

SEAT Pagine Gialle S.p.A.



Report as at September 30, 2008



➤ Report as at
September 30, 2008

Registered office: Via Grosio, 10/4 - 20151 Milan (Italy)
Secondary office: Via Saffi, 18 - 10138 Turin (Italy)
Fully paid-up share capital: € 250,351,664.46
Tax Code and VAT Code: 03970540963
Milan Register of Companies No. 03970540963

The SEAT Pagine Gialle group is the European leader and one of the main operators at world level in the sector of multimedia profiled advertising, offering “print-voice-online” directories, high-tech products for the Internet and for satellite and orthophotometric navigation, as well as complementary communication services such as one-to-one marketing.

Highlights and general information	↑	Company boards	4
		Economic and financial highlights of the Group	5
		Information for Shareholders	6
		Organisational structure of the Group	11
Report on operations	↑	Economic and financial performance of the Group	14
		Reclassified consolidated income statement	26
		Reclassified consolidated balance sheet	27
		Consolidated cash flow statement	28
		Consolidated operating free cash flow	29
		Consolidated statement of changes in equity	29
		Material events of the third quarter 2008	30
		Material events subsequent to September 30, 2008	30
		Outlook	31
		Related party transactions	32
		Economic and financial performance by Business Areas	33
		Italian Directories	35
		UK Directories	40
		Directory Assistance	42
		Other Activities	46
Other information	↑	Declaration pursuant to paragraph 2 of article 154-bis of Legislative Decree No. 58 of February 24, 1998	55

Highlights and general information

➤ Company boards

(at November 11, 2008)

Board of Directors	↑	Chairman Chief Executive Officer Directors	Enrico Giliberti Luca Majocchi Lino Benassi ^(I) Antonio Belloni Dario Cossutta Carmine Di Palo Gian Maria Gros Pietro ^(I) Luigi Lanari Marco Lucchini Michele Marini Pietro Masera Nicola Volpi
		Secretary to the Board	Marco Beatrice
Remuneration Committee	↑	Chairman	Gian Maria Gros Pietro Antonio Belloni Dario Cossutta
Internal Control Committee	↑	Chairman	Lino Benassi Marco Lucchini
Board of Statutory Auditors	↑	Chairman Acting auditors	Enrico Cervellera Vincenzo Ciruzzi Andrea Vasapolli
		Alternate auditors	Guido Costa Guido Vasapolli
Common representative of Savings Shareholders	↑		Edoardo Guffanti
Manager responsible for the preparation of the financial reports	↑		Massimo Cristofori ^(II)
Independent Auditors	↑		Reconta Ernst & Young S.p.A.

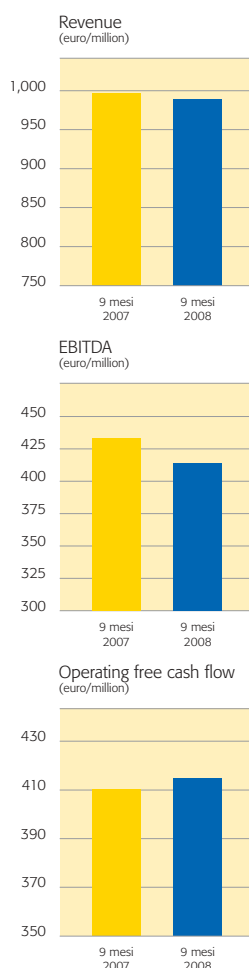
At present, the Board of Directors is constituted by twelve members consequently the resignation of Prof. Marco Reboa. The Company will provide for substitution, in the near future.

(I) Independent Director pursuant to art. 3 of the Corporate Governance Code for Listed Companies.

(II) Appointed by the Board of Directors on May 12, 2008. The appointment is effective as of recruitment in June 2008.

➤ Economic and financial highlights of the Group

- Consolidated REVENUE € 986.7 million essentially unchanged thanks to faster take-up of online in Italy in the third quarter of 2008;
- Consolidated EBITDA € 411.4 million, (-3.5%) in line with the forecasts, despite the European economic downswing;
- Consolidated OPERATING FREE CASH FLOW € 413.3 million, 0.8% up on the same period of 2007;
- NET FINANCIAL DEBT € 3,105.2 million down, as a result of a € 82 million repayment completed in September due by the end of December;
- COST OF DEBT 6.64% with financial expense under control thanks to debt reduction and the hedging policy.



(euro/million)	9 months 2008	9 months 2007	Year 2007
Economic and financial data			
Revenue from sales and services	986.7	996.7	1,453.6
Gross operating profit (GOP)	448.8	469.0	703.0
Operating income before amortisation, depreciation, non-recurring and restructuring cost, net (EBITDA)	411.4	426.4	650.2
Operating result (EBIT)	223.6	263.0	429.1
Income (loss) before income taxes and Minority interests	39.0	80.0	186.4
Income (loss) for the period	11.0	34.9	98.4
Operating free cash flow (FCF)	413.3	410.0	559.5
Capital expenditure	33.7	39.8	66.1
Net invested capital	4,137.1	4,206.2	4,310.1
<i>of which goodwill and customer databases</i>	<i>3,831.1</i>	<i>3,867.6</i>	<i>3,943.7</i>
<i>of which net operating working capital</i>	<i>261.9</i>	<i>273.0</i>	<i>300.3</i>
Equity Shareholders of the Group	1,080.9	1,046.4	1,100.0
Net financial debt ⁽¹⁾	3,105.2	3,233.3	3,274.3
Income ratios			
EBITDA/Revenue	41.7%	42.8%	44.7%
Operating result/Revenue	22.7%	26.4%	29.5%
Operating result/Net invested capital	5.4%	6.3%	10.0%
Income (loss) for the period/Equity Shareholders of the Group	1.0%	3.3%	8.9%
Operating free cash flow/Revenue	41.9%	41.1%	38.5%
Operating working capital/Revenue	26.5%	27.4%	20.7%
Workforce			
Workforce at the end of the period	6,880	6,747	6,652
Average workforce for the period (FTE)	5,442	5,351	5,365
Revenue/Average workforce	181	186	271

(1) Net financial debt does not include transaction costs on loans and the net market value of "cash flow hedge" instruments recognised as financial assets amounting to € 73.9 million at September 30, 2008.

Legend:

GOP - Gross operating profit: revenue from sales and services less operating costs.

EBITDA - Earning before interests, tax, depreciation and amortisation: GOP less other valuation adjustments, provisions to reserves for risks and charges, other income and expenses.

EBIT - Earning before interest and tax: EBITDA less non-recurring and restructuring costs, operating and non operating amortisation, depreciation and write-down.

FCF - Operating free cash flow: EBITDA less capital expenditure, change in operating working capital and change in operating non-current liabilities.

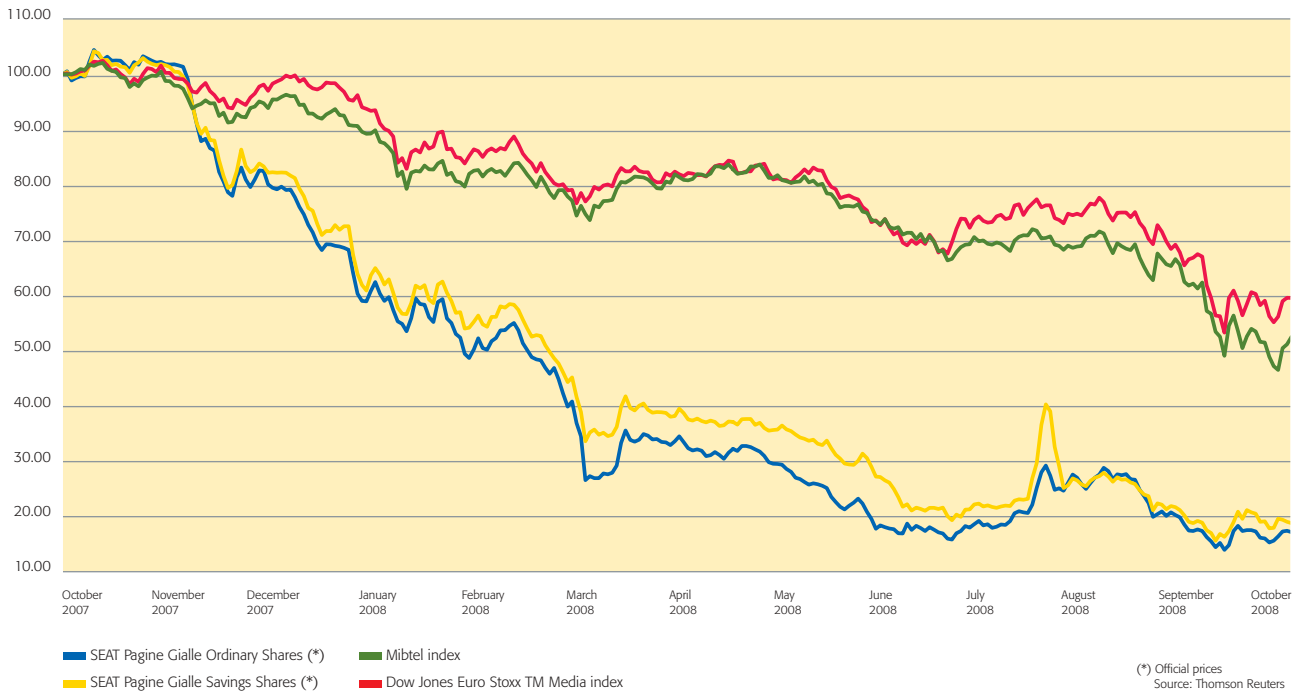
FTE - Full Time Equivalent for non-Italian companies; average workforce for Italian companies.

➤ Information for Shareholders

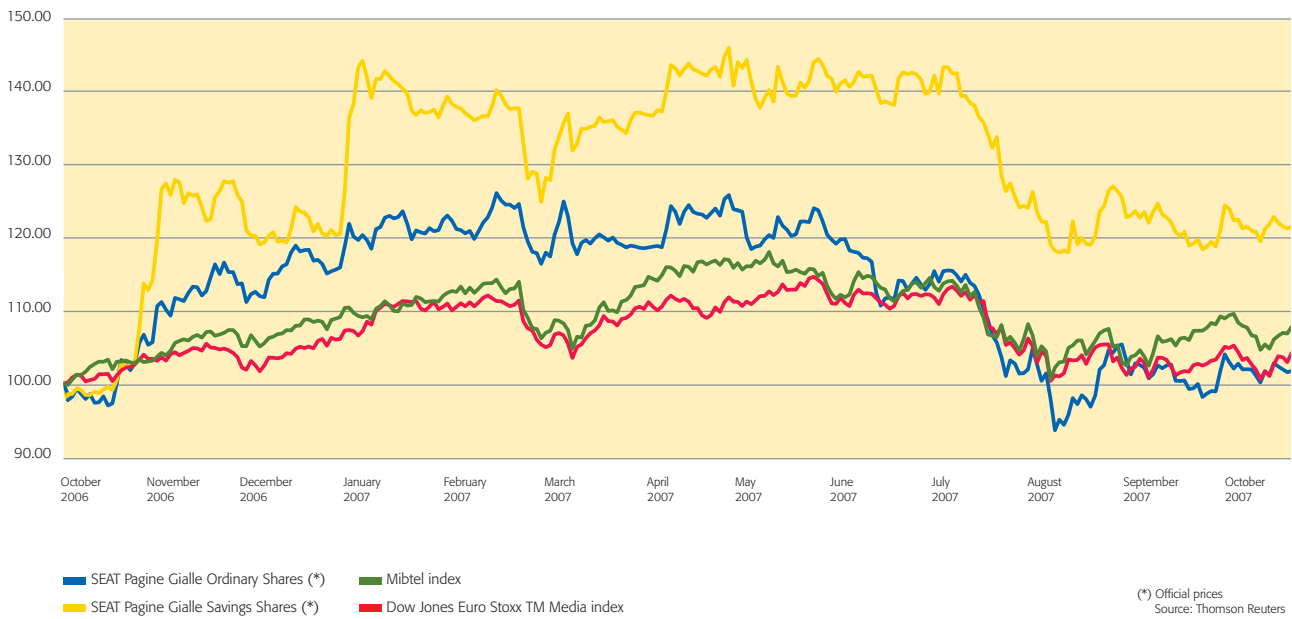
Shares

Share capital (<i>at September 30, 2008</i>)	euro	250,351,664.46
Number of ordinary shares (<i>par value 0.03 euro</i>)	No.	8,208,980,696
Number of savings shares (<i>par value 0.03 euro</i>)	No.	136,074,786
Market capitalisation (<i>on average official market price for September 2008</i>)	euro/mln	783
Market ratio of SEAT Pagine Gialle (SPG ordinary shares) at September 30, 2008		
- on Mibtel index		0.112%
- on Dow Jones Euro Stoxx TM Media index		0.393%

Performance of SEAT Pagine Gialle S.p.A. shares vs Mibtel and Dow Jones Euro Stoxx TM Media indexes - at October 31, 2008



Performance of SEAT Pagine Gialle S.p.A. shares vs Mibtel and Dow Jones Euro Stoxx TM Media indexes - at October 31, 2007



Stock performance of SEAT Pagine Gialle and traded volumes over the last twelve months

As last year, the first nine months of 2008 saw turmoil on the world's financial markets and a further worsening of the financial crisis from the last few weeks of September 2008.

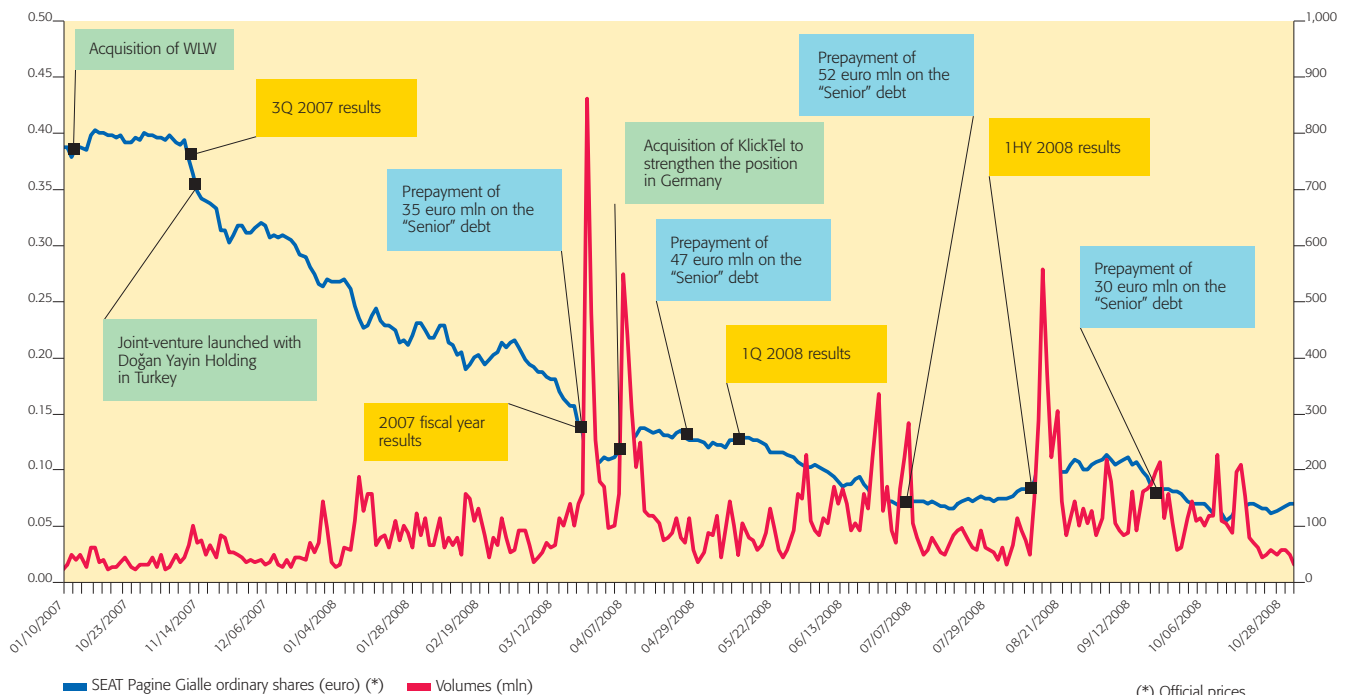
Media and directories shares therefore fell, as they did in the first nine months of 2007, both in Europe (Eniro -59% and Yell -81%) and the US (R.H. Donnelley -94% and Idearc -93%) with the downward revision of growth forecasts for a number of companies as the economic gloom continued.

SEAT Pagine Gialle shares closed at € 0.07 on September 30, 2008, -75% on the end of December 2007.

Since directories companies - such as SEAT Pagine Gialle - are highly leveraged but have high cash inflows, debt forms the major part of their enterprise value, which decreased following the de-rating of the directories sector and the continuing financial crisis.

A significant contributor to the bigger fall in the value of directories shares over that of media shares in general has been the more leveraged nature of directories companies: even a slight reduction in the enterprise value of directories companies is now producing an increasing impact on their share price. From the end of December 2007 to the end of September 2008 the enterprise value of SEAT Pagine Gialle dropped 32%, while the share price fell 75%.

The enterprise value of other companies in the same sector followed the same trend (Yell -38%, Eniro -27%, Idearc -21%, R.H. Donnelley -23%, Mediaset -27%, Mondadori Editore -20%) as did their share prices.



Shareholders

The following table lists the holders of ordinary shares in SEAT Pagine Gialle S.p.A. who held more than 2% of the share capital at September 30, 2008

Shareholders at September 30, 2008	No. of ordinary shares	% on ordinary share capital
P.G. Subsilver S.A.	1,555,920,894 ⁽¹⁾	
	27,458,567 ⁽²⁾	
	1,583,379,461	19.29
Sterling Sub Holdings S.A.	1,196,849,420 ⁽¹⁾	
	21,121,748 ⁽³⁾	
	1,217,971,168	14.84
Subcart S.A.	703,586,244 ⁽¹⁾	
	12,416,744 ⁽³⁾	
	716,002,988	8.72
Subtarc S.A.	373,595,387 ⁽¹⁾	
	6,593,134 ⁽³⁾	
	380,188,521	4.63
Al Subsilver S.A.	239,369,605 ⁽¹⁾	
	4,224,345 ⁽³⁾	
	243,593,950	2.97
Boussard & Gavaudan Asset Management LP	380,320,940 ⁽⁴⁾	4.63

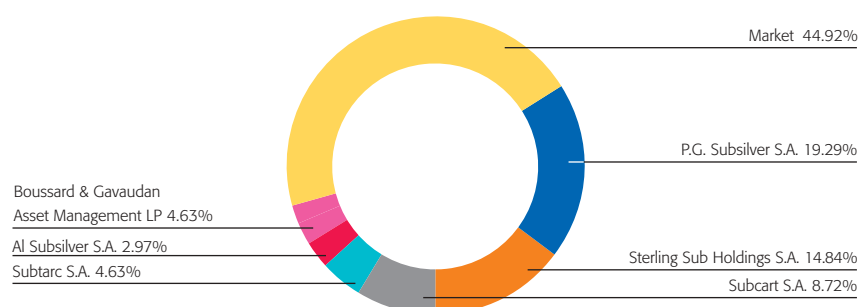
(1) Shares subject to first-line charge in favour of The Royal Bank of Scotland Plc Milan Branch, The Royal Bank of Scotland Plc, Lehman Brothers Special Financing Inc., Citibank N.A. London Branch, BNP Paribas S.A. and on a second-line charge in favour of The Royal Bank of Scotland Plc Milan Branch and Citivic Nominees Ltd, London. The last charge have been placed on April 22, 2004. Voting rights lie with the shareholders themselves.

(2) Shares acquired on the market in October 2007, and so not pledged.

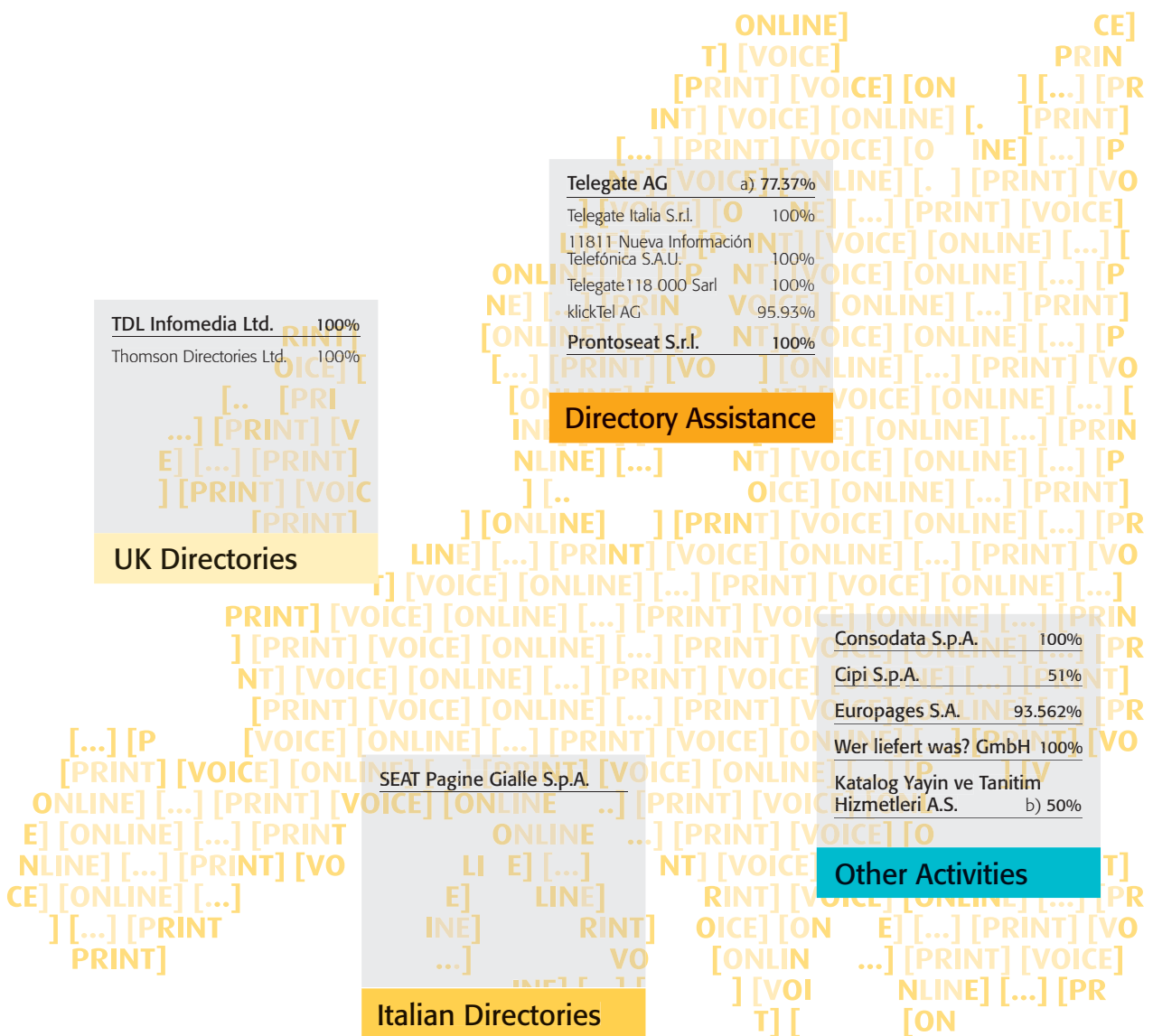
(3) Shares acquired on the market in October 2007, and pledged in favour of Société Européenne de Banque S.A. as of January 31, 2008. Voting rights lie with the shareholders themselves.

(4) On October 1, 2008, the Boussard & Gavaudan Asset Management LP shareholding in the SEAT Pagine Gialle S.p.A. share capital, decreased from 4.63% to 1.992% equal to No. 163,543,533 of ordinary shares.

SEAT Pagine Gialle S.p.A. Shareholders at September 30, 2008



↗ Organisational structure of the Group (at September 30, 2008)



Legend

- a) Held 16.24% directly and 61.13% through Telegate Holding GmbH.
- b) Consolidated using the equity method.
- c) New denomination of klickTel AG with effect from September 17, 2008.

Report on operations

➤ Economic and financial performance of the Group

Reclassified consolidated income statement for the first nine months of 2008

Revenue from sales and services: € 986.7 million in the first nine months of 2008; essentially no change (-1%) from the same period 2007. The German group WLW was consolidated, as was the German subsidiary Telegate Media AG on April 1, 2008. Together they contributed € 36.4 million to revenue growth in the first nine months of the year, an improvement partly offset by the fall of sterling against the euro. This pushed Thomson group profits about 13% under those it generated in the first nine months of 2007.

Including offsets among Business Areas, sales and service revenues were as follows.

- revenue from *"Italian Directories"* (SEAT Pagine Gialle S.p.A.) Business Area amounted to € 739.3 million in the first nine months of 2008, down 2.0% (at constant directory numbers) over the same period of 2007. In range print centered offer, essentially in line compared to the same period of 2007, the revenue fall has been impacted by the drop in print products (-3.0%) but was to some extent offset by the rise in online (+11.4% to € 87.1 million) and voice business (advertising revenue from Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE +4.1% to € 31.2 million). Revenue dynamics (print in particular) were impacted by the general slow-down in the macroeconomic environment. The response is a new sales strategy that places greater focus on the sale of online products, with new Internet offers. The positive impact of the new strategy did not begin to appear on the income statement until the third quarter of 2008 however. Minor products falling;
- revenue from *"UK Directories"* (Thomson Directories group) Business Area amounted to € 77.6 million in the first nine months of 2008, down 24.1% over the same period of 2007 mainly in the wake of the fall of sterling against the euro. In local currency terms, revenue fell 10.9% to GBP 61.6 million, reflecting the difficulty of selling to customers requiring national coverage, especially to banks, who have been the hardest hit by the credit crunch, and to telesales customers owing to the high turnover in telesales staff;
- revenue from *"Directory Assistance"* (Telegate group and Prontoseat S.r.l.) Business Area amounted to € 141.7 million in the first nine months of 2008, +1.2% over the same period of 2007 (€ 140.0 million) thanks in part to the consolidation as of April 1, 2008 of the German subsidiary, Telegate Media AG. At constant consolidation scope, the Telegate group fell 6.0% to € 122.9 million, primarily because of business in Germany (fall in landline calls) and France (lower investment in advertising). Prontoseat S.r.l.

Highlights and general information	4
→ Report on operations	14
Other information	55

→ Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

revenue also dipped (€ 8.5 million in the first nine months of 2008) as the Directory Assistance market in general shrank, to some extent compensated by the introduction of new services, e.g. customer care;

- revenue from "Other Activities" (BtoB online directories and other Italian business) Business Area amounted to € 70.5 million at September 30, 2008; a sharp rise over the € 49.3 million of the first nine months of 2007. This was partly thanks to the consolidation of the German group WLW (€ 26.0 million in revenue) in October 2007.

Cost of materials and external services net of recovered costs: € 347.8 million in the first nine months of 2008, essentially unchanged over the same period of 2007 (€ 348.5 million). At constant exchange rates, consolidation scope and directory numbers, this was a 3.5% fall.

Industrial costs for the nine months of 2008 fell € 3.3 million owing to lower revenue levels and commercial costs also dropped € 4.4 million as sales agent commission went down, along with advertising and promotion investment. Overheads also reduced (-€ 3.2 million) thanks in part to the lower cost of consultancy and administration and legal services.

Salaries, wages and employee benefits net of recovered costs: € 190.1 million in the first nine months of 2008, +€ 10.9 million on the same period of 2007. The increase is attributable to WLW (€ 11.8 million in the first nine months of 2008), which was consolidated in October 2007. This figure does not include € 3.4 million in capitalised costs (€ 3.2 million in the first nine months of 2007), being the resources used in investment activities.

The Group workforce, including administrators, project workers and trainees, totalled 6,880 personnel at September 30, 2008 (6,652 personnel at December 31, 2007). The FTE average over the period was 5,442 units (5,351 units in the first nine months of 2007).

Gross operating profit (GOP): € 448.8 million in the first nine months of 2008, -4.3% over the same period of 2007 (-5.7% at constant exchange rate and consolidation scope) with a 45.5% impact on revenue (47.1% in the first nine months of 2007). This reflects a fall in revenues only slightly compensated by lower operating costs.

Other valuation adjustments and provisions to reserves for risks and charges: at € 41.5 million for the first nine months of 2008 these were essentially in line with the same period of 2007 (€ 40.2 million).

Operating income before amortisation, depreciation, non-recurring and restructuring costs (EBITDA): € 411.4 million for the first nine months of 2008 (€ 426.4 million for the first nine months of 2007), down 3.5% at constant consolidation scope and exchange rate. Impact on revenue was 41.7% (42.8% in the same period of 2007) and mirrors the trend in GOP.

Operating amortisation, depreciation and write-down: € 37.1 million in the first nine months of 2008 (€ 30.6 million in the same period of 2007), comprising intangible assets with a defined useful life (€ 24.5 million) and property, plant and equipment (€ 12.6 million). The increase over 2007 has been caused by the significant investments made in the last few financial years.

Non-operating amortisation, depreciation and write-down: € 136.1 million in the first nine months of 2008 (€ 121.6 million in the same period of 2007), of which € 123.1 million Customer Databases recognised in Group assets at business combination, as partial allocation of the difference between purchase price and the share of equity acquired, as per IFRS 3 and as valued internally and/or independently.

In 2008 this item also included € 13 million in goodwill write-downs for Europages S.A. and Cipi S.p.A. following impairment testing during the period.

Non-recurring and restructuring costs: € 14.7 million in the first nine months of 2008 (€ 11.2 million in the same period of 2007). These include a € 5 million provision in addition of restructuring reserve already recorded in 2007 to cover the expected restructuring costs incurred by SEAT Pagine Gialle S.p.A. to implement a reorganisation programme begun in 2007 and expected to end in the first few months of 2009. Over 150 redundancies are to be managed through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and early retirements as well as selected dismissals and professional retraining. It will be carried out in publishing and back office sales departments, both of which will be strongly affected by the introduction of highly innovative IT systems.

The item also includes € 8.9 million non-recurring costs, of which € 1.9 million for the reorganisation of a number of Group companies, € 2.3 million for the integration of Telegate Media AG into the Telegate group and € 1.7 million for support to the Parent Company's management during the revisal of (particularly Internet) product strategy.

Operating result (EBIT): € 223.6 million in the first nine months of 2008 (€ 263.0 million in the same period of 2007), -15.0% over the same period of 2007 as a result not only of EBITDA levels but also of higher operating amortisation (for increased investment over the last few years) and by impairment losses on goodwill following impairment testing over the financial year.

Interest expense, net: € 183.7 million in the first nine months of 2008 (€ 179.7 million in the same period of 2007) comprised interest expense of € 206.3 million (+€ 12.8 million over the same period of 2007) minus interest income of € 22.6 million (€ 13.7 million in the first nine months of 2007). Interest expense net was essentially unchanged from the same period of 2007 and includes a € 5.3 million write-down of assets and derivatives contracts (hedging) with Lehman Brothers (USA) at the time of its default and declaration of "Chapter 11". Net of this item, interest expense net at September 30, 2008 was € 1.3 million down on the same period of 2007. This was achieved despite the strong rise in Euribor to which the cost of variable debt is tied (mean Euribor over the two periods rose 64 basis point) through *i*) gains on interest-rate risks derivative contracts (hedging), *ii*) a fall in Euribor spread thanks to the achievement of EBITDA/net Group debt targets *iii*) lower levels of debt as a result of repayments and *iv*) better management of interest periods.

Highlights and general information	4
→ Report on operations	14
Other information	55

→ Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

Interest expense include:

- € 88.6 million interest expense on the “*Senior Credit Agreement*” between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc Milan Branch (€ 94.1 million in the first nine months of 2007);
- € 82.4 million interest expense on the “*Subordinated*” fixed-rate loan from Lighthouse International Company S.A. in line with the same period of 2007;
- € 10.2 million *interest expense on limited recourse, asset-backed securities* issued in June 2006 by Meliadi Finance S.r.l. as part of a securitization operation (€ 8.5 million in the first nine months of 2007);
- € 12.8 million *other financial expense* (€ 8.0 million in the first nine months of 2007), of which € 5.3 million interest expense on the discounting of non-current liabilities (€ 5.2 million in the first nine months of 2007) and the € 5.3 million write-down of financial items relating to Lehman Brothers as described above;
- € 12.3 million *foreign exchange losses* (€ 0.4 million in the first nine months of 2007) on the hedging of euro/sterling risk; this should be seen in connection with the exchange gains described below.

Interest income include:

- € 5.8 million *interest income* on short-term cash deposits with banks at rates essentially in line with Euribor (€ 6.2 million in the first nine months of 2007);
- € 5.7 million *other financial income*, of which € 4.7 million on TDL group pension fund assets (€ 6.4 million in the first nine months of 2007);
- € 11.1 million *foreign exchange income* mainly on euro/sterling exchange rate hedges (€ 1.1 million in the first nine months of 2007).

Income tax for the period: produced a negative balance of € 24.3 million (€ 40.2 million in the first nine months of 2007), primarily as a consequence of the deep fall in income before income taxes.

In accordance with IAS 34, income tax for the period was calculated by applying to the result before income taxes at September 30, 2008 the actual average rates for the financial year 2008 as a whole.

Minority interests for the period: € 3.6 million profit (€ 4.9 million in the first nine months of 2007). This is primarily attributable to Telegate Minorities.

Profit for the period: € 11.0 million for the first nine months of 2008 (€ 34.9 million for the same period of 2007), -€ 23.9 million over the first nine months of 2007 for the reasons described as affecting EBIT, partially mitigated by income tax.

Reclassified consolidated income statement for the third quarter 2008

Revenue from sales and services amounted to € 410.3 million in the third quarter 2008, a slight dip from the same period of 2007 (-€ 4.2 million). The consolidation now includes the German group WLW and the German subsidiary Telegate Media AG. Together they contributed € 14.0 million to revenue growth in the third quarter of the year, an improvement partly offset by the fall of sterling against the euro that pushed Thomson group profits 14.5% down below those it generated in the third quarter 2007.

Including offsets among Business Areas, sales and service revenues were as follows:

- revenue from *"Italian Directories"* (SEAT Pagine Gialle S.p.A.) Business Area amounted to € 319.7 million in the third quarter 2008, a slight dip from the same period of 2007 (€ 320.0 million). Print centered revenue (€ 286.8 million in the third quarter 2008) reflects the problems PAGINEGIALLE® is facing as a result of cut-backs by a number of major companies. This has only partially been offset by good online business (+27.3% to € 33.7 million). The third quarter 2008 benefited from greater push than in the first half for advertising revenue from more innovative products and from the launch of new Internet products;
- revenue from *"UK Directories"* (Thomson Directories group) Business Area amounted to € 30.4 million in the third quarter 2008, down 30.3% over the same period of 2007. In sterling terms, revenue fell 15.2% primarily owing to a tough UK market and to the current reorganisation of the workforce to ensure effective multi-product sales;
- revenue from *"Directory Assistance"* (Telegate group and Prontoseat S.r.l.) Business Area amounted to € 49.7 million in the third quarter 2008, slightly up on the same period of 2007 thanks to the consolidation of Telegate Media AG (€ 5.1 million in the third quarter 2008). At constant consolidation scope, revenue fell slightly, particularly in France where investment in advertising slipped. In Germany, the development of Internet products and added value services partly compensated for lower call volumes;
- revenue from *"Other Activities"* (BtoB online directories and other Italian business) Business Area amounted to € 25.1 million in the third quarter 2008, € 6.6 million up over the third quarter 2007. At constant consolidation scope (the third quarter 2007 did not include WLW) revenue was € 2.3 million down mainly because of Europages' problems with its new business model. The Company is moving into online BtoB directory only publishing.

EBITDA for the third quarter 2008 was € 213.7 million, a slight decrease from the € 218.9 million of the same period of 2007 as cost cutting has not compensated for lower revenue.

Reclassified consolidated balance sheet as at September 30, 2008

Foreword

For its facilities agreement with The Royal Bank of Scotland Plc Milan Branch, SEAT Pagine Gialle S.p.A. provided the usual security, the most significant being:

- bank lien over the main trademarks;
- bank lien over shares in the main subsidiaries;
- lien over the material assets of SEAT Pagine Gialle S.p.A. that have a net book value of at least € 25,000.

Net invested capital

Net invested capital (€ 4,137.1 million at September 30, 2008) was € 173 million down on December 31, 2007 as follows:

- **non-current assets**, € 4,003.0 million at September 30, 2008, -€ 108.6 million on December 31, 2007 (€ 4,111.6 million) primarily owing to the amortisation of the Customer Databases (€ 123.1 million).

Investments for the period totalled € 67.0 million (€ 40.2 million in the third quarter 2007) as follows

(euro/thousand)	9 months 2008	9 months 2007	Change	Year 2007
Capital expenditure	33,729	39,762	(6,033)	66,113
Goodwill and other non-operating investments	31,367	416	30,951	127,644
Financial investments	1,910	25	1,885	5,315
Total investments	67,006	40,203	26,803	199,072

Capital expenditure: € 33.7 million in the first nine months of 2008 (€ 39.8 million over the same period of 2007). These were focused in Italy (€ 26.0 million) on product innovation, especially the online platform, sales support, integration of back-office sales processes and administration.

Goodwill and other non-operating investments (€ 31.4 million in the first nine months of 2008) concerned the purchase of Telegate Media AG.

Financial investments (€ 1.9 million in the first nine months of 2008) were primarily the subscription of the capital increase of Katalog Yayin ve Tanitim Hizmetleri A.S.;

- **operating non-current liabilities:** € 83.4 million at September 30, 2008 (€ 68.6 million at December 31, 2007): defined benefit pension plans € 37.2 million (€ 20.9 million at December 31, 2007), reserve for severance indemnities € 21.7 million (€ 24.5 million at December 31, 2007) and reserve for sales agent's termination indemnities € 21.9 million (€ 21.3 million at December 31, 2007);
- **operating working capital:** € 261.9 million at September 30, 2008 (€ 300.3 million at December 31, 2007) fell € 38.4 million during the period mainly because of:
 - the fall in *trade account receivables* (-€ 63.0 million over December 31, 2007) to € 608.1 million in line with the ordinary invoicing cycle;
 - the fall in *trade account payables* (-€ 51.1 million on December 31, 2007) to € 225.7 million mirroring the drop in the purchase of operating goods and services;
 - the rise in *prepayments on services and other current liabilities* (+€ 34.6 million over December 31, 2007) to € 159.2 million due to the directory publication cycle;
- **non-operating working capital:** -€ 27.5 million at September 30, 2008, basically unchanged since December 31, 2007 (-€ 26.9 million).

Equity

Equity was € 1,105.8 million at September 30, 2008 (€ 1,123.8 million at December 31, 2007) of which € 1,080.9 million Parent Company (€ 1,100.0 million at December 31, 2007) and € 24.9 million Minority interests (€ 23.8 million at December 31, 2007).

The € 19.0 million fall in the equity held by the Parent Company in the first nine months of the year was imputable: (€ 13.9 million) to net actuarial loss on defined benefit pension plans and (€ 10.5 million) to the translation loss on the conversion of the non-euro financial statements of certain subsidiaries. These effects were only partially offset by the total profit generated over the period.

Net financial debt

Net financial debt totalled € 3,105.2 million at September 30, 2008 (€ 3,274.3 million at December 31, 2007), decreased -€ 169.1 million during the first nine months of 2008.

This differs from the net "book" financial debt described below in that it includes:

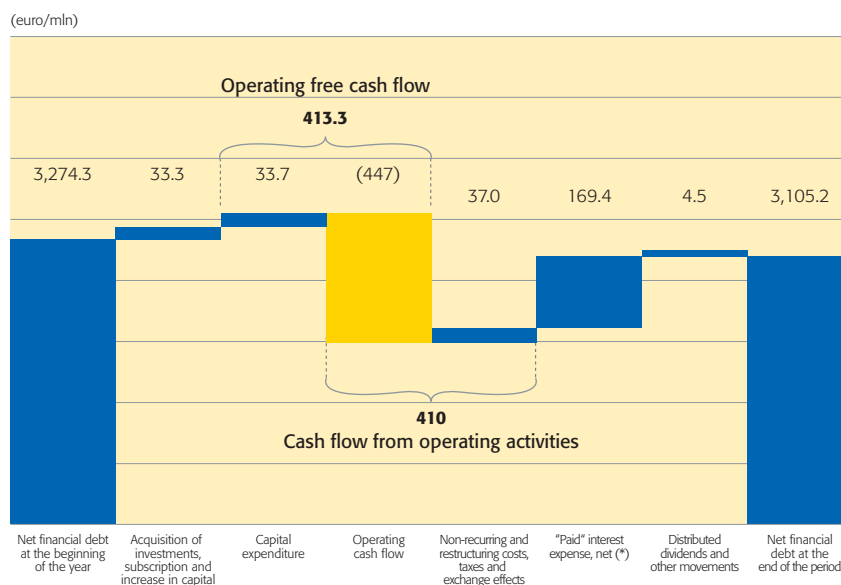
- the cost of: taking out and refinancing the medium and long-term facility with The Royal Bank of Scotland Plc Milan Branch; the loan from Lighthouse International Company S.A. and setting up of the trade receivables securitisation programme (€ 69.0 million at September 30, 2008, net of amounts already repaid);

→ Highlights and general information	4
→ Report on operations	14
Other information	55

→ Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

- the gain on interest rate hedge contracts recognised in the balance sheet at market rates: € 4.9 million at September 30, 2008 (€ 5.3 million at December 31, 2007).

The following graph shows the main items impacting net financial debt in the first three quarters of 2008.



(*) "Paid" interest expense, net includes the discounting of the financial claim against Lehman Brothers.

Net book financial debt at September 30, 2008 totalled € 3,031.3 million (€ 3,186.3 million December 31, 2007) and broke down as follows:

- **non-current financial liabilities:** € 3,094.4 million at September 30, 2008 (€ 3,190.4 million at December 31, 2007) comprising

(euro/thousand)	At 09.30.2008	At 12.31.2007	Change
Debts due to The Royal Bank of Scotland Plc Milan Branch (net value)	1,570,619	1,670,940	(100,321)
Debts due to Lighthouse International Company S.A. (net value)	1,268,440	1,264,201	4,239
Asset backed securities (net value)	255,192	254,965	227
Debts due to other lenders	143	266	(123)
Total non-current financial debts	3,094,394	3,190,372	(95,978)
Current portion of non-current financial debts	109,873	163,744	(53,871)

- *Non current debts due to The Royal Bank of Scotland Plc Milan Branch* amounted to € 1,570.6 million at September 30, 2008: (net of € 36.7 million of transaction costs not yet amortised at September 30, 2008). At September 30, 2008 the facility was structured as follows:
 - a) tranche A (€ 1,252.4 million): repayable in variable half-yearly instalments up to June 2012, variable interest at Euribor +1.435%;
 - b) tranche B (€ 464.5 million): bullet repayment in June 2013, variable interest at Euribor +2.06%;
 - c) tranche C (€ 90.0 million): not yet drawn down, covering the working capital requirement of SEAT Pagine Gialle S.p.A. or its subsidiaries through a revolving credit line available up to May 2012 and bearing variable interest on draw-down at the same rate as tranche A. On amounts not currently drawn down through the line, commission of 0.56% p.a. is applied.

In 2008 SEAT S.p.A. also took out an additional € 30.0 million short-term committed credit line that is not currently being used.

- *Non-current debts due to Lighthouse International Company S.A.* amounted to € 1,268.4 million at September 30, 2008, net of € 31.6 million of transaction costs not yet amortised. The 10-year, 8% fixed-rate loan expires in 2014. When the loan was issued, SEAT Pagine Gialle S.p.A. provided € 350 million in guarantees to cover any additional charges that might arise.
- *Asset backed securities* worth € 256.0 million including transaction costs at September 30, 2008 were issued by Meliadi Finance S.r.l. to finance the purchase on a revolving basis of the SEAT Pagine Gialle S.p.A. trade receivables portfolios, sold as part of the latter's five-year, securitisation programme that started in June 2006 and will end in 2011. The securities, which are guaranteed by the securitised receivables portfolios, were privately placed with an institutional investor and mature in 2014. Early repayment is allowed if the securitisation programme is not renewed. The securities bear variable interest at quarterly commercial paper rates capped at 3-month Euribor +5 basis point. They are recognised in the balance sheet at September 30, 2008 net of issue expense not yet amortised at September 30, 2008 (€ 0.8 million). The securitisation programme is backed by two annual, renewable credit lines.

Highlights and general information	4
→ Report on operations	14
Other information	55

→ Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

The facilities agreements require SEAT Pagine Gialle S.p.A. to enter into a number of covenants, examined quarterly, to maintain stated ratios between *i)* net debt and EBITDA, *ii)* EBITDA and interest on debt, and *iii)* cash flow and debt servicing (including interest and the capital repayable in each reference period).

There was full compliance at September 30, 2008 (the date at which this Report applies) with the covenants and the terms of the facilities agreement. The margins achieved also ensured that the two consecutive cuts in the Euribor spread on "Senior" debt made in 2007 when the agreed net debt/EBITDA target for the Group was achieved, remained in place.

The facilities agreements also set the usual limits and operating terms and regulate inter alia investment, additional debt, acquisitions, dividend distribution and capital transactions. To date, the above restrictions (management restrictions that directly impact the Company) have in no way limited or affected business and the Company continues to monitor current and future compliance with the terms and conditions of the agreements. The total average cost of the financial liabilities of SEAT Pagine Gialle S.p.A. in the first nine months of 2008 was 6.64% p.a. (6.40% in the in the first nine months of 2007). This figure was achieved despite a 64 basis point rise in Euribor rates (to which the cost of variable debt is tied) and the increasing importance of "Subordinated" debt (8% fixed) following the repayment of a proportion of "Senior" debt;

- **current financial liabilities:** € 187.6 million at September 30, 2008 (€ 215.5 million at December 31, 2007) are:
 - € 109.9 million - the current tranche of financial debt on the facilities agreement with The Royal Bank of Scotland Plc Milan Branch (€ 163.7 million at December 31, 2007); this falls due in December 2008 and June 2009;
 - € 30.6 million - Parent Company debt to shareholders for 2005 and 2006 dividends distributed but not yet collected at September 30, 2008 (€ 30.6 million at December 31, 2007);
 - € 43.4 million - interest matured but not yet paid on the loan from Lighthouse International Company S.A.;
- **non-current financial assets:** € 2.0 million at September 30, 2008 are essentially unchanged over December 31, 2007 and are loans to employees;
- **current financial assets, cash and cash equivalent:** € 248.8 million at September 30, 2008 (€ 217.6 million at December 31, 2007), of which € 241.6 for liquidity.

The "Senior" debt to The Royal Bank of Scotland Plc Milan Branch and the debt arising on the issue by Meliadi Finance S.r.l. of asset backed securities for the securitisation programme carry variable Euribor interest. To reduce interest rate risk, derivatives contracts with leading international banks have been taken out to cover the "Senior" debt. The following contracts were in place at September 30, 2008:

- a) *Interest Rate Collars* for the period from October 2008 to December 2008, by which a floating band of the variable one-month Euribor rate was fixed with a constant cap at 5.2% and a constant floor at 4.5% and on a constant notional amount of € 700.0 million;
- b) *Interest Rate Collars* for the period from January 2009 to June 2009, by which a floating band of the variable six-month Euribor rate was fixed with a cap at 4.6725% and a floor at 3.75% on an average notional amount of € 200.0 million;
- c) *Interest Rate Swaps* for the period January 2009 - December 2011, by which a variable six-month Euribor rate has been replaced with a fixed rate of around 4.55% on a notional amount of € 50.0 million;
- d) *Interest Rate Collars* for the period from July 2009 to December 2009, by which a floating band of the variable six-month Euribor rate was fixed with a cap at 4.40% and a floor at 3.20% on a notional amount of € 100.0 million;
- e) *Forward Rate Agreement* for the period from July 2009 to December 2009 by which a variable six-month Euribor rate has been replaced with a fixed rate of around 3.643% on a notional amount of € 650.0 million;
- f) *Forward Rate Agreement* for the period from January 2010 to June 2010 by which a variable six-month Euribor rate has been replaced with a fixed rate of around 3.91% on a notional amount of € 150.0 million;
- g) *Interest Rate Collars* for the period from January 2010 to December 2011, by which a floating band of the variable six-month Euribor rate was fixed with a constant cap at 4.70% and a constant floor at 3.68% on a notional amount of € 150.0 million;
- h) *Interest Rate Swaps* for the period January 2010 - June 2012, by which a variable six-month Euribor rate has been replaced with a fixed rate of around 3.75% on a notional amount of € 325.0 million.

The hedging of current total debt protects about 61% of the debt in the final quarter of 2008, being about 40% "Subordinated" fixed-rate debt and about 21% Collars.

For 2009-2011 an average about 62% of total debt is hedged: 44% "Subordinated" fixed-rate debt, 13% Interest Rate Swaps and Forward Rate Agreement and 5% Interest Rate Collars.

For 2012-2013 an average about 69% of total debt is hedged: 66% subordinated fixed-rate debt and 3% Interest Rate Swaps.

Highlights and general information	4
→ Report on operations	14
Other information	55

→ Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

Consolidated operating free cash flow for the first nine months of 2008

Consolidated operating free cash flow in the first nine months of 2008 (€ 413.3 million) showed a slight lift over the same period of 2007 (€ 410.0 million) following a cut in investments (-€ 6.0 million).

The impact of operating free cash flow on revenue from sales and services (41.9% in the first nine months of 2008) was slightly up on the same period of last year (41.1%), as was the operating free cash flow/ EBITDA ratio (100.4% in the first nine months of 2008 versus 96.2% in the same period of 2007).

→ Reclassified consolidated income statement

(euro/thousand)	9 months 2008	9 months 2007	Change		3 rd quarter 2008	3 rd quarter 2007	Change		Year 2007
			Absolute	%			Absolute	%	
Revenue from sales and services	986,746	996,708	(9,962)	(1.0)	410,277	414,445	(4,168)	(1.0)	1,453,592
Materials and external services (*)	(347,830)	(348,466)	636	0.2	(121,733)	(123,850)	2,117	1.7	(504,158)
Salaries, wages and employee benefits (*)	(190,114)	(179,227)	(10,887)	(6.1)	(63,104)	(57,533)	(5,571)	(9.7)	(246,390)
Gross operating profit	448,802	469,015	(20,213)	(4.3)	225,440	233,062	(7,622)	(3.3)	703,044
<i>% on revenue</i>	<i>45.5%</i>	<i>47.1%</i>			<i>54.9%</i>	<i>56.2%</i>			<i>48.4%</i>
Other valuation adjustments and provisions to reserves for risks and charges, net	(41,515)	(40,246)	(1,269)	(3.2)	(11,358)	(13,992)	2,634	18.8	(50,077)
Other operating income (expense), net	4,151	(2,346)	6,497	n.s.	(342)	(220)	(122)	(55.5)	(2,795)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	411,438	426,423	(14,985)	(3.5)	213,740	218,850	(5,110)	(2.3)	650,172
<i>% on revenue</i>	<i>41.7%</i>	<i>42.8%</i>			<i>52.1%</i>	<i>52.8%</i>			<i>44.7%</i>
Operating amortisation, depreciation and write-down	(37,063)	(30,619)	(6,444)	(21.0)	(13,716)	(10,204)	(3,512)	(34.4)	(42,151)
Non-operating amortisation and write-down	(136,115)	(121,550)	(14,565)	(12.0)	(41,299)	(40,517)	(782)	(1.9)	(162,067)
Non-recurring and restructuring costs, net	(14,658)	(11,227)	(3,431)	(30.6)	(3,636)	(760)	(2,876)	n.s.	(16,880)
Operating result (EBIT)	223,602	263,027	(39,425)	(15.0)	155,089	167,369	(12,280)	(7.3)	429,074
<i>% on revenue</i>	<i>22.7%</i>	<i>26.4%</i>			<i>37.8%</i>	<i>40.4%</i>			<i>29.5%</i>
Interest expense, net	(183,719)	(179,703)	(4,016)	(2.2)	(63,926)	(59,726)	(4,200)	(7.0)	(239,313)
Gains (losses) on disposal/valuation of investments	(894)	(3,327)	2,433	73.1	(3)		(3)	n.s.	(3,314)
Income (loss) before income taxes and minority interests	38,989	79,997	(41,008)	(51.3)	91,160	107,643	(16,483)	(15.3)	186,447
Income taxes for the period	(24,346)	(40,248)	15,902	39.5	(33,807)	(39,624)	5,817	14.7	(80,209)
Income (loss) before Minority interests	14,643	39,749	(25,106)	(63.2)	57,353	68,019	(10,666)	(15.7)	106,238
Minority interests	(3,617)	(4,873)	1,256	25.8	(676)	(2,077)	1,401	67.5	(7,839)
Income (loss) for the period	11,026	34,876	(23,850)	(68.4)	56,677	65,942	(9,265)	(14.1)	98,399

(*) Less repayments of cost.

→ Reclassified consolidated balance sheet

	At 09.30.2008	At 12.31.2007	Change	At 09.30.2007
(euro/thousand)				
Goodwill and customer databases	3,831,109	3,943,671	(112,562)	3,867,637
Other non-current assets (*)	171,903	167,973	3,930	154,613
Operating non-current liabilities	(83,414)	(68,555)	(14,859)	(67,814)
Non-operating non-current liabilities	(16,946)	(6,404)	(10,542)	(2,371)
Operating working capital	261,904	300,306	(38,402)	273,043
- Operating current assets	697,869	756,034	(58,165)	722,288
- Operating current liabilities	(435,965)	(455,728)	19,763	(449,245)
Non-operating working capital	(27,498)	(26,909)	(589)	(18,878)
- Non-operating current assets	13,077	18,356	(5,279)	10,488
- Non-operating current liabilities	(40,575)	(45,265)	4,690	(29,366)
Net invested capital	4,137,058	4,310,082	(173,024)	4,206,230
Equity Shareholders of the Group	1,080,920	1,100,006	(19,086)	1,046,374
Minority interests	24,862	23,824	1,038	20,684
Total equity (A)	1,105,782	1,123,830	(18,048)	1,067,058
Net financial debt	3,105,176	3,274,306	(169,130)	3,233,263
Transaction costs on loans and securitisation program not yet amortised	(69,027)	(82,792)	13,765	(87,431)
Net market value of "cash flow hedge" instruments	(4,873)	(5,262)	389	(6,660)
Net financial debt - "book value" (B)	3,031,276	3,186,252	(154,976)	3,139,172
of which:				
- Non-current financial debts	3,094,394	3,190,372	(95,978)	3,267,495
- Current financial debts	187,618	215,508	(27,890)	218,306
- Non-current financial assets	(1,978)	(1,996)	18	(1,973)
- Current financial assets, cash and cash equivalents	(248,758)	(217,632)	(31,126)	(344,656)
Total (A+B)	4,137,058	4,310,082	(173,024)	4,206,230

(*) Including financial assets available for sale.

→ Consolidated cash flow statement (Indirect method)

(euro/thousand)	9 months 2008	9 months (1) 2007	Change	3 rd quarter 2008	3 rd quarter (1) 2007	Change	Year (1) 2007
Cash inflow from operating activities							
Income (loss) for the period before Minority interests	14,643	39,749	(25,106)	57,353	68,019	(10,666)	106,238
Amortisation, depreciation and write-down	173,178	152,169	21,009	55,015	50,721	4,294	204,218
Interest expense, net (2)	183,809	180,602	3,207	63,797	60,252	3,545	240,173
Costs for stock options	535	1,139	(604)	76	358	(282)	1,497
Income taxes for the period	24,346	40,248	(15,902)	33,807	39,624	(5,817)	80,209
(Gains) losses on disposal of non-current assets	8	2,763	(2,755)	(2)	(570)	568	2,842
(Write-up) write-down of assets	891	-	891	-	-	-	(13)
Change in working capital	10,836	13,337	(2,501)	(89,263)	(73,237)	(16,026)	(44,241)
Change in non-current liabilities	(4,341)	(673)	(3,668)	(1,654)	(865)	(789)	(6,133)
Foreign exchange adjustments and other change	6,056	2,941	3,115	(749)	2,987	(3,736)	10,838
Cash inflow from operating activities	(A) 409,961	432,275	(22,314)	118,380	147,289	(28,909)	595,628
Cash outflow for investments							
Purchase of subsidiaries	(31,367)	(416)	(30,951)	(253)	(416)	163	(118,135)
Purchase of intangible assets with finite useful life	(25,998)	(29,236)	3,238	(7,617)	(8,663)	1,046	(51,094)
Purchase of property, plant and equipment	(7,731)	(10,526)	2,795	(2,366)	(4,886)	2,520	(15,019)
Other investments	(1,910)	(25)	(1,885)	(1,892)	552	(2,444)	(5,339)
Proceeds from disposal of non-current assets	89	1,459	(1,370)	43	715	(672)	1,234
Cash outflow for investments	(B) (66,917)	(38,744)	(28,173)	(12,085)	(12,698)	613	(188,353)
Cash outflow for financing							
Repayment of non-current loans	(163,491)	(179,150)	15,659	(30,000)	-	(30,000)	(208,301)
Payment of interest expense, net	(164,084)	(166,423)	2,339	(53,611)	(54,715)	1,104	(222,122)
Change in financial assets and financial debts	25,405	(120,125)	145,530	17,124	(112,242)	129,366	(26,627)
Increase in share capital from exercised stock options	-	8,208	(8,208)	-	3,776	(3,776)	8,350
Distribution of dividends	(3,862)	(62,221)	58,359	-	-	-	(62,221)
Costs of distribution of dividend	(8)	-	(8)	(8)	-	(8)	-
Cash outflow for financing	(C) (306,040)	(519,711)	213,671	(66,495)	(163,181)	96,686	(510,921)
Increase (decrease) in cash and cash equivalents in the period	(A+B+C) 37,004	(126,180)	163,184	39,800	(28,590)	68,390	(103,646)
Cash and cash equivalents at beginning of the period	204,549	308,195	(103,646)	201,753	210,605	(8,852)	308,195
Cash and cash equivalents at end of the period	241,553	182,015	59,538	241,553	182,015	59,538	204,549

(1) The values reported in the 9 months 2007, in the 3rd quarter 2007 and in the year 2007 were partially reclassified if compared with the values published last year to highlight the cash effects arising from the acquisition of consolidated subsidiaries.

(2) Less gains (losses) from discounting operating assets/liabilities.

→ Consolidated operating free cash flow

(euro/thousand)	9 months 2008	9 months 2007	Change	3 rd quarter 2008	3 rd quarter 2007	Change	Year 2007
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	411,438	426,423	(14,985)	213,740	218,850	(5,110)	650,172
Gains (losses) from discounting operating assets and liabilities	204	304	(100)	(91)	(69)	(22)	264
Decrease (increase) in operating working capital (*)	40,017	25,647	14,370	(62,498)	(60,607)	(1,891)	(19,064)
(Decrease) increase in operating non-current liabilities (*)	(4,669)	(2,610)	(2,059)	(1,664)	(825)	(839)	(5,826)
Capital expenditure	(33,729)	(39,762)	6,033	(9,983)	(13,549)	3,566	(66,113)
(Gains) losses on disposal of non-current operating assets	5	31	(26)	(5)	25	(30)	111
Operating free cash flow	413,266	410,033	3,233	139,499	143,825	(4,326)	559,544

(*) The change does not include the monetary effects arising from the acquisition of Telegate Media AG and the effects of sterling against the euro.

→ Consolidated statement of changes in equity

(euro/thousand)	Equity Shareholders of the Group				Minority interests			Total
	Share capital	Reserves	Income (loss) for the period	Total	Share capital and reserves	Income (loss) for the period	Total	
At 12.31.2007	250,352	751,255	98,399	1,100,006	15,985	7,839	23,824	1,123,830
Allocation of previous year result		98,195	(98,399)	(204)	4,181	(7,839)	(3,658)	(3,862)
- Allocation of previous year resulted to equity reserves		98,399	(98,399)		7,839	(7,839)		
- Dividend distribution		(204)		(204)	(3,658)		(3,658)	(3,862)
<i>Income (loss) recognised directly to equity</i>								
- Change in the reserve for "cash flow hedge" instruments		(389)		(389)				(389)
- Actuarial gains (losses) for the period		(13,867)		(13,867)				(13,867)
- Foreign exchange adjustments on financial statements prepared in foreign currencies		(10,492)		(10,492)				(10,492)
Fair value of stock option plans		480	(480)		55	(55)		
Commitment in favour of associates and other changes		(5,639)		(5,639)	1,024		1,024	(4,615)
Transactions of the period affecting only the income statement			11,506	11,506		3,672	3,672	15,178
At 09.30.2008	250,352	819,543	11,026	1,080,921	21,245	3,617	24,862	1,105,783

➤ Material events of the third quarter 2008

Subscription of the Katalog capital increase

In July 2008 an Extraordinary Shareholders' Meeting of the Shareholders of Katalog Yayın ve Tanıtım Hizmetleri A.S., which is 50% owned by SEAT Pagine Gialle S.p.A., voted to raise the share capital from YTL 9,600,000 to YTL 36,000,000. SEAT Pagine Gialle S.p.A. subscribed 50% of the increase and has paid up 25% of its subscription.

➤ Material events subsequent to September 30, 2008

There were no material events after September 30, 2008.

→ Highlights and general information	
→ Report on operations	
Other information	

Eco-fin performance of the Group	14
→ Material events of the third quarter 2008	30
→ Material events subsequent to September 30, 2008	30
→ Outlook	31
14 Related party transactions	32
55 Eco-fin performance by Business Areas	33

➤ Outlook

The Group's strategic focus will remain Italy where its main assets are located and where the speed of Internet growth in 2007 produced new opportunities for business expansion. In 2008 the Company targeted its resources on online business, at the same time effectively managing development of paper products. The positive impact of new Internet products and of sales by dedicated online sales staff began to appear in the income statement in the third quarter 2008.

Forecasts for the end of the current financial year see Italy going into recession and this will have a bigger impact on final quarter figures than it did on those for previous quarters. Based on final quarter forecasts, the Company is predicting a slight fall in core business (print, voice and online) income thanks mainly to minor products that are holding up well in a hard market. The Company intends to protect EBITDA performance, which should be essentially as forecast, by effective management of operating costs, by continuing to invest in improving Internet products and by developing the sales network to ensure sustainable growth over the next few years.

Abroad, investment in strengthening presence in the online BtoB market now complete, the business portfolio will be managed with the aim of implementing subsidiaries' business plans. Year-end results are expected to be in line with forecasts.

In the light of the above, Group EBITDA at year end is expected to be over € 600 million.

➤ Related party transactions

The table below summarises, with regard to IAS 24 and article 2 h) of CONSOB Regulation for Issuers 11971/1999 (as amended), the economic and financial effects of transactions with related parties of the SEAT Pagine Gialle group at September 30, 2008.

In the consolidated data, the economic and financial effects arising from intra-group operations have been eliminated.

All transactions by Group companies with related parties, including intra-group operations, were ordinary business transactions under market conditions or particular laws and regulations. There were no atypical and/or unusual transactions or transactions that may represent a conflict of interests.

Main economic and financial items of SEAT Pagine Gialle group

(euro/million)		Descriptions
Interest expense	82.4	It refers to the "Subordinated" loan with Lighthouse International Company S.A..
Non-current financial debts	1,268.4	They refers to € 1,300.0 milion, for the "Subordinated" loan with Lighthouse International Company S.A., net of € 31.6 milion for transaction costs incurred at the inception of the loan and not yet amortised.
Current financial debts	43.4	They refer to the debt for accrued interest expense not yet paid at the end of the year on the "Subordinated" loan with Lighthouse International Company S.A..

➤ Economic and financial performance by Business Areas

		Italian Directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Eliminations and other adjustments	Consolidated Total
(euro/million)								
Revenue from sales and services	9 months 2008	739.3	77.6	141.7	70.5	1,029.1	(42.4)	986.7
	9 months 2007	748.4	102.2	140.0	49.3	1,039.9	(43.2)	996.7
	Year 2007	1,090.2	158.9	185.8	80.2	1,515.1	(61.5)	1,453.6
Gross operating profit	9 months 2008	398.1	9.7	36.4	4.5	448.7	0.1	448.8
	9 months 2007	410.3	17.4	39.3	3.3	470.3	(1.3)	469.0
	Year 2007	603.4	42.0	53.5	9.8	708.7	(5.7)	703.0
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	9 months 2008	360.9	7.1	39.1	4.4	411.5	(0.1)	411.4
	9 months 2007	372.5	14.1	36.9	2.9	426.4	-	426.4
	Year 2007	553.5	36.8	50.0	9.9	650.2	-	650.2
Operating income (EBIT)	9 months 2008	203.9	5.1	28.6	(14.0)	223.6	-	223.6
	9 months 2007	222.0	12.1	29.9	(1.0)	263.0	-	263.0
	Year 2007	351.6	33.3	40.7	3.5	429.1	-	429.1
Total assets	September 30, 2008	4,251.4	346.6	268.9	482.0	5,348.9	(384.2)	4,964.7
	September 30, 2007	4,526.3	382.5	229.0	495.9	5,633.7	(532.0)	5,101.7
	December 31, 2007	4,427.3	361.1	226.4	513.8	5,528.6	(422.9)	5,105.7
Total liabilities	September 30, 2008	3,683.9	159.8	94.3	317.9	4,255.9	(397.0)	3,858.9
	September 30, 2007	3,880.0	165.8	71.1	295.3	4,412.2	(377.6)	4,034.6
	December 31, 2007	3,872.0	150.3	67.8	308.5	4,398.6	(416.8)	3,981.8
Net invested capital	September 30, 2008	3,616.4	238.8	111.6	157.4	4,124.2	12.9	4,137.1
	September 30, 2007	3,943.9	270.7	95.8	50.2	4,360.6	(154.4)	4,206.2
	December 31, 2007	3,774.0	273.7	91.9	177.6	4,317.2	(7.1)	4,310.1
Capital expenditure	9 months 2008	26.0	1.5	2.6	3.8	33.9	(0.2)	33.7
	9 months 2007	28.9	1.1	5.5	4.4	39.9	(0.1)	39.8
	Year 2007	51.4	1.8	5.8	7.4	66.4	(0.3)	66.1
Average workforce (*)	9 months 2008	1,391	906	2,483	662	5,442	-	5,442
	9 months 2007	1,381	1,008	2,527	435	5,351	-	5,351
	Year 2007	1,379	999	2,476	511	5,365	-	5,365
Sales agents (average number)	9 months 2008	1,652	-	120	51	1,823	-	1,823
	9 months 2007	1,603	-	-	-	1,603	-	1,603
	Year 2007	1,607	-	-	16	1,623	-	1,623

(*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

Key performance indicators of the Group	9 months 2008	9 months 2007	Year 2007
Number of published directories			
PAGINEBIANCHE®	75	75	103
PAGINEGIALLE®	143	143	202
ThomsonLocal	112	112	173
Number of distributed directories (values in million)			
PAGINEBIANCHE®	18.4	18.4	26.9
PAGINEGIALLE®	15.4	14.5	21.2
ThomsonLocal	14.6	14.9	23.8
Number of visits (values in million)			
<i>Thirty-minute accesses to website with no interruption</i>			
PAGINEBIANCHE.it®	147.5	156.6	215.5
PAGINEGIALLE.it®	67.1	59.9	81.4
TUTTOCITTA'.it®	27.0	34.8	46.1
Europages.com ⁽¹⁾	13.7	16.5	22.2

(1) Source: Internet Europages on data Nedstat.

→ Italian Directories

Economic and financial data

The following table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	739.3	748.4	(9.1)	(1.2)	1,090.2
Gross operating profit	398.1	410.3	(12.2)	(3.0)	603.4
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	360.9	372.5	(11.6)	(3.1)	553.5
Operating result (EBIT)	203.9	222.0	(18.1)	(8.2)	351.6
Net invested capital at the end of the period	3,616.4	3,943.9	(327.5)	(8.3)	3,774.0
Capital expenditure	26.0	28.9	(2.9)	(10.0)	51.4
Average workforce	1,391	1,381	10	0.7	1,379

Revenue from sales and services of SEAT Pagine Gialle S.p.A. in the first nine months of 2008 were € 739.3 million, -2.0% on the same period of 2007 at constant directory editions.

This performance for print-centered products (directories, Internet and voice) is essentially in line with the first nine months of 2007 thanks to the growth in online and telephone business from the second quarter 2008.

Given the general economic slow-down (Confindustria - the Italian employers' association - recently forecast a recession with Gross Domestic Product expected to fall - for the third time since the War - 0.1% and consumption is falling for the second time in the last fifteen years) print products has been hit by the reluctance of a number of clients to renew their advertising contracts with SEAT and/or to reduce their promotions/advertising budget. This has impacted PAGINEGIALLE® in particular, especially in Turin and Milan where second quarter sales campaigns closed at a time of increased political uncertainty and a worsening macroeconomic environment. Medium-sized towns performed better however, as third quarter figures show. PAGINEBIANCHE® revenues remained substantially unchanged.

Online business, thanks to the (especially online) seasonally focused new sales strategy introduced in the second half of the year, saw strong revenue growth (+11.4% over the first nine months of 2007 and +27.3% over the third quarter 2007) with a significant increase in usage, the launch of new Internet products and cross selling. Growth mirrored forecasts for the Italian online advertising market for 2008 (IAB - Interactive Advertising Bureau - forecasts 23.3% growth). Sales support by specialist Internet staff also contributed to positive performance.

Voice (89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE) advertising revenue rose 4.1% in the first nine months of 2008, slightly down on the first half of the year owing to new sales strategies and a change in sales planning, compared to the previous year.

The following shows revenue in detail:

a) **Print-centered revenue:** € 650.0 million in the first nine months of 2008, -0.9% on the same period of 2007 (€ 656.1 million). Despite a worsening economy, orders for print-centered products remained generally in the black in almost all territories, paper and Internet products reflecting local distribution and penetration levels for the various types of media. The following shows product revenue in detail:

- *Print:* revenue from local directories and other local products in the first nine months of 2008 was € 531.7 million, -3% from € 548.0 million for the first nine months of 2007. PAGINEBIANCHE® revenue was essentially unchanged, partly owing to the joint print and online directory (PAGINEBIANCHE.it). PAGINEGIALLE® revenue fell again however (5.9% down on the first nine months of 2007), for the above reasons.

Local products (Idee InVacanza, TuttoCittà®) were down € 2.3 million over the first nine months of 2007. These products are currently being reviewed and a number of Local sales agents, who previously specialised in sales of print products, are being moved to new Internet product sales.

- *Online:* € 87.1 million in the first nine months of 2008, +11.4% on the same period of 2007. The third quarter 2008 saw 27.3% growth over the same period of 2007 and a significant improvement on the first half of the year thanks to the new Internet offers recently introduced. In particular, the new offer of PAGINEGIALLE.it, which was launched in March with a lower average entry level price joint to increase online penetration on existing customer base and attract new clients. Equally important to the Company's new sales strategy is payment-based additional content on PAGINEBIANCHE.it (introduced in May under the name "Contact Site"). This offers the PAGINEBIANCHE® advertiser a dedicated web page enriched with value-added information (company name, address, description of business, contacts, interactive map with aerial photographs) accessible online from a ".com" domain endorsed by the PAGINEBIANCHE® brand. A number of other successful new offers were launched in July specifically for companies that already have a website but do not invest in SEAT media and that could benefit from SEAT's expertise as a web agency. The Company has therefore been recruiting additional Internet specialists to expand its sales organisation and is transferring some members of the Local sales teams to the new Internet products. By the end of September 2008 these products had already attracted new orders worth € 6.9 million.

→ Highlights and general information	4
→ Report on operations	14
Other information	55 →

Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
Eco-fin performance by Business Areas	33

Online platform usage has increased, with PAGINEGIALLE.it visits up 12.1% over the first nine months of 2007 thanks also to excellent figures for direct searches on the proprietary brand (+25.6%). Searches redirected from partner sites have however fallen. This is in line with SEAT's new strategy and the successful completion in June 2008 of SEO (Search Engine Optimization) by indexing advertiser categories and product descriptions to improve visibility on the main search engines. The result has generated around 30% of consultations and more than compensated for the fall in visits that followed the expiry of the agreement with the Telecom Italia portal by increasing direct visits from the PAGINEGIALLE.it proprietary site by 55.7%. In addition, about 80% of PAGINEGIALLE.it consultations were on the proprietary brand, up from 71% for the first nine months of 2007. This was thanks to constant product improvement and the introduction of new services (promotional videos for advertisers, real-time motorway traffic reports and new street level virtual walks through the centers of a number of Italian towns and cities). The overhaul of SEAT's websites ended in September 2008. Individual content and functionalities are now integrated on one single, refurbished platform. The project has consolidated brand identity across the SEAT network, making for more effective and immediate services and search results for businesses, institutions, professionals and private users and more traffic for the Company's advertisers. Innovations include i) the organisation of PAGINEGIALLE.it and PAGINEBIANCHE.it search results into three micro areas (personal and/or company data, contact details and links to other SEAT services, e.g. PAGINEGIALLE VISUAL) and ii) the centering of the TuttoCittà.it search site on the web page so that the user can locate the address requested and/or find a personalised route to it. In this connection the Company has signed partnership agreements to increase contacts for its advertisers. In April 2008 an agreement was signed with Samsung Electronics to bring *Visual Mobile* to new generation cell phones and to make available to them all PAGINEGIALLE VISUAL information. More recently, an agreement was signed with Microsoft under which *Windows Live Messenger and Live Search Maps* users can now access PAGINEBIANCHE® and PAGINEGIALLE® content.

- *Voice*: advertising revenue amounted to € 31.2 million, +4.1% over the first nine months of 2007. The third quarter 2008 fall in performance (-3.6% when compared with the third quarter 2007) follows a strong second quarter (+35.2% on the same period of 2007) and was caused by new sales strategies and the change in sales campaign schedules since last year. 89.24.24 Pronto PAGINEGIALLE® enjoyed success with its multimedia product that offers callers free MMS with photographs, logos and maps for the requested company. The service saw positive growth with average advertiser value rising above basic product levels. Pay-per-call was also introduced in July.
12.40 Pronto PAGINEBIANCHE advertising revenue rose 48.8% thanks to heavy use of the service.

b) **Business to Business:** € 14.7 million, -€ 4.9 million on the same period of 2007 at constant directory editions. The fall is partly attributable to the sales focus on new online products and to overhaul of commercial offer to reflect the ever increasing importance of online editions, particularly for high-end clients in line with trends on the main BtoB markets. The overhaul, which will improve brand co-ordination, will be completed in time for the 2009 sales campaigns.

c) **Other products:** € 73.8 million, € 4.7 million down on the first nine months of 2007. The item includes € 55.0 million in revenue from calls generated by 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE (€ 56.4 million in the first nine months of 2007). The consolidation of the Directory Assistance market has inevitably reduced call numbers. However, the quality of SEAT's services and continued multimedia product development slightly increased its market share. Direct Marketing revenue increased to € 7.1 million but merchandising dropped slightly to € 5.9 million.

Cost of materials and external services, net of the recovery of costs, in the first nine months of 2008 totalled € 274.5 million, -€ 1.1 million over the same period of 2007 (-€ 2.7 million at constant directory editions) thanks to lower industrial costs (-€ 3.2 million to € 112.9 million), especially paper and printing costs for directories following the drop in print revenue. Overheads also fell (-€ 2.1 million to € 52.4 million) particularly receivables collection thanks to a change in collection timing. Sales costs rose however (+€ 2.7 million to € 109.2 million).

Salaries, wages and employee benefits: net of the recovery of costs for seconded personnel to other Group companies amounted to € 66.6 million in the first nine months of 2008, +6.7% over the same period of 2007, partly owing to an increase in employee numbers and also to CCNL (employment contract) renewal.

At September 30, 2008 the workforce, including administrators, project workers and trainees, totalled 1,501 personnel (1,449 personnel at December 31, 2007). The average workforce over the period was 1,391 units (1,381 units in the first nine months of 2007).

Gross operating profit (GOP) was € 398.1 million in the first nine months of 2008, down € 12.2 million (-3%) over the same period of 2007 with 53.8% impact on revenue (54.8% in the first nine months of 2007).

Other valuation adjustments and provisions to reserves for risks and charges: € 36.1 million in the first nine months of 2008, the same as same period of 2007 (€ 36.1 million).

		Eco-fin performance of the Group	14
		Material events of the third quarter 2008	30
		Material events subsequent to September 30, 2008	30
		Outlook	31
		Related party transactions	32
		Eco-fin performance by Business Areas	33
	Highlights and general information	4	
	→ Report on operations	14	
	Other information	55	→ Eco-fin performance by Business Areas

EBITDA reflected GOP, € 360.9 million in the first nine months of 2008, -3.1% on the same period of 2007.

Operating amortisation, depreciation and write-down amounted to € 25.0 million in the first nine months of 2008, € 5.5 million up on the same period of 2007 as a result of heavy investment in the last few financial years.

Non-operating amortisation and write-down amounted to € 121.6 million in the first nine months of 2008 (the same as for the first nine months of 2007). The figures relate to the Customer Databases.

Non-recurring and restructuring costs, amounted to € 10.5 million in the first nine months of 2008 (€ 9.5 million in the same period of 2007), including a € 5.0 million restructuring accrual, supplementing the provision recorded in 2007 for the reorganisation programme approved last year by the Board and agreed by the Unions. This provides for about 150 redundancies 2007-2009 to be managed through the *Cassa Integrazione Guadagni Straordinaria* (Special Wage Guarantee Fund) and early retirements. The item also includes € 5.3 million non-recurring costs, of which € 1.7 million for support to the management of the Parent Company during the review of product development strategies for the Internet in particular.

Operating result (EBIT) amounted to € 203.9 million in the first nine months of 2008 (€ 222.0 million in the first nine months of 2007). This essentially mirrors GOP and EBITDA.

→ UK Directories

Economic and financial data

In the first nine months of 2008 the Company continued its strategy of rationalising and restructuring the sales force, creating a support network organised by geographic area and customer segment. It also expanded its product portfolio. The partnership with Nectar (the UK's leading loyalty card) continued, giving Thomson Directory users Nectar points when they phone dedicated advertiser numbers.

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007



(euro/million)	9 months	9 months	Change		Year 2007
	2008	2007	Absolute	%	
Revenue from sales and services	77.6	102.2	(24.6)	(24.1)	158.9
Gross operating profit	9.7	17.4	(7.7)	(44.3)	42.0
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	7.1	14.1	(7.0)	(49.6)	36.8
Operating result (EBIT)	5.1	12.1	(7.0)	(57.9)	33.3
Net invested capital at the end of the period	238.8	270.7	(31.9)	(11.8)	273.7
Capital expenditure	1.5	1.1	0.4	36.4	1.8
Average workforce (FTE)	906	1,008	(102)	(10.1)	999

Revenue from sales and services: € 77.6 million in the first nine months of 2008 (GBP 61.6 million). The steep fall (-24.1%) over the first nine months of 2007 resulting from the drop of sterling against the euro is significantly lower (-10.9%) in sterling terms.

The greatest drop in revenue was in the segment of customers requiring national coverage, in particular banks, which have been hardest hit by the credit crunch. Telesales also dropped owing to the high turnover in telesales staff. The fall in sales by local sales agents (about 80% of total sales) was significantly lower however.

Print directory revenue ended the first nine months down despite the good sales of advertising space in tandem with the Nectar loyalty card (GBP 10.2 million). The fall in print revenue was partially offset by rising *online business revenue* (+3.5% at constant exchange rates) thanks to the Group's new positioning on the market as an online media agency for SMEs. *Business information revenue* fell (-2.9%) as market problems increased.

Lower print revenues have had an only partial impact on operating margins.

		Eco-fin performance of the Group	14
		Material events of the third quarter 2008	30
		Material events subsequent to September 30, 2008	30
		Outlook	31
		Related party transactions	32
		Eco-fin performance by Business Areas	33
	Highlights and general information		
	4		
	Report on operations	14	
	Other information	55	
		→ Eco-fin performance by Business Areas	33

Gross operating profit amounted to GBP 7.7 million in the first nine months of 2008 (GBP 11.8 million in the first nine months of 2007). It partially absorbed revenue reduction through lower labour costs (-GBP 2 million) resulting from the reduction and/or internal reorganisation of personnel across the Company but particularly in sales. This cut the average workforce in the same period of 2007 by 102 units.

EBITDA amounted to € 7.1 million, down € 7.0 million on the same period of 2007 and in line with GOP. EBITDA for the end of the financial year is expected to show the impact of effective cost management as this will have the heaviest impact on the final quarter (over 60% in the third quarter of 2007).

Net invested capital for the Thomson group totalled € 238.8 million at September 30, 2008, down € 34.9 million over December 31, 2007 and includes goodwill (€ 189.2 million) and a € 37.1 million defined benefit pension fund at June 30, 2008 (€ 20.8 million at December 31, 2007).

The **average workforce** totalled 906 units in the first nine months of 2008 (1,008 units in the first nine months of 2007). The reduction followed the internal reorganisation this year, which cut sales and publishing staff in particular.

→ Directory Assistance

Economic and financial data

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	141.7	140.0	1.7	1.2	185.8
Gross operating profit	36.4	39.3	(2.9)	(7.4)	53.5
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	39.1	36.9	2.2	6.0	50.0
Operating result (EBIT)	28.6	29.9	(1.3)	(4.3)	40.7
Net invested capital at the end of the period	111.6	95.8	15.8	16.5	91.9
Capital expenditure	2.6	5.5	(2.9)	(52.7)	5.8
Average workforce (*)	2,483	2,527	(44)	(1.7)	2,476

(*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

In the first nine months of 2008, Business Directory Assistance **revenue from sales and services** was € 141.7 million, essentially in line with the first nine months of 2007 (€ 140.0 million) thanks also to the consolidation of Telegate Media AG.

EBITDA increased by € 2.2 million (€ 2.0 million at constant consolidation scope). For further details, please see the analysis by company and geographic area.

Telegate group

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

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	133.3	130.7	2.6	2.0	173.3
Gross operating profit	35.2	38.2	(3.0)	(7.9)	51.9
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	38.0	35.9	2.1	5.8	48.9
Operating result (EBIT)	28.0	29.6	(1.6)	(5.4)	40.4
Net invested capital at the end of the period	93.7	77.9	15.8	20.3	73.4
Capital expenditure	2.4	5.1	(2.7)	(52.9)	5.5
Average workforce (FTE)	2,145	2,162	(17)	(0.8)	2,130

telegate

→ Highlights and general information	4
→ Report on operations	14
Other information	55

Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
→ Eco-fin performance by Business Areas	33

Revenue from sales and services amounted to € 133.3 million in the first nine months of 2008, essentially in line with the same period of 2007, thanks also to the consolidation in April 2008 of Telegate Media AG, a 95.93% German subsidiary. The following shows revenue by geographic area.

Germany: revenue amounted to € 91.5 million in the first nine months of 2008 (€ 85.3 million in the first nine months of 2007). At constant consolidation scope, German revenue suffered from a directory assistance market still shrinking in 2008, particularly calls from land lines and to a lesser extent from mobiles.

The fall in calls to 11880 was to some extent offset by the continued growth in value-added services whose longer call time increased average call value. In 2008 the Group continued its multi-channel strategy, with on voice and 11880.com products generating advertising revenue (€ 5.0 million in Germany, about 5.1% of total revenue, in the first nine months of 2008). Internet revenue was further boosted by Telegate Media AG, which is extremely competitive on the "Local Search Market" and online (mainly Business to Consumer) directories markets. Integration began in the second quarter of 2008 and the Company generated over € 7.0 million in revenue. In addition, in order to improve Internet products within SEO (*Search Engine Optimization*) and SEM (*Search Engine Marketing*) by improving advertiser visibility on the main search engines, the Company has entered into partnership with Google and other active portals in the "Local Search" market and is now Germany's first authorised vendor of Google-Adwords.

11 880

Spain: in the first nine months of 2008 revenue was generally stable (€ 11.6 million at September 2008, € 11.5 million at September 2007). The fall in revenue from externally managed directory assistance services has been compensated by branded business whose revenue, despite the rise in talks time and a change in tariffs, has begun to suffer from the tough market environment and a reduction in call numbers.

In Spain too Telegate is seeking to implement its multi-channel, voice and online strategy and has begun co-operating with QDQ Media SAU, Spain's second largest directories operator, to integrate new technologies and develop a web platform for 11811, where visits have increased without however generating any profit as yet.

11811

Italy: revenue rose significantly in the first nine months of 2008 (+8.6%) as call duration increased. This more than outweighed the slight fall in the number of phone calls.

118 000
LES REVENUS DÉPASSANT 118 000 €

France: € 11.3 million in the first nine months of 2008 for 118 000, materially down on the same period of 2007 (-31.3%) as telephone business plummeted when the Company decided to cut advertising investment. In operating profit terms however, lower revenue was more than offset by efficient cost management that in the first nine months of 2008 balanced GOP. Sales testing of the 118 000 web platform has been successfully concluded by an independent specialist with higher than predicted hit numbers.

Gross operating profit amounted to € 35.2 million for the Telegate group in the first nine months of 2008, down € 3.0 million on the same period of 2007, mainly because of a € 4.9 million increase in labour costs, due to higher workforce, only partly offset by the lower service costs produced mainly by reduced advertising expense in Germany and France.

EBITDA amounted to € 38.0 million in the first nine months of 2008, up € 2.1 million on the same period of 2007. The group received € 5.5 million in compensation from Deutsche Telekom at the conclusion in June 2008 of one of the court actions between the two Companies over the refund of excess amounts paid by Telegate to Deutsche Telekom for the supply of telephone subscriber data. The court decision, which is now *res judicata*, refers to the cost involved in providing data January-September 1999, ordered Deutsche Telekom to repay Telegate AG € 4.25 million plus interest at legal rates.

Net invested capital amounted to € 93.7 million at September 30, 2008, +€ 20.3 million on December 31, 2007 partly owing to the purchase and consolidation of Telegate Media AG.

The **average workforce** totalled 2,145 units in the first nine months of 2008 (2,162 units in the same period of 2007), 1,711 of whom telephone operators.

→ Highlights and general information	4
→ Report on operations	14
Other information	55 →

Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
→ Eco-fin performance by Business Areas	33

Prontoseat S.r.l.

100% owned by SEAT Pagine Gialle S.p.A.

The table shows of main results for the first nine months of 2008 with a comparison with the same period of 2007



(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	8.5	9.4	(0.9)	(9.6)	12.6
Gross operating profit	1.2	1.1	0.1	9.1	1.6
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	1.1	1.0	0.1	10.0	1.2
Operating result (EBIT)	0.6	0.3	0.3	100.0	0.3
Net invested capital at the end of the period	0.7	0.7	-	-	1.2
Capital expenditure	0.3	0.4	(0.1)	(25.0)	0.4
Average workforce	338	365	(27)	(7.4)	345

Revenue from sales and services amounted to € 8.5 million in the first nine months of 2008, down on the same period of 2007 (€ 9.4 million). The fall in call numbers to the value-added service 89.24.24 Pronto PAGINEGIALLE® as the market in general contracted and outbound telephone sales slowed was only partly compensated by other services, e.g. customer services (+5.2%).

Gross operating profit amounted to € 1.2 million showed an improvement over the first nine months of 2007 (€ 1.1 million) with a different revenue mix (more calls to higher margin services) and lower labour costs as telephone operator numbers dropped because of falling call numbers.

This was reflected in **EBITDA** (€ 1.1 million at September 30, 2008) which rose over the same period of 2007.

The **average workforce** in the first nine months of 2008 was 338 units, 27 fewer than in the same period of 2007.

→ Other Activities

Economic and financial data

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	70.5	49.3	21.2	43.0	80.2
Gross operating profit	4.5	3.3	1.2	36.4	9.8
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	4.4	2.9	1.5	51.7	9.9
Operating result (EBIT)	(14.0)	(1.0)	(13.0)	n.s.	3.5
Net invested capital at the end of the period	157.4	50.2	107.2	n.s.	177.6
Capital expenditure	3.8	4.4	(0.6)	(13.6)	7.4
Average workforce (*)	662	435	227	52.2	511

(*) FTE - Full Time Equivalent - for non-Italian companies; average workforce for Italian companies.

Figures for the first nine months of 2007 are not comparable because they do not include the German group Wer Liefert was? which was consolidated starting from October 2007. The following is a breakdown by business.

Europages group

93.562% SEAT Pagine Gialle S.p.A.

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	14.8	21.6	(6.8)	(31.5)	25.7
Gross operating profit	(1.6)	1.9	(3.5)	n.s.	1.1
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(1.7)	1.6	(3.3)	n.s.	1.3
Operating result (EBIT)	(13.8)	(0.4)	(13.4)	n.s.	(1.9)
Net invested capital at the end of the period	25.3	31.8	(6.5)	(20.4)	32.5
Capital expenditure	1.0	2.9	(1.9)	(65.5)	4.4
Average workforce (FTE)	139	121	18	14.9	129

EUROPAGES

→ Highlights and general information	4
→ Report on operations	14
Other information	55 →

Eco-fin performance of the Group	14
Material events of the third quarter 2008	30
Material events subsequent to September 30, 2008	30
Outlook	31
Related party transactions	32
→ Eco-fin performance by Business Areas	33

In the first nine months of 2008 **revenue from sales and services** totalled € 14.8 million (-€ 6.8 million over the same period of 2007). The fall is attributable to lower revenues in Italy and Spain that were only slightly compensated by good performance in France. The change in sales organisation since 2007 and the completion of the migration to almost entirely online directories, makes performance comparison unreliable.

2008 is the first financial year since the migration from multi-media to online only business, an area in which the Company has decided to specialise to follow the general world-wide BtoB trend and to reflect the fact that most enquiries are now made online. In the first nine months of 2008 the site obtained 13.7 million page views, a little down on the same period of 2007 (about 16.5 million) and about 38.8 million searches. This confirms Europages' strong positioning on the European BtoB market.

In the first half of 2008 Europages simplified its functionalities and increased the speed of its search engine by launching an updated site which now offers innovative applications that can be personalised.

Falling revenue was reflecting in lower operating margins: **gross operating profit** was negative for € 1.6 million, down € 3.5 million over the first nine months of 2007. The higher cost of supporting French and German sales could not be entirely covered by lower sales costs (lower royalties paid in Spain and Italy as revenue fell).

EBITDA was negative for € 1.7 million, shadowing GOP when compared with the first nine months of 2007 (positive for € 1.6 million).

EBIT suffered from the € 10.0 million write-down of Company goodwill after impairment testing performed at June 30, 2008.

The **average workforce** rose from 121 units (first nine months of 2007) to 139 units (first nine months of 2008). The current reorganisation has increased the average sales workforce in particular.

Wer liefert was? group

100% owned by SEAT Pagine Gialle S.p.A.

In October 2007 Wer liefert was? GmbH (WLW) was acquired from Eniro AB. The WLW group operates in the online BtoB market, primarily in Germany but also in Austria, Switzerland, the Czech Republic and Croatia. The Company sells advertising space on its website in three standard formats (differentiated by the number of key words purchased, whether the customer's logo is displayed and other value-added information) to mainly German companies operating on the German BtoB market. The WLW database contains details on 672,000 primarily German BtoB businesses, organised into 44,000 categories that can be searched using 244,000 key words.

The table shows the main results for the first nine months of 2008. Additional information is provided in the pro-forma figures for the first nine months of 2007 produced using SEAT group accounting principles

(euro/million)	9 months	9 months	Change		Year
	2008	2007 pro-forma	Absolute	%	2007 pro-forma
Revenue from sales and services	26.0	25.9	0.1	0.4	34.5
Gross operating profit	4.2	4.6	(0.4)	(8.7)	6.3
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	4.5	5.2	(0.7)	(13.5)	7.1
Operating result (EBIT)	3.3	4.4	(1.1)	(25.0)	5.7
Net invested capital at the end of the period	117.7	(8.6)	126.3	n.s.	120.6
Capital expenditure	0.4	0.3	0.1	33.3	0.8
Average workforce (FTE)	234	241	(7)	(2.9)	238



Wer
liefert
was?

Revenue from sales and services amounted to € 26.0 million in the first nine months of 2008, essentially in line with the same period of 2007 because of a slight slow-down in Germany, caused by a drop in the number of new clients acquired compared with the first nine months of 2007. New clients acquired are however higher added value, partly owing to the Company's decision to postpone its focus on acquiring new clients until the second half of the year. The fall in Germany was offset by Europages sales in Germany. The web portal performed well, indicating WLW's good positioning in the BtoB sector as search numbers and page views rose over September 2007 by 6.6% and 7.3% respectively. Hits remained generally stable at 17.5 million.

Gross operating profit amounted to € 4.2 million in the first nine months of 2008 (€ 4.6 million in the first nine months pro-forma for 2007). The fall is mainly ascribable to the higher sales cost of integrating Europages sales in Germany (€ 1.0 million), although some of this was covered by Europages' own sales and by higher revenue from smaller countries.

EBITDA amounted to € 4.5 million in the first nine months of 2008, shadows GOP when compared with the first nine months of 2007.

EBIT amounted to € 3.3 million at September 30, 2008. It was impacted by the non-recurring cost (€ 0.5 million) of integrating WLW into the SEAT group.

Consodata S.p.A.

100% owned by SEAT Pagine Gialle S.p.A.

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	18.0	15.1	2.9	19.2	23.4
Gross operating profit	2.7	1.9	0.8	42.1	4.5
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	2.7	2.0	0.7	35.0	4.5
Operating result (EBIT)	1.1	0.6	0.5	83.3	2.6
Net invested capital at the end of the period	6.5	7.7	(1.2)	(15.6)	9.4
Capital expenditure	2.0	1.3	0.7	53.8	1.9
Average workforce	112	119	(7)	(5.9)	117



Revenue from sales and services amounted to € 18.0 million in the first nine months of 2008 (+19.2% over the first nine months of 2007) thanks to Large Customer sales. SME sales were performed through the SEAT local sales force and refers to direct marketing products. In 2008 a strategic decision was taken to simplify the product range, enabling the sales force to focus on typical single-customer mailing products, local magazine segments and on the launch of new "Low-Cost" products. This met sales teams' demands for quick-closing products with low customer entry levels. In the first nine months of 2008 revenue rose slightly but performance bad sales are likely to wipe this out by the end of the year.

The rise in Large Customer revenue followed more effective sales resulting from improved BtoB data products, the full integration of the SEAT database, more address verification software products and data mining and marketing intelligence products and services. "Campaign management" finalized to complete management of direct marketing campaign through postal channel, sales also showed strong growth. The revenue rise was also imputable to the April 1, 2008 start of the management of Lineaffari.com. The portal, which was previously managed by SEAT, provides sales and marketing data to SMEs and has its own dedicated sales network.

Changes in revenues and in their mix were mirrored in **gross operating profit**, which rose € 0.8 million over the first nine months of 2007 (€ 1.9 million at September 30, 2007). The ratio on revenues showed strong growth from 12.6% in the first nine months of 2007 to 15% in the same period of 2008, benefiting from falling overheads as some staffing areas were rationalised to become more efficient.

Cipi S.p.A.

51% SEAT Pagine Gialle S.p.A.

The table shows the main results for the first nine months of 2008 with a comparison with the same period of 2007

(euro/million)	9 months	9 months	Change		Year
	2008	2007	Absolute	%	2007
Revenue from sales and services	11.8	13.3	(1.5)	(11.3)	23.5
Gross operating profit	(1.0)	(0.6)	(0.4)	(66.7)	2.3
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	(1.1)	(0.7)	(0.4)	(57.1)	2.2
Operating result (EBIT)	(4.5)	(1.2)	(3.3)	n.s.	1.6
Net invested capital at the end of the period	7.4	10.6	(3.2)	(30.2)	14.9
Capital expenditure	0.4	0.2	0.2	100.0	0.5
Average workforce	176	193	(17)	(8.8)	206



Revenue from sales and services amounted to € 11.8 million in the first nine months of 2008, down € 1.5 million over the first nine months of 2007. Revenue fall is mainly attributable to the GialloPromo line where the effects of a tough sales campaign began to be felt in the first half of the year, by the end of September dragging down revenue 24.5% over the same period of 2007.

		Eco-fin performance of the Group	14
		Material events of the third quarter 2008	30
		Material events subsequent to September 30, 2008	30
		Outlook	31
		Related party transactions	32
		Eco-fin performance by Business Areas	33
	Highlights and general information		4
	→ Report on operations	14	
	Other information	55	→

Lower revenue led to lower **GOP** (negative for € 1.0 million in the first nine months of 2008; negative for € 0.6 million in the first nine months of 2007), partly because of higher raw materials costs although a better euro/dollar exchange rate mitigated this.

EBITDA was negative for € 1.1 million shadows **GOP** when compared with the first nine months of 2007 (-€ 0.7 million).

EBIT suffered from the € 3.0 million write-down of the Company's goodwill after impairment testing performed at June 30, 2008.

Other information

➤ Declaration pursuant to paragraph 2 of article 154-bis of Legislative Decree No. 58 of February 24, 1998

The undersigned, Massimo Cristofori, Manager responsible for the Administration, Finance and Control of SEAT Pagine Gialle S.p.A. and Manager responsible for the preparing the Company's financial reports,

hereby declares,

pursuant to sub-section 2, art. 154-bis Legislative Decree 58 of February 24, 1998, that on the basis of his knowledge in his official capacity, by virtue of the decision by the Company's Board of Directors on May 12, 2008 and as Manager responsible for the preparing the Company's financial reports, that the Report as at September 30, 2008 agrees with documentary evidence, the books and the accounting records.

The unaudited Report as at September 30, 2008 has been prepared in accordance with the CONSOB Regulation for Issuers and in accordance with the valuation and measurement criteria set out in the IAS/IFRS of the Accounting Standards Board recognised as applicable by the European Union.

Milan, November 11, 2008

signed by
Massimo Cristofori
*Manager responsible for
preparing the
Company's financial reports*

To contact SEAT Pagine Gialle S.p.A.

Investor Relations
Via Saffi, 18
10138 Torino (Italy)
Fax: +39.011.435.2722
E-mail: investor.relations@seat.it

A copy of official documents
available on the website

www.seat.it

Official documents may
be requested to

SEAT Pagine Gialle S.p.A.
Corporate Affairs Office
Via Saffi, 18
10138 Torino (Italy)
Fax: +39.011.435.4252
E-mail: ufficio.societario@seat.it

Art direction Barabino & Partners

Graphic concept Fitolito BN

Printed by Fitolito BN

Printed in December 2008