



## **Investor Meeting**

**March 22, 2006**

---

---

## Safe Harbour

---

*This presentation contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activities and situation relating to the Company. Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors. Analysts are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. SEAT Pagine Gialle Spa undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in SEAT Pagine Gialle Spa business or acquisition strategy or to reflect the occurrence of unanticipated events.*

*"These slides are not an offer of securities for sale in the United States. Furthermore, the 8% senior notes by Lighthouse International Company S.A. may not be offered or sold in the United States absent registration or an exemption from registration. Any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or the selling security holder and that will contain detailed information about the issuer and management, as well as financial statements.*

*In connection with the offering of the 8% senior notes by Lighthouse International Company S.A., Credit Suisse First Boston (Europe) Limited, or any person acting for it, may over allot or effect transactions with a view to supporting the market price of such senior notes at a level higher than that which might otherwise prevail for a limited period after the issue date thereof. However, there is no obligation on Credit Suisse First Boston (Europe) Limited, or any person acting for it, to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period."*

---

## Introduction

---

- **2005 was a key year for Seat in the transition towards sustainable growth:**
  - all projects and initiatives included in the Business Plan for '05-'07 in line with schedule
  - Group Ebitda in line with Plan, despite a negative economic environment in Italy and delays in the liberalization of the Italian and French DA markets
- **The Group is at the turning point of this transition and focus is now shifting from reengineering to innovation:**
  - significant innovations are planned in the core areas of print and internet products (after the launch of new DA services in France and Italy in late 2005)
  - a new customer-oriented sales organization has been put in place in Seat S.p.A. last January
  - actions taken to innovate the business, as well as market expansion in Telegate, will support results in line with Plan
- **Today's meeting is meant to show the key elements of Seat's effort to innovate and strengthen its core business, as the driver for revenues and Ebitda growth in the years to come**

---

## Agenda

---

- Ore 8.30 **Welcome coffee**
- Ore 9.00 – 9.45 **FY 2005 Results**: Luca Majocchi, Maurizia Squinzi
- Ore: 9.45 **Strategic Update and New Initiatives**:
  - 9.45 **Italy**:
    - 9.45 – 10.15 **Market Overview**: Luca Majocchi :
    - 10.20 –10.40 **Print Products Innovation**: Rita D'uva
    - 10.45 – 11.05 **Voice Positioning**: Paolo Gonano
    - 11.10 – 11.30 Coffe Break (Demo Area available)
    - 11.30 – 12.05 **New Internet strategy**: Paolo Cellini
    - 12.10 – 12.25 **New Sales Organization**: Luca Majocchi
  - 12.30 – 12.45 **Telegate**: Andreas Albath
  - 12.50 – 13.10 **Thomson**: Max Alexander:
  - 13.15 – 13.25 **Conclusions & Guidance 2006**: Luca Majocchi
  - 13.30 – 14.00 **Questions & Answers**
- Ore 14.00 – 15.00 **Buffet and Demo Area**

### Demo area:

- Sales IT tool (Evolution)
- Internet offering
- Print Products





## **Annual Results 2005**

**March 22, 2006**

Luca Majocchi – CEO

Maurizia Squinzi - CFO

---

---

## Accounting Principles

---

*SEAT Pagine Gialle Group and Seat Pagine Gialle S.p.A. adopted IAS/IFRS starting from January 1 2005. These accounting standards are consistent with the IAS/IFRS used for preparing the balance sheets as at January 1, 2004 and as at December 31, 2004 and the statement of operations for the year 2004 which are available on the official company website at [www.seat.it](http://www.seat.it)*

---

## Index

---

### ■ Group Financials

### ■ Seat S.p.A.

### ■ Other Companies

---

## Key Messages

---

### Group Results

- Revenues up 1.3% thanks to growth in all companies
- Group EBITDA up 2%, in line with guidance (+1.5÷2%), despite investments in advertising and training higher than Plan
- Strong operating free cash flow generation (602 euro mln)
- Positive net income and proposal to distribute a 42.1 euro mln dividend


### Business Units

- Italy:
  - revenues slightly up (+0.2%), despite tough economic environment
  - margin expansion (50.4% vs. 50.1%) thanks to enhanced “book yield”
  - retraining of the whole sales force completed
  - 12.40 voice service successfully launched on October 1<sup>st</sup>
  - new sales organization put in place on January '06
- Telegate: Ebitda growth with stable margins (24.6%) despite the cost of entry in the French market
- Thomson: revenue increase (+4% in Gbp) and strong Ebitda growth (+6.7% in Gbp) despite fierce competition, thanks to new internet offer and efficiency improvements

### Financial Structure

- Senior debt successfully re-negotiated in June '05 lowering interest costs (all-in cost of debt at 5.89% as of Dec. 31<sup>st</sup>) and releasing further cash for de-leveraging
- 338 euro mln of senior debt reimbursed as of Dec. 31<sup>st</sup>, plus 100 euro mln of voluntary prepayment in Jan. 2006

## 2005 Group Financials: Ebitda growth within guidance

<i>euro million</i>	2004	2005	Change	
<b>Sales and Services Revenues</b>	<b>1,405.7</b>	<b>1,424.6</b>	<b>1.3%</b>	
Operating & Labour Costs	(723.9)	(733.9)	1.4%	
<b>Gross Operating Profit</b>	<b>681.8</b>	<b>690.7</b>	<b>1.3%</b>	
<i>% of revenues</i>	48.5%	48.5%	<i>n.m.</i>	
Bad Debt, Risk Provisions & Others	(67.4)	(64.2)	(4.9)%	
<b>EBITDA</b>	<b>614.4</b>	<b>626.6</b>	<b>2.0%</b>	 <b>Guidance: +1.5÷2%</b>
<i>% of revenues</i>	43.7%	44.0%	0.3%	

## All companies positively contributed to revenues and Ebitda growth

<i>euro million</i>	Revenues			Ebitda		
	FY'04	FY'05	Change	FY'04	FY'05	Change
<b>Seat S.p.A.</b>	1,059.7	1,061.8	0.2%	530.8	535.2	0.8%
<b>Telegate</b>	143.8	150.2	4.5%	35.2	37.0	5.1%
<b>Thomson</b>	170.0	175.6	3.3%	39.6	42.0	6.1%
<b>Others<sup>(1)</sup></b>	61.6	76.9	n.m.	8.8	12.4	n.m.
<b>Group</b>	1,405.7	1,424.6	1.3%	614.4	626.6	2.0%

1) Includes Consodata, Euredit, Prontoseat and Cipi

## Solid operating free cash flow sustained de-leveraging

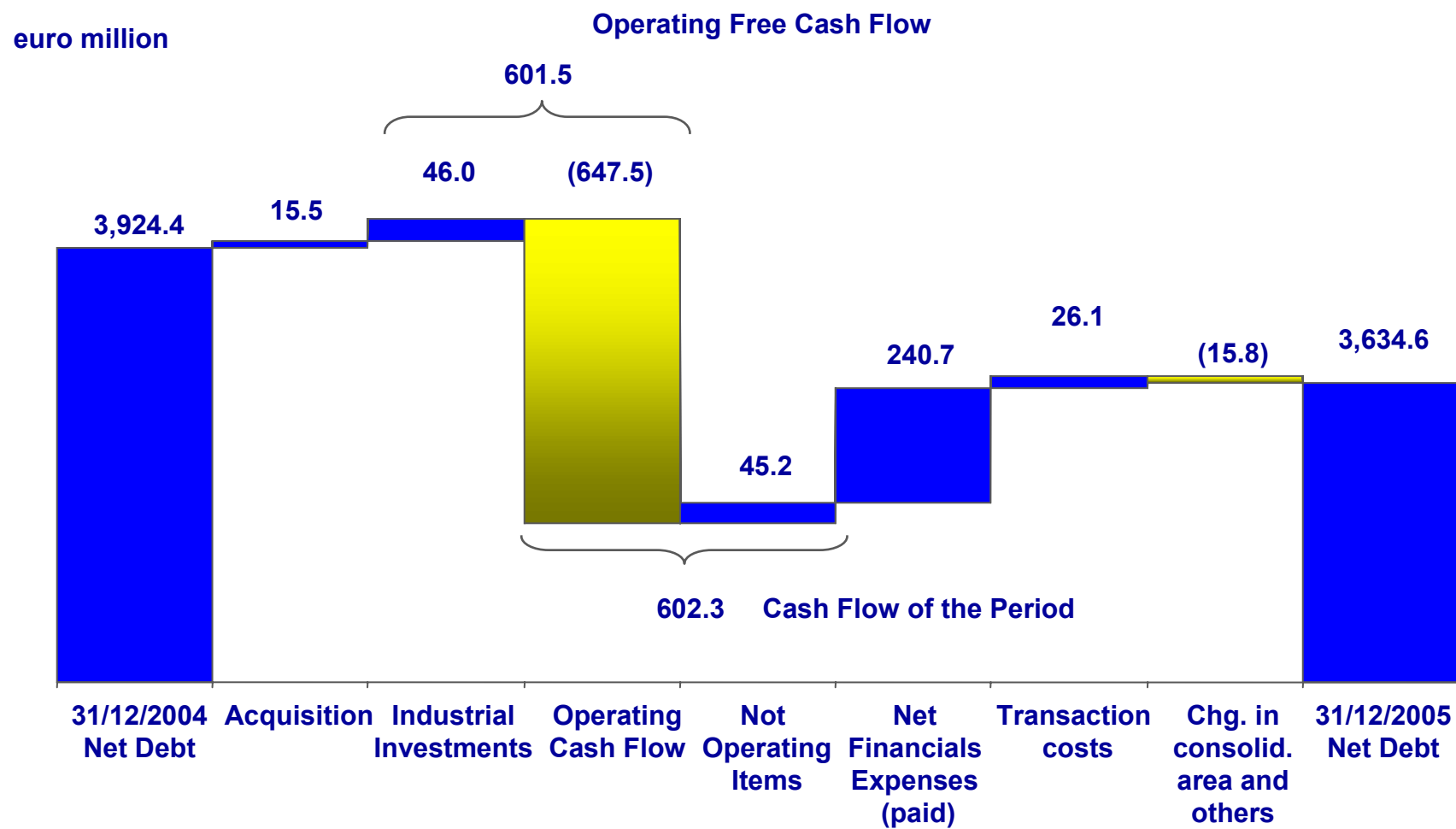
euro million	2004	2005	Change	
			mln	%
Ebitda	614.4	626.6	12.2	2.0%
Change in Operating Working Capital	48.6	20.0	(28.6)	(58.9)%
Change in Not Current Operating Liabilities	0.5	1.7	1.2	n.m.
Investments	(29.9)	(46.0)	(16.2)	54.1%
Other	(0.97)	(0.69)	n.m.	n.m.
Operating Free Cash Flow	632.7	601.5	(31.1)	(4.9)%

▪ Positive contribution of WC in Italy despite a difficult economic scenario

▪ Including one-off negative effects for about 10 euro mln related to higher absorption of capital from accounts payable

Investments in Telegate to enhance call-center efficiency and redesign of IT platforms in Seat SpA

## Net Financial Debt Decreased by 290 euro mln in the Period





## Growth of Net Income at consolidated level

<i>euro million</i>	2004	2005	Change	
<b>EBITDA</b>	<b>614.4</b>	<b>626.6</b>	<b>2.0%</b>	<b>Customer Data Base</b>
% of revenues	43.7%	44.0%	0.3%	
Depreciation and Amortization	(30.3)	(32.4)	6.9%	<b>Legal cost related to Competition Commission inquiry in the UK and stock options costs</b>
<b>EBITA</b>	<b>584.1</b>	<b>594.2</b>	<b>1.7%</b>	
% of revenues	41.6%	41.7%	0.2%	
Extra-Operating Amortization	(168.8)	(162.1)	(4.0)%	<b>Quite stable considering that in 2004 the financing was for eight months</b> <ul style="list-style-type: none"> <li>– 150.6 euro mln interests for the Senior Financing (including 14.2 euro mln of transaction costs)</li> <li>– 113.8 euro mln interests to Lighthouse (5.6 euro mln of transaction costs)</li> <li>– 3.8 euro mln of net other financial income (including exchange gains/losses)</li> </ul>
Not Current & Net Restruct. Expenses	(36.0)	(11.9)	n.m.	
<b>EBIT</b>	<b>379.4</b>	<b>420.2</b>	<b>10.8%</b>	
% of revenues	27.0%	29.5%	2.5%	
Net Financial Income (Expenses)	(251.0)	(260.6)	3.8%	
Value Adjustments to Investments & Gain/(Losses) on Invest. Disposals	6.6	4.2	n.m.	
<b>Income Before Taxes</b>	<b>135.0</b>	<b>163.9</b>	<b>21.4%</b>	
Income Taxes	(48.9)	(25.4)	(48.1)%	
Discontinued operations	0.0	0.2	n.m.	
Minority Interest	(6.1)	(6.8)	10.2%	<b>One off effect of 41 euro mln</b>
<b>Net Income</b>	<b>79.9</b>	<b>131.9</b>	<b>65.0%</b>	

## Customer Data Base: accounting and fiscal value realignment will improve 2008 tax profile

- After 2003 Seat decided to allocate part of the "merger difference" (972 euro mln) to an intangible asset (Customer Data Base) and to obtain "fiscal recognition " (upfront tax of 19%)
- Different amortization plan of Customer Data Base (6 years on a accounting base and three years on a fiscal one) led to a disalignment between the values

**Cost = 972 euro mln**

Year	Accounting value		Fiscal value		Disalignment
	Year amortiz.	Net value	Year amortiz.	Net value	
2003	-68	905	-68	905	0
2004	-162	743	-324	581	162

- The Italian law (2006 Financial act) allows to align the existing values as of December 31, 2004 (162 euro mln) through the payment of an upfront tax of 12% (19.4 euro mln) in June 2006
- Cash benefit: the aligned value (162 euro mln) will have "fiscal recognition" in 2008 with the possibility to benefit of fiscal deduction, reducing the cash-out in 2009 of about 60 euro mln (normal tax rate 37.25%)
- Impact on Seat S.p.A. P&L: in 2005 release of 60.4 euro mln of deferred taxes and recognition of the upfront tax, with a net positive effect of 41 euro mln

## Senior debt renegotiation: credit spread reduction

As of December 31, 2005

Debt Facility (euro mln)	Amount	Repayment	Interest
<b>GROSS DEBT</b>	<b>3,820.2</b>		
• <b>Bank Senior Debt</b>	<b>2,520</b>		
Term Loan A	1,930	Amort. Dec. 06 <sup>(*)</sup> to June 2012	Euribor + 1.91% <sup>(3)</sup>
Term Loan B	590	Bullett June 2013	Euribor + 2.41% <sup>(3)</sup>
Revolving <sup>(1)</sup>	0.2	R.F.Available until June 2012	Euribor + 1.91% <sup>(3)</sup>
• <b>Subord. Debt vs. Lighthouse <sup>(2)</sup></b>	<b>1,300</b>	April 2014	Fixed 8%
• <b>Net Financial Accruals</b>	<b>18.2</b>		
<b>CASH &amp; Cash Equivalents and other</b>	<b>-204</b>		
<b>SEAT GROUP NET DEBT</b>	<b>3,634.6</b>		
<b>IAS adjustments:</b>			
Minus transaction costs	-122.5		
Plus Derivatives Mark to Market	+ 23.2		
<b>GROUP NET DEBT – BOOK VALUE</b>	<b>3,535.3</b>		
		<p><b>(*) 85.5 euro mln due in June 06 + 15 mln on Tranche B prepaid in February. Total debt repayment since April 2004 equal to 438 euro mln</b></p>	<p><b>For the full 2005 year all-in cost of financing down to 6.2% (including old financing) from 6.6% in 2004</b></p>

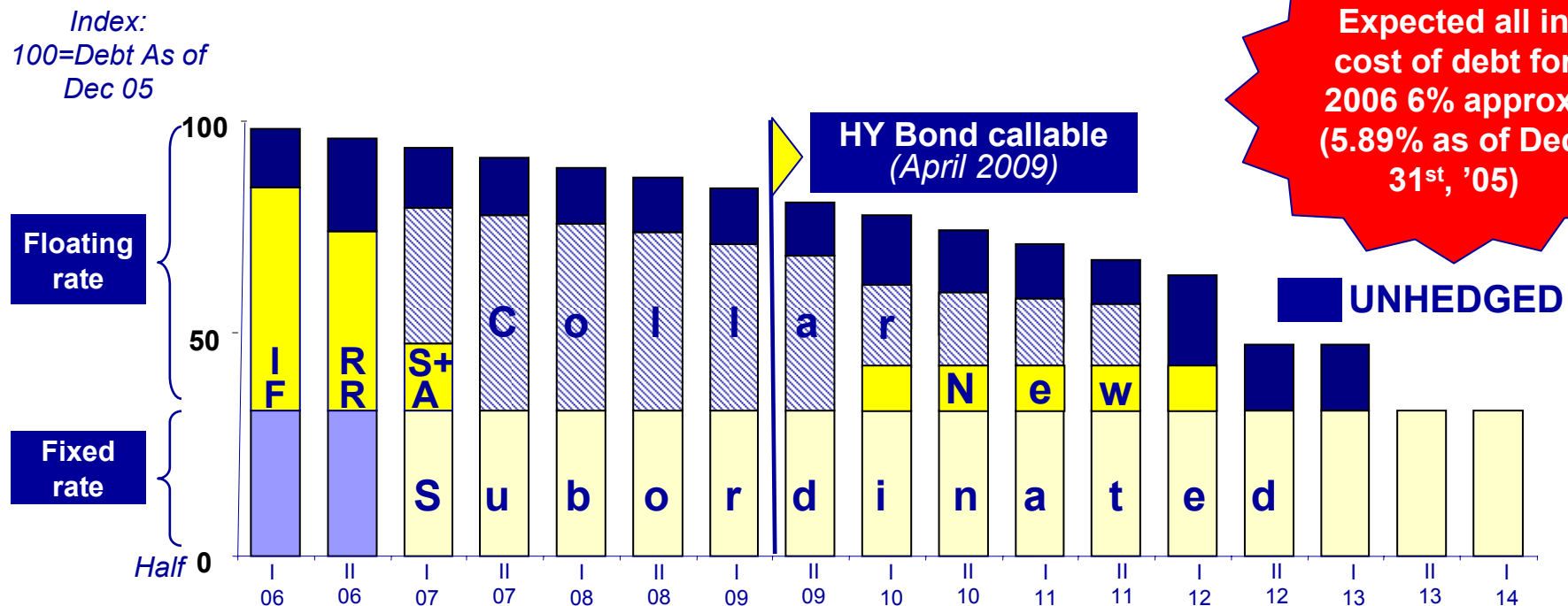
(1) Callable up 90 euro mln

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

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

## Hedging policy protects Seat from Euribor increase

- **2006:** 83% of debt at fixed rate: (Bond 1,300 mln, IRS 1,275 mln, FRA av. 520 mln)
- **2007:** 86% of debt hedged (Bond 1,300 mln, IRS av. 301 mln, Collar av. 1,480 mln);
- **2008 - 2009:** 86% of debt hedged (Bond 1,300 mln, Collar av. 1,536 mln)
- **2010 - 2011:** 80% of debt hedged (Bond 1,300 mln, Collar av. 640 mln, IRS av. 325 mln)



---

## A securitization program in the pipeline to further reduce credit spreads

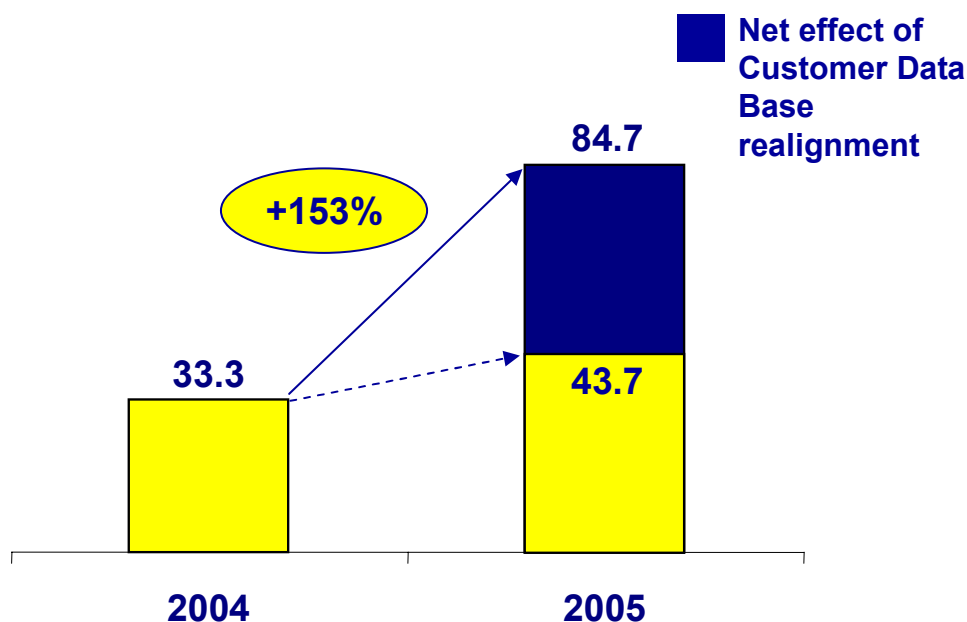
---

Securitization	
Amount	300 euro mln approx.
Rationale	Cash used for senior debt mandatory prepayment (Tranches A and B pro-quota)
Impact on Accounting	No derecognition of Assets/Liabilities
Time Schedule	5 years initial program – ongoing monthly, starting in Q2'06
Benefit	Lowering overall cost of debt in 5 year with main impact in the first 24 months thanks to a 150 bp approx. saving in credit spread on the Securitized amount
Seat Customers	No impact on customers as they will remain managed by Seat

After refinancing  
further optimization  
of cost of debt

## Proposal of dividend payment thanks to growing profit at Seat S.p.A. level

### Net Profit Seat S.p.A.



### Timetable and KPIs

- Dividend proposal to the AGM of April 27<sup>th</sup> -28<sup>th</sup> of 42.1 euro mln (equivalent to 0.5 cent/euro per each ordinary share and 1.01 cent/euro per each saving share<sup>(1)&(2)</sup>)
- At March 20<sup>th</sup> closing price (euro 0.414 per share), dividend yield equal to 1.2%
- First ordinary dividend paid after only two years since LBO

(1) As of March 21<sup>st</sup> Seat's share capital, subscribed and paid, is equal to 248.5 euro mln, divided into 8,148,718,196 ordinary shares and 136,074,786 savings shares, of nominal value of 0.03 euro each

(2) Dividend distribution target in no way constitutes a commitment for Seat; future dividends will depend on company's results, its financial situation and any other relevant factor

---

## Index

---

■ Group Financials

■ Seat S.p.A.

■ Other Companies

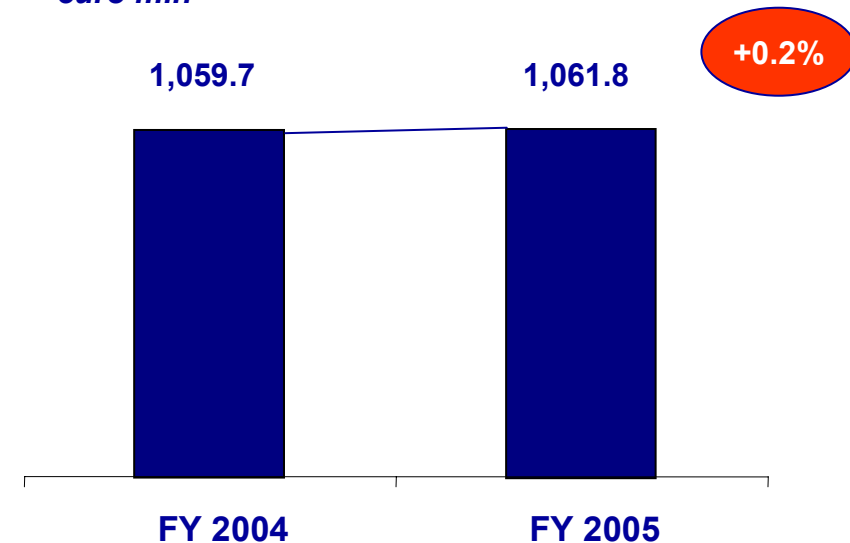
## Revenues stable despite negative economic scenario

Despite an economic scenario worst than expected...

- 2005 GDP growth reduced from a +2.1 forecast taken as reference in the budget to last actual figure of zero %<sup>(1)</sup>
- Households confidence index fell during H1'05<sup>(2)</sup> to low absolute value (108.8) <sup>(2)</sup>
- Retail sales down 0.3% (Jan.-Dec. '05)<sup>(3)</sup>
- Business confidence index 2005<sup>(2)</sup> still at low level in absolute value (104.1)

...revenues were stable

euro mln



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



## Revenues sustained by multiplatform offer

euro million	2004	2005	Change	
Sales and Services Revenues			mln	%
Print <sup>(1)</sup>	859.6	834.1	(25.5)	(3.0)%
Online <sup>(2)</sup>	102.5	115.8	13.3	13.0%
Voice <sup>(3)</sup>	55.0	69.0	13.9	25.3%
Others <sup>(4)</sup>	42.6	43.0	0.4	0.9%
Total	1,059.7	1,061.8	2.1	0.2%

### Improving vs. H1'05 (-4%)

- YP (48% of print revenues) down 6.3% due to stronger focus on credit quality and rightsizing of their adverts by a limited number of multi-pages advertisers
- WP: substantially stable (-0.6%)
- Positive contribution of new B2C Local (5.1 euro mln)
- Growth of B2B (+4.1%) reverting negative trends in '03 and '04

### Online & Voice up 17.3% above strategic plan guidance (+10÷12%):

- Online: arpa up 15.3% thanks to new features and growing usage (total reach from 33.6% to 34.4%<sup>(5)</sup>)
- Voice: advertising revenues up 12.6%, traffic revenues up 42.8% thanks to Talking YP growth and contribution of 12.40

(1) Yellow Pages, White Pages and other print products (2) Online Yellow Pages and Kompass Online (3) Talking Yellow Pages and 12.40 (4) Giallo Promo, Giallo Dat@ and other revenues (5) Seat properties (Online Yellow Pages, White Pages and Tuttocittà)

## ARPA growing thanks to higher value to customers

	Unique Customers ('000)			Arpa (euro)		
	2004	2005	Chg.	2004	2005	Chg.
Yellow and White Pages <sup>(1)</sup>	622	596	(4.1)%	1,310	1,317	0.5%
Online Yellow Pages	158	155	(1.9)%	619	714	15.3%
Talking Yellow Pages <sup>(2)</sup>	101	102	1.2%	314	345	8.6%
Total	652	629	(3.5)%	1,626	1,688	3.8%

▪ Decrease mainly due to sales force focus on managing existing customers

▪ Ongoing developments in the new local sales channel will improve acquisitions

▪ Print mainly impacted by slow down of new acquisitions due to stronger focus of agents on visiting existing customers

▪ Online and voice impacted by a planned remix of customers

▪ Arpa up thanks to usage (110.8<sup>(3)</sup> mln searches, +15.2%) and product innovation (i.e. VOIP subscribed by ~12.000 YP customers)

▪ Arpa up thanks to usage (18.5 mln of calls, +9.5%) and improved sales effectiveness

(1) Including Online White Pages that is in bundle with print product

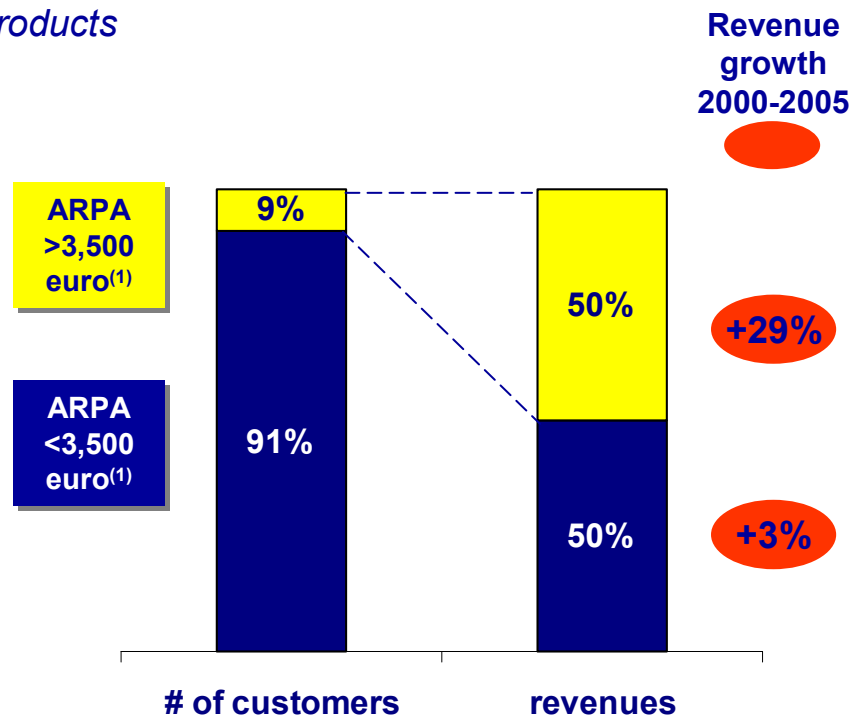
(2) ARPA and number of customers are referred only to advertising revenues

(3) Visits on Online YP (including co-branding) and Tuttocittà

## YP revenues under pressure due to a minority of high-end customers

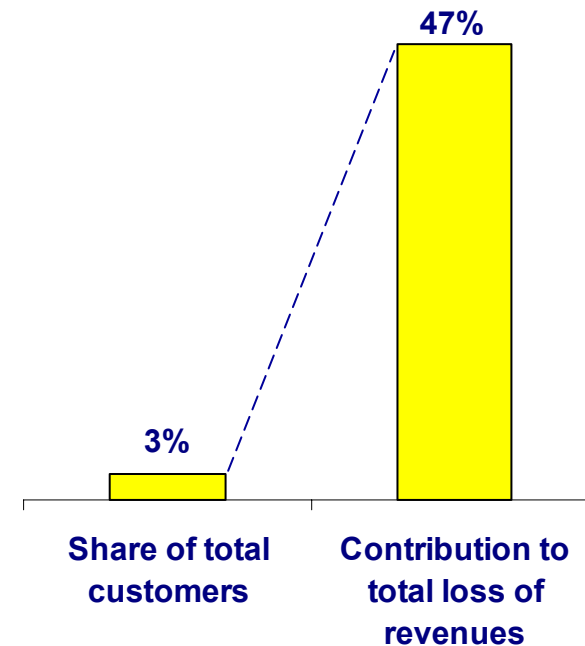
Past focus on volume-driven growth pushed up sales on high-end customers...

Revenues breakdown by advertisers size  
All products



... today causing issues on a small number of advertisers generating half of the revenues lost on YP

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

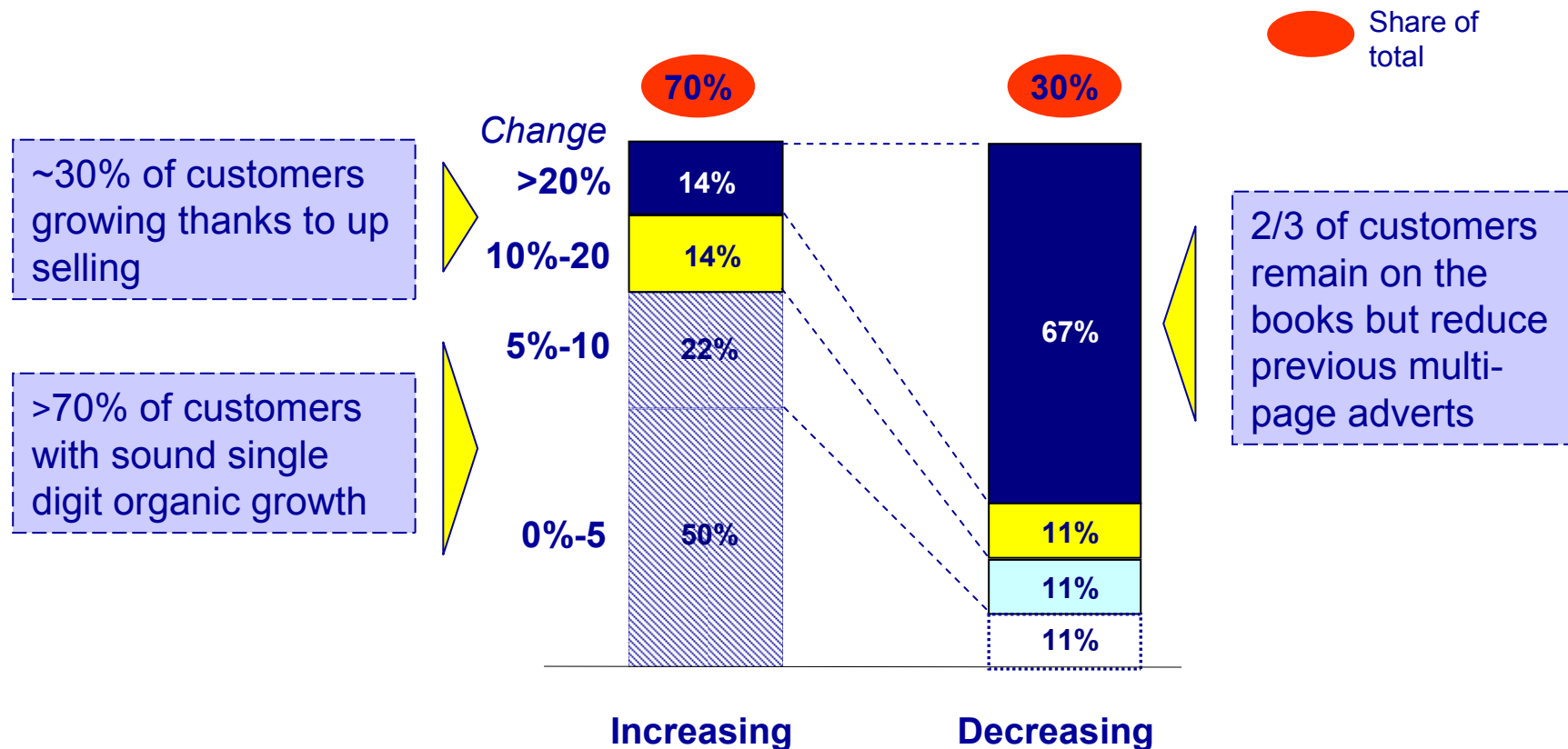


1) Book published in FY2005, excluding national advertisers

## YP fundamentals are solid as most of high-end customers show a sound growth rate and revenue loss is due to a few of them “right sizing” their presence

BEHAVIOUR OF HIGH-END CUSTOMERS SERVED  
Excluding new customers

SAMPLE<sup>(\*)</sup>



<sup>(\*)</sup> Customers served according to the new sales approach

## Margin improvement driven by better quality of sales and efficiency, compensating higher advertising expenses

<i>euro million</i>	2004	2005	Change	
<b>Revenues</b>	<b>1,059.7</b>	<b>1,061.8</b>	<b>0.2%</b>	
<b>Industrial costs</b>	(163.9)	(161.3)	(1.6)%	Decreasing thanks to improved "book yield" (reduction of paper and printing costs)
<i>% revenues</i>	15.5%	15.2%	(0.3)%	
<b>Commercial costs</b>	(150.0)	(150.7)	0.5%	<ul style="list-style-type: none"> <li>▪ Growth of advertising (+14.2 euro mln) mainly due to voice (12.40 &amp; 89.24.24 TYP) and printed YP television campaign</li> <li>▪ Sales force commissions affected by print performance</li> </ul>
<i>% revenues</i>	14.2%	14.2%	n.m.	
<b>General &amp; Labour costs</b>	(160.4)	(162.3)	1.2%	
<i>% revenues</i>	15.1%	15.3%	0.1%	
<b>Gross Operating Profit</b>	<b>585.3</b>	<b>587.5</b>	<b>0.4%</b>	
<i>% of revenues</i>	55.2%	55.3%	0.1%	
Bad Debt, Risk Prov. & Others	(54.5)	(52.3)	(4.1)%	<ul style="list-style-type: none"> <li>▪ Substantial stable bad debt and claim risk provisions</li> <li>▪ Lower need of provisions related to litigation towards agents and employees</li> </ul>
<b>EBITDA</b>	<b>530.8</b>	<b>535.2</b>	<b>0.8%</b>	
<i>% of revenues</i>	50.1%	50.4%	0.3%	Growth despite increase in advertising to support future growth

---

## Index

---

- Group Financials
- Seat S.p.A.
- Other Companies

## Thomson: Ebitda growth supported by revenues and efficiency improvement despite highly competitive market

GBP million

	2004	2005	Change
<b>Sales and Services Revenues</b>	<b>115.4</b>	<b>120.0</b>	<b>4.0%</b>
- Print	98.7	99.9	1.2%
- Online	9.0	11.6	28.9%
- Other <sup>(1)</sup>	7.7	8.5	10.4%
Operating & Labour Costs	(84.7)	(87.1)	2.8%
<b>Gross Operating Profit</b>	<b>30.7</b>	<b>32.9</b>	<b>7.2%</b>
% of revenues	26.6%	27.4%	0.8%
Bad Debt, Risk Prov. & Others	(3.8)	(4.2)	(40.0)%
<b>EBITDA</b>	<b>26.9</b>	<b>28.7</b>	<b>6.7%</b>
% of revenues	23.3%	23.9%	0.6%

- Revenues up (+3.3% in euro) thanks to strong growth in online leveraging product innovation and agreements with search engines
- Print slowdown in Q4'05, due to higher focus on internet growth and changes in sales organization

Revenue growth and efficiencies in paper/printing costs offset by:

- investments to strengthen sales (n# of direct sales force and employees up 5.1%)
- advertising cost to sustain print and online product awareness (up 19% YoY)

(1) Including data sales

## Telegate: revenue and Ebitda growth

<i>euro million</i>	2004	2005	Change
<b>Sales and Services Revenues</b>	<b>143.8</b>	<b>150.2</b>	<b>4.5%</b>
Operating & Labour Costs	(103.2)	(108.8)	5.4%
<b>Gross Operating Profit</b>	<b>40.6</b>	<b>41.4</b>	<b>2.0%</b>
<i>% of revenues</i>	28.2%	27.6%	(0.7)%
Bad Debt, Risk Provisions & Others	(5.4)	(4.4)	(18.5)%
<b>EBITDA</b>	<b>35.2</b>	<b>37.0</b>	<b>5.1%</b>
<i>% of revenues</i>	24.5%	24.6%	0.2%

Improving vs. 9M'05 (-2.2%) thanks to Q4'05 results (+24.6%)

–Germany: decrease (-2.3%) in line with 9M'05, in the context of a market slowdown, thanks to revenue-per-call increase (+6.1%) driven by value added services and growth in new business segments

–International (Spain, Italy and France) up 37.9% sustained by France and Italy (12.40) offsetting loss of TIM outsourcing contract in Italy

Efficiencies in call-center operations and lower need of provisioning for data sales in Germany, compensating costs for entry in France



## Other Businesses: growth leveraging on Italian sales force

### Consodata Italy

euro million

	2004	2005	Change
<b>Sales and Services Revenues</b>	29.4	29.5	0.3%
<b>Gross Operating Profit</b>	4.0	4.6	15.0%
% of revenues	13.6%	15.6%	2.0%
<b>EBITDA</b>	3.6	4.4	22.2%
% of revenues	12.2%	14.9%	2.7%

Net of Pubblibaby disposal, revenues up 12.8% thanks to positive contribution from Seat sales force (+6.2%) and strong increase of direct customer sales (+16.7%)

On a like for like basis Ebitda up 35.9% sustained by revenue growth and further improved cost-structure

### Euredit

euro million

	2004	2005	Change
<b>Sales and Services Revenues</b>	25.9	27.5	6.2%
<b>Gross Operating Profit</b>	5.3	5.7	7.5%
% of revenues	20.5%	20.7%	0.3%
<b>EBITDA</b>	4.6	5.0	8.7%
% of revenues	17.8%	18.2%	0.4%

- Revenue growth sustained by positive contribution from Italy (+9.6%)
- Strong usage growth of online platform:
  - 196.4 mln of page views (+49.4%)
  - 24 mln of visits (+36%)



## Strategy Update and Market Overview

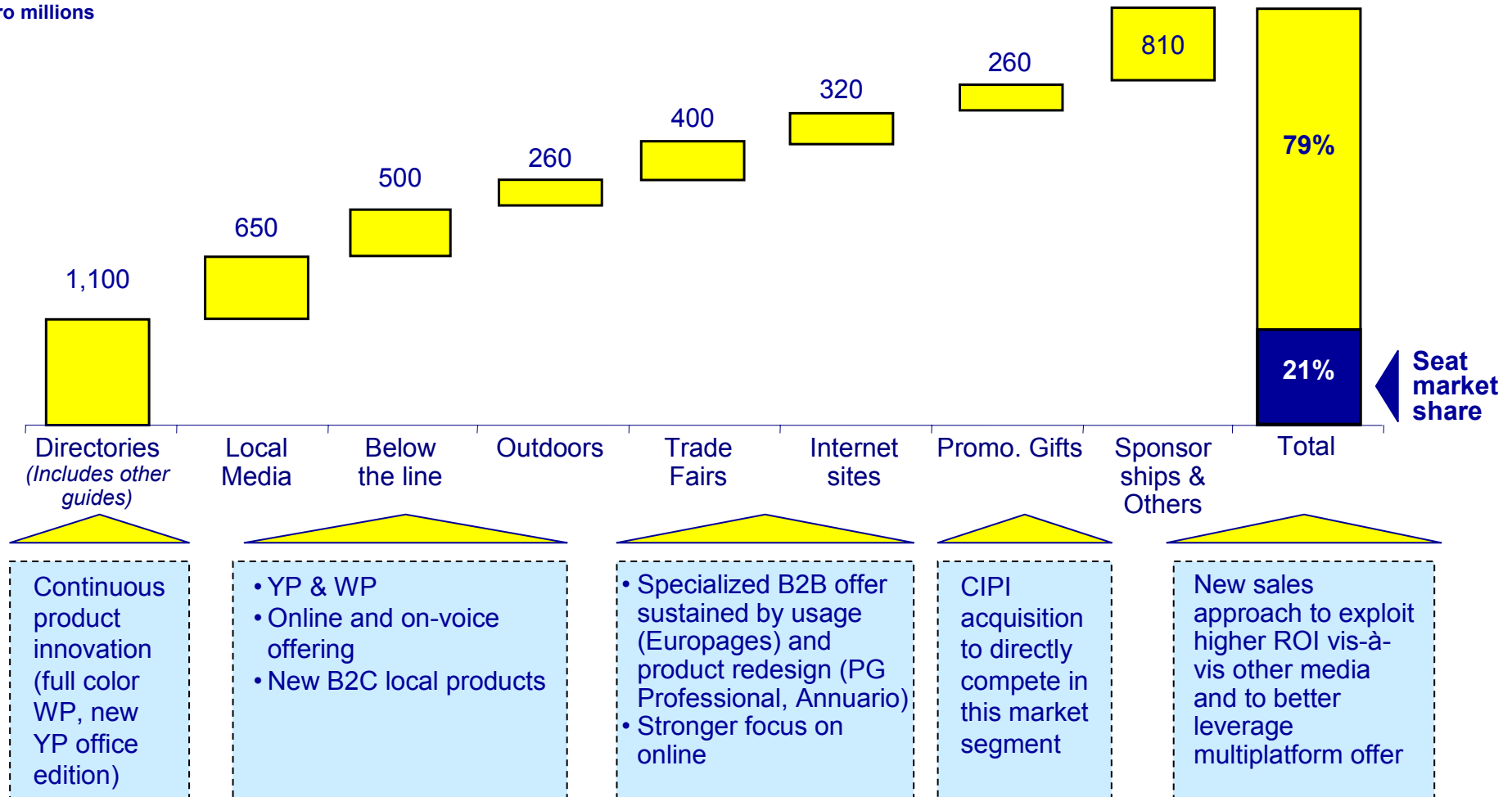
March 22, 2006

Luca Majocchi – CEO

# Seat strategy is to exploit the potential of the SMEs advertising market by continuously innovating its already broad product portfolio

## STRATEGY TO EXPLOIT POTENTIAL OF THE SMEs ADVERTISING MARKET 4,300=100%

Euro millions

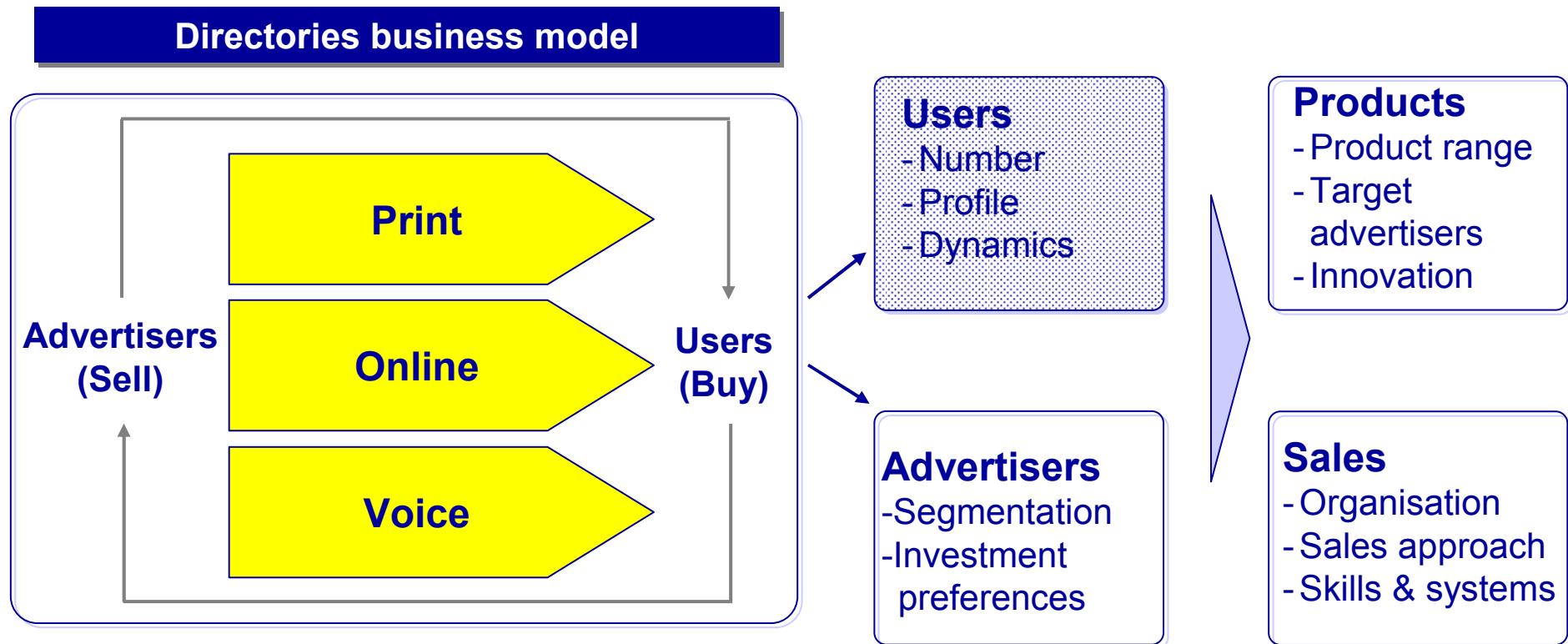


Source: Seat Market research, 2004

# Product/sales strategy is based on the understanding of users behaviour and advertisers preferences

## FRAMEWORK OF SEAT's PRODUCT AND SALES STRATEGY

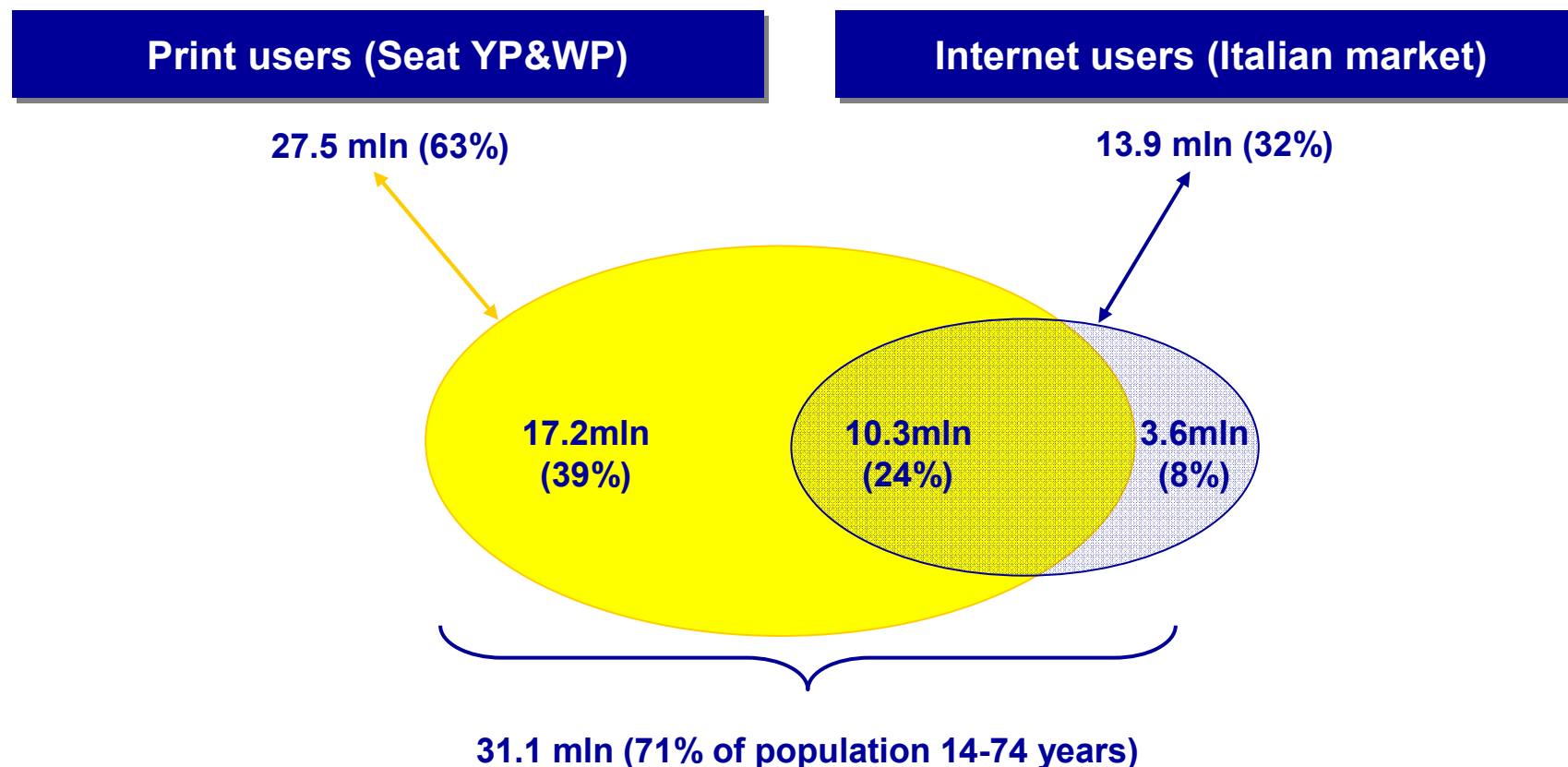
 Focus of this section



## Italians are mostly print users and internet usage is developing together with print

### DIRECTORIES PRINT AND INTERNET USERS

Million, Share of population 14-74 years old, 2004 (universe = 43.6 mln people)



Source: Eurisko – Sinottica 2005/1

---

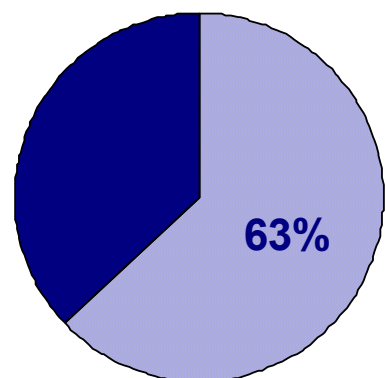
**Yellow Pages are currently used by close to 50 per cent of Italian population, while White Pages usage reach almost 60%**

---

*USERS OF SEAT PRINT DIRECTORIES*

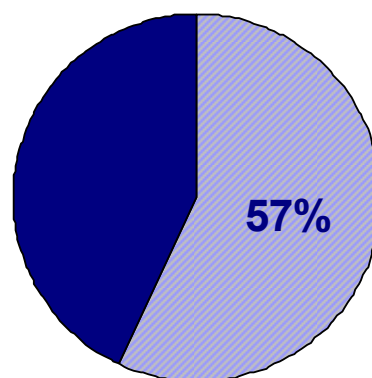
*Per cent, 100%=43.6 million people of age 14-74, 2004*

**Yellow & White Pages**



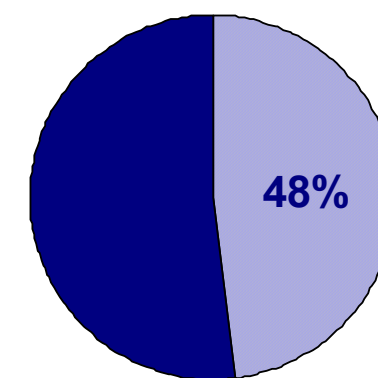
**27.5 million**

**White Pages**



**24.7 million**

**Yellow Pages**



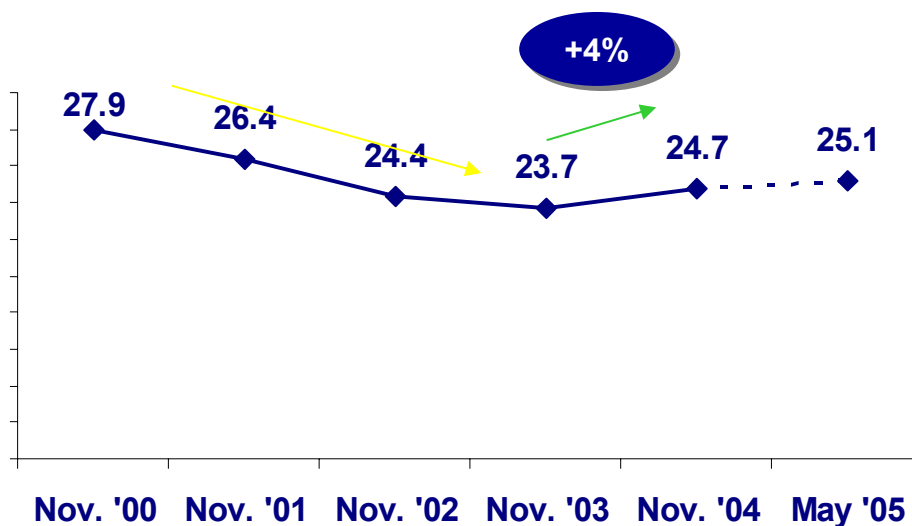
**20.8 million**

*Source: Eurisko – Sinottica 2005/1*

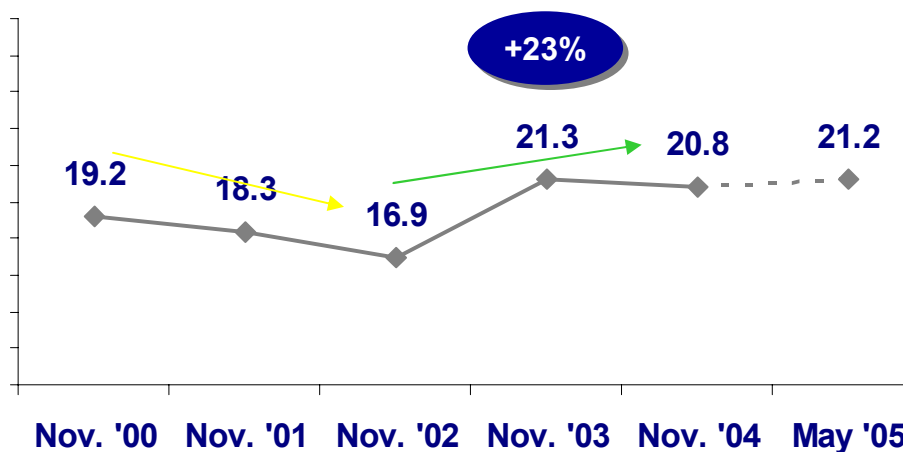
## Yellow Pages users have significantly grown since 2002, while White Pages ones have regained since 2003

USERS OF YELLOW AND WHITE PAGES  
Million

### White Pages

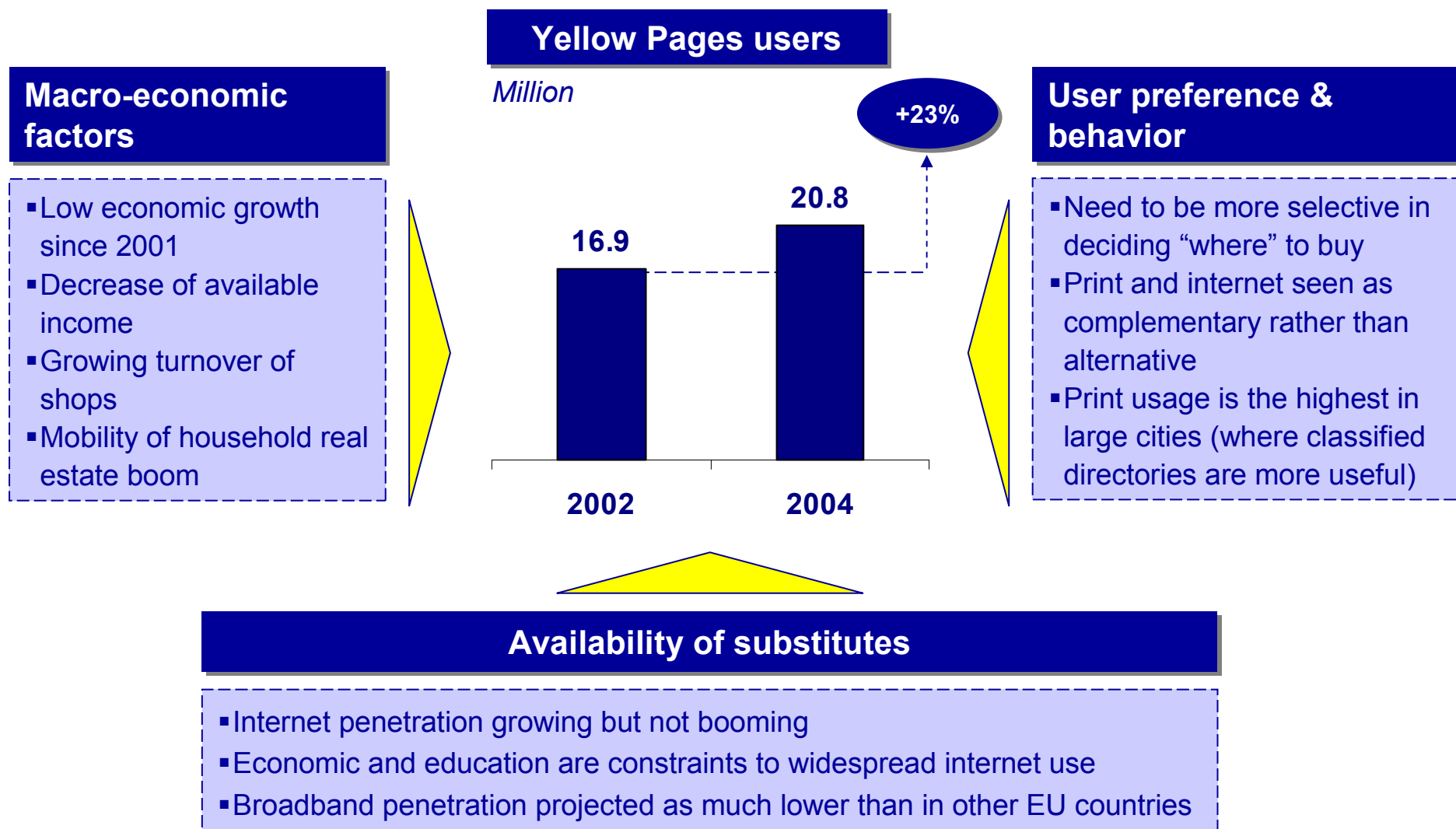


### Yellow Pages



Source: Eurisko - Sinottica

## The positive trend of printed Yellow Pages is the effect of a number of structural factors of the Italian economy





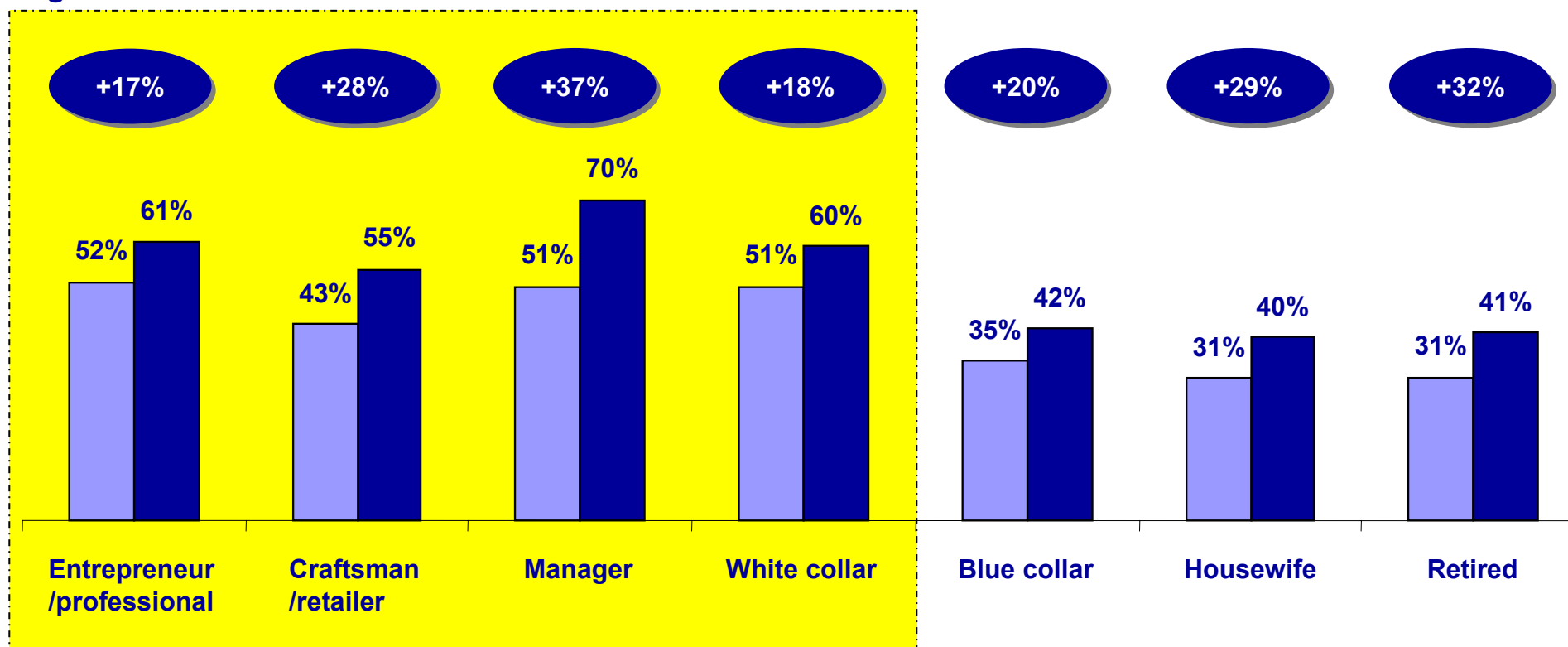
## Growth of Yellow Pages users has been significant in the most valuable user groups, where the share of users is very high...

### TREND OF YELLOW PAGES USERS BY PROFESSION

Share of users, Per cent



#### High value users for Seat's advertisers



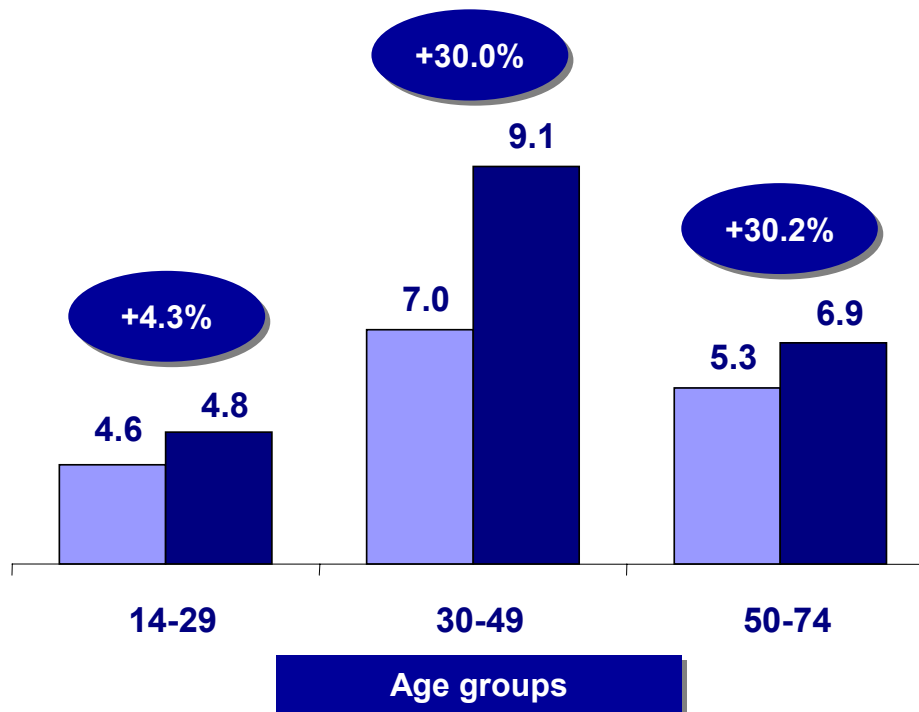
Source: Eurisko – Sinottica 2005/1

## ... in all age groups (including younger generations) and in mid-sized and large cities



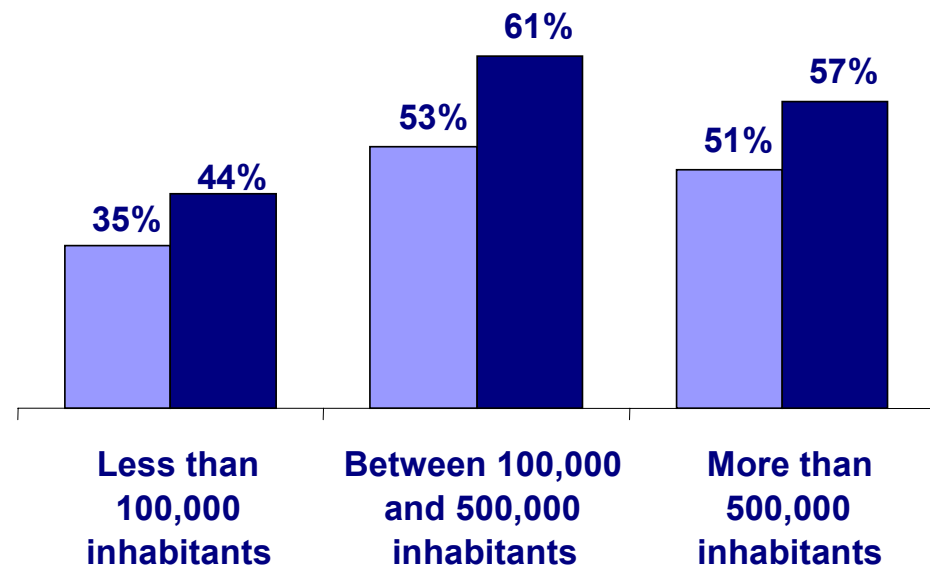
### TREND OF YELLOW PAGES USERS BY AGE GROUPS

million of users



### TREND OF YELLOW PAGES USERS BY CITY SIZE

share of users, per cent



Source: Eurisko – Sinottica 2005/1

---

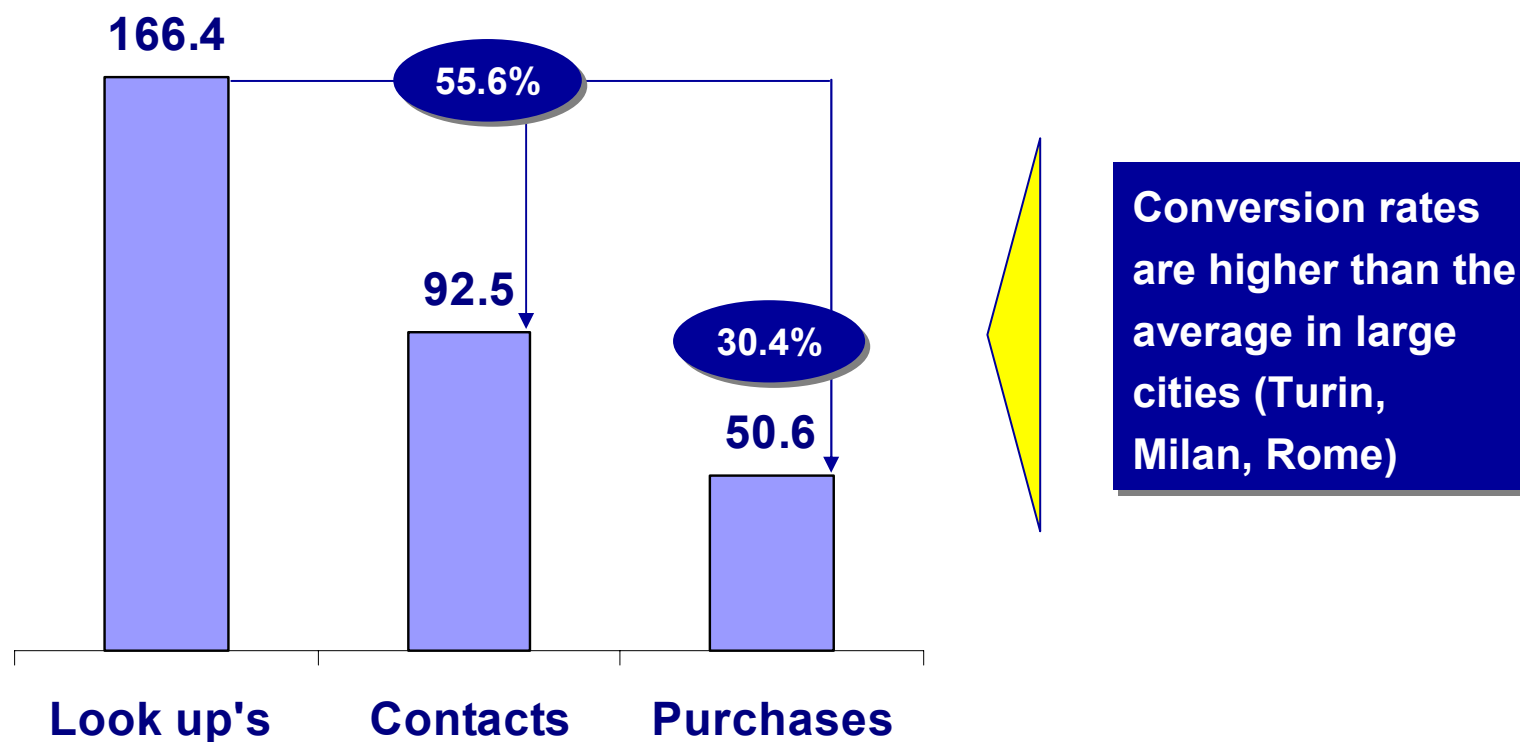
## The latest available data confirm strong usage and high conversion rates for printed Yellow Pages

---

### YELLOW PAGES RECENT CONVERSION RATES<sup>(1)</sup>

Number of acts, Sept. – Dec. 2005

Million

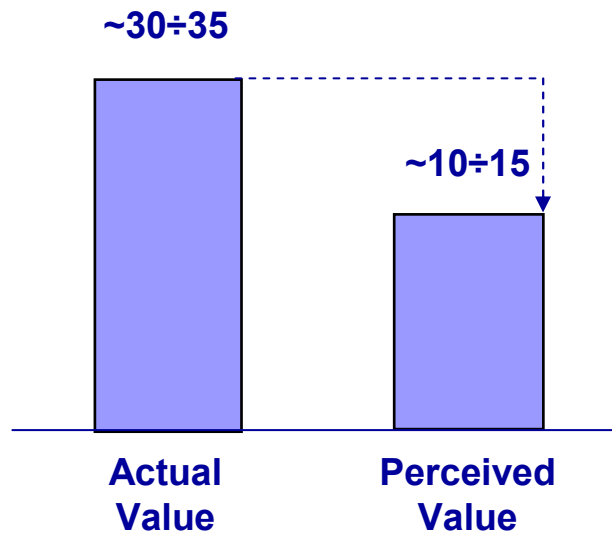


<sup>(1)</sup>Source: KKienn

## Despite strong value of printed YP, some advertisers misperceive the real value of the media

*GAP BETWEEN ACTUAL AND PERCEIVED VALUE OF PRINT YP*

### Print actual vs. perceived value (1)



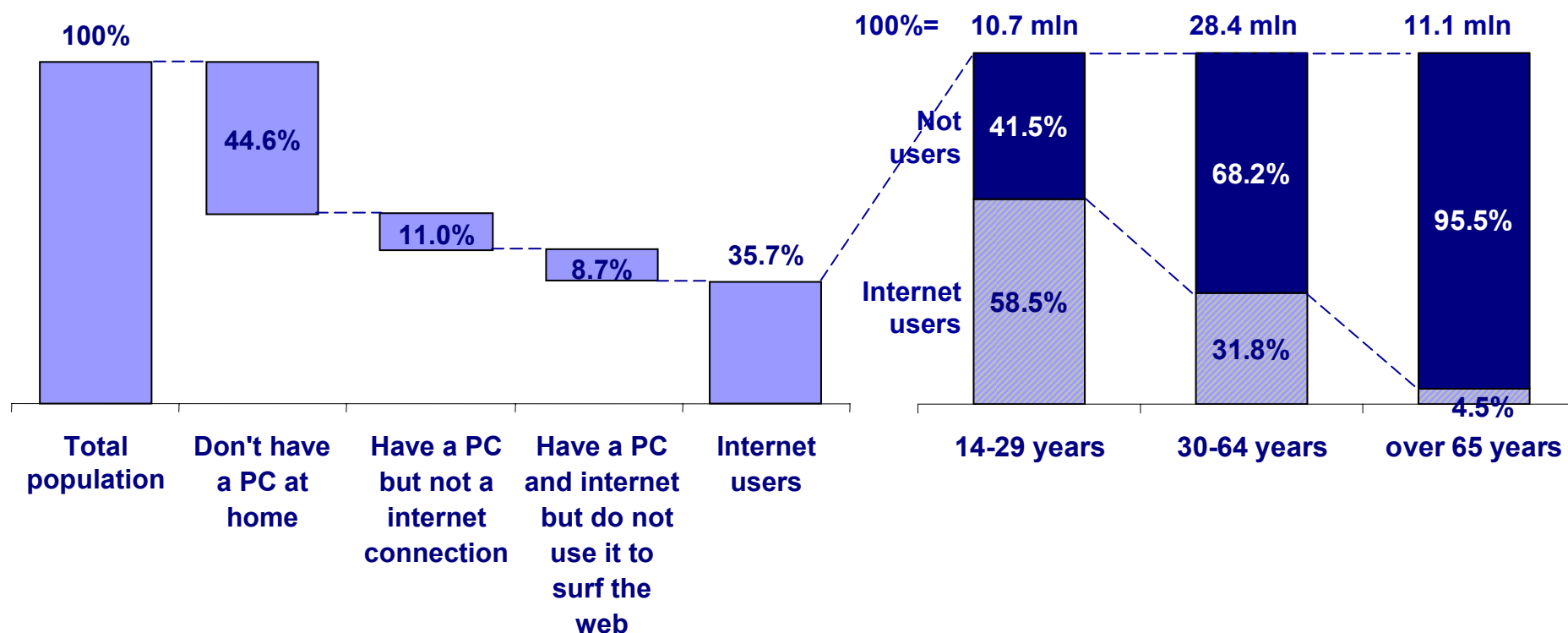
- Overestimation of online usage (“I use it, hence everybody else is using it”) and underestimation of print usage (“In the internet era, nobody is using print any longer”)
- Emotional rather than rational criteria in the media mix definition
- Volume-based sales policy of the past penalized the perception of the actual value of the media

(1) Seat internal estimates

## Internet availability and usage is still limited in the core target for advertising and also among younger generation internet use is far from being widespread

### INTERNET AVAILABILITY AND USE IN ITALY

Share of population more than 14 years old (universe = 50.2 mln people)

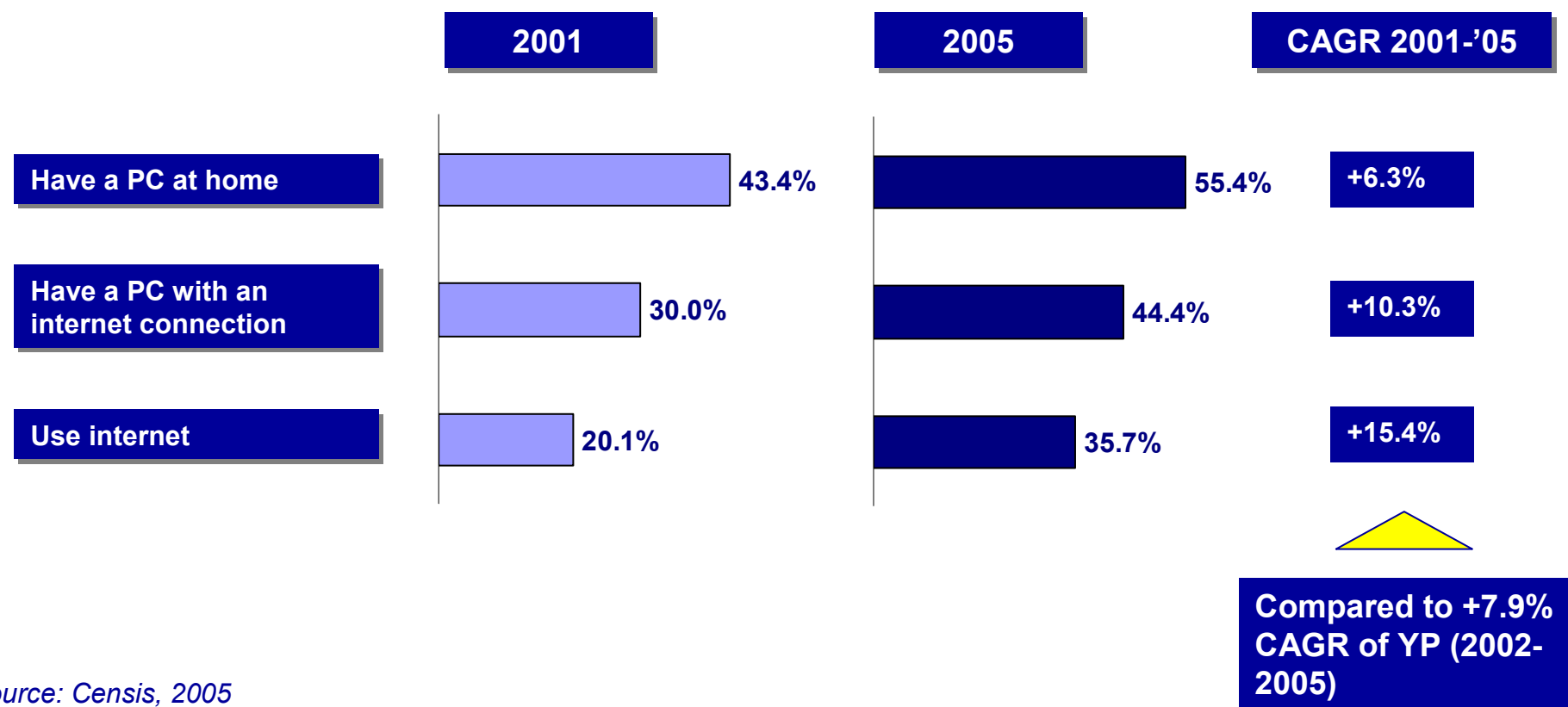


Source: Internal estimates on Censis, 2005 data

## Over the last five years internet availability and use grew but did not boom (and print users grew as well)

### AVAILABILITY AND USE OF INTERNET

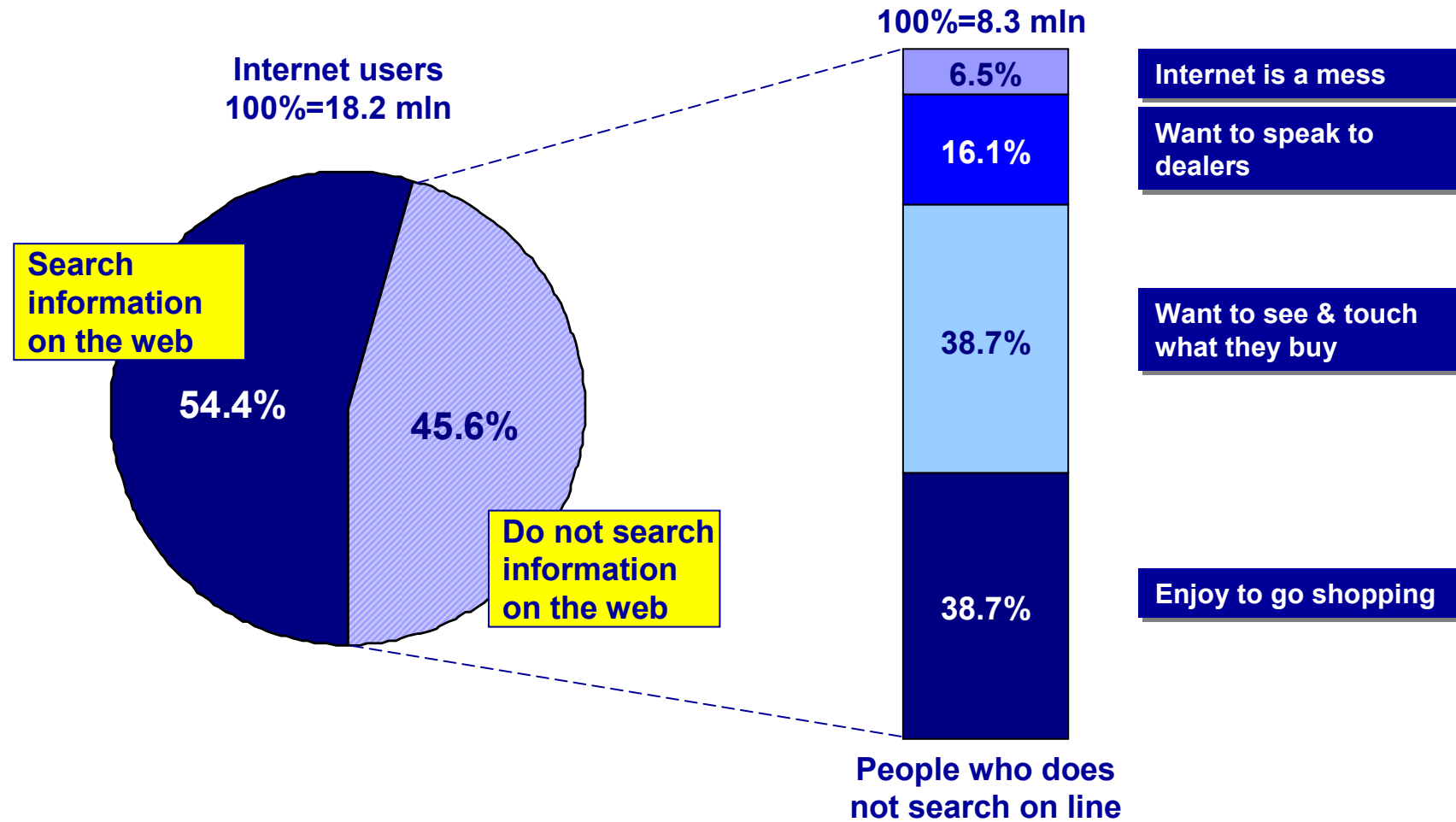
Share of population above 14 years old



Source: Censis, 2005

## Many people with an internet access still prefer to go to shopping

### BEHAVIOR OF INTERNET USERS



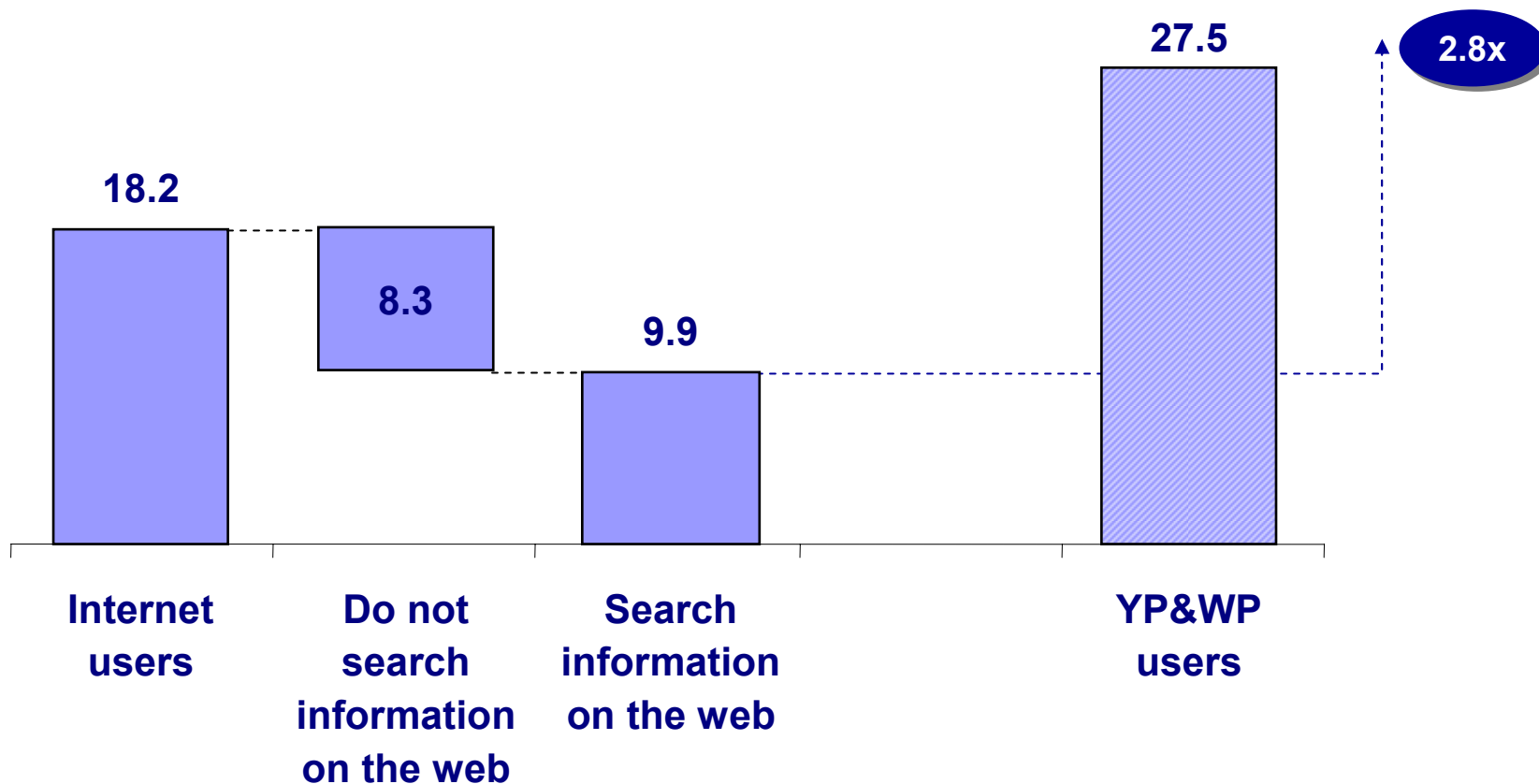
Source: Censis, 2005

---

## The number of people using the internet to search for products and services is still small compared to users of printed directories

---

*BEHAVIOR OF INTERNET USERS: SEARCH FOR PRODUCT OR SERVICES*  
million



Source: Censis, 2005



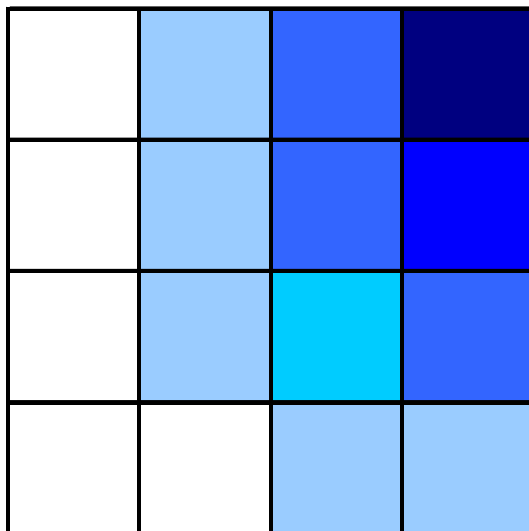
# The internet-only and print-internet users are valuable from the advertising perspective

## PRINT AND INTERNET USERS BY SERIAL GROUP

Index, in each box 100= segment share of population 14-74 years old

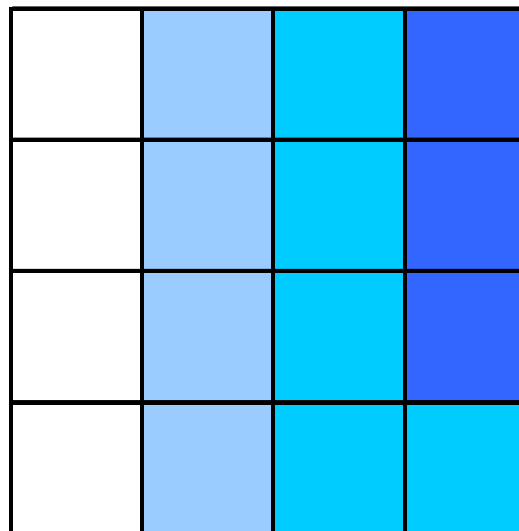
### Mixed users

10.3 mln (24% of population)

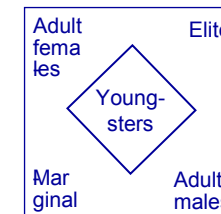


### Internet-only users

3.6 mln (8% of population)



Eurisko's map of Italian society



Low share

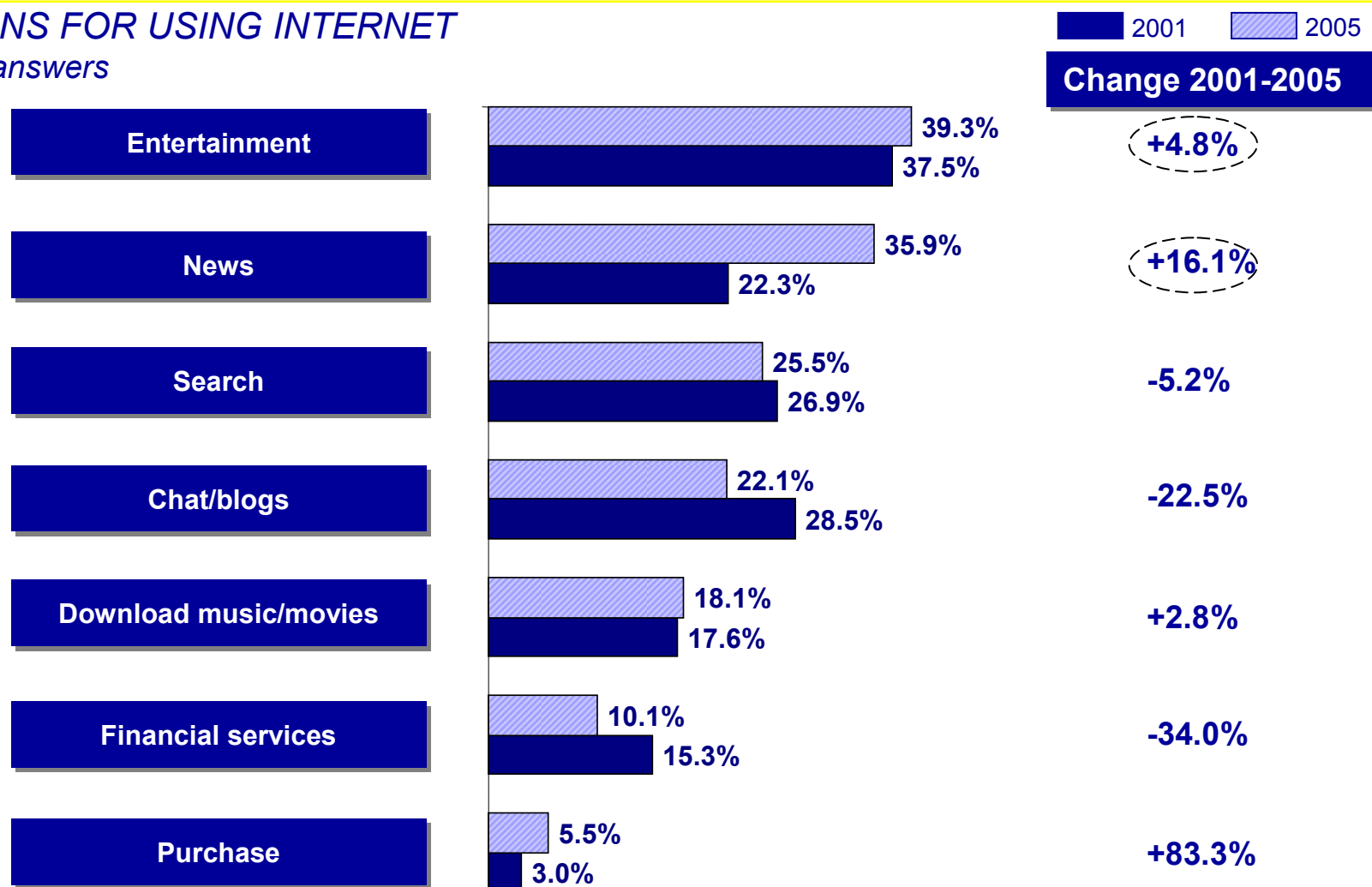
High share

Source: Eurisko – Sinottica 2005/1

# Entertainment and getting news are growing as the key reasons to surf the web

## REASONS FOR USING INTERNET

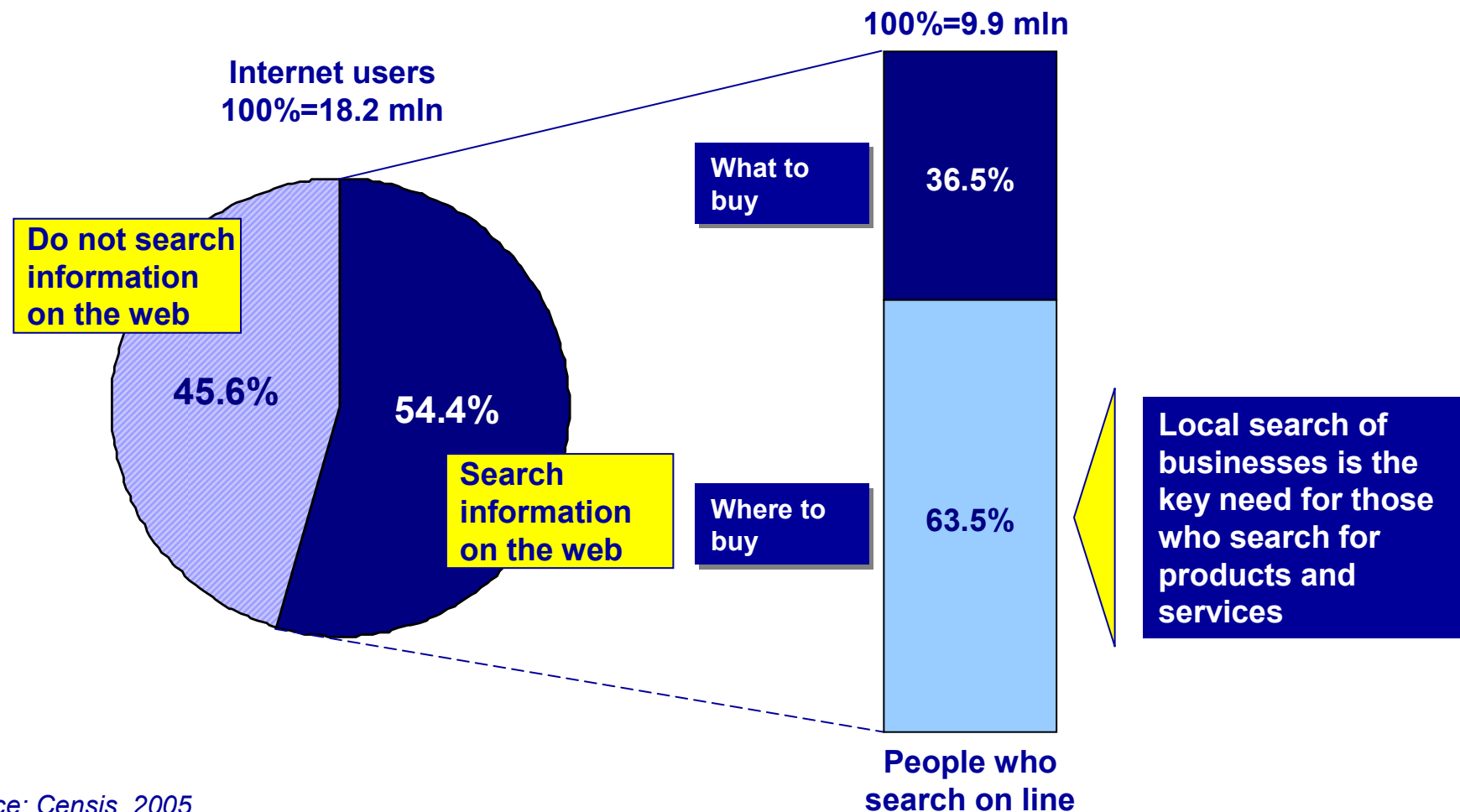
Multiple answers



Source: Censis, 2005

## Searching “where to buy” is the key need for people using the internet to look for products and services

BEHAVIOR OF INTERNET USERS: SEARCH FOR PRODUCT OR SERVICES



Source: Censis, 2005

---

## **To conclude, Seat strategy is to work on product innovation and sales innovation to exploit the value of all media**

---

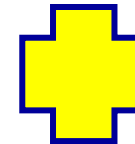
- Large and still growing users base for Yellow and White Pages
- Internet is growing but not substituting print
- Mixed print-internet users growing as a very interesting target for new multi-platform offer
- Voice services (TYP and basic DA) widely used



**Potential to help Italian SMEs to exploit the value of Seat broad media mix**

### **Product Innovation:**

- Print
- Internet
- Voice



### **Sales Innovation:**

- Customer-oriented sales organization
- New IT support tools
- Segment specific sales approaches











## **Print Products Innovation**

**March 22, 2006**

Rita D'Uva – Head of Marketing

## The print portfolio includes several brand systems and products for Local B2C and B2B targets

Brands and products		% of tot print revenues	Description
Print Directories	 	46%	<ul style="list-style-type: none"> <li>White Pages Book and Online White Pages</li> <li>Target: generalist (local, B2C, B2B, national)</li> <li>36% of total Seat revenues</li> </ul>
	 	48%	<ul style="list-style-type: none"> <li>Yellow Pages Book (home and office edition)</li> <li>Target: generalist (local, B2C, B2B, national)</li> <li>38% of total Seat revenues</li> </ul>
	 	6%	<ul style="list-style-type: none"> <li>YP Specialized for B2B users (SMEs, over-regional)</li> <li>InZona (local guide for large cities) and Idee InVacanza (tourist guide); targets: B2C - Local</li> </ul>
	 		<ul style="list-style-type: none"> <li>Map-based product; target mainly B2C and Local</li> <li>Specialized Products:</li> <li>Target: B2B (National, Exporter)</li> </ul>
Others			

# White Pages is the alphabetical directory, with more than half a million advertisers and revenues of about 384 euro million



Print



Hard  
bundle



Online



## Highlights

- 27 mln of circulated copies
- 103 editions
- 24.7 mln users <sup>1</sup>
- 559k customers

- 160 mln visits (user sessions)

## Key facts 2005

- Substantially stable revenues (-0.6%) at 384 mln (36% of total Seat revenues)
- ARPA, total customers: +2%
- ARPA, new customers: +5.7%
- Churn, stable value
- Print users: +4.2% (2003-2004)
- Online visits: +31%

1) Eurisko nov. '04



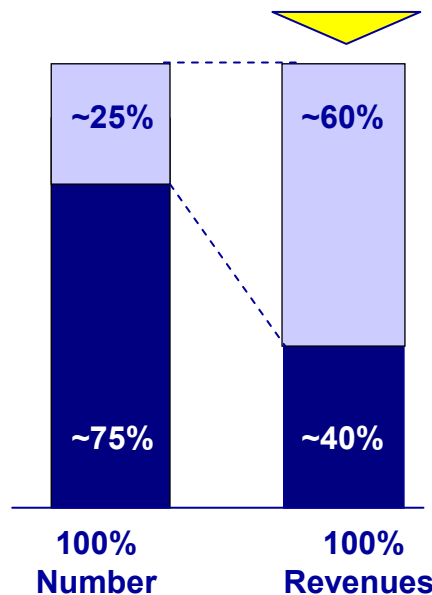


# Full colour is estimated to sustain revenues growth in medium and long term

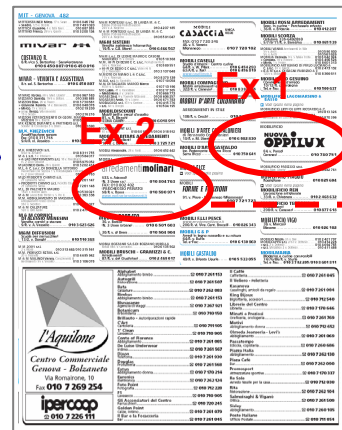
## IMPACT OF "FULL COLOUR"

WP customer base mix

Primary target for full colour up-selling



"B&W"



EXAMPLE

- Average gross price increase from B&W/Blue to full Colour: +10-15%
- Expected redemption/year: 8-14%
- Expected upselling potential from advertisements competition/imitation of the whole customer base

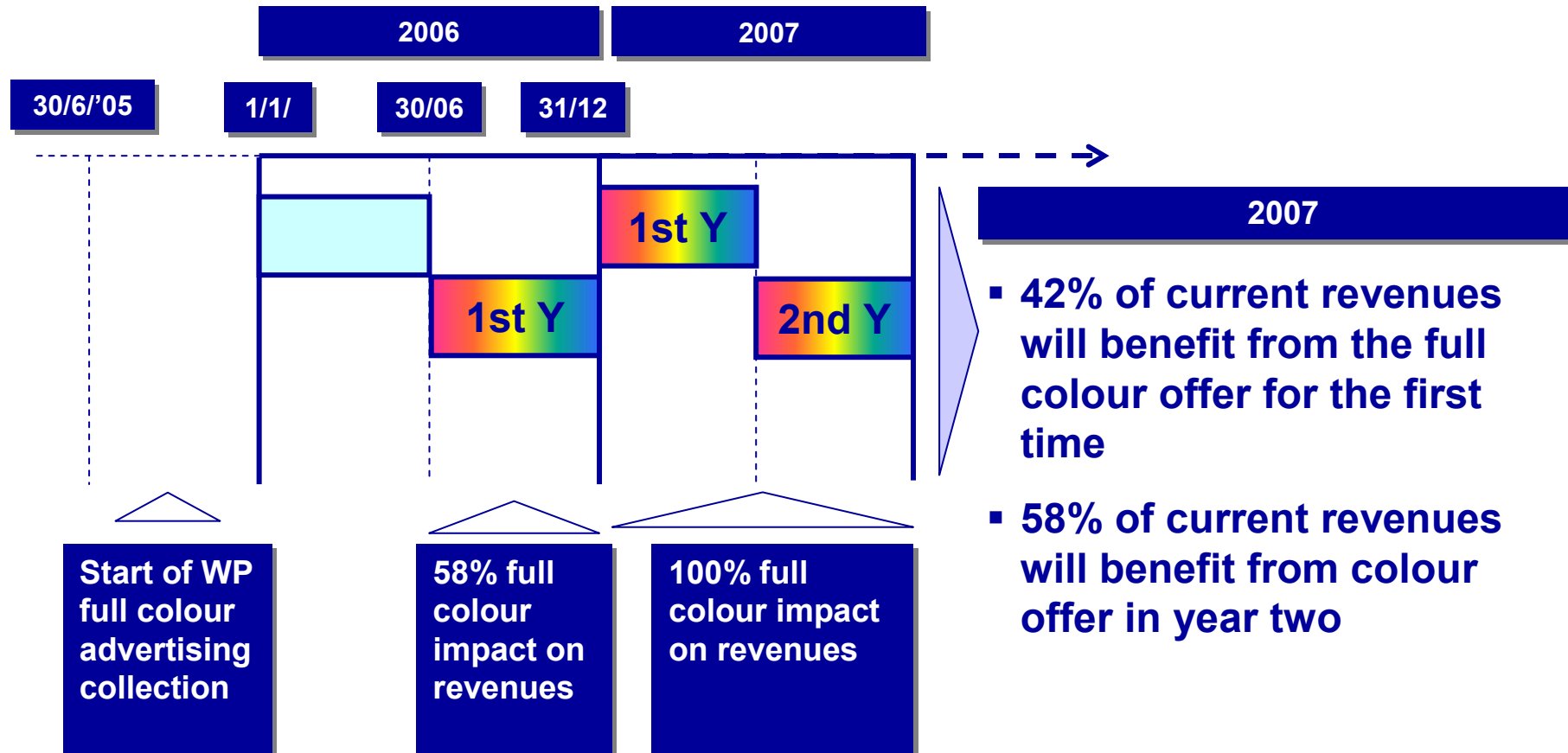
"COLOUR"



Current trading of Colour in line with expectation

## In 2006, full colour will impact less than 60 per cent of total book revenues

### TIMEFRAME OF DEPLOYMENT OF FULL COLOUR OFFER



## Yellow Pages Book is “the” categorical directory with about 300 thousand advertisers and over 400 euro million revenues



### Highlights

- 22 mln of circulated copies
- 202 editions
- 20.8 mln users (+23% vs. '02)
- 99% brand awareness

### Key facts 2005


- Revenues down (-6%) at 401 euro mln (38% of total Seat revenues)
- Results primarily due to sales performance in large cities, with a few high-end customers reducing over exposure (issues are still present in the 2006 cycle)
- The majority of high end customers in large cities have grown their investment
- Renewal rate +0.9% (+1.5% field sales only)

---


## **Yellow Pages are a strong product with potential for growth, suffering in the short term of past overselling**

---


 **Yellow Pages are a core asset for Seat and market leader in Italy**

 **YP user base is large and growing, with very high conversion rates**

 **Internet is not cannibalizing usage**

 **There is still potential as the market is under-developed**  
•~20% Seat share of customer wallet  
•~22% penetration of potential client base

 **Some high end customers are right sizing their adverts (not abandoning the media )**

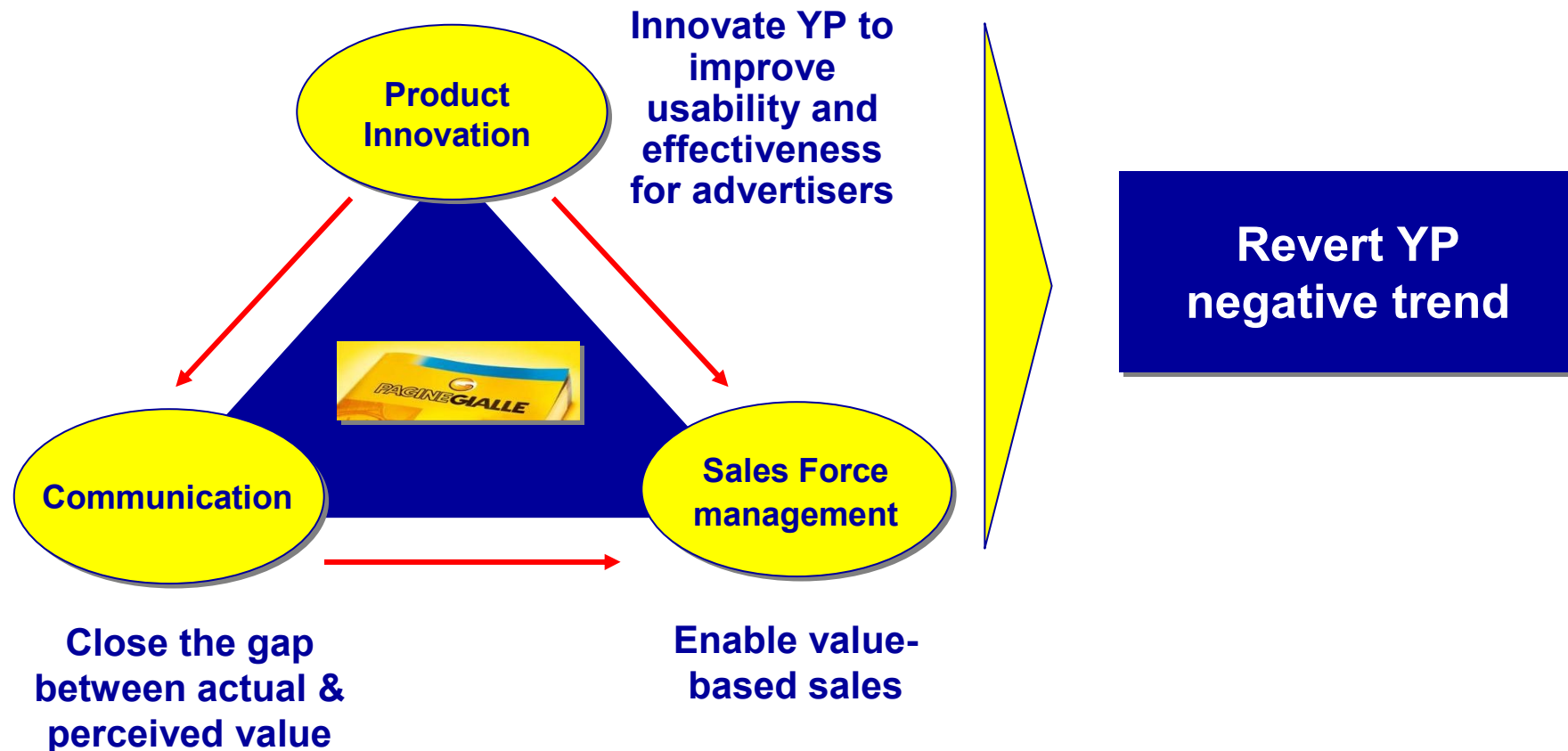
 **Perceived value is sometimes low due to past volume-based sales and it takes time to change customers “perception”**

 **The new value-based sales approach can correct today’s issues**

---

## Product innovation, sales force management and communication are the three pillars of our integrated approach to rejuvenate revenues

---



---

## Product innovation will sustain the plan to revert YP negative trend

---

### Product innovation:

### Key design areas

The number of copies distributed will be increased to fully exploit usage potential

#### Graphic

Graphical restyling of both Home and Office editions

#### Ads

New advertising objects aimed at improving the usage experience and grow advertisers' return on investment

#### Structure

New book structure, new indexes, B2B dedicated section... -  
Repositioning the Office edition

## The product redesign objective is to diversify the advertising offer of the Home and Office editions

### TODAY

One product (same structure, same advertising formats ...) for two editions, each one with its own circulation



### TOMORROW

Two products (separate structure, two sets of advertising objects, ...) for two different usage situations and two specific value propositions, for B2B and B2C advertisers

HOME YP



OFFICE YP





# The new Office Yellow Pages will give B2B advertisers a dedicated area to promote their offers, separately from B2C advertisers

## Existing Yellow Pages

Today the Office edition B2B advertisers “communicate” like the B2C ones

**Armchair and sofa – sell (B2C)**

**Polystyrene (B2B)**

**Pumps (B2B)**

## New Office Yellow Pages

In the new Office edition, B2Bs have a dedicated section of the book in which to promote their services to professional users

**B2C Area**

**B2B Area**

## New Pure B2B Section

- At the beginning of the book
- New graphics and new range of ads
- ~ 1/4 of the total book



# The ads range will be enriched and will evolve according to different target users

## NEW GRAPHICS FOR ADS

FROM

TO

YP OFFICE



YP Office



YP Home



B2B  
section



General  
YP



YP Office

YP Home

Content diversified by target



## NEW ADS IN RANGE: EXAMPLE

New exclusive  
position



New  
bookmark



YP HOME



## New sections and verticals will further enhance search effectiveness and improve customer/ad visibility

### NEW “SECTIONS” EXAMPLE



Examples:

- Public Services
- Professionals
- ...

- objective: “fast search”
- advanced graphical solutions enabling easy information access
- pre-selection of information utilized for user decision-making

### NEW “VERTICALS” EXAMPLE



Example:

- Free time
- By night
- Wellness
- Sports
- ....
- ...

- objective: search “by comparison”
- enriched information (based on user needs)
- information type and level differentiated by need

# The new index system will further improve the usage experience

## NEW INDEX SYSTEM



A “search engine” to “navigate” within the book:

- Different needs, diversified habits of search: different search tools
- KISS tutorial approach

## FROM :



## TO :

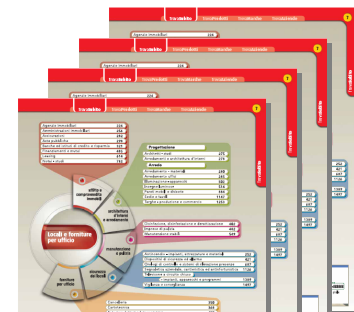
Finder by main “themes”



Finder by categories



## TWO EXAMPLES



Theme-specific guides: different subjects

- Better organisation and taxonomy
- Headings easier to find and use

---

**The redesign was accompanied by step-by-step tests that returned highly positive feedback from users**

---

## **New Office Yellow Pages**



**Test Users: individuals with purchasing influence within their company**

### *Preliminary data*

#### **New Office YP Main features <sup>(1)</sup>**

▪ Easy to search	91%
▪ Satisfied by search result	93%

#### **New Office YP vs Current <sup>(2)</sup>**

▪ More modern	89%
▪ More quick/efficient	74%
▪ More helpful	73%

**Sales campaign will start next April with the Turin 2007 edition**

(1) On a scale of 4 (Excellent-Good-Fair-Bad): sum of "Excellent" and "Good"

(2) On a scale of 5 (Strongly agree-Agree-Partially agree-Not agree-Strongly disagree): sum of "Strongly agree" and "Agree"



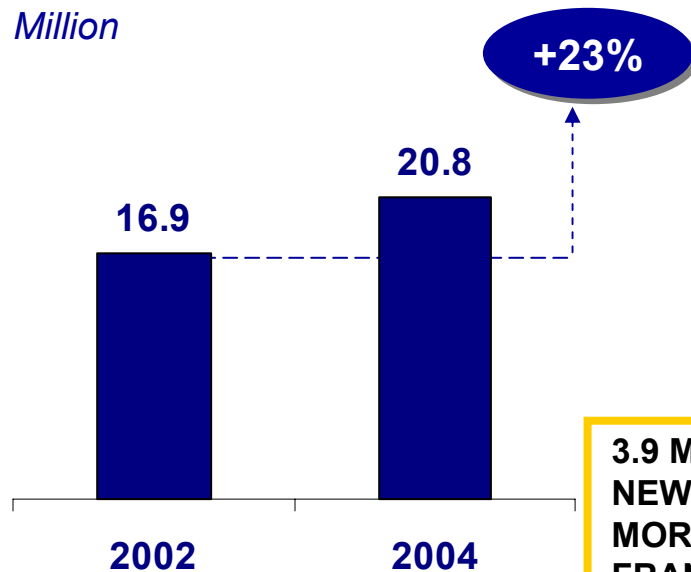
## Communication already started to correct market misperception of YP actual value

EXAMPLE

Focus on high end customers and prospects (about 1 mln business) through selected media mix

### Yellow Pages users

Million



3.9 MILLION OF NEW USERS MORE SINCE FRANCESCA WAS BORN

IT'S GREAT TO GROW UP

È BELLO CRESCERE

FRANCESCA 2004

PAGINE GIALLE

3,9 MILIONI DI CONSULTATORI IN PIÙ DA QUANDO È NATA FRANCESCA\*

PAGINE GIALLE

## A broad and stronger print offer will be one of the key drivers of future print turnaround



**WP colour innovation**



**YP Office and Home innovations**



**B2B: fine tuning on recent innovations**



**Local-B2C: product redesign, new editions of recent innovation**

**More value to a growing number of users (both households and professionals)**

**More value to advertisers from more targeted and user-friendly media**



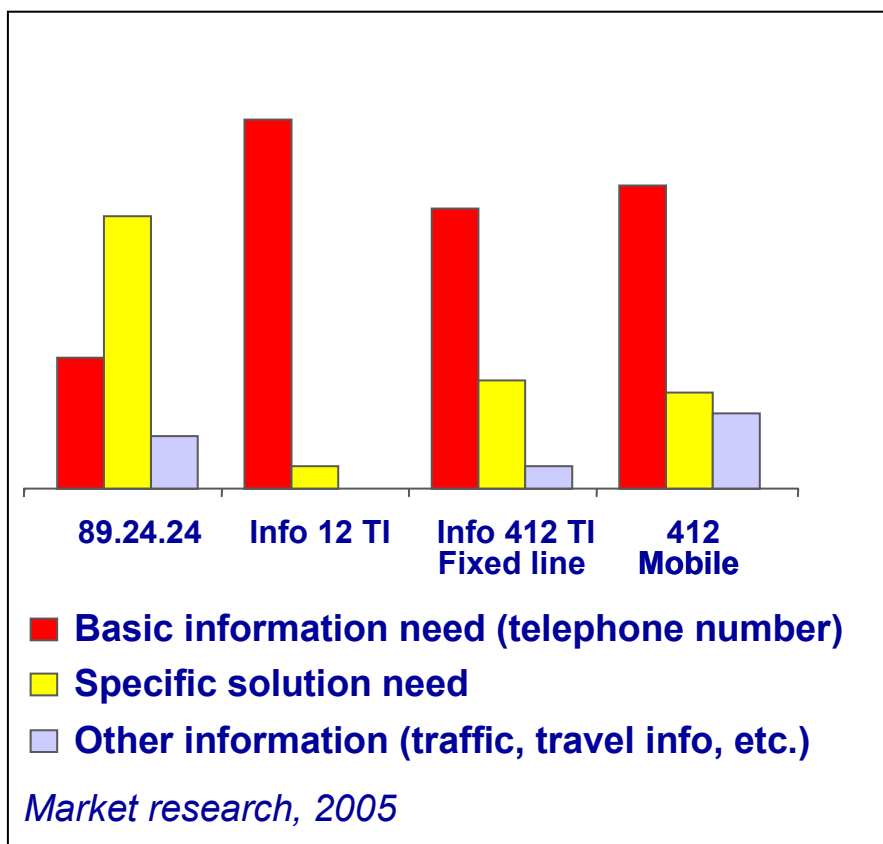
## Voice Positioning

March 22, 2006

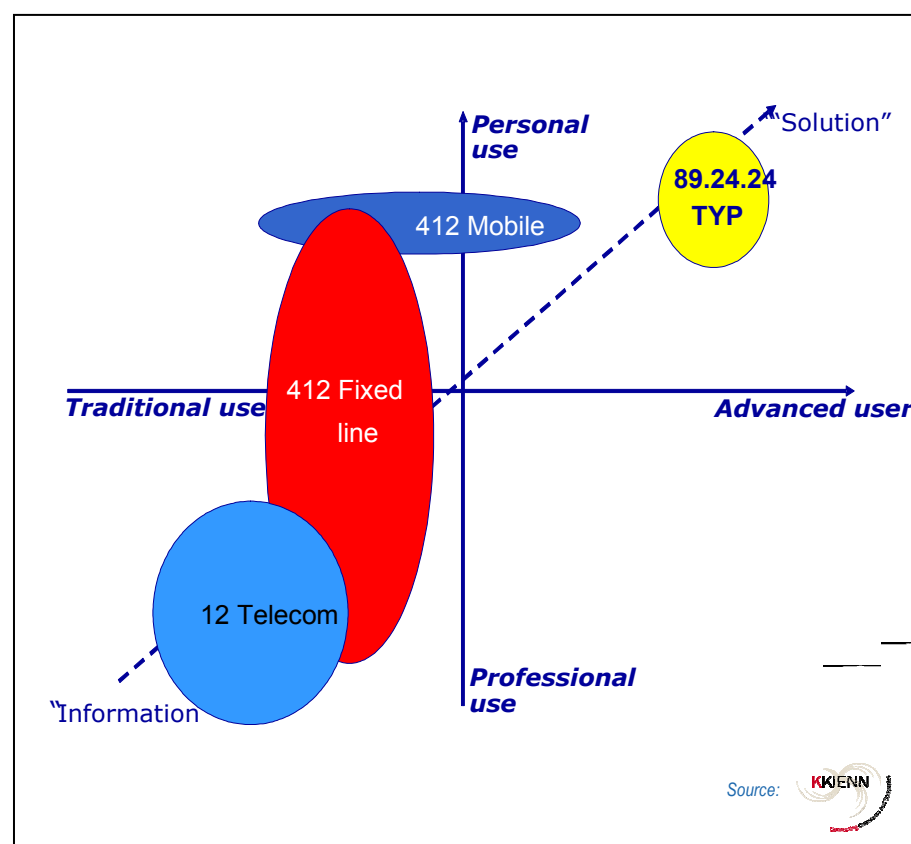
Paolo Gonano – Head of Directory Assistance

## DA market before deregulation showed clear segmentation between basic and high-value numbers causing the launch of a second number for Seat

Universal DA numbers were called for basic services...

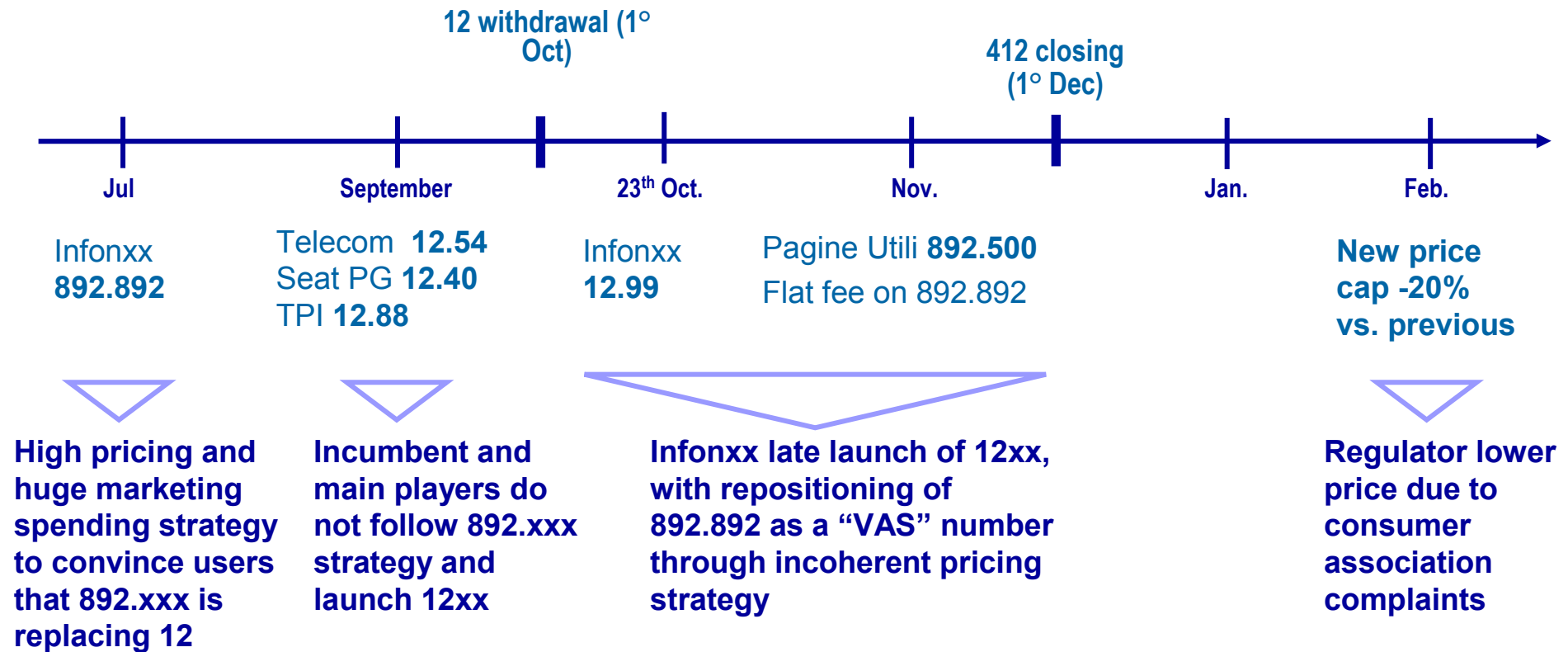


...while 89.24.24 Talking YP was positioned far away from basic services





## Initial phase of DA market deregulation has shown several players competing with different strategies

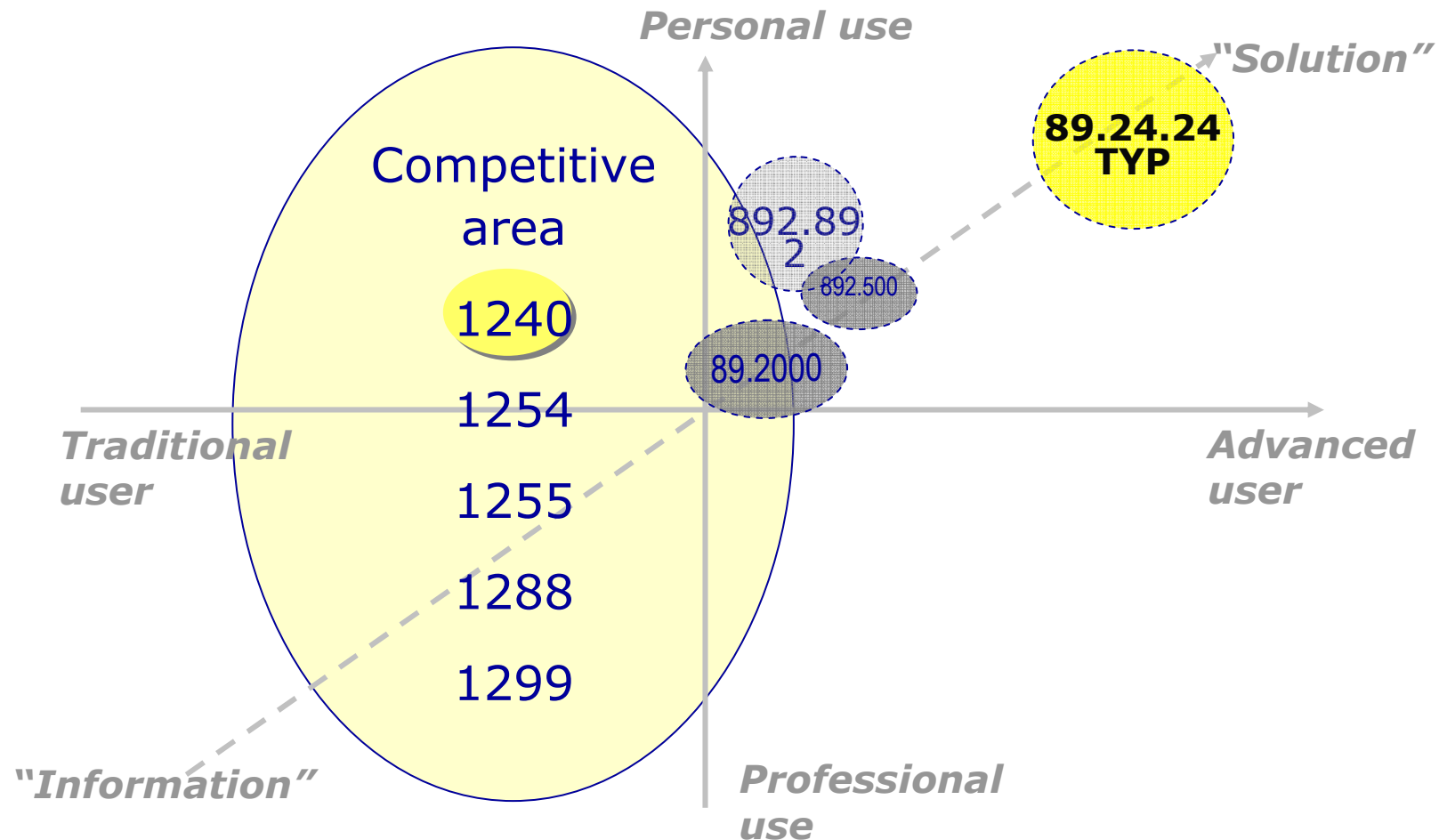


---

**As expected most of the competition has taken place in the basic DA area**

---

*ITALIAN DA MARKET After Liberalization*



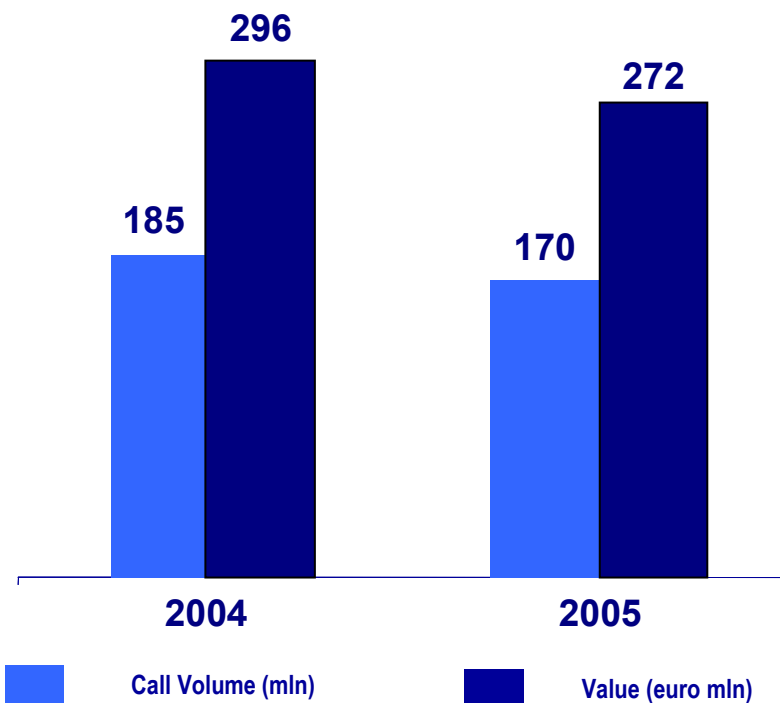
Source: 

---

## Italy, as other deregulated countries, experiencing a market rebalancing

---

**Slight decline in recent years**



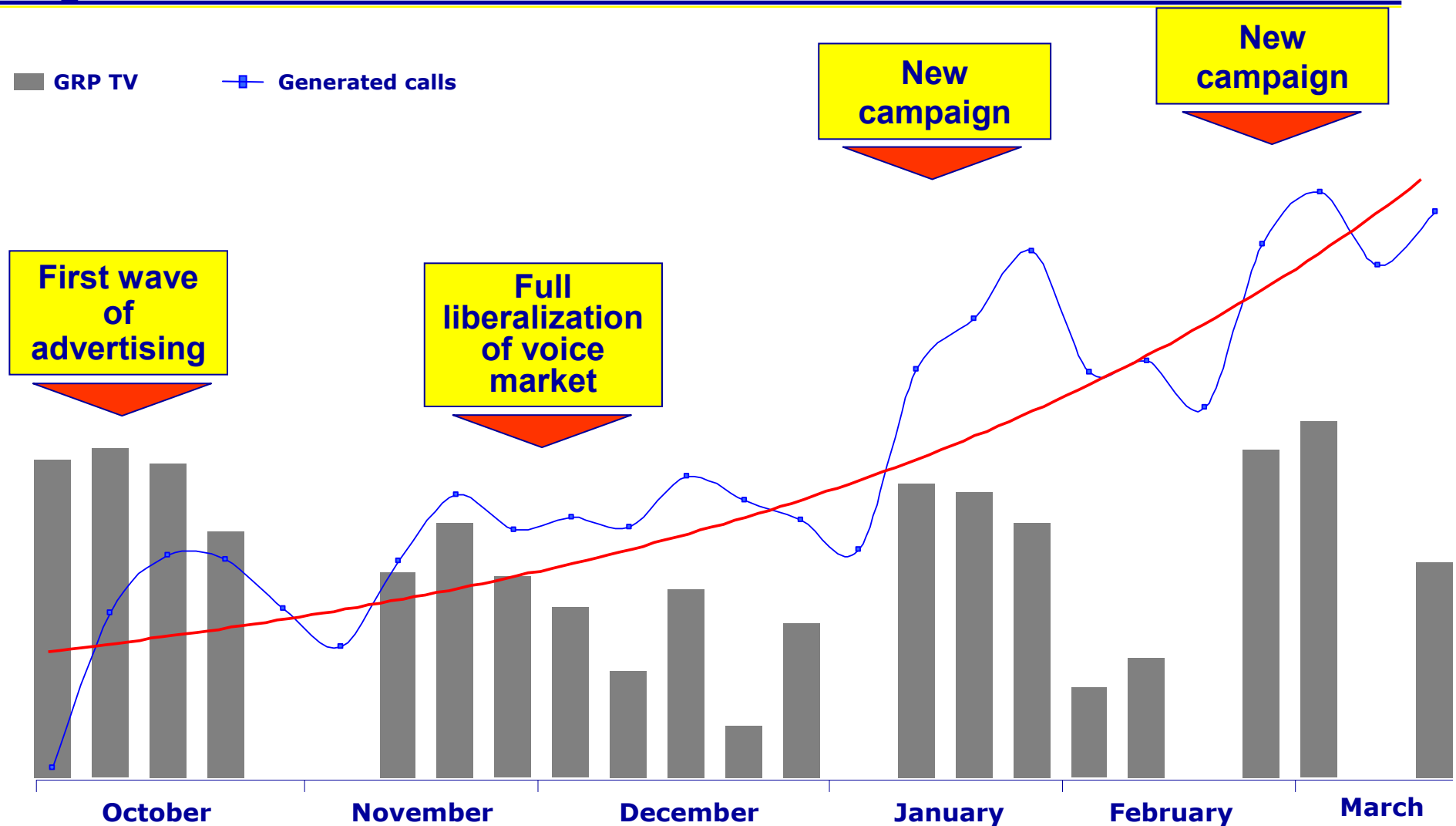
**2005 - 2006**

**Market opening is causing further call volumes decline:**

- advertising campaigns led to user uncertainty on offering and pricing
- confusion among 12xy and 892xxx codes
- perception of cost per call increase after “12” closing (even if not true)
- negative PR (press, consumers’ associations and blogging)

Source: market data, company estimates

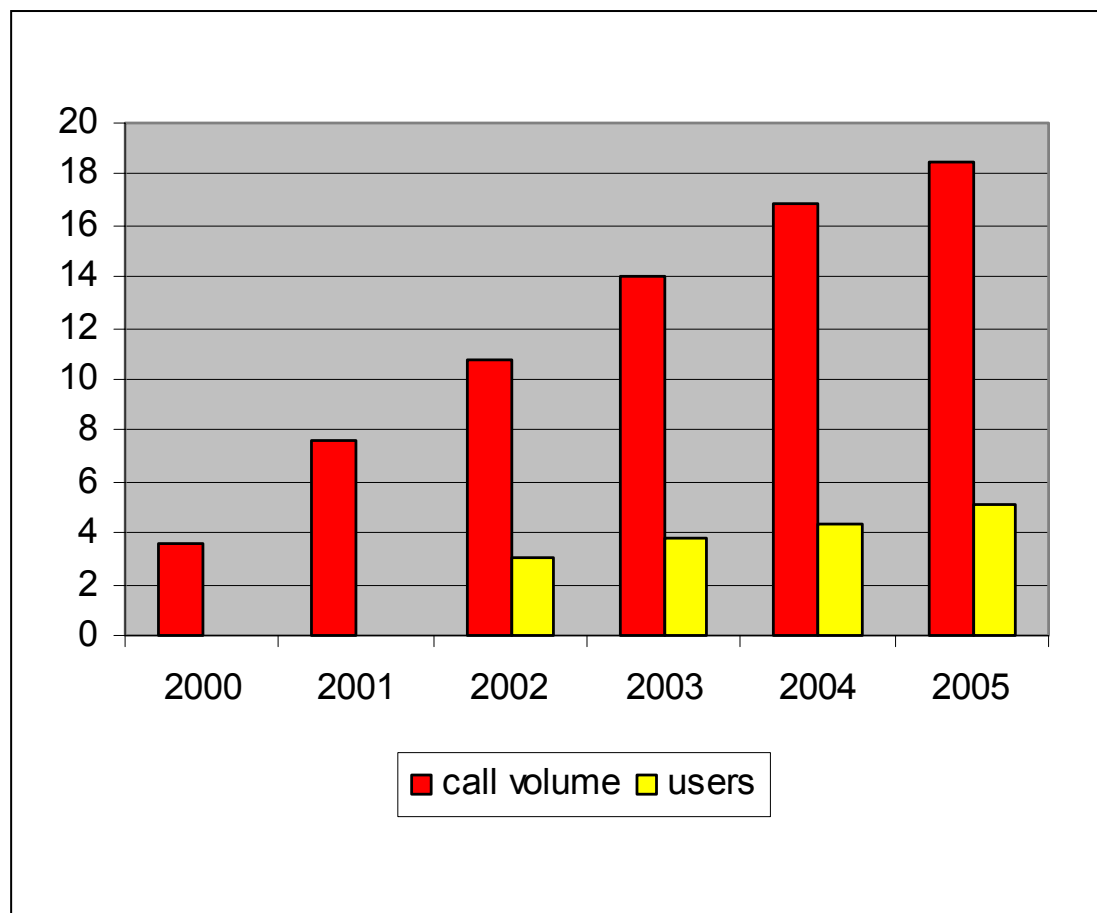
## 12.40 positioned as “the high quality service” leveraging Seat’s White Pages brand



---

## 89.24.24 represents a success story lasting since 2000 launch and able to continue also after deregulation

---



Call volume growth even after liberalization and significant adv investments by new entrants in DA:

- H1'05 vs. H1'04 up 18%
- H2'05 vs. H2'04 up 5%

---

## A very successful implementation of an original business concept

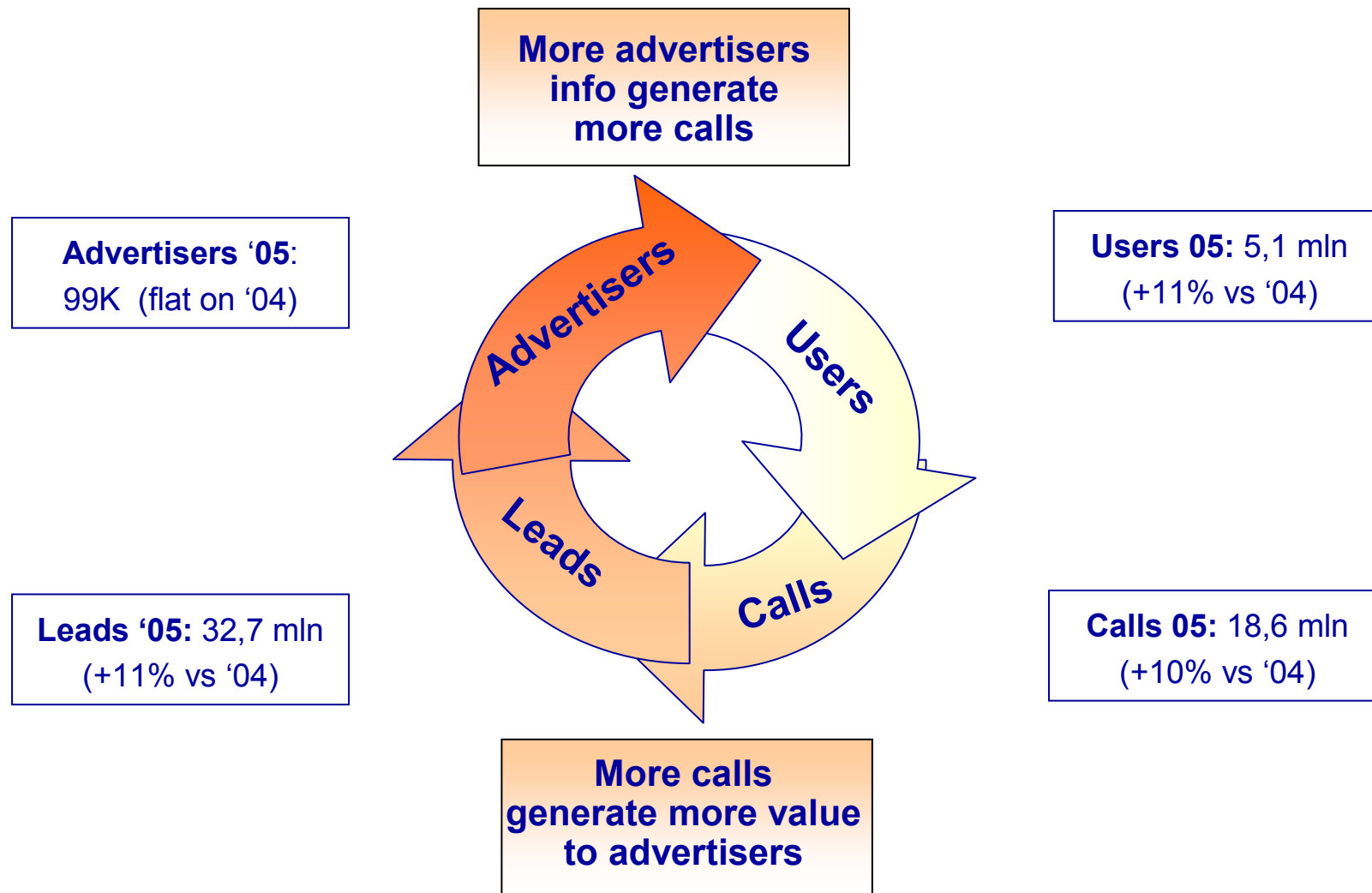
---



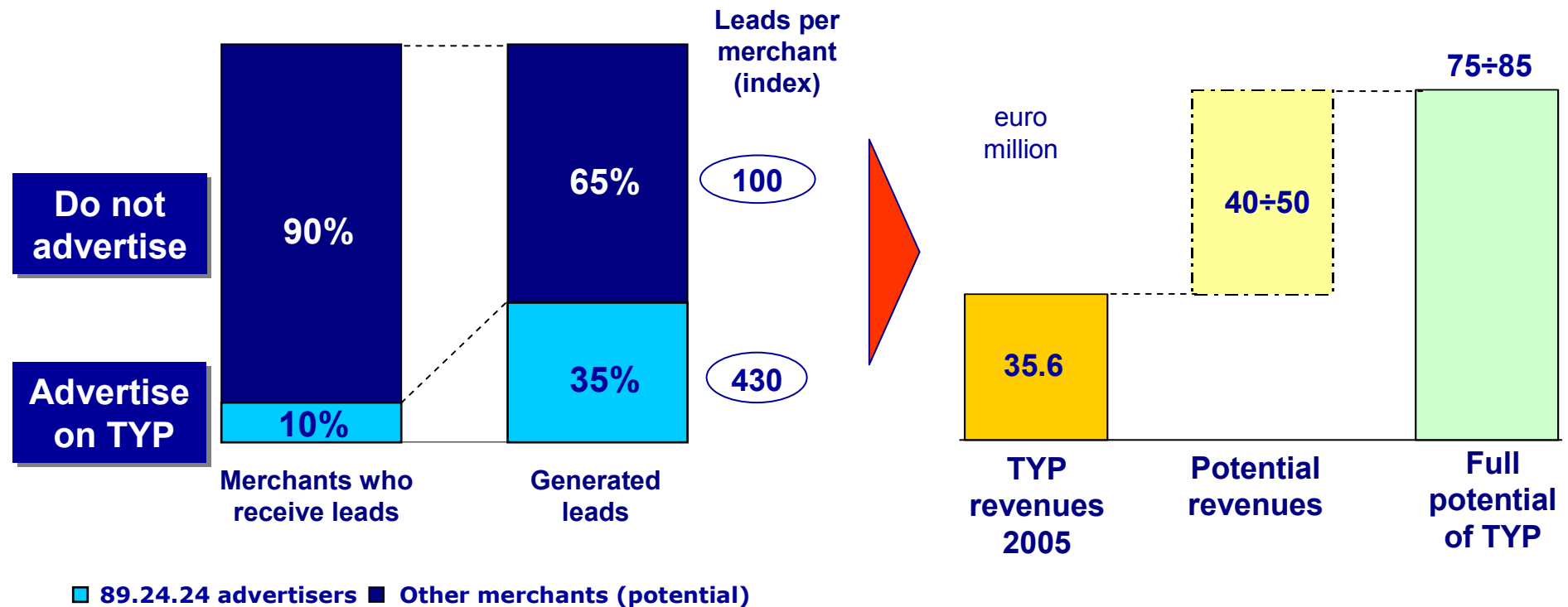
---

## 89.24.24 Talking Yellow Pages model is based on a virtuous cycle between end users and merchants/advertisers

---



## The challenge and opportunity for 89.24.24 is to exploit the full potential of the very high number of leads generated for advertisers





---

## **Seat goal is to be the leader in the “voice” market thanks to combined talking YP and WP offering**

---

### **Strategy**

**Became the leader in the Italian DA market by providing basic and advanced services through 89.24.24 Talking YP and 12.40 Talking WP as two separate numbers, with a different content and brand positioning**

### **Achievements**

- 89.24.24 Talking YP, despite new entrants, continue to:
  - maintain a clear leadership in the high value voice services
  - generate a high ROI to advertisers not yet fully exploited
- 12.40 Talking WP has become one of the leading numbers in the substitution of the old 12/412 and pace of growth is accelerating thanks to advertising support
- Seat target market share (89.24.24 and 12.40) is 35-40%, positioning the company as the leader of the Italian DA market



## New Internet strategy

March 22, 2006

Paolo Cellini – Head of Internet Division

---

## Seat is well positioned to exploit the internet opportunity

---

### Technology

Technological evolutions (broadband)  
are opening new business opportunities

### Seat Strengths

- Brand system with high awareness
- Largest Italian business database built on leading edge technology (i.e. geo-referenced and geo-coded data)
- Largest Italian sales force visiting thousands of SMEs every day

### Seat new generation of internet offer:

- Offering evolving from text based products to visual
- New advertising formats specifically developed for Seat customers
- Brand system traveling across tech. platforms (i.e. Adsl, Umts..)

### Internet Evolution in Italy

- Over the last five years internet penetration and use has been growing at a lower pace than others EC countries
- Diffusion of the new tech. devices/platforms happens mostly in the core users group (i.e. Umts)

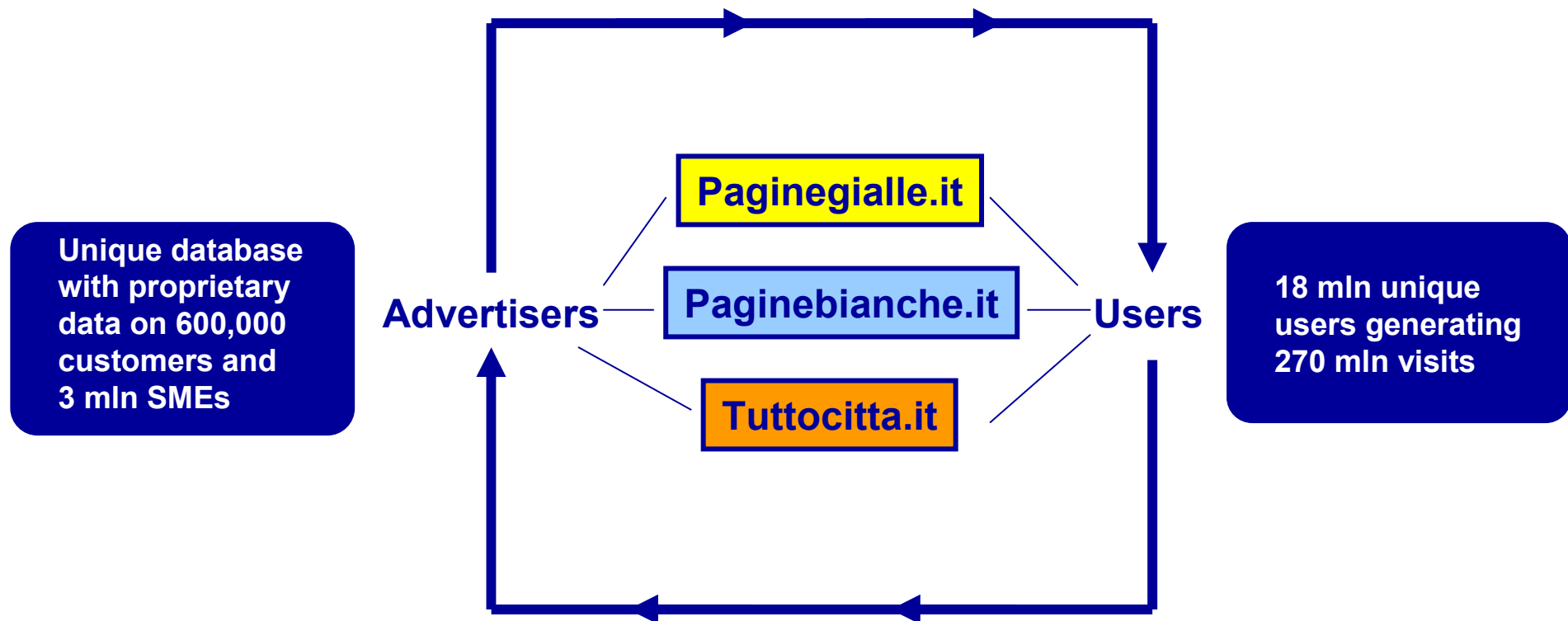
### New Approach to Product development

- Reduced Time to Market thanks to a new S/W development process
- Investments in system integration capabilities

---

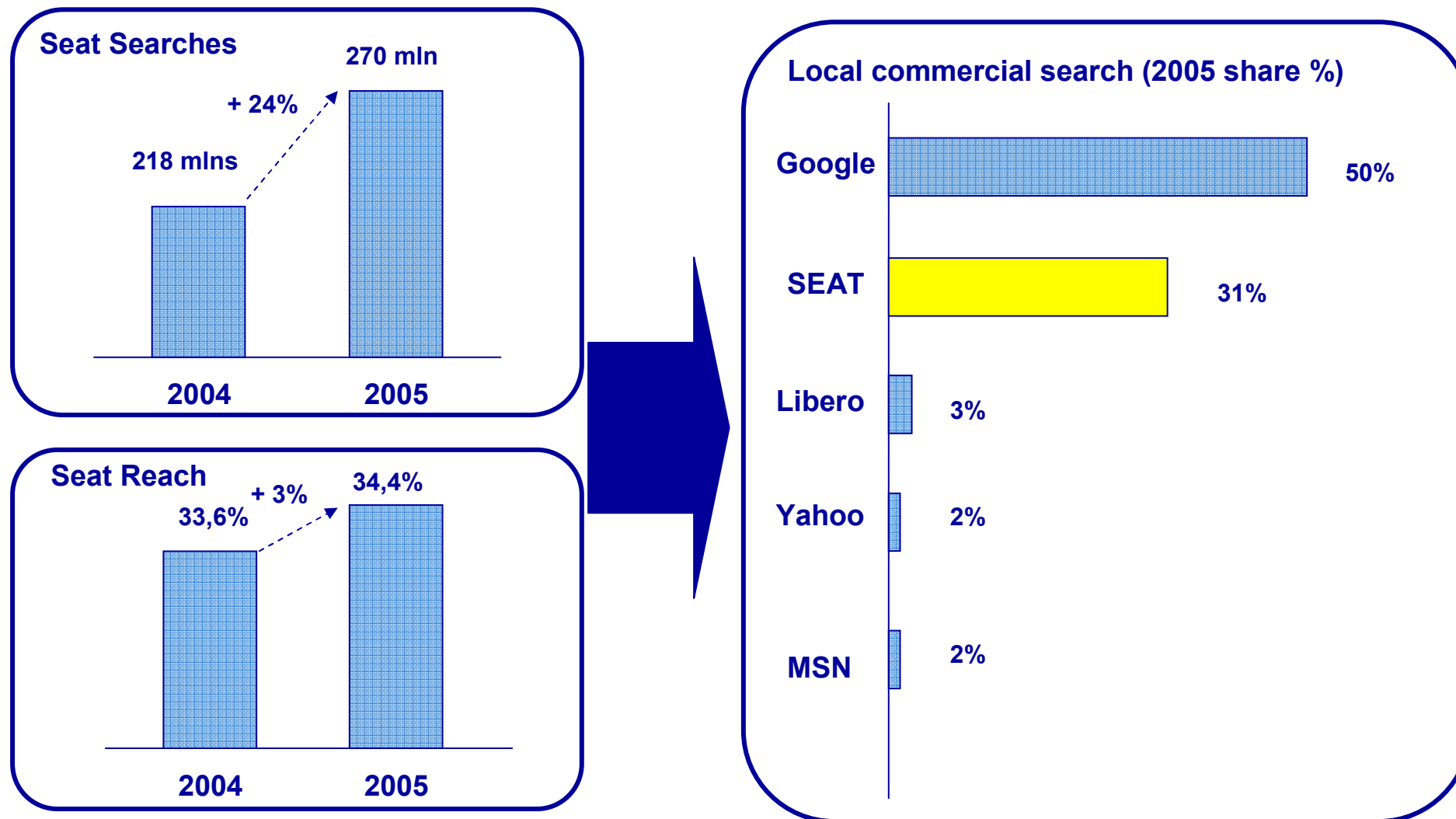
## Broad offering including categorical, alphabetical and map-based search

---



Source: Seat elaboration on Nielsen NetRatings data - 2005

## Seat has a comfortable position to continue to be one of the leading players in the Italian commercial search market



Source: Seat elaboration on Nielsen NetRatings data

## Internet is evolving from WEB 1.0 to WEB 2.0

### WEB 1.0: Generic site traffic (low ROI)

- DIAL-UP
- Destination site (portals)
- Focus on Content
- Banner Ads (CPM)
- Search capability in outsourcing (no strategic)
- Relevance ranking

#### Explanatory Search

Rational user  
Textual search

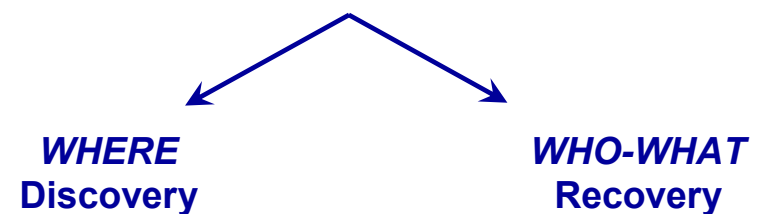


### WEB 2.0: Segmented traffic (high ROI)

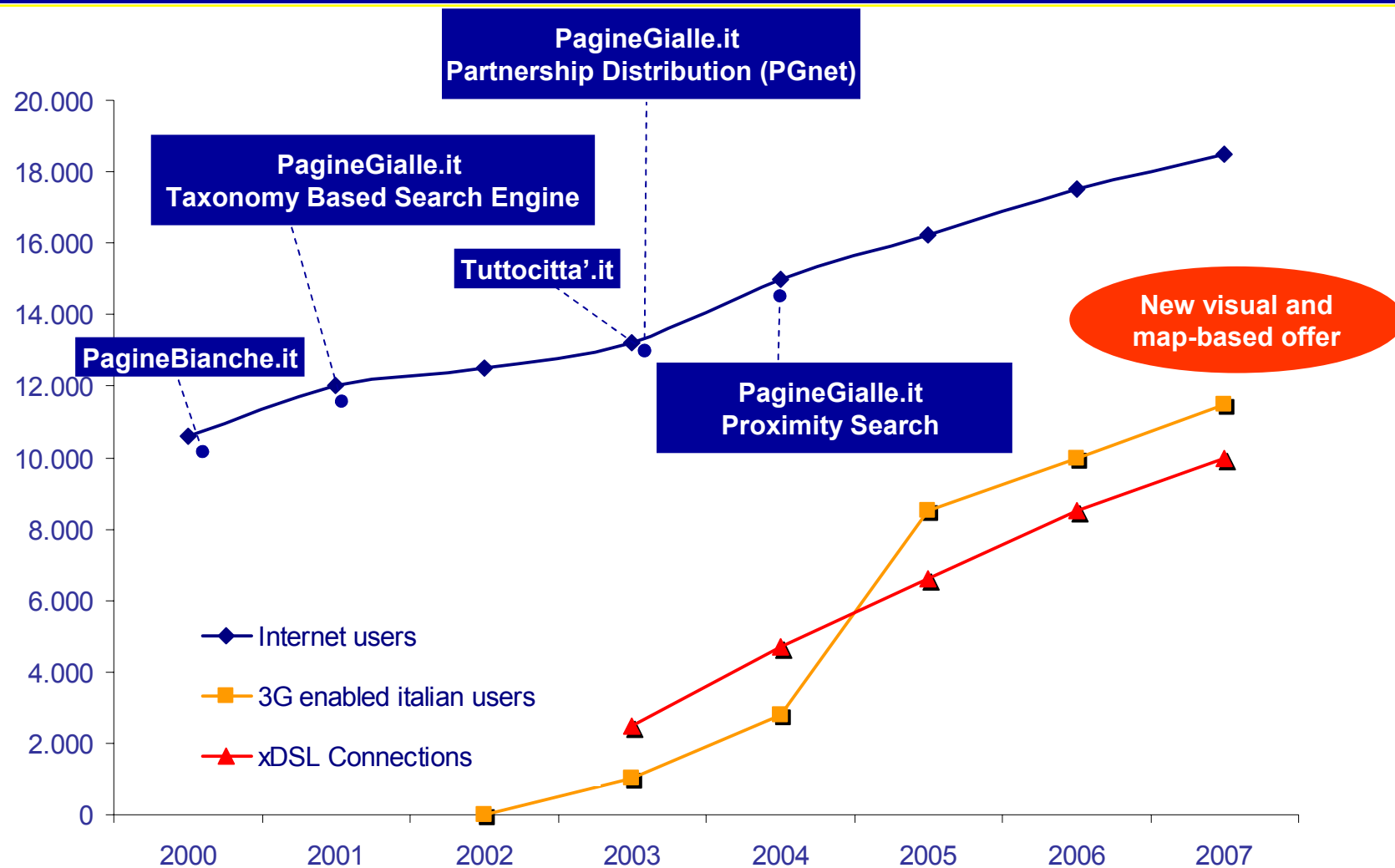
- Broadband
- Integrated site (powered by)
- Focus on Search
- Pay per rank Ads
- Search capability as strategic asset
- Sales criteria ranking

#### Exploratory search

Emotional user  
Visual browsing

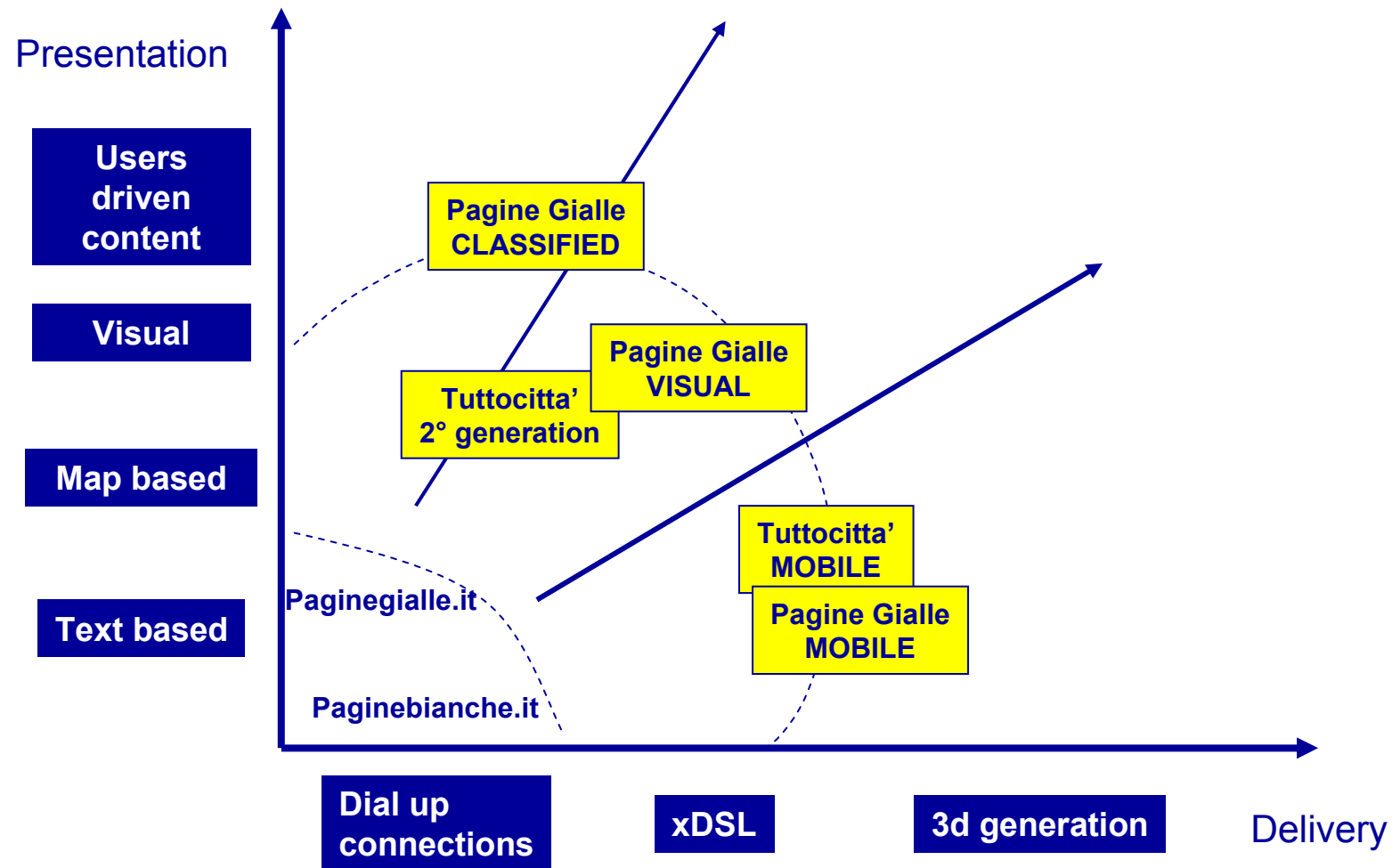


## Seat has a long history of internet innovation and a new generation of products will be driven by development of high speed internet and mobile connections



Source: Seat elaboration on Minister of Communication data

## Seat media brand system is evolving encompassing new technological platforms and users demand





## Monetisation of new products will be achieved thanks to innovative ADV formats - appealing to customers - and Seat sales force.

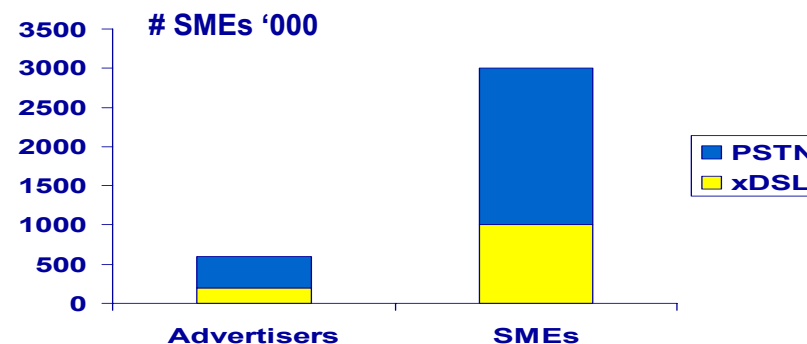
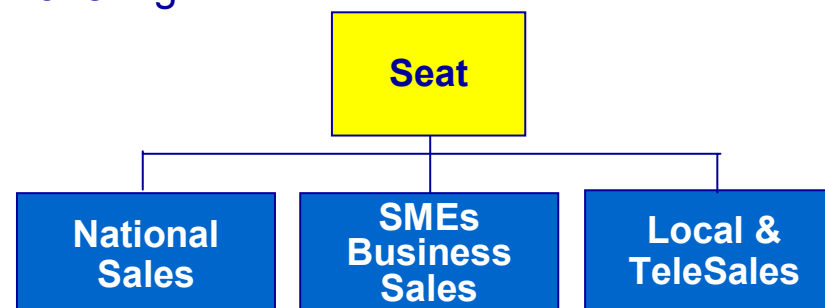
### New advertising formats...

Example of a computer generated virtual billboard



### ... offered by a unique sales force of 2000 skilled agents

A new segment-oriented sales organization to fully exploit the potential of Seat's online offering



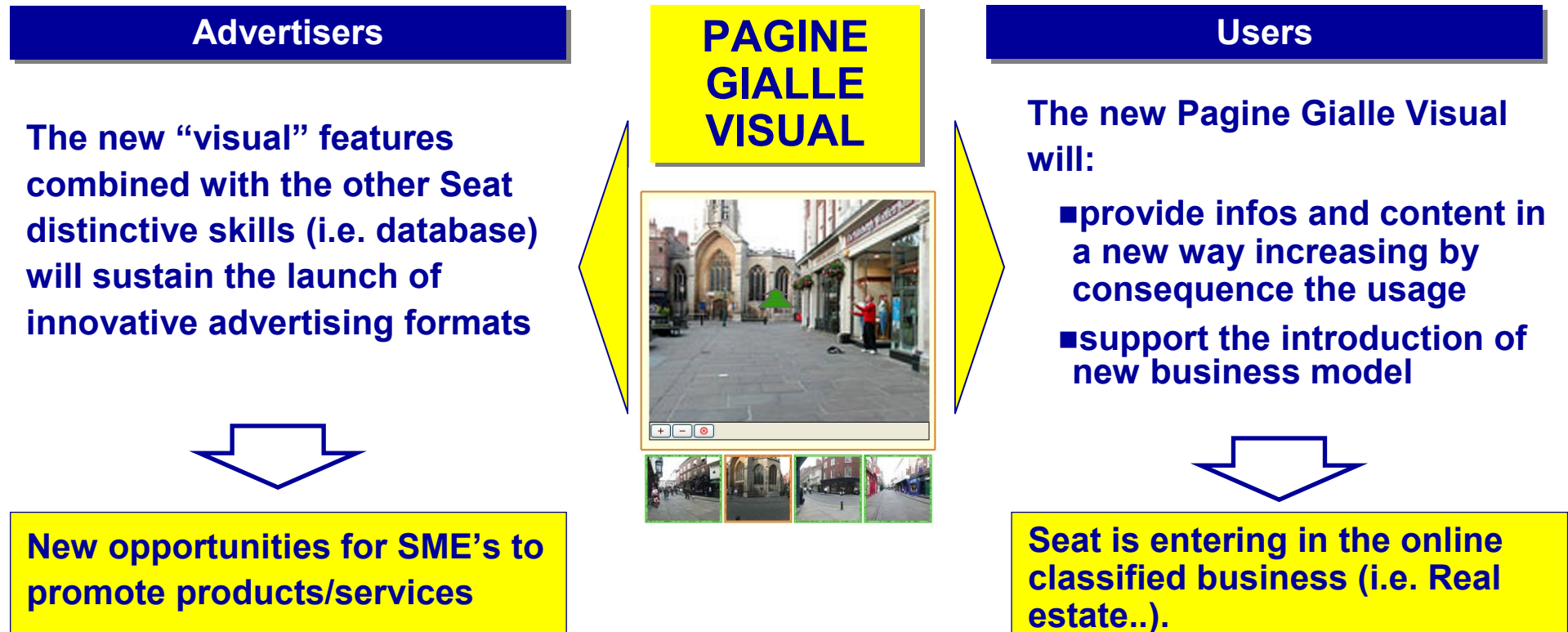
Seat Market by internet tech. platform

1) Source: Seat DB - Business telephone lines

---

## The addition of “visual” enables new product concepts and new business model

---



# Paginegialle.it: adding the value of “visual” to directories

## Paginegialle.it (text)

The screenshot shows the text search interface of Paginegialle.it. At the top, there are navigation tabs: Ricerca, Ricerca per Nome, Ricerca Geografica, Ricerca Prodotti, and Ricerca per Categoria. The main search area has a yellow background with a search bar containing 'casa' and a location dropdown set to 'torino'. A 'CERCA' button is next to the search bar. Below the search bar, there are links for 'VICINO A' and 'it | en | fr | de | es'. A sidebar on the right features a 'SPEED' logo and a 'Ricerca Prodotti: Casa' section. The main content area displays a list of search results for 'casa' in 'torino', including details for 'THUN SHOP TORINO', 'ROBERT KOLMANN ITALIA srl', 'ANDREOTTI ASSICURAZIONI', 'APRICASE', and 'TABA & TABAI IMMOBILI'. Each result includes contact information and a 'Mappa Interattiva' link. A 'TuttoCittà Torino' sidebar on the right offers various services and categories.

## PaginegialleVisual.it

The screenshot shows the map interface of PaginegialleVisual.it. The main area is a satellite map of a city street grid, with several locations marked by numbered pins (1-5). The map includes a compass, a scale bar, and a 'Ricerca' button. Below the map, there are tabs for 'EVENTI', 'RICERCA', and 'ADVERTISING'. The 'RICERCA' tab is active, showing a search bar with 'casa' and a location dropdown set to 'torino'. A 'CERCA ATTIVITÀ' button is visible. The right sidebar displays a list of search results for 'casa' in 'torino', including details for 'SATEM SNC' and 'PASTORE DI GIUSEPPE'. The bottom of the page features a 'Windows XP' logo and a 'Fai partire un mondo di avventura' slogan.



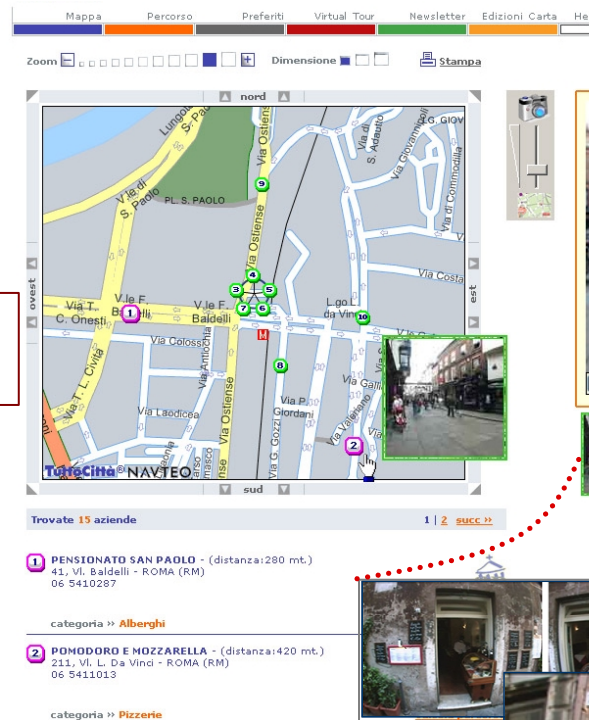
# Pagine Gialle Visual: a big leap forward introducing aerial photos, route films from driver point of view and visual ads.

Demo

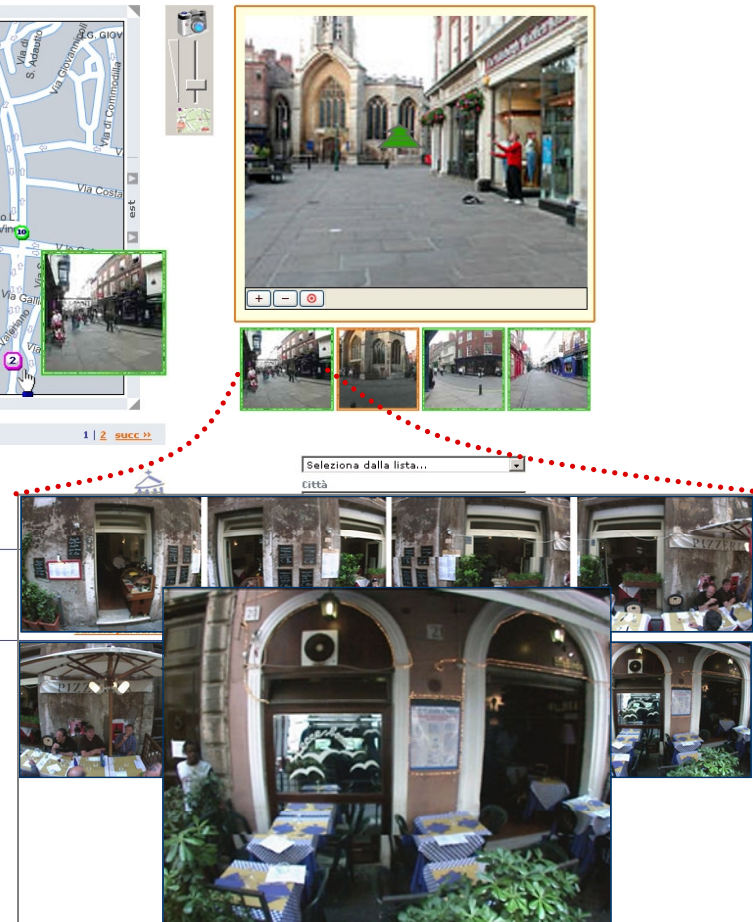
Launch H2'06



Thanks to new technologies it's possible using the mouse to see the places on the map and the interactive photo-panoramic route



Images on the visual route could be sold to advertisers by using different forms of highlights



# Pagine Gialle Classified – Real Estate

Demo

With Real Estate Classified users can visually locate onto aerial city maps the offers resulting from multiple search criteria.

**PAGINEGIALLE.it Classified**

Menu

Categorie annunci:

Inserisci un annuncio

Area Business

Area Privati

Info sulla privacy

Link Consigliati

**Ricerca**

Cosa

Dove

**CERCA**

it | en | fr | de | es

**Annunci Immobiliari**

Auto, Moto, &co.

Case vacanza, B&B, affitti,...

Categoria 7

Categoria 8

Categoria 9

Categoria 10

Categoria 11

Categoria 12

**CERCA E TROVA**

ANNUNCI IMMOBILIARI

Cerca immobili da aste

Aste partecipabili

In scadenza a...

Tipo immobile...

Stato...

Località [necessario] i miei indirizzi

Torino (TO)

Vicino a [via, corso, piazza]

Corso Giovanni Agnelli

Prezzo max

**CERCA**

**Honda**

NUOVA CIVIC

**Stampa**

**CERCA**

**PAGINEGIALLE.it Classified**

**Diventa Cliente**

Aggiornamento on line

Cellulari e Utilità

Guide p...

in zona

in vacanza

**PAGINEBIANCHE.it**

**TuttoCine**

**EURO PAGES**

**Con Voi**

**Lineaffa**

**PAGINEGIALLE.it Classified**

**HELP/LEGENDA**

Il contenuto del servizio PagineGialle.it è copyright SEAT Pagine Gialle S.p.A., P.I.: 039705 parziale.

Marchi Seat protetti | Contatta Seat Pagine Gialle | Informativa sulla Privacy



# Pagine Gialle Classified- Tourism and Automotive

Demo

**PAGINEGIALLE.it Classified**

**Ricerca**  
Cerca Viaggi e turismo  
Tipologia annuncio  
Località  
Affitto/Vendita  
Prezzo max

Viaggio e Turismo > Affitto Vacanze > Campagna  
**Villa in provincia di Siena**  
Mq.90. Adiacenze Largo loc. san ripoli.  
Altre caratteristiche: appartamento mq.90 e mq.40 bel panor con giardino mq.4.000.

Viaggio e Turismo > Affitto Vacanze > Mare  
**Villa in provincia di Cagliari**  
Mq.60. N.locali: 3. N.bagni: 2. Posto auto: sì. N.camere: 2. Cucina: cucina abitabile. Arredato. Indirizzo: Via pascoli. Altre caratteristiche: a schiera in tranquillo residence.

Viaggio e Turismo > Nautica > Scafi a Motore  
**Imbarcazione Sunseeker 28**  
Altre caratteristiche: bimotores, crociera 30 nodi, smatricolata,

Viaggio e Turismo > Nautica > Scafi a Vela  
**Barca a vela Comar yachts Comet 45 s**  
Altre caratteristiche: anno 2004 - 3 cabine 2 wc, motore lomb colore scafo blue dark materiale scafo vetroresina. possibilità codice dell'imbarcazione sul sito media ship srl: c/1860/v.

Località [necessario]  
Vicino a [via, corso,...]  
**CERCA**

**PAGINEGIALLE.it Classified**

**AutoCheck**  
**Mercato dell'usato.**  
Renault Megane scenic 1.9 dci privileg.

**Ricerca**  
Cerca auto  
Marca  
Modello  
Data immatric.  
Chilometri  
Tipo Carburante

**Località** [necessario]  
**Vicino a** [via, corso,...]  
**CERCA**

**AutoCheck**  
Verifica lo stato del veicolo utilizzando il servizio AutoCheck

**Annuncio:** ax 93847123 xy **del:** 14/03/2003 18:30  
**Data immatricolazione:** Dicembre 2003  
**Chilometri:** 31.000  
**Optional:** tagliandata e gommata, autoradio nuova, sensori parcheggio, cerchi 17", vivavoce bluetooth, perfetta, in garanzia  
**Note:** Provincia di Roma  
**Marca:** Renault  
**Modello:** Megane scenic 1.9 dci  
**Referente:** Mario Rossi  
**Telefono:** 329 33 33 333  
**Indirizzo:** via C. Colombo, 13 00100 Roma RM  
**Rispondi via E-mail >>**  
**Segnala l'annuncio ad un amico >>**

With Auto Classified users can benefit of exclusive service "Autocheck": I.D. and history of the vehicle.

# New TuttoCittà positioning as local portals thanks to enriched B2C vertical content

## Launch

- On Air: April 12 2006

## Drivers

Demo

Users will benefit from new local content: exhibitions, weekend itineraries, useful information etc..



### Mostra

>> Dicembre 2005

Mostra

**Agostino Arrivabene - Nature Morte**

Galleria Antonia Jannone - Tel. 02.29002930

■ Periodo: 03/11/2005 - 20/12/2005

[Mappa Interattiva](#)  
[Arriva qui](#)

Mostra

**Alessandro Papetti - Il ventre della città'**

Studio Forni - Tel. 02.29060126

■ Periodo: 10/11/2005 - 10/01/2006

[Mappa Interattiva](#)  
[Arriva qui](#)

Mostra

**Alex Katz**

Galleria Monica De Cardenas - Tel. 02.29010068

■ Periodo: 24/11/2005 - 18/02/2006

[Mappa Interattiva](#)  
[Arriva qui](#)

Mostra

**Anders Christian Pedersen - Per ironia della sorte**

Galleria Magrorocca - Tel. 02.29534903

■ Periodo: 09/11/2005 - 23/12/2005

[Mappa Interattiva](#)  
[Arriva qui](#)

Mostra

**Andrea Martinelli - Il volto e l'ombra**

Museo della Permanente - Tel. 02.6551445

■ Periodo: 12/11/2005 - 18/12/2005

[Mappa Interattiva](#)  
[Arriva qui](#)

Mostra

**Artaud - A Staged Life**

PAC - Padiglione di Arte Contemporanea - Tel. 02.76009085

■ Periodo: 24/11/2005 - 26/02/2006

[Mappa Interattiva](#)  
[Arriva qui](#)

# Tuttocitta' Mobile

## Launch

- On Air: within 2006 (depending on agreements with Mobile Operators)

Also available an “off line” downloadable version for smartphones, for basic addresses searches and routing.



Search and mapping of Point of Interest



**Inizio:** Garibaldi F.S., 20154 Milano  
**Fine:** Hotel Principe Di Savoia, Piazza Della Repubblica, Milano  
**Dist:** 1 km [12 min]  
**Modalità:** A piedi

- [Segui percorso](#)
- [Imposta inizio](#)
- [Imposta fine](#)
- [Imposta mo](#)
- [Percorso inv](#)
- [Da Preferiti](#)
- [Aggiungi per](#)
- [Preferiti](#)
- [Info](#)

[TuttoCittà Home](#)



MILANO

**Cartina successiva**  
 Segui V. Melchiorre (1 min). Volta a sinistra su Viale Luigi Sturzo. 475m (1 min)  
**Cartina precedente**  
**Riavvia percorso**  
**Ricarica**  
**Aggiungi percorso**  
**Menu principale**  
[TuttoCittà Home](#)



Routing: “by car” and “on foot” options



# Pagine Gialle Mobile

## Launch

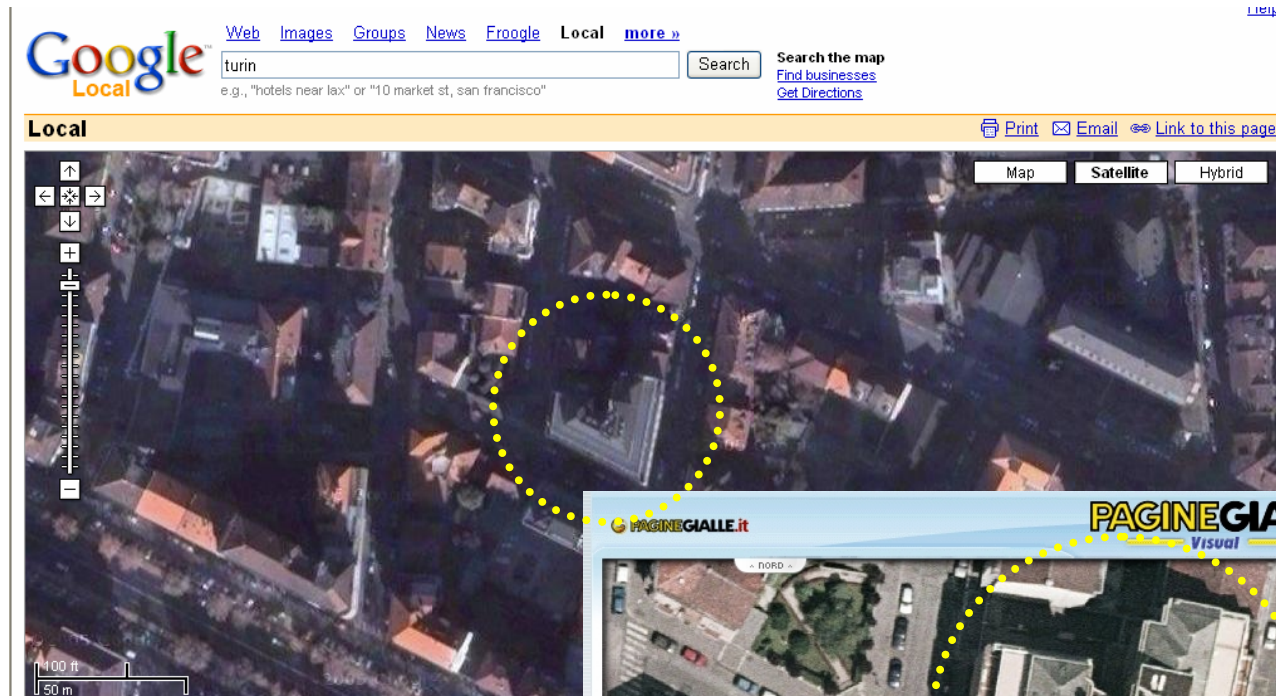
- On Air: March 2006 (available on new distributed N70 Nokia)



## Comparison of directory services on map functionalities

	Google Earth e Maps	Amazon A9	SEAT
Search Engine	yes	yes	yes
Streets map	yes	yes	yes
Street level galleries	no	yes	yes
Interactive panoramic Images	no	no	yes
Aerial photographic views	yes	no	yes

## Seat is best in class with “visual” services



Google: by satellite

Same place,  
max Zoom  
available  
on each service

SEAT: by airplane



---

## Product innovation will create new ways to grow usage, increase value to advertisers and monetize the online opportunity

---

TOPICS 2006	REVENUE DRIVERS		
	Usage	Value to advs.	ARPA
<b>Visual technology</b> • <i>Content and offering</i>	↑↑↑	↑↑	↑↑↑
<b>Local search</b> • <i>Map based</i>	↑↑↑	↑↑↑	↑↑
<b>Users ADV engine</b> • <i>Classified</i>	↑↑↑	↑↑↑	↑
<b>Multi platform</b> • <i>Mobile &amp; PC like</i>	↑↑↑	↑↑	↑



## New Sales Organization

March 22, 2006

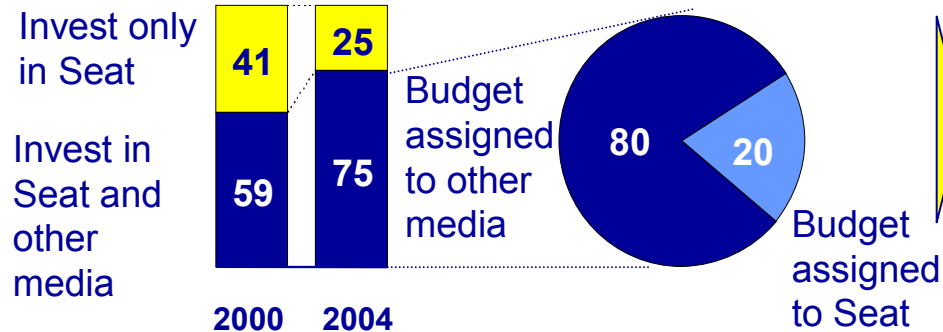
Luca Majocchi – CEO

# After the year 2000, print started declining following the vicious cycle of volume-based sales

## Customers have become more sophisticated

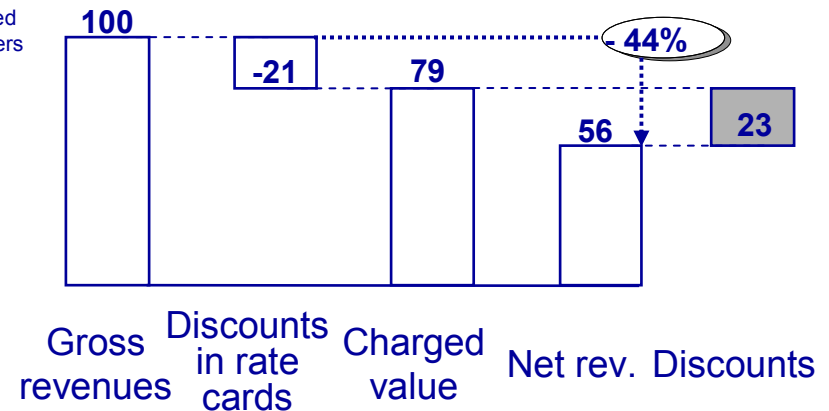
Customers are investing in more and more media...

... and assign to Seat only one fourth of their budget

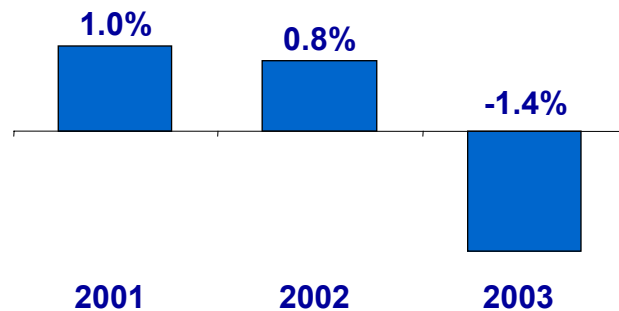


## Discounts have grown out of control

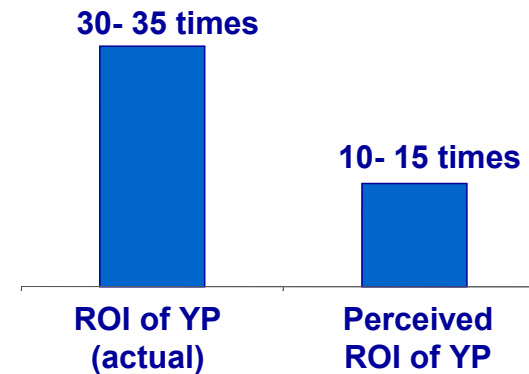
Indexed numbers



## Print revenues started declining



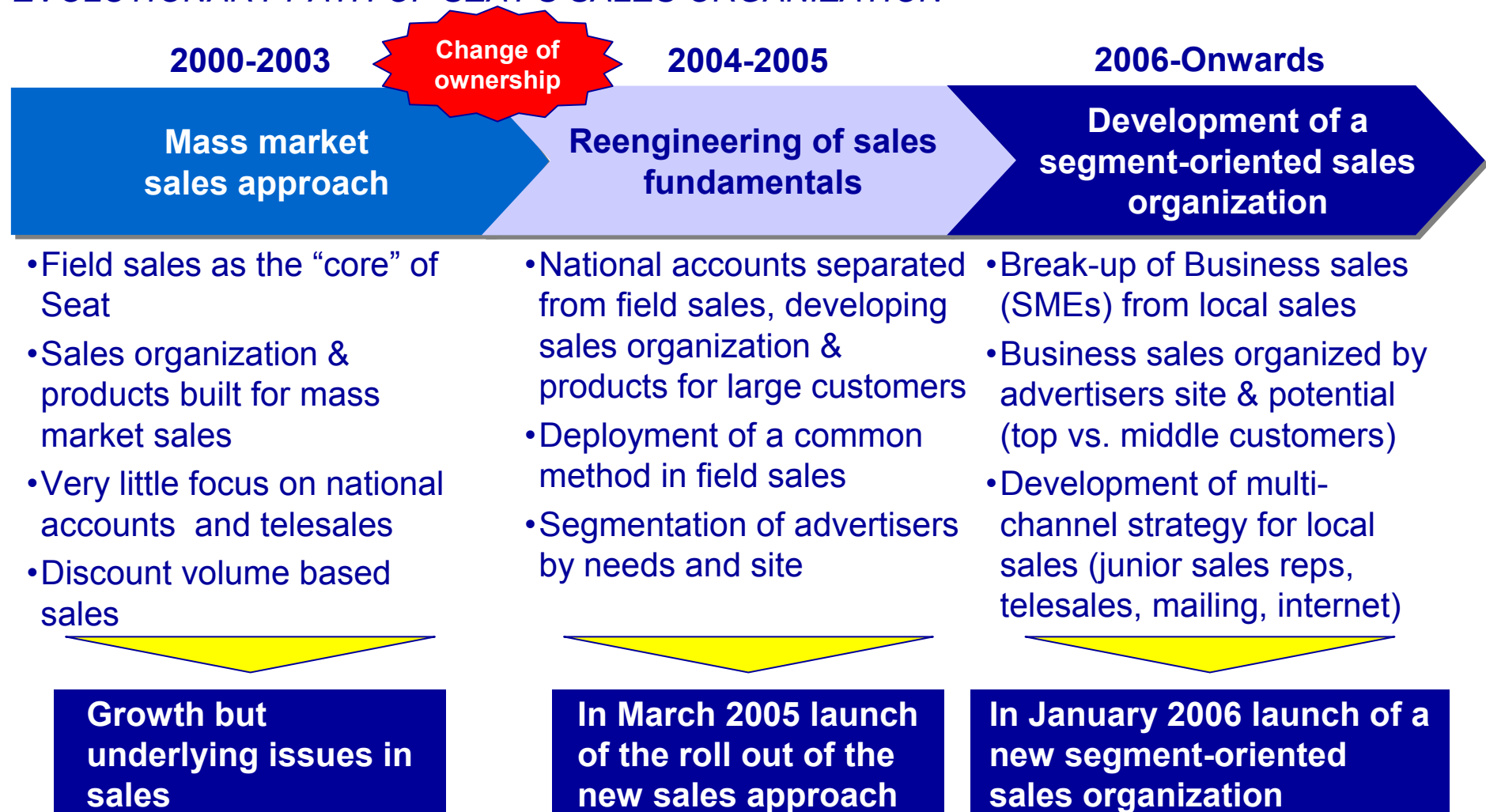
## Perceived value of YP has fallen





# Evolution of Seat's sales organization

## EVOLUTIONARY PATH OF SEAT'S SALES ORGANIZATION

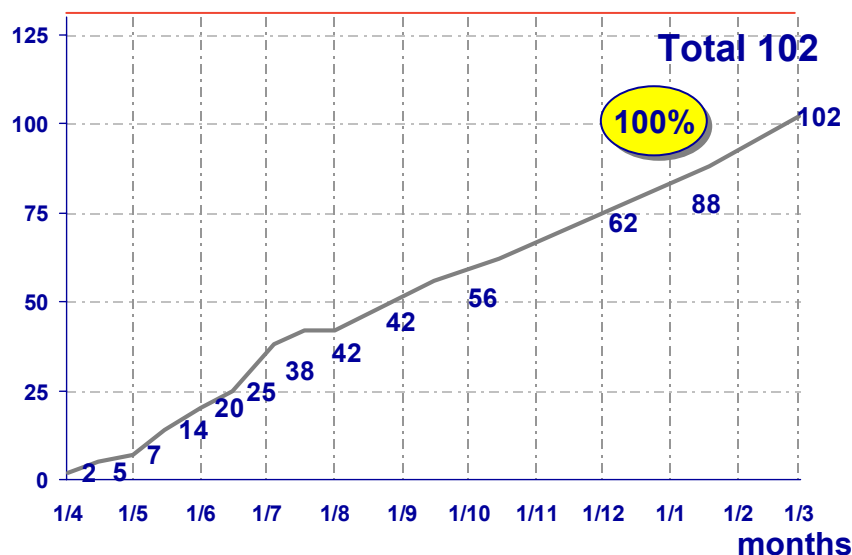




## In March 2005 Seat started deploying a new sales approach on the entire field sales-force to rebuild the “basics” of a sound sales-approach

### Deployment of new value-based sales approach and support tools

Book areas involved



(1) Over 12 months (April '05 – March '06)

(2) Training on the job in place two weeks later classroom activity

(3) Based on questionnaires replied after training course (as of February 2006)

### Training effort

- 1,643 sales reps involved<sup>(1)</sup>
- 175,000 training hours<sup>(1)</sup>
- three day training course on
  - sales fundamentals (value-based sales and customer segmentation)
  - managerial skills
  - tools and processes (“Evolution” and planning process)
- 69% of retrained agents supported on the field in sales activity<sup>(2)</sup>

### Feedback

- Positive feedback from sales reps<sup>(3)</sup> (score 1-4)
  - Interest: 3.68
  - Usability: 3.51



# The sales force is now supported by new sales force automation platform to manage their customers accordingly with new sales approach

**~95% of sales reps already use Evolution on a regular basis**

**Demo area**

The screenshot displays the Evolution software interface. On the left, there's a 'Vista di sintesi' (Summary View) showing a table of customer segments and their values. The main area shows a 'Vista clienti' (Customer View) with a list of customers and their details. On the right, there's a 'Prepara >' (Prepare) section for creating offers, including a 'Proposta grafica' (Graphic Proposal) and a 'Stampa >' (Print) option. A red starburst highlights the usage statistic, and another red starburst indicates the demo area.

## Tools designed to support sales agents in sales planning and customers management:

- Customer segmentation and value data
- Identification of high potential customers for specific products (lists of targets)
- Preparation of offer (including sketch of print adverts to be shown to customers)
- Ongoing performance vs. budget

**Sales Planning**

**Offering Preparation**

**Monitoring**

**Segmentation**

**Potential customers view**

**Sales arguments**

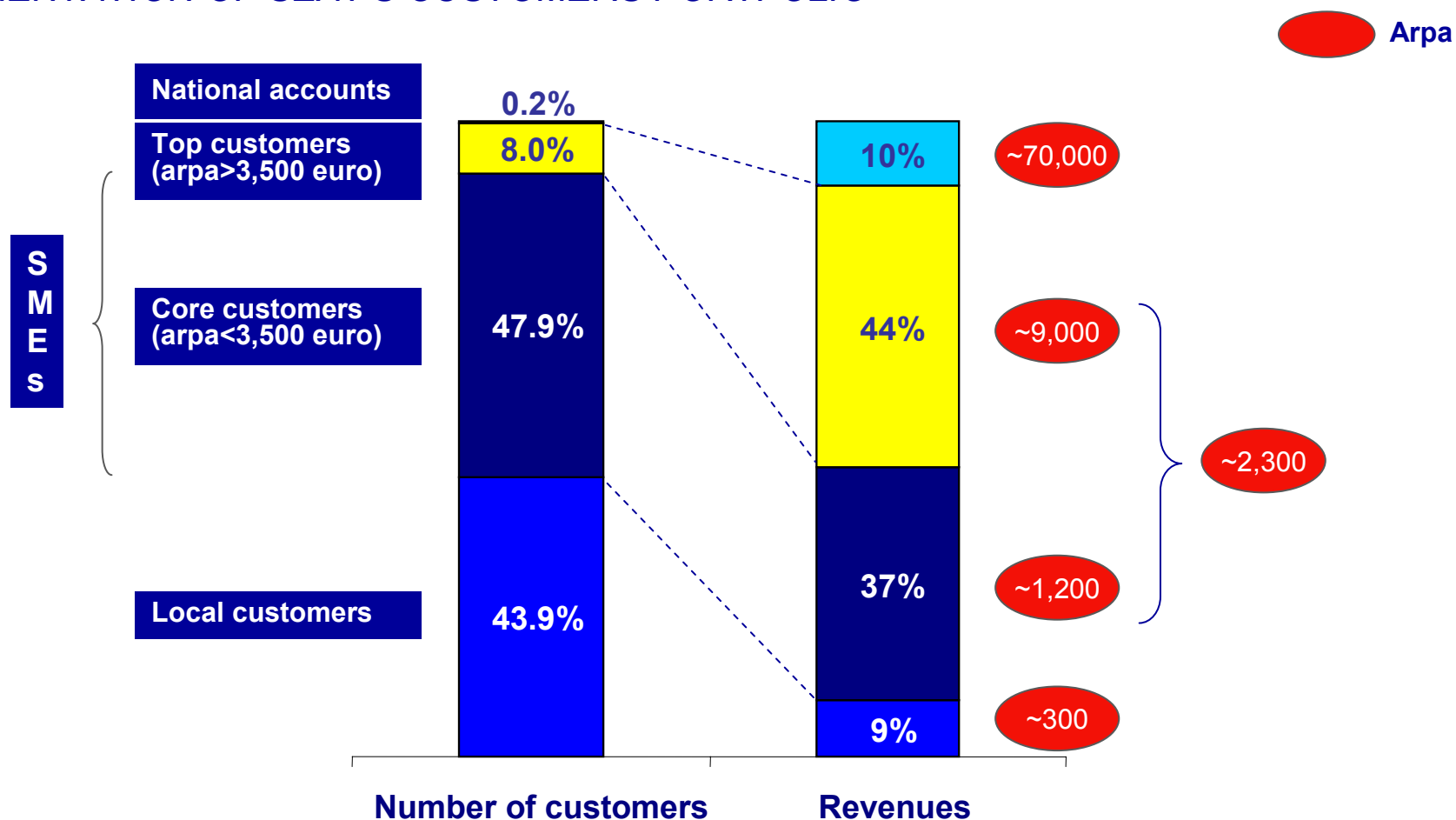
**Adv. Design tool**

**Canvasses**



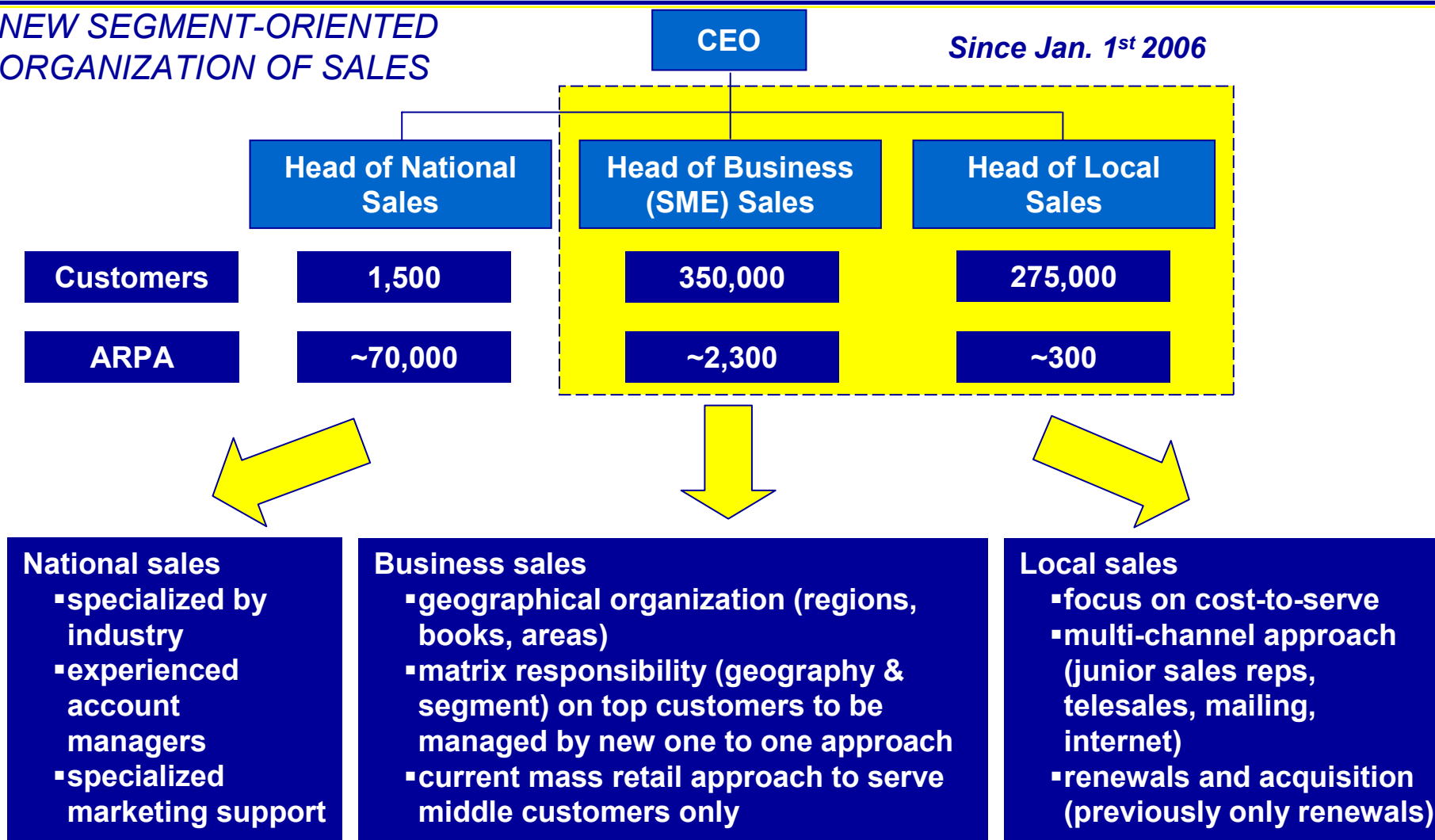
## Seat's customers portfolio is made of very different groups of advertisers

### SEGMENTATION OF SEAT'S CUSTOMERS PORTFOLIO

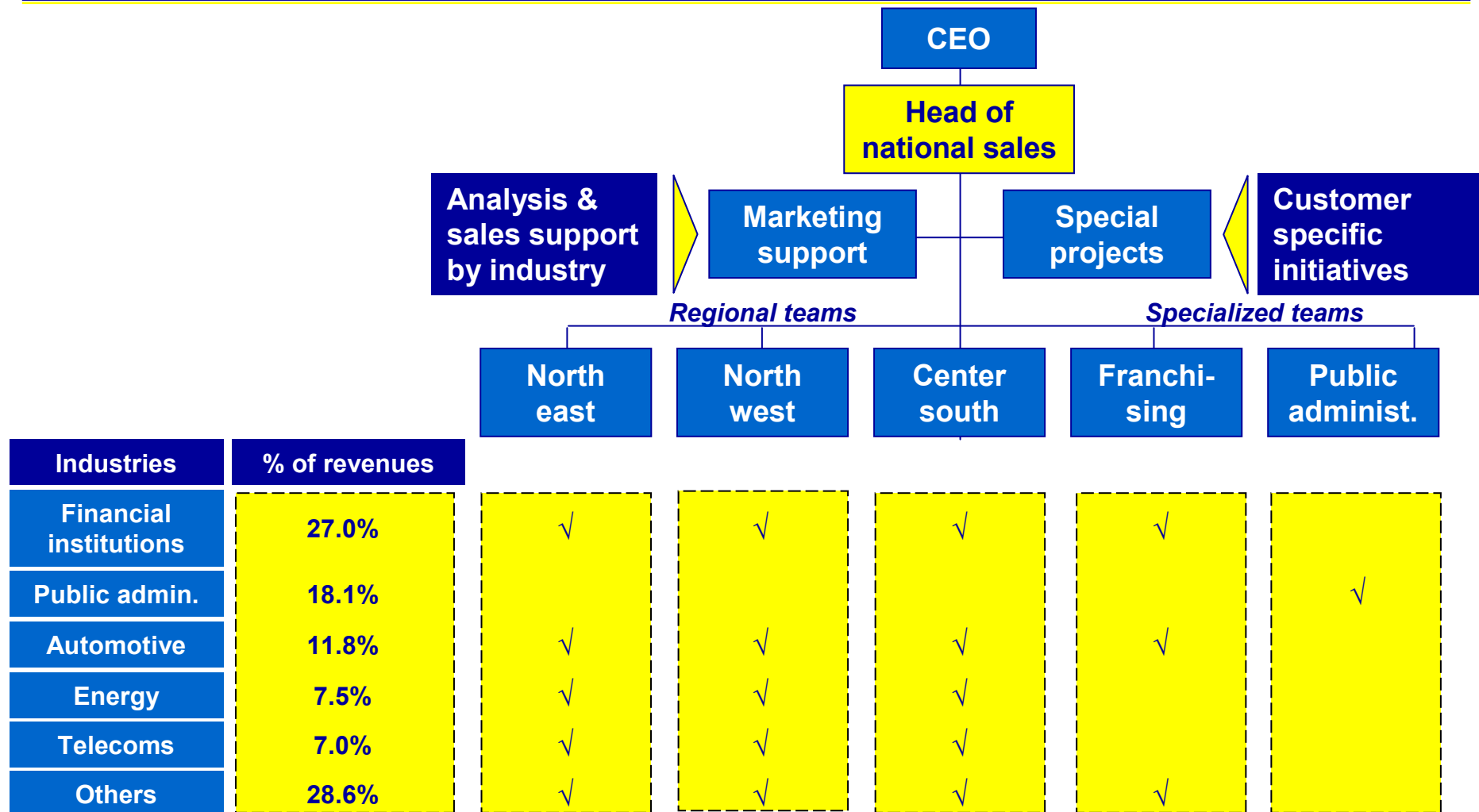


## Last January, field sales have been reorganized to differentiate the way Seat serves its different groups of clients

### NEW SEGMENT-ORIENTED ORGANIZATION OF SALES

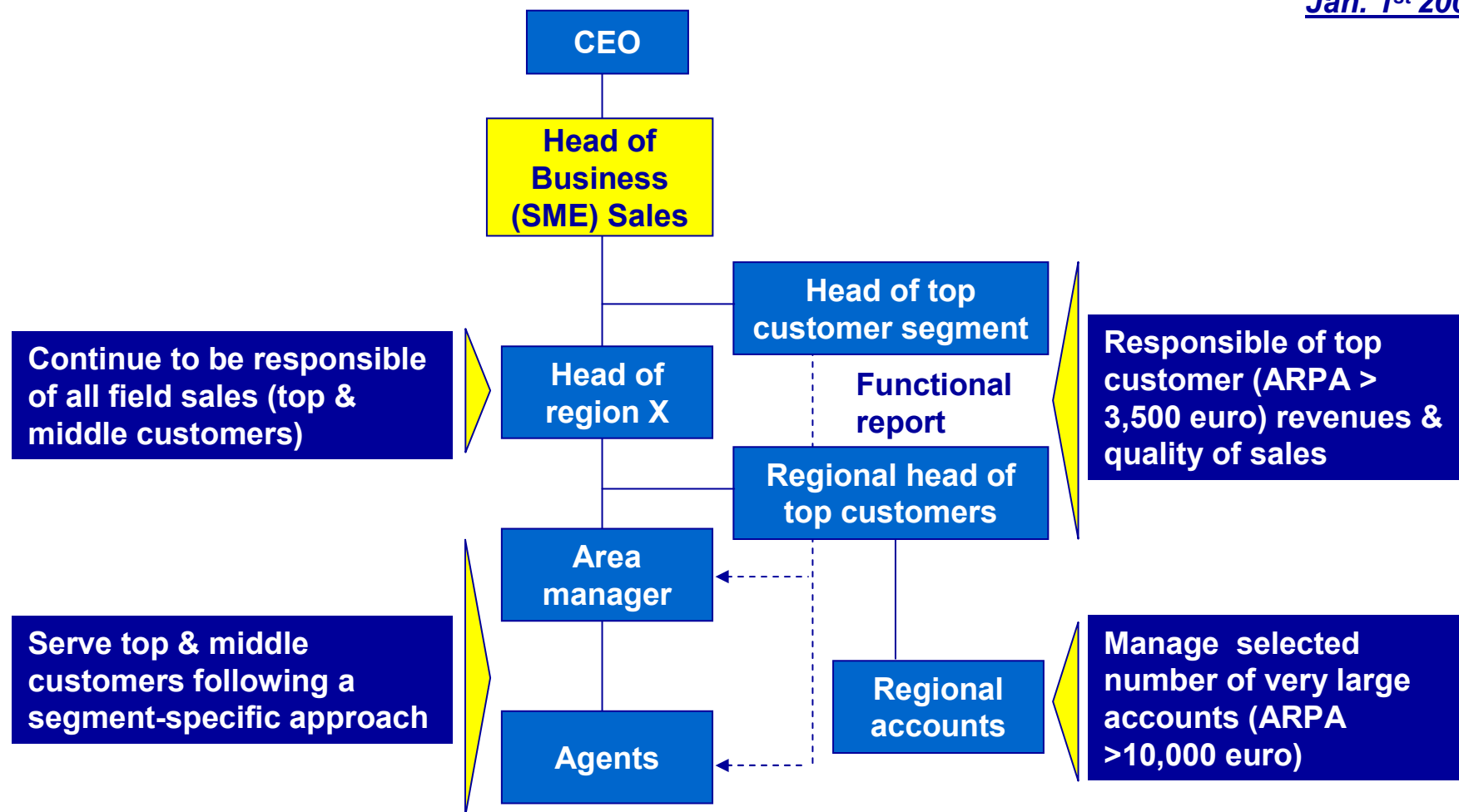


# National sales are organized around industry-specialization



## Business Sales has adopted a new matrix organization with a specific focus on high-end customers

Jan. 1<sup>st</sup> 2006



## A "one to one sales approach" for top customers have been developed and is starting showing positive results

**New head**

**About 57% of orders for 2006 already processed**

**"One to one" sales approach for field sales on top customers**

**New sales approach (replicated by the national accounts experience) to support sales agents before the visit:**

- Market and competitors benchmarking
- Advertisers needs analysis and profiling
- Adv. clients mapping and targeting
- Effectiveness of existing media mix
- ROI data

**High End customers managed with new approach are showing encouraging results**

*Index*

~4.000

~400

N° Customers

(100)

(84)

2006 Order Booked  
High end not managed with new approach

2006 Order Booked  
High end with new approach

---

**Innovation in sales is leading to a constant improvement of YP&WP performance, though constrained by the amount of revenues to be still processed**

---

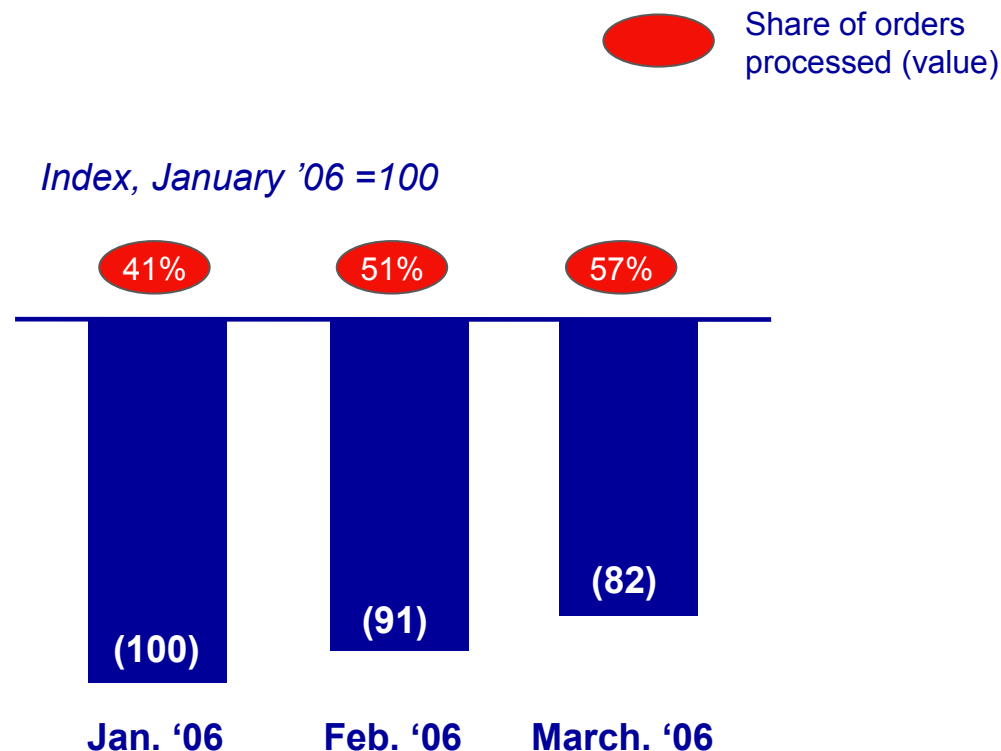
### **YP&WP performance**

*Order booked performance 2006  
vs. base worked*

- One to one management of high end YP advertisers
- Full color WP editions (from June onwards)
- Reorganization of field sales and telesales



*Index, January '06 = 100*



## Local sales is a new division built to better address local customer needs

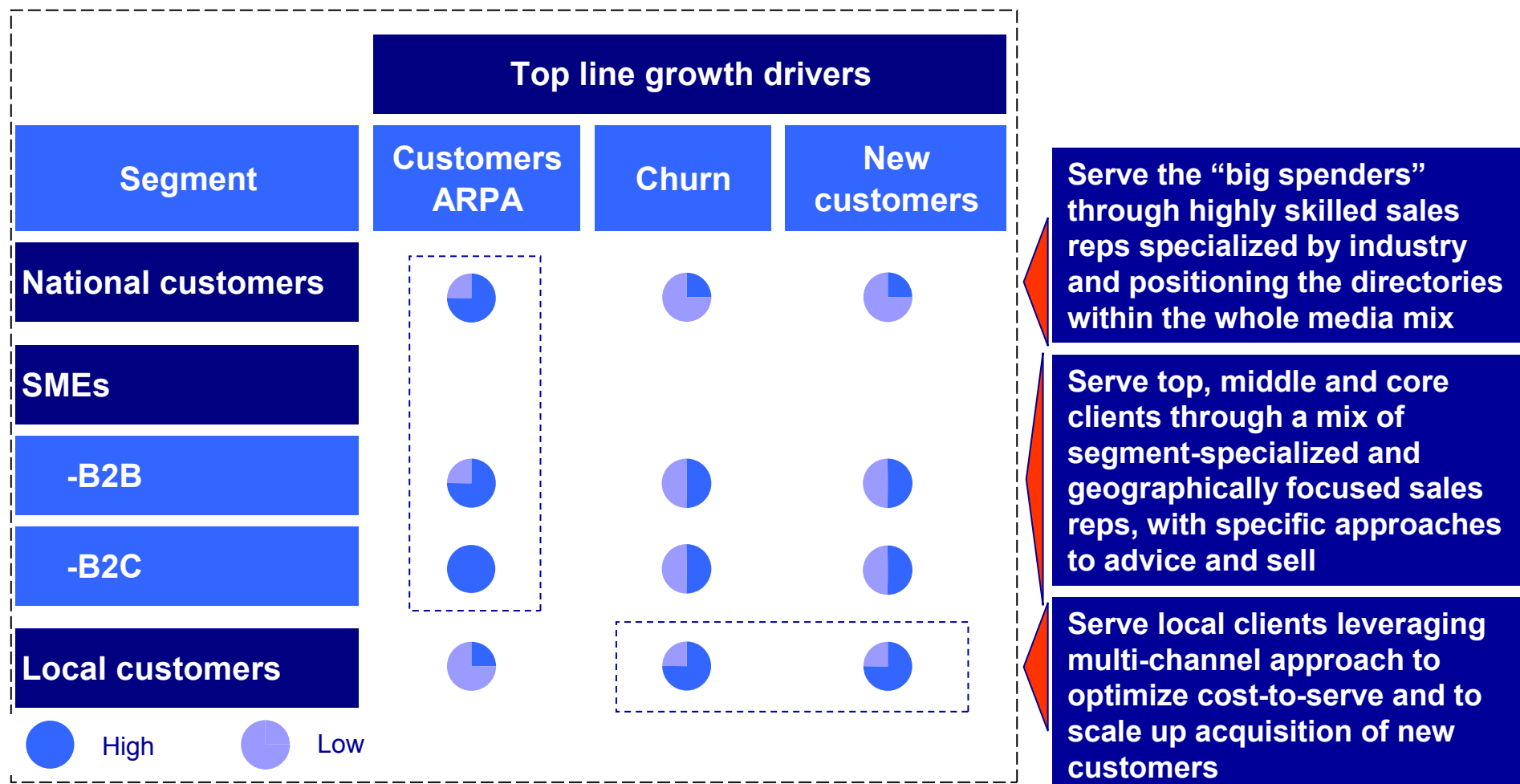
Jan. 1<sup>st</sup> 2006





## New segment-oriented sales organization will be the enabler of revenues growth according to the guidelines identified in the Business Plan 2005-'07

*Growth drivers from Strategic Plan 2005-2007 presentation (Nov. '04)*





## Telegate

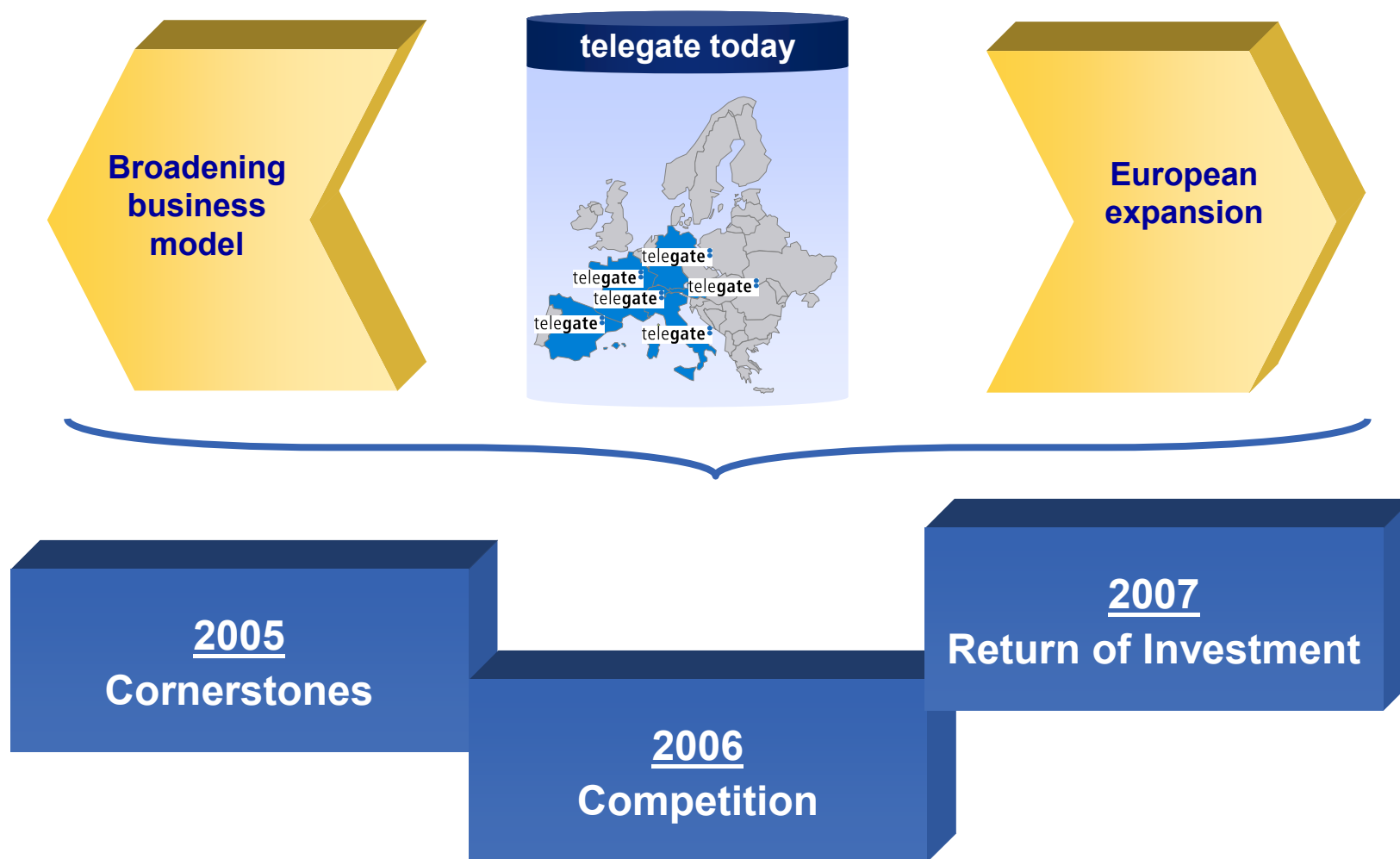
March 22, 2006

Andreas Albath – CEO

---

## Telegate – a company with growth momentum

---



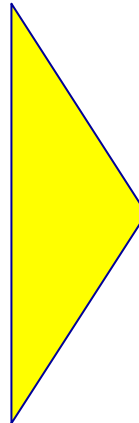
---

## German market of “basic” DA services is in a mature stage; growth prospective come from broadening the business model to high value services

---

### Market & Competition

- German DA market is w/ ~250 calls according to call volume still one of the biggest DA markets in Europe; according to market value w/ ~330 mln euro **the** biggest market in Europe
- The market value has stabilized in the past years especially due to higher range of VAS & mobile calls
- With a market share > 30% telegate is second behind incumbent DTAG



### Demand

- Total number of customers is stable, but lower usage
- Number of customers using both voice DA & internet DA regularly is increasing
- Demand for more value added voice services is increasing in all customer segments; over proportionally from heavy users, which count for 1/3 of calls

---

## Product innovation & business development is source of the positive development of the German business

---

### Outlook on Customer- & Product Strategy

#### ■ Directory assistance:

Expand consumer business - Especially value added services and online access will boost 11 88 0 brand

- VAS (e.g. emergency services, LBS, web guide) especially important to bind heavy user
- SMS-DA as new channel w/ relative low cannibalisation to voice DA
- Internet DA following the strategy – one brand all media – specially focused on mixed user

#### ■ B2B services:

Strengthening of telegate's B2B competency along core competencies and extending partner network

- directory advertising services has highest strategic potential; in '06 telegate will focus on establishing efficient sales channel-mix
- call center services & data business base on core competencies and leverage telegate's infrastructure

---

## Consolidating on a small, but solid 2° position in Spain

---



### Market/Competition & Outlook

- Spanish DA market size is ~90 mcalls & ~120 mln euro in terms of value. The service given to the market is mainly based on classic DA; VAS is the growth potential
- With a market share close to 15% telegate is second behind incumbent Telefonica/TPI
- Target is to strengthen the market position as the only relevant alternative DA provider in Spain by improving value-proposition of '11 8 11' to the customer (quality, brand, service portfolio)
- Intensify business development activities whilst contributing positive to Group's profitability

---

## Fully liberalisation of French directory assistance market ahead

---

### Market & Competition



- French DA market has been ~270 calls according to call volume & roughly the same in terms of value for liberalisation
- We expect moderate reduced volumes due to positive transition phase (same price level & better quality of service) after fully liberalisation
- Out of 27 competitor at number lottery only 4 relevant player have been entered into marketing investment so far; incumbent FT & PJ and the specialist (telegate & IXX). So far specialist are ahead in awareness against incumbents

---

## Secure a significant market position

---

### Outlook

#### Complete market liberalisation April 3, 2006:

- Strong focus on securing a smooth transition-phase
  - Good service quality will be monitored by ARCEP during Q1 2006
  - Fair pricing system
  - ↳ Positive public sentiment to the withdrawal of '12'-monopoly number
- Build awareness of '118 000' in core consumer target groups prior to April 3
- Execute the most efficient marketing strategy in an expected strong competitive environment leveraged by the SFR and Bouygues Telecom partnerships





---

## Management confirms target 2007 of 50 euro mln EBITDA

---

### Revenues

Significant top line growth expected in 2006 mainly thanks to France

### Ebitda

Investments in new countries will affect Ebitda 2006 expected lower than 2005; positive effect will be fully visible in the 2007 P&L

### Target

Overall confirming guidance of 50 mln Ebitda in 2007



**Thomson**

**March 22, 2006**

**Max Alexander – CEO**

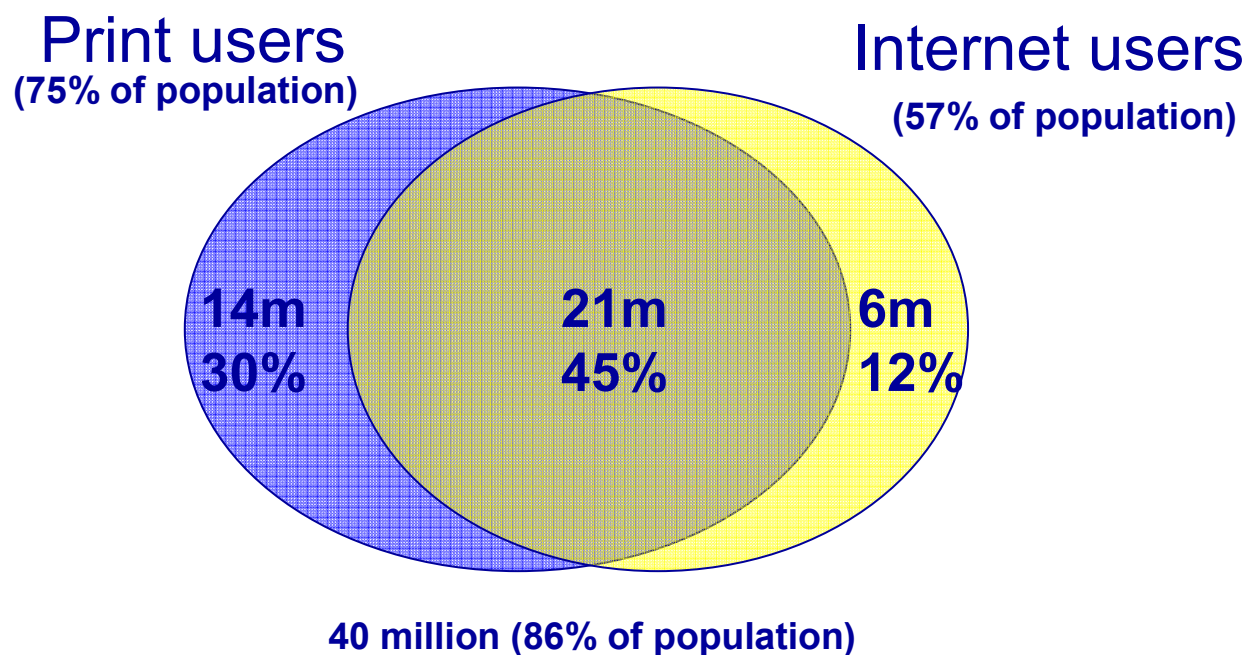
---

## UK users are growing mostly as mixed print- internet, with print-only still being one third of users

---

*USAGE OF PRINT AND INTERNET TO LOOK UP BUSINESS CONTACT DETAILS IN PAST SIX MONTHS*

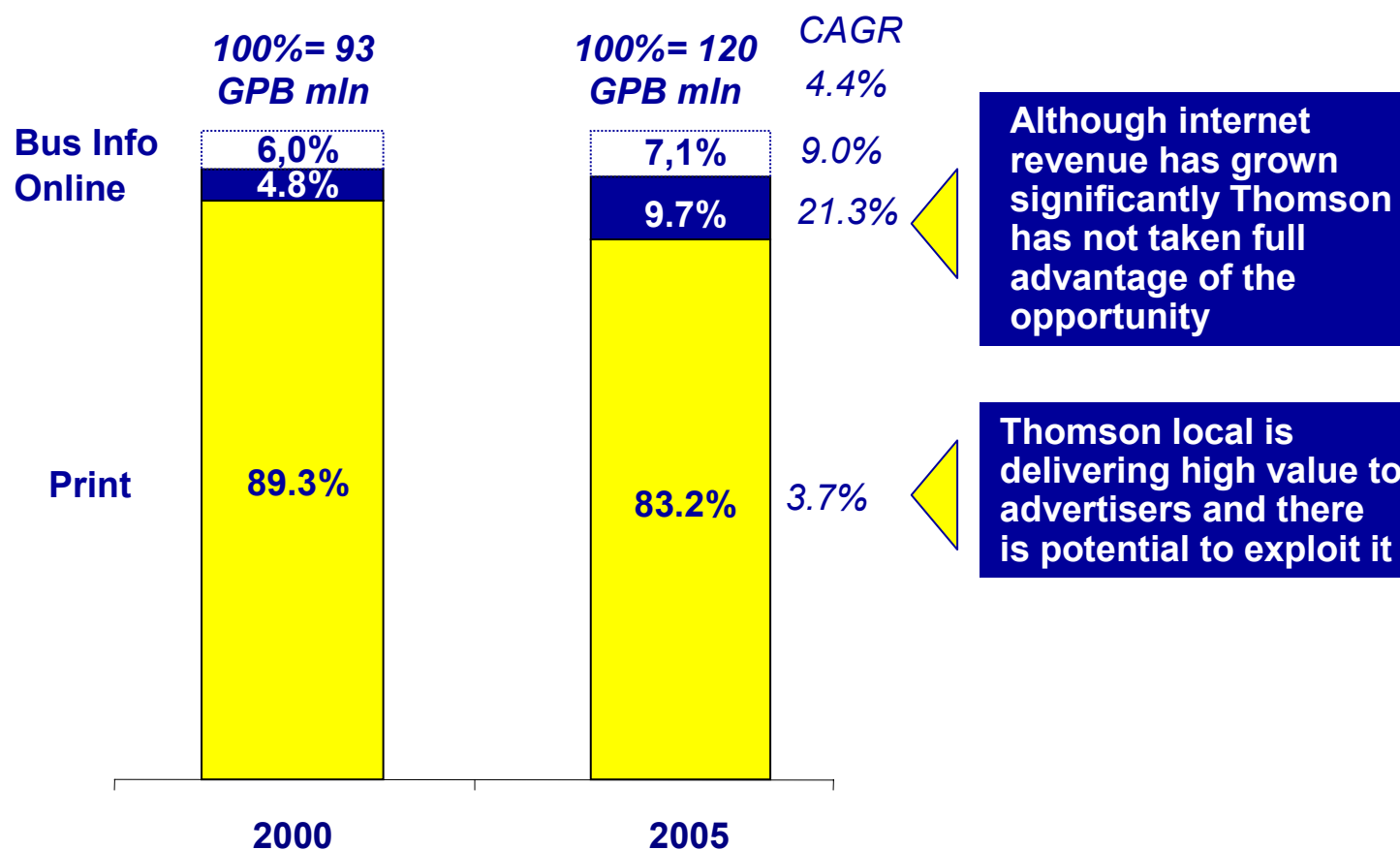
*Million, UK adult population = 47 million*



Source: BMRB 2006

## Following market dynamics, Thomson has grown both print and internet over the last five years

REVENUES BREAKDOWN BY PRODUCT  
GPB million



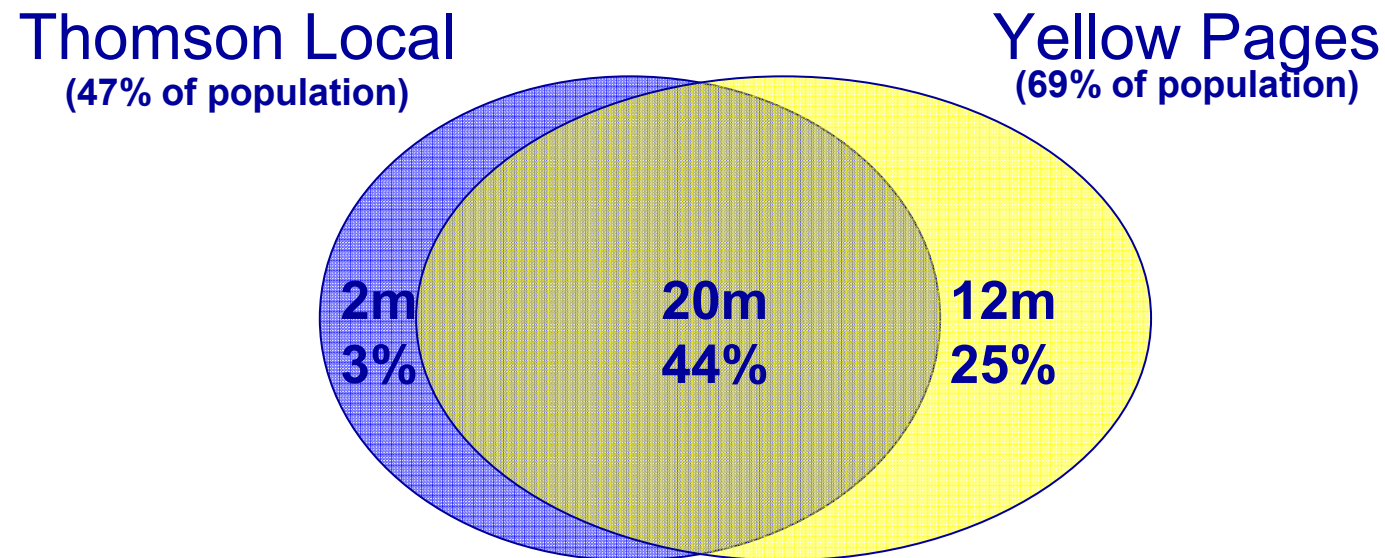
---

## Thomson local printed directories are used by nearly half of UK households...

---

12 MONTH USAGE OF ADULTS AGED 16+ AS MEASURED BY NATIONAL READERSHIP SURVEY.\*

Million, UK adult population = 47 million



Source: National Readership Survey (NRS) July 04 – Jun 05, \*NRS excludes BT Phone Book

---

**...with reasonable levels of brand awareness and improving views of the product offering**

---

**Spontaneous Brand Awareness**

Thomson Local	61%
Yellow Pages	81%
BT Phone Book	56%

**Movements in brand image 2004 to 2006**

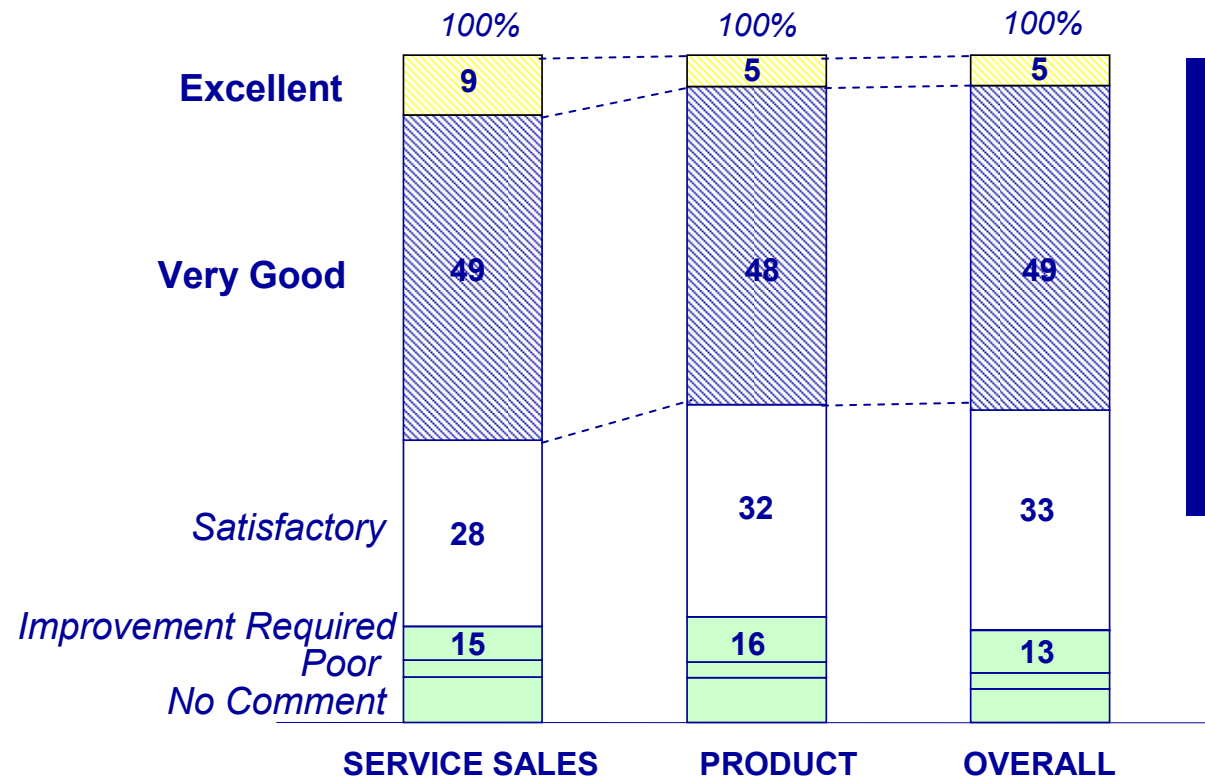
	2004	2006
Brand you'd trust	59%	61%
Modern and up to date	59%	62%
Smart	52%	55%
Are the local experts	63%	70%
Bold and daring	24%	33%
Has innovative sections	n/a	40%

---

...and continue to command a high level of customer satisfaction

---

CUSTOMER SATISFACTION SURVEY



**Need to continue to invest:**

- to support Thomson's distinctive value proposition vis a vis generic YP
- to innovate the offer (new local plus section, richer data, useful content)

Source: TCP Contact Programme Results August thru November Publishing Titles Data Set Customers 3K to 15K 1464, Contact Made 1080, Interviews 593

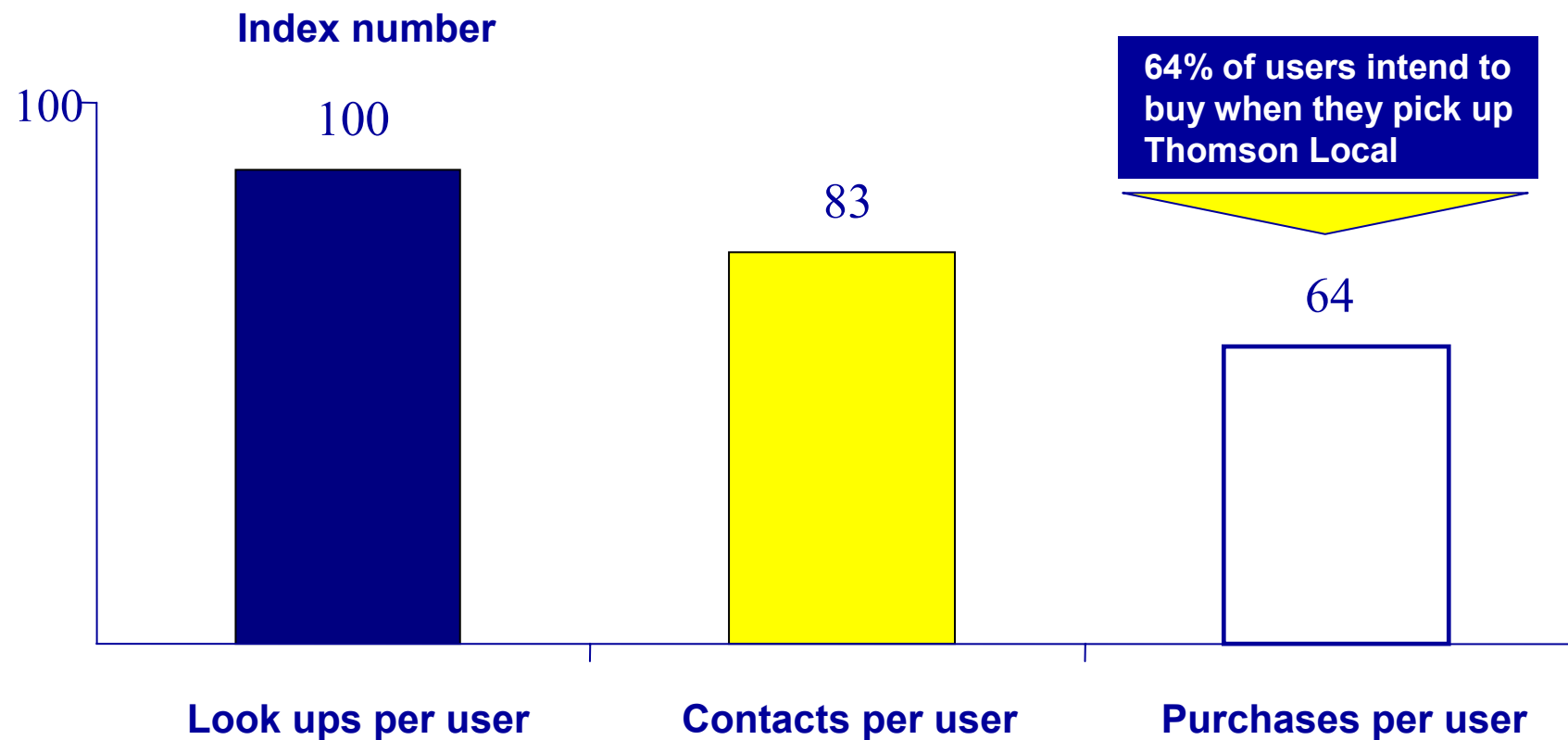
---

## Look ups in Thomson Local converted into sales at a very high rate...

---

*THOMSON LOCAL CONVERSION RATES ACROSS A 12 MONTH PERIOD*

*Million, UK adult population = 47 million, N° of TDL Users in 12 months = 22 million*



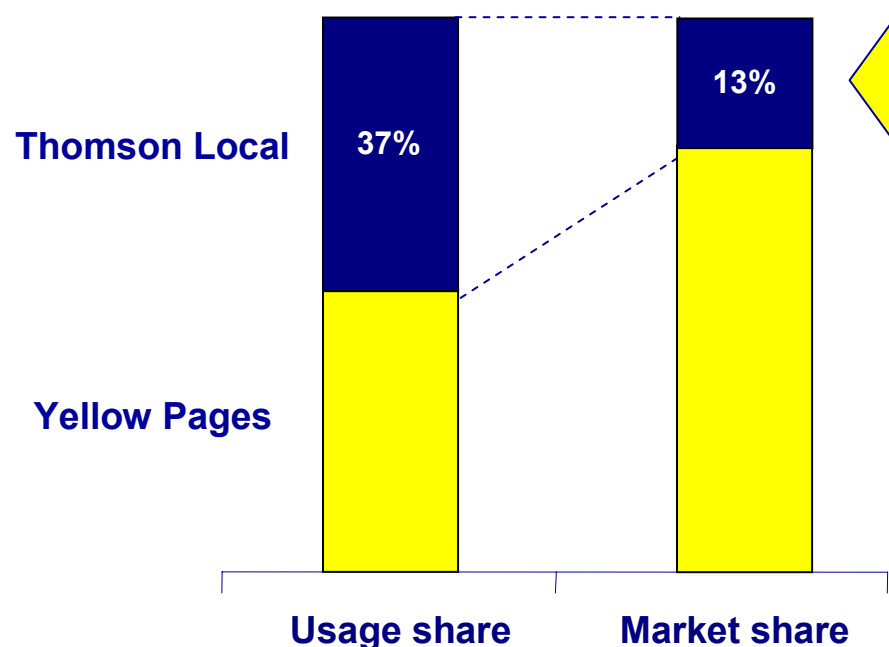
Source: BMRB 2006



## ...but despite this Thomson receives disproportionately low share of revenue versus usage

12 MONTH USAGE OF ADULTS AGED 16+ AS MEASURED BY NATIONAL READERSHIP SURVEY.\*

Million, UK adult population = 47 million, N° of TDL Users in 12 months = 22 million



- Some bias towards lower ticket 'local advertisers'
- Advertisers perception is based on their own personal preference: "I use Yellow Pages thus ..everyone else must be the same."
- Smaller directory...equates to lower comprehensiveness and less usage

Source: National Readership Survey (NRS) July 04 – Jun 05 \*NRS excludes BT Phone Book

---

## How do we close this gap?

---

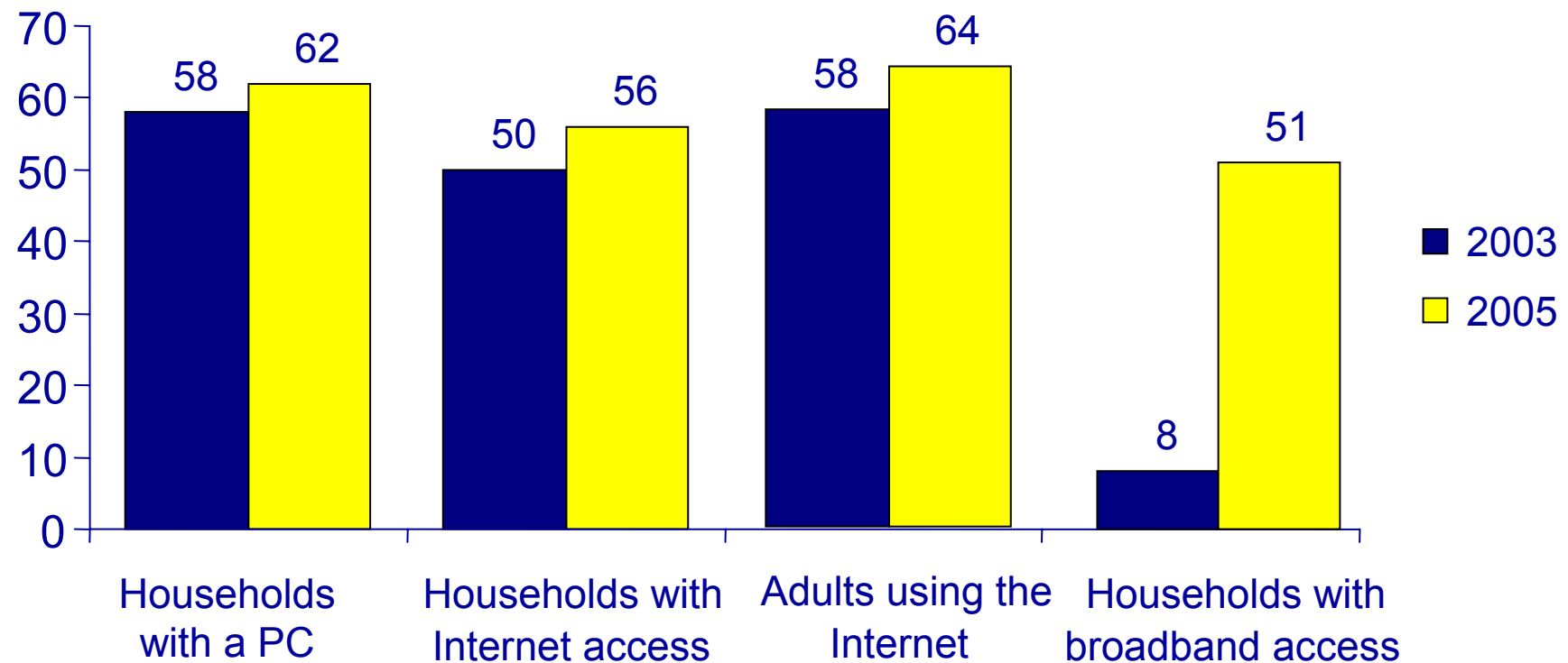
- Refocus sales force and sales force management on advertisers segments that get high value from Thomson local
- Improve sales reps skills and ability to apply value based selling
- Foster product innovation round high value segments
  - Ethical / Green consumption
  - Adult / gaming
  - Local emergency

---

## In the UK, Internet is moving from dial up to broadband...

---

*GROWTH IN INTERNET ACCESS BETWEEN 2003 AND 2005 - Per cent*  
*Million, UK adult population = 47 million*



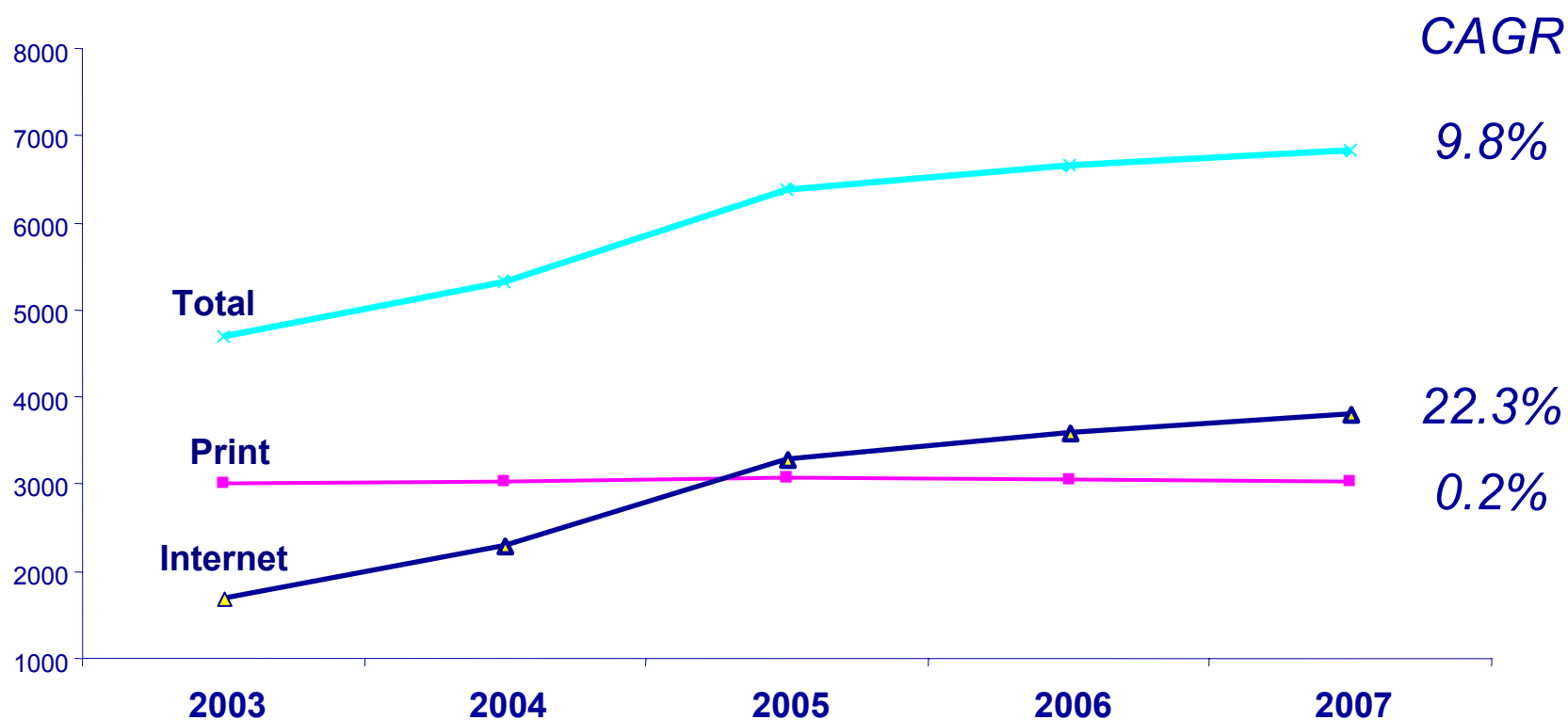
Source: National Statistics

---

**...and this is likely to further promote online as a referral platform on top of print**

---

*REFERRALS TO PRINT AND INTERNET IN A 12 MONTH PERIOD*



Source: National Readership Survey (NRS) and BMRB

---

## Thomson has recently broadened its online product offer

---

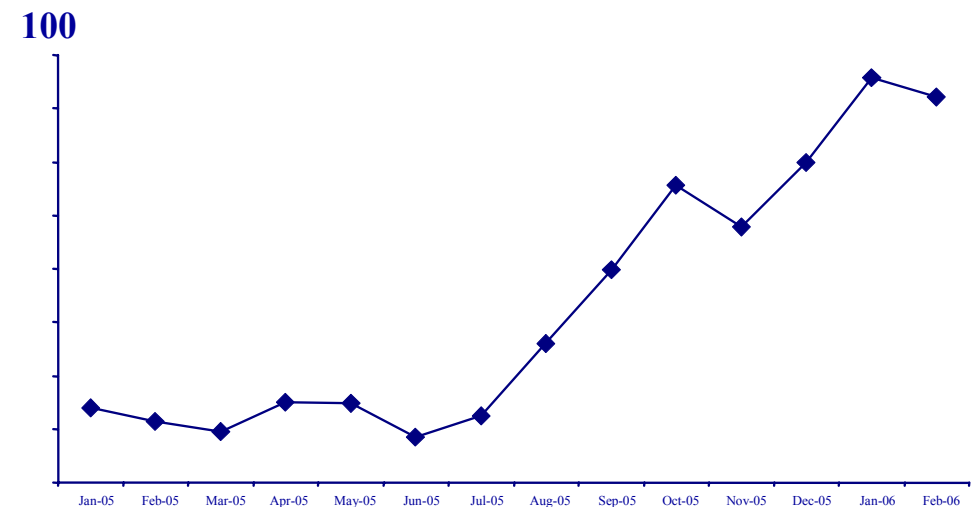
### ■ Online directory – Annual fee

- Fixed price placement fee for priority on thomsonlocal.com
- Additional fee for distribution on directory partners (upmystreet, yahoo etc)

### ■ Pay per click

- Distribute business listings on search engines charging advertisers a fixed fee for each click through to their information page on thomsonlocal.com
- Promote a businesses website and charge them a fixed fee for each click to their website
- Promote a businesses website and allow them to manage their own keyword selection and bids. They pay the 'bid price' for each click to their website

### Clicks Delivered



---

## **Thomson has a unique and opportunity to leverage its sales force and database on behalf of search engines**

---

- Maintain and refresh branded online presence
- Leverage distribution agreements with search engines etc with some co-branding
- Provide a managed agency service for SMEs moving online
- Multi-product sales approach

---

## Key Messages

---

- Market is characterised by
  - Continued Strong Competition but with unexploited potential in both
  - Growth in internet usage
- Directories in aggregate remain robust both print and online
  - Usage continues to grow
  - Lead / sales generation strong
  - Mixed print-internet users segment growing strongly
- Thomson has capabilities to remain a key player of local directory (Print, Internet)
  - Despite competition market share is solid
  - Perception of value remains an issue (and an opportunity)
  - Thomson's offer is an effective platform for advertisers
  - Significant internet distribution has been built
  - Innovation in product and sales force are the key elements for future success



## Conclusions & Guidance 2006

March 22, 2006

Luca Majocchi – CEO



---

## In summary

---

- **The Italian market is very attractive for both print and internet offers**

- YP&WP user base is large and growing
- Internet is growing but not substituting print
- Mixed print & internet users are an interesting target for Seat's multi-platform offer

- **Seat S.p.A. is at the turning point of the transition towards sustainable growth, with focus shifting from reengineering to innovation**

- Reengineering of the "basics" of the business and extensive retraining of the sales force have been completed
- New products and services will be launched in the key areas of print, internet and voice services over the next few months
- A new segment-oriented organization of sales has been put in place last January and will accelerate the pace of change and of performance improvement in the course of the year
- Seat's performance has shown a revert of the negative trend of the past (though impact on the P&L is delayed by the long sales cycles of directories) and will gain momentum as investments in innovation start paying off

- **Thomson and Telegate are innovating their practices in marketing and sales in their core markets and will continue to positively contribute to Group results**

---

## Group guidance 2006

---

### Operating performance

- Seat S.p.A.
  - YP still rebalancing advertisers presence (but trend is improving thanks to new approach to serve high-end customers)
  - WP growing thanks to full color editions (impact on 2006 on 58% of WP revenues)
  - online and voice will continue to grow double digit
- Telegate: accelerating on revenue growth with Ebitda impacted by cost of entry in new markets
- Advertising investments at Group level higher than original Plan to sustain future growth

### Targets

- Overall Seat Group 2006 revenues up 3%÷5%
- Costs impacted by the investments and expenses needed to launch new products and services (mainly affecting the first half)
- Group Ebitda 2006 up 1.5%÷2%

---

## Group guidance 2007

---

### Operating performance

- Seat S.p.A. revenues will benefit from product innovation and new sales organization:
  - print expected to benefit from YP and WP innovations in the path to revert current negative trend
  - positive contribution of voice services
  - significant growth potential from online
- Telegate: 2007 Ebitda will fully benefit from the new initiatives (expected to reach 50 euro mln)
- Other business units (Thomson, Consodata, Euredit) in line with expectations

### Debt

- Refinancing carried out mid '05, new securitization program and existing hedging will contribute to keep cost of debt highly protected from possible Euribor increase

### Targets

- The 2007 Group Ebitda expected in line with Plan benefiting from the advertising and operating investments made in 2005 and 2006
- ~1bln euro of free cash flow confirmed to be available for de-leverage (of which 800 compulsory) and dividends in the Plan time frame ('05-'07)

---

---

## Appendix

## Legal Entities: FY Like for Like

	Revenues			Ebitda			Ebita		
<i>euro million</i>	FY'04	FY'05	Change	FY'04	FY'05	Change	FY'04	FY'05	Change
<b>Seat S.p.A <sup>(1)</sup></b>	1,059.7	1,061.8	0.2%	530.8	535.2	0.8%	513.5	515.9	0.5%
<b>TDL</b>	170.0	175.6	3.3%	39.6	42.0	6.1%	36.1	39.1	8.3%
<b>Telegate</b>	143.8	150.2	4.5%	35.2	37.0	5.1%	28.6	30.3	5.9%
<b>Consodata <sup>(2)</sup></b>	29.5	29.5	n.m.	3.4	4.4	29.4%	1.4	2.3	64.3%
<b>Euredit</b>	25.9	27.5	6.2%	4.6	5.0	8.7%	4.1	4.6	12.2%
<b>Prontoseat <sup>(3)</sup></b>	6.2	9.3	50.0%	0.9	0.7	(22.2)%	0.4	0.0	n.m.
<b>Cipi</b>	0.0	10.6	n.m.	0.0	2.2	n.m.	0.0	2.0	n.m.
<b>Aggregated</b>	1,435.2	1,464.4	2.0%	614.3	626.6	2.0%	584.1	594.2	1.7%
<b>Eliminations</b>	(29.5)	(39.8)	n.m.	0.1	0.0	n.m.	0.0	0.0	n.n.
<b>Consolidated</b>	1,405.7	1,424.6	1.3%	614.4	626.6	2.0%	584.1	594.2	1.7%

(1) Including Talking Yellow Pages and corporate costs

(2) Including Consodata Italy and Consodata Group Ltd

## Legal Entities: Q4 Like for Like

euro million	Revenues			Ebitda			Ebita		
	Q4'04	Q4'05	Change	Q4'04	Q4'05	Change	Q4'04	Q4'05	Change
<b>Seat S.p.A <sup>(1)</sup></b>	347.1	348.9	0.5%	177.1	168.6	(4.8)%	172.4	163.3	(5.3)%
<b>TDL</b>	65.3	67.1	2.7%	26.8	28.8	7.5%	25.8	28.5	10.2%
<b>Telegate</b>	35.7	44.5	24.8%	7.2	6.7	(7.2)%	5.8	4.4	(25.0)%
<b>Consodata <sup>(2)</sup></b>	9.5	9.8	2.5%	2.2	2.7	25.0%	1.6	2.1	28.4%
<b>Euredit</b>	0.1	0.1	(11.4)%	(3.1)	(3.5)	10.7%	(3.3)	(3.6)	8.7%
<b>Prontoseat <sup>(3)</sup></b>	2.1	2.8	31.7%	0.1	(0.2)	n.m.	(0.1)	(0.5)	4.2
<b>Cipi</b>	0.0	10.6	n.m.	0.0	2.2	n.m.	0.0	2.0	n.m.
<b>Aggregated</b>	459.8	483.8	5.2%	210.3	205.4	(2.3)%	202.3	196.2	(3.0)%
<b>Eliminations</b>	(7.3)	(15.2)	n.m.	(0.1)	0.1	n.m.	(0.1)	0.0	n.m.
<b>Consolidated</b>	452.5	468.6	3.5%	210.2	205.5	(2.2)%	202.2	196.2	(3.0)%

(1) Including Talking Yellow Pages and corporate costs

(2) Including Consodata Italy and Consodata Group Ltd

(3) Not audited figures

## Consolidated Balance Sheet

<i>euro million</i>	31/12/2004	31/12/2005	Change
<b>Goodwill and Customer Data Base</b>	4,307.8	4,155.0	(152.8)
<b>Other Not Current Assets</b>	148.3	197.0	48.6
<b>Not Current Operating Liabilities</b>	(75.0)	(77.6)	(2.7)
<b>Working Capital</b>	286.9	260.6	(26.2)
<b>Net Invested Capital</b>	4,668.1	4,535.0	(133.1)
<b>Total Stockholders' Equity</b>	860.0	999.7	139.8
<b>Net Financial Debt - Book Value</b>	3,808.1	3,535.3	(272.9)
<b>Total</b>	4,668.1	4,535.0	(133.1)
<b>Net Financial Debt</b>	3,924.4	3,634.6	(289.8)
<b>IAS Adjustments</b>	(116.3)	(99.3)	17.0
<b>Net Financial Debt - Book Value</b>	3,808.1	3,535.3	(272.9)