



## **1<sup>st</sup> Half 2005 Results**

**September 12, 2005**

Luca Majocchi – CEO

Maurizia Squinzi - CFO

Stefano Canu – IR Manager

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# Safe Harbour

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*The financial statement schedules presented herein will be published for comparison purposes in the consolidated financial statements for the year ending December 31, 2005. Such figures may change as a result of any revisions or modifications to international accounting standards during 2005. Any new versions or interpretations of the IFRS with retroactive effect that may be released prior to publication of the SEAT PAGINE GIALLE Group's consolidated financial statements for the year ending December 31, 2005 could impact the 2004 balance sheet and statement of operations as restated based on IFRS and presented herein.*

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# Key Messages

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## 1H 05 Financials

- Revenues flat (+0.1%) like for like (net of shift of five Thomson directories from 1H to 2H and of exchange rate effect)
  - In Seat S.p.A. top line stable (-0.8%) despite an economic scenario worse than expected and efforts to reduce low/negative margin sales
  - Strong top line growth in Thomson (+8.9% like for like) despite competition thanks to customers growth
- EBITDA up 5.6% (like for like) thanks to improved margin of sales in Italy and efficiency gains in Telegate; cash conversion remains strong

## Sales & Operations

- All major projects well on track in Italy:
  - New print products successfully launched (not included in 1H figures)
  - Sales of full color White Pages edition started (impact on '06)
  - Roll out of new sales approach at 47% of sales reps
  - Acquisition of Cipi driver for further growth in gifts & promotional
  - Launch of 12.40 DA service scheduled for October 1<sup>st</sup>
- Telegate France ready for market entry in November

## Financial Structure

- New financing of senior debt in place (2x subscription) with better terms and further cash for de-leveraging

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# IAS Principles: Restate of Group Financials

Key Financials	1H'04			FY'04			Comment
	ITA-GAAP	IAS	Change	ITA-GAAP	IAS	Change	
<i>euro millions</i>							
Revenues	559.9	560.4	0.5	1,406.3	1,405.7	(0.6)	minor impact
Ebitda	207.3	204.3	(3.0)	611.5	614.4	2.9	
Ebit	(0.6)	96.3	96.9	192.4	379.4	186.9	goodwill charges
Net Income	(86.9)	10.3	97.1	(119.5)	79.9	199.4	
Op FCF	300.5	298.9	(1.6)	637.8	633.4	(4.4)	minor impact
Net Debt	3,967.2	3,966.1	(1.1)	3,925.7	3,924.4	(1.3)	minor impact
Net Debt - Book Value	3,967.2	3,840.4	(126.8)	3,925.7	3,808.1	(117.6)	transaction costs mark to market of hedge instruments
Group Shareholders' Equity	701.4	781.4	80.0	665.0	850.2	185.2	goodwill and minor opening balance sheet reclassification

## Impact of IAS Principles on Legal Entities

Revenues	1H'04			FY'04			Comment
	ITA-GAAP	IAS	Change	ITA-GAAP	IAS	Change	
<i>euro millions</i>							
<b>Seat S.p.A</b>	417.9	418.4	0.5	1,060.4	1,059.7	(0.7)	reclassification from extraordinary lines
<b>TDL</b>	63.5	63.5	0.0	170.0	170.0	0.0	no impact
<b>Telegate</b>	81.8	72.2	(9.6)	166.9	143.8	(23.1)	accrual of net revenues (i.e. telephone rebate in Italy) not of gross revenues
<b>Others</b>	17.2	17.2	0.0	61.6	61.7	0.1	minor impact
<b>Eliminations</b>	(20.5)	(10.9)	9.6	(52.6)	(29.4)	23.2	offsetting lower Telegate revenues
<b>Consolidated</b>	<b>559.9</b>	<b>560.4</b>	<b>0.5</b>	<b>1,406.3</b>	<b>1,405.7</b>	<b>(0.6)</b>	<b>minor impact</b>
Ebitda	1H'04			FY'04			Comment
<i>euro millions</i>	ITA-GAAP	IAS	Change	ITA-GAAP	IAS	Change	
<b>Seat S.p.A</b>	181.8	182.8	1.0	529.8	530.8	1.0	employees retirement fund adjustment and reclassification from extraordinary
<b>TDL</b>	10.3	6.2	(4.1)	38.4	39.6	1.2	1H: labour cost of sales employees not related to publishing calendar (no impact on a FY basis) FY: labour cost adjustment (pension fund)
<b>Telegate</b>	17.4	17.5	0.1	34.5	35.2	0.7	minor impact
<b>Others</b>	(2.2)	(2.2)	0.0	8.9	8.8	(0.1)	minor impact
<b>Consolidated</b>	<b>207.3</b>	<b>204.3</b>	<b>(3.0)</b>	<b>611.5</b>	<b>614.4</b>	<b>2.9</b>	<b>minor impact</b>

## 1H 2005 Group Financials: Ebitda Growth Thanks to Margin Improvement

<i>euro millions</i>				Like for Like		
	1H 2004	1H 2005	Change	1H 2004 <sup>(1)</sup>	1H 2005 <sup>(2)</sup>	Change
<b>Sales and Services Revenues</b>	<b>560.4</b>	<b>555.8</b>	<b>(0.8)%</b>	<b>555.0</b>	<b>555.8</b>	<b>0.1%</b>
Operating & Labour Costs	(318.2)	(311.5)	(2.1)%	(315.2)	(311.5)	(1.2)%
<b>Gross Operating Profit</b>	<b>242.2</b>	<b>244.3</b>	<b>0.9%</b>	<b>239.8</b>	<b>244.3</b>	<b>1.9%</b>
<i>% of revenues</i>	43.2%	44.0%	0.7%	43.2%	44.0%	0.8%
Bad Debt, Risk Provisions & Others	(37.9)	(30.9)	(18.5)%	(37.6)	(30.9)	(17.9)%
<b>EBITDA</b>	<b>204.3</b>	<b>213.5</b>	<b>4.5%</b>	<b>202.1</b>	<b>213.5</b>	<b>5.6%</b>
<i>% of revenues</i>	36.5%	38.4%	1.9%	36.4%	38.4%	2.0%

(1) Like for like not audited figures. Net of a different publication calendar in Thomson (shift of five directories)

(2) Like for like not audited figures. Net of exchange rate effect, applying 1H'05 avg. exchange rate to 1H'04 Thomson figures

## Net Income Impacted by Interest Expenses

<i>euro millions</i>	1H 2004	1H 2005	Change
<b>EBITDA (like for like)</b>	<b>202.1</b>	<b>213.5</b>	<b>5.6%</b>
<b>EBITDA (reported)</b>	<b>204.3</b>	<b>213.5</b>	<b>4.5%</b>
<i>% of revenues</i>	36.5%	38.4%	1.9%
Depreciation and Amortization	(14.9)	(14.9)	(0.1)%
<b>EBITA</b>	<b>189.4</b>	<b>198.6</b>	<b>4.8%</b>
<i>% of revenues</i>	33.8%	35.7%	1.9%
Extra-Operating Amortization	(84.3)	(81.0)	(3.9)%
Not Current Expenses	(5.0)	(6.5)	29.2%
Net Restructuring Expenses	(3.7)	(0.7)	(82.0)%
<b>EBIT</b>	<b>96.3</b>	<b>110.4</b>	<b>14.5%</b>
<i>% of revenues</i>	17.2%	19.9%	2.7%
Net Financial Income (Expenses)	(86.2)	(136.5)	n.m.
Value Adjustments to Investments	(0.3)	0.02	n.m.
Gain/(Losses) on Invest. Disposals	3.7	(0.1)	n.m.
<b>Income Before Taxes</b>	<b>13.6</b>	<b>(26.2)</b>	<b>n.m.</b>
Income Taxes	0.1	(16.9)	n.m.
Minority Interest	(3.4)	(3.4)	n.m.
<b>Net Income</b>	<b>10.3</b>	<b>(46.5)</b>	<b>n.m.</b>

**Customer Data Base**

- Stock Option Plan
- Legal cost related to Competition Commission Inquiry in UK

- 81.6 euro mln interests for the Senior Financing (including 6.7 euro mln of transaction costs)
- 58.8 euro mln interests to Lighthouse (2.8 euro mln of transaction costs)
- 3.9 euro mln of net other financial income (including exchange gain/losses)



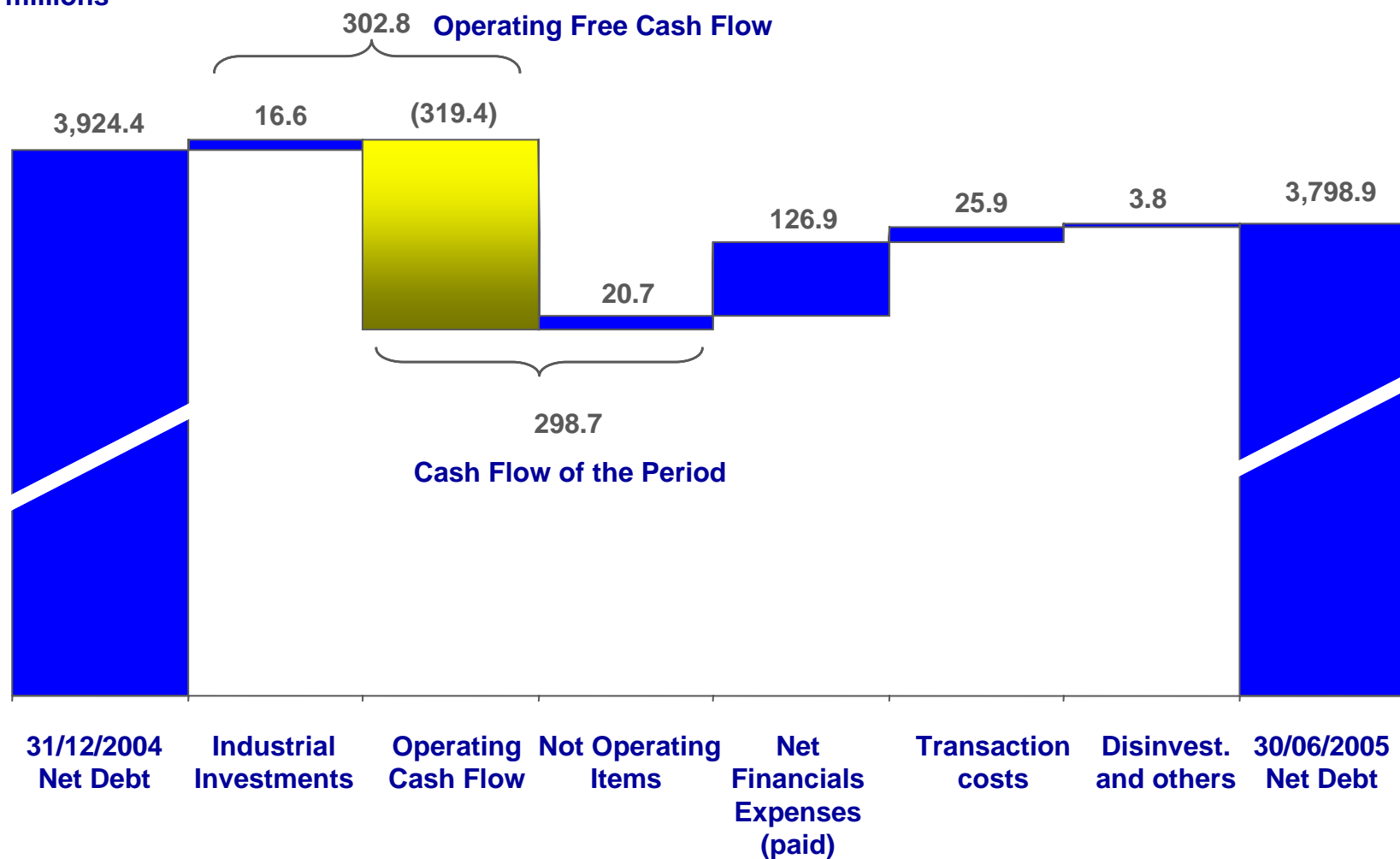
## Strong and Solid Operating Free Cash Flow

<i>euro millions</i>	1H 2004	1H 2005	Change		
			mln	%	
Ebitda <sup>(1)</sup>	204.3	213.5	9.1	4.5%	Good performance of SEAT SpA due to further reduction of overdue credits
Change in Operating Working Capital	102.4	103.4	1.0	1.0%	
Change in Not Current Operating Liabilities	1.8	2.5	0.6	34.9%	Growth due to investments in Telegate to enhance call-center productivity (replacement of computer and software equipment) and redesign of IT platforms in Seat SpA
Investments	(9.4)	(16.6)	(7.2)	75.9%	
Other	(0.19)	0.07	n.m.	n.m.	
Operating Free Cash Flow	298.9	302.8	3.9	1.3%	

(1) Reported Ebitda

# Net Financial Debt Decreased by 125 mln in the Period

euro millions



## Net Financial Debt: Breakdown

As of June 30, 2005

Debt Facility (euro mln)	Amount	Repayment	Interest
<b>GROSS DEBT</b>	<b>3,870</b>		
• <b>Bank Senior Debt</b>	<b>2,570</b>		
Term Loan A	1930	Amort. June 06 to June 2012	Euribor + 1.91% <sup>(2)</sup>
Term Loan B	600	Bullett June 2013	Euribor + 2.41% <sup>(2)</sup>
Revolving Facility	40	Available until June 2012	Euribor + 1.91% <sup>(2)</sup>
• <b>Subord. Debt vs. Lighthouse <sup>(1)</sup></b>	<b>1,300</b>	April 2014	Fixed 8%
• <b>Net Financial Accruals</b>	17		
<b>CASH &amp; Cash Equivalents and other</b>	<b>-88</b>		
<b>SEAT GROUP NET DEBT</b>	<b>3,799</b>		
<b>IAS adjustments:</b>			
Minus transaction costs	-133		
Plus Derivatives Mark to Market	+ 56		
<b>GROUP NET DEBT – BOOK VALUE</b>	<b>3,722</b>		

**Cost of financing 6.16%  
as of June 30, 2005  
hedging included <sup>(3)</sup>**

Re –Financing Interests savings	Years	05	06	07	08	09
<b>Savings</b>		<b>13</b>	<b>21</b>	<b>24</b>	<b>30</b>	<b>31</b>
<b>Trans. Costs</b>		<b>(26)</b>				

Re-financing will allow ~90  
euro mln of interest savings  
in the '05-'09 period

(1) Lighthouse funded the subordinated loan vs. SEAT through the issuance of the Lighthouse 8% Notes due April 2014

(2) Subject to decreasing margin ratchet linked to Total Net Debt / EBITDA ratio

(3) Up to 75% of variable debt hedged until 2009 thanks to two Interest Rate Swap contracts (IRS of 3.26% until June 2007) and three Interest Rate Collar contracts

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## Ebitda Growth Thanks to Margin Improvement

<i>euro millions</i>	1H 2004	1H 2005	Change
<b>Sales and Services Revenues</b>	<b>418.4</b>	<b>415.2</b>	<b>(0.8)%</b>
Operating & Labour Costs	(202.6)	(197.6)	(2.5)%
<b>Gross Operating Profit</b>	<b>215.8</b>	<b>217.6</b>	<b>0.8%</b>
<i>% of revenues</i>	51.6%	52.4%	0.8%
Bad Debt, Risk Provisions & Others	(33.0)	(25.8)	(21.7)%
<b>EBITDA</b>	<b>182.8</b>	<b>191.8</b>	<b>4.9%</b>
<i>% of revenues</i>	43.7%	46.2%	2.5%

### Strength of multi-platform offer compensating:

- negative mood of advertisers due to worsening of the economy
- impact on sales of actions to improve quality and margin of sales

### Positive impact of:

- improvement of operating leverage due to book yield growth
- improvement in credit and claims management

## Sales Quality Continued to Improve

<i>euro millions</i>		1H 2004	1H 2005	Change	
<b>Sales Revenues vs. Sales Quality</b>				<b>Abs.</b>	<b>'05 vs '04</b>
<b>Total Revenues</b>		<b>418.4</b>	<b>415.2</b>	<b>(3.2)</b>	<b>(0.8)%</b>
<b>Business</b>	Avg. price list increase (% yoy)	7.2%	4.5%		(2.7)%
	Churn (% of orders booked)	11.4%	11.2%		(0.2)%
	Claims outstanding (#) <sup>(1)</sup>	21,743	8,738		(59.8)%
	New Claims (#) <sup>(2)</sup>	39,332	28,135		(28.5)%
<b>Credit</b>	Direct Debit (% of orders booked)	70.2%	74.3%		4.1%
	DSO (days on due credits)	199	194		(5)
	Operating WC (% on revenues LTM <sup>(3)</sup> )	26.5%	20.7%		(5.8)%

(1) June '04 – June '05

(2) H1 '04 – H1 '05

(3) H1'04 (ITA GAAP) – H1'05 (IAS Principles)

# Margins Improving Thanks to Better Sales & Operating Quality

<i>euro millions</i>	1H 2004	1H 2005	Change
<b>Revenues</b>	<b>418.4</b>	<b>415.2</b>	<b>(0.8)%</b>
<b>Industrial costs</b>	(66.3)	(63.7)	(3.9)%
<i>% revenues</i>	15.8%	15.3%	(0.5)%
<b>Commercial costs</b>	(60.0)	(57.6)	(4.0)%
<i>% revenues</i>	14.3%	13.9%	(0.5)%
<b>General costs</b>	(34.8)	(34.3)	(1.6)%
<i>% revenues</i>	8.3%	8.2%	(0.1)%
<b>Labour costs</b>	(41.5)	(42.1)	1.3%
<i>% revenues</i>	9.9%	10.1%	0.2%
<b>Total Costs</b>	<b>(202.6)</b>	<b>(197.6)</b>	<b>(2.5)%</b>
<i>% revenues</i>	48.4%	47.6%	(0.8)%
<b>Gross Operating Profit</b>	<b>215.8</b>	<b>217.6</b>	<b>0.8%</b>
<i>% of revenues</i>	51.6%	52.4%	0.8%
Bad Debt Provisions	(18.6)	(16.0)	(14.4)%
Risk Provisions	(13.8)	(9.0)	(34.9)%
Net Other Income/(Expenses)	(0.5)	(0.8)	n.m.
<b>EBITDA</b>	<b>182.8</b>	<b>191.8</b>	<b>4.9%</b>
<i>% of revenues</i>	43.7%	46.2%	2.5%

Improved “books yield”, thanks to value-based pricing and rebalancing of discount policies, allowing paper and printing cost efficiency

- Advertising expenses up to 12.2 euro mln (+26.8%) mainly impacted by YP campaign broadcasted on May-June
- Sales force commissions affected by print performance and the higher % weight of print products in 2Q

- Bad debt provisions benefiting from improving credit quality
- Risk provision reflecting better claim management

## Strong OFCF Thanks to Ebitda Growth and Sound Credit Mgmt

<i>euro millions</i>	1H 2004	1H 2005	Change	
			mln	%
<b>Ebitda<sup>(1)</sup></b>	182.8	191.8	8.9	4.9%
<b>Change in Operating Working Capital</b>	86.7	84.8	(1.9)	(2.2)%
<b>Change in Not Current Operating Liabilities</b>	2.0	1.8	(0.1)	(6.6)%
<b>Investments</b>	(5.8)	(6.4)	(0.6)	10.2%
<b>Other</b>	(0.02)	0.06	n.m.	n.m.
<b>Operating Free Cash Flow</b>	265.7	272.0	6.4	2.4%

(1) Reported Ebitda



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## Market Scenario Worsened During 1H 2005

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### Economic scenario worsened in 1H'05 vs. initial expectation

- Fcst on 2005 GDP growth reduced to zero from 2.1%<sup>(1)</sup>
- Households confidence index 2005<sup>(2)</sup>: down to 101.6 (lower level LTM)
- Retail sales down 1.3% in 1H'05<sup>(3)</sup>
- Business confidence index 2005<sup>(3)</sup>: down from 96 to 86

### Advertisers in a conservative mood

- Pessimism on short term improvements of own business
- Focus on cost saving rather than business development
- Growing importance of advertisers mood, whose decisions may be “black” (invest) or “white” (do not invest) relying on perceptions rather than facts

1) Source: Italian Government, 2) Source: ISAE 3) Source: Istat

## Total Revenues Supported by Multiplatform Offer

<i>euro mln</i>	1H 2004	1H 2005	Change	
			mln	%
<b>Sales and Services Revenues</b>				
<b>Print<sup>(1)</sup></b>	346.1	332.4	(13.7)	(4.0)%
<b>Online<sup>(2)</sup></b>	35.7	41.1	5.4	15.0%
<b>Voice<sup>(3)</sup></b>	21.7	27.1	5.4	25.1%
<b>Others<sup>(4)</sup></b>	14.9	14.6	(0.3)	(1.9)%
<b>Total</b>	<b>418.4</b>	<b>415.2</b>	<b>(3.2)</b>	<b>(0.8)%</b>

In the short term, Yellow Pages more affected than other product lines by worsening of the economic environment and actions to improve sales quality

▪ Advertisers generally more willing to invest on “high tech media” despite Yellow Pages being equally valuable in terms of ROI (perception issue on print)

▪ Strong growth of call volumes and revenues on 89.24.24 Talking Yellow Pages

(1) Yellow Pages, White Pages and other print products (2) Online Yellow Pages and Kompass Online  
 (3) Talking Yellow Pages (4) Giallo Promo, Giallo Dat@ and other revenues

# Focus on Sales Quality Affected Print Revenues but Improved Gross Margin

1 Half '05 Book Yield

1 Half '05<sup>(1)</sup>: YP+WP

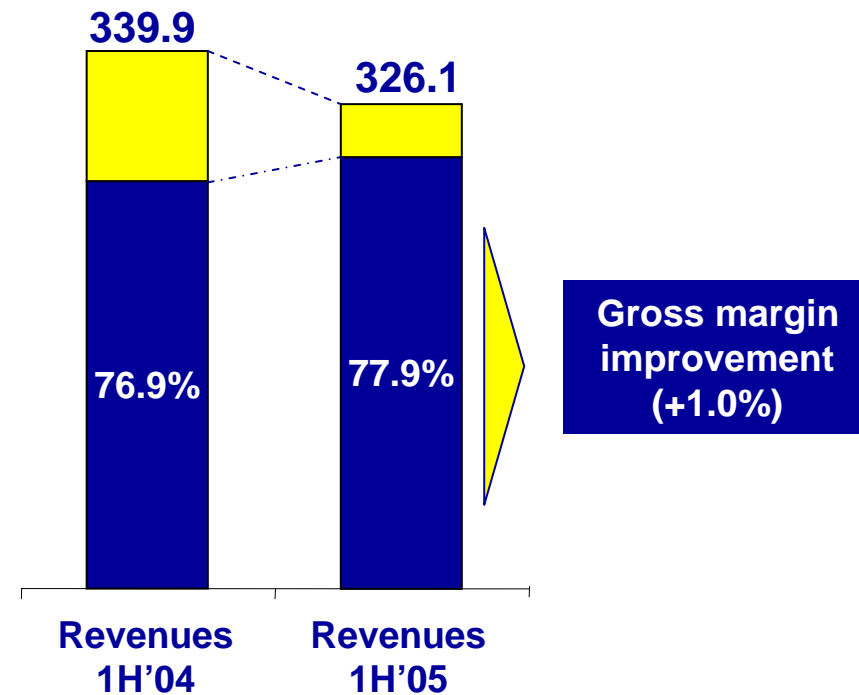
2004-2005 change in yield ratio  
(orders booked/total advertising space published)

White Pages

+1.4%

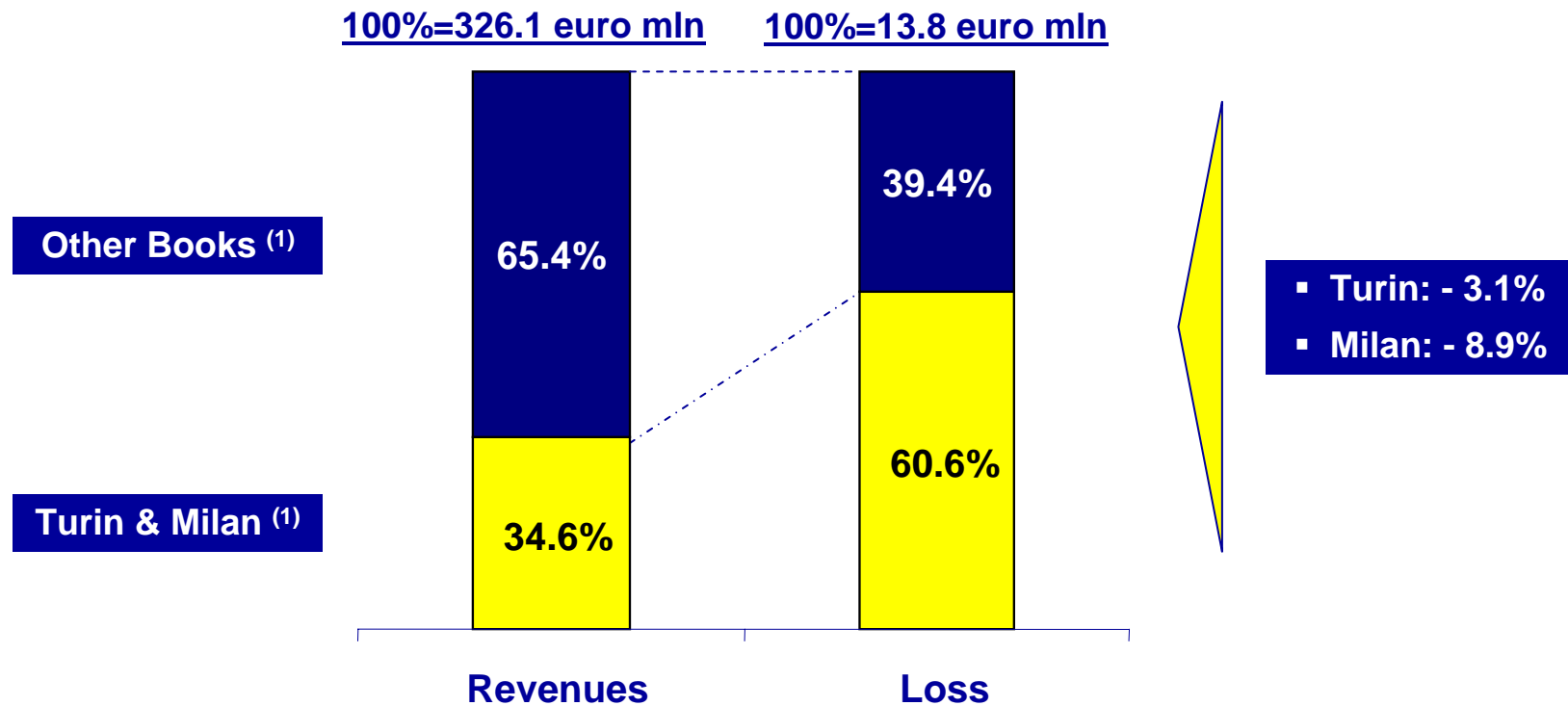
Yellow Pages

+5.3%



1) Yellow & White Pages revenues, excluding national accounts

# Most of Print Revenues Lost in Turin and Milan Books...



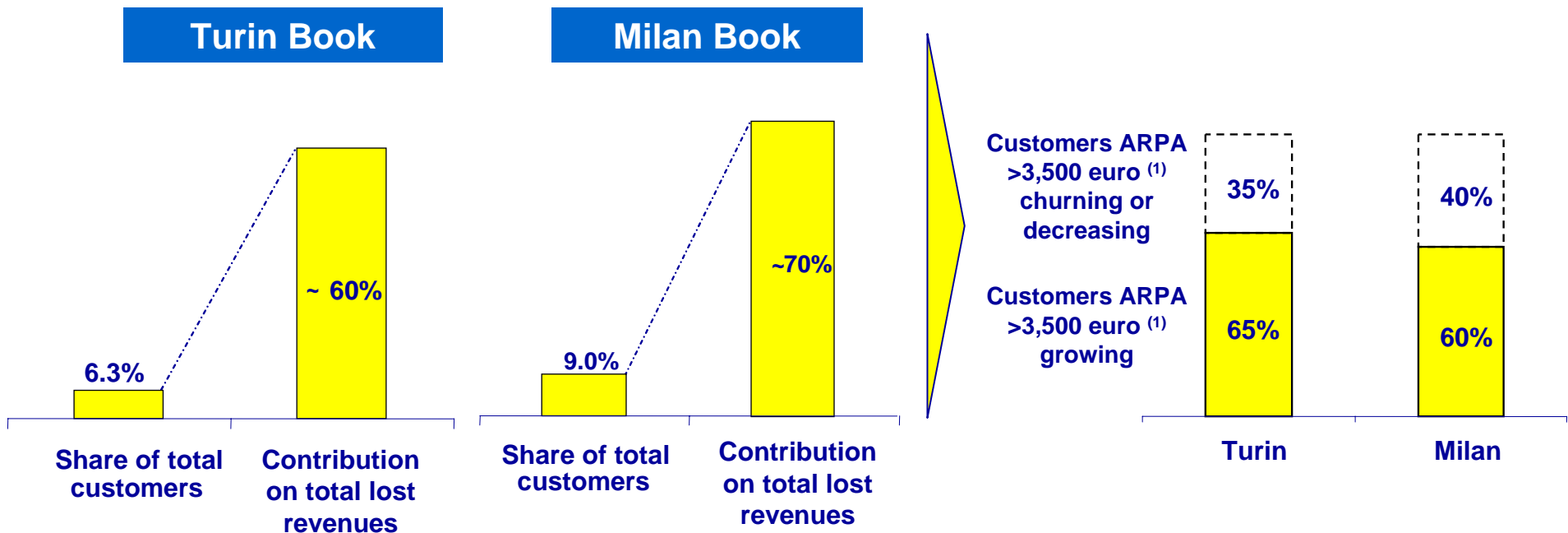
1) Yellow & White Pages revenues, excluding national accounts. Turin and Milan including central and surroundings areas

## ... but Print “Fundamentals” Remain Solid

Largest share of revenues lost on a small number of large customers...

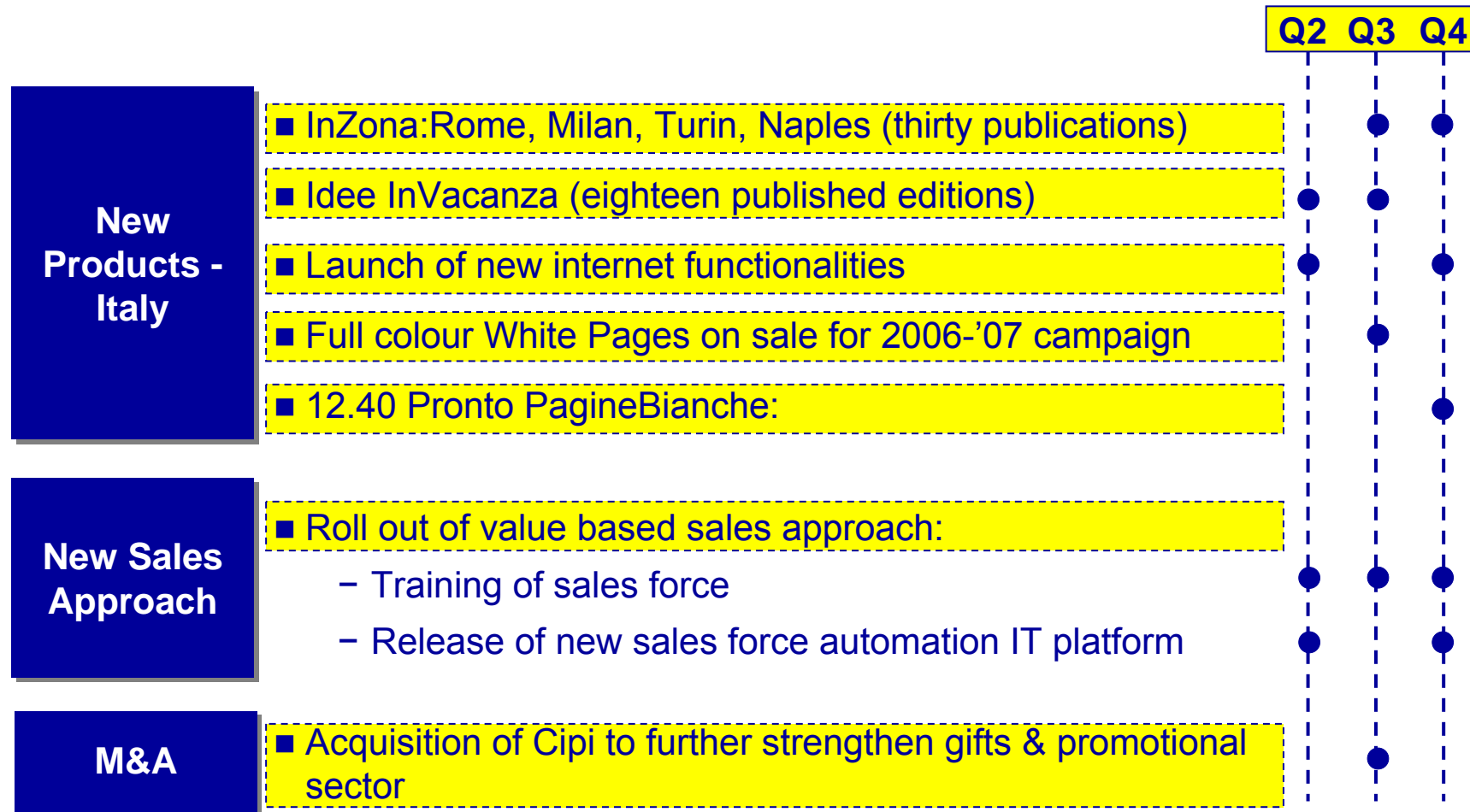
...but print “fundamentals” solid as demonstrated by large share of growing customers

High end customers (ARPA > 3,500 euro <sup>(1)</sup>) decreasing or churning




1) Excluding national advertisers

# Actions to Build Sustainable Long Term Growth Are On Track



# Positive Results from New Yellow Print Products

Revenues booked as of July 15, 2005, excluding national accounts

	InZona	Idee Invacanza	
<b>Circulation (n° of editions)</b>	<b>30</b>	<b>18</b>	
<b>Sales Revenues (euro mln)</b>	<b>3.3</b>	<b>1.6</b>	
N° of customers	~4,500	~3,400	48 editions to be published in 2006
Arpa (euro)	~710	~480	Performance above expectation
<b>New customer acquisition rate (% of total customers)</b>	<b>~48%</b>	<b>~30</b>	Improving penetration in local customers segment
<b>Existing customers</b>			
Yellow and White Pages renewal rate	~9%	~9%	No cannibalization
Yellow, White Pages and new products total revenue growth	~27%	~25%	Significant cross-selling on "high end" local customers

# Sales of White Pages Full Colour Editions Started

- Advertising collection started on July 2005; impact on 2006 revenues (67 books equal to 58% of WP revenues)
- New up-selling opportunities thanks to greater value to customers
- Positive feedback from field sales force



B&W

COLOUR

Alphabet	010 7 261 153	Il Caffè	010 7 261 045
Abbigliamento bimbo	010 7 261 153	Caffetteria	010 7 261 045
Aziende	010 7 261 507	Il Vellero - Pelletteria	010 7 261 084
Ristorante	010 7 261 507	Kasanova	010 7 261 084
Baie	010 7 262 083	Casalinghi, articoli da regalo	010 7 261 084
Calzature	010 7 261 153	King Bijoux	010 7 261 084
Bimbos	010 7 261 153	Biancheria intima	010 7 261 084
Abbigliamento bimbo	010 7 261 153		
Belle Arti	010 7 261 153		
Agencia di viaggi	010 7 261 153		
Boutiques	010 7 261 153		
Environline	010 7 261 153		
Brillato - Autoriparazioni rapide	010 7 261 153		
C&A	010 7 261 153		
1° Clean	010 7 261 153		
Limous	010 7 261 153		
Conte di Firenze	010 7 261 153		
Abbigliamento	010 7 261 153		
Dr. Luisa Underwear	010 7 261 153		
Etimo	010 7 261 153		
Dixon	010 7 261 153		
Teléfono	010 7 261 153		
Dogmas	010 7 261 153		
Proffinera	010 7 261 153		
Egypt	010 7 261 153		
Abbigliamento donna	010 7 261 153		
Euroservice	010 7 261 153		
Elettronica	010 7 261 153		
Foto Point	010 7 261 153		
Fotografia	010 7 261 153		
F&I	010 7 261 153		
Lavasecco	010 7 261 153		
Gli Assocciatori del Centro	010 7 261 153		
Parrucchieri	010 7 261 153		
Golden Point	010 7 261 153		
Case, Interni	010 7 261 153		
Il Bar e la Focacceria	010 7 261 153		
Bar	010 7 261 153		

- Better visibility for all customers to enhance usage
- Higher visual impact of advertising info and new images/objects to be introduced
- Higher print quality and readability



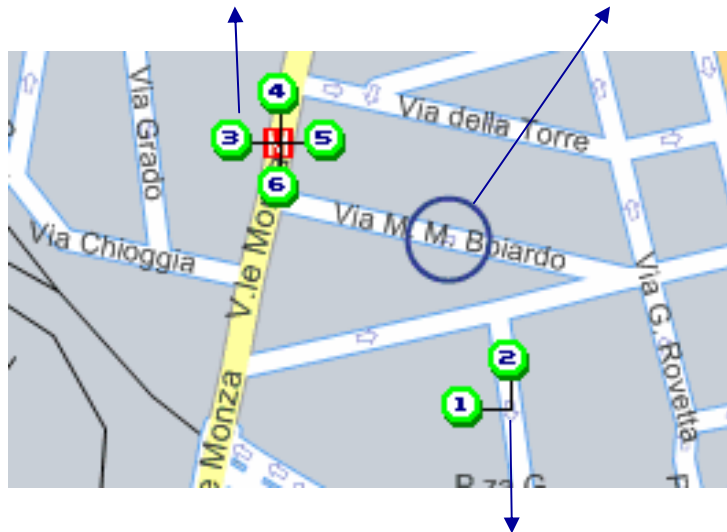
# Online: a Strong Offering Continuously Innovated

1Q 2005

**Users Needs:** “Look for the closest bank branch from here” = **Proximity Search**

Bank Branches

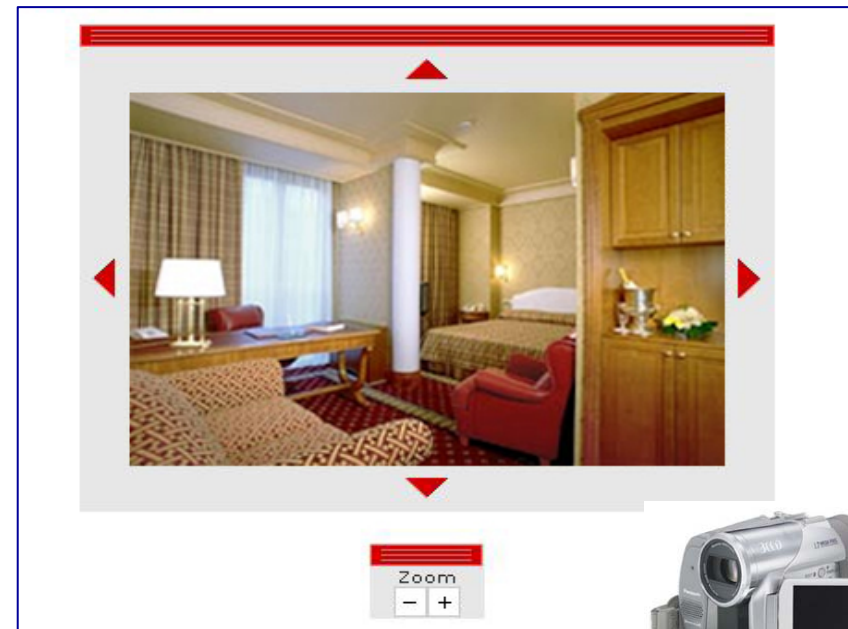
Starting Point



Bank Branches

4Q 2005

**Users Needs:** “Look inside a Hotel Room” = **Virtual Tour**



- On sale starting on September 2005
- Seat will shoot the adverts

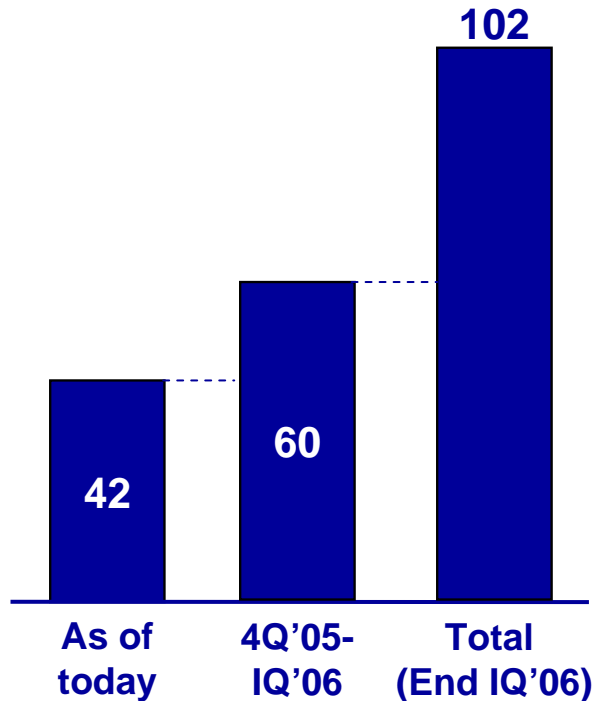
## 12.40 Pronto PagineBianche to be Launched October 1<sup>st</sup>

Impact on '05 Ebitda  
negative due to  
timing of liberalization

Description	Timing of market liberalization	Strategy
<ul style="list-style-type: none"> <li>■ Operator-base service to look for private, businesses and institutions telephone numbers</li> <li>■ Mainly used from fixed lines</li> <li>■ 100% revenues from telephonic traffic</li> </ul>	<ul style="list-style-type: none"> <li>■ 1<sup>st</sup> Oct. 2005: new “12xy” services opening and contextual incumbent “12” number closing</li> <li>■ 1<sup>st</sup> Dec.2005: closing of DA services through decade “4” numbers</li> <li>■ 1<sup>st</sup> Jun. – 30 Sept. 2006: “neutral” communication on new “12xy” services by telecom operators</li> </ul>	<ul style="list-style-type: none"> <li>■ Revenues and cost will be accrued in Seat S.p.A.</li> <li>■ 12.40 positioned as “the high quality” number</li> <li>■ No risk of cannibalizing 89.24.24</li> <li>■ 60 euro mln of investments (advertising, training, marketing research, call centers, IT platforms) in 2005-'06</li> </ul>

# Training on New Sales Approach Well on Track

**N° of Book Area Involved<sup>(1)</sup>**



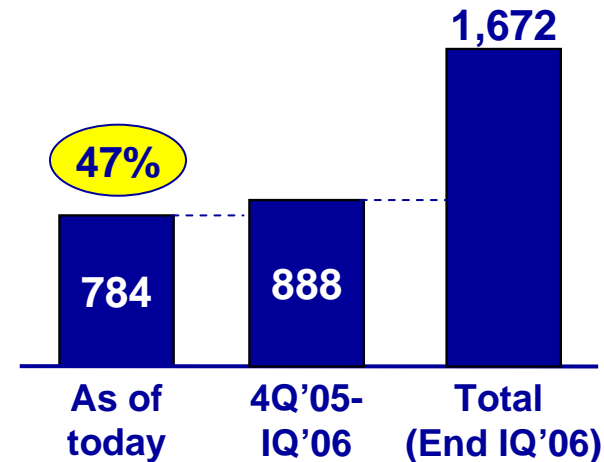
%order booked

**~52%**

**~48%**

**100%**

**N° of Resources Trained<sup>(1)</sup>**



**Positive feedback from sales reps<sup>(2)</sup>**

Score between 1-4

**Interests**

3.51

**Usability**

3.37

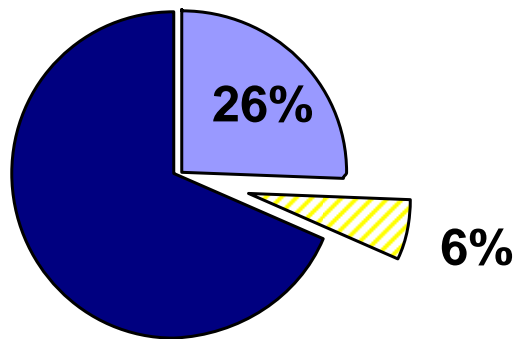
(1) As of September 2005

(2) Based on questionnaires replied after training course (as of August 2005)

# Acquisition of Cipi to Foster Growth in SMEs Adv. Market

## SMEs Advertising Market (1)

100%=4.3 euro bln



- Directories
- Gifts & Promotional
- Others

Transaction	Rationale
<ul style="list-style-type: none"> <li>■ Acquisition of 51% of Cipi (closing expected September 13<sup>rd</sup>) for 8 euro mln</li> <li>■ Ev: 19.4 euro mln</li> <li>■ Multiple: 6.3x Ebitda</li> </ul>	<p>Backward integration from sales to customization and supply to exploit synergies and grow sales</p>
Company	Financials
<ul style="list-style-type: none"> <li>■ One of the key players in the sector (since 1964) covering the whole value chain (purchasing – customization – sales)</li> <li>■ ~9% market share in a highly fragmented 260 mln market segment</li> </ul>	<p><b>Revenues:</b> 24.3 mln, of which 58% sold through Seat sales force and 42% through direct sales force</p> <p><b>Ebitda:</b> 3.1 mln (12,6% margin)</p>

1) Seat SMEs business excluding national customers (Seat Market research)

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# Thomson: Revenue Growth in a Competitive Market

<i>GPB millions</i>	1H'04	1H'05	Chg	Chg <sup>(3)</sup>
<b>Sales and Services Revenues</b>	<b>42.8</b>	<b>43.5</b>	<b>1.6%</b>	<b>8.9%</b>
- Print	35.1	34.1	(2.8)%	6.3%
- Online	4.2	5.4	29.0%	29.0%
- Other <sup>(1)</sup>	3.5	4.0	12.7%	9.6%
Operating & Labour Costs	(36.9)	(39.6)	7.4%	11.6%
<b>Gross Operating Profit</b>	<b>5.9</b>	<b>3.8</b>	<b>(34.8)%</b>	<b>(12.7)%</b>
<i>% of revenues</i>	13.8%	8.9%	(4.9)%	(2.2)%
Bad Debt, Risk Prov. & Others	(1.7)	(1.9)	10.5%	17.9%
<b>EBITDA</b>	<b>4.2</b>	<b>2.0</b>	<b>(53.2)%</b>	<b>(30.1)%</b>
<i>% of revenues</i>	9.8%	4.5%	(5.3)%	(2.5)%

- Print: shift of five directories from 1H to 2H (2.9 Gpb mln in '04); on a like-for-like basis, print revenues up 6.3%
- Online: up leveraging investments in product innovation and search engines agreements to increase usage

- Increase of commercial costs to support growth
- Net of growing advertising investments (0.8 Gpb mln) and on a like for like basis, Ebitda growing vs. previous year

(1) Including data sales

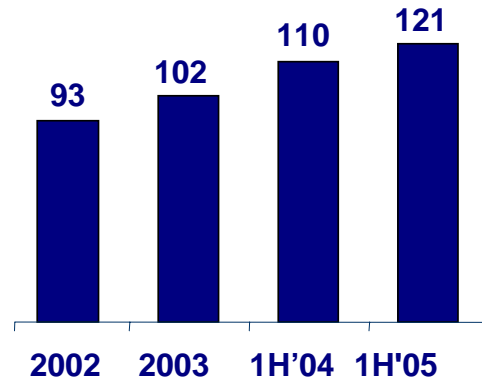
(2) Print +online customers

(3) Like for like including shifting of five published directories

# Thomson: Revenue Growth Driven by New Customers

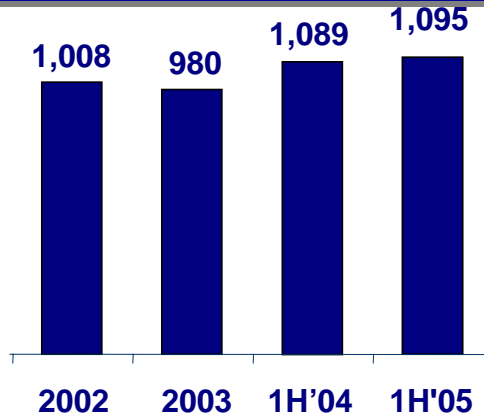
GBP

## N° Customers ('000) (print & online)



Customer base up 9.5% (HoH) thanks to higher product attractiveness and sales force market coverage

## ARPA (print & online)



Substantially stable ARPA (+0.6% HoH) despite RPI-6 and new customer acquisition thanks to internet growth

(1) Print + Online customers

## Telegate: Strong Ebitda Growth

<i>euro millions</i>	1H 2004	1H 2005	Change
<b>Sales and Services Revenues</b>	<b>72.2</b>	<b>69.7</b>	<b>(3.5)%</b>
Operating & Labour Costs	(52.7)	(46.9)	(11.0)%
<b>Gross Operating Profit</b>	<b>19.5</b>	<b>22.8</b>	<b>16.9%</b>
<i>% of revenues</i>	27.0%	32.7%	5.7%
Bad Debt, Risk Provisions & Others	(2.0)	(1.9)	(7.6)%
<b>EBITDA</b>	<b>17.5</b>	<b>20.9</b>	<b>19.4%</b>
<i>% of revenues</i>	24.2%	30.0%	5.8%

- Germany down 1.3% due to lower call volumes (-7.1%) offset by revenues per call increase (+6.3%) driven by value added services and growth in new business segments
- International (Spain and Italy) up 6% enhanced by call volumes (+9.2%)

- Germany: continued cost optimisation thanks to efficiencies in call-center operations and lower data sales costs
- International: lower advertising investments in Spain YoY and exit of loss making UK subsidiary, compensating costs for entry in liberalised France DA market

Note: main difference between Italian GAAP and IAS principles is the accrual of net revenues instead gross on Italian Talking YP



# Telegate: Market Entry in France Well on Track

Date	Event	Impact
<b>June 15:</b>	By means of a lottery procedure, the regulatory authority assigned to Telegate the number 118 555	118 555, not the best number
<b>July 21:</b>	Acquisition of Scoot France (number 118 000)	Market research shows that this is the easiest number to memorize
<b>August 26:</b>	Strategic partnership with SFR (second largest mobile phone carrier in France with 16 million customers)	SFR transferring its entire DA business to Telegate that will leverage on existing high-quality call center expertise, infrastructure and call volume
<b>November</b>	Launch of service	

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## Outlook

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- In Italy, in the second half of the year:
  - Revenues are expected slightly improving compared to first half, despite negative economy
  - Ebitda will continue to benefit from margins improvement, but cost of launching 12.40 Pronto Pagine Bianche will impact 2H
- At Group level, the main event will be the launch of Telegate DA services in France (cost will be posted in 4Q)
- 2005 target for Group Ebitda confirmed to stay in +1.5÷2.0% range
- Net profit expected on full year for both Group and Seat S.p.A.

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## Other Businesses

### Consodata Italy

euro millions

	1H 2004	1H 2005	Change
<b>Sales and Services Revenues</b>	14.2	15.3	7.7%
<b>Gross Operating Profit</b>	1.6	1.8	12.5%
<i>% of revenues</i>	11.6%	11.7%	0.1%
<b>EBITDA</b>	1.5	1.7	13.3%
<i>% of revenues</i>	10.5%	11.1%	0.6%

Sustained by consistent operating, commercial and product synergies with Italian Directories

Further improved cost-structure

### Euredit

euro millions

	1H 2004	1H 2005	Change
<b>Sales and Services Revenues</b>	0.5	0.4	(19.7)%
<b>Gross Operating Profit</b>	(3.8)	(4.0)	(6.1)%
<b>EBITDA</b>	(3.9)	(4.1)	(5.9)%

Not relevant figures in the quarter; publication of Europages in 3Q'05

# Impact of IAS Principles: Group Below Ebitda

Below Ebitda	1H'04			FY'04			Comment on FY'04
	ITA-GAAP	IAS	Change	ITA-GAAP	IAS	Change	
<i>euro millions</i>							
<b>Ebitda</b>	<b>207.3</b>	<b>204.3</b>	<b>(3.0)</b>	<b>611.5</b>	<b>614.4</b>	<b>2.8</b>	<b>pension fund +1.3 (TDL) + adj. on employee termination indemn. +0.7</b>
<b>Depreciation and Amortization</b>	(14.6)	(14.9)	(0.3)	(29.9)	(30.3)	(0.4)	start-up costs and database
<b>Extra-Operating Amortization</b>	(193.3)	(84.3)	109.0	(389.2)	(168.8)	220.4	goodwill & consolid.diff. +203.6 + transaction costs +16.9
<b>Not Current Expenses</b>		(5.1)	(5.1)		(31.3)	(31.3)	reclassification from extraordinary -28.3 + adj. stock options -3.0
<b>Net Restructuring Expenses</b>		(3.7)	(3.7)		(4.6)	(4.6)	reclassification from extraordinary -2.7 + reserve for reorganization (Telegate) -1.9
<b>Ebit</b>	<b>(0.6)</b>	<b>96.3</b>	<b>96.9</b>	<b>192.4</b>	<b>379.4</b>	<b>186.9</b>	
<b>Financial Income</b>	3.3	3.5	0.2	8.5	9.0	0.4	present value of not current assets and liabilities
<b>Financial Expenses</b>	(73.3)	(89.7)	(16.4)	(232.9)	(259.9)	(27.0)	reclassification from extra-operating amor. -16.9 and extr. -8.5 related to transaction costs + employee termination indemn. present value -1.2
<b>Value Adjustments to Investments</b>	(0.3)	(0.3)	0.0	(2.0)	(1.8)	0.2	minor impact (reclassification)
<b>Gain/(Losses) on Invest. Disposals</b>		3.7	3.7		8.4	8.4	reclassification from extraordinary
<b>Extraordinary Income</b>	10.5	n.e.		27.3	n.e.		
<b>Extraordinary Expenses</b>	(21.6)	n.e.		(58.1)	n.e.		
<b>Income (Loss) Before Taxes</b>	<b>(81.9)</b>	<b>13.6</b>	<b>95.5</b>	<b>(64.8)</b>	<b>135.0</b>	<b>199.8</b>	
<b>Income Taxes</b>	(1.2)	0.1	1.2	(48.1)	(48.9)	(0.8)	tax effect of IAS adj.
<b>Income (Loss) Before Minority Interests</b>	<b>(83.1)</b>	<b>13.6</b>	<b>96.7</b>	<b>(112.9)</b>	<b>86.1</b>	<b>199.0</b>	
<b>Minority Interests</b>	(3.8)	(3.4)	0.4	(6.6)	(6.1)	0.4	minor impact (Telegate)
<b>Income (Loss) for the period</b>	<b>(86.9)</b>	<b>10.3</b>	<b>97.1</b>	<b>(119.5)</b>	<b>79.9</b>	<b>199.4</b>	

 Italian Gaap charges not existing under IAS

 IAS charges not existing under Italian Gaap

## Legal Entities: 1H 2005 Financials

<i>euro millions</i>	Revenues			Ebitda			Ebita		
	1H'04	1H'05	Change	1H'04	1H'05	Change	1H'04	1H'05	Change
<b>Seat S.p.A <sup>(1)</sup></b>	418.4	415.2	(0.8)%	182.8	191.8	4.9%	174.5	182.6	4.6%
<b>TDL</b>	63.5	63.4	(0.2)%	6.2	2.9	(54.1)%	4.6	1.2	(74.5)%
<b>Telegate</b>	72.2	69.7	(3.5)%	17.5	20.9	19.5%	13.9	18.3	31.8%
<b>Consodata<sup>(2)</sup></b>	14.3	15.3	6.9%	1.3	1.7	27.9%	0.4	0.7	99.2%
<b>Euredit</b>	0.5	0.4	(19.7)%	(3.9)	(4.1)	(5.9)%	(4.2)	(4.3)	(4.7)%
<b>Prontoseat <sup>(3)</sup></b>	2.4	4.0	66.1%	0.4	0.4	3.0%	0.2	0.1	(18.2)%
<b>Aggregated</b>	571.4	568.1	(0.6)%	204.3	213.5	4.5%	189.4	198.6	4.8%
<b>Eliminations</b>	(11.0)	(12.3)	n.m.	-	-	n.m.	-	-	n.n.
<b>Consolidated</b>	560.4	555.8	(0.8)%	204.3	213.5	4.5%	189.4	198.6	4.8%

(1) Including Talking Yellow Pages and corporate costs

(2) Including Consodata Italy and Consodata Group Ltd

(3) Before named IMR

## Consolidated Balance Sheet

<i>euro millions</i>	31/12/2004	30/06/2005	Change
<b>Goodwill and Customer Data Base</b>	4,307.8	4,236.5	(71.3)
<b>Other Not Current Assets</b>	148.3	158.6	10.3
<b>Not Current Operating Liabilities</b>	(74.9)	(77.2)	(2.3)
<b>Working Capital</b>	286.9	186.3	(100.6)
<b>Net Invested Capital</b>	4,668.1	4,504.2	(163.9)
<b>Total Stockholders' Equity</b>	860.0	782.3	(77.7)
<b>Net Financial Debt - Book Value</b>	3,808.1	3,721.9	(86.2)
<b>Total</b>	4,668.1	4,504.2	(163.9)
<b>Net Financial Debt</b>	3,924.4	3,798.9	(125.5)
<b>IAS Adjustments</b>	(116.3)	(77.0)	39.3
<b>Net Financial Debt - Book Value</b>	3,808.1	3,721.9	(86.2)