SEAT Pagine Gialle S.p.A.

First Half Report as at 30 June 2009

First Half Report as at 30 June 2009

Registered office: Via Grosio, 10/4 - 20151 Milan (Italy)
Secondary office: Corso Mortara, 22 - 10149 Turin (Italy)
Fully paid-up share capital: € 450,265,793.58
Tax Code and VAT Code: 03970540963
Milan Register of Companies No. 03970540963

The SEAT Pagine Gialle group is today a major multimedia platform offering to tens of millions of users detailed information and sophisticated search tools and to its advertisers a full range of multi-platform advertising methods (print- internet-voice). These include highly innovative internet products, print directories and directory assistance services, plus a large selection of complementary advertising services.

The new Turin headquarters

Highlights and general information

Company Boards

(at 5 August 2009)

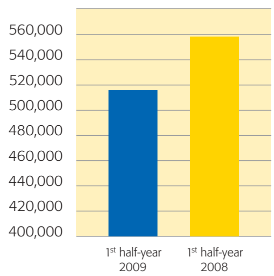
Board of Directors (*)	Chairman	Enrico Giliberti
	Chief Executive Officer	Alberto Cappellini (**)
	Directors	Lino Benassi (I)
		Dario Cossutta
		Maurizio Dallocchio (I)
		Alberto Giussani (I)
		Luigi Lanari
		Marco Lucchini
		Pietro Masera
		Antonio Tazartes
		Nicola Volpi
	Secretary to the Board	Marco Beatrice
Remuneration Committee (***)	Chairman	Lino Benassi
		Dario Cossutta
		Luigi Lanari
Internal Control Committee (***)	Chairman	Alberto Giussani
		Maurizio Dallocchio
		Marco Lucchini
Board of Statutory Auditors (*)	Chairman	Enrico Cervellera
	Acting auditors	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 Statements		Massimo Cristofori
Independent Auditors		Reconta Ernst & Young S.p.A.

(*) Elected by the Ordinary Meeting of Shareholders on 9 April 2009.
(**) Co-opted by the Board of Directors on 29 April 2009.
(***) Appointed by the Board of Directors on 9 April 2009.
(I) Meets the independence requirements set out in art. 148(3) Legislative Decree 58/98 and of the Code of Conduct for Listed Companies.

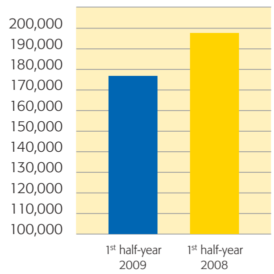
Economic and financial highlights of the Group

- Consolidated REVENUE € 513.6 million, down 8.1% compared to the first half of 2008 *restated* despite 40.6% growth in online business in Italy;
- Consolidated GOP € 209.8 million (-5.3% compared to the first half of 2008 *restated*) thanks to a tight grip on operating costs;
- OPERATING FREE CASH FLOW € 218.0 million (€ 267.8 million in the first half of 2008 *restated*);
- NET FINANCIAL DEBT € 2,790.2 million, a fall of € 291.8 million against 31 December 2008 with over 20% headroom (approx.) within the net "debt/consolidated EBITDA" covenant;
- COST OF DEBT down to 5.30% thanks to limited hedging on the interest-rate risk in the first half of 2009 that enabled the Group to benefit from the cut in Euribor.

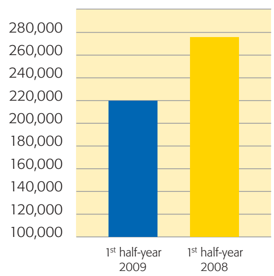
Revenues
(euro/thousand)



EBITDA
(euro/thousand)



Operating free cash flow
(euro/thousand)



(euro/thousand)	1st half year 2009	1st half year 2008 restated (**)	Year 2008 restated (**)
Economic and financial data			
Revenue from sales and services	513,571	558,892	1,375,989
GOP (*)	209,789	221,549	658,415
EBITDA (*)	179,476	195,719	603,538
EBIT (*)	45,646	67,566	227,916
Pre-tax profit(loss)	(47,789)	(52,690)	(20,294)
Profit (loss) on continuing operations	(42,674)	(42,849)	(89,592)
Profit (loss) pertaining to the Group	(51,060)	(45,651)	(179,646)
FCF (*)	217,955	267,764	547,658
Investment in the Turin property complex			65,832
Capital expenditure	25,685	23,424	47,383
Net invested capital (*)	3,782,607	4,127,279	3,920,304
of which goodwill and customer database	*3,447,889*	*3,873,919*	*3,517,486*
of which net operating working capital (*)	*250,982*	*199,406*	*320,633*
Group equity	1,005,769	1,044,203	876,595
Net financial debt (*)	2,790,231	3,152,107	3,082,016
Income ratios			
EBITDA/Revenue	34.9%	35.0%	43.9%
EBIT /Revenue	8.9%	12.1%	16.6%
EBIT/Net invested capital	1.2%	1.6%	5.8%
FCF/Revenue	42.4%	47.9%	39.8%
Operating working capital/Revenue	48.9%	35.7%	23.3%
Workforce			
Workforce at the balance sheet date (units)	6,428	6,694	6,532
Average workforce for the period (FTE)	5,040	5,203	5,163
Revenues/Average workforce	102	107	267

(*) See "Non-GAAP measures" below for details of items.

(**) See "Report on Operations, paragraph Introduction" for further details of 2008 *restated*.

Non-GAAP measures

The present First Half Report at 30 June 2009 includes not only IFRS accounting measures but also a number of alternative performance measures to allow better assessment of economic and financial management.

The alternative measures do not fall within the scope of the IFRS and therefore do not constitute an alternative method for assessing the Group's economic performance or its capital or financial position. Since these measures are not governed by IFRS accounting principles, the Company's calculation methods will not necessarily be the same as those of other companies, meaning that the following indicators will not necessarily be comparable:

- GOP *(gross operating profit)* is EBITDA including other operating income and expense and allowances for net adjustments and provisions for risks and charges.
- EBITDA *(earning before amortisation, depreciation, non-recurring and restructuring costs)* is EBIT *(operating income)* including non-recurring and restructuring costs, depreciation, and amortisation (of intangible assets with a definite useful life and of tangible assets) and non-operating amortisation and write-down (goodwill and customer databases).
- Operating Working Capital and Non-Operating Working Capital are current operating assets (relating to operating revenues) net of current operating liabilities (relating to operating costs) and, like current non-operating assets, are net of current non-operating liabilities. Neither item includes current financial assets or liabilities.
- Net Invested Capital is the sum of operating working capital, non-operating working capital, goodwill and customer databases, other non-current assets and operating and non-operating liabilities.
- Net Book Financial Debt is the sum of cash and cash equivalents and current and non-current financial assets and liabilities.
- Net financial debt is net book financial debt before net adjustments on cash flow hedge contracts and opening, refinancing and securitisation charges amortisable.
- Free cash flow is EBITDA adjusted to take account of capital expenditure, change in operating working capital and non-current operating liabilities.

Information for Shareholders

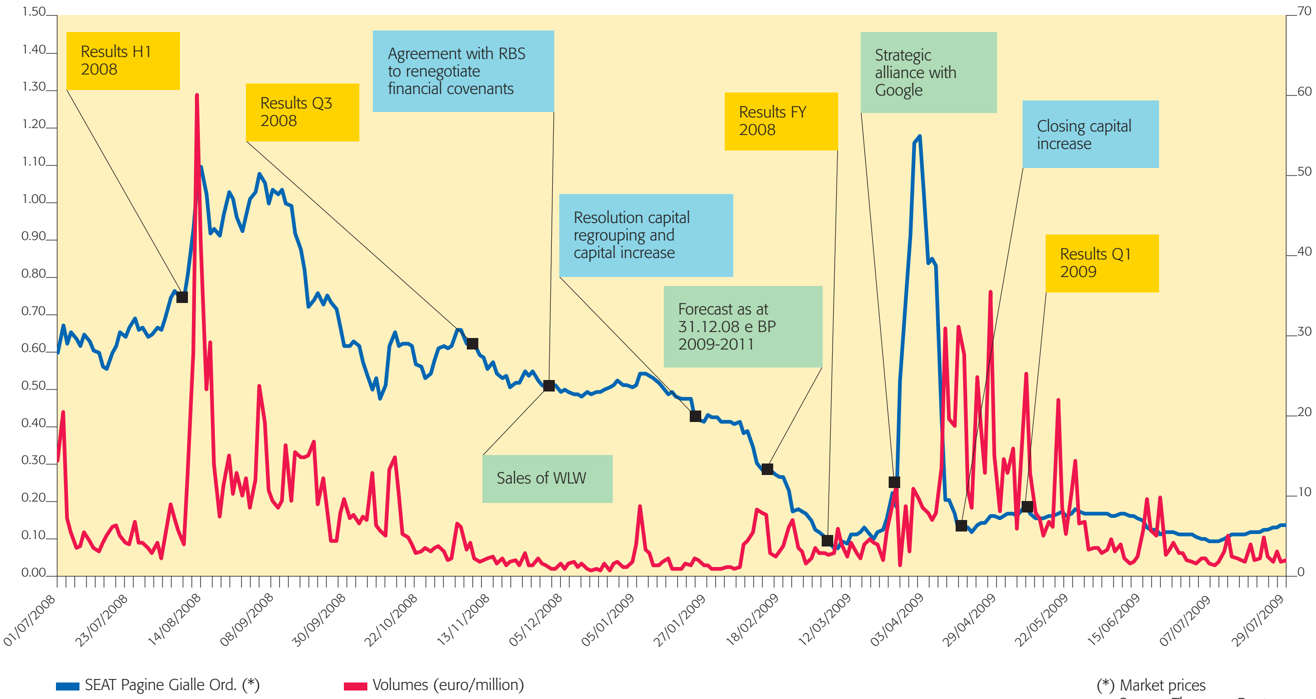
Shares

		At 30.06.2009	At 30.06.2008 post regrouping	At 30.06.2008
Share capital	euro	450,265,793.58	250,351,664.46	250,351,664.46
Number of ordinary shares	No.	1,927,027,333	41,044,903	8,208,980,696
Number of savings shares	No.	680,373	680,373	136,074,786
Market capitalisation *(based on average June market price)*	euro/mln	366	716	716
SEAT Pagine Gialle share weighting (SPG ordinary shares) at 30 June 2009 - Ftse Italia All Share (ex Mibtel)		0.060%	0.094%	0.094%
Equity per share	euro	0.00124	0.02503	0.00013
Diluted equity per share	euro	0.00124	0.02503	0.00013
Profit (loss) per share	euro	(0.00006)	(1.09900)	(0.00549)
Diluted profit (loss) per share	euro	n.a.	n.a.	n.a.

9 February 2009 saw the entry into effect, at a ratio of one share for every two hundred ordinary and savings shares outstanding of SEAT Pagine Gialle S.p.A., of the reverse share split resolved by the Extraordinary Shareholders' Meeting of 26 January 2009. At the same time, the par value of shares was cancelled (for further details see "Material events in the first half of 2009" below).
30 April 2009 marked the end of the capital increase voted by the Extraordinary Shareholders' Meeting of 26 January 2009.
The SEAT Pagine Gialle S.p.A.'s share capital is therefore now € 450,265,793.58, divided into 1,927,707,706 (no par) shares, of which 1,927,027,333 ordinary shares and 680,373 savings shares.
Equity and profit (loss) per share showed in the table have been calculated by dividing the Group's equity and operating results respectively by the average number of shares in circulation over the period.
The figures for the first half of 2008 are presented as if the reverse share split had become effective on the first half of 2008, for better comparison.
No dilution of profit (loss) per share within the meaning of IAS 33 was recorded since the price of ordinary SEAT Pagine Gialle S.p.A. shares over the period was decidedly lower than the strike price for the options that could still be exercised at 30 June 2009.

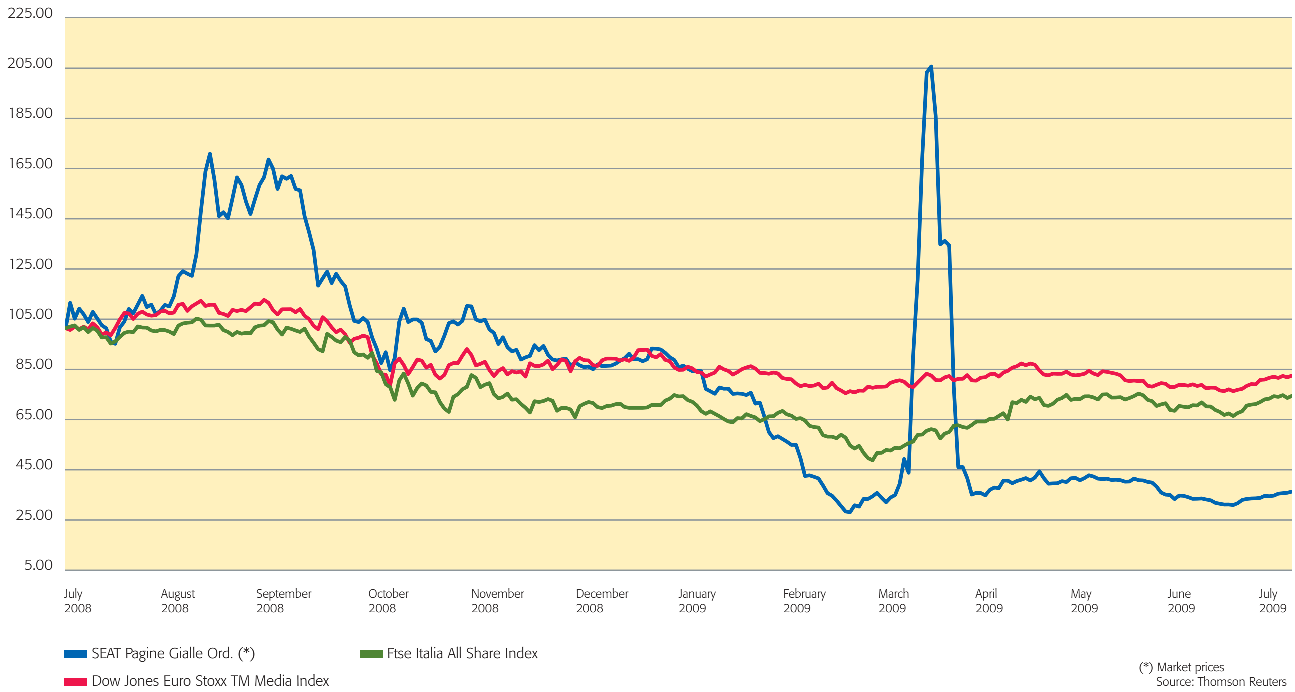
Market performance of ordinary shares over the last twelve months and traded volumes

At the end of June 2009 SEAT Pagine Gialle S.p.A. shares were trading at € 0.16, down 66.4% on their € 0.48 price on 1 January 2009 (€ 2.20 on 1 January 2008) and on their a € 1.13 high during the capital increase which closed on 30 April 2009 with full subscription of the entire offering.
This was generally in line with the trends for other directories companies in Europe (Eniro down 81.6%, and Yell down 89.4%) and in the USA and Canada (YPG Canada -52%) as the equities market slumped in response to a global recession that only in the past few weeks has begun to give any indication of recovery.
Since directories companies - such as SEAT Pagine Gialle S.p.A. - are highly leveraged but have high cash inflows, debt forms the major part of their enterprise value. This has fallen over the last eighteen months following the de-rating of the directories sector and the continuing recession.
A significant contributor to the bigger drop in the value of directories shares over that of media shares in general has been the more leveraged nature of directories companies: even slight reductions in enterprise values are having ever greater impacts on their share prices.
Between end December 2007 and June 2009, the enterprise value of SEAT Pagine Gialle S.p.A. went down 42.4% and its market value fell 92.7%.
The enterprise values of other companies in the sector dropped similarly (Yell -36%, Eniro -40%, Pages Jaunes -29%, YPG Canada -43%, Mediaset -36%, Mondadori Editore - 41%) as did their market values.



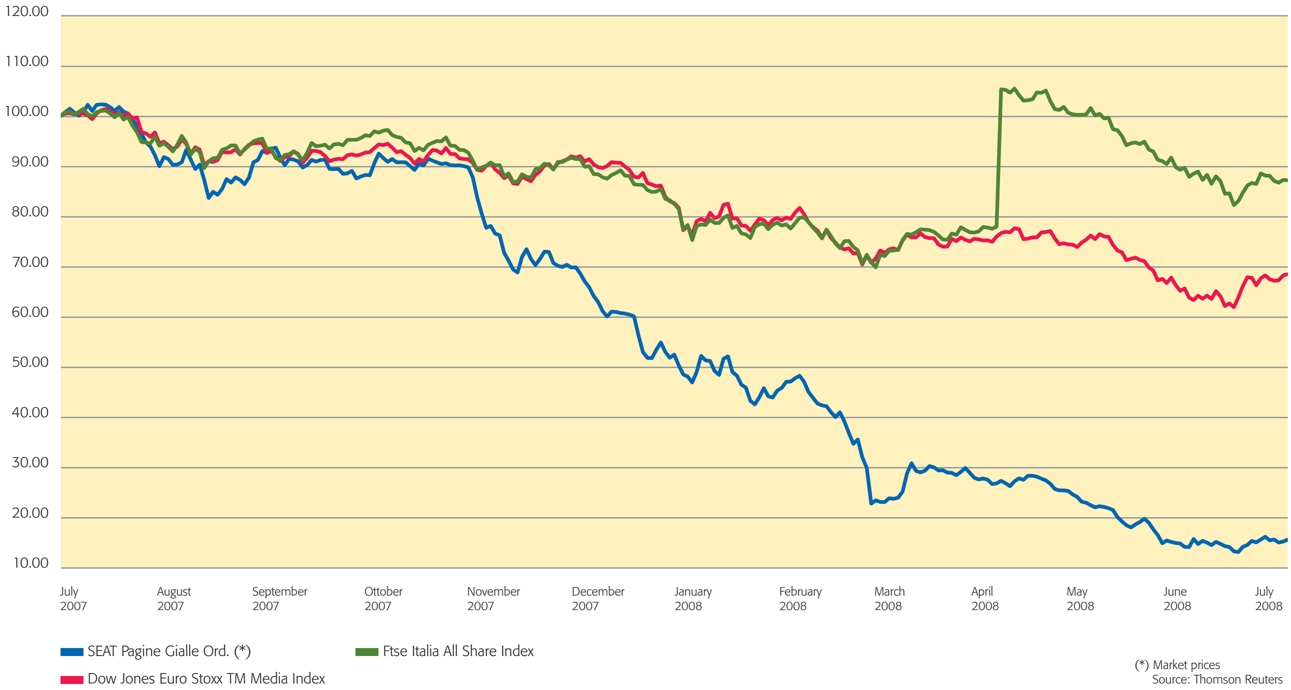
(*) Market prices
Source: Thomson Reuters

SEAT Pagine Gialle S.p.A. share performance vs. Ftse Italia All Share and Dow Jones Euro Stoxx TM Media Indexes at 31 July 2009



(*) Market prices
Source: Thomson Reuters

SEAT Pagine Gialle S.p.A. share performance vs. Ftse Italia All Share and Dow Jones Euro Stoxx TM Media Indexes at 31 July 2008



(*) Market prices
Source: Thomson Reuters

Shareholders

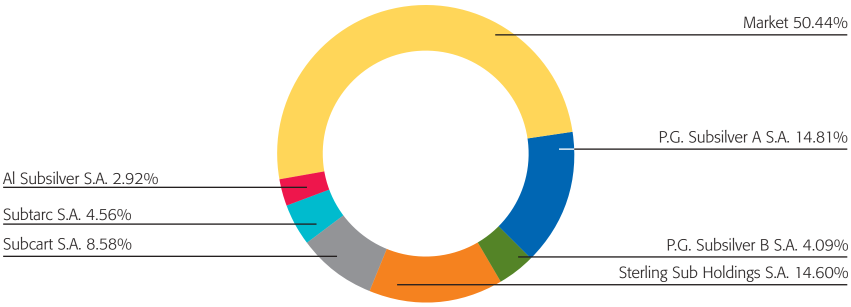
The following table lists the holders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital at 30 June 2009

Shareholders at 30 June 2009	Ordinary shares held	% ordinary share capital
P.G. Subsilver A S.A.	285,332,713 (*) (1)	14.81
P.G. Subsilver B S.A.	78,844,007 (*) (1)	4.09
Sterling Sub Holdings S.A.	281,351,075 (1)	14.60
Subcart S.A.	165,396,466 (1)	8.58
Subtarc S.A.	87,823,429 (1)	4.56
AI Subsilver S.A.	56,269,988 (1)	2.92

(*) On 24 March 2009 the demerger of PG Subsilver S.A. came into effect, which held No. 7,916,897 ordinary shares in the Company, meaning that the above shares were attributed to the two above SPVs without prejudice to the attachments as per (1) below.

(1) On 30 April 2009 the option rights of ordinary and savings Shareholders within the capital increase expired, all No. 1,885,982,430 new ordinary shares having been subscribed. By the end of the subscription period the Company's majority Shareholders held a total of No. 955,017,678 ordinary shares (about 49.6% of ordinary share capital after the capital increase). For further details of the capital increase, see the "Report on Operations, paragraph Material events in the first half of 2009".

SEAT Pagine Gialle S.p.A. Shareholders at 30 June 2009



Organisational structure of the Group

Directory Assistance

Telegate AG	a) 77.37%
Telegate Italia S.r.l.	100%
11811 Nueva Información Telefónica S.A.U.	100%
Telegate 118 000 Sarl	100%
Telegate Media AG	100%
Prontoseat S.r.l.	100%

UK Directories

TDL Infomedia Ltd.	100%
Thomson Directories Ltd.	100%

Italian Directories

SEAT Pagine Gialle S.p.A.

Other Activities

Consodata S.p.A.	100%
Cipi S.p.A.	51%
Europages S.A.	93.562%

Legenda

a) 16.24% held directly and 61.13% via Telegate Holding GmbH.

Bari e provincia | 2009/2010

PAGINEGIALLE

Casa

PARLA **Gratis** !

Cerca negli
spazi pubblicitari
il numero verde

PG GratisTel
800.007.008

Report on operations

Contents - Report on operations

Introduction

Following the decision to sell off the Germany subsidiary WLW (effective December 2008) and to close down the UK subsidiary Calls You Control in the second half of 2008, the operating, capital and financial results for these two companies are now included under "Non-current assets held for sale and discontinued operations" on separate lines as required under IFRS 5.
Also in the second quarter of 2009 and in line with the strategy of focusing on the Italian market to free up financial resources to support core business, SEAT Pagine Gialle S.p.A. in agreement with its partner Doğan, decided to pull out of Katalog Yayin ve Tanitim Hizmetleri A.S., the Turkish joint venture still at the start up phase. The assets, liabilities, operating and financial results of this investment are therefore also included under "Non-current assets held for sale and discontinued operations".
As required under IFRS 5, the Income Statement and Cash Flow Statement for the first half of 2008 have also been *restated* accordingly.

The "Outlook" section includes forward-looking statements on the Group's intentions, beliefs and current expectations as regards financial results and other aspects of its activities and strategies. Readers should not place undue reliance on such statements in these First Half Financial Statements since actual results may differ significantly from forecasts as a result of many factors, most of which will be beyond the Group's control.

↗ Economic and financial performance of the Group

→ Reclassified Consolidated Income Statement for the first half of 2009

Revenue from sales and services was € 513,571 thousand in the first half of 2009, down 8.1% on the first half of 2008 *restated* (€ 558,892 thousand). The negative impact on Thomson group income of the GBP/€ exchange rate was generally offset by increased income from the Telegate group in Germany owing to the change in consolidation scope (Telegate Media AG was consolidated in the previous year, on 1 April).

Including elimination of income between Business Area, revenue from sales and services was as follows:

- revenue from *Italian Directories* (*SEAT Pagine Gialle S.p.A.*) Business Area amounted to € 387,776 thousand in the first half of 2009, down 7.6% against the same period of last year. This reflects the 5.7% fall in the performance of core business (print/internet/voice) against the first half of 2008, although the drop was lower than that of total revenue thanks in particular to the material growth in internet business (+40.6%), which was buoyed up by continuing product innovation. The expansion allowed faster than planned evolution of the revenue mix, for print to internet . As in previous quarters, Italian business income suffered from shrinking revenues from other products (B2B, direct marketing and promotional goods), all of which were hit harder by the slow-down in the Italian economy and by the refocus of Sales on internet products;
- revenue from *UK Directories* (*Thomson Directories group*) Business Area amounted to € 32,577 thousand in the first half of 2009, down 30% on the first half of 2008 *restated*. Partly as a result of the rise of sterling against the euro, the drop is lower in local currency terms (-19.4%). The biggest reduction in revenue was from clients requiring national coverage (especially the banks which have been hardest hit by the credit crunch) and from clients served by local sales teams;
- revenue from *Directory Assistance* (*Telegate group and Prontoseat S.r.l.*) Business Area amounted to € 90,375 thousand in the first half of 2009, down 1.9% against the same period of last year (€ 92,083 thousand). At constant consolidation scope (the German subsidiary Telegate Media AG was consolidated as of 1 April 2008), the Telegate group showed a 8.2% drop in revenue to € 84,579 thousand, which was mainly the result of the impact on German business of fewer national and international calls. Prontoseat S.r.l. revenue went up to € 5,823 thousand (€ 5,663 thousand in the first half of 2008) on the back of good outbound call numbers;
- revenue from *Other Activities* (*Business to Business online directories and other Italian business*) Business Area amounted to € 25,378 thousand in the first half of 2009, down 11.3% on the first half of 2008 *restated* (€ 28,599 thousand). The good results turned in by Europages (€ 8,954 thousand in the first half of 2009, a rise of € 1,313 thousand) only in part offset the problems suffered Consodata S.p.A. (-€ 3,532 thousand on the first half of 2008) because of the recession and the new privacy laws introduced in 2008 restricting companies' use of data for direct marketing purposes.

Materials and external services, net of recovered costs, were € 190,368 thousand in the first half of 2009, a fall of € 27,888 thousand compared to the first half of 2008 *restated* (€ 218,256 thousand). Industrial costs dropped € 13,490 thousand to € 62,988 thousand, partly as a result of lower revenue. Paper consumption fell (-€ 3,464 thousand) in line with the lesser number of printed directories and in the directory production costs (-€ 7,454 thousand) and inbound call center costs also dropped (-€ 2,407 thousand), the latter owing to the slide in call numbers. Commercial costs went down € 13,260 thousand to € 72,556 thousand due to reduced spending on advertising (-€ 9,579 thousand on the first half of 2008 *restated*) and commission and sales costs (-€ 3,681 thousand). Overheads remained essentially unchanged at € 55,967 thousand (€ 57,676 thousand in the first half of 2008 *restated*).

Salaries, wages and employee benefits, net of recovered costs, totalled € 113,414 thousand in the first half of 2009, a fall of € 5,673 thousand on the first half of 2008 *restated*. The drop was due to the reorganisation of the Thomson group which slashed its payroll in the last twelve months (190 fewer FTEs than in the first half of 2008 *restated*).
At 30 June 2009 the Group's workforce, including administrators, project workers and trainees, totalled 6,428 personnel (6,532 personnel at 31 December 2008).
The FTE average over the period was 5,040 units (5,203 units in the first half of 2008 *restated*).

Gross operating profit (GOP), amounted to € 209,789 thousand in the first half of 2009, down 5.3% on the first half of 2008 *restated* (€ 221,549 thousand). This reflects the drop in revenue that lower operating costs could not entirely contain. Revenue fell as the recession swept across all the countries in which the Group operates, braked by the sharp rise in internet product revenue and the tight grip on operating costs that lifted GOP on revenue to 40.8% (39.6% in the first half of 2008).

Other valuation adjustments and provisions to reserves for risks and charges, amounted to € 28,344 thousand in the first half of 2009, down € 1,698 thousand on the first half of 2008 *restated* owing primarily to the € 1,109 thousand reversal in provisions for risks and charges made in previous periods.

Other operating income and expense, net, was negative for € 1,969 thousand in the first half of 2009 (positive for € 4,212 thousand in the first half of 2008 *restated*). The change over the same period in 2008 is mainly because of the € 5,540 thousand received by Telegate AG in 2008 at the end of its case against Deutsche Telekom for the refund of excess payments made by Telegate to Deutsche Telekom for the supply of telephone subscriber data.

EBITDA, amounted to € 179,476 thousand in the first half of 2009, a fall of € 16,243 thousand against the same period 2008 *restated*. The 34.9% impact on revenue is essentially unchanged from 2008 *restated*. The slight dip in EBITDA in the first half of 2008 *restated* when compared to GOP was caused by lower other operating income (see above).

Operating amortisation, depreciation and write down, amounted to € 32,414 thousand in the first half of 2009, up € 9,599 thousand on the first half of 2008 *restated* (€ 22,815 thousand) owing to heavy investment over the last few years. € 23,598 thousand was for intangible assets with a defined useful life (€ 15,873 thousand in the first half of 2008 *restated*), € 8,816 thousand for property, plant and equipment (€ 6,942 thousand in the first half of 2008 *restated*), of which € 2,065 thousand for the Corso Mortara (Turin) property to which the SEAT Pagine Gialle S.p.A. moved its head office at the end of December 2008.

Non-operating amortisation and write-down, amounted to € 85,011 thousand in the first half of 2009 (€ 94,816 thousand in the first half of 2008 *restated*), of which € 82,598 thousand amortisation of the customer databases entered under Group assets at acquisition, recognising part of the difference between price paid and proportion of equity acquired, based on internal and/or independent valuations. This item fell € 9,805 thousand on the first half of 2008 *restated* along with goodwill impairment (€ 2,413 thousand in the first half of 2009; € 13,000 thousand in the first half of 2008).

Non-recurring and restructuring costs, amounted to € 16,405 thousand in the first half of 2009 (€ 10,522 thousand in the first half of 2008 *restated*). These include a € 8,235 thousand accrual to the SEAT Pagine Gialle S.p.A. restructuring reserve recognised in 2008 to pay for the company's 2009-2011 Reorganisation Plan. The Plan, agreed by the unions and approved by the Board of Directors end December 2008, will manage 210 redundancies 2009-2011 through redundancy incentives, early retirement and use of the Cassa Integrazione Guadagni Straordinaria (Special Wage Guarantee Fund). The Group has also recognised € 3,691 thousand in restructuring costs in the Income Statement to fund the reorganisation of the Thomson group and the rationalisation of the number of call centers in Germany.
The item also includes € 4,479 thousand in non-recurring charges for support provided to management during the development of cost-cutting and organisational improvement policies.

EBIT, amounted to € 45,646 thousand in the first half of 2009, down 32.4% against the same period of last year *restated* (€ 67,566 thousand); impact on revenue: 8.9% (12.1% in the first half of 2008 *restated*). The drop against the same period of last year reflects not only the factors already mentioned with regard to EBITDA but also higher operating depreciation and amortisation and higher non-recurring and restructuring charges, for which the above lower non-operating write-downs were able to compensate only in part.

Interest expense, net, amounted to € 93,435 thousand in the first half of 2009 (€ 120,256 in the first half of 2008 *restated*) were the difference between interest expense of € 110,284 thousand (€ 134,574 thousand in the first half of 2008 *restated*) and interest income of € 16,849 thousand (€ 14,318 thousand in the first half of 2008 *restated*). The balance fell € 26,821 thousand (-22.3%) against the first half of 2008 *restated* thanks to the combination of *a)* a fall in Euribor from which SEAT Pagine Gialle S.p.A. benefited thanks to relatively low hedging levels in the first half of 2009 on interest rate risks; *b)* less Senior debt compared to the first half of 2008; and *c)* an increase in foreign exchange income (€ 4,991 thousand above the first half of 2008 *restated*). The above mentioned factors more than offset the € 1,830 thousand drop in interest income from cash deposits due to the fall in market rates.

In the first half of 2009 *interest expense* included:
- € 36,842 thousand (€ 59,810 thousand in the first half of 2008 *restated*) of interest on the Senior Credit Agreement between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch. This included the amortisation of transaction costs on the inception and refinancing of € 7,745 thousand for the period;
- € 54,747 thousand of interest on the fixed-rate Subordinated loan from Lighthouse International Company S.A., in line with the first half of 2008. This included the amortisation of transaction costs of € 2,622 thousand for the period;
- € 3,576 thousand (€ 6,628 thousand in the first half of 2008 *restated*) of interest on the limited-recourse asset-backed securities issued in June 2006 by Meliadi Finance S.r.l. as part of the securitisation plan;
- € 1,163 thousand of interest to Leasint S.p.A. for six financial leases taken out to purchase the Corso Mortara, Turin property into which SEAT Pagine Gialle S.p.A. moved at the end of December 2008;

- € 2,920 thousand (€ 3,612 thousand in the first half of 2008 *restated*) of discounting income of non-current liabilities;
- € 8,854 thousand (€ 7,825 thousand in the first half of 2008 *restated*) of foreign exchange losses on the hedging of the euro/sterling exchange risk. This was more than covered by foreign exchange income as described below.

In the first half of 2009 *interest income* included:
- € 1,819 thousand (€ 3,649 thousand in the first half of 2008 *restated*) of interest on short-term cash investments at rates substantially equal to Euribor. These fell materially in the first half of 2009 due to decreasing average interest rates only partly offset by higher average deposits (including some of the cash obtained from the capital increase. For further details, go to "Material events in the first half of 2009");
- € 2,128 thousand (€ 3,230 thousand in the first half of 2008 *restated*) of interest on non-current assets - especially from pension funds assets in the Thomson group;
- € 12,641 thousand (€ 6,621 thousand in the first half of 2008 *restated*) in foreign exchange income primarily received as a result of the euro/sterling exchange hedging policy.

In the first half of 2009 the total average cost of SEAT Pagine Gialle S.p.A. debt was 5.30% (6.56% in the first half of 2008 *restated*). The drop followed the fall in Euribor and the interest rate risk hedging policy.

Income taxes for the period, amounted to € 5,115 thousand credit in the first half of 2009 (€ 9,841 thousand credit in the first half of 2008 *restated*). As required under IAS 34, tax for the period has been calculated by applying to gross pre-tax profit the average actual tax rate projected for the full financial year 2009. The rates applied reflect the expected Group's tax saving in the financial year 2009 following the fiscal recognition of the discrepancy between the book and fiscal values at 31 December 2008 of the SEAT Pagine Gialle S.p.A. Customer Database. The realignment under Law 244/07 involves payment in three instalments of a tax to replace income tax and IRAP.

Profit (loss) for the period on continuing operations was negative of € 47,789 thousand in the first half of 2009 (negative of € 52,690 thousand in the first half of 2008 *restated*). It showed an improvement compared to the first half of 2008 thanks to the sharp drop in interest expense as described above.

Net profit (loss) on non-current assets held for sale and discontinued operations, amounted to € 7,488 thousand loss in the first half of 2009 (€ 139 thousand gain in the first half of 2008 *restated*), of which € 5,043 thousand expense, net of fiscal effect, that is forecast for discontinuing the Turkish business.

Minority interests for the period, amounted to € 898 thousand profit (€ 2,941 thousand profit in the first half of 2008 *restated*) being primarily attributable to Telegate group Shareholders.

Profit (loss) for the year pertaining to the Group, amounted to a € 51,060 thousand loss in the first half of 2009, an increase of € 5,409 thousand on the same period of last year *restated* (€ 45,651 thousand) for the above reasons. Since this is a seasonal business, generally the second half of the year has higher operating margins.

➔ Reclassified Consolidated Balance Sheet as at 30 June 2009

Introduction

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: € 3,782,607 thousand at 30 June 2009, down € 137,697 thousand on 31 December 2008. Net invested capital comprised:

- **goodwill and customer databases**: € 3,447,889 thousand at 30 June 2009 (€ 3,517,486 thousand at 31 December 2008), of which € 3,406,999 thousand goodwill and goodwill on consolidation and € 40,890 thousand customer databases, recorded under Group assets upon acquisition.
  The rise of sterling against the euro (exchange rate at 31 December 2008 compared to that at 30 June 2009) led a € 15,338 thousand increase in the goodwill for the Thomson group over 31 December 2008.
  Impairment testing at 30 June 2009 confirmed the book value of goodwill at the balance sheet date and led only to a € 2,413 thousand write-down of the goodwill for Telegate 118 000 Sarl. In the first half of 2008 *restated* goodwill impairment totalled € 13,000 thousand.
  In the first half of 2009 customer database amortisation totalled € 82,598 thousand (€ 81,816 thousand in the first half of 2008 *restated*);

- **other non-current assets**: € 224,091 thousand at 30 June 2009, up € 7,953 thousand over 31 December 2008 (€ 216,138 thousand) as a result of:
  - a € 5,728 thousand fall in capital assets and equipment in the first half of 2009, of which € 25,685 thousand capital expenditure (€ 23,424 thousand in the first half of 2008 *restated*) and € 32,414 thousand amortisation and write-down of operating assets (€ 22,815 thousand in the first half of 2008 *restated*).
    SEAT Pagine Gialle S.p.A. investments were € 21,208 thousand over the first half of 2009, € 3,230 thousand up on the first half of 2008 (€ 17,978 thousand). They referred to *a)* consolidation of SFE-CRM (the new CRM front-end system) to provide agents with a user-friendly interface with back-end systems (SAP, SEM, etc.) and *b)* implement action of the Marketing Plan with the go-live of the new 2009 initiatives for all platforms (print, voice, internet and mobile). At the technological/structural level, the project to create a virtual Data Center for SEAT Pagine Gialle S.p.A. was launched, aiming to rationalise the server network and to dispose of obsolete, under-performing hardware with high maintenance costs.
    Telegate group investments in the first half of 2009 (€ 2,658 thousand, in line with the Group's development plans and up € 945 thousand on the first half of 2008) aimed,

as in previous financial years, to improve call center productivity by developing technological infrastructures.

Consodata investments in the first half of 2009 (€ 1,356 thousand) focused on acquiring and developing software applications and updating the databases;

- a € 2,065 thousand drop in equity investments since Katalog Yayin ve Tanitim Hizmetleri A.S. has been reclassified under "Non-current assets held for sale and discontinued operations";
- a € 15,598 thousand rise in net tax assets. For further details of movements over the period, go to note 30 in the notes to the Condensed Consolidated first half year Financial Statements;

- non-current non-operating liabilities: € 22,463 thousand at 30 June 2009 (€ 17,174 thousand at 31 December 2008). The rise over 31 December 2008 was due for € 5,735 thousand to the integration in the non-current portion of the company restructuring fund formed by the Parent Company for the cost of its 2009-2011 Reorganisation Plan. This amount should be considered together with the short-term portion accrued to non-operating current funds to which we refer;

- non-current operating liabilities: € 60,825 thousand at 30 June 2009 (€ 57,931 thousand at 31 December 2008):
  - *defined-benefit pension funds*: € 14,172 thousand at 30 June 2009 (€ 10,646 thousand at 31 December 2008), which are accounted for net of the € 81,100 thousand for the assets designed to finance them (€ 69,246 thousand at 31 December 2008). Liabilities and assets were calculated by an independent actuary using the projected unit credit (PUC) method. The first half of 2009 generated a € 4,688 thousand actuarial loss following the increase in discount rates and UK inflation. In accordance with section 93A of IAS 19 this was carried, net of fiscal effect, directly to equity. Liabilities also rose € 1,362 thousand as a result of the rise of sterling against the euro;
  - *reserve for severance indemnities (TFR)*: € 20,355 thousand at 30 June 2009 (€ 21,821 thousand at 31 December 2008) down € 1,466 thousand primarily because of applications over the half (€ 2,011 thousand);
  - *reserve for sales agents' termination indemnities*: € 22,572 thousand at 30 June 2009, up € 414 thousand over 31 December 2008. The fund is the period-end statutory liability to current sales agents in the event of termination of their agency agreements under current law. To account for projected future financial flows, the fund has been discounted at average market rates for liabilities with the same term, taking account also of its probable future application as based on the average length of agents' contracts;

- operating working capital: € 250,982 thousand at 30 June 2009, down € 69,651 thousand over 31 December 2008. The drop in current working capital in the first half of the period is usually material since the business shows high billing levels in the last few months of the year with settlement in the months that follow. In the first half of 2009 current working capital benefited from fewer trade receivables. The following are the main changes over the half:
  - *trade account receivables*: € 614,740 thousand at 30 June 2009, down € 56,274 thousand on 31 December 2008, of which € 56,806 thousand SEAT Pagine Gialle S.p.A. and € 3,208 thousand Consodata S.p.A.;
  - *trade account payables*: € 212,830 thousand at 30 June 2009, down € 44,163 thousand on 31 December 2008. The fall, which was greatest for SEAT Pagine Gialle

S.p.A. (€ 35,336 thousand) and Consodata S.p.A. (€ 3,160 thousand), was in part caused by lower spending on purchases;
  - *payables for services to be rendered and other current liabilities*: € 185,315 thousand at 30 June 2009, up € 71,274 thousand on 31 December 2008, due to the timing of procurement and of the invoicing of advertising services;

- **non operating working capital** was negative for € 57,088 thousand at 30 June 2009 (was negative for € 59,724 thousand at 31 December 2008) a € 2,636 thousand change over 31 December 2008.
  At the end of the period this item included:
  - *income tax liabilities*: € 46,666 thousand (€ 45,810 thousand at 31 December 2008), up € 856 thousand on 31 December 2008;
  - *current tax assets*: € 2,439 thousand (€ 2,075 thousand at 31 December 2008);
  - *current non-operating reserves*: € 12,417 thousand (€ 14,415 thousand at 31 December 2008), of which € 8,268 thousand short-term accruals to the company restructuring fund, increased by a further € 2,500 thousand during the first half of 2009 to cover the expense SEAT Pagine Gialle S.p.A. expects to incur under its 2009-2011 Reorganisation Plan. The Plan, agreed by the Unions and approved by the Board of Directors at the end of December 2008, will generate 210 redundancies 2009-2011 through redundancy incentives, early retirement and use of the Cassa Integrazione Guadagni Straordinaria (Special Wage Guarantee Fund).

Equity

Equity totalled € 1,029,491 thousand at 30 June 2009 (€ 903,541 thousand at 31 December 2008), of which € 1,005,769 thousand attributable to the Parent Company (€ 876,595 thousand at 31 December 2008) and € 23,722 thousand to Minority Shareholders (€ 26,946 thousand at 31 December 2008). The € 129,174 thousand improvement attributable to the Parent Company is the result of:
- a € 193,518 thousand increase in equity following the SEAT Pagine Gialle S.p.A., capital increase resolved by the Extraordinary Shareholder's Meeting on 26 January 2009 and effected on 30 April 2009. This includes all direct costs of the capital increase (€ 7,742 thousand) net of fiscal effect;
- a € 11,128 thousand increase in the exchange rate reserve, net of the translation of balance sheets denominated in foreign currencies, caused by the rise in sterling against the euro over 31 December 2008 to 30 June 2009.

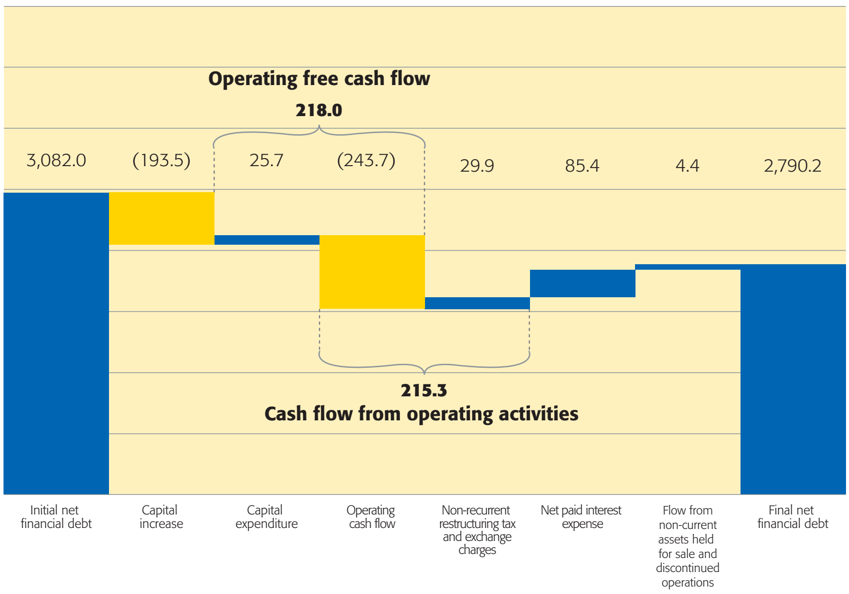
The above gains were to some extent offset by:
- the fall (-€ 21,341 thousand over 31 December 2008) in the cash flow hedge Reserve (to a negative € 32,272 thousand at 30 June 2009 from a negative € 10,931 thousand at 31 December 2008). For further details go to note 14 of the notes to the Condensed Consolidated first half year Financial Statements;
- the increase in actuarial losses (€ 3,378 thousand net of fiscal effect) on defined-benefit pension funds;
- the € 51,060 thousand loss in the first half of 2009.

Net financial debt

Net financial debt was € 2,790,231 thousand at 30 June 2009, falling € 291,785 thousand compared to 31 December 2008.
Net financial debt differs from "book value" of net financial debt (described below) since it includes transaction cost for the inception and refinancing medium and long-term Senior debt through The Royal Bank of Scotland Plc Milan Branch, the Subordinated loan from Lighthouse International Company S.A., and the cost of starting the securitisation of receivables. These costs, net of those already amortised, totalled € 69,387 thousand at 30 June 2009.
Net financial debt does not include the market value of cash flow hedge contracts still open at period end and of those closed early but with effect deferred to subsequent periods. At 30 June 2009 this was a total net liability of € 32,272 thousand (a € 10,931 thousand net liability at 31 December 2008).

The graph below shows the main items causing the change in net financial debt in the first half of 2009.

(euro/million)



Net book financial debt amounted to € 2,753,116 thousand at 30 June 2009 (€ 3,016,763 thousand at 31 December 2008) was as follows:

- **non-current financial liabilities** amounted to € 2,859,362 thousand at 30 June 2009 (€ 3,031,488 thousand at 31 December 2008) as follows

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,279,319	1,452,736	(173,417)
Debts due to Lighthouse International Company S.A. (net value)	1,272,092	1,269,470	2,622
Asset-backed securities (net value)	255,420	255,268	152
Debts due to Leasint S.p.A.	52,492	53,921	(1,429)
Debts due to other lenders	39	93	(54)
Total non-current financial debts	**2,859,362**	**3,031,488**	**(172,126)**
Current share of non-current financial debts	**189,962**	**222,030**	**(32,068)**

- *Non-current debt to The Royal Bank of Scotland Plc Milan Branch* at 30 June 2009 totalled € 1,279,319 thousand (€ 1,452,736 thousand at 31 December 2008), net of € 40,899 thousand in transaction costs on the inception and refinancing of the loan.
  The loan is structured as follow:
  a) tranche A (€ 1,042.7 million): repayable in variable half-yearly instalments up to June 2012, variable interest at Euribor +2.19% up to mid-August 2009 (1.435% at 31 December 2008);
  b) tranche B (€ 464.5 million): bullet repayment in June 2013, variable interest at Euribor +2.81% up to mid-August 2009 (2.06% at 31 December 2008);
  c) a € 90.0 million revolving credit line, not currently drawn down, to cover the working capital requirements of SEAT Pagine Gialle S.p.A. and its subsidiaries up to May 2012. Drawdowns carry variable interest at tranche A rates. 0.56% p.a. commission applies to amounts not currently drawn down.

  The Company also has a € 30.0 million short-term committed credit line that is not currently in use and has been renewed until 31 March 2010.
  During the first half of 2009 the Company repaid a total of € 209,620 thousand, of which € 109,620 thousand between January-April on the tranche A instalment due June 2009. € 100,000 thousand was repaid *pro rata* on the tranche A instalments due December 2009 to December 2011, using 50% of the capital increase proceeds, as agreed with the Senior Lender when the covenants were reviewed.

- *Financial debt to Lighthouse International Company S.A.* amounted to € 1,272,092 thousand at 30 June 2009 net of transaction costs not yet amortised of € 27,908 thousand. The ten year, 8% p.a. fixed rate expires in 2014.
  SEAT Pagine Gialle S.p.A. gave guarantees of € 350,000 thousand to cover additional charges (if any) on the bond issued by Lighthouse Internation Company S.A..

- *Asset-backed limited recourse securities* amounted to € 256,000 thousand at 30 June 2009 were issued by Meliadi Finance S.r.l. to finance the revolving purchase of receivable portfolios from SEAT Pagine Gialle S.p.A. over five years from June 2006 until 2011. At the annual renewal of the credit lines backing the securities programme, the total cost of the programme rose from 51 basis point a year to 203 basis point a year from end June 2009. This is in line with current market practice.
  The securities, backed by the securitised receivable portfolio, were privately placed with an institutional investor and mature in 2014 but can be repaid early if the securitisation programme is not renewed. They carry variable interest at quarterly commercial paper rate capped at 3-month Euribor +5 bp. In accordance with IAS 32 and IAS 39, they are recognised in the balance sheet net of transaction costs not yet amortised at 30 June 2009 (€ 580 thousand). The securitisation programme is backed by two annual, renewable credit lines.

- *Debt to Leasint S.p.A.* amounted to € 52,492 thousand at 30 June 2009 for six financial leases taken out to purchase the new headquarters where SEAT Pagine Gialle S.p.A. moved its office at the end of 2008. A seventh lease (amounting to around € 1 million) will be added to the others in the second half of 2009. The leases are repayable in 58 quarterly residual instalments payable in arrears with variable interest at 3-month Euribor plus around 65 basis point a year. The residual value is approximately 1% of the property value.

The financing agreements require SEAT Pagine Gialle S.p.A. to comply with covenants, examined quarterly, to maintain 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 each period).
There was full compliance with the covenants at 30 June 2009 (the reference date for this Report).
Additionally, and as usual in such cases, the facilities agreements set limits and operating terms and conditions, governing other aspects such as investment, the ability to incur further debt, to make acquisitions, distribute dividends and enter into capital transactions.
The conclusion of the capital increase at end of April 2009 brought the following amendments of the Senior financing agreement into effect:
- the resetting of the financial covenants and of certain economic/financial ratios set in the 2005 Senior facilities agreement;
- a commitment by SEAT Pagine Gialle S.p.A. not to distribute any dividend unless the ratio of financial debt to EBITDA is more than 4;
- a commitment by SEAT Pagine Gialle S.p.A. to: *a)* apply 50% of the proceeds of the capital increase to make voluntary early repayment, on a pro *rata basis*, of tranche A Senior debt instalments (made 28 April 2009); and *b)* to accept an increase of the margins on the reference Euribor rate applied to the Senior credit lines by 0.75% a year until end 2010;

- **current financial liabilities** amounted to € 256,088 thousand at 30 June 2009 (€ 293,835 thousand at 31 December 2008) as follows:
  - € 189,962 thousand: the current portion of financial debt on the financing agreements with The Royal Bank of Scotland Plc Milan Branch due December 2009 and June 2010 (€ 187,060 thousand) and on the leases with Leasint S.p.A. (€ 2,685 thousand);

- € 28,730 thousand: the net liability on the fair value of cash flow hedge contracts at 30 June 2009 (net liability of € 17,912 thousand at 31 December 2008). For further details on interest-rate hedging go to note 20 in the notes to the Condensed Consolidated first half year Financial Statements;
- € 17,375 thousand: interest incurred but not yet paid on the financial debt to Lighthouse International Company S.A.;
- € 13,528 thousand: the liability of the Parent Company to Shareholders in respect of dividends voted but not yet distributed at 30 June 2009 (€ 30,876 thousand at 31 December 2008). This includes mainly (€ 13,511 thousand) owed to companies with a significant interest on the Parent Company (Leading Shareholders), which liability, in return for an agreement not to demand dividend payment, bears 6% p.a. interest from 1 November 2008 to 15 June 2009 and at 3.8% p.a. thereafter. At 30 June 2009 the interest liability totalled € 585 thousand;
- € 6,493 thousand: other financial liabilities (€ 5,642 thousand at 31 December 2008).

The Senior debt to The Royal Bank of Scotland Plc Milan branch, the debt arising on the issue by Meliadi Finance S.r.l. of asset-backed securities for the securitisation programme and the debt to Leasint S.p.A. all bear variable Euribor linked interest. To limit the exposure to interest-rate risks SEAT Pagine Gialle S.p.A. has taken out derivatives contracts with leading international banks.
The following contracts were in place at 30 June 2009:

a) *Interest Rate Collar* (market value negative for € 5,600 thousand) December 2009 to December 2011: variable six-month Euribor with an average 4.10% constant cap and an average 3.23% constant floor on € 250.0 million notional value;
b) *Interest Rate Swap* (market value negative for € 714 thousand) 28 July to 28 December 2009: variable one-month Euribor replaced by a fixed rate of about 0.98% on € 900.0 million notional value;
c) *Interest Rate Swap* (market value negative for € 7,382 thousand) December 2009-December 2011: variable six-month Euribor replaced by a fixed rate of about 2.93% on € 440.0 million notional value;
d) *Interest Rate Swap* (market value negative for € 10,702 thousand) December 2009-June 2012: variable six-month Euribor replaced by a fixed rate of about 3.75% on € 325.0 million notional value;
e) *Interest Rate Swap* (market value positive for € 49 thousand) June 2010-December 2011: variable six-month Euribor replaced by a fixed rate of 2.4% on € 100.0 million notional value;
f) *Forward Rate Agreement* (market value negative for € 2,349 thousand) December 2009 to June 2010: variable six-month Euribor replaced by a fixed rate of about 3.78% on € 200.0 million notional value;
g) *Forward Rate Agreement* (market value negative for € 418 thousand) June 2010 to December 2010: variable six-month Euribor replaced by a fixed rate of 3.58% on € 50.0 million notional value;

At end of June 2009 the designation the interest-rate cash flow contracts hedging Senior debt for the second half of 2009 was revoked as a result of the decision to manage Senior debt in future via cheaper monthly interest periods instead six-monthly. At the date that the Company revoked the designation, their market value was negative for € 9.2 million reflected at 30 June 2009 in an equity reserve that will be recognised in income statement (in the next half) under the financial period to which it applies.

Securitisation debt at 30 June 2009 comprises an Interest Rate Swap contract (market value negative for € 352 thousand) hedging the period April 2009-April 2011. In this case the variable three-month rate has been replaced by a fixed rate of about 1.85% on € 75.0 million notional value.
Leasing debt at 30 June 2009 comprises an *Interest Rate Swap* contract (market value negative for € 1,101 thousand) hedging the period June 2009-December 2011. In this case variable three-month Euribor rate has been replaced by a fixed rate of 3.60% on € 30.0 million notional value.
About 77% of the total debt for the second half of 2009 is hedged: about 50% being Subordinated debt at fixed rates and the remaining about 27% being *Interest Rate Swaps*. This is considered sufficient given the trends in short-term rates.
About 80% of 2010-2012 debt is hedged: 49% being Subordinated debt at fixed rates, 24% being *Interest Rate Swaps*, 6% *Interest Rate Collars* and 1% *Forward Rate Agreements*.
2013-2014, since fixed-rate Subordinated debt accounts for about 84% of total debt for the period, no further hedging has been put in place;

- **non-current financial assets** amounted to € 2,190 thousand at 30 June 2009 (€ 2,026 thousand at 31 December 2008), being loans to employees at appropriate market rates;

- **current financial assets and cash and cash equivalents** amounted to € 360,144 thousand at 30 June 2009 (€ 306,534 thousand at 31 December 2008), including € 353,158 thousand cash and cash equivalents (€ 304,602 thousand at 31 December 2008), of which € 93,942 thousand held by Meliadi Finance S.r.l. and being collections of the receivables assigned by SEAT Pagine Gialle S.p.A. under the securitisation programme.

Risk from high levels of financial debt

The SEAT Pagine Gialle group has a high level of debt with leverage that at end June 2009 was about 4.8 times EBITDA. The average life of loans at 30 June 2009 was 3.6 years with repayment as follows

	due						Total
(euro/thousand)	30.06.2010	30.06.2011	30.06.2012	30.06.2013	30.06.2014	Plus	
The Royal Bank of Scotland Plc Milan Branch	187,060	197,824	657,850	464,544			1,507,278
Lighthouse International Company S.A.					1,300,000		1,300,000
Limited recourse asset-backed securities (*)					256,000		256,000
Leasint S.p.A.	2,685	2,820	2,959	3,112	3,269	40,332	55,177
Other lenders	217	15	24				256
Total financial debt (gross)	**189,962**	**200,659**	**660,833**	**467,656**	**1,559,269**	**40,332**	**3,118,711**

(*) The 5-year securitisation programme expires in June 2011. If it is not then renewed by SEAT Pagine Gialle S.p.A., the limited-recourse asset-backed securities issued, which mature in 2014, will be repaid by the collection of the receivables assigned.

In the event that market conditions or other circumstances prevent SEAT Pagine Gialle S.p.A. from generating sufficient financial resources to meet its financial commitments when they fall due and as agreed or more generally cause it to default on any other obligations under the above financial agreements (e.g. as a result of insolvency procedures or default by SEAT Pagine Gialle S.p.A. or any company in the SEAT Pagine Gialle group on any debt instrument or guarantee) the amounts granted must be repaid early and in full along with all accrued interest and all additional sums owed under the agreements. This will have a negative impact on the assets and on the economic, capital and financial position of the Company and on the SEAT Pagine Gialle group.

Liquidity risk - obtaining of financial resources

Liquidity risk is the risk that available financial resources may not be sufficient to cover the € 189,962 thousand bond repayments due by 30 June 2010. The low volatility business of the SEAT Pagine Gialle group generates strong cash flows and in the light of its credit lines worth about € 120 million, the Group believes it does have the financial resources needed to meet its commitments.

After 30 June 2010, SEAT Pagine Gialle S.p.A. will have to make a large repayment of current financing and it is possible that the Group will not have sufficient resources to do this, forcing it to seek new financing. The financial crisis that began in 2008 and continued through the first half of 2009, triggered by sub-prime mortgage lending and the heavy impact this has had on all the banks, has given investors a general and growing aversion to risk that has translated into higher spreads to account for the risk of credit default (Credit Default Swap) and a marked fall in high-yield securities prices.

Consequently, in the event that SEAT Pagine Gialle S.p.A. is for any reason unable to generate sufficient resources to meet its financial obligations and has to renegotiate the terms and conditions of its existing facilities and loans before they fall due, or has to seek finance to make their repayment from the banks and/or on the financial markets, it could find itself unable to obtain that finance or be forced to accept terms that are less favourable than those it currently enjoys, with all the negative impacts this will have on the economic, capital and financial position of the Group.

Financial resources could prove harder to obtain if Standard & Poor's current rating of SEAT Pagine Gialle S.p.A. (BB-) falls. The rating expresses Standard & Poor's view of the Company's likelihood of default and follows examination of *i)* the Group's outlook in terms of profit, cash generation and ability to service debt, and *ii)* likely market scenarios. If the rating agency's subjective assessment indicates that either or both parameters have worsened and therefore even if there is deterioration in the Group's markets alone, Standard & Poor's could downgrade the SEAT Pagine Gialle S.p.A. rating. Under the terms of the revolving receivables securitisation programme introduced by SEAT Pagine Gialle S.p.A. in June 2006, this could reduce the Company's ability to assign its receivables. In this event, any receivables not realised via securitisation could be financed using alternative methods that current market positions might make more expensive than the present securitisation system. The SEAT Pagine Gialle group could however avoid the problems alternative methods of financing might create if it uses its own cash resources and the above € 120 million credit lines.

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

Both the US Indenture regulating the notes issued by Lighthouse International Company S.A. and underwritten by SEAT Pagine Gialle S.p.A. (€ 1,300 million in 2004 maturing 2014) and the Senior facilities agreement with The Royal Bank of Scotland Plc Milan Branch provide for early repayment in the event of change of control.

Under The Royal Bank of Scotland Plc Milan Branch (RBS) facilities agreement, a change of control would immediately cancel any obligation by RBS to provide further tranche funds under the revolving loan and would force SEAT Pagine Gialle S.p.A. to make immediate repayment of all amounts advanced to it and to pay RBS all interest due and outstanding at that date, along with all other amounts owed to RBS under the facilities agreement and associated documents.

Under the Indenture, a change of control within SEAT Pagine Gialle S.p.A. 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 plus all interest due and outstanding at that date. In such an event the agreement requires SEAT Pagine Gialle S.p.A. to make early repayment to Lighthouse International Company S.A. of enough of the loan to enable the latter to make the redemptions. Under the terms of the Indenture, the amount would have to be paid directly to the notes holders by SEAT Pagine Gialle S.p.A. if Lighthouse International Company S.A. fails to do so since SEAT Pagine Gialle S.p.A. has also specifically and irrevocably guaranteed all Lighthouse International Company S.A.'s commitments to the notes holders. All payments made by SEAT Pagine Gialle S.p.A. under the Lighthouse International Company S.A. agreement and under the Indenture must comply with the RBS facilities agreement and the inter-creditor agreement signed by *inter alia* SEAT Pagine Gialle S.p.A., Lighthouse International Company S.A. and The Royal Bank of Scotland Plc Milan Branch on 25 May 2005, at the same time as the RBS facilities agreement (the "Inter-Creditor Agreement"), which regulates *inter alia* relations between SEAT Pagine Gialle S.p.A., RBS (Senior creditor), Lighthouse and the notes holders (junior creditors).

For further details and for what constitutes a change of control, see the "Annual Corporate Governance Report" published with these Financial Statements on www.seat.it.

➔ Consolidated Operating Free Cash flow for the first half of 2009

Operating free cash flow in the first half of 2009 (€ 217,955 thousand) was € 49,809 thousand below that generated in the first half of 2008 *restated*. € 16,243 thousand of the fall was caused by worsening EBITDA and € 31,378 thousand to a drop in operating working capital (down € 66,784 thousand on 31 December 2008 *restated*) that was more contained than the drop in the first half of 2008 (which itself fell € 98,162 thousand against 31 December 2007 *restated*). Operating free cash flow also had been negatively impacted by capital expenditure (€ 25,685 thousand) that were higher than in the first half of 2008 *restated* for € 2,261 thousand.

The drop in operating working capital in the first half of the year is usually material since the business shows high billing levels in the last few months of the year which are then settled in the months that follow. In the first half of 2009 the fall was however lower than in the first half of 2008, mainly as a result of the performance of payables for services to be rendered (which in the first half of 2009 increased € 64,908 thousand over 31 December 2008 *restated*; in the first half of 2008 the increase was € 98,107 thousand over 31 December 2007 *restated*) following new order and billing trends.

The impact of operating free cash flow on revenue from sales and services (42.4% in the first half of 2009) dropped against the first half of 2008 *restated* (47.9%) as did the impact of operating free cash flow on EBITDA (121.4% in the first half of 2009 and 136.8 % in the first half of 2008 *restated*) since the contraction in EBITDA was accompanied by a fall in operating working capital. This meant that the drop in free cash flow was generally higher than the fall in revenue.

Reclassified consolidated income statement

(euro/thousand)	1st half year 2009	1st half year 2008 restated	Change Absolute	Change %	Year 2008 restated
Revenue from sales and services	**513,571**	**558,892**	**(45,321)**	**(8.1)**	**1,375,989**
Materials and external services (*)	(190,368)	(218,256)	27,888	12.8	(479,189)
Salaries, wages and employee benefits (*)	(113,414)	(119,087)	5,673	4.8	(238,385)
Gross operating profit (GOP)	**209,789**	**221,549**	**(11,760)**	**(5.3)**	**658,415**
% on revenue	*40.8%*	*39.6%*			*47.9%*
Other valuation adjustments and provisions to reserves for risks and charges	(28,344)	(30,042)	1,698	5.7	(58,395)
Other operating income (expense), net	(1,969)	4,212	(6,181)	n.s.	3,518
EBITDA	**179,476**	**195,719**	**(16,243)**	**(8.3)**	**603,538**
% on revenue	*34.9%*	*35.0%*			*43.9%*
Operating amortisation, depreciation and write-down	(32,414)	(22,815)	(9,599)	(42.1)	(48,764)
Non-operating amortisation and write-down	(85,011)	(94,816)	9,805	10.3	(295,207)
Non-recurring and restructuring costs, net	(16,405)	(10,522)	(5,883)	(55.9)	(31,651)
EBIT	**45,646**	**67,566**	**(21,920)**	**(32.4)**	**227,916**
% on revenue	*8.9%*	*12.1%*			*16.6%*
Interest expense, net	(93,435)	(120,256)	26,821	22.3	(248,205)
Gain (loss) on investments valued at equity					(5)
Profit (loss) before tax and minority interests	**(47,789)**	**(52,690)**	**4,901**	**9.3**	**(20,294)**
Income taxes for the period	5,115	9,841	(4,726)	(48.0)	(69,298)
Profit (loss) on continuing operations	**(42,674)**	**(42,849)**	**175**	**0.4**	**(89,592)**
Profit (loss) from non-current assets held for sale and discontinued operations	(7,488)	139	(7,627)	n.s.	(84,088)
Profit (loss) for the year	**(50,162)**	**(42,710)**	**(7,452)**	**(17.4)**	**(173,680)**
- of which Minority interests	898	2,941	(2,043)	(69.5)	5,966
- of which pertaining to the Group	(51,060)	(45,651)	(5,409)	(11.8)	(179,646)

(*) Minus costs attributable to minorities and shown in the IFRS financial statements under "Other revenue and income".

Reclassified consolidated balance sheet

(euro/thousand)		At 30.06.2009	At 31.12.2008	Change	At 30.06.2008
Goodwill and customer database		3,447,889	3,517,486	(69,597)	3,873,919
Other non-current assets (*)		224,091	216,138	7,953	193,849
Operating non-current liabilities		(60,825)	(57,931)	(2,894)	(85,564)
Non-operating non-current liabilities		(22,463)	(17,174)	(5,289)	(17,114)
Operating working capital		250,982	320,633	(69,651)	199,406
- *Operating current assets*		*701,358*	*756,666*	*(55,308)*	*715,567*
- *Operating current liabilities*		*(450,376)*	*(436,033)*	*(14,343)*	*(516,161)*
Non-operating working capital		(57,088)	(59,724)	2,636	(37,217)
- *Non-operating current assets*		*7,872*	*4,989*	*2,883*	*2,427*
- *Non-operating current liabilities*		*(64,960)*	*(64,713)*	*(247)*	*(39,644)*
Non-current assets held for sale, net		21	876	(855)	
Net invested capital		**3,782,607**	**3,920,304**	**(137,697)**	**4,127,279**
Equity of the Group		1,005,769	876,595	129,174	1,044,203
Minority interests		23,722	26,946	(3,224)	24,230
Total equity	(A)	**1,029,491**	**903,541**	**125,950**	**1,068,433**
Net financial debt		**2,790,231**	**3,082,016**	**(291,785)**	**3,152,107**
Transaction costs on loans and securitisation program not yet amortised		(69,387)	(76,184)	6,797	(73,468)
Net market value of "cash flow hedge" instruments		32,272	10,931	21,341	(19,793)
Net financial debt - "book value"	(B)	**2,753,116**	**3,016,763**	**(263,647)**	**3,058,846**
of which:					
- *Non-current financial debts*		*2,859,362*	*3,031,488*	*(172,126)*	*3,090,005*
- *Current financial debts*		*256,088*	*293,835*	*(37,747)*	*190,664*
- *Non-current financial assets*		*(2,190)*	*(2,026)*	*(164)*	*(1,960)*
- *Current financial assets, cash and cash equivalent*		*(360,144)*	*(306,534)*	*(53,610)*	*(219,863)*
Total	(A+B)	**3,782,607**	**3,920,304**	**(137,697)**	**4,127,279**

(*) Includes financial assets available for sale.

Consolidated financial cash flow

(euro/thousand)	1st half year 2009	1st half year 2008 restated	Change	Year 2008 restated
Operating free cash flow				
EBITDA	179,476	195,719	(16,243)	603,538
Gains (losses) from discontinuing operating assets and liabilities	(507)	295	(802)	(53)
Decrease (increase) in operating working capital	66,784	98,162	(31,378)	(1,046)
(Decrease) increase in operating non-current liabilities (*)	(2,228)	(3,005)	777	(7,519)
Capital expenditure	(25,685)	(23,424)	(2,261)	(47,383)
(Gains) losses on disposal of non-current operating assets	115	17	98	121
Operating free cash flow	**217,955**	**267,764**	**(49,809)**	**547,658**
Investment in the Turin complex - new headquarters (1)				(65,832)
Purchase of Telegate Media AG and Katalog capital increases	(76)	(31,114)	31,038	(31,811)
Flows on non-current assets held for sale and sale of WLW, net	(1,049)	5,772	(6,821)	35,879
Payment of:				
- Non-recurring and restructuring expense	(10,894)	(7,820)	(3,074)	(21,512)
- Income taxes	(11,763)	(4,424)	(7,339)	(43,416)
- Interest expense, net	(85,355)	(110,792)	25,437	(241,403)
- Dividends	(3,364)	(3,862)	498	(3,862)
Foreign exchange effect	(7,228)	6,676	(13,904)	16,504
Capital increase	193,518		193,518	
Other movements	41	(1)	42	85
Change in net financial debt	**291,785**	**122,199**	**169,586**	**192,290**

(*) Net of write down.
(1) This includes € 62,571 thousand on leased goods.

Material events in the first half of 2009

In addition to the details given in "Economic and financial performance by Business Area", we must report the following.

SEAT Pagine Gialle S.p.A. capital increase

On 26 January 2009, the Extraordinary Shareholders' Meeting resolved to:
- eliminate the nominal value of SEAT outstanding ordinary and savings shares, previously determined in € 0.03 for each share;
- group the existing ordinary and savings shares according to the following ratios:
  - 1 new ordinary share for every 200 existing ordinary shares;
  - 1 new saving share for every 200 existing savings shares,
- increase of the share capital, in one or more tranches, by a maximum of € 200 million.

The Extraordinary Shareholders' Meeting also resolved that the share capital increase would be executed by the issue of ordinary shares with no nominal value, to be offered as an option right to ordinary shareholders and holders of saving shares, at the unit offering price equal to the theoretical ex right price (TERP) of the SEAT ordinary share, calculated according to the current methods and on the basis of the arithmetic mean of the official unit prices posted during a period of at least 3 trading days prior to the determination of the offering price and discounted to the extent resolved by the Board of Directors

In execution of the above mentioned resolution on 26 March 2009, the Board of Directors set the issue price of the new shares (applying an about 46% discount of TERP on ordinary SEAT shares calculated according to previous mentioned criteria) at € 0.106 per share for up to No. 1,885,982,430 newly issued ordinary shares, having the same characteristics as those outstanding, to be offered in option to shareholders at a ratio of 226 newly issued ordinary shares for every 5 ordinary/savings shares held by each shareholder.

The offering period of the option rights valid for the subscription of the newly issued shares deriving from the capital increase started on 30 March 2009 and ended on 17 April 2009 (both dates inclusive) whereas the same option rights were tradable on the Italian Stock Exchange from 30 March 2009 up to 8 April 2009 inclusive.

At the end of the offering period No. 41,186,760 option rights were exercised and, subsequently, No. 1,861,641,552 newly issued ordinary shares were underwritten, equal to 98.71% of the maximum number of No. 1,885,982,430 shares included in the offering, for an overall value of € 197,334 thousand. As a result No. 538,515 option rights - valid for the subscription of No. 24,340,878 newly issued ordinary shares, for an overall value of € 2,580 thousand - resulted unexercised after the offering period. Such option rights were

offered by auction on the Italian Stock Exchange by SEAT throughout Mediobanca - Banca di Credito Finanziario S.p.A. during the trading sessions of 23, 24, 27, 28 and 29 April 2009, pursuant to article 2441, paragraph 3, of the Italian Civil Code, all options being placed at the first session.
The capital increase therefore concluded with all No. 1,885,982,430 new ordinary shares being subscribed for € 199,914 thousand, not including commission and expenses.
Mediobanca - Banca di Credito Finanziario S.p.A. was therefore not called on to subscribe unexercised options of the capital increase after the auction on the Stock Market.

Renegotiation of Senior financing with The Royal Bank of Scotland Plc Milan Branch

As described in the “Report on Operations in the 2008 Annual Report” of SEAT Pagine Gialle S.p.A., in December 2008 and January 2009 a number of amendments were agreed with The Royal Bank of Scotland Plc Milan Branch to the terms and agreements governing the Senior financing agreement to enable the above capital increase to take place and to bring the financing agreement in line with the economic and financial performance forecast for the SEAT Pagine Gialle group under the 2009-2011 Business Plan.
A number of the amendments (including the resetting of financial covenants, the restrictions on dividend payment and the higher margins applied to financing by The Royal Bank of Scotland Plc Milan Branch) were not to come into effect until one or more of the Leading Shareholders paid SEAT Pagine Gialle S.p.A. (directly or indirectly by subscribing to the capital increase or making contributions in respect of future capital increases or for any other reason) a total of no less than € 99.2 million or gave The Royal Bank of Scotland Plc Milan Branch a full, irrevocable and unconditional undertaking to make such a payment (in all cases by 31 May 2009 or, if the capital increase was delayed, by 28 June 2009).
The previous condition expired on 30 April 2009 with the completion of the capital increase, enabling SEAT Pagine Gialle S.p.A. to apply 50% of the liquidity obtained (€ 100 million) to early pro rata repayment of the instalments on tranche A of the financing, which were due December 2009-December 2011 inclusive.
The new covenants have meant that from end April 2009 there has been a 75 basis points increase on the margins applied to the Senior debt Euribor rate. This will end after December 2010 when there will be a reversion to the previous system whereby the margins applied to applicable Euribor will be revised downwards as the Group’s net debt: EBITDA ratio falls.

Google agreement

On 25 March 2009, SEAT Pagine Gialle S.p.A. announced that it had signed an agreement with Google to become the authorised agent for Italy of Google AdWords™, an advertising system that allows companies to promote their own products and services on Google. The agreement comes under the Company’s on-going strategy of developing the internet services it offers its advertisers. As a result of the alliance SEAT Pagine Gialle S.p.A. can now offer Italian SMEs the ability to plan their own internet advertising campaigns simply, quickly and effectively using the Google platform, moreover the professional sales teams across Italy also offer them supplementary internet advertising services, web mini-site activation and results monitoring and improvement, providing full web agency services.

New CEO

On 29 April 2009 the Board of Directors co-opted Alberto Cappellini as CEO to replace Luca Majocchi who handed in his resignation on 9 February (effective 29 April 2009).

Post-balance sheet events

Katalog

As a result of the strategic refocus on the Italian market, SEAT Pagine Gialle S.p.A. recently decided, with the agreement of its partner Doğan, that in order to free up financial resources for its core business it would pull out of the Turkish joint venture that was still in the start up phase and whose business plan required significant investment. As an alternative to winding up and liquidating Katalog, SEAT Pagine Gialle S.p.A. had looked into the possibility of becoming the sole shareholder in the joint venture (by buying out Doğan's half-share for a nominal amount) so as to increase the value of its shareholding. SEAT Pagine Gialle S.p.A. has decided that it will not at present exercise its option of becoming the sole shareholder in Katalog.

Organisation of SEAT Pagine Gialle S.p.A. and General Management Italy

In accordance with the need to tighten the direct management of the Italian core business, on 5 August 2009 and at the proposal of the CEO, the Board of Directors decided to adopt a new organisation structure under which all departments now report directly to the CEO.
This has led to the shutting down of General Management Italy (that in May 2008 became responsible for Italian marketing and operations) with the loss of its head, Massimo Castelli.

Outlook

Despite the continuing uncertainty surrounding the economy, in the rest of 2009 SEAT Pagine Gialle S.p.A. will continue to invest in its Italian core business, moving its strategic focus from a print-based single product to multi-media products so as to create sustainable business over the next few years during which traditional and internet products are expected to become more complementary.

Despite tough advertising and media markets in the first half of 2009, the Company's Italian core business outperformed its competitors in revenue and EBITDA terms thanks to its traditionally high exposure to SMEs and to its positioning on the online advertising market.

Following recent downward reviews of Italian GDP forecasts for 2009, uncertainty as to revenue in the second half of the year must continue, although these results cannot yet be estimated in full, particularly for the last quarter of 2009. On this basis, revenue is however expected to dip against the first half of the financial year, even taking account of increased online business. Internet business will probably show strong expansion, driven in the short term by the many new products introduced in 2008 and 2009, by the increase in the number of users on online services and of general market growth.

Foreign non-core business will continue to see the Parent Company participating in subsidiaries' business plans by exercising ever tighter and more regular control to ensure they retain their value by keeping costs down.

At Group level, the cost rightsizing programme introduced to protect operating margins and to finance business development (primarily product innovation and expansion of the sales teams) will contain falling EBITDA and further cut net financial debt (in line with the guidance issued start 2009).

Economic and financial performance by Business Area

(euro/million)		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenue from sales and services	1st half year 2009	387.8	32.6	90.4	25.4	536.2	(22.6)	513.6
	1st half year 2008 *restated*	419.5	46.6	92.1	28.6	586.8	(27.9)	558.9
	Year 2008 *restated*	1,058.7	118.1	190.4	70.3	1,437.5	(61.5)	1,376.0
Gross operating profit (GOP)	1st half year 2009	186.5	1.8	22.5	(1.1)	209.7	0.1	209.8
	1st half year 2008 *restated*	197.8	1.3	23.2	(0.9)	221.4	0.1	221.5
	Year 2008 *restated*	575.8	28.1	46.7	7.6	658.2	0.2	658.4
EBITDA	1st half year 2009	160.1	0.6	20.0	(1.3)	179.4	0.1	179.5
	1st half year 2008 *restated*	169.8	(0.2)	27.3	(1.1)	195.8	(0.1)	195.7
	Year 2008 *restated*	525.1	24.2	47.1	7.1	603.5		603.5
EBIT	1st half year 2009	42.5	(2.1)	9.2	(4.0)	45.6	-	45.6
	1st half year 2008 *restated*	64.7	(1.6)	20.8	(16.4)	67.5	0.1	67.6
	Year 2008 *restated*	303.6	(79.1)	33.2	(29.8)	227.9		227.9
Total assets	30 June 2009	4,318.9	225.6	264.3	311.3	5,120.1	(374.9)	4,745.2
	30 June 2008	4,297.7	345.3	261.6	480.8	5,385.4	(377.8)	5,007.6
	31 December 2008	4,399.2	199.0	262.2	321.5	5,181.9	(377.1)	4,804.8
Total liabilities	30 June 2009	3,568.6	126.1	95.4	293.9	4,084.0	(368.3)	3,715.7
	30 June 2008	3,738.0	163.2	91.5	317.5	4,310.2	(371.0)	3,939.2
	31 December 2008	3,774.6	104.5	93.2	299.3	4,271.6	(370.4)	3,901.2
Net invested capital	30 June 2009	3,510.0	147.7	110.9	20.7	3,789.3	(6.7)	3,782.6
	30 June 2008	3,617.9	235.0	122.6	158.6	4,134.1	(6.8)	4,127.3
	31 December 2008	3,645.9	139.0	115.5	26.6	3,927.0	(6.7)	3,920.3
Capital expenditure	1st half year 2009	21.2	0.5	2.7	1.6	26.0	(0.3)	25.7
	1st half year 2008	18.0	1.0	1.9	3.1	24.0	(0.3)	23.7
	Year 2008 *restated*	35.7	1.9	5.9	4.2	47.7	(0.3)	47.4
Average FTEs	1st half year 2009	1,369	726	2,538	407	5,040	-	5,040
	1st half year 2008 *restated*	1,389	916	2,477	421	5,203	-	5,203
	Year 2008	1,389	839	2,500	435	5,163	-	5,163
Average sales agents	1st half year 2009	1,726	-	23	32	1,780	-	1,780
	1st half year 2008 *restated*	1,635	-	131	33	1,799	-	1,799
	Year 2008 *restated*	1,666	-	79	32	1,777	-	1,777

Key performance indicators of the Group	1st half year 2009	1st half year 2008	Year 2008
Number of published directories			
PAGINEBIANCHE®	33	33	103
PAGINEGIALLE®	67	67	202
ThomsonLocal	58	58	174
Number of distributed directories (values in million)			
PAGINEBIANCHE®	9.8	10.1	26.7
PAGINEGIALLE®	8.2	8.5	22.4
ThomsonLocal	7.5	7.7	23.7
Number of visits (values in millions)			
uninterrupted site access for 30 minutes			
PAGINEBIANCHE.it	85.3	105.1	192.6
PAGINEGIALLE.it	69.1	43.7	102.3
TUTTOCITTA'.it	15.3	19.7	34.5
Europages.com	25.9	9.0	19.2

➔ Italian Directories

Market scenario

The SEAT Pagine Gialle S.p.A. is today a major multimedia platform offering to tens of millions of users detailed information and sophisticated search tools and to its advertisers a full range of multi-platform advertising methods (print-internet-voice). These include highly innovative internet products, print directories and directory assistance services, plus a large selection of complementary advertising services.
Business performance is however impacted by the macro-economic scenario and by the structure and regulation of the markets on which the Company operates.
Business in the first half of 2009 took place against a general slow-down in the Italian economy that in the first quarter of 2009 saw GDP fall 2.6% against the previous quarter and 6% against the first quarter of 2008. Indeed the OECD (Organisation for Economic Co-operation and Development) followed its March 2009 downward revision of its forecasts by further predicting that Italian GDP would drop 4.3% in June 2009, a figure it altered later to 5.5% owing to plummeting investment, a shrinking export market and the climate of uncertainty that will impact consumer spending. The economic crisis is having a very evident negative impact on the Italian advertising market in general with spend in the first 5 months of the year dropping 16.5% (source: Nielsen) as follows: press -22%, TV -15%, radio -18%. Only the internet is bucking this trend with advertising up 8%.
SEAT Pagine Gialle S.p.A. has risen to the challenge of a tough and complex market by focusing on developing its internet market and in the management of its customers. In the first six months of the year the Company outperformed its competitors thanks to its strong positioning on the internet where growth is predicted to remain robust thanks to product innovation and the increasing complementarity of its traditional and online businesses.

Revenue per product

			1st half year 2009 % on total revenue
Print	PAGINEGIALLE	classified directories of Italian business	29.0
	PAGINEBIANCHE	alphabetical directories	34.3
	TuttoCittà	road map of Italy	0.2
	Other print product		
Online	PAGINEGIALLE.it	search engine specilised in business searches	19.3
	Other online product		
Voice	89.24.24 Pronto PAGINEGIALLE	voice service which provides directory assistance value added services	5.5
	12.40 Pronto PAGINEBIANCHE	voice service which provides subscriber information service	
Total core revenue			88.3

Economic and financial performance

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008 restated	Change Absolute	%	Year 2008 restated
Revenue from sales and services	387.8	419.5	(31.7)	(7.6)	1,058.7
Gross operating profit (GOP)	186.5	197.8	(11.3)	(5.7)	575.8
EBITDA	160.1	169.8	(9.7)	(5.7)	525.1
EBIT	42.5	64.7	(22.2)	(34.3)	303.6
Net invested capital at the end of the period	3,510.0	3,617.9	(107.9)	(3.0)	3,645.9
Capital expenditure	21.2	18.0	3.2	17.8	35.7
Average workforce (FTE)	1,369	1,389	(20)	(1.4)	1,389

Revenue from sales and services for SEAT Pagine Gialle S.p.A amounted to € 387.8 million in the first half of 2009, a drop of 7.6% over the same period 2008. This reflected the 5.7% fall in the performance of core business (print-internet-voice) against the first half of 2008 *restated*, although the drop was lower than that of total revenue thanks in particular to the material growth in internet business (+40.6%), which was buoyed up by continuing product innovation. The improvement allowed faster than planned evolution of the revenue mix, from print to internet .

As in previous quarters, Italian Directories income was affected by shrinking revenues from other products (B2B, direct marketing and promotional goods), all of which were hit harder by the slow-down in the Italian economy and by the refocus of the sales teams on core and particularly online products.

a) **Core revenue** amounted to € 342.5 million in the first half of 2009, down € 20.7 million against the first half of 2008 *restated* (€ 363.2 million) as follows
   - *print* revenue to € 246.0 million in the first half of 2009, down 14.6% against the first half of 2008 *restated*, the second quarter dipping slightly (-15.2%) against the first quarter of the year (-12%). This was primarily caused by a worsening market and by the fact that the second quarter of the year is impacted by results on large city directories, particularly affected by the crisis. Revenue fell at both PAGINEGIALLE® and PAGINEBIANCHE® as the recession is causing some companies to put off renewal of their advertising contracts or to transfer part of their advertising and promotional budgets from print directories to more innovative internet services. The most noticeable effect of the recession has been on the small number of high spender advertisers, while its impact has been far less apparent in the SME sector, which forms the Company's core business and accounts for over 67% of total revenue.

     The development of a number of strategic initiatives through the second quarter of 2009 and will be implemented in the next few months to support print directory sales by e.g. simplifying the product range, enriching content and ensuring more efficient and comprehensive distribution of products to users.

     As announced in the "2008 Annual Report", as part of the move to simplify the product portfolio, the local editions of InZona and Idee InVacanza have been suspended.

- *internet* revenue to € 75.0 million in the first half of 2009, up 40.6% on the first half of 2008 *restated*, a half year that had felt the impact of the Company's decision to postpone the marketing focus onto internet products in the second half of 2008.
  The growth in online business revenue, coming after a very strong second half in 2008 (+27.6%), continued into the second quarter of 2009 (+37.3%), this being the fourth consecutive quarter to show over 30% improvement. The further expansion in revenue after the first half of 2008 was mainly the result of the new internet services, although traditional services also made a positive contribution (+9%) to the general increase. Marketing of the new internet services has been supported over recent months by intensive training of the sales force that now focus on new products launched since the second half of 2008 (advertisers can now diversify and personalise their visibility on SEAT Pagine Gialle S.p.A. websites instead of on the big search engines by tapping into the potential of the internet ecosystem). In this connection SEAT Pagine Gialle S.p.A signed an agreement with Google in March 2009 to become the authorised agent for Italy of Google AdWords™.
  In the second quarter of 2009 advertisers became able to: *i)* publish videos visual on YouTube (the world leader in online video), exploiting its increasing use and reaching new markets; *ii)* personalise their advertising message by selecting keywords and business sectors for their advertising campaigns; *iii)* adjust their video spots by adding pay content on the PAGINEBIANCHE.it® website under "*Contact Site*"; and *iv)* to personalise their sites by changing text and photo online. Agents now have new IT tools to improve client interface and ensure the success of business negotiation. "Key Generator" is a new tool allowing agents to select through Search Engine Optimization the keywords best suited to the client's business and that will improve his success rates.
  This strategy, taken in conjunction with the refurbishment of all the SEAT Pagine Gialle S.p.A. websites, completed in September 2008, increased PAGINEGIALLE.it® hits in the first half of 2009 to around 69.1 million, up 62.8% on the first half of 2008. The rise was partly the result of visits directly to proprietary websites (+81.9%), which after the January record high (12.4 million), settled down at a slightly lower level. The present level when the novelty factor of the new website ended. The present level is nevertheless a major step forward since it has brought with it a much wider internet public (on average 3 million more users a month) than in the past. Hits redirected from partner sites have fallen since the end of the agreement with the Telecom Italia group but this has been more than offset by SEO (Search Engine Optimization) business that in the first half of 2009 generated about 31% of all consultations. About 87.6% of all PAGINEGIALLE.it® consultations are on proprietary websites, a significant rise on the 78.4% figure for the first half of 2008 and evidence of the importance of SEAT Pagine Gialle brand identity within the internet ecosystem.
  At the end of March 2009 an advertising campaign was launched to promote the Company as the ideal internet partner for SMEs, giving companies an incentive to advertise through SEAT Pagine Gialle's online platforms during an economic downturn. The campaign, concluded at the end of July, involved the main daily press and magazines and key Italian high-visibility internet sites.

- *voice:* € 21.4 million for 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE™ (down 0.9% against the first half of 2008 *restated*). This reflects the improvement in the second quarter of 2009 (13.5% above that for the same period 2008) and was significantly better than the first quarter when revenues suffered (-17.3% against first quarter of 2009) from the rescheduling of sales campaigns and the refocus of the sales teams on migrating revenue from print to internet.

Average value per advertiser rose thanks to multimedia products that send visuals (photos, logos and maps of company locations) to callers' mobile phones and on variable pricing (89.24.24 Premium), which links cost with performance, particularly for new clients. In June 2009 the Company launched a mobile version of PAGINEGIALLE® that enables all smartphone and internet-enabled phones to access the SEAT Pagine Gialle database, increasing advertisers' visibility. About mobile strategy, an iPhone application, free from AppStore, has been developed with a particularly intuitive interface designed to make the most of this revolutionary technology and its technical features such as multi-touch display, GPS and high-speed internet access.

b) **Business to Business** revenue amounted to € 2.4 million, down € 3.5 million over the same period 2008. This reflects the refocus of the sales force on core products and the review of products (from multimedia to internet only) in line with the trend on all leading B2B markets. The move has simplified brands by not publishing "Annuario SEAT" or "PAGINEGIALLE Professional®" in 2009, while Annuario Kompass became part of Consodata's product portfolio. The Company also aims to migrate current clients using B2B products being discontinued this year to similar products sold by other Group companies, e.g. Europages.

c) **Other products** revenue amounted to € 41.1 million, down against the first half of 2008 *restated* (€ 49.0 million). This included € 31.8 million from 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE™ services, down 12.3% against the first half of 2008 *restated* but essentially in line with first quarter of 2009. The consolidation of the directory assistance market has inevitably led to fewer calls. However, the quality offered by SEAT Pagine Gialle S.p.A. has enabled the company to increase market share to an estimated 58%.
Direct marketing and merchandising revenue fell to € 4.5 million (€ 9.7 million in the first half of 2008 *restated*), being particularly sensitive to the recession and suffering from the refocus of sales on core products.

Materials and external services amounted to € 157.1 million in the first half of 2009 (down € 20.2 million over the same period 2008 *restated*). *Industrial costs* dropped € 12.0 million to € 59.0 million in the first half of 2009 as revenue fell. The 15.4% reduction against the first half of 2008 in the number of directories printed cut raw materials (-€ 3.0 million) and production costs (-€ 7.6 million). The decrease in the number of calls to 12.40 Pronto PAGINEBIANCHE™ and 89.24.24 Pronto PAGINEGIALLE® cut € 1.7 million from call center inbound costs. *Commercial costs* also went down (by € 6.8 million to € 63.8 million) owing to lower spending on advertising (-€ 3.3 million) and lower commission and other sales expenses (-€ 2.5 million). *Overheads* were essentially stable (-€ 1.4 million to € 34.3 million), thanks mainly to the absence of rent on the old offices in Turin. At the beginning of 2009 the Company moved to its new headquarters in Turin, Corso Mortara, which were acquired using financial leases.

Salaries, wages and employee benefits, net of recovered costs on personnel seconded to other Group companies, totalled € 44.2 million in the first half of 2009, essentially unchanged since the first half of 2008 *restated* (€ 44.4 million).
At 30 June 2009 the workforce, including administrators, project workers and trainees, totalled 1,468 personnel (1,444 personnel at 31 December 2008 *restated*). The average workforce in the first half of 2009 was 1,369 units (1,389 units in the first half of 2008), with fewer project workers and trainees than before (28 units down on the first half of 2008 *restated*).

GOP amounted to € 186.5 million in the first half of 2009, down 5.7% over the same period 2008 *restated* (€ 197.8 million) owing to lower revenue only in part offset by lower costs. Revenue has fallen with the recession, braked by the sharp rise in internet products and a tight grip on operating costs that have lifted GOP on revenue to 48.1% from 47.2% in the first half of 2008 *restated*.

EBITDA amounted to € 160.1 million end June 2009, a drop of 5.7% against the first half of 2008 *restated*, with 41.3% ratio on revenue (40.5% in the first half of 2008 *restated*). The contraction over the first half of 2009 (-€ 9.7 million) is smaller than that recorded at GOP (-€ 11.3 million) owing to less other valuation adjustments (-€ 1.4 million). This has kept provisions for bad debt essentially unchanged during a continuing recession that has not yet however had any major impact on credit quality.

Operating amortisation, depreciation and write down amounted to € 8.7 million up over the half to € 24.1 million when compared with the same period 2008 *restated*. This was caused by the significant investments made in recent years. The item includes € 2.1 million for the Turin, Corso Mortara, property to which the Company moved its head office end December 2008.

Non-operating amortisation, depreciation and write-down amounted to € 81.0 million in the first half of 2009, unchanged over the same period 2008 *restated*. This refers to the Customer Databases.

Non-recurring and restructuring costs amounted to € 12.5 million in the first half of 2009 (€ 8.6 million in the first half of 2008 *restated*), of which € 8.2 million accrual to the company restructuring fund formed in 2008 to pay for the 2009-2011 Reorganisation Plan approved by the Board and agreed by the unions at end of December 2008 that will generate about 210 redundancies over the period 2009-2011 through early retirement and use of the Cassa Integrazione Guadagni Straordinaria (Special Wage Guarantee Fund). The item also included € 3.8 million in non-recurring charges for support provided to the management of the parent company during the development of cost-cutting and organisational improvement policies.

EBIT amounted to € 42.5 million in the first half of 2009 (€ 64.7 million in the first half of 2008 *restated*). The drop against the same period last year reflected not only the factors already mentioned with regard to EBITDA but also higher operating depreciation and amortisation and higher non-recurring and restructuring costs as described above.

Net invested capital amounted to € 3,510.0 million at 30 June 2009 (down € 135.9 million against 31 December 2008) of which € 3,352.0 million fixed assets and € 248.9 million current working capital.

Capital expenditure amounted to € 21.2 million in the first half of 2009, up € 3.2 million on the first half of 2008 (€ 18.0 million) was focused in two main areas:

- consolidating the new CRM (Customer Relationship Management) system by gradual roll-out of a Front-End system for the Sales Force;
- implementing the Marketing Plan by launching new Print, Internet, Voice and Mobile actions. The plan is expected to be complete by end 2009.

In January 2009 the CRM project went live for SFE and SAP following significant application of the Company's resources to bring all involved processes (administrative and commercial, particularly) up to standard by improving functionalities and creating interfaces with other systems.
At the technological/structural level, the project to create a virtual Data Center for SEAT Pagine Gialle S.p.A. was launched in the first half of the year, aiming to rationalise servers and company systems testing and production and to decommission obsolete, under-performing hardware with high maintenance costs.

Regulations

There has been no change during the first half year of 2009 compared to what disclosed in the "2008 Annual Report".

➔ UK Directories

Market scenario and strategic positioning

The Thomson group, which has been present on the UK directories market since 1980, became part of the SEAT Pagine Gialle group end 2000. At present it has about 750 employees and prints 173 Thomson Local editions, 24 million copies of which are distributed throughout the UK. It is the third largest UK directories company after Yell and British Telecom.
In 2009 the Thomson group was faced with a particularly difficult and complex market. The UK economy, whose GDP had been basically stable throughout 2008 (+3.1% in 2007), contracted by 4.9% in the first quarter of 2009 (source: Eurostat). This affected all media operators in the country, making the directories market even more competitive than before. The Thomson group coped with the new environment by continuing its rationalising and restructuring policy and in June 2009 began a strategic review of Thomson group business.

Business Area structure

MAIN COMPANIES

TDL Infomedia Ltd.

Thomson Directories Ltd.

Calls You Control Ltd.

Thomson Directories Pension Company

Main company events

There were no major events in the first half of 2009.

Economic and financial performance

In the second half of 2008 the Board of Thomson Directories Ltd. decided stop the business of its subsidiary Calls You Control. Figures for this company have been reclassified under "Non-current assets held for sale and discontinued operations".

The following table shows the main results for the first half of 2009 compared to the same period 2008 *restated* in accordance with IFRS 5 to enable consistent comparison of items.

(euro/million)	1st half year 2009	1st half year 2008 restated	Change Absolute	Change %	Year 2008 restated
Revenue from sales and services	32.6	46.6	(14.0)	(30.0)	118.1
Gross operating profit (GOP)	1.8	1.3	0.5	38.5	28.1
EBITDA	0.6	(0.2)	0.8	n.s.	24.2
EBIT	(2.1)	(1.6)	(0.5)	(31.3)	(79.1)
Net invested capital at the end of the period	147.7	235.0	(87.3)	(37.1)	139.0
Capital expenditure	0.5	1.0	(0.5)	(50.0)	1.9
Average workforce (FTE)	726	916	(190)	(20.7)	839

Revenue from sales and services amounted to € 32.6 million in the first half of 2009 (GBP 29.1 million). The fall over the first half of 2008 *restated* (-30.0%) resulting from the sterling/euro exchange rate was lower (-19.4%) in local currency.
The contraction in revenue was greatest for clients requiring national coverage (especially banks that have been the biggest sufferers in the credit crunch) and for clients served by local sales teams.
At product level, print directory revenue fell heavily by the end of the first half year and sales of advertising space under the Nectar loyalty programme also began to slide owing to the deep recession in the UK.
The economy had a bad effect also on those product lines that had previously shown the greatest potential for growth: online business in sterling terms ended the first half year down 4.9% (+4.7% in the first half year of 2008 *restated*) while business information revenue dropped 8.7% (+3.4% in the first half of 2008 *restated*).

The Thomson group dealt with lower sales by cutting operating costs through increased internal efficiency. It also continued the review of its organisational structure by shedding yet more staff following its end December 2008 redundancies. **GOP** in the first half of 2009 therefore increased € 0.5 million (+GBP 0.6 million) against the first half of 2008 *restated*, thanks to the € 9.6 million reduction in salaries, wages and employee benefits (-36.0%) and a € 2.2 million decrease in advertising spend (-66.7%).

Average workforce (726 units in the first half of 2009) was 190 units below the same period 2008 *restated*, result of the review activities of the organisational structure described above.

EBITDA mirrored GOP (€ 0.6 million in the first half of 2009 and negative for € 0.2 million in the first half of 2008 *restated*) but **EBIT** for the first half of 2009 (negative for € 2.1 million, negative for € 1.6 million in the first half of 2008 *restated*) felt the impact of the € 1.9 million in restructuring costs (zero in the first half of 2008 *restated*), incurred during the downsizing plan put in place in the first half.

Net invested capital for the Thomson group totalled € 147.7 million at 30 June 2009 up € 8.7 million at 31 December 2008, of which € 145.5 million goodwill and € 14.2 million a defined-benefit pension fund (€ 10.6 million at 31 December 2008).

Regulations

There has been no change during the first half year of 2009 compared to what disclosed in the "2008 Annual Report".

Directory Assistance

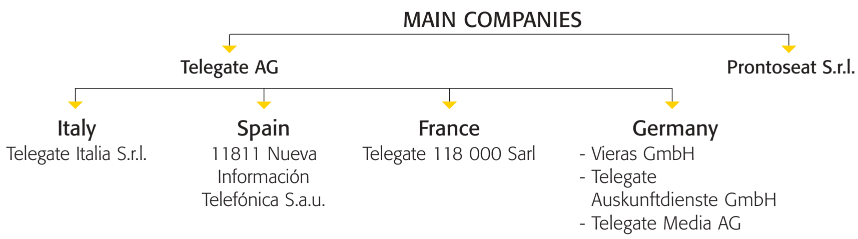
Market scenario and strategic positioning

Directory Assistance as a Business Area provides information services by telephone through Telegate AG's German group and Prontoseat S.r.l, the direct subsidiary of SEAT Pagine Gialle S.p.A..

The Telegate group operates in a number of European directory assistance markets with varying levels of maturity. The group's core market of Germany is suffering falling call numbers year-on-year. Telegate, which operates the 11880 portal and is the country's biggest operator after Deutsche Telekom, the former incumbent, has pursued a product enrichment strategy, offering added value services that have grown its market share. To cope with a falling market the group has also launched an online search engine that relies on the strength of its brand and the quality of its database, and has geared the sales organisation towards advertising sales. 2008 and the first few months of 2009 saw the merger of Telegate Media AG, an online directory company acquired at the start of 2008 to speed up the multi-channel strategy. To cope with a falling market and fewer calls in Spain, Telegate has launched a voice/internet multi-channel product.

Prontoseat S.r.l. operates call centers in outsourcing and together with the Italian subsidiary of the Telegate group manages 89.24.24 Pronto PAGINEGIALLE® for SEAT Pagine Gialle S.p.A. and other back-office services for the SEAT Pagine Gialle group on an outsourcing basis.

Business Area structure



Main company events

- Effective 22 January 2009, 11880.com GmbH (wholly owned by Telegate AG via Datagate GmbH) changed its name to Vieras GmbH.
- In March 2009 the squeeze-out voted by the Shareholders' Meeting of Telegate Media AG in December 2008 came into effect when the resolution was recorded in the Companies Register. Telegate AG was thus able to acquire all outstanding shares to become the sole shareholder in Telegate Media AG.
- On 27 May 2009 the Telegate AG Shareholders' Meeting voted to distribute a dividend of € 0.70 per share. At the same they also voted to amend the company's articles of association to: *i)* extend the exercise period for stock options under the current stock option plan from 2010 to 30 June 2013, and *ii)* change the corporate purpose to make it flexible enough to cope with future Company developments.

Economic and financial performance

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008	Change Absolute	Change %	Year 2008
Revenue from sales and services	90.4	92.1	(1.7)	(1.8)	190.4
Gross operating profit (GOP)	22.5	23.2	(0.7)	(3.0)	46.7
EBITDA	20.0	27.3	(7.3)	(26.7)	47.1
EBIT	9.2	20.8	(11.6)	(55.8)	33.2
Net invested capital at the end of the period	110.9	122.6	(11.7)	(9.5)	115.5
Capital expenditure	2.7	1.9	0.8	42.1	5.9
Average workforce (FTE)	2,538	2,477	61	2.5	2,500

In first half of 2009 **revenue from sales and services** for Business Directory Assistance totalled € 90.4 million, down 1.7% against the first half of 2008 (€ 92.1 million).

EBITDA decreased € 7.3 million against the first half of 2008 to € 20.0 million.

For further details, see the analysis by company and geographic area below.

Telegate group

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

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008	Change Absolute	Change %	Year 2008
Revenue from sales and services	84.6	86.4	(1.8)	(2.1)	178.8
Gross operating profit (GOP)	21.9	22.5	(0.6)	(2.7)	45.1
EBITDA	19.6	26.7	(7.1)	(26.6)	46.1
EBIT	8.9	20.4	(11.5)	(56.4)	32.7
Net invested capital at the end of the period	90.5	104.5	(14.0)	(13.4)	96.8
Capital expenditure	2.7	1.7	1.0	58.8	5.5
Average workforce (FTE)	2,195	2,132	63	3.0	2,161

Revenue from sales and services amounted to € 84.6 million in the first half of 2009, a drop of 2.1% over the same period 2008. At constant consolidation scope (Telegate Media AG was consolidated on 1 April 2008) the fall was 8.2%.
The following is an analysis of revenue by geographic area:

Germany: € 61.5 million in the first half of 2009 (€ 58.8 million in the first half of 2008), +4.6% partly thanks to the contribution made by Telegate Media AG (€ 10.6 million in the first half of 2009, € 3.7 million in the first half of 2008). At constant consolidation scope, German revenues suffered from fewer national and international call numbers although VAS (value-added service) calls (e.g. for weather and traffic information) rose by more than 50% against the first half of 2008.
The consolidation of Telegate Media AG within the Telegate group sped up the growth of internet revenue, which rose from € 6.7 million in 2008 to € 11.4 million in 2009 (+70.1%) so that the Group is now a "One-stop shop" for SME advertising based on the Telegate Media brand. The 2008 partnership with Google has continued, with Telegate AG now being the authorised sales agent for Google AdWords™ to German SMEs.
Telegate also leads the mobile internet market thanks particularly to the success of "*klickTel for iPhone*". This was launched in February 2009 to immediate success, reaching 200,000 users and notching up a record high for hits on the Telegate Media website in June 2009. Telegate is therefore the only company offering a local search application for smartphones using the iPhone, Android, Windows Mobile and Blackberry operating systems.

Spain: the fall in revenue in the first half of 2009 as compared with the same period 2008 (-16.2%) was caused by the drop in the number of calls to 11811, a drop not offset by average call times. Despite the recession, internet revenue followed the general trend by continuing to grow, thanks also to the co-operation with QDQ Media SAU (the second largest directories company in Spain) aimed at integrating new technologies and developing a web platform for 11811.

Italy: the fall in revenue reflected the decrease in the number of calls to 12.40 Pronto PAGINEBIANCHE™ in particular (-14%).

France: Telegate's 118 000 line produced revenue that were lower than in the first half of 2008 (-18.2%) as voice calls plummeted after the company's decision to cut its advertising budget (-45% against the first half of 2008). Online business continued to grow however with ever increasing numbers of visitors to the website month-on-month and internet revenue as a proportion of total revenue rising to 8% from 1% in the first half of 2008.

GOP amounted to € 21.9 million in the first half of 2009, down € 0.6 million over the same period 2008, mainly because of the € 4.4 million rise in salaries, wages and employee benefits that were only in part offset by lower service costs.
Service costs were contained (-€ 5.7 million against the first half of 2008) by lower spending on advertising (-€ 3.7 million against the first half of 2008) and on call center services (-€ 2.4 million following the drop in the number of directory assistance calls). Salaries, wages and employee benefits rose with the consolidation of Telegate Media AG (an increase of € 2.9 million compared to the first half of 2008) and with the expansion of the internet sales force under the new business model.

EBITDA amounted to € 19.6 million in the first half of 2009, down € 7.1 million over the same period 2008, sliding against GOP. EBITDA for the first half of 2008 had benefited from a € 5.5 million pay-out to the Telegate group at the end of an action against Deutsche Telekom to recover overpayments made by Telegate to Deutsche Telekom for the supply of telephone subscriber data.

EBIT amounted to € 8.9 million in the first half of 2009, down € 11.5 million over the same period 2008. Operating result was hit by € 1.3 million non-recurring costs on the merger of Telegate Media AG into the Group, by the rationalisation of call centers and non-operating amortisation and depreciation following the purchase of Telegate Media AG. In 2008 these had impacted only the second quarter of the year (+€ 3.2 million).

Net invested capital for the Telegate group amounted to € 90.5 million at 30 June 2009 (of which € 88.8 million goodwill and customer databases), down € 6.3 million against 31 December 2008. This was imputable to impairment of residual goodwill (€ 2.4 million) recognised in Telegate's French subsidiary (118 000 Sarl) at the start of the period and (€ 1.6 million) to the amortisation of the customer databases. Operating working capital also dropped (-€ 1.3 million).

Capital expenditure amounted to € 2.7 million in the first half of 2009 (€ 1.7 million in the first half of 2008), in line with the Group's development plans. As in the previous financial year, spending was focused on improving call center productivity by developing their technological infrastructure.

Average workforce was 2,195 units in the first half of 2009 (2,132 units in the first half of 2008). The 63 employee increase was undertaken to the contribution made by Telegate Media AG consolidation, consolidated in April 2008, and to increase internet staff but these effects were partly compensated by the cut in the number of German telephone operators.

Prontoseat S.r.l.

Wholly owned by SEAT Pagine Gialle S.p.A.

The following table compares the main results for the first half of 2009 compared to the same period in 2008

	1st half year	1st half year	Change		Year
(euro/million)	2009	2008	Absolute	%	2008
Revenue from sales and services	5.8	5.7	0.1	1.8	11.7
Gross operating profit (GOP)	0.5	0.7	(0.2)	(28.6)	1.6
EBITDA	0.4	0.6	(0.2)	(33.3)	1.0
EBIT	0.2	0.3	(0.1)	(33.3)	0.5
Net invested capital at the end of the period	0.7	0.9	(0.2)	(22.2)	1.5
Capital expenditure	0.1	0.2	(0.1)	(50.0)	0.3
Average workforce (FTE)	343	345	(2.0)	(0.6)	340

Revenue from sales and services amounted to € 5.8 million in the first half of 2009, slightly up over the same period 2008 (+€ 0.1 million) thanks to higher outbound call numbers (+16% against the first half of 2008).

GOP amounted to € 0.5 million in the first half of 2009, down € 0.2 million over the same period 2008 because of higher salaries, wages and employee benefits that increased 9.5% following the introduction of new call center operator contracts.

This also impacted **EBITDA** (€ 0.4 million in the first half of 2009, down € 0.2 million over the same period 2008) and **EBIT**.

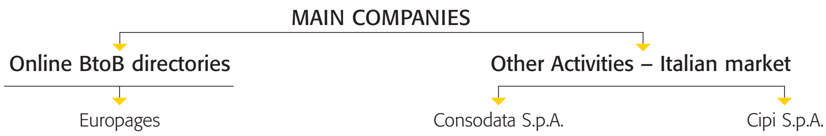
Regulations

There has been no change during the first half year of 2009 compared to what disclosed in the "2008 Annual Report".

➔ Other Activities

Business Area structure

This is a residual Business Area into which fall all activities that do not come under the previous areas. It is organised as follows



Main company events

In October 2008, SEAT Pagine Gialle S.p.A. announced it would be exercising its call option under the September 2005 agreement with Promoinvestments S.r.l., CI.FIN. S.r.l. and the vendors from whom it had at the same time acquired 51% of Cipi S.p.A. to purchase the remaining 49% of the share capital of Cipi S.p.A. not already in its hands.
Thereafter SEAT Pagine Gialle S.p.A. and the current sole minority shareholder of Cipi S.p.A., CI.FIN. S.r.l., discussed the possibility of extending their collaboration within Cipi S.p.A. (thus possibly rendering ineffective SEAT Pagine Gialle S.p.A.'s decision to exercise its call option). However as an agreement could not be reached over either the collaboration or the determination of the enterprise value of Cipi S.p.A., under clause 2.4 of the option agreement each party asked the Chairman of Borsa Italiana S.p.A. to name an investment bank to decide the company's enterprise value. In response to the request, the Chairman of Borsa Italiana S.p.A. named Leonardo & Co. S.p.A., a Subsidiary of Gruppo Banca Leonardo S.p.A., as the investment bank that would decide the enterprise value of Cipi S.p.A., and on 15 June 2009 the bank accepted the appointment made jointly by SEAT Pagine Gialle S.p.A. and CI.FIN S.r.l, undertaking to report the enterprise value of Cipi S.p.A. by 30 September 2009.

Economic and financial performance

The following table shows the main figures for the first half of 2009 compared to the same period in 2008 *restated* in accordance with IFRS 5, to reflect to exposure of the WLW income statement under "Non current assets held for sale and discontinued operations" and allow a consistent comparison of items

(euro/million)	1st half year 2009	1st half year 2008 restated	Change Absolute	%	Year 2008
Revenue from sales and services	25.4	28.6	(3.2)	(11.2)	70.3
Gross operating profit (GOP)	(1.1)	(0.9)	(0.2)	(22.2)	7.6
EBITDA	(1.3)	(1.1)	(0.2)	(18.2)	7.1
EBIT	(4.0)	(16.4)	12.4	75.6	(29.8)
Net invested capital at the end of the period	20.7	158.6	(137.9)	(86.9)	26.6
Capital expenditure	1.6	3.1	(1.5)	(48.4)	4.2
Average workforce (FTE)	407	421	(14)	(3.3)	435

The following is an examination of these figures as they relate to the companies in the Business Area.

Europages

SEAT Pagine Gialle S.p.A. stake 93.562%

Europages publishes "Europages", the pan-European BtoB directory for importers and exporters.
The multilingual search tool was started in 1982 as a print directory, later supplemented by a CD-ROM version (1993) and after that by a website (1995). Today it is available online only at www.europages.com.

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008	Change Absolute	%	Year 2008
Revenue from sales and services	9.0	7.6	1.4	18.4	19.9
Gross operating profit (GOP)	(0.3)	(2.7)	2.4	88.9	(1.3)
EBITDA	(0.4)	(2.8)	2.4	85.7	(1.4)
EBIT	(1.6)	(13.6)	12.0	88.2	(30.4)
Net invested capital at the end of the period	6.6	24.0	(17.4)	(72.5)	7.5
Capital expenditure	0.2	0.9	(0.7)	(77.8)	1.0
Average workforce (FTE)	124	139	(15)	(10.8)	135

EUROPAGES

In the first half of 2009 **revenue from sales and services** totalled € 9.0 million, up € 1.4 million over the same period 2008 thanks to improved revenue from Italy and France. Europages is now benefiting from the investments in its internet portal. Results have been good in terms of visits (25.9 million in the first half of 2009, 2.9 times the figure for the first half of 2008) with about 54.5 million searches (26.1 million in the first half of 2008). Page views also rose significantly in the first half of the year from 52 to 87 million.

GOP was negative for € 0.3 million in the first half of 2009. This was a significant improvement on the first half of 2008 and resulted from higher revenue, lower salaries, wages and employee benefits (down € 0.5 million over the same period 2008) and a delay in advertising expense until the second half of the year.

EBIT was negative for € 1.6 million; reflected operating depreciation and amortisation that is essentially in line with the figures for the first half of 2008. EBIT for the first half of 2008 (negative for € 13.6 million) included € 10 million in goodwill impairment.

Capital expenditure amounted to € 0.2 million in the first half of 2009 (€ 0.9 million in the first half of 2008). It was mainly IT investment to terminate and update the website. Although down on the previous financial year, figures are in line with plan.

Consodata S.p.A.

Wholly owned by SEAT Pagine Gialle S.p.A.

Consodata S.p.A. has been an Italian leader in one-to-one marketing and geomarketing for over 20 years, offering a full range of innovative marketing services targeted at thousands of companies in all sectors. Consodata S.p.A. provides its customers with access to its database, enabling them to take decisions based on the habits of millions of consumers and using advanced marketing intelligence tools.

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008	Change Absolute	%	Year 2008
Revenue from sales and services	9.4	13.0	(3.6)	(27.7)	27.1
Gross operating profit (GOP)	0.1	2.5	(2.4)	(96.0)	5.4
EBITDA	0.1	2.4	(2.3)	(95.8)	5.2
EBIT	(1.1)	1.3	(2.4)	n.s.	3.0
Net invested capital at the end of the period	5.4	9.0	(3.6)	(40.0)	8.1
Capital expenditure	1.4	1.6	(0.2)	(12.5)	2.5
Average workforce (FTE)	115	110	5	4.5	112

In the first half of 2009 **revenue from sales and services** totalled € 9.4 million, a drop of 27.7% against the first half of 2008 caused by falling sales to SMEs through SEAT Pagine Gialle S.p.A. and in direct sales by the company to its own Key Customers. The recession hit sales across the board and themed publications in particular. Direct marketing products suffered from the new privacy regulations issued in 2008 restricting the company's use of data.
Consodata took the Kompass product range into its portfolio on 1 April 2009. Previously managed by SEAT Pagine Gialle S.p.A., Kompass provides specialist database services on companies, products and executives world-wide and had its own dedicated sales network (now part of the Consodata network). Revenue from this product line in the second quarter totalled about € 1.2 million, with zero operating margin.

The fall in revenue and the changed mix impacted **GOP** (€ 0.1 million in the first half of 2009), down € 2.4 million against the first half of 2008. The impact on revenue also fell from 19% in the first half of 2008 to 1% in the first half of 2009 mainly owing to unchanged salaries, wages and employee benefits despite lower revenue.

EBITDA and **EBIT**: € 0.1 million and -€ 1.1 million respectively in the first half of 2009, with the same trends as GOP.

Capital expenditure amounted to € 1.4 million in the first half of 2009, fell € 0.2 million against the first half of 2008 being € 0.4 million the purchase of Kompass from SEAT Pagine Gialle S.p.A..

Average workforce increased by 5 units from 110 units in the first half of 2008 to 115 units in the first half of 2009 as a result of the expansion of Sales area.

Cipi S.p.A.

SEAT Pagine Gialle S.p.A. stake 51%

Cipi S.p.A. sells promotional items and corporate gifts, covering the entire value chain from the import of the item to their personalisation with the client's logo and direct sale or sale via the Parent Company to the end client.

The following table shows the main results for the first half of 2009 compared to the same period in 2008

(euro/million)	1st half year 2009	1st half year 2008	Change Absolute	Change %	Year 2008
Revenue from sales and services	7.0	8.0	(1.0)	(12.5)	23.3
Gross operating profit (GOP)	(1.0)	(0.6)	(0.4)	(66.7)	3.5
EBITDA	(1.0)	(0.7)	(0.3)	(42.9)	3.3
EBIT	(1.4)	(4.1)	2.7	65.9	(2.4)
Net invested capital at the end of the period	8.4	10.4	(2.0)	(19.2)	10.6
Capital expenditure	0.1	0.3	(0.2)	(66.7)	0.6
Average workforce (FTE)	166	171	(5)	(2.9)	187

Business emotion.

Revenue from sales and services amounted to € 7.0 million in the first half of 2009, down € 1.0 million against the first half of 2008.
The recession has hit almost all product lines, both those sold through the company's sales network and those sold through the SEAT Pagine Gialle S.p.A. agent network. Sales of imported and personalised items rose although these are low-margin items.

Falling revenue and the change in the mix led to **GOP** contraction of € 1.0 million in the first half of 2009 (negative for € 0.6 million in the first half of 2008) despite operating efficiencies and lower salaries, wages and employee benefits (negative for € 0.4 million over the same period 2008).

EBITDA was negative for € 1.0 million in the first half of 2009, following the GOP trend.

EBIT, negative for € 1.4 million in the first half of 2009, showed a € 2.7 million improvement over the first half of 2008. The financial year 2008 has suffered from a € 3.0 million goodwill impairment.

Other information

Human Resources

SEAT Pagine Gialle group

	At 30.06.2009	At 31.12.2008	Change
Employees	6,328	6,443	(115)
Directors, project workers and trainees	100	89	11
Total workforce at the end of the period	**6,428**	**6,532**	**(104)**
	1st half year 2009	1st half year 2008 restated	Change
Average workforce for the period (FTE)	5,040	5,203	(163)

The Group's workforce at 30 June 2009 totalled 6,428 personnel, down 104 personnel over 31 December 2008.
Average FTEs over the first half was 5,040 units (5,203 units in the first half of 2008 *restated*). The average figure is significantly lower than the period-end workforce figure owing to the wide-spread use of part-time workers, particularly in call centers.

Period-end falls in workforce and FTE drops over the entire period, were both mainly in the UK.

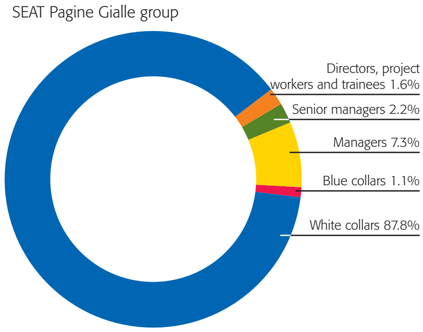
For details of salaries, wages and employee benefits and staffing levels, go to the "Report on Operations, paragraph Economic and financial performance by Business Area".

SEAT Pagine Gialle S.p.A.

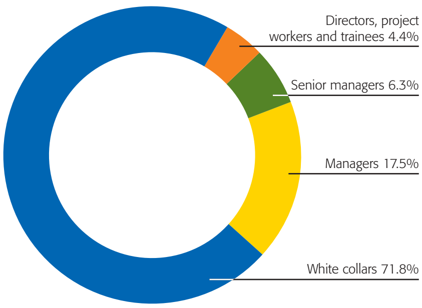
	At 30.06.2009	At 31.12.2008	Change
Employees	1,404	1,374	30
Directors, project workers and trainees	64	70	(6)
Total workforce at the end of the period	**1,468**	**1,444**	**24**
	1st half year 2009	1st half year 2008	Change
Average workforce for the period (FTE)	**1,369**	**1,389**	**(20)**

At 30 June 2009 the SEAT Pagine Gialle S.p.A workforce was 1,468 personnel, up slightly since the end of the previous financial year despite reorganisation.
Average workforce (1,369 units in the first half of 2009) dropped 20 units from the first half of 2008 owing to less use of project workers and trainees.
The rise in the workforce since 31 December 2008 was caused by new hirings to reduce consultancy costs and to acquire skills in strategic business areas, especially Internet Management.
The 2009-2011 Reorganisation Plan approved by the Board and agreed by the unions end 2008 did not impact the first half of 2009 and the redundancies forecast for end June 2009, in connection with the request for assistance from the *Cassa Integrazione Guadagni and Prepensionamenti* (Wage Guarantee and Early Retirement Fund) sent to the Labour Ministry in January 2009, will take place in July.
The figures for average age, qualifications and seniority remain in line with those for 2008 (average age is below 42, over 33% of employees have under 5 years' seniority).

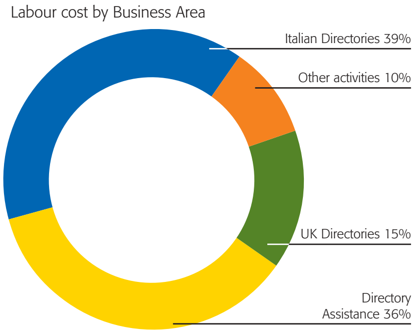
SEAT Pagine Gialle group



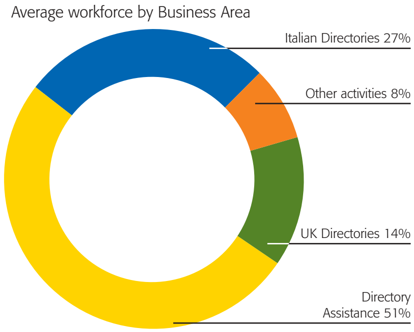
SEAT Pagine Gialle S.p.A.



Labour cost by Business Area



Average workforce by Business Area



Sales network

The SEAT Pagine Gialle S.p.A. sales network comprises 1,681 agents and 110 employees (1,618 agents and 102 employees at 31 December 2008) organised into two divisions that are themselves organised to reflect customer segmentation and market potential: "Key Accounts and Top Customers", and "SME and Local Sales".
For more details of the organisation of the sales network, go to the "Report on Operations of 2008 Annual Report".

Development of the organisation and benefits

Focus on the personal and professional development of its employees and sales force remains central to the SEAT Pagine Gialle's Human Resources policy. As in previous years, the performance review for 2008 has been completed, involving over 90% of the workforce.
Training meetings of *assessors* and *assessed* and a company internet campaign were run at the same time to support the reviews and to disseminate the performance culture, through the corporate intranet, like last years.
A study was also carried out with the aim of rationalising employee benefits, not only to contain costs to the company but also in order to improve the benefits themselves. This has led to changes in private health care insurance and/or in accounting procedures for expenses (transfers, fuel, use of company cars), which have been simplified.

Internal communication and the new headquarters

In the first half of 2009 the work on the new headquarters in Turin was completed and the Free Flow Light Caffetteria and the Auditorium were opened. The new headquarters were officially inaugurated in March 2009 in the presence of the City Council and the Board of the Company.
Business Web TV continued to operate over the half, establishing itself as a news channel reporting on Company policy within a changing business environment.
A number of charitable campaigns were also run, involving all SEAT Pagine Gialle personnel (both employees and agents), including one (*Siamo tutti Abruzzesi* - We're all from Abruzzo) supporting the people of Abruzzo after the recent earthquake in the region.

Training - Seat Corporate University

In the first half of 2009 Seat Corporate University continued its activities supporting the sales force with a number of courses on relevant topics, including internet advertising, in line with the Company's internet market development strategy.
General employee training to grow professional and general skills was not forgotten, developing "knowledge" as a business asset, making employees and agents more aware of Company values and improving marketing skills through courses deepening market and customer understanding.
In the first half of 2009, 81,987 hours of training were provided, in which 5,438 members of staff attended 617 courses, a strong rise over 2008 (48,776 hours of training attended by 4,016 members of staff).
Caring activity for SME customer continued with two issues of *Seat Con Voi* (Seat and You) containing articles on marketing, business and new trends.

Industrial relations

The first half of 2009 saw the launch of the new Company Reorganisation Plan approved by the Board end 2008 that will run February 2009 – February 2011 and will lead to around 210 redundancies through early retirement, *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and redundancy incentives.
The offices that applied for *Cassa Integrazione Guadagni Straordinaria* (Turin, Milan and Rome) have already been successfully inspected by the local employment authorities.
The appropriate bodies have also been sent verifications and information; relations with the trades unions have continued as set out in the Plan.
On 30 June 2009 the Ministry of Labour, Health and Social Policies published a decree allowing reorganisation of the Company 2009–2011 and permitting a period of Cassa Integrazione Guadagni Straordinaria in the first half year of the Plan.

Litigation

Dispute with Telecom Italia over connection costs between mobile phone networks and non-geografic numbers (NNGs)

With reference to the agreements with Telecom Italia for connection services to NNGs, Telecom Italia appealed to the Lazio Administrative Court against the urgent order 504/06/CONS issued by AGCom (on connection costs between mobile networks and NNGs), arguing that the reduction in origination costs stipulated in this order should be interpreted restrictively and should therefore apply solely to directory assistance and not to other public information (e.g. the 89.24.24 Pronto PAGINEGIALLE® service).

In July 2007, the Lazio Administrative Court upheld Telecom Italia's appeal and cancelled order 504/06/CONS (which had expired at end February 2007) on the grounds of procedural defects (the basis for urgency, such as extraordinary circumstances or grounds, had allegedly not been met). AGCom appealed from this decision to the Council of State (Consiglio di Stato), supported by SEAT Pagine Gialle S.p.A. and other directory assistance providers, in defence of the original order (intervention *"ad adiuvandum"*). At the time of writing, a date for the appeal hearing has not yet been fixed.

Disputes arising from the partial hive-off of Telecom Italia Media S.p.A. (formerly "ex SEAT") in August 2003

With reference to the disputes in which SEAT Pagine Gialle S.p.A. - as beneficiary of the partial hive-off of Telecom Italia Media S.p.A. (hereafter the "Demerged Company") - is jointly and severally liable with the latter company within the meaning of section 2506-*quarter*, paragraph 3, Civil Code for any losses arising from these disputes that are not paid by the Demerged Company, three disputes are still pending against the Cecchi Gori group, i.e. against Cecchi Gori Group Fin. Ma. Vi. ("Finmavi") and against Cecchi Gori Group Media Holding (in liquidation) ("Media").

1) Pledge

This action was brought by Finmavi and Media before the Court of Milan, seeking a ruling that the pledge as security to the Demerged Company of shares in Cecchi Gori Communication S.p.A. held by Media was null and void or ineffective; and an order against the Demerged Company for damages of not less than 750 billion lire plus revaluation and interest.

Finmavi and Media, which lost in the first two instances, appealed to the Court of Cassation.

At a hearing on 20 September 2007, the Court of Cassation upheld the appeal of Finmavi and Media and one ground in the cross-appeal brought by the Demerged Company, and referred the case to another division of the Milan Court of Appeal (*Corte di Appello*) to tax the costs of the appeal. By a summons served on 10 November 2008 Finmavi and Media resumed the case before the Milan Court of Appeal (*Corte di Appello*) and the Demerged Company filed an appearance on 24 March 2009.

The case has been adjourned for pleadings to be prepared and filed at the hearing on 18 October 2011.

2) Liability in tort

A case was brought before the Court of Milan by Finmavi, Media and Mr Vittorio Cecchi Gori acting in a personal capacity against the Demerged Company for tortious liability of the latter relating to *i)* its management of Holding Media e Comunicazione HMC S.p.A.; and *ii)* performance of the 7 August 2000 contract for the purchase of the Cecchi Gori group TV companies, seeking damages from the Demerged Company of around € 500 million.

The court invited the parties to file pleadings, setting a deadline of 29 March 2009 for filing briefs and of 18 April 2009 for filing rejoinders.

3) Appeal against the 11 August 2000 Resolution of the Shareholders of Cecchi Gori Communications S.p.A.

A case was brought by Finmavi and Media against Holding Media e Comunicazione HMC S.p.A. concerning the resolutions passed at the 11 August 2000 Extraordinary Shareholders' Meeting of Cecchi Gori Communications S.p.A., amending the Articles of Association so as to attach special rights to class "B" shares.

Finmavi and Media, which lost in the first two instances, have appealed to the Court of Cassation; the Demerged Company entered an appearance on 16 October 2007, filing a counter-claim and cross-appeal.

No date has yet been set for a hearing to discuss the pleadings.

* * * *

During the spin-off, the Demerged Company and SEAT Pagine Gialle S.p.A. signed an agreement under which any liabilities imputable to the parts of the business remaining in the hands of the Demerged Company (e.g. those involved in the above disputes) or transferred to SEAT Pagine Gialle S.p.A. are entirely for the account of the owner of the business concerned.

b) Litigation involving companies in the SEAT Pagine Gialle group

Dispute between Telegate and Deutsche Telekom over the cost of providing data on telephone subscribers

On 16 May 2007 and 27 June 2007, respectively, the Düsseldorf Regional Court upheld on appeal, the 31 August 2005 judgment by the Court of Cologne entitling Telegate AG to recover from Deutsche Telekom the excess payments it had made for data on telephone subscribers 1997-2000 and 2000-2004. Deutsche Telekom was ordered to pay Telegate AG € 52.04 million plus interest for 1997-2000 and € 30.52 million plus interest for 2000-2004. Deutsche Telekom appealed the 16 May 2007 decision and with regard to the 27 June 2007 decision it has begun proceedings seeking further leave to appeal.

In 2007 the Düsseldorf Regional Court also upheld the 22 June 2005 decision that Telegate AG was entitled to recover € 4.25 million plus interest as partial repayment of the prices charged by Deutsche Telekom for data on telephone subscribers January-September 1999. This decision became *res judicata* in June 2008 when the German Federal Court refused Deutsche Telekom further leave to appeal.

Dispute between Telegate and Telekom Austria

In July 2006 Telegate began proceedings against Telekom Austria AG to determine the cost of providing data on telephone subscribers, which Telegate considered excessive in view of a previous order by the Austrian Telecommunications Authority, and to obtain an order requiring Telekom Austria AG to repay about € 900 thousand.

On 29 March 2009 the Court of Vienna threw out Telegate's claim on the basis that such matters can be decided by the parties in negotiations before the competent authorities. On 18 May 2009 Telegate brought an appeal against the decision. The first hearing in the new case is expected to take place before the Regional Court of Vienna by the end of August. At this point it is not possible to speculate on the outcome of the proceedings.

→ Corporate Governance

Introduction

In accordance with current regulations, the Company has published its annual Corporate Governance Report for the financial year 2008 on its website (www.seat.it). This provides a detailed description of the Corporate Governance system and approaches set up to ensure proper governance and control.
The following update applies only to the first half of the current financial year.

Appointments to the Boards

On 9 April 2009 the Ordinary Shareholders' Meeting appointed new Company Boards. A new Board of Directors was appointed with 11 directors as well as a new Board of Statutory Auditors for the period 2009-2011 from the list of candidates presented by Sterling Sub Holdings S.A., which owns 14.837% of the ordinary share capital.
The Company's Board of Directors therefore now comprises: Enrico Giliberti (Chairman), Luca Majocchi, Dario Cossutta, Luigi Lanari, Marco Lucchini, Pietro Masera, Antonio Tazartes, Nicola Volpi, Lino Benassi, Alberto Giussani and Maurizio Dallocchio.
The Board of Statutory Auditors has three standing and two alternate members: Enrico Cervellera (Chairman), Andrea Vasapolli (standing auditor), Vincenzo Ciruzzi (standing auditor), Guido Costa (alternate auditor) and Guido Vasapolli (alternate auditor).
The CVs of all Directors and Auditors are available on the Company's website.

The meeting of the Board of Directors, held at the same time as the Shareholders' Meeting, checked that Lino Benassi, Maurizio Dallocchio and Alberto Giussani met the independence criteria and then elected the:
- Chief Executive Officer: Luca Majocchi (to remain in post until a new CEO was appointed. As reported on 9 February 2009, Luca Majocchi agreed to remain in post until 30 June 2009 only, but was prepared to resign earlier as CEO and from the Board of Directors if a new CEO was appointed: see below);
- Internal Control Committee members: Alberto Giussani (Chairman), Maurizio Dallocchio and Marco Lucchini;
- Remuneration Committee members: Lino Benassi (Chairman), Dario Cossutta and Luigi Lanari;
- Manager responsible for the preparation of the financial statements: Massimo Cristofori;
- Supervisory Body members: Marco Reboa (Lecturer in economics and business and former Independent Director of the Company - Chairman), Marco Beatrice (Head of Legal and Corporate Affairs) and Francesco Nigri (Head of Internal Audit).

On 29 April 2009 the Board of Directors co-opted Alberto Cappellini as CEO. Alberto Cappellini therefore took over from Luca Majocchi who resigned (see above). Mr Cappellini's CV is also available on the Company's website.

Board of Directors

In the first half of the financial year 2009 the Board of Directors met eight times.

Internal Control Committee

In the first half of 2009 the Internal Control Committee met four times and another time between the end of the first half and the date of this present first half Report. Over that period the Committee *inter alia*:

- examined and considered progress on the internal audit for the financial year 2009 and its results;
- met the heads of Administration, Finance and Controlling, the Chairman of the Board of Statutory Auditors and the Partner of the External Auditors to look at matters material to the first half Report as at 30 June 2009;
- met the Partner of the External Auditors to look at problems emerging during the audit;
- examined and considered the results of the Enterprise Risk Management (ERM) process undertaken to identify, assess, manage and monitor the Company's main risks;
- monitored and assessed the risks involved in the recent introduction of the new SFE/SAP system and at progress on their containment;
- monitored the updating of the Organisation Model as defined under Legislative Decree 231/2001.

Remuneration Committee

In the first half of the year the Committee met five times and inter alia *i)* set the CEO's targets for 2008 (to which the variable portion of his remuneration is pegged), *ii)* looked at the criteria applying to Group management remuneration (the MBO system in particular) and at action taken, *iii)* approved the non-competition agreement with the Company's former CEO, Luca Majocchi.

Board of Statutory Auditors

The Board of Statutory Auditors met four times in the first half of 2009.
During its meetings the Board of Statutory Auditors *inter alia* verified that the criteria and checking procedures adopted for ensuring the independence of its members were being correctly applied.

Shareholders' Meetings

The Ordinary Shareholders' Meeting met at second calling on 9 April 2009, when it approved the "2008 Annual Report" for the Parent Company, SEAT Pagine Gialle S.p.A. and (see above) appointed new boards: the Board of Directors (11 directors) and the Board of Statutory Auditors.

Supervisory Body

In the first half of 2009 the Supervisory Body met once.
Over the period the Supervisory Body carried out its normal business. On 9 February 2009 the Board of Directors - at the recommendation of the Supervisory Body - formally approved an Organisation Model, Principles and Guidelines and a Code of Ethics adjusted to comply with the new regulations introduced under Legislative Decree 231/2001.

A inizio volume:
PagineBianche *informa*

Bari e provincia 2009/2010

PAGINEBIANCHE

Facile trovarsi

www.paginebianche.it

Elenco abbonati degli operatori telefonici

In conformità ai provvedimenti del **Garante Privacy**, dell'**Autorità per le Garanzie nelle Comunicazioni** e alla normativa in materia di **Servizio Universale**

Aggiornato al 10 dicembre 2008

Premio PagineBianche d'Autore

"Un viaggio tra tanti", immagine di copertina realizzata da *Lea Caputo*.

Per informazioni sull'iniziativa, vedi l'inserto **PagineBianche** *Informa* a inizio volume

Condensed consolidated first half-year Financial Statements

Introduction

Following the decision to sell off the Germany subsidiary WLW (effective December 2008) and the closure of the UK subsidiary Calls You Control in the second half of 2008, the operating, capital and financial results for these two companies are now recognised under "Non-current assets held for sale and discontinued operations" on separate lines as required under IFRS 5.

Also in the second quarter of 2009 and in line with the strategy of focusing on the Italian market to free up financial resources to support core business, SEAT Pagine Gialle S.p.A., in agreement with its partner Doğan, decided to pull out of Katalog Yayin ve Tanitim Hizmetleri A.S., the Turkish joint venture still at the start up phase. The assets, liabilities, operating and financial results of this investment are therefore also now recognised under "Non-current assets held for sale and discontinued operations".

Consequently and as required under IFRS 5, the Income Statement and Cash Flow Statement for the first half of 2008 have also been *restated* accordingly.

Consolidated balance sheet as at 30 June 2009

Assets

(euro/thousand)		At 30.06.2009	At 31.12.2008	Change	Note	At 30.06.2008
Non-current assets						
Intangible assets with an indefinite useful life		3,406,999	3,393,998	13,001	(4)	3,667,833
Intangible assets with a finite useful life		134,571	219,752	(85,181)	(6)	301,061
Property, plant and equipment		42,434	43,716	(1,282)	(7)	54,248
Leased assets		61,023	62,886	(1,863)	(8)	
Investments accounted for at equity		307	2,372	(2,065)	(9)	4,529
Other non-current financial assets		2,305	2,140	165	(10)	2,090
Deferred tax assets, net		26,040	10,442	15,598	(30)	39,647
Other non-current assets		491	344	147	(13)	320
Total non-current assets	**(A)**	**3,674,170**	**3,735,650**	**(61,480)**		**4,069,728**
Current assets						
Inventories		13,035	15,211	(2,176)	(11)	16,443
Trade account receivables		614,740	671,014	(56,274)	(12)	615,039
Current tax assets		10,296	7,016	3,280	(30)	4,650
Other current assets		71,159	68,414	2,745	(13)	81,862
Current financial assets		6,986	1,932	5,054	(18)	18,110
Cash and cash equivalents		353,158	304,602	48,556	(18)	201,753
Total current assets	**(B)**	**1,069,374**	**1,068,189**	**1,185**		**937,857**
Non-current assets held for sale and discontinued operations	**(C)**	**1,656**	**914**	**742**	**(31)**	
Total assets	**(A+B+C)**	**4,745,200**	**4,804,753**	**(59,553)**		**5,007,585**

Liabilities and equity

(euro/thousand)		At 30.06.2009	At 31.12.2008	Change	Note	At 30.06.2008
Equity shareholders of the Group						
Share capital		450,266	250,352	199,914	(14)	250,352
Additional paid-in capital		466,843	465,103	1,740	(14)	465,103
Reserve for foreign exchange adjustments		(34,115)	(45,243)	11,128	(14)	(25,605)
Reserve for transition to IAS/IFRS		181,570	181,570		(14)	181,570
Reserve for stock options		3,813	5,956	(2,143)	(14)	7,736
Reserve for "cash-flow hedge" instruments		(32,272)	(10,931)	(21,341)	(14)	19,793
Reserve for actuarial gains (losses)		(4,933)	(1,555)	(3,378)	(14)	(18,311)
Other reserves		25,657	210,989	(185,332)	(14)	209,216
Profit (loss) for the period		(51,060)	(179,646)	128,586		(45,651)
Total equity shareholders of the Group	**(A)**	**1,005,769**	**876,595**	**129,174**	**(14)**	**1,044,203**
Minority interests						
Share capital and reserves		22,824	20,980	1,844		21,289
Profit (loss) for the period		898	5,966	(5,068)		2,941
Total minority interests	**(B)**	**23,722**	**26,946**	**(3,224)**	**(14)**	**24,230**
Total equity	**(A+B)**	**1,029,491**	**903,541**	**125,950**		**1,068,433**
Non-current liabilities						
Non-current financial debts to third parties		1,587,270	1,762,018	(174,748)	(18)	1,822,977
Non-current financial debts to related parties		1,272,092	1,269,470	2,622	(18)	1,267,028
Non-current reserve to employees		37,197	34,767	2,430	(21)	63,663
Deferred tax liabilities, net		13,475	14,168	(693)	(30)	15,481
Other non-current liabilities		32,616	26,170	6,446	(23)	23,534
Total non-current liabilities	**(C)**	**2,942,650**	**3,106,593**	**(163,943)**		**3,192,683**
Current liabilities						
Current financial debts to third parties		225,202	245,998	(20,796)	(18)	143,128
Current financial debts to related parties		30,886	47,837	(16,951)	(18)	47,536
Trade account payables		212,830	256,993	(44,163)	(25)	236,661
Reserve for current risks and charges		50,022	52,460	(2,438)	(24)	47,649
Current tax payables		61,292	72,764	(11,472)	(30)	42,839
Payables for services to be rendered and other current liabilities		191,192	118,529	72,663	(25)	228,656
Total current liabilities	**(D)**	**771,424**	**794,581**	**(23,157)**		**746,469**
Liabilities directly associated with non-current assets held for sale and discontinued operations	**(E)**	**1,635**	**38**	**1,597**	**(31)**	
Total liabilities	**(C+D+E)**	**3,715,709**	**3,901,212**	**(185,503)**		**3,939,152**
Total liabilities and equity	**(A+B+C+D+E)**	**4,745,200**	**4,804,753**	**(59,553)**		**5,007,585**

↗ Consolidated income statement for the first half of 2009

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Change Absolute	Change %	Note	Year 2008 restated
Sales of goods	9,868	12,984	(3,116)	(24.0)	(27)	30,442
Rendering of services	503,703	545,908	(42,205)	(7.7)	(27)	1,345,547
Revenue from sale and services	**513,571**	**558,892**	**(45,321)**	**(8.1)**	**(27)**	**1,375,989**
Other income	2,014	8,171	(6,157)	(75.4)	(28)	13,748
Total revenues	**515,585**	**567,063**	**(51,478)**	**(9.1)**		**1,389,737**
Materials	(17,543)	(21,320)	3,777	17.7	(28)	(56,308)
External services	(173,968)	(198,650)	24,682	12.4	(28)	(426,988)
Salaries, wages and employee benefits	(113,670)	(119,086)	5,416	4.5	(28)	(238,863)
Other valuation adjustments	(21,916)	(22,546)	630	2.8	(12)	(44,423)
Provisions to reserves for risks and charges, net	(6,428)	(7,496)	1,068	14.2	(23-24)	(13,972)
Other operating expense	(2,584)	(2,246)	(338)	(15.0)		(5,645)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	**179,476**	**195,719**	**(16,243)**	**(8.3)**		**603,538**
Amortisation, depreciation and write-down	(117,425)	(117,631)	206	0.2	(4-6-7-8)	(343,971)
Non-recurring costs, net	(4,479)	(5,364)	885	16.5	(28)	(17,910)
Restructuring costs, net	(11,926)	(5,158)	(6,768)	n.s.	(28)	(13,741)
Operating income	**45,646**	**67,566**	**(21,920)**	**(32.4)**		**227,916**
Interest expense	(110,284)	(134,574)	24,290	18.0	(29)	(281,819)
Interest income	16,849	14,318	2,531	17.7	(29)	33,614
Gains (loss) on investments valued at equity				n.a.		(5)
Income before income taxes, non-current assets held for sale and discontinued operations and minority interests	**(47,789)**	**(52,690)**	**4,901**	**9.3**		**(20,294)**
Income taxes for the period	5,115	9,841	(4,726)	(48.0)	(30)	(69,298)
Profit (loss) on continuing operations	**(42,674)**	**(42,849)**	**175**	**0.4**		**(89,592)**
Profit (loss) from non-current assets held for sale and discontinued operations	(7,488)	139	(7,627)	n.a.	(31)	(84,088)
Profit (loss) for the period	**(50,162)**	**(42,710)**	**(7,452)**	**(17.4)**		**(173,680)**
- of which Minority interests	898	2,941	(2,043)	(69.5)		5,966
- of which pertaining to the Group	(51,060)	(45,651)	(5,409)	(11.8)		(179,646)

		At 30.06.2009	At 30.06.2008 post capital regrouping	At 30.06.2008	At 31.12.2008 post capital regrouping
Number of SEAT Pagine Gialle S.p.A. shares		1,927,707,706	41,725,276	8,345,055,482	41,725,276
- ordinary shares		*1,927,027,333*	*41,044,903*	*8,208,980,696*	*41,044,903*
- savings shares		*680,373*	*680,373*	*136,074,786*	*680,373*
Profit (loss) for the period	€/thousand	(51,060)	(45,651)	(45,651)	(179,646)
Profit (loss) par share	€	(0.00006)	(1.0990)	(0.00549)	(4.30545)
Diluted profit (loss) par share	€	n.a.	n.a.	n.a.	n.a.

Earnings per share (EPS) was calculated by dividing operating result by the average number of outstanding shares over the period. For the first half of 2009 and for all of 2008 and for comparative purposes, the number of ordinary and savings shares after the reverse share split was used (one new share per two hundred old shares as voted by the 26 January 2009 Extraordinary Shareholders' Meeting).
In the financial year 2008 and the first half of 2009 there was no dilution of EPS within the meaning of IAS 33 since the market value of SEAT Pagine Gialle S.p.A. ordinary shares was significantly lower than the strike price of outstanding options at 30 June 2009.

Statement of comprehensive income for the first half of 2009

(euro/thousand)		1st half-year 2009	1st half-year 2008 restated	Note	Year 2008 restated
Profit (loss) for the period	**(A)**	**(50,162)**	**(42,710)**		**(173,680)**
Profit (loss) for "cash flow hedge" instruments		(21,341)	14,531	(15)	(16,193)
Profit (loss) for foreign exchange adjustments		11,128	(10,393)	(15)	(30,031)
Actuarial gain (loss) recognised to equity		(3,378)	(14,355)	(15)	2,404
Total other comprehensive profit (loss) for the period, net of tax effect	**(B)**	**(13,591)**	**(10,217)**	**(15)**	**(43,820)**
Total comprehensive profit (loss) for the period	**(A)+(B)**	**(63,753)**	**(52,927)**		**(217,500)**
- of which minority interests		898	2,941		5,966
- of which pertaining to the Group		(64,651)	(55,868)		(223,466)

Consolidated cash flow statement for the first half of 2009

(euro/thousand)		1st half-year 2009	1st half-year 2008 restated	Change	Year 2008 restated
Cash inflow from operating activities					
Profit (loss) on continuing operations		(42,674)	(42,849)	175	(89,592)
Amortisation, depreciation and write-down		117,425	117,631	(206)	343,971
Interest expense, net (1)		92,845	120,475	(27,630)	247,997
Costs for stock option		105	459	(354)	572
Income taxes for the period		(5,115)	(9,841)	4,726	69,298
(Gains) losses on disposal of non-current assets		115	17	98	124
Change in working capital		54,445	95,663	(41,218)	(36,586)
Change in non-current liabilities		3,754	(2,687)	6,441	(5,828)
Exchange adjustments and other movements		(7,145)	6,752	(13,897)	16,663
Cash inflow from operating activities	**(A)**	**213,755**	**285,620**	**(71,865)**	**546,619**
Cash outflow for investments					
Consolidated subsidiaries		(76)	(31,114)	31,038	(31,811)
Purchase of intangible assets with finite useful life		(20,929)	(18,288)	(2,641)	(37,670)
Purchase of property, plant and equipment		(4,756)	(5,136)	380	(12,974)
Other investments		(159)	(18)	(141)	(95)
Proceeds from disposal of non-current assets		68	18	50	182
Cash outflow for investments	**(B)**	**(25,852)**	**(54,538)**	**28,686**	**(82,368)**
Cash outflow for financing					
Repayments of non-current loans		(211,254)	(133,491)	(77,763)	(169,615)
Payment of interest expense, net		(85,355)	(110,792)	25,437	(241,392)
Change in other current financial assets and liabilities		(31,843)	8,495	(40,338)	14,792
Capital Increase		193,518		193,518	
Distribution of dividends		(3,364)	(3,862)	498	(3,862)
Cash outflow for financing	**(C)**	**(138,298)**	**(239,650)**	**101,352**	**(400,077)**
Cash flow from non-current assets held for sale and discontinued operations	**(D)**	**(1,049)**	**5,772**	**(6,821)**	**35,879**
Increase (decrease) in cash and cash equivalents in the period	**(A+B+C+D)**	**48,556**	**(2,796)**	**51,352**	**100,053**
Cash and cash equivalent at beginning of the period		**304,602**	**204,549**	**100,053**	**204,549**
Cash and cash equivalent at end of the period		**353,158**	**201,753**	**151,405**	**304,602**

(1) Minus net interest on updating and on operating/non-operating assets and liabilities.

Statement of change in consolidated equity 31.12.2008 to 30.06.2009

	Group				Minorities			Total
(euro/thousand)	Share capital	Reserves	Profit (loss) for the period	Total	Share capital and reserves	Profit (loss) for the period	Total	
At 31.12.2008	**250,352**	**805,889**	**(179,646)**	**876,595**	**20,980**	**5,966**	**26,946**	**903,541**
Allocation of 2008 profit (loss)		(179,646)	179,646		2,602	(5,966)	(3,364)	(3,364)
- Reserves		*(179,646)*	*179,646*		*5,966*	*(5,966)*		
- Dividends					*(3,364)*		*(3,364)*	*(3,364)*
Capital Increase	199,914	(6,396)		193,518				193,518
Other changes		307		307	(758)		(758)	(451)
Profit (loss) for the period			(51,060)	(51,060)		898	898	(50,162)
Other profit (loss) for the period		(13,591)		(13,591)				(13,591)
At 30.06.2009	**450,266**	**606,563**	**(51,060)**	**1,005,769**	**22,824**	**898**	**23,722**	**1,029,491**

Statement of change in consolidated equity 31.12.2007 to 30.06.2008

	Group				Minorities			Total
(euro/thousand)	Share capital	Reserves	Profit (loss) for the period	Total	Share capital and reserves	Profit (loss) for the period	Total	
At 31.12.2007	**250,352**	**751,255**	**98,399**	**1,100,006**	**15,985**	**7,839**	**23,824**	**1,123,830**
Allocation of 2007 profit (loss)		98,195	(98,399)	(204)	4,181	(7,839)	(3,658)	(3,862)
- Reserves		*98,399*	*(98,399)*		*7,839*	*(7,839)*		
- Dividends		*(204)*		*(204)*	*(3,658)*		*(3,658)*	*(3,862)*
Capital increase								
Other changes		269		269	1,123		1,123	1,392
Profit (loss) for the period			(45,651)	(45,651)		2,941	2,941	(42,710)
Other profit (loss) for the period		(10,217)		(10,217)				(10,217)
At 30.06.2008	**250,352**	**839,502**	**(45,651)**	**1,044,203**	**21,289**	**2,941**	**24,230**	**1,068,433**

Accounting policies and disclosures

1. Company information

The SEAT Pagine Gialle group is today a major multimedia platform offering to tens of millions of users detailed information and sophisticated search tools and to its advertisers a full range of multi-platform advertising methods "print-internet-voice". These include highly innovative internet products, print directories and directory assistance services, plus a large selection of complementary advertising services.
The Parent Company, SEAT Pagine Gialle S.p.A., has its registered office at Via Grosio 10/4, Milan, and share capital is € 450,266 thousand.
The Group's main activities are described in the "Report on Operations, paragraph Economic and financial performance by Business Area".

2. Basis of preparation

The Condensed Consolidated first half year Financial Statements as at 30 June 2009 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 19 July 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 2008 Consolidated Financial Statements of the SEAT Pagine Gialle group.
The Group adopted the IAS/IFRS as of 1 January 2005, following the entry into force of European Regulation No. 1606 of 19 July 2002.
The Consolidated Financial Statements have been prepared at historical cost but assets financing pension funds, derivative financial instruments and financial assets held for sale are accounted for at fair value.

The accounts have been prepared as required under IAS 1 as follows:
- the *Consolidated Balance Sheet* classifies assets and liabilities as "current/noncurrent" and recognises "non-current assets/liabilities held for sale and discontinued operations" in two separate categories as required under IFRS 5;
- the *Consolidated Income Statement* classifies operating cost by type, this being held to be the most appropriate method of recognising Group business and the method that matches internal reporting systems. The operating results of continuing operations are separated from net gain (loss) on non-current assets held for sale and discontinued operations as required under IFRS 5. In accordance with CONSOB resolution 15519 of 27 July 2006, the Income Statement recognises by type income and charges on non-recurring items and their impact on operating result.
  Non-recurring income and charges include items that by their very nature do not recur in ordinary business, such as:
  - company reorganisation costs;
  - stock option plan expenses;
  - highly strategic extraordinary consultancy (development of strategic plans, integration of new companies into the Group, valuation of the portfolio of equity participations etc.);
  - legal fees for the step-down of directors and executives;

- the *Statement of Comprehensive Income for the Period* shows expense and/or profit items not yet carried to income statement with effect on equity at the date of the present report;
- the *Consolidated Cash Flow Statement* shows operating flows using the "indirect method" as allowed under IAS 7, with separate disclosure of operating, investment and financing cash flows and of those from non-current assets held for sale and discontinued operations.
  Cash and cash equivalent recognised in the balance sheet includes cash, cheques, overdrafts and short-term securities that can be quickly converted into cash.
  Financial flows for the period adjust operating results for the period to take account of non-monetary transactions, of deferrals of or provisions for prior or future collections, or operating payments, gains/losses on investing or financing flows or on non-current assets held for sale and discontinued operations.

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

2.1 Consolidation policies

The condensed consolidated first half year Financial Statements 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 acquisition (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 revenues 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 revenues;
- 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 the fair value of the assets, liabilities and contingent liabilities acquired at the acquisition date. For acquisitions during the first half, the consolidated first half year Financial Statements recognise 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 in subsidiaries not held by the Group. These items are shown separately from the proportion attributable to the Group in both the consolidated income statement and also the 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 on the conversion of opening equity and of closing profit/loss are recognised in equity until disposal of the participation concerned. The consolidated cash flow statement applies average exchange rates for the period to the conversion of the cash flows of foreign subsidiaries.

The exchange rates used are as follows

Currency/euro	Average exchange rate for the 1st half-year 2009	Exchange rate at 30 June 2009	Average exchange rate for the 1st half-year 2008 (1)	Exchange rate at 30 June 2008	Average exchange rate for the year 2008	Exchange rate at 31 December 2008
Pound sterling	1.1187	1.1736	1.2900	1.2622	1.2558	1.0499
Swiss franc	0.6642	0.6551	0.6225	0.6228	0.6300	0.6734
Kuna	0.1355	0.1375	0.1376	0.1382	0.1384	0.1360
Corona	0.0368	0.0386	0.0397	0.0419	0.0401	0.0372
Turkish lira	0.4646	0.4627	0.5294	0.5175	0.5246	0.4654

(1) The average exchange rate is calculated over the month the company is consolidated within the Seat Pagine Gialle group.

2.2 Accounting estimates and valuations

When preparing IAS/IFRS-compliant first half year financial statements, management is required to make accounting estimates and assumptions that impact balance sheet revenues, costs, assets and liabilities and the disclosures concerning contingent assets and liabilities at the first half year reporting date. In the future such 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.
Furthermore, 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 principles that not yet applicable and/or recently approved by the European Commission

The consolidated first half year Financial Statements have been prepared in accordance with IAS 34 (*Interim Financial Reporting*) and apply the accounting principles already adopted in the consolidated Financial Statements as at 31 December 2008 with the exception of those described in the following paragraph - Accounting principles, Amendments and Interpretations applying from 1 January 2009.

3.1 New principles and interpretations approved by the EU and effective from 1st January 2009

- IFRS 8 (*Operating Segments*). On 30 November 2006 the IASB issued IFRS 8 (*Operating Segments*) effective 1 January 2009 and replacing IAS 14 (*Segment Reporting*). The new standard requires segment reporting to be based on the information used by operating decision makers, meaning that reportable segments are those regularly reported and reviewed internally by management when allocating resources and assessing performance.
  The adoption of this standard has had no impact on the measurement or recognition of items on the balance sheet since the operating segments reported have already been identified in internal management reports as above.

- Amendments to IAS 23 (*Borrowing Costs*). On 10 December 2008 Commission Regulation (EC) 1260/2008 was published, adopting the amendments to IAS 23 (*Borrowing Costs*).
  The main change to IAS 23, effective 1 January 2009, is the elimination of the option of recognising borrowing costs immediately as an expense in the period in which they were incurred as an alternative to capitalising them. In the new version of IAS 23, borrowing costs that are directly imputable to the acquisition, construction or production of a qualifying asset that takes a long time to be ready for its projected use or sale must be capitalised as part of the cost of the qualifying asset.
  Adoption of the principle had no major impact on the accounts in the first half of 2009.

- IFRIC 13 (*Customer Loyalty Programmes*). On 16 December 2008 Commission Regulation (EC) 1262/2008 was published adopting IFRIC 13 (*Customer Loyalty Programmes*). The new standard provides that:
  - customer award credits must be accounted for as a separately identifiable component of the sales transaction in which they are granted and are therefore a right for which the customer has implicitly made payment;
  - the consideration allocated to the award credits is measured by reference to their fair value, i.e. the amount for which the award credits could be sold separately, and is recognised as deferred income until the company fulfils its obligation.

  IFRIC 13 came into effect on 1 January 2009 and has had no material impact on the items on the financial statements.

- Amendments to IAS 1 (*Presentation of Financial Statements*). On 17 December 2008 Commission Regulation (EC) 1274/2008 was published adopting the amendments made to IAS 1 (*Presentation of Financial Statements*).
  The main changes are:
  - the statement of changes in equity must present all owner changes in equity;
  - all other changes in equity (other than those arising from transactions with equity shareholders) must now show:
    - in one single "statement of comprehensive income" all revenue, income, costs and charges carried directly to income statement, profit (loss) for the period and details of the income and costs carried directly to equity (other items on the "statement of comprehensive income"); or
    - in two separate statements: one showing the details of profit (loss) for the period (statement of separate income) and another that starts with profit (loss) for the period but includes details of the other items on the statement of comprehensive income (statement of comprehensive income).

  The SEAT Pagine Gialle group has made retrospective adoption of this standard and presents a statement of comprehensive income along with its income statement for the period. Adoption of this standard has had no impact on the measurement of balance sheet items.

- Amendments to IFRS 2 (*Share-based Payment*). On 16 December 2008 Commission Regulation (EC) 1261/2008 was published adopting the amendments to IFRS 2 (*Share-based Payment*).
  The policy defines "vesting conditions" and how rights are cancelled.
  The amended standard came into effect on 1 January 2009 and its adoption has had no impact in accounting terms on the first half year Financial Statements of the SEAT Pagine Gialle group.

- Amendments to IAS 32 (*Financial Instruments: Presentation*) and IAS 1 (*Presentation of Financial Statements*). On 21 January 2009 Commission Regulation (EC) 53-2009 was published adopting the amendments to IAS 32 (*Financial Instruments: Presentation*) and IAS 1 (*Presentation of Financial Statements*).
  The amendments to IAS 32 mean that, under certain conditions, some puttable instruments or instruments that will impose a liability on the entity in the event of settlement must be classified in equity.
  The amendments to IAS 1 require disclosure of these instruments.
  The new versions of IAS 32 and IAS 1 came into effect on 1 January 2009 but had no material effect on the first half year Financial Statements of the Group.

- Amendments to IFRS 1 (*First-time Adoption of International Financial Reporting Standards*) and IAS 27 (*Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, jointly-controlled Entity or Associate*).
  On 23 January 2009 Commission Regulation (EC) 69-2009 was published adopting the amendments to IFRS 1 (*First-time Adoption of International Financial Reporting Standards*) and IAS 27 (*Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, jointly-controlled Entity or Associate*).
  The changes to IFRS 1 mean that entities making first-time application of the IFRS to their separate financial statements and that value their investments in subsidiaries, jointly-controlled entities and associates at cost can now value them at *deemed cost*, which is fair value or carrying value depending on the above policies.

The changes to IAS 27 require dividends received from subsidiaries, jointly-controlled entities and associates to be recognised in the income statement of the Parent Company's own separate financial statements once the right to those dividends has been established.
The new versions of IFRS 1 and IAS 27 came into effect on 1 January 2009 but had no material effect on the Company's first half year financial statements.

- IFRIC 16 (*Hedges of a Net Investment in a Foreign Operation*). This interpretation issued in July 2008, prevents an entity qualifying for hedge accounting from hedging the foreign exchange rate differences between the functional currency of a foreign operation and the presentation currency of the parent's Consolidated Financial Statements. The interpretation also clarifies that hedging instruments that are hedges of a net investment in a foreign operation can be held by any Company in the Group concerned.
  The interpretation came into effect on 1 January 2009 but had no material effect on the first half year financial statements of the Group.

On 23 January 2009 Commission Regulation (EC) 70/2009 was published adopting a number of amendments to the International Financial Reporting Standard (IFRS). The following amendments came into effect on 1 January 2009:
- IAS 1 (*Presentation of Financial Statements*): assets and liabilities relating to derivative financial instruments that are not held for trading and are not financial guarantee contracts or hedging instruments must be recognised in financial statements as current or non-current assets or liabilities, depending on their expiry dates;

- IAS 16 (*Property, plant and equipment*): the amendment provides details of how entities that during their ordinary business normally sell components of property, plant and equipment held for leasing are to account for and classify these components. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 19 (*Employee Benefits*): the new amendment clarifies how to account for changes in employee benefits, how to recognise cost/income on work done in the past and defines short and long-term benefits. This has had no impact on the SEAT Pagine Gialle group's financial statements for the first half of 2009;

- IAS 20 (*Accounting for Government Grants and Disclosure of Government Assistance*): the new amendment states that the benefit of a government loan made at below market rates must be accounted for as a government grant. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 23 (*Borrowing costs*): these are redefined. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 27 (*Consolidated and Separate Financial Statements*): specifies how to account for investments in subsidiaries, jointly-controlled entities and associates in the separate financial statements of the Parent Company. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 28 (*Investments in Associates*) and IAS 31 (Investments in Joint Ventures): these cover the disclosures that must be made for investments in associates and joint ventures recognised at fair value in accordance with IAS 39. IFRS 7 (*Financial Instruments: Disclosures*) and IAS 32 (*Financial Instruments: Presentation*) have also been amended accordingly. The amendment has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 36 (*Impairment of Assets*): additional disclosures must now be made if fair value minus purchase cost is calculated using discounted cash flow projections. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 38 (*Intangible assets*): promotional and advertising expenditure must now be recognised on income statement. Where expenditure is incurred to provide future economic benefits to an entity, but no intangible assets are recognised, such expenditure must be recognised as an expense when the entity has a right to access those goods or services. The standard was further amended to clarify when the "unit of production method" can be applied to amortise intangible assets with a finite useful life. This has had no impact on the SEAT Pagine Gialle group's first half year financial statements;

- IAS 39 (*Financial Instruments: Recognition and Measurement*): this amendment clarifies how the new effective interest rate on a financial instrument must be accounted for at the end of a fair value hedge, and when a derivative instrument can be reclassified in "fair value through income statement". This has had no impact on the SEAT Pagine Gialle group's first half year financial statements.

3.2 New policies and interpretations accepted by the EU but not yet effective

- IFRS 3R (*Business Combinations*) and IAS 27R (*Consolidated and Separate Financial Statements*) - In January the IASB issued new versions of IFRS 3R (*Business Combinations*) and IAS 27R (*Consolidated and Separate Financial Statements*).
  IFRS 3R introduces a number of changes to accounting for business combinations which will have an impact on recorded goodwill and on profit and loss recognised at acquisition and in subsequent periods.
  IAS 27R provides that changes in the level of ownership interest in a subsidiary that do not result in loss of control must be carried to equity. It also explains how to account for loss of control of a subsidiary and states that the proportion of loss attributable to minorities must be recognised in minority equity, even if this produces a debit balance.
  The changes to these policies come into effect on 1 January 2010 and will impact future acquisitions, disposals and transactions involving Minority Shareholders.

- Amendments to IAS 39 (*Financial Instruments: Recognition and Measurement - Eligible Hedged Items*)
  In July 2008 the IASB issued a number of amendments to IAS 39 concerning hedge accounting:
  - the circumstances in which inflation can be treated as risk;
  - only the intrinsic (not time) value of an option can be designated to hedge one or more of the risks affecting the item concerned (one-sided risk).

  The changes will come into effect on 1 January 2010 retrospectively in accordance with IAS 8.
  The amendments are not expected to have any material effect on the Company's financial statements.

- IFRIC 17 (*Distributions of Non-cash Assets to Owners*) - This interpretation, issued in November 2008, regulates the accounting treatment of distributions of non-cash assets to shareholders and in particular how dividend liabilities and the distributed assets should be recognised, valued and classified.
  The interpretation will come into effect on 1 January 2010 and will have to be applied on a prospective basis.
  The amendments are not expected to have any material effect on the Company's financial statements.

- IFRIC 18 (*Transfers of assets from customers*) - Issued in January 2009, the interpretation sets out how entities are to account for transfers from customers of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with goods or services. If the asset is under the entity's control after transfer, it must be recognised as a tangible asset and measured at fair value. The interpretation will apply if the entity receives cash from a customer that is to be used only to acquire or construct the asset.

Associated profits must be recognised throughout the term of the contract with the customer for the supply of goods or services, or if this has no fixed termination date, during the useful life of the asset.
IFRIC 18 will come into effect on 1 January 2010.
Application of the interpretation is not expected to have any effect on the Company's financial statements.

- IFRS 7 (*Financial Instruments*): on 5 March 2009 the IASB amended this policy, requiring additional information for measurements at fair value and strengthening existing policies on information about the liquidity risk inherent in financial instruments. The principle came into effect on 1 January 2009 but at the date of these Condensed first half year Financial Statements the European Union had not yet approved its application.

- IFRIC 9 (*Reassessment of Embedded Derivatives*) and IAS 39 (*Financial Instruments: Recognition and Measurement*): on 12 March 2009 the IAS amended these policies so that under certain circumstances financial instruments can be reclassified out of the " fair value through profit or loss" category. The amendments clarify that in such cases all embedded derivatives must be assessed and, if necessary, separately accounted for. The amendments apply retrospectively from 31 December 2009 but at the date of these Condensed first half year Financial Statements the European Union had not yet approved its application.

On 16 April 2009 the IASB issued a set of IFRS improvements. Those listed below have been signalled by the IASB as involving or possibly involving a change to the presentation, recognition or measurement of balance sheet items. We have not included improvements that simply change wording or make editorial changes that have minimal impact on the accounts or that impact policies and interpretations that do not apply to the SEAT Pagine Gialle group.

- IFRS 2 (*Share-based payment*): this amendment, due to come into effect on 1 January 2010 (early adoption is allowed), clarifies that since IFRS 3 has amended the definition of "business combination", the contribution of a business to form a joint venture, or the aggregation of companies or businesses into entities under joint control, do not fall within the scope of IFRS 2.

- IFRS 5 (*Non-current Assets held for Sale and Discontinued Operations*): this comes into effect on 1 January 2010 and clarifies that IFRS 5 and the other IFRSs that specifically refer to non-current assets (or asset groups) classified as held for sale or discontinued operations provide all the information needed for assets of this class.

- IFRS 8 (*Operating Segments*): comes into effect on 1 January 2010 and requires companies to state the total value of its business in each reportable segment if the value is reported regularly to the chief operating decision maker. Previously, the information was required without the condition. The amendment may be adopted early.

- IAS 1 (*Presentation of Financial Statements*): comes into effect on 1 January 2010 (but may be adopted early) and amends the IAS 1 definition of "current liabilities". Previously, liabilities had to be recognised as "current" if they could be extinguished at any time through the issue of equity instruments. This meant that convertible bonds had to be recognised as current liabilities if they could be converted into shares by the issuer at any time. Following the amendment, classification of a liability as current/non-current no longer depends on whether a conversion option is recognised in equity.

- IAS 7 (*Statement of Cash Flows*): this amendment, due to come into effect on 1 January 2010, means that only cash flows that produce a balance sheet asset may be recognised as investing flows. Other cash flows (e.g. promotional or advertising expenditure or expenditure on staff training) must be recognised as operating flows.

- IAS 17 (*Leasing*): the changes mean that leased land will also be subject to IAS 17 as regards classification of the lease itself as "finance" or "operating", whether or not title to the property is acquired at the end of the lease. Before the amendment, the standard provided that if title to the land was not transferred at the end of the lease, the land itself was to be classified as an operating lease because it had an indefinite useful life. The amendment comes into effect on 1 January 2010. At the adoption date all current land leases will have to be valued individually, possibly with retroactive recognition of a new lease, accounted for as a financial lease.

- IAS 36 (*Impairment of Assets*): the amendment comes into effect on 1 January 2010 and prohibits operating units and groups of operating units to which goodwill is allocated for impairment testing from being larger than an operating segment, as this is defined in paragraph 5 of IFRS 8, prior to aggregation, as allowed in paragraph 12 of IFRS 8 for segments with similar economic and other characteristics.

- IAS 38 (*Intangible Assets*): the 2008 version of IFRS 3 provides that there is sufficient basis for measuring the fair value of an intangible asset acquired during a business combination if it is separable or arises from contractual or other legal rights. IAS 38 was consequently amended to reflect the revision of IFRS 3, clarifying how the fair value of intangible assets for which there is no active market should normally be assessed: this may be either by discounting estimated future net cash flows from the asset, estimating the costs the company avoided by owning rather than having to obtain a licence for the asset, or the cost of recreating or replacing the asset (e.g. the cost method). The amendment comes into effect on 1 January 2010 but if the revised IFRS 3 is applied early, IAS 38 will also have to be applied early.

- IAS 39 (*Financial Instruments: Recognition and Measurement*): the amendment restricts the exclusion in paragraph 2g of IAS 39 to contracts between an acquirer and a vendor in a business combination to sell an acquiree at a future date, so long as completion of the business combination depends not on further action by either of the two parties but only on the elapse of a suitable period of time. The amendment makes clear however that option contracts do fall within the scope of IAS 39 (whether or not they are yet to be exercised) if they will give either of the control over future events and if their exercise would lead to control of a company. The amendment also clarifies that embedded penalties for the early repayment of loans, intended to compensate the lender for loss of interest, must be treated as strictly linked to the loan agreement itself and cannot therefore be accounted for separately. Finally, the amendment explains that the gain or loss on a hedge of a financial instrument must be reclassified from equity to profit or loss in the same period during which the cash flow of the hedged transaction affects profit or loss. The amendment is effective 1 January 2010 but may be applied early.

- IFRIC 9 (*Reassessment of Embedded Derivatives*): the amendment is effective 1 January 2010 and removes from the scope of IFRIC 9 all derivatives embedded in contracts acquired during business combinations when forming companies under joint control or joint ventures. At the date of the present Condensed first half year Financial Statements, the EU had still not approved the above improvements.

- IFRS 2 (*Share-Based Payment*): in June 2009, the IASB issued an amendment to clarify the scope of IFRS 2 and its relationship with other policies. It makes clear in particular that companies that receive goods or services as part of share-based payment schemes must recognise such goods and services whichever company in the group is making the payment, and regardless of whether the payment is being made in cash or in shares. It also provides that "group" has the meaning given in IAS 27 (Consolidated and Separate Financial Statements) and therefore includes the parent company and its subsidiaries. Companies must measure the goods or services received as part of a cash or share-based transaction from their own viewpoint, which could be different from that of the group, and must recognise that figure in the consolidated financial statements. The amendment incorporates guidelines previously included in IFRIC 8 (Scope of IFRS 2) and IFRIC 11 (IFRIC 2 - Group and Treasury Share Transactions). The IASB has therefore withdrawn IFRIC 8 and IFRIC 11. The amendment is effective 1 January 2010. At the date of the present Condensed first half year Financial Statements, the EU had still not approved the above improvements.

4. Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life amounted to€ 3,406,999 thousand at 30 June 2009 (€ 3,393,998 thousand at 31 December 2008) as follows

	1st half-year 2009			1st half-year 2008
(euro/thousand)	Goodwill	Consolidation differences	Total	Total
Balance at beginning of the period	**3,182,784**	**211,214**	**3,393,998**	**3,687,067**
Investments		76	76	8,924
Foreign exchange adjustments		15,338	15,338	(15,158)
Impairment		(2,413)	(2,413)	(13,000)
Balance at end of the period	**3,182,784**	**224,215**	**3,406,999**	**3,667,833**

They included:
- *goodwill*: € 3,182,784 thousand, of which € 3,169,868 thousand losses on SEAT Pagine Gialle S.p.A. mergers in previous periods;
- *consolidation differential*: € 224,215 thousand at 30 June 2009 (€ 211,214 thousand at 31 December 2008), being the difference between the purchase value of fully consolidated equity investments and the value of the proportion of their equity at purchase.
  A € 15,338 thousand increase was recorded over the first half year as a result of the fluctuation of sterling against the euro, while a € 2,413 thousand fall followed impairment of the residual goodwill in Telegate 118 000 Sarl recognised at the start of the financial year.

5. Impairment testing of intangible assets with an indefinite useful life

Goodwill acquired through business combination was allocated at acquisition date to the companies acquired, which are separate cash generating units (CGUs) for impairment purposes.
€ 3,180,174 thousand in goodwill (93% of the total value of intangible assets with an indefinite useful life al 1 January 2008) was allocated to SEAT Pagine Gialle S.p.A. as a whole. The remaining goodwill was allocated to Group companies at their purchase date. These include Thomson Directories (€ 130,182 thousand at 01.01.2009) and Telegate group Companies (€ 80,930 thousand at 01.01.2009).
The SEAT Pagine Gialle group usually tests for impairment at period end or earlier if there are indications of asset impairment.
In the light of the results turned in by a number of companies in the Group at 30 June 2009 and of the fact that the market capitalisation of SEAT Pagine Gialle S.p.A. is now below its book value, the 31 December 2008 impairment tests were re-run. The December 2008 tests had looked at the forecast data in the 2009-2011 Business Plan approved by the Boards in February 2009, which data was based on assumptions concerning future events and the estimates and valuations relating to them, and on the assumptions about the macro-economic environment, still in recession, and the financial market trends that are currently more unstable than at any time in the recent past. Since the recent approval of the 2009-2011 Business Plan and since there are no clear indications of how business will evolve in the future, the Plan itself was used as a basis for testing impairment at 30 June 2009.
The tests were carried out as described in the notes to the consolidated Financial Statements as at 31 December 2008 (please see for details) and led to a € 2,413 thousand write-down in the SEAT Pagine Gialle group consolidated income statement of the goodwill in Telegate France.

Sensitivity analysis, made by adjusting WACC for the goodwill in subsidiaries 1% up and down, confirmed book values.
When testing the goodwill in SEAT Pagine Gialle S.p.A. for impairment, recoverable amount was considered to be the Company's value in use. This was € 550 million to € 1,800 million higher than CGU book value, depending on the WACC used, varying 1% against benchmark WACC (7.8% at 30 June 2009, 7.85% at 31 December 2008). All valuations are based on cautious assumptions of zero growth for terminal value purposes (0.17% for the 2009-2011 Plan).

6. Intangible assets with a finite useful life

Intangible assets with a finite useful life amounted to € 134,571 thousand at 30 June 2009 (€ 219,752 thousand at 31 December 2008) as follows

	1st half-year 2009					1st half-year 2008
(euro/thousand)	Customer Databases	Software	Patents, concessions brands and licences	Other intangible assets	Total	Total
Cost	*1,003,698*	*186,651*	*26,029*	*58,090*	*1,274,468*	*1,208,273*
Depreciation	*(880,210)*	*(142,809)*	*(13,940)*	*(17,757)*	*(1,054,716)*	*(860,400)*
Balance at beginning of the period	**123,488**	**43,842**	**12,089**	**40,333**	**219,752**	**347,873**
- Investments		13,908	797	6,224	20,929	18,381
- Amortisation	(82,598)	(20,263)	(2,305)	(1,025)	(106,191)	(97,827)
- Depreciation and write-downs		(5)			(5)	
- Change in consolidation scope		(1)			(1)	32,504
- Exchange adjustments and other movements		34,731	29	(34,673)	87	130
Cost	*1,003,698*	*229,061*	*26,853*	*29,641*	*1,289,253*	*1,259,970*
Depreciation	*(962,808)*	*(156,849)*	*(16,243)*	*(18,782)*	*(1,154,682)*	*(958,909)*
Balance at end of the period	**40,890**	**72,212**	**10,610**	**10,859**	**134,571**	**301,061**

Intangible assets with a finite useful life comprised:

- *customer databases*: € 40,890 thousand at 30 June 2009 (€ 123,488 thousand at 31 December 2008).
  Amortisation in the first half of 2009 was € 82,598 thousand (€ 81,816 thousand in the first half of 2008), of which € 81,033 thousand SEAT Pagine Gialle S.p.A.;
- *software*: € 72,212 thousand at 30 June 2009 (€ 43,842 thousand at 31 December 2008) includes the cost of software purchase and of developing proprietary software and user licences for sales, publishing and administration purposes;
- *patents, concessions, brands and licences*: € 10,610 thousand at 30 June 2009 (€ 12,089 thousand at 31 December 2008), being mainly Telegate group licences for the 11881, 11882 and 11889 voice portals;
- *other intangible assets*: € 10,859 thousand at 30 June 2009 (€ 40,333 thousand at 31 December 2008). These are mainly current software projects. The € 34,731 thousand drop followed the commissioning of the SAP system for the CRM project. The cost of the project has therefore been reclassified under software and amortised.

Investments in the first half of 2009 amounted to € 20,929 thousand, up € 18,381 thousand on the same period 2008, and they included:
- SEAT Pagine Gialle S.p.A (€ 18,419 thousand in the first half of 2009 and € 14,737 thousand in the first half of 2008): product innovation, development of systems for providing internet services and improvement of the Company's technological infrastructure;
- Telegate group (€ 1,497 thousand in the first half of 2009 and € 872 thousand in the first half of 2008): optimizing the production capacity of call centers through the development of technological infrastructure;
- Consodata (€ 838 thousand in the first half of 2009 and € 1,297 thousand in the first half of 2008): software development especially for geomarketing, and the updating and expansion of the Company's direct marketing databases.

7. Property, plant and equipment

Property, plant and equipment amounted to € 42,434 thousand at 30 June 2009 (€ 43,716 thousand at 31 December 2008). These are net of € 106,969 thousand in period-end depreciation; impact on gross figures is 72% (73% at 31 December 2008).

	1st half-year 2009				1st half-year 2008
(euro/thousand)	Property	Plant and equipment	Other fixed assets	Total	Total
Cost	*20,878*	*59,656*	*84,386*	*164,920*	*176,512*
Depreciation	*(7,275)*	*(48,328)*	*(65,601)*	*(121,204)*	*(120,803)*
Balance at beginning of the period	**13,603**	**11,328**	**18,785**	**43,716**	**55,709**
- Investments	181	912	3,623	4,716	5,365
- Depreciation and write-downs	(330)	(2,778)	(3,805)	(6,913)	(7,336)
- Change in consolidation scope			(29)	(29)	1,263
- Disposals and other moviments	900	(59)	103	944	(1,242)
Cost	*21,594*	*55,772*	*72,037*	*149,403*	*180,292*
Depreciation	*(7,240)*	*(46,369)*	*(53,360)*	*(106,969)*	*(126,533)*
Balance at end of the period	**14,354**	**9,403**	**18,677**	**42,434**	**53,759**

At 30 June 2009 the item included:
- *Property* for € 14,354 thousand (€ 13,603 thousand at 31 December 2008), of which € 7,596 thousand the Thomson group's head office and € 5,769 thousand the properties in Milan and Catania in which Cipi S.p.A. has its offices;
- *plant and equipment* for € 9,403 thousand (€ 11,328 thousand at 31 December 2008), of which € 6,431 thousand Telegate group call centre technological infrastructure;
- *other tangible assets* for € 18,677 thousand (€ 18,785 thousand at 31 December 2008), of which € 9,516 thousand hardware and software.

Investments in the first half of 2009 totalled € 4,716 thousand (€ 5,365 thousand in the first half of 2008), of which € 2,170 thousand the purchase of EDP systems.

Current depreciation at 30 June 2009 (€ 106,969 thousand) is considered adequate for the impairment of fixed assets in all classes over their residual useful lives. The table below summarises depreciation levels applied

	Year 2009	Year 2008
Property	3%	3%
Plant and equipment	10-25%	10-25%
Other fixed assets	10-25%	10-25%

8. Financial leases

Financial leases amounted to € 61,023 thousand at 30 June 2009, of which € 60,786 thousand the new headquarters in Turin to which SEAT Pagine Gialle S.p.A. moved end December 2008.
The purchase of the property from SNOS S.p.A. and the work done on it (completed in 2008) were financed by a 15-year financial lease from Leasint S.p.A. that is described in note 18 below.

	1st half-year 2009				
(euro/thousand)	Leased land	Leased property	Leased plant	Other leased assets	Total
Cost	*10.303*	*32.518*	*16.261*	*4.301*	*63.383*
Depreciation	-	-	-	*(497)*	*(497)*
Balance at beginning of the period	**10.303**	**32.518**	**16.261**	**3.804**	**62.886**
Movements of the period	-	(488)	(1.088)	(287)	(1.863)
Cost	*10.303*	*32.518*	*16.261*	*4.251*	*63.333*
Depreciation	-	*(488)*	*(1.088)*	*(734)*	*(2.310)*
Balance at end of the period	**10.303**	**32.030**	**15.173**	**3.517**	**61.023**

9. Investments valued at equity

Changes during the first half of 2009 were as follows

	At 31.12.2008	Change during the period		At 30.06.2009
(euro/thousand)		Reclassification to non-current assets held for sale and discontinued operations	Total	
Associates				
Lighthouse International Company S.A.	307	-	-	307
Joint ventures				
Katalog Yayin ve Tanitim Hizmetleri A.S.	2,065	(2,065)	(2,065)	-
Total investments valued at equity	**2,372**	**(2,065)**	**(2,065)**	**307**

In the second quarter of 2009 and in line with the new strategic focus on Italy to free up financial resources for its core business, SEAT Pagine Gialle S.p.A. decided, in agreement with its partner Doğan, to pull out of the Turkish joint venture Katalog Yayin ve Tanitim Hizmetleri A.S. that was still at the start up phase and required major investment. The value of the holding at 30 June 2009 has therefore been reclassified under "non-current assets held for sale and discontinued operations".

10. Other non-current financial assets

Other non-current financial assets amounted to € 2,305 thousand at 30 June 2009 (€ 2,140 thousand at 31 December 2008) including:
- loans to employees: € 2,190 thousand, made at market rates for loans of this kind;
- assets held for sale: € 110 thousand for the 2.2% stake in Emittenti Titoli S.p.A..

11. Inventories

Inventories were detailed as follows

	At 31.12.2008	Change during the period			At 30.06.2009
(euro/thousand)		Increase (Decrease)	Foreign exchange adjustments, change in consolidation scope and other movements	Total	
Raw materials, suppliers and consumables	9,518	(2,882)	82	(2,800)	6,718
Merchandising products	3,542	(408)	(368)	(776)	2,766
Work in progress and semi-finished goods	1,988	1,442		1,442	3,430
Finished goods	163	(50)	8	(42)	121
Total inventories	**15,211**	**(1,898)**	**(278)**	**(2,176)**	**13,035**

12. Trade account receivables

Trade account receivables were detailed as follows

	1st half-year 2009			1st half-year 2008
(euro/thousand)	Trade account receivables	Allowance for doubtful trade account receivables	Net value	Net value
Balance at beginning of the period	**782,400**	**(111,386)**	**671,014**	**671,101**
Provision in the income statement		(21,764)	(21,764)	(22,622)
Reversal in the income statement		3,414	3,414	18,664
Foreign exchange adjustments and other moviments	(37,857)	(67)	(37,924)	(52,104)
Balance at end of the period	**744,543**	**(129,803)**	**614,740**	**615,039**

Trade account receivables amounted to € 614,740 thousand at 30 June 2009 (net of € 129,803 thousand allowance for doubtful trade account receivables), of which € 4,736 thousand due in over 12 months.
Securitised receivables are still recognised under "Trade account receivables" in accordance with IAS 39 because SEAT Pagine Gialle S.p.A. retains the attaching risks and benefits (€ 354,471 thousand at 30 June 2009).
The € 129,803 thousand *allowance for doubtful trade account receivables* at 30 June 2009 is considered sufficient. Release over the period was € 3,414 thousand (€ 18,664 thousand in the first half of 2008). The drop in reversal was caused by the start-up of SEAT Pagine Gialle S.p.A's new sales and administration software which has cut down overdue receivables work.
Accrual to the provision was € 21,764 thousand (€ 22,622 thousand in the first half of 2008), in line with 2008 and has kept the reserve essentially unchanged since 30 June 2008 as regards the proportion of cover provided for receivables risk. There is no significant evidence of any greater difficulty in collecting overdue receivables despite the difficult economic environment in which the Group operates.

13. Other assets (current and non-current)

Other assets (current and non-current) amounted to € 71,650 thousand at 30 June 2009 (€ 68,758 thousand at 31 December 2008).

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Advances on sales commission and other receivables from agents	46,487	43,986	2,501
Advances to suppliers	8,131	5,074	3,057
Prepaid expenses	8,324	7,309	1,015
Other receivables	8,217	12,045	(3,828)
Total other current assets	**71,159**	**68,414**	**2,745**
Other non-current assets	**491**	**344**	**147**
Total other current assets and non-current assets	**71,650**	**68,758**	**2,892**

In particular:

- *advances on sales commission and other receivables from agents*: € 46,487 thousand at 30 June 2009 (€ 43,986 thousand at 31 December 2008). This is net of the € 2,241 thousand provision for doubtful receivables at 30 June 2009 (€ 2,106 thousand at 31 December 2008) and includes € 419 thousand in receivables due in over 12 months that have been classified under other current assets because they fall within the Company's normal operating cycle. These receivables were discounted using the average market rate for receivables with the same due dates;
- *advances to suppliers*: € 8,131 thousand at 30 June 2009 (€ 5,074 thousand at 31 December 2008) include € 7,485 thousand advances to Ilte S.p.A., which prints SEAT Pagine Gialle S.p.A. directories (€ 4,596 thousand at 31 December 2008).

14. Equity

Equity was detailed as follows

(euro/thousand)	At 31.12.2008	Change during the period: Cover for loss Allocation of 2008 results risultato	Dividend distribution	Capital increse	Other movements	Profit (loss) for the period	Other profit (loss) for the period	Total	At 30.06.2009
Share capital	250,352			199,914				199,914	450,266
- ordinary shares	*246,270*			*199,914*				*199,914*	*446,184*
- savings shares	*4,082*								*4,082*
Additional paid-in capital	465,103			1,346	394			1,740	466,843
Reserve for transition to IAS/IFRS	181,570								181,570
Reserve for stock options	5,956				(2,143)			(2,143)	3,813
Other reserves	210,989	(179,646)		(7,742)	2,056			(185,332)	25,657
Profit (loss) for the period	(179,646)	179,646				(51,060)		128,586	(51,060)
Other profit (loss) for the period									
- Reserve for "cash-flow hedge" instruments	*(10,931)*						*(21,341)*	*(21,341)*	*(32,272)*
- Reserve for actuarial gains (losses)	*(1,555)*						*(3,378)*	*(3,378)*	*(4,933)*
- Reserve for foreign exchange adjustments	*(45,243)*						*11,128*	*11,128*	*(34,115)*
Equity shareholders of the Group	**876,595**			**193,518**	**307**	**(51,060)**	**(13,591)**	**129,174**	**1,005,769**
Share capital and reserves	20,980	5,966	(3,364)		(758)			1,844	22,824
Profit (loss) for the period	5,966	(5,966)				898		(5,068)	898
Minority interests	**26,946**		**(3,364)**		**(758)**	**898**		**(3,224)**	**23,722**
Total equity	**903,541**		**(3,364)**	**193,518**	**(451)**	**(50,162)**	**(13,591)**	**125,950**	**1,029,491**

Share capital

Share capital amounted to € 450,266 thousand at 30 June 2009, up € 199,914 thousand on 31 December 2008 (€ 250,352 thousand) owing to the capital increase voted by the 26 January 2009 Extraordinary Shareholders' Meeting and completed 30 April 2009. For further details, see "Report on Operations paragraph Material events in the first half of 2009".

At 30 June 2009 share capital comprised 1,927,027,333 ordinary shares and 680,373 savings shares, all no par value.

€ 13,741 thousand of the share capital is subject to the deferred tax regime and the Company has not calculated deferred tax on it since it does not intend to repay the capital.

Additional paid-in capital

Additional paid-in capital amounted to € 466,843 thousand at 30 June 2009 (€ 465,103 thousand at 31 December 2008). It increased by € 1,740 thousand mainly as a result of the stock market sale of option rights not exercised at the end of the offer period. For further details, see "Report on Operations paragraph Material events in the first half of 2009".

€ 142,619 thousand of this figure is subject to the deferred tax regime since in 2005 the book value of the customer databases was brought in line with their fiscal value in accordance with Law 342/2000. The Company has not calculated deferred tax on the amount since it does not intend to distribute it.

Other reserves

This includes Retained earnings/losses, which at 30 June 2009 was negative for € 24,413 thousand (€ 160,806 thousand at 31 December 2008) partly as a result of allocation of the 2008 loss (€ 179,533 thousand). Retained earnings/loss fell € 7,742 thousand in the first half of 2009 owing to the cost of the capital increase, net of fiscal charges.

Other profit (loss) for the period

- *Cash flow hedge contract reserve* was negative for € 32,272 thousand at 30 June 2009, down € 21,341 thousand on 31 December 2008 (€ 10,931 thousand). The reserve covers the market value of interest-rate risk derivatives contracts (cash flow hedges) at the balance sheet date or, if closed early, with effect deferred to subsequent periods. See note 20 for a more detailed description of Group hedges.
- *Actuarial gain (loss) reserve* was negative for € 4,933 thousand (negative for € 1,555 thousand at 31 December 2008). This shows the accrued effect on the balance sheet of actuarial gain/loss on defined-benefit plans once recognised in accordance with paragraph 93A of IAS 19. The € 3,378 thousand change is primarily actuarial loss on the TDL group's pension fund.
- *Translation reserve* was negative for € 34,115 thousand at 30 June 2009 (negative for € 45,243 thousand at 31 December 2008), for the consolidation of the TDL Infomedia group whose financial statements are expressed in sterling.

15. Total profit (loss) for the period

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated
Profit (loss) for "cash flow hedge" instruments for the period	(21,511)	16,295
Profit (loss) for "cash flow hedge" instruments reclassified to income statement	170	(1,764)
Profit (loss) for "cash flow hedge" instruments	**(21,341)**	**14,531**
Profit (loss) for foreign exchange adjustements	11,409	(10,393)
Profit (loss) for foreign exchange adjustements reclassified to income statement	(281)	
Profit (loss) for foreign exchange adjustements	**11,128**	**(10,393)**
Actuarial gain (loss) recognised to equity	(4,692)	(19,752)
Tax effect of actuarial gain (loss) recognised to equity	1,314	5,397
Actuarial gain (loss) recognised to equity, net of tax effect	**(3,378)**	**(14,355)**
Total Other profit (loss), net of tax effect	**(13,591)**	**(10,217)**

16. Dividends distributed to Shareholders

In the first half of 2009 Telegate AG distributed € 3,364 thousand (€ 3,862 thousand in the first half of 2008) in dividends to Minority Shareholders.

17. Earnings per share

These were calculated as follows

		At 30.06.2009	At 30.06.2008 post capital regrouping	At 30.06.2008	At 31.12.2008 post capital regrouping
Number of SEAT Pagine Gialle S.p.A. shares		1,927,707,706	41,725,276	8,345,055,482	41,725,276
- ordinary shares		*1,927,027,333*	*41,044,903*	*8,208,980,696*	*41,044,903*
- savings shares		*680,373*	*680,373*	*136,074,786*	*680,373*
Profit (loss) for the period	€/thousand	(51,060)	(45,651)	(45,651)	(179,646)
Profit (loss) par share	€	(0.00006)	(1.0990)	(0.00549)	(4.30545)
Diluted profit (loss) par share	€	n.a.	n.a.	n.a.	n.a.

Earnings per share (EPS) was calculated by dividing operating result by the average number of outstanding shares over the period. For the first half of 2008 and for all of 2008, for comparative purposes, the number of ordinary and savings shares after the reverse share split was used (one new share per two hundred old shares as voted by the 26 January 2009 Extraordinary Shareholders' Meeting).
In the financial year 2008 and the first half of 2009 there was no dilution of EPS within the meaning of IAS 33 since the market value of SEAT Pagine Gialle S.p.A. ordinary shares was significantly lower than the strike price of outstanding options at 30 June 2009.

18. Net financial debt

Net financial debt amounted to € 2,790,231 thousand at 30 June 2009, down € 291,785 thousand compared to 31 December 2008.

Net financial debt differs from book "value" of net financial debt (described below) since it includes the transaction cost for the inception and refinancing medium and long-term "Senior" debt through The Royal Bank of Scotland Plc Milan branch, the "Subordinated" facility with Lighthouse International Company S.A., and the securitisation of receivables. These costs, net of those already amortised, totalled € 69,387 thousand at 30 June 2009.

Net financial debt does not include the market value of cash flow hedge contracts still open at period end and of those closed early but with effect deferred to subsequent periods. At 30 June 2009 this was a net liability of € 32,272 thousand (net liability of € 10,931 thousand at 31 December 2008).

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change	Note
Net financial debt	**2,790,231**	**3,082,016**	**(291,785)**	
Transaction costs on loans and securitisation programme not yet amortised	(69,387)	(76,184)	6,797	
Net market value of "cash flow hedge" instruments	32,272	10,931	21,341	
Net financial debt - "book value"	**2,753,116**	**3,016,763**	**(263,647)**	
of which:				
- Non-current financial debts to third parties	*1,587,270*	*1,762,018*	*(174,748)*	*(a)*
- Non-current financial debts to associates	*1,272,092*	*1,269,470*	*2,622*	*(a)*
- Current financial debts to third parties	*225,202*	*245,998*	*(20,796)*	*(b)*
- Current financial debts to associates	*30,886*	*47,837*	*(16,951)*	*(c)*
- Non-current financial assets (*)	*(2,190)*	*(2,026)*	*(164)*	*(d)*
- Current financial assets	*(6,986)*	*(1,932)*	*(5,054)*	*(e)*
- Cash and cash equivalents	*(353,158)*	*(304,602)*	*(48,556)*	*(f)*

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

a) Non-current financial debt

They were detailed as follows

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (gross value)	*1,320,218*	*1,497,658*	*(177,440)*
less transaction costs	*(40,899)*	*(44,922)*	*4,023*
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,279,319	1,452,736	(173,417)
Asset backed securities (gross value)	*256,000*	*256,000*	*-*
less transaction costs	*(580)*	*(732)*	*152*
Asset backed securities (net value)	255,420	255,268	152
Debt due to Leasint S.p.A.	52,492	53,921	(1,429)
Debts due to other lenders	39	93	(54)
Total non-current financial debts to third parties	**1,587,270**	**1,762,018**	**(174,748)**
Debts due to Lighthouse International Company S.A. (gross value)	*1,300,000*	*1,300,000*	*-*
less transaction costs	*(27,908)*	*(30,530)*	*2,622*
Debts due to Lighthouse International Company S.A. (net value)	*1,272,092*	*1,269,470*	*2,622*
Total non-current financial debts	**2,859,362**	**3,031,488**	**(172,126)**

Non-current financial debt to third parties

Non-current financial debt to third parties amounted to € 1,587,270 thousand at 30 June 2009 (€ 1,762,018 thousand at 31 December 2008):

- *Debts due to The Royal Bank of Scotland Plc Milan Branch*: € 1,279,319 thousand at 30 June 2009 (net of € 40,899 thousand at 30 June 2009 in transaction costs on the inception and refinancing of the loan). The debt refers to the term and revolving facilities agreement as follows:
  - tranche A: € 1,042.7 million, repayable in half-yearly variable instalments until June 2012 with variable interest of Euribor+2.19% until mid-August 2009 (1.435% at 31 December 2008);
  - tranche B: € 464.5 million, bullet repayment in June 2013 and variable interest of Euribor+2.81% until mid-August 2009 (2.06% at 31 December 2008) ;
  - a € 90.0 million revolving credit line, not currently drawn down, to provide working capital requirements for SEAT Pagine Gialle S.p.A. and its subsidiaries until May 2012. Draw-down is subject to variable interest at the rates applied for tranche A. Commission of 0.56% p.a applies to the proportion of the line that is not drawn down.

    The Company also has a € 30.0 million short-term committed credit line that is not currently in use and has been renewed until 31 March 2010.

  In the first half of 2009 the Company repaid a total of € 209,620 thousand, of which January-April € 109,620 thousand of the tranche A instalments due June 2009 and € 100,000 thousand pro-rata of the tranche A instalments due December 2009 to December 2011. The repayment applied 50% of the revenue from the capital increase as per the agreement with the Senior Lender when the covenants were reviewed.

- *Asset-backed securities*: worth € 256,000 thousand including transaction costs at 30 June 2009, these were issued by Meliadi Finance S.r.l. to finance the purchase from SEAT on a revolving basis of its receivables portfolio as part of a five-year receivables securitisation programme June 2006 to 2011. At annual renewal of the credit lines linked to the securitisation programme, the total cost of the programme (at market terms and conditions) rose from 51 to 203 basis point p.a. as of end June 2009.

  The securities, secured by the securitised receivables portfolio, were privately placed with an institutional investor and mature in 2014 but may be repaid early if the securitisation programme is not renewed. The securities bear variable interest at rates applicable to quarterly commercial papers but are capped at 3-month Euribor +5 bp. In accordance with IAS 32 and IAS 39, they are recognised in the balance sheet net of transaction costs not yet amortised at 30 June 2009 (€ 580 thousand). The securitisation programme is backed by two annual, renewable credit lines.

- *Debts due to Leasint S.p.A*: € 52,492 thousand at 30 June 2009 for 6 financial leases taken out to purchase new headquarters where SEAT Pagine Gialle S.p.A. moved its office at the end of 2008. A seventh lease (amounting to around € 1 million) will be added in the second half of 2009. The leases are subject to 58 quarterly residual instalments payable in arrears with variable interest at 3-month Euribor plus about 65 basis point p.a.. The residual value is approximately 1% of the property value.

Non-current financial debt to related parties

This is the facility given by Lighthouse International Company S.A. totalling € 1,272,092 thousand at 30 June 2009 (€ 1,269,470 thousand at 31 December 2008), net of € 27,908 thousand transaction costs not yet amortised (€ 30,530 thousand at 31 December 2008).
The 10-year facility carries fixed 8% interest and expires in 2014.

b) Current financial debt to third parties

Current financial debt to third parties amounted to € 225,202 thousand at 30 June 2009 (€ 245,998 thousand at 31 December 2008)

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Current portion of the non-current financial debt	189,962	222,030	(32,068)
Debt due to market value of "cash flow hedge" instruments	28,569	17,011	11,558
Debts for interest expense accrued but not yet paid	1,134	3,597	(2,463)
Exchange-rate hedges	161	901	(740)
Other financial debts	5,376	2,459	2,917
Total current financial debts to third parties	**225,202**	**245,998**	**(20,796)**

- € 189,962 thousand being the current proportion of non-current financial debt described in the previous note and due December 2008 and June 2009;
- € 28,569 thousand is the net liability on the measurement at fair value of cash flow hedge contracts at 30 June 2009 (€ 17,011 thousand at 31 December 2008). For further details on interest-rate hedges, go to 20 of this note.

c) Current financial debt to related parties

Current financial debt to related parties amounted to € 30,886 thousand at 30 June 2009 (€ 47,837 thousand at 31 December 2008):
- current financial debt to associates: € 17,375 thousand at 31 December 2008 (unchanged since 31 December 2008), is interest expense payable and outstanding at period end on the fixed-rate facility from Lighthouse International Company S.A;
- liabilities to undertakings with a significant influence on SEAT Pagine Gialle S.p.A. (Leading Shareholders): € 13,511 thousand at 30 June 2009. These refer to dividends distributed but not yet paid at the end of the financial period that, by virtue of an agreement not to demand payment, attract 6% p.a. interest 1 November 2008 - 15 June 2009 and 3.8% p.a. thereafter. At 30 June 2009 the interest liabilities totalled € 585 thousand.

d) Non-current financial assets

Non-current financial assets amounted to € 2,190 thousand at 30 June 2009 (€ 2,026 thousand at 31 December 2008). These were loans to employees at market rates.

e) Current financial assets

Current financial assets amounted to € 6,986 thousand at 30 June 2009 (€ 1,932 thousand at 31 December 2008).
Being € 7,578 thousand credit positions and derivative hedges with Lehman Brothers (USA) at the time of its default and declaration of Chapter 11. These have been written down in the amount of € 6,062 thousand.

f) Cash and cash equivalent

Cash and cash equivalent increased by € 48,556 thousand against 31 December 2008

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Bank deposits	352,919	304,254	48,665
Postal deposits	180	182	(2)
Cash on hand	59	166	(107)
Total cash and cash equivalents	**353,158**	**304,602**	**48,556**

Cash and cash equivalent was € 353,158 thousand at 30 June 2009, of which € 93,942 thousand bank deposits with Meliadi Finance S.r.l., from collection of the receivables sold by SEAT Pagine Gialle S.p.A. in its securitisation programme. The draw-down of cash and cash equivalent is subject to payment of the debts of Meliadi Finance S.r.l..

19. Guarantees provided, commitments and material contract rights

The obligations deriving from the facilities agreement with The Royal Bank of Scotland Plc Milan Branch are secured by a pledge on shares of SEAT Pagine Gialle S.p.A. and other companies in the SEAT Pagine Gialle group, a pledge on the main brands owned by the SEAT Pagine Gialle group and on certain capital goods belonging to SEAT Pagine Gialle and by fixed and floating charge on the assets of TDL Infomedia and Thomson.
The obligations deriving from the US Indenture are secured *inter alia* by a second-line pledge on SEAT Pagine Gialle S.p.A. shares.
The asset-backed securities issued by Meliadi Finance S.r.l. as part of the securitisation of SEAT Pagine Gialle trade receivables starting June 2006 are secured by the securitised credit portfolio owned by Meliadi Finance S.r.l..
The only security for the leases taken out by SEAT Pagine Gialle with Leasint S.p.A. is the fact that Leasint S.p.A. owns the leased properties. In the event of default by SEAT Pagine Gialle, satisfaction can be obtained by selling the properties themselves.
SEAT Pagine Gialle SpA has also given € 350,000 thousand in guarantees for additional charges on the debenture bond issued by Lighthouse International Company SA.
The facilities agreements with The Royal Bank of Scotland Plc Milan Branch and Lighthouse International Company SA subject SEAT Pagine Gialle S.p.A. to covenants, checked quarterly, to maintain specified 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 30 June 2009 (the reference date for this Report) with the covenants and the terms of the facilities agreement.
The facilities agreements also set the usual limits and operating terms and conditions on *inter alia* investment, additional debt, acquisitions, dividend distribution and capital transactions.

With the completion of the capital increase end April 2009, amendments to the senior financing agreement came into effect, including:

- the resetting of the financial covenants and of a number of economic and financial ratios in the 2005 senior financing agreement;
- an undertaking by SEAT Pagine Gialle S.p.A not to vote any dividends while net financial debt:EBITDA remains over 4;
- an undertaking by SEAT Pagine Gialle S.p.A (described above): a) to apply 50% of the proceeds from the capital increase to make early pro rata repayment on tranche A instalments on the “Senior” loan (done 28 April 2009) and b) to agree 0.75% p.a. higher margins on “Senior” credit lines until the end of 2010.

At the end of December 2008 six property leases with Leasint S.p.A. came into effect relating to the purchase of Corso Mortara 22 (Turin), where SEAT Pagine Gialle S.p.A. now has its headquarters. The property transaction will be completed in the third quarter of 2009 when all work on the last building is finished and a seventh lease worth about € 1 million comes into effect.

20. Information on financial risks

Market risk

During its normal business the SEAT Pagine Gialle group is subject to interest-rate and exchange-rate risk. These apply in particular to its debt to The Royal Bank of Scotland Plc Milan Branch, to the debt arising on the issue of limited-recourse asset-backed securities by Meliadi Finance S.r.l. for the securitisation programme and to foreign currency (especially sterling) payables and receivables.
The SEAT Pagine Gialle group is constantly monitoring the risks to which it is exposed so as to be able to anticipate any negative effects and to take appropriate mitigating action. The risks are managed using financial derivative instruments and the Group's risk management policy. This requires the use of derivatives to be limited to management of the exposure to interest-rate and exchange-rate risk on monetary flows and asset and liability positions on the balance sheet. Speculation is prohibited.

SEAT Pagine Gialle group policy on financial market risk

- On-going monitoring of exposure to interest-rate and exchange-rate risk and assessment of maximum exposure levels;
- the use of derivative hedges to manage these risks. Speculative use of derivatives is prohibited;
- on-going assessment of financial counterparty reliability to reduce default risk. All hedge contracts are with leading financial institutions and banks. If the counterparty is a subsidiary, the transaction is at market conditions.

Interest-rate derivative hedges

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 variable, Euribor-linked interest. To limit the exposure to this interest-rate risk, SEAT Pagine Gialle S.p.A. has taken out derivative hedge contracts with leading international banks for the “Senior” debt.
When assessing the market value of derivatives, SEAT Pagine Gialle S.p.A. has used the valuations provided by third parties (banks and financial institutions).
The market value of the interest rate swaps (IRSs) and forward rate agreements (FRAs) is the current value of the difference between fixed-rate interest payable and/or receivable and interest valued using the market-rate curves applying at the same dates to derivative contracts.
IRSs and FRAs involve or may involve interest-rate swaps measured at the notional value of the fixed or variable rate derivative at the settlement date agreed. Notional value is not the amount exchanged by the parties and therefore is not a measure of exposure to credit risk, which is the difference between the interest rates swapped at the settlement date.

The market value of a collar is the difference between the price payable to buy back floor options and the price receivable for reselling cap options. The prices of both options are based on the interest rates forecast for expiry, strike price at each expiry and interest-rate volatility.

At 30 June 2009 the following hedge contracts were in place:

a) *Interest Rate Collar* (market value negative for € 5,600 thousand) December 2009 to December 2011: variable six-month Euribor with an average 4.10% constant cap and an average 3.23% constant floor on € 250.0 million notional value;
b) *Interest Rate Swap* (market value negative for € 714 thousand) 28 July to 28 December 2009: variable one-month Euribor replaced by a fixed rate of about 0.98% on € 900.0 million notional value;
c) *Interest Rate Swap* (market value negative for € 7,382 thousand) December 2009-December 2011: variable six-month Euribor replaced by a fixed rate of about 2.93% on € 440.0 million notional value;
d) *Interest Rate Swap* (market value negative for € 10,702 thousand) December 2009-June 2012: variable six-month Euribor replaced by a fixed rate of about 3.75% on € 325.0 million notional value;
e) *Interest Rate Swap* (market value positive for € 49 thousand) June 2010-December 2011: variable six-month Euribor replaced by a fixed rate of 2.4% on € 100.0 million notional value;
f) *Forward Rate Agreement* (market value negative for € 2,349 thousand) December 2009 to June 2010: variable six-month Euribor replaced by a fixed rate of about 3.78% on € 200.0 million notional value;
g) *Forward Rate Agreement* (market value negative for € 418 thousand) June 2010 to December 2010: variable six-month Euribor replaced by a fixed rate of 3.58% on € 50.0 million notional value;

At end June 2009 the designation the interest-rate cash flow contracts hedging "Senior" debt for the second half of 2009 was revoked reclassified as a result of the decision to manage "Senior" debt in future via cheaper monthly interest periods instead six-monthly. At the date that the Company revoked the designation, their market value was negative for € 9.2 million reflected at 30 June 2009 in an equity reserve that will be recognised in income statement (in the next half) under the financial period to which it applies.
Securitisation debt at 30 June 2009 comprises an *Interest Rate Swap* contract (market value negative for € 352 thousand) hedging the period April 2009-April 2011. In this case the variable three-month rate has been replaced by a fixed rate of about 1.85% on € 75.0 million notional value.
Leasing debt at 30 June 2009 comprises an *Interest Rate Swap* contract (market value negative for € 1,101 thousand) hedging the period June 2009-December 2011. In this case variable three-month Euribor rate has been replaced by a fixed rate of 3.60% on € 30.0 million notional value.
About 77% of the total debt for the second half of 2009 is hedged: about 50% being "Subordinated" debt at fixed rates and the remaining about 27% being *Interest Rate Swaps*. This is considered sufficient given the trends in short-term rates.
About 80% of 2010-2012 debt is hedged: 49% being Subordinated debt at fixed rates, 24% being *Interest Rate Swaps*, 6% *Interest Rate Collars* and 1% *Forward Rate Agreements*.
2013-2014, since fixed-rate "Subordinated" debt accounts for about 84% of total debt for the period, no further hedging has been put in place.

Risk from high levels of financial debt

The SEAT Pagine Gialle group has a high level of debt with leverage that end June 2009 was about 4.8 times EBITDA. The average life of financing at 30 June 2009 was 3.6 years with repayment as follows:

	Due date - by						Total
(euro/thousand)	30.06.2010	30.06.2011	30.06.2012	30.06.2013	30.06.2014	beyond five years	
The Royal Bank of Scotland Plc Milan Branch	187,060	197,824	657,850	464,544			1,507,278
Lighthouse International Company S.A.					1,300,000		1,300,000
Asset-backed securities (*)					256,000		256,000
Debts due to Leasint S.p.A.	2,685	2,820	2,959	3,112	3,269	40,332	55,177
Debts due to other lenders	217	15	24				256
Total non-current financial debts (gross value)	**189,962**	**200,659**	**660,833**	**467,656**	**1,559,269**	**40,332**	**3,118.711**

(*) The 5-year securitization programme expires in June 2011. If it is not then renewed by SEAT PG the limited-recourse asset-backed securities issued, which mature in 2014, will be repaid by the collection of the receivables assigned.

In the event that market conditions or other circumstances prevent SEAT Pagine Gialle S.p.A. from generating sufficient financial resources to meet its financial commitments when they fall due and as agreed or more generally cause it to default on any other obligations under the above financial agreements (e.g. as a result of insolvency procedures or default by SEAT Pagine Gialle S.p.A. or any company in the SEAT Pagine Gialle group on any debt instrument or guarantee) the amounts granted must be repaid early and in full along with all accrued interest and all additional sums owed under the agreements. This will have a negative impact on the assets and on the economic, capital and financial position of the Company and on the SEAT Pagine Gialle group.

Liquidity risk - obtaining financial resources

Liquidity risk is the risk that available financial resources may not be sufficient to cover the € 189,962 thousand bond repayments due by 30 June 2010. The low volatility business of the SEAT Pagine Gialle group generates strong cash flows and in the light of both the inflow from the capital increase and its credit lines worth about € 120 million, the Group believes it does have the financial resources needed to meet its commitments.
After 30 June 2010, SEAT Pagine Gialle S.p.A. will have to make a large repayment of current financing and it is possible that the Group will not have sufficient resources to do this, forcing it to seek new financing. The financial crisis that began in 2008 and continued through the first half of 2009, triggered by sub-prime mortgage lending and the heavy impact this has had on all the banks, has given investors a general and growing aversion to risk that has translated into higher spreads to counter the risk of credit default (Credit Default Swap) and a marked fall in high-yield security rates.

Consequently, in the event that SEAT Pagine Gialle S.p.A. is for any reason unable to generate sufficient resources to meet its financial obligations and has to renegotiate the terms and conditions of its existing facilities and loans before they fall due, or has to seek finance from the banks and/or on the financial markets to make their repayment, it could find itself unable to obtain that finance or be forced to accept terms that are less favourable than those it currently enjoys, with all the negative impacts this will have on the economic, capital and financial position of the Group.
Financial resources could prove harder to obtain if Standard & Poor's current rating of SEAT Pagine Gialle S.p.A. (BB-) falls. The rating expresses Standard & Poor's view of the Company's likelihood of default and follows examination of i) the Group's outlook in terms of profit, cash generation and ability to service debt, and ii) likely market scenarios. If the rating agency's subjective assessment indicates that either or both parameters have worsened and therefore even if there is deterioration in the Group's markets alone, Standard & Poor's could downgrade the SEAT Pagine Gialle S.p.A. rating. Under the terms of the revolving receivables securitisation programme introduced by SEAT Pagine Gialle S.p.A. in June 2006, the downgrading of the Company by more than one level (to B or below) will reduce its ability to assign its receivables to the SPE. In this event, any receivables not realised via securitisation could be financed using alternative methods that current market conditions might make more expensive than the present securitisation system. The SEAT Pagine Gialle group could however avoid the problems alternative methods of financing might create if it uses its own cash resources and the above € 120 million credit lines.

Impact of change of control on existing facilities agreements (section 123 bis (l) of Legislative Decree 58/1998)
No change since the consolidated and separate Financial Statements as at 31 December 2008.

Credit risk
No change since the consolidated and separate Financial Statements as at 31 December 2008.

21. Non-current employee-related reserves

Non-current employee-related reserves were detailed as follows

	1st half-year 2009					1st half-year 2008
(euro/thousand)	Net liabilities for defined benefit pension plans	Reserve for severance indemnities as Company's reserve	Reserve for defined contribution pension plans	Net liabilities for termination indemnities	Total	Total
Balance at beginning of the period	**10,646**	**21,821**	**1,887**	**413**	**34,767**	**47,183**
Provisions	527	12	2,943	257	3,739	4,968
Contributions	(3,229)		234	(413)	(3,408)	(6,652)
Benefits paid/received		(2,011)	(3,422)		(5,433)	
Discounting losses	2,307	530			2,837	3,536
Expected return on plan assets	(2,128)				(2,128)	(3,230)
Actuarial losses (gains) recognised to equity	4,688	4			4,692	19,752
Foreign exchange adjustments and other adjustments	1,361	(1)	64	707	2,131	(1,894)
Balance at end of the period	**14,172**	**20,355**	**1,706**	**964**	**37,197**	**63,663**

The figures for pension scheme assets, liabilities to employees and expenses carried to loss are based on the calculations of an independent actuary made using the projected unit credit (PUC) method as per IAS 19.

a) Net liabilities on defined benefit pension plans

Net liabilities on defined benefit pension plans amounted to € 14,172 thousand at 30 June 2009 (€ 10,646 thousand at 31 December 2008). These are recognised net of the assets (€ 66,928 thousand) financing the funds (€ 81,100 thousand) and are imputable to the TDL Infomedia group pension fund.
The first half of 2009 generated a € 4,688 thousand actuarial loss following the increase in discount rates and UK inflation. In accordance with section 93A of IAS 19 this was carried, net of fiscal effect, directly to equity.

b) Reserve for severance indemnities as Company's reserve

Reserve for severance indemnities amounted to € 20,355 thousand at 30 June 2009 (€ 21,821 thousand at 31 December 2008), measured in accordance with IAS 19.
With the entry into effect of the complementary pensions reform (Legislative Decree 252 of 5.12.2005), on 1 January 2007 the TFR changed from a defined benefits plan into a defined contributions plan. The balance sheet liability is therefore now the liability on the defined-benefits plan, measured in accordance with IAS 19 and owed to personnel for services up to 31 December 2006.

22. Share-based payment

Stock option plans at 30 June 2009 are recognised on the balance sheet 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 30.06.2009	Fair value	*of which accrued in the 1st half 2009*
										(thousands of euro)
2004 stock option plans										
Employees of SEAT PG group	07.06.2004	296,325	(2,250)	30.09.2005	66.82	(214,625)	(79,450)		5,590	-
Employees of SEAT PG group	30.06.2004	24,500	(4,000)	30.09.2005	66.82	(9,500)	(11,000)		400	-
TDL Infomedia group	30.06.2004	50,000	(3,125)	30.09.2005	66.82	(35,975)	(10,900)		922	-
Chief Executive Officier	25.11.2004	25,000		30.09.2005	66.82		(25,000)		400	-
2005 stock option plans										
Employees of SEAT PG group	08.04.2005	337,000	(9,750)	30.09.2006	64.42	(172,275)	(12,425)	142,550	5,633	-
Employees of SEAT PG group	04.11.2005	8,000		30.09.2006	78.30		(8,000)		200	-
TDL Infomedia group	04.11.2005	46,675	(3,375)	30.09.2006	64.42	(36,450)	(4,500)	2,350	745	-
Chief Executive Officier	08.04.2005	25,000		30.09.2006	64.42			25,000	498	-
Total		812,500	(22,500)			(468,825)	(151,275)	169,900	14,388	-
2005 Telegate's stock option plans										
Directors and employees	12.05.2005	293,000	(31,500)	12.05.2007	14.28	(240,500)		21,000	489	-
Directors and employees	01.06.2006	400,000	(42,625)	01.06.2008	16.09			357,375	815	-
Directors and employees	01.06.2008	319,000		01.06.2010	11.01			319,000	472	105
Total		1,012,000	(74,125)			(240,500)		697,375	1,776	105
Total for the SEAT PG group		1,824,500	(96,625)			(709,325)	(151,275)	867,275	16,164	105

Stock option charges of € 105 thousand in the first half of 2009 (€ 459 thousand in the first half of 2008) are carried to loss under non-recurring charges.

23. Other non-current liabilities

Other non-current liabilities amounted to € 32,616 thousand at 30 June 2009 (€ 26,170 thousand at 31 December 2008)

	1st half-year 2009					1st half-year 2008
(euro/thousand)	Reserve for sale agents' termination indemnities	Reserve for restructuring expenses	Reserve for operating risks and charges	Other non-operating liabilities	Total	Total
Balance at beginning of the period	**22,158**	**2,145**	**1,006**	**861**	**26,170**	**22,687**
Provision	2,081	6,000	342		8,423	3,290
Utilisation/repayment	(1,503)	(45)	(103)		(1,651)	(1,024)
Reversal to the income statement			(189)		(189)	
Discounting losses (gains)	(173)			22	(151)	(531)
Change in the scope of consolidation and other movements	9			5	14	(888)
Balance at end of the period	**22,572**	**8,100**	**1,056**	**888**	**32,616**	**23,534**

In the light of current and future financial cash flows, the balances at 30 June 2009 on non-current funds were discounted using the pre-tax discount rate that reflects the current market assessment of the cost of money to time ratio. The fall resulting from the passage of time and the change in the discount rate applied was recognised as financial income (€ 151 thousand).
The *sales agent severance pay fund* (€ 22,572 thousand at 30 June 2009) is the year-end liability to current sales agents that is payable under current law in the event their agency contract ends.
The *company restructuring fund* increased in the first half of 2009 following a € 6,000 thousand accrual, of which € 5,735 thousand for SEAT Pagine Gialle S.p.A., supplementing accruals in previous periods for the costs the Company expects to incur in its 2009-2011 Reorganisation Plan. The plan, agreed by the unions and approved by the Board of Directors end December 2008, will generate 210 redundancies 2009-2011 through redundancy incentives, early retirement and use of the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund).

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

Reserves for current risks and charges (operating and non-operating) were detailed as follows

	1st half-year 2009				1st half-year 2008
(euro/thousand)	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves	Total	Total
Balance at beginning of the period	**14,550**	**23,495**	**14,415**	**52,460**	**44,165**
Provisions	7,139	1,076	3,581	11,796	13,993
Utilisations	(5,418)	(2,317)	(5,589)	(13,324)	(12,618)
Reversal to the income statement		(920)	(6)	(926)	(458)
Other movements			16	16	2,567
Balance at end of the period	**16,271**	**21,334**	**12,417**	**50,022**	**47,649**

In particular:
- *reserve for commercial risks*: € 16,271 thousand at 30 June 2009 (€ 14,550 thousand at 31 December 2008), this covers the failure properly to perform contracted services in respect of PAGINEGIALLE®, PAGINEBIANCHE® and Annuari;
- *reserve for contract and other operating risks*: € 21,334 thousand at 30 June 2009 (€ 23,495 thousand at 31 December 2008) includes a € 19,916 thousand provision for litigation and current disputes with agents and employees (€ 20,966 thousand at 31 December 2008);
- *non-operating reserves*: € 12,417 thousand at 30 June 2009 (€ 14,415 thousand at 31 December 2008), including a € 8,268 thousand company restructuring reserve at end 2008 that in the first half of 2009 was increased by € 2,500 thousand to cover the expense SEAT Pagine Gialle S.p.A. will incur for the 2009-2011 Reorganisation Plan agreed by the Unions and approved by the Board of Directors end December 2008. The new plan provides for the shedding of 210 employees 2009-2011 through voluntary redundancies, early retirement and the use of the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund).

25. Trade account payables and other current liabilities

Trade account payables and other current liabilities were detailed as follows

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Payables due to suppliers	136,837	165,668	(28,831)
Payables due to sales agents	41,222	50,444	(9,222)
Payables due to employees	23,107	28,050	(4,943)
Payables due to social security institutions	11,140	11,217	(77)
Payables due to related parties	524	1,614	(1,090)
Total trade account payables	**212,830**	**256,993**	**(44,163)**
Payables for services to be rendered	155,389	90,481	64,908
Advances from customers	5,324	2,309	3,015
Deferred income and other liabilities	30,479	25,739	4,740
Total payables for services to be rendered and other current liabilities	**191,192**	**118,529**	**72,663**

All trade account payables fall due within 12 months.
Services to be rendered and other current liabilities include € 84 thousand due in over 12 months (€ 65 thousand at 31 December 2008). In particular:
- *payables due to suppliers* amounted to € 136,837 thousand at 30 June 2009 (€ 165,668 thousand at 31 December 2008), down € 28,831 thousand on 31 December 2008. The change over the period reflects the purchasing cycle, buying being overall lower than in the last half;
- *payables due to sales agents* amounted to € 41,222 thousand at 30 June 2009 (€ 50,444 thousand at 31 December 2008), this should be set against "commission advances" under "Other current assets" of € 46,487 thousand at 30 June 2009 (€ 43,986 thousand at 31 December 2008). The fall is in line with the drop in commission expense.
- *payables for services to be rendered* amounted to € 155,389 thousand at 30 June 2009 (€ 90,481 thousand at 31 December 2008), being advance invoicing for advertising. The reduction since 31 December 2008 (€ 64,908 thousand) mirrors orders and the invoicing cycle.

26. Segment information

Presentation of the SEAT Pagine Gialle group is primarily by business area since the Group's risks and income are highly sensitive to the differences between the products and services offered. Presentation is secondly geographic.
The Group's operations are organised and managed separately to reflect the type of products and services supplied so that each business area is a separate strategic business unit offering various products and services on different markets.
Intercompany transfer pricing applies the terms and conditions that also apply to transactions with non-Group entities.
Revenues, costs and results per business area include inter-area transfers, although these are eliminated in the consolidation.
Group territories are based on the location of the Group business and are essentially those of the legal entity that operates in the business area concerned.
See "Report on Operations, paragraph Economic and financial performance by Business Area" for details and comments on business areas and full information on their operating revenues and costs.

27. Revenue from sales and services

Income from sales and services amounted to € 513,571 thousand in the first half of 2009, down € 45,321 thousand on the first half of 2008 *restated* (€ 558,892 thousand)

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Change Absolute	%
Italian Directories	387,776	419,545	(31,769)	(7.6)
UK Directories	32,577	46,600	(14,023)	(30.1)
Directory Assistance	90,375	92,083	(1,708)	(1.9)
Other Activities	25,378	28,599	(3,221)	(11.3)
IC eliminations	(22,535)	(27,935)	5,400	19.3
Total revenue from sales and services	**513,571**	**558,892**	**(45,321)**	**(8.1)**

For further details see "Report on Operations paragraph Economic and financial performance by Business Area".

28. Other income and operating costs

28.1 Other income

Other income amounted to € 2,014 thousand in the first half of 2009 (€ 8,171 thousand in the first half of 2008 *restated*). This includes recoveries from third parties as follows: € 1,143 thousand postage, legal fees, administration fees and staff secondment costs (€ 2,034 thousand in the first half of 2008 *restated*). The change on the same period in 2009 is imputable to the € 5,540 thousand awarded to Telegate AG in 2008 at the end of its court case against Deutsche Telekom to recover overpayments it had made to Deutsche Telekom for telephone subscriber information.

28.2 Materials costs

Materials costs amounted to € 17,543 thousand in the first half of 2009 (€ 21,320 thousand in the first half of 2008 *restated*), being € 14,510 thousand paper (€ 17,974 thousand in the first half of 2008 *restated*).

28.3 External services costs

External services costs amounted to € 173,968 thousand in the first half of 2009, down € 24,682 thousand on the first half of 2008 *restated*.
For further details, see the "Report on Operations paragraph Economic and financial performance of the Group".

28.4 Salaries, wages and employee benefits

Salaries, wages and employee benefits amounted to € 113,670 thousand in the first half of 2009, decreased by € 5,416 thousand on first half of 2008 *restated* (€ 119,086 thousand). The drop is imputable to the Thomson group which is overhauling its organisation and has shed a significant number of jobs (190 units fewer FTEs than in the first half of 2008 *restated*).
The Group's workforce, including administrators, project workers and trainees, was 6,428 personnel at 30 June 2009 (6,532 personnel at 31 December 2008).
The FTE average in the first half of 2009 was 5,040 units (5,203 units in the first half of 2008).

28.5 Non-recurring charges net

Non-recurring charges net amounted to € 4,479 thousand in the first half of 2009 (€ 5,364 thousand in the first half of 2008 *restated*). This expense is mainly the cost of providing management with support while developing the new cost cutting and organisation improvement policies. The item includes € 105 thousand stock option costs (see note 22 above).

28.6 Net restructuring charges

Net restructuring charges amounted to € 11,926 in the first half of 2009 (€ 5,158 thousand in the first half of 2008 *restated*)

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Change Absolute	Change %
Provision to reserve for restructuring expspenses	9,581	5,000	4,581	91.6
Restructuring costs	2,351	158	2,193	n.s.
Reversal to the income statement	(6)		(6)	n.s.
Total restructuring costs, net	**11,926**	**5,158**	**6,768**	**n.s.**

For further details see note 23 and 24 above.

29. Interest income and expense

29.1 Interest expense

Interest expense amounted to € 110,284 thousand in the first half of 2009 (€ 134,574 thousand in the first half of 2008 *restated*)

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Change Absolute	Change %
Interest expense on the loan with The Royal Bank of Scotland Plc Milan Branch	36,842	59,810	(22,968)	(38.4)
Interest expense on the loan with Lighthouse International Company S.A.	54,747	54,951	(204)	(0.4)
Interest expense on asset-backed securities	3,576	6,628	(3,052)	(46.0)
Interest expense with Leasint S.p.A.	1,163		1,163	n.s.
Other financial expense	5,102	5,360	(258)	(4.8)
Foreign exchange losses	8,854	7,825	1,029	13.2
Total interest expense	**110,284**	**134,574**	**(24,290)**	**(18.0)**

This item fell € 24,290 thousand against the first half of 2008 *restated* as a result of the combined effect of *a)* the fall in Euribor, a benefit felt thanks to relatively low short-term hedging levels and *b)* less "Senior" debt.
For further details, see the "Report on Operations paragraph Economic and financial performance of the Group".

29.2 Interest income

Interest income amounted to € 16,849 thousand in the first half of 2009 (€ 14,318 thousand in the first half of 2008 *restated*):
- € 12,641 thousand (€ 6,621 thousand in the first half of 2008 *restated*) *exchange income* following the drop of sterling against the euro;
- € 1,819 thousand (€ 3,649 thousand in the first half of 2008 *restated*) *interest income* on the investment of short-term liquidity with banks at Euribor tracker rates;
- € 2,128 thousand (€ 3,230 thousand in the first half of 2008 *restated*) *interest income* on non-current assets funding the TDL group's pension fund.

30. Income taxes for the period

In the first half of 2009 a € 5,115 thousand income tax gain was produced (€ 9,841 thousand gain in the first half of 2008 *restated*) as follows

(euro/thousand)	1st half-year 2008	1st half-year 2007 restated	Change Absolute	Change %
Current income taxes	8,751	12,371	(3,620)	(29.3)
Reversal (provision) of deferred tax assets	516	(6,853)	7,369	n.s.
Provision (reversal) of deferred tax liabilities	(14,385)	(15,325)	940	6.1
Income taxes referred to the previous years	3	(34)	37	n.s.
Total income taxes for the period	**(5,115)**	**(9,841)**	**4,726**	**48.0**

As required under IAS 34, income tax for the period has been calculated by applying to gross pre-tax profit for the period the average actual tax rate projected for the full financial year. The rates applied reflect the Group's tax saving in the financial year 2009 following the fiscal recognition of the discrepancy between the book and fiscal values at 31 December 2008 of the SEAT Pagine Gialle S.p.A. customer databases. The adjustment, made in accordance with Law 244/07, involves payment in three instalments of a tax to replace income tax and IRAP.

Net deferred tax assets and liabilities

Net deferred tax assets and liabilities were detailed as follows

(euro/thousand)	At 31.12.2008	Change during the period: Income taxes to the income statement	Change during the period: Income taxes to equity	Change during the period: Foreign exchange adjustments and other moviments	At 30.06.2009
Deferred tax assets	67,100	(516)	4,249	(1,810)	69,023
Deferred tax liabilities	(70,826)	14,327			(56,499)
Total	**(3,726)**	**13,811**	**4,249**	**(1,810)**	**12,524**
of which in the balance sheeet: (1)					
Deferred tax assets, net	*10,442*				*26,040*
Deferred tax liabilities, net	*(14,168)*				*(13,475)*

(1) Deferred tax assets and deferred tax liabilities are reported in the Financial Statement 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 payment.

Current tax assets

Current tax assets amounted to € 10,296 thousand at 30 June 2009 (€ 7,016 thousand at 31 December 2008) and were detailed as follows

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Income tax receivables	7,857	4,941	2,916
Other tax receivables	2,439	2,075	364
Total current tax assets	**10,296**	**7,016**	**3,280**

Current tax liabilities

Current tax liabilities amounted to € 61,292 thousand at 30 June 2009 (€ 72,764 thousand at 31 December 2008) and were detailed as follows

(euro/thousand)	At 30.06.2009	At 31.12.2008	Change
Income tax payables	46,666	45,810	856
Other tax payables	14,626	26,954	(12,328)
Total current tax payables	**61,292**	**72,764**	**(11,472)**

31. Non-current assets held for sale and discontinued operations

Following the decision to sell off the Germany subsidiary WLW (effective December 2008) and the closure of the UK subsidiary Calls You Control in the second half of 2008, the operating, capital and financial results for these two companies are now recognised in "non-current assets held for sale and discontinued operations" on separate lines as required under IFRS 5.
Also in the second quarter of 2009 and in line with the strategy of focusing on the Italian market to free up financial resources to support core business, SEAT Pagine Gialle S.p.A. in agreement with its partner Doğan, decided to pull out of Katalog Yayin ve Tanitim Hizmetleri A.S, the Turkish joint venture still at the start up phase. The assets, liabilities, operating and financial results of this investment are therefore also recognised in "non-current assets held for sale and discontinued operations".
As required under IFRS 5, the income statement and cash flow statement for the first half of 2008 have also been restated accordingly.

The following shows non-current assets held for sale and discontinuing operations as they appear in the income statement and in the cash flow statement

Income Statement

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Year 2008 restated
Revenue	-	17,629	26,594
GOP	44	1,794	3,843
EBITDA	44	1,979	5,602
EBIT	(3,686)	948	3,050
Interest expense, net	(278)	462	591
Gain (loss) on investments valued at equity	(2,065)	(891)	(7,229)
Income taxes for the period	1,015	(380)	(1,035)
Net income of non-current assets held for sale and discontinued operations	**(5,014)**	**139**	**(4,623)**
Losses on disposal of WLW and other sale expenses	(2,474)	-	(79,465)
Profit (loss) on non current assets held for sale and discontinued operations	**(7,488)**	**139**	**(84,088)**

Cash Flow Statement

(euro/thousand)	1st half-year 2009	1st half-year 2008 restated	Year 2008 restated
Cash flow on non-current assets held for sale and discontinued operations	(1.049)	5.772	(2.362)
Cash inflow (outflow) from operating activities	*(341)*	*6.191*	*4.331*
Cash inflow (outflow) for investments	-	*(524)*	*(6.029)*
Cash inflow (outflow) for financing	*(708)*	*105*	*(664)*
Net collections on disposal of WLW	-	-	38.241
Cash flow on non-current assets held for sale and discontinued operations	**(1.049)**	**5.772**	**35.879**

"Non-current assets held for sale and discontinued operations" and "Liabilities directly associated with non current assets held for sale and discontinued operations" at 31 December 2008 include Calls You Control Ltd. At 30 June 2009 the figures also include the participation in the Turkish joint venture, Katalog Yayin ve Tanitim Hizmetleri A.S..

(euro/thousand)	At 30.06.2009	At 31.12.2008
Investments	-	-
- *Cost*	*2,065*	-
- *Accumulated impairment losses on investments*	*(2,065)*	-
Other non-current assets	80	-
Deferred tax assets	1,456	40
Trade account receivables	9	-
Operating current receivables	3,208	68
Allowance for other operating receivables	(3,208)	-
Financial receivables	512	-
Allowance for financial receivables	(512)	-
Cash	111	806
Non-current assets held for sale and discontinued operations	**1,656**	**914**
Trade account payables	1,576	38
Current financial debts	45	-
Non-current tax payables	14	-
Liabilities directly associated with non current assets held for sale and discontinued operations	**1,635**	**38**

32. Related party disclosures

In accordance with IAS 24 and art. 2(h) of CONSOB Issuer Regulation 11971/1999 as amended, the following are the economic, capital and financial impacts of transactions with related parties by the SEAT Pagine Gialle group in the first half of 2009.
In the consolidated data, the economic, asset and financial effects arising from intra-Group operations have been eliminated.
All transactions by Group companies with related parties, including intra-Group operations, are expressed as 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 apart from the agreement to extend the dividend payment deadline for companies with a material influence over the Company (Leading Shareholders). For further details, go to 18 above.

Income statement

(euro/thousand)	Total items 1st half-year 2009	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half-year 2009	*% impact on items*
Material and external services	(191,511)			(86)	(86)	n.s.
Salaries, wages an employee benefits	(113,670)			(2,866)	(2,866)	*2.5*
Non-recurring costs	(4,479)			(801)	(801)	*17.9*
Interest expense	(110,284)	(54,746)	(570)		(55,316)	*50.2*
Profit (loss) on non current assets held for sale and discontinued operations	(7,488)	426		(112)	314	*(4.2)*

(*) Directors, statutory auditors and executives with strategic responsibility

(euro/thousand)	Total items 1st half-year 2008 restated	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half-year 2008	*% impact on items*
Material and external services	(219,970)			(65)	(65)	n.s.
Salaries, wages an employee benefits	(119,086)			(3,412)	(3,412)	2.9
Interest expense	(134,574)	(54,951)			(54,951)	40.8
Profit (loss) on non current assets held for sale and discontinued operations	139	531			531	n.s.

(*) Directors, statutory auditors and executives with strategic responsibility.

Balance sheet

(euro/thousand)	Total items at 30.06.2009	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 30.06.2009	*% impact on items*
Equity	(1,005,769)			1,281	1,281	*(0.1)*
Non-current financial debts	(2,859,362)	(1,272,091)		204	(1,271,887)	*44.5*
Non-current reserves to employees	(37,197)			(964)	(964)	*2.6*
Other non-current liabilities	(32,616)			(881)	(881)	*2.7*
Current financial debts	(256,088)	(17,375)	(13,512)		(30,887)	*12.1*
Trade account payables	(212,830)			(478)	(478)	*0.2*
Payables for services to be rendered and other current liabilities	(191,192)			(3,913)	(3,913)	*2.0*

(*) Directors, statutory auditors and executives with strategic responsibility.

(euro/thousand)	Total items at 30.06.2008 restated	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 30.06.2008	*% impact on items*
Non-current financial debts	(3,031,488)	(1,269,470)			(1,269,470)	*41.9*
Non-current reserves to employees	(34,767)			(413)	(413)	*1.2*
Other non-current liabilities	(26,170)			(861)	(861)	*3.3*
Current financial debts	(293,835)	(17,375)	(30,462)		(47,837)	*16.3*
Trade account payables	(256,993)			(1,390)	(1,390)	*0.5*
Payables for services to be rendered and other current liabilities	(118,529)			(4,075)	(4,075)	*3.4*
Other current assets	68,414	2,867			2,867	*4.2*

(*) Directors, statutory auditors and executives with strategic responsibility.

Statement of Related Parties for the first half of 2009 - 2008

(euro/thousand)	Total items 1st half-year 2009	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half-year 2009	*% impact on items*
Cash inflow (outflow) from operating activities	213,755	2,867		(4,256)	(1,389)	*(0.6)*
Cash inflow (outflow) for investments	(25,852)					
Cash inflow (outflow) for financing	(138,298)	(52,125)	(17,520)	(1,485)	(71,130)	*(51.4)*
Cash flow on non-current assets held for sale and discontinued operations	(1,049)	426		(112)	314	*29.9*
Cash flow for the period	**48,556**	**(48,832)**	**(17,520)**	**(5,853)**	**(72,205)**	***n.s.***

(euro/thousand)	Total items 1st half-year 2008 restated	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half-year 2008	*% impact on items*
Cash inflow (outflow) from operating activities	285,620	(531)		(3,715)	(4,246)	*(1.5)*
Cash inflow (outflow) for investments	(54,538)			(51)	(51)	*(0.1)*
Cash inflow (outflow) for financing	(239,650)	(52,125)			(52,125)	*(21.8)*
Cash flow on non-current assets held for sale and discontinued operations	5,772	531			531	*9.2*
Cash flow for the period	**(2,796)**	**(52,125)**		**(3,766)**	**(55,891)**	***n.s.***

Main economic, asset and financial items relating to associates and jointly-controlled companies and companies with a significant influence on SEAT Pagine Gialle S.p.A.

(euro/thousand)	1st half-year 2009	1st half-year 2008	Type of transaction
INTEREST EXPENSE			
Lighthouse International Company S.A.	(54,746)	(54,951)	interest expense, changes and write-down of multi-year charges on long-term subordinated facilities.
Leading Shareholders	(570)	-	interest expense on dividends to Leading Shareholders.
Total interest expense	**(55,316)**	**(54,951)**	
PROFIT (LOSS) FROM NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS			
Katalog Yayin ve Tanitim Hizmetleri A.S.	426	531	recovery of costs and services provided.
Total profit (loss) from non-current assets held for sale and discontinued operations	**426**	**531**	

(euro/thousand)	At 30.06.2009	At 31.12.2008	Type of transaction
NON-CURRENT FINANCIAL DEBTS			
Lighthouse International Company S.A.	(1,272,091)	(1,269,470)	subordinated financing.
Total non-current financial debts	**(1,272,091)**	**(1,269,470)**	
CURRENT FINANCIAL DEBTS			
Leading Shareholders	(13,512)	(30,462)	dividends to Leading Shareholders interest-bearing.
Lighthouse International Company S.A.	(17,375)	(17,375)	outstanding interest expense for the period.
Total other current assets	**(30,887)**	**(47,837)**	
OTHER CURRENT ASSETS			
Katalog Yayin ve Tanitim Hizmetleri A.S.	-	2,867	recovery of costs and services rendered.
Total current financial debts	**-**	**2,867**	

Remuneration of General Manager and directors with strategic responsibilities
Remuneration of directors and statutory auditors

Person Surname and christian name	Position	Remuneration (euro/thousand) 1st half-year 2009	 1st half-year 2008
CASTELLI Massimo (1)	General Manager Italy	381	
Managers with strategic responsibility		1,661	1,740
Remuneration to directors and statutory auditors (*) (**)		3,405	1,744
TOTAL		**5,447**	**3,484**

(1) General Manager Italy, appointed June 2008.

(*) Includes payments to Studio Legale Giliberti Pappalettera Triscornia e Associati for consultancy to SEAT Pagine Gialle S.p.A., of wich € 1,281 thousand directly recognised to Equity as costs due to capital increase.

(**) Includes € 1,077 thousand as remuneration for Luca Majocchi, ex-Chief Executive Officier.

33. Other information

Equity investments included in the consolidated financial statements using the full consolidation method (CONSOB circular DEM/6064293 of 28 July 2006)

Company (business)	Registered office	Share capital		Ordinary shares held %	Ordinary shares held by	% held by SEAT Pagine Gialle S.p.A.
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 liquidation) (promotion and marketing of the "Europages" directory)	Munich (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)	Sterlina	139,525	100.00	SEAT Pagine Gialle S.p.A.	100.00
THOMSON DIRECTORIES Ltd. (publishing and distribution of directories)	Hampshire (United Kingdom)	Sterlina	1,340,000	100.00	TDL Infomedia Ltd.	100.00
CALLS YOU CONTROL Ltd. (call routing services provider)	Hampshire (United Kingdom)	Sterlina	1	100.00	Thomson Directories Ltd.	100.00
THOMSON DIRECTORIES PENSION COMPANY Ltd. (administration of Thomson Directories Pension Fund)	Hampshire (United Kingdom)	Sterlina	2	100.00	Thomson Directories Ltd.	100.00
MOBILE COMMERCE Ltd. (call center services)	Cirencester (United Kingdom)	Sterlina	497	10.00	Thomson Directories Ltd.	10.00
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
VIERAS 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 (Spain)	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 ITALY S.r.l. (call center services)	Turin (Italy)	Euro	129,000	100.00	Telegate AG	77.37
TELEGATE 118 000 Sarl (call center services)	Paris (France)	Euro	5,550,000	100.00	Telegate AG	77.37
UNO UNO OCHO CINCO CERO GUIAS S.L. (call center services)	Madrid (Spain)	Euro	3,100	100.00	Telegate AG	77.37
TELEGATE MEDIA AG (sale of on-line directories)	Essen (Germany)	Euro	4,039,999	100.00	Telegate AG	77.37
TELEGATE LLC (sale of on-line directories)	Yerevan (Armenia)	AMD	50,000	100.00	Telegate AG	77.37
MELIADI FINANCE S.r.l. * (special pourpose entity)	Milano (Italy)	Euro	10,000	-		-

* SPE set up for the securitization of trade account receivables within the meaning of Law 130/99, not owned by the SEAT Pagine Gialle group but fully consolidated in accordance with SIC 12.

Investments valued at equity (CONSOB circular DEM/6064293 of 28 July 2006)

Company (business)	Registrered office	Share capital		Ordinary shares held %	Ordinary shares held by	% held by SEAT Pagine Gialle S.p.A.
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 distibution of directories)	Brussels (Belgium)	Euro	18,594,176	49.60	TDL Infomedia Ltd.	49.60

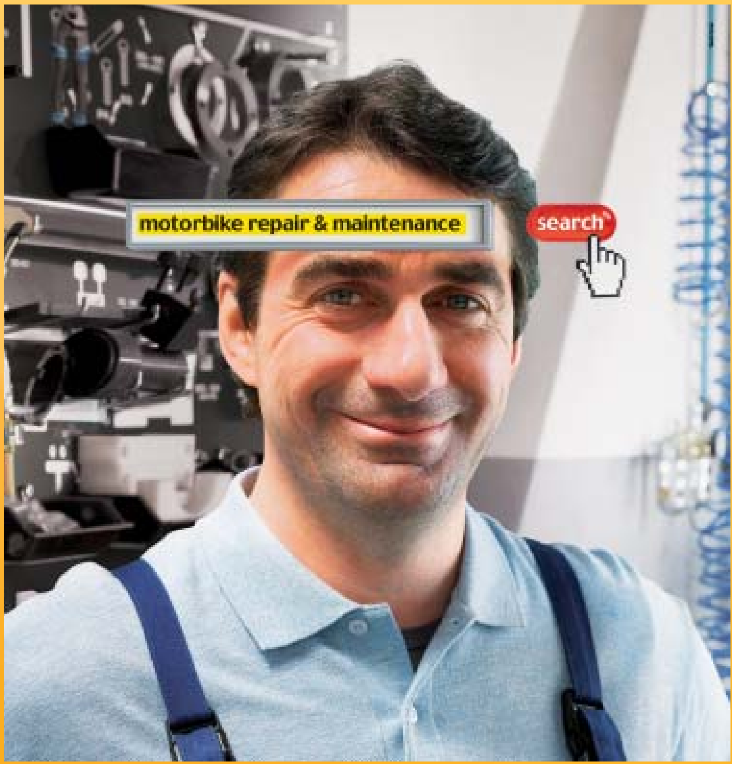
JOIN US ON THE INTERNET

Our 180 web agencies throughout Italy will be your partner

PAGINEBIANCHE.it

PAGINEGIALLE.it

TuttoCittà.it



Other information

Certification of the condensed consolidated first half year Financial Statements within the meaning of section 154 bis of Legislative Decree 58/98

1. The undersigned Alberto Cappellini, 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 declare taking due account of section 154-bis, sub-sections 3 and 4 of Legislative Decree 58 of 24 February 1998, that in the preparation of the Condensed Consolidated Interim Financial Statements in the first half of 2009 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 Interim Financial Statements as at 30 June 2009 were critically reviewed during the first half year to ensure their relevance and full application. The review did not reveal any anomalies.

3. We furthermore declare that:

   3.1. the Condensed Consolidated Interim Financial Statements as at 30 June 2009:
   - 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 19 July 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 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 Interim Condensed Consolidated Management Report refers to major events in the first six months of the financial year and their impact on the Interim 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, 5 August 2009

Chief Executive Officer
Alberto Cappellini

Manager Responsible
for the Preparation of the
Financial Statements
Massimo Cristofori

Reconta Ernst & Young S.p.A.
Corso Vittorio Emanuele II, 83
10128 Torino

Tel. (+39) 011 5161611
Fax (+39) 011 5612554
www.ey.com

Auditors' review report on the interim condensed consolidated financial statements (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, comprising the balance sheet, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement and the related explanatory notes, of SEAT Pagine Gialle S.p.A. and its subsidiaries (the "SEAT Group") as of June 30, 2009. Management of SEAT Pagine Gialle S.p.A. is responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to issue this review report 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. Our review consisted mainly 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 of applying analytical procedures to the financial data presented in these consolidated financial statements. Our review did not include the application of audit procedures such as tests of compliance and substantive procedures on assets and liabilities and was 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 expressed 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, which have been restated in accordance with IAS 1 (2007) and as described in the explanatory notes, reference should be made to our reports issued on March 13, 2009 and on August 28, 2008, respectively. We have examined the methods adopted to restate the comparative financial information, and the related disclosures, for the purpose of issuing this review report.

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, 2009 are not prepared, in all material respects, in conformity with the International Financial Reporting Standards applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, August 27, 2009

Reconta Ernst & Young S.p.A.
Signed by: Luigi Conti, Partner

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

Reconta Ernst & Young S.p.A.
Sede Legale: 00198 Roma - Via Po, 32
Capitale Sociale € 1.402.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
Iscritta all'Albo Revisori Contabili al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

A member firm of Ernst & Young Global Limited

To contact SEAT Pagine Gialle S.p.A.

Investor Relations
Corso Mortara, 22
10149 Torino
Fax: +39.011.435.2722
E-mail: investor.relations@seat.it

A copy of official documents available on the website

www.seat.it

Official documents may be requested to

SEAT Pagine Gialle S.p.A.
Corporate Affairs Office
Corso Mortara, 22
10149 Torino
Fax: +39.011.435.4252
E-mail: ufficio.societario@seat.it

Art direction Barabino & Partners

Graphic concept Fotolito BN

Printed by Fotolito BN

Printed in October 2009