

# H1 10 Interim Results

for the six months ended  
30 September 2009

10 November 2009



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Introduction

John Condrón, CEO

Financials

John Davis, CFO

Strategic update

John Condrón, CEO

# Financials

John Davis  
CFO



## Headline results

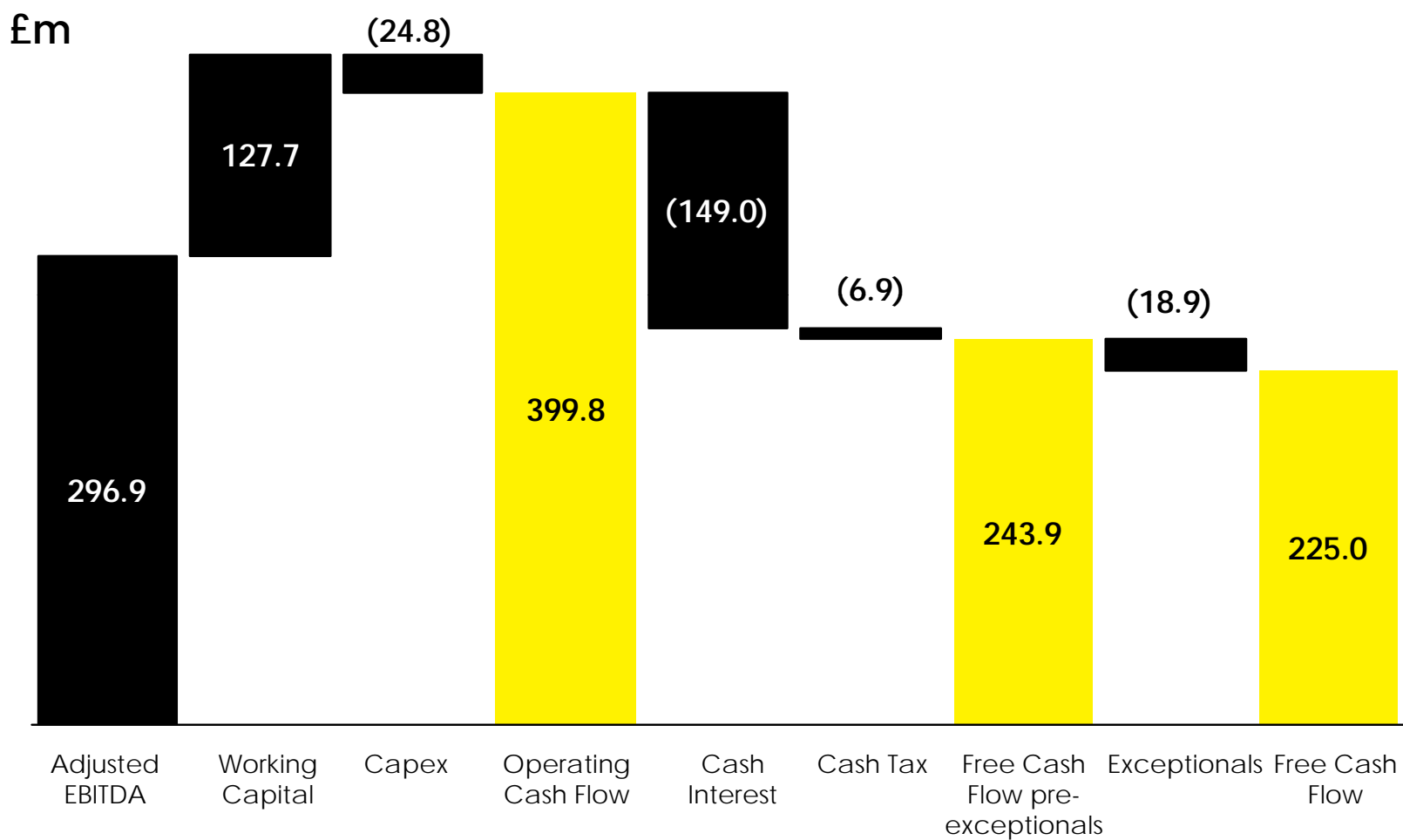
Six months ended 30 September 2009 (£m)	Actual	Growth	Growth at constant FX
Revenue	982.8	(3.9%)	(13.2%)
Adjusted EBITDA	296.9	(13.8%)	(21.0%)
<i>Adjusted EBITDA margin</i>	30.2%	(3.4p p)	
Operating cash flow	399.8	18.0%	6.3%
Cash conversion	134.7%	+36.3p p	
Free cash flow pre exceptionals	243.9	34.2%	
Adjusted diluted earnings per share	8.8p	(48.2%)	
<i>Net Debt: EBITDA</i>	5.0x	(0.3)x	

Adjusted earnings figures stated before exceptional items and amortisation throughout this presentation  
 Net Debt : EBITDA ratio calculated at consistent currency

	Revenue (m)	Growth at constant FX	% of total revenue
<b>UK</b>	£87.3	9%	29%
<b>US</b>	\$130.2	28%	16%
<b>Spain</b>	€27.7	17%	16%
<b>LatAm</b>	€9.0	28%	28%
<b>Total</b>	£200.5	17%	20%

## Divisional results

	Yell UK			Yellowbook			Yell Publicidad		
	2009	2008	Change %	2009	2008	Change %	2009	2008	Change %
Revenue (million)	£305.3	£350.0	(12.8)	\$798.8	\$921.2	(13.3)	€206.0	€242.4	(15.0)
Costs (million)	£184.1	£210.5	12.5	\$590.8	\$660.2	10.5	€153.6	€155.7	1.3
Adjusted EBITDA (million)	£121.2	£139.5	(13.1)	\$208.0	\$261.0	(20.3)	€52.4	€86.7	(39.6)
Margin (%)	39.7	39.9		26.0	28.3		25.4	35.8	



Group cash conversion 135%

## Analysis of debt

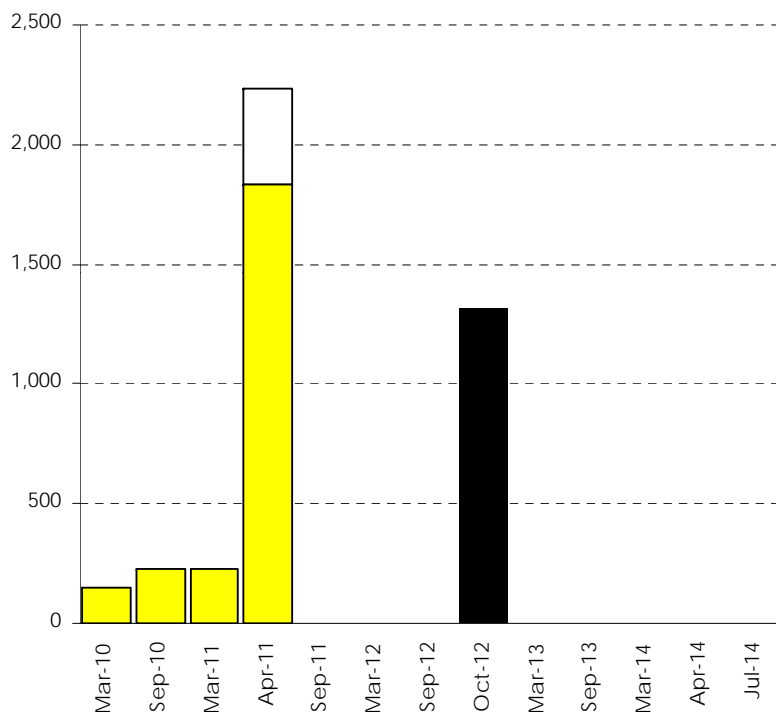
<b>Net Debt at 31 March 2009</b>	<b>(£4,207m)</b>
Free cashflow pre exceptionals	£244m
Exceptionals and other	(£36m)
FX impact at closing rate	£218m
<b>Net debt at closing FX rate</b>	<b>(£3,781m)</b>
<i>Net debt to EBITDA at average rate</i>	<i>5.0x</i>

- Natural hedging – debt denominated in currency of earnings
- 10% covenant headroom at 30 September 2009
- Revolving facility not drawn – debt amortisation serviced from cashflow

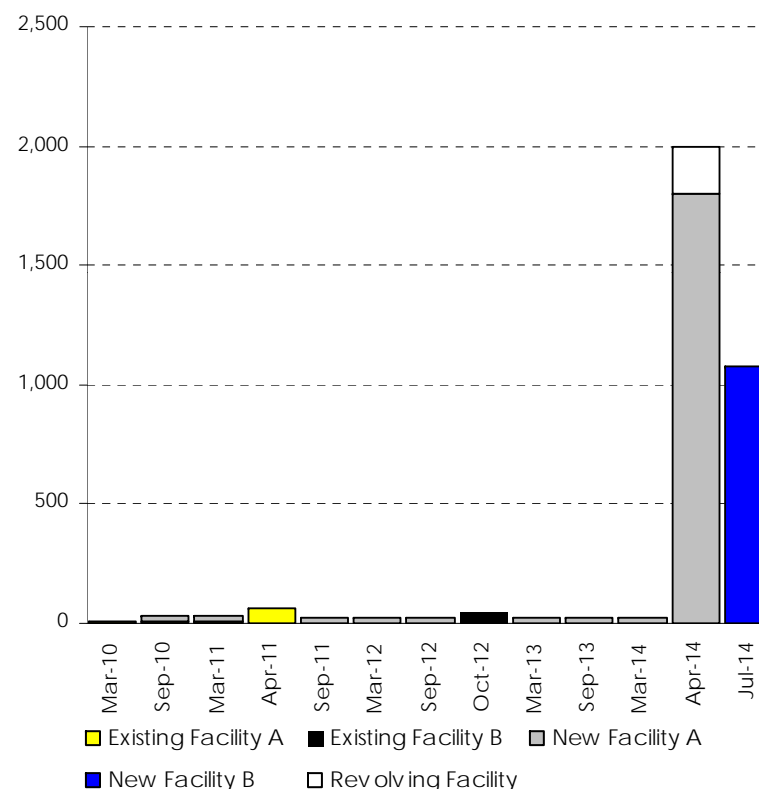


# Overview of pro forma capital structure and maturity profile (£660m equity raise)

**Before (£m to be repaid)<sup>1</sup>**



**After (£m to be repaid)<sup>1,2,3</sup>**



**Notes**

- 1 Based on estimated FX rates i.e. \$1.63/€1.16
- 2 Does not take into account the cash sweep on New Facility A and B
- 3 Post £660m gross equity raise and payment of fees and expenses

- New A Margin of 350bps and B margin of 375 bps
- Up front fee 125 bps to lenders

## Summary of equity raise

- £660m (gross) Firm Placing and Placing and Open Offer
  - Split 50/50 between Firm Placing & Placing and Open Offer
  - Strong support indicated from shareholders
  - Increases balance sheet security
  - 25bp margin saving over c.£3.3bn debt as a result of raising £160m more than required minimum
  - Strong conclusion to refinancing process
  - Satisfies key condition of debt amendment process
  - New total shares in issue: 2,357,679,333 million
- Key timetable dates
  - 10 November: Launch
  - 24 November: Placing and Open Offer closes
  - 25 November: Announce take-up
  - 26 November: EGM
  - 30 November: Settlement

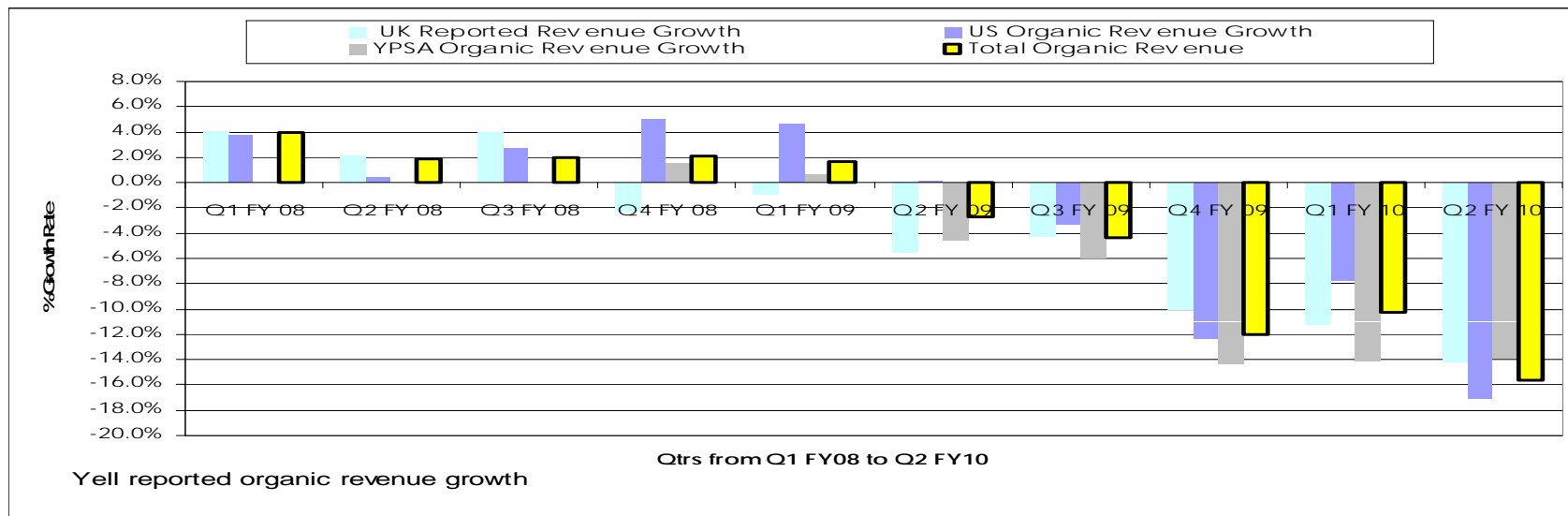
- Quarter marginally ahead of guidance
- Cost savings evident and partly protecting EBITDA
- Cash remains very strong, supporting interest and debt
- Increase balance sheet security

# Strategic update

John Condron  
CEO



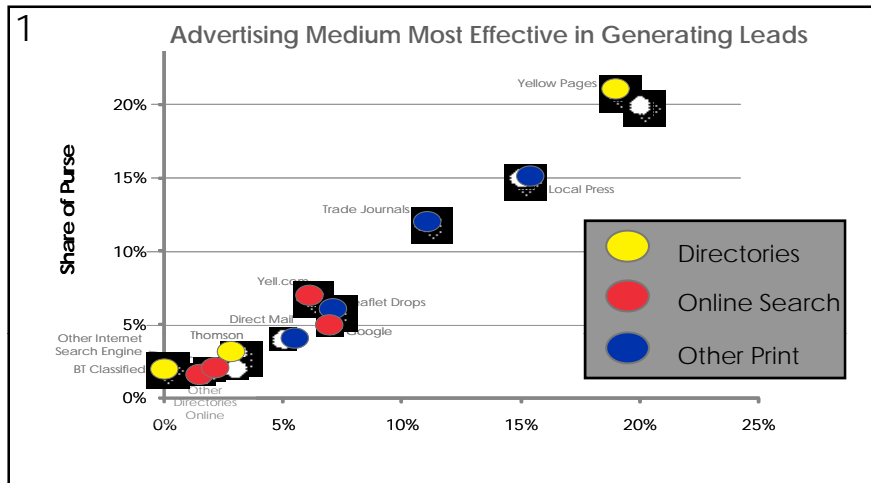
# Revenue pressure is believed to be substantially economic



- Mild recessionary pressure from Yell's Q4 FY'08. Economic impact dramatically worsened post-October '08 banking crisis
- Global advertising markets contracting.
  - UK market contracted by 17% per annum H1 '09 vs. H1 '08.\*
  - US advertising market contracted by 12% Q1'09 vs. Q1'08. \*\*
  - Spanish market contracted by 29% H1 '09 vs. H1 '08. \*\*\*
- Yell customers generally staying and paying, but caution reduces spend
- Advertisers are believed to be saving their cash, not switching their spend from Yell to other media, and so Yell maintaining market share of classified advertising industry

\* Advertising Association/warc 2009 \*\*The Nielsen Company, 2009 \*\*\*Infoadex 2009

# We are maintaining the strength of our value proposition

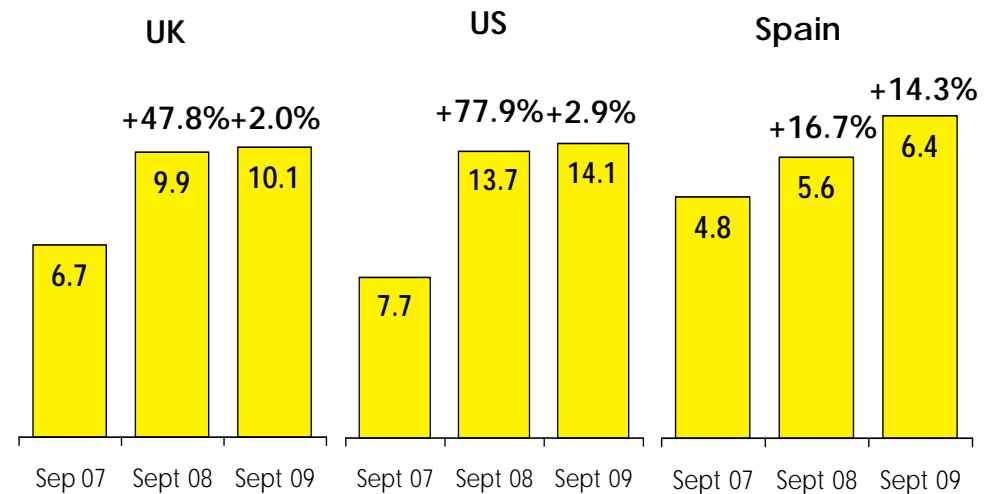


- Internet usage stable, despite economy and seasonality
- Mobile usage increasing
- Additional leads driven from non Yell platforms
- More flexible products

1 - Source: Yell internal estimates based on business census data

- Core print usage is strong and stable ... in spite of economic downturn
- ROI remains high
- Proven value programme continuing
- Initiatives such as free SEO pages and packaging enhance value

## Unique users



Source: Yell.com ABCe

Yellowbook network Source: comScore

Paginasamarillas.es network; Source: OJD

Print KPI's reflect the economic pressure, but customers generally staying...

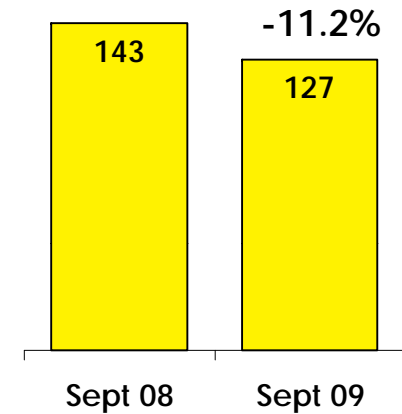
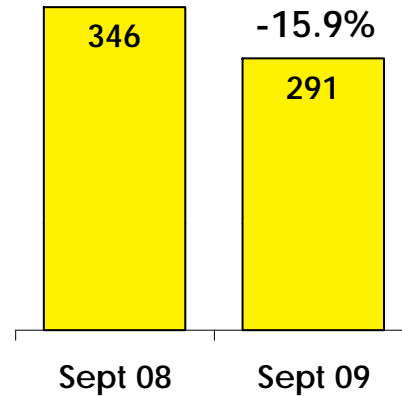
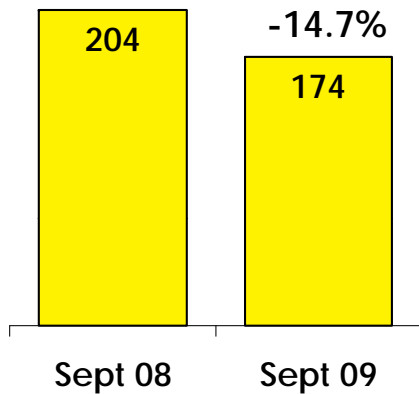


**Advertisers**

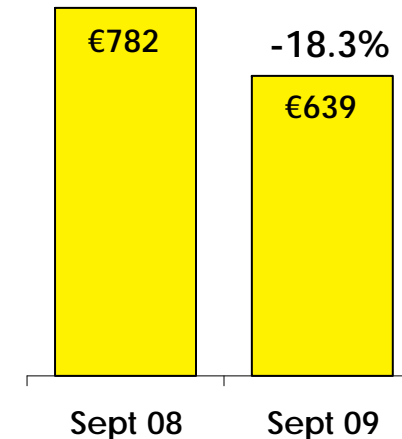
**UK**

**US**

**Spain**



**ARPA**



**Retention**

72%      70%

71%      67%

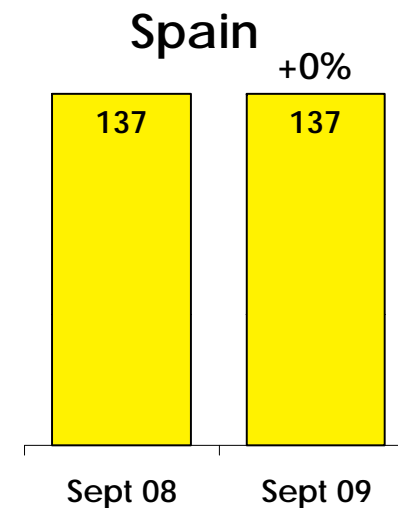
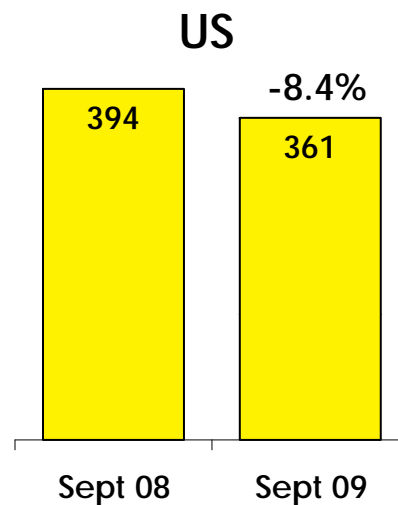
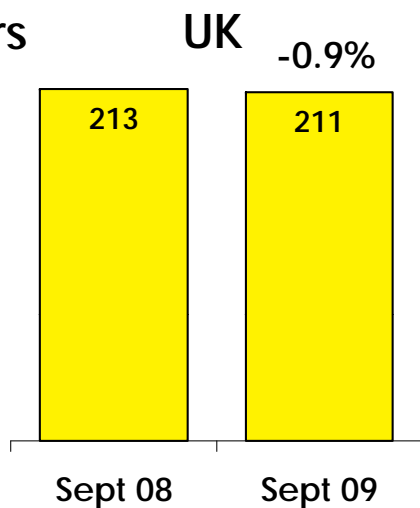
80%      77%



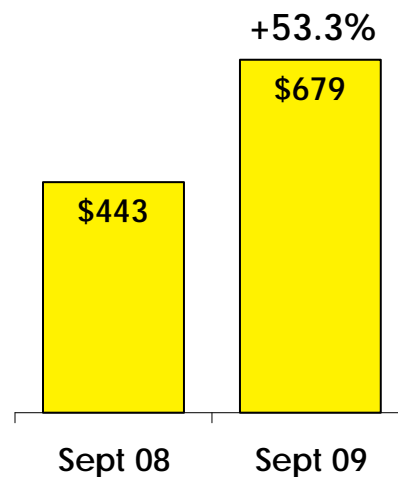
# Internet remains strong despite recession



## Advertisers



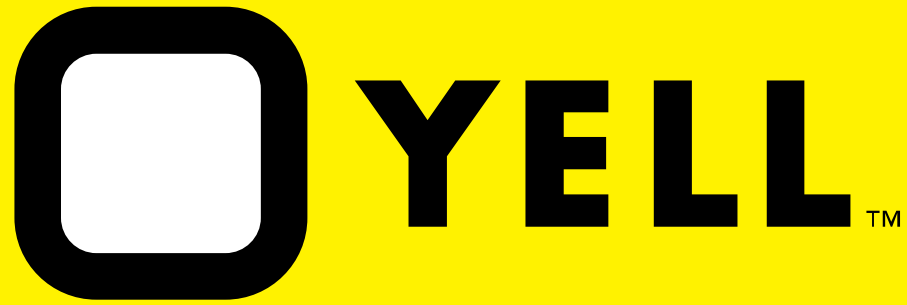
## RASA



Yell is well positioned to meet the marketing needs of SMEs when they start to grow again



- Yell is the leading aggregator of media neutral leads through multiple platforms – print, IYP, search, mobile
- Yell provides a full range of turnkey presentation services to SMEs
- Yell is changing its sales model from canvass-based to multi channel continuous contact
- Yell's product architecture is intended to drive customer volumes, retention, ARPA and product holdings



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