

**PRESS RELEASE**

(pursuant to article 114 of Italian Legislative Decree n. 58/1998)

Milan, 22 May 2015

**ITALIAONLINE, LIBERO ACQUISITION, AVENUE AND GOLDENTREE SIGNED**

**AN INVESTMENT AGREEMENT FOR**

**THE INTEGRATION OF ITALIAONLINE AND SEAT PAGINE GIALLE**

- *Creation of the leading player in the digital advertising market and in internet services for SMEs in Italy through the integration of Italiaonline S.p.A. (“**Italiaonline**”) and SEAT Pagine Gialle S.p.A. (“**SEAT**”).*
- *The transaction contemplates the following three main steps:*
  1. *The contribution of the shares held by funds and/or accounts managed by Avenue Europe International Management, L.P. (“**Avenue**”) and funds and/or accounts managed by GoldenTree Asset Management LP (“**GoldenTree**”) in SEAT Pagine Gialle S.p.A. (“**SEAT**”) (corresponding to approximately 53.9% of the ordinary share capital of SEAT) (“**Contribution Shares**”) into Italiaonline S.p.A. (a wholly owned subsidiary of Libero Acquisition S.à r.l.) in exchange for newly issued shares of Italiaonline, representing approximately 33.8% of Italiaonline’s ordinary share capital (“**Contribution**”).*
    - *The completion of the Contribution is subject to the conditions typical of a transaction of this nature, including antitrust and AGCOM clearances. Subject to fulfilment of all conditions, the Contribution is expected to occur during the month of August 2015.*
    - *At closing of the Contribution:*
      - *Libero Acquisition S.à r.l. (“**Libero**”), Avenue and GoldenTree will own respectively approximately 66.2%, 15.6% and 18.2% of Italiaonline and Italiaonline will own approximately 53.9% of SEAT’s ordinary shares; and*
      - *Libero, Avenue, GoldenTree and Italiaonline will enter into a shareholders’ agreement which will regulate the corporate governance of Italiaonline and SEAT as well as transfer rights and limitations in respect of the parties’ shareholdings (“**SHA**”).*
  2. *Following the Contribution, Italiaonline will launch a mandatory tender offer to purchase in cash all the outstanding ordinary shares of SEAT, pursuant to articles 106 and 109 of Legislative Decree No. 58 of 24 February 1998 (“**MTO**”); notwithstanding the MTO, the Parties intend to maintain SEAT listed on the Milan stock exchange.*
    - *The MTO will be launched at a price per share of Euro 0.0039, that corresponds to the consideration recognized by Italiaonline to acquire the Contribution Shares through the issuance of new shares of Italiaonline; the MTO will be funded by equity provided by the parties (Libero, Avenue and*

*GoldenTree) to Italiaonline; third party financing may be considered, depending on market conditions.*

3. *Subject to approval of the competent corporate bodies of Italiaonline and SEAT, the merger of Italiaonline into SEAT (“**Merger**”). Following the Merger, the Parties intend to maintain the entity resulting from the Merger listed on the Milan stock exchange.*

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On 21 May 2015, Italiaonline, Libero, Avenue and GoldenTree have entered into an investment agreement, pursuant to which the parties have agreed to proceed with the creation of the leading Italian player in the digital advertising market through the integration of Italiaonline and SEAT.

Italiaonline is the first Italian internet company and the #1 email service in Italy. Since February 2013 the company brings together all the brands and assets of Matrix S.p.a. and Libero S.r.l. In addition to the portals Libero.it and Virgilio.it, Italiaonline currently includes a portfolio of web magazines such as Di-Lei, TotalTech, QuiFinanza, SportStadio, MotorLife, SiViaggia, CiboDiStrada, FoodInItaly and the video platform ViTV. In March 2015 Italiaonline acquired from DADA Moqu Adv S.r.l., a digital media company based in Florence and Dublin, focused on Performance Advertising.

SEAT is the Italian leader in internet services for SMEs (website, directories, local adv). SEAT also publishes telephone directories and offers advertising and market research consulting services. The company offers telephone directory assistance and call center services as well. SEAT publishes White and Yellow pages telephone directories in each district in Italy and specialized business directories in both printed and digital form.

The combined entity will be the Italian leader in digital advertising for large accounts and in communication services for SMEs (website, directories, local adv). Italy has over 3 million SMEs which represent the economic backbone of the country. Thus the new combined entity has relevant growth opportunities and will be a powerful tool for the development, digitalization and growth of Italy itself.

The transaction contemplates the following three main steps.

#### ***1. First phase: the Contribution***

Avenue and GoldenTree have agreed to contribute in kind all of the Contribution Shares into Italiaonline. Such Contribution Shares shall be contributed at a value per share of Euro 0.0039. As a consideration for the Contribution Shares, Italiaonline shall increase its share capital for an amount equal to Euro 135,017,864, issuing and allotting to Avenue and GoldenTree respectively a number of ordinary shares corresponding to approximately 15.6% and 18.2% of the ordinary share capital of Italiaonline.

The completion of the Contribution is subject to condition precedents typical of a transaction of this nature, including antitrust and AGCOM clearances.

At closing of the Contribution:

- Libero, Avenue and GoldenTree will own respectively approximately 66.2%, 15.6% and 18.2% of Italiaonline and Italiaonline will own approximately 53.9% of SEAT's ordinary shares;
- Libero, Avenue, GoldenTree and Italiaonline will enter into the SHA in order to regulate the corporate governance of Italiaonline and SEAT as well as transfer rights and limitations in respect of the parties' shareholdings.

The SHA includes provisions regarding, *inter alia*:

- the corporate governance of Italiaonline and SEAT, including, for example, the composition of the board of directors and of the board of statutory auditors and the appointment of the Chairman and Chief Executive Officers;
- a list of matters subject to special majority both at board of directors and shareholders level;
- restrictions on transfer of shares of both Italiaonline and SEAT, including, (i) a right of first offer, (ii) a tag-along right, and (iii) a drag-along right.

The SHA has a duration of three years and may be renewed. The SHA will be published within the terms and in accordance with article 122 of the Italian Financial Act.

## **2. Second phase: the Mandatory Tender Offer**

As a result of the Contribution, Italiaonline, Libero, Avenue and GoldenTree shall be obliged to launch an MTO on all the outstanding ordinary shares of SEAT. The MTO will be launched by Italiaonline, also on behalf of Libero, Avenue and GoldenTree. The MTO will be launched in cash at a price per ordinary share of Euro 0.0039, that corresponds to the consideration recognized by Italiaonline to acquire the Contribution Shares through the issuance of new shares of Italiaonline.

The MTO will be funded by equity provided by the parties (Libero, Avenue and GoldenTree) to Italiaonline. Third party financing may be considered, depending on market conditions.

Upon completion of the MTO, the parties intend to maintain SEAT listed on the Milan Stock Exchange. If required, Italiaonline will restore an adequate free float.

## **3. Third phase: the Merger**

Following completion of the MTO, the parties intend to ensure that the competent bodies of Italiaonline will activate the appropriate merger procedures and discussions with SEAT aimed at procuring the merger of Italiaonline into SEAT. The parties envisage that a merger plan may be approved by the Board of Directors of Italiaonline and SEAT within 2015. Subject to the required approvals, including *inter alia* the favourable opinion of the SEAT related parties committee, the parties envisage that the Merger should be completed during 2016.

Upon completion of the Merger, the parties intend to maintain SEAT listed on the Milan Stock Exchange.

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Naguib Sawiris, Chairman of Orascom TMT Investments S.à r.l. (“**OTMTI**”), commenting on the prospective merger between SEAT and Italiaonline (wholly owned subsidiary of OTMTI), commented: “*This investment demonstrates OTMTI’s long-term commitment to continue to take part in the development of the Italian TMT sector as well as our interest to further explore the opportunities this great Country has to offer*”.

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#### **List of advisors**

##### *Financial advisors*

Libero and Italiaonline: Accelero Capital – Lazard

Avenue and GoldenTree: Mediobanca – Banca di Credito Finanziario S.p.A.

##### *Legal advisors*

Libero and Italiaonline: White & Case

Avenue and GoldenTree: Chiomenti Studio Legale and Cleary Gottlieb Steen & Hamilton

##### *Accounting/tax advisors*

Libero and Italiaonline: PricewaterhouseCoopers

Avenue and GoldenTree: Ernst & Young

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#### **Contacts:**

Media Relations  
Image Building  
Simona Raffaelli, Simona Vecchies  
Tel. 02 89011300  
italiaonline@imagebuilding.it