

SEAT Pagine Gialle S.p.A.



1967 **2007** Quarant'anni con
PAGINE GIALLE

Report at March 31, 2007

The SEAT Pagine Gialle group operates in *Italy* and the *United Kingdom* in the local advertising market for small and medium-sized enterprises (SMEs), in which it is present with its publishing and advertising multiplatform business, mainly involving telephone directories and information services.

It also operates in the Directory Assistance market in *Germany, Spain, France* and *Italy* and in the Business Information and the merchandising markets in *Italy*.

| | | | |
|---|---|---|----|
| Highlights and general information | ↑ | Company Boards | 4 |
| | | Economic and financial highlights of the Group | 5 |
| | | Information for Shareholders | 6 |
| | | Organisational structure of the Group | 10 |
| Report on operations | ↑ | Economic and financial performance of the Group | 13 |
| | | Reclassified statement of operations | 20 |
| | | Reclassified balance sheet | 21 |
| | | Cash flow statement | 22 |
| | | Operating free cash flow | 23 |
| | | Economic and financial performance of SEAT Pagine Gialle S.p.A. | 24 |
| | | Main events of the first quarter of 2007 | 28 |
| | | Main events subsequent to March 31, 2007 | 29 |
| | | Outlook | 30 |
| | | Related party transactions | 31 |
| | | Economic and financial performance of the Business Areas | 33 |
| | | Italian Directories | 35 |
| | | UK Directories | 38 |
| | | Directory Assistance | 40 |
| | | Other Activities | 43 |

Highlights and general information

➤ Company Boards

(information updated on May 10, 2007)

| | | | |
|--|---|--|--|
| Board of Directors | ↑ | Chairman Managing Director Directors | Enrico Giliberti Luca Majocchi Lino Benassi ^(I) Antonio Belloni ^(II) Dario Cossutta Carmine Di Palo ^(II) Gian Maria Gros Pietro ^(I) Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Marco Reboa ^(I) Nicola Volpi |
| | | Secretary to the Board | Marco Beatrice |
| Compensation Committee | ↑ | Chairman | Gian Maria Gros Pietro Antonio Belloni Dario Cossutta |
| Internal Audit Committee | ↑ | Chairman | Lino Benassi Marco Lucchini Marco Reboa |
| Board of Statutory Auditors | ↑ | Chairman Acting Auditors | Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapolli |
| | | Alternate Auditors | Guido Costa Guido Vasapolli |
| Common Representative of Savings Shareholders | ↑ | | Edoardo Guffanti ^(III) |
| Independent Auditors | ↑ | | Reconta Ernst & Young S.p.A. |

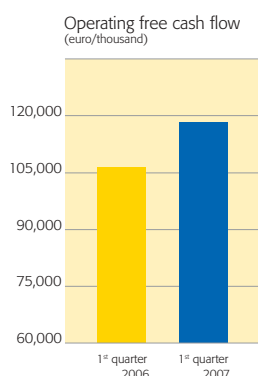
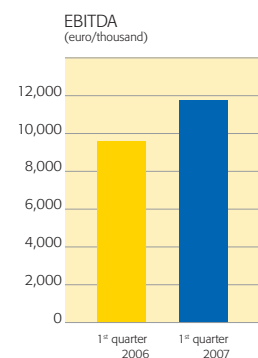
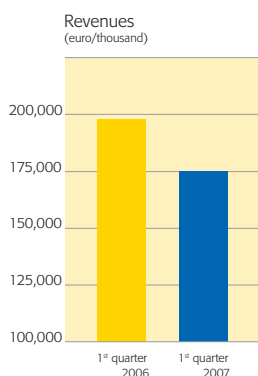
(I) Independent Director pursuant to Art. 3 of the Corporate Governance Code of Listed Companies.

(II) Appointed during the General Shareholders' Meeting held on April 19, 2007.

(III) Appointed by the Special Meeting of Holders of Savings Shares held on April 19, 2007.

➤ Economic and financial highlights of the Group

- Consolidated REVENUES was € 176 million (+3.9% compared to the first quarter of 2006, on a like for like basis at the same number of published directories);
- Consolidated EBITDA increased to € 12 million despite the shift to April 2007 in the publication of the Torino PAGINEGIALLE and PAGINEBIANCHE, that had contributed for € 20.5 million to the 2006 margin;
- OPERATING CASH FLOW increased to € 118 million in spite of the significant industrial investments made during the period;
- NET FINANCIAL DEBT was € 3,343 million, down by € 63 million with an average cost of debt of 6.25% in the first quarter of 2007.



| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Year 2006 |
|---|---------------------------------|---------------------------------|--------------|
| Economic and financial highlights | | | |
| Revenues from sales and services | 175,907 | 197,991 | 1,460,183 |
| Gross operating profit | 25,678 | 19,846 | 659,501 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 11,643 | 9,968 | 611,424 |
| Operating result (EBIT) | (39,719) | (38,761) | 402,118 |
| Income (loss) before income taxes and Minority interests | (102,522) | (100,134) | 155,904 |
| Net income (loss) | (77,196) | (102,020) | 80,136 |
| Operating free cash flow (FCF) | 118,282 | 106,977 | 548,335 |
| Capital expenditure | 9,213 | 4,601 | 48,323 |
| Net invested capital ⁽¹⁾ | 4,247,935 | 4,380,967 | 4,377,887 |
| <i>of which goodwill and Customer DataBase</i> | 3,954,434 | 4,111,010 | 3,997,672 |
| <i>of which net operating working capital</i> | 181,945 | 182,242 | 298,690 |
| Equity of the Group ⁽¹⁾ | 986,107 | 896,076 | 1,057,184 |
| Net financial debt ⁽²⁾ | 3,342,883 | 3,581,041 | 3,405,782 |
| Income ratios | | | |
| EBITDA/Revenues | 6.6% | 5.0% | 41.9% |
| Operating result/Revenues | (22.6%) | (19.6%) | 27.5% |
| Operating result/Net invested capital | (0.9%) | (0.9%) | 9.2% |
| Net income (loss)/Equity of the Group | (7.8%) | (11.4%) | 7.6% |
| Operating free cash flow/Revenues | 67.2% | 54.0% | 37.6% |
| Operating working capital/Revenues | 103.4% | 92.0% | 20.5% |
| Workforce | | | |
| Workforce at the end of the period (units) | 6,875 | 6,169 | 6,661 |
| FTE - Average workforce for the period (units) | 5,273 | 4,915 | 5,164 |
| Revenues/Average workforce | 33 | 40 | 283 |

(1) The items referred to March 31, 2006 have been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the defined benefit pension plans, in compliance with the retrospective application of the IAS 19 paragraph 93A.

(2) Net financial debt does not include the transaction costs on loans and the net market value of the hedging instruments on interest rate risks, accounted for as a financial asset of € 100,304 thousand at March 31, 2007.

Legenda:

Gross operating profit - revenues from sales and services less materials and external services less salaries, wages and employee benefits.

EBITDA - Earning before interest, tax, depreciation and amortisation: gross operating profit less other valuation adjustments and provisions to reserves for risks and charges, net less other income (expenses), net.

EBIT - Earning before interest and tax: EBITDA less non-recurring and restructuring costs, net less operating amortisation, depreciation and write-downs, less non-operating amortisation on *Customer DataBase*.

FCF - Operating free cash flow: EBITDA less capital expenditure, less change in operating working capital, less change in operating non-current liabilities.

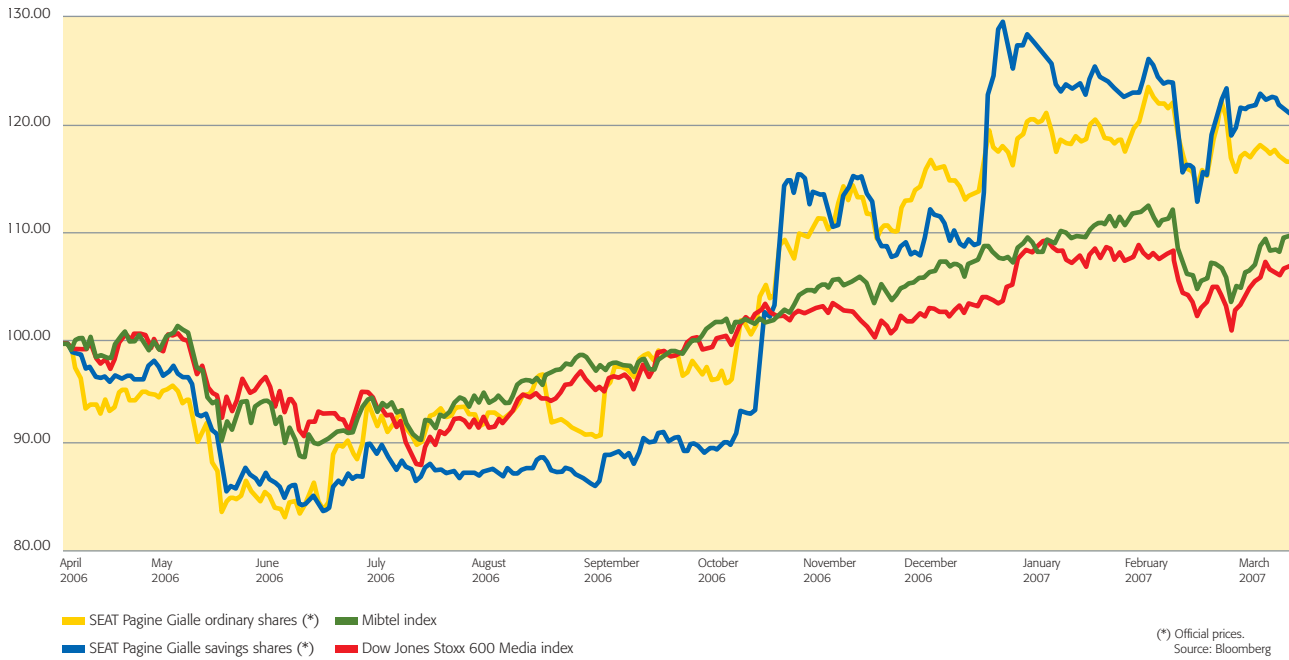
FTE - Full Time Equivalent for non-Italian companies; average workforce for Italian companies.

➤ Information for Shareholders

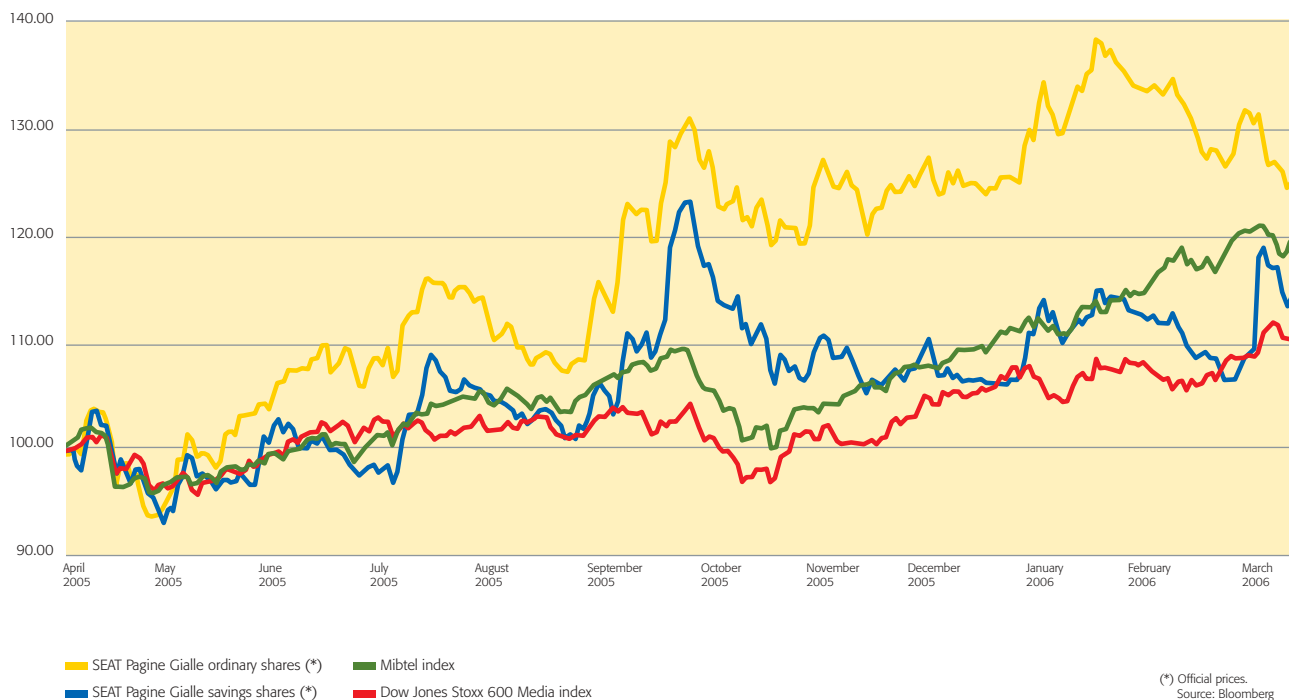
Shares

| | | |
|--|----------|----------------|
| Share capital (<i>at March 31, 2007</i>) | euro | 250,182,014.46 |
| Number of ordinary shares (<i>par value € 0.03</i>) | No. | 8,203,325,696 |
| Number of savings shares (<i>par value € 0.03</i>) | No. | 136,074,786 |
| Market capitalisation (<i>on average official market prices for March 2007</i>) | euro/mln | 3,876 |
| Market ratio of SEAT Pagine Gialle shares (SPG ordinary shares) at March 31, 2007 | | |
| - on Mibtel index | | 0.459% |
| - on Dow Jones Stoxx 600 Media index | | 1.140% |

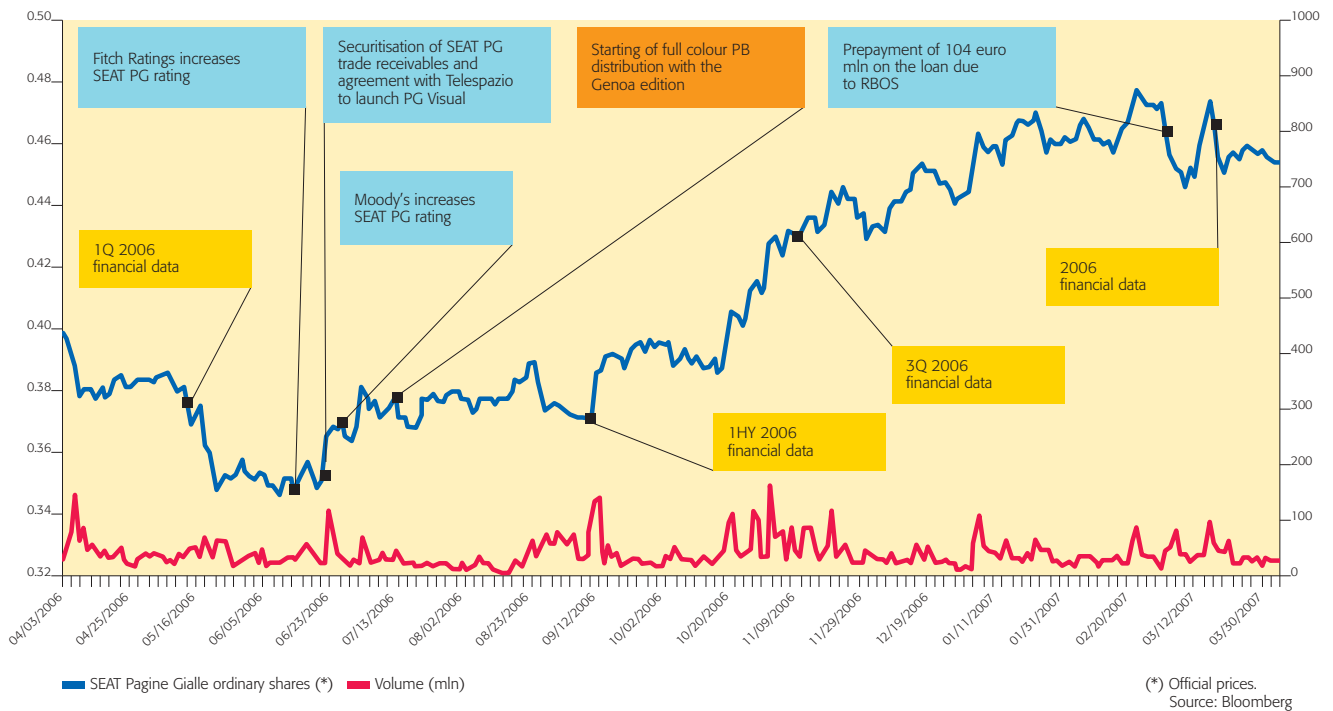
Performance of SEAT Pagine Gialle S.p.A. shares vs. Mibtel and Dow Jones Stoxx 600 Media indexes at March 31, 2007



Performance of SEAT Pagine Gialle S.p.A. shares vs. Mibtel and Dow Jones Stoxx 600 Media indexes at March 31, 2006



Stock performance of SEAT Pagine Gialle and related volume trading at March 31, 2007



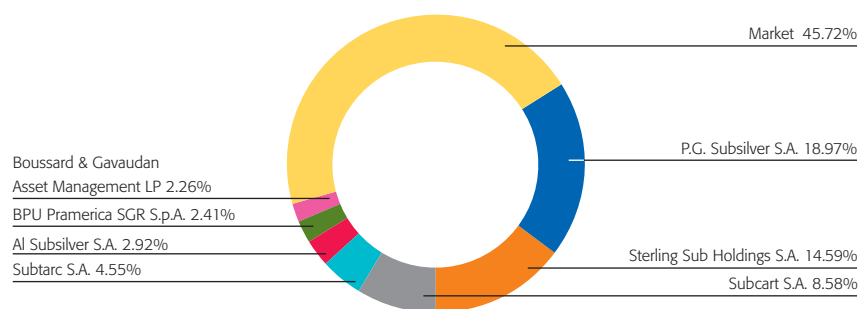
Shareholders

The following table lists the Shareholders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital at March 31, 2007.

| Shareholders at March 31, 2007 | No. of ordinary shares | % of ordinary share capital |
|---|------------------------|-----------------------------|
| P. G. Subsilver S.A. | 1,555,920,894 | 18.97 ⁽¹⁾ |
| Sterling Sub Holdings S.A. | 1,196,849,420 | 14.59 ⁽¹⁾ |
| Subcart S.A. | 703,586,244 | 8.58 ⁽¹⁾ |
| Subtarc S.A. | 373,595,387 | 4.55 ⁽¹⁾ |
| AI Subsilver S.A. | 239,369,605 | 2.92 ⁽¹⁾ |
| BPU Pramerica SGR S.p.A. | 197,468,906 | 2.41 |
| Boussard & Gavaudan Asset Management LP | 184,920,637 | 2.26 |

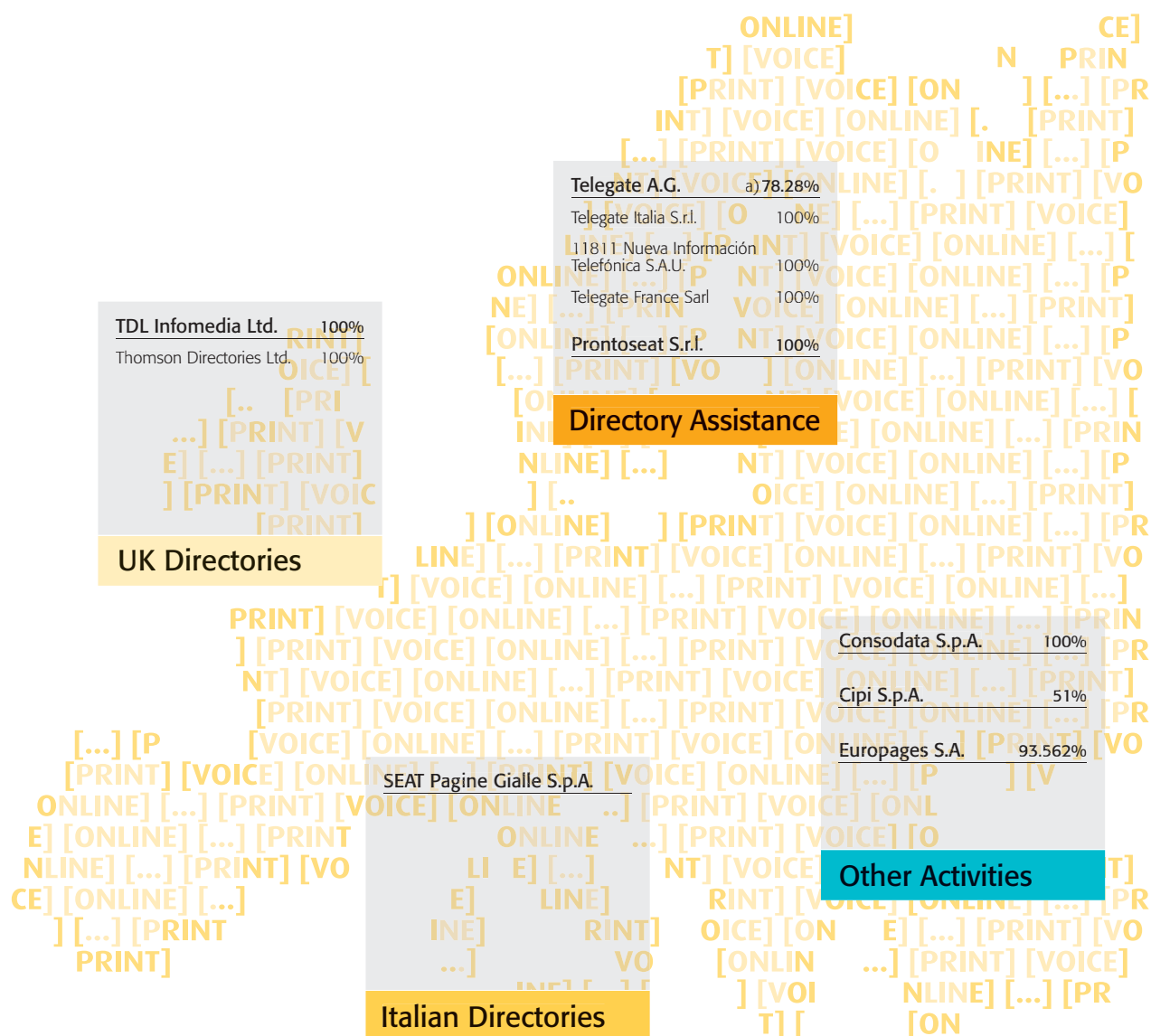
(1) Shares pledged on a first priority basis in favor of The Royal Bank of Scotland Plc Milan Branch, The Royal Bank of Scotland Plc, Lehman Brothers Special Financing Inc., Citibank N.A. London Branch, BNP Paribas S.A. and on a second priority basis in favor of The Royal Bank of Scotland Plc Milan Branch and of Citivic Nominees Limited - London, this last pledge issued on April 22, 2004. Voting right belongs to the respective shareholders.

SEAT Pagine Gialle S.p.A. Shareholders at March 31, 2007



➤ Organisational structure of the Group

(information updated on May 10, 2007)



Legenda

a) 16.43% directly owned and 61.85% through Telegate Holding GmbH.

| | |
|------------------------------------|----|
| Highlights and general information | 4 |
| → Report on operations | 13 |

| | |
|--|----|
| → Eco-fin performance of the Group | 13 |
| Eco-fin performance of SEAT Pagine Gialle S.p.A. | 24 |
| Main events of the first quarter of 2007 | 28 |
| Main events subsequent to March 31, 2007 | 29 |
| Outlook | 30 |
| Related party transactions | 31 |
| Eco-fin performance of the Business Areas | 33 |

➤ Economic and financial performance of the Group

The report at March 31, 2007 of the SEAT Pagine Gialle group has been prepared in compliance with the provisions of the Annex 3D of the Issuers' Regulation (Consob Regulation, No. 11971 of May 14, 1999 as amended), as allowed by Article 82, and it is not subject to audit.

The economic and financial results of the SEAT Pagine Gialle group for the first quarter of 2007 as well as those of the previous periods used for comparison have been prepared in compliance with the International Accounting Standards issued by the International Accounting Standards Board as adopted by the European Union ("IFRS").

Reclassified statement of operations of the Group for the first quarter of 2007

Revenues from sales and services amounted to € 175.9 million in the first quarter of 2007, down by 11.2% compared to the same period of the previous year (€ 198.0 million), due to the shift in publication to later months of the Torino directory in SEAT Pagine Gialle S.p.A. and two Thomson directories. On a like for like basis, at the same number of published directories and at the same exchange rates, revenues increased by 3.9%.

Gross of eliminations among the Business Areas, revenues from sales and services were as follows:

- revenues from the "Italian Directories" (SEAT Pagine Gialle S.p.A.) Business Area amounted to € 112.7 million in the first quarter of 2007, down by 12.2% compared to the same period of 2006, since the publication of the print editions of the Torino PAGINEGIALLE® and PAGINEBIANCHE® was shifted to April (€ 27.4 million in the first quarter of 2006). At the same number of published directories, SEAT Pagine Gialle S.p.A.'s revenues increased by 11.5% compared to the first quarter of 2006 (6.5%), benefiting from the increase in revenues from online (PAGINEGIALLE.it® € 23.7 million, +22.7%) and voice services (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® € 29.1 million, +44.6%), which offset the downturn in print products (-1.1% at the same number of published directories). The negative performance of print products, in particular PAGINEGIALLE®, in the first quarter of 2007 was due, in part, to the fact that they did not yet benefit either from the product innovations or the reorganisation of the sales areas and the new sales methods introduced jointly with the product innovations starting with the Turin 2007 edition. In contrast, PAGINEBIANCHE® reported a 2.5% increase in revenues at the same number of published directories, as compared to the 2.2% decrease in the first quarter of 2006, benefiting from the publication of full-color directories;

- revenues from the "UK Directories" (Thomson Directories group) Business Area amounted to € 19.4 million in the first quarter of 2007, down by 6.7% compared to the first quarter of 2006 due to the shift in publication of two directories to later months. At the same number of published directories and at the same exchange rates, revenues were substantially in line with the first quarter of 2006;
- revenues from the "Directory Assistance" (Telegate group and Prontoseat S.r.l.) Business Area amounted to € 46.8 million in the first quarter of 2007, a 5.3% decrease compared to the first quarter of 2006. This decrease was mainly attributable to the performance of the Telegate group (-6.8% to € 44.0 million). In particular, in the French market, the liberalisation process led to a sharp decrease in revenues from the services provided in outsourcing for SFR and Bouygues Telecom. In contrast, good results were achieved on the Italian market, boosted by new outsourcing contracts for the 12.40 Pronto PAGINEBIANCHE® service. Prontoseat S.r.l. recorded a good performance (+26.1% to € 2.9 million), sustained by high traffic volume produced by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services;
- revenues from the "Other activities" (Consodata S.p.A., Europages S.A. and Cipi S.p.A.) Business Area amounted to € 9.3 million in the first quarter of 2007 and were basically in line with the first quarter of 2006 (€ 9.6 million).

Materials and external services, net of repayments of cost, amounted to € 91.2 million in the first quarter of 2007, down by € 31.6 million compared to the same period of the previous year. This decrease included € 6.6 million due to the different publishing schedule for several print directories of SEAT Pagine Gialle S.p.A. and Thomson group, as mentioned above, and € 18.1 million due to advertising costs which in 2006 were particularly high to support the launch of the directory assistance services in Italy and France following the liberalisation of these markets.

Salaries, wages and employee benefits, net of repayments of cost, amounted to € 59.0 million in the first quarter of 2007, a 6.7% increase compared to the first quarter of 2006. The Group workforce - including directors, project workers and trainees - was 6,875 at March 31, 2007 (6,169 at March 31, 2006). The average workforce (FTE for non-Italian companies) was 5,273 during the period (4,915 in the first quarter of 2006). The increase in salaries, wages and employee benefits was largely attributable to the strengthening of the Telegate call centers in Italy and Spain.

Other valuation adjustments and provisions to reserves for risks and charges, net amounted to € 13.9 million in the first quarter of 2007, up by € 4.6 million compared to the first quarter of 2006. This increase was mainly due to provisions to the allowance for doubtful accounts to replace increased usage, maintaining the percentage of risk coverage of receivables mostly unchanged from 2006.

Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) amounted to € 11.6 million in the first quarter of 2007 (€ 10.0 million in the same period of the previous year, though influenced by a different publishing schedule). At the same number of published directories, EBITDA in the first quarter of 2007 increased by € 23.7 million compared to the first quarter of 2006, which included € 18.1 million of higher advertising costs compared to the first quarter of 2007 to support the launch of new subscriber information services in Italy and directory assistance services in France in the beginning stages of liberalisation in these markets.

Operating amortisation, depreciation and write-downs amounted to € 9.8 million in the first quarter of 2007, increasing by € 2.5 million compared to the first quarter of 2006 due to the high level of investments made in recent years.

Non-operating amortisation and write-downs amounted to € 40.5 million in the first quarter of 2007 and refer to the Customer DataBase. The amount was unchanged compared to the first quarter of 2006.

Non-recurring and restructuring costs, net amounted to € 1.0 million in the first quarter of 2007 (€ 0.9 million in the first quarter of 2006), mainly due to costs for stock options.

Operating result (EBIT) was negative for € 39.7 million in the first quarter of 2007 (negative for € 38.8 million in the first quarter of 2006) and substantially shows the same performance as EBITDA, described above.

Interest expenses, net amounted to € 59.5 million in the first quarter of 2007 (€ 61.3 million in the first quarter of 2006) and included financial expenses of € 64.1 million (€ 66.7 million in the same period of 2006) and financial income of € 4.6 million (€ 5.4 million in the same period of 2006).

Financial expenses decreased by € 2.6 million compared to the first quarter of 2006, despite the increase in the Euribor rate, since the Company benefited from a decrease in interest rates as well as from a reduced average level of debt. The reduced interest rates applied from February 2007 were due to the contractual clause which provided for the reduction of the "margin" component of the cost of the "Senior" debt at the achievement at the end of December 2006 of a target ratio between the amount of debt and EBITDA. The overall average cost of the financial debt of SEAT Pagine Gialle S.p.A. was 6.25% in the first quarter of 2007 (5.9% in the first quarter of 2006).

In detail, interest expenses include:

- € 31.2 million (€ 33.2 million in the first quarter of 2006) for interest expenses on the "Senior Credit Agreement" between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch;

- € 27.5 million for interest expenses on the "Subordinated" loan with the associate Lighthouse International Company S.A. (same amount as in the first quarter of 2006);
- € 5.1 million (€ 2.5 million in the first quarter of 2006) for other financial interest and charges, including € 2.6 million for the revolving securitisation of trade receivables program started in June 2006.

Financial income amounted to € 4.6 million (€ 5.4 million in the first quarter of 2006), including € 2.3 million for interest income from short-term cash deposits with banks (€ 0.8 million in the first quarter of 2006) and € 1.5 million for gains on discounting non-current assets and liabilities (€ 1.3 million in the first quarter of 2006). The increase in interest income from short-term cash deposits with banks reflected both the increase in market rates and higher average deposits.

Gains (losses) on investments accounted for at equity was negative for € 3.3 million, attributable to foreign exchange losses recognised in the statement of operations due to the deconsolidation as of January 1, 2007 of Consodata Group Ltd, since the liquidation process was basically concluded. These losses at December 2006 were suspended in the shareholders' equity "Reserve for exchange rate adjustments".

Income taxes for the period were positive for € 26.5 million (negative for € 2.8 million in the first quarter of 2006).

Minority interests for the period amounted to a profit of € 1.1 million (a loss of € 1.0 million in the first quarter of 2006) and mainly due to the Minority of the Telegate group.

The **loss for the period** amounted to € 77.2 million (a loss of € 102.0 million in the first quarter of 2006).

| | | | |
|------------------------------------|-----------|--|-----------|
| | | → Eco-fin performance of the Group | 13 |
| | | Eco-fin performance of SEAT Pagine Gialle S.p.A. | 24 |
| | | Main events of the first quarter of 2007 | 28 |
| | | Main events subsequent to March 31, 2007 | 29 |
| | | Outlook | 30 |
| | 4 | Related party transactions | 31 |
| → Report on operations | 13 | Eco-fin performance of the Business Areas | 33 |
| Highlights and general information | | | |

Reclassified balance sheet of the Group at March 31, 2007

Foreword

The "Senior Credit Agreement" with The Royal Bank of Scotland Plc Milan Branch required SEAT Pagine Gialle S.p.A. to issue the following main guarantees, that are standard for similar transactions:

- a pledge on its main trademarks;
- a pledge on the shares of its major subsidiaries;
- a special privilege on the tangible assets of SEAT Pagine Gialle S.p.A. with a net book value above or equal to € 25,000.

Net invested capital

Net invested capital amounted to € 4,247.9 million at March 31, 2007 and decreased by € 130.0 million compared to December 31, 2006, of which € 116.7 million was attributable to operating working capital.

Investments amounted to € 9.4 million in the first quarter of 2007 (€ 4.6 million in the first quarter of 2006) and were detailed as follows

| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Change | Year 2006 |
|--|---------------------------------|---------------------------------|--------------|---------------|
| Capital expenditure | 9,213 | 4,601 | 4,612 | 48,323 |
| Goodwill and other non-operating investments | 191 | 3 | 188 | 573 |
| Total investments | 9,404 | 4,604 | 4,800 | 48,896 |

For the first quarter of 2007, the following should be noted: *i*) the development of the SAP platform "from order to cash" for the integration of marketing, administrative and sales force back-office processes, and *ii*) the strengthening of the multimedia publishing system - SEM - released in September 2006 through optimisation of services and expansion of the scope of work flow application functionality management, with the aim to improve and support the new labor organisation of the operations department.

Operating working capital amounted to € 181.9 million at March 31, 2007 (€ 298.7 million at December 31, 2006), down by € 116.7 million in the first quarter of 2007. In detail:

- *trade account receivables* decreased by € 66.6 million compared to December 31, 2006, including € 45.0 million attributable to SEAT Pagine Gialle S.p.A. and € 10.9 million to Thomson group;
- *trade account payables* decreased by € 59.6 million compared to December 31, 2006, attributable to the consumption performance in the first quarter of 2007;
- *payables for services to be rendered and other current liabilities* increased by € 127.7 million compared to December 31, 2006, due to the directory publication cycles.

Non-operating working capital was negative for € 4.7 million at March 31, 2007, decreasing by € 2.0 million compared to December 31, 2006 (€ 6.7 million), mainly due to the utilisation of the corporate restructuring provisions.

Net financial debt

Net financial debt amounted to € 3,342.9 million at March 31, 2007 (€ 3,405.8 million at December 31, 2006) and decreased by € 62.9 million in the first quarter of 2007, thanks to the cash flow generated by the operations.

It differs from the net financial debt - "book value", described below, since it is reported "gross" of:

- transaction costs for the acquisition and refinancing of the medium and long-term "Senior" loans with The Royal Bank of Scotland Plc Milan Branch and the "Subordinated" loan with Lighthouse International Company S.A., and the launch of the trade receivables securitisation program. These costs amounted to € 97.2 million at March 31, 2007, net of accumulated amortisation;
- net assets referred to the market values of the hedging instruments entered into to hedge interest rate risks, which amounted to € 3.1 million at March 31, 2007.

This item included:

- € 3,364.4 million for non-current financial debts (€ 3,384.2 million at December 31, 2006);
- € 158.3 million for current financial debts (€ 229.2 million at December 31, 2006);
- € 1.7 million for non-current financial assets (€ 1.4 million at December 31, 2006);
- € 278.4 million for current financial assets, cash and cash equivalents (€ 309.5 million at December 31, 2006).

In February 2007, SEAT Pagine Gialle S.p.A. made a early repayment of € 104.2 million related to tranches A and B of the "Senior" debt with The Royal Bank of Scotland Plc Milan Branch.

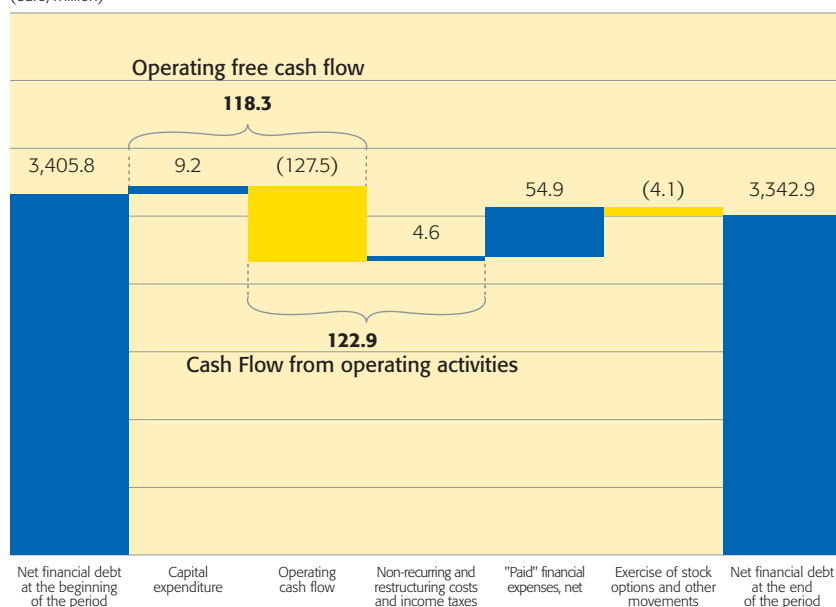
As per contract, € 79.2 million of the amount repaid was due in June 2007, while the remaining part was due in June 2013. This voluntary repayment is one of the contractual options the Company has to use liquidity exceeding operational requirements.

In the first quarter of 2007, in fulfillment of the commitment assumed in December 2006 for the acquisition of the "ex Officine Savigliano" real estate complex in Turin, SEAT paid to SNOS S.p.A. an advance of € 25.0 million plus a further € 10.0 million in April 2007.

These payments are recognised as a current financial credit towards the selling company in view of the upcoming settlement of the acquisition, which should be funded through a finance lease.

The following chart summarises the main items that impacted the trend of net financial debt in the first quarter of 2007.

(euro/million)



The financing agreement with The Royal Bank of Scotland Plc Milan Branch requires SEAT Pagine Gialle S.p.A. to comply with specific *covenants*, which are checked on a quarterly basis. These *covenants* refer to the observance of specific ratios between: *i*) net debt and EBITDA; *ii*) EBITDA and interest on debt; *iii*) cash flow and debt service (including interest and principal installments payable in each reference period). The result of the test carried out on these *covenants* at March 31, 2007 (reference date) was positive.

Operating free cash flow of the Group for the first quarter of 2007

Operating free cash flow amounted to € 118.3 million in the first quarter of 2007, a € 11.3 million increase compared to the first quarter of 2006.

This result was mainly due to the reduction of the operating working capital, decreased by € 116.7 million in the first quarter of 2007 (decreased by € 103.4 million in the first quarter of 2006).

The cash generated from operating working capital led to an increase in the free cash flow for the first quarter of 2007, despite a € 4.6 million increase in industrial investments.

→ Reclassified statement of operations of the Group

| (euro/thousand) | 1 st quarter | 1 st quarter | Change | | Year |
|--|-------------------------|-------------------------|-----------------|---------------|------------------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 175,907 | 197,991 | (22,084) | (11.2) | 1,460,183 |
| Materials and external services (*) | (91,228) | (122,823) | 31,595 | 25.7 | (568,838) |
| Salaries, wages and employee benefits (*) | (59,001) | (55,322) | (3,679) | (6.7) | (231,844) |
| Gross operating profit | 25,678 | 19,846 | 5,832 | 29.4 | 659,501 |
| <i>% on revenues</i> | <i>14.6%</i> | <i>10.0%</i> | | | <i>45.2%</i> |
| Other valuation adjustments and provisions to reserves for risks and charges, net | (13,854) | (9,261) | (4,593) | (49.6) | (47,180) |
| Other income (expenses), net | (181) | (617) | 436 | 70.7 | (897) |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 11,643 | 9,968 | 1,675 | 16.8 | 611,424 |
| <i>% on revenues</i> | <i>6.6%</i> | <i>5.0%</i> | | | <i>41.9%</i> |
| Operating amortisation, depreciation and write-downs | (9,821) | (7,333) | (2,488) | (33.9) | (33,269) |
| Non-operating amortisation and write-downs | (40,517) | (40,517) | - | - | (162,067) |
| Non-recurring and restructuring costs, net | (1,024) | (879) | (145) | (16.5) | (13,970) |
| Operating result (EBIT) | (39,719) | (38,761) | (958) | (2.5) | 402,118 |
| <i>% on revenues</i> | <i>(22.6%)</i> | <i>(19.6%)</i> | | | <i>27.5%</i> |
| Interest expenses, net | (59,522) | (61,332) | 1,810 | 3.0 | (246,209) |
| Gains (losses) on investments accounted for at equity | (3,281) | (41) | (3,240) | n.s. | (5) |
| Income (loss) before income taxes, discontinued operations and Minority interests | (102,522) | (100,134) | (2,388) | (2.4) | 155,904 |
| Income taxes | 26,474 | (2,840) | 29,314 | n.s. | (74,116) |
| Income (loss) before Minority interests | (76,048) | (102,974) | 26,926 | 26.1 | 81,788 |
| Minority interests | (1,148) | 954 | (2,102) | n.s. | (1,652) |
| Income (loss) for the period | (77,196) | (102,020) | 24,824 | 24.3 | 80,136 |

(*) Less repayments of cost.

→ Reclassified balance sheet of the Group

| (euro/thousand) | At 03.31.2007 | At 12.31.2006 | Change | At 03.31.2006 (*) |
|--|------------------|------------------|------------------|----------------------|
| Goodwill and customer database | 3,954,434 | 3,997,672 | (43,238) | 4,111,010 |
| Other non-current assets (**) | 193,855 | 166,820 | 27,035 | 185,741 |
| Non-operating non-current liabilities | (379) | (434) | 55 | (2,723) |
| Operating non-current liabilities | (77,252) | (78,148) | 896 | (72,602) |
| Operating working capital | 181,945 | 298,690 | (116,745) | 182,242 |
| - Operating current assets | 701,273 | 748,544 | (47,271) | 711,323 |
| - Operating current liabilities | (519,328) | (449,854) | (69,474) | (529,081) |
| Non-operating working capital | (4,668) | (6,713) | 2,045 | (22,701) |
| - Non-operating current assets | 2,783 | 3,510 | (727) | 4,239 |
| - Non-operating current liabilities | (7,451) | (10,223) | 2,772 | (26,940) |
| Net invested capital | 4,247,935 | 4,377,887 | (129,952) | 4,380,967 |
| Equity of the Group | 986,107 | 1,057,184 | (71,077) | 896,076 |
| Minority interests | 19,249 | 18,246 | 1,003 | 18,665 |
| Shareholders' equity (A) | 1,005,356 | 1,075,430 | (70,074) | 914,741 |
| Net financial debt | 3,342,883 | 3,405,782 | (62,899) | 3,581,041 |
| Transaction costs on loans not yet amortised | (97,186) | (102,326) | 5,140 | (117,348) |
| Net market value of hedging instruments on interest rate risks | (3,118) | (999) | (2,119) | 2,533 |
| Net financial debt - "book value" (B) | 3,242,579 | 3,302,457 | (59,878) | 3,466,226 |
| of which: | | | | |
| - Non-current financial debts | 3,364,373 | 3,384,189 | (19,816) | 3,516,817 |
| - Current financial debts | 158,346 | 229,210 | (70,864) | 135,952 |
| - Non-current financial assets | (1,702) | (1,424) | (278) | (1,150) |
| - Current financial assets, cash and cash equivalents | (278,438) | (309,518) | 31,080 | (185,393) |
| Total (A+B) | 4,247,935 | 4,377,887 | (129,952) | 4,380,967 |

(*) The items referred to March 31, 2006 have been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the defined benefit pension plans, in compliance with the retrospective application of the IAS 19 paragraph 93A.

(**) This item includes financial assets available for sale.

→ Cash flow statement of the Group

| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Change | Year 2006 |
|---|---------------------------------|---------------------------------|-----------------|------------------|
| Cash inflow from operating activities | | | | |
| Income (loss) for the period before Minority interests | (76,048) | (102,974) | 26,926 | 81,788 |
| Amortisation, depreciation and write-downs | 50,338 | 47,850 | 2,488 | 195,336 |
| Interest expenses, net (*) | 59,518 | 60,962 | (1,444) | 245,272 |
| Costs for stock options | 404 | 1,362 | (958) | 4,768 |
| Income taxes | (26,474) | 2,840 | (29,314) | 74,116 |
| (Gains) losses on disposal of non-current assets | 7 | 59 | (52) | (37) |
| (Write-up) write-down of assets | 3,281 | - | 3,281 | (34) |
| Change in working capital | 112,863 | 99,635 | 13,228 | (58,705) |
| Change in non-current liabilities | (951) | (2,362) | 1,411 | (2,968) |
| Exchange rate adjustments, change in the scope of consolidation and other movements | (71) | - | (71) | (1,268) |
| Cash inflow from operating activities | (A) 122,867 | 107,372 | 15,495 | 538,268 |
| Cash outflow for investments | | | | |
| Purchase of intangible assets with indefinite useful life | - | - | - | (416) |
| Purchase of intangible assets with finite useful life | (8,016) | (2,650) | (5,366) | (34,785) |
| Purchase of property, plant and equipment | (1,197) | (1,951) | 754 | (13,538) |
| Other investments | (191) | (3) | (188) | (157) |
| Proceeds from disposal of non-current assets | 341 | 239 | 102 | 968 |
| Change in the scope of consolidation | - | - | - | (8,468) |
| Exchange rate adjustments and other movements | 2,821 | 3,867 | (1,046) | (4,846) |
| Cash outflow for investments | (B) (6,242) | (498) | (5,744) | (61,242) |
| Cash outflow for financing | | | | |
| Proceeds of non-current loans | - | - | - | 256,000 |
| Repayment of non-current loans | (104,150) | (100,500) | (3,650) | (431,522) |
| Paid interest expenses, net | (54,861) | (56,866) | 2,005 | (223,285) |
| Payment of transaction costs on loans | - | - | - | (1,525) |
| Change in other financial assets and debts | (27,358) | 26,119 | (53,477) | 31,057 |
| Increase in share capital from exercised stock options | 3,232 | 5,649 | (2,417) | 20,434 |
| Dividends | (192) | - | (192) | (24,502) |
| Payment of costs relating to dividends distribution | - | - | - | (565) |
| Exchange rate adjustments, change in the scope of consolidation and other movements | (1,733) | (2,243) | 510 | 2,919 |
| Cash outflow for financing | (C) (185,062) | (127,841) | (57,221) | (370,989) |
| Increase (decrease) in cash and cash equivalents in the period | (A+B+C) (68,437) | (20,967) | (47,470) | 106,037 |
| Cash and cash equivalents at the beginning of the period | 308,195 | 202,158 | 106,037 | 202,158 |
| Cash and cash equivalents at the end of the period | 239,758 | 181,191 | 58,567 | 308,195 |

(*) Less discounting gains (losses) on operating assets/liabilities.

→ Operating free cash flow of the Group

| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Change | Year 2006 |
|--|---------------------------------|---------------------------------|---------------|----------------|
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 11,643 | 9,968 | 1,675 | 611,424 |
| Discounting gains (losses) on operating assets and liabilities | (4) | (370) | 366 | (937) |
| Decrease (increase) in operating working capital | 116,745 | 103,356 | 13,389 | (11,924) |
| (Decrease) increase in operating non-current liabilities | (896) | (1,394) | 498 | (1,829) |
| Capital expenditure | (9,213) | (4,601) | (4,612) | (48,323) |
| (Gains) losses on disposal of non-current assets | 7 | 18 | (11) | (76) |
| Operating free cash flow | 118,282 | 106,977 | 11,305 | 548,335 |

➤ Economic and financial performance of SEAT Pagine Gialle S.p.A.

For the notes please refer to the section "Business Areas - Italian Directories".

Reclassified statement of operations of SEAT Pagine Gialle S.p.A.

| (euro/thousand) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|-----------------|---------------|------------------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 112,681 | 128,374 | (15,693) | (12.2) | 1,077,495 |
| Materials and external services (*) | (69,388) | (78,724) | 9,336 | 11.9 | (410,469) |
| Salaries, wages and employee benefits (*) | (20,458) | (19,389) | (1,069) | (5.5) | (81,193) |
| Gross operating profit | 22,835 | 30,261 | (7,426) | (24.5) | 585,833 |
| <i>% on revenues</i> | <i>20.3%</i> | <i>23.6%</i> | | | <i>54.4%</i> |
| Other valuation adjustments and provisions to reserves for risks and charges, net | (12,721) | (7,488) | (5,233) | (69.9) | (40,823) |
| Other income (expenses), net | (286) | (409) | 123 | 30.1 | (2,586) |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 9,828 | 22,364 | (12,536) | (56.1) | 542,424 |
| <i>% on revenues</i> | <i>8.7%</i> | <i>17.4%</i> | | | <i>50.3%</i> |
| Operating amortisation, depreciation and write-downs | (6,133) | (4,169) | (1,964) | (47.1) | (19,655) |
| Non-operating amortisation and write-downs | (40,517) | (40,517) | - | - | (162,067) |
| Non-recurring and restructuring costs, net | (841) | (1,156) | 315 | 27.2 | (12,711) |
| Operating result (EBIT) | (37,663) | (23,478) | (14,185) | (60.4) | 347,991 |
| <i>% on revenues</i> | <i>(33.4%)</i> | <i>(18.3%)</i> | | | <i>32.3%</i> |
| Interest expenses, net | (53,832) | (57,114) | 3,282 | 5.7 | (206,025) |
| Gains (losses) on disposal/valuation of investments | 215 | - | 215 | n.s. | (39) |
| Income (loss) before income taxes | (91,280) | (80,592) | (10,688) | (13.3) | 141,927 |
| Income taxes | 25,247 | (5,622) | 30,869 | n.s. | (58,532) |
| Income (loss) for the period | (66,033) | (86,214) | 20,181 | 23.4 | 83,395 |

(*) Less repayments of cost.

Reclassified balance sheet of SEAT Pagine Gialle S.p.A.

| (euro/thousand) | At 03.31.2007 | At 12.31.2006 | Change | At 03.31.2006 (*) |
|---|------------------|------------------|------------------|----------------------|
| Goodwill and customer database | 3,565,315 | 3,605,832 | (40,517) | 3,727,383 |
| Other non-current assets (**) | 511,113 | 486,537 | 24,576 | 499,897 |
| Non-operating non-current liabilities | (46,787) | (47,315) | 528 | (48,809) |
| Operating working capital | 184,042 | 285,279 | (101,237) | 199,229 |
| - Operating current assets | 621,239 | 648,145 | (26,906) | 626,198 |
| - Operating current liabilities | (437,197) | (362,866) | (74,331) | (426,969) |
| Non-operating working capital | 4,823 | (2,684) | 7,507 | (17,500) |
| - Non-operating current assets | 7,986 | 3,649 | 4,337 | 5,466 |
| - Non-operating current liabilities | (3,163) | (6,333) | 3,170 | (22,966) |
| Net invested capital | 4,218,506 | 4,327,649 | (109,143) | 4,360,200 |
| Shareholders' equity (A) | 1,000,099 | 1,061,668 | (61,569) | 912,867 |
| Net financial debt | 3,318,711 | 3,369,306 | (50,595) | 3,562,148 |
| Transaction costs on loans and securitisation costs not yet amortised | (97,186) | (102,326) | 5,140 | (117,348) |
| Net market value of hedging instruments on interest rate risks | (3,118) | (999) | (2,119) | 2,533 |
| Net financial debt - "book value" (B) | 3,218,407 | 3,265,981 | (47,574) | 3,447,333 |
| of which: | | | | |
| - Non-current financial debts | 3,254,875 | 3,290,015 | (35,140) | 3,516,752 |
| - Current financial debts | 189,906 | 254,521 | (64,615) | 184,458 |
| - Non-current financial assets | (1,702) | (1,424) | (278) | (108,847) |
| - Current financial assets, cash and cash equivalents | (224,672) | (277,131) | 52,459 | (145,030) |
| Total (A+B) | 4,218,506 | 4,327,649 | (109,143) | 4,360,200 |

(*) The items referred to March 31, 2006 have been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the reserve for severance indemnities, in compliance with the retrospective application of the IAS 19 paragraph 93A.

(**) This item includes financial assets available for sale.

Cash flow statement of SEAT Pagine Gialle S.p.A.

| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Change | Year 2006 |
|---|---------------------------------|---------------------------------|-----------------|------------------|
| Cash inflow from operating activities | | | | |
| Income (loss) for the period | (66,033) | (86,214) | 20,181 | 83,395 |
| Amortisation, depreciation and write-downs | 46,650 | 44,686 | 1,964 | 181,722 |
| Interest expenses, net (*) | 53,615 | 56,599 | (2,984) | 204,585 |
| Costs for stock options | 251 | 1,015 | (764) | 3,271 |
| Income taxes | (25,247) | 5,622 | (30,869) | 58,532 |
| (Gains) losses on disposal of non-current assets | - | - | - | (58) |
| (Write-up) write-down of assets | (215) | - | (215) | - |
| Change in working capital | 94,218 | 78,880 | 15,338 | (36,352) |
| Other changes | (757) | (554) | (203) | 1,028 |
| Cash inflow from operating activities | (A) 102,482 | 100,034 | 2,448 | 496,123 |
| Cash outflow for investments | | | | |
| Purchase of intangible assets with finite useful life | (6,348) | (1,563) | (4,785) | (29,368) |
| Purchase of property, plant and equipment | (43) | (377) | 334 | (5,731) |
| Other investments | (177) | (250) | 73 | (450) |
| Proceeds from disposal of non-current assets | 577 | 259 | 318 | 595 |
| Cash outflow for investments | (B) (5,991) | (1,931) | (4,060) | (34,954) |
| Cash outflow for financing | | | | |
| Repayment of non-current loans | (104,150) | (100,500) | (3,650) | (431,411) |
| Net flow from securitisation program | (14,378) | - | (14,378) | 176,993 |
| Paid interest expenses, net | (50,025) | (51,545) | 1,520 | (197,706) |
| Payment of securitisation costs | - | - | - | (1,525) |
| Change in other financial assets and debts | (18,651) | 30,430 | (49,081) | 7,495 |
| Increase in share capital from exercised stock options | 3,232 | 5,649 | (2,417) | 20,434 |
| Paid dividends | - | - | - | (21,768) |
| Payment of costs relating to dividends distribution | - | - | - | (565) |
| Cash outflow for financing | (C) (183,972) | (115,966) | (68,006) | (448,053) |
| Increase (decrease) in cash and cash equivalents in the period | (A+B+C) (87,481) | (17,863) | (69,618) | 13,116 |
| Cash and cash equivalents at the beginning of the period | 171,519 | 158,403 | 13,116 | 158,403 |
| Cash and cash equivalents at the end of the period | 84,038 | 140,540 | (56,502) | 171,519 |

(*) Less discounting gains (losses) on operating assets/liabilities.

Operating free cash flow of SEAT Pagine Gialle S.p.A.

| (euro/thousand) | 1 st quarter 2007 | 1 st quarter 2006 | Change | Year 2006 |
|--|---------------------------------|---------------------------------|------------|----------------|
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 9,828 | 22,364 | (12,536) | 542,424 |
| Discounting gains (losses) on operating assets and liabilities | (217) | (515) | 298 | (1,440) |
| Decrease (increase) in operating working capital | 101,237 | 84,359 | 16,878 | (1,691) |
| (Decrease) increase in operating non-current liabilities | (528) | (509) | (19) | 1,073 |
| Capital expenditure | (6,391) | (1,940) | (4,451) | (35,099) |
| (Gains) losses on disposal of non-current assets | - | - | - | (97) |
| Operating free cash flow | 103,929 | 103,759 | 170 | 505,170 |

➤ Main events of the first quarter of 2007

Corporate reorganisation plan

In the first quarter of 2007, SEAT Pagine Gialle signed with the Trade Unions an agreement on a corporate reorganisation plan to manage up to 130 redundancies at the Turin, Milan and Rome offices from February 2007 to January 2009.

The company then submitted to the Provincial Labor Office of Turin, Milan and Rome an application of recognition of Corporate Reorganisation status, followed by use of the Extraordinary Unemployment Compensation fund (CIGS) for early retirement.

The provincial labor authorities are inspecting the several offices and the company is awaiting the Ministerial Decree for the first quarter of 2007. The Company is evaluating the charges that it will incur in the implementation of this plan, which also depend on the number of employees that will be part of the program.

| | | |
|------------------------------------|---|-----------|
| | Eco-fin performance of the Group | 13 |
| | Eco-fin performance of SEAT Pagine Gialle S.p.A. | 24 |
| | → Main events of the first quarter of 2007 | 28 |
| | → Main events subsequent to March 31, 2007 | 29 |
| | Outlook | 30 |
| Highlights and general information | 4 | 31 |
| → Report on operations | 13 | 33 |
| | Related party transactions | 31 |
| | Eco-fin performance of the Business Areas | 33 |

➤ Main events subsequent to March 31, 2007

Possible acquisition of the 1288 and 1248 numbers

In November 2006, SEAT Pagine Gialle S.p.A. entered into an agreement with the Spanish group TPI (now controlled by Yell) for the acquisition of: *i*) full ownership of 1288 Servizio di Consultazione Telefonica S.r.l., a directory assistance company operating in the Italian directory market with the 1288 number, and *ii*) the right to use the 1248 number, granted to the vendor 11888 Servizio Consulta Telefonica S.A..

The transaction was conditioned on approval by the Competition Authority, which, on April 4, 2007, following an inquiry, decided to deny its authorisation due, in part, to the larger market share SEAT Pagine Gialle could have following this relevant acquisition.

Payout of an ordinary dividend

On April 19, 2007, the Ordinary Shareholders' Meeting, held in second convocation, resolved to approve the Financial Statements of the parent company SEAT Pagine Gialle S.p.A. for the year ended December 31, 2006 and to payout € 0.0070 in dividends per ordinary share and € 0.0076 per savings share, for a total amount of € 58.5 million. The dividend will be paid as of May 24, 2007, with ex-dividend date fixed on May 21, 2007.

Further early repayment of the "Senior" debt

It should be noted that in April 2007 SEAT Pagine Gialle S.p.A. made a further early repayment of € 25 million related to the tranche B of the "Senior" debt with The Royal Bank of Scotland Plc Milan Branch. As per contract, the amount repaid was due in June 2013.

Amendments to the Company By-laws

In an Extraordinary Session held on April 19, 2007 on second call, the Shareholders' Meeting approved the amendments to the By-laws mostly aimed at complying with the Italian Law on saving protection (Law No. 262 of December 28, 2005) as amended by the Legislative Decree No. 303 of December 29, 2006. Specifically, the amendments related to the statutory provisions on list-based voting for the appointment of Directors and Members of the Board of Statutory Auditors. The minimum stake necessary to present a list shall be equal to that envisaged for the Company by the new regulation, or, in any case, it shall be no more than 2% of the share capital with voting rights in ordinary Shareholders' meetings. Moreover, the procedures for the appointment and the professional skills required of the manager charged with the responsibility for company accounting statements were defined. Pursuant to legal requirements, the Board of Directors will have the right to further amend the By-laws, as per Art. 19 of the By-laws, to comply with Consob regulations currently being issued.

➤ Outlook

In the coming months, the revenue trend in Italy will be supported by the expected acceleration of the online business and the ongoing improvement in the performance of traditional print products. As of the second quarter of 2007, print products will start to benefit from the two restyled PAGINEGIALLE® editions, Casa and Lavoro, which will be introduced as of the publication of the Torino directory (April 2007). Moreover, during the year, the internal reorganisation, the strengthening of the business offer and the retraining of the sales force, implemented over the past two years, are expected to show fully their positive effects.

EBITDA is expected to further improve, both in Italy – thanks to product innovation and the increasingly skilled sales force – and in the other companies of the Group, for Telegate, in particular, as the presence in the French directory assistance market will demand a lower advertising spending than in 2006.

In May, SEAT Pagine Gialle S.p.A. will present to the financial market its 2008-2010 strategic plan that will make the switchover from a company largely based on print directories to a multimedia company with an increasing focus on international markets. Implementation of the plan will allow the Company to bring to bear all the skills developed over the past three years, featuring deep restructuring and product innovation.

➤ Related party transactions

With reference to the provisions of IAS 24 and on the basis of article 2, paragraph h of Consob Rule for Issuers No. 11971/1999 (as subsequently amended), the table below sets out the equity, economic and financial effects of transactions with related parties on the financial statements of the SEAT Pagine Gialle group and of SEAT Pagine Gialle S.p.A. at March 31, 2007.

In the consolidated statements, the economic and financial effects arising from intra-group operations have been eliminated.

All the transactions entered into by companies of the Group with related parties, including intra-group operations, are ordinary operations regulated at market conditions or on the basis of specific laws and regulations. There were no atypical and/or unusual transactions, or transactions that may represent a conflict of interests.

Main economic and financial items of the Group

| (euro/million) | | Descriptions |
|-----------------------------|---------|--|
| External services | 0.1 | they refer to legal and marketing consulting costs. |
| Interest expenses | 27.5 | they refer to interest expenses on the long-term "Subordinated" loan with Lighthouse International Company S.A.. |
| Other current assets | 0.1 | they refer to prepaid expenses of services to be received. |
| Non-current financial debts | 1,260.0 | they refer to € 1,300.0 million for the "Subordinated" loan with Lighthouse International Company S.A., net of € 40.0 million for transaction costs incurred at the inception of the loan and not yet amortised. |
| Current financial debts | 43.4 | they refer to financial debts to Lighthouse International Company S.A. arising from interest expenses on the "Subordinated" loan. |

Main economic and financial items of SEAT Pagine Gialle S.p.A.

| (euro/million) | | Descriptions |
|--|---------|---|
| Revenues from sales and services | 17.9 | this item includes € 17.6 million for revenues on call rebate from Telegate Italia S.r.l. and € 0.2 million for royalties on Europages paid by Europages S.A.. |
| Other income and revenues | 0.6 | this item refers for € 0.3 million to cost refunds referred to the use of SAP licenses from Europages S.A. and for € 0.2 million to cost refunds for rentals from Prontoseat S.r.l.. |
| Materials and external services | 12.2 | this item refers for € 7.0 million to costs for call center services and for € 0.4 million to costs for call center after-sales services paid to Telegate Italia S.r.l.. It also includes: € 2.4 million for direct marketing services paid to Consodata S.p.A.; € 1.0 million for the purchase of goods and products for resale paid to Cipi S.p.A.; € 0.8 million for costs due to outbound sale services and call center services paid to Prontoseat S.r.l.. Moreover, the item includes € 0.1 million for costs due to consultancies provided by Studio Giliberti Pappalettera Tricornia. |
| Salaries, wages and employee benefits | 0.1 | this item refers to costs for seconded personnel towards Consodata S.p.A. and Prontoseat S.r.l.. It also includes fees to directors. |
| Interest income | 6.7 | this item includes € 4.8 million for dividends resolved by subsidiaries (of which € 2.7 million by Europages S.A. and € 2.0 million by Consodata S.p.A.) and € 1.8 million for interest income on the loan to TDL Infomedia Ltd.. |
| Interest expenses | 30.0 | this item refers to € 27.5 million for interest expenses on the long-term "Subordinated" loan to Lighthouse International Company S.A., € 2.2 million for interest expenses on the non-current account payable to Meliadi Finance S.r.l. and € 0.3 million for interest expenses on short-term current account deposits. |
| Income taxes | 0.5 | this item refers to income taxes of subsidiaries which entered into the Italian tax consolidation agreement. |
| Current financial assets | 102.2 | this item includes: € 100.8 million for the revolving financing line granted to TDL Infomedia Ltd; € 1.1 million for current account receivables from subsidiaries and € 0.3 million for financial receivables from Meliadi Finance S.r.l.. |
| Trade account receivables | 19.8 | this item includes receivables for € 19.5 million from Telegate Italia S.r.l. and for € 0.3 million from Europages S.A.. |
| Other current assets | 11.4 | they include € 4.8 million for receivables due to dividends resolved by the subsidiaries, € 3.7 million for advances paid to Cipi S.p.A. and € 1.3 million for receivables from Telegate Italia S.r.l. as a result of the Italian tax consolidation agreement. This item also includes € 1.4 million in receivables for services provided to the subsidiaries. |
| Bank deposits | 0.3 | this item refers to current account receivables from Meliadi Finance S.r.l.. |
| Non-current financial debts | 1,405.4 | this item refers for € 1,260.0 million to the "Subordinated" loan with Lighthouse International Company S.A. and for € 145.4 million to payables to Meliadi Finance S.r.l.. |
| Current financial debts | 77.7 | this item refers to € 43.4 million for debts due to interest expenses not yet paid to Lighthouse International Company S.A., € 22.0 million for payables to Telegate A.G. for liquidity deposits and € 12.2 million for current account debts, of which € 5.1 million due to Consodata S.p.A., € 4.9 million to Europages S.A. and € 2.2 million to Cipi S.p.A.. |
| Trade account payables | 13.1 | this item refers to account payables for services provided by the subsidiaries. In detail, this item includes € 9.0 million of payables to Telegate Italia S.r.l., € 2.3 million to Consodata S.p.A., € 0.9 million to Europages S.A., € 0.8 million to Prontoseat S.r.l. and € 0.1 million to Cipi S.p.A.. |
| Payables for services to be rendered and other current liabilities | 0.3 | this item includes € 0.2 million for payables to Prontoseat S.r.l. as a result of the Italian tax consolidation agreement. |

➤ Economic and financial performance of the Business Areas

| | | Italian Directories | UK Directories | Directory Assistance | Other Activities | Aggregate Total | Eliminations and other adjustments | Consolidated Total |
|--|------------------------------|------------------------|-------------------|-------------------------|---------------------|--------------------|--|-----------------------|
| (euro/million) | | | | | | | | |
| <i>Revenues from sales and services towards third parties</i> | | | | | | | | |
| | 1 st quarter 2007 | 112.4 | 19.4 | 38.3 | 5.8 | 175.9 | - | 175.9 |
| <i>Intercompany revenues from sales and services</i> | | | | | | | | |
| | 1 st quarter 2007 | 0.3 | - | 8.5 | 3.5 | 12.3 | (12.3) | - |
| <i>Revenues from sales and services</i> | | | | | | | | |
| | 1 st quarter 2007 | 112.7 | 19.4 | 46.8 | 9.3 | 188.2 | (12.3) | 175.9 |
| | 1 st quarter 2006 | 128.4 | 20.8 | 49.4 | 9.6 | 208.2 | (10.2) | 198.0 |
| | Year 2006 | 1,077.5 | 173.5 | 188.7 | 77.0 | 1,516.7 | (56.5) | 1,460.2 |
| <i>Materials and external services (*)</i> | | | | | | | | |
| | 1 st quarter 2007 | (69.4) | (9.0) | (18.3) | (6.8) | (103.5) | 12.3 | (91.2) |
| <i>Salaries, wages and employee benefits (*)</i> | | | | | | | | |
| | 1 st quarter 2007 | (20.5) | (16.6) | (17.0) | (5.0) | (59.1) | 0.1 | (59.0) |
| <i>Gross operating profit</i> | | | | | | | | |
| | 1 st quarter 2007 | 22.8 | (6.2) | 11.6 | (2.5) | 25.7 | - | 25.7 |
| | 1 st quarter 2006 | 30.3 | (9.1) | 0.7 | (2.0) | 19.9 | (0.1) | 19.8 |
| | Year 2006 | 585.8 | 44.9 | 16.7 | 12.1 | 659.5 | - | 659.5 |
| <i>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</i> | | | | | | | | |
| | 1 st quarter 2007 | 9.8 | (6.8) | 11.2 | (2.6) | 11.6 | - | 11.6 |
| | 1 st quarter 2006 | 22.4 | (9.7) | (0.6) | (2.1) | 10.0 | - | 10.0 |
| | Year 2006 | 542.4 | 39.3 | 17.7 | 12.0 | 611.4 | - | 611.4 |
| <i>Operating result (EBIT)</i> | | | | | | | | |
| | 1 st quarter 2007 | (37.7) | (7.6) | 8.9 | (3.3) | (39.7) | - | (39.7) |
| | 1 st quarter 2006 | (23.5) | (10.9) | (1.5) | (2.9) | (38.8) | - | (38.8) |
| | Year 2006 | 348.0 | 35.1 | 10.6 | 8.4 | 402.1 | - | 402.1 |
| <i>Total assets</i> | | | | | | | | |
| | March 31, 2007 | 4,932.0 | 316.3 | 150.4 | 311.4 | 5,710.1 | (577.6) | 5,132.5 |
| | March 31, 2006 (**) | 5,112.8 | 302.0 | 167.6 | 51.8 | 5,634.2 | (435.3) | 5,198.9 |
| | December 31, 2006 | 5,022.7 | 324.3 | 144.5 | 322.8 | 5,814.3 | (586.8) | 5,227.5 |
| <i>Total liabilities</i> | | | | | | | | |
| | March 31, 2007 | 3,931.9 | 171.2 | 63.2 | 289.6 | 4,455.9 | (328.8) | 4,127.1 |
| | March 31, 2006 (**) | 4,200.0 | 168.2 | 83.4 | 28.7 | 4,480.3 | (196.2) | 4,284.1 |
| | December 31, 2006 | 3,961.1 | 171.2 | 64.5 | 293.0 | 4,489.8 | (337.7) | 4,152.1 |
| <i>Net invested capital</i> | | | | | | | | |
| | March 31, 2007 | 4,218.5 | 210.8 | 59.4 | 8.1 | 4,496.8 | (248.9) | 4,247.9 |
| | March 31, 2006 (**) | 4,360.2 | 216.9 | 36.5 | 6.5 | 4,620.1 | (239.1) | 4,381.0 |
| | December 31, 2006 | 4,327.6 | 221.6 | 61.6 | 16.1 | 4,626.9 | (249.0) | 4,377.9 |
| <i>Capital expenditure</i> | | | | | | | | |
| | 1 st quarter 2007 | 6.4 | 0.4 | 0.9 | 1.5 | 9.2 | - | 9.2 |
| | 1 st quarter 2006 | 1.9 | 0.3 | 1.8 | 0.6 | 4.6 | - | 4.6 |
| | Year 2006 | 35.1 | 2.8 | 6.0 | 4.4 | 48.3 | - | 48.3 |
| <i>Workforce (average number)</i> | | | | | | | | |
| | 1 st quarter 2007 | 1,379 | 1,011 | 2,501 | 382 | 5,273 | - | 5,273 |
| | 1 st quarter 2006 | 1,309 | 1,048 | 2,185 | 373 | 4,915 | - | 4,915 |
| | Year 2006 | 1,345 | 1,004 | 2,391 | 424 | 5,164 | - | 5,164 |
| <i>Sales agents (average number)</i> | | | | | | | | |
| | 1 st quarter 2007 | 1,605 | - | - | - | 1,605 | - | 1,605 |
| | 1 st quarter 2006 | 1,840 | - | - | - | 1,840 | - | 1,840 |
| | Year 2006 | 1,757 | - | - | - | 1,757 | - | 1,757 |

(*) Less repayments of cost.

(**) The items referred to March 31, 2006 have been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the defined benefit pension plans, in compliance with the retrospective application of the IAS 19 paragraph 93A.

| Main operational data of the Group | 1st quarter 2007 | 1st quarter 2006 | Year 2006 |
|---|-----------------------------|-----------------------------|----------------------|
| Number of published directories | | | |
| PAGINEBIANCHE® | 10 | 11 | 103 |
| PAGINEGIALLE® | 20 | 22 | 202 |
| ThomsonLocal | 16 | 18 | 173 |
| Number of distributed directories (values in million) | | | |
| PAGINEBIANCHE® | 2.4 | 3.1 | 26.5 |
| PAGINEGIALLE® | 2.0 | 2.6 | 21.1 |
| ThomsonLocal | 2.3 | 2.6 | 24.1 |
| Number of page views (values in million) | | | |
| <i>Thirty-minute accesses to website with no interruption</i> | | | |
| PAGINEBIANCHE.it® | 53.4 | 44.4 | 183.2 |
| PAGINEGIALLE.it® | 21.5 | 18.8 | 78.4 |
| TUTTOCITTA'.it® | 11.8 | 10.9 | 45.6 |
| Europages.com | 4.2 | 5.6 | 27.0 |
| Number of users (values in million) | | | |
| PAGINEBIANCHE.it® unique users ⁽¹⁾ | 3.9 | 3.5 | 3.6 |
| PAGINEGIALLE.it® unique users ⁽¹⁾ | 2.6 | 2.6 | 2.7 |
| TUTTOCITTA'.it® unique users ⁽¹⁾ | 1.7 | 1.7 | 1.9 |
| Callers to 89.24.24 Pronto PAGINEGIALLE® | 1.5 | 1.6 | 4.3 |
| Callers to 12.40 Pronto PAGINEBIANCHE® | 2.3 | 1.8 | 6.2 |

(1) Average number of unique users per month. Source: SEAT PG MKTG Internet Department on Nielsen/NetRatings data.

→ Italian Directories

Economic and financial performance

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|---------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 112.7 | 128.4 | (15.7) | (12.2) | 1,077.5 |
| Gross operating profit | 22.8 | 30.3 | (7.4) | (24.5) | 585.8 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 9.8 | 22.4 | (12.5) | (56.1) | 542.4 |
| Operating result (EBIT) | (37.7) | (23.5) | (14.2) | (60.4) | 348.0 |
| Net invested capital (*) | 4,218.5 | 4,360.2 | (141.7) | (3.2) | 4,327.6 |
| Capital expenditure | 6.4 | 1.9 | 4.5 | n.s. | 35.1 |
| Workforce (average number) | 1,379 | 1,309 | 70 | 5.3 | 1,345 |

(*) The item referred to March 31, 2006 has been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the reserve for severance indemnities, in compliance with the retrospective application of the IAS 19 paragraph 93A.

SEAT Pagine Gialle S.p.A.'s **revenues from sales and services** reached € 112.7 million in the first quarter of 2007, down by 12.2% compared to the same period of the previous year, due to the shift in publication of the print editions of Torino PAGINEGIALLE® and PAGINEBIANCHE®. These editions (€ 27.4 million in the first quarter of 2006) will be published in the second quarter of 2007. On a like-for-like basis, at the same number of published directories, revenues increased by 11.5% compared to the first quarter of 2006, with an upward trend compared to the 6.5% increase recorded in the first quarter of 2006, thanks to the good performance of online and voice services.

- *Print*: print revenues amounted to € 52.9 million in the first quarter of 2007 (€ 80.9 million in the first quarter of 2006). At the same number of published directories, the decrease in revenues was € 0.6 million (-1.1%), lower than the 4.2% contraction recorded in the first quarter of 2006. PAGINEGIALLE® results for the first quarter of 2007 were not yet affected by the product innovations introduced in 2006, which are expected to produce their positive effects starting from the second quarter of 2007. Moreover, the first quarter of 2007 did not benefit from the sales area reorganisation and the new sales approach, also introduced in 2006 - at the same time as product innovations - starting from the Turin edition.

At the same number of published directories, PAGINEBIANCHE® revenues increased by 2.5% in the first quarter of 2007, with an upward trend compared to the 2.2% decrease in the first quarter of 2006, benefiting from the publication of full-colour directories and the joint offer for print and online (PAGINEBIANCHE.it®) editions. The number of page views to PAGINEBIANCHE.it® increased by 20.3% to 53.4 million, with a monthly average of 3.9 million unique users.



Due to the directories' sales cycle (advertising sales are performed several months in advance compared to the date of directory publication), it should be noted that sales campaigns for the directories published in the first quarter of 2007 were mostly completed in 2006 in an economic environment that, although improved in the second quarter of 2006, was not yet able to positively affect the consumer and business confidence indicators and therefore SMEs' willingness to invest.

- *Online:* online revenues amounted to € 25.2 million (+21.5% compared to the first quarter of 2006), mainly thanks to PAGINEGIALLE.it®, which increased by 22.7% to € 23.7 million (€ 19.3 million in the first quarter of 2006). The increase in revenues was mainly attributed to the launch of the new PAGINEGIALLE VISUAL® commercial offer, which reported positive performance among all customer segments, with approximately 4.6 thousand of videos sold in the first quarter of 2007. This new offer also positively impacted on the use of the online platform, leading to an increase in the number of searches on PAGINEGIALLE.it® and TuttoCittà.it®: +12.1% with 33.3 million page views in the first quarter of 2007 (29.7 million in the first quarter of 2006). The latter result was also achieved thanks to the agreements signed with the main Italian portals and search engines (such as Alice and Libero) as well as international ones. It should be noted that, with regard to PAGINEGIALLE.it®, about 70% of searches took place directly on the owned brand, up from 68% in the first quarter of 2006, thanks to the continuous offer enhancement. With regard to PAGINEBIANCHE.it®, a 17% increase in searches was recorded, with 87 million of page views in the first quarter of 2007. The online offer has also been enhanced, if compared to the first quarter of 2006, through the launch of two new services: *PagineGialle Annunci* for the purchase of geo-referenced advertising, which allows SEAT to enter into the "online classified" market, and *PagineGialle Prenota* for online hotel booking and ticketing.
- *Voice:* voice revenues continued to grow, with an increase of 44.6% to € 29.1 million in the first quarter of 2007 (€ 20.1 million in the first quarter of 2006) thanks to the growth of the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services. In particular, revenues from the 89.24.24 Pronto PAGINEGIALLE® value-added service amounted to € 20.4 million (+34.9%), benefiting from the strong growth in advertising revenues (+56.2%) and telephone traffic (+17.8%), supported by an increasing average handling time, as a consequence of higher quality and sophistication of the services. The 12.40 Pronto PAGINEBIANCHE® subscriber information service achieved good results in terms of notoriety: call volumes in the first quarter of 2007 were about 58% higher compared to the first quarter of 2006. These results confirm the success of SEAT's strategic choice to enter into the market also with the 12.40 Pronto PAGINEBIANCHE® subscriber information service, which allowed the Company to gain the leadership in the Italian directory assistance market.
- *Other products:* revenues from Direct Marketing products (€ 2.6 million) and promotional items (€ 1.5 million) decreased (-€ 1.3 million in total), suffering from the sales force's greater focus on the main products.



| | | | |
|------------------------------------|----------|---|-----------|
| Highlights and general information | | Eco-fin performance of the Group | 13 |
| → Report on operations | 4 | Eco-fin performance of SEAT Pagine Gialle S.p.A. | 24 |
| | | Main events of the first quarter of 2007 | 28 |
| | | Main events subsequent to March 31, 2007 | 29 |
| | | Outlook | 30 |
| | | Related party transactions | 31 |
| | | 13 → Eco-fin performance of the Business Areas | 33 |

Materials and external services, net of the repayments of cost, amounted to € 69.4 million in the first quarter of 2007, down by 11.9% compared to the first quarter of 2006. At the same number of published directories, the decrease was 3.4% due in particular to the lower advertising costs (-€ 7.4 million). The first quarter of 2006 was characterised by higher advertising costs incurred to support the launch of the 12.40 Pronto PAGINEBIANCHE® subscriber information service, thanks to which, more than one year after the market liberalisation, SEAT has been able to assume a position of leadership. Call center costs increased (+€ 1.7 million compared to the first quarter of 2006) as a result of higher call volumes handled mainly by outbound services.

Salaries, wages and employee benefits, net of repayments of cost for seconded personnel to other companies in the Group, amounted to € 20.5 million in the first quarter of 2007, an increase of 5.5% compared to the first quarter of 2006 (€ 19.4 million), due to a higher average workforce.

The workforce at March 31, 2007, including directors, project workers and trainees, was 1,454 (1,402 at March 31, 2006), whilst the average workforce during the first quarter was 1,379 (1,309 in the first quarter of 2006).

Gross operating profit amounted to € 22.8 million, down by € 7.4 million compared to the first quarter of 2006. At the same number of published directories, it increased by € 13.1 million (133.9%), as 2006 had included - as already mentioned - high investments in advertising to support the 12.40 Pronto PAGINEBIANCHE® service launched at the end of 2005 following the liberalisation of the market.

EBITDA amounted to € 9.8 million in the first quarter of 2007, down by € 12.5 million compared to the first quarter of 2006 but, at the same number of published directories, recorded an increase of € 8.0 million. The trend in EBITDA reflected - when compared to that of the gross operating profit - the higher provisions to allowance for doubtful trade account receivables, accrued in respect of greater utilisation of these, maintaining the percentage of risk coverage of receivables mostly unchanged compared to 2006.

→ UK Directories

Economic and financial performance

During the first quarter of 2007, the Thomson group continued to implement the strategic choices made in the previous year aimed at rationalising and restructuring the sales force by establishing a matrix support structure organised by geographical area and customer type. The partnership with Nectar (the first loyalty program in the UK) became effective, through which Thomson users can accumulate Nectar points by calling the dedicated numbers of advertisers. The aim is to encourage usage and offer additional value to the advertisers in a highly competitive market.

A new system for generating qualified leads for the advertisers was also introduced, through a telephone portal managed by the subsidiary of the TDL Infomedia group, Calls You Control Ltd., which began contributing with additional revenues in the first quarter of 2007, even if only marginal (€ 36 thousand).

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year 2006 |
|---|-------------------------|-------------------------|----------|-------|--------------|
| | 2007 | 2006 | Absolute | % | |
| Revenues from sales and services | 19.4 | 20.8 | (1.4) | (6.7) | 173.5 |
| Gross operating profit | (6.2) | (9.1) | 2.9 | 31.9 | 44.9 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | (6.8) | (9.7) | 2.9 | 29.9 | 39.3 |
| Operating result (EBIT) | (7.6) | (10.9) | 3.3 | 30.3 | 35.1 |
| Net invested capital (*) | 210.8 | 216.9 | (6.1) | (2.8) | 221.6 |
| Capital expenditure | 0.4 | 0.3 | 0.1 | 33.3 | 2.8 |
| Workforce (average number) | 1,011 | 1,048 | (37) | (3.5) | 1,004 |

(*)The item referred to March 31, 2006 has been restated to include the actuarial gains (losses), net of deferred income taxes, arising from the evaluation of the net liabilities for defined benefit pension plans, in compliance with the retrospective application of the IAS 19 paragraph 93A.

Revenues from sales and services of TDL Infomedia group amounted to € 19.4 million in the first quarter of 2007, down by 6.7% compared to the same period of the previous year, mainly due to the shift in publication of two directories, whose value in terms of revenues totalled GBP 1.2 million in 2006.

In local currency and on a like-for-like basis, at the same number of published directories, revenues were substantially in line with the first quarter of 2006, despite a highly competitive market. It should be noted that revenues, in the first quarter of 2007, were not yet significantly affected by the restyling of the Thomson Local directories and the new advertising sales campaigns resulting from the agreement with Nectar.



| | | | |
|------------------------------------|---|---|-----------|
| Highlights and general information | 4 | Eco-fin performance of the Group | 13 |
| → Report on operations | | Eco-fin performance of SEAT Pagine Gialle S.p.A. | 24 |
| | | Main events of the first quarter of 2007 | 28 |
| | | Main events subsequent to March 31, 2007 | 29 |
| | | Outlook | 30 |
| | | Related party transactions | 31 |
| | | 13 → Eco-fin performance of the Business Areas | 33 |

Online and direct marketing revenues were substantially similar compared to the first quarter of 2006.

In the first quarter of 2007, the average value per customer increased, from GBP 1.243 in March 2006 to GBP 1.340 in March 2007, allowing it to offset the reduction in the directories customer base (paper and online) due to a highly competitive and regulated market.

The **operating income (EBITDA)** of the Thomson group increased of about GBP 2.1 million compared to the first quarter of 2006. This was due to the lower advertising costs (in January 2006, a targeted TV campaign was launched to support the Thomson Local directories) and to further efficiencies in the technical production costs. These savings offset the lower operating margin arising from the shift in publication of two directories (amounting to GBP 0.9 million in 2006).

→ Directory Assistance

Economic and financial performance

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|-------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 46.8 | 49.4 | (2.6) | (5.3) | 188.7 |
| Gross operating profit | 11.6 | 0.7 | 10.9 | n.s. | 16.7 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 11.2 | (0.6) | 11.8 | n.s. | 17.7 |
| Operating result (EBIT) | 8.9 | (1.5) | 10.4 | n.s. | 10.6 |
| Net invested capital | 59.4 | 36.5 | 22.9 | 62.7 | 61.6 |
| Capital expenditure | 0.9 | 1.8 | (0.9) | (50.0) | 6.0 |
| Workforce (average number) | 2,501 | 2,185 | 316 | 14.5 | 2,391 |

Revenues from Directory Assistance Business Area amounted to € 46.8 million in the first quarter of 2007, down by 5.3% compared to the first quarter of 2006, reflecting in particular the performance of the Telegate group (down by 6.8% to € 44.0 million). Prontoseat S.r.l. recorded a positive performance (+26.1% to € 2.9 million) due to the traffic volume produced by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services.

Telegate group

16.43% held by SEAT Pagine Gialle S.p.A. and 61.85% by Telegate Holding GmbH

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|-------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 44.0 | 47.2 | (3.2) | (6.8) | 178.9 |
| Gross operating profit | 11.5 | 0.6 | 10.9 | n.s. | 16.4 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 11.1 | (0.6) | 11.7 | n.s. | 16.7 |
| Operating result (EBIT) | 9.1 | (1.3) | 10.4 | n.s. | 10.3 |
| Net invested capital | 41.1 | 19.3 | 21.8 | n.s. | 43.7 |
| Capital expenditure | 0.9 | 1.6 | (0.7) | (43.8) | 5.3 |
| Workforce (average number) | 2,162 | 1,927 | 235 | 12.2 | 2,103 |

telegate

11 880

Revenues from sales and services of the Telegate group decreased by 6.8% to € 44.0 million in the first quarter of 2007. The contraction was mainly due to business trends in the French market. It should be noted that revenues in the first quarter of 2006 included € 9.5 million corresponding to services rendered in outsourcing for SFR and Bouygues Telecom (at no margin) which were no longer carried out from April 2006, following the market liberalisation.

Revenues from directory assistance services, provided through 118 000, more than tripled to € 5.9 million compared to € 1.7 million in the first quarter of 2006.

In Germany, revenues remained substantially stable compared to the first quarter of 2006, amounting to € 28.5 million. The decrease in the number of calls made to the 11880 service was offset by the increase in the average value per call, resulting from the price-review and longer call handling time, as a consequence of the development of value-added services and the introduction of the ANA (Automatic Number Announcement). The multi-channel strategy continued with an offer that is now available both on voice and on the 11880.com portal. This offer involved the launch of new internet and directory assistance services, thanks also to the synergies with SEAT Pagine Gialle S.p.A.: an offer similar to that of PAGINEGIALLE VISUAL (video, maps and area views by query) was introduced in the German market on a short term basis. At the end of March 2007, the number of visits totalled 1.2 million and the number of searches totalled 1.7 million. Revenues finally benefited from the development of other business lines, i.e. management of interconnection services and outsourced management of telephone support services for the main operators.

In Spain, revenues in the first quarter of 2007 recorded a slight decrease (-1.6% compared to the first quarter of 2006) caused by the discontinued management of MGA telephone support services. This decrease has been compensated by the increase in the volume of branded calls and the average value of these calls, as a result of the company's pursuit of a policy aimed at consolidating and strengthening its own market position.

In Italy, the Telegate group benefited from good performances of the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, which led to an increase in revenues from call center services of more than 60% compared to the same period in the previous year.

The **operating income (EBITDA)** of the Telegate group increased by about € 12 million compared to the first quarter of 2006, mainly due to the sizeable decrease (-50.3%) in advertising costs, in particular in France, where almost a year after liberalisation, the market is entering a phase of greater stability and maturity.

In Germany, EBITDA grew by about 30% compared to the first quarter of 2006, as a result not only of lower advertising costs (incurred last year to meet with the arrival of a new operator in the market) but also of lower costs for the supply and updating of the database. Margins from activities in Spain and Italy were strong, contributing to the growth of EBITDA thanks to the efficiencies on call center management costs, arising from optimisation of the overall capacity.

In France, EBITDA rose by about € 7.7 million thanks to a reduction in advertising costs (-€ 5.7 million compared to the first quarter of 2006) and lower operating costs deriving from the rationalisation of the overall production capacity.

The Group's **average workforce (FTE)** in the first quarter of 2007 was 2,162, an increase of 235 compared to the first quarter of 2006, reflecting the optimisation of call center production capacity.

118 000
LES NUMÉROS CHIFFRÉS, TOUT SIMPLEMENT

Prontoseat S.r.l.

100% held by SEAT Pagine Gialle S.p.A.

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|---------|------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 2.9 | 2.3 | 0.6 | 26.1 | 9.8 |
| Gross operating profit | 0.1 | - | 0.1 | n.s. | 0.3 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 0.1 | - | 0.1 | n.s. | 1.1 |
| Operating result (EBIT) | (0.2) | (0.2) | - | - | 0.3 |
| Net invested capital | 0.9 | (0.2) | 1.1 | n.s. | 0.5 |
| Capital expenditure | - | 0.1 | (0.1) | (100.0) | 0.7 |
| Workforce (average number) | 339 | 258 | 81 | 31.4 | 288 |



Revenues from sales and services amounted to € 2.9 million in the first quarter of 2007, increasing by 26.1% compared to the same period of the previous year, benefiting from the high traffic volumes generated by the 89.24.24 Pronto PAGINEGIALLE® service, whose call center services are managed jointly by Prontoseat and Telegate Italia S.r.l.. Video call services for H3G, 12.40 Pronto PAGINEBIANCHE® outbound services and new activities carried out for SEAT Pagine Gialle S.p.A. (i.e. the Courtesy Back-Office for after-sales management and the insourcing of the customer services) all contributed positively to an increase in revenues.

The **operating income (EBITDA)** was essentially in line with the first quarter of 2006, despite the higher costs for call center personnel in relation to the higher number of operators.

→ Other Activities

Economic and financial performance

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 9.3 | 9.6 | (0.3) | (3.1) | 77.0 |
| Gross operating profit | (2.5) | (2.0) | (0.5) | (25.0) | 12.1 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | (2.6) | (2.1) | (0.5) | (23.8) | 12.0 |
| Operating result (EBIT) | (3.3) | (2.9) | (0.4) | (13.8) | 8.4 |
| Net invested capital | 8.1 | 6.5 | 1.6 | 24.6 | 16.1 |
| Capital expenditure | 1.5 | 0.6 | 0.9 | n.s. | 4.4 |
| Workforce (average number) | 382 | 373 | 9 | 2.4 | 424 |

Revenues from sales and services amounted to € 9.3 million, a decrease of 3.1% compared to the same period of the previous year. The delay in revenues also impacted the operating margins.

For a more detailed analysis of the figures please refer to the paragraphs on legal entity.

Consodata S.p.A.

100% held by SEAT Pagine Gialle S.p.A.

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 4.5 | 5.6 | (1.1) | (19.6) | 25.1 |
| Gross operating profit | 0.1 | 0.3 | (0.2) | (66.7) | 4.2 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | 0.1 | 0.3 | (0.2) | (66.7) | 4.3 |
| Operating result (EBIT) | (0.3) | (0.2) | (0.1) | (50.0) | 2.2 |
| Net invested capital | 4.1 | (0.2) | 4.3 | n.s. | 8.5 |
| Capital expenditure | 0.5 | 0.5 | - | - | 2.0 |
| Workforce (average number) | 122 | 132 | (10) | (7.6) | 135 |

Revenues from sales and services amounted to € 4.5 million in the first quarter of 2007, down by about 19.6% compared to the first quarter of 2006. Delays were recorded in sales of direct marketing services to large companies, in particular “mailing” activities, as a result of the company’s choice to focus on sales of high margin products. Revenues from publishing activities decreased due, amongst other things, to increased competition from the Italian Post Office and from small operators.

Despite the delay in revenues, the **operating income (EBITDA)** was positive (yet down compared to the first quarter of 2006), mainly due to organisational cost efficiencies and efficiencies in printing and typesetting costs, related to lower “mailing” revenues. The decrease in EBITDA was moderate in comparison with the drop in revenues, also due to the company’s strategic choice to focus on sales of high margin products.

Europages S.A.

93.562% held by SEAT Pagine Gialle S.p.A.

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year 2006 |
|---|-------------------------|-------------------------|----------|--------|--------------|
| | 2007 | 2006 | Absolute | % | |
| Revenues from sales and services | 1.7 | 0.1 | 1.6 | n.s. | 29.0 |
| Gross operating profit | (2.1) | (1.9) | (0.2) | (10.5) | 5.7 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | (2.2) | (2.0) | (0.2) | (10.0) | 5.7 |
| Operating result (EBIT) | (2.4) | (2.1) | (0.3) | (14.3) | 5.0 |
| Net invested capital | (0.9) | 0.1 | (1.0) | n.s. | (1.4) |
| Capital expenditure | 1.0 | 0.1 | 0.9 | n.s. | 1.9 |
| Workforce (average number) | 88 | 58 | 30 | 51.7 | 60 |

Revenues from sales and services amounted to € 1.7 million, showing strong growth compared to the same period of the previous year (+€ 1.6 million) due to the positive contribution of the online component of the multiplatform offer in Italy (+€ 0.7 million compared to March 2006) and the contribution of direct sales activity in France, even if still in the start-up phase.

The online component of the Europages offer is now taking a leading role. In March 2007, the number of searches amounted to 10.9 million with the number of page views totaling 22.7 million. The constant growth in consultations confirmed the Company’s leadership in the world of Business to Business, faced with strong growth in the services offered and in their quality and importance.

The **operating income (EBITDA)** recorded a slight decrease (-€ 0.2 million compared to the first quarter of 2006) due to the higher costs incurred for the launch of the sales restructuring plan in Europe. The direct sales model which has already been implemented in France will be extended to include other major European countries during 2007, one of these being Germany.



Cipi S.p.A.

51% held by SEAT Pagine Gialle S.p.A.

The table below sets out the highlights for the first quarter of 2007 compared to those of the same period in the previous year

| (euro/million) | 1 st quarter | 1 st quarter | Change | | Year |
|---|-------------------------|-------------------------|----------|--------|------|
| | 2007 | 2006 | Absolute | % | 2006 |
| Revenues from sales and services | 3.1 | 3.9 | (0.8) | (20.5) | 22.5 |
| Gross operating profit | (0.5) | (0.4) | (0.1) | (25.0) | 2.2 |
| Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) | (0.5) | (0.4) | (0.1) | (25.0) | 2.1 |
| Operating result (EBIT) | (0.7) | (0.6) | (0.1) | (16.7) | 1.3 |
| Net invested capital | 4.9 | 6.6 | (1.7) | (25.8) | 9.2 |
| Capital expenditure | - | - | - | - | 0.5 |
| Workforce (average number) | 166 | 183 | (17) | (9.3) | 224 |



Revenues from sales and services reached € 3.1 million in the first quarter of 2007, a decrease of € 0.8 million compared to the same period of the previous year, due to delays in sales of the “Special” (-35%) and “Giallo Promo” (-21%) lines. These decreases, as in the case of Consodata S.p.A., can be attributed to a lower sales drive by the SEAT sales network, which recently has been focused on sales of core products (print, online and voice).

The **operating income (EBITDA)** was negative for € 0.5 million, essentially in line with the first quarter of 2006, thanks to the cost efficiencies achieved, especially relating to structuring costs.

To contact SEAT Pagine Gialle S.p.A.

Investor Relations
Via Saffi, 18
10138 Turin (Italy)
Fax: +39.011.435.27.22
E-mail: investor.relations@seat.it
www.seat.it

A copy of official documents
may be requested to

SEAT Pagine Gialle S.p.A.
Corporate Affairs Office
Via Saffi, 18
10138 Turin (Italy)
Fax: +39.011.435.42.52
E-mail: ufficio.societario@seat.it
www.seat.it

SEAT Pagine Gialle S.p.A.

Registered office: Via Grosio, 10/4 - 20151 Milan (Italy)
Secondary office: Via Saffi, 18 - 10138 Turin (Italy)
Fully paid-up share capital: euro 250,182,014.46
Tax Code: 03970540963
VAT Code: 03970540963
Milan Register of Companies No. 03970540963

Art direction Barabino & Partners

Graphic concept Fitolito BN

Printed by Fitolito BN

Printed in June 2007