PAGESJAUNES GROUPE

Consolidated financial information as of 31 December 2012

Board of Directors of 12 February 2013

Unofficial translation of the French-language "*Informations financières consolidées au 31 décembre 2012*" of PagesJaunes Groupe, for information purposes only.

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PagesJaunes Groupe
Public limited company with a Board of Directors with capital of 56,196,950.80 euros
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Commercial and Companies Register Nanterre 552 028 425

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1. Annual activity report as of 31 December 2012

1.1. Overview

The Group core business is to provide local information, principally in France, through online and printed directories publishing, and as well as the publication of editorial content to facilitate the search and choice of users. Through its subsidiaries, PagesJaunes Group conducts three complementary businesses: providing content and services, media and advertising representation. Its offers include a diversified range of products and services associated with this activity for the general public and businesses.

The Group business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either globally or by segment, among clients.

The Group activities are organised in three segments:

- Internet:

  These are the activities carried out through Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly performed in France, but also in Spain (QDQ Media), Luxembourg (Editus, until September 2012) and in 12 countries through Yelster Digital (formerly 123people).

  This segment comprises the online directory activity of "pagesjaunes.fr" and "pagespro.com", the creation and marketing of content and advertising space of the "search" and "display" type, particularly through Horyzon Média's Internet advertising representation, as well as through online small ads from "annoncesjaunes.fr" and "avendrealouer.fr".

  The Group is one of the key European players in making and hosting sites. It offers its clients web optimisation and visibility solutions through Search Engine Optimisation (''SEO'')) or Search Engine Marketing (''SEM'', paid listing).

  This segment includes routes, geolocation and reservation services of the Mappy and UrbanDive brands, and couponing from 123deal and digital promotion.

  Online people and profile search with 123people, online quotation requests and contact establishment with players of the construction industry from Sotravo (formerly Keltravo), the themed content site ComprendreChoisir.com published by Fine Media and the Direct Marketing (emailing type) services are also included this segment.

- Printed directories:

  This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire, and the directories of QDQ Media in Spain and Editus in Luxembourg until September 2012).

- Other businesses:

  This comprises the specific activities of PagesJaunes: directory enquiry services by telephone and SMS (118 008), Minitel and the QuiDonc reverse directory. This segment also includes some activities of PJMS (formerly PagesJaunes Marketing Services): telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities

(data entry and postage).

1.2. Commentary on the 2012 full-year results

PagesJaunes Group	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Revenues	**1,066.2**	**1,101.6**	**-3.2%**
External purchases	(227.1)	(255.7)	11.2%
Other operating income	8.2	3.9	110.3%
Other operating expenses	(11.7)	(11.5)	-1.7%
Salaries and charges	(371.1)	(350.4)	-5.9%
Gross Operating Margin	**464.5**	**487.9**	**-4.8%**
As % of revenues	*43.6%*	*44.3%*	
Employee profit-sharing	(14.7)	(14.1)	-4.3%
Share-based payment	(2.3)	(1.9)	-21.1%
Depreciation and amortisation	(36.7)	(25.4)	-44.5%
Other income and expenses	(2.8)	(2.8)	0.0%
Operating income	**408.0**	**443.7**	**-8.0%**
As % of revenues	*38.3%*	*40.3%*	
Financial income	4.6	2.9	58.6%
Financial expenses	(140.6)	(129.0)	-9.0%
Net financial income	**(136.1)**	**(126.2)**	**-7.8%**
Share of profit or loss of an associate	(0.9)	(0.2)	-350.0%
Income before tax	**271.0**	**317.4**	**-14.6%**
Corporate income tax	(112.4)	(125.8)	10.7%
Income for the period	**158.5**	**191.6**	**-17.3%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	158.6	191.6	-17.2%
- Non-controlling interests	(0.1)	0.0	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

Excluding 123people, the number of visits to the Group's websites as a whole totalled 1684.7 million in 2012, up 7.1% compared to 2011 on a like-for-like basis, with a number of visits on mobile up 83.4%.

The consolidated revenues of PagesJaunes Groupe amounted to 1066.2 million euros in 2012, down 3.2% compared to 2011. The fall in revenues from Printed directories, down 15.1% compared to 2011, was partly offset by the growth in Internet activities which rose 8.3% compared to 2011, to 622.7 million euros. Internet revenues represented 58.4% of Group revenues in 2012, compared to 52.2% in 2011.

External purchases amounted to 227.1 million euros in 2012, down 11.2% compared to 2011. This drop is primarily the result of the savings in paper, printing and distribution (down 18%), as well as the reduction in marketing and technology expenses.

Salaries and charges amounted to 371.1 million euros, up 5.9% compared to 2011. This increase can be explained by the ongoing sales investments in 2012.

The total for operating income and expenses represents an expense of 3.5 million euros in 2012, down 53% compared to 2011. This drop can be explained primarily by the higher amounts of Research Tax Credit recognised in 2012.

The Group's gross operating margin amounted to 464.5 million euros in 2012, down 4.8% compared to 2011. The gross operating margin rate remains high at 43.6% in 2012 compared to 44.3% in 2011. Its decline is primarily the result of sales investments in 2012.

The Group's operating income decreased by 8.0% compared to 2011 at 408.0 million euros. The decrease in operating income was essentially due to the decrease in the gross operating margin as well as the increase in the depreciation and amortisation charge, amounting to 11.3 million euros, due to the increase in Internet investments since 2010.

The Group's financial result is a net expense of 136.1 million euros, up 7.8% between 2011 and 2012. The average interest rate on debt decreased, from 5.77% in 2011 to 5.40% in 2012, which is a decrease of 37 basis points primarily related to the drawing of the RCF, for which the margin is less than the average margin. The drop in Euribor rates made it possible to offset the rise in the cost of the debt following the refinancing operations conducted in 2011. Excluding RCF Credit line draws and before taking the new conditions coming from the refinancing completed on 27 November 2012 into account, the cost of the debt was 5.80% in 2012, stable compared to 2011.

Income for the period amounted to 158.5 million euros, down 17.3% compared to 2011.

The following table summarises the revenues and gross operating margin for each of the Group's three segments: Internet, Printed directories and Other businesses.

	As at 31 December		
in million euros	**2012**	**2011***	**Change 2012/2011**
Internet	622.7	575.0	8.3%
Printed directories	416.6	490.7	-15.1%
Other businesses	26.9	35.9	-25.1%
Revenues	**1,066.2**	**1,101.6**	**-3.2%**
Internet revenues as % of total revenues	*58.4%*	*52.2%*	
Internet	269.6	254.8	5.8%
Printed directories	184.8	222.1	-16.8%
Other businesses	10.1	11.0	-8.2%
Gross Operating Margin	**464.5**	**487.9**	**-4.8%**
As % of revenues	*43.6%*	*44.3%*	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

1.2.1. Analysis of the revenues and gross operating margin of the Internet segment

The following table shows the revenues and gross operating margin of the Internet segment in 2011 and 2012:

Internet	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Revenues	**622.7**	**575.0**	**8.3%**
Gross Operating Margin	**269.6**	**254.8**	**5.8%**
As % of revenues	*43.3%*	*44.3%*	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

Internet revenues rose 8.3% in 2012 to 622.7 million euros. This sustained growth was driven by the Search activities (sustained by mobile) the Display activity in France, and the sale of Websites.

The Internet gross operating margin amounted to 269.6 million euros in 2012, up 5.8% compared to 2011. The gross operating margin rate decreased from 44.3% in 2011 to 43.3% in 2012, essentially due to the ongoing sales investments, partially offset by the reduction in marketing, Internet communication and technology expenses.

1.2.2. Analysis of the revenues and gross operating margin of the Printed Directories segment

The following table shows the revenues and gross operating margin of the Printed Directories segment in 2011 and 2012:

Printed directories	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Revenues	**416.6**	**490.7**	**-15.1%**
Gross Operating Margin	**184.8**	**222.1**	**-16.8%**
As % of revenues	*44.4%*	*45.3%*	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

The Printed directories revenues are down 15.1% in 2012 at 416.6 million euros, primarily tied to a more pronounced drop in revenues over all of the *départements* that were prospected in 2012. Note the discontinuation of PagesBlanches in 8 *départements* in 2012 (Alpes-Maritimes, Yvelines, Essonne, Val-d'Oise, Bouches-du-Rhône, Rhône, Seine-et-Marne and Saint-Pierre and Miquelon). These *départements* represented 3.5 million euros in revenue in 2011 which is a 0.7% decline in Printed directory revenue in 2012 compared to 2011.

The Printed directories gross operating margin amounted to 184.8 million euros in 2012, down 16.8% compared to 2011. The gross operating margin rate stands at 44.4% in 2012, down 0.9 point compared to 2011. The ongoing reduction in the costs of producing and distributing directories, combined with the discontinuation of PagesBlanches in 8 *départements*, made it possible to partially offset the impact of the commercial investment in France, despite a more pronounced drop in revenues in 2012. Paper, printing and distribution costs are down 18% over 2012, to be compared with a drop in the revenues in Printed directories segment of 15.1% over the same period.

1.2.3. Analysis of the revenues and gross operating margin of the Other businesses segment

The following table shows the revenues and gross operating margin of the Other businesses segment in 2011 and 2012:

Other businesses	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Revenues	**26.9**	**35.9**	**-25.1%**
Gross Operating Margin	**10.1**	**11.0**	**-8.2%**
As % of revenues	*37.5%*	*30.6%*	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

The Other businesses revenues decreased by 25.1% in 2012 to 26.9 million euros. This was due to the sharp decrease in revenues from telephone directory enquiry services, and in revenues from advertisers and from calls made by users of this service.

The Other businesses gross operating margin amounted to 10.1 million euros in 2012, down 8.2% compared to 2011. The gross operating margin rate increased from 30.6% in 2011 to 37.5% in 2012. The impact of the drop in revenues on the margin is offset by the discontinuation of advertising expenses to promote the telephone directory enquiry services (118 008) and savings on processing calls and the decline in the weight of mail postage.

1.2.4. Analysis of consolidated operating income

The table below shows the Group's consolidated operating income in 2011 and 2012:

PagesJaunes Group	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Gross Operating Margin	**464.5**	**487.9**	**-4.8%**
Employee profit-sharing	(14.7)	(14.1)	-4.3%
Share-based payment	(2.3)	(1.9)	-21.1%
Depreciation and amortisation	(36.7)	(25.4)	-44.5%
Other income and expenses	(2.8)	(2.8)	0.0%
Operating income	**408.0**	**443.7**	**-8.0%**
As % of revenues	*38.3%*	*40.3%*	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

1.2.4.1. Legal mployee profit-sharing and share-based payment

The legal employee profit-sharing in the Group amounted to 14.7 million euros in 2012, up 4.3% compared to 2011. This increase can be explained by the corporate contribution increasing from 8% to 20% of which the effect is partially offset by a drop in the profit-sharing itself.

The Group share-based payment expense amounted to 2.3 million euros in 2012 compared to 1.9 million euros in 2011. The 2011 expense resulted from the stock option plans established in 2009 and 2010 as well as the granting of free shares that took place in October and December

2011, whereas the expense for 2012 results from the same plans as well as the granting of free shares that took place in December 2012. This expense line includes employer's contribution which changed to 30% in 2012.

1.2.4.2. Depreciation and amortisation

The Group depreciation and amortisation charges amounted to 36.7 million euros in 2012, compared to 25.4 million euros in 2011, an increase of 44.5%. This rise reflects the increase in investments carried out by the Group which are essential for its digital transformation, particularly in the context of the launch of new products and services for customers and the enrichment of the functionalities of the Group's fixed and mobile websites.

1.2.4.3. Operating income

The 2012 Group operating income amounted to 408.0 million euros, down 8.0% compared to 2011. The rate of the Group's operating margin as a proportion of revenues decreased from 40.3% in 2011 to 38.3% in 2012.

1.2.5. Analysis of income for the period

The table below shows the Group's income for the period in 2011 and 2012:

PagesJaunes Group	**As at 31 December**		
in million euros	**2012**	**2011***	**Change 2012/2011**
Operating income	**408.0**	**443.7**	**-8.0%**
Financial income	4.6	2.9	58.6%
Financial expenses	(140.6)	(129.0)	-9.0%
Gain (loss) on foreign exchange	-	-	-
Net financial income	**(136.1)**	**(126.2)**	**-7.8%**
Share of profit or loss of an associate	(0.9)	(0.2)	-350.0%
Income before tax	**271.0**	**317.4**	**-14.6%**
Corporate income tax	(112.4)	(125.8)	10.7%
Income for the period	**158.5**	**191.6**	**-17.3%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	158.6	191.6	-17.2%
- Non-controlling interests	(0.1)	0.0	

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

1.2.5.1. Financial result

The Group financial result represents net expense of 136.1 million euros in 2012 compared to 126.2 million euros in 2011 which is an increase of 7.8%. The financial result is primarily composed of interest expense relating to the bank loan, amounting to 1,368.0 million euros as at 31 December 2012 (1,600.0 million euros as at 31 December 2011), and relating to the bond loan issued in 2011 for an amount of 350.0 million euros. Moreover, the drawing on the revolving credit facility also affects this item over most of the year 2012.

In 2011, the bank loan was fully hedged against changes in interest rates by a portfolio of rate swaps and collars maturing in December 2011. At the end of 2012, this loan was hedged 88% by swaps until November 2013 and 63% and 70% by forward swaps for the period November 2013-September 2015.

The total interest expense, with the effect of rate hedging instruments included, amounted to 120.2 million euros in 2012 compared to 113.0 million euros in 2011. The average interest rate on debt decreased from 5.77% in 2011 to 5.40% in 2012 (5.80% excluding the impact of the RCF drawing in January 2012 and partially repaid in November 2012), which is a decrease of 37 base points primarily related to RCF drawing, for which the margin is less than the average margin. The drop in the rates made it possible to partially offset the rise in the cost of the debt following the refinancing operations conducted in 2011. The effect of the refinancing which was finalised on 27 November 2012 had only a limited impact on interest expense for 2012.

The financial result also includes the amortisation of loan issue expenses amounting to 13.5 million euros in 2012 compared to 12.9 million euros in 2011. This increase can be explained by the full year impact of the amortisation of the fees undertaken in the framework of the refinancing operations conducted at the end of the 1st half of 2011. The debt renegotiations carried out in 2011 and in 2012 led to the extinguishment of part of the bank debt and the recognition of accelerated amortisation during two financial years.

Investment income amounted to 4.1 million euros in 2012 compared to 1.5 million euros in 2011. The change in the fair value of hedging instruments (portion recognised in profit or loss) represented non-cash expense of 3.6 million euros in 2012 compared to income of 1.2 million euros in 2011.

1.2.5.2. Corporation tax

In 2012, the Group recorded a corporation tax charge of 112.4 million euros, down 10.7% compared to 2011. The apparent tax rate was 41.34% in 2012 compared to 39.6% in 2011. This was mainly due to the introduction of the 85% ceiling for the deductibility of financial interest.

1.2.5.3. Income for the period

The Group income for the period amounted to 158.5 million euros in 2012, compared to 191.6 million euros in 2011, a decrease of 17.3% between the two periods.

1.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the consolidated Group's cash position in the years ending on 31 December 2011 and 31 December 2012:

PagesJaunes Group in million euros	**As at 31 December**	
	2012	**2011**
Accrued interest not yet due	0.0	0.0
Cash and cash equivalents	111.5	82.7
Cash	**111.5**	**82.7**
Bank overdrafts	(19.6)	(4.6)
Net cash	**91.9**	**78.1**
Bank borrowing	1,368.2	1,600.2
Bond loan	350.0	350.0
Revolving	75.8	-
Loan issue expenses	(37.6)	(33.4)
Capital leases	0.1	0.1
Liability in respect of hedging instruments	-	-
Fair value of hedging instruments	54.6	56.4
Accrued interest not yet due	16.7	7.4
Earn-outs	4.9	9.9
Other financial liabilities	0.8	2.2
Gross financial debt	**1,833.6**	**1,992.8**
of which current	*(147.0)*	*(11.3)*
of wich non current	*(1,686.6)*	*(1,981.5)*
Net debt	**1,741.7**	**1,914.7**
Net debt excl. fair value of hedging instruments and debt-related fees	**1,724.7**	**1,891.7**

The Group net debt amounted to 1,741.7 million euros on 31 December 2012 compared to 1,914.7 million euros on 31 December 2011.

As at 31 December 2012, it mainly comprised:

- of a bank loan, for a total amount of 1,368.0 million euros, comprised of 3 tranches:
  - Tranche A1 for an amount of 49.6 million euros maturing in November 2013,
  - Tranche A3 for an amount of 962.0 million euros of which 7.5 million euros maturing in September 2013, 30.0 million euros maturing in 2014 and the balance, which is 924.5 million euros, maturing in 2015,
  - Tranche A5 for an amount of 356.4 million euros of which 13.6 million euros maturing in September 2013, 54.3 million euros maturing in 2014 and the balance, which is 288.5 million euros, maturing in 2015.
- of the fair value of hedging instruments which represents a debt of 54.6 million euros as of 31 December 2012. Since the end of 2012, the bank debt has been 88% hedged by swaps

until November 2013 and between 63% and 70% (taking scheduled repayments into account) by forward swaps for the period November 2013 - September 2015.

- of a revolving credit facility for a total amount of 95.8 million euros of which 24.8 million euros maturing in 2013, 11.2 million euros maturing in 2014 and the balance of 59.8 million euros maturing in 2015. As at December 2012, it was used for an amount of 75.8 million euros.

- a bond loan amounting to a total of 350.0 million euros at a fixed rate of 8.875% repayable in June 2018.

- of net cash of 91.9 million euros.

Excluding the fair value of interest rate hedging instruments, representing a liability of 54.6 million euros as at 31 December 2012, compared to a liability of 56.4 million euros as at 31 December 2011, and excluding loan issue expenses of 37.6 million euros as at 31 December 2012, compared to 33.4 million euros as at 31 December 2011, the net debt amounted to 1,724.7 million euros as at 31 December 2012, compared to 1,891.7 million euros as at 31 December 2011.

The table below shows the cash flows of the consolidated Group for the years ending on 31 December 2011 and 31 December 2012:

PagesJaunes Group	**As at 31 December**		
in million euros	**2012**	**2011**	**Change 2012/2011**
Net cash from operations	226.5	240.4	(13.9)
Net cash used in investing activities	(40.2)	(69.0)	28.7
Net cash provided by (used in) financing activities	(172.4)	(196.8)	24.4
Impact of changes in exchange rates on cash	0.0	(0.0)	0.0
Net increase (decrease) in cash position	**13.8**	**(25.4)**	**39.2**
Net cash and cash equivalents at beginning of period	78.1	103.5	(25.4)
Net cash and cash equivalents at end of period	**91.9**	**78.1**	**13.8**

Net cash and cash equivalents amounted to 91.9 million euros as at 31 December 2012, compared to 78.1 million euros as at 31 December 2011.

The net cash from operations amounted to 226.5 million euros in 2012 compared to 240.4 million euros in 2011, representing a decrease of 13.9 million euros due mainly to:

- a gross operating margin of 464.5 million euros in 2012, down 23.4 million euros compared to 2011,

- neutralisation of non-monetary items included in GOM amounting to 0.4 million euros in 2012 compared to 1.8 million euros in 2011,

- an increase in the working capital requirements of 6.0 million euros in 2012, stable compared to 2011,

- a net disbursement of 107.2 million euros in 2012 in respect of net financial interest, compared to 109.2 million euros in 2011,

- a disbursement of 107.5 million euros in respect of corporation tax in 2012 compared to 117.9 million euros in 2011; this drop is related to the reduction in the income before tax which was partially offset by a stiffer tax conditions (ceiling on the deductibility of financial interest, additional tax of 5%).

The net cash used in investing activities represents a disbursement of 40.2 million euros in 2012, compared to 69.0 million euros in 2011. That represents a decrease of 28.7 million euros, mainly comprising:

- 42.6 million euros in respect of acquisitions of tangible and intangible fixed assets in 2012 compared to 44.2 million euros in 2011, reflecting the substantial maintenance of investments carried out in the framework of launching new products and services for customers, and the enhancements to the functionalities of the Group's fixed and mobile websites,

- receipts of 8.8 million euros in 2012 relating to the income from financial asset disposals, net of cash sold, linked to the partial disposal of the Editus securities and to the acquisition of equity interests, net of cash acquired from Chronoresto, for a net disbursement of 19.6 million euros in 2011 (including A Vendre A Louer, ClicRDV, Fine Media).

The net cash used in financing activities amounted to 172.4 million euros in 2012 compared to 196.8 million euros in 2011, representing a decrease of 24.4 million euros due mainly to:

- 162.7 million euros in respect of dividends paid in 2011, no payment in 2012 in respect of 2011,

- a decrease of 172.2 million euros in financial liabilities in 2012 (including repayment of a bank loan for 288.4 million euros, a net drawing on the RCF for 132.3 million euros and a disbursement of 14.6 million euros in respect of part of the refinancing expenses) compared to a decrease of 26.0 million euros in 2011 (including a disbursement of 24.8 million euros in respect of expenses relating to refinancing),

- disbursements in respect of own shares amounting to 0.2 million euros in 2012 compared to disbursements of 8.1 million euros in 2011.

1.4. Off-balance-sheet commitments, disputes and related parties

See notes 30 to 32 of the consolidated financial statements.

1.5. Risks and uncertainties relating to the 2013 financial year

The main risks and uncertainties identified by the Group concern:

- The operational activities and the strategy of the Group: the decrease in the use of the Printed directories combined with increasing competition in the online advertising market, a deterioration in the economic conditions, uncertainty concerning the economic model for online advertising and the reduction in the content of its services are risk factors that could have a significant negative impact on the Group's business, financial position or results.

- The financial aspects: in view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk (cf. note 29 of the consolidated financial statements).

- The legal aspects: the occurrence of arbitration procedures or major lawsuits, uncertainty or stiffening of applicable regulations, especially the application of restrictions to the Group's right to collect personal data, could have a significant unfavourable effect on the Group's business, results, financial position or its ability to achieve its goals (cf. note 32 of the consolidated financial statements).

1.6. Events subsequent to the closing date of 31 December 2012

Médiannuaire Holding, the majority shareholder of PagesJaunes Groupe, announced on 6 February 2013, that it had obtained a unanimous agreement from its lenders (senior and mezzanine) on its financial restructuring proposal. This announcement brings the discussions to a close that had begun in July 2012 under the aegis of a mandataire *ad hoc*. Based on this unanimous agreement, Médiannuaire Holding intends to very swiftly implement the financial restructuring under consideration. Details on the main terms of this restructuring proposal were provided in the press releases distributed by Médiannuaire Holding on 12 December 2012 and 17 January 2013. This proposal is calling for a complete clearing of its debt through, in particular, a partial reimbursement in PagesJaunes Groupe securities, with Médiannuaire Holding retaining about 19% of the capital of PagesJaunes Groupe after the transaction.

1.7. Research and development

At the cutting edge of its sector, the PagesJaunes Group conducts high-performance research and innovation thanks to its teams and numerous partnerships. These teams bring together the best specialists in their respective fields with the aim of promoting innovation and excellence.

2. Consolidated financial statements

Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011 ***
Revenues		1,066,212	1,101,636
External purchases		(227,108)	(255,717)
Other operating income		8,201	3,936
Other operating expenses		(11,740)	(11,543)
Personnel expenses : - Salaries and charges	6	(371,074)	(350,416)
Gross Operating Margin		**464,492**	**487,897**
- Employee profit-sharing	6	(14,706)	(14,137)
- Share-based payment	6	(2,319)	(1,862)
Depreciation and amortisation	12 & 13	(36,693)	(25,381)
Other income and expenses	7	(2,815)	(2,767)
Operating income		**407,959**	**443,750**
Financial income		4,577	2,868
Financial expenses		(140,650)	(129,033)
Net financial income	8	**(136,073)**	**(126,165)**
Share of profit or loss of an associate		(931)	(184)
Corporate income tax	9	(112,407)	(125,818)
Income for the period		**158,549**	**191,583**
Income for the period attributable to:			
- Shareholders of PagesJaunes Groupe		158,600	191,558
- Non-controlling interests		(51)	25
Net earnings per share (in euros)			
Net earnings per share of the consolidated group			
- basic	10	0.57	0.68
- diluted		0.55	0.66

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Statement of comprehensive income

(Amounts in thousands of euros)	Notes	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011***
Income for the period report		**158,549**	**191,583**
Net (loss) /gain on cash flow hedges			
- Gross		5,495	6,324
- Deferred tax		(1,893)	(2,177)
- Net of tax	16	**3,602**	**4,147**
ABO reserves :			
- Gross		(9,574)	413
- Deferred tax		3,317	(142)
- Net of tax		**(6,257)**	**271**
Other comprehensive income		**(2,655)**	**4,418**
Total comprehensive income for the period, net of tax		**155,894**	**196,001**
Total comprehensive income for the period attributable to:			
- Shareholders of PagesJaunes Groupe		155,945	195,976
- Non-controlling interests		(51)	25

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Statement of financial position

(Amounts in thousands of euros)	Notes	Financial year closed as at 31 December 2012	Financial year closed as at 31 December 2011*
Assets			
Net goodwill	11	82,278	94,079
Other net intangible fixed assets	12	69,387	66,438
Net tangible fixed assets	13	25,480	28,223
Investment in an associate	5	7,494	4,882
Available-for-sale assets	14	195	207
Other non-current financial assets	15	1,414	1,299
Net deferred tax assets	9	26,023	25,719
Total non-current assets		**212,272**	**220,847**
Net inventories	17	2,367	1,600
Net trade accounts receivable	18	429,883	439,312
Acquisition costs of contracts	19	68,889	70,115
Other current assets	20	26,567	28,975
Current tax receivable	9	2,996	5,405
Prepaid expenses		5,620	5,943
Other current financial assets		6,084	445
Cash and cash equivalents	26	111,488	82,682
Total current assets		**653,893**	**634,477**
Total assets		**866,165**	**855,324**
Liabilities			
Share capital		56,197	56,197
Issue premium		98,676	98,676
Reserves		(2,259,769)	(2,452,641)
Income for the period attribuable to shareholders of PagesJaunes Groupe		158,600	191,558
Other comprehensive income		(50,461)	(47,806)
Own shares		(10,010)	(10,816)
Equity attributable to equity holders of the PagesJaunes Groupe	22	**(2,006,768)**	**(2,164,832)**
Non-controlling interests		5	56
Total equity		**(2,006,763)**	**(2,164,776)**
Non-current financial liabilities and derivatives	16 & 26	1,686,567	1,981,520
Employee benefits - non-current	24	83,324	67,311
Provisions - non-current	24	6,333	6,358
Deferred tax liabilities	9	1,002	1,276
Total non-current liabilities		**1,777,226**	**2,056,465**
Bank overdrafts and other short-term borrowings	26	149,882	8,477
Accrued interest	26	16,720	7,412
Provisions - current	24	193	896
Trade accounts payable	23	78,325	94,344
Employee benefits - current	24	124,373	118,279
Other current liabilities	24	94,040	97,453
Corporation tax	9	97	149
Deferred income	27	632,072	636,625
Total current liabilities		**1,095,702**	**963,635**
Total liabilities		**866,165**	**855,324**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Statement of changes in consolidated equity

(Amounts in thousands of euros)	**Number of shares in circulation**	**Share capital**	**Issue premium**	**Own shares**	**Income and reserves**	**Cash flow hedges & actuarial differences**	**Translation reserve**	**Group equity**	Non-controlling interests	**Total equity**
Balance as at 1 January 2011*	**280,365,693**	**56,197**	**98,676**	**(4,037)**	**(2,291,455)**	**(52,224)**	**-**	**(2,192,842)**	**-**	**(2,192,842)**
Total comprehensive income for the period, net of tax					191,558			**191,558**	25	**191,583**
Other comprehensive income, net of tax						4,418	-	**4,418**		**4,418**
Comprehensive income for the period, net of tax					**191,558**	**4,418**	**-**	**195,976**	**25**	**196,001**
Share-based payment					1,511			**1,511**	-	**1,511**
Dividends paid					(162,697)			**(162,697)**	-	**(162,697)**
Shares of the consolidating company net of tax effect	(2,584,439)			(6,779)				**(6,779)**	-	**(6,779)**
Other								**-**	31	**31**
Balance as at 31 December 2011*	**277,781,254**	**56,197**	**98,676**	**(10,816)**	**(2,261,084)**	**(47,806)**	**-**	**(2,164,832)**	**56**	**(2,164,776)**
Total comprehensive income for the period, net of tax					158,600			**158,600**	(51)	**158,549**
Other comprehensive income, net of tax						(2,655)	-	**(2,655)**		**(2,655)**
Comprehensive income for the period, net of tax					**158,600**	**(2,655)**	**-**	**155,945**	**(51)**	**155,894**
Share-based payment					1,314			**1,314**	-	**1,314**
Dividends paid								**-**	-	**-**
Shares of the consolidating company net of tax effect	(125,211)			806				**806**	-	**806**
Other								**-**		**-**
Balance as at 31 December 2012	**277,656,043**	**56,197**	**98,676**	**(10,010)**	**(2,101,169)**	**(50,461)**	**-**	**(2,006,767)**	**5**	**(2,006,762)**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Cash flow statement

(Amounts in thousands of euros)	Notes	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011 ***
Income for the period attributable to shareholders of PagesJaunes Groupe		**158,600**	**191,558**
Depreciation and amortisation of fixed assets	11 & 13	38,346	25,381
Change in provisions	21	444	1,654
Share-based payment		1,314	1,511
Capital gains or losses on asset disposals		(912)	1,177
Interest income and expenses	8	102,808	96,040
Hedging instruments	8	33,265	30,125
Unrealised exchange difference		-	47
Tax charge for the period	9	112,407	125,818
Share of profit or loss of an associate		931	184
Non-controlling interests		(51)	25
Decrease (increase) in inventories		(767)	594
Decrease (increase) in trade accounts receivable		10,768	7,895
Decrease (increase) in other receivables		3,187	1,399
Increase (decrease) in trade accounts payable		(17,694)	(9,038)
Increase (decrease) in other payables		(1,458)	(6,880)
Net change in working capital		**(5,964)**	**(6,030)**
Dividends and interest received		4,252	2,437
Interest paid and rate effect of net derivatives		(111,485)	(111,595)
Corporation tax paid		(107,488)	(117,941)
Net cash from operations		**226,467**	**240,390**
Acquisition of tangible and intangible fixed assets	12 & 13	(42,629)	(44,154)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		2,400	(24,812)
Net cash used in investing activities		**(40,229)**	**(68,966)**
Increase (decrease) in borrowings	26	(172,229)	(25,976)
Dividends paid	22	-	(162,697)
Other cash from financing activities ow own shares		(213)	(8,131)
Net cash provided by (used in) financing activities		**(172,442)**	**(196,804)**
Impact of changes in exchange rates on cash		2	(47)
Net increase (decrease) in cash position		**13,798**	**(25,427)**
Net cash and cash equivalents at beginning of period		78,074	103,501
Net cash and cash equivalents at end of period	26	**91,872**	**78,074**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

There are no significant non-monetary flows.

Note 1 – Information on the Group

For over sixty years, the PagesJaunes Groupe has provided a diversified range of products and services for consumers and businesses, with its printed and online French and international directories constituting its core business. The Group's main activities are described in note 4.

The accounting year for the companies in the PagesJaunes Groupe extends from 1 January to 31 December. The currency used in presenting the consolidated financial statements and the accompanying notes is the euro.

PagesJaunes Groupe is a public limited company listed on Euronext Paris (PAJ).
This information was approved by the Board of Directors of PagesJaunes Groupe on 12 February 2013.

Note 2 - Context of publication and basis for preparation of the 2012 financial information

Pursuant to European regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the Group has prepared the consolidated financial statements for the year ending 31 December 2012 in accordance with the IFRS standards adopted in the European Union and applicable as of that date.

The summary statements relate to the financial statements prepared in accordance with the IFRS standards as at 31 December 2012 and 31 December 2011. The 2010 financial statements, included in the *Document de référence* filed with the AMF on 26 April 2012 under the number D12-0442, are included for reference purposes.

The accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2011, with the exception of:

- new standards, amendments and interpretations which are mandatory with effect from 1 January 2012, but which have no significant impact:
  - Amendment to IFRS 7: Disclosures - Transfers of Financial Assets, applicable to financial years commencing from 1 July 2011.
- the early application of the revision to IAS 19: employee benefits (see below)
- retrospective restating of not activating the fixed remuneration for the sales force on the 2011 statements (see below).

Furthermore, these principles do not differ from the IFRS standards as published by the IASB insofar as there would be no significant impact from the implementation of the amendments and interpretations which are mandatory for financial years commencing from 1 January 2012, as set out in the reference framework published by the IASB, but which are not yet mandatory in the reference framework endorsed by the European Union.

The early application of the revision to IAS 19 constitutes a change in the accounting method with regards to IAS 8. The standard was applied retrospectively from 1 January 2011 and had the following main effects:

- the immediate recognition of actuarial losses and gains on post-employment benefits in non-transferable equity (impact as at 1 January 2011 of 16.1 million euros, 10.5 million euros after tax) and therefore no longer amortise these difference in profit and loss (impact as at 1 January 2011 of 0.7 million euros, 0.5 million euros after tax),
- the recognition of the return on plan assets in the income statement based on an expected rate of return is eliminated (the same rate of return on first-class bonds must be used as that used for the accretion of the liability); this impact is not significant,
- the spreading of non-vested past service costs is discontinued (impact is not significant),

- disclosures are improved by refocusing them on the characteristics of the plans and the associated risks.

It also redefines the principles of the accounting conditions for severance payments, which must be recognised when the entity is no longer able to withdraw its offer or when a restructuring liability under IAS 37 must be recognised. This standard will be the subject of limited retrospective application.

Moreover, the Group did not opt for early application of the standards and interpretations adopted by the European Union and which are mandatory application is after 1 January 2012:

- Revised IAS 27: Separate Financial Statements
- Revised IAS 28: Investments in associates and joint ventures
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of Interests in other entities
- IFRS 13: Fair value measurement
- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendment to IAS 12: Deferred tax: Recovery of Underlying Assets
- Amendment to IAS 1: Presentation of financial statements – presentation of items of other comprehensive income
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures
- Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

Finally, the Group is not applying the following instruments, which were not adopted by the European Union as at 31 December 2012:

- Amendment to IFRS 1: Government Loans
- Improvements to IFRSs (2009-2011):
    - IAS 1 – Presentation of Financial Statements
    - IAS 16 – Property, Plant and Equipment
    - IAS 32 – Financial Instruments: Presentation
    - IAS 34 – Interim Financial Reporting
- Amendments to IFRS 10,11,12 - Transition guidance
- IFRS 10, IFRS 12 and IAS 27: Investment Entities

Nonetheless, the Group is currently reviewing the practical consequences of these new instruments and the effects of their implementation on its future financial statements. At this stage of the review, the impacts on its consolidated financial statements are expected to be as follows:

IFRS 11 will replace IAS 31. Accounting for partnerships must be based on the substance of the agreements and mainly on the analysis of the resulting rights and obligations. Proportional consolidation is discontinued as a consolidation method. This method was used for Editus Luxembourg until 1 October 2012, when the Company sold 39.92% of the 49% of the shares that it held. Editus is now consolidated by the equity method, and the Group is no longer affected by this change in the standard.

IFRS 12 requires the publication of very detailed information on the determination of the scope of consolidation and on the risks associated with interests in other entities (subsidiaries, joint ventures, associated entities, SPVs, non-consolidated entities).

It should be noted that IFRS 10, IFRS 11, IFRS 12 and IAS 28 revised in 2011 are all required to be applied on the same date.

All of the standards and interpretations adopted by the European Union as at 31 December 2012 are available on the website of the European Commission at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

In order to prepare the financial statements, the Management of the Group is required to make estimates and assumptions which have an effect on the amounts presented as assets and liabilities, the contingent liabilities at the date of preparation of the financial statements and the amounts presented as income and expenses for the financial year. The Management continuously evaluates these estimates and assessments on the basis of its past experience, as well as various other factors deemed reasonable, which combine to form the basis of its assessment of the book value of the assets and liabilities. This includes in particular goodwill, acquisition costs of contracts, share-based payments and the valuation of pension liabilities. The actual results could differ appreciably from these estimates, if the actual outcome differs. Finally, where a specific transaction is not covered by any standards or interpretations, the Management of the Group applies judgement to define and apply accounting methods which will provide relevant and reliable disclosures, ensuring that the financial statements:

- present a true and fair view of the financial position, the financial performance and the cash flow of the Group,
- reflect the economic substance of transactions,
- are neutral,
- are prudent,
- and are complete in all material respects.

Seasonal variations

Although the activities of the Group are not subject to seasonal effects *per se*, in order to optimise costs, the dates of publication of the printed directories (which determine the recognition of income and related expenses) may vary from one quarter to the next, as each printed directory appears only once a year.

Retrospective restating of expensing the fixed remuneration for the sales force on the 2011 statements

In the framework of implementing a specialised sales force, the labor contracts of a certain number of sales representatives (about 230 at the end of December 2012) were modified from the "general" status to a "specialist" status.

The introduction of these new contracts increased the share of the fixed remuneration in the total for commercial costs and led the Management to thoroughly re-examine the merits of the accounting treatment for all of the commercial costs. Recall that the full amount of these costs were capitalised as prepaid expenses and were recognised as expense at the same time as the revenue, i.e. in a single action at the time of publication for printed directories and, spread out starting from online publication, and over the duration of publication for digital products.

It was concluded that:

- the fixed remuneration for the sales force cannot be capitalised as prepaid expenses because (i) it corresponds to services that have already been rendered and (ii) it is vested at the time it is paid, and

- the fixed remuneration, when it is acquired independently from the generation of customer orders, cannot in addition be capitalised as an intangible asset. Indeed, recognising an intangible asset supposed that it can be identified, controlled, be the bearer of future economic benefits and be reliably measured. The remuneration costs of the sales force constitute costs for obtaining customer orders. These orders correspond to the definition of an intangible asset. However, the costs for obtaining orders can be recognised as an asset only if they can be identified and measured reliably, i.e. if the costs are committed directly for obtaining customer contracts, and if the costs are incremental, i.e. that they would not have been incurred if the entity had not obtained the order.

Consequently, the capitalisation of the fixed costs of the sales force must be restated retroactively, which is analysed as an "error correction" in terms of IAS 8.

- Capitalising the variable costs of the sales force is, however, justified since these costs meet the criteria of direct and incremental costs for obtaining customer contracts. As their classification as prepaid expenses is not appropriate, in that these costs correspond, for the most part, to the provision of services already rendered, these variable costs were therefore reclassified in a current assets item (in light of a contract duration which is generally less than or equal to 12 months) called "Acquisition costs of contracts" for an amount of 70.1 million euros as at 31 December 2011.

The fixed costs capitalised as prepaid expenses represented an amount of 27.4 million euros as at 1 January 2011 and 33.3 million euros as at 31 December 2011, which is an increase of 6.0 million euros over financial year 2011.

The restatement has to be recognised retrospectively on the opening of financial year 2011 and over financial year 2011, as follows:

- elimination of the 27.4 million euros in prepaid expenses mentioned on the opening balance sheet as at 1 January 2011, recognised in shareholders' equity,
- reduction of 6.0 million euros in the GOM for financial year 2011.

Note 3 - Accounting policies and changes of estimates

This note describes the accounting policies applied for the financial year ending 31 December 2012, in accordance with the provisions of international accounting standards as adopted by the European Union as at 31 December 2012.

Unless stated otherwise, these methods have been applied permanently for all financial years presented.

3.1 - Accounting positions adopted by the Group pursuant to paragraphs 10 to 12 of IAS 8

The accounting positions presented below are not subject to any particular provisions in the international accounting standards adopted by the European Union or their interpretation.

Management Participation Plan:
Sèvres I, Sèvres II and Sèvres III, which together controlled 100% of the capital of Médiannuaire Holding, the indirect majority shareholder of PagesJaunes Groupe, offered a certain number of Group managers the opportunity to take up a minority shareholding, in the form of 212,591 ordinary shares, in the capital of Médiannuaire Holding (i.e. 0.55% of the capital of Médiannuaire Holding). This participating interest, acquired at the end of December 2006, was based on the price proposed by Médiannuaire Holding in the context of the price guarantee on the PagesJaunes Groupe stock finalised on 1 December 2006.

As at 31 December 2012, the Group managers held 131,122 ordinary shares and 306,565 preference shares, representing a total of 1.14% of the share capital of Médiannuaire Holding.

Médiannuaire Holding's capital is divided into ordinary shares and preference shares, the rights for each class of shares to the increase in value of the equity being variable depending on the internal rate of return recorded by the Médiannuaire Holding shareholders on their investment during their holding period. Moreover, each manager entered into a reciprocal put and call commitment which becomes exercisable on the repayment of the senior and mezzanine debts contracted by Médiannuaire Holding and at the earliest on 2 February 2014. The price per share at which these reciprocal call and put commitments would be implemented has been set on the basis that the price of the preference shares granted free of charge will depend on the gross operating margin of

PagesJaunes Groupe.

Statutory training rights (DIF):
The Group has maintained in IFRS the treatment adopted in French GAAP with regard to statutory training rights (Notice 2004-F of 13 October 2004 of the emergency CNC committee on accounting for statutory training rights (DIF)), namely:

- the expenses committed to statutory training rights constitute a charge for the period and do not give rise to any provisions.
- the cumulative number of hours' training entitlement at the year-end and the unused portion of the vested entitlement are stated in the notes to the financial statements.

3.2 - Consolidation

Subsidiaries which are controlled by the Group, directly or indirectly, are fully consolidated.

Companies controlled jointly by the Group and a limited number of other shareholders are proportionally consolidated.

Companies not controlled by the Group but over which the Group exercises significant influence (generally corresponding to an ownership interest of 20% to 50%) are consolidated using the equity method.

When assessing the level of control or significant influence exercised, account is taken of the existence and effect of any exercisable or convertible potential voting rights at the end of the period.

In accordance with IFRS 5, the assets and liabilities of controlled entities that are considered as being held for sale are reported on a separate line in the balance sheet. Profits or losses of discontinued operations are reported on a separate line of the income statement. IFRS 5 defines a discontinued operation as a component of an entity comprising cash flows that can be clearly distinguished from the rest of the entity, that has either been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations.

Material inter-company transactions and balances are eliminated in consolidation.

3.3 – Transactions in foreign currencies

The principles covering the measurement and recognition of transactions in foreign currencies are set out in IAS 21 "Effects of Changes in Foreign Exchange Rates". In accordance with this standard, transactions in foreign currencies are converted by the subsidiary into its operating currency at the exchange rate of the transaction date. Monetary assets and liabilities are re-measured at each balance sheet date. The differences arising from re-measurement are recorded in the income statement:

- In operating income for commercial transactions;
- In financial income or expenses for financial transactions.

3.4 - Presentation of the financial statements

As permitted under IAS 1 "Presentation of Financial Statements", the Group presents the income statement by type.

Operating income corresponds to net income before:

- financial income;
- financial expenses;
- current and deferred income taxes;
- profits and losses of discontinued operations and operations held for sale.

Gross Operating Margin (GOM) corresponds to operating income before:

- employee profit-sharing;
- share-based payment, including any associated social charges;
- depreciation and amortisation expense;
- other operating expenses and income including:
    - impairment of goodwill and fixed assets,
    - results of asset disposals,
    - restructuring costs,
    - acquisition costs of shares,
    - impairment of goodwill in respect of equity-method associates.

3.5 - Revenues

Revenues from the activities of PagesJaunes Groupe are recognised and presented as follows, in accordance with IAS 18 "Revenue":

- Revenues from the sale of advertising space in printed directories are recognised at the time of publication of each printed directory. Consequently, sales of advertising space billed in respect of future directories are stated in the balance sheet under the heading of "Deferred Income".
- Income from the sale of advertising space in online directories (digital revenue) and on telephone enquiry services is apportioned over the display period, which is generally 12 months. The same applies for Internet websites and mobile sites but the duration of publication is generally shorter.
- Revenues from traffic relating to the telephone enquiry services (118 008 in France) are recognised at their gross value when the service is rendered.
- Revenues from publicity campaigns are recognised for the period in which the campaigns are run. When Group entities act exclusively as agents, the revenue consists only of the commission.
- The variable costs of the sales force relating to the marketing of advertising products in the printed directories and on digital media constitute direct and incremental costs in the obtaining of customer orders. These are capitalised on the balance sheet in the "Acquisition costs of contracts" item and are recognised as expense over the life of the customer orders, i.e. according to the publication of the advertisements and the recognition of the revenue.

Furthermore, in accordance with SIC 31 "Revenue – Barter Transactions Involving Advertising Services", the revenue from ordinary activities does not include any benefits resulting from exchanges of goods or services for similar benefits, even when the latter are rendered over different periods.

3.6 – Advertising and similar expenses

Expenses for advertising, promotion, sponsorship, communication and brand development are stated in full in the expenses for the year in which they are incurred.

3.7 - Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share. The number of shares used to calculate diluted earnings per share takes into account the conversion into ordinary shares of dilutive instruments outstanding at the period-end (unexercised options, free shares, etc.). If the basic earnings per share are negative, diluted loss per share represents the same amount as the basic loss. To permit direct comparisons of earnings per share, the weighted average number of shares outstanding for the reporting year and previous years is adjusted to take into account any shares issued at a discount to market price. Treasury stock deducted from consolidated equity is not taken into account in the calculation of earnings per share.

3.8 - Goodwill

Goodwill represents the difference between the purchase cost of shares in consolidated companies, including transaction expenses, and the Group's equity in the value of the underlying net assets at the date of acquisition.

In accordance with IFRS 3 "Business Combinations", goodwill is not amortised but is tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. IAS 36 "Impairment of Assets" requires these tests to be performed at the level of each Cash Generating Unit (CGU) to which the goodwill has been allocated. In certain cases, CGUs may be combined if the combined CGUs represent the lowest level at which management monitors return on investment. (A Cash Generating Unit is defined as the smallest homogenous group of assets whose continuous use generates cash inflows that are largely independent of the cash inflows from other groups of assets). The level at which PagesJaunes Groupe measures the current value of goodwill generally corresponds to the level of each of the consolidated companies.

In accordance with its strategy and lines of development, the Group has decided, from 2011, to modify its internal and external reporting in order to assess the performance of each operating segment and allocate resources accordingly.
The segments have been determined in compliance with IFRS 8 – Operating Segments and are as follows: Internet, Printed Directories and Other Businesses. As at 31 December 2012, goodwill is fully allocated to internet sector.

To determine whether goodwill has been impaired, the consolidated net book value of the assets and liabilities of each CGU is compared to their recoverable amount. The recoverable amount is the higher of the fair value less exit costs and value in use.

Fair value less exit costs is determined as the best estimate of the sale value net of exit costs in a transaction conducted under normal competitive conditions between knowledgeable, willing parties. This estimate is determined on the basis of the available market information, taking into account particular situations.

The value in use applied by PagesJaunes Groupe is the present value of the future cash flows expected to be derived from the CGU, including goodwill. Cash flow projections are based on economic and regulatory assumptions and forecast trading conditions applied by the management of PagesJaunes, as follows:

- Cash flow projections are based on the five-year business plan,
- Cash flow projections beyond the five-year period are extrapolated by applying a growth rate to perpetuity reflecting the expected long-term growth in the market and specific to each activity,
- The cash flows obtained are discounted using appropriate rates for the type of business and the countries concerned.

Goodwill impairment losses are recorded in the income statement

If the business is intended to be sold, the recoverable amount is determined on the basis of the fair value net of exit costs.

3.9 – Other intangible assets

Other intangible assets, consisting mainly of trademarks, licences and patents, research and development costs and software, are stated at acquisition or production cost.

When intangible assets are acquired in a business combination, their cost is generally determined when the purchase price of the company acquired is allocated based on their respective market values. When such market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Internally developed trademarks are not recognised in the balance sheet.

Trademarks
Trademarks having an indefinite useful life are not amortised, but are tested for impairment (see note 3.11).

Licences and patents
Licences and patents are amortised on a straight-line basis over periods which correspond to the expected usage period, not exceeding twenty years.

Research and development costs
Under IAS 38 "Intangible Assets", development costs must be recognised as an intangible fixed asset when the following can be demonstrated:

- The technical feasibility necessary to complete the intangible asset with a view to its being put into service or sold;
- The intention and financial and technical ability to complete the development project;
- Its capacity to use or sell the intangible asset;
- The likelihood that the future economic benefits attributable to the development costs incurred will accrue to the company;
- The costs of this asset can be reliably valued.

Research and development costs not fulfilling the above criteria are expensed in the year in which they are incurred. Significant capitalised development costs are amortised on a straight-line basis over their useful life, generally not exceeding three years.

Software
Software is amortised on a straight-line basis over its useful life, not exceeding five years.

3.10 – Tangible fixed assets

Gross value
The gross value of tangible fixed assets corresponds to their purchase or production cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

It also includes the estimate of the costs of dismantling and removing the item and restoring the site on which it is located, such obligation being incurred by the Group either when the item is acquired

or as a consequence of having used the item during a particular period for purposes other than to produce inventories.

Finance leases
Assets acquired under leases that transfer the risks and rewards of ownership to entities of the Group (financial leases) are stated in fixed assets, with a corresponding financial obligation being recorded in liabilities. The risks and rewards of ownership are considered as having been transferred to the entities of the Group when:

- The lease transfers ownership of the asset to the lessee at the end of the lease term;
- The Group has the option to purchase and the conditions of the option are such that it is highly likely that ownership will be transferred at the end of the lease term;
- The lease term covers the major part of the estimated economic life of the asset;
- The discounted value of the total of the minimum fees provided for in the contract is close to the fair value of the asset.

At the same time, the assets in respect of which the risks and rewards associated with ownership are transferred by the entities of the Group to third parties under a lease contract are considered as having been sold.

Maintenance and repair costs are expenses as incurred, except where they serve to increase the asset's productivity or prolong its useful life.

Finance leases are not significant for the disclosed periods.

Depreciation
Tangible fixed assets are depreciated on a basis that reflects the pattern in which their future economic benefits are expected to be consumed in the case of each asset item on the basis of the acquisition cost, less any residual value. The straight-line basis is usually applied over the following estimated useful lives: 25 to 30 years for buildings, 5 to 10 years for fittings, 1 to 5 years for other fixed assets.

These depreciation periods are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. These changes in accounting estimates are recognised prospectively.

3.11 – Impairment of fixed assets

Under IAS 36 "Impairment of Assets", the value in use of tangible and intangible fixed assets must be tested for impairment when there is an indication that they may be impaired. Indicators are reviewed at each closing date.

Intangible and tangible fixed assets are subject to a write down for impairment when, because of events or circumstances which have occurred during the period (such as obsolescence, physical deterioration, significant changes to the manner in which the asset is used, worse than expected performance, a drop in revenues or other external indicators, etc.), their recoverable amount appears to be lower than their net book value in the long term. The recoverable amount of an asset is the higher of its fair value less exit costs and its value in use.

Each asset or group of assets is tested for impairment by comparing its recoverable amount to its net book value. When an asset or group of assets is found to be impaired, the recognised impairment loss is equal to the difference between its net book value and the recoverable amount.

The recoverable amount of an asset is generally determined by reference to its value in use, corresponding to the future economic benefits expected to be derived from the use of the asset and its subsequent disposal. It is assessed by the discounted cash flows method, based on economic assumptions and operating conditions expected by the Management of the Group.

3.12 - Financial assets and liabilities

Financial assets include available-for-sale assets, held-to-maturity assets, loans and receivables and cash and cash equivalents.
Financial liabilities include borrowings, other financing and bank overdrafts and operating debts.

Financial assets and liabilities are measured and recognised in accordance with IAS 39 "Financial Instruments: Recognition and Measurement.

3.12.1 - Measurement and recognition of financial assets

Assets held to maturity
Held-to-maturity investments comprise exclusively securities with fixed or determinable income and fixed maturities, other than loans and receivables, which the Group has the intention and ability to hold to maturity. They are recognised initially at fair value and are subsequently measured at amortised cost by the effective interest method.

The Group assesses whether there is any objective evidence that held-to-maturity assets are impaired. A financial asset is written down if its book value exceeds the recoverable amount estimated at the time of the impairment tests. The impairment loss is recognised in the income statement.

Available-for-sale assets
Available-for-sale assets consist mainly of shares in non-consolidated companies and marketable securities that do not fulfil the criteria for classification in any of the other categories of financial assets. They are measured at fair value and gains and losses arising from re-measurement at fair value are recognised in equity.

Fair value corresponds to market price for listed securities and estimated value in use for unlisted securities, determined according to the most appropriate financial criteria in each case.

If there is any objective indication that these assets are impaired, the accumulated loss stated in equity is recognised in the income statement.

Loans and receivables
This category includes receivables from participating interests, other loans and receivables and trade accounts receivable. They are recognised initially at fair value and are subsequently measured at amortised cost by the effective interest method. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Cash flows on loans and receivables at variable rates of interest are re-measured periodically, to take into account changes in market interest rates. The re-measurement has the effect of increasing or reducing the effective interest rate and, consequently, the carrying value of the loan or receivable.

The Group assesses whether there is any objective evidence that loans or receivables are impaired. A financial asset is written down if its book value exceeds the recoverable amount estimated at the time of the impairment tests. The impairment loss is recognised in the income statement.

Assets at fair value through the income statement
Assets held for trading are assets which the Company intends to resell in the near term in order to realise a profit, which form part of a portfolio of financial instruments that are managed together and for which there is a practice of short-term disposal. This category also includes assets, which the Group has opted to classify in this category, irrespective of the criteria stated above ("fair value" option).

These assets are carried in the balance sheet under short-term financial assets.

Cash and cash equivalents
Cash equivalents are held to meet short-term cash needs rather than for investment or other purposes. They consist of instruments that are readily convertible into known amounts of cash and are not exposed to any material risk of impairment. Cash and cash equivalents comprise cash available on demand and short-term investments with maturities generally of three months or less at the date of purchase. They are stated at historical cost, which is close to their realisable value.

3.12.2 - Measurement and recognition of financial liabilities

Financial liabilities

With the exception of financial liabilities held for trading, which are measured at fair value, borrowings and other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost by the effective interest method.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying value. This is because financial liabilities are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity date or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are measured at fair value.

3.12.3 - Measurement and recognition of derivative instruments

Derivative instruments are measured at fair value in the balance sheet. Except as explained below, gains and losses arising from re-measurement at fair value of derivative instruments are systematically recognised in the income statement.

Hedging instruments

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments may be designated as fair value hedges or cash flow hedges:

- A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an identified portion of the asset or liability, that is attributable to a particular risk, notably rate and currency risks, and which would affect profit or loss;
- A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecast transaction (such as a future purchase or sale) and could affect profit or loss.

Hedge accounting applies if:

- At the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- At the inception of the hedge and in subsequent periods, the company may expect the hedge to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk and if the actual results of the hedge are within a range of 80-125%.

The effects of applying hedge accounting are as follows:

- For fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognised in the balance sheet at fair value. The gain or loss from re-measuring the hedged item at fair value is recognised in profit or loss and is offset by the effective portion of the loss or gain from re-measuring the hedging instrument at fair value;
- For future cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity – because the change in the fair value of the hedged portion of the underlying item is not recognised in the balance sheet – and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. Amounts recognised directly in equity are subsequently recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

3.13 – Inventories

Inventories are stated at the lower of cost and probable net realisable value. Cost corresponds to purchase or production cost determined by the weighted average cost method.

3.14 – Deferred taxes

In accordance with IAS 12 "Income Taxes", deferred taxes are recognised for all temporary differences between the book values of assets and liabilities and their tax basis, as well as for unused tax losses, by the liability method. Deferred tax assets are recognised only when their recovery is considered probable within a period of 3 to 5 years.

IAS 12 requires, in particular, the recognition of deferred tax liabilities on all intangible assets recognised in business combinations (trademarks, customer lists, etc.).

A deferred tax liability is recognised for all taxable temporary differences between the book value of shares and their tax base associated with investments in subsidiaries, equity-method associates and interests in joint ventures, except where:

- The Group is able to control the timing of the reversal of the temporary difference (e.g.: distribution of dividends), and
- It is probable that the temporary difference will not be reversed in the foreseeable future.

In practice, this means that for fully and proportionally consolidated companies, a deferred tax liability is recognised for taxes payable on planned dividend distributions by these companies.

The deferred tax assets and liabilities are set off if there is a legally enforceable right allowing set-off against a future tax liability. Any set-offs are treated by tax group depending on a single tax authority.

The deferred taxes relating to items stated directly in shareholders' equity are also stated in shareholders' equity.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

3.15 - Provisions

In accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", a provision is recognised when, at the end of the period, the Group has an obligation towards a third party resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Group's practices or public commitments, which have created a legitimate expectation among third parties concerned that the Group will meet certain responsibilities.

The amount recognised as a provision corresponds to the best estimate of the expenditure required of the Group to settle the present obligation. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded, but details of the obligation are disclosed in the Notes to the financial statements.

Contingent liabilities – corresponding to potential obligations resulting from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Company's control, and to probable obligations that are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation – are disclosed in the Notes to the financial statements.

Provisions for restructuring costs are recognised only when the restructuring has been announced and the Group has drawn up or has started to implement a detailed plan before the period end-date.

Provisions are discounted when the discounting adjustment is material.

3.16 – Pension and similar benefit obligations

3.16.1 - Post-employment benefits

Retirement benefits and similar commitments

In France, legislation provides for benefits to be paid to employees at retirement on the basis of their length of service and salary at retirement age.

In accordance with IAS 19, obligations under defined benefit schemes are measured by the projected unit credit method. According to this method, each period of service gives rise to an additional unit of benefit entitlement and measures each unit separately to value the final obligation, using demographic hypotheses (turnover of the personnel, mortality, retirement age, etc.) and financial hypotheses (future increase in salary by category).
This final obligation is then discounted with a rate determined in reference to the yield on first-category long-term private bonds (or State bonds if there is no liquid market).
Actuarial differences relating to post-employment benefits are recognised for the full amount in other comprehensive income.

Other retirement schemes

These benefits are offered through defined contribution schemes for which the Group has no commitment other than the payment of contributions. The charge corresponding to the contributions paid is recognised in the income statement for the period.

3.16.2 – Other long-term benefits

Other long-term benefits which may be granted by the Group consist mainly of long-service awards that are also measured on an actuarial basis.

3.16.3 – Termination benefits

Any termination benefits are also determined on an actuarial basis and covered by provisions.
For all commitments where termination of employment contracts would trigger payment of compensation, the impact of changes in assumptions is recognised in profit or loss for the period during which the revision takes place.

3.17 – Share-based payments

In accordance with IFRS 2 "Share-Based Payment", stock options, employee share issues and free grants of shares to employees of the Group are valued on their grant date.

The value of stock options is determined in particular by reference to the exercise price, the life of the options, the current price of the underlying shares, the expected share price volatility, expected dividends and the risk-free interest rate over the life of the options. The amount so determined (under the share-based payment heading) is recognised in personnel expenses on a straight-line basis over the period between the grant date and the exercise date – corresponding to the vesting period – and in equity for equity-settled plans or in liabilities to employees for cash-settled plans. The Group has opted for retrospective application of IFRS 2 to equity- and cash-settled plans. The new plans are valued in accordance with IFRS 2 using a binomial model.

The fair value of a free share is the market price of the share on the grant date after adjustment to take account of the loss of dividends expected during the vesting period. This expense is recorded on a straight-line basis over the vesting period and, if necessary, is adjusted to take account of the likelihood that the performance conditions will be fulfilled.

3.18 – Own shares

Under IAS 32, acquisition of own shares are recorded as a decrease in own capital on the basis of their acquisition cost. If own shares are disposed of, the profits or losses are recognised in the consolidated reserves for their amounts less tax.

Note 4 – Segment information

The Group core business is to provide local information, principally in France, through online and printed directories publishing, and as well as the publication of editorial content to facilitate the search and choice of users. Through its subsidiaries, PagesJaunes Group conducts three complementary businesses: providing content and services, media and advertising representation. Its offers include a diversified range of products and services associated with this activity for the general public and businesses.

The Group business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either globally or by segment, among clients.

The Group activities are organised in three segments:

- Internet:

  These are the activities carried out through Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly performed in France, but also in Spain (QDQ Media), Luxembourg (Editus, until September 2012) and in 12 countries through Yelster Digital (formerly 123people).

  This segment comprises the online directory activity of "pagesjaunes.fr" and "pagespro.com", the creation and marketing of content and advertising space of the "search" and "display" type, particularly through Horyzon Média's Internet advertising representation, as well as through online small ads from "annoncesjaunes.fr" and "avendrealouer.fr".

  The Group is one of the key European players in making and hosting sites. It offers its clients web optimisation and visibility solutions through Search Engine Optimisation ("SEO")) or Search Engine Marketing ("SEM", paid listing).

  This segment includes routes, geolocation and reservation services of the Mappy and UrbanDive brands, and couponing from 123deal and digital promotion.

  Online people and profile search with 123people, online quotation requests and contact establishment with players of the construction industry from Sotravo (formerly Keltravo), the themed content site ComprendreChoisir.com published by Fine Media and the Direct Marketing (emailing type) services are also included this segment.

- Printed directories:

  This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire, and the directories of QDQ Media in Spain and Editus in Luxembourg until September 2012).

- Other businesses:

  This comprises the specific activities of PagesJaunes: directory enquiry services by telephone and SMS (118 008), Minitel and the QuiDonc reverse directory. This segment also includes some activities of PJMS (formerly PagesJaunes Marketing Services): telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

4.1 – By business sector

The table below presents a breakdown of the main aggregates by business sector for the periods ending 31 December 2012 and 2011:

Amounts in thousands of euros	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011 ***
Revenues	**1,066,212**	**1,101,636**
- Internet	622,746	575,014
- Printed directories	416,609	490,680
- Other businesses	26,857	35,942
Gross Operating Margin	**464,492**	**487,897**
- Internet	269,640	254,763
- Printed directories	184,774	222,123
- Other businesses	10,078	11,010
Amortisation of tangible and intangible fixed assets	**(36,693)**	**(25,381)**
- Internet	(31,065)	(14,561)
- Printed directories	(5,095)	(9,947)
- Other businesses	(533)	(873)
Acquisitions of tangible and intangible fixed assets	**42,629**	**44,154**
- Internet	41,592	38,799
- Printed directories	844	4,635
- Other businesses	193	720

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

4.2 – By geographic region

Amounts in thousands of euros	**As at 31 December 2012**	**As at 31 December 2011 ***
Revenues	**1,066,212**	**1,101,636**
- France	1,031,510	1,062,194
- Others	34,702	39,442
Assets	**866,165**	**855,324**
- France	673,889	673,706
- Others	36,582	60,979
- Unallocated	155,694	120,639

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Note 5 - Changes in the scope of consolidation

The main transactions during the 2012 and 2011 financial years were as follows:

2012

On 31 December 2012, PagesJaunes Groupe acquired 100% of the shares and voting rights of the company Chronoresto. Founded in 2008, it has the number-two Internet portal in France in its field, with solutions for fixed Internet, mobile telephones, tablets, connected TV, allowing a meal to be ordered from locally-listed restaurants, from among the 800 partnerships in France.

On 1 October 2012, Euro Directory sold 38.9% of the capital of Editus Luxembourg to P&T Luxembourg, who until then was already a shareholder of 51% of Editus. Following this transfer, Euro Directory is still a shareholder of Editus with 10.1%.
The Group is however maintaining its strategic partnership with P&T Luxembourg and will continue to provide its technologies and its know-how concerning Internet, with the goal of providing support for the digital transformation of the activities of Editus. In this perspective, the remainder of the holdings is consolidated using the equity method.

2011

On 1 April 2011, PagesJaunes Groupe acquired 100% of the shares and voting rights of the company A Vendre A Louer. A Vendre A Louer was formed in 1986 as the first solution for the distribution of real-estate ads for businesses, since when it has become a benchmark in the online real-estate small ads market.

On 24 May 2011, PagesJaunes Groupe acquired 100% of the shares and voting rights of the company ClicRDV. Formed in 2006, ClicRDV is the leader in online appointment booking solutions and now provides tailor-made solutions for the specific needs of all businesses – major accounts, self-employed professionals, SMEs – and public bodies.

On 29 July, PagesJaunes Groupe acquired 100% of the shares and voting rights in the company Fine Media. Formed in 2007, it designed the ComprendreChoisir.com site and has developed around 300 sites with themed content aimed at the general public, enabling Internet users to have a better understanding and make the right choices in five areas: Home/Household Jobs, Money/Law, Consumer/Practical Info, Health/Beauty and Business.

Investments in associated companies

Effective 1 October 2012, Editus is consolidated using the equity method. (cf. above).

On 27 April 2011, PagesJaunes Groupe subscribed 40% of the capital of Relaxevents, a company formed on 22 March. Relaxevents has been consolidated by the equity method.

On 30 November, PagesJaunes Groupe acquired 49% of the shares and voting rights of Leadformance, the leader in sales outlet location on the Internet. The Group is thus enhancing its digital communication offering for major advertisers.

Note 6 – Personnel costs

(In thousands of euros, except staff count)		As at 31 December 2012	As at 31 December 2011*
Average staff count (full-time equivalent)		4,554	4,426
Salaries and charges		**(371,074)**	**(350,416)**
of which:	- Wages and salaries	(251,865)	(240,995)
	- Social charges	(109,538)	(98,959)
	- Taxes on salaries and other items	(9,671)	(10,462)
Share-based payment (1)		**(2,319)**	**(1,862)**
of which:	- Stock options and free shares	(1,314)	(1,511)
	- Social charges on grants of stock options and free shares	(1,005)	(351)
Employee profit-sharing (2)		**(14,706)**	**(14,137)**
Total personnel expenses		**(388,099)**	**(366,415)**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R
(1) Cf. note 25
(2) inc. corporate contribution

Note 7 – Other operating expenses and income

This section includes in particular the result from disposals of non-financial assets, impairment on goodwill and on fixed assets.

Note 8 – Financial result

The financial result can be broken down as follows:

(in thousands of euros)	31 December 2012	31 December 2011
Interest and similar items on financial assets	387	96
Result of financial asset disposals	3,696	1,419
Change in fair value of hedging instruments	325	1,202
Dividends received	169	151
Financial income	**4,577**	**2,868**
Interest on financial liabilities	(90,900)	(82,908)
Income / (expenses) on hedging instruments	(29,296)	(30,110)
Change in fair value of hedging instruments	(3,969)	(15)
Amortisation of loan issue expenses	(13,501)	(12,853)
Other financial expenses & fees	(597)	(478)
Accretion cost (1)	(2,387)	(2,669)
Financial expenses	**(140,650)**	**(129,033)**
Gain (loss) on foreign exchange	**-**	**-**
Financial result	**(136,073)**	**(126,165)**

(1) The accretion cost corresponds to the increase, during the financial year, of the current value of pension commitments (cf. note 24) and the liability in respect of hedging instruments (cf. note 16).

Note 9 – Corporation tax

9.1 – Group tax analysis

The corporation tax for the year results from the application of the effective tax rate at the end of the financial year to the pre-tax income.
The reconciliation of the theoretical tax, calculated on the basis of the statutory tax rate in France, and the effective tax is as follows:

Amounts in thousands of euros	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011 ***
Pretax net income from continuing businesses	270,955	317,401
Goodwill impairment and earn out variation	139	-
Share of profit or loss of an associate	(931)	(184)
Pretax net income from continuing businesses and before Share of profit or loss of an associate	**271,887**	**317,584**
Statutory tax rate	34.43%	34.43%
Theoretical tax	**(93,620)**	**(109,355)**
Loss-making companies not integrated for tax purposes	(615)	(1,304)
Loan and current account depreciation QDQ Media	288	254
Share-based payment	(453)	(520)
Foreign subsidiaries	590	168
Recognition of previously unrecognised tax losses	-	192
Corporate value added contribution (after tax)	(8,811)	(8,884)
Ceiling of interest expense deductibility	(6,069)	-
Additional tax 5%	(4,474)	(5,296)
Other non-taxable income	755	(1,074)
Effective tax	**(112,407)**	**(125,818)**
of which current tax	*(110,542)*	*(114,887)*
of which deferred tax	*(1,865)*	*(10,931)*
Effective tax rate	**41.34%**	**39.62%**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

9.2 - Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	**Financial year closed as at 31 December 2012**	**Financial year closed as at 31 December 2011 ***
Retirement benefits	26,060	20,915
Employee profit-sharing	4,278	4,706
Non-deductible provisions	4,573	4,570
Hedging instruments	18,859	19,436
Tax loss carryforward	593	-
Other differences	1,071	1,186
Subtotal deferred tax assets	**55,434**	**50,813**
Corporate value added contribution	(90)	(165)
Loan issue costs	(13,184)	(11,641)
Brand 123people	(1,132)	(1,132)
Depreciations accounted for tax purposes	(16,007)	(13,432)
Subtotal deferred tax liabilities	**(30,413)**	**(26,370)**
Total net deferred tax assets / (liabilities)	**25,021**	**24,443**
Deferred tax assets	*26,023*	*25,719*
Deferred tax liabilities	*(1,002)*	*(1,276)*

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

No deferred tax asset relating to loss carryforwards of QDQ Media was recognised in the balance sheet, as this company recorded a net loss in 2012. The amount of deferred tax not recognised is estimated at 63.4 million euros as at 31 December 2012.

PagesJaunes Groupe has opted for the tax integration system provided for in articles 223 A et seq. of the General Tax Code. The aim of using this option is to create a fiscally integrated group comprising PagesJaunes Groupe and all its French subsidiaries fulfilling the necessary conditions to become members.

The deferred tax assets in the balance sheet decreased from 25.7 million euros as at 31 December 2011 to 26.0 million euros as at 31 December 2012.

In the balance sheet as at 31 December 2012, corporation tax represents a receivable of 3.0 million euros and a liability of 0.1 million euros. As at 31 December 2011, corporation tax represented a receivable of 5.4 million euros and a liability of 0.1 million euros. The tax disbursed during the 2012 financial year was 107.5 million euros as against 117.9 million euros in 2011.

Note 10 – Earnings per share

In 2012, net income amounted to 158.5 million euros. The average number of ordinary shares in circulation was 277.7 million, after deduction of own shares. The net earnings per share for the consolidated group therefore amounted to 0.57 euro, or 0.55 euro taking into account the potentially dilutive effect of the average of 8.7 million stock options and free shares in existence in 2012 (cf. note 25).

In 2011, net income amounted to 191.6 million euros. The average number of ordinary shares in circulation was 280.2 million, after deduction of own shares. The net earnings per share for the consolidated group therefore amounted to 0.68 euro, or 0.66 euro taking into account the potentially dilutive effect of the average of 7.9 million stock options and free shares in existence in 2011 (cf. note 25).

Note 11 - Goodwill in respect of consolidated companies

Breakdown of the net value of goodwill by business sector:

(in thousands of euros)	Financial year closed as at 31 December 2012			Financial year closed as at 31 December 2011 *			Change
	Gross	Accumulated impairments	Net	Gross	Accumulated impairments	Net	Net
Internet	155,560	(73,282)	82,278	162,961	(68,882)	94,079	(11,801)
Printed directories	-	-	-	-	-	-	-
Other businesses	-	-	-	-	-	-	-
TOTAL	**155,560**	**(73,282)**	**82,278**	**162,961**	**(68,882)**	**94,079**	**(7,401)**

The movements in the net value of goodwill can be analysed as follows:

(in thousands of euros)	2012	2011
Balance at start of year	**94,079**	**66,687**
Acquisitions / disposals	(7,401)	27,396
Impairments	(4,400)	-
Reclassifications and others	-	(4)
Balance at end of year	**82,278**	**94,079**

Goodwill values were examined on the closure of the consolidated financial statements according to the method described in note 3.8 – Accounting policies, on the basis of business plans, a perpetual growth rate of between 2% and 2.5% and an after-tax discount rate of between 9.0% and 12.0% depending on the cash-generating units. These rates are based on published sector studies.

The assumptions made in determining the recoverable values are similar for all cash-generating units. They may be based on market data, the penetration rates of the various media or the products on the market, revenues (number of advertisers, average revenue per advertiser) or levels of gross operating margin. The values assigned to each of these parameters reflect past experience, subject to anticipated developments during the life of the plan. These parameters are the main sensitivity factors.

In 2012, an impairment of goodwill was recognised for an amount of 4.4 million euros. This impairment is part of the usual process of the asset valuation tests carried out every year. It is primarily related to the change in a referencing algorithm of a search engine which caused an abrupt decline in the traffic of a CGU leading to a drop in its revenues and in its margin, as well as an unfavourable base effect on its business plan.

In terms of sensitivity, a 1% increase in the discount rate across all of the CGUs would result in a decrease in the recoverable amount of 18 million euros and 6 million euros in depreciation. Inversely, a 1% decrease in the discount rate would lead to an increase in the recoverable amount of 24 million euros.
An increase in the perpetuity growth rate of 0.5% would result in an increase in the recoverable amount of 9 million euros. Inversely, a 0.5% decrease in the perpetuity growth rate would result in a decrease in the recoverable amount of 8 million euros and 2 million euros in depreciation.
A 1% increase in the margin for the last year in the business plans would lead to an increase in the recoverable amount of 11 million euros. Inversely, a 1% decrease in the margin rate of the last year of the business plans would result in a decrease in the recoverable amount of 11 million euros and 2 million euros in depreciation.

No impairment was recorded in 2011.

Note 12 - Other intangible fixed assets

(in thousands of euros)	31 December 2012			31 December 2011		
	Gross value	Total depreciation	Net value	Gross value	Total depreciation	Net value
Software and support applications	163,144	(102,485)	60,659	134,991	(77,773)	57,218
123people brand	4,526	-	4,526	4,526	-	4,526
Other intangible fixed assets	6,505	(2,303)	4,202	6,420	(1,726)	4,694
Total	**174,175**	**(104,788)**	**69,387**	**145,937**	**(79,499)**	**66,438**

No significant impairment was recorded as at 31 December 2012 and 2011.

Movements in the net value of other intangible fixed assets can be analysed as follows:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Opening balance	**66,438**	**49,154**
Acquisitions	16,540	13,167
Internally generated assets (1)	17,898	21,666
Effect of changes in the scope of consolidation (2)	(678)	240
Exchange differences	2	-
Reclassifications	(1,350)	-
Disposals and accelerated amortisation	(1,762)	(1,220)
Depreciation charge	(27,701)	(16,569)
Closing balance	**69,387**	**66,438**

(1) concerns all capitalised development expenses
(2) In 2012, primarily concerns the sale of 38.2% of Editus. In 2011, essentially concerns the acquisitions of A Vendre A Louer and Fine Media

The increase in investments made by the Group is linked to the launch of new products and services for customers and the enrichment of the functionalities of the Group’s fixed and mobile websites. Part of these investments was carried out by internal teams.

Note 13 – Tangible fixed assets

(in thousands of euros)	31 December 2012			31 December 2011		
	Gross value	Total depreciation	Net value	Gross value	Total depreciation	Net value
Land and buildings	-	-	-	1,509	(266)	1,243
IT and terminals	55,844	(45,157)	10,687	52,635	(40,651)	11,984
Others	43,360	(28,567)	14,793	41,376	(26,380)	14,996
Total	**99,204**	**(73,724)**	**25,480**	**95,520**	**(67,297)**	**28,223**

No significant impairment was recorded as at 31 December 2012 and 2011.

Movements in the net value of tangible fixed assets can be analysed as follows:

(in thousands of euros)	31 December 2012	31 December 2011
Opening balance	**28,223**	**27,694**
Acquisitions of tangible fixed assets	8,302	9,321
Effect of changes in the scope of consolidation (1)	(2,159)	92
Exchange differences	1	-
Reclassifications	486	-
Disposals and discards	(381)	(72)
Depreciation charge	(8,992)	(8,812)
Closing balance	**25,480**	**28,223**

(1) In 2012, primarily concerns the sale of 38.2% of Editus. In 2011, essentially concerns the acquisitions of A Vendre A Louer and Trazada.

Note 14 - Other available-for-sale assets

This section includes investment securities classified as available-for-sale assets as defined in standard IAS 39.

Note 15 - Other non-current financial assets

The other financial assets essentially comprise the long-term portion of security deposits.

Note 16 - Derivative financial instruments

PagesJaunes Groupe uses derivative financial instruments to manage the interest rate risk associated with the variable rate bank debt. PagesJaunes Groupe has implemented the procedures and documentation necessary to justify hedge accounting as defined in IAS 39.

These operations provide a cash flow hedge relating to the variable rate debt (cf. note 26). Prospective effectiveness tests performed by PagesJaunes Groupe on the inception of these operations and retrospective tests carried out on 31 December 2012 and 2011 showed that these financial instruments offered a totally effective cash flow hedge in relation to this bank debt.

Accounting and assets/liabilities relating to these derivative financial instruments

The fair value of these derivative financial instruments is made up as follows:

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Interest rate swaps – cash flow hedge	(50,611)	(56,106)
Interest rate swap – fair value hedge	-	(325)
Collars – fair value hedge	(3,969)	-
Assets / (liability)	**(54,580)**	**(56,431)**
Of which non-current	*(21,507)*	*(56,106)*
Of which current	*(33,073)*	*(325)*

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2011 and 31 December 2012, i.e. a decrease of 5.5 million euros for the interest rate swaps, was stated in transferable equity, after recognition of deferred tax of 1.9 million euros.

The change in the collar (qualified as fair value hedging) was recognised in financial expenses (cf. note 8), for an amount of 4.0 million euros. Deferred tax of 1.4 million euros was recorded in this respect.

No ineffectiveness was recorded with regard to cash flow hedges.

Note 17 – Net inventories

Inventories consist mainly of paper for the production of the printed directories and current service requirements for the production of advertisements (printed and online products) and websites.

Where necessary, they have been written down when commercial prospects could entail a risk of a fall in value to below that stated in the balance sheet.

No significant discards were recorded during the 2012 and 2011 financial years.

Note 18 – Trade debtors

The breakdown of the gross value and impairment of trade debtors is as follows:

(in thousands of euros)	31 December 2012	31 December 2011
Gross trade debtors	453,533	466,516
Provisions for impairment (1)	(21,588)	(24,450)
Net receivables before statistical impairment	**431,945**	**442,066**
Provisions for statistical impairment (1)	(2,062)	(2,754)
Net trade debtors	**429,883**	**439,312**

(1) Cf. note 21 – Changes in provisions for impairment of assets

As at 31 December, trade debtors were due as follows:

(in thousands of euros)	Total (1)	Not due (1)	Due and not impaired (1)					
			< 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	> 360 days
2012	431,945	387,084	17,782	8,242	4,539	7,737	6,250	311
2011	442,066	392,770	17,995	9,319	5,084	8,267	7,507	1,124

(1) Excluding statistical impairment provisions totalling 2,062 thousand euros as at 31 December 2012 and 2,754 thousand euros as at 31 December 2011

The Group's portfolio of trade debtors does not present a significant risk of concentration (over 677,000 advertisers, including 647,000 in France). In France, PagesJaunes' 20 largest advertisers represent 1.2% of these revenues (1.3% in 2011) and advertisers in the 10 largest business sections represent 16.1% of PagesJaunes revenues (15.5% in 2011). In France, provisions for bad debts remain at a very low level, with net provisions amounting to 0.43% of revenues in 2012 compared to 0.41% in 2011.

Note 19 –Acquisition costs of contracts

Acquisition costs of contracts represent the variable costs of the sales force relating to the marketing of advertising products in the printed directories and on digital media. These direct and incremental costs in obtaining customer contracts are capitalised on the balance sheet in this item and are recognised as expense over the life of the customer orders, i.e. according to the publication of the advertisements and the recognition of the revenue.

Note 20 – Other current assets

The other current assets are made up as follows

(in thousands of euros)	31 December 2012	31 December 2011
VAT receivable	14,544	17,765
Sundry accounts receivable	13	12
Trade payables - Advances and instalments	5,455	4,494
Other current assets	6,555	6,704
Total	**26,567**	**28,975**

Note 21 – Changes in provisions for impairment of assets

(in thousands of euros)	Balance at start of period	Allowances	Releases of unused provisions	Release of used provisions	Other movements (1)	Balance at end of period
2011						
Trade debtors	25,728	6,620	(1,339)	(3,995)	190	27,204
Other assets	-	-			-	-
2012						
Trade debtors	27,204	6,898	(482)	(9,909)	(62)	23,650
Other assets	-	88		-	-	88

(1) including the entry into the scope of Chronoresto 24 thousand euros as at 31 December 2012 and the Editus sale (86 thousand euros) on 1 October 2012

Receivables in respect of directories yet to be published are covered by a provision depending on the statistical rate observed empirically over the last five years of publication.

Note 22 - Share-holders' equity

22.1 – Share capital

As at 31 December 2011 and 2012, the share capital of PagesJaunes Groupe amounted to 56.2 million euros and was divided into 280,984,754 ordinary shares of a par value of 0.20 euro each. This capital is fully paid up.

Médiannuaire SAS held 54.68% of the capital of PagesJaunes Groupe as at 31 December 2011 and 2012.

22.2 Other reserves and other comprehensive income

The other consolidated reserves and other comprehensive income were negative in an amount of 2,310.2 million euros as at 31 December 2012 (2,500.4 million euros as at 31 December 2011) and were mainly composed of:

- the portion of distributions in excess of the income for the year, mainly relating to exceptional distributions made in November 2006 for an amount of 2,519.7 million euros;
- the loss of fair value of derivative financial instruments between their conclusion date and 31 December 2012 in a pre-tax amount of 50.6 million euros (56.1 million euros as at 31 December 2011) and a corresponding tax of 17.4 million euros (19.3 million euros as at 31 December 2011);
- the cross-entry for the share-based payment expense corresponding to the portion settled in equity instruments in an amount of 61.1 million euros (59.9 million euros as at 31 December 2011), cf. note 25.

The recycling of reserves relative to the financial instruments, generated in the implementation of hedge accounting as defined in IAS 39, is forecast to be between 2 and 4 years (cf. note 16, maturity of these instruments).

22.3 – Own shares

A liquidity contract was entered into in 2008 with an investment service provider. It is renewable annually. The funds allocated to this contract amounted to 8.0 million euros.

Under this contract, as at 31 December 2012, the Company held 1,328,711 of its own shares, stated as a deduction from equity and 1.7 million euros of liquidities classified as cash and cash equivalents.

PagesJaunes Groupe also repurchased 2,000,000 of its own shares outside the liquidity contract in 2011 for a total of 6.0 million euros.

As at 31 December 2012, PagesJaunes Groupe consequently held 3,328,711 of its own shares.

As at 31 December 2011, the Company held 1,203,500 of its own shares and 1.9 million euros in liquidities under the liquidity contract.

22.4 - Dividends

No dividend was distributed in 2012.

In 2011, the dividend paid on 23 June 2011 amounted to 162.7 million euros, i.e. 0.58 euro per share.

Note 23 – Trade creditors

Amounts owed to suppliers bear no interest and are payable in principle between 30 and 60 days.

Note 24 - Personnel benefits, provisions and other liabilities

These can be broken down as follows:

(in thousands of euros)	31 December 2012	31 December 2011*
Post-employment benefits	73,868	59,017
Other long-term benefits	9,456	8,294
Non-current personnel benefits (1)	**83,324**	**67,311**
Other Provision for risks	5,890	5,915
Provisions for social or fiscal disputes	443	443
Non-current provisions	**6,333**	**6,358**

* Restated for expensing of the fixed costs for the sales force and for the early adoption of IAS 19R (cf. note 2)

(1) Cf. details in the following note. Non-current personnel benefits concern the French companies.

(in thousands of euros)	31 December 2012	31 December 2011
Personnel (1)	76,359	74,188
Social organisations	48,014	44,091
Total current personnel benefits	**124,373**	**118,279**
VAT payable	83,526	86,906
Sundry accounts payable	9,321	8,704
Other current liabilities	1,193	1,843
Other current liabilities	**94,040**	**97,453**

(1) Comprising mainly employee profit-sharing and provisions for personnel expenses

Movements in provisions were as follows:

(in thousands of euros)	Opening balance	Charge for the year	Reversal of the year (unused)	Reversal of the year (utilised)	Changes in the scope of consolidation, reclassifications and others	Closing balance
Provisions for social and fiscal litigations	6,737	587	(1,288)	(12)	-	6,024
Other Provision for risks	517	24	(20)	-	(19)	502
Total provisions	**7,254**	**611**	**(1,308)**	**(12)**	**(19)**	**6,526**
- of which non current	*6,358*	*558*	*(567)*	*(12)*	*(4)*	*6,333*
- of which current	*896*	*53*	*(741)*	-	*(15)*	*193*

Pension commitments and other personnel benefits:

(in thousands of euros)	Post-employment benefits	Other long-term benefits	Total 31 December 2012	Post-employment benefits	Other long-term benefits	Total 31 December 2011*
Change in value of commitments						
Total value of commitments at start of period	**60,607**	**8,294**	**68,901**	**56,323**	**8,108**	**64,432**
Cost of services rendered	4,875	778	5,654	3,468	550	4,018
Discounting cost	2,114	274	2,388	2,401	319	2,720
Contributions paid by employees	-	-	-	-	-	-
Amendments to scheme	-	-	-	-	-	-
Reductions/liquidations	(900)	(27)	(927)	(1,075)	-	(1,075)
Actuarial (gains) or losses	9,574	731	10,305	(413)	(401)	(814)
Benefits paid	(972)	(330)	(1,302)	(632)	(283)	(915)
Acquisitions	-	-	-	-	-	-
Assignments/transfers of activity	227	22	249	-	-	-
Changes in scope	-	-	-	-	-	-
Others	242	-	242	-	-	-
Total value of commitments at end of period (A)	**75,767**	**9,743**	**85,510**	**60,072**	**8,294**	**68,366**
Commitments at end of period relating to fully or partly financed schemes	*73,165*	-	*73,165*	*58,499*	-	*58,499*
Commitments at end of period relating to non-financed schemes	*2,602*	*9,743*	*12,345*	*1,573*	*8,294*	*9,867*
Change in cover assets						
Fair value of cover assets at start of period	**28**	**-**	**28**	**25**	**-**	**25**
Financial income from cover assets	1	-	1	3	-	3
Gains/losses on cover assets	-	-	-	-	-	-
Contributions paid by the employer	-	-	-	-	-	-
Contributions paid by the employees	-	-	-	-	-	-
Reductions/liquidations	-	-	-	-	-	-
Benefits paid by the fund	-	-	-	-	-	-
Change in scope	-	-	-	-	-	-
Others (translation differences)	-	-	-	-	-	-
Fair value of cover assets at end of period (B)	**29**	**-**	**29**	**28**	**-**	**28**
Financial cover						
Situation of the scheme (A) – (B)	75,738	9,743	85,481	60,044	8,294	68,338
Unrecognised actuarial gains or (losses)	-	-	-	536	-	536
Unrecognised cost of past services	-	-	-	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-	-	-
Provision / (assets) at end of period	**75,738**	**9,743**	**85,481**	**60,580**	**8,294**	**68,874**
of which provision / (asset) short term	*1,870*	*287*	*2,157*	*1,563*	-	*1,563*
of which provision / (asset) long term	*73,868*	*9,456*	*83,324*	*59,017*	*8,294*	*67,311*
Pension charge						
Cost of services rendered	4,875	778	5,654	3,468	550	4,018
Discounting costs	2,114	274	2,388	2,401	319	2,720
Expected return on scheme assets	(1)	-	(1)	(3)	-	(3)
Amortisation of actuarial (gains) or losses	-	731	731	(30)	(401)	(430)
Amortisation of cost of past services	-	-	-	-	-	-
Effect of reductions/liquidations	(620)	(15)	(635)	(787)	-	(787)
Assignments/transfers of activity	188	12	200	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-	-	-
Total pension charge	**6,555**	**1,780**	**8,336**	**5,049**	**469**	**5,518**
Movements in the provision / (asset)						
Provision / (assets) at start of period	**60,579**	**8,287**	**68,867**	**56,863**	**8,108**	**64,971**
Pension charge	6,555	1,780	8,336	5,049	469	5,518
Pension charge from divested businesses	-	-	-	-	-	-
Contributions paid by the employer	(972)	(330)	(1,302)	(632)	(283)	(915)
Benefits paid directly by the employer	-	-	-	-	-	-
Change of scope	-	-	-	-	-	-
	10,018	-	10,018	(413)		(413)
Others	(442)	6	(437)	(288)	-	(288)
Provision / (assets) at end of period	**75,738**	**9,743**	**85,481**	**60,580**	**8,294**	**68,874**
Assumptions						
Discount rate (%)	2.75%	2.75%	2.75%	4.00%	4.00%	4.00%
Expected long-term inflation rate (%)	2.0%	2.00%	2.00%	2.0%	2.00%	2.0%
Expected yield on scheme assets (%)	4.20%	-	-	4.20%	-	-
Probable residual activity period	14.5	14.5	14.5	14.7	14.7	14.7
Amount entered as a charge in respect of the period	**6,555**	**1,780**	**8,336**	**5,049**	**469**	**5,518**

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

In 2012, the expense stated in respect of defined contribution pension plans amounted to 38.7 million euros.

The discount rate applied in valuing commitments as at 31 December 2012 is 2.75%, compared to 4% as at 31 December 2011.

The IAS 19 standard sets the discount rate at the rate of bonds issued by first-class companies having a maturity equal to that of the commitment. If the market for these bonds is not liquid, the rate is equal to the rate of the corresponding government bonds (OATs).

On the valuation date, in the eurozone, the rate for first-class private bonds (AA) was between

2.50% and 3.00% according to Bloomberg.

The discount rate actually adopted in this valuation was thus in accordance with the IAS 19 standard.

The amendment to IAS 19
IAS 19 was amended in June 2011 by the IAS Board and adopted in June 2012 by the European Union. The changes in IAS 19 primarily concern the disappearance of the deferred recognition principle. Consequently, the actuarial differences were recognised as shareholders' equity (in OCI) and the costs of past services directly in results.
As this change in the standard had been applied early by the Group as at 31 December 2012, these aggregates were recognised retrospectively as shareholders' equity.

Sensitivity of the discount rate on post-employment benefits (IFC):
A 0.50% increase in the discount rate leads to a decrease in the commitment of about 7%, or around 4.8 million euros, while a decrease of 0.50% in the discount rate leads to an increase in the commitment of about 7.6%, i.e. around 5.3 million euros.

Sensitivity of the discount rate on other long-term benefits (long-service awards):
An increase of 0.50% in the discount rate leads to a decrease in the commitment of about 5% (less than 1 million euros), while a decrease of 0.50% in the discount rate leads to an increase in the commitment of about 5% (less than 1 million euros).

For all post-employment benefits and other long-term benefits, an increase of 0.5% in the discount rate leads to a decrease in the expense for the year of 0.2 million euros, i.e. 0.1% of the income for the period, while a decrease of 0.50% in the discount rate leads to an increase in the expense for the year of 0.3 million euros i.e. 0.2% of the income for the period.

The discounted value of the obligation in respect of these commitments and the adjustments to the scheme linked to experience for the current year and or the four previous years are as follows:

(in thousands of euros)	**2012**	**2011***	**2010**	**2009**	**2008**
Total value of commitments at end of period	85,510	68,366	64,432	57,667	51,152
Fair value of cover assets at end of period	(29)	(29)	(25)	(577)	(2,034)
Situation of the scheme	**85,481**	**68,337**	**64,406**	**57,089**	**49,118**
Actuarial (gains) or losses relating to experience - liability	(2,292)	(735)	(2,655)	272	190
Actuarial (gains) or losses relating to experience - cover asset	-	-	-	-	-

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Note 25 - Stock options and free shares

25.1 - Stock options

25.1.1 - Description of the plans

Neither PagesJaunes Groupe nor any of its subsidiaries granted any stock option plans in 2012 and 2011.

25.1.2 - Description of the valuation models

Neither PagesJaunes Groupe nor any of its subsidiaries granted any stock option plans in 2012 and 2011.

25.1.3 - Movements in stock option plans during the year

	Number of options 2012	Weighted average exercise price 2012	Number of options 2011	Weighted average exercise price 2011
Options circulating at start of period	**7,611,283**		**7,994,484**	
July 2010 plan	1,231,500	8.59 €	1,319,000	8.59 €
December 2010 plan	149,000	7.10 €	166,000	7.10 €
July 2009 plan	951,250	6.71 €	1,039,000	6.71 €
October 2009 plan	67,000	8.84 €	87,000	8.84 €
December 2009 plan	75,000	7.82 €	75,000	7.82 €
December 2007 plan	2,394,384	14.46 €	2,483,484	14.46 €
June 2005 plan	2,743,149	11.72 €	2,825,000	11.72 €
Options granted	**-**	-	**-**	-
July 2010 plan	-	-	-	-
December 2010 plan	-	-	-	-
July 2009 plan	-	-	-	-
October 2009 plan	-	-	-	-
December 2009 plan	-	-	-	-
December 2007 plan	-	-	-	-
June 2005 plan	-	-	-	-
Options exercised	**-**	-	**-**	-
July 2010 plan	-	-	-	-
December 2010 plan	-	-	-	-
July 2009 plan	-	-	-	-
October 2009 plan	-	-	-	-
December 2009 plan	-	-	-	-
December 2007 plan	-	-	-	-
June 2005 plan	-	-	-	-
Options cancelled, lapsed	**(581,065)**		**(383,201)**	
July 2010 plan	(164,000)	8.59 €	(87,500)	8.59 €
December 2010 plan	-	-	(17,000)	7.10 €
July 2009 plan	(147,250)	6.71 €	(87,750)	6.71 €
October 2009 plan	-	-	(20,000)	8.84 €
December 2009 plan	-	-	-	-
December 2007 plan	(117,800)	14.46 €	(89,100)	14.46 €
June 2005 plan	(152,015)	11.72 €	(81,851)	11.72 €
Options circulating at end of period	**7,030,218**		**7,611,283**	
July 2010 plan	1,067,500	8.59 €	1,231,500	8.59 €
December 2010 plan	149,000	7.10 €	149,000	7.10 €
July 2009 plan	804,000	6.71 €	951,250	6.71 €
October 2009 plan	67,000	8.84 €	67,000	8.84 €
December 2009 plan	75,000	7.82 €	75,000	7.82 €
December 2007 plan	2,276,584	14.46 €	2,394,384	14.46 €
June 2005 plan	2,591,134	11.72 €	2,743,149	11.72 €

At 31 December 2012, the options in the June 2005, December 2007, July, October, and December 2009 plans were exercisable. The average residual term until the start of the exercise period is seven months for the July 2010 plan and 12 months for the December 2010 plan.

25.2 - Free grant of shares

25.2.1 - Description of the plans

The Extraordinary General Meeting of 7 June 2011 authorised the Board of Directors to introduce a free share plan for the benefit of certain Group directors and employees, as defined in articles L. 225-197-1 to L. 225-197-5 of the Commercial Code, with the particular aim of involving them in the Company's development. This authorisation was granted for a period of 38 months and the total number of free shares granted in respect of this resolution must not exceed 1.5% of the capital of the Company on the date of this General Meeting, i.e. 4,214,771 shares.
The Board of Directors adopted the conditions for the first free share plan on 26 October 2011. This plan gave rise to an initial grant of 1,226,000 shares. A second free share plan was adopted on 16 December 2011 and gave rise to an additional grant of 84,000 shares.

As at 31 December 2012, 1,220,000 shares eligible for free grant remained in circulation (1,310,000 shares as at 31 December 2011). These shares will be finally vested at the end of a vesting period ending on 31 December 2013, provided that the beneficiary is still an employee or director of the Group and performance conditions are fulfilled.

On 11 December 2012, the Board of Directors adopted the conditions for a third free share plan for 2,624,000 shares. These shares will be finally vested at the end of a vesting period ending on 31 December 2014, provided that the beneficiary is still an employee or director of the Group and performance conditions are fulfilled.

The grant date applied for the valuation of the expense is the date of the Board of Directors' Meeting granting the options, the time allowed for informing the grantees having been deemed reasonable.

25.2.2 - Description of the valuation models

The fair value of a granted share corresponds to the market price of the share on the grant date after adjustment for the expected loss of dividends during the vesting period ending on 31 December 2014.

Grant date in 2012	**11 December**
Market price of underlying stock	1.755 €
Vesting period	2.06 years
Expected dividend rate	-
Fair value of one share	1.755 €

The expense representing the cost of this free share plan, which takes account of an estimated annual departure rate of 15%, is amortised over the vesting period, i.e. 2.06 years. It is adjusted in line with the probability that the performance conditions will be fulfilled or the departure rate during this period and is fixed permanently on the basis of the number of shares actually distributed at the end of this period.

25.3 - Expense relating to stock option plans and free grants of shares

The impact of the stock option plans and free grants of shares on the 2012 income statement amounts to 2.3 million euros compared to 1.9 million euros in 2011. These amounts include social charges relating to the employer's contribution based on the fair value of the options granted, i.e. 30% in 2012 and 14% in 2011.

These plans are expected to be settled through equity instruments.

Note 26 - Cash and cash equivalents, net financial debt

Net financial debt corresponds to the total gross financial debt less or plus derivative asset and liability cash flow hedging instruments and less cash and cash equivalents.

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Accrued interest not yet due	18	9
Cash equivalents	106,747	77,358
Cash	4,723	5,315
Gross cash	**111,488**	**82,682**
Bank overdrafts	(19,616)	(4,608)
Net cash	**91,872**	**78,074**
Bank loan	1,368,224	1,600,157
Bond loan	350,000	350,000
Revolving credit facility drawn	75,807	-
Loans issue expenses	(37,631)	(33,368)
Lease liability	119	91
Fair value of hedging instruments (cf. note 16)	54,580	56,431
Accrued interest not yet due	16,720	7,412
Price supplements on acquisition of securities	4,898	9,923
Other financial liabilities	836	2,155
Gross financial debt	**1,833,553**	**1,992,801**
of which current	*146,986*	*11,281*
of which non-current	*1,686,567*	*1,981,520*
Net debt	**1,741,681**	**1,914,727**

Cash and cash equivalents

As at 31 December 2012, cash equivalents amounted to 106.7 million euros and is primarily comprised of UCITS, of which some are invested under the liquidity contract and non-blocked, remunerated, fixed-deposit accounts.

These are managed and therefore valued on the basis of their fair value.

Bank overdraft

The Group has authorised overdrafts totalling 20 million euros granted by a number of its banks.

Bank loan

At the beginning of 2012, PagesJaunes Groupe had a bank finance facility up to a maximum of 1,900 million euros, which includes on the one hand, a medium-term loan of 1,600 million euros comprised of two tranches:

- Tranche A1: nominal of 638.0 million euros payable in full in November 2013;
- Tranche A3: nominal of 962.0 million euros payable in full in September 2015;

and on the other hand, a revolving credit facility (RCF) of about 300 million euros. The revolving credit facility is intended to finance the Group's treasury requirements (working capital, investments or refinancing) in the context of its operating activities and is available in particular in the form of drawings, letters of credit or bilateral lines.

On 9 November 2012, with an effective date of 27 November, the Group finalised the refinancing of Tranche A1 and of the RCF (which was fully drawn on; the funds received as such amounted to 281.4 million euros) in the following conditions:

- conversion of tranche A1 into tranche A5 for 300.0 million euros with an extension of the maturity, moving from November 2013 to September 2015,
- conversion of the RCF into RCF3 for 73.8 million euros with an extension of the maturity, moving from November 2013 to September 2015,
- conversion of the RCF into tranche A5 for 56.5 million euros with an extension of the maturity, moving from November 2013 to September 2015,
- contractual amortisation of 191.1 million euros into several maturity dates by April 2015 on tranches A3, A5 and RCF3,
- early repayment on 27 November of tranche A1 for 288.4 million euros and of the RCF for 129.1 million euros,
- moderate increase in margin over Euribor, rising on average from 264 basis points to 377 basis points, including RCF,
- setting up an excess cash-flow clause on tranche A3, effective as of March 2014.

This operation generated costs estimated at 17.8 million euros and the extinguishment of a part of the bank loan. The latter led to a recognition of accelerated amortisation of part of the expenses associated with the issue of this financing in 2006 and its renegotiation in 2011 and 2012, amounting to 4.2 million euros.
Pursuant to IAS 39, the refinancing of the remainder of the bank loan has not been qualified as an extinguishment of debt. Consequently, the un-amortised expenses were kept on the balance sheet.

The bank financing agreement notably includes default and mandatory prepayment clauses, as well as the following progressive financial covenants:

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM must be less than or equal to 4.00 from 31 December 2012 to 30 September 2013, and 3.75 thereafter (GOM and consolidated net debt as defined in the agreement with the financial institutions);
- the ratio of an aggregate close to the consolidated GOM to the consolidated net interest expense must be greater than or equal to 3.0 over the residual term of the agreement (GOM and consolidated net debt as defined in the agreement with the financial institutions).

As at 31 December 2012, these financial covenants were met and there are no grounds for reclassifying non-current debt as current. These ratios were respectively at 3.71 and 4.00.

In terms of sensitivity, a 2% decrease in GOM would result in an increase of the leverage ratio (consolidated net debt to an aggregate close to the consolidated GOM) of 0.07. A 2% decrease in net debt would result in a decrease of the same ratio of 0.08.

It also includes a compulsory early repayment clause in the event of a change of control of the Company resulting from the acquisition of the shares of the Company.

The reference rate is Euribor or Libor plus a margin.

As at 31 December 2012, bank debt can be broken down as follows:

- Tranche A1: principal of 49.6 million euros maturing in November 2013, with a margin of 175 bps;
- Tranche A3: principal of 962.0 million euros of which 7.5 million euros maturing in September 2013, 30.0 million euros maturing in 2014 and the balance, which is 924.5 million euros, maturing in 2015, margin of 400 bps;
- Tranche A5: principal of 356.4 million euros of which 13.6 million euros maturing in September 2013, 54.3 million euros maturing in 2014 and the balance, which is 288.5 million euros, maturing in 2015, margin of 360 bps;
- Revolving credit facility RCF 1: principal of 22.0 million euros maturing in November 2013, fully drawn as at 31 December 2012, with a margin of 175 bps;
- Revolving credit facility RCF 3: principal of 73.8 million euros of which 2.8 million euros maturing in September 2013, 11.2 million euros maturing in 2014 and the balance, which is 59.8 million euros maturing in 2015, it was used for an amount of 53,8 million euros as at 31 December 2012, margin of 360 bps.

Bond loan

PagesJaunes Groupe has, via PagesJaunes Finance & Co SCA, a 350 million euro bond loan. This loan has a fixed rate of 8.875% and is repayable on 1 June 2018.

Price supplements on acquisition of securities

As part of the acquisitions completed in 2011 and 2012, price supplements may be paid between 2013 and 2014 if certain operating performance conditions are fulfilled. As at 31 December 2012, these were estimated to be 4.9 million euros.

Other financial liabilities

The other financial liabilities primarily comprise a debit current account with PagesJaunes Outre-mer, a wholly owned non-consolidated subsidiary of PagesJaunes Groupe.

Note 27 - Deferred income

Deferred income mainly comprises income from sales of advertisements invoiced for inclusion in directories yet to be published and online directories spread over a display period which is usually 12 months.

Note 28 – Financial instruments

28.1 - Financial instruments in the balance sheet

(in thousands of euros)	Carrying amount in balance sheet	Fair value recognised in profit or loss	Derivative instruments (Fair value recognised in equity)	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Others
Available-for-sale assets	195	-	-	195	-	-	-
Other non-current financial assets	1,414	-	-	-	1,414	-	-
Net trade accounts receivable	429,883	-	-	-	429,883	-	-
Other current financial assets	6,084	6,084	-	-	-	-	-
Cash equivalents	106,747	106,747	-	-	-	-	-
Cash	4,741	4,741	-	-	-	-	-
Financial assets	**549,063**	**117,572**	-	**195**	**431,297**	-	-
Non-current financial liabilities and derivatives	1,686,567	8,067	17,538	-		1,660,962	-
Bank overdrafts and other short-term borrowings	149,882	800	33,073	-		116,009	-
Accrued interest	16,720	-	-	-		16,720	-
Trade accounts payable	78,325	-	-	-		78,325	-
Financial liabilities	**1,931,494**	**8,867**	**50,611**	-		**1,872,016**	-

Hedging derivatives stated at fair value in equity are detailed in note 16.

As at 31 December 2012, the market value of the bank and bond loans was 1,500.2 million euros, compared to a carrying value of 1,793.9 million euros:

(in thousands of euros)	Carrying value	Quotes as at 31/12/2012	Market value
Bank borrowing - facility A1	49,602	89.0%	44,146
Bank borrowing - facility A3	962,030	81.0%	779,244
Bank borrowing - facility A5	356,428	81.0%	288,707
Senior secured notes PagesJaunes Finance & Co SCA	350,000	94.0%	329,000
Revolving Credit Facility (RCF1)	22,033	78.0%	17,186
Revolving Credit Facility (RCF3)	53,774	78.0%	41,944
Loans	**1,793,867**	**83.6%**	**1,500,226**
Other debts incl. debt costs	(16,896)	-	(16,896)
Non-current financial liabilities and derivatives	**1,776,971**	**83.5%**	**1,483,330**

The Group has classified the valuations at fair value according to a hierarchy of fair values reflecting the importance of the data used to carry out the valuations. The hierarchy of fair values is made up of the following levels:

- Level 1: prices (non-adjusted) listed on active markets with identical assets or liabilities;
- Level 2: data other than the listed prices referred to in Level 1, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derivative price data);
- Level 3: data relating to assets or liabilities not based on observable market data (non-observable data)

The valuation of hedging derivatives corresponds to level 2.

In the 2012 financial year, there were no transfers between levels 1 and 2 in the hierarchy of fair values, nor any transfers to or from level 3.

28.2 - Effect of financial instruments on income

(in thousands of euros)	Impact in profit and loss	Fair value recognised in profit or loss	Derivative instruments	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Others
Interest income	4,577	4,577	-	-	-	-	-
Interest expenses	(138,263)	(3,969)	-	-	-	(134,294)	-
Net gains / (net losses)	**(133,686)**	**608**	**-**	**-**	**-**	**(134,294)**	**-**
Accretion cost	(2,387)						
Net financial income (cf. note 8)	**(136,073)**						

Note 29 - Financial risk management and capital management policy objectives

The Group's objective is to optimise its financial structure, the principal assessment criterion being the financial leverage (ratio of net debt to gross operating margin), in order to reduce the cost of its capital while maintaining financial flexibility enabling the Group to meet its development plan.

The two main financial management objectives are as follows:

- PagesJaunes Groupe, and the consolidated PagesJaunes Group, are net borrowers and, in this context, the prime objective of PagesJaunes Groupe is to secure and thus limit the cost of its debt;
- Since the PagesJaunes Groupe generates a substantial cash flow in line with the rate of the sales prospecting cycle and pays interest on its debt according to a different timescale, the PagesJaunes Groupe produces cash surpluses and may find itself in a situation of temporary cash flow surplus. Since these surpluses are not long-lasting, the Group's objective is to invest them at the best possible interest rate with a very limited level of risk.

The Group also ensures that the commitments made in its banking documentation are respected, including certain default and prepayment clauses. These clauses are linked, in particular, to compliance with operational and financial covenants such as the minimum level of coverage of the net consolidated interest charge by an aggregate close to the consolidated gross operating margin (GOM) and the maximum leverage, measured by the relationship between the consolidated net debt and an aggregate close to the consolidated GOM.

The Group has set a goal to reduce its financial leverage. As at 31 December 2012, this ratio was 3.7 times GOM (3.8 times as at 31 December 2011), which is lower than the maximum of 4.00 times specified in the bank documentation (4.30 times as at 31 December 2011).

In view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk.

Exchange rate risk
PagesJaunes Groupe considers that the exchange rate risk is not significant as far as its activity is concerned, insofar as it is exercised mainly in the eurozone.

Interest rate risk
PagesJaunes Groupe is exposed to the risk of interest rate fluctuations insofar as 80.5% of its short and long term financing is at a variable rate. The Group manages this risk through recourse to derivative instruments, mainly interest rate swaps.
The main features of the Group's banking debt are stated in note 26 (Cash and Cash equivalents,

net financial debt) and the features of the instruments used for hedging against interest rate fluctuations can be found in note 16 ("Derivative financial instruments – non-current assets").

PagesJaunes Groupe estimates that an increase of 0.50% in short-term interest rates compared to the three-month Euribor rate at 31 December 2012, i.e. 0.187%, would lead to a decrease in the consolidated pre-tax annual income of about 0.8 million euros.

Sensitivity analysis of an increase of 50 basis points of Euribor 3 months (before tax)

(in millions of Euros)	Cash equivalents	Bank loan and overdrafts	Net derivative financial instruments		Total
			Cash flow hedge	Fair value	
Carrying amount in balance sheet	111.5	(1,464.5)	-	(54.6)	
Sensitivity in profit and loss	0.6	(7.3)	6.0	-	**(0.8)**
Sensitivity in equity	-	-	-	15.0	**15.0**

Liquidity risk

The PagesJaunes Groupe has established a centralised cash management system with cash pooling including all its French subsidiaries and organised around a PagesJaunes Groupe pivot. This method of managing liquidities associated with an internal reporting system enables the Group to anticipate and estimate future cash flows linked to the operational activities of its various subsidiaries and thus to optimise drawings on its credit lines when cash is required, and investments in the case of cash surpluses.

Based on the maturity dates of financial liabilities as at 31 December 2012, forecast disbursements for future periods, calculated on the basis of the forward rate curve at 31 December 2012, are as follows:

(in millions of Euros)	Carrying amount in balance sheet		2013		2014		2015		2016	2017	2018	
	Assets	Liabilities	Interest	Reimb.	Interest	Reimb.	Interest	Reimb.	Interest	Interest	Interest	Reimb.
Financial liabilities		**(1,836.1)**	**(104.5)**	**(116.9)**	**(89.5)**	**(99.7)**	**(74.8)**	**(1,252.8)**	**(31.1)**	**(31.1)**	**(13.0)**	**(350.0)**
Bank loan A1	-	(49.6)	(0.9)	(49.6)	-	-	-	-	-	-	-	-
Bank loan A3	-	(962.0)	(40.3)	(7.5)	(42.1)	(30.0)	(31.5)	(924.5)	-	-	-	-
Bank loan A5		(356.4)	(13.5)	(13.6)	(14.2)	(54.3)	(10.7)	(288.5)				
Bond loan	-	(350.0)	(31.1)	-	(31.1)	-	(31.1)	-	(31.1)	(31.1)	(13.0)	(350.0)
Revolving credit line (RCF1)	-	(22.0)	-	(22.0)	-	-	-	-	-	-	-	-
Revolving credit line (RCF3)	-	(53.8)	(2.0)	(2.8)	(2.1)	(11.2)	(1.6)	(39.7)	-	-	-	-
Bank overdrafts	-	(19.6)	-	(19.6)	-	-	-	-	-	-	-	-
Accrued interest not yet due	-	(16.7)	(16.7)	-	-	-	-	-	-	-	-	-
Liability on committed purchase of minority interests	-	(4.9)	-	(0.8)	-	(4.1)	-	-	-	-	-	-
Other financial liabilities	-	(1.0)	-	(1.0)	-		-	-	-	-	-	-
Interest rate risk hedging												
Swaps	-	(54.6)	(32.4)	-	(13.0)	-	(7.6)	-	-	-	-	-
Forward rate (Euribor 3m)			0.19%		0.38%		0.66%					

Credit risk

PagesJaunes Groupe is generally exposed to credit risk essentially in its investments and interest rate hedging instruments. PagesJaunes Groupe limits credit risk by selecting counterparties having a long-term rating higher than AA- (Standard & Poor's and/or Fitch IBCA) or Aa3 (Moody's). As at 31 December 2012, PagesJaunes Groupe was exposed to an extent of 106.7 million euros in respect of its investment operations (cf. note 26 – Cash equivalents), while the market value of its derivative financial instruments was negative (cf. note 16).

Furthermore, the management procedure for PagesJaunes Groupe's financial operations involves the drawing up of a limited list of authorised signatures, outside of which the Chief Executive Officer's

authorisation is compulsory. The banking documentation also limits the list of counterparties for interest rate hedging operations.

Equity risk
PagesJaunes Groupe considers that the equity risk is not significant insofar as the amount invested in own shares particularly under the liquidity contract remains limited and the investment of its cash surpluses is not exposed to equity market risk.

Note 30 - Information on related parties

30.1 - Remuneration of executive committee and board of directors members

The table below shows the remuneration of persons who were members of PagesJaunes Groupe's Board of Directors and Executive Committee during or at the end of each financial year. It also includes the directors representing employees and sitting on the PagesJaunes Groupe Board of Directors.

(in thousands of euros)	**31 December 2012**	**31 December 2011**
Short-term benefits (1)	5,064	5,051
of which employer charges	*1,329*	*1,259*
Post-employment benefits (2)	54	43
Other long term benefits (3)	2	1
Termination benefits (4)	-	422
Equity benefits (5)	796	558
Total	**5,917**	**6,074**

(1) Salaries, remuneration, profit-sharing and bonuses paid and social security contributions, paid holidays, directors' fees and non-monetary benefits entered in the accounts.
(2) Pensions, annuities, other benefits, life insurance, medical insurance, etc.
(3) Seniority leave, sabbatical leave, long-term benefits, deferred remuneration, profit-sharing and bonuses (if payable 12 months or more after the closing date).
(4) Severance pay, non-competition clause compensation, including social charges.
(5) Share-based payment including social charges relating to free grants of shares and stock options.

In 2012, the charge in respect of defined-contribution pension plans amounted to 0.3 million euros (0.4 million euros in 2011).

30.2 – Transactions with related parties

Service contracts were established in 2006 and 2007 with Médiannuaire, the majority shareholder of PagesJaunes Groupe. These contracts generated an expense of 1.2 million euros for the 2012 financial year (1.4 million euros for 2011). These transactions form part of current operations.

The PagesJaunes Groupe Board of Directors meeting on 17 May 2009 appointed Jean-Pierre Remy as the Company's Chief Executive Officer from 25 May 2009. Jean-Pierre Remy does not have an employment contract and the Board of Directors decided to provide severance pay in the event of dismissal from the Company due to a change in control or strategy or its implementation. The amount of this pay will be equal to his standard gross annual remuneration (fixed and variable depending on targets attained), subject to the fulfilment of performance conditions.

A non-competition obligation will be applied in the event of termination of Jean-Pierre Remy's mandate as Chief Executive Officer for any reason and in any form whatsoever. This competition prohibition shall be limited to a period of 24 months commencing on the day on which his duties actually come to an end, and shall cover 100% of French territory. The relevant compensation will be equal to 12 months of remuneration based on the total gross monthly average of remuneration over the 12 months of activity preceding the date of termination.

Mr Christophe Pingard was appointed Deputy Chief Executive Officer by the Board of Directors on 26 October 2011. On this occasion, PagesJaunes Groupe entered into the following commitments with regards to him.

Since Christophe Pingard does not benefit from an employment contract, the Board of Directors decided to provide severance pay in the event of his forced departure from the Company due to a change in the Company's control or strategy or its implementation (irrespective of the form of departure: dismissal, non-renewal or resignation), subject to fulfilment of the performance condition. The amount of this severance pay shall equal 12 months of remuneration calculated based on the average monthly total gross remuneration paid during the 12 months of activity preceding the date of cessation of duties.

A non-competition obligation will be applied in the event of termination of Christophe Pingard's term of office as Deputy Chief Executive Officer for any reason and in any form whatsoever. This competition prohibition shall be limited to a period of 24 months commencing on the day on which his duties actually come to an end, and shall cover 100% of French territory. The corresponding compensation shall amount, based on a non-competition period of 24 months, to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. On termination of the term of office, the Company may renounce the benefit of the non-competition agreement (in which case it will not have to pay the corresponding compensation).

The existing commitments undertaken in 2011 with regard to Mr Christophe Pingard were approved by the Combined General Meeting of 6 June 2012.

The bank and bond loans are indirectly guaranteed by a pledge of the securities of PagesJaunes SA held by PagesJaunes Groupe.

Note 31 - Contractual obligations and off-balance-sheet commitments

Significant off-balance-sheet commitments are as follows:

	2012				2011
Contractual obligations (in thousands of euros)	Total	Payments due per period			Total
		Less than 1 year	In 1 to 5 years	In more than 5 years	
Operating leases	**50,733**	**14,883**	**35,394**	**456**	**56,101**
Paper, printing, distribution [(1)]	3,068	3,068	-	-	5,488
Other services	12,724	7,300	5,424	-	21,633
Commitments for purchases of goods and services	**15,792**	**10,368**	**5,424**	**-**	**27,121**
Total	**66,525**	**25,251**	**40,818**	**456**	**83,222**

(1) See details in table below.

The "Other services" section includes all firm orders placed as at 31 December 2012 for goods and services deliverable from 2013.

	2012				2011
Conditional commitments (in thousands of euros)	Total	Payments due per period			Total
		Less than 1 year	In 1 to 5 years	In more than 5 years	
Guarantees	-	-	-	-	335

Leases

PagesJaunes has leased land, buildings, vehicles and equipment. These leases are due to expire on different dates over the next six years.

The Management considers that these leases will be renewed or replaced on expiry by other leases under normal operating conditions.

The rental charge recorded in the income statement in respect of operating leases amounted to 15.9 million euros in 2012 (14.8 million euros in 2011).

The leases on the premises in Sèvres were granted and accepted for a firm duration of nine entire consecutive years starting from 1 April 2007.

As at 31 December 2012, the Group's commitment under all leases amounted to 50.7 million euros, of which 14.9 million euros is payable in under one year.

Commitments for purchases of goods and services

Production of directories

For the production and distribution of its printed directories, the Group entities enter into contracts with their paper suppliers, printers and distributors. These contracts may be annual or multi-annual.

PagesJaunes had entered into three-year contracts with two of its paper suppliers in respect of 2007, 2008 and 2009. These contracts were formally extended until 31 January 2013. These contracts specify the rates payable over the period and state order volumes.

In 2008, PagesJaunes entered into new contracts with its printers, for a duration of five years and expiring on 31 December 2013. These contracts do not entail any firm commitment except with one printer with whom PagesJaunes is committed to a volume of 6 billion folios per year, valued at 6.8 million euros for the residual term of the contract as at 31 December 2012. A new contract has been concluded with an exclusive printer covering the editions of the years 2014 to 2016. This contract does not entail any volume commitment.

Only firm orders placed as at 31 December 2012, both with paper suppliers and with printers and distributors, were reported as off-balance-sheet commitments at that date, for a total amount of 3.1 million euros, as detailed in the table below:

	2012				2011
Contractual obligations (in thousands of euros)	Total	Payments due per period			Total
		Less than 1 year	In 1 to 5 years	In more than 5 years	
Paper	766	766	-	-	2,496
Printing	1,535	1,535	-	-	2,097
Distribution	694	694	-	-	833
Editorial content	73	73	-	-	62
Total	**3,068**	**3,068**	**-**	**-**	**5,488**

Statutory training rights (DIF)
In respect of statutory training rights for employees working for the French companies in the Group under indefinite-term contracts, the volume of hours accumulated but not used totalled 431,424 hours as at 31 December 2012 (414,047 hours at 31 December 2011). In 2012, 6,564 hours were used by employees (2,468 hours in 2011).

Other commitments given

The bank and bond loans are indirectly guaranteed by a pledge of the securities of PagesJaunes SA held by PagesJaunes Groupe.

Other commitments received
PagesJaunes Groupe has a revolving credit facility of around 95,8 million euros to cover the Group's cash flow requirements (working capital, investments and refinancing) resulting from its operational activities. The drawing on this line amounted to 75.8 million euros as at 31 December 2012.

The other significant off-balance-sheet commitments received are as follows:

Contractual obligations (in thousands of euros)	2012				2011
	Total	Less than 1 year	In 1 to 5 years	In more than 5 years	Total
Operating leases – lessor	409	161	248	-	825
Other services	1,409	1,119	290	-	1,533
Total	**1,818**	**1,280**	**538**	-	**2,358**

Special purpose vehicles
In 2011, PagesJaunes Groupe issued a bond loan amounting to 350 million euros through PagesJaunes Finance & Co SCA, an entity specifically dedicated to this transaction (cf. note 26). This entity is fully consolidated.
The Group did not create any deconsolidation structures during the reporting periods.
It has no contractual obligations towards special purpose vehicles.

Note 32 – Disputes and litigation

In the ordinary course of business, the Group entities may be involved in a number of legal, arbitration and administrative proceedings. Provisions are only constituted for expenses that may result from such proceedings where they are considered likely and their amount can be either quantified or estimated within a reasonable range. The amount of the provisions is based on an assessment of the risk on a case-by-case basis and largely depends on factors other than the particular stage of proceedings, although events occurring during the proceedings may call for a reassessment of this risk.
With the exception of the proceedings described below, the entities of the Group are not party to any lawsuit or arbitration procedure which the Management believes could reasonably have a material adverse effect on its earnings, operations or consolidated financial position.

At the beginning of 2002, PagesJaunes implemented a commercial development plan, including, notably, the modification of the employment contracts of 930 sales representatives. The purpose of this modification was to adapt these contracts to a new competitive environment. Approximately 100 employees refused to sign the proposed new contract and were made redundant during the second quarter of 2002. Almost all these employees commenced legal proceedings against PagesJaunes to contest the validity of the reason for the redundancies. The *Cour de cassation*, in two judgments handed down on 11 January 2006, approved the commercial development plan. The *Cour de cassation* ruled that economic redundancy following a reorganisation implemented to prevent future economic difficulties associated with technological developments was justified. In a further judgement on 14 February 2007, the *Cour de cassation* upheld the validity of the plan implemented by PagesJaunes.
With regard to cases before administrative courts, the *Conseil d'État*, as court of last resort, issued eight judgements unfavourable to PagesJaunes on 12/01/2011, setting aside rulings issued by the *Cour administrative d'appel* of Paris in 2009 and hence the Minister's authorisation of the redundancies. Six sets of industrial tribunal proceedings are currently in progress including claims for compensation for the financial consequences of cancelled redundancy authorisations.
On 2 July 2012, the employee claims court of Dijon issued five judgements favourable to PagesJaunes concerning the quantum of the indemnifications owed to the employees. These rulings were appealed to the Court of Appeal of Dijon, and the proceedings are currently in progress.
Two proceedings are currently in progress respectively with the employee claims court of Lyon and of Limoges with a request for claims concerning the financial consequences of the redundancy authorisations.
The 7.3 million euros provision recognised at the end of 2002 in respect of this risk has been the subject of several writebacks since 2006 in view of the favourable progress of these cases and amounted to 1.9 million euros as at 31 December 2012.

Actions were brought against PagesJaunes by eleven advertising agencies at the *Tribunal de commerce* of Nanterre for abuse of a dominant position (particularly for withdrawing the 5% trade discount granted to advertisers using advertising agencies on the Internet and 118 008 platforms), discriminatory practices and unfair competition. In a judgement on 26 January 2011, the *Tribunal de commerce* of Nanterre declined jurisdiction in favour of the *Tribunal de commerce* of Paris.
These same agencies referred the same facts to the French Competition Authority as those brought before the *Tribunal de commerce* of Nanterre (cf. above) requesting the pronouncement of interim measures based on article L.464-1 of the Commercial Code. In a judgement on 22 December 2010, the French Competition Authority dismissed the application for interim measures and referred the proceedings back on the merits. In a ruling of 22 November 2012, the French Competition Authority

accepted the commitments proposed by PagesJaunes, which closes this dispute.

In addition, in common with the other companies in the sector, PagesJaunes is frequently the subject of court proceedings brought in relation to errors in the publication of directories and other media. Generally the financial risk represented by each of these proceedings is relatively limited. However, an increase in their number may constitute a significant risk for PagesJaunes. The number of these proceedings is stable. As at 31 December 2012, there were 12, representing total claims for damages of 0.8 million euros. In these proceedings, PagesJaunes endeavours to negotiate out-of-court compensation, which significantly reduces the final total cost of these proceedings. However, no guarantee can be given that these proceedings will not have an adverse impact on PagesJaunes' financial position.

In 2010, PagesJaunes was the subject of an inspection by the French social security agency URSSAF in respect of the 2007, 2008 and 2009 financial years. The Company was notified of an adjustment amounting to 2.2 million euros, and the risk was fully provisioned as of 31 December 2010. PagesJaunes SA is contesting the adjustment and has referred it to the URSSAF arbitration committee to defend its position. A ruling was handed down on 3 October 2012 in which said commission fully rejected the requests of PagesJaunes. PagesJaunes referred this to the Social Affairs court of Bobigny on 22 October 2012 in order to dispute this decision.

To the Company's knowledge, there is no other government, judicial or arbitration procedure, whether pending or threatened, that is liable to have, or having had in the last 12 months, a significant impact on the financial position or profitability of the Company.

Note 33 – Auditors' fees

(amounts in thousands of euros)	Deloitte				Ernst & Young			
	Amount		In % of fees		Amount		In % of fees	
	2012	2011	2012	2011	2012	2011	2012	2011
Audit								
Audit, statutory audit, certification and inspection of individual and consolidated accounts	**355**	**334**	**94%**	**84%**	**409**	**346**	**88%**	**75%**
- Including PagesJaunes Groupe	127	123	34%	31%	127	123	27%	27%
- Including fully consolidated subsidiaries	227	211	60%	53%	282	224	60%	49%
Other procedures and services in relation to the mission of the Company Auditors	**24**	**64**	**6%**	**16%**	**58**	**115**	**12%**	**25%**
- Including PagesJaunes Groupe	24	64	6%	16%	43	109	9%	24%
- Including fully consolidated subsidiaries	-	-	0%	0%	16	6	3%	1%
Subtotal	**378**	**398**	**100%**	**100%**	**467**	**461**	**100%**	**100%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and social security -related	-	-			-	-		
Others	-	-			-	-		
Subtotal	**-**	**-**			**-**	**-**		
TOTAL	**378**	**398**	**100%**	**100%**	**467**	**461**	**100%**	**100%**

Note 34 – Scope of consolidation

		As at 31 December 2012		As at 31 December 2011	
Entities	**Country**	**Interest**	**Control**	**Interest**	**Control**
Fully consolidated companies					
PagesJaunes Groupe	France	100%	100%	100%	100%
PagesJaunes	France	100%	100%	100%	100%
QDQ Media	Spain	100%	100%	100%	100%
Euro Directory	Luxembourg	100%	100%	100%	100%
PagesJaunes Marketing Services	France	100%	100%	100%	100%
Mappy	France	100%	100%	100%	100%
Horyzon Média	France	100%	100%	100%	100%
Horyzon Worldwide	Spain	100%	100%	100%	100%
Yelster Digital (ex-123people)	Austria	100%	100%	100%	100%
Sotravo (ex-Keltravo)	France	100%	100%	100%	100%
A Vendre A Louer	France	100%	100%	100%	100%
Optimizaclick	Spain	100%	100%	100%	100%
Trazada	Spain	100%	100%	100%	100%
ClickRDV	France	100%	100%	100%	100%
Fine Media	France	100%	100%	100%	100%
Chronoresto (1)	France	100%	100%	-	-
Orbit Interactive (2)	Morocco	100%	100%	-	-
PagesJaunes Finance & Co	Luxembourg	100%	100%	100%	100%
Proportionally consolidated Company					
Editus (3)	Luxembourg	-	-	49%	49%
Companies consolidated by the equity method					
Relaxevents	France	40%	40%	40%	40%
Leadformance	France	49%	49%	49%	49%
Editus (3)	Luxembourg	10%	10%	-	-

(1) Acquired on 31 December 2012
(2) Created on 24 October 2012
(3) Sold 39% of Editus on 1 October 2012

Note 35 - Events subsequent to the closing date

Médiannuaire Holding, the majority shareholder of PagesJaunes Groupe, announced on 6 February 2013, that it had obtained a unanimous agreement from its lenders (senior and mezzanine) on its financial restructuring proposal. This announcement brings the discussions to a close that had begun in July 2012 under the aegis of a mandataire *ad hoc*. Based on this unanimous agreement, Médiannuaire Holding intends to very swiftly implement the financial restructuring under consideration. Details on the main terms of this restructuring proposal were provided in the press releases distributed by Médiannuaire Holding on 12 December 2012 and 17 January 2013. This proposal is calling for a complete clearing of its debt through, in particular, a partial reimbursement in PagesJaunes Groupe securities, with Médiannuaire Holding retaining about 19% of the capital of PagesJaunes Groupe after the transaction.