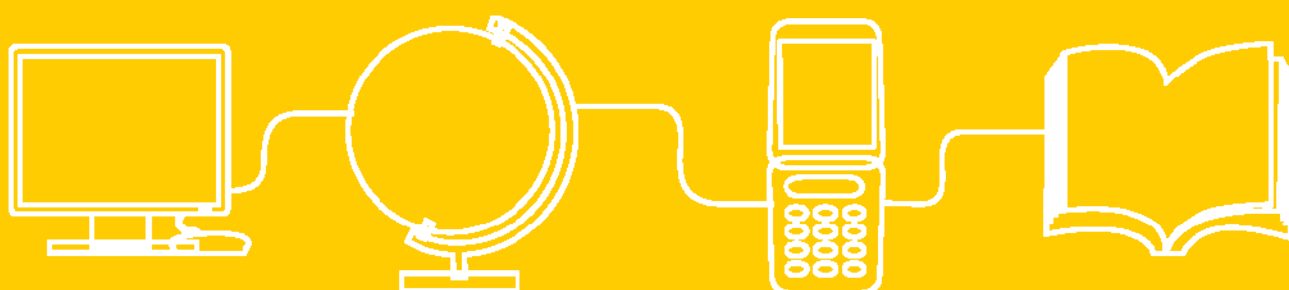


PagesJaunes Groupe

Half-year financial report

As at 30 June 2009

Board of Directors of 23 July 2009



Unofficial translation of the French-language "Rapport financier semestriel 2009" 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

Limited company having a Board of Directors and a capital of €56,196,950.80

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

Commercial and companies register Nanterre 552 028 425

CONTENTS

1.	Certification by the persons assuming responsibility for the half-year financial report	2
2.	Half-year activity report as at 30 June 2009	3
2.1.	Overview	3
2.2.	Commentary on the results for the first half of 2009	4
2.2.1.	Analysis of the revenues and gross operating margin of the PagesJaunes in France segment	5
2.2.1.1.	Revenues of the PagesJaunes in France segment	6
2.2.1.2.	External purchases in the PagesJaunes in France segment	7
2.2.1.3.	Other operating income of the PagesJaunes in France segment	8
2.2.1.4.	Other operating expenses of the PagesJaunes in France segment	8
2.2.1.5.	Salaries and social charges of the PagesJaunes in France segment	9
2.2.1.6.	Gross operating margin of the PagesJaunes in France segment	9
2.2.2.	Analysis of the revenues and gross operating margin of the International & Subsidiaries segment	10
2.2.2.1.	Revenues of the International & Subsidiaries segment	10
2.2.2.2.	External purchases of the International & Subsidiaries segment	11
2.2.2.3.	Other operating income and expenses of the International & Subsidiaries segment ..	12
2.2.2.4.	Salaries and social charges of the International & Subsidiaries segment	12
2.2.2.5.	Gross operating margin of the International & Subsidiaries segment	12
2.2.3.	Analysis of consolidated operating income	13
2.2.3.1.	Employee profit sharing and share-based payment	13
2.2.3.2.	Depreciation and amortisation	13
2.2.3.3.	Operating income	13
2.2.4.	Analysis of income for the period	14
2.2.4.1.	Financial result	14
2.2.4.2.	Corporation tax	14
2.2.4.3.	Income for the period	15
2.3.	Consolidated liquidities, capital resources and investment expenses	15
2.4.	Risks and uncertainties relating to the second half of 2009	17
3.	CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	18
3.1	– Consolidated income statement	18
3.2	– Statement of comprehensive income	19
3.3	– Statement of financial position	20
3.4	– Statement of changes in shareholders' equity	21
3.5	– Cash flow statement	22
3.6	– Notes to the condensed consolidated financial statements	23
Note 1	– Description of the business activity	23
Note 2	– Basis for preparation of the condensed consolidated financial statements and accounting principles	23
Note 3	– Segment information	26
Note 4	– Financial result	29
Note 5	– Corporation tax	30
Note 5.1	– Group tax proof	30
Note 5.2	– Balance sheet tax position	30
Note 6	– Derivative financial instruments	31
Note 7	– Cash and cash equivalents, net financial debt	33
Note 8	– Sensitivity to interest-rate risk	35
Note 9	– Shareholders' equity	35
Note 10	– Information on related parties and contractual obligations	35
Note 11	– Changes in the scope of consolidation	36
Note 12	– Disputes and litigation – significant changes in the half year	36
Note 13	– Subsequent events	37
4.	REPORT OF THE AUDITORS ON THE HALF-YEAR FINANCIAL INFORMATION 2009	38

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 half-year financial report have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of all of the companies included within the consolidation scope of PagesJaunes Groupe.

We also certify that 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 2009 financial year and their impact on the condensed consolidated financial statements, as well as a description of the principal risks and the principal uncertainties for the second half of the 2009 financial year and a report on the principal transactions among related parties".

Mr Jacques Garaïalde
Chairman of the Board of Directors
PagesJaunes Groupe

Mr Jean-Pierre Remy
Chief Executive Officer
PagesJaunes Groupe

2. HALF-YEAR ACTIVITY REPORT AS AT 30 JUNE 2009

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 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 directories (*PagesJaunes*, *L'Annuaire*) and online directories ("pagesjaunes.fr"). They also include the creation and hosting of Internet sites, directory enquiry services by telephone (118 008) and SMS, the online small ads activity ("annoncesjaunes.fr") operated within the PagesJaunes Petites Annonces company, and various activities such as the publication of the PagesPro directories and the QuiDonc reverse directory. This segment also includes 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, Luxembourg and Morocco) 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 Internet advertising representation activities of Horyzon Média.

The data presented for the first half of 2008 have been adjusted to reflect the impact of the transfer of the online small ads business from the International & Subsidiaries segment to the PagesJaunes in France segment in the first half of 2009 following the launch of a joint "pagesjaunes.fr" – "annoncesjaunes.fr" offering marketed by the PagesJaunes sales force. The online small ads activity was launched in January 2007 and is operated within the PagesJaunes Petites Annonces company. This adjustment has no impact on the Group's consolidated data, but only on the segment data.

2.2. Commentary on the results for the first half of 2009

PagesJaunes Group <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Revenues	561.7	550.9	2.0%
External purchases	(122.6)	(135.7)	-9.7%
Other operating income	2.0	6.4	-68.8%
Other operating expenses	(12.0)	(9.7)	23.7%
Salaries and charges	(167.3)	(164.6)	1.6%
Gross Operating Margin	261.9	247.3	5.9%
<i>As % of revenues</i>	<i>46.6%</i>	<i>44.9%</i>	
Employee profit-sharing	(7.8)	(8.2)	-4.9%
Share-based payment	(0.6)	(3.3)	-81.8%
Goodwill impairment	-	-	na
Depreciation and amortisation	(9.1)	(8.6)	5.8%
Result of asset disposals	(0.1)	(0.0)	na
Restructuring costs	(4.4)	-	na
Operating income	239.9	227.3	5.5%
<i>As % of revenues</i>	<i>42.7%</i>	<i>41.3%</i>	
Financial income	4.5	2.4	87.5%
Financial expenses	(44.9)	(66.8)	-32.8%
Gain (loss) on foreign exchange	-	-	na
Net financial income	(40.4)	(64.4)	-37.3%
Corporation tax	(71.2)	(59.9)	18.9%
Income for the period	128.4	103.0	24.7%
of which attributable to:			
- Shareholders of PagesJaunes Groupe	128.3	103.2	24.3%
- minority interests	0.0	(0.2)	na

The consolidated revenues of the PagesJaunes Groupe amounted to €561.7 million in the first half of 2009, a rise of 1.6% compared to the first half of 2008 on a comparable publication basis for the printed directories of PagesJaunes in France and QDQ Media, and an increase of 2.0% on the basis of historical data. This increase, which is unrepresentative of the full-year trend, is explained principally by the growth in the Group's Internet activities, up 12.2% compared to the first half of 2008 to €249.9 million. Internet revenues thus represent 44.5% of the Group's consolidated revenues in the first half of 2009, compared to 40.4% in the first half of 2008.

As at May 2009, all the Group's Internet sites in France – "pagesjaunes.fr", "mappy.com", "annoncesjaunes.fr" and "pagespro.com" – ranked fifth among the most consulted Internet sites with 17.6 million unique visitors, which represents a reach rate of 49.3% of the total number of Internet users in France. The Group's fixed and mobile Internet sites in France also recorded 1,138.6 million visits over a rolling 12-month period as at 30 June 2009, an increase of 6.7% compared to 2008.

The Group's gross operating margin amounted to €261.9 million in the first half of 2009, a rise of 5.1% compared to the first half of 2008 on a comparable publication basis, and an increase of 5.9% on the basis of historical data. This increase, which is not representative of the full-year trend, is a result of the optimisation of all the costs of the PagesJaunes in France segment, the restructuring of

QDO Media in Spain, which allowed a significant lowering of its operating breakeven point and the gradual reintegration of the PagesJaunes Petites Annonces offering into the PagesJaunes offering, which led to better pooling of costs. At the same time, the Group has maintained its commercial, marketing and technological investments which are crucial to the company's strategy.

The Group's financial result improved by 37.3% between the first half of 2008 and the first half of 2009, mainly as a result of the fall in interest rates. Income for the period rose 24.7% to €128.4 million as at 30 June 2009.

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

PagesJaunes Group	As at 30 June			
	2009	2008	Change 2009/2008	Change on comparable publication basis
<i>in million euros</i>				
PagesJaunes in France	532.9	515.0	3.5%	2.7%
International & Subsidiaries	32.8	40.0	-18.0%	-13.5%
Eliminations	(4.0)	(4.1)	-2.4%	-2.4%
Revenues	561.7	550.9	2.0%	1.6%
PagesJaunes in France	263.0	247.9	6.1%	4.9%
International & Subsidiaries	(1.1)	(0.6)	83.3%	-31.3%
Gross Operating Margin	261.9	247.3	5.9%	5.1%

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 2008 and the first half of 2009:

PagesJaunes in France	As at 30 June		
	2009	2008	Change 2009/2008
<i>in million euros</i>			
Revenues	532.9	515.0	3.5%
External purchases	(112.3)	(120.7)	-7.0%
Other operating income	1.4	5.0	-72.0%
Other operating expenses	(10.4)	(8.6)	20.9%
Salaries and charges	(148.7)	(142.8)	4.1%
Gross Operating Margin	263.0	247.9	6.1%
<i>As % of revenues</i>	<i>49.4%</i>	<i>48.1%</i>	

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 2008 and the first half of 2009:

PagesJaunes in France <i>in million euros</i>	As at 30 June			
	2009	2008	Change 2009/2008	Change on comparable publication basis
Printed directories	275.0	282.8	-2.8%	-4.1%
PagesJaunes	219.7	223.2	-1.6%	-2.7%
<i>L'Annuaire</i>	55.3	59.6	-7.2%	-9.0%
Pagesjaunes.fr, annoncesjaunes.fr and Internet sites	230.7	202.9	13.7%	13.7%
pagesjaunes.fr	208.7	184.1	13.4%	13.4%
annoncesjaunes.fr	1.8	1.7	5.9%	5.9%
Internet sites	20.2	17.1	18.1%	18.1%
Directory enquiry services (118008)	19.8	17.3	14.5%	14.5%
Other activities (incl. Minitel)	7.5	12.0	-37.5%	-37.5%
Revenues	532.9	515.0	3.5%	2.7%
<i>Of which Internet revenues (incl. Pagespro.com)</i>	<i>236.4</i>	<i>209.0</i>	<i>13.1%</i>	<i>13.1%</i>
<i>As % of total revenues</i>	<i>44.4%</i>	<i>40.6%</i>		

On a comparable publication basis, the revenues of the PagesJaunes in France segment rose 2.7% in the first half of 2009, to €532.9 million, due to the 13.1% growth in revenues from Internet services (including "pagespro.com") and, to a lesser degree, from the 14.5% growth in telephone directory enquiry services (118008), which more than offset the decline in printed directories and the expected sharp drop in Minitel revenues, which still represented €4.5 million in the first half of 2008. On the basis of historical data, the increase is 3.5%.

This growth in revenues in the first half of 2009 is not representative of the growth expected in full-year 2009, due to a traditionally more favourable product mix for PagesJaunes in France in the first half.

Printed directories

On a comparable publication basis, and after adjustment for the revenues from the printed directories in the Aveyron département, which were published in June in 2009 and in July in 2008, revenues from printed directories, which result mainly from the sale of advertising space in the PagesJaunes directory and in *L'Annuaire* (White Pages), declined by 4.1% in the first half of 2009 to €275.0 million. On the basis of historical data, the decrease is 2.8%. This decrease is due to difficult economic conditions characterised by smaller budgets of advertisers, the number of which remains however relatively stable.

Pagesjaunes.fr, annoncesjaunes.fr and Internet sites

The Internet revenues of PagesJaunes in France, excluding "pagespro.com" revenues recorded under the "other activities" item, which come principally from the sale of advertising products on "pagesjaunes.fr", from the Internet site creation and hosting businesses and from the "annoncesjaunes.fr" online small ads business, previously classified under the International & Subsidiary segment, grew by 13.7% in the first half of 2009 to €230.7 million, compared to €202.9 million in the first half of 2008.

This increase stems essentially from the positive effect of the locked-in growth from the price increases implemented for the 2008 edition, the contribution of which represents one-half of the Internet accounting revenues in the first half of the year.

The "pagesjaunes.fr" site recorded 860.3 million visits over a rolling 12-month period to

30 June 2009, up 3.2% compared to 2008. On mobile Internet, "pagesjaunes.mobile.fr" posted record growth in its audience over a rolling 12-month period with 18.2 million visits, a rise of 51.7% compared to 2008, thereby giving "pagesjaunes.fr" a total increase of 3.9% on fixed and mobile Internet. The PagesJaunes application, which is available on over 170 handsets, has been downloaded to iPhones more than 600,000 times.

Revenues from the online small ads business, included in the PagesJaunes in France segment following the launch of a joint "pagesjaunes.fr" – "annoncesjaunes.fr" offering marketed by the PagesJaunes sales force, totalled €1.8 million in the first half of 2009 compared to €1.7 million in the first half of 2008, a rise of 5.9%. The "annoncesjaunes.fr" site recorded 27.1 million visits over a rolling 12-month period as at 30 June 2009, up 31.6% compared to 2008.

Telephone directory enquiry services

Revenues from the telephone directory enquiry services (118008) reached €19.8 million in the first half of 2009 compared to €17.3 million in the first half of 2008, which represents an increase of 14.5%. This revenue figure includes traffic revenues as well as revenues relating to advertisements, which represent more than 60% of the total revenues of this business in the first half of 2009.

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 118008 service, but also to offer its advertisers a complete range of advertising products.

Other activities (including Minitel)

The other activities of the PagesJaunes in France segment pertain mainly to the PagesPro offerings on printed media and Internet, the QuiDonc reverse directory on the Minitel and Audiotel media (since the service on the Internet has been free since April 2008), and the Minitel 3611 service.

Revenues from other activities totalled €7.5 million in the first half of 2009, compared to €12.0 million in the first half of 2008. This decrease was due mainly to the expected sharp drop in Minitel revenues, which still represented €4.5 million in the first half of 2008.

2.2.1.2. External purchases in the PagesJaunes in France segment

PagesJaunes in France	As at 30 June		
	2009	2008	Change 2009/2008
<i>in million euros</i>			
External purchases	(112.3)	(120.7)	-7.0%
<i>As % of revenues</i>	21.1%	23.4%	

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 €112.3 million in the first half of 2009, a decrease of 7.0% compared to the first half of 2008. External purchases therefore represented 21.1% of this segment's revenues in the first half of 2009, compared to 23.4% in the first half of 2008.

The reduction in the external expenses of the PagesJaunes in France segment is due primarily to good control of paper, printing and distribution costs as a result of pagination optimisation and a favourable price effect of printing costs stemming from the renegotiation of contracts at the end of 2008. Paper, printing and distribution costs therefore represented €40.1 million in the first half of

2009 compared to €42.7 million in the first half of 2008.

Communication expenses declined in the first half of 2009 as a result of the launch of the new version of "pagesjaunes.fr" and the new free directory enquiry service via SMS in the first half of 2008, on the one hand, and the optimisation of communication expenses during the first half of 2009, centred around the PagesJaunes brand, on the other hand.

There was also a favourable impact from the continued rationalisation of indirect expenses and the discontinuation of the Minitel royalty paid to France Télécom with effect from 1 April 2009.

2.2.1.3. Other operating income of the PagesJaunes in France segment

PagesJaunes in France <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Other operating income	1.4	5.0	-72.0%

The other operating income of the PagesJaunes in France segment amounted to €1.4 million in the first half of 2009 compared to €5.0 million in the first half of 2008. This other income mainly comprised the recharging to France Télécom of the operating costs of PagesJaunes 3611 alphabetical search under a contract that expired at the end of the first quarter of 2009. Following the signing of a new contract, PagesJaunes has been the publisher of the Minitel 3611 electronic directory service since 1 April 2009. The cash flows related to this new contract consist of repayments made by France Télécom and recorded under the "other activities" item.

2.2.1.4. Other operating expenses of the PagesJaunes in France segment

PagesJaunes in France <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Other operating expenses	(10.4)	(8.6)	20.9%

The other operating expenses of the PagesJaunes in France segment amounted to €10.4 million in the first half of 2009 compared to €8.6 million in the first half of 2008. These other operating expenses comprised taxes and duties, certain provisions for risks and charges, and provisions for bad debts, which remain under control, at less than 0.4% of revenues, even though they increased by €1.1 million compared to the first half of 2008.

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

PagesJaunes in France <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Salaries and charges	(148.7)	(142.8)	4.1%
<i>As % of revenues</i>	<i>27.9%</i>	<i>27.7%</i>	

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 of the PagesJaunes in France segment amounted to €148.7 million in the first half of 2009 compared to €142.8 million in the first half of 2008, representing an increase of 4.1%, in line with the growth in revenues. Salaries and social charges of the PagesJaunes in France segment represented 27.9% of this segment's revenues in the first half of 2009 versus 27.7% in the first half of 2008. The remuneration of the sales force and its immediate supervisory personnel represented 15.4% of revenues in the first half of 2009 compared to 14.9% in the first half of 2008.

2.2.1.6. Gross operating margin of the PagesJaunes in France segment

The gross operating margin of the PagesJaunes in France segment rose by 6.1% in the first half of 2009 to €263.0 million. On a comparable publication basis, and after an adjustment to reflect the impact on gross operating margin of the timing difference in the publication of Aveyron's printed directories, the increase is 4.9%. The margin rate of the PagesJaunes in France segment rose by 1.1 point to 49.4% in the first half of 2009 compared to 48.3% in the first half of 2008 on a comparable publication basis and to 48.1% on the basis of historical data.

This increase is the result of growth in the business and of control of all the costs.

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 2008 and the first half of 2009:

International & Subsidiaries <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Revenues	32.8	40.0	-18.0%
External purchases	(14.4)	(19.1)	-24.6%
Other operating income	1.1	2.1	-47.6%
Other operating expenses	(1.9)	(1.8)	5.6%
Salaries and charges	(18.7)	(21.8)	-14.2%
Gross Operating Margin	(1.1)	(0.6)	83.3%
<i>As % of revenues</i>	<i>-3.4%</i>	<i>-1.5%</i>	

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 2008 and the first half of 2009:

International & Subsidiaries <i>in million euros</i>	As at 30 June			Change on comparable publication basis
	2009	2008	Change 2009/2008	
BtoC directories	18.0	23.0	-21.7%	-13.5%
<i>of which QDQ Media</i>	<i>14.6</i>	<i>19.5</i>	<i>-25.1%</i>	<i>-16.1%</i>
Internet advertising representation	2.6	2.6	0.0%	0.0%
Direct marketing and geographics services	12.3	14.5	-15.2%	-15.2%
Revenues	32.8	40.0	-18.0%	-13.5%
<i>Of which Internet revenues</i>	<i>16.3</i>	<i>16.7</i>	<i>-2.4%</i>	<i>-2.4%</i>
<i>As % of total revenues</i>	<i>49.7%</i>	<i>41.8%</i>		

The revenues of the International & Subsidiaries segment totalled €32.8 million in the first half of 2009, a decrease of 13.5% compared to the first half of 2008 on a comparable publication basis for the printed directories of QDQ Media, and a decrease of 18.0% on the basis of historical data. This decrease was due to the decline in revenues of QDQ Media and in the direct marketing and geographic services activities.

B to C directories

The revenues from the B to C directories businesses, 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, amounted to €18.0 million in the first half of 2009, a decrease of 13.5% compared to the first half of 2008 on a comparable publication basis for the printed directories of QDQ Media, and a decrease of 21.7% on the basis of historical data.

Due to the seasonal nature of Editus and Edicom, which publish their main printed directories in September and November respectively, most of the revenues in the first half of the year come from

QDQ Media.

QDQ Media completed its fundamental reorganisation begun in the second half of 2008, which involved the redeployment of its sales force and activity in an effort to lower its breakeven point, by focusing its investments on areas of greatest potential and on the nationwide development of its Internet presence, and to take full advantage of the partnership signed with Google in mid-2008. QDQ Media's revenues totalled €14.6 million in the first half of 2009, down 16.1% compared to the first half of 2008 on a comparable publication basis, with a 10.0% increase in revenues from Internet services. On the basis of historical data, revenues in the first half of 2009 were down 25.1% compared to the first half of 2008.

Internet Advertising Representation

On 11 October 2007, PagesJaunes Groupe acquired a majority holding in the capital of Horyzon Média and Horyzon Clics, specialised advertising representatives on the Internet, and the holding reached 66% at the end of December 2007 and 95.83% on 15 January 2009. Their results have been consolidated within PagesJaunes Groupe since October 2007, and the two companies merged on 30 June 2008, with retroactive effect from 1 January 2008; the new unit is called Horyzon Média.

In the first half of 2009, net revenues from Horyzon Média, comprising representation commissions, amounted to €2.6 million and corresponds to billed revenues of €8.6 million. These revenues remained stable compared to 2008 as a result of the continued increase in the performance-based or CPC (cost per click) activity in parallel with a decline in the CPM (cost per thousand) activity, in line with market trends.

Direct Marketing and Geographic Services

The revenues of the Direct Marketing and Geographic Services businesses amounted to €12.3 million in the first half of 2009, down 15.2% compared to the first half of 2008. The activities of PagesJaunes Marketing Services, a portion of whose client base comprises major accounts, including in particular the automotive industry, were severely impacted by the economic situation. Mappy's revenues also declined compared to the first half of 2008; however, the mappy.com site recorded 227.4 million visits over a rolling 12-month period as at 30 June 2009, up 16.4% compared to 2008.

2.2.2.2. External purchases of the International & Subsidiaries segment

International & Subsidiaries	As at 30 June		
	2009	2008	Change 2009/2008
<i>in million euros</i>			
External purchases	(14.4)	(19.1)	-24.6%
<i>As % of revenues</i>	43.9%	47.8%	

The external purchases of the International & Subsidiaries segment amounted to €14.4 million in the first half of 2009, a decrease of 24.6% compared to the first half of 2008. External purchases represented 43.9% of this segment's revenues in the first half of 2009 compared to 47.8% in the first half of 2008.

This decrease resulted mainly from the decrease in QDQ Media's external purchases, and in particular the publishing costs of printed directories and communication and marketing costs, as well as overheads, following the optimisation measures taken in connection with its restructuring plan.

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

International & Subsidiaries <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Other operating income and expenses	(0.9)	0.3	na

The other operating income and expenses of the International & Subsidiaries segment represent a net expense of €0.9 million in the first half of 2009 compared to net income of €0.3 million in the first half of 2008.

This change was due notably to the increase in transfers to bad debt provisions in connection with the 2008 and 2009 sales campaigns at QDQ Media in a particularly difficult economic context in Spain.

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

International & Subsidiaries <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Salaries and charges	(18.7)	(21.8)	-14.2%
<i>As % of revenues</i>	<i>57.0%</i>	<i>54.5%</i>	

The salaries and social charges of the International & Subsidiaries segment amounted to €18.7 million in the first half of 2009, a decrease of 14.2% compared to the first half of 2008, and represented 57.0% of this segment's revenues in the first half of 2009, compared to 54.5% in the first half of 2008.

This decrease was due primarily to QDQ Media's restructuring plan, which resulted in the termination of 40% of its workforce between 30 June 2008 and 30 June 2009 and a 25% reduction in its average workforce between the two periods.

2.2.2.5. Gross operating margin of the International & Subsidiaries segment

The operating loss of the International & Subsidiaries segment amounted to €1.1 million in the first half of 2009, compared to a loss of €0.6 million in the first half of 2008. On a comparable publication basis for the printed directories of QDQ Media, the gross operating margin of the International & Subsidiaries segment improved by €0.5 million between the two periods, with a loss of €1.6 million in the first half of 2008 while revenues decrease by 13.5%.

This decline in revenues was partly offset by the drastic reduction in all QDQ Media's expenses following the fundamental reorganisation of its activity, which resulted in a restructuring cost of €4.4 million in the first half of 2009, mainly comprising the termination costs of 178 people. In accordance with the Group's accounting rules, this restructuring cost is recorded under the "restructuring cost" item, which is not included in the gross operating margin.

2.2.3. Analysis of consolidated operating income

The table below presents the consolidated operating income of the Group in the first half of 2008 and the first half of 2009:

PagesJaunes Group <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Gross Operating Margin	261.9	247.3	5.9%
Employee profit-sharing	(7.8)	(8.2)	-4.9%
Share-based payment	(0.6)	(3.3)	-81.8%
Goodwill impairment	-	-	na
Depreciation and amortisation	(9.1)	(8.6)	5.8%
Result of asset disposals	(0.1)	(0.0)	na
Restructuring costs	(4.4)	-	na
Operating income	239.9	227.3	5.5%
<i>As % of revenues</i>	<i>42.7%</i>	<i>41.3%</i>	

2.2.3.1. Employee profit sharing and share-based payment

The employee profit-sharing in the Group amounted to €7.8 million in the first half of 2009, a decrease of 4.9% compared to the first half of 2008.

The Group's share-based payment expense amounted to €0.6 million in the first half of 2009 compared with €3.3 million in the first half of 2008. The expense in the first half of 2009 is primarily the result of the stock option plan set up on 20 December 2007, whereas that of the first half of 2008 derived from 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 €9.1 million in the first half of 2009, compared with €8.6 million in the first half of 2008, an increase of 5.8%, which reflects the growth in investments made by the Group, especially in the setting up of a new editorial 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 €239.9 million in the first half of 2009, an increase of 5.5% compared to €227.3 million in the first half of 2008. The Group's rate of operating margin as a proportion of revenues grew by 1.4 point, up from 41.3% in the first half of 2008 to 42.7% in the first half of 2009.

2.2.4. Analysis of income for the period

The table below presents the Group's income for the period under review in both the first half of 2008 and the first half of 2009

PagesJaunes Group <i>in million euros</i>	As at 30 June		
	2009	2008	Change 2009/2008
Operating income	239,9	227,3	5,5%
Financial income	4,5	2,4	87,5%
Financial expenses	(44,9)	(66,8)	-32,8%
Gain (loss) on foreign exchange	-	-	na
Net financial income	(40,4)	(64,4)	-37,3%
Corporation tax	(71,2)	(59,9)	18,9%
Income for the period	128,4	103,0	24,7%
of which attributable to:			
- Shareholders of PagesJaunes Groupe	128,3	103,2	24,3%
- minority interests	0,0	(0,2)	na

2.2.4.1. Financial result

The financial result of the Group in the first half of 2009 was a loss of €40.4 million, compared with a loss of €64.4 million in the first half of 2008. The financial result was principally made up of the interest expense relating to the bank loan of €1,950 million arranged in November 2006 and, as at 30 June 2009, hedged 88% against rises in interest rates by a portfolio of rate swaps and collars maturing at the end of 2011 and 46% by forward swaps maturing at the end of 2013.

This interest charge, net of receipts and disbursements on the rate hedging instruments, amounted to €39.8 million in the first half of 2009, compared with €57.0 million in the first half of 2008. The average interest rate for the debt thus dropped from 5.78% in the first half of 2008 to 4.05% in the first half of 2009 (over the entire 2008 financial year, this rate stood at 5.64%), which represents a decrease of 173 basis points, including 118 basis points due to the drop in the average three month Euribor rate net of the impact of the rate hedging, and 55 basis points thanks to the optimisation of debt management and the margin ratchet.

The financial result also includes the amortisation of loan issue expenses for the sum of €3.2 million, which remains stable between the two periods, as well as the change in the time value of the collar entered into in November 2006, representing an income of €2.8 million in the first half of 2009 compared with a net expense of €5.4 million in the first half of 2008, and recorded in the item "change in the fair value of hedging instruments".

2.2.4.2. Corporation tax

In the first half of 2009, the Group recorded a corporation tax charge of €71.2 million, up by 18.9% compared with the first half of 2008, which represents an apparent tax rate of 35.7% in the first half of 2009, compared with 36.8% in the first half of 2008. This change in the apparent tax rate can be explained primarily by the drop in the share-based payment expense, which is not tax deductible.

2.2.4.3. Income for the period

The Group's income for the period amounts to €128.4 million in the first half of 2009, compared with €103.0 million in the first half of 2008, i.e. a 24.7% rise driven by the 5.9% rise in the gross operating margin and a 37.3% improvement in the financial result.

2.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group's cash position at 30 June 2008, 31 December 2008 and 30 June 2009:

PagesJaunes Group

in million euros

	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Fair value of hedging instruments	0.5	-	50.4
Accrued interest not yet due	-	0.1	0.8
Cash and cash equivalents	11.6	89.0	16.0
Cash	12.1	89.0	67.2
Bank borrowing	(1,950.0)	(1,950.0)	(1,950.0)
Revolving	(10.3)	-	-
Debt related costs	31.6	34.8	38.1
Liability in respect of hedging instruments	(5.5)	(5.3)	(6.8)
Fair value of hedging instruments	(48.5)	(25.3)	-
Accrued interest not yet due	(3.7)	(4.5)	(5.9)
Bank overdrafts	(22.5)	(0.5)	(0.5)
Liability on committed purchase of minority interests	(1.8)	(3.1)	(8.8)
Other financial liabilities	(2.8)	(17.1)	(6.2)
Gross financial debt	(2,013.4)	(1,971.0)	(1,940.2)
Net cash (debt)	(2,001.3)	(1,881.9)	(1,873.0)
Net cash (debt)	(1,984.9)	(1,891.5)	(1,961.5)

The bank indebtedness of the PagesJaunes Group, which stands at the sum of €1,950 million, is repayable in full at the end of 2013. As at 30 June 2009, it is hedged 88% against rises in interest rates by a portfolio of rate swaps and collars maturing at the end of 2011 and 46% by forward swaps maturing at the end of 2013. In addition, a diversified consortium of banks granted the PagesJaunes Groupe a credit line of approximately €400 million expiring at the end of 2013. Of this facility, €10.3 million had been drawn as at 30 June 2009.

The table below shows the cash flows of the consolidated Group in the first half of 2008, the first half of 2009 and the financial year ending 31 December 2008:

PagesJaunes Group

<i>in million euros</i>	As at 30 June 2009	As at 30 June 2008	As at 31 December 2008
Net cash from operations	189.9	245.1	320.2
Net cash used in investing activities	(15.1)	(4.7)	(11.5)
Net cash provided by (used in) financing activities	(252.1)	(295.6)	(290.9)
Impact of changes in exchange rates on cash	(0.0)	(0.0)	(0.0)
Net increase (decrease) in cash position	(77.3)	(55.3)	17.7
Cash and cash equivalents at beginning of period	89.0	71.2	71.2
Cash and cash equivalents at end of period	11.6	16.0	89.0

The Group's cash and cash equivalents amounted to €11.6 million at 30 June 2009, compared with €16.0 million at 30 June 2008.

The net cash from operations amounted to €189.9 million in the first half of 2009 compared with €245.1 million in the first half of 2008, marked primarily by:

- A gross operating margin of €261.9 million in the first half of 2009, up by €14.6 million compared with the first half of 2008,
- A release of working capital of €63.7 million in the first half of 2009, down by €51.3 million compared with the first half of 2008, half of which was due to the accounts receivable and the other half due to changes in accounts payable, with the latter being unrepresentative of the full-year trend due to an atypical trade creditors payment period as at 30 June 2008,
- A net disbursement of €39.5 million in respect of financial interest in the first half of 2009, compared with €56.6 million in the first half of 2008, owing to the drop in interest rates,
- A disbursement of €85.3 million for the corporation tax charge in the first half of 2009, including €16.7 million of outstanding corporation tax for 2008, compared with a previous disbursement of €54.1 million in the first half of 2008, which took into account the allocation of the tax receivable of €9.6 million recorded at 31 December 2007.

The net cash used in investing activities represent a disbursement of €15.1 million in the first half of 2009 compared with a disbursement of €4.7 million in the first half of 2008, marked primarily by:

- €7.6 million in acquisitions of tangible and intangible fixed assets in the first half of 2009, compared with €4.8 million in the first half of 2008,
- €7.4 million in the first half of 2009 for the acquisition of minority share interests in PagesJaunes Petites Annonces for the sum of €6.0 million and in Horyzon Média for €1.4 million.

The net cash used in financing activities amounted to €252.1 million in the first half of 2009, compared with €295.6 million in the first half of 2008, marked primarily by:

- €269.8 million for dividends paid in the first half of 2009, which remained stable compared with the first half of 2008,
- An increase of €32.3 million in bank overdrafts and in the revolving credit line in the first half of 2009, compared with a €16.2 million decrease in bank overdrafts in the first half of 2008,
- A decrease of €14.7 million in other financial debts observed in the first half of 2009, compared with a €9.9 million decrease on the first half of 2008. This item mainly comprises the debit balance on the current account with PagesJaunes Outre-mer.

2.4. Risks and uncertainties relating to the second half of 2009

The main risks and uncertainties identified by the Group involve:

- The economic environment and the situation of the advertising market in France and Spain, which are expected to affect the end of the sales prospecting by PagesJaunes and QDO Media in their respective markets,
- Developments in competition on the Internet, particularly with regard to search services, geographic and cartography services as well as online small ads, which may have an impact on the ability of PagesJaunes, Mappy and PagesJaunes Petites Annonces to maintain the pace of revenue growth,
- Developments in the interest rate markets, which could cause the financial result of PagesJaunes Group to vary due to a rise in interest on debt (on the 12% of bank borrowings that 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 – Consolidated income statement

Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)

	Notes	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Revenues		561,734	1,192,845	550,901
External purchases		(122,595)	(295,420)	(135,668)
Other operating income		2,041	11,779	6,358
Other operating expenses		(11,967)	(22,798)	(9,676)
Personnel expenses : - Salaries and charges		(167,326)	(334,794)	(164,583)
Gross Operating Margin		261,888	551,612	247,332
- Employee profit-sharing		(7,762)	(17,840)	(8,153)
- Share-based payment		(627)	(1,490)	(3,343)
Goodwill impairment		-	(68,882)	-
Depreciation and amortisation		(9,093)	(17,195)	(8,566)
Result of asset disposals		(89)	(339)	(3)
Restructuring costs		(4,383)	(2,515)	-
Operating income		239,934	443,351	227,267
Financial income		4,501	3,376	2,426
Financial expenses		(44,877)	(138,162)	(66,801)
Gain (loss) on foreign exchange		-	-	-
Net financial income	4	(40,376)	(134,786)	(64,375)
Corporation tax	5	(71,195)	(131,739)	(59,893)
Income for the period		128,363	176,826	103,000
Income for the period attributable to:				
- Shareholders of PagesJaunes Groupe		128,349	176,888	103,182
- Minority interests		14	(62)	(182)
Net earnings per share (in euros)				
- basic		0.46	0.63	0.37
- diluted		0.45	0.62	0.36

3.2 – Statement of comprehensive income

Consolidated statement of comprehensive income

(Amounts in thousands of euros)

	Notes	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Income for the period report		128,363	176,826	103,000
Net (loss) /gain on cash flow hedges				
- Gross		(25,935)	(38,717)	25,877
- Deferred tax		8,931	13,330	(8,910)
- Net of tax	6	(17,004)	(25,387)	16,967
Exchange differences on translation of foreign operations		5	2	(13)
Other comprehensive income		(16,999)	(25,384)	16,954
Total comprehensive income for the period, net of tax		111,365	151,442	119,954
Total comprehensive income for the period attributable to:				
- Shareholders of PagesJaunes Groupe		111,351	151,504	120,136
- Minority interests		14	(62)	(182)

3.3 – Statement of financial position

<i>(Amounts in thousands of euros)</i>	Notes	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
ASSETS				
Net goodwill		56,369	50,334	125,472
Other net intangible fixed assets		19,708	21,158	22,612
Net tangible fixed assets		20,383	19,987	20,129
Available-for-sale assets		207	207	207
Other non-current financial assets		730	967	698
Derivative financial instruments	6	502	-	49,657
Net deferred tax assets	5	27,638	18,854	101
Total non-current assets		125,537	111,507	218,876
Net inventories		9,766	6,533	6,361
Net trade accounts receivable		400,941	513,449	457,362
Other current assets		36,406	30,417	35,830
Current tax receivable	5	455	2,003	531
Prepaid expenses		105,958	108,581	111,896
Other current financial assets	6	87	82	785
Derivative financial instruments	6	-	-	772
Cash and cash equivalents	7	11,647	88,956	15,959
Total current assets		565,260	750,022	629,495
TOTAL ASSETS		690,797	861,529	848,372
LIABILITIES				
Share capital		56,197	56,197	56,129
Issue premium		98,676	98,676	98,676
Reserves		(2,630,726)	(2,521,491)	(2,477,216)
Income for the period attributable to shareholders of PagesJaunes Groupe		128,349	176,888	103,182
Translation differences		(28)	(33)	(49)
Own shares		(4,010)	(4,313)	-
Equity attributable to equity holders of the PagesJaunes Groupe		(2,351,542)	(2,194,077)	(2,219,278)
Minority interests		0	2	15
Total equity		(2,351,542)	(2,194,075)	(2,219,264)
Non-current financial liabilities and derivatives	7	1,971,557	1,944,447	1,925,553
Employee benefits - non-current		39,623	36,458	36,056
Provisions - non-current		20	4,419	4,951
Deferred tax liabilities	5	-	-	10,828
Total non-current liabilities		2,011,200	1,985,324	1,977,388
Bank overdrafts and other short-term borrowings	7	38,201	22,026	8,653
Accrued interest	7	3,681	4,481	5,947
Provisions - current		3,366	596	546
Trade accounts payable		91,107	107,706	115,884
Employee benefits - current		114,011	122,718	117,886
Other current liabilities		98,763	104,641	106,027
Corporation tax	5	849	16,697	580
Deferred income		681,160	691,415	734,723
Total current liabilities		1,031,138	1,070,280	1,090,247
TOTAL LIABILITIES		690,797	861,529	848,372

3.4 - Statement of changes in shareholders' equity

<i>(Amounts in thousands of euros)</i>	Number of shares in circulation	Share capital	Issue premium	Own shares	Income and reserves	Cash flow hedges	Translation reserve	Group equity	Minority interests	Total equity
Balance as at 31 December 2007	280,644,450	56,129	98,676	-	(2,243,209)	15,124	(36)	(2,073,316)	373	(2,072,943)
Comprehensive income for 1st half of 2008, net of tax					103,182	16,967	(13)	120,136	(182)	119,954
Share-based payment					3,321			3,321		3,321
Dividends paid					(269,419)			(269,419)	(120)	(269,539)
Minority puts on Horyzon Media								-	(57)	(57)
Balance as at 30 June 2008	280,644,450	56,129	98,676	-	(2,406,126)	32,091	(49)	(2,219,278)	15	(2,219,264)
Comprehensive income for 2nd half of 2008, net of tax					73,706	(42,354)	15	31,368	120	31,488
Share-based payment					(1,853)			(1,853)		(1,853)
Dividends paid					-			-	-	-
Capital increase, granting of free shares	340,304	68			(68)			-	-	-
Shares of the consolidating company net of tax effect	(580,606)			(4,313)				(4,313)	-	(4,313)
Minority puts on Horyzon Media								-	(134)	(134)
Balance as at 31 December 2008	280,404,148	56,197	98,676	(4,313)	(2,334,341)	(10,263)	(33)	(2,194,077)	2	(2,194,075)
Comprehensive income for 1st half of 2009, net of tax					128,349	(17,004)	5	111,351	14	111,365
Share-based payment					626			626	-	626
Dividends paid					(269,745)			(269,745)	(35)	(269,780)
Shares of the consolidating company net of tax effect	24,869			303				303	-	303
Minority puts on Horyzon Media								-	20	20
Balance as at 30 June 2009	280,429,017	56,197	98,676	(4,010)	(2,475,110)	(27,267)	(28)	(2,351,542)	-	(2,351,542)

3.5 – Cash flow statement

<i>(Amounts in thousands of euros)</i>	Notes	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Income for the period attributable to shareholders of PagesJaunes Groupe		128,349	176,888	103,182
Depreciation and amortisation of fixed assets		9,093	86,077	8,566
Capital gains or losses on asset disposals		89	339	3
Change in provisions		1,262	2,259	1,673
Tax charge for the period		71,195	131,739	59,893
Interest income and expenses	4	31,328	130,408	64,947
Minority interests		14	(62)	(182)
Unrealised exchange difference		3	4	4
Hedging instruments	6	9,049	4,373	(570)
Share-based payment		626	1,468	3,321
Net change in working capital		63,715	16,245	114,967
Dividends and interest received		2,497	17,519	7,576
Interest paid and rate effect of net derivatives		(41,968)	(128,426)	(64,180)
Taxes paid	5	(85,347)	(118,661)	(54,120)
Net cash from operations		189,904	320,170	245,079
Acquisition of tangible and intangible fixed assets		(7,601)	(12,069)	(4,813)
Change in suppliers of fixed assets		(188)	341	33
Proceeds from sale of tangible and intangible assets		73	60	32
Acquisitions of investment securities and subsidiaries, net of cash acquired		(7,436)	(1)	-
Decreases (increases) in marketable securities and other long-term assets		17	124	12
Net cash used in investing activities		(15,135)	(11,545)	(4,735)
Increase (decrease) in borrowings and bank overdrafts		17,401	(17,042)	(26,062)
Movements in own shares		303	(4,313)	-
Dividends paid to minority interests		(35)	(120)	(120)
Dividends paid	8	(269,745)	(269,419)	(269,419)
Net cash provided by (used in) financing activities		(252,076)	(290,894)	(295,601)
Impact of changes in exchange rates on cash		(2)	(3)	(12)
Net increase (decrease) in cash position		(77,308)	17,728	(55,269)
Cash and cash equivalents at beginning of period		88,956	71,228	71,228
Cash and cash equivalents at end of period	7	11,647	88,956	15,959

3.6 – Notes to the condensed consolidated financial statements

Note 1 - Description of the business activity

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

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

PagesJaunes Groupe is a limited liability company listed on Euronext Paris (PAJ) – compartment A. This information has been approved at the PagesJaunes Groupe Board of Directors meeting of 23 July 2009.

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

The consolidated financial statements of PagesJaunes Groupe for the six month period ending at 30 June 2009 have been prepared in accordance with standard IAS 34 – Interim financial reporting. Being summary financial statements, they do not contain all of the information required by IFRS and should be interpreted in relation to the annual consolidated financial statements of the Group at year ending 31 December 2008, included in the reference document filed with the AMF under the number D.09-0125, subject to specific requirements set out for the preparation of interim accounts as described hereinafter.

The accounting principles used are consistent with those used in the preparation of annual consolidated financial statements at year ending 31 December 2008, with the exception of any new standards, amendments and interpretations deemed mandatory as from 1 January 2009, albeit with no significant impacts:

- IFRS 8 – Operational sectors,
- Amendment to IAS 1 – Presentation of financial statements (revised),
- Amendment to IAS 23 – Borrowing costs,
- Amendment to IFRS 2 – Share-based payments: Acquisition requirements and annulments,
- Annual improvements on IFRS in 2008,
- Amendments to IAS 32 and IAS 1 – Puttable financial instruments and obligations arising on liquidation,
- IFRIC 13 – Customer loyalty programmes,
- IFRIC 14 – IAS 19 Capping of assets under the defined benefit pension plan, minimum financing requirements and the interaction of the latter and the former,
- Amendments to IAS 39 and IFRS 7 – Reclassification of financial assets,
- Amendments to IFRS 1 and IAS 27 – Cost of investment in a subsidiary, jointly controlled entity or associate.

Standard IFRS 8 – Operating segments replaces standard IAS 14 – Segment reporting. It brings in the “management approach” to preparing the segment information. Where needed, this standard requires an amendment of the presentation and the note on the sectoral information that should henceforth be based on the internal reporting reviewed on a regular basis by the main operational

decision-maker of the Group, with a view to assessing the performance of each operational sector and allocating resources to it. The sectors determined in compliance with IFRS 8 are identical to the primary business segments specified in the implementation of IAS 14. The information to be provided as required by IFRS 8 is set out in Note 3.

The amendment to IAS 1 – Presentation of financial statements (revised) mainly resulted in the production of an additional statement entitled “Statement of comprehensive income” (cf. 3.3) and brought about some changes to the presentation on the “Statement of changes in shareholders’ equity”.

None of these new standards and interpretations has had a significant incidence on the consolidated financial statements as at 30 June 2009.

These principles do not differ from the IFRS standards as published by the IASB insofar as there would be no significant impact from the implementation of the amendments and interpretations which are mandatory for the financial years from 1 January 2009 as set out in the reference framework published by the IASB but not yet mandatory in the reference framework endorsed by the European Union.

In addition, the Group has not anticipated standards and interpretations adopted by the European Union which become mandatory after 1 January 2009:

- IFRS 3 – Business combinations,
- Amendment to IAS 27 – Consolidated and separate financial statements,
- IFRIC 12 – Service concession agreements,
- IFRIC 16 – Hedging of a net investment in a business activity abroad.

Finally, the Group does not implement the following instruments that were not adopted by the European Union as at 30 June 2009:

- Amendment to IAS 39 – Financial instruments: recognition and measurement - Items eligible for hedge accounting,
- Amendment to IFRS 7 – Improvement of disclosures on financial instruments,
- Amendments to IFRIC 9 and IAS 39 – Incorporated derivative instruments,
- IFRIC 15 – Agreements for the construction of real estate,
- IFRIC 17 – Distributions of non-cash assets to owners,
- IFRIC 18 - Transfers of assets from customers,
- Amendment to IFRS 2 – Group transactions, for which payment is based on shares and paid in cash,
- Improvements in IFRS (April 2009).

Nonetheless, the Group is currently reviewing the practical consequences of these new instruments and the incidence of their implementation on its subsequent financial statements. At this phase of the review, the Group does not envisage any major impact on its consolidated financial statements, except for IFRS 3 R, which, in the long term, will change the procedures for preparing accounts of business combinations.

All of the standards and interpretations adopted by the European Union as at 30 June 2009 are available on the website of the European Commission at the following address:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

To draw up the financial statements, the Management of the Group is required to carry out estimates and assumptions that have an incidence on the amounts presented as assets and liabilities, the contingent liabilities at the date of preparation of the financial statements and the amounts presented as income and expenses for the financial year. Management actually evaluates these estimates and assessments on the basis of its past experience as well as various other factors deemed reasonable, which combine to form the basis of its assessment of the book value of the assets and liabilities. This includes in particular goodwill, share-based payments and the valuation of pension liabilities. The actual result may differ markedly from these estimates, depending on the assumptions used or a change in conditions. 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, to ensure that the financial statements:

- Present a true and fair view of the financial position, the financial performance and the cash flow of the Group,
- Reflect the economic substance of transactions performed,
- Are neutral,
- Are prepared on a prudent basis,
- Are complete in all material respects.

Seasonal variations

Although the activities of the Group are not subject to seasonal effects per se. In order to optimise cost, the dates of publication of the printed directories (which determine the recognition of the income and the attendant expenses) may vary from one half-year to another, as each printed directory is published only once a year.

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 in line with this business activity to the general public and businesses.

In the income statement, only the items making up the gross operating margin and depreciation and amortisation charges are allocated per segment. In the balance sheet, with the exception of the cash, financial debts and the current and differed tax liabilities, all the other items are allocated per segment.

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

- **PagesJaunes in France:** the Group's activities in France entailing the publication and distribution of directories and the sale of advertising space in printed directories (PagesJaunes, L'Annuaire), online directories ("pagesjaunes.fr"), the creation and hosting of Internet sites, the 118 008 telephone and SMS directory enquiry services, online small ads ("annoncesjaunes.fr"), accommodated within PagesJaunes Petites Annonces, as well as diverse activities such as the publication of PagesPro directories and the reverse directory QuiDonc. This segment also includes 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 activities complementary 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 Internet advertising representation business of Horyzon Média.

The information presented in the first half of 2008 have been adjusted to reflect the impact of the transfer in the first half of 2009 of the online small ads business from the International and Subsidiaries segment to the PagesJaunes in France segment, as a result of the launch of a joint "pagesjaunes.fr" – "annoncesjaunes.fr" offering marketed by the PagesJaunes sales force. The online small ads business was launched in January 2007 and is accommodated within PagesJaunes Petites Annonces. This adjustment has no impact on the Group's overall consolidated data, only on the information for each segment.

The table below presents the breakdown of the key aggregates per business segment:

Income statement	As at 30 June 2009				As at 31 December 2008				As at 30 June 2008			
	PagesJaunes in France & subsidiaries	International & subsidiaries	Eliminations	Group	PagesJaunes in France & subsidiaries	International & subsidiaries	Eliminations	Group	PagesJaunes in France & subsidiaries	International & subsidiaries	Eliminations	Group
<i>Amounts in thousands of euros</i>												
Revenues	532 932	32 840	(4 038)	561 734	1 110 062	91 475	(8 692)	1 192 845	515 000	40 038	(4 137)	550 901
- External	532 920	28 814	-	561 734	1 110 028	82 817	-	1 192 845	514 969	35 932	-	550 901
- Inter-segment	12	4 026	(4 038)	-	34	8 658	(8 692)	-	31	4 106	(4 137)	-
External purchases	(112 307)	(14 396)	4 108	(122 595)	(266 461)	(37 840)	8 881	(295 420)	(120 725)	(19 081)	4 138	(135 668)
Other operating income	1 359	1 053	(372)	2 041	9 359	3 081	(661)	11 779	5 010	2 098	(750)	6 358
Other operating expenses	(10 354)	(1 916)	304	(11 967)	(19 825)	(3 446)	473	(22 798)	(8 591)	(1 834)	749	(9 676)
Salaries and charges	(148 672)	(18 652)	(2)	(167 326)	(288 443)	(46 350)	(1)	(334 794)	(142 763)	(21 820)	0	(164 583)
Gross operating margin	262 958	(1 070)	0	261 888	544 692	6 920	-	551 612	247 931	(599)	-	247 332
Employee profit-sharing				(7 762)				(17 840)				(8 153)
Share-based payment				(627)				(1 490)				(3 343)
Goodwill impairment	-	-	-	-	-	(68 882)	-	(68 882)	-	-	-	-
Depreciation and amortisation	(7 794)	(1 299)	-	(9 093)	(14 616)	(2 579)	-	(17 195)	(7 249)	(1 317)	-	(8 566)
Result of asset disposals				(89)				(339)				(3)
Restructuring costs	-	(4 383)	-	(4 383)	-	(2 515)	-	(2 515)	-	-	-	-
Operating income				239 935				443 351				227 267
Acquisitions of tangible and intangible fixed assets	6 030	1 571	-	7 601	9 368	2 701	-	12 069	3 849	964	-	4 813

Consolidated statement of financial position

As at 30 June 2009

As at 31 December 2008

As at 30 June 2008

<i>Amounts in thousands of euros</i>	PagesJaunes	International	Eliminations	Group	PagesJaunes	International	Eliminations	Group	PagesJaunes	International	Eliminations	Group
	in France	& subsidiaries			in France	& subsidiaries			s in France	& subsidiaries		
Net goodwill	6 426	49 943	-	56 369	421	49 913	-	50 334	421	125 051	-	125 472
Net intangible fixed assets	14 726	4 982	-	19 708	16 743	4 415	-	21 158	18 880	3 732	-	22 612
Net tangible fixed assets	15 024	5 359	-	20 383	14 779	5 208	-	19 987	14 830	5 299	-	20 129
Non-current non-segment assets				29 076				20 028				50 663
Non-current assets				125 537				111 507				218 876
Net inventories	9 323	443	-	9 766	6 195	338	-	6 533	5 985	376	-	6 361
Net trade accounts receivable	362 780	40 625	(2 464)	400 941	471 000	47 334	(4 885)	513 449	411 684	50 975	(5 298)	457 362
Other current assets	30 754	5 855	(203)	36 406	25 946	4 622	(151)	30 417	32 161	4 226	(558)	35 830
Prepaid expenses	96 691	9 846	(579)	105 958	100 395	8 225	(39)	108 581	101 240	11 350	(694)	111 896
Current non-segment assets				12 189				91 040				18 047
Current assets				565 260				750 022				629 495
Total assets				690 797				861 529				848 372
<i>of which segment assets</i>	535 724	117 054	(3 246)	649 531	635 480	120 055	(5 075)	750 460	585 201	201 010	(6 549)	779 662
<i>of which non-segment assets</i>				41 266				111 069				68 710
Shareholders' equity				(2 351 542)				(2 194 077)				(2 219 278)
Minority interest				(0)				2				15
Personnel benefits - non-current	39 518	105	-	39 623	36 356	102	-	36 458	35 925	131	-	36 056
Provisions - non-current	-	20	-	20	4 419	-	-	4 419	4 931	20	-	4 951
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Non-current segment liabilities				1 971 557				1 944 447				1 936 381
Non-current liabilities				2 011 200				1 985 324				1 977 388
Provisions - current	2 875	491	-	3 366	78	518	-	596	33	513	-	546
Trade accounts payable	79 560	14 012	(2 464)	91 107	95 204	17 387	(4 885)	107 706	102 692	18 490	(5 298)	115 884
Personnel benefits - current	108 692	5 319	-	114 011	114 835	7 883	-	122 718	111 778	6 108	-	117 886
Other current liabilities	92 789	6 177	(203)	98 763	98 089	6 703	(151)	104 641	99 710	6 875	(558)	106 027
Deferred income	657 126	24 613	(579)	681 160	669 859	21 595	(39)	691 415	704 365	31 052	(694)	734 723
Current non-segment liabilities				42 731				43 204				15 180
Current liabilities				1 031 138				1 070 280				1 090 247
Total liabilities				690 797				861 529				848 372
<i>of which segment liabilities</i>	980 560	50 737	(3 246)	1 028 051	1 018 840	54 188	(5 075)	1 067 953	1 059 434	63 190	(6 549)	1 116 074
<i>of which non-segment liabilities</i>				(337 254)				(206 424)				(267 703)

Note 4 - Financial result

The financial result is made up as follows:

(in thousands of euros)	1st half 2009	Year ending 31 December 2008	1st half 2008
Interest and similar income from financial assets	64	176	91
Result of disposal of financial assets	1,081	2,873,	1,960
Change in the fair value of hedging instruments	3,205	-	-
Discount income – hedging instruments	-	-	41
Dividends received	151	327	334
Financial income	4,501	3,376	2,426
Interest on financial liabilities	(30,771)	(123,787)	(62,987)
Disbursements (Receipts) in respect of hedging instruments	(9,049)	12,163	5,988
Change in the fair value of hedging instruments	-	(16,536)	(5,418)
Amortisation of loan issue expenses	(3,235)	(6,360)	(3,127)
Other expenses and fees	(204)	(258)	-
Discounting cost (1)	(1,618)	(3,384)	(1,257)
Financial expenses	(44,877)	(138,162)	(66,801)
Foreign exchange gain (loss)	-	-	-
Financial result	(40,376)	(134,786)	(64,375)

(1) This discounting cost represents the increase over the year in the current value of pension liabilities, the liabilities in respect of hedging instruments and the liability in respect of minority buyout commitments.

Note 5 – Corporation tax

Note 5.1 – Group tax proof

The corporation tax results from the application of the period's effective rate on the pretax income.

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

Amounts in thousands of euros	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Pretax net income from continuing businesses	199,558	308,565	162,892
Goodwill impairment	-	68,882	-
Pretax net income from continuing businesses and before goodwill impairment	199,558	377,447	162,892
Statutory tax rate	34.43%	34.43%	34.43%
Theoretical tax	(68,715)	(129,968)	(56,084)
Loss-making companies not integrated for tax	(3,293)	(4,279)	(3,118)
Loan and current account depreciation QDQ Media	-	2,739	-
Share-based payment	(216)	(506)	(1,143)
Foreign subsidiaries	(58)	186	15
Capital loss on stake transfer	1,190	-	-
Other non-taxable income	(104)	89	438
Effective tax	(71,195)	(131,739)	(59,893)
<i>of which current tax</i>	<i>(71,047)</i>	<i>(142,624)</i>	<i>(63,438)</i>
<i>of which deferred tax</i>	<i>(148)</i>	<i>10,885</i>	<i>3,545</i>

Note 5.2 – Balance sheet tax position

Amounts in thousands of euros	As at 30 June 2009	As at 31 December 2008	As at 30 June 2008
Retirement benefits	11,258	10,300	10,015
Employee profit-sharing	5,554	6,022	5,386
Non-deductible provisions	3,912	4,126	1,604
Hedging instruments	19,322	11,765	-
Other differences	69	(87)	639
Subtotal deferred tax assets	40,115	32,126	17,644
Hedging instruments	-	-	(14,303)
Loan issue costs	(12,477)	(13,272)	(14,068)
Subtotal deferred tax liabilities	(12,477)	(13,272)	(28,371)
Total net deferred tax assets / (liabilities)	27,638	18,854	(10,727)
<i>Deferred tax assets</i>	<i>27,638</i>	<i>18,854</i>	<i>101</i>
<i>Deferred tax liabilities</i>	<i>-</i>	<i>-</i>	<i>(10,828)</i>

No deferred tax assets relating to the tax loss carryforwards of QDQ Media have been included in the balance sheet, since this company recorded a net loss as at 30 June 2009. The amount of the deferred tax not stated in the accounts is estimated at €61.0 million.

The position of deferred taxes in the balance sheet moves from a deferred tax liability of €10.7 million as at 30 June 2008 to a deferred tax asset of €18.9 million as at 31 December 2008

and €27.6 million as at 30 June 2009.

Balance sheet corporation tax liabilities amounting to €0.8 million as at 30 June 2009, €0.6 million as at 30 June 2008 and €16.7 million as at 31 December 2008 represent the current tax. The tax disbursed in the first half of 2009 amounts to €85.3 million (€54.1 million in the first half of 2008).

Note 6 - Derivative financial instruments

PagesJaunes Groupe employs derivative financial instruments to manage interest rate risks associated with the variable rate debt put in place by the Company in 2006. PagesJaunes Groupe has implemented the procedures and made available the documentation necessary to justify the use of hedge accounting within the meaning of IAS 39.

Description of the derivative financial instruments

PagesJaunes Groupe has entered into the following with several financial institutions:

In 2006,

- An interest rate swap agreement with a nominal value of €380 million, commencing on 13 December 2006 and running until 13 December 2011. Within the framework of this transaction, PagesJaunes Groupe receives the variable interest rate, i.e. three-months Euribor, and pays the fixed interest rate of 3.7830%;
- A collar, comprising a synthetic combination of a cap purchase and floor sale, for a nominal amount of €1,140 million, commencing on 13 December 2006 and running until 13 December 2011. The tunnel made up of this collar provides for a minimum interest rate of 3.0% and a maximum interest rate of 4.0%. The annual premium on this collar, which is payable in arrears, amounts to €1.9 million.

On 26 June 2009,

- The extension of the previous cover via two swap contracts standing at a total nominal value of €200 million, due to end on 13 December 2011, and for which PagesJaunes Groupe receives a variable interest rate, i.e. three-month Euribor, and pays the fixed interest rate of 1.99%;
- The extension of the previous cover via two swap contracts with a nominal value of €900 million, due to end in November 2013 and for which PagesJaunes Groupe receives a variable interest rate, i.e. three-month Euribor, and pays the fixed interest rate of 3.79%.

These transactions are covering the cash flows related to the variable rate debt put in place by PagesJaunes Groupe in November 2006 (cf. note 7). The prospective effectiveness tests carried out by PagesJaunes Groupe when initiating these operations and the retrospective tests carried out on 31 December 2008 and 30 June 2009 demonstrated that these financial instruments offered fully effective hedging of the cash flows relating to this senior debt.

Following the Group's decision to temporarily index its bank indebtedness against one-month Euribor as provided for in the credit agreement, in order to reduce the overall cost of its debt, an interest rate swap contract was signed on 9 June 2009. The swap has a nominal amount of €1,520 million and runs from 15 June 2009 to 14 September 2009. Within the framework of this operation, PagesJaunes Groupe receives the variable interest rate of one-month Euribor and pays the variable rate of three-month Euribor minus 27.5 basis points. This contract provides hedging against the one-month Euribor interest rate risk. This instrument was not considered eligible for hedge accounting within the meaning of the IAS 39 standard.

Accounting and asset and liability items related to the these derivative financial instruments

The initial fair value of the collar was stated in the consolidated assets when it was entered into in 2006, and amounted to €8.3 million, with the opposite entry being a "Liability in respect of hedging

instruments" (cf. note 7) amounting to €8.3 million, representing the discounted premium payable by the Company in five yearly instalments. At 30 June 2009, this liability amounts to €5.5 million (€6.8 million as at 30 June 2008).

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

in thousands of euros	As at 30 June 2009	Year ending 31 December 2008	As at 30 June 2008
Interest rate swaps – cash flow hedge	502	-	14 682
Collar – cash flow hedge	-	-	35 747
<i>of which intrinsic value</i>	-	-	34 261
<i>of which time value</i>	-	-	1 486
Assets Sub-Total	502	-	50 429
Interest rate swaps – cash flow hedge	17,725	9,885	-
Interest rate swap – fair value hedge	928	1,165	-
Collar – cash flow hedge	29,862	14,233	-
<i>of which intrinsic value</i>	24,239	5,765	-
<i>of which time value</i>	5,623	8,468	-
Liabilities Sub-Total	48,515	25,283	-
Assets / (Liabilities)	(48,013)	(25,283)	50,429
<i>Of which non-current</i>	<i>(47,085)</i>	<i>(24,119)</i>	<i>49,657</i>
<i>Of which current</i>	<i>(928)</i>	<i>(1,164)</i>	<i>772</i>

The change in the fair value of the derivative financial instruments (qualified as cash flow hedges) between 31 December 2008 and 30 June 2009, representing a €7.3 million decrease in the case of the interest rate swap and a €18.5 million decrease in the intrinsic value of the collar, was recognised in recyclable shareholders' equity, following the recognition of a deferred tax asset of €8.9 million.

This decrease is partly due to the sharp fall in short-term rates witnessed since the last quarter of 2008 (in excess of 400 basis points), which has continued, and partly due to the fact that the volatility of short-term rates has remained at a high level.

The decrease in the liability position of the time value of the collar was recorded in financial income, for an amount of €2.8 million, and gave rise to a deferred tax of €1.0 million.

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

The maximum exposure to credit risk at 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 7 - Cash and cash equivalents, net financial debt

The 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 2009	Year ending 31 December 2008	As at 30 June 2008
Fair value of hedging instruments (cf. note 6)	502	-	50,429
Accrued interest not yet due	-	60	770
Cash and cash equivalents	11,647	88,977	15,974
Cash position	12,149	89,037	67,173
Bank loan	(1,950,000)	(1,950,000)	(1,950,000)
Revolving credit line – drawn part	(10,318)	-	-
Loan issue costs	31,591	34,826	38,059
Lease liabilities	(416)	-	-
Fair value of hedging instruments (cf. note 6)	(48,515)	(25,283)	-
Liabilities on hedging instruments	(5,474)	(5,301)	(6,779)
Liabilities on minority buyback agreement	(1,757)	(3,112)	*(8,769)
Accrued interest not yet due	(3,681)	(4,481)	(5,947)
Bank overdrafts	(22,479)	(532)	(502)
Other financial liabilities	(2,390)	(17,071)	(6,215)
Gross financial debt	(2,013,439)	(1,970,954)	(1,940,153)
<i>of which current</i>	<i>(41,882)</i>	<i>(26,507)</i>	<i>(14,600)</i>
<i>of which non-current</i>	<i>(1,971,557)</i>	<i>(1,944,447)</i>	<i>(1,925,553)</i>
Net cash (debt)	(2,001,290)	(1,881,917)	(1,872,980)

* The liabilities on minority buyback commitments were stated under "other non current liabilities" at 30 June 2008 and were thus not included in the net debt.

Cash and cash equivalents

Cash and cash equivalents are primarily comprised of certificates of deposits, mutual fund units and debit bank accounts. They are valued at fair value, that being the basis on which they are managed.

As at 30 June 2009, cash equivalents amounted to €3.5 million and comprised mutual fund units invested within the framework of the liquidity agreement.

Bank loan

PagesJaunes Groupe has bank finance to a maximum of €2,350 million which includes, on the one hand, a medium-term loan for an amount of €1.950 million and, on the other hand, a revolving credit line of approximately €400 million. The revolving credit line is intended to finance the Group's treasury requirements (working capital, investments or refinancing) within the context of its operating activities and is available in particular in the form of drawings, letters of credit or bilateral lines.

This financing agreement notably includes default and mandatory prepayment clauses, as well as progressive financial covenants:

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM must be lower or equal to 4.85 each quarter until 30 June 2009, 4.40 from 30 September 2009 to 30 June 2010, 4.25 at 30 September 2010, 4.00 from 31 December 2010 to 30 September 2011 and 3.75 thereafter (the GOM and consolidated net debt as defined in the agreement signed with the financial institutions);
- the ratio of consolidated net interest expenses to an aggregate close to the consolidated GOM must be above or equal to 3.25 each quarter up to 30 June 2009, 3.50 from 30 September

2009 to 30 June 2010, 3.75 from 30 September 2010 to 30 June 2011 and 4.00 thereafter (the GOM and consolidated net debt as defined in the agreement signed with the financial institutions).

As at 30 June 2009, these financial covenants were respected and there was no necessity to reclassify non-current liabilities as current.

The medium-term loan has a variable interest rate and matures in November 2013; it is repayable in full at maturity.

As at 30 June 2009, the reference rate was one-month Euribor plus a margin of 150 basis points taking into account the margin ratchet from which the Group benefited as a result of a financial leverage below 3.50 times an aggregate close to GOM. If this financial leverage exceeds 3.50 times, the margin rises from 150 to 175 basis points.

The revolving credit line has the same maturity, with variable interest rates based on the Euribor or Libor reference rate and a margin of 150 basis points at 30 June 2009. Drawings under this line amounted to €10.3 million as at 30 June 2009. It had not been drawn at 31 December 2008.

Liabilities in respect of minority buyback commitments

Liabilities in respect of minority buyback commitments correspond to call options granted in connection with the acquisition of Horyzon Média shares and amounted to €1.8 million as at 30 June 2009. Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised a call option granted within the framework of the partnership agreement and increased its shareholding in this subsidiary from 66% to 95.83% on 15 January 2009 for a total cost of €1.4 million. It should be noted that this liability had been stated under "other non-current liabilities" at 30 June 2008 and was therefore excluded from the net debt.

Bank overdrafts

The Group benefits from authorised overdrafts amounting to €30 million, with bank charges set on the basis of Eonia + 25 basis points.

Other financial liabilities

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

Movements in financial liabilities can be analysed as follows:

(in thousands of euros)	As at 30 June 2009	Year ending 31 December 2008	As at 30 June 2008
Balance at beginning of period	1,970,954	1,963,930	1,955,230
Changes in scope	-	-	-
Net increase (decrease)	42,485	7,024	(23,846)
Balance at end of period	2,013,439	1,970,954	1,931,384

Note 8 – Sensitivity to interest-rate risk

PagesJaunes Groupe is exposed to the risk of interest rate variations to the extent that all of its short- and long-term financing has variable interest rates. The Group manages this risk by making use of derivative instruments, especially interest rate swaps and collars.

The main characteristics of the Group's bank indebtedness feature in Note 7 (Cash and cash equivalents, net financial indebtedness), and those of the instruments used in the interest rate hedging in Note 6 (Derivative financial instruments).

PagesJaunes Groupe estimates that a 1% increase in short-term interest rates in relation to three month Euribor as at 30 June 2009, i.e. 1.099%, would lead to a decrease of around €4.2 million in pre-tax consolidated income for the period.

Sensitivity analysis of an increase of 100 basis points of Euribor 3 months (before tax)

(in millions of Euros)	Cash equivalents	Bank loan and overdrafts	Net derivative financial instruments		Total
			Cash flow hedge	Fair value	
Carrying amount in balance sheet	11.6	(1,985.2)	-	(54.0)	
Sensitivity in profit and loss	0.1	(19.9)	15.2	0.4	(4.2)
Sensitivity in equity	-	-	-	27.5	27.5

Note 9 – Shareholders' equity

In accordance with the decision of the shareholders taken at the Combined General Meeting of 11 June 2009, PagesJaunes Groupe paid on 23 June 2009 the dividend relating to the 2008 financial year, amounting to €269.7 million, i.e. €0.96 per share.

Through the liquidity contract, the Company held 555,737 of its own shares as at 30 June 2009 (580,606 at 31 December 2008), stated as a deduction from shareholders' equity, and €3.5 million in liquid assets recorded in the item "Cash equivalents". PagesJaunes Groupe has not repurchased any shares outside the liquidity contract.

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

Note 10 – Information on related parties and contractual obligations

Service provision contracts have been concluded with Médiannuaire, the majority shareholder of PagesJaunes Groupe. Such contracts pertaining to transactions that fall within the framework of normal operations generated a charge of €0.6 million in the first halves of 2008 and 2009.

Meeting on 17 May 2009, the Board of Directors of PagesJaunes Groupe appointed Jean-Pierre Remy as Chief Executive Officer of the company with effect from 25 May 2009 in place of Michel Datchary, who stepped down from his duties on the said date.

Since Jean-Pierre Remy did not have an employment contract, the Board of Directors decided to establish a termination allowance, should he be obliged to leave the company owing to a change of control or strategy or in the implementation thereof, the amount of which will be equal to his annual gross lump-sum earnings (fixed and variable based on the achievement of goals), subject to meeting the performance requirements.

A non-competition obligation will be implemented should Jean-Pierre Remy's tenure as Chief Executive Officer of the company cease for any reason whatsoever and in any form whatsoever. Such a competition prohibition will be limited to 24 months as from the date of effective termination of his duties, and will be applicable throughout the territory of France. The attendant termination benefits will be equivalent to 12 months' pay calculated on the basis of the monthly average of the gross total compensation received over the 12 months prior to the date of termination of duties.

The departure of the former Chief Executive Officer of PagesJaunes Groupe at the end of May 2009 led to the recognition in the first half of 2009 of termination and non-competition allowances for a total amount of €2 million, including social charges.

Note 11 – Changes in the scope of consolidation

Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised a call option granted within the framework of the partnership agreement, thereby raising its holding in this subsidiary from 66% to 95.83% on 15 January 2009 for the sum of €1.4 million.

On 18 February 2009, PagesJaunes Groupe acquired from M6 34% of the shares that make up the capital of PagesJaunes Petites Annonces for an amount of €6.0 million. PagesJaunes Groupe now holds 100% of the shares and voting rights of the said subsidiary. This transaction led to the recognition of goodwill of €6.4 million.

Note 12 – Disputes and litigation – significant changes in the half year

At the beginning of 2002, PagesJaunes implemented a commercial development plan, including, notably, the modification of the employment contracts of 930 sales representatives. The purpose of this modification was to adapt these contracts to a new competitive environment. Approximately 100 employees refused to sign the proposed new contract and were laid off during the second quarter of 2002. Almost all these employees commenced legal proceedings against PagesJaunes to contest the validity of the reason for the redundancies. The Cour de Cassation, in two judgments handed down on 11 January 2006, approved the commercial development plan. The Cour de Cassation ruled that economic redundancy following a reorganisation implemented to prevent future economic difficulties associated with technological developments was justified. In a further judgement on 14 February 2007, the Cour de Cassation confirmed the validity of the plan implemented by PagesJaunes. However, cases including claims based on grounds not settled by the above judgments and cases before the administrative jurisdictions are still pending. Since 2006, several amounts have been released from this provision, which was recognised at the end of 2002 in respect of the risk amounting to €7.3 million, having regard to the favourable progress of this case. Consequently, as at 30 June 2009, it stands at €2.2 million.

In February 2008, PagesJaunes filed a suit against the companies, *Xentral* and *L'Annuaire Universel* for forgery of the PagesJaunes brandname by operating the "pagesjaunes.com" online directory site aimed at a French audience.

In a judgement delivered on 28 May 2008, the High Court of Paris recognised that *Xentral* (formerly *Prodis*) and *L'Annuaire Universel* were guilty of forgery and unfair competition.

This ruling confirms the rights of PagesJaunes over its historical brandnames, "PagesJaunes" and "Les PagesJaunes", the validity of which had already been recognised unequivocally by the Appeal Court of Paris in its judgement of 30 March 2005 and by the Court of First Instance of the European Communities (CFIEC) in its ruling of 13 December 2007. *Xentral* (formerly *Prodis*) and *L'Annuaire Universel* have appealed against the ruling. The proceedings are being held in abeyance owing to the fact that *L'Annuaire Universel* has been placed in administration.

L'Annuaire Universel brought an action against PagesJaunes in the Commercial Court of Nanterre, requesting the annulment of the different *Pages Blanches* brandnames on the grounds that they

were part and parcel of everyday and business language used when referring to alphabetical lists of subscribers at the time of submission. Although at this stage it cannot yet rule out any unfavourable judgements or consequences, the progress of the proceedings and PagesJaunes' serious arguments enable it to envisage a favourable outcome in this case. The proceedings are being held in abeyance owing to the fact that *L'Annuaire Universel* has been placed in administration.

In addition, in common with the other companies in the sector, the Group is frequently the subject of court proceedings brought in relation to errors in the publication of directories and other media. Generally the financial risk represented by each of these proceedings is relatively limited. However, an increase in their number may constitute a significant risk for the Group. The number of such proceedings declined constantly from 2001, remained stable in 2006 and 2007 and has decreased once again. In these proceedings, the Group endeavours to negotiate out-of-court compensation, which significantly reduces the final total cost of these proceedings. However, no guarantee can be given that these proceedings will not have an adverse impact on the Group's financial position.

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

Note 13 – Subsequent events

At the date of preparation of this report, no significant events had been observed subsequent to the closure of the half-year accounts.

4. REPORT OF THE AUDITORS ON THE HALF-YEAR FINANCIAL INFORMATION 2009

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, 2009

Report of the Statutory Auditors to the shareholders on the 2009 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, 2009, as appended to this report;
- verified the information disclosed in the half-year activity report.

These condensed consolidated half-yearly financial statements have been prepared under the responsibility of the Board of Directors, in a context of difficulty in assessing the economic outlook. 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.

Without calling into question the conclusion stated above, we would draw your attention to note 2, which sets out the changes of accounting method resulting from the application of new standards and interpretations with effect from 1 January 2009.

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 23, 2009
by the Statutory Auditors

DELOITTE & ASSOCIES
Dominique Descours

ERNST & YOUNG Audit
Jeremy Thurbin