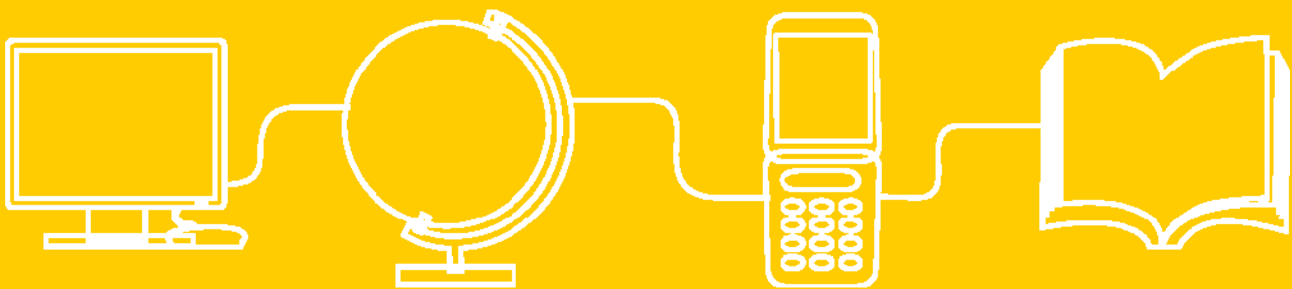
PagesJaunes Groupe
Half-year financial report

As at 30 June 2008

Board of Directors of 24 July 2008



Unofficial translation of the French-language “Rapport financier semestriel 2008” of PagesJaunes Groupe, for information purposes only.
This English-language translation of the consolidated financial statements prepared in French has been provided solely for the convenience of English-speaking readers. Despite all the efforts devoted to this translation, certain errors, omissions or approximations may subsist. PagesJaunes Groupe, its representatives and employees decline all responsibility in this regard.

PagesJaunes Groupe

A limited liability company (*société anonyme*) having a Board of Directors

(*Conseil d'administration*) and a share capital of 56,128,890 euros.

Registered office: 7 avenue de la Cristallerie – 92317 Sèvres Cedex

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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 financial statements appearing in chapter 3 of the present annual 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 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 2008 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 remaining six months of the 2008 financial year, and then main transactions with related parties".

Mr Jacques Garaïalde
Chairman of the Board of Directors
PagesJaunes Groupe

Mr Michel Datchary
Chief Executive Officer
PagesJaunes Groupe

2. HALF-YEAR ACTIVITY REPORT AS AT 30 JUNE 2008

2.1. Overview

The Group's core business activity is the publication of directories in France and abroad. Its offering comprises a diversified range of products and services associated with this activity for the general public and businesses.

The Group's activities are organised in two main segments:

– **PagesJaunes in France:** These are the Group's activities in France related to the publication and distribution of directories and the sale of advertising space in printed and online directories. They also include the creation and hosting of Internet sites, the telephone directory enquiry services (118 008) and various activities such as the publication of the PagesPro directories and the QuiDonc reverse directory. They also include the holding company activities accommodated within PagesJaunes Groupe.

– **International & Subsidiaries:** These are the activities of the Group's various subsidiaries, mainly comprising the publication of consumer directories outside France (Spain, Morocco and Luxembourg) and the development of complementary activities related to the publication of directories, such as the geographic services of Mappy and the direct marketing activities of PagesJaunes Marketing Services. This segment also includes the online small ads business ("annoncesjaunes.fr") launched at the beginning of January 2007 as part of PagesJaunes Petites Annonces, as well as, since the fourth quarter of 2007, the advertising business on the Internet of Horyzon Média and of Horyzon Clics, in which PagesJaunes Groupe acquired a majority holding on 11 October 2007. Horyzon Média and Horyzon Clics merged on 30 June 2008 effective 1 January 2008; the new unit is called Horyzon Média.

2.2. Commentary on the results for the first half of 2008

PagesJaunes Groupe *In millions of euros*	First half 2008	First half 2007	Change 2008/2007
Revenues	**550.9**	**526.8**	**4.6%**
External purchases	(135.7)	(138.1)	-1.7%
Other operating income	6.4	4.4	45.5%
Other operating expenses	(9.7)	(10.4)	-6.7%
Salaries and social charges	(164.6)	(155.1)	6.1%
Gross operating margin	**247.3**	**227.5**	**8.7%**
As % of revenues	*44.9%*	*43.2%*	
Employee profit-sharing	(8.2)	(7.2)	13.9%
Share-based payment	(3.3)	(6.5)	-49.2%
Depreciation and amortisation	(8.6)	(6.9)	24.6%
Result of asset disposals	(0.0)	0.0	na
Restructuring cost	-	0.1	na
Operating income	**227.3**	**207.0**	**9.8%**
As % of revenues	*41.3%*	*39.3%*	
Financial income	2.4	2.5	-4.0%
Financial expenses	(66.8)	(69.8)	-4.3%
Financial result	**(64.4)**	**(67.3)**	**-4.3%**
Corporation tax	(59.9)	(54.2)	10.5%
Net income from continuing businesses	**103.0**	**85.5**	**20.5%**
Net income from divested businesses	-	34.1	na
Net income of the consolidated group	**103.0**	**119.6**	**-13.9%**
of which attributable to shareholders of PagesJaunes Groupe	103.2	119.6	-13.7%
of which minority interests	(0.2)	-	na

The consolidated revenues of the PagesJaunes Groupe amounted to €550.9 million in the first half of 2008, a rise of 4.6% compared to the first half of 2007. This increase is explained principally by the sustained growth in the Group's Internet activities, up 23.1% compared to the first half of 2007, at €222.8 million. Internet revenues thus represent 40.4% of the Group's consolidated revenues in the first half of 2008.

In June 2008, the Internet sites of PagesJaunes Groupe as a whole, "pagesjaunes.fr", "mappy.com", and "annoncesjaunes.fr", ranked fifth among the most visited Internet sites in France, with 13.9 million unique visitors, representing a reach rate of 48.2% of the total number of Internet users in France. Moreover, the sites "pagesjaunes.fr" and "mappy.com" had 1.2 million unique visitors on mobile Internet in April 2008, representing a reach rate of 19.2% and making it the second most visited services excluding portals.

The Group’s gross operating margin amounted to €247.3 million in the first half of 2008, a rise of 8.7% compared to the first half of 2007. This change is the result of the 0.8 point improvement in the gross operating margin of the PagesJaunes in France segment, at 49.4% in the first half of 2008 compared to 48.6% in the first half of 2007, and the halving of the negative gross operating margin of the International & Subsidiaries segment to €6.1 million in the first half of 2008 compared to a loss of €11.9 million in the first half of 2007.

The Group's operating income amounted to €227.3 million in the first half of 2008, an increase of 9.8% compared to the first half of 2007. The net income from continuing businesses amounted to €103.0 million, a rise of 20.5%, due particularly to a decrease in net financial expenses.

The net income of the consolidated group amounted to €103.0 million in the first half of 2008 compared to €119.6 million in the first half of 2007, which included €34.1 million in net income from the Kompass France and Kompass Belgium businesses, sold by the Group in March 2007 to Coface Services.

The information below presents the revenues, the gross operating margin and the main intermediate management balances for each of the two segments of the consolidated Group, the PagesJaunes in France segment and the International & Subsidiaries segment.

2.2.1. Analysis of the revenues and gross operating margin of the PagesJaunes in France segment

The following table shows the revenues and gross operating margin of the PagesJaunes in France segment in the first half of 2007 and the first half of 2008:

	First half		
PagesJaunes in France	**2008**	**2007**	**Change 2008/2007**
In millions of euros			
Revenues	**513.3**	**493.1**	**4.1%**
External purchases	(115.8)	(116.2)	-0.3%
Other operating income	5.5	5.9	-6.8%
Other operating expenses	(8.5)	(9.7)	-12.4%
Salaries and social charges	(141.0)	(133.7)	5.5%
Gross operating margin	**253.4**	**239.5**	**5.8%**
As % of revenues	*49.4%*	*48.6%*	

2.2.1.1. Revenues of the PagesJaunes in France segment

The following table shows the breakdown of the consolidated revenues of the PagesJaunes in France segment by product line in the first half of 2007 and the first half of 2008:

	First half		
PagesJaunes in France	**2008**	**2007**	**Change 2008/2007**
In millions of euros			
Printed directories	**282.8**	**293.5**	**-3.6%**
PagesJaunes	223.2	232.3	-3.9%
L'Annuaire	59.6	61.2	-2.6%
Online services	**205.7**	**180.1**	**14.2%**
Internet	201.2	165.4	21.6%
Minitel	4.5	14.7	-69.4%
Directory enquiry services (118 008)	**17.3**	**11.6**	**49.1%**
Other activities	**7.5**	**7.9**	**-5.1%**
Revenues	**513.3**	**493.1**	**4.1%**

The revenues of the PagesJaunes in France segment are up 4.1% in the first half of 2008, at €513.3 million compared to €493.1 million in the first half of 2007, resulting primarily from the growth in the revenues from Internet services and, to a lesser degree, from the directory enquiry services (118 008), which have more than offset the decline in printed directories and the expected sharp drop concerning the Minitel.

PagesJaunes continued to increase the number of its advertising customers across all platforms (printed directories, Internet and 118 008) in the first half of 2008, and should win over more customers in 2008 than in 2007. The retention rate has remained high, despite an expected slight decrease compared to 2007.

Printed directories

The revenues from printed directories, which result mainly from the marketing of advertising space in the PagesJaunes directory and in *l'Annuaire* (white pages), has declined 3.6% in the first half of 2008, amounting to €282.8 million compared to €293.5 million in the first half of 2007.

This expected drop is the result of the setting up of a new rate structure, with a drop in rates exceeding 20% in 10 departments, including 3 departments published in the first half of 2008. Revenues in these departments were significantly lower than in 2007. This decline was partly offset by average growth of 0.8% in the 51 provincial directories published in the first half of 2008.

As expected, the drop in revenues from printed directories is greater in the second quarter of 2008, with a drop of 4.0%, than in the first quarter, with a decline of 3.0%, due to the publication of the Paris directory. Moreover, the small provincial departments, which have the best performance, represented only 69% of the revenue from printed directories in the second quarter compared to 87% in the first quarter. This decrease is essentially due to lower average revenue per advertiser, while the number of advertisers continued to rise.

At the same time, PagesJaunes is continuing its operations to improve the distribution of printed directories ("all address" distribution) in a number of major provincial cities. These distribution campaigns are intended to boost the use of printed directories, which remain important flagship products for most new advertisers, and the foremost media in terms of consultation by users.

Online services

Revenues from Internet of PagesJaunes in France, which come principally from the sale of advertising products on "pagesjaunes.fr", and from the Internet site creation and hosting activities, has grown 21.6% in the first half of 2008, amounting to €201.2 million compared to €165.4 million in the first half of 2007.

As anticipated, this growth accelerated in the second quarter of 2008, at 22.7% compared to 20.6% in the first quarter of 2008, due to the growing proportion of the 2008 edition, which is favourably impacted by the change in the rate structure, and which represented 67% of Internet revenues in the second quarter of 2008 compared to 43% in the first quarter of 2008.

The "pagesjaunes.fr" site recorded an accumulated total of 430.3 million visits in the first half of 2008, a rise of 3.3% compared to the first half of 2007. The number of visits to "pagesjaunes.fr" on mobile Internet reached 6.5 million, up 25.0% compared to the first half of 2007. The “pagesjaunes.fr” site remains the third most visited site on mobile Internet (excluding portals) in France, with 789 000 unique visitors in April 2008.

As expected, the drop in the Minitel accelerated in the first half of 2008. Revenues from the Minitel amounted to €4.5 million in the first half of 2008, declining 69.4% compared to the first half of 2007. France Télécom, the publisher of this service, has announced that the 3611 service will be discontinued at the end of March 2009.

In the first half of 2008, revenues from the online services (Internet and Minitel) amounted to €205.7 million compared to 180.1 million in the first half of 2007, an increase of 14.2% between the two periods.

Directory enquiry services (118 008)

Revenues from the PagesJaunes directory enquiry service (118 008) reached €17.3 million in the first half of 2008 compared to €11.6 million in the first half of 2007. This revenue includes revenue from traffic as well as revenue relating to advertising space, which represent more than 50% of the total revenue in the first half of 2008.

PagesJaunes continues to benefit from a unique position in the French market, thanks to a mixed model which enables it not only to generate revenues from calls to the 118 008 service, but also to offer its advertisers a complete range of advertising products, which had attracted around 107,000 advertisers by the end of June 2008 compared to 80,000 by the end of June 2007.

Other activities

The revenues from the other activities of the PagesJaunes in France segment amounted to €7.5 million in the first half of 2008 compared to €7.9 million in the first half of 2007. These other activities, which represented only 1.5% of the revenues of the PagesJaunes in France segment in the first half of 2008, relate essentially to the PagesPro offerings on printed and Internet media, and the QuiDonc reverse directory on the Internet, Minitel and Audiotel media.

The trend in revenues from PagesPro on the Internet remains favourable. The revenues from the QuiDonc reverse directory are decreasing due to the decline in the audience of this service on Minitel.

2.2.1.2. External purchases in the PagesJaunes in France segment

PagesJaunes in France *In millions of euros*	**First half 2008**	**First half 2007**	**Change 2008/2007**
External purchases	(115.8)	(116.2)	-0.3%
As % of revenues	*22.6%*	*23.6%*	

The external purchases essentially comprise publishing costs (purchase of paper, printing and distribution of printed directories), the costs of purchasing, creating and updating databases, the expenses for the hosting of online directories and the production of advertisements, the expenses for external call centres, as well as communication and IT development expenses.

The external purchases in the PagesJaunes in France segment amounted to €115.8 million in the first half of 2008, virtually stable compared to the first half of 2007 at €116.2 million, whereas the revenues in the segment increased by 4.1% over the same period. External charges thus represent 22.6% of revenues in the first half of 2008, compared to 23.6% in the first half of 2007.

The stability in external expenses in the PagesJaunes in France segment is the result of proper control of costs concerning paper, printing and distribution, a slight increase in communication costs pertaining to the launch of new products (new version of "pagesjaunes.fr" and the new free directory enquiry service via SMS, the "32008") and the desire to boost the audience, and an optimisation of operating costs.

The costs of paper, printing and distribution amounted to €42.7 million in the first half of 2008, compared to €41.7 million in the first half of 2007[1]. The costs of paper amounted to €18.0 million in the first half of 2008, compared to €17.4 million in the first half of 2007[1], this increase being due primarily to a rise in the volumes of paper consumed, in connection with the inclusion of mobile and VoIP lines, and the expansion of the distribution of printed directories. PagesJaunes benefits from multi-year contracts for paper, printing and distribution, enabling it to limit the sensitivity of printed directory publishing costs to price rises.

2.2.1.3. Other operating income of the PagesJaunes in France segment

PagesJaunes in France *In millions of euros*	**First half 2008**	**First half 2007**	**Change 2008/2007**
Other operating income	5.5	5.9	-6.8%

The other operating income of the PagesJaunes in France segment amounted to €5.5 million in the first half of 2008 compared €5.9 million in the first half of 2007. The other operating income mainly comprises the recharging to France Telecom of the operating costs of PagesJaunes 3611 alphabetical search, and other non-recurrent income, including, particularly in the first half of 2007, the recharging for the commercial operation conducted on behalf of PagesJaunes Petites Annonces.

1 After the deduction in the first half of 2007 of €0.1 million in credit notes to be received from printers, and, in the first half of 2008 of €0.2 million in credit notes to be received from printers. This income is recognised as other operating income.

2.2.1.4. Other operating expenses of the PagesJaunes in France segment

PagesJaunes in France	**First half**		
In millions of euros	**2008**	**2007**	**Change 2008/2007**
Other operating expenses	(8.5)	(9.7)	-12.4%

The other operating expenses of the PagesJaunes in France segment amounted to €8.5 million in the first half of 2008, compared to €9.7 million in the first half of 2007. These other operating expenses comprised taxes and duties, certain provisions for risks and charges, and customer provisions which remain under control, at less than 0.3% of revenue.

2.2.1.5. Salaries and social charges of the PagesJaunes in France segment

PagesJaunes in France	**First half**		
In millions of euros	**2008**	**2007**	**Change 2008/2007**
Salaries and social charges	(141.0)	(133.7)	5.5%
As % of revenues	*27.5%*	*27.1%*	

The salaries and social charges heading in the PagesJaunes in France segment comprises wages and salaries, both fixed and variable, including profit-sharing, social charges, payroll tax, provisions for paid leave, post-employment benefits and various benefits paid to employees in the sales force and support functions.

Salaries and social charges in the PagesJaunes in France segment amounted to €141.0 million in the first half of 2008 compared to €133.7 million in the first half of 2007, representing an increase of 5.5%, in line with the growth in revenue and the high level of recruitment of new advertising customers. Salaries and social charges in the PagesJaunes in France segment represent 27.5% of the revenue in the first half of 2008 compared to 27.1% in the first half of 2007.

The remuneration of the sales force and its immediate supervisory personnel represented 14.9% of revenues in the first half of 2008, and is stable compared to the first half of 2007, excluding the specific costs associated with the communication operations on behalf of PagesJaunes Petites Annonces. The sales force of PagesJaunes in France changed from 2,022 sales personnel at 31 December 2007 to 2,046 at 30 June 2008.

2.2.1.6. Gross operating margin of the PagesJaunes in France segment

The gross operating margin in the PagesJaunes in France segment amounted to €253.4 million in the first half of 2008, an increase of 5.8% compared to €239.5 million in the first half of 2007. This is a 0.8 point improvement in the gross operating margin rate, at 49.4% in the first half of 2008 compared to 48.6% in the first half of 2007.

This increase is the result of growth in the business and of overall cost control.

2.2.2. Analysis of the revenues and gross operating margin of the International & Subsidiaries segment

The following table shows the revenues and gross operating margin of the International & Subsidiaries segment in the first half of 2007 and the first half of 2008:

International & Subsidiaries	**First half 2008**	**2007**	**Change 2008/2007**
In millions of euros			
Revenues	**41.6**	**36.7**	**13.4%**
External purchases	(23.9)	(25.0)	-4.4%
Other operating income	2.1	0.8	na
Other operating expenses	(2.4)	(3.0)	-20.0%
Salaries and social charges	(23.6)	(21.4)	10.3%
Gross operating margin	**(6.1)**	**(11.9)**	**-48.7%**
As % of revenues	*-14.7%*	*-32.4%*	

2.2.2.1. Revenues of the International & Subsidiaries segment

The following table shows the breakdown of the consolidated revenues of the International & Subsidiaries segment by product line in the first half of 2007 and the first half of 2008:

International & Subsidiaries	**First half 2008**	**2007**	**Change 2008/2007**
In millions of euros			
B to C directories	23.0	23.5	-2.1%
Online small ads	1.7	0.2	na
Internet advertising representation	2.5	-	na
Direct marketing and geographic services	14.4	13.0	10.8%
Revenues	**41.6**	**36.7**	**13.4%**

The revenues of the International & Subsidiaries segment rose 13.4% compared to the first half of 2007. This revenue amounts to €41.6 million in the first half of 2008 compared to €36.7 million in the first half of 2007. This growth is primarily the result of the growth in the Internet businesses of

QDQ Media, the gearing up of the online "annoncesjaunes.fr" small ads business, launched in January 2007, and the consolidation of the advertising companies on the Internet, Horyzon Média and Horyzon Clics, effective since October 2007.

B to C directories

The revenues from the B to C directories business, which result primarily from the sale of advertising space in the printed and online directories and their publication and distribution, carried out by the companies QDQ Media in Spain, Editus in Luxembourg and Edicom in Morocco, amount to €23.0 million in the first half of 2008, down 2.1% compared to the first half of 2007.

Due to the seasonal nature of the Editus Luxembourg and Edicom, which publish their main printed directories in September and in November respectively, most of the revenue from the first half of the year comes from QDQ Media.

The revenues of QDQ Media amounted to €19.5 million in the first half of 2008, declining 5.8% compared to the first half of 2007, and 4.4% on a constant publication basis. This drop is due to the economic slowdown in Spain, which has been especially felt since the beginning of the year, and which results in a drop in the advertising budgets in certain economic sectors, such as real estate. This slowdown has mainly affected revenue for printed directories, especially in the large conurbations, while Internet businesses has continued to experience growth nearly 20% in the first half of 2008. In this context, QDQ Media has been able to continue recruiting new customers.

In light of the economic situation in the Spanish market, the Group does not expect any considerable improvement over the second part of the year.

Online small ads

The revenues of the online small ads business, launched in January 2007, amounted to €1.7 million in the first half of 2008 compared to €0.2 million in the first half of 2007. The promotion and marketing of the products and services among advertisers began in the first quarter of 2007, and has resulted in a gradual rise in revenues tall throughout 2007, having regard to the commercial effort involved (introductory offer including several months of free use of the service).

The "annoncesjaunes.fr" site recorded 11.4 million visits in the first half of 2008, and has nearly 450,000 small ads referenced for 3,700 customers in the portfolio.

Internet advertising representation

On 11 October 2007, PagesJaunes Groupe acquired a majority holding in the capital of Horyzon Média and Horyzon Clics, specialised advertising companies on the Internet, and the holding reached 66% at the end of December 2007. Their results have been consolidated within PagesJaunes Groupe since October 2007, and the two companies merged on 30 June 2008, effective 1 January 2008; the new unit is called Horyzon Média.

This acquisition has allowed PagesJaunes Groupe to strengthen its presence in the dynamic market of national online advertising of the display type. Horyzon Média has been entrusted with managing the advertising for all of the Group's Internet sites, "pagesjaunes.fr", "mappy.com", and "annoncesjaunes.fr". In the first half of 2008, net revenues from Horyzon Média, comprising representation commissions, amounted to €2.5 million, and corresponds to billed revenues of €8.9 million.

Direct Marketing and Geographic Services

The revenues from direct marketing and geographic services amounted to €14.4 million in the first half of 2008, up 10.8% compared to the first half of 2007. This growth is driven by the continuous development of the Mappy activities, as well as by the setting up of a new sales organisation and the strengthening of the sales means of PagesJaunes Marketing Services (direct marketing) during 2007.

2.2.2.2. External purchases in the International Subsidiaries segment

International & Subsidiaries *In millions of euros*	First half 2008	First half 2007	Change 2008/2007
External purchases	(23.9)	(25.0)	-4.4%
As % of revenues	*57.5%*	*68.1%*	

The external purchases in the International & Subsidiaries segment amounted to €23.9 million in the first half of 2008, a decrease of 4.4% compared to the first half of 2007. External purchases represented 57.5% of revenues in the first half of 2008, compared to 68.1% in the first half of 2007.

This change is primarily the result of the decrease in external purchases of PagesJaunes Petites Annonces, after a first half of 2007 that had incurred a major portion of the expenses connected with the launch of the business, with in particular the first communication campaigns, and the costs of establishing the commercial offering.

The consolidation of Horyzon Média and Horyzon Clics, starting in October 2007, has only a marginal impact on the changes in external purchases for the first half of 2008, since most of their expenses are comprised of personnel costs.

2.2.2.3. Other operating income and expenses of the International & Subsidiaries segment

International & Subsidiaries *In millions of euros*	First half 2008	First half 2007	Change 2008/2007
Other operating income and expenses	(0.3)	(2.2)	na

The other operating income and expenses of the International & Subsidiaries segment represent a net expense of €0.3 million in the first half of 2008 compared to net expense of €2.2 million in the first half of 2007.

The first half of 2007 was impacted by the recognition of the extensive marketing operation conducted by the PagesJaunes sales force on behalf of PagesJaunes Petites Annonces within the framework of launching the business.

2.2.2.4. Salaries and social charges of the International & Subsidiaries segment

International & Subsidiaries *In millions of euros*	First half 2008	First half 2007	Change 2008/2007
Salaries and social charges	(23.6)	(21.4)	10.3%
As % of revenues	*56.7%*	*58.3%*	

Salaries and social charges in the International & Subsidiaries segment amounted to €23.6 million in the first half of 2008, an increase of 10.3% compared to the first half of 2007. These represent 56.7% of revenues in the first half of 2008, compared to 58.3 % in the first half of 2007.

This increase is primarily the result of impacts on the first half of 2008 concerning the consolidation of Horyzon Média and Horyzon Clics, starting in October 2007, and from a basis effect linked to the forming in 2007 of the PagesJaunes Petites Annonces teams.

2.2.2.5. Gross operating margin of the International & Subsidiaries segment

The negative gross operating margin in the International & Subsidiaries segment was divided by two between the first half of 2007 and the first half of 2008, with a negative gross operating margin of €6.1 million in the first half of 2008 compared to a loss of €11.9 million in the first half of 2007, mainly due to the decrease in losses at PagesJaunes Petites Annonces, after a first half of 2007 that had incurred a substantial portion of the communication expenses and marketing costs incurred in the launch of this new business.

The slowdown in activity in Spain weighed on the profitability of QDQ Media. The Horyzon Média segment, which has formed part of the consolidated group since October 2007, made a positive contribution to GOM in the first half of 2008.

2.2.3. Analysis of consolidated operating income

The table below presents the consolidated operating income of the Group in the first half of 2007 and the first half of 2008:

PagesJaunes Groupe *In millions of euros*	First half		
	2008	**2007**	**Change 2008/2007**
Gross operating margin	**247.3**	**227.5**	**8.7%**
Employee profit-sharing	(8.2)	(7.2)	13.9%
Share-based payment	(3.3)	(6.5)	-49.2%
Depreciation and amortisation	(8.6)	(6.9)	24.6%
Result of asset disposals	(0.0)	0.0	na
Restructuring cost	-	0.1	na
Operating income	**227.3**	**207.0**	**9.8%**
As % of revenues	*41.3%*	*39.3%*	

2.2.3.1. Employee profit sharing and share-based payments

The employee profit-sharing in the Group amounted to €8.2 million in the first half of 2008, an increase of 13.9% compared to the first half of 2007.

The Group's share-based payment expense amounted to €3.3 million in the first half of 2008, compared to €6.5 million in the first half of 2007. The expense in the first half of 2008 is primarily the result of the two stock option plans set up on 28 June 2005 and 20 December 2007, as well as the two free share plans established on 20 November 2006 and 14 February 2008.

2.2.3.2. Depreciation and amortisation

The Group's depreciation and amortisation charge amounted to €8.6 million in the first half of 2008, an increase of 24.6% compared to €6.9 million in the first half of 2007, reflecting the increase in investments made by the Group in 2006 and 2007, especially within the framework of setting up the new publishing information system at PagesJaunes, and the launch of the new "pagesjaunes.fr" site.

2.2.3.3. Operating income

The Group's operating income amounted to €227.3 million in the first half of 2008, an increase of 9.8% compared to €207.0 million in the first half of 2007. The rate of operating income as a proportion of revenues improved two points, from 39.3% in the first half of 2007 to 41.3% in the first half of 2008.

2.2.4. Analysis of consolidated net income

The table below presents the consolidated net income of the Group in the first half of 2007 and the first half of 2008:

PagesJaunes Groupe	**First half**		
In millions of euros	**2008**	**2007**	**Change 2008/2007**
Operating income	**227.3**	**207.0**	**9.8%**
Financial income	2.4	2.5	-4.0%
Financial expenses	(66.8)	(69.8)	-4.3%
Financial result	**(64.4)**	**(67.3)**	**-4.3%**
Corporation tax	(59.9)	(54.2)	10.5 %
Net income from continuing businesses	**103.0**	**85.5**	**20.5%**
Net income from divested businesses	-	34.1	na
Net income of the consolidated group	**103.0**	**119.6**	**-13.9%**
of which attributable to shareholders of PagesJaunes Groupe	103.2	119.6	-13.7%
of which minority interests	(0.2)	-	na

2.2.4.1. Financial result

The financial result of the Group in the first half of 2008 was a loss of €64.4 million, compared to a loss of €67.3 million in the first half of 2007.

The financial result essentially comprised the interest expense relating to the bank loan of €1,950 million arranged in November 2006. This expense, net of the result of the interest rate hedges, amounted to €57.0 million in the first half of 2008 compared to €56.4 million in the first half of 2007. The average interest rate for the debt is thus stable at 5.78% in the first half of 2008 compared to 5.77% in the first half of 2007.

The financial result also includes the amortisation of loan issue expenses for €3.1 million, which is stable between the two periods, as well as the change in the time value of the collar entered into in November 2006, representing a net expense of €5.4 million in the first half of 2008 compared to a net expense of €9.4 million in the first half of 2007.

At 30 June 2008, the net debt of PagesJaunes Groupe for an amount of €1,864.2 million, was hedged for about 81.5% against the rise in interest rates, via a collars and interest rate swap portfolio, maturing at the end of 2011.

2.2.4.2. Corporation tax

In the first half of 2008, the group recorded a corporation tax charge of €59.9 million, an increase of 10.5% compared to the first half of 2007, i.e. an apparent tax rate of 36.8% in the first half of 2008, compared to 38.8% in the first half of 2007.

This improvement in the apparent tax rate can be explained primarily by the decrease in the losses of PagesJaunes Petites Annonces, a company that is not included in the tax consolidation, as well as by the drop in the share-based payment expense, which is not tax deductible.

2.2.4.3. Net income from continuing businesses

Net income from continuing businesses amounted to €103.0 million in the first half of 2008 compared to €85.5 million in the first half of 2007, up 20.5%.

2.2.4.4. Net income of the consolidated group

Net income of the consolidated group amounted to €103.0 million in the first half of 2008 compared to €119.6 million in the first half of 2007, a profit which included €34.1 million in net income from divested businesses.

On 14 March 2007, PagesJaunes Groupe sold Kompass France and Kompass Belgium to Coface Services. The net income from the businesses divested, recognised in the first half of 2007, comprises the net expenses and income from 1 January 2007 to the date of sale, as well as the consolidated capital gain on disposals, amounting to €33.0 million.

2.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group's cash flow at 30 June 2007, 31 December 2007 and 30 June 2008:

PagesJaunes Groupe *In millions of euros*	**As at 30 June 2008**	**Period ending 31 December 2007**	**As at 30 June 2007**
Long-term hedging instruments	49.7	30.0	43.3
Short-term hedging instruments	0.8	-	-
Accrued interest not yet due	0.8	-	-
Cash and cash equivalents	16.0	71.2	10.8
Cash position	**67.2**	**101.2**	**54.2**
Bank loan	(1,950.0)	(1,950.0)	(1,950.0)
Revolving credit line – drawn part	-	-	(18.0)
Loan issue costs	38.1	41.2	44.3
Liabilities in respect of hedging instruments	(6.8)	(6.8)	(8.0)
Accrued interest not yet due	(5.9)	(6.8)	(5.5)
Bank overdrafts	(0.5)	(16.7)	(13.4)
Other financial liabilities	(6.2)	(16.1)	(5.3)
Gross financial debt	**(1,931.4)**	**(1,955.2)**	**(1,955.9)**
of which current	*(14.6)*	*(41.5)*	*(42.1)*
of which non-current	*(1,916.8)*	*(1,913.8)*	*(1,913.8)*
Net cash (debt)	**(1,864.2)**	**(1,854.0)**	**(1,901.7)**

The Group’s gross financial debt amounted to €1,931.4 million as at 30 June 2008, compared to €1,955.2 million as at 31 December 2007, a decrease of €23.8 million, associated with the amortisation of loan issue expenses of €3.1 million, the decrease in bank overdrafts of €16.2 million and the reduction in the other financial liabilities of €9.9 million.

The Group’s net financial debt amounted to €1,864.2 million as at 30 June 2008, compared to €1,854.0 million as at 31 December 2007, and €1,901.7 million at 30 June 2007.

The table below shows the cash flows of the consolidated group in the first half of 2007, the first half of 2008 and the financial year ending 31 December 2007:

PagesJaunes Groupe *In millions of euros*	**First Half 2008**	**Period ending 31 December 2007**	**First Half 2007**
Net cash from operations	245.1	285.0	216.7
Net cash used in investing activities	(4.7)	5.8	23.7
Net cash used in financing activities	(295.6)	(274.6)	(284.6)
Impact of changes in exchange rates on cash	(0.0)	(0.0)	(0.0)
Net increase (decrease) in cash and cash equivalents	**(55.3)**	**16.2**	**(44.3)**
Cash and cash equivalents at beginning of period	71.2	55.1	55.1
Cash and cash equivalents at end of period	**16.0**	**71.2**	**10.8**

Cash and cash equivalents amounted to €16.0 million at 30 June 2008, which corresponds to a net negative change over the first half of 2008 of 55.3 million.

The net cash from operations amounted to €245.1 million in the first half of 2008 compared to €216.7 million in the first half of 2007, with primarily:

- a gross operating margin of €247.3 million, an increase of €19.8 million compared to the first half of 2007
- a release of working capital of €115.0 million in the first half of 2008, an increase of €12.2 million compared to the first half of 2007,
- a net disbursement of €56.6 million in respect of interest in the first half of 2008, compared to €54.6 million in the first half of 2007,
- a disbursement of €54.1 million for the corporation tax charge, also stable compared to the first half of 2007.

The net cash used in investing activities represent a disbursement of €4.7 million in the first half of 2008 compared to a net receipt of €23.7 million in the first half of 2007, with primarily:

- €4.8 million in acquisitions of tangible and intangible fixed assets in the first half of 2008 compared to €10.1 million in the first half of 2007,
- €32.0 million in income from disposals, net of cash divested, for Kompass France and Kompass Belgium sold to Coface Services in the first half of 2007.

The net cash used in financing activities amounted to €295.6 million in the first half of 2008 compared to €284.6 million in the first half of 2007, with primarily:

- €269.4 million for dividends paid in the first half of 2008, compared to €303.1 million in the first half of 2007,
- a decrease of €16.2 million in bank overdrafts in the first half of 2008 compared to an increase of €6.0 million in the first half of 2007,

- €18.0 million in drawings under the revolving credit line in the first half of 2007, a line that was not drawn upon in the first half of 2008,

- €4.4 million capital increase in the first half of 2007, relating to the early exercise of stock options.

2.4. Risks and uncertainties affecting the second half of 2008

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 is expected to affect the end of the sales prospecting by PagesJaunes and QDQ Media in their respective markets;

- the commercial results pertaining to the overhaul of the charging structure for PagesJaunes' Internet advertising products, with the aim of better monetisation of the growing audience of "pagesjaunes.fr,"

- developments in competition on the Internet, particularly with regard to search services, geographic and cartography services and online small ads, which may impact the ability of PagesJaunes, Mappy and PagesJaunes Petites Annonces to maintain the rate of growth of their revenues,

- developments in the interest rate markets, which could cause the financial result of PagesJaunes Groupe to vary due a rise in interest on debt (since 20% of bank borrowings are not covered by any rate hedging) and the change in the fair value of the hedging instruments used by the Group (for their time value).

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 – Financial statements

Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	**1st half 2008**	**Period ending December 31, 2007**	**1st half 2007**
Net revenues		550 901	1 158 304	526 790
External purchases		(135 668)	(314 600)	(138 137)
Other operating income		6 358	10 125	4 407
Other operating expenses		(9 676)	(23 960)	(10 427)
Personnel expenses : - Salaries and charges		(164 583)	(321 014)	(155 120)
Gross Operating Margin		**247 332**	**508 854**	**227 514**
- Employee profit-sharing		(8 153)	(14 385)	(7 174)
- Share-based payment		(3 343)	(5 189)	(6 528)
Depreciation and amortisation		(8 566)	(14 892)	(6 909)
Result of asset disposals		(3)	14 277	23
Restructuring costs		-	-	55
Operating income		**227 267**	**488 665**	**206 981**
Financial income		2 426	3 079	2 496
Financial expenses		(66 801)	(131 069)	(69 775)
Gain (loss) on foreign exchange		-	(10)	-
Financial result	4	**(64 375)**	**(128 001)**	**(67 279)**
Corporation tax		(59 893)	(126 440)	(54 223)
Net income from continuing businesses		**103 000**	**234 224**	**85 479**
Net income from divested businesses (after tax)		-	34 358	34 118
Net income of the consolidated group		**103 000**	**268 582**	**119 597**
Attributable to:				
- Shareholders of the operating PagesJaunes Group		103 182	269 566	119 597
- Minority interests		(182)	(984)	-

Net earnings per share (in euros)			
Net earnings per share of continuing businesses			
- basic	0,37	0,83	0,30
- diluted	0,36	0,82	0,30
Net earnings per share of divested businesses			
- basic	0,00	0,12	0,12
- diluted	0,00	0,12	0,12
Net earnings per share of the consolidated group			
- basic	0,37	0,96	0,43
- diluted	0,36	0,95	0,42

Consolidated balance sheet

(Amounts in thousands of euros)	Notes	As at June 30, 2008	As at December 31, 2007	As at June 30, 2007
ASSETS				
Net goodwill		125 472	125 528	106 465
Other net intangible fixed assets		22 612	26 128	28 949
Net tangible fixed assets		20 129	20 404	18 164
Available-for-sale assets		207	207	169
Other non-current financial assets		698	1 955	2 251
Derivative financial instruments	6	49 657	29 970	43 340
Net deferred tax assets		101	102	-
Total non-current assets		**218 876**	**204 294**	**199 339**
Net inventories		6 361	5 244	5 820
Net trade accounts receivable		457 362	517 990	417 742
Other current assets		35 830	28 023	36 471
Current tax receivable		531	12 699	14 538
Prepaid expenses		111 896	104 599	52 755
Other current financial assets	6	1 557	17	4
Cash and cash equivalents	6	15 959	71 228	10 806
Total current assets		**629 495**	**739 800**	**538 136**
TOTAL ASSETS		**848 372**	**944 094**	**737 474**
LIABILITIES				
Share capital		56 129	56 129	56 129
Issue premium		98 676	98 676	98 676
Reserves		(2 477 216)	(2 497 651)	(2 484 687)
Net income		103 182	269 566	119 597
Translation differences		(49)	(36)	(24)
Equity attributable to equity holders of the parent		**(2 219 278)**	**(2 073 316)**	**(2 210 308)**
Minority interests		15	373	-
Total equity		**(2 219 264)**	**(2 072 943)**	**(2 210 308)**
Non-current financial liabilities and derivatives	6	1 916 784	1 913 767	1 913 760
Employee benefits - non-current		36 056	32 836	31 109
Provisions - non-current		4 951	5 658	5 291
Other non-current liabilities		8 769	8 700	-
Deferred tax liabilities		10 828	5 463	10 564
Total non-current liabilities		**1 977 388**	**1 966 424**	**1 960 724**
Bank overdrafts and other short-term borrowings	6	8 653	34 618	36 647
Accrued interest	6	5 947	6 845	5 486
Provisions - current		546	580	709
Trade accounts payable		115 884	109 393	101 920
Employee benefits - current		117 886	118 324	61 150
Other current liabilities		106 027	105 016	99 171
Corporation tax		580	3 431	2 138
Deferred income		734 723	672 407	679 838
Total current liabilities		**1 090 247**	**1 050 613**	**987 059**
TOTAL LIABILITIES		**848 372**	**944 094**	**737 474**

Statement of changes in consolidated shareholders' equity

(Amounts in thousands of euros)	**Number of shares in circulation**	**Share capital**	**Issue premium**	**Income and reserves**	**Translation reserve**	**Own shares**	**Group equity**	Minority interests	**Total equity**
Balance as at 31 December 2006	**280 266 780**	**56 053**	**94 325**	**(2 210 924)**	**(20)**	**-**	**(2 060 565)**	**-**	**(2 060 565)**
Result for 1st half of 2007				119 597			**119 597**	-	**119 597**
Share-based payment				6 159			**6 159**	-	**6 159**
Dividends paid				(303 071)			**(303 071)**	-	**(303 071)**
Translation difference					(4)		**(4)**	-	**(4)**
Change in value of hedging instruments net of tax				23 149			**23 149**	-	**23 149**
Stock options exercised	377 670	76	4 351				**4 427**	-	**4 427**
Balance as at 30 June 2007	**280 644 450**	**56 129**	**98 676**	**(2 365 090)**	**(24)**	**-**	**(2 210 308)**	**-**	**(2 210 308)**
Result for 2nd half of 2007				149 969			**149 969**	(984)	**148 985**
Share-based payment				(1 695)			**(1 695)**	2	**(1 693)**
Translation difference					(12)		**(12)**	-	**(12)**
Change in value of hedging instruments net of tax				(11 269)			**(11 269)**	-	**(11 269)**
Dilution effect (profit recognised when M6 acquired an interest in the capital of PagesJaunes Petites Annonces)							**-**	1 373	**1 373**
Scope entry of Horyzon Media, Horyzon Clics and A Ton Service							**-**	252	**252**
Minority puts on Horyzon Media et Horyzon Clics							**-**	(271)	**(271)**
Balance as at 31 December 2007	**280 644 450**	**56 129**	**98 676**	**(2 228 085)**	**(36)**	**-**	**(2 073 316)**	**373**	**(2 072 943)**
Result for 1st half of 2008				103 182			**103 182**	(182)	**103 000**
Share-based payment				3 321			**3 321**	0	**3 321**
Dividends paid				(269 419)			**(269 419)**	(120)	**(269 539)**
Translation difference					(13)		**(13)**	-	**(13)**
Change in value of hedging instruments net of tax				16 967			**16 967**	-	**16 967**
Minority puts on Horyzon Media et Horyzon Clics							**-**	(57)	**(57)**
Balance as at 30 June 2008	**280 644 450**	**56 129**	**98 676**	**(2 374 035)**	**(49)**	**-**	**(2 219 278)**	**15**	**(2 219 264)**

Consolidated cash flow statement

(Amounts in thousands of euros)	Notes	1st half 2008	Period ending December 31, 2007	1st half 2007
Consolidated net attributable income		**103 182**	**269 566**	**119 597**
Depreciation and amortisation of fixed assets		8 566	14 892	6 909
Capital gains or losses on asset disposals		3	(47 277)	(33 023)
Change in provisions		1 673	2 960	954
Tax charge for the period		59 893	126 198	53 981
Interest income and expenses	4	64 947	126 188	57 800
Minority interests		(182)	(984)	-
Unrealised exchange difference		4	11	1
Hedging instruments	4	(570)	1 770	9 445
Share-based payment		3 321	4 466	6 158
Net change in working capital		114 967	23 554	102 726
Dividends and interest received		7 576	952	1 946
Interest paid and rate effect of net derivatives		(64 180)	(115 636)	(56 502)
Taxes paid		(54 120)	(121 698)	(53 324)
Net cash from operations		**245 079**	**284 962**	**216 668**
Acquisition of tangible and intangible fixed assets		(4 813)	(16 433)	(9 022)
Change in suppliers of fixed assets		33	(1 448)	(1 109)
Proceeds from sale of tangible and intangible assets		32	39	55
Acquisitions of investment securities and subsidiaries, net of cash acquired		-	(10 760)	-
Proceeds from disposals of financial assets, net of cash sold		-	32 044	32 044
Decreases (increases) in marketable securities and other long-term assets		12	2 394	1 739
Net cash used in investing activities		**(4 735)**	**5 836**	**23 707**
			-	
Increase (decrease) in long-term borrowings		-	(1 873)	-
Increase (decrease) in bank overdrafts and short-term borrowings		(26 062)	9 892	14 007
Movements in own shares		-	-	-
Capital increase		-	4 427	4 427
Minority interests contribution		-	16 000	-
Dividends paid to minority interests		(120)	-	-
Dividends paid	7	(269 419)	(303 071)	(303 071)
Net cash provided by (used in) financing activities		**(295 601)**	**(274 625)**	**(284 637)**
Impact of changes in exchange rates on cash		(12)	(22)	(8)
Net increase (decrease) in cash position		**(55 269)**	**16 152**	**(44 270)**
Cash and cash equivalents at beginning of period		71 228	55 076	55 076
Cash and cash equivalents at end of period		**15 959**	**71 228**	**10 806**

3.2 - Description of the business

The PagesJaunes Groupe has for more than 60 years provided a diversified range of products and services for the general public and business customers, with, as its core business, directories in France and abroad on printed and online media.
The financial year of the companies of the PagesJaunes Group is 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 listed on Euronext Paris (PAJ) – compartment A.
This information has been approved by the Board of Directors of PagesJaunes Group of 24 July 2008.

3.3 - Notes to the condensed consolidated financial statements

Note 1 – Publication context, basis for preparation of the financial information and accounting principles

In accordance with European regulation 1606/2002 of 19 July 2002, the condensed consolidated financial statements for the first half of 2008 have been prepared in accordance with the IAS/IFRS international accounting standards and presented with comparative data for the first half of 2007 and full-year 2007.

The interim financial statements for the first halves of 2007 and 2008 have been prepared in accordance with standard IAS 34 "Interim financial reporting", which in particular allows the presentation of a selection of notes to the financial statements. These condensed consolidated financial statements must be read in conjunction with the consolidated financial statements for the 2007 financial year. It should be noted that, for reasons of cost optimisation, the publication dates of the printed directories (determining the recognition of income and the related costs) may vary from one half-year to the next, with each printed directory appearing only once per year. The tax calculated in respect of the half-year periods has been determined using the average effective rate method, estimated for the full year.

The principles applied in preparing this financial information for the first half of 2008 are described from note 2.2. They result from the application:

- of all the standards and interpretations adopted by the European Union at 30 June 2008 available on the http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission site;
- accounting positions adopted by the Group in accordance with sections 10 to 12 of IAS 8, on which work is in progress at the IASB (IFRIC) or at the CNC, such as mentioned in note 2.1.2;
- the options and exemptions used.

The preparation of the financial statements requires the management of the Group to make estimates and apply assumptions that affect the reported amounts of assets and liabilities and contingent liabilities at the date of preparation of the financial statements and reported income and expenses for the period. The management reviews these estimates and assessments on a continuous basis, by reference to past experience and various other factors considered as reasonable which form the basis for assessing the book value of assets and liabilities. These concern in particular intangible fixed assets, share-based payment, the valuation of pension liabilities and the sales options granted to minorities. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. Finally, where a specific transaction is not dealt with in any standards or interpretations, the management of the Group applies judgment to define and apply accounting policies that will lead to relevant and reliable information, so that the financial statements:

- Give a true and fair view of the Group's financial position, financial performance and cash flows,
- Reflect the substance of transactions,
- Are neutral,
- Are prepared on a prudent basis,
- Are complete in all material respects.

Note 2 – Accounting principles and changes in estimates

2.1 – Accounting principles

This note describes the main accounting principles applied for the closing at 30 June 2008 in accordance with the international accounting standards as adopted in the European Union at 30 June 2008.
Unless indicated otherwise, these methods were permanently applied to all of the periods presented.

2.1.1 - Application of standards, interpretations, amendments to standards and interpretations

No new text or amendment has come into effect during the first half of 2008 with mandatory application at 1 January 2008.

The other interpretations with mandatory application since 1 January 2008 have not had a considerable impact on the Group's financial statements.

Other standards, interpretations and amendments to standards and interpretations, adopted by the European Union at 30 June 2008 are mandatory for periods opened after 31 December 2007. The Group has not opted for early application of these texts.

The Group is however currently analysing the practical consequences of these new texts and the impact they will have when applied to future accounting statements.

2.1.2 - Accounting positions adopted by the Group in accordance with sections 10 to 12 of IAS 8

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

Commitment to acquire minority interests:

Within the framework of the acquisition at the end of 2007 of 66% of the holdings of the companies bearing the advertising management business (Horyzon Média and Horyzon Clics), sales and purchase options were respectively granted for the balance of 34% of the holdings of these fully-consolidated subsidiaries. These can be exercised by the two parties in 2011. The exercise price for these options is fixed according to a predefined calculation formula based on the revenue and the operating income for fiscal 2010.
In accordance with the various texts in effect at 30 June 2008, the accounting treatment retained by the Group is as follows:

- in accordance with the provisions provided for in IAS 32 "Financial instruments: disclosure and presentation", the Group recognises a financial obligation in terms of the sales options granted to minority shareholders of the entities involved;
- the debt is recognised as "Other non-current liabilities", for the current value of the estimated exercise price when the operation is initialised, then during later closings, base on the fair value of the potentially purchased shares;
- the offset of this liability is recognised as a decrease in minority interests and for the balance as goodwill;
- the later change in the value of the commitment is recognised by adjusting the amount of goodwill, excluding the accretion effect of the debt which is booked as financial expense;

The share of income attributable to the shareholders of PagesJaunes Groupe is still calculated based on the percentage of holdings in the entities, without taking the percentage of interest attached to the sale of sales options into account.

Changes in the interest rate:
Since the IFRS standards do not provide any detail on the accounting treatment concerning the contribution by minority shareholders of their holdings in a consolidated entity of the Group in exchange for securities of another consolidated entity in the Group, or on the accounting treatment as to the decrease in the interest rate that results, the Group has retained the following accounting treatment: the increase in the percentage of interest is considered as an acquisition of minority interests; the decrease in the percentage of interest is considered as a sale for which the results are recognised on the income statement under "result of asset disposals" when it is realised.

Management equity plan:
Sèvres I, Sèvres II and Sèvres III, which jointly controlled 100% of the capital of Médiannuaire Holding, the indirect majority shareholder of PagesJaunes Groupe, offered certain managers of the Group the possibility of acquiring a minority holding, in the form of 212,591 ordinary shares, in the capital of Médiannuaire Holding (i.e. 0.55% of the capital of the Company). This holding, which was acquired at the end of December 2006, was carried out on the basis of the price proposed by Médiannuaire Holding in the framework of the price standing offer procedure relating to the PagesJaunes Group shares completed on 1 December 2006.

The capital of Médiannuaire Holding is made up of ordinary shares and preference shares. The right of each class of share to the increase in value of shareholders' equity is variable as a function of the internal rate of return recorded by the shareholders of Médiannuaire Holding on their investment during their holding period. Furthermore, each manager has signed a reciprocal purchase/sell commitment with the shareholders of Médiannuaire Holding, which can be exercised by either of the parties when this manager leaves PagesJaunes Groupe. The price per share at which these reciprocal purchase/sell commitments will be implemented varies in particular according to the market price of the PagesJaunes Groupe share, the length of presence of the managers as of 21 December 2006, and are subject to certain performance conditions. At 30 June 2008, the application of these criteria would result, in the hypothesis that these cross options would be exercised on this date by either of the parties, at a nil redemption value of the shares acquired by the managers.

An evaluation, carried out by an independent expert in accordance with the Monte Carlo model, led to the conclusion that having regard to the discounted probabilised value of all of the foreseeable scenarios for the duration of the holding period and the exit value, and the rights to the increase in the value of the shareholders' equity attributed to them, the acquisition price for these ordinary shares does indeed correspond to their fair value on the date of acquisition. Within this framework, no special advantage has been granted to the managers involved, by Sèvres I, Sèvres II and Sèvres III, in relation to IFRS 2. The main assumptions applied in this valuation were as follows: volatility of

18% corresponding to the average of the volatilities recorded in respect of the company (calculated before the rumours of France Telecom selling its holdings) as well as on a sample of comparable securities; an exit date based on probabilities centred on years four and five corresponding to the average holding periods recorded on LBO operations.

Statutory training rights (DIF)
The Group has maintained in IFRS the treatment retained in French accounting standards for the statutory training rights (Notice 2004-F of 13 October 2004 of the emergency committee of the CNC on the "recognition of Statutory training rights (DIF)":

- Expenditure in respect of statutory training rights constitutes an expense for the period and does not give rise to any provision;
- The cumulative number of hours' training entitlement at the end of the accounting period and the unused portion of the vested entitlement is mentioned in the notes.

2.2 - Consolidation

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

Companies, which are 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 either has 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.

2.3 - 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 at the transaction date. Monetary assets and liabilities are re-measured at each balance sheet date at the period-end exchange rate and 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.

2.4 - 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;
- Impairment of goodwill and fixed assets;
- Results of asset disposals;
- Restructuring costs;
- Share in profits (losses) of equity-method associates;
- Impairment of goodwill in respect of equity-method associates.

2.5 - 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. 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 is apportioned over the display period, which is generally 12 months.
- Revenues from traffic relating to the telephone enquiry services (118 008 in France and 118 75 in Spain) are recognised when the service is rendered.
- The expenses which are directly attributable to the directory publication campaigns for a particular financial period are recorded with the corresponding revenues stated for the period in question; this concerns commissions for sales and telesales personnel as well as the publishing costs including the publication fee.

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.

2.6 - 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.

2.7 – 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.

2.8 – 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 consolidated companies.

To determine whether goodwill has been impaired, the consolidated net book value of the assets and liabilities 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 declining or flat growth rate over the next three years, followed by a growth rate to perpetuity reflecting the expected long-term growth in the market,
- 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 as a deduction from operating income.

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

2.9 – 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 in connection with the purchase price grant based on their respective market values. When their 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 (cf. 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.

2.10 – 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 (finance 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 expensed as incurred, except where they serve to increase the asset's productivity or prolong its useful life.

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.

2.11 – 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.

2.12 – 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".

2.12.1 – 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 profit or loss

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.

2.12.2 – 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 held for trading

Financial liabilities at fair value through profit or loss.

2.12.3 – 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 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.

2.13 – 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.

2.14 – 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.

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.

2.15 – 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.

2.16 – Pension and similar benefit obligations

2.16.1 – Post-employment benefits

Retirement benefits and similar commitments

In France, the legislation provides for benefits to be paid to employees at retirement on the basis of their length of service and salary at retirement age. The actuarial differences relating to post-employment benefits will be treated in accordance with the corridor method, which consists of recognising a specified portion of the net cumulative actuarial gains and losses that exceed 10% of the greater of the present value of the commitment and the value of plan assets, over the average expected remaining working lives of the employees participating in the plan.

The impact of changes in assumptions is reflected in the income statement over the residual average working life of the employees (cf. Note 26).

Other retirement schemes

These benefits are provided either on the basis of defined contribution schemes or on the basis of defined benefit schemes.

In the context of defined contribution schemes, 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.

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, which is then discounted.

2.16.2 – 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.

2.16.3 – 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.

2. 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.

Note 3 – Segment information

The Group’s core business is the publication of directories in France and abroad, offering a diversified range of products and services for the general public and businesses. Financial income, financial expenses, foreign exchange gains and losses and current taxation are not the subject of a segment allocation. Similarly, the related balance sheet items (cash, financial liabilities and tax liabilities) are not allocated by sector. By convention, there is no segment allocation of deferred tax.

The Group’s activities are organised in two main segments:

- PagesJaunes in France: the activities in France related to the publication and distribution of directories, the sale of advertising space in printed and online directories, the creation and hosting of Internet sites, the 118 008 telephone directory enquiry services and the publication of the PagesPro directories, enquiry access sales and the reverse directory QuiDonc. This segment also includes the holding company activities accommodated within PagesJaunes Group.

- International & Subsidiaries: These are the activities of the Group's various subsidiaries, mainly comprising the publication of consumer directories outside France (Spain, Morocco and Luxembourg) and the development of complementary activities related to the publication of directories, such as the geographic services of Mappy and the direct marketing activities of PagesJaunes Marketing Services. This segment also includes the new online small ads business ("annoncesjaunes.fr") launched at the beginning of January 2007 as part of PagesJaunes Petites Annonces, as well as, in the fourth quarter of 2007, the advertising business on the Internet of Horyzon Média and of Horyzon Clics, in which PagesJaunes Groupe acquired a majority holding of 66% on 11 October 2007. Horyzon Média and Horyzon Clics merged on 30 June 2008 effective 1 January 2008; the new unit is called Horyzon Média.

3.1 – By business segment

The following table shows the distribution of the main aggregates by business segment:

Analysis by business segment

Income statement

Amounts in thousands of euros	1st half 2008 PagesJaunes in France	1st half 2008 International & subsidiaries	1st half 2008 Eliminations	1st half 2008 Group	As at 31 December 2007 PagesJaunes in France	As at 31 December 2007 International & subsidiaries	As at 31 December 2007 Eliminations	As at 31 December 2007 Group	1st half 2007 PagesJaunes in France	1st half 2007 International & subsidiaries	1st half 2007 Eliminations	1st half 2007 Group
Net revenues	**513 325**	**41 626**	**(4 050)**	**550 901**	**1 071 830**	**93 825**	**(7 351)**	**1 158 304**	**493 147**	**36 707**	**(3 064)**	**526 790**
- External	513 276	37 625	-	550 901	1 071 533	86 771	-	1 158 304	493 008	33 782	-	526 790
- Inter-segment	49	4 001	(4 050)	-	297	7 054	(7 351)	-	139	2 925	(3 064)	-
External purchases	(115 829)	(23 889)	4 050	(135 668)	(270 753)	(51 198)	7 351	(314 600)	(116 177)	(25 024)	3 064	(138 137)
Other operating income	5 516	2 097	(1 255)	6 358	12 613	1 417	(3 905)	10 125	5 876	804	(2 273)	4 407
Other operating expenses	(8 547)	(2 384)	1 255	(9 676)	(22 708)	(5 158)	3 905	(23 961)	(9 663)	(3 037)	2 273	(10 427)
Salaries and charges	(141 020)	(23 563)	0	(164 583)	(273 383)	(47 631)	-	(321 014)	(133 720)	(21 400)	0	(155 120)
Gross operating margin	**253 445**	**(6 113)**	**0**	**247 332**	**517 599**	**(8 745)**	**-**	**508 854**	**239 463**	**(11 949)**	**-**	**227 514**
Employee profit-sharing				(8 153)				(14 385)				(7 174)
Share-based payment				(3 343)				(5 189)				(6 528)
Depreciation and amortisation	(6 945)	(1 621)	-	(8 566)	(11 916)	(2 976)	-	(14 892)	(5 471)	(1 438)	-	(6 909)
Result of asset disposals				(3)				14 277				23
Restructuring costs				-				-				55
Operating income				**227 267**				**488 665**				**206 982**
Acquisitions of tangible and intangible fixed assets	**3 652**	**1 161**	**-**	**4 813**	**11 871**	**4 562**	**-**	**16 433**	**7 055**	**1 967**	**-**	**9 022**

Analysis by business segment

Balance sheet

Amounts in thousands of euros	**As at June 30, 2008** PagesJaunes in France	International & subsidiaries	Eliminations	Group	**As at 31 December 2007** PagesJaunes in France	International & subsidiaries	Eliminations	Group	**As at June 30, 2007** PagesJaunes in France	International & subsidiaries	Eliminations	Group
Net goodwill	-	125 472	-	125 472	-	125 528	-	125 528	-	106 465	-	106 465
Net intangible fixed assets	17 975	4 637	-	22 612	20 994	5 134	-	26 128	23 715	5 234	-	28 949
Net tangible fixed assets	14 426	5 703	-	20 129	14 713	5 691	-	20 404	13 976	4 188	-	18 164
Non-current non-segment assets				50 663				32 234				45 760
Non-current assets				**218 876**				**204 294**				**199 339**
Net inventories	5 985	376	-	6 361	4 353	891	-	5 244	4 877	943	-	5 820
Net trade accounts receivable	411 785	51 424	(5 848)	457 362	472 006	49 323	(3 339)	517 990	381 629	40 609	(4 495)	417 742
Other current assets	30 859	5 540	(570)	35 830	23 555	4 480	(12)	28 023	33 340	4 512	(1 381)	36 471
Pre-paid expenses	101 081	11 509	(694)	111 896	96 594	8 029	(24)	104 599	43 088	9 702	(35)	52 755
Current non-segment assets				18 047				83 944				25 348
Current assets				**629 495**				**739 800**				**538 136**
Total assets				**848 372**				**944 094**				**737 474**
of which segment assets	*582 111*	*204 662*	*(7 111)*	*779 662*	*632 215*	*199 076*	*(3 375)*	*827 916*	*500 625*	*171 653*	*(5 912)*	*666 366*
of which non-segment assets				*68 710*				*116 178*				*71 108*
Shareholders' equity				**(2 219 278)**				**(2 073 316)**				**(2 210 308)**
Shareholders' equity				**15**				**373**				**-**
Personnel benefits - non-current	35 850	206	-	36 056	32 627	209	-	32 836	30 869	240	-	31 109
Provisions - non-current	4 931	20	-	4 951	5 647	11	-	5 658	5 220	71	-	5 291
Other non-current liabilities	8 769	-	-	8 769	8 700	-	-	8 700	-	-	-	-
Non-current segment liabilities				1 927 612				1 919 230				1 924 324
Non-current liabilities				**1 977 388**				**1 966 424**				**1 960 724**
Provisions - current	-	546	-	546	-	580		580	-	709	-	709
Trade accounts payable	98 554	23 178	(5 848)	115 884	89 382	23 350	(3 339)	109 393	87 108	19 307	(4 495)	101 920
Personnel benefits - current	111 055	6 831	-	117 886	110 963	7 361		118 324	54 993	6 157	-	61 150
Other current liabilities	99 530	7 067	(570)	106 027	98 166	6 862	(12)	105 016	94 128	6 424	(1 381)	99 171
Deferred income	704 363	31 054	(694)	734 723	649 129	23 302	(24)	672 407	647 121	32 752	(35)	679 838
Current non-segment liabilities				15 180				44 893				44 271
Current liabilities				**1 090 247**				**1 050 613**				**987 059**
Total liabilities				**848 372**				**944 094**				**737 474**
of which segment liabilities	*1 063 052*	*68 903*	*(7 111)*	*1 124 843*	*994 614*	*61 675*	*(3 375)*	*1 052 914*	*919 439*	*65 661*	*(5 912)*	*979 188*
of which non-segment liabilities				*(276 472)*				*(108 820)*				*(241 714)*

3.2 – By geographic region

Amounts in thousands of euros	**1st half 2008**	**Period ending December 31, 2007**	**1st half 2007**
Revenues	**550 901**	**1 158 304**	**526 790**
- France	527 942	1 096 534	503 306
- Others	22 959	61 770	23 484
Assets	**848 372**	**944 094**	**737 474**
- France	645 149	696 334	534 087
- Others	134 513	131 583	132 280
- Unallocated	68 710	116 177	71 108
Acquisitions of tangible and intangible fixed ass	**4 813**	**16 433**	**9 022**
- France	4 265	13 640	8 195
- Others	548	2 793	827

Note 4 - Financial result

The financial result is made up as follows:

(in thousands of euros)	1st half 2008	Period ending 31 December 2007	1st half 2007
Interest and similar income from financial assets	91	438	317
Result of disposal of financial assets	1,960	2,107	1,366
Discount income - hedging instruments	41	-	278
Dividends received	334	534	535
Financial income	**2,426**	**3,079**	**2,496**
Interest on financial liabilities	(62,987)	(120,749)	(56,395)
Receipts in respect of hedging instruments	5,988	3,861	-
Change in the fair value of hedging instruments	(5,418)	(5,628)	(9,443)
Amortisation of loan issue expenses	(3,127)	(6,151)	(3,022)
Discounting cost (1)	(1,257)	(2,402)	(915)
Financial expenses	**(66,801)**	**(131,069)**	**(69,775)**
Foreign exchange gain (loss)	**-**	**(10)**	**-**
Financial result	**(64,375)**	**(128,001)**	**(67,279)**

(1) This cost relates primarily to the increase of the retirement benefit obligation present value.

Note 5 - Derivative financial instruments – current and non-current assets

The value of these derivative financial instruments is established as follows:

in thousands of euros	**As at 30 June 2008**	**Period ended 31 December 2007**	**As at 30 June 2007**
Interest rate swaps – cash flow hedge	14,682	8,515	12,449
Collar – cash flow hedge	35,747	21,455	30,892
of which intrinsic value	*34,261*	*14,551*	*27,803*
of which time value	*1,486*	*6,904*	*3,089*
Total	**50,429**	**29,970**	**43,341**
Of which non-current	*49,657*	*29,970*	*43,341*
Of which current	*772*	-	-

The change in the fair value of these derivative financial instruments between 31 December 2007 and 30 June 2008, i.e. €6.2 million for the interest rate swap and €19.7 million for the intrinsic value of the collar, was recognised in recyclable shareholders' equity, and gave rise to the recognition of a deferred tax liability of €8.9 million.

The change in the time value of the collar was recorded in financial expenses, in an amount of €5.4 million, in parallel with the recording of a deferred tax asset of €1.9 million.

No ineffectiveness was recorded in respect of the cash flow hedges.

The maximum exposure to credit risk on the closing date corresponds to the fair value of each of the derivative instruments entered in the assets of the balance sheet, net of the liabilities recorded in respect of hedging instruments with regard to the collar.

Note 6 - Cash and cash equivalents, net financial debt

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

(in thousands of euros)	As at 30 June 2008	Period ended 31 December 2007	As at 30 June 2007
LT Hedging instruments (cf. note 5)	49,657	29,970	43,340,
ST Hedging instruments (cf. note 5)	772	-	-
Accrued interest not yet due	770	-	-
Cash and cash equivalents	15,974	71,244	10,810
Cash position	**67,173**	**101,214**	**54,150**
Bank loan	(1,950,000)	(1,950,000)	(1,950,000)
Revolving credit line – drawn part	-	-	(18,000)
Loan issue costs	38,059	41,186	44,315
Liabilities in respect of hedging instruments	(6,779)	(6,792)	(8,048)
Accrued interest not yet due	(5,947)	(6,845)	(5,486)
Bank overdrafts	(502)	(16,709)	(13,398)
Other financial liabilities	(6,215)	(16,070)	(5,276)
Gross financial debt	**(1,931,384)**	**(1,955,230)**	**(1,955,893)**
of which current	*(14,600)*	*(41,463)*	*(42,133)*
of which non-current	*(1,916,784)*	*(1,913,767)*	*(1,913,760)*
Net cash (debt)	**(1,864,211)**	**(1,854,016)**	**(1,901,743)**

Cash and cash equivalents

Cash and cash equivalents are primarily comprised of MTN, mutual fund units and debit bank accounts. These are evaluated, since they are managed, based on their fair value.

Bank loan

The medium-term loan for an amount of €1,950 million that was concluded on 24 October 2006 has a maturity of seven years, with interest at a variable rate based on Euribor 3-month and a margin of 175 basis points, and is repayable in full at maturity in 2013. The revolving credit line also has a maturity of seven years, with interest at a variable rate based on the Euribor reference rate or Libor avec with a margin of 175 basis points. The margin switches to 150 basis points when the net debt/EBITDA ratio is less than 3.5 and to 125 basis points if this ratio falls below 3.0 for both facilities.

The revolving credit line is intended to finance the Group's treasury requirements (working capital, investment or refinancing requirements) in the context of its operating activities and is available in particular in the form of drawings, letters of credit or bilateral lines.

Other financial liabilities

Other financial liabilities are primarily comprised of a debit current account with PagesJaunes Outre-mer a fully-owned non-consolidated subsidiary of PagesJaunes Groupe.

Movements in the financial debt of PagesJaunes were as follows:

(in thousands of euros)	As at 30 June 2008	Period ended 31 December 2007	As at 30 June 2007
Balance at beginning of period	**1,955,230**	**1,939,447**	**1,939,447**
Changes in scope (1)	-	(57)	-
Net increase (decrease)	(23,846)	15,840	16,446
Balance at end of period	**1,931,384**	**1,955,230**	**1,955,893**

(1) A Ton Service entered the scope for €0.1 million and Kompass France and Kompass Belgique left the scope for €(0.2) million

Note 7 - Shareholders' equity

In accordance with the decision of the shareholders meeting in the Combined General Meeting of 29 April 2008, PagesJaunes Groupe paid on 14 May 2008 the dividend relating to the 2007 financial year, amounting to €269.4 million, i.e. €0.96 per ordinary share.

PagesJaunes Groupe is a subsidiary of Médiannuaire, which controls 54.8% of the capital and voting rights.

Note 8 – Transactions with related parties

Service contracts were established in 2006 and 2007 with Médiannuaire, the majority shareholder of PagesJaunes Groupe. These contracts, concerning transactions that fall under current operations, generated expenses of €0.6 million in the first half of 2008 (€3.2 million for full-year 2007).

Note 9 – Scope of consolidation

No major event occurred concerning the scope of consolidation in the first half of 2008. It is worth noting however that Horyzon Média and of Horyzon Clics, in which PagesJaunes Groupe has a 66% holding, merged on 30 June 2008 effective 1 January 2008, and the new unit is called Horyzon Média.

Note 10 – Disputes and litigation – significant changes during the half hear

In February 2008, PagesJaunes commenced legal proceedings against *Xentral* (ex *Prodis*) and *L'Annuaire Universel* for usurpation. As such, PagesJaunes intends to defend its rights against *Xentral* and *L'Annuaire Universel* who, by operating the online directory site "pagesjaunes.com" intended for the French public, benefit from the notoriety of the "PagesJaunes" brand. PagesJaunes owns several "PagesJaunes" brands, and especially the French brands "PagesJaunes" and "Les PagesJaunes". These brands enjoy undeniable notoriety in France, for the advertising services that comprise the business directories. PagesJaunes feels that *Xentral* and *L'Annuaire Universel* is affecting its rights to these brands and is creating, in addition, the utmost confusion in the minds of businesses and this, despite the rulings rendered by justice.

In a ruling handed down on 28 May 2008, the Paris Court of First Instance recognised that *Xentral* and *L'Annuaire Universel* are guilty of:

- usurpation by imitating the PagesJaunes brand by using the name "pagesjaunes.com" as a domain name for its site as well as on its commercial documents,
- and unfair competition by operating the "pagesjaunes.com" domain name for commercial purposes and by taking advantage of the notoriety of the "PagesJaunes" brand of which solely PagesJaunes is owner.

This ruling confirms the rights of PagesJaunes on its historic brands "PagesJaunes" and "Les PagesJaunes" for which the validity had already been clearly recognised by the Paris Court of Appeals in its judgement of 30 March 2005 and by the Court of first Instance of the European communities (CFI) in its decision of 13 December 2007.

Xentral and *L'Annuaire Universel* have appealed against this decision.

L'Annuaire Universel had also requested a temporary suspension concerning the execution. In a decision rendered on 18 July 2008, the First President of the Court of Appeals rejected this request.

Note 11 – Subsequent events

At the date this report was written, no significant event has been observed subsequent to the half-year closing.

4. REPORT OF THE AUDITORS ON THE HALF-YEAR FINANCIAL INFORMATION 2008

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

DELOITTE & ASSOCIES

185 avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
Limited company with a capital of €1,723,040
with variable capital

Auditors
Member of the Regional
Company of Versailles

ERNST & YOUNG Audit
Faubourg de l'Arche
11 allée de l'Arche
92037 Paris-La Défense Cedex
Simplified joint stock company

Auditors
Member of the Regional
Company of Versailles

PagesJaunes Groupe
Period from January 1 to June 30, 2008

Report of the Statutory Auditors to the shareholders on the 2008 half-year financial information

In execution of the mission that your Shareholders' Meeting has entrusted us with and in application of Articles 232-7 of the French Commercial Code and L. 451-1-2 III of the French Monetary and Financial Code, we have:

- conducted a limited review of the condensed consolidated half-year financial statements of PagesJaunes Groupe, for the period from January 1 to June 30, 2008, as appended to this report;
- verified the information disclosed in the half-year activity 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 – Our conclusion concerning the financial statements

We conducted our limited review in accordance with the professional standards applicable in France. A limited review mainly involves meeting with the persons responsible for accounting and financial matters, and implementing analytical procedures. These procedures are not as extensive as those required for audits carried out in accordance with the professional standards applicable in France. Consequently, the assurance obtained within the context of a limited review that the financial statements, taken as a whole, do not contain any significant errors is only a moderate assurance, and therefore not as high as that obtained within the context of 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 adopted in the European Union.

2 – Specific verification

We have also verified, the information disclosed in the half-year activity 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.

French original signed at Neuilly-sur-Seine and Paris-La Défense, on July 24, 2008
by the Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Dominique Descours	Jeremy Thurbin