



PRESS RELEASE

THE PROPOSAL FOR COMPOSITION WITH CREDITORS HAS BEEN DISCLOSED TO THE CREDITORS

Turin, 20 December 2013 – Further to the press release issued on 16 December 2013, the Company announces that today the Commissioner sent to the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A., pursuant to art. 171 of Royal Decree 267/1942, the notice indicating the date of the creditors' meeting (the “**Notice**”), as well as the essential elements of the respective proposals for the composition with creditors (the “**Proposals**” and each a “**Proposal**”), referring recipients to the Company's website for access to the relevant documentation.

We therefore announce that the proposals for the composition with creditors of Seat and Seat PG Italia the essential terms of which are summarized below are available on the website www.seat.it at the address <http://www.seat.it/seat/it/governance/concordato/index.html>.

The composition transaction is focused on the continuation of business operations of Seat Pagine Gialle S.p.A. (hereinafter, also referred to as the “**Surviving Company**”) as the company that will survive the merger by incorporation of its subsidiary Seat Pagine Gialle Italia S.p.A. in accordance with the provisions of new art. 186-bis, first paragraph, of Royal Decree 267/1942. The foregoing is based upon a consideration that given, first of all, the characteristics of the company's capital structure (and, more generally, the characteristics of the Seat Group), which presents a preponderance of intangible assets and, secondly, the reasons underlying the current crisis faced by the Group, such composition with creditors constitutes the solution which may offer the best prospects of satisfying the Group's creditors.

Proposal

The Surviving Company will apply its available cash on hand at the time of performance of the composition toward satisfying the claims admitted to the composition procedure, with respect to the portion to be satisfied in cash.

For a better grasp of the following description, please recall that while the Proposals are formally separate and distinct, they are interrelated and coordinated with one another. In addition, many of SEAT PG Italia's creditors are also creditors of the parent company SEAT PG, on account of both the guarantee granted by the parent company in favor of the subsidiary upon the conclusion of the facilities agreement with RBS on 31 August 2012 and the role of “Co-Issuer” of the SSB bonds, as well as the joint liability of the parent company imposed under the first paragraph of art. 2560 of the Italian Civil Code for the debts pertaining to the business contributed to SEAT PG Italia. Therefore, such creditors will be in a position to understand what is offered to them by taking the sum of the separate offers formulated by Seat and Seat PG Italia in the context of the composition procedure, as better described below.

The Proposals, for purposes of the respective offers, sub-divide the creditors into classes.

(Class A)

This class consists of creditors whose claims are backed by a privilege covering the entire claim. Such creditors have no voting rights.



(Class B)

This class consists of the financial creditor which entered into with the company the Term and Revolving Facilities Agreement.

The claims of this class:

- As for Seat PG Italia, are privileged up to the value (shared with the Class C creditors where the guarantee/security interest is granted to them as well) of the company's assets pledged as collateral and unsecured with respect to the remainder of the claims;
- As for Seat, are unsecured as to their entire value due to the insufficiency of the only asset pledged as collateral.

Voting rights are associated with the entire value of the unsecured receivables.

(Class C)

This class consists of the holders of the Senior Secured bonds.

The claims of this class:

- As for Seat PG Italia, are privileged up to the value (shared with the Class B creditors where the guarantee/security interest is granted to them as well) of the company's assets pledged as collateral and unsecured with respect to the remainder of the claims;
- As for Seat, are unsecured as to their entire value due to the insufficiency of the only asset pledged as collateral.

Voting rights are associated with the entire value of the unsecured receivables.

(Class D)

The class in question consists of the remaining holders of unsecured claims.

Voting rights are associated with the entire value of the unsecured receivables.

The following tables set forth the percentage represented by each Class in connection with the total indebtedness of Seat and Seat PG Italia as of 6 February 2013, calculated for the limited purposes of the composition with creditors in the context of the composition procedure in accordance with the applicable legal framework:

Seat Pagine Gialle S.p.A.

Class	Total indebtedness percentage¹
Privileged Creditors - Class A	0.4%
Unsecured Creditors - Class B	43.0%
Unsecured Creditors - Class C	55.2%
Unsecured Creditors - Class D	0.9%

¹ Please note that the total indebtedness also includes the "Debts that will not be satisfied" related to relationships with the subsidiary Seat Pagine Gialle Italia S.p.A. with a percentage of 0.5%.



Seat Pagine Gialle Italia S.p.A.

Class	Total indebtedness percentage ²
Privileged Creditors - Class A	1.5%
Unsecured Creditors - Class B	40.9%
Unsecured Creditors - Class C	52.6%
Unsecured Creditors - Class D	4.4%

The Proposals made to the above-mentioned Classes are differentiated since they take into account differing satisfaction percentages and, in any case, are performed over a timeframe that will be concluded within 4 months from final approval of the composition with creditors of SEAT PG and SEAT PG Italia.

In particular, the following treatment is envisaged:

- As regards Class A, it is envisaged that the claim will be paid in full in cash, including interest, by Seat Pagine Gialle S.p.A., as Surviving Company, within 4 months of the final approval of the proposals for the composition with creditors.
- As regards Class B, it is expected that newly issued shares in Seat Pagine Gialle S.p.A. as the surviving company of the merger by incorporation of the subsidiary Seat Pagine Gialle Italia S.p.A will be assigned to such creditors in the following ratios: 596 shares per Euro of unsecured claims owed by Seat PG and 3,834 shares per Euro of unsecured claims owed by Seat PG Italia, for a total value equal to 45.10% of the share capital of the Surviving Company; the privileged portion of the claim owed by Seat PG Italia will be satisfied in cash;
- As regards Class C, it is envisaged that newly issued shares in Seat Pagine Gialle S.p.A., as the surviving company of the merger by incorporation of the subsidiary Seat Pagine Gialle Italia S.p.A., will be assigned to such creditors in the following ratios: 466 shares per Euro of unsecured claims owed by Seat PG and 3,699 shares for each Euro of claims owed by Seat PG Italia for a total value equal to 54.65 % of the share capital of the Surviving Company; the privileged portion of the claim owed by Seat PG Italia will be satisfied in cash;
- As regards Class D, as for the unsecured creditors other than the financial creditors, Seat's Proposal envisages the payment in cash, without interest, of a value equal to 5% of the nominal value of the unsecured claim, while Seat PG Italia's Proposal envisages the payment in cash, without interest, of a value equal to 20% of the nominal value of the unsecured claim.

² Please note that the total indebtedness also includes the "Debts which will not be satisfied" with regard to relationships with the parent company Seat Pagine Gialle S.p.A. and the subsidiaries Telegate Holding GmbH, with a percentage of 0.6%.



The assignment of the shares to Classes B and C will take place, after the merger by incorporation of Seat PG Italia into the Company, through a capital increase without any pre-emption right on the part of the current shareholders of Seat Pagine Gialle S.p.A., as the result of which the creditors of Classes B and C will be assigned a total of 99.75% of the share capital of the surviving company resulting from the above-mentioned merger, while the current shareholders will retain 0.25 % of the total.

As regards Seat's current shareholders, for whom the Proposal entails a significant dilution, it is envisaged that warrants for the subscription upon payment of newly issued shares representing 5% of the share capital will be awarded to those shareholders who will attend the shareholders' meeting of the Company now in the process of being called (which will be held indicatively in the first quarter of the year), thus allowing for the approval of the above-mentioned capital increase, including the issue of the warrants, and the maintenance of Seat Pagine Gialle's listing, with a view to being in a position to benefit in the future, albeit marginally, once the plan is implemented, from the Group's capacity to generate earnings after the implementation of the composition procedure. Such warrants will also be awarded to the current shareholders who hold savings shares.

Each warrant, which shall be assigned on a gratuitous basis, will entitle the holder to subscribe, upon payment, a new ordinary share of Seat PG, as the surviving company of the merger by incorporation of the subsidiary Seat Pagine Gialle Italia S.p.A..

In the event of exercise of the warrant, the strike price for each ordinary share will be equal to the average price on the stock exchange on the second and third Friday of the second, third and fourth calendar month following the calendar month in which the date of the above-mentioned capital increase will fall, plus 15%;

The warrants may be exercised after the performance of the composition for a period of 3 months starting on 29 January 2016.

As the result of the transaction described above, the consolidated financial indebtedness is expected to be essentially eliminated.

The Proposals will follow the procedure provided under the applicable legal framework for the merger, capital increase and the approval by the creditor class. The approval by the creditor class is currently expected to be obtained on 15 July 2014.

The Company, in full compliance with the applicable legal framework, shall keep the market continuously and promptly informed on all material developments.

Description of the Strategic Guidelines underlying the composition proposal ("Plan")

Essentially, the Plan envisages three lines of action for the period 2014-2018:

- 1) *Resumption of optimal commercial performance by Seat*, through a requalification of the products, the product range and the sales network: this will entail reconstructing the essential elements comprising Seat's commercial strategy. A simple product that is differentiated and modernized and capable of reaching a vast number of small to medium sized enterprises throughout Italy. A sales force that is supervised, skilled and capable of offering [quality]



services. A product range which motivates Seat's clients to try new products, trusting in the quality offered. A company image reflecting what Seat is today (the largest Italian internet company).

- 2) *Scouting new opportunities for growth*, playing a key role as: I) facilitator of commercial transactions (e-commerce, online couponing, credit management); II) investing in a web agency premium product range for medium to large companies (which require highly personalized websites and on-line advertising campaigns: a service which the company is currently capable of providing in small numbers despite a much greater demand); III) developing a business model in which the Company will be transformed into a reseller for the collection of local advertising for cinemas, radio, television and newspapers, and third party digital media, acting as an aggregator of local operators and offering specialized know-how and experience thanks to its broad and capillary sales network that operates on the ground throughout the Italian territory. In part, these developments call for the aggregation of external skills which would be made possible through targeted acquisitions already identified in the Plan.
- 3) *Significant simplification*. Starting with the Group's structure (through the sale of non-strategic subsidiaries); to macro-organization (reduction in the number of top level Executives within Seat); to indirect costs and sourcing/purchases.

Key economic and financial indicators envisaged under the Plan

Lastly, the following summary prospectus summarizes Seat's main economic and financial indicators over the period 2014-2018, on a post-merger basis, including the adjustment and write-off of receivables, all of which events are expected to occur by the end of 2014, which tend to confirm the envisaged restabilization of Seat's debt exposure and financial condition.

Key indicators under the plan	2014	2015	2016	2017	2018
Revenues from sales and services	400.1	371.6	401.2	479.8	549.6
EBITDA	30.1	9.9	17.2	33.6	59.5
Earnings (losses) for the financial year	920.6	(55.5)	(38.0)	(11.8)	14.3
Net Shareholders' Equity	229.2	173.7	135.7	123.9	138.2
Net financial indebtedness	(13.4)	7.3	8.8	3.2	(20.5)
Final cash and cash equivalents	41.7	23.2	26.1	31.2	55.8



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