



## **PRESS RELEASE**

- **After completing its evaluation of the binding expression of interest submitted by D.Holding, the board resolved that the necessary conditions are not met to submit to the creditors a drastically modified composition proposal that would contemplate the integration of the Seat Group and the D-Mail Group**
- **Resolutions approving marginal amendments and clarifications to the current composition proposal due to circumstances that have taken place since its submission**

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*Milan, 12 June 2014* – The boards of directors of Seat Pagine Gialle S.p.A. ("**Seat PG**" or the "**Company**") and Seat Pagine Gialle Italia S.p.A. ("**Seat PG Italia**") – which met today under Guido de Vivo's chairmanship – have examined the binding expression of interest submitted by D.Holding s.r.l. ("**D.Holding**"), the information made available so far by the latter and the results of the verifications conducted on the basis of the same.

The two boards have concluded, also on the basis of the considerations raised by the financial and legal advisors, that the alternative offer presented by D.Holding on 9 May 2014, as subsequently amended on 9 June (the "**D.Holding Offer**") does not present the characteristics of certainty, advantageousness and absence of risk which could justify, in the interest of the Company, Seat PG Italia and their respective creditors, the interruption of the current composition procedure pursued successfully to date, which the Company considers close to being successfully concluded.

During the same meetings, it was decided to make marginal amendments and clarifications to the composition proposals, as currently drafted, to take into account circumstances that have occurred since the filing of the amendment deed on 20 December 2013.

The text of the supplementary deeds of the composition proposals will be filed shortly with the Court of Turin and, therefore, may be announced through the Company's website.

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## **Results of the evaluation of the D.Mail Offer**

The current composition proposal of Seat and Seat PG Italia is characterized by the fact that, following its approval and ratification, the creditors belonging to Classes B and C will be awarded a total of 99.75% of the share capital of the company resulting from the merger by incorporation of Seat PG Italia into Seat PG; such company will be completely free of debts immediately upon the closing of the composition agreement which is expected to take place by the end of this year.

Let us add that the current composition procedure, which has been delineated to ensure business continuity, is in an advanced stage, since the creditors' hearing is now imminent as well as the deadline for the filing of the Commissioner's report – with respect to which one of the fundamental steps was completed through the resolutions passed by the extraordinary shareholders' meeting held on 4 March 2014 – as has already been announced to the market. Lastly, the business results, in this first part of the year confirm the reasonableness and reliability of the business plan underlying the composition proposals and the feasibility of the economic and financial objectives envisaged therein.

The foregoing considerations allow for the conclusion that a drastic change in direction at this stage would only be justified by alternatives which appear clearly and certainly more favorable to the creditors from a standpoint of advantageousness, reliability and certainty.

In this regard, the analyses performed, with the support of external advisors, on the information made available by D.Holding, have revealed a number of critical issues with respect to the actual feasibility of the new proposed plan and elements of uncertainty with respect to the advantageousness of the D.Holding Offer for the creditors and, in particular, for the unsecured financial creditors.

In addition, there are aspects of a legal nature concerning a number of conditions imposed upon the possibility of integration, including implications (also from a timing perspective) of its implementation which impact upon the feasibility of Seat's composition agreement if the original proposal were to be amended to reflect the D.Holding Offer.

Ultimately, D.Holding's offer does not present characteristics of certainty, advantageousness and absence of risk that would allow for a deviation from the proposal pursued so far which has



reached the threshold of the creditors' vote, also considering that an adequate process of analysis and fine-tuning of an amended proposal to reflect the D.Holding Offer would give rise to a significant lengthening in the timetable of the procedure, with a risk of serious prejudice for the business and, therefore, for the value of the business and the creditors.

Lastly, it should be considered that it should not be ruled out that D.Holding may present directly to the new shareholders of Seat a plan for the industrial aggregation of the two companies after the composition agreement is concluded.

**Clarifications on the composition proposals transmitted to the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. on 20 December 2013**

The Company also announces that it was necessary to make marginal amendments and clarifications to the composition proposal, as currently formulated, due to circumstances that occurred after the filing of the amendment deed dated 20 December 2013, as the result of, among other things:

- the decision to request the dissolution/termination pursuant to art. 169-*bis* of the bankruptcy law of a number of financial leasing agreements in place with Leasint S.p.A. opened for the purchase of the real estate complex at Corso Mortara, Turin, where Seat PG and Seat PG Italia have their offices, in line with their current business requirements;
- the envisaged execution of a settlement agreement with Rotosud to settle the arbitration proceedings pending and of a new agreement between Seat PG Italia and Rotosud, to engage the latter to print Seat PG Italia's hard copy products. The formalization of the above-mentioned agreements will allow for, contemporaneously, a dispute that has arisen with one of the company's main suppliers to be resolved, and the relationship with the printer for the three-year period 2014-2016 to be defined and will have positive repercussions on the future of the company (and indirectly on that of the creditors who will become its shareholders) that will result from the merger of Seat PG and Seat PG Italia.

It should be noted that the above-mentioned clarifications and amendments to the composition proposals are not substantive in nature since they do not give rise to any significant change in the



main economic and financial indicators of the business plan 2014-2018 sent to the creditors of Seat Pagine Gialle S.p.A. and Seat Pagine Gialle Italia S.p.A. on 20 December 2013.

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This press release is a translation. The Italian version will prevail.

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