



## ➤ Contents

<b>Highlights and general information</b>	↑	Company Boards	3
		Economic and financial highlights of the Group	5
		Information for Shareholders	6
		Organisational structure of the Group	8
<b>Report on Operations</b>	↑	Economic and financial performance of the Group	11
		Reclassified consolidated Statement of Operations for the first quarter of 2006	18
		Reclassified consolidated Balance Sheet at March 31, 2006	19
		Consolidated Cash Flow Statement for the first quarter of 2006	20
		Consolidated Operating Free Cash Flow for the first quarter of 2006	21
		Economic and financial performance of SEAT Pagine Gialle S.p.A.	22
		Main events subsequent to March 31, 2006	26
		Outlook	26
		Related party transactions	27
		Economic and financial performance by Business Area	29
		Italian Directories	31
		UK Directories	34
		Directory Assistance	35
		Other Activities	38
		Other information	40
		Transition to IAS/IFRS:	
		SEAT Pagine Gialle group	40
		Transition to IAS/IFRS:	
		SEAT Pagine Gialle S.p.A.	45

The SEAT Pagine Gialle group's interim report as at March 31, 2005 was prepared according to the Italian GAAPs.

In preparing this interim report, comparative figures for the first quarter of 2005 have been restated and reclassified according to IAS/IFRS.

The adjustments made are consistent with the "Transition to IAS/IFRS" report approved by the Shareholders' Meeting on April 27, 2006 and published on the Company's official website [www.seat.it](http://www.seat.it).



→ <b>Highlights and general information</b>	<b>3</b>	→ <b>Company Boards</b>	<b>3</b>
Report on Operations	11	Economic and financial highlights of the Group	5
		Information for Shareholders	6
		Organisational structure of the Group	8

## ➤ Company Boards (\*)

<b>Board of Directors</b>	↑	Chairman Chief Executive Officer Non-Executive Directors	Enrico Giliberti Luca Majocchi Lino Benassi <sup>(I)</sup> Dario Cossutta Gian Maria Gros Pietro <sup>(I)</sup> Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Stefano Mazzotti Stefano Quadrio Curzio Marco Reboa <sup>(I)</sup> Nicola Volpi
		Secretary to the Board	Marco Beatrice
<b>Compensation Committee</b>	↑	Chairman	Gian Maria Gros Pietro <sup>(I)</sup> Dario Cossutta Stefano Quadrio Curzio
<b>Internal Audit Committee</b>	↑	Chairman	Lino Benassi <sup>(I)</sup> Marco Lucchini Marco Reboa <sup>(I)</sup>
<b>Board of Statutory Auditors</b>	↑	Chairman Acting Auditors	Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapolli
		Substitutive Auditors	Guido Costa Guido Vasapolli
<b>Common Representative of Savings Shareholders</b>	↑		Carlo Pasteris
<b>Independent Auditors</b>	↑		Reconta Ernst & Young S.p.A. <sup>(II)</sup>

(\*) Board of Directors and Board of Statutory Auditors appointed for the 2006-2008 three-year period by the Shareholders' Meeting of SEAT Pagine Gialle S.p.A. held on April 27, 2006, which confirmed all the previous members of the Company Boards.

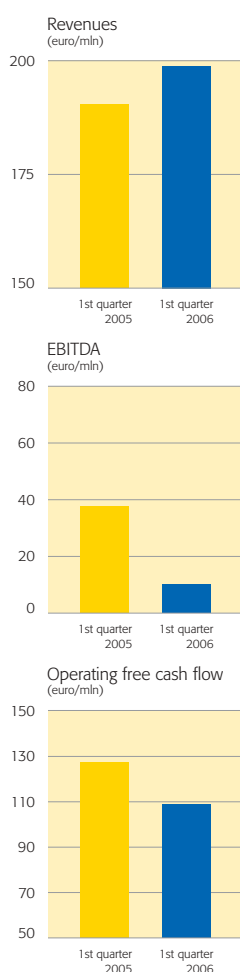
(I) Independent Director pursuant to Article 3 of the Code of Conduct of Listed Companies.

(II) Auditing assignment renewed for the 2006-2011 period by the Shareholders' Meeting of SEAT Pagine Gialle S.p.A. held on April 27, 2006.



## ➤ Economic and financial highlights of the Group

- Consolidated **REVENUES** increased to € 198 million (+4% compared to the first quarter of 2005, +11.3% on a like for like basis at same number of published directories);
- Consolidated **EBITDA** was € 10 million (€ 25 million in the first quarter of 2005 on a like for like basis at same number of published directories) due to the costs to launch D.A. services in France and 12.40 in Italy, as well as to the higher advertising costs to support 89.24.24 in the first phase of the market liberalisation; without these costs, EBITDA would grow by 10%;
- **OPERATING FREE CASH FLOW** was € 107 million, of which € 104 million generated by SEAT Pagine Gialle S.p.A., thus reaching high levels notwithstanding higher advertising costs of € 22.4 million;
- **NET FINANCIAL DEBT** was € 3,581 million, down by € 53.5 million, with an average cost of debt of 5.9%.



(euro/mln)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Year 2005
<b>Economic and financial highlights</b>			
Revenues from sales and services	198.0	190.4	1,424.6
Gross operating profit	19.8	51.3	690.7
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	10.0	35.2	626.6
Operating income (EBIT)	(38.8)	(14.9)	420.2
Income (loss) before income taxes and Minority interests	(100.1)	(85.5)	163.9
Net income (loss)	(102.0)	(89.5)	131.9
Operating free cash flow <sup>(1)</sup>	107.0	125.7	601.5
Capital expenditure	4.6	9.6	460.4
Net invested capital	4,380.9	4,548.8	4,535.0
<i>of which goodwill and customer data base</i>	<i>4,111.0</i>	<i>4,272.4</i>	<i>4,155.0</i>
<i>of which net operating working capital</i>	<i>182.2</i>	<i>200.3</i>	<i>285.6</i>
Equity of the Group	896.1	738.0	980.1
Net financial debt <sup>(2)</sup>	3,581.0	3,877.4	3,634.6
<b>Income ratios</b>			
EBITDA/Revenues from sales and services	5.0%	18.5%	44.0%
Operating income/Revenues from sales and services	(19.6%)	(7.8%)	29.5%
Operating income/Net invested capital	(0.9%)	(0.3%)	9.3%
Net income (loss)/Equity of the Group	(11.4%)	(12.1%)	13.5%
Operating free cash flow/Revenues from sales and services	54.0%	66.0%	42.2%
<b>Workforce</b>			
Workforce (number at the end of the period)	6,169	5,324	6,105
Workforce (average number for the period) <sup>(3)</sup>	4,915	4,252	4,760
Revenues from sales and services/Workforce (average number)	0.04	0.04	0.30

(1) Calculated as follows: EBITDA minus capital expenditure, change in operating working capital and change in operating non-current liabilities.

(2) Net financial debt doesn't include transaction costs on loans and the market value of hedging instruments on interest rate risks for a positive amount of € 114.8 million on the whole at March 31, 2006.

(3) FTE - Full Time Equivalent - for non-Italian companies, salaried average workforce for Italian companies.

## Information for Shareholders

### Shares

Share capital (as at March 31, 2006)	euro	248,543,789.46
Number of ordinary shares (par value € 0.03)	No.	8,148,718,196
Number of savings shares (par value € 0.03)	No.	136,074,786
Market capitalisation (on average official market prices for March 2006)	euro/mln	3,359
Market ratio of SEAT Pagine Gialle (SPG Ordinary) at March 31, 2006		
- on Mibtel index		0.421%
- on Dow Jones Stoxx 600 Media index		0.834%

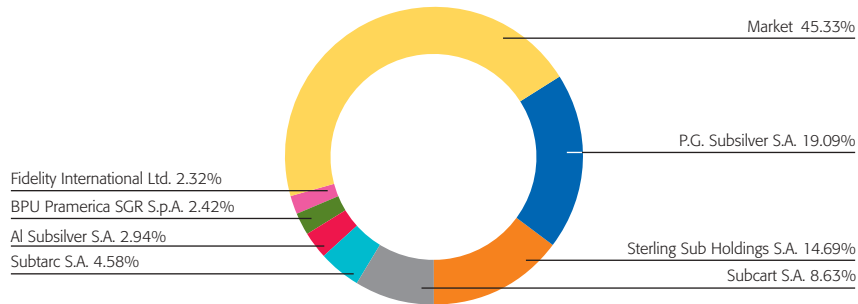
### Shareholders

The following table lists the shareholders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital at March 31, 2006

Shareholders at March 31, 2006	No. of ordinary shares	% of ordinary share capital
P. G. Subsilver S.A.	1,555,920,894	19.09 <sup>(1)</sup>
Sterling Sub Holdings S.A.	1,196,849,420	14.69 <sup>(1)</sup>
Subcart S.A.	703,586,244	8.63 <sup>(1)</sup>
Subtarc S.A.	373,595,387	4.58 <sup>(1)</sup>
AI Subsilver S.A.	239,369,605	2.94 <sup>(1)</sup>
BPU Pramerica SGR S.p.A.	197,468,906	2.42
Fidelity International Limited	188,798,263	2.32

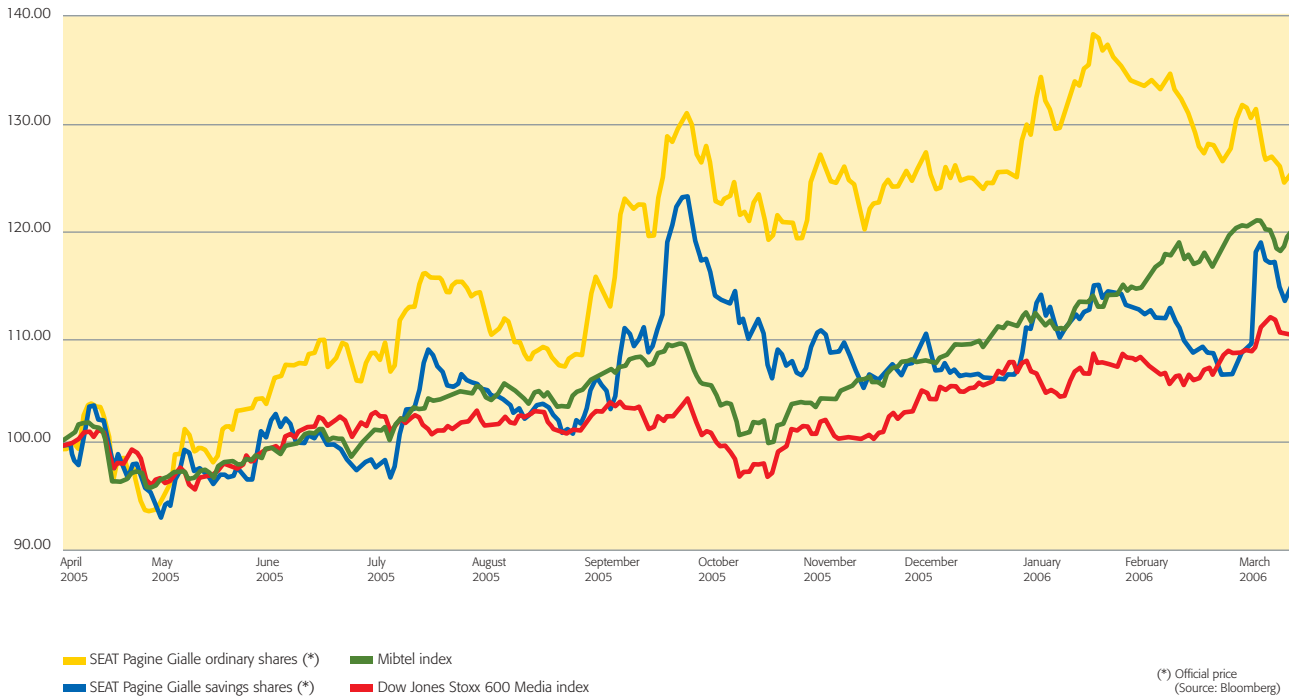
(1) Shares pledged on a first priority basis in favor of The Royal Bank of Scotland Plc Milan Branch, The Royal Bank of Scotland Plc, Lehman Brothers Special Financing Inc., Citibank N.A. London Branch, BNP Paribas S.A. and on a second priority basis in favor of The Royal Bank of Scotland Plc Milan Branch and of Citivic Nominees Limited – London, this last pledge issued on April 22, 2004. Voting right belongs to the respective right holders.

## SEAT Pagine Gialle S.p.A. Shareholders at March 31, 2006

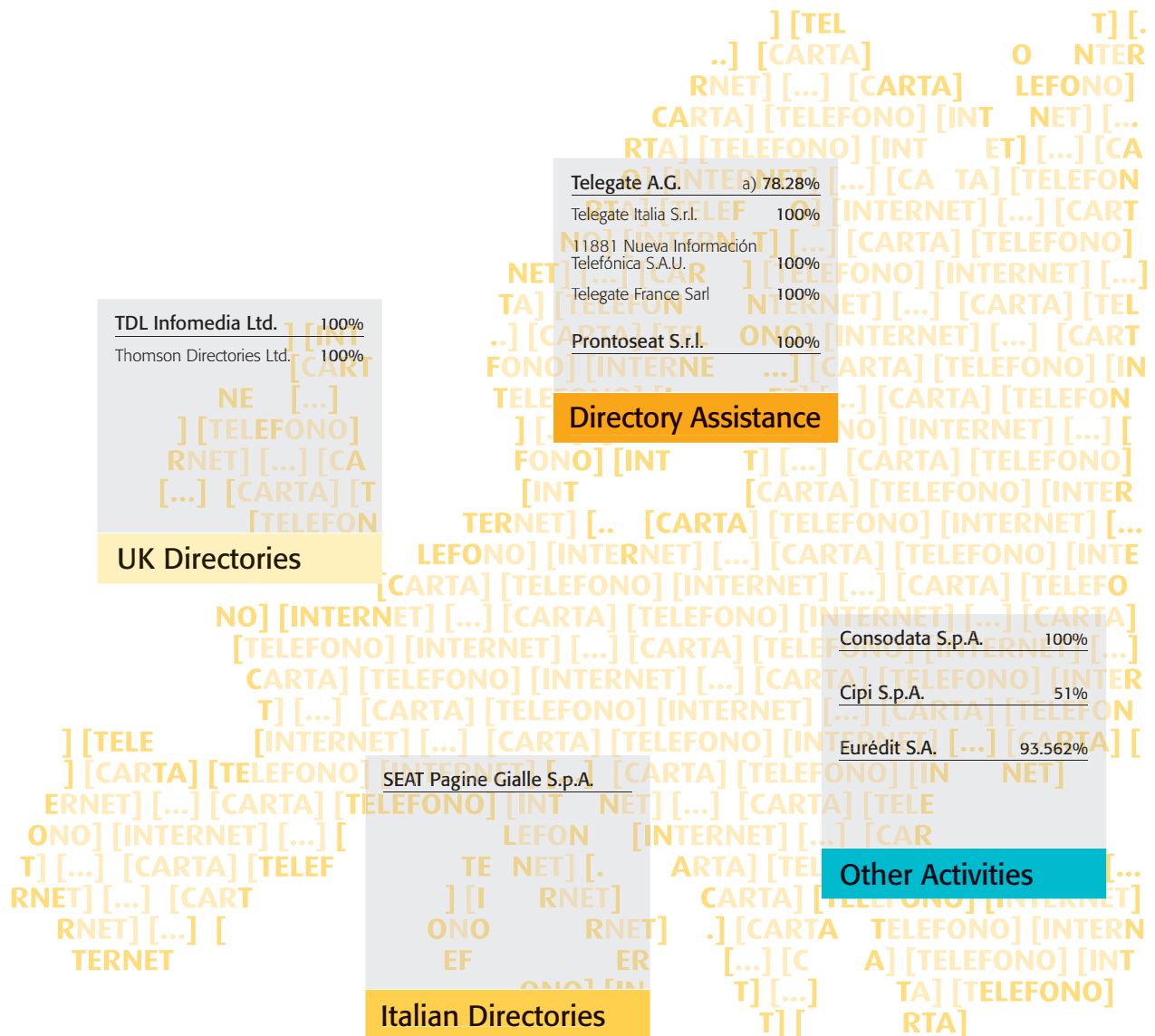


## Stock performance of SEAT Pagine Gialle

Performance of SEAT Pagine Gialle S.p.A. shares vs. Mibtel and Dow Jones Stoxx 600 Media indexes



## ➤ Organisational structure of the Group (Figures updated at March 31, 2006)



### Legenda

a) 16.43% directly owned and 61.85% owned through Telegate Holding GmbH.





## ➤ Economic and financial performance of the Group

### Reclassified consolidated Statement of Operations for the first quarter of 2006

**Revenues from sales and services** amounted to € 198.0 million in the first quarter of 2006, up 4% compared to the same period of the previous financial year (€ 190.4 million). This result was affected by the publication by both SEAT Pagine Gialle S.p.A. and the Thomson group of one directory less than in the same period of the previous year, due to a different print schedule. On a like-for-like basis, at the same number of published directories and at the same exchange rates, revenues increased by 11.3%.

Gross of eliminations among the Business Areas, revenues from sales and services were as follows:

- revenues from sales and services from the *"Italian Directories"* (SEAT Pagine Gialle S.p.A.) Business Area, amounted to € 128.4 million in the first quarter of 2006, a decrease of 3.5% compared to the first quarter of 2005. On a like-for-like basis (the print editions of Torino reti minori PAGINEGIALLE® and PAGINEBIANCHE® will be published in the second quarter of 2006), revenues increased by 6.5% compared to the first quarter of 2005 when they increased by 4.6%. This result was supported in particular by the good performance of online products (PAGINEGIALLE.it® at € 19.3 million, +18.3%), voice services (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE®, the subscriber information service launched in October 2005, at € 20.1 million, +65.8%), as well as by the development of direct marketing activities (€ 3.3 million, +14.3%), which offset the downturn in print products, a decrease of 4.2% on a like-for-like basis.  
Revenues from print products are impacted by the decisions of some multi-pages advertisers to rightsize their spending on SEAT media, which had significantly increased over the past years, particularly on PAGINEGIALLE®. Furthermore, due to the directories' sales cycle, advertising collections for directories published in the first quarter of 2006 were basically completed in 2005. The Company also faced an unfavourable economic environment and did not benefit from the product innovations and the expansion and development of the sales network that we had carried out in the previous year to support the growth in revenues. The effects of such innovations will be fully felt starting from the second half of the current year;
- revenues from sales and services from the *"UK Directories"* (Thomson Directories group) Business Area, amounted to € 20.8 million in the first quarter of 2006, an increase of 7.2% compared to the first quarter of 2005. In local currency on a like-for-like basis (in the first quarter of 2006 one directory less than in the first quarter of 2005 was published) revenues increased by 7.8% reflecting the positive performance of online products;

- revenues from sales and services from the "Directory Assistance" (Telegate group and Prontoseat S.r.l.) Business Area, amounted to € 49.4 million in the first quarter of 2006, an increase of 36.8% compared to the first quarter of 2005, reflecting the positive performance of the Telegate group (+38.0%, up to € 47.2 million). Good results were achieved in Italy (benefiting from the new outsourcing agreements for the 12.40 Pronto PAGINEBIANCHE® service) and France (with Bouygues Telecom and SFR). Prontoseat S.r.l. also performed well (+21.1%, up to € 2.3 million), driven by the high traffic levels generated by 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE®;
- revenues from sales and services from the "Other Activities" (Consodata S.p.A., Eurédit S.A. and Cipi S.p.A.) Business Area, amounted to € 9.6 million in the first quarter of 2006 (€ 7.7 million in the first quarter of 2005). They include: i) Consodata S.p.A.'s revenues amounting to € 5.6 million (substantially stable if compared to the first quarter of 2005, within the same scope of consolidation and hence net of the deconsolidation of Pubblibaby S.p.A., a company sold in October 2005); and ii) Cipi S.p.A.'s revenues amounting to € 3.9 million (which was consolidated starting from the fourth quarter of 2005). Euredit S.A.'s revenues in the first quarter of the year were not significant, since its directories are published only in the third quarter.

**Raw materials and external services**, net of repayments of cost, amounted to € 122.8 million in the first quarter of 2006, an increase of € 33.8 million compared to the first quarter of 2005. They were mainly affected by advertising costs (€ 34.6 million in the first quarter of 2006), up by € 22.4 million compared to the first quarter of 2005, following the liberalisation of the Directory Assistance market in Europe, which unlocked new businesses, especially in France and Italy, but also increased competition in the market itself. Hence, targeted advertising campaigns were required to support the new services launched at the end of 2005 in Italy and France (12.40 Pronto PAGINEBIANCHE® and 118.000) and the services already well-established such as 89.24.24 Pronto PAGINEGIALLE® in Italy and 11.88.0 in Germany.

Growth in the new Directory Assistance markets also led to an increase in call center costs (up by € 7.9 million compared to the first quarter of 2005).

**Salaries, wages and employee benefits**, net of repayments of cost, amounted to € 55.3 million in the first quarter of 2006, an increase of 10.3% compared to the first quarter of 2005. This increase was mainly due to the expansion of staff working in the call centers of the Telegate group and Prontoseat S.r.l.. It also includes € 1.6 million arising from the consolidation of Cipi S.p.A., a company acquired in September 2005.

The Group workforce - including directors, project workers and trainees - numbered 6,169 employees at March 31, 2006 (5,324 employees at March 31, 2005). The average workforce (FTE for non-Italian companies) was 4,915 employees in the first quarter of 2006 (4,252 employees in the first quarter of 2005).

		→ <b>Eco-fin performance of the Group</b>	<b>11</b>
		Eco-fin performance of SEAT Pagine Gialle S.p.A.	22
		Main events subsequent to March 31, 2006	26
		Outlook	26
		Related party transactions	27
		Eco-fin performance by Business Area	29
		Other information	40
	Highlights and general information	3	
	→ <b>Report on Operations</b>	<b>11</b>	

**Other valuation adjustments and provisions to reserve for risks and charges, net** amounted to € 9.3 million in the first quarter of 2006, a decrease of € 6.0 million compared to the first quarter of 2005 (€ 15.2 million). In particular, even if provisions for the allowance of doubtful accounts decreased by € 4.3 million compared to the first quarter of 2005, risks on trade receivables were covered at the same level as in the previous year.

**Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)** amounted to € 10.0 million in the first quarter of 2006 (€ 35.2 million in first quarter of 2005, however with a different print schedule). On a like-for-like basis at the same number of published directories EBITDA had amounted to € 25.0 million in the first quarter of 2005. Moreover, on a like-for-like basis and disregarding costs following the launch of new subscriber information services in Italy and directory assistance services in France, as well as the higher advertising costs to support 89.24.24 Pronto PAGINEGIALLE® in the initial phase of the market liberalisation, EBITDA amounted to € 27.5 million in the first quarter of 2006, a 10% increase compared to the same period of the previous year.

**Operating amortisation, depreciation and write-downs** amounted to € 7.3 million in the first quarter of 2006 and were substantially stable compared to the first quarter of 2005.

**Non-operating amortisation and write-downs** amounted to € 40.5 million in the first quarter of 2006 and referred to the Customer Data Base. Their amount was unchanged compared to the first quarter of 2005.

**Non-recurring and restructuring costs, net** amounted to € 0.9 million in the first quarter of 2006 (€ 2.3 million in the first quarter of 2005). They included € 1.4 million for the 2005 stock option plan and € 0.4 million for other non-recurring costs, partly offset by the reversal of € 0.9 million of excess corporate restructuring provision during the period.

**Operating income (EBIT)**, negative for € 38.8 million in the first quarter of 2006 (negative for € 14.9 million in the first quarter of 2005), showed a similar trend to EBITDA, as previously mentioned.

**Interest expenses, net** amounted to € 61.3 million in the first quarter of 2006 and were comprised of the balance of financial expenses of € 66.7 million (€ 77.7 million in the first quarter of 2005) and financial income of € 5.4 million (€ 7.1 million in the first quarter of 2005).

*Financial expenses* decreased by € 11.0 million compared to the first quarter of 2005, benefiting from lower average debt levels and from the lower "spread" in interest rates following the refinancing transaction of June 2005.

In particular, financial expenses related to:

- € 33.2 million (€ 41.8 million in the first quarter of 2005) on the "Senior Credit Agreement" between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch;
- € 27.5 million (€ 30.4 million in the first quarter of 2005) on the "Subordinated" loan with Lighthouse International Company S.A.;
- € 2.5 million for other interest and financial expenses (€ 2.0 million in the first quarter of 2005); and
- € 3.6 million for exchange rate expenses (€ 3.6 million in the first quarter of 2005).

*Financial income* included:

- € 3.2 million of exchange rate income (€ 5.3 million in the first quarter of 2005); and
- € 2.2 million of interest income on bank accounts and other financial income (€ 1.8 million in the first quarter of 2005).

**Income taxes**, negative for € 2.8 million (negative for € 2.4 million in the first quarter of 2005), included € 1.5 million for current taxes, € 5.2 million for deferred tax liabilities and € 3.9 million for deferred tax assets.

**Minority interests** presented a loss of € 0.9 million (an income of € 1.6 million in the first quarter of 2005) and mainly related to the Minority interests of the Telegate group. The Telegate group result was affected, as mentioned earlier, by the cost to launch the 118.000 service in France.

**Income (loss) for the period** presented a loss of € 102.0 million (a loss of € 89.5 million in the first quarter of 2005). The loss for the first quarter of 2006 was € 12.5 million higher than that of the first quarter of 2005 and shows a better trend, if compared with EBIT, thanks to the reduction in net interest expenses.

		→ <b>Eco-fin performance of the Group</b>	<b>11</b>
		Eco-fin performance of SEAT Pagine Gialle S.p.A.	22
		Main events subsequent to March 31, 2006	26
		Outlook	26
		Related party transactions	27
		Eco-fin performance by Business Area	29
		Other information	40
Highlights and general information	3		
→ <b>Report on Operations</b>	<b>11</b>		

## Reclassified consolidated Balance Sheet at March 31, 2006

### Foreword

The "Senior Credit Agreement" with The Royal Bank of Scotland Plc Milan Branch requested SEAT Pagine Gialle S.p.A. to issue the following main guarantees, that are standard for transactions of this type:

- a pledge on its main trademarks;
- a pledge on the shares of its major subsidiaries; and
- a special privilege on SEAT Pagine Gialle S.p.A.'s tangible assets that have a net carrying value equal to or higher than € 25,000.

**Investments** amounted to € 4.6 million in the first quarter of 2006 (€ 9.6 million in the first quarter of 2005) and are detailed as follows

(euro/thousand)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Change	Year 2005
Capital expenditure	4,601	9,559	(4,958)	46,037
Goodwill and other non-operating investments	3	20	(17)	7,627
<b>Total investments</b>	<b>4,604</b>	<b>9,579</b>	<b>(4,975)</b>	<b>53,664</b>

Capital expenditure was related, in particular, to software developments (€ 2.0 million) and to technological equipment for the Telegate group's call center (€ 1.1 million).

**Operating working capital** amounted to € 182.2 million at March 31, 2006, a decrease of € 103.4 million compared to December 31, 2005 (€ 285.6 million) mainly due to the following changes:

- *inventories* increased by € 6.7 million compared to December 31, 2005;
- *trade accounts receivable* decreased by € 58.7 million compared to December 31, 2005, of which € 43.7 million due to SEAT Pagine Gialle S.p.A.;
- *trade accounts payable* decreased by € 45.8 million to € 247.0 million at March 31, 2006 (€ 292.8 million at December 31, 2005), reflecting the performance of costs for services;
- *payables for services to be rendered and other current liabilities* increased by € 106.6 million compared to December 31, 2005, due to the publication cycles of directories.

**Non-operating working capital** amounted to € 22.7 million at March 31, 2006, a decrease of € 2.2 million compared to December 31, 2005 (€ 24.9 million), mainly due to the use of corporate restructuring provisions.

## Net Financial Debt

**Net financial debt** amounted to € 3,581 million at March 31, 2006 (€ 3,634.6 million at December 31, 2005), a decrease of € 53.5 million in the first quarter of 2006, thanks to the cash flow generated by operations.

It differs from the net financial debt – “book value”, since it is reported “gross” of:

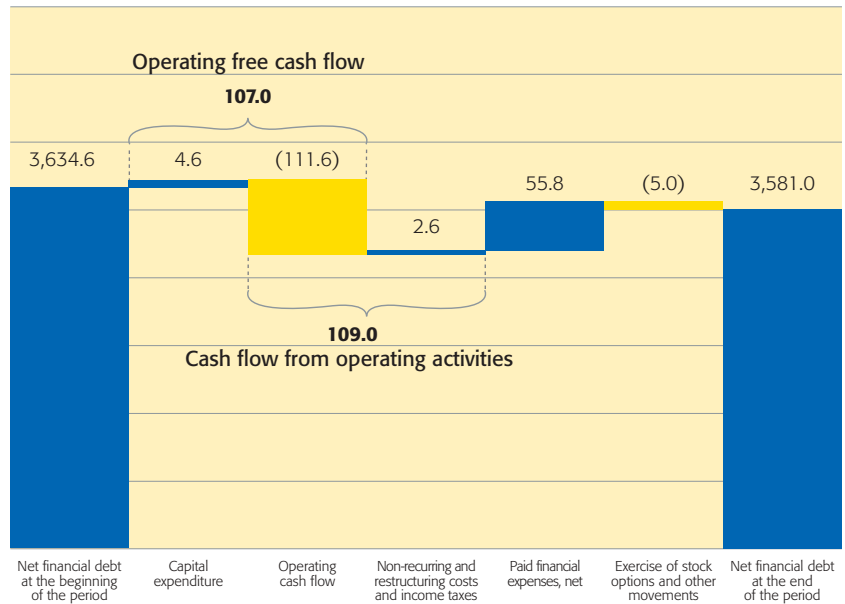
- transaction costs for the acquisition and refinancing of the medium and long-term loans with The Royal Bank of Scotland Plc Milan Branch and with Lighthouse International Company S.A., amounted to € 117.3 million at March 31, 2006, net of accumulated amortisation (€ 122.5 million at December 31, 2005);
- net liabilities for the fair value valuation of the cash flow hedge instruments, which amounted to € 2.5 million at March 31, 2006 (€ 23.2 million at December 31, 2005).

At March 31, 2006 net financial debt was detailed as follows:

- non-current financial liabilities of € 3,516.8 million (€ 3,526.7 million at December 31, 2005);
- current financial liabilities of € 135.9 million (€ 214.3 million at December 31, 2005);
- financial assets of € 186.5 million (€ 205.7 million at December 31, 2005).

The following chart summarizes the main items which impacted the trend of net financial debt during the first quarter of 2006.

(euro/million)



Highlights and general information	3	→ <b>Eco-fin performance of the Group</b>	<b>11</b>
→ <b>Report on Operations</b>	<b>11</b>	Eco-fin performance of SEAT Pagine Gialle S.p.A.	22
		Main events subsequent to March 31, 2006	26
		Outlook	26
		Related party transactions	27
		Eco-fin performance by Business Area	29
		Other information	40

In February 2006, SEAT Pagine Gialle S.p.A. made a pre-payment of € 100.5 million regarding the A and B tranches of the “Senior” loan with The Royal Bank of Scotland Plc Milan Branch.

Of the amount paid, € 85.5 million was originally due June 2006 and the remaining amount was due June 2013, according to the amortisation plan. Voluntary pre-payment is one of the contractual options of the Company as per the use liquidity exceeding operational requirements.

The refinancing agreement with The Royal Bank of Scotland Plc Milan Branch requires SEAT Pagine Gialle to comply with specific *covenants*, checked on a quarterly basis. These *covenants* refer to specific ratios between *i*) net debt and EBITDA, *ii*) EBITDA and interest on debt, *iii*) cash flow and debt service (including interest and quotas of principal payable in each reference period). The result of the check carried out on these *covenants* at March 31, 2006 (this reporting date) was positive.

The overall average cost of the financial debt of SEAT Pagine Gialle S.p.A. was 5.9% over the first quarter of 2006.

The “Senior” debt with The Royal Bank of Scotland Plc Milan Branch bears a floating interest rate per annum equal to Euribor plus certain margins. In order to reduce the exposure to risks on floating-rate debt, SEAT Pagine Gialle entered into hedging agreements with major international financial counterparties, whose market value was negative for € 2.5 million at March 31, 2006 (negative for € 23.2 million at December 31, 2005).

## Consolidated Operating Free Cash Flow for the first quarter of 2006

**Operating free cash flow** amounted to € 107.0 million in the first quarter of 2006, a decrease of € 18.7 million compared to the first quarter of 2005 (€ 125.7 million). The effect of a lower EBITDA (a decrease of € 25.2 million compared to the first quarter of 2005) was partly offset by the positive performance of the operating working capital (a decrease of € 4.8 million compared to the first quarter of 2005).

→ Reclassified consolidated Statement of Operations for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2006	2005	Absolute	%	2005
<b>Revenues from sales and services</b>	<b>197,991</b>	<b>190,423</b>	<b>7,568</b>	<b>4.0</b>	<b>1,424,611</b>
Raw materials and external services (*)	(122,823)	(89,003)	(33,820)	(38.0)	(514,954)
Salaries, wages and employees benefits (*)	(55,322)	(50,141)	(5,181)	(10.3)	(218,924)
<b>Gross operating profit</b>	<b>19,846</b>	<b>51,279</b>	<b>(31,433)</b>	<b>(61.3)</b>	<b>690,733</b>
<i>% on revenues</i>	<i>10.0%</i>	<i>26.9%</i>			<i>48.5%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(9,261)	(15,221)	5,960	39.2	(60,659)
Other income (expenses), net	(617)	(815)	198	24.3	(3,514)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)</b>	<b>9,968</b>	<b>35,243</b>	<b>(25,275)</b>	<b>(71.7)</b>	<b>626,560</b>
<i>% on revenues</i>	<i>5.0%</i>	<i>18.5%</i>			<i>44.0%</i>
Operating amortisation, depreciation and write-downs	(7,333)	(7,316)	(17)	(0.2)	(32,391)
Non-operating amortisation and write-downs	(40,517)	(40,517)	-	-	(162,067)
Non-recurring and restructuring costs, net	(879)	(2,291)	1,412	61.6	(11,908)
<b>Operating income (EBIT)</b>	<b>(38,761)</b>	<b>(14,881)</b>	<b>(23,880)</b>	<b>n.s.</b>	<b>420,194</b>
<i>% on revenues</i>	<i>(19.6%)</i>	<i>(7.8%)</i>			<i>29.5%</i>
Interest expenses, net	(61,332)	(70,651)	9,319	13.2	(260,568)
Gains (losses) on investments accounted for at equity and disposal of equity investments	(41)	(10)	(31)	n.s.	4,243
<b>Income before income taxes, discontinued operations and Minority interests</b>	<b>(100,134)</b>	<b>(85,542)</b>	<b>(14,592)</b>	<b>(17.1)</b>	<b>163,869</b>
Income taxes	(2,840)	(2,360)	(480)	(20.3)	(25,383)
Income from discontinued operations	-	-	-	-	175
<b>Income before Minority interests</b>	<b>(102,974)</b>	<b>(87,902)</b>	<b>(15,072)</b>	<b>(17.1)</b>	<b>138,661</b>
Minority interests	954	(1,602)	2,556	n.s.	(6,756)
<b>Income (loss) for the period</b>	<b>(102,020)</b>	<b>(89,504)</b>	<b>(12,516)</b>	<b>(14.0)</b>	<b>131,905</b>

(\*) Less repayments of cost.

→ Reclassified consolidated Balance Sheet at March 31, 2006

	At 03.31.2006	At 12.31.2005	Change	At 03.31.2005
<b>(euro/thousand)</b>				
Goodwill and customer data base	4,111,010	4,154,998	(43,988)	4,272,391
Other non-current assets (*)	185,724	196,983	(11,259)	163,654
Non-operating non-current liabilities	(2,723)	(3,632)	909	(3,803)
Operating non-current liabilities	(72,609)	(74,003)	1,394	(72,981)
Operating working capital	182,242	285,598	(103,356)	200,320
- Operating current assets	711,323	755,600	(44,277)	729,293
- Operating current liabilities	(529,081)	(470,002)	(59,079)	(528,973)
Non-operating working capital	(22,701)	(24,949)	2,248	(10,760)
- Non-operating current assets	4,239	3,742	497	4,875
- Non-operating current liabilities	(26,940)	(28,691)	1,751	(15,635)
<b>Net invested capital</b>	<b>4,380,943</b>	<b>4,534,995</b>	<b>(154,052)</b>	<b>4,548,821</b>
Equity of the Group	896,052	980,093	(84,041)	738,017
Minority interests	18,665	19,617	(952)	11,240
<b>Total equity (A)</b>	<b>914,717</b>	<b>999,710</b>	<b>(84,993)</b>	<b>749,257</b>
<b>Net financial debt</b>	<b>3,581,041</b>	<b>3,634,581</b>	<b>(53,540)</b>	<b>3,877,360</b>
Transaction costs on loans	(117,348)	(122,474)	5,126	(111,499)
Cash flow hedge instruments	2,533	23,178	(20,645)	33,703
<b>Net financial debt - "book value" (B)</b>	<b>3,466,226</b>	<b>3,535,285</b>	<b>(69,059)</b>	<b>3,799,564</b>
of which:				
- Non-current financial debts	3,516,817	3,526,689	(9,872)	3,720,959
- Current financial debts	135,952	214,301	(78,349)	197,298
- Non-current financial assets	(1,150)	(1,160)	10	(1,127)
- Current financial assets, cash and cash equivalents	(185,393)	(204,545)	19,152	(117,566)
<b>Total (A+B)</b>	<b>4,380,943</b>	<b>4,534,995</b>	<b>(154,052)</b>	<b>4,548,821</b>

(\*) This item includes the "financial assets available for sale".

## → Consolidated Cash Flow Statement for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Change	Year 2005	
<b>Cash inflow from operating activities</b>					
Income (loss) for the period before Minority interests	(102,974)	(87,902)	(15,072)	138,661	
Amortisation, depreciation and write-downs	47,850	47,833	17	194,458	
Interest expenses, net (*)	60,962	70,346	(9,384)	259,781	
Cost for stock options	1,362	1,459	(97)	7,907	
Income taxes for the period	2,840	2,360	480	25,383	
(Gains) losses on disposal of non-current assets	59	44	15	(4,104)	
(Write-up) write-down of assets	-	-	-	(220)	
Change in operating working capital	103,356	98,592	4,764	13,026	
Change in non-operating working capital	(3,721)	(3,232)	(489)	(28,885)	
Change in non-current operating liabilities	(1,394)	1,721	(3,115)	1,708	
Change in non-current non-operating liabilities	(968)	(56)	(912)	(2,121)	
Exchange rate adjustments and other movements	1,624	(5,244)	6,868	(4,047)	
<b>Cash inflow from operating activities</b>	<b>(A)</b>	<b>108,996</b>	<b>125,921</b>	<b>(16,925)</b>	<b>601,547</b>
<b>Cash outflow for investments</b>					
Purchase of intangible assets with indefinite useful life	-	-	-	(7,587)	
Purchase of intangible assets with finite useful life	(2,650)	(4,813)	2,163	(25,838)	
Purchase of property, plant and equipment	(1,951)	(4,745)	2,794	(20,199)	
Other investments	(3)	(20)	17	(40)	
Proceeds from disposal of non-current assets	239	196	43	9,806	
Change in the scope of consolidation	-	-	-	(7,884)	
<b>Cash outflow for investments</b>	<b>(B)</b>	<b>(4,365)</b>	<b>(9,382)</b>	<b>5,017</b>	<b>(51,742)</b>
<b>Cash outflow for financing</b>					
Repayment of non-current loans	(100,500)	(134,061)	33,561	(234,064)	
Paid interest expenses, net	(56,866)	(62,310)	5,444	(236,150)	
Payment of transaction costs on loans	-	-	-	(26,052)	
Change in financial assets and debts	26,119	57,637	(31,518)	(1,006)	
Increase in share capital from exercised stock options	5,649	-	5,649	5,576	
Paid dividends	-	(158)	158	(158)	
Exchange rate adjustments and change in the scope of consolidation	-	-	-	6,330	
<b>Cash outflow for financing</b>	<b>(C)</b>	<b>(125,598)</b>	<b>(138,892)</b>	<b>13,294</b>	<b>(485,524)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C)</b>	<b>(20,967)</b>	<b>(22,353)</b>	<b>1,386</b>	<b>64,281</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>202,158</b>	<b>137,877</b>	<b>64,281</b>	<b>137,877</b>	
<b>Cash and cash equivalents at the end of the period</b>	<b>181,191</b>	<b>115,524</b>	<b>65,667</b>	<b>202,158</b>	

(\*) Less actuarial gains (losses) on operating assets/liabilities.

→ Consolidated Operating Free Cash Flow for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Change	Year 2005
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	9,968	35,243	(25,275)	626,560
Actuarial gains (losses) on operating assets and liabilities	(370)	(305)	(65)	(787)
Decrease (increase) in operating working capital	103,356	98,592	4,764	19,977 <sup>(*)</sup>
(Decrease) increase in operating non-current liabilities	(1,394)	1,721	(3,115)	1,708
Capital expenditure	(4,601)	(9,559)	4,958	(46,037)
(Gains) losses on disposal of non-current assets	18	34	(16)	94
<b>Operating Free Cash Flow</b>	<b>106,977</b>	<b>125,726</b>	<b>(18,749)</b>	<b>601,515</b>

<sup>(\*)</sup> The amount includes an adjustment of € 6,951 thousand to offset the effects on free cash flow resulting from the new VAT taxation in the Thomson group.

## ➤ Economic and financial performance of SEAT Pagine Gialle S.p.A.

For the notes please refer to the section "Italian Directories" Business Area.

### Reclassified Statement of Operations of SEAT Pagine Gialle S.p.A. for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Change		Year
	2006	2005	Absolute	%	2005
<b>Revenues from sales and services</b>	<b>128,374</b>	<b>132,969</b>	<b>(4,595)</b>	<b>(3.5)</b>	<b>1,061,813</b>
Raw materials and external services (*)	(78,724)	(63,664)	(15,060)	(23.7)	(389,203)
Salaries, wages and employees benefits (*)	(19,389)	(19,435)	46	0.2	(85,116)
<b>Gross operating profit</b>	<b>30,261</b>	<b>49,870</b>	<b>(19,609)</b>	<b>(39.3)</b>	<b>587,494</b>
<i>% on revenues</i>	<i>23.6%</i>	<i>37.5%</i>			<i>55.3%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(7,488)	(13,600)	6,112	44.9	(50,028)
Other income (expenses), net	(409)	(495)	86	17.4	(2,256)
<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)</b>	<b>22,364</b>	<b>35,775</b>	<b>(13,411)</b>	<b>(37.5)</b>	<b>535,210</b>
<i>% on revenues</i>	<i>17.4%</i>	<i>26.9%</i>			<i>50.4%</i>
Operating amortisation, depreciation and write-downs	(4,169)	(4,542)	373	8.2	(19,312)
Non-operating amortisation and write-downs	(40,517)	(40,517)	-	-	(162,067)
Non-recurring and restructuring costs, net	(1,156)	(1,920)	764	39.8	(10,007)
<b>Operating income (EBIT)</b>	<b>(23,478)</b>	<b>(11,204)</b>	<b>(12,274)</b>	<b>(109.6)</b>	<b>343,824</b>
<i>% on revenues</i>	<i>(18.3%)</i>	<i>(8.4%)</i>			<i>32.4%</i>
Interest expenses, net	(57,114)	(64,567)	7,453	11.5	(248,071)
Write-up (write-down) of equity investments	-	-	-	-	447
Gains (losses) on disposal of equity investments	-	(28)	28	n.s.	(432)
<b>Income before income taxes</b>	<b>(80,592)</b>	<b>(75,799)</b>	<b>(4,793)</b>	<b>(6.3)</b>	<b>95,768</b>
Income taxes	(5,622)	(4,543)	(1,079)	(23.8)	(11,053)
<b>Income (loss) for the period</b>	<b>(86,214)</b>	<b>(80,342)</b>	<b>(5,872)</b>	<b>(7.3)</b>	<b>84,715</b>

(\*) Less repayments of cost.

## Reclassified Balance Sheet of SEAT Pagine Gialle S.p.A. at March 31, 2006

	At 03.31.2006	At 12.31.2005	Change	At 03.31.2005
<b>(euro/thousand)</b>				
Goodwill and customer data base	3,727,383	3,767,899	(40,516)	3,889,450
Other non-current assets (*)	499,712	514,257	(14,545)	364,195
Operating non-current liabilities	(48,249)	(48,758)	509	(47,601)
Operating working capital	199,229	283,588	(84,359)	223,161
- Operating current assets	626,198	658,645	(32,447)	662,397
- Operating current liabilities	(426,969)	(375,057)	(51,912)	(439,236)
Non-operating working capital	(17,500)	(23,209)	5,709	(84)
- Non-operating current assets	5,466	2,144	3,322	7,471
- Non-operating current liabilities	(22,966)	(25,353)	2,387	(7,555)
<b>Net invested capital</b>	<b>4,360,575</b>	<b>4,493,777</b>	<b>(133,202)</b>	<b>4,429,121</b>
<b>Equity (A)</b>	<b>913,242</b>	<b>979,587</b>	<b>(66,345)</b>	<b>795,395</b>
<b>Net financial debt</b>	<b>3,562,148</b>	<b>3,613,486</b>	<b>(51,338)</b>	<b>3,711,522</b>
Transaction costs on loans	(117,348)	(122,474)	5,126	(111,499)
Cash flow hedge instruments	2,533	23,178	(20,645)	33,703
<b>Net financial debt - "book value" (B)</b>	<b>3,447,333</b>	<b>3,514,190</b>	<b>(66,857)</b>	<b>3,633,726</b>
of which:				
- Non-current financial debts	3,516,752	3,526,626	(9,874)	3,720,815
- Current financial debts	184,458	261,949	(77,491)	246,057
- Non-current financial assets	(108,847)	(110,600)	1,753	(172,356)
- Current financial assets, cash and cash equivalents	(145,030)	(163,785)	18,755	(160,790)
<b>Total (A+B)</b>	<b>4,360,575</b>	<b>4,493,777</b>	<b>(133,202)</b>	<b>4,429,121</b>

(\*) This item includes the "financial assets available for sale".

## Cash Flow Statement of SEAT Pagine Gialle S.p.A. for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Change	Year 2005
<b>Cash inflow from operating activities</b>				
Income (loss) for the period	(86,214)	(80,342)	(5,872)	84,715
Amortisation, depreciation and write-downs	44,686	45,059	(373)	181,379
Interest expenses, net (*)	57,114	64,224	(7,110)	247,073
Cost for stock options	1,015	1,173	(158)	6,454
Income taxes for the period	5,622	4,543	1,079	11,053
(Gains) losses on disposal of non-current assets	-	74	(74)	502
(Write-up) write-down of non-current assets	-	-	-	(447)
Changes in operating working capital	84,359	80,817	3,542	20,377
Changes in non-operating working capital	(5,479)	(3,027)	(2,452)	(10,893)
Changes in non-current operating liabilities	(509)	1,023	(1,532)	2,180
Other changes	(45)	(491)	446	68
<b>Cash inflow from operating activities</b>	<b>(A) 100,549</b>	<b>113,053</b>	<b>(12,504)</b>	<b>542,461</b>
<b>Cash outflow for investments</b>				
Purchase of intangible assets with finite useful life	(1,563)	(830)	(733)	(21,224)
Purchase of property, plant and equipment	(377)	(2,049)	1,672	(6,367)
Equity investments	(250)	(500)	250	(18,354)
Other investments	-	(16)	16	(23)
Proceeds from disposal of non-current assets	259	142	117	26,758
<b>Cash outflow for investments</b>	<b>(B) (1,931)</b>	<b>(3,253)</b>	<b>1,322</b>	<b>(19,210)</b>
<b>Cash outflow for financing</b>				
Repayment of non-current loans	(100,500)	(134,061)	33,561	(230,364)
Paid interest expenses, net	(52,060)	(60,029)	7,969	(228,533)
Payment of transaction costs on loans	-	-	-	(26,052)
Changes in financial assets and debts	30,430	63,283	(32,853)	6,666
Increase in share capital from exercised stock options	5,649	-	5,649	5,576
<b>Cash outflow for financing</b>	<b>(C) (116,481)</b>	<b>(130,807)</b>	<b>14,326</b>	<b>(472,707)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) (17,863)</b>	<b>(21,007)</b>	<b>3,144</b>	<b>50,544</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>158,403</b>	<b>107,859</b>	<b>50,544</b>	<b>107,859</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>140,540</b>	<b>86,852</b>	<b>53,688</b>	<b>158,403</b>

(\*) Less actuarial gains (losses) on operating assets/liabilities.

## Operating Free Cash Flow of SEAT Pagine Gialle S.p.A. for the first quarter of 2006

(euro/thousand)	1 <sup>st</sup> quarter 2006	1 <sup>st</sup> quarter 2005	Change	Year 2005
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	22,364	35,775	(13,411)	535,210
Actuarial gains (losses) on operating assets and liabilities	(515)	(343)	(172)	(998)
Decrease (increase) in operating working capital	84,359	80,817	3,542	20,377
(Decrease) increase in operating non-current liabilities	(509)	1,023	(1,532)	2,180
Capital expenditure	(1,940)	(2,879)	939	(27,591)
(Gains) losses on disposal of non-current assets	-	46	(46)	70
<b>Operating Free Cash Flow</b>	<b>103,759</b>	<b>114,439</b>	<b>(10,680)</b>	<b>529,248</b>

## ➤ Main events subsequent to March 31, 2006

### Distribution of an ordinary dividend

On April 27, 2006, the General Shareholders' Meeting approved the financial statements of SEAT Pagine Gialle S.p.A. at December 31, 2005, and resolved to distribute an ordinary dividend for a total amount of € 42.1 million, at the rate of € 0.0050 per ordinary share and € 0.0101 per saving share. The dividend will be paid as from May 25, 2006, with ex-dividend date fixed on May 22, 2006.

## ➤ Outlook

Revenues for the year will be supported by online products and new directory assistance services launched in Italy and France. Moreover, from the second half of the year, print products will benefit from the publication of the PAGINEBIANCHE® full-colour edition in Italy and from the innovations introduced to retain large customers.

In the second half of the year, revenues from advertising collect on the new generation of internet products, scheduled for launch in Italy from June, should begin to arrive. The advertising costs to support the launch of the new 12.40 Pronto PAGINEBIANCHE® and 118.000 services in Italy and France, required to impose these new brands on the market, will continue to affect EBITDA.

## ➤ Related party transactions

With reference to the instructions contained in IAS 24 and on the basis of art. 2, letter h of CONSOB Issuer Regulations No. 11971/1999 (as amended by CONSOB resolution No. 14990 dated 04/14/2005), the tables below set out the economic and financial effects of transactions with related parties, as at March 31, 2006 on consolidated financial statements and separate financial statements.

In the consolidated statements, the economic and financial effects arising from transactions within the Group, i.e. those transactions carried out among consolidated companies, have been eliminated.

All the transactions entered into by companies of the Group with related parties, including intra-group operation, are ordinary operations regulated at market conditions or on the basis of specific norms and regulations. There are no atypical and/or unusual transactions, i.e. those that could create a potential conflict of interest.

### Main economic and financial items of the Group

(euro/mln)	From/to subsidiaries and associates	Descriptions
Interest expenses	27.5	they refer to interest expenses on the long-term "Subordinated" loan to Lighthouse International Company S.A.
Non-current financial debts	1,254.3	they refer to € 1,300 million for the "Subordinated" loan with Lighthouse International Company S.A., net of € 45.7 million for transaction costs incurred at the inception of the loan and not yet amortised at March 31, 2006.
Current financial debts	43.4	they refer to financial debts to Lighthouse International Company S.A. arising from interest expenses.

## Main economic and financial items of SEAT Pagine Gialle S.p.A.

(euro/mln)	From/to subsidiaries and associates	Descriptions
Revenues from sales and services	13.1	they include € 13 million for SEAT Pagine Gialle S.p.A. revenues on 89.24.24 call rebate from Telegate Italia S.r.l..
Other income and revenues	0.2	they include repayment of rental costs towards Prontoseat S.r.l..
Raw materials and external services	10.3	they refer to call center costs incurred by SEAT Pagine Gialle S.p.A. towards Telegate Italia S.r.l. (€ 5.3 million). This item includes also € 2.3 million for sale costs from Consodata S.p.A. for direct marketing services.
Interest income	4.8	it includes € 2.9 million for dividends received from Consodata S.p.A. and € 1.9 million for interest income on non-current financial receivable from TDL Infomedia Ltd..
Interest expenses	27.9	they include € 27.4 million for interest expenses on non-current "Subordinated" loan with Lighthouse International Company S.A. and for € 0.4 million for interest expenses on bank deposits from Telegate A.G..
Income taxes	0.2	they represent the net amount recognised to the Italian subsidiaries which entered into the Italian tax consolidation agreement.
Other non-current financial assets	107.7	they refer to non-current loans in GBP to TDL Infomedia Ltd..
Current financial assets	0.3	they refer to current accounts receivable towards Telegate GmbH.
Trade accounts receivable	23.7	they include € 22.7 million for receivables towards Telegate Italia S.r.l. and € 1.0 million towards TDL Infomedia Ltd..
Other current assets	7.4	they include € 3.4 million for advances to Cipi S.p.A., € 2.9 million for receivables from dividends not yet paid towards Consodata S.p.A..
Non-current financial debts	1,254.3	they refer to € 1,300 million for the "Subordinated" loan with Lighthouse International Company S.A., net of € 45.7 million for transaction costs incurred at the inception of the loan and not yet amortised at March 31, 2006.
Current financial debts	92.3	they include € 40.4 million referring to cash deposits towards Telegate A.G., € 43.4 million for accrued interest expenses towards Lighthouse International Company S.A., € 7.7 million for current account liabilities towards Consodata S.p.A..
Trade accounts payable	7.2	they include € 5.3 million towards Telegate Italia S.r.l. and € 1.4 million towards Consodata S.p.A..
Payables for services to be rendered and other current liabilities	0.8	they represent liabilities relating to Italian tax consolidation agreement towards subsidiaries (€ 0.6 million towards Telegate Italia S.r.l. and € 0.2 million towards Prontoseat S.r.l.).

## ➤ Economic and financial performance by Business Area

(euro/mln)		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
<i>Revenues from</i>								
<i>third parties sales and services</i>	1 <sup>st</sup> quarter 2006	128.4	20.8	43.6	5.2	198.0	-	198.0
<i>Revenues from</i>								
<i>intercompany sales and services</i>	1 <sup>st</sup> quarter 2006	-	-	5.8	4.4	10.2	(10.2)	-
Revenues from sales and services	1 <sup>st</sup> quarter 2006	128.4	20.8	49.4	9.6	208.2	(10.2)	198.0
	1 <sup>st</sup> quarter 2005	133.0	19.4	36.1	7.7	196.2	(5.8)	190.4
	Year 2005	1,061.8	175.6	159.4	67.6	1,464.4	(39.8)	1,424.6
Raw materials and external services (*)	1 <sup>st</sup> quarter 2006	(78.7)	(13.3)	(34.0)	(7.0)	(133.0)	10.2	(122.8)
Salaries, wages and employees benefits (*)	1 <sup>st</sup> quarter 2006	(19.4)	(16.6)	(14.7)	(4.6)	(55.3)	-	(55.3)
Gross operating profit	1 <sup>st</sup> quarter 2006	30.3	(9.1)	0.7	(2.0)	19.9	(0.1)	19.8
	1 <sup>st</sup> quarter 2005	49.9	(9.2)	11.6	(1.0)	51.3	-	51.3
	Year 2005	587.5	48.0	42.7	12.5	690.7	-	690.7
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	1 <sup>st</sup> quarter 2006	22.4	(9.7)	(0.6)	(2.1)	10.0	-	10.0
	1 <sup>st</sup> quarter 2005	35.8	(10.1)	10.7	(1.1)	35.3	(0.1)	35.2
	Year 2005	535.2	42.0	37.7	11.7	626.6	-	626.6
Operating income (EBIT)	1 <sup>st</sup> quarter 2006	(23.5)	(10.9)	(1.5)	(2.9)	(38.8)	-	(38.8)
	1 <sup>st</sup> quarter 2005	(11.2)	(11.1)	9.3	(2.0)	(15.0)	0.1	(14.9)
	Year 2005	343.8	35.9	31.1	9.4	420.2	-	420.2
Total assets	March 31, 2006	5,112.6	302.2	167.6	51.7	5,634.1	(435.3)	5,198.8
	March 31, 2005	5,256.7	290.6	126.4	48.9	5,722.6	(433.7)	5,288.9
	December 31, 2005	5,217.3	310.1	158.4	57.6	5,743.4	(426.4)	5,317.0
Total liabilities	March 31, 2006	4,199.4	168.8	83.4	28.7	4,480.3	(196.2)	4,284.1
	March 31, 2005	4,461.3	281.3	84.5	23.7	4,850.8	(311.2)	4,539.6
	December 31, 2005	4,237.7	166.0	71.8	29.2	4,504.7	(187.4)	4,317.3
Net invested capital	March 31, 2006	4,360.6	216.4	36.5	6.5	4,620.0	(239.1)	4,380.9
	March 31, 2005	4,429.1	211.1	25.6	5.7	4,671.5	(122.7)	4,548.8
	December 31, 2005	4,493.8	231.4	35.5	13.2	4,773.9	(238.9)	4,535.0
Capital expenditure	1 <sup>st</sup> quarter 2006	1.9	0.3	1.8	0.6	4.6	-	4.6
	1 <sup>st</sup> quarter 2005	2.9	0.9	5.1	0.7	9.6	-	9.6
	Year 2005	27.6	2.8	13.1	2.7	46.2	(0.2)	46.0
Workforce (average number)	1 <sup>st</sup> quarter 2006	1,308.9	1,048.0	2,184.7	373.4	4,915.0	-	4,915.0
	1 <sup>st</sup> quarter 2005	1,262.6	984.0	1,800.2	205.4	4,252.2	-	4,252.2
	Year 2005	1,288.4	1,025.0	2,019.4	427.1	4,759.9	-	4,759.9
Sale agents (average number)	1 <sup>st</sup> quarter 2006	1,840	-	-	-	1,840	-	1,840
	1 <sup>st</sup> quarter 2005	1,965	-	-	-	1,965	-	1,965
	Year 2005	1,899	-	-	-	1,899	-	1,899

(\*) Less repayments of cost.

<b>Main operational data of the Group</b>	<b>1<sup>st</sup> quarter 2006</b>	<b>1<sup>st</sup> quarter 2005</b>	<b>Year 2005</b>
<b>Published directories</b>			
PAGINEBIANCHE®	11	12	103
PAGINEGIALLE®	22	26	202
ThomsonLocal	18	19	173
<b>Distributed directories (values in million)</b>			
PAGINEBIANCHE®	3.1	3.5	26.1
PAGINEGIALLE®	2.6	3.0	21.1
ThomsonLocal	2.6	2.7	24.0
<b>Number of page views (values in million)</b>			
<i>Thirty-minute accesses to website with no interruption</i>			
PAGINEBIANCHE.it®	44.4	36.7	159.6
PAGINEGIALLE.it®	18.8	17.5	76.7
TUTTOCITTA'.it®	10.9	7.1	34.1
Europages.com	6.7	5.5	23.7
<b>Number of calls (values in million)</b>			
11880	41.5	27.8	114.4
89.24.24 Pronto PAGINEGIALLE®	4.2	4.4	18.5
<b>Average value per call (values in euro)</b>			
11880	1.1	1.3	1.31
89.24.24 Pronto PAGINEGIALLE®	2.0	1.6	1.68
<b>Number of users (values in million)</b>			
PAGINEBIANCHE.it® unique users <sup>(1)</sup>	3.5	3.3	3.4
PAGINEGIALLE.it® unique users <sup>(1)</sup>	2.6	2.7	2.8
TUTTOCITTA'.it® unique users <sup>(1)</sup>	1.7	1.2	1.4
Callers at 89.24.24 Pronto PAGINEGIALLE®	1.6	1.6	4.9

(1) Number of monthly unique users (mean). Source: SEAT Pagine Gialle MKTG Internet Dpt. on Nielsen/NetRatings data.

## → Italian Directories

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	128.4	133.0	1,061.8	(4.6)	(3.5)
Gross operating profit	30.3	49.9	587.5	(19.6)	(39.3)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	22.4	35.8	535.2	(13.4)	(37.4)
Operating income (EBIT)	(23.5)	(11.2)	343.8	(12.3)	n.s.
Net invested capital	4,360.6	4,429.1	4,493.8	(68.5)	(1.5)
Capital expenditure	1.9	2.9	27.6	(1.0)	(34.5)
Workforce (average number)	1,308.9	1,262.6	1,288.4	46.3	3.7

Italian Directories' **revenues from sales and services** amounted to € 128.4 million in the first quarter of 2006, a 3.5% decrease compared to the same period of the previous year. The first quarter of 2006 was affected by the postponement in publishing the print editions of Torino reti minori PAGINEGIALLE® and PAGINEBIANCHE®. These editions (€ 12.4 million of revenues in the first quarter of 2005) will be published in the second quarter of 2006. On a like-for-like basis, at the same number of published directories, revenues increased by 6.5% compared with the first quarter of 2005, when they increased by 4.6%, supported mainly by the good performance of online and voice services which, in the first quarter of 2006, also included the 12.40 Pronto PAGINEBIANCHE® service launched in October 2005.

- *Print:* revenues from print products amounted to € 80.9 million in the first quarter of 2006, a 16.5% decrease from € 96.9 million in the first quarter of 2005. At the same number of published directories, the revenues decreased by 4.2% compared with the first quarter of 2005, when the decrease was 2%. This result reflects the negative performance of PAGINEBIANCHE®, which increased by 1.5% in the first quarter of 2005. This performance was due mainly to the decision of some customers to postpone their investments until the next campaign, when the product will benefit from the important innovation represented by full-colour. PAGINEGIALLE® confirmed its negative trend, affected by the decision of some "multi-pages" advertisers to rightsize their spending on SEAT media, having forcedly and unsustainably increased their presence in the past. The new edition of PAGINEGIALLE® will impact on the Statement of Operations for 2007, due to the directories' sales cycle by which advertising collection is performed several months before the directories are published: sale campaigns for directories published in the first quarter of 2006 were basically completed in 2005 in an unfavourable economic environment that heavily affected the investment decisions of SMEs and without benefiting from the organisational changes aimed at strengthening the sales network carried out at the end of the previous year.





**TuttoCittà**



- *Online*: revenues from online products amounted to € 20.8 million in the first quarter of 2006, a 19.6% increase compared with the same period of the previous year, mainly supported by PAGINEGIALLE.it®, which increased by 18.3% to € 19.3 million (€ 16.3 million during the same period of 2005). The increase in revenues was positively impacted by the enhancement of the offering realized in 2005 with the introduction of new functionalities, such as research by proximity, virtual tours, voice-over-IP service and the new online maps system of TuttoCittà. These innovations allowed an increase in consultations (18.8 million page views, +7.4% compared to the first quarter of 2005). The agreement signed in March 2006 with MSN (Microsoft consumer portal) is particularly important for the future since it provides for the use and integration of PAGINEGIALLE.it® within research results of MSN Local Search. The aim is to assure greater visibility to advertisers and a further return on their advertising investments. Furthermore, in April 2006, SEAT Pagine Gialle S.p.A. signed an agreement with Google that allows our customers to be individuated and viewed on a map system, available on both online and mobile platforms. Finally, the *TuttoCittà* portal restyling was completed in April 2006, which involved the complete renewal of its structure and enrichment of its contents, particularly focusing on local research (geo-referenced retrieval of enterprises, local commercial operators and useful services, events within the territory, exhibitions, trade fairs, events and real estate announcements concerning the auctions of securitized State assets).
- *Voice*: revenues from voice services increased by 65.8% to € 20.1 million (€ 12.1 million in the first quarter of 2005). In particular, revenues from the 89.24.24 Pronto PAGINEGIALLE® service increased by 24.6%, sustained by an increase in the call average handling time, due to greater quality and sophistication of the services offered, that offset a slight drop in call numbers caused by an increasingly competitive market scenario following the market liberalisation started in October 2005. The increased market competition confirms the rightness of the Company's strategy to enter the market with the 12.40 Pronto PAGINEBIANCHE®, a directory assistance basic service. The positive trend in 12.40 call numbers is close to the good performance of the 89.24.24 Pronto PAGINEGIALLE® value-added service, granting SEAT Pagine Gialle a role of absolute leadership on the market.
- *Other products*: revenues from Direct Marketing products continued to grow (+14.3% to € 3.3 million), benefiting from the continuous development of products and services offered as well as the new offering of direct marketing campaigns by SMS.

	Eco-fin performance of the Group	11
	Eco-fin performance of SEAT Pagine Gialle S.p.A.	22
	Main events subsequent to March 31, 2006	26
	Outlook	26
	Related party transactions	27
3 →	<b>Eco-fin performance by Business Area</b>	<b>29</b>
→	<b>Report on Operations</b>	<b>11</b>
	Other information	40

**Raw materials and external services**, net of repayments of cost, amounted to € 78.7 million in the first quarter of 2006, an increase of € 15.0 million compared to the first quarter of 2005. This result is mainly due to the increase in advertising costs (+ € 11.1 million) to support the launch of the new 12.40 Pronto PAGINEBIANCHE® service, as well as the 89.24.24 Pronto PAGINEGIALLE® service. Costs for call centers increased by € 2.1 million compared with the first quarter of 2005, as a consequence of the increase in voice revenues.

**Salaries, wages and employee benefits**, net of repayments of cost for seconded personnel, amounted to € 19.4 million in the first quarter of 2006, substantially stable compared with the first quarter of 2005 (€ 19.4 million).

The workforce – inclusive of directors, project workers and trainees – numbered 1,402 employees at March 31, 2006 (1,356 employees at March 31, 2005), while the salaried average workforce was 1,309 employees in the first quarter of 2006 (1,263 employees in the first quarter of 2005).

The **gross operating profit** amounted to € 30.3 million in the first quarter of 2006, a decrease of 39.3% compared to the first quarter of 2005, with a 23.6% ratio on revenues from sales and services (37.5% during the first quarter of 2005). The decrease is mainly due *i*) to the postponement, to April 2006, of the publication of Torino reti minori PAGINEGIALLE® and PAGINEBIANCHE® which, in the first quarter of 2005, contributed € 9.9 million to the gross operating profit and *ii*) to advertising costs connected with the launch of the new 12.40 Pronto PAGINEBIANCHE® service, as well as to support 89.24.24 Pronto PAGINEGIALLE® service following the recent market liberalisation.

**EBITDA** amounted to € 22.4 million in the first quarter of 2006, a decrease of € 13.4 million compared to the first quarter of 2005, with a 17.4% ratio on revenues from sales and services (26.9% in the first quarter of 2005).

The further improvement compared with the gross operating profit is mainly attributable to lower provisions to the allowance for doubtful trade accounts (- € 4.2 million) and to the reserve for risks and charges (- € 2.1 million).

## → UK Directories

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	20.8	19.4	175.6	1.4	7.2
Gross operating profit	(9.1)	(9.2)	48.0	0.1	1.1
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(9.7)	(10.1)	42.0	0.4	4.0
Operating income (EBIT)	(10.9)	(11.1)	35.9	0.2	1.8
Net invested capital	216.4	211.1	231.4	5.3	2.5
Capital expenditure	0.3	0.9	2.8	(0.6)	(66.7)
Workforce (average number)	1,048.0	984.0	1,025.0	64.0	6.5



In the first quarter of 2006, **revenues from sales and services** of TDL group reached € 20.8 million, up 7.2% compared with the same period in the previous year. In local currency and on a like-for-like basis, at the same number of published directories, revenues increased by 7.8%.

In local currency, Thomson group's revenues in the first quarter of 2006 reflected the positive performance of online products, up from GBP 2.5 to GBP 3.9 million. This result was mainly due to the initiatives aimed at strengthening product content and quality in order to improve users' and customers' loyalty, as well as the growing interest in the *Webfinder.com* search engine. The distribution agreement of *Business Finder* and the agreements with Google, MSN and Skype (signed between May and December 2005), and with Yahoo (signed in November 2003), aimed to assure to the costumers greater visibility and returns on advertising investments, had a positive impact on revenues.

These results confirm the validity of the Thomson's commercial offering, that is being achieved with steady growth of the directories customer base, both print and online (+4.1% in the first quarter of 2006), and a substantially stable average value, despite the presence of a competitive and currently regulated market.

At EBITDA level, the TDL group showed an improvement of € 0.4 million compared to the same period of the previous year, despite one directory not being published, as previously discussed.

## → Directory Assistance

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year 2005	Change	
	2006	2005		Absolute	%
Revenues from sales and services	49.4	36.1	159.4	13.3	36.8
Gross operating profit	0.7	11.6	42.7	(10.9)	(94.0)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(0.6)	10.7	37.7	(11.3)	n.s.
Operating income (EBIT)	(1.5)	9.3	31.1	(10.8)	n.s.
Net invested capital	36.5	25.6	35.5	10.9	42.6
Capital expenditure	1.8	5.1	13.1	(3.3)	(64.7)
Workforce (average number)	2,184.7	1,800.2	2,019.4	384.5	21.4

In the first quarter of 2006, **revenues from sales and services** of the Directory Assistance Business Area increased by 36.8% to € 49.4 million compared to the first quarter of 2005, due to the positive performance of the Telegate group and the growth in Prontoseat S.r.l.'s revenues, supported by the high traffic level generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services.

### Telegate group

16.43% investment by SEAT Pagine Gialle S.p.A. and 61.85% investment by Telegate Holding GmbH

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year 2005	Change	
	2006	2005		Absolute	%
Revenues from sales and services	47.2	34.2	150.2	13.0	38.0
Gross operating profit	0.6	11.4	41.4	(10.8)	(94.7)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(0.6)	10.5	37.0	(11.1)	n.s.
Operating income (EBIT)	(1.3)	9.2	31.1	(10.5)	n.s.
Net invested capital	19.3	8.4	18.0	10.9	n.s.
Capital expenditure	1.6	4.8	11.5	(3.2)	(66.7)
Workforce (average number)	1,926.6	1,606.7	1,809.4	319.9	19.9

telegate

The logo for 11880, featuring the numbers '11880' in a bold, yellow, sans-serif font on a blue rectangular background.

Telegate group's **revenues from sales and services** increased by 38.0% to € 47.2 million in the first quarter of 2006, with revenues substantially stable in Germany and growing in international business, mostly in France. In particular:

- in Germany, revenues rose by 2.4% to € 28.6 million (€ 27.9 million in the first quarter of 2005), thanks to the increase in the average value per call of the value-added services, as a result of continuous product development and innovation, and to the outsourcing agreements to provide directory assistance business services, which allowed an increase in the handled traffic volume. Moreover, revenues benefited from the development of parallel business lines, such as the sales of data, the management of interconnection services for businesses and consumers, and outsourcing services provided as a result of the agreements with Vodafone GmbH, Mobilcom and Colt Telecom, which allowed an increase in traffic volume, with scale economies. The agreements signed in March 2006 with AOL and Skype will be particularly important for the future. These agreements provide for the use and integration of Telegate's 11880.com service for local searches within the respective search engines;
- revenues from the Telegate group's international business (Italy, Spain and France) amounted to € 18.6 million in the first quarter of 2006 (€ 6.3 million in the first quarter of 2005), with different trends in the various countries.

In Italy, Telegate Italia S.r.l. withstood the end of the outsourcing agreements with Telecom Italia Mobile S.p.A. (TIM), which expired in the fourth quarter of 2005, through the positive performance of the numbers of calls for the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services.

Also in Spain, revenues increased by 46.4% compared to the first quarter of 2005. Telegate continues its strategy aimed at consolidating its position (third after the Telefonica group and TPI) in a market that has entered a maturity stage, even though the universal service continued to operate. Also, the agreements for providing the services of MGA (third player, with a 3% market share) and Antena3 television group, and the acquisition of the number (11850) from the Irish operator Conduit were made with the same aim.

The logo for 118000, featuring the numbers '118000' in a bold, black, sans-serif font on a white rectangular background with a thin black border.

In France, the positive revenue performance benefited from the new outsourcing agreements, signed in 2005, with mobile-phones operators SFR and Bouygues Telecom, to run the liberalisation of the universal service, and which have allowed the German group to position itself as preferred partner for the directory assistance services for about 23.7 million of potential customers. Liberalisation of the market started in November 2005, but significant call volumes were not expected until April 2006, when the universal service was definitively closed.

EBITDA of the Telegate group was negative for € 0.6 million (positive for € 10.5 million in the first quarter of 2005). This result was significantly impacted by advertising costs incurred for the launch of the number 118.000 in France (over € 11 million), as expected.

In Germany, Telegate performed further cost savings on the purchase of data and call center infrastructures and increased its advertising expenditure to face an increasingly competitive market, also as a consequence of the entry of a new operator.

## Prontoseat S.r.l.

100% subsidiary of SEAT Pagine Gialle S.p.A.

The Company manages call center services on behalf of its holding company, SEAT Pagine Gialle S.p.A. The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	2.3	1.9	9.3	0.4	21.1
Gross operating profit	0.03	0.2	1.3	(0.2)	(85.0)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(0.02)	0.2	0.7	(0.2)	n.s.
Operating income (EBIT)	(0.2)	0.1	-	(0.3)	n.s.
Net invested capital	(0.2)	(0.2)	0.1	-	-
Capital expenditure	0.1	0.3	1.6	(0.2)	(66.7)
Workforce (average number)	258.1	193.5	210.1	64.6	33.4



In the first quarter of 2006, revenues increased by 21.1% compared to the first quarter of 2005, due to the traffic volume generated by the 89.24.24 Pronto PAGINEGIALLE® value-added service and the 12.40 Pronto PAGINEBIANCHE® basic information service, whose call centers are managed jointly by Prontoseat S.r.l. and Telegate Italia S.r.l., Italian subsidiary of the Telegate group.

EBITDA remained substantially stable due to higher labour costs in the call centers following the changed contractual relationship with the telephone operators.

## → Other Activities

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	9.6	7.7	67.6	1.9	24.7
Gross operating profit	(2.0)	(1.0)	12.5	(1.0)	(100.0)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(2.1)	(1.1)	11.7	(1.0)	(90.9)
Operating income (EBIT)	(2.9)	(2.0)	9.4	(0.9)	(45.0)
Net invested capital	6.5	5.7	13.2	0.8	14.0
Capital expenditure	0.6	0.7	2.7	(0.1)	(14.3)
Workforce (average number)	373.4	205.4	427.1	168.0	81.8

The 2006 figures are not consistent with those of the previous year due to the exit from the scope of consolidation of Pubbibaby S.p.A. (fully consolidated in the first half of 2005) and the entry of Cipi S.p.A. (fully consolidated as of October 2005).

### Consodata S.p.A.

100% subsidiary of SEAT Pagine Gialle S.p.A.

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	5.6	7.5	29.5	(1.9)	(25.3)
Gross operating profit	0.3	0.8	4.6	(0.5)	(62.5)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	0.3	0.9	4.4	(0.6)	(66.7)
Operating income (EBIT)	(0.2)	0.1	2.8	(0.3)	n.s.
Net invested capital	(0.1)	8.0	5.1	(8.1)	n.s.
Capital expenditure	0.5	0.5	2.1	-	-
Workforce (average number)	131.9	148.7	137.6	(16.9)	(11.3)

In the first quarter of 2006, Consodata S.p.A.'s revenues decreased by 25.3% to € 5.6 million. At the same scope of consolidation (the 2005 figures included Pubblibaby S.p.A., a company deconsolidated as of the second half of 2005), revenues were substantially stable (-0.6% compared to the same period of the previous year).

EBITDA amounted to € 0.3 million, slightly drop compared to the first quarter of 2005 due to the difference in the scope of consolidation.



### Eurédit S.A.

93.562% subsidiary of SEAT Pagine Gialle S.p.A.

Revenues (€ 0.1 million) are not significant in the first quarter of the year since the Company publishes its directories in the third quarter of the year.

### Cipi S.p.A.

51% subsidiary of SEAT Pagine Gialle S.p.A.

### Economic and financial data

The table below sets out the highlights for the first quarter of 2006 compared to those of the same period in 2005.

(euro/mln)	1 <sup>st</sup> quarter	1 <sup>st</sup> quarter	Year	Change	
	2006	2005	2005	Absolute	%
Revenues from sales and services	3.9	3.1	21.8	0.8	25.8
Gross operating profit	(0.4)	(0.3)	1.9	(0.1)	(33.3)
Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)	(0.4)	(0.3)	1.9	(0.1)	(33.3)
Operating income (EBIT)	(0.6)	(0.5)	1.2	(0.1)	(20.0)
Net invested capital	6.6	5.5	7.5	1.1	20.0
Capital expenditure	-	-	0.4	-	-
Workforce (average number)	183.3	173.3	231.0	10.0	5.8

The 2005 figures are only for comparison since the Company was consolidated as from October 2005.

In the first quarter of 2006, Cipi S.p.A.'s revenues reached € 3.9 million, while EBITDA was negative for € 0.4 million. The performance in first quarter of 2006 was affected by the extensive restructuring of the commercial channels (including the SEAT channel), leading to higher costs in the commercial structure, with negative impacts on the operating margins.



## ➤ Other information

### ➔ Transition to International Accounting Standards (IAS/IFRS): SEAT Pagine Gialle group

The IAS/IFRS adjustments related to the first quarter of 2005 are consistent with that published in the "Transition to International Accounting Standards", approved by the Shareholders' Meeting on April 27, 2006 and published on the Company's official website [www.seat.it](http://www.seat.it), to which reference should be made for detailed information.

## 1. Effects of the transition to IAS/IFRS on the consolidated Balance Sheet at March 31, 2005

(euro/million)	At 03.31.2005	Reclassifications	Adjustments	At 03.31.2005	
	ITA GAAP			IAS/IFRS	
<b>Fixed assets</b>	<b>4,205.6</b>	<b>(40.9)</b>	<b>272.5</b>	<b>4,437.2</b>	<b>Non-current assets</b>
Intangible assets	4,166.4	(114.3)	255.1	4,307.2	Intangible assets
- Goodwill	3,314.3		255.8	3,570.1	- Intangible assets with indefinite useful life
- Other intangible assets	852.1	(114.3)	(0.7)	737.1	- Intangible assets with finite useful life
Fixed assets	35.4	2.8		38.2	Property, plant and equipment
Long-term investments					
- Equity investments	0.4	(0.2)		0.2	Equity investments
- Other	3.4	1.6	(3.7)	1.3	Other non-current financial assets
		1.3		1.3	Other non-current assets
		67.9	21.1	89.0	Deferred tax assets
<b>Current assets</b>	<b>912.1</b>	<b>(45.2)</b>	<b>(15.2)</b>	<b>851.7</b>	<b>Current assets</b>
Inventories	12.0			12.0	Inventories
Trade accounts receivable	624.8			624.8	Trade accounts receivable
Other receivables					
- Tax receivables	73.2	(67.9)		5.3	Current tax assets
- Other receivables	86.6	20.7	(15.2)	92.1	Other current assets
Current financial assets	6.7	(4.7)		2.0	Current financial assets
Cash and cash equivalents	108.8	6.7		115.5	Cash and cash equivalents
<b>Accrued income and prepaid expenses</b>	<b>26.2</b>	<b>(26.2)</b>			
<b>TOTAL ASSETS</b>	<b>5,143.9</b>	<b>(112.3)</b>	<b>257.3</b>	<b>5,288.9</b>	<b>TOTAL ASSETS</b>
<b>Liabilities</b>	<b>4,496.1</b>			<b>3,797.8</b>	<b>Non-current liabilities</b>
Reserve for severance indemnities	31.4	(31.4)			
Reserve for risks and charges	75.7	(43.5)	21.5	53.7	Non-current reserves to employees
			0.2	0.2	Deferred income taxes and non-current payables for income taxes
		28.7	(5.8)	22.9	Other non-current liabilities
Bonds		3,721.0		3,721.0	Non-current financial debts
Debts due to other lenders	0.3	(0.3)			
				<b>741.9</b>	<b>Current liabilities</b>
Debts due to banks	2,616.5	(2,453.7)	34.5	197.3	Current financial debts
		56.4	1.9	58.3	Reserve for current risks and charges
Trade accounts payable	172.5	48.4		220.9	Trade accounts payable
Debts due to subsidiaries	1,300.0	(1,300.0)			
Tax payables	28.1	2.0		30.1	Current tax payables
Debts due to social security institutions	11.6	(11.6)			
Other liabilities	260.0	(24.7)		235.3	Payables for services to be rendered and other current liabilities
<b>Accrued expenses and deferred income</b>	<b>103.6</b>	<b>(103.6)</b>			
<b>Minority interests</b>	<b>11.3</b>	<b>0.3</b>	<b>(0.4)</b>	<b>11.2</b>	<b>Minority interests</b>
<b>Equity of the Group</b>	<b>532.9</b>	<b>(0.3)</b>	<b>205.4</b>	<b>738.0</b>	<b>Equity of the Group</b>
Share capital and reserves	673.6			673.6	Share capital and reserves
			4.5	4.5	Reserve for stock options
			(22.6)	(22.6)	Reserve for hedging instruments
		(0.7)	180.8	180.1	Reserve for transition to IAS/IFRS
Reserve for exchange rate adjustments	(7.7)	0.4	(0.8)	(8.1)	Reserve for exchange rate adjustments
Income (loss) for the period	(133.0)		43.5	(89.5)	Income (loss) for the period
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,143.9</b>	<b>(112.3)</b>	<b>257.3</b>	<b>5,288.9</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

## 2. Effects of the transition to IAS/IFRS on the consolidated Statement of Operations for the first quarter of 2005

(euro/million)	1 <sup>st</sup> quarter 2005	Reclassifications	Adjustments	1 <sup>st</sup> quarter 2005	
	ITA GAAP			IAS/IFRS	
<b>Product sales and services</b>	<b>189.8</b>	<b>0.6</b>		<b>190.4</b>	<b>Revenues from sales and services</b>
- Sales of goods	4.5			4.5	- Sales of goods
- Revenues from services	185.3	0.6		185.9	- Rendering of services
Changes in inventories of work in progress, semi-finished and finished goods	(0.2)	0.2			
Cost capitalized as tangible or intangible assets	0.4	(0.4)			
Other income and revenues	1.0			1.0	Other income and revenues
<b>TOTAL PRODUCTION VALUE</b>	<b>191.0</b>	<b>0.4</b>		<b>191.4</b>	<b>TOTAL REVENUES</b>
Raw materials, supplies and consumable items	(10.2)	1.9		(8.3)	Raw materials
Services	(75.6)	(5.2)	(0.5)	(81.3)	External services
Use of third-party property	(6.9)	6.9			
Personnel	(43.6)	(1.6)	(5.0)	(50.2)	Salaries, wages and employees benefits
Changes in inventories of raw materials, supplies and consumable items	1.9	(1.9)			
Write-downs	(9.1)			(9.1)	Other valuation adjustments
Provision for risks	(6.1)			(6.1)	Provision to reserves for risks and charges
Miscellaneous operating costs	(1.2)			(1.2)	Other operating expenses
<b>EBITDA</b>	<b>40.2</b>	<b>0.5</b>	<b>(5.5)</b>	<b>35.2</b>	<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)</b>
Operating amortisation and depreciation	(7.3)			(7.3)	Operating amortisation, depreciation and write-downs
Non-operating amortisation	(97.7)	4.8	52.4	(40.5)	Non-operating amortisation and write-downs
		0.5	(1.5)	(1.0)	Non-recurring costs, net
		(1.3)		(1.3)	Restructuring costs, net
<b>OPERATING INCOME (LOSS)</b>	<b>(64.8)</b>	<b>4.5</b>	<b>45.4</b>	<b>(14.9)</b>	<b>OPERATING INCOME (LOSS)</b>
Interest income	5.9		1.2	7.1	Interest income
Interest expenses	(70.6)	(4.8)	(2.3)	(77.7)	Interest expenses
Extraordinary income	1.5	(1.5)			
Extraordinary expenses	(1.8)	1.8			
Income taxes for the period	(1.6)		(0.8)	(2.4)	Income taxes for the period
Minority interests	(1.6)			(1.6)	Minority interests
<b>INCOME (LOSS) FOR THE PERIOD</b>	<b>(133.0)</b>		<b>43.5</b>	<b>(89.5)</b>	<b>INCOME (LOSS) FOR THE PERIOD</b>

### 3. Effects of the transition to IAS/IFRS on the consolidated Cash Flow Statement for the first quarter of 2005

(euro/million)	1 <sup>st</sup> quarter 2005 ITA GAAP	Reclassifications	Adjustments	1 <sup>st</sup> quarter 2005 IAS/IFRS
<b>Cash inflow from operating activities</b>				
Income (loss) for the period before Minority interests	(131.4)		43.5	(87.9)
Amortisation, depreciation and write-downs	105.0	(4.8)	(52.4)	47.8
Interest expenses, net	64.7	4.8	0.8	70.3 (*)
Cost for stock options			1.5	1.5
Income taxes	1.6		0.8	2.4
Changes in operating working capital	92.6	(0.1)	6.1	98.6
Changes in non-operating working capital	(3.2)			(3.2)
Changes in non-current operating liabilities	1.2		0.5	1.7
Changes in non-current non-operating liabilities	(0.2)		0.1	(0.1)
Exchange rate adjustments and other movements	(4.4)	0.1	(0.9)	(5.2)
<b>Cash inflow from operating activities</b>	<b>(A)</b>	<b>125.9</b>		<b>125.9</b>
<b>Cash outflow for investments</b>				
Purchase of intangible assets	(4.8)			(4.8)
Purchase of property, plant and equipment	(4.7)			(4.7)
Investments on other non-current assets	(0.2)	0.2		
Proceeds from disposals of non-current assets	0.3	(0.1)		0.2
<b>Cash outflow for investments</b>	<b>(B)</b>	<b>(9.4)</b>	<b>0.1</b>	<b>(9.3)</b>
<b>Cash outflow for financing</b>				
Repayment of non-current financial debts	(134.0)			(134.0)
Paid interest expenses, net	(62.4)			(62.4)
Changes in financial assets and debts	60.5	(2.9)		57.6
Paid dividends	(0.2)			(0.2)
<b>Cash outflow for financing</b>	<b>(C)</b>	<b>(136.1)</b>	<b>(2.9)</b>	<b>(139.0)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C)</b>	<b>(19.6)</b>	<b>(2.8)</b>	<b>(22.4)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>128.4</b>	<b>9.5</b>		<b>137.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>108.8</b>	<b>6.7</b>		<b>115.5</b>

(\*) Less actuarial gains (losses) on operating assets/liabilities.

#### 4. Effects of the transition to IAS/IFRS on the consolidated Shareholders' Equity at March 31, 2005

(euro/million)	At 01.01.2005	Change during the period	At 03.31.2005
Share capital	247.5		247.5
Additional paid-in capital	541.9		541.9
Other capital reserves	(4.8)	(118.7)	(123.5)
Income (loss) for the period	(119.5)	(13.5)	(133.0)
<b>Total equity of the Group</b>	<b>665.1</b>	<b>(132.2)</b>	<b>532.9</b>
Minority interests	9.9	1.5	11.4
<b>Total equity (Italian GAAP)</b>	<b>675.0</b>	<b>(130.7)</b>	<b>544.3</b>
<b>Reserve for transition to IAS/IFRS</b>	<b>180.3</b>		<b>180.3</b>
<i>IAS 36 - derecognition of goodwill amortisation</i>	203.6		203.6
<i>IFRS 2 - stock options</i>	(3.0)		(3.0)
<i>IAS 19 - benefits to employees</i>	(14.8)		(14.8)
<i>IAS 19 - present value of T.F.R.</i>	0.3		0.3
<i>IAS 2 - deferred expenses related to salaries, wages and employees benefits</i>	(6.1)		(6.1)
<i>IAS 37 - present value of non-current assets and liabilities</i>	2.4		2.4
<i>IAS 37 - derecognition of restructuring reserves</i>	(0.3)		(0.3)
<i>IAS 38 - intangible assets with finite useful life and others</i>	0.7		0.7
<i>IAS 39 - hedging instruments: Interest Rate Collars</i>	(2.5)		(2.5)
<b>Reserve for exchange rate adjustments</b>	<b>(0.8)</b>		<b>(0.8)</b>
<b>Reserve for hedging instruments</b>	<b>(21.1)</b>	<b>(1.5)</b>	<b>(22.6)</b>
<b>Reserve for stock options</b>	<b>3.0</b>	<b>1.5</b>	<b>4.5</b>
<b>Total adjustments for transition to IAS/IFRS</b>	<b>161.4</b>		<b>161.4</b>
<b>Income (loss) for the period IAS/IFRS</b>		<b>43.5</b>	<b>43.5</b>
<b>of which Minority interests</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.2)</b>
<b>Total equity</b>	<b>836.4</b>	<b>(87.2)</b>	<b>749.2</b>

Highlights and general information		Eco-fin performance of the Group	11
→ <b>Report on Operations</b>	3	Eco-fin performance of SEAT Pagine Gialle S.p.A.	22
		Main events subsequent to March 31, 2006	26
		Outlook	26
		Related party transactions	27
		Eco-fin performance by Business Area	29
	<b>11</b>	→ <b>Other information</b>	<b>40</b>

## → Transition to International Accounting Standards (IAS/IFRS): SEAT Pagine Gialle S.p.A.

The IAS/IFRS adjustments related to the first quarter of 2005 are consistent with that published in the "Transition to International Accounting Standards", approved by the Shareholders' Meeting on April 27, 2006 and published on the Company's official website [www.seat.it](http://www.seat.it), to which reference should be made for detailed information.

## 1. Effects of the transition to IAS/IFRS on the Parent Company Balance Sheet at March 31, 2005

(euro/million)	At 03.31.2005 ITA GAAP	Reclassifications	Adjustments	At 03.31.2005 IAS/IFRS	
<b>Fixed assets</b>	<b>4,266.1</b>	<b>(60.5)</b>	<b>220.3</b>	<b>4,425.9</b>	<b>Non-current assets</b>
Intangible assets	3,825.9	(113.0)	203.4	3,916.3	Intangible assets
- Goodwill	2,983.7		203.4	3,187.1	- Intangible assets with indefinite useful life
- Other intangible assets	842.2	(113.0)		729.2	- Intangible assets with finite useful life
Fixed assets	7.8	1.5		9.3	Property, plant and equipment
Long-term investments					
- Equity investments	257.8	(0.1)	8.3	266.0	Equity investments
- Other	174.6	(2.1)		172.5	Other non-current financial assets
		1.2		1.2	Other non-current assets
		52.0	8.6	60.6	Deferred tax assets
<b>Current assets</b>	<b>875.3</b>	<b>(40.2)</b>	<b>(4.1)</b>	<b>831.0</b>	<b>Current assets</b>
Inventories	10.1			10.1	Inventories
Trade accounts receivable	561.3	9.8		571.1	Trade accounts receivable
Receivables from subsidiaries and associates	78.4	(78.4)			
Other receivables					
- Tax receivables	55.6	(52.0)		3.6	Current tax assets
- Other receivables	83.0	2.6	(0.4)	85.2	Other current assets
Current financial assets		77.8	(3.7)	74.1	Current financial assets
Cash and cash equivalents	86.9			86.9	Cash and cash equivalents
Accrued income and prepaid expenses	11.5	(11.5)			
<b>TOTAL ASSETS</b>	<b>5,152.9</b>	<b>(112.2)</b>	<b>216.2</b>	<b>5,256.9</b>	<b>TOTAL ASSETS</b>
<b>Liabilities</b>	<b>4,767.6</b>			<b>3,768.5</b>	<b>Non-current liabilities</b>
Reserve for severance indemnities	28.9	(28.9)			
Reserve for risks and charges	62.8	(33.3)	(0.6)	28.9	Non-current reserves to employees
		22.5	(3.7)	18.8	Other non-current liabilities
Bonds		3,720.8		3,720.8	Non-current financial debts
Debts due to Lighthouse	1,300.0	(1,300.0)			
				<b>692.9</b>	<b>Current liabilities</b>
Debts due to banks	2,616.4	(2,404.8)	34.5	246.1	Current financial debts
		39.0		39.0	Reserve for current risks and charges
Trade accounts payable	146.2	33.8		180.0	Trade accounts payable
Debts due to subsidiaries	53.4	(53.4)			
Tax payables	18.6			18.6	Current tax payables
Debts due to social security institutions	8.8	(8.8)			
Other liabilities	229.6	(20.4)		209.2	Payables for services to be rendered and other current liabilities
Accrued expenses and deferred income	78.7	(78.7)			
<b>Equity</b>	<b>609.5</b>		<b>186.0</b>	<b>795.5</b>	<b>Equity</b>
Share capital and reserves	734.3			734.3	Share capital and reserves
			3.7	3.7	Reserve for stock options
			(22.6)	(22.6)	Reserve for hedging instruments
			160.4	160.4	Reserve for transition to IAS/IFRS
Income (loss) for the period	(124.8)		44.5	(80.3)	Income (loss) for the period
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,152.9</b>	<b>(112.2)</b>	<b>216.2</b>	<b>5,256.9</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

## 2. Effects of the transition to IAS/IFRS on the Parent Company Statement of Operations for the first quarter of 2005

(euro/million)	1 <sup>st</sup> quarter 2005	Reclassifications	Adjustments	1 <sup>st</sup> quarter 2005	
	ITA GAAP			IAS/IFRS	
<b>Product sales and services</b>	<b>132.4</b>	<b>0.6</b>		<b>133.0</b>	<b>Revenues from sales and services</b>
- Sales of goods	3.2			3.2	- Sales of goods
- Revenues from services	129.2	0.6		129.8	- Rendering of services
Changes in inventories of work in progress, semi-finished and finished goods	(0.3)	0.3			
Other income and revenues	0.9			0.9	Other income and revenues
<b>TOTAL PRODUCTION VALUE</b>	<b>133.0</b>	<b>0.9</b>		<b>133.9</b>	<b>TOTAL REVENUES</b>
Raw materials, supplies and consumable items	(8.2)	1.2		(7.0)	Raw materials
Services	(53.7)	(3.6)		(57.3)	External services
Use of third-party property	(4.6)	4.6			
Personnel	(18.7)	(1.0)	0.2	(19.5)	Salaries, wages and employees benefits
Changes in inventories of raw materials, supplies and consumable items	1.5	(1.5)			
Write-downs	(7.5)			(7.5)	Other valuation adjustments
Provision for risks	(6.1)			(6.1)	Provision to reserves for risks and charges
Miscellaneous operating costs	(0.7)			(0.7)	Other operating expenses
<b>EBITDA</b>	<b>35.0</b>	<b>0.6</b>	<b>0.2</b>	<b>35.8</b>	<b>Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA)</b>
Operating amortisation and depreciation	(4.6)			(4.6)	Operating amortisation, depreciation and write-downs
Non-operating amortisation	(86.0)	4.8	40.7	(40.5)	Non-operating amortisation and write-downs
		0.6	(1.2)	(0.6)	Non-recurring costs, net
		(1.3)		(1.3)	Restructuring costs, net
<b>OPERATING INCOME (LOSS)</b>	<b>(55.6)</b>	<b>4.7</b>	<b>39.7</b>	<b>(11.2)</b>	<b>OPERATING INCOME (LOSS)</b>
Interest income	12.2	(0.1)	0.1	12.2	Interest income
Interest expenses	(70.8)	(4.8)	(1.2)	(76.8)	Interest expenses
Valuation adjustments to financial assets	(8.3)		8.3		
Extraordinary income	1.4	(1.4)			
Extraordinary expenses	(1.6)	1.6			
Income taxes for the period	(2.1)		(2.4)	(4.5)	Income taxes for the period
<b>INCOME (LOSS) FOR THE PERIOD</b>	<b>(124.8)</b>		<b>44.5</b>	<b>(80.3)</b>	<b>INCOME (LOSS) FOR THE PERIOD</b>

### 3. Effects of the transition to IAS/IFRS on the Parent Company Cash Flow Statement for the first quarter of 2005

(euro/million)	1 <sup>st</sup> quarter 2005 ITA GAAP	Reclassifications	Adjustments	1 <sup>st</sup> quarter 2005 IAS/IFRS
<b>Cash inflow from operating activities</b>				
Income (loss) for the period	(124.8)		44.5	(80.3)
Amortisation, depreciation and write-downs	90.6	(4.8)	(40.7)	45.1
Interest expenses, net	58.6	4.8	0.8	64.2(*)
Cost for stock options			1.2	1.2
Income taxes	2.2		2.4	4.6
(Gains) losses on disposal of non-current assets	0.1			0.1
(Write-up) write-down of non-current assets	4.3	3.9	(8.2)	
Changes in operating working capital	80.9		(0.1)	80.8
Changes in non-operating working capital	(3.0)			(3.0)
Changes in non-current operating liabilities	1.0	(0.1)	0.1	1.0
Other changes	(0.5)			(0.5)
<b>Cash inflow from operating activities</b>	<b>(A) 109.4</b>	<b>3.8</b>		<b>113.2</b>
<b>Cash outflow for investments</b>				
Purchase of intangible assets	(2.3)	1.5		(0.8)
Purchase of property, plant and equipment	(0.6)	(1.5)		(2.1)
Equity investments	(0.8)	0.3		(0.5)
Proceeds from disposal of non-current assets	0.2	(0.1)		0.1
<b>Cash outflow for investments</b>	<b>(B) (3.5)</b>	<b>0.2</b>		<b>(3.3)</b>
<b>Cash outflow for financing</b>				
Repayment of non-current financial debts	(134.1)			(134.1)
Paid interest expenses, net	(56.2)	(3.9)		(60.1)
Changes in current financial assets	(2.9)			(2.9)
Changes in non-current financial assets	0.1	(0.1)		
Changes in current financial debts	66.2			66.2
Paid dividends	(0.1)			(0.1)
<b>Cash outflow for financing</b>	<b>(C) (127.0)</b>	<b>(4.0)</b>		<b>(131.0)</b>
<b>Increase (decrease) in cash and cash equivalents in the period</b>	<b>(A+B+C) (21.1)</b>			<b>(21.1)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>107.9</b>			<b>107.9</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>86.8</b>			<b>86.8</b>

(\*) Less actuarial gains (losses) on operating assets/liabilities.

#### 4. Effects of the transition to IAS/IFRS on the Parent Company Shareholders' Equity at March 31, 2005

(euro/million)	At 01.01.2005	Change during the period	At 03.31.2005
Share capital	247.5		247.5
Additional paid-in capital	541.9		541.9
Other capital reserves	62.9		62.9
Result of the previous years		(118.0)	(118.0)
Income (loss) for the period	(118.0)	(6.8)	(124.8)
<b>Total equity (Italian GAAP)</b>	<b>734.3</b>	<b>(124.8)</b>	<b>609.5</b>
<b>Reserve for transition to IAS/IFRS</b>	<b>160.4</b>		<b>160.4</b>
<i>IAS 36 - derecognition of goodwill amortisation</i>	<i>162.7</i>		<i>162.7</i>
<i>IFRS 2 - stock options</i>	<i>(2.5)</i>		<i>(2.5)</i>
<i>IAS 19 - present value of T.F.R.</i>	<i>0.5</i>		<i>0.5</i>
<i>IAS 37 - present value of non-current assets and liabilities</i>	<i>2.2</i>		<i>2.2</i>
<i>IAS 39 - hedging instruments: Interest Rate Collars</i>	<i>(2.5)</i>		<i>(2.5)</i>
<b>Reserve for hedging instruments</b>	<b>(21.1)</b>	<b>1.4</b>	<b>(19.7)</b>
<b>Reserve for stock options</b>	<b>2.5</b>	<b>1.2</b>	<b>3.7</b>
<b>Total adjustments for transition to IAS/IFRS</b>	<b>141.8</b>	<b>2.6</b>	<b>144.4</b>
<b>Income (loss) for the period IAS/IFRS</b>		<b>44.5</b>	<b>44.5</b>
<b>Total equity</b>	<b>876.1</b>	<b>(77.7)</b>	<b>798.4</b>

**To contact SEAT Pagine Gialle S.p.A.:**

Investor Relations  
Via Saffi, 18  
10138 Torino  
Fax: +39.011.435.27.22  
E-mail: [investor.relations@seat.it](mailto:investor.relations@seat.it)  
[www.seat.it](http://www.seat.it)

**A copy of official documents  
may be requested to:**

SEAT Pagine Gialle S.p.A.  
Corporate Affairs Office  
Via Saffi, 18  
10138 Turin (Italy)  
Fax: +39.011.435.42.52  
E-mail: [ufficio.societario@seat.it](mailto:ufficio.societario@seat.it)  
[www.seat.it](http://www.seat.it)

**SEAT Pagine Gialle S.p.A.:**

Registered office: Via Grosio, 10/8 – 20151 Milan (Italy)  
Secondary office: Via Saffi, 18 – 10138 Turin (Italy)  
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