PRESS RELEASE

- **THE APPROVAL PROCESS FOR THE EXTRAORDINARY TRANSACTIONS ENVISAGED UNDER THE COMPOSITION PROPOSAL HAS BEEN COMMENCED**
- **THE EXTRAORDINARY SHAREHOLDERS' MEETING OF SEAT PG HAS BEEN SCHEDULED FOR 4 MARCH 2014**

Milan, 16 January 2014 – The Boards of Directors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A., which met today under Guido de Vivo's chairmanship, have started the process of approving the extraordinary corporate transactions envisaged under the composition proposal in line with the indications announced in the press release issued on 20 December 2013.

In consideration of the foregoing, the Company's Board of Directors has granted a mandate to the Chairman to call the Extraordinary Shareholders' Meeting on 4 March 2014.

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As we all know, the composition proposals (hereinafter, the "**Composition Proposals**") of Seat Pagine Gialle S.p.A. ("**Seat PG**", the "**Surviving Company** " or the **"Company**") and Seat Pagine Gialle Italia S.p.A. ("**Seat PG Italia**" or the "**Incorporated Company**") envisage the conclusion of a series of extraordinary corporate transactions, the resolution proposals for which will be submitted to the upcoming Extraordinary Shareholders' Meeting.

That said, the Boards of Directors of the two companies have resolved as follows.

1. THE MERGER

The Boards of Directors of the two companies have approved the plan for the merger by incorporation of Seat PG Italia into Seat PG, drafted in accordance with articles 2501-*ter* and 2505 of the Italian Civil Code (the "**Merger Plan**").

The Merger is aimed at ensuring the full feasibility of the composition and constitutes the essential condition for the achievement of the objectives envisaged in the plan and in the Composition Proposals of the companies taking part in the Merger; moreover, it will allow for the satisfaction of the creditors of both companies based upon (de facto) single composition plan, with a correlated maximization of current assets and, more importantly, future assets (thanks to the possibility of preserving, in the context of the composition transaction, the continuity of the business complex that is currently operated by Seat PG Italia). Lastly, such transaction will allow the management of the Seat Group to become more efficient/streamlined, eliminating the corporate detachment between the holding (Seat PG) and the operating company (Seat PG Italia) resulting from the contribution to Seat PG Italia made on 1 September 2012, of the entire business complex operated by Seat PG, also ensuring significant cost savings.

Under the applicable legal framework in force, since the Incorporated Company is a wholly-owned subsidiary of the Surviving Company, the decision on the approval of the Merger will be made prior to the scheduled date of the upcoming Extraordinary Shareholders' Meeting, by the management bodies of the two companies (without the need for shareholders' meetings, subject to the provisions of art. 2505, third paragraph, of the Italian Civil Code).

The Merger will be implemented by the incorporation of Seat PG Italia into Seat PG, with the cancellation, without any exchange, of all of Seat PG Italia's existing shares, without the issue of new shares in the Surviving Company.

The documentation required under art. 2501-*septies* of the Italian Civil Code will be filed by the deadline provided by law and shall remain on file until the Merger is resolved upon.

The Merger, as described above, should be considered a transaction with related parties in accordance with the Procedure for related party transactions (the "**RPT Procedure**"), approved by the Company's Board of Directors in December 2010, in accordance with the Regulation on related party transactions passed with Consob Resolution No. 17221 dated 12 March 2010, as amended by Consob Resolution No. 17389 of 23 June 2010 (hereinafter, the RPT Regulation).

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Specifically, the Merger has become important due to the fact that Seat PG and Seat PG Italia share one or more directors (and executives with strategic responsibilities) and that, given the particular structure of the group, the same parties benefit from variable/floating remuneration that depends to a significant extent upon the results achieved by the Incorporated Company.
In particular, the Merger constitutes the Most Important Transaction which, pursuant to art. 3.2 of the above-mentioned RPT Procedure, requires, inter alia, consent on the part of the Independent Directors Committee.
The Committee will formally express its opinion around the time of the meeting of the Company's Board of Directors called to approve the Merger.

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2. THE CALL OF THE EXTRAORDINARY SHAREHOLDERS' MEETING IN ORDER TO RESOLVE UPON THE FOLLOWING:

2.1 THE CAPITAL REDUCTION AND COVERAGE OF LOSSES

In accordance with the indications set forth in the Composition Proposals, Seat PG's Board of Directors has approved the Company's balance sheet and income statement as of 30 November 2013 (the "**Balance Sheet**"), which shows losses for the period of Euro 22,465,198.05, and, therefore, negative net shareholders' equity of Euro 3,879,783.26. Such losses are mainly attributable to the funds set aside for risks that emerged over the course of the financial year and the impacts upon the calculation of the deferred taxation resulting from the preparation of the new plan.

The Company therefore finds itself in the condition referred to in art. 2447 of the Italian Civil Code which, however, pursuant to art. 182 *sexies* of Royal Decree 267/1942 does not apply from the date of filing of the request for composition with creditors until the court approval of the same.

Over such period, the cause for dissolution of the company due to reduction or loss of share capital provided under article 2484, no. 4 of the Italian Civil Code does not apply.

That said, Seat PG's Board of Directors intends to submit to the shareholders' meeting a proposal for the coverage of losses using modalities that enable all of the current shareholders (both ordinary shareholders and savings shareholders) to maintain their status as shareholder, and therefore to resolve: (i) to use all of the existing net reserves of Euro 1,987,983,256.73, to cover, in the same amount, the total loss set forth in the Balance Sheet of Euro 2,442,128,833.57, and (ii) to reduce the share capital to Euro 120,000.00 (the minimum permitted under the applicable legal framework), without cancelling the outstanding shares (since they lack nominal value), to cover, for the same amount, an additional portion of the above-mentioned loss.

The losses determined as of 30 November 2013 that will remain upon the conclusion of such resolutions, in the amount of Euro 3,999,783.26, together with the deficit deriving from the Merger, will be covered by reserves and earnings in a sufficient amount thanks to the transactions envisaged under the Composition Proposals.

2.2 THE RESERVED CAPITAL INCREASE

The Board of Directors resolved to submit to the upcoming shareholders' meeting a proposal that envisages a paid and indivisible capital increase from Euro 120,000.00 (one hundred twenty thousand/00) to Euro 20,000,000.00 (twenty million/00), with the exclusion of the option right pursuant to art. 2441, paragraphs 5 and 6, to be implemented through the issuance of [•] new ordinary shares, without nominal value and having the same characteristics as the outstanding ordinary shares, to be paid by use of the claims of the creditors belonging to Classes B and C, as identified in the Composition Proposals formulated by Seat PG and Seat PG Italia. The new shares will be awarded in accordance with the indications already published on 20 December 2013 (the "**Reserved Capital Increase**").

The reasons for excluding the option right lie in the need to allow for the implementation of the Composition Proposals, thus allowing for, post-Merger, the survival of the Company and the maintenance of its business continuity.

Following the implementation of the Reserved Capital Increase, the share capital will be held, with respect to 99.75%, by the above-mentioned creditors admitted to the composition procedure and, with respect to 0.25%, by the current ordinary and savings shareholders.

2.3 THE REGROUPING OF SHARES

Given the high number of shares representing the Company's ordinary share capital following the Reserved Capital Increase and the management difficulties resulting from the same, the Board has also proposed to proceed with a share regrouping immediately following the implementation of the Reserved Capital Increase (and essentially simultaneously with it), in accordance with a ratio of 1 new ordinary share with regular entitlement for every 100 ordinary shares outstanding (after the Reserved Capital Increase) and 1 new savings share with regular entitlement for every 100 savings shares outstanding.

2.4 THE ISSUE OF WARRANTS AND THE CAPITAL INCREASE DEDICATED TO THE WARRANTS

Lastly, the Company's Board of Directors will submit to the upcoming shareholders' meeting, a proposal for the issue of Warrants which will allow for the paid subscription of ordinary shares

representing 5% of the fully diluted capital, to be issued through a capital increase dedicated to the exercise of such Warrants ("**Capital Increase Dedicated to the Warrants**").

The Capital Increase Dedicated to the Warrants is aimed at ensuring a potential benefit to the current shareholders in light of the strong dilution incurred following the Reserved Capital Increase. Moreover, the award of the Warrants is intended to serve as an incentive to the ordinary shareholders to attend the upcoming Extraordinary Shareholders' Meeting. **All such Warrants will be fully allocated exclusively among the ordinary shareholders who will attend (including by proxy) the upcoming shareholders' meeting in proportion to the number of shares held by each of them**. The foregoing is important since the Extraordinary Shareholders' Meeting, in order to validly constituted, requires the attendance of at least one-fifth of the share capital. We are therefore of the view that the mechanism of the award of the Warrants linked to attendance at the shareholders' meeting may facilitate the achievement of such quorum. The Warrants will also be awarded to the savings shareholders in proportion to the number of savings share held by each since they, while not called to attend the shareholders' meeting, are holders of option rights over capital increases directed at shareholders.

The Capital Increase Dedicated to the Warrants, which is divisible, is reserved to the holders of the Warrants and will be implemented through the issue of up to 339,143,137,645 ordinary shares of Seat (prior to the Regrouping), destined to cover the possible exercise of such Warrants.

If after the implementation of the Reserved Capital Increase, all of the Warrants were exercised (at maturity), the share capital, after the Regrouping, would consist of a total of 67,659,046,715 ordinary shares – of which 64,106,953,209 (representing 94.75% of the total) will be owned by the creditors taking part in the composition indicated above and 3,552,093,506 will be owned by the Company's old shareholders – as well as 6,803 savings shares. Overall, the old shareholders, following the paid exercise of all of the Warrants, would hold a portion of capital equal to 5.25%, of which 0.25% would be owned by all of the current shareholders and approximately 5% would be owned exclusively by the shareholders who take part in the shareholders' meeting.

In the event of exercise of the Warrant, the strike price for each ordinary share will be equal to the average stock exchange prices of the second and third Fridays of the second, third and fourth calendar month following the calendar month of the date of performance of the above-mentioned Reserved Capital Increase, plus 15%.

It is envisaged that the Warrants may be exercised after the implementation of the composition for an indicative period of 3 months starting on 29 January 2016.

The validity of the above-mentioned resolutions, as well as the Merger, is conditioned upon the final court approval of both Composition Proposals. The resolutions will, therefore, be performed immediately upon such court approval and, in any case, within four months of the same.

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As a result of the foregoing, the Boards of Directors of Seat PG and Seat PG Italia, have granted a mandate to the Chairman to call the Extraordinary Shareholders' Meeting on 4 March 2014 in order to discuss and resolve upon the extraordinary transactions described above and, specifically:

(I) Coverage of the losses as of 30 November 2013 and consequent reduction in share capital to Euro 120,000;

(II) Paid, indivisible capital increase form Euro 120,000 to Euro 20,000,000, with exclusion of the option right provided under art. 2441, paragraph 5 and 6 of the Italian Civil Code;

(III) Regrouping of the Company's shares;

(IV) Issue of Warrants reserved to the ordinary shareholders who will attend the Extraordinary Shareholders' Meeting and the savings shareholders and divisible capital increase dedicated to such Warrants, with the exclusion of the option right provided under art. 2441, paragraphs 5 and 6 of the Italian Civil Code.

The related notice of call will be published in the manner and by the deadlines provided by law.

The Company also announces that for purposes of facilitating the achievement of the constitutive *quorum* of the upcoming Extraordinary Shareholders' Meeting, it intends to prove a solicitation of voting proxies (**"SVP"**).
To perform such activities and for the procedures pursuant to art. 136, paragraph 7, of the Issuers Regulation, the Company will avail itself the services of Proxitalia S.r.l. (**"Proxitalia"**), company which offers shareholder communications and proxy voting consultancy and services to companies listed on the Italian market, specialized in performing SVP activities and representation at shareholders' meetings of joint stock companies. The shareholders interested in taking part in the Shareholders' Meeting by proxy and being awarded the Warrants may call the toll-free number 800132313, or obtain further information on the website www.seat.it or by sending an e-mail to the address assembleaseat@proxitalia.com, only after the documentation pertaining to the SVP has been made available to the documentation.

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The Company specifies that, in consideration of the activities relate dot the Merger and the conclusion of the above-described extraordinary transactions necessary for the completion of the composition, will announce the dates of the financial calendar/timetable as soon as they are available.

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DECLARATION PURSUANT TO ART.154-*BIS*, PARAGRAPH 2 OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY

The Executive in charge of drafting the corporate accounting documents, Andrea Servo, declares, pursuant to paragraph 2 of art. 154-*bis* del of the Financial Services Act (*Testo Unico della Finanza*), that the accounting data set forth in this press release reflects the data set forth in the related accounting documents, books and records.

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