

614

First Half Report
as at June 30, 2014

seat **PG**
pagineGialle

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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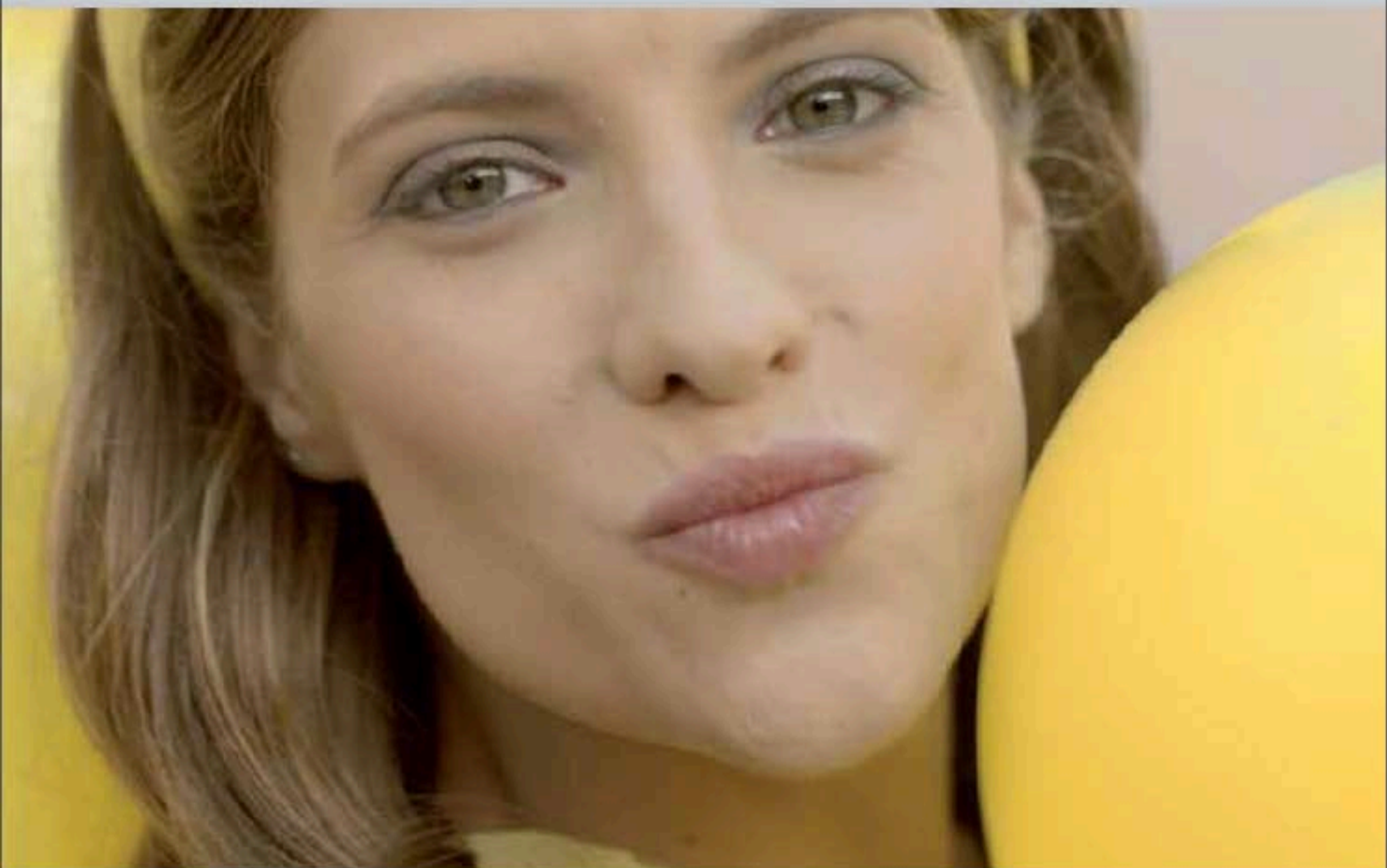
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" il **Giallo**
ti sorprende "



Pictured above extracted from the last spot of SEAT PG

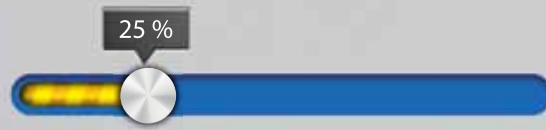
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Highlights
and general
information



LOADING

Company boards \

(information correct as at August 5, 2014)

Board of Directors ⁽¹⁾

Chairman

Guido de Vivo

Chief Executive Officer

Vincenzo Santelia ⁽²⁾

Directors

Chiara Damiana Maria Burberi ⁽⁰⁾

Michaela Castelli ⁽³⁾

Mauro Del Rio ⁽⁰⁾

Francesca Fiore ⁽⁰⁾

Mauro Pretolani ⁽⁰⁾

Harald Rösch ⁽⁰⁾

Luca Rossetto ⁽⁰⁾

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.

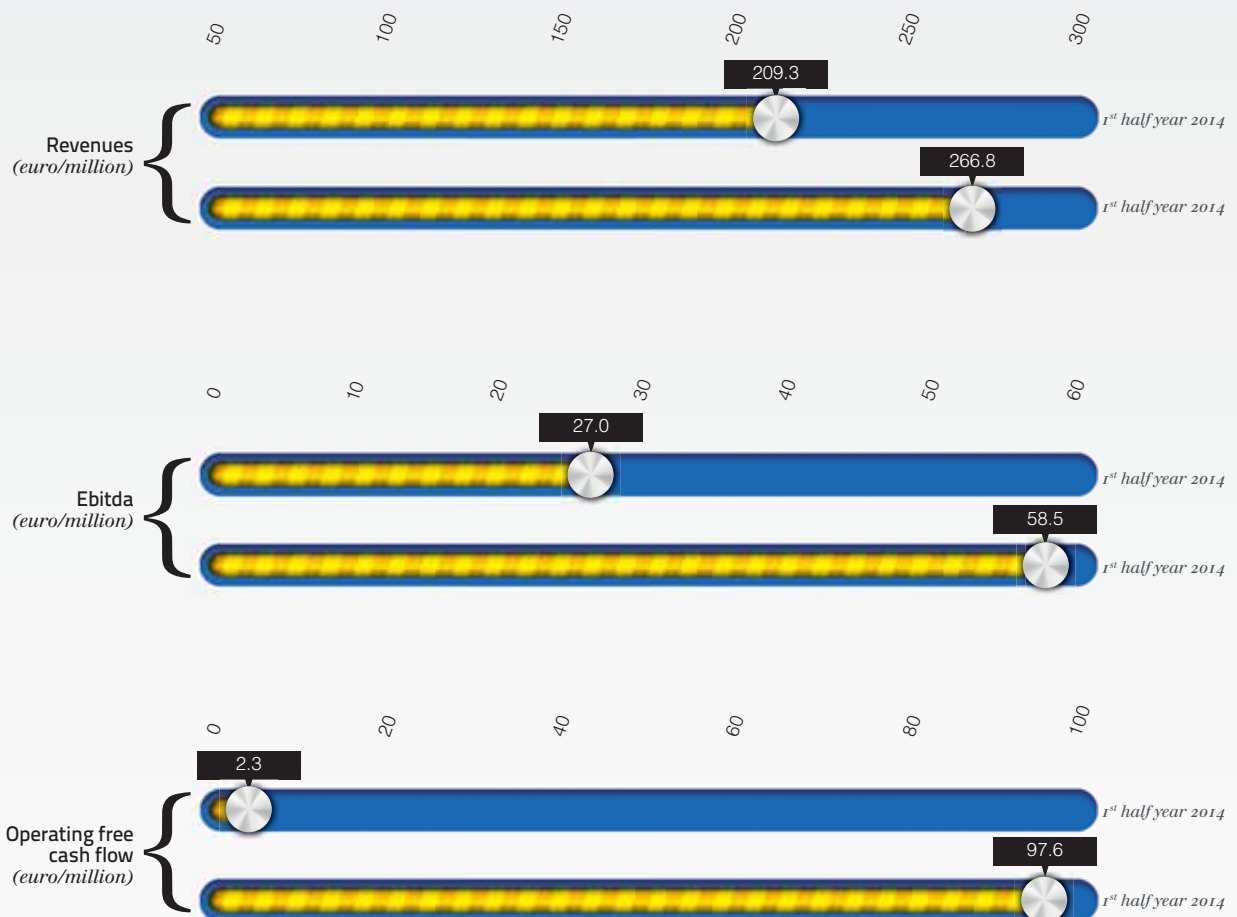
⁽⁸⁾ Appointed by the Board of Directors on October 29, 2013.

⁽⁰⁾ Directors who meet the independence criteria set forth in article 147-ter, paragraph 4 and article 148, paragraph 3 of Legislative Decree 58/1998 and in the Code of Corporate Governance for Listed Companies.

Financial highlights of the Group

The economic and financial results of the Seat Pagine Gialle Group for the first half of 2014 and for the first half of 2013 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board and endorsed by the European Union (IFRS).

- Consolidated REVENUE of € 209.3 million in the first half of 2014, down by 21.5% compared with the first half of 2013.
- Consolidated EBITDA of € 27.0 million, down by 53.8% compared with the first half of 2013.
- As at June 30, 2014, OPERATING FREE CASH FLOW was € 2.3 million and the NET FINANCIAL DEBT was € 1,552.7 million, representing a decrease of € 92.8 million compared with December 31, 2013 due to interest accrued during the period, which will be cleared after the approval of the composition with creditors.



<i>(euro/million)</i>	1 st half year 2014	1 st half year 2013
Economical and financial data		
Revenues from sales and services	209.3	266.8
GOP (*)	40.4	81.0
EBITDA (*)	27.0	58.5
EBIT (*)	2.8	(26.5)
Pre-tax profit (loss)	(65.7)	(91.4)
Profit (loss) on continuing operations	(68.2)	(93.2)
Profit (loss) pertaining to the Group	(68.4)	(101.4)
OFCF (*)	2.3	97.6
Capital expenditure	13.6	14.5
Net invested capital (*)	158.3	136.5
<i>of which goodwill and marketing related intangibles</i>	31.7	29.1
<i>of which net operating working capital (*)</i>	(48.0)	(56.5)
Equity of the Group	(1,412.0)	(1,342.9)
Net financial indebtedness (*)	1,552.7	1,459.9
Economic and financial ratio		
EBITDA/Revenues	12.9%	21.9%
EBIT/Revenues	1.3%	(9.9%)
Profit (loss) for the period /Equity of the Group	n.s.	n.s.
FCF/Revenues	1.1%	36.6%
Operating working capital/Revenues	(61.5%)	(45.1%)
Workforce		
Workforce at the end of the period (units)	2,028	2,029
Average workforce for the period on continuing operations	1,804	1,841
Revenues/Average workforce	116	145

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

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

Non-GAAP measures

This section reports on several non-GAAP measures used in the condensed consolidated half-year financial statements at June 30, 2014, in order to provide tools for analyzing the financial performance of the Group in addition to those based on the financial statements.

These indicators are not identified as accounting measures within the IFRS framework, and therefore must not be considered an alternative standard by which to assess the economic and financial performance of the Group or its capital and financial position. Since these measures are not governed by the benchmark accounting standards, the calculation methods used by the Group 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 expenses, 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 revenue) net of operating current liabilities (relating to operating costs) and as non-operating current assets net of non-operating current liabilities. Neither item includes current financial assets or liabilities.
- **Net invested capital** is the sum of operating working capital, non-operating working capital, goodwill and customer databases, and other operating and non-operating non-current assets and liabilities.
- **Net financial debt** 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 06.30.2014	As at 06.30.2013
Share capital	euro	450,265,793.58	450,265,793.58
Number of ordinary shares	n.	16,066,212,958	16,066,212,958
Number of saving shares	n.	680,373	680,373
Market capitalization - based on average market price	euro/mln	28	31
Seat Pagine Gialle S.p.A. share weighting (SPG ordinary shares) - Ftse Italia All Share (ex Mibtel)		0.008%	0.013%
Equity par share	euro	(0.088)	(0.068)
Profit (loss) par share on continuing operations to the Group	euro	(0.004)	(0.006)
Profit (loss) par share from non-current assets held for sale and discontinued operations pertaining to the Group	euro	(0.00001)	(0.001)

Rating 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.

Shareholders \

As at June 30, 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%.

At the time of preparing this report, Giovanni Cagnoli's direct shareholding totaled 1.487%.

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

Seat Pagine Gialle shares ended trading on June 30, 2014 at € 0.0016, compared with € 0.0017 on December 31, 2013. The market capitalization was around €26 million. In the half-year ended on June 30, 2014, the average daily trading volume was over 217 million shares (equal to 1.4% of the share capital).

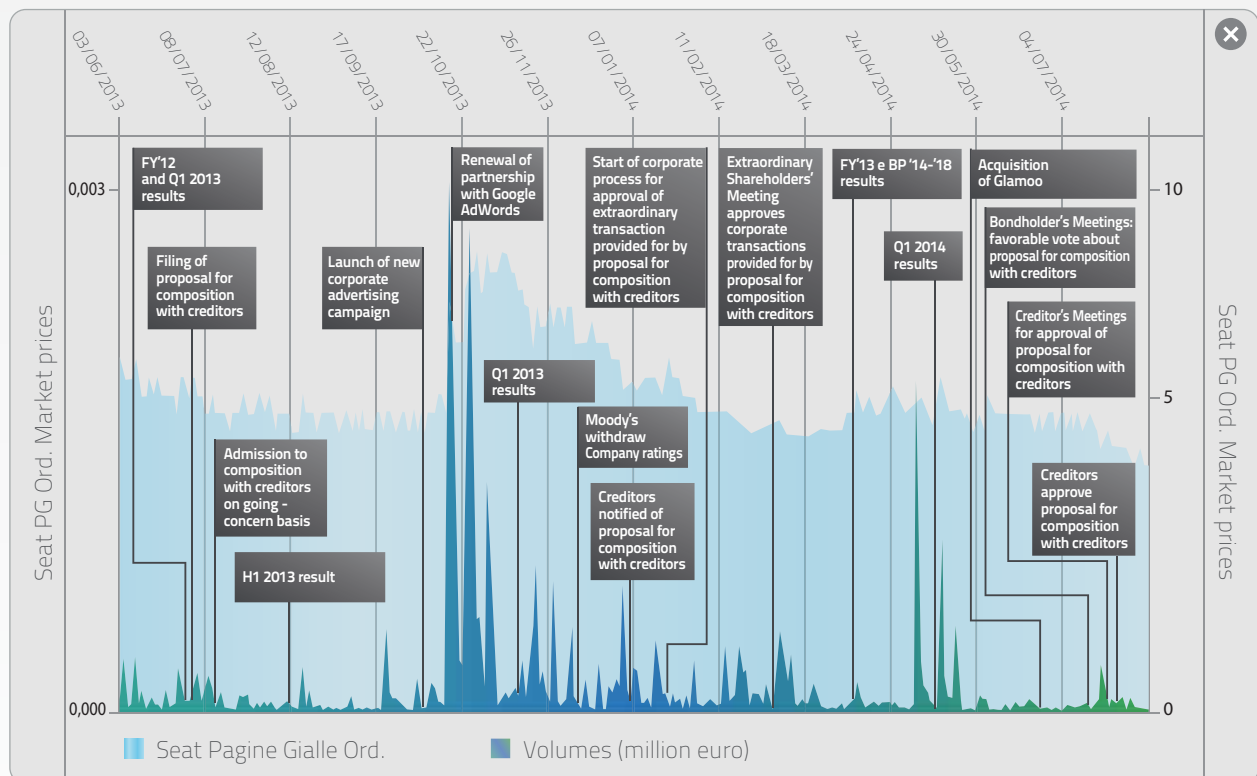
However, as already noted in the quarterly report as at March 31, 2014, the prices and market capitalization recorded during the period cannot be used to calculate the value of Seat Pagine Gialle's economic capital, since they are influenced by speculative factors, as demonstrated by the high volatility of the stocks 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 therefore not be entitled to option rights, and their shareholdings will therefore undergo a significant dilution. Following this 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.

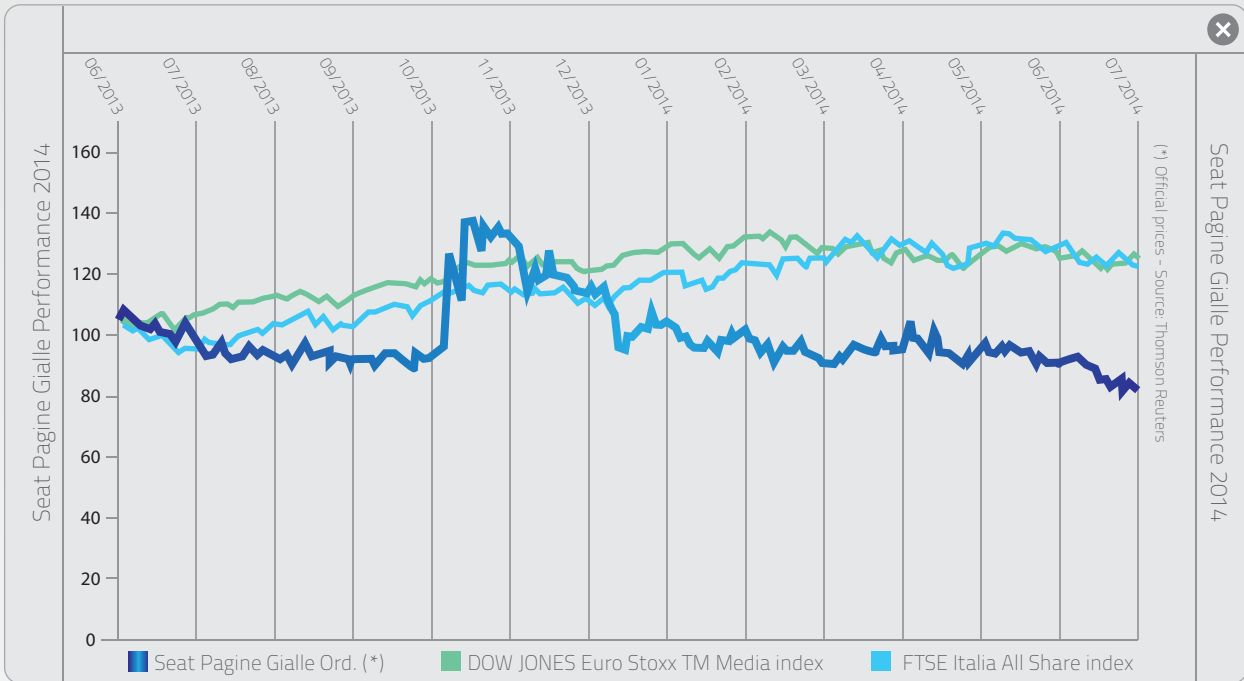
Based on the evaluations carried out by the Advisor, the directors decided to determine the value of the total economic capital of Seat Pagine Gialle at € 200 million, and consequently calculated the unit value of the newly issued SEAT shares to be € 0.000031.



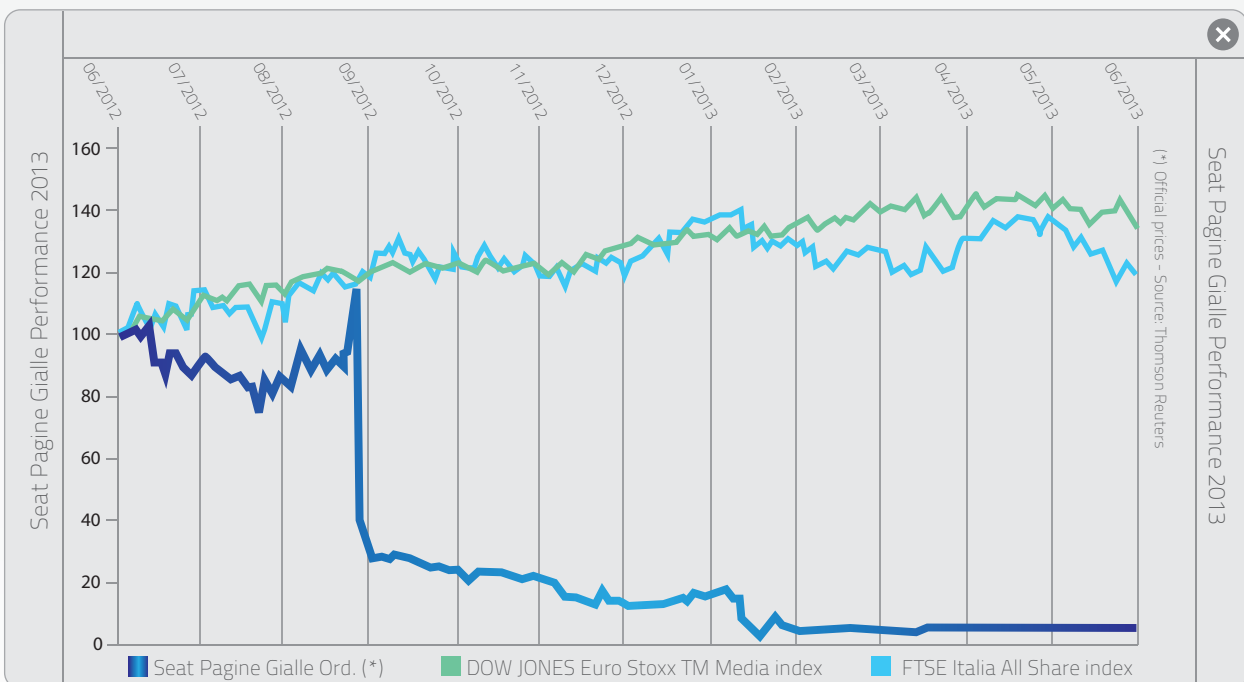
(*) Official prices – Source: Thomson Reuters

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

(information correct as at August 1, 2014)

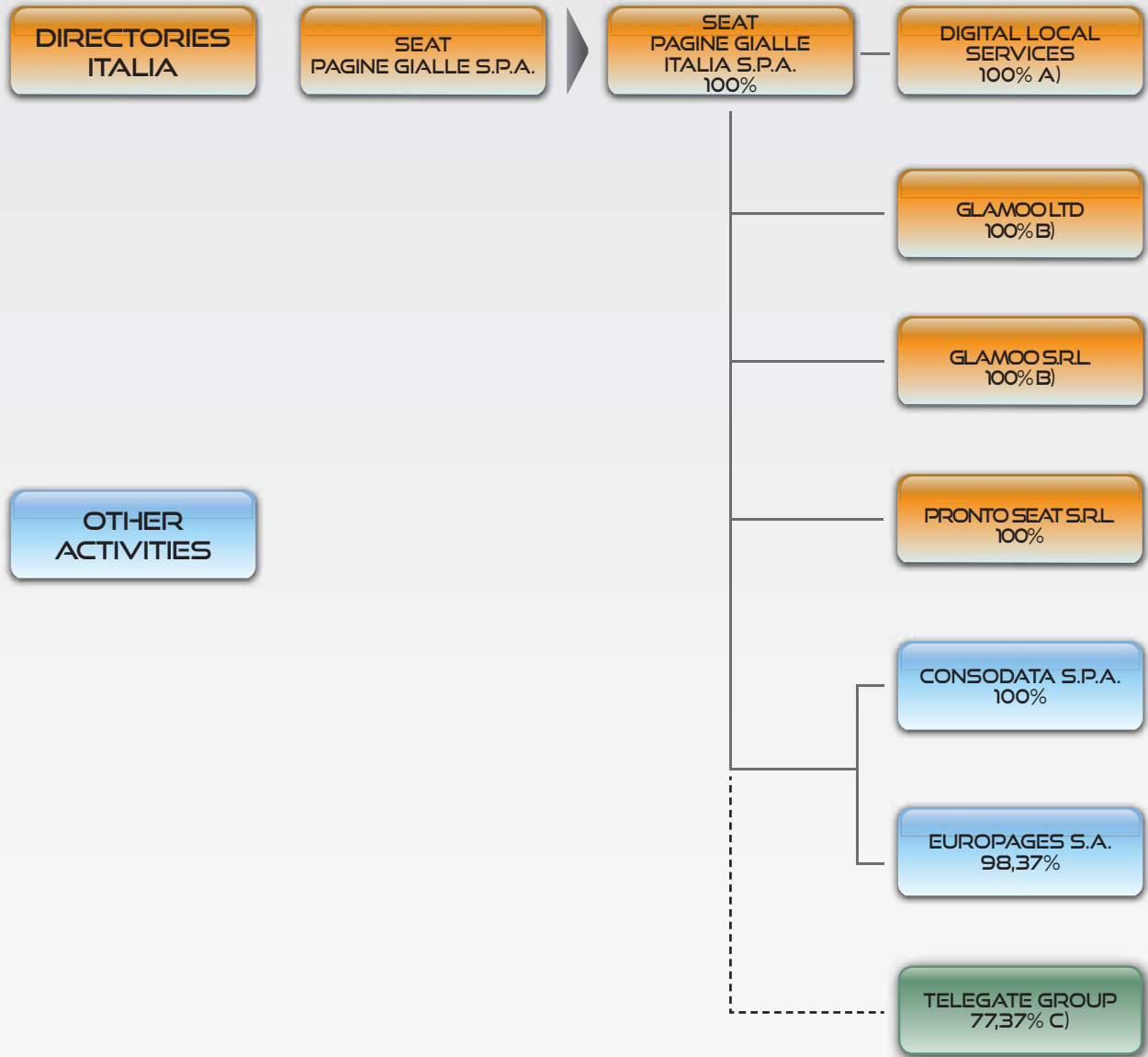


Performance of Seat Pagine Gialle S.p.A. shares in the first half of 2013 FTSE Italia All-Share Index and Dow Jones Euro Stoxx Media Index



Organizational structure of the Group

(information correct as at August 1, 2014)



LEGENDA

- A) 74 single shareholder limited liability compa directly owned by Seat Pagine Gialle Italia S.p.A..
- B) Glamoo Ltd and Glamoo S.r.l. have been consolidated since May 31, 2014.
- C) The results, assets, liabilities and cash flows of Telegate Group are presented under "Non-current assets held for sale"

" il Giallo è crescita "



Pictured above extracted from the last spot of SEAT PG

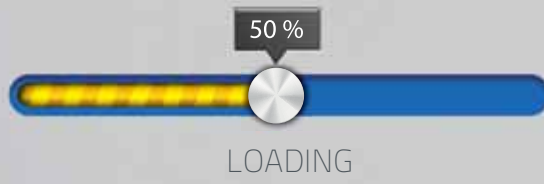
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Report on
Operations





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Introduction \

Like the previous year, 2014 should be considered as a period of transition for the Company and the Group to which it belongs. This year, the fundamental business, organization and asset restructuring measures meant to achieve the company turnaround were initiated, and many have been completed, within the timing and in the manners established in the 2014-2018 operating plan underlying the proposal submitted for the composition with creditors on a going-concern basis of the Company, and of the wholly owned subsidiary Seat Pagine Gialle Italia S.p.A.

From this perspective, the results achieved in the first half of 2014 provide confirmation of the validity of the assumptions and projections set forth in the plan for 2014. The SEAT Business Area (including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies) recorded revenue of € 201.9 million, or around half of the revenue forecast for the entire year; EBITDA of € 27.6 million, compared with € 32 million forecast for the entire year; and customer orders amounting to € 216.4 million as at July 31, 2014, in excess of Plan forecasts (€ 192.6 million).

These results were achieved despite the continuation of negative trends in macroeconomic indicators (estimated Italian GDP trends for 2014 were revised downward and now present a “weakly positive” average annual change – source: *Istat*) and in the Italian advertising market (in May 2014, advertising investments contracted by -5.5% compared with the same month of 2013, marking a decline of -3.9% for the first five months of 2014, or roughly € 110.5 million less than January-May of last year; online business also closed in the red with a drop of -0.1% compared to the same month of last year and of -2.1% in the January-May period – source: *Nielsen*).

Significant progress was made in the composition with creditors procedure in the first half of the year.

On March 4, 2014, the Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. and the Company’s Extraordinary Shareholders’ Meeting approved the extraordinary transactions required to carry out the proposed agreement with creditors.

On July 10, 2014, the meetings of the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were held at the Court of Turin, before delegated judge Giovanna Dominici and the official receiver Enrico Laghi. During the meetings, the receiver illustrated and confirmed the content of his report, which had also been disclosed on June 30 as established by the Court, and the voting proceedings were opened.

The Company’s creditors who had not yet voted on July 10 were able to do so in the subsequent 20 days in compliance with article 178 of the Bankruptcy Act.

As disclosed in the press release dated August 1, 2014, the proposed agreements with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were approved by a majority of over 99% of the receivables subject to the vote (and by all classes eligible to vote).

The hearing pursuant to article 180 of the Bankruptcy Act for the approval of the composition procedures with the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. was set for September 26, 2014.

The composition procedures are expected to be carried out, with the repayment of the creditors to the extent and with the procedures established in the proposed agreement with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A., within four months of the definitive approval of such procedures.

For additional information, please refer to the press releases issued by Seat Pagine Gialle S.p.A. on March 4, July 10 and August 1, 2014, which may be viewed on the Company’s website www.seat.it.

Economic and financial performance of the Group \

The economic and financial results of the SEAT Group for the first half of 2014 and the first half of 2013 have been prepared in accordance with the international accounting standards issued by the International Accounting Standards Board and endorsed by the European Union ("IFRS"). The "Outlook" section contains forward-looking statements regarding the Group's intentions, beliefs and current

expectations in relation to its financial results and other aspects of its business and strategies. Excessive confidence should not be placed in the reliability of these forward-looking statements, since the final results may differ from those contained in these forecasts for a number of reasons, some of which are beyond the Group's control.

Tables - comparable consolidated data \

Reclassified consolidated income statement

<i>(euro thousand)</i>	1 st half year 2014	1 st half year 2014	Change Absolute	%
Revenues from sales and services	209,344	266,829	(57,485)	(21.5)
Costs of materials and external services (*)	(118,959)	(132,159)	13,200	10.0
Salaries, wages and employee benefits (*)	(49,967)	(53,671)	3,704	6.9
Gross Operating Profit (GOP)	40,418	80,999	(40,581)	(50.1)
<i>% on revenues</i>	19.3%	30.4%		
Net valuation adjustments and provisions for risks and charges	(12,001)	(21,806)	9,805	45.0
Other operating income (expenses)	(1,393)	(677)	(716)	n.s.
EBITDA	27,024	58,516	(31,492)	(53.8)
<i>% on revenues</i>	12.9%	21.9%		
Operating amortization, depreciation and write-down	(19,805)	(22,886)	3,081	13.5
Non-operating amortization, depreciation and write-down	(2,789)	(20,748)	17,959	86.6
Non-recurring and restructuring costs, net	(1,606)	(41,426)	39,820	96.1
EBIT	2,824	(26,544)	(29,368)	n.s.
<i>% on revenues</i>	1.3%	(9.9%)		
Net financial expense	(65,875)	(64,856)	(1,019)	(1.6)
Gains (losses) from subsidiaries disposal	(2,648)	-	(2,648)	n.s.
Profit (loss) before income taxes	(65,699)	(91,400)	25,701	28.1
Income taxes	(2,491)	(1,767)	(724)	(41.0)
Profit (loss) on continuing operations	(68,190)	(93,167)	24,977	26.8
Profit (loss) from non-current assets held for sale and discontinued operations	(278)	(9,077)	8,799	96.9
Profit (loss) for the period	(68,468)	(102,244)	33,776	33.0
- of which pertaining to the Group	(68,387)	(101,368)	32,981	32.5
- of which non-controlling interests	(81)	(876)	795	90.8

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

Consolidated statement of comprehensive income

<i>(euro thousand)</i>	1 st half year 2014	1 st half year 2013
Profit (loss) for the period	(68,468)	(102,244)
<i>Other comprehensive income that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gains (loss) recognised to equity	(775)	422
Total other comprehensive income that will not be reclassified subsequently to profit or loss, net of tax	(775)	422
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the year:</i>		
Profit (loss) from fair-value measurement of AFS securities	(50)	-
Profit (loss) from translation of accounts of foreign subsidiaries	46	349
Other movements	9	(4)
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss) for the period	5	345
Total other comprehensive income (expense), net of tax	(770)	767
Total comprehensive income (expense) for the period	(69,238)	(101,477)
- of which pertaining to the Group	(69,157)	(100,601)
- of which non-controlling interests	(81)	(876)

Reclassified consolidated statement of financial position

<i>(euro thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Goodwill and "marketing related" intangibles assets	31,682	29,063	2,619
Other non-current assets (*)	144,135	148,895	(4,760)
Operating non-current liabilities	(41,767)	(40,330)	(1,437)
Non-operating non-current liabilities	(12,045)	(15,443)	3,398
Operating working capital	(48,035)	(56,498)	8,463
- Operating current assets	244,231	273,897	(29,666)
- Operating current liabilities	(292,266)	(330,395)	38,129
Non-operating working capital	(31,692)	(47,848)	16,156
- Non-operating current assets	21,928	21,218	170
- Non-operating current liabilities	(53,620)	(69,066)	15,446
Non-current assets held for sale and discontinued operations, net	116,071	118,662	(2,591)
Net invested capital	158,349	136,501	21,848
Equity of the Group	(1,412,041)	(1,342,907)	(69,134)
Non-controlling interests	17,659	19,479	(1,820)
Total equity	(A) (1,394,382)	(1,323,428)	(70,954)
Current financial assets, cash and cash equivalent	(169,349)	(198,465)	29,116
Current financial debts	1,688,320	1,623,178	65,142
Non-current financial debts	33,760	35,216	(1,456)
Net financial debt (ESMA)	(B) 1,552,731	1,459,929	92,802
Total	(A+B) 158,349	136,501	21,848

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

Reclassified consolidated income statement for the first half of 2014

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.

The acquisition of 100% of Glamoo Ltd was completed on June 20, 2014. This company holds 100% of the shares of Glamoo S.r.l., a company that sells products and coupons online in Italy and has had a commercial partnership with SEAT PG since 2011. This transaction, authorized by the competent bodies of the ongoing composition with creditors procedure, is part of the "Search for new growth opportunities" action set forth in the strategic guidelines of the SEAT PG Group's business plan underlying that procedure.

The activities carried out by Glamoo Ltd and its operating subsidiary Glamoo S.r.l. (consolidated since May 31, 2014) have been included within the Italian Directories Business Area.

Revenue from sales and services totaled € 209,344 thousand in the first half of 2014, down by 21.5% compared with the first half of 2013 (€ 266,829 thousand); at constant directory publication volumes, there was a 21.9% reduction in revenue.

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

- revenue from the "Italian Directories" Business Area (*Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A., Digital Local Services, Glamoo Ltd, Glamoo S.r.l. and Pronto Seat S.r.l.*) totaled € 202,134 thousand in the first half of 2014, down by 21.0% at constant publication volumes compared with the first half of 2013. Revenue from the SEAT Business Area (*Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and Digital Local Services*) totaled € 201,899 thousand in the first half of 2014, down by 21.1% compared with the first half of 2013 at constant directory publication volumes. The 23.6% reduction in core revenue involved all three product lines, particularly print (-36.7%), online&mobile (-16.2%) and voice (-48.1%).

Revenue from ProntoSeat, almost all of which was intra-group, amounted to € 1,759 thousand in the first half of 2014, down by 35.7% compared with the same period in the previous year (€ 2,837 thousand). This reduction in turnover was due essentially to the fall in outbound revenue (-€759 thousand compared with the first half of 2013) as a result of fewer telephone sales since the 12.40 Pronto PAGINEBIANCHE® service is no longer managed on behalf of SEAT.

At June 2014, the revenue of Glamoo amounted to € 118 thousand. This downward trend compared with prior years was due to the serious economic crisis that began to impact the e-commerce sector as well during the year.

- revenue from the "Other Activities" Business Area (Europages and Consodata) amounted to € 10,757 thousand in the first half of 2014, down by 29.9% compared with the same period in the previous year (€ 15,400 thousand). Last year, this Business Area included revenue from Cipi, totaling € 4,215 thousand.

Costs of materials and external services, net of costs charged to third parties included in the IFRS financial statements under the item "Other revenue and income", totaled € 118,959 thousand for the first half of 2014, a decrease of € 13,200 thousand compared with the first half of 2013 (€ 132,159 thousand).

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

- *industrial costs*: these amounted to € 50,537 thousand, down by € 6,451 thousand compared with the first half of 2013 due to the decrease in the volume of revenue. Especially in the SEAT Business Area, the reduction in print revenue resulted in a drop in volumes printed and a reduction in labor costs. On the other hand, commissions increased to € 16,253 thousand (+€ 2,863 thousand) due to the management of online offers intended to boost web traffic and the new media agency offerings;
- *commercial costs*: these stood at € 46,115 thousand in the first half of 2014, against € 49,425 thousand in the first half of 2013. This reduction was due mainly to lower advertising spending during the first half of 2014, as a result of the different timing of advertising campaigns compared with the previous year;
- *overheads*: these stood at € 22,307 thousand, down by € 3,439 thousand compared with the first half of the previous year (€ 25,746 thousand).

Salaries, wages and employee benefits, less recovered costs, which are included in the IFRS financial statements under the item "Other revenue and income", amounted to € 49,967 thousand in the first half of 2014, down by € 3,704 thousand compared with the first half of 2013 (€ 53,671 thousand). The main reason for this reduction was the disposal of Cipi S.p.A., which had salaries, wages and employee benefits amounting to € 2,173 thousand in the first half of 2013.

The Group's workforce, including directors, project workers and trainees, consisted of 2,028 employees as at June 30, 2014 (2,029 as at December 31, 2013). The average workforce (FTE) in the first half of 2014 was 1,804 employees (1,841 employees in the first half of 2013).

Gross operating profit (GOP) at € 40,418 thousand in the first half of 2014, was down by € 40,581 thousand compared with the same period of the previous year (€ 80,999 thousand). The operating margin for the first half of 2014 was 19.3%, compared with 30.4% in the first half of 2013.

Net valuation adjustments and provisions for risks and charges totaled € 12,001 thousand in the first half of 2014 (against € 21,806 thousand in the first half of 2013). Of the net valuation adjustments, € 11,475 thousand related to the allowance for doubtful trade receivables, down by € 8,103 thousand compared with the same period of the previous year, although coverage of overdue receivables remained sufficient. This item also includes net provisions for operating risks and charges of € 719 thousand, compared with € 1,909 thousand in the first half of 2013. The decrease of € 1,190 thousand compared with the same period of the previous year was due to the expiration of risks associated with legal disputes and Seat Pagine Gialle Italia S.p.A.'s lower provisions for commercial risks.

Other operating income and expenses presented a negative net balance of € 1,393 thousand, compared with a negative figure of € 677 thousand in the first half of 2013.

Operating result before amortization, depreciation and net non-recurring and restructuring costs (EBITDA), which was € 27,024 thousand in the first half of 2014, fell by 53.8% compared with € 58,516 thousand in the first half of 2013, with an operating margin of 12.9%, compared with 21.9% in the first half of 2013. At constant publication volumes, EBITDA fell by 54.0%.

Operating amortization, depreciation and write-downs totaled € 19,805 thousand in the first half of 2014, down by € 3,081 thousand compared with € 22,886 thousand in the first half of 2013. Of this sum, € 15,964 thousand related to intangible assets with a finite useful life (€ 18,186 thousand in the first half of 2013) and € 3,841 thousand to property, plant and equipment (€ 4,700 thousand in the first half of 2013).

Non-operating amortization, depreciation and write-downs totaled € 2,789 thousand in the first half of 2014, compared with € 20,748 thousand in the first half of 2013. These primarily refer to the share of amortization of intangible *Customer Relationship* assets recognized by Seat Pagine Gialle Italia S.p.A. and the Italian subsidiary Consodata S.p.A.

Net non-recurring and restructuring costs totaled € 1,606 thousand (€ 41,426 thousand in the first half of 2013). Net non-recurring costs totaled € 876 thousand (€ 40,159 thousand in the first half of 2013) and include € 3,806 thousand for consultancy and other expenses connected with the composition with creditors procedure, € 1,016 thousand for costs incurred in the restructuring of the SEAT Business Area and € 3,626 thousand for the fair value measurement of Glamoo's assets acquired and liabilities assumed (*Purchase Price Allocation*) by Seat. This item incorporates € 7,900 thousand due to the revision of the estimated liability previously recognized in the provision for risks and charges for the dispute with ILTE/Rotosud. This amount is based on the settlement agreement entered into with that company and authorized by the competent bodies of the composition procedure, which put an end to the dispute that had arisen with one of the company's top suppliers and made it possible to establish a relationship with the printing company for the 2014–2016 three-year period. Net restructuring costs totaled € 730 thousand (€ 1,267 thousand in the first half of 2013). These primarily include costs incurred by Consodata S.p.A. to restructure its workforce.

The **operating result (EBIT)** was +€ 2,824 thousand in the first half of 2014 (–€ 26,544 thousand in the first half of 2013). The operating result reflects the performance of the business as recorded in terms of GOP and EBITDA.

In the first half of 2014, **net financial expense** amounted to € 65,875 thousand (€ 64,856 thousand in the first half of 2013).

Please note that in this Report as at June 30, 2014, interest expense on the loan pursuant to the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012 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 proposals for the composition with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. (which should be referred to for additional information) and of applicable legislation, with regard to the aforementioned debts and associated interest. Such accounting treatment conforms to IAS 39 AG57, under which financial liabilities must be counted until the debt is extinguished (i.e. until the composition with creditors procedure is formally approved).

The figures for the first half of 2014 are compared with those for the corresponding period of 2013 below.

Specifically, *interest expense* in the first half of 2014 totaled € 67,095 thousand (€ 65,797 thousand in the first half of 2013) and includes:

- € 19,902 thousand (€ 19,364 thousand in the first half of 2013) of interest expense on the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012;
- € 45,325 thousand (€ 45,009 thousand in the first half of 2013) of interest expense on the *Senior Secured* bonds; this amount includes € 2,537 thousand relating to the issue discount (€ 2,221 thousand in the first half of 2013);
- € 750 thousand (€ 832 thousand in the first half 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;
- € 1,116 thousand of other financial expenses (€ 584 thousand in the first half of 2013), including € 1,019 thousand of interest expense on the discounting of non-current assets and liabilities (€ 455 thousand in the first half of 2013).

Financial income totaled € 1,220 thousand in the first half of 2014 (€ 941 thousand in the first half of 2013), referring 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 € 2,648 thousand in the first half of 2014 and related to the loss resulting from the disposal of Cipi S.p.A.

Income taxes for the first half of 2014 were -€ 2,491 thousand (compared with -€ 1,767 thousand in the first half of 2013). 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 financial year to the gross pre-tax income.

Profit/(loss) on continuing operations presented a loss of € 68,190 thousand, against a loss of €93,167 thousand in the first half of 2013.

Net profit/(loss) from non-current assets held for sale/discontinued operations was a loss of € 278 thousand in the first half of 2014, attributable to the Telegate group. The loss of € 9,077 thousand in the first half of 2013 included the € 3,860 thousand loss suffered by the Telegate group and the € 5,217 thousand loss pertaining to the TDL group.

Profit/(loss) for the period pertaining to non-controlling interests showed a loss of € 81 thousand (a loss of € 876 thousand in the same period of the previous year), pertaining mainly to non-controlling interests of the Telegate group.

Profit/(loss) for the period pertaining to the Group totaled a loss of € 68,387 thousand, against a loss of € 101,368 thousand in the first half of 2013.

Reclassified consolidated statement of financial position at June 30, 2014

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.

The statements of financial position of Glamoo Ltd and its

operating subsidiary Glamoo S.r.l. were consolidated on May 31, 2014, following the acquisition by Seat Pagine Gialle Italia S.p.A. referred to above.

Consequently, the consolidated statement of financial position as at June 30, 2014 reflects the above.

Net invested capital

Net invested capital was € 158,349 thousand at June 30, 2014, up by € 21,848 thousand compared with December 31, 2013.

Net invested capital can be broken down as follows:

- **goodwill and marketing-related intangible assets** amounted to € 31,682 thousand as at June 30, 2014, including € 27,187 thousand relating to Group intangible customer relationship assets and € 4,495 thousand relating to goodwill arising from the business combination after the acquisition of 100% of Glamoo Ltd, accounted for provisionally on a residual basis in accordance with paragraph 45 of IFRS 3. The intangible customer relationship assets decreased by € 1,876 thousand compared with December 31, 2013 due to amortization for the period.

- **other non-current assets** stood at €144,135 thousand as at June 30, 2014, down by € 4,760 thousand compared with December 31, 2013 (€ 148,895 thousand). These assets include:

- *intangible and tangible fixed assets*, which totaled € 135,146 thousand as at June 30, 2014, down by € 6,176 thousand compared with the previous year (€ 141,322 thousand).

This change reflects an increase in assets further to capital expenditure of € 13,578 thousand, which was more than offset by operating amortization, depreciation and write-downs of € 20,718 thousand.

Capital expenditure primarily covered the following Business Areas:

- the SEAT Business Area (€ 12,078 thousand in the first half of 2014):
 - improvements to online and mobile platforms, relating to structural updates to improve the performance of the integration between the various systems and developments that enable customers to use Content Management Systems for real-time updating and publication of content;

- improvements to commercial online products, relating mainly to product development, the optimization of mobile graphic design, developments for the new range of websites, smart sites and the WiFi offer;

- commercial and publishing improvements to upgrade the systems and adapt them to new product offerings;

- acquisition of software to be used for technological updates for agents and employees;

- Consodata S.p.A. (€ 1,431 thousand) for investments aimed at the development of software platforms, database enrichment, the acquisition of databases and the upgrading of production and service provision IT platforms.

- *deferred tax assets* totaled € 2,273 thousand as at June 30, 2014 (€ 696 thousand as at December 31, 2013).

- **operating non-current liabilities** totaled € 41,767 thousand as at June 30, 2014 (€ 40,330 thousand as at December 31, 2013). The item includes:

- *the reserve for sales agents' termination indemnities*, which totaled € 23,922 thousand as at June 30, 2014, up by € 1,086 thousand compared with December 31, 2013 (€ 22,836 thousand). This reserve represents the accrued debt at the end of the period to sales agents for the indemnities due to them in the event of termination of the agency contract, in accordance with current regulation. Taking into consideration future cash flows, the reserve was discounted using an average market rate for debts of similar duration, estimating its expected future use over time based on the average life of agency contracts;

- *reserve for severance indemnities*, which totaled € 13,949 thousand as at June 30, 2014 (€ 13,531 thousand as at December 31, 2013).

- **non-operating non-current liabilities** totaled € 12,045 thousand as at June 30, 2014 (€ 15,443 thousand as at

December 31, 2013) and included deferred tax liabilities entirely pertaining to Seat Pagine Gialle Italia S.p.A., which amounted to € 11,987 thousand (€ 10,545 thousand as at December 31, 2013).

– **operating working capital** was -€ 48,035 thousand as at June 30, 2014 (-€ 56,498 thousand 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 € 190,788 thousand as at June 30, 2014, falling by € 39,027 thousand compared with December 31, 2013 (€ 229,815 thousand), and related mainly to the SEAT Business Area (€ 34,093 thousand);
- *payables for services to be rendered and other current liabilities*, which totaled € 131,663 thousand as at June 30, 2014, down by € 11,408 thousand compared with December 31, 2013 (€ 143,071 thousand). This change primarily reflects purchase and invoice times for advertising services;
- *trade payables*, which amounted to € 128,917 thousand as at June 30, 2014, showing a fall of € 20,879 thousand compared with December 31, 2013, relating mainly to the SEAT Business Area.

– **non-operating working capital** was negative, in the amount of € 31,692 thousand, at June 30, 2014 (compared with a negative figure of € 47,848 thousand at December 31, 2013). This includes:

- *income tax payables* of € 6,165 thousand as at June 30, 2014, up by € 169 thousand on December 31, 2013 (€ 5,996 thousand), mainly due to the recognition of taxes accrued during the period in the income statement;
- *provisions for current non-operating risks and charges* were € 32,522 thousand (against € 54,243 thousand as at December 31, 2013). The decline of € 21,721 thousand primarily reflects: *i)* the settlement agreement between SEAT and the ILTE/Rotosud group, which put an end to the legal proceedings launched in 2013 with an outlay of € 9,850 thousand and a € 7,900 thousand revision of the estimated liability previously recognized in the provision for risks and charges; and *ii)* the use of € 7,292 thousand from the staff restructuring reserve as a result of the company restructuring;
- *current tax assets* totaling € 21,850 thousand as at June 30, 2014 (€ 21,202 thousand as at December 31, 2013).

Equity

Consolidated **equity** was -€ 1,394,382 thousand as at June 30, 2014 (-€ 1,323,428 thousand as at December 31, 2013), of which -€ 1,412,041 thousand pertained to the Parent Company (-€ 1,342,907 thousand as at December 31, 2013) and € 17,659 thousand pertained to third parties (€ 19,479 thousand as at December 31, 2013).

Of the difference of € 69,139 thousand in the part pertaining to the Parent Company, € 68,387 thousand related to the loss for the period and € 773 thousand related to the increase (net of tax effect) of actuarial losses with respect to non-current reserves for employees.

Net financial debt

At June 30, 2014, **net financial debt** totaled € 1,552,731 thousand (€ 1,459,929 thousand at December 31, 2013).

As at June 30, 2014, net financial debt was structured as follows

	(euro thousand)	As at 06.30.2014	As at 12.31.2013	Change
A	Cash	165.119	196.426	(31.307)
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C)	Liquidity	165.119	196.426	(31.307)
E.1	Current Financial Receivable to third parties	4.230	2.039	2.191
E.2	Current Financial Receivable to related parties	-	-	-
F	Current Bank debt	723.404	703.435	19.969
G	Current portion of non current debt	4.320	4.250	70
H.1	Other current financial debt to third parties	960.596	915.493	45.103
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H)	Current Financial Debt	1.688.320	1.623.178	65.142
J=(I-E-D)	Net current Financial Debt	1.518.971	1.424.713	94.258
K	Non current Bank debt	-	-	-
L	Bonds Issued	-	-	-
M.1	Other non-current financial debt to third parties	33.760	35.216	(1.456)
M.2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M)	Non-Current Financial Debt	33.760	35.216	(1.456)
O=(J+N)	Net Financial debt (ESMA)	1.552.731	1.459.929	92.802

- **non-current financial debt** at June 30, 2014 totaled € 33,760 thousand (€ 35,216 thousand at December 31, 2013). It comprises the item *Other non-current financial debt*, which refers to seven finance leases (six commencing in December 2008 and one at the end of October 2009) relating to the purchase of Seat Pagine Gialle Italia S.p.A.'s real-estate complex in Turin. These contracts will be repaid through the payment of 38 remaining installments on the contracts with effect from December 2008 and 42 remaining installments on the contract with effect from October 2009. All installments are quarterly deferred installments subject to a floating interest rate equal to three-month Euribor plus a spread of around 65 basis points p.a. The residual value is fixed at around 1% of the value of the real-estate complex. Furthermore, by an order submitted on July 9, 2014 as part of the pending composition with creditors procedure, the Court of Turin authorized the

cancellation of five of these seven lease agreements pursuant to article 169-bis of the Bankruptcy Act.

- **current financial debt** amounted to € 1,688,320 thousand as at June 30, 2014 (€ 1,623,178 thousand as at December 31, 2013). The item consists of:

- **Current bank debts:** € 723,404 thousand at June 30, 2014 (€ 703,435 thousand at December 31, 2013), which mainly refers to debt on the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012, broken down as follows:

- € 571,116 thousand relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4% p.a.;
- € 90,000 thousand relating to the revolving line of credit aimed at covering the working capital requirements of Seat Pagine Gialle Italia S.p.A. and/or its subsidiaries, which bears a floating interest rate

equal to Euribor plus the same spread used for the term facility;

- c) € 62,180 thousand relating to interest expense on the term and the revolving facility, accrued but not yet settled, of which € 60,335 thousand was past due at June 30, 2014.

Please note that, in a notification dated July 1, 2014, The Royal Bank of Scotland – as the fronting bank of the aforementioned loan, in relation to which that bank received financial support from third-party funders – notified the Company and Seat Pagine Gialle Italia S.p.A. that it had transferred the receivables associated with the aforementioned loan to the individual funders, pro rata, together with the relative accessory commitments and guarantees.

- *Other current financial debts to third parties:* € 960,596 thousand at June 30, 2014 (€ 915,493 thousand at December 31, 2013), referring primarily to € 797,050 thousand for the Senior Secured bonds issued (€ 779,445 thousand corresponding to the net value at issue plus € 17,605 thousand relating to the total discount accrued at June 30, 2014) and € 163,448 thousand for the accrued interest payable, of which € 127,794 thousand was past due and unpaid. The three issues (two in 2010 and one in August 2012), with a combined nominal value of € 815,000 thousand, all mature on January 31, 2017, with a nominal rate of 10.5% to be paid half-yearly at the end of January and the end of July.
- *Current portion of non-current debt:* this totaled € 4,320 thousand as at June 30, 2014 (€ 4,250 thousand as at December 31, 2013) and refers to the current portion of the seven finance leases raised for the purchase of Seat Pagine Gialle Italia S.p.A.'s Turin real-estate complex; this figure includes the unpaid principal 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.

In light of the payment default in early 2013 simultaneous with the opening of the composition with creditors procedure, the debt for *Senior Secured* bonds and the entire debt on the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012 continue to be reclassified as current financial debt. The loan agreements contain an acceleration clause in the event of payment default, which is immediately and fully enforceable following the notification received from The Royal Bank of Scotland on June 27, 2014. The debts were thus classified as current in accordance with paragraph 74 of IAS 1.

The *Term and Revolving Facility Agreement* with The Royal Bank of Scotland requires specific financial covenants to be fulfilled at consolidated 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 pre-bankruptcy agreement with creditors 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 externally any data other than the information required by Consob's 'blacklist' status and made necessary by the ongoing creditors procedure.

The debt relating to the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012 and the debt to Leasint S.p.A. bear floating interest rates linked to the Euribor rate. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments.

In accordance with the terms of the *Term and Revolving Facility Agreement* entered into with The Royal Bank of Scotland on August 31, 2012 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.

Finally, 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 *Term and Revolving Facility 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 € 169,349 thousand as at June 30, 2014 (€ 198,465 thousand as at December 31, 2013), including €165,119 thousand of cash and cash equivalents (€ 196,426 thousand 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.

Risk from high levels of financial debt

Whereas the debt on the *senior Senior Secured* and the *Term and Revolving Facility Agreement* was reclassified as current debt for presentation in the financial

statements, as mentioned above, the contractual maturities of the outstanding financial instruments are shown below

(euro thousand)	Due date - by						Total
	06.30.2015	06.30.2016	06.30.2017	06.30.2018	06.30.2019	Beyond	
Senior Secured Bond*	-	-	815,000	-	-	-	815,000
Term and Revolving Facilities Agreement**	197,500	463,616	-	-	-	-	661,116
Mediocredito Italiano S.p.A. (ex Leasint S.p.A.)***	4,320	4,040	4,192	4,349	4,513	23,214	44,628
Total financial (gross value)	201,820	467,656	819,192	4,349	4,513	23,214	1,520,744

(*) In the financial statement, the item is shown net of the issue discount and amounted to € 797,050 thousand.

(**) The revolving facility is due to mature on December 28, 2015 and will be repaid on said date.

(***) In the financial statements, this item amounted to € 38,080 thousand in order to adjust the accounting value to the fair value.

Liquidity risk – obtaining of financial resources

The financial shortfall predicted in January 2013, shortly after the appointment of the new Board of Directors, and at the end of 2012, along with the evident impossibility of securing alternative sources of finance, obliged the Board of Directors to make

recourse to the composition with creditors procedure on a going-concern basis pursuant to article 186-bis of the Bankruptcy Act, as described the other sections of this report.

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

The agreements in place at June 30, 2014 are summarized below.

1. *Indentures relating to the bonds issued by SEAT and entitled "€ 550,000,000 10½% Senior Secured Notes Due 2017", "€ 200,000,000 10½% Senior Secured Notes Due*

2017" and "€ 65,000,000 10½% Senior Secured Notes Due 2017" (the latter were issued as additional notes to the € 550,000,000 issue).

According to the indentures (which are documents subject to US law) governing the above-mentioned

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

2. Term and Revolving Facilities Agreement

Pursuant to paragraph 7.9 of the *Term and Revolving Facility Agreement* signed by, *inter alia*, SEAT, as Guarantor, Seat Pagine Gialle Italia S.p.A., as Borrower, and The Royal Bank of Scotland plc (RBS), as Lender, on August 31, 2012, in the event of a change of control: (i) the Lender's commitment to disburse new sums pursuant to the aforementioned facilities agreement shall immediately be considered null and void, and (ii) the Borrower must

immediately and prematurely repay all sums disbursed to it pursuant to said agreement. Under the terms of this agreement, a change of control is deemed to have occurred if one person or several persons acting in concert directly or indirectly acquire control of SEAT or Seat Pagine Gialle Italia S.p.A.; for this purpose, control is taken to mean the power to exercise (directly or indirectly pursuant to agreements) more than 30% of the voting rights at SEAT or Seat Pagine Gialle Italia S.p.A. Shareholders' Meetings or the direct or indirect ownership of more than 30% of the share capital of SEAT or Seat Pagine Gialle Italia S.p.A. (shares which do not bear any ownership rights beyond a share of profits or dividends up to a certain amount are excluded from this calculation).

It should be remembered that SEAT's and Seat Pagine Gialle Italia S.p.A.'s proposals for a composition with creditors involve the same creditors, i.e. the financial creditor in the *Term and Revolving Facility Agreement* and the *Senior Secured* bondholders. As such, the effectiveness of the indentures, the *Term and Revolving Facility Agreement* and the related contractual provisions, including the change-of-control clauses, will depend on the outcome of the ongoing composition with creditors procedure.

Credit risk

The Seat Pagine Gialle Group operates in the multimedia directional advertising market, where there is a large number of clients. As at June 30, 2014, 99% of the Group's trade receivables (97% at December 31, 2013) related to Seat Pagine Gialle Italia S.p.A., which had around 321,000 customers spread throughout Italy at the end of 2013, consisting mainly of small and medium-sized businesses. Each year, SEAT alone issues some 238,000 invoices, each providing on average for payment in 2.19 installments of around € 474 each, meaning more than 0.5 million of receipts.

There is, therefore, no concentration of credit risk. The type of business and customer base are, however, the elements that have always guided SEAT in putting together an effective credit management system. Over time, SEAT has introduced a widespread and continually

strengthened team that is able to efficiently manage all phases of the payment request process. The in-house team, call centers, collection agencies and legal experts constitute a total of around 800 people.

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

At June 30, 2014, the allowance for doubtful trade receivables stood at € 94,142 thousand at Group level. This was lower than the figure at December 31, 2013 (€ 95,859 thousand), but still ensured sufficient coverage. As a percentage of total trade receivables, the coverage of the allowance was 33.0%.

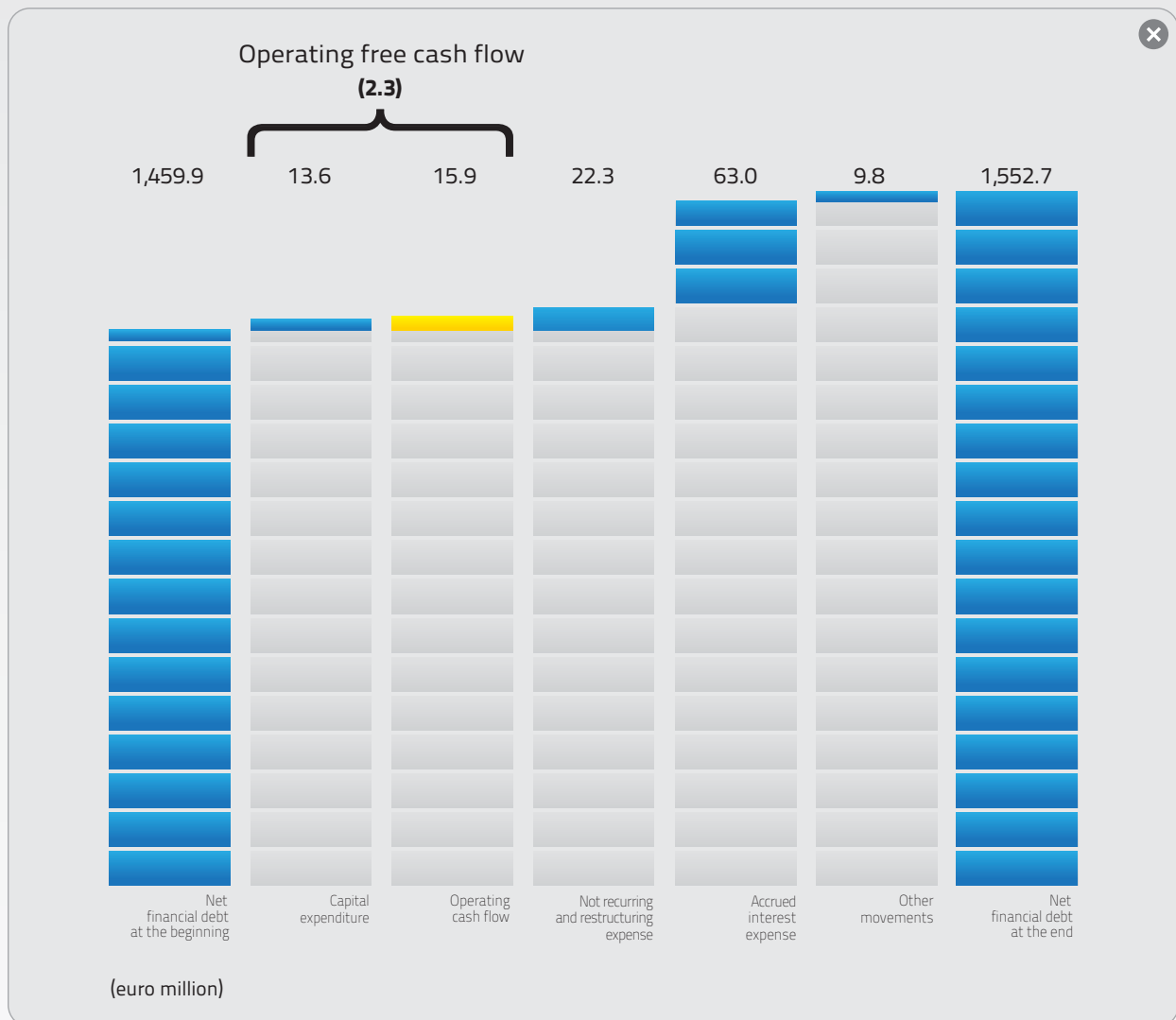
Consolidated statement of cash flows for the first half of 2014 \

<i>(euro thousand)</i>	1 st half year 2014	1 st half year 2013	Change
EBITDA	27,024	58,516	(31,492)
Gain (losses) from discountinuiig operating assets and liabilities	(854)	(344)	(510)
Decrease (increase) in operating working capital	(10,484)	54,765	(65,249)
(Decrease) increase in operating non current liabilities (*)	145	(834)	979
Capital expenditure	(13,578)	(14,509)	931
(Gains) losses on disposal of non-current operating assets	3	(3)	6
Operating free cash flow - OFCF	2,256	97,591	(95,335)
Payment of interest expense, net	670	713	(43)
Payment of income taxes	(1,587)	(264)	(1,323)
Payment of non-recurring and restructuring expense	(22,338)	(13,896)	(8,442)
Accrued and interest expense and other movements (**)	(71,803)	(165,582)	(**) 93,779
Change in net financial debt	(92,802)	(81,438)	(11,364)

(*) The change don't include the non monetary effect arising from profit and losses recognized to equity

(**) The change includes flow is from non-current assets held for sale and discontinued operations equal to € 100,715 thousand as at June 2013.

The following graph summarizes the main elements that affected the change in net financial debt in the first half 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 € 63 million, which will be cleared after the approval of the composition with creditors.

Operating free cash flow generated in the first half of 2014 (€ 2,256 thousand) was down by € 95,335 thousand compared with the first half of 2013 (€ 97,591 thousand); this reduction reflects the fall of € 31,492 thousand in

EBITDA and the negative contribution of operating working capital (decrease of € 10,484 thousand in the first half of 2014, compared with an increase of € 54,765 thousand in the first half of 2013, mainly due to the suspension of payments based on legislation governing composition with creditors). There was a reduction in capital expenditure from € 14,509 thousand in the first half of 2013 to € 13,578 thousand in the first half of 2014.

Significant events in the first half 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 that 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 proposed agreement with creditors formulated by Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. and necessary for the success of the procedure

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 proposed agreement with creditors 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 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 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 net 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 carry out a paid capital increase, in a single tranche, from € 120,000.00 to € 20,000,000.00, without any option rights pursuant to article 2441, paragraphs 5 and 6, via the issue of 6,410,695,320,951 new ordinary shares without nominal 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; and (iii) the remaining portion of the above mentioned 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 share regrouping (the "Regrouping") 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-"Regrouping") 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 resolution 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 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 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 that 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 58 of February 24, 1998, which is available to the public in 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 proposed composition with creditors 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. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure.

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

With regard to the talks initiated with the UK pensions authority ("The Pensions Regulator" – TPR) and the trustee of the pension fund of UK subsidiary Thomson Directories Ltd, on March 28, 2014, SEAT sent TPR the information it

had requested concerning the financial situation of Telegate AG, considered relevant by TPR for the calculation of resources test required under the UK Pension Act.

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 and May 15, 2014, 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.

Assessment of the binding expression of interest submitted by D.Holding

On May 9, 2014, D.Holding S.r.l., acting as the agent of GF1 S.p.A. and Odissea S.r.l., submitted a binding expression of interest concerning an integration process involving D. Mail Group S.p.A. ("D.Mail") and the Seat Group, which would result in the amendment of the composition with creditors proposals previously prepared.

This expression of interest was subject to certain conditions, particularly the condition precedent of the definitive approval and execution of the restructuring agreements pursuant to article 182-bis of the Bankruptcy Act (also relating to a capital increase), which D.Mail reported it had recently entered into, as well as the definitive approval of the composition with creditors proposals and plans of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A., as amended in light of the proposal of D.Holding S.r.l.

On June 12, 2014, the Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. completed the assessment of the binding expression of interest submitted by D.Holding S.r.l. on May 9, 2014 (as subsequently amended on June 9, 2014), the information it had provided and the results of investigations conducted in light of this. They decided that the transaction proposed by D.Holding did not present the characteristics of certainty, cost-effectiveness and absence of risk that could have justified, in the interest of Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and their respective creditors, the interruption of the current composition with creditors procedure, which has been carried out successfully thus far, to submit a drastically different proposal to the creditors envisaging the integration of the Seat Group and the D.Mail group.

Specifications concerning the proposed composition with creditors sent to the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. on December 20 and bringing forward the creditors' meetings

On June 12, 2014, the Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. resolved to make some marginal amendments and to add specifications to the composition with creditors proposals submitted on December 20, 2013, due, inter alia, to:

- the decision to request authorization for the cancellation, pursuant to article 169-bis of the Bankruptcy Act, of some outstanding finance leases with Leasint S.p.A., raised for the purchase of the Corso Mortara real-estate complex in Turin where Seat Pagine Gialle Italia S.p.A. and Seat Pagine Gialle Italia S.p.A. have their offices, in line with current business requirements;
- the planned settlement agreement to be entered into with the Rotosud/ILTE group concerning the arbitration proceedings pending at the time and the new contract to be entered into between Seat Pagine Gialle Italia S.p.A. and Rotosud S.p.A. engaging the latter to print SEAT's printed products.

The above specifications and amendments to the composition with creditors proposals, submitted to the Court of Turin on June 16, 2014, are not material since they do not result in any significant change in the income, balance sheet and cash flow indicators set forth in the 2014-2018 business plan previously sent to the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. on December 20, 2013.

Subsequently, by an order dated June 18, 2014, the Court of Turin brought forward the creditors' meetings, originally scheduled for July 15, 2014, to July 10, 2014, and also ordered the disclosure of the official receiver's report by June 30, 2014 via submission to the Court registry and publication on the website: <http://www.seat.it/seat/it/governance/concordato/index.html>.

Settlement with the Rotosud/ILTE group

On June 13, 2014, as authorized by the bodies of the ongoing composition with creditors procedure, the parties to the combined arbitration proceedings, Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Rotosud/ILTE group, entered into a settlement agreement which will end the proceedings and also put an end to the dispute with one of the Company's main suppliers and establish a relationship with the printing

company for the 2014-2016 three-year period. As part of the agreement, the Rotosud/ILTE group will be paid € 9,850 thousand. By order of the Arbitration Board dated July 9-14, 2014, the above combined arbitration proceedings were declared settled due to the resolution of the matter in issue, with each party bearing its own legal costs.

Acquisition of Glamoo

On June 20, 2014, Seat Pagine Gialle Italia S.p.A. completed the acquisition of the entire share capital of Glamoo Ltd – a company that holds the entire share capital of Glamoo S.r.l. – in execution of the preliminary agreement entered into on April 15, 2014 which establishes a total consideration of € 4 million, of which (i) € 50,000 was paid at the closing; and (ii) € 3,950,000 will be paid if the composition with creditors 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 Seat PG 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.

Telegate AG dividend award

On June 25, 2014, the shareholders' meeting of Telegate AG decided to distribute a dividend of € 0.2 per share. The amounts pertaining to Seat Pagine Gialle Italia S.p.A. and the subholding Telegate Holding GmbH, of

€ 1,241,120.40 and € 4,673,215.60, respectively, remained in a Telegate AG account pending the development of the composition procedure.

Subsequent significant events \

Assignment of receivables relating to the loan agreement entered into with The Royal Bank of Scotland on August 31, 2012

In a notification dated July 1, 2014, The Royal Bank of Scotland – as the fronting bank of the *Term and Revolving Facility Agreement* of August 31, 2012, in relation to which that bank received financial support from third-party funders – notified Seat Pagine Gialle S.p.A. and

Seat Pagine Gialle Italia S.p.A. that it had transferred the receivables associated with the aforementioned loan to the individual funders, *pro rata*, together with the relative accessory commitments and guarantees.

Bondholders' Meetings

On July 7, 2014, the meetings of the holders of Seat Pagine Gialle Italia S.p.A. bonds originally issued by Seat Pagine Gialle S.p.A., named “€ 550,000,000 10½% Senior Secured Notes due 2017”, “€ 200,000,000 10½% Senior Secured Notes due 2017” and “€ 65,000,000 10½% Senior Secured Notes due 2017”, met on first call and voted to approve the composition with creditors proposal of both Companies. As a result, the Common Representatives of

the bonds in question, lawyers Dario Loiacono and Annamaria Marcone, were vested with the necessary powers to implement the aforementioned resolution, therefore including the power to vote in favor of the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. for all bondholders in relation to the bonds they represent at the creditors' meetings scheduled for July 10.

Authorization to cancel lease agreements

By an order filed on July 9, 2014 as part of the pending composition with creditors procedure, the Court of Turin authorized the cancellation of five of the seven lease agreements pursuant to article 169-bis of the Bankruptcy

Act. The residual debt of these agreements was roughly € 32 million as at June 30, 2014. The cancellation may take place at the initiative of the Company subsequent to approval.

Approval of the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. by their respective creditors eligible to vote – Scheduling of the hearing for approval

On July 10, 2014, the meetings of the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were held at the Court of Turin before delegated judge Giovanna Dominici and the official receiver Enrico Laghi. During the meetings, the receiver illustrated and confirmed the content of his report, which had also been disclosed on June 30, 2014 as established by the Court, and the voting proceedings were opened. The Company's creditors who had not yet voted on July 10 were able to do so in the subsequent 20 days in compliance

with article 178 of the Bankruptcy Act. As disclosed in the press release dated August 1, 2014, the proposed agreements with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were approved by a majority of over 99% of the receivables subject to the vote (and by all classes eligible to vote). The hearing pursuant to article 180 of the Bankruptcy Act for the approval of the composition procedures with the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. has been set for September 26, 2014.

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.

The optimistic results achieved in the first half of 2014, along with continuing difficulty forecast in the market, require us to continue with and if possible increase our efforts for the rest of the year in order to fully implement the measures established in the plan supporting the company turnaround.

This will involve several marketing initiatives and product innovations (particularly the new smart sites, the launch of the new Google Maps Business View service and the establishment of new partnership agreements as part of the media agency offering) as well as workforce restructuring actions within the Company and its subsidiaries, which will eventually replace the measures implemented in 2014 to limit salaries, wages and employee benefits (particularly the use of the special wage guarantee fund (CIGS) on a rotating basis), since

these are only temporary and cannot be replicated in a structural manner in the future.

In light of the performance in the first half, which has essentially confirmed forecasts, the Company believes that in 2014 it will be able to meet the targets established in the operating plan submitted for the composition with creditors.

It bears noting that revenue in the first half of 2014 only partially reflects customer order trends, since the method for recognizing print product revenue (upon publication of the directories) and online product revenue (almost entirely on a 12-month basis) means the performance of commercial orders is visible around 6-8 months after the purchase date.

For additional information about the future business outlook, please refer to the consolidated financial statements and the draft separate financial statements as at December 31, 2013, the fundamental points of the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. and the joint plan on which said proposals are based, which can be consulted on the website www.seat.it at <http://www.seat.it/seat/it/governance/concordato/index.html>.

Going concern evaluation \

In accordance with the provisions of Banca d'Italia-Consob-Isvap joint document no. 2 of February 6, 2009, and just as it did for the 2013 and 2012 Annual Reports, when it approved this Half-Year Report, the Board of Directors had to perform the necessary checks on the Company's ability to continue as a going concern, taking into account all available information on the foreseeable future, i.e. at least the 12 months following the reporting date (although the Board considers it preferable to consider a period of 18 months, i.e. up to December 31, 2015). These evaluations have been conducted with special attention at the time of approval of all annual and interim reports since the initiation of the composition with creditors procedures.

Even prior to the approval of the 2012 Annual Reports, the Board of Directors had acknowledged the critical outlook, and in February 2013 it decided to initiate the composition with creditors procedure.

Although the 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.

At the date of approval of this report, the directors believe that the Company's ability to continue to operate in the foreseeable future continues to hinge on the success of the procedure and the execution of the provisions of the proposed agreement with creditors. In this regard, the directors note that some fundamental and particularly critical steps of the procedure have been taken, such as the passing of resolutions by the Shareholders' Meeting on March 4, 2014 in order to implement the proposed agreement with creditors and the positive results of the

creditors' meeting held on July 10, 2014. In addition, as reported in other sections of this report (Report on operations – Introduction and Outlook sections), the commercial, economic and financial trends of the first half of 2014 essentially confirm the forecasts established in the plan underlying the proposed agreement with creditors, and make it reasonable to believe at this point that the targets for 2014 can be reached and therefore that the proposed agreement can be carried out. In light of this, the directors believe that although the macroeconomic environment remains difficult, the last step to be taken to be certain about the Company's ability to continue operating as a going concern is the approval of the agreement with creditors and the resulting execution of the proposals, which will also re-establish positive equity for the Company Seat PG S.p.A. and its operating subsidiary Seat PG Italia S.p.A. In this regard, since the Company is unaware of any facts or elements that would make it possible to expect that the approval will not take place, the directors believe that there are no significant doubts to be considered in evaluating the Company's ability to continue to operate as a going concern.

On the basis of 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 2014 Half-Year Report on the assumption of the Company's ability to continue as a going concern.

Economic and financial performance by Business Area

		Italian Directories	Other Activities	Aggregate Total	Eliminations and other adjustments (*)	Consolidated Total
<i>(euro/million)</i>						
Revenues from sales and services	1 st half year 2014	202.1	10.8	212.9	(3.6)	209.3
	1 st half year 2013	254.6	15.4	270.0	(3.2)	266.8
GOP	1 st half year 2014	40.0	(1.6)	38.4	2.0	40.4
	1 st half year 2013	83.4	(2.4)	81.0	-	81.0
EBITDA	1 st half year 2014	27.0	(1.8)	25.2	(1.8)	27.0
	1 st half year 2013	61.4	(2.8)	58.6	(0.1)	58.5
EBIT	1 st half year 2014	7.2	(5.7)	1.5	1.3	2.8
	1 st half year 2013	(9.7)	(16.8)	(26.5)	-	(26.5)
Total assets	June, 30 2014	627.4	22.7	650.1	120.4 (**)	770.5
	December, 31 2013	674.3	31.4	705.7	134.9 (**)	840.6
Total liabilities	June, 30 2014	2,122.8	26.2	2,149.0	15.9 (**)	2,164.9
	December, 31 2013	2,115.3	30.8	2,146.1	17.9 (**)	2,164.0
Net invested capital	June, 30 2014	51.0	4.9	55.9	102.4 (**)	158.3
	December, 31 2013	9.5	10.0	19.5	117.0 (**)	136.5
Capital expenditure	1 st half year 2014	12.1	1.5	13.6	-	13.6
	1 st half year 2013	12.0	2.5	14.5	-	14.5
Average workforce	1 st half year 2014	1,626	178	1,804	-	1,804
	1 st half year 2013	1,545	296	1,841	-	1,841
Sales agents (average number)	1 st half year 2014	1,370	56	1,426	-	1,426
	1 st half year 2013	1,122	46	1,168	-	1,168

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

(**) This included the financial position of Telegate groups, following the reclassification to *Discontinued operations*.

Key performance indicators of the Group

	1 st half year 2014	1 st half year 2013
Number of published directories		
PAGINEBIANCHE®	58	58
PAGINEGIALLE®	85	90
Number of distributed directories (valued in million)		
PAGINEBIANCHE®	10.6	11.1
PAGINEGIALLE®	7.9	7.5
Number of visits (valued in millions)		
<i>uninterrupted site acces for 30 minutes</i>		
PAGINEBIANCHE.it® (*)	81.7	81.0
PAGINEGIALLE.it® (*)	176.9	159.4
TuttoCittà.it®	27.1	20.5
Europages.com (*)	13.3	23.0

(*) This includes Gorizia and Treviso's "One Book".

(**) The total traffic include the web and mobile visits and online and mobile visit of customers websites.

Italian Directories \

Market situation

Since the Italian Directories Business Area accounts for the bulk of the Group's activity, the relevant market situation and strategic positioning are those described

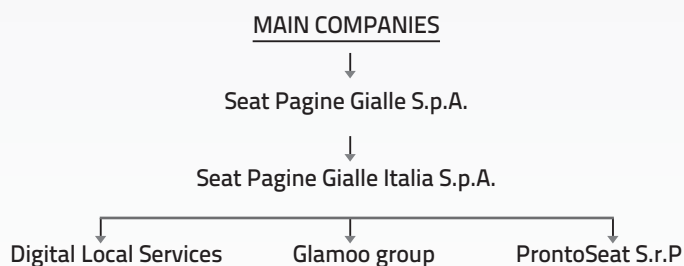
in the introductory section under the same heading in relation to the Group as a whole and to SEAT in particular.

Revenue per product

				1 st half year 2014 % on total revenues
Print				
	PAGINE GIALLE®	classified directories of italian business		6.7
	PAGINE BIANCHE®	alphabetical directories		9.5
	Other print product			5.3
Internet & Mobile				
	PAGINE GIALLE.it®	search engine specialised in business search		51.2
	PAGINE BIANCHE.it®	search engine specialised in subscriber searches		12.9
	Glamoo	couponing		0.1
Voice				
	89.24.24. Pronto PAGINEGIALLE®	voice service which provides directory assistance valued added services		2.6
	12.40. Pronto PAGINEBIANCHE®	voice service which provides subscriber information service		2.6
Total core revenues				88.4

Structure of the Business Area

The Italian Directories Business Area is organized as follows:



Economic and financial data

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

<i>(euro/million)</i>	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Revenues from sales and services	202.1	254.6	(52.5)	(20.6)
MOL	40.0	83.4	(43.4)	(52.0)
EBITDA	27.0	61.4	(34.4)	(56.0)
EBIT	7.2	(9.7)	16.9	n.s.
Net invested capital	12.1	12.0	0.1	0.8
Capital expenditure	1,626	1,545	81	5.2
Average workforce	51.0	9.5 (*)	41.5	n.s.

(*) Data referred to December 31, 2013

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

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 half of 2014, compared with those from the first half of 2013.

<i>(euro/million)</i>	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Revenues from sales and services	201.9	254.5	(52.6)	(20.7)
GOP	40.6	83.5	(42.9)	(51.4)
EBITDA	27.6	61.7	(34.1)	(55.3)
EBIT	11.6	(9.3)	20.9	n.s.
Net invested capital	12.1	12.0	0.1	0.8
Capital expenditure	1,470	1,399	71	5.1
Average workforce	35.3	8.5 (*)	26.8	n.s.

(*) Data referred to December 31, 2013

SEAT's **revenue from sales and services** amounted to € 201.9 million in the first half of 2014, down by 21.0% compared with the same period a year earlier at constant publication volumes.

More specifically:

a) Core revenue: this amounted to € 178.5 million in the first half of 2014, down by 23.6% compared with the first half of 2013 at constant publication volumes. This item breaks down as follows:

- *print*: revenue from print products, including revenue from the Pagine Gialle and Pagine Bianche iPad e-book apps launched in late April 2011, totaled € 43.5 million in the first half of 2014, down by 36.7% compared with the first half of 2013, with a fall in revenue for both PAGINEBIANCHE® and PAGINEGIALLE®;

- *online&mobile*: online&mobile products generated revenue of € 129.7 million in the first half of 2014, down by 16.2% on the same period of 2013. Net of the spin-off of the online revenue of PAGINEBIANCHE®, traditional advertising and online marketing revenue fell by 13.4%. Revenue from online&mobile products accounted for 64.2% of total revenue during the period. Among the most notable product development initiatives was the June launch of the new Google Maps Business View service in partnership with Google. This product provides an actual 360° virtual tour created using Street View technology, which will give previews of all company products and services and display information and professional quality photographs that highlight the specific characteristics and advantages of the various businesses. A Google My Business fact sheet, featuring photos, a promotional tour and a direct link to the business website, can also be created using this new service. The Google My Business information will also show up on Google Maps, making it easier to find companies and stores and providing access to a virtual tour and illustrative photographs with just one click. SEAT PG Italia's PagineGialle.it and PagineBianche.it portals will also promote content, photos and virtual tours. 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 +11% compared with the first half of 2013, with visits totaling around 176.9 million in the first half of 2014. Visits to PAGINEGIALLE.it®, PagineGialle Mobile, 89.24.24 Mobile and Glamoo Mobile also increased (+12.1% to 122.1 million), as did visits to web and mobile sites created for SEAT customers (+8.6% to 54.8 million). Visits to PAGINEBIANCHE.it® totaled around 81.7 million during the period, up by 0.9% on the same period of 2013. As at

the end of June, downloads of SEAT mobile apps were in excess of around 7.9 million (+43.6% compared with June 2013) for Apple devices and the other major platforms, with 3.3 million downloads (around 41.5% of the total) for PagineGialle Mobile, 2.6 million (around 33.3%) for PagineBianche Mobile, 1.4 million (around 18.0%) 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 € 5.3 million, down by € 4.9 million (-48.1%) compared with the first half of 2013.

b) Other revenue and products: revenue from other products amounted to € 23.4 million in the first half of 2014, up by 5.8% compared with the first half of 2013 at constant publication volumes. Media agency revenue (€ 4.0 million, mostly referring to the current TV offer with Sky) in particular contributed to this trend due to partnership agreements entered into with important media companies, as did revenue from direct marketing products and merchandising (€ 3.7 million), which was up by € 2.4 million compared with the first half of 2013. Among others, revenue from voice traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services was down to € 10.1 million, a reduction of € 3.7 million (-26.7%) compared with the first half of 2013.

The new episodes of the Company's television advertising campaign created by Young&Rubicam were broadcast in June 2014. After the first flight in April focusing on AdWords and web marketing, for which SEAT PG is a premier partner of Google, the second flight focused on the new smart sites designed to reinforce the digital presence of SMEs and leverage responding design (which adapts website content for all devices: smartphones, tablets and computers) and engagement technology (which displays the most appealing website content based on user preferences).

The Company also continued its research into effective solutions for companies that want to increase their visibility, attract customers and boost their business. Within the media agency offer, this effort led to new partnership agreements entered into in the second quarter (particularly the agreement with Rai Pubblicità for advertising sales on all of its platforms, especially the radio, cinema and online channels), once again confirming SEAT's role as the only national organization for local communications.

GOP stood at € 40.6 million in the first half of 2014, down by € 43.2 million compared with the first half of 2013 at

constant publication volumes. The reduction is due to the fall in revenue, which was offset only partially by lower operating costs.

Costs of materials and external services, net of costs charged to third parties, totaled € 119.3 million for the first half of 2014, a decrease of € 9.4 million (-7.34%) compared with the first half of 2013 at constant publication volumes. Specifically, *industrial* costs of € 52.3 million in the first half of 2014 were € 2.0 million lower than in the first half of 2013 (€ 54.3 million) at constant publication volumes, due mainly to the fall in print revenue and consequent reduction in volumes printed and to lower labor costs. In addition, tariffs decreased by around 40% following the renegotiation of the contract with the printing company, the ILTE/Rotosud group. The fall in the volume of calls to the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services caused inbound call center service costs to fall by -€ 1.3 million, to € 4.7 million. Commissions rose by +€ 2.9 million to € 16.3 million due to the management of online offers aimed at increasing web traffic and the new media agency services.

Commercial costs fell by € 3.5 million to € 45.9 million during the first half of 2014 compared with the same period of 2013 (€ 49.3 million) at constant publication volumes, owing primarily to lower advertising spending in the first half of 2014 (-€ 4.9 million to € 6.1 million compared with the same period of the previous year, restated) as a result of the different scheduling of advertising campaigns.

Commissions and other agent costs increased due to the introduction of a new sales force commission model in early 2014, based on which agents receive a fixed bonus for the visits they make each month.

Overheads totaled € 21.1 million, down by € 3.7 million compared with the first half of 2013.

Salaries, wages and employee benefits, net of recovered costs for employees seconded to other Group companies, totaled € 41.9 million in the first half of 2014, down by € 1.3 million (-3%) compared with the same period of 2013; this downturn reflects the full introduction of the new commercial organizational structure, which converted zone managers into SEAT employees while also expanding coverage throughout the country (DLS). In the first half of 2014, this entailed a € 4.5 million increase in DLS staff expenses, which was more than offset by savings made elsewhere in the SEAT organization.

The workforce, including directors, project workers and trainees, consisted of 1,608 employees as at June 30, 2014 (1,629 as at December 31, 2013).

L'EBITDA amounted to € 27.6 million in the first half of 2014, down by € 34.3 million compared with the first half of 2013 at constant publication volumes (-55.4%), yielding a margin of 13.7% (against 24.2% in the previous year). The margin

essentially reflects the downward trend in GOP, offset partially by lower provisions to the allowance for doubtful trade receivables and to the reserve for risks (€ 9.6 million). Provisions to the allowance for doubtful trade receivables totaled € 11.2 million. Although this was down compared with the previous year, it still enabled sufficient coverage of past-due receivables.

EBIT was €11.6 million, reflecting the trend in EBITDA, and included operating and non-operating amortization, depreciation and write-downs of €19.8 million and net non-recurring income of € 3.8 million, which includes € 3.8 million for consultancy and other expenses connected with the composition with creditors procedure, and benefits from the € 7.9 million revision of the estimated liability recognized previously in the provision for risks and charges for the dispute with ILTE/Rotosud, as a result of the settlement agreement entered into and authorized by the competent bodies of the composition with creditors procedure, which put an end to the dispute that had arisen with one of the company's top suppliers and made it possible to establish a relationship with the printing company for the 2014-2016 period.

Capital expenditure amounted to € 12.1 million in the first half of 2014, and related mainly to: *i*) improvements to the online and mobile platforms (approximately € 4.1 million), relating to structural updates to improve the performance of the integration between the various systems and developments that enable customers to use Content Management Systems for real-time updating and publication of content; *ii*) improvements to commercial online products (approximately € 2.3 million), relating mainly to product development, the optimization of mobile graphic design, developments for the new range of websites, smart sites and the WiFi offer; *iii*) commercial and publishing improvements (approximately € 3.2 million) to upgrade the systems and adapt them to new product ranges; and *iv*) the acquisition of software to be used for technological updates for agents and employees (approximately € 1.8 million).

The **average workforce** was 1,470 employees in the first half of 2014 (1,399 in the same period of 2013). The workforce increased by 71 primarily due to the implementation of the New Sales Model.

Net of the book value of equity investments in subsidiaries, **net invested capital** totaled € 35.3 million as at June 30, 2014, up by € 26.8 million compared with December 31, 2013 (€ 8.5 million), owing mainly to the reduction of € 34.1 million in trade receivables, offset by the € 36.6 million decrease in operating debts and the decrease of € 22.7 million in non-operating reserves.

Glamoo group

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

Glamoo S.r.l. works in the e-commerce sector's flash sale segment, which was introduced in Italy in 2003.

The company has three business lines within this segment: *Local Couponing*, *Products* and *Travel*.

With *Local Couponing*, users can take advantage of special offers from local businesses (restaurants, wellness centers, events, etc.) in more than 50 Italian provinces.

The *Products* line operates in partnership with several

internationally known brands to cover all of the main product sectors from fashion to electronics, and from furnishings to gadgets. *Travel* offers users deals on short trips (weekend getaway in Italy) as well as longer trips. With around two million registered users, a portfolio of commercial relationships developed over four years and significant brand equity, Glamoo is a leader in Italy.

Glamoo Ltd and its wholly owned operating subsidiary Glamoo S.r.l. have been consolidated since May 31, 2014. Therefore, the table includes their economic data for the month of June only.

(euro/million)	1 st half year 2014	1 st half year 2013	Change Absolute	%
Revenues from sales and services	0.1	-	0.1	n.s.
GOP	(0.2)	-	(0.2)	n.s.
EBITDA	(0.3)	-	(0.3)	n.s.
EBIT	(0.3)	-	(0.3)	n.s.
Average workforce	31	-	31	n.s.
Net invested capital	4.9	-	4.9	n.s.

(*) Data referred to December 31, 2013

From May 31 to June 30, 2014, **revenue from sales and services** amounted to € 0.1 million. This downward trend compared with prior years was due to the serious economic crisis that also began to impact the e-commerce sector during the year, in addition to the lack of significant advertising investments beginning in the final months of 2013.

The **GOP** amounted to a loss of € 0.2 million.

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

In the first six months of 2014, the **average workforce** was 31 employees.

Prontoseat S.r.l.

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

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

(euro/million)	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Revenues from sales and services	1.8	2.8	(1.0)	(35.7)
MOL	(0.4)	(0.2)	(0.2)	(100.0)
EBITDA	(0.4)	(0.3)	(0.1)	(33.3)
EBIT	(0.5)	(0.4)	(0.1)	(25.0)
Average workforce	125	146	(21)	(14.4)
Net invested capital	1.3	1.0 (*)	0.3	30.0

(*) Date referred to December 31, 2013

Revenue from sales and services totaled € 1.8 million, down by 35.7% compared with the figure recorded for the first half of the previous year. This reduction in turnover was due essentially to the fall in outbound revenue (-€ 0.8 million compared with the first half of 2013) as a result of fewer telephone sales since the 12.40 Pronto PAGINEBIANCHE® service is no longer managed on behalf of SEAT. Inbound revenue fell by € 0.5 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 € 1.0 million, **GOP** was down by only € 0.2 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** respectively came to negative amounts of € 0.4 million and € 0.5 million, performing in line with **GOP**.

The **average workforce** was 125 employees in the first half of 2014, 21 fewer than in the same period of the previous year.

Regulation

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

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

These directives were reformed and, at the end of 2009, the European Commission approved a new package of regulations: **Directive 2009/140/EC** (Directive for "Better Regulation"); **Directive 2009/136/EC** (Directive on "Citizens' Rights"); and **Regulation (EC) No 1211/2009**, which set up a supranational regulatory body, BEREC (Body of European Regulators for Electronic Communications).

While the reform came into force on May 25, 2011 in most EU countries, in Italy the time frame for adoption was longer:

- on June 1, 2012, the new **Electronic Communications Code** came into force through Legislative Decree 70 of May 28, 2012 (implementing EU Directive 2009/140/EC). As far as SEAT Pagine Gialle is concerned, the most important aspect introduced by the decree is the exclusion of telephone directories from the universal-service obligations;
- on May 28, 2012, **Legislative Decree 69** (implementing EU Directives 136/2009/EC and 140/2009/EC) was issued, introducing a number of amendments to the Personal Data Protection Code (Legislative Decree 69/2012). The aspect most relevant to the Company concerns the regulations governing the use of cookies, which state that, in order for cookies to be installed on a user's computer (for marketing or other identification purposes), the user must receive clear notification and give their express authorization. The Italian data protection authority has issued a general measure establishing detailed rules on the technical and communication methods used to send this online notification, to inform users about the use of cookies and provide instructions to obtain consent (when required by law). These provisions must be implemented within one year of the date on which the measure was published in the Italian Official Gazette of June 3, 2014.

- In January 2012, the European Commission presented its draft General Data Protection Regulation, which will supersede Directive 95/46/EC and will govern the new European legal framework on data protection, together with a directive on data processing for judicial and police purposes (this is also under discussion). Once approved, the EU Regulation shall immediately become enforceable. Unlike directives, it will not need to go through the transposition process in each Member State.

SEAT actively participated in the discussions on the text and submitted its own position paper to ensure that the final version of the Regulation takes our recommendations into consideration.

Privacy – Telemarketing – New rules on the processing of data relating to persons included in public directories of telephone service subscribers: introduction of the opt-out principle and creation of the objections register

Law 166 of November 20, 2009 ("Urgent provisions for the implementation of EU obligations and the execution of judgments of the Court of Justice of the European Union") converted Decree 135 of September 25, 2009 (the "Malan amendment") into law and made significant amendments to article 130 of the personal data protection code ("unwanted communication"). The new provisions of law permit telephone processing of the data of subscribers included in telephone directories for advertising, direct sales, market research and commercial communications purposes for those who have not exercised their right to opt out. Subscribers may opt out by including their telephone number in a public opt-out register created on November 2, 2010 following the publication of Presidential Decree 178 of September 7, 2010, "**Public register of subscribers opposed to the use of their telephone number for direct-marketing purposes**". The register, which is managed by the Ugo Bordononi Foundation, was activated on February 1, 2011.

With effect from this date:

- companies operating in the telemarketing sector may no longer contact subscribers with numbers included in the register. All telesales lists taken from telephone directories (such as Pagine Bianche and Pagine Gialle) must therefore be checked against the opt-out database before being used. The validity of lists containing the names of subscribers who can be contacted has been reduced to 15 days;
- direct-marketing companies must describe themselves as such to the Ugo Bordononi Foundation and must sign a contract under which they agree to match their lists with the opt-out database.

The Order of the Italian data protection authority issued on January 19, 2011 ("Regulations on operator-assisted telephone processing of personal data for marketing purposes following the creation of the public opt-out register") stipulates that the new regulatory framework also gives businesses the right to opt out. Therefore, telesales of the products of any company aimed at a business audience may be carried out using the aforementioned matching procedure (or using lists of parties that have given their express consent). SEAT has therefore signed up to the opt-out register for matching. In February 2011, the Italian data protection authority issued Order 73 of February 24, 2011 ("Models of information and request for consent to process personal data of subscribers to fixed and mobile telephone services"), which, in light of the introduction of the new opt-out regime for telemarketing activities, is aimed at telecommunications operators, with a view to clarifying

the methods of including and/or keeping the data of subscribers in the single database and the publication of these data in directories.

Lastly, on May 22, 2011, the previous regulation on postal marketing, which established an opt-out system (the possibility of being contacted without express consent), without prejudice to the right of individuals to object to postal marketing by signing up to the public opt-out register, was modified within the "Development Decree" (Legislative Decree 70 of May 22, 2011, article 6). As a result, regulations on direct marketing provided for equal treatment for telephone and postal marketing.

For SEAT, the only consequence of these new provisions is the removal of the "envelope" symbol printed in the Pagine Bianche directory to indicate (under the previous regime) consent from the subscriber to receive postal marketing. This will take place as soon as an implementing order is issued by the Italian data protection authority.

Other activities \

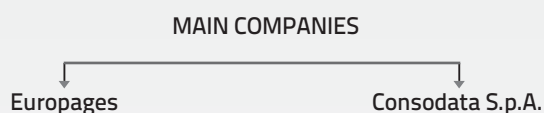
Main company events

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. This transaction was authorized by the competent bodies under the ongoing composition with creditors procedure.

Structure of the Business Area

This Business Area comprises all activities not included in the previous area. It is organized as follows:



Economic and financial data

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

<i>(euro/million)</i>	1 st half year 2014	1 st half year 2013	Change Absolute	%
Revenues from sales and services	10.8	15.4	(4.6)	(29.9)
GOP	(1.6)	(2.4)	0.8	33.3
EBITDA	(1.8)	(2.8)	1.0	35.7
EBIT	(5.7)	(16.8)	11.1	66.1
Capital expenditure	1.5	2.5	(1.0)	(40.0)
Average workforce	178	296	(118)	(39.9)
Net invested capital	4.9	10.0 (*)	(5.1)	(51.0)

(*) Date referred do 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%

Europages is a lead generation and company search platform. It has a multilingual search engine that allows users to select and contact potential suppliers, clients and distributors from 35 countries, mainly in Europe. Firms are free to create their own profile on web pages that are set

up for indexing on the major search engines. Europages gives its members the chance to manage published content and to monitor a series of useful indicators for optimizing results.

Its database consists of some 2.6 million companies.

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

(euro/million)	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Revenues from sales and services	4.2	5.5	(1.3)	(23.6)
GOP	(1.0)	(0.5)	(0.5)	(100.0)
EBITDA	(1.1)	(0.8)	(0.3)	(37.5)
EBIT	(1.4)	(1.0)	(0.4)	(40.0)
Capital expenditure	0.1	0.6	(0.5)	(83,3)
Average workforce	74	77	(1)	(1.3)
Net invested capital	(2.6)	(0.9) (*)	(1.7)	n.s.

(*) Date referred do December 31, 2013

Revenue from sales and services amounted to € 4.2 million in the first half of 2014, against € 5.5 million in the same period of 2013. This reduction in turnover was essentially due to the sharp downturn in the Italian market (-31.5%) caused by the difficult economic climate, which shows no tangible signs of improvement for SMEs, and by the continuation of weak performance in the advertising market. Revenue in other countries remained substantially stable.

In the wake of several major changes implemented in 2013 and 2014 by the top search engines, particularly Google, the company began to restructure all the language versions of its Europages website. Traffic on Europages websites is generated exclusively through search engine optimization and directly. 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. A selective reduction in indexed pages means lower traffic volumes. To date,

traffic has stabilized at over 2 million visits per month. The main traffic quality indicators, such as the number of pages viewed per visitor, the number of searches and visit duration, are up.

The company recorded a **gross operating loss** of € 1.0 million (against a € 0.5 million loss in the first half of 2013); this result was in line with the aforementioned decline in revenue.

EBITDA and **EBIT** were -€ 1.1 million and -€ 1.4 million respectively (-€ 0.8 million and -€ 1.0 million respectively in the first half of 2013), performing in line with gross operating loss.

The **average workforce** was 74 employees at the end of June 2014, three fewer than in the same period of the previous year.

Net invested capital was -€ 2.6 million at June 30, 2014 (compared with -€ 0.9 million at December 31, 2013).

Consodata S.p.A.

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

Consodata S.p.A., the market leader in Italy for one-to-one marketing and geomarketing, with an increasingly significant presence in the promising business&credit information market, has been offering wide-ranging and innovative customer acquisition, evaluation and

management services to thousands of businesses operating in various product sectors for over 20 years. Consodata S.p.A.'s business is focused on the wealth of personal and statistical information in its database and on its recognized data processing and leveraging skills.

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

(euro/million)	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Revenues from sales and services	6.6	5.7	0.9	15.8
GOP	(0.6)	(0.8)	0.2	25.0
EBITDA	(0.8)	(0.9)	0.1	11.1
EBIT	(4.3)	(3.2)	(1.1)	(34.4)
Capital expenditure	1.4	1.9	(0.5)	(26.3)
Average workforce	102	102	-	-
Net invested capital	7.5	9.4 (*)	(1.9)	(20.2)

(*) Date referred to December 31, 2013

Revenue from sales and services totaled € 6.6 million in the first half of 2014, up by 15.8% compared with the first half of 2013. This improvement was primarily due to increased direct marketing sales of the SEAT agent network (+€ 1.5 million), boosted by sports events in summer 2014 (World Cup) and good sales performance for the Consodata network's commercial information products.

Revenue from products in the large-clients channel fell by 19.9% (-6%) due to the postponement of geomarketing and face-to-face sales.

Revenue from products marketed by the network of Consodata agents was also down slightly (-5.6%), due to the different timing of sales.

Revenue continued to rise in the business&credit information area in the first half of 2014, reaching € 1.2 million, in line with the increasing strategic focus on this area and product type.

The margin mix among the products resulted in a **gross operating loss** of € 0.6 million (loss of € 0.8 million in the same period of the previous year).

EBITDA showed a loss of € 0.8 million and performed in line with **GOP**.

EBIT showed a loss of € 4.3 million (loss of € 3.2 million in the first half of 2013), down by € 1.1 million compared with the same period of the previous year mainly due to the € 0.7 million provision for redundancy payouts.

In the first half of 2014, **capital expenditure** amounted to € 1.4 million, registering a fall of € 0.5 million compared with the same period of the previous year (€ 1.9 million) due to overall optimization. As usual, investments aimed at the development of software platforms, database enrichment, the acquisition of databases and the upgrading of production and service provision IT platforms.

The **average workforce** was 102 employees in the first half of 2014, the same as in the first half of the previous year.

Net invested capital totaled € 7.5 million at June 30, 2014 (against €9.4 million at December 31, 2013).

Regulation

In June 2008, the Italian data protection authority concluded an investigation into certain companies that create and sell telephone subscriber databases by issuing an order against Consodata S.p.A., served in September 2008, preventing the company (and a number of telephone operators) from continuing to process personal data obtained from telephone directories published prior to August 1, 2005, on the grounds that such data had been obtained without providing required information to the individuals concerned or obtaining their express consent where required to do so by law.

The authority declared that the use of subscriber information contained in telephone directories and databases created prior to August 1, 2005 for promotional, advertising or commercial purposes, and the sale of these data to third parties (including those not operating in the telecommunications sector) constituted a breach of the legislation in force.

This legislation demands, *inter alia*, that certain guarantees be made to subscribers, which are set out in Order no. 1032397 of May 23, 2002, pursuant to which *i)* specific consent must be requested – in addition to consent to simply be included in the telephone directory – for the use of the data for commercial purposes and to send advertising material, or to carry out market research and interactive marketing communication, and *ii)* a uniform procedure should be put in place, which all operators are obligated to use, in order to clearly show the consent of the subscribers to the use of their data for commercial or advertising purposes, consisting of putting certain icons next to the relevant names.

Consodata S.p.A. maintained that it had lawfully acquired the data in its database and appealed to the Court of Rome to have the order annulled. A hearing was scheduled for June 2009. The appeal was rejected in light of new legislation included in the “Milleproroghe” decree, allowing subscriber data obtained prior to August 2005 to be used by direct-marketing operators until December 31, 2009.

At the end of November 2009, the authority issued a prohibitive order (served in February 2010) ending the proceedings that had started with an inspection of the company in February 2009. Consodata S.p.A. submitted an interpretative statement and clarified its position through a series of meetings at the authority's offices. Contesting the order, Consodata lodged an appeal on March 19, 2010 with the Court of Rome, which on May 25, 2010 ruled that the order be suspended.

The judge ruled that the prohibition on the use of data obtained from certain Consodata databases, due to a lack of specific consent under the terms set out by the authority, was not applicable to past instances of use of these data. The hearing was postponed until February 2011 and then until October 2011. On October 5, 2011, the Court of Rome totally rejected the appeal lodged by Consodata on March 19, 2010. It was therefore confirmed that Consodata was not able to use data obtained without specific consent, apart from for postal purposes.

Consodata, through its lawyers, then asked the sanctions department of the Italian data protection authority to determine the amount of the fine following the resolution of the appeal.

In February 2010, the authority gave notification that it was initiating a sanction procedure relating to certain databases used by Consodata S.p.A., giving the company the possibility to either submit a statement of defense to the authority or pay a reduced amount of the fine issued via a cash settlement. The company again decided to submit a statement of defense in order to clarify its actions.

In response to this statement, the authority acknowledged Consodata's new operational set-up for controlling data processing and reiterated the need for specific consent to data processing to be obtained for each method used to contact subscribers.

The authority also accepted the company's proposal to use the data contained in some of its databases where consent had been given, in compliance with the principle of “single use” (whereby the customer undertakes to restore or delete the data after an agreed period of use).

On April 7, 2010, Consodata submitted a request to the authority for exemption from or simplification of compliance with the privacy policy on an individual basis for the use of data obtained from the single database (containing telephone directory numbers, mobile phone numbers and data on owners of prepaid cards not contained in telephone directories) for non-commercial purposes.

On September 16, 2010, the authority rejected the request, declaring that the processing of data from the single database for purposes other than use in telephone directories was unlawful.

The authority also made a distinction between single databases and telephone directories, to be understood as two autonomous and separate items, since they are

created for different purposes and each contains different kinds of data.

On January 10, 2013, an order of injunction was finally issued to definitively impose the fine resulting from the prohibitive order issued by the Italian data protection authority on November 26, 2009. Through this order of

injunction, which imposed a fine of € 0.4 million in total, the authority issued a severe and definitive punishment, but also acknowledged that Consodata has substantially altered its behavior since 2009 with a view to bringing a more cautious and informed approach to its operating and commercial processes.

Other information \

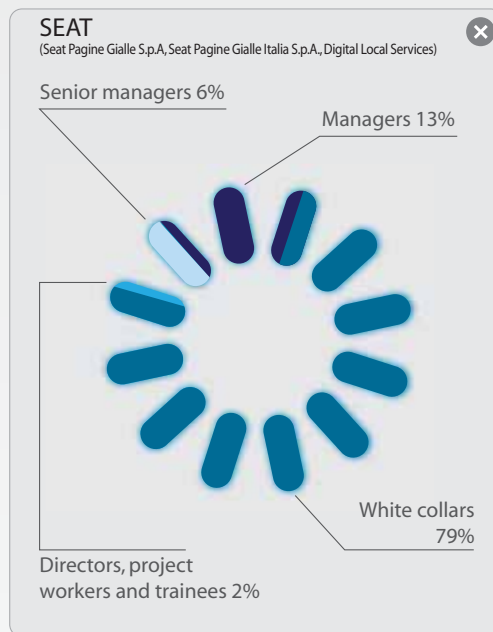
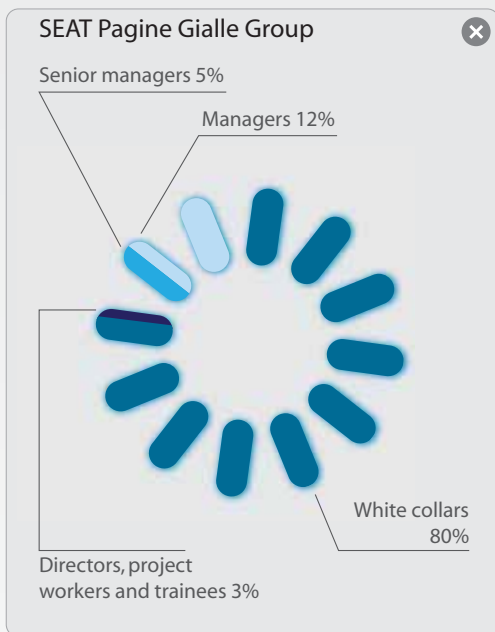
Human resources \

Seat Pagine Gialle Group

	As at 06.30.2014	As at 12.31.2013	Change
Employees	1,980	2,003	(23)
Directors, project workers and trainees	48	26	22
Total workforce at the end of the period	2,028	2,029	(1)
	1 st half year 2014	1 st half year 2013 <i>restated</i>	Change
Senior managers	113	120	(7)
Manager	215	245	(30)
White collars	1,336	1,263	73
Blue collars	-	49	(49)
Journalists	1	1	-
Call operators	98	109	(11)
Employees	1,763	1,787	(24)
Directors, project workers and trainees	41	54	(13)
Average workforce for the period	1,804	1,841	(37)

The Seat Pagine Gialle Group had a total workforce of 2,028 employees as at June 30, 2014, essentially stable compared with December 31, 2013 (2,029 employees). The increase of 30 employees due to the consolidation of Glamoo Ltd and Glamoo S.r.l. was offset by a decrease in the workforce resulting from restructuring within the Group companies. During the first half of 2014, the average workforce was 1,804 employees (1,841 in the

first half of 2013), 117 of whom were from Cipi S.r.l. As regards the distribution of human resources across the various Business Areas, the SEAT Business Area (SeatPagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies) employed 81.5% of the average total workforce in the first half of 2014, despite having generated around 96.5% of the revenue for the period.



SEAT Business Area

(Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies)

	As at 06.30.2014	As at 12.31.2013	Change
Employees	1,569	1,608	(39)
Directors, project workers and trainees	39	21	18
Total workforce at the end of the period	1,608	1,629	(21)

	1 st half year 2014	1 st half year 2013	Change
Senior managers	103	108	(5)
Manager	180	209	(29)
White collars	1,152	1,030	122
Journalist	1	1	-
Employees	1,436	1,348	88
Directors, projects workers and trainees	34	51	(17)
Average workforce for the period	1,470	1,399	71

The workforce as at June 30, 2014 decreased by 21 compared with December 31, 2013 (39 for employees only) due to SEAT's restructuring process. On the other hand, there was a slight rise in the Digital Local Services workforce (+12) in line with the implementation of the New Sales Model. The number of trainees remained high due to the continuation of the Talent Factory project, which aims to recruit and train young sales and marketing professionals. Compared with

the first half of 2013, the average workforce increased by 5.1% in the first half of 2014, mainly reflecting the implementation of the New Sales Model, entailing the hiring of new media consultants in the DLS companies, especially beginning in the second half of 2013. These employees are responsible for providing training and commercial support to the sales network. Net of the effect of the DLS companies, the average workforce declined by around 89 employees year on year.

Sales network

As at June 30, 2014, Seat Pagine Gialle S.p.A.'s sales network comprised 1,394 agents and dealers and 135 employees, categorized by type of customer and market potential.

To be more specific:

- the National Clients segment, which comprises nationwide companies with specific communication needs, is served by a sales force of 24 employees, consisting of a channel head; 7 sales/area managers and 16 key account managers, in addition to 11 agents. The network is supported by a team of highly skilled specialists who are responsible for overseeing market developments, responding to the need for innovation and specialization, proposing and developing new solutions, ensuring a service level-based market approach following accurate customer segmentation, and sharing expertise within the organization.
- the SME segment, which ranges from small businesses to

high-spending clients with local and specialized service needs, is overseen by nine Regional Divisions containing 74 branches (SEAT Media Agencies) managed by employee field managers and a telephone sales channel that also manages customer care and retention. Each structure provides the network with support for planning, training coordination, sales operations and couponing sales. Clients are served by a network of 1,383 agents, who cover the SME communication market and top high-spending clients, by means of around 400 telesales operators. The 74 DLS branches (SEAT Media Agencies), regional limited-liability companies wholly owned by Seat Pagine Gialle Italia S.p.A., use a workforce of over 500 people to provide back office and website creation services, technical assistance, and commercial and training support to the agents.

Organizational development

The new organization defined in the last quarter of 2013 was consolidated and fully implemented in the first half of 2014, involving significant streamlining within the top management structure and the creation of four divisions reporting to the CEO: Sales & Marketing, IT & Operations, Administration, Finance & Control and HR & Organization. The organizational changes made in the initial months of 2014 had the greatest impact on the first two Divisions.

Specifically, the Sales & Marketing Division features a new marketing organization with product management broken down by type of product (Web agency & Transactional, Print, Directory Web & Voice, Media and Specialized, Mobile and Custom), supported by cross-division services (Big Data & Marketing Intelligence, Advertising, Branding & Media Planning and External Relations).

Recruitment, training, sales and marketing, and learning community

As in the second half of 2013, recruiting in the first half of 2014 focused especially on junior sales positions targeted at the potential market, and 309 new resources were hired.

Search and recruitment activities also continued for positions in the DLS companies, and there are now 107 media consultants and 155 web masters (as at May 31).

The Talent@Factory, designed for recent graduates, continues to produce excellent results: the scheme has now been run 19 times, with over 80 employees having been hired, including 65 involved in direct sales. A similar project for high school graduates has also been launched on a trial basis. The initial results are encouraging.

The Company also continued its activities aimed at improving its positioning on the job market, including through the use of modern employer branding tools, with a special focus on the management of corporate career pages on LinkedIn and the creation of fan pages on Facebook, which received around 3,000 "likes". Employer branding is also reinforced with participation in career days and job fairs.

As part of the employee training plan financed by Fondimpresa (a fund for continuing vocational training), website design courses taught by internal instructors began being offered to IT&O Division employees.

Early in the year, the IT director and his direct reports developed the "Moments of Glory" course, which teaches employees how to develop the capacity to identify challenges, work towards objectives and overcome moments of crisis. Also within the IT&O Division, a teambuilding course was offered to create synergy between the new working groups that have been formed. A training course on digital and social marketing with the MIP (Polytechnic University of Milan business school), designed specifically for senior employees in the online

and mobile division, was completed in May with the final discussion of project work.

In line with training in 2013, a coaching training course was developed for field managers to support awareness of the role and provide the knowledge and tools needed to develop an action plan for employee development through coaching. The first sessions began in June.

In February, in partnership with Internal Audit, an online questionnaire was sent to all Company employees (SEAT employees, DLS employees and the sales network) on the update to Legislative Decree 231/2001. In June, targeted sessions were organized for the various roles within the different departments both in the classroom and via streaming for the local companies (particularly for the Regional Divisions and the field managers).

With regard to specialist training, technical courses were organized for IT staff and the Product Division. Refresher courses on office automation were held for a total of 312 employees, including some from the Digital Local Services companies.

In December, the online questionnaire management system was used to distribute the compulsory course on Privacy Law to all Company employees and those of the Digital Local Services companies, with a take-up of 95%.

In the first half of the year, Digital Local Services company employees (back-office (BO) staff, web masters and media consultants) underwent skill mapping and were offered technical and behavioral training for their specific roles.

The training initiatives planned and completed include courses to enhance knowledge about products and proprietary web platforms for web masters (Gestionale and Smarteditor 3.0 for local website creation) and orientation courses providing information about the range of websites and the use of all platforms. Classroom management courses were also provided for the media

consultants (4 public speaking training sessions). The media consultants also enrolled and participated in 4 events and seminars on digital topics to continuously develop and refresh their knowledge.

Some of the activities included the design, planning and release of the new range of websites, which required considerable training in the first six months for the entire sales network, broken down into product courses for sales agents and courses on usability, basic SEO, engagement and the use of the Gestionale and Smarteditor 3.0 tools for all DLS employees (field managers, back office, web masters and media consultants).

The new range of websites and dedicated tools was also released for Company employees in other Divisions (IT; Sales & Marketing) and external suppliers.

New products were also designed, planned and released across the sales force. More specifically, the following were introduced: the Sky Diventa Protagonista ("Become a Star") offer, Cairo Di più, Rai, new online products and the new directory product, with versions for Onebook and Smartbook.

The new open sales method, with dedicated contracts and

offers and credit card payments, was also introduced.

New multimedia tools were designed and created and new sections were developed and updated on the Company's intranet, Yellow Friend, to facilitate the provision of training and information for the sales network. In addition, the 74 local Webpoint websites with Company fact sheets on paginegialle.it and paginebianche.it were renamed and transformed into SEAT Media Agency websites. The DLS office rebranding was also completed with new display materials.

In the first half of the year, all online promotion relating to the regional branches was designed and reviewed, also involving the transition from visual to smart sites.

Editorial activities and content updating continue on the website and on the SEAT Media Agency national fan pages, which direct to the 74 local websites and fan pages. In line with previous years, the process of evaluating the SEAT sales network continues (agents, team leaders, media consultants and digital consultants). In particular, the distinctive skills of the media and digital consultants were mapped.

People services

The SEAT4PEOPLE program continued its work during the first six months of 2014 by signing agreements (of which there are now more than 300) and creating initiatives for SEAT employees and agents, e.g. employee service desks located at Company offices, conventions, travel events and English courses at SEAT's offices.

The SEAT community is kept up to date via SEAT4PEOPLE on the Company's intranet, Company notice boards and personalized emails.

SEAT4PEOPLE also managed initiatives in collaboration with the CRAL DLF (a workers' recreational organization), with the CUS at its offices in Turin, Rome and Milan and with

the CRAL DLF at its regional offices. SEAT4PEOPLE organized holiday camps for employees' children aged between 6 and 12 for the seventh year running, involving roughly 80 children, as well as corporate events such as the Loyalty Award for seniority with the Company, which will be held in October, and a Christmas event for children to take place in December.

The vehicle fleet was streamlined in order to reduce costs. The Company continues to provide health cover through Cassa Mutua, which insures around 4,000 members. In the first half of the year, the insurance company introduced online requests for reimbursements.

Industrial relations

In the first half of 2014, the Company continued its involvement in a two-year reorganization plan (February 2013 - January 2015) defined on the basis of an agreement signed by ministers on December 21, 2012. This plan provided for a maximum of 150 employees covered by the special wage guarantee fund (CIGS) across the Company's various sites. In this context, the Company is using the tools provided for by the aforementioned agreement to manage lay-offs and CIGS coverage as well as structural redundancies, for the latter making considerable use in particular of early retirement pursuant to Law 416/81 et seq. for publishing jobs.

Although the plan was being gradually implemented, in early 2014 it was necessary to reopen talks with unions to identify new, urgent measures to supplement the existing plan and thereby deal with a negative market situation that would not have allowed the Company to bring its transformation process to a successful conclusion. To that end, a memorandum of agreement was drawn up and signed at the Ministry of Rome on February 18, 2014, providing for a review of and supplement to the reorganization plan with the involvement of all Company employees, broken down as follows:

- 30 workers will be suspended from work and pay, and placed on a zero-hours CIGS contract;
- the rest of the employees will be suspended from work and pay, and will be subject to CIGS on a rotating basis for a maximum of 35 days per person between February 2014 and January 2015.

Within this context, trade union relations were managed in accordance with the guidelines set out in the plan by holding joint talks to monitor the reorganization process and workloads as well as to manage training, particularly by defining the Company training plan financed by Fondimpresa.

Additional union agreements were also entered into as part of this reorganization to support the transformation process and overcome the challenges of the composition with creditors. In particular, agreements were made to place a moratorium on the 2014 Company bonus, clear remaining holidays from previous years and manage the new car policy, as well as on the "waiver" of tax on "2013 productivity pay" and the definition of a system of shared rules intended to improve work-life balance (covering issues such as holiday planning, Company closures, etc.).

Property and facilities management

Throughout the first half of the year, the Property and facilities management department provided ordinary and extraordinary maintenance and internal and external logistics services, as well as everyday services such as the mail service, access control, materials handling and cleaning. The Company's Brescia office was relocated and the internal organization of the Bari office was revised.

The department was also heavily involved in implementing the New Sales Model, providing property, logistics and security services to the individual Digital Local Services companies (operational management, reviewing, maintenance, compliance, relocation and the opening of new offices).

The department was also responsible for workplace safety and health monitoring via the Health and Safety unit.

Litigation \

a) Litigation involving the Seat Pagine Gialle S.p.A. Group

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

1) Deed of pledge

This concerns the proceedings brought by Finmavi and Media with the Court of Milan, seeking to ascertain the invalidity or ineffectiveness of the deed of pledge with which shares in Cecchi Gori Communication S.p.A. (now HMC) held by Media had been given in guarantee to the Spun-Off Company and, in any case, seeking an order for the Spun-Off Company to pay damages of no less than 750 billion lira, plus appreciation and interest.

After losing the case at the first two instances, Finmavi and Media also filed an appeal with the Court of Cassation in this case.

At the hearing on September 20, 2007, the Court accepted the appeal of Finmavi and Media, but also accepted a ground for cross-appeal put forward by the Spun-Off Company, referring the matter to another division of the Court of Appeal of Milan, including for costs relating to the Court of Cassation. By a claim filed on November 10, 2008, Finmavi and Media resumed the case with the Court of Appeal of Milan and the Spun-Off Company entered an appearance at the hearing on March 24, 2009.

At the hearing on January 28, 2014, the proceedings were suspended following the announcement of the bankruptcy of Media Holding.

On April 6, 2011, Fallimento Cecchi Gori Group Fin.Ma.Vi. S.p.A. in liquidation and Cecchi Gori Group Media Holding S.r.l. in liquidation served the Spun-Off Company with an injunction to pay € 387,342,672.32, corresponding to the value of 11,500 shares with a nominal value of 1 million lira, representing the entire share capital of Cecchi Gori Communications S.p.A.

By serving this injunction, the two parties requested the

payment of the value of the shares given as security to the Spun-Off Company.

The request is part of the dispute mentioned earlier pending before the Court of Appeal of Milan, where the Cecchi Gori group companies have already won the right to claim compensation in the form of payment of the value of the shares given as security (the present injunction appears to have been served in order to toll the statute of limitations relating to said action for compensation, given that said action is no longer part of the pending case).

TI Media responded to the injunction with a letter dated April 7, 2011.

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

This refers to the legal proceedings brought by Finmavi and Media against HMC concerning the decisions taken on August 11, 2000 by the Extraordinary Shareholders' Meeting of Cecchi Gori Communications S.p.A., which introduced changes to the Company's Articles of Association aimed at awarding special rights to category B shares.

After losing the case at the first two instances, Finmavi and Media filed an appeal with the Court of Cassation, and the Spun-Off Company appeared at the hearing with a counter-appeal and cross-appeal on October 16, 2007.

To date, the hearing for debate has not been scheduled.

3) Conclusion of arbitration proceedings with Rotosud S.p.A. and ILTE S.p.A.

On June 13, 2014, as authorized by the bodies of the ongoing composition with creditors procedure, the parties to the combined arbitration proceedings, Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Rotosud/ILTE group, entered into a settlement agreement which will end the proceedings and also put an end to the dispute with one of the Company's main suppliers and establish a relationship with the printing company for the 2014–2016 three-year period. As part of the agreement, the Rotosud/ILTE group will be paid € 9,850 thousand.

By order of the Arbitration Board dated July 9–14, 2014, the above combined arbitration proceedings were declared settled due to the resolution of the matter in issue, with each party bearing its own legal costs.

Corporate Governance

Introduction

Pursuant to article 123-bis of Legislative Decree 58/98, the Company has written and published a report on its corporate governance and shareholder structure for 2013. The report is available on the Company's website, www.seat.it.

On April 24, 2013, the Company's Board of Directors

resolved to adhere to the Corporate Governance Code for Listed Companies, as subsequently amended at the end of 2011 (the "Code").

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

Shareholders' Meetings

On March 4, 2014, the Company's Extraordinary Shareholders' Meeting approved the extraordinary transactions required to carry out the agreement with creditors. It specifically 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 carry out a paid capital increase, in a single tranche, from € 120,000.00 to € 20,000,000.00, without any option rights pursuant to article 2441, paragraphs 5 and 6, via the issue of 6,410,695,320,951 new ordinary shares without nominal value and with the same characteristics as existing ordinary shares, to be issued against 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, 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; and (iii) the remaining portion of the above - mentioned 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 share regrouping (the "Regrouping") 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 the 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, 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-Regrouping) 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% (for additional details please refer to the regulation disclosed to the public on February 11, 2014). The effectiveness of these resolutions is conditional upon the effectiveness of the Merger of Seat Pagine Gialle Italia S.p.A. into Seat Pagine Gialle S.p.A., which 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.

All of the transactions approved by the aforementioned Extraordinary Shareholders' Meeting shall take place subject to final approval of the composition with creditors proposals of both Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A.

On March 4, 2014, the Company's **Extraordinary Shareholders' Meeting**, convened by the Board of Directors on January 24, 2014, resolved to promote a liability action against former directors who held office between August 8, 2003 and October 21, 2012.

On May 9, 2014, aside from approving the separate financial statements as at December 31, 2013, the **Ordinary Shareholders' Meeting** also resolved to:

- not pass a resolution to cover the aforementioned losses as at December 31, 2013 in addition to that already passed by the Extraordinary Shareholders' Meeting on March 4, 2014, the effectiveness of which is subject to the Merger into the Company of Seat Pagine Gialle Italia S.p.A. and the final approval of the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A.;
- approve Section I of the Remuneration Report pursuant

to article 123-ter of Legislative Decree 58 of February 24, 1998.

On July 2, 2014, the **Special Meeting of Savings Shareholders** of the Company met to analyze certain aspects of the composition with creditors proposal of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. of interest to the savings shareholders. The meeting acknowledged that the transactions resolved upon by the Ordinary Shareholders' Meeting of March 4, 2014, as well as the composition with creditors procedure as a whole, do not harm the specific rights of that category; resolved to approve the actions of the common representative Stella d'Atri; and expressed its hope that the composition with creditors procedure would be a success.

On July 7, 2014, the **meetings of the holders** of Seat Pagine Gialle Italia S.p.A. **bonds** originally issued by Seat Pagine Gialle S.p.A., named "**€ 550,000,000 10½% Senior Secured Notes due 2017**", "**€ 200,000,000 10½% Senior Secured Notes due 2017**" and "**€ 65,000,000 10½% Senior Secured Notes due 2017**" voted to approve the composition with creditors proposal of both Companies. As a result, the Common Representatives of the bonds in question, lawyers Dario Loiacono and Annamaria Marcone, were vested with the necessary powers to implement the aforementioned resolution, therefore including the power to vote in favor of the composition with creditors proposals of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. for all bondholders in relation to the bonds that they represent at the creditors' meetings scheduled for July 10.

Board of Directors

In the first six months of the year, the Board of Directors met on nine occasions.

Control and Risk Committee

On October 26, 2012, the Board of Directors elected the Control and Risk Committee for the 2012-2014 period, comprising directors Chiara Damiana Maria Burberi (as Chairman), Luca Rossetto and Harald Rösch. The Internal Audit Committee met four times in the first half of 2014, and once more in subsequent months. The Committee meetings carried out the following, *inter alia*:

- examined and approved the action plan drawn up by the Internal Audit department for 2014, deeming it in line with the department's targets and the main results of the annual enterprise risk management (ERM) process;
- examined the methodology and results of the annual ERM process aimed at identifying, assessing and managing the main operating, strategic, reporting and compliance risks;
- met, together with the Board of Statutory Auditors and the Independent Auditors, with senior figures from the Administration, Finance and Control department to examine the main points of the separate and consolidated financial statements as at December 31, 2013 and the half-year report as at June 30, 2014, and the correct use of the accounting principles adopted;
- met with Company management to examine the main

- corporate processes and analyze certain accounting issues;
- met with an external consultant hired to illustrate the methodology used to carry out impairment tests, already examined by the Independent Auditors;
- examined the "document on the organizational, administrative and accounting structure" prepared by the competent Company departments in order to assist the assessment of the Company's corporate governance system, the Group structure and the organizational, administrative and accounting structure of SEAT pursuant to article 1.C.1, letter c) of the Corporate Governance Code;
- met with the representative of the Independent Auditors to examine the results of the audit carried out;
- examined and assessed the planned merger of the subsidiary Seat Pagine Gialle Italia S.p.A. into the Parent Company Seat Pagine Gialle S.p.A. and expressed a favorable opinion on the Company's interest in completing the transaction as well as the cost effectiveness and substantial fairness of the relative conditions;
- prepared and issued the Committee's periodic report to the Board of Directors.

Appointments and Remuneration Committee

The Appointments and Remuneration Committee met four times in the first half of 2014. It discussed the following main topics: *i)* the pay packages of the top management; *ii)* the 2014 bonus policy and the targets established for the CEO and the top management; *iii)* the approval of the Remuneration Report for the year 2013; and *iv)* the approval and signing of an amendment to the

management agreement of Mr. Santelia, which was subsequently authorized by the bodies of the ongoing composition with creditors procedure. Furthermore, in relation to article 1.C.1, letter g) of the Code, it declared the size, composition and functioning of the Board of Directors and its committees to be adequate.

Board of Statutory Auditors

The Board of Statutory Auditors met on three occasions in the first half of 2014. During these meetings, *inter alia*, it verified the correct

application of the criteria and control procedures adopted by the Board to assess the independence of its components.

Chief Financial Officer

On May 12, 2014, the Board of Directors confirmed Andrea Servo as the Chief Financial Officer.

Supervisory Board

On February 20, 2013, the Board of Directors appointed a new Supervisory Board pursuant to Legislative Decree 231/2001, comprising Marco Rigotti (an adjunct professor of commercial law at Bocconi University) in the role of Chairman, and Chiara Burberi and Michaela Castelli (independent directors of the Company), setting their term of office until the Shareholders' Meeting called

to approve the 2014 separate financial statements. During the first half of 2014, the Supervisory Board met twice, and once more in subsequent months. At its meetings, the Supervisory Board, *inter alia*, promoted and monitored the execution of special training activities for Company employees and agents and continued to perform its usual supervisory activities.

Environmental sustainability \

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

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

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

At the beginning of 2013 the second phase of the project was launched, with its main initiatives including:

- a new Print Power direct marketing campaign aimed at 300 creative directors of advertising agencies;
- the "Print Power special prize" as part of the Grand Prix Advertising Strategies: this prize is awarded to the communications campaign which best integrates print materials with other media.

2) "Two Sides – the green side of paper": is an information campaign on the environmental sustainability of the printed-paper industry aimed at a wide range of

individuals. The campaign uses facts and figures to highlight the recyclable nature of printed paper and to objectively overcome certain stereotypes about the presumed negative impact that this material has on the environment:

- the European forests that provide wood to produce paper have grown by 30% compared with 1950;
- paper is not synonymous with deforestation and pollution. On the contrary, it contributes to the sustainable management of forests thanks to the commitment of the entire paper chain;
- paper is the most recycled material in Europe and in Italy and can be reused up to seven times, to the extent that more than half of paper produced comes from recycling.

Begun in late 2010 (and relaunched in May 2011), the Two Sides campaign has featured 110 times in the national and local press and in magazines through adverts provided for free by project participants, for an estimated value of over € 500 thousand. The third edition of the campaign was launched in early 2013. SEAT's contribution consists of the publication of a full-color page in the past 2010/11 Rome, Naples and Palermo editions and in the 2011/12 Modena and Cuneo editions of PAGINEBIANCHE®. The Company is also planning to advertise the new Two Sides campaign in three volumes of the 2013/14 edition of PAGINEBIANCHE®.

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

Social responsibility \

In the first six months of 2014, Seat Pagine Gialle remained committed to fostering a culture of marketing, whilst also promoting multichannel packages (with a special focus on online and mobile) as the best way to boost business for SMEs and effectively face the effects of the crisis, in the hope of ushering in a new phase of economic and social development for the country.

The dissemination of new multimedia information technologies online and on mobile devices is increasingly linked with the evolution new forms of citizenship and democratic participation in urban areas, in addition to social and behavioral problems. The opportunities provided by the digital realm to learn about and take advantage of the services of the public administration, the wide range of associations and the entrepreneurial system without time or space restrictions provide SEAT PG with daily inspiration for the development of new products and services that directly respond to new consumption habits and requirements.

In line with its traditional daily role of providing increasingly evolved media to monitor and anticipate developments in consumption to businesses of all sizes, especially the extremely small, as well as local public administrations, SEAT PG Italia enthusiastically agreed to the proposal of the National Association of Italian Municipalities (ANCI) to become an ambassador of the ANCI initiative for EXPO 2015. With its widespread sales network consisting of around 100 branches located in the various Italian provinces, the Company will participate in this great tour that will unfold in all Italian regions to spread the experience and the spirit of the Universal Exposition throughout the country between 2014 and 2015 in preparation for the final event in Milan.

"ANCI for EXPO 2015", included by the government in the "Italy Agenda", is a project based on the conviction of ANCI president Piero Fassino that EXPO 2015 should become an event for Italy as a whole, which celebrates municipalities and businesses before and during the Expo by highlighting the excellence of the various Italian regions. In 2014, events took place in Gorizia, Monza, Catania, Cuneo, Pisa and Maranello. Others will also be held in Emilia-Romagna, Liguria, Sardinia, Basilicata, Val d'Aosta, Veneto, Abruzzo, Puglia, Calabria and Campania. The tour will begin in the Marche in 2015 and will wind up in Latina, in Lazio. During Expo 2015 in Milan, SEAT PG Italia will take part in the six days managed by ANCI at the Italy Pavilion.

Also with respect to fostering the digital culture to support SMEs, and in line with its daily efforts to help them overcome the crisis to restore our country's key

production system, SEAT PG enthusiastically accepted Google's proposal to contribute its communications and marketing consultants and its knowledge of the country and SMEs in support of an extraordinary travelling initiative summed up with the motto "If Made in Italy doesn't go on the web, the web will go to Made in Italy", developed in collaboration with Symbola, the Ca' Foscari University in Venice, CNA (National Confederation of Artisans and SMEs) and Coldiretti (National Farmers' Federation). This long journey throughout the country had the goal of meeting and fostering meetings between small and medium-sized businesses, presenting their excellence where it originates and explaining the potential benefits of the web, with experts and colleagues presenting case studies of exemplary companies that increased their business using digital solutions. CNA and Coldiretti acted as a bridge between businesses with little digital experience and those that have successfully leveraged the web, putting them into contact and creating B2B moments.

The tour, which is still under way, made its first stop in Bologna on May 30, and then moved on to Florence on June 19. The next meeting will take place in Syracuse on September 19.

The Ministry of Health chose SEAT PG Italia to enhance the www.dovesalute.it portal with the PagineGialle.it database. Today, DoveSalute is a unique tool for learning about healthcare facilities and services available throughout Italy. It provides citizens with the information needed to find a response to their own and their families' health questions, while also facilitating contact with public services, reducing and increasing the efficiency of travel between regions, incentivizing improved facility performance and attracting patients and investments from other European countries. All of this makes our Health Service increasingly competitive on the international stage. SEAT PG Italia's knowledge of local realities, of citizens and of their different consumption habits is a unique characteristic that is difficult to replicate. Its database is the real beating heart of a multi-platform portal consulted by citizens more than 2 billion times every year. This is why this important cooperation agreement has been signed between the Ministry of Health and Seat Pagine Gialle Italia S.p.A., with integrated multi-media platforms (online, mobile, voice and print) and immense database that are the most well-known, accredited, effective and widely used informational system for contact between residents, institutions and public and private facilities located throughout the country and for the management of daily

emergencies, large and small alike, which require a timely response from law enforcement agencies, emergency response teams and the entire national and local organizational and governance system.

Social responsibility in the area of Research and Development is fundamental for any business looking to innovate. Today, modern businesses must pay particular attention to the community and respect the needs of end consumers by consistently focusing on production excellence and offering increasingly effective and efficient products.

Therefore, SEAT PG has begun to work together and share knowledge with the Polytechnic University of Turin for the technological and social enhancement of its products.

The research activities consist of identifying innovative, multi-channel technological solutions with the goal of creating a model in which the end user can appreciate the actual value added. An additional action implemented for the common good was the creation of a contest for students from the Polytechnic University meant to pique the interest of participants and rediscover and celebrate an almost forgotten historical asset: the Universal Mechanical Calendar created by Turin engineer Giovanni Plana, a work of art unique in its genre with respect to the technologies existing in 1800. This ingenious mechanical system is able to identify any day from the year 1 until 4000 A.D., and also provides moon and tide information. The calendar as a whole and the enormous set of data stored (over 40,000 pieces of data) makes many consider this to be the world's first computer. As the technical partner, SEAT PG is committed to making this work available within an innovative online environment, and will also provide prizes for the winning students and a marketing plan to publicly celebrate the project.

In line with its well-established support of central and local public administrations in informing citizens about important services designed and developed to help them in day-to-day life, while also making these services easier to use, SEAT has created Torino APP in collaboration with the public administration of this capital city of Piedmont. This mobile app acts as a complete and versatile guidebook that makes the city easily accessible. This is another demonstration of how much the partnership between a company like SEAT PG, with its advanced technological and innovative skills, and a public administration such as that in Turin, with its cutting edge ability to provide citizens and businesses alike with the valuable wealth of public data, can actually improve the lives of residents, workers and tourists. The goal is to define effective, efficient and low-cost

standards for the creation of local marketing tools that can meet the wide-ranging needs of the public administration.

As part of the Company's ongoing efforts in support of the general public, the "Abele" project was officially launched in April. Every day, in compliance with food safety requirements, unconsumed meals are collected from the SEAT offices on Corso Mortara in Turin and donated to the food distribution centers that the Abele group coordinates and manages in and around Turin. Meals are picked up daily to ensure that an evening meal can be regularly distributed to the most vulnerable segment of society. The Company, which has provided employment and business to the Turin area for almost one century, has developed this project to respond to the economic and ethical crisis that residents are going through, which businesses must commit to helping to solve.

Last March, SEAT PG acted as the technological and informational partner of the "Just the woman I am" initiative, a sports event dedicated to women – and supplemented with activities in the run-up to the "Turin 2015 European Capital of Sport" event – that aims to raise funds to be donated to the specialized cancer research center in Candiolo. The Company also contributed to the advertising campaign linked to the "Turin Woman" event through the internal involvement of employees in a photo shoot focusing on the fight against violence toward women.

In early February, SEAT PG participated in the trial "flexible work" day held in Milan and the surrounding areas. This experiment was associated with the new Regional Working Hours Plan to promote an organization of work which accompanies the transformations of the city. It is a different way to organize work that meets the needs of workers and makes businesses more competitive. With the collaboration of the Agency for Mobility, Environment and Land Use, the advantages of this alternative approach have been confirmed in terms of benefits for employees (time savings) and for the environment (reduction of CO₂ and PM10 emissions, traffic and energy consumption).

After recent serious flooding in Sardinia, the internal "SEAT for Sardinia" initiative was born, in which employee fundraising goes to support the heavily impacted local population through a donation to the Italian Red Cross. SEAT PG's commitment to supporting the activities of the Red Cross was also made evident in the banner displayed on the PagineGialle and PagineBianche online properties.

Codes of ethics

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

More specifically, SEAT:

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

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

SEAT also acted as a key partner at the round table on

"The ethics of the new digital relations between businesses and consumers", sharing its expertise with other participants. The event, which was held on November 6, 2012, involved various members of the digital ecosystem (representatives of digital-technology think tanks, regulatory authorities, consumer associations, and digital and e-commerce companies) and saw the formal presentation of the Code of self-regulation;

- signed the "Code of self-regulation on online behavioral advertising" (the "Framework OBA") promoted by IAB Europe and leading advertising associations (with the support of the European Advertising Standard Alliance, or EASA). The signatory companies (which include Yell, Google, Microsoft, the BBC and the Financial Times) have undertaken to provide users with clear information about their online advertising activities using a notice and control system.



" il Giallo ti è vicino "



Pictured above extracted from the last spot of SEAT PG

Nuova generazione di opportunità

tutti gli strumenti più evoluti per il business

SeatPG
pagineGialle

614

Condensed consolidated half-year financial statements



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Introduction \

Like the previous year, 2014 should be considered as a period of transition for the Company and the Group to which it belongs.

This year, the fundamental business, organization and asset restructuring measures meant to achieve the company turnaround were initiated, and many have been completed, within the timing and in the manners established in the 2014-2018 operating plan underlying the proposal submitted for the composition with creditors on a going-concern basis of the Company and of the wholly owned subsidiary Seat Pagine Gialle Italia S.p.A.

From this perspective, the results achieved in the first half of 2014 provide confirmation of the validity of the assumptions and projections set forth in the plan for 2014. The SEAT Business Area (including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies) recorded revenue of €201.9 million, or around half of the revenue forecast for the entire year; EBITDA of € 27.6 million, compared with € 32 million forecast for the entire year; and customer orders amounting to € 216.4 million as at July 31, 2014, in excess of Plan forecasts (€ 192.6 million).

These results were achieved despite the continuation of negative trends in macroeconomic indicators (estimated Italian GDP trends for 2014 were revised downward and now present a “weakly positive” average annual change – source: Istat) and in the Italian advertising market (in May 2014, advertising investments contracted by -5.5% compared with the same month of 2013, marking a decline of -3.9% for the first five months of 2014, or roughly € 110.5 million less than January-May of last year; online business also closed in the red with a drop of -0.1% compared to the same month of last year and of -2.1% in the January-May period – source: Nielsen).

Significant progress was made in the composition with

creditors procedure in the first half of the year.

On March 4, 2014, the Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. and the Company's Extraordinary Shareholders' Meeting approved the extraordinary transactions required to carry out the proposed agreement with creditors.

On July 10, 2014, the meetings of the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were held at the Court of Turin before delegated judge Giovanna Dominici and the official receiver Enrico Laghi. During the meetings, the receiver illustrated and confirmed the content of his report, which had also been disclosed on June 30 as established by the Court, and the voting proceedings were opened.

The Company's creditors who had not yet voted on July 10 were able to do so in the subsequent 20 days in compliance with article 178 of the Bankruptcy Act.

As disclosed in the press release dated August 1, 2014, the proposed agreements with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. were approved by a majority of over 99% of the receivables subject to the vote (and by all classes eligible to vote).

The hearing pursuant to article 180 of the Bankruptcy Act for the approval of the composition procedures with the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. was set for September 26, 2014.

The composition procedures are expected to be carried out, with the repayment of the creditors to the extent and with the procedures established in the proposed agreement with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A., within four months of the definitive approval of such procedures.

For additional information, please refer to the press releases issued by Seat Pagine Gialle S.p.A. on March 4, July 10 and August 1, 2014, which may be viewed on the Company's website www.seat.it.

Consolidated statement of financial position at June 30, 2014 \

Assets \

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Note
Non-current assets			
Intangible assets with indefinite useful life	4,495	-	(4)
Intangible assets with finite useful life	124,976	130,338	(6)
Property, plant and equipment	11,319	12,744	(7)
Leased assets	26,038	27,303	(8)
Other non-current financial assets	915	1,015	(9)
Deferred tax assets, net	2,273	696	(28)
Other non-current assets	5,801	5,862	(12)
Total non-current assets	(A) 175,817	177,958	
Current assets			
Inventories	7,589	4,458	(10)
Trade receivables	190,788	229,815	(11)
Current tax assets	22,297	21,786	(28)
Other current assets	45,845	39,056	(12)
Current financial assets	4,230	2,039	(16)
Cash and cash equivalents	165,119	196,426	(16)
Total current assets	(B) 435,508	493,580	
Non-current assets held for sale and discontinued operations	(C) 159,194	169,015	(29)
Total assets	(A+B+C) 770,519	840,553	

Liabilities

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Note
Equity of the Group			
Share capital	450,266	450,266	(13)
Additional paid-in capital	466,847	466,847	(13)
Reserve for foreign exchange adjustments	47	1	(13)
Reserve for actuarial gains (losses)	(1,095)	(322)	(13)
Other reserves	(2,259,719)	(1,912,096)	(13)
Profit (loss) for the period	(68,387)	(347,603)	
Total equity of the Group	(A)	(1,412,041)	(1,342,907) (13)
Non-controlling interests			
Share capital and reserves	17,740	19,676	
Profit (loss) for the year	(81)	(197)	
Total non-controlling interests	(B)	17,659	19,479 (13)
Total equity	(A+B)	(1,394,382)	(1,323,428)
Non-current liabilities			
Non-current financial debts	33,760	35,216	(16)
Non-current reserves to employees	15,541	15,210	(19)
Deferred tax liabilities and non-current tax payables	11,987	10,545	(28)
Other non-current liabilities	26,284	30,018	(20)
Total non-current liabilities	(C)	87,572	90,989
Current liabilities			
Current financial debts	1,688,320	1,623,178	(16)
Trade payables	128,917	149,796	(22)
Payables for services to be rendered and other current liabilities	146,596	151,898	(22)
Reserve for current risks and charges	48,971	71,705	(21)
Current tax payables	21,402	26,062	(28)
Total current liabilities	(D)	2,034,206	2,022,639
Liabilities directly associated with non-current assets held for sale and discontinued operations	(E)	43,123	50,353 (29)
Total liabilities	(C+D+E)	2,164,901	2,163,981
Total liabilities and equity	(A+B+C+D+E)	770,519	840,553

Consolidated income statement for the first half of 2014

<i>(euro/thousand)</i>	1 st half year 2014	1 st half year 2013	Note
Sales of goods	1,388	4,915	(24)
Rendering of services	207,959	261,914	(24)
Revenues from sales and services	209,344	266,829	(24)
Other income	1,731	2,676	(25)
Total revenues	211,075	269,505	-
Costs of materials	(5,894)	(10,021)	(25)
Costs of external services	(114,183)	(123,186)	(25)
Salaries, wages and employee benefits	(49,983)	(53,906)	(25)
Valuation adjustments	(11,282)	(19,897)	(11)
Provisions to reserves for risks and charges, net	(719)	(1,909)	(20;21)
Other operating expenses	(1,990)	(2,070)	
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	27,024	58,516	
Amortization, depreciation and write-down	(22,594)	(43,634)	(4-8)
Non-recurring costs, net	(876)	(40,159)	(25)
Restructuring costs, net	(730)	(1,267)	(25)
Operating result	2,824	(26,544)	
Interest expense	(67,095)	(65,797)	(26)
Interest income	1,220	941	(26)
Gains (losses) from subsidiaries disposal	(2,648)	-	(27)
Profit (loss) before income taxes	(65,699)	(91,400)	
Income taxes for the year	(2,491)	(1,767)	(28)
Profit (loss) on continuing operations	(68,190)	(93,167)	
Profit (loss) from non-current assets held for sale and discontinued operations	(278)	(9,077)	(29)
Profit (loss) for the period	(68,468)	(102,244)	
- of which pertaining to the Group	(68,387)	(101,368)	
- of which non-controlling interests	(81)	(876)	

		As at 06.30.2014	As at 06.30.2013
Number of Seat Pagine Gialle S.p.A. shares		16,066,893,331	16,066,893,331
- <i>ordinary shares</i>	<i>n.</i>	16,066,212,958	16,066,212,958
- <i>savings shares</i>	<i>n.</i>	680,373	680,373
<i>weighted average shares outstanding</i>		16,066,893,331	16,066,893,331
Profit (loss) on continuing operations of the Group	€/thousand	(68,166)	(93,151)
Profit (loss) from non-current assets held for sale and discontinued operations of the Group	€/thousand	(221)	(8,217)
Profit (loss) par share from continuing operations of the Group	€	(0.004)	(0.006)
Profit (loss) par share from non-current assets held for sale and discontinued operations of the Group	€	(0.00001)	(0.001)

Consolidated statement of comprehensive income for the first half of 2014

<i>(euro/thousand)</i>	1 st half year 2014	1 st half year 2013
Profit (loss) for the period	(68,468)	(102,244)
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss):</i>		
Actuarial gain (loss)	(775)	422
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss)	(775)	422
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss):</i>		
Profit (loss) from fair-value measurement of AFS securities	(50)	-
Profit (loss) from translation of accounts of foreign subsidiaries	46	349
Other movements	9	(4)
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss)	5	345
Total other comprehensive income (loss), net of tax effect	(770)	767
Total comprehensive income (loss) for the period	(69,238)	(101,447)
- of which pertaining to the Group	(69,157)	(100,601)
- of which non-controlling interests	(81)	(876)

Consolidated statement of cash flows for the first half of 2014 \

<i>(euro/thousand)</i>		1 st half year 2014	1 st half year 2013	Note
Cash inflow (outflow) from operating activities				
Operating result		2,824	(26,544)	
Amortization, depreciation and write-down		22,594	43,634	(4)-(6)-(7)-(8)
(Gain) loss on disposal of non-current assets		3	3	
Change in working capital		(35,006)	82,394	
Income taxes paid		(1,587)	(264)	
Change in non-current liabilities		(869)	(1,277)	
Foreign exchange adjustments and other movements		(3)	106	
Cash inflow (outflow) from operating activities	(A)	(12,044)	98,052	
Cash inflow (outflow) for investments				
Purchase of intangible assets with finite useful life		(12,458)	(13,239)	(6)
Purchase of property, plant and equipment		(1,120)	(1,270)	(7)
Other investments		(5,375)	47	
Proceeds from disposal of non-current assets		16	12	
Cash inflow (outflow) for investments	(B)	(18,937)	(14,450)	
Cash inflow (outflow) for financing				
Repayment of non-current loans		(1,894)	(1,398)	
Paid interest expense, net		670	713	
Change in financial asset and liabilities		898	14	
Cash inflow (outflow) for financing	(C)	(326)	(671)	
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(D)	(7,040)	(68,224)	(29)
Increase (decrease) in cash and cash equivalents in the period	(A+B+C+D)	(38,347)	14,707	
Cash and cash equivalents on continuing operations of the Group at beginning of the period				
	(E)	196,426	199,659	(16)
Cash and cash equivalents of discontinued operations at beginning of the period				
	(F)	11,029		
Cash and cash equivalents at beginning of the period	(G)=(E)+(F)	207,455	199,659	
Cash and cash equivalents on continuing operations of the Group at end of the period				
	(H)	165,119	183,037	(16)
Cash and cash equivalents of discontinued operations at end of the period				
	(I)	3,989	31,329	
Cash and cash equivalents at end of the period	(L)=(H)+(I)	169,108	214,366	

Statement of changes in consolidated equity between December 31, 2013 and June 30, 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 period	Totale	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	-	-	-
Dividendi distribuiti	-	-	-	-	-	-	-	-	-	(1,730)	(1,730)
Total other comprehensive profit (loss) for the period	-	-	46	(773)	-	-	(32)	(68,387)	(69,146)	(92)	(69,238)
Other movements	-	-	-	-	-	-	12	-	12	2	14
As at 06.30.2014	450,266	466,847	47	(1,095)	669,829	20,196	(2,949,744)	(68,387)	(1,412,041)	17,659	(1,394,382)

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

	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 period	Totale	Non-controlling interests	Total
<i>(euro/thousand)</i>											
As at 12.31.2012	450,266	466,847	43	(1,096)	669,572	20,196	(1,559,567)	(1,042,721)	(996,460)	28,309	(968,151)
Allocation of previous year profit (loss)	-	-	-	-	-	-	(1,042,721)	1,042,721	-	-	-
Total other comprehensive profit (loss) for the period	-	-	349	423	-	-	-	(101,368)	(100,596)	(876)	(101,472)
Other movements	-	-	-	(1)	-	-	(2)	-	(3)	(1)	(4)
As at 06.30.2013	450,266	466,847	392	(674)	669,572	20,196	(2,602,290)	(101,368)	(1,097,059)	27,432	(1,069,627)

Accounting standards and explanatory notes

1. Company information

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. The Parent Company, Seat Pagine Gialle S.p.A., has its registered office in Milan at Via Grosio 10/4, with its secondary site in Turin at Corso Mortara 22, and has a share capital of €450,266 thousand (notwithstanding the resolutions passed by the Extraordinary Shareholders' Meeting of March 4, 2014, as described under the heading "Main events in the first half of 2014"). The Group's main activities are described in the Report on operations, under the heading "Financial performance by Business Area".

2. Basis of presentation

The condensed consolidated half-year financial statements at June 30, 2014 were produced pursuant to article 154-ter of Legislative Decree 58/98 and prepared in compliance with the applicable IAS/IFRS recognized by the European Union under Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular IAS 34 – Interim Financial Reporting – as well as the implementing measures of article 9 of Legislative Decree 38/2005. They do not include all the information required in the annual consolidated financial statements, and therefore should be read in conjunction with the consolidated financial statements of the Seat Pagine Gialle Group for 2013.

The Seat Pagine Gialle Group adopted IAS/IFRS in compliance with Regulation (EC) No 1606 of July 19, 2002.

The condensed consolidated half-year financial statements were drawn up based on the historical cost principle, except for pension fund assets and financial assets held for sale, which were recorded at fair value if applicable.

The measurement criteria used to prepare the condensed consolidated half-year financial statements at June 30, 2014 are the same as those used to draw up the consolidated financial statements as at December 31, 2013. Therefore, the information provided in the consolidated half-year financial statements should be read in conjunction with the IFRS consolidated financial statements as at December 31, 2013, which should be referred to for further information. Please see section 3.1 below for information concerning the international accounting standards applicable as of 2014, which did not impact the Group.

The financial statement formats adopted are in line with those provided for by IAS 1. Specifically:

- *the consolidated statement of financial position* was prepared by classifying assets and liabilities as "current/non-current" and showing "Non-current assets/liabilities held for sale/discontinued operations" as two separate items, as required by IFRS 5;

- *the consolidated income statement of operations* was prepared by classifying operating costs by type, as this is considered the best way to present the Group's activities and complies with internal reporting methods. The result from continuing operations is separated from "Net profit/(loss) from non-current assets held for sale/discontinued operations", as required by IFRS 5. In accordance with Consob Resolution 15519 of July 27, 2006, income and expenses from non-recurring operations were specifically identified in the statement of operations classified by type, showing their effect on the operating result.

Non-recurring income and expenses include cases which, by their nature, do not occur continuously in the normal course of operations, such as:

- corporate restructuring costs;

- extraordinary and highly strategic consultancy (relating mainly to identifying and implementing solutions for the financial restructuring);

- costs linked to director and department manager severance pay;

- *the consolidated statement of comprehensive income* shows the cost and/or revenue items not yet recognized in the statement of operations with an impact on Group equity as at the reporting date;

- *the consolidated statement of cash flows* was prepared by recording cash flows from operating activities according to the "indirect method," as allowed by IAS 7, showing cash flows from operating, investment and financial activities separately from those from non-current assets held for sale/discontinued operations.

The cash and cash equivalents recorded in the financial statements include cash, checks, bank overdrafts and short-term securities that are readily convertible into cash. Cash flows from operating activities were recorded by adjusting the operating result for the year to take into account the effects of non-monetary transactions, any

deferment or setting aside of previous or future operating collections or payments, and revenue or cost items connected with cash flows from investment or financial activities or relating to non-current assets held for sale/discontinued operations.

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

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

On August 5, 2014, the Board of Directors authorized the publication of the Seat Pagine Gialle Group's condensed consolidated half-year financial statements at June 30, 2014.

2.1 Assessment of business continuity

In accordance with the provisions of Banca d'Italia-Consob-Isvap joint document no. 2 of February 6, 2009, and just as it did for the 2013 and 2012 Annual Reports, when it approved this Half-Year Report, the Board of Directors had to perform the necessary checks on the Company's ability to continue as a going concern, taking into account all available information on the foreseeable future, i.e. at least the 12 months following the reporting date (although the Board considers it preferable to consider a period of 18 months, i.e. up to December 31, 2015). These evaluations have been conducted at the time of approval of all annual and interim reports with special attention since the initiation of the composition with creditors procedures.

Even prior to the approval of the 2012 Annual Reports, the Board of Directors had acknowledged the critical outlook, and in February 2013 it decided to initiate the composition with creditors procedure.

Although the 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.

At the date of approval of this report, the directors believe that the Company's ability to continue to operate in the foreseeable future continues to hinge on the success of the procedure and the execution of the provisions of the proposed agreement with creditors. In this regard, the directors note that some fundamental and particularly critical steps of the procedure have been taken, such as the passing of resolutions by the Shareholders' Meeting on

March 4, 2014 in order to implement the proposed agreement with creditors and the positive results of the creditors' meeting held on July 10, 2014. In addition, as reported in other sections of this report (Report on operations – Introduction and Outlook sections), the commercial, economic and financial trends of the first half of 2014 essentially confirm the forecasts established in the plan underlying the proposed agreement with creditors, and make it reasonable to believe at this point that the targets for 2014 can be reached and therefore that the proposed agreement can be carried out. In light of this, the directors believe that although the macroeconomic environment remains difficult, the last step to be taken to be certain about the Company's ability to continue operating as a going concern is the approval of the agreement with creditors and the resulting execution of the proposals, which will also re-establish positive equity for the Company SEAT PG S.p.A. and its operating subsidiary SEAT PG Italia S.p.A. In this regard, since the Company is unaware of any facts or elements that would make it possible to expect that the approval will not take place, the directors believe that there are no significant doubts to be considered in evaluating the Company's ability to continue to operate as a going concern.

On the basis of 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 2014 Half-Year Report on the assumption of the Company's ability to continue as a going concern.

2.2 Consolidation principles

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

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

The following principles of consolidation were also used:

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

Associates and joint ventures are consolidated using the equity method.

The acquisition of new subsidiaries is accounted for using the 'acquisition method', measuring the cost of the business combination as the acquisition-date fair value of the assets, liabilities and contingent liabilities acquired and assumed. For acquisition during the first half, the condensed consolidated financial statements include the result of these companies for the period from the date of acquisition until the end of June.

Non-controlling interests represent the portion of the economic result and equity of the subsidiaries not held by the Group. These are presented separately from the portions pertaining to the Group in the consolidated

statement of operations and equity. Half-year financial statements for subsidiaries that are not euro-denominated are translated into euros by applying period-end exchange rates (current exchange rate method) to statement of financial position items and average exchange rates for the period to statement of operations items. Translation differences arising from the conversion of opening equity and of closing profit/loss are recognized in equity until the disposal of the equity investment concerned. The consolidated statements of cash flows apply average exchange rates for the period to the conversion of the cash flows of foreign subsidiaries.

The exchange rates used are as follows:

<i>Currency/euro</i>	Average exchange rate 1 st half year 2014	Exchange rate as at June 30, 2014	Average exchange rate 1 st half year 2013	Exchange rate as at June 30, 2013
Pound sterling	1.2441	1.2495	1.1753	1.1666

2.3 Accounting estimates and assumptions

Preparing the condensed consolidated half-year financial statements and the corresponding explanatory notes in accordance with IAS/IFRS requires managers to make estimates and assumptions that affect revenue, cost, asset and liability items on the statement of financial position, and also affect disclosure relating to contingent assets and liabilities at the reporting date.

The results produced may differ from these estimates.

The estimates are used to measure provisions for risks on receivables and errors, amortization and depreciation, asset write-downs, employee benefits, current and deferred taxes, restructuring reserves, and other provisions and reserves.

The estimates and assumptions are reviewed periodically, and the effects of each change are immediately reflected in the statement of operations. These valuations and estimates must be considered together with the preparation criteria described in more detail in Note 2.

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

3.1 Accounting principles, amendments and interpretations applicable from January 1, 2014

On May 12, 2011, the IASB issued IFRS 10 "Consolidated Financial Statements", which replaced SIC 12 "Consolidation: Special Purpose Entities" and parts of IAS 27 "Consolidated and Separate Financial Statements". The latter was renamed "Separate Financial Statements" and now governs only the accounting methods applicable to equity investments in separate financial statements. In addition to redefining the concept of control, the new principle provides a guide for determining the existence of control where it is difficult to ascertain. The adoption of this principle did not have any impact for the Group.

On May 12, 2011, the IASB issued IFRS 11 "Joint Arrangements", which replaced IAS 31 "Interests in Joint Ventures" and SIC 13 "Jointly Controlled Entities: Non-Monetary Contributions by Venturers". The new principle provides the criteria for identifying the essence of the arrangement with regard to the underlying rights and obligations, rather than the legal form, and stipulates that the equity method is the only accounting method that may be used for investments in jointly controlled companies in the consolidated financial statements. The adoption of this principle did not have any impact for the Group.

On May 12, 2011 the IASB issued IFRS 12 "Disclosure of Interests in Other Entities", a new and supplementary principle on the additional information to be supplied on each type of investment, including those in subsidiaries, joint arrangements, associates, special-purpose entities and other non-consolidated special-purpose vehicles. The required disclosure will be provided in the notes to the annual consolidated financial statements. Therefore, the introduction of this new principle did not have any impact on the disclosure provided in this report.

On May 12, 2011, the IASB issued the amended version of IAS 28 "Investments in Associates and Joint Ventures", which incorporates the updated classification of joint arrangements introduced by IFRS 11 and describes how to account for investments in associates and the requirements for the application of the equity method in accounting for equity investments in associates and joint ventures. The adoption of this principle did not have any impact for the Group.

On December 16, 2011, the IASB issued a number of amendments to IAS 32 "Financial Instruments: Presentation" in order to clarify the application of some criteria concerning the offsetting of financial assets and liabilities established in IAS 32. The adoption of this principle did not have any impact for the Group.

On May 29, 2013, the IASB issued an amendment to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets", which governs the disclosures to be provided on the recoverable amount of impaired assets if that amount is based on fair value less sale costs. The adoption of this amendment did not have significant impacts for the Group. On June 27, 2013, the IASB issued a number of amendments to IAS 39 "Financial Instruments: Recognition and Measurement", entitled "Novation of derivatives and continuation of hedge accounting". The amendments allow the continuation of hedge accounting when a hedging instrument is required to be novated as a result of laws or regulations in order to replace the original counterparty to ensure that the obligation is fulfilled, and provided certain criteria are met. The same amendment will also be incorporated into IFRS 9 "Financial Instruments". The amendments must be applied retroactively to financial years beginning on or after January 1, 2014. This principle is currently not applicable to the Group's financial statements.

On May 20, 2013, the IASB published IFRIC 21 "Levies", an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" effective as of January 1, 2014, which lays out recognition criteria for liabilities for taxes other than income taxes. In particular, it establishes which event gives rise to the obligation and when the liability should be recognized. The adoption of this interpretation had no effect on these consolidated interim financial statements.

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

When these consolidated interim financial statements were prepared, the competent bodies of the European Union had not yet concluded the approval process necessary for the adoption of a series of accounting principles, amendments and interpretations, which are listed below.

- IFRS 9 "Financial Instruments" applicable from January 1, 2018;
- IFRS 14 "Regulatory Deferral Accounts" applicable from January 1, 2016;
- IFRS 15 "Revenue from Contracts with Customers" applicable from January 1, 2017;
- amendments to IAS 16 and IAS 41 applicable from January 1, 2016;
- amendments to IAS 16 and IAS 38 "Clarification of Acceptable Methods of Depreciation and Amortization" applicable from January 1, 2016;
- amendments to IFRS 11 "Accounting for Acquisitions of Interests in Joint Operations" applicable from January 1, 2016;

- amendments to IAS 19 "Defined Benefit Plans: Employee Contributions" applicable from January 1, 2015;
- improvements to IFRSs (2010-2012 cycle) applicable from January 1, 2015;
- improvements to IFRSs (2011-2013 cycle) applicable from January 1, 2015.

The Group will adopt these new principles, amendments and interpretations on the required date of application and will assess their potential impacts when they are endorsed by the European Union.

3.3 Accounting principles applied to the acquisition of Glamoo Ltd: IFRS 3 "Business Combinations"

Accounting treatment of the acquisition

The acquisition of 100% of Glamoo Ltd was completed on June 20, 2014. This company holds 100% of the shares of Glamoo S.r.l., a company that sells products and coupons online in Italy and has had a commercial partnership with SEAT PG since 2011. This transaction, authorized by the competent bodies of the ongoing composition with creditors procedure, is part of the "Search for new growth opportunities" action set forth in the strategic guidelines of the SEAT PG

Group's business plan underlying that procedure.

The transaction was accounted for in compliance with IFRS 3 "Business Combinations", using the financial position as at May 31, 2014 as a reference. The purchase cost was established at €4.0 million on the basis of the Share Transfer Agreement and evaluations conducted.

Provisional goodwill calculation

In accounting for the acquisition, the fair value of the assets acquired and the liabilities assumed was calculated provisionally. As a result, the amount of goodwill, i.e., the difference between the purchase cost and the fair value of assets net of liabilities, was as well. Definitive calculations of the fair value of the assets acquired and liabilities assumed, and of the resulting goodwill, are still ongoing. In particular, paragraph 45 of IFRS 3 establishes a period of twelve months from the acquisition date to complete the final measurement of the fair value of the assets and liabilities and the relative goodwill.

Therefore, the purchase price allocation ("PPA") process will presumably be completed when the consolidated financial statements as at December 31, 2014 are prepared.

The table below shows how provisional goodwill was calculated:

	Euro million
Purchase cost	4.0
	<i>Fair value of activities</i> 3.6
	<i>Fair value of liabilities</i> (4.1)
<i>Net Fair value of activities and liabilities at Acquisition date</i>	(0.5)
Temporary goodwill	4.5

4. Intangible assets with an indefinite useful life

Intangible assets with an indefinite useful life totaled € 4,495 thousand as at June 30, 2014, relating to the residual goodwill provisionally recognized following the acquisition of 100% of Glamoo Ltd, accounted for in accordance with IFRS 3.

5. Impairment tests

Following the write-downs recorded in the 2013 financial statements based on the impairment tests, the financial statements as at June 30, 2014 include intangible assets with a finite useful life, particularly relating to customer relationship assets, amounting to € 27,187 thousand and provisional goodwill recognized for the acquisition of Glamoo Ltd of € 4,495 thousand.

As regards provisional goodwill, recognized in accordance with IFRS 3, there are no internal or external indicators of impairment that would make an early recognition of impairment necessary.

Pursuant to IAS 36, intangible assets with a finite useful life must be tested for impairment at the end of each quarter if specific events or circumstances that may give rise to impairment take place. In particular, information from external as well as internal sources must be considered when assessing whether an asset may be impaired.

For this purpose, it should be noted that the above intangible assets are amortized in order to systematically recognize their loss of value over time, so any additional

write-downs for impairment may be recorded only if forecast cash flows and the operating parameters on which the measurement of these assets is based are extremely negative. At June 30, 2014, no indicators of impairment have been identified on the basis of market interest rate trends and other financial parameters. Likewise, for Seat Pagine Gialle Italia S.p.A., which has recognized customer relationship assets of € 25,942 thousand, overall performance in the first half in terms of results and order trends is in line with the corresponding forecasts, as described in the Report on operations (Introduction and Outlook sections).

These checks did not reveal any specific events or circumstances that may give rise to impairment of these intangible assets, and therefore impairment tests were not carried out on the assets in question.

In any event, these trends will continue to be monitored closely in the coming months with a view to promptly identifying any elements that could give rise to the need for impairment tests.

6. Intangible assets with a finite useful life

Intangible assets with a finite useful life totaled € 124,976 thousand as at June 30, 2014 and can be broken down as follows:

(euro/thousand)	1 st half year 2014				Total
	Marketing related intangibles assets	Software	Patents, concessions, brands and licences	Other intangible assets	
Cost	81,495	288,246	74,833	24,679	469,253
Accrued amortization	(52,432)	(249,760)	(21,773)	(14,950)	(338,915)
Balance at beginning of the period	29,063	38,486	53,060	9,729	130,338
- Investments	-	9,760	61	2,637	12,458
- Purchases	-	8,166	61	1,562	9,789
- Capitalized costs	-	1,594	-	1,075	2,669
- Amortization	(1,876)	(13,341)	(2,115)	(487)	(17,819)
- Write-downs	-	(563)	-	(371)	(934)
- Change in consolidation scope (*)	-	932	-	-	932
- Other movements	-	5,716	13	(5,728)	1
Cost	81,495	303,364	74,907	20,419	480,185
Accrued amortization	(54,308)	(262,374)	(23,888)	(14,639)	(355,209)
Balance at end of the period	27,187	40,990	51,019	5,780	124,976

(*) It includes Glamoo Ltd and Glamoo S.r.l.

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

- *marketing-related intangible assets* totaled € 27,187 thousand as at June 30, 2014 and related to customer relationship assets. In the first half of 2014, this item decreased as a result of the share of amortization for the period, which came to €1,876 thousand;
- *software* totaled € 40,990 thousand as at June 30, 2014 (€ 38,486 thousand as at December 31, 2013), and includes costs relating to acquisitions from third parties and the internal creation of proprietary programs and programs under license, used mainly to improve the algorithms used by search engines to support the new

online&mobile commercial offering. Investments of € 9,760 thousand were made during the first half, specifically to support the new online&mobile commercial offering of Seat Pagine Gialle Italia S.p.A.;

- *patents, concessions, trademarks and licenses* totaled €51,019 thousand as at June 30, 2014 (€ 53,060 thousand as at December 31, 2013). During the first half, these assets were amortized in the amount of € 2,115 thousand;
- *other intangible assets* totaled € 5,780 thousand as at June 30, 2014 (€ 9,729 thousand as at December 31, 2013), referring mainly to software designs in progress.

	1 st half year 2014	1 st half year 2013
Marketing related intangible assets	7-10%	7-10%
Software	33-50%	33-50%
Other intangible assets	20%	20%

7. Property, plant and equipment

Property, plant and equipment totaled €11,319 thousand as at June 30, 2014.

This item was recorded net of reserves for depreciation

totaling €51,078 thousand as at the end of the period, which as a proportion of the gross value was 81.86%.

These break down as follows:

(euro/thousand)	1 st half year 2014			Total
	Property	Plant and equipment	Other fixed assets	
<i>Cost</i>	2,653	7,173	51,632	61,458
<i>Accrued amortization</i>	(1,506)	(5,394)	(41,814)	(48,714)
Balance at beginning of the period	1,147	1,779	9,818	12,744
- Investments	412	26	682	1,120
- Amortization and write downs	(253)	(304)	(2,019)	(2,576)
- Change in consolidation scope (*)	-	11	34	45
- Disposal and other movements	-	46	(60)	(14)
<i>Cost</i>	3,065	7,267	52,065	62,397
<i>Accrued amortization</i>	(1,759)	(5,709)	(43,610)	(51,078)
Balance at end of the period	1,306	1,558	8,455	11,319

(*) It includes Glamoo Ltd and Glamoo S.r.l.

Property, plant and equipment include:

- *property* worth € 1,306 thousand as at June 30, 2014 (€ 1,147 as at December 31, 2013). Investments made during the first half amounted to €412 thousand, and the assets were depreciated in the amount of € 253 thousand;
- *plant and equipment* worth €1,558 thousand as at June 30, 2014 (€ 1,779 thousand as at December 31, 2013). This item decreased mainly as a result of depreciation for the period, which came to € 304 thousand;
- *other fixed assets* worth € 8,455 thousand as at June 30, 2014, of which € 6,658 thousand related to computer systems and equipment. Investments during the period amounted to €682 thousand, of which € 417 thousand related to Seat Pagine Gialle Italia S.p.A., primarily for sales area technological upgrades in line with the New Sales Model.

Capital expenditure totaled € 13,578 thousand and covered the following business areas:

- the SEAT Business Area (€ 12,078 thousand in the first half of 2014):
 - improvements to online and mobile platforms, relating

to structural updates to improve the performance of the integration between the various systems and developments that enable customers to use Content Management Systems for real-time updating and the publication of content;

- improvements to commercial online products, relating mainly to product development, the optimization of mobile graphic design, developments for the new range of websites, smart sites and the WiFi offering;
- commercial and publishing improvements to upgrade the systems and adapt them to new product ranges;
- acquisition of software to be used for technological updates for agents and employees;
- Consodata S.p.A. (€ 1,431 thousand) for investments aimed at the development of software platforms, database enrichment, the acquisition of databases and the upgrading of production and service provision IT platforms.

The current reserves for depreciation (€ 51,078 thousand) are considered to be adequate, for each fixed-asset class, to cover the depreciation of the assets in relation to their estimated residual useful life.

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

	1 st half year 2014	1 st half year 2013
Property	3%	3%
Plant and equipment	10-25%	10-25%
Other fixed assets	10-40%	10-40%

8. Leased assets

Leased assets amounted to € 26,038 thousand as at June 30, 2014, relating to the real-estate complex where

Seat Pagine Gialle Italia S.p.A. has its offices in Turin.

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

<i>(euro/thousand)</i>	1 st half year 2014				Total
	Leased land	Leased property	Leased plant	Other leased assets	
Cost	5,170	33,076	16,524	3,739	58,509
Accrued amortization	-	(17,874)	(11,026)	(2,306)	(31,206)
Balance at beginning of the period	5,170	15,202	5,498	1,433	27,303
- Amortization and write downs	-	(496)	(555)	(214)	(1,265)
Cost	5,170	33,076	16,524	3,739	58,509
Accrued amortization	-	(18,370)	(11,581)	(2,520)	(32,471)
Balance at end of the period	5,170	14,706	4,943	1,219	26,038

9. Other non-current financial assets

Other non-current financial assets totaled €915 thousand as at June 30, 2014 (€ 1,015 thousand as at December 31, 2013), and include, in particular:

- loans to employees worth € 394 thousand, issued at

market rates for transactions of this kind;

- assets held for sale worth €111 thousand, including € 110 thousand relating to the 2.2% stake held in Emittenti Titoli S.p.A.

10. Inventories

The value of inventories can be broken down as follows:

(euro/thousand)	1 st half year 2014				
	Raw material, Merchandising suppliers and products consumables	Work in progress and semi-finished goods	Finished goods	Total	
Balance at beginning of the period	2,953	-	1,357	148	4,458
Increase (decrease)	1,276	1,616	422	5	3,319
(Provision) Release in the income statement	-	(250)	-	-	(250)
Change in consolidation scope*	-	62	-	-	62
Balance at end of the period	4,229	1,428	1,779	153	7,589

(*) It includes Glamoo Ltd and Glamoo S.r.l.

As at June 30, 2014, inventories amounted to € 7,589 thousand (€ 4,458 thousand as at December 31, 2013). Raw materials and consumables refer to inventories

relating to Seat Pagine Gialle Italia S.p.A. print products. Products for resale refer to the merchandising of products acquired for resale.

11. Trade receivables

(euro/thousand)	1 st half year 2014		
	Trade receivables	Allowance for doubtful trade receivables	Net value
Balance at beginning of the period	325,674	(95,859)	229,815
Provision in the income statement	-	(11,475)	(11,475)
Utilization	-	12,957	12,957
Other movements	(40,807)	235	(40,572)
Change in consolidation scope (*)	63	-	63
Balance at end of the period	284,930	(94,142)	190,788

(*) It includes Glamoo Ltd and Glamoo S.r.l.

Trade receivables, net of provisions for doubtful receivables, totaled € 190,788 thousand as at June 30, 2014. The *allowance for doubtful receivables* totaled € 94,142 thousand as at June 30, 2014 (€ 95,859 thousand as at December 31, 2013), including € 93,950 thousand relating to Seat Pagine Gialle Italia, and is considered to be adequate to cover expected losses.

During the course of the first half of 2014, € 12,957

thousand was drawn down from the allowance (of which € 12,818 thousand related to Seat Pagine Gialle Italia S.p.A.), and a provision of € 11,475 thousand was added to it, meaning that the coverage of overdue receivables remained adequate. The € 40,807 thousand difference in trade receivables reflects invoice and collection trends linked to business performance.

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

12. Other assets (current and non-current)

Other assets (current and non-current) totaled € 51,286 thousand as at June 30, 2014, against €44,918 thousand as at December 31, 2013, and can be broken down as follows:

(euro/thousand)	As at 06.30.2014	As at 12.31.2013	Change
Advances on sales commissions and other receivables from agents	20,651	18,343	2,308
Prepaid expenses	13,143	9,456	3,687
Advances to suppliers	4,623	6,200	(1,577)
Other receivables	7,068	5,057	2,011
Total other current assets	45,485	39,056	6,429
Other non-current assets	5,801	5,862	(61)
Total other current assets and non-current assets	51,286	44,918	6,368

To be more specific:

- *advances on sales commission and other receivables from agents* totaled € 20,651 thousand as at June 30, 2014 (€ 18,343 thousand as at December 31, 2013) and were recorded net of the allowance for doubtful receivables totaling €1,497 thousand as at June 30, 2014 (€ 1,510 thousand as at December 31, 2013). The item includes €40 thousand of receivables with a maturity of over 12 months, which are classified under "Other current assets", since they fall within the normal company operating cycle. These receivables were discounted using an average market rate for receivables with the same maturity;
- *prepaid expenses* as at June 30, 2014 totaled € 13,143 thousand (€ 9,456 thousand as at December 30, 2013); this item includes the deferment of direct production costs with the same frequency with which the corresponding revenue is recorded in the statement of operations;
- *advances to suppliers* totaled € 4,623 thousand as at June 30, 2014 (€ 6,200 thousand as at December 31, 2013) and includes €1,696 thousand of advances paid to the printing company Rotosud S.p.A. (€ 1,923 thousand as at December 31, 2013).
- *other receivables* of € 7,068 thousand as at June 30, 2014 (€ 5,057 thousand as at December 31, 2013) included receivables from the social security authority (INPS) of € 1,047 thousand for Seat Pagine Gialle S.p.A. and € 868 thousand for Seat Pagine Gialle Italia S.p.A., and receivables of € 942 thousand due from Engineering;
- *other non-current assets* totaled € 5,801 thousand, and included tax receivables of € 4,518 thousand for excess corporation tax (IRES) paid for fiscal periods prior to 2012 as a result of the failure to deduct regional production tax (IRAP) relating to staff and similar expenses that were recognized in 2013 in accordance with the available official interpretations.

13. Equity

Equity can be broken down as follows:

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Share capital	450,266	450,266	-
- <i>ordinary shares</i>	450,247	450,247	-
- <i>savings shares</i>	19	19	-
Additional paid-in capital	466,847	466,847	-
Reserve for foreign exchange adjustments	47	1	46
Reserve for actuarial gains (losses)	(1,095)	(322)	(773)
Other reserves	(2,259,719)	(1,912,096)	(347,623)
- <i>Reserve for transition to IAS/IFRS</i>	161,656	161,656	-
- <i>Reserve for Purchase Price Allocation</i>	669,829	669,829	-
- <i>Retained earnings (losses)</i>	(3,091,204)	(2,743,581)	(347,623)
Profit (loss) for the period	(68,387)	(347,603)	279,216
Total equity of the Group	(1,412,041)	(1,342,907)	(69,134)
Share capital and reserves	17,740	19,676	(1,936)
Profit (loss) for the period	(81)	(197)	116
Total non-controlling interests	17,659	19,479	(1,820)
Total equity	(1,394,382)	(1,323,428)	(70,954)

Share capital

Share capital totaled € 450,266 thousand as at June 30, 2014, unchanged from December 31, 2013.

As at June 30, 2014, the share capital comprised 16,066,212,958 ordinary shares and 680,373 savings shares. None of the shares has a nominal value.

Of the share capital, €13,741 thousand was subject to taxation in case of distribution. Deferred tax liabilities were not calculated on this amount, since Seat Pagine Gialle S.p.A. is not planning to pay it out.

Additional paid-in capital

Additional paid-in capital totaled € 466,847 thousand as at June 30, 2014, unchanged from December 31, 2013.

Of this amount, € 142,619 thousand was considered to be subject to taxation in case of distribution due to the realignment carried out in 2005 between the book value and the tax value of the customer database, pursuant to Law 342/2000. Deferred tax liabilities were not calculated on this amount, since the Parent Company is not planning to pay it out.

Reserve for foreign-exchange adjustments

The reserve for foreign-exchange adjustments was € 47 thousand as at June 30, 2014, and relates to the consolidation of the balances of the UK subsidiary Glamoo Ltd.

Reserve for actuarial gains (losses)

The reserve for actuarial gains (losses) amounted to a negative balance of € 1,095 thousand (€ 322 thousand as at December 31, 2013) and included the effect of recording actuarial gains (losses) on defined-benefit plans (for Italian companies, the reserve for severance indemnities) due to their recognition in the financial statements pursuant to IAS 19, paragraph 93A. For more details on how these amounts were determined, see Note 19.

Other reserves

Other reserves amounted to a negative balance of € 2,259,719 thousand as at June 30, 2014 (€ 1,912,096 thousand as at December 31, 2013) and refer to:

- *the reserve for adoption* of IAS/IFRS, which totaled € 161,656 thousand as at June 30, 2014;
- *the purchase price allocation reserve*, which totaled € 669,829 thousand as at June 30, 2014 and was recorded following the allocation to assets and liabilities of the fair value (purchase cost), net of tax effect, at the time of the transfer from September 1, 2012;
- *other reserves and retained earnings/(losses)*, which showed a negative balance of € 3,091,204 thousand (€ 2,743,581 thousand as at December 31, 2013) and included the Seat Pagine Gialle S.p.A. legal reserve (€ 50,070 thousand).

14. Other comprehensive profit/(loss)

<i>(euro/thousand)</i>	1 st half year 2014	1 st half year 2013
<i>Other comprehensive income (expense) that will not be reclassified subsequently to profit (loss):</i>		
Actuarial gains (loss)	(1,066)	544
Tax effect of actuarial gain (loss)	291	(122)
Total other comprehensive income (expense) that will not be reclassified subsequently to profit (loss)	(775)	422
<i>Other comprehensive income (expense) that will be reclassified subsequently to profit (loss):</i>		
Profit (loss) for foreign exchange adjustments	46	349
Loss (profit) for foreign exchange adjustments reclassified to income statement	-	-
Profit (loss) from fair-value measurement of AFS securities	(50)	-
Other movements in the period	9	(4)
Total other comprehensive income (expense) that will be reclassified subsequently to profit (loss)	5	345
Total other comprehensive profit (loss), net of tax effect	(770)	767

15. Profit/(loss) per share

Profit/(loss) per share is calculated by dividing the economic result by the average number of shares in circulation throughout the period.

Pursuant to IAS 33, the diluted profit per share was not calculated, since there are no outstanding options.

		As at 06.30.2014	As at 06.30.2013
Number of Seat Pagine Gialle S.p.A. shares		16,066,893,331	16,066,893,331
- <i>ordinary shares</i>	<i>n.</i>	16,066,212,958	16,066,212,958
- <i>savings shares</i>	<i>n.</i>	680,373	680,373
<i>weighted average shares outstanding</i>	<i>n.</i>	16,066,893,331	16,066,893,331
Profit (loss) on continuing operations of the Group	€/thousand	(68,166)	(93,151)
Profit (loss) from non-current assets held for sale and discontinued operations of the Group	€/thousand	(221)	(8,217)
Profit (loss) par share from continuing operations of the Group	€	(0.004)	(0.006)
Profit (loss) par share from non-current assets held for sale and discontinued operations of the Group	€	(0.00001)	(0.001)

16. Net financial debt

As at June 30, 2014, net financial debt totaled €1,552,731 thousand (€1,459,929 as at December 31, 2013) and was structured as follows:

<i>(euro/thousand)</i>		As at 06.30.2014	As at 12.31.2013	Change
A	Cash	165,119	196,426	(31,307)
B	Cash equivalent	-	-	-
C	Trading securities	-	-	-
D=(A+B+C) Liquidity		165,119	196,426	(31,307)
E.1	Current financial receivables from third parties	4,230	2,039	2,191
E.2	Current financial receivables from related parties	-	-	-
F	Current bank debt	723,404	703,435	19,969
G	Current portion of non-current debt	4,320	4,250	70
H.1	Other current financial debt to third parties	960,596	915,493	45,103
H.2	Other current financial debt to related parties	-	-	-
I=(F+G+H) Current financial debt		1,688,320	1,623,178	65,142
J=(I-E-D) Net current financial debt		1,518,971	1,424,713	94,258
K	Non-current bank debt	-	-	-
L	Bonds issued	-	-	-
M.1	Other non-current financial debt to third parties	33,760	35,216	(1,456)
M.2	Other non-current financial debt to related parties	-	-	-
N=(K+L+M) Non-current financial debt		33,760	35,216	(1,456)
O=(J+N) Net financial debt (ESMA)		1,552,731	1,459,929	92,802

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

Non-current financial debt

The item "Other non-current financial debt" totaled €33,760 thousand as at June 30, 2014 (€35,216 thousand as at December 31, 2013) and can be broken down as follows.

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Bond issued	-	-	-
Other non current loans to third parties	33,760	35,216	(1,456)
Non-current financial debt	33,760	35,216	(1,456)

Other non-current financial debt relates to the seven finance leases (six commencing in December 2008 and one at the end of October 2009) relating to the purchase of Seat Pagine Gialle Italia S.p.A.'s real-estate complex in Turin. These contracts will be repaid through the payment of 38 remaining installments on the contracts with effect from December 2008 and 42 remaining installments on the contract with effect from October 2009. All installments are quarterly deferred

installments subject to a floating interest rate equal to three-month Euribor plus a spread of around 65 basis points p.a. The residual value is fixed at around 1% of the value of the real-estate complex. Furthermore, by an order submitted on July 9, 2014 as part of the pending composition with creditors procedure, the Court of Turin authorized the cancellation of five of these seven lease agreements pursuant to article 169-bis of the Bankruptcy Act.

Current financial debt

This item amounted to €1,688,320 thousand as at June 30, 2014 (€1,623,178 thousand as at December 31, 2013) and can be broken down as follows:

(euro/thousand)	As at 06.30.2014	As at 12.31.2013	Change
Current financial debt to bank	723,404	703,435	19,969
Current portion of non-current debt	4,320	4,250	70
Other current financial debt to third parties	960,596	915,493	45,103
Current Financial Debt	1,688,320	1,623,178	65,142

It includes mainly:

- *Current bank debts*: € 723,404 thousand at June 30, 2014 (€ 703,435 thousand at December 31, 2013), which refers to debt on the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012, broken down as follows:

a) € 571,116 thousand relating to the term facility, which bears a floating interest rate equal to Euribor plus a spread of 5.4% p.a.;

b) € 90,000 thousand relating to the revolving line of credit aimed at covering the working capital requirements of Seat Pagine Gialle Italia S.p.A. and/or its subsidiaries, which bears a floating interest rate equal to Euribor plus the same spread used for the term facility;

c) € 62,180 thousand relating to accrued and unpaid interest expense on the term facility and the revolving facility.

Please note that, in a notification dated July 1, 2014, The Royal Bank of Scotland – as the fronting bank of the aforementioned loan, in relation to which that bank received financial support from third-party funders – notified the Company and Seat Pagine Gialle Italia S.p.A. that it had transferred the receivables associated with the aforementioned loan to the individual funders, pro rata, together with the relative accessory commitments and guarantees.

- *Current portion of non-current debt*: this totaled € 4,320 thousand as at June 30, 2014 (€ 4,250 thousand as at December 31, 2013) and refers to the current portion of the seven finance leases raised for the purchase of Seat Pagine Gialle Italia S.p.A.'s Turin real-estate complex; this figure includes the unpaid principal 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.

- *Other current financial debt to third parties*: €960,596 thousand at June 30, 2014 (€ 915,493 thousand at

December 31, 2013), referring primarily to € 797,050 thousand for the senior secured bonds issued (€ 779,445 thousand corresponding to the net value at issue plus €17,605 thousand relating to the total discount accrued at December 31, 2013) and € 163,448 thousand for the accrued interest payable, of which € 127,794 thousand was past due and unpaid. The three issues (two in 2010 and one in August 2012), with a combined nominal value of € 815,000 thousand, all mature on January 31, 2017, with a nominal rate of 10.5% to be paid half-yearly at the end of January and the end of July.

In light of the payment default in early 2013 simultaneous with the opening of the composition with creditors procedure, the debt for senior secured bonds and the entire debt on the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012 continue to be reclassified as current financial debt. The loan agreements contain an acceleration clause in the event of payment default, which is immediately and fully enforceable following the notification received from The Royal Bank of Scotland on June 27, 2014. The debts were thus classified as current in accordance with paragraph 74 of IAS 1.

Current financial assets

Current financial assets totaled € 4,230 thousand at June 30, 2014 (€ 2,039 thousand at December 31, 2013), referring mainly to financial receivables of € 3,995 thousand (€ 1,298 thousand as at December 31, 2013) and to loans to employees of € 235 thousand (€ 741 thousand as at December 31, 2013).

Cash and cash equivalents

Cash and cash equivalents totaled € 165,119 thousand as at June 30, 2014 (€ 196,426 thousand as at December 31, 2013) and refer mainly to Seat Pagine Gialle Italia S.p.A., in the amount of € 163,150 thousand.

17. Guarantees provided, main commitments and contractual rights

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

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

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

The Company and some of its subsidiaries have each given a personal guarantee in relation to this Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland plc on August 31, 2012, consisting of the fulfillment of all of Seat Pagine Gialle Italia S.p.A.'s obligations (capital, interest, accessory commitments and charges) arising from the loan agreement and from the related financial documentation. The guarantee given by the Company is up to a maximum of € 1,029,173,970.

The obligations arising from the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland plc on August 31, 2012 are also secured, *inter alia*, by pledges granted by the Company on shares in Seat Pagine Gialle Italia S.p.A. and other Seat Pagine Gialle Group companies; a pledge on the main proprietary trademarks of Seat Pagine Gialle Italia S.p.A.; a special lien pursuant to article 46 of Legislative Decree 385/1993 on fixed assets of Seat Pagine Gialle Italia S.p.A.; a pledge on current account credit balances of Seat Pagine Gialle

Italia S.p.A.; a fixed and floating charge under UK law on assets of TDL Infomedia and TDL 2013 Realisations Limited (formerly Thomson Directories Ltd); and a legal charge on a property belonging to TDL 2013 Realisations Limited (without prejudice, with regard to the latter guarantees, to the application of the appropriate rules for the administration procedure to which TDL Infomedia Ltd and TDL 2013 Realisations Limited are currently subject). These same guarantees, with the exception of the special lien and the legal charge, were also given equally in relation to the obligations arising from the senior secured bonds.

The lease agreements originally taken out by the Company with Leasint S.p.A., and the obligations arising therefrom, were transferred to Seat Pagine Gialle Italia S.p.A. as part of the transfer of the business unit. There is no specific guarantee against these obligations, although the leased properties are owned by Leasint S.p.A., which can therefore generate revenue from their sale should Seat Pagine Gialle Italia S.p.A. fail to fulfill said obligations. The Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland plc on August 31, 2012 requires that the SEAT Group comply with specific financial covenants, which are monitored quarterly and relate to the maintaining of certain ratios between: i) net financial debt and EBITDA; ii) EBITDA and interest on debt; and iii) cash flow and debt service (including interest and capital payable in each reference period).

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

The US-law indentures that govern the senior secured bonds also contain similar provisions.

With the Company and Seat Pagine Gialle Italia S.p.A. making ‘blank filings’ for a composition with creditors procedure pursuant to article 161, paragraph 6 of Royal Decree 267/1942, in accordance with the principle of equal treatment of creditors, no information has been provided to The Royal Bank of Scotland concerning compliance with the aforementioned financial covenants. Please note that, in a notification dated July 1, 2014, The

Royal Bank of Scotland – as the fronting bank of the aforementioned loan, in relation to which that bank received financial support from third-party funders – notified the Company and Seat Pagine Gialle Italia S.p.A.

that it had transferred the receivables associated with the aforementioned loan to the individual funders, pro rata, together with the relative accessory commitments and guarantees.

18. Information on financial risks

Market risk

In the normal course of business, the Seat Pagine Gialle Group is subject to interest rate risk. Specifically, this risk relates to the debt on the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012 as well as the debt owed to Leasint S.p.A. The Seat Pagine Gialle Group constantly monitors the financial risks to which it is exposed, in order to assess the potential negative effects of these risks in advance and take appropriate action to mitigate them. These risks are managed, where necessary, through the use of derivatives, in line with the Group's risk management policies. Within the framework of these policies, the use of derivatives is reserved for managing exposure to fluctuations in interest rates related to cash flows and assets and liabilities. No speculative transactions are carried out. In order to limit its exposure to interest rate risk, Seat Pagine Gialle S.p.A.

has taken out cash flow hedge instruments with leading international financial operators. All hedging instruments had been definitively settled as at the completion of the previous debt restructuring on September 6, 2012. Due to the high proportion of debt represented by fixed-rate loans, it was not considered necessary to take out any new hedging instruments. As regards the 2014-2016 three-year period, 73% of the total debt is fixed-rate debt.

Risk from high levels of financial debt

Whereas the debt on the senior secured bonds and the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012 was reclassified as current debt for presentation in the financial statements, the contractual maturities of the outstanding financial instruments are shown below:

(euro/thousand)	Due date - by						Total
	06.30.2015	06.30.2016	06.30.2017	06.30.2018	06.30.2019	Beyond five year	
Senior Secured Bond (*)	-	-	815,000	-	-	-	815,000
Term and Revolving Facilities Agreement (**)	197,500	463,616	-	-	-	-	661,116
Mediocredito Italiano S.p.A. (ex Leasint SpA) (***)	4,320	4,040	4,192	4,349	4,513	23,214	44,628
Total financial debt (gross value)	201,820	467,656	819,192	4,349	4,513	23,214	1,520,744

(*) In the consolidated financial statement, this item is shown net of the issue discount and amounts to €797,050 thousand.

(**) The Termination Date of the Revolving Facility is 12.28.2015 and the repayment is shown as at this date.

(***) In the consolidated financial statement, this item amounts to €38,080 thousand following alignment of the book value with the fair value.

Liquidity risk – obtaining of financial resources

The financial shortfall predicted in January 2013, shortly after the appointment of the new Board of Directors, and at the end of financial year 2012, along with the evident impossibility of securing alternative sources of finance,

obliged the Board of Directors to make recourse to the composition with creditors procedure on a going-concern basis pursuant to article 186-bis of the Bankruptcy Act, as described in the other sections of this report.

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

The agreements in place at June 30, 2014 are summarized below.

1. *Indentures relating to the bonds issued by SEAT and entitled "€ 550,000,000 10% Senior Secured Notes Due 2017", "€ 200,000,000 10% Senior Secured Notes Due 2017" and "€ 65,000,000 10% Senior Secured Notes Due 2017" (the latter were issued as additional notes to the € 550,000,000 issue).*

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

2. *Term and Revolving Facility Agreement*

Pursuant to paragraph 7.9 of the Term and Revolving Facility Agreement signed by, *inter alia*, SEAT, as Guarantor, Seat Pagine Gialle Italia S.p.A., as Borrower, and The Royal Bank of Scotland plc (RBS), as Lender, on August 31, 2012, in the event of a change of control: (i) the Lender's commitment to disburse new sums pursuant to the aforementioned facilities agreement shall immediately be considered null and void, and (ii) the Borrower must immediately and prematurely repay all sums disbursed to it pursuant to said agreement. Under the terms of this agreement, a change of control is deemed to have occurred if one person or several persons acting in concert directly or indirectly acquire control of SEAT PG S.p.A. or Seat Pagine Gialle Italia S.p.A.; for this purpose, control is taken to mean the power to exercise (directly or indirectly pursuant to agreements) more than 30% of the voting rights at SEAT PG S.p.A. or Seat Pagine Gialle Italia S.p.A. Shareholders' Meetings or the direct or

indirect ownership of more than 30% of the share capital of SEAT PG S.p.A. or Seat Pagine Gialle Italia S.p.A. (shares which do not bear any ownership rights beyond a share of profits or dividends up to a certain amount are excluded from this calculation).

It should be remembered that Seat Pagine Gialle S.p.A.'s and Seat Pagine Gialle Italia S.p.A.'s proposals for a composition with creditors involve the same creditors, i.e. the financial creditor in the Term and Revolving Facility Agreement and the senior secured bondholders. As such, the effectiveness of the indentures, the Term and Revolving Facility Agreement and the related contractual provisions, including the change-of-control clauses, will depend on the outcome of the ongoing composition with creditors procedure.

Credit risk

The Seat Pagine Gialle Group operates in the multimedia directional advertising market, where there is a large number of clients. As at June 30, 2014, 99% of the Group's trade receivables (97% at December 31, 2013) related to Seat Pagine Gialle Italia S.p.A., which had around 321,000 customers spread throughout Italy at the end of 2013, consisting mainly of small and medium-sized businesses. Each year, SEAT alone issues some 238,000 invoices, each providing on average for payment in 2.19 installments of around € 474 each, meaning more than € 0.5 million of receipts.

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

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

At June 30, 2014, the allowance for doubtful trade receivables stood at € 94,142 thousand at Group level. This was lower than the figure at December 31, 2013 (€95,859 thousand), but still ensured sufficient coverage.

As a percentage of total trade receivables, the coverage of the allowance was 33.0%.

19. Non-current reserves for employees

Seat Pagine Gialle Group companies provide post-employment benefits to active and retired former employees, both directly and through contributions to external funds. The terms under which these benefits are provided vary depending on the legislative, fiscal and economic conditions in each country in which the Group operates. Employee benefits are usually based on remuneration and length of service.

Group companies provide post-employment benefits through defined-contribution and/or defined-benefit plans. Under defined-contribution plans, the Group pays

contributions to public or private insurers pursuant to a statutory or contractual obligation, or on a voluntary basis. The Group fulfills all its obligations by paying these contributions. The cost for the year is accrued based on the employee's service and is recorded in the statement of operations (€ 1,720 thousand in the first half of 2014).

Defined-benefit plans are either unfunded, as in the case of the reserve for severance indemnities, or fully funded by the contributions paid by the Company and its employees to a legally separate entity or fund that provides employee benefits.

	1 st half year 2014			Total
	Net liabilities for defined benefit pension plans	Reserve for severance indemnities	"Reserve for defined contribution pension plans"	
<i>(euro/thousand)</i>				
Balance at beginning of the period	262	13,531	1,417	15,210
Provisions	-	-	1,720	1,720
Contributions	-	-	440	440
Benefits paid/received	-	(1,259)	(2,471)	(3,730)
Discounting losses	-	227	-	227
Actuarial losses (gains) recognised to equity	-	1,058	-	1,058
Change in consolidation scope (*)	-	-	132	132
Foreign exchange adjustments and other movements	-	392	92	484
Balance at end of the period	262	13,949	1,330	15,541

(*) It includes Glamoo Ltd and Glamoo S.r.l.

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

Net liabilities for defined-benefit plans

Net liabilities for defined-benefit plans totaled € 262 thousand as at June 30, 2014, unchanged from December 31, 2013. They are recorded net of assets earmarked to service these plans.

Reserve for severance indemnities

The reserve for severance indemnities, which totaled € 13,949 thousand as at June 30, 2014 (€ 13,531 thousand as at December 31, 2013), is considered a defined-benefit plan and was valued in accordance with the provisions of IAS 19(revised). Following the reform of the supplementary

pensions system introduced by Legislative Decree 252 of December 5, 2005, the reserve for severance indemnities was converted from a defined-benefit plan into a defined-contribution plan from January 1, 2007. Consequently, the debt recorded in the financial statements represents liabilities for defined-benefit plans (valued using IAS 19 criteria) for employees relating to service given up to December 31, 2006. Changes in equity were recorded in the first half of 2014 in the amount of € 1,058 thousand, of which € 1,052 thousand related to Seat Pagine Gialle Italia S.p.A. Pursuant to IAS 19, paragraph 93A, the losses were recognized directly in the statement of comprehensive income, net of tax effect. Italia S.p.A.. In applicazione dello IAS 19 paragrafo 93A, tali perdite sono state iscritte, al netto del relativo effetto fiscale, direttamente a conto economico complessivo.

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013
A. Change in benefit obligation		
1. Benefit obligation at the beginning of the period	13,531	15,353
2. Current service cost	-	512
3. Interest expense	227	474
4. Benefits paid from plan/company	(1,259)	(1,363)
5. Other movements and change in consolidation scope	(392)	(847)
6. Changes recognised to equity (OIC effect)	1,058	(598)
a. Effects due to changes of demographic events	-	-
b. Effects due to changes of financial events	1,058	(389)
c. Effects due to changes of actuarial events	-	(209)
7. Curtailment	-	-
Benefit obligation at the end of the period	13,233	13,531
B. Account recognised in the statement of financial position		
<i>Plants that are wholly unfunded and plants that are wholly or partly funded</i>		
1. Present value of defined-benefit unfunded obligations at the end of the period	13,233	13,531
2. Other movements	-	-
Net liability recognised in the statement of financial position	13,233	13,531
<i>Amounts in the statement of financial position:</i>		
1. Liabilities	13,233	13,531
2. Assets	-	-
C. Components of pension costs		
<i>Amounts recognised in the income statement:</i>		
1. Current service costs	-	512
2. Interest expense	227	474
Costo totale rilevato a conto economico	227	986
D. Principal actuarial assumptions		
<i>Weighted-average assumptions to determine benefit obligation</i>		
1. Discount rate	2.60%	3.50%
2. Rate of price inflation	2.00%	2.00%
<i>Weighted-average assumptions to determine net pension cost</i>		
1. Discount rate	3.50%	3.20%
2. Rate of price inflation	2.00%	2.00%
E. Past experience of actuarial (profits) and losses		
a. Amount (*)	n.s.	n.s.
b. Percentage of plan liabilities at the closing data	n.s.	n.s.

(*) This is the amount of actuarial gains/(losses) from applying the previous year's actuarial assumptions to the current workforce.

20. Other non-current liabilities

Other non-current liabilities totaled € 26,284 thousand as at June 30, 2014 (€ 30,018 thousand as at December 31, 2013) and can be broken down as follows:

(euro/thousand)	1 st half year 2014					Total
	Reserve for sale agents' termination indemnities	Reserve for operating risks and charges	"Other non-current operating liabilities"	Reserve for restructuring expenses	"Other non-operating liabilities"	
Balance at beginning of the period	22,836	-	2,284	4,735	163	30,018
Provisions	844	-	25	-	-	869
Utilization/repayment	(443)	-	(49)	-	-	(492)
Discount losses (gains)	629	-	-	108	4	741
Other movements	56	-	44	(4,843)	(109)	(4,852)
Balance at end of the period	23,922	-	2,304	-	58	26,284

As at June 30, 2014, non-current reserves were discounted, taking into consideration expected future cash flows, using the pre-tax discount rate that reflects the current market valuation of the cost of money over time. The increase due to the passage of time and changes in the discount rate applied was recorded as financial expense (€ 737 thousand).

The reserve for sale agents' termination indemnities,

which totaled € 23,922 thousand as at June 30, 2014 (€ 22,836 thousand as at December 31, 2013), represents the debt due to active sales agents for the indemnities owed to them in the event of termination of the agency contract, in accordance with current regulation.

The non-current portion of the *restructuring reserve*, which amounted to € 4,735 thousand as at December 31, 2013, has been reclassified as current.

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

These break down as follows:

	1 st half year 2014			Total
	Reserve for commercial risks	Reserves for contractual and other operating risks	Non-operating reserves	
<i>(euro/thousand)</i>				
Balance at beginning of the period	6,244	11,218	54,243	71,705
Provisions	652	201	1,153	2,006
Utilizations	(1,675)	(76)	(18,053)	(19,804)
Extimination revised	-	(134)	(7,900)	(8,034)
Change in consolidation scope (*)	-	29	200	229
Other movements	-	(10)	2,879	2,869
Balance at end of the period	5,221	11,228	32,522	48,971

(*) Include il consolidamento di Glamoo Ltd e Glamoo S.r.l.

Reserves for current risks and charges totaled € 48,971 thousand as at June 30, 2014 (€ 71,705 thousand as at December 31, 2013) and can be broken down as follows:

- *the reserve for commercial risks*, which totaled € 5,221 thousand as at June 30, 2014 (€ 6,224 thousand as at December 31, 2013), covers any costs incurred due to failure to properly perform contractual services;
- *reserves for contractual and other operating risks*, which totaled € 11,228 thousand (€ 11,218 thousand as at December 31, 2013), include € 7,200 thousand relating to legal disputes (€ 7,275 thousand as at December 31, 2013) and € 3,254 thousand relating to pending litigation with agents and employees (€ 3,113 thousand as at December 31, 2013);
- the current portion of non-operating reserves totaled € 32,522 thousand at June 30, 2014 (€ 54,243 thousand

as at December 31, 2013). This item includes: (i) € 17,196 thousand pertaining to *reserves for non-operating risks* and charges, which saw a change of € 19,900 thousand compared with December 31, 2013, benefitting from the € 7,900 thousand revision of the estimated liability following the settlement agreement between SEAT and the ILTE/Rotosud group, which put an end to the legal proceedings launched in 2013, as well as the associated outlay of € 9,850 thousand; (ii) € 8,011 thousand pertaining to restructuring reserves (current portion), relating to Seat Pagine Gialle Italia S.p.A., of which € 7,292 thousand was drawn down in the first half of 2014; and (iii) € 6,414 thousand pertaining to *reserves for the restructuring of the sales network*, of which € 227 thousand was drawn down in the first half of 2014.

22. Trade payables and other current liabilities

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

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Payables to suppliers	93,127	106,617	(13,490)
Payables due to sales agents	8,462	14,523	(6,061)
Payables due to employees	16,891	16,450	441
Payables due to social security institutions	9,249	10,814	(1,565)
Payables due to other	1,188	1,392	(204)
Total trade payables	128,917	149,796	(20,879)
Payables for services to be rendered	124,259	136,779	(12,520)
Advances from customers	2,024	1,795	229
Other current liabilities	20,313	13,324	6,989
Total payables for services to be rendered and other current liabilities	146,596	151,898	(5,302)

All trade payables have a maturity of less than 12 months. In particular:

- *payables to suppliers* totaled € 93,127 thousand at June 30, 2014 (€ 106,617 thousand at December 31, 2013), of which € 87,459 thousand related to Seat Pagine Gialle Italia S.p.A. This change reflects a lower purchase volume than in the previous period;
- *payables to sales agents*, which totaled € 8,462 thousand (€ 14,523 thousand as at December 31, 2013), should be considered in conjunction with the item "Advances on sales commissions", recorded under "Other current assets", which amounted to € 20,651 thousand (€ 18,343 thousand as at December 31, 2013);
- *payables for services to be rendered* totaled € 124,259 thousand (€ 136,779 thousand at December 31, 2013). This item includes advanced billing for print directory advertising services and the deferral of revenue from the provision of online and voice services on a straight-line basis throughout the respective contractual periods;
- *other current liabilities* totaled € 20,313 thousand (€ 13,324 thousand as at December 31, 2013) and include € 3,950 thousand relating to the consideration to be paid to the previous shareholders of Glamoo following the approval of the composition with creditors.

23. Information by Business Area

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

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

Prices of intercompany transfers between areas are

defined using the same conditions that apply to transactions with third parties.

Revenue, costs and results by Business Area include transfers between areas, which are eliminated at consolidated level.

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

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

<i>(euro/thousand)</i>		Italian Directories	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total (*)
Revenues	1 st half year 2014	202,134	10,757	212,891	(3,547)	209,344
	1 st half year 2013	254,611	15,400	270,011	(3,182)	266,829
GOP	1 st half year 2014	39,988	(1,573)	38,415	2,003	40,418
	1 st half year 2013	83,368	(2,407)	80,961	38	80,999
EBITDA	1 st half year 2014	26,956	(1,838)	25,118	1,906	27,024
	1 st half year 2013	61,358	(2,835)	58,523	(7)	58,516
EBIT	1 st half year 2014	7,201	(5,696)	1,505	1,319	2,824
	1 st half year 2013	(9,741)	(16,803)	(26,544)	-	(26,544)
Total assets	30 june 2014	627,423	22,738	650,161	120,358 (**)	770,519
	31 december 2013	674,271	31,421	705,692	134,861 (**)	840,553
Total liabilities	30 june 2014	2,122,806	26,155	2,148,961	15,940 (**)	2,164,901
	31 december 2013	2,115,327	30,781	2,146,108	17,873 (**)	2,163,981
Net invested capital	30 june 2014	51,032	4,899	55,931	102,418 (**)	158,349
	31 december 2013	9,466	10,047	19,513	116,988 (**)	136,501
Capital expenditure	1 st half year 2014	12,080	1,498	13,578	-	13,578
	1 st half year 2013	12,027	2,482	14,509	-	14,509

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

(**) This includes the assets and liabilities of the Telegate Group following reclassification to "Non-current assets held for sale and discontinued operations".

24. Revenue from sales and services

Revenue from sales and services totaled € 209,344 thousand in the first half of 2014 (€ 266,829 thousand in the first half of 2013). Before eliminations between the Group's different Business Areas, revenue from sales and services was as follows:

- revenue from the Italian Directories Business Area (*Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A., the*

Digital Local Services companies, Glamoo Ltd, Glamoo S.r.l. and ProntoSeat S.r.l.) amounted to € 202,134 thousand, of which € 201,899 thousand pertained to SEAT (*Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and the Digital Local Services companies*);

- revenue from the *Other Activities Business Area (Europages and Consodata)* totaled € 10,757 thousand.

25. Other operating costs and revenue

25.1 Other revenue and income

Other revenue and income totaled € 1,731 thousand in the first half of 2014 (€ 2,676 thousand in the first half of 2013). The item mainly includes € 1,118 thousand relating to the recovery of postal, legal and administrative costs from third parties.

25.2 Costs for materials

Costs for materials amounted to € 5,894 thousand in the first half of 2014 (€ 10,021 thousand in the first half of 2013) and were mainly for paper consumption.

25.3 Costs for external services

Costs for external services amounted to € 114,183 thousand in the first half of 2014 (€ 123,186 thousand in the first half of 2013). This item includes, in particular:

- *manufacturing costs*, totaling € 45,102 thousand in the first half of 2014 (€ 47,305 thousand in the first half of 2013), of which (i) € 9,308 thousand related to production costs, (ii) € 5,665 thousand related to distribution and storage costs, (iii) € 8,029 thousand related to costs for digital services associated with the creation of online products, (iv) € 4,598 thousand related to inbound call center costs, and (v) € 16,053 thousand related to commissions paid to web publishers as part of the

management of new online offers intended to boost web traffic, marking an increase of € 2,863 thousand;

- *advertising costs totaling* € 6,157 thousand in the first half of 2014 (€ 11,050 thousand in the first half of 2013), primarily relating to SEAT's new institutional campaign;

- *commissions and other agent costs*, which totaled € 33,179 thousand in the first half of 2014 (€ 31,679 thousand in the first half of 2013), in direct relation to revenue figures;

- *consultancy and professional service costs*, which totaled € 8,052 thousand in the first half of 2014 (€ 8,853 thousand in the first half of 2013);

- *outbound call center service costs*, which totaled € 4,064 thousand in the first half of 2014 (€ 5,218 thousand in the first half of 2013).

25.4 Salaries, wages and employee benefits

Salaries, wages and employee benefits totaled € 49,983 thousand in the first half of 2014 (€ 53,906 thousand in the first half of 2013).

The Group's workforce, including directors, project workers and trainees, consisted of 2,028 employees as at June 30, 2014 (2,029 as at December 31, 2013).

The average workforce (FTE) in the first half of 2014 was 1,804 employees (1,841 employees in the first half of 2013).

25.5 Net non-recurring costs

Net non-recurring costs totaled € 876 thousand in the first half of 2014 (€ 40,159 thousand in the first half of 2013) and can be broken down as follows:

25.6 Net restructuring costs

Net restructuring costs totaled € 730 thousand in the first half of 2014 (€ 1,267 thousand in the first half of 2013).

These primarily include costs of € 703 thousand incurred by Consodata to restructure its workforce.

In accordance with Consob Communication DEM/6064293 of July 28, 2006, information about the impact of non-recurring events and transactions on the results, assets and liabilities and cash flows of the SEAT Group is provided below. The impacts of non-recurring events and transactions in the first half of 2014 are as follows:

<i>(euro thousand)</i>	Equity	Profit (loss) for the year	Net financial debt	Cash flows (*)
Amount - financial statements	(1,394,488)	(68,574)	1,552,731	(31,307)
Net non-recurring and restructuring costs of which:	(1,606)	(1,606)	(22,338)	(22,338)
- <i>Effects of a settlement agreement between SEAT and Ilte/Rotosud Group</i>	7,900	7,900	(9,850)	(9,850)
- <i>Procedural and legal costs relating to the composition with creditors procedure</i>	(3,806)	(3,806)	(3,488)	(3,488)
- <i>Net restructuring costs</i>	(730)	(730)	(7,519)	(7,519)
<i>incidence%</i>	0,1%	2,3%	-1,4%	n.s.

(*) Cash flows refer to the increase (decrease) in cash and cash equivalent during the period.

<i>(euro/thousand)</i>	1 st half year 2014	1 st half year 2013	Change	
			Absolute	%
Other non-recurring costs	876	40,179	(39,303)	(97,8)
Non-recurring income	-	(20)	20	100,0
Total non-recurring costs, net	876	40,159	(39,283)	(97,8)

Non-recurring costs include, in particular:

- € 3,806 thousand of consultancy and other expenses connected with the composition with creditors procedure;
- € 1,016 thousand of costs incurred in the restructuring of the SEAT Business Area;
- € 3,626 thousand for the fair value measurement of Glamoo's assets acquired and liabilities assumed (purchase price allocation) by SEAT;
- € 7,900 thousand due to the revision of the estimated

liability previously recognized in the provision for risks and charges for the dispute with ILTE/Rotosud.

This amount is based on the settlement agreement entered into with that company and authorized by the competent bodies of the composition procedure, which put an end to the dispute that had arisen with one of the company's top suppliers and made it possible to establish a relationship with the printing company for the 2014-2016 three-year period.

26. Financial income and expense

26.1 Financial expense

Financial expense totaled € 67,095 thousand in the first half of 2014 (€ 65,797 thousand in the first half of 2013), and can be broken down as follows:

<i>(euro/thousand)</i>	1 st half year 2014	1 st half year 2013	Change Absolute	%
Interest expense on the loan with The Royal Bank of Scotland Plc.	19,902	19,364	538	2,8
Interest expense on Bonds	45,325	45,009	316	0,7
Interest expense on leasing debt	750	832	(82)	(9,9)
Foreign exchange losses	2	8	(6)	(75,0)
Other financial expenses	1,116	584	532	91,1
Total interest expense	67,095	65,797	1,298	2,0

Please note that in this report as at June 30, 2014, interest expense on the loan pursuant to the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012 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 proposals for the composition with creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. (which should be referred to for additional information) and of applicable legislation, with regard to the aforementioned debts and associated interest. Such accounting treatment conforms to IAS 39 AG57, under which financial liabilities must be counted until the debt is extinguished (i.e. until the composition with creditors procedure is formally approved).

Financial expense in the first half of 2014 mainly included:

- € 19,902 thousand (€ 19,364 thousand in the first half of 2013) of interest expense on the Term and Revolving Facility Agreement entered into with The Royal Bank of Scotland on August 31, 2012;
- € 45,325 thousand (€ 45,009 thousand in the first half of

2013) of interest expense on the senior secured bonds; this amount includes € 2,537 thousand relating to the issue discount (€ 2,221 thousand in the first half of 2013);

- € 750 thousand (€ 832 thousand in the first half 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;
- € 1,116 thousand of other financial expense (€ 584 thousand in the first half of 2013), including € 354 thousand of interest expense on the discounting of non-current assets and liabilities (€ 455 thousand in the first half of 2013).

26.2 Financial income

Financial income totaled € 1,220 thousand in the first half of 2014 (€ 941 thousand in the first half of 2013), referring almost entirely to interest income from the investment of short-term liquidity in the banking system at market rates.

27. Profit/(loss) from the disposal of equity investments

Profit/(loss) from the disposal of equity investments showed a loss of € 2,648 thousand in the first half of 2014 and related to the loss resulting from the disposal of Cipi S.p.A.

28. Income taxes for the period

Income taxes for the period showed a negative balance of € 2,491 thousand (€ 1,767 thousand in the first half of 2013). 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 financial year to the gross pre-tax income.

Net deferred tax assets and liabilities

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

	As at 12.31.2013	Changes during the period			As at 06.30.2014
		Income taxes accounted for in the income statement	Income taxes accounted for the equity	Foreign exchange and other movements	
<i>(euro/thousand)</i>					
Deferred tax assets	17,651	120	-	1,440	19,211
Deferred tax liabilities	(27,500)	(1,714)	289	-	(28,925)
Total	(9,849)	(1,594)	289	1,440	(9,714)
shown in the statement of financial position: ⁽¹⁾					
<i>Net deferred tax assets</i>	696	-	-	-	2,273
<i>Net deferred tax liabilities</i>	(10,545)	-	-	-	(11,987)

⁽¹⁾ In the consolidated financial statement, deferred tax assets and liabilities are recorded at their net value, having been offset against each other, where possible in terms of the tax authority, the taxed entity and the relevant time frames.

Current tax assets

Current tax assets totaled € 22,297 thousand as at June 30, 2014 (€ 21,786 thousand as at December 31, 2013) and can be broken down as follows:

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Income tax receivables	21,850	21,202	648
Other tax receivables	447	584	(137)
Total current tax assets	22,297	21,786	511

Current tax payables

Current tax payables totaled € 21,402 thousand as at June 30, 2014 (€ 26,062 thousand as at December 31, 2013) and can be broken down as follows:

<i>(euro/thousand)</i>	As at 06.30.2014	As at 12.31.2013	Change
Income tax payables	6,165	5,996	169
Other tax payables	15,237	20,066	(4,829)
Total current tax payables	21,402	26,062	(4,660)

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

In accordance with the provisions of IFRS 5, the items in the statement of operations of the Telegate group for the first half of 2014 (and of the Telegate group and TDL for the first half of 2013) have been recorded under "Non-current assets held for sale/discontinued operations".

In accordance with the provisions of IFRS 5, the assets and liabilities of the companies no longer considered compatible with the Group have been measured at the lower of their book value and fair value. There was no need to adjust the book values for the Telegate group.

Statement of operations

<i>(euro/thousand)</i>	1 st half year 2014 Telegate Group	1 st half year 2014	1 st half year 2013 Telegate Group	1 st half year 2013 TDL Group	1 st half year 2013
Revenues from sales and services	32,069	32,069	38,834	21,035	59,869
Other income	279	279	504	-	504
Total revenues	32,348	32,348	39,338	21,035	60,373
Costs of materials	-	-	-	(882)	(882)
Costs of external services	(11,136)	(11,136)	(13,260)	(8,580)	(21,840)
Salaries, wages and employee benefits	(15,523)	(15,523)	(20,856)	(13,559)	(34,415)
Valuation adjustments	(1,127)	(1,127)	(1,046)	(711)	(1,757)
Provisions to reserves for risks and charges, net	168	168	(183)	-	(183)
Other operating expenses	(443)	(443)	(214)	(13)	(227)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net	4,287	4,287	3,779	(2,710)	1,069
Amortization, depreciation and write-down	-	-	(6,493)	(1,400)	(7,893)
Non-recurring costs, net	(4,280)	(4,280)	(1,607)	(596)	(2,203)
Restructuring costs, net	(773)	(773)	6	(390)	(384)
Operating result	(766)	(766)	(4,315)	(5,096)	(9,411)
Interest expense	(27)	(27)	(52)	(1,339)	(1,391)
Interest income	340	340	105	1,028	1,133
Gains (losses) from subsidiaries disposal	-	-	-	-	-
Profit (loss) before income taxes	(453)	(453)	(4,262)	(5,407)	(9,669)
Income taxes for the year	175	175	1,247	190	1,437
Net result from non-current assets discontinued operations	(278)	(278)	(3,015)	(5,217)	(8,232)
Gains (losses) from subsidiaries disposal and other costs	-	-	(845)	-	(845)
Profit (loss) from non-current assets held for sale and discontinued operations	(278)	(278)	(3,860)	(5,217)	(9,077)

Statement of financial position

As at June 30, 2014, the statement of financial position items "Non-current assets held for sale/discontinued operations" and "Liabilities directly related to non-current assets held for

sale/discontinued operations" include figures relating to the Group's interests in the Telegate group and in its Turkish joint venture, Katalog Yayin ve Tanitim Hizmetleri A.S., which were also included in the figures as at December 31, 2013.

<i>(euro/thousand)</i>	As at 06.30.2014 Telegate Group	As at 06.30.2014 Katalog	As at 06.30.2014	As at 12.31.2013 Telegate Group	As at 12.31.2013 Cipi	As at 12.31.2013 Katalog	As at 12.31.2013
Goodwill and "marketing related" intangible assets	2,121	-	2,121	2,121	-	-	2,121
Intangible assets with finite useful life	59,207	-	59,207	56,144	-	-	56,144
Property, plant and equipment	6,874	-	6,874	6,842	-	-	6,842
Other non-current financial assets	15	-	15	15	-	-	15
Deferred tax assets, net	243	-	243	240	-	-	240
Inventories	-	-	-	-	554	-	554
Trade receivables	25,591	-	25,591	26,394	2,400	-	28,794
Current tax assets	5,899	-	5,899	5,911	17	-	5,928
Other current assets	2,027	-	2,027	2,075	154	-	2,229
Current financial assets	53,228	-	53,228	54,698	-	-	54,698
Cash and cash equivalents	3,989	-	3,989	11,029	421	-	11,450
Non-current assets held for sale and discontinued operations	159,194	-	159,194	165,469	3,546	-	169,015
Non-current reserves to employees	24	-	24	18	788	-	806
Deferred tax liabilities	16,873	-	16,873	16,926	34	-	16,960
Other non-current liabilities	620	-	620	374	-	-	374
Current financial debts	335	-	335	18	-	-	18
Trade payables	8,659	-	8,659	11,566	2,543	-	14,109
Payables for services to be rendered and other current liabilities	14,655	-	14,655	15,282	50	-	15,332
Current tax payables	284	-	284	1,318	603	-	1,921
Reserve for current risks and charges	1,423	250	1,673	583	-	250	833
Liabilities directly associated with non-current assets held for sale and discontinued operations	42,873	250	43,123	46,085	4,018	250	50,353

Statement of cash flows

<i>(euro/thousand)</i>	1 st half year 2014 Telegate Group	1 st half year 2014	1 st half year 2013 Telegate Group	1 st half year 2013 Thomson	1 st half year 2013
Cash inflow (outflow) from operating activities	(4,069)	(4,069)	(9,054)	(3,631)	(12,685)
Cash inflow (outflow) for investments	(2,148)	(2,148)	(2,437)	(736)	(3,173)
Cash inflow (outflow) for financing	(823)	(823)	(52,368)	2	(52,366)
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(7,040)	(7,040)	(63,859)	(4,365)	(68,224)

30. Related-party transactions

With reference to the provisions of IAS 24 and pursuant to Consob Regulation 17221 of March 12, 2010, the economic and financial effects of transactions with related parties on the Seat Pagine Gialle Group's condensed consolidated half-year financial statements as at June 30, 2014 are listed below.

The economic and financial 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>	1 st half year 2014	Associates	Companies with significant influence	Other related parties (*)	Total related parties
Revenues from sales and services	209,344	-	-	9,417	9,417
Cost of material and external services	(114,183)	-	-	(2,076)	(2,076)
Salaries, wages and employee benefits	(49,983)	-	-	(1,855)	(1,855)
Non-recurring and restructuring costs	(876)	-	-	(350)	(350)

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

<i>(euro/thousand)</i>	1 st half year 2013	Associates	Companies with significant influence	Other related parties (*)	Total related parties
Revenues from sales and services	266,829	-	-	-	-
Cost of material and external services	(123,186)	-	-	(136)	(136)
Salaries, wages and employee benefits	(53,906)	-	-	(2,495)	(2,495)
Non-recurring and restructuring costs	(40,159)	-	-	(2,950)	(2,950)

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

Statement of financial position

	As a 06.30.2014	Associates	Companies with significant influence	Other related parties (*)	Total related parties
<i>(euro/thousand)</i>					
Assets					
Trade receivables	190,788	-	-	14,304	14,304
Liabilities					
Trade payables	128,917	-	-	3,356	3,356
Payables for services to be rendered and other current liabilities	146,596	-	-	815	815
Reserve for current risks and charges	48,971	-	-	350	350

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

	As a 06.30.2014	Associates	Companies with significant influence	Other related parties (*)	Total related parties
<i>(migliaia di euro)</i>					
Assets					
Trade receivables	229,815	-	-	9,434	9,434
Liabilities					
Trade payables	149,796	-	-	3,459	3,459
Payables for services to be rendered and other current liabilities	151,898	-	-	1,136	1,136
Reserve for current risks and charges	71,705	-	-	2,950	2,950

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

Statement of cash flows

	1 st half year 2014	Associates	Companies with significant influence	Other related parties (*)	1 st half year 2014
<i>(euro/thousand)</i>					
Cash inflow (outflow) from operating activities	(12,044)	-	-	(2,758)	(4,388)
Cash inflow (outflow) for investments	(18,937)	-	-	-	-
Cash inflow (outflow) for financing	(326)	-	-	-	-
Cash inflow (outflow) from non-current assets held for sale and discontinued operations	(7,040)	-	-	-	-
Increase (decrease) in cash and cash equivalents in the period	(38,347)	-	-	(2,758)	(4,388)

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

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

(*) Directors, statutory auditors, managers with strategic responsibilities and related companies though directors, statutory auditors and managers with strategic responsibilities and other related parties

The merger by incorporation of Seat Pagine Gialle Italia S.p.A. into Seat Pagine Gialle S.p.A., which was provided for by the proposals for a composition with creditors made by both companies and approved pursuant to article 2505 of the Italian Civil Code by their respective Boards of Directors on March 4, 2014, should be considered to be a related-party transaction pursuant to the Procedure for related-party transactions approved by the Company's Board of Directors in December 2010, pursuant to the Regulations on

related-party transactions adopted pursuant to Consob Regulation 17221 of March 12, 2010, as amended by Consob Regulation 17389 of June 23, 2010. More specifically, the merger is a material transaction that requires the consent of the Committee of Independent Directors pursuant to article 3.2 of the Procedure for related-party transactions. The prospectus concerning material related-party transactions was published on February 21, 2014 pursuant to the Regulations on related-party transactions.

31 Other information.

Fully consolidated equity investments (Consob Communication DEM/6064293 of July 28, 2006)

Table 1

Company	Registered office	Share capital	Ordinary shares held		% held by Seat Pagine Gialle S.p.A.
(business)			% by		
Parent Company					
SEAT PAGINE GIALLE ITALIA S.p.A.	Milan (Italy)	Euro	450,266,000		
Subsidiaries					
SEAT PAGINE GIALLE ITALIA S.p.A. (Local Internet Company)	Turin (Italy)	Euro	200,000,000	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
GLAMOO LTD (e-commerce)	London (Great Britain)	Pound Sterling	14,042	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
GLAMOO S.r.l. (e-commerce)	Milan (Italy)	Euro	100,000		GLAMOO LTD 100.00
CONSODATA S.p.A. (direct marketing services, database creation, management and distribution)	Rome (Italy)	Euro	2,446,330	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
EUROPAGES S.A. (production, promotion and marketing of the "Europages" directory)	Paris (Francia)	Euro	1,000,000	98.37	SEAT Pagine Gialle Italia S.p.A. 98.37
EUROPAGES Benelux SPRL (production, promotion and marketing of the "Europages" directory)	Bruxelles (Belgio)	Euro	20,000	99.00	Europages S.A. 97.39
PRONTOSEAT S.r.l. (call center services)	Turin (Italy)	Euro	10,500	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
TELEGATE HOLDING GmbH (holding)	Munich (Germany)	Euro	26,100	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
TELEGATE AG (call center services)	Munich (Germany)	Euro	19,111,091	16.24	SEAT Pagine Gialle Italia S.p.A. 77.37
				61.13	Telegate Holding GmbH
WerWieWas GmbH (call center services)	Munich (Germany)	Euro	25,000	100.00	Telegate Media AG 77.37
11880 TELEGATE GmbH (call center services)	Vien (Osterreich)	Euro	35,000	100.00	Telegate AG 77.37
TELEGATE MEDIA AG (sale of online directories)	Essen (Germany)	Euro	4,050,000	100.00	Telegate AG 77.37
TELEGATE LLC (internet services)	Yerevan (Armenia)	Dram	50,000	100.00	Telegate AG 77.37
Digital Local Services ROMA1 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
Digital Local Services ROMA2 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00
Digital Local Services ROMA3 S.r.l. (commercial consultancy and marketing)	Turin (Italy)	Euro	10,000	100.00	SEAT Pagine Gialle Italia S.p.A. 100.00

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

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

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

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

Fully consolidated equity investments
(Consob Communication DEM/6064293 of July 28, 2006)

Table 1

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

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Other information



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

1. The undersigned, Vincenzo Santelia, in his capacity as Chief Executive Officer, and Massimo Cristofori, as Chief Financial Officer of SEAT Pagine Gialle S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of February 24, 1998, that the administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements, deemed to be suitable for the characteristics of the business, have been effectively applied during the first half of 2014.

2. The administrative and accounting procedures for the preparation of the condensed consolidated half-year financial statements at June 30, 2014 have been subjected, during the half year, to a critical examination in order to evaluate their suitability and the effectiveness of their application. No anomalies have emerged as a result of this verification.

3. The following is also certified:
 - 3.1 the condensed consolidated half-year financial statements at June 30, 2014:
 - have been prepared in compliance with the applicable IAS/IFRS recognized by the European Union in compliance with (EC) Regulation No. 1606/2002 of the European Parliament and of the Council of July 19, 2002, and in particular IAS 34 – Interim Financial Reporting – as well as the implementing measures of article 9 of Legislative Decree 38/2005;
 - correspond to the results contained in the accounting books and records;
 - are suitable to provide a true and fair representation of the assets, results and cash flows of the issuer and of all the companies included in its consolidation scope;
 - 3.2 the interim report on operations contains references to important events which have taken place in the first six months of the financial year and their effect on the half-year financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year, in addition to information concerning significant related-party transactions.

Turin, August 5, 2014

Chief Executive Officer

Vincenzo Santelia



Chief Financial Officer

Andrea Servo



**AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTH PERIOD ENDED 30 JUNE
2014**

To the Shareholders of
SEAT Pagine Gialle SpA

1. We have reviewed the condensed consolidated interim financial statements of SEAT Pagine Gialle SpA and its subsidiaries ("SEAT Pagine Gialle Group") as of 30 June 2014, which comprise the statement of financial position, the income statement, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity and the related explanatory notes. The directors of SEAT Pagine Gialle SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union. Our responsibility is to issue this report based on our review.
2. We conducted our review in accordance with the criteria for a review recommended by Consob, the Italian Commission for listed companies and the Stock Exchange, with Resolution n. 10867 of 31 July 1997. The review consisted principally of inquiries of company personnel about the information reported in the condensed consolidated interim financial statements and about the consistency of the accounting principles utilized therein as well as the application of analytical review procedures on the data contained in the above mentioned condensed consolidated interim financial statements. The limited review excluded certain auditing procedures such as compliance testing and verification and validation tests of the assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with generally accepted auditing standards. Accordingly, unlike the audit on the annual consolidated financial statements, we do not express a professional audit opinion on the condensed consolidated interim financial statements.

Regarding the comparative data of the consolidated financial statements of the prior year and of the condensed consolidated interim financial statements of the prior interim period, which are presented for comparative purposes, reference is made to our reports dated 17 April 2014 and 8 August 2013, respectively.

3. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the SEAT Pagine Gialle Group as of 30 June 2014 have not been prepared, in all material respects, in accordance with the international accounting standard IAS 34, applicable to interim financial reporting, as adopted by the European Union.

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20149 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.890.000,00 i.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70124 Via Don Luigi Guanella 17 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wührer 23 Tel. 0303697501 - **Catania** 95129 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0552482811 - **Genova** 16121 Piazza Dante 7 Tel. 01029041 - **Napoli** 80121 Piazza dei Martiri 58 Tel. 08136181 - **Padova** 35138 Via Vicenza 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscolle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001

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4. We draw attention to what is referred to in the report on operations and in the explanatory notes, in the paragraph “Going concern evaluation”, in relation to the circumstances described therein as well as the conclusion reached by the directors, regarding the adoption of the going concern principle in the preparation of the condensed consolidated interim financial statements as of 30 June 2014.

Turin, 7 August 2014

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

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



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

www.seat.it

**Official documents may
be requested to**

Seat Pagine Gialle S.p.A.
Corporate Affairs Office
Corso Mortara, 22
10149 Turin (Italy)
Fax: +39.011.435.4252
E-mail: ufficio.societario@seat.it

