

The Insolvency Act 1986

Administrator's progress report

Name of Company

Yellow Pages Limited

Company number

04175821

In the
High Court of Justice, Chancery Division,
Companies Court

(full name of court)

Court case number
1603 of 2014(a) Insert full
name(s) and
address(es) of
administrator(s)

We

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administrators of the above company attach a progress report for the period

From

To

(b) Insert date

(b) 28 February 2014

(b) 27 August 2014

Signed


Joint Administrator

Dated

23/9/14



**YELL FINANCE BV
YELLOW PAGES LIMITED
YELL HOLDINGS 2 LIMITED
HIBU FINANCE (UK) LIMITED (FORMERLY YELL FINANCE (UK) LIMITED)**

**(ALL IN ADMINISTRATION)
("the Companies")**

**COURT CASE NO. 1356 OF 2014
COURT CASE NO. 1603 OF 2014
COURT CASE NO. 1604 OF 2014
COURT CASE NO. 1717 OF 2014**

**SIX MONTHLY PROGRESS REPORT TO CREDITORS PURSUANT TO RULE 2.47 OF
THE INSOLVENCY RULES 1986 AND THE INSOLVENCY (AMENDMENT) RULES 2010**

23 September 2014

**This report has been prepared for the sole purpose of updating the creditors for information purposes
The report may not be relied upon, referred to, reproduced or quoted from, in whole or in part, by
creditors for any purpose other than updating them for information purposes, or by any other person for
any purpose whatsoever**

**Philip Stephen Bowers, Ian Colin Wormleighton and Neville Barry Kahn were appointed Administrators of
Yell Finance BV on 27 February 2014, Yellow Pages Limited and Yell Holdings 2 Limited on 28 February
2014 and hibu Finance (UK) Limited on 4 March 2014. The affairs, business and property of the Companies
are managed by the Administrators. The Administrators act as agents of the Companies and contract
without personal liability.**

**All licensed Insolvency Practitioners of Deloitte LLP are licensed in the UK to act as Insolvency
Practitioners**

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APPENDICES

- 1 Statutory Information, per company**

ABBREVIATIONS

For the purpose of this report the following abbreviations shall be used

"the Act"	Insolvency Act 1986 (as amended)
"the Administrators"	The Joint Administrators of each Company, Phil Bowers, Neville Kahn and Ian Wormleighton each of Deloitte LLP
"bn"	Billion
"c"	Circa
"the Companies"	Yell Holdings 2 Limited (in administration), Yell Finance BV (in administration), Yellow Pages Limited (in administration) and hibu Finance (UK) Limited (in administration)
"Company"	One of the Companies
"the Court"	High Court of Justice, Chancery Division, Companies Court
"Deloitte"	Deloitte LLP
"Directors"	The directors of a Company Please see Appendix 1 for a list of the Directors as at the date of appointment
"Finance BV"	Yell Finance BV (in administration)
"Facilities Agreement"	The Facilities Agreement dated 30 November 2009 between, among others, UK Finco as borrower and the Companies as guarantors
"the Lenders"	Lenders under the Facilities Agreement
"the Restructuring"	The restructuring transaction as described in the SIP16 Letter
"the Rules"	Insolvency Rules 1986 and the Insolvency (Amendment) Rules 2010
"the Senior Debt"	c £2 3bn plus accrued interest owing to the Lenders under the Facilities Agreement
"SIP2"	Statement of Insolvency Practice 2 (England & Wales)
"SIP13"	Statement of Insolvency Practice 13 (England & Wales)
"SIP16"	Statement of Insolvency Practice 16 (England & Wales)
"SIP16 Letter"	The letter dated 6 March 2014 sent by the Administrators to creditors of the Companies in order to comply with SIP16
"UK Finco"	hibu Finance (UK) Limited (in administration)
"YH2"	Yell Holdings 2 Limited (in administration)
"YPL"	Yellow Pages Limited (in administration)

1. INTRODUCTION

1.1 Introduction

This report has been prepared in accordance with Rule 2.47 of the Rules to provide creditors with an update on the progress of the Administrations of the Companies since our first report to creditors dated 14 March 2014.

Given the information previously provided in our first report to creditors, we have not included detailed background information in respect of the Companies and have focused on progress of the Administrations subsequent to that report.

1.2 Approval of the Proposals

The Administrators' proposals (prepared on a joint basis) were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 14 March 2014 and the expiry of 8 business days thereafter and are detailed in section 2.1 below.

1.3 Extensions to the Period of the Administration

The Administrators do not anticipate that it will be necessary to seek an extension of the Administrations beyond the end of the initial period of their appointment.

A schedule of statutory information in respect of the Companies is attached at Appendix 1.

1.4 Details of the appointment of the Administrators

Philip Bowers, Neville Kahn and Ian Wormleighton were appointed administrators of Finance BV on 27 February 2014 by the Court on the application of the Directors of Finance BV. On 28 February, the Directors of YPL and YH2 (respectively) appointed the Administrators as administrators of YPL and YH2, and on 4 March the Directors of UK Finco appointed the Administrators as administrators of UK Finco.

The Court having conduct of the proceedings is the High Court of Justice, Chancery Division. The Court numbers are:

Finance BV	1356 of 2014
YPL	1603 of 2014
YH2	1604 of 2014
UK Finco	1717 of 2014

For the purposes of Paragraph 100(2) of Schedule B1 of the Act, the Administrators confirm that they are authorised to carry out all functions, duties and powers by either of them jointly and severally.

1.5 Exit

In accordance with the provisions of the Act incorporated by the Enterprise Act 2002, all Administrations automatically come to an end after one year, unless an extension is granted by the Court or with consent of the creditors.

It is anticipated that the Companies will have no property remaining to be realised, and therefore it is likely that the Administrators will notify the Registrar of Companies to that effect at which time the appointment of the Administrators ceases and three months following that date the company is deemed to be dissolved

1.6 Electronic communication with creditors

In an effort to reduce the costs of the Administrations, all future communications with creditors, including updates and progress reports, will be posted onto a website, which has been set up specifically for this purpose. The web address is www.deloitte.com/uk/hibupic.

A letter will be issued to all creditors each time the website is updated with a statutory notice or report. All statutory notices will be retained on the website for at least 3 months after being uploaded to the site.

2 ADMINISTRATORS' PROPOSALS

2.1 Introduction

The Administrators have performed their functions in relation to the Companies with the objective set out in Paragraph 3(b) of Schedule B1 of the Act, which is to achieve a better result for the Companies creditors as a whole than would be likely if the Companies were placed into Liquidation. This objective was effectively achieved through the sale of shares held by YH2. Further detail is set out in our Statement of Proposals dated 14 March 2014.

The Administrators' proposals (which were deemed approved following the issue of a notice under Paragraph 52(1) of Schedule B1 of the Act on 14 March 2014 and the expiry of 8 business days thereafter) were as follows:

- 1 the Administrators continue to manage the affairs and any remaining assets of the Companies and the settlement of all Administration expenses,
- 2 the Administrators continue with their enquiries into the conduct of the Directors of the Companies and continue to assist any regulatory authorities with their investigation into the affairs of the Companies,
- 3 the Administrators be authorised to agree the claims of the secured, preferential and unsecured creditors against each of the Companies unless the Administrators conclude, in their reasonable opinion, that one or more of the Companies will have no assets available for distribution,
- 4 the Administrators be authorised to distribute funds to the secured and preferential creditors as and when claims are agreed and funds permit and, in relation to distributions to unsecured creditors, if the Court gives permission following an appropriate application,
- 5 that, in the event the creditors of one or other of the Companies so determine, at meetings of creditors, a Creditors Committee be appointed in respect of any of the Companies comprising of not more than five and not less than three creditors of that Company or Companies,
- 6 that, following the realisation of assets and resolution of all matters in the Administrations, and as quickly and efficiently as is reasonably practicable, the Administrators implement the most cost effective steps to formally conclude the Administrations. This may include filing a notice in Court and with the Registrar of Companies confirming that the purpose of the Administrations has been sufficiently achieved, the distribution of funds to unsecured creditors (provided Court permission is obtained) and then the dissolution of the Companies, moving from Administration to Dissolution as per Paragraph 84 of Schedule B1 of the Act, or alternatively, seeking to put each or any of the Companies into Creditors' Voluntary Liquidation ("CVL") or Compulsory Liquidation, depending on which option will result in a better realisation for creditors,
- 7 that, if each or any of the Companies were to be placed into CVL, the Administrators propose to be appointed Liquidators and any Creditors' Committee appointed will

become the Liquidation Committee pursuant to Rule 4 174A of the Rules and that the basis of the Liquidators' remuneration be fixed by reference to the time properly given by the Liquidators' and their staff in attending to matters arising in the Liquidations, calculated at the prevailing standard hourly charge out rates used by Deloitte at the time when the work is performed, and/or as a percentage of realisations and/or as a set fee, plus VAT As per Paragraph 83(7) of Schedule B1 of the Act and Rule 2 117A(2)(b) of the Rules, the creditors may nominate a different person to be Liquidator(s) provided the nomination is made before the proposals are approved by creditors For the purposes of Section 231 of the Act the Liquidators will each be authorised to carry out all functions, duties and powers either jointly or severally, and

- 8 in the absence of Creditors' Committees, the creditors of each of YPL, YH2 and UK Finco agree that the Administrators shall be discharged from liability per Paragraph 98 of Schedule B1 of the Act immediately upon the Administrators' filing their final report to creditors and vacating office In respect of Finance BV, the Administrators shall apply to Court to obtain an order under section 98(2)(C) of the Act.

2.2 Amendments to proposals

There have been no amendments to the Administrators' proposals

2.3 Progress on and achievement of the approved proposals

We have summarised below the progress and current status in respect of each of the approved proposals

Proposal	Current status
1	The Administrators achieved the purpose of the Administrations through the implementation of the Restructuring on 3 March 2014 Since then statutory matters have been managed and dealt with
2	The Administrators have concluded their investigations into the conduct of the Directors Confidential reports were submitted to the Insolvency Service on 15 August 2014
3	As there will be no assets to distribute to creditors, no creditor claims have been agreed
4	See 1 above
5 & 6	No Creditors' Committee was formed
7	No nominations for alternative Liquidators were received within the relevant time period
8	The Administrators shall apply to Court to obtain the Administrators' discharge from liability

Further information in respect of the realisation of assets, the status of liabilities and the estimated outcome for creditors is contained in the following sections of this report

3. ADMINISTRATORS' RECEIPTS AND PAYMENTS ACCOUNT

3.1 Introduction

There have been no receipts and payments in the period for any of the Companies

3.2 Asset realisations

On 3 March 2014, the Administrators of YH2 caused YH2 to sell its shareholdings in the trading subsidiaries, as detailed in the SIP16 Letter. The consideration for the Restructuring was the release of YH2 (together with each of the other Companies) from its obligations in respect of Senior Debt of £2.3bn along with nominal consideration paid in respect of some of the individual sale transactions. In addition, the Company achieved a release of c £1.7bn intercompany payables. Total consideration for the Restructuring was therefore c £4bn.

3.3 Estimated future realisations

There are no estimated future realisations for the Companies.

3.4 Costs incurred but remain unpaid

There are no unpaid costs to date for the Companies as hibu (UK) Limited, a related company not in an insolvency procedure, are covering all costs.

3.5 Estimated outcome for creditors

The only assets in the Companies are intercompany loans, which are not recoverable, in the case of Finance BV its shares in YPL, and in the case of YPL its shares in YH2 and UK Finco, which in each case have no realisable value. Certain intercompany payables were satisfied as part of the transaction steps, however, apart from this recovery, there is no prospect of a return to any class of creditor in each case.

4 DISTRIBUTIONS TO CREDITORS

4.1 Creditors

The only creditors of Finance BV, YPL and YH2 as at the relevant appointment date were the Lenders and intercompany creditors. As previously reported, the Lenders held security from YPL, YH2 and UK Finco. The security granted in favour of the Lenders by YPL and UK Finco was released as part of the Restructuring on 3 March 2014. The assets which were subject to the security granted by YH2 in favour of the Lenders were sold subject to that security as part of the Restructuring. No creditors are being disadvantaged by the Restructuring. Clearance has been granted from HMRC in respect of the Restructuring and the Administrators are seeking to minimise any tax claim to the extent possible using existing losses within the Companies.

The debt of Finance BV, YPL and YH2 at the respective dates of the appointment of the Administrators (under their respective guarantee obligations), was £2.3bn plus accrued interest, together with intercompany creditors. The debt of UK Finco as at the date of the appointment of the Administrators to UK Finco was intercompany debts of c £627m, UK Finco's liability for the Senior Debt having been released on 3 March 2014.

There are no other preferential or unsecured creditors of any of the Companies.

4.2 Prescribed Part

Please note that there are no floating charge assets and therefore the Prescribed Part does not apply in any of the Companies.

5. OTHER MATTERS AND INFORMATION TO ASSIST CREDITORS

5.1 Investigations

As part of the Administrators' statutory duties, an investigation into the conduct of the Companies' Directors was completed

In this regard, confidential reports were submitted to The Insolvency Service on 15 August 2014

5.2 SIP2 – Initial Assessment of Potential Recoveries

As part of our duties as Administrators, we are obliged shortly after our appointments to review all of the information available to us and conduct an initial assessment of whether there are any matters that might lead to a recovery for the benefit of creditors. This initial assessment included enquiries into any potential claims that may be brought against parties either connected to or who have had past dealings with the Companies.

Having completed this review, we identified no further avenues of recovery.

If you have any information that you feel we should be made aware of in relation to the above, please contact us as a matter of urgency.

5.3 SIP13 – Transactions with connected parties

The SIP 16 Letter previously provided to creditors on 6 March 2014 discusses connected party transactions undertaken in relation to the Restructuring.

We have reviewed these transactions and are of the opinion that they have been carried out on an arm's length basis.

5.4 EU Regulations

As stated in the administration appointment documents in respect of the Companies, Council Regulation (EC) No 1346/2000 applies and these are the main proceedings as defined in Article 3(1) of that regulation.

6. ADMINISTRATORS' REMUNERATION AND EXPENSES

6.1 Remuneration and Expenses

There will be no asset realisations for any of the Companies available to pay any administration costs and expenses. However, the Administrators have agreed with hibu (UK) Limited that costs and expenses will be approved and paid by them.

The remuneration approved and paid by hibu (UK) Limited in the period of this report is summarised below:

By case as follows:	£
Yell Holdings 2	44,052
Yellow Pages Limited	14,546
Yell Finance BV	18,255
hibu Finance UK	11,620
	<u>88,473</u>

6.2 Other professional costs

The Administrators have engaged Linklaters LLP to provide legal advice to them in respect of the administrations of the Companies. The costs of Linklaters LLP are also met by hibu (UK) Limited.

YELL FINANCE BV, YELLOW PAGES LIMITED, YELL HOLDINGS 2 LIMITED AND HIBU FINANCE (UK) LIMITED (ALL IN ADMINISTRATION)

STATUTORY INFORMATION

Company Name	Yell Finance BV	Yellow Pages Limited	Yell Holdings 2 Limited	hibu Finance (UK) Limited
Proceedings	In Administration	In Administration	In Administration	In Administration
Court	High Court of Justice	High Court of Justice	High Court of Justice	High Court of Justice
Court Reference	1356 of 2014	1603 of 2014	1604 of 2014	1717 of 2014
Date of Appointment	27 February 2014	28 February 2014	28 February 2014	4 March 2014
Appointment by	The Royal Court of Justice, Chancery Division on application of the Directors under Paragraph 12 of Schedule B1 to the Insolvency Act 1986	Directors under Paragraph 22 of Schedule B1 to the Insolvency Act 1986	Directors under Paragraph 22 of Schedule B1 to the Insolvency Act 1986	Directors under Paragraph 22 of Schedule B1 to the Insolvency Act 1986
Joint Administrators	Phil Bowers, Neville Kahn, Ian Wormleighton Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3BQ	Phil Bowers, Neville Kahn, Ian Wormleighton Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3BQ	Phil Bowers, Neville Kahn, Ian Wormleighton Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3BQ	Phil Bowers, Neville Kahn, Ian Wormleighton Deloitte LLP PO Box 810 66 Shoe Lane London EC4A 3BQ
Registered office Address	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR	Hill House 1 Little New Street London EC4A 3TR
Company Number	34157895 (Netherlands)	04175821	04180359	07020389
Incorporation Date	19/06/2001	08/03/2001	15/03/2001	16/09/2009
Company Secretary	Christian Wells	Christian Wells	Christian Wells	Christian Wells
Bankers	HSBC	HSBC	HSBC	HSBC
Auditors	PwC LLP	PwC LLP	PwC LLP	PwC LLP
Directors at date of Appointment	Antony Bates Christian Wells	Antony Bates, Elizabeth Chambers, John Coghlan, Toby Coppel, Kathleen Flaherty, Richard Hooper, Carlos Monteros, Robert Wigley	Antony Bates Christian Wells	Antony Bates Christian Wells
Directors' Shareholdings	Nil	Nil	Nil	Nil