SEAT Pagine Gialle S.p.A.

Interim report as at 30 September 2010

Interim report as at 30 September 2010

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

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

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Company Boards

(information updated on 10 November 2010)

Board of Directors	Chairman	Enrico Giliberti
	Chief Executive Officer	Alberto Cappellini (*)
	Directors	Lino Benassi (I)
		Dario Cossutta
		Maurizio Dallocchio (I)
		Alberto Giussani (I)
		Luigi Lanari
		Pietro Masera
		Antonio Tazartes
		Marco Tugnolo (**)
		Nicola Volpi
	Secretary to the Board of Directors	Marco Beatrice
Remuneration Committee	Chairman	Lino Benassi
		Dario Cossutta
		Luigi Lanari
Internal Audit Committee	Chairman	Alberto Giussani
		Maurizio Dallocchio
		Marco Tugnolo (**)
Board of Statutory Auditors	Chairman	Enrico Cervellera
	Acting Auditors	Vincenzo Ciruzzi
		Andrea Vasapolli
	Alternate Auditors	Guido Costa
		Guido Vasapolli
Common representative of savings shareholders		Stella D'Atri (***)
Manager responsible for preparation of the financial statements		Massimo Cristofori
Independent Auditors		Reconta Ernst & Young S.p.A.

(*) Appointed by the Ordinary Shareholders' Meeting on 21 April 2010. Mr Cappellini was co-opted by the Board of Directors in 2009 following the resignation of Mr Majocchi. The meeting of the Board of Directors held after the Shareholders' Meeting on 21 April 2010 confirmed Mr Cappellini's appointment as CEO.

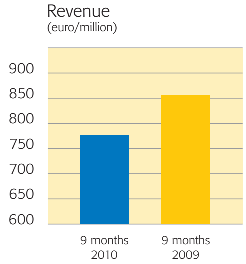
(**) Appointed by the Ordinary Shareholders' Meeting on 21 April 2010. Mr Tugnolo was co-opted by the Board of Directors in 2009 following the resignation of Mr Lucchini. The meeting of the Board of Directors held after the Shareholders' Meeting on 21 April 2010 confirmed Mr Tugnolo's appointment as a member of the Internal Audit Committee.

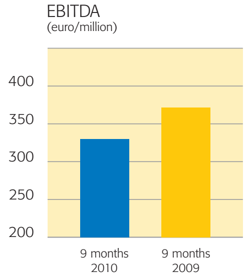
(***) Appointed by the Special Savings Shareholders' Meeting held on 20 April 2010.

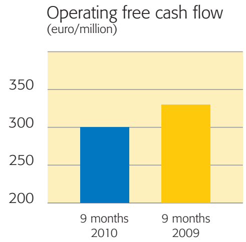
(I) Meets the requirements set forth in article 148, par. 3 of Legislative Decree 58/98 and in the Self-Regulation Code for Listed Companies in order to qualify as independent.

Economic and financial highlights of the Group

- Consolidated REVENUE totalled € 777.2 million, down 8.9% compared to the first nine months of 2009 (8.1% on a same-publication basis and at constant euro/sterling exchange rates), helped by growth in online revenue in Italy;
- consolidated EBITDA totalled € 329.8 million, with the margin remaining stable at 42.4% thanks to low operating costs;
- operating FREE CASH FLOW totalled € 301.1 million, boosted by lower capital expenditure, while NET FINANCIAL DEBT stood at € 2,721.1 million, a reduction of more than € 40 million despite increased interest expense and the costs incurred due to the Senior Secured Bond issue.







(euro/million)	9 months 2010	9 months 2009	Year 2009
Economic and financial data			
Revenue from sales and services	777.2	853.0	1,209.8
GOP (*)	354.1	404.7	588.6
EBITDA (*)	329.8	364.6	527.6
EBIT (*)	268.2	106.1	245.7
Pre-tax profit (loss)	84.7	(38.9)	30.9
Profit (loss) on continuing operations	42.2	(64.3)	(23.3)
Profit (loss) pertaining to the Group	39.9	(76.8)	(38.0)
FCF (*)	301.1	328.3	456.3
Investment in the Turin property complex	-	-	1.1
Capital expenditure	23.4	34.9	51.9
Net invested capital (*)	3,755.0	3,750.6	3,768.1
of which goodwill and customer database	*3,334.5*	*3,335.0*	*3,335.3*
of which net operating working capital (*)	*323.2*	*309.9*	*326.2*
Equity of the Group	1,059.1	976.9	1,017.4
Net financial debt (*)	2,721.1	2,784.7	2,762.8
Income ratio			
EBITDA/Revenue	42.4%	42.7%	43.6%
EBIT/Revenue	34.5%	12.4%	20.3%
EBIT/Net invested capital	7.1%	2.8%	6.5%
Profit (loss) for the period/Equity of the Group	3.8%	(7.9%)	(3.7%)
FCF/Revenue	38.7%	38.5%	37.7%
Net operating working capital/Revenue	41.6%	36.3%	27.0%
Workforce			
Workforce at the end of the period (units)	4,985	6,150	6,088
Average workforce for the period	4,660	4,936	4,947
Revenue/Average workforce	167	173	245

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

Non-GAAP measures

In addition to the conventional IFRS indicators, this interim report of 30 September 2010 includes some non-GAAP measures with a view to providing a better assessment of the group's economic and financial performance.
These indicators are not identified as accounting measures within the IFRS framework, and therefore must not be considered an alternative standard by which to assess the economic and financial performance of the group or its capital or financial position. Since these measures are not governed by the benchmark accounting standards, the calculation methods used by the Group may not be consistent with those implemented by others, meaning that the measures may not be comparable. These indicators are as follows:

- GOP *(gross operating profit)* refers to EBITDA before other operating income and expense and other valuation adjustments and provisions to reserves for risks and charges;
- EBITDA *(operating income before amortisation, depreciation, non-recurring and restructuring costs, net)* refers to EBIT (operating result) before non-recurring and restructuring costs, net, and operating amortisation, depreciation and write-down (relating to all intangible assets with a finite useful life and tangible assets) and non-operating amortisation and write-down (goodwill and customer databases);
- Operating Working Capital and Non-Operating Working Capital are calculated respectively as operating current assets (relating to operating revenue) net of operating current liabilities (relating to operating costs) and as non-operating current assets net of non-operating current liabilities: neither item includes current financial assets or liabilities;
- Net Invested Capital is the sum of operating working capital, non-operating working capital, goodwill and customer databases, and other operating and non-operating non-current assets and liabilities;
- Net Financial Debt (Book Value) is the sum of cash and cash equivalents and current and non-current financial assets and liabilities;
- Net Financial Debt refers to net financial debt (book value) gross of the net market value of cash flow hedge instruments and transaction costs on loans and securitisation program not yet amortised;
- FCF *(free cash flow)* is the EBITDA, adjusted to take into account the effect of capital expenditure and the change in operating working capital and operating non-current liabilities on the net financial position.

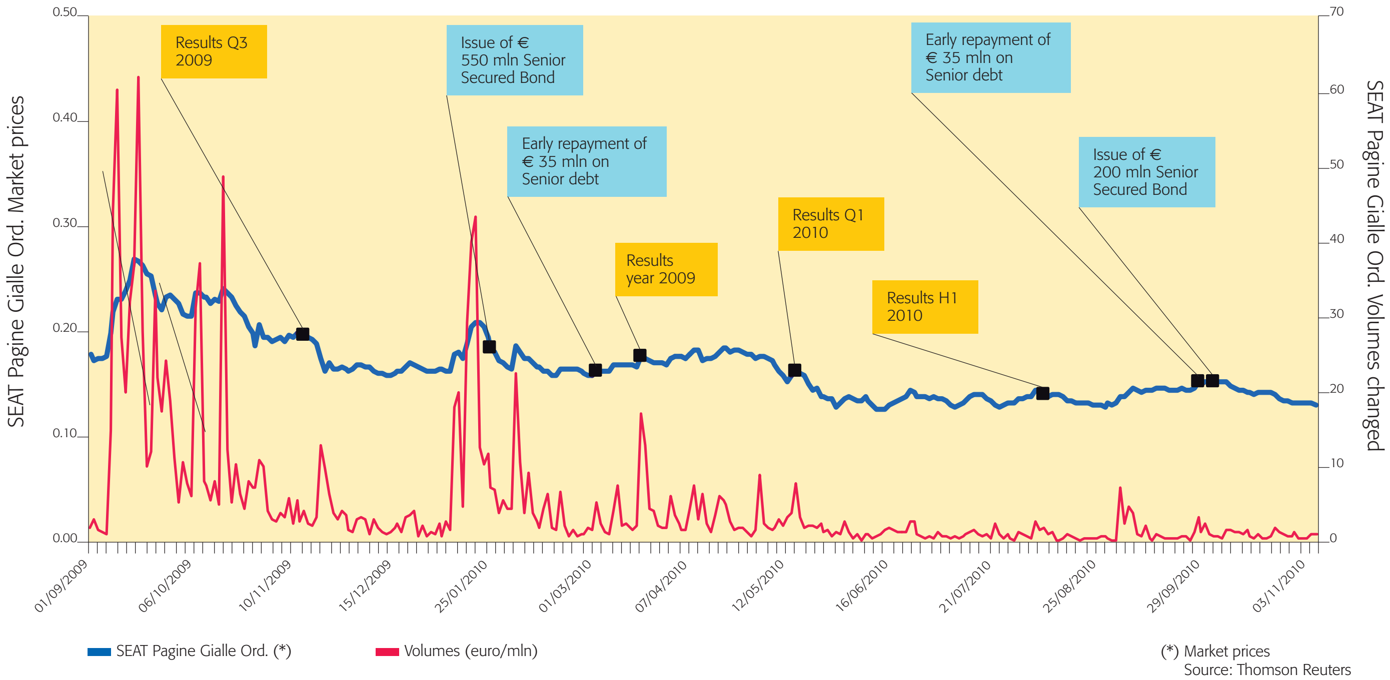
Information for Shareholders

Shares

		At 30.09.2010	At 30.09.2009
Share capital	euro	450,265,793.58	450,265,793.58
Number of ordinary shares	No.	1,927,027,333	1,927,027,333
Number of savings shares	No.	680,373	680,373
Market capitalisation *(based on average market price)*	euro/mln	281	431
SEAT Pagine Gialle S.p.A. share weighting (SPG ordinary shares) - Ftse Italia All Share (ex Mibtel) index		0.049%	0.069%
Equity per share	euro	0.549	0.507
Profit (loss) per share	euro	0.0207	(0.0398)

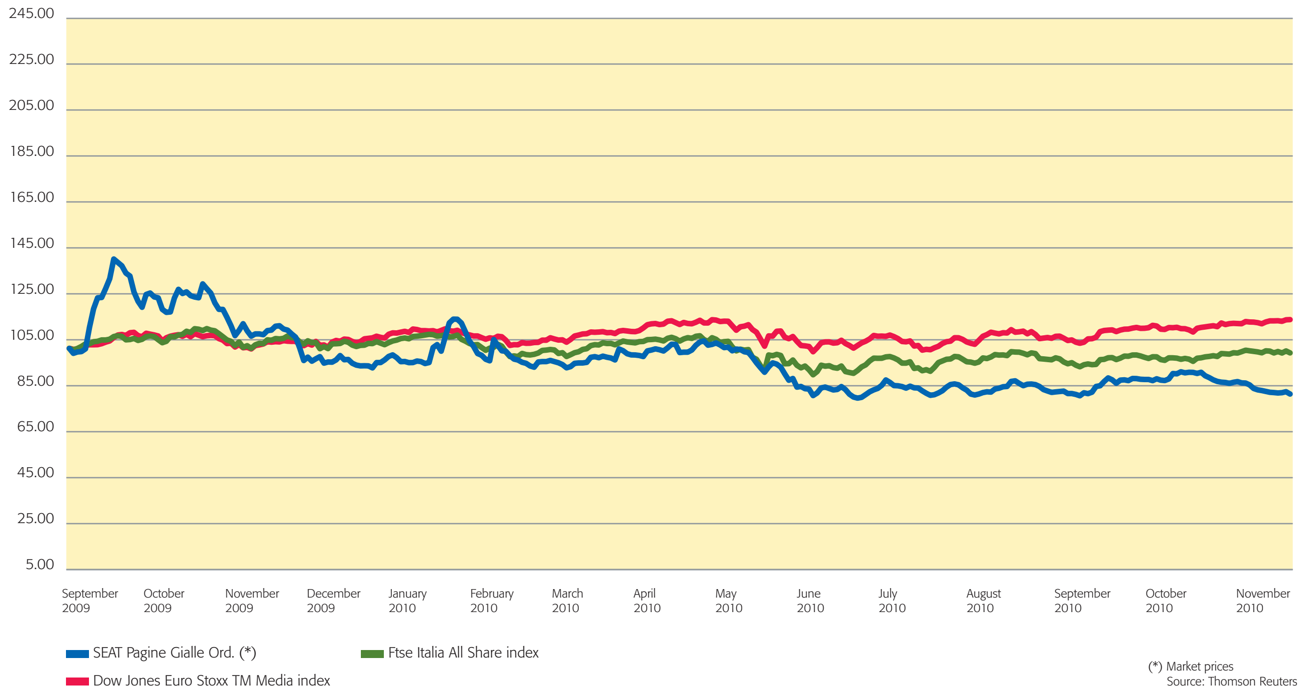
Market performance of ordinary shares over the last 12 months and volumes traded

On 30 September 2010, shares in SEAT Pagine Gialle closed at € 0.15, down 6.6% compared to the price of € 0.16 recorded on 31 December 2009.
The negative performance of the shares was influenced by the structure of the Company's enterprise value, which consists predominantly of debt. Slight drops in the Company's enterprise value, which fell 2.1% in the first nine months of 2010, resulted in ever-greater reductions in its market value, represented by its share price.
YPG Canada saw its enterprise value increase by 4.4%, while the other companies in the sector suffered a downward trend (Pages Jaunes -1.2%, Yell -33.5%, Eniro -40.6%). Canadian firm YPG enjoyed a 3% increase in the value of its shares over the period.



(*) Market prices
Source: Thomson Reuters

Performance of SEAT Pagine Gialle S.p.A. shares in the first nine months of 2010 vs. FTSE Italia All-Share Index and Dow Jones EURO STOXX Media Index *(information updated on 10 November 2010)*



(*) Market prices
Source: Thomson Reuters

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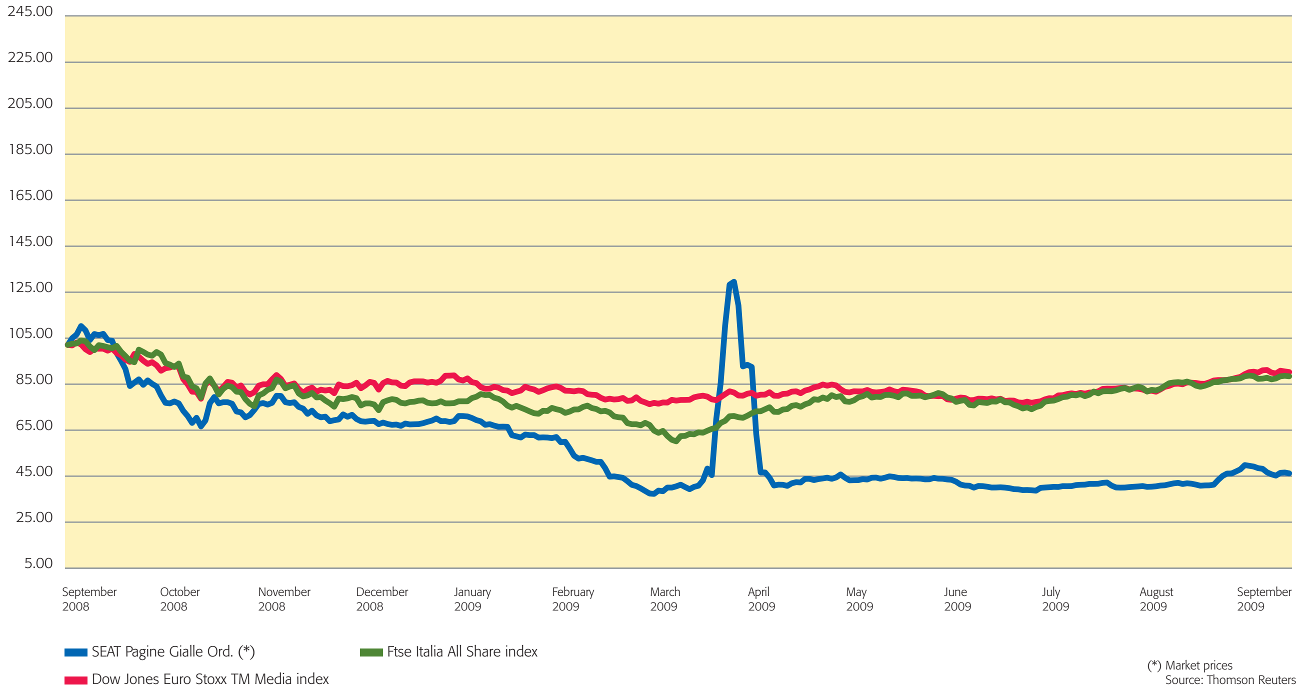


(*) Market prices
Source: Thomson Reuters

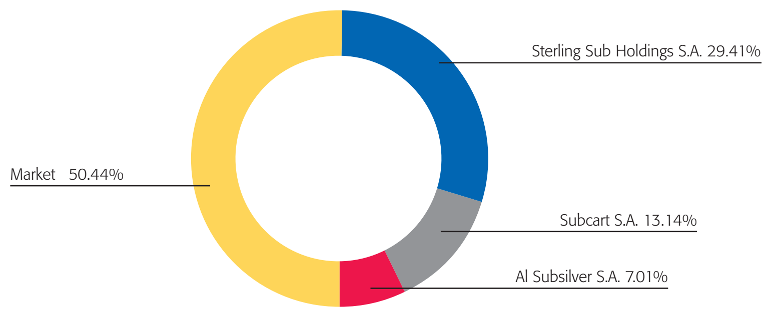
Shareholders

The table below lists the ordinary shareholders of SEAT Pagine Gialle S.p.A. which held more than 2% of the Company's share capital as at 30 September 2010.

Shareholders at 30 September 2010	Ordinary shares held	% ordinary share capital
Sterling Sub Holdings S.A.	566,683,788 (*)	29.41
Subcart S.A.	253,219,895 (*)	13.14
AI Subsilver S.A.	135,113,995 (*)	7.01

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

SEAT Pagine Gialle S.p.A. shareholder structure as at 30 September 2010



Rating for SEAT Pagine Gialle S.p.A.
(information updated on 10 November 2010)

Rating Agency	Corporate	Outlook
S&P's	B	Negative
Moody's	B2	Negative

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Organisational structure of the Group

Directory Assistance

Telegate AG	a) 77.37%
11811 Nueva Información Telefónica S.A.U.	100%
Telegate Media AG	100%
Pagine Gialle Phone Service S.r.l.	100%
Prontoseat S.r.l.	100%

UK directories

TDL Infomedia Ltd.	100%
Thomson Directories Ltd.	100%

Italian directories

SEAT Pagine Gialle S.p.A.

Other Activities

Consodata S.p.A.	100%
Cipi S.p.A.	100%
Europages S.A.	93.562%

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

Report on Operations

Economic and financial performance of the Group

Introduction

The interim report as at 30 September 2010 of the SEAT Pagine Gialle group has been prepared in compliance with section 154-ter (Financial Reports) of Legislative Decree 58/1998 (Combined Finance Act - TUF) and subsequent amendments and additions, as well as with Consob communication DEM/8041082 of 30 April 2008 (Quarterly reporting by issuers of listed shares which give Italy as their State of origin).
The interim report is not subject to audit and has been prepared in accordance with international accounting standards issued by the International Accounting Standards Board and approved by the European Union (IFRS).
The "Outlook" section contains forward-looking statements regarding the Group's intentions, beliefs and current expectations in relation to its financial results and other aspects of its business and strategies. Undue confidence should not be placed in the reliability of these forward-looking statements, since the final results may differ significantly from those contained in these forecasts for a number of reasons, most of which are beyond the Group's control.

The amount relating to the transaction costs on the loan with Lighthouse International Company S.A. has been adjusted in respect of the amount not yet amortised as at 31 December 2008. The values of the statements of financial position as at 30 September 2009 and 31 December 2009 have therefore been restated in accordance with the provisions of IAS 8, with a view to applying the amortised cost method provided for by IAS 39 more accurately thanks to the use of more reliable calculation methods than those used on 31 December 2008.
Since the amounts recorded in the statements of operations differ slightly from the aforementioned recalculation, the adjustment has had an impact mainly on capital, and in particular has affected equity (up by € 5.2 million) and non-current financial debts to third parties (down by € 5.2 million).

Reclassified consolidated statements of operations for the first nine months of 2010

Revenue from sales and services totalled € 777.2 million in the first nine months of 2010 and decreased by 8.9% compared to the same period of 2009 (a decrease of 8.1% on a same-publication basis and at constant euro/sterling exchange rates).

Including inter-segment revenue, revenue from sales and services were as follows:
- *Italian Directories* Business Area (SEAT Pagine Gialle S.p.A.): in the first nine months of 2010, revenue totalled € 609.6 million and decrease by 9.0% compared to the same period of 2009. On a same-publication basis (the publication of certain directories, which generated revenue of € 12.4 million in the first nine months of 2009, was postponed from the third to the fourth quarter of this year), revenue decreased by 7.3%. Core products (print, online and voice) performed better than other products, thanks in particular to growth in online activities. Online revenue was boosted by continued product innovation, which enabled the company to accelerate its revenue diversification with a view to generating more revenue from the online business than from print activities. As in the previous quarters, the drop in revenue was caused by a fall in revenue from voice traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, as well as a reduction in revenue from some minor products (particularly BtoB and promotional items), which were more severely affected by the slow economic recovery and the sales force's increasing focus on core products, particularly online activities;
- *UK Directories* Business Area (Thomson Directories group) revenue totalled € 49.5 million in the first nine months of 2010 and decreased by € 5.1 million (£ 5.9 million) compared to the same period of 2009, despite the effect of a change in publication schedule. On a same-publication basis, revenue decreased by 16.7% compared to the first nine months of 2009. Online revenue (€ 0.9 million) rose following the launch of a new range of multimedia products;
- *Directory Assistance* Business Area (Telegate group, Pagine Gialle Phone Service S.r.l. and Prontoseat S.r.l.) revenue totalled € 108.6 million in the first nine months of 2010, decreased by 13.7% compared to the same period of 2009. This decrease was caused by the performance of the Telegate group, which generated revenue of € 93.7 million in the first nine months of 2010 (down 7.2% compared to the first nine months of 2009) and by the sale by Pagine Gialle Phone Service S.r.l. of its Turin and Livorno call centeres on 31 May 2010. More specifically, the Telegate group's revenue in Germany totalled € 85.2 million, decreased by 7.6% compared to the first nine months of 2009 (€ 92.2 million) due to the ongoing decline of the Directory Assistance market caused by a continued drop in call volumes, which was only partially offset by the growth in online revenue (+€ 4.8 million). Prontoseat S.r.l. revenue totalled € 8.1 million, decreased by € 0.6 million compared to the same period of 2009 due to a drop in inbound revenue (-16.8%), which was only partially offset by the growth in revenue from outbound traffic (+7.2%);
- revenue from *Other Activities* (Europages S.A., Consodata S.p.A., Cipi S.p.A.) totalled € 33.5 million in the first nine months of 2010, decreased by € 4.2 million compared to the same period of 2009 due in particular to a drop in revenue from Europages and Cipi.

Materials and external services, net of costs debited to third parties, totalled € 272.0 million in the first nine months of 2010, decreased by 4.3% compared to the same period of 2009.
Industrial costs totalled € 90.0 million, decreased by € 7.1 million compared to the first nine months of 2009 due mainly to the reduction in revenue volume. The fall in print revenue led to a drop in the number of pages printed and volumes distributed, mainly for SEAT Pagine Gialle S.p.A., which resulted in a decline in paper consumption (down by € 4.4 million), production costs (down by € 5.7 million), and distribution and storage costs (down by € 2.0 million). Meanwhile, data transmission costs increased due to the creation of online services (up by € 4.2 million).
Commercial costs totalled € 113.9 million in the first nine months of 2010, against € 108.4 million in the same period of 2009. The increase was due to expenditure on commissions and other sales costs, increased by € 6.9 million compared to the first nine months of 2009, resulting from the greater cost of commissions paid to sales agents and publishers as part of the new online ranges designed to increase web traffic. Advertising expenditure decreased by € 1.8 million compared to the first nine months of 2009.
Overheads totalled € 69.5 million in the first nine months of 2010, decreased by € 11.0 million compared to the same period of 2009 thanks to the cost-cutting measures implemented during 2010.

Salaries, wages and employee benefits, net of costs debited to third parties, totalled € 151.1 million in the first nine months of 2010, decreased by € 13.0 million compared to the same period of 2009 (€ 164.1 million). SEAT Pagine Gialle S.p.A, the Group's Parent Company, was largely responsible for this change due to the reduction in its average workforce from 1,352 employees in the first nine months of 2009 to 1,165 in the first nine months of 2010. The Group's workforce, including directors, project workers and trainees, consisted of 4,985 people as at 30 September 2010, compared to 6,088 as at 31 December 2009. The average workforce in the first nine months of 2010 consisted of 4,660 employees, compared to 4,936 for the same period in 2009.

Gross operating profit (GOP) totalled € 354.1 million in the first nine months of 2010 and decreased by € 50.6 million compared to the same period in 2009 (€ 404.7 million). The operating margin for the period was 45.6%, compared to 47.4% in the first nine months of 2009.

Valuation adjustments and provisions to reserves for risks and charges totalled € 23.5 million in the first nine months of 2010, including € 20.6 million relating to the allowance for doubtful trade receivables and decreased by € 8.9 million compared to the same period of 2009. This change meant that the coverage of overdue receivables remained sufficient. This item also includes provisions to reserves for risks and charges, which amounted to € 2.1 million in the first nine months of 2010, down by € 5.4 million compared to the same period of 2009 (€ 7.5 million). The change was mainly caused by the reversal of a provision of € 4.5 million made in 2007 due to the expiration of contractual risks with telephone operators in relation to mobile network call origination charges, which arose following an AGCom decision and subsequent dispute.

Other operating income and expenses, net was negative for € 0.8 million in the first nine months of 2010 (negative for € 2.5 million in the first nine months of 2009).

Operating result before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA) amounted to € 329.8 million in the first nine months of 2010, decreased by € 34.8 million compared to the first nine months of 2009, with an operating margin of 42.4%, more or less stable compared to 42.7% in the same period of 2009.

Operating amortisation, depreciation and write-down, at € 48.3 million in the first nine months of 2010, remained essentially unchanged compared to the first nine months of 2009 (€ 47.2 million). Of this figure, € 37.2 million related to intangible assets with a finite useful life (€ 35.3 million in the first nine months of 2009), and € 11.1 million to property, plant and equipment (€ 11.9 million in the first nine months of 2009).

Non-operating amortisation, depreciation and write-down totalled € 2.3 million in the first nine months of 2010, against € 188.7 million in the same period of 2009. This related to the amortisation of the customer databases recorded under the Group's assets when acquisitions were carried out, as an allocation of part of the difference between the price paid and the portion of equity acquired, in accordance with the provisions of IFRS 3 and based on internal and/or expert valuations. Of the reduction of € 186.3 million compared to the first nine months of 2009, € 96.9 million related to the customer database recorded under SEAT Pagine Gialle S.p.A., the amortisation process for which was begun in August 2003 and completed in July 2009, and € 91.8 million related to the write-down of goodwill in connection with UK subsidiary Thomson Directories following the impairment test carried out on 30 September 2009.

Non-recurring and restructuring costs, net totalled € 11.0 million in the first nine months of 2010, against € 22.7 million in the same period of 2009. The reduction of € 11.7 million related mainly to restructuring costs, net, which in the first nine months of 2009 included a provision of € 8.3 million to the reserve for the restructuring carried out by SEAT Pagine Gialle S.p.A. the previous year, to cover the costs that the company expected to incur as part of its 2009-2011 Reorganisation Plan.
Non-recurring costs, net, totalled € 7.6 million in the first nine months of 2010 (€ 10.4 million in the first nine months of 2009), of which € 6.6 million related to the Parent Company for tax consultancy, consultancy on new business development strategies, the new reporting system and the sale of the data centre division to Engineering.it S.p.A..

Operating result (EBIT) totalled € 268.2 million in the first nine months of 2010, compared to € 106.1 million in the same period of 2009, with a margin of 34.5%, compared to 12.4% in the first nine months of 2009. The Group's operating result reflects the negative performance illustrated by the GOP and EBITDA, but it did benefit from lower non-operating amortisation costs in relation to the customer database of SEAT Pagine Gialle S.p.A., which was fully amortised as of July 2009. Furthermore, on 30 September 2009 a write-down of goodwill of € 91.8 million was recorded in relation to UK subsidiary Thomson Directories.

Interest expense, net totalled € 183.5 million in the first nine months of 2010 (€ 145.0 million in the first nine months of 2009). This figure represents the difference between interest expense, at € 194.6 million (€ 166.3 million in the first nine months of 2009), and interest income, at € 11.1 million (€ 21.3 million in the first nine months of 2009). The net balance rose by € 38.5 million (+26.6%) compared to the first nine months of 2009 due to the combined effects of: *i)* increased interest expense, totalling € 28.3 million, due primarily to higher interest paid on the Senior Secured Bond, which was only partially offset by lower interest on Senior debt, of which € 507.1 million was repaid using the proceeds of the bond issue; *ii)* reduced interest income, totalling € 10.2 million, due to lower interest income and foreign exchange gains.

Interest expense in the first nine months of 2010 included in particular:
- € 82.7 million of interest expense on the fixed-rate Subordinated loan with Lighthouse International Company S.A., in line with the amount recorded in the first nine months of 2009. This amount includes € 4.5 million in relation to the amortisation of transaction costs for the period;
- € 48.8 million of interest expense (€ 57.1 million in the first nine months of 2009) on the Senior Credit Agreement between SEAT Pagine Gialle S.p.A. and The Royal Bank of Scotland Plc.. This amount includes € 8.2 million relating to the amortisation of transaction costs for the period, and € 13.3 million relating to the negative impact of cash flow hedge instruments against interest rate risk;
- € 41.0 million of interest expense on the Senior Secured Bond issued on 28 January 2010. This amount includes €1.1 million relating to the amortisation of transaction costs for the period;
- € 4.0 million of interest expense (€ 5.0 million in the first nine months of 2009) on asset-backed securities issued in June 2006 by a special purpose entity (SPE), Meliadi Finance S.r.l., as part of a securitisation program. This amount includes € 0.6 million relating to the negative impact of cash flow hedge instruments against interest rate risk;
- € 1.7 million of interest expense (€ 1.6 million in the first nine months of 2009) on debts due to Leasint S.p.A. in relation to seven financial leasing contracts raised for the purchase of the Turin property complex. This amount includes € 0.6 million relating to the negative impact of cash flow hedge instruments against interest rate risk;
- € 7.9 million of other interest expense (€ 7.9 million in the first nine months of 2009), including € 3.9 million of losses from discounting non-current assets and liabilities;
- € 8.6 million of foreign-exchange losses (€ 12.2 million in the first nine months of 2009) recorded as a result of hedging transactions against euro/sterling exchange-rate risk, which were more than offset by the foreign-exchange gains of € 8.9 million recorded under interest income.

Interest income in the first nine months of 2010 mainly included:
- € 1.3 million of interest income from non-current assets (€ 3.5 million in the first nine months of 2009), particularly in relation to assets used to finance the Thomson group's pension plan;
- € 0.9 million of interest income (€ 2.3 million in the first nine months of 2009) from the investment of short-term liquidity in the banking system at Euribor rates, which fell sharply in the first nine months of 2010, due to the reduction in the average investment rate and the fall in average deposits;
- € 8.9 million of foreign-exchange gains (against € 15.2 million in the first nine months of 2009) mainly recorded as a result of the hedging policy adopted against euro/sterling exchange-rate risk.

In the first nine months of 2010, the average total cost of the financial debt of SEAT Pagine Gialle S.p.A. was 7.34% (5.42% in the first nine months of 2009). This change was due to the difference in the structure of the debt following the issue of the new € 550.0 million 10.5% fixed-rate Senior Secured Bond at the end of January 2010 and the simultaneous early repayment of € 507.1 million of senior bank facilities at a considerably lower variable rate.

Income taxes were negative for € 42.5 million (negative for € 25.4 million in the first nine months of 2009). In accordance with the provisions of IAS 34, income taxes for the period were calculated by applying the average rates expected for the 2010 financial year to the gross pre-tax income.

Profit (loss) on continuing operations amounted to € 42.2 million (a loss of € 64.3 million in the first nine months of 2009).

Profit (loss) on non-current assets held for sale and discontinued operations negative for € 0.2 million (negative for € 10.8 million in the first nine months of 2009).

Profit (loss) for the period of Non-controlling interests totalled € 2.2 million, up from € 1.7 million in the first nine months of 2009, mainly related to non-controlling interests of the Telegate group.

Profit (loss) for the period pertaining to the Group totalled € 39.9 million (a loss of € 76.8 million in the first nine months of 2009).

Reclassified consolidated statements of operations for the third quarter of 2010

Revenue from sales and services totalled € 314.0 million in the third quarter of 2010, decreased by 9.2% compared to the same period of 2009. On a same-publication basis and at constant euro/sterling exchange rates, revenue decreased by 8.7%.

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

- *Italian Directories* Business Area (SEAT Pagine Gialle S.p.A.) revenue totalled € 255.9 million in the third quarter, decreased by 9.3% compared to the same period of 2009. On a same-publication basis (the publication of certain directories, which generated € 11.6 million in the first quarter of 2009 and € 12.4 million in the third quarter of 2009, was postponed to the third and fourth quarters respectively of this year), revenue decreased by 9.1%. This trend reflects an improvement in revenue from print products in the third quarter compared to the first six months of the year, thanks in particular to the presence of directory areas relating to small and medium-sized urban centeres, with the activities of PAGINEBIANCHE®, which are traditionally less sensitive to negative economic conditions, accounting for a larger proportion of revenue than those of PAGINEGIALLE®, which were affected by the more conservative attitude of certain operators. Revenue from online products continued its very positive trend following the strong performance of the first and second quarters, supported by sales of multimedia packages. As in the previous quarters, the drop in revenue was mainly caused by a fall in revenue from voice traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services and some minor products (particularly BtoB and promotional items), which were more severely affected by the slow economic recovery and the sales force's increasing focus on core products, particularly online activities;
- *UK Directories* Business Area (Thomson Directories group) revenue totalled € 17.3 million in the third quarter of 2010, decreased by 21.6% compared to the same period of 2009. In sterling, the fall in revenue was 24.9%, due primarily to difficult market conditions in the UK. Online revenue (€ 0.9 million) increased following the launch of the new range of multimedia products;
- *Directory Assistance* Business Area (Telegate group, Pagine Gialle Phone Service S.r.l. and Prontoseat S.r.l.) revenue totalled € 34.7 million, decreased by 7.0% compared to the third quarter of 2009, due to an overall fall in call volumes for traditional directory assistance services, including added-value services and outsourcing, which was only partially offset by the development of online products;
- *Other Activities* (Europages S.A., Consodata S.p.A., Cipi S.p.A.) revenue totalled € 11.8 million in the third quarter of 2010, decreased by € 0.5 million compared to the same period of 2009 due in particular to a drop in revenue from Europages and Cipi.

EBITDA totalled € 167.4 million in the third quarter of 2010, down by € 18.0 million compared to the same period of 2009 (€ 185.4 million), because the reduction in operating costs was insufficient to offset the drop in revenue.

Reclassified consolidated statement of financial position as at 30 September 2010

Introduction

For its facilities agreement with The Royal Bank of Scotland Plc, the Indenture with Lighthouse International Company S.A. and the bonds issued in January 2010 and October 2010, SEAT Pagine Gialle S.p.A. provided the usual security, the most significant being:
- pledge over the main trademarks;
- pledge over shares in the main subsidiaries;
- pledge over part of the Company's shares held by Sterling Sub Holdings S.A., Subcart S.A. and Al Subsilver S.A..

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

Net invested capital

Net invested capital totalled € 3,755.0 million as at 30 September 2010, down by € 13.1 million compared to 31 December 2009. It consisted of the following items:

- **non-current assets** totalling € 3,541.3 million as at 30 September 2010 (€ 3,568.0 million as at 31 December 2009), including € 3,334.5 million relating to goodwill and customer databases as at 30 September 2010 (€ 3,335.3 million as at 31 December 2009). The strengthening of sterling against the euro resulted in an increase of € 1.6 million in the goodwill relating to the Thomson group.
  Investments for the period totalled € 23.7 million (€ 35.2 million in the first nine months of 2009), and were as follows

(euro/thousand)	9 months 2010	9 months 2009	Change	Year 2009
Capital expenditure	23,384	34,882	(11,498)	51,943
Goodwill and other non-operating investments	-	76	(76)	-
Financial investments	284	238	46	673
Total investments	**23,668**	**35,196**	**(11,528)**	**52,616**

  Capital expenditure, which amounted to € 23.4 million in the first nine months of 2010 (€ 34.9 million in the first nine months of 2009), was mainly concentrated within SEAT Pagine Gialle S.p.A. (€ 17.5 million in the first nine months of 2010 compared to € 28.5 million in the same period of 2009), and concerned: *i)* the completion and strengthening of the CRM system to facilitate connections with back-end systems (SAP, SEM, etc.); *ii)* the development of software to support the new online and mobile products on offer and to improve the algorithms used by search engines; *iii)* a review of the company's main processes with a view to developing its products from a customer-centric perspective by adopting a single-contract approach. In the area of technology and infrastructure, centralised hardware was acquired for the SEAT Pagine Gialle S.p.A. data center with a view to replacing outdated equipment in order to improve performance and reduce energy consumption;

- **non-operating non-current liabilities** totalling € 14.5 million as at 30 September 2010 (€ 19.9 million as at 31 December 2009), of which € 12.7 million related to deferred tax liabilities, mainly in relation to the Telegate group (€ 12.4 million). The reduction compared to the previous year was due primarily to the transfer of the current portion of the reserve for restructuring (€ 4.8 million) in connection with the SEAT Pagine Gialle S.p.A. 2009-2011 Reorganisation Plan;

- **operating non-current liabilities** totalling € 63.6 million as at 30 September 2010 (€ 66.9 million as at 31 December 2009). More specifically, these include defined-benefit pension plans of € 20.5 million (€ 20.2 million as at 31 December 2009), accounted for net of assets used to finance these plans, totalling € 37.0 million as at 30 September 2010 (€ 34.9 million as at 31 December 2009), the reserve for severance indemnities, amounting to € 17.7 million (€ 20.7 million as at 31 December 2009) and the reserve for sale agents' termination indemnities, totalling € 23.4 million as at 30 September 2010 (€ 23.2 million as at 31 December 2009);

- **operating working capital** of € 323.2 million as at 30 September 2010, decreased by € 3.1 million compared to 31 December 2009. This reflected in particular the following changes:
  - a reduction of € 41.9 million in *trade receivables* compared to 31 December 2009, with € 37.7 million relating to SEAT Pagine Gialle S.p.A. and € 4.1 million to Consodata. This decrease was due to the combined effects of the cyclical nature of accounts receivable invoicing and a drop in revenue;
  - a drop of € 54.3 million in *trade payables* compared to 31 December 2009, due to the cyclical nature of purchases throughout the course of the year;
  - an increase of € 28.4 million in other current liabilities and operating payables for services to be rendered compared to 31 December 2009 due to purchase and invoice times for advertising services;

- **non-operating working capital**, negative € 31.0 million as at 30 September 2010 (negative € 39.4 million as at 31 December 2009). The change of € 8.4 million was largely due to the payment of *i)* debt relating to the acquisition of a 49% stake in Cipi S.p.A. in 2009 and *ii)* debt due to beneficiaries of the TDL group pension plan who subscribed to the enhanced transfer value program at the end of 2009.

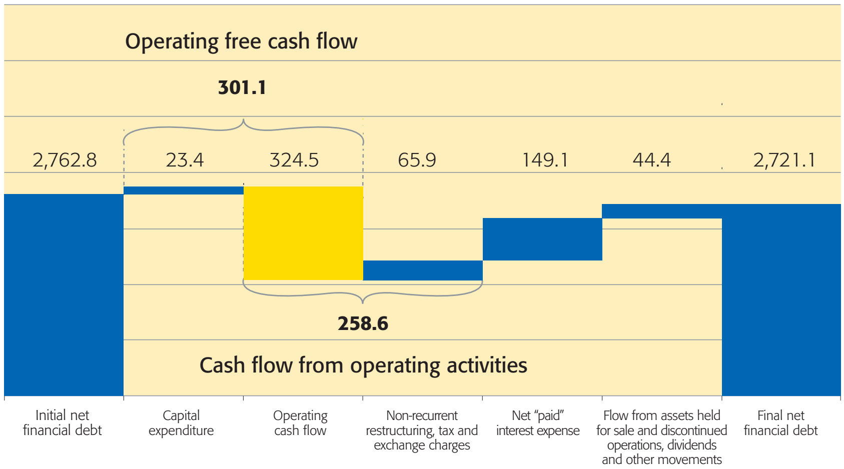
Net financial debt

As at 30 September 2010 this was structured as follows

(euro/thousand)	At 30.09.2010	At 31.12.2009 restated	Change
Net financial debt	**2,721,064**	**2,762,782**	**(41,718)**
Transaction costs on loans and securitisation program not yet amortised	(64,503)	(56,403)	(8,100)
Net market value of "cash flow hedge" instruments	18,241	22,485	(4,244)
Net book financial debt - "book value"	**2,674,802**	**2,728,864**	**(54,062)**
of which:			
- Non-current financial liabilities	*2,650,444*	*2,396,012*	*254,432*
- Current financial liabilities	*296,999*	*628,849*	*(331,850)*
- Non-current financial assets	*(2,063)*	*(2,088)*	*25*
- Current financial assets and cash and cash equivalents	*(270,578)*	*(293,909)*	*23,331*

Net financial debt totalled € 2,721.1 million as at 30 September 2010, decreased by € 41.7 million compared to 31 December 2009 *restated*.
This differs from the net financial debt - "book value", described below, since it is recorded gross of costs incurred on *i)* transaction costs relating to the medium and long-term Senior debt with The Royal Bank of Scotland Plc, *ii)* the Subordinated loan due to Lighthouse International Company S.A., *iii)* the Senior Secured Bond issue and *iv)* the launch of trade receivables securitisation program. These costs, net of accumulated amortisation, totalled € 64.5 million as at 30 September 2010.
Net financial debt does not include the net value arising from the valuation at market values of the cash flow hedge instruments in place at the end of the period or, if closed early, cash flow hedge instruments that will become effective in subsequent periods. As at 30 September 2010, this value amounted in total to net liabilities of € 18.2 million, compared to € 22.5 million as at 31 December 2009.
The following graph summarises the main elements that affected the change in net financial debt in the first nine months of 2010

(euro/mln)



- **non-current financial liabilities** totalled € 2,650.4 million as at 30 September 2010 (€ 2,396.0 million as at 31 December 2009 *restated*) and were as follows

(euro/thousand)	At 30.09.2010	At 31.12.2009 restated	Change
Debts due to The Royal Bank of Scotland Plc.	609,060	812,927	(203,867)
Debts due to Lighthouse International Company S.A.	1,274,541	1,270,052	4,489
Debts due to Bondholders (Senior Secured Bond)	521,013	-	521,013
Asset-backed securities	189,837	255,571	(65,734)
Debts due to Leasint S.p.A.	50,068	52,067	(1,999)
Debts due to other lenders	6	21	(15)
Negative non-current adjustments to the financial asset/liability hedging contracts	5,919	5,374	545
Total non-current financial liabilities	**2,650,444**	**2,396,012**	**254,432**

- *Non-current debts due to The Royal Bank of Scotland Plc* totalled € 609.1 million as at 30 September 2010 (€ 812.9 million as at 31 December 2009). Including the current share of € 207.6 million and gross of transaction and refinancing costs not yet amortised of € 22.3 million at the end of the period, the Senior facilities with The Royal Bank of Scotland Plc totalled € 838.9 million. The structure of the facilities is as follows:
  a) tranche A (€ 374.4 million), repayable in accordance with the amortisation plan with non-constant six-month instalments until June 2012, and bearing a floating interest rate p.a. equal to Euribor plus a spread, which increased by 75 basis points p.a. to 3.19% p.a. in January following the agreement to issue the Senior Secured Bond and increased to 3.41% p.a. in mid-August following the change in the net debt to EBITDA ratio that was recorded in June;
  b) tranche B (€ 464.5 million), repayable in a single instalment in June 2013, and bearing a floating interest rate p.a. equal to Euribor plus a spread, which increased by 75 basis points p.a. to 3.76% p.a. in January following the agreement to issue the Senior Secured Bond and increased to 3.91% p.a. in mid-August following the change in the net debt to EBITDA ratio that was recorded in June;
  c) a revolving credit line of € 90 million, at the moment unused, designed to cover any working capital requirements of SEAT Pagine Gialle S.p.A. or its subsidiaries, available until May 2012, bearing a floating interest rate p.a. equal to that applicable to tranche A. A non-usage fee of 0.56% p.a. is charged on the temporary non-used commitments.

  In the first nine months of 2010, the Company repaid a total of € 577.4 million, of which € 507.1 million was repaid at the end of January in relation to the instalments of tranche A due in 2010, 2011 and 2012 using the proceeds of the Senior Secured Bond issue, € 35.1 million was repaid in February and € 35.1 million was repaid in September by way of early repayment of the remaining instalments of tranche A, contractually due in June 2010 and December 2010 respectively.

- *Debts due to Lighthouse International Company S.A.* totalled € 1,274.5 million as at 30 September 2010, net of € 25.5 million for transaction costs not yet amortised at the end of the period. The 10-year loan is due to mature in 2014 and is subject to a fixed interest rate of 8% p.a..
  It should be noted that SEAT Pagine Gialle S.p.A. gave guarantees worth € 350 million in connection with any additional costs relating to the bond.

- *Debts due to Senior Secured bondholders* totalled € 521.0 million, net of € 16.6 million for issue costs not yet amortised at the end of the period. The Senior Secured Bond, maturing on 31 January 2017, was issued for a nominal amount of € 550 million at a price of € 0.975998, with a nominal rate of 10.5% to be paid half-yearly at the end of January and the end of July each year. The yield at issue of the bond was 11% p.a. due to the issue discount of € 13.2 million. The issue discount accrued as at 30 September 2010 was € 0.8 million.

- *Asset-backed securities,* amounted to € 189.8 million as at 30 September 2010, net of transaction costs (€ 0.2 million) and the current portion (€ 16 million). They were issued for a gross value of € 256 million by the special purpose entity, Meliadi Finance S.r.l., to finance the acquisition on a revolving basis of receivables portfolios sold by SEAT Pagine Gialle S.p.A. to the special purpose entity within the context of the five-year securitisation program of its trade receivables, which was launched in June 2006. These securities, which are backed by the receivables portfolio subject to securitisation, were subscribed through private placement with an institutional investor. They are due to mature in 2014 and will be repaid through the collection of receivables sold in the event that the securitisation program is not renewed. The securities bear variable interest at the rate applicable to three-month commercial papers, with a cap equal to the corresponding three-month Euribor rate plus 5 basis points. To support the securitisation program, two one-year credit lines have been arranged and are currently extended until June 2011.
  The current portion of € 16 million was determined as a result of the decision to carry out a further reduction of the securitisation program, with effect on 15 October 2010, through the use of cash from the special purpose entity, Meliadi Finance S.r.l., following the reduction of € 50 million carried out in July. Consequently, the asset-backed securities will be reduced from € 206 million to € 190 million with effect from 15 October 2010.

- *Debts due to Leasint S.p.A.,* totalling € 50.1 million as at 30 September 2010, relate to the seven financial leasing contracts (six contracts with effect from December 2008 and one with effect from the end of October 2009) in relation to the purchase of the Turin property complex of SEAT Pagine Gialle S.p.A.. These contracts will be repaid through 53 remaining instalments on the contracts with effect from December 2008 and 57 remaining instalments on the contract with effect from October 2009. All instalments are quarterly deferred instalments subject to a variable interest rate equal to three-month Euribor plus a spread of around 65 basis points p.a.. The residual value is fixed at around 1% of the value of the property complex.

- *Negative non-current adjustments to the financial asset/liability hedging contracts (non-current portion)* arising from the valuation at fair value of cash flow hedge instruments totalled € 5.9 million as at 30 September 2010 (€ 5.4 million as at 31 December 2009).

The facilities agreements require that SEAT Pagine Gialle S.p.A. comply with specific covenants, which are monitored quarterly and relate to the maintaining of certain ratios between *i)* net debt and EBITDA; *ii)* EBITDA and interest on debt; *iii)* cash flow and debt service (including interest and capital payable in each reference period).
The check on the covenants and compliance with all the obligations imposed by the facilities agreement as at 30 September 2010 (the date of this report) was positive.
The facilities agreements also govern other aspects by establishing limits and operating conditions, such as investments and the possibility of recourse to additional debt, making acquisitions, distributing dividends and carrying out capital transactions;

- **current financial liabilities,** which totalled € 297.0 million as at 30 September 2010 (€ 628.8 million as at 31 December 2009), mainly included:
  - the current portion of financial debt (€ 226.5 million), relating to the facilities with The Royal Bank of Scotland Plc (€ 207.6 million), of which € 35.2 million is due to mature in June 2011 and € 172.4 million was repaid early in October following the issue of the second tranche of the "Senior Secured Bond" (for further details on this transaction, see the "Post-balance sheet events" section), € 16 million of asset-backed securities repaid early in October 2010, and € 2.8 million relating to the facilities with Leasint S.p.A.;
  - debts for interest accrued but not yet paid (€ 43.4 million) on the facilities with Lighthouse International Company S.A.;
  - debts due to banks (€ 8.6 million), mainly relating to debts for cash flow hedge instruments, including € 8.4 million for which payment has been deferred until the end of December 2010;
  - other current financial debts (€ 10.4 million), including € 9.6 million relating to interest accrued but not yet paid on the Senior Secured Bond;
  - liabilities (€ 8.1 million) arising from the valuation at fair value of the derivative contracts in place as at 30 September 2010 (liabilities of € 8.3 million as at 31 December 2009).

  The Company also has a committed short-term credit line of € 30 million, which has not been drawn down as yet, extended until 31 March 2011. The credit line will be subject to a margin of 5% p.a. on the benchmark Euribor rate in the event of draw-down and in case of non-utilisation charges will be 2% p.a..

  The Senior debt with The Royal Bank of Scotland Plc, as well as the debt arising from the issue of asset-backed securities by the special purpose entity, Meliadi Finance S.r.l., for the securitisation program and the debt due to Leasint S.p.A., is subject to a variable interest rate based on Euribor. In order to limit its exposure to interest-rate risk, SEAT Pagine Gialle S.p.A. has taken out cash flow hedge instruments against interest-rate risk with leading international financial operators.

  As at 30 September 2010, the following derivative hedge instruments were in place:

  a) *Interest Rate Swap* (negative fair value of € 8.2 million) for January 2011 to December 2011, with variable six-month Euribor replaced by an average 2.91% fixed rate on a notional value of € 540 million, hedging Senior debt;
  b) *Interest Rate Collar* (negative fair value of € 4.7 million) for January 2011 to December 2011, subject to variable six-month Euribor with an average cap of 4.10% and an average floor of 3.23% on a notional value of € 250 million, hedging Senior debt;

c) *Interest Rate Swap* (negative fair value of € 0.3 million) for mid-October 2010 to April 2011, hedging part of the interest on the securitisation program, with variable three-month Euribor replaced by a fixed rate of around 1.85% on a notional value of € 75 million, hedging debt due under the securitisation program;

d) *Interest Rate Swap* (negative fair value of € 0.7 million) for December 2010 to December 2011, hedging part of the interest on the financial leasing, with variable three-month Euribor replaced by a 3.60% fixed rate on a notional value of € 30 million, hedging debt due under the leasing transaction.

With reference to the fourth quarter of 2010, 80% of the total debt is protected from interest-rate risk: around 76% is protected through fixed-rate debt and 4% through interest rate swap transactions. This hedging is considered to be sufficient in view of the performance of short-term rates.

With reference to the 2011-2013 period, the average total protection against interest-rate risk is equal to around 83% of the debt expected to be in place in the period, with 75% pertaining to fixed-rate debt, 5% to interest rate swap transactions and 3% to interest rate collar transactions.

As regards the 2014-2015 period, around 93% of the total expected debt will be fixed-rate debt;

- **non-current financial assets** totalled € 2.1 million as at 30 September 2010 (€ 2.1 million as at 31 December 2009) and comprised loans to employees issued at market rates for transactions of this kind;
- **current financial assets and cash equivalents** totalled € 270.6 million as at 30 September 2010 (€ 293.9 million as at 31 December 2009). It included € 266.6 million related to cash and cash equivalents (€ 292.0 million as at 31 December 2009) of which € 97.1 million were held by the special purpose entity, Meliadi Finance S.r.l., from the collection of the receivables sold by SEAT Pagine Gialle S.p.A. within the context of the securitisation program.

Consolidated operating free cash flow for the first nine months of 2010

Operating free cash flow generated in the first nine months of 2010 totalled € 301.1 million, decreased by € 27.2 million compared to the same period in 2009 (€ 328.3 million). This figure decreases the fall of € 34.8 million in EBITDA compared to the first nine months of 2009 and the reduction of € 4.7 million in cash flows arising from changes in operating working capital, which fell by € 3.1 million over the period, compared to a fall of € 7.8 million in the first nine months of 2009. Operating free cash flow was positively affected by the € 11.5 million decrease compared to the same period of 2009 in capital expenditure to € 23.4 million.

➔ Reclassified consolidated statements of operations

(euro/thousand)	9 months 2010	9 months 2009	Change Absolute	Change %	3rd quarter 2010	3rd quarter 2009	Change Absolute	Change %	Year 2009
Revenue from sales and services	**777,228**	**853,046**	**(75,818)**	**(8.9)**	**314,032**	**345,721**	**(31,689)**	**(9.2)**	**1,209,821**
Materials and external services (*)	(272,001)	(284,169)	12,168	4.3	(94,936)	(98,597)	3,661	3.7	(403,533)
Salaries, wages and employee benefits (*)	(151,117)	(164,129)	13,012	7.9	(44,711)	(51,868)	7,157	13.8	(217,653)
Gross operating profit (GOP)	**354,110**	**404,748**	**(50,638)**	**(12.5)**	**174,385**	**195,256**	**(20,871)**	**(10.7)**	**588,635**
% on revenue	*45.6%*	*47.4%*			*55.5%*	*56.5%*			*48.7%*
Other valuation adjustments and provisions to reserves for risks and charges	(23,485)	(37,618)	14,133	37.6	(6,576)	(9,274)	2,698	29.1	(58,002)
Other operating income (expense)	(780)	(2,499)	1,719	68.8	(361)	(569)	208	36.6	(3,032)
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	**329,845**	**364,631**	**(34,786)**	**(9.5)**	**167,448**	**185,413**	**(17,965)**	**(9.7)**	**527,601**
% on revenue	*42.4%*	*42.7%*			*53.3%*	*53.6%*			*43.6%*
Operating amortisation, depreciation and write-down	(48,335)	(47,241)	(1,094)	(2.3)	(15,771)	(15,853)	82	0.5	(63,196)
Non-operating amortisation, depreciation and write-down	(2,347)	(188,667)	186,320	98.8	(782)	(106,069)	105,287	99.3	(188,964)
Non-recurring and restructuring costs, net	(10,968)	(22,662)	11,694	51.6	(1,879)	(6,257)	4,378	70.0	(29,713)
Operating result (EBIT)	**268,195**	**106,061**	**162,134**	**n.s.**	**149,016**	**57,234**	**91,782**	**n.s.**	**245,728**
% on revenue	*34.5%*	*12.4%*			*47.5%*	*16.6%*			*20.3%*
Interest expense, net	(183,482)	(144,956)	(38,526)	(26.6)	(64,639)	(51,381)	(13,258)	(25.8)	(214,847)
Gain (loss) on investments valued at equity	-	-	-	n.s.	-	-	-	n.s.	36
Profit (loss) before income taxes	**84,713**	**(38,895)**	**123,608**	**n.s.**	**84,377**	**5,853**	**78,524**	**n.s.**	**30,881**
Income taxes for the period	(42,496)	(25,409)	(17,087)	(67.2)	(32,870)	(30,568)	(2,302)	(7.5)	(54,173)
Profit (loss) on continuing operations	**42,217**	**(64,304)**	**106,521**	**n.s.**	**51,507**	**(24,715)**	**76,222**	**n.s.**	**(23,292)**
Profit (loss) from non-current assets held for sale and discontinued operations	(155)	(10,810)	10,655	98.6	7	13	(6)	(46.2)	(12,337)
Profit (loss) for the period	**42,062**	**(75,114)**	**117,176**	**n.s.**	**51,514**	**(24,702)**	**76,216**	**n.s.**	**(35,629)**
- of which pertaining to the Group	39,854	(76,786)	116,640	n.s.	50,770	(25,476)	76,246	n.s.	(38,041)
- of which non-controlling interests	2,208	1,672	536	32.1	744	774	(30)	(3.9)	2,412

(*) Less repayments of cost and shown in the IFRS financial statements under "Other revenue and income".
From the 1st January 2010 in accordance to IAS 39 "Time value", as a part of cash flow hedge instruments, has been booked in the statement of operations. Interest expenses of the first nine months of 2009, the third quarter of 2009 and of year 2009 have been restated.

➔ Consolidated statements of comprehensive income

(euro/thousand)		9 months 2010	9 months 2009	3rd quarter 2010	3rd quarter 2009	Year 2009
Profit (loss) for the period	(A)	**42,062**	**(75,114)**	**51,514**	**(24,702)**	**(35,629)**
Profit (loss) for "cash flow hedge" instruments		3,984	(25,717)	5,108	(4,626)	(11,283)
Profit (loss) for foreign exchange adjustments		(188)	7,170	361	(3,958)	6,798
Actuarial gain (loss) recognised to equity		(1,544)	(3,408)	(12)	(30)	(15,776)
Total other comprehensive profit (loss) for the period, net of tax effect	(B)	**2,252**	**(21,955)**	**5,457**	**(8,614)**	**(20,261)**
Total comprehensive profit (loss) for the period	(A+B)	**44,314**	**(97,069)**	**56,971**	**(33,316)**	**(55,890)**
- of which pertaining to the Group		42,106	(98,741)	56,227	(34,090)	(58,302)
- of which non-controlling interests		2,208	1,672	744	774	2,412

➔ Reclassified consolidated statement of financial position

(euro/thousand)		At 30.09.2010	At 31.12.2009 restated	Change	At 30.09.2009 restated
Goodwill and customer database		3,334,482	3,335,257	(775)	3,334,997
Other non-current assets (*)		206,793	232,741	(25,948)	208,952
Operating non-current liabilities		(63,616)	(66,880)	3,264	(54,507)
Non-operating non-current liabilities		(14,511)	(19,871)	5,360	(22,872)
Operating working capital		323,161	326,222	(3,061)	309,929
- Operating current assets		*651,298*	*698,027*	*(46,729)*	*678,474*
- Operating current liabilities		*(328,137)*	*(371,805)*	*43,668*	*(368,545)*
Non-operating working capital		(31,019)	(39,416)	8,397	(28,259)
- Non-operating current assets		*27,971*	*7,405*	*20,566*	*29,523*
- Non-operating current liabilities		*(58,990)*	*(46,821)*	*(12,169)*	*(57,782)*
Non-current assets held for sale and discontinued operations, net		(250)	74	(324)	2,398
Net invested capital		**3,755,040**	**3,768,127**	**(13,087)**	**3,750,638**
Equity of the Group		1,059,131	1,017,352	41,779	976,902
Non-controlling interests		21,107	21,911	(804)	21,160
Total equity	(A)	**1,080,238**	**1,039,263**	**40,975**	**998,062**
Net financial debt		**2,721,064**	**2,762,782**	**(41,718)**	**2,784,683**
Transaction costs on loans and securitisation program not yet amortised		(64,503)	(56,403)	(8,100)	(69,035)
Net market value of "cash flow hedge" instruments		18,241	22,485	(4,244)	36,928
Net financial debt - "book value"	(B)	**2,674,802**	**2,728,864**	**(54,062)**	**2,752,576**
of which:					
- Non-current financial liabilities		*2,650,444*	*2,396,012*	*254,432*	*2,877,227*
- Current financial liabilities		*296,999*	*628,849*	*(331,850)*	*269,173*
- Non-current financial assets		*(2,063)*	*(2,088)*	*25*	*(2,112)*
- Current financial assets, cash and cash equivalent		*(270,578)*	*(293,909)*	*23,331*	*(391,712)*
Total	(A+B)	**3,755,040**	**3,768,127**	**(13,087)**	**3,750,638**

(*) Includes financial assets available for sale.

Consolidated statements of cash flows

(euro/thousand)		9 months 2010	9 months 2009	Change	3rd quarter 2010	3rd quarter 2009	Change	Year 2009
Cash inflow from operating activities								
EBIT		268,195	106,061	162,134	149,016	57,234	91,782	245,728
Amortisation, depreciation and write-down		50,682	235,908	(185,226)	16,553	121,922	(105,369)	252,160
Costs for stock option		61	161	(100)	-	56	(56)	227
(Gains) losses on disposal of non-current assets		(759)	118	(877)	87	3	84	264
Change in working capital		(19,712)	7,390	(27,102)	(63,050)	(58,818)	(4,232)	(1,614)
Income taxes paid		(31,948)	(68,540)	36,592	(27,667)	(56,777)	29,110	(108,761)
Change in non-current liabilities		(7,335)	(3,371)	(3,964)	1,407	(6,535)	7,942	(12,417)
Foreign exchange adjustments and other movements		(618)	(100)	(518)	435	428	7	535
Cash inflow from operating activities	**(A)**	**258,566**	**277,627**	**(19,061)**	**76,781**	**57,513**	**19,268**	**376,122**
Cash outflow for investments								
Purchase of consolidated subsidiaries		-	(76)	76	-	-	-	-
Purchase of intangible assets with finite useful life		(19,267)	(29,213)	9,946	(6,464)	(8,351)	1,887	(44,984)
Purchase of property, plant and equipment		(4,117)	(5,669)	1,552	(963)	(978)	15	(6,959)
Other investments		(284)	(238)	(46)	(130)	(79)	(51)	(673)
Proceeds from disposal of non-current assets		1,354	461	893	42	393	(351)	104
Cash outflow for investments	**(B)**	**(22,314)**	**(34,735)**	**12,421**	**(7,515)**	**(9,015)**	**1,500**	**(52,512)**
Cash outflow for financing								
Proceeds from non-current loans		536,799	-	536,799	-	-	-	-
Repayments of non-current loans		(629,951)	(212,097)	(417,854)	(85,971)	(843)	(85,128)	(303,910)
Payment of interest expense, net		(149,092)	(113,160)	(35,932)	(41,088)	(14,790)	(26,298)	(200,472)
Change in other current financial assets and liabilities		(15,883)	(22,974)	7,091	(12,612)	2,362	(14,974)	(19,576)
Capital increase		-	193,508	(193,508)	-	(11)	11	193,519
Distribution of dividends		(3,365)	(3,365)	-	-	-	-	(3,365)
Cash outflow for financing	**(C)**	**(261,492)**	**(158,088)**	**(103,404)**	**(139,671)**	**(13,282)**	**(126,389)**	**(333,804)**
Cash flow from non-current assets held for sale and discontinued operations	**(D)**	**(156)**	**(2,311)**	**2,155**	**8**	**(1,279)**	**1,287**	**(2,417)**
Increase (decrease) in cash and cash equivalents in the period	**(A+B+C+D)**	**(25,396)**	**82,493**	**(107,889)**	**(70,397)**	**33,937**	**(104,334)**	**(12,611)**
Cash and cash equivalent at beginning of the period		**291,991**	**304,602**	**(12,611)**	**336,992**	**353,158**	**(16,166)**	**304,602**
Cash and cash equivalent at end of the period		**266,595**	**387,095**	**(120,500)**	**266,595**	**387,095**	**(120,500)**	**291,991**

➔ Consolidated financial flows

(euro/thousand)	9 months 2010	9 months 2009	Change	3rd quarter 2010	3rd quarter 2009	Change	Year 2009
Operating income before amortisation, depreciation, non-recurring and restructuring costs, net (EBITDA)	329,845	364,631	(34,786)	167,448	185,413	(17,965)	527,601
Gains (losses) from discounting operating assets and liabilities	(2,229)	(743)	(1,486)	(600)	(236)	(364)	(1,795)
Decrease (increase) in operating working capital (*)	3,061	7,776	(4,715)	(54,183)	(59,008)	4,825	(8,005)
(Decrease) increase in operating non-current liabilities (*)	(5,402)	(8,587)	3,185	(3,356)	(6,359)	3,003	(9,818)
Capital expenditure	(23,384)	(34,882)	11,498	(7,427)	(9,329)	1,902	(51,943)
(Gains) losses on disposal of non-current operating assets	(759)	118	(877)	87	3	84	264
Operating free cash flow	**301,132**	**328,313**	**(27,181)**	**101,969**	**110,484**	**(8,515)**	**456,304**
Capital increase	-	193,508	(193,508)	-	(11)	11	193,519
Payment of interest expense, net	(149,092)	(113,160)	(35,932)	(41,088)	(14,790)	(26,298)	(200,472)
Payment of income taxes	(31,948)	(68,540)	36,592	(27,667)	(56,777)	29,110	(108,761)
Payment of non-recurring and restructuring expense (**)	(33,384)	(16,928)	(16,456)	(5,383)	(5,951)	568	(23,899)
Distribution of dividends	(3,365)	(3,365)	-	-	-	-	(3,365)
Flows on "Non-current assets held for sale and discontinued operations"	(156)	(2,311)	2,155	8	(1,279)	1,287	(2,417)
Investment in the Turin complex - new headquarters	-	-	-	-	-	-	(1,091)
Foreign exchange adjustments and other movements	(41,469)	(20,184)	(21,285)	(13,928)	(26,128)	12,200	9,416
Change in net financial debt	**41,718**	**297,333**	**(255,615)**	**13,911**	**5,548**	**8,363**	**319,234**

(*) The changes don't include the non monetary effects arising from the reclassification to non-current assets held for sale and discontinued operations and profit and losses recognised to equity.

(**) The item in the first nine months of 2010 included the payment of the purcharse price of the non-controlling interest in Cipi S.p.A. in 2009.

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Statement of changes in consolidated equity from 31 December 2009 and 30 September 2010

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustements	Reserve for "cash flow hedge" instruments	Reserve for actuarial gains (losses)	Other reserves	Profit (loss) for the period	Total	Not controlling interests	Total
At 31.12.2009	450,266	466,843	(38,445)	(22,214)	(17,331)	211,089	(38,041)	1,012,167	21,911	1,034,078
Restatement due to errors	-	-	-	-	-	5,185	-	5,185	-	5,185
At 31.12.2009 restated	450,266	466,843	(38,445)	(22,214)	(17,331)	216,274	(38,041)	1,017,352	21,911	1,039,263
Allocation of previous year profit (loss)	-	-	-	-	-	(38,041)	38,041	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(3,365)	(3,365)
Share-based payments	-	-	-	-	-	46	-	46	14	60
Other comprehensive profit (loss) for the period	-	-	(188)	3,984	(1,544)	-	39,854	42,106	2,208	44,314
Other movements	-	-	-	-	-	(373)	-	(373)	339	(34)
At 30.09.2010	450,266	466,843	(38,633)	(18,230)	(18,875)	177,906	39,854	1,059,131	21,107	1,080,238

Statement of changes in consolidated net equity from 31 December 2008 and 30 September 2009

(euro/thousand)	Share capital	Additional paid-in capital	Reserve for foreign exchange adjustements	Reserve for "cash flow hedge" instruments	Reserve for actuarial gains (losses)	Other reserves	Profit (loss) for the period	Total	Not controlling interests	Total
At 31.12.2008	250,352	465,103	(45,243)	(10,931)	(1,555)	398,515	(179,646)	876,595	26,946	903,541
Restatement due to errors	-	-	-	-	-	5,037	148	5,185	-	5,185
At 31.12.2008 restated	250,352	465,103	(45,243)	(10,931)	(1,555)	403,552	(179,498)	881,780	26,946	908,726
Increase of share capital	199,914	1,346	-	-	-	(7,752)	-	193,508	-	193,508
Allocation of previous year profit (loss)	-	-	-	-	-	(179,498)	179,498	-	-	-
Distribution of dividends	-	-	-	-	-	-	-	-	(3,365)	(3,365)
Share-based payments	-	-	-	-	-	125	-	125	37	162
Other comprehensive profit (loss) for the period	-	-	7,170	(25,717)	(3,408)	-	(76,786)	(98,741)	1,672	(97,069)
Other movements	-	394	-	-	-	(164)	-	230	(4,130)	(3,900)
At 30.09.2009 restated	450,266	466,843	(38,073)	(36,648)	(4,963)	216,263	(76,786)	976,902	21,160	998,062

Main events in the third quarter of 2010

Sale of the Data Center division

On 1 July 2010, SEAT Pagine Gialle S.p.A. signed agreements to sell its "data center, network, voice operations and distributed infrastructures" to Engineering.it S.p.A., together with the transfer of the Data Center's 27-strong workforce.

Agreement with Sky Italia

On 2 July 2010, SEAT Pagine Gialle S.p.A. and Sky Italia announced a strategic agreement aimed at making the communications capabilities of national television advertising available to small and medium-sized Italian companies, and exploiting the potential of Sky's football programming as an effective tool for local advertising. The first step involves transferring to SEAT Pagine Gialle S.p.A. and its sales network the exclusive rights to sell advertising space which will air on the Sky network during Serie B football league matches in 2010/2011.
Under the agreement, SEAT Pagine Gialle S.p.A. will become the first directory services provider in the world to sell television advertising to its core customers (small and medium-sized businesses).

Early repayment of € 50 million of asset-backed securities

On 15 July 2010, the Company made an early repayment of € 50 million of the € 256 million of asset-backed securities issued by the special purpose entity, Meliadi Finance S.r.l.. This transaction had to be carried out because it was no longer possible to fully collateralise obligations on a revolving basis due to the reduction in securitisable invoicing volumes over the last two years, meaning cash collateral needed to be maintained within the special purpose entity.

Change of company name for Telegate Italia S.r.l.

On 2 August 2010, the Extraordinary Shareholders' Meeting of Telegate Italia S.r.l. decided to change the company's name to "Pagine Gialle Phone Service S.r.l.".

Merger by incorporation of Telegate Auskunftdienste GmbH

On 24 August 2010, a deed of merger was drawn up for the incorporation of Telegate Auskunftdienste GmbH into Telegate Media AG, both wholly owned subsidiary by Telegate AG. The transaction took effect on 1 July 2010.
Within the context of this transaction, the share capital of Telegate Media became € 4,050,000.00.

Early repayment of the € 35.1 million instalment due at the end of December 2010 in relation to the Senior facilities agreement with The Royal Bank of Scotland Plc

At the end of September 2010, SEAT Pagine Gialle S.p.A. chose to make an early repayment of an instalment of € 35.1 million due at the end of December 2010 in relation to the Senior facilities agreement in place with The Royal Bank of Scotland Plc thanks to liquidity generated by operations.
This voluntary early repayment therefore reduced the remaining maturities for the current year to zero.

Post-balance sheet events

Senior Secured Bond second tranche issue worth € 200 million

On 8 October 2010, SEAT Pagine Gialle S.p.A. issued a Senior Secured Bond with a nominal value of € 200 million at a price of € 0.90. The bond has a maturity date of 31 January 2017 and carries a nominal rate of 10.5%, to be paid half-yearly at the end of January and the end of July each year, with the first instalment due at the end of January 2011.
The yield at issue of the bond was 12.85% p.a. due to the issue discount.
Of the total proceeds of the bond issue (€ 180 million), € 154.7 million was used to repay part of tranche A, due on 8 June 2012, € 17.7 million was used to repay part of tranche B, and the remainder was used to cover the transaction costs incurred.
The issue was handled by JP Morgan Securities Ltd., Banca IMI S.p.A., Deutsche Bank AG, BNP Paribas and The Royal Bank of Scotland Plc as "Joint Book Running Managers".
The transaction took place as part of a wider Senior Secured Bond issue for a maximum value of € 1,000 million in total (to be completed in one or more tranches by 31 January 2011) authorised by The Royal Bank of Scotland Plc in January 2010 and subsequently decided upon by the Board of Directors of the Company.
Following the transactions carried out in October 2010 and January 2010 (in which the Company issued Senior Secured Bond with a nominal value of € 550 million), SEAT Pagine Gialle S.p.A. has to date issued Senior Secured Bond with a total nominal value of € 750 million.

Early repayment of € 16 million of asset-backed securities

On 15 October 2010, the securitisation program was reduced by € 16 million through the use of cash from the special purpose entity, Meliadi Finance S.r.l.. Consequently, the asset-backed securities were reduced from € 206 million to € 190 million.
This transaction, like the € 50 million transaction occured in July, had to be carried out because it was no longer possible to fully collateralise obligations on a revolving basis due to the reduction in securitisable invoicing volumes over the last two years, meaning cash collateral needed to be maintained within the special purpose entity, Meliadi Finance S.r.l..

Outlook

Throughout 2010, in the context of a slowly recovering economy, SEAT Pagine Gialle S.p.A. continued to invest to strengthen its core business in Italy and guarantee sustainable growth for the coming years, whilst simultaneously seeking to safeguard its margins by implementing structural measures to reduce operating costs, based on cutting current expenses and redesigning its main operating processes.

More specifically, in Italy the Company pursued its strategy aimed at accelerating and promoting the presence of SMEs on the web via a range of multimedia packages that offer small and medium-sized businesses the chance to easily and cheaply create a highly visible website, while simultaneously having an integrated presence across all platforms. The process of strengthening and expanding the Company’s online activities received a vital boost from the WEB POINTS, a network of web agencies spread throughout the entire country, providing 360° consultancy to the customer base using online marketing and advertising campaign planning tools.

Outside Italy, bearing in mind the non-core nature of its activities, the Company continued to keep a close eye on its subsidiaries as it pursued their individual business plans, aiming to preserve their value through cost-cutting measures. On a strategic level, as in Italy, the main aim was to shift its commercial focus from a traditional single-product range to a multimedia offer, thereby boosting the possibility for customers to operate via an integrated presence on multiple platforms, and in particular on the web.

As regards forecasts for the close of the current year, at Group level, the aforementioned strategic measures and the plan to cut operating costs, the effects of which will also be partly visible in 2011, will enable the Company to finance the development of its business and protect its operating margin, limiting the drop in EBITDA compared to the previous year.

Related-party transactions

With reference to the provisions of IAS 24 and pursuant to article 2, letter h) of Consob issuer regulation No. 11971/1999 (as subsequently amended), the economic and financial effects of transactions of the SEAT Pagine Gialle group with related parties as at 30 September 2010 are listed below.
The economic and financial effects of intra-group transactions between consolidated companies have been eliminated in the consolidated data.
Transactions carried out by group companies with related parties, including intra-group transactions, come under ordinary operating activities and are subject to market conditions or specific legislative provisions. No atypical and/or unusual transactions or transactions potentially giving rise to a conflict of interest were carried out, with the exception of the agreement to extend the dividend payment deadline for companies with significant influence over the Company (Leading Shareholders).

Statements of operations

(euro/thousand)	9 months 2010	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2010	*% impact on item*
Material and external services	(273,364)	-	-	(108)	(108)	*n.s.*
Salaries, wages an employee benefits	(151,561)	-	-	(4,518)	(4,518)	*3.0*
Non-recurring costs	(7,553)	-	-	(73)	(73)	*1.0*
Interest expense	(194,592)	(82,677)	(29)	-	(82,706)	*42.5*

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

(euro/thousand)	9 months 2009	Associates	Companies with significant influence	Other related parties (*)	Total related parties 9 months 2009	*% impact on item*
Material and external services	(285,886)	-	-	(194)	(194)	*n.s.*
Salaries, wages an employee benefits	(164,516)	-	-	(7,495)	(7,495)	*4.6*
Non-recurring costs	(10,424)	-	-	(801)	(801)	*7.7*
Interest expense	(166,270)	(82,551)	(573)	-	(83,124)	*50.0*
Profit (loss) from discontinued operations / non-current assets held for sale	(10,810)	(3,319)	-	(112)	(3,431)	*31.7*

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

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Statement of financial position

(euro/thousand)	**As at 30.09.2010**	Associates	Companies with significant influence	Other related parties (*)	**Total related parties as at 30.09.2010**	***% impact on item***
Non-current financial liabilities	(2,650,444)	(1,274,541)	-	364	(1,274,177)	*48.1*
Non-current reserves to employees	(39,444)	-	-	(212)	(212)	*0.5*
Current financial liabilities	(296,999)	(43,438)	-	-	(43,438)	*14.6*
Trade payables	(174,616)	-	-	(813)	(813)	*0.5*

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

(euro/thousand)	**As at 31.12.2009**	Associates	Companies with significant influence	Other related parties (*)	**Total related parties as at 31.12.2009**	***% impact on item***
Cost of the capital increase accounted for the equity	10,671	-	-	1,281	1,281	*12.0*
Non-current financial liabilities	(2,396,012)	(1,270,052)	-	204	(1,269,848)	*53.0*
Non-current reserves to employees	(42,896)	-	-	(100)	(100)	*0.2*
Current financial liabilities	(628,849)	(17,375)	(13,526)	-	(30,901)	*4.9*
Trade payables	(228,947)	-	-	(729)	(729)	*0.3*
Payables for services to be rendered and other current liabilities	(100,493)	-	-	(1,600)	(1,600)	*1.6*

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

Statements of cash flows

(euro/thousand)	9 months 2010	Associates	Companies with significant influence	Other related parties (*)	**Total related parties 9 months 2010**	*% impact on item*
Cash inflow (outflow) from operating activities	258,566	-	-	(6,103)	(6,103)	*(2.4)*
Cash inflow (outflow) for investments	(22,314)	-	-	-	-	-
Cash inflow (outflow) for financing	(261,492)	(52,125)	(13,555)	(364)	(66,044)	*(25.3)*
Cash flow on non-current assets held for sale and discontinued operations	(156)	-	-	-	-	-
Cash flow for the period	**(25,396)**	**(52,125)**	**(13,555)**	**(6,467)**	**(72,147)**	***n.s.***

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

(euro/thousand)	9 months 2009	Associates	Companies with significant influence	Other related parties (*)	**Total related parties 9 months 2009**	*% impact on item*
Cash inflow (outflow) from operating activities	277,627	-	-	(11,744)	(11,744)	*(4.2)*
Cash inflow (outflow) for investments	(34,735)	-	-	-	-	-
Cash inflow (outflow) for financing	(158,088)	(52,125)	(17,522)	(1,485)	(71,132)	*(45.0)*
Cash flow on non-current assets held for sale and discontinued operations	(2,311)	(452)	-	(112)	(564)	*(24.4)*
Cash flow for the period	**82,493**	**(52,577)**	**(17,522)**	**(13,341)**	**(83,440)**	***n.s.***

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

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

Statements of operations

(euro/thousand)	9 months 2010	9 months 2009	Type of transaction
INTEREST EXPENSE	(82,706)	(83,124)	
of which:			
Lighthouse International Company S.A.	(82,677)	(82,551)	interest expense and write-down of multi-year charges on long-term Subordinated facilities
Leading Shareholders	(29)	(573)	interest expense on dividends
PROFIT (LOSS) FROM NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS			
of which:	-	(3,431)	
Katalog Yayin ve Tanitim Hizmetleri A.S.	-	(3,319)	recovery of seconded personnel expense and repayments for services

Statements of financial positions

(euro/thousand)	As at 30.09.2010	At 31.12.2009	Type of transaction
NON-CURRENT FINANCIAL DEBTS	(1,274,177)	(1,269,848)	
of which:			
Lighthouse International Company S.A.	(1,274,541)	(1,270,052)	Subordinated loan
CURRENT FINANCIAL DEBTS	(43,438)	(30,901)	
of which:			
Lighthouse International Company S.A.	(43,438)	(17,375)	outstanding interest expense for the period
Leading shareholders	-	(13,526)	interest-bearing dividends

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

(euro/thousand)	As at 30 September 2010	As at 30 September 2010
Managers with strategic responsibility	2,995	3,909
Remuneration to directors and statutory auditors(1)	1,719	4,020

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

Economic and financial performance by Business Area

(euro/thousand)		Italian directories	UK Directories	Directory Assistance	Other Activities	Aggregate Total	Elimination and other adjustments	Consolidated Total
Revenue from sales and services	9 months 2010	609.6	49.5	108.6	33.5	801.2	(24.0)	777.2
	9 months 2009	669.9	54.6	125.8	37.7	888.0	(35.0)	853.0
	Year 2009	952.2	81.4	165.4	63.9	1,262.9	(53.1)	1,209.8
Gross operating profit (GOP)	9 months 2010	328.3	5.4	21.2	(1.2)	353.7	0.4	354.1
	9 months 2009	365.6	7.8	32.9	(1.5)	404.8	(0.1)	404.7
	Year 2009	521.3	17.8	41.8	7.4	588.3	0.3	588.6
Operating income before amortization, depreciation, non-recurring and restructuring costs, net (EBITDA)	9 months 2010	309.1	3.4	19.0	(1.6)	329.9	(0.1)	329.8
	9 months 2009	331.3	5.8	29.3	(1.8)	364.6	-	364.6
	Year 2009	470.7	13.8	36.3	6.8	527.6	-	527.6
Operating result (EBIT)	9 months 2010	265.4	0.3	8.6	(6.0)	268.3	(0.1)	268.2
	9 months 2009	180.3	(89.3)	20.8	(5.9)	105.9	0.2	106.1
	Year 2009	305.4	(84.0)	24.7	(0.4)	245.7	-	245.7
Total assets	30 September 2010	4,187.8	120.8	255.1	252.9	4,816.6	(323.4)	4,493.2
	30 September 2009	4,326.0	120.1	274.6	312.7	5,033.4	(381.2)	4,652.2
	31 December 2009	4,239.0	118.4	254.4	317.5	4,929.3	(359.5)	4,569.8
Total liabilities	30 September 2010	3,287.0	126.6	76.7	239.4	3,729.7	(316.8)	3,412.9
	30 September 2009 *restated (*)*	3,515.0	113.3	99.5	297.6	4,025.4	(371.3)	3,654.1
	31 December 2009 *restated (*)*	3,381.7	121.3	82.4	298.2	3,883.6	(353.1)	3,530.5
Net invested capital	30 September 2010	3,589.3	43.2	110.0	19.2	3,761.7	(6.7)	3,755.0
	30 September 2009	3,590.2	51.1	107.1	12.2	3,760.6	(10.0)	3,750.6
	31 December 2009	3,600.1	43.3	111.1	20.3	3,774.8	(6.7)	3,768.1
Capital expenditure	9 months 2010	17.5	1.0	2.2	2.7	23.4	-	23.4
	9 months 2009	28.5	0.7	3.7	2.0	34.9	-	34.9
	Year 2009	41.9	1.1	5.8	3.6	52.4	(0.5)	51.9
Average workforce	9 months 2010	1,165	679	2,450	366	4,660	-	4,660
	9 months 2009	1,352	692	2,484	408	4,936	-	4,936
	Year 2009	1,336	728	2,476	407	4,947	-	4,947
Sales agents (average number)	9 months 2010	1,580	-	2	41	1,623	-	1,623
	9 months 2009	1,707	-	22	34	1,763	-	1,763
	Year 2009	1,682	-	20	36	1,738	-	1,738

(*) See "Report on Operations, paragraph Introduction" for further details as at 30 September 2009 and 31 December 2009.

Key performance indicators of the Group

	9 months 2010	9 months 2009	Year 2009
Number of published directories			
PAGINEBIANCHE®	69	74	103
PAGINEGIALLE®	134	141	202
ThomsonLocal	121	112	173
Number of distributed directories (values in million)			
PAGINEBIANCHE®	16.0	16.7	25.9
PAGINEGIALLE®	12.0	14.1	21.7
ThomsonLocal	15.3	14.3	23.1
Number of visits (values in million)			
uninterrupted site access for 30 minutes			
PAGINEBIANCHE.it®	122.8	126.1	169.0
PAGINEGIALLE.it®	123.5	102.6	137.2
TUTTOCITTÀ.it®	22.1	22.6	30.1
Europages.com	30.5	36.8	47.3

➔ Italian Directories

Economic and financial data

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

(euro/million)	9 months 2010	9 months 2009	Change Absolute	Change %	Year 2009
Revenue from sales and services	609.6	669.9	(60.3)	(9.0)	952.2
GOP	328.3	365.6	(37.3)	(10.2)	521.3
EBITDA	309.1	331.3	(22.2)	(6.7)	470.7
EBIT	265.4	180.3	85.1	47.2	305.4
Net invested capital	3,589.3	3,590.2	(0.9)	n.s.	3,600.1
Capital expenditure	17.5	28.5	(11.0)	(38.6)	41.9
Average workforce	1,165	1,352	(187)	(13.8)	1,336

SEAT Pagine Gialle S.p.A. generated **revenue from sales and services** of € 609.6 million in the first nine months of 2010, decreased by 9.0% compared to the same period of 2009. On a same-publication basis, the drop in revenue was more contained, at 7.3%. Due to an amended publication schedule, the printing of certain directories (which generated revenue of € 12.4 million in the first nine months of 2009) was postponed until the fourth quarter of this year.

This result reflected a strong performance from core products (print, online and voice), which, despite a 5.9% drop in revenue on a same-publication basis compared to the first nine months of 2009, outperformed the other products thanks in particular to the strong growth in online activities (+55.7%), driven by continued product innovation and an acceleration in sales of multimedia packages to advertisers. More than 74,000 packages were sold, beating the target of around 65,000 set in mid-year. The sale of multimedia packages concerned new customers (more than one third of the total), whilst also enabling the Company to increase renewals by existing customers which had previously concentrated on print products. The revenue mix was also better balanced, with online activities representing 28.9% of total revenue, compared to 17.2% in the first nine months of 2009, while print products saw their share of total revenue fall from 67.9% to 57.7%, on a same-publication basis.

As in previous quarters, the overall reduction in revenue was caused by a fall in revenue from voice traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services due to a drop in the number of calls made to directory assistance services, and from some minor products, particularly merchandising activities, which were severely affected by the smaller economic recovery.

In more detail:

a) **core revenue:** in the first nine months of 2010, core revenue totalled € 555.2 million, a fall of 7.8% compared to the same period of 2009 (a decrease of 5.9% on a same-publication basis). The breakdown of the company's core revenue is as follows:

- *print:* revenue from print products totalled € 351.9 million in the first nine months of 2010, down 21.2% compared to the same period of 2009 on a same-publication basis, with a fall of 18.6% recorded in the third quarter, a lesser reduction than that of the first half (-23.5%). This improvement is mainly attributable to the significant presence in the third quarter of directories for small urban centeres, with the activities of PAGINEBIANCHE®, a product that is traditionally less influenced by negative economic conditions than PAGINEGIALLE®, accounting for a larger proportion of revenue. The fourth quarter, on the contrary, like the second, will once again see the publication of directories for large metropolitan centeres, which are more sensitive to the economic climate. The reduction in revenue from print products in the first nine months of 2010 reflects:
  - the unfavourable economic climate that characterised most of 2009, when the majority of orders were taken for 2010;
  - a structural decline due to online activities becoming increasingly relevant also in other European countries.

  In core revenues, the Company's decision to accelerate sales of multimedia packages (print, online and voice) is giving rise to an implicit rebalancing of value between print and online products to reflect customers' perceptions, as demonstrated by recent interview-based market research carried out by the Company on a sample of its customer base. Net of the effect of multimedia packages, which are balanced in favour of online products, revenue from print products fell less sharply, on a same-publication basis.

  As regards product innovation to support the traditional products, the Company has recently launched an e-book version of its print directories for the *iPad (the tablet computer developed by Apple)*, which allows users to perform searches and browse the print directories online and to have integrated access to customers' websites in order to view multimedia content. This innovation comes after another two new products were launched in the first six months of the year: *QR-codes*, which redirect the user to the mobile version of the print directories, and *metered ads*, which measure traffic generated by category/volume by using a call service that is free to directory users;

- *online*: online products generated revenue of € 176.3 million in the first nine months of 2010, increased by 55.7% compared to the first nine months of 2009. A high level of growth (+47.8%) was again recorded in the third quarter, following the strong performance of online activities in the second (+66.0%) and first (+51.6%) quarters, thanks in particular to sales of multimedia packages. The rate of growth is expected to slow down in the fourth quarter compared to the first nine months of 2010, however, due to the high level of online revenue generated in the fourth quarter of 2009, which totalled € 81.4 million (around 42% of total online revenue for 2009). The strong performance of the online business in the first nine months of 2010 was driven in particular by new online products and services based on a web-marketing-agency-style business model and aimed at offering customers a 360° consultancy service, including the opportunity to create a website easily and cheaply, optimise their online presence, improve their web visibility using online marketing and advertising campaign planning tools, and find out what the return on their investment is in real time, because the number and type of searches carried out on their website are monitored. In terms of the latest product innovations, the new banner ads have enjoyed a particularly strong performance, generating revenue of around € 1 million between their launch in July and September, proving that customers are continually moving towards the multimedia concept and are happy to take advantage of new offers which will improve their web presence.

Total traffic, including visits to PAGINEGIALLE.it® (via the web and mobile devices) and customers' websites, grew by around 20% compared to the first nine months of 2009 to123.5 million visits in the first nine months of 2010. There was a particularly significant increase in proprietary brand searches, with direct traffic remaining stable, while SEO (Search Engine Optimisation) and SEM (Search Engine Marketing) activities grew. Visits by SEAT customers via the web and mobile devices exceeded 2 million in September, representing around 16% of total visits. In the first nine months of 2010, proprietary brand visits accounted for 88% of visits made on proprietary brand, in line with the percentage recorded in the first nine months of 2009;

- *voice*: advertising revenue from the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services totalled € 26.9 million, decreased by 10.3% compared to the first nine months of 2009. This reflected a 12.3% drop in revenue in the third quarter of 2010, an improvement on the decrease of 15.4% in the second quarter after revenue remained substantially stable in the first quarter, partly due to a change in sales campaign planning.

b) Other revenue and minor products: revenue from other products totalled € 54.3 million and decreased by € 13.4 million compared to the first nine months of 2009. This item includes € 40.8 million relating to revenue from voice traffic generated by the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services (against € 48.8 million in the first nine months of 2009), which fell by 13.9% in the third quarter, compared to a drop of 17.8% in the first six months of the year. This negative trend was a result of the consolidation of the directory assistance market, which has caused an inevitable reduction in the number of calls. The combined revenue from direct marketing products, merchandising activities and the new Sky deal totalled € 7.0 million, more or less in line with the figure for the first nine months of 2009. Specialised BtoB products, which ended the first nine months of 2009 with turnover of € 2.5 million, generated no revenue in the first nine months of 2010 following the Company's decision to discontinue its Annuario SEAT and PAGINEGIALLE Professional® publications and to integrate the Annuario Kompass into the product portfolio of its subsidiary Consodata, as part of a strategic review of its product portfolio and the focus of the sales force on core products (print, online and voice).

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GOP totalled € 328.3 million in the first nine months of 2010, down by € 37.3 million compared to the same period of 2009, yielding a margin of 53.9% (54.6% in the first nine months of 2009).
Materials and external services, net of costs debited to third parties, totalled € 225.5 million in the first nine months of 2010 and decreased by € 15.6 million compared to the first nine months of 2009. On a same-publication basis, the amount decreased by € 11.9 million, due primarily to a reduction in *industrial costs*, which fell by € 11.4 million to € 80.5 million, relating to both paper purchases and directory printing, as a direct result of the fall in print revenue and reduced distribution costs. The drop in the number of calls to the 89.24.24 Pronto PAGINEGIALLE® and 12.40 Pronto PAGINEBIANCHE® services, as well as the reduction in tariffs following the outsourcing of call centeres, caused a reduction in inbound call center service costs (€ 4.2 million), while there continued to be an increase in data transmission costs related to the creation of online services. *Commercial costs* increased by € 7.9 million on a same-publication basis due to an increase in commissions and compensation paid to sales agents and an increase in fees paid to publishers as part of the new online products intended to boost web traffic. Closer attention to costs enabled *overheads* to be reduced to € 41.0 million in the first nine months of 2010, a decrease of € 8.4 million compared to the first nine months of 2009.
Salaries, wages and employee benefits, net of recovered costs for seconded personnel to other Group Companies, totalled € 55.7 million in the first nine months of 2010, a decrease of 11.6% compared to the same period of 2009. This decrease was due to a reduction in the number of trainees and project workers hired, as well as the Company's workforce reduction programs.
The workforce, including directors, project workers and trainees, consisted of 1,281 employees as at 30 September 2010 (1,376 employees as at 31 December 2009).

EBITDA amounted to € 309.1 million in the first nine months of 2010, a decrease of € 22.2 million compared to the same period of 2009, yielding a margin of 50.7% (49.5% in the same period of 2009). This decrease reflected the fall in GOP, which was partially offset by a reduction of € 8.8 million in the allowance for doubtful receivables. Coverage of overdue receivables remained sufficient, however.

EBIT in the first nine months of 2010 totalled € 265.4 million (€ 180.3 million in the first nine months of 2009) due to lower non-operating amortisation costs in relation to the customer database (€ 94.5 million in the first nine months of 2009), which was fully amortised as of July 2009. This figure includes non-recurring and restructuring costs, net, of € 6.7 million in the first nine months of 2010 (€ 20.1 million in the first nine months of 2009) relating to charges and provisions for tax consultancy, consultancy on new business development strategies and the new reporting system, as well as the sale of the Data Center division to Engineering.it S.p.A..

Net invested capital was € 3,589.3 million as at 30 September 2010, net of the book value of shareholdings in subsidiaries and decreased by € 10.8 million compared to 31 December 2009, mainly due to lower investments made in the period (€ 11.0 million).

Capital expenditure totalled € 17.5 million in the first nine months of 2010, relating mainly to *i)* the realisation and strengthening of the CRM system to facilitate connections with back-end systems (SAP, SEM, etc.); *ii)* the development of software to support the new online and mobile products on offer and to improve the algorithms used by search engines; *iii)* a review of the company's main processes with a view to developing its products from a customer-centric perspective by adopting a single-contract approach. In the domain of technology and infrastructure, centralised hardware was acquired for the SEAT Pagine Gialle S.p.A. Data Center with a view to replacing outdated equipment in order to improve performance and reduce energy consumption.

The **average workforce** decreased from 1,352 employees in the first nine months of 2009 to 1,165 in the first nine months of 2010, a reduction of 187 employees.

UK Directories

Structure of the Business Area

The UK Directories Business Area is organised as follows:

MAIN COMPANIES

TDL Infomedia Ltd.

Thomson Directories Ltd.

Thomson Directories Pension Company

Main company events

On 26 August 2010, the board of directors of Thomson Directories Ltd. (a wholly owned subsidiary of TDL Infomedia Ltd.) decided to distribute an interim dividend of € 0.10 per ordinary share, or € 100,000.00 in total.

Economic and financial data

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	49.5	54.6	(5.1)	(9.3)	81.4
GOP	5.4	7.8	(2.4)	(30.8)	17.8
EBITDA	3.4	5.8	(2.4)	(41.4)	13.8
EBIT	0.3	(89.3)	89.6	n.s.	(84.0)
Net invested capital	43.2	51.1	(7.9)	(15.5)	43.3
Capital expenditure	1.0	0.7	0.3	42.9	1.1
Average workforce	679	692	(13)	(1.9)	728

Revenue from sales and services totalled € 49.5 million (£ 42.5 million) in the first nine months of 2010 and decreased by € 5.1 million (£ 5.9 million) compared to the same period of 2009 despite the impact of a change in publication schedule; more specifically, 121 directories were published up to September 2010, compared to 112 in the first nine months of 2009. On a same-publication basis, revenue decreased by 16.7% compared to the same period of 2009.

Print products suffered the biggest drop in turnover, since they were severely affected by the difficult economic and market conditions.
Online revenue (€ 0.9 million) grew slightly following the launch of new multimedia packages, which has already begun to show positive effects in terms of increase in number of new customer and strengthen of existing customer base. Online turnover has been increasing in recent months thanks to the commercial strategy adopted by the Company in early 2010, which involved the opening of a new telesales center in Bridgend, South Wales, focusing on the sale of online products to new customers and expanding the range of products on offer. Thomson also recently signed a partnership agreement with Mobile Commerce for the launch of a new application for the Apple iPhone.
Revenue from direct marketing activities also decreased.

GOP totalled € 5.4 million in the first nine months of 2010 (€ 7.8 million in the first nine months of 2009) and decreased by € 2.4 million (£ 2.3 million) compared to the same period of 2009; on a same-publication basis, the reduction was € 5.0 million (£ 4.4 million). Lower salaries, wages and employee benefits, and particularly the considerable savings made on service costs due to a cost-cutting policy implemented by the Company, only partially offset the fall in revenue.
The reduction in salaries, wages and employee benefits was due to the reduction in the workforce, and also reflected the impact of the internal Restructuring Plan implemented in 2009 and still under way in the first few months of 2010, involving all areas of the Company.
There was a sharp fall in service costs as a result of lower general costs, consultancy costs and Pension Fund management costs following the transfer of employees to defined-contribution pension funds outside of the Group.

EBITDA totalled € 3.4 million (£ 2.9 million) in the first nine months of 2010 and decreased by approximately € 2.4 million compared to the first nine months of 2009, performing in line with GOP.

EBIT totalled € 0.3 million in the first nine months of 2010 (negative € 89.3 million in the same period of 2009). The figure as at 30 September 2009 included a € 91.8 million write-down of goodwill in connection with Thomson Directories. Excluding the impact of this adjustment, EBIT performed in line with EBITDA and GOP.

Net invested capital totalled € 43.2 million (£ 37.2 million) as at 30 September 2010, a slowly decrease of € 0.1 million compared to 31 December 2009; this includes goodwill worth € 49.6 million and a defined-benefit pension fund with a net value of € 20.5 million as at 30 September 2010 (€ 20.2 million as at 31 December 2009).

Capital expenditure was € 1.0 million in the first nine months of 2010 and increased slightly compared to the same period of 2009, essentially relating to the replacement of hardware and printing equipment, and investments in software.

The **average workforce** was 679 units in the first nine months of 2010 and decreased by 13 compared to the same period of 2009 due to the Company Restructuring Plan.

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➔ Directory Assistance

Structure of the Business Area

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

MAIN COMPANIES

Telegate AG | **Pagine Gialle Phone Service S.r.l.** | **Prontoseat S.r.l.**

Spain
11811 Nueva Información
Telefónica S.a.u.

Germany
- WerWieWas GmbH
- Telegate Media AG

Main company events

On 2 August 2010, the Extraordinary Shareholders' Meeting of Telegate Italia S.r.l. decided to change the company's name to "Pagine Gialle Phone Service S.r.l.".

On 24 August 2010, a deed of merger was drawn up for the incorporation of Telegate Auskunftdienste GmbH (a wholly owned subsidiary of Telegate AG) into Telegate Media AG (a wholly owned subsidiary of Telegate AG). The transaction took effect on 1 July 2010. Within the context of this transaction, the share capital of Telegate Media AG became € 4,050,000.00.

Economic and financial data

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	108.6	125.8	(17.2)	(13.7)	165.4
GOP	21.2	32.9	(11.7)	(35.6)	41.8
EBITDA	19.0	29.3	(10.3)	(35.2)	36.3
EBIT	8.6	20.8	(12.2)	(58.7)	24.7
Net invested capital	110.0	107.1	2.9	2.7	111.1
Capital expenditure	2.2	3.7	(1.5)	(40.5)	5.8
Average workforce	2,450	2,484	(34)	(1.4)	2,476

Revenue from sales and services totalled € 108.6 million in the first nine months of 2010 and decreased by € 17.2 million compared to the same period of 2009.

EBITDA decreased by € 10.3 million compared to the first nine months of 2009 to € 19.0 million.

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

Telegate Group

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009. Following the sale by Telegate AG of its stake in Pagine Gialle Phone Service S.r.l. to SEAT Pagine Gialle S.p.A. on 31 May 2010, the figures for the first nine months of 2010, 2009 and of 2009 year were recorded net of the results achieved by the Italian subsidiary, in order to allow for a consistent analysis.

(euro/million)	9 months 2010	9 months 2009	Change Absolute	Change %	Year 2009
Revenue from sales and services	93.7	101.0	(7.3)	(7.2)	133.1
GOP	20.1	29.4	(9.3)	(31.6)	38.2
EBITDA	17.3	26.5	(9.2)	(34.7)	33.6
EBIT	9.9	18.8	(8.9)	(47.3)	23.1
Net invested capital	90.3	88.2	2.1	2.4	91.8
Capital expenditure	2.0	3.4	(1.4)	(41.2)	5.3
Average workforce	1,669	1,669	-	-	1,659

Revenue from sales and services totalled € 93.7 million, down 7.2% compared to the same period of 2009 (€ 101.0 million) due to a continued reduction in call volumes for traditional directory assistance services, including added-value services and outsourcing. Online revenue rose to € 22.4 million.

The breakdown of revenue by geographical area is as follows:

in **Germany**, where the telephone assistance service market continues to decline, voice revenue totalled € 62.8 million in the first nine months of 2010 and decreased by 15.8% compared to the same period of 2009 (in terms of revenue, the reduction in call volumes in the first nine months of 2010 compared to the same period of 2009 was offset by an increase in call duration and tariffs).
Telegate continued to pursue its transformation process throughout the period, focusing its activities on the Local Search market via an increasingly varied product range and positioning itself as a marketing partner for small and medium-sized businesses. One of the new products launched was "Firmen WEBSITE", a website creation tool. Online advertising revenue for the period totalled € 22.4 million, accounting for around 26% of total revenue (approximately 19% in the first nine months of 2009). The figure was € 4.8 million higher than in the same period of 2009, with around 60% generated from new customers through telephone and regional sales channels.

EBITDA decreased by approximately € 10.0 million compared to 2009. In addition to the reduction in revenue, this decrease was due to higher salaries, wages and employee benefits as a result of an increase in telesales operators and regional sellers aimed at boosting Telegate Media AG's sales force.

In **Spain**, in the first nine months of 2010 revenue decreased by 3.9% compared to the same period of 2009 due to a fall in call volumes for the 11811 service and outsourcing services (Jazztel, Comunitel, Antena 3, QDQ 11875). The drop in revenue (€ 0.3 million) was more than offset by the reduction in advertising expenditure (€ 0.5 million) and lower variable costs, which enabled the Company to achieve an increase in EBITDA of approximately € 0.4 million compared to the same period of 2009.

GOP amounted to € 20.1 million in the first nine months of 2010 and decreased by around € 9.3 million compared to the same period in 2009. In addition to the drop in revenue, this figure reflects an increase in salaries, wages and employee benefits due to the extension of Telegate Media AG's sales network, which was only partially offset by lower advertising expenditure and savings made on inbound call center service costs.

EBITDA and **EBIT** respectively totalled € 17.3 million and € 9.9 million, performing in line with GOP.

Net invested capital of the Telegate group totalled € 90.3 million as at 30 September 2010 (including € 84.8 million relating to goodwill and customer databases), a decrease of € 1.5 million compared to 31 December 2009.

Capital expenditure totalled € 2.0 million in the first nine months of 2010, a decrease of € 1.4 million compared to the same period of 2009 due to the significant investments made in 2009 to update the CRM platform in Germany.

The **average workforce** was 1,669 units in the first nine months of 2010, unchanged from 1,669 in the same period of 2009 (net of call center personnel in Italy and France).

Prontoseat S.r.l.

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	8.1	8.7	(0.6)	(6.9)	11.7
GOP	1.1	1.0	0.1	10.0	1.4
EBITDA	1.0	0.8	0.2	25.0	1.1
EBIT	0.5	0.6	(0.1)	(16.7)	0.8
Net invested capital	0.6	0.5	0.1	20.0	0.6
Capital expenditure	0.2	0.1	0.1	100.0	0.2
Average workforce	321	336	(15)	(4.5)	341

Revenue from sales and services totalled € 8.1 million in the first nine months of 2010 and decreased by € 0.6 million compared to the same period of 2009.
The reduction in turnover was due essentially to lower inbound revenue, which fell by 16.8%, whereas revenue from telephone sales rose by 7.2%.
The drop in inbound revenue is closely linked to the lower number of calls managed by the Prontissimo service, despite an increase in call duration and the improved productivity of the service.

Despite the drop in revenue, **GOP** (€ 1.1 million in the first nine months of 2010) remained more or less in line with the same period in 2009 as a result of a drop in salaries, wages and employee benefits due to the reduction in the number of telephone operators and savings made on overheads.

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

The **average workforce** was 321 employees in the first nine months of 2010, 15 fewer than in the first nine months of 2009.

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Pagine Gialle Phone Service S.r.l.

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	6.8	16.1	(9.3)	(57.8)	20.8
GOP	(0.1)	2.4	(2.5)	n.s.	2.3
EBITDA	0.6	1.9	(1.3)	(68.4)	1.5
EBIT	(2.0)	1.4	(3.4)	n.s.	0.8
Net invested capital	(0.4)	(1.1)	0.7	63.6	(0.9)
Capital expenditure	-	0.2	(0.2)	(100.0)	0.3
Average workforce	460	479	(19)	(4.0)	477

Revenue from sales and services totalled € 6.8 million in the first nine months of 2010. The decrease compared to the same period of 2009 is attributable to the sale of call centeres in Livorno and Turin in June 2010 to People Care S.r.l. and Voice Care S.r.l., which belong to the Contacta group, together with the transfer of the call centeres' workforce.
The **GOP** and **EBITDA** recorded reflect this sale.

Other Activities

Structure of the Business Area

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

MAIN COMPANIES

Europages

Consodata S.p.A.

Cipi S.p.A.

Main company events

No significant events took place during the third quarter of 2010.

Economic and financial data

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	33.5	37.7	(4.2)	(11.1)	63.9
GOP	(1.2)	(1.5)	0.3	20.0	7.4
EBITDA	(1.6)	(1.8)	0.2	11.1	6.8
EBIT	(6.0)	(5.9)	(0.1)	(1.7)	(0.4)
Net invested capital	19.2	12.2	7.0	57.4	20.3
Capital expenditure	2.7	2.0	0.7	35.0	3.6
Average workforce	366	408	(42)	(10.3)	407

Below is a detailed analysis of the results achieved by each of the legal entities that make up the Business Area.

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Europages

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

(euro/million)	9 months 2010	9 months 2009	Change Absolute	Change %	Year 2009
Revenue from sales and services	11.1	14.1	(3.0)	(21.3)	20.1
GOP	0.1	-	0.1	n.s.	0.6
EBITDA	(0.2)	(0.2)	-	-	0.3
EBIT	(2.0)	(1.9)	(0.1)	(5.3)	(3.2)
Net invested capital	3.1	5.1	(2.0)	(39.2)	4.1
Capital expenditure	0.3	0.2	0.1	50.0	0.2
Average workforce	101	124	(23)	(18.5)	123

Revenue from sales and services totalled € 11.1 million in the first nine months of 2010, a decrease of € 3.0 million compared to the same period of 2009, due primarily to the impact of the drop in turnover in Italy (a decrease of € 2.5 million), France (a decrease of € 0.2 million) and Spain (a decrease of € 0.1 million). More specifically, the fall in revenue in France in the first few months of the year was caused by the impact of the Company Restructuring Plan, which has severely affected the Company; measures to reduce the workforce were introduced in October 2009, resulting in a stoppage of commercial activity for several weeks. In addition to the direct sales channels, around 60 sales agreements have been signed with web agencies in France and Belgium since April.
Website traffic indicators have shown a sharp fall in visits compared to the peak of growth recorded in the first few months of 2009. Visits are currently stable at an average of around 3.4 million per month, helped by better indexing on search engines. July saw the launch of Business Card, a new product that enables customers to improve their web content visibility through search marketing optimisation.

The significant fall in revenue was absorbed by GOP, which totalled € 0.1 million in the first nine months of 2010. The Company pursued a strict cost-cutting policy throughout 2010 via a restructuring of its industrial and commercial areas, involving a reduction of € 1.6 million in salaries, wages and employee benefits and a saving of € 0.3 million on advertising expenditure, as well as lower commissions paid due to the drop in revenue.

EBITDA and **EBIT** respectively totalled negative € 0.2 million and negative € 2.0 million, performing in line with GOP.

Capital expenditure incurred in the first nine months of 2010 was minimal, in line with previous periods.

The **average workforce** totalled 101 employees in the first nine months of 2010 and decreased by 23 compared to the same period of 2009 (124 employees) due to the restructuring measures implemented during the period.

Consodata S.p.A.

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

(euro/million)	9 months 2010	9 months 2009	Change Absolute	%	Year 2009
Revenue from sales and services	14.6	13.9	0.7	5.0	23.3
GOP	0.9	-	0.9	n.s.	2.7
EBITDA	0.8	-	0.8	n.s.	2.7
EBIT	(1.5)	(1.8)	0.3	16.7	(0.4)
Net invested capital	6.8	4.7	2.1	44.7	7.6
Capital expenditure	2.3	1.7	0.6	35.3	3.3
Average workforce	108	118	(10)	(8.5)	117

Revenue from sales and services totalled € 14.6 million in the first nine months of 2010, an increase of 5% compared to the same period of 2009 (€ 13.9 million). The increase was due essentially to the Kompass business line, previously managed by SEAT Pagine Gialle S.p.A. and acquired by Consodata S.p.A. on 1 April 2009, which generated revenue of € 3.2 million in the first nine months of 2010, an increase of € 1.4 million compared to the same period of 2009.

As regards the other product lines, Lineaffari suffered a drop in revenue of € 0.3 million compared to the same period of 2009, with a decrease of € 0.2 million for the Large Customer sales channel, due to the impact of *Garante della Privacy* decisions and a drop in revenue from products sold through the SME network of SEAT Pagine Gialle S.p.A. of € 0.3 million. This reduction in revenue occurred almost entirely in the last quarter, after marketing campaigns for the football World Cup came to an end.

The year-on-year growth in revenue was reflected in the increase of € 0.9 million in **GOP** in the first nine months of 2010. The drop in salaries, wages and employee benefits (€ 1.0 million) as a result of the reduction in the workforce was offset by an increase in the cost of raw materials and services.

EBITDA and **EBIT** respectively totalled positive € 0.8 million and negative € 1.5 million, performing in line with GOP.

The **average workforce** totalled 108 employees in the first nine months of 2010 and decreased by 10 compared to the same period of 2009.

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Cipi S.p.A.

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

The table below shows the main results for the first nine months of 2010 compared to the same period of 2009

	9 months	9 months	Change		Year
(euro/million)	2010	2009	Absolute	%	2009
Revenue from sales and services	7.8	9.7	(1.9)	(19.6)	20.5
GOP	(2.1)	(1.5)	(0.6)	(40.0)	4.1
EBITDA	(2.2)	(1.6)	(0.6)	(37.5)	3.8
EBIT	(2.6)	(2.1)	(0.5)	(23.8)	3.2
Net invested capital	9.3	2.0	7.3	n.s.	8.3
Capital expenditure	-	0.1	(0.1)	(100.0)	0.1
Average workforce	156	165	(9)	(5.5)	166

Revenues from sales and services totalled € 7.8 million and decreased by 19.6% compared to the same period of 2009 due to a sharp drop in revenue from the 'special' line, sales of directly imported 'custom items' to Large Customers (€ 1.4 million), as well as a drop in revenue from direct sales through the SEAT Pagine Gialle sales agent network (€ 0.8 million). Catalogue sales through a sales force and the telephone sales channel rose (€ 0.3 million).

The drop in turnover, taking into account the low margins of the 'special' line, was partially absorbed by **GOP**, which was negative € 2.1 million, down by € 0.6 million compared to the same period of 2009. During the course of 2010, the cost of raw materials, which was closely linked to the reduction in sales volumes, fell by € 0.5 million compared to the same period of 2009, despite the impact of the unfavourable euro/dollar exchange rate. The use of the special wage guarantee fund (CIGS) enabled the Company to reduce salaries, wages and employee benefits by € 0.3 million compared to the first nine months of 2009, and savings were also made on overheads (particularly because governance costs relating to the non-controlling shareholder are no longer incurred).

EBITDA and **EBIT** respectively totalled negative € 2.2 million and negative € 2.6 million, performing in line with GOP.

Net invested capital totalled € 9.3 million as at 30 September 2010 and increased by € 1.0 million compared to 31 December 2009.

The **average workforce** totalled 156 employees, decreased by 9 compared to the first nine months of 2009.

Other information

Declaration within the meaning of article 154-bis, par. 2 of Legislative Decree 58 (24 February 1998)

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

hereby declares

based on the information available to him through his role within the Company, as resolved by the Company's Board of Directors on 9 April 2009, in his capacity as Manager responsible for preparing the Company's financial reports, that the interim report as at 30 September 2010 corresponds to the Company's documented results, books and accounting records.

The interim report as at 30 September 2010 has not been audited, but has been prepared as required by CONSOB's Issuer Regulation and in accordance with the valuation and measurement criteria set out in the IAS/IFRS of the International Accounting Standards Board recognised as applicable by the European Union.

Milan, 10 November 2010

Massimo Cristofori
Manager responsible for preparation of the financial statements

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