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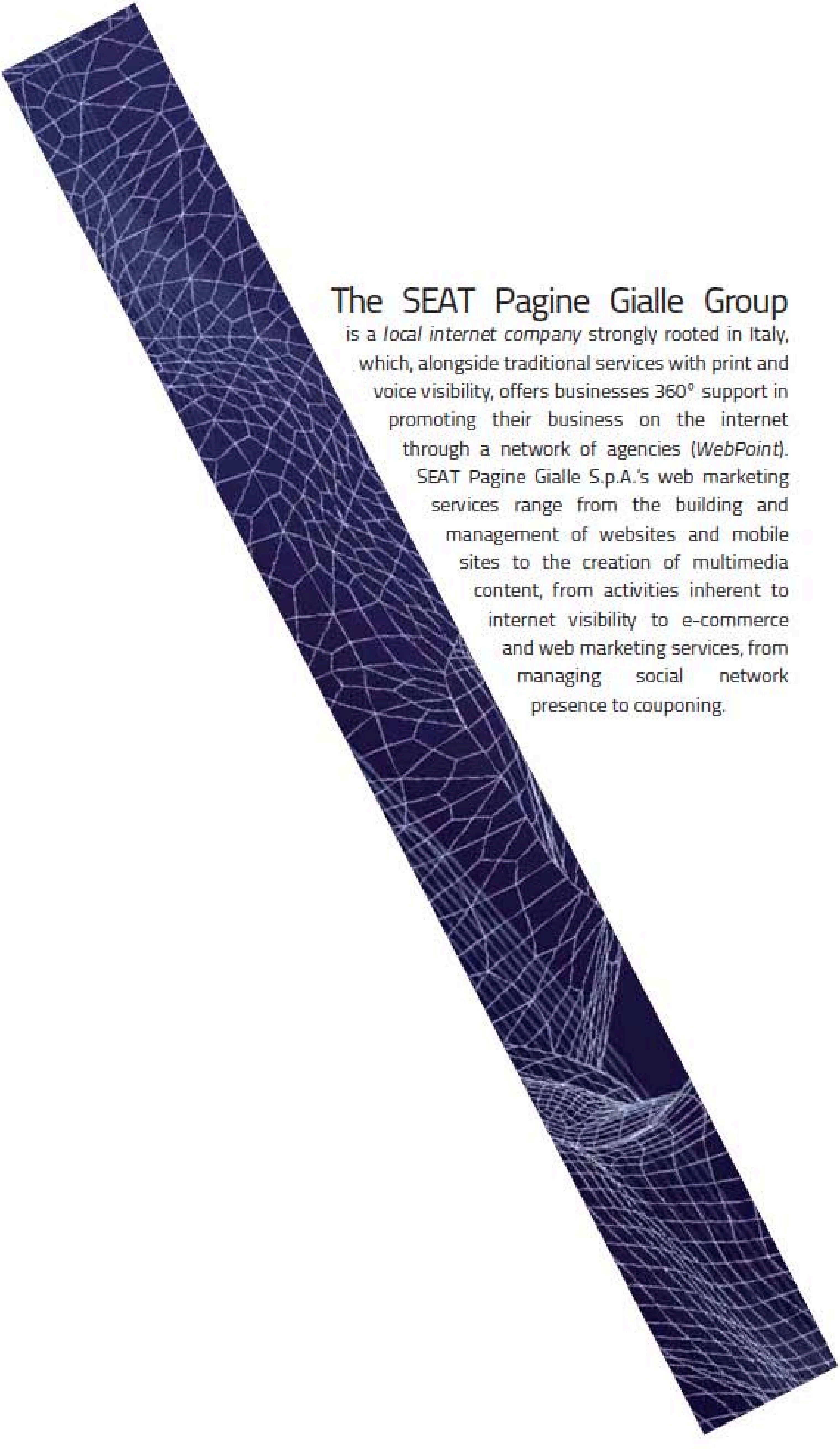
First Half Report as at June 30, 2013

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



The SEAT Pagine Gialle Group

is a *local internet company* strongly rooted in Italy, which, alongside traditional services with print and voice visibility, offers businesses 360° support in promoting their business on the internet through a network of agencies (*WebPoint*). SEAT Pagine Gialle S.p.A.'s web marketing services range from the building and management of websites and mobile sites to the creation of multimedia content, from activities inherent to internet visibility to e-commerce and web marketing services, from managing social network presence to couponing.

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First Half Report as at June 30, 2013

Contents

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Highlights and general information

25 %

LOADING

Company boards

(information correct as at August 6, 2013)

Board of Directors [1]

Chairman
Guido de Vivo

Chief Executive Officer
Vincenzo Santelia [2]

Directors
Chiara Damiana Maria Burberi [I]
Michaela Castelli [I] [3]
Mauro Del Rio [I]
Francesca Fiore [I]
Mauro Pretolani [I]
Harald Rösch [I]
Luca Rossetto [(]

Secretary to the Board of Directors
Michaela Castelli

Appointments and Remuneration Committee [4]

Chairman
Mauro Pretolani
Michaela Castelli [5]
Francesca Fiore

Control and Risk Committee [4]

Chairman
Chiara Damiana Maria Burberi
Harald Rösch
Luca Rossetto

Board of Statutory Auditors [6]

Chairman
Enrico Cervellera

Standing auditors
Vincenzo Ciruzzi
Andrea Vasapolli

Alternate auditors
Marco Benvenuti Lovati [7]
Maurizio Michele Eugenio Gili [7]

Common Representative of Savings Shareholders

Stella d'Atri [8]

Chief Financial Officer

Massimo Cristofori

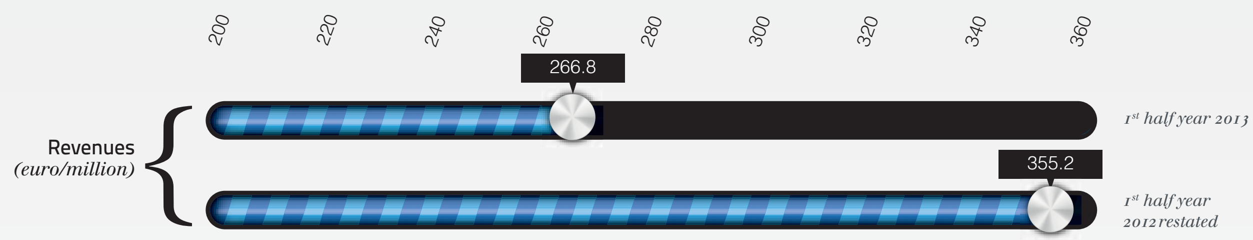
Independent Auditors [6]

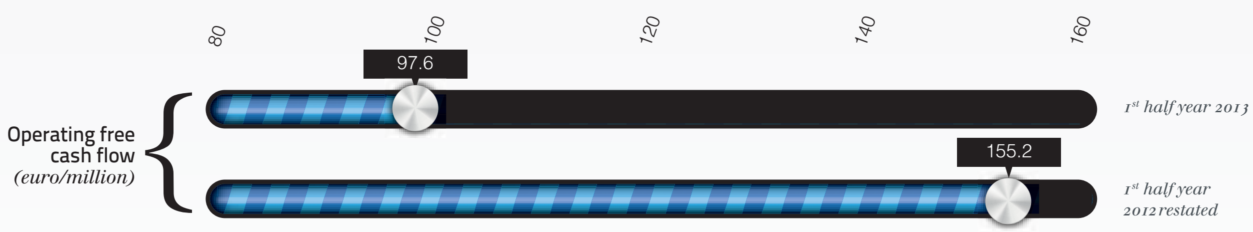
PricewaterhouseCoopers S.p.A.

[1] The Board of Directors was appointed by the Shareholders' Meeting of October 22, 2012.
[2] Director Vincenzo Santelia was appointed Chief Executive Officer by the Board of Directors on October 26, 2012.
[3] Appointed by the Ordinary Shareholders' Meeting of July 25, 2013, as a replacement for Paul Douek.
[4] The Committees were appointed by the Board of Directors on October 26, 2012.
[5] Appointed to the Appointments and Remuneration Committee by the Board of Directors on August 6, 2013.
[6] The Board of Statutory Auditors and the Independent Auditors were appointed by the Shareholders' Meeting of June 12, 2012.
[7] Appointed by the Ordinary Shareholders' Meeting of July 25, 2013, as replacements for Guido Costa and Guido Vasapolli.
[8] Appointed by the special meeting of savings shareholders on May 2, 2013 for the fiscal years 2013, 2014 and 2015.
[I] Directors who meet the independence criteria set forth in articles 147-ter, paragraph 4 and 148, paragraph 3 of Legislative Decree 58/1998 and in the Code of Corporate Governance for Listed Companies.

Financial highlights of the Group

- Consolidated REVENUE of € 266.8 million, down by 24.9%.
- Consolidated EBITDA of € 58.5 million, down by 57.1%.
- As at June 30, 2013, FREE OPERATING CASH FLOW was € 97.6 million and NET FINANCIAL DEBT was € 1,409.4 million, following the reclassification, pursuant to IFRS 5, of the assets and liabilities of the Telegate group, the TDL group and Cipi S.p.A. to "Non-current assets held for sale and discontinued operations", with an effect of approximately € 85 million.





(euro/million)	1st half year 2013	1st half year 2012 *restated* (**)
Economical and financial data		
Revenues from sales and services	266.8	355.2
GOP (*)	81.0	165.7
EBITDA (*)	58.5	136.5
EBIT (*)	(26.5)	59.7
Pre-tax profit (loss)	(91.4)	(15.6)
Profit (loss) on continuing operations	(93.2)	(27.0)
Profit (loss) pertaining to the Group	(101.4)	(46.0)
OFCF (*)	97.6	155.2
Capital expenditure	14.5	13.9
Net invested capital (*)	339.8	2,052.2
of which goodwill and marketing related intangibles	*211.4*	*1,937.2*
of which net operating working capital (*)	*(44.2)*	*59.6*
Equity of the Group	(1,097.1)	(618.1)
Net financial indebtedness (*)	1,409.4	2,674.6
Economic and financial ratio		
EBITDA/Revenues	21.9%	38.4%
EBIT/Revenues	(9.9%)	16.8%
EBIT/Net invested capital	(7.8%)	2.9%
Profit (loss) for the period /Equity of the Group	n.s.	n.s.
FCF/Revenues	36.6%	43.7%
Operating working caital/Revenues	(16.6%)	16.8%
Workforce		
Workforce at the end of the period (units)	2,072 (***)	4,042
Average workforce for the period on continuing operations	1,841	1,610
Revenues/Average workforce	145	221

(*) See "Non-GAAP measures" below for details of items.
(**) Please refer to the Introduction to the report on operations for further details on first half 2012 restated data.
(***) Does not include the period-end average workforce of the Telegate Group, the TDL Infomedia Group and Cipi S.p.A., which were reclassified to "Non-current assets held for sale and discontinued operations" pursuant to IFRS 5.

Non-GAAP measures

This section reports on several non-GAAP measures used in the condensed consolidated half-year financial statements at June 30, 2013, in order to provide tools for analyzing the financial performance of the Group in addition to those based on the financial statements.
These indicators are not identified as accounting measures within the IFRS framework, and therefore must not be considered an alternative standard by which to assess the results of the Group or its capital or financial position.
Since these measures are not governed by the benchmark accounting standards, the calculation methods used by the Company may not be consistent with those implemented by others, meaning that the measures may not be comparable. These indicators are as follows:

- **GOP** (gross operating profit) refers to EBITDA before other operating income and expense, net valuation adjustments and provisions to reserves for risks and charges.
- **EBITDA** (operating result before amortization, depreciation and other non-recurring and restructuring costs, net) refers to **EBIT** (operating result) before non-recurring and restructuring costs, net, and operating amortization, depreciation and write-downs (relating to intangible assets with a finite useful life not including the customer database and tangible assets) and non-operating amortization and write-downs (relating to goodwill and customer databases).
- **Operating working capital and non-operating working capital** are calculated, respectively, as operating current assets (relating to operating revenue) net of operating current liabilities (relating to operating costs) and as non-operating current assets net of non-operating current liabilities. Neither item includes current financial assets or liabilities.
- **Net invested capital** is the sum of operating working capital, non-operating working capital, goodwill and customer databases, and other operating and non-operating non-current assets and liabilities.
- **Net financial debt** refers to net financial debt (book value) before net adjustments relating to cash flow hedge instruments and transaction and refinancing costs.
- **OFCF** (operating free cash flow) is the EBITDA, adjusted to take into account the effect of capital expenditure and the change in operating working capital and operating non-current liabilities on the net financial position.

Information for shareholders

Shares

		As at 06.30.2013 [1]	As at 06.30.2012 restated [2]
Share capital	euro	450,265,793.58	450,265,793.58
Number of ordinary shares	n.	16,066,212,958	1,927,027,333
Number of saving shares	n.	680,373	680,373
Market capitalization			
- based on average market price	*euro/mln*	*31*	*64*
SEAT Pagine Gialle S.p.A. share weighting (SPG ordinary shares)			
- Ftse Italia All Share (ex Mibtel)		*0.013%*	*0.021%*
Equity par share	euro	(0.068)	(0.321)
Profit (loss) par share on continuing operations	euro	(0.006)	(0.014)
Profit (loss) par share from non-current assets held for sale and discontinued operations	euro	(0.001)	(0.010)

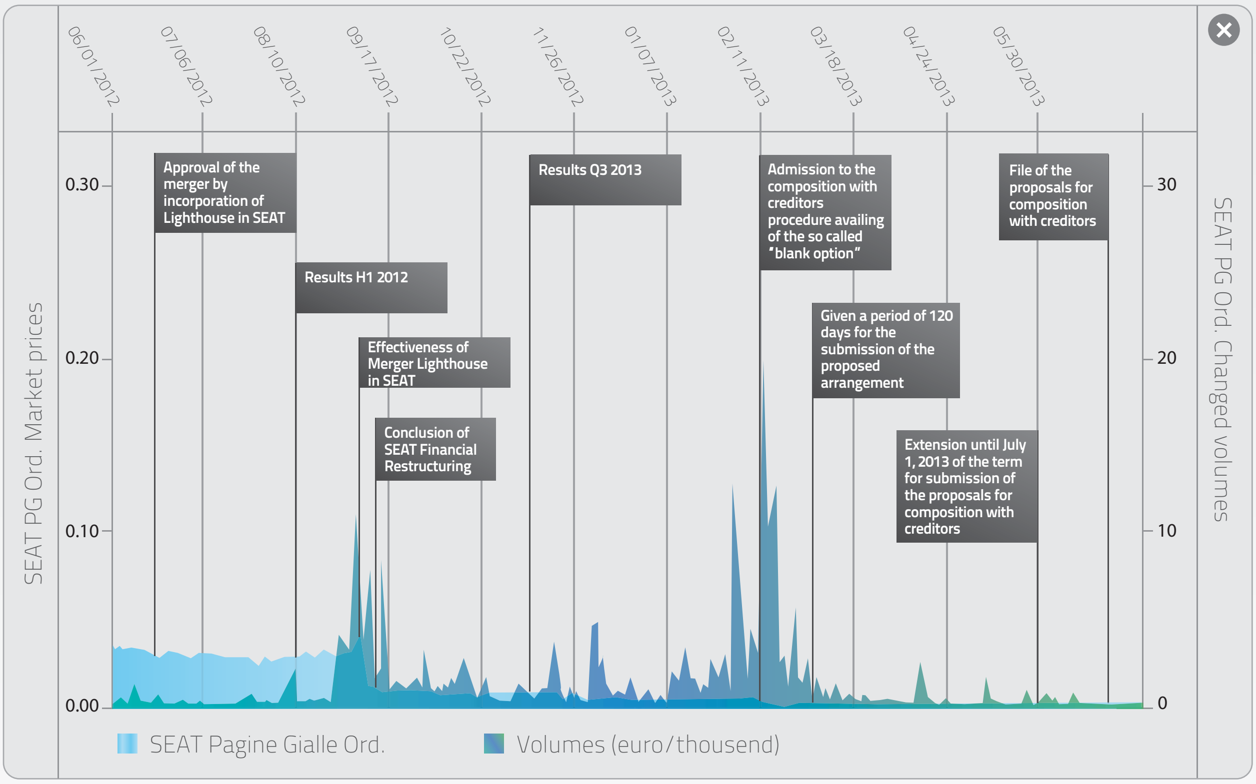
[1] New composition of share capital (fully subscribed) following the merger of Lighthouse International Company S.A. into Seat Pagine Gialle S.p.A., which became effective on August 31, 2012.
[2] 1 st half 2012 data refer to SEAT Pagine Gialle Group.

Ratings for SEAT Pagine Gialle S.p.A. (information correct as at August 6, 2013)

Rating agency	Corporate	Outlook
S&P's	D	Negative
Moody's	Ca	Negative

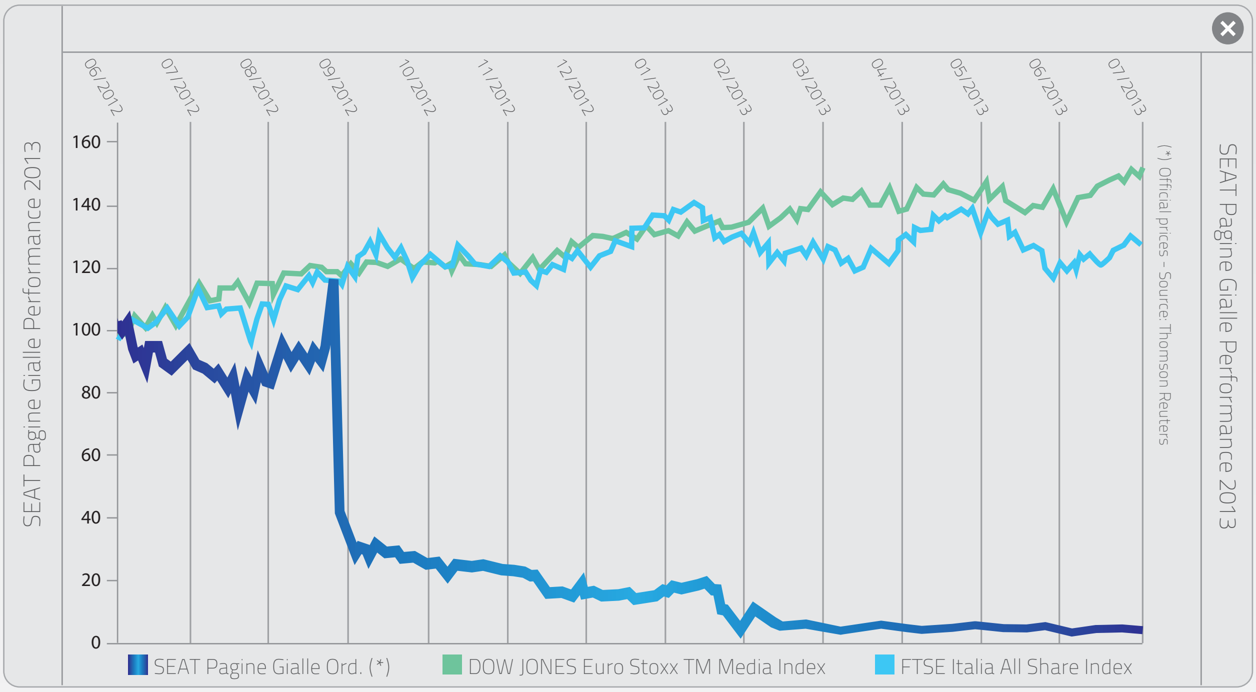
Stock market performance of ordinary shares over the last 12 months and volumes traded

SEAT Pagine Gialle shares ended trading on June 30, 2013 at € 0.0018, compared with € 0.0046 on December 31, 2012. The average trading volume over the first half of 2013 was over 600 million.
On August 31, 2012, as part of the financial restructuring process, the merger of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A. came into effect, with the resulting issuance of 14,139,185,625 ordinary shares, representing around 88 % of the post-merger ordinary share capital.
During the period, the performance of other stocks in the sector was varied (Solocal, formerly Pages Jaunes, - 16.9%, Eniro + 67%, Hibu, formerly Yell, + 10.8%).

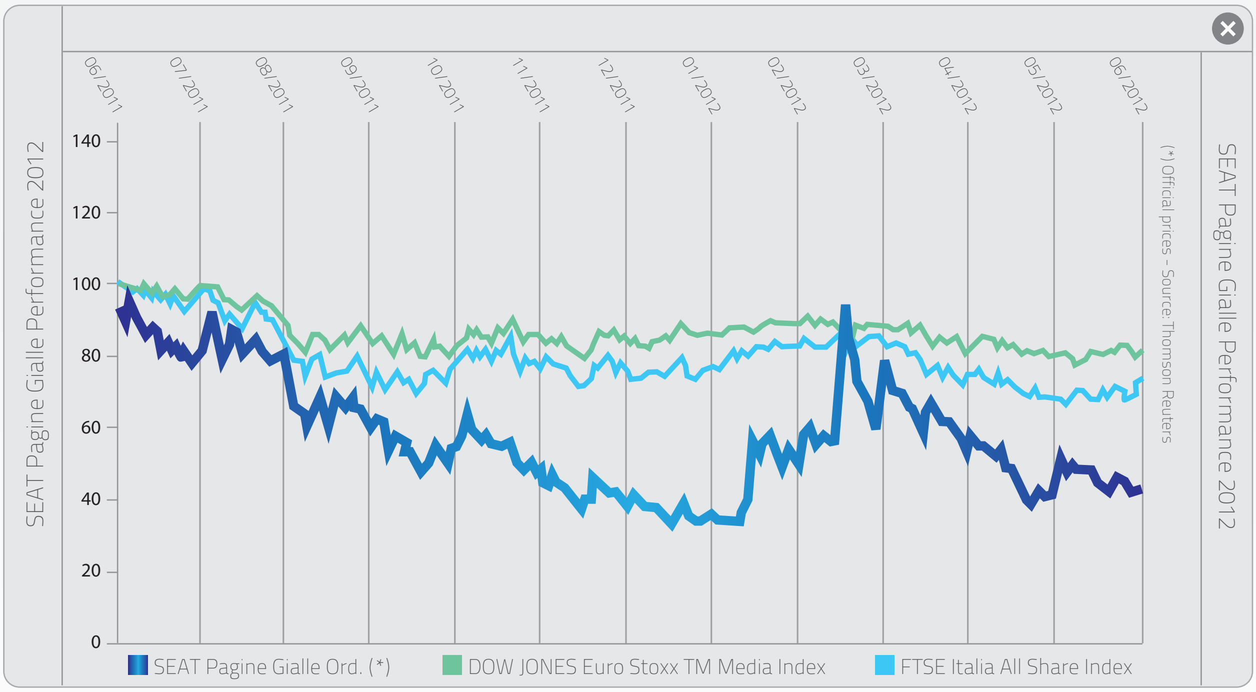


Performance of SEAT Pagine Gialle S.p.A. shares in the first half of 2013 vs. FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index

(information correct as at July 29, 2013)



Performance of SEAT Pagine Gialle S.p.A. shares in the first half of 2012 vs. FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index



Shareholders

As at June 30, 2013, Giovanni Cagnoli was the only shareholder with a stake of more than 2% in the share capital of SEAT Pagine Gialle S.p.A., with a holding of 2.19%.

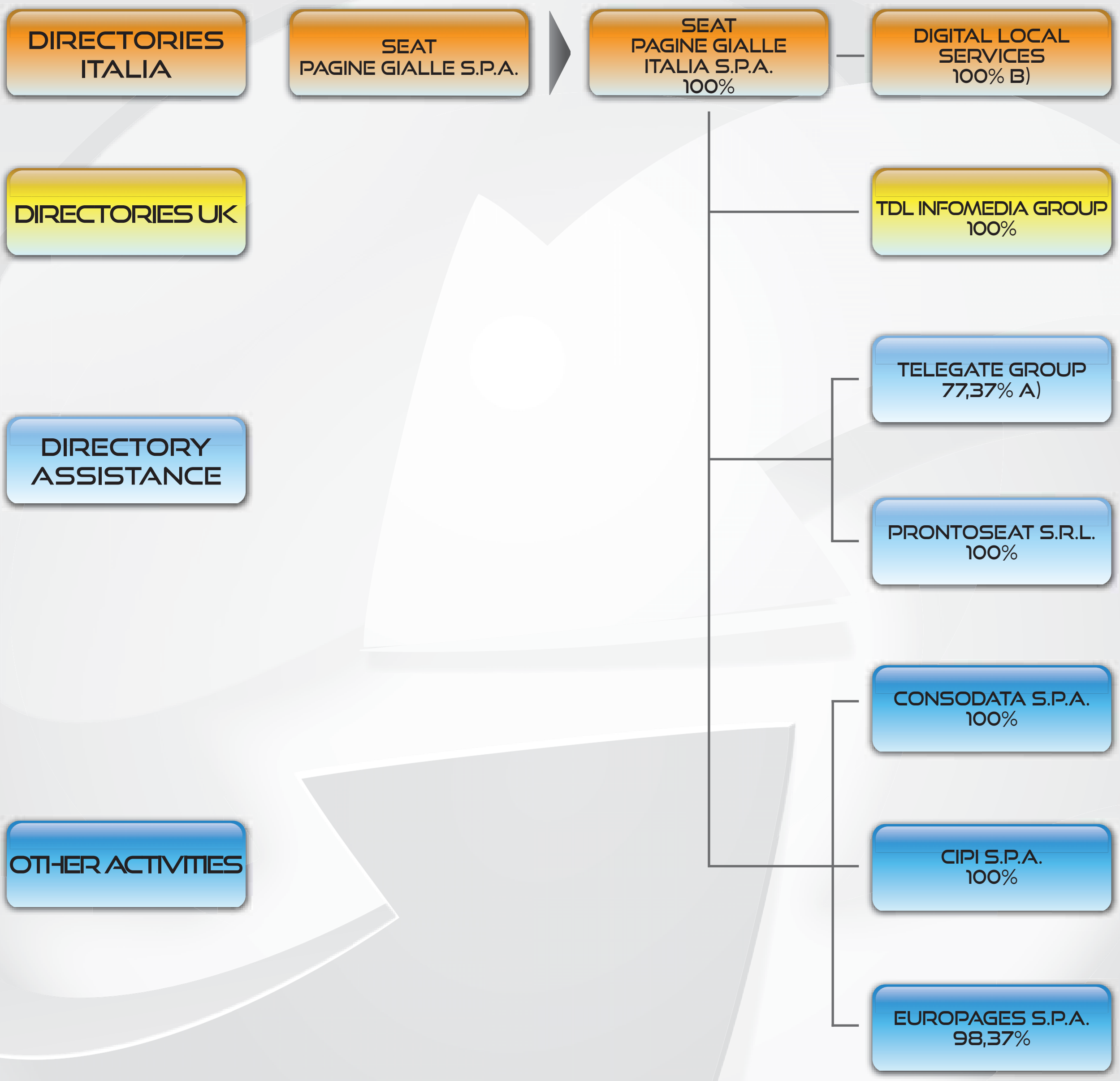
At the same date, the shareholder structure of SEAT Pagine Gialle S.p.A. was as follows:

- Giovanni Cagnoli (direct and indirect shareholding): 2.19%;
- Market: 97.81%.

At the time of preparing this report, Giovanni Cagnoli's direct and indirect shareholding totaled 3.31%.

Organizational structure of the Group

(information correct as at August 6, 2013)



LEGENDA

A) 16,24% directly owned through Telegate Holding GmbH.

B) Single shareholder limited liaility compagnie set up on July 2012, equal to 74, directly owned by SEAT Pagine Gialle Italia S.p.A..


WebAGE
La svolta digitale


Comune Di Padova Oratorio San Michele
PADOVA


Cerca

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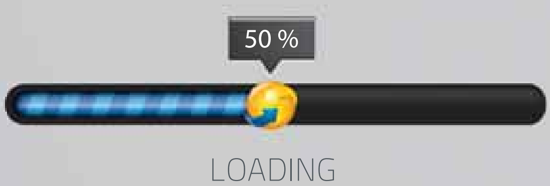
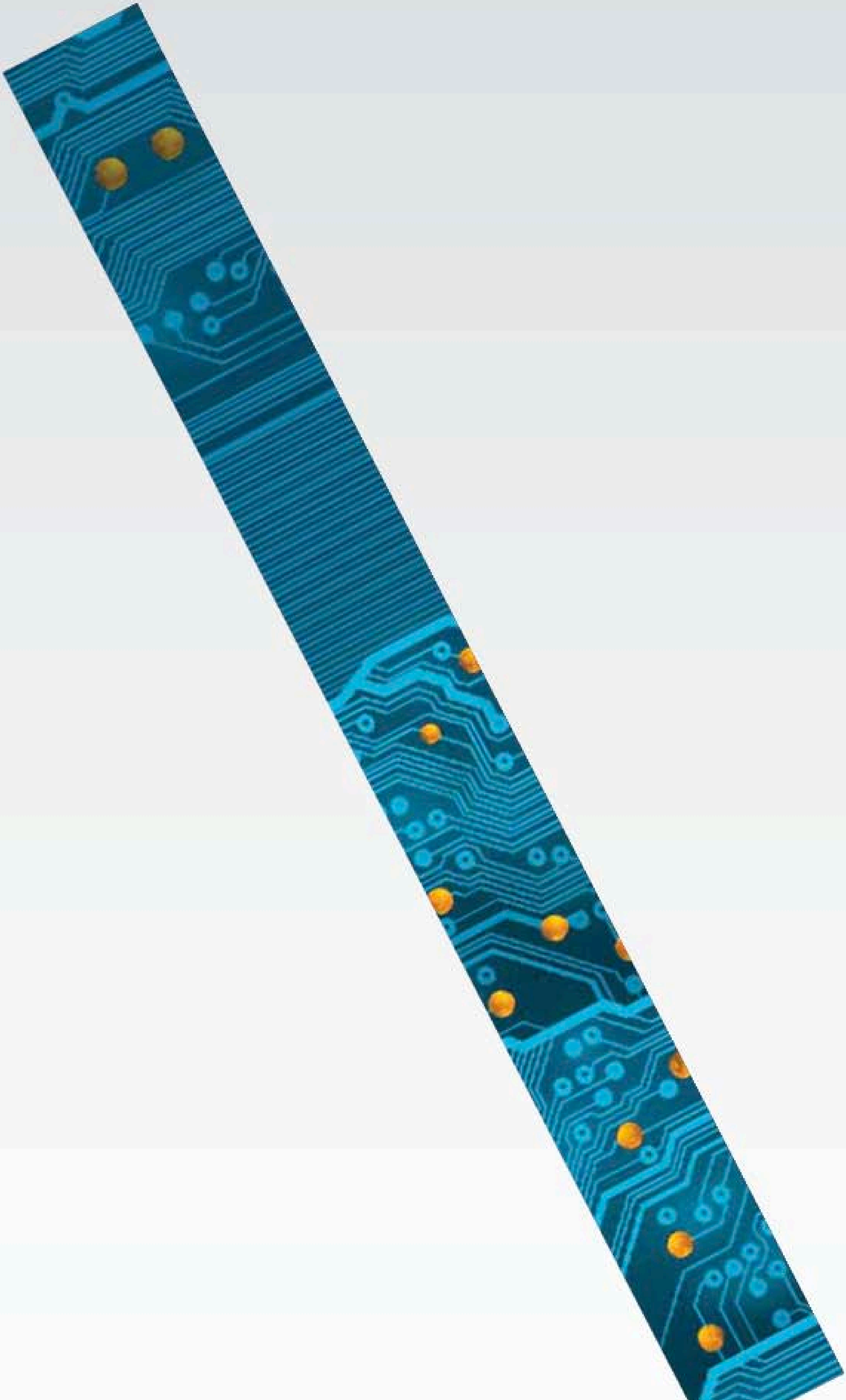
Report on Operations





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Introduction

As specified in the report on operations of the 2012 Annual Report, on February 6, 2013 SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. filed at the Court of Turin for a composition with creditors' procedure to ensure business continuity pursuant to article 161 of Royal Decree 267/1942, making a 'blank filing' pursuant to paragraph 6 of said article.

The Court gave the companies a period of 120 days, which was then extended by just under a month, until July 1, 2013, to submit the documentation necessary for admission to the procedure.

On June 28, 2013, SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. filed at the Court of Turin the proposal for composition with creditors, the plan and additional documentation pursuant to paragraphs 2 and 3 of article 161 of Royal Decree 267/1942.

By way of an order issued on July 10, 2013, the Court of Turin declared the composition with creditors' procedures of SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. open pursuant to article 163 of Royal Decree 267/1942; with the two procedures joined, the same order of the Court of Turin appointed Giovanna Dominici as delegated judge and Professor Enrico Laghi of Rome as judicial commissioner. The creditors' meetings were set for January 30, 2014.

As already disclosed to the market, the proposal provides for the merger by incorporation of SEAT Pagine Gialle Italia S.p.A. into the Company, followed by the repayment in full of the senior creditors not downgraded, the equitization of a portion of the senior debts downgraded to unsecured, the repayment in cash of another portion of the aforementioned debts and, finally, the repayment in cash of a portion of the other unsecured debts. As a result of the above, it is anticipated that the consolidated financial debt will be reduced by approximately € 1 billion.

Presentation of accounting data

Following the 2012 cross-border merger (the "Merger") of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A., which qualified as a reverse acquisition pursuant to IFRS 3, in order to ensure that disclosure is both compliant with IFRS financial statement preparation criteria and conducive to sufficient analysis of the Group's performance, this half-year report was prepared as follows:

- in the "Financial performance of the Group" section, the comparable data for the first half of 2012 are taken from the SEAT Group's Half-Year Report at June 30, 2012 *(comparable data), restated* according to the methods described below;
- in the "Condensed consolidated half-year financial statements" section, the comparable data for the first half of 2012 relate to Lighthouse Company S.A.

The SEAT Group figures (comparable data) for the first half of 2012 have been restated in light of:

- the desire, in accordance with the New Strategic Guidelines on which the plan and the proposal for the agreement with creditors were based, to dispose of the equity investments in the TDL Infomedia group, in the Telegate group and in Cipi S.p.A. In line with the provisions of IFRS 5, the income statement, statement of financial position and statement of cash flows figures for the TDL Infomedia group and the Telegate group for the first half of 2013 were recorded under "Non-current assets held for sale and discontinued operations" and the values of the income statement and statement of cash flows for the first half of 2012 were restated; due to the fact that the values for Cipi S.p.A. are not significant compared with those of the SEAT Group, the company was classified under "Non-current assets held for sale", and therefore only its statement of financial position figures as at June 30, 2013 were recorded separately in the statement of financial position. It was not necessary to reclassify or re-presented the relevant comparative figures as at June 30, 2012. The most significant effect of these reclassifications relates to the net financial debt as at June 30, 2013, which includes the effects of the recording under "Non-current assets held for sale and discontinued operations" of a sum of approximately € 85 million, of which € 31 million relates to cash and cash equivalents;
- the adoption, using the same reference accounting standard, of an algorithm realigning the revenue recognition period with the duration of provision of the service contractually agreed with the customer in the case of early renewal; this new algorithm was applied by the post-merger reporting entity, i.e. as of September 1, 2012.

Financial performance of the Group

The financial results of the SEAT Group for the first half of 2013 and the first half of 2012 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board and approved by the European Union ("IFRS").

The "Outlook" section contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to its financial results and other aspects of its business and strategies. Undue confidence should not be placed by the reader of this annual financial report in the reliability of these forward-looking statements, since the final results may differ significantly from those contained in these forecasts for a number of reasons, most of which are beyond the Group's control.

Tables - comparable consolidated data

Reclassified consolidated income statement

(euro thousand)	1st half year 2013	1st half year 2012 *restated*	Change Absolute	Change %
Revenues from sales and services	266,829	355,249	(88,420)	(24.9)
Costs of materials and externals services (*)	(132,159)	(140,468)	8,309	5.9
Salaries, wages and employee benefits (*)	(53,671)	(49,047)	(4,624)	(9.4)
Gross Operating Profit (GOP)	80,999	165,734	(84,735)	(51.1)
% on revenues	*30,4%*	*46,7%*	*(0)*	*(349)*
Net valuation adjustments and provisions to reserves	(21,806)	(27,299)	5,493	20.1
Other operating income (expenses)	(677)	(1,904)	1,227	64.4
EBITDA	58,516	136,531	(78,015)	(57.1)
% on revenues	*21,9%*	*38,4%*	*(0)*	*(42.9)*
Operating amortization, depreciation and write-down	(22,886)	(21,479)	(1,407)	(6.6)
Non-operating amortization, depreciation and write-down	(20,748)	-	(20,748)	n.s.
Non-recurring and restructuring costs, net	(41,426)	(55,303)	13,877	25.1
EBIT	(26,544)	59,749	(86,293)	n.s.
% on revenues	*(9,9%)*	*16,8%*	*(0)*	*n.s.*
Interest expense, net	(64,856)	(75,369)	10,513	13.9
Gain (loss) on investments accounted fo at equity	-	-	0	n.s.
Profit (loss) before income taxes	(91,400)	(15,620)	(75,780)	n.s.
Income taxes	(1,767)	(11,392)	9,625	84.5
Profit (loss) on continuing operations	(93,167)	(27,012)	(66,155)	n.s.
Profit (loss) from non-current assets held for sale and discontinued operations	(9,077)	(19,112)	10,035	52.5
Profit (loss) for the period	(102,244)	(46,124)	(56,120)	n.s.
- of which pertaining to the Group	(101,368)	(45,957)	(55,411)	n.s.
- of which non-controlling interests	(876)	(167)	(709)	n.s.

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

Consolidated statement of comprehensive income

(euro thousand)		1st half year 2013	1st half year 2012 *restated*
Profit (loss) for the period	(A)	(102,244)	(46,124)
Other comprehensive income that will not be reclassified subsequently to profit or loss:			
Actuarial gains (loss) recognised to equity		422	(3,721)
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax	(B1)	422	(3,721)
Other comprehensive income that will be reclassified subsequently to profit or loss:			
Profit (loss) for "cash flow hedge" instruments		-	(1,561)
Profit (loss) for foreign exchange adjustments		349	(742)
Other movements		(4)	-
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax	(B2)	345	819
Total other comprehensive income, net of tax	B=(B1+B2)	767	(2,902)
Total comprehensive profit (loss) for the period	(A+B)	(101,477)	(49,026)
- of which pertaining to the Group		(100,601)	(48,259)
- of which non-controlling interests		(876)	(167)

Reclassified consolidated statement of financial position

(euro thousand)		As at 06.30.2013	As at 12.31.2012	Change
Goodwill and "marketing related" intangibles assets		211,378	252,205	(40,827)
Other non-current assets (*)		198,388	256,405	(58,017)
Operating non-current liabilities		(41,147)	(58,353)	17,206
Non-operating non-current liablities		(46,752)	(67,161)	20,409
Operating working capital		(44,210)	10,477	(54,687)
- Operating current assets		*302,275*	*428,452*	(126,177)
- Operating current liabilities		*(346,485)*	*(417,975)*	71,490
Non-operating working capital		(51,378)	(33,529)	(17,849)
- Non-operating current assets		*21,647*	*22,800*	(1,153)
- Non-operating current liabilities		*(73,025)*	*(56,329)*	(16,696)
Non-current assets held for sale and discontinued operations, net		113,477	(250)	113,727
Net invested capital		339,756	359,794	(20,038)
Equity of the Group		(1,097,059)	(996,460)	(100,599)
Non-controlling interests		27,432	28,309	(877)
Total equity	(A)	(1,069,627)	(968,151)	(101,476)
Current financial assets, cash and cash equivalent		(184,353)	(202,046)	17,693
Current financial debts		1,557,197	201,653	1,355,544
Non-current financial debts		36,539	1,328,338	(1,291,799)
Net financial debt (ESMA)	(B)	1,409,383	1,327,945	81,438
Total	(A+B)	339,756	359,794	(20,038)

(*) Includes financial assets available for sale and non current financial assets.

Reclassified consolidated income statement for the first half of 2013

In accordance with IFRS 5, the results, assets and cash flows of the TDL Infomedia and Telegate groups for the first half of 2013 (in light of the decision to dispose of these equity investments, as mentioned previously in the "Presentation of accounting data" section of this report, and in light of the expected administration of the TDL Infomedia group) were shown as "Non-current assets held for sale and discontinued operations", and the income statement and statement of cash flows items for the first half of 2012 were restated.

Revenue from sales and services totaled € 266,829 thousand in the first half of 2013, down by 24.9% compared to the first half of 2012 restated (€ 355,249 thousand). At constant publication basis, revenue dropped by 24.3%.
Before eliminations between the Group's different Business Areas, revenue from sales and services was as follows:

- revenue from the *Italian Directories Business Area (SEAT Pagine Gialle S.p.A., SEAT Pagine Gialle Italia S.p.A. and Digital Local Services companies)* for the first half of 2013 amounted to € 254,513 thousand, down by 24.7% compared with the first half of 2012 restated and on a same-publication basis, with a 24.6% fall in core revenue that affected all three of the core product lines, with print revenue falling 27.9%, online&mobile revenue 22.3% and voice revenue 35.1%;
- revenue from the *Directory Assistance Business Area (Prontoseat)* totaled € 2,837 thousand in the first half of 2013, down by 34.9% compared with the first half of 2012 restated (€ 4,323 thousand). The fall in turnover was due mainly to lower outbound revenue (-€ 0.9 million compared with the first half of 2012) as a result of fewer telephone sales relating to renewals of advertising contracts for print products and to the acquisition of new clients for the 12.40 Pronto PAGINEBIANCHE® service;
- revenue in the *Other Activities* Business Area *(Europages, Consodata and Cipi)* totaled € 15,400 thousand in the first half of 2013, a decline of 24.5% compared with the first half of the previous year (€ 20,356 thousand), which was attributable mainly to the fall in revenue at Europages and Consodata.

Costs of materials and external services, net of costs charged to third parties but included in the IFRS financial statements under the item "Other revenue and income", totaled € 132,159 thousand in the first half of 2013, down by € 8,309 thousand compared to the first half of 2012 restated (€ 140,468 thousand).
In more detail, materials and external services for the period were as follows:

- *industrial* costs: these amounted to € 56,988 thousand, down by € 4,296 thousand owing to lower revenue. Particularly in Italian Directories, the fall in print revenue resulted in fewer editions being printed, which in turn led to a reduction in paper consumption (down by € 1,230 thousand) and in production costs (down by € 1,427 thousand); however, fees paid to web publishers rose by € 2,831 thousand to € 13,390 thousand as part of the management of new online offers intended to boost web traffic;
- *commercial* costs: these stood at € 49,425 thousand in the first half of 2013, against € 51,680 thousand in the first half of 2012 *restated*. The reduction was due to a fall of € 8,147 thousand in spending on commissions and other sales costs following the implementation of the New Sales Model; this was partly offset by an increase of € 5,168 thousand in advertising spending compared with the first half of 2012 restated following new Italian Directories campaigns mainly concerning voice and online products, particularly couponing;
- *overheads*: these amounted to € 25,746 thousand, down by € 1,758 thousand compared with the first half of 2012 restated (€ 27,504 thousand).

Salaries, wages and employee benefits, less recovered costs, which are included in the IFRS financial statements under the item "Other revenue and income", amounted to € 53,671 thousand in the first half of 2013, up by € 4,624 thousand compared with the first half of 2012 restated (€ 49,047 thousand). This change was due mainly to costs arising from implementing the New Sales Model, which involved creating new Digital Local Services companies spread throughout Italy and run by former agents (*zone managers*) now on the payroll.
The Group's workforce, including directors, project workers and trainees, was 2,072 at June 30, 2013 (3,997 at December 31, 2012); the figure at June 30, 2013 does not include the period-end workforce of the Telegate group, the TDL Infomedia group and Cipi S.p.A., which are shown as "Non-current assets held for sale and discontinued operations".
The average salaried workforce (FTE) in the first half of 2013 was 1,841 employees (against 1,610 employees in the first half of 2012 *restated*).

Gross operating profit (GOP), at € 80,999 thousand in the first half of 2013, was down by € 84,735 thousand compared to the first half of 2012 restated (€ 165,734 thousand). The operating margin was 30.4%, down from 46.7% in the first half of 2012 *restated*.

Net valuation adjustments and provisions for risks and charges totaled € 21,806 thousand in the first half of 2013 (against € 27,299 thousand in the first half of 2012 restated).

Of the net valuation adjustments (€ 19,897 thousand in the first half of 2013), € 19,578 thousand related to the allowance for doubtful trade receivables, which decreased compared with the first half of 2012 restated, although coverage of overdue receivables remained sufficient. This item also includes net provisions for operating risks and charges of € 1,909 thousand (against € 3,555 thousand in the first half of 2012 restated), down by € 1,646 thousand mainly due to a reduction in the Italian Directories Business Area's provisions to reserve for commercial risks.

Other operating income and expenses showed a negative balance of € 677 thousand in the first half of 2013 (negative figure of € 1,904 thousand in the first half of 2012 *restated*).

Operating income before amortization, depreciation, and other net non-recurring and restructuring costs (EBITDA) totaled € 58,516 thousand in the first half of 2013, a drop of 57.1% compared with the first half of 2012 *restated* (€ 136,531 thousand), yielding an operating margin of 21.9% (38.4% in the first half of 2012 *restated*). At constant publication volumes, EBITDA fell by 56.7%.

Operating amortization, depreciation and write-downs totaled € 22,886 thousand in the first half of 2013, up by € 1,407 thousand compared with € 21,479 thousand in the first half of 2012 *restated*. Of this figure, € 18,186 thousand related to intangible assets with a finite useful life (€ 17,012 thousand in the first half of 2012 *restated*) and € 4,700 thousand to property, plant and equipment (€ 4,467 thousand in the first half of 2012 *restated*).

Non-operating amortization, depreciation and write-downs totaled € 20,748 thousand and referred to: *(i)* in the amount of € 10,748 thousand, the share of amortization of the intangible Italian Directories and Consodata customer relationship and database assets, following the purchase price allocation to these assets pursuant to IFRS 3 as part of the 2012 merger of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A.; and *(ii)* in the amount of € 10,000 thousand, the alignment of Cipi S.p.A. book values to the presumed realizable value.

Non-recurring and restructuring costs, net totaled € 41,426 thousand in the first half of 2013 (€ 55,303 thousand in the first half of 2012 *restated*).
Non-recurring costs totaled € 40,159 thousand (€ 55,148 thousand in the first half of 2012 *restated*) and included: *(i)* provisions of € 33,000 thousand made by Italian Directories to cover estimated liabilities connected with implementing the transactions provided for by the plan for the composition with creditors' procedure; and *(ii)* consultancy costs of € 2,931 thousand relating to the composition with creditors' procedure.
Net organizational restructuring costs totaled € 1,267 thousand (€ 155 thousand in the first half of 2012 *restated*) and referred mainly to the costs incurred by Cipi to restructure its workforce.

EBIT was a loss of € 26,544 thousand (compared with a gain of € 59,749 thousand in the first half of 2012 *restated*). As well as the business performance at GOP and EBITDA level, EBIT reflects the effects of non-operating write-downs and of the non-recurring and restructuring costs mentioned above.

Net financial expense totaled € 64,856 thousand in the first half of 2013 (€ 75,369 thousand in the first half of 2012 *restated*); the reduction of € 10,513 thousand was due almost entirely to the lack in 2013 of amortization of debt refinancing and transaction costs that were included in this item until the previous year.

As mentioned previously, on June 28, 2013 SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. filed the for composition with creditors, the relevant plan and the other documents pursuant to paragraphs 2 and 3 of article 161 of Royal Decree 267/1942. The companies' total debt as at February 6, 2013 (the date when the 'blank filing' was made pursuant to article 161, paragraph 6 of Royal Decree 267/1942), along with the related creditors, securities, privileges and accrued interest (only for senior debt), is shown in said documentation.

In the Half-Year Report at June 30, 2013, interest expense on the Senior Credit Agreement with The Royal Bank of Scotland and on the senior secured bonds was calculated at contractually agreed rates on the total debt (ignoring the effects on said debt and on the related interest of the blank filing for the composition with creditors' procedures and of applying the relative regulations); this accounting practice reflects the provisions of IAS 39 AG57, under which financial liabilities should continue to be counted until the debt is extinguished (in this case, until the composition with creditors' procedures is approved).

Specifically, *interest expense* in the first half of 2013 included:
- € 19,364 thousand (€ 26,039 thousand in the first half of 2012) of interest expense on the Senior Credit Agreement between SEAT Pagine Gialle Italia S.p.A. and The Royal Bank of Scotland. This amount included, in the first half of 2012, € 5,717 thousand relating to transaction costs

for the period and € 1,561 thousand relating to the net negative impact of cash flow hedge instruments against interest rate risk;
- € 45,009 thousand (€ 42,769 thousand in the first half of 2012) of interest expense on the senior secured bonds. This amount included € 1,421 thousand relating to transaction costs for the period, which are no longer applicable as from 2013, and € 2,221 thousand relating to the issue discount. The increase in interest expense on the senior secured bonds was due to the issuance of new bonds with a nominal value of € 65,000 thousand as part of the 2012 restructuring;
- € 832 thousand (€ 741 thousand in the first half of 2012) of interest expense on debts due to Leasint S.p.A. in relation to finance leases raised for the purchase of the Corso Mortara real-estate complex in Turin, where SEAT has its offices;
- € 584 thousand of other financial expense, against € 1,513 thousand in the first half of 2012 *restated*, including € 455 thousand of losses from discounting non-current assets and liabilities (against € 1,384 thousand in the first half of 2012);

Financial income totaled € 941 thousand in the first half of 2013, referring mainly to € 902 thousand (€ 1,625 thousand in the first half of 2012 restated) of interest income from the investment of short-term liquidity in the banking system at market rates.

Income taxes for the first half of 2013 presented a negative balance of € 1,767 thousand (negative balance of € 11,392 thousand in the first half of 2012 restated). In accordance with the provisions of IAS 34, income taxes for the period were calculated by applying the average rates expected for the full 2013 financial year to the gross pre-tax income.

Profit/(loss) on continuing operations was a loss of € 93,167 thousand, against a loss of € 27,012 thousand in the first half of 2012 *restated*.

Net profit/(loss) from non-current assets held for sale and discontinued operations showed a loss of € 9,077 thousand (a loss of € 19,112 thousand in the first half of 2012 *restated*), which included respective losses of € 3,860 thousand and € 5,217 thousand for the Telegate group and the TDL Infomedia group.

Profit/(loss) for the period pertaining to non-controlling interests showed a loss of € 876 thousand (a loss of € 167 thousand in the same period of the previous year), pertaining mainly to non-controlling interests of the Telegate group.

Profit (loss) for the period pertaining to the Group totaled a loss of € 101,368 thousand, against a loss of € 45,957 thousand in the first half of 2012 *restated*.

Reclassified consolidated statement of financial position at June 30, 2013

As mentioned in the "Presentation of accounting data" section, the equity investments in the Telegate group, in the TDL Infomedia group and in Cipi S.p.A. were deemed to be no longer compatible with the SEAT Group's business. The Company was also informed that the TDL Infomedia group expected to go into administration. In accordance with IFRS 5, the assets and liabilities pertaining to the Telegate and TDL Infomedia groups were measured at fair value, as a result of which there was no need to adjust their respective book values; however, a value adjustment of € 10 million was required for the assets and liabilities pertaining to Cipi S.p.A., essentially to reflect the fall in value of the assets being divested. The period-end assets and liabilities were reclassified in "Net non-current assets held for sale and discontinued operations". The consolidated statement of financial position at June 30, 2013 therefore reflects this accounting treatment. More details can be found in the notes to the condensed consolidated half-year financial statements.

Net invested capital

Net invested capital, which stood at € 339,756 thousand as at June 30, 2013, fell by € 20,038 thousand compared to December 31, 2012.

Net invested capital can be broken down as follows:

- **goodwill and marketing-related intangible assets** amounted to € 211,378 thousand as at June 30, 2013, including € 88,947 thousand relating to goodwill and € 122,431 thousand relating to Group customer relationship and database assets. The change of € 40,827 thousand compared with December 31, 2012 owed to:
  - the recognition under "Net non-current assets held for sale and discontinued operations" of € 2,121 thousand of goodwill and € 27,958 thousand of customer relationship assets;
  - the amortization (€ 10,748 thousand) of Group customer relationship and database assets.

- **other non-current assets**, totaled € 198,388 thousand as at June 30, 2013, down by € 58,017 thousand compared to December 31, 2012 (€ 256,405 thousand). These assets include:
  - *intangible and tangible fixed asset, which totaled € 177,669 thousand as at June 30, 2013, down by € 54,666 thousand compared to December 31, 2012 (€ 232,335 thousand).*

In particular, this change reflects:
(i) the effects of recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 46,278 thousand;;
(ii) an increase following capital expenditure, in the amount of € 14,509 thousand;
(iii) recognition of operating amortization, depreciation and write-downs, in the amount of € 22,886 thousand.

Capital expenditure of € 14,509 thousand (€ 13,899 thousand in the first half of 2012 *restated*) related to the following areas:
- in Italian Directories (€ 12,026 thousand in the first half of 2013, compared to € 11,599 thousand in the first half of 2012):
  - improvements to the online and mobile platforms. Specifically, online focused on content enrichment (acquisition of corporate and private free listings for self-provisioning activities, CMS for database management and acquisition of new content), *identity management* and improvements to platforms and research activities;
  - improvements to commercial online products, relating mainly to the release of functional improvements on Glamoo, to product development (e.g. PG Click, Social ADV, new PG Banner services), and to the comprehensive repositioning of the web agency range with a view to responding better to customers' specific advertising needs;
  - commercial and publishing improvements to upgrade the systems and adapt them to new product ranges;
  - the acquisition of infrastructure for the disaster recovery program;
- in Consodata S.p.A. (€ 1,859 thousand; € 1,964 thousand in the first half of 2012): developing software platforms, enriching databases, purchasing data banks and upgrading the production and service provision IT platforms;
  - *deferred tax assets* totaled € 13,545 thousand at June 30, 2013 (€ 16,503 thousand at December 31, 2012), of which € 13,449 thousand related to Italian Directories;
  - *non-current financial* assets, which totaled € 1,354 thousand (€ 1,921 thousand as at December 31, 2012), related to loans to Italian Directories employees. From August 2012, this item was reclassified from net

financial debt to non-current assets, in accordance with ESMA provisions.

- **operating non-current liabilities** totaled € 41,147 thousand as at June 30, 2013 (€ 58,353 thousand as at December 31, 2012). The item includes, in particular:
  - *defined-benefit pension plans,* which totaled € 283 thousand at June 30, 2013 (€ 15,765 thousand at December 31, 2012). The change reflects the effects of recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 15,502 thousand;
  - the *reserve for severance* indemnities, which totaled € 14,128 thousand at June 30, 2013 (against € 15,353 thousand at December 31, 2012). The change mainly reflects the effects of recognition under "Net non-current assets held for sale and discontinued operations";
  - the *reserve for sales agents' termination indemnities,* which totaled € 24,193 thousand as at June 30, 2013, down by € 378 thousand compared with December 31, 2012 (€ 24,571 thousand). This reserve represents the accrued debt at the end of the year to sales agents for the indemnities due to them in the event of termination of the agency contract, as provided for by current regulations. Taking into consideration future cash flows, the reserve was discounted using an average market rate for debts of similar duration, estimating its expected future use over time based on the average life of agency contracts.
- **non-operating non-current liabilities** totaled € 46,752 thousand as at June 30, 2013 (€ 67,161 thousand as at December 31, 2012), of which € 40,178 thousand related to deferred tax liabilities, mainly in relation to Italian Directories (€ 40,066 thousand). The reduction compared with December 31, 2012 relates mainly to the effects of recognizing the tax provision under "Net non-current assets held for sale and discontinued operations", in the amount of € 17,204 thousand.
- **operating working capital** was negative in the amount of € 44,210 thousand as at June 30, 2013 (€ 10,477 thousand as at December 31, 2012).

  Listed below are the most significant changes that took place during the period with reference to:
  - *trade receivables*, which totaled € 249,921 thousand as at June 30, 2013, falling by € 110,607 thousand compared to December 31, 2012 (€ 360,528 thousand). This reduction includes: *(i)* the effects of recognizing trade receivables under "Net non-current assets held for sale and discontinued operations", in the amount of € 44,600 thousand; and *(ii)* the fall in trade receivables at Italian Directories (in the amount of € 61,471 thousand);
  - *payables for services to be provided and other current liabilities*, which totaled € 161,678 thousand at June 30, 2013, down by € 41,621 thousand compared with December 31, 2012 (€ 203,299 thousand). This change reflects the purchase and invoice times for advertising services, as well as the effects of recognizing payables for services to be provided and other current liabilities under "Net non-current assets held for sale and discontinued operations", in the amount of € 26,923 thousand;
  - *trade payables,* which totaled € 149,291 thousand at June 30, 2013. The fall of € 28,647 thousand compared with December 31, 2012 was due mainly to the recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 28,038 thousand.
- **non-operating working capital**, which was negative in the amount of € 51,378 thousand as at June 30, 2013 (compared with a negative figure of € 33,529 thousand as at December 31, 2012). This includes:
  - *income tax payables* of € 7,088 thousand as at June 30, 2013, down by € 8,057 thousand on December 31, 2012 (€ 15,145 thousand). The increase of € 4,160 thousand as a result of the provision in the income statement for taxes for the period was offset by the effects of recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 12,221 thousand;
  - *current tax assets* totaling € 21,589 thousand as at June 30, 2013 (€ 22,691 as at December 31, 2012). The change essentially reflects the effects of recognizing current tax assets under "Net non-current assets held for sale and discontinued operations", in the amount of € 1,369 thousand;
  - *provisions for current non-operating risks and charges* were € 60,469 million (against € 32,179 million as at December 31, 2012). These refer mainly to the staff restructuring reserve, the sales network restructuring reserve and the provision of € 33,000 thousand made by Italian Directories during the first half of 2013 to cover estimated liabilities connected with the implementation of transactions provided for by the composition with creditors' procedure plan.

Equity

Equity was negative in the amount of € 1,069,627 thousand at June 30, 2013 (against a negative figure of € 968,151 thousand at December 31, 2012), of which -€ 1,097,059 thousand was attributable to the Parent Company
(-€ 996,460 thousand at December 31, 2012) and € 27,432 thousand to non-controlling interests (€ 28,309 thousand at December 31, 2012).

The reduction of € 100,599 thousand in the portion pertaining to the Parent Company was attributable to:
- a loss of € 101,368 thousand for the period;
- a decrease of € 423 thousand (net of tax effect) in actuarial losses recorded with reference to defined-benefit pension plans. For further details, see paragraph 13 of the notes to the condensed consolidated half-year financial statements.

Net financial debt

At June 30, 2013, **net financial debt** totaled € 1,409,383 thousand (€ 1,327,945 thousand at December 31, 2012). As mentioned in the "Reclassified consolidated statement of financial position at June 30, 2013" section, the effect on net financial debt of recognition under "Non-current assets held for sale and discontinued operations", pursuant to IFRS 5, was approximately € 85 million, of which € 31 million related to cash and cash equivalents; of these figures, the Telegate group accounted respectively for € 84 million and € 29 million.

	(euro thousand)	As at 06.30.2013	As at 12.31.2012	Change
A	Cash	183,037	199,659	(16,622)
B	Cash equivalent	–	–	–
C	Trading securities	–	–	–
D=(A+B+C)	Liquidity	183,037	199,659	(16,622)
E.1	Current Financial Receivable to third parties	1,316	2,387	(1,071)
E.2	Current Financial Receivable to related parties	–	–	–
F	Current Bank debt	683,348	92,757	590,591
G	Current portion of non current debt	4,180	73,685	(69,505)
H.1	Other current financial debt to third parties	869,669	35,211	834,458
H.2	Other current financial debt to related parties	–	–	–
I=(F+G+H)	Current Financial Debt	1,557,197	201,653	1,355,544
J=(I-E-D)	Net Current Financial Indebtedness	1,372,844	(393)	1,373,237
K	Non current Bank loans	–	501,116	(501,116)
L	Bonds Issued	–	789,405	(789,405)
M.1	Other non current loans to third parties	36,539	37,817	(1,278)
M.2	Other non current loans to related parties	–	–	–
N=(K+L+M)	Non Current Financial Debt	36,539	1,328,338	(1,291,799)
O (J+N)	Net Financial Indebtedness (ESMA)	1,409,383	1,327,945	81,438

- **Non-current financial debt** at June 30, 2013 totaled € 36,539 thousand (€ 1,328,338 thousand at December 31, 2012). It comprises the item "Other non-current loans to third parties", which refers to seven finance leases (six commencing in December 2008 and the other at the end of October 2009) relating to the purchase of SEAT Pagine Gialle Italia S.p.A.'s real-estate complex in Turin. These contracts will be repaid through the payment of 42 remaining installments on the contracts with effect from December 2008 and 46 remaining installments on the contract with effect from October 2009. All installments are quarterly deferred installments subject to a floating interest rate equal to three-month Euribor plus a spread of around 65 basis points p.a. The residual value is fixed at around 1% of the value of the real-estate complex.
- **Current financial debt** amounted to € 1,557,197 thousand as at June 30, 2013 (€ 201,653 thousand as at December 31, 2012). The item consists of:
  - *Current bank debts*: these totaled € 683,348 thousand as at June 30, 2013 (€ 92,757 thousand as at December 31, 2012) and related to the senior debt with The Royal Bank of Scotland, broken down as follows:
    - € 571,116 thousand relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4 percentage points p.a.;
    - € 90,000 thousand relating to the revolving line of credit aimed at covering the working capital requirements of SEAT Pagine Gialle Italia S.p.A. and/or its subsidiaries, which is subject to a floating interest rate equal to Euribor plus the same spread used for the term facility;
    - € 22,232 thousand relating to accrued and unpaid interest expense on the term facility and the revolving facility with The Royal Bank of Scotland.
  - *Other current financial debt to third parties:* this totaled € 869,669 thousand at June 30, 2013 (€ 35,211 thousand at December 31, 2012) and referred to the senior secured bonds in the amount of € 791,627 thousand (€ 779,445 thousand as the net issue value plus € 12,182 thousand relating to the total issue discount accrued at June 30, 2013) and to accrued and unpaid interest expense (€ 77,875 thousand), of which € 42,219 thousand fell due on January 31, 2013, on said bonds. The three issues (two in 2010 and one in August 2012), with a combined nominal value of € 815,000 thousand, mature on January 31, 2017, with a nominal yield of 10.5% to be paid half-yearly at the end of January and the end of July.
  - *Short-term portion of non-current debt*: this totaled € 4,180 thousand at June 30, 2013 (€ 73,685 thousand at December 31, 2012) and referred to the current portion of the seven finance leases relating to the purchase of SEAT Pagine Gialle Italia S.p.A.'s Turin real-estate complex; at December 31, this item included € 70,000 thousand relating to the current portion of the senior debt with The Royal Bank of Scotland, the full value of which is shown at June 30, 2013 under "Short-term financial payables to banks".

Changes in non-current and current financial debt between December 31, 2012 and June 30, 2013 were due to the reclassification under current financial debt of the senior secured bonds and the senior debt with The Royal Bank of Scotland. The reclassification was necessary in light of the payment default at the beginning of 2013. The relevant loan agreements contain an acceleration clause, making the debt fully and immediately repayable in the event of default. The aforementioned debts were thus reclassified as current in accordance with paragraph 74 of IAS 1.

The facilities agreement with The Royal Bank of Scotland requires that the SEAT Group comply with specific financial covenants, which are monitored quarterly and relate to the maintaining of certain ratios between: *(i)* net financial debt and EBITDA; *(ii)* EBITDA and interest on debt; and *(iii)* cash flow and debt service (including interest and capital payable in each reference period).
In light of the events that took place during late January and early February, culminating in SEAT Pagine Gialle Italia S.p.A. and SEAT Pagine Gialle S.p.A. filing for composition with creditors' procedure pursuant to article 161, paragraph 6 of Royal Decree 267/1942, in accordance with the principle of equal treatment of creditors, the Company did not provide The Royal Bank of Scotland with any notification on the matter of compliance with the aforesaid financial covenants, nor did it publish any data other than the information required by Consob's 'black list' status and made necessary by the ongoing creditors' procedure.

The senior debt to The Royal Bank of Scotland and the debt to Leasint S.p.A. bear floating interest rates linked to the Euribor rate. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments.

In accordance with the terms of the facilities agreement with The Royal Bank of Scotland and of the senior secured bonds, SEAT Pagine Gialle Italia S.p.A. has given the following principal guarantees, which are standard for transactions of this kind:
- pledge of SEAT Pagine Gialle Italia S.p.A.'s main trademarks;
- pledge of the shares of its main subsidiaries (including TDL Infomedia Ltd. and Telegate AG, held directly and indirectly);

- guarantee concerning all the TDL Infomedia Group's assets;
- pledge of SEAT Pagine Gialle Italia S.p.A.'s main bank and postal current accounts.

Furthermore, SEAT Pagine Gialle S.p.A. has pledged the entire share capital of SEAT Pagine Gialle Italia S.p.A. as a guarantee against the aforementioned loans.

Finally, SEAT Pagine Gialle Italia S.p.A. has also created a special lien in favor of The Royal Bank of Scotland, in connection with the senior facilities agreement, on some of its property, plant and equipment with a net book value greater than or equal to € 25,000.

- **Current financial receivables and cash and cash equivalents** amounted to € 184,353 thousand as at June 30, 2013 (€ 202,046 thousand as at December 31, 2012), including € 183,037 thousand of cash and cash equivalents (€ 199,659 thousand as at December 31, 2012).

As at the approval date of this report, the ratings assigned to SEAT Pagine Gialle S.p.A. by Standard & Poor's and Moody's were D and Ca respectively.

Risk from high levels of financial debt
The maturities of the financial instruments in place are as follows:

	Due date - by						
(euro thousand)	As at June 30, 2014	As at June 30, 2015	As at June 30, 2016	As at June 30, 2017	As at June 30, 2018	Beyond five year	Total
Senior Secured Bond (*)	-	-	-	815,000		-	815,000
The Royal Bank of Scotland (**)	110,000	177,500	373,616	-	-	-	661,116
Leasint S.p.A. (***)	3,751	3,891	4,052	4,344	4,506	27,836	48,380
Total non-current financial debt (gross value)	113,751	181,391	377,668	819,344	4,506	27,836	1,524,496

(*) In the consolidated financial statement the item was shown net of the issue discount and amounted to € 791,626 thousand.
(**) The revolving facility is diue to mature on December 28, 2015 and will be repaid on said date.
(***) In the consolidated financial statements, this item amounted to € 40,719 thounsand in order to adjust the accounting value to the fair value.

The table above shows that the average duration of total financial debt outstanding at June 30, 2013 is 3.12 years. This figure does not factor in the changes to average duration that will arise from implementing composition with creditors' procedure, once it has been approved.

Liquidity risk and obtaining of financial resources

The financial shortfall predicted in January 2013, shortly after the appointment of the new Board of Directors, and at the end of 2012, along with the evident impossibility of securing alternative sources of finance, forced the Group to make a 'blank filing' for a composition with creditors' procedure and subsequent admission to the pre composition with creditors' procedure, as described in the "Introduction" section of this report.

Significant agreements involving SEAT and/or its subsidiaries that will become effective, be amended or be terminated in the event of a change of control

The agreements in place at June 30, 2013 are summarized below.

1. *Indentures relating to the bonds issued by SEAT and entitled "€ 550,000,000 10½ % Senior Secured Notes Due 2017", "€ 200,000,000 10.5% Senior Secured Notes Due 2017" and "€ 65,000,000 10½ % Senior Secured Notes Due 2017" (the latter were issued as additional notes to the € 550,000,000 issue).*

   According to the indentures (which are documents subject to US law) governing the above-mentioned notes (bonds), originally issued by SEAT for a total of € 815,000,000, if *(i)* as a result of a merger of SEAT with or into another entity ("Person"), a party directly or indirectly becomes a holder ("Beneficial owner") of more than 30% of SEAT's voting capital; or *(ii)* all or substantially all of SEAT's or SEAT Pagine Gialle Italia S.p.A.'s assets, as calculated on a consolidated basis, are transferred (unless the transfer results in the transferee becoming an obligor in relation to the notes issued by SEAT and a subsidiary of the transferor), a change of control is deemed to have taken place, as a result of which, pursuant to the contractual terms and conditions of the notes, the holders of said notes can request that they are bought back at 101% of their nominal value, plus interest.

2. *Term and Revolving Facilities Agreement*

   Pursuant to paragraph 7.9 of the Term and Revolving Facilities Agreement signed by, inter alia, SEAT, as Guarantor, SEAT Pagine Gialle Italia S.p.A., as Borrower, and The Royal Bank of Scotland plc (RBS), as Lender, on August 31, 2012, in the event of a change of control, the Lender's commitment to disburse new sums pursuant to the aforementioned facilities agreement shall immediately be considered null and void, and the Borrower must immediately and prematurely repay all sums disbursed to it pursuant to said agreement. Under the terms of this agreement, a change of control is deemed to have occurred if one person or several persons acting in concert directly or indirectly acquire(s) control of SEAT or SEAT Pagine Gialle Italia S.p.A.; for this purpose, control is taken to mean the power to exercise (directly or indirectly pursuant to agreements) more than 30% of the voting rights at SEAT or SEAT Pagine Gialle Italia S.p.A. shareholders' meetings or the direct or indirect ownership of more than 30% of the share capital of SEAT or SEAT Pagine Gialle Italia S.p.A. (shares which entitle their holders to a share of profits or dividends up to a certain amount are excluded from this calculation).

Credit risk

The SEAT Pagine Gialle Group operates in the multimedia directional advertising market, where there is a large number of clients. As at June 30, 2013, 97% of the Group's trade receivables (versus 85% as at December 31, 2012) related to SEAT Pagine Gialle Italia S.p.A., which had around 379,000 customers at the end of 2012 distributed throughout Italy, consisting mainly of small and medium-sized businesses. Each year, SEAT Pagine Gialle Italia alone issues some 532,000 invoices, of which around 45% are issued in the first half of the year, each providing on average for payment in 2.5 installments of around € 528 each, meaning more than € 1.3 million of annual receipts. There is, therefore, no concentration of credit risk.

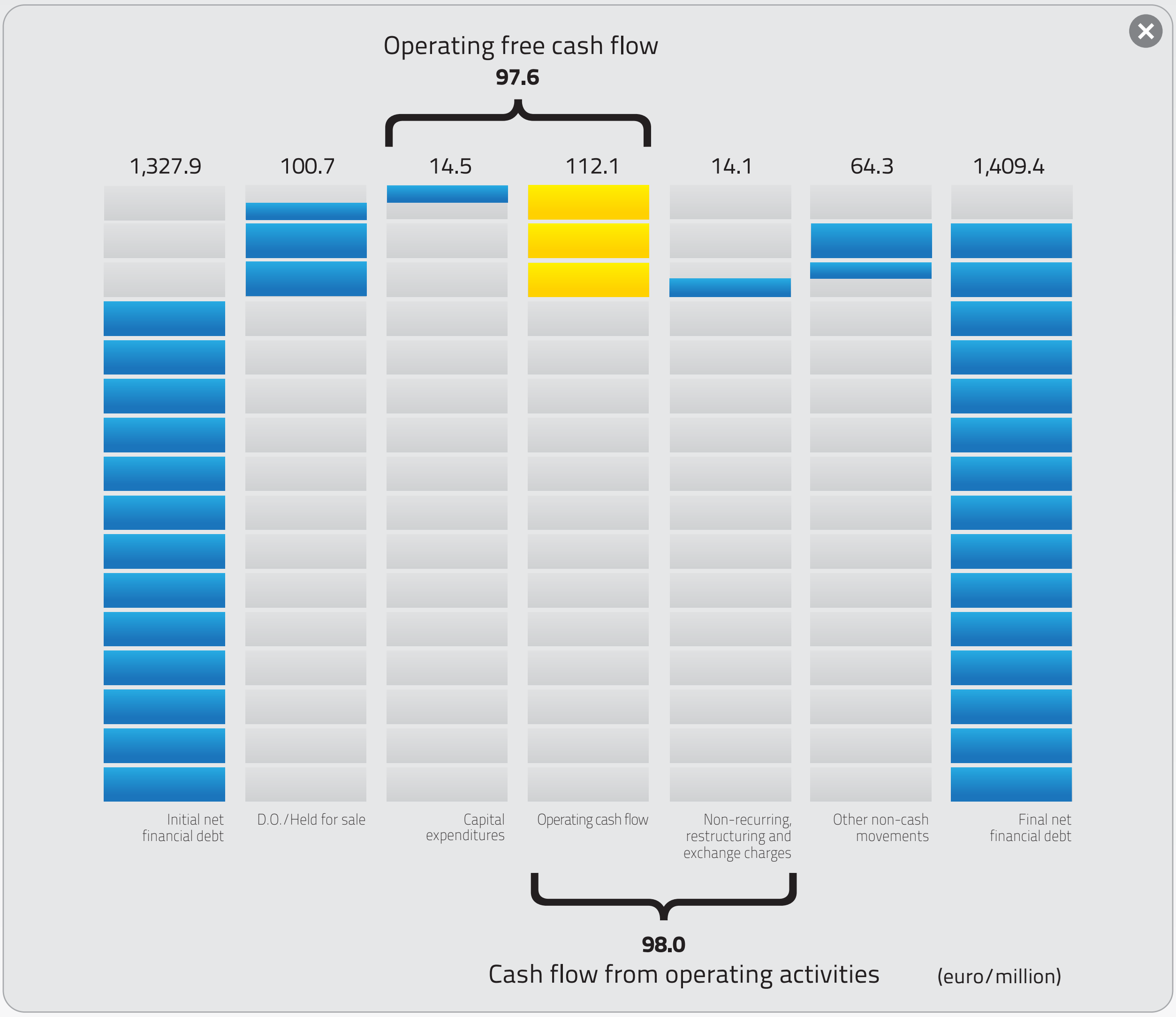
Business type and customer base are, however, the elements that have always guided SEAT in putting together an effective credit management system. Over time, SEAT has introduced a widespread and continually strengthened team that is able to efficiently manage all phases of the payment request process. The in-house team, call centers, collection agencies and legal experts constitute a total of around 800 people.
Credit risk exposure - represented by the "Allowance for doubtful receivables" on the financial statements - is measured using a statistical model that breaks down the client base by location and seniority, which reflects the historical experience of SEAT in debt collection and projects it into future estimates.
At June 30, 2013, the allowance for doubtful trade receivables stood at € 85,870 thousand at Group level. This was lower than the figure at December 31, 2012 (€ 89,361 thousand), but still ensured sufficient coverage. As a percentage of total trade receivables, the coverage of the allowance was 25.6%.

Consolidated statement of cash flows for the first half of 2013

(euro thousand)	1st half year 2013	1st half year 2012 *restated*	Change
EBITDA	58,516	136,531	(78,015)
Gain (losses) from discountinuig operating assets and liabilities	(344)	(1,071)	727
Decrease (increase) in operating working capital	54,765	36,946	17,819
(Decrease) increase in operating non current liabilities (*)	(834)	(3,296)	2,462
Capital expenditure	(14,509)	(13,899)	(610)
(Gains) losses on disposal of non-current operating assets	(3)	(2)	(1)
Operating free cash flow	97,591	155,209	(57,618)
Payment of interest expense, net	713	1,394	(681)
Payment of income taxes	(264)	(1,743)	1,479
Payment of non-recurring and restructuring expense	(13,896)	(26,069)	12,173
Dividends distribution	-	(1,514)	1,514
Non-current assets held for sale and discontinued operations	(15,254)	(4,381)	(10,873)
Foreign exchange adjustments and other movements	(64,867)	(63,262)	(1,605)
Change of Net Financial Indebtedness before D.O./Held for sale	4,023	59,634	(55,611)
Net Financial Indebtedness as at June 30, 2013 for company has been reclassified under "Non current assets held for sale and discontinued operations"	(85,461)	-	(85,461)
Variazione dell'indebitamento finanziario netto	(81,438)	59,634	(141,072)

(*) The changes do not include the non-monetary effect arising from gain and losses recognized to equity

The following graph summarizes the main elements that affected the change in net financial debt in the first half of 2013:



The **operating free cash flow** generated during the first half of 2013 (€ 97.6 million) down by € 57.6 compared with the first half of 2012 (€ 155.2 million); this reduction reflects a drop of € 78.0 million in EBITDA, owing to tough economic conditions, and a € 0.6 million rise in capital expenditure (from € 13.9 million in the first half of 2012 to € 14.5 million in the first half of 2013), offset partly by a positive contribution of € 17.8 million from operating working capital.

The recognition under "Net non-current assets held for sale and discontinued operations" includes the flow during the first half of 2013 (around € 15 million) and the final balance at June 30, 2013 (approximately € 85 million) relating to the net financial debt of the TDL Infomedia group, the Telegate group and Cipi S.p.A.

Significant events in the first half of 2013

Signing up to the opt-out scheme

On January 28, 2013, the Company's Board of Directors resolved to sign up to the opt-out scheme established under article 70, paragraph 8 and article 71, paragraph 1-bis of the Issuers' Regulation, thereby availing itself of the option to avoid the obligation to publish a prospectus for significant mergers, de-mergers, capital increases by way of non-cash consideration, acquisitions and disposals. On February 1, 2013, the Company released appropriate information to the market.

Appointment of the Supervisory Board

On March 1, 2013 - following the resignations of Supervisory Board members Marco Reboa, Marco Beatrice and Francesco Nigri pursuant to Legislative Decree 231/2001 - SEAT Pagine Gialle S.p.A. gave notice that the Board of Directors had resolved to appoint as members of said Supervisory Board Marco Rigotti (an adjunct professor of commercial law at Bocconi University), in the role of Chairman, Chiara Burberi (an independent director of the Company) and Michaela Castelli (secretary to the Board of Directors of the Company and, as from July 25, 2013, an independent director), setting their term of office until the Shareholders' Meeting called to approve the 2014 separate financial statements.

Resignations of directors

On March 20, 2013, non-executive director and member of the Company's Appointments and Remuneration Committee Paul Douek resigned from his positions within the Company and within subsidiary SEAT Pagine Gialle Italia S.p.A. Mr. Douek subsequently announced that his resignation would take effect on April 29, 2013.

Appointment of representative of savings shareholders and incurring of expenses for the protection of the common interests of the share category

On May 2, 2013, the special meeting of savings shareholders: *(i)* appointed Stella d'Atri as their common representative for 2013, 2014 and 2015, and *(ii)* approved the statement for the fund set up to cover the expenses required to protect their common interests.

Sale of Spanish subsidiaries of the Telegate AG group

On June 10, 2013, subsidiary Telegate AG announced that it had reached an agreement on June 7, 2013 for the sale of its entire shareholding in Spanish subsidiaries 11811 Nueva Información Telefónica S.A.U. and 11850 Guías S.L.U. to Titania Corporate S.L., for a value of around € 1 million. This agreement is yet to be executed.

Start of activities with a view to offloading equity investments

The new strategic guidelines make provision for the possible sale of equity investments, specifically those in the Telegate group, the TDL Infomedia group and Cipi S.p.A., which are deemed to be no longer compatible with the Group's business. As a result, activities were begun with a view to selling these equity investments in accordance with the time frames and methods established by the pre-bankruptcy procedure, in order to honor debts to creditors in the best way possible. These activities have been met with several non-binding expressions of interest, which are currently being assessed by the Board of Directors. The Company was also informed that the TDL Infomedia group expected to go into administration.

Start of arbitration proceedings filed by Rotosud S.p.A. and ILTE S.p.A.

On June 10, 2013, Rotosud S.p.A. and Industria Libraria Tipografica Editrice S.p.A. (ILTE), the printing service providers for the Group, served the Company with a request for binding-arbitration proceedings. The suit concerns four service contracts between the Company and Rotosud/ILTE initially entered into in 2005 and then modified in 2010, with the term extended until December 31, 2019, and contains a claim for financial and non-financial damages amounting to at least € 39.6 million. The Company believes the claims of Rotosud/ILTE to be wholly unfounded and will contest them as it sees fit.

Information received in relation to the pension fund of UK subsidiary Thomson Directories Ltd.

On June 17 and 18, 2013, we received correspondence from, respectively, the UK pensions authority ("The Pensions Regulator" - TPR) and the trustee of the pension fund of UK subsidiary Thomson Directories Ltd. In the first, TPR served notice of proceedings that may require it to ask the Company to provide financial support to the aforementioned pension fund. The deficit of the fund was estimated to be around £48 million. In the second piece of correspondence, the trustee, having acknowledged the TPR document and the Company's filing on February 6, 2013 for a pre-bankruptcy agreement with creditors, indicated that SEAT's maximum contingent liability to the pension fund was around £52 million. These amounts represent the estimated expenses and theoretical cost to an insurance company of covering the fund. Future contact with TPR and the trustee with a view to resolving the matter will take into account the actual situation of the fund, the applicable provisions and the Company's available resources. The Company believes that any amounts owed will be significantly less than those shown above. Lastly, the Company was informed of the liquidity crisis at TDL and the expected *administration* of the TDL Infomedia group.

Common representative of bondholders

On June 12, 2013, the meeting of the holders of the "€ 550,000,000 10½ % Senior Secured Notes due 2017" (ISIN codes: XS0482702395; XS0482720025) belonging to SEAT Pagine Gialle Italia S.p.A. (the "Company") and originally issued by SEAT Pagine Gialle S.p.A. appointed Dario Loiacono as their common representative for the years 2013, 2014 and 2015.

Also on June 12, 2013, the meeting of holders of the "€ 200,000,000 10½ % Senior Secured Notes due 2017" (ISIN codes: XS0546483834; XS0546484303) belonging to SEAT Pagine Gialle Italia S.p.A. and originally issued by SEAT Pagine Gialle S.p.A. appointed Dario Loiacono as their common representative for the years 2013, 2014 and 2015.

By way of an order issued on July 17, 2013, and pursuant to article 2417, paragraph 2 of the Italian Civil Code, the Court of Turin appointed Annamaria Marcone, of the Bar of Turin, as the common representative of holders of the "€ 65,000,000 10½% Senior Secured Notes due 2017" (ISIN codes: XS0825839045; XS0825838666), also belonging to SEAT Pagine Gialle Italia S.p.A. and originally issued by SEAT Pagine Gialle S.p.A.

Significant events occurring after June 30, 2013

Admission to the composition with creditors' procedure

On June 28, 2013, SEAT Pagine Gialle Italia S.p.A. and SEAT Pagine Gialle S.p.A. filed at the Court of Turin the proposal for composition with creditors, the relevant plan and the other documents pursuant to paragraphs 2 and 3 of article 161 of Royal Decree 267/1942.

By way of an order issued on July 10, 2013, the Court of Turin declared the composition with creditors' procedures of SEAT Pagine Gialle Italia S.p.A. and SEAT Pagine Gialle S.p.A. open pursuant to article 163 of Royal Decree 267/1942. With the two procedures joined, the same order of the Court of Turin appointed Giovanna Dominici as delegated judge and Professor Enrico Laghi of Rome as judicial commissioner.

Appointment of a new director

On July 25, 2013, the Ordinary Shareholders' Meeting of SEAT Pagine Gialle S.p.A. resolved to appoint Michaela Castelli, a lawyer who had been co-opted on July 10, 2013, to the Board of Directors to replace Paul Douek, who resigned with effect from April 29, 2013.

Michaela Castelli was also appointed to the Appointments and Remuneration Committee of SEAT Pagine Gialle S.p.A.

Outlook

Performance in the first half of 2013 was broadly in line with the New Strategic Guidelines approved by the Board of Directors on June 27, 2013 (more information can be found in the consolidated and draft separate financial statements at December 31, 2012), albeit in tough economic and market conditions.
Indeed, in July the International Monetary Fund cut Italy's growth forecasts, with gross domestic product (GDP) now expected to fall by 1.8%, 0.3 points more than was predicted in April.
However, the IMF expects Italy to come out of recession in 2014, with GDP forecast to grow by 0.7%, 0.2 points more than was predicted in April.
Banca d'Italia's July forecasts were more pessimistic, predicting a fall in GDP of "close to 2 percentage points" in 2013 and "more than 0.5 percentage points" in 2014. The central bank said "economic activity should resume moderate expansion from the end of the year", although there remains "considerable uncertainty".
In terms of the Italian advertising market, according to the latest figures from Nielsen, advertising investment in the first half of 2013 was down by -17.4% (to € 3.35 billion) compared with the first half of 2012, which itself saw a drop of -9.7%, well below all provisional forecasts made at the start of the year.
The fall came across all media to varying degrees, including online, where investment dried up in recent months and entered negative growth (-2.1% cumulative; -9.5% in June).
Against this background, the uncertainty surrounding the future of advertising investment and the instability of the country as a whole make it impossible at present to make precise forecasts for results. In line with the new strategic guidelines, operating results in the second half of the year indicate a decline on those in the first half.
However, the Company shall continually monitor economic and market trends and provide regular updates on the outlook for business growth.

WebAGE
La svolta digitale

Going concern evaluation

In accordance with the provisions of Banca d'Italia - Consob - Isvap joint document no. 2 of February 6, 2009, and just as it did for the 2012 Annual Report, when it approved this Half-Year Report, the Board of Directors had to perform the necessary checks on the Company's ability to continue as a going concern, taking into account all available information on the foreseeable future, i.e. at least the 12 months following the reporting date (although it is preferable to consider a period of 18 months, i.e. up to December 31, 2014).
The acknowledgement of the situation and of the critical outlook that led to the Board's decision to file for a composition with creditors' procedure meant immediately that the going-concern principle could not be applied for the purposes of preparing the 2012 financial statements and the Half-Year Financial Report as at June 30, 2013, in the absence of specific actions to overcome the crisis afflicting the Company.
Despite the prompt reaction of the Board, which took the above steps without delay, on the same day that they approved this Report, the directors, when assessing the Company's ability to continue as a going concern, uncovered certain factors that contribute considerably to the permanence of significant uncertainties over the Company's ability to continue to operate in the foreseeable future. Notwithstanding the difficulties arising from a persistently very tough economic climate, these factors relate specifically to the following key stages of the Procedure:

- **the Shareholders' Meeting taking the necessary decisions to execute the proposed agreement with creditors:** this proposal provides for some of the Company's debts to be converted into equity by way of a reserved capital increase that will dilute the stakes of existing shareholders. At present, as there is no nucleus of major shareholders with a sufficient stake to ensure the **quorums required to hold meetings and take decisions, it is impossible to predict the outcome of the meeting called to take the decisions in question**;
- **the positive outcome of the creditors' meeting:** it is uncertain whether the creditors' meeting will vote in a sufficient majority to approve the proposal so it can be authorized by the Court;
- **the Court authorizing the agreement with creditors:** when investigating the matter, the Court must take into account and assess all available information, particularly the report of the commissioner appointed when the Company is admitted to the composition with creditors' procedure;
- **the approval of the composition with creditors' procedure making available positive equity** that is sufficient to bring the Company and its main operating subsidiary out of the situation pursuant to articles 2446 and 2447 of the Italian Civil Code, and to sustain business for the period covered by the plan drawn up during the Procedure;
- **uncertainties surrounding the estimates and forecasts made by the Company in relation to the composition with creditors' procedure and the viability of the plan underlying the proposal.** The actions provided for by the new strategic guidelines are subject to the completion of certain operations, including some of an extraordinary nature, for the purposes of which the Procedure must go smoothly and result in the authorization of the agreement with creditors.

In light of the above, the Board believes that for the Company to continue to operate in the foreseeable future, the Procedure must be successful and the agreement with creditors must be executed. Specifically, the proposed debt restructuring is essential to make the Company's debt levels compatible with its ability to generate cash and sustain its business.
Having considered the steps taken, the Board of Directors has reached the final conclusion that the reasonable assumption that the Procedure will be successful (which entails, among other things, the non-implementation of articles 2446 and 2447 of the Italian Civil Code pursuant to article 182-sexies of the Bankruptcy Act) maintains the positive assessment of business continuity, thereby enabling approval, as things stand, of the Half-Year Report at June 30, 2013 on the assumption of the Company's ability to continue as a going concern.

Financial performance by Business Area

The results of the SEAT Group for the first half of 2013 are shown against those for the same period in 2012, which have been restated, as described in more detail in the introduction, in order to enable the accounting items to be compared and analyzed fairly.

(euro/million)		Italian Directories	Assistance Directories	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenues from sales and services	1st half year 2013	254.5	2.8	15.4	272.7	(5.9)	266.8
	1st half year 2012 restated (*)	340.6	4.3	20.4	365.3	(10.1)	355.2
GOP	1st half year 2013	83.5	(0.2)	(2.4)	80.9	0.1	81.0
	1st half year 2012 restated (*)	165.2	0.3	0.2	165.7	-	165.7
EBITDA	1st half year 2013	61.7	(0.3)	(2.8)	58.6	(0.1)	58.5
	1st half year 2012 restated (*)	136.4	0.3	(0.2)	136.5	-	136.5
EBIT	1st half year 2013	(9.3)	(0.4)	(16.8)	(26.5)	-	(26.5)
	1st half year 2012 restated (*)	62.3	0.2	(2.7)	59.8	(0.1)	59.7
Total assets	June 30, 2013	900.7	4.4	26.5	931.6	196.2 (**)	1,127.8
	June 30, 2012	2,750.8	3.7	41.7	2,796.2	172.4 (**)	2,968.6
Total liabilities	June 30, 2013	2,090.3	2.1	27.0	2,119.4	78.0 (**)	2,197.4
	June 30, 2012 restated (*)	3,476.8	2.4	25.2	3,504.4	69.8 (**)	3,574.2
Net invested capital	June 30, 2013	214.6	1.0	6.1	221.7	118.1 (**)	339.8
	June 30, 2012 restated (*)	1,977.6	0.1	15.4	1,993.1	59.1 (**)	2,052.2
Capital expenditure	1st half year 2013	12.0	-	2.5	14.5	-	14.5
	1st half year 2012 restated (*)	11.6	-	2.3	13.9	-	13.9
Average workforce	1st half year 2013	1,399	146	296	1,841	-	1,841
	1st half year 2012 restated (*)	1,065	210	335	1,610	-	1,610
Sales agents (average number)	1st half year 2013	1,122	-	46	1,168	-	1,168
	1st half year 2012 restated (*)	1,196	-	51	1,247	-	1,247

(*) See on "Report on Operations", paragraph "Introduction" for further details of first half year 2012 restatement.
(**) Include the financial positions of TDL group, Telegate group, following the reclassification in the 'Discontinued operations' as described in the "Report on Operations, paragraph Introduction".

Following the decision to sell the equity investment in the TDL Infomedia group, in accordance with IFRS 5, the results, assets and cash flows of the TDL Infomedia group for the first half of 2013 are shown in "Non-current assets held for sale and discontinued operations" and the statement of operations and statement of cash flows items for the first half of 2012 have been restated.
The entire UK Directories Business Area, which consisted only of the TDL Infomedia group, is therefore no longer in existence.

Key performance indicators of the Group

	1st half year 2013	1st half year 2012
Number of publihed directories		
PAGINEBIANCHE®	58	58
PAGINEGIALLE® (*)	90	112
Number of distributed directories (valued in million)		
PAGINEBIANCHE®	11.1	11.5
PAGINEGIALLE®	7.5	8.7
Number of visits (valued in millions)		
uninterrupted site acces for 30 minutes		
PAGINEBIANCHE.it® (**)	81.0	75.9
PAGINEGIALLE.it® (**)	159.4	137.3
TuttoCittà.it®	20.5	14.2
Europages.com (**)	23.0	28.2

(*) Considering the different number of directories of PAGINEGIALLE® between the first half 2013 and 2012, in the following comments have been provided also information at constant publication basis.
(**) The total traffic include the web and mobile visits and online and mobile websites of customers.

Italian Directories

Market situation

The SEAT Pagine Gialle Group is a local internet company that is well established throughout Italy, as well as having significant overseas activities. In addition to traditional print and voice advertising, it offers companies a complete range of support services to promote their business online via a network of agencies (WebPoints). SEAT's web marketing services include website and mobile site construction and management, multimedia content creation, web visibility, e-commerce and online marketing, managing clients' presence on social networks, and couponing.

Despite the fact that the market is highly fragmented and consists mainly of small and medium-sized web agencies and freelance web designers, the Company has managed to obtain a leading position, thanks in particular to a number of competitive advantages attributable to: *(i)* improved competitiveness on costs due to economies of scale and the standardization of processes; *(ii)* the possibility for customers to take advantage of the high PageRank (the popularity rating of a website assigned by Google) of SEAT proprietary websites; *(iii)* high-quality search engine optimization (SEO) techniques (activities aimed at boosting the volume of traffic that a website receives via search engines) to increase customers' web visibility; *(iv)* a number of strategic partnerships with major portals and search engines; and *(v)* the provision of multimedia content to customers (via print-voice-web/mobile channels).

In the first half of 2013, SEAT continued to focus on developing products aimed at small and medium-sized Italian businesses in order to improve their web presence, and to leverage the potential of new technologies to increase efficiency and competitiveness in local, domestic and international markets. As it aims to give companies the chance to reach their target audience by using the tools, methods and channels that are most popular with consumers, SEAT's product innovation is driven mainly by three factors: local activities, mobile services and social networking.

Revenue per product

			1st half year 2013 % on total revenues
Print			
	PAGINE GIALLE®	classified directories of italian business	7.6
	PAGINE BIANCHE®	alphabetical directories	10.7
	Altri prodotti carta		8.2
Internet&Mobile			
	PAGINE GIALLE.it®	search engine specialised in business search	46.7
	PAGINE BIANCHE.it®	search engine specialised in subscriber searches	13.8
	Glamoo	couponing	0.3
Voice			
	89.24.24. Pronto PAGINEGIALLE®	voice service which provides directory assistance valued added services	4.0
	12.40. Pronto PAGINEBIANCHE®	voice service which provides subscriber information service	
Total core revenues			**91.2**

Structure of the Business Area

The Italian Directories Business Area is organized as follows:

MAIN COMPANIES

↓

SEAT Pagine Gialle S.p.A.

↓

SEAT Pagine Gialle Italia S.p.A.

↓

Digital Local Services

Economic and financial data

The operating results for the first half of 2013 were achieved in tough economic and market conditions, with the performance affected in part by the recession of 2012 since the method for recognizing print product revenue (upon publication of the directories) and online product revenue (almost entirely on a 12-month basis) means the performance of commercial orders is visible around 6-8 months after the purchase date.

The table below shows the main results for the first half of 2013 compared with those for the same period of the previous year restated; the values were restated following the adoption, using the same reference accounting standard, of an algorithm realigning the revenue recognition period with the duration of provision of the service contractually agreed with the customer in the case of early renewal.

(euro/million)	1st half year 2013	1st half year 2012 *restated*	Change Absolute	%
Revenues from sales and services	254.5	340.6	(86.1)	(25.3)
GOP	83.5	165.2	(81.7)	(49.5)
EBITDA	61.7	136.4	(74.7)	(54.8)
EBIT	(9.3)	62.3	(71.6)	n.s.
Net invested capital	214.6	1,977.6	(1,763.0)	(89.1)
Capital expenditure	12.0	11.6	0.4	3.4
Average workforce	1,399	1,065	334	31.4

The information given below is at constant publication volumes. The publication of directories (Pagine Gialle) for the Marche, Abruzzo, Molise and Valle d'Aosta areas, which generated revenue of € 2.7 million in 2012, was postponed until the third quarter of 2013.
Italian Directories **revenue from sales and services** totaled € 254.5 million in the first half of 2013, down by 24.7% compared with the first half of 2012 *restated* and at constant publication volumes.

More specifically:

a) Core revenue: this totaled € 232.2 million in the first half of 2013, down by 24.6% compared with the corresponding period of the previous year restated and on a same-publication basis. This item breaks down as follows:

- *print*: revenue from print products, including revenue from the Pagine Gialle and Pagine Bianche iPad e-book apps launched in late April 2011, totaled € 67.2 million in the first half of 2013, down by 27.9% year on year, with a fall in revenue for both PAGINEBIANCHE® and PAGINEGIALLE®;
- *online&mobile*: online&mobile products generated revenue of € 154.7 million in the first half of 2013, down by 22.3% compared with the same period of the previous year restated, including the unbundling of the online component of PAGINEBIANCHE® revenue, net of which revenue from traditional advertising products and online marketing services fell by 19.9%. Revenue from online&mobile products accounted for 60.8% of total revenue during the period. Total traffic, including visits to PAGINEGIALLE.it® from both the web and mobile devices, as well as visits to customers' web and mobile sites, increased by 16.1% year on year, with visits totaling around 159.4 million. Visits to PAGINEGIALLE.it® and PagineGialle Mobile increased (+13.8% to 108.9 million), as did visits to web and mobile sites created for SEAT customers (+21.3% to 50.5 million). Overall traffic on PAGINEBIANCHE.it® reached around 81 million visits, up by 6.6% compared with the first half of 2012. As at the end of June, SEAT's mobile applications had achieved more than 5 million downloads (+69.9% compared with the same period in 2012) on Apple and other major platforms, with 2.5 million downloads (around 48% of the total) for PagineGialle Mobile, 1.7 million downloads (around 33%) for PagineBianche Mobile, 0.2 million downloads for 89.24.24 Mobile and 0.7 million downloads for Tuttocittà Mobile. In terms of product innovation, the Company has launched a range of new products with a view to boosting usage of its services, including in July TuttoCittà MAP, the new app for Android smartphones and tablets that helps users to get around town and to find out more about events, shows, exhibits and markets;

- *voice*: advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services totaled € 10.3 million, down by € 5.6 million (-35.1%) compared to the first half of 2012.

b) Other revenue and minor products: revenue from other products amounted to € 22.3 million in the first half of 2013, down by 25.2% compared with the corresponding period in the previous year. These refer in particular to voice traffic revenue (€ 13.7 million) generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, down by 24.0% compared with the first half of 2012.

At the end of February, the Company launched its new institutional ADV campaign on TV, online and in print, focusing on the theme of continuity, in terms of both innovation and creation of value with customers. The Company used the campaign to stress that, even in a particularly tough climate, it remains a strong and stable business able to look to the future with confidence and to invest heavily in developing information and advertising products and services for online, mobile, print and voice, and for new platforms currently being designed and launched.

GOP totaled € 83.5 million in the first half of 2013, equal to 32.8% of revenue and down by € 80.3 million at constant publication volumes on the same period of 2012. The reduction is due to the fall in revenue, which was offset only partly by lower operating costs.
Materials and external services, net of costs charged to third parties, totaled € 127.7 million in the first half of 2013, down by € 9.4 million (-6.9%) compared to the first half of 2012 *restated*. Specifically, *industrial* costs of € 53.5 million in the first half of 2013 were € 5.4 million lower than in the same period of the previous year *restated* (€ 58.9 million), owing to fewer pages being printed and lower labor costs. The reduction in the volume of calls to the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services resulted in lower inbound call center service costs (negative for € 1.6 million to € 5.9 million), while commissions to web publishers continued to rise (+€ 2.8 million to € 13.4 million) as part of the management of new online offers intended to boost web traffic. *Commercial* costs totaled € 9.5 million in the first half of 2013, down by € 4.0 million compared with the same period of 2012 *restated* (€ 53.5 million) owing mainly to lower commissions and sales costs, which, following the implementation of the *New Sales Model*, are reflected in salaries, wages and employee benefits insofar as this model brought about the creation of new Digital Local Services companies spread throughout Italy and run by employees who were previously agents (zone managers). Advertising expense of € 11.0 million in the first half of 2013 was higher than in the same period of the previous year restated as a result of new campaigns, relating mainly to voice and online products, particularly couponing. *Overheads* of € 24.7 million in the first half of 2013 were broadly in line with those incurred during the same period of 2012 *restated*.
Salaries, wages and employee benefits, net of recovered costs for personnel seconded to other Group companies, totaled € 43.2 million in the first half of 2013, up 16,9% compared to the first half of 2012, due mainly to the implementation of the New Sales Model for the reasons mentioned above.
The workforce, including directors, project workers and trainees, consisted of 1,655 employees as at June 30, 2013 (1,382 employees as at December 31, 2012).

EBITDA totaled € 61.7 million in the first half of 2013, down by € 73.3 million on the same period of the previous year *restated* and at constant publication volumes. This gave an EBITDA margin of 24.2% (40.0% in the first half of 2012 *restated*). The margin essentially reflects the downward trend in GOP, offset partially by lower provisions to the allowance for doubtful trade receivables and to the reserve for risks (€ 5.6 million). Provisions to the allowance for doubtful trade receivables totaled € 19.3 million. Although this was down on the same period in 2012, it still enabled sufficient coverage of past-due receivables.

EBIT was negative for € 9.3 million in the first half of 2013, down by € 70.2 million on the +€ 60.9 million recorded in the first half of 2012 *restated* and at constant publication volumes. The margin reflects the downturn in EBITDA, operating and non-operating amortization and depreciation (€ 31.3 million), and net non-recurring costs (€ 39.6 million), which include € 33.0 million of provisions made to cover estimated liabilities connected with implementing transactions provided for in the plan for a composition with creditors' procedure.

Net of the book value of equity investments in subsidiaries, **net invested capital** totaled € 214.6 million at June 30, 2013, down by € 107.4 million compared with December 31, 2012 (€ 322.0 million) owing mainly to the € 61.5 million reduction in trade receivables and to the € 31 million increase in non-operating reserves.
Capital expenditure totaled € 12.0 million in the first half of 2013 and related mainly to: *i)* improvements to the online and mobile platforms (approximately € 4.5 million); specifically, online focused on content enrichment

(acquisition of corporate and private free listings for self-provisioning activities, CMS for database management and acquisition of new content), identity management and improvements to platforms and research activities; *ii)* improvements to commercial online products (approximately € 2.5 million), relating mainly to the partnership with Glamoo as well as to product development (e.g. PG Click, Social ADV and new PG Banner services); *iii)* commercial and publishing improvements (approximately € 2.6 million) to upgrade the systems and adapt them to new product ranges; and *iv)* the acquisition of infrastructure for the disaster recovery program (approximately € 1.0 million).

The **average workforce** was 1,399 employees in the first half of 2013, compared with 1,065 in the first half of 2012; the increase of 334 is due mainly to the implementation of the New Sales Model, insofar as this model brought about the creation of new Digital Local Services companies (of which 74 had been set up as at the reporting date) spread throughout Italy and run by employees who were previously agents (zone managers). More employees are expected to be taken on within the new companies, which replaced the previous units headed by the zone managers.

Regulation

The regulations applicable to the activities carried out by the SEAT Group in general and by SEAT Pagine Gialle Italia S.p.A. in particular fall under the scope of the package of EU Directives on telecommunications:

- **Directive 2002/19/EC** on access to electronic communications networks;
- **Directive 2002/20/EC** on the authorization of electronic communications networks and services;
- **Directive 2002/21/EC** on a common regulatory framework for electronic communications networks and services;
- **Directive 2002/22/EC** on universal service;
- **Directive 2002/58/EC** on the processing of personal data and the protection of privacy in the electronic communications sector.

These directives were reformed and, at the end of 2009, the European Commission approved a new package of regulations: **Directive 2009/140/EC** (Directive for "Better Regulation"); **Directive 2009/136/EC** (Directive on "Citizens' Rights"); and **Regulation (EC) No 1211/2009,** which set up a supranational regulatory body, BEREC (Body of European Regulators for Electronic Communications).
While the reform came into force on May 25, 2011 in most EU countries, in Italy the time frame for adoption was longer:

- on June 1, 2012, the new **Electronic Communications Code** came into force through Legislative Decree 70 of May 28, 2012 (implementing EU Directive 2009/140/EC). As far as SEAT Pagine Gialle is concerned, the most important aspect introduced by the decree is the exclusion of telephone directories from the universal-service obligations;
- on May 28, 2012, **Legislative Decree 69** (implementing EU Directives 136/2009 and 140/2009) was issued, introducing a number of amendments to the Personal Data Protection Code (Legislative Decree 69/2012). The aspect most relevant to SEAT Pagine Gialle concerns the regulations governing the use of cookies, which state that, in order for cookies to be installed on a user's computer (for marketing or other identification purposes), the user must receive clear notification and give their express authorization. The Italian data protection agency launched a public consultation process, which ended on March 19, 2013, with a view to establishing detailed rules on the technical and communication methods used to send this notification. The Company took part in this consultation both with its own position paper and by contributing to the position papers of the major industry associations. The order will be approved in the coming months.

In January 2012, the European Commission presented its draft General Data Protection Regulation, which will supersede Directive 95/46/EC and will govern the new European legal framework on data protection, together with a directive on data processing for judicial and police purposes (this is also under discussion). Once approved, the EU Regulation shall immediately become enforceable. Unlike directives, it will not need to go through the transposition process in each Member State.
SEAT actively participated in the discussions on the text and submitted its own position paper to ensure that the final version of the Regulation takes our recommendations into consideration.

Lastly, in June 2012, AGCOM (the Italian communications regulator) issued Resolution 52/12/CIR, which revised the National Numbering Plan that governs the content, supply and retail prices of all available telephone numbers in Italy. The resolution did not introduce any major changes affecting SEAT Pagine Gialle or its directory assistance services.

Privacy - Telemarketing - New rules on the processing of data relating to persons included in public directories of telephone service subscribers: introduction of the opt-out principle and creation of the objections register
Law 166 of November 20, 2009 ("Urgent provisions for the implementation of EU obligations and the execution of judgments of the Court of Justice of the European Union") converted Decree 135 of September 25, 2009 (the "Malan amendment") into law and made significant amendments to article 130 of the personal data protection code ("unwanted communication"). The new provisions of law permit telephone processing of the data of subscribers included in telephone directories for advertising, direct sales, market research and commercial communications purposes for those who have not exercised their right to opt out. Subscribers may opt out by including their telephone number in a public opt-out register created on November 2, 2010 following the publication of Presidential Decree 178 of September 7, 2010, **"Public register of subscribers opposed to the use of their telephone number for direct-marketing purposes"**. The register, which is managed by the Ugo Bordoni Foundation, was activated on February 1, 2011.
With effect from this date:
- companies operating in the telemarketing sector may no longer contact subscribers whose numbers are included in the register. All telesales lists taken from telephone directories (such as Pagine Bianche and Pagine Gialle) must therefore be checked against the opt-out database before being used. The validity of lists containing the names of subscribers who can be contacted has been reduced to 15 days;
- direct-marketing companies must describe themselves as such to the Ugo Bordoni Foundation and must sign a contract under which they agree to match their lists with the opt-out database.

The Italian data protection agency order issued on January 19, 2011 ("Regulations on operator-assisted telephone processing of personal data for marketing purposes following the creation of the public opt-out register") stipulates that the new regulatory framework also gives businesses the right to opt out. Therefore, telesales of the products of any company aimed at a business audience may be carried out using the aforementioned matching procedure (or using lists of parties that have given their express consent). SEAT Pagine Gialle S.p.A. has therefore signed up to the opt-out register for matching.
In February 2011, the Italian data protection agency issued Order 73 of February 24, 2011 ("Models of information and request for consent to process personal data of subscribers to fixed and mobile telephone services"), which, in light of the introduction of the new opt-out regime for telemarketing activities, is aimed at telecommunications operators, with a view to clarifying the methods of including and/or keeping the data of subscribers in the single database and the publication of these data in directories.
Lastly, on May 22, 2011, the previous regulation on postal marketing, which established an opt-out system (the possibility of being contacted without express consent), without prejudice to the right of individuals to object to postal marketing by signing up to the public opt-out register, was modified within the "Development Decree" (Legislative Decree 70 of May 22, 2011 - article 6). As a result, regulations on direct marketing provided for equal treatment for telephone and postal marketing.
For SEAT Pagine Gialle Italia S.p.A., the only consequence of these developments is the elimination of the "envelope" symbol printed in the Pagine Bianche directory to indicate (under the previous regime) consent from the subscriber to receive postal marketing. This will take place as soon as an implementing order is issued by the Italian data protection agency.

Directory Assistance

Structure of the Business Area

Following the decision to sell the equity investment in the Telegate group, in accordance with IFRS 5, the results, assets and cash flows of the Telegate group for the first half of 2013 are shown in "Non-current assets held for sale and discontinued operations" and the income statement and statement of cash flows items for the first half of 2012 have been restated.
As a result, the Directory Assistance Business Area corresponds solely to Prontoseat S.r.l., to which the information below refers.

Prontoseat S.r.l.

SEAT Pagine Gialle Italia S.p.A. holds 100%

Main company events

On June 3, 2013, 2013 SEAT Pagine Gialle Italia made a capital contribution of € 1.5 million to Prontoseat to cover 2012 losses of € 1,812,848.00 that had brought about the situation pursuant to article 2482-ter of the Italian Civil Code. The situation has therefore been resolved.

The table below shows the main results for the first half of 2013 compared with those from the same period of the previous year.

	1st half year 2013	1st half year 2012	Change	
(euro/million)			Absolute	%
Revenues from sales and services	2.8	4.3	(1.5)	(34.9)
GOP	(0.2)	0.3	(0.5)	n.s.
EBITDA	(0.3)	0.3	(0.6)	n.s.
EBIT	(0.4)	0.2	(0.6)	n.s.
Net invested capital	1.0	0.1	0.9	n.s.
Capital expenditure	-	-	-	n.s.
Average workforce	146	210	(64)	(30.5)

Revenue from sales and services totaled € 2.8 million, down by 34.9% compared with the figure recorded for the first half of 2012. The fall in turnover was due mainly to lower outbound revenue (negative for € 0.9 million compared with the first half of 2012) as a result of fewer telephone sales relating to renewals of advertising contracts for print products and to the acquisition of new clients for the 12.40 Pronto PAGINEBIANCHE® service.
Inbound revenue fell by € 0.4 million owing to a reduction in call volumes handled by the 89.24.24 Pronto PAGINEGIALLE® service.

Despite revenue falling by € 1.5 million, GOP was down by only € 0.5 million compared with the first half of 2012, owing mainly to lower salaries, wages and employee benefits as a result of there being fewer telephone operators.

EBITDA and **EBIT**, a loss of € 0.3 million and € 0.4 million respectively, performed in line with **GOP**.

The **average workforce** was 146 employees in the first half of 2013 (210 employees a year earlier), 64 fewer than in the first half of 2012.

Regulation

Since Prontoseat S.r.l. operates in the call center services sector, it is subject to the same regulatory framework as the Italian Directories Business Area.

Other activities

Structure of the Business Area

This is a residual Business Area, covering all activities that do not fall within the scope of the aforementioned areas. It is organized as follows:

MAIN COMPANIES

- Europages
- Consodata S.p.A.
- Cipi S.p.A.

Main company events

During the first half of 2013, the Company took the decision to sell its equity investment in associate Cipi S.p.A. Given the immateriality of its figures compared with those for the SEAT Group, Cipi S.p.A. was classified under "Non-current assets held for sale", and therefore the assets and liabilities of Cipi S.p.A. at June 30, 2013 were shown separately in the statement of financial position, without the need to reclassify or re-presented the comparative data at June 30, 2012.

Economic and financial data

The table below shows the main results for the first half of 2013 compared with those from the same period of the previous year.

	1st half year 2013	1st half year 2012	Change	
(euro/million)			Absolute	%
Revenues from sales and services	15.4	20.4	(5.0)	(24.5)
GOP	(2.4)	0.2	(2.6)	n.s.
EBITDA	(2.8)	(0.2)	(2.6)	n.s.
EBIT	(16.8)	(2.7)	(14.1)	n.s.
Net invested capital	6.1	15.4	(9.3)	(60.4)
Capital expenditure	2.5	2.3	0.2	8.7
Average workforce	296	335	(39)	(11.6)

Below is an analysis of the data for each company that makes up the Business Area.

Europages

SEAT Pagine Gialle Italia S.p.A. holds 98.37%

Europages is a lead generation and company search platform. It has a multilingual search engine that allows users to select and contact potential suppliers, clients and distributors from 35 countries, mainly in Europe. Firms are free to create their own profile on web pages that are set up for indexing on the major search engines. Europages gives its members the chance to manage published content and to monitor a series of useful indicators for optimizing results.

The table below shows the main results for the first half of 2013 compared with those from the same period of the previous year.

	1st half year 2013	1st half year 2012	Change	
(euro/million)			Absolute	%
Revenues from sales and services	5.5	8.5	(3.0)	(35.3)
GOP	(0.5)	1.1	(1.6)	n.s.
EBITDA	(0.8)	0.9	(1.7)	n.s.
EBIT	(1.0)	0.7	(1.7)	n.s.
Net invested capital	(0.3)	1.1	(1.4)	n.s.
Capital expenditure	0.6	0.2	0.4	n.s.
Average workforce	77	84	(7)	(8.3)

In the first half of 2013, **revenue from sales and services totaled** € 5.5 million (€ 8.5 million in the first half of the previous year); the reduction was due to tough economic conditions in Italy (-44%). Revenue in other countries remained substantially stable.

Overall website traffic fell by 19% year on year. This fall was expected following structural changes to the site's pages in January. The restructuring involved removing a large number of pages with poor content in order to improve the quality and productiveness of site visits. This resulted in a 26% reduction in traffic from search engines; direct traffic, however, increased by 70%, while there was also a rise in the average number of customer profile accesses (+8%), the average duration of visits (+10%) and the number of free registrations (+20%).

GOP was negative for € 0.5 million (+€ 1.1 million in the first half of 2012); this result suffered from the above-mentioned fall in revenue.

EBITDA and **EBIT**, a loss of € 0.8 million and € 1.0 million respectively, performed in line with GOP.

Net invested capital amounted to negative for € 0.3 million as at June 30, 2013 (+€ 0.8 million as at December 31, 2012).

The **average workforce** was 77 employees in the first half of 2013 (84 in the same period of 2012).

Consodata S.p.A.

SEAT Pagine Gialle Italia S.p.A. holds 100%

For over 20 years, Consodata S.p.A., the market leader in Italy for one-to-one marketing and geomarketing, has been offering wide-ranging and innovative direct marketing services to thousands of businesses operating in various sectors. Thanks to its extensive database, Consodata S.p.A. is able to provide its customers with information on the behavior of millions of consumers using advanced marketing intelligence tools.

The table below shows the main results for the first half of 2013 compared with those from the same period of the previous year.

	1st half year 2013	1st half year2012	Change	
(euro/million)			Absolute	%
Revenues from sales and services	5.7	7.5	(1.8)	(24.0)
GOP	(0.8)	0.1	(0.9)	n.s.
EBITDA	(0.9)	-	(0.9)	n.s.
EBIT	(3.2)	(1.9)	(1.3)	(68.4)
Net invested capital	7.8	7.7	0.1	1.3
Capital expenditure	1.9	2.0	(0.1)	(5.0)
Average workforce	102	103	(1)	(1.0)

Revenue from sales and services totaled € 5.7 million in the first half of 2013, down by 24% on the same period in the previous year. This decrease was due mainly to the fall in direct marketing sales by SEAT's network of agents (-€ 1.1 million); in the first half of 2012, this business benefited from the effects of major sporting events (the European Football Championship and the Olympics).
Sales of products through the Large Clients channel and through Consodata's network of agents also fell, owing to a different marketing campaign schedule.
Business and credit information revenue rose to € 1.3 million in the first half of 2013, in line with our ever-increasing strategic focus on this area and on product type.
With revenue down by € 1.8 million, GOP was down by € 0.9 million year on year, to -€ 0.8 million in the first half of 2013.

EBITDA performed in line with GOP.

EBIT was negative for € 3.2 million, down by € 1.3 million on the first half of 2012. This result reflects the aforementioned performance of the business and includes higher non-recurring and restructuring costs (€ 0.2 million) as well as a fine of € 0.4 million from the Italian data protection agency.
Net invested capital stood at € 7.8 million at June 30, 2013 (versus € 7.7 million at December 31, 2012).

Capital expenditure totaled € 1.9 million in the first half of 2013, down slightly on the same period of the previous year (€ 2.0 million). In addition to the usual development of software platforms, these investments were aimed at enhancing databases and purchasing data banks, as well as upgrading the production and service provision IT platforms. The previous year's investments included the project to overhaul the accounting and enterprise resource planning (ERP) system, which was completed in December 2012.

The **average workforce** for the period was 102 employees in the first half of 2013, one fewer than in the first half of 2012.

Regulation

The following is an update to the situation described in the consolidated financial statements at December 31, 2012, which should be referred to for more information.

On January 10, 2013, an order of injunction was finally issued to definitively impose the fine resulting from the prohibitive order issued by the Italian data protection authority on November 26, 2009. Through this order of injunction, which imposed a fine of € 0.4 million in total, the authority issued a severe and definitive punishment, but also acknowledged that Consodata has substantially altered its behavior since 2009 with a view to bringing a more cautious and informed approach to its operating and commercial processes.

Cipi S.p.A.

SEAT Pagine Gialle Italia S.p.A. holds 100%

Cipi S.p.A. has been operating in the promotional items and corporate gifts sector since 1964, offering a wide range of promotional, merchandising and corporate gift items that can be customized with client-specific logos and brands. Its activities cover the entire value chain, including importing items, customizing them with the client's logo and selling to the end customer, either directly or through the Parent Company.

The table below shows the main results for the first half of 2013 compared with those from the same period of the previous year.

(euro/million)	1st half year 2013	1st half year 2012	Change Absolute	Change %
Revenues from sales and services	4.2	4.3	(0.1)	(2.3)
GOP	(1.1)	(1.1)	-	-
EBITDA	(1.2)	(1.1)	(0.1)	(9.1)
EBIT	(12.5)	(1.6)	(10.9)	n.s.
Net invested capital	(1.5)	6.6	(8.1)	n.s.
Capital expenditure	-	0.1	(0.1)	(100.0)
Average workforce	117	148	(31)	(21)

The market for promotional items continues to suffer a decline that started in 2008 and is particularly acute for SMEs and large companies focused exclusively on the Italian market.
Against this background, **revenue from sales and services** totaled € 4.2 million in the first half of 2013, down slightly on the first half of 2012 (€ 0.1 million). The fall in revenue was particularly acute for SEAT's sales network, although this was almost entirely offset by healthy sales through direct channels, boosted in particular by direct orders from the Large Clients (Special) segment.

GOP negative for € 1.1 million reflects the seasonal nature of the Company's business; the less favorable revenue mix (higher sales of directly imported products than of high-margin products) was offset in part by cost-cutting measures, especially in relation to the workforce.

EBITDA amounted to -€ 1.2 million and performed in line with GOP.

EBIT of -€ 12.5 million (negative for € 1.6 million in the first half of 2012) relates mainly to the € 10 million write-down of assets following their measurement at fair value. It also includes higher costs (€ 1.1 million) resulting from provisions for redundancy payouts following a voluntary-redundancy agreement with 41 workers at the Catania site.

Net invested capital was -€ 1.5 million as at June 30, 2013, a decrease of € 8.1 million compared to December 31, 2012.

There was no **capital expenditure** during the period.

The **average workforce** was 117, lower than in the same period of 2012 due to the aforementioned restructuring measure.

Other information

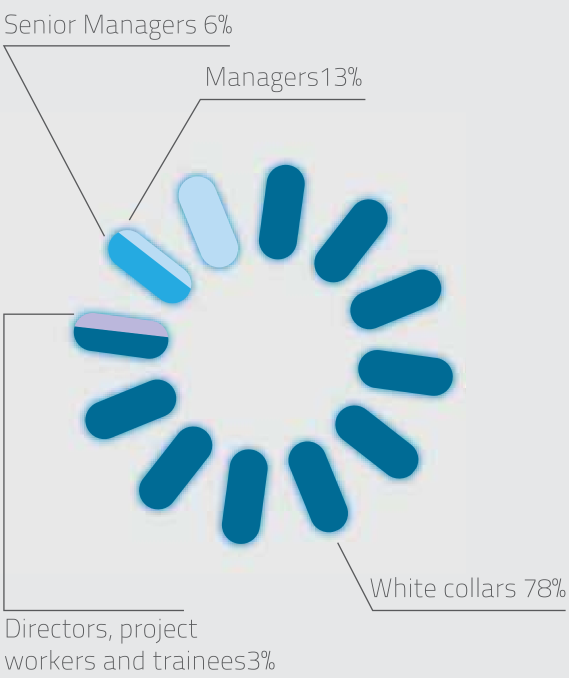
Human resources

SEAT Pagine Gialle Group

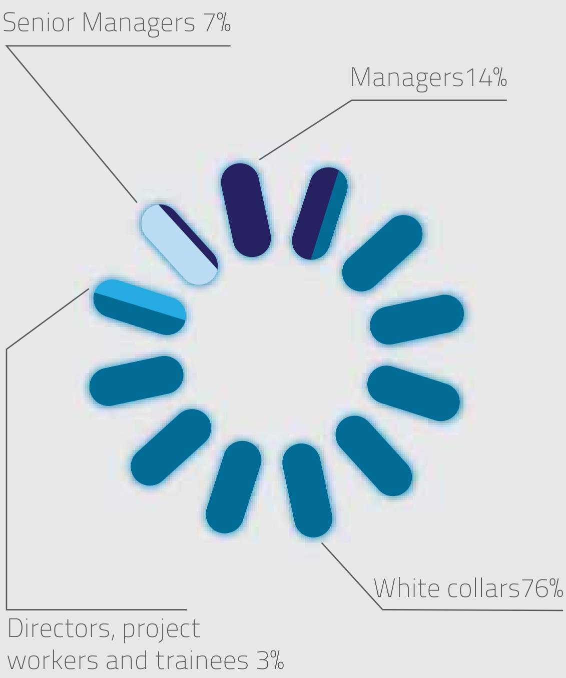
	As at 06.30.2013	As at 12.31.2012	Change
Employees	2,010	3,959	(1,949)
Directors, project workers and trainees	62	38	24
Total workforce at the end of the period	2,072	3,997	(1,925)
	1° half year 2013	1° half year 2012 *restated*	Change
Employees	1,787	1,535	252
Directors, project workers and trainees	54	75	(21)
Average workforce for the period	1,841	1,610	231

The SEAT Pagine Gialle Group had a total workforce of 2,072 employees as at June 30, 2013, down by 1,925 compared with December 31, 2012, with an average workforce during the year of 1,841 employees (1,610 in the first half of 2012 restated).
The reduction of 1,925 in the workforce is attributable mainly to the decision to dispose of equity investments in the TDL Infomedia group, the Telegate group and Cipi S.p.A., which had a combined workforce of 2,138 at December 31, 2012.
Excluding the above mentioned effect, the total workforce as at June 30, 2013 rose by 213 employees due to the Restructuring of the Sales Network (the New Sales Model), which involved the creation of new Digital Local Services companies controlled by SEAT Pagine Gialle Italia S.p.A. and located throughout Italy, with the aim of providing back-office and support services to SEAT agents. The new companies are headed by employee field managers, most of whom were previously coordinating agents (zone managers).
The increase of 231 in the average workforce for the period compared with the first half of 2012 restated is due to the Restructuring of the Sales Network, the effect of which was offset by the reduction in the number of staff employed at the Prontoseat S.r.l. call center.
As regards the distribution of human resources across the various Business Areas, following the decision to dispose of equity investments in the TDL Infomedia group, the Telegate group and Cipi S.p.A., SEAT employed 76% of the average total workforce for the first half of 2013 and generated around 93% of the Group's revenue for the period.

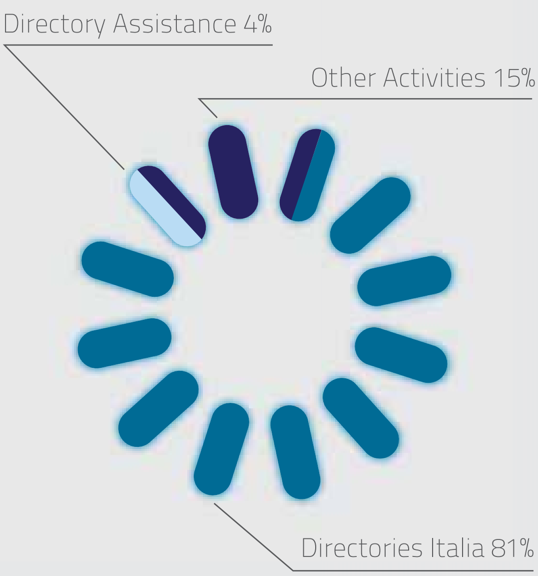
SEAT Pagine Gialle Group



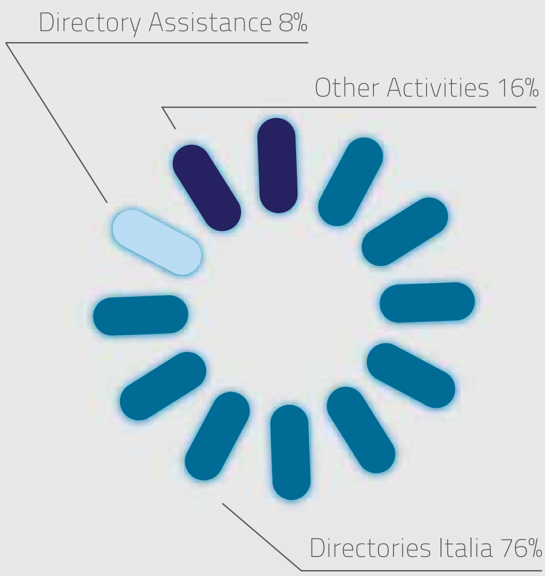
SEAT Pagine Gialle Group



Labour cost by Business Area



Average workforce by Business Area



Italian Directories (SEAT Pagine Gialle S.p.A., SEAT Pagine Gialle Italia S.p.A., Digital Local Services companies)

	As at 06.30.2013	As at 12.31.2012	Change
Employees	1,597	1,349	248
Directors, project workers and trainees	58	33	25
Total workforce at the end of the period	1,655	1,382	273
	1° semestre 2013	1° semestre 2012	Variazioni
Employees	1,348	994	354
Directors, project workers and trainees	51	71	(20)
Average workforce for the period	1,399	1,065	334

The overall difference in employees between the end of 2012 and the end of the first half of 2013 was 273. This change was due mainly to the New Sales Model, which saw the addition to SEAT's workforce of field managers and employees of the Digital Local Services companies hired to provide administrative and sales support to agents. The average workforce for the first half of 2013 underwent a similar change, increasing by around 30% compared with that of the same period in 2012.

The number of trainees rose from 24 as at December 31, 2012 to 48 as at June 30, 2013 thanks to the continuation of the Talent Factory initiative.

Sales network

As at June 30, 2013, SEAT's sales network comprised 1,069 agents and dealers (1,180 agents and dealers as at June 2012) and 137 employees (89 employees as at June 30, 2012), categorized by type of customer and market potential.
To be more specific:

- The "National Sales" channel, which is aimed at nationwide companies with specific communication needs, uses a team of highly qualified specialists to deal with customers. The channel is supported by an intelligence structure comprising Customer Marketing and Solutions, which oversees market changes, responds to requests for innovation and specialization, proposes and develops new solutions, ensures that the market approach for web-driven service levels is based on accurate customer segmentation, and uses a Coaching and Planning team to disseminate skills within the organization.
  Clients are served by a sales force of 16 employees: a Channel Head; three area managers, one sales manager for the "Government Authorities" segment and 11 key account managers.

- The Sales Division targets SMEs, from small operators to "big-spending" customers with local and specialized service requirements, aiming to provide the most suitable market coverage throughout Italy by offering different product ranges and business approaches according to the customers' segment. The country is split into nine Regional Areas, which in turn are divided into over 70 branches managed by employee field managers, two sales management areas dedicated to the big-spending (Top Customers) segment, and a telesales channel.

The Sales Division has a network of 1,023 agents, who cover the SME communication market, 41 Top Customer agents, and around 400 telesales operators.
The Group also has a sales support unit that specializes in the couponing market, consisting of 12 account staff spread throughout the country.
The restructuring of the sales model was completed in the first half of 2013, with the aim of improving support for the sales network and expanding its geographical coverage. The restructuring involved the creation of 74 regional limited-liability companies known as Digital Local Services companies, which are wholly owned by SEAT Pagine Gialle Italia S.p.A. and provide back-office and support services to the Company's agents, as well as website creation services.

Organizational development

The new structure took effect in February, with the creation of three new divisions designed to manage core business processes:

- The Sales Division is responsible for managing sales to SME and Top customers. The Field Sales department is divided into nine Regional Divisions that manage the sales force and the regional units that provide support to the network, two sales management divisions dedicated to Top customers, and a telesales channel. Three new staff divisions have been set up: Sales Intelligence, Channel Management and Sales Support and Services.
- The Product Division is responsible for managing and developing SEAT's entire product range, overseeing corporate operations and service provision, as well as R&D and business development activities. The division consists of three marketing departments, broken down according to the type of product managed (Marketing Print and Voice and Traditional Segments, Marketing Digital Directory, Web Agency, Transactional and New Business, Marketing Search and Display), a Digital Usage and Innovation department dedicated to expanding the use of Web and Mobile services, a Product Operations department that plans and manages internal and external production structures, and an Internet Factory department dedicated to managing technological platforms and delivering digital products. The division also contains a Product Training unit, which issues products to the sales network, a Program Management and Digital Operations Marketing department dedicated to project management and technical product assistance, and a Marketing Intelligence and Business Development department, whose responsibilities include business control and seeking out market opportunities and new areas of profitability.
- The Customer Division is responsible for maximizing customer satisfaction, expanding the Group's revenue and customer base by overseeing its product range and net pricing system, defining and monitoring customer service levels, and managing CRM activities. The division is divided into two Customer Marketing departments (SMEs, Large Clients and Top Customers) dedicated to customer analysis and compiling the product range, a Credit Management department to evaluate and manage the credit, a Customer Relationship Management department in charge of customer service, complaint management and the customer database, and a Business Control unit.

As part of the restructuring, the National Customers channel and the Marketing Services department, in charge of market research, branding and advertising, were merged into a single department that reports to the CEO.

Recruitment, training, Sales and Marketing, and Learning Community

Recruitment activities during the first half of 2013 focused on two main aspects: boosting the number of technical specialists within the Digital Local Services companies as part of the service agreement drawn up between these companies and SEAT Pagine Gialle Italia S.p.A., and seeking sales professionals, particularly individuals who specialize in the potential market of SEAT Pagine Gialle Italia S.p.A..

Activities carried out by SEAT Pagine Gialle Italia S.p.A.

The Company continued its activities aimed at improving its positioning on the job market, including through the use of modern employer branding tools, with a special focus on the management of corporate career pages on LinkedIn and the creation of fan pages on Facebook.

The Talent@Factory continues to produce excellent results: the scheme has now been run 15 times, with 55 employees having been hired, including 45 involved in direct sales.

The search for sales professionals resulted in 178 new hires, 148 of whom were taken on as sales assistants.

We introduced training initiatives for our employees in order to improve their managerial skills - through courses on topics such as leadership, negotiation, assertiveness, finance, communication, process management, effective presentation, and resilience - and their online capabilities, through workshops on SEAT's commercial offering. The English courses launched last year for managers and professional employees were also continued.

A training course on digital and social marketing with the MIP (Politecnico di Milano business school), designed specifically for junior employees in the Web and Mobile division, was launched in March. The Group decided to launch an online personal and professional development service for managers that enables them to access video

and audio content, as well as detailed information on managerial issues.
The team leadership courses for field managers were continued from 2012, with the aim of providing insight into the role and equipping managers with the leadership tools and skills required to effectively lead their team members.
In terms of specialist training, the Group organized technical courses aimed at IT and Product Division staff.
A large number of new hires meant it was necessary to considerably increase the range of basic courses on offer for all employees, with one scheduled every week. Course attendance rose thanks to the increase in the duration of courses from one to three weeks.
The first half of the year saw the launch of an intensive training program for existing members of the sales force. Targeted training was requested on competition for agents and on telemarketing for the Digital Local Services support staff.
For the first time in several years, a training program on sales techniques was launched. The sales value method was reintroduced, with DAT (Directors of Territorial Area), FM (Field Manager) and CA (Training Team) coordinating all participating in the Sales Game module. In the second half of the year, all agents will take part in the module, which lasts for two days. Following on from last year, new multimedia tools were designed and created and new sections were developed and updated on the Company's intranet, Yellow Friend, to facilitate the provision of training and information for the Sales Network.
New agents were offered training courses on the order entry system (SFE) and the after-sales management system (CLIMAN).
The new version of Ready2Go, the customer sales preparation program, completed the range of application-oriented products. The program is also applicable to Paginegialle, Paginebianche, Europages and Social advertising.
New front-end functions were made available for the entire sales force, making it possible to avoid visiting existing and prospective clients and allowing sales managers at various levels (team leaders, field managers, regional division managers) to oversee their agents' activities.
The Track.it application were issued to the Sales Operation structures of DAT, this application allows users to monitor whether the process of creating the product range on offer is being carried out correctly (primarily WEB). The Sales Operation units are therefore now able to analyze production errors and request that appropriate measures be taken by the Digital Local Services companies or the Product Division.
April saw the launch of the "Evaluaction" performance appraisal system, which is still in progress in the form of agent assessments carried out by Field Managers. The process was preceded by the roll-out of a training program on the system, completing the relevant form and the importance of the process for the purposes of training and developing skills and knowledge concerning successful sales. The training involved the various DAT, and in particular the relevant Training Coordinators and Field Managers.
The training activities included designing, planning and issuing new procedures and product features for the entire sales and sales support structure. More specifically, the following were introduced: the Caring project and support tools for all sales staff in relation to Evaluaction, the agent assessment process carried out by Field Managers; Web product innovations for all sales staff; the new Credit Solutions product to be rolled out for all sales staff; the new Life Time sales products for the entire sales network; and all updates to offers on other products (updates to the combined directories and OneBook products, and to the cinema). The Track.it application is soon to be rolled out, while sales preparation activities can be monitored and supported using Ready2Go.

Activities carried out under the service agreement with the Digital Local Services companies

The search for technical specialists has brought the number of media consultants and web masters in the various Digital Local Services companies throughout the country to 73 and 124 respectively. Office automation refresher courses were organized for Digital Local Service company employees (further courses are scheduled to take place between September and December). Digital Local Services company employees (Back Office Staff, Web Masters and Media Consultants) underwent skill mapping and were offered technical and behavioral training for their specific roles.
The training initiatives planned and carried out related to the development of telemarketing skills and proficiency in programs such as Access and Excel for BO staff, knowledge of proprietary web platforms and products and technical and graphics training (Photoshop/CSS, HTML) for Web Masters, and training management for Media Consultants, whose role has been transformed and developed in 2013.
All online promotion relating to the Digital Local Services companies was reviewed and updated via the creation of a new national WebPoint site and 74 local WebPoints with company fact sheets on both paginegialle.it® and paginebianche.it®. A keyword advertising campaign was also launched on the national site, with a view to facilitating contact with potential clients interested in SEAT's products or services. All local fan pages with the same editorial plan are also being reviewed and recreated in addition to local contributions.
Newly hired back-office staff were offered training courses on the order entry system (SFE) and the after-sales management system (CLIMAN).

People services

The SEAT4PEOPLE program continued its work during the first half of 2013 by signing agreements (of which there are now more than 300) and creating initiatives for SEAT employees and agents, e.g. employee service desks located at Company offices, conventions, travel events and English courses at SEAT's offices.
The SEAT community is kept up to date via SEAT4PEOPLE on the Company's intranet, Company notice boards and personalized emails. SEAT4PEOPLE also managed initiatives in cooperation with the Turin branch and other area branches of the CRAL DLF (workers' recreational organization).
SEAT4PEOPLE organized holiday camps for employees' children aged between 6 and 12 for the sixth year running; it is in the process of organizing corporate events such as the Loyalty Award for seniority with the Company, which will be held in October, and a Christmas event for children.
With a view to keeping costs down, we managed our fleet of vehicles more efficiently by using more suppliers and receiving group discounts on orders for 10 or 20 vehicles at a time.
More then 4,000 members of the Cassa Mutua health insurance scheme were provided with new policy support.

Industrial relation

In the first half of 2013, we continued to manage labor union relations in accordance with the guidelines set out in the February 2013 - January 2015 corporate restructuring plan. Issues dealt with during the period included managing expected early retirements and planning the corporate calendar (vacations, closures, etc.) based on a system of shared rules designed to balance technical and organizational interests with personal and family needs. We also broached the topic of the Cassa Mutua health insurance scheme consequently SEAT's debt situation and composition with creditors procedure, and began to discuss the amount of the 2012 Company bonus.

Property and Facilities Management

Throughout the first half of 2013, the Property and Facilities Management department provided ordinary and extraordinary maintenance and internal and external logistics services for all SEAT offices, as well as everyday services such as catering (where applicable), reception, access control and cleaning.
The department was also responsible for workplace safety and health monitoring via the Health and Safety unit.
The department's property activities involved bringing the second floor of the Milan office up to code and subsequently subletting office space to Consodata and Glamoo.
Throughout the period, the department was heavily involved in implementing the New Sales Model, providing property, logistics and security services to the individual Digital Local Services companies (operational management, reviewing, maintenance, compliance and relocation).

Litigation

a) Litigation involving SEAT Pagine Gialle S.p.A.

Disputes with the Cecchi Gori Group

With regard to disputes where SEAT Pagine Gialle S.p.A. - as the beneficiary company of the partial proportional spin-off of Telecom Italia Media S.p.A. (hereinafter the "Spun-Off Company") - is jointly and severally liable with the Spun-Off Company, pursuant to article 2506-quater, paragraph 3 of the Italian Civil Code, for payables arising from such disputes which have not been honored by the Spun-Off Company, there are still two proceedings ongoing against the Cecchi Gori Group.

1) Deed of pledge

This concerns the proceedings brought by Finmavi and Media with the Court of Milan, seeking to ascertain the invalidity or ineffectiveness of the deed of pledge with which shares in Cecchi Gori Communication S.p.A. (now HMC) held by Media had been given in guarantee to the Spun-Off Company and, in any case, seeking an order for the Spun-Off Company to pay damages of no less than 750 billion lira, plus appreciation and interest.
After losing the case at the first two instances, Finmavi and Media filed an appeal with the Court of Cassation.
At the hearing on September 20, 2007, the court accepted the appeal of Finmavi and Media, but also accepted a ground for cross-appeal put forward by the Spun-Off Company, referring the matter to another division of the Court of Appeal of Milan, including for costs relating to the Court of Cassation. By a claim filed on November 10, 2008, Finmavi and Media resumed the case with the Court of Appeal of Milan and the Spun-Off Company entered an appearance at the hearing on March 24, 2009.
The case was deferred until the hearing of June 25, 2013 for the clarification of pleadings, which was deferred once again until December 10, 2013.

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On April 6, 2011, Fallimento Cecchi Gori Group Fin.Ma.Vi. S.p.A. in liquidation and Cecchi Gori Group Media Holding S.r.l. in liquidation served the Spun-Off Company with an injunction to pay € 387,342,672.32, corresponding to the value of 11,500 shares with a nominal value of 1 million lire, representing the entire share capital of Cecchi Gori Communications S.p.A.
By serving this injunction, the two parties requested the payment of the value of the shares given as security to the Spun-Off Company.
The request is part of the dispute mentioned earlier pending before the Court of Appeal of Milan, where the Cecchi Gori Group companies have already won the right to claim compensation in the form of payment of the value of the shares given as security (the present injunction appears to have been served in order to toll the statute of limitations relating to said action for compensation, given that said action is no longer part of the pending case).
TI Media responded to the injunction with a letter dated April 7, 2011.

2) Challenge of the decision of the Shareholders' Meeting of August 11, 2000

This refers to the legal proceedings brought by Finmavi and Media against HMC concerning the decisions taken on August 11, 2000 by the Extraordinary Shareholders' Meeting of Cecchi Gori Communications S.p.A., which introduced changes to the company's Articles of Association aimed at awarding special rights to category B shareholders.
After losing the case at the first two instances, Finmavi and Media filed an appeal with the Court of Cassation, and the Spun-Off Company appeared at the hearing with a counter-appeal and cross-appeal on October 16, 2007.
To date, the hearing for debate has not been scheduled.

Dispute with the communications regulator (AGCOM)

Following the notice served in December 2010 to SEAT Pagine Gialle S.p.A., in which AGCOM stated that the Company had failed to pay the contribution it owed toward the operating costs of the regulator for the period 2006-2010, requiring it to pay around € 8.3 million, on January 29, 2011, the Company contested the notice before the Lazio regional administrative court, claiming it was unlawful due to breach of current regulations on the payment of contributions to AGCOM operating costs and due to lack of grounds. Following the request for amendment, which was subsequently supplemented at the request of AGCOM on February 16, 2011, the regulator issued a new notice on February 28, 2011 reducing the contribution deemed due for the period 2006-2010 to approximately € 3.5 million.
In a letter dated April 11, 2011, SEAT Pagine Gialle S.p.A. asked the regulator to launch proceedings to re-examine the new resolution and, at the same time, on May 2, 2011 the Company filed additional reasons opposing the new resolution under the scope of the proceedings challenging the original resolution already pending at the Lazio regional

administrative court. In a letter dated October 20, 2011, AGCOM rejected the request to re-examine the notice and asked the Company to formulate a settlement proposal setting out the terms of payment of the contribution deemed due for the period 2006-2010. Following a series of meetings with the regulator, SEAT proposed the immediate payment of the contribution in the reduced amount of €1.1 million, and - merely as a subsidiary proposal - the payment of the entire sum requested by the regulator, equal to €3,450,284, in 72 monthly installments, with effect from the resolution of the appeal pending before the Lazio regional administrative court, if unfavorable to SEAT.
Since AGCOM did not respond to the settlement proposal, on December 21, 2011, filing additional reasons, SEAT Pagine Gialle S.p.A. contested the letter rejecting the request to re-examine the notice. On January 24, 2012, AGCOM rejected the settlement proposal.
The hearing on the merits of the appeal before the regional administrative court was held on May 9, 2012, following which the Lazio regional administrative court, at SEAT's request, suspended the proceedings, through an order dated May 22, 2012, until the resolution of the request for a preliminary ruling referred to the European Court of Justice in the context of the appeal filed by Telecom Italia against the decisions taken by AGCOM on contributions.
Consequently the above, the Company set aside provisions to cover the entire 2006-2010 contribution, which is currently calculated by the regulator at € 3,450,284.

On July 18, 2013, the European Court of Justice ruled on the matter, stating that any administrative charges imposed by Member States on companies that provide services under the system of general authorization may, in total, cover only the costs incurred in the management, control and enforcement of the general authorization system. Said charges may cover only costs related to said activities in a proportionate, objective and transparent manner, and may not include other expenses.
Pursuant to this ruling, the proceedings filed by SEAT before the Lazio regional administrative court will be resumed. After hearing the cases of both parties at the hearing on the merits, the date of which will be set in the coming months, the court will rule on the dispute based on the principles set forth by the European Court of Justice in its aforementioned ruling.

b) Litigation involving SEAT Pagine Gialle Group companies

Disputes between Datagate GmbH, Telegate Media AG, Telegate AG and Deutsche Telekom AG over costs relating to the supply of telephone subscriber data

The dispute with Deutsche Telekom over costs relating to the supply of telephone subscriber data was resolved in 2012. To be more specific:

- on July 16, 2012, the Federal Court of Justice in Germany upheld the April 13, 2011 ruling of the Düsseldorf Regional Court and rejected Deutsche Telekom AG's request for an additional challenge to said ruling. The Court ordered Deutsche Telekom AG to repay a total of € 47.2 million, including interest, for the excess sums paid for the provision of telephone subscriber data;
- on November 2, 2012, the Federal Court of Justice in Germany ordered Deutsche Telekom AG to repay a further sum of around € 50 million, including interest, as compensation for excess payments made by Telegate AG for the supply of telephone subscriber data.

On May 28, 2013, the Regional Court of Cologne rejected in the first instance the case brought by Telegate AG against Deutsche Telekom AG, in which it sought € 86 million in damages for violation of competition rights in relation to the events that resulted in Deutsche Telekom AG being ordered to repay the excess sums paid for the supply of data. Telegate AG will assess whether to lodge an appeal.

Corporate Governance

Introduction

Pursuant to article 123-bis of Legislative Decree 58/98, the Company has written and published its Report on Corporate Governance and Ownership Structure for 2012. The report can be found on the Company's website, www.seat.it.
On April 24, 2013, the Company's Board of Directors resolved to adhere to the Corporate Governance Code for Listed Companies, as subsequently amended at the end of 2011 (the "Code"), identifying the necessary steps to be taken to adopt the recommendations set out therein.

Below is an update concerning only events that took place in the first half of this year.

Shareholders' Meetings

On May 2, 2013, the **Special Savings Shareholders' Meeting,** convened in a single session, appointed Stella D'Atri as their common representative for 2013, 2014 and 2015, and also approved the financial statement for the fund set up to cover the expenses required to protect their common interests.
The **meetings of holders** of the "€ 550,000,000 10½ Senior Secured Notes due 2017" (ISIN codes: XS0482702395; XS0482720025) and "€ 200,000,000 10½ Senior Secured Notes due 2017" bonds (ISIN codes: XS0546483834; XS0546484303) pertaining to SEAT Pagine Gialle Italia S.p.A. and originally issued by SEAT Pagine Gialle S.p.A. - held on June 12, 2013 - appointed Dario Loiacono as their common representative for the 2013, 2014 and 2015 financial years.
On July 25, 2013, the **Ordinary Shareholders' Meeting,** as well as approving the financial statements for the year to December 31, 2012, resolved to:

- approve the Company's statement of operations and statement of financial position as at April 30, 2013, which showed total losses (including losses for the period), net of net reserves, of € 432,885,844.60 and, consequently, equity of € 17,379,948.98, and also resolved not to take the decisions pursuant to article 2446, paragraph 1 of the Italian Civil Code at the present time, consequently the provisions of article 182-sexies of Royal Decree 267/1942;
- appoint Michaela Castelli, who had been co-opted on July 10, 2013, to the Board of Directors to replace Paul Douek, who resigned with effect from April 29, 2013;
- appoint Marco Benvenuto Lovati and Maurizio Michele Eugenio Gili as alternate statutory auditors to replace Guido Vasapolli and Guido Costa, who resigned on April 24, 2013 and May 2, 2013 respectively;
- approve Section I of the Remuneration Report pursuant to article 123-ter of Legislative Decree 58 of February 24, 1998.

With a ruling of July 17, 2013, the Court of Turin, pursuant to article 2417, paragraph 2 of the Italian Civil Code, appointed Annamaria Marcone as the common representative of holders of the "€ 65,000,000 10½ Senior Secured Notes due 2017" bonds (ISIN codes: XS0825839045; XS0825838666) pertaining to SEAT Pagine Gialle Italia S.p.A. and originally issued by SEAT Pagine Gialle S.p.A.

Board of Directors

In the first half of the year, the Board of Directors met on eleven occasions. On July 25, 2013, the Ordinary Shareholders' Meeting resolved to appoint Michaela Castelli, who had been co-opted on July 10, 2013, to the Board of Directors to replace Paul Douek, who resigned with effect from April 29, 2013.

Control and Risk Committee

On October 26, 2012, the Board of Directors elected the Control and Risk Committee for the 2012-2014 period, comprising directors Chiara Damiana Maria Burberi (as Chairman), Luca Rossetto and Harald Rösch. The Control and Risk Committee met on seven occasions in the first half of 2013, during which it:

- examined and approved the plan of action drawn up by the Internal Audit department for 2013, deeming it in line with the department's targets and the main results of the annual enterprise risk management (ERM) process;
- examined the methodology and results of the annual ERM process aimed at identifying, assessing and managing the main operating, strategic, reporting and compliance risks;
- met, together with the Board of Statutory Auditors and the Independent Auditors, with senior figures from the Administration, Finance and Control department, the Board of Statutory Auditors and the Independent Auditors to examine the main points of the separate and consolidated financial statements at December 31, 2012 and the correct use of the accounting principles adopted for the purposes of preparing said financial statements;
- met with Company management to examine the main corporate processes and analyze certain accounting issues;
- met with an external consultant hired to illustrate the methodology used to carry out impairment tests, already verified by the Independent Auditors;
- examined the "document on the organizational, administrative and accounting structure" prepared by the competent company departments in order to assist the assessment of the Company's corporate governance system, the Group structure and the organizational, administrative and accounting structure of SEAT pursuant to article 1.C.1, letter c) of the Corporate Governance Code;
- met with the representatives of the Independent Auditors to examine the results of the audit carried out;
- prepared and issued the Committee's periodic report to the Board of Directors.

Appointments and Remuneration Committee

Also on October 26, 2012, the Board of Directors elected the Appointments and Remuneration Committee for the 2012-2014 period, comprising directors Mauro Pretolani (as Chairman), Paul Douek and Francesca Fiore. Following the resignation of Paul Douek on April 29, 2013, the Board of Directors appointed Michaela Castelli to the Appointments and Remuneration Committee on July 10, 2013, and subsequently confirmed the appointment on August 6, 2013. During the first half of the year, the Committee met on four occasions, during which it approved: *(i)* the Company's new organizational model; *(ii)* the consensual termination of the employment of certain senior members of Company management; *(iii)* certain aspects of the 2012 MBO and the 2012/2013 retention bonus; *(iv)* the granting to Mr. Santelia of a bonus of € 350,000, to be paid upon approval of the plan for the composition with creditors procedure; and *(v)* the 2012 Remuneration Report. In relation to article 1.C.1, letter g) of the Code, it declared the size, composition and functioning of the Board of Directors and its committees to be adequate.

Board of Statutory Auditors

The Board of Statutory Auditors met on four occasions in the first half of 2013.
During these meetings it verified, inter alia, the correct application of the criteria and control procedures adopted by the Board to assess the independence of its members.

Chief Financial Officer

On July 24, 2013, the Board of Directors reappointed Massimo Cristofori as Chief Financial Officer.
On February 20, 2013, following the resignation of the members of the Supervisory Board pursuant to Legislative

Supervisory Board

On July 24, 2013, the Board of Directors reappointed Massimo Cristofori as Chief Financial Officer.
On February 20, 2013, following the resignation of the members of the Supervisory Board pursuant to Legislative Decree 231/2001 (Marco Reboa, Marco Beatrice and Francesco Nigri), the Board of Directors appointed a new Supervisory Board pursuant to Legislative Decree 231/2001, comprising Marco Rigotti (Professor on contract of commercial law at Bocconi University) in the role of Chairman, and Chiara Burberi and Michaela Castelli (independent directors of the Company), setting their term of office until the Shareholders' Meeting called to approve the 2014 separate financial statements.
During the first half of 2013, the Supervisory Board met on four occasions, during which it examined and assessed the steps taken by the Company with a view to adjusting and updating its Organizational Model consequently of recently introduced rules on circumstances that constitute an offence, as well as continuing its ordinary supervisory activities.

Environmental sustainability

Since the end of 2009, SEAT Pagine Gialle S.p.A. has been one of the promoters of a pan-European project, alongside other leading operators and associations representing the entire printed-paper industry.

This project, under the single brand "Print Power", can be broken down into two initiatives aimed at proving to the market that printed products are sustainable, in terms of both their advertising effectiveness and their environmental impact:

1) **"Print Power":** is an advertising campaign that highlights the effectiveness of specific qualities of printed materials (to reinforce or complement campaigns online or in other media). It is aimed at advertising investment decision-makers in companies, media centers and advertising agencies. Thanks to all the project participants making pages available for free, the multi-approach campaign, which was launched in September 2010, has featured 250 times in all the major national and regional daily newspapers, and in the main industry magazines (worth an estimated € 1.5 million).

   The first three years of the Print Power project have resulted in the following:
   - around 2,200 decision-makers of advertising investment and marketing agencies have become involved thanks to direct mailing;
   - Print Power has been represented by speakers and stands at a number of events (such as the Digital Printing Forum, the Fiera Miac, the CartaExpo, the Officine della Comunicazione Premio Freccia d'Oro, and the Salone del Libro, etc.);
   - the first edition of the Print Power report was published in 2012 and distributed to 2,000 marketing industry professionals;
   - production of Lorien Consulting study into the use and perception of paper by advertising investors, the results of which were presented at two dedicated events in 2012, at the Mediateca Santa Teresa in Milan and the Centro Congressi Unione Industriale in Turin.
   - the project has maintained an active web presence through social networks such as Twitter and LinkedIn and by publishing weekly news updates on its website, www.printpower.eu/it.

   In order to determine how effective the project is, in 2011, Print Power Europe commissioned a Synovate survey of more than 400 advertising spending decision-makers in the five biggest countries supporting the project (France, Germany, Italy, Spain and the UK). Between 2010 (before the marketing campaign was launched) and 2011, there was:
   - a slight increase in the use of newspapers and industry magazines,
   - an increase in newspaper and magazine investment intentions for the following year,
   - a significant intention to maintain investment in printed publications over the next two years.

   At the beginning of 2013 the second phase of the project was launched, with its main initiatives including:
   - a new Print Power direct marketing campaign aimed at 300 creative directors of advertising agencies;
   - the "Print Power special prize" as part of the Grand Prix Advertising Strategies, which on May 29 was awarded to North Sails for its TIGERS marketing campaign, which sees paper take a starring role whilst working in synergy with other media.

2) **"Two Sides - the green side of paper":** is an information campaign on the environmental sustainability of the printed-paper industry aimed at a wide range of individuals. The campaign uses facts and figures to highlight the recyclable nature of printed paper and to objectively overcome certain stereotypes about the presumed negative impact that this material has on the environment:
   - the European forests that provide wood to produce paper have grown by 30% compared with 1950;
   - paper is not synonymous with deforestation and pollution. On the contrary, it contributes to the sustainable management of forests thanks to the commitment of the entire paper chain;
   - paper is the most recycled material in Europe and in Italy and can be reused up to seven times, to the extent that more than half of paper produced comes from recycling.

   Begun in late 2010 (and relaunched in May 2011), the Two Sides campaign has featured 110 times in the national and local press and in magazines through adverts provided for free by project participants, for an estimated value of over € 500 thousand. The third edition of the campaign was launched in early 2013.

   SEAT's contribution consists of the publication of a full-color page in the 2010/2011 Rome, Naples and Palermo editions and the 2011/2012 Modena and Cuneo editions of PAGINEBIANCHE®, and the planned publication of the new Two Sides campaign in three volumes of the 2013/2014 edition of PAGINEBIANCHE®.

In addition to the publication of advertising pages, the Two Sides campaign has been developed online, with the launch of the Italian version of the website (www.it.TwoSides.info) and several links on social networks.

Social responsibility

In the first half of 2013, SEAT Pagine Gialle's focus was increasingly on effective, targeted measures aimed at raising awareness and fostering a culture of marketing, whilst also promoting multichannel packages (with a special focus on online and mobile) as the best way to boost business for SMEs and effectively face the effects of the crisis, in the hope of ushering in a new phase of economic and social development for the country.

To that end, SEAT Pagine Gialle assumed the role of main partner for the fourth edition of the Digital Festival (http://2013.digitalfestival.net/), one of the most popular events in Italy dedicated to all aspects of the relationship between man and digital technology. Its activities are broken down into four categories: 'Digital for Business', 'Digital for Job', 'Digital for Creativity' and 'Digital for People'.

One of the most important aspects of the Digital for Business activities in terms of training and cultural significance was the organization, in collaboration with the Turin branch of the *Confederazione Nazionale dell'Artigianato* and Small and Medium-Sized Businesses, of workshops and case history presentations on topics such as *"The internet for craftsmanship and small businesses: the potential of online business" and "Web and Business: using online marketing to boost visibility and increase business opportunities".*

As part of the Digital for Creativity events, SEAT Pagine Gialle once again used its Turin site to host CREATE24, a non-stop 24-hour competition dedicated to creative and design development through the use of applied digital arts, based on a different topic each year. This year, the focus was on the development of the world of publishing, from print to digital. To make the event more attractive and competitive, SEAT Pagine Gialle, in partnership with the Polytechnic University of Turin's I3P (Italy's leading university incubator dedicated to digital technology and one of the largest in Europe), introduced a Special Prize involving the provision of start-up services to the two projects (one "junior" and one "professional") that showed the greatest business potential.

The 2013 Digital Festival also saw the launch of the SEAT Connection Game, another activity aimed fully at fostering a digital culture in society through a fun mobile treasure hunt for the entire country. A total of 50 cities and 340 municipalities in Italy battled it out to try and win the interactive game that has taken the internet by storm: 1,500 users and 435 teams competed in the game using the free PagineBianche, PagineGialle, Tuttocittà and Glamoo apps, as well as the websites, print directories and telephone services of SEAT Pagine Gialle to complete the game's 50 challenges, contacting some 2,000 businesses. The key to the game's success lies in its interactive nature and the fact that it appealed to people's inquisitiveness whilst also being fun. The game's popularity with the community is reflected in the high number of participants: we received more than 4,000 photos showing the teams tackling challenges and solving problems, as well as 15,000 visits to the SEAT Connection Game website and 70,000 page views. Teamwork, communication, and freely available and reliable information proved to be the watchwords of this all-virtual initiative.

The method used to award the prizes was particularly interesting, involving the effective use of Glamoo couponing as a way of assessing, selecting and rewarding successful competitors.

This innovative and well-structured gamification initiative also provided the perfect opportunity to help a worthy cause: the prizes that were not given out were donated to the non-profit association CasaOz, a voluntary organization that provides crucial support and assistance to families with a sick child, helping them to find a way back to a normal life.

There was considerable interest in the research conducted by Doxa Duepuntozero, in collaboration with the Digital Festival and SEAT Pagine Gialle Italia, on the topic of "SoLoMo" (social, local and mobile). The study aimed to provide the first snapshot of the extent to which Italians have embraced the new methods of communication offered by web 2.0 platforms by exploring new ways of interacting and relating to brands and companies. The research revealed that 48% of users access social networks from mobile devices, while 42% of people use their mobile phones to look for nearby locations and 38% use them to find shops in their area. A sample of 700 SMEs with internet access showed that 40% have already successfully launched SoLoMo initiatives, but that measurement of the effectiveness of the various initiatives needs to be improved. A large number of those surveyed proved to be open to and interested in adopting SoLoMo initiatives in the near future.

The promotion of a digital culture among SMEs and young people is at the heart of the collaboration between SEAT Pagine Gialle and Microsoft Italia on "Together for the country", a traveling initiative that aims to help relaunch and develop Italy's economy through a series of training and awareness-raising events on the opportunities offered by the internet, in terms of both promoting and supporting business and creating new professionals and job opportunities. The initiative also had the honor of working with local chambers of commerce, trade associations and partners from the banking sector in the various regions it visited.

One particularly important aspect of SEAT Pagine Gialle Italia's work in the community and the commitment to the topic of "Smart Cities" and "Smart Communities" was its involvement in developing the strategic project known

as Smile (Smart Mobility Inclusion, Life and Health, and Energy), along with Turin Wireless and the Turin Smart City Foundation. The project aims to help design a master plan for the construction of an organizational model capable of boosting companies' and strategic entities' engagement and of quickly developing operating plans that can be rolled out for all aspects of a complex urban community such as Turin.
The first half of the year also saw SEAT Pagine Gialle Italia promote and actively participate in the "Innovation Stories" project launched by the Human Plus Foundation, in collaboration with the Turin Chamber of Commerce.
The project involved researching the open innovation pioneered by many SMEs, observing the good practices they use, their organizational skills and the results they achieve. The research methodology used was itself an innovation as far as Italy is concerned: the project was based on storytelling. The result was around 100 innovative stories told spontaneously by their protagonists (entrepreneurs, management and ordinary employees), as well as a rich insight into open innovation management within the country's SMEs. The material collected was compiled into a single volume of stories by 12 famous writers, and formed the basis for a research report on the companies involved.
Finally, in 2013 SEAT Pagine Gialle again took part in the "National Quality and Innovation Campaign", an important marketing campaign run by Italy's leading companies since 1989, which promotes the strategic role of quality and innovation in boosting the country's economy.

Codes of ethics

SEAT has proved its commitment to acting correctly and constantly improving relations with stakeholders by signing two codes of online conduct, which aim to promote key values within the relationship between providers and users of online services: transparency, visibility and the sharing of rules between company and consumer.

During the course of 2012, the Company:

- promoted (in collaboration with Consorzio Netcomm, an association that is part of the Italian employers' federation Confindustria and represents e-commerce companies) the "Code of self-regulation" on methods of marketing and advertising discount and savings offers in the e-commerce sector.

  The Code was signed by the leading companies in the couponing sector, guaranteeing their commitment to appropriate conduct toward consumers.

  SEAT also acted as a key partner and Company' s direct evidence at the round table on "The ethics of the new digital relations between businesses and consumers". The event, which was held on November 6, 2012, involved various members of the digital ecosystem (representatives of digital-technology think tanks, regulatory authorities, consumer associations, and digital and e-commerce companies) and saw the formal presentation of the Code of self-regulation;
- signed the "Code of self-regulation on Online Behavioral Advertising" (known as the "OBA Framework") promoted by IAB Europe and leading advertising associations (with the support of the European Advertising Standard Alliance, or EASA). The signatory companies (which include Yell, Google, Microsoft, the BBC and the Financial Times) have undertaken to provide users with clear information about their online advertising activities using a notice and control system.

European Announcements

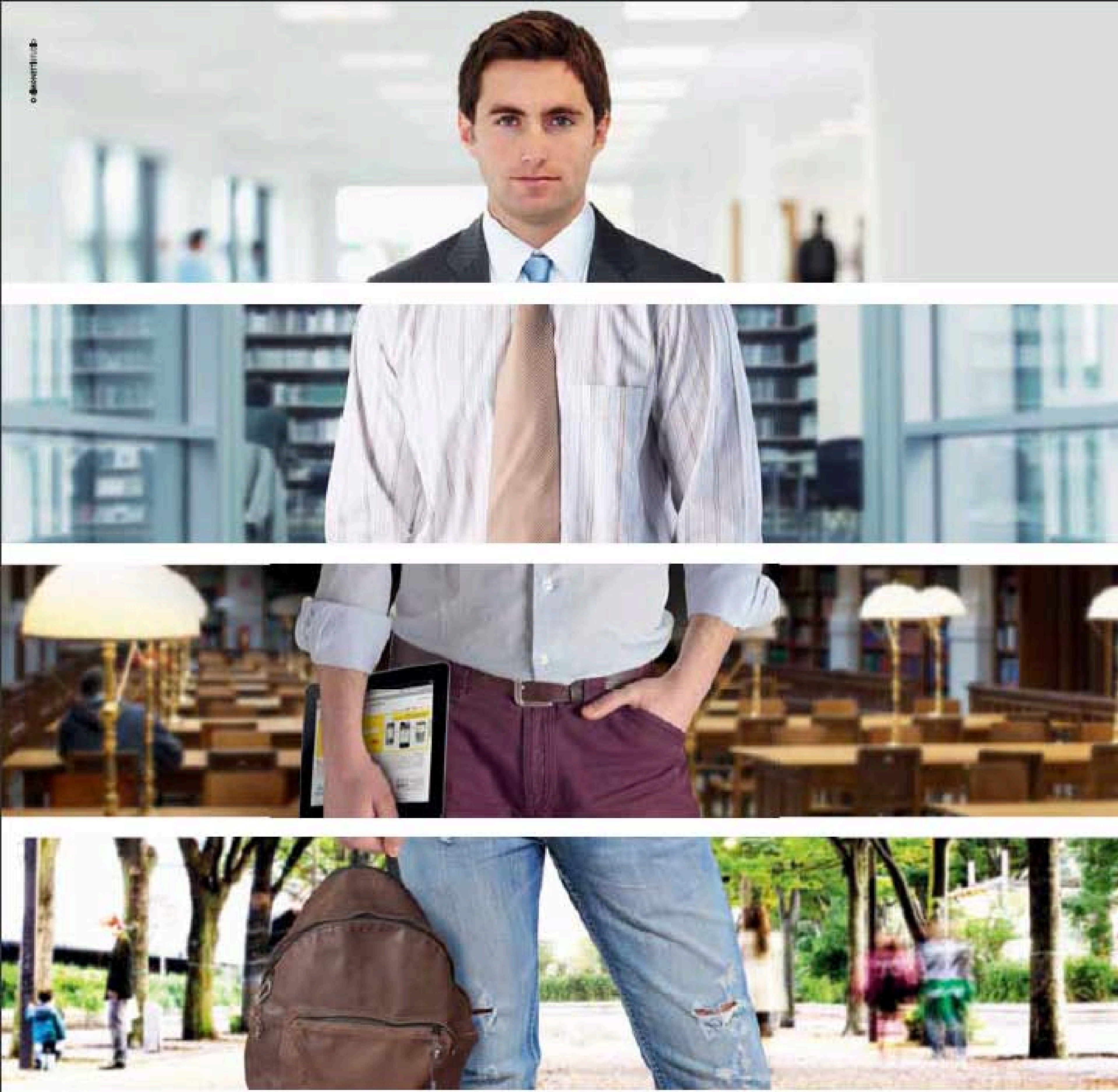
In order to promote the use of digital technology in its Member States, the European Union has created a budget dedicated to two important tools:

- the European structural announcements, within the broader European Regional Policy, under which European regions may compete for individual tranches of funding to support local innovation;
- the European Union direct-access announcements, through which the EU directly (without going via funding for individual Member States) finances projects or activities related to EU policies, such as research, innovation and education.

Consequently of the above, and since Italy has finally managed (with difficulty) to grant the announcements available locally, in October 2012 SEAT Pagine Gialle began to explore the opportunities available in relation to the "Regional Announcement" in terms of providing consultancy and support for its SME clients.

More specifically, the Company carried out two tests in Lombardy and Lazio, incorporating consultancy on access to the announcements into its overall multimedia marketing support services. The initial results of the tests were positive in terms of interest and potential, and the Company is therefore considering how best to develop this experiment in the near future.

With regard to the direct-access announcements (which require multi-national companies to come together to form pools), SEAT has launched an EU networking initiative with relevant associations and institutions, focusing on projects that the Company, together with other EU partners, may wish to develop in future.



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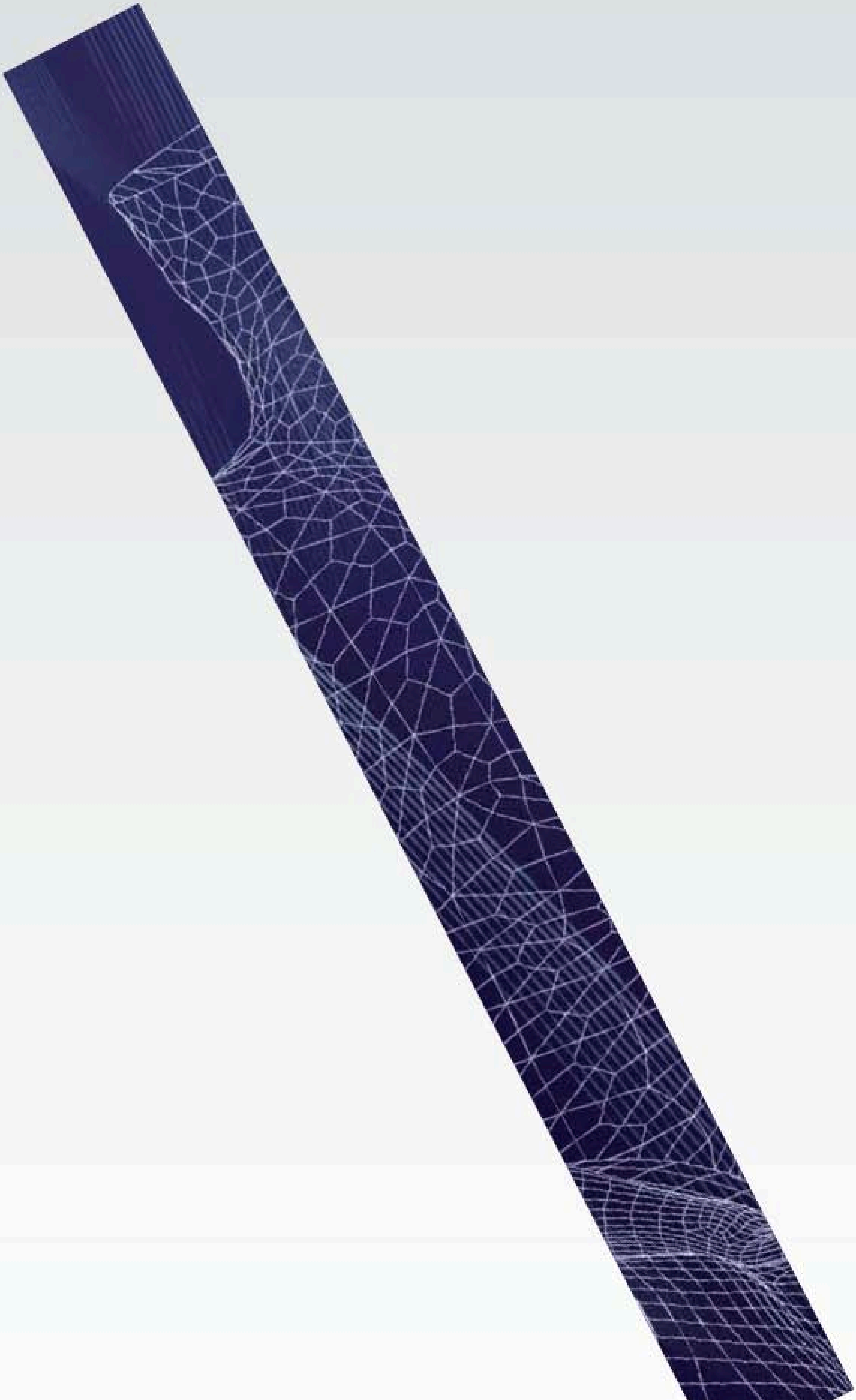
Condensed consolidated half-year financial statements



Introduction

As specified in the report on operations of the 2012 Annual Report, on February 6, 2013 SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. filed at the Court of Turin for a composition with creditors' procedure to ensure business continuity pursuant to article 161 of Royal Decree 267/1942, making a 'blank filing' pursuant to paragraph 6 of said article.

The Court gave the companies a period of 120 days, which was then extended by just under a month, until July 1, 2013, to submit the documentation necessary for admission to the procedure.

On June 28, 2013, SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. filed at the Court of Turin the proposal for composition with credito of SEAT Pagine Gialle S.p.A. and SEAT Pagine Gialle Italia S.p.A. open pursuant to article 163 of Royal Decree 267/1942; with the two procedures joined, the same order of the Court of Turin appointed Giovanna Dominici as delegated judge and Professor Enrico Laghi of Rome as judicial commissioner. The creditors' meetings were set for January 30, 2014.

As already disclosed to the market, the proposal provides for the merger by incorporation of SEAT Pagine Gialle Italia S.p.A. into the Company, followed by the repayment in full of the senior creditors not downgraded, the equitization of a portion of the senior debts downgraded to unsecured, the repayment in cash of another portion of the aforementioned debts and, finally, the repayment in cash of a portion of the other unsecured debts. As a result of the above, it is anticipated that the consolidated financial debt will be reduced by approximately € 1 billion.

Presentation of accounting data

Following the 2012 cross-border merger (the "Merger") of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A., which qualified as a reverse acquisition pursuant to IFRS 3, in order to ensure that disclosure is both compliant with IFRS financial statement preparation criteria and conducive to sufficient analysis of the Group's performance, this Half-Year Report was prepared as follows:

- in the "Financial performance of the Group" section, the comparable data for the first half of 2012 are taken from the SEAT Group's Half-Year Report at June 30, 2012 (*comparable data*), *restated* according to the methods described below;
- in the "Condensed consolidated half-year financial statements" section, the comparable data for the first half of 2012 relate to Lighthouse Company S.A..

In accordance with the New Strategic Guidelines on which the plan and proposed agreement with creditors were based, the Group decided to dispose of its equity investments in the TDL Infomedia group, the Telegate group and Cipi S.p.A.. In line with the provisions of IFRS 5, the income statement, statement of financial position and statement of cash flows figures for the TDL Infomedia group and the Telegate group for the first half of 2013 were recorded under "Non-current assets held for sale and discontinued operations" and the values of the income statement and statement of cash flows for the first half of 2012 were restated; due to the fact that the values for Cipi S.p.A. are not significant compared with those of the SEAT Group, the company was classified under "Non-current assets held for sale", and therefore only its statement of financial position figures as at June 30, 2013 were recorded separately in the statement of financial position. It was not necessary to reclassify or resubmit the relevant comparative figures as at June 30, 2012. The most significant effect of these reclassifications relates to the net financial indebtedness as at June 30, 2013, which includes the effects of the recording under "Non-current assets held for sale and discontinued operations" of a sum of approximately € 85 million, of which € 31 million relates to cash and cash equivalents.

As mentioned above, in these notes to the condensed consolidated half-year financial statements, the comparative data for the first half of 2012 relate to Lighthouse Company S.A..

Consolidated statement of financial position at June 30, 2013

Assets

(euro/thousand)		As at 06.30.2013	As at 12.31.2012	Note
Non-current assets				
Intangible assets with indefinite useful life		88,947	91,068	(4)
Intangible assets with finite useful life		251,229	325,707	(6)
Property, plant and equipment		12,562	29,641	(7)
Leased assets		36,309	38,124	(8)
Other non-current financial assets		1,465	2,037	(9)
Deferred tax assets, net		13,545	16,503	(28)
Other non-current assets		5,709	5,530	(12)
Total non-current assets	(A)	409,766	508,610	
Current assets				
Inventories		5,906	9,862	(10)
Trade receivables		249,921	360,528	(11)
Current tax assets		22,250	23,758	(28)
Other current assets		45,845	57,104	(12)
Current financial assets		1,316	2,387	(16)
Cash and cash equivalents		183,037	199,659	(16)
Total current assets	(B)	508,275	653,298	
Non-current assets held for sale and discontinued operations	(C)	209,760	-	(29)
Total assets	(A+B+C)	1,127,801	1,161,908	-

Liabilities

(euro/thousand)		As at 06.30.2013	As at 12.31.2012	Note
Equity of the Group				
Share capital		450,266	450,266	(13)
Additional paid-in capital		466,847	466,847	(13)
Reserve for foreign exchange adjustments		392	43	(13)
Reserve for actuarial gains (losses)		(674)	(1,096)	(13)
Other reserves		(1,912,522)	(869,799)	(13)
Profit (loss) for the year		(101,368)	(1,042,721)	
Total equity of the Group	(A)	(1,097,059)	(996,460)	(13)
Non-controlling interests				
Share capital and reserves		28,308	25,532	
Profit (loss) for the year		(876)	2,777	
Total non-controlling interests	(B)	27,432	28,309	(13)
Total equity	(A+B)	(1,069,627)	(968,151)	
Non-current liabilities				
Non-current financial debts		36,539	1,328,338	(16)
Non-current reserves to employees		15,595	32,511	(19)
Deferred tax liabilities, net		40,178	60,598	(28)
Other non-current liabilities		32,126	32,405	(21)
Total non-current liabilities	(C)	124,438	1,453,852	
Current liabilities				
Current financial debts		1,557,197	201,653	(16)
Trade payables		149,291	177,938	(23)
Payables for services to be rendered and other current liabilities		167,146	212,304	(23)
Reserve for current risks and charges		81,256	55,392	(22)
Current tax payables		21,817	28,670	(28)
Total current liabilities	(D)	1,976,707	675,957	
Liabilities directly associated with non-current assets held for sale and discontinued operations	(E)	96,283	250	(29)
Total liabilities	(C+D+E)	2,197,428	2,130,059	
Total liabilities and equity	(A+B+C+D+E)	1,127,801	1,161,908	

Consolidated income statement for the first half of 2013

(euro/thousand)	1st half year 2013	1st half year 2012	Note
Sales of goods	4,915	-	(25)
Rendering of services	261,914	-	(25)
Revenues from sales and services	266,829	-	(25)
Other income	2,676	139	(26)
Total revenues	269,505	139	-
Costs of materials	(10,021)	-	(26)
Costs of external services	(123,186)	(44)	(26)
Salaries, wages and employee benefits	(53,906)	-	(26)
Valuation adjustments	(19,897)	-	(11)
Provisions to reserves for risks and charges, net	(1,909)	-	(22;23)
Other operating expenses	(2,070)	-	
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	58,516	95	
Amortization, depreciation and write-down	(43,634)	-	(4-8-29)
Non-recurring costs, net	(40,159)	-	(26)
Restructuring costs, net	(1,267)	-	(26)
Operating result	(26,544)	95	-
Interest expense	(65,797)	(13)	(27)
Interest income	941	-	(27)
Gain (loss) on investments accounted for at equity	-	-	
Profit (loss) before income taxes	(91,400)	82	
Income taxes for the period	(1,767)	-	(28)
Profit (loss) on continuing operations	(93,16 7)	82	
Profit (loss) from non-current assets held for sale and discontinued operations	(9,077)	-	(29)
Profit (loss) for the period	(102,244)	82	
- of which pertaining to the Group	(101,368)	82	
- of which non-controlling interests	(876)		

		As at 06.30.2013 (*)	As at 06.30.2012
Number of SEAT Pagine Gialle S.p.A. shares		16,066,893,331	15,500
- ordinary shares	*n.*	*16,066,212,958*	*15,500*
- savings shares	*n.*	*680,373*	
weighted average shares outstanding		*16,066,893,331* (**)	*2,247,500* (***)
Profit (loss) on continuing operations	€/thousand	(93,151)	82
Profit (loss) from non-current assets held for sale and discontinued operations	€/thousand	(8,217)	-
Profit (loss) par share on continuing operations	€	(0.006)	0.036
Profit (loss) par share from non-current assets held for sale and discontinued operations	€	(0.001)	-

(*) New composition of share capital (fullly subscribed) following the merger of Lighthouse International Company S.A. into Seat Pagine Gialle S.p.A., which became effective on August 31, 2012.
(**) The figure was calculated as the average of share outstanding from January 1, 2013 to June 30, 2013.
(***) The weighted average number of shares outstanding at June 30, 2012 was calculated by multiplying the number of outstanding ordinary shares of Lighthouse SA by the exchange rate included in the merger prospectus.

Consolidated statement of comprehensive income for the first half of 2013

(euro/thousand)		1st half year 2013	1st half year 2012	Note
Profit (loss) for the period	(A)	(102,244)	82	
Other comprehensive income that will not be reclassified subsequently to profit or loss:				
Actuarial gains (loss) recognised to equity		422	-	
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax	(B1)	422	-	
Other comprehensive income that will be reclassified subsequently to profit or loss:				
Profit (loss) for "cash flow hedge" instruments			-	(13)
Profit (loss) for foreign exchange adjustments		349	-	(13)
Other movements		(4)	-	
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax	(B2)	345	-	
Total other comprehensive income, net of tax	B=(B1+B2)	767	-	
Total comprehensive profit (loss) for the period	(A+B)	(101,447)	82	
- of which pertaining to the Group		(100,601)	82	
- of which non-controlling interests		(876)	462	

Consolidated statement of cash flows for the first half of 2013

(euro/thousand)		1st half year 2013	1st half year 2012	Note
Cash inflow (outflow) from operating activities				
Operating result		(26,544)	95	
Amortization, depreciation and write-down		43,634	-	(4)-(6)-(7)
(Gain) loss on disposal of non-current assets		(3)	-	
Change in working capital		82,394	(200)	
Income taxes paid		(264)	(5)	
Change in non-current liabilities		(1,277)	-	
Foreign exchange adjustments and other movements		106	-	
Cash inflow (outflow) from operating activities	(A)	98,046	(110)	
Cash inflow (outflow) for investments				
Purchase of intangible assets with finite useful life		(13,239)	-	(6)
Purchase of property, plant and equipment		(1,270)	-	(7)
Other investments		47	-	
Proceeds from disposal of non-current assets		18	-	
Cash inflow (outflow) for investments	(B)	(14,444)	-	
Cash inflow (outflow) for financing				
Repayment of non-current loans		(1,398)	-	
Paid interest expense, net		713	(13)	
Change in financial asset and liabilities		14	-	
Cash inflow (outflow) for financing	(C)	(671)	(13)	
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(D)	(68,224)	-	(29)
Increase (decrease) in cash and cash equivalents in the period (*)	(A+B+C+D)	14,707	(123)	
Cash as at June 30 relating to subsidiaries reclassified into non-current assets held for sale and discontinued operations		(31,329)		
Cash and cash equivalents at beginning of the period		199,659	359	(16)
Cash and cash equivalents at end of the period		183,037	236	(16)

(*) The Group's cash inflow (outflow) for the period prior to the recongnito under " Non-current assets held for sale and discontinued operations" of cash relating to the TDL Infomedia group, the Telegate group and Cipi S.A. at June 30.

Statement of changes in consolidated equity between December 31, 2012 and June 30, 2013

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustment	Reserve for acturial gains and (losses)	Purchase Price Allocation Reserve	Other capital reserves	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
As at 12. 31.2012	450,266	466,847	43	(1,096)	669,572	20,196	(1,559,567)	(1,042,721)	(996,460)	28,309	(968,151)
Allocation of previous year profit (loss)	-	-	-	-	-	-	(1,042,721)	1,042,721	-	-	-
Total other comprehensive profit (loss) for the period	-	-	349	423	-	-	-	(101,368)	(100,596)	(876)	(101,472)
Other movements	-	-	-	(1)	-	-	(2)	-	(3)	(1)	(4)
As at 06.30.2013	450,266	466,847	392	(674)	669,572	20,196	(2,602,290)	(101,368)	(1,097,059)	27,432	(1,069,627)

Statement of changes in consolidated equity between December 31, 2011 and June 30, 2012

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustment	Reserve for acturial gains and (losses)	Purchase Price Allocation Reserve	Other capital reserves	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
As at 12.31.2011	31	-	-	-	-	3	657	(667,564)	(666,863)	-	(666,863)
Allocation of previous Year profit (loss)							(667,564)	667,564			
Total other comprehensive profit (loss) for the period		-	-	-	-	-	-	82	82	-	82
As at 06.30.2012	31	-	-	-	-	3	(666,907)	82	(666,791)	-	(666,791)

Accounting standards and explanatory notes

1. Company information

The SEAT Pagine Gialle Group is a major multimedia platform that provides its tens of millions of users with detailed information and sophisticated search tools, and its advertisers with a broad range of multi-platform advertising means (print, online&mobile, voice), especially highly innovative products for the internet, print directories and telephone assistance services, as well as a broad range of complementary advertising tools.

The Parent Company, SEAT Pagine Gialle S.p.A., has its registered office in Milan at Via Grosio 10/4, with its secondary site in Turin at Corso Mortara 22, and has a share capital of € 450,266 thousand.
The Group's main activities are described in the report on operations, under the heading "Financial performance by Business Area".

2. Basis of presentation

The condensed consolidated half-year financial statements at June 30, 2013 were produced pursuant to article 154-ter of Legislative Decree 58/98 and prepared in compliance with the applicable IAS/IFRS recognized by the European Union under Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular IAS 34 - Interim Financial Reporting - as well as the implementing measures of article 9 of Legislative Decree 38/2005. They do not include all the information required in annual consolidated financial statements and should therefore be read in conjunction with the SEAT Pagine Gialle Group's consolidated financial statements for 2012.
The SEAT Pagine Gialle Group adopted IAS/IFRS in compliance with Regulation (EC) No. 1606 of July 19, 2002.
The condensed consolidated half-year financial statements were drawn up based on the historical cost principle, except for pension fund assets, derivatives and financial assets held for sale, which were recorded at fair value if applicable.
The financial statement formats adopted are in line with those provided for by IAS 1. Specifically:
- *the consolidated statement of financial position* was prepared by classifying assets and liabilities as "current/non-current" and showing "Non-current assets/liabilities held for sale and discontinued operations" as two separate items, as required by IFRS 5;
- *the consolidated income statement* was prepared by classifying operating costs by type, as this is considered the best way to present the Group's activities and complies with internal reporting methods. The result from continuing operations is separated from "Net profit/(loss) from non-current assets held for sale and discontinued operations", as required by IFRS 5. In accordance with Consob Resolution 15519 of July 27, 2006, income and expense from non-recurring operations were specifically identified in the statement of operations classified by type, showing their effect on the operating result.
  Non-recurring income and expense include cases which, by their nature, do not occur continuously in the normal course of operations, such as:
  - corporate restructuring costs;
  - stock option plan costs;
  - extraordinary and highly strategic consultancy (relating mainly to identifying and implementing solutions for the financial restructuring);
  - costs linked to director and department manager severance pay;
- *the consolidated statement of comprehensive income* shows the cost and/or revenue items not yet recognized in the statement of operations with an impact on Group equity as at the reporting date;
- *the consolidated statement of cash flows* was prepared by recording cash flows from operating activities according to the "indirect method," as allowed by IAS 7, showing cash flows from operating, investment and financial activities separately from those from non-current assets held for sale and discontinued operations.

The cash and cash equivalents recorded in the financial statements include cash, checks, bank overdrafts and short-term securities that are readily convertible into cash.
Cash flows from operating activities were recorded by adjusting the operating result for the year to take into account the effects of non-monetary transactions, any deferment or setting aside of previous or future operating collections or payments, and revenue or cost items connected with cash flows from investment or financial activities or relating to non-current assets held for sale and discontinued operations.

- *The statement of changes in equity shows* the changes that took place in equity items in relation to:
  - the allocation of the profit for the year of the Parent Company and the subsidiaries to minority interests;
  - the breakdown of the total profit/(loss);
  - the effect of any errors or changes in accounting standards.

The data are presented in euros and all figures have been rounded off to the nearest thousand, unless otherwise indicated.

Together with the assessment criteria adopted in the consolidated financial statements of the SEAT Pagine Gialle Group for the 2012 financial year, an addition was made to "Non-current assets held for sale and discontinued operations".

Non-current assets held for sale and discontinued operations refer to business lines and assets (or groups of assets) sold or being disposed of whose carrying value has been or will be recovered mainly through the sale thereof, rather than through continued use. Non-current assets held for sale are valued at the lesser of net carrying value or fair value, less costs to sell.

Discontinued operations are a part of the Group that has been disposed of or classified as held for sale, and:

- represents a significant business unit or geographical area of activity;
- is part of a coordinated plan to dispose of a significant business unit or geographical area of activity; or
- is a subsidiary acquired solely to be resold.

In compliance with IFRS, data relating to significant business lines (discontinued operations) are presented as follows:

- In two specific statement of financial position items: "Non-current assets held for sale and discontinued operations" and "Liabilities directly related to non-current assets held for sale and discontinued operations".
- In a specific consolidated income statement item: "Profit/(loss) from non-current assets held for sale and discontinued operations".
- In a specific consolidated statement of cash flows item: "Cash inflow/(outflow) from non-current assets held for sale and discontinued operations".

The corresponding values relating to the previous financial year, where present, are reclassified and presented separately in the consolidated statement of operations, net of tax effect, for comparative purposes.

With regard to business lines considered not significant (assets held for sale), the statement of financial position figures alone are presented separately in two specific items ("Non-current assets held for sale and discontinued operations" and "Liabilities directly related to non-current assets held for sale and discontinued operations"); there was no need to restate the relevant comparative values.

On August 6, 2013, the Board of Directors authorized publication of the SEAT Pagine Gialle Group's condensed consolidated half-year financial statements at June 30, 2013.

2.1 Lighthouse Company S.A.'s transition to IFRS

Lighthouse International Company S.A. was a company registered under Luxembourg law that ceased to exist on August 31, 2012 following its merger into SEAT Pagine Gialle S.p.A., and prepared its financial statements in accordance with Luxembourg accounting principles. All the details of this operation are described in full in the "Introduction" section of the notes to the 2012 consolidated financial statements.

In order to prepare the financial statements of SEAT Pagine Gialle S.p.A., Lighthouse International Company S.A. voluntarily drew up half-year financial statements as at June 30, 2012, the first financial statements prepared by the company in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and adopted by the European Union (the "EU-IFRS").

No reclassifications and/or adjustments applicable to Lighthouse were identified during the transition process, and therefore there was no need to present reconciliation statements for the statement of changes in equity (including the result for the period), the statement of financial position and the statement of comprehensive income, as provided for by IFRS 1. More specifically, the application of the EU-IFRS would not have resulted in any reclassifications and/or adjustments to the statement of financial position as at January 1, 2011, June 30, 2011 and December 31, 2011, or to the statement of comprehensive income and the statement of cash flows for the six months to June 30, 2011 and for the year ended December 31, 2011 prepared in accordance with Luxembourg accounting principles.

2.2 Going concern evaluation

In accordance with the provisions of Banca d'Italia - Consob - Isvap joint document no. 2 of February 6, 2009, and just as it did for the 2012 Annual Report, when it approved this Half-Year Report, the Board of Directors had to perform the necessary checks on the Company's ability to continue as a going concern, taking into account all available information on the foreseeable future, i.e. at least the 12 months following the reporting date (although it is preferable to consider a period of 18 months, i.e. up to December 31, 2014).

The acknowledgement of the situation and of the critical outlook that led to the Board's decision to make a 'blank filing' for a composition with creditors' procedure meant immediately that the going-concern principle could not be applied for the purposes of preparing the 2012 financial statements and the Half-Year Financial Report at June 30, 2013, in the absence of specific actions to overcome the crisis afflicting the Company.

Despite the prompt reaction of the Board, which took the above steps without delay, on the same day that they approved this Report, the directors, when assessing the Company's ability to continue as a going concern, uncovered certain factors that contribute considerably to the permanence of significant uncertainties over the Company's ability to continue to operate in the foreseeable future. Notwithstanding the difficulties arising from a persistently very tough economic climate, these factors relate specifically to the following key stages of the procedure:

- **the Shareholders' Meeting taking the necessary decisions to execute the proposed agreement with creditors: this proposal provides for some of the Company**'s debts to be converted into equity by way of a reserved capital increase that will dilute the stakes of existing shareholders. At present, as there is no nucleus of major shareholders with a sufficient stake to ensure the quorums required to hold meetings and take decisions, it is impossible to predict the outcome of the meeting called to take the decisions in question;
- **the positive outcome of the creditors' meeting:** it is uncertain whether the creditors' meeting will vote in a sufficient majority to approve the proposal so it can be authorized by the Court;
- **the Court authorizing the agreement with creditors:** when investigating the matter, the Court must take into account and assess all available information, particularly the report of the commissioner appointed when the Company is admitted to the composition with creditors' procedure;
- **the approval of the composition with creditors' procedure making available positive equity** that is sufficient to bring the Company and its main operating subsidiary out of the situation pursuant to articles 2446 and 2447 of the Italian Civil Code, and to sustain business for the period covered by the plan drawn up during the Procedure;
- **uncertainties surrounding the estimates and forecasts made by the Company in relation to the composition with creditors' procedure and the viability of the plan underlying the proposal.** The actions provided for by the new strategic guidelines are subject to the completion of certain operations, including some of an extraordinary nature, for the purposes of which the Procedure must go smoothly and result in the authorization of the agreement with creditors.

In light of the above, the Board believes that for the Company to continue to operate in the foreseeable future the procedure must be successful and the agreement with creditors must be executed. Specifically, the proposed debt restructuring is essential to make the Company's debt levels compatible with its ability to generate cash and sustain its business.

Having considered the steps taken, the Board of Directors has reached the final conclusion that the reasonable assumption that the procedure will be successful (which entails, among other things, the non-implementation of articles 2446 and 2447 of the Italian Civil Code pursuant to article 182-sexies of the Bankruptcy Act) maintains the positive assessment of business continuity, thereby enabling approval, as things stand, of the Half-Year Report at June 30, 2013 on the assumption of the Company's ability to continue as a going concern.

2.3 Consolidation principles

The condensed consolidated half-year financial statements include the half-year financial statements of SEAT Pagine Gialle S.p.A. and its subsidiaries. Where necessary, these financial statements have been amended to make them consistent with the measurement criteria adopted by the Parent Company.

The subsidiaries are consolidated fully as of the date of acquisition, or the date on which the Group acquires control, and cease to be consolidated on the date on which control is transferred outside of the Group or if they are held for sale.

The following principles of consolidation were also used:

- recognition of assets, liabilities, costs and revenue in their total amount, not considering the amount of equity held, and recognizing to minority interests, in separate items, the share of equity and profit for the year pertaining to them;
- elimination of receivables and payables, as well as costs and revenue arising from intra-group transactions;
- elimination of intra-group dividends.

Unrealized intra-group profits have not been eliminated, since they are of an insignificant amount.

Associates and joint ventures are consolidated at equity.

The acquisition of new subsidiaries is accounted for using the 'acquisition method', measuring the cost of the business combination as the acquisition-date fair value

of the assets, liabilities and contingent liabilities acquired and assumed. For acquisitions during the first half, the condensed consolidated half-year financial statements include the result of these companies for the period from the date of acquisition until the end of June.
Non-controlling interests represent the portion of the results and equity of the subsidiaries not held by the Group. These are presented separately from the portions pertaining to the Group in the consolidated statement of operations and equity.
Subsidiaries' half-year financial statements that are not euro-denominated are translated into euros by applying period-end exchange rates (current exchange rate method) to individual statement of financial position items and average exchange rates for the period to individual statement of operations items. Translation differences arising from the conversion of opening equity and of closing profit/loss are recognized in equity until disposal of the equity investment concerned. The consolidated statement of cash flows applies average exchange rates for the period to the conversion of the cash flows of foreign subsidiaries.
The exchange rates used are as follows:

Currency/euro	Average exchange rate for the 1st half year 2013	Exchange rate at June, 30 2013	Average exchange rate for the 1st half year 2012	Exchange rate at June 30, 2012	Average exchange rate for the year 2012	Exchange rate at December 31, 2012
Pound sterling	1.17532	1.16658	1.21578	1.23946	1.2332	1.2253

2.4 Accounting estimates and assumptions

Preparing the condensed consolidated half-year financial statements in accordance with IAS/IFRS requires managers to make estimates and assumptions that affect revenue, cost, asset and liability items on the statement of financial position, and also affect disclosure relating to contingent assets and liabilities at the reporting date. The results produced may differ from these estimates.
The estimates are used to measure provisions for risks on receivables and error practices, amortization and depreciation, asset write-downs, employee benefits, taxes, restructuring reserves, and other provisions and reserves.
The estimates and assumptions are reviewed periodically, and the effects of each change are immediately reflected in the income statement.

3. Accounting principles and interpretations issued by the IASB/IFRIC

3.1 Accounting principles, amendments and interpretations issued by the IASB/IFRIC applicable from January 1, 2013

On May 12, 2011 the IASB issued "IFRS 13 - Measurement of Fair Value", which clarifies how fair value should be determined for the purposes of the financial statements and which is applicable to all IFRS which require or permit the measurement of fair value or the presentation of information based on fair value. The adoption of this principle did not have any significant effects on the condensed consolidated half-year financial statements as at June 30, 2013.
On December 11, 2012, Regulation (EC) No. 1255/2012 was issued, transposing into EU law the amendments made to IAS 12, which stipulates that an entity may determine deferred taxes relating to a given asset provided that it plans to recover the book value of the asset through the use or sale of the same. The adoption of these amendments did not have any significant effects on the condensed consolidated half-year financial statements as at June 30, 2013.
On June 5, 2012, Regulation (EC) No. 475/2012 was issued, transposing into EU law certain amendments made by the IASB to IAS 1, which require companies to group together all components recorded under "Other comprehensive income/(expense)" depending on whether or not they can subsequently be reclassified in the statement of operations. The adoption of these amendments did not have any effect in terms of the valuation of financial statement items, and had limited effects on the information provided in these condensed consolidated half-year financial statements as at June 30, 2013.
On March 27, 2013, Regulation (EC) No. 301/2013 was issued, transposing into EU law certain improvements to the IFRS for the 2009-2011 period.

Specifically, the improvements involved the following aspects:
- IAS 1 - clarifications on the presentation of comparative information;
- IAS 16 - classification of spare parts and servicing equipment;
- IAS 32 - tax effect of distribution to holders of equity instruments;
- IAS 34 - additional disclosure in interim financial statements relating to total assets and liabilities for the sector.

The adoption of these improvements did not have any effect on the valuation of condensed consolidated half-year financial statement items as at June 30, 2013.

On June 16, 2011, the IASB issued an amendment to "IAS 19 - Employee Benefits", to be applied retroactively for financial years beginning on or after January 1, 2013. The most significant amendment introduced by the principle is the abolition of the optional "corridor" method, under which companies could defer the recognition in their financial statements of actuarial gains and losses. The Group did not use this method. The adoption of this amendment therefore did not have any significant effects on the condensed consolidated half-year financial statements as at June 30, 2013.

On December 13, 2012, Regulation (EC) No. 1256/2012 was issued, transposing into EU law certain amendments made by the IASB to "IFRS 7 - Financial Instruments: Disclosures", requiring companies to include in their financial statements information on the impacts or potential impacts resulting from the right to offset financial assets and liabilities on the statement of financial position. The adoption of these amendments did not have any significant effects on the condensed consolidated half-year financial statements as at June 30, 2013.

3.2 Accounting principles, amendments and interpretations not yet applicable and not adopted in advance by the Group

On May 12, 2011, the IASB issued "IFRS 10 - Consolidated Financial Statements", which will replace "SIC - 12 - Consolidation: Special Purpose Entities" and parts of "IAS 27 - Consolidated and Separate Financial Statements". The latter will be renamed "Separate Financial Statements" and will govern only the accounting methods applicable to equity investments in separate financial statements. In addition to redefining the concept of control, the new principle provides a guide for determining the existence of control where it is difficult to ascertain. The principle is applicable retroactively for financial years beginning on or after January 1, 2014 at the latest. Assessments of the potential impacts of its application are under way.

On May 12, 2011, the IASB issued "IFRS 11 - Joint Arrangements", which will replace "IAS 31 - Interests in Joint Ventures" and "SIC 13 - Jointly Controlled Entities: Non-Monetary Contributions by Venturers". The new principle provides the criteria for identifying the essence of the arrangement with regard to the underlying rights and obligations, rather than the legal form, and stipulates that the equity method is the only accounting method that may be used for investments in jointly controlled companies in the consolidated financial statements. The principle is applicable retroactively for financial years beginning on or after January 1, 2014 at the latest. Although its adoption will mean that the Company will no longer be able to consolidate joint ventures proportionally, their value as a proportion of the consolidated financial statements is not significant.

Regulation (EC) No. 1254/2012 transposed into EU law the amended IAS 28, which aimed to define the accounting principles applicable to equity investments in associates, as well as the requirements for the application of the equity method in accounting for equity investments in associates and joint ventures. The principle is applicable retroactively for financial years beginning on or after January 1, 2014 at the latest. The SEAT Group does not expect the application of this principle to have a significant impact.

On May 12, 2011 the IASB issued "IFRS 12 - Disclosure of Interests in Other Entities", a new and supplementary principle on the additional information to be supplied on each type of investment, including those in subsidiaries, joint arrangements, associates, special-purpose entities and other non-consolidated special-purpose vehicles. The principle is applicable retroactively for financial years beginning on or after January 1, 2014 at the latest. Assessments of the potential impacts of its application are under way.

On April 4, 2013, Regulation (EC) No. 313/2013 was issued, transposing into EU law the "transition guide". This document amended IFRS 10, clarifying that an investor must retrospectively adjust the comparative period if the consolidation conclusions are not the same in accordance with IAS 27/SIC 12 and with IFRS 10 as at the date of initial application. The document also amended "IFRS 11 - Joint Arrangements" and "IFRS 12 - Disclosure of Interests in Other Entities", making it easier to present or amend comparative information relating to periods prior to the immediately preceding period.

On December 16, 2011, the IASB issued a number of amendments to "IAS 32 - Financial Instruments: Presentation" in order to clarify the application of some of its criteria concerning the offsetting of financial assets and liabilities. The amendments are applicable retroactively for financial years beginning on or after January 1, 2014. The SEAT Group has not identified any significant impacts resulting from the application of said amendments.

4. Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life, net of write-downs, totaled € 88,947 thousand as at June 30, 2013.

(euro/thousand)	1st half year 2013	1st half year 2012
Balance at beginning of the period	91,068	-
Accouting to D.O. / Held for sale	(2,121)	-
Balance at end of the period	88,947	-

In particular, the value of € 88,947 thousand related to the residual goodwill as at August 31, 2012 arising from the merger of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A. (€ 1,417,995), which was recorded following the allocation of the purchase cost to assets and liabilities and subsequently written down as at December 31, 2012 following an impairment test.

The reduction of € 2,121 thousand since the beginning of the period is due to the goodwill allocated to the Telegate group CGU, which was reclassified to "Non-current assets held for sale and discontinued operations". The Telegate CGU underwent *impairment* tests prior to the reclassification, which did not reveal any need to perform a write-down.

5. Impairment tests

Pursuant to IAS 36, goodwill and other intangible assets must undergo *impairment* tests once a year (normally when the separate financial statements are produced) or, if specific events or circumstances occur that may give rise to impairment, at the end of each quarter.
Information from both external and internal sources should be taken into account when assessing whether an asset may have been impaired.

To that end, for the other Group companies (with the exception of the Telegate group, which underwent an *impairment* test for the reasons described above), and in particular SEAT Pagine Gialle Italia S.p.A., to which the goodwill was allocated in full, the following external sources of information were examined: market capitalization, market interest rates, and macroeconomic and Italian advertising market forecasts. The companies' overall performance in the first half in comparison with the corresponding forecasts, in terms of both economic and financial results and order trends, was also analyzed.

These checks did not reveal any specific events or circumstances that may give rise to impairment of goodwill or of other intangible assets, and therefore *impairment* tests were not carried out on the assets in question. As described in the report on operations, the advertising market is still showing signs of weakness, although in May there was a slowdown in its decline. The market's performance will therefore continue to be monitored closely in the coming months with a view to promptly identifying any elements that could give rise to the need for impairment tests. Any tests required will be performed by the end of the current financial year.

6. Intangible assets with a finite useful life

Intangible assets with a finite useful life totaled € 251,229 thousand in the first half of 2013 and can be broken down as follows:

	1st half year 2013					1st half year 2012
(euro/thousand)	Marketing related intangibles assets	Software	Patents, concessions, brands and licences	Other intangible assets	Total	Total
Cost	215,385	299,595	144,544	28,193	687,717	-
Accrued amortisation	(54,248)	(247,301)	(41,568)	(18,893)	(362,010)	-
Balance at beginning of the period	161,137	52,294	102,976	9,300	325,707	-
- Investments	-	7,574	619	5,046	13,239	-
- Purchases	-	6,425	579	2,497	9,501	-
- Capitalized costs	-	1,149	40	2,549	3,738	
- Amortization	(10,748)	(14,575)	(3,015)	(596)	(28,934)	-
- Accouting to D.O. / held for sale	(27,958)	(7,255)	(21,495)	(2,076)	(58,784)	-
- Other movements	-	3,155	50	(3,204)	1	-
Cost	140,343	280,680	99,772	22,804	543,599	-
Accrued amortization	(17,912)	(239,487)	(20,637)	(14,334)	(292,370)	-
Balance at end of the period	122,431	41,193	79,135	8,470	251,229	-

Intangible assets with a finite useful life can be broken down as follows:

- *marketing-related intangible assets* totaled € 122,431 thousand as at June 30, 2013, of which € 84,881 thousand related to customer relationship assets and € 37,550 thousand to databases.
  The item decreased during the period due to the recording of Telegate group customer relationship assets worth € 27,958 thousand under "Non-current assets held for sale and discontinued operations" and to amortization for the period, which stood at €10,748 thousand;
- *software totaled* € 41,193 thousand as at June 30, 2013, including costs relating to acquisitions from third parties and the internal creation of proprietary programs and programs under license, particularly in the commercial, publishing and administrative areas. This item decreased during the period due to the recording under "Non-current assets held for sale and discontinued operations" of software worth € 7,255 thousand (of which € 3,629 thousand pertained to the Telegate group, € 3,555 thousand to the TDL Infomedia group and €71 thousand to Cipi S.p.A.) and to amortization for the period, which totaled € 14,575 thousand. Furthermore, € 7,574 thousand was invested to support the new online&mobile product range and to improve SEAT Pagine Gialle Italia S.p.A.'s SAP/front-end CRM platforms;
- *patents, concessions, trademarks and licenses* totaled € 79,135 thousand as at June 30, 2013, falling due to the recording of assets worth € 21,474 thousand, pertaining mainly to the Telegate group, under "Non-current assets held for sale and discontinued operations". The item relates mainly to PAGINEGIALLE.it® video rights held by SEAT Pagine Gialle Italia S.p.A.;
- *other intangible assets* totaled € 8,470 thousand as at June 30, 2013, referring mainly to software designs in progress.

Investments in the first half of 2013 totaled € 13,239 thousand, covering the following business areas:

- SEAT Pagine Gialle Italia S.p.A. (€ 10,841 thousand):
  - improvements to the online and mobile platforms. Online focused on content enrichment (acquisition of corporate and private free listings for self-provisioning activities, CMS for database management and acquisition of new content), identity management and improvements to platforms and research activities;
  - improvements to commercial online products, relating mainly to the partnership with Glamoo, as well as to product development (e.g. PG Click, Social ADV, new PG Banner services), and to the comprehensive repositioning of the web agency range with a view to responding better to customers' specific advertising needs;
  - commercial and publishing improvements to upgrade the systems and adapt them to new product ranges;
  - the acquisition of infrastructure for the disaster recovery program.
- Consodata S.p.A. (€ 1,831 thousand):
  - the development of software platforms and the purchase of databases;
  - the expansion of databases (including geo-referenced databases).

The following table gives an overview of the amortization rates used:

	1st half year 2013	1st half year 2012
Marketing related intangible assets	7-10%	7-10%
Software	7-50%	7-50%
Other intangible assets	20%	20%

7. Property, plant and equipment

Property, plant and equipment totaled € 12,562 thousand as at June 30, 2013. This item was recorded net of reserves for depreciation totaling € 46,200 thousand as at the end of the period, which as a proportion of the gross value was 78.62%.
These break down as follows:

	1st half year 2013				1st half year 2012
(euro/thousand)	Property	Plant and equipment	Other fixed assets	Total	Total
Cost	19,101	45,837	74,643	139,581	3
Accrued amortisation	(10,933)	(38,779)	(60,228)	(109,940)	(3)
Balance at beginning of the period	8,168	7,058	14,415	29,641	-
- Investiments	157	9	1,104	1,270	-
- Amortization and write-downs	(268)	(410)	(2,207)	(2,885)	-
- Accouting to D.O. / Held for sale	(7,356)	(4,822)	(3,274)	(15,452)	_
- Disposal and other movements	2	91	(101)	(12)	-
Cost	1,875	6,991	49,896	58,762	3
Accrued amortisation	(1,176)	(5,065)	(39,959)	(46,200)	(3)
Balance at end of the period	699	1.926	9,937	12,562	-

This item includes:
- *property* worth € 699 thousand as at June 30, 2013. This item reflects the recording under "Non-current assets held for sale and discontinued operations" of assets worth € 7,356 thousand, relating mainly to the Milan and Catania offices where subsidiary Cipi S.p.A. conducts its business (€ 5,897 thousand) and to the Farnborough office of UK subsidiary TDL Infomedia;
- *plant and equipment* worth € 1,926 thousand as at June 30, 2013. This item fell by € 4,822 thousand due to the recording under "Non-current assets held for sale and discontinued operations" of assets relating mainly to the technological infrastructure at the Telegate group's call centers (€ 4,409 thousand);
- *other fixed assets* worth €9,937 thousand as at June 30, 2013, of which € 8,075 thousand related to computer systems and equipment. Investments in the financial year amounted to € 1,104 thousand, of which € 787 thousand mainly related to the purchase of centralized hardware for the data center, pertaining to SEAT Pagine Gialle Italia S.p.A., in order to replace outdated equipment with new network apparatus and machines capable of better performance and lower energy consumption, and to continue our efforts to "virtualize" centralized hardware and streamline storage.

The current reserves for depreciation (€ 46,200 thousand) are considered to be adequate, for each fixed-asset class, to cover the depreciation of the assets in relation to their estimated residual useful life.
The following table gives an overview of the depreciation rates used:

	1st half year 2013	1st half year 2012
Property	3%	3%
Plantand equipment	10-25%	10-25%
Other fixed assets	10-40%	10-40%

8. Leased assets

Assets held under a finance lease amounted to € 36,309 thousand as at June 30, 2013, relating to the real-estate complex where the Parent Company has its offices in Turin.

The assets that make up the real-estate complex can be broken down as follows:

	1st half year 2013					1st half year 2012
(euro/thousand)	Leased land	Leased property	Leased plant	Other leased assets	Total	Total
Cost	5,900	33,076	16,524	3,739	59,239	-
Accrued amortisation	-	(10,421)	(8,815)	(1,879)	(21,115)	-
Balance at beginning of the period	5,900	22,655	7,709	1,860	38,124	-
- Amortization and write-downs	-	(496)	(1,105)	(214)	(1,815)	-
Cost	5,900	33,076	16,524	3,739	59,239	-
Accrued amortisation	-	(10,917)	(9,920)	(2,093)	(22,930)	-
Balance at end of the period	5,900	22,159	6,604	1,646	36,309	-

Between December 31, 2012 and June 30, 2013, these assets were amortized in the amount of € 1,815 thousand.

9. Other non-current financial assets

Other non-current financial assets amounted to € 1,465 thousand as at June 30, 2013, and refer mainly to:

- loans to employees worth € 1,309 thousand, issued at market rates for transactions of this kind;
- assets held for sale worth € 111 thousand, including € 110 thousand relating to the 2.2% stake held in Emittenti Titoli S.p.A..

10. Inventories

The value of inventories can be broken down as follows:

(euro/thousand)	1st half year 2013 Raw material, suppliers and consumables	Merchandising products	Work in progress and semi-finished goods	Finished goods	Total	1st half year 2012 Total
Balance at beginning of the period	5,704	2,015	2,003	140	9,862	-
Increase (Decrease)	(1,957)	83	187	7	(1,680)	-
Accouting to D.O. / Held for sale	(178)	(2,098)	-	-	(2,276)	-
Balance at end of the period	3,569	-	2,190	147	5,906	-

Inventories amounted to € 5,906 thousand at June 30, 2013 (€ 9,862 thousand at December 31, 2012). Raw materials and consumables refer to inventories relating to SEAT Pagine Gialle Italia S.p.A.'s print products, while products for resale refer to merchandising activities for products bought for resale by Cipi, which were recorded under "Non-current assets held for sale and discontinued operations" (in the amount of € 2,098 thousand).

11. Trade receivables

(euro/thousand)	1st half year 2013 Trade receivables	Allowance for doubtful trade receivable	Net value	1st half year 2012 Net value
Balance at beginning of the period	449,889	(89,361)	360,528	131
Provision in the statement of operations	-	(19,578)	(19,578)	-
Utilization	-	15,521	15,521	-
Accouting to D.O. / Held for sale	(51,852)	7,252	(44,600)	-
Other movements	(62,246)	296	(61,950)	633
Balance at end of the period	335,791	(85,870)	249,921	764

Trade receivables, net of provisions for doubtful receivables, totaled € 249,921 thousand as at June 30, 2013.

The allowance for doubtful trade receivables totaled € 85,870 thousand as at June 30, 2013 (€ 89,361 thousand as at December 31, 2012), including € 85,554 thousand relating to SEAT Pagine Gialle Italia, and is considered to be adequate to cover expected losses.

In the first half of 2013, € 15,521 thousand was drawn down from the allowance (of which € 15,458 thousand related to SEAT Pagine Gialle Italia S.p.A.), and a provision of € 19,578 thousand was added to it, meaning that the coverage of overdue receivables remained adequate.

Trade receivables fell in the first half of 2013 due to the recording under "Non-current assets held for sale and discontinued operations" of receivables worth € 44,600 thousand (relating mainly to the Telegate group, in the amount of € 27,228 thousand, and to the TDL Infomedia group, in the amount of € 13,077 thousand).

For a more detailed analysis of the Group's credit risk, see Note 18.

12. Other assets (current and non-current)

Other current and non-current assets totaled € 51,554 thousand as at June 30, 2013, against € 62,634 thousand as at December 31, 2012, and can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Advances on sales commissions and other recivables from agents	19,861	24,140	(4,279)
Prepaid expenses	11,899	14,805	(2,906)
Advances to suppliers	8,910	7,786	1,124
Other receivables	5,175	10,373	(5,198)
Total other current assets	45,845	57,104	(11,259)
Other non-current assets	5,709	5,530	179
Total other current assets and non-current assets	51,554	62,634	(11,080)

To be more specific:

- *advances on sales commissions and other receivables from agents* totaled € 19,861 thousand as at June 30, 2013 (€ 24,140 thousand as at December 31, 2012) and were recorded net of reserves for doubtful receivables, which totaled € 1,921 thousand as at June 30, 2013 (€ 2,033 thousand as at December 31, 2012). This includes € 40 thousand of receivables with a maturity of over 12 months, which are classified under "Other current assets" since they fall within the normal company operating cycle. These receivables were discounted using an average market rate for receivables with the same maturity;
- *prepaid expenses* as at June 30, 2013 totaled € 11,899 thousand (€ 14,805 thousand as at December 31, 2012); this item includes the deferment of direct production costs with the same frequency with which the corresponding revenue is recorded in the income statement;
- *advances to suppliers*, which totaled € 8,910 thousand as at June 30, 2013 (€ 7,786 thousand as at December 31, 2012), include € 4,327 thousand relating to advances paid to Rotosud S.p.A., the printing company (€ 5,536 thousand as at December 31, 2012).

13. Equity

Equity can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Share capital	450,266	450,266	-
- ordinary shares	*450,247*	*450,247*	-
- savings shares	*19*	*19*	-
Additional paid-in capital	466,847	466,847	-
Reserve for foreign exchange adjustments	392	43	349
Reserve for actuarial gains (losses)	(674)	(1,096)	422
Other reserves	(1,912,522)	(869,799)	(1,042,723)
- Reserve for transition IAS/IFRS	*161,651*	*161,651*	-
- Reserve for Purchase Price Allocation	*669,572*	*669,572*	-
- Reteined earnings (losses)	*(2,743,745)*	*(1,701,022)*	*(1,042,723)*
Profit (loss) for the y ear	(101,368)	(1,042,721)	941,353
Total equity of the Group	(1,097,059)	(996,460)	(100,599)
Share capital and reserves	28,308	25,532	2,776
Profit (loss) for the year	(876)	2,777	(3,653)
Total non-controlling interests	27,432	28,309	(877)
Total equity	(1,069,627)	(968,151)	(101,476)

Share capital

Share capital totaled € 450,266 thousand as at June 30, 2013, unchanged from December 31, 2012.
As at June 30, 2013, the share capital comprised 16,066,212,958 ordinary shares and 680,373 savings shares. None of the shares has a par value.
Of the share capital, € 13,741 thousand was subject to taxation in case of distribution. Deferred tax liabilities were not calculated on this amount, since SEAT Pagine Gialle S.p.A. is not planning to pay it out.

Additional paid-in capital

Additional paid-in capital totaled € 466,847 thousand as at June 30, 2013, unchanged from December 31, 2012.
A total of € 142,619 thousand was considered to be subject to taxation in case of distribution due to the realignment carried out in 2005 between the book value and the tax value of the customer database, pursuant to Law 342/2000. Deferred tax liabilities were not calculated on this amount, since the Parent Company is not planning to pay it out.

Reserve for foreign-exchange adjustments

The reserve for foreign-exchange adjustments was € 392 thousand as at June 30, 2013 (€ 43 thousand as at December 31, 2012) and related to the consolidation of the TDL Infomedia group, whose financial statements were drawn up in sterling.

Reserve for actuarial gains/(losses)

The reserve for actuarial gains/(losses) was -€ 674 thousand (€ 1,096 thousand as at December 31, 2012) and included the cumulative effect of recording actuarial gains/(losses) on defined-benefit pension plans (TDL Infomedia group pension funds and, for Italian companies, the reserve for severance indemnities) due to their recognition in the financial statements pursuant to IAS 19, paragraph 93A.
For more details on how these amounts were determined, see Note 19.

Other reserves

Other reserves totaled -€ 1,912,522 thousand as at June 30, 2013 (€ 869,799 thousand as at December 31, 2012) and refer to:
- the reserve for adoption of IAS/IFRS, which totaled € 161,651 thousand as at June 30, 2013;
- the purchase price allocation reserve, which totaled € 669,572 thousand as at June 30, 2013 (unchanged compared to December 31, 2012) and was recorded following the allocation to assets and liabilities of the fair value (purchase cost), net of tax effect;
- other reserves and retained earnings/(losses), which were negative for € 2,743,745 (€ 1,701,022 thousand as at December 31, 2012) and included the SEAT Pagine Gialle S.p.A. legal reserve (€ 50,070 thousand).

14. Total other comprehensive profit/(loss)

(euro/thousand)		1st half year 2013	1st half year 2012
Other comprehensive income that will not be reclassified sub sequently to profit or loss:			
Actuarial gains (loss) recognised to equity		544	
Tax effect of actuarial gain (loss) recognised to equity		(122)	
Total other comprehensive income that will not be reclassified subsequently to profit or loss	(B1)	422	
Other comprehensive income that will be reclassified sub sequently to profit or loss:			
Profit (loss) for foreign exchange adjustments		349	
Loss (profit) for foreign exchange adjustments reclassified to statement of operations		–	–
Profit (loss) for "cash flow hedge" instruments		–	–
Loss (profit) for "cash flow hedge" instruments reclassified to statement of operations		–	–
Other movement in the period		(4)	
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax	(B2)	345	
Total other comprehensive profit (loss), net of tax effect	(B1+B2)	767	

15. Profit/(loss) per share

Profit/(loss) per share is calculated by dividing the Group's profit or loss by the average number of shares in circulation throughout the year.

		As at 06.30.2013 (*)	As at 06.30.2012
Number of SEAT Pagine Gialle S.p.A. shares		16,066,893,331	15,500
- ordinary shares	*n.*	*16,066,212,958*	*15,500*
- savings shares	*n.*	*680,373*	
weighted average shares outstanding	*n.*	*16,066,893,331 (**)*	*2,247,500 (***)*
Profit (loss) on continuing operations	€/thousand	(93,151)	82
Profit (loss) from non-current assets held for sale and discontinued operations	€/thousand	(8,217)	-
Profit (loss) par share on continuing operations	€	(0.006)	0.036
Profit (loss) par share from non-current assets held for sale and discontinued operations	€	(0.001)	-

(*) New composition of share capital (fullly subscribed) following the merger of Lighthouse International Company S.A. into Seat Pagine Gialle S.p.A., which became effective on August 31, 2012.

(**) This figure was calculated as the average of share outstanding from January 1, 2013 to June 30, 2013.

(***) The weighted average number of shares outstanding at June 30, 2012 was calculated by multiplying the number of outstanding ordinary shares of Lighthouse SA by the exchange ratio included in the merger prospectus.

16. Net financial indebtedness

Net financial indebtednes totaled € 1,409,383 thousand as at June 30, 2013 (€ 1,327,945 thousand as at December 31, 2012), and can be broken down as follows:

(euro/thousand)		As at 06.30.2013	As at 12.31.2012	Change
Cash	A	183,037	199,659	(16,622)
Cash equivalent	B	-	-	-
Trading securities	C	-	-	-
Liquidity	D=(A+B+C)	183,037	199,659	(16,622)
Current Financial Receivable to third parties	E.1	1,316	2,387	(1,071)
Current Financial Receivable to related parties	E.2	-	-	-
Current financial debt to bank	F	683,348	92,757	590,591
Current portion of non-current debt	G	4,180	73,685	(69,505)
Other current financial debt to third parties	H.1	869,669	35,211	834,458
Other current financial debt to related parties	H.2	-	-	-
Current Financial Debt	I=(F+G+H)	1,557,197	201,653	1,355,544
Net Current Financial Indebtedness	J=(I-E-D)	1,372,844	(393)	1,373,237
Non current Bank loans	K	-	501,116	(501,116)
Bonds Issued	L	-	789,405	(789,405)
Other non current loans to third parties	M.1	36,539	37,817	(1,278)
Other non current loans to related parties	M.2	-	-	-
Non Current Financial Debt	N=(K+L+M)	36,539	1,328,338	(1,291,799)
Net Financial Indebtedness (ESMA)	O=(J+N)	1,409,383	1,327,945	81,438

As described at the beginning of the section of the report on operations entitled "Reclassified consolidated statement of financial position as at June 30, 2013", the effect of recording to "Non-current assets/liabilities held for sale and discontinued operations", pursuant to IFRS 5, on net financial debt as at June 30, 2013 was approximately € 85 million, of which € 31 million related to cash and cash equivalents; the figures relating to the Telegate group were € 84 million and € 29 million respectively.

A description of the items that make up net financial debt is provided below:

Non-current financial debt

This item amounted to € 36,539 thousand as at June 30, 2013 (€ 1,328,338 thousand as at December 31, 2012) and can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Non current Bank loans	-	501,116	(501,116)
Bonds Issued	-	789,405	(789,405)
Other non current loans to third parties	36,539	37,817	(1,278)
Non Current Financial Debt	36,539	1,328,338	(1,291,799)

Other non-current financial payables relate to the seven finance leases (six with effect from December 2008 and one with effect from the end of October 2009) raised for the purchase of the Turin real-estate complex of SEAT Pagine Gialle Italia S.p.A. These leases provide for repayment through the remaining 42 installments on the contracts with effect from December 2008 and the remaining 46 installments on the contract with effect from October 2009. All installments are quarterly deferred installments subject to a floating interest rate equal to three-month Euribor plus a spread of around 65 basis points p.a. The residual value is fixed at around 1% of the value of the real-estate complex.

Current financial debt

This item amounted to €1,557,197 thousand as at June 30, 2013 (€ 201,653 thousand as at December 31, 2012) and can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Current financial debt to bank	683,348	92,757	590,591
Current portion of non-current debt	4,180	73,685	(69,505)
Other current financial debt to third parties	869,669	35,211	834,458
Current Financial Debt	1,557,197	201,653	1,355,544

It includes mainly:
- *Current payables to banks*: these totaled € 683,348 thousand as at June 30, 2013 (€ 92,757 thousand as at December 31, 2012) and related to the senior debt with The Royal Bank of Scotland, broken down as follows:
  a) € 571,116 thousand relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4% p.a.;
  b) € 90,000 thousand relating to the revolving credit line aimed at covering the working capital requirements of SEAT Pagine Gialle Italia S.p.A. and/or its subsidiaries, which bears a floating interest rate equal to Euribor plus the same spread used for the term facility;
  c) € 22,232 thousand relating to accrued and unpaid interest expense on the term facility and the revolving facility with The Royal Bank of Scotland.
- *Current portion of non-current debt*: this totaled € 4,180 thousand at June 30, 2013 (€ 73,685 thousand at December 31, 2012) and referred to the current portion of the seven finance leases relating to the purchase of SEAT Pagine Gialle Italia S.p.A.'s Turin real-estate complex; at December 31, 2012, this item included € 70,000 thousand relating to the current portion of the senior debt with The Royal Bank of Scotland, the full value of which is shown at June 30, 2013 under "Current payables to banks".
- *Other current financial debt to third parties*: this totaled € 869,669 thousand at June 30, 2013 (€ 35,211 thousand at December 31, 2012) and referred to senior secured bonds in the amount of € 791,627 thousand (€ 779,445 thousand as the net value of the issuance plus € 12,182 thousand relating to the total share of discount accrued at June 30, 2013) and to accrued and unpaid interest expense (€ 77,875 thousand), of which € 42,219 thousand fell due on January 31, 2013 on said bonds. The three issues (two in 2010 and the one in August 2012), with a combined nominal value of € 815,000 thousand, mature on January 31, 2017, with a nominal yield of 10.5% to be paid half-yearly at the end of January and the end of July each year.

Changes *in non-current and current financial debt* between December 31, 2012 and June 30, 2013 were due to the reclassification under current financial debt of the senior secured bonds and the senior debt with The Royal Bank of Scotland. The reclassification was necessary in light of the payment default at the beginning of 2013. The relevant loan agreements contain an acceleration clause, making the debt fully and immediately repayable in the event of default. The aforementioned debts were thus reclassified as non-current in accordance with paragraph 74 of IAS 1.

The senior debt to The Royal Bank of Scotland and the debt to Leasint S.p.A. bear floating-interest rates linked to the Euribor rate. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments.

Current financial assets

Current financial assets totaled €1,316 thousand at June 30, 2013 (€ 2,387 thousand at December 31, 2012), referring to financial receivables of € 836 thousand (€1,981 thousand as at December 31, 2012) and to loans to employees of € 480 thousand (€ 406 thousand as at December 31, 2012).

Cash and cash equivalents

Cash and cash equivalents totaled €183,037 thousand as at June 30, 2013 (€ 199,659 thousand as at December 31, 2012) and refer mainly to SEAT Pagine Gialle Italia S.p.A., in the amount of € 182,111.

17. Guarantees provided, main commitments and contractual rights

As part of the debt refinancing of the SEAT Pagine Gialle Group implemented in 2012 (for more details, please refer to the "Introduction" section of these notes), on August 31, 2012, pursuant to a deed drawn up by Filippo Zabban, Notary of Milan (ref. no. 63.797/10.484), the Company transferred to its wholly owned subsidiary SEAT Pagine Gialle Italia S.p.A., with effect from September 1, 2012, the *business unit in which activities involve providing customers with advertising and search tools, via the "print", "voice" and "online" channels, as well as web marketing services, relating mainly to online visibility/advertising*. In this regard, pursuant to article 2560 of the Italian Civil Code, *(i)* SEAT Pagine Gialle Italia S.p.A. is responsible for the Company's debts pertaining to the aforementioned business unit and arising from accounting entries prior to the transfer, but *(ii)* the Company remains obligated to the relevant creditors and is therefore jointly and severally liable to them with SEAT Pagine Gialle Italia S.p.A..

With regard to the liabilities included in the aforementioned business unit, the transfer also involved SEAT Pagine Gialle Italia S.p.A. assuming the obligations arising from the senior secured bonds issued by the Company in 2010 and 2012, without prejudice to the Company remaining liable for these debts, as specified above.

The wholly owned subsidiary SEAT Pagine Gialle Italia S.p.A. is also party, in a borrowing capacity and as part of the previously described financial restructuring, to a facilities agreement with the Milan branch of The Royal Bank of Scotland plc for a total amount of € 686,115,979.95, taken out on August 31, 2012 and governed by UK law.

The Company and some of its subsidiaries have each given a personal guarantee in relation to this facilities agreement with The Royal Bank of Scotland plc, consisting of the fulfillment of all of SEAT Pagine Gialle Italia S.p.A.'s obligations (capital, interest, accessory commitments and charges) arising from the loan agreement and from the related financial documentation. The guarantee given by the Company is up to a maximum of € 1,029,173,970.

The obligations arising from the facilities agreement with The Royal Bank of Scotland plc are also secured, among other things, by pledges given by the Company on shares in SEAT Pagine Gialle Italia S.p.A. and in other companies of the SEAT Pagine Gialle Group, by a pledge on the main proprietary trademarks of SEAT Pagine Gialle Italia S.p.A., by a special lien on certain capital goods of SEAT Pagine Gialle Italia S.p.A., by a pledge on SEAT Pagine Gialle Italia S.p.A. current account credit balances, and by a fixed and floating charge under UK law on assets of TDL Infomedia and Thomson. These guarantees, with the exception of the special lien on SEAT Pagine Gialle Italia S.p.A. capital goods, are given equally against the obligations arising from the senior secured bonds.

The lease agreements originally taken out by the Company with Leasint S.p.A., and the obligations arising therefrom, were transferred to SEAT Pagine Gialle Italia S.p.A. as part of the transfer of the business unit. There is no specific guarantee against these obligations, although the leased properties are owned by Leasint S.p.A., which can therefore generate revenue from their sale should SEAT Pagine Gialle Italia S.p.A. fail to fulfill said obligations.

The facilities agreement with The Royal Bank of Scotland plc requires that the SEAT Group comply with specific financial covenants, which are monitored quarterly and relate to the maintaining of certain ratios between: *(i)* net financial debt and EBITDA; *(ii)* EBITDA and interest on debt; and *(iii)* cash flow and debt service (including interest and capital payable in each reference period).

As is customary for transactions of this kind, by establishing operating conditions and limits, the aforementioned facilities agreement also governs other aspects, such as the disposal of assets and/or equity investments, and the possibility of recourse to additional debt, of making acquisitions or investments, of paying dividends, and of carrying out capital transactions, this being in relation to the borrower, SEAT Pagine Gialle Italia S.p.A., but also to a large extent to the guarantors (including the Company) and to the other Group companies. The US-law indentures that govern the senior secured bonds contain similar provisions.

With the Company and SEAT Pagine Gialle Italia S.p.A. making 'blank filings' for a pre-bankruptcy agreement with creditors pursuant to article 161, paragraph 6 of Royal Decree 267/1942, in accordance with the principle of equal treatment of creditors, no information has been provided to The Royal Bank of Scotland concerning compliance with the aforementioned financial covenants.

18. Information on financial risks

Market risk

In the normal course of business, the SEAT Pagine Gialle Group is subject to interest rate risk and foreign-exchange risk. These market risks concern in particular the debt due to The Royal Bank of Scotland, as well as the debt due to leasing company Leasint S.p.A. and receivables and payables in foreign currency (sterling in particular).

The SEAT Pagine Gialle Group constantly monitors the financial risks to which it is exposed, in order to assess the potential negative effects of these risks in advance and take appropriate action to mitigate them. These risks are managed, where necessary, through the use of derivatives, in line with the Group's risk management policies. Within the framework of these policies, the use of derivatives is reserved for managing exposure to fluctuations in exchange rates and interest rates related to cash flows and assets and liabilities. No speculative transactions are carried out. In order to limit its exposure to interest rate risk, SEAT Pagine Gialle S.p.A. has taken out cash flow hedge instruments with leading international financial operators. All hedging instruments had been definitively settled as at the completion of the debt restructuring on September 6, 2012. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments.

Financial market risk policy of the SEAT Pagine Gialle Group

This policy provides for:
- constant monitoring of the level of exposure to interest rate risk and foreign-exchange risk, and assessment of the maximum levels of risk exposure;
- the use of cash flow hedge instruments to manage these risks and not for speculative purposes;
- constant assessment of the level of reliability of financial counterparties in order to minimize non-performance risk. All cash flow hedge instruments are entered into with leading financial and banking institutions. In the event that the counterparty is a subsidiary, the transaction is carried out under market conditions.

Interest rate hedging derivatives

All hedging derivatives in place matured on December 28, 2011, and on September 6, 2012 the differences were settled in favor of the counterparty banks, as part of the process of determining several financial items in the context of the financial restructuring that was completed on that date. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments.
Some 60% of the total post-restructuring debt for the 2012-2014 period is at a fixed rate, with this percentage climbing to 80% for the 2015-2016 period.

Risk from high levels of financial indebtedness

The maturities of the financial instruments in place are as follows:

	Due date - by						
(euro/thousand)	06.30.2014	06.30.2015	06.30.2016	06.30.2017	06.30.2018	Beyond five year	Total
Senior Secured Bond (*)	-	-	-	815,000		-	815,000
The Royal Bank of Scotland (**)	110,000	177,500	373,616	-	-	-	661,116
Leasint S.p.A. (***)	3,751	3,891	4,052	4,344	4,506	27,836	48,380
Total non current financial debt (gross value)	113,751	181,391	377,668	819,344	4,506	27,836	1,524,496

(*) In the consolidated financial statements this item is shown net of the issue discount and amounts to € 791.626 thousand.
(**) The Revolving Facility matures and become due on December 28, 2015.
(***) In the consolidated financial statement, this item amounts to € 40.719 thousand because of the fair value adjustment.

The table above shows an overall average life of debt outstanding at June 30, 2013 of 3.12 years. This figure does not take into account the changes that will take place in the average life of debt due to the implementation of the proposed agreement with creditors following its approval.

Liquidity risk and obtaining of financial resources

The financial shortfall predicted in January 2013, shortly after the appointment of the new Board of Directors, and at the end of 2012, along with the evident impossibility of securing alternative sources of finance, obliged the 'blank filing' for a composition with creditors' procedure and the subsequent admission to the composition with creditors' procedure, as described in the Introduction section of these notes to the condensed consolidated half-year financial statements.

Significant agreements involving SEAT and/or its subsidiaries that will become effective, be amended or be terminated should SEAT undergo a change of control

The agreements in place at June 30, 2013 are summarized below.

1. *Indentures relating to the bonds issued by SEAT and entitled "€ 550,000,000 10½ % Senior Secured Notes Due 2017", "€ 200,000,000 10.5% Senior Secured Notes Due 2017" and "€ 65,000,000 10½ % Senior Secured Notes Due 2017" (the latter were issued as additional notes to the €550,000,000 issue).*
   According to the indentures (which are documents subject to US law) governing the above-mentioned issued notes (bonds), originally issued by SEAT for a total of €815,000,000, if *(i)* as a result of a merger of SEAT with or into another entity ("Person"), a party directly or indirectly becomes a holder ("Beneficial owner") of more than 30% of SEAT's voting capital; or *(ii)* all or substantially all of SEAT's or SEAT Pagine Gialle Italia S.p.A.'s assets, as calculated on a consolidated basis, are transferred (unless the transfer results in the transferee becoming an obligor in relation to the notes issued by SEAT and a subsidiary of the transferor), a change of control is deemed to have taken place, as a result of which, pursuant to the contractual terms and conditions of the notes, the holders of said notes can request that they are bought back at 101% of their nominal value, plus interest.

2. *Term and Revolving Facilities Agreement*
   Pursuant to paragraph 7.9 of the Term and Revolving Facilities Agreement signed by, inter alia, SEAT, as Guarantor, SEAT Pagine Gialle Italia S.p.A., as Borrower, and The Royal Bank of Scotland plc (RBS), as Lender, on August 31, 2012, in the event of a change of control, *(i)* the Lender's commitment to disburse new sums pursuant to the aforementioned facilities agreement shall immediately be considered null and void, and *(ii)* the Borrower must immediately and prematurely repay all sums disbursed to it pursuant to said agreement. Under the terms of this agreement, a change of control is deemed to have occurred if one person or several persons acting in concert directly or indirectly acquire control of SEAT or SEAT Pagine Gialle Italia S.p.A.; for this purpose, control is taken to mean the power to exercise (directly or indirectly pursuant to agreements) more than 30% of the voting rights at SEAT or SEAT Pagine Gialle Italia S.p.A. shareholders' meetings or the direct or indirect ownership of more than 30% of the share capital of SEAT or SEAT Pagine Gialle Italia S.p.A. (shares which entitle their holders to a share of profits or dividends up to a certain amount are excluded from this calculation).

Credit risk

The SEAT Pagine Gialle Group operates in the multimedia directional advertising market, where there is a large number of clients. As at June 30, 2013, 97% of the Group's trade receivables (85% at December 31, 2012) related to SEAT Pagine Gialle Italia S.p.A., which had around 379,000 customers at the end of 2012 distributed throughout Italy, consisting mainly of small and medium-sized businesses. Each year, SEAT Pagine Gialle Italia alone issues some 532,000 invoices, around 45% of which in the first half of the year, each providing on average for payment in 2.5 installments of around € 528 each in the six months, meaning more than € 1.3 million of receipts.

There is, therefore, no concentration of credit risk. The type of business and customer base are, however, the elements that have always guided SEAT in putting together an effective credit management system. Over time, SEAT has introduced a widespread and continually strengthened team that is able to efficiently manage all phases of the payment request process. The in-house team, call centers, collection agencies and legal experts constitute a total of around 800 people.

Credit risk exposure - represented by the allowance for doubtful receivables on the financial statements - is measured using a statistical model that breaks down the client base by location and seniority, which reflects the historical experience of SEAT in debt collection and projects it into future estimates.

19. Non-current reserve for employees

These break down as follows:

	1st half year 2013					1st half year 2012
(euro/thousand)	Net liabilities for defined benefit pension plansi	Reserve for severance indemnities	Reserve for defined contribution pension plans Reserve for defined contribution pension plans	Net liabilities for termination indemnities	Total	Total
Balance at beginning of the period	15,765	15,353	980	413	32,511	-
Provision in the statement of operations	20	198	2,021	-	2,239	-
Contributions	0	-	539	-	539	-
Benefits paid/received	-	(851)	(2,216)	(413)	(3,480)	-
Discounting losses	0	237	-	-	237	-
Expected return on plan assets	0	-	-	-	-	-
Actuarial losses (gains) recognised to equity	0	75	-	-	75	-
Accouting to D.O. / Held for sale	(15,502)	(764)	(41)	(100)	(16,407)	-
Foreign exchange adjustments and other movements	0	(120)	(99)	100	(119)	-
Balance at end of the period	283	14,128	1,184	-	15,595	-

The figures for pension plans, payables to employees and related costs in the statement of operations were determined based on valuations carried out by an independent expert using the projected unit credit method, in accordance with the provisions of IAS 19.

Net liabilities for defined-benefit pension plans

Net liabilities for defined-benefit pension plans totaled € 283 thousand as at June 30, 2013 (€ 15,765 thousand as at December 31, 2012). They are recorded net of assets intended to finance these plans.
This item fell by € 15,502 thousand due to the recording of the figures relating to the TDL group under "Non-current liabilities held for sale and discontinued operations".

Reserve for severance indemnities

The *reserve for severance indemnities*, which totaled € 14,128 thousand as at June 30, 2013 (€ 15,353 thousand as at December 31, 2012) is considered a defined-benefit plan and was valued in accordance with the provisions of IAS 19.
Following the reform of the supplementary pensions system introduced by Legislative Decree 252 of December 5, 2005, the reserve for severance indemnities was converted from a defined-benefit plan into a defined-contribution plan from January 1, 2007. Consequently, the debt recorded in the financial statements represents liabilities for defined-benefit plans (valued using IAS 19 criteria) for employees relating to benefits given up to December 31, 2006.
Actuarial losses of € 75 thousand attributable to SEAT Pagine Gialle Italia S.p.A. were also accrued in the first half of 2013. Pursuant to IAS 19, paragraph 93A, the losses were recognized directly in the statement of comprehensive income, net of tax effect.

20. Share-based payment

The stock option plans in place as at June 30, 2013 are recorded in the financial statements in accordance with the provisions of IFRS 2.
The plans are for specific categories of employees considered "key" as a result of their responsibilities and/or skills. They are implemented by allocating to eligible employees personal, non-transferable rights (options) that are valid for the purchase of the same number of new Telegate AG ordinary shares.
There has been no change to their underlying features, and there were no new stock option plans resolved during the first half of 2013.

21. Other non-current liabilities

Other non-current liabilities totaled € 32,126 thousand as at June 30, 2013 (€ 32,405 thousand as at December 31, 2012) and can be broken down as follows:

	1st half year 2013						1st half year 2012
(euro/thousand)	Reserve for sale agents' termination indemnities	Reserve for operating risks and charges	Other non-current operating liabilities	Reserve for restructuring expenses	Other non-operating liabilities	Total	Total
Balance at beginning of the period	24,571	262	1,009	6,185	378	32,405	-
Provision in the statement of operations	737	-	-	-	-	737	-
Utilization/repayment	(1,084)	-	-	-	-	(1,084)	-
Discounting losses	108	-	-	101	5	214	-
Accouting to D.O. /Held for sale	-	(262)	-	-	-	(262)	-
Other movements	(139)	-	350	-	(95)	116	-
Balance at end of the period	24,193	-	1,359	6,286	288	32,126	-

As at June 30, 2013, non-current reserves were discounted, taking into consideration expected future cash flows, using the pre-tax discount rate that reflects the current market valuation of the cost of money over time. The increase due to the passage of time and changes in the discount rate applied was recorded as financial expense (€ 214 thousand).
The *reserve for sale agents' termination indemnities*, which totaled € 24,193 thousand as at June 30, 2013 (€ 24,571 thousand as at December 31, 2012), represents the debt due to active sales agents for the indemnities owed to them in the event of termination of the agency contract, as provided for by current legislation.
The *reserve for restructuring expenses* (non-current portion) amounted to € 6,286 thousand as at June 30, 2013 (€ 6,185 thousand as at December 31, 2012). This reserve should be considered in conjunction with the current portion of the reserve for restructuring expenses.

22. Reserve for (operating and non-operating) current risks and charges

These break down as follows:

	1st half year 2013				1st half year 2012
(euro/thousand)	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves	Total	Total
Balance at beginning of the period	8,970	14,243	32,179	55,392	
Provision in the statement of operations	1,385	741	36,310	38,436	
Utilization	(2,928)	(402)	(5,195)	(8,525)	
Reversal to the statement of operations		(217)		(217)	
Accouting to D.O. / Held for sale		(977)	(2,631)	(3,608)	
Other movements		(28)	(194)	(222)	
Balance at end of the period	7,427	13,360	60,469	81,256	

Reserves for current risks and charges totaled € 81,256 thousand as at June 30, 2013 (€ 55,392 thousand as at December 31, 2012) and can be broken down as follows:

- the *reserve for commercial risks*, which totaled € 7,427 thousand as at June 30, 2013 (€ 8,970 thousand as at December 31, 2012), covers any costs incurred due to failure to properly perform contractual services;
- *reserves for contractual and other operating risks*, which totaled € 13,360 thousand (€ 14,243 thousand as at December 31, 2012), include €8,238 thousand relating to legal disputes (€ 8,473 thousand as at December 31, 2012) and € 3,952 thousand relating to pending litigation with agents and employees (€ 3,723 thousand as at December 31, 2012);
- *non-operating reserves* (current portion) totaled € 60,469 thousand as at June 30, 2013 (€ 32,179 thousand as at December 31, 2012). The item includes: *(i) provisions for non-operating risks and charges* in the amount of € 40,056 thousand, which rose by € 33,000 thousand pertaining to the Italian Directories Business Area for the estimated liability related to the implementation of the operations planned under the proposed agreement with creditors; *(ii)* the *reserve for restructuring expenses* (current portion) in the amount of € 12,142 thousand, relating mainly to SEAT Pagine Gialle Italia S.p.A (€ 12,119 thousand); the item fell by € 1,061 thousand due to the reclassification of the Telegate group under "Non-current liabilities held for sale and discontinued operations"; this reserve should be considered in conjunction with the non-current portion of the reserve for restructuring expenses; and *(iii)* the *reserve for the restructuring of the sales network*, in the amount of € 8,271 thousand, of which € 907 thousand was drawn down in the first half of 2013.

23. Trade payables and other current liabilities

Trade payables and other current liabilities can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Payables to suppliers	104,421	135,363	(30,942)
Payables due to sales agents	16,277	15,673	604
Payables due to employees	17,412	18,406	(994)
Payables due to social security institutions	10,123	7,844	2,279
Payables due to other	1,058	652	406
Total trade payables	149,291	177,938	(28,647)
Payables for services to be rendered	154,927	187,472	(32,545)
Advances from customers	3,258	2,979	279
Deferred income and other current liabilities	8,961	21,853	(12,892)
Total payables for services to be rendered and other current liabilities	167,146	212,304	(45,158)

All trade payables have a maturity of less than 12 months. To be more specific:

- *payables to suppliers totaled* € 104,421 thousand as at June 30, 2013 (€ 135,363 thousand as at December 31, 2012), of which € 98,232 thousand related to SEAT Pagine Gialle Italia S.p.A. The item fell by € 30,942 thousand, due mainly to the recording of payables worth € 19,834 thousand under "Non-current liabilities held for sale and discontinued operations" (of this amount, € 13,344 thousand pertained to the Telegate group, € 5,623 thousand to the TDL group, and € 1,096 thousand to Cipi S.p.A.);
- *payables to sales agents*, which totaled € 16,277 thousand (€ 15,673 thousand as at December 31, 2012), should be considered in conjunction with the item "Advances on sales commissions", recorded under "Other current assets", which amounted to € 19,861 thousand (€ 24,140 thousand as at December 31, 2012);
- *payables for services to be rendered* totaled € 154,927 thousand (€ 187,472 thousand at December 31, 2012); this item includes advanced billing for print directory advertising services and the deferral of revenue from the provision of online and voice services on a straight-line basis throughout the respective contractual periods. Payables for services to be rendered fell by € 32,545 thousand, due mainly to the recording of payables worth € 16,482 thousand under "Non-current liabilities held for sale and discontinued operations" (of this amount, € 14,258 thousand pertained to the Telegate group) and to the reduction in revenue.

24. Information by Business Area

The primary presentation of the SEAT Pagine Gialle Group is by Business Areas, since the risks and profitability of the Group are significantly affected by the differences between the products and services they offer. The secondary breakdown is by geographical area.

The Group's activities are organized and managed separately depending on the nature of the products and services provided, with each area representing a strategic business unit that offers different products and services to different markets.

Prices of intercompany transfers between areas are defined using the same conditions that apply to transactions with third parties. Revenue, costs and results by Business Area include transfers between areas, which are eliminated at consolidated level.

The geographical areas of the Group are identified based on the location of the Group's activities and more or less equate to the legal entities operating in each Business Area.

The table below shows the main financial data of the SEAT Pagine Gialle Group's Business Areas.

(migliaia di euro)		Italian Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments (*)	Consolidated Total
Revenues from sales	1st half year 2013	254,513	2,837	15,400	272,750	(5,921)	266,829
and services	1st half year 2012	-	-	-	-	-	-
MOL	1st half year 2013	83,548	(180)	(2,407)	80,961	-	80,999
	1st half year 2012	-	-	-	-	95	95
EBITDA	1st half year 2013	61,672	(314)	(2,835)	58,523	(7)	58,516
	1st half year 2012	-	-	-	-	95	95
EBIT	1st half year 2013	(9,348)	(393)	(16,803)	(26,544)	-	(26,544)
	1st half year 2012	-	-	-	-	95	95
Total assets	June 30, 2013	900,749	4,363	26,520	931,632	196,169	1,127,801
	June 30, 2012	-	-	-	-	703,061	703,061
Total liabilities	June 30, 2013	2,090,264	2,050	27,037	2,119,351	78,077	2,197,428
	June 30, 2012	-	-	-	-	1,369,852	1,369,852
Net invested capital	June 30, 2013	214,611	968	6,067	221,646	118,110	339,756
	June 30, 2012				-	306	306
Capital expenditure	1st half year 2013	12,026	1	2,482	14,509	-	14,509
	1st half year 2012	-	-	-	-	-	-
Average workforce	1st half year 2013	1,399	146	296	1,841	-	1,841
	1st half year 2012				-	1	1
Average number	1st half year 2013	1,122	-	46	1,168	-	1,168
of sales agents	1st half year 2012	-	-	-	-	-	-

(*) This includes: *(i)* the financial positions of the TDL group and the Telegate group, following the recognition under 'Discontinued operations' as described in the "Introduction" section of the report on operations; and *(ii)* Lighthouse S.A. as at June 30, 2012.

For a comparative analysis of the performances of the various Business Areas, please refer to the "Performance by Business Area" section of the report on operations.

25. Revenue from sales and services

Revenue from sales and services totaled € 266,829 thousand in the first six months of 2013. Before eliminations between the Group's different Business Areas, revenue from sales and services were as follows:
- revenue from the *Italian Directories* Business Area (*SEAT Pagine Gialle S.p.A, SEAT Pagine Gialle Italia S.p.A. and Digital Local Services companies*) totaled € 254,513 thousand;
- revenue from the *Directory Assistance* Business Area (Prontoseat) totaled € 2,837 thousand;
- revenue from the *Other Activities* Business Area (Europages, Consodata and Cipi) totaled € 15,400 thousand.

26. Other operating costs and revenue

26.1 Other revenue and income

Other revenue and income totaled € 2,676 thousand in the first half of 2013 (€ 139 thousand as at June 30, 2012). The item includes € 1,048 thousand relating to the recovery of postal, legal and administrative costs from third parties and € 1,375 thousand from other revenue and income.

26.2 Materials

Materials cost a total of € 10,021 thousand in the first half of 2013. Of this sum, € 7,150 thousand refers to paper consumption and € 2,533 thousand to consumption of products for resale, relating to the acquisition of customized items for merchandising.

26.3 Costs for external services

Costs for external services amounted to € 123,186 thousand in the first half of 2013 (€ 44 thousand in the first half of 2012). This item includes:
- *industrial processing costs*, totaling € 47,305 thousand in the first half of 2013, of which *(i)* €13,724 thousand related to production costs, *(ii)* € 5,576 thousand related to distribution and storage costs, *(iii)* € 7,179 thousand related to costs for digital services relating to the creation of online products, and *(iv)* € 5,583 thousand related to inbound call center costs;
- *commission and other agent costs*, which totaled € 31,679 thousand in the first half of 2013, in direct relation to revenue figures;
- *consultancy and professional service costs*, which totaled € 8,916 thousand in the first half of 2013;
- *outbound call center service costs*, which totaled € 5,218 thousand in the first half of 2013.

26.4 Salaries, wages and employee benefits

Salaries, wages and employee benefits totaled € 53,906 thousand in the first six months of 2013.
The Group's workforce, including directors, project workers and trainees, consisted of 2,072 employees as at June 30, 2013 (3,997 as at December 31, 2012); this figure does not include the period-end workforce of the Telegate group, the TDL Infomedia group and Cipi S.p.A., which were recorded under "Non-current net assets held for sale and discontinued operations".
The average salaried workforce in the first half of 2013 was 1,841 employees.

26.5 Net non-recurring costs

Net non-recurring costs totaled € 40,159 thousand in the first half of 2013, and can be broken down as follows:

(euro/thousand)	1st half year 2013	1st half year 2012	Change Absolute	%
Other non-recurring costs	40,179	-	40,179	n.s.
Non-recurring income	(20)	-	(20)	n.s.
Total non-recurring costs, net	40,159	-	40,159	n.s.

Non-recurring costs include, in particular:

- € 33,000 thousand relating to the provision set aside by SEAT Pagine Gialle Italia S.p.A. for the estimated liability connected with implementing the transactions provided for by the plan for the composition with creditors' procedure;
- € 2,931 thousand of consultancy costs relating to the composition with creditors' procedure.

26.6 Net restructuring costs

Net restructuring costs totaled € 1,267 thousand in the first half of 2013, of which € 1,105 thousand related to the costs incurred by Cipi for the reorganization of its workforce.

27. Financial income and expense

27.1 Financial expense

Financial expense totaled € 65,797 thousand in the first half of 2013 (€ 13 thousand in the first half of 2012), and can be broken down as follows:

(euro/thousand)	1st half year 2013	1st half year 2012	Change Absolute	%
Interest expense on the loan with The Royal Bank of Scotland Plc.	19,364	-	19,364	n.s.
Interest expense on Senior Secured Bond	45,009	-	45,009	n.s.
Interest expense on leasing debt	832	-	832	n.s.
Foreign exchange losses	8	12	(4)	(33,3)
Other financial expenses	584	1	583	n.s.
Total interest expense	65,797	13	65,784	n.s.

In the Half-Year Report at June 30, 2013, interest expense on the Senior Credit Agreement with The Royal Bank of Scotland and on the senior secured bonds was calculated at contractually agreed rates on the total debt (ignoring the effects on said debt and on the related interest of the 'blank filing' for the composition with creditors' procedures and of applying the relative regulations); this accounting practice reflects the provisions of IAS 39 AG57, under which financial liabilities should continue to be counted until the debt is extinguished (in this case, until the composition with creditors' procedures is approved).

Financial expense for the first half of 2013 includes:
- € 19,364 thousand of interest expense on the Senior Credit Agreement between SEAT Pagine Gialle Italia S.p.A. and The Royal Bank of Scotland;
- € 45,009 thousand of interest expense on the senior secured bonds. This amount includes € 2,221 thousand pertaining to the share of the issue discount;
- € 832 thousand of interest expense on debts due to Leasint S.p.A. in relation to the finance leases raised for the purchase of the Corso Mortara real-estate complex in Turin, where SEAT has its offices;
- € 584 thousand of other financial expense, including €455 thousand of interest expense from discounting non-current assets and liabilities.

27.2 Financial income

Financial income for the period totaled € 941 thousand, including € 902 thousand of interest income from the investment of short-term liquidity in the banking system at market rates.

28. Income taxes

Income taxes for the period presented a negative balance of € 1,767 thousand. In accordance with the provisions of IAS 34, income taxes for the period were calculated by applying the average rates expected for the full 2013 financial year to the gross pre-tax income.

Net deferred tax assets and liabilities

Net deferred tax assets and liabilities are detailed in the table below:

	As at 12.31.2012	Changes during the period			As at 06.30.2013
(euro/thousand)		Income taxes accounted for in the statement of operations	Income taxes accounted for the equity	Accouting to D.O./ Held for sale and other movements	
Deferred tax assets	17,575	599	20	(2,062)	16,132
Deferred tax liablities	(61,670)	1,701	0	17,204	(42,765)
Total	(44,095)	2,300	20	15,142	(26,633)
shown in the statement of financial positions: [1]					
- net deferred tax assets	16,503	-	-	-	13,545
- net deferred tax liabilities	(60,598)	-	-	-	(40,178)

[1] In the financi statements, deferred tax assets and liabilities are recorded at their net value, having been offset against each other, where possible in terms of the tax authority, the taxed entity and the relevant time frames.

Current tax assets

Current tax assets totaled € 22,250 thousand as at June 30, 2013 (€ 23,758 thousand as at December 31, 2012) and can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Income tax receivables	21,589	22,691	(1,102)
Other tax receivables	661	1.067	(406)
Total current tax assets	22,250	23,758	(1,508)

Current tax payables

Current tax payables totaled € 21,817 thousand as at June 30, 2013 (€ 28,670 thousand as at December 31, 2012) and can be broken down as follows:

(euro/thousand)	As at 06.30.2013	As at 12.31.2012	Change
Income tax payables	7,088	15,145	(8,057)
Other tax payables	14,729	13,525	1,204
Total current tax payables	21,817	28,670	(6,853)

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

Following the Group's decision to dispose of its equity investments in the TDL Infomedia group, the Telegate group and Cipi S.p.A., in accordance with IFRS 5, the income statement, statement of financial position and statement of cash flows figures for the TDL Infomedia group and the Telegate group for the first half of 2013 were recorded under "Non-current assets held for sale and discontinued operations". Given the immateriality of its figures compared with those for the SEAT Group, Cipi S.p.A. was classified under "Non-current assets held for sale", and therefore its assets and liabilities as at June 30, 2013 were recorded separately in the statement of financial position.

Income statement

(euro/thousand)	1st half year 2013 Telegate group	1st half year 2013 TDL group	1st half year 2013	1st half year 2012
Revenues from sales and services	38,834	21,035	59,869	-
Other income	504	-	504	-
Total revenues	39,338	21,035	60,373	-
Costs of materials	-	(882)	(882)	-
Costs of external services	(13,260)	(8,580)	(21,840)	-
Salaries, wages and employee benefits	(20,856)	(13,559)	(34,415)	-
Valuation adjustments	(1,046)	(711)	(1,757)	-
Provisions to reserves for risks and charges, net	(183)	-	(183)	-
Other operating expenses	(214)	(13)	(227)	-
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	3,779	(2,710)	1,069	-
Amortization, depreciation and write-down	(6,493)	(1,400)	(7,893)	-
Non-recurring costs, net	(1,607)	(596)	(2,203)	-
Restructuring costs, net	6	(390)	(384)	-
Operating result	(4,315)	(5,096)	(9,411)	-
Interest expense	(52)	(1,339)	(1,391)	-
Interest income	105	1,028	1,133	-
Gain (loss) on investments accounted for at equity	-	-	0	-
Profit (loss) before income taxes	(4,262)	(5,407)	(9,669)	-
Income taxes for the period	1,247	190	1,437	-
Net result from non-current assets discontinued operations	(3,015)	(5,217)	(8,232)	-
Losses on disposal on investments and other costs	(845)	-	(845)	-
Profit (loss) from non-current assets held for sale and discontinued operations	(3,860)	(5,217)	(9,077)	-

Statement of financial position

As at June 30, 2013, the statement of financial position items "Non-current assets held for sale and discontinued operations" and "Liabilities directly related to non-current assets held for sale and discontinued operations" included figures relating to the equity investments of the Telegate group, the TDL group and Cipi S.p.A. and of Turkish joint venture Katalog Yayin ve Tanitim Hizmetleri A.S., which was included in the figures as at December 31, 2012. The Cipi S.p.A. figures include a value adjustment of € 10 million, essentially to reflect the fall in value of the assets being divested.

(euro/thousand)	As at 06.30.2013 Telegate group	As at 06.30.2013 TDL group	As at 06.30.2013 Cipi	As at 06.30.2013 Katalog	As at 06.30.2013	As at 12.31.2012
Non-current assets held for sale and discontinued operations	179,864	27,769	2,127	-	209,760	-
Liabilities directly associated with non-current assets held for sale and discontinued operations	55,212	37,515	3,306	250	96,283	250

Statement of cash flows

(euro/thousand)	1st half year 2013 Telegate group	1st half year 2013 TDL group	1st half year 2013	1st half year 2012
Cash inflow (outflow) from operating activities	(9,054)	(3,631)	(12,685)	-
Cash inflow (outflow) for investments	(2,437)	(736)	(3,173)	-
Cash inflow (outflow) for financing (*)	(52,368)	2	(52,366)	-
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(63,859)	(4,365)	(68,224)	-

(*) Cash outflow from financial activities mainly includes investment in short-term liquidity instruments by Telegate Group.

30. Related-party transactions

With reference to the provisions of IAS 24 and pursuant to Consob Regulation 17221 of March 12, 2010, the economic and financial effects of transactions with related parties on the condensed consolidated half-year financial statements as at June 30, 2013 of the SEAT Pagine Gialle Group are listed below.
The effects of intra-group transactions between consolidated companies have been eliminated in the consolidated financial statements.

Transactions carried out by Group companies with related parties, including intra-group transactions, come under ordinary operating activities and are subject to market conditions or specific legislative provisions. There were no atypical and/or unusual transactions, nor were there any transactions giving rise to a possible conflict of interests.

Income statement

(euro/thousand)	1st half year 2013	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half year 2013
Cost of material and external services	(133,207)	-	-	(136)	(136)
Salaries, wages and employee benefits	(53,906)	-	-	(2,495)	(2,495)
Non-recurring costs	(40,159)	-	-	(2,950)	(2,950)

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

(euro/thousand)	1st half year 2013	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half year 2013
Interest expense	(13)	-	-	-	-

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

Statement of financial position

(euro/thousand)	1st half year 2013	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 06.30.2013
Current operating liabilities	(346,485)	–	–	(1,074)	(1,074)
Current non-operating liabilities	(73,025)	–	–	(3,300)	(3,300)

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

(euro/thousand)	As 12.31.2012	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 12.31.2012
Current operating liabilities	(417,975)	–	–	(426)	(426)
Current non-operating liabilities	(56,329)	–	–	(1,370)	(1.370)

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

Statement of cash flows

(euro/thousand)	1st half year 2013	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1st half year 2013
Cash inflow (outflow) from operating activities	98,046	0	–	8,159	8,159
Cash inflow (outflow) for investments	(14,444)	–	–	–	–
Cash inflow (outflow) for financing	(671)	0	–	–	0
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(68,224)	–	–	–	–
Increase (decrease) in cash and cash equivalents in the period	14,707	0	–	8,159	8,159

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

(euro/thousand)	1st half year 2012	Associates	Companies with significant influence	Other related parties (*)	1st half year 2012
Cash inflow (outflow) from operating activities	(110)		–		
Cash inflow (outflow) for investments	–	–	–	–	–
Cash inflow (outflow) for financing	(13)		–	–	
Increase (decrease) in cash and cash equivalents in the period	(123)		–		

(*) Directors, statutory auditors and executives with strategic responsability and companies related though directors, statutory auditors and executives with strategic responsability

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

Table 1

Company (business)	Registered office	Share capital		Ordinary shares held %	Ordinary shares held by	% held by SEAT Pagine Gialle S.p.A.
Parent Company						
SEAT PAGINE GIALLE S.p.A.	Milan (Italy)	Euro	450,266,000			
Subsidiaries						
SEAT PAGINE GIALLE ITALIA S.p.A. (Local Internet Company)	Turin (Italy)	Euro	200,000,000	100.00	SEAT Pagine Gialle S.p.A.	100.00
CIPI S.p.A. (merchanding of promotional objects)	Milan (Italy)	Euro	1,200,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
CONSODATA S.p.A. (direct marketing services, database creatin, management and distribution)	Milan (Italy)	Euro	2,446,330	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
EUROPAGES S.A. (production, promotion and marketing of the search engine European B2B "Europages" directory)	Paris (France)	Euro	1,000,000	98.37	SEAT Pagine Gialle Italia S.p.A.	98.37
EUROPAGES Benelux SPRL (production, promotion and marketing of the "Europages" directory)	Bruxelles (Belgium)	Euro	20,000	99.,00	Europages S.A.	97.39
PRONTOSEAT S.r.l. (call center services)	Turin (Italy)	Euro	10,500	100.00	SEAT Pagine Gialle Italia S.p.A.	100.,00
TDL INFOMEDIA Ltd. (holding)	Hampshire (Gran Bretagna)	Sterline	139,525	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
THOMSON DIRECTORIES Ltd. (publishing and distribution of directories)	Hampshire (Great Britain)	Sterline	1.340,000	100.00	TDL Infomedia Ltd.	100.00
THOMSON DIRECTORIES PENSION COMPANY Ltd. (administration of Thomson Directories Pension Fund)	Hampshire (Great Britain)	Sterline	2	100.00	Thomson Directories Ltd.	100.00
MOBILE COMMERCE Ltd. (call center services)	Cirencester (Great Britain)	Sterline	497	10.00	TDL Infomedia Ltd.	10.00
TELEGATE HOLDING GmbH (holding)	Munich (Germany)	Euro	26,100	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
TELEGATE AG (call center services)	Munich (Germany)	Euro	19,111,091	16.24 61.13	SEAT Pagine Gialle Italia S.p.A. Telegate Holding GmbH	77.37
WerWieWas GmbH (call center services)	Munich (Germany)	Euro	25,000	100.00	Telegate Media AG	77.37
11880 TELEGATE GmbH (call center services)	Wien (Osterreich)	Euro	35,000	100.00	Telegate AG	77.37
TELEGATE MEDIA AG (sale of on-line directories)	Essen (Germania)	Euro	4,050,000	100.00	Telegate AG	77.37
TELEGATE LLC (internet services)	Yerevan (Armenia)	Dram	50,000	100,.0	Telegate AG	77.37
Digital Local Services ROMA1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10.000	100,00	SEAT Pagine Gialle Italia S.p.A.	100,00
Digital Local Services ROMA2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10.000	100,00	SEAT Pagine Gialle Italia S.p.A.	100,00

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

Table 1

Company (business)	Registered office	Share capital		Ordinary shares held %	by	% held by SEAT Pagine Gialle S.p.A.
Subsidiaries						
Digital Local Services ROMA3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services MILANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services MILANO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services MILANO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BERGAMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BERGAMO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BRESCIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BRESCIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VARESE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services COMO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BOLZANO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENEZIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SONDRIO LECCO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LOMBARDIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LOMBARDIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LOMBARDIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SARDEGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100,00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SARDEGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services FRIULI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENETO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENETO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENETO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENETO 4 S.r.l. (commercial consultancy and marketing)	Torino (Italia)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VENETO 5 S.r.l. (consulenza commerciale e marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00

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

Table 1

Company (business)	Registered office	Share capital		Ordinary shares held %	by	% held by SEAT Pagine Gialle S.p.A.
Subsidiaries						
Digital Local Services EMILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services EMILIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services EMILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services PIEMONTE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services PIEMONTE 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services CUNEO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LAZIO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LAZIO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LAZIO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 5 S.r.l. (commercial consultancy and marketing)	Torino (Italia)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services SICILIA 6 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TORINO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TORINO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TORINO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TORINO 4 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services PUGLIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services PUGLIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services PUGLIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services CALABRIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services CALABRIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00

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

Table 1

Company (business)	Registered office	Share capital		Ordinary shares held %	by	% held by SEAT Pagine Gialle S.p.A.
Subsidiaries						
Digital Local Services FIRENZE 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services FIRENZE 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services FIRENZE 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services NAPOLI 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services NAPOLI 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services ROMAGNA1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services ROMAGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TOSCANA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TOSCANA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100,00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BOLOGNA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services BOLOGNA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services CAMPANIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100,00	SEAT Pagine Gialle Italia S.p.A.	100,00
Digital Local Services CAMPANIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services CAMPANIA 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services VERONA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services TRENTO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LIGURIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services LIGURIA 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services GENOVA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services UMBRIA 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services ADRIATICO 1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services ADRIATICO 2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00
Digital Local Services ADRIATICO 3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A.	100.00

Investments measured at equity
(Consob Communication DEM/6064293 of July 28, 2006)

Table 2

Company	Registered office		Share capital	Ordinary shares held		% held by SEAT Pagine Gialle S.p.A.
				%	by	
Associates						
TDL BELGIUM S.A. (in liquidation) (publishing and distribution of directories)	Bruxelles (Belgium)	Euro	18,594,176	49.60	TDL Infomedia Ltd.	49.60

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Other information

100 %

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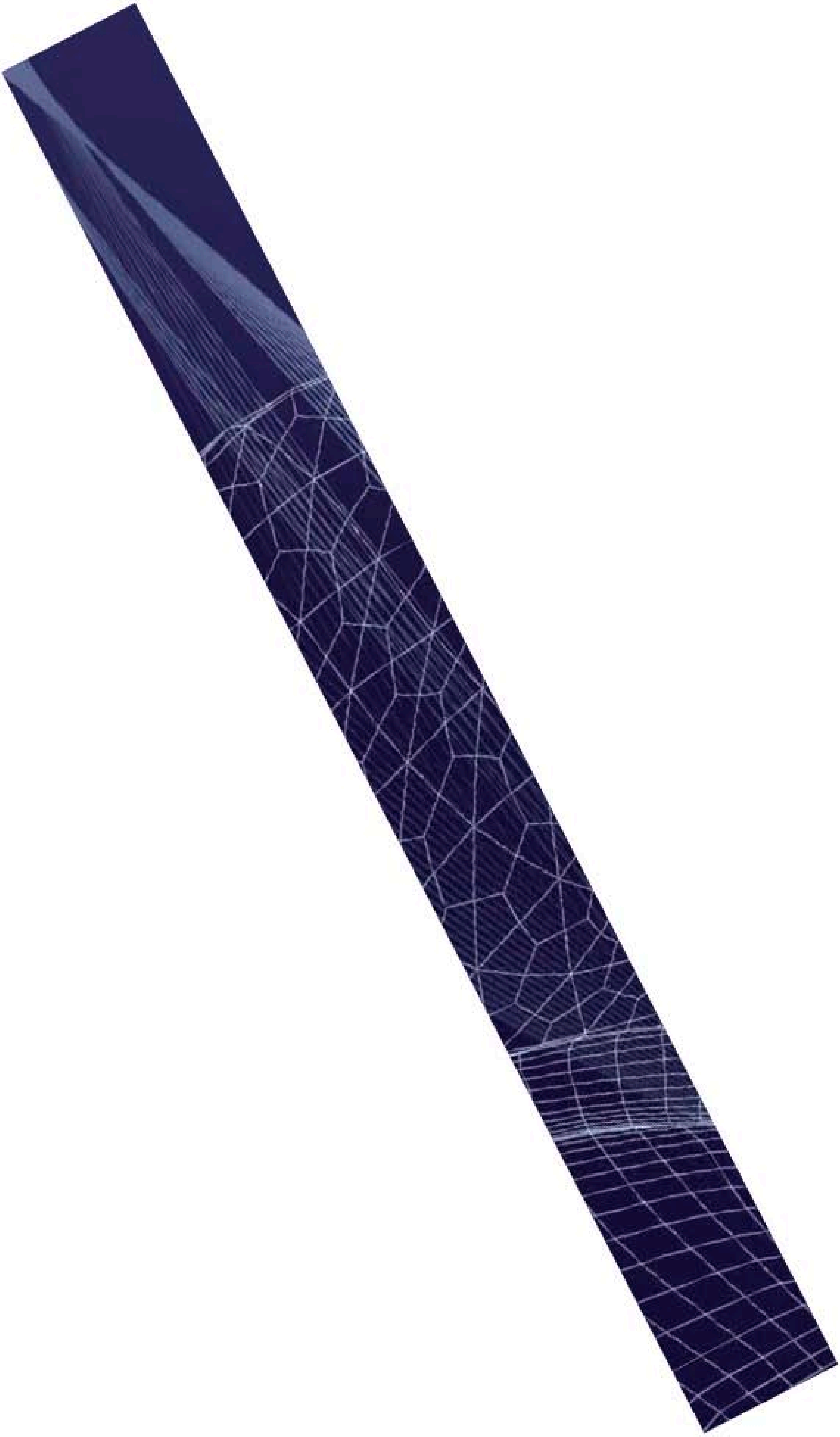

Certification of the condensed consolidated half-year financial statements pursuant to article 154-bis of Legislative Decree 58/98

1. The undersigned, Vincenzo Santelia, in his capacity as Chief Executive Officer, and Massimo Cristofori, as Chief Financial Officer of SEAT Pagine Gialle S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of February 24, 1998, that the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements, deemed to be suitable for the characteristics of the business, have been effectively applied during the first half of 2013.

2. The administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements at June 30, 2013 have been subjected, during the half year, to a critical examination in order to evaluate their suitability and the effectiveness of their application. No anomalies have emerged as a result of this verification.

3. The following is also certified:

   3.1. the condensed consolidated half-year financial statements at June 30, 2013:

   - have been prepared in compliance with the applicable IAS/IFRS recognized by the European Union in compliance with (EC) Regulation No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular IAS 34 – Interim Financial Reporting – as well as the implementing measures of article 9 of Legislative Decree 38/2005;
   - correspond to the results contained in the accounting books and records;
   - are suitable to provide a true and fair representation of the assets, results and cash flows of the issuer and of all the companies included in its consolidation scope;

   3.2. the interim report on operations contains references to important events which have taken place in the first six months of the financial year and their effect on the half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year, in addition to information concerning significant related-party transactions.

Turin, August 6, 2013

Chief Executive Officer
Vincenzo Santelia

Chief Financial Officer
Massimo Cristofori

AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2013

To the Shareholders of
SEAT Pagine Gialle SpA

1. We have reviewed the condensed consolidated interim financial statements of SEAT Pagine Gialle SpA and its subsidiaries ("SEAT Pagine Gialle Group") as of 30 June 2013, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The directors of SEAT Pagine Gialle SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.

2. We conducted our review in accordance with the criteria for a review recommended by Consob, the Italian Commission for listed companies and the Stock Exchange, with Resolution n. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the condensed consolidated interim financial statements and about the consistency of the accounting principles used therein, as well as the application of analytical review procedures on the data contained in the above mentioned condensed consolidated interim financial statements. The limited review excluded certain auditing procedures such as compliance testing, verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards.

   Regarding the comparative data of the consolidated financial statements of the prior year, which are presented for comparative purposes, reference is made to our report dated 3 July 2013. The income statement data, contained in the condensed consolidated interim financial statements of the prior interim period prepared in accordance with the same accounting standards, which are presented for comparative purposes, refer to Lighthouse International Company SA, the company registered under Luxembourg law identified as the acquirer in the business combination transaction with SEAT Pagine Gialle SpA occurred on 31 August 2012. The explanatory note "2.1 Lighthouse Company S.A.'s transition to IFRS" describes the effects of the transition to the International Financial Reporting Standards as adopted by the European Union. We have examined the information contained in the above mentioned note for the purpose of issuing our report on the review of the condensed consolidated interim financial statements as of 30 June 2013.

PricewaterhouseCoopers SpA

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3. The condensed consolidated interim financial statements of the SEAT Pagine Gialle Group as of 30 June 2013 report a loss of Euro 102.2 million and a negative consolidated net equity of Euro 1,069.6 million.

On 6 February 2013 SEAT Pagine Gialle SpA (the "Company"), together with its subsidiary SEAT Pagine Gialle Italia SpA (the "Subsidiary"), submitted to the Turin Court the application for the composition with creditors' procedure (the "Procedure") in accordance with article 161 of the Bankruptcy Law. In accordance with article 182-sexies of the Bankruptcy Law, such a request suspends the situations pursuant to articles 2446 and 2447 of the Italian Civil Code for the Company and its Subsidiary, respectively, for the period between the application filing date and the approval of the composition with creditors' procedure.

On 28 June 2013 the Company and its Subsidiary filed the composition proposal (the "Proposal"), the plan and further documentation in accordance with the second and third commas of article 161 of the Bankruptcy Law; with a ruling issued on 10 July 2013, the Court of Turin declared the Procedure as open and appointed the Judicial Commissioner.

In the "Going concern evaluation" paragraphs of the report on operations and of the explanatory notes to the condensed consolidated interim financial statements, the directors recognize the existence of certain factors that contribute considerably to the permanence of significant uncertainties over the Company's ability to continue to operate in the foreseeable future. These significant uncertainties, in addition to the difficulties arising from a persistently very tough economic climate, relate to:

- the Shareholders' Meeting taking the necessary decisions to execute the proposed composition with creditors; this Proposal provides for some of the Company's debts to be converted into equity by way of a reserved capital increase that will dilute the stakes of existing shareholders. At present, as there is no nucleus of major shareholders with a sufficient stake to ensure the quorums required to hold meetings and take decisions, it is impossible to predict the outcome of the meeting called to take the decisions in question;

- the positive outcome of the creditors' meeting; it is uncertain whether the creditors will vote in a sufficient majority to approve the Proposal so it can be authorized by the Court;

- the Court authorizing the agreement with creditors; when investigating the matter, the Court must take into account and assess all available information, particularly the report of the Commissioner appointed when the Company is admitted to the composition with creditors' procedure;

- the approval of the composition with creditors' procedure making available positive equity that is sufficient to bring the Company and its Subsidiary out of the situation pursuant to articles 2446 and 2447 of the Italian Civil Code, and to sustain business for the period covered by the plan drawn up during the Procedure;

- the estimates and forecasts made by the Company in relation to the composition with creditors' procedure and the viability of the plan underlying the Proposal. The actions provided for by the new strategic guidelines are subject to the completion of certain operations, including some of an extraordinary nature, for the purposes of which the Procedure must evolve favorably and result in the authorization of the composition with creditors.

The matters outlined above show that the going concern assumption, used by directors to prepare the condensed consolidated interim financial statements, is subject to multiple material uncertainties that depend on factors that are not under the control of the directors, with possible significant cumulative effects on the condensed consolidated interim financial statements of the SEAT Pagine Gialle Group as of 30 June 2013.

4. Due to the effects of the uncertainties mentioned in paragraph 3 above, we are not able to express a conclusion on the compliance of the condensed consolidated interim financial statements of the SEAT Pagine Gialle Group as of 30 June 2013 with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

Turin, 8 August 2013

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated from the original which was issued in accordance with Italian legislation. We have not examined the translation of the condensed consolidated interim financial statements referred to in this report.

\13 Other information

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PAGINE GIALLE
motore di relazioni

THE LOCAL MARKETING COMMUNICATION AGENCY

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A copy of official documents available on the website	www.seat.it
Official documents may be requested to	SEAT Pagine Gialle S.p.A. Corporate Affairs Office Corso Mortara, 22 10149 Turin (Italy) Fax: +39.011.435.4252 E-mail: ufficio.societario@seat.it

Art direction Satiz S.r.l.
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