) Directors, statutory auditors, managers with strategic responsibilities

Statement of the financial position

<i>(euro thousand)</i>	As at 12.31.2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Assets						
Other current assets	41,415	183	-	-	-	183
Liabilities						
Other non-current liabilities	32,806	-	-	-	500	500
Trade payables	109,388	1,375	-	-	1,504	2,879
Payables for services to be rendered and other current liabilities	113,235	-	-	-	250	250

(*) Directors, statutory auditors, managers with strategic responsibilities

<i>(euro thousand)</i>	As at 12.31.2014	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Liabilities						
Trade payables	(94,216)	-	-	-	(1,417)	(1,417)

(*) Directors, statutory auditors, managers with strategic responsibilities

Statement of cash flows

<i>(euro thousand)</i>	As at 12.31.2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Cash inflow (outflow) from operating activities	43,033	404	-	-	(6,921)	(6,517)
Cash inflow (outflow) for investments	(33,786)	-	-	-	-	-
Cash inflow (outflow) for financing	(2,968)	-	-	-	-	-
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Increase (decrease) in cash and cash equivalents in the year	6,279	-	-	-	(6,921)	(6,517)

(*) Directors, statutory auditors, managers with strategic responsibilities

<i>(euro thousand)</i>	As at 12.31.2014	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
Cash inflow (outflow) from operating activities	(16,598)	-	-	-	(649)	(649)
Cash inflow (outflow) for investments	(39,382)	-	-	-	-	-
Cash inflow (outflow) for financing	(32,412)	-	-	-	-	-
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(11,029)	-	-	-	-	-
Increase (decrease) in cash and cash equivalents in the year	(99,421)	-	-	-	(649)	(649)

(*) Directors, statutory auditors, managers with strategic responsibilities

Remuneration paid to directors and auditors

<i>(euro thousand)</i>	As at 12.31.2015
Position	
Remuneration due to Directors of Seat PG S.p.A. (*)	4,134
Remuneration due to Directors of Seat PG S.p.A. for offices held in other Group companies	-
Remuneration due to Statutory Auditors of Seat PG S.p.A.	216
Remuneration due to Statutory Auditors of Seat PG S.p.A. for offices held in other Group companies	21

(*) The item include the amounts due to the previous Chief Executive Officer at the time of his termination of office

33. Information related to Consob Communication No. DEM/ 6064293 of July 28, 2006

In accordance with Consob Communication DEM/6064293 of July 28, 2006, information about the impact of significant non-recurring events and transactions on the results, assets and liabilities and

cash flows of the SEAT Group is provided below.

The impacts of non-recurring events and transactions in 2015 are as follows:

	Equity	Profit (loss) for the year	Net financial debt	Cash flows (*)
<i>(euro thousand)</i>				
Amount - financial statements	160,794	(19,116)	106,477	6,279
Net non-recurring and restructuring costs of which:	(8,784)	(8,784)	(18,882)	(18,882)
- <i>Effects of the settlement for the action of responsibility</i>	30,000	30,000	30,000	30,000
- <i>Procedural and legal costs relating to the composition with creditors procedure</i>	(358)	(358)	(2,766)	(2,766)
- <i>Net restructuring costs</i>	(32,778)	(32,778)	(12,197)	(12,197)
<i>incidence%</i>	-5.5%	46.0%	-17.7%	-300.7%

(*) Cash flows refer to the increase (decrease) in cash and cash equivalent during the year.

34. Additional information

Statement of fees paid to the Independent Auditors and related entities

Pursuant to Article 149-*duodecies* of Consob's Issuers' Regulation (Regulation No. 11971/1999 as subsequently amended), the following table shows

the fees for 2014 for auditing and other services carried out for SEAT Pagine Gialle Group companies by PricewaterhouseCoopers S.p.A. and related entities.

<i>(euro/thousand)</i>	Year 2015	Year 2014
Rete PricewaterhouseCoopers		
SEAT Pagine Gialle S.p.A.		
- Audit	295	382
- Service for the purposes of certification	287	475
- Other services and assignments in PricewaterhouseCoopers:	-	435
- <i>IT & Operations assessment</i>	-	135
- <i>Independent Business Review relating to composition with creditors procedure</i>	-	300
Total	582	1,292
Subsidiaries		
- Audit	101	114
Total	101	114
Company in discontinued operations		
- Audit	-	164
Total	-	164

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

Company	Registered office	Share capital	Ordinary shares held		% held by Seat Pagine Gialle S.p.A.
(business)			%	by	
SEAT PAGINE GIALLE S.p.A.	Turin (Italy)	Euro 20,000,000			
SUBSIDIARIES					
GLAMOO LTD (e-commerce)	London (Great Britain)	Pound Sterling 14,042	100.00	Seat Pagine Gialle S.p.A.	100.00
COUPONING Italy S.r.l. IN LIQUIDAZIONE (e-commerce)	Milan (Italy)	Euro 100,000	100.00	Seat Pagine Gialle S.p.A.	100.00
CONSODATA S.p.A. (direct marketing services, database creation, management and distribution)	Rome	Euro 2,446,330	100.00	Seat Pagine Gialle S.p.A.	100.00
EUROPAGES S.A. (production, promotion and marketing of the "Europages directory")	Paris (France)	Euro 1,000,000	98.37	Seat Pagine Gialle S.p.A.	98.37
EUROPAGES Benelux SPRL (production, promotion and marketing of the "Europages directory")	Bruxelles (Belgium)	Euro 20,000	99.00	Europages S.A.	97.39
PRONTOSEAT S.r.l. (call center service)	Turin (Italy)	Euro 10,500	100.00	Seat Pagine Gialle S.p.A.	100.00
TELEGATE HOLDING GmbH (holding)	Munich (Germany)	Euro 26,100	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BERGAMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BERGAMO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BRESCIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BRESCIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VARESE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services COMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BOLZANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENEZIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SONDRIO LECCO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services LOMBARDIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services LOMBARDIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

Company (business)	Registered office	Share capital	Ordinary shares held		% held by Seat Pagine Gialle S.p.A.
			%	by	
SUBSIDIARIES					
Digital Local Services LOMBARDIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SARDEGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SARDEGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services FRIULI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VENETO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VENETO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VENETO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VENETO 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VENETO 5 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services EMILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services EMILIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services EMILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services PIEMONTE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services PIEMONTE 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CUNEO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services LAZIO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services LAZIO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services LAZIO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 5 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services SICILIA 6 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services Turin 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services Turin 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services Turin 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services Turin 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

Company (business)	Registered office	Share capital	Ordinary shares held		% held by Seat Pagine Gialle S.p.A.
			% by		
SUBSIDIARIES					
Digital Local Services PUGLIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services PUGLIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services PUGLIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services PUGLIA 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CALABRIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CALABRIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services FIRENZE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services FIRENZE 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services FIRENZE 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services NAPOLI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services NAPOLI 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services ROMAGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services ROMAGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services TOSCANA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services TOSCANA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services BOLOGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services BOLOGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CAMPANIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CAMPANIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services CAMPANIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services VERONA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services TRENTO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services LIGURIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services LIGURIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00
Digital Local Services GENOVA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	Seat Pagine Gialle S.p.A. 100.00

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

Company	Registered office	Share capital	Ordinary shares held		% held by Seat Pagine Gialle S.p.A.
(business)			%	by	
SUBSIDIARIES					
Digital Local Services UMBRIA 1 srl (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ADRIATICO 1 srl (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ADRIATICO 2 srl (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ADRIATICO 3 srl (commercial consultancy and marketing)	Turin (Italy)	Euro 10,000	100.00	Seat Pagine Gialle S.p.A.	100.00

Certification of the consolidated financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999, as amended \

1. The undersigned, Antonio Converti, in his capacity as Chief Executive Officer, and Andrea Servo, as Chief Financial Officer of Seat Pagine Gialle S.p.A., hereby certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of the consolidated financial statements, deemed to be adequate in relation to the characteristics of the business, were effectively applied during 2015.
2. The administrative and accounting procedures for the preparation of the consolidated financial statements as at December 31, 2015 were subjected during the year to a critical review in order to evaluate their suitability and how effectively they had been applied. No anomalies emerged as a result of this verification.
3. The following is also certified:
 - 3.1 The consolidated financial statements at December 31, 2015:
 - were prepared in compliance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (International Financial Reporting Standards – IFRS), and with the implementing provisions of Article 9 of Legislative Decree No. 38 of 28 February 2005;
 - correspond to the results contained in the books and the accounting entries;
 - are able to provide a true and accurate representation of the assets and liabilities, results and cash flows of the Company and of all companies included in its consolidation scope.
 - 3.2 The report on operations includes a reliable analysis of performance and operating results, as well as of the position of the Company and all its consolidated entities, together with a description of the main uncertainties and risks to which they are exposed.

Milan, March 15, 2016

Chief Executive Officer
Antonio Converti

Chief Financial Officer
Andrea Servo

INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the Shareholders of
SEAT Pagine Gialle SpA

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SEAT Pagine Gialle SpA and its subsidiaries ("SEAT Pagine Gialle Group"), which comprise the statement of financial position as of 31 December 2015, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the consolidated financial statements

The directors of SEAT Pagine Gialle SpA are responsible for the preparation of consolidated financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n° 39/2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wuhrer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 01029041 - **Napoli** 80121 Via dei Mille 16 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 0854545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444393311

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Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the SEAT Pagine Gialle Group as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Report on compliance with other laws and regulations

Opinion on the consistency with the consolidated financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree no° 58/1998, which are the responsibility of the directors of SEAT Pagine Gialle SpA, with the consolidated financial statements of the SEAT Pagine Gialle Group as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of SEAT Pagine Gialle SpA as of 31 December 2015.

Turin, 4 April 2016

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. We have not examined the translation of the consolidated financial statements referred to in this report.



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ti è vicino "



Pictured above extracted from the last spot of SEAT PG

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Separate financial statements of Seat Pagine Gialle S.p.A.



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Statement of financial position for Seat Pagine Gialle S.p.A. as at December 31, 2015 \

Assets \

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Note
Non-current assets			
Intangible assets with indefinite useful life	-	-	
Intangible assets with finite useful life	106,684	115,027	(6)
Property, plant and equipment	5,068	7,884	(7)
Leased assets	6,628	24,777	(8)
Investments	10,350	17,037	(9)
Other non-current financial assets	2,145	869	(10)
Deferred tax assets, net	-	-	(27)
Other non-current assets	6,182	5,105	(13)
Total non-current assets (A)	137,057	170,699	
Current assets			
Inventories	3,508	3,599	(11)
Trade receivables	154,205	177,398	(12)
Current tax assets	23,804	22,227	(27)
Other current assets	45,132	48,286	(13)
Current financial assets	6,812	11,594	(16)
Cash and cash equivalent	113,039	107,202	(16)
Total current assets (B)	346,500	370,306	
Non-current assets held for sale and discontinued operations (C)	-	-	(28)
Total assets (A+B+C)	483,557	541,005	

Liabilities

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Note	
Equity of the Group				
Share capital	20,000	20,000	(14)	
Additional paid-in capital	117,155	117,155	(14)	
Legal reserve	4,000	4,000		
Reserve for actuarial gains (losses)	(679)	(1,392)	(14)	
Merger deficit	-	(1,340,610)		
Other reserves	3,731	(984)	(14)	
Retained earning (losses)	37,441	(12,204)	(14)	
Profit (loss) for the year	(27,114)	1,390,295		
Total equity	(A)	154,534	176,260	
Non-current liabilities				
Non-current financial debts	7,798	32,344	(16)	
Non-current reserves to employees	11,314	13,054	(18)	
Deferred tax liabilities and non-current tax payables	10,100	20,740	(27)	
Other non-current liabilities	33,096	27,018	(19)	
Total non current liabilities	(B)	62,308	93,156	
Current liabilities				
Current financial debts	16,153	12,601	(16)	
Trade payables	102,983	90,567	(21)	
Payables for services to be rendered and other current liabilities	111,188	128,602	(21)	
Reserve for current risks and charges	34,187	26,356	(20)	
Current tax payables	2,204	13,213	(27)	
Totale passività correnti	(C)	266,715	271,339	
Liabilities directly associated with non-current assets held for sale and discontinued operations	(D)	-	250	(28)
Totale passività	(B+C+D)	329,023	364,745	
Totale passivo	(A+B+C+D)	483,557	541,005	

Income statement of Seat Pagine Gialle S.p.A. for 2015 \

<i>(euro thousand)</i>	Year 2015	Year 2014	Note
Sales of goods	3,719	4,011	(22)
Rendering of services	352,819	384,861	(22)
Revenues from sales and services	356,538	388,872	(22)
Other income	20,002	19,327	(23)
Total revenues	376,540	408,199	
Costs of material	(17,816)	(16,734)	(23)
Costs for external services	(254,135)	(267,262)	(23)
Salaries, wages and employee benefits	(57,524)	(64,612)	(23)
Valuation adjustments	(18,200)	(24,883)	(12,13)
Provisions to reserves for risks and charges, net	(1,896)	(1,750)	(20)
Other operating expenses	(1,982)	(2,524)	(23)
Operating income before amortization, depreciation, non-recurring and restructuring costs, net	24,987	30,434	
Amortization, depreciation and write-down	(38,876)	(39,505)	(6-8)
Non-recurring costs, net	24,439	(5,712)	(23)
Restructuring costs, net	(32,302)	(85)	(23)
Operating results	(21,752)	(14,868)	
Interest expense	(14,295)	(130,520)	(24)
Interest income	1,705	3,500	(24)
Net income from execution of composition with creditors procedure	5,887	1,555,981	
Write-up (write-down) of investments	(9,802)	(11,738)	(9)
Profit (loss) before income taxes	(38,257)	1,402,355	
Income taxes for the year	10,921	(13,002)	(27)
Profit (loss) on continuing operations	(27,336)	1,389,353	
Profit (loss) from non-current assets held for sale and discontinued operations	222	942	(28)
Profit (loss) for the year	(27,114)	1,390,295	

	At 12.31.2015	At 12.31.2014
Number of Seat Pagine Gialle S.p.A. shares	64,267,622,142	64,267,622,142
- ordinary shares	64,267,615,339	64,267,615,339
- saving shares	6,803	6,803
weighted average shares outstanding	64,267,622,142	17,255,404,452
Profit (loss) for the year	€/thousand (27,114)	1,390,295
Profit (loss) par share	€ (0.00042)	0.08057
Profit (loss) diluted par share	n.a.	n.a.

Comprehensive Income statement of Seat Pagine Gialle S.p.A. for 2015 \

<i>(euro thousand)</i>	Year 2015	Year 2014
Profit (loss) for the year	(27,114)	1,390,295
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year</i>		
Actuarial gain (loss)	712	(1,395)
Profit (loss) from the fair value of warrant	(40)	-
Profit (loss) from fair-value measurement of securities and investments AFS	4,716	(984)
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year	5,388	(2,379)
Total other comprehensive income (loss), net of tax effect	5,388	(2,379)
Total comprehensive income (loss) for the year	(21,726)	1,387,916

Cash flow statement of Seat Pagine Gialle S.p.A. for 2015 \

<i>(euro thousand)</i>	Year 2015	Year 2014
Cash inflow (outflow) from operating activities		
Operating result	(21,752)	(14,868)
Amortization, depreciation and write-down	38,876	39,505
(Gain) loss on disposal of non-current assets	(8)	1
Change in working capital	15,622	(38,736)
Income taxes paid	(4,151)	(6,617)
Other movements	10,725	(810)
Cash inflow (outflow) from operating activities (A)	39,312	(21,525)
Cash inflow (outflow) for investments		
Purchase of intangible assets with finite useful life	(26,198)	(24,938)
Purchase of property, plant and equipment	(817)	(1,225)
Other investments	(5,365)	(11,126)
Proceeds from disposal of non-current assets	24	77
Cash inflow (outflow) for investments (B)	(32,356)	(37,212)
Cash inflow (outflow) for financing		
Repayment of non-current loans	(2,127)	(2,870)
Paid interest expense, net	902	1,487
Change in financial asset and liabilities	106	(36,025)
Cash inflow (outflow) for financing (C)	(1,119)	(37,408)
Cash inflow (outflow) from non-current assets held for sale and discontinued operations (D)		
	-	8,444
Increase (decrease) in cash and cash equivalents in the year (A+B+C+D)	5,837	(87,701)
Cash and cash equivalents at beginning of the year	107,202	3
Cash and cash equivalent for merger with Seat Pagine Gialle Italia S.p.A.	-	194,900
Cash and cash equivalents at end of the year	113,039	107,202

Statement of changes in net equity of Seat Pagine Gialle S.p.A. for 2015

	Share capital	Additional paid-in capital	Legal reserve	Reserve for actuarial gains (losses)	Merger deficit	Other reserves	Retained earning (losses)	Profit (loss) for the year	Total
<i>(euro thousand)</i>									
At 12,31,2014	20,000	117,155	4,000	(1,392)	(1,340,610)	(984)	(12,204)	1,390,295	176,260
Allocation of previous year profit (loss)	-	-	-	-	1,340,610	-	49,685	(1,390,295)	-
Other comprehensive profit (loss) for the year	-	-	-	713	-	4,715	(40)	(27,114)	(21,726)
At 12,31,2015	20,000	117,155	4,000	(679)	-	3,731	37,441	(27,114)	154,534

Statement of changes in net equity for Seat Pagine Gialle S.p.A. for 2014

	Share capital	Additional paid-in capital	Legal reserve	Reserve for actuarial gains (losses)	Merger deficit	Other reserves	Retained earning (losses)	Profit (loss) for the year	Total
<i>(euro thousand)</i>									
At 12,31,2013	450,266	466,847	50,071	(261)	-	1,471,330	(2,419,664)	(30,416)	(11,827)
Allocation of previous year profit (loss)	-	-	-	-	-	-	(30,416)	30,416	-
Merger with Seat Pagine Gialle Italia S.p.A.	-	-	-	-	(1,340,610)	-	-	-	(1,340,610)
Cover overall losses	(450,146)	(466,847)	(50,071)	264	-	(1,471,330)	2,438,130	-	-
Capital increase	19,880	121,155	-	-	-	-	-	-	141,035
Costs for capital increase	-	-	-	-	-	-	(254)	-	(254)
Other movements	-	(4,000)	4,000	-	-	-	-	-	-
Other comprehensive profit (loss) for the year	-	-	-	(1,395)	-	(984)	-	1,390,295	1,387,916
At 12,31,2014	20,000	117,155	4,000	(1,392)	(1,340,610)	(984)	(12,204)	1,390,295	176,260

Accounting policies and explanatory notes \

1. Company information

Seat Pagine Gialle S.p.A. is a public limited company listed on the Milan stock exchange.

The Company's registered office is in Turin, at Corso Mortara 22 and it has a share capital of € 20,000 thousand.

The fiscal year ends on December 31 every year. This financial statement refers to the fiscal year of January 1 - December 31, 2015; the duration as required by the Statute is until December 31, 2100

Seat Pagine Gialle S.p.A. (along with the group falling under the same management, "SEAT" or "Company") is a Local Internet Company which is well established throughout Italy. In addition to traditional print and voice

advertising, it offers companies a complete range of support services for promoting their business online via a network of agencies (the SEAT media agency). SEAT's web marketing services range from the construction and management of internet sites, which are also optimized for mobile use, to the creation of multimedia content; from activities related to web visibility, to e-commerce and web marketing services; and from the management of social network presence to couponing. It also offers advertising on third-party digital media, TV, radio and cinema, in partnership with specialist operators.

2. Criteria for preparation

The separate financial statement of Seat Pagine Gialle S.p.A. has been prepared in accordance with the provisions of Legislative Decree No. 38 of February 28, 2005, applying the international accounting standards (IAS/IFRS) issued by the International Accounting Standards Board and approved by the European Union. This includes all interpretations of the International Financial Reporting Interpretations Committee (IFRIC), previously known as the Standing Interpretations Committee (SIC), and it is in compliance with the applicable Consob (Italian Securities and Exchange Commission) regulations.

Seat Pagine Gialle S.p.A. adopted the IAS/IFRS on January 1, 2005, after the European Regulation No. 1606 of July 19, 2002 came into force.

The separate financial statement was prepared based on the historical cost principle, except for those financial assets intended for sale, which were recorded at fair value. The financial statement formats adopted are consistent with those of IAS 1. Specifically:

- the statement of financial position was prepared by classifying assets and liabilities as "current/non-current" and showing "non-current assets/liabilities which are held for sale and discontinued operations" as two separate items, as required by IFRS 5;
- the profit and loss account was prepared by classifying operating costs according to type, as this was considered the most suitable way to present the specific activities of Seat Pagine Gialle S.p.A. and is consistent with internal reporting methods. In addition, the economic results of continuing operations separate "net profit (loss) from continuing non-current assets held for sale and discontinued operations" as required by IFRS 5. As

required by Consob resolution no. 15519 of July 27, 2006, in the context of the profit and loss statement by type; income and expenses from non-recurring transactions were specifically identified, highlighting their impact on the operating result.

Non-recurring income and expenses include those which, by their nature, do not occur continuously in the normal course of operations, such as:

- company restructuring costs;
- stock option plan costs;
- extraordinary and highly strategic consultancy (relating mainly to identifying and implementing solutions for the financial and/or corporate restructuring);
- costs linked to director and department manager severance pay;
- the comprehensive income statement shows the cost and/or revenue items not yet recognized on the profit and loss account with the impact on net equity at the end of the fiscal year;
- the cash flow statement is designed to show the cash flows from operating activities according to the "indirect method", as permitted by IAS 7. It shows the cash flows from operating, investment and financial activities and those from non-current assets held for sale and discontinued operations separately.

Cash and cash equivalents in the financial statement include cash, checks, bank overdrafts and short-term securities which are readily convertible into cash.

Cash flows from operating activities are presented after adjusting the fiscal year's operating result for the effects of: non-cash transactions; any deferment or setting aside of past or future operating receipts or

payments; items of income or expenditure associated with investing or financing cash flows or which relate to non-current assets held for sale and discontinued operations.

- the statement of changes in net equity shows the changes which took place in net equity items in relation to:
 - the allocation of the Parent Company's result for the fiscal year;
 - the composition of the total profit (loss);
 - the effect of errors or possible changes in accounting standards.

Data is presented in euros and all figures have been rounded off to the nearest thousand euro, unless otherwise indicated.

The publication of the financial statements of Seat Pagine Gialle S.p.A. for the fiscal year ending December 31, 2015 was authorized by a resolution of the Board of Directors on March 15, 2016.

However, final approval of the separate financial statement of Seat Pagine Gialle S.p.A. is the responsibility of the Shareholders' Meeting.

On the basis of the provisions of Article 3, paragraph 2 of the Presidential Decree dated December 10, 2008, Seat Pagine Gialle S.p.A. is not required to submit the financial statement in XBRL format, as it is listed on a regulated market.

2.1 Assessment of the company's viability as a going concern

The annual financial report of December 31, 2015 was prepared on the assumption of the continuation of the company's activity, since there is a reasonable expectation that Seat Pagine Gialle S.p.A. will continue to operate for the foreseeable future (and in any case for a timespan of more than twelve months).

2.2 Accounting estimates and assumptions

In accordance with IAS/IFRS regulations, when the separate financial statement and corresponding explanatory notes are prepared, management must make estimates and assumptions which affect the figures for revenue, costs, assets and liabilities therein reported, as well as on the information regarding contingent assets and liabilities on the accounting date. The actual results may differ from these estimates.

The estimates are used to measure the provisions for risks on receivables and errors, amortization, asset depreciation, employee benefits, taxes, restructuring reserves and other provisions and reserves.

The estimates and assumptions are periodically reviewed, and the effects of any change are immediately reflected in the profit and loss account.

3. Accounting standards not yet applicable and/or recently approved by the European Commission

Please refer to the relevant paragraph of the Explanatory notes to the Consolidated financial statement of December 31, 2015 and supplement with the following:

- IAS 27 (Separate financial statements) – The equity method in separate financial statements amendment allows entities to use the equity

method when assessing investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendments should be applied retrospectively from January 1, 2016 in accordance with IAS 8 – Accounting policies, changes in accounting estimates and errors. Earlier application is permitted.

4. Assessment Criteria

See the relevant section of the Explanatory notes to the Consolidated financial statement of December 31, 2015, except for the assessment criteria which relate to "Equity investments" which are illustrated below.

Equity investments

Equity investments in subsidiaries, associates and joint ventures are valued at acquisition cost, according to IAS 27. The positive difference between the book value and the corresponding amount of net equity at current values, which arises from the purchase of equity investments in said companies, are combined in the value of the investments themselves.

The recoverability of such equity investments is verified by comparing an investment's book value with the relative recoverable value, which is the larger of the asset's fair value, net of divestment costs, and its value in use. This is to identify any possible loss in value which would then be recorded in the profit and loss account under, "Value adjustments to equity investments", at the time of calculation.

If the Company's share of the losses in question exceeds the book value of the equity investment, the value of the equity investment is eliminated and any further losses are presented in the "reserve for risks and charges relating to equity investments" in those cases where the Company is obliged to cover them.

The cost of equity investments in foreign companies is converted into euros at the exchange rates in force on the acquisition and subscription date.

Other Investments

Other investments (other than those in subsidiaries, associates and joint ventures) are classified as non-current assets if the Group intends to maintain them for more than 12 months or, otherwise, as current assets.

They are classified in the following categories at the time of acquisition:

- "financial assets available for sale", under either non-current or current assets;
- "assets at fair value through profit or loss", under current assets if they are held for trading.

Other investments classified as "financial assets available for sale" are measured at fair value. Changes in the value of these investments are recognized in an equity reserve through allocation to other comprehensive income (Reserve for fair value adjustment of financial assets available for sale), which is transferred to the profit and loss account at the time of disposal or impairment believed to be definitive.

Other unlisted investments classified as "financial assets available for sale" for which the fair value cannot be determined reliably are measured at cost adjusted by impairment losses recognized in the profit and loss account in accordance with the provisions of IAS 39 (Financial Instruments: recognition and measurement).

Impairment losses on other investments classified as "financial assets available for sale" cannot be reversed subsequently.

Changes in the value of other investments classified as "financial assets at fair value through profit or loss" are recognized directly in the income statement.

5. Impairment test

Impairment in terms of a separate financial statement concerns the test of equity investments recorded in the financial statement by comparing the equity side value of each investment with the respective carrying amount, which corresponds to the value recorded in the financial statement. For the estimation of the equity value of different investments, the respective asset side value is

determined by use of the Discounted Cash Flow method and then adding / subtracting any surplus Assets / Liabilities and the Net Financial Position.

Based on the findings of the test, it was necessary to write off the equity investments in Consodata and ProntoSeat in full.

For further details, please refer to point 9 of these notes.

6. Intangible assets with a finite useful life

	Year 2015			Year 2014	
	Marketing related intangibles assets	Software	Other intangible assets	Total	Total
<i>(euro thousand)</i>					
<i>Cost</i>	79,195	295,308	72,503	447,006	461
<i>Accrued amortization</i>	(54,841)	(257,354)	(19,784)	(331,979)	(461)
Balance at beginning of the period	24,354	37,954	52,719	115,027	-
- Investments	-	21,118	5,080	26,198	24,938
- Amortization and write-downs	(3,176)	(27,316)	(4,047)	(34,539)	(32,671)
- Other movements	(2)	3,653	(3,653)	(2)	-
- Merger	-	-	-	-	122,760
Balance at end of the period	21,176	35,409	50,099	106,684	115,027
of which:					
<i>Cost</i>	79,195	222,132	67,965	369,292	447,006
<i>Accrued amortization</i>	(58,019)	(186,723)	(17,866)	(262,608)	(331,979)

With reference to such intangible assets with a finite useful life, the International Accounting Standards ("IAS-IFRS") require that the tests concerning the verification of the value of the estate is carried out only in those cases where it is felt necessary i.e., in the presence of a trigger event (IAS 36 § 9).

As noted in paragraph 6, In the impairment test, of the Notes to the consolidated financial statement, to which we hereby refer, there were no events or circumstances which indicated a reduction in value of these intangible assets and therefore the corresponding impairment tests have not been carried out.

Intangible assets with finite useful lives consist of:

- *marketing related intangible assets*, by which we are referring to Customer Relationship assets, which were equal to € 21,176 thousand on December 31, 2015;
- *software*, equal to € 35,409 thousand on December 31, 2015. This includes the cost of software acquisition from third parties and the internal production of proprietary and licensed programs to be used primarily for improving Web and Mobile delivery systems in order to support

new commercial ventures in the internet & mobile field;

- *other intangible assets*, of € 50,099 thousand on December 31, 2015; these include € 44,873 thousand for trademarks, concessions and licenses, principally relating to the enhancement of PagineGialle and PagineBianche brands. This item also includes € 5,131 thousand for intangible assets under development; this relates primarily to software projects developed internally which are not yet in operation.

Investments in the 2015 fiscal year amounted to € 26,198 thousand and relate primarily to *i)* improvements in the Web and Mobile delivery systems, *ii)* improvements to Web products offered commercially; this mainly relates to product development, optimization of graphics for mobile use, developments for the new range of Websites, Smart Site and Wi-Fi and the creation of new custom-made product lines for customers requiring personalized digital communications services; *iii)* improvements and acquisitions of infrastructure systems for adapting and upgrading the systems for the new product ranges.

The following table gives an overview of the amortization rates used; these were considered to represent an appropriate distribution of the book value of intangible fixed assets, according to their residual useful life.

	Year 2015	Year 2014
Marketing related intangible assets	10-25%	10-25%
Software	33-50%	33-50%
Other intangible assets	7-10-20%	7-10-20%

7. Property, systems and equipment

These are broken down as follows:

(euro/thousand)	Year 2015				Year 2014
	Property	Plant and equipment	Other fixed assets	Total	Total
<i>Cost</i>	1,261	5,684	47,743	54,688	10
<i>Accrued amortization</i>	(1,079)	(4,432)	(41,293)	(46,804)	-
Balance at beginning of the period	182	1,252	6,450	7,884	10
- Investments	-	177	640	817	1,225
- Disposals	(54)	-	(12)	(66)	(15)
- Depreciation and write-downs	(69)	(414)	(3,084)	(3,567)	(4,308)
- Merger	-	-	-	-	10,972
Balance at end of the period	58	1,014	3,996	5,068	7,884
<i>of which:</i>					
<i>Cost</i>	429	5,391	47,909	53,729	54,688
<i>Accrued amortization</i>	(371)	(4,377)	(43,913)	(48,661)	(46,804)

Systems and equipment (€ 1,014 thousand on December 31, 2015); this refers to electrical, air-conditioning and telephone systems and improvements on assets owned by the Company or leased from third parties.

Other tangible fixed assets (€ 3,996 thousand on December 31, 2015), including furniture and fittings, servers and IT equipment.

Investments of € 817 thousand during the 2015 fiscal

year, chiefly relating to the acquisition of centralized hardware for the Data Center. This was to replace outdated equipment with new equipment which gives better performance and has a lower energy consumption. As is the case each year, individual IT equipment was purchased in accordance with the established plans for replacing the equipment used by staff and sales agents.

The following table gives an overview of the amortization rates used; these were considered to represent an appropriate distribution of the book value of tangible fixed assets in accordance with their residual useful life.

(euro/thousand)	Year 2015	Year 2014
Property	3%	3%
Plant and equipment	10-25%	10-25%
Other fixed assets	10-40%	10-40%

8. Leased assets

The assets under financial lease amounted to € 6,628 thousand on December 31, 2015 and concern the two remaining financial leasing agreements for the Seat Pagine Gialle S.p.A. buildings in Turin.

The property complex is comprised of assets which are broken down as follows:

(euro / thousand)	Year 2015					Year 2014
	Leased land	Leased property	Leased plant	Other leased assets	Total	Total
<i>Cost</i>	5,170	33,076	16,524	3,562	58,332	-
<i>Accrued amortization</i>	-	(18,866)	(12,133)	(2,556)	(33,555)	-
Balance at beginning of the period	5,170	14,210	4,391	1,006	24,777	-
- Disposals	-	-	-	-	-	-
- Amortization and write-downs	-	(294)	(319)	(157)	(770)	(2,526)
- Merger	-	-	-	-	-	27,303
- Other movements	(3,623)	(10,001)	(3,115)	(640)	(17,379)	-
Balance at end of the period	1,547	3,915	957	209	6,628	24,777
<i>of which</i>						
<i>Cost</i>	1,547	9,806	4,845	1,307	17,505	58,332
<i>Accrued amortization</i>	-	(5,891)	(3,888)	(1,098)	(10,877)	(33,555)

On March 31, 2015, Mediocredito Italiano S.p.A. and Seat Pagine Gialle S.p.A. reached an agreement for the dissolution of five of the seven real estate leasing

agreements *in accordance with* Article 169-bis of the Bankruptcy Law with respect to the authorization of the Court of Turin, with a provision filed on July 9, 2014.

9. Equity investments

Equity investments in subsidiary companies, associates and joint ventures amounted to € 17,037 thousand on December 31, 2015.

The following table shows details of the equity investments and the changes over the fiscal year:

	% owner	At 12.31.2014			Change				As at 12.31.2015		
		Costs	Allowance for doubtful investment	Total	Purchases	Disposals	Write-up (write-down) of investments	Total	Costs	Allowance for doubtful investment	Total
(euro / thousand)											
Subsidiaries		6,782	-	6,782	2,500	-	(2,500)	-	6,782	-	6,782
CONSODATA S.p.A.	100.00%	-	-	-	1,500	-	(1,500)	-	-	-	-
EUROPAGES S.A.	98.37%	-	-	-	-	-	-	-	-	-	-
Digital Local Services S.r.l.	100.00%	2,123	-	2,123	-	-	-	-	2,123	-	2,123
GLAMOO Ltd	100.00%	-	-	-	-	-	-	-	-	-	-
GLAMOO	100.00%	-	-	-	-	-	-	-	-	-	-
PRONTOSEAT S.r.l.	100.00%	-	-	-	1,000	-	(1,000)	-	-	-	-
TELEGATE HOLDING GmbH	100.00%	4,659	-	4,659	-	-	-	-	4,659	-	4,659
Other equity investments		10,255	-	10,255	-	-	(6,687)	(6,687)	3,568	-	3,568
TELEGATE A.G.	16.24%	10,255	-	10,255	-	-	(6,687)	(6,687)	3,568	-	3,568
Total equity investments		17,037	-	17,037	2,500	-	(9,187)	(6,687)	10,350	-	10,350

The changes over the fiscal year mainly concern:

- the devaluation of equity investments in Consodata S.p.A. and Prontoseat by € 2,500 thousand following impairment testing;
- the reduced assessment of the fair value of the 16.24% shareholding held by Seat Pagine Gialle S.p.A. in Telegate AG. The reason for this is that the company, in accordance with IAS 39, identified

an *impairment* index in the sustained decline of stock market values, allocating the depreciation to the profit and loss account with regard to the share listing on September 30, 2015, which was deemed indicative of a now stable values situation. This share is a financial asset available for sale which is assessed by reference to level 1 (quoted market) of the hierarchy for fair value in accordance with IAS 39.

10. Other non-current financial assets

Other non-current financial assets due from third parties amounted to € 2,145 thousand on December 31, 2015 (€ 869 thousand on December 31, 2014). This

specifically includes loans to employees of € 1,719 thousand which were issued at market rates for transactions of this kind.

11. Inventories

These are broken down as follows:

(euro thousand)	Year 2015				Year 2014
	Raw materials, suppliers and consumables	Work in progress and semi-finished goods	Finished goods	Total	Total
Balance at beginning of the year	2,364	1,233	2	3,599	-
Increase (decrease)	(233)	141	1	(91)	(660)
Merger	-	-	-	-	4,259
Balance at end of the period	2,131	1,374	3	3,508	3,599

The evaluation of the average weighted cost of the raw materials in stock is broadly in line with their appraisal at current values. Raw materials and consumables refer to inventories relating to print products.

12. Trade receivables

These are broken down as follows:

	Year 2015				Year 2014	
	Trade receivables	Allowance for doubtful trade receivables	Trade receivables to subsidiaries	Allowance for doubtful trade receivables to subsidiaries	Net value	Net value
<i>(euro thousand)</i>						
Balance at beginning of the year	249,702	(75,431)	3,127	-	177,398	-
Provisions in the income statement	-	(16,948)	-	-	(16,948)	(24,749)
Utilization	-	40,469	-	-	40,469	44,733
Estimation revised	-	172	-	-	172	197
Merger	-	-	-	-	-	223,168
Other movements	(44,134)	-	(2,752)	-	(46,886)	(65,951)
Balance at end of the year	205,568	(51,738)	375	-	154,205	177,398

Trade receivables amounted to € 154,205 thousand on December 31, 2015 (net of allowances for doubtful trade receivables of € 51,738 thousand) and included € 2,970 thousand for receivables overdue for more than 12 months. These include € 375 thousand in *trade receivables due from subsidiaries* on December 31, 2015, mainly consisting of the € 372 thousand

receivables due from Europages S.A.

Allowances for *doubtful trade receivables* were considered to be adequate to cover the expected losses. During the 2015 fiscal year, € 40,469 thousand of this provision was used. An additional sum of € 16,948 thousand was added to the allowance to maintain an adequate degree of cover for overdue receivables.

13. Other assets (current and non-current)

These are broken down as follows:

(euro thousand)	At 12.31.2015	At 12.31.2014	Change
Current asset			
Advances on sales commissions and other receivables from agents	19,120	22,082	(2,962)
Other receivables from subsidiaries	5,680	5,524	156
Prepaid expenses	9,258	9,769	(511)
Advances to suppliers	5,503	4,765	738
Other receivables	5,571	6,146	(575)
Total other current assets	45,132	48,286	(3,154)
Other non-current assets	6,182	5,105	1,077
Total other current assets and non-current assets	51,314	53,391	(2,077)

Specifically:

- *advances on commission and other receivables from agents* amounted to € 19,120 thousand on December 31, 2015 and were recorded net of provision for doubtful receivables, which were equal to € 1,987 thousand;
- *other receivables from subsidiaries* amounted to € 5,680 thousand on December 31, 2015 (€ 5,524 thousand on December 31, 2014); these mainly include receivables of € 5,233 thousand from Digital Local Services, € 315 thousand from Consodata S.p.A. and € 124 thousand from Prontoseat S.p.A.
- *deferred expenses* amounted to € 9,258 thousand on December 31, 2015; this item includes the deferment of direct production costs to the same time frame in which the corresponding revenues are recorded in the profit and loss account;
- *advance payments to suppliers*, of € 5,503 thousand on December 31, 2015, mainly refers to € 2,254 thousand for advances paid to the printer DPrint S.p.A. and € 1.143 to Cipi S.p.A.;
- *other receivables* of € 5,571 thousand principally refer to credit items from INPS (the social security authority) of € 1,565 thousand, security deposits of € 679 thousand and receivables for €1,186 thousand that arose following the provisional payment made pending judgment for the tax assessment notice issued by the Revenue Agency. This assessment questioned the failure to apply tax withholdings on interest paid to the Royal Bank of Scotland (Milan branch) in 2009 as part of the so-called "Senior" loan (for more details, see point 27 of this note);
- *other non-current assets* of € 6,182 thousand on December 31, 2015, principally refer to tax receivables of € 4,518 thousand. This was for the reimbursement of excess corporation tax (IRES) which had been paid for the tax periods prior to 2012 as a result of the failure to deduct regional production tax (IRAP) relating to the cost of staff and similar expenses; this was accounted for in 2013 in accordance with the available official interpretations.

14. Net equity

Net equity is broken down as follows:

<i>(euro thousand)</i>		At 12,31,2015	At 12,31,2014	Change
Share capital		20,000	20,000	-
Additional paid-in capital	A,B,C	117,155	117,155	-
Legal reserve	B	4,000	4,000	-
Merger deficit	A,B,C	-	(1,340,610)	1,340,610
Retained earnings	A,B,C	37,441	(12,204)	49,645
Reserve for actuarial gains and (losses)	B	(679)	(1,392)	713
Other reserves	B	3,731 -	(984)	4,715
Profit (loss) for the year		(27,114)	1,390,295	(1,417,409)
Total equity		154,534 -	176,260	(21,726)

A: Reserve available for capital increase

B: Reserve available for covering losses

C: Reserve available for distribution to shareholders

Share capital

This amounted to € 20,000 thousand on December 31, 2014 and is divided into 64,267,615,339 no par value common shares and 6,803 no par value savings shares.

It should be noted that, as regards the share capital, tax has been deferred on the sum of € 13,741 thousand. Deferred tax liabilities were not calculated on this sum as Seat Pagine Gialle S.p.A. is not considering repayment of the principal.

Additional paid-in-capital

This amounted to € 117,155 thousand on December 31, 2015, unchanged from December 31, 2014; tax has been deferred on the entire share premium reserve because of the 2005 realignment between the statutory value and the fiscal value of the Customer Data Base, in accordance with Law No. 342/2000.

It should also be noted that deferred tax liabilities were not calculated as the Company is not considering distributing the share premium reserve.

Legal reserve

This amounted to € 4,000 thousand on December 31, 2015; it should be noted that tax has been deferred on the entire reserve in question because of the 2005 realignment carried out in accordance with Law 342/2000.

Merger deficit

This item has been fully covered following the allocation of

part of the 2014 fiscal year profits in compliance with the resolutions of the April 23, 2015 Shareholders' Meeting.

Retained earnings

Profit / Loss carried forward shows a positive balance of € 37,441 thousand (a negative balance of € 12,204 thousand on December 31, 2014); this change mainly reflects the allocation of part of the 2014 fiscal year profits in compliance with the resolutions of the April 23, 2015 Shareholders' Meeting.

Reserve for actuarial gains (losses)

The Reserve for actuarial gains (losses) shows a negative balance of € 679 thousand on December 31, 2015 and includes the net effect of adding the actuarial gains (losses) on severance pay, the share remaining with the company, following their recognition in the financial statement in accordance with IAS 19, paragraph 93A.

Other reserves

These amounted to € 3,731 thousand on December 31, 2015 and represent the value of the warrant which, following the announcement of the Subscription Price for conversion shares (warrant) issued on April 17, was classified as net equity as the price is now defined and, if exercised, involves the delivery of a fixed number of shares. It should be noted that the warrants allow maximum emission of n. 3.391.431.376 ordinary shares following the exercise of subscription, with effect from January 29, 2016 until April 29, 2016.

15. Total other gains (losses)

For comments on individual items, please see the preceding point in these Explanatory notes.

<i>(euro thousand)</i>	Year 2015	Year 2014
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year</i>		
Actuarial gain (loss)	983	(1,924)
Tax effect of actuarial gain (loss)	(271)	529
Profit (loss) from fair-value measurement of securities and investments AFS	(40)	-
Profit (loss) from the fair value of warrant	4,716	(984)
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the year	5,388	(2,379)
Total other comprehensive profit (loss), net of tax effect	5,388	(2,379)

The item "Profit (loss) from the fair value of warrant includes the effect from the notification of the Warrant Subscription Price, which took place on April 17.

This financial instrument has become an option classified under net equity, since its price is now

established and in case of its exercise results in delivery of a fixed number of shares; therefore, the resulting financial liability, arising by virtue of accounting at fair value in the period between the date of completion of the capital increase and the date of setting of the option price, is no longer included in the net debt.

16. Net financial debt

As of December 31, 2015, this was structured as follows:

<i>(euro thousand)</i>		At 12.31.2015	At 12.31.2015 ⁴	Change
A	Cash	113,039	107,202	5,837
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	113,039	107,202	5,837
E,1	Current financial receivables from third parties	717	2,718	(2,001)
E,2	Current financial receivables from related parties	6,095	8,876	(2,781)
F	Current bank debt	-	94	(94)
G	Current portion of non-current financial debt	1,118	4,976	(3,858)
H,1	Other current financial debt to third parties	6	1,807	(1,801)
H,2	Other current financial debt to related parties	15,029	5,724	9,305
I=(F+G+H)	Current financial debt	16,153	12,601	3,552
J=(I-E-D)	Net current financial debt	(103,698)	(106,195)	2,497
K	Non-current bank debt	-	-	-
L	Bond issued	-	-	-
M,1	Other non-current financial debt	7,798	32,344	(24,546)
M,2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M)	Non-current financial debt	7,798	32,344	(24,546)
O=(J+N)	Net financial debt (ESMA)	(95,900)	(73,851)	(22,049)

The difference in net financial position compared to December 31, 2015 is principally due not only to the net cash flow from business operations but also to total proceeds of € 30,000 thousand from the settlement at the outcome of liability actions in February; it was also due to the termination of 5 out of 7 real estate leasing agreements in March 2015. This resulted in an overall debt reduction of approximately € 23,216 thousand. It should be noted that, with the announcement of

Subscription Price for Conversion shares (warrant) on April 17, this financial instrument was classified under net equity as the price is now defined and, if exercised, involves the delivery of a fixed number of shares; consequently, the resulting financial liability, as a result of accounting at fair-value during the intervening period between the date of implementation of the capital increase and the date of setting the strike price, is no longer recorded under net debt.

A description of the items which constitute net financial debt is provided below:

Non-current financial liabilities

Other non-current financial debts of € 7,798 thousand refer to the two remaining financial leasing agreements of Seat Pagine Gialle S.p.A. relating to the buildings in Turin.

The aforementioned agreements provide for repayment through the payment of 33 remaining instalments; these are quarterly deferred instalments which are subject to a variable interest rate, linked to the three-month Euribor rate, plus a spread of approximately 65 basis points p.a. The surrender value is fixed at approximately 1% of the value of the buildings covered by the agreement.

Current financial liabilities

These amounted to € 16,153 thousand on December 31, 2015 and are broken down as follows

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Cash	-	94	(94)
Cash equivalent	1,118	4,976	(3,858)
Trading securities	6	1,807	(1,801)
Liquidity	15,029	5,724	9,305
Indebitamento finanziario corrente	16,153	12,601	3,552

They are principally composed of:

– *Current portion of non-current debt*: equal to € 1,118 thousand on December 31, 2015 which relates to the current share of the two remaining financial leasing agreements.

– *Other current financial debts to related parties*: equal to € 15,029 thousand on December 31, 2015. This refers to € 5,500 thousand payable to Telegate Holding GmbH, € 9,196 thousand payable to Digital Local Services S.r.l. and € 333 payable to Prontoseat S.r.l.

Current financial assets

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Current financial receivables from third parties	717	2,718	(2,001)
Current financial receivables from related parties	6,095	8,876	(2,781)
Current financial assets	6,812	11,594	(4,782)

Current financial assets amounted to € 6,812 thousand on December 31, 2015 and mainly refer to financial receivables from subsidiaries of € 6,095 thousand (of which € 6,095 thousand is from Consodata S.p.A.) and receivables from third parties of € 717 thousand (of which € 520 thousand relates to a previous securitization of receivables by SEAT

Pagine Gialle S.p.A. and € 81 thousand to loans to employees). As of December 31, the receivable due from Europages S.A. of € 8,801 thousand was considered irrecoverable, given the negative performance of the business, both currently and prospectively, and was therefore written off completely.

Cash and cash equivalents

Cash and cash equivalents amounted to € 113,039 thousand on December 31, 2015 and are broken down as follows:

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Cash	111,760	105,915	5,845
Cash equivalent	1,261	1,273	(12)
Trading securities	18	14	4
Liquidity	113,039	107,202	5,837

It is reported that about 4.4% of cash is subject to guarantee.

17. Information on financial risks

Risk associated with financial debt

As of December 31, 2015 the contractual maturities of the financial instruments in place are as follows:

<i>(euro thousand)</i>	due within			Total
	by 1 year	by 1-5 years	over 5 years	
Debts toward MedioCredito Italiano S.p.A.	1,118	4,915	4,372	10,405
Total financial debts	1,118	4,915	4,372	10,405

⁽¹⁾ In the consolidated financial statements, the item amounted to € 8,916 thousand for the measurement at amortized cost.

In view of the funds available on December 31 there are no perceived risks relating to financial debt.

For more details, see point 19 of the Explanatory notes to the Consolidated financial statement.

18. Non-current reserves relating to employees

These break down as follows:

	Year 2015			Year 2014
	Reserve for severance indemnities	Reserve for defined contribution pension plans	Total	Total
<i>(euro thousand)</i>				
Balance at beginning of the year	12,150	904	13,054	147
Provisions	-	2,663	2,663	2,941
Contributions	-	860	860	888
Benefits paid / received	(1,910)	(3,735)	(5,645)	(6,820)
Discounting losses	209	-	209	419
Actuarial losses (gains) recognised to equity	(983)	-	(983)	1,925
Merger	-	-	-	13,287
Other movements	808	348	1,156	267
Balance at the end of the year	10,274	1,040	11,314	13,054

The reserve for employee severance indemnities, of € 10,274 thousand at December 31, 2015 (€ 12,150 thousand at December 31, 2014), was assessed by an independent actuary by using the projected unit credit method in accordance with the revised directions of IAS 19.

Following the reform of the supplementary pensions system (Legislative Decree No. 252 of December 5, 2005), this continues to constitute a Company obligation as it is considered to be a defined-benefits plan.

As in previous years, the portion of the reserve for severance indemnities subsequently paid into supplementary pension reserves was considered a

defined-contribution plan, since the Company's obligation towards the employee terminates upon payment of the portions accrued into the pension reserves. It should be noted that payments of the portions of the reserve for severance indemnities to the INPS Treasury Fund (national social security institution) were also accounted for as payments to a defined-contribution plan; this is because the Company is not obliged to make any further payments, other than those provided for by the Ministerial Decree of January 30, 2007, if the fund does not have sufficient assets to pay out the benefits to the employee.

<i>(euro thousand)</i>	As at 12.31.2015	As at 12.31.2014
A, Change in benefit obligation		
1, Benefit obligation at the beginning of the year	12,150	74
2, Current service cost	-	-
3, Interest expense	209	419
4, Benefit paid form plan/company	(1,910)	(2,204)
5, Other movements and change in consolidation scope	808	11,936
6, Changes recognised to equity (OIC effect)	(983)	1,925
<i>a, Effects due to changes of demographic events</i>	-	-
<i>b, Effects due to changes of financial events</i>	(721)	2,305
<i>c, Effects due to changes of actuarial events</i>	(262)	(380)
Benefit obligation at the end of the year	10,274	12,150
B, Account recognised in the statement of financial position		
<i>Plants that are fully unfunded and plants that are wholly or partly funded</i>		
1, Present value of defined-benefit unfunded obligations at the end of the year	10,274	12,150
Net liability recognised in the statement of financial position		
<i>Amounts in the statement of financial position</i>		
1, Liabilities	10,274	12,150
2, Assets	-	-
C, Component of pension costs		
<i>Amounts recognised in the income statement</i>		
1, Current service costs	-	-
2, Interest expense	209	419
Total pension cost recognised in the income statement	209	419
D, Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligation</i>		
1, Discount rate	2,00%	1,70%
2, Rate of price inflation	1,50%	2,00%
<i>Weighted-average assumptions to determine net pension cost</i>		
1, Discount rate	1,70%	3,50%
2, Rate of price inflation	2,00%	2,00%
E, Past experience of actuarial (profits) and losses		
a, Amount ⁽¹⁾	n.s.	n.s.
b, Percentage of plan liabilities at the closing data	n.s.	n.s.
F, Sensitivity analysis - benefit obligation evaluation based on events below		
1, Discount rate		
a, Discount rate - xx basis points	10,565	13,243
Events	1,75%	1,45%
Weighted-average duration of benefit obligation (years)	11,22	11,47
b, Discount rate + xx basis points	9,991	12,509
Events	2,25%	1,95%
Weighted-average duration of benefit obligation (years)	11,12	11,34

⁽¹⁾ This is the amount of actuarial gains/ (losses) from applying the previous year's actuarial assumptions to the current workforce.

continued →

→ follows

<i>(euro thousand)</i>	As at 12.31.2015	As at 12.31.2014
G. Expected cash flow for next year		
1. Member contributions	396	1,185
2. Contributions forecasted to reimbursements	-	-
3. Expected payments of total performances	-	-
Year 1	396	1,185
Year 2	328	566
Year 3	328	363
Year 4	314	358
Year 5	338	324
Next 5 years	2,538	2,508
H. Statistics		
1 Census date	31-12-14	31-12-14
2 Assets	-	-
Numbers	679	754
b. Total annual payable pension	-	-
c. Annual average payable pension	-	-
d. Average age	46.7	46.1
e. Average age of service	19.1	18.7

⁽¹⁾ This is the amount of actuarial gains/ (losses) from applying the previous year's actuarial assumptions to the current workforce.

19. Other non-current liabilities

The other non-current liabilities of € 33,096 thousand (€ 27,018 thousand on December 31, 2014) are broken down as follows

	Year 2015				Year 2014	
	Reserve for sale agents' termination indemnities	Reserve for restructuring expenses	Other non-operating liabilities	Other non-current operating liabilities	Total	Total
<i>(euro thousand)</i>						
Balance at beginning of the year	23,991	-	745	2,282	27,018	1,369
Provisions	1,329	12,877	250	-	14,456	1,399
Utilizations/repayments	(1,901)	-	-	(655)	(2,556)	(1,436)
Discount losses (gains)	(252)	-	-	-	(252)	1,559
Merger	-	-	-	-	-	29,137
Other movements	(5,562)	-	-	(8)	(5,570)	(5,010)
Balance at end of the year	17,605	12,877	995	1,619	33,096	27,018

The *fund for sales agents' indemnities*, which amounted to € 17,605 thousand, represents the accrued debt at the end of the fiscal year for the indemnities due to active sales agents in the event of termination of the agency contract, as provided for by current regulations.

The balance of the fund was discounted, taking into consideration expected and future cash flows, using the pre-tax discount rate that reflects the current market assessment of the cost of money over time. The change due to the passage of time and due to changes in the discount rate applied was recorded as financial profit and was equal to € 252 thousand. The reduction in the fund amounting to € 6,386 thousand is in part related to the analyses described at point 21 of this note.

Other non-operating liabilities amounting to € 995

thousand principally refer to debts due to Prontoseat S.r.l. and Consodata S.p.A. These were generated as part of the tax consolidation scheme following the request for a refund of the excess corporation tax (IRES) paid for fiscal periods prior to 2012; this had resulted from the failure to deduct regional production tax (IRAP) relating to staff and similar expenses. These are comparable with the tax receivables mentioned under point 13 of these Notes.

The reserve for restructuring expense (non-current portion amount to € 12,877 thousand as at December 31 2015 to effect the allocation mode during the year in Seat Pagine Gialle S.p.A. as a result of the new plan of the personnel reorganization initiated in February 2015 (for further details please refer to the "Industrial Relation" in the section other information of the Report on Operation.

20. Reserves for current risks and charges (operating and non-operating)

These are broken down as follows:

	Year 2015			Year 2014	
	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves	Total	Total
<i>(euro thousand)</i>					
Balance at beginning of the year	5.483	8.844	12.029	26.356	22.488
Provisions	1.952	323	19.900	22.175	2.282
Utilizations	(1.998)	(802)	(8.812)	(11.612)	(24.923)
Estimation revised	-	(379)	(7)	(386)	(8.432)
Merger	-	-	-	-	48.874
Other movements	-	(424)	(1.922)	(2.346)	(13.933)
Balance at end of the year	5.437	7.562	21.188	34.187	26.356

Specifically:

- the *reserve for commercial risks*, of € 5,437 thousand, covers any possible costs connected with an imperfect performance of contractual services;
- the *reserves for contractual and other operating risks*, of € 7,562 thousand (€ 8,844 thousand on December 31, 2014) include € 4,625 thousand for legal disputes in progress and € 2,793 thousand for lawsuits against agents and employees. Specifically, the reserve for legal disputes includes the assessment for the risk for the recognition to the Communications Regulator (AGCOM) of a contribution for the period 2006–2010. For further details, please refer to the paragraph Litigation of the Report on Operations;
- the *non-operating reserves* - current portion - amount to € 21,188 thousand at December 31, 2015 (€ 12,029 thousand on December 31, 2014). These principally include: (i) the € 15,601 thousand of the *reserve for corporate restructuring* - the current portion which reflects the allocation of € 19,400 thousand made by

Seat Pagine Gialle S.p.A. over the first nine months of 2015 following the new staff reorganization plan begun in February 2015. This provision which utilization has been 8,060 thousand in 2015, should be considered in conjunction with the non-current portion of the company's restructuring reserve; (ii) the € 3,442 thousand of the sales network restructuring fund; (iii) € 750 thousand for the risk fund, calculated by taking into account the applicable provisions and the reasonable possibility of striking an agreement with the Pension Regulator (tPR) and the trustee of the TDL Fund concerning financial support for the TDL fund, bearing in mind the winding-up proceedings applied; (iv) € 350 thousand for the risk reserve allocated to meet the financial needs related to the liquidation of the subsidiary Couponing Italy srl in liquidation (formerly Glamoo srl); it should likewise be noted that receivables for a total amount of € 1,203 thousand in respect of the same company, either of a commercial or a financial nature, were also written off.

21. Trade payables and other current liabilities

Trade payables and other current liabilities are broken down as follows:

<i>(euro thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Payables to suppliers	61,801	51,979	9,822
Payables due to sales agents	19,430	11,700	7,730
Payables due to other	3,683	8,167	(4,484)
Payables due to employees	12,966	13,990	(1,024)
Payables due to social security institutions	3,728	4,731	(1,003)
Payables due to parent companies	1,375	-	1,375
Total trade payables	102,983	90,567	12,416
Payables for services to be rendered	104,650	118,247	(13,597)
Advances from customers	1,627	1,654	(27)
Other current liabilities	4,911	8,701	(3,790)
Total payables for services to be rendered and other current liabilities	111,188	128,602	(17,414)

All *trade payables* have a due date of less than 12 months. The *payables to suppliers*, of € 61,801 thousand (€ 51,979 thousand on December 31, 2014) increased in total by € 9,822 thousand.

The *payables due to agents* of € 19,430 thousand on December 31, 2015, should be considered in conjunction with the item "advances on sales commission", recorded under "Other current assets", of € 19,120 thousand on December 31, 2015. It should be noted that, following the implementation of new IT procedures during the semester,

one could proceed with an accurate analysis of the asset balances concerning relationships with sales agents that make it possible to set aside amounts previously allocated in related funds;

Payables for services to be rendered of € 104,650 thousand (€ 118,247 on December 31, 2014) includes advanced billing for print directory advertising services and the deferral of revenues from the delivery of web and voice services on a straight-line basis throughout the respective on-line and on-voice contractual periods.

22. Revenue from sales and services

Revenue from sales and services amounted to € 356,538 thousand (€ 388,872 thousand for the 2014 fiscal year; for an appropriate revenue performance analysis,

please refer to the explanation in the Business Report, in the paragraph, "Economic and financial outlook by Business Area" - under "Italian Directories".

23. Other operating costs and revenue

23.1 Other revenues and income

Other revenues and income of € 20,002 thousand (€ 19,327 thousand during the 2014 fiscal year) include: € 10,210 thousand for the recovery of costs incurred by Seat Pagine Gialle S.p.A. for seconded staff (subsequently recharged to the Group companies); € 3,299 thousand for the recovery of costs, of which € 728 thousand were from companies of the Group; and € 6,485 thousand of other income, of which € 4,201 thousand was from subsidiaries (€ 3,780 thousand of this was from Digital Local Services and € 405 thousand from Consodata S.p.A. for administrative services).

23.2 Cost of materials

Costs of materials amounted to € 17,816 thousand during the 2015 fiscal year (€ 16,734 thousand during the 2014 fiscal year). This specifically refers to *paper consumption*, € 15,419 thousand, and *goods and products for resale*, € 2,246 thousand, which relates to the purchase of customized items used for merchandising activities.

23.3 Cost for external services

The costs for external services amounted to € 254,135 thousand during the 2015 fiscal year (€ 267,262 thousand during the 2014 fiscal year). These relate specifically to:

- *costs for commission and other agent costs*, of € 98,440 thousand;
- *commissions to web publishers*, of € 38,339 thousand as part of the bid management for Digital reselling and partnership agreements signed with major players in the media world;
- *industrial production costs* of € 21,726 thousand; these mainly refer to the costs of the typesetting, printing and binding of PAGINEGIALLE® and PAGINEBIANCHE®;
- *costs for consultancy and professional services* of € 17,581 thousand;
- *costs for advertising and promotion* of € 6,813 thousand were incurred, specifically to support the products, 89.24.24 Pronto PAGINEGIALLE® and PAGINEGIALLE.it®;
- *inbound call center services* of € 4,915 thousand refers to the services 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE®.

23.4 Labor costs

Labor costs during the 2015 fiscal year amounted to € 57,524 thousand (€ 64,612 thousand during the 2014 fiscal year) corresponding to an average paid workforce of 842 units and

a workforce including directors, project workers and interns of 939 units on December 31, 2015.

23.5 Other operating expenses

The other operating expenses amounted to € 1,982 thousand (€ 2,524 thousand during the 2014 fiscal year). They included € 1,168 thousand for indirect and operating taxes and € 158 thousand of membership fees.

23.6 Non-recurring net costs

Non-recurring net costs amounted to € 24,439 thousand during the 2015 fiscal year (€ 5,712 thousand during the 2014 fiscal year). These costs specifically refer to:

- € 2,000 thousand for the sum owed to the previous CEO at the time of his expected termination of office, as per the terms announced by the Company;
 - € 2,195 thousand relating mainly to strategic consultancy, of which € 1,416 thousand can be attributed to the proposed merger with IOL;
 - € 358 thousand in residual costs relating to procedural costs and consultancy fees connected to the agreement;
- Non-recurring income of € 30,000 thousand refers to the amount paid to former directors of Seat Pagine Gialle S.p.A. in respect of the settlement arising from the outcome of the liability action. In the 2014 financial year, this item included: i) € 8,385 thousand of costs relating to procedural costs and consultancy fees in relation to the agreement, ii) € 2,351 thousand of costs incurred for company restructuring in the SEAT Business Area, iii) € 7,900 thousand of lower charges for auditing the liabilities previously allocated for the risks fund and expenses in relation to litigation with Ilte/Rotosud resulting from the settlement agreed with the party. This was authorized by the relevant procedural bodies, which facilitated an end to the dispute that arose with one of the company's main suppliers and allowed a relationship to be established with the print enterprise for the three year period of 2014–2016.

23.7 Net restructuring costs

Net restructuring costs amounted to € 32,302 thousand during the 2015 fiscal year (€ 85 for the 2014 fiscal year) and € 32,277 thousand of this refers to the amount set aside as provision for company restructuring – the current and non-current portions – as a result of the new personnel reorganization plan initiated by Seat Pagine Gialle S.p.A. in February 2015 (for more details, see the paragraph “industrial relations, summary of the trade union agreement” listed among the Significant Event of the Management Report).

24. Financial income and expenses

24.1 Financial expenses

The *financial expenses* of € 14,295 thousand during the 2015 fiscal year (€ 130,520 thousand during the 2014 fiscal year) mainly relate to the adjustment of the fair value of warrants of € 3,391 thousand and to depreciations of financial receivables from Europages S.A. for € 8,801 thousand and from Couponing Italy srl in liquidation (formerly Glamoo srl) for € 1,197 thousand, which are considered impossible to recover.

In the previous fiscal year the financial charges primarily related to € 89,264 thousand for interest payable on *Senior Secured bonds* and € 36,927 thousand for interest payable on the financing referred to in the *Term and Revolving Facility Agreement* contract signed with The Royal Bank of Scotland; it is specified that such interest payable was calculated at the rates contractually determined for the total amount of the debt, without considering what is expected, in relation to the

aforementioned debts and related interest, from the proposed composition procedure of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. and from the application of the relevant reference standards; this accounting treatment reflects the provisions of IAS 39 AG57 according to which financial liabilities were taken into account until the liability was discharged as a result of the agreement's ratification.

Interest accrued since February 6, 2013 has been cleared and the effect on the 2014 fiscal year is equal to € 126,273 thousand. This is included in the profit and loss account under the item "Net income from the composition with creditors".

24.2 Financial income

Financial income of € 1,705 thousand during the 2015 fiscal year (€ 3,500 thousand during the 2014 fiscal year) refers almost entirely to interest received from the use of short-term liquidity in the banking system at market rates.

25. Net income from the composition with creditors procedure

The *net income from the composition with creditors* of € 5,887 thousand during the 2015 fiscal year refers to the net effect from the termination of 5 out of 7 leasing

agreements, which meant the removal of the respective financial debt and the inclusion of the real estate to which the finance leasing refers under assets.

26. Value adjustments and gains (losses) on equity investments

This item shows a balance of € 9,802 thousand during the 2015 fiscal year. This includes € 6,646 thousand from the effect of the reduced assessment of the fair value of the 16.24% shareholding which Seat Pagine Gialle S.p.A. holds in Telegate AG as the company, pursuant to IAS39 identified an impairment index in the sustained decline of the stock market values,

acknowledging the depreciation for the listing of share on September 30, 2015 in the profit and loss account . This was deemed indicative of a values situation which is now stable.

The item also includes depreciations for € 2,500 thousand of investments in Consodata S.p.A. and ProntoSeat following the impairment tests.

27. Income taxes

Income taxes for the 2015 fiscal year are broken down as follows:

(euro/thousand)	Year 2015	Year 2014	Change Absolute
Current income taxes	(354)	(1,690)	1,336
Provision (reversal) of deferred tax assets	5,123	(13,003)	18,126
(Provision) reversal of deferred tax liabilities	6,160	1,688	4,472
Income taxes referred to previous years	(8)	3	(11)
Total income taxes for the period	10,921	(13,002)	23,923

It should be noted that new legislative developments introduced by the 2015 and 2016 Stability Laws had an impact on the 2015 tax period. More specifically:

- the further deduction of IRAP (Italian Regional Tax on Production Activities) of the cost of work for contracts of infinite duration (introduced from the 2015 tax period from Law No. 190 of December 23, 2014). This resulted in the company's net value of production being negative for the 2015 tax period, with subsequent zeroing of the Italian Regional Tax on Production Activities;
- the reduction of the IRES (Italian Corporate Tax) rate from 27.5% to 24% applicable from January 1, 2017. This resulted in the deferred tax being adjusted in the 2015 tax year (pursuant to Law no. 208 of December 28, 2015).

Current taxes for the tax year, amounting to € 354 thousand, can be attributed mainly to the remuneration of tax attributes transferred by the subsidiary as part of the national tax consolidation regime.

The provision of deferred taxes, amounting to € 5,123 thousand refer mainly to the movements of the risk reserves, after the effect of the change in the IRES tax rate, taking into account the value attributable to them for up to the amount of deferred taxes that the company believes it can recover with the plan in future.

The release of deferred tax liabilities, amounting to € 6,160 thousand and mainly refers to the partial reduction in the difference between the carrying amounts and the amounts recorded for tax purposes as regards the other intangible assets, as well as the effect of the change in the IRES tax rate.

In reference to tax losses that have not been utilised, in relation to the national tax consolidation regime of the

SEAT group (€ 156,224 thousand), it should be noted that the assets for deferred taxes were not recognized as of December 31, 2015.

On December 24, 2014, the Company received a tax assessment notice from the Italian Revenue Service - Lombardy Regional Office (hereinafter "DRE"), claiming that the company failed to apply withholding taxes in 2009 on interest paid to the Royal Bank of Scotland (Milan branch) for the "Senior" loan.

According to the DRE, the Company should have applied withholding tax on part of the interest paid to the Royal Bank of Scotland. The DRE has calculated the withholding tax that it believes should have been applied in 2009 as € 5.2 million, in addition to approximately € 1 million in interest. The DRE did not apply penalties due to the objective uncertainty inherent in this issue. Therefore, the total amount requested is approximately € 6.2 million. The above tax assessment notice was partially annulled, by own determination, reducing the amount of the greater withholdings to 3 million Euros. Supported by its own tax advisors, the company therefore contested this tax assessment notice. The appeal, aimed at achieving the total annulment of the claim, was notified to the Italian Revenue Agency on May 13, 2015 and was filed for official proceedings before the relevant Provincial Tax Commission on May 25, 2015. As provided by tax collection regulations, before official proceedings on May 21, the company arranged to pay a third of the request sum on a provisional basis, amounting to € 1.2 million. The appeal is subjected to discussion by the relevant Provincial Tax Commission on November 3, 2015. Following the judgement by the Provincial Tax Commission of Milan filed on December 1, 2015, the appeal against the tax assessment for the 2009 tax year was upheld, and an annulment in the first instance was issued. Subsequent to this judgement, the

amounts paid by the Company pending judgement, totalling € 1.2 million, will be reimbursed, presumably in early 2016.

On October 2, 2015, the company was served with five tax assessment notices issued by the DRE following the one received on December 24, 2014 in relation to the 2009 tax year. These findings questioned the failure to apply tax withholdings in 2010, 2011 and 2012 on interest paid to the Royal Bank of Scotland as part of the so-called "senior" loan for around 7.7 million Euros, in addition to around 8.0 million Euros of sanctions and 1 million Euros in interest. Therefore, the total claim amounted to around 16.6 million Euros, plus interest. In light of the above, the company entrusted its tax advisors with the task of preparing the appeal in respect of legal acts relating to the years 2010, 2011 and 2012. In February 2016, the company, supported by its tax advisers, contested the tax assessment notice

for the years 2010, 2011 and 2012 and arranged to make a provisional payment, pending judgement, of a third of the requested sum, amounting to € 2.9 million.

On the basis of the foregoing, for the purposes of this Annual Report as at December 31, 2015, the risk of having to use resources intended to produce economic benefits with respect to the assessment sent by the DRE should not be deemed likely, although it is possible. Therefore, pursuant to IAS 37, no addition was made to the reserves for tax risks and charges.

The reconciliation of the recorded income taxes and the theoretical income taxes, which result from the application of the tax rates in force to the pre-tax profit for the financial years ending on December 31, 2015 and 2014, is as follows:

<i>(euro/thousand)</i>	Year 2015	Year 2014
Profit (loss) before income taxes	(38,256)	1,402,356
Current income taxes calculated with the theoretical tax rate (31,40%)	12,012	(440,340)
Fiscal effect on non-deductible expenses for IRAP purposes	(3,950)	51,491
Deferred tax adjustment due to the rate change	1,504	-
(Deferred tax assets not entered)/gains on revaluation	13,118	9,250
Tax IRES effect due to the reduction of composition with creditors procedure debt	7	423,416
Permanent differences and other movements	(11,772)	(56,819)
Total income taxes for the year	10,920	(13,002)

The permanent differences (€ 11,772 thousand in 2015 and € 56,819 thousand in 2014) are mainly attributable to the following phenomena:

– for € 1,227 thousand, for the deduction of a part of the interest liabilities that were not deducted in the previous tax period in accordance with Article 96 of the

Consolidated Income Tax Law.

- for € 2,696 thousand to the impossibility of deducting the components related to devaluation because of impairment on investments,;
- for € 7,992 thousand for the effect of taxes on tax losses for the period for which deferred taxes were not recognized.

Net deferred tax assets and liabilities

The net deferred tax assets and liabilities are outlined in the following tables

	At 12.31.2014	Changes during the year			At 12.31.2015		
		Merger	Income taxes accounted for in the income statement	Income taxes accounted for equity	Total	of which IRES	of which IRAP
<i>(euro/thousand)</i>							
Deferred tax assets							
Allowance for doubtful trade receivables	20,559	(796)	(6,469)	-	13,294	13,294	-
Reserves for contractual risks	13,863	(1,432)	3,353	-	15,784	14,715	1,069
Goodwill amortization	3,475	(95)	(844)	-	2,536	944	1,592
Other	6,041	(98)	(3,496)	(372)	2,075	1,951	124
Deferred tax not entered	(39,826)	1,882	13,118	-	(24,826)	(24,826)	-
Total deferred tax assets	4,112	(539)	5,662	(372)	8,863	6,078	2,785
Deferred tax liabilities							
Customer Relationship	(7,647)	630	997	-	(6,020)	(5,193)	(827)
Brands	(15,295)	1,436	1,208	-	(12,651)	(10,901)	(1,750)
Reserves to employees	(549)	(26)	1,026	(270)	181	181	-
Other	(1,361)	4	885	-	(472)	(472)	-
Total deferred tax liabilities	(24,852)	2,044	4,116	(270)	(18,962)	(16,385)	(2,577)
Total net deferred tax	(20,740)	1,505	9,778	(642)	(10,099)	(10,307)	208

Special attention should be paid to the adjustment of deferred taxation in line with the provisions introduced by the 2016 stability law, which, inter alia,

envisages the reduction of the IRES (Italian Corporate Tax) rate from 27.5 % to 24 % applicable from January 1, 2017.

Current tax assets

Current tax assets amounted to € 23,804 thousand at December 31, 2015 (€ 22,227 thousand on December 31, 2014). These are broken down as follows:

<i>(euro/thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Income tax receivables	22,428	21,943	485
Other tax receivables	1,376	284	1,092
Total current tax assets	23,804	22,227	1,577

The amount of € 22,428 thousand on December 31, 2015 mainly includes the corporation tax (IRES) credit, which was carried forward from previous tax periods, of which € 18,000

thousand was subject to a refund request by the Parent Company submitted via the 2014 Global National Consolidation form.

Current tax payables

These are broken down as follows:

<i>(euro/thousand)</i>	At 12.31.2015	At 12.31.2014	Change
Income tax payables	-	2,907	(2,907)
Other tax payables	2,204	10,306	(8,102)
Total current tax payables	2,204	13,213	(11,009)

The tax payables were cancelled out in the 2015 tax year, mainly as a result of legislative changes introduced by the legislative developments introduced by the 2015 Stability Law regarding the further deduction in IRAP (Italian Regional Tax

on Production) for the cost of employment of infinite duration, with the result that the company's net value of production for the 2015 tax period was negative, with subsequent zeroing of the same tax.

28. Non-current assets/assets held for sale

In line with the provisions of IFRS 5, the economic and financial results of Katalog Yayın ve Tanıtım Hizmetleri A.Ş for the year 2015 were recorded as "Discontinued operations and non-current assets

held for sale" (Discontinued operations - D.O.). The entire investment held by Seat Pagine Gialle in Katalog Yayın ve Tanıtım Hizmetleri A.Ş was sold to Dogan on April 10, 2015

Income statement

	Year 2015	Year 2014
<i>(euro thousand)</i>		
Revenues from sales and services	-	-
Other income	-	33
Total revenues	-	33
Costs for external services	(28)	(15)
Provisions to reserves for risks and charges, net	250	-
Operating income before amortization, depreciation, non-recurring and restructuring costs, net	222	18
Amortization, depreciation and write-down	-	-
Non-recurring costs, net	-	-
Operating results	222	18
Interest expense	-	-
Interest income	-	1,249
Gain (loss) from fair value evaluation	-	-
Income (loss) before taxes	222	1,267
Income taxes	-	(325)
Profit (loss) for the year	222	942

Statements of the financial position

	At 12.31.2015	At 12.31.2014	Change
<i>(euro/thousand)</i>			
Financial debts	-	250	(250)
Liabilities directly associated with non-current assets held for sale and discontinued operations	-	250	(250)

29. Transactions with related parties

With reference to the provisions contained in IAS 24 and pursuant to Consob regulation no. 17221 of March 12, 2010, the effect of Seat Pagine Gialle's transactions with related parties on the separate financial statements, as of December 31, 2015, are listed below.

On 9 September, 2015, Italiaonline S.p.A. ("Italiaonline") announced that it has completed the transfer, in favor of Italiaonline, of all the shares represented by a share package composed of 34,619,965,094 ordinary shares of Seat Pagine Gialle S.p.A. ("SEAT"); this represented approximately 53.87% of the share capital, held by GL Europe Luxembourg S.à.r.l., GoldenTree Asset Management Lux S.à.r.l., GoldenTree SG Partners L.P., GT NM, L.P. and San Bernardino County Employees' Retirement Association (the "Transfer"). Therefore, Italiaonline has become the majority shareholder of Seat Pagine Gialle.

On October 8, 2015 the Shareholders' Meeting of Seat elected a new company Board of Directors, based on the list submitted by IOL itself.

The election of the new Board provided the legal and de facto conditions for IOL to exercise supervision and coordination of SEAT pursuant to Article 2497 et seq. of the Italian Civil code

As a result of the above, the following tables include Italiaonline and its associates.

The transactions carried out by Group companies, including inter-company transactions, and by the Parent Company Seat Pagine Gialle S.p.A. with related parties, all take place in the context of the normal course of operations and are regulated by market conditions or through specific provisions and regulations. There were no atypical and/or unusual transactions, that is any giving rise to a possible conflict of interests.

Income statement

	Year 2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>						
Revenues from sales and services	356,538	-	1,537	-	-	1,537
Other income and revenues	20,002	-	15,557	-	-	15,557
Cost for external services	(254,135)	(788)	(44,210)	-	(924)	(45,921)
Salaries, wages and employee benefits	(57,524)	-	(187)	-	(3,834)	(4,022)
Other operating costs	(1,982)	-	(2)	-	-	(2)
Non-recurring costs	24,439	-	-	-	(2,000)	(2,000)
Interest income	1,705	-	84	-	-	84
Interest expense	(14,295)	-	(4)	-	-	(4)
Income taxes	10,921	-	(380)	-	-	(380)

(*) Directors, statutory auditors, managers with strategic responsibilities

	Year 2014	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>						
Revenues from sales and services	388,872	-	1,925	-	-	1,925
Other income and revenues	19,327	-	15,516	-	-	15,516
Cost for external services	(283,996)	-	(44,008)	-	(315)	(44,323)
Salaries, wages and employee benefits	(64,612)	-	(234)	-	(3,640)	(3,874)
Interest income	3,500	-	93	-	-	93
Interest expense	(130,520)	-	(7)	-	-	(7)
Income taxes	(13,002)	-	(770)	-	-	(770)

(*) Directors, statutory auditors, managers with strategic responsibilities

Statement of financial position

	At December, 31 2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>						
Assets						
Intangible assets with finite useful life	106,684	-	15	-	-	15
Property, plant and equipment and Leased assets	154,205	-	375	-	-	375
Investments	45,132	183	5,679	-	-	5,862
Other non-current financial assets	6,812	-	16,094	-	-	16,094
Deferred tax assets, net						
Other non-current assets	33,096	-	744	-	500	1,244
Inventories	16,153	-	15,030	-	-	15,030
Trade receivables	102,983	1,375	3,261	-	1,504	6,140
Payables for services to be rendered and other current liabilities	111,188	-	448	-	250	698

(*) Directors, statutory auditors, managers with strategic responsibilities

	At December, 31 2014	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>						
Assets						
Trade receivables	177,398	-	3,127	-	-	3,127
Other current assets	48,286	-	5,524	-	-	5,524
Current financial assets	11,594	-	8,876	-	-	8,876
Liabilities						
Other non-current liabilities	27,018	-	745	-	-	745
Current financial debts	12,601	-	5,724	-	-	5,724
Trade payables	90,567	-	6,882	-	1,417	8,299
Payables for services to be rendered and other current liabilities	128,602	-	891	-	-	891

(*) Directors, statutory auditors, managers with strategic responsibilities

Cash flow statement

	Year 2015	Parent company	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>						
Cash inflow (outflow) from operating activities	39,312	404	(29,155)	-	(5,921)	(34,672)
Cash inflow (outflow) for investments	(32,356)	-	(15)	-	-	(15)
Cash inflow (outflow) for financing	(1,119)	-	1,230	-	-	1,230
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	-	-	-	-	-	-
Increase (decrease) in cash and cash equivalents in the year	5,837	404	(27,940)	-	(5,921)	(33,456)

(*) Directors, statutory auditors, managers with strategic responsibilities

	Year 2014	Subsidiaries	Associates	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>					
Cash inflow (outflow) from operating activities	(21,525)	(32,278)	-	(15,204)	(47,482)
Cash inflow (outflow) for investments	(37,212)	-	-	-	-
Cash inflow (outflow) for financing	(37,408)	8,849	-	-	8,849
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	8,444	-	-	-	-
Increase (decrease) in cash and cash equivalents in the year	(87,701)	(23,429)	-	(15,204)	(38,633)

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies through directors, statutory and managers with strategic responsibilities

Remuneration paid to Managers with strategic responsibilities and remuneration paid to directors, administrators and statutory auditors.

Position	As at 12.31.2015
Managers with strategic responsibilities	1.653
Remuneration due to Directors (*)	4.134
Remuneration due to Statutory Auditors	216

(*) This includes the consultancy provided by lawyer Castelli. The variable remuneration is shown net of releases from prior year compensation paid

Main financial statement items relating to subsidiaries, associates, joint ventures and companies with significant influence over Seat Pagine Gialle S.p.A.

Income statement

(euro/thousand)	Year 2015	Year 2014	Type of transaction
REVENUES			
of which			
Europages S.A.	1,534	1,923	commissions
Total revenues on sales and services	1,537	1,925	
OTHER INCOME			
of which			
Consodata S.p.A.	1,422	1,970	recovery of cost of seconded personnel and refunds for services
Digital Local Services S.r.l.	13,194	13,066	recovery of cost of seconded personnel and refunds for services
Europages S.A.	367	14	recovery of cost of seconded personnel and refunds for services
Total other income	15,557	15,516	
COSTS			
of which			
Digital Local Services S.r.l.	-	36,181	commercial service and rents
Prontoseat S.r.l.	-	3,645	mainly referred to call center services
Consodata S.p.A.	-	3,824	mainly referred to sale of direct marketing services
Total costs of materials and external services	44,210	44,008	
Total salaries, wages and employee benefits	187	234	costs of seconded personnel
Total valuation adjustments	(2)	-	accruals and release of doubtful trade receivables for receivables to Seat Italia S.p.A.
INTEREST INCOME			
of which			
Europages S.A.	49	55	interest income on financing to Europages
Consodata S.p.A.	30	38	interest income on the intercompany current account
Total interest expense	84	93	
INTEREST EXPENSE			
of which			
Digital Local Services S.r.l.	4	7	interest expense on the intercompany current account
Total interest expense	4	7	interest expense on the intercompany current account
INCOME TAXES			
di cui			
Consodata S.p.A.	375	686	profit tax over the year of Italian subsidiaries in tax group
Prontoseat S.r.l.	5	84	profit tax over the year of Italian subsidiaries in tax group
Total income taxes	380	770	

Statement of financial position

<i>(euro/thousand)</i>	As at 12.31.2015	As at 12.31.2014	Type of transaction
NON-OPERATING NON-CURRENT LIABILITIES			
of which			
Consodata S.p.A.	353	353	long-term liabilities for tax group
Prontoseat S.r.l.	391	392	long-term liabilities for tax group
Cipi S.p.A.	-	-	long-term liabilities for tax group
Total non-operating non-current liabilities	744	745	
CREDITI COMMERCIALI			
di cui:			
Europages S.A.	372	3,051	receivables for the sales of Europages products
Total trade receivables	375	3,127	
OPERATING CURRENT RECEIVABLES			
of which			
Consodata S.p.A.	315	1,399	services rendered
Digital Local Services S.r.l.	5,233	3,042	services rendered
Europages S.A.	3	952	receivables for recovery costs of seconded personnel, for services rendered and commercial advances
Total operating current receivables	5,679	5,524	
TRADE PAYABLES			
Digital Local Services S.r.l.	666	3,309	services rendered
Europages S.A.	436	1,201	services rendered
Consodata S.p.A.	862	1,088	services rendered
Prontoseat S.r.l.	1,297	878	services rendered
Total Trade payables			
PAYABLES FOR SERVICES TO BE RENDERED AND OTHER CURRENT LIABILITIES			
Consodata S.p.A.	429	776	
Prontoseat S.r.l.	5	84	
Total Payables for services to be rendered and other current liabilities	448	891	
CURRENT FINANCIAL ASSETS AND CASH EQUIVALENT			
of which:			
Consodata S.p.A.	6,056	5,553	current account receivables
Europages S.A.	8,801	2,510	current account receivables
Prontoseat S.r.l.	-	414	current account receivables
Digital Local Services S.r.l.	39	335	current account receivables
Glamoo S.p.A.	1,197	-	current account receivables
Total current financial assets and cash equivalents	16,094	8,876	
CURRENT FINANCIAL LIABILITIES			
of which:			
Digital Local Services S.r.l.	9,196	4,724	current account liabilities
Telegate Holding GmbH	5,500	1,000	current account liabilities
Prontoseat S.r.l.	334	-	current account liabilities
Total current financial liabilities	15,030	5,724	

30. Information related to Consob Communication No. DEM/ 6064293 of July 28, 2006

In accordance with the Consob Communication DEM/6064293 of July 28, 2006, information about the impact of significant non-recurring events and transactions on the economic performance, financial

results and assets and liabilities of Seat Pagine Gialle S.p.A. is provided below.

The impacts of non-recurring events and transactions in 2015 are as follows:

<i>(euro thousand)</i>	Equity	Profit (loss) for the year	Net financial debt	Cash flows (*)
Amount - financial statements	154,534	(27,114)	(95,900)	5,837
Net non-recurring and restructuring costs	(7,863)	(7,863)	(17,655)	(17,655)
of which:				
- Cash-in under the settlement for the action of responsibility	30,000	30,000	30,000	30,000
- Procedural and legal costs relating to the composition with creditors procedure	(358)	(358)	(2,766)	(2,766)
- Restructuring personnel and agents reserves	(32,277)	(32,277)	(11,743)	(11,743)
incidence%	-5,1%	29,0%	18,4%	n.s.

(*) Cash flows refer to the increase (decrease) in cash and cash equivalent during the year.

Strategic Management

In accordance with Article 2497 of the Italian Civil Code, it should be noted that SEAT Pagine Gialle S.p.A. is subject to the management and coordination by Italiaonline S.p.A. The tables below show data taken from the most recent financial statements published by Italiaonline.

Statement of financial position of of Italiaonline S.p.A.

(Euro)	At 12.31.2014	At 12.31.2013	Change
Property, plant and equipment	5,257,415	4,186,167	1,071,248
Intangible assets and goodwill	151,084,823	152,614,186	(1,529,363)
Other non-current financial assets	168,199	-	168,199
Investments in subsidiaries	-	9,500,000	(9,500,000)
Investments in associates	81,801	-	81,801
Other non-current assets	62,092	48,092	14,000
Total non-current assets	156,654,330	166,348,445	(9,694,115)
Trade receivables	39,861,973	45,523,000	(5,661,027)
Current tax assets	809,854	2,113,634	(1,303,781)
Other current assets	5,732,373	6,891,360	(1,158,987)
Cash and cash equivalent	28,659,806	12,240,974	16,418,832
Non-current assets held for sale and discontinued operations	-	-	-
Total current assets	75,064,005	66,768,968	8,295,037
Total assets	231,718,336	233,117,414	(1,399,078)
Share capital	5,000,000	1,010,000	3,990,000
Additional paid-in capital	76,010,000	80,000,000	(3,990,000)
Other reserves	61,238,958	70,360,658	(9,121,700)
Profit (loss) for the year	13,637,619	1,164,459	12,473,160
Total equity	155,886,577	152,535,117	3,351,460
Non-current reserves to employees	5,018,650	4,271,693	746,957
Provisions	4,350,415	5,414,821	(1,064,406)
Deferred tax liabilities	30,127,662	24,303,589	5,824,073
Total non current liabilities	39,496,727	33,990,103	5,506,624
Trade payables	26,901,472	38,599,693	(11,698,221)
other current liabilities	8,514,735	7,760,226	754,509
Current tax payables	918,825	232,275	686,550
Current financial debts	-	-	-
Total current liabilities	36,335,032	46,592,194	(10,257,161)
Total liabilities	75,831,759	80,582,297	(4,750,538)
Total liabilities and equity	231,718,336	233,117,414	(1,399,078)

Income statement

(Euro)	Year 2014	Year 2013	Change
Revenues from sales and services	94,239,237	91,533,099	2,706,138
Other income	1,283,829	740,326	543,502
Total revenues	95,523,065	92,273,426	3,249,640
Costs for material and external services	(39,031,472)	(44,246,466)	5,214,994
Other operating expenses	(2,351,505)	(4,340,273)	1,988,767
Salaries, wages and employee benefits	(21,864,051)	(21,984,301)	120,250
Operating income before amortization, depreciation and gains (losses) from non current assets	32,276,037	21,702,386	10,573,651
Amortization and depreciation	(10,462,008)	(15,204,191)	4,742,183
Write-down	-	(2,898,696)	2,898,696
Gains (losses) from non current assets	-	22,841	(22,841)
Operating results	21,814,029	3,622,339	18,191,690
Interest income	42,496	158,990	(116,494)
Interest expense	(137,397)	(238,301)	100,905
(Losses)/Gains from exchange rate	(5,098)	(88)	(5,010)
Profit (loss) before income taxes	21,714,030	3,542,939	18,171,090
Income taxes for the year	(8,076,411)	(2,378,480)	(5,697,931)
Profit (loss) on continuing operations	13,637,619	1,164,459	12,473,160
Profit (loss) from non-current assets held for sale and discontinued operations	-	-	-
Profit (loss) for the year	13,637,619	1,164,459	12,473,160
Earnings per share	0,273	0,023	

Comprehensive income statement of Italiaonline S.p.A.

(Euro)	Year 2014	Year 2013
Profit (loss) for the year	13,637,619	1,164,459
Other amount included in the comprehensive income (expense)	(286,159)	180,705
Total comprehensive income (expense)	13,351,460	1,345,164
<i>of which pertaining to the Company</i>	13,351,460	1,345,164

Cash flow statement of Italiaonline S.p.A.

(Euro)	Year 2014	Year 2013
Profit (loss) for the year	13,637,619	1,164,459
Taxes	8,076,411	2,378,480
Amortization and depreciation	10,462,008	15,204,191
Write-down of intangible and tangible assets	-	2,898,696
Provisions to reserves for risks and charges, valuation adjustments, employees benefits	3,687,362	3,275,776
- <i>Accantonamento/Rilascio fondi per rischi</i>	1,132,028	1,596,000
- <i>Provisions to allowance for doubtful trade receivables</i>	1,663,000	1,663,071
- <i>Provisions to reserve for employees benefits</i>	892,334	16,705
Other gain	-	(43,841)
Changes in trade receivables	3,998,027	18,297,779
Change in other assets	1,144,987	273,376
Changes in trade payables	(11,698,221)	(14,677,463)
Changes in other liabilities	(1,703,932)	(8,400,816)
Payments of employees benefits	(431,536)	(106,122)
Net cash inflow (outflow) from operating activities	27,172,725	20,264,515
Purchase of intangible and tangibles assets and other investments	(585,694)	(11,365,236)
Proceeds from disposal of tangible assets	-	22,841
Net cash inflow (outflow) from non-current assets held for sale and discontinued operations	-	1,201,000
Net cash inflow (outflow) for investments	(585,694)	(10,141,396)
Change in financial debts	-	(1,237,113)
Change in financial assets	(168,199)	-
Repayment of non-current loans	-	(30,000,000)
Inflow of receivables generated within the tax consolidation scheme	-	4,124,523
Dividends paid	(10,000,000)	-
Net cash inflow (outflow) for financing	(10,168,199)	(27,112,590)
Totale net cash inflow (outflow)	16,418,831	(16,989,471)
Cash and cash equivalents at beginning of the year	12,240,975	21,055,391
Cash and cash equivalents at beginning of the year of the incorporated company Matrix S.p.A,	-	8,175,054
Cash and cash equivalents at end of the year	28,659,806	12,240,975

In accordance with Article 2497a, Paragraph 5 of the Italian Civil Code, information about transactions undertaken with Italiaonline S.p.A. (IOL) and other companies subject to the management and coordination of the latter is shown as follows:

- the planning and development of CRM software, specially customized for SEAT, which SEAT requires for the marketing of advertising campaigns on the properties of Italiaonline;
- the marketing of advertising messages through Seat's commercial network, disseminated through the properties

of IOL (internet, email, "the Products"). The term "advertising messages" refers to any form of messaging conducted by clients and disseminated by use of the Products in the exercise of a commercial, industrial, artisan or professional activity for the purpose of promoting the transfer of movable or immovable assets, the services of works or services, or the establishment or transfer of rights and obligations on them. IOL shall pay a corresponding fee for the training activities involving Seat sales agents on IOL products

31. Additional information

Statement of the fees paid to the Independent Auditors and related entities

Pursuant to Article 149-*duodecies* of Consob Issuer' Regulation (Resolution No. 11971/1999 and subsequent amendments), the fees pertaining to auditing and other services carried out in 2015 by PricewaterhouseCoopers for Seat Pagine Gialle S.p.A. and related entities are shown below.

The 2014 separate financial statement of Seat Pagine Gialle S.p.A. was audited by PricewaterhouseCoopers S.p.A. on the basis of the mandate awarded by the Shareholders' Meeting held on June 12, 2012 for 2012-2020 and in compliance with the provisions of Consolidated Law in matters of financial intermediation (Legislative Decree February 24, 1998, n. 58).

<i>(euro/thousand)</i>	Year 2015	Year 2014
PricewaterhouseCoopers S.p.A.	582	857
Audit	295	382
Services for the purposes of certification	287	475
Services and assignments in PricewaterhouseCoopers network	-	435
<i>IT & Operations assessment</i>	-	135
<i>Independent Business Review relating to composition with creditors procedure</i>	-	300

List of significant equity investments

Name	Registered Office	Share Capital	Owned by	% ownership
Subsidiaries				
CONSODATA S.p.A,	Rome (Italy)	Euro	2,446,330	Seat Pagine Gialle S.p.A, 100.00
EUROPAGES S.A,	Neuilly-sur-Seine Cedex (France)	Euro	1,000,000	Seat Pagine Gialle S.p.A, 98.37
EUROPAGES Benelux SPRL	Louvain La Neuve (Belgium)	Euro	20,000	Europages S.A, 99.00
GLAMOO LTD (closed on September 9, 2015); cancellation on Register of Companies on February 2, 2016	London (Great Britain)	Sterline	14,042	Seat Pagine Gialle S.p.A, 100.00
Couponing Italy S.r.l, in liquidation (already Glamoo s.r.l,)	Milan (Italy)	Euro	100.000,00	Glamoo Ltd
PRONTOSEAT S.r.l,	Turin (Italy)	Euro	10,500	Seat Pagine Gialle S.p.A, 100.00
TELEGATE HOLDING GmbH	Munich (Germany)	Euro	26,100	Seat Pagine Gialle S.p.A, 100.00
TELEGATE AG	Munich (Germany)	Euro	19,111,091	Seat Pagine Gialle S.p.A, 16.24
11880 TELEGATE GmbH	Vienna (Austria)	Euro	35,000	Telegate AG 100.00
KLICKTEL AG (già TELEGATE MEDIA AG)	Essen (Germany)	Euro	4,050,000	Telegate AG 100.00
WERWIEWAS GmbH (ex VIERAS GmbH)	Munich (Germany)	Euro	25,000	Telegate Media AG 100.00
TELEGATE LLC	Yereva (Armenia)	Dram Armeno	50,000	Telegate AG 100.00
Digital Local Services BOLZANO 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services ADRIATICO 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services ADRIATICO 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services ADRIATICO 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services BOLOGNA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services BOLOGNA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CALABRIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CALABRIA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CAMPANIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CAMPANIA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CAMPANIA 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services COMO 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services CUNEO 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services EMILIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services EMILIA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services EMILIA 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services FIRENZE 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services FIRENZE 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services FIRENZE 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services GENOVA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LAZIO 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LAZIO 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LAZIO 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LIGURIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LIGURIA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LOMBARDIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LOMBARDIA 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services LOMBARDIA 3 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services NAPOLI 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services NAPOLI 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services PIEMONTE 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services PIEMONTE 2 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00
Digital Local Services PUGLIA 1 srl	Turin (Italy)	Euro	10,000	Seat Pagine Gialle S.p.A, 100.00

List of significant equity investments

Name	Registered Office	Share Capital	Owned by	% ownership
Subsidiaries				
Digital Local Services PUGLIA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services PUGLIA 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services PUGLIA 4 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMA 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMAGNA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services ROMAGNA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SARDEGNA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SARDEGNA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 4 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 5 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SICILIA 6 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services SONDRIO LECCO 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services Turin 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services Turin 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services Turin 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services Turin 4 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services TOSCANA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services TOSCANA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services TRENTO 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services UMBRIA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VARESE 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENETO 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENETO 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENETO 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENETO 4 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENETO 5 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VENEZIA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services VERONA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BERGAMO 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BERGAMO 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BRESCIA 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services BRESCIA 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services FRIULI 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 1 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 2 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00
Digital Local Services MILANO 3 srl	Turin (Italia)	Euro	10,000 Seat Pagine Gialle S.p.A.	100.00

**Certification of the separate financial statements pursuant to Article 81-ter of Consob Regulation No. 11971 of 14 May 1999, as amended **

1. The undersigned, Antonio Converti, in his capacity as Chief Executive Officer, and Andrea Servo, as Chief Financial Officer of Seat Pagine Gialle S.p.A., hereby certify, taking into account the provisions of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of the separate financial statements, deemed to be adequate in relation to the characteristics of the business, were effectively applied during 2015.
2. The administrative and accounting procedures for the preparation of the separate financial statements as at December 31, 2014 were subjected during the year to a critical review in order to evaluate their suitability and how effectively they had been applied. No anomalies emerged as a result of this verification.
3. The following is also certified:
 - 3.1 The separate financial statements at December 31, 2015:
 - were prepared in compliance with the applicable international accounting standards recognised in the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (International Financial Reporting Standards – IFRS), and with the provisions applicable in Italy, specifically with regard to Article 154-ter of Legislative Decree No. 58 of 24 February 1998 and to the implementing provisions of Article 9 of Legislative Decree No. 38 of 28 February 2005;
 - correspond to the results contained in the books and the accounting entries;
 - are able to provide a true and accurate representation of the assets and liabilities, results and cash flows of the Company.
 - 3.2 The report on operations includes a reliable analysis of performance and operating results, as well as of the position of the Company, together with a description of the main uncertainties and risks to which it is exposed.

Milan, March 15, 2016

Chief Executive Officer
Antonio Converti

Chief Financial Officer
Andrea Servo

SEAT Pagine Gialle S.p.A.

Registered office in Turin, Corso Mortara 22

Share capital. € 20,000,000.00

Companies Register of Turin and VAT No. 03970540963

REPORT OF THE BOARD OF STATUTORY AUDITORS TO THE GENERAL SHAREHOLDERS' MEETING OF SEAT PAGINE GIALLE SPA PURSUANT TO ARTICLE 153 OF LEGISLATIVE DECREE 58/98

Dear Shareholders,

during the financial year which closed on 31 December 2015, the Board of Statutory Auditors of PAGINE GIALLE S.p.A. (SEAT) carried out its supervisory functions in accordance with the law, adapting its activities to the standards of conduct of the Board of Statutory Auditors in companies with shares listed on regulated markets, approved by the National Council of Certified Public Accountants, the recommendations issued by the Consob concerning corporate audits and the activities of the Board of Statutory Auditors and the guidance provided in the Corporate Governance Code for listed companies to which the Company is a party.

The Board of Statutory Auditors was first integrated by the Company's Ordinary Shareholders' Meeting of 27 January 2015, which took the necessary steps following the resignation from office, with immediate effect on 13 October 2014, by the members of the Board of Statutory Auditors then in office, Dr. Enrico Cervellera, Dr. Vincenzo Ciruzzi and Dr. Andrea Vasapolli. Pursuant to Article 2401 of the Italian Civil Code, the Substitute Auditors, Dr. Maurizio Gili and Dr. Marco Lovati, appointed by the Shareholders' Meeting on 25 July 2013, respectively took over the offices of President of the Board of Statutory Auditors and Standing Auditor, with their term in office ending at the date of the Shareholders' Meeting on 27 January 2015; said Shareholders' Meeting decided, among other things, on the appointment of an additional member for the Board of Statutory Auditors, Dr. Maurizio Gili as President, as well as Dr. Guido Nocchi and Dr. Alessandra Garzino Demo as

Standing Auditors, and Dr. Roberta Battigli and Dr. Marco Benvenuto Lovati as Substitute Auditors, with their term in office lasting until the natural expiration of the Board of Statutory Auditors appointed by the Shareholders' Meeting on 12 June 2012, in other words the meeting called to decide on the approval of the financial statements at 31 December 2014,

The current Standing Auditors were reconfirmed in their current offices by the Shareholders' Meeting on 23 April 2015, which also appointed Dr. Massimo Parodi and Dr. Roberta Battistin as Substitute Auditors.

Unfortunately, the colleague Massimo Parodi died prematurely on 5 September 2015, and the drafters of this report wish to remember him herein with esteem and affection. In place of Massimo Parodi, the Shareholders' Meeting of 8 March 2016 appointed Dr. Giancarlo Russo Corvace as Substitute Auditor.

The current Statutory Auditors of the Board have complied with the limit on the number of offices prescribed by Article 144-terdecies of the regulations approved by the Consob with Resolution no. 11971 of 14 May 1999, as amended (Issuers Regulations).

In regard to the statutory auditing of the accounts, the Shareholders' Meeting of 12 June 2012 appointed, based on a proposal by the Board of Statutory Auditors, PRICEWATERHOUSECOOPERS S.p.A. pursuant to Legislative Decree 58/1998 (Consolidated Law on Finance) and Legislative Decree 39/2010, to which reference is made. The appointment of independent auditors shall expire after the approval of the financial statements for the financial year ending on 31 December 2020.

Given the above, in discharging its duties during the financial year 2015, the Board of Statutory Auditors met the corporate functions, attended meetings of the Committees established by the Company, including those

the Supervisory Body set up pursuant to Legislative Decree 231/2001, as well as meetings of the Boards of Directors; also directly acquiring information from the various governance functions and promoting the duty to exchange information with the independent auditors. The previous Board of Statutory Auditors always attended, collegially, or through a representative, the meetings of the Board of Directors as well as the meetings of the Committees established by the Company and also the Supervisory Board.

We have therefore been able to rely on the information provided in an appropriate and timely manner by the Directors, as well as by the corporate functions, general corporate performance, the outlook, and the most significant transactions, in terms of size and nature, carried out by the Company and its subsidiaries,

The overall activities, investigations and fact-finding and informative consultations outlined above allowed the Board:

- to acquire sufficient knowledge of the elements necessary to give an account of the performance of activities in compliance with the law, the Articles of Association, as well as compliance with the principles of sound administration and the degree of adequacy of the Company's organizational structure;
- to ascertain the supervision of the functioning and effectiveness of the internal control systems and the adequacy of the administrative and accounting system, in terms, in particular, of the latter's reliability to be representative of the Company's performance;
- to check the supervision of the functionality, directly ascertained, of the control system over Group companies and the adequacy of the instructions given to them also pursuant to Article 114(2) of the Consolidated Law on Finance;
- to take note of the preparation of the report on

remuneration pursuant to Article 1234ter of the Consolidated Law on Finance and 84-quater of the Issuers Regulation, without there being any particular issues to report on;

- to check the practical arrangements for implementation of the corporate governance rules provided by the Code of Conduct of listed corporations promoted by the Borsa Italiana S.p.A. (Italian Stock Exchange), as adopted by the Corporation;
- to take note of the supervision and directly check compliance to the internal procedure, concerning related party transactions, the principles set out in the Regulations approved by the Consob with resolution 17221 of 12 March 2010, as amended (Related Parties Regulations), as well as its compliance, pursuant to Article 4(6) to those regulations;
- to acknowledge the supervision of the corporate disclosure process and verify compliance with the legal rules concerning the preparation and definition of the layout of the separate and consolidated financial statements and the related accompanying documents;
- to check the adequacy, in terms of method, of the *impairment tests* process put in place to identify the existence of any impairment losses in regard to balance sheet assets;
- to check that the director's report on operations for the 2015 financial years complies with current laws or regulations, consistent with the resolutions adopted by the Board of Directors and the facts shown in the separate and consolidated financial statements. The interim report did not require any comments from the Board of Statutory Auditors. The interim and quarterly reports were drafted and published in accordance with current laws.

During our supervisory activities, carried out in the manner described above, no facts emerged of such significance as to require reporting to the competent bodies or a mention in this report,

The specific indications to be included in this report are set out below in accordance with Consob communication DEM 1025564 of 6 April 2001, as amended.

1) Considerations regarding the main economic, financial and equity transactions carried out by the Company and their compliance with the law and Articles of Association.

The transactions in question are all analytically listed and fully described in the specific chapters of the "Annual Financial Report at 31.12.2015" which should be referred to for more detail. According to this Board, on the basis of the information provided and the detailed investigations performed, the same appear to comply with the Law and the Articles of Association. In relation to anything not specifically relevant here, the most significant events in terms of impact on the Company, in addition to those already mentioned in the Statutory Auditors Report on the previous year's balance sheet, can be summarized as follows.

a) realization of the "full implementation of the composition" which substantially involves:

- the filing, on 14 April 2015, of the final report on the composition proposals, along with the opinion of the Receiver;
- the issuance, on 23 April 2015, by the Court of Turin, of the "assessment order in regard to the full implementation of the composition by SEAT and the subsidiary SEAT PAGINE GIALLE ITALIA S.p.A.". This measure sanctioned the closure of

the composition phase and authorized the release of the Company from any obligation or guarantee in relation to its assets, both real and personal, connected to obligations towards the creditors involved in the composition procedure.

- b) The "*Change of control*" of the Company which involved the previous majority shareholders replaced by ITALIAONLINE S.p.A. (IOL), The acquisition of the shareholding of SEAT by IOL was concluded through the transfer, performed on 9 September 2015, to IOL, of the Company's shares held by GL Europe Luxembourg S.à.r.l. (Avenue) and GoldenTree Asset Management Lux S.à.r.l., GoldenTree SG Partners LP, GT NM LP and San Bernardino County Employees' Retirement Association (GT Funds), and also through the mandatory OPA promoted on 5 October 2015 by IOL jointly with Libero Acquisition S.à.r.l. (Libero), Avenue and the GT Funds, pursuant to Article 106(1) or 109 of the Consolidated Law on Finance. After the above-mentioned transactions, IOL held a total of, 51,558,863,864 ordinary shares in SEAT, equal to 80.23% of the Company's share capital.

In reality, the process for the acquisition of control of the Company's share capital already started in May 2015 by the signing, on 21 May 2015, of the shareholders' agreement between IOL, Libero, Avenue and the GT Funds concerning a voting union, the exercise of a dominant influence over the Company, as well as limits on the transfer of shares pursuant to Article 122(5) points a), b) and d) of the Consolidated Law on Finance, all for the purpose of the creation of an operator that is a *leader* in the Italian digital advertising market by integrating IOL and SEAT.

Based on this shareholders' agreement, the transactions described above were started and concluded. The governance of the Company was also changed with the appointment of a new Board as resolved by the Ordinary Shareholders' Meeting of October 2015 and, subsequently, by the Ordinary Shareholders' Meeting on 15

March 2016, which established the composition of the Board, appointing lawyer Antonia Cosenz, already co-opted by the Board of Directors in place of Dr. Cristina Mollis, who resigned.

The merger process between TOL and SEAT firstly involved formal approval, on 23 October 2015 by the Boards of Directors of SEAT and TOL, the start of the reverse merger by incorporation of the parent company IOL into the subsidiary SEAT. Subsequently, but always considering the above:

- on 15 January 2016, the Board of Directors of SEAT approved the Group's 2016-2018 Business Plan resulting from the merger by incorporation of IOL into SEAT;
- on 20 January 2016, the Boards of Directors of SEAT and IOL approved the merger by incorporation of IOL into SEAT;
- finally, the Extraordinary Shareholders' Meetings of SEAT and IOL of 8 March 2016 approved the reverse merger by incorporation of IOL into SEAT.

Please refer to the "Financial Report" for a more analytical and thorough analysis of the above facts.

For present purposes, the Board of Statutory Auditors acknowledges that it monitored the individual phases of the transactions, as well as the various preparatory requirements, participating not only in the Board of Directors' meetings but also the meetings of the Committee of Independent Directors (which we report on in more detail below) and by acquiring the most appropriate information and carrying out, where it was deemed appropriate, more detailed checks. As a consequence of the above, the Board of Statutory Auditors ascertained compliance with the Articles of Association and the law and regulations and, consequently, the correctness of the implementation of the process in question.

Again with reference to the subject matter of this chapter, including the significant events, it is only necessary to highlight the resolutions passed by the Extraordinary Shareholders' Meeting on 16 July 2015. On that date, the Meeting resolved to authorize the joint representative Dr. Stella D'Atri, and to take the necessary initiatives to challenge, pursuant to Article 2377 of the Italian Civil Code, the resolution passed by the Ordinary Shareholders' Meeting on 23 April 2015 for the part concerning the allocation of profit for the year ended 31 December 2014.

In view of the above resolution, the Company has argued the incompatibility of the allocation of part of the profit for 2014 in relation to the distribution of dividends in favor of the Savings Shareholders with the approved composition arrangement and, before that, with the resolution passed by the Extraordinary Shareholders' Meeting on 4 March 2014 and by the Savings Shareholders Meeting of 2 July 2014. The Company therefore concluded that the claim was unfounded. Nonetheless, on 17 July 2015 a summons was notified in relation to the above-mentioned matter by the joint representative of the Savings Shareholders, Dr. Stella D'Atri.

For all other events, considered to be the most important ones, reference is made to the Financial Report and the premise on this agenda item regarding the conformity of the resolutions and consequent acts to the law and the Articles of Association.

2) Indication of the possible existence of atypical and or unusual transactions, including intercompany Group or count parts

No atypical or unusual transactions were found.

With regard to transactions with related parties of an ordinary nature, in addition to those mentioned in the report of the Board of Statutory

Auditors in relation to the previous year's balance sheet, we report on the following:

- the approval and definition of an economic agreement with the former President and CEO, Dr. Vincenzo Santolia, following the termination by the latter, on 31 August 2015, of all the offices held by the same in the Company. The economic terms of the agreement, in relation to which reference is made to the analytical statement included in the Remuneration Report, were approved by the Board of Directors after hearing the Appointments and Remuneration Committee and the Board of Statutory Auditors and, in accordance with the procedure adapted by the Company concerning Related parties, by the Risks and Control Committee;
- the quantification of additional annual remuneration to be paid *pro rata temporis*, in proportion to the actual duration of his term in office, to the Vice President Dr. David Eckert, in consideration of the latter's supporting role, as assigned by the Board of Directors, to the Chief Executive Officer in the definition and implementation of the Company's strategic plan, and in relation to commercial transactions of strategic importance. The amount of remuneration and the payment procedures were approved by the Board of Directors following the opinion expressed by the Appointments and Remuneration Committee and the Board of Statutory Auditors and, in accordance with the procedure adopted by the Company in regard to related parties (pending the qualification of Dr. Eckert as a non-independent Director), by the Risks and Control Committee.
- in the first months of the current financial year the procedure concerning related parties concerned the transfer of the agency contracts of the parent company IOL, the current principal, to SEAT. This was performed to anticipate the integration activities in view of the completion of the merger process.

With regard to the "significant" transactions with related parties we obviously need to mention the reverse merger transaction which has already been widely reported. In fact, the merger qualifies as a "transaction of greater importance between related parties" under the Related Parties Regulations and the Related Party Procedure. Under paragraph 3.2 of the Related Party Procedure, the following is required in the case in question:

- The Independent Directors Committee must be involved starting from the preparatory phase of the transaction;
- the Independent Directors Committee must give its opinion in good time to allow the relevant Body to decide on the transaction with a favorable opinion and/or the SEAT Board of Directors must pass a resolution with a legal majority, provided it consists in an affirmative vote of the majority of independent directors.

In its meeting on 8 October 2015, for this purpose the Board of Directors, having ascertained that all the members of the Risks and Control Committee qualified as independent directors, resolved to grant the above-mentioned Committee the functions of an Independent Directors Committee. The Risks and Control Committee was therefore invested of the functions of an Independent Directors Committee within the meaning and for the purposes of the provisions of the Related Parties Regulations. In the performance of its duties, the Independent Directors Committee resolved to use its own independent financial advisor to support it in regard to the assessments related to the merger, as well as an independent legal adviser. By virtue of the *fairness opinion* produced by the independent financial advisor, and on the basis of information made available to the Board of Directors of the Company and its functions, the Independent Directors Committee expressed its favorable opinion on the merger by incorporation of IOL into SEAT and, in compliance with the Related Parties procedure, the subsistence of the Company's interest in the execution of the merger, based on the terms

indicated by the management in the draft merger plan, as well as the convenience and substantial fairness of the terms and conditions of the merger. Finally, in compliance with Article 5 of the Related Parties Regulations, the Company drafted and made public an information memorandum on the merger.

3) Assessment of the adequacy of the information provided by the Directors management report in regard to atypical and or unusual transactions, including inter-Group and related party transactions

In this regard, it is only necessary to repeat that no such transactions took place. On this subject it should be noted that the Company has adopted a specific procedure governing the fulfillment of reporting obligations under Articles 16 of the Articles of Association and Article 150(1) of the Consolidated Law on Finance, in order to ensure transparency and compliance in regard to related party transactions for which there is an interest, directly or in regard to third parties, or which are influenced by a controlling party (including intercompany transactions) in relation to business activities, major economic, financial and equity transactions and atypical and/or unusual transactions. For more detail on the procedure, see the Report on corporate governance and ownership structure of SEAT pursuant to Article 123-bis of the Consolidated Law on Finance.

4) Comments and proposals on the findings and reference to information contained in the reports of the Company's independent auditors

The independent auditing firm PricewaterhouseCoopers S.p.A. has today issued its reports pursuant to Article 14 of Legislative Decree. 39/2013 on the separate financial statements of SEAT PAGINE GIALLE S.p.A., and the consolidated financial statements of the SEAT PAGINE GIALLE Group in which it respectively:

- certifies that the separate financial statements of SEAT PAGINE GIALLE S.p.A. and the consolidated Financial Statements of the SEAT PAGINE GIALLE Group at 31 December 2015 give a true and fair view of the financial position of SEAT PAGINE GIALLE S.p.A. and the SEAT PAGINE GIALLE Group at 31 December 2015, and financial performance and cash flows for the year ended on that date, in compliance with the International Financial Reporting Standards adopted by the European Union, as well as the provisions of Article 9 of Legislative Decree 38/05;
- certifies that the Management Report and the information in the Report on corporate governance and the ownership structure prepared by the Company are consistent with the separate financial statements of SEAT PAGINE GIALLE S.p.A and the consolidated financial statements of the SEAT PAGINE GIALLE Group.

5) Reporting on complaints lodged pursuant to Article 2408 of the Italian Civil Code, of any action taken and any outcomes

The President of the Board received an e-mail on 8 April 2015 concerning "2408 payment request for shareholders' journal extract". This communication was qualified by the sender as a complaint pursuant to Article 2408 of the Italian Civil Code. For the purpose of clarity, the text of the communication bearing the facts on which the Board of Statutory Auditors was asked to investigate is shown below:

"From marcobava (mailto: marcobava@pec.ordineavvocatorino.it).

Sent: Wednesday 8 April 2015 18:28

TO: SEAT

Subject: 2408 REQUEST payment SAHREHOLDERS' JOURNAL EXTRACT

TO.08.04.15

Dear Mr. President of the Seat Board of Statutory Auditors

As shareholders of the Company, on the occasion of the last meeting I asked the Company to provide me with a file with an extract of the shareholders' journal, at no cost.

A few days ago the Company replied, asking me to pay 50 Euros.

To wait three months for an answer seems to me a very long and unjustified amount of time, and I think that requiring me to pay 50 Euros and for a simple copy and paste is even more unjustified.

Thus, considering these reprehensible facts, I request an investigation to be held in relation to the same.

With respect.

MARCO BAVA"

Having taken note of the contents of the above-mentioned communication, apart from the perplexity as to whether this fact falls within the operating scope of the provisions of Article 2408 of the Italian Civil Code, the Board of Statutory Auditors in any case requested the necessary information and clarification from the relevant departments. The outcome is that, apart from its recommendation in regard to a prompter reply to shareholder requests, and having noted the established practice in terms of expenses, the Board of Statutory Auditors considered any possibility of irregular actions related to the Company's conduct to be groundless.

6) Reporting on the submission of complaints, any initiatives taken and the results thereof

On 25 May 2015, the Board of Statutory Auditors received a communication entitled "petition report", also sent to the Consob, by Dr. Stella D'Atri, in her capacity as the joint representative of the SEAT PAGINE GIALLE S.p.A. Savings Shareholders' and ordinary shareholders. For the purpose of clarity, the content of the document is as follows:

"Stella d'Atri

Joint Representative of the Savings Shareholders' of Seat Pagine Gialle S.p.A.

To, the CONSOR

Via G.B. Martini, 3

00198 Rome

via certified electronic mail consob@pecsconson.it

Board of Statutory Auditors - Complaint pursuant to Article 2403 of the Italian Civil Code

Seat Pagine Gialle S.p.A.,

Corso Mortara 22 - Turin

via email ufficio.societario@seat.it

PETITION REPORT - "SEAT PAGINE GIALLE S.P.A."

The undersigned Stella D'Atri, born in Cosenza on 8 October 1977 (tax code DTRSLL77R43D036T) in her capacity as joint representative of the Savings Shareholders' of Seat Pagine Gialle S.p.A. and ordinary shareholder,

Whereas

- the two shareholders Golden Tree Asset Management LP and GL Europe Luxembourg have declared that they had constituted a shareholders' agreement on 3 April 2015 and that they were

they were not previously acting jointly

- that the reasons for the dispute between the former President of the Board of Directors

Guido De Vivo and the other board members that led the latter to resign on 2 January 2016 have not been explained.

Considering that

- on 22 May 2015, ItaliaOnline issued a press release regarding an agreement between the businessman Naguib Sawiris and the main shareholders of Seat Pagine Gialle - Golden Tree Asset

Management and GL Europe Luxembourg - on the sale of SEAT Pagine Gialle S.p.A. shares

in exchange for ItaliaOnline shares and the subsequent OPA by the latter in regard to SEAT;

- that the press refers to a long phase of negotiations that entered the final phase with

the approval of the Seat composition in October;

- that already on 14 March 2015 Naguib Sawiris stated that he was "*considering another acquisition in the Internet sector*".

- and that in the days before this claim the share had undergone a sudden rise in the OPA values that was not justified by any other news

Asks

the National Commission of companies and the stock exchange and the Board of Statutory Auditors

of Seat Pagine Gialle,

in order to ensure market transparency for the market and operators, in relation to their respective responsibilities:

1. to assess the possible failure to disclose agreements and/or existing de facto shareholders' agreements

between shareholders in the period prior to 3 April 2015;

2. to assess the possible infringement of the law on confidential information and insider trading;

3. to ask the issuer of Seat Pagine Gialle S.p.A. to provide all the information

requested during shareholders' meetings and in previous petitions.

Best wishes.

Milan, 25 May 2015 Stella D'Atri

1"Corriere della Sera" (financial newspaper) of 22 May 2015, article by Fabio Tamburini

Acknowledging the communication in question, the Board of Statutory Auditors promptly initiated investigations into the circumstances represented therein.

Upon completion of the initial investigations the auditors found a communication sent by Dr. D'Atri, in a letter dated 30 June 2015, which

was also copied to the Consob, whose text, again for reasons of clarity, is shown below;

Turin, 30 June 2015

Dear

Dr. Stella D'Atri

joint representative of the Savings Shareholders' of Seat Pagine Gialle S.p.A.

Via Borgona 7

20122 Milan

Via certified electronic mail to the following address: stella.datri@odcecrnilario.it

To

CONSOI3

Via G.B. Martini, 3

00198 Rome

Via certified electronic mail to the following address: consoB@pec.conseb.it

Subject; petition – report of 25 May 2015

Dear Dr. d'Atri,

we refer to your "*petition - report*" of 25 May 2015 sent to the members of the Board of Statutory Auditors of Seat Pagine Gialle S.p.A. (hereinafter also referred to as "*Seat*") and the Consob,

Following receipt of the petition, the auditors initiated checks on the circumstances represented therein.

The outcome of the investigations by the Board of Statutory Auditors will be disclosed as required by law, in accordance with Article 2408 of the Italian Civil Code.

We hereby inform you, in regard to the three matters you raised, that

- the Board of Statutory Auditors does not have evidence supporting the existence of agreements between the shareholders of Seat concluded before 3 April 2015 and not disclosed to the market as required by the law;
- the Board of Statutory Auditors has not received notice of the disclosure of privileged information or illegal speculation in regard to the share in question. In any case we will

contact the members of the Company's Board of Directors to verify the existence of elements which show violations of the existing rules;

- With regard to the reasons which prompted Dr. De Vivo to resign, the Board of Statutory Auditors can only refer to the information that the Company has already provided in regard to this matter.

Best regards,

the members of the Board of Statutory Auditors of Seat Pagine Gialle S.p.A.

President - Dr. Maurizio Gili

Standing Auditor - Dr. Adina Garzino Domo

Standing Auditor – Dr. Guido Nori"

In response to the above, the Board of Statutory Auditors reserved the right to disclose the final outcome of the investigations in compliance with the law. Therefore, the Board of Statutory Auditors, having exhausted the appropriate inquiries and checks and concluded its investigation in regard to the requests relating to the facts questioned by Dr. D'Atri, can confirm, in its entirety, the content of the previous findings already sent to the latter as shown above.

7) Reporting on any further appointment of the independent auditors and related costs

In 2015, in addition to the statutory audits of the financial statements at 31 December 2015, PRICEWATERHOUSECOOPERS S.p.A. was assigned the following:

- assignment to audit the costs for training events funded by Fondimpresa and, more particularly, those incurred in relation to plan no. 92482 "development of managerial and behavioral skills" for SEAT employees. the fees for this assignment were agreed as being 5,000 Euros plus expenses;
- assignment to audit the costs for training events funded by Fondimpresa

and, more particularly, those incurred in relation to plan no. 117121 "safety and linguistic updating courses" for SEAT employees. the fees for this assignment were agreed as being 2,000 Euros plus expenses.

- assignment to carry out agreed verification procedures, with reference to the financial statements at 31 December 2014, with a sample of 26 sole-person limited liability companies called DIGITAL LOCAL SERVICES that are SEAT subsidiaries. The agreed fees for this assignment were 60,000 Euros plus expenses and secretarial costs;
- assignment related to the issuance of sworn technical expert reports pursuant to Article 2501-bis(4) and Article 2501-sexies of the Italian Civil Code, in relation to the proposed merger. The agreed fees for this were 200,000 Euros plus expenses and secretarial costs;
- assignment related to the activities related to the issuance of the independent auditors report pursuant to Article 2501-bis(5) of the Italian Civil Code, once again in relation to the proposed merger. The agreed fees for this assignment were 150,000 Euros plus general and other expenses;

8) Reporting on the granting of any assignments to parties related to the independent auditors by ongoing business relationships and related costs

No professional assignments were granted in 2015 to parties related to PRICEWATERHOUSECOOPERS S.p.A. in terms of continuous relationships and/or parties belonging to the network of the same.

9) Reporting on the existence of opinions provided pursuant to the law during the financial year

The opinions required of the Board of Statutory Auditors were issued

during the financial year as required by law,

10) Reporting on the frequency and number of Board of Directors and the Board of Statutory Auditors meetings

According to the records of the respective Company journals, in the year 2015, the Board of Statutory Auditors:

- met on a regular basis and drafted 12 reports regarding the Company's activities, in addition to the drafting of the Board of Auditor's to the Shareholders' Meeting concerning the Financial Statements at 31 December 2014;
- participated in all 23 meetings of the Board of Directors;
- participated, with all members, or via one or more of its members, in the meetings of the Risks and Control Committee, Appointments and Remuneration Committee and the Supervisory Body pursuant to Legislative Decree 231/2001, These committees respectively held the following number of meetings: 14 - Risks and Control Committee; 9 - Appointments and Remuneration Committee; and 5 - Supervisory Body.

For completeness, note that the Board of Statutory Auditors also attended the Ordinary Shareholders' Meetings on 27 January 2015, 23 April 2015 and 8 October 2015, as well as the Savings Shareholders' Meeting on 16 July 2015.

Also, in these first months of 2016, and until the date this report was drafted, the Board of Statutory Auditors met 3 times in order to acquire all useful and necessary information in regard to corporate governance, the organizational structure, the internal control systems, and the exchange of information with the Board of Statutory Auditors of the subsidiary

Consodata S.p.A., and with the independent auditors, aimed at the best possible performance of the supervisory task it had been assigned. In the same part of the year, the Board of Statutory Auditors participated, with all or one or more of its members in all the meetings of the Board of Directors (4), as well as, again with all or one or more of its members, the meetings of the Risks and Control Committee (5), that of the Supervisory Body (1), and those of the Appointments and Remuneration Committee (3).

The Board of Statutory Auditors also attended the Ordinary and Extraordinary Shareholders' Meeting held on 8 March 2016.

11) Comments on compliance with the principles of proper management

The Board of Statutory Auditors monitored compliance with the law and the Articles of Association and with the principles of proper administration, assuring itself that transactions approved and implemented by the Directors complied with the law and the Articles of Association, were inspired by the principle of economic rationality and were not manifestly imprudent or risky, in conflict of interest with the Company, in contrast with the resolutions passed by the Shareholders' Meetings or likely to compromise the integrity of corporate assets.

The Board believes, having directly checked, that the tools and institutions of governance adopted by the Company, and for which express reference is made to the report pursuant to Article 123-bis of the Consolidated Law on Finance on corporate governance and ownership structure, represent an effective means of compliance with the principles of proper management in operating practice.

Finally, it should also be noted that the Board of Statutory Auditors has verified the procedure followed by the Board of Directors to assess the independence of its Directors, noting the correct application of the criteria and procedures for assessment of the independence

requirements adopted by the Board of Directors, and compliance with the requirements for the composition of the administrative body in its entirety. Finally, the Board of Statutory Auditors verified, pursuant to Articles, 148 and 148-bis of the Consolidated Law on Finance, the possession of the independence requirements in relation to its members, also with regard to the requirements for independent directors.

12) Comments on the adequacy of the administrative structure

The monitoring by the Board of Statutory Auditors in relation to the adequacy of the organizational structure of the Company and the Group was carried out through acquiring detailed knowledge of the organizational structure and the acquisition of appropriate information in relation to the relevant functions, meetings with the heads of the various corporate functions, with the Internal Audit department's management and with the independent auditors to provide for the mutual exchange of data and information. As far as this Board of Statutory Auditors could ascertain, there were not anomalies and or criticalities of note.

13) Comments on the adequacy of the internal control system

In regard to monitoring the adequacy and effectiveness of the internal control system, in accordance with Article 19 of Legislative Decree 39/10, the Board of Statutory Auditors held regular meetings with the Internal Audit department's manager and acquired information through participation in its meetings with the Risks and Control Committee and the Supervisory Board. We reiterate what was already subject to verification and mentioned in the financial statements of the previous financial year, in other words, in relation to the matter in question, the Company established a Risks and Control Committee, adopted pursuant to Article 7, point 1, of the Code of Conduct, and an internal control and management system in regard to risks intended to allow the identification, measurement, management and monitoring of the main risks. The CEO was identified by the Board of Directors on 8 October 2015 as the director in charge of the internal controls and risk

management system. Furthermore, the Company is assisted by the Internal Audit department, a function structured to verify and ensure adequacy in terms of effectiveness and efficiency of the internal control system and that the system provides reasonable guarantees that the organization can achieve its goals in an efficient and economical manner. The Board of Statutory Auditors verified, in a practical manner, the main characteristics of the current risk management and internal control system, in relation to the financial reporting process pursuant to Article 123-bis(2) b) of the Consolidated Law on Finance. For a more detailed examination, please refer to the Report on corporate governance and ownership structure drafted pursuant to Article 123.bis of the Consolidated Law on Finance.

The Board was also able to take note of the planning of controls in practical terms through the information requested from the Internal Audit department and direct participation in the meetings of the Risks and Control Committee. The Board of Statutory Auditors confirms that the Company has, since 2004, an organization, management and control model in line with Legislative Decree 231/01, and the Board examined the updates and checked the activities also through participation in meetings.

Furthermore, the Board entered into discussions with the independent auditors, checking their independence requisites pursuant to Article 19 of Legislative Decree 39/10 and overseeing the financial reporting process and the statutory audit of the annual and consolidated accounts.

In relation to the above, no criticalities or anomalies emerged that could rebut the adequacy of the internal control system, also, and above all, in relation to the activities carried on by those responsible for the same on the basis of the adopted risk management systems and organizational model.

14) Comments on the adequacy of the administrative and accounting system and the reliability of the same in relation to correctly representing the facts

The Board of Statutory Auditors, as in the past, performed the necessary checks on the adequacy and reliability of the accounting system, by obtaining information from the respective department managers, examining Company documents and analyzing the results of the work of the independent auditors. The Board of Statutory Auditors also met, in accordance with its duties, the manager in charge of drafting the financial reports and took note of the latter's statements. There were no anomalies or critical factors that might call into question the assessment of adequacy of the accounting system and administrative procedures of the processes involved in the preparation of economic and financial data formulated by the aforementioned manager.

Note also that the Company did not carry out any impairment tests on intangible assets recorded in the financial statements or in the consolidated or separate financial statements.

As is known, the check for a reduction in value of intangible assets subject to impairment tests must be performed each time a balance sheet is closed, even for interim balance sheets, if specific events or circumstances that may allow a presumption of a reduction in accordance with IAS 36, p.9 occur. In particular, when evaluating whether there is an indication that assets have suffered an impairment of value it is necessary to consider information both from external and internal sources. In the relevant section contained in the Financial Report, the Company has acknowledged that:

- at 31 December 2015, the performance of the interest rate market and other financial parameters, as well as the comparison between market capitalization and the book value of equity, did not provide any signs that could indicate impairment needs;
- as specifically regards SEAT, whose assets include the value of customer relationships and the value of its trademarks, the actual trends of the financial year, both in terms of results and order

trends, were in line with the corresponding forecasts, Note that there were no specific events or circumstances that indicated a reduction of intangible assets that therefore required the performance of impairment tests. It must also be specified that this consideration is confirmed by the preliminary results communicated by Prof. Amaduzzi to the Boards of Directors of SEAT and IOL in a letter dated 9 March 2016 which shows that intangible assets with useful finite life-cycles recorded in the financial statements did not suffer an impairment loss in accordance with the aforementioned IAS 36, p, 9;

Finally, note that in the separate financial statements, an impairment test was carried out with regard to shares recorded via a comparison of the equity side value of each share with the respective carrying amount corresponding to the carrying value in the financial statements. The results of the aforementioned comparison, always bearing in mind the financial report, highlighted the need for an integrated write-down of investments held in CONSODATA S.p.A., and PRONTOSEAT S.r.l.

15) Comments on the adequacy of the instructions by the Company to its subsidiaries pursuant to Article 114(2) of Legislative Decree 58/98

The Board of Statutory Auditors supervised the adequacy of the methodology used by the Company to provide the above-mentioned instructions so that they could provide the information necessary to fulfill the communication obligations provided for by the law without exceptions being raised.

16) Comments on any relevant issues that emerged during meetings held with the independent auditors pursuant to Article 50(2) of Legislative Decree 58/98.

As ascertained directly from the Board of Statutory Auditors in the meetings with the independent auditors and also by participating in the meetings of the Risks and Control Committee, no issues were identified that need to be highlighted.

17) Reporting on the Company's adherence to the Code of Conduct of the Corporate Governance Committee of listed companies

The Company has complied with the above-mentioned Corporate Governance Code. For a more in depth analysis on the historical evolution of adaptation for compliance with Article 123-bis(2) a) of the Consolidated Law on Finance, please refer to the Corporate Governance and Corporate Structure Report.

Finally, the Board of Statutory Auditors directly carried out checks on compliance with the regulations regarding the preparation of the separate and consolidated financial statements at 31 December 2015, the respective explanatory notes, the management report and on the basis of other useful information provided directly by the administrative body, by all function managers as well as by the independent auditors.

In particular, it is acknowledged, within the limits of the powers reserved by law to the Board of Statutory Auditors, that the separate and consolidated financial statements at 31 December 2015 were prepared in accordance with the provisions of Legislative Decree 38/05 by applying the international accounting principles (IAS/DRS) issued by the International Accounting Standards Board and endorsed by the European Union, including all interpretations by the International Financial Reporting Interpretation Committee (The IFRIC) and in compliance with CONSOB regulations.

For a more detailed analysis please refer to the comprehensive chapter commenting on the Company's separate and consolidated financial statements. The separate and consolidated financial statements are accompanied by the required certifications signed by the CEO and the executive in charge of preparing the corporate accounts. On the basis of the above, and having regard to the investigation and analysis activities, as well as additional analyses

performed by this Board, the undersigned Standing Auditors have no comments to make pursuant to Article 153 of the Consolidated Law on Finance within the limits of its authority in regard to the separate and consolidated financial statements and related notes and the management report, since no obstacles were found which could impair the approval of the resolutions proposed by the Board of Directors,

Turin, 4 April 2016

The Standing Auditors

Dr. Maurizio Gili - President

Dr. Guido Nori, Standing Auditor

Dr. Ada Alessandra Garzino

Demo – Standing Auditor



INDEPENDENT AUDITORS' REPORT IN ACCORDANCE WITH ARTICLES 14 AND 16 OF LEGISLATIVE DECREE N° 39 OF 27 JANUARY 2010

To the Shareholders of
SEAT Pagine Gialle SpA

Report on the separate financial statements

We have audited the accompanying separate financial statements of SEAT Pagine Gialle SpA, which comprise the statement of financial position as of 31 December 2015, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the separate financial statements

The directors of SEAT Pagine Gialle SpA are responsible for the preparation of separate financial statements that give a true and fair view in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Auditors' responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) drawn up pursuant to article 11, paragraph 3, of Legislative Decree n° 39/2010. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The audit procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of separate financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers SpA

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Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of SEAT Pagine Gialle SpA as of 31 December 2015 and of the result of its operations and cash flows for the year then ended in compliance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree n° 38/2005.

Other aspects

As required by law, SEAT Pagine Gialle SpA has included in the explanatory notes to the separate financial statements a summary of the financial data of the parent company which coordinates and manages the company's activities; our opinion on the SEAT Pagine Gialle SpA's separate financial statements does not extend to such data.

Report on compliance with other laws and regulations

Opinion on the consistency with the separate financial statements of the report on operations and of certain information set out in the report on corporate governance and ownership structure

We have performed the procedures required under auditing standard (SA Italia) n° 720B in order to express an opinion, as required by law, on the consistency of the report on operations and of the information set out in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree n° 58/1998, which are the responsibility of the directors of SEAT Pagine Gialle SpA, with the separate financial statements of SEAT Pagine Gialle SpA as of 31 December 2015. In our opinion, the report on operations and the information in the report on corporate governance and ownership structure mentioned above are consistent with the separate financial statements of SEAT Pagine Gialle SpA as of 31 December 2015.

Turin, 4 April 2016

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. We have not examined the translation of the separate financial statements referred to in this report.

" il Giallo è dinamicità "



Pictured above extracted from the last spot of SEAT PG

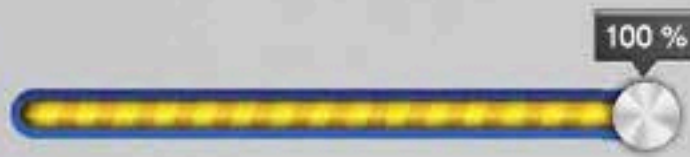
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Other information





Proposed resolutions \

Dear Shareholders,

The Company's Board of Directors has convened this ordinary shareholders' meeting to propose that you approve the SEAT Pagine Gialle S.p.A. Financial Statements as at December 31, 2015, from which a fiscal year loss of € 27,114,345.46 has emerged.

We propose that the loss for the year is covered by:

- use of Reserve of profit carryforwards that amounted at December 31, 2015 to € 37,441,322.12

In consideration of the above, we hereby submit the following recommendation for resolution for your approval:

"The SEAT Pagine Gialle S.p.A. shareholders' meeting has

- a) examined the Company's financial statements closed as at December 31, 2015;
- b) Having regard for the report on operations annexed to the financial statements
- c) Having acknowledged the reports from the Board of Statutory Auditors and the independent auditors PricewaterhouseCoopers S.p.A.;

resolves

- to approve the SEAT Pagine Gialle S.p.A. Report on operations by the Board of Directors and financial statements, which shows a loss of € 27,114,345.46;
- to cover the year loss for the full amount through the use of Reserve of profit carryforwards.

Shareholders' Meeting Resolutions \

On April 27, 2015, the Ordinary Shareholders' Meeting of SEAT Pagine Gialle S.p.A. was held in a single session at Corso Mortara 22, Turin, the Company's registered office.

The Meeting resolved:

- to approve the SEAT Pagine Gialle S.p.A. Report on operations by the Board of Directors and financial

statements, which shows a loss of € 27,114,345.46;

- to cover the year loss for the full amount of € 27,114,345.46 through the use of the "Reserve Retained earnings" in accordance with the proposal of Board of Directors;

- to approve Section I of the Remuneration Report pursuant to Article 123-ter of Legislative Decree no. 58 of February 24, 1998.



To contact Seat Pagine Gialle S.p.A.

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E-mail: investor.relations@seat.it

**A copy of official documents available
on the website**

www.seat.it

**Official documents may be
requested to**

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