

AT&T backing out of phone directory business

By Scott Moritz, Bloomberg

AT&T Inc. agreed to sell a majority stake in its Yellow Pages directory division to Cerberus Capital Management LP for about \$950 million as part of an effort to dispose of units that are holding back revenue growth.

AT&T will receive \$750 million in cash and a \$200 million note, according to a statement from the Dallas-based phone carrier today. AT&T will keep a 47 percent stake in the business, which had about \$3.3 billion in revenue in 2011.

The sale lets AT&T, which hung on to its Yellow Pages division as competitors fled the business, to reduce its exposure to a unit facing increasing competition from online rivals Google Inc., Groupon Inc. and Yelp Inc. To boost sales, AT&T, the biggest U.S. phone company, is focusing on its mobile- phone business, where it trails Verizon Wireless.

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