



Sèvres, February 3, 2005

PagesJaunes Groupe: 7.3% growth in revenues and 25% growth in net income in 2004

- **Pro forma⁽¹⁾ consolidated revenues up 7.3% against a target of 4-6%**
- **EBITDA⁽²⁾ of the PagesJaunes in France segment reaches €424.3 million against a target of €400 million**
- **EBITDA⁽²⁾ loss of the International & Subsidiaries segment cut by two-thirds**
- **Pro forma⁽¹⁾ net attributable income of €228.2 million, up 25%**
- **Proposed dividend of €0.93 per share**

Pro forma⁽¹⁾ consolidated revenues of PagesJaunes Groupe totalled €984.1 million in 2004, a rise of 7.3% compared to 2003.

Pro forma⁽¹⁾ consolidated EBITDA⁽²⁾ rose 23.7% to €413.4 million in 2004. The EBITDA⁽²⁾ margin as a proportion of revenues increased by 5.6 points to 42% in 2004. This rise was due to revenue growth and the optimisation of editorial costs for printed directories (purchases of paper, printing and delivery of directories). The cost of services and products sold consequently decreased by 9.3%. Commercial expenses rose 3.0%, reflecting the acquisition of new advertising customers in France. Pro forma⁽¹⁾ operating income amounted to €403.1 million in 2004, a rise of 25.3%.

Pro forma⁽¹⁾ consolidated net attributable income totalled €228.2 million in 2004, compared to €182.6 million in 2003, a rise of 25%. In 2004, net attributable income included non-recurrent expenses of €8.1 million in respect of the company's stock market flotation (fees, advertising and communication expenses).

The meeting of the Board of Directors of PagesJaunes Groupe on February 2, 2005 resolved to propose to the General Meeting of Shareholders, to be held on April 12, 2005, that a dividend be paid of €0.93 per share. This represents the entire net income of PagesJaunes SA, the subsidiary carrying out the activities of PagesJaunes in France, in accordance with the targets set by the Group.

Press Release



On the publication of the 2004 full-year results of PagesJaunes Groupe, Michel Datchary, Chief Executive Officer, said:

"The management of PagesJaunes Groupe is delighted that the first set of full-year results since flotation show 25% growth in net income. This growth is the result of a particularly favourable combination of us having exceeded our sales targets and having optimised our operations. Group revenues rose 7.3%, against a target of 4-6%. The EBITDA of the PagesJaunes in France segment amounted to €424.3 million, compared to a target of €400 million. The EBITDA loss at QDQ Media was more than halved to €13 million."

Michel Combes, Chairman of the Board of Directors of PagesJaunes Groupe, said:

"The good results achieved by PagesJaunes Groupe in 2004 enable us to propose a dividend of €0.93 per share to our shareholders. PagesJaunes Groupe expects to maintain its course in 2005 and has set itself financial targets of consolidated revenue growth of 5-7% and consolidated EBITDA growth more than 10% excluding directory enquiries service."

PagesJaunes in France segment: 46.7% EBITDA margin⁽²⁾

Revenues: almost 100,000 new advertisers

The revenues of the PagesJaunes in France segment advanced 7.2% to €908.4 million in 2004. The total number of PagesJaunes advertisers increased by 22,656, or 4%, to 583,836 in 2004 due to the acquisition of 98,365 new advertisers, up 20% compared to 2003, and an improvement in the advertiser retention rate, which rose from 85.5% in 2003 to 86.5% in 2004.

This policy of new customer acquisition initiated by the Group made it possible to increase the Group's penetration rate⁽³⁾ from 19% of the target market in 2003 to 20% in 2004.

At the same time, the extensive efforts made to develop the portfolio of existing customers enabled PagesJaunes to increase the average revenue per advertiser by 4% to €1,533.

Printed directories: 4% rise in revenues

Revenues from printed directories rose 4% to €618.9 million in 2004. This growth was driven by the PagesJaunes directory, which achieved a 4.7% rise to €505.2 million in 2004. L'Annuaire achieved growth of 1.0% to €113.8 million.

PagesJaunes has launched new advertising formats for its printed directories, featuring in particular a new pocket edition for Paris for people on the move. The number of advertisers in the printed directories rose 3.5% to 550,504 in 2004, and the average revenue per advertiser advanced 0.5% to €1,124.



Online services: 36 million visits to pagesjaunes.fr in December 2004⁽⁴⁾

Revenues from online services advanced 22.2% to €254.5 million in 2004. This growth was mainly due to the increase in revenues from pagesjaunes.fr, which grew 55.1% over the period, and more than offsets the decline in revenues from Minitel, which were down 8.2%.

The number of advertisers on pagesjaunes.fr increased by 15.3% to 307,953 as at the end of December 2004. The average revenue per advertiser on pagesjaunes.fr increased by 34.8% to €511 in 2004.

The average number of monthly visits to pagesjaunes.fr rose from 21.3 million in 2003 to 31.9 million in 2004⁽⁴⁾, representing an annual rise of 50%. The monthly reach rate of pagesjaunes.fr was 31.5% in December 2004, compared to 25.3% in December 2003⁽⁵⁾. Pagesjaunes.fr was the eighth most-visited website in France in December 2004⁽⁵⁾.

EBITDA⁽²⁾: 3.4 point rise in EBITDA margin

The pro forma⁽¹⁾ EBITDA⁽²⁾ of the PagesJaunes in France segment increased by 15.5% to €424.3 million in 2004. The EBITDA⁽²⁾ margin increased from 43.3% in 2003 to 46.7% in 2004.

This particularly favourable growth stems from the 8.8% reduction in cost of services and products sold due to the optimisation of editorial costs and the discontinuation of the payment to Havas of an annual fee of €9.1 million with effect from 2004. Commercial expenses rose 8.4% due to an increase in the sales force and its immediate supervisory personnel. In accordance with its commitments, PagesJaunes developed its commercial resources by recruiting more than 160 new sales staff, developing Prospects telesales and opening a new field Prospects sales channel in 2004.

International & Subsidiaries segment: EBITDA⁽²⁾ loss cut by two-thirds

Revenues: 13.9% growth at QDQ Media

Pro forma⁽¹⁾ revenues of the International & Subsidiaries segment amounted to €75.7 million in 2004, a rise of 8.4% compared to 2003.

Revenues of QDQ Media advanced 13.9% to €36.5 million in 2004 due to growth in the average revenue per advertiser, which rose 27% to €492. The number of advertisers was 74,311 in 2004, down 10% compared to 2003, due to rationalisation of the customer portfolio. The growth in revenues resulted from innovations in printed directories (new format, new layout) and improved commercial productivity. Revenues from QDQ.com grew 100% to €3.5 million in 2004. Online sales accounted for 9.6% of revenues in 2004, compared to 5.5% in 2003. The number of advertisers on QDQ.com rose from 11,200 in 2003 to 24,685 in 2004.

The revenues of the other subsidiaries, including Kompass France, Wanadoo Data and Mappy, rose 3.8% in 2004 compared to 2003.



EBITDA⁽²⁾: significant reduction in losses at QDQ Media

The International & Subsidiaries segment reduced its operating loss. The pro forma⁽¹⁾ EBITDA⁽²⁾ loss narrowed from €33.0 million in 2003 to €10.9 million in 2004.

The substantial improvement in pro forma⁽¹⁾ EBITDA⁽²⁾ is due to the rise in revenues, the reduction in bad debts and the positive effects of the restructuring of QDQ Media initiated in 2003. The EBITDA⁽²⁾ of QDQ Media stood at -€13 million in 2004 compared to -€34.5 million in the previous year, after write-offs of trade receivables.

Initial analysis of the impact of IFRS standards in 2004

The main differences in accounting methods resulting from the new international IFRS standards which have been identified by PagesJaunes Groupe and are liable to have a significant impact on its 2005 financial statements and comparative figures for 2004 essentially concern IFRS 2 on *Share-based payment*. This standard is expected to have an estimated impact of around €20 million on the gross operating profit of PagesJaunes Groupe in 2004, having regard to the fact that the company is still analysing the implementation of the IFRS 2 standard and the recent press release from the Conseil National de la Comptabilité of December 21, 2004 concerning company savings schemes. However, this standard is not expected to have an impact on the shareholders' equity of PagesJaunes Groupe at the beginning and end of the year.

Furthermore, the presentation of the income statement in accordance with IAS 1 on the presentation of financial statements is expected to result in employee profit-sharing (€29.9 million in 2004) and other non-operating expenses (€9.6 million in 2004) being reclassified under gross operating profit. It should also be noted that the goodwill will no longer be amortised, but will still be subject to impairment tests.

The adoption of the IFRS accounting framework is not expected to have any impact on the operating performance of the business segments, nor on the cash flow generated by PagesJaunes Groupe. The IFRS standards will have no impact on the distributive capacity and strategy of PagesJaunes Groupe.

To support this qualitative information, PagesJaunes Groupe plans to publish preliminary 2004 results compliant with IFRS in mid-April 2005.



Outlook

Acquisition of Télécontact (Morocco)

In line with the Group's intentions as stated at the time of its flotation, PagesJaunes Groupe is preparing to acquire the company Télécontact from France Télécom. Télécontact is the leading directory publisher in Morocco and generated revenues of €4.0 million⁽⁶⁾ and EBITDA⁽²⁾ of €0.9 million⁽⁶⁾ in 2004.

Directory enquiries service

PagesJaunes Groupe plans to take part in the liberalisation of the French Directory enquiries market, although this market is not expected to be opened up until the fourth quarter of 2005.

Financial targets

PagesJaunes Groupe has set itself the following financial targets:

- Consolidated revenue growth of 5-7% in 2005,
- Consolidated EBITDA⁽²⁾ growth more than 10% excluding directory enquiries service in 2005,
- Reaffirmed target of EBITDA⁽²⁾ at breakeven at QDQ Media by the end of 2006,
- Maintained target of distributing entire net income from the Group's operating activities in respect of full-year 2005.

It should be noted that the dividend distribution target in no way constitutes a commitment on the part of PagesJaunes Groupe. Future dividends will depend on the Group's results, its financial situation and any other factor which the Board of Directors and the shareholders of PagesJaunes Groupe deem relevant.

About PagesJaunes Groupe

PagesJaunes Groupe, a subsidiary of France Télécom, is France's leading publisher of printed directories (the PagesJaunes directory and L'Annuaire) and online directories (pagesjaunes.fr, PagesJaunes 3611) for the general public, handling their distribution and the sale of advertising space. The businesses of PagesJaunes Groupe also include website creation and hosting, the publication of the PagesPro BtoB directories, the publication of the QuiDonc reverse directory and the advertising representation in France for the Europages European BtoB directory.



PagesJaunes Groupe also publishes directories for the general public outside France – in Spain, Lebanon and Luxembourg – and the Kompass directories (company databases) in France, Spain, Belgium and Luxembourg. It also provides complementary services such as the geographic services of Mappy and, in the field of direct marketing, the sale of data files and the processing of marketing databases by Wanadoo Data.

With more than 580,000 advertisers in 2004, PagesJaunes Groupe is the second largest advertising representation in France.

Information on PagesJaunes Groupe is available at:
<http://www.pagesjaunesgroupe.com>.

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Notes

(1) Pro forma: the pro forma consolidated figures reflect the consolidation of QDQ Media and Mappy with effect from the date on which they joined the France Télécom Group. The pro forma figures also reflect the transaction prices in respect of QDQ Media and Mappy, which have been charged to the company's cash position in an amount of €117 million.

(2) EBITDA: earnings before interest, tax, depreciation and amortisation.

(3) Penetration rate: the number of PagesJaunes advertisers as a proportion of the total number of businesses making up the company's target market in France (on the basis of data supplied by INSEE and the Agence des PME - 2001).

(4) Source: Médiamétrie / eStat – December 2004.

(5) Source: Nielsen Netratings "Home & Work", December 2004 – Monthly reach rate: number of Internet users visiting the site at least once in the month in question as a proportion of the actual number of active Internet users during this period.



(6) Provisional unaudited figures.

(7) Revenues on a comparable publication basis for the printed directories between the fourth quarter of 2004 and the fourth quarter of 2003. The directories for Yvelines and Maine et Loire, which were published in October 2003 (fourth quarter of 2003), were published in September 2004 (third quarter of 2004). The directories for Indre and Seine et Marne, which were published in September 2003 (third quarter of 2003), were published in October 2004 (fourth quarter of 2004).

Appendices:

Table 1: Main indicators of business activity in France

	2001	2002	2003	2004
Total number of advertisers (in thousands) ^(a)	548.2	560.5	561.2	583.8
of which number of new advertisers (in thousands) ^(b)	86.4	89.1	82.1	98.4
Advertisers in printed directories (in thousands)	520.6	531.3	532.0	550.5
Advertisers in online services (in thousands)	383.9	391.8	401.6	420.9
of which advertisers on pagesjaunes.fr at end December (and as percentage of total number of advertisers)	203.6 37.1%	231.8 41.4%	267.2 47.6%	308.0 52.7%
Average revenue per advertiser (in euros) ^(c)	1,342	1,384	1,477	1,533
Average revenue per advertiser in printed directories (in euros) ^(d)	1,044	1,063	1,118	1,124
Average revenue per advertiser on pagesjaunes.fr (in euros) ^(e)	251	297	380	511

(a) The number of advertisers includes all the advertisers during the year in question, including those purchasing advertising space in a PagesJaunes medium through an advertising agency. This number differs from that published by Wanadoo, which counts as a single advertiser all businesses placing advertising through an agency.

(b) Number of advertisers during the year who were not advertisers in the previous year.

(c) The average revenue per advertiser results from the division of the Company's revenues excluding QuiDonc and the sale of online access to databases ("advertising revenues") by the total number of advertisers.

(d) The average revenue per advertiser in the printed directories results from the division of the Company's revenues from printed directories by the total number of advertisers in the printed directories.

(e) The average revenue per advertiser on pagesjaunes.fr results from the division of the revenues from pagesjaunes.fr by the average number of advertisers on pagesjaunes.fr during the year in question (arithmetic average of the number of advertisers present at December 31 of the year in question and of the number of advertisers present at December 31 of the previous year).



Table 2: Pro forma consolidated statement of income

PagesJaunes Groupe	Periods ending 31 December		
	2004	2003	Change 2004/2003
In millions of euros			
Revenues	984.1	917.3	7.3%
Cost of services and products sold	(213.1)	(234.9)	-9.3%
Commercial expenses	(301.1)	(292.4)	3.0%
Administrative expenses	(55.3)	(54.0)	2.4%
Research and development expenses	(1.1)	(1.7)	-37.6%
EBITDA (earnings before interest, tax, depreciation and amortisation)	413.4	334.2	23.7%
as % of revenues	42.0%	36.4%	
Depreciation and amortisation (excluding goodwill)	(10.3)	(12.6)	-18.1%
Operating income	403.1	321.7	25.3%
as % of revenues	41.0%	35.1%	
Financial income (expenses), net	18.5	19.1	-3.3%
Other non-operating income (expenses), net	(9.6)	(3.1)	N/A
Corporate income tax	(148.8)	(123.4)	20.5%
Employee profit-sharing	(29.9)	(26.9)	11.4%
Share in net income of companies accounted for using the equity method	0.8	1.2	N/A
Goodwill amortisation	(5.9)	(5.9)	0.0%
Minority interests	-	-	-
Consolidated net attributable income	228.2	182.6	25.0%



Table 3: Results of the PagesJaunes in France segment

(Pro forma figures) In millions of euros	Periods ending 31 December		
	2004	2003	Change 2004/2003
Printed directories	618.9	595.0	4.0%
The PagesJaunes directory	505.2	482.4	4.7%
L'Annuaire	113.8	112.6	1.0%
Online services	254.5	208.2	22.2%
Internet	147.0	94.8	55.1%
Minitel	85.0	92.5	-8.2%
Websites	22.6	20.9	7.7%
Other businesses	34.9	44.3	-21.2%
QuiDonc	7.3	8.1	-10.4%
Others *	27.6	36.2	-23.6%
* including PagesPro, sale of online access to databases, Europages			
Revenues	908.4	847.5	7.2%
Cost of services and products sold	(188.8)	(207.1)	-8.8%
Commercial expenses	(253.5)	(233.8)	8.4%
Administrative expenses	(40.6)	(37.6)	8.0%
Research and development expenses	(1.1)	(1.7)	-37.6%
EBITDA (earnings before interest, tax, depreciation and amortisation)	424.3	367.2	15.5%
as % of revenues	46.7%	43.3%	
Depreciation and amortisation (excluding goodwill)	(6.7)	(8.4)	-20.5%
Operating income	417.6	358.8	16.4%
as % of revenues	46.0%	42.3%	

Table 4: Results of the International & Subsidiaries segment

(Pro forma figures) In millions of euros	Periods ending 31 December		
	2004	2003	Change 2004/2003
QDQ Media	36.5	32.0	13.9%
Other subsidiaries	39.3	37.8	3.8%
Kompass France	24.7	24.2	2.1%
Wanadoo Data	11.5	11.0	4.9%
Mappy (formerly Wanadoo Maps)	3.0	2.6	14.8%
Revenues	75.7	69.8	8.4%
Cost of services and products sold	(24.3)	(27.8)	-12.6%
Commercial expenses	(47.6)	(58.5)	-18.8%
Administrative expenses	(14.7)	(16.4)	-10.4%
Research and development expenses	-	-	-
EBITDA (earnings before interest, tax, depreciation and amortisation)	(10.9)	(33.0)	-67.0%
as % of revenues	-14.3%	-47.2%	
Depreciation and amortisation (excluding goodwill)	(3.6)	(4.2)	-13.1%
Operating income	(14.5)	(37.1)	-61.0%
as % of revenues	-19.1%	-53.2%	

Table 5: Pro forma consolidated cash flow statement

In millions of euros	Periods ending 31 December	
	2004	2003
Net cash flow from operations	358.3	252.3
Net cash used in investing activities	(12.6)	(21.9)
Net cash used in financing activities	(179.0)	(267.1)
Net increase (decrease) in cash and cash equivalents	166.7	(36.7)
Effect of changes in exchange rates on cash and cash equivalents	-	(0.3)
Cash and cash equivalents – beginning of period	461.1	498.1
Cash and cash equivalents – end of period	627.8	461.1

Table 6: Pro forma consolidated net cash position

(In millions of euros)	31/12/2004	31/12/2003
Marketable securities	0.3	11.6
Cash and cash equivalents	627.8	461.1
Total marketable securities and cash and cash equivalents	628.0	472.7
Shareholder advances	3.3	3.3
Leasing liabilities	-	-
Other financial debt	11.3	12.9
Gross financial debt	14.6	16.2
Due in less than one year	14.6	16.2
Due in more than one year	-	-
Net cash position	613.5	456.5

Table 7: Consolidated balance sheet

(In millions of euros)	31/12/2004
ASSETS	
Net goodwill	73.3
Other net intangible fixed assets	2.1
Net tangible fixed assets	23.1
Investments accounted for using the equity method	15.5
Net investment securities	2.3
Other net long-term assets	1.5
Net long-term deferred tax	9.0
Total fixed assets	126.8
Inventories	12.4
Trade accounts receivable net of provisions	430.8
Net short-term deferred tax	17.1
Prepaid expenses and other current assets	84.9
Marketable securities	0.3
Cash and cash equivalents	644.1
Total current assets	1,189.6
TOTAL ASSETS	1,316.4

(In millions of euros)	31/12/2004
LIABILITIES	
Shareholders' equity	383.4
Minority interests	0
Long- and medium-term financial debt	0
Other long-term liabilities	30.4
Total long-term liabilities	30.4
Part of long- and medium-term financial debt due within one year	3.8
Bank overdrafts and other short-term borrowing	10.7
Trade accounts payable	107.0
Accrued expenses and other short-term provisions	241.5
Other liabilities	4.1
Deferred income	535.4
Total short-term liabilities	902.6
TOTAL LIABILITIES	1 316.4

Table 8: Pro forma revenues for the fourth quarter of 2004

(in millions of euros)	Period from 1/10 to 31/12		
	2004	2003	Change 2004/2003
Revenues of PagesJaunes in France	246.3	229.8	7.2%
<i>On comparable publication basis (7)</i>	<i>246.3</i>	<i>223.2</i>	<i>10.3%</i>
Printed directories	167.2	165.6	0.9%
<i>On comparable publication basis (7)</i>	<i>167.2</i>	<i>159.0</i>	<i>5.2%</i>
The PagesJaunes directory	137.3	135.4	1.4%
L'Annuaire	29.8	30.2	-1.2%
Online services	66.5	53.6	24.1%
Internet	40.5	26.1	55.0%
Minitel	20.6	22.2	-7.1%
Websites	5.4	5.2	2.2%
Other businesses	12.6	10.7	18.0%
QuiDonc	1.7	2.0	-12.5%
Others, including PagesPro, sale of online access, Europages	10.9	8.7	24.9%



(in millions of euros)	Period from 1/10 to 31/12		
	2004	2003	Change 2004/2003
Revenues of International & Subsidiaries	22.7	21.0	7.7%
<i>On comparable publication basis (7)</i>	22.7	21.0	7.7%
QDQ Media	11.4	10.8	6.0%
<i>On comparable publication basis (7)</i>	11.4	10.8	6.0%
Other subsidiaries	11.3	10.3	9.5%
Kompass France	6.5	6.3	2.4%
Wanadoo Data	3.8	3.2	17.4%
Mappy (formerly Wanadoo Maps)	1.0	0.8	35.4%
Consolidated revenues	268.9	250.9	7.2%
<i>On comparable publication basis</i>	268.9	244.2	10.1%

This document contains forward-looking statements. Although PagesJaunes Groupe believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among other things: the effect of competition; PagesJaunes usage level; the success of the investments of the PagesJaunes Group in France and abroad.

A description of the risks borne by the PagesJaunes Group appears in section 4.9 "Analyse des risques du Groupe" of the "Document de Base" of PagesJaunes S.A. filed with the French financial markets authority (AMF) under the number I. 04-104 on 3 June 2004. A description of the objectives of the PagesJaunes Group appears in chapter VII of the "Document de Base".

The forward-looking statements contained in this document apply only from the date of this document, and PagesJaunes Groupe does not undertake to update any of these statements to take account of events or circumstances arising after the date of the said document or to take account of the occurrence of unexpected events.

Unless stated otherwise, all the accounting data are presented on a non audited pro forma consolidated basis (including PagesJaunes S.A., Kompass France, QDQ Media, Mappy S.A., Wanadoo Data and Eurodirectory S.A.); QDQ Media and Mappy S.A. are consolidated with effect from their date of entry in the France Télécom consolidated group and the pro forma financial data reflect the cash acquisition prices of these entities.