

Sèvres, 25 July 2012

## PagesJaunes Groupe Results for the 1<sup>st</sup> half of 2012

**Consolidated revenues down by -1.7%**  
**Internet up by +9.5%**

- Consolidated revenues €525 million, down by -1.7% in 1<sup>st</sup> half of 2012
- Internet revenue: 59% of consolidated revenues, up by +9.5% in 1<sup>st</sup> half of 2012
- Gross operating margin of €232 million in 1<sup>st</sup> half of 2012, i.e. 44.2% of revenues
- Ongoing refinancing discussions with lenders

**On the announcement of PagesJaunes Groupe's revenues for the 1<sup>st</sup> half of 2012, Jean-Pierre Remy, Chief Executive Officer, said:**

*"Our Internet businesses have grown strongly by +9.5% in the 1<sup>st</sup> half of 2012, and the Group continues to gain market shares in digital advertising. However, in a challenging market, the decline in our Printed directories business has accelerated in the 2<sup>nd</sup> quarter. This decline will translate into a slight decrease in our revenues for 2012; nonetheless we confirm that our objective for our expected gross operating margin remains at the low end of the range we have already announced of €470-485M."*

**The Board of Directors, which met on 24 July 2012, approved the Group's consolidated accounts for the 1<sup>st</sup> half of 2012.**

In millions of euros	H1 2012	H1 2011	Change
<b>Group revenues</b>	<b>525.0</b>	<b>534.3</b>	<b>-1.7%</b>
of which Internet	308.5	281.8	+9.5%
in % of total	58.8%	52.8%	
<b>Gross operating margin</b>	<b>232.1</b>	<b>245.6</b>	<b>-5.5%</b>
as % of revenues	44.2%	46.0%	

## I. Highlights

### Mobile Internet maintains strong growth in audiences:

- **+78.3% of mobile visits<sup>1</sup>** in 1<sup>st</sup> half of 2012, sustained by strong growth in reach<sup>2</sup> and downloads on Android
- **Nearly 18 million** downloads of mobile applications, including 11 million for PagesJaunes

### Fixed Internet develops its indirect access:

- **Pagesjaunes.fr**: partnerships with Free, MSN, SFR, Yahoo! and Alice ADSL allowing access to local search service
- **ZoomOn**: launch of 1<sup>st</sup> local social media on Facebook (> 500,000 fans in 37 locations or regions)

### Internet businesses over-perform in a challenging market

- **Search revenue**: +9.0% in 1<sup>st</sup> half of 2012
- **Display, sites & digital marketing revenue**: +10.6% in 1<sup>st</sup> half of 2012
- Internet represented 59% of Group revenues in 1<sup>st</sup> half of 2012

### The decline in Printed directories has accelerated.

## II. Trend in fixed and mobile Internet audiences

In millions of visits	H1 2012	H1 2011	Change
PagesJaunes	608.3	544.0	+11.8%
of which mobile	102.6	59.9	+71.3%
Mappy	148.1	136.0	+8.9%
of which mobile	26.7	12.3	+117.1%
Other (a)	89.4	104.5	-14.4%
<b>Total excluding 123people</b>	<b>845.9</b>	<b>784.4</b>	<b>+7.8%</b>
of which mobile	132.5	74.3	+78.3%
123people	228.3	351.7	-35.1%
of which mobile	15.8	21.8	-27.5%
<b>Total</b>	<b>1,074.2</b>	<b>1,136.1</b>	<b>-5.4%</b>
of which mobile	148.3	96.0	+54.5%

Source: PagesJaunes Groupe

(a) on a like-for-like basis

**The Internet audience for the Group's sites (excluding 123people) grew by +7.8% in the 1<sup>st</sup> half of 2012 compared with the 1<sup>st</sup> half of 2011, sustained in particular by the strong growth in the number of mobile Internet visits up by +78.3%.** By the end of June 2012, the PagesJaunes, Mappy and AnnoncesJaunes applications had been downloaded 17.7 million times across all smartphones in France.

**The Group's Internet sites experienced strong audiences in the 1<sup>st</sup> half of 2012**, with 20.2 million unique visitors in May 2012 (ranked 6<sup>th</sup> amongst the most visited sites in France).

<sup>1</sup> Excluding 123people

<sup>2</sup> Statistical indicator from Nielsen Médiamétrie



## III. Financial results

In millions of euros	H1 2012	H1 2011	Change
<b>Group revenues</b>	<b>525.0</b>	<b>534.3</b>	<b>-1.7%</b>
<b>Internet</b>	<b>308.5</b>	<b>281.8</b>	<b>+9.5%</b>
as of group revenues	58.8%	52.8%	
<b>Printed directories</b>	<b>202.4</b>	<b>233.2</b>	<b>-13.2%</b>
as of group revenues	38.5%	43.7%	
<b>Other businesses</b>	<b>14.1</b>	<b>19.2</b>	<b>-26.6%</b>
as of group revenues	2.7%	3.6%	
<b>Gross operating margin</b>	<b>232.1</b>	<b>245.6</b>	<b>-5.5%</b>
as % of revenues	44.2%	46.0%	
<b>Internet</b>	<b>134.1</b>	<b>126.6</b>	<b>+5.9%</b>
as of Internet revenues	43.5%	44.9%	
<b>Printed directories</b>	<b>93.5</b>	<b>111.7</b>	<b>-16.3%</b>
as of Printed directories revenues	46.2%	47.9%	
<b>Other businesses</b>	<b>4.6</b>	<b>7.2</b>	<b>-36.1%</b>
as of Other businesses revenues	32.6%	37.5%	
<b>Operating income</b>	<b>207.8</b>	<b>225.5</b>	<b>-7.8%</b>
Net financial result	(65.1)	(57.3)	+13.6%
Share of the result from associated companies	(0.4)	0.0	na
<b>Income before tax</b>	<b>142.3</b>	<b>168.2</b>	<b>-15.4%</b>
Corporate income tax	(55.2)	(62.7)	-12.0%
Corporate income tax rate	38.7%	37.3%	
<b>Net income</b>	<b>87.1</b>	<b>105.5</b>	<b>-17.4%</b>

**The 1<sup>st</sup> half of 2012 saw Group revenues fall by -1.7%.**

**Despite a more difficult market in the 2nd quarter, the Internet businesses recorded a growth of +9.5% in the 1<sup>st</sup> half of 2012**, still outperforming the market, sustained in particular by search activities and the development of mobile Internet. On the other hand, **the Printed directories business fell by -13.2% in the 1<sup>st</sup> half of 2012.**

**Internet revenues represented 58.8% of Group revenues in the 1<sup>st</sup> half of 2012** compared with 52.8% in the 1<sup>st</sup> half of 2011.

**The Group's gross operating margin was 232.1 million euros in the 1<sup>st</sup> half of 2012, down by -5.5%** compared with the 1<sup>st</sup> half of 2011. **The gross operating margin rate stood at 44.2% in the 1<sup>st</sup> half of 2012** compared with 46.0% in the 1<sup>st</sup> half of 2011. This decrease is linked with the commercial investment in the PagesJaunes business and subsidiaries.

**The Group's operating income was down by -7.8% in the 1<sup>st</sup> half of 2012** compared with the 1<sup>st</sup> half of 2011, **at 207.8 million euros.** The decrease in operating income is mainly the result of the decline in gross operating margin as well as the increase in depreciation and amortisation associated with the Internet developments.

**The Group's net income in the 1<sup>st</sup> half of 2012 was 87.1 million euros, down by -17.4%** compared with the 1<sup>st</sup> half of 2011. This deterioration was mainly associated with the decrease in operating income and the increase in financial expenses following the partial refinancing of the

bank debt undertaken in May 2011. In fact the average cost of gross debt (including hedging instruments) stood at 5.33% in the 1<sup>st</sup> half of 2012 compared with 5.07% in the 1<sup>st</sup> half of 2011. Moreover, the tax rate rose from 37.3% in the 1<sup>st</sup> half of 2011 to 38.7% in the 1<sup>st</sup> half of 2012, mainly impacted by the additional 5% contribution levied on corporation tax since the end of 2011.

## IV. Financial structure

**Net debt<sup>3</sup> stood at 1,762.7 million euros at 30 June 2012** compared with 1,891.7 million euros at 31 December 2011 and 1,916.7 million euros at 30 June 2011.

**At 30 June 2012, the Group had a headroom of 15% for its financial leverage covenant** which was 3.66 x an aggregate close to GOM **and 32% for its interest coverage covenant** which was 3.97 x net interest expenses<sup>4</sup>.

**The Group's net cash flow declined by -9.4%**, from 142.7 million euros in the 1<sup>st</sup> half of 2011 to 129.3 million euros in the 1<sup>st</sup> half of 2012. **At 30 June 2012, the Group had net cash and cash equivalents of 485.2 million euros**, of which 281.4 million euros was due to the RCF facility which was drawn on at the beginning of 2012.

The Group has sought end of May the agreement of its lenders to extend the maturity of its debt facilities maturing in November 2013 to September 2015 in return for, in particular a partial repayment of its debt.

At the request of some of its lenders, and with the view to obtain as soon as possible the agreement of more than 90% of those lenders asked to extend, the Group has lately proposed to:

- suspend its dividend until the Group reduces its net indebtedness<sup>5</sup> to a level corresponding to 3 times EBITDA<sup>5</sup>
- and allocate a portion of its cash flow to the repayment of its bank debt maturing in September 2015, beginning in 2013.

The Group is making progress in the renegotiation with its lenders and continues its discussions to obtain the agreement of lenders to extend commitments.

## V. Outlook for 2012

**In a deteriorating economic and advertising environment, the Group has adjusted its revenue outlook and confirmed its other objectives for 2012:**

- Expected decrease in revenues between -1% and -3%;
- Acceleration of growth in Internet businesses, which will represent close to 60% of total revenues in 2012;
- Expected gross operating margin between €470 million and €485 million.

<sup>3</sup> Net debt corresponds to the total gross financial debt plus or minus the fair value of derivative asset and liability hedging instruments and minus cash and cash equivalents.

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

<sup>5</sup> As defined in the facility agreement with financial institutions



## **About PagesJaunes Groupe**

PagesJaunes Groupe is the leader in France in local advertising and information, generating €1.1 billion in consolidated revenues in 2011. 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 2,200 sales advisers in France and Spain and provides a comprehensive range of advertising products for its local and national advertising customers. With €575 million in Internet revenues in 2011, representing over 52% 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 (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 effects of competition, PagesJaunes usage levels, the success of investments by the PagesJaunes Groupe in France and abroad, and the effects of the economic situation. A description of the risks borne by the PagesJaunes Groupe appears in section 4 "Facteurs de risques" of the PagesJaunes Groupe's "Document de Référence" filed with the French financial markets authority (AMF) on 26 April 2012. 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 said document or to take account of the occurrence of unforeseen events. All accounting data are presented in non-audited consolidated form.*



## Appendix 1: Consolidated revenues

In millions of euros	H1 2012	H1 2011	Change
<b>Internet</b>	<b>308.5</b>	<b>281.8</b>	<b>+9.5%</b>
<i>as % of group revenues</i>	<i>58.8%</i>	<i>52.8%</i>	
<b>Printed directories</b>	<b>202.4</b>	<b>233.2</b>	<b>-13.2%</b>
<i>as % of group revenues</i>	<i>38.5%</i>	<i>43.7%</i>	
<b>Other businesses</b>	<b>14.1</b>	<b>19.2</b>	<b>-26.6%</b>
<i>as % of group revenues</i>	<i>2.7%</i>	<i>3.6%</i>	
<b>Group Revenues</b>	<b>525.0</b>	<b>534.3</b>	<b>-1.7%</b>

## Appendix 2: Consolidated income statement

In millions of euros	H1 2012	H1 2011	Change
<b>Revenues</b>	<b>525.0</b>	<b>534.3</b>	<b>-1.7%</b>
External purchases	(109.9)	(117.2)	-6.2%
Other operating income and expenses	(0.6)	(3.3)	-81.8%
Salaries and charges	(182.3)	(168.2)	+8.4%
<b>Gross operating margin</b>	<b>232.1</b>	<b>245.6</b>	<b>-5.5%</b>
<i>as % of revenues</i>	<i>44.2%</i>	<i>46.0%</i>	
Employee profit-sharing	(6.8)	(6.8)	0.0%
Share-based payment	(0.4)	(0.7)	-42.9%
Depreciation and amortisation	(17.0)	(11.7)	+45.3%
Gain and losses from disposals	(0.2)	(0.2)	0.0%
Acquisition costs of shares	-	(0.6)	na
<b>Operating income</b>	<b>207.8</b>	<b>225.5</b>	<b>-7.8%</b>
<i>as % of revenues</i>	<i>39.6%</i>	<i>42.2%</i>	
Financial income	2.5	2.5	0.0%
Financial expenses	(67.6)	(59.8)	+13.0%
<b>Net financial result</b>	<b>(65.1)</b>	<b>(57.3)</b>	<b>+13.6%</b>
Share of profit or loss of an associate	(0.4)	(0.0)	na
<b>Income before tax</b>	<b>142.3</b>	<b>168.2</b>	<b>-15.4%</b>
Corporate income tax	(55.2)	(62.7)	-12.0%
Corporate tax rate	38.7%	37.3%	
<b>Net income</b>	<b>87.1</b>	<b>105.5</b>	<b>-17.4%</b>
of which attributable to:			
- shareholders of PagesJaunes Groupe	87.1	105.5	-17.4%
- non-controlling interests	-	-	-



## Appendix 3: Consolidated cash flow statement

In millions of euros	H1 2012	H1 2011	Change
<b>Gross operating margin</b>	<b>232.1</b>	<b>245.6</b>	<b>-5.5%</b>
Employee profit-sharing	(6.8)	(6.8)	0.0%
Non monetary items included in GOM	1.9	3.0	-36.7%
Net change in working capital	29.4	35.2	-16.5%
Acquisition of tangible and intangible fixed assets	(19.9)	(20.1)	-1.0%
<b>Operational cash flow</b>	<b>236.7</b>	<b>256.9</b>	<b>-7.9%</b>
<i>in % of GOM</i>	<i>102.0%</i>	<i>104.6%</i>	
Financial result pay out or cash	(58.6)	(44.7)	+31.1%
Corporate income tax paid	(48.8)	(69.5)	-29.8%
<b>Net cash flow</b>	<b>129.3</b>	<b>142.7</b>	<b>-9.4%</b>
Increase (decrease) in borrowings and bank overdrafts	279.9	(19.2)	na
Dividends paid	-	(162.7)	na
Acquisitions of investment securities and subsidiaries, net of cash acquired	(1.3)	(11.1)	na
Other net cash used in investing activities	(0.8)	(1.3)	-38.5%
<b>Net cash variation</b>	<b>407.1</b>	<b>(51.7)</b>	<b>na</b>
Net cash and cash equivalents at beginning of period	78.1	103.5	-24.5%
<b>Net cash and cash equivalents at end of period</b>	<b>485.2</b>	<b>51.8</b>	<b>na</b>

## Appendix 4: Consolidated balance sheet

In millions of euros	30-June-12	31-Dec-11	30-June-11
<b>ASSETS</b>			
<b>Total non-current assets</b>	<b>219.1</b>	<b>215.3</b>	<b>187.6</b>
Net goodwill	93.9	94.1	83.1
Other net intangible fixed assets	69.9	66.4	57.9
Net tangible fixed assets	26.8	28.2	27.3
<b>Total current assets</b>	<b>1,038.2</b>	<b>667.8</b>	<b>616.8</b>
Net trade accounts receivable	391.1	439.3	391.6
Prepaid expenses	118.7	109.4	112.1
Cash and cash equivalents	487.7	82.7	58.3
<b>TOTAL ASSETS</b>	<b>1,257.3</b>	<b>883.1</b>	<b>804.5</b>
<b>LIABILITIES</b>			
<b>Total equity</b>	<b>(2,033.3)</b>	<b>(2,120.9)</b>	<b>(2,194.9)</b>
<b>Total non-current liabilities</b>	<b>2,051.0</b>	<b>2,040.4</b>	<b>2,005.7</b>
Non-current financial liabilities and derivatives	1,987.7	1,981.5	1,946.7
Employee benefits - non-current	55.9	51.2	50.8
<b>Total current liabilities</b>	<b>1,239.5</b>	<b>963.6</b>	<b>993.6</b>
Deferred income	654.4	636.6	660.0
Employee benefits - current	108.0	118.3	110.7
Trade accounts payable	88.1	94.3	96.5
<b>TOTAL LIABILITIES</b>	<b>1,257.3</b>	<b>883.1</b>	<b>804.5</b>

## Appendix 5: Consolidated net debt

In Millions of euros	30-June-12	31-Dec-11	30-June-11
Fair value of hedging instruments	-	-	0.5
Cash and cash equivalents	487.7	82.7	58.3
<b>Gross Cash position</b>	<b>487.7</b>	<b>82.7</b>	<b>58.8</b>
Bank overdrafts	(2.5)	(4.6)	(6.5)
<b>Net Cash position</b>	<b>485.2</b>	<b>78.1</b>	<b>52.3</b>
Long-term bank borrowings	(1,600.1)	(1,600.2)	(1,600.2)
Long-term bond borrowings	(350.0)	(350.0)	(350.0)
Revolving credit line drawn	(281.4)	-	-
Loan issuance expenses	29.3	33.4	37.8
Capital leases	(0.2)	(0.1)	(0.1)
Liabilities in respect of hedging instruments	-	-	(1.9)
Fair value of hedging instruments	(59.0)	(56.4)	(39.7)
Accrued interest not yet due	(6.7)	(7.4)	(8.3)
Other financial liabilities	(9.6)	(12.1)	(8.0)
<b>Gross financial debt</b>	<b>(2,277.6)</b>	<b>(1,992.8)</b>	<b>(1,970.4)</b>
<i>of which current</i>	<i>(289.9)</i>	<i>(11.3)</i>	<i>(23.7)</i>
<i>of which non-current</i>	<i>(1,987.7)</i>	<i>(1,981.5)</i>	<i>(1,946.7)</i>
<b>Net cash (debt)</b>	<b>(1,792.5)</b>	<b>(1,914.7)</b>	<b>(1,918.1)</b>
<b>Net cash (debt) excluding fair value of financial instruments and loan issuance expenses</b>	<b>(1,762.7)</b>	<b>(1,891.7)</b>	<b>(1,916.7)</b>