

Sèvres, 24 April 2013

## PagesJaunes Groupe Results for the 1<sup>st</sup> quarter of 2013: limited decrease in a deteriorated market

- **Group revenues of 228.0 million euros in the 1<sup>st</sup> quarter of 2013 down -2.9% in particularly unfavourable economic and advertising context**
  - **Internet growth: +3.3%**
  - **Printed directories decrease: -12.9%**
- **Internet represents 68.2% of the Group's revenues**
- **Stability of the margin rate at 42.1% in the 1st quarter of 2013 thanks to a strong cost reduction**
- **Annual outlook maintained**

On the announcement of PagesJaunes Groupe's results for the 1st quarter of 2013, Jean-Pierre Remy, Chairman and CEO, said:

*"The decline in revenues of -2.9% in the 1st quarter of 2013 witnesses to the sharp downturn in advertising investments observed for two quarters in a row in France. However, with Internet revenues at over 68%, the Group is actively pursuing its digital transformation. The agreement we have just signed with eBay is an additional asset to migrate our customers towards digital. The Group also maintains its annual outlook despite a particularly unfavourable economic and advertising context."*

The Board of Directors, which met on 23 April 2013, approved the Group's consolidated accounts as at 31 March 2013.

In millions of euros	Q1 2013	Q1 2012	Change
<b>Group revenues</b>	<b>228.0</b>	<b>234.8</b>	<b>-2.9%</b>
of which Internet	155.4	150.4	+3.3%
in % of total	68.2%	64.0%	
<b>Gross operating margin</b>	<b>96.0</b>	<b>98.7</b>	<b>-2.7%</b>
as % of revenues	42.1%	42.0%	

## I. Highlights

### Strong decline in the French advertising market

- Downward revision of the 2013 forecasts for the advertising market in France: Warc Institute - 0.7% versus + 1.3%<sup>1</sup>
- Strong decline announced by the leaders of the TV advertising market and media agencies (- 10% to -12%) in Q1 2013
- Significant deterioration in Display in France

### Limited decrease in revenues and profitability maintained in a difficult market

- Revenue decrease of -2.9% with Internet growth at +3.3% in Q1 2013: Search at +5.4% and Display, websites & digital marketing at -2.5%
- Group's profitability remains high at 42.1% in Q1 2013 and stable compared to Q1 2012
- Net cash flow increase by +7.4% in Q1 2013
- Order slowdown, including Internet, continues in Q1 2013
- Annual outlook maintained

### Short-term action plan to support revenues and profitability

- Commercial aggressiveness through performance-based products (Deals, Search, Websites)
- Acquisition of new customers
- Enhanced ROI for advertisers (improved Business Center, generalized call-tracking,...)
- Protecting margins through cost reduction and discipline on wages and investments

### Sustained strong growth of mobile audience

- With **+66% mobile visits** at the end of March 2013, buoyed by the growth in downloads on Android, mobile audiences represent 22% of all audiences
- **High Reach rate<sup>2</sup> for mobile at 24%** (5 million UVs)
- **Over 24 million mobile applications downloaded** (14 million for PagesJaunes and 8 million for Mappy) and launch of a PagesJaunes app. under Windows Phone 8

### New strategic initiatives

- Strategic partnership signed with **eBay**
- Development of **Mappy services towards web-2-store and shopping experiences** (1500 indoor views in Paris)
- Launch of **Solocal Network**, an organisation dedicated to the key national brands and chains
- **Creation of Idenum** with Euro-Information (Crédit Mutuel-CIC) and SFR, La Poste and Caisse des Dépôts : supporting deployment and use of digital identity solutions

<sup>1</sup> Source: Warc Institute – 2013 forecasts of 11 April 2013 versus 26 November 2012

<sup>2</sup> Source: Médiamétrie NetRatings – February 2013

## II. Trend in fixed and mobile Internet audiences

In millions of visits	Q1 2013	Q1 2012	Change
PagesJaunes	333.5	314.4	+6.1%
of which mobile	76.3	47.5	+60.6%
Mappy	76.8	72.6	+5.8%
of which mobile	22.8	12.5	+82.4%
Other (a)	49.7	45.0	+10.4%
<b>Total excluding 123people</b>	<b>460.1</b>	<b>432.0</b>	<b>+6.5%</b>
of which mobile	101.3	61.1	+65.8%
123people	86.1	120.1	-28.3%
of which mobile	9.8	7.6	+28.9%
<b>Total</b>	<b>546.1</b>	<b>552.0</b>	<b>-1.1%</b>
of which mobile	111.1	68.7	+61.7%

Source: PagesJaunes Groupe

(a) on a like-for-like basis

**The Internet audience for the Group's sites (excluding 123people) grew by +6.5% in the 1<sup>st</sup> quarter of 2013 compared to the 1<sup>st</sup> quarter of 2012, in particular thanks to the strong growth in the number of mobile Internet visits, up +65.8%.** At the end of March 2013, the PagesJaunes Groupe applications (primarily PagesJaunes and Mappy) had been downloaded more than 24 million times across all smartphones and tablets in France.

**The Group's websites continue to benefit from strong audiences in the 1<sup>st</sup> quarter of 2013:** 20 million unique visitors<sup>3</sup> on fixed Internet and 5 million unique visitors<sup>3</sup> on mobile Internet in February 2013 (ranked 7<sup>th</sup> most visited sites in France for fixed and 10<sup>th</sup> for mobile).

<sup>3</sup> Source: Médiamétrie NetRatings – February 2013

### III. Financial results

In millions of euros	Q1 2013	Q1 2012	Change
<b>Group revenues</b>	<b>228.0</b>	<b>234.8</b>	<b>-2.9%</b>
<b>Internet</b>	<b>155.4</b>	<b>150.4</b>	<b>+3.3%</b>
as % of group revenues	68.2%	64.1%	
<b>Printed directories</b>	<b>66.9</b>	<b>76.8</b>	<b>-12.9%</b>
as % of group revenues	29.3%	32.7%	
<b>Other businesses</b>	<b>5.7</b>	<b>7.6</b>	<b>-25.0%</b>
as % of group revenues	2.5%	3.2%	
<b>Gross operating margin</b>	<b>96.0</b>	<b>98.7</b>	<b>-2.7%</b>
as % of revenues	42.1%	42.0%	
<b>Internet</b>	<b>64.1</b>	<b>61.8</b>	<b>+3.7%</b>
as % of Internet revenues	41.2%	41.1%	
<b>Printed directories</b>	<b>30.0</b>	<b>33.5</b>	<b>-10.4%</b>
as % of Printed directories revenues	44.8%	43.6%	
<b>Other businesses</b>	<b>1.9</b>	<b>3.4</b>	<b>-44.1%</b>
as % of Other businesses revenues	33.3%	44.7%	
<b>Operating income</b>	<b>82.6</b>	<b>87.2</b>	<b>-5.3%</b>
Net financial income	(34.0)	(32.3)	-5.3%
Share of the result from associated companies	(0.1)	(0.1)	na
<b>Income before tax</b>	<b>48.4</b>	<b>54.8</b>	<b>-11.7%</b>
Corporate income tax	(19.4)	(22.4)	+13.4%
Corporate income tax rate	40.0%	40.7%	
<b>Net income</b>	<b>29.0</b>	<b>32.5</b>	<b>-10.8%</b>

In a deteriorated economic and advertising context, the Group has shown its resilience with consolidated revenues for the 1<sup>st</sup> quarter of 2013, down -2.9% (-2.6% like-for-like<sup>4</sup>).

- **Internet businesses represent 68.2% of the Group's revenues and have grown by +3.3% in the 1<sup>st</sup> quarter of 2013 (+3.8% like-for-like<sup>4</sup>):** the growth is sustained in particular by the search, mobile and websites activities. But the slowdown in the 1<sup>st</sup> quarter of 2013, following that of the 4<sup>th</sup> quarter of 2012, reflects the difficulties in the advertising market, more particularly encountered in the display activities.
- **The decrease in the Printed directories business is controlled with -12.9% in the 1<sup>st</sup> quarter of 2013,** particularly thanks to an adapted pricing policy.

**The Group's gross operating margin amounts to 96.0 million euros in the 1<sup>st</sup> quarter of 2013,** and is decreasing less than revenues with -2.7% compared to the 1<sup>st</sup> quarter of 2012. The Group continues to tightly manage its costs in particular by reducing non-labor costs (such as paper-print-distribution costs) and through control of labor costs in order to retain a **high gross operating margin, 42.1% in the 1<sup>st</sup> quarter of 2013 and stable** compared to the 42.0% in the 1<sup>st</sup> quarter of 2012.

<sup>4</sup> Excluding disposal sales of Editus in September 2012 and acquisition of Chronoresto in January 2013

**The Group's operating income, down -5.3% in the 1<sup>st</sup> quarter of 2013** compared to the 1<sup>st</sup> quarter of 2012, **reaches 82.6 million euros**. The decrease in operating income mainly results from the decrease in gross operating margin and the increase in depreciation and amortisation charges in line with the Internet investment strategy.

**The Group's net income stands at 29.0 million euros in the 1<sup>st</sup> quarter of 2013, down -10.8%** compared to the 1<sup>st</sup> quarter of 2012. The drop in net income is primarily associated with the decrease in operating income and the increase in financial expenses following the refinancing of the bank debt undertaken in May 2011 and in November 2012. **The average cost of gross debt** (including hedging instruments) **stands at 7.1% in the 1<sup>st</sup> quarter of 2013** compared to 5.9% (excluding RCF) in the 1<sup>st</sup> quarter of 2012. **The corporate income tax rate reaches 40.0% in the 1<sup>st</sup> quarter of 2013.**

#### **IV. Financial structure**

**Net debt<sup>5</sup> amounts to 1,684.0 million euros as of 31<sup>st</sup> March 2013, down 58 million euros** compared to 31<sup>st</sup> December 2012.

**As of 31<sup>st</sup> March 2013, the Group has a 9% headroom on its financial leverage covenant**, which was 3.62 times an aggregate close to GOM and a **31% headroom on its interest coverage ratio** which was 3.92 times the net interest expenses<sup>6</sup>.

**The Group's net cash flow increases by +7.4%, from 73.8 million euros at the end of March 2013** compared to 68.7 million euros at the end of March 2012. **As of 31<sup>st</sup> March 2013, the Group has net cash and cash equivalents of 88.4 million euros.**

#### **V. Capital structure**

PagesJaunes Groupe was majority-owned, until 27<sup>th</sup> March 2013, by Mediannuaire Holding, controlled by circa 80% by Kohlberg Kravis Roberts & Co., and by circa 20% by par Goldman Sachs.

**Mediannuaire Holding, controlled since 27<sup>th</sup> March 2013 by Promontoria Holding 55 B.V.** (a company controlled by Cerberus Capital Management L.P), has gone through a reduction of **its participation to 18.49% of the company's capital and voting rights**, the balance being held by the former lenders of Médiannuaire Holding becoming direct shareholders of PagesJaunes Groupe at 36.19%.

---

<sup>5</sup> Net debt corresponds to the total gross financial debt plus or minus the fair value of derivative asset and/or liability hedging instruments and minus cash and cash equivalents.

<sup>6</sup> Excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and accretion income.



## VI. Outlook for 2013

The evolution of the advertising market over the coming quarters remains very uncertain. However, the Group maintains the following objectives for 2013:

- Revenue decrease between -5% and -3%
  - Continued growth in our Internet business, above French Online market
  - Internet business representing nearly 65% of total revenues
  - Sustained controlled decrease in the Printed directories business similar to 2012
- 2013 GOM between 425 and 445 million euros
- Confirmation of the priority given to reducing indebtedness

## VII. General Meeting 2013

The Combined General Meeting of the shareholders of PagesJaunes Groupe is scheduled for Wednesday 5<sup>th</sup> June 2013.

### About Solocal Group

Solocal Group is the new name of PagesJaunes Groupe\*, ranked #1 on local communication. The Group offers online contents, advertising solutions and transactional services that connect consumers and clients locally. It federates around 5,000 people - including more than 2,300 advisors in local communication in France and Spain to support the digital development of companies (SMEs and microbusinesses, tier 1 brands accounts, etc.) - 17 strong and complementary brands (PagesJaunes, Mappy, A Vendre A Louer, Horyzon Media, etc.) and nearly 700,000 clients. In 2012, Solocal Group generated 1.07 billion euros in revenues out of which 58.4% on Internet, and thus ranks among the key European players in terms of Online advertising revenues. PagesJaunes Groupe is listed on NYSE Euronext Paris (PAJ). Information on Solocal Group is available at [www.solocalgroup.com](http://www.solocalgroup.com).

\*subject to the approval of the General Meeting of the shareholders of June 5, 2013.

### Contacts

#### Press

Delphine Penalva  
01 46 23 35 31  
[dpenalva@solocal.com](mailto:dpenalva@solocal.com)

Isabelle Thillou  
01 46 23 37 56  
[ithillou@solocal.com](mailto:ithillou@solocal.com)

#### Investors

Elsa Cardarelli  
01 46 23 40 92  
[ecardarelli@solocal.com](mailto:ecardarelli@solocal.com)

*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 unexpected events. All accounting data are presented in audited consolidated form (report to be issued).*

## Appendix 1: Consolidated income statement

In millions of euros	Q1 2013	Q1 2012*	Change
<b>Revenues</b>	<b>228.0</b>	<b>234.8</b>	<b>-2.9%</b>
Net external charges	(45.9)	(52.2)	12.1%
Salaries and charges	(86.0)	(83.9)	-2.5%
<b>Gross operating margin</b>	<b>96.0</b>	<b>98.7</b>	<b>-2.7%</b>
<i>as % of revenues</i>	42.1%	42.0%	
Legal employee profit-sharing	(2.9)	(2.8)	-3.6%
Depreciation and amortisation	(9.9)	(8.3)	-19.3%
Other Income and Expenses	(0.6)	(0.4)	-50.0%
<b>Operating income</b>	<b>82.6</b>	<b>87.2</b>	<b>-5.3%</b>
<i>as % of revenues</i>	36.2%	37.1%	
<b>Net financial income</b>	<b>(34.0)</b>	<b>(32.3)</b>	<b>-5.3%</b>
Share of profit or loss of an associate	(0.1)	(0.1)	0.0%
<b>Income before tax</b>	<b>48.4</b>	<b>54.8</b>	<b>-11.7%</b>
Corporate income tax	(19.4)	(22.4)	13.4%
Corporate income tax rate	40.0%	40.7%	
<b>Net income</b>	<b>29.0</b>	<b>32.5</b>	<b>-10.8%</b>

\* not restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

## Appendix 2: Consolidated cash flow statement

In millions of euros	Q1 2013	Q1 2012*	Change
<b>Gross operating margin</b>	<b>96.0</b>	<b>98.7</b>	<b>-2.7%</b>
Legal employee profit-sharing	(2.9)	(2.8)	-3.4%
Non monetary items included in GOM	0.9	0.4	na
Net change in working capital	20.6	16.9	+21.7%
Acquisition of tangible and intangible fixed assets	(9.5)	(8.1)	-16.4%
<b>Operational cash flow</b>	<b>105.1</b>	<b>105.1</b>	<b>+0.0%</b>
<i>in % of GOM</i>	109.5%	106.5%	
Cash financial income	(10.4)	(21.5)	+51.9%
Corporate income tax paid	(21.0)	(14.9)	-41.2%
<b>Net cash flow</b>	<b>73.8</b>	<b>68.7</b>	<b>+7.4%</b>
Increase (decrease) in borrowings and bank overdrafts	(77.0)	282.2	na
Dividends paid	-	-	na
Other	(0.2)	(1.3)	+84.4%
<b>Net cash variation</b>	<b>(3.4)</b>	<b>349.5</b>	<b>na</b>
Net cash and cash equivalents at beginning of period	91.9	78.1	+17.7%
<b>Net cash and cash equivalents at end of period</b>	<b>88.4</b>	<b>427.6</b>	<b>-79.3%</b>

\* not restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

### Appendix 3: Consolidated balance sheet

In millions of euros	31-March-13	31-Dec-12
<b>ASSETS</b>		
<b>Total non-current assets</b>	<b>208.5</b>	<b>212.3</b>
Net goodwill	82.3	82.3
Other net intangible fixed assets	70.1	69.4
Net tangible fixed assets	24.3	25.5
Other non-current assets of which deferred tax assets	31.7	35.1
<b>Total current assets</b>	<b>640.6</b>	<b>653.9</b>
Net trade accounts receivable	416.9	429.9
Acquisition costs of contracts	70.6	68.9
Prepaid expenses	13.9	5.6
Cash and cash equivalents	91.7	111.5
Other current assets	47.6	38.0
<b>TOTAL ASSETS</b>	<b>849.0</b>	<b>866.2</b>
<b>LIABILITIES</b>	0.0	0.0
<b>Total equity</b>	<b>(1,971.6)</b>	<b>(2,006.8)</b>
<b>Total non-current liabilities</b>	<b>1,712.2</b>	<b>1,777.2</b>
Non-current financial liabilities and derivatives	1,619.6	1,686.6
Employee benefits - non-current	85.3	83.3
Other non-current liabilities	7.4	7.3
<b>Total current liabilities</b>	<b>1,108.4</b>	<b>1,095.7</b>
Bank overdrafts and other short-term borrowings	118.7	149.9
Deferred income	653.9	632.1
Employee benefits - current	124.3	124.4
Trade accounts payable	72.2	78.3
Other current liabilities	139.4	111.0
<b>TOTAL LIABILITIES</b>	<b>849.0</b>	<b>866.2</b>



#### Appendix 4: Consolidated net debt

In Millions of euros	31-March-13	31-Dec-12	31-March-12
Cash and cash equivalents	91.7	111.5	437.4
<b>Gross Cash position</b>	<b>91.7</b>	<b>111.5</b>	<b>437.6</b>
Bank overdrafts	(3.3)	(19.6)	(9.8)
<b>Net Cash position</b>	<b>88.4</b>	<b>91.9</b>	<b>427.7</b>
Bank borrowings	(1,368.2)	(1,368.2)	(1,600.1)
Bond borrowings	(350.0)	(350.0)	(350.0)
Revolving credit line drawn*	-	(75.8)	(281.4)
Loan issuance expenses	34.6	37.6	31.1
Capital leases	(0.1)	(0.1)	(0.1)
Fair value of hedging instruments	(44.3)	(54.6)	(56.9)
Accrued interest not yet due	(37.4)	(16.7)	(15.3)
Other financial liabilities	(7.0)	(5.7)	(11.5)
<b>Gross financial debt</b>	<b>(1,772.4)</b>	<b>(1,833.6)</b>	<b>(2,284.2)</b>
<i>of which current</i>	<i>(152.8)</i>	<i>(147.0)</i>	<i>(300.7)</i>
<i>of which non-current</i>	<i>(1,619.6)</i>	<i>(1,686.6)</i>	<i>(1,983.5)</i>
<b>Net cash (debt)</b>	<b>(1,684.0)</b>	<b>(1,741.7)</b>	<b>(1,856.4)</b>
<b>Net cash (debt) excluding fair value of financial instruments and loan issuance expenses</b>	<b>(1,674.3)</b>	<b>(1,724.7)</b>	<b>(1,830.8)</b>

\*At 03/31/2013, 95,8 M€ available under the undrawn revolving credit line, at 12/31/2012, 20 M€ available under the undrawn revolving credit line