

SEAT Pagine Gialle S.p.A.



Report at September 30, 2007



The SEAT Pagine Gialle group operates in *Italy* and in 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 merchandising markets in *Italy*.

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## Highlights and general information

## ➤ Company Boards

(information updated to November 8, 2007)

<b>Board of Directors</b>	↑	Chairman Chief Executive Officer Directors	Enrico Giliberti Luca Majocchi Antonio Belloni Lino Benassi <sup>(1)</sup> Dario Cossutta Carmine Di Palo Gian Maria Gros Pietro <sup>(1)</sup> Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Marco Reboa <sup>(1)</sup> Nicola Volpi
		Secretary to the Board	Marco Beatrice
<b>Compensation Committee</b>	↑	Chairman	Gian Maria Gros Pietro Antonio Belloni Dario Cossutta
<b>Internal Audit Committee</b>	↑	Chairman	Lino Benassi Marco Lucchini Marco Reboa
<b>Manager responsible for preparing the Company's financial reports</b>	↑		Maurizia Squinzi <sup>(*)</sup>
<b>Board of Statutory Auditors</b>	↑	Chairman Acting Auditors	Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapoli
		Alternate Auditors	Guido Costa Guido Vasapoli
<b>Common representative of Savings Shareholders</b>	↑		Edoardo Guffanti
<b>Independent Auditors</b>	↑		Reconta Ernst & Young S.p.A.

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

(\*) Appointed by the Board of Directors on June 19, 2007, pursuant to Art. 154 bis paragraph 2 of the Legislative Decree No. 58/1998.



## ➤ Economic and financial highlights of the Group

- Consolidated REVENUES at € 996.7 million, substantially flat at the same number of published directories. The slowdown in Thomson and Europages was compensated by the growth in Italy;
- Consolidated EBITDA at € 426.4 million, up 12.6% at the same number of published directories, despite the unexpected lower performance of Europages;
- Consolidated OPERATING CASH FLOW at € 410.0 million (+14.5%), despite a capital expenditure € 11.7 million higher than in the first nine months of 2006;
- NET RESULT was positive at € 34.9 million, increasing from € 12.5 million in the previous period;
- NET FINANCIAL DEBT at € 3,233.3 million, down € 172.5 million compared to December 31, 2006, after a dividend payout of € 62.2 million.

(euro/thousand)	9 months 2007	9 months 2006	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Year 2006
<b>Economic and financial highlights</b>					
Revenues from sales and services	996,708	988,061	414,445	414,470	1,460,183
Gross operating profit	469,015	414,982	233,062	231,541	659,501
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	426,423	373,509	218,850	218,516	611,424
Operating result (EBIT)	263,027	217,936	167,369	164,155	402,118
Income (loss) before income taxes and Minority interests	79,997	32,887	107,643	103,081	155,904
Income (loss) for the period	34,876	12,526	65,942	81,870	80,136
Operating free cash flow (FCF)	410,033	358,197	143,825	121,671	548,335
Capital expenditure	39,762	28,058	13,549	10,943	48,323
Net invested capital <sup>(1)</sup>	4,206,230	4,420,785	-	-	4,377,887
<i>of which goodwill and Customer DataBase</i>	3,867,637	4,036,313	-	-	3,997,672
<i>of which net operating working capital</i>	273,043	271,447	-	-	298,690
Equity Shareholders of the Group <sup>(1)</sup>	1,046,374	974,625	-	-	1,057,184
Net financial debt <sup>(2)</sup>	3,233,263	3,533,370	-	-	3,405,782
<b>Income ratios</b>					
EBITDA/Revenues	42.8%	37.8%	52.8%	52.7%	41.9%
Operating result/Revenues	26.4%	22.1%	40.4%	39.6%	27.5%
Operating result/Net invested capital	6.3%	4.9%	4.0%	3.7%	9.2%
Income (loss) for the period/Equity Shareholders of the Group	3.3%	1.3%	6.3%	8.4%	7.6%
Operating free cash flow/Revenues	41.1%	36.3%	34.7%	29.4%	37.6%
Operating working capital/Revenues	27.4%	27.5%	65.9%	65.5%	20.5%
<b>Workforce</b>					
Workforce at the end of the period (units)	6,747	6,746	-	-	6,661
Average workforce for the period (FTE) (units)	5,351	5,216	-	-	5,164
Revenues/Average workforce	186	189	-	-	283

(1) Figures as at September 30, 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 IAS 19 paragraph 93A.

(2) Net financial debt does not include transaction costs on loans and the net market value of cash flow hedge instruments recognised as financial assets amounting to € 94,091 thousand at September 30, 2007.

**Legenda:**

**Gross operating profit:** revenues from sales and services less operating costs.

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

**EBIT** - Earning before interests and tax: EBITDA less non-recurring and restructuring costs, operating amortisation, depreciation and write-downs and non-operating amortisation.

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

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

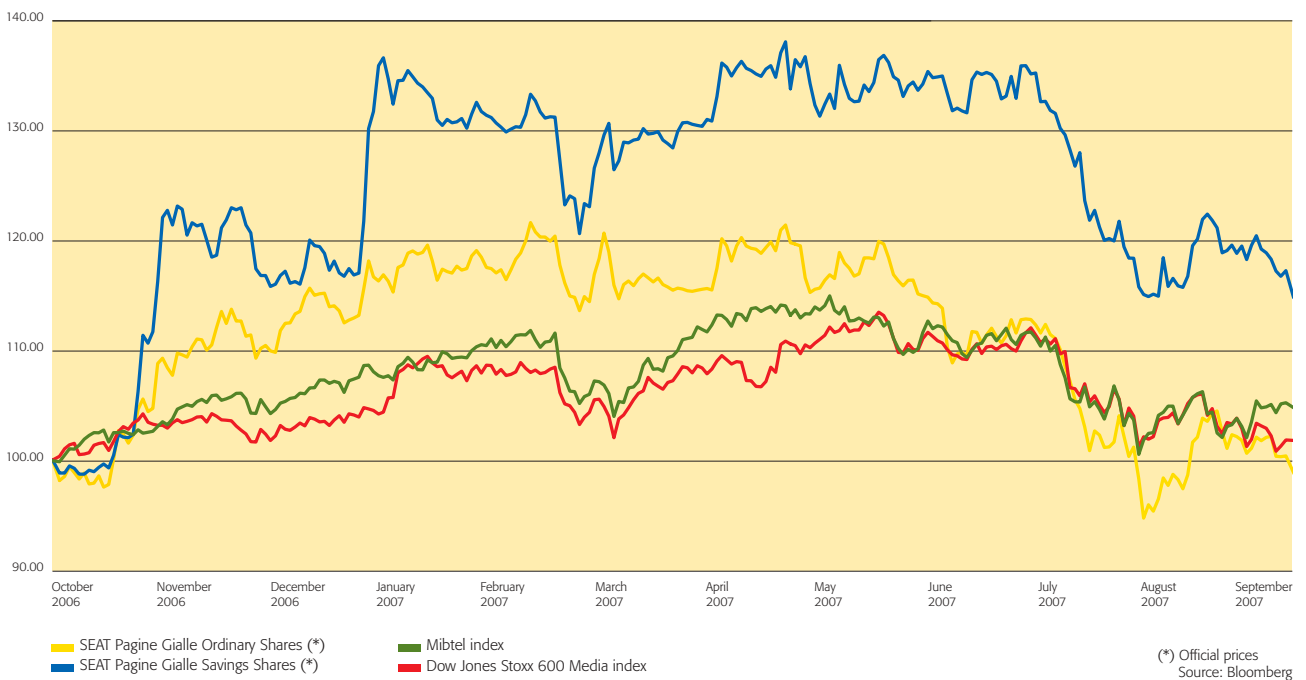
## ➤ Information for Shareholders

### Shares

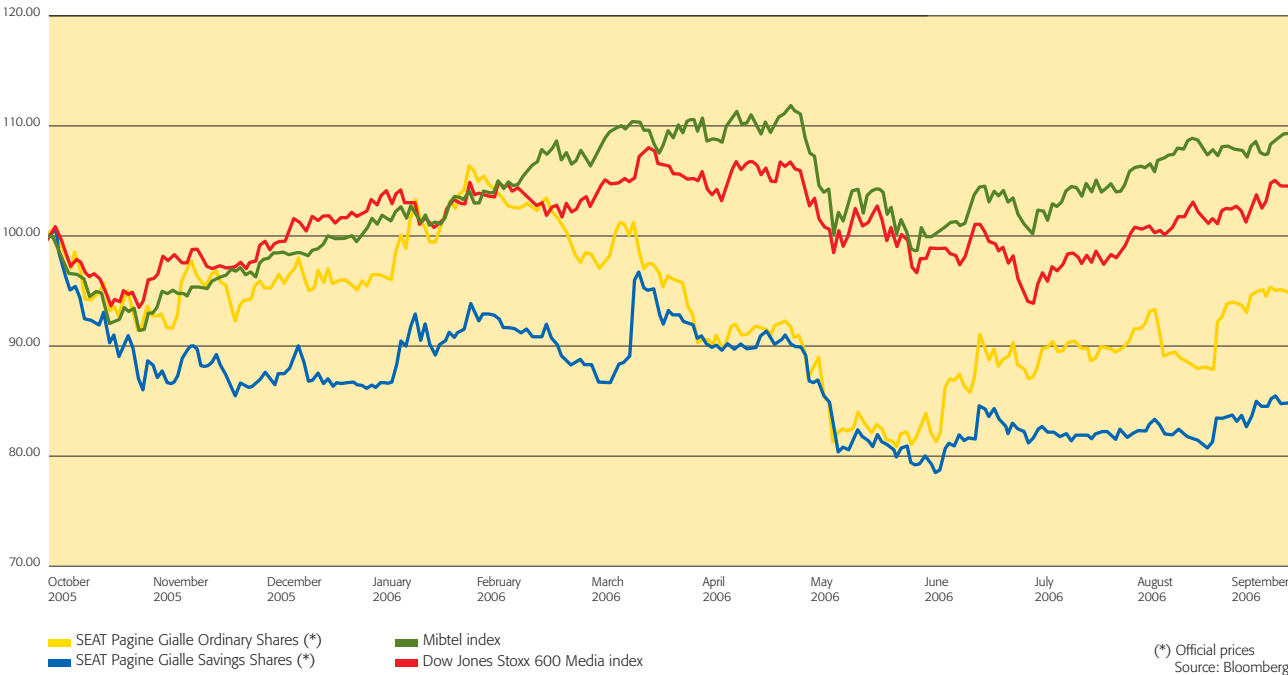
Share capital (at September 30, 2007)	euro	250,348,664.46
Number of ordinary shares (par value 0.03 euro)	No.	8,208,880,696
Number of savings shares (par value 0.03 euro)	No.	136,074,786
Market capitalisation (on average official market prices for September 2007)	euro/mln	3,350
Market ratio of SEAT Pagine Gialle (SPG ordinary shares) at September 30, 2007		
- on Mibtel index		0.406%
- on Dow Jones Stoxx 600 Media index		1.042%



## Performance of SEAT Pagine Gialle S.p.A. shares vs. Mibtel and Dow Jones Stoxx 600 Media indexes – at September 30, 2007



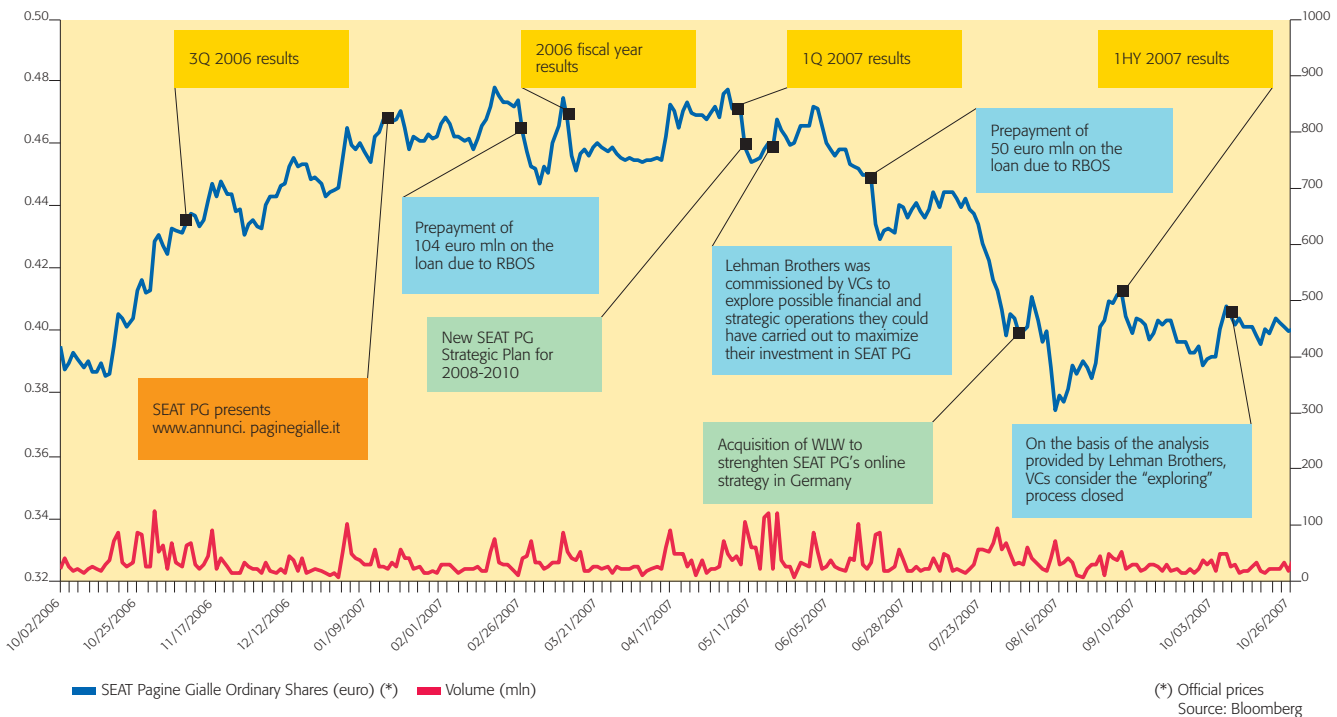
Performance of SEAT Pagine Gialle S.p.A. shares vs. Mibtel and Dow Jones Stoxx 600 Media indexes – at September 30, 2006



## Stock performance of SEAT Pagine Gialle and traded volume over the last twelve months

At the end of September 2007, the market value of the ordinary shares of SEAT Pagine Gialle S.p.A. was € 0.3905, slightly down (-0.5%) compared to September 30, 2006 (€ 0.3923), recording a better performance than the average performance (-12%) recorded by the other European "directory" shares. It should be noted that the performance of "directory" shares, as well as SEAT share, was also affected by the recession of the financial markets that took place in summer 2007.

During the last twelve months average daily traded volumes were around 41.9 million shares.



## Shareholders

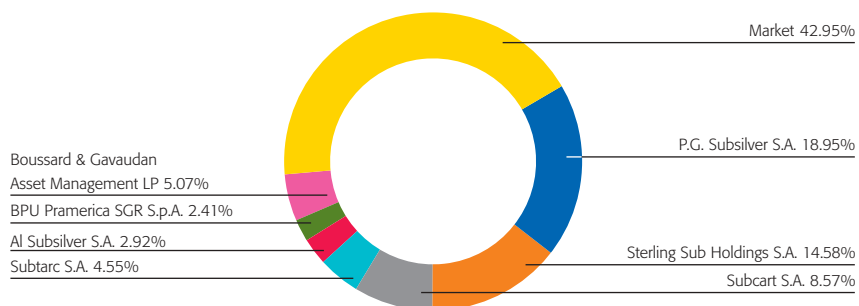
The following table lists the Holders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital at September 30, 2007

Shareholders at September 30, 2007	No. of ordinary shares	% of ordinary share capital
P.G. Subsilver S.A.	1,555,920,894	18.95 <sup>(1) (2)</sup>
Sterling Sub Holdings S.A.	1,196,849,420	14.58 <sup>(1) (2)</sup>
Subcart S.A.	703,586,244	8.57 <sup>(1) (2)</sup>
Subtarc S.A.	373,595,387	4.55 <sup>(1) (2)</sup>
AI Subsilver S.A.	239,369,605	2.92 <sup>(1) (2)</sup>
BPU Pramerica SGR S.p.A.	197,468,906	2.41
Boussard & Gavaudan Asset Management LP	416,289,943	5.07

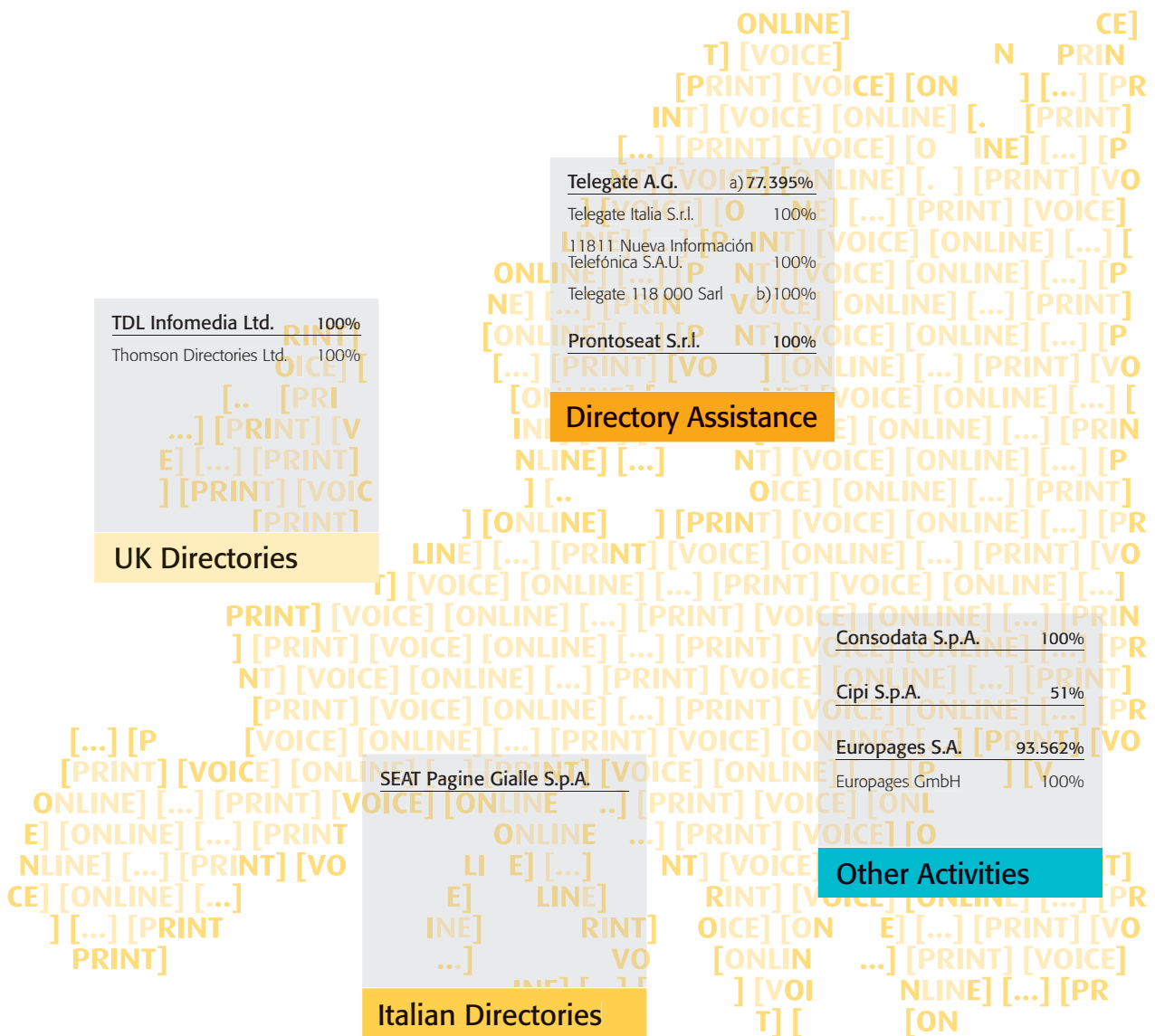
(1) Shares pledged on a first priority basis in favour of The Royal Bank of Scotland Plc Milan Branch, The Royal Bank of Scotland Plc, Lehman Brothers Special Financing Inc., Citibank N.A. London Branch, BNP Paribas S.A. and on a second priority basis in favour of The Royal Bank of Scotland Plc Milan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

(2) It should be noted that, at the date of approval of this report by the Board, the Shareholders P.G. Subsilver S.A., Sterling Sub Holdings S.A., Subcart S.A., Subtarc S.A. and AI Subsilver S.A. increased their interest in the Company's ordinary share capital from 49.6% to 50.4% through the purchase on the market of No. 71,814,539 ordinary shares. These 71,814,539 ordinary shares are not pledged.

## SEAT Pagine Gialle S.p.A. Shareholders at September 30, 2007



## ➤ Organisational structure of the Group



**Legenda**

- a) 16.241% directly owned and 61.154% owned through Telegate Holding GmbH.
- b) New company name for Telegate France Sarl.



## Report on operations





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## ➤ Economic and financial performance of the Group

### Reclassified statement of operations of the Group for the first nine months of 2007

In the first nine months of 2007, **revenues from sales and services** amounted to € 996.7 million, up 0.9% compared to the same period of 2006 (€ 988.1 million), due to the satisfactory results from the online and voice services businesses and the recovery in print products of SEAT Pagine Gialle S.p.A. which were partially offset by the slowdown at the Thomson group (which was affected by the reorganisation of its sales force to enhance its ability to market a multi-product offer) and at Europages S.A. (which was affected by the different seasonality of revenues, following the migration of its business from print to online and the redefinition of its sales model, with the establishment of a direct sales force in both France and Germany).

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

- revenues from the "Italian Directories" (SEAT Pagine Gialle S.p.A.) Business Area, which amounted to € 748.4 million in the first nine months of 2007, up 3.7% compared to the same period of 2006 (€ 721.7 million) and up 2.3% at the same number of published directories. The revenue performance reflects the positive impact of strategies aimed at reorganising and retraining the sales force and strengthening the range of products and services, carried out in the previous years. In particular, the online and on voice services benefited from the commercial success of the online (promotional videos) and voice (MMS) multimedia offers, with a growth of 14.7% and 25.3%, respectively. On the other hand, revenues from print products, at the same number of published directories, decreased by 1.2% compared to the same period of 2006, an improvement compared to the 4.3% drop recorded in the first nine months of 2006 compared to the same period of 2005;
- revenues from the "UK Directories" (Thomson Directories group) Business Area, which amounted to € 102.2 million in the first nine months of 2007, down 6.1% compared to the same period of 2006 (€ 108.8 million) and down 7.6% at constant exchange rates and same number of published directories. The trend in revenues was impacted by a highly competitive market and the reorganisation of the sales area which was necessary to efficiently sell a multi-product offer in the United Kingdom. All of the product segments (print, online and business information) were impacted. Revenues from print directories decreased significantly, despite the launch of sales of new advertising spaces following the agreement with Nectar. Online revenues decreased compared to the same period of 2006, despite the new market positioning of the Thomson group as an online media agency. On the other hand, there was a positive impact from product innovation, such as the restyling of the Thomson Local directories, and from the constant development of the internet offering through the addition of new product functionality, such as Nectar points and pay-per-click offer on the main search engines and portals operating in the United Kingdom;

- revenues from the "Directory Assistance" (Telegate group and Prontoseat S.r.l.) Business Area, which amounted to € 140.0 million in the first nine months of 2007, substantially in line with the same period of 2006 (€ 140.8 million). In the Telegate group revenues decreased by 2.4% to € 130.7 million. This decrease was mainly due to business performance in the French market. It should be noted that in 2006 revenues included € 9.6 million from the management in outsourcing of services for the mobile phone operators SFR and Bouygues Telecom, an unproductive business in terms of operating margins that has been discontinued following market liberalisation. Excluding these revenues, growth was 5.2% compared to the first nine months of 2006, due to the positive performance in Italy and France. Also Prontoseat S.r.l. achieved strong results, up 36.2% to € 9.4 million benefiting from the increase in traffic volumes generated by the 89.24.24 Pronto PAGINEGIALLE® service;
- revenues from the "Other activities" (Consodata S.p.A., Europages S.A. and Cipi S.p.A.) Business Area, which amounted to € 49.3 million in the first nine months of 2007 (€ 55.9 million in the first nine months of 2006). The result reflects in particular the performance in Europages S.A., which was affected by the different seasonality of revenues, following the migration of its business from print to online and the redefinition of the sales model, with the establishment of a direct sales force in both France and Germany. In particular, being the distribution agreement with Pages Jaunes come to an end, a direct sales network was created in France, with negative impacts on revenues arising from the need to review the customer portfolio acquired from Pages Jaunes. In fact, this portfolio included a large number of Business-to-Consumer customers tied to Pages Jaunes products and who now have little interest in buying advertising spaces solely in a Business-to-Business directory.

**Materials and external services**, net of repayments of cost, amounted to € 348.5 million in the first nine months of 2007, down 12.9% compared to the same period of 2006 (€ 400.0 million) and down 14.1% at the same exchange rates and number of published directories. This decrease was achieved in particular thanks to: *i*) lower *advertising and promotion costs* which fell by € 35.4 million compared to the first nine months of 2006 which had been affected by the launch of new directory assistance services in Italy and France; and *ii*) lower *industrial costs*, which fell by € 13.4 million, in particular in the Telegate group due to the discontinuation in France of services provided in outsourcing for SFR and Bouygues Telecom. It was also recorded a decrease in costs for the supply and updating of telephone subscriber database in Germany.

**Salaries, wages and employee benefits**, net of repayments of cost, amounted to € 179.2 million in the first nine months of 2007, up € 6.2 million (+3.6%) compared to the same period of 2006. This increase was due to *i*) € 6.1 million for the "Directory Assistance" Business Area, as a consequence of the growth in the number of call center operators, their different labour agreement in Italy and the strengthening of the corporate structure in Germany; and *ii*) € 2.1 million for the development of the commercial area in Europages where a direct sales structure has been set up in France and Germany.

These increases were partially offset by the decrease in the variable component of labour costs recorded at the Thomson group.

The Group workforce, including directors, project workers and trainees, numbered 6,747 units at September 30, 2007 (6,661 units at December 31, 2006), whereas the average workforce (FTE for non-Italian companies) in this period was 5,351 units (5,216 units in the first nine months of 2006).

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**Gross operating profit** amounted to € 469.0 million in the first nine months of 2007, up 13.0% compared to the same period of 2006 (11.6% at constant exchange rates and same number of published directories), with a ratio to revenues of 47.1% (42.0% in the first nine months of 2006). This performance reflects the containment of operating costs, as described above, which was achieved in particular in the directory assistance business area.

**Other valuation adjustments and provisions to reserves for risks and charges, net** amounted to € 40.2 million in the first nine months of 2007, up 4.1% compared to the same period of 2006 (€ 38.7 million). This trend reflects the increase in the provision for the allowance of doubtful accounts (+€ 3.2 million) to face the higher utilisation for the period, maintaining the percentage of risk coverage substantially in line with that at the end of 2006.

**Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)** stood at € 426.4 million in the first nine months of 2007 (€ 373.5 million in the first nine months of 2006), up 12.6% at constant exchange rates and same number of published directories. The ratio to revenues rose to 42.8% from 37.8% in the first nine months of 2006. The positive performance reflects the growth recorded in terms of gross operating profit.

**Operating amortisation, depreciation and write-downs**, of € 30.6 million in the first nine months of 2007 (€ 23.8 million in the first nine months of 2006), referred to intangible assets with a finite useful life (€ 20.0 million) and property, plant and equipment (€ 10.6 million). The increase compared to the same period of 2006 was due to the high level of investments made in the previous years.

**Non-operating amortisation and write-downs** referred to the Customer DataBase and amounted to € 121.6 million in the first nine months of 2007, unchanged compared to the first nine months of 2006.

**Non-recurring and restructuring costs** amounted to € 11.2 million in the first nine months of 2007 (€ 10.2 million in the same period of 2006). They included a provision of € 7.4 million related to restructuring costs arising from the implementation of the reorganisation plan. This plan involves 130 redundancies in the 2007-2009 period, through measures of extraordinary unemployment compensation (*Cassa Integrazione Guadagni Straordinaria*) and early retirement, as well as selected dismissals and professional retraining to be carried out, in particular, in publishing and commercial back-office departments, highly influenced by the introduction of innovative IT systems.

**Operating result (EBIT)** stood at € 263.0 million in the first nine months of 2007 (€ 217.9 million in the first nine months of 2006), up 20.7% compared to the first nine months of 2006 and with a ratio to revenues of 26.4% (22.1% in the first nine months of 2006).

**Interest expense, net**, of € 179.7 million in the first nine months of 2007 (€ 185.0 million in the same period of 2006), is presented as the balance between interest expense of € 193.4 million, substantially in line with the first nine months of 2006, and interest income of € 13.7 million (€ 8.4 million in the first nine months of 2006). Interest expense was substantially flat compared to the same period of 2006, despite the increase in the Euribor rate which the variable cost of debt is linked to, thanks to *i)* the positive contribution from cash flow hedge instruments; *ii)* the further reduction of the spreads on Euribor following the achievement of specific ratios between EBITDA and net debt of the Group; and *iii)* the lower level of average indebtedness as a consequence of repayments.

*Interest expense* included:

- € 94.1 million for *interest on the "Senior Credit Agreement" loan* between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch (€ 99.5 million in the first nine months of 2006);
- € 82.4 million for *interest on the "Subordinated" loan* with Lighthouse International Company S.A. in line with the amount recorded in the same period of 2006;
- € 8.5 million for *interest on asset backed securities* issued in June 2006 by the SPE Meliadi Finance S.r.l. with reference to the securitisation program (€ 2.6 million in the first nine months of 2006);
- € 8.0 million for *other interest and financial expense* (€ 7.4 million in the first nine months of 2006), including € 5.2 million for losses from discounting non-current liabilities;
- € 0.4 million for *foreign exchange losses* (€ 1.3 million in the first nine months of 2006), arising from hedging transactions on the euro/sterling currency exposure, that were offset by foreign exchange gains described in the following item.

*Interest income* included:

- € 6.2 million for *interest income* from short-term cash deposits with banks at rates substantially in line with the Euribor rate (€ 3.2 million in the first nine months of 2006). The increase, compared to the same period of 2006, was mainly due to the sharp rise in market rates;
- € 6.4 million for *other interest income* (€ 4.1 million in the first nine months of 2006), including € 4.7 million relating to income from assets designated to finance the pension plan of the TDL group;
- € 1.1 million for *foreign exchange gains*, mainly arising from hedging transactions on the euro/sterling currency exposure (€ 1.1 million in the first nine months of 2006).

**Gains (losses) on valuation/disposal of investments** were negative for € 3.3 million in the first nine months of 2007. These losses related to foreign exchange losses recognised in the statement of operations following the deconsolidation of Consodata Group Ltd. as of January 1, 2007. Consodata Group Ltd.'s liquidation process was completed and the company was removed from the Trade Register.

**Income taxes** for the period were negative for € 40.2 million (negative for € 21.7 million in the first nine months of 2006). They included € 23.6 million for current income taxes, € 38.3 million for deferred tax assets and € 21.9 million for deferred tax liabilities.

In accordance with IAS 34, income taxes for the period were calculated by applying the expected average tax rates for the 2007 fiscal year to the result before income taxes at September 30, 2007.

**Minority interests** amounted to a profit of € 4.9 million (a loss of € 1.4 million in the first nine months of 2006) and were mainly due to the Minorities of the Telegate group.

**Net result for the period** was positive for € 34.9 million (positive for € 12.5 million in the first nine months of 2006).

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## Reclassified statement of operations of the Group for the third quarter of 2007

**Revenues from sales and services** amounted to € 414.4 million in the third quarter of 2007, substantially flat compared to the same period of the previous year (€ 414.5 million). On a like for like basis (constant exchange rates and same number of published directories), there was a drop in revenues which were impacted by the different planning of sales campaigns, especially for online and voice products in Italy, the ongoing sales force reorganisation in Thomson and the new business model in Europages.

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

- revenues from the *"Italian Directories"* (SEAT Pagine Gialle S.p.A.) Business Area, which amounted to € 320.0 million in the third quarter of 2007, up 5.1% compared to the same period of 2006 (down 1.7% at the same number of published directories). Revenues from print products decreased by 1.5% at the same number of published directories, a result which shows a significant improvement in both PAGINEBIANCHE®, thanks to the introduction of full-color in 2006, and PAGINEGIALLE®, which though improved continued to be negative. Online and voice services were affected in the third quarter of 2007 by the Company's commercial strategies. As described in the first half report at June 30, 2007, in order to improve sales campaign planning, some contracts with customers were already renewed in the first half of 2007, whereas these actions are traditionally carried out in the second half of the year. Consequently, in the third quarter of 2007 online revenues fell by 3.2% compared to the same period of the previous year. Voice revenues (€ 28.9 million, +9.3% compared to the third quarter of 2006) were driven by the good performance of the traffic volumes generated by 12.40 Pronto PAGINEBIANCHE® and the increase in advertising revenues from this service;
- revenues from the *"UK Directories"* (Thomson Directories group) Business Area, of € 43.7 million in the third quarter of 2007, which decreased compared to the third quarter of 2006 due principally to the ongoing reorganisation of the sales force. This reorganisation was necessary to effectively sell the multi-product offer in the United Kingdom;
- revenues from the *"Directory Assistance"* (Telegate group and Prontoseat S.r.l.) Business Area, of € 47.1 million in the third quarter of 2007, which fell slightly compared to the same period of the previous year, in particular in Spain due to the reduction in outsourcing revenues. In Germany, on the other hand, the development of online and value added services partly offset the reduction in the call volume;
- revenues from the *"Other activities"* (Consodata S.p.A., Europages S.A. and Cipi S.p.A.) Business Area, which amounted to € 18.4 million in the third quarter of 2007, whose performance reflects the negative impact from the new business model in Europages: the company is migrating from Business-to-Business print and online directories publisher to exclusively online company.

**EBITDA** amounted to € 218.9 million in the third quarter of 2007, substantially flat compared to the same period of the previous year (€ 218.5 million). At constant exchange rates and same number of published directories, there was a decrease due to lower revenues in the quarter for the aforementioned reasons. Also, EBITDA was significantly affected by the new business model in Europages.

## Reclassified balance sheet of the Group at September 30, 2007

### Foreword

The loan contract 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**, of € 4,206.2 million at September 30, 2007, decreased by € 171.7 million compared to December 31, 2006, and was as follows:

- **non-current assets**, of € 4,022.3 million at September 30, 2007, decreased by € 142.2 million compared to December 31, 2006 (€ 4,164.5 million), mainly due to the amortisation of the Customer DataBase (€ 121.6 million).  
Investments amounted to € 40.2 million in the period (€ 28.6 million in the first nine months of 2006), as follows

(euro/thousand)	9 months 2007	9 months 2006	Change
Capital expenditure	39,762	28,058	11,704
Goodwill and other non-operating investments	441	561	(120)
<b>Total investments</b>	<b>40,203</b>	<b>28,619</b>	<b>11,584</b>

*Capital expenditure* amounted to € 39.8 million in the first nine months of 2007 (€ 28.1 million in the first nine months of 2006). In Italy, it mainly focused on product innovation, in particular on the online platform, supporting the sales network and integrating commercial and administrative back-office processes. In Europages, it aimed at developing the new company website and creating and developing the database to support the commercial area and the management system for sales orders, following the decision to manage sales through a direct sales structure;

- **operating non-current liabilities**, of € 67.8 million at September 30, 2007 (€ 78.1 million at December 31, 2006), included, in particular, net liabilities for defined benefit pension plans of € 19.0 million (€ 26.5 million at December 31, 2006), the reserve for severance indemnities of € 27.1 million (€ 29.8 million at December 31, 2006) and the reserve for sales agents' termination indemnities of € 21.1 million (€ 21.2 million at December 31, 2006);



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- **operating working capital**, of € 273.0 million at September 30, 2007 (€ 298.7 million at December 31, 2006), decreased in the period by € 25.6 million mainly due to:
  - a decrease in *trade account receivables* of € 38.0 million compared to December 31, 2006, to € 630.7 million, substantially in line with September 30, 2006;
  - a decrease in *trade account payables* of € 69.1 million compared to December 31, 2006, as a consequence of the trend in purchases of goods and operating services;
  - an increase in *payables for services to be provided and other current liabilities* of € 75.5 million compared to December 31, 2006, due to the publishing cycles of directories;
- **non-operating working capital**, negative for € 18.9 million at September 30, 2007 (negative for € 6.7 million at December 31, 2006), decreased by € 12.2 million compared to December 31, 2006 mainly due to the recognition of tax liabilities for income taxes for the period.

## Equity

**Equity** amounted to € 1,067.1 million at September 30, 2007 (€ 1,075.4 million at December 31, 2006), of which € 1,046.4 million attributable to equity Shareholders of the Group (€ 1,057.2 million at December 31, 2006) and € 20.7 million to Minority interests (€ 18.2 million at December 31, 2006).

The decrease of € 10.8 million in the equity Shareholders of the Group in the first nine months of 2007 was due to € 58.5 million for the distribution of dividends, partially offset by the income for the period (€ 34.9 million) and by the increase in equity following the exercise of stock options (€ 7.0 million).

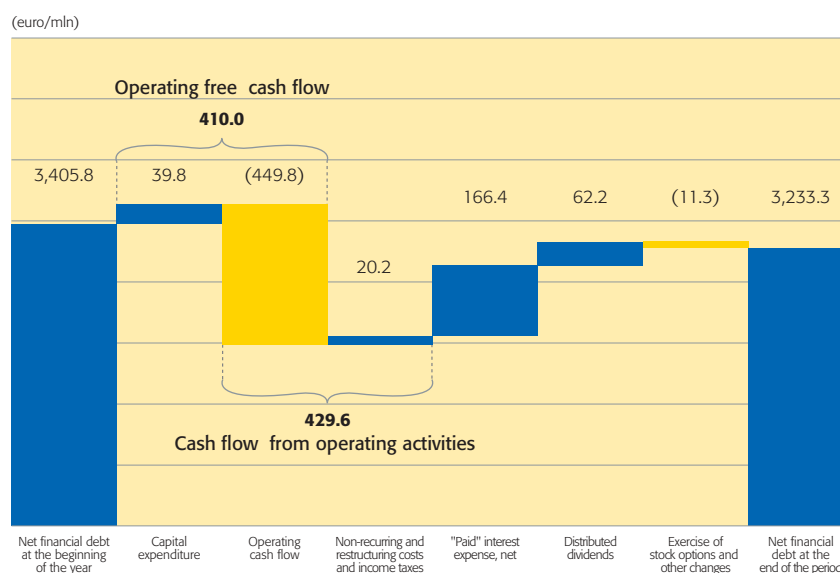
## Net financial debt

**Net financial debt** amounted to € 3,233.3 million at September 30, 2007 (€ 3,405.8 million at December 31, 2006), a decrease of € 172.5 million during the first nine months of 2007.

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

- transaction costs for the acquisition and refinancing of the medium and long-term "Senior" loan with The Royal Bank of Scotland Plc Milan Branch, the "Subordinated" loan with Lighthouse International Company S.A. and the launch of the trade receivables securitisation program. These costs amounted to € 87.4 million at September 30, 2007, net of accumulated amortisation; and
- net assets referred to the market value of cash flow hedge instruments, which amounted to € 6.7 million at September 30, 2007 (€ 1.0 million at December 31, 2006).

The chart below summarizes the main items which impacted the trend of net financial debt during the first nine months of 2007.



Net financial debt - "book value" amounted to € 3,139.2 million at September 30, 2007 (€ 3,302.5 million at December 31, 2006) and was as follows:

- non-current financial debts amounted to € 3,267.5 million at September 30, 2007 (€ 3,384.2 million at December 31, 2006) and were as follows

(euro/thousand)	At 09.30.2007	At 12.31.2006	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (gross value)	1,798,644	1,930,389	(131,745)
less transaction costs	(49,109)	(59,528)	10,419
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,749,535	1,870,861	(121,326)
Debts due to Lighthouse International Company S.A. (gross value)	1,300,000	1,300,000	-
less transaction costs	(37,212)	(41,451)	4,239
Debts due to Lighthouse International Company S.A. (net value)	1,262,788	1,258,549	4,239
Asset backed securities (gross value)	256,000	256,000	-
less transaction costs	(1,110)	(1,347)	237
Asset backed securities (net value)	254,890	254,653	237
Debts due to other lenders	282	126	156
<b>Total non-current financial debts</b>	<b>3,267,495</b>	<b>3,384,189</b>	<b>(116,694)</b>
<b>Current portion of non-current financial debts</b>	<b>111,141</b>	<b>158,301</b>	<b>(47,160)</b>

- Debts due to The Royal Bank of Scotland Plc Milan Branch amounted to € 1,749.5 million at September 30, 2007 (net of € 49.1 million of transaction costs not yet amortised at September 30, 2007).

At September 30, 2007 this loan was organised as follows:

- a) tranche A, for € 1,445.0 million, repayable in accordance with the amortisation plan, with non-constant six-monthly installments until June 2012, bearing interest at a floating rate equal to Euribor plus a spread. This spread was 1.91% p.a. until February 2007, 1.685% subsequent to that date and 1.435% as from August 2007;
- b) tranche B, for € 464.5 million, repayable with a lump-sum repayment in June 2013, bearing interest at a floating rate equal to Euribor plus a spread. This spread was 2.41% p.a. until February 2007, 2.26% subsequent to that date and 2.06% as from August; and
- c) tranche C, for € 90.0 million, which is currently unused and designed to cover any working capital needs of SEAT Pagine Gialle S.p.A. or its subsidiaries, in the form of a revolving credit line facility, available up to May 2012, bearing interest at a floating rate equal to that applied to tranche A, if drawn (spread 1.435%). It is requested to pay a commitment fee of 0.56% p.a. for the unused commitments.

The financing agreement requires SEAT Pagine Gialle S.p.A. to comply with specific covenants, which are checked on a quarterly basis. These covenants require the Group to maintain specific ratios between: *i*) net debt and EBITDA, *ii*) EBITDA and interest on debt, *iii*) cash flow and debt service (inclusive of interest and quotas of principal payable in each period referred to). The Group was in compliance with each of these covenants at September 30, 2007 (reference date of this report).

- *Debts due to Lighthouse International Company S.A.* amounted to € 1,262.8 million at September 30, 2007, net of € 37.2 million for transaction costs not yet amortised at the end of the period. The ten-year loan bears interest at a fixed rate of 8% p.a. and falls due in 2014.

It should be noted that SEAT Pagine Gialle S.p.A., at the inception of the loan, issued guarantees for € 350,000 thousand for any possible additional charges relating to the bond.

- *Asset backed securities* amounted to € 256.0 million at September 30, 2007 (gross of transaction costs). They were issued by the SPE, Meliadi Finance S.r.l., to finance, on a revolving basis, the purchase of the trade receivables portfolios sold to it by SEAT Pagine Gialle S.p.A. as part of the securitisation program started in June 2006 and still ongoing.

These securities, guaranteed by the trade receivables portfolio, were subscribed through a private placement by an institutional investor. They expire in 2014 and bear interest at a floating rate equal to the rate for commercial paper. They are accounted for net of transaction costs not yet amortised at September 30, 2007 (€ 1.1 million).

The overall average cost of the financial debt of SEAT Pagine Gialle S.p.A. was 6.40% p.a. in the first nine months of 2007 (5.95% in the first nine months of 2006);

- **current financial debts** amounted to € 218.3 million at September 30, 2007 (€ 229.2 million at December 31, 2006) and referred to:
  - € 110.9 million (€ 158.3 million at December 31, 2006) for the current portion of the loan with The Royal Bank of Scotland Plc Milan Branch, due in December 2007 and June 2008;
  - € 49.3 million (€ 20.8 million at December 31, 2006) for payables due to Shareholders for 2005 and 2006 dividends which have been distributed but not yet withdrawn at September 30, 2007;
  - € 43.4 million for accrued interest expenses on the loan due to Lighthouse International Company S.A., which have not yet been paid;
  - € 11.5 million for current payables due to banks, which included the use of short-term credit line facilities, which were subsequently repaid, for € 10 million. They were used temporarily due to the accumulation at the end of September of cash maturities; the item also included € 0.7 million for accrued interest expenses on the loan with The Royal Bank of Scotland Plc Milan Branch, which have not yet been paid;
- **non-current financial assets** amounted to € 2.0 million at September 30, 2007 (€ 1.4 million at December 31, 2006) and were referred to loans to employees;
- **current financial assets, cash and cash equivalents** amounted to € 344.7 million at September 30, 2007 (€ 309.5 million at December 31, 2006) and referred to:
  - € 148.4 million for financial assets toward Eniro AB for the acquisition of the 100% interest in Wer liefert was? GmbH, effective as of October 1, 2007;
  - € 182.0 million for cash and cash equivalents (€ 308.2 million at December 31, 2006), including € 95.7 million held by the SPE Meliadi Finance S.r.l. arising from the collection of the receivables sold by SEAT Pagine Gialle S.p.A. as part of its securitisation program;
  - € 8.9 million for payments to SNOS S.p.A., as part of the outstanding commitments to purchase the "ex Officine Savigliano" real estate complex in Turin, where the new headquarters of SEAT Pagine Gialle S.p.A. will be housed. It should be noted that at June 30, 2007 the financial receivables from SNOS S.p.A. amounted to € 35 million: the reduction was due to the repayment of € 26.1 million by SNOS S.p.A. following the effectiveness of a first step of the transaction, through which a portion of the real estate complex has been sold to a leasing company designated by SEAT Pagine Gialle S.p.A.;
  - € 6.7 million for the net market value of cash flow hedge contracts entered into by SEAT Pagine Gialle S.p.A. over time with leading international financial counterparties to limit the risk exposure on floating interest rates on the "Senior" loan with The Royal Bank of Scotland Plc Milan Branch. The change compared to December 31, 2006 is substantially due to the different market value of the hedging instruments outstanding at the end of the period: this change has been deferred in equity.

In relation to the current forecast of the profile of financial payables, outstanding hedging agreements provide for an overall coverage on interest rate risks substantially constant and equal to approximately 85% of the total indebtedness expected over the 2008-2010 period (approximately 41% through the subordinated fixed-rate debt and the remaining portion through the aforementioned hedging agreements) and 73% over the 2011-2012 period, of which 48% through the hedging agreements.

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## Operating free cash flow of the Group for the first nine months of 2007

**Operating free cash flow of the Group** generated in the first nine months of 2007 (€ 410.0 million) significantly increased compared to the first nine months of 2006 (€ 358.2 million), despite the high level of capital expenditure (+€ 11.7 million compared to the same period of the previous year). This performance reflects, in particular, the improvement in EBITDA (+€ 52.9 million).

The ratio of operating free cash flow to revenues from sales and services (41.1% in the first nine months of 2007) improved compared to the same period of the previous year (36.3%), as well as the ratio of operating free cash flow to EBITDA (96.2% in the first nine months of 2007 and 95.9% in the first nine months of 2006).

→ Reclassified statement of operations of the Group

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
<b>Revenues from sales and services</b>	<b>996,708</b>	<b>988,061</b>	<b>8,647</b>	<b>414,445</b>	<b>414,470</b>	<b>(25)</b>	<b>1,460,183</b>
Materials and external services (*)	(348,466)	(400,022)	51,556	(123,850)	(126,358)	2,508	(568,838)
Salaries, wages and employee benefits (*)	(179,227)	(173,057)	(6,170)	(57,533)	(56,571)	(962)	(231,844)
<b>Gross operating profit</b>	<b>469,015</b>	<b>414,982</b>	<b>54,033</b>	<b>233,062</b>	<b>231,541</b>	<b>1,521</b>	<b>659,501</b>
% on revenues	47.1%	42.0%		56.2%	55.9%		45.2%
Other valuation adjustments and provisions to reserves for risks and charges, net	(40,246)	(38,674)	(1,572)	(13,992)	(12,136)	(1,856)	(47,180)
Other income (expenses), net	(2,346)	(2,799)	453	(220)	(889)	669	(897)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>426,423</b>	<b>373,509</b>	<b>52,914</b>	<b>218,850</b>	<b>218,516</b>	<b>334</b>	<b>611,424</b>
% on revenues	42.8%	37.8%		52.8%	52.7%		41.9%
Operating amortisation, depreciation and write-downs	(30,619)	(23,842)	(6,777)	(10,204)	(8,609)	(1,595)	(33,269)
Non-operating amortisation and write-downs	(121,550)	(121,550)	-	(40,517)	(40,517)	-	(162,067)
Non-recurring and restructuring costs	(11,227)	(10,181)	(1,046)	(760)	(5,235)	4,475	(13,970)
<b>Operating result (EBIT)</b>	<b>263,027</b>	<b>217,936</b>	<b>45,091</b>	<b>167,369</b>	<b>164,155</b>	<b>3,214</b>	<b>402,118</b>
% on revenues	26.4%	22.1%		40.4%	39.6%		27.5%
Interest expense, net	(179,703)	(185,010)	5,307	(59,726)	(61,051)	1,325	(246,209)
Gains (losses) on valuation/disposal of investments	(3,327)	(39)	(3,288)	-	(23)	23	(5)
<b>Income (loss) before income taxes and Minority interests</b>	<b>79,997</b>	<b>32,887</b>	<b>47,110</b>	<b>107,643</b>	<b>103,081</b>	<b>4,562</b>	<b>155,904</b>
Income taxes	(40,248)	(21,739)	(18,509)	(39,624)	(20,188)	(19,436)	(74,116)
<b>Income (loss) before Minority interests</b>	<b>39,749</b>	<b>11,148</b>	<b>28,601</b>	<b>68,019</b>	<b>82,893</b>	<b>(14,874)</b>	<b>81,788</b>
Minority interests	(4,873)	1,378	(6,251)	(2,077)	(1,023)	(1,054)	(1,652)
<b>Income (loss) for the period</b>	<b>34,876</b>	<b>12,526</b>	<b>22,350</b>	<b>65,942</b>	<b>81,870</b>	<b>(15,928)</b>	<b>80,136</b>

(\*) Less repayments of cost.

→ Reclassified balance sheet of the Group

	At 09.30.2007	At 12.31.2006	Change	At 09.30.2006
<b>(euro/thousand)</b>				
Goodwill and customer database	3,867,637	3,997,672	(130,035)	4,036,313
Other non-current assets (**)	154,613	166,820	(12,207)	194,397 (*)
Operating non-current liabilities	(67,814)	(78,148)	10,334	(72,215) (*)
Non-operating non-current liabilities	(2,371)	(434)	(1,937)	(497)
Operating working capital	273,043	298,690	(25,647)	271,447
- Operating current assets	722,288	748,544	(26,256)	740,532
- Operating current liabilities	(449,245)	(449,854)	609	(469,085)
Non-operating working capital	(18,878)	(6,713)	(12,165)	(8,660)
- Non-operating current assets	10,488	3,510	6,978	10,604
- Non-operating current liabilities	(29,366)	(10,223)	(19,143)	(19,264)
<b>Net invested capital</b>	<b>4,206,230</b>	<b>4,377,887</b>	<b>(171,657)</b>	<b>4,420,785 (*)</b>
Equity Shareholders of the Group	1,046,374	1,057,184	(10,810)	974,625 (*)
Minority interests	20,684	18,246	2,438	15,182
<b>Total equity (A)</b>	<b>1,067,058</b>	<b>1,075,430</b>	<b>(8,372)</b>	<b>989,807 (*)</b>
<b>Net financial debt</b>	<b>3,233,263</b>	<b>3,405,782</b>	<b>(172,519)</b>	<b>3,533,370</b>
Transaction costs on loans and securitisation program not yet amortised	(87,431)	(102,326)	14,895	(107,276)
Net market value of cash flow hedge instruments	(6,660)	(999)	(5,661)	4,884
<b>Net financial debt - "book value" (B)</b>	<b>3,139,172</b>	<b>3,302,457</b>	<b>(163,285)</b>	<b>3,430,978</b>
of which:				
- Non-current financial debts	3,267,495	3,384,189	(116,694)	3,458,362
- Current financial debts	218,306	229,210	(10,904)	151,589
- Non-current financial assets	(1,973)	(1,424)	(549)	(1,407)
- Current financial assets, cash and cash equivalents	(344,656)	(309,518)	(35,138)	(177,566)
<b>Total (A+B)</b>	<b>4,206,230</b>	<b>4,377,887</b>	<b>(171,657)</b>	<b>4,420,785 (*)</b>

(\*) Restated at September 30, 2006 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 IAS 19 paragraph 93A.

(\*\*) Including financial assets available for sale.



→ Cash flow statement of the Group  
(indirect method)

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
<b>Cash inflow from operating activities</b>							
Income (loss) for the period before Minority interests	39,749	11,148	28,601	68,019	82,893	(14,874)	81,788
Amortisation, depreciation and write-downs	152,169	145,392	6,777	50,721	49,126	1,595	195,336
Interest expense, net (*)	180,602	184,191	(3,589)	60,252	60,954	(702)	245,272
Costs for stock options	1,139	4,121	(2,982)	358	1,393	(1,035)	4,768
Income taxes for the period	40,248	21,739	18,509	39,624	20,188	19,436	74,116
(Gains) losses on disposal of non-current assets	2,763	55	2,708	(570)	23	(593)	(37)
(Write-up) write-down of assets	-	-	-	-	-	-	(34)
Change in working capital	13,337	(16,305)	29,642	(73,237)	(111,741)	38,504	(58,705)
Change in non-current liabilities	(673)	(2,850)	2,177	(865)	(1,018)	153	(2,968)
Foreign exchange adjustments, change in the scope of consolidation and other change	273	(1,254)	1,527	240	(239)	479	(1,268)
<b>Cash inflow from operating activities</b>	<b>(A) 429,607</b>	<b>346,237</b>	<b>83,370</b>	<b>144,542</b>	<b>101,579</b>	<b>42,963</b>	<b>538,268</b>
<b>Cash outflow for investments</b>							
Purchase of intangible assets with indefinite useful life	(416)	(416)	-	(416)	(385)	(31)	(416)
Purchase of intangible assets with finite useful life	(29,236)	(16,729)	(12,507)	(8,663)	(6,895)	(1,768)	(34,785)
Purchase of property, plant and equipment	(10,526)	(11,329)	803	(4,886)	(4,048)	(838)	(13,538)
Other investments	(25)	(145)	120	552	(129)	681	(157)
Proceeds from disposal of non-current assets	1,459	484	975	715	38	677	968
Foreign exchange adjustments, change in the scope of consolidation and other change	9,012	(11,096)	20,108	8,592	(4,523)	13,115	(13,314)
<b>Cash outflow for investments</b>	<b>(B) (29,732)</b>	<b>(39,231)</b>	<b>9,499</b>	<b>(4,106)</b>	<b>(15,942)</b>	<b>11,836</b>	<b>(61,242)</b>
<b>Cash outflow for financing</b>							
Proceeds of non-current loans	-	256,000	(256,000)	-	-	-	256,000
Repayment of non-current loans	(179,150)	(431,523)	252,373	-	(76,511)	76,511	(431,522)
Payment of interest expense, net	(166,423)	(167,393)	970	(54,715)	(54,498)	(217)	(223,285)
Payment of transaction costs on loans	-	(1,525)	1,525	-	-	-	(1,525)
Change in financial assets and financial debts	(148,601)	28,235	(176,836)	(112,242)	27,450	(139,692)	31,057
Increase in share capital from exercised stock options	8,208	6,197	2,011	3,776	341	3,435	20,434
Payment of dividends	(33,745)	(24,493)	(9,252)	-	430	(430)	(24,502)
Foreign exchange adjustments, change in the scope of consolidation and other change	(6,344)	1,487	(7,831)	(5,845)	2,869	(8,714)	2,354
<b>Cash outflow for financing</b>	<b>(C) (526,055)</b>	<b>(333,015)</b>	<b>(193,040)</b>	<b>(169,026)</b>	<b>(99,919)</b>	<b>(69,107)</b>	<b>(370,989)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) (126,180)</b>	<b>(26,009)</b>	<b>(100,171)</b>	<b>(28,590)</b>	<b>(14,282)</b>	<b>(14,308)</b>	<b>106,037</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>308,195</b>	<b>202,158</b>	<b>106,037</b>	<b>210,605</b>	<b>190,431</b>	<b>20,174</b>	<b>202,158</b>
<b>Cash and cash equivalents at end of the period</b>	<b>182,015</b>	<b>176,149</b>	<b>5,866</b>	<b>182,015</b>	<b>176,149</b>	<b>5,866</b>	<b>308,195</b>

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

## → Operating free cash flow of the Group

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	426,423	373,509	52,914	218,850	218,516	334	611,424
Gains (losses) from discounting operating assets and liabilities	304	(819)	1,123	(69)	(97)	28	(937)
Decrease (increase) in operating working capital	25,647	15,323	10,324	(60,607)	(84,863)	24,256	(11,924)
(Decrease) increase in operating non-current liabilities	(2,610)	(1,774)	(836)	(825)	(942)	117	(1,829)
Capital expenditure	(39,762)	(28,058)	(11,704)	(13,549)	(10,943)	(2,606)	(48,323)
(Gains) losses on disposal of non-current assets	31	16	15	25	-	25	(76)
<b>Operating free cash flow</b>	<b>410,033</b>	<b>358,197</b>	<b>51,836</b>	<b>143,825</b>	<b>121,671</b>	<b>22,154</b>	<b>548,335</b>

## → Changes in consolidated equity

(euro/thousand)	Equity Shareholders of the Group				Minority interests			Total
	Share capital	Reserves	Income (loss) for the period	Total	Share capital and reserves	Income (loss) for the period	Total	
<b>At 12.31.2006</b>	<b>249,879</b>	<b>727,169</b>	<b>80,136</b>	<b>1,057,184</b>	<b>16,594</b>	<b>1,652</b>	<b>18,246</b>	<b>1,075,430</b>
Allocation of previous year result		21,658	(80,136)	(58,478)	(2,091)	(1,652)	(3,743)	(62,221)
Exercise of stock options	469	6,531		7,000	1,208		1,208	8,208
<i>Income (loss) recognised directly in equity</i>								
- Change in the reserve for cash flow hedge instruments		2,929		2,929				2,929
- Actuarial gains (losses)		5,360		5,360				5,360
- Foreign exchange adjustments		(5,539)		(5,539)				(5,539)
Reversal of the reserve for foreign exchange adjustments due to Consodata Group Ltd. deconsolidation		3,281	(3,281)					
Fair value of stock option plans		1,051	(1,051)		87	(87)		
Other changes		(1,290)		(1,290)	13		13	(1,277)
Transactions of the period affecting only the statement of operations			39,208	39,208		4,960	4,960	44,168
<b>At 09.30.2007</b>	<b>250,348</b>	<b>761,150</b>	<b>34,876</b>	<b>1,046,374</b>	<b>15,811</b>	<b>4,873</b>	<b>20,684</b>	<b>1,067,058</b>

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

For the notes please refer to the section "Economic and financial performance of the Business Areas - Italian Directories".

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

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
<b>Revenues from sales and services</b>	<b>748,358</b>	<b>721,659</b>	<b>26,699</b>	<b>319,977</b>	<b>304,407</b>	<b>15,570</b>	<b>1,077,495</b>
Materials and external services (*)	(275,643)	(277,458)	1,815	(96,194)	(88,172)	(8,022)	(410,469)
Salaries, wages and employee benefits (*)	(62,462)	(62,027)	(435)	(19,324)	(19,363)	39	(81,193)
<b>Gross operating profit</b>	<b>410,253</b>	<b>382,174</b>	<b>28,079</b>	<b>204,459</b>	<b>196,872</b>	<b>7,587</b>	<b>585,833</b>
<i>% on revenues</i>	<i>54.8%</i>	<i>53.0%</i>		<i>63.9%</i>	<i>64.7%</i>		<i>54.4%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(36,071)	(33,299)	(2,772)	(11,390)	(11,094)	(296)	(40,823)
Other income (expenses), net	(1,655)	(1,781)	126	(400)	(581)	181	(2,586)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>372,527</b>	<b>347,094</b>	<b>25,433</b>	<b>192,669</b>	<b>185,197</b>	<b>7,472</b>	<b>542,424</b>
<i>% on revenues</i>	<i>49.8%</i>	<i>48.1%</i>		<i>60.2%</i>	<i>60.8%</i>		<i>50.3%</i>
Operating amortisation, depreciation and write-downs	(19,456)	(13,670)	(5,786)	(6,563)	(4,980)	(1,583)	(19,655)
Non-operating amortisation and write-downs	(121,550)	(121,550)	-	(40,517)	(40,517)	-	(162,067)
Non-recurring and restructuring costs	(9,540)	(8,940)	(600)	(248)	(4,488)	4,240	(12,711)
<b>Operating result (EBIT)</b>	<b>221,981</b>	<b>202,934</b>	<b>19,047</b>	<b>145,341</b>	<b>135,212</b>	<b>10,129</b>	<b>347,991</b>
<i>% on revenues</i>	<i>29.7%</i>	<i>28.1%</i>		<i>45.4%</i>	<i>44.4%</i>		<i>32.3%</i>
Interest expense, net	(160,909)	(163,940)	3,031	(50,418)	(59,726)	9,308	(206,025)
Gains (losses) on valuation/disposal of investments	192	(39)	231	-	(23)	23	(39)
<b>Income (loss) before income taxes</b>	<b>61,264</b>	<b>38,955</b>	<b>22,309</b>	<b>94,923</b>	<b>75,463</b>	<b>19,460</b>	<b>141,927</b>
Income taxes	(30,134)	(14,881)	(15,253)	(34,056)	(10,720)	(23,336)	(58,532)
<b>Income (loss) for the period</b>	<b>31,130</b>	<b>24,074</b>	<b>7,056</b>	<b>60,867</b>	<b>64,743</b>	<b>(3,876)</b>	<b>83,395</b>

(\*) Less repayments of cost.

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

	At 09.30.2007	At 12.31.2006	Change	At 09.30.2006
<b>(euro/thousand)</b>				
Goodwill and customer database	3,484,282	3,605,832	(121,550)	3,646,349
Other non-current assets (**)	629,218	486,537	142,681	505,494 (*)
Operating non-current liabilities	(44,860)	(47,315)	2,455	(50,158) (*)
Non-operating non-current liabilities	(2,107)	-	(2,107)	-
Operating working capital	285,118	285,279	(161)	272,407
- Operating current assets	646,674	648,145	(1,471)	654,678
- Operating current liabilities	(361,556)	(362,866)	1,310	(382,271)
Non-operating working capital	(10,505)	(2,684)	(7,821)	(4,076)
- Non-operating current assets	11,881	3,649	8,232	7,713
- Non-operating current liabilities	(22,386)	(6,333)	(16,053)	(11,789)
<b>Net invested capital</b>	<b>4,341,146</b>	<b>4,327,649</b>	<b>13,497</b>	<b>4,370,016 (*)</b>
<b>Equity (A)</b>	<b>1,043,451</b>	<b>1,061,668</b>	<b>(18,217)</b>	<b>982,752 (*)</b>
<b>Net financial debt</b>	<b>3,391,786</b>	<b>3,369,306</b>	<b>22,480</b>	<b>3,489,656</b>
Transaction costs on loans and securitisation program not yet amortised	(87,431)	(102,326)	14,895	(107,276)
Net market value of cash flow hedge instruments	(6,660)	(999)	(5,661)	4,884
<b>Net financial debt - "book value" (B)</b>	<b>3,297,695</b>	<b>3,265,981</b>	<b>31,714</b>	<b>3,387,264</b>
of which:				
- Non-current financial debts	3,174,657	3,290,015	(115,358)	3,367,974
- Current financial debts	274,472	254,521	19,951	172,787
- Non-current financial assets	(1,971)	(1,424)	(547)	(1,427)
- Current financial assets, cash and cash equivalents	(149,463)	(277,131)	127,668	(152,070)
<b>Total (A+B)</b>	<b>4,341,146</b>	<b>4,327,649</b>	<b>13,497</b>	<b>4,370,016 (*)</b>

(\*) Restated at September 30, 2006 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 IAS 19 paragraph 93A.

(\*\*) Including financial assets available for sale.

## Cash flow statement of SEAT Pagine Gialle S.p.A. (indirect method)

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
<b>Cash inflow from operating activities</b>							
Income (loss) for the period	31,130	24,074	7,056	60,867	64,743	(3,876)	83,395
Amortisation, depreciation and write-downs	141,006	135,220	5,786	47,080	45,497	1,583	181,722
Interest expense, net (*)	160,885	162,721	(1,836)	50,227	59,483	(9,256)	204,585
Costs for stock options	752	2,973	(2,221)	250	1,002	(752)	3,271
Income taxes for the period	30,134	14,881	15,253	34,056	10,720	23,336	58,532
(Gains) losses on disposal of non-current assets	(6)	33	(39)	(3)	17	(20)	(58)
Gains (losses) on disposal/valuation of investments	(192)	-	(192)	-	-	-	-
Change in working capital	(8,560)	(16,350)	7,790	(87,477)	(97,008)	9,531	(36,352)
Other changes	1,221	790	431	324	454	(130)	1,028
<b>Cash inflow from operating activities</b>	<b>(A) 356,370</b>	<b>324,342</b>	<b>32,028</b>	<b>105,324</b>	<b>84,908</b>	<b>20,416</b>	<b>496,123</b>
<b>Cash outflow for investments</b>							
Purchase of intangible assets with finite useful life	(23,062)	(13,121)	(9,941)	(7,449)	(5,871)	(1,578)	(29,368)
Purchase of property, plant and equipment	(5,822)	(4,630)	(1,192)	(2,492)	(1,862)	(630)	(5,731)
Other investments	(149,806)	(450)	(149,356)	(148,243)	(200)	(148,043)	(450)
Proceeds from disposal of non-current assets	826	346	480	70	65	5	595
<b>Cash outflow for investments</b>	<b>(B) (177,864)</b>	<b>(17,855)</b>	<b>(160,009)</b>	<b>(158,114)</b>	<b>(7,868)</b>	<b>(150,246)</b>	<b>(34,954)</b>
<b>Cash (outflow) inflow for financing</b>							
Repayment of non-current loans	(179,150)	(431,410)	252,260	-	(76,510)	76,510	(431,411)
Net flow from securitisation program	7,345	177,138	(169,793)	5,839	3,662	2,177	176,993
Payment of interest expense, net	(152,715)	(159,814)	7,099	(44,218)	(57,714)	13,496	(197,706)
Payment of securitisation costs	-	(1,525)	1,525	-	-	-	(1,525)
Change in financial assets and financial debts	35,391	4,532	30,859	67,111	32,456	34,655	7,495
Increase in share capital from exercised stock options	4,774	6,197	(1,423)	342	341	1	20,434
Payment of costs relating to dividends distribution	-	-	-	-	-	-	(565)
Payment of dividends	(29,987)	(21,768)	(8,219)	-	-	-	(21,768)
<b>Cash (outflow) inflow for financing</b>	<b>(C) (314,342)</b>	<b>(426,650)</b>	<b>112,308</b>	<b>29,074</b>	<b>(97,765)</b>	<b>126,839</b>	<b>(448,053)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) (135,836)</b>	<b>(120,163)</b>	<b>(15,673)</b>	<b>(23,716)</b>	<b>(20,725)</b>	<b>(2,991)</b>	<b>13,116</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>171,519</b>	<b>158,403</b>	<b>13,116</b>	<b>59,399</b>	<b>58,965</b>	<b>434</b>	<b>158,403</b>
<b>Cash and cash equivalents at end of the period</b>	<b>35,683</b>	<b>38,240</b>	<b>(2,557)</b>	<b>35,683</b>	<b>38,240</b>	<b>(2,557)</b>	<b>171,519</b>

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

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

(euro/thousand)	9 months 2007	9 months 2006	Change	3 <sup>rd</sup> quarter 2007	3 <sup>rd</sup> quarter 2006	Change	Year 2006
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	372,527	347,094	25,433	192,669	185,197	7,472	542,424
Gains (losses) from discounting operating assets and liabilities	(24)	(1,219)	1,195	(191)	(243)	52	(1,440)
Decrease (increase) in operating working capital	161	11,181	(11,020)	(77,077)	(76,152)	(925)	(1,691)
(Decrease) increase in operating non-current liabilities	(896)	840	(1,736)	73	461	(388)	1,073
Capital expenditure	(28,884)	(17,753)	(11,131)	(9,941)	(7,735)	(2,206)	(35,099)
(Gains) losses on disposal of non-current assets	(6)	(6)	-	(3)	(6)	3	(97)
<b>Operating free cash flow</b>	<b>342,878</b>	<b>340,137</b>	<b>2,741</b>	<b>105,530</b>	<b>101,522</b>	<b>4,008</b>	<b>505,170</b>

## ➤ Main events of the first nine months of 2007

### Purchase of a real estate complex for the new headquarters of SEAT Pagine Gialle S.p.A.

As regards the acquisition of the “ex Officine Savigliano” real estate complex in Turin – at present in progress – at the end of September 2007, SEAT Pagine Gialle S.p.A. and SNOS S.p.A. concluded the operation to purchase a significant portion of the complex for the new headquarters, involving the newly constructed office blocks.

In particular, the deed of sale and the related leases were signed for the aforementioned office blocks. The leases are for 15 years and start from when material possession is taken of the property (expected for the second half of 2008), once the works have been finished and the certificate of occupancy obtained.

## ➤ Events subsequent to September 30, 2007

### Wer liefert was? GmbH (Who supplies what?)

On October 1, 2007, the acquisition of 100% interest in Wer liefert was? GmbH (“WLW”) from Eniro AB became effective. The enterprise value was € 115 million paid by SEAT through its own operational cash flow. The acquisition is in line with the SEAT group’s strategy to leverage its assets to grow in Europe, expand its international presence and consolidate its position on the online Business-to-Business market, in particular in Germany, where the SEAT group works with Telegate and Europages.

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## ➤ Outlook

As of September, the Group has started the business development actions envisaged by the 2008-2010 Plan.

SEAT Pagine Gialle S.p.A. introduced a new territorial structure of the sales network in Italy, which is a further development of the model adopted in 2000. This initiative is aimed at further enhancing the Company's presence in the individual markets to support the sales network, improve the quality of customer service and increase revenues. This new organisation is expected to positively contribute to developing the business already from the next year and orders booked for PAGINEGIALLE and PAGINEBIANCHE for 2008 are already showing a positive trend.

Telegate increased its online activities in Germany, in line with its strategic objective to grow in the online business. Thomson started its 2008 sales cycle focusing on the multi-product sale and its customer service ability. Europages started to integrate with Wer liefert was? GmbH, whose acquisition was finalised at the end of September. The joint venture with the Doğan group in Turkey is starting to operate, with the aim of launching its new directory services in the second half of 2008.

As the Group is already focusing on 2008, in the last quarter of this year consolidated revenues are expected to increase slightly, mainly supported by the growth of SEAT Pagine Gialle S.p.A.'s operations.

Abroad, the Telegate group is expected to achieve good results, thanks to the recovery of the French market, whereas Thomson's results will be affected by the reorganisation of its sales area, with an expected lower EBITDA compared to 2006. Europages will continue to invest to develop its sales networks and complete its migration to an entirely online offer. These changes will affect the company's short-term profitability, which is therefore expected to decrease compared to the previous year.

In light of the willingness to invest also in the fourth quarter to implement the initiatives envisaged by the 2008-2010 Plan, whose positive impact is already expected in the next year, the target for the year is an EBITDA growth as expected, but will be also dependent from the results of Thomson and Europages in the last months of the year.

The Company expects to achieve a net income at both the consolidated and separate level.



## ➤ Related party transactions

In compliance with IAS 24 and with Article 2, paragraph h) of Consob Regulations for Issuers No. 11971/1999 (as amended), the table below sets out the main economic and financial effects of transactions with related parties on the financial statements of SEAT Pagine Gialle S.p.A. and of the SEAT Pagine Gialle group at September 30, 2007.

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

All the transactions entered into by companies of the Group with related parties, including intra-group transactions, are ordinary transactions 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	
Materials and external services	0.1	they refer to marketing advices.
Salaries, wages and employee benefits	2.2	they refer to fees to the directors.
Non-recurring costs	0.2	they refer to legal advices.
Interest expense	82.4	it refers to interest and other financial expense on the "Subordinated" loan to Lighthouse International Company S.A..
Non-current reserves to employees	0.6	they refer to the termination indemnity due to the Chief Executive Officer, net of the premium periodically paid for the insurance policy whose beneficiary - at the end of his office - will be the Chief Executive Officer himself.
Non-current financial debts	1,262.8	they refer to € 1,300 million for the "Subordinated" loan to Lighthouse International Company S.A., net of € 37.2 million for transaction costs incurred at the inception of the loan and not yet amortised.
Current financial debts	43.4	they refer to the debt for accrued interest expense not yet paid at the end of the period on the "Subordinated" loan to Lighthouse International Company S.A.
Trade account payables	1.8	they refer to payables due to the directors for fees.
Investments	0.3	they refer to advice expenses on capitalised projects.

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

(euro/million)		Descriptions
Revenues from sales and services	61.3	they include € 55.7 million for revenues on call rebate from Telegate Italia S.r.l. and € 5.5 million for royalties on Europages from Europages S.A.
Other income	1.3	it mainly refers to repayments of costs for seconded personnel and other costs. It includes also € 0.5 million for rentals from Prontoseat S.r.l.
Materials and external services	39.4	they refer to € 23.8 million for call center services provided by Telegate Italia S.r.l.; to € 6.1 million for direct marketing services provided by Consodata S.p.A.; to € 5.5 million for the purchase of goods and products for resale from Cipi S.p.A.; to € 2.6 million for call center services provided by Prontoseat S.r.l.
Salaries, wages and employee benefits	2.4	they refer to € 2.2 million for fees to the directors and to € 0.2 million for costs for seconded personnel to Consodata S.p.A. and Prontoseat S.r.l.
Other valuation adjustments	1.2	they refer to the provision accrued in the period for the allowance of doubtful account receivables towards Telegate Italia S.r.l. for telephone traffic.
Provisions to reserves for current risks and charges, net	1.4	they refer to the provision to the contractual risk reserve to cover possible increases in the cost of interconnection from mobile telephone networks to non-geographical numbers for the period September 2006 – June 2007, which have not yet affected net revenues from telephone traffic towards Telegate Italia S.r.l.
Other operating expenses	0.2	they refer to entertainment goods and services purchased from Cipi S.p.A.
Non-recurring costs	0.2	they refer to legal advices provided by Studio Giliberti Pappalettera Triscornia e Associati.
Interest income	22.4	this item includes € 16.5 million for dividends recognised from subsidiaries (of which € 8.9 million from TDL Infomedia Ltd., € 2.8 million from Europages S.A., € 2.2 million from Telegate A.G., € 2.0 million from Consodata S.p.A. and € 0.6 million from Cipi S.p.A.) and € 5.8 million for interest income on the loan towards TDL Infomedia Ltd.
Interest expense	90.8	it refers to € 78.2 million for interest on the long-term "Subordinated" loan to Lighthouse International Company S.A. and to € 6.9 million for interest on the non-current debt to Meliadi Finance S.r.l. Moreover, it includes € 4.5 million for the transaction cost amortisation of these two mentioned debts and € 1.2 million for interest on short-term current accounts towards subsidiaries.
Income taxes	1.1	this item refers to income taxes for the period of Italian subsidiaries which entered into the tax consolidation agreement.
Current financial assets	99.7	they include € 98.3 million for the revolving credit line facility granted to TDL Infomedia Ltd.; € 1.3 million for current accounts towards Cipi S.p.A. and Prontoseat S.r.l.
Trade account receivables	22.0	they include € 18.6 million for receivables from Telegate Italia S.r.l., net of the relevant allowance for doubtful trade account receivables, and € 3.4 million for receivables from Europages S.A.
Other current assets	9.1	they include receivables from Europages S.A. arising from dividends distributed but not yet withdrawn (€ 2.8 million); € 4.1 million for advanced payments to Cipi S.p.A. for merchandising and € 1.3 million for receivables towards Telegate Italia S.r.l. and Prontoseat S.r.l., related to the Italian tax consolidation agreement.
Bank deposits	0.7	they refer to current account receivables towards Meliadi Finance S.r.l..

<b>(euro/million)</b>		<b>Descriptions</b>
Non-current reserves to employees	0.6	they refer to the termination indemnity due to the Chief Executive Officer, net of the premium periodically paid for the insurance policy whose beneficiary - at the end of his office - will be the Chief Executive Officer himself.
Non-current financial debts	1,425.1	they refer to € 1,262.8 million for the "Subordinated" loan with Lighthouse International Company S.A. and to € 162.3 million for the debt towards Meliadi Finance S.r.l., both of them shown net of transaction costs not yet amortised.
Current financial debts	103.1	they refer to € 43.4 million for debts towards Lighthouse International Company S.A. for accrued interest expense not yet paid; to € 48.6 million for payables towards Telegate A.G. for cash deposits; to € 11.1 million for current accounts, of which € 8.5 million due to Telegate Holding GmbH and € 2.2 million due to Consodata S.p.A.
Reserves for current risks and charges	1.4	this item refers to a reserve for contractual risks to cover possible increases in the cost of interconnection from mobile telephone networks to non-geographical numbers, as described above.
Trade account payables	23.1	this item refers to payables for services provided by the subsidiaries. In particular, they include € 9.6 million due to Telegate Italia S.r.l., € 9.1 million to Europages S.A. and € 1.8 million to Consodata S.p.A. Moreover, this item includes € 1.8 million for payables due to the directors for fees.
Payables for services to be rendered and other current liabilities	0.7	they include € 0.6 million for debts due to Italian subsidiaries related to the tax and consolidation agreement for the first advance on 2007 IRES.
Investments	1.2	they mainly refer to the capitalised costs for geomarketing incurred towards Consodata S.p.A.

## ➤ Economic and financial performance of the Business Areas

		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
<b>(euro/million)</b>								
Revenues from sales and services	9 months 2007	748.4	102.2	140.0	49.3	1,039.9	(43.2)	996.7
	9 months 2006	721.7	108.8	140.8	55.9	1,027.2	(39.1)	988.1
	Year 2006	1,077.5	173.5	188.7	77.0	1,516.7	(56.5)	1,460.2
Gross operating profit	9 months 2007	410.3	17.4	39.3	3.3	470.3	(1.3)	469.0
	9 months 2006	382.2	16.0	7.6	9.1	414.9	0.1	415.0
	Year 2006	585.8	44.9	16.7	12.1	659.5	-	659.5
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	9 months 2007	372.5	14.1	36.9	2.9	426.4	-	426.4
	9 months 2006	347.1	12.2	5.3	9.0	373.5	-	373.5
	Year 2006	542.4	39.3	17.7	12.0	611.4	-	611.4
Operating result (EBIT)	9 months 2007	222.0	12.1	29.9	(1.0)	263.0	-	263.0
	9 months 2006	202.9	8.6	-	6.4	217.9	-	217.9
	Year 2006	348.0	35.1	10.6	8.4	402.1	-	402.1
Total assets	September 30, 2007	4,923.5	314.1	175.0	465.5	5,878.1	(776.4)	5,101.7
	September 30, 2006	4,967.7 (*)	318.9 (*)	159.4	329.5	5,775.5	(614.7)	5,160.8
	December 31, 2006	5,022.7	324.3	144.5	322.8	5,814.3	(586.8)	5,227.5
Total liabilities	September 30, 2007	3,880.0	165.8	71.1	295.3	4,412.2	(377.6)	4,034.6
	September 30, 2006	3,985.0 (*)	178.9 (*)	80.9	301.5	4,546.3	(375.3)	4,171.0
	December 31, 2006	3,961.1	171.2	64.5	293.0	4,489.8	(337.7)	4,152.1
Net invested capital	September 30, 2007	4,341.1	202.3	41.8	19.8	4,605.0	(398.8)	4,206.2
	September 30, 2006	4,370.0 (*)	214.7 (*)	55.0	20.6	4,660.2	(239.4)	4,420.8
	December 31, 2006	4,327.6	221.6	61.6	16.1	4,626.9	(249.0)	4,377.9
Capital expenditure	9 months 2007	28.9	1.1	5.5	4.4	39.9	(0.1)	39.8
	9 months 2006	17.8	2.1	5.4	2.8	28.1	-	28.1
	Year 2006	35.1	2.8	6.0	4.4	48.3	-	48.3
Average workforce (**)	9 months 2007	1,381	1,008	2,527	435	5,351	-	5,351
	9 months 2006	1,336	1,022	2,447	411	5,216	-	5,216
	Year 2006	1,345	1,004	2,391	424	5,164	-	5,164
Sales agents (average number)	9 months 2007	1,603	-	-	-	1,603	-	1,603
	9 months 2006	1,798	-	-	-	1,798	-	1,798
	Year 2006	1,757	-	-	-	1,757	-	1,757

(\*) Restated at September 30, 2006 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 IAS 19 paragraph 93A.

(\*\*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

Key performance indicators of the Group	9 months 2007	9 months 2006	Year 2006
<b>Number of published directories</b>			
PAGINEBIANCHE®	75	69	103
PAGINEGIALLE®	143	134	202
ThomsonLocal	112	110	173
<b>Number of distributed directories (values in million)</b>			
PAGINEBIANCHE®	18.4	17.1	26.5
PAGINEGIALLE®	14.5	13.8	21.1
ThomsonLocal	14.9	14.6	24.1
<b>Number of visits (values in million)</b>			
<i>Thirty-minute accesses to website with no interruption</i>			
PAGINEBIANCHE.it®	156.6	132.9	183.2
PAGINEGIALLE.it®	59.9	57.2	78.4
TUTTOCITTA'.it®	34.8	33.6	45.6
Europages.com <sup>(1)</sup>	16.5	n.a.	n.a.
<b>Number of users (values in million)</b>			
PAGINEBIANCHE.it® unique users <sup>(2)</sup>	3.8	3.4	3.6
PAGINEGIALLE.it® unique users <sup>(2)</sup>	2.4	2.6	2.7
TUTTOCITTA'.it® unique users <sup>(2)</sup>	1.7	1.8	1.9
Callers to 89.24.24 Pronto PAGINEGIALLE®	3.2	3.6	4.3
Callers to 12.40 Pronto PAGINEBIANCHE®	5.5	4.9	6.2

(1) With regard to 2006, the figures consistent with the new measurement method adopted by the company in 2007 are not available.

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

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## → Italian Directories

### Economic and financial performance

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

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	748.4	721.7	26.7	3.7
Gross operating profit	410.3	382.2	28.1	7.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	372.5	347.1	25.4	7.3
Operating result (EBIT)	222.0	202.9	19.1	9.4
Net invested capital at the end of the period	4,341.1	4,370.0 (*)	(28.9)	(0.7)
Capital expenditure	28.9	17.8	11.1	62.4
Average workforce	1,381	1,336	45	3.4

(\*) Restated at September 30, 2006 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 IAS 19 paragraph 93A.

**Revenues from sales and services** reached € 748.4 million in the first nine months of 2007, up 3.7% compared to the same period of the previous year (€ 721.7 million), due to the strong performance of online and on voice services and the recovery in print products. The results for the first nine months of 2007 were positively influenced by some shifts in the publication of directories compared to the previous year. At the same number of published directories, revenues increased by 2.3%. The revenue performance reflects the positive effects of reorganisation and requalification actions in the sales area and the strengthening of the range of products and services, each of which has been carried out in the previous years. In particular, online and on voice services benefited from the commercial success of the online (video visuals) and voice (MMS) multimedia offer.

In detail:

- *Print*: revenues amounted to € 555.7 million in the first nine months of 2007 (€ 552.7 million in the first nine months of 2006). At the same number of published directories, revenues decreased by 1.2% compared to the same period of the previous year, an improvement compared to the 4.3% drop in the first nine months of 2006 compared to the same period of 2005. In 2007, there was an increase in sales to *Large Accounts*: qualified specialists (dedicated to satisfy the communication needs of customers operating throughout Italy) supported SEAT to turnaround the negative trend that had affected this customer segment over the past few years. Sales to SMEs, especially on print directories, recorded markedly improved results thanks to reorganisation and requalification strategies implemented in the past few years. *Local* sales, focused on small customers (such as individuals or small businesses), posted a decrease in revenues compared to 2006, due to the operating structure (not yet completely defined) not always being adequate – in terms of the number of sales agents – to meet the market's needs especially in certain geographical areas. As regards revenues of the two main print





products, PAGINEGIALLE® continued to decrease, though the trend was improving compared to the 8.2% decrease in the first nine months of 2006 (at the same number of published directories). In addition to the aforementioned requalification of the sales force, the product also benefited from the restyling of Casa and Lavoro editions, starting from the Turin directory; boosted by full-color, PAGINEBIANCHE® recorded a growth of 1.2% at the same number of published directories. Also sales of the online edition (PAGINEBIANCHE.it®) in bundle offer with print products was positive, with the number of visits to PAGINEBIANCHE.it® increasing by 17.8% to 156.6 million in the first nine months of 2007 and a monthly average of unique users increasing to 3.8 million. Finally, 18 editions of *Idee InVacanza* – the tourist guide featuring the main holiday resorts in the most popular tourist destinations – were published with revenues of € 1.6 million, up 1.7% compared to the same period of 2006. Specialised Business-to-Business products recorded a drop, suffering from the sales force's focus on the core print products and the multimedia online and voice offerings.

- *Online*: revenues amounted to € 82.3 million in the first nine months of 2007, up 14.7% compared to the same period of the previous year, earned in particular through PAGINEGIALLE.it® (€ 78.2 million in the first nine months of 2007) and the new portal PAGINEGIALLE VISUAL®. It should be noted that all customer segments (National, SMEs and Local) performed well. The current online offering had positive effects on the usage of the online platform, which recorded a 4.2% increase in the number of visits to PAGINEGIALLE.it® and TuttoCittà.it® to 94.7 million (90.8 million in the first nine months of 2006). With reference to PAGINEGIALLE.it®, about 71% of total searches were made on own brands, with an improvement compared to 69% in the first nine months of 2006. These positive results were achieved through the constant improvement in the product range carried out also thanks to the introduction of new services, such as a real-time display of the traffic on all motorways and new street-level itineraries through central areas and streets of large Italian cities. Taking into account also the number of visits to PAGINEBIANCHE.it®, searches increased by 12.3% to 251.3 million (223.7 million in the first nine months of 2006). The Company also continued its partnership strategy with the main search engines, aimed at increasing contact opportunities for its advertisers. As part of this strategy, in October 2007 a new agreement was finalised with the Yahoo Italia portal.
- *Voice*: revenues continued to grow (+25.3% in the first nine months of 2007) reaching € 86.4 million, compared to € 69.0 million in the first nine months of 2006, thanks to the development of value-added services of 89.24.24 Pronto PAGINEGIALLE® and the success of the 12.40 Pronto PAGINEBIANCHE® subscriber information service. 89.24.24 PPG revenues increased to € 55.5 million (up 9.8% compared to the first nine months of 2006) thanks mainly to advertising revenues (+18.2%) and also to revenues from telephone traffic (+2.9%), benefiting from the increase in the number, quality and sophistication of services offered. Consequently improvements were recorded in average revenue per customer and average handling time. It should be noted the commercial success of the new service launched at the end of March 2007, which allows callers to receive free video messages (MMS) containing pictures, logos and maps of the desired company. This service performed well, with an average value of nearly twice the base offering.

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**12.40**  
PRONTO Paginebianche  
IL NUMERO CON MILIONE DI NUMERI DENTRO

**GIALLO**  
dat@

The 12.40 Pronto PAGINEBIANCHE® subscriber information service, launched at the end of 2005, experienced strong results in terms of awareness: revenues from telephone traffic grew by 62.5% compared to the same period of 2006. The high level of usage of the service also had a positive impact on advertising revenues, which increased to € 3.3 million (€ 1.4 million in the first nine months of 2006).

- *Other products*: revenues from merchandising, amounting to € 8.0 million, were substantially in line with 2006. Revenues from Direct Marketing products decreased to € 6.9 million (€ 8.0 million in the first nine months of 2006), due, in part, to the sales force's focus on core products.

**Materials and external services**, net of repayment of costs, amounted to € 275.6 million in the first nine months of 2007, down € 1.8 million compared to the same period of 2006 and down € 6.8 million at the same number of published directories as a consequence of: *i*) a decrease in advertising costs of € 12.5 million compared to the first nine months of 2006, which had been impacted by the launch of the 12.40 Pronto PAGINEBIANCHE® service; and *ii*) an increase of costs for outbound call center services (+€ 4.2 million compared to the same period of 2006) and inbound call center services (+€ 4.6 million), as a consequence of the rise in the call number, and of telematic costs incurred mainly to produce PAGINEGIALLE VISUAL videos (+€ 2.3 million compared to the same period of 2006).

**Salaries, wages and employee benefits**, net of repayment of costs for seconded personnel to other Group companies, amounted to € 62.5 million in the first nine months of 2007, essentially in line with the same period of 2006.

The workforce, including directors, project workers and trainees, totaled 1,448 units at September 30, 2007 (1,393 units at December 31, 2006), whereas the average workforce during the period was 1,381 units (1,336 units in the first nine months of 2006).

**Gross operating profit** amounted to € 410.3 million in the first nine months of 2007, increasing by 7.3% compared to the same period of 2006 (6.1% at the same number of published directories), with a ratio to revenues of 54.8% (53.0% in the first nine months of 2006).

**Other valuation adjustments and provisions to reserves for risks and charges, net** amounted to € 36.1 million in the first nine months of 2007, an increase of € 2.8 million compared to the same period of 2006 (€ 33.3 million), as a consequence of utilizations of the allowance for doubtful trade receivables that were € 5.9 million higher than in the first nine months of 2006. Risk coverage percentages remained substantially in line with those at the end of 2006.

**EBITDA** reached € 372.5 million in the first nine months of 2007, up 7.3% compared to the same period of the previous year (5.9% at the same number of published directories).



**Operating amortisation, depreciation and write-downs** amounted to € 19.5 million in the first nine months of 2007, increased by € 5.8 million compared to the same period of the previous year, due to the high level of investments made in the last few years.

**Non-operating amortisation and write-downs** amounted to € 121.6 million in the first nine months of 2007. This amount was unchanged compared to the first nine months of 2006 and refers to the amortisation of the Customer DataBase.

**Non-recurring and restructuring costs** amounted to € 9.5 million in the first nine months of 2007 (€ 8.9 million in the same period of 2006). This item included a provision of € 7.4 million related to restructuring costs to implement a corporate reorganisation plan. This plan involves 130 redundancies in the 2007-2009 period, through measures of extraordinary unemployment compensation (*Cassa Integrazione Guadagni Straordinaria*) and early retirement, as well as selected dismissals and professional retraining. It will be carried out in the publishing and commercial back-office departments, which have benefited from the introduction of innovative IT systems.

**Operating result (EBIT)** amounted to € 222.0 million in the first nine months of 2007 (€ 202.9 million in the first nine months of 2006), in line with gross operating profit and EBITDA trend.

## → UK Directories

### Economic and financial performance

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



(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	102.2	108.8	(6.6)	(6.1)
Gross operating profit	17.4	16.0	1.4	8.7
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	14.1	12.2	1.9	15.6
Operating result (EBIT)	12.1	8.6	3.5	40.7
Net invested capital at the end of the period	202.3	214.7 (*)	(12.4)	(5.8)
Capital expenditure	1.1	2.1	(1.0)	(47.6)
Average workforce (FTE)	1,008	1,022	(14)	(1.4)

(\*) Restated at September 30, 2006 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 IAS 19 paragraph 93A.

**Revenues from sales and services** amounted to € 102.2 million in the first nine months of 2007, down 6.1% compared to the same period of 2006 and down 7.6% in GBP and at the same number of published directories. This revenue performance was impacted by the reorganisation of the sales area, which was necessary to efficiently present the multi-product offer to the UK market. All of the product segments (print, online and business information) were impacted. In particular, revenues from print directories decreased, despite the launch of sales of new advertising spaces following the agreement with Nectar.

Also online revenues decreased compared to the first nine months of 2006 despite the new positioning of the Group on the market as an online media agency. In September 2007, a sale agreement with Google was renewed. The drop in online revenues during 2007 was also due to the greater commercial focus, especially in the first half of 2007, on the new Nectar offering and reflects the difficulty of the sales department in effectively proposing and managing a multi-product offer involving a constant increase in the complexity of the service offered compared to the previous years.

Operating income (**EBITDA**) for the first nine months of 2007 increased by GBP 1.3 million compared to the same period of 2006 (an increase of GBP 1.0 million at the same number of published directories), thanks to lower advertising costs, further efficiencies in technical production costs and lower structure and sales costs, also as a consequence of the revenue performance.

The **average workforce** numbered 1,008 units in the first nine months of 2007 (1,022 units in the first nine months of 2006). This decrease was due to the internal reorganisation involving the transfer of sales personnel to other areas.

## → Directory Assistance

### Economic and financial performance

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

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	140.0	140.8	(0.8)	(0.6)
Gross operating profit	39.3	7.6	31.7	n.s.
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	36.9	5.3	31.6	n.s.
Operating result (EBIT)	29.9	-	29.9	n.s.
Net invested capital at the end of the period	41.8	55.0	(13.2)	(24.0)
Capital expenditure	5.5	5.4	0.1	1.9
Average workforce (*)	2,527	2,447	80	3.3

(\*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

**Revenues from sales and services** in the first nine months of 2007 of the "Directory Assistance" Business Area were substantially in line with the same period of 2006.

### Telegate group

16.241% held by SEAT Pagine Gialle S.p.A. and 61.154% by Telegate Holding GmbH

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

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	130.7	133.9	(3.2)	(2.4)
Gross operating profit	38.2	7.4	30.8	n.s.
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	35.9	4.2	31.7	n.s.
Operating result (EBIT)	29.6	(0.4)	30.0	n.a.
Net invested capital at the end of the period	24.0	37.0	(13.0)	(35.1)
Capital expenditure	5.1	4.9	0.2	4.1
Average workforce (FTE)	2,162	2,161	1	n.s.

telegate

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**Revenues from sales and services** in the first nine months of 2007 decreased by 2.4% to € 130.7 million. This decrease was mainly due to business performance in the French market. It should be noted that revenues in the first nine months of 2006 included € 9.6 million for management in outsourcing of services for the mobile phone operators SFR and Bouygues Telecom, an unproductive business in terms of operating margins that has been discontinued following market deregulation. Excluding these revenues, revenues from sales and services increased by 5.2% compared to the first nine months of 2006.

A breakdown of revenues by geographical area is provided below:

- in **Germany**, revenues were substantially flat compared to the same period of 2006 and amounted to € 85.3 million. The decrease in the number of calls to the 11880 service was offset by the increase in the average value per call principally due to price adjustments and higher average handling time due to the development of value-added services and the introduction of ANA (Automatic Number Announcement).

**11 880**

Telegate continued to successfully carry out its multi-channel strategy in Germany with a product portfolio of on voice and online services, the latter of which is available at the 11880.com portal. In the first nine months of 2007, advertising revenues from the new multimedia offering (online and voice) amounted to € 1.8 million (+€ 1.5 million compared to 2006);

- in **Spain**, revenues decreased in the first nine months of 2007 compared to the same period of 2006, mainly due to a reduction in outsourcing revenues as the management of directory assistance services for MGA operator was discontinued. This decrease has been partly offset by the increase in branded revenues driven by higher average handling time and price adjustments;

- in **Italy**, Telegate Italia S.r.l. benefited from the positive performance of 89.24.24 Pronto PAGINEGIALLE® service and the strong growth of 12.40 Pronto PAGINEBIANCHE® service, which led to a 37.0% increase in revenues compared to the same period of the previous year;

**118 000**

- in **France**, revenues from the 118000 number increased by 23.1%, net of the above-mentioned outsourcing services for the mobile phone operators SFR and Bouygues Telecom, which were discontinued in 2007. This result was achieved in a market that seems to have entered a more stable phase compared to the first few months of the liberalisation process.

Operating income (**EBITDA**) increased by € 31.7 million compared to the same period of 2006, mainly due to the considerable reduction in advertising investments (-51.6%) that were particularly significant in 2006 to support the start-up of the business in France.

In **Germany**, EBITDA increased by € 7 million and the ratio of EBITDA to revenues increased to 44.3%, due to a decrease in advertising costs (incurred in 2006 to counter the entry of a new competitor into the market) and industrial costs (mainly due to costs to update the database following the positive outcome of lawsuits with Deutsche Telekom issued by the courts of Düsseldorf and Cologne). These reductions were partially offset by an increase in labour costs resulting from the enhancement of the telephone sales network.

In **Spain** and **Italy**, positive margins were reached, supporting the growth in Group's EBITDA. These positive results were due to savings on call center operating costs thanks to the optimisation of overall capacity. These savings enabled Telegate to cover the increase in labour costs in Italy due to changes in the contractual terms with the call center operators.

In **France**, EBITDA increased by € 23.4 million compared to the first nine months of 2006 thanks to the decrease of € 16.6 million in advertising costs and cost savings arising from the rationalisation of the overall production capacity following the discontinuation of the agreements for the management in outsourcing of services for SFR and Bouygues Telecom.

**Net invested capital** amounted to € 24.0 million at September 30, 2007, a decrease of € 19.7 million compared to December 31, 2006. The decrease was partially due to the recognition of the liability of € 12.3 million towards Deutsche Telekom: as reported in the first half report at June 30, 2007, Deutsche Telekom paid Telegate this amount in July 2007 considering it a deposit on the debt which could be due at the end of the pending proceedings (related to the price paid by Telegate AG to Deutsche Telekom in previous years for the supply of telephone subscribers data that are alleged to have been excessive). Deutsche Telekom undertook this payment. Nevertheless, Deutsche Telekom maintains its disagreement with the court-decisions against which is appealing.

The **average workforce** was 2,162 units in the first nine months of 2007 (2,161 units in the same period of the previous year), of which 1,860 were call center operators.

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## Prontoseat S.r.l.

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

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



(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	9.4	6.9	2.5	36.2
Gross operating profit	1.1	0.2	0.9	n.s.
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1.0	1.0	-	-
Operating result (EBIT)	0.3	0.5	(0.2)	(40.0)
Net invested capital at the end of the period	0.6	0.6	-	-
Capital expenditure	0.4	0.6	(0.2)	(33.3)
Average workforce	365	286	79	27.6

Prontoseat S.r.l. achieved positive results in the first nine months of 2007.

**Revenues from sales and services** amounted to € 9.4 million (+36.2% compared to the same period of the previous year), benefiting from the traffic volumes generated by the 89.24.24 Pronto PAGINEGIALLE® value added service, which is jointly managed with the Italian subsidiary of the Telegate group.

Operating income (**EBITDA**) in the first nine months of 2007 is unchanged compared to 2006, despite growth in labour costs due to changes in the contractual terms with call center operators.

The **average workforce** was 365 units in the first nine months of 2007, an increase of 79 units compared to the same period of the previous year following the increase in traffic volume.

## → Other Activities

### Economic and financial performance

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

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	49.3	55.9	(6.6)	(11.8)
Gross operating profit	3.3	9.1	(5.8)	(63.7)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	2.9	9.0	(6.1)	(67.8)
Operating result (EBIT)	(1.0)	6.4	(7.4)	n.a.
Net invested capital at the end of the period	19.8	20.6	(0.8)	(3.9)
Capital expenditure	4.4	2.8	1.6	57.1
Average workforce (*)	435	411	24	5.8

(\*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

### Consodata S.p.A.

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

Consodata S.p.A., the Italian leader in one-to-one marketing and in geomarketing, has been offering complete and innovative direct marketing services to thousands of enterprises operating in a wide range of industries in Italy for over 20 years. It uses both the widespread sales network of the Parent Company to reach SMEs and its own dedicated network to be present on the "Large Account" market. Consodata offers its customers access to the largest behavioural database in Italy. This database enables customers to make decisions taking into account information on millions of consumers using the most modern marketing intelligence tools.

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

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	15.1	15.4	(0.3)	(1.9)
Gross operating profit	1.9	1.3	0.6	46.2
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	2.0	1.3	0.7	53.8
Operating result (EBIT)	0.6	(0.2)	0.8	n.a.
Net invested capital at the end of the period	7.7	7.1	0.6	8.5
Capital expenditure	1.3	1.3	-	-
Average workforce	119	135	(16)	(11.9)



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**Revenues from sales and services** amounted to € 15.1 million in the first nine months of 2007, down 1.9% compared to the same period of the previous year. This decrease was due to the strategic decision to change the Company business model (decreased focus on print segment and more attention on “data content” and “geomarketing”) and push the sales of more profitable products. The negative trend of print products reflects the critical situation of Direct Marketing depending on various reasons, including increased competition from both Poste Italiane and small operators.

The new business model positively impacted the operating income (**EBITDA**), which increased by 53.8% to € 2.0 million in the first nine months of 2007. This increase was due, in part, to high margins realised from “data content” business and lower distribution and printing costs due to the change in business model.

## Europages group

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

The Europages group publishes Europages, the pan-European Business-to-Business directory for companies that use import and export channels. This multi-language and multimedia research tool is available online and is distributed in print form and on CD Rom. The Europages portal includes approximately 700,000 Business-to-Business companies, mainly exporters. The database has continued to grow and includes new companies from the countries that have recently joined the European Union.

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

**EURO  
PAGES**

(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	21.6	28.1	(6.5)	(23.1)
Gross operating profit	1.9	8.8	(6.9)	(78.4)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1.6	8.6	(7.0)	(81.4)
Operating result (EBIT)	(0.4)	8.2	(8.6)	n.a.
Net invested capital at the end of the period	6.5	9.1	(2.6)	(28.6)
Capital expenditure	2.9	1.1	1.8	n.s.
Average workforce (FTE)	121	59	62	n.s.

**Revenues from sales and services** amounted to € 21.6 million in the first nine months of 2007, down € 6.5 million compared to the same period of the previous year. This reduction was due to the different sales strategy adopted as from 2007, which aims at: *i*) migrating towards an entirely online offer from the multimedia offer of the previous years, and *ii*) setting up a direct sales network in the most attractive countries (France and Germany). This shift in strategy will be completed in 2008.



The creation of a direct sales network in France after the conclusion of the distribution agreement with Pages Jaunes had temporary negative effects on revenues in France arising from the implementation of the project, which required more time than planned, and from the acquired customer portfolio, whose quality was lower than anticipated. In fact, it contained a large number of Business-to-Consumer customers, most of whom have not migrated to the new sales network because they had little interest in the Europages product when sold without the support of Pages Jaunes products.

The online component of the Europages offering continues to play a leading role. In the first nine months of 2007 the number of visits amounted to 16.5 million and the number of page views amounted to 81.8 million. The number of visits confirmed the website's leading position, as a consequence of the strong increase in the services provided, as well as the usefulness and quality of such services. Consistent with worldwide Business-to-Business trends and given that the majority of searches are performed online, the 2007 print edition (the 25th) will be the final one and, starting from 2008, the product will be available only online.

The delay in revenues arising from the migration to the online platform resulted in a decrease of operating margins. **EBITDA** amounted to € 1.6 million in the first nine months of 2007, compared to € 8.6 million in the same period of 2006. It remained positive despite the increase in costs incurred to create the new sales networks in France and Germany and to establish and enhance corporate and marketing departments in the parent company, partially offset by savings on costs of printing and distributing print directories.

The **average workforce** more than doubled, rising from 59 units in the first nine months of 2006 to 121 units in the first nine months of 2007 due to the effects of the ongoing reorganisation process, which led to an increase in the average sales force of approximately 50 units.

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## Cipi S.p.A.

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

Cipi S.p.A. operates in the merchandising and corporate gift market, covering the entire value chain from the import of gadgets to their personalising with the customer's logo and their sale, directly or through the Parent Company, to the end customer.

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



(euro/million)	9 months	9 months	Change	
	2007	2006	Absolute	%
Revenues from sales and services	13.3	12.2	1.1	9.0
Gross operating profit	(0.6)	(1.0)	0.4	40.0
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(0.7)	(1.0)	0.3	30.0
Operating result (EBIT)	(1.2)	(1.6)	0.4	25.0
Net invested capital at the end of the period	5.6	4.6	1.0	21.7
Capital expenditure	0.2	0.4	(0.2)	(50.0)
Average workforce	193	210	(17)	(8.1)

**Revenues from sales and services** reached € 13.3 million in the first nine months of 2007, an increase of 9.0% compared to the same period of the previous year. Sales from the Giallo Promo product line, which is sold through the sales network of SEAT Pagine Gialle S.p.A., increased by 5.6% compared to the same period of 2006, with revenues of € 5.8 million. In addition, Cipi S.p.A. continues to carry out its improvement strategy by attempting to offset the lower commercial effort of the sales network of SEAT Pagine Gialle S.p.A., which focuses more on multiplatform offer (print, voice and online), with direct sales to large Italian customers.

Operating income (**EBITDA**) was negative for € 0.7 million, appreciably improved compared to the first nine months of 2006.



## Other information



## ➤ Other information

### Declaration pursuant to paragraph 2 of Article 154-bis of Legislative Decree No. 58 of February 24, 1998

Pursuant to paragraph 2 of Article 154-bis of Legislative Decree No. 58 of February 24, 1998, the undersigned, Maurizia Squinzi, Senior Manager of the Administration, Finance and Control department of SEAT Pagine Gialle S.p.A. and Manager responsible for preparing the Company's financial reports,

hereby declares,

based on the information available to her through her role within the Company, as resolved by the Company's Board of Directors on June 19, 2007, in her capacity of Manager responsible for preparing the Company's financial reports, that the separate and consolidated financial statements at September 30, 2007 correspond to the Company's documented results, books and accounting records.

The separate and consolidated financial statements at September 30, 2007, not audited, have been prepared in accordance with Consob regulations, as adopted by Resolution for Issuers, and pursuant to evaluation and measurement standards provided by the IAS/IFRS issued by the International Accounting Standards Board, as adopted by the European Union.

Milan – November 8, 2007

signed by  
Maurizia Squinzi  
*Manager responsible for preparing  
the Company's financial reports*

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