

## **PRESS RELEASE**

*Milan – 9 April 2008*

Notice pursuant to article 2.6.2 no. 13 of the Rules of the markets organised and managed by Borsa Italiana:

following Seat's presentation of results for 2007 and guidelines for 2008 to the Financial Community, the rating agency Fitch has decided to change Seat's outlook from stable to negative, without changing its rating (currently, the senior debt is rated BB, the company Long-term Issuer Default rating (IDR) at BB-, and the subordinate debt is rated B+).

(For more complete information, please find attached the Fitch's press release)

Seat Pagine Gialle Communications  
Tel. +39.011.435.3030 – fax +39.011.435.3040  
[Comunicazione.stampa@seat.it](mailto:Comunicazione.stampa@seat.it)

Seat Pagine Gialle Investor Relations: +39.011.435.2600  
[Investor.relations@seat.it](mailto:Investor.relations@seat.it)

Seat Pagine Gialle S.p.A. Legal and Corporate Affairs  
[ufficio.societario@seat.it](mailto:ufficio.societario@seat.it)

Barabino & Partners: Tel.+39 02 72.02.35.35 - Fax +39 02 89.00.519  
Federico Vercellino – [f.vercellino@barabino.it](mailto:f.vercellino@barabino.it)

[www.seat.it](http://www.seat.it)

## **Fitch: Seat Pagine Gialle S.p.A affirmed at 'BB-'; Outlook Revised to Negative**

Fitch Ratings-London-9 April 2008: Fitch Ratings has today affirmed Seat Pagine Gialle S.p.A. (Seat) Long-term Issuer Default rating (IDR) at 'BB-' (BB minus). The Outlook has been revised to Negative from Stable. At the same time, the agency affirmed the ratings of Seat's senior secured bank facilities at 'BB' and its senior unsecured notes at 'B+' (B plus). The rating action follows the company's lower-than-expected 2007 results and expectations of lower EBITDA in 2008 as the group invests to address faster-than-expected growth in internet usage in Italy.

"Fitch sees the internet pick-up in Italy as much as an opportunity as a threat, depending on Seat's execution," says Cecile Durand-Agbo, Associate Director in Fitch's Leveraged Finance Group. "We understand that the measures announced are designed to allow Seat to take full advantage of new market developments, and with its strong brand in printed directories and online there is everything to play for. However, higher debt repayment requirements and a tightening of covenants in 2009 mean that the margin for error in the execution of this new strategy is reduced."

The Negative Outlook reflects Fitch's view that the next rating action will be either a stabilisation at the current level or a downgrade. The key determining factors will be the results of the group's 2008 investments, and therefore its expected EBITDA in 2009, and Fitch's expectations of the impact on the group's ability to meet its covenants and debt repayments.

Italy, Seat's core market, saw a pick-up in internet penetration in 2007, bringing the country to 50% penetration in terms of homes according to ECTA statistics, more in line with a country such as France. Although it may now be more profitable to enter this market as breakeven points may be reached, competition is also likely to increase. Seat's goals include increasing the number of print advertisers that also buy internet products (27% at the moment versus more than 60% for some European peers), by developing new packages for them, and creating a dedicated internet sales team. During this process, Seat will have to keep good control on print revenues and their evolution, making sure that its revenue decline remains contained, especially in the context of the economic slowdown. Some measures, such as increased advertising spend for 2008, are already planned.

The ratings continue to reflect the strong cash generation of the group and its good and improving credit metrics, with net total leverage falling from 5.8x to 5.0x between December 2005 and December 2007. Seat's liquidity remains appropriate for the rating level, with EUR204.5m cash on balance sheet and EUR90m undrawn RCF as at 31 December 2007 against debt repayments of EUR164m (of which EUR 35m have already been prepaid) and EUR219m in 2008 and 2009, respectively.

Contact: Cecile Durand-Agbo, London, Tel: +44 (0)20 7682 7219, Alex Griffiths, London, +44 (0)20 7417 4207

Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, [www.fitchratings.com](http://www.fitchratings.com). Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.