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Interim Report
as at march 31, 2014



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 the only media agency to offer local marketing services 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 SEAT media agencies. 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. It also offers advertising on third-party, digital, television, radio and cinema media in partnership with specialist operators.

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" il **Giallo**
ti sorprende "



Pictured above extracted from the last spot of SEAT PG

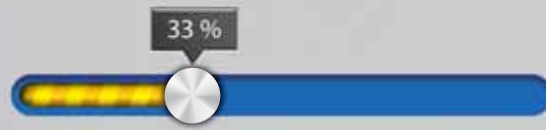
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Highlights
and general
information



LOADING

Company boards

(information correct as at May 12, 2014)

Board of Directors ⁽¹⁾

Chairman

Guido de Vivo

Chief Executive Officer

Vincenzo Santelia ⁽²⁾

Chiara Damiana Maria Burberi ⁽³⁾

Michaela Castelli ⁽³⁾

Mauro Del Rio ⁽⁴⁾

Francesca Fiore ⁽⁴⁾

Mauro Pretolani ⁽⁴⁾

Harald Rösch ⁽⁴⁾

Luca Rossetto ⁽⁴⁾

Secretary to the Board of Directors

Michaela Castelli

Appointments and Remuneration Committee ⁽⁴⁾

Chairman

Mauro Pretolani

Michaela Castelli ⁽³⁾

Francesca Fiore

Control and Risk Committee ⁽⁴⁾

Chairman

Chiara Damiana Maria Burberi

Harald Rösch

Luca Rossetto

Board of Statutory Auditors ⁽⁵⁾

Chairman

Enrico Cervellera

Standing Auditors

Vincenzo Ciruzzi

Andrea Vasapolli

Alternate Auditors ⁽⁶⁾

Marco Benvenuti Lovati

Maurizio Michele Eugenio Gili

Common Representative of Savings Shareholders

Stella d'Atri ⁽⁷⁾

Chief Financial Officer

Andrea Servo ⁽⁸⁾

Independent Auditors ⁽⁵⁾

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 director and member of the Appointments and Remuneration Committee, respectively, by the Ordinary Shareholders' Meeting on July 25, 2013 and by the Board of Directors on August 6, 2013, to replace Paul Douek, who resigned on April 29, 2013.

⁽⁴⁾ The Committees were appointed by the Board of Directors on October 26, 2012.

⁽⁵⁾ The Board of Statutory Auditors and the Independent Auditors were appointed by the Shareholders' Meeting of June 12, 2012.

⁽⁶⁾ Appointed by the Ordinary Shareholders' Meeting of July 25, 2013, to replace Guido Vasapolli and Guido Costa, who resigned on April 24, 2013 and May 2, 2013 respectively.

⁽⁷⁾ Appointed by the Special Meeting of Savings Shareholders on May 2, 2013 for the fiscal years 2013, 2014 and 2015.

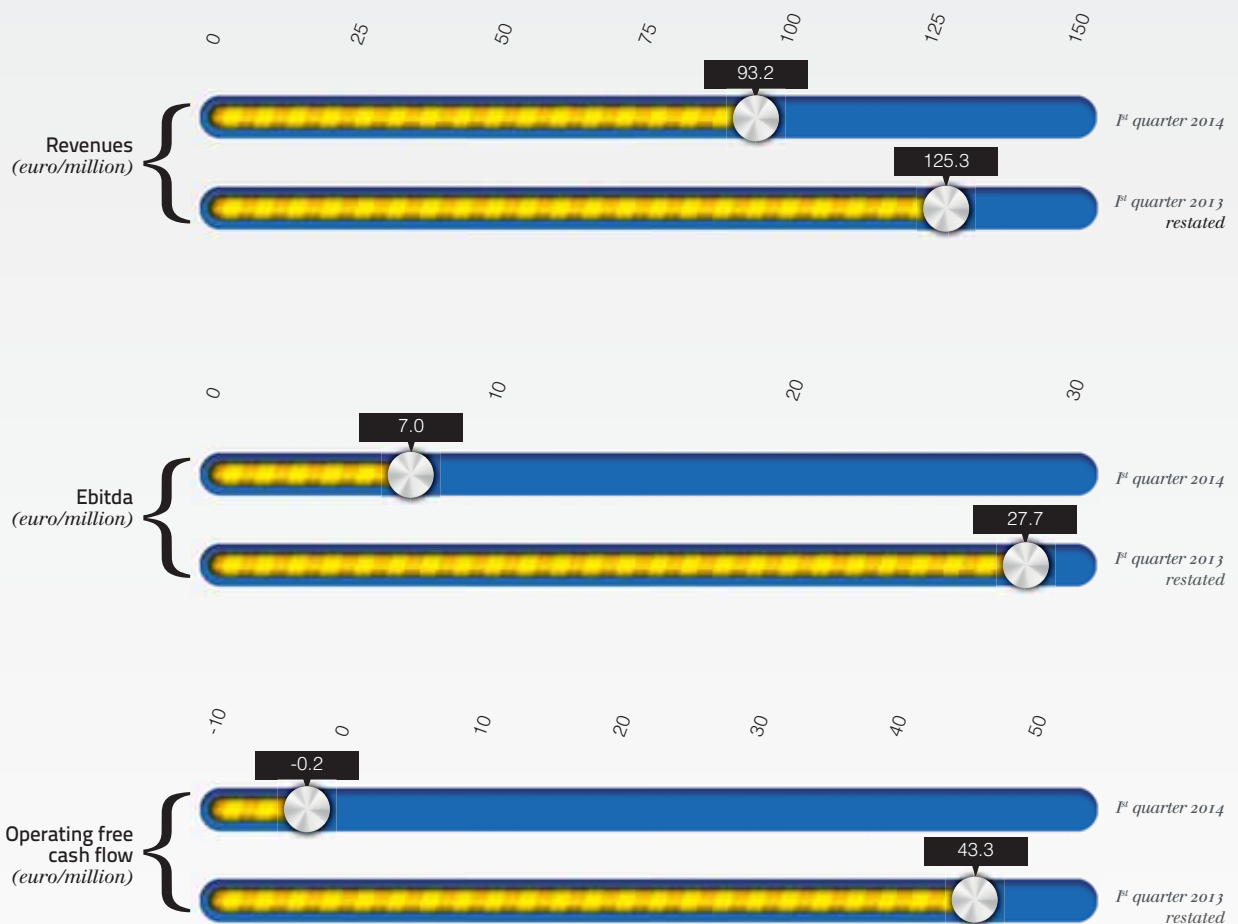
⁽⁸⁾ Appointed by the Board of Directors on October 29, 2013.

⁽⁹⁾ 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

The operating and financial results of the SEAT Group for the first quarter of 2013 were *restated*, as described in more detail in the Introduction, so as to allow for comparison and consistent analysis of the items.

- consolidated REVENUES amounted to € 93.2 million, down by 25.6% compared with the first quarter of 2013 *restated*.
- consolidated EBITDA totaled € 7.0 million, yielding an operating margin of 7.5%.
- OPERATING FREE CASH FLOW was -€ 0.2 million and NET FINANCIAL DEBT was € 1,502.2 million, up by € 42 million compared with December 31, 2013.



<i>(euro/million)</i>	1 st quarter 2014	1 st quarter 2013 <i>restated</i> (**)
Economic and financial data		
Revenues from sales and services	93.2	125.3
GOP (*)	14.3	38.7
EBITDA (*)	7.0	27.7
EBIT (*)	(8.2)	9.6
Pre-tax profit (loss)	(43.2)	(23.0)
Profit (loss) on continuing operations	(43.8)	(24.1)
Profit (loss) pertaining to the Group	(43.8)	(29.5)
OFCF (*)	(0.2)	43.3
Capital expenditure	(7.0)	(5.9)
Net invested capital (*) (***)	134.9	136.5
<i>di cui goodwill e marketing related intangibles (***)</i>	28.3	29.1
<i>of which net operating working capital (***)</i>	(57.3)	(56.5)
Equity of the Group (***)	(1,386.8)	(1,342.9)
Net financial debt (***)	1,502.2	1,459.9
Economic and financial ratios		
EBITDA/Revenues	7.5%	22.1%
EBIT/Revenues	(8.8%)	7.7%
Profit (loss) for the period /Equity of the Group	n.s.	n.s.
OFCF/Revenues	(0.2%)	34.6%
Operating working capital/Revenues	(61.5%)	(45.1%)
Workforce		
Workforce at the end of the period (units)	2,014	3,840
Average workforce for the period on continuing operations	1,793	1,829
Revenues/Average workforce	52	69

(*) See "Non-GAAP measures" below for details on how the items are calculated.

(**) Please refer to the introduction to the report on operations in the "Presentation of accounting data" section for further details on how the 1st quarter 2013 data has been restated.

(***) The 2013 figure is at december 31.

Non-GAAP measures \

In addition to the conventional IFRS indicators, this Interim Report as at March 31, 2014 includes some other indicators with a view to providing a better assessment of the Group's results and financial position.

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 net non-recurring and restructuring costs*) consists of **EBIT** (*operating result*) before net non-recurring and restructuring costs, as well as amortization, depreciation and operating and non-operating impairment losses.
- **Operating working capital and non-operating working capital** are calculated, respectively, as operating current assets (relating to operating revenues) 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 other marketing-related intangible assets, and other operating and non-operating non-current assets and liabilities.
- **Net financial debt** is an indicator of the Group's capacity to meet its financial obligations, consisting of current and non-current financial debts net of cash and cash equivalents and current financial receivables.
- **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 03.31.2014	As at 03.31.2013 <i>restated data</i> ⁽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 savings shares	n.	680,373	680.373
Market capitalization - based on average market price	euro/mln	28	31
Seat Pagine Gialle S.p.A. share weighting (SPG ordinary shares) - FTSE Italia All Share (ex Mibtel)		0.009%	0.013%
Equity per share	euro	(0.0863)	(0.0638)
Profit (loss) per share on continuing operations pertaining to the Group	euro	(0.0027)	(0.0015)
Profit (loss) per share from non-current assets held for sale and discontinued operations pertaining to the Group	euro	0.000001	(0.00034)

⁽¹⁾ The figures as at March 31, 2013 refer to restated data for the Seat Pagine Gialle Group. More information can be found in the introduction to this Annual Report.

Ratings for Seat Pagine Gialle S.p.A. \

Ratings agencies Moody's and Standard & Poor's announced the withdrawal of their ratings for SEAT on December 2, 2013 and February 24, 2014 respectively.

Seat Pagine Gialle S.p.A. shareholder structure as at March 31, 2014 \

As at March 31, 2014, 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%.

Stock market performance of ordinary shares in the first quarter of 2014 and volumes traded

The price of Seat Pagine Gialle shares as at March 31, 2014 was € 0.0017, in line with that recorded on December 31, 2013, giving a market capitalization of around € 27 million. During the first quarter of the year, over 266 million shares (equivalent to 1.7% of the share capital) were traded each day on average.

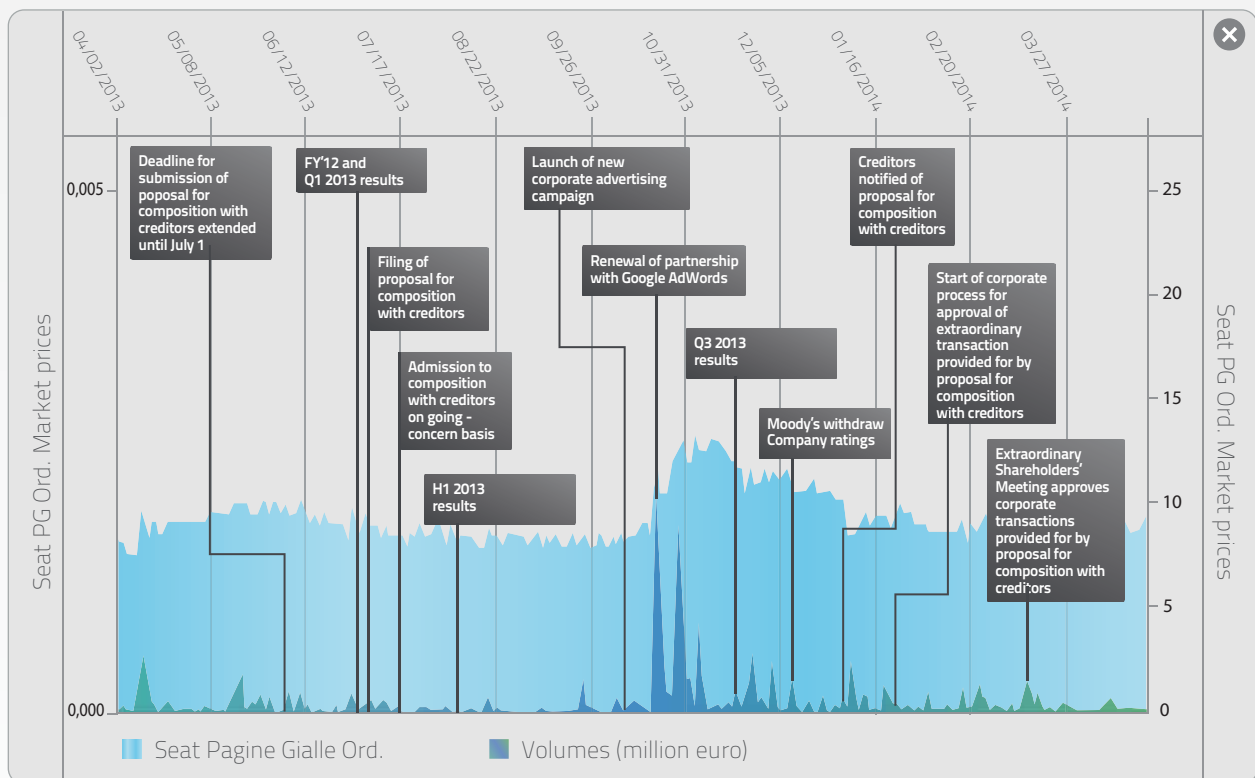
However, the prices and market capitalization recorded during the period cannot be used to calculate the value of Seat Pagine Gialle's economic capital, since they are influenced by speculative factors, as demonstrated by the high volatility of the stock's price. One effect of the completion of the composition with creditors procedure will be the clearance of the debts of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. to financial creditors in Classes B and C following a reserved capital increase. The Company's current shareholders will not be entitled to option rights, and their shareholdings will therefore undergo a significant dilution. Following the capital increase, the existing shareholders will hold around 0.25% of the Company's share capital. In January 2014, the directors of Seat Pagine Gialle asked KPMG Advisory S.p.A. to identify

the key factors to be used to determine the issue price and the number of Seat Pagine Gialle shares to be issued, with the exclusion of option rights for current shareholders.

As mentioned in the Directors' Report, with regard to the reserved capital increase, assuming that the proposals for the composition with creditors are approved and the debts to financial creditors in Classes B and C are cleared:

- the principal valuation method (the discounted cash flow method) values Seat Pagine Gialle's total economic capital at between around € 180 million and around € 240 million;
- the control method (the market multiples method) values Seat Pagine Gialle's total economic capital at between around € 170 million and around € 250 million, which is considered compatible with the results of the principal method, according to the directors.

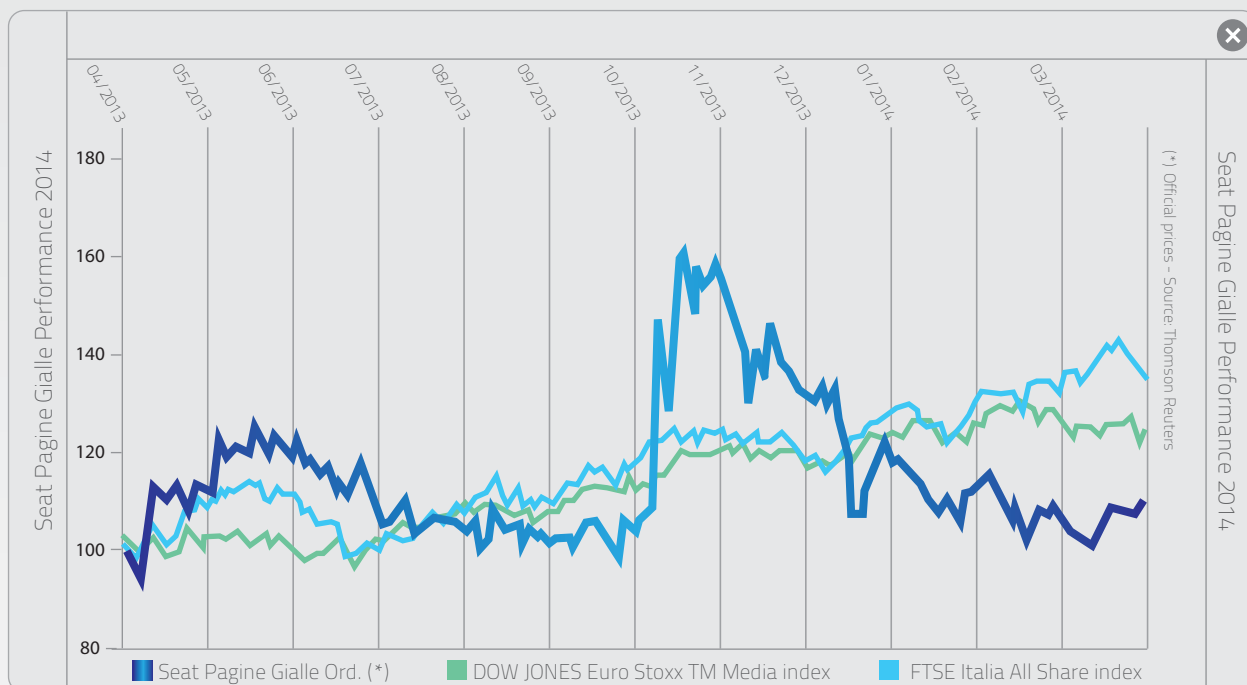
Based on the evaluations carried out by KPMG Advisory S.p.A., the directors decided to determine the value of the total economic capital of Seat Pagine Gialle at € 200 million, and consequently calculated the unit value of the newly issued Seat shares to be € 0.000031.



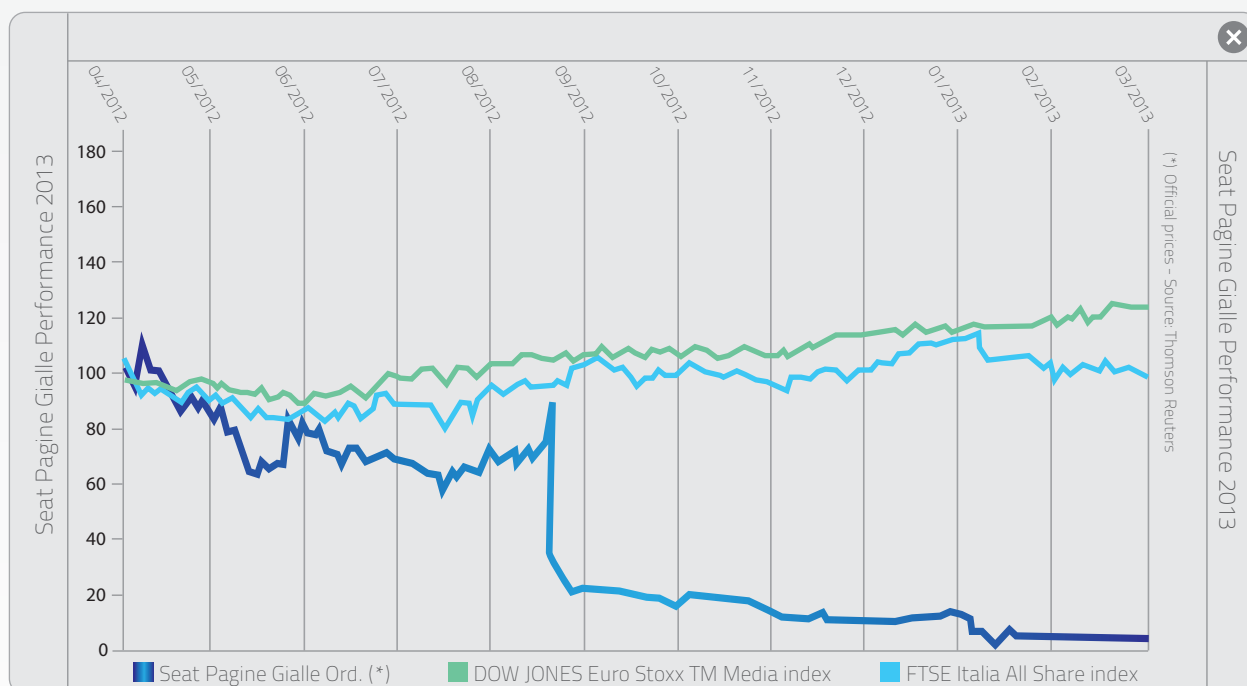
(*) Official prices - Source: Thomson Reuters

Performance of Seat Pagine Gialle S.p.A. shares in the first quarter of 2014 vs. FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index

(information correct as at April 30, 2013)

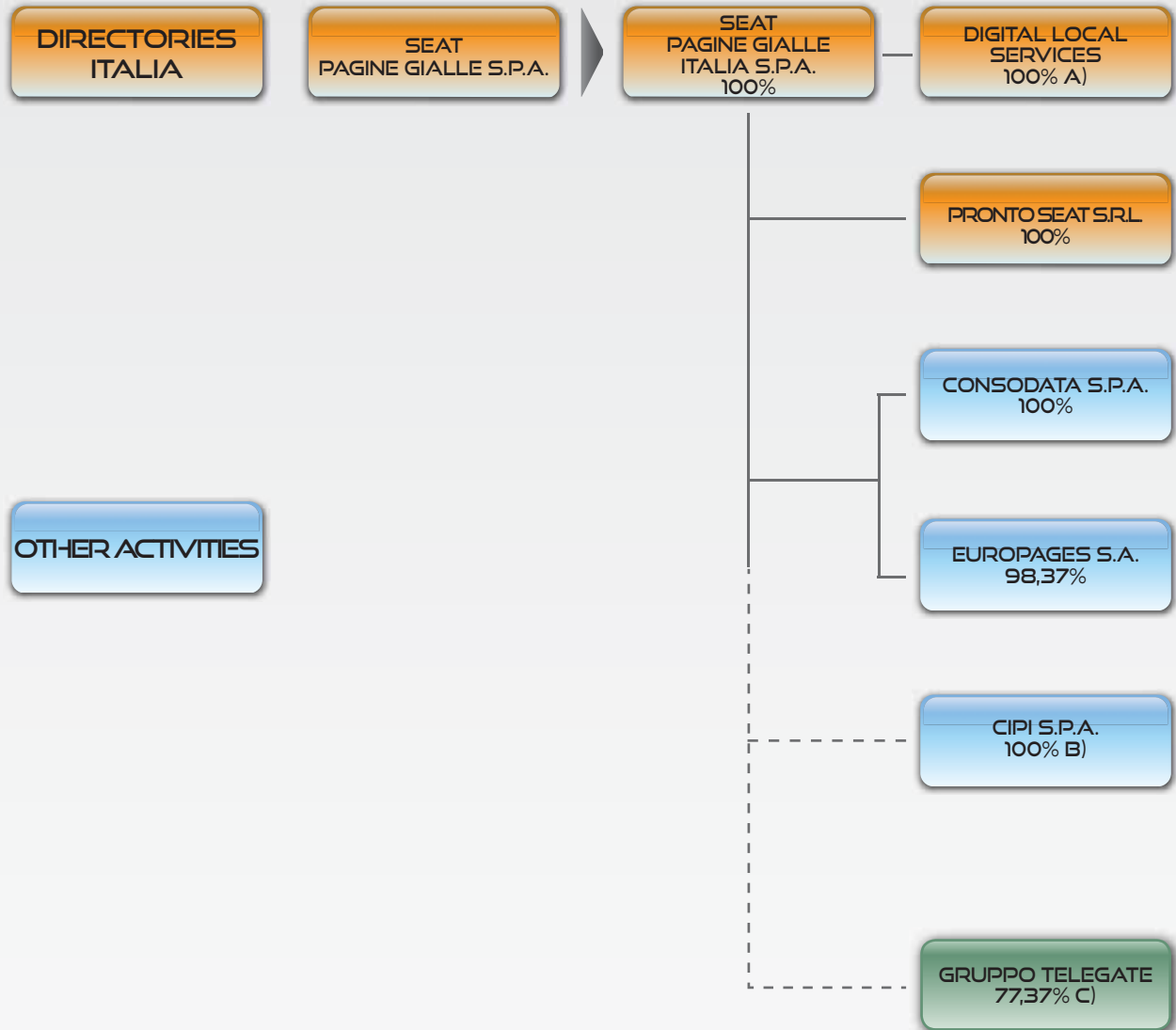


Performance of Seat Pagine Gialle S.p.A. shares in the first quarter of 2013 vs. FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index



Organizational structure of the Group

(information correct as at May 12, 2014)



LEGENDA

A) 74 single shareholder limited liability companies directly owned by Seat Pagine Gialle Italia S.p.A..

B) The assets and liabilities of Cipi S.p.A. were deconsolidated as of March 2014.

C) The results, assets and liabilities and cash flows of the Telegate Group are presented under "non-current assets held for sale and discontinued operations".

" il Giallo è crescita "



Foto sopra tratta dall'ultimo spot Seat PG

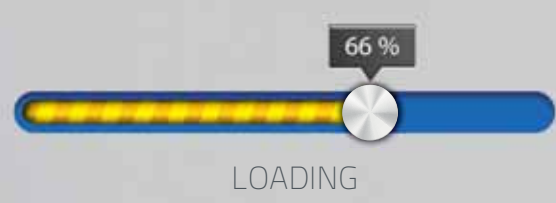
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Report on
Operations





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Introduction \

The performance of the business in the first part of the current year confirms the effectiveness of the managerial initiative implemented to support the operational relaunch of the Company, which has led to the first signs of recovery. Preliminary figures show that orders up to the end of April 2014 were slightly lower than those in the same period of the previous year (stripped of advance orders), but slightly above the forecasts set out in the business plan at the basis of the proposals submitted to creditors in December 2013 (hereinafter the "Plan"). This performance is particularly significant given the difficult market conditions, with advertising investments unexpectedly falling by 5.2% in February according to the latest Nielsen data, thus halting the trend of progressively smaller declines recorded in six consecutive months starting in August 2013, when investments fell by 10.9%, and ending in January 2014 with a fall of just 2.8%. The performance of customer orders is not reflected in the revenues for the first quarter of 2014, since the different accounting principles used for revenues from print products (recorded when the directories are published) and for revenues from online products (almost always recorded annually) mean the performance of commercial orders cannot be seen, on average, until seven or eight months after the order placement date. As proof of this, it is worth mentioning that the revenues generated in the first quarter of 2014 were more or less in line with the performance of customer orders taken as at the end of summer 2013. Another factor is the different product mix compared with 2013. Customer orders taken in 2014 include advertising on third-party, digital, television, radio and cinema media in partnership with specialist operators, and are recorded under revenues at different times to orders for other SEAT products. The results recorded in the first quarter are, however, in line with the forecast result set out in the Plan at the end of the year.

All the cost-saving measures set out in the Plan for the current financial year have already been fully identified and implemented.

On February 4, 2013, the Boards of Directors at the Company and at Seat Pagine Gialle Italia S.p.A. resolved to file for a composition with creditors procedure in order to guarantee business continuity pursuant to Article 160 et seq. of Royal Decree No. 267 of March 16, 1942 (the "Bankruptcy Act").

On February 6, 2013, the Company and Seat Pagine Gialle Italia S.p.A. both presented blank filings, pursuant to Article 161, paragraph 6 of the Bankruptcy Act, for admission to the composition with creditors procedure at the Court of Turin.

Following submission of the respective proposals, plans

and additional documents by the Company and Seat Pagine Gialle Italia S.p.A. pursuant to Article 161, paragraphs 2 and 3 of the Bankruptcy Act, the Court of Turin, by way of an order dated July 8-10, 2013, declared both compositions with creditors procedures open (the "Admission Ruling"). 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 Seat and Seat Pagine Gialle Italia S.p.A. creditors' meetings, initially scheduled for January 30, 2014, are currently set for July 15, 2014.

On December 20, 2013, pursuant to Article 171 of the Bankruptcy Act, the receivers sent to Seat and Seat Pagine Gialle Italia S.p.A.'s creditors a notice containing the date of the meetings and a document containing the key elements of the respective composition procedure proposals as well as the joint plan on which said proposals are based. The original proposals were modified and updated by Seat and Seat Pagine Gialle Italia S.p.A. in light of the outcome of checks performed after the Admission Ruling on the Seat Group's current performance and outlook, taking into account the observations of the Court in its Admission Ruling. Creditors were advised that they could access the relevant documentation from the Seat Pagine Gialle S.p.A. website.

Consequently, as stated in a press release issued on December 20, 2013, SEAT and Seat Pagine Gialle Italia S.p.A.'s composition with creditors proposals and the related financial plan, as modified and updated, as well as the Admission Ruling, as authorized by the delegated judge, were published on the Governance/Composition with Creditors section of the Seat Pagine Gialle S.p.A. website (<http://www.seat.it/seat/it/governance/concordato/index.html>). For more information on the reasons for the Board of Directors filing for a composition with creditors procedure, the methods outlined in the proposals for repaying the creditors, and the joint plan on which these proposals are based, please see the aforementioned documents and the press releases issued by Seat Pagine Gialle S.p.A. on February 5, 2013, December 16, 2013 and December 20, 2013.

The composition with creditors procedure provides for the merger of Seat PG Italia S.p.A. into Seat Pagine Gialle S.p.A. (the "Merger") – as already resolved upon pursuant to Article 2505 of the Italian Civil Code by their respective Boards of Directors on March 4, 2014 – and is dependent upon the post-Merger entity continuing its business in accordance with Article 186-bis, paragraph 1 of the Bankruptcy Act. The composition with creditors proposals formulated by Seat Pagine Gialle Italia S.p.A. and Seat Pagine Gialle S.p.A. also entail a series of extraordinary transactions which, like the Merger, are necessary for the procedure to be successful, and which were resolved upon

by the Extraordinary Shareholders' Meeting of Seat Pagine Gialle S.p.A. on March 4, 2014.

The drawing up of the deed of merger and the validity of this resolution passed by the Extraordinary Shareholders' Meeting of the parent company are conditional upon the definitive approval of the composition with creditors procedures of the Company and of Seat Pagine Gialle Italia S.p.A.

For more information on the Merger and on the resolution of the Extraordinary Shareholders' Meeting of Seat Pagine Gialle S.p.A. on March 4, 2014, please see the documents published on the respective "*Governance/SeatPG-SeatPGItalia Merger*" and "*Governance/Extraordinary Shareholders' Meeting*" sections of the Seat Pagine Gialle S.p.A. website, www.seat.it.

Presentation of accounting data \

The data for the first quarter of 2013 have been restated following the decision, taken in accordance with the New Strategic Guidelines on which the Plan and the Proposal for the composition with creditors procedure were based, to dispose of, in accordance with the time frames and methods established by the composition with creditors 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 quarter of 2014 are presented under "Non-current assets held for sale and discontinued operations", and the items on the statements of operations and cash flows relating to the first quarter of 2013 have been restated;
- the assets and liabilities of **Cipi S.p.A.** were deconsolidated following the sale, on March 13, 2014, of Seat Pagine Gialle Italia S.p.A.'s entire equity investment in the company to CIFIN S.r.l. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure. Since the figures in question were not significant to the SEAT Group, it was not necessary to reclassify or re-present the relevant comparative values for the first quarter of 2013;
- 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 items on the statements of operations and cash flows for the first quarter of 2013 were therefore restated.

Financial performance of the Group \

The Interim Report as at March 31, 2014 of the Seat Pagine Gialle Group has been prepared in compliance with Article 154-ter (Financial reports) of Legislative Decree 58/1998 (the Consolidated Finance Act, or TUF) as subsequently amended, as well as with Consob Communication DEM/8041082 of April 30, 2008 (Quarterly reporting by issuers of listed shares that give Italy as their state of origin).

The Interim Report is not subject to audit and has been prepared in accordance with the international accounting

standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

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

Reclassified consolidated income statement

	1 st quarter 2014	1 st quarter 2013 <i>restated</i>	Change Absolute	%
<i>(euro thousand)</i>				
Revenues from sales and services	93,238	125,343	(32,105)	(25.6)
Costs of materials and external services (*)	(54,562)	(61,068)	6,506	10.7
Salaries, wages and employee benefits (*)	(24,380)	(25,568)	1,188	4.6
Gross Operating Profit (GOP)	14,296	38,707	(24,411)	(63.1)
<i>% of revenues</i>	<i>15.3%</i>	<i>30.9%</i>		
Net valuation adjustments and provisions for risks and charges	(6,494)	(11,017)	4,523	41.1
Other operating income (expense)	(772)	53	(825)	n.s.
EBITDA	7,030	27,743	(20,713)	(74.7)
<i>% of revenues</i>	<i>7.5%</i>	<i>22.1%</i>		
Operating amortization, depreciation and write-downs	(10,435)	(11,439)	1,004	8.8
Non-operating amortization, depreciation and write-downs	(1,700)	(5,373)	3,673	68.4
Net non-recurring and restructuring costs	(3,118)	(1,369)	(1,749)	n.s.
EBIT	(8,223)	9,562	(17,785)	n.s.
<i>% of revenues</i>	<i>(8.8%)</i>	<i>7.6%</i>		
Net financial expense	(32,019)	(32,605)	586	1.8
Profit (loss) from subsidiaries' disposal	(2,908)	-	(2,908)	n.s.
Profit (loss) before taxes	(43,150)	(23,043)	(20,107)	(87.3)
Income taxes	(626)	(1,034)	408	39.5
Profit (loss) on continuing operations	(43,776)	(24,077)	(19,699)	(81.8)
Profit (loss) from non-current assets held for sale and discontinued operations	18	(5,637)	5,655	n.s.
Profit (loss) for the period	(43,758)	(29,714)	(14,044)	(47.3)
- of which pertaining to the Group	(43,753)	(29,542)	(14,211)	(48.1)
- of which pertaining to minority interests	(5)	(172)	167	97.1

(*) Minus costs debited to minority interests and shown in the IFRS financial statements under "Other revenue and income".

Consolidated statement of comprehensive income

		1 st quarter 2014	1 st quarter 2013
<i>(euro/thousand)</i>			
Profit (loss) for the year	(A)	(43,758)	(29,714)
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the period:</i>			
Actuarial gains (losses)		(8)	-
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss) for the period	(B1)	(8)	-
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the period:</i>			
Profit (loss) from fair-value measurement of AFS securities		(132)	-
Profit (loss) from translation of accounts of foreign subsidiaries		-	198
<i>Other movements</i>			
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the period	(B2)	(132)	198
Total other comprehensive income (expense), net of tax	B=(B1 + B2)	(140)	198
Total comprehensive income (expense) for the period	(A+B)	(43,898)	(29,516)
- of which pertaining to the Group		(43,893)	(29,344)
- of which pertaining to minority interests		(5)	(172)

Reclassified consolidated statement of financial position

<i>(euro/thousand)</i>	As at 03.31.2014	As at 12.31.2013	Change
Goodwill and "marketing related" intangible assets	28,276	29,063	(787)
Other non-current assets (*)	145,706	148,895	(3,189)
Operating non-current liabilities	(39,351)	(40,330)	979
Non-operating non-current liabilities	(15,992)	(15,443)	(549)
Operating working capital	(57,323)	(56,498)	(825)
- Operating current assets	256,369	273,897	(17,528)
- Operating current liabilities	(313,692)	(330,395)	16,703
Non-operating working capital	(44,481)	(47,848)	3,367
- Non-operating current assets	21,345	21,218	127
- Non-operating current liabilities	(65,826)	(69,066)	3,240
Net non-current assets held for sale and discontinued operations	118,016	118,662	(646)
Net invested capital	134,851	136,501	(1,650)
Equity of the Group	(1,386,762)	(1,342,907)	(43,855)
Equity of minority interests	19,446	19,479	(33)
Total equity	(A) (1,367,316)	(1,323,428)	(43,888)
Current financial assets, cash and cash equivalent	(188,177)	(198,465)	10,288
Current financial debts	1,655,890	1,623,178	32,712
Non-current financial debts	34,454	35,216	(762)
Net financial debt	(B) 1,502,167	1,459,929	42,238
Total	(A+B) 134,851	136,501	(1,650)

(*) This item includes the financial assets available for sale, as well as non-current financial assets.

Consolidated statement of cash flows

	1 st quarter 2014	1 st quarter 2013 <i>restated</i>
<i>(euro/thousand)</i>		
Cash inflow (outflow) from operating activities		
Operating result	(8,223)	9,562
Amortization, depreciation and write-down	12,135	16,812
(Gain) loss on disposal of non-current assets	-	(1)
Change in working capital	(3,889)	15,630
Income taxes paid	(122)	(7,245)
Change in non-current liabilities	(1,152)	(2,257)
Foreign exchange adjustments and other movements	(5)	509
Cash inflow (outflow) from operating activities	(A) (1,256)	33,010
Cash inflow (outflow) for investments		
Purchase of intangible assets with finite useful life	(6,611)	(5,656)
Purchase of property, plant and equipment	(411)	(280)
Other investments	318	108
Proceeds from disposal of non-current assets	7	32
Cash inflow (outflow) for investments	(B) (6,697)	(5,796)
Cash inflow (outflow) for financing		
	(C)	
Repayment of non-current loans	(942)	(483)
Paid interest expense, net	397	(887)
Change in financial asset and liabilities	(3,284)	895
Cash inflow (outflow) for financing	(3,829)	(475)
Cash inflow (outflow) from non-current assets held for sale and discontinued operations		
	(D)	
	(2,372)	(3,796)
Increase (decrease) in cash and cash equivalents in the period	(A+B+C+D) (14,154)	22,943
Cash and cash equivalents at beginning of the year	196,426	199,659
Cash and cash equivalents at end of the period	182,272	222,602

Consolidated statement of changes in equity from December 31, 2013 to March 31, 2014

<i>(euro/thousand)</i>	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	Reserve for actuarial gains and (losses)	Purchase Price Allocation Reserve	Other capital reserves	Other reserves	Profit (loss) for the year	Total	Non-controlling interests	Total
As at 12.31.2013	450,266	466,847	1	(322)	669,829	20,196	(2,602,121)	(347,603)	(1,342,907)	19,479	(1,323,428)
Allocation of previous year profit (loss)	-	-	-	-	-	-	(347,603)	347,603	-	-	-
Total other comprehensive profit (loss) for the period	-	-	-	(6)	-	-	(95)	(43,753)	(43,854)	(35)	(43,889)
Other movements	-	-	-	-	-	-	(1)	-	(1)	2	1
As at 03.31.2014	450,266	466,847	1	(328)	669,829	20,196	(2,949,820)	(43,753)	(1,386,762)	19,446	(1,367,316)

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

<i>(euro/thousand)</i>	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	Reserve for actuarial gains and (losses)	Purchase Price Allocation Reserve	Other capital reserves	Other reserves	Profit (loss) for the year	Total	Non-controlling interests	Total
As at 12.31.2012	450,266	466,847	43	(1,096)	669,572	20,196	(1,559,567)	(1,042,721)	(996,460)	28,309	(968,151)
Allocation of previous year profit (loss)	-	-	-	-	-	-	(1,042,721)	1,042,721	-	-	-
Total other comprehensive profit (loss) for the period	-	-	198	-	-	-	-	(29,542)	(29,344)	(172)	(29,516)
Other movements	-	-	-	-	-	-	1	-	1	-	1
As at 03.31.2013	450,266	466,847	241	(1,096)	669,572	20,196	(2,602,287)	(29,542)	(1,025,803)	28,137	(997,666)

Reclassified consolidated income statement for the first quarter of 2014

In accordance with the provisions of IFRS 5, until their deconsolidation on August 14, 2013, the items on the statements of operations of the Telegate Group and the TDL Group have been recorded under "Net profit/(loss) from non-current assets held for sale and discontinued operations", and the items on the statements of operations and cash flows for the first quarter of 2013 have been *restated*, as described in more detail in the "Introduction – Presentation of accounting data" section.

On March 13, 2014, Seat Pagine Gialle Italia S.p.A. sold its entire stake in Cipi S.p.A. to CIFIN S.r.l. This operation was authorized by the competent bodies under the ongoing composition with creditors procedure. Since the figures in question were not significant to the Seat Group, it was not necessary to reclassify or re-present the relevant comparative values for the first quarter of 2013.

Before eliminations between the Group's different Business Areas, revenues from sales and services were as follows:

- revenues from the Italian Directories Business Area (Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies, ProntoSeat S.r.l.) totaled € 89.7 million, down by 24.9% compared with the first quarter of 2013 restated. Revenues from the SEAT Business Area (Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies) amounted to € 89.6 million, down by 25% compared with the first quarter of 2013 restated. The 26.4% fall in core revenues was caused by declining revenues from all three product lines: print (-50.4%), online&mobile (-17.7%) and voice -46.1%. Revenues from ProntoSeat, almost all of which were intra-group revenues, amounted to € 0.9 million, down by 40.0% compared with the same period in the previous year (€ 1.5 million). This reduction in turnover was due essentially to the fall in outbound revenues (-€ 0.4 million compared with the first quarter of 2013) as a result of fewer telephone sales of print products on behalf of SEAT and fewer calls to the 12.40 service.
- revenues from the Other Activities Business Area (Europages and Consodata) amounted to € 4.8 million, down by 34.2% compared with the same period in the previous year (€ 7.3 million). Last year, this Business Area included revenues from Cipi, totaling € 1.7 million.

Costs for materials and external services, net of costs debited to third parties, amounted to € 54.6 million in the first quarter of 2014, down by € 6.5 million compared with the first quarter of 2013 *restated* (€ 61.1 million).

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

- *industrial costs*: these amounted to € 21.7 million (€ 25.8 million in the first quarter of 2013 *restated*) due mainly to lower revenues. For the SEAT Business Area in particular, the fall in print revenues resulted in fewer editions being printed, as well as a reduction in production costs; on the other hand, web publisher commissions rose by € 0.3 million to € 7.4 million as part of the management of new online offers intended to boost web traffic;
- *commercial costs* amounted to € 21.6 million (€ 23.6 million in the first quarter of 2013 *restated*). This reduction was due mainly to lower advertising spending during the first quarter of 2014, as a result of the different timing of advertising campaigns compared with the previous year;
- *overheads* amounted to € 11.3 million, down by € 0.4 million compared with the same quarter in the previous year *restated* (€ 11.7 million).

Salaries, wages and employee benefits, net of recovered costs, totaled € 24.4 million in the first quarter of 2014, down by € 1.2 million compared with the first quarter of 2013 *restated* (€ 25.6 million). This fall was due mainly to the deconsolidation of Cipi S.p.A., whose salaries, wages and employee benefits for the first quarter of 2013 totaled € 1.1 million.

The Group's workforce, including directors, project workers and trainees, consisted of 2,014 employees as at March 31, 2014 (against 2,029 as at December 31, 2013). The average salaried workforce (FTE) in the first quarter of 2014 was 1,793 employees (1,829 in the first quarter of 2013 *restated*).

Gross operating profit (GOP), at € 14.3 million in the first quarter of 2014, was down by € 24.4 million compared with the first quarter of 2013 *restated* (€ 38.7 million). The operating margin for the first quarter of 2014 was 15.3%, compared with 30.9% in the first quarter of 2013 *restated*.

Net valuation adjustments and provisions for risks and charges amounted to € 6.5 million in the first quarter of 2014, compared with € 11.0 million in the first quarter of 2013 *restated*. The net valuation adjustments (€ 6.3 million in the first quarter of 2014) related almost entirely to the allowance for doubtful trade receivables, meaning that coverage of overdue receivables remained sufficient. This item also includes net provisions for operating risks and charges of € 0.2 million, compared with € 1.3 million in the first quarter of 2013 *restated*.

Other operating income and expenses presented a negative balance of € 0.8 million, compared with a positive figure of € 0.1 million in the first quarter of 2013 *restated*.

Operating result before amortization, depreciation and net non-recurring and restructuring costs (EBITDA), which was € 7.0 million in the first quarter of 2014, fell by 74.7% compared with € 27.7 million in the first quarter of 2013 *restated*, with an operating margin of 7.5%, compared with 22.1% in the first quarter of 2013 *restated*.

Operating amortization, depreciation and write-downs amounted to € 10.4 million in the first quarter of 2014, down by € 1.0 million from € 11.4 million in the first quarter of 2013 *restated*. Of this sum, € 8.5 million related to intangible assets with a finite useful life (€ 9.1 million in the first quarter of 2013 *restated*) and € 1.9 million to property, plant and equipment (€ 2.4 million in the first quarter of 2013 *restated*).

Non-operating amortization, depreciation and non-operating impairment losses amounted to € 1.7 million (compared with € 5.4 million in the first quarter of 2013 *restated*) and related mainly to the amortization of the marketing-related intangible assets recorded in relation to Seat Pagine Gialle Italia S.p.A. and to Italian subsidiary Consodata.

Net non-recurring and restructuring costs totaled € 3.1 million in the first quarter of 2014, compared with € 1.4 million in the first quarter of 2013 *restated*. Non-recurring costs amounted to € 3.1 million (€ 1.2 million in the first quarter of 2013 *restated*), of which € 1.7 million related to consultancy and other expenses connected with the composition with creditors procedure, and € 1.0 million related to costs incurred in the restructuring of the SEAT Business Area. Restructuring costs amounted to € 0.2 million in the first quarter of 2013 *restated*.

The **operating result (EBIT)** amounted to a loss of € 8.2 million in the first quarter of 2014 (against a profit of € 9.6 million in the first quarter of 2013 *restated*). The operating result reflects the performance of the business as recorded in terms of GOP and EBITDA.

Net financial expense amounted to € 32.0 million, compared with € 32.6 million in the first quarter of 2013 *restated*.

As at March 31, 2014, interest expense on the Senior Credit Agreement with The Royal Bank of Scotland and on the senior secured bonds was calculated at the contractually agreed rates on the total amount of the debt (not taking into account the provisions of the proposal for the composition with creditors and of applicable legislation, with regard to the aforementioned

debts and associated interest), despite this interest being earmarked only for partial payment, as described in more detail in the proposals for the composition with creditors. Such accounting treatment conforms to IAS 39 AG57, under which financial liabilities must be counted until the debt is extinguished (i.e., in this instance, until the composition with creditors procedure is formally authorized).

Specifically, *financial expense* in the first quarter of 2014 was € 32.7 million (€ 32.9 million in the first quarter of 2013 *restated*) and included:

- € 9.4 million (€ 9.6 million in the first quarter of 2013) of interest expense on the Senior Credit Agreement between Seat Pagine Gialle Italia S.p.A. and The Royal Bank of Scotland;
- € 22.7 million (€ 22.5 million in the first quarter of 2013) of interest expense on the senior secured bonds. This amount includes € 1.3 million for the share of the issue discount;
- € 0.3 million (€ 0.4 million in the first quarter of 2013) of interest expense on debts due to Leasint S.p.A. in relation to finance leases raised for the purchase of the Corso Mortara real-estate complex in Turin, where SEAT has its offices;
- € 0.2 million of other financial expense (€ 0.3 million in the first quarter of 2013 *restated*), including € 0.1 million of interest expense on the discounting of non-current assets and liabilities (€ 0.3 million in the first quarter of 2013 *restated*).

Financial income amounted to € 0.7 million (€ 0.3 million in the first quarter of 2013 *restated*) and related almost entirely to interest income from the investment of short-term liquidity in the banking system at market rates.

Profit/(loss) from the disposal of equity investments showed a loss of € 2.9 million and related to the loss resulting from the deconsolidation of Cipi S.p.A.

Income taxes for the period were -€ 0.6 million (compared with -€ 1.0 million in the first quarter of 2013 *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 2014 fiscal year to the gross pre-tax income.

Profit/(loss) on continuing operations was a loss of € 43.8 million, against a loss of € 24.1 million in the first quarter of 2013 *restated*.

Net profit/(loss) from non-current assets held for sale and discontinued operations was a profit of € 18 thousand,

attributable to the Telegate Group. The loss of € 5.6 million in the first quarter of 2013 *restated* included the € 0.7 million loss suffered by the Telegate Group and the € 4.9 million loss pertaining to the TDL Group.

Profit/(loss) for the period pertaining to minority shareholders totaled a loss of € 5 thousand (compared

with a loss of € 0.2 million in the first quarter of 2013 *restated*) and related mainly to minority shareholders of the Telegate Group.

Profit/(loss) for the period pertaining to the Group totaled a loss of € 43.8 million, against a loss of € 29.5 million in the first quarter of 2013 *restated*.

Reclassified consolidated statement of financial position at March 31, 2014

In accordance with the provisions of IFRS 5, the assets and liabilities of the Telegate Group as at the end of the period were reclassified under "Non-current net assets held for sale and discontinued operations", while the assets and liabilities of Cipi S.p.A. were deconsolidated following the

sale, on March 13, 2014, of Seat Pagine Gialle Italia S.p.A.'s entire stake in the company to CIFIN S.r.l.

Consequently, the consolidated statement of financial position as at March 31, 2014 reflects the above.

Net invested capital

Net invested capital totaled € 134.9 million as at March 31, 2014, down by € 1.7 million compared with December 31, 2013.

Net invested capital can be broken down as follows:

- **goodwill and marketing-related intangible assets** totaled € 28.3 million as at March 31, 2014, and related to the Group's customer relationship assets. This item declined by € 0.8 million compared with December 31, 2013 owing to amortization in the period.
- **other non-current assets** totaled € 145.7 million as at March 31, 2014, down by € 3.2 million compared with December 31, 2013 (€ 148.9 million). These assets include:
 - **intangible and tangible fixed assets**, which totaled € 137.0 million as at March 31, 2014 (€ 141.4 million as at December 31, 2013), down by € 4.4 million compared with the previous year. This change reflects capital expenditure worth € 7.0 million, which was more than offset by amortization, depreciation and operating impairment losses totaling € 10.4 million.
Capital expenditure in the period totaled € 7.0 million (€ 5.9 million in the first quarter of 2013 restated), and was concentrated mainly in the SEAT Business Area (€ 6.4 million); for more details, see "Financial performance by Business Area" for SEAT.
 - **net deferred tax assets** totaled € 2.3 million at March 31, 2014 (€ 0.7 million at December 31, 2013), of which € 1.5 million related to Seat Pagine Gialle S.p.A.;
- **operating non-current liabilities** totaled € 39.4 million as at March 31, 2014 (against € 40.3 million as at December 31, 2013). This item includes € 12.8 million relating to the reserve for severance indemnities as at March 31, 2014 (€ 13.5 million as at December 31, 2013) and € 23.2 million relating to the reserve for agents' termination indemnities

as at March 31, 2014, down by € 0.3 million compared with December 31, 2013 (€ 22.8 million);

- **non-operating non-current liabilities** totaled € 16.0 million as at March 31, 2014 (€ 15.4 million as at December 31, 2013) and related mainly to the reserve for deferred tax liabilities pertaining to Seat Pagine Gialle Italia S.p.A., which amounted to € 11.1 million;
- **operating working capital** was -€ 57.3 million as at March 31, 2014 (-€ 56.5 million as at December 31, 2013). Listed below are the most significant changes that took place during the period with reference to:
 - **trade receivables**, which totaled € 205.1 million as at March 31, 2014, falling by € 24.7 million compared with December 31, 2013, and related mainly to the SEAT Business Area (€ 22.0 million);
 - **payables for services to be rendered and other current liabilities**, which totaled € 151.4 million as at March 31, 2014, up by € 8.3 million compared with December 31, 2013, mainly in relation to purchase and invoice times for advertising services;
 - **trade payables**, which amounted to € 132.6 million as at March 31, 2014, showing a fall of € 17.2 million compared with December 31, 2013, relating mainly to the SEAT Business Area;
 - **non-operating working capital**, which was -€ 44.5 million as at March 31, 2014 (compared with -€ 47.8 million as at December 31, 2013). Of the difference of € 3.4 million compared with December 31, 2013, € 6.0 million related to the use of the corporate restructuring reserve by SEAT Pagine Gialle Italia S.p.A. This was offset by the increase of € 1.6 million in tax payables due to provisions relating to current taxes for the period.

Equity

Consolidated **equity** was -€ 1,367.3 million as at March 31, 2014 (-€ 1,323.4 million as at December 31, 2013), of which -€ 1,386.8 million pertained to the Parent Company (-€ 1,342.9 million as at December 31, 2013) and € 19.4 million pertained to non-controlling interests (€ 19.5 million as at December 31, 2013).

The decrease of € 43.9 million in the portion pertaining to the Parent Company was due mainly to the loss of € 43.8 million for the period.

Net financial debt

As at March 31, 2014, **net financial debt** amounted to € 1,502.2 million, representing an increase of € 42.2 million compared with December 31, 2013.

As at March 31, 2014, **net financial debt** was structured as follows:

<i>(euro/thousand)</i>		As at 03.31.2014	As at 12.31.2013	Change
A	Cash	182,272	196,426	(14,154)
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C) Liquidity		182,272	196,426	(14,154)
E.1	Current financial receivables from third parties	5,905	2,039	3,866
E.2	Current financial receivables from related parties	-	-	-
F	Current bank debt	712,906	703,435	9,471
G	Current portion of non-current debt	4,285	4,250	35
H.1	Other current financial debt to third parties	938,699	915,493	23,206
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H) Current financial debt		1,655,890	1,623,178	32,712
J=(I-E-D) Net current financial debt		1,467,713	1,424,713	43,000
K	Non-current bank debt	-	-	-
L	Bonds issued	-	-	-
M.1	Other non-current financial debt to third parties	34,454	35,216	(762)
M.2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M) Non-current financial debt		34,454	35,216	(762)
O=(J+N) Net financial debt (ESMA)		1,502,167	1,459,929	42,238

The debt can be broken down as follows:

- **non-current financial debt** totaled € 34.5 million as at March 31, 2014 (€ 35.2 million as at December 31, 2013) and consisted of the item "Other non-current financial debts", which related to the seven finance leases (six with effect from December 2008 and one with effect from the end of October 2009) in relation to the purchase of the Turin property complex of Seat Pagine Gialle Italia S.p.A. These leases will be repaid through the payment of 39 remaining installments on the contracts with effect from December 2008 and 43 remaining installments on the contract with effect from October 2009. All installments are quarterly deferred installments subject to a variable 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 is recorded net of the valuation adjustment made in 2012 in order to adjust the debt to its fair value following the merger with Lighthouse International Company S.A. The nominal residual debt before this adjustment is € 45.6 million;
- **current financial debt** amounted to € 1,655.9 million as at March 31, 2014 (€ 1,623.2 million as at December 31, 2013). The item consists of:
 - **Current bank debts:** these totaled € 712.9 million as at March 31, 2014 (€ 703.4 million as at December 31, 2013) and related mainly to the senior debt with The Royal Bank of Scotland, broken down as follows:
 - a) € 571.1 million relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4% p.a.;
 - b) € 90 million relating to the revolving line of credit aimed at covering the working capital requirements of Seat Pagine Gialle Italia S.p.A. or its subsidiaries, which bears a floating interest rate equal to Euribor plus the same spread used for the term facility;
 - c) € 51.8 million relating to accrued and unpaid interest expense on the term facility and the revolving facility with The Royal Bank of Scotland, of which € 43.3 million was past due as at March 31, 2014;
 - **Other current financial debts to third parties:** these totaled € 938.7 million as at March 31, 2014 (€ 915.5 million as at December 31, 2013), of which € 795.8 million related to the senior secured bonds (€ 779.4 million corresponding to the net value at issue, plus € 16.4 million relating to the total share of the discount accrued as at March 31, 2014) and € 127.8 million related to accrued and unpaid interest. 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;

- **Short-term portion of non-current financial debt:** totaling € 4.3 million as at March 31, 2014 (unchanged from December 31, 2013), this refers to the current portion of the seven finance leases raised for the purchase of Seat Pagine Gialle Italia S.p.A.'s Turin property complex; this figure includes the unpaid capital amount accrued prior to February 6, 2013, the date on which the blank filing for admission to the composition with creditors procedure was made pursuant to Article 161, paragraph 6 of the Bankruptcy Act.

As a result of the payment default at the start of 2013 when the composition with creditors procedure was launched, the senior secured bonds and the entire senior loan with The Royal Bank of Scotland are still reclassified under current financial debt. The loan agreements contain an immediately and fully enforceable acceleration clause in the event of payment default. The debts were thus reclassified as current in accordance with paragraph 74 of IAS 1.

The loan agreement with The Royal Bank of Scotland requires specific covenants to be fulfilled at Group level on a quarterly basis.

In light of the events that took place during late January and early February 2013, culminating in Seat Pagine Gialle Italia S.p.A. and Seat Pagine Gialle S.p.A. filing for a composition with creditors procedure pursuant to Article 161, paragraph 6 of the Bankruptcy Act, 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 composition with 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 Euribor. 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 (including a legal charge on a property belonging to TDL 2013

Realisations Limited – formerly Thomson Directories Limited – guaranteeing the senior facilities agreement), notwithstanding in this latter case the application of the appropriate rules for the administration procedure to which TDL Infomedia Ltd and TDL 2013 Realisations 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.

Seat Pagine Gialle Italia S.p.A. has also created a special lien pursuant to Article 46 of Legislative Decree 385/1993 in favor

of The Royal Bank of Scotland, in connection with the Senior Facilities Agreement, on 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 € 188.2 million as at March 31, 2014 (€ 198.5 million as at December 31, 2013), including € 182.3 million of cash and cash equivalents (€ 196.4 million as at December 31, 2013).

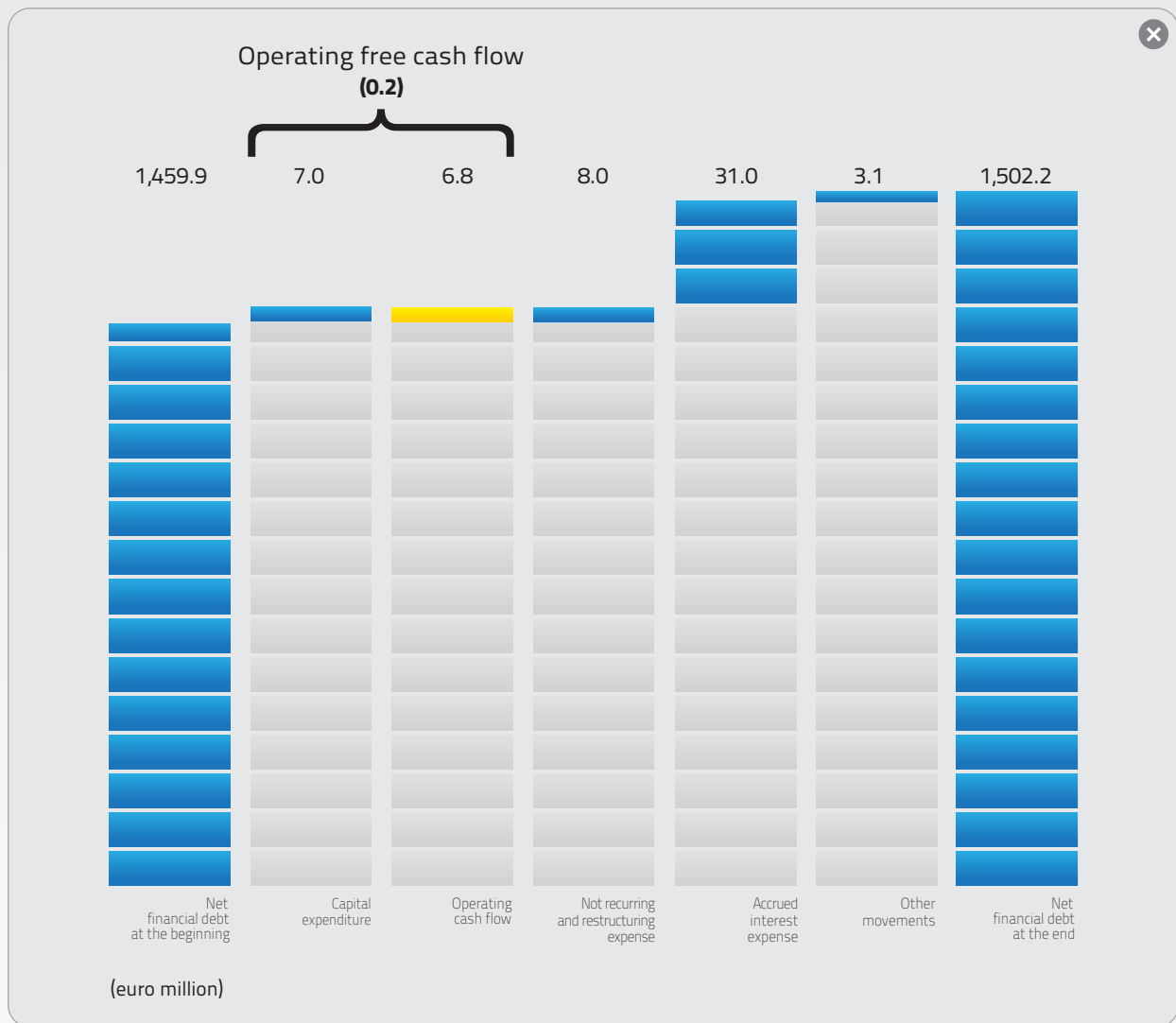
Ratings agencies Moody's and Standard & Poor's announced the withdrawal of their ratings for SEAT on December 2, 2013 and February 24, 2014 respectively.

Consolidated statement of cash flows for the first quarter of 2014

	1 st quarter 2014	1 st quarter 2013 <i>restated</i>	Change
<i>(euro/thousand)</i>			
EBITDA	7,030	27,743	(20,713)
Gain (losses) from discounting operating assets and liabilities	(62)	(222)	160
Decrease (increase) in operating working capital	928	23,767	(22,839)
(Decrease) increase in operating non current liabilities (*)	(1,033)	(2,034)	1,001
Capital expenditure	(7,022)	(5,936)	(1,086)
(Gains) losses on disposal of non-current operating assets	-	(1)	1
Operating free cash flow - OFCF	(159)	43,317	(43,476)
Payment of interest expense, net	397	(887)	1,284
Payment of income taxes	(122)	(7,245)	7,123
Payment of non-recurring and restructuring expense	(7,992)	(9,507)	1,515
Accrued interest expense and other movements	(34,362)	(34,656)	294
Change in net financial debt	(42,238)	(8,978)	(33,260)

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

The following graphic summarizes the main elements that contributed to the change in net financial debt in the first quarter of 2014.



The change in net financial position compared with December 31, 2013 is due mainly to the interest accrued on financial debts, totaling around € 31 million.

Operating free cash flow generated in the first quarter of 2014 (-€ 0.2 million) was down by € 43.5 million compared with the first quarter of 2013 *restated* (€ 43.3 million); this reduction reflects the fall of € 20.7 million in

EBITDA and the negative contribution of operating working capital (increase of € 0.9 million in the first quarter of 2014, compared with an increase of € 23.8 million in the first quarter of 2013). Capital expenditure amounted to € 7.0 million in the first quarter of 2014, up from € 5.9 million in the same period of the previous year *restated*.

Significant events in the first quarter of 2014

Ratings

On February 24, 2014, the ratings agency Standard & Poor's renewed its "D" (default) corporate credit rating for Seat Pagine Gialle and the issue ratings for the Company's senior secured facilities and senior secured notes, announcing it would be withdrawing its ratings of the

Company. The withdrawal of the ratings followed a request from Seat Pagine Gialle and is connected to the prediction that the consolidated financial debt will be broadly extinguished following the composition with creditors procedure.

Approval of the extraordinary transactions provided for by the composition with creditors proposals formulated by Seat Pagine Gialle S.p.A. and by Seat Pagine Gialle Italia S.p.A. and necessary for the success of the procedure

Si The composition with creditors procedure provides for the merger of Seat PG Italia S.p.A. into Seat Pagine Gialle S.p.A. (the "Merger") and is dependent upon the post-Merger entity continuing its business in accordance with Article 186-bis, paragraph 1 of the Bankruptcy Act. The composition with creditors proposals formulated by Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. also entail a series of extraordinary transactions which, like the Merger, are necessary for the procedure to be successful.

To this end, on March 4, 2014:

- the Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. approved the Merger, which will see all existing shares in the absorbing company annulled and no new Seat PG shares issued.

The two Boards took the decision on the Merger on the basis of the simplified procedure pursuant to Article 2505 of the Italian Civil Code, in light of Seat PG Italia being a wholly owned subsidiary of Seat PG.

The signing of the Merger document, which is solely for the purpose of implementing the composition with creditors proposals of Seat PG Italia and of the Company, is conditional upon both such proposals being definitively approved.

More details on the Merger can be found in the relative proposal pursuant to Article 2501-ter of the Italian Civil Code and in the Seat Board of Directors' report pursuant to Articles 2501-quinquies and 2505 of the Italian Civil Code and to Article 70 of the Issuers' Regulation, made available to the public in accordance with the law and published on the "Governance/SeatPG-SeatPG Italia Merger" section of the Company's website, www.seat.it. On February 21, 2014, the Merger Prospectus, which was drafted pursuant to Article 5 of Consob Regulation No. 17221 of March 12, 2010, as subsequently amended, on related-party transactions,

was also made available to the public via filing at the Company's registered and secondary offices as well as publication on the "Governance" section of the Company's website, www.seat.it, and on the website of Borsa Italiana S.p.A., www.borsaitaliana.it.

- the Company's Extraordinary Shareholders' Meeting approved the extraordinary corporate actions which, together with the Merger, are required for the successful completion of the composition with creditors procedure. Specifically, it resolved:

- to approve the Company's statements of financial position and operations as at November 30, 2013, showing negative equity of € 3,879,783.26;
- subject to the Reserved Capital Increase (as described below), to cover the comprehensive losses as at November 30, 2013 by using all net reserves outstanding on said date, reducing the share capital to € 120,000.00 without annulling existing shares and, for the remaining amount, using the reserves arising from the Reserved Capital Increase;
- to perform a paid capital increase, in a single tranche, from € 120,000.00 to € 20,000,000.00, excluding option rights pursuant to Article 2441, paragraphs 5 and 6, via the issue of 6,410,695,320,951 new ordinary shares without par value and with the same characteristics as existing ordinary shares, to be issued against the clearance of the debts of Seat PG and Seat PG Italia to financial creditors in Classes B and C, as categorized in the respective composition procedure proposals, with the new shares allocated in accordance with said proposals ("Reserved Capital Increase");
- to allocate the difference between the overall nominal amount (including interest) of the debts being cleared and the nominal amount of the Reserved Capital Increase

as follows: (i) to cover the residual losses accrued and accruing as at the date of the capital increase, together with the deficit from the Merger; (ii) to the legal reserve in the amount of € 4,000,000.00 (four million), i.e. one fifth of the share capital; (iii) the remaining portion of said difference to available reserves, following the calculation of allocations pursuant to (i) and (ii);

- in the immediate aftermath of the Reserved Capital Increase, to perform a reverse share split (the “Reverse Share Split”) with the ratio of one new ordinary share with regular dividend rights for every 100 existing post-Reserved Capital Increase ordinary shares, and one new savings share with regular dividend rights for every 100 existing savings shares;
- to issue warrants (the “Warrants”) enabling paid subscription of ordinary shares representing around 5% of the post-Reserved Capital Increase fully diluted share capital, to be allocated free of charge, fully and exclusively to ordinary shareholders of the Company who took part, either directly or through a proxy, in the Extraordinary Shareholders’ Meeting of March 4, 2014, as well as to the savings shareholders;
- to perform a paid capital increase, in one or more tranches, excluding option rights pursuant to Article 2441, paragraphs 5 and 6, totaling € 100,000.00, plus any premium owed, by issuing up to 3,391,431,376 ordinary shares (post-Reverse Share Split) with the same characteristics as the existing ordinary shares destined exclusively and irrevocably for servicing the Warrants and therefore for exercising the subscription right of the warrant holders. The strike price of the Warrants shall be

determined by the average market price of the Company’s ordinary shares after the Reserved Capital Increase, plus 15%.

The effectiveness of these resolutions is conditional upon the effectiveness of the Merger, which, as previously mentioned, is itself conditional upon the definitive approval of Seat Pagine Gialle S.p.A.’s and Seat Pagine Gialle Italia S.p.A.’s composition with creditors procedures; if these conditions are not satisfied by December 31, 2018, the resolutions shall be declared permanently null and void. The Extraordinary Shareholders’ Meeting also resolved to approve amendments to Articles 5 (Size of capital) and 6 (Shares) of the Articles of Association following the aforementioned resolutions.

More information on the resolutions of the Extraordinary Shareholders’ Meeting of March 4, 2014 can be found in the relevant documentation made available to the public in accordance with the law and published on the “Governance” section of the Company’s website, www.seat.it.

In order to achieve the quorum for the Extraordinary Shareholders’ Meeting of March 4, 2014, the Company encouraged proxy voting pursuant to Article 136, paragraph 7 of Consob Regulation No. 11971/1999. To this end, the Company employed Proxitalia S.r.l., a firm that provides shareholder communications and proxy voting services and advice to companies listed on the Italian stock market.

On March 5, 2014 and March 12, 2014, the Company, in its capacity as promoter pursuant to Article 137, paragraph 5 of Consob Regulation No. 11971/1999, served notice of how votes were cast and the results thereof.

Liability action

On March 4, 2014, the Company's Ordinary Shareholders' Meeting – convened following a decision by the Board of Directors on January 24, 2014 – resolved to promote a liability action, pursuant to Articles 2392 and 2393 of the Italian Civil Code, against former directors who held office between August 8, 2003 and October 21, 2012.

As announced to the market on April 7, 2014, in light of the resolution of the Ordinary Shareholders' Meeting on March 4, on the same date the Company initiated corporate liability actions against former directors and took the additional measures required to fully implement the aforementioned resolution. This was in line with the contents of the report prepared for the aforementioned Shareholders' Meeting pursuant to Article 125-ter of Legislative Decree No. 58 of February 24, 1998, which is available to the public under the 'Governance' section of the Company's website, www.seat.it.

With this action, the Company asked the Court of Milan to order the defendants, jointly and severally, to indemnify the Company for the damages suffered as a result of certain transactions carried out between August 8, 2003 and October 21, 2012. As provided for by the composition procedure proposals, all proceeds from the action will be used to the benefit of the Company. At the moment it is not possible to estimate the amount of any such proceeds, given the large number of persons involved and matters under dispute. This makes the matter particularly complex, since the compensation received will depend largely on the progress of the dispute, which is currently only in the preliminary phases. In light of the outcomes of similar disputes involving other listed companies, it should be pointed out that the compensation eventually received may well be considerably lower than the remedy sought in the original petition.

Sale of subsidiary Cipi S.p.A.

On March 13, 2014, the entire equity investment in Cipi S.p.A. – a wholly owned subsidiary of Seat Pagine Gialle Italia S.p.A. that has been operating in the promotional items and corporate gifts sector since 1964 – was sold to CIFIN S.r.l., since it was no longer considered to be

compatible with the Group's activities, and was therefore reclassified to "Non-current assets held for sale", starting in the Half-Year Report at June 30, 2013. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure.

Subsequent significant events \

Signing of agreement to buy Glamoo

On April 14, 2014, Seat Pagine Gialle Italia S.p.A. signed a preliminary agreement to acquire the entire share capital of Glamoo Ltd – the company that wholly owns Glamoo S.r.l. – for a total of € 4 million, of which (i) € 50,000 will be paid upon closing, and (ii) € 3,950,000 will be paid if the composition with creditors procedure is approved. The acquisition of Glamoo Ltd, which will be funded with cash and cash equivalents, is set out in the business plan that forms the basis of the SeatPG Group's composition with

creditors procedure. By looking for new opportunities for growth, the Group intends to continue to offer small and medium-sized businesses modern solutions to obtain visibility, attract customers and boost their marketing activities, thereby expanding its business and strengthening its position on the couponing market. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure.

Start of administrative proceedings preliminary investigation by Consob

On April 16, 2014, Consob announced the start of a preliminary investigation as part of administrative proceedings concerning communications published by the Company on January 28, February 4/5 and March 8, 2013. The Company was notified of the start of the proceedings on September 25, 2013 and presented its pleadings on

October 24, claiming that the allegations made by Consob were groundless.

The proceedings concern an alleged breach of Article 114, paragraph 1 of the TUF as implemented by Article 66, paragraph 2 of Consob Regulation 11971/1999 concerning issuers.

Outlook \

During the course of 2014, SEAT will continue to position itself as the only media agency capable of offering local marketing services throughout Italy. The Company's aim is to become a business partner that can offer companies a complete range of support services to promote their business online via a network of SEAT media agencies and over 1,300 consultants throughout the country, in addition to traditional print and voice advertising.

For more details about the forecasts concerning the future of the Company's business, please see the Consolidated Financial Statements and Draft Separate

Financial Statements as at December 31, 2013, as well as the key elements of the composition procedure proposals and the joint plan on which said proposals are based, which can be consulted at under <http://www.seat.it/seat/it/governance/concordato/index.html>. The original proposals were modified and updated by Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. in light of the outcome of checks performed after the Admission Ruling on the Seat Group's current performance and outlook, taking into account the observations of the Court in its Admission Ruling.

Going concern evaluation \

The Seat Group ended the first quarter of 2014 with a loss of € 43,753 thousand and negative equity of € 1,386,762 thousand. Although the Parent Company is in the situation provided for by Article 2447 of the Italian Civil Code, pursuant to Article 182-sexies of the Bankruptcy Act, this rule is not applicable between the filing of the application for admission to the composition with creditors procedure and the approval of the procedure.

As already specified in the Board of Directors' report prepared, pursuant to Articles 2446 and 2447 of the Italian Civil Code, for the Extraordinary Shareholders' Meeting of March 4, 2014 (which should be consulted for further information), the Parent Company's losses, together with the previous losses and with the deficit expected to arise from the merger of subsidiary Seat Pagine Gialle Italia S.p.A. into the Company (resolved upon on by their respective Boards of Directors on March 4, 2014), should be offset by sufficient reserves and profits deriving from the full implementation of the transactions provided for by the composition with creditors proposals, in accordance with the relevant resolution made by said Extraordinary Shareholders' Meeting, the effectiveness of which is conditional upon the aforementioned merger and the definitive approval of the composition with creditors proposals put forward by both companies.

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 2013 Financial Statements, 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 September 30, 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, 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 and the 2013 Annual 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

difficulties arising from a persistently very tough economic climate, these factors relate specifically to the following key stages of the composition with creditors procedure that are yet to be completed, bearing in mind that the ruling of admission to the composition with creditors procedure published on July 10, 2013, and the necessary resolutions made by the Shareholders' Meeting on March 4, 2014 to execute the proposal for said procedure, removed the uncertainty surrounding such specific aspects:

- **the positive outcome of the creditors' meeting:** it is uncertain whether the creditors' meeting will vote in a sufficient majority to approve the proposal so it can be authorized by the Court;
- **the Court authorizing the composition with creditors:** when investigating the matter, the Court must take into account and assess all available information, particularly the report of the official receiver;
- **the proposal re-establishing positive equity** that is sufficient to bring the Company and its main operating subsidiary out of the situation pursuant to Articles 2446 and 2447 of the Italian Civil Code, and to sustain business for the period covered by the plan drawn up as part of the procedure;
- **uncertainties surrounding the estimates and forecasts made by the Company in relation to the composition with creditors procedure and the viability of the plan underpinning the proposal.** The actions provided for by the New Strategic Guidelines are subject to the completion of certain operations, including some of an extraordinary nature, for the purposes of which the procedure must go smoothly and result in the authorization of the composition with creditors.

In light of the above, the Board believes that for the Company to continue to operate in the foreseeable future, the proposal for the composition with creditors must be executed and the procedure must be successful. Specifically, the proposed restructuring is essential to make the Company's debt structure 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 composition with creditors procedure will be successful removes the situation pursuant to Article 2447 of the Italian Civil Code and restores the positive assessment of business continuity, thereby enabling approval, as things stand, of the Interim Report as at March 31, 2014 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 No. 17221 of March 12, 2010, the effects on the financial statements of transactions with parties related to the Seat Pagine Gialle Group as at March 31, 2014 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

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 st quarter 2014
Revenues from sales and services	-	-	3,980	3,980
Cost of material and external services	-	-	(1,020)	(1,020)
Salaries, wages and employee benefits	-	-	(934)	(934)

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

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 st quarter 2013
Cost of material and external services	-	-	(56)	(56)
Salaries, wages and employee benefits	-	-	(1,122)	(1,122)
Other operating expense	-	-	(1)	(1)

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

Statement of financial position

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at March 31, 2014
Operating current asset	-	-	11,698	11,698
Operating current liabilities	-	-	(3,569)	(3,569)
Non-operating current liabilities	-	-	(4,013)	(4,013)

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

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at December, 31 2013
Operating current asset	-	-	9,434	9,434
Operating current liabilities	-	-	(3,532)	(3,532)
Non-operating current liabilities	-	-	(4,013)	(4,013)

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

Statement of cash flows

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 st quarter 2014
Cash inflow (outflow) from operating activities	-	-	(201)	(201)
Cash inflow (outflow) for investments	-	-	-	-
Cash inflow (outflow) for financing	-	-	-	-
Cash flow for the period	-	-	(201)	(201)

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

<i>(euro thousand)</i>	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 st quarter 2013
Cash inflow (outflow) from operating activities	-	-	(2,025)	(2,025)
Cash inflow (outflow) for investments	-	-	-	-
Cash inflow (outflow) for financing	-	-	-	-
Cash flow for the period	-	-	(2,025)	(2,025)

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

Financial performance by Business Area

The operating and financial results of the Seat Group for the first quarter of 2013 were restated, as described in more detail in the Introduction, so as to allow for comparison and consistent analysis of the items.

<i>(euro thousand)</i>		Directories Italia	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
Revenues from sales and services	1 st quarter 2014	89.7	4.8	94.5	(1.3)	93.2
	1 st quarter 2013 <i>restated</i>	119.5	7.3	126.8	(1.5)	125.3
Gross Operating Profit (GOP)	1 st quarter 2014	12.9	(0.8)	12.1	2.2	14.3
	1 st quarter 2013 <i>restated</i>	39.8	(1.2)	38.6	0.1	38.7
EBITDA	1 st quarter 2014	5.8	(0.9)	4.9	2.1	7.0
	1 st quarter 2013 <i>restated</i>	29.0	(1.3)	27.7	-	27.7
EBIT	1 st quarter 2014	(6.8)	(2.8)	(9.6)	1.4	(8.2)
	1 st quarter 2013 <i>restated</i>	12.3	(2.7)	9.6	-	9.6
Net invested capital	March 31, 2014	12.0	6.0	18.0	116.9 (*)	134.9
	December 31, 2013	9.5	10.0	19.5	117.0 (**)	136.5
Capital expenditure	1 st quarter 2014	6.4	0.6	7.0	-	7.0
	1 st quarter 2013 <i>restated</i>	5.0	1.0	6.0	(0.1)	5.9
Average workforce	1 st quarter 2014	1,613	180	1,793	-	1,793
	1 st quarter 2013 <i>restated</i>	1,501	328	1,829	-	1,829
Sales agents (average number)	1 st quarter 2014	1,351	55	1,406	-	1,406
	1 st quarter 2013 <i>restated</i>	1,142	45	1,187	-	1,187

(*) This includes the effects of Cipi S.p.A. deconsolidation.

(**) This includes the financial position of Telegate groups, following the reclassification to Discontinued operations as described in the Introduction.

Key performance indicators of the Group

	1 st quarter 2014	1 st quarter 2013
Number of published directors		
PAGINEBIANCHE®	11	11
PAGINEGIALLE®	22	22
Number of distributed directors (valued in million)		
PAGINEBIANCHE®	3.4	3.7
PAGINEGIALLE®	2.7	2.8
Number of visits (valued in million)		
<i>uninterrupted site acces for 30 minutes</i>		
PAGINEBIANCHE.it® (*)	41.5	40.2
PAGINEGIALLE.it® (*)	86.9	79.3
TuttoCittà.it®	12.4	9.6
Europages.com (*)	7.3	12.8

(*) The total traffic includes the web and mobile visits and online and mobile visits to customer websites.

Italian Directories \

Main company events

On March 24, Seat PG Italia made a capital contribution payment of € 400,000 to Prontoseat S.r.l. to cover the capital deficit of 2013 and the deficit predicted for the first few months of 2014.

Operating and financial data

The operating results for the first quarter of 2014 were achieved in a difficult economic climate. As shown by International Monetary Fund (IMF) data in the draft *World Economic Outlook*, Italy's gross domestic product (GDP) will grow by only 0.6% in 2014, meaning the country will remain near the bottom of the growth tables and below the Eurozone average (+1.1%). Indeed, the Italian economy will perform similarly to that of Greece (+0.6%), with only Finland (+0.3%), Slovenia (also +0.3%) and, by some distance, Cyprus (-4.8%) doing worse within the Eurozone.

The very high number of people out of work is clearly affecting the situation in Italy, where unemployment is expected to rise from 12.2% to 12.4% this year before falling back to 11.9% in 2015. The IMF recommends that Italy introduce "further policy action to revive credit supply", which "could increase GDP by 2% or more".

The IMF expects Italy's GDP to grow by 1.1% in 2015, whereas the Greek economy is forecast to grow by 2.9%.

These figures are broadly in line with the most recent estimates from Istat, according to which Italian GDP will grow by 0.6% this year and 1.0% in 2015, driven mainly by domestic demand, before rising by 1.4% in 2016.

The most recent data from Nielsen show that advertising investment in Italy was 5.2% lower in February 2014 than in the same month of the previous year, with a year-on-year drop of around € 42.7 million (-4.3%) during the first two months of the year.

Only radio bucked the trend, with year-on-year investment in that medium up by 9% in February and 7.5% over the two months. The press continues to struggle, with advertising investment in January and February down by 14.7% year on year for newspapers and 16.3% for periodicals; the figure for February (-17.4% for both categories) was worse than that for January. Investment continues to fall in the media of cinema, direct mail and outdoor advertising. Online advertising investment was 6.3% lower in January and February 2014 than in the same two months of the previous year, while the drop in February alone was 8.1%. Nielsen notes that the unexpected weakness in February interrupted a six-month trend of improvement from August 2013 (-10.9%) to January 2014 (-2.8%), but that this is a particularly bad sign given that the performance in February 2013 was the second worst of that year.

The table below shows the main results for the first quarter of 2014 compared with those from the same period of the previous year *restated*.

<i>(euro thousand)</i>	1 st quarter 2014	1 st quarter 2013 <i>restated</i>	Change Absolute	%
Revenues from sales and services	89.7	119.5	(29.8)	(24.9)
MOL	12.9	39.8	(26.9)	(67.6)
EBITDA	5.8	29.0	(23.2)	(80.0)
EBIT	(6.8)	12.3	(19.1)	n.s.
Capital expenditure	6.4	5.0	1.4	28.0
Average workforce	1,613	1,501	112	7.5
Net invested capital	12.0	9.5 (*)	2.5	26.8

(*) Data refers to December 31, 2013.

Below is an analysis of the data for the SEAT Business Area and for Prontoseat S.r.l..

SEAT

This area comprises the data relating to Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the 74 Digital Local Services companies set up to provide greater oversight of the sales network and support agents and customers.

The table below shows the main results for the first quarter of 2014 compared with those of the same period in the

previous year, which were restated following the reclassification of the figures relating to the TDL Infomedia Group and the Telegate Group to "Non-current assets held for sale and discontinued operations", as described in more detail in the "Presentation of accounting data" section.

<i>(euro thousand)</i>	1 st quarter 2014	1 st quarter 2013 <i>restated</i>	Change Absolute	%
Revenues from sales and services	89.6	119.5	(29.9)	(25.0)
MOL	13.1	39.9	(26.8)	(67.2)
EBITDA	5.9	29.2	(23.3)	(79.8)
EBIT	(6.6)	12.4	(19.0)	n.s.
Capital expenditure	6.4	5.0	1.4	28.0
Average workforce	1,476	1,338	138	10.3
Net invested capital	10.4	8.5 (*)	1.9	22.6

(*) Data refers to December 31, 2013.

SEAT **revenues from sales and services** totaled € 89.6 million in the first quarter of 2014, down by 25% compared with the same period in 2013 *restated*.

More specifically:

a) **Core revenues:** these totaled € 80.1 million in the first quarter of 2014, down by 26.4% on the corresponding period of the previous year *restated*. They break down as follows:

- *print*: revenues from print products, including revenues from the Pagine Gialle and Pagine Bianche iPad e-book apps launched in late April 2011, totaled € 12.0 million in the first quarter of 2014, down by 50.4% year on year, with a fall in revenues for both PAGINEBIANCHE® and PAGINEGIALLE®;
- *online&mobile*: online&mobile products generated revenues of € 65.1 million in the first quarter of 2014, down by 17.7% on the same period of the previous year. Net of the spin-off of the online revenues of PAGINEBIANCHE®, traditional advertising and online marketing revenues fell by 15.8%. Revenues from online&mobile products accounted for 72.6% of total revenue during the period. Among the most notable product development initiatives was the launch of Wiadv, the Wi-Fi connection service that provides a

hyperlocal advertising network throughout Italy. 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 9.6% year on year, with visits totaling around 86.9 million in the first quarter of 2014. Visits to PAGINEGIALLE.it®, PagineGialle Mobile, 89.24.24 Mobile and Glamoo Mobile increased (+11.3% to 59.8 million), as did visits to web and mobile sites created for SEAT customers (+6.1% to 27.1 million). Total traffic for PAGINEBIANCHE.it® amounted to around 41.5 million visits, up by 3.4% compared with the first quarter of 2013. As at the end of March, downloads of SEAT mobile apps totaled around 7.4 million (+51.3% compared with March 2013) for Apple devices and the other major platforms, with 3.1 million downloads (around 42.5% of the total) for PagineGialle Mobile, 2.4 million (around 33.0%) for PagineBianche Mobile, 1.3 million (around 17.0%) for TuttoCittà Mobile and 0.3 million each for Glamoo Mobile and 89.24.24 Mobile.

- *voice*: advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services totaled € 3.0 million, down by € 2.5 million (-46.1%) compared with the first quarter of 2013.

b) **Other revenue and minor products:** revenues from other products totaled € 9.5 million in the first quarter of 2014, down by 10.5% year on year. This item includes revenues from voice traffic (€ 5.1 million) generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, down by 22.3% year on year, and revenues of € 0.5 million from direct-marketing products, merchandising activities and the Sky offer.

The new episodes of the Company's television advertising campaign created by Young&Rubicam, focusing on AdWords and web marketing, for which SEAT PG is a premier partner of Google, were broadcast at the beginning of April. The campaign aims to continue to promote the Company's profound transformation and its new market positioning, portraying a leading Italian firm that offers, in addition to the traditional PAGINEGIALLE®, an integrated system of multimedia tools and modern, dynamic and tailored services which can best help its customers' business to grow: from websites and Google advertising campaigns to TV, radio, cinema, Wi-Fi, email and printed products.

GOP totaled € 13.1 million in the first quarter of 2014, down by € 26.8 million compared with the same period of the previous year, yielding a margin of 14.6% (33.4% in the first three months of 2013). The 25.0% fall in revenues was only partially offset by the reduction in operating costs. Costs for materials and external services, net of costs debited to third parties, totaled € 56.0 million in the first quarter of 2014, down by € 3.1 million on the corresponding period of 2013. Specifically, *industrial* costs of € 23.5 million were down slightly year on year owing to rigid directory production costs, with the number of editions printed (and therefore the printing and distribution costs) falling by less than the drop in *print* revenues. 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 (-€ 0.2 million to € 2.1 million), while commissions to web publishers continued to rise (+€ 0.3 million to € 7.4 million) as part of the management of new online offers intended to boost web traffic.

Commercial costs fell by € 1.5 million to € 21.5 million during the first quarter of 2014, owing primarily to lower advertising spending as a result of different scheduling; the operating costs of the Digital Local Services represented an additional € 0.7 million of commercial costs. *Overheads* totaled € 11.0 million, down by € 0.9 million compared with the first quarter of 2013.

Salaries, wages and employee benefits, net of recovered costs for employees seconded to other Group companies, totaled € 20.5 million in the first quarter of 2014, broadly in line with the same period of the previous year (€ 20.4 million); the full introduction of the *New Sales Model* converted zone managers into SEAT employees at an additional cost of around € 3.1 million, while equivalent savings were made elsewhere in the workforce.

EBITDA amounted to € 5.9 million in the first quarter of 2014, down by € 23.3 million compared with the first quarter of 2013, yielding a margin of 6.6% (against 24.4% in the first quarter of 2013). This broadly reflects the downturn in GOP and a reduction of € 3.4 million in allocations to the allowance for doubtful trade receivables, which remained sufficient, however, to cover overdue receivables.

The **operating result (EBIT)** was -€ 6.6 million in the first quarter of 2014, down by € 19.0 million on the corresponding period of the previous year (€ 12.4 million). This reflects the drop in EBITDA, offset partly by lower non-operating amortization and depreciation (-€ 4.6 million).

Net invested capital, net of the book value of equity interests in subsidiaries, totaled € 10.4 million at March 31, 2014, up by € 1.9 million compared with the figure at December 31, 2013 (€ 8.5 million).

Capital expenditure amounted to € 6.4 million, and related mainly to: *i*) improvements to online and mobile platforms (approximately € 2.1 million), particularly for the real-time updating and publication of content, the improvement of search algorithms and the identification of new graphical and functional solutions for the Company's websites; *ii*) improvements to commercial online products (around € 1.2 million), relating mainly to the optimization of mobile graphic design and to developments for the new range of websites for changes to bespoke offers for Large Customers; *iii*) commercial and publishing improvements (around € 1.3 million) to upgrade the systems and adapt them to new product ranges; *iv*) technological upgrades and licenses for the New Sales Model (€ 1.4 million).

The **average workforce** was 1,476 employees in the first quarter of 2014, compared with 1,338 in the corresponding period of 2013; the increase of 138 mainly reflects 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. The reduction of wages, salaries and employee benefits took the form of measures that did not, for the most part, affect the size of the workforce, such as the use of the special wage guarantee fund (CIGS) on a rotating basis.

Prontoseat S.r.l.

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

The table below shows the main results for the first quarter of 2014 compared with those from the same period of the previous year.

(euro thousand)	1 st quarter 2014	1 st quarter 2013	Change	
			Absolute	%
Revenues from sales and services	0.9	1.5	(0.6)	(40.0)
MOL	(0.2)	(0.1)	(0.1)	(100.0)
EBITDA	(0.2)	(0.2)	-	-
EBIT	(0.2)	(0.2)	-	-
Capital expenditure	-	-	-	n.s.
Average workforce	137	163	(26)	(16.0)
Net invested capital	1.5	1.0 (*)	0.5	50.0

(*) Data refers to December 31, 2013.

Revenue from sales and services totaled € 0.9 million in the first quarter of 2014, down by 40.0% compared with the same period of 2013. This reduction in turnover was due essentially to the fall in outbound revenues (-€ 0.4 million compared with the first quarter of 2013) as a result of fewer telephone sales of print products on behalf of Seat and fewer calls to the 12.40 service.

Inbound revenues fell by € 0.2 million following the termination in the final quarter of 2013 of the agreement with Seat for the management of calls to the 89.24.24 Prontissimo service.

Despite revenue falling by € 0.6 million, **GOP** was down by only € 0.1 million compared with the previous year owing mainly to lower salaries, wages and employee benefits as a result of there being fewer telephone operators.

EBITDA and **EBIT** each showed a loss of € 0.2 million and performed in line with GOP.

The **average workforce** is 26 fewer than in the first three months of 2013 (163 employees in the first quarter of 2013).

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 company events

On March 13, 2014, the assets and liabilities of Cipi S.p.A. were deconsolidated following the sale of Seat Pagine Gialle Italia S.p.A.'s entire equity investment in the company to CIFIN S.r.l. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure. Since the figures in question

were not significant to the Seat Group, it was not necessary to reclassify or re-present the relevant comparative values for the first quarter of 2013.

Operating and financial data

The table below shows the main results for the first quarter of 2014 compared with those from the same period of the previous year.

<i>(euro thousand)</i>	1 st quarter 2014	1 st quarter 2013	Change Absolute	%
Revenues from sales and services	4.8	7.3	(2.5)	(34.2)
MOL	(0.8)	(1.2)	0.4	33.3
EBITDA	(0.9)	(1.3)	0.4	30.8
EBIT	(2.8)	(2.7)	(0.1)	(3.7)
Capital expenditure	0.6	1.0	(0.4)	(40.0)
Average workforce	180	328	(148)	(45.1)
Net invested capital	6.0	10.0 (*)	(4.0)	(40.0)

(*) Data refers to December 31, 2013.

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 below shows the main results for the first quarter of 2014 compared with those from the same period of the previous year.

(euro thousand)	1 st quarter 2014	1 st quarter 2013	Absolute Change	%
Revenues from sales and services	2.1	2.9	(0.8)	(27.6)
MOL	(0.4)	(0.1)	(0.3)	n.s.
EBITDA	(0.4)	(0.2)	(0.2)	(100.0)
EBIT	(0.6)	(0.3)	(0.3)	(100.0)
Capital expenditure	-	0.1	(0.1)	(100.0)
Average workforce	77	86	(9)	(10.5)
Net invested capital	(1.5)	(0.9) (*)	(0.6)	(66.7)

(*) Data refers to December 31, 2013.

Revenue from sales and services totaled € 2.1 million in the first quarter of 2014 (€ 2.9 million in the first quarter of 2013); the reduction was due to the sharp downturn in the Italian market (-€ 0.7 million compared with the same period of 2013) caused by the difficult economic climate, which shows no tangible signs of improvement for SMEs, and by the weak performance of the advertising market. Revenue in other countries remained substantially stable.

In the wake of several major changes implemented in 2013 by search engines, particularly Google, the company began to restructure all the language versions of its website, taking account of the fact that all traffic to the Europages site comes directly or from search engine optimization. This process involves the

replacement and re-indexing of all pages on the site, with the pages with poor content removed so as to improve the quality of visits.

The company recorded a **gross operating loss** of € 0.4 million (against € 0.1 million in the first quarter of 2013); this result was in line with the aforementioned decline in revenues.

EBITDA and **EBIT**, which showed respective losses of € 0.4 million and € 0.6 million, performed in line with GOP.

Net invested capital was -€ 1.5 million at March 31, 2014 (compared with -€ 0.9 million at December 31, 2013).

The **average workforce** was 77 employees in the first quarter of 2014 (86 in the same period of 2013).

Consodata S.p.A.

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

The table below shows the main results for the first quarter of 2014 compared with those from the same period of the previous year.

(euro thousand)	1 st quarter 2014	1 st quarter 2013	Change	
			Absolute	%
Revenues from sales and services	2.7	2.7	-	-
MOL	(0.4)	(0.5)	0.1	20.0
EBITDA	(0.5)	(0.5)	-	-
EBIT	(2.2)	(1.5)	(0.7)	(46.7)
Capital expenditure	0.6	0.8	(0.2)	(25.0)
Average workforce	103	102	1	1
Net invested capital	7.5	9.4 (*)	(1.9)	(20.2)

(*) Data refers to December 31, 2013

Revenues from sales and services totaled € 2.7 million in the first quarter of 2014, broadly unchanged from the corresponding period of the previous year.

The drop in revenues caused by the different scheduling of updates to marketing-intelligence products was offset by an increase in the number of products sold through the network of SEAT agents, driven by higher demand for marketing products linked to sporting events in summer 2014 (e.g. the football World Cup).

Revenue from products sold by the network of Consodata agents was down slightly year on year, due mainly to the delay in selling products related to the hostelry sector, while there was an increase in sales of Kompass products.

The margin mix among the products resulted in a **gross operating loss** of € 0.4 million (€ 0.5 million in the first quarter of 2013).

EBITDA was -€ 0.5 million and performed in line with GOP.

Net invested capital was € 7.5 million at March 31, 2014 (compared with € 9.4 million at December 31, 2013).

Capital expenditure in the first quarter of 2014 amounted to € 0.6 million, down by € 0.2 million year on year, due to the postponement of a data collection campaign to the second quarter of the year. In addition to the usual development of software platforms, capital expenditure focused on enhancing databases and purchasing data banks.

The **average workforce** was 103 employees in the first quarter of 2014 (102 in the same period of 2013).

" il Giallo è dinamicità "



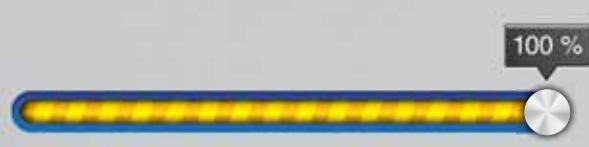
Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

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SeatPG
pagineGialle

6 14
Other information



LOADING



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 held, 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 March 31, 2014 accurately reflects the information in the accounting ledgers, records and documents.

The Interim Report as at March 31, 2014, which has not been audited, was prepared pursuant to the instructions provided by Consob in Issuers' Regulation No. 11971/1999 and complies with the valuation and measurement criteria established by the IAS/IFRS international accounting standards issued by the International Accounting Standards Board and approved by the European Union.

Milan, May 12, 2014

Chief Financial Officer

Andrea Servo



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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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