~~31 January~~22 February 2012

PROJECT SUN

TERM SHEET FOR PROPOSED CONSENSUAL RESTRUCTURING OF THE COMPANY

This term sheet sets out the terms of:

(a) the issue of a new debt instrument to the holders of the HY Bonds by the Company, which ranks *pari passu* with the Senior Secured Bond Debt and Senior Debt; and

(b) the amendment and extension of the existing Senior Facilities Agreement.

Capitalised terms used but not defined herein shall have the meaning given to them in the lock up agreement dated on or before ~~28 February~~7 March 2012 to be entered into between the Company and certain of its creditors and investors and to which this term sheet is appended (the "**Lock-up Agreement**").

1 OVERVIEW

1.1 Senior Facilities Agreement ("SFA")

The SFA will be restructured/replaced such that, inter alia, (i) outstanding amounts under Tranche A and Tranche B shall be consolidated into a single term facility (the "**New Term Facility**") with a final maturity date as set out herein, and (ii) the existing Revolving Facility Agreement shall be reinstated. Other terms of the SFA will be varied (and incorporated into the replacement senior facility agreement) as detailed below.

1.2 Conditionality – consent of holders of the Senior Secured Bond Debt

1.2.1 The transactions described in this term sheet are conditional upon obtaining the consent of holders of at least 75% in value of each of the January SSBs and the October SSBs to (i) such amendments and waivers to the documents governing the Senior Secured Bond Debt that are required in order to permit the transactions contemplated in this term sheet and the Lock-up Agreement and (ii) to defer all interest accrued but unpaid on the Senior Secured Bonds until the Restructuring Effective Date (with the deferred interest to be paid to the holders of Senior Secured Bonds on the Restructuring Effective Date) (the "**SSB Consent**").

1.2.2 On (and subject to the occurrence of) the Restructuring Effective Date, and provided that SSB Consent was obtained on or before ~~28 February~~11.59 p.m. CET on 7 March 2012:

(i) the Company shall pay to each person who held Senior Secured Bonds and who voted in favour of the SSB Consent on or before ~~21 February~~4 p.m. CET on 2 March 2012, a fee equal to 1.00% of the face principal amount of its holding in the Senior Secured Bonds; and

(ii) the Company shall pay to each person who held Senior Secured Bonds and who voted in favour of the SSB Consent after ~~21 February~~4 p.m. CET on 2 March 2012 but on or before ~~28 February~~11.59 p.m. CET on 7 March 2012, a fee equal to 0.40% of the face principal amount of its holding in the Senior Secured Bonds.

1.3 HY Bond equitisation

1.3.1 The face value of the HY Bonds, together with all unpaid and accrued interest up to and including 31 December 2011 will be equitised in accordance with the Plan, except for a retained principal amount of €65 million which will be exchanged for new bonds issued by the Company (the "**Stub Bond**"). Holders of the equitised HY Bonds shall receive equity in the Company and the remainder of equity in the Company post dilution shall remain owned by the existing shareholders.

1.3.2 The allocation of equity in the Company between the HY Bondholders and the Equity Investors shall be as set out in Annex A to this term sheet.

1.3.3 Interest on the HY Bonds from (and including) 1 January 2012 onwards shall be deemed not to have accrued.

1.4 Stub Bond

The retained (non-equitised) HY Bonds will be exchanged with new notes secured *pari passu* with the Senior Secured Bonds with the features detailed in section 3 below.

1.5 HY Bond early bird fee

1.5.1 On (and subject to the occurrence of) the Restructuring Effective Date and provided that holders of at least 75% of the HY Bonds became party to the Lock-up Agreement on or before ~~28 February~~11.59 p.m. CET on 7 March 2012:

(i) the Company shall pay to each person who held HY Bonds and became a party to the Lock-up Agreement on or before ~~21 February~~4 p.m. CET on 2 March 2012, a fee equal to 1.00% of the face principal amount of its HY Bonds; and

(ii) the Company shall pay to each person who held HY Bonds and became a party to the Lock-up Agreement after ~~21 February~~4 p.m. CET on 2 March 2012 but on or before ~~28 February 2012 ,~~11.59 p.m. CET on 7 March 2012, a fee equal to 0.40% of the face principal amount of its HY Bonds.

2 SENIOR FACILITIES AGREEMENT[1]

Tranche A and B Consolidation	Except for the principal amount of €35.2 million due on 28 December 2011 which shall be repaid on the ~~Effective~~ Restructuring Effective Date, the principal amounts outstanding under Tranche A and Tranche B as of 1 January 2012 shall be consolidated into the New Term Facility which shall have a final maturity of 30 June 2016.
Extension of final maturity:	The Revolving Facility shall be reinstated in the replacement senior facility agreement (the "**New Revolving Facility**") and shall have a final maturity date of 28 December 2015.
Consent fee:	On (and subject to the occurrence of) the Restructuring Effective Date, and provided that the Senior Consent[2] was obtained on or

[1] Capitalised terms (unless otherwise defined) have the meanings given to them in the SFA

[2] Consent from interested parties representing a simple majority in number and 75% in value of all interested parties

before ~~28 February~~11.59 CET on 7 March 2012 the Company will pay to the Senior Lender a fee of up to 1.00% of the principal amount outstanding under the SFA on the Restructuring Effective Date (prior to the partial repayment of Tranche A on the Restructuring Effective Date contemplated in this term sheet)~~, if Senior Lender Consent[2] was obtained on or before 21 February 2012.~~.

Margin[3]:	EURIBOR + 5.40% for both the New Senior Facility and the New Revolving Facility, in each case subject to the Margin Ratchet.
Margin Ratchet:	The Margin applicable to the New Term Facility and the New Revolving Facility shall be adjusted by reference to the ratio of Total Net Debt[4]: EBITDA for the Group (the "**Leverage Ratio**") as set out below:

Leverage Ratio	**Margin (% per annum)**
≥3.0x	5.40
<3.0x to ≥2.25x	5.00
<2.25x	4.45

Adjustment of Margin Ratchet:	Margin adjustment mechanics shall remain the same as currently applied in the SFA.
Commitment fee on RCF:	A commitment fee of 1% per annum is payable quarterly in arrear on the unused and un-cancelled amount of the New Revolving Facility whilst the New Revolving Facility is available. For the avoidance of doubt, any prepayment of the New Revolving Facility shall not result in the New Revolving Facility being cancelled by the amount of such repayment prior to its final maturity.
Repayment of overdue amounts:	€35.2 million to be paid to the Senior Lender on the Restructuring Effective Date towards repayment of Tranche A (prior to its consolidation into the New Facility)~~.~~ ("**Deferred Tranche A Amortisation**") All accrued but unpaid interest under the SFA up until the Restructuring Effective Date shall be paid to the Senior Lender on the Restructuring Effective Date ("**Overdue Interest**").
Repayment of New Term Facility:	• Dec 2012: €25 million • 2013: €70 million • 2014: €80 million • 2015: €95 million

~~2 Consent from interested parties representing a simple majority in number and 75% in value of all interested parties~~

3 Margin includes 10bps for the Senior Lender.

4 Total Net Debt/ EBITDA ratio on the basis of rolling 12 months financial performance, tested quarterly. Total Net Debt EBITDA calculated by reference to the new accounting policy of the Group.

- 2016: €326.1 million

Financial covenants:	Existing financial covenants (other than capex) to be reset assuming 25% of headroom on the Company's business plan for 2012 and 2013, and 20% thereafter, with Fixed Charge Cover to be 1:1. The financial covenants, including, without limitation, the defined terms used therein, shall be calculated by reference to the new accounting policy of the Group. Financial definitions to allow for pro forma adjustment in 2012 to take into account the impact of one off restructuring costs and payments to be made in accordance with this term sheet. Capital expenditure covenant fixed at €50 million per annum. Shortfall of up to 25% (reduced from 50%) may be carried forward.
Mandatory prepayment from Change of Control:	Any person or persons acting in concert owning or controlling directly or indirectly more than 30% of Company's issued share capital.
Mandatory prepayment from excess cash flow:	Existing cash sweep from excess cash flow ("**ECF**") commencing from 2013 (i.e. based on the annual audited consolidated financial statements for the financial year ended on 31 December 2012) as follows: • 75% of ECF to be applied in prepayment of the Facility (the "**Swept ECF**") if Total Net Debt[5]: EBITDA ≥ 2.0x • No sweep of ECF if Total Net Debt: EBITDA < 2.0x The total amount of ECF ~~to be swept~~ in any Financial Year shall be reduced by the amount set out opposite the relevant Financial Year below:

Financial Year in which ECF is to be swept	**Reduction**
FY 2013 (i.e. based on the annual audited consolidated financial statements for the financial year ended on 31 December 2012)	€15 million
FY 2014 (i.e based on the annual audited consolidated financial statements for the financial year ended on 31 December 2013)	€15 million
FY 2015 (i.e based on the annual audited consolidated financial statements for the financial year ended on 31 December 2014)	€10 million
FY 2016 (i.e. based on the annual audited consolidated financial statements for the financial year ended on 31 December 2015)	€10 million

5 Total Net Debt/ EBITDA ratio on the basis of rolling 12 months financial performance, tested quarterly. Total Net Debt EBITDA calculated by reference to the new accounting policy of the Group.

	For clarity, when calculating ECF for FY2012: (i) Overdue Interest paid on the Restructuring Effective Date will not be deducted; (ii) the Deferred Tranche A Amortisation Payment will be deducted; and (iii) there will be no deduction resulting from the clean-down of the New Revolving Facility contemplated in the section headed "Clean down" below.
Other mandatory prepayments:	100% mandatory prepayment of any net proceeds of (i) future financings (other than for permitted acquisitions, if any), including initial proceeds from any securitization or equivalent asset based financing and (ii) all distributions received by the Company attributable to the proceeds of litigation between Telegate AG and DT AG. For the avoidance of doubt, the above mentioned proceeds and the relevant amounts paid in mandatory prepayments shall be excluded from the definition of ~~Excess Cash~~ECF. The Company will use reasonable endeavours to enter into a securitisation or equivalent asset based financing following the Restructuring Effective Date.
Permitted dividends distribution:	Dividend payments shall be permitted provided that Total Net Debt: EBITDA < 2.0x
Permitted Investments:	Basket available for Permitted Investments in any Financial Year to be reduced from €30 million to €15 million and will not have the benefit of any carry forward from previous Financial Years.
Permitted Acquisitions:	List of permitted acquisitions to be agreed and to include: • an increase in the basket for Permitted Acquisitions for the purpose of the acquisition of target(s) already identified by the Company prior to the date hereof to be financed on a secured basis on arms length commercial rates and which meet the requirements for a "Permitted Acquisition" set out in Clause 22.8.2 of the ~~Senior Facilities Agreement~~SFA to be considered in good faith by the Senior Lender if requested by the Company (such acquisition, if permitted, an "**Agreed Acquisition**")). • acquisitions, the consideration for which when aggregated with Permitted Investments made under the basket referred to in "Permitted Investments" above, do not exceed €30 million in total in any Financial Year.
Permitted Debt Buy Back:	The new senior finance documents shall allow the Borrower or any member of the Group to buy back (on one or more

occasions) out of Available Cash (as defined below) (i) the New Term Facility (or participations therein) and (ii) Senior Secured Bonds, in each case at a discount to par and in the case of the New Term Facility, in accordance with the equivalent of an Open Order Process or a Solicitation Process (as defined in ~~the LMA debt buy-back procedures~~Annex B to this term sheet), provided that the aggregate consideration when aggregated with related costs paid by the Company or any member of the Group for such debt buy backs shall not exceed €100 million (the "**Debt Buy Back Basket**").

The Company may only utilise the Debt Buy Back Basket for the purchase of Senior Secured Bonds after the completion of any debt buy back resulting from a ~~fair offer~~Fair Offer (~~to be~~as defined ~~in the senior facility agreement~~below) made in respect of the New Term Facility (or participations therein).

For the avoidance of doubt, there shall be no requirement to make a Fair Offer in connection with any debt buy back pursuant to which the Company is solely proposing to buy back interests in the New Term Facility (and not Senior Secured Bonds). The Company shall notify the Senior Lender of such intention prior to commencing any such buy back.

The Company shall have the right to cancel any amount of the New Term Facility or Senior Secured Bonds to which a buy back relates. The amount of New Term Facility ~~cancelled as a result of a debt buy~~bought back ~~debt~~by the Company shall ~~constitute~~be deemed to be a voluntary prepayment of that New Term Facility for voting purposes but not for the purposes of clause 8.5.1 (*Excess Cashflow*) of the SFA. The face value of any Senior Secured Bonds which are bought back shall constitute a Permitted Investment (outside of the existing Permitted Investment basket) for the purposes of the new senior facilities agreement.

For the avoidance of doubt, the Company will not use the New Revolving Facility to fund debt buy backs under this section, and (i) the New Revolving Facility will remain undrawn immediately prior to the completion of any debt buy back and (ii) no more than €20 million of drawings will be outstanding under the New Revolving Facility for a period of 60 consecutive days immediately following the completion of any debt buy back.

"**Available Cash**" means the aggregate of:

(i) the average between the cash on the balance sheet of the Group calculated on the following two dates: (a) the Restructuring Effective Date and (b) the earlier of (x) the date of the first buy back and (y) 31 December 2012;

(ii) ECF not required to be applied in the mandatory prepayment of the New Term Facility (for the avoidance of doubt, on the basis that the definition of ECF will deduct all amounts applied during the relevant Financial Year towards mandatory prepayment of the New Term Facility); and

(iii) an additional amount equal to 50% of the Swept ECF for FY2012 (the "**Reserved Amount**"), provided that:

(a) The Company shall not be required to apply the Reserved Amount in mandatory prepayment of the New Term Facility under the cash sweep;

(b) The Company may only use such Reserved Amount for the buy back of interests in the New Term Facility (and not Senior Secured Bonds); and

(c) To the extent the Company has not used the Reserved Amount to fund buy backs of interests in the New Term Facility by 31 December 2014, such unused amount will be applied in prepayment of the New Term Facility on or before 30 June 2015.

"**Fair Offer**" means an offer on the terms set out in Annex B of this Term Sheet.

Permitted Disposals:	List of Permitted Disposals to be agreed.
Permitted Financial Indebtedness:	Additional Financial Indebtedness of €100 million may be incurred for the purpose of financing any permitted Agreed Acquisition (to be considered in good faith by the Senior Lender if requested by the Company).
Security package:	The New Facility and New Revolving Facility and Senior Secured Bond security package will be enhanced as contemplated in the Plan (which contemplates the hive down of substantially all of the assets and liabilities of the Company (with the possible exception of strategic management, certain employees, subsidiaries which are already pledged in favour of the Senior Lender, non-material subsidiaries and/or other assets or liabilities with *de minimis* value) to Pagine Gialle Phone Service Srl ("**OpCo**") or a new wholly-owned Italian subsidiary ("**New Opco**") and the grant of a pledge over 100% of the issued share capital of either OpCo or New Opco to the Senior Creditors). Subject to agreed security principles, floating charge (or

equivalent) security to be granted over Company accounts[6] which are used to collect receivables provided that such security shall be released without the requirement for any consent if the Company agrees to implement a Permitted Receivables Financing. On the Restructuring Effective Date, the Split Luxcos (to the extent they are Participating Investors) and the Parent Luxcos holding such Split Luxcos shall be released from all guarantees, security and other obligations granted by them under the Finance Documents.

Clean down:	The Company shall ensure that the total outstanding amount under the New Revolving Facility is reduced to zero for at least one Business Day in the period between the Restructuring Effective Date and the date falling forty –five days after the Restructuring Effective Date.
General undertakings:	Consistent with the existing SFA, but amended where necessary to reflect the terms and capital structure set out this term sheet.
Representations and warranties:	Consistent with the existing SFA, but amended where necessary to reflect the terms and capital structure set out this term sheet.
Other terms:	The definition of Additional Financial Indebtedness shall be amended to enable the Company to issue the Stub Bond to the HY Bondholders. The replacement senior facility agreement will be based on the existing SFA but will reflect the terms and capital structure set out in this term sheet. All defaults under the SFA to be waived on entry into replacement senior facility agreement. The replacement facility agreement shall contain a structural adjustment clause which shall provide for the following changes to the new senior finance documents: (a) the introduction of any additional tranche or facility (ranking junior or *pari passu* to the New Term Facility); (b) any increase in or addition of any commitment, any extension of a commitment's availability, the redenomination of a commitment into another currency and any extension of the date for, or maturity of, or redenomination of, or a reduction of, any amount owing under the new senior finance documents; and

[6] Security over Company accounts which are used to collect receivables to be consistent in type and structure to the security granted by the Company for the senior facilities in 2004/2005

	(c) any changes to the new senior finance documents that are consequential on, or required to implement or reflect any of the changes contemplated in, paragraphs (a) and (b) above. with the consent of (i) each Lender or interested party that is participating in that additional tranche or facility or increasing, extending or re-denominating its commitments or, as applicable, extending or redenominating or reducing any amount due to it and (ii) interested parties whose interests aggregate 66 2/3 % of the total interests of any interested parties.
Conditions Precedent to the consummation of the Financial Restructuring:	Usual and standard conditions precedent to be agreed, completion of tax, legal and financial due diligence satisfactory to the Senior Co-ordinating Committee and the HY Bondholder Committee Advisers (including reasonably satisfactory evidence that the transaction is tax neutral or minimises tax impact on the Company and the HY Bond Issuer) receipt of requisite tax rulings, regulatory approvals, competition clearances, payment of Committee and advisers fees and expenses, restructuring to be implemented ~~pursuant to~~under a certified restructuring ~~agreement under appropriate provisions~~plan pursuant to Article 67 of the Italian Bankruptcy Law. Confirmation, written or oral, from: (a) ~~Confirmation, written or oral, from~~ Commissione Nazionale per le Società e la Borsa ("**Consob**") that the consummation of the Financial Restructuring as described herein will not trigger any obligation for any HY Bondholder or other person to: (i) launch a mandatory tender offer on the shares of the Company; or (ii) comply with the obligations set forth in article 108 of the Legislative Decree of February 24, 1998, no. ~~58.~~58; and (b) German Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") that the consummation of the Financial Restructuring as described herein will not trigger any obligation for any HY Bondholder or other person to launch a mandatory tender offer on the shares of Telegate AG pursuant to the German Takeover Act (Wertpapiererwerbs und –übernahmegesetz). Customary releases, waivers and discharged to be granted by each of the Participating Creditors, Participating Investors, the Company and the HY Bond Issuer in favour of each of the Company, the HY Bond Issuer, the Participating Investors, the Split Parents, the Split Luxcos, and each of their officers,

directors, employees and statutory auditors in respect of any or all claims arising from or in connection with (i) the Financial Restructuring, (ii) the direct or indirect control, management or operation of the Group or the HY Bond Issuer and (iii) any direct or indirect ownership of any debt or equity securities of any member of the Group and /or in the HY Bond Issuer, except in each case for any claims arising as a result of breach or contractual claims arising as a result of breach of any Restructuring Documents.

3 TERMS OF NEW STUB BOND

~~**Issuer:**~~	~~The Company (or, any other entity agreed by the Majority HY Bondholder Committee), with senior *pari passu* ranking to be determined contractually.~~
~~**Amount:**~~	~~€65 million~~
~~**Coupon:**~~	~~10.50%, p.a. cash pay semi-annually at the end of January and July~~
~~**Final maturity:**~~	~~31 January 2017~~
~~**Guarantees and Security:**~~	~~Substantially identical to the Senior Secured Bonds~~
~~**Ranking:**~~	~~*Pari passu* with the Senior Secured Bond Debt and the Senior Debt~~

Issuer:	The Company (or, any other entity agreed by the Majority HY Bondholder Committee), with senior *pari passu* ranking to be determined contractually.
Amount:	€65 million
Coupon:	10.50%, p.a. cash pay semi-annually at the end of January and July
Final maturity:	31 January 2017
Guarantees and Security:	Substantially identical to the Senior Secured Bonds
Ranking:	*Pari passu* with the Senior Secured Bond Debt and the Senior Debt
Other terms:	Identical in all material economic and commercial terms, save for the terms set out above, to the existing Senior Secured Bonds. The Stub Bond shall be listed on the Luxembourg Stock Exchange. The Company shall use commercially reasonable endeavours (which endeavours are expected to include, without limitation, (i) discussions among US tax counsel to the Company and the HY Bondholder Committee to determine if fungibility can be achieved for US tax purposes and (ii) discussions among counsel to the Company and the HY Bondholder Committee with respect to the implementation of collateral arrangements) to procure that the issue is fungible with one of the two existing Senior Secured Bonds issuances and, to the extent an alternative structure is utilised, it must be in form and substance satisfactory to the HY Bondholder Committee. Notwithstanding the foregoing commercially

reasonable endeavours undertaking, nothing shall require the Company to incur any material cost, expense, liability or obligation other than legal fees associated with the foregoing and any governmental or regulatory filings associated with the implementation of collateral arrangements.

Annex A

I. Post–restructured equity capital structure

Subject to the provisions of section II below, the post-restructured equity of the Company shall be allocated as follows:

(a) ~~(a)~~ in aggregate, 90% of the issued ordinary voting share capital of the Company, immediately following the Restructuring Effective Date, will be held by the holders of the HY Bonds (the number of shares held by the holders of the HY Bonds immediately following the Restructuring Effective Date, but excluding any shares which are the subject of the Call Option Mechanism as defined below (the "***New Equity***")) pro rata amongst themselves to their holding of such notes immediately prior to the Restructuring Effective Date; and

(b)

(c) ~~(b)~~ in aggregate, 10% of the issued ordinary voting share capital of the Company, immediately following the Restructuring Effective Date, will be held by the Company's shareholders of record immediately prior to the Restructuring Effective Date (pro rata between themselves to their shareholdings immediately prior to the completion date) (together with any of their subsequent assignees, transferees or successors in title, "***Shareholders of Record***").

II. Additional shares

In addition to the above:

(a) ~~(a)~~ the Shareholders of Record, pro rata between themselves to their shareholdings immediately prior to the Restructuring Effective Date, shall have the right to purchase from the holders of the HY Bonds, pro rata amongst themselves to their holdings of the New Equity immediately following the Restructuring Effective Date, additional ordinary voting shares of the Company amounting to (in the aggregate)2% of the post-restructured issued ordinary voting shares of the Company immediately following the Restructuring Effective Date (ie 2.22222222222222% of the New Equity). Such right shall be exercisable once only during a 30-day exercise period following the Restructuring Effective Date. The transfer of the additional shares shall be made in consideration for a nominal *de minimis* price (which shall be allocated amongst the transferor shareholders proportionally to the shares they transferred), and completion of all such transfers shall happen together as soon as practicable, pursuant to applicable laws and regulations, no more than 5 business days following the date of exercise; and

(b) ~~(b)~~ subject to the satisfaction of the condition set out below, the Shareholders of Record, pro rata between themselves to their shareholdings immediately prior to the Restructuring Effective Date, shall have the right to purchase from the holders of the HY Bonds, pro rata amongst themselves to their holdings of the New Equity immediately following the Restructuring Effective Date, further additional ordinary voting shares of the Company amounting to (in aggregate) 3% of the post-restructured issued ordinary voting shares of the Company immediately following the Restructuring Effective Date (ie 3.33333333333333% of the New Equity).

The right of the Shareholders of Record set out in this paragraph (b) is conditional upon the sum of (i), (ii), (iii) and (iv) below being equivalent or in excess of 70% of the face amounts outstanding under the HY Bonds immediately prior to the Restructuring Effective Date:

(i) ~~(i)~~ the market value of the New Equity from time to time to be determined on the basis of criteria to be agreed upon by the parties acting in good faith;

(ii) ~~(ii)~~ all dividends actually paid by the Company in respect of the New Equity and the shares which are from time to time the subject of the Call Option Mechanism under this paragraph (b);

(iii) ~~(iii)~~ the market value of such amounts of the Stub Bond as is held by the holders of the HY Bonds immediately following the Restructuring Effective Date (the "***LNSSBs***") to be determined on the basis of criteria to be agreed upon by the parties acting in good faith; and

(iv) ~~(iv)~~ the amount of all interest actually paid by the Company on the LNSSBs.

The right of the Shareholders of Record to purchase further additional shares set out in paragraph (b) above shall be exercisable for a thirty-day period following the date when the above condition is first met, provided that the exercise occurs within 2 years from the Restructuring Effective Date. The transfer of the further additional shares shall be made in consideration for a nominal *de minimis* price (which shall be allocated amongst the transferor shareholders proportionally to the shares they transferred), and completion of all such transfers shall happen, as soon as practicable, pursuant to applicable laws and regulations being no more than 5 business days following the exercise (the mechanism referred to under (a) and (b), the "***Call Option Mechanism***").

(c) ~~(c)~~ The Company expects that the holders of the HY Bonds will agree to structure the transaction in a way satisfactory to all parties so that the Shareholders of Record will receive the same protection with respect to the delivery of the shares which are subject to the Call Option Mechanism as if such shares were deposited in escrow.

(d) ~~(d)~~ The Company recognizes that, subject to reasonably satisfactory technical implementation and feasibility, the rights of the Shareholders of Record to receive additional ordinary voting shares in the Company and the obligations of the holders of the New Equity could also be structured through warrants giving the rights to subscribe new shares to be issued by the Company upon the Restructuring Effective Date, with the typical anti-dilution clauses for listed warrants (the "***Warrants***"), provided, however, that it is ensured that all the relevant parties are put in the same economic position they would have enjoyed had the purchase of additional shares been made through the Call Option Mechanism (including as a result of any par value share price required to be paid under Italian Corporate Law, "*parità contabile*"). The parties will use all their respective reasonable endeavors first to seek to implement the terms under this Section II using the Warrants issued by the Company as described in this paragraph (d), and then shall the Call Option Mechanism be pursued. If the Call Option Mechanism is used, the voting rights and any dividends and reserves whatsoever resulting from any shares later transferred to the Shareholders of Record, shall remain with the registered holder at the time of any vote or declaration of dividend or reserves.

(e) ~~(e)~~ The right to the further additional shares under paragraph (b) above shall be assisted by customary anti-dilution provisions being in respect of share consolidations, sub-divisions and bonus shares (other than any manager incentive plan) and other protections which will be equivalent to the typical anti-dilution clauses for listed warrants.

III. Legenda

Capitalised terms used, but not otherwise defined herein, shall have the same meaning ascribed to them under the Agreement and/or the Term Sheet.

Annex B

Fair offer

A "**Fair Offer**" shall mean an offer by any member of the Group to buy back interests in the New Term Facility, such offer to have each of the following characteristics:

1. The offer specifies the amount the Group proposes to use to buy back Senior Debt (the "**Debt Buyback Amount**"), such amount not to be less than €30 million net of transaction expenses;
2. The timings and procedures adopted by the Group in connection with the offer are otherwise compliant with an Open Order Process or a Solicitation Process.
3. Assuming the timings and procedures referred to in paragraph 2 above are complied with, the offer is made on a date no later than the date which would result in the proposed buyback of New Term Facility interests completing on 31 December 2014.
4. If the offer is made in the context of an Open Order Process, an Open Order Price is set, and if the offer is made in the context of a Solicitation Process is used, a Solicitation Reserve Price is set.
5. The offer undertakes that all of the Debt Buyback Amount will be applied towards buying back interests in the New Term Facility to the extent New Term Facility interests are offered to the Group at a price which is at or lower than the Open Order Price or the Solicitation Reserve Price (as applicable).
6. The offer confirms that if not all of the Debt Buyback Amount is applied to buy back interests in the New Term Facility, then an offer will be made to buy back Senior Secured Bonds (an "**SSB Buyback**") only on the following terms:
   A. Such offer will be made (i) within 60 business days following the completion of an offer to buy back the New Term Facility and (ii) only from such part of the Debt Buyback Amount which was not applied towards buying back interests in the New Term Facility;
   B. If, following the completion of the SSB Buy Back, any amount of the Debt Buyback Amount remains unused, the Company undertakes to increase the next scheduled amortisation payment under the New Term Facility by such unused amount; and
   C. The SSB Buyback shall be by way of either (1) a tender offer at which any premium offered to the relevant market price shall be no greater than the Agreed Premium; or (2) a modified Dutch auction pursuant to which the highest price at which an SSB holder may tender shall be no higher than 90% of par.

For the avoidance of doubt, on each occasion an Open Order Process or a Solicitation Process is initiated by a member of the Group, that member of the Group will have to set a new Open Order Price or Solicitation Reserve Price (as applicable) on each such occasion.

Definitions

"**Agreed Premium**" means the premium set forth alongside the corresponding Market Price range set out in Schedule 1.

"**Market Price**" means the average of the bid-ask spreads for secondary market transactions of the New Term Facility from broker-dealer desks of not less than four international investment banks, over the 30 trading days immediately preceding one business day prior to the commencement of the Open Order Process, as certified in writing by the Company to the Senior Lender (or such other institution as may be agreed in final documentation).

"**Open Order Price**" means a price set at the Agreed Premium to the Market Price.

"**Open Order Process**" shall have the meaning given to it in the Loan Market Association facility agreement for leveraged acquisition finance transactions.

"**Solicitation Process**" shall have the meaning given to it in the Loan Market Association facility agreement for leveraged acquisition finance transactions.

"**Solicitation Reserve Price**" means 90% of the par face principal amount of the relevant interest in the New Term Facility.

Schedule 1

Matrix of Open Order Process Market Prices and Premia		
Market Price	**Premium**	**Tender Price**
30	48%	44.5
31	48%	45.8
32	47%	47.1
33	46%	48.3
34	46%	49.5
35	45%	50.7
36	44%	51.9
37	44%	53.1
38	43%	54.3
39	42%	55.5
40	42%	56.6
41	41%	57.7
42	40%	58.9
43	39%	60.0
44	39%	60.1
45	38%	62.1
46	37%	63.2
47	37%	64.2
48	36%	65.3
49	35%	66.3
50	35%	67.3
51	34%	68.3
52	33%	69.3
53	33%	30.3
54	32%	71.2
55	31%	72.1
56	30%	73.1
57	30%	74.0
58	29%	74.9

Matrix of Open Order Process Market Prices and Premia

Market Price	Premium	Tender Price
59	28%	75.8
60	28%	76.6
61	27%	77.5
62	26%	78.3
63	26%	79.2
64	25%	80.0
65	24%	80.8
66	24%	81.6
67	23%	82.3
68	22%	83.1
69	22%	83.8
70	21%	84.6
71	20%	85.3
72	19%	86.0
73	19%	86.7
74	18%	87.4
75	17%	88.0
76	17%	88.7
77	16%	89.3
78	15%	89.9
79	15%	90.5
80	14%	91.1
81	13%	91.7
82	13%	92.3
83	12%	92.8
84	11%	93.4
85	10%	93.9
86	10%	94.4
87	9%	94.9
88	8%	95.0
89	6%	95.0

Matrix of Open Order Process Market Prices and Premia

Market Price	Premium	Tender Price
90	5%	95.0
91	4%	95.0
92	3%	95.0
93	2%	95.0
94	1%	95.0
95	0%	95.0

Document comparison by Workshare Professional on mercoledì 22 febbraio 2012 6.55.38

Input:	
Document 1 ID	file://H:\My Documents\Compare\A14521086 v0.24 Term Sheet February.doc
Description	A14521086 v0.24 Term Sheet February
Document 2 ID	file://H:\My Documents\Compare\A14521086 v0.51 Term Sheet February.docx
Description	A14521086 v0.51 Term Sheet February
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	307
Deletions	52
Moved from	1
Moved to	1
Style change	0
Format changed	0
Total changes	361