

## PagesJaunes Groupe achieves revenue growth of 5.3%<sup>1</sup> in first quarter of 2009

### Key figures for the first quarter of 2009:

- Revenues up 5.3% to €241.6 million<sup>1</sup>
- Internet revenues advance 15.7%
- First-quarter growth unrepresentative of expected full-year trend of between -2% and -5%
- Continued improvement in share of a greatly weakened advertising market, thanks to an Internet contribution due to represent over 40% of the Group total revenues in 2009

On the announcement of PagesJaunes Groupe's revenues for the first quarter of 2009, Michel Datchary, Chief Executive Officer, said:

*"In difficult market conditions, PagesJaunes Groupe has confirmed its **role as a driver of the process of 'webification' of French businesses**, and its ambition to become the number one in Internet advertising among small and micro businesses in France. The Group is taking advantage of the current crisis to intensify its innovation efforts, particularly in fixed and mobile Internet, where its sites are already among the most consulted in France, and in commercial operations, where the Group is continuing to attract new advertising customers. The Group's strong Internet presence and the size and loyalty of its advertiser base should enable it to continue to **outperform an advertising market that is going through difficult times.**"*

Ghislaine Mattlinger, Chief Financial Officer, said:

*"As expected, PagesJaunes Groupe had a buoyant first quarter, with 5.3% growth in consolidated revenues, driven by a 15.7% rise in Internet revenues and benefiting from a generally favourable publication schedule for printed directories in the first quarter. However, this growth is unrepresentative of the expected full-year trend, as consolidated revenues in 2009 are expected to **decline by between 2% and 5% in an advertising market that is expected to contract to a much greater extent.** In these difficult conditions, PagesJaunes Groupe has continued to optimise its cost structure, while maintaining its growth investments in fixed and mobile Internet. **The Group is maintaining its target of a gross operating margin<sup>2</sup> of between €500 million and €540 million for full-year 2009.**"*

<sup>1</sup> On a comparable publication basis for printed directories.

<sup>2</sup> GOM.

## Consolidated revenues of PagesJaunes Groupe

(in € millions)	First quarter 2008	First quarter 2009	Change	Change on comparable publication basis
<b>PagesJaunes in France</b>	<b>215.2</b>	<b>228.1</b>	<b>6.0%</b>	<b>6.0%</b>
<b>International &amp; Subsidiaries</b>	<b>17.7</b>	<b>15.3</b>	<b>-13.6%</b>	<b>-5.6%</b>
Inter-segment	(1.8)	(1.8)	0.0%	0.0%
<b>Group total</b>	<b>231.1</b>	<b>241.6</b>	<b>4.5%</b>	<b>5.3%</b>
<i>Of which Internet</i>	<i>106.7</i>	<i>123.5</i>	<i>15.7%</i>	<i>15.7%</i>
<i>As % of revenues</i>	<i>46.2%</i>	<i>51.1%</i>		

### I. Growth driven by Internet revenues

#### Revenues of the PagesJaunes in France segment

(in € millions)	First quarter 2008	First quarter 2009	Change
Printed directories	103.7	102.0	-1.6%
Pagesjaunes.fr and Internet sites	96.3	113.1	+17.4%
Telephone directory enquiry services (118008)	8.5	9.6	+12.9%
Others (including Minitel)	6.7	3.5	-47.8%
<b>PagesJaunes in France</b>	<b>215.2</b>	<b>228.1</b>	<b>+6.0%</b>
<i>Of which Internet (*)</i>	<i>99.3</i>	<i>116.0</i>	<i>+16.8%</i>
<i>As % of revenues</i>	<i>46.1%</i>	<i>50.9%</i>	

\* including Pagespro.com

The revenues of the PagesJaunes in France segment advanced 6.0% to €228.1 million in the first quarter of 2009 due to growth in Internet revenues<sup>3</sup> (+16.8%) and revenues from telephone directory enquiry services (+12.9%).

- **Revenues from printed directories amounted to €102.0 million.** The decrease in revenues compared to 2008 was limited to 1.6% due to an overrepresentation of printed directories in provincial départements (24 directories published out of 26), which are those with the highest growth trends. **Revenues from Internet activities advanced 16.8%**, benefiting from the positive effect of the locked-in growth from the price rises implemented in the 2008 edition, which accounts for the bulk of the Internet revenues recognised in the first quarter. **However, this revenue growth in the first quarter of 2009 is not representative of the growth expected in full-year 2009**, due to a traditionally favourable product mix for the Group in the first quarter.
- In view of the time lag effect inherent in PagesJaunes' prospecting and production cycle, **the impact of the economic deterioration, particularly in the advertising market, from the fourth quarter of 2008** is expected to weigh more heavily on PagesJaunes' revenues from the second quarter of 2009. This deterioration is likely to be felt essentially in average revenue per advertiser.

<sup>3</sup> Revenues from pagesjaunes.fr, Internet sites and pagespro.com.

- **The economic crisis is having a limited impact on new customer recruitment**, which remains buoyant, although down compared to the record level of 2008. PagesJaunes is maintaining its investments in customer prospecting. The advertiser retention rate is also being affected by the deterioration of the situation of small businesses, but only to a limited degree.
- **The pagesjaunes.fr site recorded 224.8 million visits<sup>4</sup> on the fixed Internet in the first quarter of 2009**, a rise of 2.5% compared to 2008, with a record of 77.7 million visits in March 2009. On the mobile Internet, the site recorded 4.2 million visits, up 40.0% compared to 2008. The overall rise in the audience of PagesJaunes services on the Internet was therefore 2.9%. The site is benefiting from functional improvements, measures taken to optimise its visibility and, in the case of the mobile Internet, the development of versions adapted to touchscreen handsets.

### Revenues of the International & Subsidiaries segment

(in € millions)	First quarter 2008	First quarter 2009	Change	Change on comparable publication basis
BtoC directories	8.8	7.2	-18.2%	0.0%
of which QDQ Media	6.8	5.0	-26.5%	-3.8%
Online small ads	0.8	0.9	12.5%	12.5%
Internet advertising representation	1.1	1.1	0.0%	0.0%
Direct marketing and geographic services	7.0	6.1	-12.9%	-12.9%
<b>International &amp; Subsidiaries</b>	<b>17.7</b>	<b>15.3</b>	<b>-13.6%</b>	<b>-5.6%</b>
<i>Of which Internet (*)</i>	<b>8.6</b>	<b>8.8</b>	<b>+2.3%</b>	
<i>As % of revenues</i>	48.6%	57.5%		

\* Internet revenues of QDQ Media, Editus Luxembourg and Edicom, as well as revenues of Horyzon Média, Mappy (excluding PNDs) and PagesJaunes Petites Annonces

**The revenues of the International & Subsidiaries segment amounted to €15.3 million in the first quarter of 2009, a decrease of 5.6% on a comparable publication basis for printed directories.** The segment was affected by the decline in revenues at QDQ Media, and in the direct marketing and geographic services businesses.

- Amid a sharp deterioration in the economic situation and a marked decline in the advertising market in Spain, QDQ Media stepped up its restructuring plan involving the redeployment of its commercial organisation and its activities, in order to lower its breakeven point, focusing its investments on the areas of greatest potential and on the nationwide development of its Internet presence, and to take full advantage of the partnership entered into with Google in mid-2008. This restructuring is expected to lead to a fall of more than 20% in the revenues of QDQ Media in full-year 2009. The decrease in revenues of QDQ Media in the first quarter of 2009 is therefore unrepresentative of the trend expected over the rest of the year, as a result of the **natural overrepresentation of Internet services, which grew 13.8% in the first quarter** (66% of revenues), associated with the publication schedule for printed directories.

<sup>4</sup> Source: Cybermétrique - Médiamétrie / eStat.



- **The online small ads business** generated revenues of **€0.9 million** in the first quarter of 2009. The annoncesjaunes.fr site recorded 6.9 million visits<sup>5</sup> in the first quarter of 2009, up 19.0% compared to 2008, with a record of 2.5 million visits in March.
- **The Horyzon Média Internet advertising representation segment** billed revenues of €3.8 million. That corresponds to a net revenue contribution of **€1.1 million** in the first quarter of 2009, comprising representation commissions. The stability of these revenues compared to 2008 is due to a continued double-digit rise in CPC activity<sup>6</sup> offset by an equivalent decrease in CPM activity<sup>7</sup>. The Horyzon Média network received 26.8 million unique visitors in February 2009, representing a reach rate of 79.7%<sup>8</sup>.
- Revenues from **direct marketing** and **geographic services** declined by 12.9% in the first quarter of 2009 to **€6.1 million**. PagesJaunes Marketing Services, whose customer base partly comprises large customers, particularly in the automotive sector, suffered due to the economic situation. The mappy.com site recorded 55.1 million visits in the first quarter of 2009.

## II. Trend in the financial situation

### Three key facts should be emphasised:

- The continuation of efforts to optimise all the costs of PagesJaunes Groupe, particularly its external purchases (optimisation of printed directories through the introduction of a new compact format, etc.), while maintaining the commercial and marketing investments that are essential for the company's strategy.
- Continued reduction in the negative GOM of the International & Subsidiaries segment, due particularly to the decrease in the negative contribution from PagesJaunes Petites Annonces.
- No repayment of bank debt before the end of 2013, and substantial headroom under bank covenants.

**The net financial debt<sup>9</sup> of PagesJaunes Groupe amounted to €1,822 million as at 31 March 2009**, compared to €1,882 million as at 31 December 2008.

- **PagesJaunes Groupe's bank debt**, amounting to €1,950 million, is repayable in full at the end of 2013. PagesJaunes Groupe also has a credit line of around €400 million granted by a diversified syndicate of banks and expiring at the end of 2013.
- **PagesJaunes Groupe's gross debt** is 78% hedged against rises in interest rates by means of a portfolio of interest rate swaps and collars maturing at the end of 2011. The average interest rate (including hedging instruments) on PagesJaunes Groupe's debt decreased from 5.98% in the first quarter of 2008 to 4.11% in the first quarter of 2009. Over 2008 as a whole, the rate was 5.64%.

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<sup>5</sup> Source: Xiti.

<sup>6</sup> Cost per click.

<sup>7</sup> Cost per thousand.

<sup>8</sup> Source: NielsenNetRatings.

<sup>9</sup> Net financial debt corresponds to the total gross financial debt plus or minus derivative asset and liability cash flow hedging instruments and minus cash and cash equivalents.



- **As at 31 March 2009, the Group has over 30% headroom under its covenants on its financial leverage ratio** (net debt, excluding the fair value of hedging instruments, to GOM) **and its interest coverage ratio** (GOM to net interest, excluding the change in the fair value of hedging instruments).

### III. Outlook

#### PagesJaunes Groupe confirms its financial targets for 2009:

- PagesJaunes Groupe is expected to record **a decline in consolidated revenues of between -2% and -5%** in an advertising market that is expected to contract to a much greater extent, confirming the continued improvement in the Group's share of the advertising market thanks to an Internet contribution due to represent over 40% of its total revenues in 2009.
- PagesJaunes Groupe is aiming for a **gross operating margin of between €500 million and €540 million**, maintaining its current investments in its fixed and mobile Internet activities while further strengthening its cost control.
- PagesJaunes Groupe will continue to operate **a policy of high dividend distribution**<sup>10</sup>, which is revisable in the event of a further deterioration in the economy.

#### About PagesJaunes Groupe

PagesJaunes Groupe is the leading European publisher of directories on the Internet (pagesjaunes.fr, qdq.com) and the leading publisher of printed directories in France (the PagesJaunes directory and *l'Annuaire*).

PagesJaunes Groupe also publishes consumer directories in Spain, Morocco and Luxembourg, operates directory enquiry services by telephone (118 008) and SMS in France and provides complementary services such as the geographic services of Mappy and the direct marketing services of PagesJaunes Marketing Services, as well as online small ads with PagesJaunes Petites Annonces (annoncesjaunes.fr). It is also present in Internet advertising representation with Horyzon Média.

PagesJaunes Groupe had 788,000 advertisers in France, Spain, Luxembourg and Morocco in 2008. PagesJaunes Groupe is the second largest French company in terms of advertising revenues.

PagesJaunes Groupe is listed on NYSE Euronext Paris – compartment A (PAJ).

Information on PagesJaunes Groupe is available at <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: the effect of competition; PagesJaunes usage level; the success of the investments of the PagesJaunes Groupe in France and abroad; 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 "Document de Référence" of PagesJaunes Groupe filed with the French financial markets authority (AMF) on 17 March 2009.*

<sup>10</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.



*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.*



## Appendix 1: Consolidated revenues

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