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Interim Report as at September 30, 2013

SeatpG
pagineGialle

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Interim Report as at September 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

SEAT is a *local internet company* that is well established throughout Italy. 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.

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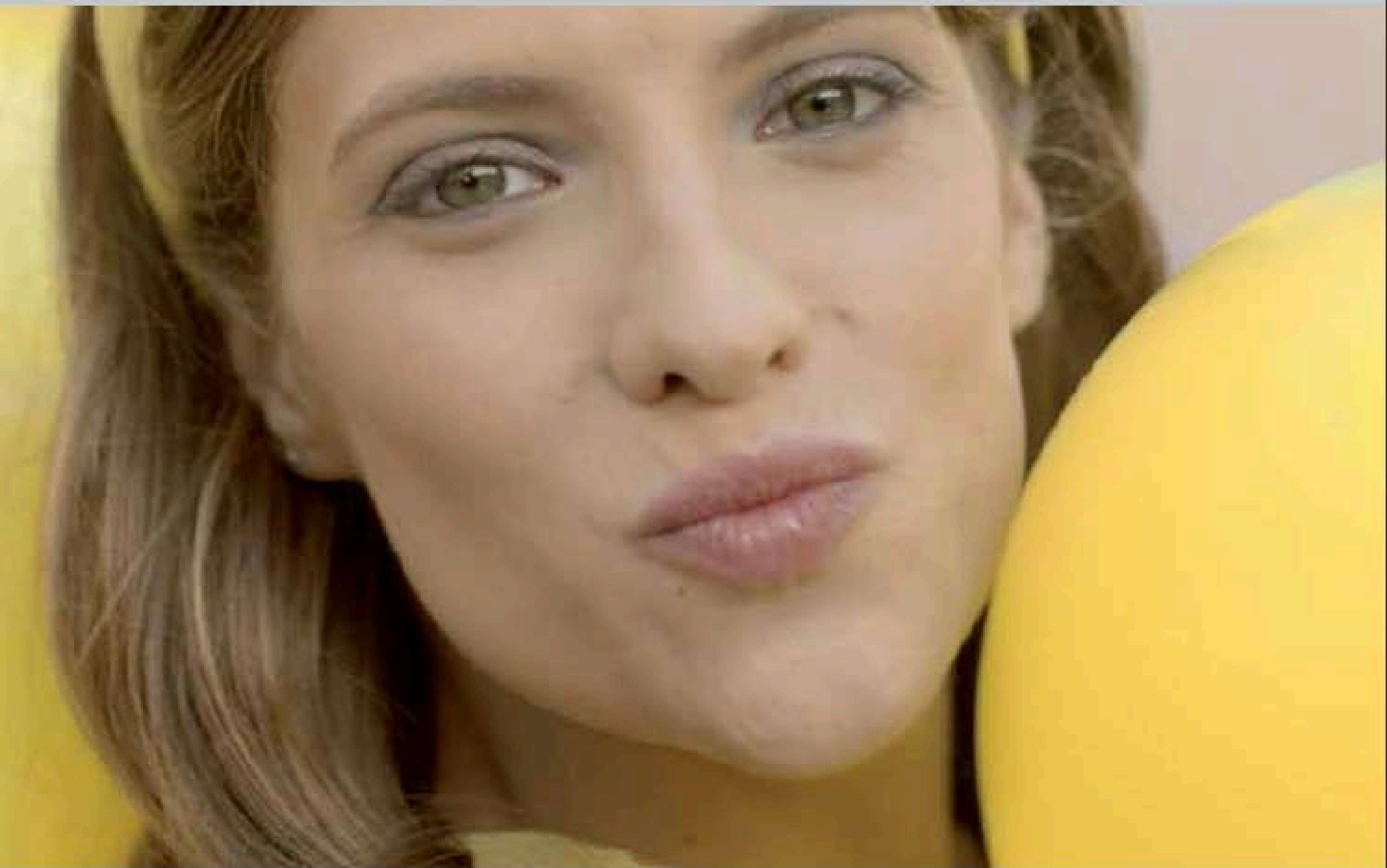
" il Giallo ti sorprende "



Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

tutti gli strumenti più evoluti per il business

Seat pG
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Highlights and general information

Company Boards

(information correct as at November 11, 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 [I]

Secretary to the Board of Directors
Michaela Castelli

Appointments and Remuneration Committee [4]

Mauro Pretolani (Chairman)
Michaela Castelli [5]
Francesca Fiore

Control and Risk Committee [4]

Chiara Damiana Maria Burberi (Chairman)
Harald Rösch
Luca Rossetto

Board of Statutory Auditors [6]

Chairman
Enrico Cervellera

Standing Auditors
Vincenzo Ciruzzi
Andrea Vasapolli

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

Common Representative of Savings Shareholders

Stella d'Atri [8]

Chief Financial Officer

Andrea Servo [9]

Independent Auditors [6]

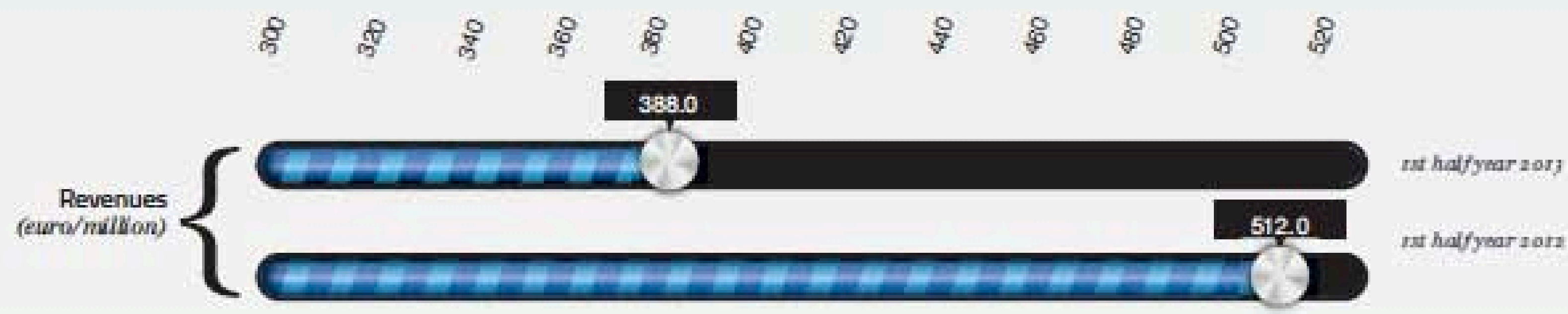
PricewaterhouseCoopers S.p.A.

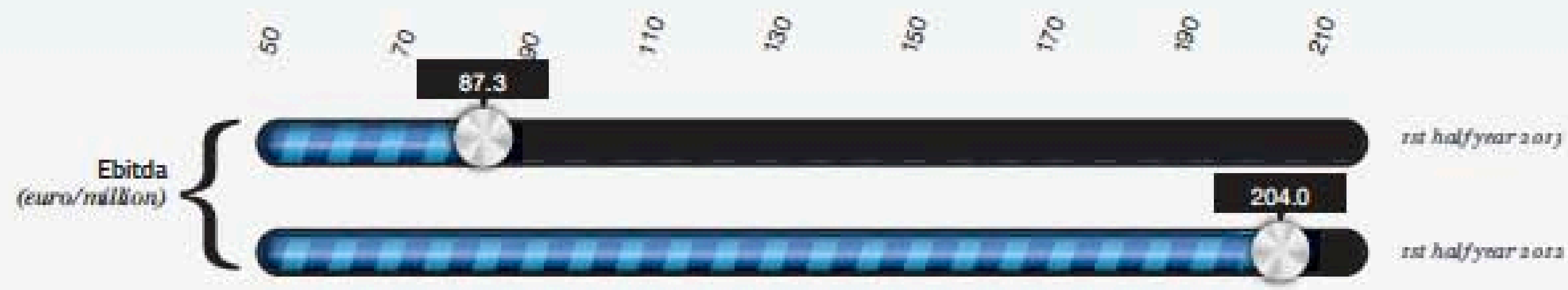
(1) The Board of Directors was appointed by the Shareholders' Meeting of October 22, 2012.
(2) Director Vincenzo Santelia was appointed Chief Executive Officer by the Board of Directors on October 26, 2012.
(3) Appointed by the Ordinary Shareholders' Meeting of July 25, 2013, as a replacement for Paul 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.
(9) Appointed by the Board of Directors on October 29, 2013 as a replacement for Massimo Cristofori.
(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.

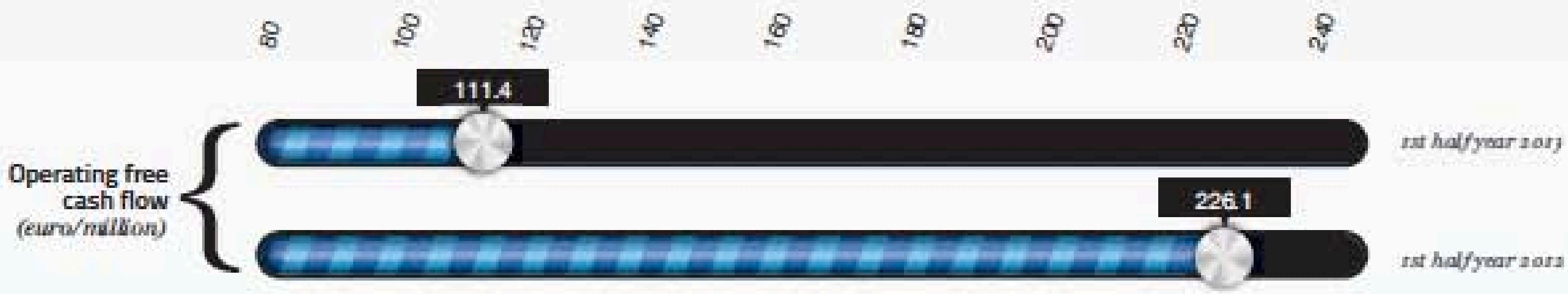
Financial highlights of the Group

In order to enable the accounting items to be compared and analyzed fairly, the SEAT Pagine Gialle Group's results for the first nine months of 2013 are shown against those for the first nine months of 2012, as described in more detail in the "Introduction – Presentation of accounting data" section of the report on operations.

- Consolidated REVENUE of €388.0 million, down by 24.2%.
- Consolidated EBITDA of €86.3 million, down by 57.2%.
- As at September 30, 2013, FREE OPERATING CASH FLOW was €111.4 million and NET FINANCIAL DEBT was €1,433.6 million, reflecting the reclassification, pursuant to IFRS 5, of the assets and liabilities of the Telegate Group and of Cipi S.p.A. to "Non-current assets held for sale and discontinued operations", as well as the deconsolidation of the assets and liabilities of the TDL Group.







(euro/million)	9 months 2013	9 months 2012 *comparable restated data (**)*	9 months 2012 *IFRS restated (**)*
Economic and financial data			
Revenues from sales and services	388.0	512.0	46.3
GOP (*)	121.4	243.1	17.9
EBITDA (*)	87.3	204.0	9.2
EBIT (*)	(18.7)	85.9	(17.8)
Pre-tax profit (loss)	(116.7)	647.2	640.6
Profit (loss) on continuing operattions	(116.9)	625.9	642.8
Profit (loss) pertaining to the Group	(113.1)	622.1	638.1
FCF (*)	111.4	226.1	29.5
Capital expenditure	21.3	22.1	1.8
Net invested capital (*)	343.8	2,050.1	2,050.1
of which goodwill and marketing related intangibles	*206.0*	*2,030.5*	*2,030.5*
of which net operating working capital (*)	*(37.6)*	*28.6*	*28.6*
Equity of the Group	(1,109.0)	685.4	685.4
Net financial indebtedness (*)	1,433.6	1,340.0	1,340.0
Economic and financial ratio			
EBITDA/Revenues	22.5%	39.8%	19.9%
EBIT/Revenues	(4.8%)	16.8%	(38.4%)
EBIT/Net invested capital	(5.4%)	4.2%	(0.9%)
Profit (loss) for the period /Equity of the Group	n.s.	n.s.	93.1%
FCF/Revenues	28.7%	44.2%	63.7%
Operating working caital/Revenues	(9.7%)	5.6%	61.8%
Workforce			
Workforce at the end of the period (units) (***)	2,058	3,891	3,891
Average workforce for the period on continuing operations (****)	1,850	1,600	-
Revenues/Average workforce	210	320	-

(*) See "Non-GAAP measures" below for details of items.
(**) Please refer to the Introduction to the report on operations for further details on first nine months 2012 comparable restated data.
(***) Does not include the period-end average workforce of the TDL Infomedia Group (out of consolidation area) and Telegate Group and Cipi S.p.A., which were reclassified to "Non-current assets held for sale and discontinued operations" pursuant to IFRS 5.
(****) The average workforce of nine months 2012 restated IFRS is not available. Following the merger, the income statement refers to August 31 - September 30, 2012 and data do not provide correct information.

Non-GAAP measures

This section reports on several non-GAAP measures used in the Interim Report as at September 30, 2013 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 09.30.2013	As at 09.30.2012 *comparable restated data* [1]
Share capital	euro	450,265,793.58	450,265,793.58
Number of ordinary shares	n.	16,066,212.958	16,066,212.958
Number of saving shares	n.	680,373	680,373
Market capitalization *- based on average market price*	*euro/mln*	*27*	*158*
SEAT Pagine Gialle S.p.A. share weighting (SPG ordinary shares) *- Ftse Italia All Share (ex Mibtel)*		*0.011%*	*0.065%*
Equity par share	euro	(0.069)	0.356
Profit (loss) par share on continuing operations	euro	(0.007)	0.325
Profit (loss) par share from non-current assets held for sale and discontinued operations	euro	(0.0004)	(0.002)

[1] Please refer to the Introduction to the report on operations for further details on the comparable restated data as at September 30, 2012.

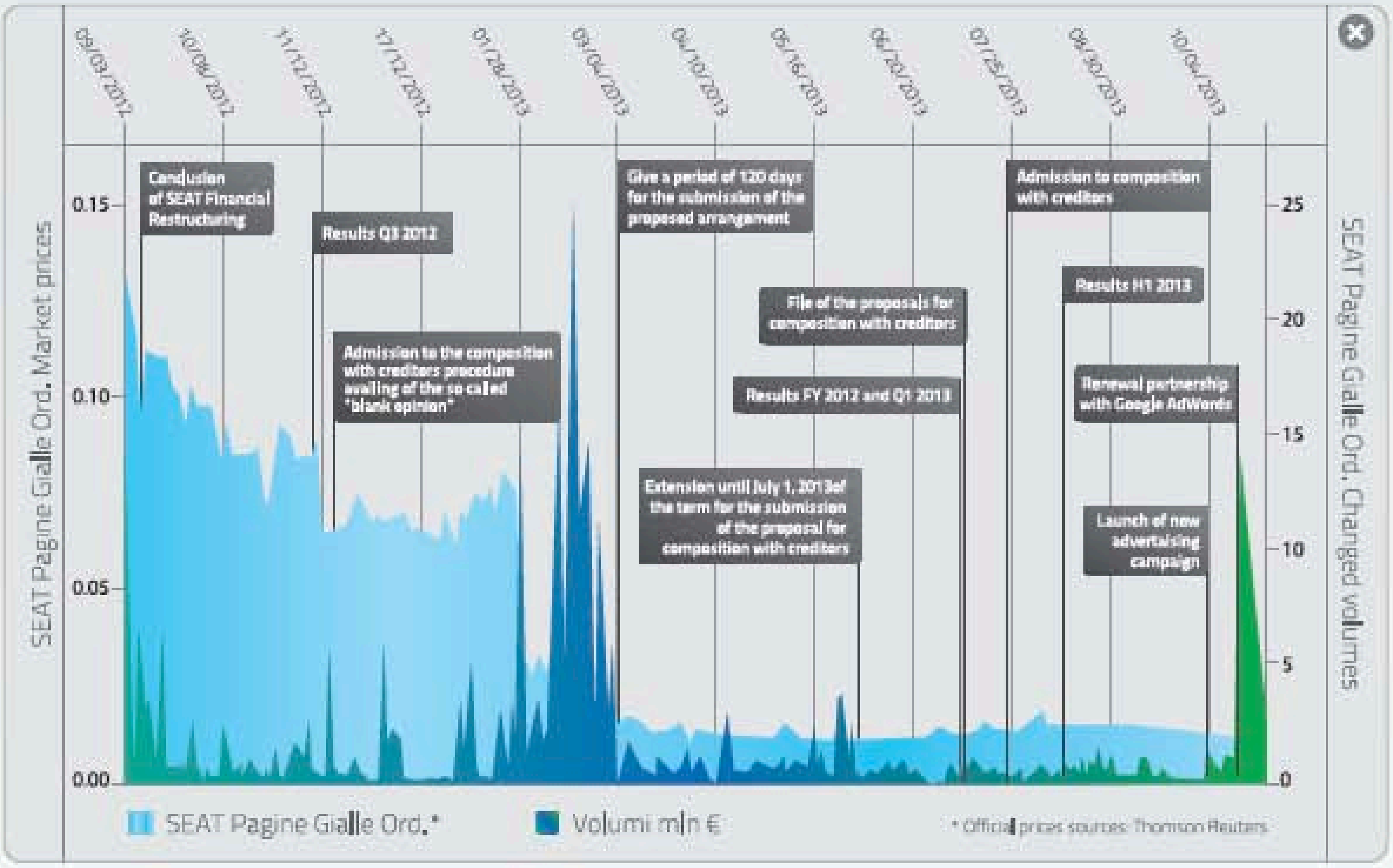
Rating di SEAT Pagine Gialle S.p.A.

Rating agency	Corporate	Outlook
S&P's	D	n.a.
Moody's	Ca	negative

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

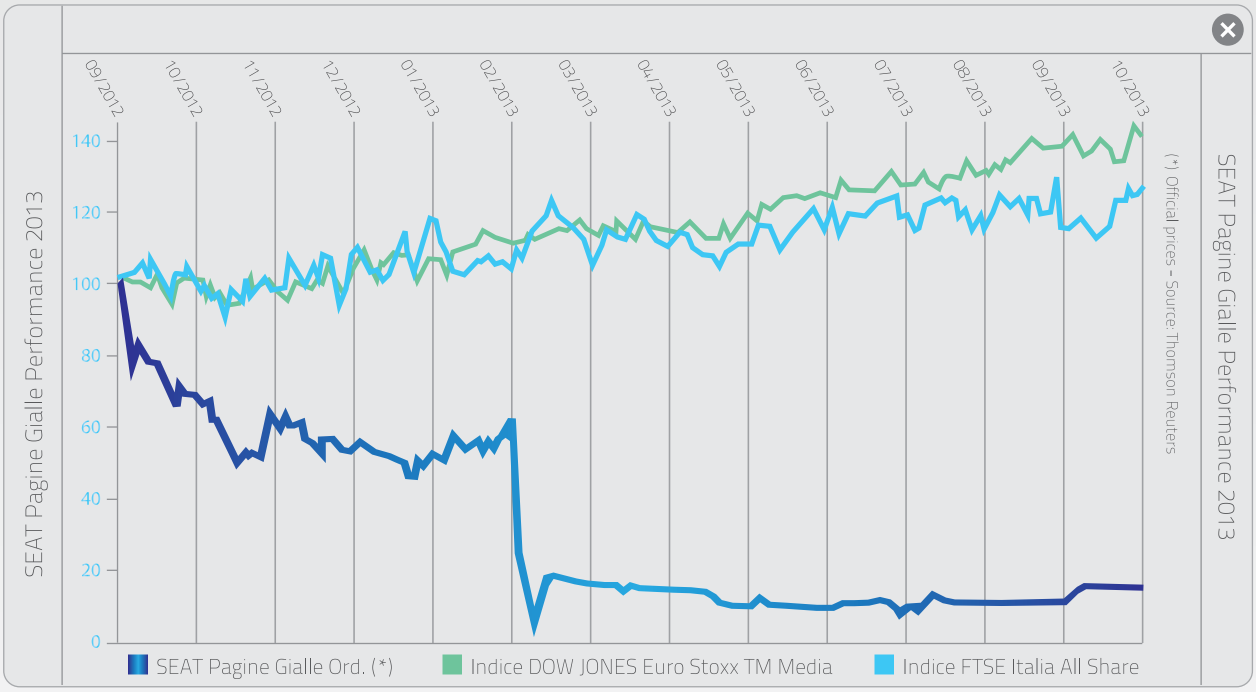
SEAT Pagine Gialle shares ended trading on September 30, 2013 at €0.0016, compared with €0.0046 on December 31, 2012. The average trading volume over the first nine months of 2013 was more than 476 million.

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.

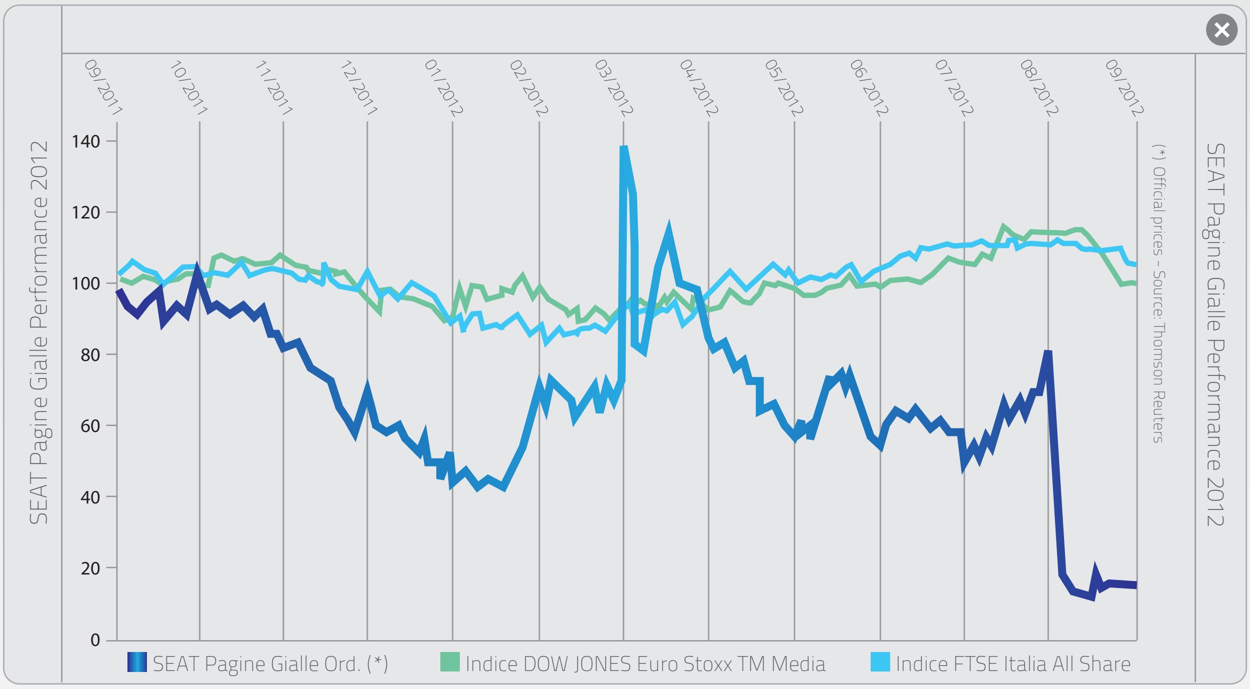


Performance of SEAT Pagine Gialle S.p.A. shares in the first nine months of 2013 vs. FTSE Italia All-Share index and Dow Jones Euro Stoxx TM Media index

(information correct as at November 4, 2013)



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



Shareholders

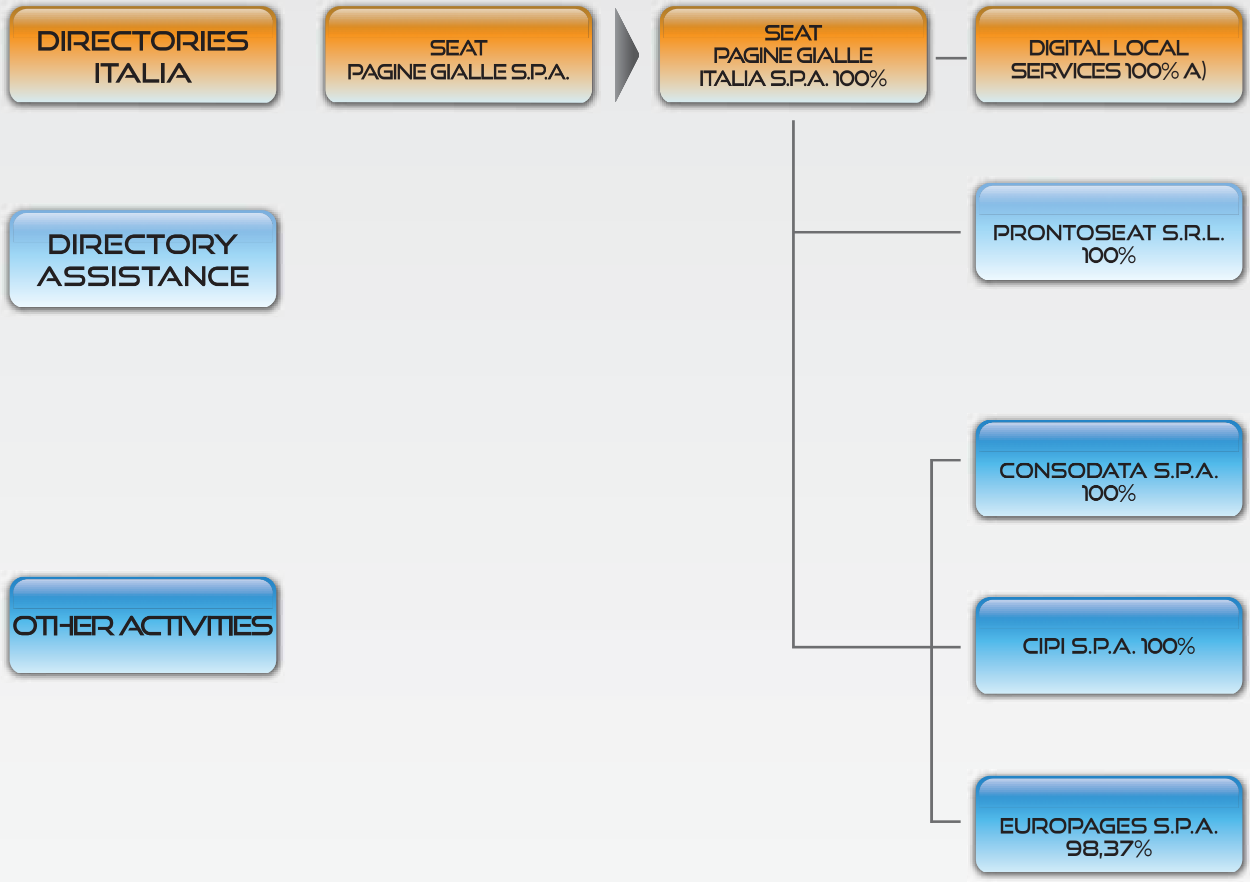
As at September 30, 2013, Giovanni Cagnoli was the only shareholder with a stake of more than 2% in the share capital of SEAT Pagine Gialle S.p.A., with a holding of 3.31%.

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

- Giovanni Cagnoli (direct and indirect shareholding): 3.31%;
- Market: 96.69%.

Organizational structure of the Group

(information correct as at November 11, 2013)



LEGENDA

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

" il Giallo
è crescita "

Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

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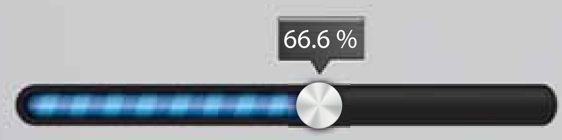
Report on Operations



LOADING

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Introduction

As specified in the Report on Operations of the December 31, 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 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 Enrico Laghi of Rome as official receiver. 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 cross-border merger (the "Merger") of Lighthouse International Company S.A. into SEAT Pagine Gialle S.p.A. on August 31, 2012, 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 Interim Report was prepared as follows:

- the comparative data for the first nine months of 2012 relate to the SEAT Group and were prepared on the basis of a comparable consolidated income statement and statement of cash flows, showing the performance of the SEAT Group for the first nine months of 2012; the consolidated income statement and statement of cash flows therefore show the result for and the cash generated during the first nine months of 2012;
- the IFRS data for the first nine months of 2012 were prepared from the perspective of the acquirer, Lighthouse, and therefore include the result for the period (the first nine months of 2012) attributable to the activities of Lighthouse as well as to the SEAT Group as of the acquisition date (August 31, 2012).

In addition, the data for the first nine months of 2012 have been restated for the following reasons:

1. The figures for the SEAT Group for the first nine months of 2013 reflect the decision, taken in accordance with the New Strategic Guidelines on which the plan and the proposal for the agreement with creditors were based, to divest of, 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, the equity investments in the TDL Infomedia Group, the Telegate Group and Cipi S.p.A., which are no longer considered to be compatible with the SEAT Group's business. As such, in accordance with IFRS 5:

- the results, assets and liabilities and cash flows of the **Telegate Group** for the first nine months of 2013 are shown under "Discontinued operations", and the income statement and statement of cash flow items for the first nine months of 2012 have been restated;
- 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 only the assets and liabilities of Cipi S.p.A. at September 30, 2013 were recorded separately in the statement of financial position, without the need to reclassify or re-present the comparable data at September 30, 2012;
- following the appointment on August 14, 2013 of an administrator under UK law, the assets and liabilities of the **TDL Group** were deconsolidated as of August 2013, resulting in a de facto loss of control for SEAT Pagine Gialle Italia S.p.A. The results up to this date are shown under "Discontinued operations", and the income statement and statement of cash flow items for the first nine months of 2012 have been restated.

2. In addition, these figures 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.

Financial performance of the Group

The financial results of the SEAT Group for the first nine months of 2013 and the first nine months 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. Excessive confidence should not be placed in the reliability of these forward-looking statements, since the final results may differ from those contained in these forecasts for a number of reasons, some of which are beyond the Group's control.

Tables - comparable consolidated data

Reclassified consolidated income statement

(euro thousand)	9 months 2013	9 months 2012 *comparable restated data*	Change Absolute	Change %	3rd quarter 2013	3rd quarter 2012 *comparable restated data*	Change Absolute	Change %	9 months 2012 *IFRS restated*
Revenues from sales and services	388,031	512,026	(123,995)	(24.2)	121,202	156,777	(35,575)	(22.7)	46,329
Costs of materials and externals services (*)	(188,148)	(198,882)	10,734	5.4	(55,989)	(58,414)	2,425	4.2	(19,656)
Salaries, wages and employee benefits (*)	(78,527)	(70,035)	(8,492)	(12.1)	(24,856)	(20,988)	(3,868)	(18.4)	(8,768)
Gross Operating Profit (GOP)	121,356	243,109	(121,753)	(50.1)	40,357	77,375	(37,018)	(47.8)	17,905
% on revenues	*31.3%*	*47.5%*			*33.3%*	*49.4%*			*38.6%*
Net valuation adjustments and provisions to reserves	(33,849)	(37,009)	3,160	8.5	(12,043)	(9,710)	(2,333)	(24.0)	(8,366)
Other operating income (expenses)	(199)	(2,115)	1,916	90.6	478	(211)	689	n.s.	(310)
EBITDA	87,308	203,985	(116,677)	(57.2)	28,792	67,454	(38,662)	(57.3)	9,229
% on revenues	*22.5%*	*39.8%*			*23.8%*	*43.0%*			*19.9%*
Operating amortization, depreciation and write-down	(34,155)	(33,033)	(1,122)	(3.4)	(11,269)	(11,554)	285	2.5	(4,483)
Non-operating amortization, depreciation and write-down	(26,120)	(7,752)	(18,368)	n.s.	(5,372)	(7,752)	2,380	30.7	(7,752)
Non-recurring and restructuring costs, net	(45,740)	(77,251)	31,511	40.8	(4,314)	(21,948)	17,634	80.3	(14,827)
EBIT	(18,707)	85,949	(104,656)	n.s.	7,837	26,200	(18,363)	(70.1)	(17,833)
% on revenues	(4.8%)	16.8%			6.5%	16.7%			(38.5%)
Interest expense, net	(97,963)	561,220	(659,183)	n.s.	(33,107)	636,589	(669,696)	n.s.	658,470
Profit (loss) before income taxes	(116,670)	647,169	(763,839)	n.s.	(25,270)	662,789	(688,059)	n.s.	640,637
Income taxes	(191)	(21,305)	21,114	99.1	1,576	(9,913)	11,489	n.s.	2,188
Profit (loss) on continuing operations	(116,861)	625,864	(742,725)	n.s.	(23,694)	652,876	(676,570)		642,825
Profit (loss) from non-current assets held for sale and discontinued operations	3,209	1,437	1,772	n.s.	12,286	20,549	(8,263)	(40.2)	(5,765)
Profit (loss) for the period	(113,652)	627,301	(740,953)	n.s.	(11,408)	673,425	(684,833)	n.s.	637,060
- of which pertaining to the Group	(113,136)	622,082	(735,218)	n.s.	(11,768)	668,039	(679,807)	n.s.	638,094
- of which non-controlling interests	(516)	5,219	(5,735)	n.s.	360	5,386	(5,026)	(93.3)	(1,034)

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

Consolidated statement of comprehensive income

(euro thousand)		9 months 2013	9 months 2012 *comparable restated data*	3rd quarter 2013	3rd quarter 2012 *comparable restated data*	9 months 2012 *IFRS restated*
Profit (loss) for the period	(A)	(113,652)	627,301	(11,408)	673,425	637,060
Other comprehensive income that will not be reclassified subsequently to profit or loss:						
Actuarial gains (loss) recognised to equity		303	22,477	(119)	26,198	-
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax	(B1)	303	22,477	(119)	26,198	-
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		(41)	(326)	(390)	416	680
Other movements				4		
Total other comprehensive income that will be reclassified subsequently to profit or loss, net of tax	(B2)	(41)	1,235	(386)	416	680
Total other comprehensive income, net of tax	B=(B1+B2)	262	23,712	(505)	26,614	680
Total comprehensive profit (loss) for the period	(A+B)	(113,390)	651,013	(11,913)	700,039	637,740
- of which pertaining to the Group		(112,874)	645,794	(12,273)	694,653	638,774
- of which non-controlling interests		(516)	5,219	360	5,386	(1,034)

Reclassified consolidated statement of financial position

(euro thousand)		As at 09.30.2013	As at 12.31.2012	Change
Goodwill and "marketing related" intangibles assets		206,006	252,205	(46,199)
Other non-current assets (*)		195,632	256,405	(60,773)
Operating non-current liabilities		(40,442)	(58,353)	17,911
Non-operating non-current liablities		(45,937)	(67,161)	21,224
Operating working capital		(37,604)	10,477	(48,081)
- Operating current assets		*272,382*	*428,452*	*(156,070)*
- Operating current liabilities		*(309,986)*	*(417,975)*	*107,989*
Non-operating working capital		(51,459)	(33,529)	(17,930)
- Non-operating current assets		*22,702*	*22,800*	*(98)*
- Non-operating current liabilities		*(74,161)*	*(56,329)*	*(17,832)*
Non-current assets held for sale and discontinued operations, net		117,624	(250)	117,874
Net invested capital		343,820	359,794	(15,974)
Equity of the Group		(1,108,956)	(996,460)	(112,496)
Non-controlling interests		19,154	28,309	(9,155)
Total equity	(A)	(1,089,802)	(968,151)	(121,651)
Current financial assets, cash and cash equivalent		(192,378)	(202,046)	9,668
Current financial debts		1,590,115	201,653	1,388,462
Non-current financial debts		35,885	1,328,338	(1,292,453)
Net financial debt (ESMA)	(B)	1,433,622	1,327,945	105,677
Total	(A+B)	343,820	359,794	(15,974)

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

Consolidated statement of cash flows

(euro/thousand)		9 months 2013	9 months 2012 *comparable restated data*	Change	3rd quarter 2013	3rd quarter 2012 *comparable restated data*	*Change*	9 months 2012 IFRS *restated*
Cash inflow (outflow) from operating activities								
Operating result		(18,707)	85,949	(104,656)	7,837	26,200	(18,363)	(17,833)
Amortization, depreciation and write-down		60,275	40,785	19,490	16,641	19,306	(2,665)	12,235
(Gain) loss on disposal of non-current assets		(4)	(2)	(2)	(1)	–	(1)	–
Change in working capital		76,399	44,032	32,367	(5,995)	(22,505)	16,510	(21,256)
Income taxes paid		(1,390)	8,240	(9,630)	(1,126)	9,983	(11,109)	4,894
Change in non-current liabilities		(2,886)	(6,086)	3,200	(1,609)	(1,362)	(247)	293
Foreign exchange adjustments and other movements		(407)	727	(1,134)	(513)	1,202	(1,715)	1,439
Cash inflow (outflow) from operating activities	(A)	113,280	173,645	(60,365)	15,234	32,824	(17,590)	(20,228)
Cash inflow (outflow) for investments								
Purchase of intangible assets with finite useful life		(19,586)	(19,208)	(378)	(6,347)	(6,380)	33	(1,382)
Purchase of property, plant and equipment		(1,670)	(2,859)	1,189	(400)	(1,788)	1,388	(373)
Other investments		87	(436)	523	40	199	(159)	39
Proceeds from disposal of non-current assets		21	74	(53)	3	5	(2)	(4)
Cash inflow (outflow) for investments	(B)	(21,148)	(22,429)	1,281	(6,704)	(7,964)	1,260	(1,720)
Cash inflow (outflow) for financing								
Repayment of non-current loans		(2,323)	(2,653)	330	(925)	(891)	(34)	(875)
Paid interest expense, net		671	(120,866)	121,537	(42)	(122,260)	122,218	(2,304)
Change in financial asset and liabilities		610	(33,727)	34,337	596	(34,437)	35,033	(146,879)
Dividend distribution			(1,514)		–	–	–	–
Cash inflow (outflow) for financing	(C)	(1,042)	(158,760)	157,718	(371)	(157,588)	157,217	216,383
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(D)	(86,417)	25,437		(18,193)	29,818	(48,011)	(4,169)
Increase (decrease) in cash and cash equivalents in the period (*)	(A+B+C+D)	4,673	17,893	(13,220)	(10,034)	(102,910)	92,876	190,266
Cash as at September 30 relating to subsidiaries reclassified into non-current assets hel for sale and discontinued operations		(13,047)	–		18,282	–	18,282	–
Cash and cash equivalents at beginning of the period		199,659	172,732	26,927	183,037	–	183,037	359
Cash and cash equivalents at end of the period		191,285	190,625	660	191,285	(102,910)	294,195	190,625

(*) The Group cash inflow (outflow) for the period prior to recognition under "Non-curent assets held for sale and discontuned operations" of cash relating to the Telegate group and Cipi S.p.A..

Consolidated statement of changes in equity from December 31, 2012 to September 30, 2013

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	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	-	-	-
Dividend distribution	-	-	-	-	-	-	-	-	-	(8,650)	(8,650)
Total other comprehensive profit (loss) for the period	-	-	300	954	-	-	-	(113,136)	(111,882)	(516)	(112,398)
Other movements	-	-	(341)	(651)	257	-	121	-	(614)	11	(603)
As at 09.30.2013	450,266	466,847	2	(793)	669,829	20,196	(2,602,167)	(113,136)	(1,108,956)	19,154	(1,089,802)

Consolidated statement of changes in equity from December 31, 2011 to September 30, 2012 - *restated comparable data*

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	Reserve for "cash flow hedge" contract	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	450,266	466,847	(39,075)	(1,561)	(21,278)	_	50,071	(684,279)	(789,750)	(568,759)	13,681	(555,078)
Allocation of previous year profit (loss)	–	–	–	–	–	–	–	(789,750)	789,750	–	–	–
Dividend distribution	–	–	–	–	–	–	–	–	–	–	(1,514)	(1,514)
Total other comprehensive profit (loss) for the period	–	–	(126)	1,561	(3,753)	–	–	–	622,764	619,764	5,219	624,983
Purchasing Price Allocation evaluation	–	–	–	–	–	715,003	–	–	–	715,003	–	715,003
Equitization and Merger of Lighthouse into SEAT	–	–	–	–	–	–	(29,875)	–	–	(29,875)	–	(29,875)
Other movements	–	–	(200)	–	26,230	(45,488)	–	(31,234)	–	(50,692)	7,261	(43,431)
As at 09.30.2012	450,266	466,847	(39,401)	–	1,199	669,515	20,196	(1,505,263)	622,082	685,441	24,647	710,088

Reclassified consolidated income statement for the first nine months of 2013

In accordance with IFRS 5, the results for the Telegate Group and the TDL Group are shown as "Discontinued operations", and the income statement and statement of cash flows items for the first nine months of 2012 have been *restated*.

Revenue from sales and services totaled € 388.0 million in the first nine months of 2013, down by 24.2% on the first nine months of 2012 *restated* (€ 512.0 million).

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 nine months of 2013 amounted to € 369.2 million, down by 24.8% compared with the first nine months of 2012 restated, with a 24.8% fall in core revenue that affected all three of the core product lines: print revenue was down 31.4%, online & mobile revenue 20.8% and voice revenue 35.6%.
- revenue from the *Directory Assistance* Business Area *(Prontoseat)* totaled € 4.2 million in the first nine months of 2013, down by 27.6% compared with the same period of 2012 (€ 5.8 million). The fall in turnover was due essentially to lower outbound revenue (-€ 0.8 million compared with the first nine months 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 service.
- revenue in the *Other Activities* Business Area *(Europages, Consodata and Cipi)* totaled € 23.1 million in the first nine months of 2013, a decline of 20.3% compared with the same period of the previous year (€ 29.0 million), which was attributable mainly to the fall in revenue at Europages and Consodata.

Costs of materials and external services, net of costs debited to third parties but included in the IFRS financial statements under the item "Other revenue and income", totaled € 188.1 million in the first nine months of 2013, down by € 10.7 million compared with the same period of 2012 restated (€ 198.9 million).

In more detail, materials and external services for the period were as follows:

- *industrial* costs: these totaled € 82.2 million, down by € 6.0 million on the first nine months of 2012 restated, due mainly to lower revenue volume. 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 € 1.8 million) and in production costs (down by € 1.5 million); however, fees paid to web publishers rose by € 3.7 million to € 18.9 million as part of the management of new online offers intended to boost web traffic;
- *commercial* costs: these totaled € 67.6 million in the first nine months of 2013 (€ 72.4 million in the first nine months of 2012 *restated*). The reduction was due to a fall of € 13.2 million in spending on commissions and other sales costs following the implementation of the *New Sales Model;* this was partly offset by an increase of € 6.5 million in advertising spending compared with the first nine months of 2012 restated following new Italian Directories campaigns mainly concerning online products;
- *overheads:* these amounted to € 38.4 million, broadly in line with the first nine months of 2012 restated (€ 38.3 million).

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 € 78.5 million in the first nine months of 2013, up by € 8.5 million compared with the first nine months of 2012 *restated* (€ 70.0 million). 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 2,058 at September 30, 2013 (3,997 at December 31, 2012); the figure at September 30, 2013 does not include the period-end workforce of the deconsolidated TDL Group, of the Telegate Group and of Cipi S.p.A., which are shown as "Non-current assets held for sale and discontinued operations".
The average headcount (FTE) in the first nine months of 2013 consisted of 1,850 employees (compared with 1,600 in the first nine months of 2012 *restated*).

Gross operating profit (GOP) totaled € 121.4 million in the first nine months of 2013, decreasing by € 121.7 million compared with the first nine months of 2012 *restated* (€ 243.1 million). The operating margin was 31.3%, down from 47.5% in the first nine months of 2012 *restated*.

Net valuation adjustments and provisions for risks and charges totaled € 33.8 million in the first nine months of 2013 (€ 37.0 million in the first nine months of 2012 *restated*). Of the net valuation adjustments (€ 31.5 million in the first nine months of 2013), € 31.3 million related to the allowance for doubtful trade receivables, which decreased slightly compared with the first nine months of 2012 *restated*, although coverage of overdue receivables remained sufficient. This item also includes net provisions for operating risks and charges of € 2.3 million (€ 5.2 million in the first nine months of 2012 *restated*), down by € 2.9 million, due mainly to a reduction in the Italian Directories Business Area's provisions for commercial risks.

Other operating income and expenses showed a negative balance of € 0.2 million in the first nine months of 2013 (negative figure of € 2.1 million in the first nine months of 2012 *restated*).

Operating income before amortization, depreciation, and other net non-recurring and restructuring costs (EBITDA) totaled € 87.3 million in the first nine months of 2013, a drop of 57.2% compared with the first nine months of 2012 *restated* (€ 204.0 million), yielding an operating margin of 22.5% (39.8% in the first nine months of 2012 restated).

Operating amortization, depreciation and write-downs totaled € 34.2 million in the first nine months of 2013, up by € 1.2 million (€ 33 million in the first nine months of 2012 *restated*). Of this figure, € 27.2 million related to intangible assets with a finite useful life (€ 26.3 million in the first nine months of 2012 *restated*) and € 6.9 million to property, plant and equipment (€ 6.7 million in the first nine months of 2012 *restated*).

Non-operating amortization, depreciation and write-downs totaled € 26.1 million and referred to: *(i)* in the amount of € 16.1 million, 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 € 10.0 million, the alignment of Cipi S.p.A. book values to the presumed realizable value.

Non-recurring and restructuring costs, net totaled € 45.7 million in the first nine months of 2013 (€ 77.3 million in the same period of 2012 *restated*).
Non-recurring costs totaled € 44.4 million (€ 77.1 million in the first nine months of 2012 *restated*) and included: *(i)* provisions of € 33.0 million 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 € 5.8 million relating to the composition with creditor's procedure.
Net restructuring costs totaled € 1.3 million (€ 0.1 million in the first nine months of 2012 *restated*) and referred mainly to the costs incurred by Cipi S.p.A. to restructure its workforce.

EBIT was a loss of € 18.7 million in the first nine months of 2013 (compared with € 85.9 million in the first nine months 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 € 97.9 million in the first nine months of 2013 (there was net financial income of € 561.2 million in the same period of 2012 *restated*), representing the balance between financial expense of € 99.6 million (€ 113.6 million in the first nine months of 2012 *restated*) and financial income of € 1.7 million (€ 674.8 million in the first nine months of 2012 *restated*). In the first nine months of 2012, the item **financial income** included € 669.7 million from the fair-value measurement of assets and liabilities following the agreed financial restructuring.
On June 28, 2013, SEAT Pagine Gialle Italia S.p.A. and SEAT Pagine Gialle S.p.A. filed the composition with creditors, the relevant plan and the other documents pursuant to paragraphs 2 and 3 of article 161 of Royal Decree 267/1942, with the Court of Turin. In its ruling of July 10, 2013, the Court of Turin declared, pursuant to article 163 of Royal Decree 267/1942, that the composition with creditor's procedures of SEAT Pagine Gialle Italia S.p.A. and SEAT Pagine Gialle S.p.A. were open.
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, liens and accrued interest (only for senior debt), is shown in said documentation.
In the Interim Report at September 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).
Below are notes on the data for the first nine months of 2013 compared with those for the first nine months of 2012 (excluding the above-mentioned financial income).

Specifically, *interest expense* in the first nine months of 2013 included:
- € 29.6 million of interest expense (against € 37.5 million in the first nine months of 2012 *restated*) on

the *Senior Credit Agreement* between SEAT Pagine Gialle Italia S.p.A. and The Royal Bank of Scotland. In the first nine months of 2012 *restated*, this amount included € 8.4 million relating to transaction and refinancing costs for the period and € 1.6 million relating to the net negative impact of derivatives hedging against interest rate risk;

- € 67.8 million of interest expense (€ 64.7 million in the first nine months of 2012 *restated*) on the *senior secured* bonds. This amount includes € 3.6 million relating to the issue discount (€ 3.2 million in the first nine months of 2012); in the first nine months of 2012 *restated* the amount included € 1.9 million relating to transaction costs for the period. The increase in interest expense on the senior secured bonds was due to the issuance of new bonds with a nominal value of € 65.0 million as part of the 2012 restructuring;
- € 1.3 million (€ 1.0 million in the first nine months of 2012 *restated*) of interest expense on debts to Leasint S.p.A. in relation to financial leasing contracts raised for the purchase of the Corso Mortara real-estate complex in Turin, where SEAT has its offices;
- € 1.0 million of other interest expense (€ 2.1 million in the first nine months of 2012 *restated*), including € 0.7 million (€ 1.9 million in the first nine months of 2012 *restated*) of interest expense from discounting non-current assets and liabilities.

Financial income of € 1.7 million in the first nine months of 2013 (€ 2.5 million in the same period of 2012 *restated*) exclusively comprised interest income from the investment of short-term liquidity in the banking system at market rates.

Income taxes for the first nine months of 2013 showed a negative balance of € 0.2 million (negative balance of € 21.3 million in the first nine months 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 € 116.9 million (against a profit of € 625.9 million in the first nine months of 2012 *restated*).

Profit/(loss) on non-current assets held for sale and discontinued operations showed a profit of € 3.2 million (€ 1.4 million in the first nine months of 2012 *restated*), including the € 10.6 million capital gain on the deconsolidation of the TDL Group and the respective losses of € 2.2 million and € 5.2 million from the Telegate Group and the TDL Group.

Profit/(loss) for the period pertaining to non-controlling interests showed a loss of € 0.5 million (a profit of € 5.2 million 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 showed a loss of € 113.1 million (against a profit of € 622.1 million in the first nine months of 2012 *restated*, which included financial income of € 669.7 million related to the equitization carried out by Lighthouse).

Reclassified consolidated income statement for the third quarter of 2013

Revenue from sales and services totaled € 121.2 million in the third quarter of 2013, down by 22.7% on the third quarter of 2012 *restated* (€ 156.8 million) on a same publication basis (the effect of realigning the directory publication schedule of SEAT Pagine Gialle Italia S.p.A. in the third quarter of 2013 with the previous year was € 2.7 million).

Before eliminations between the Group's different Business Area, revenue from sales and services was as follows:

- revenues from the *Italian Directories Business Area (SEAT Pagine Gialle S.p.A, SEAT Pagine Gialle Italia S.p.A. and Digital Local Services companies):* this totaled € 114.7 million in the third quarter of 2013, with a decline of 25.1% compared with the same period in 2012 *restated* at constant publication volumes, with core revenue declining by 25.3% and the slide affecting all three core product lines: print revenue was down 38.5%, online & mobile revenue 17.3% and voice revenue 36.8%.
- revenues from the *Directory Assistance* Business Area *(Prontoseat)* totaled € 1.4 million in the third quarter of 2013, down by 6.7% on the same period of the previous year *restated* owing to the significant decline in outbound sales;
- revenue from the *Other Activities* Business Area *(Europages, Consodata and Cipi)* totaled € 7.7 million in the third quarter of 2013, down by € 0.9 million compared with the same period of 2012 owing in particular to a drop in revenue from Europages.

EBITDA amounted to € 28.8 million in the third quarter of 2013, down by € 38.7 million compared with the same period of the previous year *restated* (€ 67.5 million), owing mainly to the drop in revenue.

Reclassified consolidated statement of financial position at September 30, 2013

As mentioned in the paragraph "Presentation of accounting data", the SEAT Group's data for the first nine months of 2013 reflect the decision, taken in accordance with the New Strategic Guidelines on which the plan and the proposal for the agreement with creditors were based,, to divest of the equity investments in the Telegate Group, the TDL Group and Cipi S.p.A., which are no longer considered to be compatible with the SEAT Group's business.

Pursuant to IFRS 5, the assets and liabilities of companies no longer deemed to be compatible with the SEAT Group's business were measured at fair value; there was no need to adjust the respective book values of the Telegate and TDL Infomedia Groups. However, an adjustment of € 10 million was required for the assets and liabilities of Cipi S.p.A. to reflect the impairment of assets held for sale.

The period-end assets and liabilities of the Telegate Group and Cipi S.p.A. were reclassified under "Net non-current assets held for sale and discontinued operations"; the assets and liabilities of the TDL Group were deconsolidated following the appointment on August 14, 2013 of an administrator under UK law, resulting in a de facto loss of control for SEAT Pagine Gialle Italia S.p.A.

The consolidated statement of financial position at September 30, 2013 therefore reflects this accounting treatment.

Net invested capital

Net invested capital, at € 343.8 million as at September 30, 2013, fell by € 16.0 million compared with December 31, 2012. Net invested capital can be broken down as follows:

- **goodwill and marketing-related intangible assets** amounted to € 206.0 million at September 30, 2013, including € 88.9 million relating to goodwill and € 117.1 million relating to Group customer relationship and database assets. The decrease of € 46.2 million compared with December 31, 2012 owed to:
  - the recognition under "Net non-current assets held for sale and discontinued operations" of € 2.1 million of goodwill and € 28.0 million of customer relationship assets relating to the Telegate group;
  - the amortization (€ 16.1 million) of Group customer relationship and database assets.

  With regard to the other Group companies (except for the Telegate Group, which was subjected to an impairment test for the reasons described above relating to the measurements required by IFRS 5 for discontinued operations) and, in particular, SEAT Pagine Gialle Italia S.p.A., to which the goodwill was wholly allocated, analysis was performed on the final data for the first nine months, in terms of both results and orders, which, as in June, showed no areas for concern when compared with previous forecasts. As at the approval date of this Interim Report, the planning activity in terms of forecasts and budgets, which began in September, was still ongoing, and, in light of the current market situation, we are currently unable to provide more specific indications.

  In light of this, and taking into account external information, particularly market rate trends, at present there are no specific events or circumstances to imply an impairment of goodwill and of the other intangible assets; as a result, the relevant impairment tests have not been carried out and will be performed in relation to the annual financial statements.
- **other non-current assets** totaled € 195.6 million at September 30, 2013, down by € 60.8 million compared to December 31, 2012 (€ 256.4 million). These assets include:
  - *intangible and tangible fixed assets which* totaled € 173.1 million at September 30, 2013, down by € 59.2 million compared to December 31, 2012 (€ 232.3 million). 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 € 39.5 million;
  (ii) the deconsolidation of TDL Group assets in the amount of € 6.8 million;
  (iii) an increase following capital expenditure, in the amount of € 21.3 million;
  (iv) recognition of operating amortization, depreciation and write-downs, in the amount of € 31.4 million.

Capital expenditure of € 21.3 million (€ 22.1 million in the first nine months of 2012 *restated*) related to the following areas:

- in Italian Directories (€ 18.3 million in the first nine months of 2013; € 19.1 million in the first nine months 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, 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 more quickly and flexibly to customers' 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. (€ 2.5 million; € 2.4 million in the first nine months of 2012), investments in credit and commercial information databases, developing software platforms, enriching databases, and upgrading the production and service provision IT platforms.
  - *deferred tax assets* totaled € 15.3 million at September 30, 2013 (€ 16.5 million at December 31, 2012), of which € 15.1 million related to Seat Pagine Gialle S.p.A.;
  - *non-current financial assets,* which totaled € 1.3 million (€ 1.9 million as at December 31, 2012), related to loans to Italian Directories employees.
- **operating non-current liabilities** totaled € 40.4 million as at September 30, 2013 (€ 58.4 million as at December 31, 2012). The item relates, in particular, to:
  - *defined-benefit pension plans,* which totaled € 0.3 million at September 30, 2013 (€ 15.8 million at December 31, 2012). The change of € 15.5 million reflects the deconsolidation of the TDL Group;
  - *the reserve for severance indemnities,* which totaled € 14.0 million at September 30, 2013 (against € 15.4 million at December 31, 2012). The change mainly reflects the effects of recognizing the assets and liabilities of Cipi S.p.A. under "Net non-current assets held for sale and discontinued operations";
  - *the reserve for sales agents' termination indemnities,* which totaled € 23.1 million as at September 30, 2013, down by € 1.5 million compared with December 31, 2012 (€ 24.6 million). This reserve represents the accrued debt at the end of the period to sales agents for the indemnities due to them in the event of termination of the agency contract, in accordance with current regulation. 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 € 45.9 million as at September 30, 2013 (€ 67.2 million as at December 31, 2012), of which € 39.4 million related to deferred tax liabilities, mainly in relation to SEAT Pagine Gialle Italia S.p.A. (€ 39.3 million). 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 € 17.1 million.
- **operating working capital** was negative for € 37.6 million at September 30, 2013 (€ 10.5 million at December 31, 2012).
  Listed below are the most significant changes that took place during the period with reference to:
  - *trade receivables* of € 220.6 million as at September 30, 2013, down by € 140.0 million compared with December 31, 2012 (€ 360.5 million). This reduction includes: *(i)* € 30.9 million for recognition under "Net non-current assets held for sale and discontinued operations"; *(ii)* € 13.1 million for deconsolidating the assets and liabilities of the TDL Group; *(iii)* € 90.5 million for the reduction in trade receivables at Italian Directories;
  - *payables for services to be provided and other current liabilities* of € 136.5 million at September 30, 2013, down by € 66.8 million compared with December 31, 2012 (€ 203.3 million). This change reflects the schedules for the purchasing and invoicing of advertising services, the effects of deconsolidating the TDL Group in the amount of € 12.0 million, and the effects of recognizing € 14.9 million under "Net non-current assets held for sale and discontinued operations";
  - *trade payables* of € 140.0 million at September 30, 2013. The fall of € 38.0 million compared with December 31, 2012 was due mainly to the deconsolidation of the assets and liabilities of the TDL Group in the amount of € 6.7 million and to the effects of recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 21.5 million.

- **non-operating working capital,** which was negative for € 51.5 million as at September 30, 2013 (negative for € 33.5 million as at December 31, 2012). This includes:
  - *income tax payables* of € 8.1 million at September 30, 2013, down by € 7.0 million compared with December 31, 2012 (€ 15.1 million). The increase of € 5.3 million as a result of the provision in the period to the income statement was offset by the effects of recognition under "Net non-current assets held for sale and discontinued operations", in the amount of € 12.2 million;
  - *provisions for current non-operating risks and charges* were € 58.4 million (against € 32.2 million as at December 31, 2012). These refer mainly to the staff restructuring reserve, the sales network restructuring reserve and the provision of € 33.0 million made by Italian Directories to cover estimated liabilities connected with the implementation of transactions provided for the composition with creditors' procedure plan;
  - *current tax assets* totaling € 22.6 million at September 30, 2013 (€ 22.7 million at December 31, 2012).

Equity

Equity was negative in the amount of € 1,089.8 million at September 30, 2013 (against a negative figure of € 968.1 million at December 31, 2012), of which -€ 1,109.0 million was attributable to the Parent Company (-€ 996.4 million at December 31, 2012) and € 19.2 million to non-controlling interests (€ 28.3 million at December 31, 2012).
The decrease of € 112.5 million in the portion pertaining to the Parent Company was due mainly to the loss of € 113.1 million for the period.

Net financial indebtedness

At September 30, 2013, **net financial indebtedness** totaled € 1,433.6 million (€ 1,327.9 million at December 31, 2012).
As mentioned at the start of the section "Reclassified consolidated statement of financial position at September 30, 2013", the recognition pursuant to IFRS 5 of Telegate Group and Cipi S.p.A. items under "Non-current assets held for sale and discontinued operations", together with the deconsolidation of the TDL Group, increased net financial debt at September 30, 2013 by around € 65 million.

	(euro thousand)	As at 09.30.2013	As at 12.31.2012	Change
A	Cash	191,285	199,659	(8,374)
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	191,285	199,659	(8,374)
E.1	Current Financial Receivable to third parties	1,093	2,387	(1,294)
E.2	Current Financial Receivable to related parties	-	-	-
F	Current Bank debt	693,626	92,757	600,869
G	Current portion of non current debt	4,214	73,685	(69,471)
H.1	Other current financial debt to third parties	892,275	35,211	857,064
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H)	Current Financial Debt	1,590,115	201,653	1,388,462
J=(I-E-D)	Net Current Financial Indebtedness	1,397,737	(393)	1,398,130
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	35,885	37,817	(1,932)
M.2	Other non current loans to related parties	-	-	-
N=(K+L+M)	Non Current Financial Debt	35,885	1,328,338	(1,292,453)
O=(J-N)	Net Financial Indebtedness (ESMA)	1,433,622	1,327,945	105,677

- **Non-current financial debt** at September 30, 2013 totaled € 35.9 million (€ 1,328.3 million at December 31, 2012). It comprises the item "Other non-current financial debt", 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 leases provide for repayment through the remaining 41 installments on the contracts with effect from December 2008 and the remaining 45 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 property complex. This debt should be read together with the portion of € 4.2 million shown under *"Short-term portion of non-current debt"* and includes the effect of the fair-value measurement of the real-estate complex performed during the 2012 financial restructuring. Net of this effect, the remaining instalments on the finance lease due to Leasint S.p.A. total € 47.5 million.
- **Current financial debt** amounted to € 1,590.1 million at September 30, 2013 (€ 201.6 million at December 31, 2012). The item consists of:
  - *Current payables to banks:* these totaled € 693.6 million as at September 30, 2013 (€ 92.7 million as at December 31, 2012) and related to the senior debt with The Royal Bank of Scotland, broken down as follows:
    - € 571.1 million relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4 percentage points p.a.;
    - € 90.0 million 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;
    - € 31.9 million relating to accrued and unpaid interest expense on the term facility and the revolving facility with The Royal Bank of Scotland, of which € 29.5 million was past due as at September 30, 2013.
  - *Other current financial debt to third parties:* this totaled € 892.3 million at September 30, 2013 (€ 35.2 million at December 31, 2012) and referred mainly to the *senior secured bonds* in the amount of € 793 million (€ 779.4 million as the net value of the issuance plus € 13.6 million relating to the total share of discount accrued at September 30, 2013) and to accrued and unpaid interest expense (€ 85 million), of which € 42.2 million fell due on January 31, 2013 and € 42.8 million on July 31, 2013, on said bonds. The three issues (two in 2010 and one in August 2012), with a combined nominal value of € 815.0 million, 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.
  - *Current portion of non-current debt:* this totaled € 4.2 million at September 30, 2013 (€ 73.7 million 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 € 70.0 million relating to the current portion of the senior debt with The Royal Bank of Scotland, the full value of which is shown at September 30, 2013 under "Current Bank debt".

Changes in non-current and current financial debt between December 31, 2012 and September 30, 2013 were due to the reclassification under current financial debt of the senior secured bonds and the total 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 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);
- a guarantee on all TDL Infomedia Group assets, notwithstanding in this latter case the application of the appropriate rules for the administration procedure to which TDL Infomedia Ltd and Thomson Directories Limited are currently subject;
- 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 € 192.4 million as at September 30, 2013 (€ 202.0 million as at December 31, 2012), including € 191.3 million of cash and cash equivalents (€ 199.7 million as at December 31, 2012).

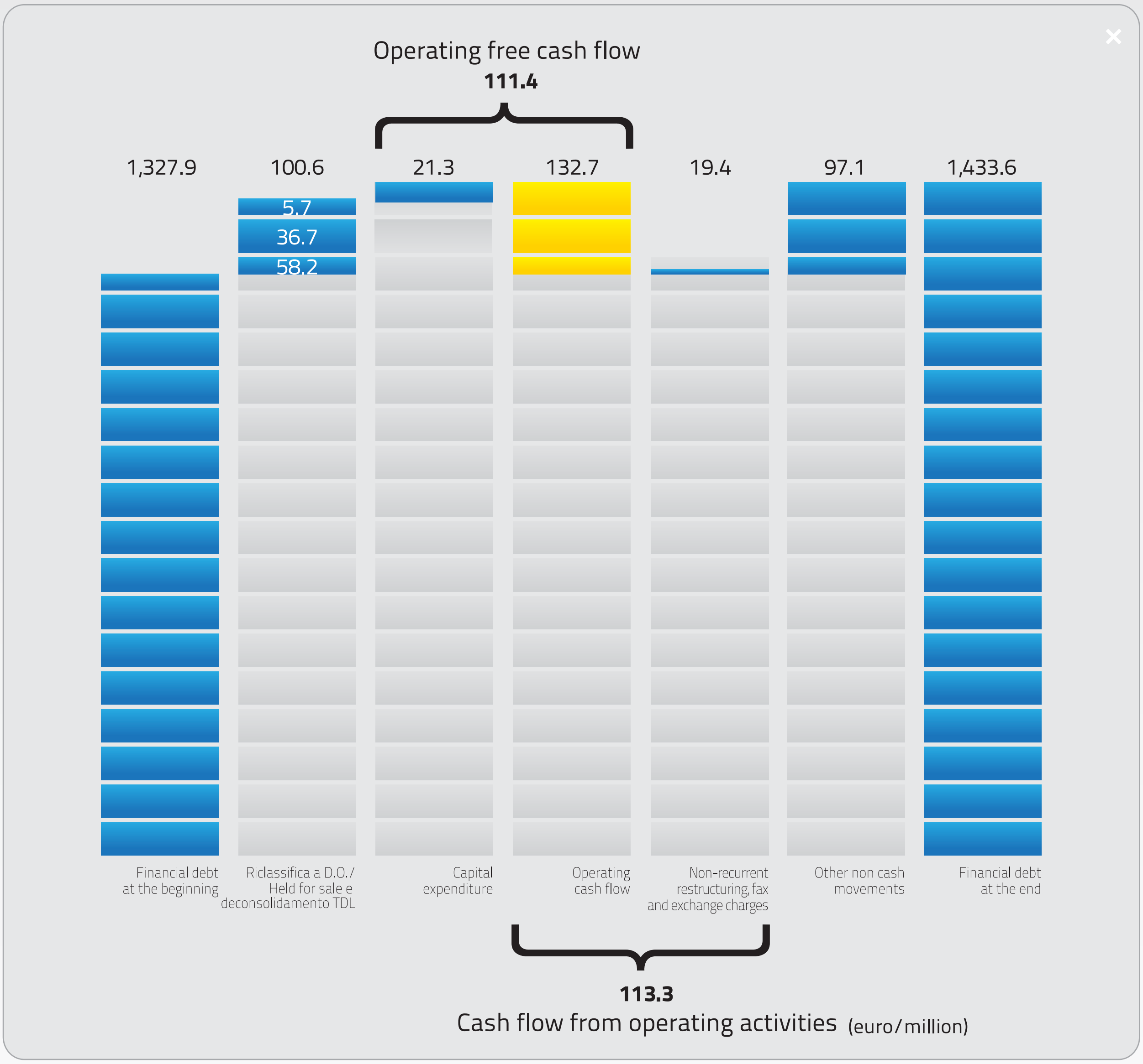
As at the approval date of this report, the ratings assigned to SEAT Pagine Gialle S.p.A. by Standard & Poor's and Moody's were D and Ca respectively.

Consolidated cash flows for the first nine months of 2013

(euro thousand)	9 months 2013	9 months 2012 *comparable restated data*	Change	3rd quarter *2013*	3rd quarter 2012 *comparable restateddatai*	Change	9 months 2012 *IFRS restated*
EBITDA	87,308	203,985	(116,677)	28,792	67,454	(38,662)	9,229
Gain (losses) from discountinuig operating assets and liabilities	(579)	(1,488)	909	(235)	(417)	182	(68)
Decrease (increase) in operating working capital	48,109	49,869	(1,760)	(6,656)	12,923	(19,579)	21,662
(Decrease) increase in operating non current liabilities (*)	(2,137)	(4,156)	2,019	(1,303)	(860)	(443)	388
Capital expenditure	(21,256)	(22,067)	811	(6,747)	(8,168)	1,421	(1,755)
(Gains) losses on disposal of non-current operating assets	(4)	(2)	(2)	(1)	-	(1)	-
Operating free cash flow	111,441	226,141	(114,700)	13,850	70,932	(57,082)	29,456
Payment of interest expense, net	671	(120,866)	121,537	(42)	(122,260)	122,218	(2,304)
Payment of income taxes	(1,390)	8,240	(9,630)	(1,126)	9,983	(11,109)	4,894
Payment of non-recurring and restructuring expense	(17,620)	(83,530)	65,910	(3,724)	(57,461)	53,737	(57,772)
Dividends distribution	-	(1,514)	1,514	-	-	-	-
Non-current assets held for sale and discontinued operations	(42,390)	25,437	(67,827)	(27,136)	29,818	(56,954)	(4,169)
Foreign exchange adjustments and other movements	(98,203)	1,342,584	(1,440,787)	(33,336)	1,405,846	(1,439,182)	(643,125)
Change of Net Financial Indebtedness before D.O./Held for sale	(47,491)	1,396,492	(1,443,983)	(51,514)	1,336,858	(1,388,372)	(673,020)
Net Financial Indebtedness as at September 30, 2013 for company has been reclassified under "Non current assets held for sale and discontinued operations"	(58,186)	-	(58,186)	27,275	-	27,275	-
Change of Net Financial Indebtedness	(105,677)	1,396,492	(1,502,169)	(24,239)	1,336,858	(1,388,372)	(673,020)

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

The following graph summarizes the main elements that contributed to the change in net financial debt during the first nine months of 2013.



The **free operating cash flow** generated during the first nine months of 2013 (€ 111.4 million) was € 114.7 million lower than the amount generated during the same period of 2012 (€ 226.1 million); this decrease reflects the reduction of € 116.7 million in EBITDA as a result of the difficult economic climate. Capital expenditure of € 21.3 million was broadly in line with that of the first nine months of 2012 (€ 22.1 million); the contribution from operating working capital was negative in the amount of € 1.8 million.

The change in financial indebtedness during the first nine months of 2013 reflects (i) the deconsolidation of the assets and liabilities of the TDL Group in the amount of € 5.7 million, and *(ii)* the recognition under *"Net non-current assets held for sale and discontinued operations"* of the Telegate Group and of Cipi S.p.A. in the amount of € 94.9 million, of which € 36.7 million related to flows in the first nine months of 2013 and € 58.2 million to the net financial indebtedness at September 30, 2013.

Significant events in the third quarter of 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 the composition with creditors, the relative 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 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.

Dividend award

On August 27, 2013, the shareholders' meeting of Telegate AG, based on a profit of € 47,777,727.50 for the year ended December 31, 2012, approved the proposal to award a dividend of € 2.00 for each of its 19,111,091 shares, for a total of € 38,222,182.00, with retained earnings of € 9,555,545.50.

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

The Arbitration Panel for the arbitration proceedings opposing SEAT Pagine Gialle S.p.A. and the Rotosud/ILTE group was established at the first hearing on September 10, 2013. The Panel gave the parties a deadline for submitting their testimonies and set May 26, 2014 as the date for the next hearing. By submitting an additional arbitration request, of which SEAT Pagine Gialle Italia S.p.A. received notice in the first week of October, the Rotosud/ILTE group has extended the proceedings to the operating company. The first hearing of this new procedure has been scheduled for November 26, 2013.

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

There are no updates on the talks with the UK pensions authority (*"The Pensions Regulator"* - TPR) and the trustee of the pension fund of UK subsidiary Thomson Directories Ltd.

Significant events occurring after September 30, 2013

Appointment of the Chief Financial Officer

On October 29, 2013, the SEAT Pagine Gialle S.p.A. Board of Directors appointed Andrea Servo as its Chief Financial Officer with effect from that date. Mr. Servo was also appointed as Head of Administration, Finance and Control, replacing Massimo Cristofori.

Outlook

In 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.

The results achieved during the first nine months of 2013 are broadly in line with the forecasts of the New Strategic Guidelines approved by the Board of Directors on June 27, 2013 (more details can be found in the consolidated and draft separate financial statements at December 31, 2012), which predict worse operating results in the second half of the year than in the first.

Despite being in line with expectations, the result for 2013 confirms the image of a company that has seen its revenues more than halve and its profits fall by more than 80% in the last five years. This situation is due in part to market and economic conditions that have been and remain difficult. The much-hyped recovery is still to get off the ground amid a climate of low confidence among businesses and consumers. Having said that, the decline of the company is also the result of the management between 2006 and 2012 failing to implement the necessary structural reforms in the wake of a technological and market crisis. Contrary to predictions, the sharp growth in online products from 2009 to 2011 was not a trigger for the future development of SEAT. It now seems clearer than ever that this growth was, for the most part, achieved to the detriment of traditional products and through package sales. As a result of this, although online product revenues were growing, the average value per customer was contracting because of the even sharper decline in print product revenues. Away from this substitution of revenue source, which took place entirely within the existing customer base, there has been little in the way of new business: tellingly, the number of web-only advertisers, which should have risen considerably with a suitable and competitive digital product range from SEAT, has not increased since 2007. When the traditional product business was no longer sufficient to sustain the growth of online products, and when at the same time the pressure mounted in an increasingly unfavorable market, management attempted to contain the negative effects through a series of interventions (multi-year contracts, focus on renewals, early contract renewals, etc.) that have so far deferred the impact of the crisis without really countering the causes.

Faced with this situation, the current management has tried to decisively draw a line under what has gone before by completely overhauling the team of senior managers who report to the CEO. Those from the previous management team responsible for sales, products, finance and human resources have been removed and replaced by talent from within the company. At the same time, a series of structural reforms have been initiated, ranging from completely reorganizing the sales network and redesigning core products to proposing flexible sales offerings and resuming corporate television advertising after a gap of several years. These are crucial steps to strengthen the business, but their effects on results will be felt only from the end of 2014 and, more significantly, from 2015.

With regard to forecasts for the end of the current year, the Italian Directories Business Area *(SEAT Pagine Gialle S.p.A., SEAT Pagine Gialle Italia S.p.A. and the Digital Local Services companies)* is expected to post revenue of around € 470 million and EBITDA of more than € 90 million; the difference between these figures and those predicted on March 8, 2013 is due to persistently difficult economic and market conditions, with the recovery still to get off the ground amid a climate of low confidence among businesses and consumers, and to sales policies aimed more at ensuring sustainable customer relations in the long term.

The forecasts for 2013 are based on currently available information on the economy and the advertising investment market in Italy.

Going concern evaluation

In accordance with the provisions of Banca d'Italia - Consob - Isvap joint document no. 2 of February 6, 2009, when it approved this Interim Report, as it did for the 2012 Annual Report and the 2013 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 March 31, 2015).

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 Annual Report, the Half-Year Report at June 30, 2013 and the Interim Report at September 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 Interim Report, the directors, when assessing the Company's ability to continue as a going concern, again recognized significant uncertainties over the Company's ability to continue to operate in the foreseeable future. Notwithstanding the problems caused by the persistently tough market and macroeconomic conditions, these refer specifically to the issues related to the procedure described in the paragraphs on assessing business continuity in the 2012 Annual Report and the Half-Year Report at June 30, 2013 (which can be consulted for more details). The notice of admission to the composition with creditors' procedure filed on July 10, 2013 removed the uncertainty surrounding this particular aspect.

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 provisions of 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 Interim Report at September 30, 2013 on the assumption of the Company's ability to continue as a going concern.

Related-party transactions

With reference to the provisions of IAS 24 and pursuant to Consob Regulation 17221 of March 12, 2010, the effects on the financial statements of transactions with parties related to the SEAT Pagine Gialle Group as at September 30, 2013 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)	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2013
Cost of material and external services	-	-	(173)	(173)
Salaries, wages and employee benefits	-	-	(3,717)	(3,717)
Non-recurring costs	-	-	(4,077)	(4,077)

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

(euro thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2012
Cost of material and external services	-	-	(388)	(388)
Salaries, wages and employee benefits	-	-	(3,065)	(3,065)
Non-recurring costs	-	-	(4,956)	(4,956)

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

Statement of financial position

(euro thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 09.30.2012
Current operating liabilities	-	-	(1,298)	(1,298)
Current non-operating liabilities	-	-	(4,427)	(4,427)

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

(euro thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 12.31.2012
Current operating liabilities	-	-	(426)	(426)
Current non-operating liabilities	-	-	(1,370)	(1,370)

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

Statement of cash flows

(euro thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2013
Cash inflow (outflow) from operating activities	–	–	11,795	11,795
Cash inflow (outflow) for investments	–	–	–	–
Cash inflow (outflow) for financing	–	–	–	–
Cash flow for the period	–	–	11,795	11,795

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

(euro thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2012
Cash inflow (outflow) from operating activities	–	–	(6,365)	(6,365)
Cash inflow (outflow) for investments	–	–	–	–
Cash inflow (outflow) for financing	–	–	–	–
Cash flow for the period	–	–	(6,365)	(6,365)

(*) Directors, statutory auditors, executives with strategic responsibility and related companies through directors, statutory auditors, executives with strategic responsibility

Financial performance by Business Area

The results of the SEAT Group for the first nine months 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.

(milioni di euro)		Directories Italia	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenues from sales and services	9 months 2013	369.2	4.2	23.1	396.5	(8.5)	388.0
	9 months 2012 *comparable restated data*	491.1	5.8	29.0	525.9	(13.9)	512.0
Gross Operating Profit (GOP)	9 months 2013	124.7	(0.2)	(3.4)	121.1	0.3	121.4
	9 months 2012 *comparable restated data*	242.5	0.3	0.1	242.9	0.2	243.1
EBITDA	9 months 2013	91.7	(0.4)	(4.0)	87.3	-	87.3
	9 months 2012 *comparable restated data*	204.2	0.2	(0.3)	204.1	(0.1)	204.0
EBIT	9 months 2013	1.0	(0.6)	(19.2)	(18.8)	0.1	(18.7)
	9 months 2012 *comparable restated data*	90.7	0.1	(4.0)	86.8	(0.9)	85.9
Net invested capital	September 30, 2013	220.5	1.0	6.8	228.3	115.5 (*)	343.8
	December 31, 2012 *comparable restated data*	322.0	0.2	16.0	338.2	21.6 (**)	359.8
Capital expenditure	9 months 2013	18.3	0.1	3.2	21.6	(0.3)	21.3
	9 months 2012 *comparable restated data*	19.1	-	2.9	22.0	0.1	22.1
Average workforce	9 months 2013	1,422	132	296	1,850	-	1,850
	9 months 2012 *comparable restated data*	1,066	200	334	1,600	-	1,600
Sales agents (average number)	9 months 2013	1,123	-	45	1,168	-	1,168
	9 months 2012 *comparable restated data*	1,181	-	53	1,234	-	1,234

(*) Include the financial positions of Telegate group, following the reclassification in the 'Discontinued operations' as described in the "Report on Operations, paragraph Introduction".

(**) 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 deconsolidation of the equity investment in the TDL Infomedia Group, and in accordance with IFRS 5, the items on the income statement and statement of cash flows for the first nine months 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

	9 months 2013	9 months 2012
Number of publihed directories		
PAGINEBIANCHE®	83	80
PAGINEGIALLE® (*)	143	150
Number of distributed directories (valued in million)		
PAGINEBIANCHE®	15.7	16.3
PAGINEGIALLE®	11.9	12.3
Number of visits (valued in millions)		
uninterrupted site acces for 30 minutes		
PAGINEBIANCHE.it® (**)	119.6	110.6
PAGINEGIALLE.it® (**)	241.2	203.8
TuttoCittà.it®	28.5	21.4
Europages.com (**)	30.6	42.2

(*) In light of the difference in the number of PAGINEGIALLE® directories published in the first nine months of 2013 and in the first nine months of 2012, the following comments also provide information on a constant publication basis.
(**) The total traffic includes the web and mobile visits and online and mobile visits to customer websites.

Italian Directories

Market situation

SEAT is a local internet company that offers companies a complete range of support services to promote their business online via a network of agencies (WebPoints) spread throughout Italy. 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. These are in addition to traditional print and voice services.
SEAT also gives consumers access to a universe of multimedia, mobile and print services so that, wherever they may be, they can quickly and easily find companies, institutions, people and services.
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 websites and search engines; and *(v)* the provision of multimedia content to customers (via print-voice-web/mobile channels).

The operating results for the first three months of 2013 were achieved in a difficult economic climate.
This context is confirmed by data from Istat, according to which gross domestic product (GDP) in the second quarter of 2013 was down by 0.3% on the previous quarter and by 2.1% compared with the second quarter of 2012.
The respective preliminary estimates issued on August 6, 2013 were falls of 0.2% and 2.0%.
According to Istat, this was the eighth consecutive quarter in which GDP had declined, with the reduction seen across all areas of the economy, from agriculture to manufacturing and services, a situation not seen since the start of the time series in the first quarter of 1990.
The projected variation in GDP for 2013, i.e. the annual rise or fall assuming no quarter-on-quarter change in the remaining quarters of the year, is -1.8%. With regard to other major economies, and compared with the previous quarter, second-quarter GDP rose by 0.7% in Germany and the UK, 0.6% in the US and Japan, and 0.5% in France. There was year-on-year growth of 1.6% in the US, 1.5% in the UK, 0.9% in Japan, 0.5% in Germany, and 0.3% in France. Eurozone GDP increased by 0.3% compared with the previous year but was down by 0.5% compared with the second quarter of 2012.
In light of this situation, with Italy lagging behind the world's major economies, and also in light of the political instability in the country, in November the European Commission revised its May growth forecast for the Italian economy downward, predicting a decline of 1.8% in 2013 and growth of 0.7% in 2014 (compared with -1.3% and +0.7% forecast in the spring). Istat's November forecasts are in line with these, predicting GDP growth of 0.7% in 2014 after a contraction of 1.8% in 2013.

In terms of the Italian advertising market, according to the latest figures from Nielsen, advertising investment in the first eight months of 2013 was down by 15.7% (to € 3.98 billion) compared with the same period of 2012, which itself saw a drop of 10.5%, well below all forecasts made at the start of the year.
The decline, which was 11% in August alone, affected all media to varying degrees: even online advertising investment was impacted by the bleak economic climate, falling by 4.2% in August to take the cumulative reduction to 3%.
Despite the continuing falls, Nielsen stressed that the cumulative difference compared with 2012 continued to narrow. In this regard, when in September it published its advertising investment estimates for the first seven months of 2013, Nielsen identified September and October as the key months in terms of understanding advertising investment trends, predicting a fall for the entire year of around 12% or 13%.

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 S.r.l.

Economic and financial data

The table below shows the main results for the first nine months 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.

(milioni di euro)	9 months 2013	9 months 2012 *comparable restated data*	Change Absolute	%
Revenues from sales and services	369.2	491.1	(121.9)	(24.8)
GOP	124.7	242.5	(117.8)	(48.6)
EBITDA	91.7	204.2	(112.5)	(55.1)
EBIT	1.0	90.7	(89.7)	(98.9)
Net invested capital	18.3	19.1	(0.8)	(4.2)
Average workforce	1,422	1,066	356	33.4
Capital expenditure	220.5	322.0 (*)	(101.5)	(31.5)

(*) Data refers to December 31, 2012

Italian Directories **revenue from sales and services** totaled € 369.2 million in the first nine months of 2013, down by 24.8% compared with the same period of 2012 *restated*.
More specifically:

a) Core revenue: this totaled € 336.1 million in the first nine months of 2013, a fall of 24.8% compared with the same period in the previous year *restated*. 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 € 95.6 million in the first nine months of 2013, down by 31.4% year on year, with a fall in revenue for both PAGINEBIANCHE® and PAGINEGIALLE®;
- *online & mobile:* online & mobile products generated revenue of € 226.1 million in the first nine months of 2013, down by 20.8% 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 18.5%. Revenue from online & mobile products accounted for 61.2% of total revenue during the period. In October, the Company announced it had renewed its Premium Partner agreement with Google AdWords, the advertising system that enables companies to launch increasingly effective and personalized campaigns on the popular search engine, integrating these campaigns into their own portfolio of marketing and advertising services. 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 18.4% year on year, with visits totaling around 241.2 million in the first nine months of 2013. Visits to PAGINEGIALLE.it® and PagineGialle Mobile grew (+17.0% to 165.8 million), as did visits to web and mobile sites created for SEAT customers (+21.4% to 75.4 million). Visits to PAGINEBIANCHE.it® totaled around 119.6 million during the period, up by 8.1% on the same period of the previous year. As at the end of September, SEAT's mobile applications had achieved around 5.8 million downloads (+65.4% compared with the same period in 2012) on Apple and other major platforms, with 2.7 million downloads (around 47% of the total) for PagineGialle Mobile, 1.9 million downloads (around 33%) for PagineBianche Mobile, 0.9 million downloads for TuttocittàMobile and 0.3 million downloads for 89.24.24 Mobile. The initiatives to boost usage of the Company's services included the agreement signed at the end of October with AroundMe to integrate the app (www.aroundmeapp.com), which is freely available on the major mobile platforms (iPhone and iPad, Android and Windows Phone), with PagineGialle's database and mobile search services. This will provide users with the best geolocalized results and points of interest (e.g. the nearest bars, banks, service stations, hospitals, hotels, cinemas, restaurants, supermarkets and taxis) and give companies a shop window for their products and services. AroundMe has so far achieved more than 60 million downloads worldwide;
- *voice:* advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services totaled € 14.5 million, down by € 8.0 million (-35.6%) compared to the first half of 2012.

b) **Other revenue and minor products:** revenue from other products amounted to € 33.1 million in the first nine months of 2013, down by 24.6% compared with the corresponding period in the previous year. This figure refers mainly to revenues from voice traffic (€ 20.8 million) generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, which fell by 22.9% compared with the first nine months of 2012. The item also includes € 2.2 million of revenues from direct-marketing products, merchandising activities and the Sky offer.

At the beginning of October, the Company teamed up with Young&Rubicam to launch a corporate advertising campaign aimed at highlighting the profound changes to its business in recent years, including how it has considerably expanded its digital activities and how it remains an innovative and reliable partner for the marketing needs of SMEs.
The commercial uses the Company's values (speed, forward thinking, growth, dynamism, and proximity) to present a new entity that can provide its customers with the latest and best-suited tools for business. The commercial was created with the cooperation of the sales force, from which two protagonists were selected to represent the Company and highlight their work in the best way possible.
Together with the campaign, new logos were unveiled for SEAT and its traditional brands **PagineGialle, PagineBianche and TuttoCittà, 89.24.24 and 12.40.** The revamped graphic design aims to represent the quality and reliability of the Company's services and to show how the Company and its brands are part of Italian history but have also moved with the times to respond to the digital needs of businesses and consumers.

GOP totaled € 124.7 million in the first nine months of 2013, equal to 33.8% of revenue and down by € 117.8

million on the same period of 2012 *restated*. The reduction is due to the fall in revenue, which was offset only marginally by lower operating costs.
Costs of materials and external services, net of costs debited to third parties, totaled € 181.3 million in the first nine months of 2013, down by € 14.2 million (-7.3%) compared with the first nine months of 2012 *restated*. Specifically, *industrial* costs of € 77.3 million in the first nine months of 2013 were € 8.9 million lower than in the same period of the previous year *restated* (€ 86.3 million), owing to fewer pages being printed and lower production 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 (-€ 2.5 million to € 8.5 million), while commissions to web publishers continued to rise (+€ 3.7 million to € 18.9 million) as part of the management of new online offers intended to boost web traffic. *Commercial* costs totaled € 67.5 million in the first nine months of 2013, down by € 5.6 million compared with the same period of 2012 *restated* (€ 73.1 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 € 14.5 million in the first nine months 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 € 36.5 million in the first nine months 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 € 63.1 million in the first nine months of 2013, up by 19.3% compared with the same period 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 1,645 employees as at September 30, 2013 (1,382 employees as at December 31, 2012).

EBITDA amounted to € 91.7 million in the first nine months of 2013, down by € 112.5 million compared with the corresponding period of the previous year *restated*; this represented 24.8% of revenue (41.6% in the first nine months 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 (€ 3.3 million). Provisions to the allowance for doubtful trade receivables totaled € 31.0 million. Although this was down on the same period in 2012, it still enabled sufficient coverage of overdue receivables.

EBIT broke even in the first nine months of 2013, falling by € 89.7 million from € 90.7 million in the same period of 2012 *restated*. The margin reflects the downturn in EBITDA, operating and non-operating amortization and depreciation (€ 46.8 million), and net non-recurring costs (€ 43.9 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.

Capital expenditure totaled € 18.3 million in the first nine months of 2013 and related mainly to: *(i)* improvements to the online and mobile platforms (approximately € 6.7 million); specifically, online focused on content enrichment (acquisition of corporate and private free listings for self-provisioning activities, database management and acquisition of new content), identity management and improvements to platforms and research activities; *(ii)* improvements to commercial online products (approximately € 3.7 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 € 4.3 million) to upgrade the systems and adapt them to new product ranges; and *(iv)* the acquisition of infrastructure for the disaster recovery program (approximately € 1.7 million).

The **average workforce** was 1,422 employees in the first nine months of 2013, compared with 1,066 a year earlier; the increase of 402 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.

Net of the book value of equity investments in subsidiaries, **net invested capital** totaled € 220.5 million at September 30, 2013, down by € 101.5 million compared with December 31, 2012 (€ 322.0 million), owing mainly to the € 90.5 million reduction in trade receivables and to the € 28.9 million increase in non-operating reserves.

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 nine months 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 nine months 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 September 12, 2013, the extraordinary shareholders' meeting of Prontoseat S.r.l resolved to amend the corporate purpose to state explicitly that the company operates almost exclusively for the SEAT Group.

The table shows the main results for the first nine months of 2013 compared to the same period last year.

(euro/million)	9 months 2013	9 months 2012	Change Absolute	%
Revenues from sales and services	4.2	5.8	(1.6)	(27.6)
GOP	(0.2)	0.3	(0.5)	n.s.
EBITDA	(0.4)	0.2	(0.6)	n.s.
EBIT	(0.6)	0.1	(0.7)	n.s.
Capital expenditure	0.1	-	0.1	n.s.
Average workforce	132	200	(68)	(34.0)
Net invested capital	1.0	0.2 (*)	0.8	n.s.

(*) Data refers to December 31, 2012

Revenue from sales and services totaled € 4.2 million in the first nine months of 2013, down by 27.6% compared with the figure recorded for the same period of 2012. The fall in turnover was due mainly to lower outbound revenue (-€ 0.8 million compared with the first nine months 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 € 0.6 million owing to a reduction in call volumes handled by the 89.24.24 Pronto PAGINEGIALLE® service.

Despite revenue falling by € 1.6 million, **GOP** was down by only € 0.5 million compared with the first nine months 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 € 0.4 million and € 0.6 million respectively, performed in line with GOP.

The **average workforce** of 132 in the first nine months of 2013 was down by 68 on the same period in 2012.

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

A decision was taken in the first nine months of 2013 to sell the 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 its assets and liabilities as at September 30, 2013 were recorded separately in the statement of financial position, without the need to reclassify or re-present the comparative data at September 30, 2012.

Economic and financial data

The table shows the main results for the first nine months of 2013 with those from the same period of the previous year.

	9 months 2013	9 months 2012	Change	
(euro/million)			Absolute	%
Revenues from sales and services	23.1	29.0	(5.9)	(20.3)
GOP	(3.4)	0.1	(3.5)	n.s.
EBITDA	(4.0)	(0.3)	(3.7)	n.s.
EBIT	(19.2)	(4.0)	(15.2)	n.s.
Capital expenditure	3.2	2.9	0.3	10.3
Average workforce	296	334	(38)	(11.4)
Net invested capital	6.8	16.0 (*)	(9.2)	(57.5)

(*) Data refers to December 31, 2012

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%

The table shows the main results for the first nine months of 2013 compared to the same period last year.

(euro/million)	9 months 2013	9 months 2012	Change Absolute	%
Revenues from sales and services	7.9	12.2	(4.3)	(35.2)
GOP	(0.8)	1.5	(2.3)	n.s.
EBITDA	(1.1)	1.3	(2.4)	n.s.
EBIT	(1.6)	1.0	(2.6)	n.s.
Capital expenditure	0.6	0.4	0.2	50.0
Average workforce	84	84	-	-
Net invested capital	0.1	0.8 (*)	(0.7)	(87.5)

(*) Data refers to December 31, 2012

In the first nine months of 2013, revenue from sales and services totaled € 7.9 million (€ 12.2 million in the first nine months of the previous year); the reduction was particularly severe in Italy (-44%) and was due to tough economic conditions. Revenue in other countries remained substantially stable.
Overall website traffic fell by 28% year on year. The reduction was expected to some degree following the overhaul of the website carried out in January, and it was also due in part to continual changes by the search engine Google, which generates many of the visits to the Europages site. The restructuring involved removing a large number of pages with poor content in order to improve the quality and productiveness of site visits. Although traffic from search engines fell sharply, direct traffic grew by 51%; the average number of customer profile views (+7%), the average duration of visits (+13%) and the number of free registrations (+8%) also increased.

GOP was negative for € 0.8 million (+€ 1.5 million in the first nine months of 2012); this result suffered from the above-mentioned fall in revenue.

EBITDA and **EBIT**, a loss of € 1.1 million and € 1.6 million respectively, performed in line with GOP.

The **average workforce** of 84 during the first nine months of 2013 was broadly in line with the same period of 2012.

Net invested capital amounted to € 0.1 million as at September 30, 2013 (€ 0.8 million as at December 31, 2012).

Consodata S.p.A.

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

The table shows the main results for the first nine months of 2013 compared to the same period last year.

(euro/million)	9 months 2013	9 months 2012	Change Absolute	%
Revenues from sales and services	9.1	11.1	(2.0)	(18.0)
GOP	(1.2)	0.4	(1.6)	n.s.
EBITDA	(1.2)	0.2	(1.4)	n.s.
EBIT	(4.6)	(2.5)	(2.1)	(84.0)
Capital expenditure	2.5	2.4	0.1	4.2
Average workforce	103	103	-	-
Net invested capital	7.8	7.7 (*)	0.1	1.3

(*) Data refers to December 31, 2012

Revenue from sales and services totaled € 9.1 million in the first nine months of 2013, down by 18% 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 (-€ 1.5 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 slightly, owing to a different marketing campaign schedule.
Business and credit information revenue rose to € 1.6 million in the first nine months of 2013, in line with our ever-increasing strategic focus on this area and product type.

With revenue down by € 2.0 million, **GOP** was down by € 1.6 million year on year, to -€ 1.2 million.

EBITDA performed in line with GOP.

EBIT was negative for € 4.6 million, down by € 2.1 million on the first nine months of 2012. This result reflects the aforementioned performance of the business and includes a fine of € 0.4 million from the Italian data protection agency.

Capital expenditure totaled € 2.5 million in the first nine months of 2013, up slightly on the same period of 2012 (€ 2.4 million) owing to more investments in credit and commercial information databases in accordance with corporate strategy. There was also the usual development of software platforms, database enrichment and the upgrading of production and service provision IT platforms.

The **average workforce** of 103 during the first nine months of 2013 was broadly in line with the same period of 2012.

Net invested capital stood at € 7.8 million at September 30, 2013 (versus € 7.7 million at December 31, 2012).

Cipi S.p.A.

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

The table shows the main results for the first nine months of 2013 compared to the same period last year.

(euro/million)	9 months 2013	9 months 2012	Change Absolute	%
Revenues from sales and services	6.2	5.8	0.4	6.9
GOP	(1.5)	(1.8)	0.3	17
EBITDA	(1.6)	(1.8)	0.2	11.1
EBIT	(13.0)	(2.4)	(10.6)	n.s.
Capital expenditure	-	0.1	(0.1)	(100.0)
Average workforce	109	147	(38)	(26)
Net invested capital	(1.1)	7.5 (*)	(8.6)	n.s.

(*) Data refers to December 31, 2012

In 2013, the promotional-items sector has suffered from a massive decline in demand and from the resulting aggressive competition.
Against this background, **revenue from sales and services** totaled € 6.2 million in the first nine months of 2013, up by 6.9% on the same period in the previous year (+€ 0.4 million). This rise in revenue is due to strong sales in direct channels, boosted in particular by direct imports from the Large Clients (Special) segment, which offset the decline in revenue via SEAT's sales network.

GOP was negative for € 1.5 million, due in part to the seasonal nature of the Company's business, but it improved by € 0.3 million compared with the first nine months of 2012 owing to a careful reduction of salaries, wages and employee benefits.

EBITDA showed a loss of € 1.6 million and performed in line with GOP.

EBIT negative for € 13.0 million (negative for € 2.4 million in the first nine months of 2012) relates mainly to the € 10 million write-down of assets following their measurement at fair value. It also includes € 1.2 million of costs for the workforce restructuring that took place in March and April.

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

The **average workforce** of 109 was lower than in the same period of 2012 following the termination of 55 employment posts in 2013 at the Catania site.

Net invested capital was -€ 1.1 million as at September 30, 2013, a decrease of € 8.6 million compared to December 31, 2012.

" il Giallo è dinamicità "

Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

tutti gli strumenti più evoluti per il business

SeatPG paginegialle

13 Other information

Statement pursuant to Article 154-bis, Paragraph 2, of Legislative Decree No. 58 of February 24, 1998

The undersigned, Andrea Servo, Head of the Administration, Finance and Control Department of SEAT Pagine Gialle S.p.A. and Chief Financial Officer,

declares

pursuant to Article 154-bis, paragraph 2, of Legislative Decree No. 58 of February 24, 1998, on the basis of his knowledge in light of the position he holds, by virtue of the resolution of October 29, 2013 of the Board of Directors of the Company, as Chief Financial Officer, that the Interim Report as at September 30, 2013 reflects the results in the accounting records, documents and books.

The Interim Report as at September 30, 2013 which has not been audited, has been prepared pursuant to the instructions provided in Consob Issuer Regulation No. 11971/1999 and is in conformity with the valuation and measurement criteria established by the IAS/IFRS issued by the International Accounting Standards Board and approved by the European Union.

Milan, November 11, 2013

Andrea Servo

Chief Financial Officer

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A copy of official documents available on the website

www.seat.it

Official documents may be requested to

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