COMUNICATO STAMPA

Torino, 7 febbraio 2012

Comunicazione ai sensi del Regolamento dei mercati organizzati e gestiti da Borsa Italiana art. 2.6.2 nr. 15.

In data odierna la società di rating Standard & Poor's ha assunto la decisione di modificare il corporate rating di Seat da SD a D e il rating del debito Senior (Senior Secured Bond) da CCC- a D.

(Per completezza d'informazione si allega il comunicato di Standard & Poor's)

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Research Update:

Italy-Based SEAT PagineGialle Downgraded To 'D' From 'SD' On Missed Coupon Payment

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Research Update:

Italy-Based SEAT PagineGialle Downgraded To 'D' From 'SD' On Missed Coupon Payment

Overview

- Italy-based international publisher of classified directories SEAT PagineGialle SpA (SEAT) has decided not to proceed with the coupon payment on its senior secured bonds due on Jan. 31, 2012.
- Under Standard & Poor's criteria, we view this payment deferral as tantamount to a selective default.
- We are therefore lowering our long-term corporate credit rating on SEAT to 'D' (Default) from 'SD' (Selective Default).
- We are also lowering our issue rating on SEAT's senior secured bonds to 'D' from 'CCC-'.

Rating Action

On Feb. 7, 2012, Standard & Poor's Ratings Services lowered its long-term corporate credit rating on Italy-based international publisher of classified directories SEAT PagineGialle SpA (SEAT) to 'D' (Default) from 'SD' (Selective Default).

At the same time, we lowered our issue rating on SEAT's outstanding €750 million senior secured bonds due 2017 to 'D' from 'CCC-'. The recovery rating on this debt instrument remains unchanged at '2', indicating our expectation of substantial (70%-90%) recovery in the event of a payment default.

All our other issue and recovery ratings on SEAT's debt are unchanged.

Rationale

The downgrade of SEAT's €750 million senior secured bonds reflects the company's failure to pay its coupon payment on this instrument within five business days after the scheduled due date. The payment due date was Jan. 31, 2012. The downgrade of SEAT reflects our understanding that SEAT has now failed to pay all, or substantially all, of its obligations as they came due. (The interest payments and debt amortization requirements on SEAT's secured bank debt and subordinated notes, due in late 2011, have already been delayed.)

SEAT is in the process of restructuring its balance sheet. The company's decision not to pay its coupon payment was consistent with its recent resolution not to pay maturity payments on the subordinated notes at related entity Lighthouse International Co. S.A. and on SEAT's senior secured bank debt, pending negotiations for the approval of a consensual restructuring

agreement by all stakeholders involved.

Under our criteria "Timeliness of Payments: Grace Periods, Guarantees, And Use Of 'D' And 'SD' Ratings," published Dec. 23, 2010, we consider the extension of a payment maturity as tantamount to a default if the payment is not made within five business days after the scheduled due date. This is irrespective of any grace period stipulated in the indenture.

We will examine the progress on SEAT's pending debt restructuring over the coming months in the context of the company's aim to reduce leverage in a way that is agreeable to all the main stakeholders. If and when SEAT emerges from any form of reorganization, we will reassess the ratings, taking into account the factors that precipitated the default, as well as any gains from the reorganization process.

Liquidity

We assess SEAT's liquidity profile as "weak" under our criteria. This primarily reflects the short-term risk of a liquidity deficit in light of the upcoming maturity of about €240 million in June 2012 (including a fully drawn €90 million revolving credit facility [RCF]), together with management's decision to delay any upcoming maturity payments for financing agreements currently in place. Our assessment also reflects tightening headroom under the group's bank facility covenants. However, we appreciate that liquidity of about €173 million at the end of December 2011 would be still sufficient to make overdue interest payments on the subordinated notes, senior secured bonds, and credit facilities, along with debt amortization requirements of about €35 million on the senior term loan scheduled in December 2011.

A capital restructuring that addresses the above weaknesses could be positive for liquidity and may lead us to reassess SEAT's creditworthiness when we return to reviewing conventional default risks.

Recovery analysis

The issue ratings on SEAT's senior secured credit facilities (including the term loan and the RCF) and the senior secured bond are 'D'. 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 (subordinated) notes due 2014 issued by Lighthouse International is 'D'. The recovery rating on this instrument is '5', and indicates our expectation of modest (10%-30%) recovery in the event of a payment default.

Our recovery assessment is based on a valuation of the company on a going-concern basis. It appears to us from the latest company restructuring proposal that the subordinated bondholders could undertake a debt-to-equity swap on about €1.235 billion of their €1.3 billion exposure (for 90% of the voting share capital of the company), with the remainder being converted into a new senior secured debt instrument.

We estimate coverage for the subordinated noteholders at the low end of the 10%-30% range, assuming some equity value. If an out-of-court consensual restructuring agreement is not reached, in our opinion, there is a possibility that the company could seek extraordinary protection under the Marzano law. (This law allows large insolvent companies to restructure.) In such a scenario, we believe that the restructuring process could be lengthy and could potentially lead to lower recovery prospects for creditors.

In the event of a debt restructuring, and once the new capital structure is finalized and full details become available, we will revise our path to default and stressed valuation assumptions and reassess the potential recovery prospects on SEAT's various debt instruments.

Related Criteria And Research

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

- Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Sept. 28, 2011
- Timeliness Of Payments: Grace Periods, Guarantees, And Use Of 'D' and 'SD' Ratings, Dec. 23, 2010
- Criteria Guidelines For Recovery Ratings On Global Industrial Issuers' Speculative-Grade Debt, Aug. 10, 2009
- Criteria Methodology: Business Risk/Financial Risk Matrix Expanded, May 27, 2009
- 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

SEAT PagineGialle SpA

To From

Corporate Credit Rating D/--/--
SD/--/-- Senior Secured

CC-

CC-

€550 mil. 10.5% bnds due 01/31/2017 D C

Recovery Rating	2	2
€200 mil. 10.5% bnds due 01/31/2017	D	(
Recovery Rating	2	2

Ratings Affirmed

SEAT PagineGialle SpA Senior Secured	
€1.93 bil. fltg rate sr secd	D

(first) lien term loan A facility bank ln due 06/30/2012	
Recovery Rating	2
€600 mil. fltg rate sr secd (first) lien bullet term Loan B bank ln due 06/30/2013	D
Recovery Rating	2
€90 mil. sr secd (first) lien revolving facility bank ln due 05/31/2012	D
Recovery Rating	2
Lighthouse International Co. S.A.	
Subordinated €1.3 bil.* 8% callable second-lien bonds due 04/30/2014	D
Recovery Rating	5

*Guaranteed by SEAT PagineGialle SpA

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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) 783-4009.