

## SEAT Pagine Gialle S.p.A.



First Quarter Report at March 31, 2008





➤ First Quarter Report  
at March 31, 2008

Registered office: Via Grosio, 10/4 - 20151 Milan (Italy)  
Secondary office: Via Saffi, 18 - 10138 Turin (Italy)  
Fully paid-up share capital: € 250,351,664.46  
Tax code and VAT code: 03970540963  
Milan Register of Companies No. 03970540963



The SEAT Pagine Gialle group is the European leader and one of the main operators at world level in the sector of multimedia profiled advertising, offering “print-voice-online” directories, high-tech products for the Internet and for satellite and ortophotometric navigation, as well as complementary communication services such as one-to-one marketing.

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## Highlights and general information





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## ➤ Company Boards

*(information updated to May 12, 2008)*

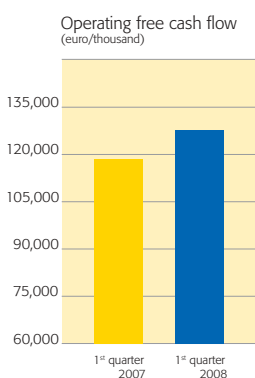
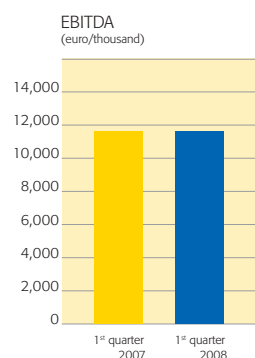
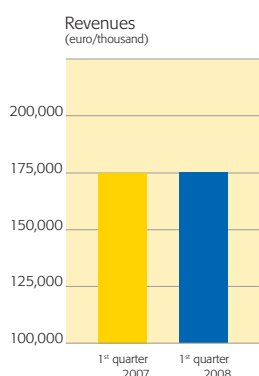
<b>Board of Directors</b>	↑	Chairman Chief Executive Officer Directors	Enrico Giliberti Luca Majocchi Lino Benassi <sup>(I)</sup> Antonio Belloni Dario Cossutta Carmine Di Palo Gian Maria Gros Pietro <sup>(I)</sup> Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Marco Reboa <sup>(I)</sup> Nicola 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>			Luca Majocchi <sup>(II)</sup>
<b>Board of Statutory Auditors</b>	↑	Chairman Acting Auditors	Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapolli
		Alternate Auditors	Guido Costa Guido Vasapolli
<b>Common representative of Savings Shareholders</b>	↑		Edoardo Guffanti
<b>Independent Auditors</b>	↑		Reconta Ernst & Young S.p.A.

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

(II) Appointed ad interim by the Board of Directors on March 18, 2008 further to the resignation of Mrs Maurizia Squinzi as of March 31, 2008 and until the appointment of the new Chief Financial Officer.

## ➤ Economic and financial highlights of the Group

- Consolidated REVENUES amounted to € 176.4 million, in line with the first quarter of 2007;
- Consolidated EBITDA amounted to € 11.6 million (-0.4%), which remained flat during a quarter not particularly significant due to the seasonality of the business;
- INTEREST EXPENSE, NET was substantially in line with the first quarter of 2007 at € 61.2 million due to an effective debt management policy which allowed the containment of the interest expense on debt;
- OPERATING CASH FLOW increased to € 129.1 million due to the containment of operating working capital driven by an increase in collection;
- NET FINANCIAL DEBT amounted to € 3,206.1 million, down € 68.2 million, with an average cost of debt equal to 6.5% in the first quarter of 2008.



(euro/thousand)	1 <sup>st</sup> quarter 2008	1 <sup>st</sup> quarter 2007	Year 2007
<b>Economic and financial highlights</b>			
Revenues from sales and services	176,385	175,907	1,453,592
Gross operating profit	27,424	25,678	703,044
Operating income before amortisation, depreciation, non-recurring and restructuring cost, net (EBITDA)	11,600	11,643	650,172
Operating result (EBIT)	(41,273)	(39,719)	429,074
Income (loss) before income taxes and Minority interests	(102,452)	(102,522)	186,447
Income (loss) for the period	(65,317)	(77,196)	98,399
Operating free cash flow (FCF)	129,099	118,282	559,544
Capital expenditure	11,340	9,213	66,113
Net invested capital	4,171,764	4,247,935	4,310,082
<i>of which goodwill and Customer DataBase</i>	<i>3,887,155</i>	<i>3,954,434</i>	<i>3,943,671</i>
<i>of which net operating working capital</i>	<i>169,482</i>	<i>181,945</i>	<i>300,306</i>
Equity Shareholders of the Group	1,013,080	986,107	1,100,006
Net financial debt <sup>(1)</sup>	3,206,149	3,342,883	3,274,306
<b>Income ratios</b>			
EBITDA/Revenues	6.6%	6.6%	44.7%
Operating result/Revenues	(23.4%)	(22.6%)	29.5%
Operating result/Net invested capital	(1.0%)	(0.9%)	10.0%
Income (loss) for the period/Equity Shareholders of the Group	(6.4%)	(7.8%)	8.9%
Operating free cash flow/Revenues	73.2%	67.2%	38.5%
Operating working capital/Revenues	96.1%	103.4%	20.7%
<b>Workforce</b>			
Workforce at the end of the period (units)	6,657	6,875	6,652
Average workforce for the period (units) (FTE)	5,369	5,273	5,365
Revenues/Average workforce	33	33	271

(1) 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 € 72,200 thousand at March 31, 2008.

### 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-down 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.

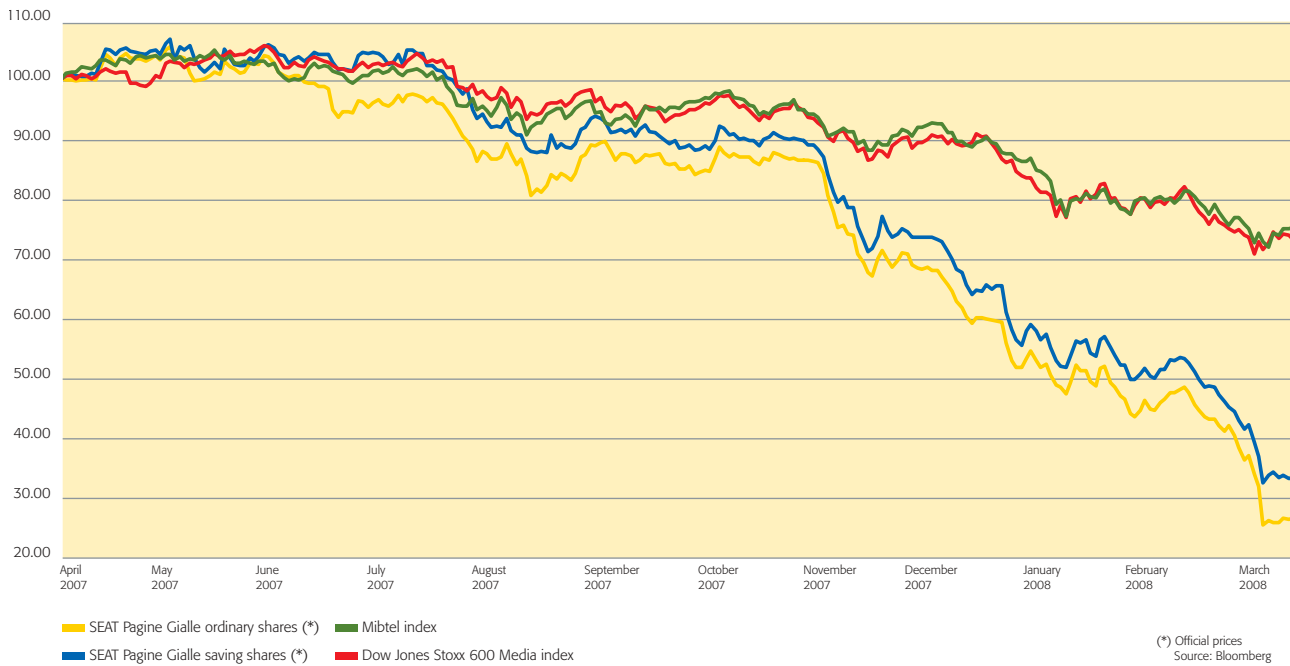
**FTE:** Full Time Equivalent for non-Italian companies; average workforce for Italian companies.

## ➤ Information for Shareholders

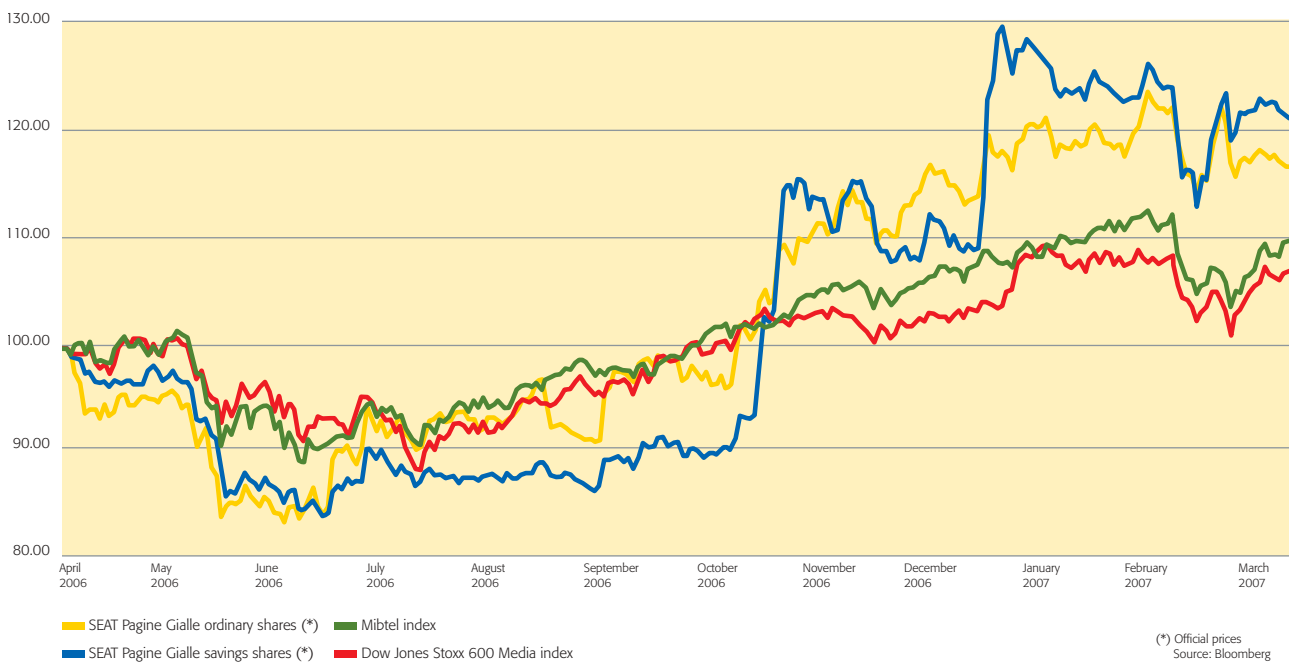
### Shares

Share capital (at March 31, 2008)	euro	250,351,664.46
Number of ordinary shares <i>(par value 0.03 euro)</i>	No.	8,208,980,696
Number of savings shares <i>(par value 0.03 euro)</i>	No.	136,074,786
Market capitalisation <i>(on average official market price for March 2008)</i>	euro/mln	1,235
Market ratio of SEAT Pagine Gialle (SPG ordinary shares) at March 31, 2008:		
- on Mibtel index		0.145%
- on Dow Jones Stoxx 600 Media index		0.346%

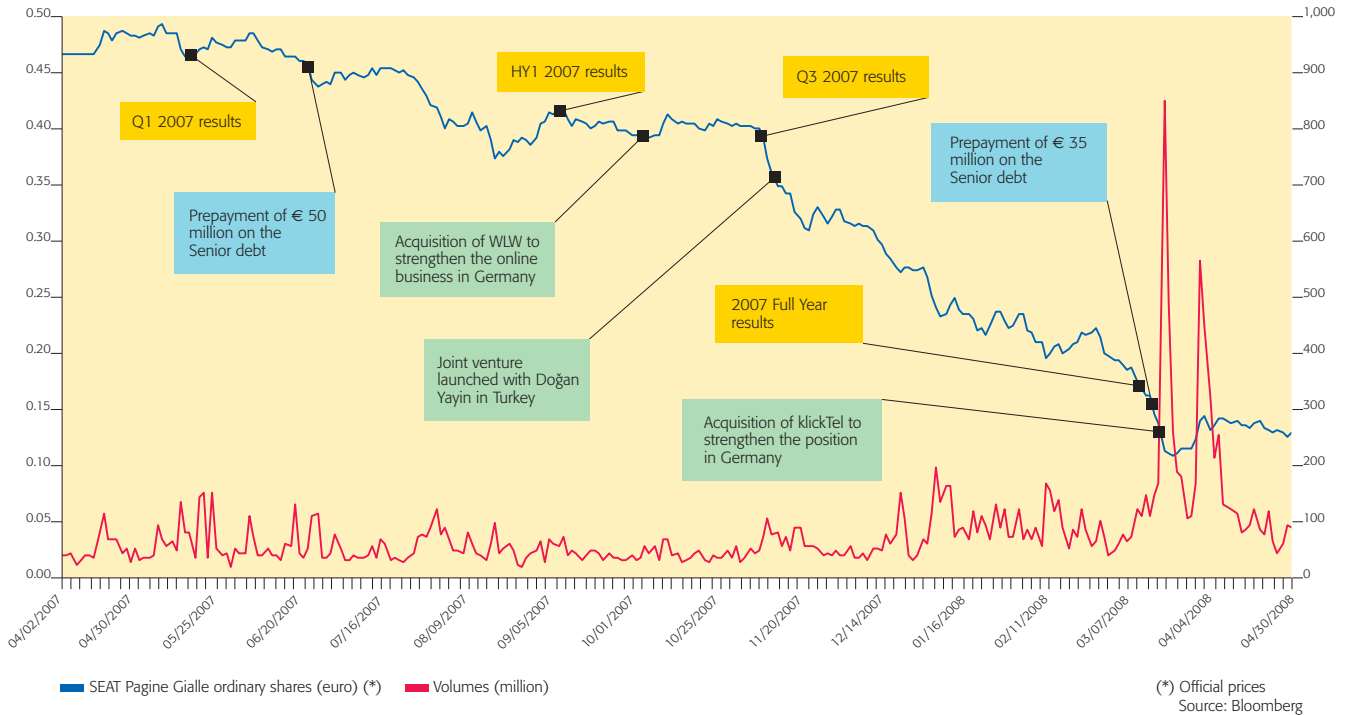
## Performance of SEAT Pagine Gialle S.p.A. shares vs Mibtel and Dow Jones Stoxx 600 Media indexes - at March 31, 2008



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



## Stock performance of SEAT Pagine Gialle in the last twelve months and traded volumes



## 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 March 31, 2008

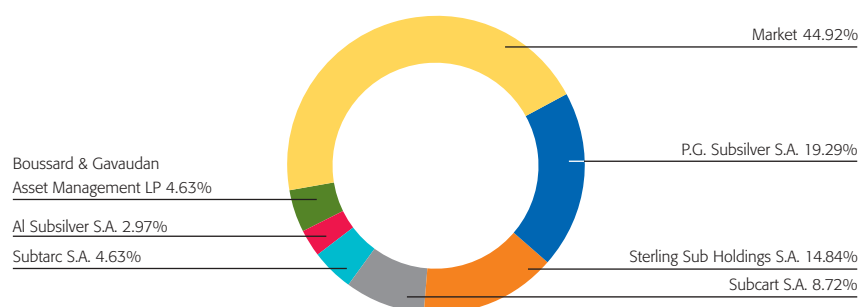
Shareholders at March 31, 2008	No. of ordinary shares	% on ordinary share capital
P.G. Subsilver S.A.	1,555,920,894 <sup>(1)</sup>	
	27,458,567 <sup>(2)</sup>	
	1,583,379,461	19.29
Sterling Sub Holdings S.A.	1,196,849,420 <sup>(1)</sup>	
	21,121,748 <sup>(3)</sup>	
	1,217,971,168	14.84
Subcart S.A.	703,586,244 <sup>(1)</sup>	
	12,416,744 <sup>(3)</sup>	
	716,002,988	8.72
Subtarc S.A.	373,595,387 <sup>(1)</sup>	
	6,593,134 <sup>(3)</sup>	
	380,188,521	4.63
Al Subsilver S.A.	239,369,605 <sup>(1)</sup>	
	4,224,345 <sup>(3)</sup>	
	243,593,950	2.97
Boussard & Gavaudan Asset Management LP	380,320,940	4.63

(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 Citivic Nominees Limited London, this last pledge issued on April 22, 2004. Voting right belongs to the respective shareholders.

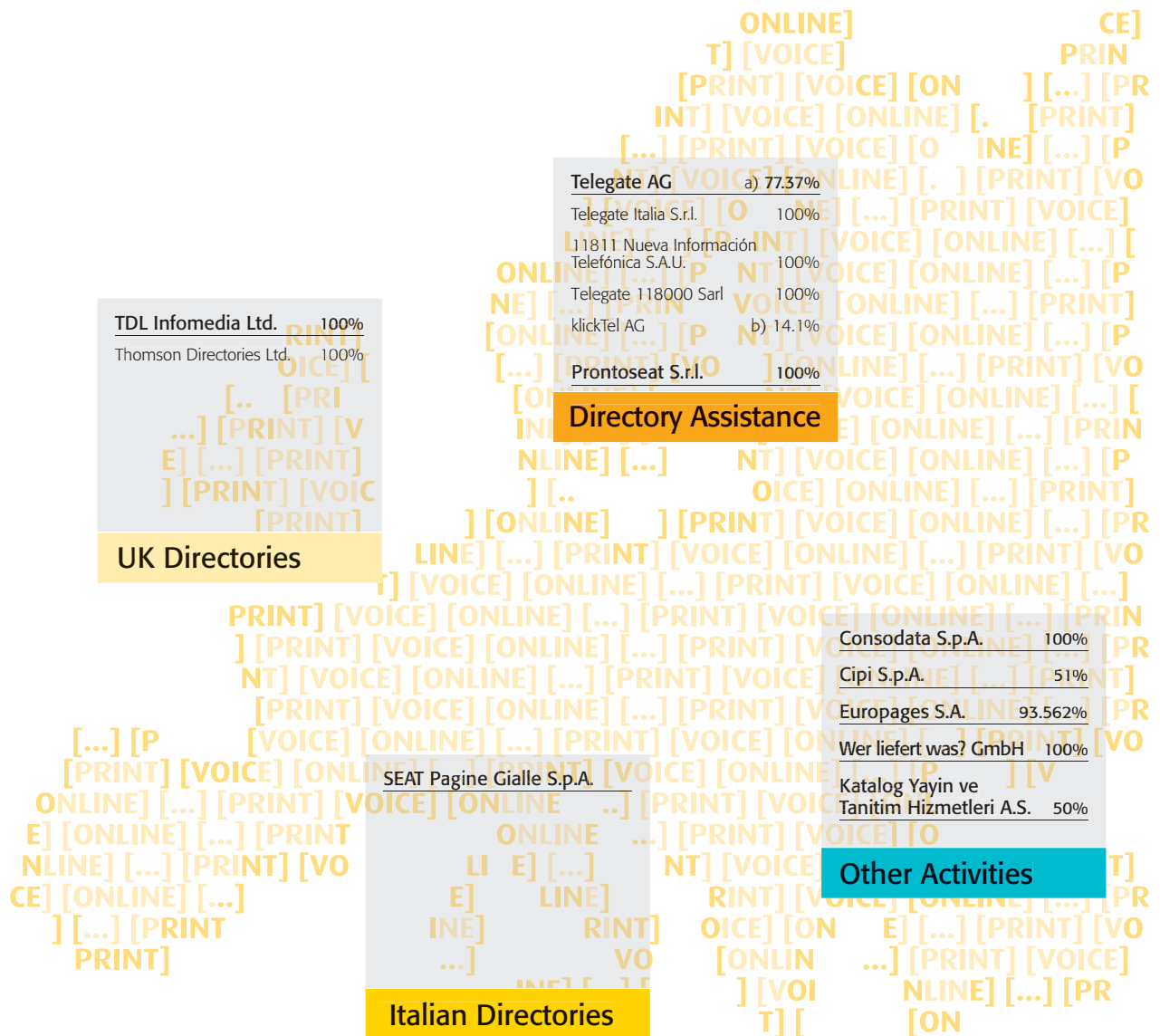
(2) Shares acquired on the market in October 2007, and so not pledged.

(3) Shares acquired on the market in October 2007, and pledged in favour of Société Européenne de Banque S.A. on January 31, 2008. Voting right belongs to the respective shareholders.

## SEAT Pagine Gialle S.p.A. Shareholders at March 31, 2008



## ↗ Organisational structure of the Group



**Legenda**

a) Of which 16.24% owned directly and 61.13% owned through Telegate Holding GmbH.  
 b) Interest in the Company increased to 93.5% during April 2008.





Report on operations



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## ➤ Economic and financial performance of the Group

The First Quarter Report at March 31, 2008 of the SEAT Pagine Gialle group was prepared in accordance with art. 154 ter of "TUF" (*Testo Unico della Finanza*), as amended, as well as with CONSOB Regulation for Issuers.

The economic and financial results for the first quarter of 2008 and previous comparative periods were not audited and were prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

### Reclassified income statement of the Group for the first quarter of 2008

**Revenues from sales and services** amounted to € 176.4 million in the first quarter of 2008, substantially in line with the first quarter of 2007. The positive effect of the consolidation of the German group WLW (€ 8.6 million of revenues) was partially offset by the performance of the euro/sterling exchange rate, whose consequence was a decrease of 11.3% in the Thomson group's revenues compared to the first quarter of 2007 (- € 2.2 million).

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 € 110.5 million in the first quarter of 2008, down 2.0% compared to the same period of 2007. This result reflects a performance of print products (-1.1%) substantially in line with the first quarter of 2007 and a decrease of € 2.8 million in online (PAGINEGIALLE.it € 22.3 million) and on voice revenues (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE € 10.1 million as regard the advertising channel), which on the whole confirmed the results achieved in first quarter of 2007, in which a strong growth in such products was recorded (online +22.7% and voice +62.8%) due to the sales strategies adopted. In 2008, SEAT decided to modify these strategies by focusing the sales activities on calendar year products in the second half of the year, looking forward to, *inter alia*, the launch of new Internet offers reserved for customers that already invest in their own websites and could benefit from the products and consulting capacity offered by SEAT Pagine Gialle S.p.A.;

- revenues from the “UK Directories” (Thomson Directories group) Business Area, which amounted to € 16.3 million in the first quarter of 2008, down 16% compared to the same period of 2007, mainly due to the negative performance of the euro/sterling exchange rate. In fact, in the local currency, revenues amounted to GBP 12.3 million compared to GBP 13.0 million in the first quarter of 2007, down 5.4%, reflecting the sales difficulties in relation to customers with national coverage needs, particularly financial institutions, which were most affected by the credit market crisis;
- revenues from the “Directory Assistance” (Telegate group and Prontoseat S.r.l.) Business Area, which amounted to € 42.3 million in the first quarter of 2008, down 9.6% compared to the same period of 2007. The Telegate group’s revenues decreased by 9.8% to € 39.7 million, primarily due to the performance of the business in Germany (arising from the drop in phone calls from fixed network) and in France (where the fall in phone calls was due to lower advertising investments). The revenues of Prontoseat S.r.l. were substantially stable at € 2.7 million, sustained by the call volume generated by the 89.24.24 Pronto PAGINEGIALLE® services and the customer service activities;
- revenues from the “Other Activities” (online Business to Business directories and other Italian market activities) Business Area, which amounted to € 20.2 million in the first quarter of 2008, a significant increase compared to the first quarter of 2007 (€ 9.3 million), also due to the consolidation of the German group WLW (€ 8.6 million of revenues), which has been consolidated since October 2007.

**Gross operating profit** amounted to € 27.4 million in the first quarter of 2008, up 6.8% compared to the first quarter of 2007 due to a decrease in costs for materials and external services, down 3.5%. This positive effect was only partially offset by a rise in salaries, wages and employee benefits of € 1.9 million due to the entry into the consolidation area of the German group WLW.

**Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)** amounted to € 11.6 million in the first quarter of 2008, substantially in line with the first quarter of 2007. Higher provisions to the allowance for doubtful receivables and the reserves for risks (up € 1.5 million compared to the same period of 2007) offset the improvement recorded in gross operating profit. Also SEAT Pagine Gialle S.p.A.’s EBITDA was in line with the first quarter of 2007 amounting to € 9.7 million.

**Operating result (EBIT)** amounted to a loss of € 41.3 million in the first quarter of 2008 compared to a loss of € 39.7 million in the first quarter of 2007, reflecting an increase of € 1.3 million in operating amortisation due to significant investments over the past few years.

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**Net interest expense** amounted to € 61.2 million in the first quarter of 2008 (€ 59.5 million in the first quarter of 2007), consisting of the balance of interest expense (€ 66.9 million; € 64.1 million in the first quarter of 2007) and interest income (€ 5.7 million; € 4.6 million in the first quarter of 2007). The change of € 1.7 million was due to exchange losses arising from the depreciation of the British sterling (the currency in which the intercompany receivable toward the UK subsidiary Thomson is denominated) against the euro.

Net of the above mentioned impact interest expense remained substantially flat despite the strong increase in the Euribor rate, as the Company benefited from a lower average indebtedness as well as a progressive reduction, as of February and then August 2007, of the spread component of the cost for the "Senior" debt due to achievement (at the end of December 2006 and June 2007) of specific ratios between EBITDA and net debt of the Group.

This spread is expected to amount at around 159 basis points at the end of the first quarter of 2008, a particularly moderate figure given the Company's indebtedness. Also hedging transactions on interest rate risks contributed positively to the containment of the cost of debt in the first quarter of 2008.

The average total cost of SEAT Pagine Gialle S.p.A.'s financial debt amounted to 6.52% in the first quarter of 2008 (6.25% in the first quarter of 2007). This increase derived from the growing weight of the "Subordinated" debt due to Lighthouse International Company S.A. (at a fixed rate of 8%) following the progressive repayments of the "Senior" debt of € 104.15 million from April to December 2007. It also derived from the increase of the Euribor component of the cost for the "Senior" debt, partially offset by the reductions in spreads and the positive contribution from hedging transactions, as above mentioned.

**Income taxes** showed a positive balance of € 38.0 million (compared to a positive balance of € 26.5 million in the first quarter of 2007). Income taxes were calculated by applying the effective average tax rates expected for the 2008 fiscal year to the result before income taxes.

The **result for the period** is negative for € 65.3 million (compared to a loss of € 77.2 million in the first quarter of 2007).

## Reclassified balance sheet of the Group at March 31, 2008

### Foreword

The loan agreement with The Royal Bank of Scotland Plc Milan Branch required SEAT Pagine Gialle S.p.A. to issue the following main guarantees, as standard for transactions of this type:

- 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 equal to or higher than € 25,000.

### Net invested capital

**Net invested capital** amounted to € 4,171.8 million at March 31, 2008, a decrease of € 138.3 million compared to December 31, 2007 attributable to operating working capital for € 130.8 million.

**Investments** amounted to € 16.1 million in the first quarter of 2008 (€ 9.4 million in the first quarter of 2007), of which € 11.3 million referred to capital expenditure aimed primarily at developing IT systems for the administrative and production areas of SEAT Pagine Gialle S.p.A. and supporting product innovation, particularly in the online segment. Furthermore, in March 2008, the first phase of the acquisition process of klickTel was completed. As a consequence the German subsidiary Telegate AG owned a 14.1% interest in the company, by a consideration of € 4.4 million.

It should be noted that in April 2008 Telegate AG increased its interest in the share capital of klickTel AG to 93.5%.

**Operating working capital** amounted to € 169.5 million at March 31, 2008, down € 130.8 million compared to December 31, 2007, reflecting in particular the following changes:

- a decrease in *trade account receivables* of € 79.6 million compared to December 31, 2007, of which € 67.0 million was recorded by SEAT Pagine Gialle S.p.A. and € 10.8 million by the Thomson group;
- a decrease in *trade account payables* of € 54.3 million compared to December 31, 2007, due to the consumptions performance during the quarter;
- an increase in *other operating current liabilities and payables for services to be rendered* of € 116.1 million compared to December 31, 2007, due to the acquisition and invoicing timing of advertising offers.

**Non-operating working capital**, negative for € 23.5 million at March 31, 2008, decreased by € 3.4 million compared to December 31, 2007 (€ 26.9 million), mainly due to the use of the reserves for restructuring expenses.

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## Net financial debt

**Net financial debt** amounted to € 3,206.1 million at March 31, 2008 (€ 3,274.3 million at December 31, 2007), down € 68.2 million in the first quarter of 2008, due to the cash flow arising from operating activities.

It differs from the net financial debt – “book value”, as described below, since it is presented “gross” of:

- transaction costs for the incurring 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 € 78.1 million at March 31, 2008, net of accumulated amortisation;
- net liabilities for the market value of cash flow hedge instruments, which amounted to € 5.9 million at March 31, 2008.

The item included:

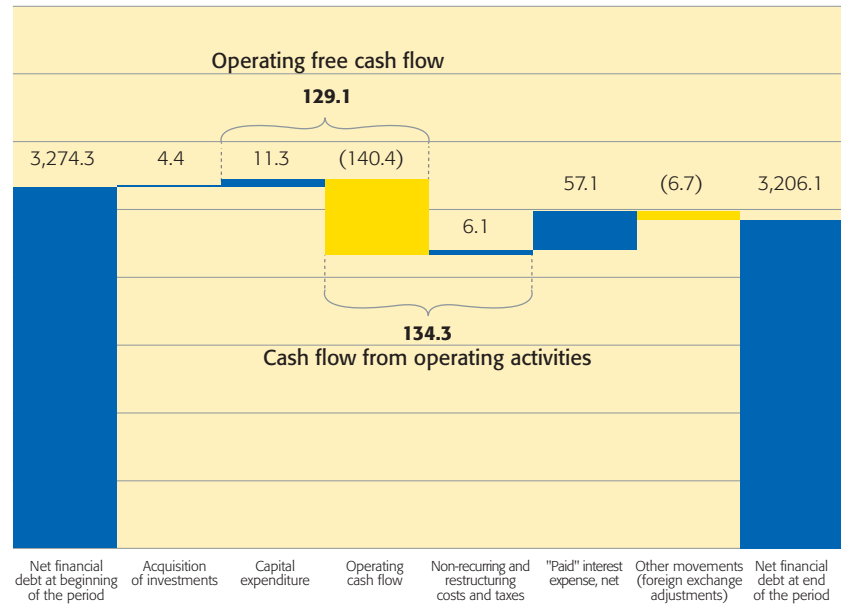
- € 3,195.0 million for non-current financial debts (€ 3,190.4 million at December 31, 2007);
- € 212.3 million for current financial debts (€ 215.5 million at December 31, 2007);
- € 2.1 million for non-current financial assets (€ 2.0 million at December 31, 2007);
- € 271.3 million for current financial assets, cash and cash equivalents (€ 217.6 million at December 31, 2007).

In March 2008, SEAT Pagine Gialle S.p.A. made a prepayment of € 35 million on the instalment related to the tranche A of the “Senior” debt with The Royal Bank of Scotland Plc Milan Branch, contractually due for € 81.7 million in June 2008.

This voluntary repayment is one of the options provided for to SEAT by contract to invest the liquidity exceeding its operating needs.

The following chart summarizes the main items that influenced the trend of net financial debt during the first quarter of 2008.

(euro/million)



The financing agreements require SEAT Pagine Gialle S.p.A. to comply with specific *covenants*, checked on quarterly basis. These covenants refer to the observance of specific ratios between *i*) net debt and EBITDA, *ii*) EBITDA and interest on the debt, *iii*) cash flow and debt service (including interest and principal instalments which are payable in each reference period).

The check on the above mentioned covenants and the compliance with all the loan contract obligations at March 31, 2008 (the reference date of this report) were positive.



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## Operating free cash flow of the Group for the first quarter of 2008

**Operating free cash flow** amounted to € 129.1 million in the first quarter of 2008, up € 10.8 million compared to the first quarter of 2007. This result was obtained in particular by containing operating working capital, which fell by € 130.8 million in the first quarter of 2008 (the decrease in the first quarter of 2007 was € 116.7 million), despite the increase of € 2.1 million in capital expenditure.

→ Reclassified income statement of the Group  
for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
<b>Revenues from sales and services</b>	<b>176,385</b>	<b>175,907</b>	<b>478</b>	<b>0.3</b>	<b>1,453,592</b>
Materials and external services (*)	(88,037)	(91,228)	3,191	3.5	(504,158)
Salaries, wages and employee benefits (*)	(60,924)	(59,001)	(1,923)	(3.3)	(246,390)
<b>Gross operating profit</b>	<b>27,424</b>	<b>25,678</b>	<b>1,746</b>	<b>6.8</b>	<b>703,044</b>
<i>% on revenues</i>	<i>15.5%</i>	<i>14.6%</i>			<i>48.4%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(15,320)	(13,854)	(1,466)	(10.6)	(50,077)
Other operating income (expenses), net	(504)	(181)	(323)	n.s.	(2,795)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>11,600</b>	<b>11,643</b>	<b>(43)</b>	<b>(0.4)</b>	<b>650,172</b>
<i>% on revenues</i>	<i>6.6%</i>	<i>6.6%</i>			<i>44.7%</i>
Operating amortisation, depreciation and write-down	(11,166)	(9,821)	(1,345)	(13.7)	(42,151)
Non-operating amortisation and write-down	(40,517)	(40,517)	-	-	(162,067)
Non-recurring and restructuring costs, net	(1,190)	(1,024)	(166)	(16.2)	(16,880)
<b>Operating result (EBIT)</b>	<b>(41,273)</b>	<b>(39,719)</b>	<b>(1,554)</b>	<b>(3.9)</b>	<b>429,074</b>
<i>% on revenues</i>	<i>(23.4%)</i>	<i>(22.6%)</i>			<i>29.5%</i>
Interest expense, net	(61,179)	(59,522)	(1,657)	(2.8)	(239,313)
Gains (losses) on disposal/valuation of investments	-	(3,281)	3,281	100.0	(3,314)
<b>Income (loss) before income taxes and Minority interests</b>	<b>(102,452)</b>	<b>(102,522)</b>	<b>70</b>	<b>0.1</b>	<b>186,447</b>
Income taxes for the period	38,026	26,474	11,552	43.6	(80,209)
<b>Income (loss) before Minority interests</b>	<b>(64,426)</b>	<b>(76,048)</b>	<b>11,622</b>	<b>15.3</b>	<b>106,238</b>
Minority interests	(891)	(1,148)	257	22.4	(7,839)
<b>Income (loss) for the period</b>	<b>(65,317)</b>	<b>(77,196)</b>	<b>11,879</b>	<b>15.4</b>	<b>98,399</b>

(\*) Less repayments of cost.

→ **Reclassified balance sheet of the Group  
 at March 31, 2008**

	At 03.31.2008	At 12.31.2007	Change	At 03.31.2007
<b>(euro/thousand)</b>				
Goodwill and Customer DataBase	3,887,155	3,943,671	(56,516)	3,954,434
Other non-current assets (*)	209,634	167,973	41,661	193,855
Operating non-current liabilities	(66,610)	(68,555)	1,945	(77,252)
Non-operating non-current liabilities	(4,427)	(6,404)	1,977	(379)
Operating working capital	169,482	300,306	(130,824)	181,945
- Operating current assets	689,114	756,034	(66,920)	701,273
- Operating current liabilities	(519,632)	(455,728)	(63,904)	(519,328)
Non-operating working capital	(23,470)	(26,909)	3,439	(4,668)
- Non-operating current assets	3,181	18,356	(15,175)	2,783
- Non-operating current liabilities	(26,651)	(45,265)	18,614	(7,451)
<b>Net invested capital</b>	<b>4,171,764</b>	<b>4,310,082</b>	<b>(138,318)</b>	<b>4,247,935</b>
Equity Shareholders of the Group	1,013,080	1,100,006	(86,926)	986,107
Minority interests	24,735	23,824	911	19,249
<b>Total equity (A)</b>	<b>1,037,815</b>	<b>1,123,830</b>	<b>(86,015)</b>	<b>1,005,356</b>
<b>Net financial debt</b>	<b>3,206,149</b>	<b>3,274,306</b>	<b>(68,157)</b>	<b>3,342,883</b>
Transaction costs on loans and securitisation program not yet amortised	(78,122)	(82,792)	4,670	(97,186)
Net market value of cash flow hedge instruments	5,922	(5,262)	11,184	(3,118)
<b>Net financial debt - "book value" (B)</b>	<b>3,133,949</b>	<b>3,186,252</b>	<b>(52,303)</b>	<b>3,242,579</b>
of which:				
- Non-current financial debts	3,195,012	3,190,372	4,640	3,364,373
- Current financial debts	212,347	215,508	(3,161)	158,346
- Non-current financial assets	(2,144)	(1,996)	(148)	(1,702)
- Current financial assets, cash and cash equivalents	(271,266)	(217,632)	(53,634)	(278,438)
<b>Total (A+B)</b>	<b>4,171,764</b>	<b>4,310,082</b>	<b>(138,318)</b>	<b>4,247,935</b>

(\*) Including financial assets available for sale.

→ Cash flow statement of the Group for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter 2008	1 <sup>st</sup> quarter 2007	Change	Year 2007
<b>Cash inflow from operating activities</b>				
Income (loss) for the period before Minority interests	(64,426)	(76,048)	11,622	106,238
Amortisation, depreciation and write-down	51,683	50,338	1,345	204,218
Interest expense, net (*)	61,132	59,518	1,614	240,173
Costs for stock options	345	404	(59)	1,497
Income taxes for the period	(38,026)	(26,474)	(11,552)	80,209
(Gains) losses on disposal of non-current assets	(7)	7	(14)	2,842
(Write-up) write-down of assets	-	3,281	(3,281)	(13)
Change in working capital	124,873	112,863	12,010	(44,241)
Change in non-current liabilities	(1,964)	(951)	(1,013)	(6,133)
Foreign exchange adjustments, change in the scope of consolidation and other change	705	(71)	776	21,865
<b>Cash inflow from operating activities</b>	<b>(A) 134,315</b>	<b>122,867</b>	<b>11,448</b>	<b>606,655</b>
<b>Cash inflow (outflow) for investments</b>				
Purchase of intangible assets with indefinite useful life	-	-	-	(127,620)
Purchase of intangible assets with finite useful life	(8,274)	(8,016)	(258)	(51,094)
Purchase of property, plant and equipment	(3,066)	(1,197)	(1,869)	(15,019)
Other investments	(4,745)	(191)	(4,554)	(5,339)
Proceeds from disposal of non-current assets	15	341	(326)	1,234
Foreign exchange adjustments, change in the scope of consolidation and other change	17,118	2,821	14,297	12,622
<b>Cash inflow (outflow) for investments</b>	<b>(B) 1,048</b>	<b>(6,242)</b>	<b>7,290</b>	<b>(185,216)</b>
<b>Cash outflow for financing</b>				
Repayment of non-current loans	(35,000)	(104,150)	69,150	(208,301)
Payment of interest expense, net	(57,129)	(54,861)	(2,268)	(222,122)
Change in other financial assets and financial debts	25,034	(27,358)	52,392	(26,627)
Increase in share capital from exercised stock options	-	3,232	(3,232)	8,350
Distribution of dividends	-	(192)	192	(62,221)
Foreign exchange adjustments, change in the scope of consolidation and other change	(10,752)	(1,733)	(9,019)	(14,164)
<b>Cash outflow for financing</b>	<b>(C) (77,847)</b>	<b>(185,062)</b>	<b>107,215</b>	<b>(525,085)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) 57,516</b>	<b>(68,437)</b>	<b>125,953</b>	<b>(103,646)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>204,549</b>	<b>308,195</b>	<b>(103,646)</b>	<b>308,195</b>
<b>Cash and cash equivalents at end of the period</b>	<b>262,065</b>	<b>239,758</b>	<b>22,307</b>	<b>204,549</b>

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

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## → Operating free cash flow of the Group for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter 2008	1 <sup>st</sup> quarter 2007	Change	Year 2007
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	11,600	11,643	(43)	650,172
Gains (losses) from discounting operating assets and liabilities	(33)	(4)	(29)	264
Decrease (increase) in operating working capital	130,824	116,745	14,079	(19,064)
(Decrease) increase in operating non-current liabilities	(1,945)	(896)	(1,049)	(5,826)
Capital expenditure	(11,340)	(9,213)	(2,127)	(66,113)
(Gains) losses on disposal of non-current assets	(7)	7	(14)	111
<b>Operating free cash flow</b>	<b>129,099</b>	<b>118,282</b>	<b>10,817</b>	<b>559,544</b>

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

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

### Reclassified income statement of SEAT Pagine Gialle S.p.A. for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
<b>Revenues from sales and services</b>	<b>110,456</b>	<b>112,681</b>	<b>(2,225)</b>	<b>(2.0)</b>	<b>1,090,217</b>
Materials and external services (*)	(65,574)	(69,388)	3,814	5.5	(399,935)
Salaries, wages and employee benefits (*)	(20,522)	(20,458)	(64)	(0.3)	(86,866)
<b>Gross operating profit</b>	<b>24,360</b>	<b>22,835</b>	<b>1,525</b>	<b>6.7</b>	<b>603,416</b>
<i>% on revenues</i>	<i>22.1%</i>	<i>20.3%</i>			<i>55.3%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(14,292)	(12,721)	(1,571)	(12.3)	(47,895)
Other operating income (expenses), net	(354)	(286)	(68)	(23.8)	(2,039)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>9,714</b>	<b>9,828</b>	<b>(114)</b>	<b>(1.2)</b>	<b>553,482</b>
<i>% on revenues</i>	<i>8.8%</i>	<i>8.7%</i>			<i>50.8%</i>
Operating amortisation, depreciation and write-down	(7,527)	(6,133)	(1,394)	(22.7)	(26,764)
Non-operating amortisation and write-down	(40,517)	(40,517)	-	-	(162,067)
Non-recurring and restructuring costs, net	(335)	(841)	506	60.2	(13,077)
<b>Operating result (EBIT)</b>	<b>(38,665)</b>	<b>(37,663)</b>	<b>(1,002)</b>	<b>(2.7)</b>	<b>351,574</b>
<i>% on revenues</i>	<i>(35.0%)</i>	<i>(33.4%)</i>			<i>32.2%</i>
Interest expense, net	(60,309)	(53,832)	(6,477)	(12.0)	(204,374)
Gains (losses) on disposal/valuation of investments	-	215	(215)	(100.0)	192
<b>Income (loss) before income taxes</b>	<b>(98,974)</b>	<b>(91,280)</b>	<b>(7,694)</b>	<b>(8.4)</b>	<b>147,392</b>
Income taxes for the period	37,313	25,247	12,066	47.8	(59,082)
<b>Income (loss) for the period</b>	<b>(61,661)</b>	<b>(66,033)</b>	<b>4,372</b>	<b>6.6</b>	<b>88,310</b>

(\*) Less repayments of cost.

## Reclassified balance sheet of SEAT Pagine Gialle S.p.A. at March 31, 2008

	At 03.31.2008	At 12.31.2007	Change	At 03.31.2007
<b>(euro/thousand)</b>				
Goodwill and Customer DataBase	3,403,248	3,443,765	(40,517)	3,565,315
Other non-current assets (*)	646,282	637,755	8,527	511,113
Operating non-current liabilities	(43,542)	(43,883)	341	(46,787)
Non-operating non-current liabilities	(1,098)	(5,226)	4,128	-
Operating working capital	197,423	308,903	(111,480)	184,042
- Operating current assets	617,963	670,150	(52,187)	621,239
- Operating current liabilities	(420,540)	(361,247)	(59,293)	(437,197)
Non-operating working capital	(17,031)	(20,847)	3,816	4,823
- Non-operating current assets	2,171	17,046	(14,875)	7,986
- Non-operating current liabilities	(19,202)	(37,893)	18,691	(3,163)
<b>Net invested capital</b>	<b>4,185,282</b>	<b>4,320,467</b>	<b>(135,185)</b>	<b>4,218,506</b>
<b>Equity (A)</b>	<b>1,029,229</b>	<b>1,101,823</b>	<b>(72,594)</b>	<b>1,000,099</b>
<b>Net financial debt</b>	<b>3,228,253</b>	<b>3,306,698</b>	<b>(78,445)</b>	<b>3,318,711</b>
Transaction costs on loans and securitisation program not yet amortised	(78,122)	(82,792)	4,670	(97,186)
Net market value of cash flow hedge instruments	5,922	(5,262)	11,184	(3,118)
<b>Net financial debt - "book value" (B)</b>	<b>3,156,053</b>	<b>3,218,644</b>	<b>(62,591)</b>	<b>3,218,407</b>
of which:				
- Non-current financial debts	3,103,459	3,103,653	(194)	3,254,875
- Current financial debts	275,357	320,059	(44,702)	189,906
- Non-current financial assets	(2,143)	(1,994)	(149)	(1,702)
- Current financial assets, cash and cash equivalents	(220,620)	(203,074)	(17,546)	(224,672)
<b>Total (A+B)</b>	<b>4,185,282</b>	<b>4,320,467</b>	<b>(135,185)</b>	<b>4,218,506</b>

(\*) Including financial assets available for sale.

## Cash flow statement of SEAT Pagine Gialle S.p.A. for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter 2008	1 <sup>st</sup> quarter 2007	Change	Year 2007
<b>Cash inflow from operating activities</b>				
Income (loss) for the period	(61,661)	(66,033)	4,372	88,310
Amortisation, depreciation and write-down	48,044	46,650	1,394	188,831
Interest expense, net (*)	60,028	53,615	6,413	204,291
Costs for stock options	252	251	1	1,003
Income taxes for the period	(37,313)	(25,247)	(12,066)	59,082
(Gains) losses on disposal of non-current assets	(8)	-	(8)	(11)
(Gains) losses on disposal/valuation of investments	-	(215)	215	(192)
Change in working capital	107,664	94,218	13,446	(32,361)
Other changes	(320)	(757)	437	(528)
<b>Cash inflow from operating activities</b>	<b>(A) 116,686</b>	<b>102,482</b>	<b>14,204</b>	<b>508,425</b>
<b>Cash inflow (outflow) for investments</b>				
Purchase of intangible assets with finite useful life	(6,885)	(6,348)	(537)	(42,272)
Purchase of property, plant and equipment	(2,011)	(43)	(1,968)	(9,119)
Other investments	-	(177)	177	(155,252)
Proceeds from disposal of non-current assets	13	577	(564)	544
Proceeds from repayment of financial investments	26,000	-	26,000	-
<b>Cash inflow (outflow) for investments</b>	<b>(B) 17,117</b>	<b>(5,991)</b>	<b>23,108</b>	<b>(206,099)</b>
<b>Cash outflow for financing</b>				
Repayment of non-current loans	(35,000)	(104,150)	69,150	(208,301)
Net flow from securitisation program	(2,143)	(14,378)	12,235	14,241
Payment of interest expense, net	(58,726)	(50,025)	(8,701)	(193,028)
Change in other financial assets and financial debts	(9,299)	(18,651)	9,352	57,844
Increase in share capital from exercised stock options	-	3,232	(3,232)	4,809
Distribution of dividends	-	-	-	(58,478)
<b>Cash outflow for financing</b>	<b>(C) (105,168)</b>	<b>(183,972)</b>	<b>78,804</b>	<b>(382,913)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) 28,635</b>	<b>(87,481)</b>	<b>116,116</b>	<b>(80,587)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>90,932</b>	<b>171,519</b>	<b>(80,587)</b>	<b>171,519</b>
<b>Cash and cash equivalents at end of the period</b>	<b>119,567</b>	<b>84,038</b>	<b>35,529</b>	<b>90,932</b>

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



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## Operating free cash flow of SEAT Pagine Gialle S.p.A. for the first quarter of 2008

(euro/thousand)	1 <sup>st</sup> quarter 2008	1 <sup>st</sup> quarter 2007	Change	Year 2007
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	9,714	9,828	(114)	553,482
Gains (losses) from discounting operating assets and liabilities	(267)	(217)	(50)	(83)
Decrease (increase) in operating working capital	111,480	101,237	10,243	(23,624)
(Decrease) increase in operating non-current liabilities	(341)	(528)	187	(462)
Capital expenditure	(8,896)	(6,391)	(2,505)	(51,391)
(Gains) losses on disposal of non-current assets	(8)	-	(8)	(11)
<b>Operating free cash flow</b>	<b>111,682</b>	<b>103,929</b>	<b>7,753</b>	<b>477,911</b>

## ➤ Main events of the first quarter of 2008

### Acquisition of klickTel AG

In the first quarter of 2008, Telegate AG acquired on the market a 14.1% interest in the share capital of the German company klickTel AG, which operates in the German online directories market, for a consideration of approximately € 4.4 million.

During the same period, in February 2008, Telegate AG entered into a series of preliminary agreements to purchase further interest of 78.7% of the share capital for a consideration of approximately € 25 million. This transaction, after the approval of the German Federal Cartel Office was obtained, became effective in April 2008, increasing the interest in the German subsidiary to 92.8%.

Telegate subsequently undertook further acquisitions and its interest in the company increased to 93.5% at the reporting date.

The acquisition of klickTel is aimed at reinforcing SEAT's position on the online directories market in Germany where the Group already operates through Telegate AG and Wer liefert was? GmbH.

klickTel AG was set up in 1999 and listed on the Entry Standard of the Frankfurt Stock Exchange. In 2007 it reported revenues of about € 21 million, nearly two thirds of which generated through online advertising sales, with the remaining accounted for by other products, such as navigable CD-ROMs, mobile solutions and software. The combination of Telegate and klickTel is bound to reinforce SEAT's market share in Germany, in terms of users (about 2.0 million unique users per month in Germany) and customer base (about 25,000 Business to Consumer advertisers). It will particularly boost the group's sales force (about 400 field and telesales agents). The acquisition is expected to make Telegate one of the leaders in the highly fragmented market of directories in Germany, thus reducing the gap with conventional search engines and incumbents.

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## ➤ Main events subsequent to March 31, 2008

### Real estate complex as new headquarters of SEAT Pagine Gialle S.p.A.

As described in the 2007 Annual Report, in 2007 SEAT Pagine Gialle S.p.A. carried out a certain number of transactions concerning the sale process (launched in December 2006) of the real estate complex named "ex Officine Savigliano" in Turin, made up of six newly constructed buildings and a large portion of the so named "Manica Storica" covering a gross floor space of about 26,600 square meters overall. The complex is currently under construction and it will house SEAT's new headquarters.

In April 2008, with regard to the so named "Manica Storica", the following were signed: *i)* the agreement amending the preliminary contract, following a series of upgrades in the technical specifications and variants in the works agreed further to the agreements signed in September 2007 between SEAT Pagine Gialle S.p.A. and SNOS S.p.A. and *ii)* the public deed of sale between SNOS S.p.A. and Leasint (formerly Intesa Leasing S.p.A.).

### Distribution of an ordinary dividend to savings shares only

The Ordinary Shareholders' Meeting of SEAT Pagine Gialle S.p.A., held on April 23, 2008, resolved to approve the Financial Statements for the year ended December 31, 2007 and, pursuant to art. 6 of the By-Laws, to distribute a dividend of € 0.0015 per savings share (5% of its par value), for a total amount of approximately € 204 thousand. The dividend will be paid out as of May 22, 2008, with the ex-dividend date on May 19, 2008.

### Additional prepayment related to the "Senior" debt

Considering the cash liquidity available to the SEAT Pagine Gialle group, on April 23, 2008 the Board of Directors resolved to make a prepayment of € 46.75 million (with value date on April 28, 2008) on the outstanding portion of the instalment of the "Senior" debt due on June 28, 2008, of which € 35 million had already been paid at the end of March.

## ➤ Outlook

In the rest of 2008, SEAT Pagine Gialle will continue to pursue its goal of investing in initiatives and new projects aimed at supporting sustainable growth in coming years. The strategic focus will be on Italy, in particular on opportunities to develop the Internet sector, whereas abroad the business portfolio will be managed on the basis of each company's specific situation.

In **Italy**, revenues of SEAT Pagine Gialle S.p.A. could be affected by the negative economic scenario (GDP growth estimates for 2008 were recently lowered). On the other side, EBITDA will be impacted by the greater resources required to strengthening the online offer and developing the sales network. However, these increasing costs will be faced through a higher efficiency in cost management remaining revenues flat (in fact, in 2008 revenues will not yet benefit from the development of the online strategy).

Abroad, the focus will be on carrying out the business plans of the each subsidiaries, now that the phase of investments aimed at strengthening the SEAT group's presence on the online market has come to an end.

In particular, **Telegate** will pursue its strategy of developing an online business model alongside its current directory assistance business by leveraging its acquisition of KlickTel.

**Europages** and **WLW** will develop existing synergies to strengthen the position of leadership of the SEAT group in the European online business to business market.

**Thomson** will continue to face the UK market's difficulties by expanding the weight of its online segment over its print one, leveraging its widespread sales network.

**Katalog**, the joint venture with Dogan Media Group, will launch new directory services in Turkey, a market which offers high growth potential and a moderate risk profile.

## ➤ Related party transactions

In compliance with IAS 24 and with art. 2, paragraph h), of CONSOB Regulation 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 the SEAT Pagine Gialle group at March 31, 2008.

In the consolidated financial 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
Other income	0.1	it refers to the repayment of costs for seconded personnel to Katalog Yayin ve Tanitim Hizmetleri A.S..
Salaries, wages and employee benefits	0.8	they refer to fees to the directors.
Interest expense	27.5	it refers to interest and other financial expense on the "Subordinated" loan with Lighthouse International Company S.A..
Other current assets	0.1	they refer to receivables arising from the repayment of costs for seconded personnel to Katalog Yayin ve Tanitim Hizmetleri A.S..
Non-current reserves to employees	0.5	they refer to the termination indemnity due to the Chief Executive Officer, net of the award 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	1,265.6	they refer to € 1,300 million for the "Subordinated" loan with Lighthouse International Company S.A., net of € 34.4 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 with Lighthouse International Company S.A.
Trade account payables	1.4	they refer to payables due to the directors for fees.

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

(euro/million)		Descriptions
Revenues from sales and services	18.1	they include € 17.5 million for revenues on call rebate from Telegate Italia S.r.l. and € 0.5 million for royalties from Europages S.A..
Other income	0.5	it mainly refers to repayments of costs for seconded personnel (€ 0.3 million) and other costs. They include also € 0.1 million for rentals from Prontoseat S.r.l..
Materials and external services	12.9	they refer to € 8.1 million for call center services provided by Telegate Italia S.r.l.; to € 1.2 million for the purchase of goods and products for resale from Cipi S.p.A.; to € 2.5 million for direct marketing services provided by Consodata S.p.A.; to € 0.5 million for call center services provided by Prontoseat S.r.l..
Salaries, wages and employee benefits	0.9	they refer to € 0.8 million for fees to the directors and to € 0.1 million for costs for seconded personnel to Consodata S.p.A. and Prontoseat S.r.l..
Other valuation adjustments	0.4	they refer to the provision accrued in the period to the allowance for doubtful account receivables toward Telegate Italia S.r.l. for telephone traffic.
Interest income	2.8	it refers to € 1.0 million for dividends recognised from Cipi S.p.A.. This item also includes € 1.7 million for interest income on the loan toward TDL Infomedia Ltd..
Interest expense	31.9	it refers to € 26.1 million for interest on the long-term "Subordinated" loan with Lighthouse International Company S.A. and to € 2.8 million for interest on the non-current debt to Meliadi Finance S.r.l.. Moreover, it includes € 1.5 million for the amortisation of transaction costs on these two mentioned debts and € 1.5 million for interest on short-term current accounts toward subsidiaries.
Income taxes	0.1	this item refers to income taxes for the period of Italian subsidiaries which entered into the tax consolidation agreement.
Current financial assets	91.9	they include € 86.1 million for the revolving credit line facility granted to TDL Infomedia Ltd.; € 5.8 million for current accounts toward Consodata S.p.A., Meliadi S.r.l. and Europages S.A..
Trade account receivables	20.2	they include € 19.6 million for receivables from Telegate Italia S.r.l., net of the relevant allowance for doubtful trade account receivables, and € 0.5 million for receivables from Europages S.A..
Other current assets	5.9	they include € 3.6 million for advance payments to Cipi S.p.A.; € 0.8 million for receivables of repayments of costs for services rendered to the subsidiary Consodata S.p.A., € 0.3 million for receivables mainly referred to repayments of costs for seconded personnel (€ 0.2 million) toward Prontoseat S.r.l. and € 0.8 million for receivables toward Cipi S.p.A., Telegate Italia S.r.l. and Prontoseat S.r.l., related to the Italian tax consolidation agreement.
Bank deposits	0.1	they refer to current account receivables toward Meliadi Finance S.r.l..
Non-current reserves to employees	0.5	they refer to the termination indemnity due to the Chief Executive Officer, net of the award 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	1,429.3	they refer to € 1,265.6 million for the "Subordinated" loan with Lighthouse International Company S.A. and to € 163.7 million for the debt toward Meliadi Finance S.r.l., both of them shown net of transaction costs not yet amortised.
Current financial debts	109.4	they refer to € 40.9 million for payables toward Telegate AG for cash deposits; to € 43.4 million for debts toward Lighthouse International Company S.A. for accrued interest expense not yet paid. They also include € 25.1 million for payables for cash deposits, of which € 18.8 million toward TDL Infomedia Ltd., € 5.1 million toward Consodata S.p.A., € 0.8 million toward Cipi S.p.A..
Reserves for current risks and charges	6.0	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 for the period September 2006 - June 2007.
Trade account payables	15.2	this item refers to payables for services provided by the subsidiaries. In particular, they include € 9.4 million due to Telegate Italia S.r.l., € 2.0 million to Consodata S.p.A., € 1.6 million to Europages S.A. and € 0.7 million to Prontoseat S.r.l.. Moreover, this item includes € 1.3 million for payables due to the directors for fees.
Payables for services to be rendered and other current liabilities	0.2	they represent payables toward the subsidiaries for services of the period.

## ➤ Economic and financial performance by Business Area

(euro/million)		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenues from sales and services	1 <sup>st</sup> quarter 2008	110.5	16.3	42.3	20.2	189.3	(12.9)	176.4
	1 <sup>st</sup> quarter 2007	112.7	19.4	46.8	9.3	188.2	(12.3)	175.9
	Year 2007	1,090.2	158.9	185.8	80.2	1,515.1	(61.5)	1,453.6
Gross operating profit	1 <sup>st</sup> quarter 2008	24.4	(7.1)	9.8	0.2	27.3	0.1	27.4
	1 <sup>st</sup> quarter 2007	22.8	(6.2)	11.6	(2.5)	25.7	-	25.7
	Year 2007	603.4	42.0	53.5	9.8	708.7	(5.7)	703.0
Net invested capital	March 31, 2008	4,185.3	181.9	42.9	135.0	4,545.1	(373.3)	4,171.8
	March 31, 2007	4,218.5	210.8	59.4	8.1	4,496.8	(248.9)	4,247.9
	December 31, 2007	4,320.5	205.3	37.9	146.6	4,710.3	(400.2)	4,310.1
Capital expenditure	1 <sup>st</sup> quarter 2008	8.9	0.4	0.7	1.3	11.3	-	11.3
	1 <sup>st</sup> quarter 2007	6.4	0.4	0.9	1.5	9.2	-	9.2
	Year 2007	51.4	1.8	5.8	7.4	66.4	(0.3)	66.1
Average workforce (*)	1 <sup>st</sup> quarter 2008	1,378	918	2,403	670	5,369	-	5,369
	1 <sup>st</sup> quarter 2007	1,379	1,011	2,501	382	5,273	-	5,273
	Year 2007	1,379	999	2,476	511	5,365	-	5,365
Sales agents (average number)	1 <sup>st</sup> quarter 2008	1,612	-	-	17	1,629	-	1,629
	1 <sup>st</sup> quarter 2007	1,605	-	-	-	1,605	-	1,605
	Year 2007	1,607	-	-	16	1,623	-	1,623

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

## → Italian Directories

### Economic and financial performance

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	110.5	112.7	(2.2)	(2.0)	1,090.2
Gross operating profit	24.4	22.8	1.6	6.7	603.4
Capital expenditure	8.9	6.4	2.5	39.1	51.4

SEAT Pagine Gialle S.p.A.'s **revenues from sales and services** amounted to € 110.5 million in the first quarter of 2008, down 2.0% compared to the same period of the previous year. In a difficult market scenario, the Company mostly confirmed the results achieved in the first quarter of 2007, when revenues had grown sharply (+11.5%) thanks to the strong focus on advertising sales for the most innovative products, as PAGINEGIALLE.it (+22.7%) and voice products (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE +62.8%). In contrast, the slowdown of revenues in the first quarter of 2008 reflects the substantially stable performance of print products, down 1.1% in line with the first quarter of 2007, and the decrease of online and voice services as a result of the change in business strategies adopted in 2008. In the first quarter of 2007 revenues had performed strongly, driven by the decision to focus on sales of online and voice services since the beginning of the year. In contrast, the first quarter of 2008 was influenced by the decision to focus on sales of such services, online in particular, only in the second half of the year, looking forward to the introduction of new online products. In March, SEAT introduced the new PAGINEGIALLE.it offer with an average entry price lower than the existing one, developed with the aim of increasing online penetration on the customer base and gaining new customers. In the coming months, the Company is going to launch new products, including in particular: *i*) additional paid-for content on PAGINEBIANCHE.it and *ii*) a new offer reserved for businesses that already invest in their own websites but not on the SEAT's ones and that could benefit from its consulting capabilities.

The results of the first quarter of 2008 were achieved in an economic context that toward the end of 2007 had begun to show signs of weakness, to the point where the EU Commission cut its 2008 GDP growth forecast from 1.4% to 0.5%. In this unfavorable economic scenario, some customers decided to delay renewing their advertising contracts with SEAT beyond their scheduled expiration and/or reduce their advertising and promotion budgets. Unless the Italian economy recovers to some extent and consumption increases, this trend could continue throughout 2008.



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- *Print*: directories and local products revenues decreased by 1.1% from € 51.0 million in the first quarter of 2007 to € 50.4 million in the first quarter of 2008, with a performance substantially in line with the same period of the previous year. After two years since its introduction, the full-color edition of PAGINEBIANCHE® continues to perform well, even if the growth rate of revenues declined slightly compared to the first quarter of 2007. The in-bundle offer between print and online (PAGINEBIANCHE.it) editions was also positive. PAGINEGIALLE® revenues, though improved compared to the first quarter of 2007, continued to decrease.  
Among *Local Products*, TuttoCittà® revenues increased, whose sales given over exclusively to the Local and voice channel starting in 2008.
- *Business to Business*: revenues from BtoB specialized products amounted to € 3.9 million, down 4.0% compared to the first quarter of 2007. This result refers specifically to Kompass products and does not yet take into account the revenues generated by Annuario SEAT and PAGINEGIALLE Professional, whose publication will take place during the coming quarters. In 2008 a review of the product range is planned in order to reflect the increasing importance of the online component, in particular for the high-end client segment, in line with the trends shown by the main BtoB markets. This review will also allow the Company to more effectively coordinate its different brands.
- *Online*: PAGINEGIALLE.it revenues amounted to € 22.3 million in the first quarter of 2008, down 6.1% compared to the same period of the previous year. During the reporting period, online orders booked increased compared to the first quarter of 2007. The number of searches increased slightly, driven by the increase in direct searches to PAGINEGIALLE.it proprietary brands (6.3%). In contrast, searches generated by partner sites decreased by 10.9%. To offset this performance, SEAT has begun to develop search engine optimization (SEO) operations, through the indexation of the contents of its own database to optimize its visibility on the main search engines. So far the effort has focused only on the online content of the customer database, it will continue in 2008 and is expected to have a positive impact on traffic recorded on the online platforms. As regards PAGINEGIALLE.it, approximately 74% of the searches occurred on proprietary brands, up from 70% in the first quarter of 2007, due in part to the constant improvement to the range of products and services offered through the introduction of new services, such as promotional videos for advertisers, real-time access to the traffic situation of all Italian motorways and new video itineraries from a street-level perspective for the central areas of some Italian cities. The Company also continued its partnership strategy aimed at increasing contact opportunities for its advertisers. In this context it should be noted the agreement signed in April with Samsung Electronics to bring the *Visual Mobile* application to new generation mobile phones and make available all PAGINEGIALLE VISUAL information.

- *Voice*: advertising revenues amounted to € 10.1 million, down € 1.4 million compared to the first quarter of 2007. This performance resulted from the sales strategies adopted, which allowed the shift of sales to the second half of the year, especially for the 89.24.24 Pronto PAGINEGIALLE® service, as illustrated by the trend in orders booked (increasing compared to the first quarter of 2007). On the contrary, positive performance for the 12.40 Pronto PAGINEBIANCHE service, whose high level of utilisation generated an increase in advertising sales in the first quarter of 2008.
- *Other products*: revenues remained mostly stable at € 22.5 million compared to the first quarter of 2007 (€ 22.4 million). They include € 17.5 million in revenues from phone traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE voice services, substantially flat compared to the first quarter of 2007. The performances of direct marketing products, with revenues at € 2.8 million, and merchandising, at € 1.7 million, were positive.

**Gross operating profit** amounted to € 24.4 million in the first quarter of 2008, increasing by 6.7% compared to the same period of 2007 (€ 22.8 million) thanks to the containment of costs of materials and external services, which decreased by € 3.8 million compared to the first quarter of 2007 at € 65.6 million. The achieved cost efficiencies offset the decrease in revenues. In detail, advertising costs decreased by € 0.9 million, as the increase to support print products was more than offset by the decrease on voice products, credit collection costs by € 2.3 million, attributable to the different timing in collection actions, and industrial costs by € 0.7 million, attributable to the decrease in telematic costs for PAGINEGIALLE VISUAL videos creation. Labor costs were substantially stable at € 20.5 million.

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## → UK Directories

### Economic and financial performance

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	16.3	19.4	(3.1)	(16.0)	158.9
Gross operating profit	(7.1)	(6.2)	(0.9)	(14.5)	42.0
Capital expenditure	0.4	0.4	-	-	1.8

**Revenues from sales and services** amounted to € 16.3 million (GBP 12.3 million) in the first quarter of 2008. The sharp reduction compared to the first quarter of 2007 is attributable to the negative performance of the euro/sterling exchange rate. The decrease was much lower (5.4%) in local currency.

The fall in revenues was most significant in the segment of customers with national coverage needs, particularly financial institutions, which were most affected by the credit market crisis. The segment of revenues generated by the sales network spread throughout the country (accounting for approximately 75% of total revenues) remained substantially unchanged.

With regard to product categories, *print revenues* for the first quarter of 2008 fell significantly, despite the positive results of the restyling of the Thomson Local print directories and the good performance of the sales of new advertising spaces in relation to the Nectar customer retention program. *Online revenues* were substantially unchanged, thanks to the new market positioning of the Group as an online media agency. The last few weeks of the quarter showed a renewed sales focus on the online offer, also further to the agreement signed with Google at the end of 2007, reflected in an increase of orders booked.

The delay in revenues led to a GBP 1.1 million decrease in **gross operating profit**, at GBP 5.3 million in the first quarter of 2008, mainly due to the increase in advertising costs to support the online offer, only partially offset by further efficiencies on overheads and sales costs. Industrial costs were substantially in line with the previous period. Labor costs decreased slightly by GBP 0.4 million.

## → Directory Assistance

### Economic and financial performance

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	42.3	46.8	(4.5)	(9.6)	185.8
Gross operating profit	9.8	11.6	(1.8)	(15.5)	53.5
Capital expenditure	0.7	0.9	(0.2)	(22.2)	5.8

**Revenues from sales and services** of the Directory Assistance Business Area amounted to € 42.3 million in the first quarter of 2008, with a decrease of 9.6% compared to the first quarter of 2007 due, in particular, to the performance of Telegate group (-9.8% to € 39.7 million).

### Telegate group

16.24% owned by SEAT Pagine Gialle S.p.A. and 61.13% owned by Telegate Holding GmbH

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	39.7	44.0	(4.3)	(9.8)	173.3
Gross operating profit	9.6	11.5	(1.9)	(16.5)	51.9
Capital expenditure	0.6	0.9	(0.3)	(33.3)	5.5

In the first quarter of 2008, **revenues from sales and services** decreased by 9.8% to € 39.7 million compared to the first quarter of 2007. This decrease was mainly due to the performance in the German and French markets. A breakdown of revenues by geographical area is provided below.

In **Germany**, revenues decreased by 9.1% to € 25.9 million compared to the first quarter of 2007 due to the decrease in the fixed-line calls number, whereas calls from mobile phone network remained stable.

The decrease in the number of calls to the 11880 service was partially offset by the development of value added services and through the multi-channel strategy implemented by the Company with a product portfolio of voice and online services, the latter available at the 11880.com portal, with the aim of generating advertising sales. At the end of March 2008, a total of 3,000 advertisers purchased these new services, generating online revenues of € 1.1 million, with an average revenue of approximately € 300 per advertiser.

telegate<sup>®</sup>

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In **Spain**, revenues in the first quarter of 2008 were substantially stable. Telegate offset the decline in revenues due to the outsourcing of directory assistance services with an increase in branded revenues, sustained by an increase in handling time and a different pricing plan, offsetting the reduction in the calls number.

Also in Spain, Telegate is attempting to implement its own multi-channel strategy, on voice and online. As part of this strategy, a partnership agreement was signed with QDQ Media SAU, Spain's second player in the directory market, with the aim of integrating new technology and developing a web platform for 11811, characterised by a good increase in the number of users.

In **Italy**, revenues increased moderately in the first quarter of 2008, attributable to the increase in the call handling time, which more than offset the slight decrease in the number of calls.



In **France**, with its 118000 number, Telegate reported a sharp decrease in revenues compared to the first quarter of 2007, as a consequence of the fall in telephone traffic following the decision to lower advertising costs. Despite this situation, during the first quarter of 2008 gross operating profit substantially reached the break-even. In France, the Group also continued to develop its online platform: the results of the preliminary tests on users have been positive, likewise preliminary sales tests, outsourced to a specialized company.

**Gross operating profit** of the Telegate group decreased by € 1.9 million, compared to the same period of the previous year, to € 9.6 million in the first quarter of 2008, mainly due to the slowdown experienced in the German market.



## Prontoseat S.r.l.

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

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	2.7	2.9	(0.2)	(6.9)	12.6
Gross operating profit	0.2	0.1	0.1	100.0	1.6
Capital expenditure	0.1	-	0.1	n.s.	0.4

In the first quarter of 2008, **revenues from sales and services** amounted to € 2.7 million and decreased by € 0.2 million compared to the same period of the previous year. The decrease in traffic generated by the 89.24.24 Pronto PAGINEGIALLE® value added service and the closure of the Bologna call center was offset by the increase in revenues generated by other services, such as customer service (+9.1%).

**Gross operating profit** amounted to € 0.2 million, an improvement compared to the first quarter of 2007, driven by the different revenue mix, with higher-margin calls increasing, and despite the increase in labor costs as a result of the change in the contractual agreements with the call center operators.

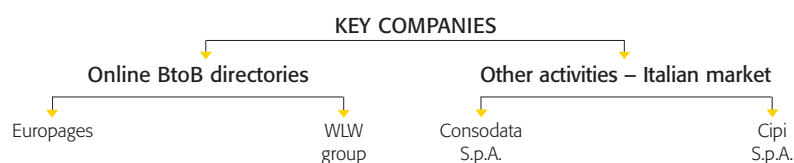
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## → Other Activities

### Structure of the Business Area

This is a residual Business Area, which groups all the activities not included in the previous Areas. In detail, it is organised as follows



### Economic and financial performance

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	20.2	9.3	10.9	n.s.	80.2
Gross operating profit	0.2	(2.5)	2.7	n.s.	9.8
Capital expenditure	1.3	1.5	(0.2)	(13.3)	7.4

The comparison with the same period of the previous year is not uniform since the figures related to the first quarter of 2007 do not include the German group Wer liefert was?, which was consolidated as of October 2007.

A breakdown of performances by business is provided below.

## Online Business to Business Directories

### Europages

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

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year



(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	2.2	1.7	0.5	29.4	25.7
Gross operating profit	(1.9)	(2.1)	0.2	9.5	1.1
Capital expenditure	0.4	1.0	(0.6)	(60.0)	4.4

**Revenues from sales and services** amounted to € 2.2 million in the first quarter of 2008, up € 0.5 million compared to the same period of the previous year due to the revenue increase achieved in Italy and France.

It should be noted that the year 2008 will be the first year influenced by *i)* the completion of the migration from a multimedia offer in previous years toward an exclusively online offer and *ii)* the use of an owned sales network in France, which is currently made up of 50 sellers. Consistent with worldwide BtoB trends and given that the majority of searches are performed online, the 2007 print edition (the 25th) was the final one and starting from 2008 the product is available only online. In the first quarter of 2008, visits were 4.5 million (+7.5%) and searches 12.8 million, confirming the website's strong position in the European BtoB market.

In this scenario, the quarterly results do not accurately represent business performance due to the different sales planning compared to 2007.

Due to a change in revenue performance, **gross operating profit** slightly increased compared to the first quarter of 2007 (up € 0.2 million), despite the increase in costs incurred to develop the sales area in France and to enhance certain central departments with control and marketing roles in the Parent Company.



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## Wer liefert was? group

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

The table below sets out the highlights for the first quarter of 2008. For a more complete information, the table sets out also the highlights for the first quarter of 2007, provided for according to the accounting policies adopted by SEAT group.



(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
		pro-forma			pro-forma
Revenues from sales and services	8.6	8.6	-	-	34.5
Gross operating profit	1.4	1.7	(0.3)	(17.6)	6.3
Capital expenditure	0.2	0.1	0.1	100.0	0.8

**Revenues from sales and services** amounted to € 8.6 million in the first quarter of 2008, in line with the same period of the previous year. The customer base, which includes more than 21 thousand active customers, increased by 3%. The positioning of the WLV portal is also favorable in the Business to Business market, with the number of visits increasing to around 5.9 million in the first quarter of 2008.

Organisational and sales initiatives have been launched with the aim of exploiting existing synergies between the German group and the French subsidiary Europages S.A.. Specifically, a dedicated network has been set up and trained for the sale of advertising spaces on the Europages.com website, in Germany, whose effects on revenues will start to be felt in the next months.

**Gross operating profit** amounted to € 1.4 million in the first quarter of 2008, with a 16.3% profitability, driven by high revenues. The slight decrease compared to the first quarter of 2007 was due to higher costs incurred to launch the sales activity of Europages products through WLV, in Germany.

## Other activities – Italian market

### Consodata S.p.A.

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

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year



(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	5.7	4.5	1.2	26.7	23.4
Gross operating profit	1.0	0.1	0.9	n.s.	4.5
Capital expenditure	0.6	0.5	0.1	20.0	1.9

**Revenues from sales and services** amounted to € 5.7 million in the first quarter of 2008, up 26.7% compared to the same period of the previous year, thanks to the growth recorded in both sales channels (SMEs and Large Accounts). Specifically, large accounts appreciated the Company's decision to focus on the sales of more profitable products (data content and geomarketing), which was reflected in a high increase in revenues. SME channel revenues also increased, though at a lower rate.

The increase in revenues and their different mix, in favor of higher-margin products, was reflected in **gross operating profit**, increasing by € 0.9 million compared to the first quarter of 2007 (€ 0.1 million). Labor costs decreased as a result of the downsizing of staff compared to the previous year, through personnel transfers within the SEAT's sales and IT departments.

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## Cipi S.p.A.

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

The table below sets out the highlights for the first quarter of 2008 compared to those for the same period of the previous year



(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2008	2007	Absolute	%	2007
Revenues from sales and services	3.7	3.1	0.6	19.4	23.5
Gross operating profit	(0.3)	(0.5)	0.2	40.0	2.3
Capital expenditure	0.2	-	0.2	n.s.	0.5

**Revenues from sales and services** reached € 3.7 million in the first quarter of 2008, a 19.4% increase compared to the first quarter of 2007, supported by the Company's strategy aimed at strengthening the quality and quantity of its direct sales network, focused on large accounts. Revenues increased approximately by 50% in this sales channel. The results achieved through the SEAT's sales network were also positive.

However, **gross operating profit** was negative due to the seasonal nature of the business, though it improved compared to the first quarter of 2007, due to the constant focus on increasing operating efficiency as well as sales development.

Investments for the period were mainly referred to the opening of an office in China.



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, Luca Majocchi, Chief Executive Officer 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 him through his role within the Company, as resolved by the Company's Board of Directors on March 18, 2008, in his capacity of Manager responsible for preparing the Company's financial reports, that the first quarter report at March 31, 2008 corresponds to the Company's documented results, books and accounting records.

Milan, May 12, 2008

signed by  
Luca Majocchi  
Manager responsible for preparing  
the Company's financial reports

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