PRESS RELEASE

Turin, 22 March 2011

Notice pursuant to article 2.6.2 No. 17 of the Rules of the markets organised and managed by Borsa Italiana.

On today's date, the rating company Standard & Poor's decided to change Seat's Corporate rating from B- to CCC+ and, therefore, to change the rating of the bond issued by Lighthouse and guaranteed by Seat from B- to CCC+ and the rating of the Senior Debt from B to B-. The company's outlook remains Negative.

(For more complete information, please find attached the Standard&Poor's press release)

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Research Update:

Italian Directories Business SEAT PagineGialle Downgraded To 'CCC+' On Restructuring Risk; Outlook Negative

Overview

- The Board of Directors of international publisher of classified directories SEAT PagineGialle SpA (SEAT) has instructed the Chairman and CEO to identify financial options to guarantee the long-term stability of the group's financial structure. These options could be wide-ranging.
- We believe that there is a material risk that the potential options could encompass debt-restructuring measures that we would deem tantamount to a default.
- We are therefore lowering our long-term corporate credit rating on SEAT to 'CCC+' from 'B-'.
- The negative outlook reflects our view of ongoing pressures on SEAT's operating performance and factors in a possible downgrade if the group announces an exchange offer or debt-restructuring measures that we consider to be credit dilutive.

Rating Action

On March 22, 2011, Standard & Poor's Ratings Services lowered to 'CCC+' from 'B-' its long-term corporate credit rating on Italian-based international publisher of classified directories SEAT PagineGialle SpA (SEAT). The outlook is negative.

At the same time, we lowered to 'B-' from 'B' our issue ratings on SEAT's first-lien term debt, revolving credit facility (RCF), and senior secured notes. The recovery ratings on these debt instruments are unchanged at '2', indicating our expectation of substantial (70%-90%) recovery in the event of a payment default.

We also lowered to 'CCC+' from 'B-' our issue rating on the second-lien notes issued by related entity Lighthouse International Co. S.A. The recovery rating on these notes is unchanged at '4', indicating our expectation of average (30%-50%) recovery in the event of a payment default.

Rationale

The downgrades follow the Board of Directors' decision to instruct the Chairman and CEO to identify, with the support of qualified advisors, available financial options to guarantee the long-term stability of SEAT's financial structure.

The downgrades mainly reflect our opinion that, given SEAT's upcoming material debt maturities and persistent high leverage, management could implement credit-dilutive debt-restructuring measures over the next 12-18 months. We could view these measures as being tantamount to default.

SEAT's reported consolidated revenues and EBITDA were down by about 8.2% and 8.4%, respectively, in the 12 months ending Dec. 31, 2010. During this period, the group's core print revenues continued to fall (there was more than a 20% organic decline in the group's core Italian market), as a combination of structural and economic factors accelerated the decline of the print business. Revenues and profitability at the group's international operations were also down in 2010.

However, the online business posted encouragingly strong revenue growth of about 37% in Italy in 2010, and, following accounting changes related to the Italian White Pages business, this segment now represents almost 40% of the consolidated business. SEAT's EBITDA margins remained above 40% in 2010,

comparing favorably with those of the group's main rated European peers.
SEAT's gross debt stood at about €2.93 billion on Dec. 31, 2010.

In our opinion, SEAT's operating performance will likely remain under strain in 2011, as a result of the decline in the profitable traditional print business, along with ongoing difficult economic environments. As a consequence, we anticipate a mid-single-digit decline in the group's revenues in 2011. We project that EBITDA will stabilize at about €450 million in 2011 (before restructuring costs).

As a result of SEAT's recent funding initiative (comprising the issuance of a €750 million senior secured bond), we believe that the group will remain highly leveraged over the medium term due to its deferral of debt amortization. Standard & Poor's-adjusted gross debt to EBITDA stood at 6.2x in the year ended Dec. 31, 2009, compared with 6.0x as of year-end 2008, owing to the decline in EBITDA. We believe that this ratio is unlikely to improve to less than 6x in the medium term, unless SEAT manages to quickly turn its operating performance around.

Liquidity

We consider SEAT's liquidity to be less than adequate. In particular, we believe that potential liquidity issues could arise in 15 months' time (at the maturity of the term loan A [TLA] and RCF). We also anticipate that the group will be subject to tightening headroom under its financial covenants and to limited access to the capital markets.

Looking at 2011, however, we consider SEAT's liquidity to be well-supported by available cash and committed facilities, and we foresee coverage of uses to be in excess of 1.5x (assuming at least a partial refinancing of the asset-backed security [ABS] program). In addition to available committed bank lines of €90 million, SEAT reported €241.7 million of cash and cash equivalents on Dec. 31,

2010. This latter amount includes about €90 million-€100 million at special-purpose vehicle Meliadi Finance S.r.l., which is designed to serve the group's securitization program. We anticipate that cash sources will include some release of working capital, as a result of the continuing decline in print sales and management's focus on shortening the terms of receivables.

In our view, these liquidity sources adequately cover short-term debt of about €70 million (amortization of the TLA), the scheduled unwinding of the existing ABS program (with a funding gap of about €90 million if SEAT is unable to refinance the program), and capital spending of about €40 million-€45 million in 2011. We understand that the group is seeking to set up a new facility or securitization program to cover most of this funding gap before the maturity of the ABS program in June 2011.

In 2012, in our view, SEAT may have to use most of its remaining cash balances to honor its financial obligations (the €150 million amortizing TLA) without access to its €90 million RCF that matures in May 2012. We think there is a material risk that the group will not be able to generate positive net sources. Therefore, based on the current capital structure, SEAT might not be able to absorb possible further stresses on profitability and cash flow generation.

SEAT also faces the maturity of €447 million of its term loan B in 2013, as well as €1.3 billion of high-yield bonds in 2014.

In terms of covenant compliance, we believe that headroom could tighten materially if SEAT proves unable to stabilize its operating performance. Potential covenant compliance issues could arise if profitability were to drop by more than 10%-15% from the €483.5 million of EBITDA reported in 2010.

SEAT historically has good cash flow conversion, and in 2008 and 2009, converted more than 40% and 25%, respectively, of EBITDA into discretionary cash flow (DCF; operating cash flow after tax interest, working capital, capital expenditures, and dividends). Nevertheless, we believe that SEAT's conversion of EBITDA into DCF could decline to less than 20% in 2010. Despite the projected release of working capital (we project about €50 million in 2011-2012), SEAT's DCF generation is likely to remain at less than 20% in the medium term, in our opinion. This is partly because of the significantly

higher interest payments arising from the coupon paid on the new €750 million senior secured bond, compared with the rates paid on the existing bank facilities.

Recovery analysis

The issue rating on the first-lien debt (including term debt, the RCF, and the senior secured bond) issued by SEAT is 'B-', one notch higher than the corporate credit rating. The recovery rating on these debt instruments is '2', indicating our expectation of substantial (70%-90%) recovery in the event of a payment default. The issue rating on the €1.3 billion second-lien notes due 2014 issued by Lighthouse International is 'CCC+', in line with the corporate

credit rating on the guarantor, SEAT. The recovery rating of '4' indicates our expectation of average (30%-50%) recovery in the event of a payment default.

We value SEAT on a going-concern basis. The group has a leading market position in the Italian classified directories market and has characteristics such as relatively high barriers to entry, a well-diversified customer base, and good cash conversion. Consequently, we believe that a default would most likely result from excessive leverage and an inability to refinance the capital structure at maturity of the senior secured debt instruments in 2012 following assumed operating underperformance. We take into account the structural challenges that the group is facing in the classified directories business, on top of cyclical pressures due to the difficult economic environments in SEAT's markets.

At the hypothetical point of default, under our default scenario, we value the group at about €2.4 billion. While our estimated enterprise value is sufficient to fully cover the estimated amount of SEAT's senior secured debt at default, we cap our recovery rating at '2' because we consider the Italian insolvency regime to be unfavorable for creditors.

The recovery prospects for SEAT's senior secured debt instruments (both of the credit facilities and the senior secured bond) reflect the estimated value available and accessible to the respective creditors, and the likelihood of insolvency proceedings being adversely influenced by SEAT being domiciled in Italy. The recovery rating on the senior secured debt instruments also reflects the fairly comprehensive security package, including a first-ranking pledge over the material intellectual property, as well as share pledges from group operating companies. The share pledges are limited to 50.3% of the listed company, SEAT, due to limited ownership.

We also expect average recovery on the second-lien notes, which benefit from second-ranking share pledges in SEAT (confined to 50.3% of equity).

Outlook

The negative outlook primarily reflects the possibility that we could downgrade SEAT if, as the group moves closer to significant debt maturities in June 2012 and 2013, it announces debt-restructuring measures that we would deem tantamount to a default. The negative outlook also reflects our opinion that SEAT's capital structure may not be sustainable over the long term, as a result of ongoing pressures on the group's operating performance.

We believe that the refinancing of the ABS program would be a meaningful, but insufficient step to stabilize the group's liquidity profile.

Although unlikely at this point, we could revise the outlook to stable if SEAT were able to stabilize its operating performance within the next 12 months and succeed in implementing measures to successfully address the refinancing risk in 2012-2013. However, such a revision would also depend on the group being

able to avoid wiping out its cash flow generation to fund interest costs and maintain adequate covenant headroom.

Related Criteria And Research

All articles listed below are available on RatingsDirect on the Global Credit Portal, unless otherwise stated.

- Criteria Guidelines For Recovery Ratings On Global Industrials Issuers' Speculative-Grade Debt, Aug. 10, 2009
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- Rating Implications Of Exchange Offers And Similar Restructurings, Update, May 12, 2009
- How Standard & Poor's Uses Its 'CCC' Rating, Dec. 12, 2008
- Standard & Poor's Revises Its Approach To Rating Speculative-Grade Credits , May 13, 2008
- 2008 Corporate Criteria: Analytical Methodology, April 15, 2008
- 2008 Corporate Criteria: Ratios And Adjustments, April 15, 2008

Ratings List

Downgraded
To From
SEAT PagineGialle SpA
Corporate Credit Rating CCC+/Negative/-- B-/Negative/--
Senior Secured Debt B- B
Recovery Rating 2 2
Lighthouse International Co. S.A.
Subordinated Debt* CCC+ BRecovery
Rating 4 4
*Guaranteed by SEAT PagineGialle SpA.

Additional Contact:
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Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4011.

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