



## **PRESS RELEASE**

Turin, 20<sup>th</sup> May 2011

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

Today Moody's has decided to change the "Corporate Family rating" of Seat from Caa1 to Caa3 and also to change the rating of the Company bond, issued by Lighthouse, from Caa2 to Ca and the rating of the Senior Secured Bonds from B3 to Caa1. The Company's outlook remains negative.

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

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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 - Mob +39 331. 57.45.171  
Federico Vercellino – [f.vercellino@barabino.it](mailto:f.vercellino@barabino.it)

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

## Rating Action: **Moody's downgrades Seat Pagine Gialle to Caa3**

### Global Credit Research - 20 May 2011

London, 20 May 2011 -- Moody's Investors Service has today downgraded to Caa3 from Caa1 the corporate family rating (CFR) and the probability of default rating (PDR) of Seat Pagine Gialle SpA ("SEAT"). Concurrently Moody's has downgraded to Caa1 from B3 the rating on SEAT's EUR550 million senior secured notes due 2017; and to Ca from Caa2 the rating on the EUR1.3 billion 8% senior notes due 2014, issued by Lighthouse International Company SA. The outlook remains negative.

#### RATINGS RATIONALE

The rating action follows the company's recent announcement that it had appointed financial advisors to explore financial options to ensure a long term stabilization of the company's financial structure. It also reflects Moody's view that the company is highly likely to implement a material debt restructuring exercise within the next twelve months.

During the past two quarters, SEAT's liquidity profile has deteriorated. Moody's expects it to worsen further over the next year as the company: (i) plans to terminate its securitization programme; (ii) will need to fund the gap for the portion of receivables no longer monetized; and (iii) faces significant debt coming due in June 2012, including its EUR90 million revolver (which was fully drawn at 31 March 2011), although Moody's notes that the recent legal judgement related to data cost reclamations in favour of Telegate could bring some liquidity sources to the company in the next 12 months.

Moody's believes that a successful continuation of SEAT's operations will require substantially reduced indebtedness. The CFR therefore also reflects Moody's assumption that group recovery could be close to 50%. The Ca rating on the 2014 Lighthouse notes reflects the position of those instruments as the most junior debt within SEAT's capital structure. The Caa1 rating of the 2017 senior secured notes - two notches above the CFR -- reflects the senior position of those instruments in the capital structure, which however may still incur some loss in the event of a material capital restructuring.

Whilst a positive rating action is unlikely, SEAT's ratings could be downgraded at a default.

Moody's previous rating action on SEAT was implemented on 29 November 2010, when the rating agency downgraded SEAT's CFR to Caa1.

Seat Pagine Gialle SpA's ratings were assigned by evaluating factors that Moody's considers relevant to the credit profile of the issuer, such as the company's (i) business risk and competitive position compared with others within the industry; (ii) capital structure and financial risk; (iii) projected performance over the near to intermediate term; and (iv) management's track record and tolerance for risk. Moody's compared these attributes against other issuers both within and outside Seat Pagine Gialle SpA's core industry and believes Seat Pagine Gialle SpA's ratings are comparable to those of other issuers with similar credit risk. Other methodologies used include Loss Given Default for Speculative Grade Issuers in the US, Canada, and EMEA, published June 2009.

Headquartered in Turin, Italy, SEAT is the leading publisher and provider of directory services in Italy and, through its wholly-owned subsidiary, TDL, is the number three directories publisher in the UK. SEAT also has a presence in Germany through Telegate, the second-largest player in the German directory-assistance market.

#### REGULATORY DISCLOSURES

Information sources used to prepare the credit rating are the following: parties involved in the ratings, public information, and confidential and proprietary Moody's Investors Service information.

Moody's Investors Service considers the quality of information available on the issuer or obligation satisfactory for the purposes of maintaining a credit rating.

The rating has been disclosed to the rated entity or its designated agents and issued with no amendment resulting from that disclosure.

Moody's Investors Service may have provided Ancillary or Other Permissible Service(s) to the rated entity or its related third parties within the three years preceding the Credit Rating Action. Please see the ratings disclosure page [www.moodys.com/disclosures](http://www.moodys.com/disclosures) on our website for further information.

Moody's adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources Moody's considers to be reliable including, when appropriate, independent third-party sources. However, Moody's is not an auditor and cannot in every instance independently verify or validate information received in the rating process.

Please see ratings tab on the issuer/entity page on [Moodys.com](http://Moodys.com) for the last rating action and the rating history.

The date on which some Credit Ratings were first released goes back to a time before Moody's Investors Service's Credit Ratings were fully digitized and accurate data may not be available. Consequently, Moody's Investors Service provides a date that it believes is the most reliable and accurate based on the information that is available to it. Please see the ratings disclosure page on our website [www.moodys.com](http://www.moodys.com) for further information.

Please see the Credit Policy page on [Moodys.com](http://Moodys.com) for the methodologies used in determining ratings, further information on the meaning of each rating category and the definition of default and recovery.

London  
Alexis Foret

Analyst