

Sèvres, 27 July 2011

## PagesJaunes Groupe first half 2011 results: continued transformation of the Group and refinancing

### Key points of the first half of 2011:

- Revenues and GOM<sup>1</sup> down by 1.5% and 3.8% respectively
- Acceleration of Internet growth (+6.8% in first half of 2011 and +8.0% in second quarter of 2011) buoyed by mobile and display
- Orders<sup>2</sup> in second quarter of 2011 almost unchanged despite sharp drop in June due to social unrest
- Successful partial debt refinancing

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

*"The results for the first half of 2011 reflect the major efforts made to transform the Group on the Internet and the control of printed directory costs.*

*Our new sales organisation, which will be rolled out fully before the end of the year, is an essential stage in our medium-term development plan. The specialisation of part of our sales force will enable us to substantially enrich our service offering for our advertising customers.*

*The social unrest in June, which caused a slight fall of 1.1% in orders in the second quarter, should not obscure the underlying growth seen in our activities since the fourth quarter of 2010, which continued through to May with orders up by more than 5%."*

### I. Highlights of the first half of 2011

- **Preparation of key commercial reorganisation**, which gave rise to social unrest in June 2011.
- **New release of pagesjaunes.fr** with an ultra-local homepage and a strategic partnership with Relaxnews, the leading press agency specialising in leisure, to create Relaxevents, a company which will supply the pagesjaunes.fr website with the latest news and events in the world of leisure.
- **Sustained development on mobile handsets** with the number of visits and downloads more than doubling in the first half of 2011 and 180,000 advertising customers at the end of June 2011 after seven months of marketing.
- **Strong development in display, with the launch of a themed, geolocated mobile Internet offering** giving small and micro-businesses visibility among 15.5 million mobile Internet users in France<sup>3</sup>.
- **Strengthening of the Group's digital marketing offering with the acquisition of ClicRDV**, the leader in online appointment booking solutions for businesses.

<sup>1</sup> Gross operating margin

<sup>2</sup> The orders are those of the Group excluding Editus Luxembourg. They correspond to orders invoiced during the period.

<sup>3</sup> Source: Médiamétrie, January 2011



## II. Doubling of audience on mobile devices ; 10.4% growth in the audience of the Group's Internet sites

(in millions of visits)	First half 2010	First half 2011	Change
PagesJaunes	499.0	544.0	9.0%
of which mobile	29.8	59.9	101.0%
Mappy	124.1	136.0	9.6%
of which mobile	4.6	12.3	167.4%
Others (*)	84.8	95.5	12.6%
<b>Total excluding 123people</b>	<b>707.9</b>	<b>775.5</b>	<b>9.5%</b>
of which mobile	34.5	74.3	115.4%
123people	299.5	336.2	12.3%
<b>Total</b>	<b>1,007.4</b>	<b>1,111.7</b>	<b>10.4%</b>

(\*) on a like-for-like basis (A Vendre A Louer)

The Internet audience of the Group's sites grew in the first half of 2011 particularly as a result of the strong growth of the mobile Internet audience. By the end of June 2011, the PagesJaunes, Mappy and AnnoncesJaunes applications had been downloaded 8.7 million times onto all types of smartphones in France.

The Group's Internet sites recorded 19.5 million unique visitors in June 2011 (46.5% of Internet users<sup>4</sup>) and ranked fifth among the most visited sites in France.

## III. Decrease in revenues and GOM

(amounts in thousands of euros)	First half 2010	First half 2011	Change
<b>Revenues</b>	<b>542.3</b>	<b>534.3</b>	<b>-1.5%</b>
<b>Internet</b>	<b>263.9</b>	<b>281.8</b>	<b>6.8%</b>
<i>as % of total</i>	<i>48.7%</i>	<i>52.8%</i>	
<b>Printed directories</b>	<b>253.9</b>	<b>233.2</b>	<b>-8.2%</b>
<i>as % of total</i>	<i>46.8%</i>	<i>43.7%</i>	
Other businesses	24.4	19.2	-21.3%
<b>Gross operating margin</b>	<b>255.3</b>	<b>245.6</b>	<b>-3.8%</b>
<i>as % of revenues</i>	<i>47.1%</i>	<i>46.0%</i>	

<sup>4</sup> Source: Médiamétrie//NetRatings



<b>Internet</b>	<b>123.1</b>	<b>126.6</b>	<b>2.8%</b>
<i>as % of Internet revenues</i>	46.6%	44.9%	
<b>Printed directories</b>	<b>124.1</b>	<b>111.7</b>	<b>-10.0%</b>
<i>as % of printed directory revenues</i>	48.9%	47.9%	
Other businesses	8.1	7.2	-11.1%
<b>Operating income</b>	<b>238.2</b>	<b>225.5</b>	<b>-5.3%</b>
Financial result	-45.6	-57.3	25.7%
<b>Pre-tax income</b>	<b>192.6</b>	<b>168.2</b>	<b>-12.7%</b>
Corporation tax	-69.6	-62.7	-9.9%
<b>Income for the period</b>	<b>123.1</b>	<b>105.5</b>	<b>-14.3%</b>

**PagesJaunes Groupe's consolidated revenues decreased by 1.5%** in the first half of 2011. Printed directories held up relatively well, while the Internet businesses accelerated their growth due to the new mobile and display activities, both on the Group's sites and on those managed on a representation basis by Horyzon Média.

**PagesJaunes Groupe's GOM decreased by 3.8% in the first half of 2011.** The GOM rate of the printed directories stood at 47.9%, down slightly due to the decline in revenues. The GOM rate of the Internet businesses stood at 44.9%, down slightly due to the combined impact of:

- investments to accelerate Internet growth: communication, technology and training of sales teams;
- the growing proportion of sales generated by French and international subsidiaries with lower margins.

**Operating income decreased by 5.3% in the first half of 2011** due to the decrease in GOM and the increase in depreciation and amortisation associated with Internet developments.

**PagesJaunes Groupe's net income for the period amounted to €105.5 million in the first half of 2011, down 14.3% compared to the first half of 2010.** This deterioration of net income was mainly due to the lower financial result associated with the refinancing of the bank debt. The average interest rate on the debt rose from 4.36% in the first half of 2010 to 5.07% in the first half of 2011; the new banking conditions had an impact during two months of the first half of 2011.

#### IV. Successful partial debt refinancing

**Net debt remained almost unchanged** at €1,917 million as at 30 June 2011 compared to 30 June 2010.

**As at 30 June 2011, the Group had 17% headroom under the covenant on its financial leverage ratio**, which stood at 4.50x, with net debt amounting to 3.76 times an aggregate close to GOM, **and 80% headroom under the covenant on its interest coverage ratio**, which stood at 3.0x, with an aggregate close to GOM amounting to 5.39 times the net interest expense<sup>5</sup>.

<sup>5</sup> Excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and accretion income

**Following the refinancing of 70% of its debt, PagesJaunes Groupe has the following liquidity profile:**

- Bank debt tranche A1: nominal €638 million maturing in November 2013;
- Bank debt tranche A3: nominal €962 million maturing in September 2015;
- Bond loan: nominal €350 million maturing in 2018.

## V. Outlook for 2011

**The Group's outlook for 2011 is as follows:**

- **Growth in orders, despite the impact of the industrial action in June;**
- **Expected GOM between €485 million and €500 million;**
- **Maintenance of a high dividend distribution policy<sup>6</sup>.**

### **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](http://www.pagesjaunesgroupe.com)

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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 4 May 2011. 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.*

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<sup>6</sup> 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.