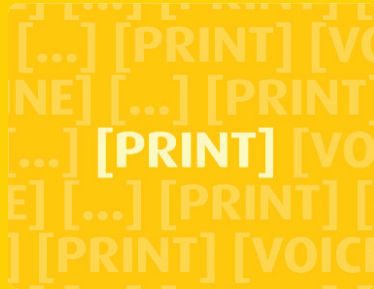


# SEAT Pagine Gialle S.p.A.



First Quarter Report as at 31 March 2010





➔ First Quarter Report as  
at 31 March 2010

Registered Office: Via Grosio, 10/4 - 20151 Milan  
Secondary Office: Corso Mortara, 22 - 10149 Turin  
Fully paid-up Share Capital: Euro 450.265.793,59  
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 wide range of multi-platform advertising methods (print-online-voice). These include highly innovative online products, print directories and directory assistance services, plus a large selection of complementary advertising services.

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## Highlights and general Information





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→ **Company Boards**

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## ↗ Company Boards

(at 11 May 2010)

### Board of Directors

Chairman	Enrico Giliberti
Chief Executive Officer	Alberto Cappellini (*)
Directors	Lino Benassi (l) Dario Cossutta Maurizio Dallochio (l) Alberto Giussani (l) Luigi Lanari Pietro Masera Antonio Tazartes Marco Tugnolo (**) Nicola Volpi
Secretary to the Board of Directors	Marco Beatrice

### Remuneration Committee

Chairman	Lino Benassi Dario Cossutta Luigi Lanari
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### Internal Control Committee

Chairman	Alberto Giussani Maurizio Dallochio Marco Tugnolo (**)
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### Board of Statutory Auditors

Chairman	Enrico Cervellera
Acting Auditors	Vincenzo Ciruzzi Andrea Vasapolli
Alternate Auditors	Guido Costa Guido Vasapolli

### Common representative of savings shareholders

Stella D'Altri (\*\*\*)

### Manager responsible for the preparation of the financial statements

Massimo Cristofori

### Independent auditors

Reconta Ernst & Young S.p.A.

(\*) Elected by the Ordinary Shareholders' Meeting on 21 April 2010. Mr Cappellini was co-opted by the Board of Directors in 2009 following the resignation of Mr Majocchi. The meeting of the Board of Directors held immediately after the Ordinary Meeting on 21 April 2010 confirmed Mr Cappellini's appointment as Chief Executive Officer.

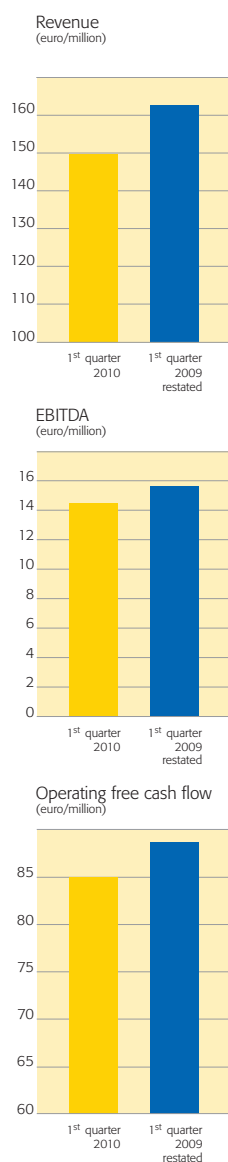
(\*\*) Elected by the Ordinary Shareholders' Meeting on 21 April 2010. Mr Tugnolo had been co-opted by the Board of Directors in 2009 following the resignation of Mr Lucchini. The meeting of the Board of Directors held immediately after the Ordinary Meeting on 21 April 2010 confirmed Mr Tugnolo's appointment as a member of the Internal Control Committee.

(\*\*\*) Elected by the Saving Shareholders' Special Meeting possessing savings shares, held on 20 April 2010.

(l) 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 at € 149.5 million, down by 7.3% compared to the first quarter 2009 *restated*; essentially stable (-1.7%) for constant published directories and at a constant euro/sterling exchange rate, thanks mainly to the growth of Internet business in Italy.
- Consolidated EBITDA at € 14.3 million, decreased by € 1.4 million compared to the first quarter 2009 *restated*; up (+€ 5.2 million) for constant published directories and a constant euro/sterling exchange rate, thanks to the actions taken to cut operating costs.
- OPERATING FREE CASH FLOW at € 84.8 million and NET FINANCIAL DEBT at € 2,776.4 million.



(euro/million)	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 restated (**)	Year 2009
<b>Economic and financial data</b>			
Revenue from sales and services	149.5	161.3	1,209.8
GOP (*)	27.9	31.5	588.6
EBITDA (*)	14.3	15.7	527.6
EBIT (*)	(4.2)	(44.3)	245.7
Pre-tax profit (loss)	(61.9)	(92.9)	31.2
Profit (loss) on continuing operations	(44.0)	(58.7)	(23.0)
Profit (loss) pertaining to the Group	(44.3)	(62.4)	(37.8)
FCF (*)	84.8	88.3	456.3
Investment in the Turin property complex	-	-	1.1
Capital expenditure	7.0	12.8	51.9
Net invested capital (*)	3,720.0	3,833.5	3,768.1
<i>of which goodwill and customer database</i>	3,334.4	3,479.3	3,335.3
<i>of which net operating working capital (*)</i>	247.0	234.3	326.2
Group equity	964.2	795.5	1,012.2
Net financial debt (*)	2,776.4	3,053.2	2,762.8
<b>Income ratio</b>			
EBITDA/Revenue	9.6%	9.7%	43.6%
EBIT/Revenue	(2.8%)	(27.5%)	20.3%
EBIT/Net invested capital	(0.1%)	(1.2%)	6.5%
Profit (loss) for the period/Group equity	(4.6%)	(7.8%)	(3.7%)
FCF/Revenue	56.7%	54.7%	37.7%
Operating working capital/Revenue	n.s.	n.s.	27.0%
<b>Workforce</b>			
Workforce at the end of the period (units)	5,953	6,470	6,088
Average workforce for the period	4,798	5,051	4,947
Revenues/Average workforce	31	32	245

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

(\*\*) See "Report on Operations, paragraph Introduction" for further details of first quarter 2009 *restated*

## Non-GAAP measures

This First Quarter Report as at 31 March 2010 includes not only IFRS accounting measures but also a number of non-GAAP measures to allow better evaluating of economic and financial performance.

These non-GAAP are not identified as accounting measures pursuant to 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, the Company's calculation methods may not be consistent with those adopted by other companies, meaning that the following indicators may not be comparable. These non-IFRS measures are set forth below:

- **GOP** (*gross operating profit*) refers to EBITDA before other operating income and expenses, write-downs of operating assets and provisions for risks and charges.
- **EBITDA** (*earnings before amortisation, depreciation, non-recurring and restructuring costs*) refers to operating income (EBIT) before non-recurring and restructuring costs and before operating amortisation and depreciation and non-operating amortisation and impairment losses (referred to goodwill and customer databases).
- **Operating and non-operating working capital** refers to current operating assets (producing operating revenues) net of current operating liabilities (resulting from operating costs) and current non-operating assets, net of current non-operating liabilities respectively: neither item includes current financial assets or liabilities.
- **Net invested capital** refers to current operating and non operating working capital, goodwill and customer databases and other non-current operating/non-operating assets and liabilities.
- **Net financial debt - "book value"** refers to cash and cash equivalent, current/non-current financial assets and liabilities.
- **Net financial debt** refers to net financial debt "book value" before net adjustments on cash flow hedge contracts and inception, refinancing and securitisation charges not yet amortised.
- **FCF** (*free cash flow*) refers to EBITDA as adjusted to take account of capital expenditure, change in operating working capital and non-current operating liabilities.

## ➤ Information for Shareholders

### Shares

		At 31.03.2010	At 31.12.2009	At 31.03.2009
Share capital	euro	450,265,793.58	450,265,793.58	250,351,656.00
Number of ordinary shares	No.	1,927,027,333	1,927,027,333	41,044,903
Number of savings shares	No.	680,373	680,373	680,373
Market capitalisation (based on average market price)	euro/mln	327	316	161
SEAT Pagine Gialle S.p.A. share weighting (SPG ordinary shares)				
- Ftse Italia All Share (ex Mibtel)		0.052%	0.048%	0.050%

### Rating of SEAT Pagine Gialle S.p.A. (at 11 May 2010)

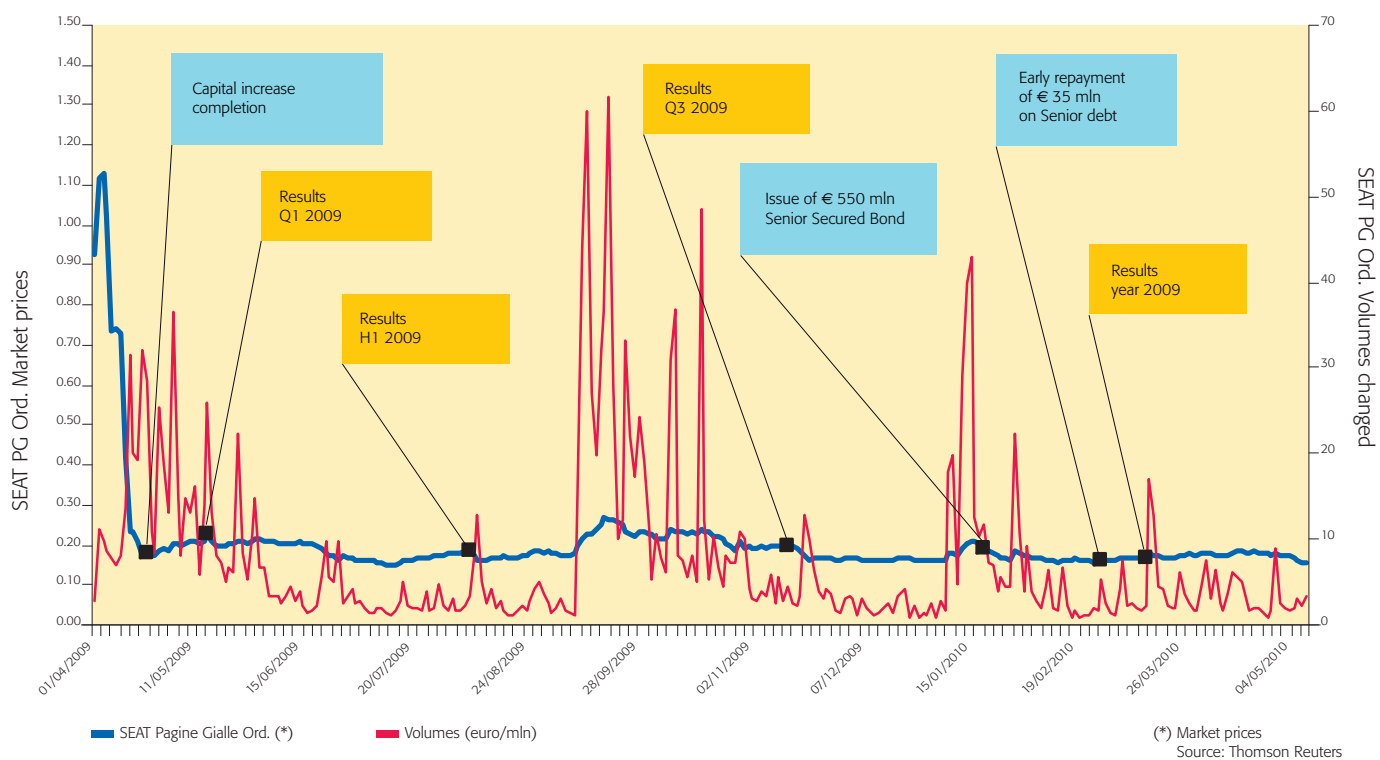
Rating Agency	Corporate	Outlook
S&P's	B	Negative
Moody's	B2	Negative

## Market performance of ordinary shares at 31 March 2010 and traded volumes

At 31 March 2010, SEAT Pagine Gialle shares were trading at € 0.17, up by approximately 7.1% compared with the price of € 0.16 at 31 December 2009.

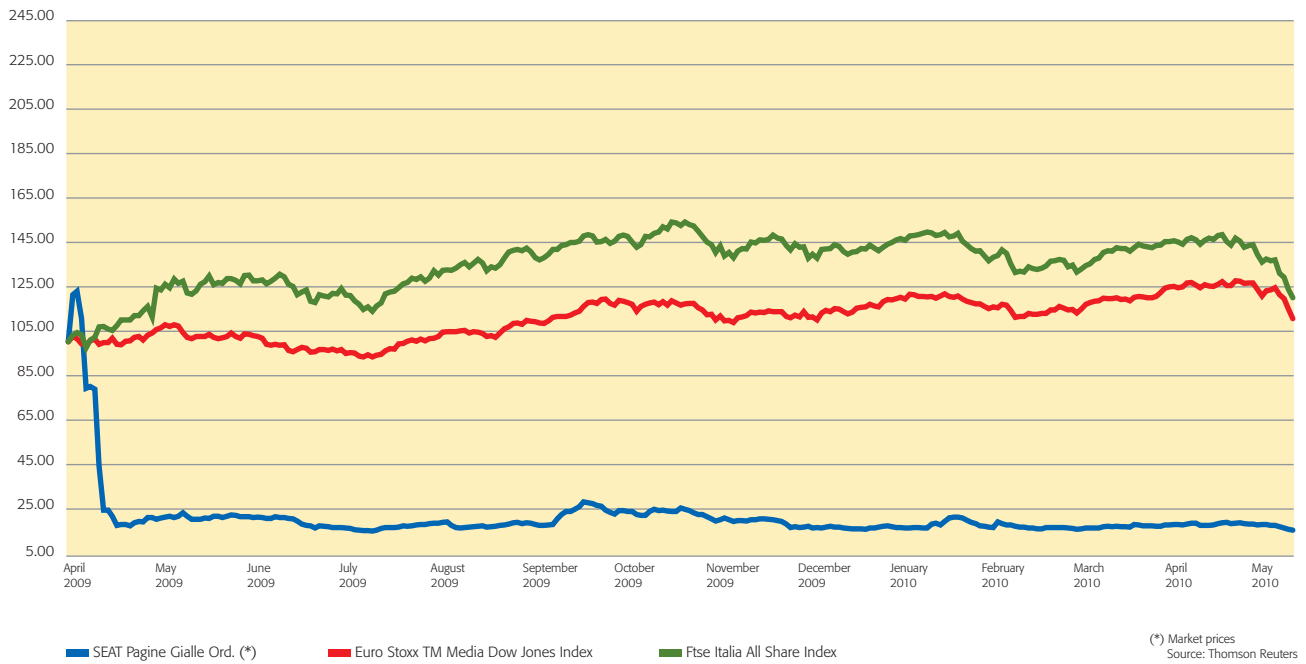
From the end of December 2009 to the end of March 2010, the Enterprise Value expressed by the share price of SEAT Pagine Gialle rose by 0.2%.

There were positive Enterprise Value results for some companies in the sector (Pages Jaunes +4%, Mediaset +8.2%, YPG Canada +8.2%), while others saw a negative change (Yell -20%, Mondadori Editore -0.4%). Stock market prices over the period rose for the French Pages Jaunes (+9%), Yell (+4.5%), Mediaset (+11.6%) and YPG (+14.3%).

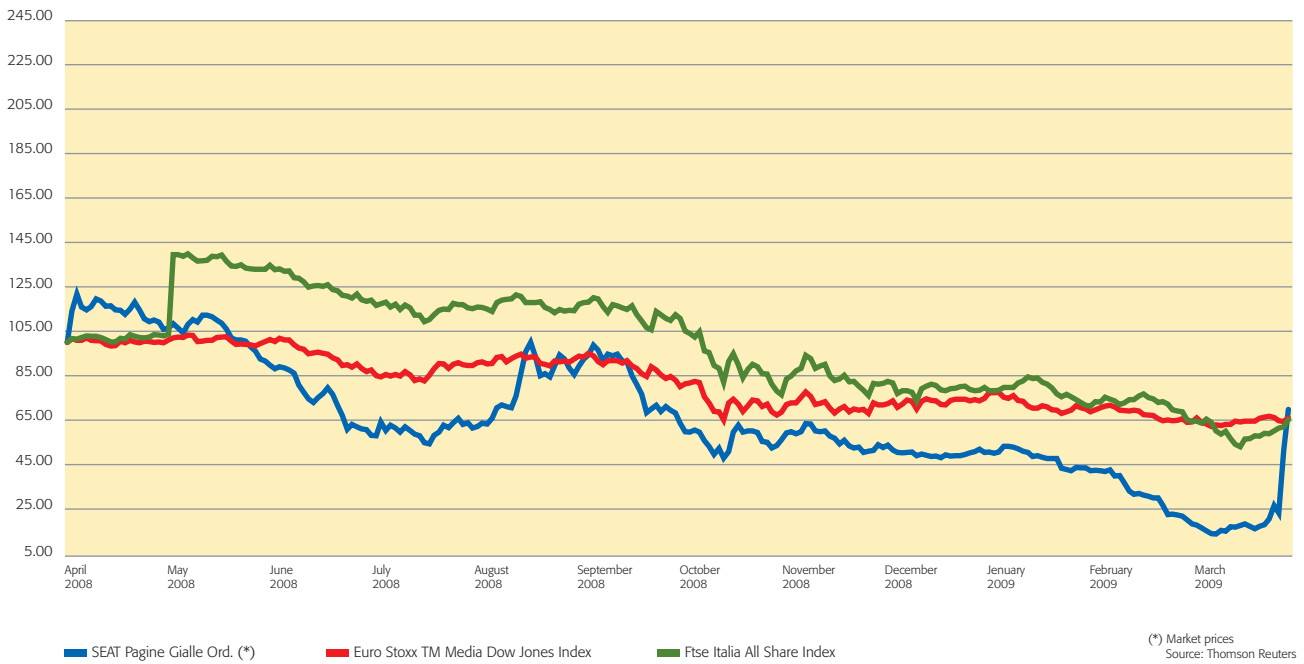


(\*) Market prices  
Source: Thomson Reuters

First quarter 2010 performance of SEAT Pagine Gialle S.p.A. shares vs. the FTSE Italia All Share index and the Dow Jones Euro Stoxx TM Media index  
 (at 11 May 2010)



## First quarter 2009 performance of SEAT Pagine Gialle S.p.A. shares vs. the FTSE Italia All Share index and the Dow Jones Euro Stoxx TM Media index



## Shareholders

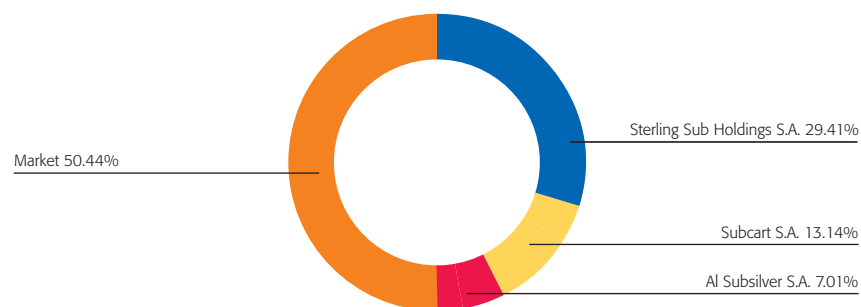
The following table lists the holders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital as at 31 March 2010

Shareholders at 31 March 2010	Ordinary shares held	% ordinary share capital
Sterling Sub Holdings S.A.	566,683,788 (*)	29.41
Subcart S.A.	253,219,895 (*)	13.14
Al Subsilver S.A.	135,113,995 (*)	7.01

(\*) On 28 January 2010, the first and second ranking pledge granted by the reference shareholders over their shares in SEAT, pursuant to the deed of pledge executed on 22 April 2004 (as subsequently extended and confirmed), has been confirmed in relation with the execution, by SEAT, of, inter alia, an amendment agreement of the Facilities Agreement executed with RBS on 26 May 2005 (as subsequently amended and supplemented).

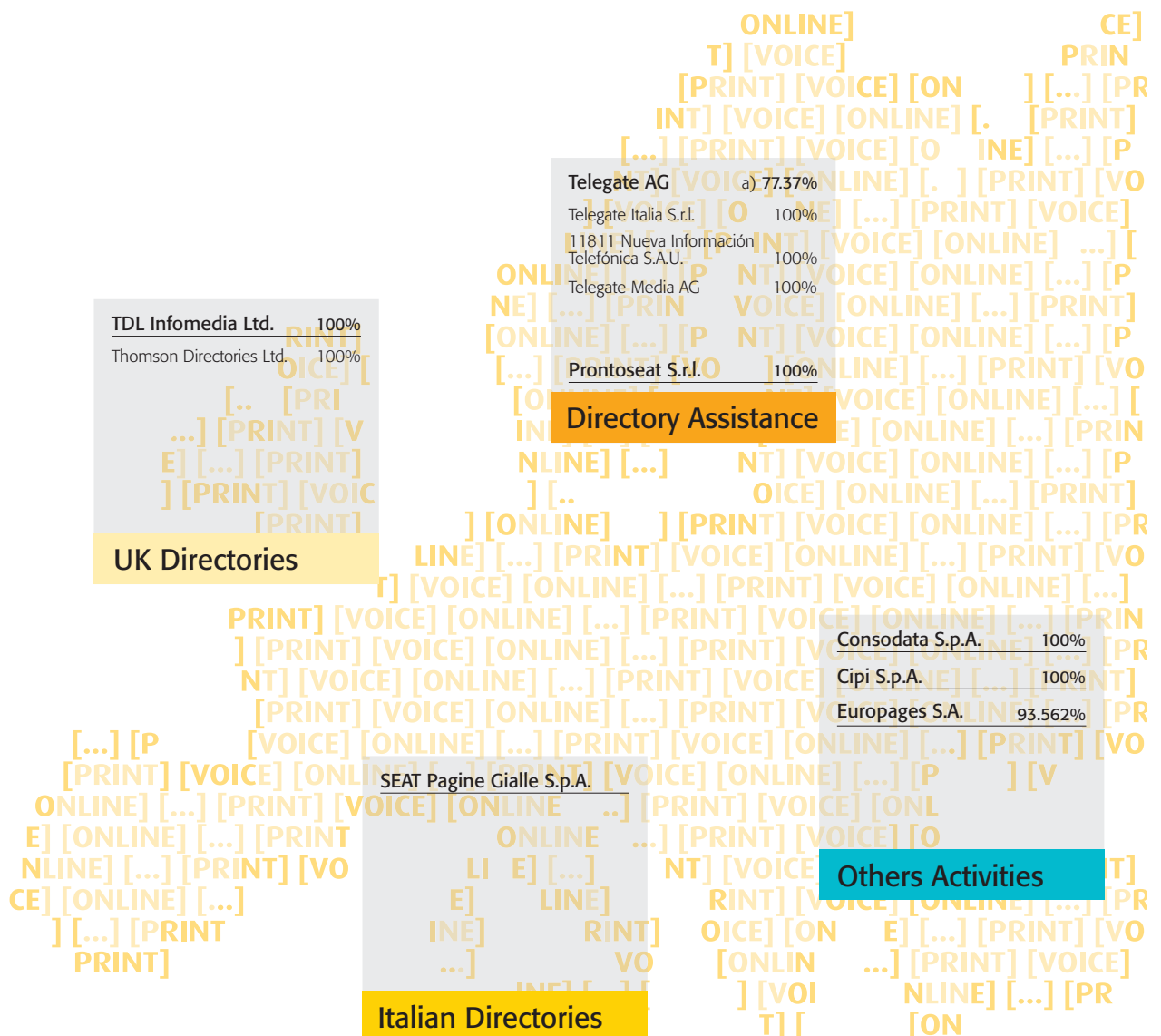
On the same date, the reference shareholders granted a new pledge over SEAT shares, ranking subsequently to the existing pledges, as security for the Company's liabilities under the 10.50% € 550 million Senior Secured Bond expiring 2017 and all the relevant documentation executed in connection therewith.

## SEAT Pagine Gialle S.p.A. shareholders at 31 March 2010





## ➤ Organisational structure of the Group



**Legenda**

a) 16.24% directly owned and 61.13% owned through Telegate Holding GmbH.



## Report on Operations



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## ➤ Economic and financial performance of the Group

### Introduction

The first quarter Report as at 31 March 2010 for the SEAT Pagine Gialle group has been prepared in compliance with Art. 154-ter (Financial Reporting) of Legislative Decree 58/1998 (Combined Finance Act - TUF), as supplemented and amended, and Consob Regulation DEM/8041082 of 30 April 2008 (Quarterly reporting by listed companies whose Member State of provenance is Italy).

The first quarter Report has not been audited but has been prepared in accordance with the international accounting principles of the International Accounting Standards Board recognised as applicable by the European Union ("IFRS").

The section on "Outlook" contains forward-looking statements as to the Group's financial intentions, beliefs and current expectations and as to other aspects of its activities and strategies. Readers of this First Quarter Report should not place undue reliance on such forward-looking statements, since final results could differ significantly from forecasts owing to many factors, most of which are beyond the Group's control.

We must point out that following the decision to withdraw from the Turkish joint venture Katalog Yayın ve Tanıtım Hizmetleri A.S. (in the second quarter of 2009) and the decision to sell off the French subsidiary 118 000 SAS (in the third quarter of 2009), the operating, capital and financial results of these companies had been classified, as of those dates, under "Non-current assets held for sale and discontinued operations", in line with the provisions of IFRS 5. Consequently, on the basis of the provisions of IFRS 5, the statement of operations and statement of cash flows amounts relating to first quarter of 2009 have been *restated* with respect to the values previously published.

## Reclassified Consolidated Statement of Operations for the first quarter of 2010

**Revenues from sales and services** amounted to € 149.5 million in the first three months of 2010, 7.3% down on the same period in 2009 *restated* (€ 161.3 million). Assuming constant published directories and at a constant euro/sterling exchange rate, revenues fell € 2.7 million (-1.7%).

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

- *Italian Directories* (SEAT Pagine Gialle): € 100.4 million in the first quarter of 2010, down by 6.8% from the same period in 2009 (up by 4.4% on a same-publication basis). Core products (print, online and voice) ended the quarter with revenues up by 15.4% compared with the first quarter of 2009 (on a same-publication basis), thanks in particular to the performance of Internet business, supported by both traditional advertising and online marketing services. The latter have made it possible to accelerate the process of changing the revenue mix in favour of a higher proportion of revenues from Internet services than from print services. The overall rate of growth in revenues was reduced by non-core products (BtoB, direct marketing and the sale of promotional products), which, as in previous quarters, were particularly affected by the current economic climate and by a greater sales focus on core products;
- *Directories UK* (Thomson Directories group): € 12.0 million in the first quarter of 2010, up by 3.4% on the first quarter of 2009 (2.9% if expressed in sterling). Revenues in the first three months of the year benefited to the tune of 2.1 million sterling reflecting the positive effect of a different publication schedule compared with the same period in the previous year;
- *Directory Assistance* (Telegate group and Prontoseat): € 36.8 million in the first quarter of 2010, down by 12.2% on the same period in 2009 *restated*, mainly as a result of the downturn seen in the Telegate group (-12.5%) as a consequence of the ongoing contraction of the directory assistance market due to the continuing fall in the number of calls, only partially offset for by the growth in online revenues. Prontoseat S.r.l. revenues were essentially stable at € 2.5 million, thanks to outbound services that offset the drop in call volumes to 89.24.24 Pronto PAGINEGIALLE® services;
- *Other activities* (Europages, Consodata, Cipi): € 9.0 million in the first quarter of 2010, down from € 10.1 million in the first quarter of 2009, mainly due to the fall in revenues from Europages and Cipi.

**Materials and external services**, net of recovered costs, totalled € 68.2 million in the first quarter of 2010, down by 8.6% compared with the first quarter 2009 *restated*. Sales costs were essentially stable at € 29.5 million in the first quarter of 2010 (€ 30.4 million the first quarter of 2009 *restated*).

Industrial costs were down at € 15.9 million, a drop of 18.7% compared with the first quarter of 2009 *restated*, as a direct consequence of the fall in print revenues. Industrial processing costs were up at € 3.5 million, owing to the creation of online services.

Overheads totalled € 23.4 million, a fall of € 1.8 million compared with the first quarter of 2009 *restated*, resulting from the cost-cutting actions taken.

**Salaries, wages and employee benefits**, net of recovered costs, totalled € 53.4 million in the first quarter of 2010, down by 3.1% compared with the first quarter of 2009 *restated*, due to the reduction in the average workforce from 5,051 employees in the first quarter of 2009 *restated* to 4,798 in the first quarter of 2010.

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At 31 March 2010 the workforce, including directors, project workers and trainees, totalled 5,953 (6,088 at 31 December 2009).

**Gross operating profit (GOP)** at € 27.9 million in the first quarter of 2010, was down by € 3.7 million compared with the first quarter of 2009 *restated* (up by € 2.8 million on a same-publication basis and at a constant exchange rate), thanks to the actions taken to contain operating costs, which partially offset the fall in revenues.

The operating margin was 18.7% compared with 19.6% for the first quarter of 2009 *restated*.

**Operating income before amortisation, depreciation, non-recurring and restructuring costs net (EBITDA):** € 14.3 million in the first quarter of 2010, down by € 1.4 million compared with the first quarter of 2009 *restated* (up by € 5.2 million on a same-publication basis and at a constant exchange rate), thus confirming the results obtained for GOP.

**Operating result (EBIT):** negative € 4.2 million in the first quarter of 2010 (negative € 44.3 million in the first quarter of 2009 *restated*), benefiting from lower non-operating amortisation. In the first quarter of 2009 this included € 40.5 million for the Customer DataBase of SEAT Pagine Gialle S.p.A., the amortisation of which was concluded in July 2009.

**Net interest expense:** 57.7 million in the first quarter of 2010 (€ 48.6 million in the first quarter of 2009 *restated*), representing the difference between interest expenses of € 62.5 million (€ 58.5 million in the first quarter of 2009 *restated*) and interest income of € 4.8 million (€ 9.9 million in the first quarter of 2009). The increase of € 4.0 million for interest expenses was mainly due to the higher interest paid on the new bond loan (Senior Secured Bond) issued at the end of January 2010, only partially offset by the lower interest on the Senior debt, itself partially repaid out of the proceeds from that bond issue; the reduction of € 5.1 million in interest income is attributable both to the reduction in interest received on cash deposits, owing to the sharp fall in market rates, and the lower foreign exchange gains. As a result of the factors described above, the overall cost of the financial debt of SEAT Pagine Gialle S.p.A. in the first quarter of 2010 was 6.98% (5.43% in the first quarter of 2009).

**Income taxes for the period** showed a positive balance of € 17.9 million (€ 34.2 million positive balance in the first quarter of 2009 *restated*). Income taxes were calculated by applying the average tax rates expected for the 2010 fiscal year to the result before income taxes for the quarter.

**Net profit (loss) on non-current assets held for sale and discontinued operations** was zero in the first quarter of 2010, compared with a loss of € 2.6 million in the first quarter of 2009 *restated*.

**Result for the period** was a loss of € 44.0 million (a loss of € 61.3 million in the first quarter of 2009 *restated*).

The positive effect produced by the reduction in non-operating amortisation (€ 40.5 million) was partially offset by the increase in net interest expense (+€ 9.1 million). In addition, the improvement seen in the loss before income taxes (+€ 31.0 million) was partially offset by the recognition of lower net deferred tax assets (€ 16.3 million).

## Reclassified Consolidated Statement of Financial Position as at 31 March 2010

### Introduction

In respect of the financing agreement with The Royal Bank of Scotland Plc Milan Branch, the indenture with Lighthouse International Company S.A. and the bond loan issued in January 2010, SEAT Pagine Gialle S.p.A. provided the usual securities for transactions of this type, the most significant being:

- bank lien over the Company's main trademarks;
- bank lien over shares in the main subsidiaries.

These securities were issued in favour of The Royal Bank of Scotland Plc Milan Branch, Lighthouse International Company S.A., the bondholders in the loan issued by Lighthouse International Company S.A., and the subscribers to the bond loan issued directly by the Company in January 2010 (and in favour of all other creditors secured within the context of the above-mentioned operations).

It is further stated that under the Senior financing agreement, there is a special lien in favour of The Royal Bank of Scotland Plc Milan Branch on the material assets of SEAT Pagine Gialle S.p.A. with a net book value equal to or greater than € 25,000.

### Net invested capital

**Net invested capital** was € 3,720.0 million at 31 March 2010, down by € 48.2 million on 31 December 2009.

**Non-current assets** totalled € 3,578.5 million at 31 March 2010, up by € 10.5 million on 31 December 2009 (€ 3,568.0 million).

**Investments** during the period were € 7.0 million (€ 13.0 million in the first quarter of 2009 *restated*), and as follow detailed

	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 <i>restated</i>	Change	Year 2009
<b>(euro/thousand)</b>				
Capital expenditure	6,963	12,816	(5,853)	51,943
Goodwill and other non-operating investments	-	53	(53)	-
Financial investments	81	85	(4)	673
<b>Total investments</b>	<b>7,044</b>	<b>12,954</b>	<b>(5,910)</b>	<b>52,616</b>

*Capital expenditure* amounted to € 7.0 million in the first quarter of 2010 (€ 12.8 million in the first quarter of 2009 *restated*), mainly concentrated in SEAT Pagine Gialle S.p.A. (€ 5.6 million), and concerned: *i*) consolidation of the CRM system, particularly through the adaptation of certain interfaces with administrative and commercial systems; *ii*) continuation of the activity of hardware renewal in order to replace obsolete equipment with new items offering better performance and lower running costs.



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**Operating working capital** (€ 247.0 million at 31 March 2010) fell by € 79.2 million against 31 December 2009, reflecting in particular the following changes:

- a € 60.3 million decrease in *trade account receivables* against 31 December 2009 (a decrease of € 62.7 million in the first quarter of 2009), of which € 53.1 million in SEAT Pagine Gialle S.p.A. and € 6.9 million in the Telegate group;
- a € 45.7 million decrease in *trade account payables* against 31 December 2009 (a decrease of € 55.6 million in the first quarter of 2009), associated with cyclical purchasing trends over the year;
- a € 84.7 million increase in *other current liabilities and accounts payable for operating services to be rendered* against 31 December 2009 (an increase of € 97.0 million in the first quarter of 2009), attributable to the timings of the purchasing and invoicing of advertising services.

**Non-operating working capital** was negative € 24.8 million at 31 March 2010 (negative € 39.4 million at 31 December 2009): the € 14.6 million change since 31 December 2009 is mainly due to the payment of *i)* the debt relating to the acquisition of 49% of Cipi in 2009, and *ii)* the debt to beneficiaries of the pension fund of the TDL group who had subscribed at the end of 2009 to the *enhanced transfer value* program.

## Net Financial Debt

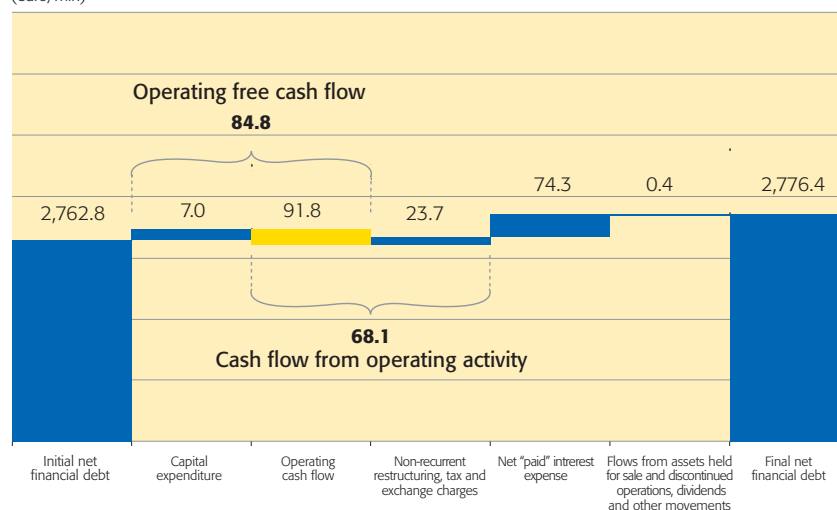
**Net financial debt** (€ 2,776.4 million at 31 March 2010 and € 2,762.8 million at 31 December 2009) increased by € 13.6 million in the first quarter of 2010, due to the combined effect of higher interest expenses and the costs incurred in the issuing of the new bond loan (Senior Secured Bond), only partially offset by the cash flow generated by operations.

This figure for net financial debt differs from the net book financial debt described below in that it includes transaction costs incurred for the inception and refinancing the medium and long-term senior debt with The Royal Bank of Scotland Plc Milan Branch, for the subordinated loan from Lighthouse International Company S.A., for issuing the Senior Secured Bond, and for setting up the program of trade receivables securitisation. These costs at 31 March 2010, net of amounts already amortised, totalled € 68.9 million (€ 51.2 million at 31 December 2009).

Furthermore, net financial debt does not include the market value of cash flow hedge contracts still open at period end or of those closed early but with effect deferred to subsequent financial years. This value amounted to a net liability of € 26.1 million overall at 31 March 2010 (a net liability of € 22.5 million at 31 December 2009).

The graph below shows the main factors affecting net financial debt in the first quarter of 2010.

(euro/mln)



**Net financial debt - "book value"**, totalling € 2,733.6 million at 31 March 2010 (€ 2,734.0 million at 31 December 2009), included the following items:

- **non-current financial liabilities**, totalling € 2,925.0 million at 31 March 2010 (€ 2,401.2 million at 31 December 2009). The change in the quarter is due to the issuing of the Senior Secured Bond, maturing in 2017, with a nominal value of € 550.0 million and an issue discount of € 13.2 million;
- **current financial liabilities**, totalling € 128.5 million at 31 March 2010 (€ 628.8 million at 31 December 2009); the amount at 31 December 2009 included € 507.1 million relating to the early repayment in January of tranche A of the senior debt, with the proceeds deriving from the issuing of the Senior Secured Bond;
- **non-current financial assets**, totalling € 2.1 million at 31 March 2010 (€ 2.1 million at 31 December 2009); these related mainly to employee loans;
- **current financial assets and cash and cash equivalents**, totalling € 317.8 million at 31 March 2010 (€ 293.9 million at 31 December 2009).

In February 2010, SEAT Pagine Gialle S.p.A. made an early repayment of € 35.1 million relating to the instalment, contractually due in June 2010, of tranche A of the Senior financing agreement with The Royal Bank of Scotland Plc Milan Branch.

The facilities agreements require SEAT Pagine Gialle S.p.A. to comply with specific covenants, examined quarterly to maintain determined 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 reference period).

There was full compliance at 31 March 2010 (the date at which this Report applies) with the aforementioned covenants and the terms of the facilities agreements.

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## Consolidated operating free cash flow for the first quarter of 2010

**Operating free cash flow** generated in the first quarter of 2010 was € 84.8 million, down by € 3.6 million on the first quarter of 2009 *restated*. This result reflects the € 79.2 million fall in operating working capital in the first quarter of 2010, which was € 7.2 million less than the fall seen in the first quarter of 2009 (€ 86.4 million). The fall in operating working capital was partly offset by lower capital expenditure in the first quarter of 2010 compared with the first quarter of 2009.

## → Reclassified Consolidated Statement of Operations

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009 restated	Absolute	%	2009
<b>Revenues from sales and services</b>	<b>149,538</b>	<b>161,295</b>	<b>(11,757)</b>	<b>(7.3)</b>	<b>1,209,821</b>
Materials and external services (*)	(68,202)	(74,580)	6,378	8.6	(403,533)
Salaries, wages and employee benefits (*)	(53,446)	(55,172)	1,726	3.1	(217,653)
<b>Gross operating profit (GOP)</b>	<b>27,890</b>	<b>31,543</b>	<b>(3,653)</b>	<b>(11.6)</b>	<b>588,635</b>
<i>% on revenues</i>	<i>18.7%</i>	<i>19.6%</i>			<i>48.7%</i>
Other valuation adjustments and provisions to reserves for risks and charges	(12,901)	(15,024)	2,123	14.1	(58,002)
Other operating income (expense), net	(650)	(829)	179	21.6	(3,032)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>14,339</b>	<b>15,690</b>	<b>(1,351)</b>	<b>(8.6)</b>	<b>527,601</b>
<i>% on revenues</i>	<i>9.6%</i>	<i>9.7%</i>			<i>43.6%</i>
Operating amortisation, depreciation and write-down	(15,706)	(15,358)	(348)	(2.3)	(63,196)
Non-operating amortisation, depreciation and write-down	(783)	(41,300)	40,517	98.1	(188,964)
Non-recurring and restructuring costs, net	(2,080)	(3,335)	1,255	37.6	(29,713)
<b>Operating result (EBIT)</b>	<b>(4,230)</b>	<b>(44,303)</b>	<b>40,073</b>	<b>90.5</b>	<b>245,728</b>
Interest expense, net	(57,701)	(48,625)	(9,076)	(18.7)	(214,576)
Gain (loss) on investments valued at equity	-	-	-	-	36
<b>Profit (loss) before income taxes</b>	<b>(61,931)</b>	<b>(92,928)</b>	<b>30,997</b>	<b>33.4</b>	<b>31,152</b>
Income taxes for the period	17,918	34,224	(16,306)	(47.6)	(54,173)
<b>Profit (loss) on continuing operations</b>	<b>(44,013)</b>	<b>(58,704)</b>	<b>14,691</b>	<b>25.0</b>	<b>(23,021)</b>
Profit (loss) from non-current assets held for sale and discontinued operations	-	(2,629)	2,629	100.0	(12,337)
<b>Profit (loss) for the period</b>	<b>(44,013)</b>	<b>(61,333)</b>	<b>17,320</b>	<b>28.2</b>	<b>(35,358)</b>
- of which Minority interests	239	1,018	(779)	(76.5)	2,412
- of which pertaining to the Group	(44,252)	(62,351)	18,099	29.0	(37,770)

(\*) Minus costs attributable to minorities.

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## → Consolidated Statements of Comprehensive Income

(euro/thousand)		1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009	Year 2009
<b>Profit (loss) for the period</b>	(A)	<b>(44,013)</b>	<b>(61,333)</b>	<b>(35,358)</b>
Profit (loss) for "cash flow" instruments		(3,621)	(20,946)	(11,554)
Profit (loss) for foreign exchange adjustments		(116)	2,322	6,798
Actuarial gain (loss) recognised to equity		-	-	(15,776)
<b>Total other comprehensive profit (loss) for the period, net of tax effect</b>	(B)	<b>(3,737)</b>	<b>(18,624)</b>	<b>(20,532)</b>
<b>Total comprehensive profit (loss) for the period</b>	(A+B)	<b>(47,750)</b>	<b>(79,957)</b>	<b>(55,890)</b>
- of which Minority interests		239	1,018	2,412
- of which pertaining to the Group		(47,989)	(80,975)	(58,302)

## → Reclassified Consolidated Statements of Financial Position

	At 31.03.2010	At 31.12.2009	Change	At 31.03.2009
<b>(euro/thousand)</b>				
Goodwill and customer database	3,334,382	3,335,257	(875)	3,479,273
Other non-current assets (*)	244,136	232,741	11,395	244,200
Operating non-current liabilities	(65,663)	(66,880)	1,217	(57,105)
Non-operating non-current liabilities	(15,113)	(19,871)	4,758	(16,214)
Operating working capital	246,982	326,222	(79,240)	234,345
- Operating current assets	647,710	698,027	(50,317)	706,093
- Operating current liabilities	(400,728)	(371,805)	(28,923)	(471,748)
Non-operating working capital	(24,836)	(39,416)	14,580	(50,162)
- Non-operating current assets	7,518	7,405	113	14,804
- Non-operating current liabilities	(32,354)	(46,821)	14,467	(64,966)
Non-current assets held for sale, net	76	74	2	(850)
<b>Net invested capital</b>	<b>3,719,964</b>	<b>3,768,127</b>	<b>(48,163)</b>	<b>3,833,487</b>
Equity of the Group	964,214	1,012,167	(47,953)	795,466
Minority interests	22,161	21,911	250	27,194
<b>Total equity</b>	<b>(A) 986,375</b>	<b>1,034,078</b>	<b>(47,703)</b>	<b>822,660</b>
<b>Net financial debt</b>	<b>2,776,421</b>	<b>2,762,782</b>	<b>13,639</b>	<b>3,053,220</b>
Transaction costs on loans and securitisation program not yet amortised	(68,938)	(51,218)	(17,720)	(74,270)
Net market value of "cash flow hedge" instruments	26,106	22,485	3,621	31,877
<b>Net financial debt - "book value"</b>	<b>(B) 2,733,589</b>	<b>2,734,049</b>	<b>(460)</b>	<b>3,010,827</b>
of which:				
- Non-current financial liabilities	2,925,002	2,401,197	523,805	2,965,667
- Current financial liabilities	128,452	628,849	(500,397)	339,846
- Non-current financial assets	(2,087)	(2,088)	1	(2,095)
- Current financial assets, cash and cash equivalent	(317,778)	(293,909)	(23,869)	(292,591)
<b>Total</b>	<b>(A+B) 3,719,964</b>	<b>3,768,127</b>	<b>(48,163)</b>	<b>3,833,487</b>

(\*) Includes financial assets available for sale.

## → Consolidated Statements of Cash Flows

(euro/thousand)	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 restated	Change	Year 2009
<b>Operating free cash flow</b>				
Operating result	(4,230)	(44,303)	40,073	245,728
Amortisation, depreciation and write-down	16,489	56,658	(40,169)	252,160
Costs for stock option	49	49	-	227
(Gains) losses on disposal of non-current assets	1	113	(112)	264
Change in working capital	65,105	79,862	(14,757)	(1,614)
Income taxes paid	(2,638)	(4,061)	1,423	(108,761)
Change in non-current liabilities	(6,656)	(1,112)	(5,544)	(12,417)
Exchange adjustments and other movements	(2)	(1,958)	1,956	(3,539)
<b>Cash inflow from operating activities</b>	<b>(A) 68,118</b>	<b>85,248</b>	<b>(17,130)</b>	<b>372,048</b>
<b>Cash outflow for investments</b>				
Consolidated subsidiaries	-	(53)	53	-
Purchase of intangible assets with finite useful life	(5,328)	(11,436)	6,108	(44,984)
Purchase of property, plant and equipment	(1,635)	(1,380)	(255)	(6,959)
Other investments	(81)	(85)	4	(673)
Proceeds from disposal of non-current assets	13	33	(20)	104
<b>Cash outflow for investments</b>	<b>(B) (7,031)</b>	<b>(12,921)</b>	<b>5,890</b>	<b>(52,512)</b>
<b>Cash outflow for financing activities</b>				
Proceeds from non-current loans	536,799	-	(536,799)	-
Repayments of non-current loans	(543,123)	(50,826)	(492,297)	(303,910)
Payment of interest expense, net	(74,338)	(42,898)	(31,440)	(186,842)
Change in other current financial assets and liabilities	43,755	8,198	35,557	(29,132)
Capital increase	-	-	-	193,519
Distribution of dividends	-	-	-	(3,365)
<b>Cash outflow for financing activities</b>	<b>(C) (36,907)</b>	<b>(85,526)</b>	<b>48,619</b>	<b>(329,730)</b>
<b>Cash flow from non-current assets held for sale and discontinued operations</b>	<b>(D) -</b>	<b>(766)</b>	<b>766</b>	<b>(2,417)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C+D) 24,180</b>	<b>(13,965)</b>	<b>38,145</b>	<b>(12,611)</b>
Cash and cash equivalent at beginning of the period	291,991	304,602	(12,611)	304,602
Cash and cash equivalent at the end of the period	316,171	290,637	25,534	291,991

## → Consolidated Financial Cash Flows

	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 restated	Change	Year 2009
<b>(euro/thousand)</b>				
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	14,339	15,690	(1,351)	527,601
Gains (losses) from discounting operating assets and liabilities	(627)	(230)	(397)	(1,795)
Decrease (increase) in operating working capital (*)	79,240	86,403	(7,163)	(8,005)
(Decrease) increase in operating non-current liabilities (*)	(1,217)	(826)	(391)	(9,818)
Capital expenditure	(6,963)	(12,816)	5,853	(51,943)
(Gains) losses on disposal of non-current operating assets	1	113	(112)	264
<b>Operating free cash flow</b>	<b>84,773</b>	<b>88,334</b>	<b>(3,561)</b>	<b>456,304</b>
Capital increase	-	-	-	193,519
Payment of interest expense, net	(74,338)	(42,898)	(31,440)	(186,842)
Payment of income taxes	(2,638)	(4,061)	1,423	(108,761)
Payment of non-recurring and restructuring expense (**)	(20,978)	(9,883)	(11,095)	(23,899)
Dividends	-	-	-	(3,365)
Flows on "Non-current assets held for sale and discontinued operations"	-	(766)	766	(2,417)
Investment in the Turin complex - new headquarters	-	-	-	(1,091)
Foreign exchange adjustments and other movements	(458)	(1,930)	1,472	(4,214)
<b>Change in net financial debt</b>	<b>(13,639)</b>	<b>28,796</b>	<b>(42,435)</b>	<b>319,234</b>

(\*) The changes don't include the non monetary effects arising from the reclassification to non-current assets held for sale and discontinued operations and profit and losses recognised in equity.

(\*\*) The change included the payment of the purchase price of the minority interest in Cipi S.p.A. in 2009.



→ Consolidated Statement of Changes in Equity  
 from 31.12.2009 to 31.03.2010

(euro/thousand)	Group				Minorities			Total
	Share capital	Reserves	Profit (loss) for the period	Total	Share capital and reserves	Profit (loss) for the period	Total	
At 31.12.2009	450,266	599,671	(37,770)	1,012,167	18,478	3,433	21,911	1,034,078
Allocation of 2009 profit (loss)		(37,770)	37,770		3,433	(3,433)		
Other movements		36		36	11		11	47
Other profit (loss) for the period		(3,737)		(3,737)				(3,737)
Profit (loss) for the period			(44,252)	(44,252)		239	239	(44,013)
At 31.03.2010	450,266	558,200	(44,252)	964,214	21,922	239	22,161	986,375

→ Consolidated Statement of Changes in Equity  
 from 31.12.2008 to 31.03.2009

(euro/thousand)	Group				Minorities			Total
	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		5,966	(5,966)		
Other changes and changes in consolidation scope		(155)		(155)	(759)		(759)	(914)
Other profit (loss) for the period		(18,623)		(18,623)				(18,623)
Profit (loss) for the period			(62,351)	(62,351)		1,007	1,007	(61,344)
At 31.03.2009	250,352	607,465	(62,351)	795,466	26,187	1,007	27,194	822,660

## ➤ Main events in the first quarter of 2010

### Agreement with The Royal Bank of Scotland for the issuing of Senior Secured Bonds

In order to retain a proper liquidity margin and proactively manage the need to refinance senior debt to meet the high repayments scheduled over the next few years, at the end of December 2009 the Board of Directors of SEAT Pagine Gialle S.p.A. instructed the Chief Executive Officer to ask The Royal Bank of Scotland Plc Milan Branch for permission to issue up to 5 senior secured bonds worth up to € 1,000 million by the end of February 2011.

The proceeds from these bond issuances were to be used to make early repayment of a number of tranche A instalments on the Senior facility issued by The Royal Bank of Scotland Plc Milan Branch, repayment of which is due in 2010, 2011 and 2012. The request also involved the resetting of a number of financial covenants in order to take account of the impacts of the issue. These impacts resulted in total debt rising slightly (because of issue expense and transaction costs) along with the future cost of the debt increasing because of the higher interest on the new Senior Secured Bond.

In the first half of January 2010, The Royal Bank of Scotland Plc Milan Branch gave this permission, subject to a € 7.4 million commission. At the same time, SEAT Pagine Gialle S.p.A. agreed that, as of the date of issue of the Senior Secured Bond, Euribor margins for the senior facility would increase by 75 basis points p.a.. From 28 January 2010, these margins therefore rose by 3.19% for tranche A and for the revolving credit line, and by 3.76% for tranche B.

### Issue of a € 550 million Senior Secured Bond

In the first half of January 2010, SEAT Pagine Gialle S.p.A. appointed a group of Bookrunners comprising Deutsche Bank, BNP Paribas, Citigroup, JPMorgan and Royal Bank of Scotland and a group of Co-Managers (Calyon, Lloyds, Mediobanca and Unicredit) to manage the issue of a Senior Secured Bond. This culminated in the issue on 28 January 2010 of a € 550 million Senior Secured Bond maturing on 31 January 2017, at a price of € 0.975998 and carrying a 10.50% nominal coupon payable half-yearly at the end of January and July of each year, the first payment being due at the end of July 2010.

The issue discount brought the yield of this bond to 11% p.a.. The proceeds of € 536.8 million brought in by the bond issue were used to repay part of tranche A (€ 507.1 million), and the remainder to cover the issue costs.

### Early repayment of the € 35.1 million instalment due at the end of June 2010 on the Senior facilities agreement with The Royal Bank of Scotland Plc Milan Branch

At the end of February 2010, SEAT Pagine Gialle S.p.A. made a voluntary early repayment of the € 35.1 million instalment due at the end of June 2010 on the Senior facilities agreement with The Royal Bank of Scotland Plc Milan Branch, using cash generated by operations.

Following this repayment, the instalments payable in 2010 were reduced to € 35.1 million, due at the end of December 2010.

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## Industrial relations: Company reorganisation agreement with the trade unions, signed on 24 February 2010 at the Ministry of Employment and Social Policies in Rome

On 24 February 2010, SEAT Pagine Gialle S.p.A. signed a company reorganisation agreement with the Trade Unions, which was approved on the same day by the Ministry of Employment and Social Policies. This supplements the previous agreement signed with the Unions on 7 November 2008.

The new agreement increases to 300 the maximum number of employees for which the *Cassa Integrazione Guadagni Straordinaria* (CIGS - Special Wage Guarantee Fund) - could be put into action in the period 9 February 2010 - 8 February 2011 and extends the procedure, previously restricted to Turin, Milan and Rome, to all Company sites. Redundancies will continue to be managed via the *Cassa Integrazione Guadagni Straordinaria* and early retirement under Law 416/81 and successive amendments thereto, and by retraining redundant workers ineligible for early retirement.

## Tax inspection of SEAT Pagine Gialle S.p.A.

On 15 March 2010, the Milan Tax Police (Guardia di Finanza) concluded the tax inspection begun in February 2009 and issued a report challenging tax deductions made in respect of interest payable on debts assumed by the Company in 2004, as well as the amortisation applied to the Customer Database, in relation to operations carried out in 2003-2004 in connection with the acquisition of the Company in 2003.

The Company is confident that it has always complied with the applicable regulations in respect of the aforesaid operations, and therefore believes the challenges to be unfounded and this has been corroborated by the evaluations made by the Company's own advisers. Moreover, in light of the content of the report, the Company does not believe it is possible to determine the scale of any potential tax liability that might arise once the procedure has been concluded.

Consequently, the Company has not made any provisions in the financial statements for risks and charges, relating to this investigation because the circumstances requiring a provision under the relevant accounting principles do not apply.

## ➤ Post-balance sheet events

None.

## ➤ Outlook

In 2010, in an economic climate that began to show a few signs of recovery only from the second half of 2009, SEAT Pagine Gialle S.p.A. will continue investing to strengthen its core business in Italy, shifting the sales network's strategic focus from a monoprodukt offer to a multimedia offer in order to ensure a business profile that is sustainable for the coming years, with the expectation of ever-increasing complementarity between traditional and online activities. At the same time, the objective will be to safeguard the profit margins of the business through structural initiatives to reduce operating costs, based on the containment of current expenses and the redesign of the main operating processes. More particularly, with regard to the core business in Italy, the commercial strategies will continue to focus on the sale of multimedia packages, which will make it possible to keep the information content high and encourage advertisers to move their advertising budgets towards multi-product ranges. The Company will continue to strengthen its online marketing offers and services in order to increase penetration of the existing online customer base, thanks to an increase in new customers, and will support the growth of Internet revenues and the trend in overall turnover. In this regard, in line with the actions already taken in 2009, SEAT Pagine Gialle S.p.A. will continue its policy of containing operating costs, aimed at keeping both costs and investments in line with business development requirements.

## ➤ Related Party Transactions

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 at 31 March 2010 of transactions with related parties by the SEAT Pagine Gialle group.

The consolidated figures eliminate the economic, capital and financial effects of transactions between consolidated companies.

All transactions by Group companies with related parties, including inter-company transactions, were ordinary business transactions under ordinary market conditions or particular laws and regulations. There were no atypical and/or unusual transactions or transactions that might represent a conflict of interests, apart from the agreement to extend the deadline for the payment of dividends to companies with a significant influence over the Company (so-called Reference Shareholders).

### Statements of Operations

	Total items 1 <sup>st</sup> quarter 2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2010	% <i>impact on items</i>
<b>(euro/thousand)</b>						
Material and external services	(68,719)	-	-	(14)	(14)	<i>n.s.</i>
Salaries, wages and employee benefits	(53,536)	-	-	(1,122)	(1,122)	<i>2.1</i>
Non-recurring costs	(1,039)	-	-	(70)	(70)	<i>6.7</i>
Interest expense	(62,484)	(27,268)	(10)	-	(27,278)	<i>43.7</i>

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

	Total items 1 <sup>st</sup> quarter 2009 restated	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2009 restated	% <i>impact on items</i>
<b>(euro/thousand)</b>						
Salaries, wages and employee benefits	(55,298)	-	-	(1,390)	(1,390)	<i>2.5</i>
Non-recurring costs	(2,921)	-	-	(89)	(89)	<i>3.0</i>
Interest expense	(58,494)	(27,163)	(273)	-	(27,436)	<i>46.9</i>
Profit (loss) on non current assets held for sale and discontinued operations	(2,629)	(21)	-	(109)	(130)	<i>4.9</i>

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

## Statements of Financial Position

	Total items as at 31.03.2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 31.03.2010	% impact on items
<b>(euro/thousand)</b>						
Non-current financial debts	(2,925,002)	(1,276,441)	-	350	(1,276,091)	43.6
Non-current reserves to employees	(41,485)	-	-	(138)	(138)	0.3
Current financial debt	(128,452)	(43,438)	(13,536)	-	(56,974)	44.4
Trade account payables	(183,292)	-	-	(957)	(957)	0.5

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

	Total items as at 31.12.2009	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 31.12.2009	% impact on items
<b>(euro/thousand)</b>						
Cost of the capital increase accounted for the equity	10,671	-	-	1,281	1,281	12.0
Non-current financial debts	(2,401,197)	(1,275,237)	-	204	(1,275,033)	53.1
Non-current reserves to employees	(42,896)	-	-	(100)	(100)	0.2
Current financial debt	(628,849)	(17,375)	(13,526)	-	(30,901)	4.9
Trade account payables	(228,947)	-	-	(729)	(729)	0.3
Payables for services to be rendered an other current liabilities	(100,493)	-	-	(1,600)	(1,600)	1.6

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

## Statements of Cash Flows

	Total items 1 <sup>st</sup> quarter 2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2010	% impact on items
<b>(euro/thousand)</b>						
Cash inflow (outflow) from operating activities	68,118	-	-	(2,540)	(2,540)	(3.7)
Cash inflow (outflow) for investments	(7,031)	-	-	-	-	-
Cash inflow (outflow) for financing	(36,907)	-	-	(146)	(146)	(0.4)
<b>Cash flow for the period</b>	<b>24,180</b>	-	-	<b>(2,686)</b>	<b>(2,686)</b>	<b>(11.1)</b>

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

	Total items 1 <sup>st</sup> quarter 2009 restated	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2009 restated	% impact on items
<b>(euro/thousand)</b>						
Cash inflow (outflow) from operating activities	85,248	-	-	(2,672)	(2,672)	(3.1)
Cash inflow (outflow) for investments	(12,921)	-	-	-	-	-
Cash inflow (outflow) for financing	(85,526)	-	(14,541)	(204)	(14,745)	(17.2)
Cash flow on non-current assets held for sale and discontinued operations	(766)	1,566	-	(109)	1,457	n.s.
<b>Cash flow for the period</b>	<b>(13,965)</b>	<b>1,566</b>	<b>(14,541)</b>	<b>(2,985)</b>	<b>(15,960)</b>	<b>n.s.</b>

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

## Key economic, capital and financial items involving associates, joint ventures and companies with significant influence on SEAT Pagine Gialle S.p.A.

### STATEMENTS OF OPERATIONS

(euro/thousand)	Total items 1 <sup>st</sup> quarter 2010	Total items 1 <sup>st</sup> quarter 2009 restated	Type of transaction
<b>INTEREST EXPENSE</b>			
<b>OF WHICH:</b>			
Lighthouse International Company S.A.	(27,268)	(27,163)	interest expense, changes and write-down of multi-year charges on long-term "Subordinated" facilities.
Leading Shareholders	(10)	(273)	interest expense on dividends to Leading Shareholders.
<b>Total interest expense</b>	<b>(27,278)</b>	<b>(27,436)</b>	
<b>PROFIT (LOSS) FROM NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS OF WHICH:</b>			
Katalog Yayın ve Tanıtım Hizmetleri A.S.	-	(21)	recovery of costs and services provided.
<b>Total profit (loss) from non-current assets held for sale and discontinued operations</b>	<b>-</b>	<b>(130)</b>	

### STATEMENTS OF FINANCIAL POSITION

(euro/thousand)	At 31.03.2010	At 31.12.2009	Type of transaction
<b>NON-CURRENT FINANCIAL DEBTS</b>			
<b>OF WHICH:</b>			
Lighthouse International Company S.A.	(1,276,441)	(1,275,237)	"Subordinated" financing.
<b>Total non-current financial debts</b>	<b>(1,276,441)</b>	<b>(1,275,237)</b>	
<b>CURRENT FINANCIAL DEBTS</b>			
<b>OF WHICH:</b>			
Leading Shareholders	(13,536)	(13,526)	dividends to Leading Shareholders interest-bearing.
Lighthouse International Company S.A.	(43,438)	(17,375)	outstanding interest expense for the period.
<b>Total current financial debts</b>	<b>(56,974)</b>	<b>(30,901)</b>	

## Remuneration of the Director General and executives with strategic responsibility

### Remuneration of directors and statutory auditors

Person	Remuneration (euro/thousand)	
	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009
Managers with strategic responsibility	600	769
Remuneration to directors and statutory auditors (*)	647	2,168

(\*) Included payments to Studio Legale Giliberti Pappalettera Tricornia and Associati for consultancy to SEAT Pagine Gialle S.p.A..



## ➤ Economic and financial performance by Business Area

		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Elimination and other adjustments	Consolidated Total
<b>(euro/thousand)</b>								
Revenues from sales and services	1 <sup>st</sup> quarter 2010	100.4	12.0	36.8	9.0	158.2	(8.7)	149.5
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	107.7	11.6	41.9	10.1	171.3	(10.0)	161.3
	Year 2009	952.2	81.4	165.4	63.9	1,262.9	(53.1)	1,209.8
Gross operating profit (GOP)	1 <sup>st</sup> quarter 2010	25.0	(1.4)	6.4	(2.1)	27.9	-	27.9
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	26.6	(3.6)	10.6	(2.0)	31.6	(0.1)	31.5
	Year 2009	521.3	17.8	41.8	7.4	588.3	0.3	588.6
Operating income before amortization, depreciation, non-recurring and restructuring costs, net (EBITDA)	1 <sup>st</sup> quarter 2010	12.7	(1.9)	5.7	(2.2)	14.3	-	14.3
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	12.3	(4.0)	9.7	(2.1)	15.9	(0.2)	15.7
	Year 2009	470.7	13.8	36.3	6.8	527.6	-	527.6
Operating result (EBIT)	1 <sup>st</sup> quarter 2010	(0.2)	(3.0)	2.9	(3.9)	(4.2)	-	(4.2)
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	(41.3)	(6.3)	6.9	(3.4)	(44.1)	(0.2)	(44.3)
	Year 2009	305.4	(84.0)	24.7	(0.4)	245.7	-	245.7
Total assets	31 March 2010	4,200.9	113.3	247.7	311.9	4,873.8	(319.9)	4,553.9
	31 March 2009	4,367.2	196.8	261.9	321.5	5,147.4	(407.3)	4,740.1
	31 December 2009	4,239.0	118.4	254.4	317.5	4,929.3	(359.5)	4,569.8
Total liabilities	31 March 2010	3,391.0	119.0	74.1	296.6	3,880.7	(313.1)	3,567.6
	31 March 2009	3,821.8	105.1	87.3	303.7	4,317.9	(400.5)	3,917.4
	31 December 2009	3,386.8	121.3	82.4	298.2	3,888.7	(353.0)	3,535.7
Net invested capital	31 March 2010	3,554.2	45.0	112.1	15.4	3,726.7	(6.8)	3,719.9
	31 March 2009	3,563.5	141.0	119.5	16.3	3,840.3	(6.8)	3,833.5
	31 December 2009	3,600.1	43.3	111.1	20.3	3,774.8	(6.7)	3,768.1
Capital expenditure	1 <sup>st</sup> quarter 2010	5.6	0.2	0.4	0.7	6.9	0.1	7.0
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	10.4	0.2	1.6	0.6	12.8	-	12.8
	Year 2009	41.9	1.1	5.8	3.6	52.4	(0.5)	51.9
Average workforce	1 <sup>st</sup> quarter 2010	1,263	697	2,456	382	4,798	-	4,798
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	1,375	779	2,493	404	5,051	-	5,051
	Year 2009	1,336	728	2,476	407	4,947	-	4,947
Sales agents (average number)	1 <sup>st</sup> quarter 2010	1,587	-	2	43	1,632	-	1,632
	1 <sup>st</sup> quarter 2009							
	<i>restated</i>	1,719	-	27	20	1,767	-	1,767
	Year 2009	1,682	-	20	36	1,738	-	1,738

Key performance indicators of the Group	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009
<b>Number of published directories</b>		
PAGINEBIANCHE®	8	10
PAGINEGIALLE®	16	20
ThomsonLocal	22	16
<b>Number of distributed directories (values in million)</b>		
PAGINEBIANCHE®	1.9	2.1
PAGINEGIALLE®	1.7	1.7
ThomsonLocal	3.0	2.2
<b>Number of visits (values in million)</b>		
<i>uninterrupted site access for 30 minutes</i>		
PAGINEBIANCHE.it®	41.0	43.3
PAGINEGIALLE.it®	39.5	37.5
TuttoCittà.it®	7.5	7.5
Europages.com	10.5	12.1

## → Italian Directories

### Economic and financial performance

The results for the first quarter of 2010 reflect a difficult economic climate in which gross domestic product (GDP) fell by 5.1% on an annual basis, according to figures published by the Italian national statistics office (ISTAT). Only in the second half did the rate of contraction slow, with a fourth quarter decrease of 1.3%. In April 2010, the OECD (an organisation of some of the most industrialised countries) announced that in the first half of 2010, the growth of the Italian economy would seesaw, with GDP expected to rise 1.2% on annual basis in the first quarter, but only 0.5% in the second quarter. The OECD has also indicated how the fragility of the economic recovery, the weakness of the job market and possible turbulence on the financial markets will make it necessary to maintain the support measures hitherto adopted for the economy, even in 2010. The table below shows the key results for the first quarter of 2010, with a comparison with *restated* figures for the same period of the previous year. Following the decision to withdraw from the Turkish joint venture Katalog Yayın ve Tanıtım Hizmetleri A.S. (made in the second quarter of 2009) and the decision to sell the French subsidiary 118 000 SAS (third quarter 2009), the operating, capital and financial results of the two companies are now stated on separate lines under "Non-current assets held for sale and discontinued operations" in line with IFRS 5. Therefore, based on the provisions contained in IFRS 5, the statement of operations and statement of cash flows for the first quarter of 2009 have been *restated*.

	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 restated	Variazioni		Year 2009
(euro/thousand)			Absolute	%	
Revenues from sales and services	100.4	107.7	(7.3)	(6.8)	952.2
Gross operating profit (GOP)	25.0	26.6	(1.6)	(6.0)	521.3
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	12.7	12.3	0.4	3.3	470.7
Operating result (EBIT)	(0.2)	(41.3)	41.1	99.5	305.4
Net invested capital	3,554.2	3,563.5	(9.3)	(0.3)	3,600.1
Capital expenditure	5.6	10.4	(4.8)	(46.2)	41.9
Average workforce	1,263	1,375	(112)	(8.1)	1,336

**Revenue from sales and services** totalled € 100.4 million in the first quarter of 2010, down 6.8% on the same period in the previous year, but up 4.4% on a same-publication basis. The publication of directories for Perugia and Terni (€ 11.6 million in the first quarter of 2009) were in fact deferred until the third quarter of this year. These results reflect the solid performance of core products (print, online and voice), which grew by 15.4% compared with the first quarter of 2009 and on a same-publication basis. This segment outperformed other products partly due to the significant growth in internet business (+51.6%), supported by continuous product innovation and an acceleration in sales of multimedia packages to advertisers (17,500 packages at the end of March 2010), which also boosted the number of new clients. This sales strategy expedited changes to the revenue mix, with an increasing percentage of internet revenue (climbing to 58% from 44% in the first quarter of 2009) compared with print (down to 32% from 45% in the first quarter of 2009).

The solid performance of revenue from core products in the first quarter of 2010 was bolstered by the publication during the quarter of directories for small and medium-sized towns. The directories for large metropolitan centres, where revenue is more sensitive to the current economic climate, will be published during the second and fourth quarter of the financial year. As in previous years, total revenue was affected by the performance of non-core products (BtoB, direct marketing and the sale of promotional products), which have been harder hit than other products by an economic environment in which the first faint signs of recovery only recently emerged, and which were particularly affected by the shift in sales focus to core (especially online) products.

Specifically:

**a) core revenue:** € 84.8 million, down 0.4% compared with the same period in the previous year, but up 15.4% on a same-publication basis. This consists of:

- *print*: print revenue totalled € 27.4 million in the first quarter of 2010, down € 17.0 million on the first quarter of 2009 in line with the performance recorded in the fourth quarter of 2009. On a same-publication basis, the decrease was € 5.4 million. Specifically, revenue from PAGINEBIANCHE® and PAGINEGIALLE® fell due to the difficult economic environment in 2009 (most orders for the first half of 2010 were in fact placed in 2009) and the sales strategy adopted by the Company, promoting the sale of multimedia packages (print, online and voice). During the first quarter, the development continued of several strategic initiatives which will be implemented in the coming months to support paper directories, such as the introduction of "QR-Codes", or Quick Response Codes, in the paper version of PAGINEGIALLE®, directing the user to the version of [www.paginegialle.it](http://www.paginegialle.it) for mobile users and thus allowing them to access companies in specific categories using metered ads, with a single telephone number for each category so that advertisers can have certified information about the number and quality of contacts generated.

The QR Code trial is already active in the PAGINEGIALLE® 2010 distributed in Turin.

As forecast in the 2009 financial statements, as part of the move to simplify the product portfolio the Company decided to suspend publication of the local editions of InZona and Idee InVacanza;

- *online*: online products generated revenue of € 49.1 million, up 51.6% compared with the first quarter of 2009 and outstripping the fourth quarter of 2009, which recorded growth of 8.3%. This result was mainly achieved from the range of new online products and services, and by the sale of multimedia packages. SEAT Pagine Gialle S.p.A., alongside its traditional commercial offering as a Directory Company, is promoting new services along the lines of the web marketing agency business model.

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This is aimed at offering clients a complete range of consulting services, from developing their website to planning their advertising campaign and integrating this with other web-based communication, including monitoring and optimising results. In the first quarter of 2010, total traffic, including visits to PAGINEGIALLE.it® via web and mobile, and visits to the websites of advertising clients, totalled approximately 39.5 million, an increase of 5.1% compared with the first quarter of 2009. Online, this result shows a dip in proprietary brand consulting, with direct traffic still strong compared to SEO (Search Engine Optimization) and SEM (Search Engine Marketing) activities, and a more significant fall in visits from partner sites. This fall was offset however by an increase in visits from mobile phones and to the websites of advertising clients. In the first quarter of 2009, online traffic recorded a 69.9% increase in visits compared with the same period in 2010, supported by the 98.4% rise in direct proprietary brand consulting mainly due to the launch of SEO for visits to PAGINEGIALLE.it®. This result cannot be replicated to the same extent in the current period. At the end of December 2009, the Company launched a new advertising campaign with the tagline "Dritti al punto" ("Straight to the point"), the aim being to reposition PAGINEGIALLE.it® as a fast and reliable search engine. This advertising campaign has had a positive influence on proprietary brand consulting and has enhanced the image and online brand awareness of SEAT Pagine Gialle S.p.A., as shown by the record number of visits (12.5 million) to PAGINEGIALLE.it® in March 2010.

In this respect, 88% of queries entered on PAGINEGIALLE.it® were for proprietary brands, slightly up on the 86% for the first quarter 2009.

In terms of strategic initiatives launched by the Company to increase the visibility of its advertising clients, we note *i*) the agreement signed in January with Booking.com, a leading online reservations company in Europe, to offer users of its PG Prenota™ service the option of browsing a wider range of hotels and making online reservations, *ii*) the agreement reached in March with Tiscali to share PAGINEGIALLE.it® content with www.tiscali.it and www.ilmeteo.it, and *iii*) the launch in April of the PAGINEGIALLE mobile application for the Android platform, available on all Google handsets;

- *voice*: advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services totalled € 8.3 million, in line with the first quarter 2009. This performance is an improvement on the fall in revenue in the fourth quarter of 2009 (-7.6%), supported by the new strategic initiatives launched and based on the joint sale of directory assistance and mobile internet services for premium clients.

- b) **Business to Business:** specialised BtoB products, which in the first quarter of 2009 closed at € 2.5 million, generated no revenue in the first quarter of 2010 following the Company's decision in 2009 to suspend the publication of the *Annuario SEAT* and *PAGINEGIALLE Professional®* directories and to incorporate the *Kompass* directory within the product portfolio of its subsidiary *Consodata*, as part of a strategic review of the product portfolio and the refocus by the sales network on core products (print, online and voice).
- c) **Other products:** revenue from other products totalled € 14.9 million, down € 4.5 million compared to the first quarter of 2009. This includes € 12.8 million in revenue from voice traffic generated by the 89.24.24 Pronto *PAGINEGIALLE®* and 12.40 Pronto *PAGINEBIANCHE®* services (€ 15.4 million in the first quarter of 2009). The fact that the telephone assistance service market has entered a consolidation phase led to an inevitable contraction in the number of calls. To support the use of the two directory assistance services, the Company is introducing a series of promotional initiatives for callers. Direct marketing and merchandising generated € 1.8 million (€ 2.0 million in the first quarter of 2009), again suffering from the refocus of the sales network on higher margin products.

**Cost of materials and external services**, less recovered costs, totalled € 55.8 million in the first quarter of 2010, down € 4.7 million on the same period in 2009 *restated*. On a same-publication basis, the reduction was € 1.4 million due to the decrease in production costs (–€ 1.8 million to € 15.3 million), as less paper was bought and fewer directories printed, a direct result of falling print revenues, while costs for electronic processing linked to the provision of online services rose. Overheads were down € 1.6 million at € 13.9 million as a result of cost-cutting measures. Conversely, sales costs rose € 2.0 million to € 26.5 million following the additional commission and fees for direct agents, a result of the rise in online revenue and higher fees for publishers as part of the management of new online products and services designed to increase web traffic.

**Salaries, wages and employee benefits**, net of costs recovered on seconded personnel to other Group companies, totalled € 19.6 million in the first quarter of 2010, down 4.7% on the same period the previous year. This decrease was due to a smaller average workforce, which went from 1,375 units in the first quarter of 2009 to 1,263 units in the first quarter of 2010.

As of 31 March 2010, the workforce, including directors, project-based workers and trainees, totalled 1,367 units (1,376 units at 31 December 2009).

**GOP** totalled € 25.0 million in the first quarter 2010, down € 1.6 million compared to the first quarter of 2009 *restated*. This represented 24.9% of revenue (24.7% in the first quarter of 2009 *restated*).

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**Other valuation adjustments and provisions to reserves for risks and charges** totalled € 11.8 million in the first quarter of 2010, down € 1.9 million on the same period in 2009 *restated* due to the decrease in provisions for risks (-€ 1.4 million), partly as a result of there being fewer disputes, and to the provision for impaired receivables (-€ 0.5 million).

**EBITDA** totalled € 12.7 million in the first quarter of 2010 (€ 12.3 million in the first quarter of 2009 *restated*), representing 12.7% of revenue compared to 11.4% in the first quarter of 2009 *restated*.

**Operating amortisation, depreciation and write-down** totalled € 12,1 million in the first quarter of 2010, essentially in line with the same period of the previous year *restated* (€ 11.7 million). This item includes € 1.1 million for the depreciation of the building complex in Corso Mortara, where the Company relocated its head office at the end of December 2008.

**Non-operating amortisation, depreciation and write-down** not present in the first quarter of 2010, stood at € 40.5 million in the first quarter of 2009. This consists of the Customer Database, which had been fully amortised by July 2009.

**Non-recurring and restructuring costs, net** totalled € 0.8 million in the first quarter of 2010 (€ 1.4 million in the same period 2009 *restated*), and mainly consists of consulting costs incurred as part of the strategic plan.

**Operating results (EBIT)** in the first quarter of 2010 totalled -€ 0.2 million (-€ 41.3 million in the first quarter of 2009 *restated*) due to lower non-operating amortisation and depreciation.

## → UK Directories

### Economic and financial performance

The table below shows the key results for the first quarter of 2010, with a comparison for those for the same period of 2009

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	12.0	11.6	0.4	3.4	81.4
Gross operating profit (GOP)	(1.4)	(3.6)	2.2	61.1	17.8
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(1.9)	(4.0)	2.1	52.5	13.8
Operating result (EBIT)	(3.0)	(6.3)	3.3	52.4	(84.0)
Net invested capital	45.0	141.0	(96.0)	(68.1)	43.3
Capital expenditure	0.2	0.2	-	-	1.1
Average workforce	697	779	(82)	(10.5)	728



**Revenue from sales and services** in the first quarter of 2010 totalled € 12.0 million, an increase of 3.4% compared to the first quarter of 2009 (+2.9% in local currency). Revenue in the first quarter of 2010 was boosted by a different publication schedule compared to the same period in the previous year, which gave an increase in revenue of 2.1 million of sterling.

On a same-publication basis, print and direct marketing revenue fell 18.6% due to the difficult market and economy.

The decrease in online revenue was less dramatic, with the decline in web finder revenue (an online search tool available on the Thomson website) only partly offset by growth in business finder revenue. Although the first quarter of the year is relatively insignificant in revenue terms compared to other quarters, online revenue accounted for around 35% of total turnover in the first quarter of 2010 (38% in the first quarter 2009), in line with the Company's strategic decision to migrate its business from a traditional to a multimedia business. While in 2009 telesales focused on acquiring new clients, in 2010 the focus shifted to managing the existing client base, leading to a fall in the number of new clients. To address these issues, a new telesales center was opened which commenced operation in the second half of January 2010.

**GOP** rose € 2.2 million (2 million of sterling) compared to the first quarter of 2009: the increase in revenue was accompanied by a significant reduction in salaries, wages and employee benefits (-€ 1 million) following the implementation of a restructuring plan involving all Business Areas and leading to a decrease in the average workforce of 82 units. Salaries, wages and employee benefits also benefited from the reduction in pension fund payments (Thomson Pension Fund) following the *enhanced transfer value* measures taken in 2009, as well as changes made in September 2009 to the calculation mechanisms for benefits paid to employees who are members of the scheme.



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**EBITDA** totalled -€ 1.9 million (- 1.7 million of sterling), up € 2.1 million compared to the first quarter of 2009 and in line with GOP.

**EBIT** totalled -€ 3.0 million in the first quarter of 2010 (-€ 6.3 million), reflecting non-recurring and restructuring costs of € 0.7 million (€ 1.8 million in the first quarter of 2009).

**Capital expenditure** was just over € 0.2 million, in line with the previous year.

## → Directory Assistance

### Main events in the life of the Company

On 29 January 2010 Mobilsafe AG, which went into liquidation on 31 December 2009 (wholly owned by Telegate AG through Datagate GmbH), was deleted from the Companies Register.

### Economic and financial performance

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period in the previous year *restated*. Following the sale of the French subsidiary 118 000 SAS (third quarter 2009), the figures in the statement of operations and statement of cash flows for the first quarter 2009 have been *restated* for comparison purposes in accordance with IFRS 5.

	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 <i>restated</i>	Change		Year 2009
(euro/thousand)			Absolute	%	
Revenues from sales and services	36.8	41.9	(5.1)	(12.2)	165.4
Gross operating profit (GOP)	6.4	10.6	(4.2)	(39.6)	41.8
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	5.7	9.7	(4.0)	(41.2)	36.3
Operating result (EBIT)	2.9	6.9	(4.0)	(58.0)	24.7
Net invested capital	112.1	119.5	(7.4)	(6.2)	111.1
Capital expenditure	0.4	1.6	(1.2)	(75.0)	5.8
Average workforce	2,456	2,493	(37)	(1.5)	2,476

**Revenue from sales and services** totalled € 36.8 million in the first quarter of 2010, down € 5.1 million on the same period in the previous year *restated*.

## Telegate Group

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

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period 2009 *restated*

	1 <sup>st</sup> quarter 2010	1 <sup>st</sup> quarter 2009 <i>restated</i>	Change		Year 2009
(euro/thousand)			Absolute	%	
Revenues from sales and services	34.3	39.2	(4.9)	(12.5)	153.9
Gross operating profit (GOP)	6.2	10.5	(4.3)	(41.0)	40.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	5.6	9.6	(4.0)	(41.7)	35.2
Operating result (EBIT)	3.0	6.9	(3.9)	(56.5)	23.9
Net invested capital	92.1	101.3	(9.2)	(9.1)	90.9
Capital expenditure	0.4	1.6	(1.2)	(75.0)	5.6
Average workforce	2,137	2,155	(18)	(0.8)	2,136

telegate

**Revenue from sales and services** for the first quarter of 2010 totalled € 34.3 million, down € 4.9 million on the same period of 2009.

Specifically:

- **Germany:** the structural fall in the directory assistance market continued, with voice revenue down around € 4.4 million in the first quarter of 2010 compared to the first quarter of 2009. Telegate continued its transformation process by focusing its activities on the Local Search market through an increasingly varied product range and positioning itself as a marketing partner for small and medium-sized enterprises. Internet advertising revenues in the first quarter of 2010 totalled € 6.5 million, equivalent to around 24% of total revenue and up around € 1 million compared to the first quarter of 2009. More than 73% of this was generated by new clients, mainly in the telesales channel. In terms of EBITDA, the quarter-on-quarter fall was € 3.7 million: the saving on advertising costs (–€ 0.4 million) could not offset the rise in salaries, wages and employee benefits linked to the increase in the number of telesales staff and local sales representatives of Telegate Media AG;
- **Spain:** first quarter of 2010 revenue was 15.2% less than in the previous quarter following the fall in the volume of calls to the 11811 number and to outsourcing services (Jazztel, Comunitel, Antena 3, QDQ 11875). The fall in revenue was almost entirely absorbed in terms of EBITDA due to the reduced advertising spend (–€ 0.4 million) and lower variable and line costs;
- **Italy:** revenue for the first quarter of 2010 fell 22.0% compared to the first quarter of 2009 due to the lower number of calls to the 89.24.24 Pronto PAGINEGIALLE® service, and more importantly to the 12.40 Pronto PAGINEBIANCHE® service. The fall in revenue (–€ 1.1 million) was largely absorbed in terms of EBITDA due to savings generated on overheads and a slight fall in operator costs, linked to the reduction in the average workforce of 16 units.

11 880

11 811

**GOP** for the Telegate Group was € 6.2 million, down € 4.3 million compared with the first quarter of 2009 *restated*. This result, in addition to the aforementioned fall in revenue, reflects the increase in salaries, wages and employee benefits following the expansion of the sales network at Telegate Media AG, only partly offset by lower advertising spend and savings on telephone lines and other overheads.

**EBITDA** was € 5.6 million, in line with **GOP**.

**Capital expenditure** in the first quarter 2010 was € 0.4 million, significantly lower than in the first quarter 2009 (–€ 1.2 million) when there was massive investment in upgrading the CRM platform in Germany.

## Prontoseat S.r.l.

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

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period of 2009



(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	2.5	2.7	(0.2)	(7.4)	11.7
Gross operating profit (GOP)	0.2	0.2	-	-	1.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	0.2	0.1	0.1	100.0	1.1
Operating result (EBIT)	(0.1)	-	(0.1)	n.s.	0.8
Net invested capital	0.5	1.1	(0.6)	(54.5)	0.6
Capital expenditure	-	-	-	-	0.2
Average workforce	319	339	(20.0)	(5.9)	341

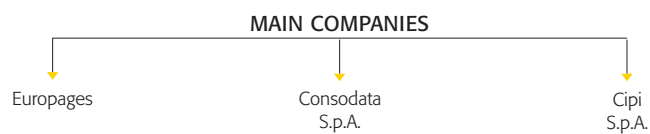
**Revenue from sales and services** in the first quarter of 2010 totalled € 2.5 million, down slightly (€ 0.2 million) on the same period of the previous year following the decrease in call and traffic volumes and consequently the fall in revenue linked to the Prontissimo service. Revenue from outbound services and other SEAT Pagine Gialle S.p.A. services was essentially in line with the first quarter 2009.

Despite the fall in revenues, both **GOP** and **EBITDA** were in line with the previous financial year following a slight fall in salaries, wages and employee benefits due to the lower number of telephone operators and minor savings on overheads.

## → Other activities

### Structure of the Business Area

This is a residual Business Area covering all activities that do not fall under any of the other areas. It is organised as follows



### Main events during the period

On 10 February 2010, after a settlement agreement had been signed with CI.FIN S.r.l., SEAT Pagine Gialle S.p.A. became the owner of a 49% minority stake in Cipi S.p.A. for a fixed price of € 7 million. Cipi S.p.A. is now wholly owned by SEAT Pagine Gialle S.p.A..

### Economic and financial performance

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period of 2009

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	9.0	10.1	(1.1)	(10.9)	63.9
Gross operating profit (GOP)	(2.1)	(2.0)	(0.1)	(5.0)	7.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(2.2)	(2.1)	(0.1)	(4.8)	6.8
Operating result (EBIT)	(3.9)	(3.4)	(0.5)	(14.7)	(0.4)
Net invested capital	15.4	16.3	(0.9)	(5.5)	20.3
Capital expenditure	0.7	0.6	0.1	16.7	3.6
Average workforce	382	404	(22)	(5.4)	407

A breakdown of these figures at legal entity level can be found below.

## Europages

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

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period of 2009

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	1.8	2.7	(0.9)	(33.3)	20.1
Gross operating profit (GOP)	(1.1)	(1.2)	0.1	8.3	0.6
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(1.2)	(1.2)	-	-	0.3
Operating result (EBIT)	(1.9)	(1.8)	(0.1)	(5.6)	(3.2)
Net invested capital	1.5	5.3	(3.8)	(71.7)	4.1
Capital expenditure	-	0.1	(0.1)	(100.0)	0.2
Average workforce	113	124	(11)	(8.9)	123

**EUROPAGES**

**Revenue from sales and services** in the first quarter of 2010 totalled € 1.8 million, € 0.9 million less than in the first quarter 2009 due to the fall in revenue in Italy (–€ 0.8 million) and France (–€ 0.1 million). In particular, the fall in revenue performance in France is linked to the restructuring plan in which the Company was involved in early 2010; as of October 2009 measures were taken to reduce the workforce, leading to the suspension of trading for several weeks.

Traffic indicators on the website show that visits stabilised at an average of around 3.5 million visits per month, boosted by improved indexing on search engines. However, online traffic in the first quarter of 2009 was much higher than in the first quarter of 2010, with peak growth following the launch of the SEO “Company Index” measure. This is an alphabetical index which, since February 2009, has been inserted at the bottom of each Europages webpage to improve the indexing of these pages in search engines.

Despite slower revenues, **EBITDA** in the first quarter 2010 was –€ 1.2 million, essentially in line with the first quarter of 2009. This result is linked to the decrease in salaries, wages and employee benefits (–€ 0.5 million), following restructuring carried out in sales and production, together with lower service costs, linked to the reduced advertising spend (–€ 0.2 million) and lower royalties paid following the fall in revenue.

## Consodata S.p.A.

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

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period of 2009

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	4.6	3.8	0.8	21.1	23.3
Gross operating profit (GOP)	(0.3)	(0.3)	-	-	2.7
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(0.3)	(0.3)	-	-	2.7
Operating result (EBIT)	(1.2)	(0.9)	(0.3)	(33.3)	(0.4)
Net invested capital	5.3	3.5	1.8	51.4	7.6
Capital expenditure	0.6	0.5	0.1	20.0	3.3
Average workforce	113	112	1	0.9	117



In the first quarter of 2010 **revenue from sales and services** totalled € 4.6 million, an increase of 21.1% on the first quarter of 2009. This increase was mainly due to the Kompass business line, previously managed by SEAT Pagine Gialle S.p.A, and acquired by Consodata on 1 April 2009, which generated revenue of € 1.7 million in the first quarter of 2010.

In terms of other product lines, a fall in revenue was recorded due to the lower performance recorded in the direct sales channel for major clients (caused by the impact of privacy regulations and the delayed transition to the new Geomarketing platform).

Direct mailing products (marketing services primarily offered to non-profit and major retail clients) and sales of business and consumer databases were particularly affected.

**EBITDA** was -€ 0.3 million in the first quarter of 2010, in line with the first quarter of 2009.

**Capital expenditure** of € 0.6 million in the first quarter of 2010 was mainly aimed at developing databases and software platforms and upgrading existing products (particularly geomarketing products).



## Cipi S.p.A.

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

The table below shows the key figures for the first quarter of 2010 and a comparison with those for the same period of 2009

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2010	2009	Absolute	%	2009
Revenues from sales and services	2.6	3.5	(0.9)	(25.7)	20.5
Gross operating profit (GOP)	(0.6)	(0.6)	-	-	4.1
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(0.6)	(0.6)	-	-	3.8
Operating result (EBIT)	(0.8)	(0.8)	-	-	3.2
Net invested capital	8.7	7.3	1.4	19.2	8.3
Capital expenditure	-	-	-	-	0.1
Average workforce	155	167	(12)	(7.2)	166



**Revenue from sales and services** totalled € 2.6 million in the first quarter of 2010, more than € 0.9 million less than in the first quarter of 2009 due to slower revenue from the Special line. This resulted from the design and implementation of marketing campaigns through the distribution of promotional items on behalf of major clients (-€ 0.8 million) and revenue from direct sales via the network of SEAT Pagine Gialle S.p.A. representatives. There was a slight increase in revenue from sales of branded promotional items via the sales network.

The fall in revenue, taking into account the narrow margins of the Special line, was partly absorbed in terms of **EBITDA** at -€ 0.6 million, in line with the first quarter of 2009. In the first quarter of 2010, we witnessed a reduction in the cost of raw materials (due to lower sales volumes) and a decrease in salaries, wages and employee benefits following recourse to the special wage guarantee fund. Savings were also made on overheads.



Other information



## ➤ Declaration within the meaning of article 154-bis, par. 2 of Legislative Decree No. 58 (24 February 1998)

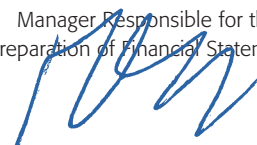
Pursuant to paragraph 2 of Article 154 bis of Legislative Decree No. 58 of 24 February 1998, the undersigned, Massimo Cristofori, Chief Financial Officer of SEAT Pagine Gialle S.p.A. and Manager responsible for preparing the Company's financial reports,

hereby declares

based on the information available to him through his role within the Company, as resolved by the Company's Board of Directors on 9 April 2009, in his capacity as Manager responsible for preparing the Company's financial reports, that the first quarter report at 31 March 2010 corresponds to the Company's documented results, books and accounting records. The First Quarter Report as at 31 March 2010 has not been audited, but has been prepared as required by CONSOB's Issuer Regulation and in accordance with the valuation and measurement criteria set out in the IAS/IFRS of the International Accounting Standards Board recognised as applicable by the European Union.

Milan, 11 May 2010

Massimo Cristofori  
Manager Responsible for the  
Preparation of Financial Statements



**To contact SEAT Pagine Gialle S.p.A.**

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**A copy of official documents  
available on the website**

[www.seat.it](http://www.seat.it)

**Official documents may  
be requested to**

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