Half-year financial report as at 30 June 2012

Board of Directors' Meeting of 24 July 2012

Unofficial translation of the French-language "Rapport financier semestriel au 30 juin 2012" of PagesJaunes Groupe, for information purposes only.

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PagesJaunes Groupe
Public limited company having a Board of Directors and a capital of €56,196,950.80
Registered office: 7 avenue de la Cristallerie - 92317 Sèvres Cedex
Commercial and Companies Register Nanterre 552 028 425

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1. CERTIFICATION BY THE PERSONS ASSUMING RESPONSIBILITY FOR THE HALF-YEAR FINANCIAL REPORT

“We certify that to the best of our knowledge the condensed financial statements appearing in chapter 3 of the present half-year financial report have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of all of the companies included within the consolidation scope of PagesJaunes Groupe.

We also certify that to the best of our knowledge the half-year activity report appearing in section 2 of the present half-year financial report is a true reflection of the information referred to in article 222-6 of the General Regulations of the Autorité des Marchés Financiers, namely the important events arising in the first six months of the 2012 financial year and their impact on the condensed consolidated financial statements, as well as a description of the principal risks and the principal uncertainties for the second half of the 2012 financial year and a report on the principal transactions among related parties”.

Mr Jacques Garaïalde
Chairman of the Board
of PagesJaunes Groupe

Mr Jean-Pierre Remy
Chief Executive Officer
of PagesJaunes Groupe

2. ACTIVITY REPORT AS AT 30 JUNE 2012

2.1. Overview

The Group's core business activity is the provision of local information, principally in France, through the publication of printed and online directories, and the publication of editorial content to assist users in making searches and choices. Through its subsidiaries, the PagesJaunes Group conducts three complementary businesses: the provision of content and services, media and advertising representation. Its offering comprises a diversified range of products and services associated with this activity for the general public and businesses.

The Group's business model is based on that of the media: offering quality content which generates an audience and then monetising this audience, either as a whole or in segments, among businesses.

The Group's activities are organised into three segments:

- Internet:

  These are the activities carried out through the 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 carried out in France, but also in Spain (QDQ Media), Luxembourg (Editus) 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 Media's Internet advertising representation, as well as through online small ads from "annoncesjaunes.fr" and "avendrealouer.fr".

  The Group is one of the main European operators in the creation and hosting of sites. It offers its customers web optimization and visibility solutions through Search Engine Optimization (''SEO'', optimization of the coding, design, menu and content of a website) or Search Engine Marketing (''SEM'', use of paid placements, contextual advertising and paid inclusions).

  This segment includes the online journey planner, geolocation and reservation services of the Mappy and UrbanDive brands, and couponing from 123deal.

  Online people and profile searching with the 123people service, online quotation requests and contact establishment with builders from Keltravo, the themed content site ComprendreChoisir.com published by Fine Media and the direct marketing services (organisation of emailing campaigns) also form part of this segment.

- Printed directories:

  This is the Group's 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).

- Other businesses:

  Businesses specific to PagesJaunes SA: directory enquiry services by telephone and SMS

(118 008), Minitel (stopped at the end of June 2012), and the QuiDonc reverse directory. This segment also includes a number of activities of PagesJaunes Marketing Services: telemarketing, data mining, database generation, prospect processing and traditional Direct Marketing activities (data entry and postage).

2.2. Comments on the results as at 30 June 2012

PagesJaunes Group	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Revenues	**525.0**	**534.3**	**-1.7%**
External purchases	(109.9)	(117.2)	-6.2%
Other operating income	5.0	1.6	212.5%
Other operating expenses	(5.6)	(4.9)	14.3%
Salaries and charges	(182.3)	(168.2)	8.4%
Gross Operating Margin	**232.1**	**245.6**	**-5.5%**
As % of revenues	*44.2%*	*46.0%*	
Employee profit-sharing	(6.8)	(6.8)	0.0%
Share-based payment	(0.4)	(0.7)	-42.9%
Depreciation and amortisation	(17.0)	(11.7)	45.3%
Gains and losses from disposals	(0.2)	(0.2)	na
Restructuring costs	(0.0)	-	na
Acquisition costs of shares	(0.0)	(0.6)	na
Operating income	**207.8**	**225.5**	**-7.8%**
As % of revenues	*39.6%*	*42.2%*	
Financial income	2.5	2.5	0.0%
Financial expenses	(67.6)	(59.8)	13.0%
Net financial income	**(65.1)**	**(57.3)**	**13.6%**
Share of profit or loss of an associate	(0.4)	(0.0)	na
Income before tax	**142.3**	**168.2**	**-15.4%**
Corporate income tax	(55.2)	(62.7)	-12.0%
Income for the period	**87.1**	**105.5**	**-17.4%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	87.1	105.5	-17.4%
- Non-controlling interests	(0.0)	(0.0)	

Excluding 123people, the number of visits to the Group's Internet sites as a whole totalled 845.9 million as at 30 June 2012, up 7.8% compared to 30 June 2011, on a like-for-like basis with the number of visits on mobile Internet up 78.4%.

In the first half of 2012, all of the Group's internet sites in France are ranked between 5th and 6th place for the most consulted Internet sites. In May, 20.2 million unique visitors, which is a reach rate of 46.8% of the total number of Internet users in France (Nielsen data, Mediametrie/NetRatings panel).

The consolidated revenues of the PagesJaunes Groupe amounted to €525.0 million as at 30 June 2012, down 1.7% compared to 30 June 2011 as published data. There is no impact linked to the timing differences in the publication of the printed directories of PagesJaunes at the end of June. The fall in revenues from Printed directories, down 13.2% compared to 30 June 2011, is partially offset by the growth in Internet businesses, which rose 9.5% compared to 30 June 2011 to 308.5 million euros. Internet revenues accordingly represented 58.8% of the Group's revenues as at 30 June 2012, compared to 52.8% as at 30 June 2011.

The Group's gross operating margin amounted to €232.1 million as at 30 June 2012, down 5.5% compared to 30 June 2011. The gross operating margin rate remains high at 44.2% as at 30 June 2012 compared to 46.0% as at 30 June 2011, with the drop resulting primarily from commercial investments.

The Group's operating income declined 7.8% compared to €207.8 million at 30 June 2011. The decrease in operating income was essentially due to the decrease in the gross operating margin, as well as the increase depreciation and amortisation expense, for €5.3 million, due to the increase in Internet investments since 2010.

The group's financial result represents a loss of €65.1 million which increased 13.6% between 30 June 2011 and 30 June 2012 due to the increase in the average interest rate on the gross debt (including hedging instruments). It changed from 5.07% as at 30 June 2011 to 5.33% as at 30 June 2012 (5.80% excluding the impact of drawing on the RCF in January 2012). In the 1st half of 2011, following the issue of the bond loan, the financial result was impacted by the recognition of €5.1 million of accelerated amortization of the expenses associated with the issue of this loan.

Income for the period amounted to €87.1 million, down 17.4% compared to the first half of 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.

PagesJaunes Group	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Internet	308.5	281.8	9.5%
Printed directories	202.4	233.2	-13.2%
Other businesses	14.1	19.2	-26.6%
Revenues	**525.0**	**534.3**	**-1.7%**
Internet revenues as % of total revenues	*58.8%*	*52.8%*	
Internet	134.1	126.6	5.9%
Printed directories	93.5	111.7	-16.3%
Other businesses	4.6	7.2	-36.1%
Gross Operating Margin	**232.1**	**245.6**	**-5.5%**
As % of revenues	*44.2%*	*46.0%*	

2.2.1. 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 as at 30 June 2011 and 30 June 2012:

Internet	As at 30 June		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Revenues	**308.5**	**281.8**	**9.5%**
Gross Operating Margin	**134.1**	**126.6**	**5.9%**
As % of revenues	*43.5%*	*44.9%*	

The revenues of the Internet segment rose 9.5% as at 30 June 2012 to €308.5 million. This sustained growth was driven by the Search businesses, buoyed by mobile, and by the Display business in France.

The Group's gross operating margin for the Internet segment amounted to €134.1 million as at 30 June 2012, up 5.9% compared to 30 June 2011. The gross operating margin rate changed from 44.9% as at 30 June 2011 to 43.5% as at 30 June 2012, primarily impacted by the continued commercial investments, and partially offset by the reduction in marketing and technology expenses.

2.2.2. 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 as at 30 June 2011 and 30 June 2012:

Printed directories	As at 30 June		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Revenues	**202.4**	**233.2**	**-13.2%**
Gross Operating Margin	**93.5**	**111.7**	**-16.3%**
As % of revenues	*46.2%*	*47.9%*	

The revenues of the Printed directories segment are down 13.2% as at 30 June 2012 at €202.4 million, primarily linked to a more pronounced drop in the revenues on all of the ''*départements*'' in which prospecting took place in 2012.

The gross operating margin of the Printed directories segment amounted to €93.5 million as at 30 June 2012, down 16.3% compared to 30 June 2011. The gross operating margin rate is down 1.7 point, impacted by the continued commercial investments at PagesJaunes SA and the distribution optimisation operations via phoning campaigns conducted in the first half of 2012, for which the benefits will materialise during the second half of 2012. The optimisation of all of the expenses, and more particularly those linked to production, printing and distribution of Printed directories that was down 12.0% over the 1st half, helped to maintain the gross operating margin rate of the Printed directories segment at 46.2% as at 30 June 2012.

2.2.3. 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 as at 30 June 2011 and 30 June 2012:

Other businesses	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Revenues	**14.1**	**19.2**	**-26.6%**
Gross Operating Margin	**4.6**	**7.2**	**-36.1%**
As % of revenues	*32.6%*	*37.5%*	

The revenues of the Other businesses segment decreased by 26.6% as at 30 June 2012 to €14.1 million. 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 gross operating margin of the Other businesses segment amounted to €4.6 million as at 30 June 2012, down 36.1% compared to 30 June 2011. The gross operating margin rate changed from 37.5% on 30 June 2011 to 32.6% on 30 June 2012. The impact of the drop in revenues on the margin is partially offset by the discontinuation of advertising expenses to promote the telephone directory enquiry services (118 008) and savings on call processing.

2.2.4. Analysis of consolidated operating income

The following table presents the consolidated operating income of the Group as at 30 June 2011 and at 30 June 2012:

PagesJaunes Group	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Gross Operating Margin	**232.1**	**245.6**	**-5.5%**
Employee profit-sharing	(6.8)	(6.8)	0.0%
Share-based payment	(0.4)	(0.7)	-42.9%
Depreciation and amortisation	(17.0)	(11.7)	45.3%
Gains and losses from disposals	(0.2)	(0.2)	na
Acquisition costs of shares	(0.0)	(0.6)	na
Operating income	**207.8**	**225.5**	**-7.8%**
As % of revenues	*39.6%*	*42.2%*	

2.2.4.1. Employee profit-sharing and share-based payment

The employee profit-sharing in the Group amounted to €6.8 million as at 30 June 2012, stable compared to 30 June 2011.

The Group's share-based payment expense amounted to €0.4 million as at 30 June 2012, stable compared to 30 June 2011. This expense resulted from the stock option plans established in 2009 and in 2010.

2.2.4.2. Depreciation and amortization

The Group's depreciation and amortisation charges amounted to €17.0 million as at 30 June 2012 compared to €11.7 million as at 30 June 2011, a rise of 45.3%. This rise reflects the increase in investments carried out by the Group which are essential for the business strategy, 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 Internet sites.

2.2.4.3. Operating income

The Group's operating income as at 30 June 2012 amounted to €207.8 million, down 7.8% compared to 30 June 2011. The rate of the Group's operating margin as a proportion of revenues changed from 42.2% as at 30 June 2011 to 39.6% as at 30 June 2012.

2.2.5. Analysis of income for the period

The table below shows the Group's income for the period as at 30 June 2011 and as at 30 June 2012:

PagesJaunes Group	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Operating income	**207.8**	**225.5**	**-7.8%**
Financial income	2.5	2.5	0.0%
Financial expenses	(67.6)	(59.8)	13.0%
Net financial income	**(65.1)**	**(57.3)**	**13.6%**
Share of profit or loss of an associate	(0.4)	(0.0)	na
Income before tax	**142.3**	**168.2**	**-15.4%**
Corporate income tax	(55.2)	(62.7)	-12.0%
Income for the period	**87.1**	**105.5**	**-17.4%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	87.1	105.5	-17.4%
- Non-controlling interests	(0.0)	(0.0)	

2.2.5.1. Net financial income

The Group's net financial income was a loss of €65.1 million as at 30 June 2012 compared to a loss of €57.3 million as at 30 June 2011. The net financial income essentially comprised the interest expense relating to the bank loan, for €1,600.0 million, and the bond loan issued on 20 May 2011 at a fixed rate of 8.875% for €350.0 million. Moreover, in the first half of 2012, the drawing on the entire amount of the revolving credit line also impacted this result.

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. As at 30 June 2012, this loan was hedged 56% by swaps for the period December 2011 - November 2013 and 31% by forward swaps for the period November 2013 - September 2015.

The total interest expense, net of the effect of rate hedging instruments, amounted to €59.9 million as at 30 June 2012 compared to €49.4 million as at 30 June 2011. The average interest rate on the debt rose from 5.07% as at 30 June 2011 to 5.33% as at 30 June 2012 (5.80% excluding the impact of drawing on the RCF in January 2012), a rise of 26 basis points associated particularly with the refinancing operations conducted in the first half of 2011. For the record, this rate stood at 5.77% for full-year of 2011.

The financial result also includes the amortisation of loan issue expenses amounting to €4.4 million as at 30 June 2012 compared to €8.5 million as at 30 June 2011. This decrease can be explained by the debt renegotiating in the 1st half of 2011 which led to the extinguishment of part of the bank debt and the recognition of €5.1 million of accelerated amortization of part of the expenses associated with the issue of this loan in 2006. Investment income amounted to €2.2 million as at 30 June 2012 compared to €1.2 million as at 30 June 2011.

2.2.5.2. Corporation tax

As at 30 June 2012, the Group recorded a corporation tax charge of €55.2 million, down 12.0% compared to 30 June 2011. The apparent tax rate was 38.7% as at 30 June 2012 compared to 37.3% at 30 June 2011. This was mainly due to the introduction of additional contributions (including 5% on CT). For the record, the apparent tax rate stood at 38.9% for full-year 2011.

2.2.5.3. Income for the period

The Group's income for the period amounted to €87.1 million in 30 June 2012 compared to €105.5 million as at 30 June 2011, a decrease of 17.4% between the two periods.

2.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group's cash position at 30 June 2012, 31 December 2011 and 30 June 2011:

PagesJaunes Group In millions of euros	**As at 30 June 2012**	**As at 31 December 2011**	**As at 30 June 2011**
Fair value of hedging instruments	-	-	0.5
Accrued interest not yet due	0.0	0.0	0.0
Cash and cash equivalents	487.7	82.7	58.3
Cash	**487.7**	**82.7**	**58.8**
Bank overdrafts	(2.5)	(4.6)	(6.5)
Net cash	**485.2**	**78.1**	**52.3**
Bank borrowing	1,600.1	1,600.2	1,600.2
Bond loan	350.0	350.0	350.0
Revolving	281.4	-	-
Loan issue expenses	(29.3)	(33.4)	(37.8)
Capital leases	0.2	0.1	0.1
Liability in respect of hedging instruments	-	-	1.9
Fair value of hedging instruments	59.0	56.4	39.7
Accrued interest not yet due	6.7	7.4	8.3
Earn-outs	8.5	9.9	7.5
Other financial liabilities	1.1	2.2	0.5
Gross financial debt	**2,277.6**	**1,992.8**	**1,970.4**
Net debt	**1,792.5**	**1,914.7**	**1,918.1**
Net debt excl. fair value of hedging instruments and debt-related fees	**1,762.7**	**1,891.7**	**1,916.7**

The Group's net financial debt amounted to €1,792.5 million as at 30 June 2012, compared to €1,914.7 million as at 31 December 2011 and €1,918.1 million at 30 June 2011.

As at 30 June 2012, it mainly comprised:

- a bank loan totalling €1,600 million, of which €638.0 million is repayable in November 2013 and €962.0 million in September 2015. Since 13 December 2011, the bank debt is hedged 56% by swaps for the period December 2011 – November 2013 and 31% by forward swaps for the period November 2013 – September 2015. In addition, PagesJaunes Group has a credit line of approximately €300 million granted by a diversified syndicate of banks and expiring at the end of 2013. This credit line was drawn on for €281.4 million as at 30 June 2012.

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

Excluding the fair value of interest rate hedging instruments, representing a liability of €59.0 million as at 30 June 2012 compared to a liability of €39.7 million as at 30 June 2011, and excluding loan issue expenses of €29.3 million as at 30 June 2012 compared to €37.8 million as at 30 June 2011, the net debt amounted to €1,762.7 million as at 30 June 2012, compared to €1,916.7 million as at 30 June 2011.

The table below shows the Group's consolidated cash flow as at 30 June 2011 and as at 30 June 2012:

PagesJaunes Group	**As at 30 June**		
In millions of euros	**2012**	**2011**	**Change 2012/2011**
Net cash from operations	149.2	162.3	(13.1)
Net cash used in investing activities	(21.8)	(32.3)	10.5
Net cash provided by (used in) financing activities	279.7	(181.6)	461.3
Impact of changes in exchange rates on cash	0.0	(0.1)	0.1
Net increase (decrease) in cash position	**407.1**	**(51.7)**	**458.8**
Net cash and cash equivalents at beginning of period	78.1	103.5	(25.4)
Net cash and cash equivalents at end of period	**485.2**	**51.8**	**433.4**

Cash and cash equivalents for the Group amounted to €485.2 million as at 30 June 2012, compared to €51.8 million as at 30 June 2011.

The net cash from operations amounted to €149.2 million as at 30 June 2012 compared to €162.3 million as at 30 June 2011, representing a decrease of €13.1 million due mainly to:

- a gross operating margin of €232.1 million as at 30 June 2012, down €13.5 million compared to 30 June 2011,
- a decrease in the working capital requirement of €29.4 million as at 30 June 2012 compared to a decrease of €35.2 million as at 30 June 2011, representing a resource reduction of €5.8 million between the two periods,
- a net disbursement of €21.5 million in terms of financial interest as at 30 June 2012 compared to €46.5 million as at 30 June 2011, due primarily to the increase in the cost of the debt and to the rate of disbursements of the interest concerning the bond loan subscribed in May 2011 (€15.5 million paid on 1 June 2012 representing 6 months of interest).
- a disbursement of €48.8 million in respect of corporation tax as at 30 June 2012 compared to €69.5 million at 30 June 2011.

The net cash used in investing activities represent a disbursement of €21.8 million as at 30 June 2012 compared to a disbursement of €32.3 million as at 30 June 2011. That represents a decrease of €10.5 million, mainly comprising the following:

- €19.9 million in respect of acquisitions of tangible and intangible fixed assets as at 30 June 2012 compared to €20.1 million as at 30 June 2011,
- €1.3 million as at 30 June 2012 concerning the disbursement of price supplements compared

to €11.0 million as at 30 June 2011 relating to acquisitions of equity interests, net of cash acquired (including A Vendre A Louer, ClicRDV).

The net cash used in financing activities amounted to €279.7 million as at 30 June 2012 compared to a disbursement of €181.6 million as at 30 June 2011, representing a change of €461.3 million due mainly to:

- €281.4 million corresponding to the drawing on the revolving credit line in January 2012,
- €162.7 million for dividends paid in the first half of 2011, and no payment in 2012 for 2011,
- a decrease of €1.1 million in other financial liabilities in the first half of 2012 compared to a decrease of €19.2 million in the first half of 2011 (including a disbursement of €18.2 million in respect of part of the refinancing expenses).

2.4. Risks and uncertainties relating to the second half of 2012

The main risks and uncertainties identified by the Group concern:

- the economic environment and the situation of the advertising market in France and Spain, which should condition the sales prospecting by PagesJaunes and QDQ Media in their respective markets,
- Developments in competition on the Internet, particularly with regard to search services and geographic and mapping services, which may have an impact on the ability of PagesJaunes and Mappy to maintain their rate of revenue growth.

3. Condensed consolidated financial statements

3.1 - Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	As at 30 June 2012	As at 30 June 2011	2nd Quarter 2012	2nd Quarter 2011
Revenues		524,993	534,255	290,229	302,696
External purchases		(109,912)	(117,164)	(59,042)	(67,363)
Other operating income		4,983	1,579	4,033	683
Other operating expenses		(5,581)	(4,926)	(2,887)	(2,518)
Personnel expenses : - Salaries and charges		(182,342)	(168,184)	(98,887)	(91,265)
Gross Operating Margin		**232,142**	**245,560**	**133,445**	**142,233**
- Employee profit-sharing		(6,774)	(6,845)	(3,955)	(3,892)
- Share-based payment		(421)	(748)	(18)	(348)
Depreciation and amortisation		(17,029)	(11,719)	(8,778)	(6,246)
Gains and losses from disposals		(153)	(171)	(150)	(7)
Restructuring costs		(2)	-	-	-
Acquisition costs of shares		(11)	(550)	-	(550)
Operating income		**207,752**	**225,527**	**120,544**	**131,190**
Financial income		2,540	2,498	1,335	1,372
Financial expenses		(67,595)	(59,751)	(34,120)	(35,128)
Net financial income	4	**(65,054)**	**(57,253)**	**(32,785)**	**(33,756)**
Share of profit or loss of an associate		(404)	(46)	(281)	(46)
Corporate income tax	5	(55,163)	(62,742)	(32,801)	(36,004)
Income for the period		**87,130**	**105,486**	**54,677**	**61,384**
Income for the period attributable to:					
- Shareholders of PagesJaunes Groupe		87,131	105,478	54,633	61,376
- Non-controlling interests		(1)	8	44	8
Net earnings per share of the consolidated group (in euros)					
- basic		0.31	0.38		
- diluted		0.31	0.37		

3.2 - Statement of comprehensive income

(Amounts in thousands of euros)	**As at 30 June 2012**	**As at 30 June 2011**	**2nd Quarter 2012**	**2nd Quarter 2011**
Income for the period report	**87,130**	**105,486**	**54,677**	**61,384**
Net (loss) /gain on cash flow hedges				
- Gross	(1,274)	23,757	(760)	(1,801)
- Deferred tax	438	(8,180)	260	620
- Net of tax	**(836)**	**15,577**	**(500)**	**(1,181)**
Exchange differences on translation of foreign operations	-	-	-	-
Other comprehensive income	**(836)**	**15,577**	**(500)**	**(1,181)**
Total comprehensive income for the period, net of tax	**86,294**	**121,063**	**54,177**	**60,203**
Total comprehensive income for the period attributable to:				
- Shareholders of PagesJaunes Groupe	86,295	121,055	54,133	60,195
- Non-controlling interests	(1)	8	44	8

3.3 - Statement of financial position

(Amounts in thousands of euros)	Notes	As at 30 June 2012	As at 31 December 2011	As at 30 June 2011
Assets				
Net goodwill		93,897	94,079	83,080
Other net intangible fixed assets		69,927	66,438	57,944
Net tangible fixed assets		26,820	28,223	27,301
Investment in an associate		4,478	4,882	154
Available-for-sale assets		207	207	207
Other non-current financial assets	6	1,351	1,299	1,500
Net deferred tax assets	5	22,405	20,182	17,427
Total non-current assets		**219,085**	**215,310**	**187,614**
Net inventories		2,528	1,600	3,915
Net trade accounts receivable		391,102	439,312	391,587
Other current assets		37,317	28,975	35,392
Current tax receivable	5	449	5,405	14,618
Prepaid expenses		118,683	109,372	112,149
Other current financial assets		400	445	405
Derivative financial instruments	6	-	-	488
Cash and cash equivalents	7	487,714	82,682	58,295
Total current assets		**1,038,194**	**667,791**	**616,849**
Total assets		**1,257,279**	**883,101**	**804,463**
Liabilities				
Share capital		56,197	56,197	56,197
Issue premium		98,676	98,676	98,676
Reserves		(2,227,823)	(2,425,277)	(2,426,040)
Income for the period attribuable to shareholders of PagesJaunes Groupe		87,131	197,033	105,478
Other comprehensive income		(37,623)	(36,787)	(25,357)
Own shares		(9,898)	(10,816)	(3,879)
Equity attributable to equity holders of the PagesJaunes Groupe		**(2,033,340)**	**(2,120,974)**	**(2,194,924)**
Non-controlling interests		55	56	39
Total equity		**(2,033,285)**	**(2,120,918)**	**(2,194,885)**
Non-current financial liabilities and derivatives	7	1,987,700	1,981,520	1,946,744
Employee benefits - non-current		55,907	51,230	50,847
Provisions - non-current		6,271	6,358	6,979
Other non-current liabilities		12	-	-
Deferred tax liabilities	5	1,137	1,276	1,136
Total non-current liabilities		**2,051,027**	**2,040,384**	**2,005,706**
Bank overdrafts and other short-term borrowings	7	285,794	8,477	21,851
Accrued interest	7	6,684	7,412	8,297
Provisions - current		139	896	798
Trade accounts payable		88,092	94,344	96,526
Employee benefits - current		107,958	118,279	110,731
Other current liabilities		94,448	97,453	94,872
Corporation tax	5	1,977	149	566
Deferred income		654,444	636,625	660,001
Total current liabilities		**1,239,536**	**963,635**	**993,642**
Total liabilities		**1,257,279**	**883,101**	**804,463**

3.4 - Statement of changes in shareholders'equity

(Amounts in thousands of euros)	**Number of shares in circulation**	**Share capital**	**Issue premium**	**Own shares**	**Income and reserves**	**Cash flow hedges**	**Translation reserve**	**Group equity**	Non-controlling interests	**Total equity**
Balance as at 31 December 2010	**280,365,693**	**56,197**	**98,676**	**(4,037)**	**(2,264,091)**	**(40,934)**	**-**	**(2,154,188)**	**-**	**(2,154,188)**
Total comprehensive income for the period, net of tax					105,478			**105,478**	8	**105,486**
Other comprehensive income, net of tax						15,577	-	**15,577**		**15,577**
Comprehensive income for the period, net of tax					**105,478**	**15,577**	**-**	**121,055**	**8**	**121,063**
Share-based payment					748			**748**	-	**748**
Dividends paid					(162,697)			**(162,697)**	-	**(162,697)**
Shares of the consolidating company net of tax effect	19,836			158				**158**	-	**158**
Other								**-**	31	**31**
Balance as at 30 June 2011	**280,385,529**	**56,197**	**98,676**	**(3,879)**	**(2,320,561)**	**(25,357)**	**-**	**(2,194,924)**	**39**	**(2,194,885)**
Total comprehensive income for the period, net of tax					91,554			**91,554**	17	**91,571**
Other comprehensive income, net of tax						(11,430)	-	**(11,430)**		**(11,430)**
Comprehensive income for the period, net of tax					**91,554**	**(11,430)**	**-**	**80,124**	**17**	**80,141**
Share-based payment					763			**763**	-	**763**
Dividends paid					-			**-**	-	**-**
Shares of the consolidating company net of tax effect	(2,604,275)			(6,937)				**(6,937)**	-	**(6,937)**
Other								**-**	-	**-**
Balance as at 31 December 2011	**277,781,254**	**56,197**	**98,676**	**(10,816)**	**(2,228,244)**	**(36,787)**	**-**	**(2,120,974)**	**56**	**(2,120,918)**
Total comprehensive income for the period, net of tax					87,131			**87,131**	(1)	**87,130**
Other comprehensive income, net of tax						(836)	-	**(836)**		**(836)**
Comprehensive income for the period, net of tax					**87,131**	**(836)**	**-**	**86,295**	**(1)**	**86,294**
Share-based payment					421			**421**	-	**421**
Shares of the consolidating company net of tax effect	(111,868)			918				**918**	-	**918**
Balance as at 30 June 2012	**277,669,386**	**56,197**	**98,676**	**(9,898)**	**(2,140,692)**	**(37,623)**	**-**	**(2,033,340)**	**55**	**(2,033,285)**

3.5 - Cash flow statement

(Amounts in thousands of euros)	Notes	As at 30 June 2012	As at 30 June 2011	2nd Quarter 2012	2nd Quarter 2011
Income for the period attributable to shareholders of PagesJaunes Groupe		**87,131**	**105,478**	**54,633**	**61,376**
Depreciation and amortisation of fixed assets		17,029	11,719	8,778	6,246
Change in provisions		1,885	3,048	1,486	1,549
Share-based payment		421	748	18	348
Capital gains or losses on asset disposals		153	171	150	7
Interest income and expenses	4	50,303	40,471	24,309	25,716
Hedging instruments	6	14,751	16,782	8,476	8,040
Unrealised exchange difference		(6)	104	-	92
Tax charge for the period	5	55,163	62,742	32,801	36,004
Share of profit or loss of an associate		404	46	281	46
Non-controlling interests		(1)	8	44	8
Decrease (increase) in inventories		(928)	(1,721)	1,598	(1)
Decrease (increase) in trade accounts receivable		47,179	55,017	67,027	73,670
Decrease (increase) in other receivables		(16,492)	(13,456)	8,625	10,593
Increase (decrease) in trade accounts payable		(5,682)	(12,494)	8,492	9,272
Increase (decrease) in other payables		5,303	7,863	(73,292)	(81,696)
Net change in working capital		**29,380**	**35,209**	**12,451**	**11,839**
Dividends and interest received		2,313	1,799	1,254	1,294
Interest paid and rate effect of net derivatives		(60,913)	(46,541)	(38,318)	(24,079)
Corporation tax paid		(48,818)	(69,479)	(33,962)	(39,341)
Net cash from operations		**149,196**	**162,305**	**72,401**	**89,144**
Acquisition of tangible and intangible fixed assets		(19,938)	(20,094)	(11,807)	(11,111)
Change in suppliers of fixed assets		(575)	(576)	277	(279)
Proceeds from sale of tangible and intangible assets		-	66	(810)	1
Acquisitions of investment securities and subsidiaries, net of cash acquired		(1,300)	(11,045)	-	(10,345)
Investments in associates		-	(200)	-	(200)
Decreases (increases) in marketable securities and other long-term assets		13	(401)	(13)	(387)
Net cash used in investing activities		**(21,800)**	**(32,250)**	**(12,353)**	**(22,321)**
Cash flows arising from changes in ownership interests not		44	(55)	-	(55)
Increase (decrease) in borrowings		279,875	(19,196)	(2,312)	(19,459)
Movements in own shares		(217)	293	(160)	158
Non-controlling interests contribution		-	31	-	31
Dividends paid		-	(162,697)	(0)	(162,697)
Net cash provided by (used in) financing activities		**279,702**	**(181,624)**	**(2,472)**	**(182,022)**
Impact of changes in exchange rates on cash		6	(104)	-	(92)
Net increase (decrease) in cash position		**407,104**	**(51,674)**	**57,577**	**(115,290)**
Net cash and cash equivalents at beginning of period		78,074	103,501	427,602	167,117
Net cash and cash equivalents at end of period	7	**485,178**	**51,827**	**485,178**	**51,827**

3.6 – Notes to the condensed consolidated financial statements

Note 1 - Description of the business activity

For more than sixty years, the PagesJaunes Groupe has delivered a diversified range of products and services for the general public and businesses, with its core business comprising directories in France and abroad on both printed and online media. The Group's principal activities are described in Note 3.

The financial year of the companies of the PagesJaunes Group runs from 1 January to 31 December. The presentation currency of the condensed consolidated financial statements and the accompanying notes is the euro.

PagesJaunes Groupe is a limited liability company listed on Euronext Paris (PAJ) – compartment A.
This information was approved by the PagesJaunes Group Board of Directors at its meeting of 24 July 2012.

Note 2 - Basis for preparation of the condensed consolidated financial statements and accounting principles

The consolidated financial statements of PagesJaunes Groupe for the nine-month period ending on 30 June 2012 have been prepared in accordance with standard IAS 34 – Interim Financial Reporting. Being summary financial statements, they do not contain all the information required by IFRS and should be read in conjunction with the annual consolidated financial statements of the Group for the year ending 31 December 2011 included in the reference document filed with the AMF on 26 April 2012 under the number D. 12-0442, subject to specific requirements set out for the preparation of interim accounts as described below.

The accounting principles used are unchanged with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2011, with the exception of any new standards, amendments and interpretations which are mandatory with effect from 1 January 2012, but which have no significant impact:

- Amendment IFRS 7: Disclosures - Transfers of Financial Assets, applicable to financial years commencing from 1 July 2011.

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 30 June 2012.

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.

Finally, the Group is not applying the following instruments, which were not adopted by the European Union as at 30 June 2012:
- IAS 27 revised: Separate Financial Statements
- IAS 28 revised: 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
- IAS19 revised: Employee benefits
- Amendment IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendment IAS 12: Deferred tax: Recovery of Underlying Assets
- Amendment IAS 1: Presentation of financial statements – presentation of items of other comprehensive income
- Amendment IAS 32: Offsetting Financial Assets and Financial Liabilities
- Amendments IFRS 9 and IFRS 7: Mandatory Effective Date and Transition Disclosures
- Amendment IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendment IFRS 1: Government Loans
- IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine
- IFRS 9: Financial Instruments
- Transition guidance (Amendments to IFRS 10,11,12)
- 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

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 practically discontinued as a consolidation method. This is the method currently used for Editus Luxembourg, which could be consolidated by the equity method. This standard will be applied retrospectively. In 2011, this entity contributed €8.2 million to consolidated revenues and €2.5 million to consolidated GOM.

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

The main effects of the revision of IAS 19 are as follows:

- actuarial losses and gains on post-employment benefits must be recognised immediately in non-transferable equity,
- 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),
- the spreading of non-vested past service costs is discontinued,
- 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.
The main impact expected by the Group is the immediate recognition of actuarial losses and gains on post-employment benefits in non-transferable equity; these represented a gain of €1.0 million in 2011 and a total unrecognised liability of €15.5 million as at 31 December 2011.

All of the standards and interpretations adopted by the European Union as at 30 June 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, share-based payments and the valuation of pension liabilities. The actual result may differ markedly from these estimates due to different realisation conditions. Finally, where a specific transaction is not covered by any standards or interpretations, the Management of the Group applies judgment 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.

Impairment tests as at 30 June 2012

The analysis of the indication of an impairment loss as at 30 June 2012 led to update impairment tests on goodwill and intangible fixed assets for one CGU. These tests did not produce any impairment loss recognition due to the temporary nature of the indication of the impairment loss as at 30 June 2012.

Note 3 - Segment information

The Group's core business activity is the provision of local information, principally in France, through the publication of printed and online directories, and the publication of editorial content to assist users in making searches and choices. Through its subsidiaries, the PagesJaunes Group conducts three complementary businesses: the provision of content and services, media and advertising representation. Its offering comprises a diversified range of products and services associated with this activity for the general public and businesses.

The Group's business model is based on that of the media: offering quality content which generates an audience and then monetising this audience, either as a whole or in segments, among businesses.

The Group's activities are organised into three segments:

- Internet
- Printed directories
- Other businesses

The table below shows a breakdown of key aggregates by business segment:

Amounts in thousands of euros	**As at 30 June 2012**	**As at 30 June 2011**	**2nd Quarter 2012**	**2nd Quarter 2011**
Revenues	**524,993**	**534,255**	**290,229**	**302,696**
- Internet	308,539	281,845	158,187	146,452
- Printed directories	202,378	233,246	125,566	146,924
- Other businesses	14,077	19,164	6,475	9,320
Gross Operating Margin	**232,142**	**245,560**	**133,445**	**142,233**
- Internet	134,116	126,648	72,311	67,208
- Printed directories	93,476	111,710	59,967	72,033
- Other businesses	4,550	7,202	1,167	2,992
Amortisation of tangible and intangible fixed assets	**(17,029)**	**(11,719)**	**(8,778)**	**(6,246)**
- Internet	(14,349)	(7,097)	(7,233)	(3,633)
- Printed directories	(2,373)	(4,150)	(1,400)	(2,380)
- Other businesses	(307)	(472)	(145)	(233)
Acquisitions of tangible and intangible fixed assets	**19,938**	**20,094**	**11,807**	**11,111**
- Internet	19,442	17,766	11,504	9,790
- Printed directories	461	2,027	280	1,092
- Other businesses	35	301	23	229

Note 4 - Financial result

The financial result is made up as follows:

(Amounts in thousands of euros)	**As at 30 June 2012**	**As at 30 June 2011**	**2nd Quarter 2012**	**2nd Quarter 2011**
Interest and similar items on financial assets	87	33	63	19
Result of financial asset disposals	2,068	1,165	1,034	787
Change in fair value of hedging instruments	228	1,151	81	417
Dividends received	157	149	157	149
Financial income	**2,540**	**2,498**	**1,335**	**1,372**
Interest on financial liabilities	(46,719)	(32,791)	(22,633)	(19,479)
Income / (expenses) on hedging instruments	(13,221)	(16,572)	(6,946)	(7,845)
Change in fair value of hedging instruments	(1,530)	(210)	(1,530)	(195)
Amortisation of loan issue expenses	(4,445)	(8,500)	(2,222)	(6,770)
Other financial expenses & fees	(245)	(284)	(109)	(147)
Accretion cost (1)	(1,435)	(1,394)	(680)	(692)
Financial expenses	**(67,595)**	**(59,751)**	**(34,120)**	**(35,128)**
Financial result	**(65,054)**	**(57,253)**	**(32,785)**	**(33,756)**

(1) This accretion cost represents the increase over the year in the current value of pension liabilities and the liabilities in respect of hedging instruments.

Note 5 - Corporation tax

Note 5.1 - Group tax computation

The corporation tax results from the application of the effective rate for the period to the pretax income.

The reconciliation between the notional tax calculated based on the statutory rate applicable in France and the effective tax is as follows:

Amounts in thousands of euros	As at 30 June 2012	As at 30 June 2011	2nd Quarter 2012	2nd Quarter 2011
Pretax net income from continuing businesses and before goodwill impairment	**142,697**	**168,228**	**87,759**	**97,388**
Statutory tax rate	34.43%	34.43%	34.43%	34.43%
Theoretical tax	**(49,135)**	**(57,926)**	**(30,218)**	**(33,534)**
Loss-making companies not integrated for tax purposes	(83)	(135)	(28)	66
Loan and current account depreciation QDQ Media	-	-	-	-
Share-based payment	(145)	(256)	(6)	(123)
Foreign subsidiaries	(77)	198	37	151
Recognition of previously unrecognised tax losses	-	192	-	-
Corporate value added contribution (after tax)	(4,406)	(4,506)	(2,441)	(2,405)
Additional tax 5%	(2,313)	-	(1,393)	-
Other non-taxable income	996	(308)	1,250	(158)
Effective tax	**(55,163)**	**(62,742)**	**(32,801)**	**(36,004)**
of which current tax	*(55,952)*	*(56,912)*	*(33,129)*	*(30,425)*
of which deferred tax	*789*	*(5,830)*	*328*	*(5,579)*
Effective tax rate	**38.66%**	**37.30%**	**37.38%**	**36.97%**

Note 5.2 - Balance sheet tax

Amounts in thousands of euros	As at 30 June 2012	As at 31 December 2011	As at 30 June 2011
Retirement benefits	16,306	15,378	14,254
Employee profit-sharing	4,450	4,706	4,617
Non-deductible provisions	4,396	4,570	4,674
Hedging instruments	20,344	19,436	17,117
Other differences	1,389	1,186	901
Subtotal deferred tax assets	**46,885**	**45,276**	**41,563**
Corporate value added contribution	(128)	(165)	(227)
Loan issue costs	(10,158)	(11,641)	(15,281)
Brand 123people	(1,132)	(1,132)	(1,132)
Depreciations accounted for tax purposes	(14,199)	(13,432)	(8,632)
Subtotal deferred tax liabilities	**(25,617)**	**(26,370)**	**(25,272)**
Total net deferred tax assets / (liabilities)	**21,268**	**18,906**	**16,291**
Deferred tax assets	*22,405*	*20,182*	*17,427*
Deferred tax liabilities	*(1,137)*	*(1,276)*	*(1,136)*

No deferred tax assets relating to the tax loss carryforwards of QDQ Media have been included in the balance sheet, since this company recorded a net loss as at 30 June 2012. The amount of the deferred tax not recognised in the accounts is estimated at €63.1 million.

The deferred tax assets in the balance sheet decreased from €20.2 million as at 31 December 2011 to €22.4 million as at 30 June 2012.

In the balance sheet as at 30 June 2012, corporation tax represents a receivable of €0.4 million and a liability of €2.0 million. In the balance sheet as at 30 June 2011, corporation tax represents a receivable of €14.6 million and a liability of €0.6 million. The tax disbursed during the 1st half of 2012 is €48.8 million compared to €69.5 million in the 1st half of 2011.

Note 6 - 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 7). Prospective effectiveness tests performed by PagesJaunes Groupe on the inception of these operations and retrospective tests carried out on 31 December 2011 and 30 June 2012 showed that these financial instruments offered a totally effective cash flow hedge in relation to this debt.

Accounting and assets/liabilities relating to these derivative financial instruments

The value of these derivative financial instruments is as follows:

in thousands of euros	**Period ending 30 June 2012**	**Year ending 31 December 2011**	**Period ending 30 June 2011**
Interest rate swaps – cash flow hedge	(57,380)	(56,106)	(31,864)
Interest rate swaps – fair value hedge	(98)	(325)	489
Collar – cash flow hedge	(1,529)	-	(7,869)
of which intrinsic value	-	-	*(6,809)*
of which time value	(1,529)	-	*(1,060)*
Asset/(Liability)	**(59,007)**	**(56,431)**	**(39,244)**
Of which non-current	*(58,910)*	*(56,106)*	*(28,144)*
Of which current	*(97)*	*(325)*	*(11,100)*

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2011 and 30 June 2012, i.e. a decrease of €1.3 million for interest rate swaps, was stated as recyclable equity, after confirmation of deferred tax of €0.4 million.

The changes in the time value of the collar and of the base swap qualified as fair value hedging were stated for the collar, as financial expense for €1.5 million and for the swap, as financial income for €0.2 million (cf. note 4). Deferred tax of €0.5 million was recorded in this respect.

No ineffectiveness was recorded with regard to cash flow hedges.

Note 7 - 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)	**Period ending 30 June 2012**	**Year ending 31 December 2011**	**Period ending 30 June 2011**
Fair value of hedging instruments (cf. note 6)	-	-	488
Accrued interest not yet due	6	9	13
Cash equivalents	482,788	77,358	52,616
Cash	4,920	5,315	5,666
Gross cash	**487,714**	**82,682**	**58,783**
Bank overdrafts	(2,536)	(4,608)	(6,468)
Net cash	**485,178**	**78,074**	**52,315**
Bank loan	1,600,000	1,600,157	1,600,000
Bond loan	350,000	350,000	350,000
Revolving credit facility drawn	281,386	-	-
Loans issue expenses	(29,278)	(33,368)	(37,791)
Lease liabilities	163	91	144
Fair value of hedging instruments (cf. note 6)	59,007	56,431	39,732
Liability in respect of hedging instruments	-	-	1,866
Earn-outs	8,485	7,412	7,517
Accrued interest not yet due	6,684	9,923	8,297
Other financial liabilities	1,195	2,155	659
GROSS FINANCIAL DEBT	**2,277,642**	**1,992,801**	**1,970,424**
of which current	*289,942*	*11,281*	*23,680*
of which non-current	*1,987,700*	*1,981,520*	*1,946,744*
Net debt	**1,792,464**	**1,914,727**	**1,918,109**

Cash and cash equivalents

At 30 June 2012, cash equivalents amounted to €482.8 million and were made up of term deposits and UCITS invested in particular within the framework of the liquidity contract.
These are managed and therefore valued on the basis of their fair value.

Bank overdraft

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

Bank loan

PagesJaunes Groupe has bank financing for a total amount of €1,900 million at a variable rate.
It includes, on the one hand, a medium term loan of €1,600 million, comprised of two tranches:

- Tranche A1: nominal €638 million repayable in full in November 2013;
- Tranche A3: nominal €962 million repayable in full in September 2015;

and on the other hand, the revolving credit line of about €300 million payable in full in November 2013. It 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.

The reference rate is Euribor or Libor plus a margin of 175 basis points for tranche A1 and the revolving credit line, or 150 basis points in the event that the financial leverage ratio falls below 3.50 times an aggregate close to the GOM. This margin is 350 basis points in the case of tranche A3.

As at 30 June 2012, the revolving credit line was fully drawn, the funds collected as such amount to €281.4 million.

The bank financing agreement notably includes default and mandatory prepayment clauses, as well as progressive financial covenants, which have been revised as follows:

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM must be less than or equal to 4.30 until 30 September 2012, 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 30 June 2012, these financial covenants were met and there are no grounds for reclassifying non-current debt as current.

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

Bond loan

Moreover, PagesJaunes Groupe finalised the issue of a bond loan amounting to €350 million through PagesJaunes Finance & Co SCA. 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 2010 and 2011, price supplements totalling an estimated €8.5 million may be paid between 2012 and 2014 if certain operating performance conditions are fulfilled.

Other financial liabilities

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

Note 8 - Shareholders'equity

Through the liquidity contract, the Company held 1,315,368 of its own shares as at 30 June 2012 (1,203,500 at 31 December 2011), stated as a deduction from shareholders'equity, and €1.7 million in liquid assets recorded in the item "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 stated as a deduction from shareholders'equity.

As at 30 June 2012, PagesJaunes Groupe consequently held 3,315,368 of its own shares.

PagesJaunes Groupe is a subsidiary of Médiannuaire, which controls 54.68% of the capital and voting rights.

Note 9 – Changes in the scope of consolidation

The scope of consolidation did not change over the first half of 2012.

Note 10 - Information on related parties

There were no new transactions or significant developments affecting related parties in the first half of 2012.

Note 11 – Contingent liabilities

There were no new significant commitments during the first half of 2012.

Note 12 - 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 judgements 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* confirmed the validity of the plan implemented by PagesJaunes.
With regard to cases before administrative courts, the *Conseil d'Etat*, as court of last resort, issued eight judgements unfavourable to PagesJaunes on 12 January 2011, setting aside rulings issued by the *Cour Administrative d'Appel* of Paris in 2009 and hence the Minister's authorisation of the redundancies. The *Conseil de Prud'hommes* of Dijon handed down on 2 July 2012 five rulings in favour of PagesJaunes concerning the quantum of the compensation due to employees. These rulings can be appealed. An industrial tribunal proceeding is currently in progress including claims for compensation for the financial consequences of cancelled redundancy authorisations.
The €7.3 million 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 as at 30 June 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 addition, in common with the other companies in the sector, the Company 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 the Company. The number these proceedings is stable. As at 30 June 2012, there were 13, representing total claims for damages of €0.9 million. In these proceedings, the Group entities endeavour 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 the Group's financial position.

In 2010, PagesJaunes SA 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, and the risk was fully provisioned as at 31 December 2010. PagesJaunes SA is contesting the adjustment and has referred it to the *URSSAF* arbitration committee to defend its position.

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 and/or the Group.

Note 13 - Events subsequent to the closing date of 30 June 2012

As indicated in two press releases published on the 24 and 28 May 2012, PagesJaunes Groupe S.A, a company whose shares are listed on Euronext Paris (PAJ FP), NYSE Euronext, has sought the agreement of its lenders to extend the maturity of its debt facilities maturing in November 2013 to September 2015 in return for, in particular, a partial repayment of its debt.

Independently from these proposals made by PagesJaunes Groupe to its lenders, the majority shareholder of PagesJaunes Groupe, Mediannuaire Holding (who owns directly and indirectly 54.7% of the share capital and voting rights of PagesJaunes Groupe), has announced in a press release issued via Debtwire on Saturday July 14th the opening of discussions with its own lenders on a financial restructuring. PagesJaunes Groupe considers that the negotiations between Mediannuaire Holding and its creditors to the extent that they lead, as stated, to ensuring stability of its capital structure and would reduce the financial constraints of Mediannuaire Holding should be beneficial to and therefore in the interest of PagesJaunes Groupe. Following such restructuring, Mediannuaire Holding should own circa 20% of the share capital of PagesJaunes Groupe.

PagesJaunes Groupe confirms that discussions with its lenders are still ongoing and stresses that, at the request of some of its lenders, and with the view to obtain as soon as possible the agreement of more than 90% of those lenders asked to extend, it has proposed to allocate a portion of its cash flow to the repayment of its bank debt maturing in September 2015, beginning in 2013. This commitment will be in addition to the one made by PagesJaunes Groupe to suspend its dividend payments in view of decreasing PagesJaunes Groupe's net indebtedness to a level corresponding to three times EBITDA. PagesJaunes Groupe considers that this additional proposal remains consistent with the Group's strategy.

4. AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION FOR 2012

DELOITTE & ASSOCIES
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. au capital de 1.723.040

Statutory Auditors
Member of the *Compagnie régionale de Versailles*

ERNST & YOUNG Audit
Tour First
1 Place des Saisons, TSA 14444
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S.A.S. à capital variable

Statutory Auditors
Member of the *Compagnie régionale de Versailles*

PagesJaunes Groupe
Period from 1 January to 30 June 2012

Report of the Statutory Auditors to the shareholders on the half-year financial information.

To shareholders,

In fulfilment of the assignment entrusted to us by your General Meeting and pursuant to article L. 451-1-2 III of the Monetary and Financial Code, we present our report relating to:

- conducted a limited review of the condensed consolidated half-year financial statements of PagesJaunes Groupe, for the period from 1 January to 30 June 2012, as appended to this report;
- verified the information disclosed in the half-year report.

These condensed consolidated half-year financial statements have been prepared under the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these financial statements, based on our limited review.

1. Conclusion concerning the condensed consolidated financial statements

We conducted our limited review in accordance with the professional standards applicable in France; those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. A limited review essentially involves discussions with the members of the management in charge of accounting and financial matters, and implementing analytical procedures. The procedures involved in a review of this type are less extensive than in an audit performed in accordance with the professional standards applicable in France. Consequently, the assurance that the overall financial statements are free of material misstatements obtained in a limited review is a moderate assurance, on a lower level than that obtained in an audit.

On the basis of our limited review, no significant misstatements have come to our attention which would cause us to question the compliance of the condensed consolidated half-year financial statements with IAS 34, the standard relating to interim financial reporting and forming part of the IFRS standards as endorsed by the European Union.

2. Specific verification

We have also verified the information disclosed in the half-year report commenting on the condensed consolidated half-year financial statements which were the subject of our limited review. We have no observations to make with regard to the fairness of this information and its consistency with the condensed consolidated half-year financial statements.

Neuilly-sur-Seine and Paris-La Défense, 24 July 2012

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Dominique Descours	Denis Thibon