



## **PRESS RELEASE**

### **UPDATE ON COMPANY FINANCIAL RESTRUCTURING NEGOTIATIONS**

- **The request of the Senior Creditor to extend the term for the acceptance of the proposal has been accepted by the Company**
- **Resolved not to fund the semi-annual Lighthouse coupon and to negotiate with the Bondholders Committee the extension of the term**

*Milan, 29 November 2011* — With reference to the press releases published by the Company on 24 and 25 November regarding the reaching of a commercial agreement on the main terms of a consensual restructuring of the Company's financial obligations (the "Consensual Restructuring") with the Bondholders Committee and the Senior co-ordinating Committee (the "Senior CoCom"), the Company announces the receipt, inter alia, of the following communications:

- (i) by the legal advisor of the Senior Creditor and of the Senior CoCom that (a) the majority of the members of the Senior CoCom has preliminarily evaluated positively the proposal of the Company, which has therefore recommended to the interested parties; (B) each member of the Senior CoCom has sent such proposal to the internal committee; but the resolutions of the different committees regarding the Consensual Restructuring are expected after 30 November 2011; (c) an extension of the 28 November deadline has been requested in order to give a formal answer to the Consensual Restructuring. The Senior CoCom request is justified in order to allow the Senior Creditor to complete the internal approval process and the relevant analysis of the file; and
- (ii) by the legal advisor of the Bondholders Committee that, it held signatures from more than 75% of the holders of the Lighthouse Notes consenting to the Consensual Restructuring and lock-up agreement.

In light of paragraph (i) above, the Board of Directors of the Company that met today has taken note of the absence of the conditions for the funding of coupon payment that was due 31 October 2011 under the Lighthouse Notes (the "Coupon") and therefore has resolved that it will not fund the Coupon within 30 November 2011. In addition, this decision not to fund the coupon has resulted in some of the Lighthouse Noteholder signatures held by the legal adviser to the Bondholders Committee being withdrawn. However in light of the wide support showed by the holders of the Lighthouse Notes, the Board intends to postpone to 14 December 2011, the deadline for the acceptance of the Consensual Restructuring and, to this end, it will promptly engage with the Bondholders Committee in order to negotiate such extension.

The Board of Directors is also pleased to acknowledge the joint press release published today by the Bondholders Committee and by the core shareholders Subcart S.A e AI Sub Silver S.A., controlled respectively by Permira Funds and Alfieri Associates Investors, regarding the agreement reached by such parties with reference to the equity allocation further to the consensual financial restructuring of the



Company. Such agreement provides the following main terms: (a) the holders of the Lighthouse will receive 90% of the share capital of the Company and the current shareholders of SEAT will maintain 10% of the share capital at the time of closing of the financial restructuring (b) further, the current shareholders will receive two tranches of warrants with the right to subscribe new shares: (i) the first tranche will be exercised at an almost nominal exercise price and will be equal to 2% of the share capital after the restructuring (fully diluted); (ii) the second tranche of warrants, for an amount equal to 3% of the share capital (fully diluted after the restructuring) will consist of warrants with a two years term and with a free exercise mechanism.

The Board will evaluate, in the interest of the Company and the market, the terms of this agreement.

Finally, the Company is pleased to announce the receipt of a communication by the shareholder Sterling Sub Holdings S.A. (belonging to CVC Capital Partners) regarding its consent to the equity allocation mentioned above, subject to certain conditions, that the Board of Directors will consider at a later date in the context of the implementation of the transaction.

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#### **Monthly report pursuant to Article 114, paragraph 5, Legislative Decree No. 58/1998**

In compliance with the request sent by Consob on September 7, 2011, Protocol No. 11076499, pursuant to Article 114, paragraph 5, Legislative Decree No. 58/1998 relating to monthly reporting of significant information on our Company and Group, we report the following as requested.

#### **1) Net financial indebtedness of the SEAT Pagine Gialle group and SEAT Pagine Gialle S.p.A. with indication of the short-term components separate from the medium and long-term components according to the outline provided by ESMA Recommendation 81/2011**

**SEAT Pagine Gialle group**

		As at 10.31.2011	As at 12.31.2010	Change	As at 09.30.2011	Change
(euro/thousand)				Oct'11/Dec'10		Oct/Sept'11
A	Cash	169,604	241,728	(72,124)	148,784	20,820
B	Cash equivalent	-	-	-	-	-
C	Trading securities	-	-	-	-	-
<b>D=(A+B+C)</b>	<b>Liquidity</b>	<b>169,604</b>	<b>241,728</b>	<b>(72,124)</b>	<b>148,784</b>	<b>20,820</b>
<b>E.1</b>	<b>Current Financial Receivable to third parties</b>	<b>5,341</b>	<b>1,498</b>	<b>3,843</b>	<b>5,430</b>	<b>(89)</b>
<b>E.2</b>	<b>Current Financial Receivable to related parties</b>	-	-	-	-	-
F	Current Bank debt	104,540	7,683	96,857	103,528	1,012
G	Current portion of non current debt	187,495	263,270	(75,775)	187,496	(1)
H.1	Other current financial debt to third parties	17,104	24,056	(6,952)	9,852	7,252
H.2	Other current financial debt to related parties	52,125	17,375	34,750	43,438	8,687
<b>I=(F+G+H)</b>	<b>Current Financial Debt</b>	<b>361,264</b>	<b>312,384</b>	<b>48,880</b>	<b>344,314</b>	<b>16,950</b>
<b>J=(I-E-D)</b>	<b>Net Current Financial Indebtedness</b>	<b>186,319</b>	<b>69,158</b>	<b>117,161</b>	<b>190,100</b>	<b>(3,781)</b>
K	Non current Bank loans	446,794	596,116	(149,322)	446,794	-
L	Bonds Issued	721,498	718,587	2,911	721,120	378
M.1	Other non current loans to third parties	47,116	49,339	(2,223)	47,088	28
M.2	Other non current loans to related parties	1,300,000	1,300,000	-	1,300,000	-
<b>N=(K+L+M)</b>	<b>Non Current Financial Debt</b>	<b>2,515,408</b>	<b>2,664,042</b>	<b>(148,634)</b>	<b>2,515,002</b>	<b>406</b>
O	Non Current Financial Receivable to third parties	2,472	2,168	304	2,152	320
<b>P=(N-O)</b>	<b>Net non Current Financial Indebtedness</b>	<b>2,512,936</b>	<b>2,661,874</b>	<b>(148,938)</b>	<b>2,512,850</b>	<b>86</b>
<b>Q=(J+P)</b>	<b>Net Financial Indebtedness</b>	<b>2,699,255</b>	<b>2,731,032</b>	<b>(31,777)</b>	<b>2,702,950</b>	<b>(3,695)</b>
Transaction costs on loans and securitization costs not yet amortized and Net market value of "cash flow hedge" instruments		(44,053)	(47,043)	2,990	(45,015)	962
<b>Net Financial Indebtedness - book value</b>		<b>2,655,202</b>	<b>2,683,989</b>	<b>(28,787)</b>	<b>2,657,935</b>	<b>(2,733)</b>

The Net Financial Indebtedness according to the outline provided by ESMA Recommendation 81/2011 does not include Non Current Financial Receivable to third parties

<b>Q</b>	<b>Net Financial Indebtedness</b>	<b>2,699,255</b>	<b>2,731,032</b>	<b>(31,777)</b>	<b>2,702,950</b>	<b>(3,695)</b>
O	Non Current Financial Receivable to third parties	2,472	2,168	304	2,152	320
<b>R=(Q+O)</b>	<b>Net Financial Indebtedness (ESMA Recommendation 81/2011)</b>	<b>2,701,727</b>	<b>2,733,200</b>	<b>(31,473)</b>	<b>2,705,102</b>	<b>(3,375)</b>

The net financial indebtedness of the SEAT Pagine Gialle group at October 31, 2011 amounted to € 2,699,255 thousand compared to € 2,731,032 at December 31, 2010.

The main changes that occurred in the period are detailed as follows:

- termination of the securitization program. The program, which had started with an initial issue of *Asset-backed* securities amounting to € 256 million, was gradually reduced and, with the last repayment of € 3.5 million made on June 15, 2011, upon the expiration of the five-year term, the exposure on these debt instruments was completely extinguished; in view of the low level of market propensity for securitization transactions it was deemed preferable not to renew this operation but, rather, to make use of the funding ensured by the *revolving* line of credit available to the company, as detailed below;
- use, starting from April 21, 2011, of a € 90 million *revolving* credit line to cover working capital requirements of SEAT Pagine Gialle S.p.A. or of its subsidiaries, available until June 8, 2012, within the framework of the *Senior Loan* with The Royal Bank of Scotland;
- repayment of € 35,196 thousand at the end of April 2011 applied against the remaining installment of tranche A on the *Senior Loan* with The Royal Bank of Scotland, due in June 2011 by contract.



In addition, with respect to the net financial indebtedness as at September 30, 2011 communicated last month, there aren't significant changes except operating cash flow net of debts for interest accrued but not yet paid.

## SEAT Pagine Gialle S.p.A.

(euro/thousand)	As at 10.31.2011	As at 12.31.2010	Change Oct'11/Dec'10	As at 09.30.2011	Change Oct/Sept'11
A Cash	115,232	133,698	(18,466)	93,754	21,478
B Cash equivalent	-	-	-	-	-
C Trading securities	-	-	-	-	-
<b>D=(A+B+C) Liquidity</b>	<b>115,232</b>	<b>133,698</b>	<b>(18,466)</b>	<b>93,754</b>	<b>21,478</b>
<b>E.1 Current Financial Receivable to third parties</b>	<b>4,491</b>	<b>670</b>	<b>3,821</b>	<b>4,573</b>	<b>(82)</b>
<b>E.2 Current Financial Receivable to related parties</b>	<b>31,449</b>	<b>85,081</b>	<b>(53,632)</b>	<b>31,953</b>	<b>(504)</b>
F Current Bank debt	104,525	7,683	96,842	103,511	1,014
G Current portion of non current debt	187,494	73,254	114,240	187,494	-
H.1 Other current financial debt to third parties	17,104	22,466	(5,362)	9,852	7,252
H.2 Other current financial debt to related parties	64,598	184,486	(119,888)	56,848	7,750
<b>I=(F+G+H) Current Financial Debt</b>	<b>373,721</b>	<b>287,889</b>	<b>85,832</b>	<b>357,705</b>	<b>16,016</b>
<b>J=(I-E-D) Net Current Financial Indebtedness</b>	<b>222,549</b>	<b>68,440</b>	<b>154,109</b>	<b>227,425</b>	<b>(4,876)</b>
K Non current Bank loans	446,794	596,116	(149,322)	446,794	-
L Bonds Issued	721,498	718,587	2,911	721,120	378
M.1 Other non current loans to third parties	47,116	49,336	(2,220)	47,088	28
M.2 Other non current loans to related parties	1,300,000	1,300,000	-	1,300,000	-
<b>N=(K+L+M) Non Current Financial Debt</b>	<b>2,515,408</b>	<b>2,664,039</b>	<b>(148,631)</b>	<b>2,515,002</b>	<b>406</b>
O Non Current Financial Receivable to third parties	2,065	1,619	446	1,745	320
<b>P=(N-O) Net non Current Financial Indebtedness</b>	<b>2,513,343</b>	<b>2,662,420</b>	<b>(149,077)</b>	<b>2,513,257</b>	<b>86</b>
<b>Q=(J+P) Net Financial Indebtedness</b>	<b>2,735,892</b>	<b>2,730,860</b>	<b>5,032</b>	<b>2,740,682</b>	<b>(4,790)</b>
Transaction costs on loans and securitization costs not yet amortized and Net market value of "cash flow hedge" instruments	(44,053)	(47,043)	2,990	(45,015)	962
<b>Net Financial Indebtedness - book value</b>	<b>2,691,839</b>	<b>2,683,817</b>	<b>8,022</b>	<b>2,695,667</b>	<b>(3,828)</b>

The Net Financial Indebtedness according to the outline provided by ESMA Recommendation 81/2011 does not include Non Current Financial Receivable to third parties

<b>Q Net Financial Indebtedness</b>	<b>2,735,892</b>	<b>2,730,860</b>	<b>5,032</b>	<b>2,740,682</b>	<b>(4,790)</b>
O Non Current Financial Receivable to third parties	2,065	1,619	446	1,745	320
<b>R=(Q+O) Net Financial Indebtedness (ESMA Recommendation 81/2011)</b>	<b>2,737,957</b>	<b>2,732,479</b>	<b>5,478</b>	<b>2,742,427</b>	<b>(4,470)</b>

The net financial indebtedness of SEAT Pagine Gialle S.p.A. at October 31, 2011 amounted to € 2,735,892 thousand compared to € 2,730,860 at December 31, 2010.

For the main changes occurring in the period, refer to the above mentioned breakdown on the net financial indebtedness of the SEAT Pagine Gialle Group.

**2) Group debt positions due, distributed by type (financial, commercial, tax, pension, and to employees) and any related initiatives in response from the creditors of the Group (requests, demands, suspensions of funding, etc.)**



At October 31, 2011, SEAT Pagine Gialle Group has a financial debt position due, amounted to € 52 million, for the payment, as security, related to the semi-annual interest “coupon” under the Lighthouse Notes. It should be noted that the contractual terms of this Bond (Indenture) provide for a grace period expired on November 30, 2011, before occurring an event of default.

More information can be found elsewhere in this press release.

At October 31, 2011, trade payables to suppliers of the SEAT Pagine Gialle Group amounted to € 123,969 thousand; the amount of these payables due by October 31, 2011 is equal to € 33,513 thousand, of which € 23,595 thousand was paid in November.

This situation is to be viewed as representative of the normal scope of commercial relations with SEAT Group suppliers; in this respect none of the Group’s suppliers has taken action to recover amounts due (demands, suspensions of supply, etc.) that could be considered detrimental to the continuation of normal business.

The SEAT Pagine Gialle Group has no positions due as of October 31, 2011 with respect to tax, pensions, or to employees or agents.

### **3) Related parties transactions of the SEAT Pagine Gialle group and SEAT Pagine Gialle S.p.A.**

Transactions with related parties carried out by Group Companies, including intra-group transactions, and by the Parent Company SEAT Pagine Gialle S.p.A. come under ordinary operating activities and are subject to market conditions or specific legislative provisions. There were no atypical or unusual transactions to report, nor any giving rise to potential conflict of interest.

## SEAT Pagine Gialle group

### STATEMENT OF OPERATIONS

(euro/thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 09.30.2011
Cost of material and external services	-	-	(360)	(360)
Salaries, wages and employee benefits	-	-	(7,297)	(7,297)
Non-recurring costs	-	-	(936)	(936)
Interest expense	(86,875)	-	-	(86,875)

(\*) Directors, statutory auditors and executives with strategic responsibility.

### STATEMENT OF FINANCIAL POSITION

(euro/thousand)	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 09.30.2011
Other non current loans to related parties	(1,300,000)	-	-	(1,300,000)
Non-current reserves to employees	-	-	(375)	(375)
Other current financial debt to related parties	(52,125)	-	-	(52,125)
Trade payables	(29)	-	(861)	(890)
Payables for services to be rendered and other current liabilities	-	-	(562)	(562)

(\*) Directors, statutory auditors and executives with strategic responsibility.

**STATEMENT OF OPERATIONS**

(euro/thousand)	Subsidiaries	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 09.30.2011
Revenues from sales and services	43,346	-	-	-	43,346
Other income and revenues	2,554	-	-	-	2,554
Costs of materials and external services	(12,957)	-	-	(360)	(13,317)
Salaries, wages an employee benefits	(71)	-	-	(7,297)	(7,368)
Adjustments	(1,068)	-	-	-	(1,068)
Other operating costs	(23)	-	-	-	(23)
Non-recurring and restructuring costs	-	-	-	(936)	(936)
Interest income	3,056	-	-	-	3,056
Interest expense	(3,115)	(86,875)	-	-	(89,990)
Income taxes	67	-	-	-	67

(\*) Directors, statutory auditors and executives with strategic responsibility.

**STATEMENT OF FINANCIAL POSITION**

(euro/thousand)	Subsidiaries	Associates	Companies with significant influence	Other related parties (*)	Total related parties as at 09.30.2011
Other non current loans to related parties	-	(1,300,000)	-	-	(1,300,000)
Non-current reserves to employees	-	-	-	(375)	(375)
Other current financial debt to related parties	(12,473)	(52,125)	-	-	(64,598)
Trade payables	(8,972)	(29)	-	(861)	(9,862)
Payables for services to be rendered an other current liabilities	(2,501)	-	-	(562)	(3,063)
Trade receivables	17,473	-	-	-	17,473
Other current assets	10,516	-	-	-	10,516
Current Financial Receivable to related parties	32,026	-	-	-	32,026
Investments	181	-	-	-	181

(\*) Directors, statutory auditors and executives with strategic responsibility.

**DECLARATION PURSUANT TO ARTICLE 154-BIS, PARAGRAPH 2, LEGISLATIVE DECREE NO. 58, FEBRUARY 24, 1998**

The manager responsible for preparation of the financial statements, Massimo Cristofori, Head of the Administration, Finance and Control Department of SEAT Pagine Gialle S.p.A., declares, pursuant to Article 154-bis, paragraph 2, Legislative Decree No. 58, February 24, 1998, that the accounting information contained in this press release corresponds to the accounting records, documents and books of the company.



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