



## Nine months 2014 results

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### Accounting Principles

The accounting policies adopted in the preparation of this presentation and for the nine months ended, September 30, 2014 have been applied on a basis consistent with those adopted for preparing the Nine Months Report as at September 30, 2013 to which reference can be made.

The accounting data set forth herein have been taken from Seat's Report for the Nine Months 2014, to be filed in compliance with the law. Andrea Servo, Head of the Administration, Finance and Control Department of Seat Pagine Gialle S.p.A., appointed manager responsible for preparation of the financial reports, as resolved by the Company's Board of Directors on October 29, 2013 declares, pursuant to Article 154-bis, paragraph 2, Legislative Decree No. 58, February 24, 1998, that the accounting information contained in this press release corresponds to the accounting records, documents and books of the Company.

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# The composition proposals have been approved by the Court of Turin

## Composition proposals



- 1 On **October 3, 2014**, the Court of Turin approved the composition with creditors proposed by Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A.
- 2 The Court ruling renders the composition proposals definitive and achieves the objective of enabling **the Company to focus all necessary attention and resources on its business operations**
- 3 The completion of the composition proposals, with the satisfaction of the creditors admitted to the procedure, is expected to take place **within four months** of the final court approval

## Extraordinary transactions

- 4 All **the extraordinary transactions** (approved by the extraordinary Shareholders' Meeting held on March 4, 2014) must be finalized within the closing date of the composition proposals

Transaction	Date
✓ <b>Merger</b> by incorporation of Seat Pagine Gialle Italia S.p.A. into Seat Pagine Gialle S.p.A.	Oct. 24
✓ <b>Reduction</b> of Seat's <b>capital</b> and <b>coverage</b> of its losses	Currently expected by the end of December
✓ <b>Increase of</b> Seat's <b>capital</b> reserved to the financial creditors admitted to the composition	
✓ <b>Regrouping</b> of Seat's shares	
✓ <b>Issue of warrants</b> reserved to Seat's ordinary Shareholders who took part in the extraordinary Shareholders' Meeting held on March 4, 2014 and to the savings Shareholders	

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## 9M'14 results

### 1 Confirmation of the first positive signs of stabilization of the business, already visible in H1'14, thanks to the implementation of management's actions in support of the re-launch of the Company's business

- Results of client orders as of the end of September 2014 slightly higher than the forecasts under the Plan despite a market scenario that is still under pressure
- Based on the information currently available, client orders acquired in 2014 could be recognized as revenues with a slightly longer timing compared with the original data envisaged under the Plan, due to (i) higher incidence of orders for paper and *media agency* products and (ii) lower than expected impact in terms of revenues recognized during the year, in accordance with the algorithm applied by the Company in 2012 to defer recognition of revenues arising from the past commercial practice of "anticipated sales"
- Any balance at the year-end of a lower amount of revenues (Plan target of 400 €m) is not expected to have significant impacts in terms of EBITDA (Plan target of 32 €m)

### 2 SEAT<sup>(1)</sup> 9M'14 results consistent with the full-year targets forecasted under the Plan

- Revenues at 295.3 €m, down 73.9 €m or 20.0%. About 74% of the expected revenues for the full year
- EBITDA at 42.2 €m, down 49.5 €m or 54.0%. About 10 €m higher than the projected target for the full year due to a shifting of planned costs from Q3 to Q4. Ebitda margin at 14.3% of revenues (-10.5pp)
- Strong growth in the usage on Seat's web and mobile sites (+11.5%) and in the downloads of mobile applications (+36.2%)

### 3 Group results<sup>(2)</sup>

- Revenues at 307.0 €m, down 81.0 €m or 20.9% and Ebitda at 40.7 €m down 46.6 €m or 53.3%. Ebitda margin at 13.3% of revenues (-9.2pp)
- Operating free cash flow at 8.1 €m (-103.3 €m) reflecting the decline in Ebitda (-46.6 €m) and negative contribution from operating working capital (-59.6 €m)
- As at September 30, 2014 Net Financial Debt at 1,587.6 €m, up 127.7 €m with respect to December, 31 2013 mainly attributable to the accounting of interest (~93€m) accrued on the financial debt and that will be cancelled upon the execution of the composition proposals and to the net operating cash flow

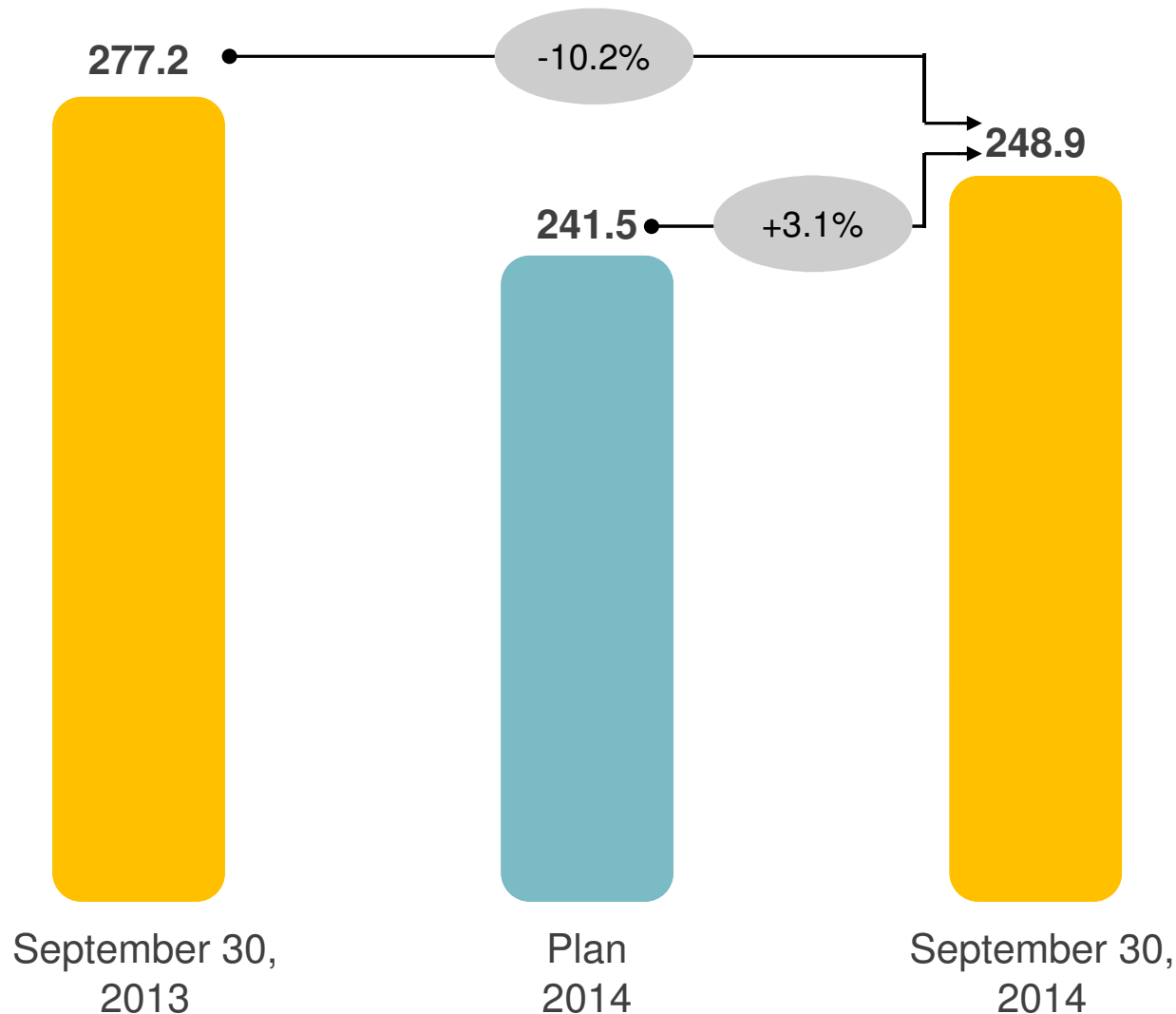
(1) Including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and Web.co S.r.l. (Digital Local Services companies)

(2) Including Glamoo Ltd, Glamoo S.r.l., Prontoseat S.r.l., Europages S.A. and Consodata S.p.A.

## Results of client orders as of the end of September 2014 slightly higher than the forecasts under the Plan despite a market scenario that is still under pressure

### SEAT – CLIENT ORDERS AS AT SEPTEMBER 30, 2014

*Euro million*



#### The Company forecasts:

- Client orders acquired in 2014 expected to be progressively recognized as revenues in future months
- SEAT 9M'14 results consistent with the full-year targets forecasted under the Plan (400 €m and 32 €m respectively)

#### Italy's adv. market Jan. – Sept. 2014 (Nielsen Media Research)

- In the first nine months of 2014 adv. spending down 3.2% yoy (from 4,502.2 to 4,360.0 €m) with Internet increasing by 0.1%
- In the month of Sept. a 6.2% yoy drop, with an estimate for the year-end of a "performance not better than that recorded in the 9M'14"

Revenues at 295.3 €m, down 73.9 €m or 20.0%. About 74% of the expected revenues for the full year

## SEAT<sup>(1)</sup> - REVENUE BREAKDOWN

<i>euro million</i>	9M'13	9M'14	Change		Budget FY 2014	
Revenues			mln	%	mln	% of achievement
Core Revenues	336.1	260.6	(75.5)	(22.5)%	354	74%
Print advertising	95.6	63.3	(32.3)	(33.8)%	73	87%
Online advertising & services	226.1	190.2	(35.9)	(15.9)%	270	70%
-Online directories & marketing services	175.4	152.6	(22.8)	(13.0)%		
-WP unbundled	50.7	37.6	(13.1)	(25.9)%		
Voice advertising	14.5	7.1	(7.4)	(50.8)%	11	66%
Others <sup>(2)</sup>	33.1	34.7	1.6	4.9%	47	74%
<b>Total</b>	<b>369.2</b>	<b>295.3</b>	<b>(73.9)</b>	<b>(20.0)%</b>	<b>400</b>	<b>74%</b>
Revenue mix (% core of revenues)	9M'13	9M'14	Change			
-Print advertising	28.4%	24.3%	(4.1) pp			
-Online advertising & services	67.3%	73.0%	+5.7 pp			
-Voice advertising	4.3%	2.7%	(1.6) pp			

Others includes ~6.5 €m of revenues in 9M'14, related to the *media agency* offer

(1) Including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and Web.co S.r.l. (Digital Local Services companies)

(2) Including revenues of media agency offer, traffic revenues of voice products and other revenues



EBITDA at 42.2 €m, down 49.5 €m or 54.0%. About 10 €m higher than the projected target for the FY due to a shifting of planned costs from Q3 to Q4. Ebitda margin at 14.3% of revenues (-10.5pp)

## SEAT<sup>(1)</sup> - COST BREAKDOWN

euro million	9M'13	9M'14	Change		Budget FY 2014	
			mln	%	mln	% of achievement
Revenues	<b>369.2</b>	<b>295.3</b>	<b>(73.9)</b>	<b>(20.0)%</b>	<b>400</b>	<b>74%</b>
Industrial costs	(77.3)	(76.2)	1.0	1.3%	(110)	69%
% revenues	20.9%	25.8%		4.9pp		
General & Labour costs	(99.6)	(87.7)	12.0	12.0%	(132)	66%
% revenues	27.0%	29.7%		2.7pp		
Commercial costs	(53.0)	(56.9)	(3.9)	(7.3)%	(79)	72%
% revenues	14.4%	19.3%		4.9pp		
Advertising costs	(14.5)	(9.5)	5.1	34.9%	(15)	63%
% revenues	3.9%	3.2%		(0.7)pp		
Total costs	(244.5)	(230.3)	14.2	5.8%	(336)	69%
% revenues	66.2%	78.0%		11.8pp		
Gross Operating Profit	<b>124.7</b>	<b>65.0</b>	<b>(59.7)</b>	<b>(47.8)%</b>	<b>64</b>	<b>102%</b>
% of revenues	33.8%	22.0%		(11.8)pp		
Bad Debt, Risk Prov. & others	(33.0)	(22.8)	10.2	30.9%	(32)	71%
EBITDA	<b>91.7</b>	<b>42.2</b>	<b>(49.5)</b>	<b>(54.0)%</b>	<b>32</b>	<b>132%</b>
% of revenues	24.8%	14.3%		(10.5)pp		

Industrial costs down mainly due to lower print costs (which benefited from a reduction in rates, as a result of the renegotiation of the contract with the printer) and voice product costs, balancing the increase in commissions to web publishers for reselling products

General costs down thanks to cost efficiencies

Labor cost down. The increase effect related to the New Commercial Model<sup>(2)</sup> more than offset by savings on the indirect personnel costs

Commercial costs up reflecting the effects of the introduction, from Jan. '14, of a new model of commission for the sales reps aimed at a stronger control and monitoring of their performance

Adv. costs down, also due to a different yoy planning of campaigns

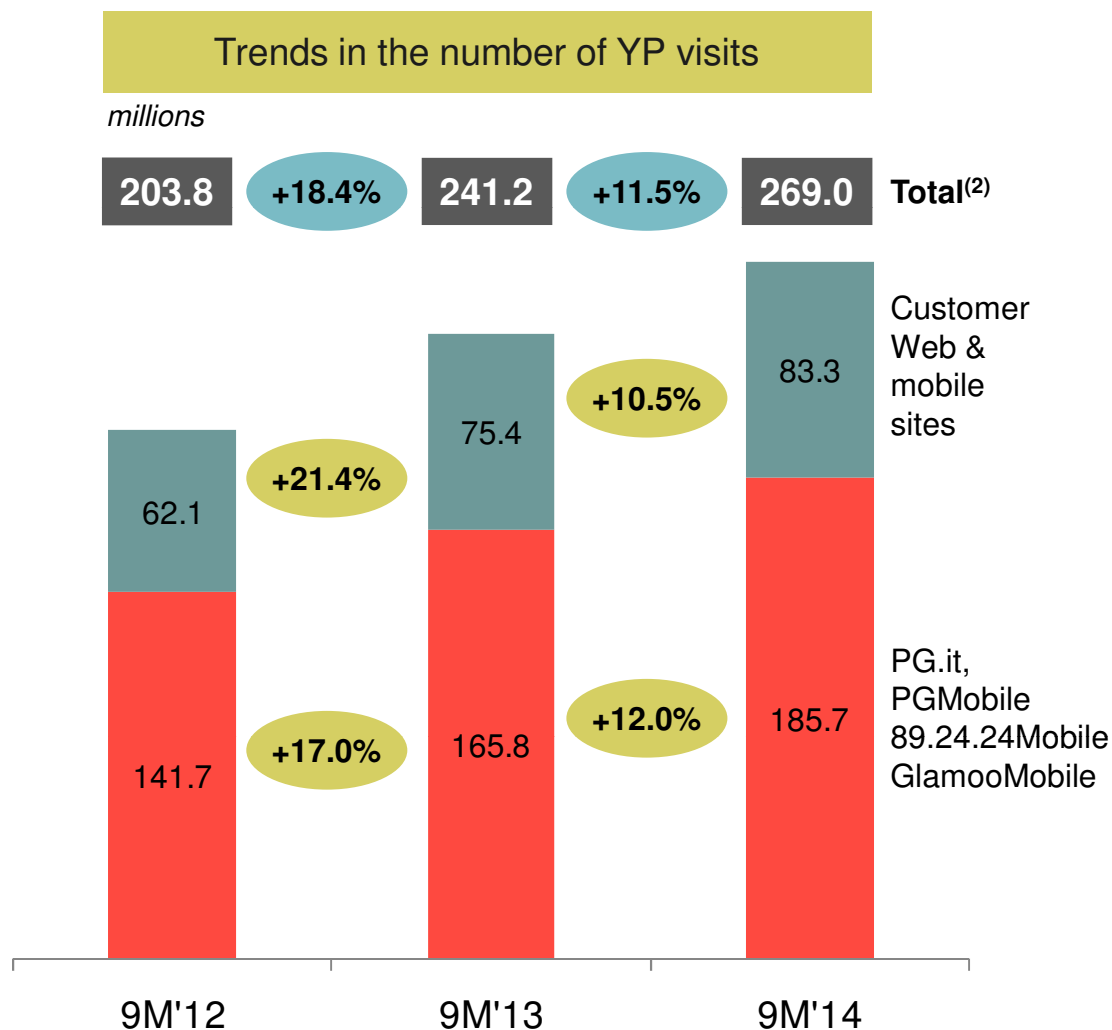
Decrease in risk provisions (thanks to claim reduction) and bad debt provisions (allowing a coverage of ~63% of overdue credits, above the level of FY'13)

(1) Including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A. and Web.co S.r.l. (Digital Local Services companies)

(2) From July 2012 implementation of the "New Commercial Model" that provides for the establishment of new companies (Digital Local Services), located throughout the country, entrusted to employees who previously were agents (Zone Manager)

# In 9M'14 solid growth (up 11.5%) in YP online & mobile usage

## SEAT – YP ONLINE & MOBILE USAGE<sup>(1)</sup>



## Key initiatives and metrics

### Web sites

Leading position in the creation and management of sites in Italy: ~72k web sites managed in 9M'14 (of which ~27k new ones)

### PG.it, PGMobile

Positive impact from:

- continuous product update and SEO refinement
- increasing # of user-generated-content reviews: ~390k at the end of Sept. 2014
- increasing influence of social media on user behavior: 419k Facebook fans<sup>(3)</sup> at the end of Sept. 2014

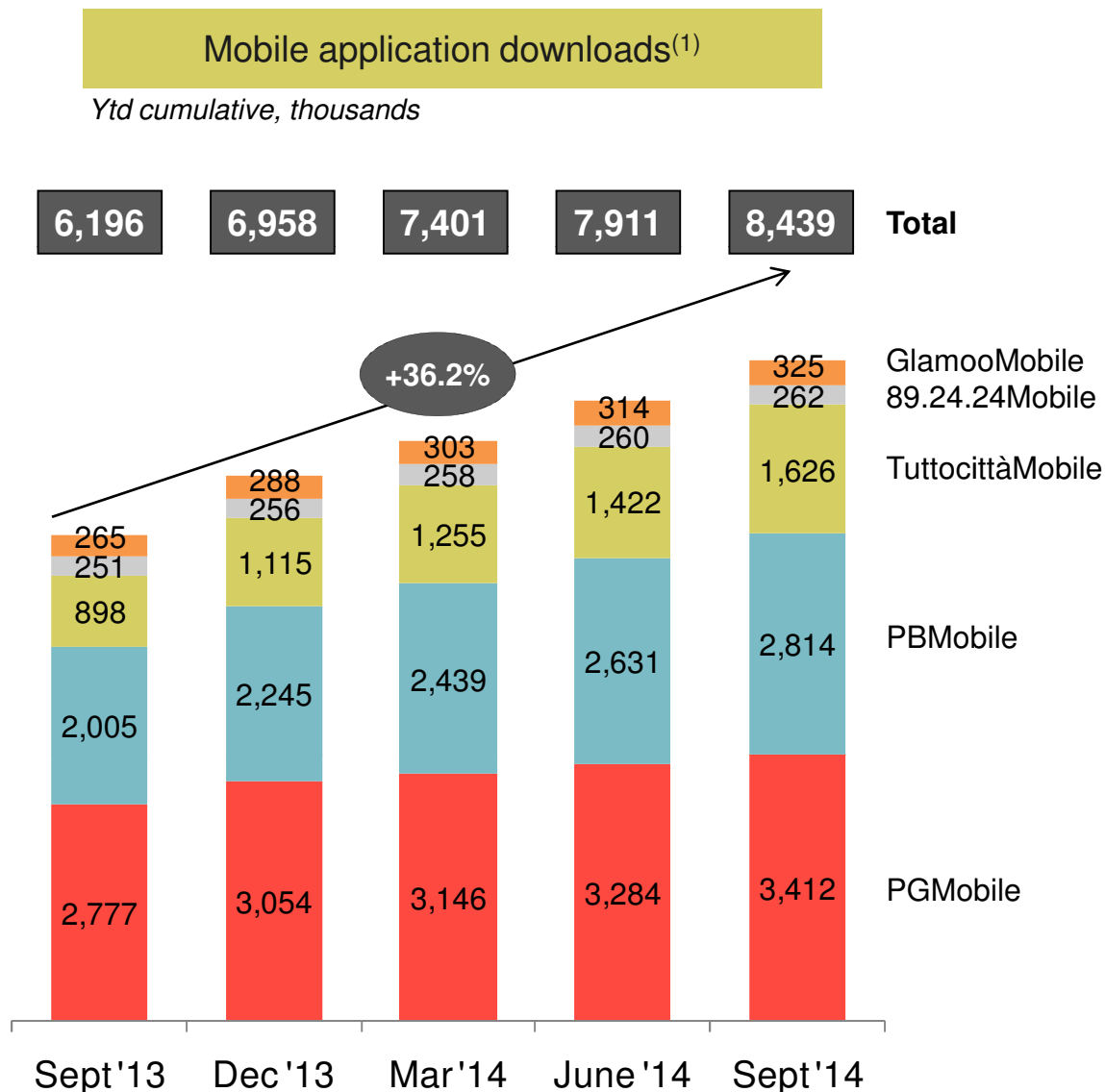
(1) Source: SiteCensus

(2) 436.2 millions in 9M'14, including all Seat's proprietary products (Yellow & White Pages, TuttoCittà)

(3) PG.it only

At the end of Sept. '14, more than 8.4 million of mobile application downloads (including all Seat's proprietary products) from 6.2 million at the end of Sept. '13

## SEAT - MOBILE APPLICATION DOWNLOADS



### Key initiatives and metrics

#### All proprietary apps

- Growth in total downloads from 6.2m to 8.4m in 1 year

#### PGMobile<sup>(2)</sup>

- 3.4m downloads for the PGMobile application, of which 1.6m for iOS (iPhone and iPad)

#### PBMobile<sup>(2)</sup>

- 2.8m downloads for the PBMobile application, of which 1.1m for iOS (iPhone and iPad)

#### TuttocittàMobile<sup>(3)</sup>

- 1.6m downloads for the TuttocittàMobile application, of which 1.1m for iOS (iPhone)

#### 89.24.24Mobile

- 0.3m downloads for the 89.24.24Mobile application (iPhone)

#### GlamooMobile

- 0.3m downloads for the GlamooMobile application, of which 0.2m for iOS (iPhone)

(1) Including applications available on iOS (iPhone and iPad), Android (Smartphone and Tablet), Blackberry, Windows Phone and Windows 8

(2) Including eBook app downloads

(3) Including TuttoCittà NAV app downloads

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Revenues at 307.0 €m, down 81.0 €m or 20.9% and Ebitda at 40.7 €m down 46.6 €m or 53.3%. Ebitda margin at 13.3% of revenues (-9.2pp)

## SEAT GROUP P&L

<i>euro million</i>	Revenues			Ebitda		
	9M'13	9M'14	Change	9M'13	9M'14	Change
Italian Directories <sup>(1)</sup>	369.4	295.8	(19.9)%	91.3	40.8	(55.3)%
Cipi	6.2	0.0	n.s.	(1.6)	0.0	n.s.
Consodata	9.1	9.6	5.5%	(1.2)	(0.4)	66.7%
Europages	7.9	6.1	(22.8)%	(1.1)	(1.5)	(36.4)%
Intercompanies elim. & others <sup>(2)</sup>	(4.6)	(4.5)	n.s.	(0.1)	1.8	n.s.
<b>Total</b>	<b>388.0</b>	<b>307.0</b>	<b>(20.9)%</b>	<b>87.3</b>	<b>40.7</b>	<b>(53.3)%</b>
<i>Ebitda margin</i>				<i>22.5%</i>	<i>13.3%</i>	<i>(9.2)pp</i>

(1) Including Seat Pagine Gialle S.p.A., Seat Pagine Gialle Italia S.p.A., Web.co S.r.l. (Digital Local Services companies), Glamoo Ltd, Glamoo S.r.l. and Prontoseat S.r.l.

(2) Including the effects of deconsolidation of Cipi S.p.A. in 9M'14 (as the Company was sold on March 13, 2014)

Operating free cash flow at 8.1 €m (-103.3 €m) reflecting Ebitda decline (-46.6 €m) and negative contribution from operating working capital (-59.6 €m)

## SEAT GROUP OPERATING FREE CASH FLOW AND DELEVERAGE

<i>euro million</i>	9M'13	9M'14	Change	
			mln	%
Ebitda	<b>87.3</b>	<b>40.7</b>	<b>(46.6)</b>	<b>(53.3)%</b>
Change in operating working capital	48.1	(11.4)	(59.6)	n.s.
Change in operating non-current liabilities & others	(2.7)	(1.8)	0.9	33.1%
Capital expenditure	(21.3)	(19.4)	1.9	8.9%
Operating free cash flow	<b>111.4</b>	<b>8.1</b>	<b>(103.3)</b>	<b>(92.7)%</b>
Payment of interest expense, net	0.7	2.2	1.5	n.s.
Payment of income taxes	(1.4)	(4.3)	(2.9)	n.s.
Payment of non-recurring and restructuring expense	(17.6)	(28.9)	(11.3)	(64.0)%
Foreign exchange adj. & others	(198.8)	(104.8)	93.9	47.3%
Change in Net Financial Debt	<b>(105.7)</b>	<b>(127.7)</b>	<b>(22.0)</b>	<b>(20.8)%</b>
	9M'13	9M'14	Change	
			mln	
Net Financial Debt	<b>(1,459.9)</b>	<b>(1,587.6)</b>	<b>(127.7)</b>	

Change in operating working capital (-59.6 €m) mainly attributable to the suspension of payments in the 9M'13, resulting from the rules governing the composition procedure, and to an accommodating policy on the operating payments in 2014 (to suppliers and agents) in the current economic scenario and under the composition procedure

Change in Net Financial Debt (-127.7 €m) mainly attributable to the accounting of interest (~93€m) accrued on the financial debt and that will be cancelled upon the execution of the composition proposals and to the net operating cash flow

# As at September 30, 2014 Net Financial Debt at 1,587.6 €m up 127.7 €m if compared to December 31, 2013

## SEAT GROUP NET DEBT

Debt Facility	Amount (€m)
<b>GROSS DEBT</b>	<b>1,497.1</b>
<b>Bank Senior Debt</b>	<b>661.1</b>
New Term Facility	571.1
Revolving Facility	90.0
Senior Secured Bond & Stub Bond <sup>(1)</sup>	798.6
Financial Lease <sup>(2)</sup>	37.4
<b>Accruals &amp; Unpaid Interest Net of Other Financial Assets</b>	<b>253.2</b>
<b>CASH</b>	<b>(162.7)</b>
<b>NET FINANCIAL DEBT</b>	<b>1,587.6</b>

Interest	
<b>New TF &amp; RCF:</b>	Euribor +5.4%
<b>SSB &amp; Stub Bond:</b>	Fixed +10.5%
<b>Leasing:</b>	3M Euribor +0.65%

Contractual Repayment Schedule (€m)					
	2014	2015	2016	2017	Total
<b>Term Facility<sup>(3)</sup></b>	150	95	326.1		<b>571.1</b>
<b>RCF</b>		90			<b>90</b>
<b>SSB &amp; Stub Bond</b>				815	<b>815</b>

CASH RETAINED FOR UNPAID INTEREST: 240.6 €m:

- SSB interest: 170.6 €m due till July 31, 2014
- RBS interest: 70 €m due till September 15, 2014

(1) Nominal amount of 815 €m

(2) Net of IAS adjustment due to fair value evaluation (current outstanding capital of 43.7 €m)

(3) 110 €m of the capital amount that has fallen due, respectively 35 €m on June 28<sup>th</sup>, 2013, 35 €m on December 28<sup>th</sup>, 2013 and 40 €m on June 28<sup>th</sup>, 2014 and not yet paid under the Concordato Procedure

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# Seat Group P&L

## SEAT GROUP P&L

<i>euro million</i>	9M'13	9M'14	Change
			%
Revenues form sales and services	<b>388.0</b>	<b>307.0</b>	<b>(20.9)%</b>
Operating & Labour costs	(266.7)	(242.9)	8.9%
Gross Operating Profit	<b>121.4</b>	<b>64.1</b>	<b>(47.2)%</b>
<i>% of revenues</i>	<i>31.3%</i>	<i>20.9%</i>	<i>(10.4)pp</i>
Bad Debt, Risk Provisions & others	(34.0)	(23.4)	31.4%
EBITDA	<b>87.3</b>	<b>40.7</b>	<b>(53.3)%</b>
<i>% of revenues</i>	<i>22.5%</i>	<i>13.3%</i>	<i>(9.2)pp</i>

# Seat Group P&L – below Ebitda

## SEAT GROUP P&L BELOW EBITDA

<i>euro million</i>	9M'13	9M'14	Change
			%
<b>EBITDA</b>	<b>87.3</b>	<b>40.7</b>	<b>(53.3)%</b>
<i>% of revenues</i>	<i>22.5%</i>	<i>13.3%</i>	<i>(9.2)pp</i>
Operating amortization, depreciation and write-down	(34.2)	(29.8)	12.7%
Non-operating amortization, depreciation and write-down	(26.1)	(3.7)	85.7%
Non-Recurring & Net Restruct. costs, net	(45.7)	(4.9)	n.s.
<b>EBIT</b>	<b>(18.7)</b>	<b>2.3</b>	<b>n.s.</b>
<i>% of revenues</i>	<i>(4.8)%</i>	<i>0.8%</i>	<i>n.s.</i>
Interest expense, net	(98.0)	(98.4)	(0.4)%
Gain (loss) from investment disposal	0.0	(2.6)	n.s.
<b>Profit (loss) before income taxes</b>	<b>(116.7)</b>	<b>(98.7)</b>	<b>15.4%</b>
Income taxes	(0.2)	(4.5)	n.s.
<b>Profit (loss) on continuing operations</b>	<b>(116.9)</b>	<b>(103.2)</b>	<b>11.7%</b>
Profit (loss) from non current assets held for sale and D.O.	3.2	(7.1)	322.0%
<b>Profit (loss) for the period</b>	<b>(113.7)</b>	<b>(110.4)</b>	<b>2.9%</b>
- of which pertaining to the Group	(113.1)	(108.8)	3.8%
- of which non-controlling interests	(0.5)	(1.6)	n.s.

# Balance Sheet

## SEAT GROUP

<i>euro million</i>	Dec. 31, '13	Sept. 30, '14	Change
Goodwill and "marketing related" intangible assets	29.1	30.8	1.7
Other non-current assets	148.9	139.7	(9.2)
Operating non-current liabilities	(40.3)	(40.9)	(0.6)
Non-operating non-current liabilities	(15.4)	(13.1)	2.3
Operating working capital	(56.5)	(47.1)	9.4
Non-operating working capital	(47.8)	(26.6)	21.3
Non-current assets held for sale and D.O., net	118.7	108.6	(10.1)
Net invested capital	<b>136.5</b>	<b>151.4</b>	<b>14.9</b>
Equity of the Group	(1,342.9)	(1,452.4)	(109.5)
Non-controlling interest	19.5	16.2	(3.3)
Total equity	<b>(1,323.4)</b>	<b>(1,436.2)</b>	<b>(112.8)</b>
Current financial assets, cash and cash equivalent	(198.5)	(166.1)	32.4
Current financial debts	1,623.2	1,720.6	97.4
Non-current financial debts	35.2	33.1	(2.2)
Net financial debt	<b>1,459.9</b>	<b>1,587.6</b>	<b>127.7</b>
Total	<b>136.5</b>	<b>151.4</b>	<b>14.9</b>