

PagesJaunes Groupe first quarter 2011: stable revenues and partial debt refinancing

Key points:

- Revenues almost unchanged (-1%) and orders¹ up 3.1%
- Internet: 5.5% growth in revenues and rapid growth in orders (over 15%)
- Printed directories: less revenue erosion (-7.5%)
- Refinancing of €962 million of bank debt
- Full-year targets confirmed

On the announcement of PagesJaunes Groupe's revenues for the first quarter of 2011, Jean-Pierre Remy, Chief Executive Officer, said:

"The order growth seen at the end of last year was confirmed in the first quarter of 2011 with a recovery in local communication spend by our advertising customers."

"The growth in the Group's Internet businesses was particularly marked, with order growth exceeding 15%. This growth was buoyed in particular by two businesses: mobile, with over 100,000 advertisers at the end of March 2011, and display, which grew 30% in the first quarter."

I. Highlights of the first quarter of 2011

- PagesJaunes Groupe signed a **partnership with Microsoft** to become the local search partner for Bing in France.
- PagesJaunes Groupe **acquired the company A Vendre A Louer**, putting it among the top three in the business real-estate small ads market in France with 17,000 advertisers.
- PagesJaunes Groupe launched a **new communication campaign** to strengthen its local and digital positioning with a new visual identity.

II. 12.1% growth in the audience of the Group's Internet sites

- **The audience of the Group's Internet sites continued to grow in the first quarter of 2011**, with 555 million visits, up 12.1% compared to the same period in 2010. In France, the Group's sites received 380 million visits, up 8.8% compared to 2010, and recorded 18.9 million unique visitors in March 2011 (46.5% of internet users²). This trend should be reinforced by the partnership entered into with Microsoft in March 2011, under which PagesJaunes becomes the local search partner for Bing.

¹ The orders are those of the Group excluding Editus Luxembourg. They correspond to orders invoiced during the period.

² Source: Médiamétrie//NetRatings

- **PagesJaunes Groupe's mobile Internet audience continues to show spectacular growth.** It grew by 117% in France in the first quarter of 2011 compared to the first quarter of 2010, with 33 million visits (9% of PagesJaunes' total Internet audience). By the end of March 2011, PagesJaunes, Mappy and AnnoncesJaunes applications had been downloaded 7.4 million times onto all types of smartphones in France.
- The acquisition of A Vendre A Louer **strengthens PagesJaunes' position among the top three in the business real-estate small ads market in France** with over 1 million ads online. Annoncesjaunes.fr and A Vendre A Louer recorded 1.8 million and 2.5 million unique visitors respectively in March 2011.

III. Consolidated revenues almost unchanged due to lower erosion of printed directories and continued growth in Internet businesses

- **The consolidated revenues of PagesJaunes Groupe decreased by 1.0%** to €231.6 million in the first quarter of 2011.
- **The decrease in revenues from printed directories amounted to 7.5%** in the first quarter of 2011 compared to 10.2% in the same period in 2010 due to a recovery in the printed directory audiences and the success of the commercial strategy in promoting the print books.
- **The 5.5% growth in Internet revenues was driven by the new mobile and display activities**, on the Group's sites and those managed on a representation basis by Horyzon Média.
- Other revenues, representing less than 5% of revenues in the first quarter of 2011, decreased essentially due to the decline in telephone directory assistance services.

Consolidated revenues

(in € millions)	First quarter 2010	First quarter 2011	Change
Internet	128.2	135.3	5.5%
<i>as % of total revenues</i>	<i>54.8%</i>	<i>58.4%</i>	
Printed directories	93.4	86.4	-7.5%
<i>as % of total revenues</i>	<i>39.9%</i>	<i>37.3%</i>	
Others	12.3	9.9	-19.5%
Total revenues	233.9	231.6	-1.0%

IV. Refinancing of €962 million of bank debt

PagesJaunes Groupe's net financial debt³ amounted to €1,793 million as at 31 March 2011, compared to €1,858 million as at 31 December 2010 and €1,820 million as at 31 March 2010.

As at 31 March 2011, the Group had 13% headroom under the covenant on its financial leverage ratio, which specifies a maximum of 4.00x, with net debt amounting to 3.48 times an aggregate close to GOM, and 53% headroom under the interest coverage covenant of 3.75x, with an aggregate close to GOM amounting to 5.75 times the net interest expense⁴.

In April, the Group has successfully refinanced half of its bank debt on the following terms:

- maturity of a €962 million tranche of the debt extended by almost two years, with the maturity date moving from November 2013 to September 2015.
- covenants relaxed with financial leverage and interest coverage ratios adjusted to take account of the new debt structure.
- moderate increase in margin over Euribor, rising on average from 175 basis points to 275 basis points.

The Group is considering a bond issue if conditions permit.

V. Confirmation of 2011 outlook

PagesJaunes Groupe's outlook for 2011 is confirmed:

- Order growth.
- Stable revenues and GOM.
- Maintenance of a high dividend policy⁵.

About PagesJaunes Groupe

PagesJaunes Groupe is the leader in France in local advertising and information, generating consolidated revenues of over €1.1 billion in 2010. PagesJaunes Groupe's services can be accessed in particular through fixed and mobile Internet, printed directories (the PagesJaunes and PagesBlanches directories), directory enquiry services by telephone and SMS (118008). PagesJaunes Groupe's fixed and mobile Internet sites, primarily pagesjaunes.fr, mobile.pagesjaunes.fr, mappy.com and annoncesjaunes.fr, are visited by more than one Internet user in two in France each month.

PagesJaunes Groupe has a sales force of more than 2,100 sales advisers in France and Spain and provides a comprehensive range of advertising products for its 700,000 local and national advertising customers. With almost €540 million of Internet revenues in 2010, representing 48% of its consolidated revenues, PagesJaunes Groupe is the largest European operator in terms of Internet advertising revenues.

PagesJaunes Groupe is listed on NYSE Euronext Paris - compartment A (PAJ). Information on PagesJaunes Groupe is available at www.pagesjaunesgroupe.com

³ The net financial debt corresponds to the total gross financial debt, excluding loan issue expenses, plus or minus derivative asset and liability cash flow hedging instruments and minus cash and cash equivalents.

⁴ Excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and accretion income.

⁵ The distribution target in no way constitutes a commitment on the part of PagesJaunes Groupe. Future dividends will depend on the Group's results, its financial situation and any other factor which the Board of Directors and the shareholders of PagesJaunes Groupe deem relevant.



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This document contains forward-looking statements. Although PagesJaunes Groupe believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: the effect of competition; PagesJaunes usage level; the success of the investments of the PagesJaunes Group in France and abroad; the effects of the economic situation. A description of the risks borne by the PagesJaunes Group appears in section 4 "Facteurs de risques" of the "Document de Référence" of PagesJaunes Groupe filed with the French financial markets authority (AMF) on 25 March 2010. The forward-looking statements contained in this document apply only from the date of this document, and PagesJaunes Groupe does not undertake to update any of these statements to take account of events or circumstances arising after the date of the said document or to take account of the occurrence of unexpected events. All the accounting data are presented in unaudited consolidated form.