

First Quarter Report as at March 31, 2011



## ➤ First Quarter Report as at March 31, 2011

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



The SEAT Pagine Gialle group is a major multimedia platform that provides detailed information and sophisticated search tools to tens of millions of users and offers its advertisers a wide range of multiplatform advertising methods (print-online&mobile-voice). The Group specialises in highly innovative online products, print directories and directory assistance services, as well as providing a large selection of complementary advertising services.

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## Highlights and general information



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## ↗ Company Boards

*(Information updated on May 10, 2011)*

### Board of Directors

Chairman	Enrico Giliberti
Chief Executive Officer	Alberto Cappellini
Directors	Lino Benassi <sup>(1)</sup> Dario Cossutta Maurizio Dallochio <sup>(1)</sup> Alberto Giussani <sup>(1)</sup> Luigi Lanari Pietro Masera Antonio Tazartes Marco Tugnolo Nicola Volpi
Secretary to the Board of Directors	Marco Beatrice

### Remuneration Committee

Chairman	Lino Benassi Dario Cossutta Luigi Lanari
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### Internal Audit Committee

Chairman	Alberto Giussani Maurizio Dallochio Marco Tugnolo
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### Board of Statutory Auditors

Chairman	Enrico Cervellera
Acting Auditors	Vincenzo Ciruzzi Andrea Vasapolli
Alternate Auditors	Guido Costa Guido Vasapolli

### Common representative of savings shareholders

Stella D'Atri

### Manager responsible for preparation of the financial statements

Massimo Cristofori

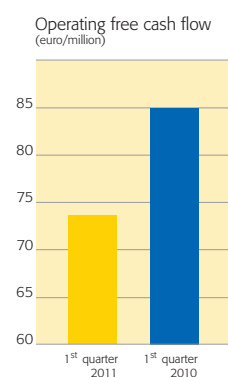
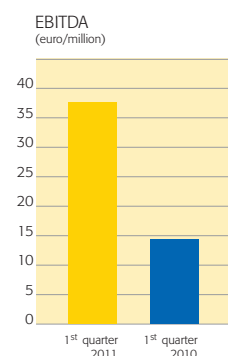
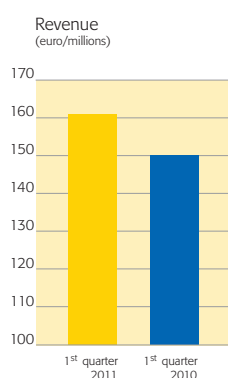
### Independent Auditors

Reconta Ernst & Young S.p.A.

(1) Meets the requirements set forth in Article 148, paragraph 3 of Legislative Decree no. 58/98 and in the Self-Regulation Code for Listed Companies in order to qualify as independent.

## ➤ Economic and financial highlights of the Group

- Consolidated REVENUE and EBITDA totalled € 160.7 million and € 37.0 million respectively, sustained by core revenue growth in Italy (+19.7%).
- Operating FREE CASH FLOW was € 73.7 million and NET FINANCIAL DEBT was € 2,729.5 million, despite greater financial expenses.



(euro/million)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Year 2010
<b>Economic and financial data</b>			
Revenue from sales and services	160.7	149.5	1,110.6
GOP (*)	47.0	27.9	523.1
EBITDA (*)	37.0	14.3	483.5
EBIT (*)	19.9	(4.2)	(307.9)
Pre-tax profit (loss)	(44.7)	(61.9)	(561.8)
Profit (loss) on continuing operations	(26.4)	(44.0)	(665.8)
Profit (loss) pertaining to the Group	(26.6)	(44.3)	(667.4)
FCF (*)	73.7	84.8	414.3
Capital expenditure	10.2	7.0	40.3
Net invested capital (*)	3,034.8	3,720.0	3,058.7
<i>of which goodwill and customer database</i>	2,649.7	3,334.4	2,651.3
<i>of which net operating working capital (*)</i>	295.9	247.0	345.4
Equity of the Group	336.4	969.4	357.8
Net financial debt (*)	2,729.5	2,776.4	2,731.0
<b>Economic and financial ratios</b>			
EBITDA/Revenue	23.0%	9.6%	43.5%
EBIT/Revenue	12.4%	(2.8%)	(27.7%)
EBIT/Net invested capital	0.7%	(0.1%)	(10.1%)
Profit (loss) for the period/Equity of the Group	(7.9%)	(4.6%)	(186.5%)
FCF/Revenue	45.9%	56.7%	37.3%
Operating working capital/Revenue	n.s.	n.s.	31.1%
<b>Workforce</b>			
Workforce at the end of the period (units)	4,660	5,953	4,810
Average workforce for the period	3,962	4,798	4,493
Revenue/Average workforce	41	31	247

(\*) See "Non-GAAP measures" below for details of items.

## Non-GAAP measures

In addition to the conventional IFRS indicators, this interim report of March 31, 2011 includes some non-GAAP measures with a view to providing a better assessment of the group's economic and financial performance.

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 or 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 expense and other valuation adjustments and provisions to reserves for risks and charges;
- **EBITDA** (*operating income before amortization, depreciation, non-recurring and restructuring costs, net*) refers to EBIT (*operating result*) before non-recurring and restructuring costs, net, and operating amortization, depreciation and write-down (relating to all intangible assets with a finite useful life and tangible assets) and non-operating amortization and write-down (goodwill and customer database);
- **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 database, and other operating and non-operating non-current assets and liabilities;
- **Net Financial Debt** (Book Value) is the sum of cash and cash equivalents and current and non-current financial assets and liabilities;
- **Net Financial Debt** refers to net financial debt (book value) gross of the net market value of cash flow hedge instruments and transaction costs on loans and securitization programs not yet amortized;
- **FCF** (*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

		At 03.31.2011	At 12.31.2010	At 03.31.2010
Share capital	euro	450,265,793.58	450,265,793.58	450,265,793.58
Number of ordinary shares	No.	1,927,027,333	1,927,027,333	1,927,027,333
Number of savings shares	No.	680,373	680,373	680,373
Market capitalisation (based on average market price)	euro/mln	148	170	327
SEAT Pagine Gialle S.p.A. share weighting (SPG ordinary shares)				
- Ftse Italia All Share (ex Mibtel)		0.021%	0.027%	0.052%
Equity par share	euro	0.175	0.186	0.503
Profit (loss) par share	euro	(0.014)	(0.346)	(0.023)

### Ratings for SEAT Pagine Gialle S.p.A. (Information updated on May 10, 2011)

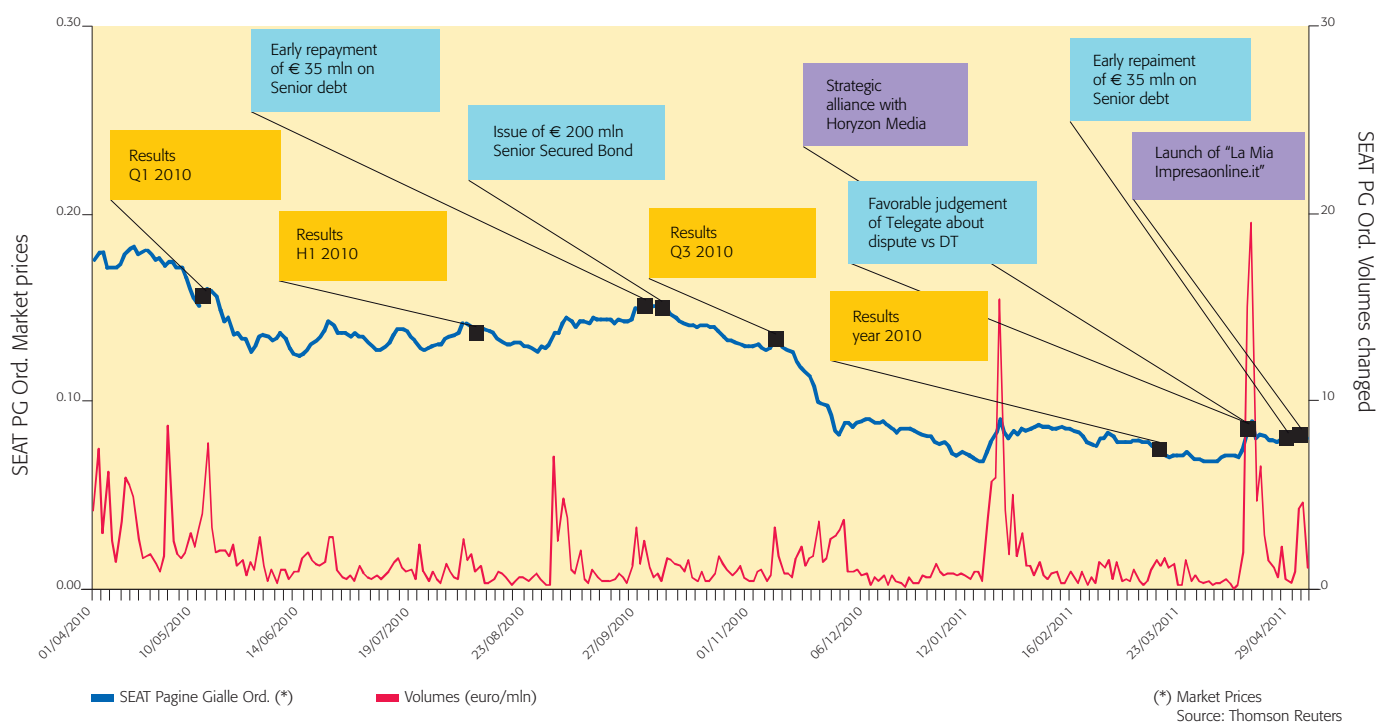
Rating agency	Corporate	Outlook
S&P's	CCC+	Negative
Moody's	Caa1	Negative

## Market performance of ordinary shares over the last 12 months and traded volumes

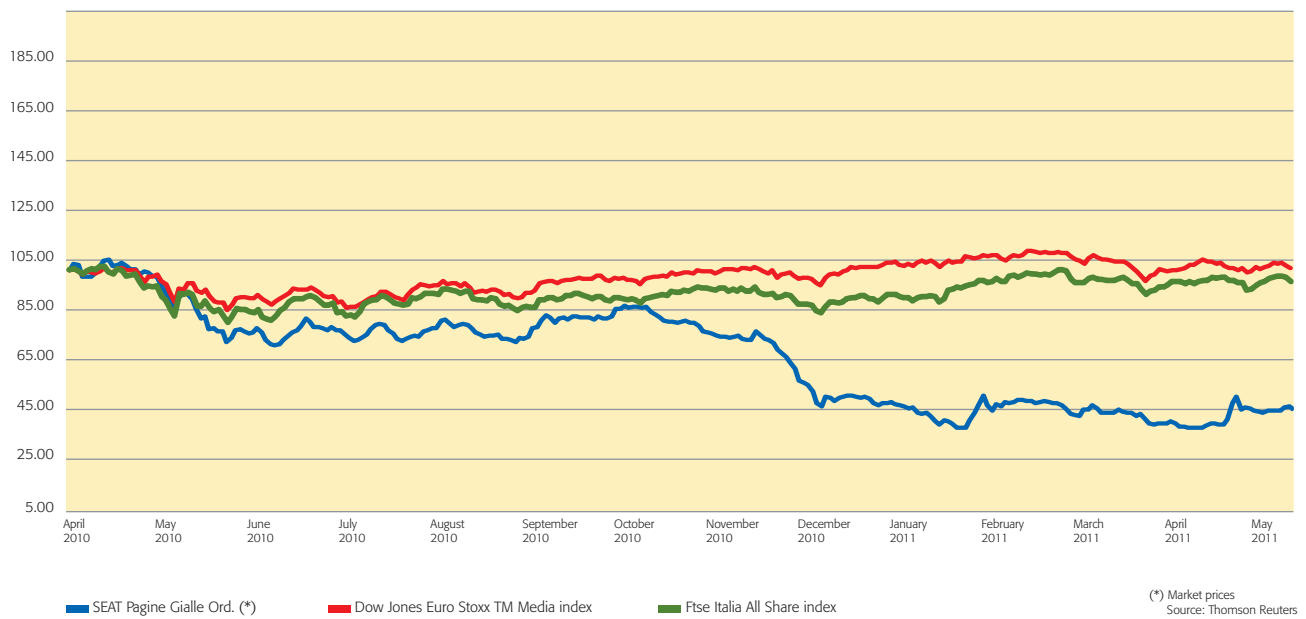
Trading in SEAT Pagine Gialle shares closed on March 31, 2011 at a price of € 0.070, a decrease of approximately 16% compared to the price of € 0.082 at December 31, 2010.

The negative performance of SEAT shares was influenced by the structure of the Company's Enterprise Value, consisting predominantly of the "debt" component. Slight decreases in the Company's Enterprise Value (with debt calculated at nominal value and not at market value) resulted in ever greater reductions in its market value, as represented by stock exchange quotes. From the end of December 2010 until the end of March 2011, the Enterprise Value expressed by the shares of SEAT Pagine Gialle decreased by 1%.

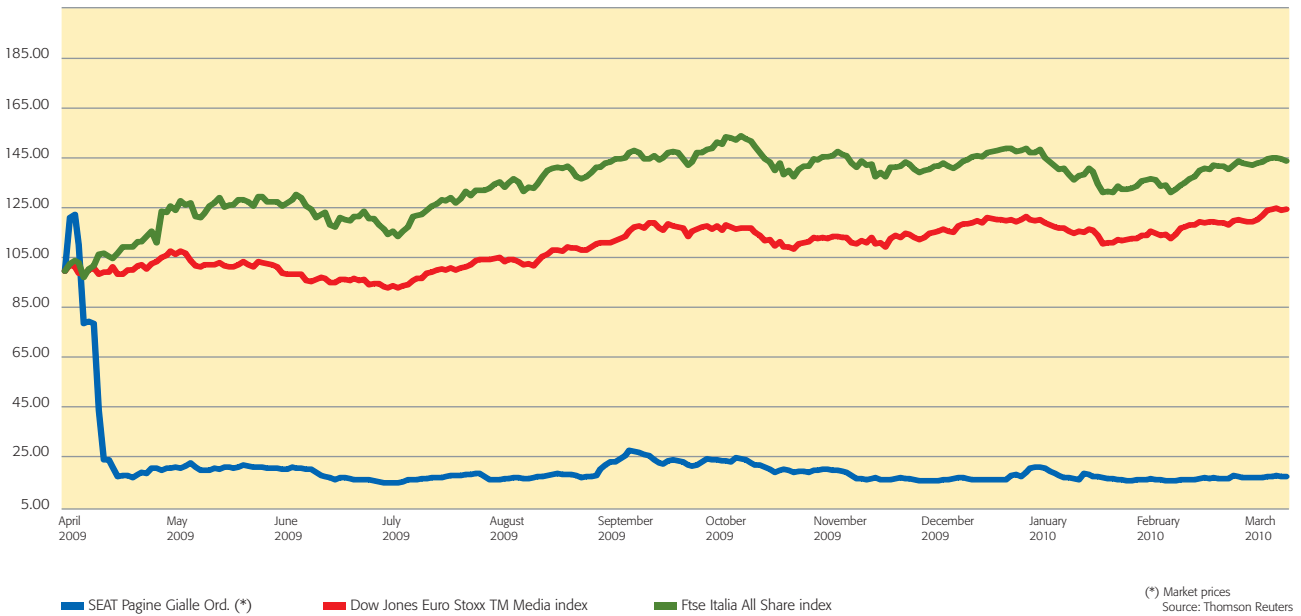
Progress was positive with the Enterprise Value of some companies in the sector (Yellow Media Canada +5.7%, Mondadori +2.5%, Mediaset +0.9%, Pages Jaunes +0.2%), while others posted a negative change (Yell -8.1%). Stock exchange values during the period were positive for France's Pages Jaunes (+3.9%) and for Mondadori (+3.8%).



Performance of SEAT Pagine Gialle S.p.A. shares in the first quarter 2011 vs. FTSE Italia All Share Index and Dow Jones Euro Stoxx TM Media Index  
 (Information updated on May 10, 2011)



## Performance of SEAT Pagine Gialle S.p.A. shares in the first quarter 2010 vs. FTSE Italia All Share Index and Dow Jones Euro Stoxx TM Media Index



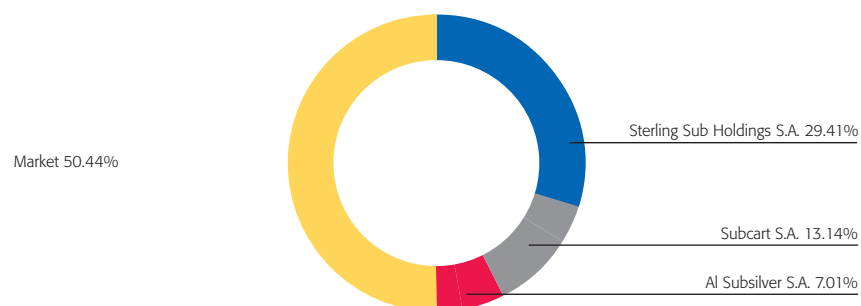
## Shareholders

The table below lists the ordinary shareholders of SEAT Pagine Gialle S.p.A. which held more than 2% of the Company's share capital as at March 31, 2011.

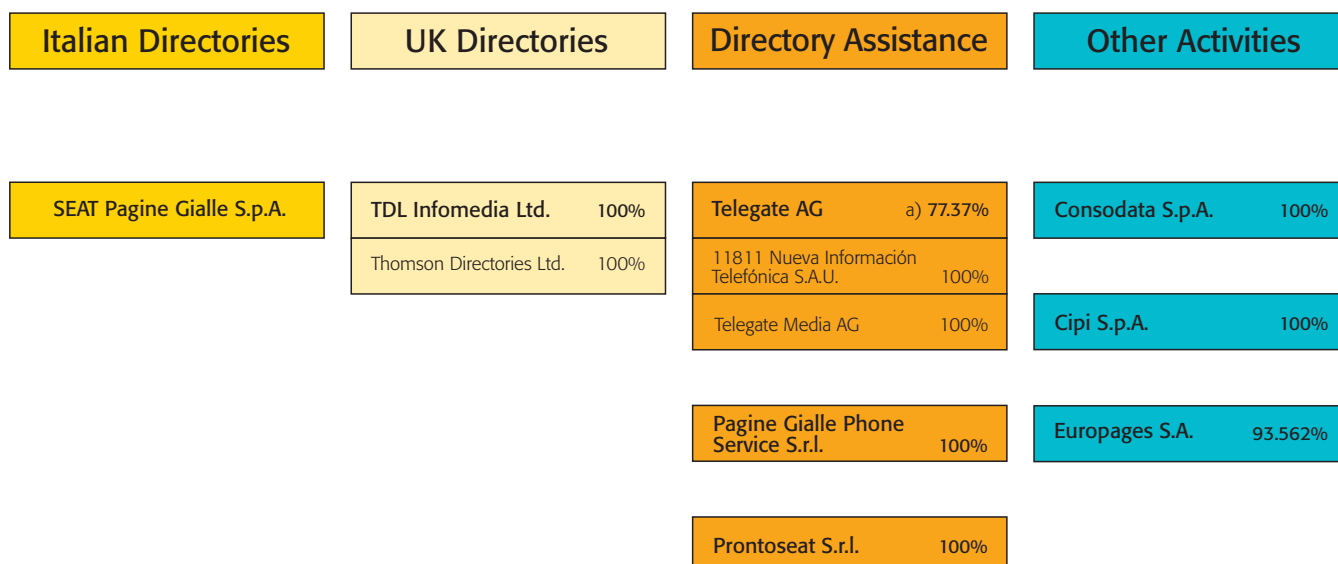
Shareholders	Ordinary shares held	% ordinary share capital
Sterling Sub Holdings S.A.	566,683,788 (*)	29.41
Subcart S.A.	253,219,895 (*)	13.14
Al Subsilver S.A.	135,113,995 (*)	7.01

(\*) On 8 October 2010, the Company was party to the drawing up of a deed of pledge which the Shareholders listed in the table (the "Leading Shareholders") created over the shares held by each of them which were already the object of a pledge pursuant to the Deed of Pledge drawn up on 22 April 2004 (as subsequently confirmed and extended) and pursuant to the deed of pledge drawn up on 28 January 2010 (which covers all the obligations of the Company arising from the bond drawn up on the same date and named "€ 550,000,000 10 1/2 Senior Secured Notes Due 2017"). The pledge created on 8 October 2010, which is subordinate to the pledges created pursuant to the aforementioned deeds of pledge, guarantees that the Company will fulfil all its obligations in connection with the issue, on the same date, of the bond named "€ 200,000,000 10.5% Senior Secured Notes Due 2017".

## SEAT Pagine Gialle S.p.A. shareholder structure as at March 31, 2011



## ↗ Organisational structure of the Group



**Legenda**

a) 16.24% directly owned and 61.13% owned through Telegate Holding GmbH.



## Report on Operations



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## ➤ Economic and financial performance of the Group

### Introduction

The interim report as at March 31, 2011 of the SEAT Pagine Gialle group has been prepared in compliance with article 154-ter (Financial Reports) of Legislative Decree no. 58/1998 (Combined Finance Act - TUF) and subsequent amendments and additions, as well as with Consob communication DEM/8041082 of April 30, 2008 (Quarterly reporting by issuers of listed shares which give Italy as their State of origin).

The interim report is not subject to audit and has been prepared in accordance with the International Accounting Standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).

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

The amount relating to the transaction costs on the loan with Lighthouse International Company S.A. has been adjusted with reference to the amount not yet amortized as at 31 December 31, 2008. The figures in the statement of financial position as at March 31, 2010 have therefore been restated in accordance with the provisions of IAS 8, with a view to applying the amortized cost method provided for by IAS 39 more accurately thanks to the use of more reliable calculation methods than those used on December 31, 2008. Since the amounts recorded in the statements of operations differ slightly from the aforementioned recalculation, the adjustment has had an impact mainly on capital, and in particular has affected equity (up by € 5.2 million) and non-current financial debts to third parties (down by € 5.2 million).

### Reclassified consolidated statement of operations for the 1<sup>st</sup> quarter of 2011

**Revenue from sales and services** during the first quarter of 2011 amounted to € 160.7 million, an increase of 7.4% compared to the first quarter of 2010. On a same publication basis and at constant euro/sterling exchange rate, the increase was 9.8%.

Including inter-segment revenue, revenue from sales and services were as follows:

- *"Italian Directories"* (SEAT Pagine Gialle) revenue totalled € 117.2 million in the first quarter of 2011 and increased by 16.7% compared to the first quarter of 2010. Core products (print-online&mobile-voice) ended the quarter with revenue up 19.7% compared to the first quarter of 2010, with organic growth of 12.2% in online revenue, sustained by both traditional advertising offerings as well as online marketing services. The growth of these two segments, together with separate accounting for the online component of PAGINEBIANCHE® revenue, which was traditionally computed among revenue from paper products, have allowed for the acceleration of the process of changing the revenue mix in favour of online revenue, which accounted for 68.6% of

overall revenue during the quarter. The rate of overall revenue growth was reduced, as in previous quarters, by the drop in revenue from telephone traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services and some minor products (specifically direct marketing and promotional objects), affected negatively by the sales network's greater focus on core products, and specifically online;

- "*UK Directories*" (*Thomson Directories group*) revenue decreased by € 3.2 million to € 8.8 million also due to the effect of a different publication calendar. As with the directories published, revenue during the first quarter of 2011 posted a slight increase (1.1%) compared with the first quarter of 2010. This trend is due primarily to the growth of online revenue by € 1.1 million thanks to the offering of multimedia packages, launched in 2010;
- "*Directory Assistance*" (*Telegate group, Pagine Gialle Phone Service and Prontoseat*) revenue reached € 30.5 million in the first quarter of 2011, a decrease of 17.1% compared to the same period of the previous year, as a result of a contraction experienced by the Telegate group, which brought in revenue of € 28.3 million (down 6.9% compared to the first quarter of 2010), and due to the sale on May 31, 2011 of the call centers in Turin and Livorno by Pagine Gialle Phone Service S.r.l.. Specifically, the Telegate group's revenue in Germany reached € 26.0 million, down 5.8% compared to the first quarter of 2010 (€ 27.6 million) due to the persistent contraction of the telephone assistance services market from the continual drop in call volume, only partially offset by the growth in online revenue, which reached € 8.6 million in the first quarter of 2011 compared to € 6.5 million in the first quarter of 2010. Prontoseat S.r.l. revenue amounted to € 2.2 million, a decrease of € 0.3 million compared to the same period of the previous year due to the decrease in inbound revenue attributable mainly to the 89.24.24 Pronto PAGINEGIALLE® service and to the contraction in the volume of traffic generated by the latter, only partially offset by the growth in revenue from telephone sales (outbound);
- "*Other activities*" (*Europages, Consodata and Cipi*) revenue amounted to € 7.9 million in the first quarter of 2011, a decrease of 12.2% compared to the first quarter of 2010, due to the drop in revenue affecting Consodata and Cipi in particular.

**Costs for materials and external services**, net of costs debited to third parties, amounted to € 68.7 million in the first quarter of 2011, substantially in line with the first quarter of 2010. *Industrial costs* reached € 15.8 million, substantially in line with the first quarter of 2010. Especially at SEAT Pagine Gialle S.p.A., the reduction in print revenue has meant a decrease in the number of pages printed, which was reflected in a contraction in paper consumption (down by € 1.9 million), production costs (down by € 1.0 million) and distribution and warehousing costs (down by € 0.8 million). Costs grew, on the other hand, for inbound call center services (up € 3.0 million), as a result of the outsourcing of their activities at the end of May 2010.

*Commercial costs* totalled € 30.4 million in the first quarter of 2011 (€ 29.5 million in the first quarter of 2010). The increase is attributable to costs for commissions arisen during the period, which increased by € 1.9 million due to the operations of new online offerings aimed at increasing web traffic. Advertising expenses dropped by € 1.0 million compared to the first quarter of 2010.

*Overhead* totalled € 22.5 million in the first quarter of 2011, decreasing 1.7% compared to the first quarter of 2010, due to the persistence of the cost-cutting measures implemented in 2010.

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**Salaries, wages and employee benefits**, net of costs debited to third parties, totalled € 45.0 million in the first quarter of 2011, decreased by € 8.4 million compared to the same period of the previous year (€ 53.4 million). This change is due mainly to Parent Company SEAT Pagine Gialle S.p.A. as a result of the drop in the average paid workforce, which went from 1,263 units in the first quarter of 2010 to 1,049 units in the first quarter of 2011. Salaries, wages and employee benefits also benefited from cost savings made by subsidiary Pagine Gialle Phone Service S.r.l., of € 3.3 million, as a result of the disposal of Business Areas intended for engaging in the call center business, at offices in Livorno and Turin, with the subsequent transfer of the employees affected.

The Group's workforce, including directors, project workers and trainees, is 4,660 units as at March 31, 2011 (4,810 units as at December 31, 2010). The average paid workforce during the first quarter of 2011 is 3,962 units (out of 4,798 units during the first quarter of 2010).

**Gross operating profit (GOP)** amounted to € 47.0 million in the first quarter of 2011, up by € 19.1 million compared to the first quarter of 2010 (€ 27.9 million), due to revenue growth and labour cost-cutting.

Operating margin was 29.2% compared to 18.7% in the first quarter of 2010.

**Net valuation adjustments and provisions to reserves for risks and charges**, of € 9.3 million in the first quarter of 2011, decreased by € 3.6 million compared to the first quarter of 2010. Net valuation adjustments (€ 5.5 million) refer to provisions for doubtful receivables, which dropped in the first quarter of 2011 by € 5.1 million; this decrease nevertheless allowed for maintaining adequate coverage for overdue receivables. The item also includes net provisions to reserves for risks and charges (€ 3.8 million in the first quarter of 2011), up by € 1.7 million compared to the first quarter of 2010 (€ 2.1 million).

**Operating income before amortization, depreciation and net non-recurring and restructuring costs (EBITDA)** in the first quarter of 2011 amounted to € 37.0 million, an increase of € 22.7 million compared to the first quarter of 2010 with an operating profit of 23.1% compared to 9.6% in the first quarter of 2010.

**Net non-recurring and restructuring costs** amounted to € 1.6 million in the first quarter of 2011 (€ 2.1 million in the first quarter of 2010). The decrease is due mainly to lower reorganisation costs.

**Operating result (EBIT)** in the first quarter of 2011 recorded a profit of € 19.9 million (a loss of € 4.2 million in the first quarter of 2010). The operating result reflected the GOP and EBITDA performance.

**Interest expense, net** amounted to € 64.6 million in the first quarter of 2011 (€ 57.7 million in the first quarter of 2010), representing the difference between interest expense of € 68.4 million (€ 62.5 million in the first quarter of 2010) and interest income of € 3.8 million (€ 4.8 million in the first quarter of 2010). The increase of approximately € 6 million in interest expense is due mainly to higher interest recognized on the new Senior Secured Bond issued in two tranches, the first at the end of January 2010 and the second in October 2010, only partially offset by lower interest on the Senior debt, partially repaid by the use of funds generated by the bond issue itself.

As a result of what described above, the average total cost of the financial debt of SEAT Pagine Gialle S.p.A., in the first quarter of 2011, was 8% (6.98% in the first quarter of 2010).

**Income taxes** were positive for € 18.3 million (positive for € 17.9 million in the first quarter of 2010). In accordance with the provisions of IAS 34, income taxes for the period were calculated by applying the average rates expected for the 2011 financial year to the gross pre-tax income.

**Profit (loss) for the period pertaining to minority interests** amounted to a profit of € 0.2 million (profit of € 0.2 million in the first quarter of 2010) and pertains primarily to minority interests of the Telegate group.

**Profit (loss) for the period pertaining to the Group** recorded a loss of € 26.6 million (recorded a loss of € 44.2 million in the first quarter of 2010).

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## Reclassified consolidated statement of financial position as at March 31, 2011

### Introduction

As a result of the Senior Facilities with The Royal Bank of Scotland Plc Milan Branch (hereinafter The Royal Bank of Scotland), the Indenture with Lighthouse International Company S.A. and the bonds issued in January 2010 and October 2010, SEAT Pagine Gialle S.p.A. provided the usual security, the most significant being:

- pledge over its main trademarks;
- pledge over shares in its main subsidiaries;
- pledge over part of the Company's shares held by Sterling Sub Holdings S.A., Subcart S.A. and Al Subsilver S.A..

SEAT Pagine Gialle S.p.A. also created a special lien in favour of The Royal Bank of Scotland plc, in connection with the Senior facilities agreement, on its tangible assets with a net book value greater than or equal to € 25,000.

### Net invested capital

**Net invested capital**, of € 3,034.8 million as at March 31, 2011, showed a decrease of € 23.9 million compared to December 31, 2010. It consisted of the following items:

- **non-current assets** totalling € 2,869.3 million as at March 31, 2011 (€ 2,855.0 million as at December 31, 2010), including goodwill and customer database of € 2,649.7 million as at March 31, 2011 (€ 2,651.2 million as at December 31, 2010). The weakening of the sterling against the euro resulted in a decrease in the goodwill relating to the Thomson group of € 0.9 million.

*Investments* for the period amounted to € 10.3 million (€ 7.0 million in the first quarter of 2010), and were broken down as follows

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Change	Year 2010
Capital expenditure	10,198	6,963	3,235	40,344
Financial investments	112	81	31	193
<b>Total investments</b>	<b>10,310</b>	<b>7,044</b>	<b>3,266</b>	<b>40,537</b>

*Capital expenditure* of € 10.2 million in the first quarter of 2011 (€ 7.0 million in the first quarter of 2010), were concentrated mainly in SEAT Pagine Gialle S.p.A. (€ 6.9 million) and involved: i) € 3.6 million for the development of software for the PAGINEGIALLE.it® and PAGINEBIANCHE.it® production systems to support new online and mobile commercial offerings; ii) € 2.8 million for the acquisition of software licences;

- **non-operating non-current liabilities**, of € 19.8 million as at March 31, 2011 (€ 23.2 million as at December 31, 2010), refer to € 9.9 million in deferred tax liabilities, mainly for the Telegate group (€ 9.2 million), and to € 9.2 million for the non-current portion of the reserve for restructuring, increased in 2010 after the reorganisation plan started in 2009 at SEAT Pagine Gialle S.p.A. and extended until 2013. The decrease compared to the previous year (€ 2.9 million) was primarily attributable to the transfer of the current portion of the reserve for restructuring;
- **operating non-current liabilities** of € 60.0 million as at March 31, 2011 (€ 62.3 million as at December 31, 2010). More specifically, these included defined-benefit pension plans of € 20.5 million (€ 20.8 million as at December 31, 2010), accounting for net of assets used to finance these plans totalling € 35.5 million as at March 31, 2011 (€ 35.9 million as at December 31, 2010), the reserve for severance indemnities amounting to € 14.6 million (€ 16.0 million as at December 31, 2010) and the reserve for sale agents' termination indemnities totalling € 23.1 million as at March 31, 2011 (€ 23.0 million as at December 31, 2010);
- **operating working capital** of € 295.9 million as at March 31, 2011, which decreased by € 49.6 million compared to December 31, 2010, reflecting the following changes specifically:
  - a decrease in *trade receivables* of € 44.5 million compared to December 31, 2010, with € 41.3 million relating to SEAT Pagine Gialle S.p.A. and € 3.2 million relating to Consodata; this reduction is associated with the combined effects of the cyclical nature of accounts receivable invoicing and a drop in revenue;
  - a decrease in *trade payables* of € 52.8 million compared to December 31, 2010, associated with the cyclical nature of purchases throughout the course of the year;
  - an increase in *other current liabilities and operating payables for services to be rendered* of € 61.4 million compared to December 31, 2010, attributable to purchase and invoice times for advertising services;
- **non-operating working capital**, negative for € 50.4 million as at March 31, 2011 (negative for € 55.9 million as at December 31, 2010). The change of € 5.5 million is primarily due to the use of € 6.2 million from the current reserve for restructuring.

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## Net financial debt

As at March 31, 2011 this was structured as follows

	At 03.31.2011	At 12.31.2010	Change
<b>(euro/thousand)</b>			
<b>Net financial debt</b>	<b>2,729,518</b>	<b>2,731,032</b>	<b>(1,514)</b>
Transaction costs on loans and securitization program not yet amortized	(56,826)	(60,823)	3,997
Net market value of cash flow hedge instruments	8,546	13,780	(5,234)
<b>Net financial debt "book value"</b>	<b>2,681,238</b>	<b>2,683,989</b>	<b>(2,751)</b>
- Non-current financial debts	2,607,277	2,603,219	4,058
- Current financial debts	298,706	326,164	(27,458)
- Non-current financial assets	(1,959)	(2,168)	209
- Current financial assets, cash and cash equivalents	(222,786)	(243,226)	20,440

**Net financial debt**, of € 2,729.5 million as at March 31, 2011 was substantially in line with financial debt as at December 31, 2010 (€ 2,731.0 million).

Net financial debt differs from the net financial debt "book value", described below, since it is recorded gross of costs incurred on *i*) transaction costs relating to the medium- and long-term Senior debt with The Royal Bank of Scotland, *ii*) the Subordinated loan due to Lighthouse International Company S.A., *iii*) the Senior Secured Bond issue and *iv*) the launch of trade receivables securitization program. These costs, net of accumulated amortization, totalled € 56.8 million at March 31, 2011 (€ 60.8 million at December 31, 2010).

Net financial debt does not include the net value arising from the valuation at market values of the cash flow hedge instruments in place at the end of the period or, if closed early, cash flow hedge instruments that will become effective in subsequent periods. As at March 31, 2011, this value amounted in total to net liabilities of € 8.5 million (€ 13.8 million as at December 31, 2010).

**Net financial debt "book value"**, totalled € 2,681.2 million as at March 31, 2011 (€ 2,684.0 million as at December 31, 2010) and included the following items:

- **non-current financial debts**, totalled € 2,607.3 million as at March 31, 2011 (€ 2,603.2 million at December 31, 2010);
- **current financial debts**, totalled € 298.7 million as at March 31, 2011 (€ 326.2 million as at December 31, 2010);
- **non-current financial assets**, totalled € 2.0 million as at March 31, 2011 (€ 2.2 million as at December 31, 2010) referring mainly to employee loans;
- **current financial asset, cash and cash equivalents**, totalled € 222.8 million as at March 31, 2011 (€ 243.2 million as at December 31, 2010).

In January 2011, SEAT Pagine Gialle S.p.A. reduced the securitization program through early repayment of € 35 million in asset-backed securities.

The facilities agreements require that SEAT Pagine Gialle S.p.A. comply with specific covenants, which are monitored quarterly and relate to the maintaining of certain ratios between i) net debt and EBITDA; ii) EBITDA and interest on debt; iii) cash flow and debt service (including interest and capital payable in each reference period).

The check on the covenants and compliance with all the obligations imposed by the facilities agreement as at March 31, 2011 (the date of this report) was positive.

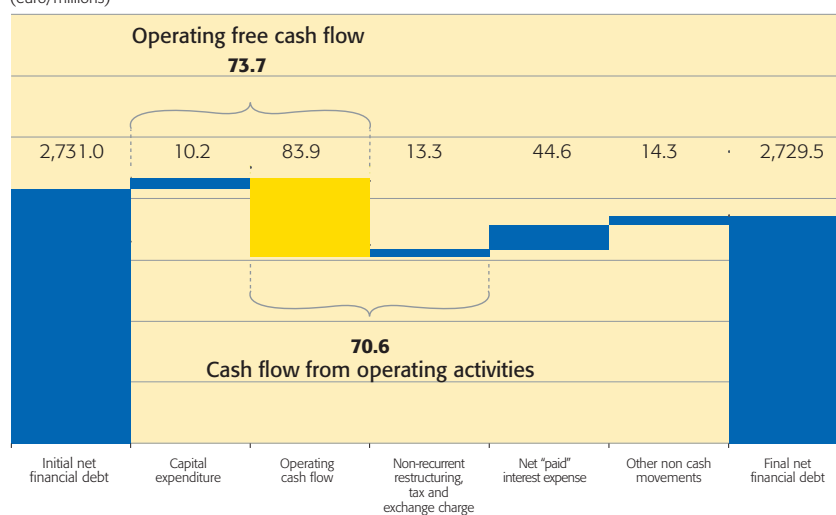
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## Consolidated financial flows for the first quarter of 2011

The **operating free cash flow** generated during the first three months of 2011 (€ 73.7 million) decreased by € 11.1 million compared to the first quarter of 2010 (€ 84.8 million). This result reflected the drop of € 29.7 million in flows deriving from the change in operating working capital (a decrease of € 49.6 million in the first quarter of 2011, compared to a decrease of € 79.2 million in the first quarter of 2010), partially offset by EBITDA performance, which grew of € 22.7 million during the period.

The following graph summarized the main elements that affected the change in net financial debt in the first quarter of 2011.

(euro/millions)



→ Reclassified consolidated statement of operations

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Change		Year 2010
			Absolute	%	
<b>Revenue from sales and services</b>	<b>160,678</b>	<b>149,538</b>	<b>11,140</b>	<b>7.4</b>	<b>1,110,649</b>
Costs of materials and external services (*)	(68,678)	(68,202)	(476)	(0.7)	(388,026)
Salaries, wages and employee benefits (*)	(45,004)	(53,446)	8,442	15.8	(199,518)
<b>Gross operating profit (GOP)</b>	<b>46,996</b>	<b>27,890</b>	<b>19,106</b>	<b>68.5</b>	<b>523,105</b>
<i>% on revenue</i>	<i>29.2%</i>	<i>18.7%</i>			<i>47.1%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(9,258)	(12,901)	3,643	28.2	(38,271)
Other operating income (expense)	(696)	(650)	(46)	(7.1)	(1,344)
<b>Operating income before amortization, depreciation, non-recurring and restructuring costs, net (EBITDA)</b>	<b>37,042</b>	<b>14,339</b>	<b>22,703</b>	<b>n.s.</b>	<b>483,490</b>
<i>% on revenue</i>	<i>23.1%</i>	<i>9.6%</i>			<i>43.5%</i>
Operating amortization, depreciation and write-down	(14,947)	(15,706)	759	4.8	(65,058)
Non-operating amortization, depreciation and write-down	(643)	(783)	140	17.9	(685,579)
Non-recurring and restructuring costs, net	(1,587)	(2,080)	493	23.7	(40,704)
<b>Operating result (EBIT)</b>	<b>19,865</b>	<b>(4,230)</b>	<b>24,095</b>	<b>n.s.</b>	<b>(307,851)</b>
<i>% on revenue</i>	<i>12.4%</i>	<i>(2.8%)</i>			<i>(27.7%)</i>
Interest expense, net	(64,576)	(57,701)	(6,875)	(11.9)	(253,959)
Gain (loss) on investments accounted for at equity	-	-	-	n.s.	35
<b>Profit (loss) before income taxes</b>	<b>(44,711)</b>	<b>(61,931)</b>	<b>17,220</b>	<b>27.8</b>	<b>(561,775)</b>
Income taxes for the period	18,328	17,918	410	2.3	(104,007)
<b>Profit (loss) on continuing operations</b>	<b>(26,383)</b>	<b>(44,013)</b>	<b>17,630</b>	<b>40.1</b>	<b>(665,782)</b>
Profit (loss) from non-current assets held for sale and discontinued operations	-	-	-	n.s.	(240)
<b>Profit (loss) for the period</b>	<b>(26,383)</b>	<b>(44,013)</b>	<b>17,630</b>	<b>40.1</b>	<b>(666,022)</b>
- of which pertaining to the Group	(26,639)	(44,252)	17,613	39.8	(667,366)
- of which non-controlling interests	256	239	17	7.1	1,344

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

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## → Consolidated statement of comprehensive income

(euro/thousand)		1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Change	Year 2010
<b>Profit (loss) for the period</b>	(A)	<b>(26,383)</b>	<b>(44,013)</b>	<b>17,630</b>	<b>(666,022)</b>
Profit (loss) for "cash flow hedge" instruments		4,631	(3,892)	8,523	9,606
Profit (loss) for foreign exchange adjustments		610	(116)	726	(138)
Actuarial gain (loss) recognised to equity		-	-	-	(1,247)
<b>Total other comprehensive profit (loss) for the period, net of tax effect</b>	(B)	<b>5,241</b>	<b>(4,008)</b>	<b>9,249</b>	<b>8,221</b>
<b>Total comprehensive profit (loss) for the period</b>	(A+B)	<b>(21,142)</b>	<b>(48,021)</b>	<b>26,879</b>	<b>(657,801)</b>
- of which pertaining to the Group		(21,398)	(48,260)	26,862	(659,145)
- of which non-controlling interests		256	239	17	1,344

→ Reclassified consolidated statement of financial position

(euro/thousand)	At 03.31.2011	At 12.31.2010	Change	At 03.31.2010 restated
Goodwill and customer database	2,649,718	2,651,255	(1,537)	3,334,382
Other non-current assets (*)	219,613	203,750	15,863	244,136
Operating non-current liabilities	(59,971)	(62,346)	2,375	(65,663)
Non-operating non-current liabilities	(19,812)	(23,242)	3,430	(15,113)
Operating working capital	295,887	345,448	(49,561)	246,982
- Operating current assets	643,661	686,416	(42,755)	647,710
- Operating current liabilities	(347,774)	(340,968)	(6,806)	(400,728)
Non-operating working capital	(50,391)	(55,919)	5,528	(24,836)
- Non-operating current assets	3,840	3,772	68	7,518
- Non-operating current liabilities	(54,231)	(59,691)	5,460	(32,354)
Non-current assets held for sale and discontinued operations, net	(250)	(250)	-	76
<b>Net invested capital</b>	<b>3,034,794</b>	<b>3,058,696</b>	<b>(23,902)</b>	<b>3,719,964</b>
Equity of the Group	336,434	357,840	(21,406)	969,399
Non-controlling interests	17,122	16,867	255	22,161
<b>Total equity (A)</b>	<b>353,556</b>	<b>374,707</b>	<b>(21,151)</b>	<b>991,560</b>
<b>Net financial debt</b>	<b>2,729,518</b>	<b>2,731,032</b>	<b>(1,514)</b>	<b>2,776,421</b>
Transaction costs on loans and securitization program not yet amortised	(56,826)	(60,823)	3,997	(74,123)
Net market value of "cash flow hedge" instruments	8,546	13,780	(5,234)	26,106
<b>Net financial debts "book value" (B)</b>	<b>2,681,238</b>	<b>2,683,989</b>	<b>(2,751)</b>	<b>2,728,404</b>
- Non-current financial debts	2,607,277	2,603,219	4,058	2,919,817
- Current financial debts	298,706	326,164	(27,458)	128,452
- Non-current financial assets	(1,959)	(2,168)	209	(2,087)
- Current financial assets, cash and cash equivalent	(222,786)	(243,226)	20,440	(317,778)
<b>Total (A+B)</b>	<b>3,034,794</b>	<b>3,058,696</b>	<b>(23,902)</b>	<b>3,719,964</b>

(\*) Includes financial assets available for sale.

## → Consolidated statement of cash flows

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Change	Year 2010
<b>Cash inflow (outflow) from operating activities</b>				
Operating result (EBIT)	19,865	(4,230)	24,095	(307,851)
Ammortization, depreciation and write-down	15,590	16,489	(899)	750,637
Costs for stock options	-	49	(49)	60
(Gains) losses on disposal of non-current assets	34	1	33	(845)
Change in working capital	43,141	65,105	(21,964)	(25,120)
Income taxes paid	(2,291)	(2,638)	347	(85,362)
Change in non-current liabilities	(5,939)	(6,656)	717	2,694
Foreing exchange adjustments and other movements	221	153	68	(246)
<b>Cash inflow (outflow) from operating activities</b>	<b>(A) 70,621</b>	<b>68,273</b>	<b>2,348</b>	<b>333,967</b>
<b>Cash inflow (outflow) for investments</b>				
Purchase of intangible assets with finite useful life	(8,518)	(5,328)	(3,190)	(34,131)
Purchase of property, plant and equipment	(1,680)	(1,635)	(45)	(6,213)
Other investments	(112)	(81)	(31)	(193)
Proceeds from disposal of non-current assets	21	13	8	1,425
<b>Cash inflow (outflow) for investments</b>	<b>(B) (10,289)</b>	<b>(7,031)</b>	<b>(3,258)</b>	<b>(39,112)</b>
<b>Cash inflow (outflow) for financing</b>				
Proceeds from non-current loans	-	536,799	(536,799)	716,799
Repayments of non-current loans	(35,851)	(543,123)	507,272	(819,245)
Payment of transaction financial costs	-	(22,147)	22,147	(26,557)
Paid interest expense, net	(44,626)	(11,895)	(32,731)	(196,436)
Change in financial assets and liabilities	(3,965)	3,304	(7,269)	(12,710)
Distribution of dividends	-	-	-	(3,365)
Share buy-back by Telegate AG	-	-	-	(3,364)
<b>Cash inflow (outflow) for financing</b>	<b>(C) (84,442)</b>	<b>(37,062)</b>	<b>(47,380)</b>	<b>(344,878)</b>
<b>Cash inflow (outflow) from non-current assets held for sale and discontinued operations</b>	<b>(D) -</b>	<b>-</b>	<b>-</b>	<b>(240)</b>
<b>Increase (decrease) in cash and cash equivalents in the period (A+B+C+D)</b>	<b>(24,110)</b>	<b>24,180</b>	<b>(48,290)</b>	<b>(50,263)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>241,728</b>	<b>291,991</b>	<b>(50,263)</b>	<b>291,991</b>
<b>Cash and cash equivalents at end of the period</b>	<b>217,618</b>	<b>316,171</b>	<b>(98,553)</b>	<b>241,728</b>

## → Consolidated financial flows

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Change	Year 2010
Operating income before amortization, depreciation, non-recurring and restructuring costs, net (EBITDA)	37,042	14,339	22,703	483,490
Gains (losses) from discounting operating assets and liabilities	(394)	(627)	233	(2,705)
Decrease (increase) in operating working capital (*)	49,561	79,240	(29,679)	(19,226)
(Decrease) increase in operating non-current liabilities(*)	(2,375)	(1,217)	(1,158)	(6,065)
Capital expenditure	(10,198)	(6,963)	(3,235)	(40,344)
(Gains) losses on disposal of non-current operating assets	34	1	33	(845)
<b>Operating free cash flow</b>	<b>73,670</b>	<b>84,773</b>	<b>(11,103)</b>	<b>414,305</b>
Payment of interest expense, net	(44,626)	(11,895)	(32,731)	(196,436)
Payment of transaction financial costs	-	(22,147)	22,147	(26,557)
Payment of income taxes	(2,291)	(2,638)	347	(85,362)
Payment of non-recurring and restructuring expense	(11,177)	(20,978)	9,801	(35,074)
Distribution of dividends	-	-	-	(3,365)
Share buy-back Telegate AG	-	-	-	(3,364)
Flows on "Non-current assets held for sale and discontinued operations"	-	-	-	(240)
Foreign exchange adjustments and other movements	(14,062)	(40,754)	26,692	(32,157)
<b>Change in net financial debt</b>	<b>1,514</b>	<b>(13,639)</b>	<b>15,153</b>	<b>31,750</b>

(\*) The changes include the non monetary effects arising from profit and losses recognised to equity.

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## → Statement of changes in consolidated equity from December 31, 2010 to March 31, 2011

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	Reserve for "cash flow hedge" instruments	Reserve for actuarial gains and losses	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
At 12.31.2010	450,266	466,843	(38,583)	(12,608)	(18,578)	177,866	(667,366)	357,840	16,867	374,707
Allocation of previous year profit (loss)	-	-	-	-	-	(667,366)	667,366	-	-	-
Total other comprehensive profit (loss) for the period	-	-	610	4,631	-	-	(26,639)	(21,398)	256	(21,142)
Other movements	-	-	-	-	-	(8)	-	(8)	(1)	(9)
At 03.31.2011	450,266	466,843	(37,973)	(7,977)	(18,578)	(489,508)	(26,639)	336,434	17,122	353,556

## → Statement of changes in consolidated equity from December 31, 2009 to March 31, 2010

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustments	Reserve for "cash flow hedge" instruments	Reserve for actuarial gains and losses	Other reserves	Profit (loss) for the period	Total	Non-controlling interests	Total
At 12.31.2009	450,266	466,843	(38,445)	(22,214)	(17,331)	211,089	(38,041)	1,012,167	21,911	1,034,078
Restatement due to errors	-	-	-	-	-	5,185	-	5,185	-	5,185
At 12.31.2009 restated	450,266	466,843	(38,445)	(22,214)	(17,331)	216,274	(38,041)	1,017,352	21,911	1,039,263
Allocation of previous year profit (loss)	-	-	-	-	-	(38,041)	38,041	-	-	-
Share-based payments	-	-	-	-	-	38	-	38	11	49
Total other comprehensive profit (loss) for the period	-	-	(116)	(3,892)	-	-	(44,252)	(48,260)	239	(48,021)
Other movements	-	-	-	-	-	269	-	269	-	269
At 03.31.2010 restated	450,266	466,843	(38,561)	(26,106)	(17,331)	178,540	(44,252)	969,399	22,161	991,560

## ➤ Significant events during the first quarter of 2011

### Early repayment of € 35 million of asset-backed securities

On January 17, 2011, an early repayment was made of € 35 million out of the € 190 million in asset-backed securities issued by the special purpose entity Seat Servizi per le Aziende S.r.l. (formerly Meliadi Finance S.r.l.). This transaction had to be carried out because it was no longer possible to fully collateralize obligations on a revolving basis due to the reduction in securitizable invoicing volumes over the last two years, meaning cash collateral needed to be maintained within the special purpose entity, Seat Servizi per le Aziende S.r.l.. Consequently, as of January 17, the value of asset-backed securities went from € 190 million to € 155 million.

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## → Subsequent events

### Early repayment of € 114.6 million of asset-backed securities

Due to the market's negative attitude toward this type of transaction, the Company decided not to renew the securitization program. The residual amount of the program, which at January 17, 2011 was € 155 million, therefore was reduced with a voluntary repayment of € 114.6 million carried out on April 15, 2011. The residual portion of approximately € 41 million will therefore be repaid through the collection of receivables assigned until March 2011, date on which the Company discontinued the assignment of new receivables. The complete extinguishment of the asset-backed securities is expected by June 2011.

In order to deal with the operating cash flow absorbed as a result of the discontinuation of the assignment of new receivables and the use of collections of receivables previously securitized for the abovementioned repayment of the asset-backed securities, the Company made recourse in April to the € 90 million line of credit available under the Senior Facilities granted by The Royal Bank of Scotland.

### Early repayment of the € 35.2 million instalment due at the end of June 2011 related to the loan agreement with The Royal Bank of Scotland

On April 28, 2011, SEAT Pagine Gialle S.p.A. made a voluntary early repayment of the € 35.2 million instalment due at the end of June 2011 under the Senior loan agreement with The Royal Bank of Scotland.

After the abovementioned repayment, the remaining instalments due in 2011 were reduced to € 35.1 million payable at the end of December 2011.

### Notice served by the Communications regulator (AGCom)

In December 2010, SEAT Pagine Gialle S.p.A. received notice of a resolution in which AGCom identified non-payment of the contribution due for the regulator's operating expenses for the 2006-2010 period and ordered SEAT to pay approximately € 8.3 million. On December 16, 2010, SEAT Pagine Gialle S.p.A. used the option provided for the resolution to ask AGCom to annul the resolution, by way of self-protection, and, subordinately, to adjust the size of any contribution owed by virtue of eliminating certain revenue from the calculation of taxable income.

On January 29, 2011, SEAT Pagine Gialle S.p.A. challenged the resolution at the Lazio regional administrative court (TAR), citing unlawfulness due to violation of applicable regulations on compulsory contributions to the operation of AGCom and due to lack of grounds.

Further to the petition for adjustment, subsequently supplemented at the request of AGCom on February 16, 2011, the authority adopted a new resolution on February 28, 2011, reducing the amount of the contribution allegedly owed for the years 2006-2010 to approximately € 3.5 million.

On April 11, 2011, SEAT Pagine Gialle S.p.A. asked the authority to start a proceeding for review of the new resolution and at the same time, on May 2, 2011, it filed additional arguments against the new resolution within the lawsuit already pending before the Lazio regional administrative court (TAR) against the original resolution.

Following the above explanation, the Company has made no provisions to the risks reserve as, pending the appeal before the Lazio TAR, it deems the risk of liabilities to be "possible".

### Disputes between Datagate GmbH, Telegate Media AG, Telegate AG and Deutsche Telekom regarding costs for providing information on telephone subscribers

On April 13, 2011, the Regional Court of Dusseldorf handed down judgment on two actions that Telegate AG subsidiaries Datagate GmbH and Telegate Media AG brought against Deutsche Telekom AG. According to the Court, Deutsche Telekom AG must return the amounts paid in excess for providing information on telephone subscribers from 2000 to 2004, in the amount of € 33.6 million, plus interest of € 11.5 million.

Another judgment is expected from the Court by May 18, 2011 on the Telegate AG action against Deutsche Telekom AG regarding the amounts paid in excess for providing information on telephone subscribers from 1997 to 2000 in the amount of € 52.0 million plus interest.

### Non-renewal of the short-term line of credit of € 30 million

The committed short-term line of credit of € 30,0 million, expiring on March 31, 2011, was not renewed.

The Company is deciding on the replacement of that loan with a new line of credit.

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## ➤ Outlook

During 2011, in an economic context in line with 2010 showing evident signs of a moderate recovery, SEAT Pagine Gialle S.p.A. will continue to focus on strategic business development actions in Italy, which will continue to be aimed at facilitating the entry of SMEs into the web, by offering multimedia packages, among other things, and by developing new products and services to satisfy the communication needs of its customers in an increasingly local and personalised manner.

Over the medium term, always in Italy, substantial stabilisation of the customer base is expected, allowing for sustaining revenue, with management's objective of reducing in 2011 the drop in sales compared to what was recorded in 2010.

In a scenario of decreasing revenue, Group EBITDA and cash generation will be supported by some specific measures to cut costs and working capital.

## ➤ Going concern evaluation

The Board of Directors believes that no events or circumstances arose in the first quarter of 2011 such as to make changes advisable to what was reported under "Going concern evaluation" in the respective paragraph of the Report on Operations in the consolidated and separate financial statements as at December 31, 2010.

## ➤ Related-party transactions

With reference to the provisions of IAS 24 and pursuant to Article 2, letter h) of Consob Issuers Regulation no. 11971/1999 (as subsequently amended), the economic and financial effects of transactions of the SEAT Pagine Gialle group with related parties as at March 31, 2011 are listed below.

The economic and financial effects of intra-group transactions between consolidated companies have been eliminated in the consolidated data.

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. No atypical and/or unusual transactions or transactions potentially giving rise to a conflict of interest were carried out.

### Statement of operations

	1 <sup>st</sup> quarter 2011	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2011	% impact on item
<b>(euro/thousand)</b>						
Cost of materials and external services	(69,147)	-	-	(105)	(105)	0.2
Salaries, wages and employee benefits	(45,140)	-	-	(2,111)	(2,111)	4.7
Interest expense	(68,355)	(27,393)	-	-	(27,393)	40.1

(\*) Directors, statutory auditors and executives with strategic responsibility.

	1 <sup>st</sup> quarter 2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties 1 <sup>st</sup> quarter 2010	% impact on item
<b>(euro/thousand)</b>						
Cost of materials and external services	(68,719)	-	-	(50)	(50)	n.s
Salaries, wages and employee benefits	(53,536)	-	-	(1,122)	(1,122)	2.1
Non-recurring costs	(1,037)	-	-	(70)	(70)	6.8
Interest expense	(62,484)	(27,269)	(10)	-	(27,279)	43.7

(\*) Directors, statutory auditors and executives with strategic responsibility.

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## Statement of financial position

	At 03.31.2011	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 03.31.2011	% impact on item
<b>(euro/thousand)</b>						
Non-current financial liabilities	(2,607,277)	(1,277,353)	-	-	(1,277,353)	49.0
Non-current reserves to employees	(36,190)	-	-	(288)	(288)	0.8
Current financial liabilities	(298,706)	(43,438)	-	-	(43,438)	14.5
Trade payables	(171,495)	(29)	-	(875)	(904)	0.5

(\*) Directors, statutory auditors and executives with strategic responsibility.

	At 12.31.2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 12.31.2010	% impact on item
<b>(euro/thousand)</b>						
Non-current financial liabilities	(2,603,219)	(1,276,023)	-	395	(1,275,628)	49.0
Non-current reserves to employees	(38,641)	-	-	(250)	(250)	0.6
Current financial liabilities	(326,164)	(17,375)	-	-	(17,375)	5.3
Trade payables	(224,326)	(29)	-	(647)	(676)	0.3

(\*) Directors, statutory auditors and executives with strategic responsibility.

## Statement of cash flows

	1 <sup>st</sup> quarter 2011	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 1 <sup>st</sup> quarter 2011	% <i>impact on item</i>
<b>(euro/thousand)</b>						
Cash inflow (outflow) from operating activities	70,621	-	-	(1,950)	(1,950)	(2.8)
Cash inflow (outflow) for investments	(10,289)	-	-	-	-	-
Cash inflow (outflow) for financing	(84,442)	-	-	-	-	-
<b>Cash flow for the period</b>	<b>(24,110)</b>	-	-	<b>(1,950)</b>	<b>(1,950)</b>	<b>(8.1)</b>

(\*) Directors, statutory auditors and executives with strategic responsibility.

	1 <sup>st</sup> quarter 2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties at 1 <sup>st</sup> quarter 2011	% <i>impact on item</i>
<b>(euro/thousand)</b>						
Cash inflow (outflow) from operating activities	68,273	-	-	(2,576)	(2,576)	(3.8)
Cash inflow (outflow) for investments	(7,031)	-	-	-	-	-
Cash inflow (outflow) for financing	(37,062)	-	-	(350)	(350)	(0.9)
<b>Cash flow for the period</b>	<b>24,180</b>	-	-	<b>(2,926)</b>	<b>(2,926)</b>	<b>(12.1)</b>

(\*) Directors, statutory auditors and executives with strategic responsibility.

**Main economic and financial items relating to associate companies, jointly controlled companies and companies with significant influence over SEAT Pagine Gialle S.p.A.**

**STATEMENT OF OPERATIONS**

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010	Type of transaction
<b>INTEREST EXPENSE</b>	<b>(27,393)</b>	<b>(27,279)</b>	
<b>of which:</b>			
Lighthouse International Company S.A.	(27,393)	(27,269)	interest expense, changes and write-down of multi-year charges on long-term subordinated facilities.
Leading shareholders	-	(10)	interest expense on dividends to leading shareholders.

**STATEMENT OF FINANCIAL POSITION**

(euro/thousand)	At 03.31.2011	At 12.31.2010	Type of transaction
<b>NON-CURRENT FINANCIAL DEBTS</b>	<b>(1,277,353)</b>	<b>(1,275,628)</b>	
<b>of which:</b>			
Lighthouse International Company S.A.	(1,277,353)	(1,276,023)	subordinate financing.
<b>CURRENT FINANCIAL DEBTS</b>	<b>(43,438)</b>	<b>(17,375)</b>	
<b>of which:</b>			
Lighthouse International Company S.A.	(43,438)	(17,375)	outstanding interest expense for the period.
<b>TRADE PAYABLES</b>	<b>(904)</b>	<b>(676)</b>	
<b>of which:</b>			
Lighthouse International Company S.A.	(29)	(29)	professional services.

**Remuneration paid to executives with strategic responsibility and remuneration paid to directors and statutory auditors**

(euro/thousand)	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010
Manager with strategic responsibility	1,598	600
Remuneration to directors and statutory auditors (*)	634	647

(\*) Included payments to Studio Legale Giliberti Triscornia and Associati for consultancy to SEAT Pagine Gialle S.p.A..

## ➤ Economic and financial performance by Business Area

		Italian	UK	Directory	Other	Aggregate	Eliminations	Consolidated
		Directories	Directories	Assistance	Activities	Total	and other	Total
		adjustments						
<b>(euro/million)</b>								
Revenue from sales and services	1 <sup>st</sup> quarter 2011	117.2	8.8	30.5	7.9	164.4	(3.7)	160.7
	1 <sup>st</sup> quarter 2010	100.4	12.0	36.8	9.0	158.2	(8.7)	149.5
	Year 2010	875.5	70.6	142.3	54.8	1,143.2	(32.6)	1,110.6
Gross operating profit (GOP)	1 <sup>st</sup> quarter 2011	46.3	(2.8)	4.5	(1.4)	46.6	0.4	47.0
	1 <sup>st</sup> quarter 2010	25.0	(1.4)	6.4	(2.1)	27.9	-	27.9
	Year 2010	480.3	11.2	26.8	4.3	522.6	0.5	523.1
Operating income before amortization, depreciation, non-recurring and restructuring costs, net (EBITDA)	1 <sup>st</sup> quarter 2011	38.0	(3.1)	3.4	(1.4)	36.9	0.1	37.0
	1 <sup>st</sup> quarter 2010	12.7	(1.9)	5.7	(2.2)	14.3	-	14.3
	Year 2010	446.8	8.4	24.6	3.8	483.6	(0.1)	483.5
Operating result (EBIT)	1 <sup>st</sup> quarter 2011	24.8	(3.9)	1.2	(2.6)	19.5	0.4	19.9
	1 <sup>st</sup> quarter 2010	(0.2)	(3.0)	2.9	(3.9)	(4.2)	-	(4.2)
	Year 2010	(288.0)	(10.7)	(6.4)	(2.6)	(307.7)	(0.2)	(307.9)
Total assets	March 31, 2011	3,449.3	98.2	211.8	199.8	3,959.1	(217.5)	3,741.6
	March 31, 2010	4,200.9	113.3	247.7	311.9	4,873.8	(319.9)	4,553.9
	December 31, 2010	3,526.1	100.7	214.7	245.2	4,086.7	(296.1)	3,790.6
Total liabilities	March 31, 2011	3,228.9	120.0	68.0	185.8	3,602.7	(214.7)	3,388.0
	March 31, 2010	3,385.8	119.0	74.1	296.6	3,875.5	(313.1)	3,562.4
	December 31, 2010	3,288.6	119.7	72.0	228.8	3,709.1	(293.2)	3,415.9
Net invested capital	March 31, 2011	2,899.4	28.7	94.6	18.6	3,041.3	(6.5)	3,034.8
	March 31, 2010	3,554.2	45.0	112.1	15.4	3,726.7	(6.8)	3,719.9
	December 31, 2010	2,921.3	31.3	91.8	21.0	3,065.4	(6.7)	3,058.7
Capital expenditure	1 <sup>st</sup> quarter 2011	6.9	1.0	1.4	0.9	10.2	-	10.2
	1 <sup>st</sup> quarter 2010	5.6	0.2	0.4	0.7	6.9	0.1	7.0
	Year 2010	31.3	2.1	2.7	4.4	40.5	(0.2)	40.3
Average workforce	1 <sup>st</sup> quarter 2011	1,049	644	1,936	333	3,962	-	3,962
	1 <sup>st</sup> quarter 2010	1,263	697	2,456	382	4,798	-	4,798
	Year 2010	1,129	676	2,327	361	4,493	-	4,493
Sales agents (average number)	1 <sup>st</sup> quarter 2011	1,475	-	2	42	1,519	-	1,519
	1 <sup>st</sup> quarter 2010	1,587	-	2	43	1,632	-	1,632
	Year 2010	1,565	-	2	41	1,608	-	1,608

(\*) See "Report on Operations", paragraph "Introduction" for further details of March 31, 2010 restatement.

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Key performance indicators of the Group	1 <sup>st</sup> quarter 2011	1 <sup>st</sup> quarter 2010
<b>Number of published directories</b>		
PAGINEBIANCHE®	8	8
PAGINEGIALLE®	16	16
ThomsonLocal	9	22
<b>Number of distributed directories (values in million)</b>		
PAGINEBIANCHE®	1.9	1.9
PAGINEGIALLE®	1.4	1.7
ThomsonLocal	0.8	3.0
<b>Number of visits (values in million)</b>		
<i>uninterrupted site access for 30 minutes</i>		
PAGINEBIANCHE.it®	40.4	42.7
PAGINEGIALLE.it®	50.0	40.2
TuttoCittà.it®	7.2	7.6
Europages.com	14.1	10.5

## → Italian directories

### Economic and financial data

The results for the first three months of 2011 were achieved in a context of moderate economic recovery, when Gross Domestic Product (GDP), according to the European Commission's mid-spring economic forecasts, was to post growth of 1.1%, in line with 2010, with the average quarterly increase expected to be around 0.3-0.4% during the year. Specifically, the European Commission has emphasised that in 2011 the Italian economic recovery will be driven by exports supported by an increase in global demand, but it has also noted that labour market conditions will still remain weak, something that, together with higher inflation, should impact personal consumption trends negatively.

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	117.2	100.4	16.8	16.7	875.5
GOP	46.3	25.0	21.3	85.2	480.3
EBITDA	38.0	12.7	25.3	n.s.	446.8
EBIT	24.8	(0.2)	25.0	n.s.	(288.0)
Net invested capital	2,899.4	3,554.2	(654.8)	(18.4)	2,921.3
Capital expenditure	6.9	5.6	1.3	23.2	31.3
Average workforce	1,049	1,263	(214)	(16.9)	1,129

**Revenue from sales and services** of SEAT Pagine Gialle S.p.A. reached € 117.2 million in the first quarter of 2011, increased by 16.7% compared to the first quarter of 2010.

This result reflected the performance of core products (print-online&mobile-voice), increased by 19.7% compared to the same period of the previous year, thanks in particular to strong growth in online activities (+63.9%), which accounted for 68.6% of overall revenue during the quarter, sustained by organic growth of 12.2% in revenue from advertising offerings and online marketing services, together with the online component of PAGINEBIANCHE® revenue, helped by the different timing of the online publication compared to the printed one and the recognition of revenue at the time of service and no longer upon publication of the respective directory.

During the first quarter, SEAT Pagine Gialle S.p.A. also continued its strategy aimed at accelerating and facilitating the entry of small and medium enterprises to the web, with the sale of approximately 24,000 new multimedia packages and the making of approximately 24,000 new personalised websites.

This strategy, as in previous quarters, enabled the Company to have a positive effect both on the acquisition of new customers, equal to approximately one third of the total, and on the activity of renewal of existing customers, of which approximately 34% in the first quarter of 2010 had invested primarily in paper products.

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In more detail:

a) **Core revenue:** amounted to € 101.5 million in the first quarter of 2011, increased by 19.7% compared to the same period of the previous year. They were detailed as follows:

- *print*: revenue from paper products, totalling € 14.0 million in the first quarter of 2011, decreased by 49% compared to the first quarter of 2010. The revenue of both PAGINEBIANCHE® and PAGINEGIALLE® decreased due to a structural decline that also impacted other European directories companies and to the fact that orders were taken largely during 2010, a year characterized by an economic scenario only in moderate recovery. This negative performance was also affected by the exclusion of the online component of revenue from PAGINEBIANCHE® totalling € 25.4 million and by the commercial strategy adopted by the Company, which decided to accelerate the sale of multimedia packages (print-online&mobile-voice). Stripping out the impact of multimedia packages, which predominantly represent online activities, and the exclusion of revenue from PAGINEBIANCHE®, revenue from print products fell much less sharply. The most significant initiatives launched in the first quarter of 2011 in support of traditional products are two sales tests begun in some metropolitan areas regarding the marketing of *Carta Sconti PagineGialle* aimed at creating a network of commercial operators, who promote their products and services after presentation of a fidelity card distributed with PAGINEGIALLE® and *PagineGialle Promotion* based on collecting the promotional offers of commercial operators and distributed through a dedicated magazine, available in both print and online versions;

- *online&mobile*: online products amounted to € 80.4 million in revenue in the first quarter of 2011, increased by 63.9% compared to the first quarter of 2010, including the incorporation of the online component of PAGINEBIANCHE® revenue, which totalled 25.4 million, net of which the overall revenue growth of advertising offerings and online marketing services was 12.2%. This result further confirms the validity of the Company's strategy of accelerating and facilitating the entry of small and medium enterprises to the web by offering multimedia packages. To be noted in particular in this context are some important product innovations launched as of the second quarter of the year, such as *App4sites* which provides a series of applications available to users and customers to be imported into a website in order to add new functions (such as web radio, blog and weather service); *App Mobile*, which allows customers to increase the level of loyalty of their end users (for example, applications such as restaurant and space reservations); and *PG Social*, the offering launched with the objective of opening opportunities to Italian SMEs for dialogue with users and the visibility offered by social networks, especially Facebook. Strategically, it is also to be noted that in April an agreement was signed with Confcommercio to strengthen the competitiveness of Italian SMEs on local and international markets, relying on digital technologies in particular, and a partnership with *Horyzon Media*, the digital Advertising Network of the French group Pages Jaunes, in order to enable Italian and French SMEs to plan their European display advertising campaigns. Lastly, in May was launched the new *LaMiaImpresaOnline.it* project, which arose from a partnership with Google and provided small and medium-sized enterprises the possibility of making websites under the "self-provisioning" method free of charge for the first year.

The performance of total traffic, including visits to PAGINEGIALLE.it® throughout the web and mobile devices and to customers' online and mobile websites, totalled approximately 50.0 million visits in the first quarter of 2011, an increase of 24.4% compared to the first quarter of 2010. Specifically, this result has included an increase both in consultations on proprietary brands, sustained in particular by growth in SEO (Search Engine Optimisation) and SEM (Search Engine Marketing) activities, as well as

by partnership agreements. The contribution by visits to mobiles and to websites created for SEAT customers was positive, with an impact on total traffic that reached approximately 23% for both components during the period. Traffic on PAGINEBIANCHE.it® totalled approximately 40.4 million visits in the first quarter of 2011, a slight drop (-5.4%) compared to the first half of 2010;

- *voice*: advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services amounted to € 7.1 million, a decrease of € 1.2 million compared to the first quarter of 2010. This performance is due to the aforementioned commercial strategies which focused especially on the sale of online marketing products and services.

**b) Other products revenue:** revenue from other products totalled € 15.7 million in the first quarter of 2011, substantially unchanged compared to the first quarter of 2010. The item includes € 11.5 million in revenue from call traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services (€ 12.8 million in the first quarter of 2010). Revenue from Direct Marketing products and merchandising activity declined slightly by € 0.1 million.

**GOP** totalled € 46.3 million in the first quarter of 2011, increased by € 21.3 million compared to the same period of the previous year, accounting for 39.5% of revenue (24.9% in the first quarter of 2010).

Materials and external services, net of costs debited to third parties, amounted to € 54.9 million in the first quarter of 2011, substantially in line with the first quarter of 2010 (€ 55.8 million). *Industrial costs* decreased by € 2.5 million, or 16.5%, primarily as a result of the contraction in the number of pages printed with the consequent reduction of raw materials costs. Inbound call center costs also decreased by € 0.7 million, as a result of lower call volumes to the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services. *Commercial costs* increased by € 1.6 million as a result of greater costs for commissions in operating new online offerings aimed at increasing web traffic. *Overhead* totalling € 14.0 million was substantially in line with the same period of the previous year. Salaries, wages and employee benefits, net of recovered costs for seconded personnel to other Group companies, amounted to € 16.0 million in the first quarter of 2011, decreased by 18.4% compared to the same period of the previous year, with an average workforce, including directors, project workers and trainees, which went from 1,263 units in the first quarter of 2010 to 1,049 units in the first quarter of 2011 due to the implementation of the personnel reorganisation plan.

**EBITDA** amounted to € 38.0 million in the first quarter of 2011, increased by € 25.3 million compared to the first quarter of 2010 accounting for 32.4% of revenue (compared to 12.7% in the first quarter of 2010) and reflected both the positive performance of GOP and the lower accruals to the allowance for doubtful receivables (€ 5.0 million). Coverage of overdue receivables remained sufficient, however.

**EBIT** totalled € 24.8 million in the first quarter of 2011 (recorded a loss of € 0.2 million in the first quarter of 2010), reflecting EBITDA performance.

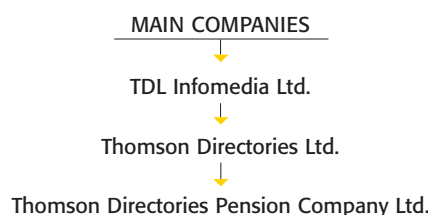
**Capital expenditure** amounted during the first quarter of 2011 to € 6.9 million relative mainly to *i*) € 3.6 million in software development for PAGINEGIALLE.it® and PAGINEBIANCHE.it® production systems to support the new online and mobile commercial offerings and *ii*) € 2.8 million for the acquisition of software licences.

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## → UK directories

### Structure of the Business Area

The UK directories Business Area is organised as follows



### Economic and financial data

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	
Revenue from sales and services	8.8	12.0	(3.2)	(26.7)	70.6
GOP	(2.8)	(1.4)	(1.4)	(100.0)	11.2
EBITDA	(3.1)	(1.9)	(1.2)	(63.2)	8.4
EBIT	(3.9)	(3.0)	(0.9)	(30.0)	(10.7)
Net invested capital	28.7	45.0	(16.3)	(36.2)	31.3
Capital expenditure	1.0	0.2	0.8	n.s.	2.1
Average workforce	644	697	(53)	(7.6)	676



**Revenue from sales and services** totalled € 8.8 million in the first quarter of 2011 (£ 7.6 million), decreased by € 3.2 million compared to the same period of 2010. Revenue performance in the first quarter of 2011 was affected by a different publication schedule compared to the same period of the previous year; more specifically, in March 2011, 9 directories were published compared to 22 in the first quarter of 2010. On a same publication basis and at constant euro/sterling exchange rate, revenue in the first quarter of 2011 would have shown an increase of 1.1% compared to the same period of 2010.

Print products recorded a more sizable drop in sales, affected more by the difficult economic and market context. Revenue from direct marketing activity dropped.

Online revenue increased to € 5.3 million in the first quarter of 2011, as a result of growth in revenue both from the Web Finder segment (search service that the Thomson portal offers on the web) and the Business Finder service (consultation of directories through the proprietary site thomsonlocal.com).

**GOP** recorded a loss of € 2.8 million in the first quarter of 2011 (recorded a loss of € 1.4 million in the first quarter of 2010); on a same publication basis and at constant euro/sterling exchange rate, GOP would be improved compared to the same period of 2010 by € 1.4 million (£ 1.3 million). Lower salaries, wages and employee benefits and cost savings on services, as a result of the cost-cutting policy implemented by the Company, allowed for offsetting the lower level of revenue.

The decrease in salaries, wages and employee benefits by € 0.7 million compared to the first quarter of 2010 is associated with a reduction in staff and reflects the effects of the internal reorganisation actions taking place especially in the second half of last year, which involved all areas of the company.

**EBITDA**, negative for € 3.1 million in the first quarter of 2011 (equal to £ 2.7 million), decreased by approximately € 1.2 million compared to the same period of 2010 and showed performance consistent with GOP. On a same publication basis and at constant euro/sterling exchange rate, EBITDA in the first quarter of 2011 would increase by € 1.5 million compared to the first quarter of 2010.

**EBIT**, negative for € 3.9 million in the first quarter of 2011, negative for € 3.0 million in the same period of the previous year, reflecting the business performance already recorded at the level of GOP and EBITDA and including net restructuring costs of € 0.3 million (€ 0.7 million in the first quarter of 2010).

**Net capital invested** amounted to € 28.7 million (£ 25.3 million) as at March 31, 2011, decreased by € 2.6 million compared to December 31, 2010; it included goodwill of € 33.5 million and a defined-benefit pension fund recognised at March 31, 2011 in the net amount of € 20.5 million (€ 20.8 million as at December 31, 2010).

**Capital expenditure** amounted to € 1.0 million in the first quarter of 2011, up from the same period of 2010, and referred mainly to the replacement of hardware and to investments in software.

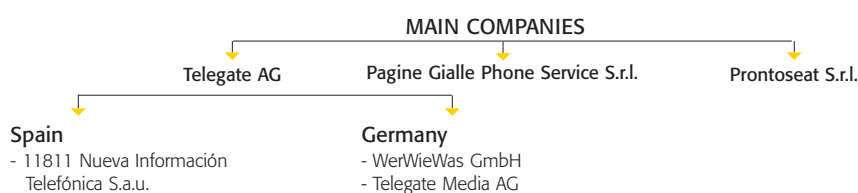
The **average workforce** (644 units in the first quarter of 2011) decreased by 53 units compared to the same period of the previous year as a result of the abovementioned organisational structure review activities.

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## → Directory Assistance

### Structure of the Business Area

The Directory Assistance Business Area provides telephone information services via the Group headed by the German subsidiary, Telegate AG, and the direct subsidiaries of SEAT Pagine Gialle S.p.A., Prontoseat S.r.l. and Pagine Gialle Phone Service S.r.l..



### Economic and financial data

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	30.5	36.8	(6.3)	(17.1)	142.3
GOP	4.5	6.4	(1.9)	(29.7)	26.8
EBITDA	3.4	5.7	(2.3)	(40.4)	24.6
EBIT	1.2	2.9	(1.7)	(58.6)	(6.4)
Net invested capital	94.6	112.1	(17.5)	(15.6)	91.8
Capital expenditure	1.4	0.4	1.0	n.s.	2.7
Average workforce	1,936	2,456	(520)	(21.2)	2,327

**Revenue from sales and services** totalled € 30.5 million in the first quarter of 2011, decreased by € 6.3 million compared to the same period of the previous year.

**EBITDA** decreased by € 2.3 million compared to the first quarter of 2010, reaching € 3.4 million.

For more details on these figures, see the following analysis by company and geographical area.



## Telegate Group

SEAT Pagine Gialle S.p.A. holds 16.24% and Telegate Holding GmbH holds 61.13%

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010. Following the sale to SEAT Pagine Gialle S.p.A. of the interest held by Telegate AG in Pagine Gialle Phone Service S.r.l., on May 31, 2010, the figures for the first quarter of 2010 were re-presented net of the results achieved by the Italian subsidiary in order to allow for consistent analysis.

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	28.3	30.4	(2.1)	(6.9)	124.6
GOP	4.7	6.3	(1.6)	(25.4)	25.7
EBITDA	3.6	5.3	(1.7)	(32.1)	23.1
EBIT	1.5	2.9	(1.4)	(48.3)	(4.4)
Net invested capital	74.2	91.8	(17.6)	(19.2)	71.7
Capital expenditure	1.3	0.4	0.9	n.s.	2.5
Average workforce	1,661	1,680	(19)	(1.1)	1,672

**Revenue from sales and services** reached € 28.3 million in the first quarter of 2011, decreased by 6.9% compared to the same period of 2010 (€ 30.4 million) due to the persistent reduction in call volumes for traditional telephone assistance services, including added-value services and outsourcing. Online revenue rose to € 8.6 million.

The breakdown of revenue by geographical area is as follows:

In **Germany**, where the structural slowdown in telephone assistance services market continues, telephone revenue reached € 17.4 million in the first quarter of 2011, recording a contraction of 17.5% compared to the same period of the previous year; in terms of turnover, the contraction in call volumes in the first quarter of 2011 compared to the same period of 2010 was offset by an increase in call duration and tariffs. In 2011 Telegate continued to pursue its transformation process, focusing its activities on the Local Search market through increasingly varied product range and positioning itself as a marketing partner for small and medium-sized enterprises.

Online advertising revenue for the first quarter of 2011 reached € 8.6 million and accounted for approximately 33% of total revenue made in Germany (approximately 24% in the first quarter of 2010). Growth was € 2.1 million compared to the same period of 2010, thanks to revenue from advertising, in addition to the positive contribution of revenue from Google Adwords™ sale, an advertising program that allows companies to promote their products on the American company's search engine. In terms of EBITDA, the decrease from the first quarter of 2010 was approximately € 1.4 million, due not only to the loss on revenue, but also to the increase in salaries, wages and employee benefits associated with a different organisation of the sales network, which provides for a greater number of local sale agents.

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In **Spain**, revenue for the first three months of 2011 was 17.9% lower than revenue for the same period of the previous year as a result of the contraction in call volumes to the 11811 service and in services provided by third parties (Jazztel, Comunitel, Antena 3 and QDQ 11875). EBITDA decreased by € 0.3 million, mainly as a result of a reduction in revenue. The lower salaries, wages and employee benefits, together with a lower number of operators, offset the increase in advertising expenses arisen in the first quarter of 2011.

**GOP** and **EBITDA**, respectively totalled € 4.7 million and € 3.6 million in the first quarter of 2011, down approximately € 1.6 million from the same period of 2010. This result was mainly due to the structural decline of directory assistance market that is reflected in the decrease in revenue, only partially offset by cost savings on inbound call center services as a result of the decrease in call volumes.

**EBIT** amounted to € 1.5 million in the first quarter of 2011 (€ 2.9 million in the first quarter of 2010) and performed in line with EBITDA and GOP.

**Net capital invested** by the Telegate group amounted to € 74.2 million as at March 31, 2011 (of which € 66.7 million for goodwill and customer database), down by € 0.6 million compared to December 31, 2010.

**Capital expenditure** in the first quarter of 2011 amounted to € 1.3 million, increased by € 0.9 million compared to the same period of 2010 (€ 0.4 million) and referred to the replacement and upgrading of technological equipment in the call centers.

The **average workforce** totalled 1,661 units in the first quarter of 2011 (1,680 units during the same period of 2010, net of call center personnel in Italy).

## Pagine Gialle Phone Service S.r.l

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

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	-	3.9	(3.9)	(100.0)	7.0
MOL	(0.3)	(0.1)	(0.2)	n.s.	(0.3)
EBITDA	(0.3)	0.2	(0.5)	n.s.	0.3
EBIT	(0.4)	0.1	(0.5)	n.s.	(2.4)
Net invested capital	1.4	0.3	1.1	n.s.	0.9
Average workforce	4	457	(453)	(99.1)	345

**Revenue from sales and services** decreased by € 3.9 million compared to the first quarter of 2010. The decrease compared with 2009 was attributable to the sale of call centers in Livorno and Turin in May 2010 to People Care S.r.l. and Voice Care S.r.l., which are part of the Contacta group, and to the consequent transfer of the related workforce.

The **GOP** and **EBITDA** performance reflected the abovementioned sale.

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## Prontoseat S.r.l.

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

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010



(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	2.2	2.5	(0.3)	(12.0)	10.7
GOP	0.2	0.2	-	-	1.3
EBITDA	0.2	0.2	-	-	1.1
EBIT	0.1	(0.1)	0.2	n.s.	0.3
Net invested capital	(0.4)	0.5	(0.9)	n.s.	(0.3)
Capital expenditure	-	-	-	n.s.	0.2
Average workforce	271	319	(48)	(15.0)	310

**Revenue from sales and services** amounted to € 2.2 million in the first quarter of 2011, down by € 0.3 million from the same period of the previous year.

The reduction in turnover is attributable mainly to the decline in call volumes and in inbound revenue.

The fall in inbound revenue was attributable partly to the lower number of calls managed by the 89.24.24 service following the sale of some call center activities to the Contacta group, and partly to the structural decline in the directory assistance market.

The reduction in inbound turnover was partially offset by the growth in telephone sales revenue (outbound revenue). The considerable growth in outbound revenue (increased by € 0.4 million compared to the first quarter of 2010) was a result of the strong performance of telephone sales for the renewal of advertising contracts on paper products and on 12.40 Pronto PAGINEBIANCHE®.

Despite the reduction of revenue, **GOP**, totalling € 0.2 million in the first quarter of 2011, was in line with the same period of the previous year as a result of savings on salaries, wages and employee benefits, due to a lower number of telephone operators, and savings on overhead.

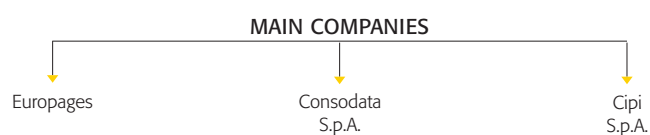
**EBITDA** and **EBIT** performed in line with **GOP**.

The **average workforce**, totalling 271 units in the first quarter of 2011, decreased by 48 units compared to the same period of the previous year.

## → Other Activities

### Structure of the Business Area

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



### Economic and financial data

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year 2010
	2011	2010	Absolute	%	
Revenue from sales and services	7.9	9.0	(1.1)	(12.2)	54.8
GOP	(1.4)	(2.1)	0.7	33.3	4.3
EBITDA	(1.4)	(2.2)	0.8	36.4	3.8
EBIT	(2.6)	(3.9)	1.3	33.3	(2.6)
Net invested capital	18.6	15.4	3.2	20.8	21.0
Capital expenditure	0.9	0.7	0.2	28.6	4.4
Average workforce	333	382	(49)	(12.8)	361

Below is an analysis of the economic and financial figures broken down into the various legal entities that form the Business Area.

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## Europages

SEAT Pagine Gialle S.p.A. holds 93.562%

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	2.2	1.8	0.4	22.2	17.0
GOP	(0.6)	(1.1)	0.5	45.5	1.5
EBITDA	(0.7)	(1.2)	0.5	41.7	1.1
EBIT	(0.9)	(1.9)	1.0	52.6	(1.3)
Net invested capital	1.8	1.5	0.3	20.0	3.9
Capital expenditure	0.1	-	0.1	n.s.	0.5
Average workforce	78	113	(35)	(31.0)	95

**EUROPAGES**

**Revenue from sales and services** totalled € 2.2 million in the first quarter of 2011, up by € 0.4 million compared to the same period of 2010, mainly as a result of the increase in turnover in Italy and in France. In addition to the direct sale channels, a number of resale agreements have been signed with web agencies in France and Belgium since April.

Website traffic indicators have shown a significant growth in visits of approximately 35% in the first quarter of 2011 compared to the same period of the previous year.

**GOP**, negative for € 0.6 million, improved by € 0.5 million compared to the same period of the previous year (negative for € 1.1 million). This growth was associated mainly with the increase in revenue and the continuation of a strict cost-cutting policy leading to a reduction in salaries, wages and employee benefits in particular.

**EBITDA** and **EBIT**, negative for € 0.7 million and € 0.9 million respectively, performed in line with **GOP**.

**Capital expenditure** amounted to € 0.1 million in the first quarter of 2011, increasing slightly compared to the same period of the previous year due to the development of the marketplace platform.

The **average workforce** totalled 78 units in the first quarter of 2011, down by 35 units compared to the same period of the previous year (113 units) as a result of restructuring measures implemented in 2010.

## Consodata S.p.A.

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

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2011	2010	Absolute	%	2010
Revenue from sales and services	3.2	4.6	(1.4)	(30.4)	24.2
GOP	(0.2)	(0.3)	0.1	33.3	4.0
EBITDA	(0.2)	(0.3)	0.1	33.3	4.1
EBIT	(0.9)	(1.2)	0.3	25.0	0.6
Net invested capital	7.8	5.3	2.5	47.2	7.1
Capital expenditure	0.8	0.6	0.2	33.3	3.8
Average workforce	104	113	(9)	(8.0)	108



**Revenue from sales and services** amounted to € 3.2 million in the first quarter of 2011, down by € 1.4 million compared to the same period of 2010 (€ 4.6 million). The decrease was due mainly to the Kompass business line, both in terms of LineAffari revenue and Alberghi revenue.

In terms of other product lines, revenue from Large Clients direct sale channel amounted to € 1.4 million in the first quarter of 2011, substantially in line with the first quarter of 2010, while revenue from SEAT Pagine Gialle S.p.A. agent network decreased by € 0.4 million.

**GOP**, negative for € 0.2 million in the first quarter of 2011, was substantially in line with the first quarter of 2010. Lower salaries, wages and employee benefits, together with lower costs for raw materials and services (€ 1.1 million) allowed for offsetting the decrease in revenue.

**EBITDA** and **EBIT**, negative for € 0.2 million and € 0.9 million respectively, performed in line with GOP.

The **average workforce** totalled 104 units in the first quarter of 2011, down by 9 units compared to the same period of 2010.

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## Cipi S.p.A.

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

The table below shows the main results for the first quarter of 2011 compared to the same period of 2010

(euro/million)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year 2010
	2011	2010	Absolute	%	
Revenue from sales and services	2.5	2.6	(0.1)	(3.8)	13.7
GOP	(0.6)	(0.6)	-	-	(1.2)
EBITDA	(0.6)	(0.6)	-	-	(1.3)
EBIT	(0.7)	(0.8)	0.1	12.5	(1.9)
Net invested capital	8.8	8.7	0.1	1.1	9.9
Average workforce	151	155	(4)	(2.6)	157



**Revenue from sales and services** totalled € 2.5 million in the first quarter of 2011, substantially in line with the same period of the previous year (€ 2.6 million), thanks to the increase of "Special" line revenue, sale of "custom-made items" to large customers (+15% compared to the first quarter of 2010). Revenue from sales of promotional items throughout the sale network grew 7% compared to the first quarter of 2010.

Despite the low profitability of the "Special" line revenue, GOP was in line with the first quarter of 2010 (recorded a loss of € 0.6 million), due also to a slight reduction in operating costs, mainly associated with the raw materials procurement process.

**EBITDA** and **EBIT**, negative for € 0.6 million and € 0.7 million respectively, performed in line with GOP.

**Net capital invested** amounted to € 8.8 million as at March 31, 2011, decreasing by € 1.1 million compared to December 31, 2010.

The **average workforce** totalled 151 units, down by 4 units compared to the first quarter of 2010.



Other information



## ➤ Declaration within the meaning of Article 154-bis, paragraph 2 of Legislative Decree no. 58 of February 24, 1998

Pursuant to par. 2 of Article 154 bis of Legislative Decree 58 of February 24, 1998, the undersigned, Massimo Cristofori, Chief Financial Officer of SEAT Pagine Gialle S.p.A. and Manager responsible for preparing the Company's financial reports,

hereby declares

based on the information available to him through his role within the Company, as resolved by the Company's Board of Directors on April 9, 2009, in his capacity as Manager responsible for preparing the Company's financial reports, that the interim report at March 31, 2011 corresponds to the Company's documented results, books and accounting records.

The interim report as at March 31, 2011 has not been audited, but has been prepared as required by CONSOB's Issues Regulation n. 11971/1999 and in accordance with the valuation and measurement criteria set out in the IAS/IFRS of the International Accounting Standards Board recognised as applicable by the European Union.

Milan, May 10, 2011

Massimo Cristofori  
Manager responsible for preparation  
of the financial statements

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**A copy of official documents  
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[www.seat.it](http://www.seat.it)

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