



PRESS RELEASE

THE BOARD OF DIRECTORS APPROVES RESULTS AT 31 MARCH 2011

IN ITALY SHARP GROWTH OF ONLINE REVENUES (+12.2%), THANKS TO THE SUCCESS OF THE SALES STRATEGY AND NEW PRODUCTS.

In the first quarter of 2011, which is not representative of the performance for the full year:

- **consolidated REVENUES** amounted to € 160.7 million (+7.4%), sustained by the growth of core revenues in Italy (+19.7%), thanks to the separate accounting of the PAGINEBIANCHE.it[®] revenue, significantly better than the expected performance for the rest of the year.
- **Consolidated EBITDA** amounted to € 37.0 million, with a sharp increase and not representative of the performance for the full year, mainly thanks to an increase in revenues and the ongoing cost management activities.
- **Operating FREE CASH FLOW** amounted to € 73.7 million and **NET FINANCIAL DEBT** amounted to € 2,729.5 million, in line with forecast.

OUTLOOK 2011

- **In Italy, core REVENUES** for the first half of 2011 are expected to decrease by few percentage points compared to the first half of 2010, with organic growth in online revenues between 15% and 20%.
- **In 2011, the percentage REVENUE** decrease in Italy is expected to improve by some percentage points compared to 2010 (-8.1%) thanks to online activities, which are expected to increase by over 20%, and thanks to the improved customer-base trend.
- **Consolidated EBITDA** and **FREE CASH FLOW** will be sustained by the improvement in working capital and cost management activities.

ADVISORS FOR FINANCIAL OPTIONS APPOINTED

ALBERTO CAPPELLINI: CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

Milan, 10 May 2011 — The Seat Pagine Gialle S.p.A. Board of Directors, chaired by Enrico Giliberti, today approved the Interim Report on Operations as of 31 March 2011, prepared in accordance with Art. 154-ter of the Consolidated Finance Law (TUF) and presented by Chief Executive Officer Alberto Cappellini.



CONSOLIDATED RESULTS AT 31 MARCH 2011

Revenue Performance

In the first quarter of 2011, consolidated revenues amounted to € 160.7 million, increasing by 7.4% compared to the same period of 2010.

Before offsetting among the various Business Areas, revenues were broken down as follows:

- Italian Directories (SEAT Pagine Gialle S.p.A.): in the first quarter of 2011, revenues amounted to € 117.2 million, increasing by 16.7% compared to the first quarter of 2010. Core products (print, online&mobile and voice) ended the period with a 19.7% increase compared to the same period of the previous year, with an organic growth of online revenues (12.2%) driven by both the traditional advertising offering and online marketing services. The growth of these two segments and the unbundling of the online revenues of PAGINEBIANCHE® — which were previously recognized among print revenues — enabled the Group to accelerate the shift of the revenue mix towards online revenues, which in the quarter accounted for 68.6% of overall revenues. The overall growth rate of revenues (including non-core revenues) reflected the decline in some minor products, which were affected by the sales network's enhanced commercial focus on core products;
- UK Directories (Thomson Directories Group): in the first quarter of 2011, revenues amounted to € 8.8 million, down by € 3.2 million compared to the same period of 2010, also due to the effect of a different publication calendar. Based on a constant number of directories published, revenues for the first quarter of 2011 slightly increased (1.1%) compared to the first quarter of 2010. Such performance is mainly attributable to the growth in online revenues (€ 1.1 million), thanks to the offer of multimedia packages, launched in 2010;
- Directory Assistance (Telegate Group, Pagine Gialle Phone Service S.r.l. and Prontoseat S.r.l.): in the first quarter of 2011, revenues amounted to € 30.5 million, down 17.1% compared to the same period of 2010, due to the decline reported by the Telegate group with revenues of € 28.3 million (down by 6.9% compared to the first quarter of 2010) and Pagine Gialle Phone Service S.r.l.'s disposal of the call centers of Turin and Livorno on 31 May 2010. In detail, revenues of Telegate group in Germany were € 26.0 million, down by 5.8% compared to the first quarter of 2010 (€27.6 million), due to steady decrease of the directory assistance market, as a result of the continued reduction of the volume of calls, which was only partially offset by the growth of online revenues (that reached € 8.6 million in the first quarter of 2011 compared to € 6.5 in the first quarter of 2010);
- Other Businesses (Europages S.A., Cipi S.p.A. and Consodata S.p.A.): revenues amounted to € 7.9 million in the first quarter of 2011, down by 12.2% compared to the same period of 2010, mainly due to the decline in revenues of Consodata and Cipi.



GOP Performance

In the first quarter of 2011, gross operating profit (GOP) amounted to € 47.0 million, up by € 19.1 million compared to the first quarter of 2010 (€ 27.9 million), thanks to revenue growth and the containment of labour costs. Therefore, operating profitability was 29.2% compared to 18.7% for the first quarter of 2010.

Net adjustments and provisions for risks and charges

Net adjustments and provisions for risks and charges amounted to € 9.3 million in the first quarter of 2011, down by € 3.6 million compared to the first quarter of 2010. Net adjustments (€ 5.5 million) refer to the provision for commercial bad debts, which decreased by € 5.1 million in the first quarter of 2011; the reduction enabled the Group to keep an adequate percentage of coverage of overdue receivables. The item also includes net provisions for risks and charges (€ 3.8 million in the first quarter of 2011), up by € 1.7 million compared to the first quarter of 2010 (€ 2.1 million).

EBITDA Performance

Operating income before amortisation, depreciation, net non-recurring and restructuring charges (EBITDA), amounted to € 37.0 million in the first quarter of 2011, up by € 22.7 million compared to the same period of 2010, mainly thanks to the increase in revenues and the ongoing cost management activities. EBITDA margin was 23.1% compared to 9.6% in the first quarter of 2010.

Performance of Operating Income (EBIT)

Operating income (EBIT) for the first quarter of 2011 amounted to € 19.9 million (operating loss of € 4.2 million in the first quarter of 2010). The operating result reflects the business performance in terms of GOP and EBITDA.

Results for the period

Net loss for the period attributable to the Group was € 26.6 million (net loss was € 44.2 million in the first quarter of 2010).

Performance of operating cash flow

Operating free cash flow generated during the first quarter of 2011 amounted to € 73.7 million, decreasing by € 11.1 million compared to that generated in the same period of 2010. The reduction reflects the decline by € 29.7 million of flows from changes in operating working capital, which were only partially offset by the positive EBITDA.



Net financial debt

Net financial debt amounted to € 2,729.5 million at 31 March 2011, essentially in line with the amount at 31 December 2010 (€ 2,731.0 million), despite higher interest expenses.



MAIN COMPANIES OF THE SEAT PAGINE GIALLE GROUP

SEAT PG S.p.A.

Revenues of the Parent Company SEAT Pagine Gialle S.p.A. for the first quarter of 2011 amounted to € 117.2 million, up 16.7% compared to the first quarter of 2010.

The result reflected the performance of the core services (print, online&mobile and voice), which rose by 19.7% compared to the same period of the previous year, thanks to a 12.2% organic growth of online revenues, driven both by the traditional advertising offer and online marketing services. The growth of these two segments and the unbundling of the online revenues of PAGINEBIANCHE® — which were previously recognized among print revenues — enabled the company to accelerate the shift of the revenue mix towards online revenues, which in the quarter accounted for 68.6% of overall revenues. In detail, the online component of PAGINEBIANCHE® revenues benefits from different timings in online compared to print publication, and the related revenues are no longer recognized upon publication of the relevant directory, but rather at the moment of provision of the service.

- Core revenues amounted to € 101.5 million in the first quarter of 2011, up 19.7% compared to the same period of the previous year and may be broken down as follows.
 - *Print*: print revenues amounted to € 14.0 million, down 49% compared to the first quarter of 2010. This result was affected by the unbundling of the online component of PAGINEBIANCHE® revenues, which amounted to € 25.4 million, and the sales strategy focused on the multimedia packages offer.
- *Internet&mobile*: revenues of the online products amounted to € 80.4 million, up by 63.9% including the unbundling of the online revenues of PAGINEBIANCHE, excluding which the overall increase in revenues from advertising products and online marketing services was 12.2%. Especially worthy of note in this area are several important product innovations launched in the second quarter of the year, such as the App4sites, a series of modules for users and customers to be imported to websites to add new features, Mobile Apps, intended to aid customers in increasing the loyalty of their end users, and PG Social, a service that aims to allow Italian SMEs access to the opportunities for dialogue with users and visibility provided by social networking sites, and Facebook in particular. At the strategic level, in April a memorandum of understanding was signed with Confcommercio with the aim of reinforcing the competitiveness of Italian SMEs on national and international markets by leveraging digital technologies, and a partnership was also reached with Horyzon Media, the digital advertising network of the French Pages Jaunes group, to allow Italian and French SMEs to plan their display advertising campaigns at the European level. Finally, May saw the launch of the new project LaMiaImpresaOnline.it, created in partnership with Google, with the goal



of allowing small and medium-sized enterprises to create websites on a self-provisioning basis and free of charge for the first year.

- *Voice*: advertising revenues of the services Pronto PAGINEGIALLE® and Pronto PAGINEBIANCHE® amounted to € 7.1 million, down by € 1.2 million compared to the same period of 2010, mainly due to the close commercial focus on online products.
- Other revenues and minor products: revenues from other products amounted to € 15.7 million, essentially stable compared to the first quarter of 2010.

GOP for the first quarter of 2011 amounted to € 46.3 million, up € 21.3 million compared to the same period of 2010, with a 39.5% ratio to revenues (24.9% in the first quarter of 2010).

EBITDA reached € 38.0 million in 2011, up by € 25.3 million compared to the first quarter of 2010; EBITDA margin was 32.4% (12.7% in the first quarter of 2010).

THOMSON

In the first quarter of 2011, revenues amounted to € 8.8 million (£ 7.6 million), down by € 3.2 million compared to the same period of the previous year. Revenue performance in the first quarter of 2011 was penalized by a differing publication calendar than in the same period of the previous year. At constant number of directories published, revenues increased by 1.1% in the first quarter of 2011 compared to the same period of 2010.

Online revenues rose (€ 5.3 million in the first quarter of 2011), thanks both to the increase in revenues from the Web Finder segment (research services offered by the Thomson portal on the Internet) and the increase in revenues from the Business Finder service (directory consultation service through the proprietary website thomsonlocal.com).

In the first quarter of 2011, GOP was negative at € 2.8 million (negative at € 1.4 million in the same period of 2010). At constant number of directories published, GOP improved by € 1.4 million compared to the same period of 2010 (£ 1.3 million).

EBITDA was negative for € 3.1 million in the first quarter of 2011 (equal to £ 2.7 million), with a decrease of approximately € 1.2 million compared to the same period of 2010 and a performance in line with GOP. In the first quarter of 2011, at constant number of directories published EBITDA increased by € 1.5 million compared to the first quarter of 2010.



TELEGATE

In the first quarter of 2011, revenues amounted to € 28.3 million, down by 6.9% compared to the same period of 2010, (€ 30.4 million), due to the decrease in call volumes to traditional directory assistance services. Online revenues increased to € 8.6 million.

In Germany, in particular, where the directory assistance market continues to undergo a structural decline, the Company reported a 17.5% drop in voice revenues compared to the same period of 2010. Online advertising sales amounted to € 8.6 million (accounting for about 33% of overall revenues of the German market), increasing by € 2.1 million compared to the first quarter of 2010, also thanks to the positive contribution of revenues from the sale of Google Adwords™, an advertising program that enables companies to promote products and services on the Google search engine. .

GOP was € 4.7 million, down by € 1.6 million compared to the first quarter of 2010. This result reflects primarily the decrease in revenues and was only partly offset by cost saving actions.

EBITDA amounted to € 3.6 million, down by € 1.7 million compared to the first quarter of 2010, due to higher allowances for bad debts from online sales.

OUTLOOK

In Italy in 2011, in an economic scenario that, in line with 2010, is showing signs of a moderate recovery, SEAT Pagine Gialle S.p.A. will continue to focus on strategic business development actions, which will continue to be aimed at fostering the entry of SMEs to the Web, through, among other approaches, multimedia packages offerings and development of new products and services to meet its customers' communications needs in an increasingly local and personalized manner.

In Italy, core revenues for the first half of 2011 are expected to decrease by few percentage points compared to the first quarter 2010, with organic growth in online revenues between 15% and 20%.

The revenue decrease in Italy in 2011 is expected to improve by some percentage points compared to 2010 (-8.1%) thanks to online activities, which are expected to increase by over 20%, and thanks to the improved customer-base trend.

Consolidated EBITDA and Free Cash Flow will be sustained by the improvement in working capital and cost management activities.



ADVISORS FOR FINANCIAL OPTIONS APPOINTED

With reference to the mandate granted by the Board of Directors to the Chairman and the CEO to identify the financial options available in order to assure the long-term stabilisation of the Company's financial structure, relying on the support of qualified advisors, the Company announces that at present it has appointed the Rothschild bank as financial advisor, Giliberti, Pappalettera, Triscornia & Associati and Linklaters LLP as legal advisors, and Alvarez & Marsal Italia S.r.l as advisor regarding activities to support the identification of the above-mentioned options.

CAPPELLINI: CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

The Board of Directors also appointed the current Chief Executive Officer, Alberto Cappellini, as General Manager of Seat Pagine Gialle S.p.A., in order to guarantee more control over the Company's operating coordination and guidelines.

The Board of Directors has thus granted Alberto Cappellini any and all organizational powers to ensure the continuity of the actions he has already undertaken and maximise the efficiency of his future actions.

The manager responsible for preparing the Company's financial reports — Chief Financial Officer Massimo Cristofori — declares, pursuant to paragraph 2 of Article 154-bis of Italy's Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the documented results, books and accounting records.

Disclaimer

This press release contains forward-looking statements, especially in the "Outlook", referring to: investment plans, future management performances, growth objectives in terms of revenues and results, both globally and by business areas, net financial position and other aspects of the Group's activities. Forward-looking statements contain a risk and uncertainty factor, as they depend on possible future events and developments. Actual results may differ significantly from those announced due to different factors.

The Group's results for the first quarter of 2011 will be presented by Chief Executive Officer Alberto Cappellini during the conference call that will be held today, Tuesday, 10 May, at 4:00 p.m.(CET)



Seat Pagine Gialle Communications

Tel. +39.011.435.3030 – Fax +39.011.435.3040

Comunicazione.stampa@seat.it

Seat Pagine Gialle Investor Relations +39.011.435.2600

Investor.relations@seat.it

Seat Pagine Gialle Legal and Corporate Affairs

ufficio.societario@seat.it

Barabino & Partners: Tel. +39.02.72.02.35.35 - Mobile +39 331.57.45.171

Federico Vercellino – f.vercellino@barabino.it

www.seat.it

This press release is a translation. The Italian version will prevail.



The amount relating to the transaction costs on the loan with Lighthouse International Company S.A. has been adjusted in respect of the amount not yet amortised as at 31 December 2008. The figures in the statements of financial position as at 31 March 2010 have therefore been restated in accordance with the provisions of IAS 8, with a view to applying the amortised cost method provided for by IAS 39 more accurately thanks to the use of more reliable calculation methods than those used on 31 December 2008.

Since the amounts recorded in the statements of operations differ slightly from the aforementioned recalculation, the adjustment has had an impact mainly on capital, and in particular has affected equity (an increase of €5.2 million) and non-current financial debts to third parties (a reduction of €5.2 million).

SEAT Pagine Gialle Group

Reclassified Consolidated Statements of Operations

	1st quarter	1st quarter	Change		Year 2010
	2011	2010	Absolute	%	
(euro/mIn)					
Revenues from sales and services	160.7	149.5	11.2	7.4	1,110.6
Materials and external services	(68.7)	(68.2)	(0.5)		(388.0)
Salaries, wages and employee benefits	(45.0)	(53.4)	8.4		(199.5)
Gross operating profit (GOP)	47.0	27.9	19.1	68.5	523.1
<i>% on revenues</i>	29.2%	18.7%			47.1%
Other valuation adjustments and provisions to reserves for risks and charges	(9.3)	(12.9)	3.6		(38.3)
Other income (expenses)	(0.7)	(0.7)	-		(1.3)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	37.0	14.3	22.7	n.s.	483.5
<i>% on revenues</i>	23.1%	9.6%			43.5%
Operating amortisation, depreciation and write-down	(14.9)	(15.7)	0.8		(65.1)
Non-operating amortisation and write-down	(0.6)	(0.8)	0.2		(685.6)
Non-recurring and restructuring costs, net	(1.6)	(2.0)	0.4		(40.7)
Operating income (EBIT)	19.9	(4.2)	24.1	n.s.	(307.9)
<i>% on revenues</i>	12.4%	(2.8%)			(27.7%)
Interest expense, net	(64.6)	(57.7)	(6.9)		(253.9)
Profit (Loss) before income taxes	(44.7)	(61.9)	17.2	27.8	(561.8)
Income taxes	18.3	17.9	0.4		(104.0)
Profit (Loss) on continuing operations	(26.4)	(44.0)	17.6	40.0	(665.8)
Profit (Loss) from non-current assets held for sale and discontinued operations	-	-	-		(0.2)
Profit (loss) for the period	(26.4)	(44.0)	17.6	40.0	(666.0)
of which pertaining to the Group	(26.6)	(44.2)	17.6		(667.4)
of which non-controlling interests	0.2	0.2	-		1.4



SEAT Pagine Gialle Group

Consolidated Statements of comprehensive income

		1st quarter 2011	1st quarter 2010	Change	Year 2010
(euro/mIn)					
Profit (loss) for the period	(A)	(26.4)	(44.0)	17.6	(666.0)
Profit (loss) for "cash flow hedge" instruments		4.6	(3.9)	8.5	9.6
Profit (loss) for foreign exchange adjustments		0.6	(0.1)	0.7	(0.1)
Actuarial gain (loss) recognised to equity		-	-	-	(1.3)
Total other comprehensive income (loss), net of tax effect	(B)	5.2	(4.0)	9.2	8.2
Total comprehensive income (loss) for the period	(A + B)	(21.2)	(48.0)	26.8	(657.8)
- of which pertaining to the Group		(21.4)	(48.2)	26.8	(659.2)
- of which non-controlling interests		0.2	0.2	-	1.4

SEAT Pagine Gialle Group

Reclassified Consolidated Statements of Financial Position

		At 31.03.2011	At 31.12.2010	Change	At 31.03.2010 restated
(euro/mIn)					
Goodwill and customer database		2,649.7	2,651.3	(1.6)	3,334.4
Other non-current assets (*)		219.6	203.8	15.8	244.1
Non-current liabilities		(79.8)	(85.6)	5.8	(80.8)
Working capital		245.5	289.5	(44.0)	222.2
Non-current assets held for sale, net		(0.3)	(0.3)	-	0.1
Net invested capital		3,034.7	3,058.7	(24.0)	3,720.0
Equity of the Group		336.4	357.8	(21.4)	969.4
Non-controlling interests		17.1	16.9	0.2	22.2
Total equity	(A)	353.5	374.7	(21.2)	991.6
Net financial debt		2,729.5	2,731.0	(1.5)	2,776.4
Transaction costs on loans and securitisation program not yet amortised		(56.8)	(60.8)	4.0	(74.1)
Net market value of "cash flow hedge" instruments		8.5	13.8	(5.3)	26.1
Net financial debt - "book value"	(B)	2,681.2	2,684.0	(2.8)	2,728.4
Total	(A+B)	3,034.7	3,058.7	(24.0)	3,720.0

(*) Includes financial assets available for sale.



SEAT Pagine Gialle Group

Operating Free Cash Flow

	1st quarter 2011	1st quarter 2010	Change	Year 2010
(euro/mIn)				
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	37.0	14.3	22.7	483.5
Gains (losses) from discounting operating assets and liabilities	(0.4)	(0.6)	0.2	(2.7)
Decrease (increase) in operating working capital (*)	49.6	79.3	(29.7)	(19.2)
(Decrease) increase in operating non-current liabilities (*)	(2.4)	(1.2)	(1.2)	(6.1)
Capital expenditure	(10.1)	(7.0)	(3.1)	(40.3)
(Gains) losses on disposal of non-current assets	-	-	-	(0.9)
Operating free cash flow	73.7	84.8	(11.1)	414.3

(*) The changes don't include the non monetary effects arising from profit and losses recognised to equity.



SEAT Pagine Gialle Group

Information for Business Areas

(euro/mIn)		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenues from sales and services	1st quarter 2011	117.2	8.8	30.5	7.9	164.4	(3.7)	160.7
	1st quarter 2010	100.4	12.0	36.8	9.0	158.2	(8.7)	149.5
	Year 2010	875.5	70.6	142.3	54.8	1,143.2	(32.6)	1,110.6
Gross operating profit (GOP)	1st quarter 2011	46.3	(2.8)	4.5	(1.4)	46.6	0.4	47.0
	1st quarter 2010	25.0	(1.4)	6.4	(2.1)	27.9	-	27.9
	Year 2010	480.3	11.2	26.8	4.3	522.6	0.5	523.1
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1st quarter 2011	38.0	(3.1)	3.4	(1.4)	36.9	0.1	37.0
	1st quarter 2010	12.7	(1.9)	5.7	(2.2)	14.3	-	14.3
	Year 2010	446.8	8.4	24.6	3.8	483.6	(0.1)	483.5
Operating income (EBIT)	1st quarter 2011	24.8	(3.9)	1.2	(2.6)	19.5	0.4	19.9
	1st quarter 2010	(0.2)	(3.0)	2.9	(3.9)	(4.2)	-	(4.2)
	Year 2010	(288.0)	(10.7)	(6.4)	(2.6)	(307.7)	(0.2)	(307.9)
Total assets	31 March 2011	3,449.3	98.2	211.8	199.8	3,959.1	(217.5)	3,741.6
	31 March 2010	4,200.9	113.3	247.7	311.9	4,873.8	(319.9)	4,553.9
	31 December 2010	3,526.1	100.7	214.7	245.2	4,086.7	(296.1)	3,790.6
Total liabilities	31 March 2011	3,228.9	120.0	68.0	185.8	3,602.7	(214.7)	3,388.0
	31 March 2010	3,385.8	119.0	74.1	296.6	3,875.5	(313.1)	3,562.4
	31 December 2010	3,288.6	119.7	72.0	228.8	3,709.1	(293.2)	3,415.9
Net invested capital	31 March 2011	2,899.4	28.7	94.6	18.6	3,041.3	(6.5)	3,034.8
	31 March 2010	3,554.2	45.0	112.1	15.4	3,726.7	(6.8)	3,719.9
	31 December 2010	2,921.3	31.3	91.8	21.0	3,065.4	(6.7)	3,058.7
Capital expenditure	1st quarter 2011	6.9	1.0	1.4	0.9	10.2	-	10.2
	1st quarter 2010	5.6	0.2	0.4	0.7	6.9	0.1	7.0
	Year 2010	31.3	2.1	2.7	4.4	40.5	(0.2)	40.3
Average workforce	1st quarter 2011	1,049	644	1,936	333	3,962	-	3,962
	1st quarter 2010	1,263	697	2,456	382	4,798	-	4,798
	Year 2010	1,129	676	2,327	361	4,493	-	4,493
Sales agents (average number)	1st quarter 2011	1,475	-	2	42	1,519	-	1,519
	1st quarter 2010	1,587	-	2	43	1,632	-	1,632
	Year 2010	1,565	-	2	41	1,608	-	1,608