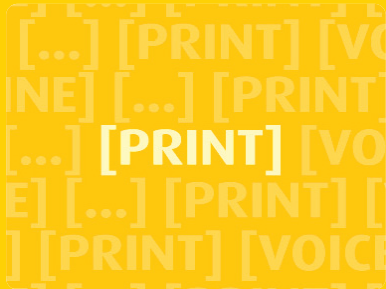


SEAT Pagine Gialle S.p.A.



First Half Report at June 30, 2008



➔ First Half Report at
June 30, 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 orthophotometric navigation, as well as complementary communication services such as one-to-one marketing.

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Pagine Gialle per il Design Italiano
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Highlights and general information



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→ **Company boards**

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→ Company boards

(at August 7, 2008)

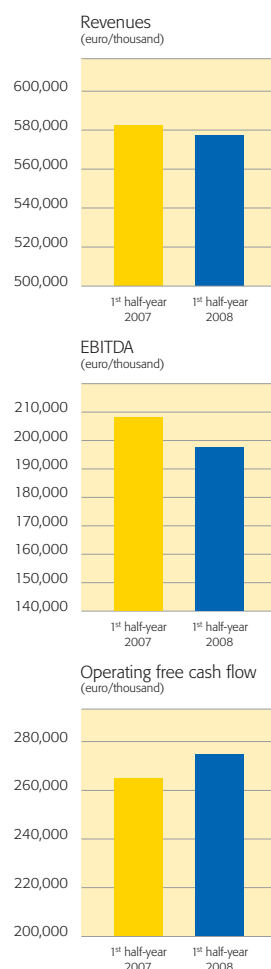
Board of Directors	↑	Chairman Chief Executive Officer Directors	Enrico Giliberti Luca Majocchi Lino Benassi ^(I) Antonio Belloni Dario Cossutta Carmine Di Palo Gian Maria Gros Pietro ^(I) Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Marco Reboa ^(I) Nicola Volpi
		Secretary to the Board	Marco Beatrice
Remuneration Committee	↑	Chairman	Gian Maria Gros Pietro Antonio Belloni Dario Cossutta
Internal Control Committee	↑	Chairman	Lino Benassi Marco Lucchini Marco Reboa
Board of Statutory Auditors	↑	Chairman Acting auditors	Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapolli
		Alternate auditors	Guido Costa Guido Vasapolli
Common representative of Savings Shareholders	↑		Edoardo Guffanti
Manager responsible for the preparation of the financial reports	↑		Massimo Cristofori ^(II)
Independent Auditors	↑		Reconta Ernst & Young S.p.A.

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

(II) Appointed by the Board of Directors on May 12, 2008. The appointment is effective as of recruitment in June 2008.

➤ Economic and financial highlights of the Group

- Consolidated REVENUE € 576.5 million essentially unchanged thanks to faster take-up of online and voice services in Italy in the second quarter of 2008;
- Consolidated EBITDA € 197.7 million (-4.8%) in line with forecasts, despite investments in product innovation and an expanded sales force in Italy;
- OPERATING FREE CASH FLOW € 273.8 million, 2.8% up on the first half of 2007;
- NET FINANCIAL DEBT € 3,152.1 million down as a result of a € 134 million repayment on the € 164 million due in 2008;
- COST OF DEBT 6.56% with financial expense essentially unchanged thanks to debt reduction and the hedging policy.



(euro/thousand)	1 st half-year 2008	1 st half-year 2007	Year 2007
Economic and financial data			
Revenue from sales and services	576,469	582,263	1,453,592
Gross operating profit (GOP)	223,362	235,953	703,044
Operating income before amortisation, depreciation, non-recurring and restructuring cost, net (EBITDA)	197,698	207,573	650,172
Operating result (EBIT)	68,513	95,658	429,074
Income (loss) before income taxes and Minority interests	(52,171)	(27,646)	186,447
Income (loss) for the period	(45,651)	(31,066)	98,399
Operating free cash flow (FCF)	273,767	266,208	559,544
Capital expenditure	23,746	26,213	66,113
Net invested capital	4,127,279	4,215,408	4,310,082
<i>of which goodwill and customer databases</i>	3,873,919	3,915,817	3,943,671
<i>of which net operating working capital</i>	199,406	212,436	300,306
Equity Shareholders of the Group	1,044,203	989,188	1,100,006
Net financial debt ⁽¹⁾	3,152,107	3,316,160	3,274,306
Income ratios			
EBITDA/Revenue	34.3%	35.6%	44.7%
Operating result/Revenue	11.9%	16.4%	29.5%
Operating result/Net invested capital	1.7%	2.3%	10.0%
Income (loss) for the period/Equity Shareholders of the Group	(4.4%)	(3.1%)	8.9%
Operating free cash flow/Revenue	47.5%	45.7%	38.5%
Operating working capital/Revenue	34.6%	36.5%	20.7%
Workforce			
Workforce at the end of the period	6,940	6,969	6,652
Average workforce for the period (FTE)	5,445	5,326	5,365
Revenue/Average workforce	106	109	271

(1) Net financial debt does not include transaction costs on loans and the market value of cash flow hedge instruments recognised as financial assets amounting to € 93,261 thousand at June 30, 2008.

Legenda:

Gross operating profit: revenue 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 and non-operating amortisation, depreciation and write-down.

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.

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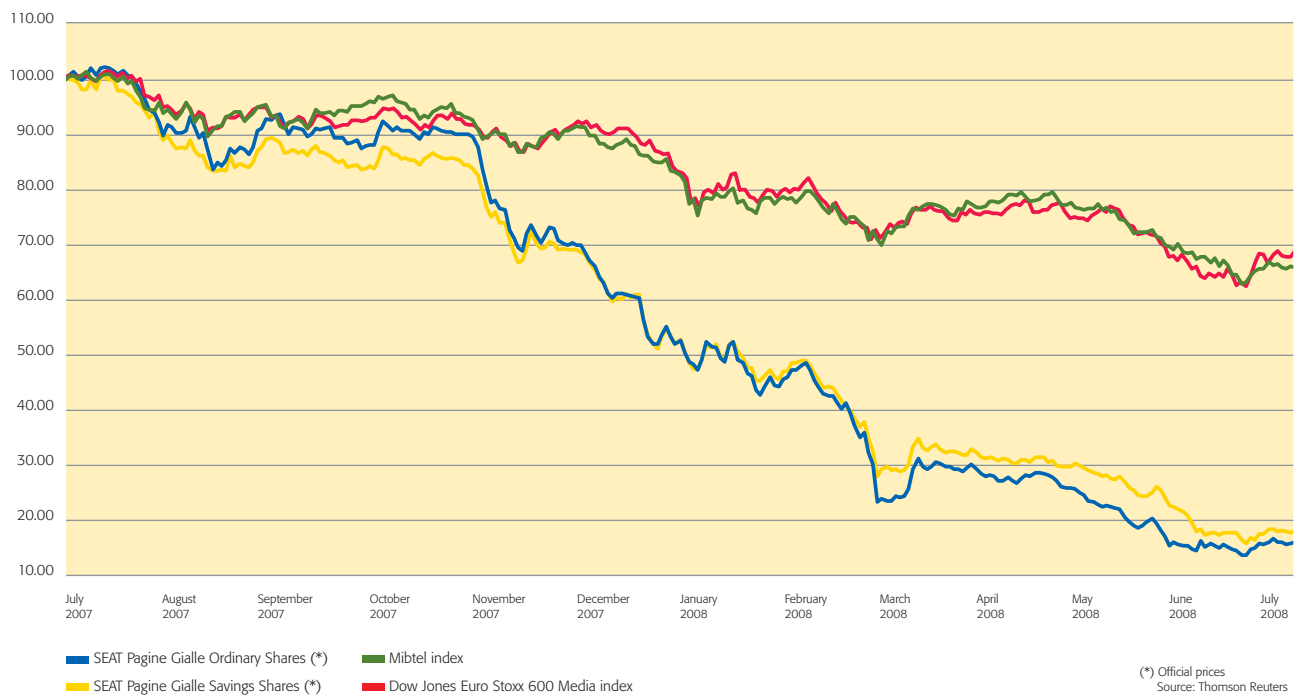
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➤ Information for Shareholders

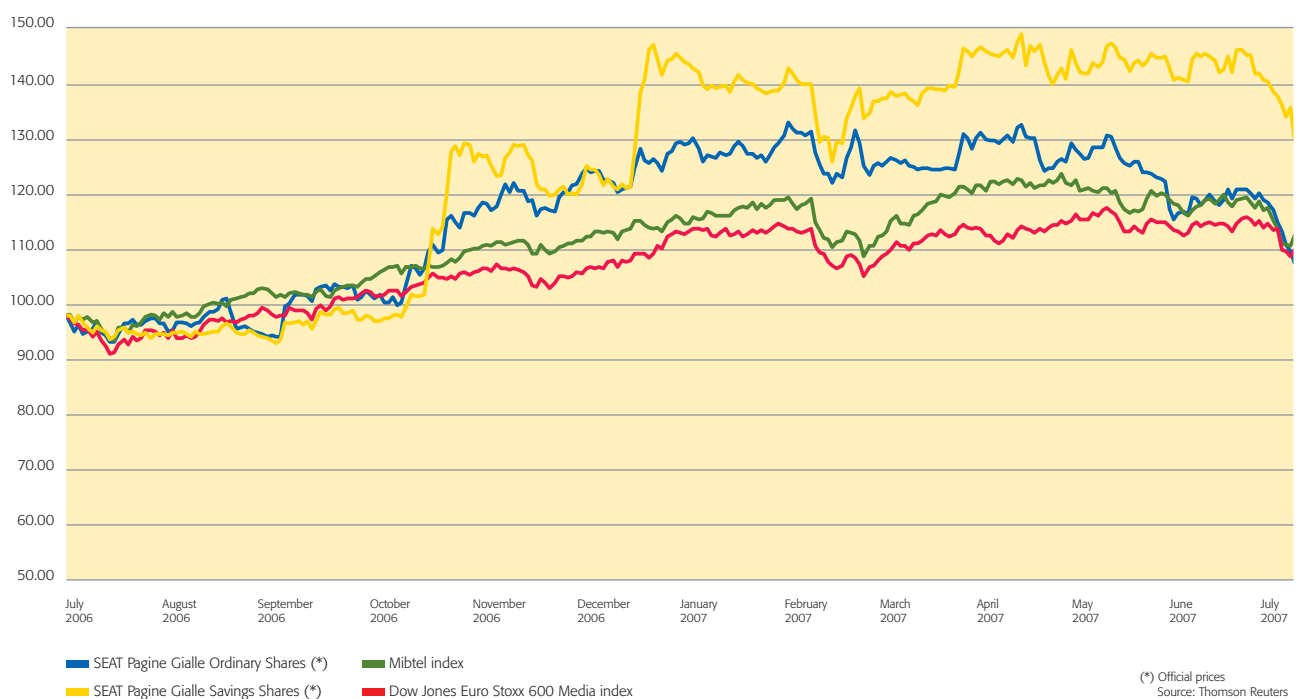
Shares

Share capital (<i>at June 30, 2008</i>)	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 June 2008</i>)	euro/mln	716
Market ratio of SEAT Pagine Gialle (SPG ordinary shares) at June 30, 2008		
- on Mibtel index		0.100%
- on Dow Jones Euro Stoxx TM Media index		0.392%

Performance of SEAT Pagine Gialle S.p.A. shares vs Mibtel and Dow Jones Euro Stoxx TM Media indexes - at July 31, 2008



Performance of SEAT Pagine Gialle S.p.A. shares vs Mibtel and Dow Jones Euro Stoxx TM Media indexes - at July 31, 2007



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

The first half of 2008 showed a stock markets world-wide struggling.

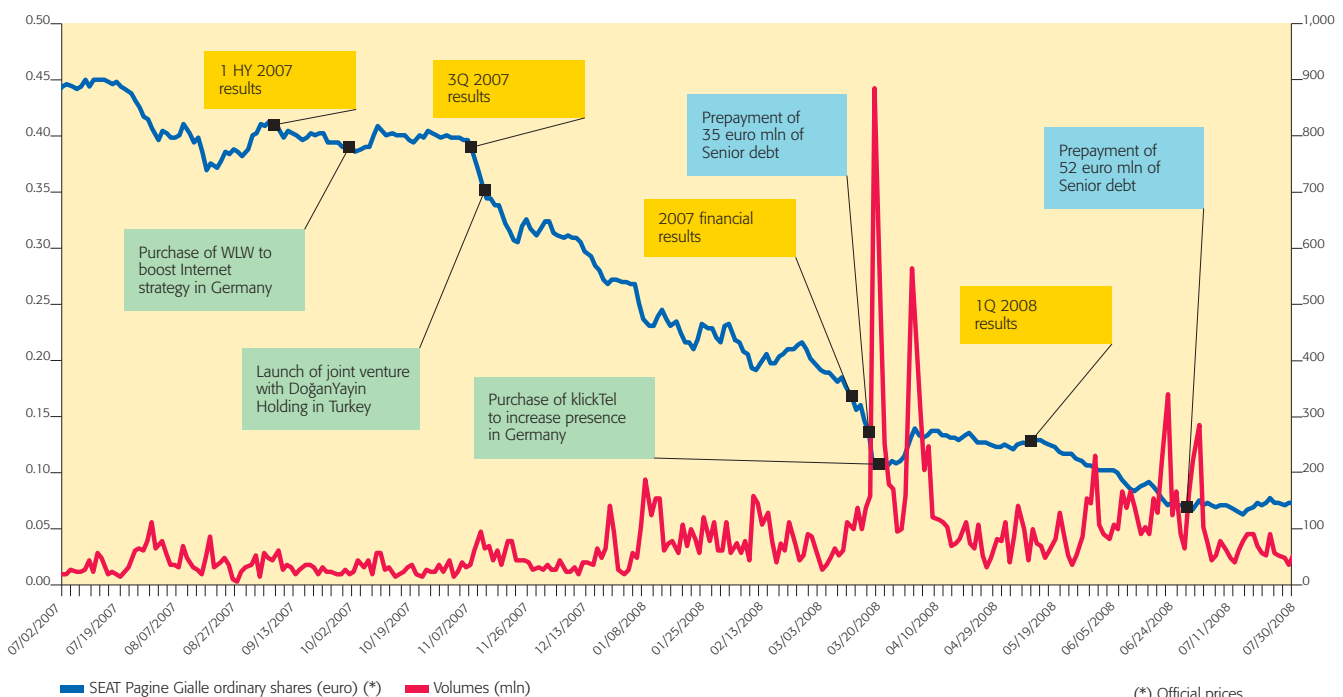
Media and directories shares presented a downward trend, as in the second half of 2007, both in Europe (Eniro -62%, Yell -82%) and in the US (R.H. Donnelley -92%, Idearc -87%), partly because of the downward review of some companies' growth esteems following the continued economic downturn.

SEAT Pagine Gialle closed at June 30, 2008 at € 0.07, -76% compared to the end of December 2007.

Since directories companies - such as SEAT Pagine Gialle - are highly leveraged but have high cash inflows, debt forms the major part of their enterprise value, which decreased following the de-rating of the directories sector.

A significant contributor to the bigger fall in the value of directories shares over that of media shares in general has been the more leveraged nature of directories companies: even a slight reduction enterprise value of directories companies is now producing an increasing impact on the market value of their shares, i.e. the share price on the stock market, from the end of December 2007 to the end of June 2008 the enterprise value of SEAT Pagine Gialle on the stock market decreased by 32%, with a share price decrease of 76%.

Other companies in the same sector performed as well in terms of both enterprise value (Yell -38%, Eniro -30%, Idearc -20%, R.H. Donnelley -20%, Mediaset -37%, Mondadori Editore -23%) and share price.



(*) Official prices
 Source: Thomson Reuters

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 June 30, 2008

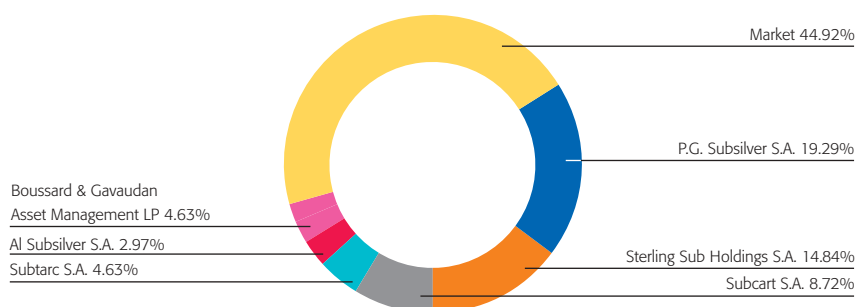
Shareholders at June 30, 2008	No. of ordinary shares	% of ordinary share capital
P.G. Subsilver S.A.	1,555,920,894 ⁽¹⁾	
	27,458,567 ⁽²⁾	
	1,583,379,461	19.29
Sterling Sub Holdings S.A.	1,196,849,420 ⁽¹⁾	
	21,121,748 ⁽³⁾	
	1,217,971,168	14.84
Subcart S.A.	703,586,244 ⁽¹⁾	
	12,416,744 ⁽³⁾	
	716,002,988	8.72
Subtarc S.A.	373,595,387 ⁽¹⁾	
	6,593,134 ⁽³⁾	
	380,188,521	4.63
Al Subsilver S.A.	239,369,605 ⁽¹⁾	
	4,224,345 ⁽³⁾	
	243,593,950	2.97
Boussard & Gavaudan Asset Management LP	380,320,940	4.63

(1) Shares subject to first-line charge 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 and BNP Paribas S.A. and to second-line charge in favour of The Royal Bank of Scotland Plc Milan Branch and Citivic Nominees Ltd, London. The last charge having been placed on April 22, 2004. Voting rights lie with the shareholders themselves.

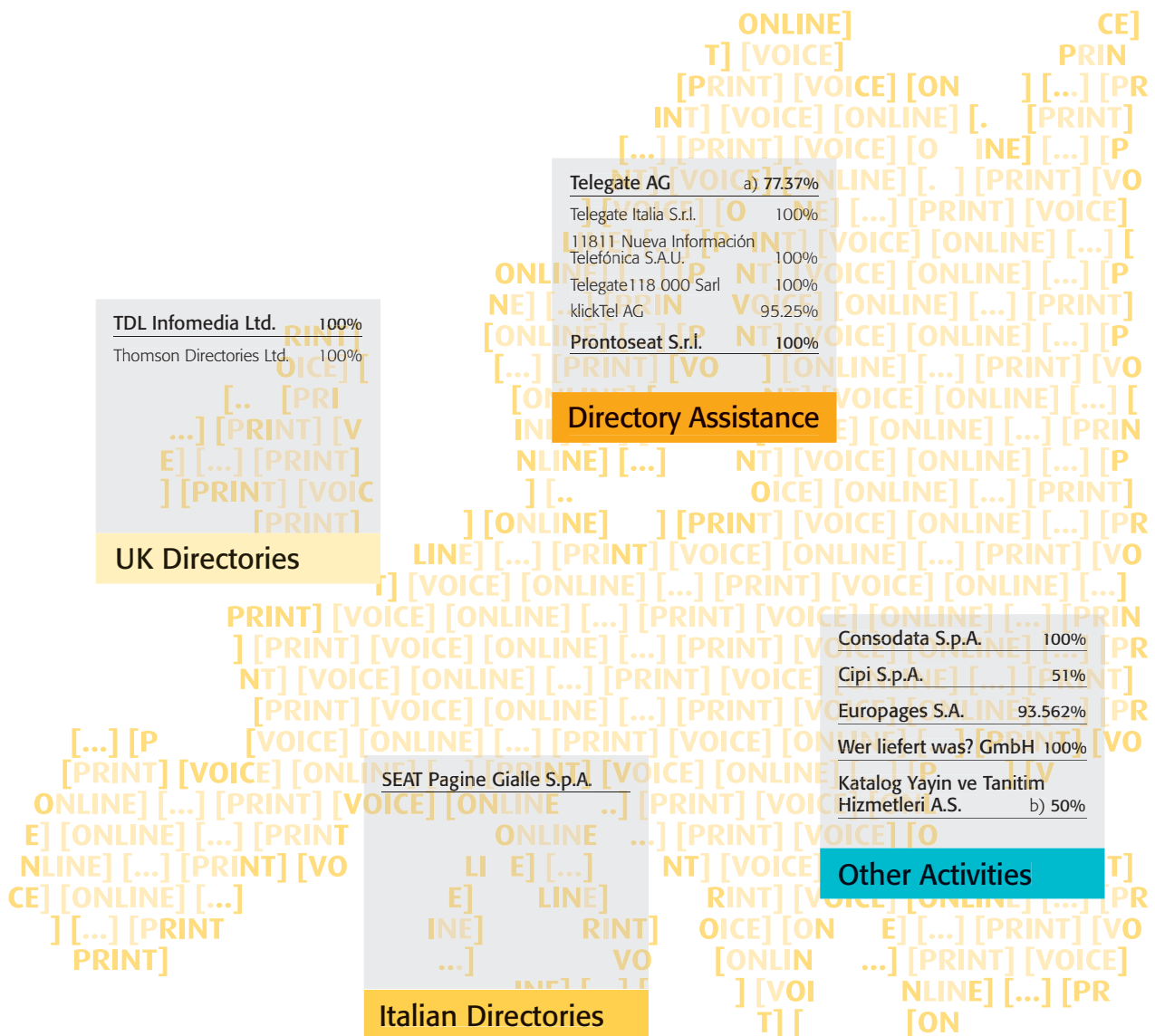
(2) Shares acquired on the market in October 2007, and so not pledged.

(3) Shares acquired on the market in October 2007 and pledged in favour of Société Européenne de Banque S.A. as of January 31, 2008. Voting rights lie with the shareholders themselves.

SEAT Pagine Gialle S.p.A. Shareholders at June 30, 2008



→ Organisational structure of the Group (at June 30, 2008)



Legenda

- a) Held 16.24% directly and 61.13% through Telegate Holding GmbH.
- b) Consolidated using the equity method.



Report on operations



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→ Economic and financial performance of the Group

→ Reclassified consolidated income statement for the first half of 2008

Revenue from sales and services amounted to € 576,469 thousand in the first half of 2008; essentially no change (-1%) from the same period 2007. The consolidation of German group WLW and, starting from April 1, 2008, the German subsidiary klickTel contributed € 22,365 thousand to revenue growth in the first half of the year. This positive effect was partly offset by the fall of sterling against the euro with a decrease of about 12% in the Thomson group's revenue compared to the first half of 2007.

Including eliminations among Business Areas, sales and services revenue was as follows:

- revenue from *Italian Directories (SEAT Pagine Gialle S.p.A.)* Business Area amounted to € 419,545 thousand in the first half of 2008, down 2.1% over the same period 2007. The fall in revenue from print products (-3.2%) was to some extent offset by the rise in online business, particularly in the second quarter of 2008 (PAGINEGIALLE.it +3.2% to € 53,347 thousand) and voice business (advertising revenue from 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE +8.0% to € 21,633 thousand). Revenue dynamics reflected the negative impact of the macroeconomic environment (on print products in particular) and of the new sales strategy that has postponed the focus on online and voice products until the second half of the year when new INTERNET products will be launched, among other things. The second half of 2008 will see the introduction of products for businesses with their own websites, who will now be able to access new online and consultancy services from SEAT Pagine Gialle S.p.A.;
- revenue from *UK Directories (Thomson Directories group)* Business Area amounted to € 47,141 thousand in the first half of 2008, down 19.5% over the same period 2007 mainly because of the fall of sterling against the euro. In local currency terms, revenue fell 7.4% to GBP 36,545 thousand reflecting the difficulty of selling to customers requiring national coverage, including to banks who have been the hardest hit by the credit crunch;

- revenue from *Directory Assistance (Telegate group and Prontoseat S.r.l.)* Business Area amounted to € 92,083 thousand in the first half of 2008, essentially unchanged over the same period 2007 (€ 92,880 thousand) thanks in part to the consolidation as of April 1, 2008 of the German subsidiary, klickTel AG. At constant consolidation scope, the Telegate group fell 6.3% to € 81,164 thousand, primarily because of business in Germany (fall in landline calls) and France (lower investment in advertising). Prontoseat S.r.l. income also dipped to € 5,663 thousand (€ 6,273 thousand in the first half of 2007) in line with the smaller number of calls caused by the general market contraction. However this was to some extent compensated by other services, e.g. customer service;
- revenue from *Other Activities (on line BtoB directories and other Italian business)* amounted to € 45,635 thousand in the first half of 2008; a big rise over the € 30,896 thousand of the first half of 2007. This was partly due to the German WLW group (€ 17,089 thousand in revenue) which was consolidated as of October 2007.

Cost of materials and external services net of recovered costs amounted to € 226,097 thousand in the first half of 2008, a slight rise on the same period 2007 (€ 224,616 thousand). At constant exchange rates and consolidation scope, this was a € 5,374 thousand fall. Industrial costs for the first half fell € 1,290 thousand over the same period 2007 owing to lower revenue. Overheads (-€ 2,601 thousand over the first half of 2007) were also down, thanks in part to the reduced cost of consultancy, administration and legal services.

Salaries, wages and employee benefits net of recovered costs amounted to € 127,010 thousand in the first half of 2008, +€ 5,316 thousand on the first half of 2007. At constant exchange rate and consolidation scope, salaries, wages and employee benefits were essentially unchanged (-0.8%).

The Group workforce, including directors, project workers and trainees, totalled 6,940 personnel at June 30, 2008 (6,652 personnel at December 31, 2007).

The FTE average in the first half of 2008 was 5,445 units (5,326 units in the first half of 2007).

Gross operating profit (GOP) amounted to € 223,362 thousand in the first half of 2008, decrease 5.3% over the first half of 2007 (€ 235,953 thousand). This result reflects falling revenue and was only slightly reduced by lower operating costs.

Other valuation adjustments and provisions to reserves for risks and charges, net amounted to € 30,157 thousand in the first half of 2008, up € 3,903 thousand on the first half of 2007 (€ 26,254 thousand), mainly owing to a bigger prudent accrual to the allowance for of doubtful trade account receivables by the Parent Company to cover a number of existing positions over due for a long time. Collections on positions recently falling due improved, although invoiced amounts remained relatively unchanged over the first half of 2007, as did DSO (days of sales outstanding).

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Net operating expense amounted to € 4,493 thousand at June 30, 2008 (negative for € 2,126 thousand at June 30, 2007). The € 6,619 thousand increase refers for € 5,540 thousand to the amount Deutsche Telekom was ordered to pay Telegate at the conclusion - in June 2008 - of a legal action between the two companies over the return to Telegate by Deutsche Telekom of overpayments for telephone subscriber data. More specifically, the court decision, which is now *res judicata*, refers to the cost involved in providing data January-September 1999 and orders Deutsche Telekom to repay Telegate AG € 4.25 million plus interest at legal rates.

Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA) amounted to € 197,698 thousand for the first half of 2008 down € 9,875 thousand over the same period 2007. The ratio on revenue fell from 35.6% to 34.3%. This was a slight improvement over GOP thanks to the success of the Telegate AG lawsuit against Deutsche Telekom described above.

Operating amortisation, depreciation and write-down amounted to € 23,347 thousand in the first half of 2008 (€ 20,415 thousand over the same period 2007) of which € 16,011 thousand referred to intangible assets with a finite useful life (€ 13,387 thousand in the first half of 2007) and € 7,336 thousand referred to property, plant and equipment (€ 7,028 thousand in the first half of 2007).

The increase over the first half of 2007 is the result of the significant investments made in the last few years.

Non-operating amortisation, depreciation and write-down amounted to € 94,816 thousand in the first half of 2008 (€ 81,033 thousand in the first half of 2007), of which € 81,816 thousand referred to customer databases recognised as assets of the Group when business combinations were carried out by allocating part of the difference between purchase price and the proportion of equity acquired, as per IFRS 3 and as valued internally and/or by independent experts.

In the first half of 2008 this item also included € 13,000 thousand for impairment losses on goodwill on Europages S.A. and Cipi S.p.A. following impairment testing at the end of June 2008, as described in the Notes to the Condensed consolidated first half-year Financial Statements.

Non-recurring and restructuring costs amounted to € 11,022 thousand in the first half of 2008 (€ 10,467 thousand in the first half of 2007). These include an additional provision of € 5,000 thousand to the restructuring reserve recognised in 2007 to cover the expected restructuring costs arising in SEAT Pagine Gialle S.p.A. for the reorganisation programme launched last year and expected to end in the first few months of 2009. Over 150 redundancies are being managed through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and early retirements as well as selected dismissals and professional retraining. It will be carried out in publishing and back-office sales, both of which will be strongly affected by the introduction of highly innovative IT systems.

The item also includes € 5,864 thousand in non-recurring costs, of which € 1,598 thousand for actions of Corporate reorganisation of various subsidiaries, € 1,363 thousand for the integration of klickTel AG and € 1,262 thousand for support to SEAT management during the preparation of the product development strategies of SEAT with reference to Internet products, in particular.

Operating result (EBIT) amounted to € 68,513 thousand in the first half of 2008, down 28.4% over the same period 2007 (€ 95,658 thousand), a ratio on revenue of 11.9% (16.4%, in the first half of 2007).

Interest expense, net amounted to € 119,793 thousand in the first half of 2008 (€ 119,977 thousand, in the first half of 2007) includes interest expense of € 134,315 thousand (€ 129,178 thousand in the first half of 2007) net of interest income of € 14,522 thousand (€ 9,201 thousand in the first half of 2007).

Interest expense was unchanged despite the steep rise in Euribor because the Company benefited from a lower average indebtedness as well as consecutive cuts in February and August 2007 in the "Senior" debt spread. This followed the achievement at the end of December 2006 and the end of June 2007 of agreed targets for the Group's net debt/EBITDA ratio. "Senior" debt spread in the first half of 2008 was about 159 basis points, an excellent figure given the level of indebtedness. Hedging transactions on interest rate risks contributed € 1,764 thousand to limit the debt expense in the first half of 2008.

The total average cost of SEAT Pagine Gialle S.p.A. financial debt was 6.56% for the first half of 2008 (6.4% in the first half of 2007). The increase was in part caused by the growing weight of the "Subordinate" debt to Lighthouse International Company S.A. (at a fixed rate of 8%) following repayments of € 162,641 thousand of the "Senior" debt between July 2007 and June 2008. The increase was also to some extent caused by the larger part Euribor played in the cost of "Senior" debt, although this was somewhat mitigated by lower average indebtedness smaller spreads and by income on hedging transactions as described above.

Hedging transactions on interest rate risks, together with the current strategy of moving to monthly Euribor-based interest periods have kept the cost of debt under control.

Income taxes for the period showed a positive balance of € 9,461 thousand (a negative balance of € 624 thousand in the first half of 2007), including € 12,758 thousand for current income taxes, € 6,870 thousand for deferred tax assets and € 15,315 thousand for the release to the income statement of deferred tax liabilities.

In accordance with IAS 34, current income tax for the period was calculated by applying to the pre-tax results for the half year the actual average rates for the fiscal year 2008.

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Minority interests for the period amounted to € 2,941 thousand profit (€ 2,796 thousand profit in the first half of 2007). This is primarily attributable to Telegate minority shareholders.

Result for the period was negative for € 45,651 thousand, € 14,585 thousand down on the same period 2007 (a loss of € 31,066 thousand) for the above mentioned reasons. However, this is a seasonal business that usually shows an upswing in the second half of the year.

→ Reclassified consolidated balance sheet as at June 30, 2008

Foreword

For its facilities agreement with The Royal Bank of Scotland Plc Milan Branch, SEAT Pagine Gialle S.p.A. provided the usual security, the most significant being:

- bank lien over the main trademarks;
- bank lien over shares in the main subsidiaries;
- lien over the material assets of SEAT Pagine Gialle S.p.A. that have a net book value of at least € 25,000.

Net invested capital

Net invested capital (€ 4,127,279 thousand at June 30, 2008) was € 182,803 thousand down on December 31, 2007 as follows:

- **goodwill and customer databases** amounted to € 3,873,919 thousand at June 30, 2008, of which € 3,667,833 thousand for goodwill and goodwill on consolidation and € 206,086 thousand for customer databases. They were recognised in Group assets at business combination. The consolidation of klickTel AG produced a € 8,910 thousand goodwill at the end of June 2008 arising from the difference between purchase price and the fair value of the equity acquired, measured as per IFRS 3. The measurement led to the recognition of customer databases and trade marks in the balance sheet for € 31,298 thousand (which will be amortised over 10 years) and deferred tax liabilities on those assets for € 10,101 thousand.

The fall of sterling against the euro generated a € 15,158 thousand drop in consolidation goodwill for Thomson, the Group's UK subsidiary, over December 31, 2007.

Impairment testing at June 30, 2008 produced a € 13,000 thousand impairment losses of the goodwill on Europages S.A. and Cipi S.p.A., as described in note 6 of the Notes to the Condensed consolidated first half-year Financial Statements.

Customer databases were amortised by € 81,816 thousand in the first half of 2008 (€ 81,033 thousand in the same period 2007).

- **other non-current assets** amounted to € 193,849 thousand at June 30, 2008, up € 25,876 thousand on December 31, 2007 (€ 167,973 thousand). The change is the result of:

- a € 1,756 thousand increase in tangible and intangible *operating assets* in the first half of 2008. This was primarily due to capital expenditure of € 23,746 thousand (€ 26,213 thousand in the first half of 2007) and amortisation and depreciation of € 23,347 thousand (€ 20,415 thousand in the first half of 2007). The consolidation of klickTel AG added € 2,469 to the item.

Although SEAT Pagine Gialle S.p.A. *capital expenditure* over the half (€ 17,978 thousand) was significant, it fell slightly against 2007 (€ 18,943 thousand), and focused on product innovation, the development of online service delivery systems,

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improving effectiveness and efficiency of the Company's technological infrastructures and integrating back office sales and administrative processes.

Consodata capital expenditure rose to € 1,600 thousand compared with € 886 thousand in the first half of 2007 as it expanded and updated its databases. Telegate capital expenditure amounted to € 1,713 thousand in the first half of 2008 in line with the Group's development plan but down on the € 3,295 thousand of the first half of 2007. It was targeted at improving call center output capacity by developing their technological infrastructures as in 2007.

Depreciation rose € 2,932 thousand over the first half of 2007 owing to the high level of investment in recent years;

- a € 25,304 thousand increase in *net deferred tax assets* compared to December 31, 2007. For further details of changes over the period, go to note 30 in the Notes to the Condensed consolidated first half-year Financial Statements;
- **non-operating non-current liabilities** amounted to € 17,114 thousand at June 30, 2008 (€ 6,404 thousand at December 31, 2007). The change over December 31, 2007 is due (€ 12,302 thousand) to deferred tax liabilities arising from the consolidation of clickTel AG;
- **operating non-current liabilities** amounted to € 85,564 thousand at June 30, 2008 (€ 68,555 thousand at December 31, 2007). These include:
 - *defined benefits pension plans*, which amounted to € 39,221 thousand at June 30, 2008 (€ 20,894 thousand at December 31, 2007), accounted for net of the € 74,620 thousand for plan assets (€ 88,435 thousand at December 31, 2007). Both assets and liabilities have been valued by an independent actuary using the projected unit credit method. In the first half of 2008 actuarial losses of € 19,752 thousand were recognised directly in equity in accordance with section 93A of IAS 19 as the result of the rise in discount rates and inflation in the UK;
 - *TFR (severance pay fund)*, which amounted to € 22,465 thousand at June 30, 2008 (€ 24,503 thousand at December 31, 2007) and fell by € 2,038 thousand primarily owing to benefits paid during the period (€ 1,842 thousand). With the entry into effect of the complementary pensions reform (Legislative Decree 252 of 12.5.2005), as of January 1, 2007 the TFR has been accounted for as a defined contribution plan instead of a defined benefit plan. As a consequence the balance sheet liability represents now the liability to employees for services rendered up to December 31, 2006, according to IAS 19;
 - *sales agents' termination indemnities* amounted to € 21,690 thousand at June 30, 2008, up € 346 thousand on December 31, 2007. The reserve covers the period-end liability that would be owed to existing sales agents for the indemnity recognised to them in case the agency contracts should be interrupted according to current regulations. In the light of expected future cash flows, the reserve has been discounted to the balance sheet date using the average market rate for liabilities with the same terms, taking account the average length of agency agreements;

- **operating working capital** amounted to € 199,406 thousand at June 30, 2008. This was € 100,900 thousand down on December 31, 2007. Operating working capital usually falls in the first half of the financial year. This is because billing levels are high in the last few months of the calendar year and collection comes later. In the first half of 2008, in fact, operating working capital benefited from the drop in trade receivables. The following are the main changes over the half:
 - a decrease of € 56,062 thousand on December 31, 2007 in *trade account receivables*, which amounted to € 615,039 thousand at June 30, 2008, primarily because of good collection levels. The total is in line with June 30, 2007 (€ 626,468 thousand);
 - an increase of € 15,343 thousand on December 31, 2007 in *other operating assets*, which amounted to € 81,845 thousand at June 30, 2008. They include € 5,540 thousand referred to the amounts Deutsche Telekom was ordered to pay to Telegate AG following the legal action between them over the refund of overpayments made by Telegate to Deutsche Telekom for telephone subscriber data. The case concluded in June 2008 and is described in the section "Economic and financial highlights of the Group";
 - a decrease of € 40,153 thousand on December 31, 2007 in *trade account payables*, which amounted to € 236,661 thousand at June 30, 2008. The decrease includes € 9,643 thousand for minor liabilities to agents. The change over the period reflects the purchase trends;
 - an increase of € 103,815 thousand on December 31, 2007 in *payables for services to be rendered and other current liabilities*, which amounted to € 228,441 thousand at June 30, 2008, but in line with the figure for June 30, 2007 (€ 219,628 thousand);

- **non-operating working capital**, negative for € 37,217 thousand at June 30, 2008 (negative for € 26,909 thousand at December 31, 2007), down € 10,308 thousand on December 31, 2007. The item includes:
 - *income tax liabilities*, which amounted to € 26,776 thousand (€ 34,309 thousand at December 31, 2007), down € 7,533 thousand on December 31, 2007 owing to payments over the period. They were partially offset with tax credits recognised in the balance sheet at the end of 2007;
 - *current fiscal assets*, which amounted to € 2,410 thousand (€ 18,326 thousand at December 31, 2007);
 - *current non-operating reserves*, which amounted to € 12,653 thousand (€ 9,981 thousand at December 31, 2007). This includes the Company restructuring reserve (€ 7,769 thousand) already recognised in 2007, to which a further € 5,000 thousand was accrued over the half to cover SEAT Pagine Gialle S.p.A. restructuring costs under the reorganisation plan that was launched in 2007 and is expected to finish at the beginning of 2009. The plan provides for the management of over 150 redundancies through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and early retirements as well as selected dismissal and professional retraining. It will be carried out in publishing and back-office departments considerably affected by the introduction of highly innovative IT systems.

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Equity

Equity totalled € 1,068,433 thousand at June 30, 2008 (€ 1,123,830 thousand at December 31, 2007), of which € 1,044,203 thousand imputable to the Parent Company (€ 1,100,006 thousand at December 31, 2007) and € 24,230 thousand to Minority shareholders (€ 23,824 thousand at December 31, 2007). The € 55,803 thousand fall in the equity held by the Parent Company was caused:

- € 45,651 thousand for loss in the first half of 2008;
- € 14,355 thousand for the actuarial losses (net of tax effect) on defined benefit pension plans;
- € 10,393 thousand for translation negative differentials on financial statements prepared in foreign currencies.

These effects were partially offset by the € 14,531 thousand increase in the cash flow hedge instruments reserve for change in their market values.

Net financial debt

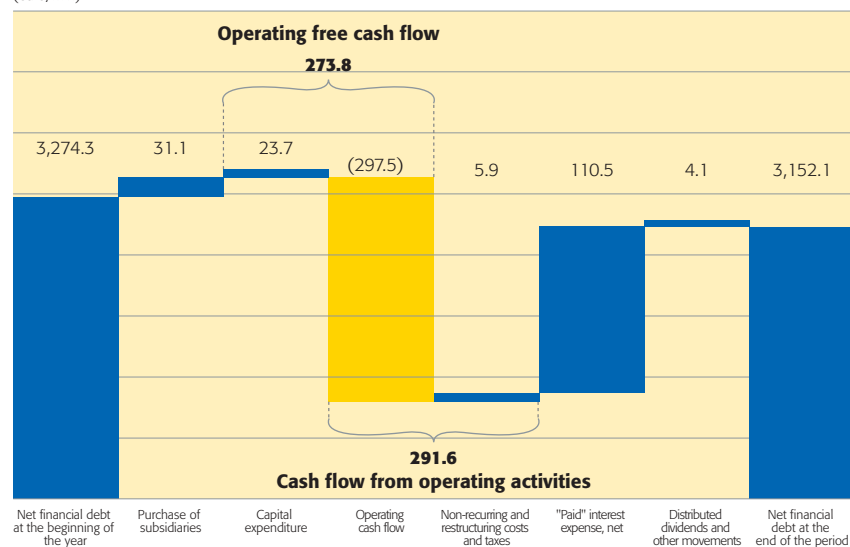
Net financial debt totalled € 3,152,107 thousand at June 30, 2008, down € 122,199 thousand during the first half of the year.

This differs from the "book value" of net financial debt described below in that it includes:

- transaction costs for the acquisition and refinancing of the medium and long-term "Senior" debt with The Royal Bank of Scotland Plc Milan Branch; the "Subordinated" loan from Lighthouse International Company S.A.; and the setting up of the trade receivable securitisation program. These costs amounted to € 73,468 thousand at June 30, 2008, net of accumulated amortisation;
- recognition in the balance sheet of the cash flow hedge contracts at market rates: € 19,793 thousand at June 30, 2008 (€ 5,262 thousand at December 31, 2007).

The following graph shows the main items impacting net financial debt in the first half of 2008.

(euro/mln)



Net book financial debt at June 30, 2008 totalled € 3,058,846 thousand (€ 3,186,252 thousand at December 31, 2007) and broke down as follows:

- **non-current financial liabilities:** € 3,090,005 thousand at June 30, 2008 (€ 3,190,372 thousand at December 31, 2007) comprising

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,567,665	1,670,940	(103,275)
Debts due to Lighthouse International Company S.A. (net value)	1,267,028	1,264,201	2,827
Asset backed securities (net value)	255,117	254,965	152
Debts due to other lenders	195	266	(71)
Total non-current financial debts	3,090,005	3,190,372	(100,367)
Current portion of non-current financial debts	139,883	163,744	(23,861)

- Non-current debt to *The Royal Bank of Scotland Plc Milan Branch* at June 30, 2008 totalled € 1,567,665 thousand (€ 1,670,940 thousand at December 31, 2007), net of € 39,613 thousand in transaction costs still to be amortised at June 30, 2008 on the "Term and Revolving Facilities Agreement", which is organised as follows:
 - a) tranche A (€ 1,282.4 million), repayable in accordance with the amortisation plan in variable half-yearly instalments up to June 2012, and bearing interest at a floating rate equal to Euribor plus a spread of 1.435%;
 - b) tranche B (€ 464.5 million), repayable with a bullet repayment in June 2013, bearing interest at a floating rate equal to Euribor plus a spread of 2.06%;
 - c) tranche C (€ 90.0 million), which is currently unused and designed to cover any working capital requirements of SEAT Pagine Gialle S.p.A. or its subsidiaries, in the form of a revolving credit line available up to May 2012 and bearing interest at a floating rate on draw-down at the same rate as tranche A. On amounts not currently drawn down through the line, a commitment fee of 0.56% p.a. is applied.

In the first half of the year the Company also took out an additional € 30.0 million short-term committed credit line that is not currently being used.

During the first half of the year the Company repaid € 133,491 thousand, of which € 51,745 thousand voluntarily advanced against the € 81,745 thousand officially repayable on tranche A in December 2008. Voluntary repayments are allowed under the Company's financing agreement to soak up cash not needed for operations.

- *Financial debt to Lighthouse International Company S.A.* totalled € 1,267,028 thousand at June 30, 2008, net of € 32,972 thousand for transaction costs not yet amortised at the end of the period. The ten-year loan (at a fixed rate of 8%) expires in 2014.
SEAT Pagine Gialle S.p.A. provided guarantees for € 350,000 thousand when it took out the debenture loan to cover any additional charges that might arise on the bond issued by Lighthouse International Company S.A..

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- *Asset backed limited recourse securities* amounted to € 256,000 thousand at June 30, 2008, gross of transaction costs. They were issued by the special purpose vehicle (SPV) Meliadi Finance S.r.l. to finance its purchase on a revolving basis of SEAT Pagine Gialle S.p.A. receivables portfolio, which the latter sold to it as part of its five-year, securitisation programme June 2006-2011.

The securities, with underlying securitised receivables portfolio, were privately placed with an institutional investor and mature in 2014. Early repayment is allowed if the securitisation programme is not renewed. The securities bear floating interest equal to that on quarterly commercial papers but capped at three-month Euribor plus 5 basis points. They are recognised in the balance sheet at June 30, 2008 net of transaction costs not yet amortised at the end of the period (€ 883 thousand). The securitisation programme is backed by two annual, renewable credit lines.

The facilities agreements required SEAT Pagine Gialle S.p.A. to comply with a number of covenants, examined quarterly. These covenants refer to the observance of stated ratios between *i)* net debt and EBITDA, *ii)* EBITDA and interest on debt, and *iii)* cash flow and debt servicing (including interest and the capital repayable in the period concerned).

There was full compliance at June 30, 2008 (the date at which this Report applies) with the covenants and the terms of the facilities agreement. This kept in place the two consecutive cuts applied in 2007 to the Euribor spread on "Senior" debt (see above), themselves the result of the net debt/EBITDA ratio for the Group that was achieved and maintained.

Furthermore, as typically it occurs with transactions of this type, the facilities agreements also set limits and operating terms and conditions on *inter alia* investment, additional debt, acquisitions, dividend distribution and share capital transactions.

To date, the management restrictions that directly impact the Company have in no way limited or affected business and the Company continues to monitor current and future compliance with the terms and conditions of the agreements;

- **current financial liabilities** amounted to € 190,664 thousand at June 30, 2008 (€ 215,508 thousand at December 31, 2007). They include:
 - € 139,620 thousand for the current portion of the loan with with The Royal Bank of Scotland Plc Milan Branch, this falls due in December 2008 and June 2009;
 - € 30,575 thousand for dividends voted to shareholders but not yet withdrawn at June 30, 2008 (€ 30,579 thousand at December 31, 2007);
 - € 17,375 thousand for matured but not yet paid interest on the loan from Lighthouse International Company S.A.;
 - € 2,792 thousand for matured but not yet paid interest on asset-backed limited recourse securities issued by Meliadi Finance S.r.l.;
- **non-current financial assets** amounted to € 1,960 thousand at June 30, 2008 (€ 1,996 thousand at December 31, 2007). These are loans to employees at market rates;

- **current financial assets and cash and cash equivalent** amounted to € 219,863 thousand at June 30, 2008 (€ 217,632 thousand at December 31, 2007). These include primarily:
 - € 201,753 thousand for cash and cash equivalent (€ 204,549 thousand at December 31, 2007) of which € 91,741 thousand held by the SPV Meliadi Finance S.r.l. after collection of the receivables sold by SEAT Pagine Gialle S.p.A. as part of its securitisation programme;
 - € 19,793 thousand for the net market value of the cash flow hedge contracts (€ 5,262 thousand at December 31, 2007) described below.

The "Senior" debt to The Royal Bank of Scotland Plc Milan Branch and the debt arising on the issue by Meliadi Finance S.r.l. of asset backed securities for the securitisation programme carry floating, Euribor-linked interest. To reduce interest-rate risk, derivatives contracts with leading international banks have been taken out to cover the "Senior" debt. The following contracts were in place at June 30, 2008:

- a) *Interest rate collars* (July 2008 to December 2008): a floating band of the variable one-month Euribor was fixed with 5.2% constant cap and 4.5% constant floor on € 700.0 million constant notional value;
- b) *Interest rate collars* (January 2009 to December 2011): a floating band of the variable six-month Euribor was fixed with 4.67% constant cap and 3.93% constant floor on € 666.0 million average notional value;
- c) *Interest rate swaps* (January 2009 - December 2011): variable six-month Euribor replaced by a fixed-rate of about 4.55% with € 50.0 million notional value;
- d) *Interest rate swaps* (December 2009 - June 2012): variable six-month Euribor replaced by a fixed-rate of about 3.75% with € 325.0 million notional value.

The hedging of current total debt protects about 60% of it: about 39% through the "Subordinated" fixed-rate debt and about 21% through interest rate collar. The second half of 2008 will also benefit from € 2.5 million of interest income (29 b.p.) for the unwinding of six-month Euribor contracts.

2009-2011 is expected to see an average about 75% of total debt hedged: 44% "Subordinated" fixed-rate debt, 22% interest rate collar and 9% interest rate swaps.

2012-2013 is expected to see an average about 69% of total debt hedged: 66% "Subordinated" fixed-rate debt and 3% interest rate swaps.

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Liquidity risk

The SEAT Pagine Gialle group is highly leveraged. At the end of June 2008 borrowing was about 4.8 times EBITDA. The average term of the financing agreements in place at June 30, 2008 was 4.2 years, with expiry as follows

(euro/thousand)	Due date - by						Total
	06.30.2009	06.30.2010	06.30.2011	06.30.2012	06.30.2013	beyond five years	
The Royal Bank of Scotland Plc Milan Branch	139,620	225,504	238,480	678,750	464,544	-	1,746,898
Lighthouse International Company S.A.	-	-	-	-	-	1,300,000	1,300,000
Asset backed securities	-	-	-	-	-	256,000	256,000
Debts due to other lenders	263	178	17	-	-	-	458
Total non-current financial debts (gross value)	139,883	225,682	238,497	678,750	464,544	1,556,000	3,303,356

Liquidity risk is the risk that available financial resources will be insufficient to cover short-term liabilities (€ 139,883 thousand by June 30, 2009).

The business of the SEAT Pagine Gialle group has low levels of volatility and high cash inflows that tend to be stable over time and predictable. Furthermore, taking into account also the committed credit lines, the SEAT Pagine Gialle group believes it has the financial resources needed to meet its obligations.

In the second half of 2007 the financial crisis triggered by sub-prime lending and the enormous impact this had on many banks produced a general and growing aversion to risk on the part of investors, a consequent increase in spread to reflect credit risk (credit default swap) and tumbling prices for high-yield securities in particular.

At June 30, 2008 the cost to SEAT Pagine Gialle S.p.A. of financing 5-year risk positions on the market rose to about 830 basis points (about 350 basis points at December 2007).

This was mirrored in the price of the bond issued by Lighthouse International Company S.A. and underwritten by SEAT Pagine Gialle S.p.A., which fell from 100 in December 2007 to about 76 by the end of the first half of 2008.

Concerning the securitisation programme future monthly sales may be influenced by a certain number of ratios applying to SEAT S.p.A. leverage and rating.

The annual bank credit lines supporting the securitisation programme were renewed in June 2008.

Despite the situation on the financial markets, SEAT Pagine Gialle S.p.A. does not believe that the current reduction in their liquidity is material to its own economic, asset and financial position since it does not need to go to them to obtain additional funds for its short-term commitments.

Impact of change of control on existing facilities agreements (art. 123 bis l) of Legislative Decree No. 58/1998)

Both the indenture, the American law document covering the notes issued by Lighthouse International Company S.A. and underwritten by SEAT (€ 1,300 million in 2004 maturing 2014) and the "Senior" facilities agreement with The Royal Bank of Scotland Plc Milan Branch provide for early repayments in the event of change of control.

Under the indenture, a change of control gives all notes holders the right to obtain cash redemption of those same notes from Lighthouse International Company S.A. at 101% of their nominal value. In such an event SEAT, as underwriter, would have to provide Lighthouse International Company S.A. with the funds for the redemptions.

Under the facilities agreement with The Royal Bank of Scotland Plc Milan Branch, a change of control would immediately cancel any obligation of The Royal Bank of Scotland Plc Milan Branch to provide further funds and SEAT Pagine Gialle S.p.A. would have to make immediate repayment of all amounts advanced to it under the agreement.

For further information, and for examples of change of control, please see the Corporate Governance Report on www.seat.it.

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→ Consolidated operating free cash flow for the first half of 2008

Operating free cash flow amounted to € 273,767 thousand in the first half of 2008, was € 7,559 thousand up on the first half of 2007 despite the fall in EBITDA (-€ 9,875 thousand over the same period 2007) caused by a reduction in operating working capital (down € 100,900 thousand in the first half of 2008 as compared with the € 86,254 thousand fall the first half of 2007) and investment that, although slightly lower (€ 23,746 thousand compared with € 26,213 thousand in the first half of 2007), remained substantial and well able to support the Group's business development, product innovation and technological infrastructure policies.

There is usually a significant fall in operating working capital in the first half of a year since one feature of the business is the high level of billing in the last few months of the year. This is followed by cash inflows in subsequent months. The first half of 2008 saw operating working capital benefit from this reduction in trade receivables.

The ratio of operating free cash flow on revenue from sales and services (47.5%, the first half of 2008) and on EBITDA (138.5%, the first half of 2008) was greater than in the first half of 2007 (45.7% and 128.2% respectively), as the fall in EBITDA was more than offset by the improvement in operating working capital.

Reclassified consolidated income statement

(euro/thousand)	1 st half-year 2008	1 st half-year 2007	Change		Year 2007
			Absolute	%	
Revenue from sales and services	576,469	582,263	(5,794)	(1.0)	1,453,592
Materials and external services (*)	(226,097)	(224,616)	(1,481)	(0.7)	(504,158)
Salaries, wages and employee benefits (*)	(127,010)	(121,694)	(5,316)	(4.4)	(246,390)
Gross operating profit	223,362	235,953	(12,591)	(5.3)	703,044
<i>% on revenue</i>	<i>38.7%</i>	<i>40.5%</i>			<i>48.4%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(30,157)	(26,254)	(3,903)	(14.9)	(50,077)
Other operating income (expense). net	4,493	(2,126)	6,619	n.s.	(2,795)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	197,698	207,573	(9,875)	(4.8)	650,172
<i>% on revenue</i>	<i>34.3%</i>	<i>35.6%</i>			<i>44.7%</i>
Operating amortisation, depreciation and write-down	(23,347)	(20,415)	(2,932)	(14.4)	(42,151)
Non-operating amortisation and write-down	(94,816)	(81,033)	(13,783)	(17.0)	(162,067)
Non-recurring and restructuring costs, net	(11,022)	(10,467)	(555)	(5.3)	(16,880)
Operating result (EBIT)	68,513	95,658	(27,145)	(28.4)	429,074
<i>% on revenue</i>	<i>11.9%</i>	<i>16.4%</i>			<i>29.5%</i>
Interest expense, net	(119,793)	(119,977)	184	0.2	(239,313)
Gains (losses) on disposal/valuation of investments	(891)	(3,327)	2,436	73.2	(3,314)
Income (loss) before income taxes and Minority interests	(52,171)	(27,646)	(24,525)	(88.7)	186,447
Income taxes for the period	9,461	(624)	10,085	n.s.	(80,209)
Income (loss) before Minority interests	(42,710)	(28,270)	(14,440)	(51.1)	106,238
Minority interests	(2,941)	(2,796)	(145)	(5.2)	(7,839)
Income (loss) for the period	(45,651)	(31,066)	(14,585)	(46.9)	98,399

(*) Less repayments of cost.

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Reclassified consolidated balance sheet

	At 06.30.2008	At 12.31.2007	Change	At 06.30.2007
(euro/thousand)				
Goodwill and customer databases	3,873,919	3,943,671	(69,752)	3,915,817
Other non-current assets (*)	193,849	167,973	25,876	175,210
Operating non-current liabilities	(85,564)	(68,555)	(17,009)	(68,622)
Non-operating non-current liabilities	(17,114)	(6,404)	(10,710)	(2,411)
Operating working capital	199,406	300,306	(100,900)	212,436
- Operating current assets	715,567	756,034	(40,467)	721,025
- Operating current liabilities	(516,161)	(455,728)	(60,433)	(508,589)
Non-operating working capital	(37,217)	(26,909)	(10,308)	(17,022)
- Non-operating current assets	2,427	18,356	(15,929)	3,044
- Non-operating current liabilities	(39,644)	(45,265)	5,621	(20,066)
Net invested capital	4,127,279	4,310,082	(182,803)	4,215,408
Equity Shareholders of the Group	1,044,203	1,100,006	(55,803)	989,188
Minority interests	24,230	23,824	406	17,372
Total equity (A)	1,068,433	1,123,830	(55,397)	1,006,560
Net financial debt	3,152,107	3,274,306	(122,199)	3,316,160
Transaction costs on loans and securitisation program not yet amortised	(73,468)	(82,792)	9,324	(92,213)
Net market value of cash flow hedge instruments	(19,793)	(5,262)	(14,531)	(15,099)
Net financial debt - "book value" (B)	3,058,846	3,186,252	(127,406)	3,208,848
of which:				
- Non-current financial debts	3,090,005	3,190,372	(100,367)	3,262,638
- Current financial debts	190,664	215,508	(24,844)	209,699
- Non-current financial assets	(1,960)	(1,996)	36	(1,975)
- Current financial assets, cash and cash equivalents	(219,863)	(217,632)	(2,231)	(261,514)
Total (A+B)	4,127,279	4,310,082	(182,803)	4,215,408

(*) Including financial assets available for sale.

Consolidated operating free cash flow

(euro/thousand)	1 st half-year 2008	1 st half-year 2007	Change	Year 2007
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	197,698	207,573	(9,875)	650,172
Gains (losses) from discounting operating assets and liabilities	295	373	(78)	264
Decrease (increase) in operating working capital (*)	102,515	86,254	16,261	(19,064)
(Decrease) increase in operating non-current liabilities (*)	(3,005)	(1,785)	(1,220)	(5,826)
Capital expenditure	(23,746)	(26,213)	2,467	(66,113)
(Gains) losses on disposal of non-current operating assets	10	6	4	111
Operating free cash flow	273,767	266,208	7,559	559,544

(*) The change does not include the monetary effects arising from the acquisition of KlickTel and the effects of sterling against the euro.

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➤ Material events of the first half of 2008

In addition to the information provided in the section “Economic and financial performance by Business Area” below, the following should be noted.

Purchase of a new head office for SEAT Pagine Gialle S.p.A.

As reported in the Company balance sheet as at December 31, 2007, in 2007 SEAT Pagine Gialle S.p.A. began working towards the purchase of the “ex Officine Savigliano” complex in Turin (negotiations started in December 2006). The complex comprises six new buildings and a huge section of the “Manica Storica”, together totalling about 26,600 square meters. Work is still continuing on the complex, which is expected to become the new headquarters of the Company by the end of this year.

In April 2008 the registered deed of sale between SNOS S.p.A. and Leasint (formerly Intesa Leasing S.p.A.) for the “Manica Storica” was executed.

➤ Material events subsequent to June 30, 2008

There were no material events after June 30, 2008.

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→ Outlook

During the remainder of the financial year 2008, SEAT Pagine Gialle S.p.A. will continue to invest in initiatives and new projects that will ensure sustainable growth over coming years.

The Group's strategic focus will remain Italy where the Company's main assets are located and where the speed of INTERNET growth in 2007 produced new opportunities for business expansion. This is despite a difficult economic environment in the country and recent ISTAT figures showing that in the first quarter of 2008 GDP rose 0.5% over the final quarter of 2007 and 0.3% over the first quarter of 2007, while consumption fell 2.3%.

Core business revenue in Italy is expected to be stable but revenue in general will decrease slightly as minor products harder hit by the economic downturn. The Company priority is to support the performance of EBITDA by efficiently managing operating costs and providing adequate resources to the development of Internet products and the strengthening of the sales force.

Abroad, with the conclusion of the investment programme aimed at improving the presence of the SEAT group on the online market, the assets will be managed to ensure the success of subsidiaries' business plans.

By the end of the fourth quarter of 2008, the first Turkish directories will be published by Katalog, the JV with Doğan Media group.

As a result of the above, the net consolidated result for the financial year 2008 is expected to be in profit.

➤ Economic and financial performance by Business Area

		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
(euro/million)								
Revenue from sales and services	1 st half-year 2008	419.5	47.1	92.1	45.6	604.3	(27,8)	576,5
	1 st half-year 2007	428.4	58.5	92.9	30.9	610.7	(28.4)	582.3
	Year 2007	1,090.2	158.9	185.8	80.2	1,515.1	(61.5)	1,453.6
Gross operating profit	1 st half-year 2008	197.8	0.9	23.2	1.3	223.2	0.2	223.4
	1 st half-year 2007	205.8	4.4	24.6	2.5	237.3	(1.3)	236.0
	Year 2007	603.4	42.0	53.5	9.8	708.7	(5.7)	703.0
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1 st half-year 2008	169.8	(0.6)	27.3	1.3	197.8	(0.1)	197.7
	1 st half-year 2007	179.9	2.5	22.9	2.3	207.6	-	207.6
	Year 2007	553.5	36.8	50.0	9.9	650.2	-	650.2
Operating income (EBIT)	1 st half-year 2008	64.7	(2.1)	20.8	(14.9)	68.5	-	68.5
	1 st half-year 2007	76.6	1.0	18.4	(0.3)	95.7	-	95.7
	Year 2007	351.6	33.3	40.7	3.5	429.1	-	429.1
Total assets	June 30, 2008	4,296.8	345.3	261.6	480.8	5,384.5	(376.9)	5,007.6
	June 30, 2007	4,492.9	388.6	203.6	343.5	5,428.6	(350.0)	5,078.6
	December 31, 2007	4,427.3	361.1	226.4	513.8	5,528.6	(422.9)	5,105.7
Total liabilities	June 30, 2008	3,737.1	163.2	91.5	317.5	4,309.3	(370.1)	3,939.2
	June 30, 2007	3,902.5	164.5	58.6	290.5	4,416.1	(344.1)	4,072.0
	December 31, 2007	3,872.0	150.3	67.8	308.5	4,398.6	(416.8)	3,981.8
Net invested capital	June 30, 2008	3,617.9	235.0	122.6	158.6	4,134.1	(6.8)	4,127.3
	June 30, 2007	3,777.0	283.5	109.9	50.9	4,221.3	(5.9)	4,215.4
	December 31, 2007	3,774.0	273.7	91.9	177.6	4,317.2	(7.1)	4,310.1
Capital expenditure	1 st half-year 2008	18.0	1.0	1.9	3.1	24.0	(0.3)	23.7
	1 st half-year 2007	18.9	0.8	3.5	3.1	26.3	(0.1)	26.2
	Year 2007	51.4	1.8	5.8	7.4	66.4	(0.3)	66.1
Average workforce (*)	1 st half-year 2008	1,389	916	2,477	663	5,445	-	5,445
	1 st half-year 2007	1,382	1,012	2,523	409	5,326	-	5,326
	Year 2007	1,379	999	2,476	511	5,365	-	5,365
Sales agents (average number)	1 st half-year 2008	1,635	-	131	49	1,815	-	1,815
	1 st half-year 2007	1,608	-	-	-	1,608	-	1,608
	Year 2007	1,607	-	-	16	1,623	-	1,623

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

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Key performance indicators of the Group	1 st half-year 2008	1 st half-year 2007	Year 2007
Number of published directories			
PAGINEBIANCHE®	33	33	103
PAGINEGIALLE®	67	67	202
ThomsonLocal	58	58	173
Number of distributed directories (values in million)			
PAGINEBIANCHE®	10.1	10.1	26.9
PAGINEGIALLE®	8.5	7.9	21.2
ThomsonLocal	7.7	7.8	23.8
Number of visits (values in million)			
<i>Thirty-minute accesses to website with no interruption</i>			
PAGINEBIANCHE.it	105.1	107.4	215.5
PAGINEGIALLE.it	43.7	41.7	81.4
TUTTOCITTA'.it	19.7	23.8	46.1
Europages.com	9.0	10.2	22.2

→ Italian Directories

Economic background



"Italian Directories" (SEAT Pagine Gialle S.p.A.) as a Business Area operates in Italy in the multi-media directories advertising sector where its "print-voice-online" range and high-tech Internet and orthophotometric and satellite navigation products make it a European leader. Although the business is not directly dependent on the economic cycle, it is influenced by macroeconomic trends and by a number of structural and regulatory features of the markets on which the Company operates. The latter is focusing its resources on reacting to the current very difficult macroeconomic environment and to the major problems and complexities of the market and is continuing its commitment to the development and innovation of primary products, particularly through investment in technologically advanced solutions (i.e. Internet) and in the quality and skills of its sales force.

Revenue by product

			1 st half-year 2008 % on total revenue	
Print centered revenue				
<i>Print</i>		PAGINEGIALLE	classified directories of Italian businesses	32.9
		PAGINEBIANCHE	alphabetical directories	35.3
		TuttoCittà	road map of Italy	0.5
		Idee InVacanza	tourist guide for shopping and entertainment	0.5
<i>Online</i>		PAGINEGIALLE.it	search engine specialised in business searches	12.7
<i>Voice</i>		89.24.24 Pronto PAGINEGIALLE	voice service which provides directory assistance value added services	5.2
		12.40 Pronto PAGINEBIANCHE	voice service which provides subscriber information service	
Total print centered revenue			86.6	
BtoB revenue				
		PAGINEGIALLE Professional	BtoB directory specifically designed for entrepreneurs and purchasing managers of SMEs	
		Kompass products	referred to all information (main offices, businesses, products, etc.) on over 100,000 Italian companies	1.4
		PAGINEBIANCHE Office	Cd-Rom delivered with PAGINEGIALLE Lavoro containing information on over 3 million Italian companies	
Total BtoB revenue			1.4	

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		1 st half-year 2008
		% on total revenue
Other revenue		
	Telephone traffic	
	Direct Marketing	postal and online mailing list services 12.0
	Merchandising	promotional and personalised product portfolio
	Other products	
Total other revenue		12.0
Total revenue		100.0

Economic and financial data

The following table compares key results for the first half of 2008 with those for the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year 2007
	2008	2007	Absolute	%	
Revenue from sales and services	419.5	428.4	(8.9)	(2.1)	1,090.2
Gross operating profit	197.8	205.8	(8.0)	(3.9)	603.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	169.8	179.9	(10.1)	(5.6)	553.5
Operating result (EBIT)	64.7	76.6	(11.9)	(15.5)	351.6
Net invested capital at the end of the period	3,617.9	3,777.0	(159.1)	(4.2)	3,774.0
Capital expenditure	18.0	18.9	(0.9)	(4.8)	51.4
Average workforce	1,389	1,382	7	0.5	1,379

Revenue from sales and services of SEAT Pagine Gialle S.p.A. amounted to € 419.5 million in the first half of 2008, down 2.1% over the same period 2007. The cause of this drop was the fall in print products (-3.2%), only partially offset by the good results (particularly in the second quarter of 2008) turned in by online and telephone services. Print revenue was impacted the conservatism of a number of businesses who despite the continued slowdown of the economy decided to put off renewing their advertising contracts with SEAT and/or to cut their advertising budgets. PAGINEGIALLE® suffered particularly from this approach, especially in Turin and Milan, both major cities where sales campaigns ended in the second quarter of the year at a time of even greater political uncertainty and a worsening of the macroeconomic environment.

Online and telephone business, while not yet benefiting from the new sales strategies that will focus sales of online and voice products in the second half of the year, have already begun to reverse the downward trend that characterised the first three months of 2008. In the second quarter PAGINEGIALLE.it revenues grew 11.1%, while advertising revenue on voice products (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE) rose 35.2%. It should also be noted that the first half of 2007 was particularly robust and brought good revenue growth that was significantly stronger than in the same period 2006 thanks to the major boost given to advertising revenue by more innovative products such as PAGINEGIALLE VISUAL and by 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE. The following shows revenue in detail:

a) **Print-centered revenue** amounted to € 363.2 million in the first half of 2008, down € 6.2 million on the first half of 2007 (€ 369.4 million) as follows:

- *Print revenue* from local directories and other local products was € 288.3 million at the end of the first half of 2008 compared with € 297.7 million in the first half of 2007. This reflects the essentially stable nature of PAGINEBIANCHE® revenue two years after the four-colour launch, despite the dip against the first half of 2007. The bundling of print and online directory (PAGINEBIANCHE.it) advertising has also been successful. PAGINEGIALLE® revenue on the other hand continued to drop (- 6.1% over the first half of 2007) for the above reasons. *Local products* (Idee InVacanza and TuttoCittà®) fell € 1.1 million over the first half of 2007. The range is currently under review and a number of sales agents from the Local sales force, who specialised in print products, have been transferred to new Internet product sales.
- *Online revenue* from PAGINEGIALLE.it totalled € 53.3 million in the first half of 2008, + 3.2% over the same period 2007. The first half of 2008 also saw new online order numbers out-perform revenue recognised in the income statement, thanks in part to the March introduction of a new PAGINEGIALLE.it range with lower average entry prices designed to drive up penetration by the existing online range on the customer base and to attract new customers. The result is in line with the new sales strategy that will see the sale of calendar year products (particularly online) focused on the second half of the year when the sales force will also be able to promote new Internet range. These include "Contact Site" (payment-based additional content) on PAGINEBIANCHE.it that was introduced in May. PAGINEBIANCHE® advertisers can now obtain their *own.com* dedicated web pages enriched with added value information (company name, address, description of business, contact details, interactive map with aerial photo) endorsed by the PAGINEBIANCHE® brand. By the end of the semester this product had already attracted orders worth € 1.4 million, which will be posted to revenue as of the third quarter when the contracts themselves go online. Other new ranges were launched in July for businesses with their own (non-SEAT) websites that wish to use SEAT as their web agency. The Company has therefore begun recruiting additional Internet specialists to expand its sales organisation and is transferring some members of the Local sales teams to the new Internet products.

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Usage has increased, with searches of PAGINEGIALLE.it going up 4.8% over the first half of 2007 thanks also to the completion of SEO (Search Engine Optimization) in June. This has indexed advertiser categories and product descriptions to improve visibility on the main search engines. SEO has compensated for the drop in redirections from partner sites, particularly since the end of the agreement with the Telecom Italy group in the second half of the year. About 76% of all PAGINEGIALLE.it searches are on the proprietary brand (+71% over the first half of 2007).

Ranges continue to improve with the introduction of new services, such as advertisers' promotional videos, real-time motorway reports and new "street level" virtual walks through the centres of a number of Italian cities. June also saw the start of the graphic and functional restyling of all SEAT sites, beginning with PAGINEGIALLE.it, followed by PAGINEBIANCHE.it and ending with TUTTOCITTA.it in September. The result will be a single site that will consolidate the brand identity of all the sites in the SEAT network, include all products, improve user navigation and bring advertisers more business.

A strategic decision has also been taken to increase contact with advertisers through partnership agreements and steps already taken in this direction are the April agreement with Samsung Electronics to bring Visual Mobile to new generation cell phones and to make available to them all PAGINEGIALLE VISUAL data, plus the more recent agreement with Microsoft that will enable Windows Live Messenger users to obtain fast interactive information from PAGINEBIANCHE® and PAGINEGIALLE®, and users of Live Search Maps to visualise the results of their PAGINEGIALLE® searches on maps of Italian cities, creating their own personalised itineraries.

- *Voice advertising revenue* amounted to € 21.6 million in the first half of 2008, 8.0% up on the first half of 2007. This was in part owing to second quarter performance that improved by 35.2% after the first quarter drop a response to sales strategies and the reorganisation of sales campaigns introduced since the end of the previous financial year. The success of 89.24.24 Pronto PAGINEGIALLE® multimedia products increased average value per advertiser. 12.40 Pronto PAGINEBIANCHE use also rose, bringing with it higher advertising revenue in the first half of 2008. As regards product development, July saw the introduction of a new pay-per-call range.

- b) **Business to Business revenue** amounted to € 5.9 million, down € 1.0 million over the same period 2007. Revenue came mainly from Kompass products and does not include revenue from Annuario SEAT or from PAGINEGIALLE Professional, which will be published in the next few months. In 2008 BtoB products suffered from the sales force's focus on new online products and from the current overhaul of ranges to reflect the ever increasing importance of online products, a current trend on all the main BtoB markets. The overhaul will produce better brand co-ordination and will be finished by the 2009 sales campaign.

c) **Revenue from other products** amounted to € 49.0 million, slightly down on the first half of 2007 (€ 51.9 million). Includes traffic revenue (€ 36.3 million) from 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE services (€ 37.5 million in the first half of 2007). Although call numbers have fallen across the market, the quality of the services offered by SEAT Pagine Gialle S.p.A. produced a slight increase in market share (to about 50%). Direct marketing revenue was € 6.0 million but merchandising slipped to € 3.7 million.

Cost of materials and external services amounted to € 177.3 million in the first half of 2008, down € 2.1 million over the same period 2007. *Industrial costs* also fell € 1.9 million on the back of lower revenue. *Sales costs* rose 4.8% to € 70.6 million with the increase in outbound call center services as a response to new Voice revenue and to the supplementary cost of advertising print products. Sales costs to agents remained substantially unchanged as lower commission compensated for the higher sales bonuses produced by the change in the schedule for sales challenges in the first half of 2007.

Rising sales costs were generally offset by lower overheads (down € 3.5 million to € 35.7 million) primarily thanks to a reduction in the cost of receivables collection obtained by changing the timing of such actions.

Salaries, wages and employee benefits, net of the recovery of costs for seconded personnel to other Group companies, amounted to € 44.4 million, +2.9% on the first half of 2007 (€ 43.1 million). The rise was mainly produced by the addition of 20 new employees to an otherwise stable average workforce (including project workers, trainees and administrators). Semester figures do not yet reflect the impact on the work force of the Company's reorganisation programme because it will be July before the redundancies to be covered by the *Cassa Integrazioni Guadagni* (Wage Guarantee Fund) and early retirement, as per the request made to the Labour Ministry in January 2008, are reflected in the accounts.

At June 30, 2008 the workforce, including administrators, project workers and trainees, totalled 1,509 personnel (1,449 personnel at December 31, 2007). The average workforce in the first half of 2008 was 1,389 units (1,382 units in the first half of 2007).

Gross operating profit (GOP) was € 197.8 million in the first half of 2008, down 3.9% over the same period 2007 following the drop in revenue. This was only to a very slight extent offset by lower costs. GOP impact on revenue therefore fell to 47.2%, from 48.0% in the first half of 2007.

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EBITDA was € 169.8 million at end June 2008, down 5.6% over the same period 2007, with 40.5% of profitability (42.0% in the first half of 2007). Compared with the first half of 2007, EBITDA dipped against GOP as a result of increased provision for doubtful trade account receivables and risks and charges (+€ 2.5 million). Increased provision was also made prudentially for existing overdue positions. Collections on positions recently falling due improved, although invoiced amounts remained relatively unchanged over the same period of 2007, as did DSO (days of sales outstanding).

Operating amortisation, depreciation and write-down increased by 19.7% in the first half of 2008 over the same period 2007, to € 15.4 million, caused by the significant investments made in the last few financial years.

Non-operating amortisation and write-down amounted to € 81.0 million in the first half of 2008, unchanged over the same period 2007 and referred to customer databases.

Non-recurring and restructuring charges amounted to € 8.6 million in the first half of 2008 (€ 9.3 million in the first half of 2007), including a € 5.0 million provision supplementing the restructuring reserve recognised in 2007 for the reorganisation programme approved last year by the Board and agreed by the Unions. This provides for about 150 redundancies 2007-2009 to be managed through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and early retirements. The item also includes € 3.5 million non-recurring costs, of which € 1.3 million for support to the management of the Parent Company during the review of product development strategies for the Internet in particular.

EBIT amounted to € 64.7 million in the first half of 2008 (€ 76.6 million in the first half of 2007). This essentially mirrors EBITDA.

Net invested capital amounted to € 3,617.9 million at June 30, 2008, down € 156.1 million over December 31, 2007, of which € 89.9 million fixed assets and € 91.0 million current operating assets.

Capital expenditure amounted to € 18.0 million in the first half of 2008, slightly down on the first half of 2007 (€ 18.9 million), being mainly:

- for the SAP CRM-Billing Evolution "From Order to Cash" project: application development, functional analysis of data migration to the new system and other prototype testing (€ 5.3 million);
- acquisition of software licences for work stations and for basic infrastructure (€ 4.4 million);
- improvement of the online platform, particularly for PAGINEBIANCHE.it, PAGINEGIALLE.it and PAGINEGIALLE VISUAL (€ 2.1 million) and improvement of front end systems for personalised sites (€ 0.6 million).

Regulatory framework

Telephone directories and Universal Database

The EU Commission review of the Universal Service Directives, which concluded on October 27, 2006, aimed at increasing the obligations of fixed telephony incumbents. SEAT Pagine Gialle S.p.A. took part in the public consultation, arguing the need to maintain the current rules that require telephone operators to offer a Universal Database of telephone subscribers to all directories companies at fair, non-discriminatory and cost-effective prices. SEAT Pagine Gialle S.p.A. also argued the need for more universal access to directory assistance (DA) services from all telecoms networks but added that the universal print telephone directory supply requirement is no longer necessary since there are now many other sources of this information (voice, online and mobile directories). The discussion of the new set of directives and their approval is expected to take place in 2009 with transposal into national law in 2010.

Directory assistance services

Interconnection charges from mobile networks to non-geographical numbers (NGNs)

There is nothing new to add to the 2007 Report on operation.

Dispute with Telecom Italia (TI) over invoicing and credit management of non-geographical numbers (NGN) access services

An amicable settlement is in sight in the dispute between some leading licensed operators (OLOs) and TI over responsibility for and methods and financial terms of the invoicing and credit management of access from the fixed Telecom Italia landline network to NGNs. These are one of the services that TI - as long it is considered the Incumbent operator - under current legislation is obliged to provide to all Operators that have NGNs.

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At the request of SEAT and the other OLOs, in May 2008 the Italian communications regulator, AGCom, sent a new explanatory letter partly modifying the view it expressed in its letter of November 2007 that TI's new administration and credit management of NGN access do not comply with current regulations (AGCom decisions 417/06/CONS and 107/07/CIR, both, for different reasons, the subject of administrative appeals brought by TI, afterwards abandoned). In its letter of May 2008, later adopted in decision 27/08/CIR, AGCom accepted TI's argument that OLOs that offer this service (and no longer TI) are fully entitled to the revenue deriving from calls to NGNs but laid down stricter guidelines for credit management to safeguard OLO rights as regards TI.

On this basis, SEAT and TI are re-negotiating the section of the new contract on 892 numbers.

New Italian phone number plan

On July 18, 2008 the new Italian phone number plan was published, at the conclusion of the review launched by AGCom at the end of 2006.

The changes that are of main interest to the SEAT group concern the stricter and clearer regulation of 892 information numbers to safeguard both users of these services and also those providers which operate within the law. The numbers may continue to provide information on subscribers. The regulations applying to 12xy and 892 numbers have now become more standardised, although the ceilings on the cost of public service calls and the duty to provide information on the cost of services (price announcements) are unchanged.

→ UK Directories

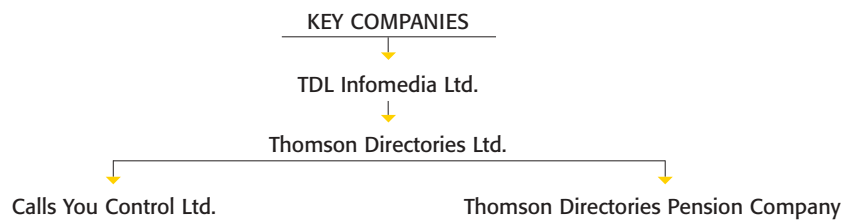
Market environment and strategic positioning

The Thomson group, which has been on the UK directories market since 1980, became part of the SEAT Pagine Gialle group at the end of 2000. The Thomson group currently has about 1,000 employees and produces 173 editions of the Thomson Local Directory, 24 million copies of which are distributed throughout the UK, making it the third biggest player on that market after Yell and British Telecom.

UK GDP rose 3.1% in 2007, 2.9% up on 2006. The gloomy macroeconomic environment of 2008 means that although growth is still expected, it will be far lower than in 2007. The UK directories market is extremely competitive and advanced. Major industry groups such as Yell, British Telecom and Trinity Mirror plus a myriad of other competitors use a primarily online business model. In 2006 the Thomson group therefore overhauled its sales range, generating major product innovation, reorganised its sales force to make it more efficient and repositioned the Company as an online media agency able to provide SMEs with the full range of Internet services.

Structure of the Business Area

UK Directories is organised as follows



Material events over the period

In the first half of 2008 there were no material events to report.

Economic and financial data

In the first half of 2008 the Company continued its strategy of rationalising and restructuring the sales force, creating a support network organised by geographic area and customer segment. It also expanded its product portfolio. The partnership with Nectar (the UK's leading loyalty card) continued, giving Thomson Directory users Nectar points when they phone dedicated advertiser numbers.

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The table shows the key results for the first half of 2008 with a comparison of the same period 2007



(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	47.1	58.5	(11.4)	(19.5)	158.9
Gross operating profit	0.9	4.4	(3.5)	(79.5)	42.0
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(0.6)	2.5	(3.1)	n.s.	36.8
Operating result (EBIT)	(2.1)	1.0	(3.1)	n.s.	33.3
Net invested capital at the end of the period	235.0	283.5	(48.5)	(17.1)	273.7
Capital expenditure	1.0	0.8	0.2	25.0	1.8
Average workforce (FTE)	916	1,012	(96)	(9.5)	999

Revenue from sales and services amounted to € 47.1 million in the first half of 2008 (GBP 36.5 million). The sharp fall over the first half of 2007 was produced by the drop of sterling against the euro and is significantly lower (7.3%) in sterling terms.

The greatest drop in revenue was more significant from customers requiring national coverage, in particular banks, which have been hardest hit by the credit crunch. The fall in sales by local sales agents (about 80% of total sales) was significantly lower however.

Print directory revenue ended the half down despite the positive impact of the restyling of Thomson Directories and good sales of advertising space in tandem with the Nectar loyalty card. At constant exchange rates, *online business revenue* grew (+4.7%) thanks to the Group's new positioning on the market as an online media agency for SMEs. *Business information revenue* grew materially over 2007 (+3.4%) on the back of e-mail marketing, which is aimed primarily at customers requiring national coverage.

Lower print revenues led to a GBP 2.3 million drop in **GOP** to GBP 0.7 million at the end of June 2008, mainly because of the increased cost of advertising Internet products (up about GBP 1.0 million over the first half of 2007). Higher operating costs were only partially offset by lower labour costs (-GBP 1.8 million) as average employee numbers dropped (-96 units over the same period 2007) in sales department in particular.

EBITDA was negative for € 0.6 million, down € 3.1 million over the same period 2007 but in line with **GOP**.

Net invested capital for the Thomson group totalled € 235.0 million at June 30, 2008, down € 38.7 million over December 31, 2007. This includes goodwill (€ 257.1 million) and a net liabilities of € 39.1 million for defined benefit pension fund at June 30, 2008.

The change compared to December 31, 2007 includes *i*) a € 18.2 million rise in net liabilities to the pension fund following the recognition of actuarial loss restated at June 30, 2008 to take account of updated discount and inflation rates; *ii*) a € 15.3 million currency exchange loss on net invested capital arising on the fall of sterling against the euro. In sterling terms, net invested capital totalled GBP 132.0 million at June 30, 2008, down GBP 18.5 million on December 31, 2007 (GBP 150.5 million).

Average workforce numbered 916 units in the first half of 2008 (1,012 units in the first half of 2007). The reduction followed the internal reorganisation this year, which cut sales and publishing staff in particular.

Regulatory framework

The Independent Regulator and Competition Authority for the UK Communications Industries (Ofcom) started consultations in March 2008, proposing to:

- abrogate the Universal Service Clause (USC7) that obliges British Telecommunications Plc (BT) to maintain and supply the telephone subscriber database;
- delete the general clause that obliges telecoms operators to provide all their subscribers with a paper telephone directory;
- clarify which data each operator must supply to other operators to enable them to produce directories and provide directory assistance;
- determine which third parties have the right of access to this data.

The Ofcom consultation originated in the actions brought by The Number (UK) and Conduit against BT in 2003 concerning BT's duties since 2003 under the Universal Service directive (particularly the USC7 clause on the supply to directory publishers of the subscriber database). Ofcom concluded that this clause was unlawful and therefore started a public consultation process to have it revoked. Thomson Directories took part in the consultation, maintaining that the rule was necessary to ensure that suppliers of telephone directories and directory assistance hold information on telephony subscribers, and that access to the database must be provided at fair, cost-effective, non-discriminatory prices.

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→ Directory Assistance

Market scenario and strategic positioning

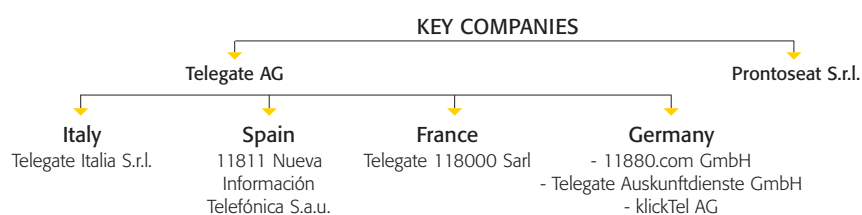
Directory Assistance provides telephone-based information throughout the Telegate AG group and to Prontoseat S.r.l. a wholly-owned subsidiary of SEAT Pagine Gialle S.p.A..

The Telegate group operates on a number of European directory assistance markets with varying levels of maturity. In Germany, where the market is seeing a year-on-year shrinkage in enquiry numbers, Telegate - which operates through the 11880 services portal and is the country's second biggest operator after Deutsche Telekom, the former monopoly holder - has implemented a strategy of adding value to its services. This has enabled the Company to grow market share. As a further strategy for dealing with a shrinking market, Telegate has also launched an online search portal, relying on its strong brand image and quality databases and has also created a sales force to generate advertising revenue. In 2008 klickTel AG, an online directory company recently acquired to speed up the Group's multi-channel strategy has been integrated in the Group. In Spain, Telegate has consolidated its position to improve its profitability. In France, following an extremely competitive launch in 2006 that invested hugely in advertising, the Telegate group broke even in the second half of 2007. In Italy, the Telegate group manages part of the directory assistance call business for SEAT Pagine Gialle S.p.A. and acts as a call center outsourcer for other partners.

Prontoseat S.r.l. runs call centers and together with the Telegate's Italian subsidiary manages, on an outsourcing basis, 89.24.24 Pronto PAGINEGIALLE® for SEAT Pagine Gialle S.p.A. and provides other back-office services to the SEAT group.

Structure of Business Area

Directory Assistance is organised as follows



Material events over the period

- On April 1, 2008, after approval from the German Federal Cartel Office and in implementation of previous agreements with the company's leading shareholders, Telegate AG bought a controlling stake in klickTel AG, giving it 92.72% of the latter at the whole.
Over the next few months, Telegate continued to increase its ownership of klickTel AG, thanks in part to a tender offer launched in May. At June 30, 2008 Telegate AG owned 95.25% of klickTel AG.
- In June 2008, the Telegate AG Shareholders' Meeting approved the financial statements as at December 31, 2007 and voted to distribute a dividend of € 0.70 per share.
The Shareholders' Meeting also voted to amend the Company's Articles of Association, authorising the management board to increase share capital one or more times up to June 10, 2010 or until € 500,000 had been raised (if earlier), where necessary with the suppression of option rights.

Economic and financial data

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	92.1	92.9	(0.8)	(0.9)	185.8
Gross operating profit	23.2	24.6	(1.4)	(5.7)	53.5
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	27.3	22.9	4.4	19.2	50.0
Operating result (EBIT)	20.8	18.4	2.4	13.0	40.7
Net invested capital at the end of the period	122.6	109.9	12.7	11.6	91.9
Capital expenditure	1.9	3.5	(1.6)	(45.7)	5.8
Average workforce (*)	2,477	2,523	(46)	(1.8)	2,476

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

In the first half of 2008 Directory Assistance revenue totalled € 92.1 million, generally in line with the first half of 2007 (€ 92.9 million).

EBITDA rose € 4.4 million.

For greater detail of these figures, please see the analyses by company and geographic area.

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Telegate group

16.24% SEAT Pagine Gialle S.p.A. - 61.13% Telegate Holding GmbH

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year 2007
	2008	2007	Absolute	%	
Revenue from sales and services	86.4	86.7	(0.3)	(0.3)	173.3
Gross operating profit	22.5	24.1	(1.6)	(6.6)	51.9
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	26.7	22.5	4.2	18.7	48.9
Operating result (EBIT)	20.4	18.4	2.0	10.9	40.4
Net invested capital at the end of the period	104.5	91.3	13.2	14.5	73.4
Capital expenditure	1.7	3.3	(1.6)	(48.5)	5.5
Average workforce (FTE)	2,132	2,178	(46)	(2.1)	2,130

telegate

Revenue from sales and services amounted to € 86.4 million in the first half of 2008, generally in line with the same period 2007 thanks also to the consolidation as of April 2008 of KlickTel AG, a 95.25% German subsidiary. The following shows revenue by geographic area.

Germany: revenue amounted to € 58.8 million in the first half of 2008 (€ 56.6 million in the first half of 2007). At constant consolidation scope, German revenue suffered from the fall in calls from landlines. Calls from mobiles were unchanged.

The fall in calls to 11880 was to some extent offset by the growth in value added services and the company's multi-channel strategy to increase advertising revenue from Voice products and through 11880.com. In the first half of 2008 these amounted to about 12% of total German revenue. At June 2008, 11880.com revenue was € 3 million. Internet products have been increased by the second quarter consolidation of KlickTel AG, an extremely competitive local search provider and online directory operating mainly in the B2B sector (€ 3.7 million in revenue in the second quarter of 2008). Action has also been taken to standardise technologies and products and to focus on marketing strategy and organisation structure.

Spain: in the first half of 2008 revenue dropped slightly but Telegate managed to offset part of the fall in revenue from the external management of directory assistance services through its branded businesses. This revenue rose on the back of the rise in talk time and a change in tariffs, counteracting the reduction in call numbers.

In Spain too Telegate is seeking to implement its multi-channel, voice and online strategy and has begun co-operating with QDQ Media SAU, Spain's second largest directories operator, to integrate new technologies and develop a web platform for 11811, where hits have increased without however generating any profit as yet.

11 880

11 811



Italy: revenue rose significantly in the first half of 2008 as call duration increased. This more than outweighed the slight fall in the number of phone calls.

France: Telegate's 118000 service saw revenue drop over the first half of 2007 as telephone business plummeted when the Company decided to cut advertising investment. Despite this, in the first half of 2008 business broke even in GOP terms. The work on the online platform continued and the results of independent initial tests are good from the user and sales viewpoints.

GOP amounted to € 22.5 million for the Telegate group in the first half of 2008 (-€ 1.6 million over the same period 2007) mainly as a result of the € 2.3 million rise in labour costs.

The consolidation of KlickTel AG did not impact GOP which broke even in the second quarter of 2008.

At constant consolidation scope, service costs fell 10.4% over the first half of 2007 mainly as a result of lower advertising costs in France and Germany. Labour costs were essentially unchanged.

EBITDA amounted to € 26.7 million in the first half of 2008, up € 4.2 million over the same period 2007. € 5.5 million of the rise is imputable to the amounts Deutsche Telekom was ordered to repay to Telegate AG at the conclusion in June 2008 of a court action between the two companies over the refund of excess amounts paid by Telegate to Deutsche Telekom for the supply of telephone subscriber data. More specifically, the court decision, which is now *res judicata*, refers to the cost involved in providing data January-September 1999 and orders Deutsche Telekom to repay Telegate AG € 4.25 million plus interest at legal rates.

EBIT amounted to € 20.4 million in the first half of 2008 (up € 2.0 million over the first half of 2007). It was impacted by non-recurring costs arising from the integration of KlickTel AG in the Group (€ 1.4 million).

Net invested capital amounted to € 104.5 million at June 30, 2008 (up € 31.1 million over December 31, 2007) imputable to the consolidation of KlickTel AG. Operating working capital (€ 2.4 million) was € 8.6 million down over December 31, 2007, and included € 1.6 million for the consolidation of KlickTel AG.

Capital expenditure amounted to € 1.7 million in the first half of 2008 were in line with the Group's development plans but down on € 3.3 million for the first half of 2007. As in 2007, capital expenditure was targeted at improving call center output capacity by developing technological infrastructures.

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The **average workforce** was 2,132 units in the first half of 2008 (2,178 units in the first half of 2007). The change over the first half of 2007 was caused by the fall in employee numbers in Italy following the move to offshore management of a number of lines. This was only partially compensated by the consolidation of klickTel AG.

Prontoseat S.r.l.

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

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year 2007
	2008	2007	Absolute	%	
Revenue from sales and services	5.7	6.3	(0.6)	(9.5)	12.6
Gross operating profit	0.7	0.5	0.2	40.0	1.6
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	0.6	0.4	0.2	50.0	1.2
Operating result (EBIT)	0.3	-	0.3	n.s.	0.3
Net invested capital at the end of the period	0.9	1.2	(0.3)	(25.0)	1.2
Capital expenditure	0.2	0.2	-	n.s.	0.4
Average workforce	345	345	-	n.s.	345



Revenue from sales and services amounted to € 5.7 million in the first half of 2008, slightly down over the same period 2007 (–€ 0.6 million), imputable to a fall in the number of calls for directory assistance services as the market overall shrank. This was to some extent compensated by other services, i.e. customer service (+6.7%).

Gross operating profit (GOP) amounted to € 0.7 million, an improvement over the first half of 2007 thanks to a change in revenue mix (higher-margin service calls rose in number) and despite increased labour costs resulting from the change in call center employment contracts.

EBITDA amounted to € 0.6 million at June 30, 2008, up € 0.2 million over the same period 2007. It also benefited from the improvement in GOP.

EBIT amounted to € 0.3 million in the first half of 2008, rose against June 30, 2007 thanks to lower non-recurring costs.

Regulatory framework

Germany

During the first half of 2008 Telegate AG continued its action against Deutsche Telekom for overcharging for telephone subscriber data.

The Dusseldorf Regional Court upheld on appeal the June 22, 2005 judgment on prices applied January-September 1999 and Telegate AG's entitlement to a refund of € 4.25 million, plus interest. The decision became final with the Federal Court ruling on June 10, 2008 from which Deutsche Telekom can appeal no further.

Austria

In April 2008, during a case concerning the prices charged by Telekom Austria for supplying telephone subscriber data, the Court of Vienna announced that a judgment will be made before the end of the summer.

France

Another amendment to the consumer protection law (Law 2004-669 art. L121) requires all directory assistance service suppliers from June 1, 2008 to make a price announcement to callers before they are transferred to the number required (call completion). The new regulation protects consumers since the price of the call is usually the same as that of the premium price service called (higher than that of normal geographic calls).

Spain

There is no material news.

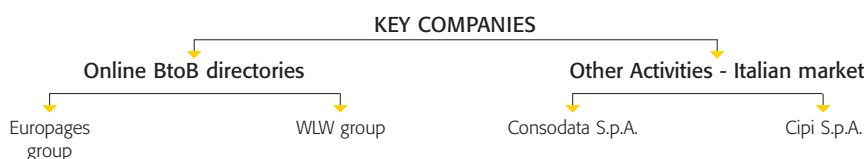
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→ Other Activities

Structure of the Business Area

This residual Business Area, which covers all the activities not included in the previous areas, is organised as follows



Material events over the period

- In April 2008 the Shareholders' Meeting of CIPI S.p.A. (51% SEAT Pagine Gialle S.p.A.) approved the financial statements as at December 31, 2007, voted a € 0.6 million dividend distribution and to carry the remaining profit for the period (€ 0.1million) to retained earnings.
- In March 2008 the Shareholders' Meeting of Wer liefert was? GmbH (100% owned by SEAT Pagine Gialle S.p.A.) voted to distribute equity reserves of € 26.0 million.

Economic and financial data

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	45,6	30,9	14,7	47.6	80,2
Gross operating profit	1,3	2,5	(1,2)	(48.0)	9,8
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1,3	2,3	(1,0)	(43.5)	9,9
Operating result (EBIT)	(14,9)	(0,3)	(14,6)	n.s.	3,5
Net invested capital at the end of the period	158,6	50,9	107,7	n.s.	177,6
Capital expenditure	3,1	3,1	-	n.s.	7,4
Average workforce (*)	663	409	254	62.1	511

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

Figures for the first half of 2007 are not comparable because they do not include the German group Wer Liefert was?, which was consolidated as of October 2007. The following is a breakdown by business.

Other Activities - On line Business to Business Directories

Europages group

93.562% SEAT Pagine Gialle S.p.A.

Europages publishes the BtoB European business directory of the same name, which targets import and export companies. As of this year, the multi-lingual, multi-media directory is available online only. The Europages portal covers about 900,000 BtoB exporters and suppliers with a database that continues to expand thanks to the addition of ever more companies from the newest members of the European Union.

The merger of the German business of Europages GmbH with that of WLW is currently under way with the aim of achieving significant synergies, particularly in sales. As a result of the synergies, Europages GmbH has been closed and put into liquidation.

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

EUROPAGES

(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	7.6	12.5	(4.9)	(39.2)	25.7
Gross operating profit	(2.7)	1.3	(4.0)	n.s.	1.1
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(2.8)	1.0	(3.8)	n.s.	1.3
Operating result (EBIT)	(13.8)	(0.3)	(13.5)	n.s.	(1.9)
Net invested capital at the end of the period	24.0	30.2	(6.2)	(20.5)	32.5
Capital expenditure	0.9	2.1	(1.2)	(57.1)	4.4
Average workforce (FTE)	139	104	35	33.7	129

In the first half of 2008 **revenue from sales and services** totalled € 7.6 million (-€ 4.9 million over the same period 2007) as a result of lower revenue in Italy and Spain. French and German revenue improved slightly however thanks to synergies with WLW. The change in sales organisation since 2007 and the completion of the migration to online directories only, makes comparison of performance in the first halves of 2007 and 2008 in this area unreliable.

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2008 is the first year after the migration from multi-media to online only directories. The migration itself follows the general world-wide BtoB trend and reflects the fact that most enquiries are now made online. In the first half of 2008 the site received 9.0 million hits, a little down on the previous half (about 10.0 million) with about 26 million searches, maintaining its strong position on the European BtoB market.

In the first half of 2008 Europages launched its updated site, which now offers innovative applications that can be personalised.

Gross operating profit (GOP): (-€ 2.7 million) fell against the first half of 2007 following the drop in revenue and the ensuing cut in sales costs.

EBIT: -€ 13.8 million, including a € 10.0 million write-down of goodwill after impairment testing at June 30, 2008.

Capital expenditure: € 0.9 million in the first half of 2008. This was mainly IT investment in the new Europages 2.0 website launched in February 2008.

Wer liefert was? group

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

On October 1, 2007 Wer liefert was? GmbH (WLW) was acquired from Eniro AB. The WLW group operates in the online BtoB market, primarily in Germany but also in Austria, Switzerland, the Czech Republic and Croatia. The company sells advertising space on its website in three standard formats (differentiated by the number of key words purchased, whether the customer's logo is displayed and other added value information) to mainly German companies operating on the German BtoB market. The WLW database contains details on 600,000 primarily German BtoB businesses, organised into 48,000 categories that can be searched using 200,000 key words.

The table shows the key results for the first half of 2008. Additional information is provided in the pro-forma figures for the first half of 2007 produced using SEAT group accounting principles.

(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007 pro-forma	Absolute	%	2007 pro-forma
Revenue from sales and services	17.1	17.1	-	n.s.	34.5
Gross operating profit	2.1	3.2	(1.1)	(34.4)	6.3
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	2.4	3.5	(1.1)	(31.4)	7.1
Operating result (EBIT)	1.6	3.0	(1.4)	(46.7)	5.7
Net invested capital at the end of the period	115.1	(11.1)	126.2	n.s.	120.6
Capital expenditure	0.3	0.2	0.1	50.0	0.8
Average workforce (FTE)	242	245	(3)	(1.2)	238



Wer
liefert
was?

Revenue from sales and services amounted to € 17.1 million in the first half of 2008, in line with the same period of 2007, thanks to the good performances of the smaller countries in which the Company has a presence. These partially offset the dip in German revenue caused by the slide in renewals over 2007, although the average value of the renewals themselves rose. The focus on attracting new customers led in the last two months of 2008 to higher new customer numbers and better values than in the same period 2007. Growth, particularly in order numbers (+4.2%), was achieved in the smaller countries, the major contribution from Croatia and Switzerland being mitigated by contraction in the Czech Republic.

The WLW portal retains its high positioning within the BtoB sector, as the number of searches and pages viewed rose over June 2007 by 12.4% and 6.7% respectively; hits remained generally stable at 11.8 million.

Gross operating profit (GOP) amounted to € 2.1 million in the first half of 2008 with margins -12.3% down on the first half of 2007 as a result of higher sales costs (more than € 1.0 million) and the integration of Europages sales in Germany. The latter has so far produced negligible revenue but offers good prospects for growth in the most important European BtoB market.

EBITDA, amounted to € 2.4 million in the first half of 2008, shadowed GOP when compared with the first half of 2007.

EBIT: (€ 1.6 million at June 30, 2008) was impacted by non-recurring legal fees (€ 0.3 million) for the integration of WLW within the SEAT group.

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Other Activities – Italian market

Consodata S.p.A.

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

Consodata S.p.A., the Italian leader in the one-to-one market and geomarketing, has been offering a full range of innovative, direct marketing services to thousands of companies in all fields for over 20 years. The company uses the nationwide network of its parent to penetrate the SME market and its own dedicated network for the large account market. Consodata's customers have access to Italy's biggest behavioural database, enabling them to make decisions on the basis of information about millions of consumers and using the latest marketing intelligence tools.

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	13.0	9.9	3.1	31.3	23.4
Gross operating profit	2.5	1.5	1.0	66.7	4.5
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	2.4	1.5	0.9	60.0	4.5
Operating result (EBIT)	1.3	0.6	0.7	116.7	2.6
Net invested capital at the end of the period	9.0	8.6	0.4	4.7	9.4
Capital expenditure	1.6	0.9	0.7	77.8	1.9
Average workforce	110	120	(10)	(8.3)	117



Revenue from sales and services amounted to € 13.0 million in the first half of 2008 (+31.3% over the first half of 2007) thanks to the performances of SEAT's SME and large customer sales channels.

The rise in SME revenue follows the simplification of the direct marketing product range, which enabled the sales force to focus on typical single-customer mailing products and on local magazine segments.

The rise in large customer revenue followed more effective sales as BtoB data expanded alongside the full integration of the SEAT database and more address verification software products. The revenue rise was also imputable to the start on April 1, 2008 of the management of Lineaffari.com. The portal, which was previously managed by SEAT, provides sales and marketing data to SMEs and has its own dedicated sales network.

Changes in revenue and in their mix were mirrored in **GOP**, which rose € 1.0 million over the first half of 2007 (€ 2.5 million at June 30, 2008). Profitability showed strong growth from 15.2% in the first half of 2007 to 19.2% in the same period 2008, benefiting from falling overheads as some staffing areas (i.e. IT) were rationalised.

EBIT, € 1.3 million in the first half of 2008, more than doubled over the first half of 2007 (€ 0.6 million) essentially in line with **GOP**.

Capital expenditure at € 1.6 million was € 0.7 million higher than in the first half of 2007 to support business development. The main focus was on updating databases and on developing software for geomarketing products and for Lineaffari.com.

Average workforce fell by 10 units (from 120 units in the first half of 2007 to 110 units in the first half of 2008) thanks to more efficient internal organisation.

Cipi S.p.A.

51% SEAT Pagine Gialle S.p.A.

Cipi S.p.A. sells promotional items and corporate gifts, covering the full value chain from import to personalisation with customer logo and direct sale or sale through SEAT Pagine Gialle S.p.A. to the end customer.

The table shows the key results for the first half of 2008 with a comparison with the same period 2007

(euro/million)	1 st half-year	1 st half-year	Change		Year 2007
	2008	2007	Absolute	%	
Revenue from sales and services	8.0	8.5	(0.5)	(5.9)	23.5
Gross operating profit	(0.6)	(0.2)	(0.4)	n.s.	2.3
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(0.7)	(0.3)	(0.4)	n.s.	2.2
Operating result (EBIT)	(4.1)	(0.6)	(3.5)	n.s.	1.6
Net invested capital at the end of the period	10.4	12.1	(1.7)	(14.0)	14.9
Capital expenditure	0.3	0.2	0.1	50.0	0.5
Average workforce	171	184	(13)	(7.1)	206

Revenue from sales and services amounted to € 8.0 million in the first half of 2008 (-€ 0.5 million over in the first half of 2007). The company's strategy of improving the quality and number of its large customer direct sales force lifted revenue in the first semester, although this managed to compensate only in part for the negative impact of a tough market with falling sales.

The fall in revenue produced a contraction of **GOP** (-€ 0.6 million at June 30, 2008; -€ 0.2 million in the first half of 2007) to a certain extent because of the increased cost of raw materials, a cost partly offset by the rise of the euro against the dollar.



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EBITDA, -€ 0.7 million, shadowed GOP when compared with the first half of 2007 (-€ 0.3 million).

EBIT suffered from the € 3.0 million impairment of the Company's goodwill after an impairment test at June 30, 2008.

Katalog Yayın ve Tanitim Hizmetleri A.S.

The Company has been consolidated using the equity method.

The Turkey business launch is going to plan. The head offices, sales offices and IT offices are already operational, as is management. At present the Company has approximately 65 employees and a sales force of about 80. The brand name has been decided (bravoo!), a campaign to launch the brand began at the start of June and the first sales campaign has commenced. The first print directory for Istanbul (about 1.2 million copies) and its online version are expected to be available by the end of November. Doğan's knowledge of the market and SEAT Pagine Gialle's skill in product development have slashed the cost and the time needed to enter the Turkish market.

➔ Other information

➔ Human resources

SEAT Pagine Gialle group

	At 06.30.2008	At 12.31.2007	Change
Employees	6,794	6,421	373
Directors, project workers and trainees	146	231	(85)
Total workforce at the end of the period	6,940	6,652	288
	1 st half-year 2008	1 st half-year 2007	Change
Average workforce for the period (FTE)	5,445	5,326	119

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

The Group's workforce at June 30, 2008 was 6,940 personnel, an increase of 288 personnel over December 31, 2007 (274 personnel from the consolidation of klickTel AG). At constant consolidation scope there was a slight reduction in staff, especially Directory Assistance, following the decision to outsource some call center activities. The fall was partially offset by the personnel increase within SEAT Pagine Gialle S.p.A., where employee figures at June 30, 2008 will not reflect the effects of the corporate reorganisation plan until July.

Average workforce in the half-year (FTE for the foreign companies) was 5,445 units (5,326 units in the first half-year of 2007). The average figure is significantly lower than the final period-end figure because call centers in particular make heavy use of part-time staff. The FTE increase over the first six months of 2007 is mainly the result of the consolidation of the German WLW group and klickTel AG.

For a more detailed analysis of labour costs and workforce figures, see "Economic and financial performance by Business Area" in the Report on operations.

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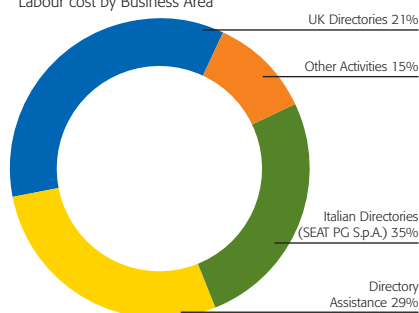
SEAT Pagine Gialle S.p.A.

	At 06.30.2008	At 12.31.2007	Change
Employees	1,418	1,363	55
Directors, project workers and trainees	91	86	5
Total workforce at end of the period	1,509	1,449	60
	1 st half-year 2008	1 st half-year 2007	Change
Average workforce for the period	1,389	1,382	7

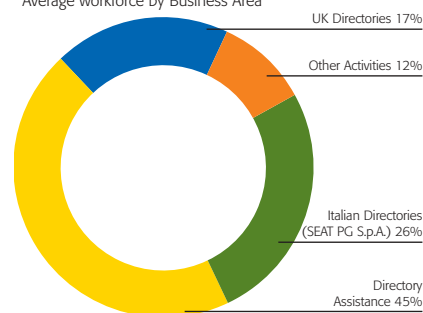
At December 31, 2008 SEAT Pagine Gialle S.p.A. had added 60 personnel to its workforces since the same date in 2007 by recruiting qualified staff with particular skills in areas strategic for business growth. These included in particular Internet and a number of sales areas whose workforces were expanded as a result of the implementation of the corporate reorganisation plan launched in 2007. The fruits of the plan have not yet been felt in full, however, because it will be July before the end of June 2008 redundancies that the Labour Ministry agreed will be covered by the *Cassa Integrazione Guadagni* (Wage Guarantee Fund) and early retirements - in response to a January 2008 request - are reflected in the accounts.

The Company's HR management policy has led to a further reduction in the average age of the workforce and a rise in the proportion of qualified white collar staff against total workforce.

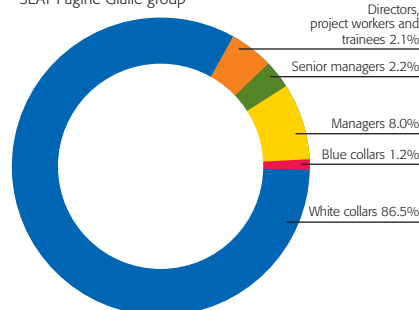
Labour cost by Business Area



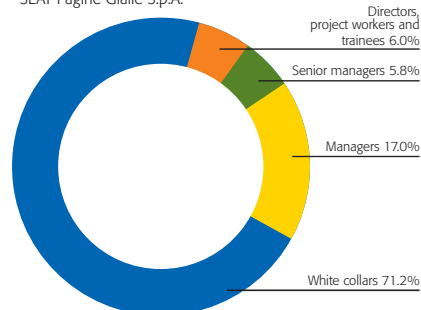
Average workforce by Business Area



SEAT Pagine Gialle group



SEAT Pagine Gialle S.p.A.



Sales force

The SEAT Pagine Gialle S.p.A. sales force consists of 1,681 sales agents and 110 employees (1,618 agents and 102 employees at December 31, 2007). The sales force is divided into three sales channels, organised by customer segment and market potential: large customers, business sales and local sales.

For a more detailed description of the organisational structure of the sales network please refer to the 2007 Annual Report.

Organisational development and services to employees

The human resources management policy of the SEAT group continues to be focused on the personal and professional development of employees and the sales force. 97% of the workforce had a *performance review* for 2007 (90% in 2006).

In 2007, as in 2006, the reviews were accompanied by training for both assessed and assessors to support the process and spread the performance assessment culture and by a publicity campaign on the corporate intranet .

Corporate communication

Actions to support and develop the SME and Local sales forces Departments continued in the first six months of 2008, aimed at improving achievement of Company targets by employer branding campaigns at universities, in the national and local press and on the main web recruitment portals for young people.

In January, Yess the new Company intranet was launched to boost corporate identity processes and for use as a social networking tool, enabling employees to share knowledge, improving the use of information within the Company and rationalising the services available to employees.

Training - Seat Corporate University

Now in its fourth year, Seat Corporate University in the first six months of 2008 had two main focuses: planning and providing training to support Sales and Human Resources development plans and launching and disseminating e-learning alongside and/or as an alternative to classroom sessions.

At the same time, given a 70% increase in the number of applications received and in line with the Company's commercial strategies, major work was done on selecting new personnel for the sales force and providing them with entry-level training.

Common denominators in all cases were the exploitation of experience and contacts, viewed as corporate assets, making employees and agents aware of corporate values and developing commercial expertise by deepening knowledge of the market and of customers.



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48,776 hours of classroom training were given to a total of 4,016 participants. E-learning courses were accessed over 14,000 times.

Training focused on:

- sales (85%), with different kinds of training for the different kinds of sales staff (hunters, SME, local, web account), and training on the Internet to improve web knowledge and enable staff to have more professional, value added relationships with customers;
- managerial skills and organisational behaviour (10%);
- specialised and technical skills (5%).

SME caring also continued. Three two-monthly editions of the magazine *Seat Con Voi* were published in 2008 containing articles on business communication, business success stories and new trends

Industrial relations

The corporate reorganisation plan launched in 2007 continued through the first six months of 2008. A ministerial decree was issued approving application of the CIGS (*Cassa Integrazione Guadagni Straordinaria e Prepensionamenti* - Wage Guarantee and Early Retirement Fund) in the second half of 2007 and a request was made for the CIGS to be extended to cover also the first half of 2008.

The company offices in which the CIGS is to be applied (Turin, Milan and Rome) were inspected by the local provincial labour offices.

→ Litigation

Three proceedings are still pending against the Cecchi Gori group (i.e. against Cecchi Gori Group Fin.Ma.Vi. - "Finmavi" - and Cecchi Gori Group Media Holding - "Media" -). As beneficiary of the partial demerger of Telecom Italia Media S.p.A. (hereinafter "the Demerged Company"), SEAT Pagine Gialle S.p.A. is jointly and severally liable with the Demerged Company under subsection 3, section 2506-quater of the Italian Civil Code for all debts arising from the proceedings that the Demerged Company does not satisfy.

1) Lien

This action has been brought before the Court of Milan by Finmavi and Media requesting the Court to rule that the lien whereby Media gave the Cecchi Gori Communications S.p.A. (now HMC) shares to the Demerged Company as security is void or ineffective, and to order the Demerged Company to pay damages of at least 750 billion Italian lire plus revaluation and interest.

In this case too, Finmavi and Media lost in the first two stages and appealed to the Supreme Court.

The Supreme Court upheld their appeal on September 20, 2007 but also accepted one of the grounds in the cross-appeal brought by the Demerged Company, referring the matter, along with the question of Supreme Court costs, to another division of the Milan *Corte d'Appello*. To date, Finmavi and Media have not yet resumed their action.

2) Liability in tort

This is an action against the Demerged Company before the Court of Milan brought by Finmavi, Media and Vittorio Cecchi Gori personally for liability in tort in the management of HMC and the performance of the August 7, 2000 agreement to purchase the Cecchi Gori group's television companies. About € 500 million in damages is being sought from the Demerged Company.

The case is pending before the Court of Milan and the next hearing is set for December 16, 2008.

3) Appeal against the EGM resolutions of August 11, 2000

Finmavi and Media have brought proceedings against HMC concerning the resolutions adopted by the EGM of Cecchi Gori Communications S.p.A. on August 11, 2000 amending the Company's Articles of Association to award special rights to class B shares.

Finmavi and Media lost in the first two stages and appealed to the Supreme Court. The Demerged Company entered its appearance with a counter-appeal and a cross-appeal on October 16, 2007. A date for the hearing to debate the case has not yet been set.

During the demerger, the Demerged Company and SEAT Pagine Gialle S.p.A. signed an agreement under which any liabilities imputable either to the business arm retained by the Demerged Company (such as any liabilities ensuing from the above disputes) or the business arm transferred to SEAT Pagine Gialle S.p.A. will be for the sole account of the company that owns the business arm concerned.

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→ Corporate Governance

Introduction

Under current regulations and within the deadline set by section 89 *bis* of the Regulation approved by CONSOB decision 11971/99, the Company has made available to the public, by publication on its website www.seat.it, its Annual Corporate Governance Report for 2007, which provides a detailed description of its corporate governance system and of the standards it has set to ensure this is properly applied.

The following is an update of events in the first half of 2008 only.

Board of Directors

The Board of Directors met four times in the first half of the financial year. The Chairman of the Board is responsible for ensuring that all information and documentation to enable the Board to take decisions are made available to its members in due time and using appropriate methods. Company managers may be invited by the CEO to attend Board meetings to supply further information on specific items on the agenda.

At its meeting on March 18, 2008 the Board recognised the independence of the following Board members: Lino Benassi, Gian Maria Gros Pietro and Marco Reboa. These directors also meet the independence criteria set out in section 148(3) of the TUF.

Internal Control Committee

At its meeting on February 27, 2007 the Board of Directors voted to the Internal Control Committee the duties set out in section 8.C.3 of the Self-Regulation Code.

The Internal Control Committee met twice in the first half of 2008 and once between the end of the first half and the date of the present first half report. During that time the Internal Control Committee undertook the following, among other duties, and did not encounter any material anomalies:

- examination and assessment of the progress of the 2008 internal audit and results;
- meetings with the heads of Administration, Finance and Control, the Chairman of the Board of Statutory Auditors and the partner of the external auditors to discuss the content of the First Half Report at June 30, 2008;
- meeting with the partner of the external auditors to discuss problems discovered during the audit;

- examination and assessment of the results of the Enterprise Risk Management (ERM) undertaken to identify, assess, manage and monitor the Company's main risks;
- monitoring of activities covered by law 262/2005 (the Savings Act): in particular the testing of key controls of the Company processes involved in the preparation of accounting and financial documents;
- monitoring of the work carried out to update the organisation model within the meaning of Legislative Decree 231/2001.

Remuneration Committee

The Committee met twice in the first half of 2008. During these meetings it also looked at the targets set for the CEO for 2007 (to which the variable portion of his remuneration is tied) and at the remuneration criteria applying to the management of SEAT Pagine Gialle S.p.A. and its subsidiaries.

Board of Statutory Auditors

The Board of Statutory Auditors met three times in the first half of 2008. During these meetings, the Board of Statutory Auditors among other things checked that *i)* each of its members was independent within the meaning of the Self-Regulation Code that applies to directors; and *ii)* the criteria and procedures adopted by the Board of Statutory Auditors for assessing the independence of its members had been properly applied.

Shareholders' Meeting

On April 23, 2008 the Shareholders' Meeting of SEAT Pagine Gialle S.p.A. was held to consider and receive the 2007 Annual Report.

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Supervisory Body

The Supervisory Body met once in the first half of 2008.

During the period the Supervisory Body carried out its ordinary duties. It is now updating the organisational model following the changes in the law impacting Legislative Decree 231/2001, in particular, those applying to health and safety in the place of work (Legislative Decree 81/2008), money laundering (section 24 *octies* of Legislative Decree 231/2001) and computer and data processing offences (section 24 *bis* of Legislative Decree 231/2001).

General Director for Italy

In June 2008 the Company introduced the role of General Director for Italy that now covers the sales and operating management of all Italian business. Massimo Castelli becomes General Director in June 2008.

Manager Responsible for preparing the Company's financial statements (pursuant to art. 154-bis of Legislative Decree No. 58/1998)

June 2008 also saw the appointment of Massimo Cristofori as Chief Financial Officer and Manager Responsible for preparing the Company's financial statements (pursuant to section 154 *bis* of Legislative Decree 58/98), the latter position having been temporarily covered by the CEO from April to May 2008 following the resignation of Maurizia Squinzi.

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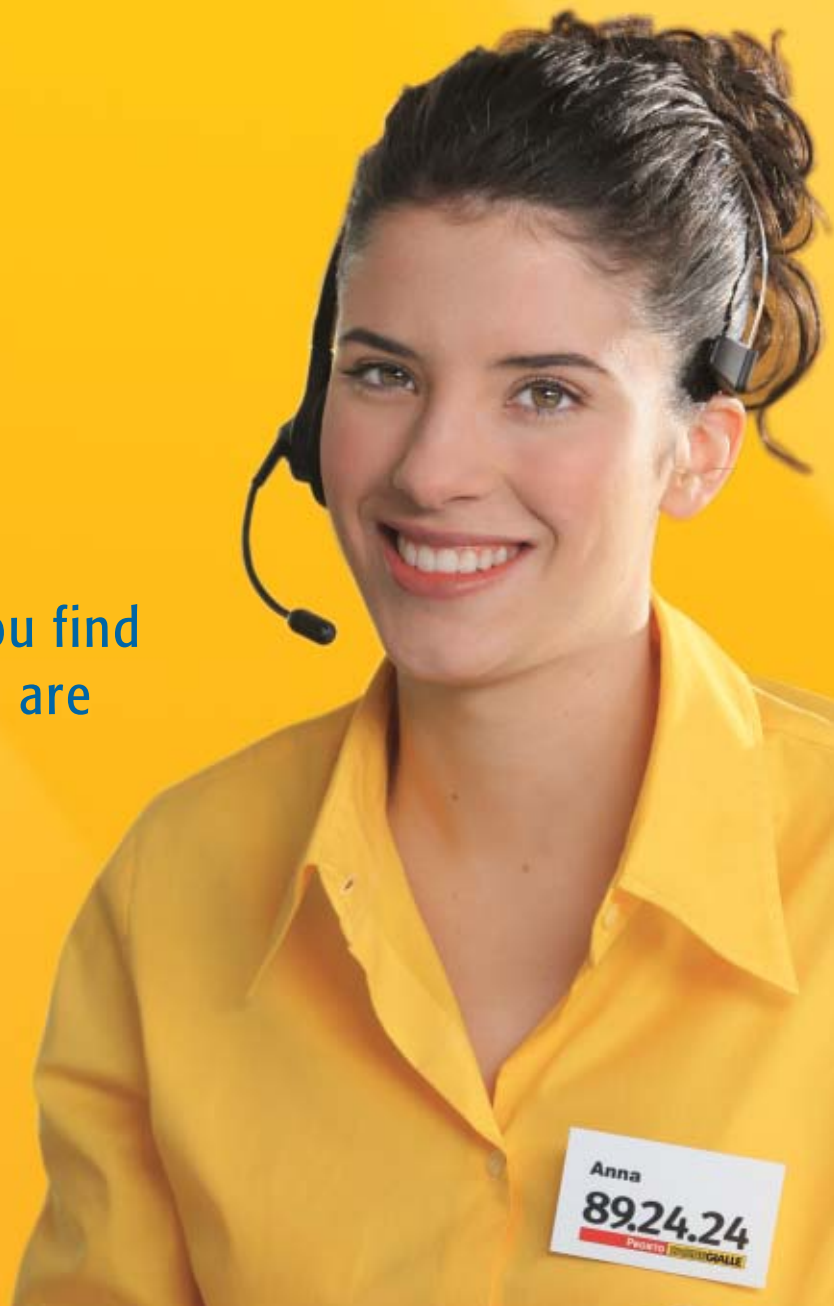
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Condensed consolidated first half-year Financial Statements

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➤ Consolidated balance sheet as at June 30, 2008

Assets

	At 06.30.2008	At 12.31.2007	Change	Note	At 06.30.2007
(euro/thousand)					
Non-current assets					
Intangible assets with indefinite useful life	3,667,833	3,687,067	(19,234)	(5)	3,578,179
Intangible assets with finite useful life	301,061	347,873	(46,812)	(7)	412,021
Property, plant and equipment	54,248	56,198	(1,950)	(8)	48,540
Investments accounted for at equity	4,529	5,707	(1,178)	(9)	288
Other non-current financial assets	2,090	2,126	(36)	(10)	2,142
Deferred tax assets, net	39,647	14,343	25,304	(30)	50,529
Other non-current assets	320	326	(6)	(13)	1,303
Total non-current assets	(A) 4,069,728	4,113,640	(43,912)		4,093,002
Current assets					
Inventories	16,443	15,703	740	(11)	17,062
Trade account receivables	615,039	671,101	(56,062)	(12)	626,468
Current tax assets	4,650	21,054	(16,404)	(30)	8,114
Other current assets	81,862	66,532	15,330	(13)	72,425
Current financial assets	18,110	13,083	5,027	(17)	50,909
Cash and cash equivalents	201,753	204,549	(2,796)	(17)	210,605
Total current assets	(B) 937,857	992,022	(54,165)		985,583
Total assets	(A+B) 5,007,585	5,105,662	(98,077)		5,078,585

Liabilities and equity

	At 06.30.2008	At 12.31.2007	Change	Note	At 06.30.2007
(euro/thousand)					
Equity Shareholders of the Group					
Share capital	250,352	250,352	-	(14)	250,304
Additional paid-in capital	465,103	465,103	-	(14)	464,627
Reserve for foreign exchange adjustments	(25,605)	(15,212)	(10,393)	(14)	(2,543)
Reserve for transition to IAS/IFRS	181,570	181,570	-	(14)	181,576
Reserve for stock options	7,736	7,592	144	(14)	7,548
Reserve for "cash flow hedge" instruments	19,793	5,262	14,531	(14)	10,116
Reserve for actuarial gains (losses)	(18,311)	(3,956)	(14,355)	(14)	(551)
Other reserves	209,216	110,896	98,320	(14)	109,177
Income for the period	(45,651)	98,399	(144,050)		(31,066)
Total equity Shareholders of the Group	(A) 1,044,203	1,100,006	(55,803)	(14)	989,188
Minority interests					
Share capital and reserves	21,289	15,985	5,304		14,576
Income for the period	2,941	7,839	(4,898)		2,796
Total Minority interests	(B) 24,230	23,824	406	(14)	17,372
Total equity	(A+B) 1,068,433	1,123,830	(55,397)		1,006,560
Non-current liabilities					
Non-current financial debts to third parties	1,822,977	1,926,171	(103,194)	(17)	2,001,263
Non-current financial debts to associates	1,267,028	1,264,201	2,827	(17)	1,261,375
Non-current reserves to employees	63,663	47,183	16,480	(20)	47,817
Deferred tax liabilities, net	15,481	5,089	10,392	(30)	-
Other non-current liabilities	23,534	22,687	847	(22)	23,216
Total non-current liabilities	(C) 3,192,683	3,265,331	(72,648)		3,333,671
Current liabilities					
Current financial debts to third parties	173,289	198,133	(24,844)	(17)	192,324
Current financial debts to associates	17,375	17,375	-	(17)	17,375
Trade account payables	236,661	276,814	(40,153)	(24)	234,228
Reserve for current risks and charges	47,649	44,165	3,484	(23)	39,542
Current tax payables	42,839	54,413	(11,574)	(30)	34,126
Payables for services to be rendered and other current liabilities	228,656	125,601	103,055	(24)	220,759
Total current liabilities	(D) 746,469	716,501	29,968		738,354
Total liabilities	(C+D) 3,939,152	3,981,832	(42,680)		4,072,025
Total liabilities and equity	(A+B+C+D) 5,007,585	5,105,662	(98,077)		5,078,585

➤ Consolidated income statement for the first half of 2008

(euro/thousand)	1 st half-year	1 st half-year	Change		Note	Year 2007
	2008	2007	Absolute	%		
Sales of goods	12,984	14,267	(1,283)	(9.0)	(26)	35,983
Rendering of services	563,485	567,996	(4,511)	(0.8)	(26)	1,417,609
Revenue from sales and services	576,469	582,263	(5,794)	(1.0)	(26)	1,453,592
Other income	9,240	2,469	6,771	n.s.	(27)	5,757
Total revenue	585,709	584,732	977	0.2		1,459,349
Materials	(21,860)	(22,869)	1,009	4.4	(27)	(61,493)
External services	(206,161)	(203,297)	(2,864)	(1.4)	(27)	(446,365)
Salaries, wages and employee benefits	(127,330)	(121,694)	(5,636)	(4.6)	(27)	(246,390)
Other valuation adjustments	(22,661)	(18,765)	(3,896)	(20.8)	(12)	(38,866)
Provisions to reserves for risks and charges, net	(7,496)	(7,489)	(7)	(0.1)	(22-23)	(11,211)
Other operating expense	(2,503)	(3,045)	542	17.8		(4,852)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	197,698	207,573	(9,875)	(4.8)		650,172
Amortisation, depreciation and write-down	(118,163)	(101,448)	(16,715)	(16.5)	(7-8)	(204,218)
Non-recurring costs, net	(5,864)	(3,133)	(2,731)	(87.2)	(27)	(9,361)
Restructuring costs, net	(5,158)	(7,334)	2,176	29.7	(27)	(7,519)
Operating income	68,513	95,658	(27,145)	(28.4)		429,074
Interest expense	(134,315)	(129,178)	(5,137)	(4.0)	(28)	(258,190)
Interest income	14,522	9,201	5,321	57.8	(28)	18,877
Gains (losses) on investments accounted for at equity	(891)	-	(891)	n.s.	(9-29)	13
Gains (losses) on disposal of investments	-	(3,327)	3,327	n.s.		(3,327)
Income before income taxes, discontinued operations and Minority interests	(52,171)	(27,646)	(24,525)	(88.7)		186,447
Income taxes for the period	9,461	(624)	10,085	n.s.	(30)	(80,209)
Income before Minority interests	(42,710)	(28,270)	(14,440)	(51.1)		106,238
Minority interests	(2,941)	(2,796)	(145)	(5.2)		(7,839)
Income for the period	(45,651)	(31,066)	(14,585)	(46.9)		98,399

➤ Consolidated cash flow statement for the first half of 2008 (indirect method)

(euro/thousand)	1st half-year 2008	1st half-year ⁽¹⁾ 2007	Change	Year ⁽¹⁾ 2007
Cash inflow from operating activities				
Income (loss) for the period before Minority interests	(42,710)	(28,270)	(14,440)	106,238
Amortisation, depreciation and write-down	118,163	101,448	16,715	204,218
Interest expense, net ⁽²⁾	120,012	120,350	(338)	240,173
Costs for stock options	459	781	(322)	1,497
Income taxes for the period	(9,461)	624	(10,085)	80,209
(Gains) losses on disposal of non-current assets	10	3,333	(3,323)	2,842
(Write-up) write-down of assets	891	-	891	(13)
Change in working capital	100,099	86,574	13,525	(44,241)
Change in non-current liabilities	(2,687)	192	(2,879)	(6,133)
Foreign exchange adjustments and other change	6,805	(46)	6,851	10,838
Cash inflow from operating activities	(A) 291,581	284,986	6,595	595,628
Cash outflow for investments				
Purchase of subsidiaries	(31,114)	-	(31,114)	(118,135)
Purchase of intangible assets with finite useful life	(18,381)	(20,573)	2,192	(51,094)
Purchase of property, plant and equipment	(5,365)	(5,640)	275	(15,019)
Other investments	(18)	(577)	559	(5,339)
Proceeds from disposal of non-current assets	46	744	(698)	1,234
Cash outflow for investments	(B) (54,832)	(26,046)	(28,786)	(188,353)
Cash outflow for financing				
Repayment of non-current loans	(133,491)	(179,150)	45,659	(208,301)
Payment of interest expense, net	(110,473)	(111,708)	1,235	(222,122)
Change in financial assets and financial debts	8,281	(7,883)	16,164	(26,627)
Increase in share capital from exercised stock options	-	4,432	(4,432)	8,350
Distribution of dividends	(3,862)	(62,221)	58,359	(62,221)
Cash outflow for financing	(C) (239,545)	(356,530)	116,985	(510,921)
Increase (decrease) in cash and cash equivalents in the period (A+B+C)	(2,796)	(97,590)	94,794	(103,646)
Cash and cash equivalents at beginning of the period	204,549	308,195	(103,646)	308,195
Cash and cash equivalents at end of the period	201,753	210,605	(8,852)	204,549

(1) The values reported in the first half of 2007 and in the year 2007 were reclassified if compared with the values published last year to highlight the cash effects arising from the acquisition of consolidated subsidiaries.

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

➤ Statement of change in consolidated equity 12.31.2007 - 06.30.2008

(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	
At 12.31.2007	250,352	751,255	98,399	1,100,006	15,985	7,839	23,824	1,123,830
Allocation of previous year result		98,195	(98,399)	(204)	4,181	(7,839)	(3,658)	(3,862)
- Allocation of previous year resulted to equity reserves		98,399	(98,399)		7,839	(7,839)		
- Dividend distribution		(204)		(204)	(3,658)		(3,658)	(3,862)
Income (loss) recognised directly to equity								
- Change in the reserve for "cash flow hedge" instruments		14,531		14,531				14,531
- Actuarial gains (losses)		(14,355)		(14,355)				(14,355)
- Foreign exchange adjustments on financial statements prepared in foreign currencies		(10,393)		(10,393)				(10,393)
Fair value of stock option plans		421	(421)		38	(38)		
Other changes		(152)		(152)	1,085		1,085	933
Transactions of the period affecting only the income statement			(45,230)	(45,230)		2,979	2,979	(42,251)
At 06.30.2008	250,352	839,502	(45,651)	1,044,203	21,289	2,941	24,230	1,068,433

➤ Statement of change in consolidated equity 12.31.2006 - 06.30.2007

(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	
At 12.31.2006	249,879	727,169	80,136	1,057,184	16,594	1,652	18,246	1,075,430
Allocation of previous year result		21,658	(80,136)	(58,478)	(2,091)	(1,652)	(3,743)	(62,221)
Exercise of stock options	425	4,007		4,432				4,432
Income (loss) recognised directly to equity								
- Change in the reserve for "cash flow hedge" instruments		8,583		8,583				8,583
- Actuarial gains (losses)		5,371		5,371				5,371
- Foreign exchange adjustments on financial statements prepared in foreign currencies		(512)		(512)				(512)
Reversal of the reserve for foreign exchange adjustments due to Consodata Group Ltd. deconsolidation		3,281	(3,281)					
Fair value of stock option plans		720	(720)		61	(61)		
Other changes		(327)		(327)	12		12	(315)
Transactions of the period affecting only the income statement			(27,065)	(27,065)		2,857	2,857	(24,208)
At 06.30.2007	250,304	769,950	(31,066)	989,188	14,576	2,796	17,372	1,006,560

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➤ Accounting policies and disclosures

1. Corporate information

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 orthophotometric navigation, as well as complementary communication services such as one-to-one marketing.

The parent company, SEAT Pagine Gialle S.p.A., has its registered office at Via Grosio 10/4, Milan, and share capital is € 250,352 thousand.

The Group's main activities are described in the "Economic and financial performance of the Business Areas" section of the Report on operations.

2. Basis of preparation

The condensed consolidated first half-year Financial Statements as at June 30, 2008 have been prepared within the meaning of section 154 *ter*, of Legislative Decree 58/98, applying the IAS/IFRS recognised as applicable by the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 - IAS 34 (Interim Financial Reporting) in particular - and in accordance with the regulations flowing from the implementation of section 9 of Legislative Decree 38/2005. They do not include all the information required for consolidated annual financial statements and should therefore be read in conjunction with the 2007 Financial Statements of the Group.

The Group adopted the IAS/IFRS as of January 1, 2005, following the entry into force of European Regulation No. 1606 of July 19, 2002.

The Consolidated Financial Statements have been prepared at historical cost but assets financing the pension funds, derivative financial instruments and financial assets held for sale are accounted for at fair value.

The financial statements are denominated in euro and all values are rounded to the closest thousand euro unless otherwise indicated.

2.1 Basis of consolidation

The condensed consolidated Financial Statements at June 30, 2008 include the interim financial statements of SEAT Pagine Gialle S.p.A. and its subsidiaries. Where necessary, these have been adjusted to take account of the valuation criteria adopted by the Parent Company.

Subsidiaries are consolidated in full from the date of acquisition or the date on which the Group acquired control and are deconsolidated when their control leaves the Group. Special purpose entities (SPEs) are fully consolidated if risks and benefits are essentially imputable to the Group whatever the size of its shareholding. Meliadi Finance S.r.l. (created specifically for the securitisation of receivables) is therefore consolidated in full even though the Group does not hold any stake in it.

The following consolidation principles have been applied:

- assets, liabilities, costs and revenue are recognised in full, regardless of size of shareholding. The proportion of equity held by Minority shareholders and the profit (loss) for the period attributable to them are also recognised;
- intra-group receivables and payables are eliminated together with intra-group costs and revenue;
- intra-group dividends are eliminated.

Unrealised intra-group profits have not been eliminated because not material.

Associates are consolidated using the equity method.

The acquisition of the new subsidiaries is accounted for using the purchase method, allocating business combination cost at fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date. For acquisitions during the half, the consolidated first half-year Financial Statements include the profit/loss of the companies concerned between the acquisition date and the end of June.

Minority interests are the proportion of profit/loss for the period and equity attributable to subsidiaries not held by the Group. These are shown separately from Group interests in both the consolidated income statement and also in consolidated equity.

The first half-year financial statements of subsidiaries that are not euro-denominated are translated into euro by applying period-end exchange rates (current exchange rate method) to balance sheet items and average exchange rates for the period to income statement items. Translation differentials arising from the difference between the translation of equity at initial recognition and the translation of profit/loss for the period at closing exchange rates continue to be recognised in equity until disposal of the participation concerned. The consolidated cash flow statement is prepared by applying average exchange rates for the period to the cash flows of foreign subsidiaries.

The exchange rates used are as follows

Currency/euro	Average exchange rate for the 1 st half-year 2008	Exchange rate at June 30, 2008	Average exchange rate for the 1 st half-year 2007	Exchange rate at June 30, 2007	Average exchange rate for the year 2007	Exchange rate at December 31, 2007
Pound sterling	1.28997	1.26223	1.4824	1.4837	1.4613	1.3636
Swiss franc	0.62248	0.62282	n.a.	n.a.	0.6025	0.6043
Kuna	0.13755	0.13819	n.a.	n.a.	0.1365	0.1364
Czech crown	0.03970	0.04185	n.a.	n.a.	0.0373	0.0376
Turkish lira	0.52938	0.51752	n.a.	n.a.	0.5816	0.5824

2.2 Accounting estimates and assumptions

When preparing IAS/IFRS compliant first half-year financial statements, management is required to make accounting estimates and assumptions that impact revenue, costs, assets and liabilities and disclosures concerning contingent assets and liabilities at the first half-year reporting date. In the future such accounting estimates and assumptions, which are based on management's best judgement, may differ from actual results. In this case they will be adjusted accordingly during the period in which the change occurs.

It is also important to note that certain valuations, and in particular more complex processes such as impairment tests on non-current assets, are not usually made in full until the annual financial statements are prepared and all the necessary information is available, unless there is indication of impairment that requires immediate testing for impairment loss.

3. Accounting policies

The condensed consolidated first half-year Financial Statements, prepared in compliance with IAS 34 – *Interim Financial Reporting*, adopt the accounting standards also applied in the 2007 Annual Report.

4. Business combinations

After obtaining approval from the German Federal Cartel Office and pursuant to agreements signed with the Company's main shareholders, on April 1, 2008 Telegate AG acquired a controlling interest in KlickTel AG, bringing its ownership to 92.72%.

The book value of identifiable assets and liabilities at the acquisition date (April 1, 2008) was as follows

(euro/thousand)	Book value	Fair value
Customer Databases	-	31,298
Other non-current assets	2,774	2,774
Deferred tax liabilities, net	(2,201)	(12,302)
Other non-current liabilities	(262)	(262)
Net working capital	1,615	1,615
Cash and cash equivalents	654	654
Total	2,580	23,777

The cost of the business combination, including direct costs, was € 30,957 thousand. The goodwill resulting from the acquisition, calculated in accordance with IFRS 3 as the difference between purchase price and the fair value of the equity interest acquired, was € 8,910 thousand. This resulted in a € 31,298 thousand valuation being put on the customer databases of the acquired company (amortisation over ten years) and € 10,101 thousand being calculated as the associated deferred tax liability.

It should be noted that in the second quarter of 2008 Telegate AG continued to increase its holding, in part through a May 2008 tender offer, and at the end of June 2008 owned 95.25% of the company, the additional purchases having cost a further € 797 thousand.

5. Intangible assets with indefinite useful life

Intangible assets with indefinite useful lives totalled € 3,667,833 thousand at June 30, 2008 (€ 3,687,067 thousand at December 31, 2007) and are detailed as follows

(euro/thousand)	1st half-year 2008			1st half-year 2007
	Goodwill	Goodwill on consolidation	Total	Total
Balance at beginning of the period	3,309,733	377,334	3,687,067	3,579,001
Investments	-	8,924	8,924	-
Foreign exchange adjustments	-	(15,158)	(15,158)	(822)
Impairment losses	-	(13,000)	(13,000)	-
Balance at end of the period	3,309,733	358,100	3,667,833	3,578,179

They included:

- *goodwill*, of € 3,309,733 thousand, of which € 3,169,868 thousand goodwill on mergers carried out in previous years by the parent company, SEAT Pagine Gialle S.p.A., and by a subsidiary, WLW GmbH;
- *goodwill on consolidation*, of € 358,100 thousand at June 30, 2008 (€ 377,334 thousand at December 31, 2007). This is the difference between the purchase price of fully consolidated subsidiaries and the value of the proportion of their equity that was acquired at the acquisition date. This item increased by € 8,924 thousand in the period as a result of the consolidation of klickTel AG and decreased by € 15.158 thousand as a result of the change in the euro/sterling exchange rate.

6. Impairment testing of intangible assets with indefinite useful lives

Impairment tests are usually performed by management at the end of each financial year.

However, based on impairment indications in the first half of 2008 caused by the performance of the business, it was decided that they should be performed early for the June 30, 2008 closing.

Goodwill acquired through business combinations was allocated – at the acquisition date – to the companies acquired. These constitute separate cash generating units (CGUs) for impairment testing purposes.

Impairment tests compare the carrying value of each CGU with its *recoverable amount*. This is the higher of the fair value of the asset, at the time it existed, and its *value in use* (present value of the future cash flows expected to be derived from the continuing use of the asset and from its disposal at the end of its useful life).

Goodwill recognised by SEAT Pagine Gialle S.p.A. following mergers carried out in previous years, was not allocated to separate CGUs within the Company because none had not been identified and instead was imputed to the Company as a whole.

For each CGU, *value in use* is estimated as the present value of the forecast operating cash flows over two periods: the first being based on prudent management forecasts until a new industrial plan is produced in the next few months, and the second on *terminal value*. In making the estimate, the after-tax operating profit/loss of each CGU is used, *plus* amortisation, depreciation and write-down but *minus* capital expenditure and net cash flow arising from changes in operating working capital. Cash flows from extraordinary operations are not taken into account. *Terminal value* is estimated using the perpetuity method over a 0.5%-1% range.

To the above operating cash flows is then applied a discount rate to reflect the *weighted average cost of capital* (WACC), based on a SEAT group financial structure that is applied to each CGU.

The tests performed at June 30, 2008, which applied essentially the same methodology as the previous year, indicated a € 13,000 thousand impairment loss.

Europages goodwill was written down by € 10,000 thousand to take account of the restructuring it has been undergoing since 2007. The restructuring itself is bringing deep change to the company's business model (in the past sales were carried out through agreements with the incumbent companies that publish the Yellow Pages in a number of major European countries) to transform it into a company with its own sales force. In the short term, this strategic decision caused a slowdown in sales and an increase in new operating costs, prompting management to write-down goodwill as indicated despite the conviction that the strategy is well founded and sustainable over time.

Cipi goodwill was written down by € 3,000 thousand to take account of the difficulties the company is currently experiencing, especially in the sale of promotional items on a market hard hit by a slowdown in consumption. This will have a negative effect on operating income in coming months.

7. Intangible assets with finite useful life

Intangible assets with finite useful life totalled € 301,061 thousand at June 30, 2008 (€ 347,873 thousand at December 31, 2007) and were as follows

	1 st half-year 2008				Total	1 st half-year 2007
	Customer Databases	Software	Industrial patents, trademarks, concessions and licences	Other intangible assets		Total
(euro/thousand)						
<i>Cost</i>	972,400	162,848	21,319	51,706	1,208,273	1,156,389
<i>Accumulated amortisation</i>	(715,796)	(119,993)	(9,230)	(15,381)	(860,400)	(670,518)
Balance at beginning of the period	256,604	42,855	12,089	36,325	347,873	485,871
- Capital expenditure	-	8,822	856	8,703	18,381	20,573
- Amortisation	(81,816)	(12,568)	(2,128)	(1,315)	(97,827)	(94,250)
- Write-down	-	-	-	-	-	(170)
- Change in the scope of consolidation	31,298	737	469	-	32,504	-
- Foreign exchange adjustments and other changes		6,058	2,255	(8,183)	130	(3)
<i>Cost</i>	1,003,698	178,844	25,210	52,218	1,259,970	1,174,621
<i>Accumulated amortisation</i>	(797,612)	(132,940)	(11,669)	(16,688)	(958,909)	(762,600)
Balance at end of the period	206,086	45,904	13,541	35,530	301,061	412,021

Intangible assets with finite useful life include:

- *customer databases*, of € 206,086 thousand at June 30, 2008 (€ 256,604 thousand at December 31, 2007) increase € 31,298 thousand during the period due to the consolidation of klickTel AG, as described in Note 4 above. Amortisation for the period was € 81,816 thousand (€ 81,033 thousand in the first half of 2007) of which € 81,033 thousand SEAT Pagine Gialle S.p.A. and € 783 klickTel AG;
- *software*, of € 45,904 thousand at June 30, 2008 (€ 42,855 thousand at December 31, 2007). This includes the expense of third party software and internal development of proprietary and licensed software used in particular in the commercial, publishing and administration departments;
- *industrial patents, trademarks, concessions and licenses*, of € 13,541 thousand at June 30, 2008 (€ 12,089 thousand at December 31, 2007): these were mainly Telegate group licenses for the 11881,11882 and 11889 voice portals;
- *other intangible assets*, of € 35,530 thousand at June 30, 2008 (€ 36,325 at December 31, 2007), mainly software projects in progress.

Capital expenditure for the first half of 2008, of € 18,381 thousand, down on the first half of 2007 (€ 20,573 thousand) was primarily:

- Parent Company, amounted to € 14,737 thousand in the first half of 2008 (€ 15,613 in the first half of 2007) for product innovation, the development of online service delivery systems, improvement of technological infrastructures in SEAT Pagine Gialle S.p.A.;
- Consodata, amounted to € 1,297 thousand in the first half of 2008 (€ 861 thousand in the first half of 2007) for database expansion and updating Consodata databases;
- Telegate group, amounted to € 872 thousand in the first half of 2008 (€ 1,926 thousand in the first half of 2007) for growing and improving call center capacity.

8. Property, plant and equipment

Property, plant and equipment totalled € 54,248 thousand at June 30, 2008 (€ 56,198 thousand at December 31, 2007), net of € 126,776 thousand accumulated depreciation at the end of the period which had a ratio to gross value of 70% (68% at December 31, 2007). The item breaks down as follows

(euro/thousand)	1 st half-year 2008			1 st half-year 2007	
	Property	Machineries and equipment	Other fixed assets	Total	Total
<i>Cost</i>	31,771	56,587	88,886	177,244	155,960
<i>Accumulated depreciation</i>	(9,408)	(44,432)	(67,206)	(121,046)	(105,947)
Balance at beginning of the period	22,363	12,155	21,680	56,198	50,013
- Investments	9	464	4,892	5,365	5,640
- Depreciation and write-down	(579)	(2,204)	(4,553)	(7,336)	(7,028)
- Change in the scope of consolidation	-	405	858	1,263	-
- Disposals and other movements	(570)	(55)	(617)	(1,242)	(85)
<i>Cost</i>	30,879	58,279	91,866	181,024	159,694
<i>Accumulated depreciation</i>	(9,656)	(47,514)	(69,606)	(126,776)	(111,154)
Balance at end of the period	21,223	10,765	22,260	54,248	48,540

Property, plant and equipment include:

- *property*, of € 21,223 thousand at June 30, 2008 (€ 22,363 thousand at December 31, 2007) of which € 8,401 thousand the Thomson headquarters building, € 5,824 thousand the Cipi buildings in Milan and Catania and € 6,057 thousand the building owned by WLW GmbH;
- *machinery and equipment*, of € 10,765 thousand at June 30, 2008 (€ 12,155 thousand at December 31, 2007), € 8,596 thousand of which the technological infrastructures of the Telegate call centers;
- *other fixed assets*, of € 22,260 thousand at June 30, 2008 (€ 21,680 thousand at December, 31 2007) of which € 12,538 thousand IT equipment and systems. Capital expenditure in the first half of 2007 totalled € 4,892 thousand (€ 4,657 thousand in the first half of 2007) of which € 3,109 thousand the purchase of EDP systems.

For all types of fixed asset, accumulated depreciation (€ 126,776 thousand) was considered sufficient for their estimated residual useful life. The following table shows the depreciation rates applied

	Year 2008	Year 2007
Property	3%	3%
Machineries and equipment	10-25%	10-25%
Other fixed assets	10-25%	10-25%

9. Investments accounted for at equity

The changes during the period were as follows

	At 12.31.2007	Change during the period			At 06.30.2008
		Revaluation write-down to income statement	Foreign exchange adjustments to equity	Total	
(euro/thousand)					
Associates					
Lighthouse International Company S.A.	309	-	-	-	309
Joint ventures					
Katalog Yayın ve Tanıtım Hizmetleri A.S.	5,398	(891)	(287)	(1,178)	4,220
Total investments accounted for at equity	5,707	(891)	(287)	(1,178)	4,529

10. Other non-current financial assets

€ 2,090 thousand at June 30, 2008 (€ 2,126 thousand at December, 31 2007), including in particular:

- *loans to employees*, of € 1,959 thousand, lent at market rates for transactions of this type;
- *assets held for sale*, of € 110 thousand for the 2.2% interest in Emittenti Titoli S.p.A..

11. Inventories

This item was as follows

	At 12.31.2007	Change during the period			Total	At 06.30.2008
		Increases (Decreases)	(Provision) Reversal of allowance	Foreign exchange adjustment and change in the scope of consolidation		
(euro/thousand)						
Raw materials, suppliers and consumables	8,944	(1,329)	-	(32)	(1,361)	7,583
Merchandising products	3,403	542	-	-	542	3,945
Work in progress and semi-finished goods	2,981	1,798	-	-	1,798	4,779
Finished goods	375	(287)	34	14	(239)	136
Total inventories	15,703	724	34	(18)	740	16,443

12. Trade account receivables

This item was as follows

(euro/thousand)	1 st half-year 2008			1 st half-year 2007
	Trade account receivables	Allowance for doubtful trade account receivables	Net value	Net value
Balance at beginning of the year	788,876	(117,775)	671,101	668,681
Provision in the income statement	-	(22,622)	(22,622)	(18,906)
Utilisation	-	18,664	18,664	22,585
Foreign exchange adjustments and other movements	(52,285)	181	(52,104)	(45,892)
Balance at end of the period	736,591	(121,552)	615,039	626,468

€ 615,039 thousand at June 30, 2008 (net of € 121,552 thousand provision for doubtful trade account receivables), of which € 2,902 thousand due in over 12 months. These include € 145,621 thousand prepayments for services not yet received including VAT (€ 82,395 thousand at December 31, 2007) and securitised receivables within the meaning of IAS 39, as SEAT Pagine Gialle S.p.A. has retained all risks and benefits.

The provision for *doubtful trade account receivables* (€ 121,552 thousand at June 30, 2008) is considered sufficient to cover expected losses. Applications over the period were € 18,664 thousand (€ 22,585 thousand in the first half of 2007) and accruals to provisions € 22,622 thousand (€ 18,906 thousand in the first half of 2007).

All trade receivables fall due within 5 years.

13. Other assets (current and non-current)

€ 82,182 thousand at June 30, 2008 (€ 66,858 thousand at December 31, 2007) as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Advances on sales commissions and other receivables from agents	46,908	45,017	1,891
Advances to suppliers	12,830	3,798	9,032
Prepaid expenses	8,487	8,083	404
Other receivables	13,637	9,634	4,003
Total other current assets	81,862	66,532	15,330
Other non-current assets	320	326	(6)
Total other current assets and non-current assets	82,182	66,858	15,324

In detail:

- *advances on sales commissions and other receivables from agents*, of € 46,908 thousand at June 30, 2008 (€ 45,017 thousand at December 31, 2007). These are net of provisions for doubtful receivables (€ 2,030 thousand at June 30, 2008 € 2,077 thousand at December 31, 2007). The item includes € 673 thousand falling due in over 12 months but recorded among other current assets since expected to be realised within the normal operating cycle. These receivables have been discounted at the average market rate for receivables with the same due date;
- *advances to suppliers*, of € 12,830 thousand at June 30, 2008 (€ 3,798 thousand at December 31, 2007). This includes € 11,778 thousand for advances to Ilte S.p.A. the printer of SEAT Pagine Gialle directories (€ 3,347 thousand at December 31, 2007);
- *other receivables*, of € 13,637 thousand at June 30, 2008 (€ 9,634 thousand at December 31, 2007). This includes the € 5,540 thousand compensation Deutsche Telekom was ordered to pay to Telegate at the conclusion, in June 2008, of one of the actions between the two companies over the return to Telegate by Deutsche Telekom of an overpayment for telephone subscriber data. This is described in the "Report on operations" that forms an integral part of the First half Report at June 30, 2008.

14. Equity

Equity was as follows

	At 12.31.2007	Change during the period				At 06.30.2008
		Allocation of previous year result	Dividends distribution	Exercised of stock options	Other movements	
(euro/thousand)						
Share capital	250,352					250,352
- <i>ordinary shares</i>	246,270					246,270
- <i>savings shares</i>	4,082					4,082
Additional paid-in capital	465,103					465,103
Reserve for transition to IAS/IFRS	181,570					181,570
Reserves for income (loss) directly recognised to equity						
- <i>Reserve for "cash flow hedge" instruments</i>	5,262				14,531	19,793
- <i>Reserve for actuarial gains (losses)</i>	(3,956)				(14,355)	(18,311)
- <i>Reserve for foreign exchange adjustments</i>	(15,212)				(10,393)	(25,605)
Reserve for stock options	7,592			(277)	421	7,736
Other reserves	50,088	95				50,183
Retained earnings	60,808	98,304	(204)	277	(152)	159,033
Result for the year	98,399	(98,399)			(45,651)	(45,651)
Equity Shareholders of the Group	1,100,006		(204)		(55,599)	1,044,203
Share capital and reserves	15,985	7,839	(3,658)		1,123	21,289
Result for the year	7,839	(7,839)			2,941	2,941
Minority interests	23,824		(3,658)		4,064	24,230
Total equity	1,123,830		(3,862)		(51,535)	1,068,433

Share capital

€ 250,352 thousand at June 30, 2008, unchanged from December 31, 2007.

Share capital comprised 8,208,980,696 ordinary shares and 136,074,786 savings shares, each with a par value of € 0.03.

No deferred tax has been calculated on € 13,741 thousand of the share capital as the Company has no plans to repay it.

Additional paid-in capital

€ 465,103 thousand at June 30, 2008 (€ 465,103 thousand at December 31, 2007).

Following the 2005 matching of book and fiscal customer database values in accordance with Law 342/2000, no tax has been calculated on € 142,619 thousand of the additional paid-in capital. No deferred tax has been calculated on the amount as the Company is not planning to distribute it.

Provisions for income (loss) recognised directly in equity

- The *Reserve for "cash flow hedge"* instruments totalled € 19,793 thousand at June 30, 2008, an increase of € 14,531 thousand over December 31, 2007 (€ 5,262 thousand). The reserve total is the market value of the interest rate "cash flow hedge" instruments. Please see Note 19 for a more detailed description of Group hedges.
- The *Reserve for actuarial gain (loss)* totalled -€ 18,311 thousand (-€ 3,956 thousand at December 31, 2007), reflecting the accrued effect of the actuarial gain/loss on defined benefit pension plans recognised on the balance sheet in accordance with IAS 19, paragraph 93. The € 14,335 thousand change is mainly due to the actuarial losses of the Thomson group employee pension fund.
- The *Reserve for exchange rate adjustments* totalled -€ 25,605 thousand at June 30, 2008 (-€ 15,212 thousand at December 31, 2007). The change during the period is due to the fall of sterling (the reporting currency of the TDL group) against the euro.

Retained earnings

€ 159,033 thousand at June 30, 2008. The € 98,225 thousand increase over the period is in part (€ 98,100 thousand) owed to the allocation of 2007 retained earnings.

15. Dividends distributed to Shareholders

The overall dividends distributed to SEAT Pagine Gialle S.p.A's Shareholders was € 204 thousand. Dividends distributed by the subsidiaries to Minorities totalled € 3,658 thousand in the first half of 2008 (€ 3,743 thousand in 2007) and were mainly to Telegate group Minority Shareholders.

16. Earning per share (EPS)

Earning per share was calculated on the basis of the following

		At 06.30.2008	At 06.30.2007	At 12.31.2007
Number of shares of SEAT Pagine Gialle S.p.A.		8,345,055,482	8,343,455,482	8,345,055,482
- ordinary		8,208,980,696	8,207,380,696	8,208,980,696
- savings		136,074,786	136,074,786	136,074,786
Par value per share	€	0.030	0.030	0.030
Income (loss) for the year of the SEAT Pagine Gialle group	€/thousand	(45,651)	(31,066)	98,399
Earning per share	€	(0.00549)	(0.00375)	0.01177
Diluted earning per share	€	(0.00549)	(0.00374)	0.01175

The difference between earning per share and diluted earning per share was minimal since the effect of exercisable stock options at the reporting date was not material.

17. Net financial debt

€ 3,152,107 thousand at June 30, 2008 (€ 3,274,306 thousand at December 31, 2007), a decrease of € 122,199 thousand in the first half of 2008.

Net financial debt differs from net book financial debt (described below) since it includes:

- the cost of taking out and refinancing medium and long-term "Senior" debt through The Royal Bank of Scotland Plc Milan Branch, obtaining of a "Subordinated" loan from Lighthouse International Company S.A., and the securitisation of receivables. These costs totalled € 73,468 thousand at June 30, 2008 including accumulated amortisation;
- recognition on the balance sheet of the net gain on the market valuation of "cash flow hedge" instruments: € 19,793 thousand at June 30, 2008 (net assets totalled € 5,262 thousand at December 31, 2007).

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change	Note	At 06.30.2007
Net financial debt	3,152,107	3,274,306	(122,199)		3,316,160
Transaction costs on loans and securitisation programme not yet amortised	(73,468)	(82,792)	9,324		(92,213)
Net market value of "cash flow hedge" instruments	(19,793)	(5,262)	(14,531)		(15,099)
Net financial debt - "book value"	3,058,846	3,186,252	(127,406)		3,208,848
of which:					
- Non-current financial debts to third parties	1,822,977	1,926,171	(103,194)	(a)	2,001,263
- Non-current financial debts to associates	1,267,028	1,264,201	2,827	(a)	1,261,375
- Current financial debts to third parties	173,289	198,133	(24,844)	(b)	192,324
- Current financial debts to associates	17,375	17,375	-	(c)	17,375
- Non-current financial assets (*)	(1,960)	(1,996)	36	(d)	(1,975)
- Current financial assets	(18,110)	(13,083)	(5,027)	(e)	(50,909)
- Cash and cash equivalents	(201,753)	(204,549)	2,796	(f)	(210,605)

(*) This item does not include financial assets available for sale.

a) Non-current financial debt

This item was as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (gross value)	1,607,278	1,716,898	(109,620)
less transaction costs	(39,613)	(45,958)	6,345
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,567,665	1,670,940	(103,275)
Asset backed securities (gross value)	256,000	256,000	-
less transaction costs	(883)	(1,035)	152
Asset backed securities (net value)	255,117	254,965	152
Debts due to other lenders	195	266	(71)
Total non-current financial debts to third parties	1,822,977	1,926,171	(103,194)
Debts due to Lighthouse International Company S.A. (gross value)	1,300,000	1,300,000	-
less transaction costs	(32,972)	(35,799)	2,827
Debts due to Lighthouse International Company S.A. (net value)	1,267,028	1,264,201	2,827
Total non-current financial debts	3,090,005	3,190,372	(100,367)

Non-current financial debt to third parties

- At June 30, 2008, *non-current debt to The Royal Bank of Scotland Plc Milan Branch* totalled € 1,567,665 thousand (net of € 39,613 thousand transaction costs not yet amortised at June 30, 2008) for the "Term and Revolving Facilities Agreement", structured as follows:
 - tranche A (€ 1,282.4 million): repayable in accordance to the amortisation plan with variable half-yearly instalments up to June 2012, and bearing a variable interest at Euribor +1.435%;
 - tranche B (€ 464.5 million): repayable with a lump-sum payment in June 2013 and bearing a variable interest at Euribor +2.06%;
 - tranche C (€ 90.0 million): not yet drawn down, covering the working capital requirements of SEAT Pagine Gialle S.p.A. or its subsidiaries through a revolving credit line available up to May 2012 and bearing variable interest on draw down at the same rate as tranche A. On amounts not currently drawn down through the line, commission of 0.56% p.a. is applied.

Over the half, the Company also took out an additional € 30.0 million short-term committed credit line that is not currently being used.

"Senior" debt spread in the first half of 2008 was about 159 b.p. an excellent figure given the level of Company debt. It followed two consecutive cuts in spread in February and August 2007 that were themselves the result of the achievement at the end of December 2006 and the end of June 2007 of contract targets for the Group's debt/EBITDA ratio.

During the semester the Company repaid € 133,491 thousand, of which € 51,745 thousand voluntarily advanced against the € 81,745 thousand officially repayable on tranche A in December 2008. Voluntary repayments are allowed under the Company's financing agreement to soak up cash not needed for operations.

- *Asset backed limited recourse securities* worth € 256,000 thousand at June 30, 2008, gross of transaction costs. They were issued by the SPV Meliadi Finance S.r.l. to finance the purchase on a revolving basis of SEAT Pagine Gialle S.p.A. receivables portfolio, which the latter sold to it as part of its five-year securitisation programme from June 2006 until 2011. The securities, with underlying securitised receivables portfolios, were privately placed with an institutional investor and mature in 2014. Early repayment is allowed if the securitisation programme is not renewed. The securities bear variable interest at rates applicable to quarterly commercial papers but are capped at three-month Euribor +5 b.p.. They are recognised in the balance sheet at June 30, 2008 net of transaction costs not yet amortised at the end of the period (€ 883 thousand). The securitisation programme is backed by two annual, renewable credit lines.

Non-current financial debts to associates

The Lighthouse International Company S.A. loan (€ 1,267,028 thousand at June 30, 2008; € 1,264,201 thousand at December 31, 2007). This is reported net of € 32,972 thousand in transaction costs not yet amortised at the end of the period (€ 35,799 thousand at December 31, 2007).

The ten-year (at 8% p.a. fixed-interest) loan expires in 2014.

The total average cost of the financial debt of SEAT Pagine Gialle S.p.A. was 6.56% in the first half of 2008 (6.4% in the first half of 2007). This came in part from the growing weight of the "Subordinated" debt to Lighthouse International Company S.A. (8% fixed) following the € 162,641 thousand repayment of "Senior" debt July 2007-June 2008, and in part from the increase in the Euribor component of "Senior" debt, the latter being mitigated by a lower average level of debt and spreads and the positive contribution made by hedging (see above).

Hedging against interest rate risks, together with the current strategy of using monthly Euribor interest periods, have enabled the Company to keep the cost of debt under control.

b) Current financial debt to third parties

Current financial debt to third parties totalled € 173,289 thousand at June 30, 2008 (€ 198,133 thousand at December 31, 2007) and were as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Current portion of the debt due to The Royal Bank of Scotland Plc Milan Branch	139,620	163,491	(23,871)
Current portion of the debt due to other lenders	263	253	10
Debts due to Shareholders for dividends resolved but not yet withdrawn	30,575	30,579	(4)
Debts for interest expense accrued but not yet paid	2,824	3,660	(836)
Other current financial debts	7	150	(143)
Total current financial debts to third parties	173,289	198,133	(24,844)

It is broken down as follows:

- € 139,620 thousand for The Royal Bank of Scotland Plc Milan Branch for the Facilities Agreement instalments that fall due in December 2008 and June 2009;
- € 30,575 thousand for dividends Shareholders distributed for 2005, 2006 and 2007 but not yet taken at June 30, 2008;
- € 2,792 thousand for interest matured but not yet paid on the asset-backed limited recourse securities issued by Meliadi Finance S.r.l.

c) Current financial debt to associates

€ 17,375 thousand at June 30, 2008 for interest matured but not yet paid on the loan from Lighthouse International Company S.A. (€ 17,375 thousand at December 31, 2007).

d) Non-current financial assets

€ 1,960 thousand at June 30, 2008 (€ 1,996 thousand at December 31, 2007) for loans to employees at market interest rates for transactions of this type.

e) Current financial assets

€ 18,110 thousand at June 30, 2008 (€ 13,083 thousand at December 31, 2007), of which € 19,793 thousand referred to the net market value of "cash flow hedge" instruments (€ 5,262 thousand at December 31, 2007).

For additional details on interest rate hedging transactions, please see Note 18.

f) Cash and cash equivalent

Down € 2,796 thousand on December 31, 2007, as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Bank deposits	201,085	204,170	(3,085)
Postal deposits	604	238	366
Cash on hand	64	141	(77)
Total cash and cash equivalents	201,753	204,549	(2,796)

Cash and cash equivalent totalled € 201,753 thousand at June 30, 2008, of which € 91,741 thousand in bank deposits with Meliadi Finance S.r.l. and originating in the collection of the receivables sold by SEAT Pagine Gialle S.p.A. as part of its securitisation programme. Application of the liquidity is subject to payment of the debts of Meliadi Finance S.r.l.

18. Material guarantees provided, commitments and contingent liabilities

For its facilities agreement with The Royal Bank of Scotland Plc Milan Branch, SEAT Pagine Gialle S.p.A. provided the usual security, the most significant being:

- bank lien over the main trademarks;
- bank lien over shares in the main subsidiaries;
- lien over the material assets of SEAT Pagine Gialle S.p.A. that have a net book value of at least € 25,000.

SEAT Pagine Gialle S.p.A. also provided guarantees worth € 350,000 thousand to cover any additional charges that might arise on the Lighthouse International Company S.A. debenture loan.

The facilities agreements required SEAT Pagine Gialle S.p.A. to comply with a number of covenants examined quarterly. These covenants refer to the observance of stated ratios between *i)* net debt and EBITDA, *ii)* EBITDA and interest on debt, and *iii)* cash flow and debt servicing (including interest and the capital repayable in the period concerned).

There was full compliance at June 30, 2008 (the date at which this Report applies) with the covenants and the terms of the facilities agreement. This kept in place the two consecutive cuts in 2007 to the Euribor spread on "Senior" debt (see above) that followed the achievement and maintenance of the net debt/EBITDA ratio set for the Group.

Furthermore, as typically it occurs with transactions of this type, the facilities agreements also set limits and operating terms and conditions on *inter alia* investment, additional debt, acquisitions, dividend distribution and share capital transactions.

To date, the management restrictions that directly impact the Company have in no way limited or affected business and the Company continues to monitor current and future compliance with the terms and conditions of the agreements.

At the end of December 2006, SEAT Pagine Gialle S.p.A. entered into a preliminary sale agreement with SNOS S.p.A. (51% Finpiemonte S.p.A. and 49% Impresa Rosso S.p.A.) for the purchase of a real estate complex still under construction in Turin and intended to become the new headquarters of the Company. The complex comprises six new buildings together with a huge section of the "Manica Storica" - about 26,600 square metres in total.

Partly as a result of a number of upgrades and changes, the total value of the investment is currently about € 75 million.

New agreements in 2007 led the Company to sign lease agreements with Intesa Leasing S.p.A. to finance the deal.

The 15-year leases will start when the buildings are delivered (expected before the end of 2008) once the restructuring work has ended.

19. Financial risks

Market risks

As part of its normal business the SEAT Pagine Gialle group is subject to interest and exchange rate risk, particularly as regards the agreement with The Royal Bank of Scotland PLC Milan Branch, the asset-backed limited recourse securities issued by Meliadi Finance S.r.l. for the securitisation programme and foreign currency (especially GBP) receivables and payables.

The SEAT Pagine Gialle group monitors its financial exposures on an on-going basis to anticipate negative impacts and take appropriate corrective action. The risks are managed using financial derivatives in line with the Company's risk management policies. These require financial derivatives to be used to manage only the exchange and interest rate risk on cash flows and asset and liability items.

Speculation is not permitted.

The SEAT Pagine Gialle group's policy on financial market risk

This requires:

- constant monitoring of exposure to interest and foreign exchange rate risk, and assessment of the ceiling on that risk;
- financial derivatives to be used to hedge the above risks - not for speculation;
- constant monitoring of the reliability of financial counterparties to reduce default risk. All hedging derivatives contracts are taken out with major banks and financial institutions. If the counterparty is a subsidiary, the contract must be at market rates.

Interest-rate derivative hedges

Both the senior debt with The Royal Bank of Scotland PLC Milan Branch and the debt arising on the issue of asset-backed limited recourse securities by Meliadi Finance S.r.l. as part of the securitisation programme carry variable interest indexed to Euribor. To hedge its interest-rate risk, SEAT Pagine Gialle S.p.A. has over time taken out derivatives contracts with major international financial counterparties for the "Senior" loan.

When determining the market value of these derivative contracts SEAT Pagine Gialle S.p.A. relies on third party valuations (banks and financial institutions).

The market value of interest rate swaps (IRSs) and forward rate agreements (FRAs) is the current value of the difference between the fixed-rate interest payable and/or receivable and the market rate interest at the due dates of the derivatives contracts.

IRSs and FRAs involve, or may involve, interest swaps calculated using the notional values of the fixed or floating rate derivative concerned at the due dates agreed by the parties. Notional value is not the amount swapped by the parties and therefore is not a measure of exposure to credit risk. Credit risk is simply the total interest differential that will be swapped on the due dates.

The market value of collars is the difference between the price that would have to be paid to repurchase the previously sold floor options and the price that would be received if the previously purchased cap options were resold. The price of these options is calculated using the interest rates forecast for their expiry dates, strike prices at each expiry date and interest rate volatility.

At June 30, 2008 the following derivatives contracts were in place:

- Interest Rate Collars* (July 2008 to December 2008): a floating band of the variable one-month Euribor was fixed with 5.2% constant cap and 4.5% constant floor on € 700.0 million constant notional value;
- Interest Rate Collars* (January 2009 to December 2011): a floating band of the variable six-month Euribor was fixed with 4.67% constant cap and 3.93% constant floor on € 666.0 million average notional value;
- Interest Rate Swaps* (January 2009 - December 2011): variable six-month Euribor replaced by a fixed-rate of about 4.55% with € 50.0 million notional value;
- Interest Rate Swaps* (December 2009 - June 2012): variable six-month Euribor replaced by a fixed-rate of about 3.75% with € 325.0 million notional value.

The hedging of current total debt protects about 60% of the debt: about 39% through the "Subordinated" fixed-rate debt and about 21% through interest rate collar. The second half of 2008 will also benefit from € 2.5 million of interest income (29 b.p.) for the unwinding of six-month Euribor contracts.

2009-2011 is expected to see an average about 75% of total debt hedged: 44% subordinated fixed-rate debt, 22% Interest Rate Collar and 9% interest rate swaps.

2012-2013 is expected to see an average about 69% of total debt hedged: 66% subordinated fixed-rate debt and 3% Interest Rate Swaps.

Liquidity risk

The SEAT Pagine Gialle group is highly leveraged. At the end of June 2008 borrowing was about 4.8 times EBITDA. The average term of the financing agreements in place at June 30, 2008 was 4.2 years, with expiry as follows

(euro/thousand)	Due date - by					beyond five years	Total
	06.30.2009	06.30.2010	06.30.2011	06.30.2012	06.30.2013		
The Royal Bank of Scotland Plc Milan Branch	139,620	225,504	238,480	678,750	464,544	-	1,746,898
Lighthouse International Company S.A.	-	-	-	-	-	1,300,000	1,300,000
Asset-backed securities	-	-	-	-	-	256,000	256,000
Debts due to other lenders	263	178	17	-	-	-	458
Total non-current financial debts (gross value)	139,883	225,682	238,497	678,750	464,544	1,556,000	3,303,356

Liquidity risk is the risk that available financial resources will be insufficient to cover short-term liabilities (€ 139,883 thousand by June 30, 2009).

The business of the SEAT Pagine Gialle group has low levels of volatility and high cash inflows that tend to be stable over time and predictable. Furthermore, taking account of the committed credit lines, the SEAT PAGINE GIALLE group believes it has the financial resources needed to meet its obligations.

In the second half of 2007 the financial crisis triggered by sub-prime lending and the enormous impact this had on many banks produced a general and growing aversion to risk on the part of investors, a consequent increase in spread to reflect credit risk (credit default swap) and tumbling prices for high-yield securities in particular.

At June 30, 2008 the cost to SEAT Pagine Gialle S.p.A. of financing 5-year risk positions on the market rose to about 830 basis points (about 350 b.p. at December 2007) .

This was mirrored in the price of the bond issued by Lighthouse International Company S.A. and underwritten by SEAT Pagine Gialle S.p.A., which fell from 100 in December 2007 to about 76 by the end of the first half of 2008.

Concerning the securitisation programme, future monthly sales may be influenced by a certain number of ratios applying to SEAT Pagine Gialle S.p.A. leverage and rating. The annual bank credit lines supporting the securitisation programme were renewed in June 2008.

Despite the situation on the financial markets, SEAT Pagine Gialle S.p.A. does not believe that the current reduction in their liquidity is material to its own economic, asset and financial position since it does not need to go to them to obtain additional funds for its short-term commitments.

Impact of change of control on existing facilities agreements (art. 123 bis l) of Legislative Decree 58/1998)

There are no changes to report to the information provided in the 2007 Annual Report.

Credit risk

There are no changes to report to the information provided in the 2007 Annual Report.

20. Non-current reserves (employees)

This item is as follows

	1 st half-year 2008					1 st half-year 2007
	Net liabilities for defined benefit pension plans	Reserve for severance indemnities	Reserve for defined contribution pension plans	Net liabilities for termination indemnities	Total	Total
(euro/thousand)						
Balance at beginning of the year	20,894	24,503	1,396	390	47,183	56,768
Provisions	1,764	52	2,785	367	4,968	5,008
Employer contributions/benefits paid to employees	(1,784)	(1,842)	(2,584)	(442)	(6,652)	(6,729)
Discounting losses	2,966	570	-	-	3,536	3,467
Expected return on plan assets	(3,230)	-	-	-	(3,230)	(3,154)
Actuarial losses (gains) recognised to equity	20,557	(805)	-	-	19,752	(7,741)
Foreign exchange adjustments and other adjustments	(1,946)	(13)	65	-	(1,894)	198
Balance at end of the period	39,221	22,465	1,662	315	63,663	47,817

Pension plan assets, liabilities to employees and related costs were measured independently using the *Projected Unit Method* in accordance with IAS 19.

a) Net liabilities for defined benefit pension plans

€ 39,221 thousand at June 30, 2008 (€ 20,894 thousand at December 31, 2007) net of assets (€ 74,620 thousand) designated to finance the plans (€ 113,841 thousand). Almost all this item is imputable to the TDL Infomedia group pension plan.

In the first half of 2008 a € 19,752 thousand actuarial loss resulted from higher UK discount and inflation rates. In accordance with IAS 19 paragraph 93A, this has been recognised - net of fiscal effect - directly in equity.

b) Reserve for severance indemnities

€ 22,465 thousand at June 30, 2008 (€ 24,503 thousand at December 31, 2007). This has been accounted for in accordance with IAS 19.

With the entry into effect of the complementary pensions reform (Legislative Decree 252 of 12.5.2005), as of January 1, 2007 the TFR has been accounted for as a defined contributions plan instead of a defined benefit plan.

As a consequence, the balance sheet liability represents now the liability to employees for services rendered up to December 31, 2006, according to IAS 19.

21. Share-based payments

The stock option plans in force at June 30, 2008 are accounted for in accordance with IFRS 2.

Beneficiaries	Grant date	Number of granted options	Number of expired options	End of the vesting period	Strike price (euro)	Number of exercised options	Number of not exercised options	Number of outstanding options at 06.30.2008	Fair value	of which accrued in 1 st half-year 2008 (euro/thousand)
2004 stock option plans										
Employees of SEAT PG group	06-07-2004	59,265,000	(450,000)	09-30-2005	0.3341	(42,925,000)	(1,800,000)	14,090,000	5,590	-
Employees of SEAT PG group	06-30-2004	4,900,000	(800,000)	09-30-2005	0.3341	(1,900,000)	-	2,200,000	400	-
TDL Infomedia group	06-30-2004	10,000,000	(625,000)	09-30-2005	0.3341	(7,195,000)	(225,000)	1,955,000	922	-
Chief Executive Officer	11-25-2004	5,000,000	-	09-30-2005	0.3341	-	-	5,000,000	400	-
2005 stock option plans										
Employees of SEAT PG group	04-08-2005	67,400,000	(1,950,000)	09-30-2006	0.3221	(34,455,000)	(1,725,000)	29,270,000	5,633	-
Employees of SEAT PG group	11-04-2005	1,600,000	-	09-30-2006	0.3915	-	-	1,600,000	200	-
TDL Infomedia group	11-04-2005	9,335,000	(675,000)	09-30-2006	0.3221	(7,290,000)	-	1,370,000	745	-
Chief Executive Officer	04-08-2005	5,000,000	-	09-30-2006	0.3221	-	-	5,000,000	498	-
Key People plan	09-12-2006	20,000,000	-	04-15-2008	0.3724	-	-	20,000,000	1,595	290
Total		182,500,000	(4,500,000)			(93,765,000)	(3,750,000)	80,485,000	15,983	290
2005 Telegate's stock option plans										
Directors and employees	05-12-2005	293,000	(31,500)	05-12-2007	14.28	(240,500)	-	21,000	489	-
Directors and employees	06-01-2006	400,000	(14,125)	06-01-2008	16.09	-	-	385,875	880	144
Directors and employees	06-01-2008	319,000	-	06-01-2010	11.01	-	-	319,000	638	25
Total		1,012,000	(45,625)			(240,500)	-	725,875	2,007	169
Total for the SEAT PG group		183,512,000	(4,545,625)			(94,005,500)	(3,750,000)	81,210,875	17,990	459 (*)

(*) This amount does not include a reversal of contribution charges paid in previous year by Thomson Directories Ltd. (€ 29 thousand).

Stock option charges (€ 459 thousand in the first half of 2008; € 781 thousand in the first half of 2007) are included in the income statement as non-recurring costs.

22. Other non-current liabilities

€ 23,534 thousand at June 30, 2008 (€ 22,687 thousand at December 31, 2007), as follows

(euro/thousand)	1 st half-year 2008				Total	1 st half-year 2007
	Reserve for sale agents' termination indemnities	Reserve for restructuring expenses	Reserve for operating risks and charges	Other non-operating liabilities		Total
Balance at beginning of the year	21,344	1,315	28	-	22,687	21,814
Provision	1,855	-	-	1,435	3,290	4,071
Utilisation/repayment	(927)	(55)	(42)	-	(1,024)	(1,994)
Discounting losses (gains)	(582)	29	-	22	(531)	(675)
Change in the scope of consolidation	-	-	225	-	225	-
Other movements	-	(1,113)	-	-	(1,113)	-
Balance at end of the period	21,690	176	211	1,457	23,534	23,216

To take account of expected future cash flows, non-current reserves at June 30, 2008 were discounted at the before-tax rate which reflects the present market assessment of the cost of money over time. The decrease resulting from the passage of time and variations in the discount rate applied has been recognised in financial income (€ 531 thousand).

Reserve for sales agents' termination indemnities (€ 21,690 thousand at June 30, 2008) is the accrued liability at period end that would be owed to sales agents if their agency agreements were terminated in application of current regulations.

The € 1,113 thousand decrease in the *reserve for restructuring expenses* followed its reclassification under the appropriate current reserve.

23. Reserves for current risks and charges (operating and non-operating)

This item is as follows

(euro/thousand)	1 st half-year 2008			Total	1 st half-year 2007
	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves		Total
Balance at beginning of the year	14,944	19,240	9,981	44,165	39,259
Provisions	7,670	1,280	5,043	13,993	14,461
Utilisations	(8,215)	(895)	(3,508)	(12,618)	(11,799)
Reversal to the income statement	-	(458)	-	(458)	(2,732)
Other movements	-	1,430	1,137	2,567	353
Balance at end of the period	14,399	20,597	12,653	47,649	39,542

In particular:

- *reserve for commercial risks*, of € 14,399 thousand at June 30, 2008 (€ 14,944 at December 31, 2007) this covers any costs that might arise in the event of failure properly to perform all contracted services in connection with PAGINEGIALLE®, PAGINEBIANCHE® and Annuari;
- *reserves for contractual and other operating risks*, of € 20,597 thousand at June 30, 2008 (€ 19,240 thousand at December 31, 2007). This includes a € 18,218 thousand reserve for current legal disputes and actions with sales agents and employees (€ 18,320 thousand at December 31, 2007);

- *non-operating reserves*, of € 12,653 thousand at June 30, 2008 (€ 9,981 thousand at December 31, 2007). This includes a € 7,769 thousand reserve for restructuring expenses formed in 2007 and increased by € 5,000 thousand in the first half of 2008 to cover the forecast corporate restructuring costs for the implementation in SEAT Pagine Gialle S.p.A. of the reorganisation plan that began last year and is expected to finish in early 2009. The plan involves over 150 redundancies that will be managed through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund), early retirements, selective dismissal and professional retraining for publishing and commercial back-office departments, which are deeply impacted by the introduction of highly innovative IT systems.

24. Trade account payables and other current liabilities

These are as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Payables due to suppliers	155,859	185,184	(29,325)
Payables due to sales agents	43,202	52,845	(9,643)
Payables due to employees	24,660	25,906	(1,246)
Payables due to social security institutions	11,898	11,680	218
Payables due to directors and statutory auditors	1,042	1,199	(157)
Total trade account payables	236,661	276,814	(40,153)
Payables for services to be rendered	184,357	86,250	98,107
Advances from customers	4,146	5,749	(1,603)
Deferred income and other liabilities	40,153	33,602	6,551
Total payables for services to be rendered and other current liabilities	228,656	125,601	103,055

All trade account payables fall due within 12 months.

Payables for services to be rendered and other current liabilities include € 149 thousand due in over 12 months (€ 77 thousand at December 31, 2007).

In particular:

- *payables due to suppliers*, of € 155,859 thousand at June 30, 2008 (€ 185,184 thousand at December 31, 2007), decreased by € 29,325 thousand on December 31, 2007 owing to cyclical purchase patterns;
- *payables due to sales agents*, of € 43,202 thousand at June 30, 2008 (€ 52,845 thousand at December 31, 2007). This should be read in conjunction with the item "Advances on sales commissions" under "Other current assets", which totalled € 46,908 thousand at June 30, 2008 (€ 45,017 thousand at December 31, 2007).
- *payables for services to be rendered*, of € 184,357 thousand at June 30, 2008 (€ 86,250 thousand at December 31, 2007). This is the advance billing of advertising services, of which € 45,636 thousand already paid by customers (€ 9,834 thousand at December 31, 2007).

25. Segment information

The primary segment information of the SEAT Pagine Gialle group is reported by Business Area since Group risks and profitability are related primarily to the different products and services offered. The secondary presentation is by geographical area.

The Group's operating activities are organised and managed separately, based on the nature of the products and services supplied, each area constituting a strategic business unit that offers different products and services to different markets.

Inter-company transfer prices are fixed at the same conditions applied to third-party transactions.

Revenue, costs and results per Business Area include transactions between areas, but these are eliminated in the consolidation.

The geographical areas of the Group are based on the location of the Group's activities and are essentially those of the legal entities operating in each Business Area.

Figures and disclosures by Business Area are detailed in the section "Economic and financial performance by Business Area", which pays particular attention to operating revenue and cost trends.

26. Revenue from sales and services

Revenue from sales and services in the first half of 2008 totalled € 576,469 thousand, up € 582,263 thousand on the same period 2007. Revenue by Business Area was as follows

(euro/thousand)	1 st half-year	1 st half-year	Change	
	2008	2007	Absolute	%
Italian Directories	419,545	428,362	(8,817)	(2.1)
UK Directories	47,141	58,484	(11,343)	(19.4)
Directory Assistance	92,083	92,880	(797)	(0.9)
Other activities	45,635	30,896	14,739	47.7
IC eliminations	(27,935)	(28,359)	424	1.5
Total revenue from sales and services	576,469	582,263	(5,794)	(1.0)

For a more detailed analysis of revenue, please refer to the section "Economic and financial performance by Business Area" in the Report on Operations.

27. Other income and operating costs

27.1 Other income

€ 9,240 thousand in the first half of 2008 (€ 2,469 thousand in the first half of 2007). This item includes the € 5,540 thousand Deutsche Telekom has been ordered to repay to Telegate AG following the conclusion in June 2008 of a legal action between the two companies over the return to Telegate by Deutsche Telekom of overpayments for telephone subscriber data. More specifically, the court decision, which is now *res judicata*, refers to the cost involved in providing data January-September 1999 and orders Deutsche Telekom to repay Telegate AG € 4.25 million plus interest at legal rates. This item also includes € 1,714 thousand in reimbursements of postal, legal and administration costs from third parties (€ 1,550 thousand in the first half of 2007).

27.2 Materials

€ 21,860 thousand in the first half of 2008 (€ 22,869 thousand in the first half of 2007), of which € 17,974 thousand for paper (€ 18,581 thousand in the first half of 2007).

27.3 External services

€ 206,161 thousand in the first half of 2008, essentially in line with the same period of 2007.

For further details, please refer to the section "Economic and financial performance of the Group – Reclassified consolidated income statement for the first half of 2008".

27.4 Salaries, wages and employee benefits

€ 127,330 thousand in the first half of 2008 (€ 121,694 thousand in the first half of 2007), an increase of € 5,636 thousand over the same period of the previous year. At constant scope of consolidation and exchange rates, labour costs were largely stable (-0.8%).

The Group workforce, including directors, project workers and trainees, numbered 6,940 personnel at June 30, 2008 (6,652 personnel at December 31, 2007).

The average workforce (FTE for the foreign companies) was 5,575 units in the first half of 2008 (5,326 units in the first half of 2007).

27.5 Non-recurring costs, net

€ 5,864 thousand in the first half of 2008 (€ 3,133 thousand in the first half of 2007), as follows

(euro/thousand)	1 st half-year	1 st half-year	Change	
	2008	2007	Absolute	%
Stock option costs	459	781	(322)	(41.2)
Other non-recurring costs	5,405	2,352	3,053	n.s.
Total non-recurring costs, net	5,864	3,133	2,731	87.2

Stock option costs are explained in Note 21.

Other non-recurring costs includes € 1,598 thousand for the legal costs of reorganising various subsidiaries, € 1,363 thousand for integrating klickTel AG into the Group and € 1,262 thousand for providing support to management during the overhaul of Internet product development strategy.

27.6 Restructuring costs, net

€ 5,158 thousand in the first half of 2008 (€ 7,334 thousand in the first half of 2007), as follows

(euro/thousand)	1 st half-year	1 st half-year	Change	
	2008	2007	Absolute	%
Provision to reserve for restructuring expenses	5,000	7,108	(2,108)	(29.7)
Restructuring costs	158	226	(68)	(30.1)
Total restructuring costs, net	5,158	7,334	(2,176)	(29.7)

The figure includes a € 5,000 thousand accrual to the 2007 restructuring reserve to cover the cost of implementing the reorganisation plan approved by management and agreed by the Unions. 2007-2011 this will involve managing around 150 redundancies through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund), early retirements, selective dismissal and professional retraining for publishing and commercial back-office departments, which are deeply impacted by the introduction of highly innovative IT systems.

28. Interest income and expense

28.1 Interest expense

€ 134,315 thousand in the first half of 2008 (€ 129,178 thousand in the first half of 2007), as follows

(euro/thousand)	1 st half-year	1 st half-year	Change	
	2008	2007	Absolute	%
Interest expense on the loan with The Royal Bank of Scotland Plc Milan Branch	59,810	63,000	(3,190)	(5.1)
Interest expense on the loan with Lighthouse International Company S.A.	54,951	54,951	-	-
Interest expense on asset backed securities	6,628	5,469	1,159	21.2
Other financial expense	7,894	372	7,522	n.s.
Foreign exchange losses	5,032	5,386	(354)	(6.6)
Total interest expense	134,315	129,178	5,137	4.0

The € 5,137 thousand change is the exchange loss on the fall of sterling (the currency of the inter-company loan to Thomson, the UK subsidiary) against the euro.

This item breaks down as follows:

- € 59,810 thousand (€ 63,000 thousand in the first half of 2007) for "Senior Credit Agreement" between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch. This includes € 6,346 thousand for the amortisation of transaction costs for the period and is stated net of € 1,764 thousand income from interest rate hedges (€ 1,399 thousand hedging costs in the first half of 2007).
- € 54,951 thousand for "Subordinated" loan from Lighthouse International Company S.A. (unchanged since the first half of 2007). This includes € 2,826 thousand for the amortisation of transaction costs for the period;
- € 6,628 thousand (€ 5,469 thousand in the first half of 2007) for interest expense on asset backed limited recourse securities issued in June 2006 by Meliadi Finance S.r.l. as part of the securitisation transaction;
- € 7,894 thousand (€ 372 thousand in the first half of 2007) for exchange loss on the fall of sterling (the currency of the inter-company loan to Thomson, the UK subsidiary) against the euro.
- € 3,612 thousand (€ 3,466 thousand in the first half of 2007) for interest expense on the discounting of non-current liabilities to present value.

28.2 Interest income

€ 14,522 thousand in the first half of 2008 (€ 9,201 thousand in the first half of 2007):

- € 6,623 thousand (€ 1,083 thousand in the first half of 2007) for exchange gain on the fall of sterling against the euro.
- € 3,812 thousand (€ 4,057 thousand in the first half of 2007) for interest income on short-term cash deposits with banks at mainly Euribor rates;
- € 3,230 thousand (€ 3,157 thousand in the first half of 2007) for interest income on non-current assets financing the TDL group's pension fund.

29. Losses on accounting for at equity investments

€ 891 thousand in the first half of 2008. These are the attributable losses of Katalog Yayin ve Tanitim Hizmetleri A.S., a jointly controlled subsidiary consolidated by the equity method.

30. Income taxes

€ 9,461 thousand (€ 624 thousand for the first half of 2007), as follows

(euro/thousand)	1 st half-year	1 st half-year	Change	
	2008	2007	Absolute	%
Current income taxes	12,758	9,214	3,544	38.5
Reversal of deferred tax assets	(6,870)	(17,493)	10,623	60.7
Provision (reversal) of deferred tax liabilities	(15,315)	8,903	(24,218)	n.s.
Income taxes referred to the previous years	(34)	-	(34)	n.s.
Total income taxes for the period	(9,461)	624	(10,085)	n.s.

Income taxes are recognised in accordance with IAS 34 by applying the best estimate of the average annual income tax rate expected for the full financial year 2008 to the pre-tax result for the period.

Net deferred tax assets and liabilities

Net deferred tax assets and liabilities changed as follows during the period

	At 12.31.2007	Change during the period				At 06.30.2008
		Income taxes to the income statement	Income taxes to equity	Change in the scope of consolidation	Foreign exchange adjustments and other movements	
(euro/thousand)						
Deferred tax assets	67,651	6,870	5,620	305	(913)	79,533
Deferred tax liabilities	(58,397)	15,315	(221)	(12,302)	238	(55,367)
Total	9,254	22,185	5,399	(11,997)	(675)	24,166
of which in the balance sheet: ⁽¹⁾						
<i>Deferred tax assets, net</i>	<i>14,343</i>					<i>39,647</i>
<i>Deferred tax liabilities, net</i>	<i>(5,089)</i>					<i>(15,481)</i>

(1) Deferred tax assets and deferred tax liabilities are reported in the balance sheet at their net value after offsetting themselves if required conditions are met, with reference to Tax Authority to which they are due, tax debtors and due time of payments.

Current tax assets

€ 4,650 thousand at June 30, 2008 (€ 21,054 thousand at December 31, 2007) as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Income tax asset	2,410	18,326	(15,916)
Other tax asset	2,240	2,728	(488)
Total current tax assets	4,650	21,054	(16,404)

Current tax payables

€ 42,839 thousand at June 30, 2008 (€ 54,413 thousand at December 31, 2007) as follows

(euro/thousand)	At 06.30.2008	At 12.31.2007	Change
Income tax payables	26,776	34,309	(7,533)
Other tax payables	16,063	20,104	(4,041)
Total current tax payables	42,839	54,413	(11,574)

31. Related party transactions

The table below summarises, with regard to IAS 24 and art. 2h) of CONSOB Regulation for Issuers 11971/1999 (as amended), the economic and financial effects of transactions with related parties on the financial statements of the SEAT Pagine Gialle group for the first half of 2008.

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

All transactions by Group companies with related parties, including intra-group operations, were ordinary business transactions under market conditions or particular 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 SEAT Pagine Gialle group

(euro/million)		Descriptions
Salaries, wages and employee benefits	1.7	They refer to fees to the directors.
Interest expense	55.0	It refers to the "Subordinated" loan with Lighthouse International Company S.A.
Non-current financial debts	1,267.0	They refer to € 1,300 million for the "Subordinated" loan with Lighthouse International Company S.A., net of € 33.0 million for transaction costs incurred at the inception of the loan and not yet amortised.
Current financial debts	17.4	They refer to the debt for accrued interest expense not yet paid at the end of the year on the "Subordinated" loan with Lighthouse International Company S.A..
Trade account payables	1.0	They refer to payables due to the directors for fees.

32. Other information

List of investments consolidated in full (CONSOB notice DEM/6064293 of July 28, 2006)

Company (business)	Registered Office	Share capital		Ordinary shares held		% held by SEAT Pagine Gialle S.p.A.
				%	by	
CIPI S.p.A. (merchandising of promotional objects)	Milan (Italy)	Euro	1,200,000	51.00	SEAT Pagine Gialle S.p.A.	51.00
CONSODATA S.p.A. (direct marketing services; database creation, management and distribution)	Rome (Italy)	Euro	2,446,330	100.00	SEAT Pagine Gialle S.p.A.	100.00
EUROPAGES S.A. (production, promotion and marketing of the "Europages" directory)	Paris (France)	Euro	2,800,000	93.562	SEAT Pagine Gialle S.p.A.	93.562
EUROPAGES GmbH (in liquidazione) (promotion and marketing of the "Europages" directory)	Monaco (Germany)	Euro	25,000	100.00	Europages S.A.	93.562
EUROPAGES Benelux SPRL (promotion and marketing of the "Europages" directory)	Brussels (Belgium)	Euro	20,000	99.00	Europages S.A.	92.626
PRONTOSEAT S.r.l. (call center services)	Turin (Italy)	Euro	10,500	100.00	SEAT Pagine Gialle S.p.A.	100.00
SEAT CORPORATE UNIVERSITY S.c.a.r.l. (training activity for manager especially in advertising communications to SMEs)	Turin (Italy)	Euro	10,000	95.00 5.00	SEAT Pagine Gialle S.p.A. Prontoseat S.r.l.	100.00
TDL INFOMEDIA Ltd. (holding)	Hampshire (United Kingdom)	Sterling	139,525	100.00	SEAT Pagine Gialle S.p.A.	100.00
THOMSON DIRECTORIES Ltd. (publishing and distribution of directories)	Hampshire (United Kingdom)	Sterling	1,340,000	100.00	TDL Infomedia Ltd.	100.00
CALLS YOU CONTROL Ltd. (call routing services provider)	Hampshire (United Kingdom)	Sterling	1	100.00	Thomson Directories Ltd.	100.00
THOMSON DIRECTORIES PENSION COMPANY Ltd. (administration of Thomson Directories Pension Fund)	Hampshire (United Kingdom)	Sterling	2	100.00	Thomson Directories Ltd.	100.00
TELEGATE HOLDING GmbH (holding)	Munich (Germany)	Euro	26,100	100.00	SEAT Pagine Gialle S.p.A.	100.00
TELEGATE AG (call center services)	Munich (Germany)	Euro	21,234,545	16.24 61.13	SEAT Pagine Gialle S.p.A. Telegate Holding GmbH	77.37
DATAGATE GmbH (call center services)	Munich (Germany)	Euro	60,000	100.00	Telegate AG	77.37
11880.COM GmbH (call center services)	Munich (Germany)	Euro	25,000	100.00	Datagate GmbH	77.37
MOBILSAFE AG (in liquidation) (internet services)	Munich (Germany)	Euro	150,000	100.00	Datagate GmbH	77.37
TELEGATE AKADEMIE GmbH (training of call center personnel)	Rostock (Germany)	Euro	25,000	100.00	Telegate AG	77.37
TELEGATE AUSKUNFTDIENSTE GmbH (call center services)	Munich (Germany)	Euro	25,000	100.00	Telegate AG	77.37
11811 NUEVA INFORMACION TELEFONICA S.A.U. (call center services)	Madrid (Spagna)	Euro	222,000	100.00	Telegate AG	77.37
11880 TELEGATE GmbH (call center services)	Vienna (Austria)	Euro	35,000	100.00	Telegate AG	77.37
TELEGATE ITALIA S.r.l. (call center services)	Turin (Italy)	Euro	129,000	100.00	Telegate AG	77.37
TELEGATE 118000 Sarl (call center services)	Paris (France)	Euro	118,000	100.00	Telegate AG	77.37
UNO UNO OCHO CINCO CERO GUIAS S.L. (call center services)	Madrid (Spagna)	Euro	3,100	100.00	Telegate AG	77.37
KLICKTEL AG (promotion of online directories)	Essen (Germany)	Euro	4,039,999	95.25	Telegate AG	73.69

WER LIEFERT WAS? GmbH (promotion of online BtoB directories)	Amburg (Germany)	Euro	5,000,000	100.00	SEAT Pagine Gialle S.p.A.	100.00
WER LIEFERT WAS? Ges.m.b.H. (promotion of online BtoB directories)	Klosterneuburg (Austria)	Euro	381,532	100.00	Wer Liefert Was? GmbH	100.00
WER LIEFERT WAS GmbH (promotion of online BtoB directories)	Baar-Walterswil (Svizzera)	Swiss Franc	750,000	100.00	Wer Liefert Was? GmbH	100.00
WER LIEFERT WAS? spol. S.r.o. (promotion of online BtoB directories)	Praga (Repubblica Ceca)	Czech Crown	42,000,000	100.00	Wer Liefert Was? GmbH	100.00
WER LIEFERT WAS? d.o.o. (promotion of online BtoB directories)	Zagabria (Croazia)	Kuna	20,000	100.00	Wer Liefert Was? GmbH	100.00
WLW Vermögensverwaltungs Gesellschaft mbH (promotion of online BtoB directories)	Amburg (Germany)	Euro	25,565	100.00	Wer Liefert Was? GmbH	100.00
MELIADI FINANCE S.r.l. (*) (special purpose vehicle)	Milan (Italy)	Euro	10,000	-	-	-

(*) Special purpose vehicle (SPV) set up ad hoc for the securitisation program of trade receivables in accordance with the Italian Law No. 130/99. The SPV is not owned by the SEAT Pagine Gialle group but is consolidated in full pursuant to SIC 12.

List of investments consolidated by the equity method (CONSOB notice DEM/6064293 of July 28, 2006)

Company (business)	Registered Office	Share capital	Ordinary shares held		% held by SEAT Pagine Gialle S.p.A.	
			%	by		
Associates						
LIGHTHOUSE INTERNATIONAL COMPANY S.A. (holding)	Luxembourg	Euro	31,000	25.00	SEAT Pagine Gialle S.p.A.	25.00
INDIRECT S.P.R.L. (in liquidation) (supply of services)	Brussels (Belgium)	Euro	148,736	27.00	TDL Infomedia Ltd.	27.00
TDL BELGIUM S.A. (in liquidation) (publishing and distribution of directories)	Brussels (Belgium)	Euro	18,594,176	49.60	TDL Infomedia Ltd.	49.60
Joint venture						
KATALOG YAYIN VE TANITIM HIZMETLERI A.S. (publishing and distribution of directories)	Istanbul (Turkey)	Turkish Lira	9,600,000	50.00	SEAT Pagine Gialle S.p.A.	50.00

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Other information



➤ Certification of the condensed consolidated first half-year Financial Statements within the meaning of art. 154-bis of Legislative Decree No. 58/98

1. The undersigned, Luca Majocchi, acting in his capacity as Chief Executive Officer, and Massimo Cristofori, acting in his capacity as manager responsible for the preparation of the financial statements of SEAT Pagine Gialle S.p.A. hereby declares, taking due account of art. 154-bis, sub-sections 3 and 4 of Legislative Decree 58 of February 24, 1998, that in the preparation of the condensed consolidated first half-year Financial Statements all administrative and accounting procedures considered appropriate to the nature of the undertaking, were applied.
2. All administrative and accounting procedures relating to the preparation of the condensed consolidated first half-year Financial Statements were critically reviewed during the semester to ensure their relevance and full application. The review did not reveal any anomalies.
3. We furthermore declare that:
 - 3.1. the condensed consolidated first half-year Financial Statements:
 - have been prepared in accordance with the IAS/IFRS recognised as applicable by the European Community under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular with IAS 34 (Interim Financial Reporting) and with the regulations flowing from the implementation of section 9 of Legislative Decree 38/2005;
 - agree with the Company books and accounting records;
 - offer a true and fair view of the assets and economic and financial position of the issuer and of all the companies included in the consolidation;
 - 3.2. the Report on operation refers to major events in the first six months of the financial year and their impact on the condensed consolidated first half-year Financial Statements, and describes the main risks and uncertainties surrounding the remaining six months of the period, as well as information on major transactions with related parties.

Milan, August 7, 2008

signed by

Chief Executive Officer
Luca Majocchi

signed by

Manager responsible
for preparing the
Company's financial reports
Massimo Cristofori



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Auditors' review report on the interim condensed consolidated financial statements prepared pursuant to article 154-ter, clause 2 of the D.Lgs 24.2.1998, n. 58 (Translation from the original Italian text)

To the Shareholders of
SEAT Pagine Gialle S.p.A.

1. We have reviewed the interim condensed consolidated financial statements of SEAT Pagine Gialle S.p.A. (and its subsidiaries) (the "SEAT Pagine Gialle Group") as of June 30, 2008, comprising the balance sheet, the statements of income, changes in shareholders' equity and cash flows and the related explanatory notes. Management of SEAT Pagine Gialle S.p.A. is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.
2. We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of July 31, 1997. A review consists primarily of obtaining information on the accounts included in the interim condensed consolidated financial statements and the consistency of the accounting principles applied, through discussions with management and by applying analytical and other review procedures. A review does not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements as we express on the annual consolidated financial statements. With respect to the consolidated financial statements of the prior year and the interim condensed consolidated financial statements of the corresponding period of the prior year, presented for comparative purposes, reference should be made to our reports issued on April 7, 2008 and on September 10, 2007, respectively.

Reconta Ernst & Young S.p.A.
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3. Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of SEAT Pagine Gialle S.p.A. as of June 30, 2008 are not prepared, in all material respects, in conformity with IAS 34.

Turin, August 28, 2008

Reconta Ernst & Young S.p.A.
Signed by: Mario Lamprati, Partner

*This report has been translated into the English language
solely for the convenience of international readers*

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