

PRESS RELEASE

THE DEED OF MERGER BY INCORPORATION OF SEAT PAGINE GIALLE ITALIA S.P.A. INTO SEAT PAGINE GIALLE S.P.A. HAS BEEN EXECUTED

ENVISAGED DATE OF EFFECT: 1 NOVEMBER 2014

Milan, 24 October 2014 – Further to our announcement made on 3 October 2014, Seat Pagine Gialle S.p.A. (the "**Company**" or "**Seat**") announces that today it entered into the deed of merger by incorporation of Seat Pagine Gialle Italia S.p.A. (a wholly-owned subsidiary of the Company) into the Company (the "**Merger**").

Subject to registration with the competent offices of the Companies Register in accordance with art. 2504 of the Italian Civil Code, Merger will come into effect for civil law purposes on 1 November 2014, while the accounting and tax effects of the Merger will start as of 1 January 2014.

The implementation of the Merger is necessary in order to initiate the performance of the composition agreements proposed by Seat and Seat Pagine Gialle Italia S.p.A. and approved by the Court of Turin on 3 October 2014, which is expected to be completed within 4 months of said court approval.

It should be recalled that the composition proposals formulated by Seat and Seat Pagine Gialle Italia S.p.A. envisage, in addition to the Merger, the conclusion of a series of extraordinary transactions (approved by Seat's extraordinary Shareholders' Meeting on 4 March 2014) which are necessary for the completion of the composition with creditors and which therefore will be perfected over the coming months; in particular:

- full use of the Company's reserves and the reduction of its share capital, without cancelling outstanding shares since they lack nominal value, from Euro 450,265,793.58 to Euro 120,000.00 to cover losses;
- The paid increase in the Company's share capital, on an indivisible basis, from Euro 120,000.00 to Euro 20,000,000.00, with the exclusion of the option right pursuant to art. 2441, paragraphs 5 and 6, through the issue of 6,410,695,320,951 new ordinary shares, without nominal value having the same characteristics as the outstanding ordinary shares, to be paid in cash through the cancellation (and therefore the use) of the debts of Seat and Seat Pagine Gialle Italia S.p.A. owed to creditors admitted to the composition belonging to Classes B and C, as identified in the respective composition proposals in accordance with arts. 160 *et seq.* of Royal Decree No. 267/1942 (the "**Reserved Capital Increase**");
- The regrouping of the Company's ordinary shares and savings shares at a ratio of 1 new ordinary share with regular entitlement for every 100 ordinary shares outstanding (post Reserved Capital Increase) and 1 new savings share with regular entitlement for every 100 savings shares outstanding;
- The issue of warrants (hereinafter, the "**Warrants**"), which will allow for the paid subscription of Seat's ordinary shares representing approximately 5% of share capital, after the Reserved Capital Increase, on a fully diluted basis, to be assigned gratuitously to the Company's ordinary Shareholders who took part, including by proxy, in the



extraordinary Shareholders' Meeting held on 4 March 2014, and to the Shareholdings who hold savings shares.

It should be recalled once again that as a result of the Reserved Capital Increase, the Company's current shareholders will incur an extremely strong dilution, since the shares currently outstanding will represent approximately 0.25% of the Company's share capital after the Reserved Capital Increase.

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