

Half-yearly results of PagesJaunes Groupe: 5.1% growth¹ of GOM² in first half of 2009

Key figures for the first half of 2009:

- Revenues up 1.6% to €561.7 million¹
- Internet revenues advance 12.2% to €249.9 million (44.5% of revenues)
- GOM up 5.1% to €261.9 million¹
- First-half growth in revenues and GOM is unrepresentative of expected full-year trend

On the announcement of PagesJaunes Groupe's revenues for the first half of 2009, Jean-Pierre Remy, Chief Executive Officer, said:

*"In **difficult market conditions**, PagesJaunes Groupe continued to invest in pursuit of its objectives of being the **benchmark and standard-setter for local information and business search services in France**, being one of the **leaders in mobile search and monetising its audience** by providing advertising and communications services for businesses. As at 30 June 2009, the audience of the Group's fixed and mobile Internet services in France had advanced 6.7%, including +51.7% on mobile handsets, over a rolling 12-month period, and Internet revenues made up more than 44% of consolidated revenues in the first half of 2009."*

Ghislaine Mattlinger, Chief Financial Officer, said:

*"The first half of 2009, in which sales prospecting activity took place in more favourable economic conditions than those prevailing at present, ended **with 1.6% growth in our consolidated revenues and 5.1% growth in our gross operating margin on a comparable publication basis**, thanks to a continued effort to optimise our operating expenses. However, this performance, in a sharply contracted market, is unrepresentative of the trend expected over the full year. In view of the slowdown observed since the beginning of 2009, in line with our expectations, we are confirming our **expectation of revenues down by between 2% and 5% and a GOM between €500 million and €540 million**, taking into account our intention to maintain our commercial, marketing and technological investments, which are essential for the future growth of our fixed and mobile Internet businesses."*

Key figures of PagesJaunes Groupe

(in € millions)	First half 2008	First half 2009	Change	Change on comparable publication basis
Revenues	550.9	561.7	+2.0%	+1.6%
of which Internet revenues	222.8	249.9	+12.2%	-
as percentage of total	40.4%	44.5%	+4.1 points	-
Gross operating margin	247.3	261.9	+5.9%	+5.1%
As % of revenues	44.9%	46.6%	+1.7 point	-

¹ On a comparable publication basis for printed directories.

² Gross operating margin.

I. Revenue growth driven by Internet services

On a comparable publication basis, the revenues of the PagesJaunes in France segment advanced 2.7% to €532.9 million in the first half of 2009 due to growth in Internet revenues³ (+13.1%) and revenues from telephone directory enquiry services (+14.5%):

Revenues of the PagesJaunes in France segment⁴

(in € millions)	First half 2008	First half 2009	Change	Change on comparable publication basis
Printed directories	282.8	275.0	-2.8%	-4.1%
Pagesjaunes.fr, annoncesjaunes.fr and sites	202.9	230.7	+13.7%	+13.7%
Telephone directory enquiry services (118008)	17.3	19.8	+14.5%	+14.5%
Others (including Minitel)	12.0	7.5	-37.5%	-37.5%
PagesJaunes in France	515.0	532.9	+3.5%	+2.7%
<i>Of which Internet (*)</i>	<i>209.0</i>	<i>236.4</i>	<i>+13.1%</i>	<i>+13.1%</i>
<i>As % of revenues</i>	<i>40.6%</i>	<i>44.4%</i>		

* including Pagespro.com

- **Revenues from printed directories amounted to €275.0 million**, a decrease of 4.1% compared to 2008, due to a contraction in advertisers' budgets in difficult economic conditions. **Internet businesses** (which now include the online small ads business previously classified in the International & Subsidiaries segment) **advanced 13.1%**. This rise was due essentially to the positive effect of the locked-in growth from the price rises implemented for the 2008 edition, which accounts for half of the Internet revenues recognised in the first half. **However, this revenue growth in the first half of 2009 is not representative of the growth expected in full-year 2009**, due to a traditionally more favourable product mix for the Group in the first half.
- In view of the time lag effect inherent in PagesJaunes' sales prospecting and production cycle, **the impact of the economic deterioration, particularly in the advertising market from the fourth quarter of 2008, began to weigh on PagesJaunes' revenues in the second quarter (+0.4% on a comparable publication basis)**. This deterioration is being felt essentially in average revenue per advertiser and is expected to weigh more heavily on the second half of 2009.
- **Despite the deterioration in the situation of small businesses, new customer recruitment**, although down compared to the record level of 2008, is at levels comparable to those seen in 2005/2006. This fact, coupled with the firmness of the retention rate, has made it possible to maintain PagesJaunes' advertiser base.

³ Revenues from pagesjaunes.fr, annoncesjaunes.fr, Internet sites and pagespro.com.

⁴ The data presented for the first half of 2008 and the first half of 2009 have been adjusted to take account of the transfer of the online small ads business ("annoncesjaunes.fr") from the International & Subsidiaries segment to the PagesJaunes in France segment following the launch of a joint "pagesjaunes.fr" / "annoncesjaunes.fr" offering marketed by the PagesJaunes sales force.

- **The Group's fixed and mobile Internet sites in France⁵ recorded 1,138.6 million visits⁶ over a rolling 12-month period as at 30 June 2009**, up 6.7% compared to 2008. In the case of mobile Internet, pagesjaunes.mobile.fr achieved a record rise in its audience over a rolling 12-month period to 18.2 million visits, i.e. a rise of 51.7% compared to 2008. The PagesJaunes application, which is available on more than 170 handsets, has been downloaded onto iPhones more than 600,000 times.

The revenues of the International & Subsidiaries segment amounted to €32.8 million in the first half of 2009, down 13.5% on a comparable publication basis. The segment was affected by the decline in revenues at QDQ Media and in the direct marketing and geographic services businesses:

Revenues of the International & Subsidiaries segment

(in € millions)	First half 2008	First half 2009	Change	Change on comparable publication basis
BtoC directories	23.0	18.0	-21.7%	-13.5%
of which QDQ Media	19.5	14.6	-25.1%	-16.1%
Internet advertising representation	2.6	2.6	0.0%	0.0%
Direct marketing and geographic services	14.5	12.3	-15.2%	-15.2%
International & Subsidiaries	40.0	32.8	-18.0%	-13.5%
<i>Of which Internet (*)</i>	<i>16.7</i>	<i>16.3</i>	<i>-2.4%</i>	<i>-2.4%</i>
<i>As % of revenues</i>	<i>41.8%</i>	<i>49.7%</i>		

* Internet revenues of QDQ Media, Editus Luxembourg and Edicom, as well as revenues of Horyzon Média and Mappy

- **QDQ Media completed 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. QDQ Media consequently recorded a 16.1% decrease in revenues in the first half of 2009, taking into account the 10% rise in its Internet revenues.
- **The Horyzon Média Internet advertising representation** business billed revenues of €8.6 million. That corresponds to a net revenue contribution of **€2.6 million** in the first half of 2009, comprising representation commissions. The stability of these revenues compared to 2008 is due to a continued rise in CPC activity⁷ in parallel with a decrease in CPM activity⁸, in line with the trends observed in the market.
- Revenues from **direct marketing** and **geographic services** declined by 15.2% in the first half of 2009 to **€12.3 million**. PagesJaunes Marketing Services, whose customer base partly comprises major accounts, particularly in the automotive sector, has been heavily impacted by the economic situation.

⁵ Pagesjaunes.fr on fixed and mobile Internet, annoncesjaunes.fr, pagespro.com and mappy.com.

⁶ Source: Cybermétrie - Médiamétrie / eStat.

⁷ Cost per click.

⁸ Cost per thousand.

II. Increase in gross operating margin

Three key facts should be emphasised:

- The continuation of efforts to optimise all the costs of the PagesJaunes in France segment.
- Maintenance of the commercial, marketing and technological investments that are essential for the company's strategy.
- The restructuring of QDQ Media in Spain, which has allowed a significant lowering of the operating breakeven point and the gradual reintegration of the PagesJaunes Petites Annonces offering in the PagesJaunes offering, leading to better pooling of costs.

The GOM of the PagesJaunes in France segment rose 6.1% in the first half of 2009. On a comparable publication basis, the GOM of the PagesJaunes in France segment advanced 4.9%.

GOM of the PagesJaunes in France segment^(*)

(in € millions)	First half 2008	First half 2009	Change
Revenues	515.0	532.9	+3.5%
External purchases	(120.7)	(112.3)	-7.0%
Salaries and social charges	(142.8)	(148.7)	+4.1%
Other operating income and expenses	(3.6)	(9.0)	na
GOM	247.9	263.0	+6.1%
<i>As % of revenues</i>	<i>48.1%</i>	<i>49.4%</i>	

(*) including online small ads business ("annoncesjaunes.fr")

- **The marked optimisation of publishing costs** (purchases of paper, printing, delivery and the purchase of content) on the one hand, and of **communication costs** on the other, allowed a 7.0% reduction in the amount of external purchases in the first half of 2009.

The loss in the International & Subsidiaries segment amounted to €1.1 million in the first half of 2009. On a comparable publication basis, the GOM of the International & Subsidiaries segment improved by €0.5 million in the first half of 2009 compared to the first half of 2008, which showed a loss of €1.6 million. The substantial decrease in revenues was offset by the drastic cost reductions at QDQ Media. This company bore restructuring costs amounting to €4.4 million in the first half of 2009 (stated in operating income).

GOM of the International & Subsidiaries segment

(in € millions)	First half 2008	First half 2009	Change
Revenues	40.0	32.8	-18.0%
External purchases	(19.1)	(14.4)	-24.6%
Salaries and social charges	(21.8)	(18.7)	-14.2%
Other operating income and expenses	0.3	(0.9)	na
GOM	(0.6)	(1.1)	+83.3%

The Group's financial result improved by 37.3% to €(40.4) million due in particular to the fall in interest rates, which enabled the average interest rate on the debt (including hedging instruments) to decrease from 5.78% in the first half of 2008 to 4.05% in the first half of 2009. PagesJaunes Groupe's income for the period rose 24.7% to €128.4 million in the first half of 2009.

PagesJaunes Groupe's income for the period

(in € millions)	First half 2008	First half 2009	Change
GOM	247.3	261.9	+5.9%
Operating income	227.3	239.9	+5.5%
Financial result	(64.4)	(40.4)	-37.3%
Income for the period	103.0	128.4	+24.7%

III. Trend in the financial situation

Three important facts should be emphasised:

- 28% headroom under the bank covenant on net debt to GOM.
- Interest rate hedging increased from 78% to 88% of bank debt and partial extension of rate hedging up to the maturity of the debt in November 2013.
- No repayment of bank debt before the end of 2013.

Following the payment of the dividend of €270 million, the net financial debt⁹ of PagesJaunes Groupe amounted to €2,001.3 million as at 30 June 2009, compared to €1,881.9 million as at 31 December 2008.

⁹ 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.



- **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 bank debt** is now 88% hedged against rises in interest rates by means of a portfolio of interest rate swaps and collars maturing at the end of 2011, and 46% by forward swaps maturing at the end of 2013.
- **As at 30 June 2009, after payment of the dividend, the group has 28% headroom under its covenant on its financial leverage ratio**, which amounts to 3.48 times (ratio of net debt, excluding the fair value of hedging instruments and debt related costs, to an aggregate close to GOM over a rolling 12-month period) **and 89% under its covenant on its interest coverage ratio** which amounts to 6.15 times (ratio of an aggregate close to GOM over a rolling 12-month period to net interest expense, excluding the change in the fair value of hedging instruments, amortisation of debt related costs and income from discounting).

IV. Outlook

PagesJaunes Groupe confirms its financial targets for 2009:

- PagesJaunes Groupe is expected to record a **decline in its 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 its share of the advertising market thanks to an Internet contribution which will 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 businesses while further strengthening its cost control.
- PagesJaunes Groupe will continue to operate a **policy of high dividend distribution**¹⁰, 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 (118008) 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>.

¹⁰ 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 17 March 2009.

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

(in € millions)	Second quarter 2008	Second quarter 2009	Change 2009 / 2008	Change on comparable publication basis	First half 2008	First half 2009	Change 2009 / 2008	Change on comparable publication basis
Printed directories	179.1	173.0	-3.4%	-5.4%	282.8	275.0	-2.8%	-4.1%
Pagesjaunes.fr, annoncesjaunes.fr and sites	105.8	116.8	10.4%	10.4%	202.9	230.7	13.7%	13.7%
118008 telephone directory enquiry services	8.8	10.2	15.9%	15.9%	17.3	19.8	14.5%	14.5%
Other revenues	5.3	4.0	-24.5%	-24.5%	12.0	7.5	-37.5%	-37.5%
Total PagesJaunes in France	299.0	304.0	1.7%	0.4%	515.0	532.9	3.5%	2.7%
B to C directories	14.2	10.8	-23.9%	-20.6%	23.0	18.0	-21.7%	-13.5%
of which QDQ Media	12.8	9.7	-24.2%	-20.5%	19.5	14.6	-25.1%	-16.1%
Internet advertising representation	1.4	1.5	7.1%	7.1%	2.6	2.6	0.0%	0.0%
Direct marketing and geographic services	7.5	6.1	-18.7%	-18.7%	14.5	12.3	-15.2%	-15.2%
Total International & Subsidiaries	23.1	18.4	-20.3%	-18.2%	40.0	32.8	-18.0%	-13.5%
Inter-segment	(2.4)	(2.2)	-8.3%	-8.3%	(4.1)	(4.0)	-2.4%	-2.4%
Group total	319.7	320.2	0.2%	-0.9%	550.9	561.7	2.0%	1.6%



Appendix 2: Income statement

(in € millions)	First half 2008	First half 2009	Change 2009/2008
Revenues	550.9	561.7	2.0%
External purchases	(135.7)	(122.6)	-9.7%
Other operating income	6.4	2.0	-68.8%
Other operating expenses	(9.7)	(12.0)	23.7%
Personnel expenses: - Salaries and social charges	(164.6)	(167.3)	1.6%
Gross Operating Margin	247.3	261.9	5.9%
- Employee profit-sharing	(8.2)	(7.8)	-4.9%
- Share-based payment	(3.3)	(0.6)	-81.8%
Goodwill impairment	-	-	na
Depreciation and amortisation	(8.6)	(9.1)	5.8%
Result of asset disposals	(0.0)	(0.1)	na
Restructuring cost	-	(4.4)	na
Operating income	227.3	240.0	5.5%
Financial income	2.4	4.5	87.5%
Financial expenses	(66.8)	(44.9)	-32.8%
Financial result	(64.4)	(40.4)	-37.3%
Corporation tax	(59.9)	(71.2)	18.9%
Income for the period	103.0	128.4	24.7%



Appendix 3: GOM by business segment

(in € millions)	PagesJaunes in France segment			International & Subsidiaries segment		
	First half 2008	First half 2009	Change 2009 / 2008	First half 2008	First half 2009	Change 2009 / 2008
Net revenues	515.0	532.9	3.5%	40.0	32.8	-18.0%
External purchases	(120.7)	(112.3)	-7.0%	(19.1)	(14.4)	-24.6%
Other operating income	5.0	1.4	-72.0%	2.1	1.1	-47.6%
Other operating expenses	(8.6)	(10.4)	20.9%	(1.8)	(1.9)	5.5%
Salaries and social charges	(142.8)	(148.7)	4.1%	(21.8)	(18.7)	-14.2%
Gross operating margin	247.9	263.0	6.1%	(0.6)	(1.1)	83.3%