

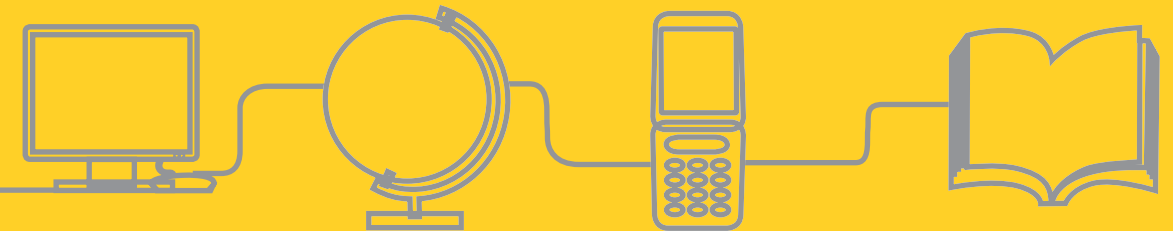


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pagesjaunes

Reference Document 2009



PagesJaunes Groupe Reference Document 2009



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Unofficial translation of the French-language “Document de référence 2009” of PagesJaunes Groupe, for information purposes only.

This English-language translation of the “Document de référence” prepared in French has been provided solely for the convenience of English-speaking readers should be read in conjunction with, and construed in accordance with French law and accounting standards applicable in France. In the case of any divergences between the French original and the English version, only the French original has legal value.

In consequence, the translations may not be relied upon to sustain any legal claim, nor be used as the basis of any legal opinion. Despite all the efforts devoted to this translation, certain errors, omissions or approximations may subsist. PagesJaunes Groupe, its representatives and employees decline any liability in this respect.

Reference Document 2009



PagesJaunes Groupe, *société anonyme* with share capital of 56,196,950.80 euros
Registered office: 7, avenue de la Cristallerie – 92317 Sèvres Cedex - France
RCS Registry Number, Nanterre 552 028 425



This reference document was registered with the *Autorité des marchés financiers* on 25 March 2010 in accordance with Article 212-13 of the AMF general regulations. It may be used in support of a financial operation if it includes an operational memo stamped by the AMF. It has been established by the issuer and its content is binding upon the persons who signed it.

Copies of this reference document are available at no cost from PagesJaunes Groupe, 7, avenue de la Cristallerie – 92317 Sèvres Cedex, and on the PagesJaunes Groupe website: www.pagesjaunesgroupe.com. It is also available on the AMF website: www.amf-france.org.

In compliance with Article 28 of European (EC) Regulation 809/2004 pursuant to Directive 2003/71/EC, referred to as the "Prospectus" Directive, the following information is provided in connection with this reference document:

- the Company and consolidated accounts for the Group in the year ended 31 December 2008, the auditors' reports on these, and the Group's management report, respectively on pages 88 to 141, pages 162 and 163 and pages 40 to 52 of the reference document registered on 17 March 2009 as D.09-125;
- the Company and consolidated accounts for the Group in the year ended 31 December 2007, the auditors' reports on these, and the Group's management report, respectively on pages 89 to 141, pages 159 and 160 and pages 50 to 68 of the reference document registered on 1 April 2008 as D.08-0181.

Chapters of the 2007 and 2008 reference document not mentioned above are either of no interest to investors, or are covered in another section of this reference document.

1

Persons responsible for the reference document



In this reference document the expressions "PagesJaunes Groupe" or "the Company" are taken to mean the PagesJaunes Groupe holding Company, and the expressions "PagesJaunes SA" or "PagesJaunes" are taken to mean the Company PagesJaunes SA. The expression the "Group" is taken to mean the group of companies comprised by the Company and all its subsidiaries, and the expression the "consolidated Group" is taken to mean the group of companies comprised by the Company and all its subsidiaries, with the exception of PagesJaunes

Outre-Mer, which is not consolidated, PagesJaunes Lebanon, which was sold in 2006, and Kompass France and Kompass Belgium, sold in 2007. A glossary defining the main terms of this reference document is provided at the end of the document.

1.1 Persons responsible for the reference document

Mr Jacques Garaïalde, Chairman of the Board of Directors, and Mr Jean-Pierre Remy, Chief Executive Officer of PagesJaunes Groupe, are responsible for this reference document.

1.2 Statement by the persons responsible for this document

"We hereby declare, having taken all reasonable measures to this end, that the information in this reference document is, to the best of our knowledge, a reflection of reality and contains no omissions which would alter its scope.

We hereby declare, to the best of our knowledge, that the accounts were drawn up in accordance with the accounting standards applicable and provide a fair view of equity, the financial situation and income of the Company and all the companies consolidated, and that the management report in this reference document provides a fair view of business, earnings and the financial situation of the Company and all the companies consolidated, and a description of the main risks and uncertainties they face.

We have obtained a letter of work completion from the Statutory Auditors, in which they indicate that they have verified the information pertaining to the financial situation and accounts in this reference document, and have read the complete reference document."

The consolidated financial information concerning fiscal year 2009, as presented in this document, is described and commented in a report of the statutory auditors which is included in Chapter 20.4 below and contains a note regarding the implementation of the new standards.

Mr Jacques Garaïalde
Chairman of the Board, PagesJaunes Groupe

Mr Jean-Pierre Remy
Chief Executive Officer, PagesJaunes Groupe

2

Statutory Auditors



2.1 Main Auditors

Deloitte & Associés

represented by Dominique Descours
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

Appointed at the General Shareholders' Meeting held on 3 June 2003 to replace the resigning Statutory Auditors, Ernst & Young, for the remaining period of the predecessors' appointment, until the end of the General Shareholders' Meeting voting on the accounts for the Company fiscal year ended on 31 December 2003. This appointment was renewed at the General Shareholders' Meeting held on 27 May 2004 for a term of six years until the end of the General Shareholders' Meeting voting in 2010 on the accounts for the Company fiscal year ended on 31 December 2009.

Ernst & Young Audit

represented by Jeremy Thurbin
Tour Ernst & Young
Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex

Appointed Joint Auditor of the Company at the General Shareholders' Meeting held on 27 May 2004 for a term of six years, until the end of the General Shareholders' Meeting voting in 2010 on the accounts for the Company fiscal year ended on 31 December 2009.

The General Shareholders' Meeting of 10 June 2010 will be invited to renew the terms of Deloitte & Associés and Ernst & Young Audit for six years until the end of the General Shareholders' Meeting voting in 2016 on the accounts for the Company fiscal year ending on 31 December 2015.

2.2 Substitute Auditors

BEAS

7-9, villa Houssay
92524 Neuilly-sur-Seine Cedex

Appointed at the General Shareholders' Meeting held on 3 June 2003 to replace the resigning joint Substitute Auditor, Mr Francis Gidoin, for the remaining period of the predecessor's appointment, until the end of the General Shareholders' Meeting voting on the accounts for the Company fiscal year ended on 31 December 2003. This appointment was renewed at the General Shareholders' Meeting held on 27 May 2004 for a term of six years until the end of the General Shareholders' Meeting voting in 2010 on the accounts for the Company fiscal year ended on 31 December 2009.

Auditex

Tour Ernst & Young
Faubourg de l'Arche
11, allée de l'Arche
92037 Paris-La Défense Cedex

Appointed Joint Substitute Auditor of the Company at the General Shareholders' Meeting held on 27 May 2004 for a term of six years, until the end of the General Shareholders' Meeting voting in 2010 on the accounts for the Company fiscal year ended on 31 December 2009.

The General Shareholders' Meeting of 10 June 2010 will be invited to renew the terms of BEAS and Auditex for six years until the end of the General Shareholders' Meeting voting in 2016 on the accounts for the fiscal year ending on 31 December 2015.

3

Selective financial information



<i>(in millions of euros)</i>	Year 2007	Year 2008	Year 2009
Consolidated income statement			
Consolidated Group revenue	1,158.3	1,192.8	1,163.9
PagesJaunes segment in France	1,071.8	1,106.6	1,097.3
International & Subsidiaries segment	93.8	94.8	75.8
Gross operating margin (GOM) of the Consolidated Group⁽¹⁾	508.9	551.6	528.7
PagesJaunes segment in France	517.6	554.5	527.8
International & Subsidiaries segment	(8.7)	(2.9)	0.9
Income for the period excluding exceptional items⁽²⁾	219.6	243.0	273.7
Consolidated balance sheet			
Assets			
Non-current assets	204.3	111.5	127.4
including net goodwill	125.5	50.3	50.3
Current assets	739.8	750.0	687.9
including net customer receivables	518.0	513.4	466.2
including cash and cash equivalents	71.2	89.0	67.0
TOTAL ASSETS	944.1	861.5	815.2
Liabilities			
Shareholders' equity	(2,072.9)	(2,194.1)	(2,213.4)
Non-current liabilities	1,966.4	1,985.3	2,025.4
including financial debt and non-current derivatives ⁽³⁾	1,922.5	1,944.4	1,980.1
Current liabilities	1,050.6	1,070.3	1,003.2
including trade accounts payable	109.4	107.7	102.4
including deferred income	672.4	691.4	660.0
TOTAL LIABILITIES	944.1	861.5	815.2
Net cash from the Consolidated Group⁽⁴⁾	(1,862.7)	(1,881.9)	(1,935.4)
Cash from consolidated Group business	285.0	320.2	284.0
Data per share			
Net earnings per share <i>(in euros)</i>	0.96	0.63	0.98
Dividend per share <i>(in euros)</i> ⁽⁵⁾	0.96	0.96	0.65

(1) Operating income before amortisation and employee profit-sharing.

(2) Excluding amortisation of goodwill of QDQ Media in 2008 (-68.9 million euros) and 6 million euros in dilution profit in 2007 (+14.6 million euros).

(3) Including commitments to buy back minority interests in Horyzon Média.

(4) Including a positive 30.0 million in fair value for hedging instruments in 2007, a negative 25.3 million euros in 2008 and 56.3 million euros in 2009.

(5) For 2009, proposal by the Board of Directors to the General Shareholders' Meeting of 10 June 2010.

4

Risk factors



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Investors are asked to consider the risk factors described in this chapter before taking any decision to invest. If one or more of these risks were to materialise, the Group's activities, financial situation, income and development could be affected.

The description of the organisation of internal control and risk management implemented by the Group is set out in the report by the Chairman of the Board on the conditions for preparing and organising the work of the Board of Directors and internal control procedures, attached to this document.

4.1 Risks relating to Group business and strategy

■ Evolution of technology and consumer preferences, reduction in the use of printed directories

The development of new technologies and widespread use of the Internet in the workplace, at home and on the move means that consumers' preferences and habits have changed. This could have an especially significant influence on printed directories in the long term, as a reduction in the readership of a medium eventually decreases its advertising revenue. The Paris region stands out from the rest of France in terms of fewer consultations of printed directories and more widespread use of online directories. Even if this can be explained by the fact that the place of use is often not the home of the person concerned and by a historically greater use of online services, there

is no guarantee that this is not a precursor of the long-term situation of readership in France.

The Group takes a substantial part of its advertising revenue from the printed directories, and the new revenue which the Group could generate from online directories may not offset a possible drop in revenue from printed directories, which could have a significant negative impact on the Group's business, financial situation, or results.

■ Uncertainty in relation to the economic model of online advertising

The Group must deal with its competitors on the Internet market for the services it offers. Various pricing models are used to sell advertising on the Internet, and it is hard to predict which, if any, of these models will turn out to be the industry standard. While the Group has successfully increased online advertising profits, in particular thanks to rising prices and volumes, the growing number of competitors in the area of online advertising could drive market prices downward and change the Group's economic model.

Based on the factors described above, there is no guarantee that the Group will be able to maintain or increase its prices and its volumes in the future. These factors could have a significant negative impact on the Group's business, financial position or results, or on its ability to achieve its goals.

■ Inability to handle competition

The Group is seeing an increasing level of competition in the advertising market, especially on line. There is no guarantee that the Group will be able to handle this competition now or in the future. Increasing competition could result in lower prices, reduced growth, reduced

margins or the loss of market share, and each of these elements could have significant negative effects on the Group's business, financial position, or results.

■ Sensitivity to the economic climate – the Group's inability to adapt its cost structure

The Group's income could drop significantly if the countries where the Group generates major advertising revenue experience a deterioration in their economic conditions.

The Group's inability to adapt its cost structure if faced with a downturn in the economy or increased competition could also have a significant negative impact on the Group's business, financial position, or results.

■ Increase in the price of paper or the cost of other production factors

If the price of paper or the cost of other production factors goes up, operating costs could increase significantly.

An increase in the price of paper or a shortage of paper over a long period could have a significant negative impact on the Group's business, financial position or results. The price of paper when this document goes to press is at a historic low, and so it is possible that the price could go up significantly in the future.

As an example, based on the volumes of paper purchased by PagesJaunes in 2008, a 10% increase in paper prices per ton on the world market leading to an equivalent increase in the cost of paper under the paper supply contracts signed by PagesJaunes Groupe would have meant an increase in printing paper costs of 4.2 million euros in

2009. The Group has no system for hedging against changes in the price of papers, apart from those included in current contracts and valid until the end of 2012.

The Group subcontracts most of the work involved in printing, binding, and packing printed directories. Two printing contracts were signed in 2008, meaning that prices will remain stable between 2009 and 2013.

In addition, the Group has outsourced the distribution of the directories to a certain number of subcontractors. The increase in distribution costs (for example, linked to a spike in fuel costs, as in 2008) or difficulties in distribution could have a significant negative impact on the Group's business, financial position, or results.

■ Risks associated with customer payment for services

Advertisers can be billed on an instalment basis until their advertising products actually appear. There is no guarantee that these payment plans and the Group's current levels of uncollected debts can be

maintained in the future, which could have a significant negative impact on the Group's financial position and cash flow.

■ Risk of a reduction in the content of published directories – inability to improve the technical features and functionalities in the services offered by the Group

The Group's goal in its printed and online directories, as well as via its information enquiries services, is to provide useful information which is as exhaustive as possible. The information concerning individuals and businesses published in the Group's directories is mostly gathered from various telecommunications operators' databases. If the Group were unable to access these databases, if the number of people with a fixed-line telephone were to drop significantly in favour of mobile telephones, without the possibility of creating a complete database of mobile telephone subscribers, or if a large number of subscribers asked to be unlisted, no assurance can be given that the Group would be able to gather the information concerning individuals and businesses by other means or that this would not reduce the content of these directories, online service or telephone services. These factors could have a significant negative impact on the Group's business, position or results.

In addition, to remain competitive the Group must continually improve its response, the functionality and features of its products and services

and develop new products and services which are attractive to users and advertisers. Use of the Internet as a format for some products developed by the Group has increased this need for adaptability. In fact, compared to other formats, the Internet is characterised by faster technological progress, the frequent introduction of new products and services, constantly and quickly changing business standards, extremely volatile and changeable demand from the consumer and unstable business models.

These products' and services' novelty value and their tendency to change quickly mean that the Group has to work on improving its performance constantly and be extremely adaptable in its technology. Any inability by the Group to anticipate or properly respond to changes in technology or demand, significant delays or major costs incurred in developing and marketing new products and services could have a significant negative impact on the Group's business, financial position or results.

■ Damage to information, production or distribution systems

A major part of the Group's business depends on efficient continuous operation of its information, production, and distribution systems. These systems could be damaged due to a range of causes, including fire, widespread power cuts, damage to communications networks, intrusions in computer systems, vandalism, or any other cause that could affect operations. Regarding outsourced activities the Group cannot respond to these types of events and must rely on the ability of

the outsourcing companies to react quickly and effectively. Any inability by subcontractors to respond to these problems could have an impact on the Group's business. As regards activities over which the Group has full control, no assurance can be given that the Group will have the technical and financial capacity to alleviate all the damage caused. The Group's business could be significantly affected.

■ Changes in the Group's quarterly revenues and half-year income

The various editions of the Group's printed directories are published and distributed throughout the year. As such the printed directories business does not go through any major cycles. Unlike online directories, the publication and distribution, printed directories' may be irregular. From an accounting perspective, earnings and expenses from sales of advertising space in the printed directories are taken into account in the results when they are published. Therefore, sales can be irregular from one quarter to the next and the results for one six-month period may not be representative of the Group's annual

results. If the publication of one or more directories is brought forward or delayed, the recognition of revenue and the associated costs of publication and distribution could also be delayed or brought forward. This difference between the recognition of income and costs, and the actual payment of the costs and the billing of advertisers on could affect the working capital requirement, operating cash flow, operating income, or other financial indicators generally used by investors to evaluate a Company's financial performance and do not reflect the Group's actual liquidity level.

■ Effect of investments or divestments

The Group may decide to carry out acquisitions or investments in one of its businesses. No assurance can be given that the Group will manage to successfully integrate the acquired companies, realise the anticipated synergies, maintain uniform standards, controls, procedures and policies, maintain good relations with the staff at the companies acquired, or that the additional income and earnings generated by each acquisition will justify the acquisition price. Any failure of these developments could have a negative impact on the Group's business, financial position, or results.

A portion of these acquisitions and investments may involve payment by issuing shares in PagesJaunes Groupe. This could have a dilutive

effect for PagesJaunes Groupe shareholders. These acquisitions and investments, whether paid for in cash or shares, could have an unfavourable effect on the Group's business, financial position, or results.

The Group could also decide to dispose of, sell, or close down some of its businesses. No assurance can be given that the Group would be able to find potential buyers or that the price received for the sale of these businesses or the cost reductions associated with the sale or closing of these businesses would offset any drop in the Group's results.

■ Inability to honour bank agreements and effects of possible debt refinancing

The Group has 1.95 billion euros in bank financing, approximately 3.6 times its gross operating margin. There is no guarantee of the Group's ability to refinance its debt under acceptable terms by the due date in November 2013. The cost of debt refinancing could be in excess of the cost prevailing at the present time, and thus have a long-term effect on earnings and generation of cash flow at the Group (See note 27 to the consolidated accounts in chapter 20.1).

The financing contract that binds PagesJaunes Groupe to its loan syndicate contains default clauses and clauses for compulsory early

repayment, and also progressively stringent bank agreements (See note 27 to the consolidated accounts in chapter 20.1). Although it enjoys a margin of almost 20% on its most stringent agreement (the net debt/EBITDA ratio), the Group may be compelled to renegotiate certain terms of its refinancing contract if the risk of default on one or more agreements were highly probable in the short to medium term.

4.2 Legal risks

■ Lawsuits and arbitration

In the normal course of business, the Company is involved in a number of legal, arbitration, and administrative proceedings. Provisions are only raised for costs which may result from such proceedings where these are considered likely and their amount can be either quantified or estimated within a reasonable range. The amount of any provisions recorded is based on a case-by-case assessment of the level of risk, and depends primarily on factors other than the progress of proceedings. However, events occurring during the proceedings can require a reassessment of these risks.

With the exception of the proceedings described below, neither PagesJaunes Groupe nor any of its subsidiaries is party to any lawsuit or arbitration proceeding that the Management of PagesJaunes believes could reasonably have a material adverse effect on its results, its business or its consolidated financial position.

At the beginning of 2002, PagesJaunes implemented a commercial development plan, notably including the modification of the employment contracts of 930 sales representatives. In order to adapt them 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 for unfair dismissal. 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. On 14 February 2007, the *Cour de Cassation* passed a new judgment confirming the validity of the plan implemented by PagesJaunes. Cases including claims based on grounds not settled by the above judgments and cases before the administrative jurisdictions are still pending. The 7.3 million-euro provision constituted at the end of 2002 to cover this risk has been written back several times since 2006 in view of the favourable progress on this case. The provision stood at 2.06 million euros at 31 December 2009.

An advertising agency (Publicom Méditerranée) commenced legal proceedings against PagesJaunes before the Commercial Court of Nanterre for abuse of dominant position, discriminatory practices and unfair competition. A judgment favourable to PagesJaunes was handed down on 24 September 2008. Publicom duly appealed this decision, though subsequently on 18 March 2010 the Versailles Appeals Court dismissed all Publicom's claims and confirmed all the stipulations of the Commercial Court of Nanterre.

In 2007 and 2008, PagesJaunes was summoned to appear before the *Conseils de Prud'Hommes* (French employment and industrial tribunal – CPH) of Caen, Marseille and Lille at the instigation of the employees of ADREXO, responsible for delivering directories in certain French *départements*. The plaintiffs are complaining of unreported work and claim the liability of PagesJaunes on the grounds of financial solidarity.

The proceedings before the Caen and Marseille CPHs were terminated since the opposing parties have withdrawn their claims. The other

proceedings have been dropped off in the administrative sense, but can be reopened within two years at the request of the opposing parties.

In February 2008, PagesJaunes commenced proceedings against the *Xentral* and *L'Annuaire Universel* companies for infringement of the PagesJaunes brand by use of the online directory website "pagesjaunes.com," aimed at the French public.

In a judgment handed down on 28 May 2008, the Paris *Tribunal de Grande Instance* (Superior court) found the *Xentral* and *L'Annuaire Universel* companies guilty of:

- infringement; and,

- unfair competition.

This ruling confirms PagesJaunes' rights over its traditional trademarks "PagesJaunes" and "Les PagesJaunes" which had already been clearly recognised as valid by the Paris court of appeals in its 30 March 2005 decree and by the European General Court in its 13 December 2007 decision. *Xentral* (formerly Prodis) and *L'Annuaire Universel* appealed the ruling. Proceedings were suspended due to the receivership of *L'Annuaire Universel*. They were taken up again by the liquidator, but no actual schedule has yet been drawn up.

L'Annuaire Universel has initiated proceedings against PagesJaunes before the Nanterre Commercial Court, asking the Court to cancel the various Pages Blanches brands on the grounds that they were commonly used in everyday and business language to designate alphabetical lists of subscribers, when they were filed. Even though it cannot yet exclude at this stage potential prejudicial sentences or consequences, progress in the proceeding and PagesJaunes' serious arguments give the Company reason to predict a favourable development in this case. Proceedings were suspended due to the receivership of *L'Annuaire Universel*.

Similar to other companies in this sector, the Group is frequently the subject of disputes regarding errors in published directories and other media. Generally the financial risk represented by each of these proceedings is relatively limited, but an increase in their number may constitute a significant risk for the Group. The number of such proceedings has declined constantly from 2001, was stable in 2006 and 2007, and is declining once again. On 31 December 2009, there were 14 cases pending for a total amount of 0.554 million euros in damages. The Group is attempting to negotiate out-of-court settlements in these cases which will significantly reduce the total cost of these proceedings. However, there is no guarantee that these cases will not have an unfavourable impact on the Group's financial situation.

To the Company's knowledge, there is no other outstanding dispute, arbitration or exceptional fact 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 of the Group.

■ Changes in regulations affecting the Group's markets

The communications industry where the Group operates is subject to many regulations (See section 6.7 "Regulations"). Changes in policy or regulations by the European Union (particularly the directive entitled "Privacy and Electronic Communications"), in France or in other European countries where the Group has operations could have a significant unfavourable effect on its business in these countries, particularly if these changes increase the cost and regulatory constraints associated with providing the Group's products and services. These developments could have a negative impact on the Group's business, financial position, or results.

In particular, the Group's marketing organisation is based in part on a structure of field vendors with the status of travelling sales staff. This organisation enables it to optimise its sales efficiency by encouraging flexibility, recruitment, and training of the Group's sales force. These future developments in regulations could have a significant unfavourable effect on the Group's business, results, financial position, or its ability to achieve its goals.

■ Legal risks associated with uncertainty as to existing regulations

The application of existing laws and regulations covering the directory and Internet sector is being clarified in France and in the European Union, and a certain number of draft laws are being examined, particularly in relation to protecting personal information,

confidentiality, responsibility for content, e-business, encryption, and electronic signatures. Future development of regulations could have an unfavourable effect on the Group's business, operating income, financial position or its ability to achieve its goals.

■ Legal risks associated with the application of several national regulations

The global nature of the Internet means that the laws of several countries can apply to the Group. Although the Group is established mainly in France, some states or national jurisdictions may require the Group to be subject to their national regulations. The potential

simultaneous applicability of several sets of regulations as well as the cost and regulatory uncertainty which may result could have a significant unfavourable effect on the Group's business, results, financial position, or its ability to achieve its goals.

■ Intellectual and industrial property rights

The Group cannot be certain that steps taken in France and in other countries to protect its intellectual and industrial property rights, particularly its trademarks, domain names, software, and patents, will be adequate, or that third parties will not be able to counterfeit, misappropriate, or have its intellectual and industrial property rights cancelled. Furthermore due to the global nature of the Internet, the Group's trademarks and other forms of intellectual and industrial

property could reach other countries which offer less protection of intellectual and industrial property than in Europe or the United States. Given the importance and impact of these trademarks, any counterfeiting, misappropriation, or cancellation could have a significant unfavourable effect on the Group's business, operating income, financial position or its ability to achieve its goals.

■ Users' personal information

The Group could be found liable if third parties were able to penetrate its network or somehow appropriate personal information concerning users or their credit cards for a breach of users' right to privacy and confidentiality. Investigating these claims and preparing a defence

against them could be expensive even if the Group is not found liable, and the existence of these claims could damage the Group's reputation.

■ Restrictions on the Group's right to collect personal information

The Group must abide by privacy protection laws, including European directive 95/46/EC of 24 October 1995, which limits its right to collect and use personal information concerning its users (See section 6.7.1.2 "Protecting Personal information"). Any restrictions on using software installed on an Internet user's computer when the user looks up information online showing how the user uses the Internet (cookies), or the obligation to allow users to object to the use of these cookies could

weaken the effectiveness of advertising as part of the Group's business. Increased public awareness of these privacy issues and changes in the laws to which the Group must adapt could limit its ability to use such personal information for its business, and more generally affect the perception of the Internet by the public as a market for goods and services. Any of these developments could have an impact on the Group's business, financial position, or results.

■ Use of domain names

The rules governing the assignment of domain names change on a basis giving rise to potential and leave open the possibility of disputes between those registering domain names and holders of domain names, or the holders of trademarks or other prior rights. Although the policies for assigning domain names and guidelines were adopted by the relevant regulatory authorities to limit the risks of lawsuits, a

third party could gain the right to use domain names similar to those registered by the Group, or the Group's use of its domain names could be limited based on prior intellectual property rights held by third parties. These situations could have an unfavourable effect on the Group's business, operating income, financial position or its ability to achieve its goals.

4.3 Market risks

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

The interest rate, liquidity and credit risks are described in notes 28 and 31 to the 2009 consolidated financial statements in chapter 20.1 – Historic financial information.

Share risk is exclusively linked to the liquidity contract entered into on 7 October 2008, which is described in detail in note 24.3 to the 2009 consolidated financial statements in chapter 20.1 – Historic financial information.

4.4 Industrial and environmental risks

In its business operations the Group is subject to a number of health and safety regulations. Its activities, particularly the printed directory business, have impacts on the environment.

In relation to the publication, manufacture and mass distribution of printed directories, we would like to highlight the following points:

- for outsourced activities such as the supply of paper directories, the printing or distribution of printed directories, the Group only has limited control over their environmental impact. Even though the Group adheres to environmental criteria in the choice of its subcontractors, it cannot provide any assurance that these subcontractors will observe all the environmental regulations applicable to their own activity;
- concerning these Group activities, environmental risks are mainly the risks in relation to the production and circulation of a large quantity of paper;

- there are also risks in relation to operations known as "office" activities to which comparable companies are subjected.

The main environmental impact for the Group is therefore the production of a large quantity of printed directories.

To limit this impact, the Group has implemented a number of measures aimed at reducing the amount of paper needed for its business and encouraging the recycling of the paper used.

■ Reducing paper consumption

Concerning the reduction of the amount of paper required to publish its directories, the Group's constant efforts focus on the following aspects:

- optimised targeting, through the most accurate assessment of the number of directories to be printed, so that this is more closely aligned with the genuine needs of consumers;
- optimised directory page layout and formatting for each edition, so as to limit paper consumption and waste during production of directories.

In France, paper consumption for the PagesJaunes directory and *l'Annuaire* (and PagesPros) was 66,890 tonnes in 2009, as against

71,720 tonnes in 2008 and 71,070 tonnes in 2007. The downward trend in paper consumption in 2009 reflects:

- a new compact format to increase the printed page surface, thereby reducing the number of pages;
- optimisation of the page layout in relation to standard processing to produce a page gain;
- other page number reductions, in line with a fall in advertising revenue.

The Group also ensures that the paper pulp used to produce the printed directories contains a significant portion of recycled pulp.

■ Recycling of directories

In addition to its efforts to limit paper consumption on a yearly basis, the Group is extremely sensitive to what subsequently happens to outdated printed directories, and agrees with the principles of extending responsibility to producers. It is concerned by directory collection, and processing (particularly their recycling).

First and foremost, part of the paper bought is recovered by the printer during the manufacture and printing of the directories for subsequent recycling.

Any directories left over after printing are either recovered or recycled by specialist waste management firms.

Finally, PagesJaunes has actively participated in the creation of the ecological organisation Ecofolio. Ecofolio was created at the end of 2006 and approved by the authorities in January 2007. It was founded by issuers of free printed matter, who clubbed together to take up their environmental responsibilities in a joint response to legal obligations and organise a new entity. Ecofolio acts on their behalf, collects their financial contribution, and carries out prevention programs. The PagesJaunes policy is to contribute voluntarily to financing this end-of-life printed material recycling and collection facility by paying an eco-contribution to Ecofolio based on the tonnage of printed PagesJaunes directories distributed (due to its status as a universal service component, *l'Annuaire* falls outside the scope of this eco-contribution).

The revenue from the contributions received by Ecofolio from the issuers of taxable printed documents such as PagesJaunes directories

distributed to the public is then passed on to the local government bodies responsible for refuse collection and processing.

The 2008 French Finance Act extended the scope of the printed matter subject to the eco-contribution. Since 1 July 2008 it has included direct mail advertising, piggyback mailing and brand and company magazines in particular.

The only items not included will be books, mainstream newspapers and printed matter distributed by virtue of a law or regulation (this is the case for *l'Annuaire* as it is deemed part of the universal post and telecommunications service).

As a result all of the PagesJaunes and Pages Pro printed directories have been subject to the contribution with effect from 1 July 2008, with office paper in effect from 1 January 2010. *L'Annuaire* is expected to remain outside the scope of this law.

The total financial contribution that the Company owes for 2009 is 998,000 euros excluding tax.

The Group must take account of trends in the environmental expectations of consumers and the authorities and comply with more stringent regulations for publishers.

■ Environmental impact of “office” activities

The Group's companies have put in place a number of internal measures designed to protect the environment, in particular by reducing the consumption of resources.

Generally, in terms of all the risks described above, although the Company has adopted a policy of identifying and voluntarily managing risks relating to the environment and health and safety, it cannot

guarantee that it will not suffer any environment-related losses, or any resulting from the application of the regulations in this area. Thus no assurance can be given that the Group's business, financial position or results will not be unfavourably affected by these losses. In addition, any possible amendments to the national or international legal and regulatory provisions regarding the environment could affect the Group's business, financial position or results.

5

Information concerning the issuer



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5.1 History and changes in the Company

5.1.1 Corporate name and trading name

"PagesJaunes Groupe".

5.1.2 Place of registration and registration number

RCS Trade register number: Nanterre 552 028 425.
APE Trade Sector Code: 7010 Z.

5.1.3 Date of incorporation and term (Article 5 of the Articles of Association)

The Company was incorporated on 12 January 1897 and registered on 21 February 1955. Based on Article 5 of its Articles of Association, the Company has a term of 99 years which started on 31 December 1954 and will run until 31 December 2053, unless it is dissolved earlier or extended as provided for in the Articles of Association.

5.1.4 Registered office, legal format and applicable legislation

Registered office and the Company's main place of business: 7, avenue de la Cristallerie, 92317 Sèvres Cedex.

Telephone: +33 (0)1 46 23 30 00.

The Company's country of origin is France.

PagesJaunes Groupe is a limited liability corporation with a Board of Directors subject to the provisions of Articles L. 210-1 and following of the French Commercial Code.

5.1.5 Major events in the development of business

On 4 February 1946, the Ministry of Posts, Telegraphs and Telephones ("PTT") made the Office d'Annonces ("ODA"), a state-owned company through the Havas advertising agency, responsible for handling advertising representation for directories in mainland France.

The shareholders in the ODA changed on several occasions until 1998. In July 1998, Havas, which then owned all the share capital in the ODA, sold its holding to Cogecom (a subsidiary of France Télécom).

In the year 2000, before Wanadoo's IPO, France Télécom first sold some of SNAT's activities (the France Télécom division in charge of publishing telephone directories) to the ODA, and subsequently sold all ODA shares to Wanadoo. The ODA was then modified to become "PagesJaunes". Following this reorganisation, PagesJaunes became the owner of the directory publishing business of the France Télécom Group, excluding *l'Annuaire* (formerly Pages Blanches) and the alphabetical search on PagesJaunes 3611, which were retained

by France Télécom. Advertising representation and all of the design and manufacturing process for *l'Annuaire* and the alphabetical search on PagesJaunes 3611 were however entrusted to PagesJaunes by France Télécom.

Advertising in the directories has increased continuously since 1946, thanks to the growth in consumption and in the advertising market in France and the increase in directory distribution and its audience, linked to the increase in the number of telephone subscribers. The continuous increase in ODA's revenues was due in particular to its capacity for constant technological and commercial adaptation. The 1980s saw the successful launch of the PagesJaunes directory as well as the start-up of Minitel, a precursor of the advertising model on the Internet. PagesJaunes experienced many technological changes, especially with the adoption of computer-aided publishing for all "paper" and "telematic" advertisements in 1990, the changeover to colour in 1995, the launch of Internet services in 1997, and finally the "PagesJaunes 2000" directory which introduced four-colour printing. In addition, the Company developed its range of advertising services beyond that of consumer directories, with a range of directories intended for businesses (Kompass, PagesPro), as well as a range of services pertaining to the direct marketing business (Wanadoo Data).

Within the framework of the public takeover bid initiated by France Télécom for Wanadoo in February 2004, it was decided to place some companies in Wanadoo's directory division under the Company's umbrella (QDQ Media, Mappy and Kompass Belgium). These were then admitted for trading on the Euronext Paris Eurolist on 8 July 2004.

In December 2004, PagesJaunes Groupe transferred to PagesJaunes SA, by a partial asset transfer agreement, the business goodwill, actual business, and staff members in charge of the business of publishing the PagesJaunes directories, previously performed by PagesJaunes SA, which is now PagesJaunes Groupe.

In January 2005, PagesJaunes Groupe consolidated Editus Luxembourg and Kompass Belgium for the first time. PagesJaunes Groupe reinforced its presence in Luxembourg in October 2004 by increasing its holdings from 50% to 100% in the capital of the Luxembourg Company Eurodirectory, which holds 49% of Editus Luxembourg, which was previously consolidated proportionally.

In February 2005, PagesJaunes Groupe acquired the French Company e-sama through its subsidiary Wanadoo Data, which specialises in hosting databases and providing Customer Relationship Management (CRM) services. The e-sama company has been consolidated since February 2005.

In June 2005, PagesJaunes Groupe acquired the Moroccan company Edicom, which publishes the printed and internet directory "Télécontact" and operates the Kompass trademark in Morocco. Edicom has been consolidated since July 2005.

On 20 January 2006, PagesJaunes signed an operating license agreement with France Télécom for the printed universal directory in favour of PagesJaunes, accompanied by an acquisition agreement for the "L'Annuaire" trademark for a total sum of 12.0 million euros. These contracts took effect on 1 January 2006.

On 31 March 2006, Wanadoo Data and its subsidiary e-sama merged to form PagesJaunes Marketing Services which now constitutes all of the Group's direct marketing know-how in France.

PagesJaunes Lebanon was sold on 26 June 2006 to a management affiliate. The sales price was \$56,755, taking into account the payment by PagesJaunes Lebanon to PagesJaunes Groupe of a receivable of \$193,245.

Following a competitive call for tenders implemented in June 2006, on 11 October 2006 France Télécom, along with the Médiannuaire company and its sole partner the Médiannuaire Holding company, a firm controlled at the highest level by an investment fund consortium comprising approximately 80% of funds ultimately managed by KKR Europe II Limited and KKR Millennium Limited and some 20% of funds managed by the "Principal Investment Area" division of the Goldman Sachs group, drew up a purchase agreement in which France Télécom agreed to transfer 150,546,830 shares in the PagesJaunes Groupe to Médiannuaire, representing approximately 54% of the Company's capital and voting rights.

The transfer of the controlling interest took place on 11 October 2006 within the framework of an off-market block sale performed in compliance with the provisions of Article 516-2 and following the *Autorité des marchés financiers'* General Regulations, through payment by Médiannuaire to France Télécom of a total price of 3,312,030,260 euros, *i.e.*, 22.0 euros per share sold. Under the terms of Articles 235-1 to 235-3 of the *Autorité des marchés financiers* General Regulations, Médiannuaire irrevocably offered to acquire from PagesJaunes Groupe shareholders any shares tendered under this standing tender offer during a 15-day trading period, from 10 November to 1 December 2006 inclusive. Following this standing tender offer, Médiannuaire held 54.82% of the capital and voting rights of PagesJaunes Groupe, and this was brought down to 54.75% on 31 December 2007.

On 9 January 2007, *via* its subsidiary PagesJaunes Petites Annonces, PagesJaunes Groupe launched an online property and car/motorcycle ads service, accessible *via* annoncesjaunes.fr. On 17 October 2007, the M6 Group purchased a 34% shareholding in the capital of PagesJaunes Petites Annonces through a share capital increase of 16.0 million euros.

On 14 March 2007 PagesJaunes Groupe sold its Kompass France and Kompass Belgium subsidiaries to Coface Services. Coface Services owns Kompass International, owner of the Kompass trademark operated by Kompass France in France and in Spain, and by Kompass Belgium in Belgium and Luxembourg. This operation generated capital gains of 33.0 million euros for PagesJaunes Groupe.

On 11 October 2007, PagesJaunes Groupe acquired a 55% stake in Horyzon Média, which was increased to 66% on 31 December 2007, and a 66% stake in Horyzon Clics. These Internet advertising companies, set up in February 2004 and September 2005 respectively, merged on 30 June 2008, with retroactive effect on 1 January 2008. The new entity is called Horyzon Média. Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised the purchase option pursuant to the applicable shareholder agreement, thus increasing its interest in this subsidiary, from 66% to 95.83% for 1.4 million euros on 15 January 2009.

On 17 February 2009, PagesJaunes Groupe bought up the entire M6 shareholding for 6.0 million euros, *i.e.* 34% of its shares in the equity of PagesJaunes Petites Annonces. This company was sold to PagesJaunes S.A. and its business was merged with PagesJaunes S.A. on 21 July 2009. The online small ads business was also transferred from the International & Subsidiaries segment to the PagesJaunes in France segment.

PagesJaunes Groupe sold its subsidiary Edicom, which publishes the printed and internet directory "Télécontact" in Morocco, in October 2009. The subsidiary was withdrawn from Group consolidation as of 31 October 2009.

On 12 March 2010 PagesJaunes Groupe finalised an agreement whereby it now holds 100% of the share capital in 123people, the world leader in human searches. 123people was incorporated in 2008 and grew rapidly to become the international leader in searches for individuals, a segment accounting for 30% of the total volume of

Internet searches. With sites launched in around a dozen countries (France, Spain, Austria, the US, Canada, Germany, the UK, Italy, etc.), it fully demonstrated its ability to develop key services and large audiences (over 40 million unique visitors at the beginning of 2010, less than 24 months after the service was first launched), to link up more than 200 publishing and affiliation partnerships, and to produce regular growth figures in terms of revenue and profitability.

123people is an Austrian company, and has been consolidated in the Group's accounts since March 2010.

5.2 Investments

5.2.1 Main investments in the past year

The Consolidated Group devotes between 1% and 3% of its revenues each year to investment costs. The investment expenses mainly come from the PagesJaunes in France segment and essentially aim to improve user-friendliness, results relevance and functionalities of

pagesjaunes.fr and reinforce the efficiency of offer definition, database management, customer relationship management, ad production, and more broadly directory edition management processes.

The table below shows the total and the amount of PagesJaunes Groupe investments to consolidated revenues over the past 3 years:

<i>(in millions of euros)</i>	2007	2008	2009
Consolidated revenue	1,158.3	1,192.8	1,163.9
Acquisitions of tangible and intangible assets	16.4	12.1	26.0
As a percentage of consolidated revenue	1.4%	1.0%	2.2%

5.2.2 Main current and future investments

PagesJaunes is pursuing its strategy of continuously optimising all its processes, fixed and mobile Internet operations and improving pagesjaunes.fr, in terms of search engine hits, user-friendliness and extended services. Current and future investments are fully in line with the Group policy of innovation and strategy, with particular regard

to the launch of new products and services for our customers and ongoing enhancement of the Group's fixed and mobile Internet sites. Investment should account for approximately 2% – 3% of future consolidated revenue.

6

Business insight



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6.1 Main activities and development strategy

6.1.1 Overview of business activity

PagesJaunes Groupe is one of the main players in advertising and information searches and posted consolidated revenue of almost 1.2 billion euros in 2009. The PagesJaunes services are accessible in printed directories (the PagesJaunes directory) and through the SMS and telephone directory enquiry service (118 008) and Internet. The PagesJaunes Groupe fixed and mobile Internet sites, especially pagesjaunes.fr, mobile.pagesjaunes.fr, mappy.com and annoncesjaunes.fr, are visited by one out of two French users each month.

PagesJaunes Groupe has a sales force of over 2,320 commercial advisers in France and Spain, and offers a full range of advertising products to its 770,000 local and national advertisers. PagesJaunes Groupe is one of the three largest Internet advertising representations in France. With over 500 million euros in Internet revenue in 2009, 43% of its consolidated revenue, PagesJaunes Groupe leads the European market in terms of Internet advertising revenue.

The table below shows a breakdown of PagesJaunes Groupe's advertisers by subsidiary:

	2007	2008	2009
PagesJaunes SA	666,822	696,051	700,077
QDQ Media	77,196	72,994	55,161
Editus Luxembourg ⁽¹⁾	15,100	15,120	13,631
Edicom ⁽²⁾	3,845	3,954	–
TOTAL NUMBER OF ADVERTISERS	762,963	788,119	768,869

(1) Stake 49%.

(2) Sold in October 2009.

The table below shows rankings for the major French fixed and mobile Internet sites (fixed Internet: source NielsenNetRatings, December 2009, all connection locations, parent):

Fixed Internet	Unique visitors ('000)	Reach (%)
Google	31,877	86.9%
Microsoft	26,131	71.2%
France Télécom	23,078	62.9%
Facebook	20,729	56.5%
PPR	19,020	51.8%
PagesJaunes Groupe	18,342	50.0%
Vivendi	17,037	46.4%
TF1 Group	16,899	46.1%
Iliad	16,825	45.9%
Yahoo!	16,529	45.1%

6.1.2 Development strategy

The PagesJaunes Groupe growth strategy is based on three main concepts:

- permanent enhancement of content, featuring the launch of new products and services for advertisers (Internet Visibility Pack, video, etc.), partnerships with the main players in their sectors (allociné.com, Michelin, booking.com, autoplus, etc.) and utilisation of actual users with the new suggestion box facility;
- continuous growth of markets, with complementarity between fixed/mobile Internet and printed formats;
- strengthening of return on investment (ROI) for advertisers, in particular by means of an updated Internet product range.

This strategy of developing local services and communication aims to boost the Group's positioning with SMEs/micro-companies and key national accounts.

The PagesJaunes Groupe strategy in 2010 will focus on the following initiatives:

- continued improvement of operational performance, with:
 - optimisation of printed directory business (maintenance of the advertiser base, geographic scoping, reduction of paper and rationalisation of distribution, etc.),
 - continuous improvement of commercial efficiency (review of the product range, market segmentation, etc.);
- accelerated growth of Internet business, overhauling the range of services (enhanced customer sites to make them more visible, better advertising format, high-performance low-level market offers, etc.) and improvements to the appeal and availability of services (new pagesjaunes.fr home page, customisation of service, provision of Mappy APIs, content partnerships, etc.);
- development of for growth drivers: monetisation of extensive audiences on mobiles and smart phones, vertical Internet portals (small ads, etc.) and geolocalised services.

6.2 Presentation of business activity

6.2.1 PagesJaunes in France segment

In 2009, the PagesJaunes in France segment generated revenues of 1,097.3 million euros, a fall of 1.2% compared to 2008. The revenues of PagesJaunes came essentially from sales of advertising in its printed directories, online services and telephone directory enquiry service.

The bulk of the Company's costs comprise publishing costs (purchase of paper, printing and distribution of printed directories and the purchase of editorial content and traffic on the 118 008 service), and commercial and administrative expenses.

The advertisers

Most of PagesJaunes' advertising customers are self-employed professionals and small and medium-sized enterprises. In 2009, 700,077 advertisers used at least one of the PagesJaunes platforms to promote their products and services. In 2009, the 20 largest advertisers and the advertisers in the 10 largest business sections accounted for 1.3% and 14.9% of PagesJaunes' revenues respectively. The table below shows the trends in the number of advertisers and average revenues per advertiser:

	2007	2008	2009
Total number of advertisers⁽¹⁾	666,822	696,051	700,077
inc. new advertisers ⁽²⁾	120,662	131,314	118,531
Printed directory advertisers (the PagesJaunes directory or <i>l'Annuaire</i>)	608,600	628,024	623,803
Advertisers in online services	471,191	482,134	492,509
(and as percentage of total number of advertisers)	70.7%	69.3%	70.4%
Advertisers in telephone directory enquiry services (118 008)	93,561	114,186	116,626
Average revenue per advertiser (in euros)⁽³⁾	1,581	1,564	1,543
Average revenue per advertiser in printed directories (in euros) ⁽⁴⁾	1,073	984	926
Average revenue per advertiser in online services (in euros) ⁽⁵⁾	798	907	945
Average revenue per advertiser in directory enquiry services (in euros)	163	199	212

(1) The number of advertisers includes all the advertisers during the year in question, including those purchasing advertising space in a PagesJaunes platform through an advertising agency.

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

(3) Average revenue per advertiser is calculated by dividing the total of PagesJaunes' revenues excluding QuiDonc and for access revenues, Minitel and 118 008 traffic ("Advertising revenues") by the total number of advertisers.

(4) Average revenue per advertiser in the printed directories is calculated by dividing the revenue of printed directories by the total number of advertisers in the printed directories.

(5) Average revenue per advertiser in online services is calculated by dividing total revenues for pagesjaunes.fr, annoncesjaunes.fr (as of 2009) the Minitel service and Internet sites by the average number of advertisers in the online services for the year in question (an arithmetic average of the number of advertisers present on 31 December of the year in question and of the number of advertisers present on 31 December of the previous year).

Multiplatform advertisers

PagesJaunes' advertisers are mostly multiplatform. In 2009, 60.8% of them invested both in the printed platforms (PagesJaunes directory or *l'Annuaire*) and in the Internet platforms (pagesjaunes.fr). The table below shows the trend in the breakdown of the advertiser base between 2007 and 2009:

	2007	2008	2009
Advertisers in both printed directories and on the Internet	62.2%	60.4%	60.8%
Advertisers in printed directories only	29.5%	30.8%	29.7%
Advertisers on Internet only	8.3%	8.8%	9.5%
TOTAL NUMBER OF ADVERTISERS	100.0%	100.0%	100.0%

Loyal advertisers

PagesJaunes has a high advertiser retention rate. 83.5% of PagesJaunes advertisers in 2008 continued their commercial relationship with the Company in 2009 (the remaining 16.5% of advertisers who did not continue their commercial relationship with the Company also included businesses which ceased trading or went into liquidation). The table below shows the trend in the advertiser retention rate by numbers and by revenues over the last three years:

	2007	2008	2009
Loyalty rate, number of advertisers	85.6%	84.7%	83.5%
Loyalty rate, revenues	93.2%	92.7%	91.4%

Typically, the advertiser's budget for PagesJaunes grows as the relationship lengthens. The table below shows the growth in the average revenue of former customers compared to that of new customers (average revenue per advertiser in euros) over the last three years:

	2007	2008	2009
New customers ⁽¹⁾	601	550	580
Existing customers ⁽¹⁾	1,866	1,883	1,773
Overall average revenue⁽²⁾	1,581	1,564	1,543

(1) Average budget per advertiser on a sales basis (based on publishing and trading customers, without restatement for advertising agencies).

(2) Average revenue per advertiser on an accounting basis.

Services acknowledged by advertisers

PagesJaunes offers its advertisers a wide range of advertising platforms (printed directories, fixed and mobile Internet, telephone directory enquiry service) and believes that this diversity of platforms is necessary to enable advertisers to reach the largest possible number of users and respond to evolving usage patterns. Moreover, on each of its platforms, PagesJaunes offers a wide range of advertising products. Each of these products has an independent rate structure.

Businesses wishing to promote their activity on one of the PagesJaunes platforms enter into a contract for the duration of one edition, i.e. 12 months, except in the case of some specific advertising products on Internet platforms. The payment conditions require a payment on account to be made on the signing of the contract (generally 10% to 20% depending on the amount of the order), with the balance being paid no later than two months after the publication of their advertising product.

For a number of years, PagesJaunes has operated a system which gauges the effectiveness of the PagesJaunes directory for the advertiser. A telephone number is inserted into the advertising product which only appears in this location, so that the calls generated can be counted.

Commercial organisation

With a view to securing the loyalty of its clientele and expanding its base of new customers, PagesJaunes has put in place an experienced commercial organisation that is appreciated by its advertisers. The sales force markets all the printed directories and online services of PagesJaunes in mainland France and the four overseas departments (Guadeloupe, Martinique, French Guiana and Réunion). The sales force in the overseas *départements* is part of PagesJaunes Outre-Mer, a 100% subsidiary of the Company. As at 31 December 2009,

PagesJaunes had a registered workforce of 2,040 sales employees, compared to 2,116 in 2008, divided among three sales channels: telesales, field sales and major accounts.

Each of these sales channels works in a coordinated fashion within a specific geographical region. The breakdown of customers between the various sales channels allows optimisation of customer relations and the direct commercial cost, which is defined as the remuneration of the sales force and the cost of its supervisory structure. In 2009, this direct commercial cost represented 15.1% of the taxable revenues of PagesJaunes.

In order to have an efficient sales force, the Company is selective in its recruitment and provides all its salespersons with in-service training programmes on products and new technologies. For example, the training programme for new salespersons – essentially in telesales – includes three weeks of training alternating between theory and practice.

The sales managers also carry out regular assessments of the performance of the salespersons whom they are responsible for managing, as well as personalised progress plans. The extent of the variable portion of the sales personnel's pay depends on the channel. Field salespersons have a variable portion amounting to 100% of their pay.

PagesJaunes' commercial organisation offers attractive opportunities for career development and pay progression for salespersons. They generally begin their career in "Prospect Telesales", and the best of them are offered the possibility of progressing to "Customer Telesales" and subsequently to the field sales force. This contributes to the motivation and loyalty of the PagesJaunes sales force.

Access to data

PagesJaunes uses the subscriber databases of the various telecommunications operators in France, including France Télécom, under data supply contracts. The Company provides additional data, in particular through the contacts which the commercial network maintains with businesses.

6.2.1.1 PRINTED DIRECTORIES

PagesJaunes' B to C printed directories business includes the PagesJaunes directory and *l'Annuaire*. This business generated revenues of 577.8 million euros in 2009. 623,803 advertisers purchased an advertising product in the PagesJaunes directory or *l'Annuaire* in 2009.

A total of 274 editions of the PagesJaunes and *l'Annuaire* printed directories were produced in 2009, as in 2008.

The publication of these directories is spread across the year. The marketing of advertising space in the directories for a given year takes place from April of the previous year to the end of July of the current year. The average directory production cycle is six months.

The expenses associated with printed directories result mainly from publishing costs (purchase of paper, printing and distribution of the directory as well as the purchase of editorial content) and commercial and administrative expenses.

6.2.1.1.1 The PagesJaunes directory

Each PagesJaunes directory lists businesses in one of its 1,700 sections depending on the location in which the business is established. For each business listed, PagesJaunes makes an entry in the directory covering the *département* in which the business is established and in which, generally, the corresponding telephone line is installed.

PagesJaunes produced 135 different editions of the PagesJaunes directory in 2009 and 2008. These were mostly distributed free of charge to private homes and to businesses. The directory is also available for purchase on request to PagesJaunes. Some of these directories have *département*-level advertising coverage, while others have within a given coverage *département*. This scoping technique enables advertisers to promote their business in the directories covering a more limited geographic region which better matches their catchment area.

The table below shows the recent trend in average monthly visits to PagesJaunes' online platforms:

(in millions)	2007	2008	2009	Change
pagesjaunes.fr, fixed Internet ⁽¹⁾	68.3	70.8	73.8	4.2%
pagesjaunes.fr, mobile Internet ⁽²⁾	0.9	1.2	2.5	110.1%
TOTAL	69.2	72.0	76.3	6.0%

(1) Source: Médiamétrie-eStat, in number of visits.

(2) Source: Mobivillage/Médiamétrie-eStat, in number of visits.

6.2.1.1.2 *L'Annuaire*

PagesJaunes produced 139 different editions of *L'Annuaire* in 2009 and 2008. These were mostly distributed free of charge to private homes and to businesses. It is also available for purchase on request to PagesJaunes.

On 20 January 2006, PagesJaunes signed a contract with France Télécom granting PagesJaunes a licence to operate the printed universal directory, alone with a contract to acquire the "*L'Annuaire*" brand for a total of 12 million euros. The contracts came into effect on 1 January 2006, and were curtailed when PagesJaunes became the publisher of the printed *l'Annuaire*, a component of the universal service (Order of 29 November 2009).

6.2.1.2 ONLINE SERVICES

PagesJaunes' online services represent a growing proportion of its business and are at a high level compared to most European directory publishers, in terms of both revenues and audience. Their development began in 1985, when the first PagesJaunes electronic directory was launched on Minitel. PagesJaunes' online service offering was then enhanced in 1997 with the launch of the pagesjaunes.fr site on Internet. An initial version of pagesjaunes.fr adapted for mobile Internet (accessible from mobile handsets) went online in December 2000, and an i-phone version was also introduced as a resounding success in 2009.

Additionally, in 1997 PagesJaunes introduced a complementary Internet site creation and hosting facility, and this was extended in 2009 with the launch of a specific offer (the Internet Visibility Pack) allowing businesses to increase their visibility on Internet.

PagesJaunes' online services generated revenues of 472.2 million euros in 2009. 492,509 advertisers purchased the Company's online services in 2009. The bulk of revenues come from the products of pagesjaunes.fr, with the balance coming from the website creation and hosting business, where the growth was due to the "En Savoir+" standardised site offering, the advertising video product introduced in 2008, the new offer of small property ads in May 2009, and launch of the Internet Visibility Pack in October 2009.

6.2.1.2.1 pagesjaunes.fr, annoncesjaunes.fr and Internet sites

The 2009 revenues of pagesjaunes.fr, annoncesjaunes.fr and Internet sites amounted to 461.0 million euros, an increase of 6.9% compared to 2008.

PAGESJAUNES.FR ON INTERNET

The pagesjaunes.fr Internet site is one of the leading sites in France in terms of audience. With a reach rate of 43.7% and over 16 million unique visitors in December 2009 (source: Médiamétrie//NetRatings Brand – all access points – Internet applications excluded – December 2009), the pagesjaunes.fr site ranks eighth among French Internet sites. In terms of visits, pagesjaunes.fr gained 36 million visits in one year, rising from 849 million in 2008 to 885 million in 2009 (source: Médiamétrie-eStat 2009). Most of the visitors to pagesjaunes.fr come directly to the site without passing through audience sites with which PagesJaunes is in partnership (Orange, Voilà, MSN, AOL, Alice, La Poste, Free and Mappy). The growth observed in 2009 was indeed achieved despite curtailment of the partnership with Orange at the end of October 2009. The external links, partnerships and sponsored links only represent around 15% of the audience of pagesjaunes.fr in terms of the number of visits (source: Médiamétrie-eStat, December 2009).

The site provides a range of innovative services which have developed over the years:

- searches for a business or person. When searching, users can also access town plans of all the communes in Metropolitan France and over 4 million photographs of 26 towns and cities to locate the business or person they are looking for. These complementary services are offered by PagesJaunes in partnership with Mappy;
- a service called “Recherche à côté de” (search near). With this service, created in January 2004, any Internet user can enter a simple address and a business category in order to obtain a list of such businesses near to the stated address, as well as a map of the district highlighting in particular advertisers on pagesjaunes.fr. This service has been progressively extended and now covers the whole of France. Internet users can also search around a point of interest (POI) on the new version of pagesjaunes.fr;
- a video search service. This was launched in November 2009, and allows users of pagesjaunes.fr to find a business from its video. This acts as back-up to the “professional video” offer launched in 2008. It now provides access to over 20,000 business videos;
- a map search service. This innovative service, launched in partnership with Mappy in November 2009, allows users of pagesjaunes.fr to find a business through direct map browsing of a geographic area. The service is extremely easy to use, and provides faster location of businesses within a given area;
- a service of aerial photographs provided by IGN, covering the whole of France, was launched in May 2006 and was an immediate success. This service enables users among other facilities, to search for a business or person and then locate the search results on an aerial photograph and a map, with the ability to toggle between the two. Since April 2007, thanks to a partnership between PagesJaunes and InterAtlas, users of pagesjaunes.fr have been able to access high-resolution aerial photographs. Nine major cities and one French region are represented (Aix-en-Provence, Lyon, Marseille, Mont-Saint-Michel, Orléans, Paris, Reims, Toulouse, Vannes and the entire Île-de-France region);
- in September 2006, a service providing a 3-D representation of cities was also launched on an experimental basis. This service was introduced for the cities of Paris and Rennes. It allows users to search for a business and to locate it on a 3-D representation of the city. In view of its success, 11 further cities were placed online (Aix-en-Provence, Lyon, Marseille, Toulouse, Issy-les-Moulineaux, Versailles, Bordeaux, Grenoble, Montpellier, Nancy and Nantes);
- the “*Ville en direct*” service: with this service, which went online in February 2005, PagesJaunes enables Internet users to obtain useful, up-to-date information on all the towns and cities of France in near-real time: detailed weather reports with free forecasts up to 10 days, traffic information for the Île-de-France region and the motorway network, over 400 webcams across the whole of France divided into four themes: “beach”, “mountains”, “cities” and “traffic”, cinema programmes in partnership with Allociné (with trailers provided by Visioscene), an exhaustive database on leisure in France with Via France, as well as a partnership with FNAC through which users can obtain tickets;
- a personal space called “*Espace Perso*”. Created in 2003, the Espace Perso is a free service which enables private individuals or businesses to add active links to their details appearing in pagesjaunes.fr. These links enable Internet users to send an SMS text message or an e-mail directly, without the subscriber's mobile number or e-mail address being revealed. Espace Perso meets Internet users' need to be easily accessible while maintaining the confidentiality of their personal details;
- access to the “*QuiDonc*” reverse directory, which has been provided free of charge since April 2008;
- rapid access to over 200 online directories throughout the world with the ability to find, for example, details of a company based abroad. This service is provided free of charge for the users of pagesjaunes.fr;
- the possibility of viewing sale and rental advertisements to find a home or vehicle throughout France on the annoncesjaunes.fr site.

WEBSITE CREATION AND HOSTING

PagesJaunes offers businesses a website creation and hosting service enabling them to promote their business through an Internet site. The website creation and hosting business is a natural extension of the relationship with the advertiser, reinforcing the strategy of developing loyalty among the Company's customers. This service is offered nationwide by the entire field sales force in France. The site offer was enhanced in October 2009 by the Internet Visibility Pack scheme. The scheme allows subscribing advertisers to use a genuine multi-tab Internet site. The advertiser may deploy all the components of his business offer, including a photo gallery or a video. The site is optimised by PagesJaunes for easy access via pagesjaunes.fr, but also through search engines such as Google or Bing. A mobile version will be introduced in 2010, and this will be particularly useful for i-phone users.

ONLINE CLASSIFIED ADS

The revenues of PagesJaunes' online classified ads come essentially from the subscriptions purchased by businesses (in particular estate agents and vehicle dealerships) to offer items for sale on "annoncesjaunes.fr", and, to a lesser extent, from the sale of advertising space on the site by Horyzon Média.

The "annoncesjaunes.fr" site now offers users a vast array of property and vehicle advertisements, as well as advertisements for jobs, training courses or home services. The number of advertisements on the site continued to grow in 2009, rising from over 490,000 at the end of December 2008 to 610,000 at the end of December 2009. The site recorded 35.2 million visits in the whole of 2009 (source: Xiti) and 2.6 million unique visitors in December 2009 (source: NielsenNetRatings), making it one of the most visited property and vehicle small ad sites in France.

In 2009, the Company also continued to strengthen its "product" and "commercial" synergies with PagesJaunes by creating the "vitrine" (literally shop window), an interface enabling customers of PagesJaunes Petites Annonces to highlight their advertisements on "pagesjaunes.fr". This enables the Group to offer an extremely competitive range of advertising products in the property and vehicle sectors.

Business was extremely brisk, and in fact customer numbers quadrupled in one year.

6.2.1.2.2 PagesJaunes 3611 (Minitel)

The audience of PagesJaunes 3611 is falling very sharply. PagesJaunes 3611 recorded revenues of 5 million euros in 2009.

France Télécom notified PagesJaunes in July 2008 of its decision to discontinue the Minitel "3611" directory service on 31 March 2009. In view of users' interest in this service (over one million connections per month), France Télécom and PagesJaunes nevertheless decided in February 2009 to maintain this service. PagesJaunes is now the producer of the service and will continue to do so in 2010.

6.2.1.3 MOBILE SERVICES

Telephone enquiries

Following the liberalisation of the directory enquiries market in April 2006, PagesJaunes introduced a telephone directory enquiry service, 118 008, in November 2005.

The service is accessible 24 hours a day, seven days a week, from fixed-line or mobile telephones in metropolitan France and can be used to carry out all types of searches.

Customers can also access information on cinema programmes (searches by cinema, city, film, with details of times), under a partnership with Allociné. They can also access weather information for the location from which they are searching.

PagesJaunes has also enhanced these user services by allowing multi-criteria searching, e.g. search for hotels by star rating or restaurants by culinary specialities.

PagesJaunes has on a number of call centres that are external to the Company but based in France in order to be closer to its customers. They are on an efficient telecommunication and IT platform and the most comprehensive database possible containing details of the customers of fixed and mobile operators who wish to provide them.

In February 2007, PagesJaunes entered into a management agreement with Belgacom and AlloBottin under which PagesJaunes would provide the operational management and the processing of calls to the 118 007 and 118 612 services. This agreement provided for the numbers to be transferred to PagesJaunes in July 2007. This was endorsed by a decision by Arcep in July 2007.

The PagesJaunes 118 008 telephone directory enquiry service is based on a mixed business model combining revenues from users (the caller pays to access the service) and revenues from the advertisements marketed to advertisers by the PagesJaunes sales force.

PagesJaunes complemented its service offering with the launch, in April 2008, of the first directory enquiry service accessible free of charge by SMS, on the number 32 008. The business model is based on a free service financed by advertising. It is a free service (excluding the cost of the SMS) that enables users to search for a business or person and carry out reverse searches, from all mobile handsets. The user can obtain up to 15 results in a single search. The SMS response sent by PagesJaunes contains an advertising message. Since November 2008, this SMS service has also been available by sending an SMS to 118 008.

There were no major product trends in PagesJaunes' enquiries services in 2009. Revenue increased during the year, despite a slight downward trend during the period.

pagesjaune.fr on mobiles

The pagesjaunes.fr site on mobile handsets was launched in December 2000. The service is carried under its own brand on all the portals of the three incumbent mobile operators. It is also accessible from the Gallery multi-operator kiosk. In addition, PagesJaunes provides direct access to its site at: mobile.pagesjaunes.fr.

In June and October 2008, PagesJaunes deployed an optimised version of its pagesjaunes.fr service devoted to new generation mobile handsets with web browsers. This new version is fully in line with the strategy of continuity of service and makes PagesJaunes one of the first French publishers to offer an optimised version of its site which is compatible with the main mobile web browsers. On their handsets, users find a mobile pagesjaunes.fr site offering business search, person search and reverse search services, which is identical in terms of advanced functionality and look and feel to the site which they access on the fixed Internet.

2009 was a major year of development for PagesJaunes in terms of mobile phones. For the first time, market conditions genuinely allowed

mobile media to forge ahead: introduction of technologically advanced terminals, especially the iPhone, development of high bandwidth mobiles, customised pricing offers. PagesJaunes availed itself of rapid development to launch a dedicated application for smartphone mobile terminals, and the iPhone in particular. The application was extremely successful and was downloaded over 1.5 million times in France on French iPhones. This means the PagesJaunes application is operating on over 60% of French iPhones and ranks among the top five applications downloaded (source: Comscore, December 2009).

Mobile traffic has grown extremely fast, and 80% of growth was accounted for by the iPhone. At year-end 2009 PagesJaunes' mobile traffic accounted for over 4 million visits per month, 5% of the pagesjaunes.fr audience. The mobile audience doubled during the last quarter of 2009.

Thus PagesJaunes has continued its strategy of penetration of the various mobile platforms by developing applications on Android (Google), Ovi (Nokia) and signing up to structuring partnerships with mobile operators (Bouygues Télécom) or terminal manufacturers (Samsung).

By the end of 2008 the PagesJaunes Inside® application launched in November 2007 was compatible with the 170 most disseminated terminals in order to consider the widest possible scope. This application is distributed by PagesJaunes by direct download from its fixed and mobile Internet sites and has been downloaded close to 100,000 times since it was launched.

The PagesJaunes Inside® concept, which provides free, direct access to a local search service from a mobile handset, has been extended to the navigation area under a partnership which PagesJaunes has

entered into with Mio, the world's third-largest manufacturer of PNDs (Personal Navigation Devices).

The business model adopted by PagesJaunes is based on free distribution and the sale of advertising, as on most of the Group's platforms.

6.2.1.4 PAGESPRO

The PagesPro directory published by PagesJaunes is positioned as a regional directory for small and medium-sized enterprises, aimed at putting businesses in touch with each other. The 2009 PagesPro directory is now available in the form of a printed directory, on CD-Rom and on Internet.

The PagesPro directory is sent free of charge to companies included in a distribution list drawn up by PagesJaunes, which includes businesses selected on the basis of their activity and size. Before distribution, PagesJaunes contacts each of these businesses to determine the platform (print or CD-Rom) on which they wish to receive this directory.

The revenues come essentially from the sale of advertising space in the PagesPro directory. 21,400 businesses used one of the services of the PagesPro directory to advertise in 2009.

Printed directories and PagesPro CDs will disappear in 2010 to the benefit of pagespro.com.

6.2.2 International & Subsidiaries segment

In addition to the publication of consumer directories in France, PagesJaunes Groupe is present in a number of businesses making up the International & Subsidiaries Segment. These mainly comprise the publication of consumer directories outside France and the development of activities complementary to the publication of directories, such as the geographic services of Mappy and the direct marketing services of PagesJaunes Marketing Services. This segment also includes Horyzon Média's Internet advertising business.

The online classified ad business launched in January 2007 and accommodated within the company PagesJaunes Petites Annonces was absorbed on 21 July 2009 by PagesJaunes as part of the PagesJaunes segment in France.

PagesJaunes Groupe also sold its subsidiary Edicom, which publishes the printed and internet directory "Télécontact" in Morocco, in October 2009. The subsidiary departed Group consolidation as of 31 October 2009.

6.2.2.1 B TO C DIRECTORIES

6.2.2.1.1 Spain – QDQ Media

QDQ Media was formed in 1997 to take advantage of the development potential in the Spanish market, characterised by a low level of penetration of directories and a limited presence in the advertising market compared to other European markets, with a distinctive and more modern product. QDQ Media was acquired by Wanadoo in April 2001 and then sold to PagesJaunes Groupe in April 2004.

QDQ Media currently offers printed directories, online services and telephone directory enquiries, as well as a suite of services available on mobile handsets. In order to market advertising space on its platforms, QDQ Media developed a field sales force divided into four divisions (Central, Catalonia, North, North-West, Andalusia and Levante), and a telesales channel comprising three hubs (Madrid, Barcelona and Zaragoza). At the end of 2009, the sales force comprised approximately 250 employees.

QDQ Media offers its advertisers an extensive range of advertising products, and in June 2008 QDQ Media entered into an agreement with Google for the distribution of the latter's AdWords programme to its local advertisers. In 2009, QDQ Media was the second largest publisher of directories in Spain, with revenues of 30.3 million euros and 55,000 advertisers. QDQ Media's main costs are publishing costs (paper, printing and distribution of directories) and commercial costs.

Over the first six months of 2009 QDQ Media underwent extensive reorganisation, already initiated during the latter half of 2008, focusing on the redeployment of its sales force and business in a bid to bring down its break-even figures, concentrating investment in areas with most potential and national development of its Internet presence.

PRINTED DIRECTORIES

The printed directory "QDQ, La Guía Util" (the useful directory) lists businesses classified into sections. Within each section, the businesses are classified by location or even by district, or in alphabetical order, depending on the business and the directories concerned. The first five printed directories were launched in Madrid province in 1998. In 2009, QDQ Media published 65 directories covering almost the whole of Spain, and distributed 10 million copies.

Like PagesJaunes in France, QDQ Media markets advertising space, designs the advertisements for its advertising customers, handles the layout of the directories and entrusts the printing and distribution to external service providers under agreements negotiated by the Group.

INTERNET SERVICES

In 2001, QDQ Media launched the "qdq.com" site to offer its users the possibility of searching for the details of a business on the Internet. During its development, "qdq.com" benefited particularly from the contribution of Mappy's photographic and cartographic services. Photographs of cities (Madrid, Barcelona, Valencia, Seville, Santiago de Compostela, Santander, Valladolid and Zaragoza), and also Madrid and Barcelona in 3-D, have enjoyed great success among Internet users and contributed to the rise in the site's audience.

Since 2003, "qdq.com" has included "QDQ Blancas", the first Spanish directory to contain the subscribers of all telecommunication operators who have not requested that their fixed-line telephone number remain ex-directory or who have given their prior consent in the case of their mobile telephone.

In 2009, "qdq.com" received an average of 1.4 million visits per month (source: OJD www), with 16.4 million visits as the full-year total. Internet services accounted for over 40% of QDQ Media's revenue, a 5.7% increase on 2008, chiefly due to sales of the Google Adwords offer, allowing QDQ Media advertisers to join a sponsored links scheme in their Internet communication plan.

6.2.2.1.2 Luxembourg – Editus Luxembourg

Since it was formed in 1995, Editus Luxembourg has been the publisher of the official directories in Luxembourg. The Company is owned 49% by Eurodirectory and 51% by P&T Luxembourg. PagesJaunes Groupe has held 100% of the capital of Eurodirectory, the holding company, since acquiring the 50% previously held by Seat Pagine Gialle

in October 2004. Editus was consolidated in the Group's accounts by the equity method in 2004 and has been proportionally consolidated since 1 January 2005. Under the shareholder agreement entered into on 6 July 1995, Eurodirectory and P&T Luxembourg appoint the same number of Directors, with the board being chaired by a director proposed by P&T Luxembourg.

Editus offers its advertisers, who numbered over 14,000 in 2009, four lines of products and services: directories, printed and on CD-ROM and fixed and mobile Internet platforms, property and vehicle classified ads on print and fixed Internet platforms, interactive media agency services, as well as direct marketing services.

Editus publishes the yellow pages, white pages, business and Internet directories in Luxembourg under the brands "Editus Pro", "Editus D'Telefonbuch", "Editus B2B" and "Editus Net". Each directory comprises one single paper edition per year and is distributed to private individuals through post offices and businesses in Luxembourg. "L'Editus B2B" also covers companies in the extended region covering the Saarland, Palatinate and Lorraine regions and the Belgian province of Luxembourg.

As part of its property classified ads business, Editus provides a monthly magazine and an Internet site on property and living in Luxembourg under the "Habiter.lu" brand, as well as a fortnightly magazine and an Internet site devoted to the real estate market in the part of Belgium bordering Luxembourg under the "Référence Immobilière" brand. In the vehicle segment, Editus provides a monthly magazine and an Internet site devoted to this segment under the "Driving.lu" brand.

As part of its digital media agency business, Editus offers advertisers consultancy services on media placement and the management of their purchases of space and services centred on digital media (advertising displays, sponsored links, website optimisation for search engines). At the same time, under the "Editus DATA" brand, Editus allows advertisers to conduct targeted direct marketing operations and markets its PagesJaunes database.

All the Editus Internet sites are integrated in its portal "www.luxweb.com", the country's second leading portal, with over 400,000 unique visitors in December 2009 and 9.3 million visits throughout 2009, an increase of 3% on 2008.

6.2.2.2 COMPLEMENTARY ACTIVITIES

6.2.2.2.1 Direct marketing – PagesJaunes Marketing Services

Formed in 1999, Wanadoo Data acquired the company e-sama in February 2005. Wanadoo Data adopted the name of PagesJaunes Marketing Services when it absorbed e-sama in March 2006. PagesJaunes Marketing Services has acquired and developed acknowledged, specific know-how in the processing and supply of marketing data. PagesJaunes Marketing Services is a specialist in processing online and offline data and allows companies to establish a relationship of proximity with their customers or potential customers. It accompanies businesses with its seven "Data" divisions, providing multi-channel solutions. The seven divisions are grouped into three areas:

- identification, through an audit of all the data in the databases of customers or potential customers. Data Management (audit, integration, processing, hosting, enhancing, datamining, geo-coding) is an essential feature to guarantee quality company data. Datamining and geomarketing surveys carried out by PagesJaunes Marketing Services develop knowledge of the customer;
- contacting, through the channel or channels adapted to the advertiser's targets, from design of tools to creation of platforms up to distribution – PJMS provides a comprehensive service;
- optimisation of subsequent campaigns following analysis of the results and measurement of returns on investment, in order to capitalise on all marketing campaigns.

PagesJaunes Marketing Services launched its commercial site MarketingConnect in 2009. This web platform targets micro-companies and SMEs and networking companies, and has been awarded the "Golden Cube" for innovation as the first customised web solution which designs and optimises multi-channel relational marketing campaigns.

In 2009, PagesJaunes Marketing Services had around 1,100 customers, chiefly in telecommunications, the car industry, energy (electricity), large-scale and specialised distribution, banking and insurance, and business services.

6.2.2.2 Geographic services – Mappy

Mappy is now a major provider of geographic services (maps, journey planners, geographic representations, local area searches, GPS navigation) on the fixed and mobile Internet. Mappy was acquired by PagesJaunes Groupe from Wanadoo in April 2004.

Mappy acquires the raw geographic data from third parties and incorporates it in its own technical platform, enabling it to create services such as map displays, journey planners, local area searches and GPS navigation. Mappy also creates photographic databases of cities, enabling users to view streets and facades of buildings and to take a virtual stroll through the city. Mappy's photographic databases comprise 36 cities, including 27 in France, eight in Spain and one in Luxembourg, with over 6.7 million photographs covering almost 1.3 million addresses.

These services are made available to the general public through "mappy.com", which is accessible on the fixed and mobile Internet. "mappy.com" is one of the main Internet sites in France, with 10 million unique visitors in December 2009 (source: NielsenNetRatings) and 231 million visits throughout 2009 (source: Xiti), and a mobile service that may be accessed on the portals of all operators. October 2009 saw the introduction of a new version of the Mappy site, followed

by the launch of a Mappy i-phone application in November. Mappy applications had been downloaded almost 500,000 times by iPhone customers at year-end 2009.

The audience of Mappy's fixed and mobile Internet services has been marketed since 2008 by Horyzon Média, the Internet advertising representative of PagesJaunes Groupe.

Mappy provides business customers with its services which are incorporated in their Internet or Intranet sites or in their mobile services. Mappy's services are available through APIs (Application Programme Interfaces), which enable its customers to use cartographic resources to develop any type of service they may require. Mappy is also positioned in the market for GPS navigation services, which are a natural extension of its know-how. Mappy has franchised its brand to the Logicom company, which designs, imports and distributes PNDs (Portable Navigation Devices) for the French market in collaboration with Mappy. Mappy also provides GPS navigation solutions for mobile telephones. Mappy's costs mainly comprise personnel expenses, costs of acquiring geographical data and costs associated with its proprietary platform (servers and bandwidth).

6.2.2.3 Internet advertising representation – Horyzon Média

In October 2007, PagesJaunes Groupe acquired a majority holding in the capital of the companies Horyzon Média and Horyzon Clics, which are Internet advertising representatives formed in February 2004 and September 2005 respectively. The two companies merged on 30 June 2008; are becoming Horyzon Média. With these acquisitions, PagesJaunes Groupe strengthened its presence in the dynamic online advertising market and its directory-type online advertising offering with a national advertising offering marketed on a CPM (cost per mille) or CPC (cost per click) basis.

Horyzon Média sold advertising space on around 70 consumer Internet sites to national advertisers in 2009 and is one of the main click-based campaign platforms in France, with a network of 7,500 affiliated sites. The sites marketed by Horyzon Média's sites represented a reach rate of almost 64% in December 2009 (source: Médiamétrie/NielsenNetRatings), providing advertisers with one of the highest levels of coverage for French Internet users. Horyzon Média was entrusted with the advertising representation for the national space on all the fixed and mobile Internet sites of PagesJaunes Groupe in France, and in February 2008 the company launched a specific mobile Internet offer. Horyzon Média's costs essentially comprise personnel expenses for its sales force and sums paid on to publishers.

6.3 Exceptional events

As of the date of this document, no exceptional events have taken place.

6.4 Relations with the France Télécom Group and shareholders

Up to 11 October 2006, the Company belonged to the France Télécom Group. The Group's policy had always been to sign contracts for all its relations with France Télécom and its subsidiaries under market conditions. Following France Télécom's disposal of its stake in the Company's capital, France Télécom and the Company signed a transition agreement on 11 October 2006 to determine the future of the contracts that existed on the date the transition agreement was signed between the entities of the France Télécom Group and the Group entities.

Under the terms of the transition agreement, the agreements described in paragraphs 6.4.1 (Agreement for providing directory data for directory publication), 6.4.2 (Advertising representation agreement), 6.4.3 (Agreement on manufacturing and distributing *l'Annuaire* and PagesJaunes 3611 alphabetical search), 6.4.4 (Operating license agreement for *l'Annuaire*) of the reference document were still applicable in 2009.

Under law 2003-1365 of 31 December 2003, a request for proposals was launched to appoint the operator responsible for universal directory enquiry services and printed and electronic directories. In a decree of

3 March 2005 issued by the Ministry of the Treasury, Finance and Industry, France Télécom was appointed sole operator of this universal directory service. France Télécom's role as universal operator has a two-year term. Following a recent RFP, a 29 March 2007 decree appointed France Télécom sole operator of this universal directory service for a further two years. France Télécom published a directory in printed and electronic format and operated a directory assistance service, in accordance with the technical specifications for the universal directory service and directory enquiries service resulting from this decree.

RFPs for a universal paper directory and a universal information service were published in the Official Journal on 14 January 2009. However, the government did not launch an RFP for the electronic directory, since it felt that this service was "largely available, free of charge, and with an overall satisfactory level of quality." PagesJaunes was appointed as operator to provide the universal paper directory by an order of 29 November 2009, and operator to provide a universal information service by an order of 18 November 2009.

6.4.1 Agreement for providing directory data for directory publication

This agreement was signed on 26 June 2000 for a period of four years, automatically renewable for one-year periods. It was terminated early by amicable agreement and was replaced by an agreement signed on 11 March 2004 with retroactive effect as of 12 September 2003. The agreement was in force until 31 December 2004, whereupon it was to be automatically renewable twice for one-year periods. Under the terms of this agreement, PagesJaunes received the non-exclusive and non-transferable right to use France Télécom's landline telephone subscriber database, which is updated every day as part of an obligation to provide resources, for the sole purpose of information services and publishing directories, in any form, and using an amount calculated based on the rate of usage of this database (amount fixed by usage). The fees are payable according to the following terms: 50% when ordering and the balance six months after the start of the year. At the end of each year, a comparison is made between the provisional

usage statement and the actual usage measured during the period. If the comparison shows that the data usage by PagesJaunes was higher than forecast, France Télécom draws up a revised invoice. In the opposite case, France Télécom enters a credit which is offset against the next invoice issued to PagesJaunes. This agreement falls under the obligation incumbent on all operators (including France Télécom) to provide the list of all its subscribers to anyone who wishes to publish a directory or provide an information service, under non-discriminatory conditions and at a price reflecting the costs of the service rendered. A new agreement was signed on 31 January 2007 effective from 1 January 2007, for a period of one year, and this is automatically renewable under the same terms.

Pursuant to this agreement, PagesJaunes paid France Télécom 2.7 million euros in 2009 (3.7 million euros in 2008).

6.4.2 Advertising representation agreement

Under the terms of this advertising representation agreement, France Télécom gave PagesJaunes sole responsibility for finding new customers and gathering the advertising to be placed in the alphabetical PagesJaunes 3611 service, as well as the technical design, production and page layout of this advertising. This agreement, signed on 30 June 1967, was amended several times and replaced by an agreement dated 15 November 2002 in effect until 31 December 2009, and automatically renewable for additional five-year periods. Pursuant to this agreement, PagesJaunes is responsible for billing and collecting from the advertisers the cost of the advertisements they take out and is therefore their *del credere* agent (PagesJaunes is responsible for payment for all advertisements published regardless of any insolvency on the part of the customers). France Télécom sets the prices for the advertisements applicable to each edition after consultation with PagesJaunes. The latter is paid for this representation by a commission calculated based on the amount, excluding taxes, for the advertising space billed for each accounting period as follows:

- 45% up to 65 million euros;
- 55% from 65 to 100 million euros;
- and 65% above 100 million euros.

In addition, when any usage of the PagesJaunes 3611 for alphabetical search is on a fee-paying basis for the user, an additional 10% commission is allocated to PagesJaunes on the amount, excluding tax, charged for the advertising space billed for PagesJaunes 3611 alphabetical search. The PagesJaunes 3611 service became fee-paying from the start of the consultation on 1 September 2007.

6.4.3 Agreement on manufacturing and distributing PagesJaunes 3611 alphabetical search

Under an agreement dated 26 June 2000, France Télécom has made PagesJaunes responsible for carrying out on its behalf all the tasks required for the manufacture, distribution and promotion of *l'Annuaire* and PagesJaunes 3611 alphabetical search. France Télécom, as the publisher of *l'Annuaire*, sets the parameters for the database list of telephone subscribers to be inserted, the type of information regarding each subscriber's entry, and the scope for the distribution list. France Télécom approves the suggestions made by PagesJaunes in relation to the design of *l'Annuaire*, the publication schedule for the paper *l'Annuaire*, the conditions for distribution of the paper *l'Annuaire*, availability of the electronic *l'Annuaire*, promotion campaigns for *l'Annuaire*, the advertising products to be inserted in *l'Annuaire* and their prices, and also establishes the evolution of *l'Annuaire*. France Télécom provides PagesJaunes with all items relating to the content of *l'Annuaire* which concern France Télécom.

A monitoring committee with two representatives of France Télécom and two representatives of PagesJaunes was created. The task of this committee is to examine all questions relating to the application of the agreement. The committee makes any suggestions and proposes any solutions it deems appropriate.

On 20 January 2006, PagesJaunes entered into a contract with France Télécom under which PagesJaunes was granted a licence to operate the printed universal directory, accompanied by a contract to acquire the "*l'Annuaire*" brand for a total of 12 million euros. These contracts took effect on 1 January 2006.

The operating license agreement signed on 20 January 2006 substituted, on this date and solely for the printed alphabetical directory (*l'Annuaire*), the previous agreement of 15 November 2002, which was consequently modified on 20 January 2006 with a view to limiting its scope to the alphabetical search version of PagesJaunes 3611.

France Télécom notified PagesJaunes of its decision to terminate its Minitel "3611" directory service on 31 March 2009. As a consequence, on 26 March 2008 France Télécom and PagesJaunes signed an amendment to the advertising agreement with a view to curtailing this contract on 31 March 2009.

Pursuant to this agreement, France Télécom did not bill any fees to PagesJaunes in 2009 (0.5 million euros in 2008).

The operating license agreement for the printed universal directory signed on 20 January 2006 between France Télécom and PagesJaunes substituted, on this date and solely for the printed alphabetical directory (*l'Annuaire*), the previous agreement, which was consequently modified on 20 January 2006 with a view to limiting its scope to the alphabetical search version of PagesJaunes 3611.

This agreement is in effect until 31 December 2009 and will be automatically renewable for a period of four years unless either of the parties has notified the other of its desire not to renew in a registered letter with acknowledgement of receipts sent at least twelve months before the expiration of the current term.

Changes in the content, form, or technical means of creating or distributing the alphabetic 3611 directory will not be modifiable in any way regarding the provisions of the current contract.

Thus at 20 January 2006 the scope of the agreement was limited to the PagesJaunes 3611 alphabetical search. Under the terms of this agreement, PagesJaunes charges all the costs of internal and external means needed to produce the PagesJaunes 3611 alphabetical search to the publishing fees owed to France Télécom.

France Télécom notified PagesJaunes of its decision to terminate its Minitel 36 11 directory service on 31 March 2009. As a consequence, on 26 March 2008 France Télécom and PagesJaunes signed an

amendment to this agreement intended to curtail this agreement on 31 March 2009.

Pursuant to this agreement, France Télécom paid PagesJaunes 0.2 million euros in 2009 (5.8 million euros in 2008).

6.4.4 Operating license agreement for *l'Annuaire*

Following the appointment of France Télécom as sole operator in charge of the general information service and the universal printed and electronic directories, France Télécom decided to entrust PagesJaunes with an operating license for the printed universal directory through an agreement signed on 20 January 2006, effective as of 1 January 2006.

In this capacity France Télécom entrusted PagesJaunes with the supply on its behalf of the printed universal directory and granted it all rights pertaining to this operation, excluding publishing responsibilities.

PagesJaunes undertook to respect in particular all of the measures set forth in the decree dated 3 March 2005 appointing France Télécom operator in charge of the component mentioned above and of the appended specifications, as well as the terms in the application filed by France Télécom on 16 December 2004 pertaining to this appointment.

Fees, costs, and other expenses pertaining to the operation and supply of the printed universal directory are the responsibility of PagesJaunes. In exchange for this undertaking and a lump sum of 11 million euros, PagesJaunes retains all income pertaining to operating the printed universal directory.

This operating license is granted for the entire period during which France Télécom is publisher of the printed universal directory, up to 31 December 2009 at the latest.

If France Télécom is no longer publisher of the printed universal directory before 31 December 2009, France Télécom undertakes not to compete with PagesJaunes (See section "6.4.6 Non-competition agreement").

Moreover, when the operating license agreement was signed France Télécom and PagesJaunes also signed a usage agreement for the trademark "*l'Annuaire*" in favour of PagesJaunes for a sum of 1 million euros.

France Télécom and PagesJaunes also updated the advertising representation and production agreements (see sections 6.4.2 and 6.4.3) so as to limit the scope to the 3611 alphabetical search directory, with all the other conditions not modified but adapted to this scope.

Since France Télécom did not submit a proposal for the paper universal directory as published in the Official Journal on 14 January 2009 and PagesJaunes had been appointed to provide this universal directory by an Order of 29 November 2009, this agreement expired in a letter dated 21 December 2009.

6.4.5 Leases and subleasing agreements

The vast majority of the Company's offices were sublet by the France Télécom Group through leases or subleasing agreements. These contracts have been upheld since 11 October 2006, except for offices where the Group is the sole tenant (no other France Télécom group company shares the premises), in which the Group is the direct tenant as long as the financial conditions remain unchanged.

Pursuant to these agreements, PagesJaunes booked 2.1 million euros billed by France Télécom in 2009 (1.9 million euros in 2008).

6.4.6 Non-competition agreement

In an agreement dated 26 May 2004, France Télécom agreed not to compete with PagesJaunes Groupe until 31 December 2008 in France and Spain in its business as a publisher of printed business directories (mainly the PagesJaunes and QDQ, La Guía Útil directories). This undertaking was extended by the cooperation agreement, which is valid until 31 December 2010.

For alphabetical directory publishing its business, France Télécom agreed not to compete with PagesJaunes until 31 December 2009

only in France and only if PagesJaunes is designated as the supplier of the general directory or if neither PagesJaunes, nor France Télécom nor any other company in the France Télécom group is designated (see section "6.4.3 Agreement on manufacturing and distributing l'Annuaire and PagesJaunes 3611 alphabetical search" in this reference document). This undertaking was extended by the cooperation agreement, which is valid until 31 December 2010.

6.4.7 Relations with Médiannuaire

Following Médiannuaire's 11 October 2006 acquisition of France Télécom's stake in the Company's capital, Médiannuaire intends, as the Group's holding Company, to define and implement an effective management policy for its subsidiary, which in particular requires providing PagesJaunes Groupe with strategic accounting, legal, and tax services for the purposes of optimising, coordinating, and harmonising management within the Group.

In this regard, Médiannuaire has the teams and personnel with the required know-how to ensure the services needed to implement this management policy for its subsidiary. It may also outsource some services. In this regard, a contract for the provision of services was signed on 12 October 2006 by Médiannuaire with Kohlberg Kravis Roberts & Co L.P. in order to assist it within the framework of its mission of supplying strategic services.

The Company wished to take advantage of the skills of Médiannuaire in order to optimise management of its activities and ensure its development in the best possible conditions and therefore signed a contract for the provision of services on 28 November 2006 in which Médiannuaire agreed to provide the Company with its assistance in accounting, financial, legal and tax management and advice as to strategy.

Médiannuaire's annual remuneration for the assistance provided to the Company will be equal to all the costs incurred and borne by Médiannuaire when carrying out these services, increased by 5%.

This contract produced fees for PagesJaunes Groupe of 1.2 million euros in 2009 (1.1 million euros in 2008).

6.5 Group's reliance on certain factors

6.5.1 Reliance on patents and licenses

The Group owns many trademarks and domain names relating to a wide range of products and services in France and in other countries, particularly the "PagesJaunes", "Les Pages Blanches", "QDQ", "La Guia Util", "QuiDonc" and "Mappy" brands.

The Group is also the owner of all the trademarks used within its business operations.

In addition, the Group has registered a large number of domain names, particularly pagesjaunes.fr, pagesblanches.fr, pagespro.com, quidonc.fr, mappy.com, and qdq.com. The Group has also filed or is filing applications to register many domain names for each of its sites in the countries where it operates or may operate in future.

6.5.2 Reliance on supply contracts and industrial contracts

6.5.2.1 PAPER PURCHASES

PagesJaunes Groupe has signed framework agreements with a certain number of paper suppliers, including some of the world's leading paper manufacturing groups. The terms and conditions of these framework agreements apply to all companies where PagesJaunes owns over 20% of the share capital, including PagesJaunes and QDQ Media in particular. Under the terms of these framework agreements, each Company sends its orders directly to the suppliers and is solely responsible for the resulting obligations. The paper supply contracts contain commitments to purchase certain amounts of paper. Most of these contracts apply until 31 January 2012. PagesJaunes does not consider itself dependent on any of these suppliers.

6.5.2.2 PRINTING

In order to ensure printing for its B to C directories, in France and in Spain, the PagesJaunes Group drew up agreements with 4 printers to provide services for all Group companies between 2009 and 2013. The contracts do not stipulate a volume commitment.

6.5.2.3 DISTRIBUTION

PagesJaunes has signed four major contracts for distributing the PagesJaunes and *l'Annuaire* directories in 2010. The contracts do not stipulate a volume commitment.

PagesJaunes does not consider itself dependent on any of these distributors

6.5.2.4 ACCESS TO DIRECTORY DATA

PagesJaunes has signed an agreement to make the directory data available for directory publishing purposes between PagesJaunes and France Télécom, described in section 6.4.1 "Agreement for making directory data available for publication of directories".

The Company also drew up agreements with different operators to secure access to their subscriber database. These agreements are usually signed for a period of one year automatically renewable for additional one-year periods.

Pursuant to these contracts, the Group's total cost for access to the operators' databases was 4.5 million euros in 2009 (5.1 million euros in 2008). This amount includes the sums paid over to France Télécom for the contract providing directory data (See section 6.4.1).

6.6 Competitive position

6.6.1 PagesJaunes in France segment

Amid a context of rapid evolution of competition on Internet and continuous extensions to products and services, PagesJaunes Groupe faces a wide range of competitors. As a media, the Group therefore faces two large competitor categories for each platform – fixed and mobile Internet and paper format – and services:

- audience competition, as there is an increasing number of possible sources for users who wish to contact a business or individuals, or to secure information prior to making their purchase;
- competition from other advertising platforms, particularly local media.

The Company's main competitors are therefore:

- Internet search engines (particularly Google, Voilà, Yahoo!, MSN);
- a number of theme portals and specialist Internet sites (viamichelin.com, voyages-sncf.com, hotels.com, kelkoo.com, etc.);
- telephone directory enquiry services which have also developed on the Internet (118218.fr, 118712.fr, 118000.fr);
- free Internet press portals (in particular the publications of the companies Comareg and Spir Communication, *20 Minutes*, *Métro*);
- operators on the classified market which may specialise in property, cars or general areas;
- and also publishers of directories (in particular PubliGroupe, U Corsu, etc.), in addition to city directories and local guides which have also developed on the Internet.

6.6.1.1 PRINTED DIRECTORIES

PagesJaunes' printed directories face two kinds of competition:

- competition from suppliers of information, which is now extremely diverse, particularly with regard to information available online on the Internet: this can include both search engines and the directories published by PagesJaunes (pagesjaunes.fr), as well as other directories;
- competition from other advertising platforms aimed at local advertisers (e.g. regional daily press, free information sheets, free classified ad sheets, posters, local radio, etc.).

6.6.1.2 ONLINE SERVICES

pagesjaunes.fr on Internet

PagesJaunes' online directories, like the printed directories, are positioned in the local advertising market, even if, to a marginal extent, they also carry national advertising campaigns. Consumers wishing to obtain commercial information, particularly for the local area, have various information sources at their disposal (See section "6.6.1 PagesJaunes in France segment"). These various media also allow local advertisers to communicate within their catchment area.

Internet advertising investment continued to grow in 2009, although at a much slower pace than previously due to crisis in the advertising industry. The market has undoubtedly exceeded 2.1 billion euros in advertising expenditure on Internet, including revenue from online directories, indicating 6% growth with respect to 2008 (source: Observatoire de l'e-pub 2008 SRI/CapGemini Consulting – January 2010). These trends are also impacting the local advertising market.

If we consider the platforms which compete most directly with pagesjaunes.fr, and more particularly online platforms, the market can be broken down as follows:

- Advertising of the display type on the Internet, generally sold on a CPM (cost per mille) basis.

The market was valued at around 480 million euros in 2009 (source: Observatoire de l'e-pub 2008 SRI/CapGemini Consulting – January 2010), a decrease with respect to 2008. PagesJaunes markets display products of the banner, totem and thumbnail type, both generic and contextual (thematic and/or local) on pagesjaunes.fr, as well as display products aimed more at major national advertisers (Médium Rectangle on the home page and Corner in aerial photographs).

This is usually national advertising, which is concentrated on the major audience sites: portals of Internet service providers, general or specialist information sites.

- pagesjaunes.fr is present in this market with display products of the banner, totem and thumbnail type, which may be generic or contextual (thematic and/or local).
- Advertising of the sponsored link type, sold on the basis of the PPP (pay per performance) model.

This new advertising model appeared in 2001 and has grown significantly. It represented a volume of around 880 million euros in

2009 (source: Observatoire de l'e-pub 2008 SRI/CapGemini Consulting – January 2010).

The main players are Google, Yahoo Search Marketing, Miva and MSN.

This type of advertising is particularly suitable for search engines and allows monetisation of the large audience for Internet search, the main provider of which is Google.

This form of competition directly affects pagesjaunes.fr since it operates in the same search register in the purchase situation. In 2006, Google and MSN introduced local search services in France, as they previously had in other countries such as the United States and the United Kingdom. Yahoo also opened a service of this type in the French market in 2007. This development plays a part in making this form of competition even more direct for pagesjaunes.fr. PagesJaunes intends to meet this new competition with the new version of the pagesjaunes.fr Internet site, which uses content indexation technologies and also includes a new user interface.

As part of its plan for this market, in 2009 PagesJaunes also launched a performance advertising sales offer known as "Pack de Clicks" along with its subsidiary Horyzon Média. This produces is sold to advertisers wishing to boost their commercial communications over a given period. It was test-driven by the PagesJaunes sales force in 2009 prior to general implementation in 2010. Management of click distribution is carried out by Horyzon Média via the Horyzon Click scheme.

In addition to the two categories referred to above, there is advertising of the online directory type. Pagesjaunes.fr accounts for the bulk of this form of online advertising. The other players in the market, most often derived from directory enquiry services of the 118 XXX type, are implementing strategies aimed at gaining market share.

Online classified ads

PagesJaunes Petites Annonces faces strong competition. Although this competition comes from operators in the printed small ads market and from the press, as well as specialist Internet operators, all operators in the market have developed an online business and therefore constitute a form of competition for PagesJaunes Petites Annonces.

- Operators specialising in real estate: SeLogger.com, Explorimmo (Aden Classifieds), Logic Immo (Spir Communication), Reflex Immo (S3G), De Particulier à Particulier, EntreParticuliers.com, etc.

- Operators specialising in vehicles: La Centrale (Schibsted Classified France), L'Argus de l'Automobile, 321auto, Autoreflex (Corb's), Autoscout 24, etc.

- General operators: ParuVendu (Comareg), TopAnnonces (Spir Communication), S3G (Sud-Ouest group), regional and national daily press publishers, leboncoin.fr (Schibsted group).

- Operators originating in the Internet segment: ebay auto, PriceMinister (321 auto and À vendre À louer), Le bon Coin and Vivastreet.

6.6.1.3 MOBILE SERVICES

Telephone enquiries

The volume of calls made to the directory enquiry services has gradually dropped since the historical numbers were removed.

The PagesJaunes estimate was around 100 million calls for the entire market in 2009, a 20% decrease on 2008.

PagesJaunes' three main competitors in the directory enquiries services market are:

- Le Numéro (subsidiary of Infonxx) with 118 218;
- France Télécom/Orange with 118 712;
- Telegate (subsidiary of Seat Pagine Gialle) with 118 000.

6.6.1.4 OTHERS

6.6.1.4.1 PagesPro

PagesPro encounters multi-format competition in France (branch directories, and also search engines and other general online B to B directories: societe.com, europages.com or kompass.fr).

6.6.2 International & Subsidiaries segment

6.6.2.1 B TO C DIRECTORIES

6.6.2.1.1 Spain – QDQ Media

The market for directories in Spain is dominated by Yell Publicidad. QDQ Media is also in indirect competition with all local advertising media.

6.6.2.1.2 Luxembourg – Editus Luxembourg

Editus Luxembourg is the only publisher of printed consumer directories present in Luxembourg. The company has a direct competitor on the Internet (yellow.lu), and is in indirect competition with all local and even international advertising media on Internet.

6.6.2.2 COMPLEMENTARY ACTIVITIES

6.6.2.2.1 Direct marketing – PagesJaunes Marketing Services

PagesJaunes Marketing Services has the following main competitors in the various markets in which it operates:

- market for prospecting databases (postal address, telephone): Mediapost Data (La Poste Group), Acxiom, Mediaprisme, WDM, Altares, Cegedim, Coface;

- data management market: WDM, Mediapost Data, Uniservices Informatique, ETO, Experian, Safig Dataway;

- relational marketing: Arvato Services, Come&Stay, WDM, ETO, Millemercis, Acxiom, Mediapost Data.

6.6.2.2.2 Geographic services – Mappy

Mappy faces tough competition in the online geographic services market, which includes companies such as Viamichelin, Maporama, Novasys and Mapsolute, as well as a number of major Internet players including Google (with Google Maps), Yahoo and Microsoft. Companies selling PNDs (Portable Navigation Devices) and other GPS navigation solutions also constitute another form of competition for Mappy: TomTom, Garmin, Mio and Nokia are the main operators.

6.6.2.2.3 Internet advertising representation – Horyzon Média

Horyzon Média is one of the leading Internet advertising representatives in France. Its main competitors are Orange, Hi-Media, AOL, MSN/Windows Live, ValueClick, Adlink and Yahoo!.

6.7 Regulations

Apart from the regulations generally applicable to companies in countries where the Group operates, PagesJaunes Groupe is more specifically subject to information society laws relating to its directory business.

PagesJaunes Group operates mainly in Europe and more specifically in France. These regulatory environments are described below in further detail.

6.7.1 Information society regulations

The Law governing Confidence in the Digital Economy was the subject of intense discussions in 2003 between French institutions and service providers. The draft law was aimed at adapting French law to the requirements of developments in the digital economy and boosting confidence in the use of new technologies. It supplements the Directive on Electronic Trading and was adopted on 13 May 2004 – it sets out the rules for the liability of Internet service providers and website hosting companies, notably dealing with how domain names and encryption are managed.

6.7.1.1 CONTENT REGULATION AND RESPONSIBILITIES OF INTERNET COMPANIES

The European Directive of 8 June 2000 in relation to some legal aspects of information society services, and electronic trading in particular, states that the obligations and responsibilities incumbent upon Internet companies must be enacted before 17 January 2002. A partial enactment of this directive was effected in France by the law of 1 August 2000 amending the law of 30 September 1986 by adding a new chapter entitled "Clauses Relating to on-Line Communications Services Other than Private Correspondence" (Articles 43-7 to 43-10).

This law makes direct or indirect identification compulsory for publishers of online communications services. Article 43-10 stipulates that natural persons producing a non-professional online communications service must indicate their names and addresses on their website, or the name and address of the website hosting company if they wish to remain anonymous. Legal persons and natural persons publishing websites on a professional basis must put their correct contact information on their website (Company name, registered office, and name of the managing editor or joint managing editor) and the name and address of the hosting company.

Hosting companies must also provide publishers with the technical means to meet the identification requirements to be fulfilled (Article 43-9).

In relation to the hosting company's responsibility for the content of the services it hosts, Article 43-8 states that hosting companies are not criminally or civilly liable for the content of the services they host, unless, after notification by a legal authority, they do not act promptly to block access to such content.

In addition, under the terms of their identification obligations, hosting companies must keep all the items needed to provide identification of the person who created or produced the content of the services they provide, to allow them to be communicated on request to the legal authorities (Article 43-9).

This provision is complemented by the law on Confidence in the Digital Economy ("LCEN") of 21 June 2004, which sets out the rules of responsibility for technical service providers on the Internet and particularly in regard to electronic commerce and encryption.

The law states that hosting companies do not have a general obligation to oversee the information they transmit or store, or a general obligation to research facts or circumstances revealing illicit activities. However, the legal authorities can order specific temporary surveillance in individual cases.

Article 6 section 1 – 2 of the law further states that "natural or legal persons who, even at no charge and for the purpose of online provision to the general public via communications services, store signals, written materials, images, sounds, or messages of any kind supplied by the recipients of these services cannot be held civilly liable for the activities or the information stored on demand by a recipient of such services if they in fact were unaware of their illicit nature or of facts and circumstances making this nature apparent, or if, when they became aware, they acted promptly to withdraw such data or make access impossible."

The liability of the hosting companies indicated above may therefore only be invoked if the content or information involved is manifestly illicit. In fact this provision in the law was subject to a conditional interpretation drawn up by the Constitutional Council on 10 June 2004: "[...] points 2 and 3 of I of Article 6 of the law in question are intended only to discharge hosting companies from civil and criminal liability under the two circumstances they describe. These provisions would not invoke the liability of a hosting company which did not remove information reported to be illicit by a third party if the information does not manifestly appear to be so or if its removal has not been ordered by a judge [...]."

This law also includes enhanced protection for consumers, particularly in its provisions relating to the requirement for vendors to provide precise identification and principles which guarantee the validity of on-line contracts.

The Creation and Internet Law (known as the Hadopi Law) of 12 June 2009 in favour of distribution and protection of creations on Internet created the online press publisher status for companies publishing unique quality content, providing them with a fiscal system for press companies. The conditions for obtaining this status were set forth in a decree on 29 October 2009.

The companies concerned may benefit from the tax advantages for press companies, such as total exemption from professional taxes and 2.1% less on VAT, and also a specific 20 million euro aid package.

The decisive criteria allowing an Internet site to benefit from this status are as follows: a "professional information mission", "journalistic production of original and renewed content", which are not "either promotional tools or accessories used for industrial or commercial purposes", and the use of "at least one professional journalist" (in the sense of Article L. 7111-3 of the Employment Code).

The Hadopi Law has also relaxed the publishing responsibility of the editor to take account of the contributive and interactive nature of certain publications by introducing a clear distinction in accordance with the publishing format. Article 27-II of the Hadopi Law introduced the following stipulation: "When the infringement is the result of the contents of a message sent by an Internet user to an online public communication service and is provided for public use by this service in a space for personal contributions identified as such, the editor or co-editor of the publication cannot be held criminally responsible as the main author if it can be established that he was not genuinely aware of the message before this was placed online, or if, when he became aware of this, he acted promptly to withdraw the message."

6.7.1.2 PROTECTION OF PERSONAL DATA

The European Framework Directive 95/46/EC of 24 October 1995, relating to the protection of individuals in relation to the handling of personal information and the free distribution of this information, defines the legal framework needed to provide proper protection of personal rights and freedoms. This framework directive was supplemented by a European Sector Directive 2002/58/EC of 12 July 2002 on the handling of personal information and protecting privacy in the electronic communications sector, replacing Directive 97/66/EC of 15 December 1997.

The goals of this directive include:

- standardising European law on personal information;
- facilitating its distribution (provided the country to which the personal information is sent offers an adequate level of protection);
- protecting privacy and personal freedom.

Law 2004-801 of 6 August 2004 on the protection of individuals in the way their personal information is handled amending Law 78-17

of 6 January 1978, the French Data Protection Act, supplements the enactment of Directive 95/46/EC. This law reinforces individuals' rights over their information, helps to simplify the reporting formalities for handling high-risk information and gives the CNIL, France's Data Protection Authority, greater powers to intervene.

The new Data Protection Act gives individuals greater rights over their information, and now makes those in charge of handling the information responsible for giving more detailed information about the terms of use of this information. The right to object to being subject to marketing prospecting is now embodied in the law and the conditions for exercising the right to access and correct information are now stipulated in the 25 March 2007 decree. In particular, a reply must be forthcoming within two months following a demand for access or rectification, or this will imply a refusal; there must be justification for any refusal to allow access to or rectification of data. Since this constitutes a simplification of formalities the declaration falls under common law, and prior monitoring by the CNIL is limited only to handling presenting special risks infringing individuals' rights and freedoms. The CNIL's powers to intervene have increased and stipulations have been added in relation to the procedures for on-site control. The CNIL now has a wider range of powers to intervene (court order to curtail use of the information or a request for temporary suspension, blocking of information, withdrawal of authorisation, etc.). The CNIL can now issue monetary fines, up to 150,000 euros for the first reported infringement, and 300,000 euros or 5% of revenues, excluding tax, for the last fiscal year in the case of a company. The warnings issued by the CNIL may be made public, and it may order notices of the warnings issued to be inserted in any publications, newspapers or media it indicates, with the costs paid by the individuals penalised.

In the course of its business, the Group has to record and process statistical data, particularly in relation to visits to its sites. Technical methods which can identify, on a global statistical basis, Internet users' main interests and their online habits have also been developed to optimise the services we provide and increase the income generated. In the same way, and to enable us to offer customised services, the Group also collects and handles personal information and markets it to third parties.

The new European Sector directive relating to the handling of personal information and the protection of privacy in the electronic communications sector, which contained the deadline of 31 October 2003 for enactment by Member States, extends its field of application to electronic communications and makes some amendments to the current provisions. The new provisions are as follows:

- cookies are only permitted if clear and complete information is given to the subscriber or user, particularly about how the processing will be used, and if the cookies can be refused. However, this provision does not cover cookies intended solely to effect or facilitate transmission of communication or those strictly necessary for providing a service expressly requested by the user (Article 5.3 of the directive). These provisions were enacted by Law 2004-801 of 6 August 2004 on the protection of individuals in the way their personal information is handled (Article 32 of the consolidated version of the Data Protection Act);
- location data apart from that relating to traffic may only be handled after it has been made anonymous, or with the consent of the subscribers or users, who have been properly informed in advance, for the purpose of providing them with an added-value service. They have the option of withdrawing their consent at any time and must have the option of temporarily refusing to have this information used each time they connect to the network or each time they send a message, easily and free of charge. These provisions were enacted in Law 2004-669 of 9 July 2004 on electronic communications and audiovisual communications services (Article L. 34-1, IV of the Postal and Electronic Communications Code);
- in relation to directories, subscribers have the option of deciding if their information, and in some cases which parts of this information, should appear in a public directory. Unlisting is free, as is any correction or removal. Member States may require consent from subscribers for any public directory used for anything other than an ordinary search for the contact details of a person based on their name. These provisions were adopted in decree 2003-752 of 1 August 2003 in relation to universal directories and universal directory enquiry services, amending the Postal and Telecommunications Code. Since it is considered to be spam, direct email prospecting is prohibited unless sent to subscribers who have given their prior consent. However, if someone has directly obtained the e-mail addresses from its customers, it may use them for direct prospecting purposes for similar products or services which it provides itself, provided customers may object when their information is collected and on each message. These provisions were enacted into French law by the Law on Confidence in the Digital Economy and by the Law on Electronic Communications, which makes electronic customer prospecting an opt-in activity and requires the prior consent of the people being prospected (new Article L. 34-1, III of the Postal and Electronic Communications Code).
- traffic-related information now covers all data concerning traffic, regardless of the technology and therefore includes information relating to Internet communications;

6.7.2 Directories

Order No. 2001-670 of 25 July 2001 covering adaptation of the intellectual Property Code and the Postal and Telecommunications Code to European law thus enacted several European Directives into French law, including the Directive on the protection of personal information in the area of telecommunications and the Directive of 26 February 1998 concerning the application of an open telecommunications network provision (ONP) for voice telephony (98/10/EC). The enactment of this directive into law should lead to the effective deregulation of the directory market and facilitate production of the universal directory. This directive obliges all telecommunications operators, under certain circumstances, to provide their list of subscribers to any directory publisher who requests it.

Decree 2003-752 of 1 August 2003 in relation to universal directories and universal directory enquiry services, amending the Postal and Telecommunications Code, stipulates that operators must provide their list of subscribers and users to anyone who wishes to publish a universal directory, either in the form of a computer file or by access to a database which the operators must keep up to date.

This obligation applies to any entity owning numbers on a land network or on a mobile network.

It will then be possible to publish a universal directory, *i.e.* a directory containing all telecommunications service subscribers. The Group, which produces both printed and online directories, is giving full consideration to this change in the regulations which would enable it to acquire permits for directory information from all telecommunications operators and thereby enhance its content. This decree is currently being revised.

The new Article L. 34 of the Postal and Electronic Communications Code states that the publication of lists of subscribers or users of electronic communications networks or services may be carried out freely, subject to the protection of individual rights, and that operators must provide the list of all subscribers or users to whom they have assigned one or more telephone numbers in the telephone numbering system, without discrimination and at a price reflecting the actual cost of the service rendered. This Article also reiterates the rights guaranteed to all individuals in terms of publication of their personal information and consultation of information services. It also states that subscribers must grant consent to a mobile telephone operator before they may be entered in subscribers' or users' lists.

6.7.3 Database regulations

On 11 March 1996, European Directive 96/9/EC was adopted as legal protection for databases.

This directive's main innovation is the creation of a "*sui generis*" right, in addition to copyright, intended to protect an investment made to obtain, verify or present the contents of a database for the limited time the right exists, on the understanding that this investment may involve the implementation of financial means and/or use of time, effort and energy.

This directive was enacted into French legislation by a law dated 1 July 1998, containing a "*sui generis*" right which protects database producers, regardless of the protection offered by copyright (Articles L. 112-3 and L. 122-5 of the intellectual Property Code, as well as the entire Title IV of Book III of the intellectual Property Code, *i.e.* Articles L. 341-1 to L. 343-4 of this Code).

The benefit of protection is afforded to the database content "when its creation, verification or presentation demonstrates a substantial financial, material or human investment." This protection is separate from and without prejudice to the protection provided for database content by copyright since Article L. 341-1 of the intellectual Property Code states that a database producer, understood to mean the person who takes the initiative and risk involved in the corresponding investments, benefits from protection for the database content when the creation, verification or presentation of this demonstrates a substantial financial, material, or human investment. This protection is separate from and exercised without prejudice to that resulting from copyright or any other rights over the database or one of its component parts.

Under the law, a database producer has the right to prohibit any substantial extractions of content from the database as well as any re-use. Therefore Article L. 342-1 of the intellectual Property Code states that a database producer has the right to prohibit:

- the extraction, by permanent or temporary transfer, of all or a qualitatively or quantitatively substantial part of the contents of a database onto another platform, by any means or in any form whatsoever;
- the re-use, by making it available to the public, of all or a qualitatively or quantitatively substantial part of the contents of a database, in any form whatsoever.

This protection is afforded even when the database is made available to the public, to the extent that it involves the extraction of a substantial part of the database. This protection is afforded even when the person proceeding to make the extractions has accessed the database legitimately. Article L. 342-2 of the Intellectual Property Code states: "The producer can also prohibit the extraction or the repeated, systematic re-use of qualitatively or quantitatively non-substantial parts of the database when these operations manifestly exceed the conditions of normal use of the database." Article L. 342-3 of the Intellectual Property Code stipulates that: "When a database is provided for use by the general public by the owner of the rights, the owner may not prohibit (...) extraction or re-use of a non-substantial part, assessed either qualitatively or quantitatively, of the contents of the database by the person with licit access to such (...)."

6.7.4 Secure electronic signature

French regulations with regard to secure electronic signatures are set out in four successive laws: the law of 13 March 2000, two decrees on 30 March 2001 and 18 April 2002, an order of 31 May 2002 and a decree on 2 May 2007.

Law 2000-230 of 13 March 2000 adapting the right of proof to information technologies and relating to electronic signatures, goes beyond simple legal recognition of electronic signatures and gives legal validity to electronic documents, which are closely related. It creates two types of electronic signature with different legal effects: a simple signature and a secure signature.

The latter has the full force of a handwritten signature because it is presumed to be genuine unless proven otherwise.

For electronic signatures which do not meet the conditions set by this decree, known as simple signatures, proof of the technical reliability of the procedure used must be demonstrated, for example by expert examination, even if their admissibility as proof cannot be refused. It is also still possible to have them legally recognised by agreements on proof, the legality of which is now clearly set out in Article 1316-2 of the French Civil Code.

6.7.5 Domain names

The Group has registered a large number of domain names in France and in other countries (See section "6.5.1 Reliance on Patents and Licenses").

Domain names are terms assigned to the digital addresses of servers connected to the Internet (Internet addresses) to make Internet sites easier to identify and remember. Therefore, domain names represent major marketing tools for companies doing business on the Internet.

Domain names are made up of two distinct elements: the top-level domain name or "TLD" and the second-level domain name. Top Level Domain names may be either generic – generic Top Level Domain names or gTLDs, such as ".com" for traders, ".net" for companies providing Internet-related services, ".org" for public-interest companies or ".edu" for academic entities – or correspond to a certain geographic area (country code Top Level Domain names, ccTLDs), such as ".fr" for France, ".de" for Germany or ".es" for Spain. Second-level domain names are the names chosen by each person or company to identify their website.

The registration of domain names in the ".com", ".net" and ".org" domains is carried out by a certain number of companies accredited by the Internet Corporation for Assigned Names and Numbers ("ICANN"), an international non-profit organisation. Registries such as Verisign for ".com" and ".net" are responsible for managing the extensions. Only these registrars are accredited by ICANN to file domain names.

Registration of geographic domain names is overseen by a national authority appointed in each State, which keeps a central registry and approves private companies as accredited registrars. Nordnet, a subsidiary of the France Télécom Group, is a "registrar" accredited by ICANN to register domain names as ".com", ".net", ".org", ".biz", and ".info".

As a general rule, domain names are assigned based on a "first come, first served" basis, and most registrars, whether of generic or geographical domain names, consider that the registrant assumes sole responsibility for making sure that no prior rights are being infringed by using a domain name they are registering.

Since each national authority can, up to a point, define its own policy for assigning domain names, the registration requirements for

geographical domain names may differ from the requirements which apply to generic domain names and may also vary from one country to another. In particular, registrars can be more or less strict when they verify, in some cases, that the registration of a domain name does not infringe prior rights held by others, whether these are intellectual property rights or other rights.

In France, the French Co-operative Association for Internet Names (AFNIC) is currently responsible for registering domain names with the ".fr" extension. A certain number of Internet service providers have been accredited by AFNIC according to the recommendations issued by ICANN, to handle requests for domain name registration.

Although the French courts have now acknowledged that using a term on a website or as a domain name can infringe prior rights (such as trademark rights), the outcome of a lawsuit in this area is not always clear. In particular, this is due to the fact that the scope of trademark rights can be limited to a geographical area or based on classes of products and services covered by the registration, while the use of a term on the Internet by a third party could create the risk of confusion or lead to acts of unfair competition well beyond these limits.

The decree of 6 February 2007 concerning the attribution and management of Internet domain names and amending the Postal and Electronic Communications Code, sets out the administrative designation process for bodies in charge of French Internet extensions, and lays down guidelines governing their management. It reinforces the principle of protection of the names of national institutions (the Senate, the President's Élysée residence, the Prime Minister's Matignon residence, etc.), of public services, territorial institutions (names of districts), public cooperation institutions with different fiscal systems, and those in public posts for the duration of their terms.

The decree opens up new possibilities for a body specially designed to block, remove or transfer domain names with no intervention by the judicial authorities, acting on its own perception of possible confusions. This body and the registrars could then be held responsible in the appropriate context.

6.8 Suppliers

See section "6.5.2 Reliance on supply contracts and industrial contracts".

6.9 Risk hedging and insurance

After it left the France Télécom group, on 1 January 2007 PagesJaunes Groupe set up an insurance scheme to cover the risks of:

- damage to assets and operating losses including damage to goods being transported;
- civil liability associated with operations and business activities in general, both in terms of customers and third parties (including the liability of corporate officers);
- and automobile risks.

This insurance was taken out with major international companies, in close cooperation with a major broker, in order to maintain the same coverage quality/optional cost ratio from which the PagesJaunes Groupe benefited within the France Télécom Group.

Thus the preliminary premium paid by the Company as insurance coverage for civil liability in 2009 was around 67,000 euros all taxes included (74,600 euros all taxes included in 2008).

In relation to the Damage to assets and Operating Losses policy, the premium paid by the Company was around 205,074 euros in 2009, all taxes included (230,714 euros all taxes included in 2008).

For automobile risk, the Company paid out around 100,977 euros all taxes included in 2009 (75,780 euros all taxes included in 2008).

7

Organisation chart

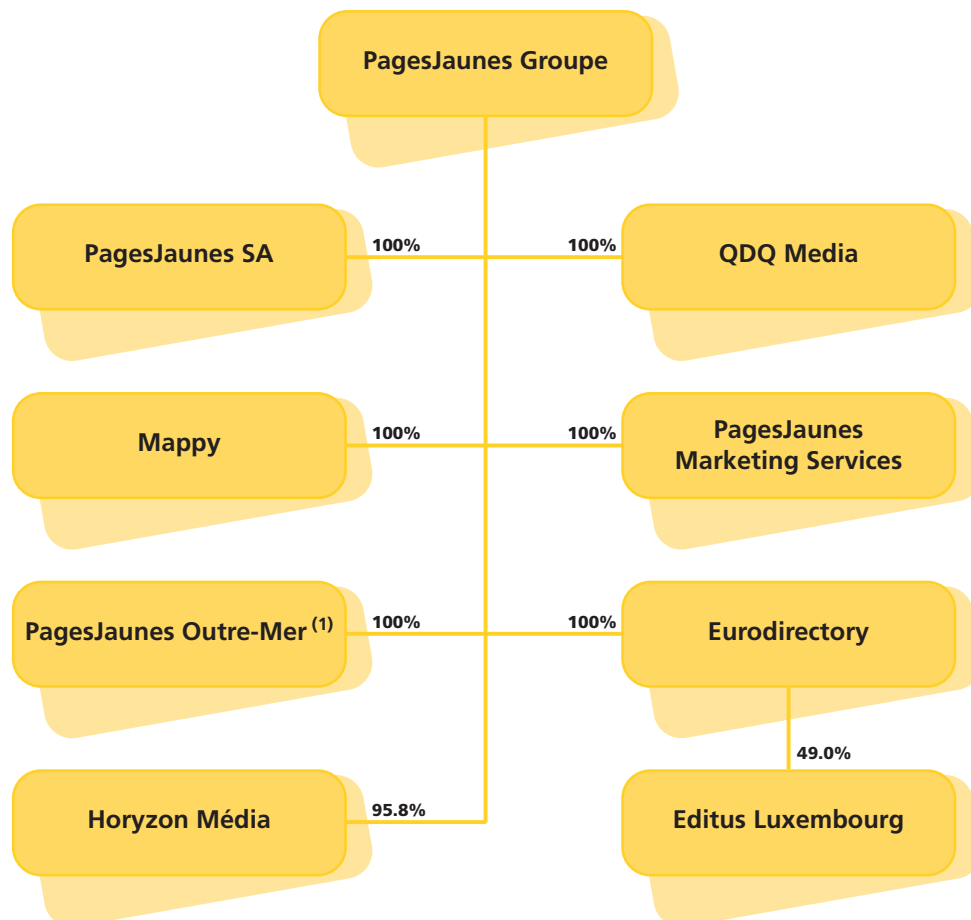


7.1 Description of the Group

The description of the Group is set out in chapter 6.1.1 of this reference document ("Overview of business activity").

7.2 List of subsidiaries

The Group's organisation chart at 31 December 2009 is shown below:



(1) Not consolidated in 2009.

8

Property, plant and equipment



8.1 Major fixed assets

Leases and subleasing agreements are set out in 6.4.

8.2 Environmental issues

Details of environmental issues are provided in section 4.4 "Industrial and environmental risks".

9

Full-year activity report as at 31 December 2009



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9.1 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 classified ads activity ("annoncesjaunes.fr") and various activities such as the publication of the PagesPro directories and the QuiDonc reverse directory. This segment also includes the holding company activities held 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 geographical 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 2008 financial year have been adjusted to reflect the impact of the transfer of the online classified 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 classified ads activity was launched in January 2007 and was operated within the PagesJaunes Petites Annonces company, which was absorbed by PagesJaunes on 21 July 2009. This adjustment has no impact on the Group's consolidated data, only on the segment data.

In addition, PagesJaunes Groupe sold its Edicom subsidiary, the publisher of the Télécontact business directory in Morocco, in October 2009. This subsidiary was removed from the Group's consolidation scope with effect from 31 October 2009.

9.2 Notes to the 2009 annual results

PagesJaunes Group	As at 31 December		
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Revenues	1,163.9	1,192.8	-2.4%
External purchases	(280.5)	(295.4)	-5.0%
Other operating income	4.2	11.8	-64.4%
Other operating expenses	(26.7)	(22.8)	17.1%
Salaries and charges	(332.2)	(334.8)	-0.8%
Gross Operating Margin	528.7	551.6	-4.2%
<i>As % of revenues</i>	45.4%	46.2%	
Employee profit-sharing	(15.3)	(17.8)	-14.0%
Share-based payment	(1.6)	(1.5)	6.7%
Goodwill impairment	-	(68.9)	na
Depreciation and amortisation	(19.6)	(17.2)	14.0%
Result of asset disposals	(0.8)	(0.3)	166.7%
Restructuring costs	(4.5)	(2.5)	80.0%
Operating income	487.0	443.4	9.8%
<i>As % of revenues</i>	41.8%	37.2%	
Financial income	8.8	3.4	158.8%
Financial expenses	(90.7)	(138.2)	-34.4%
Gain (loss) on foreign exchange	-	-	na
Net financial income	(81.9)	(134.8)	-39.2%
Net financial income	405.1	308.6	31.3%
Corporation tax	(131.5)	(131.7)	-0.2%
INCOME FOR THE PERIOD	273.6	176.8	54.8%
of which attributable to Shareholders of PagesJaunes Groupe	273.6	176.9	54.7%
of which attributable to minority interests	0.0	(0.1)	-100.0%

In a market severely impacted by the crisis, the consolidated revenues of the PagesJaunes Group amounted to 1,163.9 million euros in 2009, down 2.4% compared with 2008, due to the 6.6% increase in revenues from Internet services to 502.4 million euros, which now account for 43.2% of the consolidated revenues, as against 39.5% in 2008.

The Group's Fixed and mobile Internet sites in France, "pagesjaunes.fr", "mappy.com", "annoncesjaunes.fr", and "pagespro.com", recorded 1,186.6 million visits in 2009, a rise of 7.0% on 2008. In December 2009, the Group's Internet sites in France as a whole also ranked sixth among the most consulted Internet sites, with 18.3 million unique visitors, which represents a reach rate of 50.0% of the total number of Internet users in France.

In 2009, the PagesJaunes Group continued the optimisation of all the costs of the PagesJaunes in France segment, completed the restructuring of QDQ Media in Spain, which allowed a significant lowering of its operating breakeven point, and the reintegration of the PagesJaunes Petites Annonces offering into the PagesJaunes offering, which led to better pooling of costs. At the same time, the Group maintained its commercial, marketing and technological investments which are crucial to the Company's strategy. The Group's gross operating margin amounted to 528.7 million euros in 2009, down 4.2% compared to 2008.

The Group's operating income rose 9.8% compared to 2008, to 487.0 million euros. If excluding impairment of all QDQ Media goodwill as at 31 December 2008, amounting to 68.9 million euros, 2009 operating income fell 4.9% compared to 2008.

The financial loss improved by 39.2% between the two years, amounting to 81.9 million euros in 2009 compared to 134.8 million euros in 2008, mainly due to the fall in interest rates.

The income for the period rose 54.8% compared to 2008, to 273.6 million euros. If excluding impairment of all QDQ Media goodwill recognised in 2008, income for the period rose 11.4% on 2008.

The information below presents the revenues, 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.

	As at 31 December		
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
PagesJaunes in France	1,097.3	1,110.1	-1.2%
International & Subsidiaries	75.8	91.5	-17.2%
Eliminations	(9.1)	(8.7)	4.6%
Revenues	1,163.9	1,192.8	-2.4%
Revenues of Internet services (<i>incl. pagespro.com</i>)	502.4	471.4	6.6%
<i>As % of total revenues</i>	43.2%	39.5%	
PagesJaunes in France	527.8	544.7	-3.1%
International & Subsidiaries	0.9	6.9	-87.0%
GROSS OPERATING MARGIN	528.7	551.6	-4.2%
<i>As % of revenues</i>	45.4%	46.2%	

9.2.1 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 2008 and 2009 financial years:

PagesJaunes in France		As at 31 December	
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Revenues	1,097.3	1,110.1	-1.2%
External purchases	(257.1)	(266.5)	-3.5%
Other operating income	3.3	9.4	-64.9%
Other operating expenses	(22.6)	(19.8)	14.1%
Salaries and charges	(293.1)	(288.4)	1.6%
GROSS OPERATING MARGIN	527.8	544.7	-3.1%
<i>As % of revenues</i>	48.1%	49.1%	

9.2.1.1 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 2008 and 2009 financial years:

PagesJaunes in France		As at 31 December	
(in millions of euros)	2009	2008	Change 2009/2008
Printed directories	577.8	617.7	-6.5%
Pagesjaunes.fr, annoncesjaunes.fr and Internet sites	461.0	431.3	6.9%
Directory enquiry services (118 008)	39.7	36.4	9.1%
Other activities (incl. Minitel)	18.8	24.7	-23.9%
REVENUES	1,097.3	1,110.1	-1.2%
Revenues of Internet services (incl. pagespro.com)	472.2	443.5	6.5%
As % of total revenues	43.0%	40.0%	

The revenues of the PagesJaunes in France segment totalled 1,097.3 million euros in 2009, a decrease of 1.2% compared to 2008, due to the 6.5% decline in revenues from printed directories and the near-disappearance of Minitel revenues, which was not offset by the 6.9% growth in revenues from Internet services ("pagesjaunes.fr", "annoncesjaunes.fr", and Internet sites) and 9.1% growth in telephone directory enquiry services (118 008).

The decrease in revenues is due to the decrease in average revenue per advertiser (-1.4% to 1,543 euros in 2009 compared to 1,564 euros in 2008), which was partly offset by slight growth in the advertiser base (+0.6% to 700,100 advertisers in 2009 compared to 696,100 in 2008), which held up well despite the deterioration in the situation of SMEs. New customer recruitment continued at a sustained rate (118,500 new customers in 2009), and the advertiser retention rate expressed in the number of advertisers remained high, at 83.5% in 2009, compared to 84.7% in 2008. Expressed in value terms, the retention rate went from 92.8% of revenues in 2008 to 91.4% in 2009.

Printed directories

Revenues from printed directories, which result mainly from the sale of advertising space in the PagesJaunes directory and in *l'Annuaire* (White Pages), amounted to 577.8 million euros in 2009 compared to 617.7 million euros in 2008, a decrease of 6.5%.

The average revenue per advertiser in printed directories dropped by 5.8% compared to 2008, to 926 euros in 2009 compared to 984 euros in 2008. The number of advertisers in the printed directories decreased slightly, with 623,800 advertisers in 2009 compared to 628,000 in 2008.

Pagesjaunes.fr, annoncesjaunes.fr and Internet sites

The revenues from Internet services, which come principally from the sale of advertising products on "pagesjaunes.fr" and "annoncesjaunes.fr", as well as from the Internet site creation and hosting businesses, rose by 6.9% compared to 2008 to 461.0 million euros.

The number of advertisers on Internet services rose 2.2% compared to 2008, with 492,500 advertisers in 2009 compared to 482,100 in 2008. The average revenue per advertiser rose 4.6% to 949 euros in 2009, compared to 907 euros in 2008.

The "pagesjaunes.fr" site recorded 885.3 million visits on Fixed Internet in 2009, up 4.3% compared to 2008, and 29.6 million visits on Mobile Internet, a doubling compared to 2008.

Telephone directory enquiry services

Revenues from telephone directory enquiry services (118 008), which include the advertisement revenues that make up almost two-thirds of the total revenues of this business, plus traffic revenues, amounted to 39.7 million euros in 2009, up 9.1% compared to 2008.

This growth is mainly due to the rise in advertising revenues, with 117,000 advertisers at the end of 2009, compared to 114,000 at the end of 2008, and average revenue per advertiser of 212 euros in 2009 compared to 199 euros in 2008. Traffic revenues remained static due to a downward trend in the volume of calls processed in this market, offset by the increase in the average revenue per user.

Other activities

Revenues from other activities of the PagesJaunes in France segment amounted to 18.8 million euros in 2009, down 23.9% compared to 2008. These other activities, which represent 1.7% of the revenues of the PagesJaunes in France segment in 2009, relate mainly to the PagesPro offerings on printed media and the Internet, Minitel and the QuiDonc reverse directory.

The decrease in revenues from other activities is explained by the 13.5% decrease in revenues from PagesPro, both on the printed platform and on the Internet, and by the change in the Minitel business model (see section 9.2.1.3).

9.2.1.2 EXTERNAL PURCHASES IN THE PAGESJAUNES IN FRANCE SEGMENT

PagesJaunes in France		As at 31 December	
(in millions of euros)	2009	2008	Change 2009/2008
External purchases	(257.1)	(266.5)	-3.5%
As % of revenues	23.4%	24.0%	

The external purchases essentially comprise publishing costs (purchase of paper, printing and distribution of printed directories), the costs of databases, expenses for the IT system, communication and marketing expenses as well as overheads.

The external purchases in the PagesJaunes in France segment amounted to 257.1 million euros in 2009, representing a decrease of 3.5% compared to 2008, whereas revenues in the segment decreased by 1.2% over the same period. External purchases thus represent 23.4% of revenues in 2009 compared to 24.0% in 2008.

The decrease in external purchases is mainly due to the decrease in publishing costs for printed directories and communication expenses, partly offset by an increase in the production costs of the new Internet services.

The publishing costs of printed directories, comprising the costs of paper purchases, printing and delivery, amounted to 97.4 million euros in 2009 compared to 104.3 million euros in 2008, with paper costs of 42.4 million euros in 2009 compared to 45.8 million euros in 2008⁽¹⁾.

This 6.9 million euros decrease is mainly due to optimisations of format and layout and the renegotiation of printing contracts at the end of 2008. Paper consumption has decreased in the same proportions. Print runs remain relatively stable: the growth in the number of entries, particularly due to Mobile and Voice over IP lines, is continuing, but is being offset by an optimisation of distribution.

Communication expenses in 2009 were lower than in 2008 due to the launch in 2008 of the new version of "pagesjaunes.fr" and of the SMS directory which had no equivalent in 2009 and optimised communication for "annoncesjaunes.fr". The costs of purchasing sponsored links and natural listing as a proportion of Internet revenues remained static between the two periods at around 2.0%.

Other external purchases increased slightly, due to the costs of production of videos, a product launched during 2008, and Internet Visibility Packs launched at the end of 2009 and to the costs of the IT system associated with new technical developments.

9.2.1.3 OTHER OPERATING INCOME OF THE PAGESJAUNES IN FRANCE SEGMENT

PagesJaunes in France		As at 31 December	
(in millions of euros)	2009	2008	Change 2009/2008
Other operating income	3.3	9.4	-64.9%

The other operating income of the PagesJaunes in France segment amounted to 3.3 million euros in 2009 compared to 9.4 million euros in 2008. It mainly comprised sundry re-invoicing. This decrease is mainly due to the discontinuation of the re-invoicing to France Télécom of the operating costs of PagesJaunes 3611 alphabetical search. Following

France Télécom's decision to discontinue the 3611 service from 31 March 2009, PagesJaunes has taken over the provision of this service, the revenues from which are currently shared with France Télécom.

(1) After deduction of 0.5 million euros in 2009 and 0.3 million euros in 2008 in respect of credit notes due from printers. This income is stated in "other operating income".

9.2.1.4 OTHER OPERATING EXPENSES OF THE PAGESJAUNES IN FRANCE SEGMENT

PagesJaunes in France		As at 31 December	
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Other operating expenses	(22.6)	(19.8)	14.1%

The other operating expenses of the PagesJaunes in France segment amounted to 22.6 million euros in 2009 compared to 19.8 million euros in 2008. They comprised taxes and duties, certain provisions for risks and charges, and provisions for bad debts. This increase

was mainly due to transfers to bad debt provisions, reflecting the deterioration in the economic situation. Bad debts nevertheless remain under control, with net provisions amounting to 0.522% of revenues in 2009 compared to 0.325% in 2008.

9.2.1.5 SALARIES AND SOCIAL CHARGES OF THE PAGESJAUNES IN FRANCE SEGMENT

PagesJaunes in France		As at 31 December	
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Salaries and charges	(293.1)	(288.4)	1.6%
<i>As % of revenues</i>	26.7%	26.0%	

The salaries and social charges in the PagesJaunes in France segment comprise 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.

and amounted to 293.1 million euros, a rise of 1.6% compared to 2008. Revenues over the same period decreased by 1.2%. The remuneration of the sales force and its immediate supervisory personnel⁽¹⁾ remains stable at 159.7 million euros in 2009 in a context of new product rollouts.

The salaries and social charges of the PagesJaunes in France segment represented 26.7% of revenues in 2009, compared to 26.0% in 2008,

9.2.1.6 GROSS OPERATING MARGIN OF THE PAGESJAUNES IN FRANCE SEGMENT

The gross operating margin of the PagesJaunes in France segment decreased by 3.1% compared to 2008 to 527.8 million euros, and the margin rate as a proportion of revenues decreased by one point to 48.1%, as a result of the decline in revenues. This was only partially

offset by the decrease in external purchases, which stemmed from the increase in salaries and charges and from the decrease in other operating income.

(1) Remuneration of the sales force and its immediate supervisory staff, consisting mainly of variable remuneration, is subject to revenue performance targets. It is therefore not directly comparable to the remuneration of sales staff.

9.2.2 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 2008 and 2009 financial years:

International & Subsidiaries		As at 31 December	
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Revenues	75.8	91.5	-17.2%
External purchases	(32.8)	(37.8)	-13.2%
Other operating income	1.7	3.1	-45.2%
Other operating expenses	(4.6)	(3.4)	35.3%
Salaries and charges	(39.2)	(46.3)	-15.3%
GROSS OPERATING MARGIN	0.9	6.9	-87.0%
<i>As % of revenues</i>	1.2%	7.5%	

9.2.2.1 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 2008 and 2009 financial years:

International & Subsidiaries		As at 31 December	
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
BtoC directories	41.4	56.9	-27.2%
of which QDQ Media	30.3	42.1	-28.0%
Internet advertising representation	9.4	5.5	70.9%
Direct marketing and geographics services	25.0	29.2	-14.4%
REVENUES	75.8	91.5	-17.2%
Of which internet revenues	36.2	34.1	6.2%
<i>As % of total revenues</i>	47.7%	37.2%	

The revenues of the International & Subsidiaries segment totalled 75.8 million euros in 2009, down 17.2% compared to 2008. On a like-for-like consolidation basis, adjusted for Edicom's revenues for 2008. The subsidiary was divested in October 2009, and on the basis of the same accounting treatment used for the performance-based or CPC (cost per click) activities of Horyzon Média⁽¹⁾, the revenues of the International & Subsidiaries segment were also 17.2% lower than in 2008. This is due to the decrease in revenues of QDQ Media and 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 (divested in October 2009), amounted to 41.4 million euros in 2009, down 27.2% compared to 2008 on the basis of historical data and 23.2% on a comparable consolidation basis.

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 greater potential and on the nationwide development of its Internet presence. The revenues of QDQ Media amounted to 30.3 million euros in 2009, down 28.0% compared to 2008, with a rise of 5.7% in revenues from Internet services. The revenues of Editus, a 49% consolidated subsidiary, amounted to 9.5 million euros in 2009, down 7.8% compared to 2008, with 16.7% growth in revenues from Internet activities.

(1) Cf. below.

Internet advertising representation

The revenues of Horyzon Média billed to advertisers amounted to 17.2 million euros in 2009, down 6.5% compared to 2008. The strong growth in performance-based or CPC (cost per click) activities and, to a lesser extent, the development of the mobile and Spanish businesses, partly offset the decline in CPM (cost per mille) activities, in line with market trends. Horyzon Média's contribution to consolidated revenues, comprising only representation commissions for CPM activities and, from 2009, all the revenues billed to advertisers for CPC activities, amounted to 9.4 million euros in 2009 compared to 5.5 million euros in 2008, or 8.6 million euros on the basis of identical accounting treatment⁽¹⁾, a rise of 9.3%.

Direct Marketing and Geographic Services

The revenues from the Direct Marketing and Geographic Services businesses amounted to 25.0 million euros in 2009, down 14.4% compared to 2008. The revenues of PagesJaunes Marketing Services were impacted by the economic situation and the decline in traditional direct marketing activities, along with the development of digital activities. The revenues of Mappy also fell sharply compared to 2008. The mappy.com site, a new version of which was launched in July 2009, nevertheless recorded 231.0 million visits in 2009, a rise of 6.9% compared to 2008. The Mappy iphone application was also launched successfully in October 2009.

9.2.2.2 EXTERNAL PURCHASES IN THE INTERNATIONAL & SUBSIDIARIES SEGMENT

International & Subsidiaries	As at 31 December		
(in millions of euros)	2009	2008	Change 2009/2008
External purchases	(32.8)	(37.8)	-13.2%
As % of revenues	43.3%	41.3%	

The external purchases in the International & Subsidiaries segment amounted to 32.8 million euros in 2009, down 13.2% on 2008, mainly due to the decrease in QDQ Media's external purchases, more

specifically the publishing costs of printed directories, communication and marketing expenses overheads, following the optimisation measures of its restructuring plan.

9.2.2.3 OTHER OPERATING INCOME AND EXPENSES IN THE INTERNATIONAL & SUBSIDIARIES SEGMENT

International & Subsidiaries	As at 31 December		
(in millions of euros)	2009	2008	Change 2009/2008
Other operating income and expenses	(2.9)	(0.4)	na

The other operating income and expenses of the International & Subsidiaries segment represent a net expense of 2.9 million euros in 2009 against a net expense of 0.4 million euros in 2008. This change

is due in particular to the increase in transfers to bad debt provisions recognised by Horyzon Média in 2009.

(1) The revenues billed to advertisers in respect of performance-based or CPC (cost per click) activities of Horyzon Média were fully recognised in consolidated revenues with effect from the 2009 financial year, with repayments to publishers booked under external purchases. Up to 2008, only the representation commission for this activity was stated in revenues. This change has no impact on the gross operating margin.

9.2.2.4 SALARIES AND SOCIAL CHARGES IN THE INTERNATIONAL & SUBSIDIARIES SEGMENT

International & Subsidiaries	As at 31 December		
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Salaries and charges	(39.2)	(46.3)	-15.3%
As % of revenues	51.7%	50.6%	

The salaries and social charges of the International & Subsidiaries segment amounted to 39.2 million euros in 2009, down 15.3% compared to 2008. This decrease was due primarily to QDQ Media's restructuring plan, which resulted in the departure of 40% of its workforce between 31 December 2008 and 31 December 2009, and a 36% reduction in its average workforce from 656 to 419 between the two periods.

9.2.2.5 GROSS OPERATING MARGIN OF THE INTERNATIONAL & SUBSIDIARIES SEGMENT

The gross operating margin of the International & Subsidiaries segment amounted to 0.9 million euros in 2009, compared to 6.9 million euros in 2008, with revenues down 17.2% to 15.7 million euros.

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 4.5 million euros in 2009, mainly comprising the severance costs for 178 employees. In accordance with the Group's accounting rules, this restructuring cost is recorded under the "restructuring cost" heading and is not included in the gross operating margin.

9.2.3 Analysis of the consolidated operating income

The table below shows the Group's consolidated operating income for the 2008 and 2009 financial years:

PagesJaunes Group	As at 31 December		
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
GROSS OPERATING MARGIN	528.7	551.6	-4.2%
Employee profit-sharing	(15.3)	(17.8)	-14.0%
Share-based payment	(1.6)	(1.5)	6.7%
Goodwill impairment	-	(68.9)	na
Depreciation and amortisation	(19.6)	(17.2)	14.0%
Result of asset disposals	(0.8)	(0.3)	na
Restructuring costs	(4.5)	(2.5)	na
OPERATING INCOME	487.0	443.4	9.8%
As % of revenues	41.8%	37.2%	

9.2.3.1 EMPLOYEE PROFIT-SHARING AND SHARE-BASED PAYMENT

The employee profit-sharing in the Group amounted to 15.3 million euros in 2009, down 14.0% compared to 2008.

The Group's share-based payment expense amounted to 1.6 million euros in 2009, up 6.7% compared to 2008. The expense in 2009 is the result of the stock option plans established in December 2007 and in July, October and December 2009, whereas the expense in 2008 resulted from the two stock option plans established in June 2005 and December 2007, as well as the two free share plans established in November 2006 and February 2008.

9.2.3.2 DEPRECIATION AND AMORTISATION

The Group's depreciation and amortisation charge amounted to 19.6 million euros in 2009, compared to 17.2 million euros in 2008, a rise of 14.0%. This reflects the rise in investments made by the Group which were essential for the Company's strategy, particularly the launch of new products and services for our customers and the enhancement of the functionalities of the Group's fixed and mobile Internet sites.

9.2.3.3 OPERATING INCOME

The Group's operating income amounted to 487.0 million euros in 2009 up 9.8% compared to 2008 on the basis of historical data.

Excluding impairment as at 31 December 2008, of all QDQ Media goodwill amounting to 68.9 million euros, the 2009 operating income fell by 4.9% on 2008.

9.2.4 Analysis of consolidated net income

The table below presents the Group's consolidated net income for the 2008 and 2009 financial years:

PagesJaunes Group	As at 31 December		
<i>(in millions of euros)</i>	2009	2008	Change 2009/2008
Operating income	487.0	443.4	9.8%
Financial income	8.8	3.4	158.8%
Financial expenses	(90.7)	(138.2)	-34.4%
Gain (loss) on foreign exchange	-	-	na
Net financial loss	(81.9)	(134.8)	-39.2%
Current income before tax	405.1	308.6	31.3%
Corporation tax	(131.5)	(131.7)	-0.2%
INCOME FOR THE PERIOD	273.6	176.8	54.8%
of which attributable to Shareholders of PagesJaunes Groupe	273.6	176.9	54.7%
minority interests	0.0	(0.1)	na

9.2.4.1 FINANCIAL PROFIT/LOSS

The Group booked a financial loss in 2009 of 81.9 million euros, compared with a loss of 134.8 million euros in 2008, representing an improvement of 39.2% between the two periods. The financial loss was principally made up of the interest expense relating to the bank loan of 1,950 million euros arranged in November 2006 and, as at 31 December 2009, hedged 88% against rises in interest rates by a portfolio of interest 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 the effect of rate hedging instruments, amounted to 80.7 million euros in 2009, compared to 111.6 million euros in 2008. The average interest rate on the debt accordingly fell from 5.64% in 2008 to 4.10% in 2009, a decrease of 154 basis points, mainly due to the decrease in the average three-month Euribor rate.

This financial loss also includes the amortisation of loan issue expenses amounting to 6.6 million euros, which remained stable between the two periods, as well as the change in the time value of the collars entered into in 2006 and the value of the short-term swap, representing income of 7.4 million euros in 2009 compared to a net expense of 16.5 million euros in 2008, and recognised under "change in the fair value of hedging instruments".

9.2.4.2 CORPORATION TAX

In respect of the 2009 financial year, the Group recorded a corporation tax charge of 131.5 million euros, which remained stable compared to 2008. The apparent tax rate is 32.5% in 2009, compared to 42.7% in 2008. Excluding impairment of all QDQ Media goodwill recognised in 2008, which is not included in the calculation of taxable income, the apparent tax rate would come out at 34.9% in 2008. This improvement in the apparent tax rate is mainly due to the use of tax losses in 2009 recorded by PagesJaunes Petites Annonces in 2007 and 2008.

9.2.4.3 INCOME FOR THE PERIOD

The Group's income for the period amounted to 273.6 million euros in 2009, compared to 176.8 million euros in 2008, a rise of 54.8% between the two periods. Excluding impairment of all QDQ Media goodwill recognised in 2008, the income for the period would show a rise of 11.4% compared to 2008.

10 Consolidated cash, capital resources and investment expenses



The table below shows the changes in the cash position of the Consolidated Group for the years to 31 December 2008 and 31 December 2009:

PagesJaunes Group	As at 31 December	
<i>(in millions of euros)</i>	2009	2008
Accrued interest not yet due	0.0	0.1
Cash and cash equivalents	67.0	89.0
Cash	67.0	89.0
Bank overdrafts	(5.6)	(0.5)
Net cash	61.4	88.5
Bank loans	1,950.0	1,950.0
Revolving	-	-
Debt related costs	(28.2)	(34.8)
Liability in respect of hedging instruments	3.7	5.3
Fair value of hedging instruments	56.3	25.3
Accrued interest not yet due	4.2	4.5
Liability on commitments to purchase minority interests	0.6	3.1
Other financial liabilities	10.5	17.1
Gross financial debt	1,996.9	1,970.4
NET DEBT	1,935.4	1,881.9
Net debt excl. fair value of hedging instruments and debt-related fees	1,907.4	1,891.5

PagesJaunes Groupe's bank debt, amounting to 1,950 million euros, is repayable in full at the end of 2013. As at 31 December 2009, it was hedged 88% against rises in interest rates by a portfolio of interest rate swaps and collars maturing at the end of 2011 and 46% by forward swaps maturing at the end of 2013. In addition, PagesJaunes Group has a credit line of approximately 400 million euros granted by a diversified syndicate of banks and expiring at the end of 2013. This credit line remained unused as at 31 December 2009.

As at 31 December 2009, the gross financial debt of the Consolidated Group amounted to 1,996.9 million euros, compared to 1,970.4 million euros as at 31 December 2008, an increase of 26.5 million euros mainly

associated with the unfavourable change in the fair value of interest rate hedging instruments amounting to 31.0 million euros.

Excluding the fair value of interest rate hedging instruments, representing a liability of 56.3 million euros as at 31 December 2009 *versus* a liability of 25.3 million euros as at 31 December 2008 and excluding the amortisation of loan issue expenses amounting to 28.2 million euros as at 31 December 2009 *versus* 34.8 million euros as at 31 December 2008, net debt amounted to 1,907.4 million euros as at 31 December 2009, compared to 1,891.5 million euros as at 31 December 2008.

The table below shows the cash flows of the Consolidated Group for the years to 31 December 2008 and 31 December 2009:

PagesJaunes Group	As at 31 December	
<i>(in millions of euros)</i>	2009	2008
Net cash from operations	283.7	320.2
Net cash used in investing activities	(32.5)	(11.5)
Net cash generated by (used in) financing activities	(278.2)	(274.7)
Impact of changes in exchange rates on cash	0.0	(0.0)
Net increase (decrease) in cash position	(27.0)	34.0
Cash and cash equivalents at beginning of period	88.5	54.5
CASH AND CASH EQUIVALENTS AT END OF PERIOD	61.4	88.5

Net cash and cash equivalents amounted to 61.4 million euros as at 31 December 2009, compared to 88.5 million euros as at 31 December 2008.

Net cash from operations amounted to 283.7 million euros in 2009 compared to 320.2 million euros in 2008, a decrease of 36.5 million euros, mainly comprising the following:

- a gross operating margin of 528.7 million euros in 2009, down 23.0 million euros compared to 2008;
- a working capital requirement of 3.2 million euros in 2009, compared to a release of working capital of 16.2 million euros in 2008;
- a net disbursement of 80.1 million euros in respect of financial interest in 2009, compared to 110.8 million euros in 2008, owing to the fall in interest rates;
- a disbursement of 148.0 million euros in respect of corporation tax in 2009, including 16.7 million euros of outstanding corporation tax for 2008, compared to a disbursement of 118.7 million euros in 2008.

The net cash used in investing activities represent a disbursement of 32.5 million euros in 2009 compared to a disbursement of 11.5 million euros in 2008. That represents a rise of 21.0 million euros, mainly comprising the following:

- 26.0 million euros in respect of acquisitions of tangible and intangible fixed assets in 2009, compared to 12.1 million euros in 2008;
- 7.4 million euros in 2009 for the acquisition of minority interests in PagesJaunes Petites Annonces for the sum of 6.0 million euros and in Horyzon Média for 1.4 million euros.

The net cash used in financing activities amounted to 278.2 million euros in 2009 against 274.7 million euros in 2008. That represents a rise of 3.5 million euros, mainly comprising the following:

- 269.5 million euros for dividends paid in 2009, which remained stable compared to 2008;
- a decrease of 9.4 million euros in other debts in 2009, compared to a decrease of 0.8 million euros in 2008;
- as part of the liquidity contract, a net receipt of 0.7 million euros associated with the change in the portfolio of treasury shares in 2009, compared to a net disbursement of 4.3 million euros in 2008, the year in which the contract was established.

11

Research and development



PagesJaunes Groupe is a cutting-edge entity within its sector, in boasting state-of-the-art research and innovation thanks to its teams and numerous partnerships with the best field specialists who focus on innovation and excellence.

12 Information on trends



12.1 Main trends affecting Group business

See sections 9 and 10.

12.2 Trends that may affect Group business

The main trends that may affect Group business in 2010 concern the extent of recovery within the French and Spanish advertising markets,

which should determine the business prospects of PagesJaunes and QDQ Media on their respective markets.

12.3 Financial targets

PagesJaunes Groupe has set the following financial targets for 2010:

- Sustained growth in Internet revenues, limiting the decrease in total revenues, with a rebound in activity expected as of the second half of 2010 due to the increasing contribution from new products.
- Gross operating margin between 500 million and 530 million euros taking into account continued investments in fixed and mobile Internet.
- Continued a high dividend policy⁽¹⁾.

(1) The distribution target in no way constitutes a commitment on the part of PagesJaunes Groupe. Future dividends will depend on the Group's earnings, its financial position and any other factor which the Board of Directors and the shareholders of PagesJaunes Groupe deem relevant.

13 Profit estimates or forecasts



The Company does not make any forecasts as indicated in European Regulation (EC) No. 809/2004.

14 Administration and management bodies



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14.1 Members of the Board of Directors

On the date of this report the members of the Board of Directors are:

- François de Carbonnel;
- Elie Cohen;
- Abeille Deniau;
- Jacques Garaïalde;
- Jean-Christophe Germani;
- Nicolas Gheysens;
- Hugues Lopicq;
- Jérôme Losson;
- Médiannuaire represented by Joseph Ming;
- Jean-Pierre Remy and
- Rémy Sautter.

Name	Function	Date appointed	Term expiry	Other roles and principal offices held in the last 5 years
François de Carbonnel	Director Chairman of the Remuneration and Appointments Committee	27 May 2004	General Shareholders' Meeting in 2014	Board member and Chairman of the Audit Committee, Thomson Director of QUILVEST SA (Luxembourg) Director of Ecofin Hedge Fund Limited (Ireland) Director of Ecofin Special Situations Funds Limited (Ireland) Director of Amgen Inc. (United States) Director, Parc des Aulnais SA Director of Cofipar SA Director of GFISA (Groupe Foncier d'Île-de-France) Director of FdeC Services Ltd Posts no longer held: Manager, Geroa SARL Director of Nixxis SA (Luxembourg) Chairman of the Board of Directors, Thomson
Elie Cohen	Director Member of the Audit Committee Member of the Strategy Committee	27 May 2004	General Shareholders' Meeting in 2014	Director of research, CNRS Professor at the <i>Institut d'Études Politiques</i> in Paris Member of the Prime Minister's Economic Analysis Council Member of the Supervisory Board, Stenia Group (SSII) Director of EDF Énergies Nouvelles Posts no longer held: Chairman of the Scientific Board and Director of Vigéo Director of Orange Vice-President of the <i>Haut Conseil du Secteur Public</i> Director of EDF ENR
Abeille Deniau	Director representing personnel	20 July 2006	20 July 2011	None Posts no longer held: None
Jacques Garaïalde	Director Chairman of the Board of Directors Chairman of the Strategy Committee	12 October 2006	General Shareholders' Meeting in 2014	KKR associate Director of Legrand Director of Nexans CEO and Director of Médiannuaire Holding Director of Tarkett Member of the Executive Committee of Société d'Investissement Familiale (S.I.F.) Posts no longer held: Chairman of the Board of Directors, Médiannuaire Holding
Jean-Christophe Germani	Director	12 October 2006	General Shareholders' Meeting in 2011	Managing Director, Goldman Sachs Director of Médiannuaire Holding Director of Financière Daunou 5 Posts no longer held: Director of EM Acquisition Corp. and Education Management Corporation Director of Alchemy Holding Sarl Director of CCom Holdings Luxembourg S.à r.l. Director of Wireless Information Network Limited Director of InsuranceCity AG

Name	Function	Date appointed	Term expiry	Other roles and principal offices held in the last 5 years
Nicolas Gheysens	Director Member of the Audit Committee Member of the Remuneration and Appointments Committee	26 July 2007	General Shareholders' Meeting in 2014	Employee, Kohlberg Kravis Roberts & Co SAS Chairman of NorthgateArinso France Holdings Member of the Supervisory Board at Société d'Investissement Familiale (S.I.F.) CEO, Sedley Participations France (SAS) Board member, U.N Ro-Ro Isletmeleri A.S. Member of the Management Board at A.T.U Luxembourg Sàrl Director of Médiannuaire Holding Posts no longer held: Member of the Management Board at Victoria Holding Sàrl Member of the Management Board at Angel Lux Parent Sàrl Member of the Management Board at Angel Lux Common Sàrl
Hugues Lepic	Director Member of the Remuneration and Appointments Committee Member of the Strategy Committee	12 October 2006	General Shareholders' Meeting in 2011	Head of Private Equity Europe and associate of The Goldman Sachs Group, Inc Member of the Investment Committee, Goldman Sachs Director of Prysman S.p.A. Director of Médiannuaire Holding Director of Endemol N.V. Posts no longer held: Director of Eutelsat Communications SA Chairman of the Supervisory Board at Autodis SA Chairman of the Supervisory Board at Autodistribution SA Director of Cablecom Gmbh Director of Cablecom Luxembourg GP Sàrl Director of Iliad SA Board member, Neuf Cegetel SA
Jérôme Losson	Director	11 June 2009	General Shareholders' Meeting in 2014	Employee at KKR Capstone Ltd Chief Operating Officer at Northgate Information Solutions Ltd Posts no longer held: Chairman, Mercadium France Director of Mercadium Ltd
Médiannuaire represented by Joseph Ming	Director	12 October 2006	General Shareholders' Meeting in 2011	None Posts no longer held: None
Jean-Pierre Remy	Director CEO	17 May 2009	General Shareholders' Meeting in 2014	Chairman/CEO and Board Member of PagesJaunes Director of PagesJaunes Marketing Services Chairman and Director of Médiannuaire Holding Director of Mappy Chairman of Board and Director of QDQ Media (Spain) Posts no longer held: Chairman of Egencia LLC Chairman/CEO of Egencia Europe SA Director of Egencia UK Director of Egencia GmbH
Rémy Sautter	Director Chairman of the Audit Committee	27 May 2004	General Shareholders' Meeting in 2014	Chairman/CEO of Bayard d'Antin Chairman of the Supervisory Board at Ediradio/RTL Member of the Supervisory Board at M6 Director of Partner Re (USA) Director of Thomson Posts no longer held: Director of M6 Publicité Director of Wanadoo Chairman of Sicav Multimedia et Technologies Director of Taylor Nelson Sofres (UK)

■ Independent directors

The Board of Directors has three independent members, Messrs François de Carbonnel, Elie Cohen, and Rémy Sautter.

The qualification criteria for independent directors are set out in the Bouton report.

A member is deemed to be independent if he does not have any relationship with the Company that could have a significant impact on his freedom of judgment.

There are no family ties between the members of Administration and Management bodies.

■ Biographies of the board members

François de Carbonnel is a Company Board member and works as an advisor. Until the end of 2006, he was Senior Advisor of Citigroup's Global Corporate and Investment Bank. He joined Citigroup at the end of 1999 as Managing Director of the Global Corporate and Investment Bank. After ten years at the Boston Consulting Group (Boston, Paris, Chicago), from 1971 to 1981, from 1981 to 1990 he was Chairman of Strategic Planning Associates (Washington, DC), which is now Mercer Management Consulting. After it was bought by Marsh McLennan, he went to General Electric (USA) as President of GE Capital Europe and Vice-President of General Electric. In 1993, he was appointed Vice-President of Booz-Allen and Hamilton in Paris, and then in 1994 he was made Chairman/CEO of Midial SA, a position he held until 1998. He was also Chairman of the Supervisory Board of GE Capital-SNC from 1996 to 1998. Born in 1946, François de Carbonnel is a graduate of the *École centrale* in Lyon, *Faculté de sciences économiques* in Lyon, and the Business School of Carnegie-Mellon University, Pittsburgh, USA.

Elie Cohen has pursued dual careers both as a researcher and university professor. A student researcher at the Paris *École des mines* and then head of research at the *Centre de sociologie de l'innovation de l'École des mines*, he subsequently joined the CNRS as Research Director of the *Groupe d'analyse des politiques publiques* at Paris -1 and then at the FNSP (*Centre d'études de la vie politique française*). As an associate professor, then full professor, Elie Cohen has taught at the *Institut d'études politiques* in Paris, the *École supérieure* in Ulm, the *École Nationale d'Administration* and the Harvard School of Engineering. Author of a number of articles in scientific journals, Mr Cohen has published several books on business economics and public policy in France and other countries. As an economist, Elie Cohen has been a member of numerous parliamentary and executive commissions. He was a member of the France Télécom Board of Directors from 1991 to 1995 and a member of Orange's Board of Directors from 2003 to 2007. He was a member of the *Conseil scientifique de l'Institut du développement durable et des relations internationales*. Born in 1950, Elie Cohen is a graduate of the *Institut d'études politiques* in Paris and has PhDs in Management and Political Science.

Abeille Deniau joined PagesJaunes in 1986 and currently holds the position of Editorial Manager at the Communications Division.

Jacques Garaïalde has been an associate of Kohlberg Kravis Roberts & Co. since 2003. Before joining Kohlberg Kravis Roberts & Co., Jacques Garaïalde was an associate at Carlyle, in charge of Europe Venture Partners. From 1982 to 2000, he worked at the Boston Consulting Group, where he was Senior VP in charge of Belgium (1992-1995), and then France and Belgium (1995-2000). From 1979 to 1981, he held various positions at Esso France. Jacques Garaïalde is also a member of the Board of Directors of Nexans, Legrand and Tarkett. Born in 1956, Jacques Garaïalde holds an MBA from INSEAD (Fontainebleau) and is an *École Polytechnique* alumnus.

Jean-Christophe Germani is Managing Director at Goldman Sachs' Merchant Banking Division. Born in 1974, Jean-Christophe Germani is a graduate of *Hautes écoles commerciales*.

Nicolas Gheysens joined Kohlberg Kravis Roberts & Co in 2004. Nicolas Gheysens had previously worked for Sagard and Goldman Sachs International. Born in 1976, Nicolas Gheysens holds a degree from the Strasbourg *Institut d'études politiques* and from ESSEC.

Hugues Lépïc is a Partner-Managing Director of The Goldman Sachs Group, Inc. and heads Private Equity for Goldman Sachs in Europe. He currently runs *Private Equity* and *Distressed Investment* in Europe. He is a member of Goldman Sachs' Executive Committee in Europe and a member of the Goldman Sachs Merchant Banking Division's investment, risk and strategy committees. Hugues Lépïc began his career in 1990 at the Goldman Sachs' Mergers & Acquisitions department in New York, and then in London. He joined the Private Equity division at Goldman Sachs in London in 1996, and was then appointed Managing Director in 1998 and Partner-Managing Director in 2000. Born in 1965, Hugues Lépïc is an alumnus of *L'École polytechnique*, and holds an MBA from the Wharton School of Business at the University of Pennsylvania.

Jérôme Losson and joined KKR Capstone in 2003. Prior to this he had worked at the UK company Causeway Technologies, which publishes specialised software for the construction industry and acquired a company that Losson co-founded. Jérôme Losson started his career at McKinsey & Co in Brussels and London. Jérôme Losson is currently Director of Operations for Northgate Information Systems. He was born in 1968, and holds a PhD from McGill University and an MBA from INSEAD.

Josef Ming joined KKR Capstone in 2008 as Chief Executive Officer. He is a member of KKR's Investment Monitoring Committee. He worked for 12 years as an associate of Bain & Company, where his main function was Managing Director for Switzerland. Josef Ming was formerly Chief Executive Officer of the Swiss firm Bally for American markets. He was born in 1958 and holds an MBA from Pepperdine University and a degree from the University of Lucerne.

Rémy Sautter began his career at the *Caisse des dépôts et consignations* (1971-1981) before being appointed Technical Advisor at the office of the Minister of Defence for Financial and Budget Affairs (1981-1983). He was then Finance Director for the Havas Agency from 1983 to 1985 and Vice-Chairman and Managing Director of RTL until 1996. Rémy Sautter was the Managing Director of the CLT-UFA until 2000, before holding the position of Chairman-Managing Director at RTL until 2002. Since December 2002, he has been Chairman of RTL's Supervisory Board. Born in 1945, Rémy Sautter has a law degree and graduated from the *Institut d'études politiques* in Paris and the *École nationale d'administration*.

14.2 Incriminations and potential conflicts of interest

Over the last five years, the members of the General Management and the Management and Administration bodies have not been subject to any:

- conviction for fraud;
- bankruptcy, sequestration, or liquidation;
- official public sanction and/or conviction handed down against them by a statutory or regulatory authority;
- court injunction preventing them from acting as a member of a Supervisory, Management, or Administrative body of an issuer or from intervening in the management and conducting of business of an issuer.

There are no potential conflicts of interest between the duties of the members of the General Management and the Management and Administration bodies pertaining to the Company and their private interests and/or other duties.

Messrs Garaïalde, Gheysens, Lopic and Remy, members of the Company's Board of Directors, are also Board members of Médiannuaire Holding, the parent Company of Médiannuaire, the Company's primary shareholder. To the best of the Company's knowledge, there is no conflict of interest in holding these concurrent positions.

14.3 Members of Management bodies

At the date of this document, Senior Management at the PagesJaunes Groupe is as follows:

Name	Function
Jean-Pierre Remy	CEO
Julien Billot	Executive Vice-President in charge of the Internet Division
Pascal Garcia	Executive Vice-President in charge of the Advertising Division
Claude Marchand	Executive Vice-President in charge of the Printed Directories Division
Recruitment ongoing	Executive Vice-President in charge of the Finance Division ⁽¹⁾

(1) Ghislaine Mattlinger, Executive Vice-President in charge of finance, performance and IT, left this post on 1st March 2010.

Jean-Pierre Remy was appointed CEO of the PagesJaunes Groupe on 25 May 2009. Born in 1964, he holds a degree from the Paris *École centrale* and the HEC doctoral programme. Following a long period of experience on the strategy council as an associate with Bain & Company (a specialist in digital economy developments), in 2000 he founded Egencia, a company which has become a world leader in Internet business travel. In April 2004 Mr Remy sold Egencia to Expedia and was appointed European and subsequently World Head of Business Travel at Expedia. This also made him a member of the Expedia Inc. Executive Committee.

Julien Billot has been Executive Vice-President of the Internet Division since September 2009. He worked in a similar post for three years at Lagardère Active. There he worked on digital transformation in France and abroad as General Manager of Digital and New Business from December 2006 to August 2009. Prior to this he was Marketing Director for General Products and Services at the France Télécom Group, which he joined in 1993. He began his career there as Key Account Engineer in the Business Division, and then moved on to France Télécom Mobiles Paging in 1995, where he worked successively as Adviser to the CEO, Director of Finance and Strategy and finally Director of Sales and Finance. In 1999 he joined Orange's French division as Mobile Multimedia Marketing Director and was promoted to the post of Director of the Public and Professional Mobiles Division, whereupon he was appointed a member of the Executive Committee. Julien Billot was born in 1968 and holds a degree from the *École polytechnique* and *Télécom Paris*. He was also awarded a DESS in industrial economics from the Paris-IX Dauphine University in 1993.

Pascal Garcia is Executive Vice-President in charge of the Advertising Division. He previously held various Senior Management positions within the PagesJaunes Group, first at Telelistas, a Brazilian subsidiary 50% – owned by the Company from 1997 to 2001, then at Wanadoo Edition in 2002, before becoming General Manager of QDQ Media in Spain, from 2003 to 2008.

He started his career in 1982 in the oil products sector, as Financial Director for Comex, then Coflexip in Brazil, a group in which he held various Management positions in France and abroad, before becoming General Manager for Coflexip Stena Offshore Brésil. Pascal Garcia was born in 1958 and holds dual French and Brazilian nationality. He is an HEC graduate and has an MBA from Fundação Getulio Vargas (Sao Paulo, Brazil) and an MBA from ESADE (Barcelona, Spain).

Claude Marchand is Executive Vice-President in charge of the Printed Directories Division. Previously, from July 2000, he worked as director of the Printed Directories Business Unit. He joined PagesJaunes in March 1997 as Executive Vice-President in charge of technical business and quality and as member of the Management Board. He previously held various management positions in the communication and media sector: in public television (ORTF engineer then regional director of FR3, from 1970 to 1990), Managing Director of cable television operation companies (Toulouse – Compagnie Générale des Eaux – then Lille – France Télécom Câble) from 1990 to 1994, then assistant director of the Var Matin newspaper and industrial director for the La Provence press group (Lagardère Group) from 1994 to 1997. He was born in 1948 and is a graduate of *École polytechnique* and *École nationale supérieure des télécommunications*.

15 Remunerations and benefits



15.1 Overall remuneration and benefits in kind	65
15.2 Amounts provisioned or booked for the payment of pensions, retirement, or other benefits	70

15.1 Overall remuneration and benefits in kind

All gross remuneration excluding employer contributions and benefits in kind individually paid by the Company to corporate officers during the fiscal year ended 31 December 2009 at PagesJaunes Groupe are summarised in the tables below:

TABLE SUMMARISING THE REMUNERATION AND STOCK OPTIONS GRANTED TO EACH EXECUTIVE CORPORATE OFFICER

	2008	2009
Jacques Garaïalde, Chairman of the Board		
Remuneration due during the fiscal year (set out on the following page)	34,292	38,533
Valuation of amounts allocated during the year	–	–
Valuation of performance shares allocated during the year	–	–
Michel Datchary, Chief Executive Officer (to 25 May 2009)		
Remuneration due during the fiscal year (set out on the following page)	828,902	1,949,759
Valuation of options allocated during the year	–	–
Valuation of performance shares allocated during the year	–	–
Jean-Pierre Remy, Chief Executive Officer (as of 25 May 2009)		
Remuneration due during the fiscal year (set out on the following page)	–	611,177
Valuation of options allocated during the year	–	–
Valuation of performance shares allocated during the year	–	–
TOTAL	863,194	2,599,469

TABLE SUMMARISING THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER

	2008		2009	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jacques Garaïalde, Chairman of the Board				
Fixed remuneration	–	–	–	–
Variable remuneration	–	–	–	–
Exceptional remuneration	–	–	–	–
Directors' fees	34,292	34,292	38,533	38,533
Benefits in kind ⁽²⁾	–	–	–	–
TOTAL	34,292	34,292	38,533	38,533
Michel Datchary, CEO (to 25 May 2009)				
Fixed remuneration	390,000	390,000	154,762	154,762
Variable remuneration	390,000	300,000	162,500	552,500
Full and final settlement under employment contract	0	0	0 ⁽¹⁾	218,752
Exceptional remuneration	0	0	1,604,093	1,002,558
Directors' fees	26,856	27,942	9,066	9,066
Benefits in kind ⁽²⁾	22,046	22,046	19,338	19,338
TOTAL	828,902	739,988	1,949,759	1,956,976
Jean-Pierre Remy, CEO (as of 25 May 2009)				
Fixed remuneration	–	–	235,238	235,238
Variable remuneration	–	–	355,000	0
Exceptional remuneration	–	–	–	–
Directors' fees	–	–	12,088	12,088
Benefits in kind ⁽²⁾	–	–	8,851	8,851
TOTAL	0	0	611,177	256,177

(1) This amount paid out corresponds to provisions previously booked.

(2) Use of a company car and payment of unemployment contributions.

TABLE OF DIRECTORS' FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Non-executive corporate officers	Amounts paid in 2008	Amounts paid in 2009
Mattia Caprioli⁽¹⁾		
Directors' fees	19,051	–
Other remuneration	–	–
François de Carbonnel		
Directors' fees	38,102	43,066
Other remuneration	–	–
Elie Cohen		
Directors' fees	33,022	39,288
Other remuneration	–	–
Abeille Deniau		
Directors' fees	27,942	21,155
Other remuneration	64,471	64,994
Jean-Christophe Germani		
Directors' fees	25,401	21,155
Other remuneration	–	–
Thomas Geitner⁽²⁾		
Directors' fees	8,891	–
Other remuneration	–	–
Nicolas Gheysens		
Directors' fees	16,511	39,288
Other remuneration	–	–
Reinhard Gorenflos⁽²⁾		
Directors' fees	–	3,022
Other remuneration	–	–
Hugues Lepic		
Directors' fees	29,212	33,244
Other remuneration	–	–
Jérôme Losson⁽³⁾		
Directors' fees	–	9,066
Other remuneration	–	–
Jean-Claude Marceau⁽²⁾		
Directors' fees	27,942	12,088
Other remuneration	142,217	269,994
Médiannuaire		
Directors' fees	20,321	15,111
Other remuneration	–	–
Rémy Sautter		
Directors' fees	39,372	43,822
Other remuneration	–	–
TOTAL	526,747	653,826

(1) Mattia Caprioli resigned from the directorship on 26 July 2007.

(2) The terms of Thomas Geitner, Reinhard Gorenflos and Jean-Claude Marceau expired at the General Shareholders' Meeting on 11 June 2009 and were not renewed.

(3) Jérôme Losson was appointed as a director at the General Shareholders' Meeting on 11 June 2009.

Information concerning the stock options given to or exercised by corporate officers can be found in section 17.2.

In 2009, the Chief Executive Officer was eligible for a variable share of 100% of the fixed sum on objectives achieved between 0% and 200%, based on the following criteria:

- 50% on a qualitative scale from 0% to 200%;
- and 50% on a quantitative scale based on an additional gross operating margin target between 0% and 200%.

Following decisions by the Board of Directors on 18 February 2010 for the 2009 fiscal year, the total amount of the CEO's variable portion came to 355,000 euros, in due consideration of Jean-Pierre Remy's arrival on 25 May 2009.

Moreover, since the Company has implemented specific additional pension schemes (See chapter 17.3), on 20 December 2007 the Board decided to grant the CEO the new defined-contribution pension scheme (Article 83 of the General Tax Code) implemented for Group Management as of 1 January 2008.

The management retirement scheme under Article 83 of the General Tax Code as applicable to Michel Datchary in 2009 came to 11,095 euros. The scheme for Jean-Pierre Remy came to 4,777 euros.

The Company has not set up any specific additional pension schemes for its officers.

Michel Datchary was CEO of PagesJaunes Groupe from 23 September 2004 to 25 May 2009.

Michel Datchary was an employee of PagesJaunes (formerly ODA) until 25 February 2009. His employment contract with PagesJaunes was suspended when he was appointed Chief Executive Officer of the PagesJaunes Groupe company. For the purpose of compliance with AFEP/MEDEF recommendations and in due consideration of the fact that the result of the termination of Michel Datchary's employment contract was the loss of his entitlement to end-of-service payments (due in the event of departure into retirement) and of his entitlement to non-competition and severance pay, the Board of Directors attempted, in the definition of the scheme proposed, to transfer to the corporate officer's contract the current system of non-competition and severance pay, adapting it to the AFEP/MEDEF recommendations on the subject, and introducing a new system against the end-of-service payments to which Michel Datchary would have been entitled under the current system if he had left the Group to exercise his retirement rights.

Accordingly, Michel Datchary resigned from his salaried functions within the Group, and thus his contract came to an end on 25 February 2009. Michel Datchary's entitlements as an employee of PagesJaunes were settled. Approximately 218,752.31 euros were paid to him in full settlement. (corresponding to 83 days of leave for length of service, 47 days of managerial-staff leave and 5 days of cumulated paid time off), with no further compensation paid.

Two types of benefits were implemented: compensation that is only applicable in the event of forced departure and compensation for the non-competition obligation.

■ Commitments regarding Michel Datchary

1. COMPENSATION FOR TERMINATION

The Board of Directors, at its meeting on 25 February 2009, decided that Michel Datchary should be compensated in the event of forced departure from the Company linked to a change of Company control or strategy (and whatever the form of said departure: dismissal, non-renewal or resignation).

This compensation amounts to 21 months' remuneration calculated on the basis of the monthly average of the total gross pay received by the interested party during the course of the 12 calendar months prior to the date on which the term of office was terminated. Gross pay shall be taken to mean the total amount of remuneration including wage costs, but excluding employer contributions.

In accordance with Article L. 225-42-1 of the French Commercial Code (in the version resulting from the Law known as the TEPA Law), this type of undertaking must comply with the beneficiary's performance obligations, assessed in relation to Company performance.

Compensation is subject to the following performance obligation: the average increase in the gross operating margin over the last three years, as shown by the PagesJaunes Groupe consolidated accounts posted by the Board of Directors prior to Michel Datchary's date of departure, must exceed the average increase in the operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets for the same period.

As an exception, if the termination occurs between 1 January and the date on which the Board of Directors posts the accounts for the year prior to the termination, the Board of Directors shall wait for this posting to establish whether or not the aforementioned condition has been met (on the basis of the accounts posted).

It should be pointed out that the compensation shall not be due should Michel Datchary leave the Company in order to receive his retirement benefits.

2. NON-COMPETITION CLAUSE/RELATED COMPENSATION

Insofar as Michel Datchary shall no longer be subject to a non-competition obligation under his employment contract, the Board of Directors has decided that Michel Datchary shall be subject to a non-competition obligation by virtue of his duties as the Company's Chief Executive Officer.

This non-competition obligation shall be implemented in the event of termination of his term of office as Chief Executive Officer for any reason and in any form.

This competition ban is limited to a period of 24 months commencing on the day on which his duties actually terminate and covers the all of France.

The corresponding compensation shall amount to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. It will be paid to Michel Datchary at the end of each half-year at a rate of 1/4 of the total compensation amount.

Pursuant to Article L. 225-42-1 of the Commercial Code, this compensation application of a non-competition clause shall be due under any circumstances and consequently, the Company may not waive said non-competition undertaking.

The sum total of the severance pay and this compensation shall not, under any circumstances, exceed 24 months' gross remuneration.

The Board of PagesJaunes Groupe, at a meeting on 17 May 2009, appointed Jean-Pierre Remy CEO of the Company as of 25 May 2009 to replace Michel Datchary, who resigned from his functions on the same date.

At this meeting the Board announced that the terms for severance pay for Michel Datchary, as set by the Board meeting of 25 February 2009, had been honoured. The Board also stated that the performance obligation for severance pay to Michel Datchary had been met, namely that the average trend in gross operating margin over the previous three years, as posted in the consolidated accounts of PagesJaunes Groupe by the Board of Directors, exceeded the average trend in operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets, for the same period.

In respect of the severance pay subject to performance, and in accordance with the recommendations of the AFEP/MEDEF corporate governance recommendations, 802,046 euros were paid to Michel Datchary.

■ Commitments regarding Jean-Pierre Remy

Since Jean-Pierre Remy is not under an employment contract, the Board of Directors decided to pay severance compensation in the event of forced departure from the Company in connection with a change in control or strategy or implementation, the sum of which was to be equal to his gross annual remuneration (fixed and variable in accordance with the targets met), subject to the following performance obligations:

In the event of his departure prior to the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: achievement of at least 90% of the quantitative objectives set to determine his variable remuneration (especially in terms of the trend in gross operating margin).

In the event of his departure after the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: the average trend in gross operating margin over the previous three years (or over the last two years in the event of departure between the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2010 and the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2011) as posted by the Board of Directors prior to the date of departure of Jean-Pierre Remy will exceed the average trend in operating income prior to impairment of goodwill, restructuring costs and results of sales of SBF 120 index company assets, for the same period.

Severance will only be paid when the Board of Directors has observed that the performance obligation has been met.

A non-competition obligation shall apply if Jean-Pierre Remy's office as CEO of the Company is terminated for any reason and in any way. This obligation is limited to a period of 24 months commencing on the day on which his duties actually terminate and covers all of France. The corresponding compensation shall amount to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. It will be paid to Jean-Pierre Remy at the end of each half-year at a rate of 1/4 of the total compensation amount. The Company shall be entitled to release Jean-Pierre Remy from this non-competition clause, informing him of its decision at the latest within the 15 calendar days following the decision by the Board of Directors to curtail Jean-Pierre Remy's term as CEO at the Company.

Executive corporate officers	Employment contract		Additional retirement package		Compensation or benefits due or likely to be due upon termination or change of function		Compensation related to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Jacques Garaïalde Chairman of the Board		X		X		X		X
Michel Datchary CEO to 25 May 2009		X	Additional defined-contribution retirement package (Article 83 of the General Tax Code)		X		X	
Jean-Pierre Remy CEO as of 25 May 2009		X	Additional defined-contribution retirement package (Article 83 of the General Tax Code)		X		X	

15.2 Amounts provisioned or booked for the payment of pensions, retirement, or other benefits

At the date of this document, the amounts provisioned or booked for the payment of pensions, retirement or other benefits are as follows:

- for Michel Datchary: 0 euro;
- for Jean-Pierre Remy: 0 euro;
- for Jean-Claude Marceau: 0 euro as a provision for retirement benefits and 0 euro as a provision for length of service;
- for Abeille Deniau: 20,918 euros as a provision for retirement benefits and 4,892 euros as a provision for length of service.

16 Operation of the Administrative and management bodies



16.1	Compliance with French corporate governance standards	71
16.2	Service contracts	72
16.3	Committees set up by the Board of Directors	72

The Company is managed by a Board of Directors that determines the strategy of the Company's business strategy and oversees its implementation by the General Management. Subject to any powers expressly allocated to Shareholders, and in line with the corporate purpose, the Board deals with all matters pertaining Company operations and governs the Company's business through its deliberations. In particular, it votes on all decisions relating to the Company's major strategic, economic, social, financial, and technological policies.

16.1 Compliance with French corporate governance standards

PagesJaunes Group follows the principles of corporate governance for listed companies laid down in the consolidated AFEP/MEDEF report of December 2008 and notably the key corporate governance principles concerning:

- the responsibility and integrity of the senior managers and Directors;
- the independence of the Board of Directors;
- transparency and release of information;
- respect of shareholders' rights.

The Company is committed to implementing the recommendations in the report, notably through the internal regulations adopted by the Board of Directors which set the guiding principles for its operations and the procedures it uses to carry out its tasks (see section 21.2.1).

In application of the provisions of Article L. 225-37 of the Commercial Code, the Chairman of the Board of Directors must set out, in a report attached to the Board's Management Report, the conditions for preparing and organising the work of the Board, as well as the internal control procedures put in place by the Company. The report is attached to this reference document.

At its meeting on 18 December 2008, the Board of Directors took note of the AFEP/MEDEF recommendations of 6 October 2008 on remuneration for corporate officers of listed companies.

It believes that these recommendations form part of the Company's approach to corporate governance.

As a consequence, and in accordance with the Law of 3 July 2008, the amended AFEP/MEDEF Corporate Governance Code serves as the Company's reference for drafting the report described in Article L. 225-37 of the Commercial Code.

Exceptions:

The Board of Directors has studied the differences between current PagesJaunes Groupe operating procedures and the three recommendations made by the AFEP/MEDEF Corporate Governance Code:

1. The AFEP/MEDEF Corporate Governance Code stipulates that independent directors must account for at least one third of the directors in companies controlled by a majority shareholder. The PagesJaunes Groupe Board of Directors is composed of three independent directors out of 11. The percentage of independent directors is thus close to one-third. The active role of the three independent directors would seem to indicate that the spirit of the Code has been met;
2. The AFEP/MEDEF Corporate Governance Code stipulates that board members' terms must not exceed four years. The term of office for PagesJaunes Groupe directors is 5 years. The Board of Directors believes that this point does not hinder good governance within the Company. Furthermore, not all the directors' terms of office expire on the same date. The terms of office of four directors (Mrs Abeille Deniau, Messrs Lepic and Germani, and the company Médiannuaire) expire in 2011 and the terms of Directors appointed or renewed at the Annual General Shareholders' Meeting on 11 June 2009 expire at the Annual General Shareholders' Meeting in 2014;
3. The AFEP/MEDEF Corporate Governance Code stipulates that the Remuneration Committee must be made up of a majority of independent directors. PagesJaunes Groupe's Appointments and Remunerations Committee has one independent director out of three members. The Board of Directors believes that the composition of this Committee, chaired by an independent director, as well as exchanges between this independent director and the other independent directors on the Board of Directors, appears to comply with the principle of faithful representation of the interests of the different Company shareholders.

16.2 Service contracts

A service contract was drawn up on 28 November 2006 between Médiannuaire and the Company whereby the former undertakes to provide the Company with its assistance in accounting, financial, legal and tax management, and advice as to strategy (see chapter 6.4.7 of this reference document).

No member of the Board of Directors or any Chief Executive Officer is under a service contract with PagesJaunes Groupe or its subsidiaries which would grant benefits at the end of such a contract.

16.3 Committees set up by the Board of Directors

The Board of Directors can decide to set up committees for which it determines the membership and powers and which it oversees. The powers granted to a Committee shall not be a delegation of the powers vested in the Board of Directors by law or the Articles of Association or reduce or limit the powers of the Chairman, the Chief Executive Officer or the Deputy Chief Executive Officers.

The Board of Directors, at its meeting on 23 September 2004, set up two committees within the Company, *i.e.* an Audit Committee and a Remuneration and Appointments Committee.

At a meeting on 14 February 2008, the Board of Directors decided to create a Strategy Committee.

16.3.1 Audit Committee

MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee is comprised of at least two members, appointed by the Board of Directors based on a proposal by its Chairman. The Chairman of the Committee is appointed by the Board of Directors following a proposal by its Chairman, from among the members of the Committee.

The composition of the Audit Committee on the registration date of this reference document was as follows:

- Mr Rémy Sautter, Chairman;
- Mr Elie Cohen;
- Mr Nicolas Gheysens.

TASKS OF THE AUDIT COMMITTEE

The Audit Committee, acting on behalf of the Board of Directors, is responsible for:

- examining the Company and consolidated accounts, both half-yearly and annual, management reports and business and financial statements;
- ensuring compliance with the accounting standards adopted for preparing the Company and consolidated accounts;
- checking that internal information collection and inspection procedures are applied in practice;
- checking the quality and relevance of the information communicated to shareholders;
- examining the procedure for selecting the Company's Auditors, particularly looking at their selection and terms of remuneration in order to make observations;

- on a yearly basis, studying the inspection procedures for Auditors and internal Auditors and examining the internal auditing report for the year completed and the schedule of tasks for the year in progress;
- examining the accounting treatment pertaining to special operations;
- examining significant off-balance sheet commitments each year.

The Board of Directors remains liable for the tasks undertaken by and opinions of these committees.

The Audit Committee shall meet as often as it deems useful and shall refer to any matter included within its mission. It met five times during 2009.

It may ask the Company to provide it with any document or information necessary to fulfil its mission and carry out any internal audit or external audit on any subject it believes is covered in the said mission. During the examination of drafts of the annual and half-year accounts, it may question the Company Auditors without the presence of the Company's senior managers. It is notified of any accounting or audit irregularities.

The following are the main issues examined by the Audit Committee in 2009:

- annual company and consolidated accounts at 31 December 2008;
- half-year consolidated accounts at 30 June 2009;
- revenue and main results for the first and third quarters of 2009;
- 2009 internal audit programme, conclusions of the missions carried out during the year and monitoring of implementation of the recommendations;
- risk management system and mapping of major risks.

16.3.2 Remuneration and Appointments Committee

MEMBERS OF THE REMUNERATION AND APPOINTMENTS COMMITTEE

This Committee is comprised of at least three members, who are appointed by the Board of Directors as proposed by its Chairman. The Chairman of the Committee is appointed by the Board of Directors as proposed by its Chairman, from among the members of the Committee.

The composition of the Remuneration and Appointments Committee on the registration date of this reference document was as follows:

- Mr François de Carbonnel, Chairman;
- Mr Hugues Lepic;
- Mr Nicolas Gheysens.

TASKS OF THE REMUNERATION AND APPOINTMENTS COMMITTEE

The Committee is responsible for submitting proposals to the Board of Directors for the appointment of members of the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board Committees. It is also kept informed of the appointments of other senior managers of the Group by the Chairman of the Board of Directors. The Committee also proposes the amount of the Directors' fees to the Board of Directors to be submitted at the General Meeting, as well as the terms for the breakdown of said fees between the members of the Board of Directors.

The Committee also proposes the remuneration of the Corporate officers to the Board of Directors and may, if requested by the Chairman of the Board of Directors, issue an opinion on the terms for setting the remuneration of the Company's senior managers.

The Remuneration and Appointments Committee met six times in 2009.

16.3.3 Strategy Committee

MEMBERS OF THE STRATEGY COMMITTEE

This Committee is comprised of at least three members, who are appointed by the Board of Directors as proposed by its Chairman. The Chairman of the Committee is appointed by the Board of Directors as proposed by its Chairman, from among the members of the Committee.

The composition of the Strategy Committee on the registration date of this reference document was as follows:

- Mr Jacques Garaïalde, Chairman;
- Mr Elie Cohen;
- Mr Hugues Lepic.

TASKS OF THE STRATEGY COMMITTEE

It assists the Board of Directors in its reflections concerning major long-term strategic policies of the Company or the Group, examines all major projects in relation to strategic Group positioning and development, especially strategic partnership projects and major investments and divestments and Company development plans submitted to the Board of Directors.

The Strategy Committee met twice during 2009.

16.3.4 Committee membership and operation

The operating rules are set by the Board of Directors based on the following principles:

- Committee meetings are called by the Chairman at least five days in advance and immediately in the event of an emergency;
- the Committee meetings may be held anywhere and attendance may be by videoconference or teleconference (except for strictly confidential matters, which are defined as such when brought before Committee Chairs);
- the Committees may invite outside or internal experts to examine particular issues, with the costs of any external experts borne by the Company.

The Committees are collegiate bodies with a consultative role. They have no powers of their own as their role consists in providing information for the Board or the Chairman.

Members of the Committees who are members of the Board of Directors may not receive any permanent remuneration for their participation in the Committees. They may, however, receive exceptional payments for special temporary tasks and may also receive a higher share of the attendance fees than the other members of the Board.

Committee members who are not members of the Board may receive remuneration set by the Board of Directors, at the Company's expense.

17 Employees



17.1	Number of employees and breakdown by business segment	74
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17.1 Number of employees and breakdown by business segment

At 31 December 2009, the Consolidated Group had 4,843 employees, including sales staff with the status of sales representative-travelling sales staff, as against 5,284 in 2008 and 5,197 at 31 December 2007.

Moreover, PagesJaunes Outre-Mer and Médiannuaire (non-consolidated entities linked to PagesJaunes Groupe) employed 20 and 13 staff respectively at 31 December 2009.

The following table shows changes in the geographical breakdown of employees in the Consolidated Group since 2007:

	2009 ⁽¹⁾		2008 ⁽¹⁾		2007 ⁽¹⁾	
	Number	%	Number	%	Number	%
France	4,324	89%	4,446	84%	4,293	83%
including Île-de-France	1,583		1,814		1,837	
outside Île-de-France	2,741		2,632		2,456	
International	519	11%	838	16%	904	17%
TOTAL CONSOLIDATED GROUP	4,843	100%	5,248	100%	5,997	100%

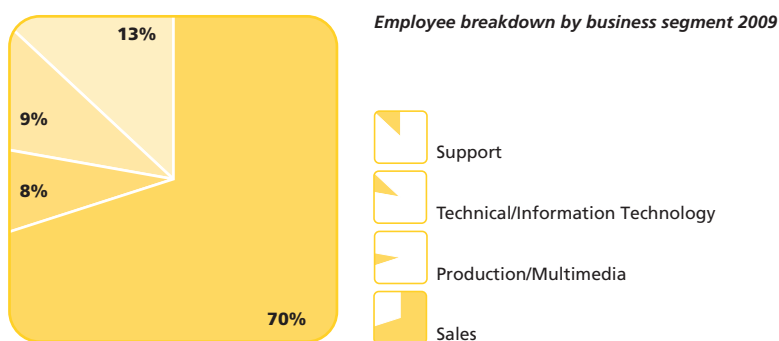
(1) Registered employees as at 31 December and for Editus Luxembourg at 100%.

Staff reductions in 2009 in comparison to 2008 were mostly at overseas units (-319) and to a lesser extent in France (-122). This was mainly caused by Edicom's removal from the consolidation scope, the redundancy plan implemented at QDQ (foreign subsidiaries) and staff reductions at PagesJaunes SA (-77 against 2008).

At 31 December 2009, the average age of employees in the Consolidated Group was around 39. Female employees accounted for 52%. Average length of service at PagesJaunes Groupe was 10.5 years.

The Group has a large number of sales staff compared to the total number of employees (more than 2,300 field sales staff and telephone

The number of employees in the Consolidated Group at 31 December 2009 can be broken down as follows:



sales staff). In France, the PagesJaunes field sales staff (around 1,230) have the status of sales representative and are basically paid on a commission basis.

Since 31 December 2006, following the transfer of its shareholding in PagesJaunes Groupe by France Télécom all PagesJaunes Groupe employees were employees of the private sector.

Only PagesJaunes is required to produce a labour report. Each year this is presented to the Works Council for an opinion and is sent to the Employment Inspectorate. A summary of the labour report is sent to all PagesJaunes employees.

The employee turnover rate at PagesJaunes was 8.5% in 2009, as against 9.3% in 2008 and 11.5% in 2007.

■ 2009 highlights

PAGESJAUNES GROUPE

Group Organisation and Management Committee

In March 2009 a new organisational system was implemented in line with Company strategy. The Group is now structured into four Divisions (Internet, Printed Directories, Advertisers and Finance/Performance/Information System) and cross-business departments. Four Executive Vice-Presidents reporting to the CEO are in charge of these Divisions, and make up the Management Committee (See chapter 14.3 – Members of Management Bodies).

At a meeting on 17 May 2009 the PagesJaunes Groupe Board of Directors appointed Jean-Pierre Remy CEO to replace Michel Datchary.

Some of the new arrivals in 2009 were as follows:

- appointment of Mr Julien Billot as Executive Vice-President in charge of the Internet Division (September);
- appointment of Mr Christophe Le Bars as Director of Human Resources at the Group (October);
- appointment of Mr Julian Ampollini as Director of Strategy and Communication at the Group (December).

The Group's Management Committee was enlarged in December as follows: in addition to the four Executive Vice-Presidents, it now includes the Director of Strategy and Communication, the Director of Human Resources and the Director of Legal Affairs.

The Key Group Accounts Department was also created in 2009 as part of the Advertising Division under Thomas Abikhalil, formerly Director of Communication, in a bid to boost our offer and our organisational capacity to provide a better service for our Key Accounts and their media partners.

A portion of the remuneration of most Group employees is based on individual performance. For the sale force, this can be up to 100% of their annual remuneration. For executives, this portion can be up to 20% of their annual remuneration, and up to 60% for senior management.

In 2007 employees of PagesJaunes and its subsidiaries in France benefited from a new stock option plan for the PagesJaunes Groupe and profit-sharing system in some companies (see section "17.3 Profit-sharing and employee savings plans"). Employees benefit from a Collective Retirement Savings Plan (PERCO) implemented in 2007, and management also benefits from a defined-contribution retirement scheme (see section 17.3).

This new department is intended to regroup the former *Direction Conseil Média PagesJaunes* and the Horyzon Média subsidiary.

Corporate Affairs/Human Resources

In April 2009 the Department of Strategy and Innovation, at the behest of the PagesJaunes Groupe Senior Management, introduced a new strategic management scheme in a bid to develop new formulae for growth, accelerate transformation of the Company, and encourage employees to play an active role. An initial six-month pilot phase, featuring 590 beta test employees at the subsidiaries Editus, Mappy and PagesJaunes (head office in Sèvres and regional branches), constituted the first step in the Employee Participation Innovation Programme, known as "Eureka". This scheme was specifically tailored to Group needs, inspired by the dynamics of corporate networks and the best benchmarked practices. The aim is to examine (or even implement) all the suggestions submitted by employees on either an individual or a collective basis, regardless of the tasks they perform, in a bid to improve products, services or processes, while making a contribution to customer satisfaction. At year-end 2009 674 ideas had been sent to the dedicated site.

An internal opinion survey, which takes account of all Group employees for the first time, was conducted in November 2009. The survey will be performed on an annual basis and will allow all members of staff to express their views on their work and their perception of company focus in all its aspects. Percentage participation in the survey was 79% for the Group.

In December 2009 PagesJaunes Groupe decided to implement a number of measures in favour of senior employment. Some of the measures are as follows:

- employing a minimum percentage of staff aged 55 or over;
- implementation of "second-half" career interviews and customised action plans for those over 50 years old who wish to refocus their career in new professional projects outside the Company;

- implementation of customised surveys and specific monitoring in relation to professional training for those over 45 years old;
- specific measures for retirement plans and the transition between employment and retirement;
- health checks for those 50 years old and over as part of the "employment health" policy deployed by the Group.

It was decided to implement the "senior plan" over a period of three years.

PAGESJAUNES

As a direct consequence of trends within the Group, PagesJaunes will no longer be structured into Business Units, but into four Divisions of activity. This reorganisation has also led to the creation of three Departments: Production (Advertisers Division), pagesjaunes.fr and Mobile Service (Internet Division).

PagesJaunes Petites Annonces (small ads) was affected by a merger by absorption on 21 July 2009, and as a result "annoncesjaunes.fr" business has been moved to the Internet Division.

The contracts of Field Sales reps and Branch Directors were reviewed, leading to changes in the structure of their remuneration (effective for 2010 publications).

PagesJaunes continued to pursue its employment health policy commitments. For instance, the Company participated in the exchange network operated by ANACT (French agency in charge of improving employment conditions) and initiated a prevention campaign to quit smoking along with our health expenditure coverage and providence institution.

MAPPY

In 2009, Mappy worked on the implementation of a project to boost relations with schools and universities.

Job offers or work placements have been available on the mappy.com site since July 2009.

PAGESJAUNES MARKETING SERVICES

In November, the Works Council was consulted in relation to the 2010 structural plans (Commercial, Operations and Computer Departments).

HORYZON MÉDIA

In January 2009, Mr Éric Aderdor became a member of Senior Management at Horyzon Média.

This year, Horyzon joined the PagesJaunes Groupe scheme on health expenditure and providence.

EDITUS

Mr Éric Cavalli, the new Director of Human Resources at Editus as of January 2009 began work on the restructuring of the Human Resources Department into areas of expertise.

Editus was also restructured as of August 2009 and is now organised into customer-segmented business units, whereby each unit is an autonomous profit centre.

QDQ MEDIA

In February 2009, Mr Anthony Loizeau became a member of Senior Management at QDQ Media.

The Company implemented two reorganisation schemes which led to the departure of 178 employees. It also implemented certain measures to boost internal communication (launch of an employee newsletter, work breakfasts with management staff, development of the intranet facility, etc.).

COMPANY RELATIONS

In April 2009, the regional employment authorities announced a decision to set the number of Hygiene, Safety and Employment Conditions Committees (CHSCTs) at PagesJaunes SA at 9. The members of the CHSCTs were appointed in June 2009.

In June, a new agreement on union rights was signed at PagesJaunes SA. As it met with majority opposition from four trade unions in July, the French Labour Code now applies.

An amendment to the 2009 profit-sharing agreement for implementation in 2010 was signed at PagesJaunes and PagesJaunes Marketing Services (June).

An amendment to the Group employee share ownership plan was signed on 16 December 2009, as was an amendment to the Group Savings Plan (introduction of a shared return fund to employee savings).

The Mappy CHSCT was renewed in September 2009.

17.2 Profit-sharing and options to subscribe to or buy shares given to each corporate officer and the options exercised by each of them

PROFIT-SHARING

At 20 March 2010, to the Company's knowledge the number of PagesJaunes Groupe shares held by each member of the Board of Directors is shown below:

Director	Number of shares
Jacques Garaïalde	5,011
Jean-Pierre Remy	77,167
François de Carbonnel	10
Elie Cohen	1
Abeille Deniau	560
Jean-Christophe Germani	1
Nicolas Gheysens	1
Hugues Lepic	1
Jérôme Losson	1
Médiannuaire	153,640,181
Rémy Sautter	1,773

STOCK OPTIONS

The Company set up a stock option plan on 28 June 2005, for a total of 3,796,800 options with an exercise price of 19.30 euros and a term of 10 years. Options are vested after three years.

The Company also implemented a second stock option plan on 20 December 2007 for a total of 2,927,900 options with an exercise price of 14.46 euros and the same features as the original plan: 10-year term and fully vested after three years.

The Company introduced three stock option plans in 2009: on 23 July 2009 for 1,145,000 options at an exercise price of 6.71 euros, on 29 October 2009 for 87,000 options at an exercise price of 8.843 euros, and on 17 December 2009 for 75,000 options at an exercise price of

7.821 euros. All these plans have the same features as the first plan: 10-year term and fully vested after three years.

In accordance with the plan of 23 July 2009, following consultation with the Remuneration and Appointments Committee, the Board of Directors decided to grant 140,000 options to Jean-Pierre Remy.

All the options are subject to performance obligations, in accordance with the AFEP/MEDEF Corporate Governance Code.

Jean-Pierre Remy will be bound to reinvest 33% of the net capital gain generated on exercise of these options in PagesJaunes Groupe shares. Jean-Pierre Remy must keep these shares in his own name until he has completed his term as CEO.

STOCK OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

Name of the executive corporate officer	No. and date of plan	Type of options (purchase or subscription)	Valuation of the options according to the method accepted for the consolidated accounts	Number of options allocated during the year	Exercise price	Exercise period
Jacques Garaïalde	–	–	–	–	–	–
Michel Datchary	–	–	–	–	–	–
Jean-Pierre Remy	23 July 2009	Subscription options	119,000	140,000	6.71	23 July 2012 to 23 July 2019
TOTAL	–	–	119,000	140,000	–	–

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of the executive corporate officer	No. and date of plan	Number of options exercised during the year	Exercise price
Jacques Garaïalde	–	–	–
Michel Datchary	–	–	–
Jean-Pierre Remy	–	–	–
TOTAL	–	–	–

BONUS SHARE ISSUES

At an Extraordinary General Meeting on 19 April 2006, the Board of Directors was authorised to set up a bonus share issue plan, as defined in Articles L. 225-197-1 to L. 225-197-5 of the Commercial Code, for the benefit of certain Group senior managers and employees, essentially to give them an interest in the Company's development.

This authorisation was granted for a period of 38 months, and the total number of bonus shares allocated under this resolution may not exceed 0.5% of the Company's capital at the date of said General Shareholders' Meeting, *i.e.* 1,393,948 shares.

The Board of Directors drew up the terms for the first bonus share issue plan on 30 May 2006. This plan gave rise to the initial grant of 602,361 shares for 591 Group employees. A second bonus share plan was drawn up on 20 November 2006 and granted 778,638 shares to 611 Group employees. Given that the performance obligations were not met in one of the 2 years concerned, only 50% of these shares were vested by the beneficiaries on November 20, 2008. A third plan was drawn up on 14 February 2008 to issue 12,940 shares to 15 Group employees. As the performance obligations were not met, no bonus shares were granted.

PERFORMANCE SHARES GRANTED TO EACH CORPORATE OFFICER

Performance shares granted by the General Shareholders' Meeting during the year to each corporate officer by the issuer and by any Group company (nominative list)	No. and date of plan	Number of shares allocated during the year	Valuation of the shares according to the method accepted for the consolidated accounts	Date of acquisition	Date of availability	Performance conditions
None						

Performance-based distribution of shares available to each corporate officer	Date of plan	Number of shares that have become available during the year	Acquisition conditions
Michel Datchary	20 November 2006	None	Total consolidated GOM
Jean-Pierre Remy	–	–	–
Abeille Deniau	20 November 2006	None	Total consolidated GOM
Jean-Claude Marceau	20 November 2006	None	Total consolidated GOM
TOTAL		NONE	

HISTORY OF STOCK OPTION PLANS

INFORMATION ON STOCK OPTIONS

Meeting date	12 April 2005	12 April 2005	11 June 2009	11 June 2009	11 June 2009
Date of the Board meeting and plan name	28 June 2005	20 December 2007	23 July 2009	29 October 2009	17 December 2009
Total number of shares available for subscription or purchase	3,796,800	2,927,900	1,145,000	87,000	75,000
Including the number which may be subscribed by corporate officers					
Michel Datchary	72,000	–	–	–	–
Jean-Pierre Remy	–	–	140,000	–	–
Jean-Claude Marceau	3,000	–	–	–	–
Abeille Deniau	3,000	1,700	–	–	–
Start of vesting period	28 June 2008	20 December 2010	23 July 2012	29 October 2012	17 December 2012
Expiry date	28 June 2015	20 December 2017	23 July 2019	29 October 2019	17 December 2019
Subscription or purchase price		14.46 euros	6.71 euros	8.843 euros	7.821 euros
Subscription or purchase price before adjustment	19.30 euros	–	–	–	–
Subscription or purchase price after adjustment	11.72 euros	–	–	–	–
Terms of exercise (per tranche)	–	–	–	–	–
Number of shares subscribed at 31 December 2009 ⁽¹⁾	377,670	0	0	0	0
Total number of cancelled or expired stock options	83,006	160,950	0	0	0
Stock options remaining at year-end	2,937,322	2,626,600	1,145,000	87,000	75,000

(1) Related to the early exercise described below.

No other Board member holds stock options granted by PagesJaunes Groupe.

EARLY EXERCISE OF STOCK OPTIONS

The plan rules enabled beneficiaries to exercise up to 50% of the options allocated to them early, *i.e.* around 1.85 million options, within three months of notification of change of control; given the change of control that took place on 11 October 2006, the period in question was from 12 October 2006 to 12 January 2007. Beneficiaries were free to sell any shares thus obtained as they wished. Capital gains arising from this early exercise of options were recorded for tax purposes as wages and salaries. This means they are subject to social security charges and income tax for the beneficiary and employer contributions for the business. 251,669 options were exercised under this plan at the beginning of 2007 to 12 January.

The payment of an extraordinary dividend from the Company's free reserves. The exercise price and the number of options were adjusted as a result of, in accordance with Article L. 225-181 of the Commercial Code.

The stock option plan was adjusted on 28 June 2005, allowing the beneficiaries to exercise up to 100% of the shares allocated to them within three months of notification of a change of subsidiary control and sell up to 50% of the shares for that year as they saw fit. Capital gains arising from this early exercise of options were recorded for tax purposes as wages and salaries. This means they are subject to social security charges and income tax for the beneficiary and employer contributions for the business. 126,001 options were exercised under this plan in 2007 by the employees of Kompass France and Kompass Belgium.

At 31 December 2009 the potential dilutive effect of stock options and bonus shares was 2.5% of PagesJaunes Groupe's share capital.

17.3 Profit-sharing and employee savings plans

■ Company savings plan

A savings plan agreement was signed by the PagesJaunes Groupe on 26 June 2006 with five trade unions (CFE/CGC, CFDT, FO, CGT and the independent PagesJaunes union). It covers the French companies in the PagesJaunes Groupe held at more than 50% by the PagesJaunes Groupe. Horyzon Média joined the Group plan with effect on 1 January 2008. The special reserve for PagesJaunes Groupe's Company savings plan is the amount in the special savings plan reserves calculated for each subsidiary involved, using a special formula.

The special savings plan reserves are divided among all beneficiaries at 30% based on their employment with the Company and 70% in proportion to the gross annual salary received by each beneficiary. The amounts allocated individually will be assigned to the PagesJaunes Groupe Savings Plan and frozen for five years.

The table below shows the savings plan contributions distributed or to be distributed in relation to last year:

PagesJaunes Groupe Agreement <i>(in millions of euros)</i>	Contributions to be distributed to PagesJaunes Groupe employees
2009	14.7
2008	17.9
2007	14.5

■ Profit-sharing

There are various profit-sharing agreements within the different subsidiaries of PagesJaunes Groupe.

All PagesJaunes Groupe subsidiaries in France, excluding Horyzon Média, have a profit-sharing agreement.

Given the current economy, on 15 June 2009 an amendment was made to the 2007-2009 PagesJaunes SA profit-sharing agreement concerning the profit-sharing calculation formula used in 2009 for the revenue criterion.

Given the current economy, on 2 June 2009 PagesJaunes SA signed an amendment to its 2007-2009 profit-sharing agreement for 2009 to adapt its parameters.

<i>(in thousands of euros)</i>	Profit-sharing 2005 paid out in 2006	Profit-sharing 2006 paid out in 2007	Profit-sharing 2007 paid out in 2008	Profit-sharing 2008 paid out in 2009
Profit-sharing paid in PagesJaunes Groupe	9,251	8,423	10,239	9,918

■ Company savings plan

Due to France Télécom's sale of its stake in PagesJaunes Groupe's capital, the PagesJaunes Groupe companies were removed from the France Télécom Group Savings Plan.

An agreement on setting up PagesJaunes Groupe's own new group savings plan was signed on 12 February 2007 by the management and trade unions.

■ Additional retirement scheme

A PagesJaunes Groupe agreement to implement an additional retirement scheme was signed on 22 November 2007 by the management and trade unions. There are two sections to the agreement, as follows:

- a Collective Retirement Savings Plan (PERCO) in addition to the contributions made by employees. For 2008 and successive years the contribution has been set at a maximum of 502 euros for 1,500 euros paid out by the employee. For 2007, on initiation of the PERCO plan, the contribution was set at 701 euros for a contribution of 1,500 euros to allow the greatest number of employees to take part in the plan;
- an additional defined-contribution retirement scheme, as per Article 83 of the General Tax Code, which Group management staff will benefit from as of 1 January 2008. The scheme is compulsory, and will involve a 5.50% contribution applied to remuneration levels B and C (remuneration in excess of level A, 2,773 euros per month in 2008). A total of 40% of the contribution will be paid by the employee, *i.e.* 2.20%, and 60% by the Company, 3.30%.

■ Company stock options exercised and granted during the year

In accordance with Article L. 225-184 of the Commercial Code, Company shares were granted and exercised as follows in 2009:

STOCK OPTIONS GRANTED TO TOP TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS AND EXERCISED BY THEM

PagesJaunes Groupe subscription plan

Stock options granted to top ten employees who are not corporate officers and exercised by them	Total number of options granted/shares subscribed or purchased	Average weighted strike price
Options granted during the year by the issuer and by any company in the option granting scope to the ten employees of the issuer and of any company included in this scope, with the highest number of options granted (general information)	378,000	7.213 euros
Options held for the issuer and the companies mentioned above, exercised during the year by the ten employees of the issuer and of these companies, with the highest number of options purchased or subscribed (general information)	None	

Bonus share issue plan

At an Extraordinary General Meeting on 19 April 2006, the Board of Directors was authorised to set up a bonus share issue plan, as defined in Articles L. 225-197-1 to L. 225-197-5 of the Commercial Code, for the benefit of certain Group senior managers and employees, essentially to give them an interest in the Company's development. This authorisation was granted for a period of 38 months and the total number of bonus shares allocated under this resolution may not exceed 0.5% of the Company's capital at the date of said General Shareholders' Meeting, *i.e.* 1,393,948 shares. The Board of Directors drew up the conditions for the first bonus share issue plan on 30 May 2006.

The bonus share issue plan is based on the following principle: each beneficiary is initially granted the right to receive shares free of charge. These shares will be fully vested at the end of a two-year vesting period, provided the beneficiary is still an employee or director in one of the Group companies and the performance obligations have been met.

The performance obligations involve growth targets for consolidated revenues and consolidated gross operating margin.

The plan gave rise to an initial allocation of 602,361 shares to 591 Group employees on 30 May 2006, approximately 43% of the package authorised by the Extraordinary General Shareholders' Meeting of 19 April 2006. As the performance obligations were not met, no bonus shares were granted.

Under a second plan 778,638 shares were initially granted to 611 Group employees on 20 November 2006. As the performance obligations were not met in one of the two years concerned, only 50% of these shares were vested by the beneficiaries on 20 November 2008.

Under a third plan, 12,940 shares were initially granted to 15 Group employees on 14 February 2008. As the performance obligations were not met, no bonus shares were granted.

	PagesJaunes Groupe Plan May 2006	PagesJaunes Groupe Plan November 2006	PagesJaunes Groupe Plan February 2008
Number of shares allocated to the top ten employees of PagesJaunes Groupe who are not corporate officers	24,120	32,304	9,440

18 Major shareholders



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18.1 Breakdown of Company share capital

PagesJaunes Groupe is owned in majority by Médiannuaire which, through Médiannuaire Holding (French limited-liability corporate) and the companies Sèvres I, Sèvres II, Sèvres III and Sèvres IV (limited-liability companies under Luxembourg law), is controlled by an investment fund consortium, approximately 80% comprised of funds ultimately

managed by KKR Europe II Limited⁽¹⁾ and KKR Millennium Limited⁽²⁾ and advised by Kohlberg Kravis Roberts & Co., L.P. ("KKR"), and, up to around 20%, of certain funds managed by the Goldman Sachs Group's "Principal Investment Area" division.

The breakdown of capital in PagesJaunes Groupe over the last three years was as follows:

	31 December 2007	As % of capital and voting rights	31 December 2008	As % of capital and voting rights	31 December 2009	As % of capital and voting rights
Médiannuaire	153,640,187	54.7%	153,640,187	54.7%	153,640,187	54.7%
Employees of PagesJaunes Groupe ⁽¹⁾	1,391,648	0.5%	1,574,748	0.6%	1,681,050	0.6%
Public	125,612,615	44.8%	124,848,909	44.5%	125,129,339	44.5%
Treasury shares	–	–	580,606	0.2%	534,178	0.2%
TOTAL	280,644,450	100.0%	280,644,450	100.0%	280,984,754	100.0%

(1) As part of the PagesJaunes Groupe Group Savings Plan (PEG).

As far as the Company is aware, no other shareholder is in possession of more than 5% of share capital or voting rights.

All treasury shares held are covered by a liquidity contract entered into on 7 October 2008.

Information concerning implementation of the share buy-back programme over the year is available in section 20.3 (Report by the Board of Directors to the General Shareholders' Meeting).

CROSSING OF THRESHOLDS

None.

(1) As final general partner of KKR European Fund II, Limited Partnership and KKR Associates Europe II, Limited Partnership.

(2) As final general partner of KKR Millennium Fund (Overseas), Limited Partnership.

18.2 Voting rights

All shareholders have one vote per share. The Company's major shareholders do not have any voting rights that differ from those of the other shareholders.

18.3 Persons exercising or who could exercise control over the Company

Other than Médiannuaire, Médiannuaire Holding and the consortium controlling Médiannuaire Holding, no individual or legal entity directly or indirectly, together or in concert, does or could exercise control over the Company on the date of this reference document.

Médiannuaire owns 54.68% of the Company's capital and voting rights.

Inspired in particular by the principles of corporate governance for listed companies laid down in the AFEP/MEDEF report of October 2003, PagesJaunes Groupe applies various measures to ensure that control is not exercised abusively. For example:

- composition of the Board of Directors, which includes three independent members. These directors are appointed from among independent personalities with no specific interest in the Company.

A list of the independent directors on the Board at the date of this reference document may be found in section 14.1 of this reference document;

- the existence of a Remuneration and Appointments Committee chaired by an independent Board member;
- the existence of an Audit Committee made up of a majority of independent Board members and chaired by an independent Board member;
- the existence of a Strategy Committee;
- the dissociation of the functions of Chairman and Chief Executive Officer.

18.4 Shareholder agreements

On the registration date of this reference document, there is no shareholder agreement involving the Company's share capital and/or voting rights.

18.5 Pledges

PLEDGES OF COMPANY SHARES

On 27 February 2007, Médiannuaire signed a financial instrument account pledge contract whereby it constituted, for a pool of banks

and other creditors which have provided various forms of financing, a financial instrument account pledge for 153,640,177 shares in the Company as a guarantee for all amounts due by Médiannuaire.

Name of the shareholder registered for pure shares	Beneficiary	Starting date of the pledge	End date of the pledge	Condition for lifting the pledge	Number of shares pledged by the issuer	% of capital pledged by the issuer
Médiannuaire	The creditors involved in the bank debt, the creditors involved in mezzanine debt and the reimbursement banks, within the limit of a maximum amount in principal of 6,010,000,000 euros	27 February 2007	Extinction of all Médiannuaire obligations guaranteed by the share pledge	Extinction of all Médiannuaire obligations guaranteed by the share pledge	153,640,177	54.7%

PLEDGES OF COMPANY ASSETS

Under the terms of the bank finance contract, the Company granted the lending banks a financial instruments account pledge covering all the PagesJaunes shares that it owns. This pledge is given by way of security for any and all amounts owed by the Company under the terms of the bank finance package (including capital, interest, fees, costs and ancillary amounts).

In addition, the Company undertook to grant the lending banks a financial instrument account pledge relating to the shares of any subsidiary that might become a "material subsidiary" as defined in the finance contract, by way of security for any and all amounts owed by the Company (including capital, interest, fees, costs and ancillary amounts).

Issuer asset pledges (intangibles, tangibles and financial assets)

Type of pledges or mortgages (in thousands of euros)	Starting date	Maturity date	Amount of assets pledged (a)	Total balance sheet item (b)	corresponding % (a/b)
On intangibles	–	–	–	–	–
On tangibles	–	–	–	–	–
On financial assets	24 October 2006	–	4,005,038 (267,002,531 PagesJaunes shares)	4,058,137	98.7%
TOTAL	–	–	4,005,038	4,058,137	98.7%

19 Transactions with related parties



During the year ended 31 December 2009, the Company identified eleven agreements likely to come within the scope of application of Article L. 225-38 of the Commercial Code:

- a contract signed with PagesJaunes relating to bank financing, and in particular the agreement by PagesJaunes Groupe to guarantee any amounts owed under the 400 million-euro revolving credit line (*Facility B*) by any Group subsidiary that may become a borrower under the terms of this facility. The Board of Directors gave prior approval for this agreement at its meeting on 12 October 2006;
- a service contract with Médiannuaire. The Board of Directors gave prior approval for this agreement at its meeting on 20 November 2006;
- a loan contract signed with PagesJaunes for 430 million euros. The Board of Directors had issued prior approval for the conclusion of an initial agreement at its meeting on 20 November 2006. The agreement was terminated on 19 December 2008, following approval by the Board at a meeting on 18 December 2008. A new agreement was signed on 19 December 2008 to update the financial conditions in view of recent trends in market conditions. The Board of Directors gave prior approval for this agreement at its meeting on 18 December 2008;
- application of the additional retirement package (Article 83 of the General Tax Code) was implemented for Michel Datchary as Company CEO. The Board of Directors had issued prior approval for this application at its meeting on 20 December 2007;
- the modification of Mr Michel Datchary's employment contract with PagesJaunes to include a performance obligation in Article 11 of this contract, pursuant to Article L. 225-42-1 of the Commercial Code. The Board of Directors approved this agreement at its meeting on 14 February 2008;
- two letters of support requested by the auditors in connection with the posting of the accounts of QDQ Media and PagesJaunes Petites Annonces. The Board of Directors approved the letters of support at its meeting on 25 February 2009;
- implementation of two types of severance payment for Michel Datchary (one payment applicable only in the event of forced departure and another in relation to a non-competition obligation) following resignation from his employment functions with the Group (both payments are set out in section 15.2 of this reference document). The Board of Directors gave prior approval to implementation of these payments at its meeting on 25 February 2009;
- the proceedings for the termination of Michel Datchary's functions as CEO (especially the severance payment proposed and payment for the non-competition obligation). The Board of Directors issued prior approval for the proceedings at its meeting on 17 May 2009;
- terms and conditions of Jean-Pierre Remy's term as CEO (set out in section 15.2 of this reference document), approved by the Board of Directors at its meeting on 17 May 2009;
- transfer by PagesJaunes Groupe to PagesJaunes of all shares making up the share capital of PagesJaunes Petites Annonces. The Board of Directors issued prior approval for this operation at its meeting on 11 June 2009;
- an 11.5 million euro debt write-off to the benefit of QDQ Media as part of an equity loan signed on 22 October 2001, and the 5 million euro loan due date moved forward from 15 December 2009 to 15 December 2013. The Board of Directors issued prior approval for these operations at its meeting on 17 December 2009.

■ PagesJaunes Groupe

Financial year ending 31 December 2009

■ Special Auditors' report on regulated agreements and commitments

Dear Shareholders,

In our capacity as Auditors for your Company, we hereby present to you our report on regulated agreements and commitments.

AGREEMENTS AND COMMITMENTS AUTHORISED DURING THE FINANCIAL YEAR

Pursuant to Article L. 225-40 of the Commercial Code, we have been advised of the agreements and commitments which were the subject of prior authorisation from your Board of Directors.

It is not our task to research the possible existence of other agreements and commitments but to report to you, based on the information provided to us, on the characteristics and basic procedures of those of which we have been informed, with no need to issue an opinion as to their usefulness and merit. It is your task, according to the terms of Article R. 225-31 of the Commercial Code, to make an assessment of the interest attached to signing these agreements and commitments before approving them.

We performed those procedures we considered necessary to comply with the French national auditing body's (*Compagnie Nationale des Commissaires aux Comptes*) professional guidance for this engagement. These procedures require the implementation of procedures intended to verify the agreement between the information which has been provided for us and the documents from which it was taken.

1. With QDQ Media and PagesJaunes Petites Annonces

DIRECTOR CONCERNED

Mr Michel Datchary.

NATURE AND PURPOSE

At a meeting on 25 February 2009 the Board of Directors authorised two letters of support to QDQ Media and PagesJaunes Petites Annonces in relation to the posting of the accounts of these two companies at 31 December 2008.

PROCEDURES

Following an analysis of the 2009-2011 outlook for QDQ Media and PagesJaunes Petites Annonces, the Board authorised the two

letters of support setting out the intention of Management to provide financial support for the two companies justifying the going concern assumption.

2. With QDQ Media

DIRECTOR CONCERNED

Mr Jean-Pierre Remy.

A. NATURE AND PURPOSE

The meeting of the Board of Directors on 17 December 2009 authorised a current account debt write-off on the subsidiary QDQ Media.

PROCEDURES

The debt write-off authorised is 11,500,000 euros.

B. NATURE AND PURPOSE

The meeting of the Board of Directors on 17 December 2009 authorised the due date of an equity loan signed over on 21 October 2001 to be moved forward.

PROCEDURES

The due date for the 5,000,000 equity loan was moved forward from 15 December 2009 to 15 December 2013.

3. With Mr Michel Datchary, member of the Board of your Company and of PagesJaunes SA

NATURE AND PURPOSE

The meeting of the Board of Directors on 17 May 2009 approved the proceedings for the cessation of Michel Datchary in his functions as CEO (especially the severance payment proposed and payment for the non-competition obligation).

PROCEDURES

Concerning remuneration, variable remuneration for 2009 was set at 162,500 euros, *i.e.* 5/12 of the bonus paid to Michel Datchary in 2008, in due consideration of confirmation of Group targets for the whole of 2009.

Concerning severance paid for termination of functions, the Board of Directors authorised payment of the following amounts:

- 802,046 euros (representing twelve months' remuneration) paid over as severance subject to the performance obligation, on 25 June 2009 at the latest; calculation of the performance obligation stipulates that the average trend in Gross Operating Margin over the last three years, as set forth in the consolidated accounts of PagesJaunes Groupe posted by the Board of Directors prior to the departure of Mr Michel Datchary (*i.e.*, 2006, 2007 and 2008), exceeds the average trend in the operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets for the same period;
- 802,046 euros paid out in connection with his non-competition obligation, a total amount payable in quarters at the end of each half-year as of 25 May 2009.

4. With Mr Jean-Pierre Remy, member of the Board of your Company and of PagesJaunes SA

NATURE AND PURPOSE

The meeting of the Board of Directors on 17 May 2009 authorised the terms and conditions for Mr Jean-Pierre Remy's term as CEO.

PROCEDURES

The terms and conditions, particularly financial terms, envisaged for Mr Jean-Pierre Remy's term, were proposed by the Remunerations Committee on 15 May 2009.

Mr. Jean-Pierre Remy shall receive an initial annual gross fixed sum of 390,000 euros payable over twelve months. In addition to this, Mr Jean-Pierre Remy shall receive an annual gross variable sum, payable at 31 March of the following year at the latest, which may be up to 100% of his fixed remuneration if not, and up to 200% of his fixed remuneration if targets are surpassed. The variable portion of remuneration shall be determined in part by specific quantitative targets, particularly the Company's Gross Operating Margin and in part by qualitative targets, which shall be set each year by the Board of Directors. Variable remuneration, dependent on both qualitative and quantitative objectives, cannot under any circumstances exceed 200% of fixed remuneration.

Mr Jean-Pierre Remy shall be entitled to benefit from the additional retirement package currently implemented by your Company, health expenditure (mutual insurance) and providence in the conditions applicable to Company management, or a similar scheme, and also insurance to cover civil liability.

Compensation may be paid to Mr Jean-Pierre Remy in the event of a forced departure from the Company in connection with a change of control or strategy, or implementation of same. The sum of compensation shall be equal to the annual gross sum (fixed remuneration and variable remuneration depending on targets).

A non-competition obligation shall be implemented in the event of the termination of Mr Jean-Pierre Remy's term of office as Chief Executive Officer for any reason and whatever the form of termination. This shall be limited to twenty-four months and shall cover all of France. Employer contributions for the year are 4,777 euros.

The Company shall be entitled to release Jean-Pierre Remy from this non-competition clause, informing him of its decision at the latest within the 15 calendar days following the decision by the Board of Directors to curtail Jean-Pierre Remy's term as CEO at the Company.

5. With PagesJaunes SA

DIRECTOR CONCERNED

Mr Jean-Pierre Remy.

NATURE AND PURPOSE

Transfer by your Company to PagesJaunes SA of all the shares making up the capital of PagesJaunes Petites Annonces, an operation previously authorised at the meeting of the Board of Directors on 11 June 2009.

PROCEDURES

Acquisition by PagesJaunes SA of PagesJaunes Petites Annonces for a total price of 7,500,000 euros (14.90 euros per share).

AGREEMENTS AND COMMITMENTS APPROVED AND APPLICABLE DURING THE FINANCIAL YEAR

Moreover, pursuant to the Commercial Code, we have been informed that the following agreements and commitments, authorised by the Board of Directors on 25 February 2009, applied during this past year.

6. With Mr Michel Datchary, member of the Board of your Company and of PagesJaunes SA

NATURE AND PURPOSE

The meeting of the Board of Directors on 25 February 2009 decided to review the situation of Mr Michel Datchary both in relation to his company term and his employment contract and procedures for payment and calculation of his severance pay. As a result, Mr Michel Datchary resigned from his Group employment functions on 25 February 2009.

PROCEDURES

The Board of Directors decided that compensation would be payable to Michel Datchary in the event of his forced departure from the Company as a result of a change of control or strategy of the Company (whatever the form of that departure: dismissal, non-renewal or resignation). The amount of this compensation was equal to 21 months of remuneration calculated on the basis of the average total monthly gross remuneration

paid to him during the 12 calendar months preceding the date of cessation of functions. Gross remuneration shall be taken to mean the total amount of remuneration including wage costs, but excluding employer contributions. Payment of this benefit would be subject to the following performance obligation: the average increase in the gross operating margin over the last three years, as shown by the PagesJaunes Groupe consolidated accounts posted by the Board of Directors prior to Michel Datchary's date of departure, shall exceed the average increase in the operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets for the same period.

The Board of Directors also decided to implement a non-competition on Mr Michel Datchary in the event of the termination of Michel Datchary's term of office as Chief Executive Officer for any reason and whatever the form of termination might take. This non-competition obligation shall be applicable for a period of 24 months from the day of termination of functions and shall cover all of France.

The corresponding compensation shall be equal to 12 months of remuneration calculated on the basis of the monthly average of total gross remuneration for the previous 12 months of activity preceding the date of termination of functions. It shall be paid to Michel Datchary at the end of each half-year at a rate of 1/4 of the total amount of the compensation.

Pursuant to Article L. 225-42-1 of the Commercial Code relating to non-competition clauses, it is specified that this compensation shall be due under any circumstances and that the Company may not abandon the non-competition obligation.

The possible combination of compensation termination and this compensation must not under any circumstances exceed 24 months of gross remuneration.

AGREEMENTS AND COMMITMENTS AUTHORISED IN PREVIOUS YEARS AND APPLICABLE DURING THE FINANCIAL YEAR

Moreover, pursuant to the Commercial Code, we have been informed that the following agreements and commitments, authorised in previous years, applied during this past year.

1. With PagesJaunes SA

A. NATURE AND PURPOSE

A contract was signed with PagesJaunes SA in connection with your Company's guarantee of all sums due in relation to 400,000,000 euros of revolving credit (*Facility B*). This agreement was authorised by the Board of Directors on 12 October 2006.

PROCEDURES

Your Company has guaranteed the payment of all sums on the maximum principal amount of 400,000,000 euros plus interest, payment penalties, commissions, expenses and any other sums due in relation to the revolving credit facility (*Facility B*) outstanding from any Group subsidiary borrowing. No Group subsidiary had made use of this facility at 31 December 2009.

B. NATURE AND PURPOSE

Loan agreement between your Company and PagesJaunes SA. This agreement was authorised by the Board of Directors on 18 December 2008.

PROCEDURES

The amount of the loan is 430,000,000 euros. Interest in 2009 was 10,853,928.61 euros.

2. With Médiannuaire

NATURE AND PURPOSE

A contract for services whereby Médiannuaire agrees to provide your Company with its assistance in accounting, financial, legal and tax management and advice as to strategy. This agreement was authorised by the Board of Directors on 20 November 2006.

PROCEDURES

The remuneration for the assistance provided is 1,137,783 euros.

3. With Mr Michel Datchary

A. NATURE AND PURPOSE

Application of the additional retirement package (Article 83) to Mr. Michel Datchary as CEO. This agreement was authorised by the Board of Directors on 20 December 2007.

PROCEDURES

The Chief Executive Officer benefits from the additional retirement package in the same conditions as other contributors (5.50% contribution applied to remuneration levels B and C, 3.3% of which is borne by the Company and 2.2% by employees). Employer contributions for the year are 11,095 euros.

B. NATURE AND PURPOSE

Pursuant to Article 17 of the Law of 21 August 2007 ("TEPA Law") and Article L. 225-42-1 of the Commercial Code, drawn up in accordance with this law, on 14 February 2008 the Board of Directors authorised the procedures to bring the employment contract between Mr Michel Datchary and PagesJaunes SA in compliance with regulations in order to include a performance obligation in Article 11 of this contract.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

PROCEDURES

Mr Michel Datchary's employment contract provides, in the event of termination by the Company, for payment of a sum as discretionary compensation for severance, calculated pursuant to the provisions of the collective agreement applicable to the Company in view of his length of service, and additional compensation set at 15 months' pay. Calculation of this compensation accounts for the average total remuneration paid by PagesJaunes SA or your Company over the last 12 months. The cumulative total amount of the discretionary compensation and the additional compensation may not exceed 21 months' pay. The performance obligation for payment of this severance compensation stipulated that the last consolidated Gross Operating Margin for PagesJaunes Groupe (GOM) known at the date of termination must exceed the average GOM over the previous three years. This compensation shall not apply in the event of serious or gross misconduct by Mr Michel Datchary.

This agreement was replaced by the agreement authorised by the meeting of the Board of Directors on 25 February 2009.

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20.1 Consolidated financial statements

■ Consolidated income statement

<i>(amounts in thousands of euros, except data relating to shares)</i>	Notes	As at 31 December 2009	As at 31 December 2008
Revenues	6	1,163,901	1,192,845
External purchases		(280,532)	(295,420)
Other operating income		4,196	11,779
Other operating expenses		(26,680)	(22,798)
Personnel expenses:			
• Salaries and charges	7	(332,233)	(334,794)
Gross Operating Margin		528,653	551,612
<i>as in % of revenues</i>		45.4%	46.2%
• Employee profit-sharing	7	(15,274)	(17,840)
• Share-based payment	7	(1,579)	(1,490)
Goodwill impairment		-	(68,882)
Depreciation and amortisation	13 & 14	(19,563)	(17,195)
Gain (loss) on asset disposals	8	(818)	(339)
Restructuring costs		(4,457)	(2,515)
Operating income		486,962	443,351
Financial income		8,798	3,376
Financial expenses		(90,656)	(138,162)
Gain (loss) on foreign exchange		-	-
Net financial income	9	(81,858)	(134,786)
Corporation tax	10	(131,472)	(131,739)
INCOME FOR THE PERIOD		273,632	176,826
Income for the period attributable to:			
• Shareholders of PagesJaunes Groupe		273,611	176,888
• Minority interests		21	(62)
Net earnings per share <i>(in euros)</i>			
Net earnings per share of the Consolidated Group	11		
• basic		0.98	0.63
• diluted		0.96	0.62

■ Statement of comprehensive income

<i>(amounts in thousands of euros, except data relating to shares)</i>	Notes	As at 31 December 2009	As at 31 December 2008
Income for the period report		273,632	176,826
Net (loss) /gain on cash flow hedges			
• Gross		(38,407)	(38,717)
• Deferred tax		13,225	13,330
• Net of tax	17	(25,182)	(25,387)
Exchange differences on translation of foreign operations		33	2
Other comprehensive income		(25,149)	(25,384)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		248,484	151,442
Total comprehensive income for the period attributable to:			
• Shareholders of PagesJaunes Groupe		248,462	151,504
• Minority interests		21	(62)

■ Statement of financial position

<i>(amounts in thousands of euros)</i>	Notes	As at 31 December 2009	As at 31 December 2008
Assets			
Net goodwill	12	50,358	50,334
Other net intangible fixed assets	13	25,051	21,158
Net tangible fixed assets	14	22,950	19,987
Available-for-sale assets	15	207	207
Other non-current financial assets	16	667	967
Net deferred tax assets	10	28,130	18,854
Total non-current assets		127,363	111,507
Net inventories	18	6,434	6,533
Net trade accounts receivable	19	466,179	513,449
Other current assets	20	36,273	30,417
Current tax receivable	10	5,374	2,003
Prepaid expenses	21	106,856	108,581
Other current financial assets		-	22
Cash and cash equivalents	27	67,040	89,016
Total current assets		688,157	750,022
TOTAL ASSETS		815,520	861,529
Liabilities			
Share capital		56,197	56,197
Issue premium		98,676	98,676
Reserves		(2,637,765)	(2,521,491)
Income for the period attributable to shareholders of PagesJaunes Groupe		273,611	176,888
Translation differences		-	(33)
Treasury shares		(3,831)	(4,313)
Equity attributable to equity holders of the PagesJaunes Groupe	23	(2,213,112)	(2,194,077)
Minority interests		-	2
Total equity	23	(2,213,112)	(2,194,075)
Non-current financial liabilities and derivatives	17 & 27	1,980,102	1,944,447
Employee benefits – non-current	25	41,692	36,458
Provisions – non-current	25	3,629	4,419
Deferred taxes - liabilities	10	-	-
Total non-current liabilities		2,025,423	1,985,324
Bank overdrafts and other short-term borrowings	27	18,204	22,026
Accrued interest	27	4,177	4,481
Provisions – current	25	761	596
Trade accounts payable	24	102,356	107,706
Employee benefits – current	25	121,242	122,718
Other current liabilities	25	96,279	104,641
Corporation tax	10	200	16,697
Deferred income	28	659,990	691,415
Total current liabilities		1,003,209	1,070,280
TOTAL LIABILITIES		815,520	861,529

■ Statement of changes in consolidated equity

<i>(amounts in thousands of euros)</i>	Number of outstanding shares	Share capital	Additional paid-in capital	Treasury shares	Income and reserves	Cash flow hedges	Translation reserve	Group equity	Minority interests	Total equity
31 December 2007	280,644,450	56,129	98,676	-	(2,243,209)	15,124	(36)	(2,073,316)	373	(2,072,943)
Total comprehensive income for the period, net of tax					176,888	(25,387)	2	151,504	(62)	151,442
Share-based payment					1,468			1,468		1,468
Dividends paid					(269,419)			(269,419)	(120)	(269,539)
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 Média								-	(190)	(190)
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)
Total comprehensive income for the period, net of tax					273,611	(25,182)	33	248,462	21	248,484
Share-based payment					1,474			1,474	-	1,474
Dividends paid					(269,453)			(269,453)	(35)	(269,488)
Shares of the consolidating company net of tax effect	46,428			482				482	-	482
Minority puts on Horyzon Média								-	13	13
BALANCE AS AT 31 DECEMBER 2009	280,450,576	56,197	98,676	(3,831)	(2,328,709)	(35,445)	-	(2,213,112)	-	(2,213,112)

■ Cash flow statement

<i>(amounts in thousands of euros)</i>	Notes	As at 31 December 2009	As at 31 December 2008
Income for the period attributable to shareholders of PagesJaunes Groupe		273,611	176,888
Depreciation and amortisation of fixed assets	12 à 14	19,563	86,077
Change in provisions	22	6,142	2,259
Share-based payment		1,474	1,468
Capital gains or losses on asset disposals		818	339
Interest income and expenses	9	53,461	130,408
Hedging instruments	17	28,397	4,373
Unrealised exchange difference		(3)	4
Tax charge for the period	10	131,472	131,739
Minority interests		21	(62)
Decrease (increase) in inventories		99	(1,289)
Decrease (increase) in trade accounts receivable		40,299	2,279
Decrease (increase) in other receivables		992	(5,973)
Increase (decrease) in trade accounts payable		(6,928)	(2,029)
Increase (decrease) in other payables		(37,656)	23,258
Net change in working capital		(3,195)	16,245
Dividends and interest received		2,500	17,590
Interest paid and rate effect of net derivatives		(82,572)	(128,426)
Corporation tax paid	10	(148,020)	(118,661)
Net cash from operations		283,668	320,241
Acquisition of tangible and intangible fixed assets	13 & 14	(25,965)	(12,069)
Change in suppliers of fixed assets		1,346	341
Proceeds from sale of tangible and intangible assets		92	60
Acquisitions of investment securities and subsidiaries, net of cash acquired	5	(7,439)	(1)
Proceeds from disposals of financial assets, net of cash sold	5	(629)	-
Decreases (increases) in marketable securities and other long-term assets	27	99	124
Net cash used in investing activities		(32,496)	(11,545)
Increase (decrease) in borrowings	27	(9,423)	(865)
Movements in treasury shares	23	697	(4,313)
Dividends paid to minority interests		(35)	(120)
Dividends paid	23	(269,454)	(269,419)
Net cash generated by (used in) financing activities		(278,212)	(274,717)
Impact of changes in exchange rates on cash		1	(3)
Net increase (decrease) in cash position		(27,040)	33,976
Net cash and cash equivalents at beginning of period		88,484	54,508
NET CASH AND CASH EQUIVALENTS AT END OF PERIOD	27	61,444	88,484

Net cash flow includes bank overdrafts. Presentation of 2008 data is given for comparison purposes.

NOTE 1 Information on the Group

For over sixty years, PagesJaunes Groupe has been offering a diversified range of products and services to the general public and businesses, with its printed and online French and international telephone directories as its core activity. The Group's main activities are described in note 4.

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

PagesJaunes Groupe is a joint stock company listed on the Euronext Paris stock exchange (PAJ) – compartment A.

This information was approved by the Board of Directors of PagesJaunes Groupe on 18 February 2010.

NOTE 2 Context of publication and basis of preparation of the financial information for 2009

In application of the European regulation No. 1606/2002 of 19 July 2002 on the implementation of international accounting standards, the Group has established its consolidated accounts for the accounting year as of 31 December 2009 in compliance with the IFRS standard as adopted in the European Union, applicable as of that date and available for perusal on the site:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission.

These adopted accounting standards are consistent with those used in the preparation of the annual consolidated accounts for the accounting year ended 31 December 2008, except for adoption of the following standards and interpretations, without significant impact:

- IAS 1R – Presentation of Financial Statements (revised in 2007);
- IAS 23R – Borrowing Costs (revised in 2007);
- IFRS 8 – Operating Segments;
- amendment to IFRS 7 – Improving Disclosures about Financial Instruments;
- amendment to IFRS 2 – Share-based payments: vesting conditions and cancellations;
- improvements to IFRS – May 2008 (except for IFRS 5) – in particular the amendment to IAS 38 Intangible Assets applied to the cost of advertising and promotions;
- IFRIC 11 – IFRS 2 – Group and Treasury Share Transactions;
- IFRIC 13 – Customer Loyalty Programmes;
- amendments to IFRIC 9 and IAS 39 – Embedded Derivatives.

These principles do not differ from the IFRS standards as published by the IASB, since the application, compulsory from financial years starting from 1 January 2009, of the following standards and interpretations not yet adopted by the European Union would not have any significant impact on the Group accounts:

- IFRIC 12 – Service Concession Arrangements;
- IFRIC 15 – Agreements for the Construction of Real Estate;

- IFRIC 16 – Hedges of a Net Investment in a Foreign Operation;

- IFRIC 18 – Transfers of Assets from Customers.

Moreover, the Group did not proceed with the early application of the following standards or interpretations adopted by the European Union and whose application became compulsory after 1 January 2009:

- IFRS 3 (Revised) – Business Combinations;
- IAS 27 (Revised) – Consolidated and Separate Financial Statements;
- amendments to IAS 39 – Financial Instruments: Recognition and Measurement: Exposures qualifying for Hedge Accounting;
- amendment to IAS 32 – Classification of Rights Issues;
- IFRIC 17 – Distributions of Non-Cash Assets to Owners.

Finally, the Group has not applied the following standards that had not been adopted by the European Union as at 31 December 2009:

- IFRS 9 – Financial Instruments;
- IAS 24 (revised) – Related Party Transactions;
- improvements to IFRS (April 2009);
- amendment to IFRS 2 – Share-based payment;
- amendment to IAS 32 – Classification of Rights Issues;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments;
- amendment to IFRIC 14 – Prepayments of a Minimum Funding Requirement.

For PagesJaunes Groupe, the process of determining the potential impact on the Group's consolidated accounts is under way. At this stage of the analysis, the Group does not anticipate a significant impact on its consolidated accounts.

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 4.

Amendment to IAS 1 – Presentation of Financial Statements (revised) introduced, in particular, the production of a supplementary statement called the “Statement of Comprehensive Income” and made certain modifications to the presentation of the “Statement of Changes in Equity”.

The summary statements concern accounts drawn up according to the IFRS standards at 31 December 2009 and at 31 December 2008. The financial statements for 2007, included in the Reference Document filed with the AMF on 1 April 2008 under No. D08-0181, are incorporated by way of reference.

In order to prepare the financial statements, the Group's management has to make estimates and assumptions that affect the amounts presented as assets and liabilities, any liabilities existing at the date the financial statements are drawn up and amounts presented as assets and liabilities for the financial year. The Management will evaluate

these estimates and assumptions on an ongoing basis in light of its past experience and various other factors deemed reasonable as a basis upon which to calculate the accounting values for assets and liabilities. In particular, these concern goodwill (notes 3.8 and 12), share-based payment (notes 3.1, 3.17 and 26) and evaluation of liabilities linked to withdrawals (notes 3.16 and 25). Actual results may differ considerably from these estimates based on different circumstances. Finally, in the absence of standards or interpretations applicable to a specific transaction, the Group's management has used its judgement to define and apply the accounting methods that have enabled the Group to obtain pertinent and reliable information such that the financial statements:

- present a faithful reflection of the Group's financial situation, financial performance and cash flow;
- reflect the economic reality of the transactions;
- are impartial;
- are conservative;
- are complete in all their significant aspects.

NOTE 3 Accounting principles and estimate variations

This note describes the accounting principles applied for the financial year ending 31 December 2009, in accordance with the provisions of international accounting standards as adopted by the European Union as at 31 December 2009.

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

3.1 ACCOUNTING POSITIONS ADOPTED BY THE GROUP IN APPLICATION OF PARAGRAPHS 10 TO 12 OF IAS 8

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

Undertaking to purchase minority interests

Within the context of the acquisition of 66% of the stock of companies involved in Internet advertising representation activities (Horyzon Média and Horyzon Clics) at the end of 2007, call and put options were granted respectively for the 34% stock balance of these fully consolidated subsidiaries. They may be exercised by the two parties until 2011. Barring unforeseen circumstances, the strike price of these options will be established according to a predefined calculation formula based on revenues and operating income for the year 2010.

Following the departure of one of the directors of Horyzon Média on 15 January 2009, PagesJaunes Groupe exercised its stock options, bringing its stake in this company from 66% to 95.83%. Consequently,

as at 31 December 2009, 4.17% of Horyzon Média shares were not held by PagesJaunes Groupe. The options therefore only apply to this portion.

In accordance with the various laws and regulations prevailing at 31 December 2009, the accounting system adopted by the Group is as follows:

- in accordance with the provisions of standard IAS 32 “Financial Instruments: Disclosure and Presentation”, the Group has recorded a financial liability for the put options accorded to minority shareholders of the entities concerned;
- the liability was entered in the accounts under “Financial liabilities” for the current value of the strike price estimated at the time that the operation was launched, then again at interim accounting dates, based on the fair value of the shares potentially purchased;
- this liability is offset by the entry of a decrease in minority interest for the balance in goodwill;
- the further change in value of the commitment is accounted for by adjusting the amount of goodwill, excluding the effect of accretion of the debt which is accounted for in terms of financial charges.

The part of net income distributable to the PagesJaunes Groupe shareholders is still calculated on the basis of a percentage of the holdings of these entities, without taking into account the percentage of interest attached to the sale of put options.

Variations in interest percentages

The IFRS standards do not give guidance on the accounting method to be used when minority shareholders invest their interest in one of the Group's consolidated entities in exchange for the shares of another Group consolidated entity, nor do they give guidance concerning the accounting method to be used for the decrease in interest percentage that results from this operation. The Group therefore decided to account for these transactions as follows: the increase in the percentage of interest is assimilated with a sale whose proceeds are indicated in the income statement under the heading "Income from sale of assets" when it is realised.

Management Participation Plan

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

After taking into account the sale of ordinary shares held by certain Group managers in 2009 in the capital of Médiannuaire Holding, at the same time as to the purchase of preferred shares, as of 31 December 2009 the Group managers held 90,447 ordinary shares and 153,547 preferred shares, *i.e.* a total of 0.63% of Médiannuaire Holding's equity capital.

Médiannuaire Holding's capital is divided up into ordinary shares and preferred shares, the rights for each class of shares to the increase in value of the equity being variable depending on the internal profitability rate realised by the Médiannuaire Holding shareholders on their investment during the time in which they held the shares. Moreover, each manager concluded with the Médiannuaire Holding shareholders a reciprocal call and put agreement which becomes exercisable, by one or other of the parties, as soon as the manager in question leaves PagesJaunes Groupe. The price per share that would be applied according to these reciprocal call and put commitments would vary according to the stock exchange price of the PagesJaunes Groupe shares, the length of service of the managers within the Group from 21 December 2006 and the attainment of certain performance targets. As at 31 December 2009, the application of these criteria would lead, if these reciprocal options were exercised at that date by either party, to the repurchase of the shares acquired by the managers at a zero value.

Individual Right to Training (DIF)

The Group has maintained the IFRS treatment adopted in the French standards with regard to individual training rights (Notice No. 2004-F of 13 October 2004 of the emergency CNC committee relating to the accounting of individual rights to training (DIF)), *i.e.*:

- the expenses committed to individual training constitute a liability for the period and do not give rise to any provisions;
- the number of training hours still owing to employees at year-end but not yet used by the employees is stated in the notes to the accounts.

3.2 CONSOLIDATION

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

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

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

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

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

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

3.3 TRANSACTIONS IN FOREIGN CURRENCIES

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

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

3.4 PRESENTATION OF THE FINANCIAL STATEMENTS

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

Operating income corresponds to net income before:

- financial income;
- financial expenses;
- current and deferred income taxes;
- profits and losses of discontinued operations and assets 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.

3.5 REVENUES

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

- revenues from the sale of advertising space in printed directories are recognised at the time of publication of each printed directory. Consequently, sales of advertising space billed in respect of future directories are stated in the balance sheet under the heading of "Deferred Income";
- income from the sale of advertising space in online directories is apportioned over the display period, which is generally 12 months;
- revenues from traffic relating to the telephone enquiry services (118 008 in France) are recognised at their gross value when the service is rendered;
- revenues from publicity campaigns are recognised for the period in which the campaigns are run. When Group entities act exclusively as agents, the revenue consists only of the commission;
- cost of income directly attributable to the directory publication campaigns for a particular financial period are associated with the corresponding revenues stated for the period in question; this concerns commissions for sales and telesales personnel as well as 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.

3.6 ADVERTISING AND SIMILAR EXPENSES

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

3.7 EARNINGS PER SHARE

The Group discloses both basic earnings per share and diluted earnings per share. The number of shares used to calculate diluted earnings per share takes into account the conversion into ordinary shares of dilutive instruments outstanding at the period-end (unexercised options, bonus 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 shares deducted from consolidated equity are not taken into account in the calculation of earnings per share.

3.8 GOODWILL

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

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

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 perpetual growth rate reflecting the expected long-term growth in the market and specific to each activity;
- the cash flows obtained are discounted using appropriate rates for the type of business and the countries concerned.

Goodwill impairment losses are recorded in the income statement.

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

3.9 OTHER INTANGIBLE ASSETS

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

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

Internally developed trademarks are not recognised in the balance sheet.

Trademarks

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

Licences and patents

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

Research and development costs

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

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

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

Software

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

3.10 TANGIBLE FIXED ASSETS

Gross value

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

It also includes the estimate of the costs of dismantling and removing the item and restoring the site on which it is located, such obligation being incurred by the Group either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories.

Finance leases

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

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

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

Maintenance and repair costs are 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.

3.11 IMPAIRMENT OF 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, due to 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 using the discounted cash flows method, based on economic assumptions and operating conditions expected by the Management of the Group.

3.12 FINANCIAL ASSETS AND LIABILITIES

Financial assets include available-for-sale assets, held-to-maturity assets, loans and receivables and cash and cash equivalents.

Financial liabilities include borrowings, other financing and bank overdrafts and operating debts.

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

3.12.1 Measurement and recognition of financial assets

- *Assets held to maturity*

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

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

- *Available-for-sale assets*

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

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

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

- *Loans and receivables*

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

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

- *Assets at fair value through the income statement*

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

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

- *Cash and cash equivalents*

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

3.12.2 Measurement and recognition of financial liabilities

- *Financial liabilities*

With the exception of financial liabilities held for trading, which are measured at fair value, borrowings and other financial liabilities

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

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

- **Financial liabilities at fair value through profit or loss**

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

3.12.3 Measurement and recognition of derivative instruments

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

- **Hedging instruments**

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

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

Hedge accounting applies if:

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

The effects of applying hedge accounting are as follows:

- for fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognised in the balance sheet at

fair value. The gain or loss from re-measuring the hedged item at fair value is recognised in profit or loss and is offset by the effective portion of the loss or gain from re-measuring the hedging instrument at fair value;

- for future cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity – because the change in the fair value of the hedged portion of the underlying item is not recognised in the balance sheet – and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. Amounts recognised directly in equity are subsequently recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

3.13 INVENTORIES

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

3.14 DEFERRED TAXES

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

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

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

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

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

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

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

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

3.15 PROVISIONS

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

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

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

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

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

Provisions are discounted when the discounting adjustment is material.

3.16 PENSION AND SIMILAR BENEFIT OBLIGATIONS

3.16.1 Post-employment benefits

- *Retirement benefits and similar commitments*

In France, 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 (See note 25).

- *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.

3.16.2 Other long-term benefits

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

3.16.3 Termination benefits

Any termination benefits are also determined on an actuarial basis and covered by provisions.

For all commitments where termination of employment contracts would trigger payment of compensation, the impact of changes in assumptions is recognised in profit or loss for the period during which the revision takes place.

3.17 SHARE-BASED PAYMENTS

In accordance with IFRS 2 "Share-Based Payment", stock options, employee share issues and bonus shares granted 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 bonus 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 obligations will be fulfilled.

3.18 TREASURY SHARES

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

NOTE 4 Segment information

The core activity of the Group is the publication of telephone directories in France and abroad. Its product offer consists in a diversified range of products and services associated with this activity, aimed at the general public and businesses.

In the income statement, only the constituents of the gross operating margin and depreciation/amortisation have been allocated to segments in the income statement, while in the balance sheet all items are allocated to segments except for cash in hand, financial debts and current and deferred tax liabilities.

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

■ **PagesJaunes in France.** This segment covers the Group's business activities in France regarding the publication and distribution of directories and the sale of advertising space in the printed directories (PagesJaunes, *L'Annuaire*) and online ("pagesjaunes.fr"). It also covers the creation and hosting of Internet sites, directory enquiry services by telephone (118 008) and SMS, online classified ads ("annoncesjaunes.fr") and various other activities such as the publication of PagesPro business directories and the reverse directory ("QuiDonc"). This segment also includes holding activities within PagesJaunes Groupe.

■ **International & Subsidiaries.** This segment covers the various activities of the Group's subsidiaries, consisting mainly in the publication of directories for the general public outside of France (Spain, Luxemburg and Morocco) and the development of complementary activities to the publication of directories, such as the map and journey planner service from Mappy and the direct marketing of PagesJaunes Marketing Services. This segment also covers the advertising management activities of Horyzon Média on the internet.

The data presented for the 2008 financial year have been adjusted to take account of the impacts linked to the transfer of the online classified ads business, in the first half of 2009, from the International & Subsidiaries segment to the PagesJaunes in France segment, following the launch of a common "pagesjaunes.fr" / "annoncesjaunes.fr" offer, which was absorbed on 21 July 2009 by the Company PagesJaunes. This restatement has no impact on the Group's consolidated comprehensive data but only on the per-segment data.

4.1 BY BUSINESS SECTOR

The table below presents a breakdown of the main aggregates according to business sector for the periods ended 31 December 2009 and 2008:

Income statement	As at 31 December 2009				As at 31 December 2008			
	PagesJaunes in France	International & subsidiaries	Eliminations	Group	PagesJaunes in France	International & subsidiaries	Eliminations	Group
<i>(amounts in thousands of euros)</i>								
Revenues	1,097,270	75,780	(9,149)	1,163,901	1,110,062	91,475	(8,692)	1,192,845
• External	1,097,251	66,650	-	1,163,901	1,110,028	82,817	-	1,192,845
• Inter-segment	19	9,130	(9,149)	-	34	8,658	(8,692)	-
External purchases	(257,109)	(32,782)	9,359	(280,532)	(266,461)	(37,840)	8,881	(295,420)
Other operating income	3,338	1,658	(800)	4,196	9,359	3,081	(661)	11,779
Other operating expenses	(22,628)	(4,607)	556	(26,680)	(19,825)	(3,446)	473	(22,798)
Salaries and charges	(293,080)	(39,187)	34	(332,233)	(288,443)	(46,350)	(1)	(334,794)
Gross operating margin	527,791	862	0	528,653	544,692	6,920	-	551,612
Employee profit-sharing				(15,274)				(17,840)
Share-based payment				(1,579)				(1,490)
Goodwill impairment	-	-	-	-	-	(68,882)	-	(68,882)
Depreciation and amortisation	(16,486)	(3,077)	-	(19,563)	(14,616)	(2,579)	-	(17,195)
Gain (loss) on asset disposals				(818)				(339)
Restructuring costs	-	(4,457)	-	(4,457)	-	(2,515)	-	(2,515)
Operating income				486,963				443,351
Acquisitions of tangible and intangible fixed assets	22,787	3,178	-	25,965	9,368	2,701	-	12,069

Balance sheet	As at 31 December 2009				As at 31 December 2008			
	PagesJaunes in France	International & subsidiaries	Eliminations	Group	PagesJaunes in France	International & subsidiaries	Eliminations	Group
<i>(amounts in thousands of euros)</i>								
Net goodwill	6,426	43,932	-	50,358	421	49,913	-	50,334
Net intangible fixed assets	19,790	5,261	-	25,051	16,743	4,415	-	21,158
Net tangible fixed assets	17,897	5,053	-	22,950	14,779	5,208	-	19,987
Non-current non-segment assets				29,004				20,028
Non-current assets				127,363				111,507
Net inventories	6,139	295	-	6,434	6,195	338	-	6,533
Net trade accounts receivable	430,546	39,565	(3,932)	466,179	471,000	47,334	(4,885)	513,449
Other current assets	33,837	2,845	(409)	36,273	25,946	4,622	(151)	30,417
Prepaid expenses	100,706	6,199	(49)	106,856	100,395	8,225	(39)	108,581
Current non-segment assets				72,414				91,040
Current assets				688,157				750,022
TOTAL ASSETS				815,520				861,529
• of which segment assets	615,341	103,151	(4,390)	714,102	635,479	120,056	(5,075)	750,460
• of which non-segment assets				101,418				111,069
Shareholders' equity				(2,213,112)				(2,194,077)
Minority interest				-				2
Personnel benefits – non-current	41,544	148	-	41,692	36,356	102	-	36,458
Provisions – non-current	3,629	-	-	3,629	4,419	(0)	-	4,419
Other non-current liabilities	-	-	-	-	-	-	-	-
Non-current segment liabilities				1,980,102				1,944,447
Non-current liabilities				2,025,423				1,985,324
Provisions – current	78	683	-	761	78	518	-	596
Trade accounts payable	93,033	13,696	(4,373)	102,356	95,204	17,387	(4,885)	107,706
Personnel benefits – current	115,581	5,661	-	121,242	114,835	7,883	-	122,718
Other current liabilities	91,427	5,261	(409)	96,279	98,089	6,703	(151)	104,641
Deferred income	642,415	17,624	(49)	659,990	669,859	21,595	(39)	691,415
Current non-segment liabilities				22,581				43,204
Current liabilities				1,003,209				1,070,280
TOTAL LIABILITIES				815,520				861,529
• of which segment liabilities	987,707	43,073	(4,831)	1,025,949	1,018,840	54,188	(5,075)	1,067,953
• of which non-segment liabilities				(210,429)				(206,424)

4.2 BY GEOGRAPHICAL REGION

<i>(amounts in thousands of euros)</i>	As at 31 December 2009	As at 31 December 2008
Revenues	1,163,901	1,192,845
• France	1,122,490	1,135,989
• Others	41,411	56,856
Assets	815,520	861,529
• France	669,405	691,419
• Others	44,699	59,041
• Unallocated	101,416	111,069

NOTE 5 Change in the scope of consolidation

The main operations that took place during 2009 and 2008 are as follows:

2009

On 20 October 2009, PagesJaunes Groupe sold 100% of the shares in Edicom. This Moroccan subsidiary contributed 1.6 million euros in revenues to the consolidated accounts for 2009, -0.1 million euros to GOM and -0.2 million euros to the net income.

On 18 February 2009, PagesJaunes Groupe acquired 34% of the shares in PagesJaunes Petites Annonces from M6, for a total of 6.0 million euros. After this transaction, PagesJaunes Groupe held 100% of this company's shares and voting rights and goodwill was calculated at 6.4 million euros.

On 21 July 2009, the companies PagesJaunes and PagesJaunes Petites Annonces merged with retroactive effect from 1 January 2009. This internal restructuring operation had no significant impact on the consolidated accounts.

Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised its call option, permitted within the context of the partnership agreement, bringing its participation in this subsidiary from 66% to 95.83% for a total of 1.4 million euros on 15 January 2009.

2008

The companies Horyzon Média and Horyzon Clics merged on 30 June 2008 with retroactive effect from 1 January 2008. The companies PagesJaunes Petites Annonces and ATS also merged on 31 October 2008. These internal restructuring operations had no significant effect on the consolidated accounts.

NOTE 6 Revenues

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
PagesJaunes in France		
Printed directories	577,824	617,667
Pagesjaunes.fr, annoncesjaunes.fr and Internet sites ⁽¹⁾	460,968	431,329
Telephone directory enquiry services	39,711	36,391
Other activities including Minitel	18,767	24,674
Total PagesJaunes in France segment	1,097,270	1,110,061
International & Subsidiaries		
B to C directories	41,412	56,857
Internet advertising representation	9,372	5,452
Direct marketing and geographic services	24,996	29,167
Total International & Subsidiaries segment	75,780	91,476
Inter-segment	(9,149)	(8,692)
TOTAL	1,163,901	1,192,845

(1) Including reclassification of PagesJaunes Petites Annonces business in 2008 (see note 4).

NOTE 7 Personnel expenses

<i>(in thousands of euros, except staff count)</i>	31 December 2009	31 December 2008
Average staff count (full time equivalent)	4,502	4,791
Salaries and charges	(332,233)	(334,794)
of which:		
• Remuneration and salaries	(234,843)	(230,581)
• Payroll taxes	(88,643)	(82,171)
• Taxes on salaries and similar	(8,747)	(8,262)
Share-based payment⁽¹⁾	(1,579)	(1,490)
of which:		
• Stock options and bonus shares	(1,474)	(4,367)
• Taxes on exercise or granting of stock options	(105)	(822)
Employee share ownership⁽²⁾	(15,274)	(17,840)
TOTAL STAFF COSTS	(349,086)	(354,124)

(1) See note 26.

(2) Including social contribution.

NOTE 8 Gain/loss on sale of shares

This section covers the gains and losses from current sale of intangible, tangible and financial assets. In 2009, it included a capital loss of 0.5 million euros from the sale of the Edicom subsidiary.

NOTE 9 Financial income/loss

The financial income is broken down as follows:

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Interest and similar amounts on financial assets	54	176
Result from sale of financial assets	1,148	2,873
Change in fair value of hedging instruments	7,445	-
Dividends received	151	327
Financial income	8,798	3,376
Interest on financial debt	(52,339)	(123,787)
Income / (expenses) on hedging instruments	(28,383)	12,163
Change in fair value of hedging instruments	(14)	(16,536)
Amortisation of loan issue costs	(6,579)	(6,360)
Other financial expenses & charges	(399)	(258)
Discounting cost ⁽¹⁾	(2,942)	(3,384)
Financial expenses	(90,656)	(138,162)
Gain (loss) on exchange	-	-
FINANCIAL LOSS	(81,858)	(134,786)

(1) The discounting cost corresponds to the increase, during the financial year, of the current value of retirement commitments (note 25), the debt on hedging instruments (note 17) and the debt on minority interest acquisition commitments (note 5).

NOTE 10 Corporation tax

10.1 GROUP TAX ANALYSIS

Corporation tax for the year is calculated from application of the effective tax at the end of the financial year to the pretax income.

Reconciliation of the theoretical tax, calculated on the basis of the statutory tax rate in France, and the effective tax is as follows:

<i>(amounts in thousands of euros)</i>	As at 31 December 2009	As at 31 December 2008
Pretax net income from continuing businesses	405,104	308,565
Goodwill impairment	-	68,882
Pretax net income from continuing businesses and before goodwill impairment	405,104	377,447
Statutory tax rate	34.43%	34.43%
Theoretical tax	(139,491)	(129,968)
Loss-making companies not integrated for tax	440	(4,279)
Loan and current account depreciation QDQ Media	(551)	2,739
Share-based payment	(507)	(506)
Foreign subsidiaries	127	186
Recognition of previously unrecognised tax losses	9,401	-
Other non-taxable income	(892)	89
Effective tax	(131,472)	(131,739)
• of which current tax	(127,799)	(142,624)
• of which deferred tax	(3,673)	10,885
EFFECTIVE TAX RATE	32.45%	34.90%

10.2 TAXES IN THE BALANCE SHEET

The net balance sheet position is broken down as follows:

<i>(amounts in thousands of euros)</i>	As at 31 December 2009	As at 31 December 2008
Retirement benefits	11,901	10,300
Employee profit-sharing	5,047	6,022
Non-deductible provisions	3,325	4,126
Hedging instruments	22,160	11,765
Other differences ⁽¹⁾	639	645
Subtotal deferred tax assets	43,072	32,858
Corporate value added contribution	(1,355)	-
Loan issue costs	(11,649)	(13,272)
Other differences ⁽¹⁾	(1,938)	(732)
Subtotal deferred tax liabilities	(14,942)	(14,004)
TOTAL NET DEFERRED TAX ASSETS / (LIABILITIES)	28,130	18,854
Deferred tax assets	28,130	18,854
Deferred tax liabilities	-	-

(1) In 2008, reclassification of tax amortisation from asset to liability.

In 2010, the Regional Economic Contribution (CET) in France will be introduced pursuant to the 2010 Finance Act. The CVAE component (contribution on company added value) on this contribution being based on the added value, the Group has opted to enter it in the 2010 accounts under income tax. In accordance with IAS 12, contributions qualified as income tax have, in consequence, the accounting of deferred income tax for all the time differences on all the assets and liabilities in the balance sheet. Since the Finance Act was published on 31 December 2009, deferred taxes had to be accounted for from 2009.

A deferred tax liability of 1.4 million euros was therefore accounted for in the consolidated accounts as at 31 December 2009.

No deferred tax asset relating to loss carryforwards of QDQ Media was entered in the balance sheet, this company having recorded a net loss in 2009. The amount of deferred tax not entered into the accounts is estimated at 61.8 million euros as at 31 December 2009.

PagesJaunes Groupe has opted for the tax integration system indicated in Articles 223 A ff. of the General Tax Code in France. This option aims at constituting a fiscally integrated group including, besides PagesJaunes Groupe, all of the French subsidiaries that meet the requirements to become members. This option took effect from 1 January 2005 for a period of five financial years.

The deferred tax assets in the balance sheet rose from 18.9 million euros at 31 December 2008 to 28.1 million euros at 31 December 2009.

In the balance sheet of 31 December 2009, company tax represents a receivable of 5.4 million euros and a debt of 0.2 million euros. At 31 December 2008, company tax represented a liability of 16.7 million euros. The tax paid out during the financial year of 2009 was 148.0 million euros as against 118.7 million euros in 2008.

NOTE 11 Income per share

In 2009, net income came to 273.6 million euros. The average number of outstanding shares was 280.5 million euros, after deduction of treasury shares. The net income per share for the Consolidated Group therefore came to 0.98 euro and 0.96 euro if the potential dilutive effect of the 5.9 million stock options, on average for the year 2009, is taken into account.

In 2008, net income amounted to 176.8 million euros and to 243.0 million euros excluding goodwill impairment. Given that the average number of outstanding ordinary shares was 280.6 million, after deduction of treasury shares, the net income per share in the consolidated accounts amounts to 0.63 euro and 0.62 euro if the potential dilutive effect of the 5.6 million stock options, on average for the year 2008, is taken into account.

NOTE 12 Goodwill for consolidated companies

Net goodwill on fully consolidated companies can be analysed as follows:

(in thousands of euros)	31 December 2008	31 December 2009		
	Balance at end of year	Impairment	Other movements	Balance at end of year
QDQ Media	-	-	-	-
Mappy	7,400	-	-	7,400
PagesJaunes Marketing Services	13,278	-	-	13,278
Euro Directory	12,109	-	-	12,109
Edicom ⁽¹⁾	4,796	-	(4,796)	-
PagesJaunes ⁽²⁾	-	-	6,426	6,426
PagesJaunes Petites Annonces ⁽²⁾	421	-	(421)	-
Horyzon Média ⁽³⁾	12,330	-	(1,185)	11,145
TOTAL	50,334	-	24	50,358

(1) Edicom stock sold on 20 October 2009 (see note 5).

(2) Buyback of 34% of PagesJaunes Petites Annonces stock from M6 then merger with PagesJaunes (see note 5).

(3) Effect of accounting method used for minority interest acquisition commitment (see note 3.1).

Goodwill values were examined within the context of the closing of consolidated accounts according to the method described in note 3.8 – Accounting Principles, on the basis of business plans, a perpetual growth rate of between 1.5% and 2.5% and an after-tax discount rate of between 9.0% and 10.0% depending on the cash generating units. These rates are based on published sector studies.

At 31 December 2009, the impairment tests on these intangibles did not present any material sensitivity to the rate variations.

The assumptions used to determine the recoverable values are similar in nature from one cash generating unit to another. These may be market data, platform penetration rates or products on the market, revenues (number of advertisers, average revenue per advertiser) or gross operating margin levels. The values assigned to each of these parameters reflect past experience, affected by anticipated developments during the plan period.

No impairment was recorded for 2009.

At 31 December 2008, goodwill for QDQ Media, amounting to 68.9 million euros, had been written off in full. This write-off was entered under "Goodwill impairment" in the 2008 income statement. It was based on the marked slowdown of business and also on the deterioration of economic prospects in the Spanish advertising market and the level of losses recorded by this cash generating unit.

Moreover, as described in note 3.1, the counterpart to the debt from minority interest acquisition commitments is entered as a decrease

in minority interests and, for the balance, as goodwill. The further change in the value of the commitment was entered in the accounts as an adjustment to the goodwill amount. At 31 December 2009, this commitment was adjusted, which reduced goodwill by 1.2 million euros (see note 27).

The application of IFRS 8 for Operational Sectors in 2009 did not modify the goodwill of any cash generating units.

NOTE 13 Other intangible assets

<i>(in thousands of euros)</i>	31 December 2009			31 December 2008		
	Gross Value	Accumulated amortisation	Net Value	Gross Value	Accumulated amortisation	Net Value
Software and support applications	72,868	(51,637)	21,231	56,771	(42,359)	14,412
L'Annuaire concession	11,000	(11,000)	-	11,000	(8,250)	2,750
Other intangible fixed assets	4,861	(1,041)	3,820	4,891	(895)	3,996
TOTAL	88,729	(63,678)	25,051	72,662	(51,504)	21,158

There was no significant impairment at 31 December 2009 or 2008.

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

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
1 January	21,158	26,128
Acquisitions	4,706	2,635
Intangible assets generated internally ⁽¹⁾	11,897	3,454
Changes in consolidation scope ⁽²⁾	(75)	-
Reclassifications	-	128
Sales	(18)	(105)
Amortisation	(12,617)	(11,082)
31 December	25,051	21,158

(1) Concerns all capitalised development expenses.

(2) Concerns the Edicom sale.

The increase in investments made by the Group is linked to the launch of new products and services for customers and the enhancement of the Group's fixed and mobile Internet site functions. Part of these investments was realised by internal teams.

NOTE 14 Tangible fixed assets

<i>(in thousands of euros)</i>	31 December 2009			31 December 2008		
	Gross Value	Accumulated depreciation	Net Value	Gross Value	Accumulated depreciation	Net Value
Land and buildings	1,509	(226)	1,283	1,530	(216)	1,314
IT and terminals	43,011	(33,164)	9,847	38,972	(30,698)	8,274
Other	32,601	(20,781)	11,820	28,664	(18,265)	10,399
TOTAL	77,121	(54,171)	22,950	69,166	(49,179)	19,987

No significant impairment was recorded at 31 December 2009 or 2008.

Changes in the net value of tangible assets may be analysed as follows:

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
1 January	19,987	20,404
Acquisitions of tangible assets	10,302	5,980
Changes in consolidation scope ⁽¹⁾	(106)	-
Sales and scrapping	(287)	(284)
Depreciation	(6,946)	(6,113)
31 December	22,950	19,987

(1) Concerns the Edicom sale.

NOTE 15 Other available-for-sale assets

This section includes shares classified as available-for-sale assets according to standard IAS 39.

NOTE 16 Other non-recurring financial assets

Other financial assets essentially include the long-term portion of provisions for margin requirements.

NOTE 17 Derivative financial instruments

PagesJaunes Groupe uses derivative financial instruments to manage interest rate risk on floating rate bank debt. This strategy has been in place since 2006. PagesJaunes Groupe implemented the procedures and documentation necessary to justify hedge accounting as described in IAS 39.

DESCRIPTION OF DERIVATIVE FINANCIAL INSTRUMENTS

PagesJaunes Groupe signed the following agreements with several financial institutions:

In 2006,

- an interest rate swap contract for a nominal amount of 380 million euros, beginning on 13 December 2006 and ending on 13 December 2011. Under the terms of this operation, PagesJaunes Groupe is the receiver of the floating rate, *i.e.* three-month Euribor and the payer of the fixed rate, *i.e.* 3.7830%;
- two collars, made up of a synthetic combination of cap purchases and floor sales for a total nominal amount of 1,140 million euros, beginning on 13 December 2006 and ending on 13 December 2011. The tunnels formed by these collars allow for a minimum interest rate of 3.0% and a maximum interest rate of 4.0%. The annual premiums on these collars, payable at expiry, amount to 1.9 million euros.

In 2009,

- extension of the above hedge by two swap contracts for a total nominal amount of 200 million euros, ending on 13 December 2011, and for which PagesJaunes Groupe is receiver of the floating rate, *i.e.* three-month Euribor, and payer of the fixed rate, *i.e.* 1.99%;
- extension of the above hedge by two swap contracts for a total nominal amount of 900 million euros, ending in November 2013, and for which PagesJaunes Groupe is receiver of the floating rate, *i.e.* three-month Euribor, and payer of the fixed rate, *i.e.* 3.79%.

These operations hedge against cash flow relative to the floating rate debt contracted by PagesJaunes Groupe in November 2006 (see note 27). Prospective efficiency tests performed by PagesJaunes Groupe when these operations were begun and retrospective tests carried out on 31 December 2009 and 2008 showed that these financial instruments offered a totally effective hedge against cash flow fluctuations relative to this bank debt.

Following the Group's decision to index its bank debt temporarily to one-month Euribor, as allowed by the credit agreement, in order to reduce the overall cost of its indebtedness, an interest rate swap contract was concluded on 8 December 2009. The nominal amount of the swap is 1,520 million euros, running from 14 December 2009 to 15 March 2010. Under the terms of this operation, PagesJaunes Groupe is receiver of the one-month Euribor floating rate and payer of

the three-month Euribor floating rate less 24 basis points. This contract enables hedging against the risk of one-month Euribor interest rates. This instrument has not been considered eligible for hedge accounting according to standard IAS 39.

ACCOUNTING AND ASSETS/LIABILITIES RELATING TO THESE DERIVATIVE FINANCIAL INSTRUMENTS

The initial fair value of the collars was entered into the accounts under consolidated assets at its conclusion in December 2006, for an amount of 8.3 million euros, as a cross-entry to a "Debt on hedge instruments" (see note 27) for an amount of 8.3 million euros, corresponding to the discounted premium payable in five annual instalments. At 31 December 2009, this debt amounted to 3.7 million euros (5.3 million euros at 31 December 2008).

The value of these derivative financial instruments is broken down as follows:

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Interest rate swaps – cash flow hedge	(26,301)	(9,885)
Interest rate swap – fair value hedge	(14)	(1,165)
Collars – cash flow hedge	(29,944)	(14,233)
• of which intrinsic value	(27,757)	(5,765)
• of which time value	(2,187)	(8,468)
ASSET / (LIABILITY)	(56,259)	(25,283)

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2008 and 31 December 2009, i.e. a decrease of 16.4 million euros for the interest rate swap and a decrease of 22.0 million euros for the intrinsic value of the collars, was stated as recyclable equity, after confirmation of a deferred tax asset of 13.2 million euros.

The time value variation of the collars and interest rate swap value variation qualified as fair value hedging were recorded as financial income (see note 9) in an amount of 7.5 million euros, giving a deferred tax amount of 2.6 million euros.

No inefficiency was noted with regard to cash flow hedges.

NOTE 18 Net stocks

Stocks consist mainly of paper for the production of the printed directories and current service requirements for the production of classified ads (printed and online) and internet sites.

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

No significant scrapping was recorded during the years 2009 and 2008.

NOTE 19 Trade debtors

The gross value and impairment of trade debtors can be broken down as follows:

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Gross trade debtors	489,050	532,910
Provisions for impairment ⁽¹⁾	(17,649)	(15,179)
Net receivables before statistical impairment	471,401	517,731
Provisions for statistical impairment ⁽¹⁾	(5,222)	(4,282)
Net trade debtors	466,179	513,449

(1) See note 22 – Changes in provisions for impairment of assets.

At 31 December, trade debtors had the following due dates:

(in thousands of euros)	Total ⁽¹⁾	Not due and not impaired ⁽¹⁾	Due and not impaired ⁽¹⁾					
			< 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	between 181 and 360 days	> 360 days
2009	471,401	417,427	13,472	7,678	9,709	8,708	8,713	5,694
2008	517,731	442,317	21,290	11,170	14,849	13,408	9,242	5,455

(1) Except provisions for statistical impairment amounted to 5,222 thousand euros in 2009 and 4,282 thousand euros in 2008.

The Group's portfolio of trade debtors does not present a significant risk of concentration (770,000 advertisers, including 700,000 in France). In France, PagesJaunes' 20 largest advertisers represent 1.3% of this revenue as in 2008 and the advertisers of the 10 largest business

sectors represent 14.9% of the revenue of PagesJaunes in France (13.5% in 2008). In France, provisions for bad debts remain at a very low level, with a net rate of 0.522% of revenues in 2009 compared to 0.325% in 2008.

NOTE 20 Other current assets

The other current assets are broken down as follows:

(in thousands of euros)	31 December 2009	31 December 2008
VAT receivable	16,586	20,388
Various State receivables	225	93
Advances and deposits to suppliers	6,292	3,338
Other current assets ⁽¹⁾	13,170	6,598
TOTAL	36,273	30,417

(1) Including, 31 December 2009, ECM receivable (Edition et Communication Méditerranée) for Edicom sale, amounting to 5.3 million euros paid at the beginning of 2010.

NOTE 21 Prepaid expenses

Prepaid expenses mainly consist in costs, including remuneration due, on the sale of advertisements invoiced for inclusion in directories still to be published or online spread over a certain viewing period which is usually 12 months.

NOTE 22 Changes in provisions for asset impairment

(in thousands of euros)	1 January	Allocations/reversals (net)	Other movements ⁽¹⁾	31 December
2008				
Trade debtors	17,200	2,791	(530)	19,461
Other assets	88	(239)	532	381
2009				
Trade debtors	19,461	4,381	(971)	22,871
Other assets	381	(293)	(29)	59

(1) Of which exit of Edicom in October 2009 for (967,000) euros.

Receivables relative to directories to be published are covered by a provision depending on the statistical rate observed empirically on the track record of the last five years of publication.

NOTE 23 Shareholders' equity

23.1 SHARE CAPITAL

At 31 December 2009, the share capital of PagesJaunes Groupe amounted to 56.2 million euros and was divided into 280,984,754 ordinary shares with a nominal unit value of 0.20 euro. This capital is entirely paid up.

In 2008, the Company increased the capital by 0.1 million euros by withdrawing the amount from other reserves, following the allocation of 340,304 bonus shares on 20 November 2008.

Médiannuaire SAS held 54.68% of the capital of PagesJaunes Groupe as of 31 December 2008 and 2009.

23.2 OTHER RESERVES

The other consolidated reserves were negative (2,637.8 million euros) as of 31 December 2009 (2,521.5 million euros at 31 December 2008) and were mainly composed of:

- the portion of distributions in excess of the income for the year, mainly relating to exceptional distributions made in November 2006 for an amount of 2,519.7 million euros;
- impairment of derivative financial instruments between their conclusion date and 31 December 2009 for a pre-tax amount of 54.1 million euros (15.7 million euros at 31 December 2008) and tax corresponding to 18.6 million euros (5.4 million euros at 31 December 2008);
- the cross-entry for the remuneration charge in shares corresponding to the portion settled in equity instruments for an amount of 56.2 million euros (54.6 million euros at 31 December 2008), see note 26.

The recycling of reserves relative to the financial instruments, generated due to hedge accounting practices in application of IAS 39, is forecast between 2 and 4 years (see note 17, Maturity of these instruments).

23.3 TREASURY SHARES

A liquidity contract was established on 18 September 2008 with an investment services company for the period ending 31 December 2008. It was renewed for one year. 8.0 million euros were allocated to this contract.

Under this contract, as of 31 December 2009, the Company owned 534,178 treasury shares, recorded as a decrease in equity and 4.4 million euros of liquidities classified as cash and cash equivalents.

At 31 December 2008, the Company owned 580,606 treasury shares and 3.5 million euros in liquidities.

PagesJaunes Groupe has not repurchased its own shares outside of the liquidity contract.

23.4 DIVIDENDS

The General Shareholders' Meeting of 2010 proposed a dividend of 0.65 euro per share, which represents a total amount estimated at 182.6 million euros excluding a future deduction of treasury shares. No liability was recorded in this regard at 31 December 2009.

The dividend paid out on 23 June 2009 amounted to a total of 269.5 million euros, *i.e.* 0.96 euro per share.

In 2008, the dividend paid out on 14 May amounted to 269.4 million euros, *i.e.* 0.96 euro per share.

NOTE 24 Trade creditors

Amounts owed to suppliers do not bear interest and are payable in principle between 30 and 60 days.

NOTE 25 Employee benefits, provisions and other liabilities

These are broken down as follows:

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Post-employment benefits	34,587	29,999
Other long-term employee benefits	7,105	6,459
Non-current employee benefits⁽¹⁾	41,692	36,458
Other provisions for risks	1,561	1,061
Provisions for labour or tax litigation	2,068	3,358
Non-current provisions	3,629	4,419

(1) See Details in the following note. Non-current employee benefits apply to the French companies.

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Personnel ⁽¹⁾	80,955	80,938
Company benefits	40,287	41,780
Total current employee benefits	121,242	122,718
VAT payable	87,475	95,310
Various State levies payable	7,542	7,941
Other current liabilities	1,262	1,390
Other current liabilities	96,279	104,641

(1) Made up mainly of employee share ownership and provisions for payroll taxes.

Changes in the provisions are as follows:

<i>(in thousands of euros)</i>	Opening balance	Charge for the year	Reversal of the year (unused)	Reversal of the year (utilised)	Changes in the scope of consolidation, reclassifications and other	Closing balance
Provisions for labour and tax litigation	3,761	263	(1,290)	-	(65)	2,669
Other provision for risks	1,254	730	(237)	-	(26)	1,721
TOTAL PROVISIONS	5,015	993	(1,527)	-	(91)	4,390
• of which non current	4,419	740	(1,520)	-	(10)	3,629
• of which current	596	253	(7)	-	(81)	761

PENSION COMMITMENTS AND OTHER EMPLOYEE BENEFITS

<i>(in thousands of euros)</i>	Post- employment benefits	Other long- term benefits	Total 31 December 2009	Total 31 December 2008
Change in value of commitments				
Total value of commitments at start of period	44,614	6,447	51,061	50,394
Cost of services rendered	2,978	483	3,460	3,003
Discounting cost	2,322	322	2,644	2,538
Contributions paid by employees	-	-	-	-
Amendments to scheme	-	-	-	-
Reductions/liquidations	(1,287)	-	(1,287)	-
Actuarial (gains) or losses	3,919	112	4,031	(2,792)
Benefits paid	(1,984)	(259)	(2,243)	(1,990)
Acquisitions	-	-	-	-
Assignments/transfers of activity	-	-	-	-
Changes in scope	-	-	-	-
Others (translation differences)	-	-	-	-
Total value of commitments at end of period (A)	50,562	7,105	57,667	51,152
<i>Commitments at end of period relating to fully or partly financed schemes</i>	49,456	-	49,456	43,694
<i>Commitments at end of period relating to non-financed schemes</i>	1,106	7,105	8,211	7,457
Change in scheme assets				
Fair value of scheme assets at start of period	2,034	-	2,034	1,542
Financial income from scheme assets	27	-	27	62
Gains/losses on scheme assets	-	-	-	-
Contributions paid by the employer	500	-	500	2,000
Contributions paid by the employees	-	-	-	-
Reductions/liquidations	-	-	-	-
Benefits paid by the fund	(1,984)	-	(1,984)	(1,569)
Change in scope	-	-	-	-
Others (translation differences)	-	-	-	-
Fair value of scheme assets at end of period (B)	577	-	577	2,034
Financial scheme assets				
Situation of the scheme (A) – (B)	49,984	7,105	57,089	49,118
Unrecognised actuarial gains or (losses)	(15,397)	-	(15,397)	(12,660)
Unrecognised cost of past services	-	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-
Provision / (assets) at end of period	34,587	7,105	41,692	36,458
<i>of which provision / (asset) short term</i>	-	-	-	-
<i>of which provision / (asset) long term</i>	34,587	7,105	41,692	36,458
Pension charge				
Cost of services rendered	2,978	483	3,460	3,003
Discounting costs	2,322	322	2,644	2,538
Expected return on scheme assets	(27)	-	(27)	(62)
Amortisation of actuarial (gains) or losses	783	112	895	331
Amortisation of cost of past services	-	-	-	-
Effect of reductions/liquidations	(888)	-	(888)	-
Assignments/transfers of activity	-	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-
Total pension charge	5,167	917	6,084	5,810

<i>(in thousands of euros)</i>	Post- employment benefits	Other long- term benefits	Total 31 December 2009	Total 31 December 2008
Movements in the provision / (asset)				
Provision / (assets) at start of period	29,920	6,447	36,368	33,069
Pension charge	5,167	917	6,084	5,810
Pension charge from divested businesses	-	-	-	-
Contributions paid by the employer	(500)	(259)	(759)	(2,421)
Benefits paid directly by the employer	-	-	-	-
Change of scope	-	-	-	-
Others (goodwill)	-	-	-	-
Provision / (assets) at end of period	34,587	7,105	41,692	36,458
Assumptions				
Discount rate (%)	4.75%	4.75%	4.75%	5.25%
Expected long-term inflation rate (%)	2.5%	2.5%	2.5%	2.5%
Expected long-term rate of salary increase (%)	dependent on employee category and age			
Expected yield on scheme assets (%)	3.96%	-	-	-
Probable residual activity period	15.0	15.0	15.0	15.0
AMOUNT ENTERED AS A CHARGE IN RESPECT OF THE PERIOD	5,167	917	6,084	5,810

In 2009, the charge for pension plans with defined contributions amounted to 34 million euros.

Contributions paid into external funds, amounting to 0.5 million euros, cover estimated benefits to be paid out during 2010.

The fair value of scheme assets represented 0.6 million euros at 31 December 2009, with financial income at 27,000 euros of this amount in 2009.

Scheme assets are entirely under a multi-instrument retirement benefit contract whose investment vehicles are denominated in euros. They were broken down as follows as of 31 December 2009:

- fixed rate bonds: 73%;
- floating rate bonds and inflation-linked bonds: 11%;
- shares and share-based UCITS: 12%;
- convertible bonds and stock-market-linked bonds: 4%.

The discount rate adopted in evaluating commitments as of 31 December 2009 was 4.75% against 5.25% at 31 December 2008. This decrease in the discount rate, aimed at reflecting the decrease in long-term interest rates in 2009, was responsible for an increase in the amount of the liability.

The IAS 19 standard fixes the discount rate at the level of the rate of bonds issued by first category companies whose expiry is the same as the maturity date of the commitment. If the market for these bonds is not liquid, the rate is equal to the rate of the relevant government bonds (OATs).

At 31 December 2009, in the eurozone, the rate for privately issued bonds in the first category (AA) was between 4.63% and 5.09% depending on the listings (IBOXX, Bloomberg) at the evaluation date.

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

Sensitivity of the discount rate of retirement benefits:

- A 0.50% increase in the discount rate led to a decrease in the commitment of 6%, or around 3 million euros, while a decrease of 0.50% in the discount rate led to an increase of 7%, i.e. around 3 million euros, in the liability.

Sensitivity of the discount rate of other long-term employee benefits (French long-service award):

- An increase of 0.50% of the discount rate led to a decrease in the commitment of 5% (less than 1 million euros), while a decrease of 0.50% in the discount rate led to an increase of 5% in the commitment (less than 1 million euros).

The discounted value of the bond under these commitments and the adjustments of the scheme linked to experience for the current year and for the four previous years are presented below:

(in thousands of euros)	2009	2008	2007	2006	2005
Total value of commitments at end of period	57,667	51,152	50,393	44,744	39,792
Fair value of scheme assets at end of period	(577)	(2,034)	(1,542)	(1,287)	(1,612)
Situation of the scheme	57,089	49,118	48,851	43,457	38,180
Actuarial (gains) or losses relating to experience – liability	272	190	(1,581)	-	-
Actuarial (gains) or losses relating to experience – scheme assets	-	-	-	-	-

NOTE 26 Stock options and bonus shares

26.1 STOCK OPTIONS

26.1.1 Description of plans

The Combined General Meeting of 11 June 2009 authorised the Board of Directors to introduce a stock option plan for certain Group managers and employees, as provided for under Articles L. 225-177 ff. of the French Commercial Code, in order to involve these people in the Group's development. This authorisation was permitted for a period of 38 months and the total number of stock options allocated under this resolution could not represent more than 1.0% of the Company's capital at the date of this General Meeting, *i.e.* 2,809,847 options.

Within this context, PagesJaunes Groupe set up three stock option plans in 2009:

- the first on 23 July, for a total of 1,145,000 stock options at an exercise price of 6.71 euros;
- the second on 29 October, for a total of 87,000 stock options at an exercise price of 8.84 euros; and,
- the third on 17 December, for a total of 75,000 stock options at an exercise price of 7.82 euros.

Within the framework of the authorisation given by the Extraordinary General Meeting on 12 April 2005, PagesJaunes Groupe had established two stock option plans:

- the first in June 2005, for a total of 3,796,800 stock options at an adjusted exercise price of 11.72 euros over 10 years. The stock options were vested after 3 years, *i.e.* by 30 June 2008.

At 31 December 2009, there were 2,937,322 stock options in circulation;

- the second in December 2007, for a total of 2,927,900 stock options at an exercise price of 14.46 euros over 10 years. The stock options are to be vested after 3 years. There are no performance targets to be met. At 31 December 2009, there were 2,626,600 outstanding stock options.

Whatever the plan, a 4-year non-transferability period (restriction on sale) of the shares is required by the tax system and has to be applied to French tax residents.

No new plans were authorised in 2008.

26.1.2 Description of evaluation models

PagesJaunes Groupe evaluated the fair value of the goods or services rendered during each of the periods, basing itself on the fair value of the own capital instruments allocated.

The fair values of the stock options allocated under the PagesJaunes Groupe plan in 2009 were calculated with a binomial model reflecting the anticipated exercise behaviour of the recipients through a hypothetical "exercise ceiling" expressed as a multiple of the exercise price and representing the value of the share for which it is expected that all options will be exercised. The ceiling used to calculate of the fair values above is 2.0. The expected volatility was established on the basis of historical volatility of the PagesJaunes Groupe share. Taking into account an annual initial rate before opening of rights estimated at 5.0% and an expected dividend rate estimated at 9.0%, the fair values of the PagesJaunes Groupe stock options were thus evaluated as follows:

Allocation date in 2009	23 July	29 October	17 December
Exercise price	€6.71	€8.84	€7.82
Market price of the underlying stock	€6.72	€8.30	€7.64
Expected volatility	29%	30%	30%
Risk-free rate	3.52%	3.55%	3.49%
Fair value of a stock option for French tax residents	€0.85	€1.02	€0.99
Fair value of a stock option for non-French tax residents	€0.90	-	-

The allocation date used to determine the charge is the date of the Board meeting that authorised the stock options, the time needed to inform the recipients having been considered reasonable.

No new plans were authorised in 2008.

26.1.3 Evolution of stock option plans over the year

	Number of stock options 2009	Average weighted exercise price 2009	Number of stock options 2008	Average weighted exercise price 2008
Outstanding stock options at beginning of period	5,807,878		6,118,729	
July 2009 plan	-	-	-	-
October 2009 plan	-	-	-	-
December 2009 plan	-	-	-	-
December 2007 plan	2,787,550	€14.46	2,927,900	€14.46
June 2005 plan	3,020,328	€11.72	3,190,829	€11.72
Stock options allocated	1,307,000			
July 2009 plan	1,145,000	€6.71	-	-
October 2009 plan	87,000	€8.84	-	-
December 2009 plan	75,000	€7.82	-	-
December 2007 plan	-	-	-	-
June 2005 plan	-	-	-	-
Stock options exercised				
July 2009 plan	-	-	-	-
October 2009 plan	-	-	-	-
December 2009 plan	-	-	-	-
December 2007 plan	-	-	-	-
June 2005 plan	-	-	-	-
Stock options cancelled/expired	(243,956)		(310,851)	
July 2009 plan	-	-	-	-
October 2009 plan	-	-	-	-
December 2009 plan	-	-	-	-
December 2007 plan	(160,950)	€14.46	(140,350)	€14.46
June 2005 plan	(83,006)	€11.72	(170,501)	€11.72
Outstanding stock options at end of period	6,870,922		5,807,878	
July 2009 plan	1,145,000	€6.71	-	-
October 2009 plan	87,000	€8.84	-	-
December 2009 plan	75,000	€7.82	-	-
December 2007 plan	2,626,600	€14.46	2,787,550	€14.46
June 2005 plan	2,937,322	€11.72	3,020,328	€11.72

At 31 December 2009, the stock options in the June 2005 plan were exercisable. The average time until the beginning of the exercise period is 12 months for the December 2007 plan, 31 months for the July 2009 plan, 34 months for the October 2009 plan and 36 months for the December 2009 plan.

26.2 BONUS SHARES

No new bonus share plans were authorised in 2009 or in 2008.

26.3 CHARGES ON STOCK OPTION AND BONUS SHARE PLANS

The impact of the stock option plans on the income statement for 2009 amounts to 1.6 million euros compared to 1.5 million euros in 2008 (also including the impact of bonus shares allocated). These amounts include the taxes relative to the employer's 10% contribution based on the fair value of the stock options allocated in 2009.

These plans are expected to be settled through equity instruments.

NOTE 27 Cash and cash equivalents, net financial liabilities

Net financial liabilities include to the total gross financial indebtedness, plus or minus assets or liabilities from derivative instruments for cash flow hedging, and less cash and cash equivalents.

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Accrued interest not due	4	60
Cash equivalents	63,000	82,184
Cash	4,036	6,793
Gross cash position	67,040	89,037
Bank overdrafts ⁽¹⁾	(5,596)	(532)
Net cash position	61,444	88,505
Bank loans	1,950,000	1,950,000
Loan issue expenses	(28,247)	(34,826)
Debt on lease	375	-
Fair value of hedging instruments (see note 17)	56,259	25,283
Liability in respect of hedging instruments (see note 17)	3,684	5,301
Accrued interest not outstanding	4,177	4,481
Liability in respect of minority buyout commitments	559	3,112
Other financial debts	10,080	17,071
Gross financial liabilities	1,996,887	1,970,422
• of which current	16,785	25,975
• of which non-current	1,980,102	1,944,447
Net liabilities	1,935,443	1,881,917

(1) Bank overdrafts attached to net cash position (CNC (French accounting commission) recommendation No. 2009-R-03 of 2 July 2009).

• Cash and cash equivalents

Cash and cash equivalents are made up of certificates of deposit, UCITS and overdrawn bank accounts. They are valued as they are managed on a fair value basis.

At 31 December 2009, cash equivalents amounted to 63.0 million euros and were made up of two FCP mutual funds and UCITS invested within the framework of the liquidity contract.

• Bank overdraft

The Group benefits from an authorised overdraft of 20 million euros with some of its banks, remunerated on the basis of Eonia +25 basis points.

• Bank loan

PagesJaunes Groupe has a bank loan for a total maximum amount of 2,350 million euros, including a medium-term loan of 1,950 million euros and a revolving credit line of around 400 million euros. The revolving credit line must cover the Group's cash flow requirements (working capital, investments or refinancing) within the framework of the Group's operational activities and is usable by drawdown, issue of letters of credit or setting in place of bilateral lines.

In particular, this financing contract contains default and compulsory early reimbursement clauses as well as evolving financial covenants:

- the net consolidated debt ratio on an aggregate close to the consolidated GOM must be less than or equal to 4.40 from 30 September 2009 to 30 June 2010, to 4.25 at 30 September 2010, 4.00 from 31 December 2010 to 30 September 2011 and 3.75

beyond this date (GOM and consolidated net debt as defined in the contract signed with the financial institutions);

- the net consolidated interest charge ratio with an aggregate close to the consolidated GOM must be above or equal to 3.50 from 30 September 2009 to 30 June 2010, 3.75 from 30 September 2010 to 30 June 2011 and 4.00 beyond that date (GOM and consolidated net debt as defined in the contract signed with the financial institutions).

As at 31 December 2009, these financial covenants were respected and no non-current debt should need to be reclassified as a current debt.

Moreover, there is a compulsory advance reimbursement clause if control of the Company changes due to acquisition of company shares.

The medium term loan is at a floating rate and matures in November 2013, being totally repayable at maturity.

At 31 December 2009, the standard benchmark is one-month Euribor plus a margin of 150 basis points, taking into account the ratchet margin from which the Group has benefited in terms of gearing of below 3.5 times an aggregate close to the GOM. In fact, although this financial lever is above 3.5 times, the margin shifts from 150 to 175 basis points.

The revolving credit line has the same expiry date, with floating rate interest on the standard Euribor or Libor rates and a margin of

150 basis points as at 31 December 2009. This was unutilised as at 31 December 2008 and 2009.

- *Liability in respect of minority buyout commitments*

The liability in respect of minority buyback commitments corresponds to purchase options authorised within the context of the acquisition of Horyzon Média securities and amounted to 0.6 million euros at 31 December 2009, including 0.1 million euros expiring in less than one year, compared to 3.1 million euros in 2008. Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised a stock option within the context of the partnership agreement and brought its participation in this subsidiary from 66% to 95.83% on 15 January 2009 for a price of 1.4 million euros.

At 31 December 2009, this commitment was adjusted through a goodwill impairment of 1.2 million euros (see note 12). Moreover, the charge corresponding to the discount of the commitment was recorded in financial charges of 0.1 million euros (see note 9).

- *Other financial liabilities*

Other financial debts consist mainly in an overdrawn current account with PagesJaunes Outre-Mer, an unconsolidated subsidiary 100% controlled by PagesJaunes Groupe.

NOTE 28 Deferred income

Amounts recognised as deferred income consist mostly in income from the sale of advertisements invoiced for the directories to be published and online spread over a certain viewing period which is usually 12 months.

NOTE 29 Financial instruments

29.1 FINANCIAL INSTRUMENTS IN THE BALANCE SHEET

	Carrying amount in balance sheet	Breakdown according to IAS 39					
		Fair value recognised in profit or loss	Derivative instruments (Fair value recognised in equity)	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Financial liabilities (amortised cost)
<i>(in thousands of euros)</i>							
Available-for-sale assets	207	-	-	207	-	-	-
Other non-current financial assets	667	-	-	-	667	-	-
Derivative financial instruments	-	-	-	-	-	-	-
Net trade accounts receivable	466,179	-	-	-	466,179	-	-
Other current financial assets	-	-	-	-	-	-	-
Cash equivalents	63,000	63,000	-	-	-	-	-
Cash	4,040	4,040	-	-	-	-	-
Financial assets	534,094	67,040	-	207	466,846	-	-
Non-current financial liabilities and derivatives	1,980,102	2,187	54,058	-	-	1,923,758	99
Bank overdrafts and other short-term borrowings	18,204	14	-	-	-	17,730	460
Accrued interest	4,177	-	-	-	-	4,177	-
Trade accounts payable	102,356	-	-	-	-	102,356	-
Financial liabilities	2,104,839	2,201	54,058	-	-	2,048,021	559

Hedging derivatives entered into the accounts at fair value through shareholders' equity are detailed in note 17.

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

- level 1: prices (non-adjusted) listed on the markets for identical assets or liabilities;
- level 2: data other than the listed prices indicated in level 1, that are observable for the asset or liability concerned, either directly (*i.e.* prices) or indirectly (*i.e.* derivative price data);

- level 3: data relative to assets or liabilities not based on observable market data (non-observable data).

The evaluation of hedging derivatives corresponds to level 2.

During the year 2009, there were no transfers between levels 1 and 2 in the hierarchy of fair values, nor any transfers towards or from level 3.

29.2 EFFECT OF FINANCIAL INSTRUMENTS ON INCOME

(in thousands of euros)	Impact in profit and loss	Breakdown according to IAS 39				
		Fair value recognised in profit or loss	Derivative instruments	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)
Interest income	8,798	1,353	7,445	-	-	-
Interest expenses	(87,714)	-	(14)	-	-	(87,700)
Gain (loss) on foreign exchange	-	-	-	-	-	-
Derecognition	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Net gains / (net losses)	(78,916)	1,353	7,431	-	-	(87,700)
Discounting cost	(2,942)					
Financial income (cf. note 9)	(81,858)					

NOTE 30 Financial risk management and capital management policy objectives

The Group's objective is to optimise its financial structure, whose principal assessment criterion is gearing (ratio of net liabilities to gross operational margin), in order to reduce the cost of its capital while at the same time preserving financial flexibility enabling the Group to meet its development plan.

The two main financial management objectives are as follows:

- PagesJaunes Groupe, and the consolidated PagesJaunes Group, are net borrowers and, within this context, the first objective of PagesJaunes Groupe is to secure and thus limit the cost of its debt;
- due to the generation of a significant cash flow following the rate of the sales prospecting cycle and the payment of interest on its debt and its dividends to shareholders according to a different timescale, PagesJaunes Groupe produces cash surpluses and may find itself in a situation of temporary cash flow surplus. Since these surpluses do not last, the Group's objective is to invest them at the best possible interest rate with a very limited level of risk.

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

and the maximum leverage, measured by the relationship between the consolidated net debt and an aggregate close to the consolidated GOM.

The Group fixes as its objective the maintenance of its financial leverage between 3 and 4 times GOM. At 31 December 2009, this leverage stood at 3.6 times GOM (3.4 times at 31 December 2008), a level that is lower than the maximum of 4.4 times specified in the bank documentation (4.85 times at 31 December 2008).

Taking into account its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk.

EXCHANGE RATE RISK

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

INTEREST RATE RISK

PagesJaunes Groupe is exposed to the risk of interest rate fluctuations insofar as all of its short and long term financing is at a floating rate. The Group manages this risk through the use of derivative instruments, mainly interest rate swaps and collars.

The main features of the Group's banking debt are indicated in note 27 (Cash flow and Cash equivalents, net financial liability) and the features of the Group's instruments used for hedging against interest rate fluctuations can be found in note 17 (derivative financial instruments – non-current assets).

PagesJaunes Groupe estimates that an increase of 1% in short term interest rates compared to the Euribor 3 month rate at 31 December 2009, *i.e.* 0.665%, would lead to a decrease in the consolidated pre-tax annual income result of 5.5 million euros.

SENSITIVITY ANALYSIS OF AN INCREASE OF 100 BASIS POINTS OF EURIBOR 3 MONTHS (BEFORE TAX)

<i>(in millions of euros)</i>	Cash equivalents	Bank loan and overdrafts	Net derivative financial instruments		Total
			Cash flow hedge	Fair value	
Carrying amount in balance sheet	67.0	(1,965.7)	-	(59.9)	
Sensitivity in profit and loss	0.7	(19.7)	17.2	(3.7)	(5.5)
Sensitivity in equity	-	-	-	42.7	42.7

LIQUIDITY RISK

PagesJaunes Groupe has set in place a centralised cash flow management system with cash pooling that includes all of its French subsidiaries and is organised around a PagesJaunes Groupe pivot. This method of managing liquidities associated with an internal reporting system enables the Group to anticipate and estimate future cash flows linked to the operational activities of its various subsidiaries and thus

to optimise drawdowns on its credit lines when cash is required, and investments in the case of cash surpluses.

Based on the maturity dates of financial liabilities as of 31 December 2009, interim disbursements for future periods, calculated on the basis of the forward rate curve at 31 December 2009, are as follows:

MATURITY TABLE FOR FINANCIAL LIABILITIES – SENSITIVITY TO LIQUIDITY RISK

<i>(in millions of euros)</i>	Carrying amount in balance sheet		Variable interest	2010	2011	2012	2013	Reimbur.
	Assets	Liabilities		Reimbur.	Variable interest	Variable interest	Variable interest	
Financial liabilities								
Bank loan	-	(1,950.0)	(51.3)	-	(76.2)	(88.6)	(97.4)	(1,950.0)
Revolving credit line	-	-	-	-	-	-	-	-
Bank overdrafts	-	(5.6)	-	(5.6)	-	-	-	-
Accrued interest not yet due	-	(4.2)	(4.2)	-	-	-	-	-
Liability on committed purchase of minority interests	-	(0.6)	-	(0.5)	(0.1)	-	-	-
Other financial liabilities	-	(10.1)	-	(10.1)	-	-	-	-
Interest rate risk hedging								
Collars and swap	-	(59.9)	(39.3)	-	(17.3)	(9.0)	(4.9)	-
Forward rate (Euribor 3m)			0.88%		2.16%	2.79%	3.24%	3.24%

CREDIT RISK

PagesJaunes Groupe is generally exposed to credit risk essentially in the context of its investments and interest rate hedging instruments. PagesJaunes Groupe limits credit risk by selecting cross-entries that have a long-term rating higher than AA- (Standard & Poor's and/or Fitch IBCA) and Aa3 (Moody's). At 31 December 2009, PagesJaunes Groupe was exposed to 63.0 million euros due to its investment operations (see note 27 – Cash equivalents), while the market value of its derivative financial instruments was negative (see note 17).

The management procedure for PagesJaunes Groupe's financial operations, moreover, requires a limited list of authorised signatures, outside of which the Managing Director's signature is compulsory. The banking documentation also limits the list of counterparties for the interest rate hedging operations.

EQUITY RISK

PagesJaunes Groupe estimates that the equity risk is not significant insofar as the amount invested in treasury shares *via* the liquidity contract remains limited and investment of cash surpluses is not exposed to risk in the equity market.

Finally, PagesJaunes Groupe has set a target of distributing in 2010 a dividend per share of 0.65 euro in respect of the 2009 financial year. It is specified that this distribution target in no way constitutes a firm commitment on the part of PagesJaunes Groupe and that future dividends will depend on the Group's earnings, its financial position and any other factors that the Board of Directors and shareholders of PagesJaunes Groupe deem relevant.

NOTE 31 Information on related parties

31.1 REMUNERATION OF EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS MEMBERS

The table below presents the remuneration of persons present at the closing of each financial year and who were, during the year just

<i>(in thousands of euros)</i>	31 December 2009	31 December 2008
Short term benefits ⁽¹⁾	3,416	4,966
<i>of which employer contributions</i>	807	1,291
Post-employment benefits ⁽²⁾	19	47
Other long term benefits ⁽³⁾	1	2
Post-employment benefits ⁽⁴⁾	1,980	-
Equity benefits ⁽⁵⁾	73	82
TOTAL	5,489	5,098

(1) Salaries, remuneration, performance-based benefits and bonuses paid and social security contributions, paid holidays, directors' fees and non-monetary benefits entered in the accounts.

(2) Pensions, retirement annuities, other services, life insurance, medical insurance, etc.

(3) Extra holidays for length of service, sabbaticals, long-term benefits, deferred remuneration, bonuses and other benefits in kind (if payable 12 months or more after the closing date).

(4) Severance pay, non-competition clause compensation, social contributions.

(5) "Share remuneration" including social contributions relative to anticipated exercise of options and allocation of stock options.

In 2009, the charge for fixed contribution retirement plans amounted to 0.3 million euros.

31.2 TRANSACTIONS WITH RELATED PARTIES

Service contracts were established in 2006 and 2007 with Médiannuaire, the majority shareholder of PagesJaunes Groupe. These contracts generated an expense of 1.2 million for the 2009 financial year (1.2 million euros for 2008). These transactions are recorded under current operations.

The PagesJaunes Groupe Board of Directors, which met on 17 May 2009, appointed Jean-Pierre Remy as the Company's Managing Director from 25 May 2009, replacing Michel Datchary who resigned on that date. Jean-Pierre Remy does not have any employment contract and the Board therefore decided to set in place a severance indemnity that would be paid out in the case of forced removal from a post and linked to a change in control or strategy or its implementation. The amount

ended, members of the PagesJaunes Groupe's Board of Directors, the PagesJaunes Groupe Management Board for 2009 or the PagesJaunes Groupe or PagesJaunes Executive Committees for 2008. This scope also includes the directors representing employees and sitting on the PagesJaunes Groupe Board of Directors.

of this indemnity will be equal to his gross annual remuneration on a flat-rate basis (fixed and variable depending on targets attained), subject to realisation of performance targets.

A non-competition obligation will apply in the event of termination of Jean-Pierre Remy's term as Managing Director of the Company for any reason and in any form. This non-competition clause will be limited to a period of 24 months beginning on the day of effective termination of his functions and will cover all of France and its territories. The relevant compensation will be equal to 12 months of remuneration based on the total gross monthly average of remuneration over the last 12 months of activity preceding the date of termination.

The departure of the former Managing Director of PagesJaunes Groupe at the end of May 2009 entailed entry into the accounts, in 2009, of his severance and non-competition compensation amounting to a total of 2.0 million euros, including taxes paid on said compensation.

NOTE 32 Contractual obligations and off-balance-sheet commitments

Significant off-balance-sheet commitments are as follows:

Contractual obligations	2009				2008
	Payments due per period				
(in thousands of euros)	Total	In less than 1 year	From 1 to 5 years	In more than 5 years	Total
Simple leasing contracts	54,657	11,193	41,079	2,385	56,958
Paper, printing, distribution ⁽¹⁾	7,787	7,787			7,534
Other services	25,488	15,178	8,780	1,530	27,654
Commitments for the purchase of goods and services	33,275	22,965	8,780	1,530	35,188
TOTAL	87,932	34,158	49,859	3,915	92,146

(1) See detailed table below.

The "Others" section includes all firm orders placed by 31 December 2009 for goods and services deliverable in 2010.

Conditional commitments	2009				2008
	Payments due per period				
(in thousands of euros)	Total	In less than 1 year	From 1 to 5 years	In more than 5 years	Total
Advances and deposits	346	346	-	-	322

LEASING CONTRACTS

PagesJaunes has rented land, buildings, vehicles and materials. These contracts will expire on different dates over the next nine years.

Management estimates that these contracts will be renewed or replaced, when their expire, by other contracts under normal operating conditions.

The rent charge recorded in the income statement under simple leases amounted to 13.5 million euros in 2009 (13.9 million euros in 2008).

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

At 31 December 2009, the Group's commitment for all of its leasing contracts amounted to 54.7 million euros, of which 11.2 million euros is payable in less than one year.

COMMITMENTS FOR PURCHASES OF GOODS AND SERVICES

Production of directories

In the context of its activities of producing and distributing printed directories, the Group needs to sign contracts with paper suppliers, printers and distributors. These contracts may be annual or multi-year.

In 2008, PagesJaunes signed new contracts with its printers, for a duration of five years and expiring on 31 December 2013. These contracts do not entail any firm commitment except with one printer with whom PagesJaunes is committed to a volume of 6 billion folios per year, valued at 29 million euros for the duration of the contract remaining to run as at 31 December 2009.

No contracts with paper suppliers have been signed to date.

Only firm orders placed up to 31 December 2009, both with paper suppliers and content suppliers and with printers and distributors, were reported as off-balance-sheet commitments at that date, for a total amount of 7.8 million euros.

These commitments are detailed in the table below:

Contractual obligations	2009				2008
	Total	Payments due per period			Total
In less than 1 year		From 1 to 5 years	In more than 5 years		
<i>(in thousands of euros)</i>					
Paper	3,839	3,839	-	-	1,840
Printing	2,628	2,628	-	-	2,553
Distribution	889	889	-	-	1,532
Editorial content	431	431	-	-	1,609
TOTAL	7,787	7,787	-	-	7,534

Individual rights to training (DIF)

With regard to the legal individual right to training for employees working for the Group's French companies on permanent employment contracts, the volume of hours accumulated for employee training but not used totalled 365,789 hours as at 31 December 2009 (290,416 hours at 31 December 2008). In 2009, 8,310 hours were used by employees (6,614 hours in 2008).

Other commitments made

PagesJaunes Groupe sold all of the shares making up the capital of Kompass France and Kompass Belgium to the company Coface Services on 14 March 2007. Within this context, PagesJaunes Groupe granted a certain number of general guarantees to Coface Services, subject to a maximum of 2.7 million euros, as well as specific guarantees related in particular to employee relations and fiscal risks, limited to a total of 7.7 million euros. The general guarantees and those relating to the employees and company mandate holders expired on 31 December 2008 and 2009 respectively. The guarantees relative to the tax aspects are due to expire on 31 December 2010.

Within the context of the Edicom sale, PagesJaunes Groupe has undertaken to set up, for the benefit of the assignee, a remunerated current account for an amount of 10 million dirhams together with share subscription warrants taken out by PagesJaunes Groupe.

Other commitments received

PagesJaunes Groupe has a revolving credit line of around 400 million euros to cover the Group's cash flow requirements (working capital, investments and refinancing) resulting from its operational activities. This line was unutilised as at 31 December 2009.

Deconsolidation structures and *ad hoc* entities

The Group has not proceeded to carry out deconsolidation structures during the periods presented herein.

It has no contractual obligations towards *ad hoc* entities.

NOTE 33 Disputes

At the beginning of 2002, PagesJaunes set up a commercial development plan including, in particular, modification of 930 employment contracts for sales consultants. The purpose of the modification was to adapt these contracts to a new competitive environment. Around one hundred employees refused to sign the new contract offered and were dismissed during the second quarter of 2002. Almost all of the employees dismissed started court proceedings against PagesJaunes to contest the validity of the reason for dismissal. The Court of Cassation validated this commercial development plan in two decisions made on 11 January 2006. The Court of Cassation ruled that staff redundancies following reorganisation aimed at preventing future economic difficulties linked to technological developments was justified. Through a new decision of 14 February 2007, the Court of Cassation confirmed the validity of the plan implemented by PagesJaunes. However, there are a number of lawsuits not based on these Court decisions, some of which is still being reviewed by the administrative jurisdictions. The provision, booked at the end of 2002 for this risk, and amounting to 7.3 million euros has been reversed on several occasions since 2006, given the favourable progress of this case. Consequently, it amounted to 2.1 million euros as of 31 December 2009.

PagesJaunes was sent a summons by an advertising agency (*Publicom Méditerranée*) to appear before the Nanterre Commercial Court for

abuse of a dominant position, discriminatory practices and unfair competition. A judgement in favour of PagesJaunes was rendered on 24 September 2008. *Publicom* has appealed this decision.

In 2007 and 2008, the Company PagesJaunes was summoned to appear before the Prud'Hommes Council (French employment tribunal) of Caen, Marseille and Lille by employees of the company *Adrexo*, charged with distribution of its directories in certain departments. The plaintiffs complained of a unreported employment situation and also cited PagesJaunes on the grounds of financial solidarity. The files before the courts of Caen and Marseille have been closed due to the opposing parties abandoning their case while the other proceedings have been cancelled for administrative reasons but may be reintroduced within two years at the request of the adversarial parties.

In February 2008, PagesJaunes instituted proceedings against the companies *Xentral* and *L'Annuaire Universel* for counterfeiting the PagesJaunes brand through exploitation of the online directory site "pagesjaunes.com" for the French public.

In a decision taken on 28 May 2008, the High Court of Paris pronounced the companies *Xentral* (formerly *Prodis*) and *L'Annuaire Universel* as guilty of fraud and unfair competition.

This decision confirmed the rights of PagesJaunes to its historical brands "PagesJaunes" and "Les PagesJaunes" whose validity had already been clearly recognised by the Appeal Court of Paris in its decision of 30 March 2005 and by the Court of First Instance of the European Communities (TPICE) in its decision of 13 December 2007. The companies *Xentral* and *L'Annuaire Universel* are appealing this decision. Following the receivership of the Company *L'Annuaire Universel*, the case had been suspended before being transferred to a court-appointed liquidator. No date has yet been set for the case.

The company *L'Annuaire Universel* summoned PagesJaunes to appear before the Nanterre Commercial Court, demanding cancellation of the various Pages Blanches (white pages) brands on the grounds that the words were part of current and professional speech to designate the alphabetical lists of subscribers at the time that the name was filed as a brand. Although at this stage possible unfavourable judgements or consequences cannot be ruled out, the progress of the case and the well-founded arguments held by PagesJaunes suggest a favourable outcome. The case was suspended due to the company *L'Annuaire Universel*.

The Group, like other companies in the sector, is frequently summoned to court in lawsuits instituted on grounds of errors in the publication of the directories and other supports. Generally speaking, the financial risk represented by each of these proceedings is relatively limited. However, a rise in the number of proceedings may constitute a significant risk for the Group. The number of cases has been decreasing steadily since 2001, remained stable in 2006 and 2007 then continued to decrease again. At 31 December 2009, there were 14 cases for a total amount of claims for damages of 0.6 million euros. The Group endeavours to negotiate amicable settlements in those lawsuits that would enable the total and final cost of the proceedings to be significantly reduced. However, there is no guarantee that these proceedings will not have unfavourable repercussions on the Group's financial position.

To the best of the Company's knowledge, there are no other State, legal or arbitration proceedings outstanding, whether pending or threatened, likely to have or having had, in the last 12 months, significant effects on the Company's and/or Group's financial situation or profitability.

NOTE 34 Auditors' fees

	Ernst & Young				Deloitte			
	Amount		In % of fees		Amount		In % of fees	
(amounts in thousands of euros)	2009	2008	2009	2008	2009	2008	2009	2008
Audit								
Audit, statutory audit, certification and inspection of individual and consolidated accounts	391	378	98%	98%	415	437	99%	99%
• Including PagesJaunes Groupe	172	179	43%	46%	172	179	41%	41%
• Including fully consolidated subsidiaries	219	199	55%	51%	243	258	58%	59%
Other procedures and services in relation to the mission of the Company Auditors	8	9	2%	2%	6	3	1%	1%
• Including PagesJaunes Groupe	6	8	2%	2%	6	3	1%	1%
• Including fully consolidated subsidiaries	2	2	0%	0%	-	-	0%	0%
Subtotal	399	387	100%	100%	421	439	100%	100%
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and social security-related	-	-			-	-		
Others	-	-			-	-		
Subtotal	-	-			-	-		
TOTAL	399	387	100%	100%	421	439	100%	100%

NOTE 35 Consolidation scope

Entity	Country	At 31 December 2009		At 31 December 2008	
		Interest	Control	Interest	Control
Fully integrated consolidated companies					
PagesJaunes segment in France					
PagesJaunes Groupe	France	100%	100%	100%	100%
PagesJaunes	France	100%	100%	100%	100%
International & Subsidiaries segment					
QDQ Media	Spain	100%	100%	100%	100%
Euro Directory	Luxembourg	100%	100%	100%	100%
Edicom ⁽¹⁾	Morocco	-	-	100%	100%
PagesJaunes Marketing Services	France	100%	100%	100%	100%
Mappy	France	100%	100%	100%	100%
PagesJaunes Petites Annonces ⁽²⁾	France	-	-	66%	66%
Horyzon Média ⁽³⁾	France	96%	96%	66%	66%
Horyzon Worldwide ⁽⁴⁾	Spain	100%	100%	-	-
Proportionally integrated consolidated Company					
International & Subsidiaries segment					
Editus	Luxembourg	49%	49%	49%	49%

(1) Entity sold on 20 October 2009.

(2) Business merged with PagesJaunes in 2009.

(3) Purchase of shares from minority shareholders.

(4) Entity created at end December 2009, no activity.

NOTE 36 Subsequent events

There has not been any subsequent event likely to have a significant impact on the consolidated accounts for the year ending 31 December 2009.

20.2 Financial statements of PagesJaunes Groupe

■ Balance sheet

Balance Sheet at 31 December						
<i>(in thousands of euros)</i>	Notes	Gross	Amortisation and provisions	2009 Net	2008 Net	Change
Assets						
Intangible assets	3.1	287	(246)	41	113	(72)
Holdings	3.2	4,140,837	(91,719)	4,049,118	4,058,137	(9,019)
Receivables attached to holdings	3.2	5,000	(5,000)	-	8,700	(8,700)
Total fixed assets		4,146,124	(96,965)	4,049,159	4,066,950	(17,791)
Advances and deposits		12		12	15	(3)
Customer receivables	3.3	20		20	232	(212)
Capital and fiscal receivables		6,341		6,341	403	5,938
Receivables on subsidiaries (fiscal integration)	3.9	106		106	15,328	(15,222)
Current accounts subsidiaries	3.4	7,227	(1,356)	5,871	4,579	1,293
Receivables from transfer of assets	3.2	5,337		5,337	-	5,337
Miscellaneous receivables	3.3	939		939	533	406
Investment securities and own shares	3.4	67,216	(299)	66,917	86,228	(19,310)
Cash	3.4	2,165		2,165	467	1,698
Pre-paid expenses		28		28	55	(27)
Total current assets		89,390	(1,654)	87,736	107,840	(20,104)
TOTAL ASSETS		4,235,515	(98,620)	4,136,895	4,174,790	(37,895)
Liabilities						
Capital				56,197	56,197	-
Issue premium				82,951	82,951	-
Legal reserve				5,620	5,613	7
Other reserves				18,284	18,284	(0)
Carryforward				880,645	1,021,709	(141,064)
Profit for the year				273,456	128,397	145,059
Regulated provisions				80	43	37
Shareholders' equity	3.5			1,317,232	1,313,194	4,038
Provision for charges				937	839	98
Provisions for risks and charges	3.6			937	839	98
Financial debt	3.7			2,780,651	2,841,451	(60,800)
Borrowing and financial debts with banks				1,951,931	1,954,162	(2,231)
Miscellaneous borrowing and financial debts				580,382	582,534	(2,153)
Current accounts subsidiaries				245,094	304,472	(59,378)
Bank loans and overdrafts				3,243	282	2,961
Operating debt				7,504	18,144	(10,640)
Trade payables and related accounts				2,523	1,602	921
Outstanding tax and social security contributions	3.9			4,981	16,542	(11,560)
Other debt				30,570	1,162	29,408
Subsidiary debt (fiscal integration)	3.9			28,042	256	27,785
Miscellaneous debt				2,529	906	1,622
Deferred income				-	-	-
Total debt				2,818,725	2,860,757	(42,032)
TOTAL LIABILITIES				4,136,895	4,174,790	(37,895)

Income statement

Income statement at 31 December				
<i>(in thousands of euros)</i>	Notes	2009	2008	Change
Provision of services	3.10	6,933	4,991	1,942
Related products	3.10	238	5	233
Write-back of provisions and expense transfers		-	218	(218)
Other income		156	15	141
Operating income		7,327	5,228	2,099
Purchases and provision of services		13	13	0
Purchases, materials, and supplies not held in stock		15	12	3
External services		714	849	(135)
Other external services		6,770	5,681	1,089
Taxes and similar payments		363	286	78
Salaries		7,865	3,937	3,928
Company expenses		2,830	1,559	1,270
Other charges		346	365	(20)
Allowances for provisions on circulating assets		94	88	6
Allowances for provisions on risks and charges		52	52	(0)
Operating costs		19,062	12,842	6,220
Operating income		(11,735)	(7,615)	(4,121)
Income on holdings – dividend		353,181	334,621	18,560
Financial income on invested securities and receivables from fixed assets		3,503	3,903	(400)
Other financial income		360	14,180	(13,820)
Write-back of provisions		2,955	-	2,955
Exchange gains		1	4	(3)
Financial income		359,999	352,708	7,292
Interest payable and similar expenses		76,966	165,873	(88,907)
Other financial expenses		34,970	6,651	28,319
Provisions		1,701	99,718	(98,017)
Exchange losses		2	1	1
Financial expenses		113,638	272,242	(158,604)
Financial income	3.11	246,361	80,465	165,896
Ordinary income		234,626	72,851	161,775
Extraordinary income on management operations		-	-	-
Extraordinary income on equity operations		12,837	-	12,837
Write-back of provisions and expense transfers		-	1	(1)
Extraordinary income		12,837	1	12,835
Extraordinary expenses on management operations		6	-	6
Extraordinary expenses on equity operations		16,455	284	16,171
Amortisation expense		37	35	2
Extraordinary expenses		16,497	319	16,179
Extraordinary income	3.12	(3,661)	(318)	(3,343)
Employee profit-sharing		-	-	-
Profits tax	3.9	(42,491)	(55,863)	13,373
Net Income		273,456	128,397	145,059

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1 General presentation of business activity

PagesJaunes Groupe is a holding Company that owns subsidiaries which have offered a diversified range of products and services to the general public and businesses for over 60 years. The Group's core business is directories in France and abroad.

The accounts set out below are for the twelve-month period from 1 January 2009 to 31 December 2009.

2 Accounting rules and methods

Accounting conventions have been applied in adherence to the principle of prudence and in accordance with certain basic assumptions: continuity of operations, consistency of accounting methods from one fiscal year to the next, independent fiscal years, and conformance to general rules for preparing and setting out annual accounts.

PagesJaunes Groupe's annual accounts have been prepared in accordance with applicable legislation and generally accepted practice in France and in conformance with the CRC regulation dated 29 April 1999 relating to the rewriting of the General Chart of Accounts.

The principal methods are described below.

Figures are stated in thousands of euros (K€).

2.1 PRINCIPLES USED FOR INCOME AND COSTS

Income and costs are accounted for in accordance with the General Chart of Accounts.

2.2 INTANGIBLE ASSETS

Intangible assets include software packages, which are amortised over three years on a pro rata basis.

2.3 HOLDINGS AND OTHER FIXED INVESTMENTS

Holdings are booked at their historic acquisition cost by PagesJaunes Groupe. This includes, where applicable, any costs directly chargeable to the transaction.

A provision for depreciation is recorded if this value is higher than the going concern value, as assessed by Management of PagesJaunes, based on various criteria such as market value, growth and profitability prospects, and equity, taking into account the specific nature of each holding.

The going-concern value is determined using the discounted cash-flow method with net debt restated. This is determined as follows:

- cash flow projections are based on business plans established over an appropriate time frame of between 5 and 10 years;

- beyond this timeframe, the flows are extrapolated by applying a perpetual-growth rate reflecting the expected rate of long-term growth of the market and specific to each business;

- the cash flows obtained are discounted using appropriate rates for the type of business and the countries concerned.

2.4 CUSTOMER RECEIVABLES

Provisions are raised based on an assessment of the risk of non-collection of receivables. Provisions are based on individual or statistical assessment of the risk of non-collection.

2.5 LIQUID ASSETS AND INVESTMENT SECURITIES

Cash at 31 December 2009 consisted of immediately available liquid assets and short-term investments with a term to maturity of three months or less at their acquisition date. Investment securities may be provisioned based on the last available price at the close of the financial year.

2.6 PROVISIONS FOR RISKS AND CHARGES

French legislation provides for compensation to be paid to employees when they retire, depending on 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.

This provision is calculated on the basis of an actuarial assessment, and takes into account various parameters:

- the mortality tables used are male generation mortality tables (TGH 05) for the male population and female generation mortality tables (TGF 05) for the female population;
- the employee turnover rates used, which vary depending on length of service with the Company, age, and socio-professional category;

- retirement age, set at 63 for management and 61 for sedentary employees, technicians, and supervisors;
- salary increase tables, which are defined based on age and socio-professional category;
- the upgrading rate, which is set at 4.75% for 2009 costs;
- the likely residual term, 13.78 years at 31 December 2009.

Other risk provisions are based on the best possible estimate of risks incurred by PagesJaunes Groupe.

2.7 FINANCIAL INCOME

Financial income is chiefly composed of:

- dividends;
- interest charges related to borrowings;
- subsidiary debt write-offs;

- interest on debit and credit balances in current accounts with the Group's subsidiaries;
- capital gains and losses on equity held via the liquidity contract;
- income and expenditure made up of short-term investments, including those held via the liquidity contract;
- allowances and write-back of provisions for depreciation on securities and receivables.

2.8 CORPORATION TAX

Under the terms of the tax integration agreement entered into by PagesJaunes Groupe and its subsidiaries which are members of the Group for tax purposes, tax savings are taken into account by the parent Company, PagesJaunes Groupe, as results for the year.

At 31 December 2009, the tax group of which PagesJaunes Groupe is the parent Company included 7 companies.

3 Additional information concerning the balance sheet and income statement

3.1 INTANGIBLE ASSETS

Gross	31 December 2008	Acquisition	Decrease	31 December 2009
Software applications	264	23	-	287
GROSS TOTAL	264	23	-	287

Amortisation	31 December 2008	Allowances	Write-backs	31 December 2009
Software applications	152	94	-	246
TOTAL AMORTISATION	152	94	-	246

3.2 HOLDINGS AND RECEIVABLES ATTACHED TO HOLDINGS

The variation in changes to holdings and related receivables is as follows:

	Year ending 31 December				2008
		2009			
(in thousands of euros)	% interest	Gross value	Provision	Net book value	Net book value
Holdings					
PagesJaunes ⁽¹⁾	100%	4,005,038	-	4,005,038	4,005,038
QDQ Media	100%	91,719	(91,719)	-	-
Mappy	100%	10,048	-	10,048	10,048
PagesJaunes Marketing Services	100%	7,275	-	7,275	7,275
Edicom	-	-	-	-	5,450
Euro Directory	100%	14,707	-	14,707	14,707
PagesJaunes Petites Annonces	-	-	-	-	5,000
Horyzon Média	96%	11,859	-	11,859	10,428
PagesJaunes Outre-Mer	100%	76	-	76	76
Cristallerie 2	100%	38	-	38	38
Cristallerie 3	100%	38	-	38	38
Cristallerie 4	100%	38	-	38	38
TOTAL		4,140,837	(91,719)	4,049,118	4,058,137
Receivables attached to holdings					
QDQ Media (equity loan)		5,000	(5,000)		
PagesJaunes Petites Annonces		-	-	-	8,700
Accrued interest not yet due		-	-	-	0
TOTAL		5,000	(5,000)		8,700

Changes during the year were as follows:

Following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised the purchase option provided for by the applicable shareholder agreement and as a result increased its interest in this subsidiary, on 15 January 2009, from 66% to 95.83% at a price of 1,431 thousand euros.

After purchasing 34% of the shares making up the capital of PagesJaunes Petites Annonces from M6, bringing its ownership interest to 100% of shares and voting rights in the subsidiary, on 16 June 2009 PagesJaunes Groupe made over the entire share package to PagesJaunes for 7,500 thousand euros, entailing a capital transfer loss of 3,505 thousand euros, posted as extraordinary income. In accordance with the rights and obligations of PagesJaunes Petites

Annonces following the merger between the two entities in July 2009, PagesJaunes paid off the debt of 8,700 thousand euros which PagesJaunes Groupe held over PagesJaunes Petites Annonces.

On 20 October 2009 PagesJaunes Groupe sold 100% of shares in Edicom. This transaction produced a capital transfer loss of 113,000 euros, posted as extraordinary income.

Depreciation of QDQ Media shares in 2008, as a result of the marked slowdown in the subsidiary's business and the worsening economic outlook for the Spanish advertising market, continued in 2009. The same was true of the debt in relation to these shares, fully depreciated at 31 December 2009 and 2008. PagesJaunes Groupe also agreed to a QDQ Media debt write-off of 11,500 thousand euros in 2009 (part of the current account).

3.3 CUSTOMER RECEIVABLES, PROVISIONS FOR IMPAIRMENT OF RECEIVABLES, AND MISCELLANEOUS RECEIVABLES

	Year ending 31 December	
	2009	2008
(in thousands of euros)		
Gross customer receivables	20	232
Provisions for depreciation	-	-
Net customer receivables	20	232

These receivables include those related to services billed by PagesJaunes Groupe to its subsidiaries.

All customer receivables and miscellaneous receivables are due in less than one year.

3.4 CASH ASSETS, INVESTMENT SECURITIES, CURRENT ACCOUNTS AND FINANCIAL DEBT

(in thousands of euros)	Year ending 31 December	
	2009	2008
Current account, Horyzon Média	2,979	303
Current account, Mappy	1,803	1,729
Current account, PagesJaunes Marketing Services	1,088	2,547
Current account, QDQ Media	1,358	2,955
Current account, QDQ Media – provision	(1,356)	(2,955)
Sub-total, net current accounts	5,871	4,579
Equity	4,402	4,174
Equity – provision	(299)	-
Other investment securities	62,814	82,053
Cash assets	2,165	467
Cash assets, investment securities, and current accounts	74,953	91,273
Borrowing and financial debts with banks	1,950,000	1,950,000
Accrued interest not yet due	1,931	4,162
Sub-total of loans and borrowings from banks	1,951,931	1,954,162
Financial debt and borrowings with Group companies	580,000	580,000
Accrued interest not yet due	382	2,534
Sub-total of intra-group loans and borrowings	580,382	582,534
PagesJaunes, current account	235,040	287,346
PagesJaunes Petites Annonces, current account	-	83
PagesJaunes Outre-Mer, current account	10,054	17,043
Sub-total, current accounts	245,094	304,472
Other financial debt	3,243	282
Gross financial debt	2,780,651	2,841,450
<i>Due in less than one year</i>	400,651	461,450
<i>Due in more than one year</i>	2,380,253	2,380,000
Net cash (debt)	(2,705,697)	(2,750,177)

Investment securities and liquidity contract

At 31 December 2009, PagesJaunes Groupe held a portfolio of investment securities composed of:

- two FCP mutual funds with a total acquisition value of 58,595 thousand euros; the cash value at 31 December 2008 was 58,604 thousand euros, for an unrealised capital gain of 9,000 euros;
- shares in mutual funds held via the liquidity contract (see below), for which the acquisition value stood at 4,219 thousand euros, with cash value at 4,222 thousand euros, for an unrealised capital gain of 3,000 euros.

The liquidity contract implemented in 2008 with a provider of investment services, for a period terminating on 31 December 2009; was renewed for one year. The resources assigned to implementing the contract stood at 8,000 thousand euros.

Pursuant to this contract, the Company held 534,178 treasury shares at 31 December 2009 at a historic cost of 4,402 thousand euros (4,103 thousand euros after depreciation), and FCP fund portions for 4,219 thousand euros. These two items are recognised as investment securities.

Under this contract, the Company bought over 3,169,926 treasury shares and sold 3,216,354 during the 2009 fiscal year.

Borrowing and debt with banks

PagesJaunes Groupe has bank financing for a maximum total of 2,350,000 thousand euros, which includes a medium-term loan of 1,950,000 thousand euros and a revolving credit line of approximately 400,000 thousand euros. The revolving credit line is intended to finance the Group's cash flow requirements (working capital requirement, investments, or refinancing) in the context of its operating activities and is available in the form of drawings, letters of credit, or bilateral lines.

Medium-term borrowing is enacted at a variable rate, it is due in November 2013, and is repayable in full at this date.

At 31 December 2009 the benchmark rate was 1-month Euribor plus a margin of 150 basis points in due consideration of the ratchet margin operated by the Company through financial leverage less than 3.50 times an aggregate close to consolidated GOM. If leverage exceeds the 3.50 multiple, the margin increases from 150 bp to 175 bp.

Interest accrued and not yet due on borrowing was 1,931 thousand euros at 31 December 2009, as against 4,162 thousand euros at year-end 2008.

The revolving credit line has the same maturity, with interest at a variable Euribor rate, increased by a margin of 150 basis points at 31 December 2009. This credit line was not drawn as at 31 December 2008 and 2009.

Financial debt and borrowings with Group companies

PagesJaunes Groupe has taken out two loans with its subsidiary PagesJaunes, one for 430 million euros and the other for 150 million euros, namely a total of 580 million euros. The two loans were implemented in 2006 and carry interest at 3-month Euribor plus a margin. Partial or full early repayment may be made on the borrower's or lender's initiative, subject to prior notice. The 150 million euro loan was automatically renewed in 2009 for one year; remuneration runs at 3-month Euribor plus 30 bp. Remuneration on the 430 million euro loan runs at 3-month Euribor plus 90 bp. The due date for the loan is 18 December 2012. If PagesJaunes has not availed itself of the full early repayment facility before December 2010, the lending rate will

be the interest rate plus 3.95% for the portion outstanding remaining on loan for two years as of December 2008.

Interest accrued and not yet due on borrowing was 382 thousand euros at 31 December 2009, as against 2,534 thousand euros at year-end 2008.

Current accounts

Current accounts with subsidiaries arise from cash agreements drawn up with each entity, carrying interest at EONIA plus, if PagesJaunes Groupe is the lender, or minus, if it is the borrower, a margin of 1/16.

Provision against depreciation of the QDQ Media current account was reduced by 1,599 thousand euros from 2,955 thousand euros to 1,356 thousand euros in order to adjust depreciation on QDQ Media's current account balance, following a 11,500 thousand euro debt write-off permitted in 2009.

All receivables on current accounts are due in less than one year.

3.5 SHARE CAPITAL AND CHANGES IN SHAREHOLDERS' EQUITY

Share capital

The share capital of PagesJaunes Groupe stood at 56,196,951 euros on 31 December 2009. It is composed of 280,984,754 shares with a nominal value of 0.20 euro.

Date	Description	Number of shares	Unit value	Capital (in thousands of euros)
31 December 2008	Share capital at beginning of year	280,984,754	0.20	56,197
31 December 2009	Share capital at year-end	280,984,754	0.20	56,197

Stock options

The Board of Directors was authorised on 11 June 2009 at the General Shareholders' Meeting to implement a stock option plan for certain managers and employees of the Group, in accordance with Articles L. 225-177 and subsequent of the Commercial Code, in order to involve them in the Group's development. The authorisation was granted for 38 months and the total number of stock options allocated in the context of this resolution may not represent more than 1.0% of the Company's capital at the date of this Shareholders' Meeting, i.e. 2,809,847 options.

In 2009, PagesJaunes Groupe implemented three successive option plans:

- the first on 23 July, 1,145,000 options with exercise price 6.71 euros;
- the second on 29 October, 87,000 options with exercise price 8.84 euros;
- the third on 17 December, 75,000 options with exercise price 7.82 euros.

Following authorisation by the Extraordinary General Shareholders' Meeting of 12 April 2005, PagesJaunes Groupe had implemented two stock option plans:

- the plan implemented in June 2005 was for 3,796,800 options with an exercise price of 11.72 euros over 10 years. Options are vested after three years, namely 30 June 2008. At 31 December 2009, 2,937,322 options remained outstanding;
- the plan implemented in December 2007 was for 2,927,900 options with an exercise price of 14.46 euros, over 10 years. Options are vested after three years. There are no performance targets. At 31 December 2009, 2,626,600 options remained outstanding.

Irrespective of the plans, a four-year share sale restriction period is required by the tax authorities and applies to those residing in France for tax purposes.

No new plans were granted in 2008.

Changes in shareholders' equity

The following is an analysis of the changes in PagesJaunes Groupe equity during the 2009 financial year:

<i>(in thousands of euros)</i>	Number of shares	Share capital	Issue premium	Legal reserve	Other reserves	Carryforward	Result	Regulated provisions	Equity
At 31 December 2008	280,984,754	56,197	82,951	5,613	18,284	1,021,709	128,397	43	1,313,194
Distribution of profit 2008	-	-	-	7	-	128,390	(128,397)	-	-
Dividends paid for 2008	-	-	-	-	-	(269,454)	-	-	(269,454)
2009 results	-	-	-	-	-	-	273,456	-	273,456
Allowance for regulated provisions 2009	-	-	-	-	-	-	-	37	37
AT 31 DECEMBER 2009	280,984,754	56,197	82,951	5,620	18,284	880,645	273,456	80	1,317,232

3.6 PROVISIONS FOR RISKS AND CHARGES

<i>(in thousands of euros)</i>	Post-employment benefits	Other long-term benefits	Total 31 December 2009	Total 31 December 2008
Changes in the value of commitments				
Total value of commitments at start of period	817	61	879	967
• Cost of services rendered	46	4	50	47
• Discounting costs	43	3	47	44
• Contributions paid by employees	-	-	-	-
• Amendments to scheme	-	-	-	-
• Reductions/liquidations	-	-	-	-
• Actuarial losses / (gains)	51	1	52	38
• Benefits paid	-	-	-	(218)
• Acquisitions	-	-	-	-
• Business disposals/sales	-	-	-	-
• Change of scope	-	-	-	-
• Others (translation differences)	-	-	-	-
Total value of commitments at end of period (A)	957	70	1,027	878
• Period-end commitments pertaining to fully or partly funded schemes	-	-	-	-
• Period-end liabilities pertaining to non-funded schemes	957	70	1,027	878
Change in hedging assets				
Fair value of scheme assets at start of period				
• Financial income on scheme assets	-	-	-	-
• Gains/losses on scheme assets	-	-	-	-
• Contributions paid by the employer	-	-	-	-
• Contributions paid by employees	-	-	-	-
• Reductions/liquidations	-	-	-	-
• Benefits paid by the fund	-	-	-	-
• Change of scope	-	-	-	-
• Others (translation differences)	-	-	-	-
Fair value of scheme assets at end of period (B)	-	-	-	-
Financial scheme assets				
• Situation of the scheme (A) – (B)	957	70	1,027	878
• Unrecognised actuarial gains (losses)	(90)	-	(90)	(39)
• Unrecognised cost of past services	-	-	-	-
• Adjustment linked to upper asset threshold	-	-	-	-

<i>(in thousands of euros)</i>	Post-employment benefits	Other long-term benefits	Total 31 December 2009	Total 31 December 2008
Provision/(Assets) at end of period	868	70	937	839
Pension costs				
• Cost of services rendered	46	4	50	47
• Discounting costs	43	3	47	44
• Expected return on assets	-	-	-	-
• Amortisation of actuarial losses (gains)	1	1	2	4
• Amortisation of cost of past services	-	-	-	-
• Effect of reductions/liquidations	-	-	-	-
• Business disposals/sales	-	-	-	-
• Adjustment linked to upper asset threshold	-	-	-	-
Total pension costs	90	8	98	95
Changes in Provision (assets)				
Provision/(Assets) at beginning of period	778	61	839	961
• Pension costs	90	8	98	(122)
• Contributions paid by the employer	-	-	-	-
• Benefits paid directly by the employer	-	-	-	-
• Change of scope	-	-	-	-
• Others (goodwill)	-	-	-	-
Provision/(Assets) at end of period	868	70	937	839
Amount booked to income statement	90	8	98	(122)

<i>(in thousands of euros)</i>	31 December 2008	Charge for the year	Write-back for the year (provision used)	31 December 2009
Pensions and similar commitments	839	98	-	937
TOTAL PROVISIONS FOR RISKS AND COSTS	839	98	-	937

The net impact of costs incurred may be broken down as follows:

<i>(in thousands of euros)</i>	Charge for the year	Write-back for the year
Operating income	51	-
Financial income	47	-

Provisions for pension and similar liabilities include rights to retirement benefits and long-service awards.

3.7 DEBT MATURITY

<i>(in thousands of euros)</i>	Financial year ending 31 December 2009		
	Gross amount	At one year maximum	At more than one year
Borrowing and financial debt with banks	1,951,931	1,931	1,950,000
Financial debt and borrowing with Group companies	580,382	150,382	430,000
Sub-total, intra-group loans and borrowing	2,532,313	152,313	2,380,000
PagesJaunes, current account	235,040	235,040	-
PagesJaunes Outre-Mer, current account	10,054	10,054	-
Sub-total, current accounts	245,094	245,094	-
Bank loans and overdrafts	3,243	3,243	-
Trade payables and related accounts	2,523	2,523	-
Outstanding tax and social security contributions	4,981	4,728	253
Miscellaneous debt	2,529	2,529	-
TOTAL	2,790,683	410,430	2,380,253

3.8 INCOME RECEIVABLE AND CHARGES PAYABLE

Income receivable	Year ending 31 December	
<i>(in thousands of euros)</i>	2009	2008
Customer receivables – invoices to be drawn up	-	198
Capital and tax receivables – corporation tax	5,172	-
Capital and tax receivables – VAT	330	233
Miscellaneous receivables – financial receivables	8	78
TOTAL	5,510	509

Charges payable	Year ending 31 December	
<i>(in thousands of euros)</i>	2009	2008
Financial debt – accrued interest not yet due	2,373	6,697
Trade payables and related accounts	1,873	1,436
Outstanding tax and social security contributions – VAT, taxes, salaries, and social security contributions payable	4,455	2,442
Outstanding tax and social security – corporation tax	-	14,100
Miscellaneous debt	2,519	900
TOTAL	11,221	25,574

3.9 CORPORATION TAX

Fiscal integration

On 3 December 2004, PagesJaunes Groupe took up the option of placing itself as of 1 January 2005 under the tax system for groups of companies as set out in Article 223A and following of the General Tax Code. This option is effective for a renewable five-year period. Through this option, PagesJaunes Groupe accepted sole liability for corporation tax on the profits of the whole group formed by itself and

the companies in which it directly or indirectly holds at least 95% of the capital, and which have agreed to be members of the Group.

The subsidiaries integrated for tax purposes at 31 December 2009 were PagesJaunes, PagesJaunes Marketing Services, Cristallerie 2, Cristallerie 3, Cristallerie 4, Mappy, and PagesJaunes Outre-Mer. A tax consolidation gain of 42,437 thousand euros was posted in 2009.

Tax receivables on the companies owned by PagesJaunes in 2009, following attribution of tax credits, stood at 5,172 thousand euros.

Positions on the balance sheet

Income receivable	Year ending 31 December	
<i>(in thousands of euros)</i>	2009	2008
Tax consolidation current accounts – assets	106	15,328
State – Corporation tax receivables	5,172	-
Tax consolidation current accounts – liabilities	(28,042)	(256)
State – Corporation tax due	-	(14,100)
NET BALANCE-SHEET POSITION – ASSETS/(LIABILITIES)	(22,764)	972

The current accounts for tax consolidation with the subsidiaries showed a net debt of 27,936 thousand euros at 31 December 2009. This balance is composed of the 2009 quota-share of corporate tax payable

by each of these subsidiaries, under tax consolidation agreements signed on 8 December 2008.

Unrealised deferred tax position

<i>(in thousands of euros)</i>	Gross
Reduction of future tax liability	
Provision for retirement benefits	868
Others	8
TOTAL	876

Costs which were recorded in 2009 and during previous years, but which were added back into taxable profits, represent an amount of 876,000 euros at 31 December 2009. Based on the Company taxation

rate applicable at that date, this represents a 301,000 euros reduction in future tax liabilities.

3.10 BREAKDOWN OF REVENUES

2009 revenues stood at 7,171 thousand euros, as against 4,996 thousand euros in 2008, and is broken down as follows:

<i>(in thousands of euros)</i>	Year ended 31 December	
	2009	2008
Assistance to subsidiaries	3,098	2,586
Re-invoicing of personnel expenses	3,835	2,405
Others	238	5
REVENUE	7,171	4,996

3.11 FINANCIAL INCOME

Financial income is essentially composed of 353,181 thousand euros in dividends received from subsidiaries in 2009 (334,621 thousand euros in 2008), 65,457 thousand euros in interest on loans and financial debt, and 31,396 thousand euros in financial expenditure on derivatives.

QDQ Media was granted an 11,500 thousand euro debt write-off in 2009.

<i>(in thousands of euros)</i>	Year ended 31 December	
	2009	2008
Dividends	353,181	334,621
Financial income from derivatives	360	14,180
Other financial income	3,503	3,903
Write-back of provisions	2,955	-
Exchange gains	1	4
Financial income	359,999	352,708
Interest on miscellaneous borrowing and financial debt	65,457	160,886
Financial expenditure on derivatives	31,396	3,873
Other financial expenses	3,582	2,778
Expenditure on accretion of retirement commitments	47	44
Financial provisions	1,654	99,674
QDQ Media debt write-off	11,500	4,986
Exchange losses	2	1
Financial expenses	113,638	272,242
FINANCIAL INCOME	246,361	80,465

3.12 EXTRAORDINARY INCOME

Negative extraordinary income of 3,661 thousand euros chiefly includes capital losses on the sale of shares in PagesJaunes Petites Annonces, 3,505 thousand euros, and shares in Edicom, 113 thousand euros.

<i>(in thousands of euros)</i>	Year ended 31 December	
	2009	2008
Disposal income	12,837	-
Write-back of provision and depreciation	-	1
Extraordinary income	12,837	1
Loss on the purchase of securities arising as part of the merger between Horyzon Média and Horyzon Clics	-	284
Net book value of the shareholdings sold	16,455	-
Other exceptional costs of management operations	-	-
Other charges	42	35
Extraordinary expenses	16,497	319
EXTRAORDINARY INCOME	(3,661)	(318)

4 Others

4.1 OFF-BALANCE-SHEET COMMITMENTS

Statutory training rights (DIF)

With respect to the year 2009, any employee with at least one year's service as at 31 December 2009 is entitled to 20 hours' training under the DIF system. These may be used with effect from 1 January 2010. This represents a commitment of 1,999 hours for 2010 for the entire workforce. Twenty hours of DIF were utilised in 2009 by staff employed at 31 December 2009.

Pledges on securities

Under the terms of the bank finance contract described in note 3.4, the Company granted lending banks a financial instrument account pledge covering all the PagesJaunes shares that it owns. This pledge is given by way of security for any and all amounts owed by the Company under the terms of the bank finance package (including capital, interest, fees, costs and ancillary amounts).

In addition, the Company undertook to grant the lending banks a financial instrument account pledge relating to the shares of any subsidiary that might become a "material subsidiary" as defined in the finance contract, by way of security for any and all amounts owed by the Company (including capital, interest, fees, costs and ancillary amounts).

Interest rate derivatives

PagesJaunes Groupe entered into the following arrangements with various financial institutions:

- in 2006,
 - an interest-rate swap contract, for a nominal amount of 380 million euros, beginning on 13 December 2006 and ending on 13 December 2011. Under the terms of this transaction, PagesJaunes Groupe is the recipient of a variable rate, namely Euribor, and the payer of a fixed rate of 3.7830%;
 - two collars, comprising the synthetic combination of purchase of caps and sale of floors for a nominal amount of 1,140,000 thousand euros, commencing on 13 December 2006 and ending on 13 December 2011. The tunnels composed by these collars provide for a minimum interest rate of 3.0% and a maximum interest rate of 4.0%. The annual premiums on the collars, payable in arrears, are 1,866 thousand euros.
- in 2009,
 - enhancement of the preceding hedging agreement with two swap contracts of nominal value 200 million euros, ending on 13 December 2010, for which PagesJaunes Groupe is the recipient of a variable rate, namely 3-month Euribor, and the payer of a fixed rate of 1.99%.
 - extension of the preceding hedging agreement with two swap contracts of nominal value 900 million euros, ending in November 2013, for which PagesJaunes Groupe is the recipient of a variable rate, namely 3-month Euribor and the payer of a fixed rate of 3.79%.

These transactions serve to hedge the interest rate risk incurred on the variable-rate debt implemented by PagesJaunes Groupe in November 2006 (see note 3.4). Both the interest on the interest rate swap and the premium payable on the collar are accounted for on a pro rata basis.

Following the Group's decision to temporarily index its bank debt to 1-month Euribor, as allowed by the credit agreement in order to reduce the overall cost of its debt, an interest rate swap contract was signed on 8 December 2009. The swap is for a nominal amount of 1,520 million euros and runs from 14 December 2009 to 15 March 2010. As part of this operation, PagesJaunes Groupe receives interest at the 1-month Euribor variable rate and pays the 3-month Euribor variable rate minus 24 basis points. This contract hedges the risk on the 1-month Euribor interest rate.

In 2009, PagesJaunes Groupe posted financial costs, including collar premiums, of 31,036 thousand euros on these transactions, as against financial income, net of collar premiums, of 10,307 thousand euros in 2008.

Bank commitments

PagesJaunes Groupe has a line of revolving credit of approximately 400,000 thousand euros. At 31 December 2009 the revolving credit, the characteristics of which are covered in 3.4, had not been drawn.

Minority interest purchase commitment

Following the purchase at the end of 2007 of shares in Internet advertising companies (Horyzon Média and Horyzon Clics), purchase and sale options were respectively granted. At 31 December 2009 the options showed a balance of 4% of the shares. They are exercisable by both parties until 2011. Other than in the case of special events, the exercise price of these options is set according to a predetermined calculation formula based on sales figures and operating income in 2010.

Other commitments given

On 14 March 2007, PagesJaunes Groupe sold 100% of the share capital in Kompass France and Kompass Belgium to Coface Services. In this context, the PagesJaunes Group gave certain general guarantees to Coface Services, limited to 2,700 thousand euros, and specific guarantees related in particular to employee relations and tax risks, to a total threshold of 7,700 thousand euros. The general guarantees and the guarantees relating to employees and corporate officers expire on 31 December 2008 and 2009 respectively. Those relating to tax aspects are due to expire on 31 December 2010.

With regard to the Edicom sale, PagesJaunes Groupe agreed to implement for the benefit of the assignee a current account with 10 million dirhams in association with PagesJaunes Groupe's subscription of share subscription warrants.

Presentation of off-balance-sheet commitments does not omit the existence of certain significant off-balance-sheet commitments in accordance with current accounting standards.

4.2 ATTENDANCE FEES AND REMUNERATION OF CORPORATE OFFICERS

Attendance fees totalled 340,000 euros in 2009, and 365,000 euros in 2008.

The remuneration paid over to corporate officers was 2,192 thousand euros in 2009, and 712 thousand euros in 2008.

4.3 STAFF HEADCOUNT

<i>(Average full-time equivalent)</i>	Year ending 31 December	
	2009	2008
Managers	29.2	27.3
Administrative staff	2.6	2.8
TOTAL	31.9	30.1

4.4 RELATED COMPANIES

At 31 December 2009, as well as at 31 December 2008, PagesJaunes Groupe was 54.68% owned by Médiannuaire SAS.

The following are the details of income, expenditure, assets, and liabilities recognised in 2009 and 2008 with:

- Médiannuaire and Médiannuaire Holding, direct and ultimate majority shareholders of PagesJaunes Groupe;

- each of the subsidiaries of the PagesJaunes Groupe.

In 2009, PagesJaunes Groupe posted a charge of 1,138 thousand euros for ordinary Médiannuaire services, as against 1,145 thousand euros in 2008.

PagesJaunes Groupe companies

FINANCIAL YEAR ENDED 31 DECEMBER 2009

<i>(in thousands of euros)</i>	Income		Costs		Receivables ⁽¹⁾		Debts ⁽¹⁾	
	Operating	Financial ⁽²⁾	Operating	Financial	Operating	Financial	Operating	Financial
PagesJaunes	5,838	189	468	15,760	521	-	560	815,422
QDQ Media	455	120	-	11,500	241	6,358	-	-
PagesJaunes Marketing Services	287	13	20	-	-	1,088	14	-
Mappy	42	15	5	-	5	1,803	-	-
PagesJaunes Petites Annonces	-	-	-	-	-	-	-	-
Horyzon Média	394	11	-	-	-	2,979	184	-
PagesJaunes Outre-Mer	85	2	-	35	-	-	3	10,054
Euro Directory	47	-	86	-	-	-	2	-
Editus Luxembourg	3	-	-	-	-	-	-	-
Edicom	19	-	-	-	18	-	-	-
TOTAL	7,171	350	579	27,295	785	12,228	763	825,476

FINANCIAL YEAR ENDED 31 DECEMBER 2008

(in thousands of euros)

Related company	Income		Costs		Receivables ⁽¹⁾		Debts ⁽¹⁾	
	Operating	Financial ⁽²⁾	Operating	Financial	Operating	Financial	Operating	Financial
PagesJaunes	3,376	-	494	39,375	402	-	603	869,880
QDQ Media	768	394	-	5,001	188	7,955	-	-
PagesJaunes Marketing Services	262	115	36	-	7	2,547	11	-
Mappy	36	76	5	-	3	1,729	-	-
PagesJaunes Petites Annonces	303	375	-	236	34	8,700	-	83
Horyzon Média	15	19	-	-	1	303	-	-
PagesJaunes Outre-Mer	178	1	-	306	1	-	-	17,043
Euro Directory	33	-	98	-	3	-	-	-
Editus Luxembourg	3	-	-	-	5	-	-	-
Edicom	17	-	-	-	10	-	-	-
TOTAL	4,991	980	633	44,918	654	21,234	614	887,006

(1) Excluding tax consolidation current accounts (see note 3.9).

(2) Excluding dividends (see note 3.11).

4.5 SUBSEQUENT EVENTS

None.

4.6 CONSOLIDATION

PagesJaunes Groupe draws up its own consolidated accounts and is fully consolidated in the consolidated accounts of Médiannuaire Holding.

4.7 TABLE OF SUBSIDIARIES AND HOLDINGS

Subsidiaries and holdings	Capital	Shareholders' equity excluding capital and before appropriation of net income	Share of capital held as %	Book value of shares held		Loans and advances granted by the Company, not yet repaid (excluding current accounts)	Amount of sureties or warranties given by the Company	Revenue at last year-end	Net income at last year-end	Dividends received by the Company during the year	Observations
				Gross	Net						
<i>(in thousands of euros)</i>											
Detailed information on subsidiaries and holdings											
1/ Subsidiary: more than 50% – owned by the Company											
Cristallerie 2 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 493 023 485	38	(10)	100.00%	38	38	-	-	-	(3)	-	Preliminary data, not audited
Cristallerie 3 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 493 104 517	38	(11)	100.00%	38	38	-	-	-	(3)	-	Preliminary data, not audited
Cristallerie 4 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 501 672 588	38	(8)	100.00%	38	38	-	-	-	(3)	-	Preliminary data, not audited
Euro Directory SA 12-14, bd Grande-Duchesse Charlotte 1330 Luxembourg – Luxembourg RCS Luxembourg B48461	1,625	177	100.00%	14,707	14,707	-	-	0	2,414	2,458	Parent of Editus Luxembourg, 49% holding
Horizon Média SA 98, rue du Château 92100 Boulogne-Billancourt SIREN: 452 172 786	48	734	95.83%	11,859	11,859	-	-	17,834	334	800	Preliminary data, not audited
Mappy SA 47, rue de Charonne 75011 Paris SIREN: 402 466 643	212	1,789	100.00%	10,048	10,048	-	-	11,692	(1,587)	-	
PagesJaunes SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 444 212 955	4,005,038	435,477	100.00%	4,005,038	4,005,038	-	-	1,098,602	348,609	349,773	
PagesJaunes Marketing Services SA 25, quai Gallieni 92150 Suresnes SIREN: 422 041 426	7,275	7,508	100.00%	7,275	7,275	-	-	14,814	397	-	
PagesJaunes Outre-Mer SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 420 423 477	75	271	100.00%	76	76	-	-	18,613	263	150	Preliminary data, not audited
QDQ Media SAU Calle de la Haya 4 28044 Madrid - Spain RCS Madrid: A81745002	5,500	(6,136)	100.00%	91,719	0	5,000	-	30,672	(10,350)	-	Shares, loans and advances depreciated
2/ Holdings (between 10% and 50%)											
None											

20.3 Report by the Board of Directors at the PagesJaunes Groupe Combined General Shareholders' Meeting on 10 June 2010

To the Shareholders,

We have called you to a Combined General Shareholders' Meeting, in accordance with the provisions of the law and the Articles of Association of our Company, in order to report to you on the Company's activity during the fiscal year 1 January 2009 to 31 December 2009, and to present, for your approval, the consolidated annual accounts for this fiscal year.

We have also called you to this Meeting in order to ask you to rule on:

- appropriation of earnings;
- and renewal of the terms of the statutory and substitute auditors.

The regulatory notifications have been duly sent to you, and all documents and items required by the current regulations have been made available to you within the legal timescales.

I - Main events during the year

The Board of PagesJaunes Groupe, at its meeting on 17 May 2009, appointed Jean-Pierre Remy CEO of the Company as of 25 May 2009 to replace Michel Datchary, who resigned from his functions on the same date. As a result of the departure of the former PagesJaunes Groupe CEO, 2.0 million euros in severance pay and non-competition obligations, including social security obligations, was recognised in 2009.

The main features of the PagesJaunes Groupe holdings portfolio in 2009 were as follows:

- following the departure of one of the directors of Horyzon Média, PagesJaunes Groupe exercised the purchase option provided for by the applicable shareholder agreement and as a result increased its interest in this subsidiary, on 15 January 2009, from 66% to 95.83% at a price of 1.4 million euros;
- after purchasing 34% of the shares making up the capital of PagesJaunes Petites Annonces from M6, bringing its ownership interest in terms of shares and voting rights in the subsidiary to 100%, on 16 June 2009 PagesJaunes Groupe sold all these shares to PagesJaunes for 7.5 million euros;
- on 20 October 2009 PagesJaunes Groupe sold 100% of its shares in Edicom;
- on 18 December 2009 PagesJaunes Groupe granted an 11.5 million euro debt write-off (part of the current account) to its wholly-owned subsidiary QDQ Media.

Following authorisation by the Combined General Shareholders' Meeting of 11 June 2009, the PagesJaunes Groupe Board of Directors successively implemented three share subscription option plans:

- the first on 23 July, 1,145,000 options with exercise price 6.71 euros;
- the second on 29 October, 87,000 options with exercise price 8.84 euros;
- the third on 17 December, 75,000 options with exercise price 7.82 euros.

In 2009, PagesJaunes Groupe entered into the following arrangements with various financial institutions:

- enhancement of the preceding hedging agreement with two swap contracts of nominal value 200 million euros, ending on 13 December 2010, for which PagesJaunes Groupe is the recipient of a variable rate, namely 3-month Euribor, and the payer of a fixed rate of 1.99%;
- extension of the preceding hedging agreement with two swap contracts of nominal value 900 million euros, ending in November 2013, for which PagesJaunes Groupe is the recipient of a variable rate, namely 3-month Euribor, and the payer of a fixed rate of 3.79%.

II - PagesJaunes Groupe activity/results/presentation of the annual accounts

PagesJaunes Groupe is a holding Company with shareholdings in subsidiaries that have offered a diversified range of products and services to the general public and businesses for over 60 years. The Group's core business consists of directories in France and abroad.

OPERATING INCOME

The PagesJaunes Groupe's revenue for 2009 was 7.2 million euros, as against 5.0 million euros in 2008. Revenue consisted mainly of billing for services rendered by all its subsidiaries.

OPERATING COSTS

Personnel costs were 10.7 million euros in 2009, as against 5.5 million euros in 2008, with average headcounts of 30 in 2008 and 32 in 2009. The 2009 personnel costs included severance and non-competition pay to a total sum of 2.0 million euros in connection with the departure of the CEO, including social security contributions.

Other operating costs increased from 7.3 million euros in 2008 to 8.4 million euros in 2009. The costs included the assistance fees paid to the majority shareholder of 1.2 million euros in 2008 and 2009.

The PagesJaunes Groupe operating income for 2009 showed a deficit of 11.7 million euros, as against operating income that was also in deficit by 7.6 million euros in 2008.

FINANCIAL INCOME

Financial income was 360.0 million euros in 2009, as against 352.7 million euros in 2008. It was mainly composed of the following:

- dividends from subsidiaries totalling 353.2 million euros in 2009, as against 334.6 million euros in 2008;
- income from hedging instruments totalling 0.4 million euros in 2009, as against 14.2 million euros in 2008;
- miscellaneous financial income (revenue from debit balances, short-term investment, spinoffs from purchase of treasury shares) totalling 3.5 million euros in 2009, as against 3.9 million euros in 2008;
- a provision write-back for depreciation on the QDQ Media balance totalling 3.0 million euros in 2009.

Financial expenditure was 113.6 million euros in 2009, as against 272.2 million euros in 2008. It was mainly composed of the following:

- interest expenses on borrowing of 1,950 million euros and borrowing and credit balances with subsidiaries totalling 65.5 million euros in 2009, as against 160.9 million euros in 2008;
- interest expenses on hedging instruments totalling 31.4 million euros in 2009, as against 3.9 million euros in 2008;

- other financial expenses (commitment fees, net outlay on sales of treasury shares) totalling 3.6 million euros in 2009, as against 2.8 million euros in 2008;

- debt write-offs granted to QDQ Media totalling 11.5 million euros in 2009, as against 5.0 million euros in 2008;

- provision for depreciation on the balance of QDQ Media and treasury shares totalling 1.7 million euros in 2009, and provision for depreciation of all shares, the equity loan and the balance of QDQ Media totalling 99.7 million euros in 2008. This was caused by the marked business slowdown at the Spanish subsidiary and the worsening economic outlook on the local advertising market.

Together with the effect of hedging instruments, the average rate of interest on debt fell from 5.64% in 2008 to 4.10% in 2009, a drop of 152 basis points, chiefly due to the lower average rate of 3-month Euribor.

Financial income was therefore 246.4 million euros in 2009, as against 80.5 million euros in 2008.

ANALYSIS OF EXTRAORDINARY INCOME

Extraordinary income was negative in 2009, 3.7 million euros, as against 0.3 million euros in 2008. In 2009, this mainly included capital losses on the sale of shares in PagesJaunes Petites Annonces, 3.5 million euros, and shares in Edicom, 0.1 million euros.

ANALYSIS OF CORPORATION TAX

On 3 December 2004, PagesJaunes Groupe took up the option of placing itself under the tax system for groups of companies as set out in Article 223 A and following of the General Tax Code. This option is effective for a renewable five-year period. Through this option, PagesJaunes Groupe accepted sole liability for corporation tax on the profits of the whole group formed by itself and the companies in which it directly or indirectly holds at least 95% of the capital, and which have agreed to be members of the Group.

The subsidiaries that are integrated for tax purposes are PagesJaunes, PagesJaunes Marketing Services, Mappy, PagesJaunes Outre-Mer, Cristallerie 2, Cristallerie 3 and Cristallerie 4.

In terms of tax integration gains, PagesJaunes Groupe booked net tax income of 42.4 million euros in 2009, as against 55.9 million euros in 2008.

NET INCOME

Net income for PagesJaunes Groupe in 2009 was 273.5 million euros, as against 128.4 million euros in 2008.

CASH ASSETS AND CASH POSITION

At 31 December 2009, PagesJaunes Groupe held net debt of 2,705.7 million euros, as against 2,750.2 million euros at 31 December 2008.

This chiefly consisted of the following:

- a 1,905 million euro medium-term bank loan, as 2008;

- 580 million euros in borrowings from related companies, as 2008;
- net debit balances with its subsidiaries totalling 5.9 million euros and credit balances totalling 245.1 million euros in 2009, as against, respectively, 4.6 million euros and 304.5 million euros in 2008;
- net investment securities and liquid assets totalling 69.1 million euros in 2009, as against 86.7 million euros in 2008.

III - Proposed distribution of income

We propose that you:

- (i) formally note that the year's profit came in at 273,455,529.72 euros;
- (ii) formally note that, in due consideration of the credit carryforward of 880,644,711.62 euros, the distributable profit for the year is 1,154,100,241.18 euros;
- (iii) pay the shareholders a dividend of 0.65 euro per share;
- (iv) and decide to allocate the balance of the available amount as a carryforward.

The dividend would be paid as of 24 June 2010.

Consequently, the maximum overall amount of the dividend would be 182,640,090.10 euros. Any shares held by the Company as at the dividend payment date would not be entitled to any dividend.

The entire dividend is eligible for the 40% deduction referred to in Article 158.3.2 of the General Tax Code, which applies to natural persons residing in France for tax purposes.

Dividends paid over the past three years were as follows:

Year	Number of shares	Dividend per share	Share of dividend eligible for deduction ⁽¹⁾
2006	280,266,780	1.08	100%
2007	280,644,450	0.96	100%
2008	280,984,754	0.96	100%

(1) Deduction of 40% pursuant to Article 158.3.2 of the General Tax Code.

In accordance with the provisions of Article R. 225-102 of the Commercial Code, a table is appended to this report showing the Company's earnings for the past five financial years.

You are asked to approve the annual accounts and consolidated accounts of PagesJaunes Groupe for the financial year ending 31 December 2009, thereby discharging the Directors and Statutory Auditors from the performance of their duties.

IV - Share capital – distribution

In accordance with the provisions of Article L. 233-13 of the Commercial Code, and taking into account information received under the terms of Articles L. 233-7 and L. 233-12 of the Commercial Code, you are

reminded that Médiannuaire holds more than half of the share capital and voting rights.

The following table sets out the distribution of PagesJaunes Groupe capital as at 31 December 2009:

	31 December 2007	As % of capital and voting rights	31 December 2008	As % of capital and voting rights	31 December 2009	In % of capital and voting rights
Médiannuaire	153,640,187	54.7%	153,640,187	54.7%	153,640,187	54.7%
Employees of PagesJaunes Groupe ⁽¹⁾	1,391,648	0.5%	1,574,748	0.6%	1,681,050	0.6%
Public	125,612,615	44.8%	125,188,213	44.5%	125,129,339	44.5%
Treasury shares	-	-	581,606	0.2%	534,178	0.2%
TOTAL	280,644,450	100.0%	280,984,754	100.0%	280,984,754	100.0%

(1) Shares held as part of the PagesJaunes Groupe Company Savings Plan (PEG).

UNISSUED AUTHORISED CAPITAL

The Combined General Shareholders' Meeting of 11 June 2009 granted certain items in the conditions set forth in the table below:

Shares concerned	Period of authorisation and expiry	Maximum amount of debt securities	Maximum nominal capital increase
Issues with preferred subscription rights (capital increase, all securities)	26 months 11 August 2011	Debt securities: 300 million euros	20 million euros
Issues without preferred subscription rights (capital increase, all securities)	26 months 11 August 2011	Debt securities: 300 million euros	10 million euros
Issues of ordinary shares and securities giving access to ordinary shares where the Company initiates an exchange offer	26 months 11 August 2011	Debt securities: 300 million euros	10 million euros
Issues of ordinary shares and securities giving access to ordinary shares in remuneration for in-kind contributions granted to the Company	26 months 11 August 2011	Debt securities: 300 million euros	10% of share capital, i.e. 5,612,889
Issue of securities giving access to debt securities	26 months 11 August 2011	Debt securities: 300 million euros	-
Capital increases through capitalisation of reserves, profits, or premiums	26 months 11 August 2011	-	20 million euros
Capital increases for the benefit of members of company and/or employee savings plan(s)	26 months 11 August 2011	-	1,122,000, i.e. around 2% of share capital
Reduction of capital by cancellation of ordinary shares	18 months 11 December 2010	-	Cancellation of 10% of Company share capital
Assignment of options for subscription and/or purchase of ordinary shares	38 months 11 August 2012	-	1% of share capital

With the exception of the resolution concerning the granting of options for subscription and/or purchase of shares (See paragraph XI in this report), at the date of this report the PagesJaunes Groupe has not implemented these authorisations.

Your General Meeting is invited to renew a number of financial authorisations to make these coherent with the AMF recommendation of 6 July 2009. For further information on this issue, we refer you to paragraph XXIV in this report.

V - Agreements and commitments covered by Article L. 225-38 of the Commercial Code

Below is a list of agreements covered by Article L. 225-38 of the Commercial Code which were entered into during the 2009 financial year, or which were entered into during previous years and continued to be effective in 2009:

- a contract signed with PagesJaunes relating to bank financing, and in particular the agreement by PagesJaunes Groupe to guarantee any amounts owed under the 400 million euro revolving credit line

(Facility B) by any Group subsidiary that may become a borrower under the terms of this facility. The Board of Directors gave prior approval for this agreement at its meeting on 12 October 2006;

- a service contract signed with Médiannuaire. The Board of Directors gave prior approval for this agreement at its meeting on 20 November 2006;

- a loan contract signed with PagesJaunes for 430 million euros. The Board of Directors gave prior approval for this agreement at its meeting on 18 December 2008. Due to recent changes in market conditions, PagesJaunes Groupe and PagesJaunes wished to terminate the existing contract in advance and sign a new contract, in particular to update the financial terms;
- application of the additional retirement package (Article 83 of the General Tax Code) to Mr Michel Datchary as CEO. The Board of Directors gave prior approval for this commitment at its meeting on 20 December 2007;
- the modification of Mr Michel Datchary's employment contract with PagesJaunes to include a performance obligation in Article 11 of this contract, pursuant to Article L. 225-42-1 of the Commercial Code. The Board of Directors approved this agreement at its meeting on 14 February 2008;
- two letters of support requested by the auditors in connection with the posting of the accounts of QDQ Media and PagesJaunes Petites Annonces. The Board of Directors approved the letters of support at its meeting on 25 February 2009;
- implementation of two types of severance payment for Michel Datchary (one payment applicable only in the event of forced departure and another in relation to a non-competition obligation) following resignation from his employment functions with the Group (both payments are described in section 15.2 of this reference document). The Board of Directors gave prior approval to implementation of these payments at its meeting on 25 February 2009;
- the proceedings for the cessation of Michel Datchary in his functions as CEO (especially the severance payment proposed and payment for the non-competition obligation). The Board of Directors issued prior approval for the proceedings at its meeting on 17 May 2009;
- terms and conditions of Jean-Pierre Remy's term as CEO (set out in section 15.2 of this reference document), approved by the Board of Directors at its meeting on 17 May 2009;
- transfer by PagesJaunes Groupe to PagesJaunes of all shares making up the share capital of PagesJaunes Petites Annonces. The Board of Directors issued prior approval for this operation at its meeting on 11 June 2009;
- an 11.5 million euro debt write-off for QDQ Media as part of an equity loan signed on 22 October 2001 and the 5 million euros loan due date moved forward from 15 December 2009 to 15 December 2013. The Board of Directors issued prior approval for these operations at its meeting on 17 December 2009.

VI - Situation of corporate officers and Directors

The table listing the terms and duties of PagesJaunes Groupe corporate officers is included in chapter 14 of this document.

VII - Total remuneration and all benefits allocated to corporate officers at PagesJaunes Groupe by PagesJaunes Groupe

The overall compensation and benefits of any kind paid by PagesJaunes Groupe to each corporate officer are as follows:

TABLE SUMMARISING THE REMUNERATION OF EACH EXECUTIVE CORPORATE OFFICER

	Year 2008		Year 2009	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Jacques Garaïalde, Chairman of the Board of Directors				
Fixed remuneration				
Variable remuneration	-	-	-	-
Full and final settlement under employment contract	-	-	-	-
Extraordinary remuneration	-	-	-	-
Directors' fees	34,292	34,292	38,533	38,533
Benefits in kind ⁽²⁾	-	-	-	-
TOTAL	34,292	34,292	38,533	38,533
Michel Datchary, CEO (to 25 May 2009)				
Fixed remuneration	390,000	390,000	154,762	154,762
Variable remuneration	390,000	300,000	162,500	162,500
Full and final settlement under employment contract	0	0	0	218,752 ⁽¹⁾
Extraordinary remuneration	0	0	1,604,093	1,002,558
Directors' fees	26,856	27,942	9,066	9,066
Benefits in kind ⁽²⁾	22,046	22,046	19,338	19,338
TOTAL	828,902	739,988	1,949,759	1,956,976
Jean-Pierre Remy, CEO (as of 25 May 2009)				
Fixed remuneration	-	-	235,238	235,238
Variable remuneration	-	-	355,000	0
Extraordinary remuneration	-	-		
Directors' fees	-	-	12,088	12,088
Benefits in kind ⁽¹⁾	-	-	8,851	8,851
TOTAL	0	0	611,177	256,177

(1) This amount paid out corresponds to provisions previously booked.

(2) Use of a company car and payment of unemployment contributions.

In 2009, the Chief Executive Officer was eligible for a variable share of 100% of the fixed sum on objectives achieved, between 0% and 200%, based on the following criteria:

- 50% on a qualitative scale from 0% to 200%;
- and 50% on a quantitative scale based on an additional gross operating margin target from 0% to 200%.

The General Shareholders' Meeting of 11 June 2009 decided to set the amount of Directors' fees to be distributed to the members of the Board of Directors at 340,000 euros for the current fiscal year and following years until a new decision is adopted by the General Shareholders' Meeting.

Under the terms of rules agreed by the Board for the distribution of Directors' fees, directors receive the following for their participation on the Board:

- 4,000 euros per meeting of the Board of Directors;
- 4,000 euros per meeting of a Committee;
- a fixed amount of 10,000 euros for the Chairman of the Board or the Chairman of the Audit Committee;
- a fixed amount of 5,000 euros for the Chairman of the Remuneration and Appointments Committee or the Strategy Committee.

In due consideration of the number of meetings of the Board of Directors and of Committees in 2009, in accordance with the rules of distribution and to maintain the overall amount of 340,000 euros, the Board decided to reduce the pro rata amount allocated to each member.

Remuneration paid to members of the Board of Directors by way of Directors' fees in 2009 amounted to 340,000 euros.

TABLE OF ATTENDANCE FEES AND OTHER REMUNERATION RECEIVED BY NON-EXECUTIVE CORPORATE OFFICERS

Non-executive corporate officers	Amounts paid in 2008	Amounts paid in 2009
Mattia Caprioli⁽¹⁾		
Attendance fees	19,051	-
Other remuneration	-	-
François de Carbonnel		
Attendance fees	38,102	43,066
Other remuneration	-	-
Elie Cohen		
Attendance fees	33,022	39,288
Other remuneration	-	-
Abeille Deniau		
Attendance fees	27,942	21,155
Other remuneration	64,471	64,994
Jean-Christophe Germani		
Attendance fees	25,401	21,155
Other remuneration	-	-
Thomas Geitner⁽²⁾		
Attendance fees	8,891	-
Other remuneration	-	-
Nicolas Gheysens		
Attendance fees	16,511	39,288
Other remuneration	-	-
Reinhard Gorenflos⁽²⁾		
Attendance fees	-	3,022
Other remuneration	-	-
Hugues Lepic		
Attendance fees	29,212	33,244
Other remuneration	-	-
Jérôme Losson⁽³⁾		
Attendance fees	-	9,066
Other remuneration	-	-

Non-executive corporate officers	Amounts paid in 2008	Amounts paid in 2009
Jean-Claude Marceau⁽²⁾		
Attendance fees	27,942	12,088
Other remuneration	142,217	269,994
Médiannuaire		
Attendance fees	20,321	15,111
Other remuneration	-	-
Rémy Sautter		
Attendance fees	39,372	43,822
Other remuneration	-	-
TOTAL	526,747	615 293

(1) Mattia Capprioli resigned from the directorship on 26 July 2007.

(2) The terms of Thomas Geitner, Reinhard Gorenflös and Jean-Claude Marceau expired at the General Shareholders' Meeting on 11 June 2009 and were not renewed.

(3) Jérôme Losson was appointed as a director at the General Shareholders' Meeting on 11 June 2009.

VIII - All compensation and benefits received by PagesJaunes Groupe corporate officers from companies controlled by PagesJaunes Groupe during the financial year

Corporate officers of PagesJaunes Groupe	Fixed remuneration paid during the year		Variable remuneration and miscellaneous bonuses paid during the year		Profit-sharing, company savings plan and employer's top-up contribution paid during the year		Benefits in kind granted during the year		Attendance fees acquired during the year	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
(in euros)										
Abeille Deniau	48,403	49,484	7,869 ⁽¹⁾	7,305 ⁽²⁾	8,199	8,205	-	-	-	-
Jean-Claude Marceau	75,155	24,699	53,888	230,745 ⁽³⁾	13,174	14,549	-	-	-	-

(1) 2008: of which 1,536 euros in payment of overtime exempt from social contributions and taxes.

(2) 2009: of which 1,082 euros in payment of overtime exempt from social contributions and taxes.

(3) 2009: of which 3,050 euros as retirement benefits subject to contributions but exempt from tax.

IX - All compensation and benefits received by PagesJaunes Groupe corporate officers during 2009 from the Company controlling PagesJaunes Groupe

None.

X - All commitments which are or may be due by reason of or subsequent to assumption or cessation of duties

In accordance with legal provisions, this report must set out commitments of any kind that are made by the Company in favour of its corporate officers with regard to compensation, allowances or benefits that are or may be due by reason of or subsequent to the assumption, cessation or change of duties.

The Company has not set up any specific additional pension schemes for its corporate officers. Messrs Michel Datchary and Jean-Pierre Remy, as Company CEOs, benefit from the extra retirement package (Article 83 of the General Tax Code).

Michel Datchary was CEO of PagesJaunes Groupe from 23 September 2004 to 25 May 2009.

Michel Datchary was an employee of PagesJaunes (formerly ODA) until 25 February 2009. His employment contract with PagesJaunes was suspended when he was appointed Chief Executive Officer of the PagesJaunes Groupe company. For the purpose of compliance with AFEP/MEDEF recommendations and in due consideration of the fact that the result of the termination of Michel Datchary's employment contract was the loss of his entitlement to post-employment payments (due in the event of departure into retirement) and of his entitlement to non-competition and severance pay, the Board of Directors attempted, in the definition of the scheme proposed, to transfer to the corporate officer's contract the current system of non-competition and severance pay, adapting it to the AFEP/MEDEF recommendations on the subject, and introducing a new system against the post-employment payments to which Michel Datchary would have been entitled under the current system if he had left the Group to exercise his retirement rights.

Accordingly, Michel Datchary resigned from his salaried functions within the Group, and thus his contract came to an end on 25 February 2009. Michel Datchary's entitlements as an employee of PagesJaunes were settled. Approximately 218,752.31 euros were paid to him in full settlement (corresponding to 83 days leave for length of service, 47 days of managerial-staff leave and 5 days of cumulated paid time off), with no further compensation paid.

Two types of benefits were implemented: compensation that is only applicable in the event of forced departure and compensation for the non-competition obligation.

COMMITMENTS REGARDING MICHEL DATCHARY

1. Severance pay

The Board of Directors, at its meeting on 25 February 2009, decided that Michel Datchary should be compensated in the event of forced departure from the Company linked to a change of Company control or strategy (and whatever the form of said departure: dismissal, non-renewal or resignation).

This compensation amounts to 21 months' remuneration calculated on the basis of the monthly average of the total gross pay received by the interested party during the course of the 12 calendar months prior to the date on which the term of office was terminated. Gross pay shall be taken to mean the total amount of remuneration including wage costs, but excluding employer contributions.

In accordance with Article L. 225-42-1 of the French Commercial Code (in the version resulting from the Law known as the TEPA Law), this type of undertaking must comply with the beneficiary's performance, obligations assessed in relation to Company performance".

Compensation is subject to the following performance obligation: the average increase in the gross operating margin over the last three years, as shown by the PagesJaunes Groupe consolidated accounts posted by the Board of Directors prior to Michel Datchary's date of departure, must exceed the average increase in the operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets for the same period.

As an exception, if the termination occurs between 1 January and the date on which the Board of Directors posts the accounts for the year prior to the termination, the Board of Directors shall wait for this posting to establish whether or not the aforementioned condition has been met (on the basis of the accounts posted).

It should be pointed out that the compensation shall not be due should Michel Datchary leave the Company in order to receive retirement benefits.

2. Non-competition clause/related compensation

Insofar as Michel Datchary shall no longer be subject to a non-competition obligation under his employment contract, the Board of Directors has decided that Michel Datchary shall be subject to a non-competition obligation by virtue of his duties as the Company's Chief Executive Officer.

This non-competition obligation shall be implemented in the event of termination of his term of office as Chief Executive Officer for any reason and in any form.

This competition ban is limited to a period of 24 months commencing on the day on which his duties actually terminate and covers all of France.

The corresponding compensation shall amount to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. It shall be paid to Michel Datchary at the end of each half-year at a rate of 1/4 of the total compensation amount.

Pursuant to Article L. 225-42-1 of the Commercial Code, this compensation application of a non-competition clause shall be due under any circumstances and consequently, the Company may not waive said non-competition undertaking.

The sum total of the severance pay and this compensation shall not, under any circumstances, exceed 24 months' gross remuneration.

The Board of PagesJaunes Groupe, at a meeting on 17 May 2009, appointed Jean-Pierre Remy CEO of the Company as of 25 May 2009 to replace Michel Datchary, who resigned from his functions on the same date.

At this meeting the Board announced that the terms for severance pay for Michel Datchary, as set by the Board meeting of 25 February 2009, had been honoured. The Board also stated that the performance obligation for severance pay to Michel Datchary had been met, namely that the average trend in gross operating margin over the previous three years, as posted in the consolidated accounts of PagesJaunes Groupe by the Board of Directors, exceeded the average trend in operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets, for the same period.

In respect of the severance pay subject to performance, and in accordance with the recommendations of the AFEP/MEDEF corporate governance recommendations, 802,046 euros were paid to Michel Datchary.

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COMMITMENTS REGARDING JEAN-PIERRE REMY

Since Jean-Pierre Remy does not benefit from an employment contract, the Board of Directors decided to implement severance pay in the event of forced departure from the Company in connection with a change in control or strategy or implementation, the sum of which was to be equal to his gross annual remuneration (fixed and variable in accordance with the targets met), subject to the following conditions of performance:

- in the event of his departure prior to the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: achievement of at least 90% of the quantitative objectives set to determine his variable remuneration (especially in terms of the trend in gross operating margin);
- in the event of his departure after the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: the average trend in gross operating margin over the previous three years (or over the last two years in the event

of departure between the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2010 and the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2011) as posted by the Board of Directors prior to the date of departure of Jean-Pierre Remy will exceed the average trend in operating income prior to impairment of goodwill, restructuring costs and results of sales of SBF 120 index company assets, for the same period.

Payment of severance will be made only when the Board of Directors has observed that the performance condition has been met.

A non-competition obligation shall apply if Jean-Pierre Remy's office as CEO of the Company is terminated for any reason and in any way. This obligation is limited to a period of 24 months commencing on the day on which his duties actually terminate and covers all of France. The corresponding compensation shall amount to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. It will be paid to Jean-Pierre Remy at the end of each half-year at a rate of 1/4 of the total compensation amount. The Company shall be entitled to release Jean-Pierre Remy from this non-competition clause, informing him of its decision at the latest within the 15 calendar days following the decision by the Board of Directors to curtail Jean-Pierre Remy's term as CEO at the Company.

XI - Options for subscription or purchase of PagesJaunes shares

PAGESJAUNES GROUPE STOCK OPTION PLAN

On 28 June 2005 the Company implemented a stock options plan, consisting of 3,796,800 options, with an adjusted exercise price of 11.72 euros over 10 years. Options are vested after three years.

The Company also implemented a second stock option plan on 20 December 2007 for a total of 2,927,900 options with an exercise price of 14.46 euros and the same features as the original plan: 10-year term and fully vested after three years.

The Company introduced three stock option plans in 2009: on 23 July 2009 for 1,145,000 options at an exercise price of 6.71 euros, on 29 October 2009 for 87,000 options at an exercise price of 8.84 euros, and on 17 December 2009 for 75,000 options at an exercise price of

7.82 euros. All these plans have the same features as the first plan: 10-year term and fully vested after three years.

In accordance with the plan of 23 July 2009, following consultation with the Remuneration and Appointments Committee, the Board of Directors decided to grant 140,000 options to Jean-Pierre Remy.

All the options are subject to performance obligations, in accordance with the AFEP/MEDEF Corporate Governance Code.

Jean-Pierre Remy will be bound to reinvest 33% of the net capital gain generated on exercise of these options in PagesJaunes Groupe shares. Jean-Pierre Remy must keep these shares in his own name until he has completed his term as CEO.

STOCK OPTIONS GRANTED DURING THE FINANCIAL YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY

Name of the executive corporate officer	No. and date of plan	Type of options (purchase or subscription)	Valuation of the options according to the method accepted for the consolidated accounts	Number of options allocated during the year	Exercise price (in euros)	Exercise period
Michel Datchary	-	-	-	-	-	-
Jean-Pierre Remy	23 July 2009	Subscription options	119,000	140,000	6.71	From 23 July 2012 to 23 July 2019
TOTAL	-	-	119,000	140,000	-	-

STOCK OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of the executive corporate officer	No. and date of plan	Number of options exercised during the year	Exercise price (in euros)
Michel Datchary	-	-	-
Jean-Pierre Remy	-	-	-
TOTAL	-	-	-

PAGESJAUNES GROUPE BONUS SHARE PLAN

The Board of Directors was authorised, for a period of 38 months, by the Extraordinary General Meeting of 19 April 2006, to implement a plan to grant bonus shares for the benefit of certain executives and employees of PagesJaunes Groupe, to associate them with the development of the Company.

The maximum number of bonus shares that may be granted under this authorisation is set at 0.5% of the capital of the Company, namely 1,393,948 shares. The Board of Directors agreed to the terms of the bonus share plans at its meetings on 30 May 2006, 20 November 2006 and 14 February 2008.

PERFORMANCE-BASED SHARES GRANTED TO EACH CORPORATE OFFICER

Performance-based share distribution assigned to each corporate officer by the issuer and any company in the Group	No. and date of plan	Number of shares allocated during the year	Valuation of the shares according to the method accepted for the consolidated accounts	Date of acquisition	Date of availability	Performance conditions
None						

Performance-based shares becoming available to each corporate officer	Date of plan	Number of shares becoming available during the year	Acquisition conditions
None			

XII - List of transactions undertaken by corporate officers on PagesJaunes Groupe shares

Declarant	Nature of the transaction	Date of the transaction	Unit price	Amount of the transaction
Jean-Pierre Remy	Acquisition of 11,764 shares	20 May 2009	8.4404 euros	99,292.87 euros
Jean-Pierre Remy	Acquisition of 12,295 shares	10 June 2009	8.0447 euros	98,909.59 euros
Jean-Pierre Remy	Acquisition of 13,333 shares	13 August 2009	7.50 euros	99,997.50 euros
Jean-Pierre Remy	Acquisition of 19,178 shares	17 August 2009	7.30 euros	139,999.40 euros
Jean-Pierre Remy	Acquisition of 10,000 shares	9 September 2009	8.00 euros	80,000.00 euros
Jean-Pierre Remy	Acquisition of 10,597 shares	21 December 2009	7.5488 euros	79,994.63 euros
Jacques Garaïalde	Acquisition of 5,000 shares	24 December 2009	7.7073 euros	38,536.50 euros

XIII - Transactions undertaken by PagesJaunes Groupe on its own shares during the year, and new Company share buy-back programme

SUMMARY OF OPERATIONS CARRIED OUT AS PART OF THE PROGRAMME APPROVED BY THE COMBINED GENERAL MEETING OF 11 JUNE 2009

At 11 June 2009, the date of the General Shareholders' Meeting at which the 2009 Buy-back Programme was approved, the Company held 442,930 of its own shares as part of the liquidity contract.

A summary of transactions carried out under the 2009 Buy-back Programme is as follows:

AS AT 31 DECEMBER 2009

Number of shares comprising PagesJaunes Groupe's capital at 11 April 2009	280,984,754
Treasury shares held directly or indirectly at 11 June 2009	442,930
Number of shares purchased between 12 June 2009 and 31 December 2009	1,853,981
Gross weighted average price of shares purchased (in euros)	7.984
Number of shares sold between 12 June 2009 and 31 December 2009	1,762,733
Gross weighted average price of shares sold (in euros)	8.142
Number of shares cancelled during last 24 months	0
Treasury shares held directly or indirectly at 31 December 2009	534,178 (0.2% of capital)
Book value of portfolio (assessed at purchase price) at 31 December 2009 (in euros)	4,264,882.71
Market value of portfolio as at 31 December 2009 (in euros)	4,166,588.40

NEW COMPANY SHARE BUY-BACK PROGRAMME (SUBMITTED TO THE GENERAL SHAREHOLDERS' MEETING TO BE HELD ON 10 JUNE 2010)

We propose that you authorise the Company, in accordance with sections L. 225-209 and following of the French Code of Commerce, to buy back its own shares subject to a limit of 10% of the amount of the Company's share capital at the date of the shareholders' meeting, on the condition that when shares are purchased for the purpose of ensuring a liquid market for the PagesJaunes Groupe share, the number of shares purchased to be taken into account in calculating this 10% limit is the net number of shares purchased after adjustment for shares resold during the period of application of the present authorisation.

- The maximum purchase price should not exceed 15 euros per share, and accordingly this amount must be adjusted in the event of any capital transactions such as incorporation of reserves, awarding of bonus shares and/or division or pooling of shares.
- The maximum amount of the funds devoted to the buy-back programme shall not exceed 421,477,125 euros.

The authorisation shall be valid for 18 months.

The purposes of the share buy-back programme are:

- to implement and fulfil all obligations related to share option programmes or other distributions of shares to employees of the Company or related companies, and in particular to allocate shares to Group employees as part of (i) company profit-sharing and (ii) any share purchase option plan or bonus share distribution plan (including any share disposals within the scope of Article L. 3332-24 of the French Labour Code) for the benefit of some or all employees or corporate officers, as well as carrying out hedging arrangements pertaining to such transactions;
- to reduce the Company's share capital by cancelling shares;
- to ensure the liquidity of the PagesJaunes Groupe share within the frame of a liquidity contract consistent with the professional ethics charter recognised by the *Autorité des marchés financiers* (French Financial Markets Authority);
- to retain shares for subsequent remittance for exchange or as payment for any external growth operations;
- to establish and honour the obligations associated with debt securities convertible into title deeds and especially to remit shares during the exercise of the rights attached to securities giving access to shares, and to carry out any hedging transactions in connection with the Group's obligations associated with these securities.

XIV - Elements liable to have an impact during public offering periods

None.

XV - Material events subsequent to the year-end

None.

XVI - Employee information

At 31 December 2009, PagesJaunes Groupe's headcount was 34 (32 at year-end 2008, and 31 at year-end 2007), enabling it to fully discharge its role as a holding company for a quoted group.

All information relating to PagesJaunes Groupe staff may be found in chapter 17 of PagesJaunes Groupe's reference document for 2009.

XVII - Research and development

PagesJaunes Groupe is a cutting-edge entity within its sector in terms of state-of-the-art research and innovation through its teams and numerous partnerships. These are made up of the best field specialists focusing on innovation and excellence.

XVIII - Environmental impact of Company activity

In its business operations the Group is subject to a number of health and safety regulations. Its activities, particularly the printed directory business, have impacts on the environment.

In relation to the publication, manufacture and mass distribution of printed directories, we would like to highlight the following points:

- for outsourced activities such as the supply of paper directories, the printing or distribution of printed directories, the Group only has limited control over their environmental impact. Even though the Group adheres to environmental criteria in the choice of its subcontractors, it cannot provide any assurance that these subcontractors will observe all the environmental regulations applicable to their own activity;
- concerning these Group activities, environmental risks are mainly the risks in relation to the production and circulation of a large quantity of paper;
- there are also risks in relation to operations known as "office" activities to which comparable companies are subjected.

The main environmental impact for the Group is therefore the production of a large quantity of printed directories.

To limit this impact, the Group has implemented a number of measures aimed at reducing the amount of paper needed for its business and encouraging the recycling of the paper used.

REDUCING PAPER CONSUMPTION

Concerning the reduction of the amount of paper required to publish its directories, the Group's constant efforts focus on the following aspects:

- optimised targeting, through the most accurate assessment of the number of directories to be printed, so that this is more closely aligned with the genuine needs of consumers;
- optimised directory page layout and formatting for each edition, so as to limit paper consumption and waste during production of directories.

In France, paper consumption for the PagesJaunes directory and *l'Annuaire* (and PagesPros) was 66,890 tonnes in 2009, as against 71,720 tonnes in 2008 and 71,070 tonnes in 2007. The downward trend in paper consumption in 2009 reflects:

- a new compact format to increase the printed page surface, thereby reducing the number of pages;
- optimisation of the page layout in relation to standard processing to produce a page gain;
- other page number reductions, in line with a fall in advertising revenue.

The Group also ensures that the paper pulp used to produce the printed directories contains a significant portion of recycled pulp.

RECYCLING OF DIRECTORIES

In addition to its efforts to limit paper consumption on a yearly basis, the Group is extremely sensitive to what subsequently happens to outdated printed directories, and agrees with the principles of extending responsibility to producers. It is concerned by directory collection, and processing (particularly their recycling).

First and foremost, part of the paper bought is recovered by the printer during the manufacture and printing of the directories for subsequent recycling.

Any directories left over after printing are either recovered or recycled by specialist waste management firms.

Finally, PagesJaunes has actively participated in the creation of the ecological organisation Ecofolio. Ecofolio was created at the end of 2006 and approved by the authorities in January 2007. It was founded by issuers of free printed matter, who clubbed together to take up their environmental responsibilities in a joint response to legal obligations and organise a new entity. Ecofolio acts on their behalf, collects their financial contribution, and carries out prevention programs. The PagesJaunes policy is to contribute voluntarily to financing this end-of-life printed material recycling and collection facility by paying an eco-contribution to Ecofolio based on the tonnage of printed PagesJaunes directories distributed (due to its status as a universal service component, *l'Annuaire* falls outside the scope of this eco-contribution).

The revenue from the contributions received by Ecofolio from the issuers of taxable printed documents such as PagesJaunes directories

distributed to the public is then passed on to the local government bodies responsible for refuse collection and processing.

The 2008 French Finance Act extended the scope of the printed matter subject to the eco-contribution. Since 1 July 2008 it has included direct mail advertising, piggyback mailing and brand and company magazines in particular.

The only items not included will be books, mainstream newspapers and printed matter distributed by virtue of a law or regulation (this is the case for *l'Annuaire* as it is deemed part of the universal post and telecommunications service).

As a result all of the PagesJaunes and Pages Pro printed directories have been subject to the contribution with effect from 1 July 2008, with office paper in effect from 1 January 2010. *L'Annuaire* is expected to remain outside the scope of this law.

The total financial contribution that the Company owes for 2009 is 998,000 euros excluding tax.

The Group must take account of trends in the environmental expectations of consumers and the authorities and comply with more stringent regulations for publishers.

ENVIRONMENTAL IMPACT OF "OFFICE" ACTIVITIES

The Group's companies have put in place a number of internal measures designed to protect the environment, in particular by reducing the consumption of resources.

XIX - Description of principal risks and uncertainties

EXCHANGE RATE RISKS

See notes 30 and 33 to the consolidated financial statements.

RISKS RELATING TO SHARES

See notes 30 and 33 to the consolidated financial statements.

LIQUIDITY RISK

See notes 30 and 33 to the consolidated financial statements.

INTEREST RATE RISK

See notes 30 and 33 to the consolidated financial statements.

COUNTERPARTY (CREDIT) RISKS

See notes 30 and 33 to the consolidated financial statements.

XX - Non-tax deductible expenses

As per the stipulations of Article 223 *quater* of the French General Tax Code, we wish to inform you that the expenditure and charges covered by Article 39-4 of the code for 2009 amounted to 15,237 euros.

XXI - Information concerning supplier payment timelines

The due date for all trade payables on the balance sheet at 31 December 2009, totalling 610,000 euros (excluding charges payable) is less than 60 days.

XXII - Development prospects

This section contains information concerning the Group's targets. Readers are reminded that the statements in this chapter depend on circumstances or events which may occur in the future. These statements are not historical facts and should not be interpreted as guarantees that the events or facts expressed will occur or that the stated targets will be achieved. By definition, these targets may not be achieved, and the forecasts on which they are based may prove to be erroneous. Readers are encouraged to take into consideration the risk factors described in chapter 4 of the Company's reference document, "Risk factors".

FINANCIAL TARGETS

PagesJaunes Groupe has set the following financial targets for 2010:

- continued sustained growth of Internet business in order to curtail the general downward trend in revenue; a recovery of activity in connection with the boom in new products is expected, in fact, as of the latter half of 2010;
- gross operating margin between 500 million and 530 million euros, in due consideration of continued investment in fixed and mobile Internet systems;
- PagesJaunes Groupe is maintaining a high dividend distribution policy⁽¹⁾.

XXIII - Progress of main subsidiaries' business

SEGMENT 1: PAGESJAUNES IN FRANCE

Revenue for the PagesJaunes in France segment was 1,097.3 million euros in 2009, down 1.2% with respect to 2008, due to a 6.5% drop in printed directories and almost zero Minitel revenues, not offset by the 6.9% growth in revenue from Internet services ("pagesjaunes.fr", "annoncesjaunes.fr" and Internet sites) and 9.1% growth in telephone enquiry services (118 008).

Falling revenue was chiefly due to lower average revenue per advertiser (-1.4% at 1,543 euros in 2009 as against 1,564 euros in 2008), partially offset by slight growth in the numbers of advertisers (+0.6% at 700,077 advertisers in 2009 as against 696,051 in 2008), which held out well despite a worsening situation for SMEs. The capture of new customers continued at a steady pace (118,531 new customers in 2009), and the advertiser loyalty rate, expressed as the number of advertisers, remained high at 83.5% in 2009, as against 84.7% in 2008. In value, the rate fell from 92.8% of revenue in 2008 to 91.4% in 2009.

Printed directories

Revenue from printed directories originating primarily from sales of advertising space in the PagesJaunes directory and *l'Annuaire* (white pages), totalled 577.8 million euros in 2009 compared to 617.7 million euros in 2008, a decline of 6.5%. Average revenue per advertiser for printed directories fell back by 5.8% on 2008, at 926 euros in 2009 compared to 984 in 2008. The number of advertisers in printed directories fell slightly -623,803 advertisers in 2009, as against 628,024 in 2008.

pagesjaunes.fr, annoncesjaunes.fr and Internet sites

Revenue from online services for PagesJaunes in France, derived primarily from the sale of advertising products on "pagesjaunes.fr" and "annoncesjaunes.fr" and from website development and hosting, grew 6.9% compared to 461.0 million euros in 2008. The number of online advertisers increased by 2.2% with respect to 2008, with 492,509 advertisers in 2009 and 482,134 in 2008. Average revenue per advertiser increased by 4.6% - 949 euros in 2009, as against 907 euros in 2008.

(1) Profit distribution does not under any circumstances represent a commitment on the part of PagesJaunes Groupe, and future dividends will depend on the Group's results, its financial position and any other information considered relevant by the Board of Directors and shareholders of PagesJaunes Groupe.

The "pagesjaunes.fr" site had 885.3 million fixed Internet visitors in 2009, an increase of 4.3% on 2008, and 29.6 million mobile Internet visitors, doubling the figure for 2008.

Telephone directory inquiry services (118 008)

Revenue from telephone directory enquiry services (118 008), including revenue in connection with ad insertions, accounting for almost two-thirds of total revenue in this line of business, and traffic revenue, was 39.7 million euros in 2009, an increase of 9.1% on 2008. Growth was mainly due to an increase in advertising revenue, with 117,000 advertisers at year-end 2009 as against 114,000 at the end of 2008, and average revenue per advertiser of 212 euros in 2009 compared to 199 euros in 2008. Revenue from traffic was stable due to a downward trend in the volume of calls on this market, offset by an increase in the average revenue earned per advertiser.

Other business

Revenue from other activities of the PagesJaunes segment in France totalled 18.8 million euros in 2009, down 23.9% on 2008. These other activities, which accounted for 1.7% of the PagesJaunes in France segment's revenue in 2009, were primarily PagesPro's printed media and Internet offers, Minitel and the reverse directory QuiDonc. Lower revenue in other business was caused by a 13.5% decrease in PagesPro turnover for both printed media and Internet and changes to the Minitel business model.

The gross operating margin of the PagesJaunes in France segment decreased by 3.1% with respect to 2008, at 527.8 million euros, while the gross margin ratio improved by 1 point to 48.1%. The decrease was due to lower revenues, only partially offset by an accompanying decrease in external purchases caused by increases in wages and expenditure, and lower operating income.

SEGMENT 2: INTERNATIONAL & SUBSIDIARIES

Revenue earned by International & Subsidiaries was 75.8 million euros in 2009, down by 17.2% on 2008. On a like-for-like basis, restating the revenue earned in 2008 by Edicom, a subsidiary sold off in October 2009, and with identical accounting treatment of performance-related activities or CPC (cost per click) of Horyzon Média⁽²⁾, the revenue earned by International & Subsidiaries was also down 17.2% against 2008. This was due to a downturn in the revenue of QDQ Media and direct marketing and geographic services.

B to C directories

Revenue from B to C directories, mainly sales of advertising space in printed and online directories, publishing and distribution, by QDQ Media in Spain, Editus in Luxembourg and Edicom in Morocco (sold in October 2009), was 41.4 million euros in 2009, a fall of 27.2% on 2008 and 23.2% on a comparable consolidation basis.

QDQ Media completed the extensive reorganisation process initiated during the latter half of 2008, focusing on the redeployment of its sales force and business in a bid to bring down its break-even figures, concentrating investment in areas with most potential and national development of its Internet presence. Revenue earned by QDQ Media was 30.3 million euros in 2009, a decrease of 28.0% with respect to 2008, though earnings from Internet services rose by 5.7%.

Revenue by Editus, a 49% consolidated subsidiary, was 9.5 million euros in 2009, down by 7.8% on 2008, though earnings from Internet business rose by 16.7%.

Internet advertising

Sales by Horyzon Média invoiced to advertisers were 17.2 million euros in 2009, down by 6.5% against 2008. Solid growth in CPC cost-per-click business and, to a slightly lesser extent, development of mobile and Spanish business, partially offset a downturn in CPM cost-per-mille activities, in accordance with the trends observed on the market.

Consolidated revenue, composed solely of commissions for CPM activities and, as of 2009, of all sales invoiced to advertisers for CPC business, was 9.4 million euros in 2009, as against 5.5 million euros in 2008, or 8.6 million euros with identical accounting treatment⁽³⁾, i.e. a 9.3% increase.

Direct marketing and geographic services

Revenue by Direct Marketing and Geographic Services was 25.0 million euros in 2009, down 14.4% on 2008. Earnings by PagesJaunes Marketing Services were hit by the economic situation and by a downturn in traditional direct marketing services, in parallel to development of digital business. Mappy's revenue also fell considerably with respect to 2008. The mappy.com site, however, a new version of which was launched in July 2009, secured 231.0 million visitors in 2009, 6.9% more than in 2008. The Mappy iphone application also enjoyed a successful launch in October.

The gross operating margin of International & Subsidiaries stood at 0.9 million euros in 2009 as against 6.9 million euros in 2008, with revenue down by 17.2% – 15.7 million euros. Lower turnover was partially offset by a drastic reduction in QDQ Media's expenditure following extensive reorganisation with restructuring costs of 4.5 million euros in 2009, chiefly outlay in connection with the departure of 178 employees. Pursuant to the Group's accounting standards, these costs are posted under restructuring expenses, excluded from gross operating margin.

(2) See below.

(3) All sales invoiced to CPC advertisers by Horyzon Média are recognised in consolidated revenue as of the financial year 2009, against recognition of repayments made to publishers as external purchases. Until 2008, only commissions from this activity had been posted to revenue. This has no impact on gross operating margin.

XXIV - Extraordinary resolutions

You are invited to vote on certain extraordinary resolutions renewing certain financial authorisations granted to the Board of Directors and to authorise the Board, subject to limits and conditions defined by your Shareholders' Meeting, to issue equity instruments providing direct or indirect access to the Company's share capital.

FINANCIAL AUTHORISATIONS

By way of introduction, in order to take account of the order of 22 January 2009 cancelling the concept of public issue and replacing this with the concept of public offerings or private placement (offerings covered in section II of Article L. 411-2 of the French Monetary and Financial Code), the Company modified the text of the resolution concerning issues, removing preferential subscription rights, and submitted this to your General Meeting on 11 June 2009 (17th resolution). At that time the Company applied the principle of a single resolution to cover both public offerings and private placements. Since the AMF issued a recommendation on 6 July 2009 whereby private placements were to be covered by a specific resolution, your Board of Directors decided to submit two separate resolutions to your General Meeting in relation to the issue of shares with no preferred shareholder subscription rights – one covering issue offered to the public (12th resolution) and one covered private placements (13th resolution). For the purposes of a clear understanding of the mechanism and operation of financial authorisations (especially capping regulations), the Board of Directors decided to submit to your General Meeting all the extraordinary resolutions submitted for your vote at the General Meeting of 11 June 2009 (with the exception of the resolution authorising the allocation of Company share and subscription options – 17th resolution).

You are thus requested by the Board of Directors to:

- cancel those authorisations with immediate effect from the date of your Meeting;
- subsequently provide your Board of Directors with new and similar authorisations.

The Board of Directors wishes to retain the flexibility to be able to quickly call on the financial resources required for the Company's development, if applicable by issuing shares on the markets. Consequently the Board of Directors requests that, by voting the 11th and 12th draft extraordinary resolutions, you provide it with the overall legal authorisation, valid for 26 months, to decide to issue, with or without maintenance of shareholders' preferred subscription rights, shares in the Company, or securities providing access to existing or future shares in the Company, within an overall limit equating with the 20 million euro increase in the Company's nominal share capital specifically mentioned in the 18th draft resolution.

You are also requested to vote on specific draft extraordinary resolutions providing the Board of Directors with additional delegations of authority for the same period of 26 months. The objective of the 13th resolution in relation to issues with no maintenance of preferred subscription rights,

is the performance of offers covered by section II of Article L. 411-2 of the French Monetary and Financial Code (generally known as private placements). The 14th resolution is designed, in the event of the issue with suppression of preferred subscription rights, of shares, or of other securities providing access to the Company's shares, to enable the Board of Directors to depart from the legal rules governing the subscription price and to determine such price according to the terms and conditions defined by the Shareholders' Meeting. The 15th resolution is designed to allow the Board of Directors, in the event of a share capital increase with or without maintenance of shareholders' preferred subscription rights, to increase the number of shares to be issued in the event of surplus demand. The 16th and 17th resolutions relate to the issue with no preferred subscription rights of shares, or of other securities providing access to ordinary shares, either to enable performance of any takeover bid initiated by your Company (16th resolution) or to enable your Company to remunerate any contributions in kind taking the form of equity instruments or other securities providing equity access (17th resolution). The 19th resolution deals with the issue of instruments providing for the attribution of debt securities. The 20th resolution is designed to enable the Company's share capital to be increased by incorporating reserves, retained earnings or share premium, subject to an overall limit of a 20 million euro increase in the Company's nominal share capital, independent of the first limit.

The 21st resolution is designed to enable the Company's share capital to be increased for the benefit of the members of a PagesJaunes Groupe employee savings plan, by the issue of shares to be subscribed for in cash, subject to an overall limit of a 1,122,000 euro increase in nominal share capital (including any incorporation of reserves, retained earnings or share premiums) representing around 2% of Company share capital.

In the event of adoption of the aforementioned 11th to 21st resolutions, the faculty you would grant the Board of Directors to issue, with or without maintenance of shareholders' preferred subscription rights, shares and/or other securities providing access to the Company's shares, or to issue instruments providing access to debt securities, would enable the Board to make all forms of issue in France, abroad and/or in the international markets as it deems fit and as dictated by the interests of your Company and its shareholders. Depending on the category of securities issued, the issues may be denominated in euros, in another currency, or in any unit of account calculated by reference to a basket of currencies.

The 22nd resolution is intended to authorise the Board of Directors to reduce the Company's share capital by cancelling PagesJaunes Groupe shares acquired under the Company's share buy-back programmes.

In asking you to grant these authorisations, the Board of Directors wishes to clarify the scope of the corresponding resolutions submitted for your approval, in accordance with the legal and regulatory requirements.

Authorisation for the Board of Directors enabling it to issue, subject to maintenance of shareholders' preferred subscription rights, Company shares and other securities providing access to its shares (11th resolution)

- a) Under this resolution you are requested to authorise the Board of Directors to issue, whether for consideration or otherwise, and subject to maintenance of your preferred subscription rights, shares or other securities providing access to existing or future shares in the Company.

In the event of full term access to shares in the Company – *i.e. via* other securities providing access to the Company's shares – your decision would involve shareholders giving up subscription rights on shares liable to be issued on the basis of the securities initially issued, the subscription of which would be reserved for the benefit of shareholders.

The maximum nominal share capital increase that you are requested to determine by adopting the 11th resolution amounts to 20 million euros during the specified period of 26 months.

This limit would not include the consequences for any increased amount of the Company's share capital liable to result from the adjustments required to protect the interests of the holders of the rights attaching to other securities providing access to shares.

The total nominal amount of any debt instruments – including those taking the form of securities, whether subordinated or not and whether of perpetual or fixed duration – liable to be created on the basis of the 11th resolution (which allows for the issue of debt instruments, or for their combination with other securities, or for their existence at an intermediate stage) should not exceed 300 million euros or the equivalent foreign currency amount at the date of the issue decision. This amount will apply to all the debt instruments, the issue of which is provided for under the 11th, 12th, 13th, 16th and 17th resolutions submitted for your approval.

In accordance with section L. 228-97 of the French Commercial Code, it may be stipulated that any securities issued will only be redeemed once other creditors have been paid off, whether excluding or including holders of participating shares. A priority order of payment may also be stipulated for these classes of securities.

- b) The issue price for securities providing access to shares must be such that the sum immediately received by the Company, plus any sum liable to be subsequently received by the Company, in respect of each share to be issued as a result of the issue of the said securities, amounts at least to the nominal value of a Company share.

Your Board of Directors would have the broadest powers for the purposes of implementing this authorisation.

Authorisation for the Board of Directors enabling it to issue, with no maintenance of shareholders' preferred subscription rights, Company shares and other securities providing access to its shares (12th, 13th and 14th resolutions)

- a) The Board of Directors may be led, in the interest of the Company and its shareholders, and in order to seize the opportunities presented under certain circumstances by the financial markets, to issue securities without shareholders being able to exercise their preferred subscription rights. The Board therefore requests that you, by approving the 12th resolution, authorise it to issue, with no shareholders' preferred subscription rights, by way of public offering, shares in the Company, and other securities providing access to existing or future shares in the Company, up to the limit fixed, for a duration of 26 months and subject to the other conditions determined by the 11th resolution, with the exception of the special criteria defined in points b), c) and e) hereafter.

- b) If you provide the Board of Directors with this authorisation, thus giving up the exercise of shareholders' preferred subscription rights, the issue price for any shares issued would be at least equal to the weighted average listed price for the last three stock market sessions preceding the determination of the price, less a maximum discount of 5%. The issue price for any other securities issued and providing access to shares would be determined on the same basis: the price of the securities issued would be such that the sum immediately or subsequently received by the Company would be, for each share issued as a result of the issue of the said other securities, at least equal to the amount defined above. Based on these elements, the Board of Directors would determine the issue price for the securities issued and, if applicable, the basis of remuneration of any debt instruments, in the best interests of the Company and its shareholders with due regard for all the applicable parameters. In this regard it would take particular account of the nature of the securities to be issued, stock market trends and the performance of the PagesJaunes Groupe share, the existence of any right of preference granted to shareholders, market rates of interest in the event of the issue of debt instruments, the number of shares to which the said other securities would provide entitlement and more generally, all the characteristics of the securities to be issued. In the event of adoption of the 14th resolution, the Board of Directors would however be authorised to derogate from the legal rules and regulations that determine the issue price (See d) hereafter).

- c) On these bases, the Board will have the broadest powers to perform, subject to elimination of shareholders' preferred subscription rights, one or several issues of shares or other securities providing access to the Company's shares. We wish to inform you that in the event this resolution is used, the additional report required to be prepared by the Board of Directors will describe the impact of the proposed issue on the situation of holders of Company shares, and of securities providing access to its shares, particularly in terms of the applicable shares of the Company's equity at the end of the previous accounting period.

- d) The 13th resolution is designed to authorise the Board to issue shares in the Company, and other securities providing access to existing or future shares in the Company, with no preferred shareholders' subscription rights, through the offering system set forth in section II of Article 411-2 of the French Monetary and Financial Code, up to the limit fixed, for a duration of 26 months and subject to the same terms (particularly the price) determined by the 12th resolution, subject to investment terms not applicable in the case of private placements.
- e) Should the 14th resolution be adopted, the Board of Directors will be authorised, within the limit of 10% of the Company's share capital per period of 12 months, to disregard from the terms and conditions under which the price is determined, defined by the 12th and 13th resolutions, and to fix the said issue price for the shares and/ or other securities issued on the following basis:
- the issue price of the shares shall be at least equal to the closing price of the PagesJaunes Groupe share on the Euronext Paris market during the last trading session preceding its determination, possibly reduced by a discount of up to 10%;
 - the issue price for securities would be such that the sum immediately received by the Company plus, if applicable, any sum liable to be subsequently received by the Company, for each share issued as a result of the issue of the said other securities would be at least equal to the amount defined above. This authorisation would provide the Board of Directors with the faculty, in the event of share capital increases of limited amount, by public offering and/or by offers as defined by section II of Article L. 411-2 of the French Monetary and Financial Code, to dispose of greater flexibility in fixing the issue price as a means of optimising the chances of success of the transaction undertaken.

Authorisation for the Board of Directors enabling it, in the event of a share capital increase with or without maintenance of shareholders' preferred subscription rights, to increase the number of shares to be issued under the 11th, 12th, 13th and 14th resolutions (15th resolution)

In line with the option provided by Article L. 225-135-1 of the French Commercial Code, we propose in the 15th resolution that you authorise the Board of Directors to decide, within 30 days of the closure of subscriptions for the initial issue (or within any other time limit provided for by the regulations applicable at the time of the actual transaction), in application of any of the issues decided upon by virtue of the 11th, 12th, 13th and 14th resolutions, to increase the number of securities to be issued as provided for by the aforementioned Article L. 225-135-1 (i.e. currently by a maximum amount of 15% of the initial issue) subject to respect of the limit provided for by the resolution under which the particular issue is decided. This would enable the Board of Directors to carry out further capital increases under the same conditions as the initial issue. By enabling supplementary issue options to be exercised, it would be possible to increase the size of an issue in the event of surplus demand.

SPECIAL AUTHORISATIONS

Delegation of authority to the Board of Directors to issue shares, and other securities providing access to the Company's shares, in the event of a takeover bid initiated by the Company (16th resolution)

Article L. 225-148 of the French Commercial Code allows your Company to issue shares, or other securities providing access to existing or future shares of PagesJaunes Groupe, both of which may be issued on the basis of, and subject to the conditions defined by, the 12th resolution, as consideration for any takeover bid initiated by the Company in France or, subject to the applicable local regulations, abroad. The benefit of the system defined by Article L. 225-148 of the French Commercial Code is, however, subject to the condition that the shares of the Company bid must be traded on a regulated market as defined by Article L. 225-148 of the Commercial Code. This procedure allows securities to be exchanged without obliging your Company to engage in the formalities required if such a transaction were to be analysed as a contribution in kind. The corresponding share capital increase would be performed without entitlement to shareholders' preferred subscription rights, which we request that you waive, subject to the conditions defined by the 16th resolution. At the time of each bid, the Board of Directors would be required to determine the nature and characteristics of the shares or other securities providing access to the Company's shares to be issued; the amount of the share capital increase would depend on the outcome of the bid and on the number of shares of the target company presented for exchange, and also on the parities determined and on the combination of shares and/ or other securities providing access to the Company's shares issued. The Board would also allocate to the credit of a "share premium" account, for the benefit of all shareholders, any excess of the issue price of the new shares issued over their nominal value and would deduct, if applicable, from the said share premium the total amount of the costs incurred in performing the authorised transaction. This authorisation would be provided for a nominal amount of 10 million euros counting towards the limit authorised by the 12th resolution, dealing with issues with no shareholders' preferential subscription rights, but without taking into account the nominal amount of any shares to be issued in respect of the adjustments required to protect the interests of the holders of the rights attaching to other securities providing access to shares. The authorisation would remain valid for the same period of 26 months with effect from the date of your Meeting. The provisions of this report relating to the 12th resolution would also apply to issues made on the basis of the 16th resolution, with the exception of provisions relating to the issue price for the shares and other securities providing access to the Company's shares, and to shareholders' priority rights.

Delegation of authority to the Board of Directors to issue shares, and other securities providing access to the Company's shares, as consideration for any contributions in kind made to the Company and comprising shares or other securities providing access to shares (17th resolution)

In line with the option provided by Article L. 225-147 of the French Commercial Code, we propose in the 17th resolution that you authorise the Board of Directors, for a period of 26 months, on the basis of and in accordance with the conditions defined by the 12th resolution, to issue shares, or other securities providing access to present or future shares of the Company, within the limit of 10% of the Company's share capital at the date of your Meeting, as consideration for contributions in kind comprising shares, or other securities providing access to shares, in any circumstances under which Article L. 225-148 of the French Commercial Code does not apply. The shareholders' preferred right of subscription to the shares and other securities thus issued would be suppressed for the benefit of the holders of equity securities or other securities, object of the said contributions in kind. The authorisation would require shareholders to waive their preferred right of subscription to the shares liable to be exchanged for the securities issued on the basis of the authorisation. In the event the 17th resolution is implemented, the Board of Directors would rule on the report by the auditor or auditors under the same conditions as though the General Meeting had taken the decision: it would equally be free to approve at its discretion the valuation of the contributions in kind and complete the formalities associated with the share capital increase. The Board would dispose of the necessary powers for implementing the authorisation and, in particular, for making the requisite changes to the Company's Articles.

Overall limit of authorisations (18th resolution)

As a consequence of the adoption of the 11th to 17th resolutions, we propose that you authorise the Board of Directors to fix at 20 million euros the maximum nominal amount of the share capital increases, immediate or deferred, liable to be performed by virtue of the authorisations provided by the 11th to 17th resolutions, without however taking into account the additional nominal amount of any shares to be issued in respect of the adjustments required to protect the interests of the holders of the rights attached to other securities providing access to shares.

Delegation of authority to the Board of Directors to issue instruments providing rights to the attribution of debt securities (19th resolution)

The Board of Directors submits a 19th extraordinary resolution under which the shareholders would authorise it to decide to issue all forms of securities (other than shares) providing rights to the attribution of debt instruments such as bonds or similar securities, subordinated debt

securities whether of perpetual or fixed duration, or any other securities forming part of an issue conferring an identical lien upon the Company. This resolution would enable the issue of all forms of securities that give access to debt securities. This includes, in particular, warrant bonds and warrants. The attribution of debt securities may arise as the result of the conversion, exchange, reimbursement or other form of presentation of a warrant, or of any other form of attribution right, or in any other manner. The nominal amount of the total debt securities to be issued may not exceed 300 million euros or the equivalent foreign currency amount or any monetary units established with reference to a basket of currencies. This authorisation would be delegated for a period of 26 months. The issuing of such instruments giving access to debt securities would have the effect of enabling, at the appropriate time, all types of complex securities to be issued leading to the immediate or future issue of debt instruments, whether in France, abroad and/or on the international markets, in accordance with the interests of the Company and its funding requirements. The Board would determine the characteristics of the instruments to be issued, and those of the debt securities to which they would provide a right of attribution, and would determine the bases of redemption of both the instruments to be issued and the debt securities to which they would provide a right of attribution. If necessary, the Board could decide to provide a guarantee or surety for both the instruments to be issued and the debt securities to which they would provide a right of attribution, and to determine their nature and characteristics.

Delegation of authority to the Board of Directors for the purpose of increasing the Company's share capital by means of incorporation of reserves, retained earnings or share premiums (20th resolution)

We request that you delegate authority to the Board of Directors for the purpose of increasing the Company's share capital by means of incorporation of reserves, retained earnings or share premiums. Such transactions, which do not necessarily involve the issue of new shares, are covered by a specific provision of Article L. 225-130 of the French Commercial Code and must be decided by shareholders in accordance with the conditions of quorum and majority applying to ordinary meetings. This delegation of authority would also be conferred for a period of 26 months. It would enable the Board to decide one or several share capital increases up to a maximum limit of 20 million euros of nominal share capital before taking into account the additional nominal amount of any shares to be issued in respect of the adjustments required to protect the interests of the holders of the rights attaching to other securities providing access to shares. All powers would be conferred on the Board of Directors for the purposes of, in particular, determining the nature and amount of the sums to be incorporated, and also factors such as the procedure or procedures for increasing the nominal amount of the existing shares and/or granting bonus shares, performing all the formalities required (including the requisite modification of the Company's Articles) and effecting any adjustments required by law.

Delegation of authority to the Board of Directors for the purpose of carrying out share capital increases for the benefit of the members of a Group employee savings plan (21st resolution)

We request that you delegate authority to the Board of Directors for the purpose of increasing the Company's share capital within the scope of the provisions of the French Commercial Code (Articles L. 225-129-6, L. 225-138 I and II and L. 225-138-1) and the French Employment Code (Article L. 3332-18 *et seq.*) as applicable to the issue of shares, or of other securities providing access to existing or future shares of the Company, reserved for the benefit of employees and former employees participating in an employee savings plan administered by PagesJaunes Groupe, or to the allocation of bonus shares, or of other securities providing access to existing or future shares of the Company, by means in particular of the incorporation of reserves, retained earnings or share premiums, subject to the applicable legal and regulatory limits. This delegation of authority would be provided for 26 months and for a maximum nominal amount of increased PagesJaunes Groupe share capital (including by means of incorporation of reserves, retained earnings or share premiums), immediately or at a later date, as a result of all issues performed by virtue of this delegation of authority, of 1,122,000 euros representing approximately 2% of the Company's share capital, but before taking into account the nominal amount of any eventual shares to be issued in respect of the adjustments required to protect the interests of the holders of the rights attaching to other securities providing access to shares. The subscription price for the new shares would be equal to the average of the opening quoted prices for the PagesJaunes Groupe share during the twenty stock market sessions preceding the date of the decision fixing the date for subscriptions to be opened, less the maximum discount of 20%, subject to the faculty for the Board of Directors to reduce the amount of this discount if judged opportune, in particular in the event of an offer made to the members of an employee savings plan of securities on the international market and/or abroad in order to comply with the local legal requirements. The Board of Directors may also substitute an allocation of bonus shares or other securities for all or part of this discount under the terms of the provisions set out below.

The Board of Directors would have the faculty of making free attributions of shares or other securities providing access to the Company's shares. Such share capital increase implies that you suppress, in favour of such employees and former employees, shareholders' preferred right of subscription of the shares or other securities providing access to the Company's shares to be issued in the framework of this delegation of authority, and that you waive any right in respect of the free shares or other securities attributed on the basis of this delegation of authority to those same employees and former employees.

In the framework of this delegation of authority, the Board of Directors would dispose of the necessary powers for its implementation and for the correlative modification of the Company's Articles.

Authorisation for the Board of Directors to reduce the Company's share capital by cancellation of shares (22nd resolution)

In relation with the 5th resolution already submitted for your approval, and as provided for by Article L. 225-209 of the French Commercial Code, we propose in the 22nd resolution that you authorise the Board of Directors, for a period of 18 months, to cancel all or part of any PagesJaunes Groupe shares acquired in the framework of the buy-back programme if authorised by the adoption of the 5th resolution (or of any share buy-back programme implemented previously or subsequently) and, in consequence, to reduce the Company's share capital. In accordance with the law, shares may only be cancelled up to a maximum of 10% of the Company's capital per period of 24 months. The Board of Directors would decide that any excess of the share purchase price over their nominal amount would be allocated against the share premium account or any available reserve, including the legal reserve subject to a limit of 10% of the share capital reduction. You would delegate all powers to the Board, with the Board's faculty to delegate in turn in accordance with the law, for the purposes of performing the share capital reduction resulting from cancellation of the shares as outlined above, as well as for making the requisite amendment to the Company's Article 6.

ADDITIONAL REPORT IN THE EVENT OF UTILISATION OF THE DELEGATIONS OF AUTHORITY

If the Board of Directors were to make use of any delegations of authority granted, it would prepare an additional report required by virtue of the law and regulations applicable at the time of use.

The Company's Statutory Auditors shall also prepare a report to the Board of Directors required by virtue of the law and regulations applicable at the time of use of each delegation of authority.

The financial delegations of authority already conferred on the Board of Directors by shareholders are shown in section 21.1.1 of the Company's reference document.

The Board of Directors recommends that you adopt the resolutions submitted for your vote.

Drawn up in Sèvres,

The Board of Directors

■ Financial results over the last five years

(Articles 133-135-148 of the decree of 23 March 1967)

Type of indications	2005	2006	2007	2008	2009
<i>(excluding capital, amounts in thousands of euros)</i>					
1 - Financial position at year-end					
a) Share capital	55,757,922	56,053,356	56,128,890	56,196,951	56,196,951
b) Number of ordinary shares	278,789,610	280,266,780	280,644,450	280,984,754	280,984,754
2 - Total income from operations					
a) Revenue net of taxes	9,827	8,304	6,602	4,995	7,171
b) Earnings before tax, profit-sharing, depreciation and provision	236,001	196,911	150,500	172,392	229,857
c) Profits tax	(6,611)	(26,971)	(54,862)	(55,863)	(42,491)
d) Profit-sharing for the year	-	-	-	-	-
e) Earnings after tax, depreciation and provision	242,143	226,726	220,207	128,397	273,456
f) Total profit paid out in n+1 ⁽¹⁾	284,365	303,070	269,419	269,454	182,640
3 - Earnings per share (in euros)					
a) Earnings after tax and profit-sharing but before depreciation and provision	0.87	0.80	0.73	0.81	0.97
b) Earnings after tax, profit-sharing, depreciation and provision	0.87	0.81	0.78	0.46	0.97
c) Dividend per share paid out in n+1 ⁽¹⁾	1.02	1.08	0.96	0.96	0.65
4 - Staff					
a) Average headcount during the year	27	34	31	30	32
b) Total payroll	3,969	3,996	3,819	3,937	7,865
c) Total social contributions paid out	1,587	1,555	1,596	1,559	2,830

(1) Or proposed to the General Shareholders' Meeting during the previous year (before adjustment for treasury shares).

■ Table of subsidiaries and holdings at 31 December 2009

	Capital	Equity excluding capital and before appropriation of net income	Share of capital held as %	Book value of shares held		Loans and advances granted by the Company, not yet repaid (excluding current accounts)	Amount of sureties or warranties given by the Company	Revenue at last year-end	Net income at last year-end	Dividends received by the Company during the year	Observations
				Gross	Net						
<i>(in thousands of euros)</i>											
Detailed information on subsidiaries and holdings											
1/ Subsidiary: more than 50% – owned by the Company											
Cristallerie 2 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 493 023 485	38	(10)	100.00%	38	38	-	-	-	-3	-	Preliminary data, not audited
Cristallerie 3 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 493 104 517	38	(11)	100.00%	38	38	-	-	-	(3)	-	Preliminary data, not audited
Cristallerie 4 SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 501 672 588	38	(8)	100.00%	38	38	-	-	-	(3)	-	Preliminary data, not audited
Euro Directory SA 12-14, bd Grande-Duchesse Charlotte 1330 Luxembourg – Luxembourg RCS Luxembourg B48461	1,625	177	100.00%	14,707	14,707	-	-	0	2,414	2,458	Parent of Editus Luxembourg, 49% holding
Horyzon Média SA 98, rue du Château 92100 Boulogne-Billancourt SIREN: 452 172 786	48	734	95.83%	11,859	11,859	-	-	17,834	334	800	Preliminary data, not audited
Mappy SA 47, rue de Charonne 75011 Paris SIREN: 402 466 643	212	1,789	100.00%	10,048	10,048	-	-	11,692	(1,587)	-	
PagesJaunes SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 444 212 955	4,005,038	435,477	100.00%	4,005,038	4,005,038	-	-	1,098,602	348,609	349,773	
PagesJaunes Marketing Services SA 25, quai Gallieni 92150 Suresnes SIREN: 422 041 426	7,275	7,508	100.00%	7,275	7,275	-	-	14,814	397	-	
PagesJaunes Outre-Mer SA 7, avenue de la Cristallerie 92317 Sèvres Cedex SIREN: 420 423 477	75	271	100.00%	76	76	-	-	18,613	263	150	Preliminary data, not audited
QDQ Media SAU Calle de la Haya 428044 Madrid, Spain RCS Madrid: A81745002	5,500	(6,136)	100.00%	91,719	0	5,000	-	30,672	(10,350)	-	Shares, loans and advances depreciated
2/ Holdings (between 10% and 50%)											
None											

20.4 Verification of historic annual financial information

PagesJaunes Groupe

Financial year ending 31 December 2009

■ Auditors' report on the annual accounts

Dear Shareholders,

In compliance with the assignment entrusted to us at your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying annual financial statements of PagesJaunes Groupe;
- the justification of our assessments;
- the specific verifications and information required by French law.

These annual financial statements have been drawn up by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective test procedures, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management and the overall presentation of the financial statements. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

In our opinion, the financial statements present fairly, in all material respects, the financial position and equity of the Company at 31 December 2009 and the results of its operations for the year then ended, in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF THE ASSESSMENTS

These assumptions and estimates were established within a context of economic crisis resulting in a real difficulty of assessing the economic prospects. In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments; we bring to your attention the following matters:

- Your Company management draws up estimates and assumptions which affect the sums set out in the financial statements and the notes thereto. Actual results may differ significantly from these estimates, if different assumptions or circumstances apply. As part of our audit on the annual accounts, we consider that those accounts which are subject to material accounting estimates and for which explanation is therefore required for our assessment include holdings in subsidiaries (Note 3.2 to the annual accounts).
- In accordance with French professional standards for accounting estimates, in relation to the aforementioned assets, we have notably assessed the information and assumptions on which estimates are based (in particular cash flow forecasts prepared by the Company's operating divisions), reviewed calculations made by the Company and the sensitivities of the main values used, compared accounting estimates for previous periods and investigated the procedures used by the management to approve these estimates.
- These assessments were carried out as part of our audit of the financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

In accordance with professional standards in France, we have also performed the specific verifications required by French law.

We have no comments to make on the fair presentation and compliance with the financial statements of the information given in the directors' report and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In relation to the information supplied pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code concerning the remuneration and benefits paid to corporate officers and the commitments enacted in their favour, we have verified their compliance with the accounts or with the data employed to draw up the accounts, or items collated by your Company concerning companies controlling your Company or which are controlled by it. On the basis of this work, we certify the exact and sincere nature of this information.

In accordance with French law, we have ensured that the required information concerning the purchase of investments and controlling interests and the names of the principal shareholders has been disclosed to you in the directors' report.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

PagesJaunes Groupe

Financial year ended 31 December 2009

■ Auditors' report on the consolidated financial statements

Dear Shareholders,

In compliance with the assignment entrusted to us at your General Shareholders' Meeting, we hereby report to you, for the year ended 31 December 2009, on:

- the audit of the accompanying consolidated financial statements of PagesJaunes Groupe,
- the justification of our assessments;
- the specific verification required by French law.

These consolidated financial statements were drawn up by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes verifying, by audit sampling and other selective test procedures, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used, the significant estimates made by the management, and the overall presentation of the financial statements. We believe that the evidence we have gathered in order to form our opinion is adequate and relevant.

We certify that the consolidated financial statements provide a true and fair view of the assets, liabilities, financial position and results of the Consolidated Group in accordance with the accounting rules and principles applicable under IFRS standards, as adopted by the EU.

Without prejudice to the abovementioned opinion, we wish to draw your attention to note 2 setting forth changes to accounting methods arising from new standards and interpretations as of 1 January 2009.

II. JUSTIFICATION OF THE ASSESSMENTS

These assumptions and estimates were established within a context of economic crisis resulting in a real difficulty of assessing the economic prospects. In accordance with the requirements of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments; we bring to your attention the following matters:

As specified in note 2 of the notes to the consolidated financial statements, your Company's Management makes estimates and assumptions which have a bearing on the accounts shown in the financial statements and accompanying notes. This note also points out that the actual results may ultimately prove different from these estimates, if the assumptions or conditions on which they are based should change. As part of our audit of the consolidated accounts at 31 December 2009, we believe that those accounts which are subject to material accounting estimates and for which explanation is therefore required for our assessment include goodwill, non-current provisions and staff benefits.

In accordance with the professional standards concerning the assessment of these accounts, we have observed the following:

- in relation to the aforementioned assets, we have assessed the information and assumptions on which estimates are based (in particular cash flow forecasts prepared by the Company's operating divisions), reviewed calculations made by the Company and the sensitivities of the main values used, assessed the principles and methods used to calculate fair values, compared accounting estimates for previous periods with the corresponding actual amounts, and investigated the procedures used by the Management to approve these estimates;
- with respect to non-current provisions and staff benefits, we have assessed the basis on which these provisions were raised, reviewed risk-related information contained in the notes to the consolidated financial statements and investigated the procedures used by the Management to approve these estimates.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole and, therefore, served in forming our audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

In accordance with professional standards in France, we have also performed the specific verification required by French law in relation to the information provided in the Group management report.

We have no matters to report regarding its fair presentation and consistency with the consolidated financial statements.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

20.5 Dividend distribution policy

■ Extraordinary distribution of reserves

The General Shareholders' Meeting of 20 November 2006 decided to proceed with an extraordinary distribution of 9 euros per share – total distribution was therefore approximately 2.5 billion euros.

This extraordinary distribution was paid out of "Other reserves", once amounts shown in the Company's accounts as carryforwards had been transferred to this item. It was funded partly by the Company's available cash and partly by a loan taken out with a banking pool.

■ Dividend for the 2006 fiscal year

The General Shareholders' Meeting of 26 April 2007 decided to pay out a dividend of 1.08 euro per share.

■ Dividend for the 2007 fiscal year

The General Shareholders' Meeting of 29 April 2008 decided to pay out a dividend of 0.96 euro per share.

■ Dividend for the 2008 fiscal year

The General Shareholders' Meeting of 11 June 2009 decided to pay out a dividend of 0.96 euro per share.

■ Dividend for the 2009 fiscal year

The meeting of the PagesJaunes Groupe Board of Directors on 18 February 2010 decided to propose payment of a dividend of 0.65 euro per share to the General Shareholders' Meeting scheduled for 10 June 2010.

20.6 Legal and arbitration proceedings

In the normal course of business, the Company is involved in various legal, arbitration, and administrative proceedings.

Provisions are only raised for costs which may result from such proceedings where these are considered likely and their amount can be either quantified or estimated within a reasonable range. In the latter case, the amount of any provision equates to the lowest estimate in the range. The amount of any provisions recorded is based on a case-by-case assessment of the level of risk, and does not depend primarily on how far proceedings have progressed. It is, however, specified that events which occur during the proceedings can lead to the reassessment of these risks.

With the exception of the proceedings described in note 33 of the notes to the consolidated accounts, "Legal proceedings", neither the Company nor any of its subsidiaries are party to any arbitration proceedings (nor does the Company have any knowledge that any such proceedings has been envisaged by government authorities or by third parties) whose likely outcome could, in the opinion of Company management, have a material negative impact on its performance, activities or consolidated financial position.

There are no other government, legal, or arbitration proceedings, including any pending or threatened proceedings of which the Company is aware, which are likely to have, or which have had within the last 12 months, a significant impact on the Company's and/or the Group's financial position or profitability.

20.7 Material changes in the financial or commercial situation

Any material events which occurred between year-end and 18 February 2010, the date on which the accounts were approved by the Board of Directors, are referred to in note 36 on the consolidated financial statements.

20.8 Statutory Auditors' fees

This table appears in chapter 20.1 "Historic financial information" under note 34.

21 Additional information



21.1 Share capital	174
21.2 Incorporation certificate and Articles of Association	180

21.1 Share capital

RIGHTS AND OBLIGATIONS ATTACHED TO SHARES (ARTICLE 10 OF THE ARTICLES OF ASSOCIATION)

Each share entitles the holder to a share in the profits, ownership of Company assets and liquidating dividend, in equal proportion to the share of capital it represents. In addition, each share entitles its holder to vote and be represented at General Shareholders' Meetings, in accordance with legal and statutory conditions. Ownership of shares automatically implies full adherence to the Company's Articles of Association and decisions taken at General Shareholders' Meetings.

Shareholders are only liable for losses up to the amount of their contribution to capital.

A shareholder's heirs, creditors, successors or representatives may not request that the Company's assets, securities or shares be placed under seal, divided or put up for public auction, or interfere in the Company's management. In order to exercise their rights, they must rely on lists of Company assets and liabilities and decisions taken at General Shareholders' Meetings.

Where exercising a particular right requires multiple shares to be owned, shareholders who do not own the required number of shares must take it upon themselves to form a group or, where appropriate, to purchase or sell shares as necessary.

21.1.1 Share capital

At the registration date of this reference document, the Company's share capital amounted to 56,196,950.80 euros divided into 280,984,754 fully paid-up shares with a face value of 0.20 euro each, all of the same class.

UNISSUED AUTHORISED CAPITAL

The Combined General Shareholders' Meeting of 11 June 2009 granted certain authorisations in the conditions set forth in the table below:

Shares concerned	Period of authorisation and expiry	Maximum amount of debt securities	Maximum nominal amount of share capital increase
Issues with preferred subscription rights (capital increase, all securities)	26 months 11 August 2011	Debt securities: 300 million euros	20 million euros
Issues without preferred subscription rights (capital increase, all securities)	26 months 11 August 2011	Debt securities: 300 million euros	10 million euros
Issues of ordinary shares and securities giving access to ordinary shares where the Company initiates an exchange offer	26 months 11 August 2011	Debt securities: 300 million euros	10 million euros
Issues of ordinary shares and securities giving access to ordinary shares in remuneration for in-kind contributions granted to the Company	26 months 11 August 2011	Debt securities: 300 million euros	10% of capital, i.e. 5,619,995 euros
Issue of securities giving entitlement to debt securities	26 months 11 August 2011	Debt securities: 300 million euros	-
Capital increases through capitalisation of reserves, profits, or premiums	26 months 11 August 2011	-	20 million euros
Capital increases for the benefit of members of company and/or employee savings plan(s)	26 months 11 August 2011	-	1,122,000, i.e. around 2% of share capital
Reduction of capital by cancellation of ordinary shares	18 months 11 December 2010		Cancellation of 10% of the Company's capital
Assignment of options for subscription and/or purchase of ordinary shares	38 months 11 August 2012		1% of capital

The full text of the resolutions that will be submitted to a vote by shareholders at the General Shareholders' Meeting on 10 June 2010 is shown in the annex to this document.

With the exception of the resolution concerning the granting of options for subscription and/or purchase of shares (See 17.2 in this reference document), at the date of this reference document the PagesJaunes Groupe Board has not implemented these authorisations.

(with the exception of authorisation to reduce capital by cancelling ordinary shares, which is valid for a period of 18 months):

Shareholders will be asked to renew these authorisations at the Combined General Shareholders' Meeting on 10 June 2010, under the terms set out in the following table and for a period of 26 months

Shares concerned	Period of authorisation and expiry	Maximum amount of debt securities	Maximum nominal capital increase
Issues with preferred subscription rights (capital increase, all securities)	26 months 10 August 2012	Debt securities: 300 million euros	20 million euros
Issues of public offers without preferred subscription rights (capital increase, all securities)	26 months 10 August 2012	Debt securities: 300 million euros	10 million euros
Issues of offers set out in section II of Article L. 411-2 of the Monetary and Financial Code with preferred subscription rights (share capital increase, all securities)	26 months 10 August 2010	Debt securities: 300 million euros	10 million euros
Issues of ordinary shares and securities giving access to ordinary shares in the event of a public exchange offer initiated by the Company	26 months 10 August 2012	Debt securities: 300 million euros	10 million euros
Issue of securities giving entitlement to ordinary shares as remuneration for in-kind contributions granted to the Company	26 months 10 August 2012	Debt securities: 300 million euros	10% of capital, i.e. 5,619,695 euros
Issue of securities giving entitlement to allocation of debt securities	26 months 10 August 2012	Debt securities: 300 million euros	-
Capital increase through the incorporation of reserves, profits or premiums	26 months 10 August 2012	-	20 million euros
Capital increase for the benefit of members of company and/or employee savings plans	26 months 10 August 2012	-	1,122,000, i.e. around 2% of share capital
Reduction of capital by cancellation of ordinary shares	18 months 10 December 2011		Cancellation of 10% of the Company's capital in 24-month periods

The full text of the resolutions that will be submitted to the vote of the shareholders at the General Shareholders' Meeting on 10 June 2010 may be found in the annex to this document.

OTHER SECURITIES GIVING ACCESS TO CAPITAL

At the registration date of this reference document, there are no other securities giving access to the Company's capital.

21.1.2 Shares not representing capital

At the registration date of this reference document, there are no shares which are not representative of capital.

21.1.3 Acquisition by the Company of its own shares

Pursuant to Articles L. 225-209 and following of the Commercial Code, the Board of Directors was authorised at the General Shareholders' Meeting on 11 June 2009 to acquire Company shares, by any method, on or off market, up to a maximum of 10% of the Company's share capital as at the date of the General Shareholder's Meeting, and thereafter and throughout the validity period of this authorisation, up to a maximum of 10% of the share capital existing at the time, under the following conditions:

- the maximum purchase price may not exceed 15 euros per share. In the event of capital transactions, including capitalisation of reserves and allocation of bonus shares, and/or share splitting or consolidation, this price will be adjusted accordingly. If any shares thus acquired were to be used to allocate shares free of charge in accordance with Articles L. 3332-1 and following of the Labour Code, the sale price or exchange value of the shares allocated would be calculated in accordance with specifically applicable legal provisions;
- this authorisation is valid for a period of 18 months; any acquisitions made by the Company by virtue of this authorisation may not under any circumstances lead to its owning, directly or indirectly, more than 10% of the shares making up the share capital;
- shares may be acquired or transferred subject to the conditions and limits, particularly with respect to volumes and prices, set out in the applicable laws as at the transaction date. This includes public offer periods, on condition that transactions during these periods are fully paid for in cash. Transactions may be undertaken by any method, whether on the open market or over the counter, including block purchase or sale, the use of derivative financial instruments or warrants or securities giving access to Company shares, or by setting up options strategies, under the terms set out by the market authorities, as and when the Board of Directors or its authorised representative considers appropriate.

The Board of Directors has decided to submit a proposal to the shareholders to terminate, with immediate effect as at the date of the General Shareholders' Meeting, the authorisation delegated at the Meeting on 11 June 2009, and to delegate a new authorisation to the Board of Directors.

The draft resolution on the new share buy-back programme, which will be proposed to shareholders at the Combined General Shareholders' Meeting on 10 June 2010, is appended to this document.

DEBT SECURITIES

At the General Shareholders' Meeting on 11 June 2009, authority was delegated to the Board of Directors to issue, on one or more occasions, in France, abroad and/or on the international market, securities giving immediate or future rights to the allocation of debt securities such as bonds and similar instruments, fixed-term or open-ended subordinated securities, or any other securities which would convey, by way of a single issue, a single type of claim against the Company.

The nominal amount of all of the aforementioned securities to be issued cannot exceed 300 million euros, or the equivalent of this amount in foreign currency or in any monetary units determined by reference to several currencies. This maximum nominal amount shall apply in general to the debt securities to which the securities give entitlement to immediate or future allotment, although this same amount does not include above-par redemption premiums, if any were planned.

This authorisation is delegated for a period of 26 months.

The Board of Directors has decided to submit a proposal to the shareholders to terminate, with immediate effect as at the date of the General Shareholders' Meeting, the authorisation granted at the Meeting on 11 June 2009, and to grant a new authorisation to the Board of Directors.

STOCK OPTION PLANS

At the Combined General Shareholders' Meeting on 12 April 2005, the Board of Directors was authorised, in accordance with Articles L. 225-177 and following of the Commercial Code, to grant, on one or more occasions and under the following conditions, options to subscribe or purchase Company shares. The total number of options which may be granted under this authorisation may not lead to an entitlement to subscribe or acquire a number of ordinary shares which would represent, at the allocation date, more than 2% of the Company's capital as at the date of this Meeting.

Under the terms of this authorisation, at a meeting on 28 June 2005 the Board of Directors decided to set up a PagesJaunes Groupe stock option plan for the entire PagesJaunes Groupe except QDQ Media, together with a specific PagesJaunes Groupe stock option plan for QDQ Media, giving a right to subscribe 3,830,400 new shares, *i.e.* approximately 1.35% of capital at the date of the Combined General Shareholders' Meeting of 12 April 2005. The subscription price was set at 19.30 euros per share, corresponding to the average listed price over the 20 trading sessions prior to 28 June 2005.

At its meeting on 20 December 2007, the Board of Directors decided to implement a PagesJaunes Groupe share subscription option plan for the entire PagesJaunes Groupe, with the entitlement to subscribe to 2,927,900 new shares. The subscription price was set at 14.46 euros per share, corresponding to the average listed price over the 20 trading sessions prior to 20 December 2007.

At the Combined General Shareholders' Meeting on 11 June 2009, the Board of Directors was authorised, in accordance with Articles L. 225-177 and following of the Commercial Code, to grant, on one or more occasions and under the following conditions, options to subscribe or purchase Company shares. The total number of options which may be granted under the 27th resolution at the aforementioned meeting may not lead to an entitlement to subscribe or acquire a number of ordinary shares which would represent, at the allocation date, more than 1% of the Company's capital as at the date of this Meeting.

The beneficiaries must be staff members or corporate officers (as defined in Article L. 225-185) of the Company, or of Companies or groups which are related to the Company as defined in Article L. 225-180 of the Commercial Code. Options may be granted by the Board of Directors to some or all of these persons.

This authorisation is granted for a period of 38 months.

Each option shall entitle the holder to subscribe or acquire one new or existing ordinary share, as applicable.

The shares which may be obtained by exercising share purchase options granted under the 27th resolution of the Combined General Shareholders' Meeting of 11 June 2009 must be acquired by the Company, either under the terms of Article L. 225-208 of the Commercial Code or, if applicable, under the share buy-back programme covered by the 5th resolution approved by the aforementioned Meeting pursuant to Article L. 225-209 of the Commercial Code or any subsequently applicable share buy-back programme.

The Board of Directors shall set the exercise price for options granted under this resolution according to the following terms:

- the exercise price of options to subscribe or purchase ordinary shares may not be less than the average price of PagesJaunes Group shares listed on the Eurolist Euronext market over the 20 trading sessions prior to the date on which the options are granted, and no options may be granted less than 20 trading sessions after coupons giving rights to dividends or capital increases have been detached from shares;
- in addition, the exercise price of purchase options may not be less than 80% of the average purchase price of the ordinary shares held by the Company under the terms of Article L. 225-208 of the Commercial Code or, if applicable, under the share buy-back programme authorised by the 5th resolution submitted to this meeting pursuant to Article L. 225-209 of the Commercial Code, or any subsequently applicable share buy-back programme.

Any options allocated must be exercised within 10 years of the date when they are granted by the Board of Directors.

In accordance with this authorisation, the Board of Directors carried out three allocations, as follows:

- at its meeting on 23 July 2009, the Board of Directors decided to implement a PagesJaunes Groupe stock option plan for the entire PagesJaunes Groupe, with the entitlement to subscribe 1,145,000 new shares. The subscription price was set at 6.71 euros per share, corresponding to the average listed price over the 20 trading sessions prior to 23 July 2009;
- at its meeting on 29 October 2009, the Board of Directors decided to implement a PagesJaunes Groupe stock option plan for the entire PagesJaunes Groupe, with the entitlement to subscribe 87,000 new shares. The subscription price was set at 8.843 euros per share, corresponding to the average listed price over the 20 trading sessions prior to 29 October 2009;
- at its meeting on 17 December 2009, the Board of Directors decided to implement a PagesJaunes Groupe stock option plan for the entire PagesJaunes Groupe, with the entitlement to subscribe 75,000 new shares. The subscription price was set at 7.821 euros per share, corresponding to the average listed price over the 20 trading sessions prior to 17 December 2009.

BONUS SHARES

At the General Shareholders' Meeting on 19 April 2006, the Company's Board of Directors was authorised to carry out one or more bonus issues of existing or future ordinary Company shares, under terms to be defined by itself and subject to the conditions set out below.

The beneficiaries are the employees and/or corporate officers (as defined in Article L. 225-197-1 of the Commercial Code) of the Company, or of Companies or groups which are related to the Company as defined in Article L. 225-197-2 of the Commercial Code or certain categories of the above.

The total number of ordinary shares allocated free of charge under the terms of this resolution may not represent more than 0.5% of the Company's capital at the date of the General Shareholders' Meeting of 19 April 2006.

Under the terms of this authorisation, the Board of Directors decided at its meetings on 30 May 2006, 20 November 2006 and 14 February 2008 to implement three bonus share issue plans.

Under the plan of 30 May 2006, 602,361 shares were initially allocated to 591 Group employees.

Under the plan of 20 November 2006, 778,638 shares were initially allocated to 611 Group employees.

Under a third plan enacted on 14 February 2008, 12,940 shares were allocated to 15 Group employees.

This authorisation expired on 19 June 2009, and was not renewed.

CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR SECURITIES WITH WARRANTS

At the registration date of this reference document, there are no convertible or exchangeable securities or securities with warrants.

INFORMATION ON THE CONDITIONS GOVERNING ANY RIGHTS TO PURCHASE AND/OR ANY OBLIGATIONS ATTACHED TO PARTIALLY PAID SUBSCRIBED CAPITAL

Information relating to authorisations to issue shares given to the Board of Directors at the General Shareholders' Meeting on 11 June 2009 is set out in section 21.1.1.

INFORMATION CONCERNING THE CAPITAL OF ANY GROUP MEMBER SUBJECT TO A CONDITIONAL OR UNCONDITIONAL OPTION OR AGREEMENT

At the registration date of this reference document, no member of the Group benefits from this type of option or agreement.

21.1.4 Record of capital and voting rights

Information relating to the breakdown of the Company's capital is included in chapter 18 of this document, entitled "Major shareholders".

CHANGES IN CAPITAL OVER THE LAST FIVE YEARS

Date	Transaction	Number of shares issued	Nominal amount of capital increase	Issue premium per share	Total amount of issue premium	Successive sums of capital	Number of shares	Nominal value
Combined General Meeting of 27 May 2004	Division of nominal value	274,050,000	-	-	-	€54,810,000	274,050,000	€0.20
Stock market listing July 2004	Share capital increase reserved for employees of the France Télécom group	4,739,610	€947,922	€11.10	€52,609,671	€55,757,922	278,789,610	€0.20
15 January 2007	Recording of capital increase resulting from exercise of subscription options in 2006	1,477,170	€295,434	€17.60	€25,990,960.40	€56,053,356	280,266,780	€0.20
15 January 2008	Recording of capital increase resulting from exercise of subscription options in 2007	377,670	€75,534	€11.52	€4,350,758.40	€56,128,890	280,644,450	€0.20
25 February 2009	Recording of capital increase resulting from bonus share allocations in 2008	340,304	€68,060.80	-	-	€56,196,950.80	280,984,754	€0.20

COMMENTS ON MATERIAL CHANGES IN THE BREAKDOWN OF THE COMPANY'S CAPITAL DURING THE LAST THREE YEARS

The shares making up the capital of PagesJaunes Groupe were admitted for trading on the Paris Euronext *Premier Marché* on 8 July 2004. The PagesJaunes Groupe's initial public offering (set out in a transaction memorandum approved by the *Autorité des marchés financiers* on 21 June 2004 as no. 04-614) was undertaken by means of:

- the sale by Wanadoo of existing shares (the "Distribution") by way of a public offering in France in the form of an open-price offering intended mainly for private individuals;
- an overall distribution intended for institutional investors;
- an offering of new shares resulting from capital increases restricted to employees, carried out at the same time as the Distribution.

The number of shares sold by way of the Distribution was 101,200,000, after all over-allocation options had been exercised by the banks responsible for the Distribution. In addition, 4,739,610 new shares were subscribed by way of the capital increases restricted to employees.

At the end of a competitive bidding process initiated in June 2006, France Télécom sold to Médiannuaire, in the context an off-market block sale undertaken in compliance with the provisions of Articles 516-2 and following of the AMF General Regulations, 150,546,830 PagesJaunes Group shares representing approximately 54% of the capital and voting rights in the Company. This sale was completed on 11 October 2006 in return for payment by Médiannuaire to France Télécom of an overall price of 3,312,030,260 euros *i.e.* 22 euros per share sold.

By way of a letter to the AMF and the Company dated 18 October 2006, Médiannuaire confirmed that it had exceeded the 5%, 10%, 15%, 20%, 25%, 1/3, and 50% capital and voting rights thresholds on 11 October 2006. In the same letter, Médiannuaire declared its intention to file a standing tender offer with respect to the Company's shares, in accordance with applicable regulations. This declaration was the subject of an official notification published by the AMF on 19 October 2006 under reference 206C 1925.

Under the terms of Articles 235-1 to 235-3 of the *Autorité des marchés financiers* General Regulations, Médiannuaire irrevocably offered to acquire from PagesJaunes Groupe shareholders any shares tendered under this standing tender offer during a 15-day trading period, from 10 November to 1 December 2006 inclusive.

Following the PagesJaunes Groupe General Shareholders' Meeting on 20 November 2006, at which it was decided to proceed with an extraordinary dividend distribution of 9 euros per share, the standing tender offer was divided into two periods. Shareholders were thereby given the choice of selling their shares before the dividend distribution at a unit price of 22 euros from 10 November to 23 November 2006 inclusive or after the distribution at a unit price of 13 euros from 24 November to 1 December 2006 inclusive.

As a result of the standing tender offer, Médiannuaire confirmed on 23 November 2006 that it had acquired 1,753,862 shares at a unit price of 22 euros per share during the first period, and confirmed on 7 December 2006 that it had acquired 1,339,495 shares at a unit price of 13 euros per share during the second period.

PLEDGES

See chapter 18.5 of this document.

TRADING IN COMPANY SHARES

Month	Lowest price (in euros)	Highest price (in euros)	Last price (in euros)	Number of shares traded	Capital (in euros)
January 2009	6.65	7.74	6.90	15,195,886	109,070,445
February 2009	5.96	7.24	6.74	18,872,341	124,719,620
March 2009	6.27	6.67	6.37	17,051,764	109,933,866
April 2009	6.40	8.27	8.27	17,176,548	125,905,634
May 2009	8.11	8.65	8.55	11,211,777	93,675,848
June 2009	6.93	9.00	6.93	21,808,783	170,689,024
July 2009	6.46	7.60	7.57	20,605,698	141,883,536
August 2009	7.32	8.00	7.79	8,886,527	68,340,535
September 2009	7.68	8.93	8.86	12,167,874	103,193,331
October 2009	8.30	9.14	8.35	12,222,896	107,665,225
November 2009	7.77	8.57	7.88	10,761,665	88,567,341
December 2009	7.51	7.91	7.80	11,674,831	89,489,983
January 2010	7.49	7.95	7.81	13,678,211	105,498,610

Source: NYSE Euronext.

21.2 Incorporation certificate and Articles of Association

21.2.1 Corporate purpose

In accordance with Article 3 of the Articles of Association, the Company's corporate purpose, in France and abroad, is:

- to acquire and hold shares, interests, or other securities in French or foreign legal entities, to define the policies to be implemented by subsidiary companies and to provide any and all services to companies in which it holds shares;
- to acquire by any means, without exception or reservation, to hold by any means and in any capacity, to manage and, if appropriate, to transfer by any means, without exception or reservation, all or part of any majority or minority interests that may be directly or indirectly related to the Company's corporate purpose and to any similar or ancillary purpose.

Moreover, the Company's purpose in France and abroad is also:

- to publish, on its own behalf or on behalf of third parties, directories using any current or future publication processes and means, to provide information services by any current or future processes and means and to carry on the business of advertising in all its forms, by any method and for any purpose;
- to advise on, research, design, develop, update, and maintain all services related to any type of information distribution system on an open or closed network, whether interconnected *via* computer or telephone, wire-based, *via* satellite, cable or other methods, in addition to any other activity related to such services, and more particularly to Internet or intranet sites;

- to collect, acquire, enhance, manage, process, market, or host all types of data and files;
- to carry on any activities directly or indirectly related to such services, or which are a prerequisite or accessory to or a condition or extension of such services, or which are likely to encourage or develop them;
- in general, to undertake any industrial, commercial, financial, civil, real estate or non-real estate operations which may be directly or indirectly related to any of the aforementioned corporate purposes or to any similar or related corporate purposes.

PROVISIONS IN THE INCORPORATION CERTIFICATE, ARTICLES OF ASSOCIATION OR INTERNAL REGULATIONS CONCERNING MEMBERS OF THE ADMINISTRATION AND MANAGEMENT BODIES

The Company is managed by a Board of Directors consisting of between three and 18 members (subject to legal exceptions in the event of a merger). There are currently 11 Directors on the Board.

Directors are elected by shareholders at Ordinary General Shareholders' Meetings. Each director must hold at least one Company share. Pursuant to the Company's Articles of Association, each director is elected for a five-year term. There is no limit to the number of times a director may be re-elected.

The Board of Directors includes a director who represents the Company's employees as well as those of its direct or indirect subsidiaries (as defined in Article L. 225-27 of the Commercial Code) with their registered office on French territory.

This director is elected by way of two rounds of majority voting. All staff members who meet the terms set out by law are eligible to vote and stand for election. Any application for election must include, in addition to the candidate's name, the name of a substitute who may replace him/her in the event of holidays or for any other reason.

The director representing the employees is elected for a five-year term. The first director representing the employees shall take up his or her responsibilities at the first meeting of the Board of Directors to be held after the full results of the first elections have been published. The next director representing the employees shall take up his or her responsibilities on expiry of the term of the previous director representing the employees.

If a director representing the employees ceases to be a member of staff, his or her responsibilities as a director are terminated.

The Board of Directors elects a Chairman from among its members. The Chairman is elected for his or her entire term as a director, and may be re-elected.

The Board of Directors meets whenever the Chairman calls a meeting. Meetings may be called by any method, including verbally in case of emergency, and as often as the Chairman deems necessary. They may be held at the registered office or any other place as indicated in the meeting notification.

Where the Board of Directors has not met for more than two months, at least one-third of the members of the Board of Directors may ask

the Chairman at any time to call a Board meeting based on a specific agenda. The Chief Executive Officer may also ask the Chairman at any time to call a meeting of the Board of Directors to a given agenda.

The Board of Directors' deliberations are only valid if at least half its members are present.

Decisions are taken by majority vote of the members who are present or represented. In the event of a tied vote, the Chairman of the meeting has the casting vote.

Subject to legal and regulatory provisions, meetings of the Board of Directors may be held by means of video-conference or any other means of telecommunication. Any director participating in a Board meeting by means of video-conference or other means of telecommunication is deemed to be in attendance for the purposes of quorum and majority. The Board of Directors sets out the strategic direction for the Company's activities and sees to it that this is implemented. Subject to any powers expressly allocated to shareholders' meetings and within the confines of the corporate purpose, the Board deals with all matters to do with the smooth running of the Company and governs the Company's business through its deliberations.

The Board of Directors may carry out any controls and checks it deems appropriate.

The Chairman or the Company's Chief Executive Officer is required to provide each director with all documents and information required by them to fulfil their duties.

The Company's Articles of Association also enable one or more non-voting Board members (known as *Censeurs*) to be appointed at a General Shareholders' Meeting. These Board members may or may not be shareholders and are chosen on the basis of their reputation or experience.

INTERNAL REGULATIONS

Internal regulations for the Board of Directors were defined at the Board meeting on 23 September 2004. These regulations specify the guiding principles for the functioning of the Board of Directors and the rights and duties of the directors.

The main provisions of the Board of Directors' internal regulations are summarised below.

PREPARATION AND ORGANISATION OF THE BOARD'S WORK

Strategic direction

Pursuant to Article 17 of the Articles of Association, the Board of Directors sets out the strategic direction for the Company's activities and ensures this is implemented.

This means that the Board is involved in all decisions relating to the Company's strategic, economic, corporate, financial, and technological direction and ensures that these decisions are implemented.

The medium-term strategy for the Group's activities is defined each year in a strategic plan which is drafted by the Chief Executive Officer and presented to the Board of Directors for approval. This draft includes

in particular projected trends for the Group's key operational and financial indicators. The Chief Executive Officer presents a draft annual budget based on the proposed strategy.

The Chief Executive Officer is responsible for implementing the strategy set out in the strategic plan.

The Chief Executive Officer informs the Board of any problems or, more generally, any matter which may affect the achievement of any of the objectives in the strategic plan.

Board Committees

In order to prepare its work, the Board of Directors has created an Audit Committee, a Remuneration and Appointments Committee and a Strategy Committee.

The operating terms and areas of authority of each Committee are stipulated in the Committees' Charters, which are approved by the Board of Directors.

DIRECTORS' DUTIES AND RESPONSIBILITIES

Directors' duty of confidentiality

Directors are required to maintain strict confidentiality with regard to the content of discussions and deliberations by the Board and its Committees and any information presented to them.

Directors' duty to act independently

In carrying out the mandate entrusted to them, directors must make all decisions independently of any interest other than that of the Company.

Each director is required to inform the Chairman of any situation affecting them which could create a conflict of interest with the Company or any Group Company. Where appropriate, the Chairman may seek the opinion of the Remuneration and Appointments Committee.

Once this has been done, it is the responsibility of the director in question to act accordingly, under the terms of the applicable legislation.

Directors' duties with regard to Company shares

Each director must hold at least one Company share.

Any Company shares held by directors at the time they take up their roles must be registered in their own names. This also applies to any shares they acquire during their term of office.

Directors are forbidden to:

- undertake any transaction involving shares in any listed Group Company where they have inside information;
- undertake, directly or indirectly, short-selling of such shares.

The first of the above bans applies in particular to the period when the Group's annual and half-yearly results, as well as quarterly reports, are being prepared and presented.

It also applies during special periods when projects or transactions which justify such a ban are being prepared.

The Professional Ethics Charter, which in particular sets out rules relating to insider information, is applicable to the directors.

Directors' duty of diligence

In accepting the office entrusted to them, directors agree to fully embrace all their responsibilities and, in particular, to:

- dedicate whatever time is required to studying matters dealt with by the Board and, if applicable, any Committees of which they are members;
- request any additional information they consider necessary;
- ensure that these regulations are enforced;
- freely form their own opinion prior to any decision, with only the Company's best interests in mind;
- actively participate in all Board meetings, unless they are prevented from doing so;
- put forward any proposals which might lead to improved working conditions for the Board and its Committees.

The Board constantly seeks to improve information communicated to shareholders. Each director must play a part in achieving this goal, particularly through his or her contribution to the work of the Board's Committees.

Directors undertake to tender their resignation to the Board when they believe, in good faith, that they are no longer able to fully assume their responsibilities.

PROFESSIONAL ETHICS CHARTER

At its meeting on 23 September 2004, the Board of Directors adopted a Professional Ethics Charter (available on the PagesJaunes Groupe web site at <http://www.pagesjaunesgroupe.com>).

This Charter sets out the Group's values and presents its guiding principles for all dealings with customers, shareholders, employees, suppliers, and competitors. It also sets out how the Group acts with respect to the environment and the countries in which it operates.

In addition, it refers to a number of principles of personal conduct to which each of the Group's employees, directors, and managers must adhere and which encourage honest and ethical conduct on their part, as well as accurate, complete, and timely communication of published information.

The Professional Ethics Charter refers to the principles and rules applicable to stock market ethics and the requirement to comply with them scrupulously. It lays down certain preventive measures, including, in particular, closed periods when "permanent insiders", such as members of the Board of Directors and other senior managers, are not allowed to trade in the Company's shares.

The Professional Ethics Charter applies to each member of the Board of Directors and to all the Group's senior managers and employees.

CHAIRMAN OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The Chairman of the Board of Directors is an individual appointed by the Board from among its members. Furthermore, the Board of Directors may decide whether to separate or combine the roles of Chairman of the Board and Chief Executive Officer. If the decision is taken to separate these roles, the Chief Executive Officer is appointed by the Board of Directors.

At its meeting on 23 September 2004, the Board of Directors decided to separate these roles.

Subject to powers expressly granted by law to General Shareholders' Meetings and to the Board of Directors, and within the confines of the corporate purpose, the Chief Executive Officer has the broadest powers to act on behalf of the Company under all circumstances, with the following stipulations:

- (i) the Chief Executive Officer must present to the Board of Directors each year a draft strategic plan defining the Group's medium-term objectives, and including in particular projected trends for the Group's key operational and financial indicators, in addition to a proposed annual budget;
- (ii) the following decisions must be approved in advance by the Board of Directors:
 - approval of the annual budget and any material changes made to it,
 - approval of annual and three-year business plans,
 - the acquisition or disposal of any part of PagesJaunes Groupe's business or that of any of its subsidiaries, where this is not included in the annual budget and is for a total amount in excess of 10 million euros in any one fiscal year,
 - any investments or divestments not included in the annual budget which concern assets for an amount, including liabilities and other off-balance sheet commitments, in excess of 10 million euros,
 - amendments to the employment contract of, recruiting/appointing or dismissing/removing the financial director of PagesJaunes Groupe, and any amendments to the employment contract of, recruiting/appointing or dismissing/removing any other senior manager of PagesJaunes Groupe whose gross annual remuneration exceeds 200,000 euros shall not give rise to prior authorisation by the Board of Directors, but must give rise to the prior agreement of the Remuneration and Appointments Committee,
 - any increase in the total indebtedness of PagesJaunes Groupe or its subsidiaries of an amount greater than that authorised under the terms of the financing or loan contracts previously authorised by the PagesJaunes Groupe's Board of Directors,
 - any agreement with a view to creating a joint venture with a third party not included in the annual budget and entailing a commitment for PagesJaunes Groupe or one of its subsidiaries, for the duration of the joint venture, to a sum exceeding 10 million euros,
 - any decision to begin proceedings for the admission of securities of PagesJaunes Group or any of its subsidiaries onto a regulated

market and any consecutive transactions with a view to additional admissions of securities of PagesJaunes Group or any of its subsidiaries whose shares are already traded on a regulated market,

- any decision to delist or buy back shares (except share buy-backs under liquidity agreements previously authorised by the Board of Directors),
- the acquisition or subscription, by the PagesJaunes Groupe or any of its subsidiaries, of shares, interests or any other instrument in the capital or giving access to the capital of a Company (x) for a value greater than 10 million euros where the liability of PagesJaunes Groupe or its subsidiaries is limited and the transaction is not included in the annual budget, and (y) irrespective of the amount invested, where PagesJaunes Groupe or any of its subsidiaries is acting as an unlimited liability partner in such a Company,
- any diversification of the business of PagesJaunes Groupe or one of its subsidiaries bearing no relation to the activities previously carried out but not included in the annual budget, entailing a commitment to a sum in excess of 10 million euros,
- any transfer or cessation of one of the main activities of PagesJaunes Groupe or one of its subsidiaries not included in the annual budget or in the three-year business plan,
- the implementation of any profit-sharing plan (as defined in French employment law or any other similar legal provisions in other countries, with the exception of mandatory and voluntary profit-sharing – known as profit-sharing and company savings) within PagesJaunes Groupe or its subsidiaries, or any measure which would lead employees to acquire, directly or indirectly, shares in the capital of PagesJaunes Groupe or its subsidiaries,
- any authorisation or instruction given to a subsidiary of PagesJaunes Groupe to study or undertake any of the operations referred to in this list,
- entering into any agreement not included in the annual budget which would entail PagesJaunes Groupe or its subsidiaries making payments or providing goods and services for an annual amount in excess of 10 million euros,
- any decision relating to plans for the merger or demerger of any PagesJaunes Groupe subsidiary, partial contribution of capital of a business of one of PagesJaunes Groupe's subsidiaries, or lease management of a business belonging to a PagesJaunes Groupe subsidiary, where this is not provided for in the annual budget or three-year business plan, and excluding internal reorganisations with no material impact on PagesJaunes Groupe's position,
- any transfer or disposal in order to grant security, or any decision for the granting of security or pledges, by PagesJaunes Groupe or any of its subsidiaries, so as to meet its obligations with respect to debts or to honour guarantees given in favour of third parties, where these are not included in the annual budget and are for a total amount in excess of 10 million euros in any one fiscal year,
- the granting of any loans by PagesJaunes Groupe or any of its subsidiaries where the cumulative amount is greater than 5 million euros, and no provision has been made for this in the annual budget.

DEPUTY CHIEF EXECUTIVE OFFICERS

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals to assist the Chairman, with the title of Deputy Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is five. In agreement with the Chief Executive Officer, the Board of Directors determines the scope and term of powers granted to Deputy Chief Executive Officers.

RIGHTS, PREFERRED RIGHTS AND RESTRICTIONS ATTACHED TO EACH CLASS OF EXISTING SHARES

Fully paid-up shares may be in registered or bearer form, at the shareholder's discretion. They must be registered until they are fully paid-up. They are registered in the Company's records or with an authorised intermediary under the terms and conditions set out in law.

In order to be able to identify bearer shares, under current legal and regulatory conditions and subject to applicable legal or regulatory sanctions, the Company may ask any organisation or intermediary, including the central custodian of financial instruments, for information required by law or regulations enabling the identification of owners of Company shares giving immediate or future voting rights at General Shareholders' Meetings, and in particular the number of shares held by each of them, and if applicable, any restrictions which may apply to those shares.

Any intermediary registered on behalf of an owner who is not resident in French territory is required, under the terms set out in Article 228-1 of the Commercial Code, to reveal the identity of the owners of such shares within 10 days, on request by the Company or its legal representative at any time.

Where the Company has reason to believe that holders of registered or bearer shares who are known to the Company are holding those shares on behalf of third-party shareholders, it is entitled to ask those holders to reveal the identities of the owners of said shares under the terms set out above.

Where a person to whom a request is made in accordance with the above provisions does not provide the requested information within legal and regulatory timescales, or provides incomplete or incorrect information relative either to their role or to the identity of share owners, the shares or securities giving immediate or future access to share capital for which that person is the registered account holder shall have no voting rights at General Shareholders' Meetings until such time as all matters relating to identity are settled, and payment of any corresponding dividends shall be deferred until that date.

In addition, if a person registered as a holder of shares knowingly disregards the above provisions, the court in whose jurisdiction the Company's registered office is located may, at the request of the Company or one or more shareholders holding at least 5% of the capital, order the full or partial withdrawal, for a total period not exceeding five years, of any voting rights attached to the shares in question and, potentially for the same period, the right to any corresponding dividends.

Where any legal entity owns shares in the Company and has a stake of more than 1/40 of the capital or voting rights, the Company may ask that entity to inform it as to the identities of any persons who directly or indirectly hold more than one third of the entity's share capital or voting rights exercised at the entity's General Shareholders' Meetings.

CHANGES REQUIRED TO MODIFY SHAREHOLDERS' RIGHTS

At the registration date of this reference document, the Articles of Association contain no provisions stricter than those set out in law relating to changes to shareholders' rights.

21.2.2 General Shareholders' Meetings (Articles 11 and 26-32 of the Articles of association)

ACCESS, PARTICIPATION AND VOTING AT GENERAL SHAREHOLDERS' MEETINGS

General Shareholders' Meetings are made up of all shareholders whose shares have been fully paid up and registered in their name by no later than 3 pm (Paris time) on the day prior to the General Shareholders' Meeting, subject to the following conditions:

- in order to attend, vote remotely, or be represented at General Shareholders' Meetings, owners of bearer shares or shares registered in an account not held by the Company must file a certificate prepared by the intermediary holding their account indicating that the shares will not be transferable before the date of the General Shareholders' Meeting, at the place indicated in the notice of

meeting, by no later than 3 pm (Paris time) on the day prior to the General Shareholders' Meeting;

- in order to attend, vote remotely or be represented at General Shareholders' Meetings, owners of shares registered in an account held by the Company must have their shares registered in their account held by the Company by no later than 3 pm (Paris time) on the day prior to the General Shareholders' Meeting.

Access to the General Shareholders' Meeting is open to its members upon submission of proof of their status and identity. If it deems this useful, the Board of Directors may see to it that the shareholders are sent registered and personal admission cards and demand that these cards be shown at the General Shareholders' Meeting.

Owners of Company shares who are not residents of France may be registered in the accounts and represented at General Shareholders' Meetings by any intermediary who is registered on their behalf and holds a general securities management contract. In accordance with legal and regulatory provisions, such intermediaries must declare themselves as intermediaries holding shares on behalf of others at the time their account is opened with the Company or account-holding financial intermediary.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not resident in France and who holds a general mandate to provide a list of the shareholders represented by them and whose rights are being exercised at a General Shareholders' Meeting.

Each member of a General Shareholders' Meeting has as many votes as the number of shares he or she owns or represents, provided that his or her voting rights have not been withdrawn.

Any shareholder may, subject to legal and regulatory conditions, vote remotely or issue authorisation to his or her spouse or to any other shareholder with a view to being represented and voting at a General Shareholders' Meeting.

Remote voting is carried out under the terms and conditions stipulated by legal and regulatory provisions. Voting forms must be received by the Company by 3 pm (Paris time) on the day before the General Shareholders' Meeting at the latest.

Authorisations, remote voting forms, and certificates of non-transferability of shares may be submitted in electronic form as long as they are duly signed, under the terms set out in applicable legal and regulatory provisions.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange for one of them to act as their representative with the Company. This person will be considered by the Company to be the sole owner and representative. In the event of failure to agree, the sole representative may be appointed by the court at the request of the first joint owner to so request. Unless the Company is properly notified of any agreement to the contrary, beneficial owners have the right to vote at Ordinary General Shareholders' Meetings, and bare owners have the right to vote at Extraordinary General Shareholders' Meetings.

General Shareholders' Meetings may be held by video-conference, or by any other means of telecommunication, including the Internet, which enables shareholders to be identified under the conditions set out in applicable legal and regulatory texts.

The General Shareholders' Meetings will be attended by all shareholders whose securities are paid up for the amounts due and for which proof has been submitted of the right to attend the General Shareholders' Meetings *via* the posting of the securities in the name of either the shareholder or, if the shareholder is not a resident of France, of the intermediary registered on its behalf, on the third business day preceding the General Shareholders' Meeting at midnight (Paris time).

The posting of the securities within the term stipulated in the previous paragraph must take place either in the registered securities accounts held by the Company or in the bearer securities accounts held by the authorised intermediary.

Access to the General Shareholders' Meeting is open to its members upon submission of proof of their status and identity. If it deems this useful, the Board of Directors may see to it that the shareholders are sent registered and personal admission cards and demand that these cards be shown at the General Shareholders' Meeting.

Each member of the General Shareholders' Meeting has the same number of votes as the number of shares he holds or represents, subject to any withdrawal of the right to vote.

Any shareholder may issue authorisation to his or her spouse or to another shareholder with a view to being represented at the General Shareholders' Meeting.

Voting remotely or by proxy shall take place in accordance with the terms and conditions fixed by laws and regulations. The voting form must be received by the Company at the latest by 3 pm (Paris time) the day before the General Shareholders' Meeting.

Authorisations and distance voting forms as well as the certificate of attendance may be prepared on an electronic medium duly signed in the conditions stipulated by applicable laws and regulations. Shareholders voting remotely or by proxy within the term stipulated in this Article and using the form made available to the shareholders by the Company shall be treated as present or represented shareholders.

If the Board of Directors so decides at the time invitations to a General Shareholders' Meeting are issued, forms may be completed and electronically signed directly on a site set up by the Company. This site must use a process including a username and password, in accordance with the terms set out in the first sentence, paragraph two, Article 1316-4 of the Civil Code, or any other process which meets the conditions set out in the first sentence, paragraph two, Article 1316-4 of the Civil Code.

Any authorisations or votes registered prior to a General Shareholders' Meeting *via* such electronic means, and any receipts which are provided for them, shall be considered to be fully enforceable, irrevocable written records, subject to the points set out below. By derogation, in case of a sale of shares occurring prior to midnight (Paris time) on the third business day preceding the General Shareholders' Meeting, the Company shall invalidate or alter accordingly, as the case may be, the proxy expressed or the vote cast prior to the General Shareholders' Meeting, using the electronic method set up by the Board of Directors.

Owners of Company shares who are not resident in French territory may be registered in the accounts and represented at General Shareholders' Meetings by any intermediary who is registered on their behalf and holds a general securities management contract. In accordance with legal and regulatory provisions, such intermediaries must declare themselves as intermediaries holding shares on behalf of others at the time when shares are registered in the accounts with the Company or account-holding financial intermediary.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders represented by them and whose rights are being exercised at a General Shareholders' Meeting.

General Shareholders' Meetings may be held by video-conference or by any other form of telecommunication, including the Internet, which enables shareholders to be identified under the conditions set out in applicable legal and regulatory texts.

Ordinary General Shareholders' Meetings

Ordinary General Shareholders' Meetings are called to make all decisions which do not amend the Articles of Association. They are held at least once a year within six months of the end of the Company fiscal year, unless this period is extended by court order, to approve the accounts for the previous fiscal year.

Ordinary General Shareholders' Meetings cannot validly deliberate, on the first notice of meeting, unless shareholders present or represented or voting remotely hold at least one-fifth of shares with voting rights. Upon a second notice of meeting, no quorum is required. Decisions are made by majority vote of the shareholders who are present, represented, or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Ordinary General Shareholders' Meeting by video-conference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

Extraordinary General Shareholders' Meetings

Only Extraordinary General Shareholders' Meetings are authorised to amend any provisions in the Articles of Association. However, they may not increase shareholders' commitments except through transactions resulting from a properly executed share consolidation.

Subject to legal stipulations applicable to share capital increases by the addition of reserves, profits, or issue premiums, Extraordinary General Shareholders' Meetings cannot validly deliberate unless shareholders present or represented or voting remotely hold at least, on the first notice of meeting, one-quarter or, on the second notice of meeting, one-fifth of the shares with voting rights. If the latter quorum cannot be reached, the second meeting may be reconvened up to two months after the original date, at which point a one-fifth quorum is again required.

Subject to the same conditions, decisions are made by a two-thirds majority vote of shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Extraordinary General Shareholders' Meeting by video-conference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

NOTIFICATION OF MEETINGS: FORM AND TIMESCALES (ARTICLE 28 OF THE ARTICLES OF ASSOCIATION)

General Shareholders' Meetings are convened by the Board of Directors, under the conditions set out in law.

Otherwise, General Shareholders' Meetings may also be convened by the auditors or by any person authorised for this purpose.

A notice informing shareholders of the next General Shareholders' Meeting is published at least 35 days prior to the Meeting in the French bulletin of mandatory legal announcements (BALO).

Except where this is provided for in law, notices are issued at least fifteen clear days before the scheduled date of a General Shareholders' Meeting. This period is reduced to six clear days for General Shareholders' Meetings held after a second notice of meeting and for reconvened General Shareholders' Meetings.

The notices of meetings are issued by a notice in a newspaper publishing legal announcements in the *département* where the registered office is located, and in the French bulletin of mandatory legal announcements. Moreover, shareholders who have held shares in their own name for at least one month prior to the notice of meeting are summoned to the General Shareholders' Meeting by ordinary letter. They may ask to be notified by registered post, provided they pay the additional postage costs to the Company.

Meetings shall take place at the date, time, and place indicated in the meeting notice.

Notices of meeting must include the agenda for the Meeting.

OFFICERS OF GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 30 OF THE ARTICLES OF ASSOCIATION)

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director appointed by the Board for this purpose. Failing this, the General Shareholders' Meeting elects its own Chairman.

The role of voting inspector is carried out by the two members of the General Shareholders' Meeting having the highest number of votes and who accept this role.

The officers of a General Shareholders' Meeting appoint a secretary, who is not required to be a shareholder.

AGENDA

The agenda for a General Shareholders' Meeting is drawn up by the person issuing the notice of meeting.

One or more shareholders representing the percentage of capital required by applicable regulatory provisions and acting in accordance with legal conditions and timescales may request that draft resolutions be added to the agenda.

Requests for proposed resolutions to be added to the agenda must be sent by registered letter with recorded delivery as of publication of the notice of meeting in the bulletin of mandatory legal announcements, and up to 25 days prior to the General Shareholders' Meeting (however, if the announcement is published more than 45 days prior to the General Shareholders' Meeting, proposed resolutions must be sent within 20 days of publication of the notice); the authors must provide proof of possession or representation of the required proportion of share capital, proceeding, prior to dispatch of the request, to record shares on the Company register.

Only matters which are included on the agenda may be discussed at General Shareholders' Meetings. However, the meeting may at any time dismiss and replace one or more members of the Supervisory Board and, under certain conditions, dismiss one or more members of the Management Board.

The agenda may not be amended where a second notice of meeting has been issued, or in the event of a meeting being reconvened.

CONDITIONS FOR EXERCISING VOTING RIGHTS

At all General Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she owns or represents, with no

limitations other than those which may arise from legal provisions or provisions in the Articles of Association, subject to a court order in certain cases. There are no clauses in the Articles of Association allowing the Company's shareholders to have double or multiple voting rights or restricting voting rights.

21.2.3 Sale and transfer of shares (Article 9 of the Articles of association)

Shares may be freely traded, subject to applicable legal and regulatory provisions. They are registered and transferred under the terms and conditions set out in applicable legal and regulatory provisions.

21.2.4 Exceeding thresholds set out in the Articles of association (Article 9 of the Articles of association)

By law, the Company and the *Autorité des marchés financiers* must be informed when thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50%, 66 2/3%, 90%, and 95% of the Company's capital or voting rights are exceeded. In addition, any individual or legal entity, acting alone or in concert, who comes to own or ceases to own, directly or indirectly, as defined in Articles L. 233-7 and following of the Commercial Code, a number of shares, voting rights, or securities giving future access to the Company's capital corresponding to 1% of the Company's capital or voting rights or a multiple of this percentage, must, within five trading days of registering the securities that cause them to reach or exceed this threshold, notify the Company by registered letter with acknowledgement of receipt of the total number of shares, voting rights or securities giving access to capital held directly or indirectly by them, alone or in concert.

This notification must be repeated under the terms set out above each time the holding reaches, exceeds or falls below a further 1% threshold, whatever the reason, including levels above the 5% threshold.

In the event of non-compliance with the above provisions, and on request at a General Shareholders' Meeting by one or more shareholders holding at least 1% of capital, the shareholder(s) in question, without prejudice to any suspension of voting rights ordered by a court, shall be deprived of voting rights pertaining to those shares exceeding the thresholds for which notification is required, within the conditions and limits set out in law.

21.2.5 Capital modification clause

At the registration date of this reference document, the Articles of Association contain no provisions stricter than those set out in law relating to capital modification.

22 Major contracts



In due consideration of the sale by France Télécom of its interest in the Company's capital, France Télécom and the Company have entered into a bridging contract and cooperation contract intended to govern the relationship between them. The details of these contracts are set out in section 6.4 of this document.

In addition, on 24 October 2006 PagesJaunes Groupe entered into a bank financing agreement, the details of which are set out in chapter 10 of this document.

To date, the Company has entered into no other major contracts, other than those drawn up in the normal course of business, which would impose a significant obligation or commitment on the Group as a whole.

23 Information provided by third parties, expert declarations, and declarations of interest

None.

24 Documents available to the public

Documents relating to the Company which must be made available to the public (Articles of Association, reports, correspondence, and other documents, the Company's historic financial information and consolidated information for each of the two fiscal years preceding the date of this reference document) are available for consultation at the registered office, preferably by appointment.

25 Information concerning shareholdings

Other than those companies referred to in section 7.2 ("List of subsidiaries"), the Company has no interests in any other companies liable to have a material impact on the assessment of its assets, financial position or earnings.

A

Annexes



Annexes

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■ Draft resolutions to be submitted to the General Shareholders' Meeting of 10 June 2010

■ Ordinary

FIRST RESOLUTION

(Approval of the parent company financial statements for the fiscal year ended 31 December 2009)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the Board of Directors' management report and the auditor's report, approves the annual accounts of the fiscal year ended 31 December 2009, including the balance sheet, income statement, and the appendix to the financial statements, as submitted and also the transactions reflected in these accounts and summarised in these reports. It posts the profit from this year as it arose from these accounts as 273,455,529.72 euros.

It gives the members of the Board of Directors discharge for the performance of their work for said fiscal year.

The General Shareholders' Meeting approves the total amount of expenditure and charges covered by Article 39-4 of the General Tax Code, which stood at 15,237 euros for the fiscal year ending on 31 December 2009. The Company did not make any actual tax payment in respect of this amount.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the fiscal year ended 31 December 2009)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the Board of Directors' management report and the auditor's report on the consolidated financial statements, approves the consolidated financial statements of the fiscal year ended 31 December 2009, including the consolidated balance sheet and the income statement, and the notes to the financial statements, as these were submitted to it, and the transactions reflected in these financial statements and summarised in these reports.

THIRD RESOLUTION

(Assignment of the net income of the fiscal year ended 31 December 2009, as indicated in the annual accounts and distributed)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders'

Meetings, after having taken note of the Board of Directors' report and the auditor's report on the parent company financial statements:

- (i) formally notes that the year's profit came in at 273,455,529.72 euros;
- (ii) formally notes that, in due consideration of the credit carryforward of 880,644,711.62 euros, the distributable profit for the year is 1,154,100,241.18 euros;
- (iii) decides to pay the shareholders as dividend 0.65 euro per share;
- (iv) and decides to allocate the balance of the available amount as a carryforward.

The dividend shall be paid out as of 24 June 2010.

Accordingly, the total amount of the dividend is a maximum of 182,640,090.10 euros. The shares that will be held by the Company on the dividend payment date shall not create any rights thereto.

The General Meeting grants full powers to the Board of Directors to determine, based on the number of shares held by the Company on the dividend payment date, the total amount of the dividends and, accordingly, the amount of the balance of the distributable profit that will be allocated as a carryforward.

The entire dividend is eligible for the 40% deduction referred to in Article 158.3.2 of the General Tax Code, which applies to natural persons residing in France for tax purposes.

Dividends paid over the past three years were as follows:

Year	Number of shares	Dividend per share	Share of dividend eligible for deduction ⁽¹⁾
2006	280,266,780	1.08	100%
2007	280,644,450	0.96	100%
2008	280,984,754	0.96	100%

(1) Deduction of 40% mentioned in Article 158.3.2 of the General Tax Code.

FOURTH RESOLUTION

(Agreements covered by Article L. 225-38 of the Commercial Code)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the special report of the auditors on the agreements referred to in Article L. 225-38 of the Commercial Code, takes note of the conclusions of this report and approves the agreements mentioned therein.

FIFTH RESOLUTION

(Authorisation for the Board of Directors for the purpose of purchasing or transferring PagesJaunes Groupe shares)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report,

- terminates, with immediate effect, for the unused portion, the authorisation granted by the Combined General Shareholders' Meeting of 11 June 2009 through its fifth resolution, to purchase Company shares;
- authorises the Board of Directors, in accordance with Articles L. 225-209 and following of the Commercial Code, to purchase Company shares, under the conditions defined hereafter and within the limit of 10% of the amount of the share capital existing on the day of the present Meeting, it being stipulated that, when these shares are purchased to ensure the liquidity of PagesJaunes Groupe shares under the conditions defined below, the number of shares used for calculating this limit of 10% corresponds to the number of shares bought, less the number of shares sold during the period of the present authorisation:
 - the maximum purchase price should not exceed 15 euros per share, and accordingly this amount must be adjusted in the event of any capital transactions such as incorporation of reserves, awarding of bonus shares and/or division or pooling of shares,
 - the maximum amount of funds allocated to the buy-back programme is 421,477,125 euros,
 - this authorisation is valid for a period of 18 months,
 - the acquisitions made by the Company pursuant to this authorisation cannot under any circumstances or at any time cause the Company to directly or indirectly hold more than 10% of the shares that comprised the share capital on the date in question,
 - these shares may be acquired or transferred by any means, especially market operations or over-the-counter, including by acquisition or transfer of blocks, by the use of financial derivative instruments traded on a regulated market or over-the-counter, in compliance with the regulations in force on the date of transactions said, and during the periods that the Board of Directors or the person authorised by the Board of Directors shall determine.

These share purchases may be carried out with a view to any allocation permitted by law. The purposes of this share buy-back programme are:

- to establish and honour the obligations associated with the stock option programmes or other allocations of shares to the employees of the Company or affiliated firms and to allocate shares to the employees of the PagesJaunes Groupe in the context of (i) sharing in the Company's results, (ii) any options purchase plan or any plan to purchase or freely allocate shares (including any transfer of shares covered by Article L. 3332-24 of the Employment Code) for the benefit of all or some employees and corporate officers and to carry out all hedging operations relating to these transactions;
- to reduce the Company's capital;

- to guarantee the liquidity of PagesJaunes Group shares through a liquidity contract with an investment services provider, in accordance with the professional ethics charter recognised by the *Autorité des marchés financiers*;
- to retain shares for subsequent remittance for exchange or as payment as part of any external growth operations;
- to implement and honour obligations relating to debt securities which may be converted into ownership certificates, and in particular to deliver shares when rights are exercised giving immediate or future access by any method to shares, and to undertake any hedging transactions with respect to PagesJaunes Groupe's obligations relating to such securities.

The General Meeting issues the broadest powers to the Board of Directors, with the option to delegate, for deciding and implementing this authorisation, for specifying the terms where necessary, determining the procedures, giving all orders on the stock market, drawing up all agreements, establishing all documents, particularly those providing information, assigning and, where appropriate, re-assigning the shares acquired for the various goals pursued, performing all formalities, making all declarations to any and all entities and, in general, for doing whatever is necessary.

SIXTH RESOLUTION

(Renewal of the term of Deloitte & Associés as the main auditor)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, renews the term as main auditor of Deloitte & Associés, 185, avenue Charles-de-Gaulle, 92524 Neuilly-sur-Seine, which expires on this day, for six fiscal years. The term shall end after the Ordinary General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2015.

SEVENTH RESOLUTION

(Renewal of the term of Ernst & Young Audit as the main auditor)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, renews the term as main auditor of Ernst & Young Audit, Faubourg de l'Arche, 11, allée de l'Arche, 92400 Courbevoie, which expires on this day, for six fiscal years. The term shall end after the Ordinary General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2015.

EIGHTH RESOLUTION**(Renewal of the term of BEAS as the substitute auditor)**

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, renews the term as substitute auditor of BEAS, 7-9, villa Houssay, 92200 Neuilly-sur-Seine, which expires on this day, for six fiscal years. The term shall end after the Ordinary General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2015.

NINTH RESOLUTION**(Renewal of the term of Auditex as the substitute auditor)**

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, renews the term as substitute auditor of Auditex, Tour Ernst & Young, Faubourg de l'Arche, 92037 Paris-La Défense Cedex, which expires on this day, for six fiscal years. The term shall end after the Ordinary General Shareholders' Meeting held to approve the financial statements for the year ending 31 December 2015.

TENTH RESOLUTION**(Deliberation pursuant to Article L. 225-42-1 of the Commercial Code concerning commitments of which Mr Jean-Pierre Remy is the beneficiary)**

The General Shareholders' Meeting, in application of Article L. 225-42-1 of the Commercial Code, deciding under the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the auditors' special report, approves the commitment to pay compensation for termination and in consideration of a clause prohibiting its beneficiary, after termination of his functions in the Company, from exercising a competitive professional activity as described in the said report, of which Mr Jean-Pierre Remy is the beneficiary due to his appointment as Chief Executive Officer of the Company.

■ Extraordinary**ELEVENTH RESOLUTION****(Delegation of authority to the Board of Directors to issue Company shares and securities giving access to shares in the Company, with shareholders' preferred subscription rights)**

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the auditors' special report, and deciding in accordance with Articles L. 225129 and following, particularly Article L. 225-129-2, and Articles L. 228-91 and following of the said code,

- terminates, with immediate effect, for the unused portion, the authorisation granted at the Combined General Shareholders' Meeting of 11 June 2009, through its 16th resolution;
- and authorises to the Board of Directors, for a period of 26 months from the date of this Meeting, to decide the issue, with maintenance of preferred subscription rights for shareholders, of the Company's shares and securities giving immediate or future access by any means to existing or future shares of the Company, for which subscription may be either in cash or by compensation for receivables.

The maximum nominal amount of an increase to the Company's capital, whether immediate or in the future, arising from all the issues made pursuant to this authorisation is fixed at 20 million euros. This ceiling does not take account of the nominal value of any shares of the Company to be issued for adjustments made to protect the holders of rights attached to the securities giving access to shares.

The securities thus issued giving access to shares of the Company may consist of debt securities or be associated with the issuer of such securities, or they may permit the issuing thereof as intermediary securities. They may take the form of subordinated or unsubordinated securities, have an open-ended or closed term, and be issued either in euros, foreign currency or in any monetary units established with reference to a basket of currencies. The term of the loans (giving access to shares of the Company) other than those represented by open-ended securities, cannot exceed 50 years.

The securities issued may, where appropriate, be associated with warrants giving the rights to assignment, acquisition or subscription to bonds or other debt securities.

The nominal amount of the debt securities thus issued may not exceed 300 million euros or the equivalent of this amount at the date of the issue decision, it being stipulated that this amount is common to all of the debt securities whose issue is specified by the 11th, 12th, 13th, 16th and 17th resolutions submitted at this Meeting.

Shareholders have, in proportion to the amount of their shares, a preferential right to subscribe the shares and securities issued pursuant to this resolution. The Board of Directors may grant the shareholders a right (subject to allocation) to subscribe to the shares or securities issued, which shall be exercised in proportion to their subscription rights, and within the limit of their demand.

If the subscriptions as of right and, if applicable, those subject to allocation, have not absorbed the entire issue, the Board of Directors may use, in the order it determines, some or all of the following options: (i) limit the issue to the amount of the subscriptions received, provided that the latter accounts for at least three quarters of the issue decided, (ii) freely distribute all or some of the unsubscribed securities or (iii) offer to the public all or some of the unsubscribed securities, on the French market and/or international market and/or abroad.

The GSM notes that this authorisation waives the shareholders' preferred subscription rights to Company shares to which the securities are entitled based on this authorisation.

The General Shareholders' Meeting decides that the issue of warrants to subscribe to shares of the Company may be carried out by subscription offer but also by free issues to the owners of old shares, and that in the case of free issues of share-subscription warrants, the Board of Directors shall have the option to decide whether or not fractional allocation rights are tradable, and whether or not the corresponding securities are to be sold.

The Board of Directors shall agree the characteristics, amount, and terms of any issue, and of the securities issued. In particular, it shall determine the category of securities issued and shall set their subscription price, their payment terms, their ex-date (which may possibly be retroactive), and also the terms and conditions for exercising the rights attached to the issued securities. The Board of Directors may, where appropriate, modify the terms and conditions of securities issued in accordance with this resolution, for the lifetime of the securities in question. The Board of Directors may also, where appropriate, carry out any adjustments designed to take into account the impact of transactions on the capital of the Company, particularly in the case of modification of the nominal amount of the share, increase in capital through the incorporation of reserves, the bonus share issues, division or pooling of shares, distribution of reserves or any other assets, or amortisation of capital; and, where appropriate, set the terms and conditions under which the rights of the owners of securities giving access to capital will be preserved.

The Board of Directors shall have the broadest powers to implement this resolution, in particular by drawing up any agreement to this effect in order to proceed, on one or more occasions and during the periods that it shall assess, in France and/or where appropriate, abroad and/or on the international market, with the aforementioned issues, and also, where appropriate, to postpone them.

TWELFTH RESOLUTION

(Delegation of authority to the Board of Directors to carry out public issues of Company shares and securities giving access to shares in the Company, with suppression of shareholders' preferential subscription rights)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the auditors' special report, and deciding in accordance with Articles L. 225-129 and following of the Commercial Code, particularly Articles L. 225-129-2, L. 225-135 and L. 225-136 of the said code, and Articles L. 228-91 and following of the said code,

- terminates, with immediate effect, for the unused portion, the delegation given by the Combined General Shareholders' Meeting of 11 June 2009, through its 17th resolution;
- and authorises the Board of Directors, for a period of 26 months from the date of this Meeting, to decide the public issue of Company shares and securities giving immediate or future access by any means to existing or future shares of the Company, for which subscription may be either in cash or by compensation for receivables.

Issues through this delegation of authority shall be carried out publicly, and it is stipulated that they may be carried out along with an offer or offers as laid down in section II of Article L. 411-2 of the Monetary and Financial Code, carried out on the basis of the 13th resolution below.

The General Shareholders' Meeting thus decided to eliminate the preferred subscription rights of shareholders to these shares and securities to form part of a public issue.

The maximum nominal amount of an increase to the Company's capital, whether immediate or in the future, arising from all the issues made pursuant to this authorisation is fixed at 10 million euros, a ceiling common to the issues carried out on the basis of the 12th and 13th resolutions submitted to this General Shareholders' Meeting. The ceiling does not take account of the nominal value of any shares of the Company to be issued for adjustments made to protect the holders of rights attached to the securities giving access to shares.

The securities thus issued giving access to shares of the Company may consist of debt securities or be associated with the issuer of such securities, or else, they may permit the issuing thereof as intermediary securities. The provisions concerning securities of the same type that may be issued based on the previous resolution shall apply for their issue, during their existence and for their access to shares, repayment or redemption.

The securities issued may, where appropriate, be associated with warrants giving the rights to assignment, acquisition or subscription to bonds or other debt securities.

The total nominal amount of all debt securities issued in accordance with this resolution may not exceed, and shall be charged against, the ceiling concerning debt securities specified by the 11th resolution above.

The Board of Directors may establish in favour of the shareholders an irreducible, and possibly reducible, right of priority for all or part of the issue, to subscribe to the shares or the securities, for which it shall fix, according to the law, the exercise terms and conditions, without creating negotiable rights.

If the subscriptions, including, where appropriate, those from shareholders, have not absorbed the full issue, the Board of Directors may limit the issue to the amount of the subscriptions received, under the condition that these total at least three quarters of the issue that was decided.

The General Shareholders' Meeting takes official note that this delegation of authority entails waiver by the shareholders of their preferred right to subscribe the shares of the Company to which the securities issued based on this delegation may give the right.

The Board of Directors shall agree the characteristics, amount, and terms of any issue, and of the securities issued. In particular, it shall determine the category of securities issued and shall set their subscription price, with or without a premium, their ex-date (which may possibly be retroactive), and also, where appropriate, the period or the terms and conditions for exercising the rights attached to the issued securities; it may, where appropriate, modify the terms and conditions of securities issued in accordance with the present resolution, for the lifetime of the securities in question; it may also, where appropriate, carry out any adjustments designed to take into account the impact of transactions on the capital of the Company, particularly in the case of modification of the nominal amount of the share, increase in capital through the incorporation of reserves, free share issues, division or pooling of shares, distribution of reserves or any other assets, or amortisation of capital; and, where appropriate, set the terms and conditions under which the rights of the owners of securities giving access to capital shall be preserved, it being stipulated that:

- a) the issue price of the ordinary shares shall be at least equal to the weighted average of the prices of the last three trading sessions preceding its fixing, if applicable, less a reduction of up to 5%;
- b) the issue price of the securities shall be such that the amount received immediately, plus, if applicable, any amount received in the future, for each ordinary share issued as a result of the issue of these securities, is at least equal to the amount referred to in paragraph "a)" above after correction, if applicable, of this amount to reflect the difference of the ex-date.

The Board of Directors shall have the broadest powers to implement this resolution, in particular by drawing up any agreement to this effect and to proceed, on one or more occasions and during the periods that it will assess, in France and/or where appropriate, abroad and/or on the international market, with the aforementioned issues and where appropriate, to postpone them.

THIRTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to carry out public issues as laid down in section II of Article L. 411-2 of the Monetary and Financial Code of Company shares and securities giving access to shares in the Company, with elimination of shareholders' preferred subscription rights)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the auditors' special report, and deciding in accordance with Articles L. 225-129 and following of the Commercial Code, particularly Articles L. 225-129-2, L. 225-135 and L. 225-136 of the said code, and Articles L. 228-91 and following of the said code, authorises, the Board of Directors, for a period of 26 months from the date of this Meeting, to decide the issue of Company shares and securities giving immediate or future access by any means to existing or future shares of the Company for which subscription may be either in cash or by compensation for receivables.

Issues through this delegation of authority shall be carried out publicly, and it is stipulated that they may be carried out along with an offer or offers as laid down in section II of Article L. 411-2 of the Monetary and Financial Code, carried out on the basis of the 12th resolution above.

The General Shareholders' Meeting thus decides to eliminate the preferred subscription rights of shareholders to these shares and securities.

The overall nominal amount of an increase to the Company's capital, whether immediate or in the future, arising from all the issues made pursuant to this resolution may not exceed 10 million euros (the "Ceiling"), on the one hand, and the ceiling laid down in law (*i.e.*, at the date of this General Shareholders' Meeting, 20% of share capital per year), on the other. It is stipulated that the Ceiling is common to the issues carried out on the basis of the 12th and 13th resolutions submitted to this General Shareholders' Meeting. The ceiling does not take account of any Company shares to be issued for adjustments made to protect the holders of rights attached to the securities giving access to Company capital.

The securities thus issued giving access to shares of the Company may consist of debt securities or be associated with the issuer of such securities, or else, they may permit the issuing thereof as intermediary securities. The provisions concerning securities of the same type that may be issued based on the previous resolution shall apply for their issue, during their existence and for their access to shares, repayment or redemption.

The securities issued may, where appropriate, be associated with warrants giving the rights to assignment, acquisition or subscription to bonds or other debt securities.

The total nominal amount of all debt securities issued in accordance with this resolution may not exceed, and shall be charged against, the ceiling concerning debt securities specified by the 11th resolution above.

If the subscriptions, including, where appropriate, those from shareholders, have not absorbed the full issue, the Board of Directors may limit the issue to the amount of the subscriptions received, under the condition that these total at least three quarters of the issue that was decided.

The GSM notes that this authorisation waives the shareholders' preferred subscription rights to Company shares to which the securities are entitled based on this authorisation.

The Board of Directors shall agree the characteristics, amount, and terms of any issue, and of the securities issued. In particular, it shall determine the category of securities issued and shall set their subscription price, with or without a premium, their ex-date (which may possibly be retroactive), and also, where appropriate, the period or the terms and conditions for exercising the rights attached to the issued securities; it may, where appropriate, modify the terms and conditions of securities issued in accordance with the present resolution, for the lifetime of the securities in question. It may also, where appropriate, carry out any adjustments designed to take into account the impact of transactions on the capital of the Company, particularly in the case of modification of the nominal amount of the share, increase in capital through the incorporation of reserves, bonus share issues, division or pooling of shares, distribution of reserves or any other assets, or amortisation of capital; and, where appropriate, set the terms and conditions under which the rights of the owners of securities giving access to capital shall be preserved, it being stipulated that:

- a) the issue price of the ordinary shares shall be at least equal to the weighted average of the prices of the last three trading sessions preceding its fixing, if applicable, less a reduction of up to 5%;
- b) the issue price of the securities shall be such that the amount received immediately, plus, if applicable, any amount received in the future, for each ordinary share issued as a result of the issue of these securities, is at least equal to the amount referred to in paragraph "a)" above after correction, if applicable, of this amount to reflect the difference of the ex-date.

The Board of Directors shall have the broadest powers to implement this resolution, in particular by drawing up any agreement to this effect and to proceed, on one or more occasions and during the periods that it will assess, in France and/or where appropriate, abroad and/or on the international market, with the aforementioned issues, and also, where appropriate, to postpone them.

FOURTEENTH RESOLUTION

(Authorisation for the Board of Directors, in the event of issue, with elimination of shareholders' preferred subscription rights, of shares or securities giving access to Company shares, to set the issue price according to the terms and conditions established by the General Meeting)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the special report of the Auditors, and deciding in accordance with Article L. 225-136 of the Commercial Code, authorises the Board of Directors, for a period of 26 months from the date of this General

Shareholders' Meeting, for each of the issues decided in application of the preceding 12th and 13th resolutions and within the limit of 10% of the Company's share capital (as existing on the date of this General Shareholders' Meeting) per 12-month period, to depart from the conditions for setting the price specified by the aforementioned 12th and 13th resolutions and to set the issue price of the issued shares and/or securities according to the following terms and conditions:

- a) the issue price of the shares shall be at least equal to the closing price of the PagesJaunes Groupe share on the Euronext Paris market during the last trading session preceding its determination, possibly reduced by a discount of up to 10%;
- b) the issue price of the securities shall be the amount received immediately plus, if applicable, the amount received subsequently or, for each ordinary share issued as a result of the issue of these securities, at least equal to the amount referred to in "a)" above.

The total nominal amount of the immediate or future capital increase arising from issues made pursuant to this delegation of authority shall be charged against the ceiling envisaged in the resolution pursuant to which the issue is decided.

FIFTEENTH RESOLUTION

(Authorisation for the Board of Directors, in the event of a capital increase with or without elimination of shareholders' preferred subscription rights, to increase the number of shares to be issued)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the special report of the auditors and deciding in accordance with Article L. 225-135-1 of the Commercial Code, for a term of 26 months from this General Shareholders' Meeting, authorises the Board of Directors to decide, for each of the issues decided pursuant to the 11th, 12th, 13th and 14th resolutions above, to increase the number of securities to be issued, in the conditions of the aforementioned Article L. 225-135-1, subject to compliance with the ceiling stipulated in the resolution pursuant to which the issue is decided.

SIXTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to issue shares and securities giving access to shares in the event that the Company initiates an exchange bid)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Meetings, after having taken note of the Board of Directors' report and of the special report of the auditors, and deciding in accordance with Article L. 225-148 and Articles L. 228-91 and following of the Commercial Code,

- terminates, with immediate effect, for the unused portion, the delegation of authority issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 20th resolution;

- and authorises the Board of Directors, for a period of 26 months from the date of this General Shareholders' Meeting, to decide, on the basis and under the conditions specified by the 12th resolution above (with the exception of the price rules set out in said resolution), the issue of shares in the Company or securities giving access to existing or future shares in the Company, in payment for securities contributed to a public exchange bid initiated in France or abroad according to local rules by the Company on the shares of a company whose shares are traded on one of the regulated markets covered by the abovementioned Article L. 225-148 and decides, if necessary, to eliminate, for the benefit of the holders of these shares, the shareholders' preferred subscription rights to these shares and securities.

The GSM notes that this authorisation waives the shareholders' preferred subscription rights to Company shares to which the securities are entitled based on this authorisation.

The ceiling of the nominal amount of the immediate or future capital increase arising from all the issues made pursuant to this delegation is set at 10 million euros. This ceiling is fixed (i) without taking account of the nominal value of the Company's shares to be issued, if applicable, for adjustments made to protect the holders of rights attached to the securities giving access to shares and (ii) the total nominal amount of the immediate or future capital increase resulting from the issues made according to the present delegation shall be charged against the maximum capital increase stipulated by the 12th resolution.

The total nominal amount of all debt securities issued in accordance with this resolution may not exceed, and shall be charged against, the ceiling concerning debt securities specified by the 11th resolution above.

The General Shareholders' Meeting decides that the Board of Directors has full powers to make the public offers referred to by this resolution and, in particular:

- to fix the exchange parity, and also, if applicable, the amount of the cash payment to be made;
- to officially note the number of shares contributed to the exchange;
- to determine dates and conditions for issue, particularly the price and the ex-date of the shares, or where appropriate, the securities giving access to shares in the Company, and where appropriate, to modify the terms and conditions of shares issued in accordance with this resolution, for the lifetime of the shares in question and in compliance with the applicable formalities;
- to post to the balance sheet's liabilities, in a "share premium" account, which shall hold the rights of all of the shareholders, the difference between the issue price of the new shares and their nominal value;
- if necessary, to charge against said "share premium" all the expenses and rights arising from the authorised transaction;
- in a general sense, to take any measures necessary and draw up all pertinent agreements.

SEVENTEENTH RESOLUTION

(Authorisation for the Board of Directors to issue shares and securities giving access to shares, by way of remuneration for non-cash contributions granted to the Company, and consisting of shares or securities giving access to capital)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Meetings, after having taken note of the Board of Directors' report and of the special report of the auditors, and deciding in accordance with Article L. 225-147 and Articles L. 228-91 and following of the Commercial Code,

- terminates, with immediate effect, for the unused portion, the authorisation issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 21st resolution;
- and delegates to the Board of Directors, for a period of 26 months from the date of this General Shareholders' Meeting, authority to proceed, on the report of the auditors on the contributions mentioned in the first and second paragraphs of the abovementioned Article L. 225-147, with the issue of shares in the Company or securities giving access to existing or future shares in the Company in payment for non-cash contributions granted to the Company, consisting of shares or securities giving access to capital, when the clauses of Article L. 225-148 of the Commercial Code are not applicable, and decides, where necessary, to suppress, for the benefit of the holders of shares or securities who make non-cash contributions, the shareholders' preferential subscription rights to the shares and securities thus issued.

The maximum nominal amount of the capital increase, whether immediate or in the future, arising from all of the issues made pursuant to this delegation of authority is fixed at 10% of the Company's capital (as it exists on the date of this General Shareholders' Meeting).

The total nominal amount of all debt securities issued in accordance with this resolution may not exceed, and shall be charged against, the ceiling concerning debt securities specified by the 11th resolution above.

The GSM notes that this authorisation waives the shareholders' preferred subscription rights to Company shares to which the securities are entitled based on this authorisation.

The Board of Directors shall have full powers to implement this resolution, in particular, to decide, based on the report of the auditors on the contributions mentioned in paragraphs 1 and 2 of the aforementioned Article L. 225-147, on the valuation of contributions and the granting of special benefits, to officially note the definitive execution of capital increases made pursuant to this delegation of authority and to carry out the correlative modification of the Articles of Association.

The Board of Directors may, within the limits fixed beforehand, delegate to the Chief Executive Officer or, subject to his approval, to one or more Deputy Executive Officers, the powers granted to him by this resolution.

EIGHTEENTH RESOLUTION

(Overall limit of authorisations)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report, decides to set a limit of 20 million euros as a maximum nominal amount of immediate or future capital increases that may be carried out in accordance with authorisations given by the 11th to 17th resolutions. This nominal amount will be supplemented by the nominal amount of shares in the Company that may be issued for adjustments made to protect the holders of rights attached to securities giving access to shares.

NINETEENTH RESOLUTION

(Delegation of authority to the Board of Directors to issue securities giving the right to an allocation of debt securities)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the special report of the auditors, and deciding in accordance with Articles L. 225-129 and following and L. 228-91 and following of the Commercial Code,

- terminates, with immediate effect, for the unused portion, the delegation of authority issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 23rd resolution;
- authorises the Board of Directors to decide to issue, on one or more occasions, in France, abroad, and/or on the international market, all securities (other than shares) giving the right to the immediate or future allocation of debt securities, such as bonds, equivalent securities, open-ended or closed term subordinated securities, or any other securities granting, in the same issue, the same right to a claim on the Company.

The nominal amount of all debt securities issued immediately or in the future based on this resolution may not exceed 300 million euros, or the exchange value of this amount in foreign currency or in any monetary units established by reference to a basket of currencies.

This delegation of authority is issued for a term of 26 months from the date of this General Shareholders' Meeting.

The Board of Directors shall have full powers to:

- carry out said issues within the aforementioned limit and determine the issue date, type, amounts, and currency;
- determine the characteristics of the securities to be issued and the debt securities to which the securities shall give right of allocation;

- determine the terms and conditions for amortisation and/or early repayment for the securities to be issued and for the debt securities to which the securities shall give right of allocation;
- if necessary, decide to give a guarantee or sureties to the securities to be issued and the debt securities to which the securities give the right to allotment and stipulate the nature and the characteristics thereof;
- determine all the terms and conditions for each issue and, where appropriate, modify the terms and conditions for securities issued in accordance with this resolution, during the lifetime of the securities in question and in compliance with applicable formalities;
- in a general sense, conclude any agreements, take all measures, carry out all necessary formalities and do whatever is necessary.

TWENTIETH RESOLUTION

Delegation of authority to the Board of Directors for the purpose of increasing the Company's share capital by means of incorporation of reserves, retained earnings or share premiums)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Ordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and deciding in accordance with Articles L. 225-129-2 and L. 225-130 of the Commercial Code,

- terminates, with immediate effect, for the unused portion, the delegation of authority issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 24th resolution;
- authorises the Board of Directors, for a term of 26 months from the date of this General Shareholders' Meeting, to decide to increase the share capital, on one or more occasions, by incorporating in the capital any reserves, profits or premiums, followed by the creation and issue of bonus shares or the increase of the nominal value of the existing shares or a combination of these two arrangements.

The Board of Directors shall be authorised to decide that fractional allocation rights are neither tradable nor transferable, and that the corresponding shares are to be sold. The amounts resulting from sale shall be allocated to the owners of rights within the period specified by the regulations.

The ceiling of the nominal amount of the immediate or future capital increase arising from all of the issues made pursuant to this delegation of authority is set at 20 million euros. This ceiling is fixed (i) without taking account of the nominal value of the Company's shares to be issued, if applicable, for adjustments made to protect the holders of rights attached to the securities giving access to shares and (ii) separately from the maximum capital increases arising from issues of shares or securities authorised by the 11th to 17th resolutions above.

TWENTY-FIRST RESOLUTION

(Delegation of authority to the Board of Directors to carry out capital increases restricted to participants in the PagesJaunes Groupe savings plan scheme)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report and of the special report of the auditors, and deciding in accordance with Articles L. 225129-6, L. 225-138 I and II and L. 225-138-1 of the Commercial Code and with Articles L. 3332-18 and following of the French Employment Code,

- terminates, with immediate effect, for the unused portion, the delegation of authority issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 25th resolution;
- and authorise the Board of Directors, for a term of 26 months from the date of this General Shareholders' Meeting, to decide to increase the share capital, to be decided by it alone, on one or more occasions, *via* the issue of shares or securities giving access to the Company's existing or future shares reserved for the employees and former employees or participants in the PagesJaunes Groupe savings plan scheme, or else, through the allocation of bonus shares or securities giving access to the Company's existing or future shares, in particular by the incorporation in the capital of reserves, profits, or premiums.

The ceiling for the nominal amount of the immediate or future increase in the Company's capital resulting from all issues made in accordance with the present delegation of authority (including the incorporation of reserves, profits or premiums under the conditions and limits set by the Articles of the abovementioned Labour Code) is fixed at 1,122,000 euros (representing approximately 2% of the Company's capital on the day of this General Shareholders' Meeting). This ceiling does not take into account the nominal value of the Company's shares that may be issued for adjustments made to protect the holders of rights attached to securities giving access to shares.

The General Shareholders' Meeting decides to eliminate the preferred right of these employees and former employees to subscribe shares or securities giving access to shares to be issued pursuant to this delegation of authority and waive any rights to the shares or other securities allocated free of charge on the basis of this authorisation.

The General Shareholders' Meeting decides:

- to set the discount offered under the Company savings plan to 20% of the average of the first prices quoted for the PagesJaunes Groupe share on the Euronext Paris market during the 20 trading sessions preceding the date of the decision fixing the opening date for subscription. The Board of Directors may reduce this discount if it considers it appropriate, particularly in the case of an offer, to participants in a company savings plan scheme, of securities on the international market and/or abroad in order to satisfy the requirements of applicable local rights. The Board of Directors may also substitute all or part of the discount *via* the allocation of shares or other securities pursuant to the provisions below;

- that the Board of Directors may, within legal and regulatory limits, specify the allocation of bonus shares or securities giving access to shares.

The Board of Directors shall have full powers to implement this resolution, and, in particular, to:

- stipulate the characteristics, amount, and conditions of any issue or allocation of bonus shares;
- determine that the issues may take place directly in favour of the beneficiaries or *via* collective entities;
- stipulate, pursuant to the law, the list of companies, or groupings, whose employees and former employees may subscribe the shares or securities issued and, if applicable, receive the shares or securities allocated free of charge;
- determine the type and the conditions of the capital increase, and also the conditions of the issue allocation;
- fix the terms of length of service that must be met by the beneficiaries of the new shares or securities to come from one or more capital increases or securities that are subject to each free allocation, the subject of this resolution;
- formally note the execution of the capital increase;
- determine, if applicable, the nature of the bonus shares allocated, and also the terms and conditions of this allocation;
- determine, if applicable, the amounts to be incorporated in the capital within the aforementioned limit, the equity item(s) from which they are deducted, and the ex-date of the shares thus created;
- if it deems it appropriate, charge the capital increase's expenses to the amount of the premiums for these increases and deduct from this amount the sums required to bring the legal reserve to one-tenth of the new capital after each increase;
- take any measures for the execution of capital increases, carry out the formalities resulting from said increases, in particular those concerning the quotation of the shares created, and make the modifications correlative to these capital increases to the Articles of Association and, in general, do what is necessary.

The Board of Directors may delegate the authority granted to it under this resolution to the Chief Executive Officer or, with his agreement, to one or more of his deputies, within limits agreed in advance by the Board of Directors.

TWENTY-SECOND RESOLUTION

(Authorisation for the Board of Directors to reduce the share capital by cancelling shares)

The General Shareholders' Meeting, deciding in the quorum and majority conditions required for Extraordinary General Shareholders' Meetings, after having taken note of the Board of Directors' report

and of the special report of the auditors, and deciding in accordance with Article L. 225-209 of the Commercial Code,

- terminates, with immediate effect, for the unused portion, the delegation of authority issued by the Combined General Shareholders' Meeting of 11 June 2009, through its 26th resolution;
- grants the Board of Directors full powers to cancel, on one or more occasions, for up to 10% of the Company's capital and by 24-month periods, all or some of the PagesJaunes Groupe shares acquired as part of share purchase programmes authorised by the 5th resolution submitted to this General Shareholders' Meeting or share purchase programmes authorised prior to or subsequent to the date of this General Shareholders' Meeting;
- decides that the surplus of the purchase price of the shares on their nominal value will be charged to the "issue premiums" account or to any available reserve account, including the legal reserve, for up to 10% of the capital reduction performed;

- grants full powers to the Board of Directors, with the option to delegate pursuant to the law, to carry out the capital reduction arising from the cancellation of the shares and the aforementioned charging, and to amend accordingly Article 6 of the Articles of Association;

- sets the term of this authorisation as 18 months from the date of this General Shareholders' Meeting.

TWENTY-THIRD RESOLUTION

(Powers for procedural arrangements)

The General Shareholders' Meeting grants full powers to the bearer of an original, a copy, or an extract of the minutes of this General Shareholders' Meeting with a view to performing all legal or administrative formalities and making all filings and publicity required by current legislation.

Report from the Chairman of the Board of Directors

Pursuant to the provisions of Article L. 225-37 of the French Commercial Code, the Chairman of your Board of Directors informs you, in this report:

- of the composition of the Board of Directors, the conditions for the preparation and organisation of the Board's work, and the internal control and risk management procedures introduced by the Company;
- of the limitations placed on the powers of the Chief Executive Officer by the Board of Directors;
- of the application of the recommendations provided for in the AFEP/MEDEF Corporate Governance Code, followed by PagesJaunes Groupe;

- of procedures relating to shareholders' participation in General Shareholders' Meetings; and,

- of the principles and rules stipulated by the Board of Directors to determine the remunerations and benefits paid to corporate officers.

This report was approved by the Board of Directors at its meeting on 18 February 2010.

1. Corporate governance

CORPORATE GOVERNANCE CODE

PagesJaunes Groupe refers to the AFEP/MEDEF Corporate Governance Code in its consolidated version of December 2008, available on the www.medef.fr web site.

CLAUSES WITH EXCEPTIONS

The Board of Directors has, studied the differences between current PagesJaunes Groupe operating procedures and the three recommendations made by the AFEP/MEDEF Corporate Governance Code: There are three such differences:

1. The AFEP/MEDEF Corporate Governance Code stipulates that independent directors must account for at least one third of the directors in companies controlled by a majority shareholder. The PagesJaunes Groupe Board of Directors is composed of three independent directors out of 11. The portion of independent directors is close to one third. The active role of the three independent directors would indicate compliance with the spirit of the Code.
2. The AFEP/MEDEF Corporate Governance Code stipulates that Doard members' terms must not exceed four years. The term of office for PagesJaunes Groupe directors is 5 years. The Board of Directors believes that this point does not hinder good governance within the Company. Moreover, all the directors' terms do not expire on the same date, in such a way that shareholders are led to take regular decisions as to choice of Directors. The terms of office of four Directors (Mrs Abeille Deniau, Messrs Lepic and Germani, and Médiannuaire) expire in 2011, and the terms of Directors appointed or renewed at the Annual General Shareholders' Meeting on 11 June 2009 expire at the Annual General Shareholders' Meeting in 2014.

3. The AFEP/MEDEF Corporate Governance Code stipulates that the Remuneration Committee must be made up of a majority of independent directors. The PagesJaunes Groupe Remuneration and Appointments Committee is composed of one independent director out of three members. The Board of Directors believes that the composition of this Committee, chaired by an independent director, and exchanges between this independent director and the other independent directors on the Board of Directors, would appear to comply with the principle of faithful representation of the interests of the various Company shareholders.

1.1 MEMBERS OF THE BOARD OF DIRECTORS

On 23 September 2004 the PagesJaunes Groupe Board of Directors decided to separate the functions of the Chairman of the Board of Directors and the Chief Executive Officer. Mr Jacques Garaïalde is the Chairman of the PagesJaunes Groupe Board of Directors, and Mr Jean-Pierre Remy is the Chief Executive Officer of PagesJaunes Groupe.

At the date of this report the members of the Board of Directors are:

- François de Carbonnel;
- Elie Cohen;
- Abeille Deniau;
- Jacques Garaïalde;
- Jean-Christophe Germani;
- Nicolas Gheysens;
- Hugues Lepic;
- Jérôme Losson;

- Médiannuaire represented by Joseph Ming;
- Jean-Pierre Remy; and,
- Rémy Sautter.

The Board of Directors includes three independent members: Mr François de Carbonnel, Mr Elie Cohen, and Mr Rémy Sautter. A member is deemed to be independent if he does not have any relationship whatsoever with the Company that could have a significant impact on his freedom of judgment.

PagesJaunes Groupe uses certain criteria in selecting its directors, in particular: availability, experience and expertise in the areas associated with the Group's businesses and with the challenges of its environment. These criteria are identical to those recommended by the AFEP/MEDEF Corporate Governance Code.

Additional information on the composition of the Board of Directors is provided in section VI of the Management Report.

1.2 CONDITIONS FOR PREPARATION AND ORGANISATION OF THE BOARD'S WORK

1.2.1 Internal regulations

Internal regulations for the Board of Directors were defined by the Board of Directors on 23 September 2004. These regulations are in line with the guidelines advocated by the AFEP/MEDEF Corporate Governance Code, and specify the key operating principles of the Board of Directors in addition to directors' rights and duties.

The main provisions of the Board of Directors' internal regulations are set out in detail in section 21.2.1 of the reference document.

1.2.2 Board meetings

The Board of Directors issues its opinion on all major decisions concerning the Company's major strategy, the economy, social, labour terms, finance and technology and ensures that these are implemented by Senior Management.

In 2009, the Board of Directors met on seven occasions. On average, 10.5 directors attended each meeting of the Board of Directors in 2009. The total number of Directors was decreased from 13 to 11 at the General Shareholders' Meeting on 11 June 2009, which did not renew the terms of Messrs Thomas Geitner, Reinhard Gorenflos and Jean-Claude Marceau and appointed Mr Jérôme Losson. The average duration of a Board of Directors' meeting was two hours and thirty minutes.

The Board of Directors' main activities were as follows:

- Examination of accounts and results: the Board examined and closed the Company and consolidated annual and half-yearly accounts, and the management reports. It examined revenues and the main quarterly results, and also the corresponding financial communications. It drew up the reports and resolutions submitted to the General Shareholders' Meeting. It examined the 2010 budget.
- Examination of business operation: a business development presentation is given by the Senior Management at every Board

meeting, making it possible for Board members to follow, on a regular basis and in "real time" the progress made by the Group's business activities.

- Examination and approval of strategic operations: the Board discussed acquisitions and planned acquisitions. The strategic plan was presented to the Board of Directors and was discussed in detail.
- Corporate governance: The Board examined the report prepared by the Chairman pursuant to Article L. 225-37 of the French Commercial Code, concerning conditions for the preparation and organisation of the Board's work and procedures for internal control and risk management.

1.2.3 Committees set up by the Board of Directors

The Board of Directors, at its meeting on 23 September 2004, set up two Committees within the Company, *i.e.* an Audit Committee and a Remuneration and Appointments Committee.

At a meeting on 14 February 2008, the Board of Directors decided to create a Strategy Committee.

1.2.3.1 AUDIT COMMITTEE

The Audit Committee is comprised of at least two members, appointed by the Board of Directors based on a proposal by its Chairman. In accordance with the terms of the Audit Committee's operating charter, the Committee appoints its own Chairman.

The composition of the Audit Committee at the date of this report is as follows:

- Mr Rémy Sautter, Chairman;
- Mr Elie Cohen;
- Mr Nicolas Gheysens.

The Audit Committee, acting on behalf of the Board of Directors, is responsible for:

- examining the half-yearly and annual Company and consolidated financial statements and also the management reports and the activity and result tables;
- examining documents for Financial Communication;
- ensuring compliance with the accounting standards adopted for preparing the Company and consolidated accounts;
- examining the accounting treatments associated with specific transactions and the information published on these transactions;
- checking that internal information collection and inspection procedures are applied in practice;
- checking the quality and relevance of the information communicated to shareholders;

- examining the procedure for selecting the Company's auditors, in particular, the motivations for their choices and their remuneration conditions, in order to submit comments;
- on a yearly basis, studying the inspection procedures for auditors and internal auditors, and examining the internal auditing report for the year completed and the schedule of tasks for the year in progress;
- examining each year the Group's exposure to risk, in particular financial and litigation risks, and significant off-balance sheet commitments.

The Board of Directors remains liable for the tasks undertaken by and the opinions of these Committees.

The Audit Committee meets as often as it deems useful, and deals with any matter included within its mission. It may ask the Company to provide it with any document or information necessary to fulfil its mission and to make arrangements for any internal audit or external audit on any subject it believes is included in said mission. During the examination of drafts of the annual and half-yearly accounts, it may question the Company Auditors without the presence of the Company's senior managers. It is notified of any accounting or audit irregularities.

The Audit Committee met five times in 2009. It audited the Company's senior managers and the senior managers of the Group's Finance Department, the internal auditors and the Company Auditors on a regular basis to examine with them their respective work plans and their follow-up to said plans.

During the year 2009, the Audit Committee examined the following issues:

- Company and consolidated financial statements at 31 December 2008;
- half-yearly consolidated financial statements at 30 June 2009;
- revenue and main results for the first and third quarters of 2009;
- 2009 internal audit programme, conclusions of the missions carried out during the year and monitoring of the implementation of the recommendations.
- risk management system and mapping of major risks.

1.2.3.2 REMUNERATION AND APPOINTMENTS COMMITTEE

This Committee is comprised of at least three members, who are appointed by the Board of Directors based on a proposal by its Chairman. The Committee appoints its own Chairman.

At the date of this report, the Remuneration and Appointments Committee was composed of the following persons:

- Mr François de Carbonnel, Chairman;
- Mr Hugues Lepic;
- Mr Nicolas Gheysens.

The Committee is responsible for submitting proposals to the Board of Directors for the appointment of members of the Board of Directors,

the Chairman of the Board of Directors, the Chief Executive Officer and the members of the Board Committees. It is also kept informed by the Chairman of the Board of Directors of the appointments of other senior managers of the Group. In addition, the Committee proposes to the Board of Directors the amount of the directors' fees to be submitted to the General Meeting, as well as the conditions for the breakdown of said fees between the members of the Board of Directors.

The Committee also proposes to the Board of Directors the remuneration of the corporate officers and may, if requested by the Chairman of the Board of Directors, issue an opinion on the conditions for setting the remuneration of the Company's senior managers.

The Remuneration and Appointments Committee met six times in 2009.

In 2009, the Committee was involved in the process for selection of the new Chief Executive Officer, and examined the definition of the objectives and the procedures for calculating the variable portion of his remuneration.

The Remuneration and Appointments Committee noted the results of the Board of Directors' self-assessment questionnaire completed in 2009.

1.2.3.3 STRATEGY COMMITTEE

This Committee is comprised of at least three members, who are appointed by the Board of Directors based on a proposal by its Chairman. The Chairman of the Committee is appointed by the Board of Directors following a proposal by its Chairman, from among the members of the Committee.

The composition of the Strategy Committee at the date of this report is as follows:

- Mr Jacques Garaïalde, Chairman;
- Mr Elie Cohen;
- Mr Hugues Lepic.

It assists the Board of Directors in its reflections concerning major long-term strategic policies of the Company or the Group, examines all major projects in relation to strategic Group positioning and development, especially strategic partnership projects and major investment and divestment operations, and Company development plans submitted to the Board of Directors.

The Strategy Committee met twice during 2009.

The Strategy Committee, in particular, followed the implementation and progress of the study aimed at defining the Group's medium-term strategy and analysed its results.

1.3 APPRAISAL OF THE BOARD OF DIRECTORS

A new procedure for assessing the Board of Directors' operating procedures was implemented in the course of the year, in order to ensure that important issues are suitably prepared, treated and discussed at Board meetings, and examine the evolution of results with respect to the appraisal carried out one year previously.

This appraisal was conducted on the basis of a detailed questionnaire sent to each director. A summary of individual appraisals was prepared by the Remuneration and Appointments Committee and subsequently discussed at a Board meeting.

The Board of Directors felt that the results were positive and seems to indicate satisfactory operating procedures. In relation to some issues improvements may still be made, the Committee proposed that the Board of Directors reflect on ways of improving the follow-up of decisions taken by the Board.

1.4 LIMITATIONS ON THE POWERS OF THE CHIEF EXECUTIVE OFFICER

Subject to powers expressly granted by law to General Shareholders' Meetings and to the Board of Directors, and within the confines of the corporate purpose, the Chief Executive Officer has the broadest powers to act on behalf of the Company under all circumstances, with the following stipulations:

- (i) the Chief Executive Officer must present to the Board of Directors each year a draft strategic plan defining the Group's medium-term objectives and including in particular projected trends for the Group's key operational and financial indicators, in addition to a proposed annual budget;
- (ii) the following decisions must be approved in advance by the Board of Directors:
 - approval of the annual budget and any material changes made to it,
 - approval of annual and three-year business plans,
 - the acquisition or disposal of any part of PagesJaunes Groupe's business or that of any of its subsidiaries, where this is not included in the annual budget and is for a total amount in excess of 10 million euros in any one fiscal year,
 - any investments or divestments not included in the annual budget which concern assets for an amount, including liabilities and other off-balance sheet commitments, in excess of 10 million euros,
 - amendments to the employment contract of, recruiting/appointing or dismissing/removing the financial director of PagesJaunes Groupe, and any amendments to the employment contract of, recruiting/appointing or dismissing/removing any other senior manager of PagesJaunes Groupe whose gross annual remuneration exceeds 200,000 euros shall not give rise to prior authorisation by the Board of Directors, but must give rise to the prior agreement of the Remuneration and Appointments Committee,
 - any increase in the total indebtedness of PagesJaunes Groupe or its subsidiaries of an amount greater than that authorised under the terms of the financing or loan contracts previously authorised by the PagesJaunes Groupe's Board of Directors,
 - any agreement with a view to creating a joint venture with a third party, not included in the annual budget and entailing a commitment for PagesJaunes Groupe or one of its subsidiaries, for the duration of the joint venture, to a sum exceeding 10 million euros,
 - any decision to begin proceedings for the admission of securities of PagesJaunes Group or any of its subsidiaries onto a regulated market, and any consecutive transactions with a view to additional admissions of securities of PagesJaunes Group or any of its subsidiaries whose shares are already traded on a regulated market,
 - any decision to delist or buy back shares (except share buy-backs under liquidity agreements previously authorised by the Board of Directors),
 - the acquisition or subscription, by the PagesJaunes Groupe or any of its subsidiaries, of shares, interests or any other instrument in the capital or giving access to the capital of a Company (x) for a value greater than 10 million euros where the liability of PagesJaunes Groupe or its subsidiaries is limited and the transaction is not included in the annual budget, and (y) irrespective of the amount invested, where PagesJaunes Groupe or any of its subsidiaries is acting as an unlimited liability partner in such a Company,
 - any diversification of the business of PagesJaunes Groupe or one of its subsidiaries bearing no relation to the activities previously carried out, or any diversification in relation to activities previously carried out but not included in the annual budget, entailing a commitment to a sum in excess of 10 million euros,
 - any transfer or cessation of one of the main activities of PagesJaunes Groupe or one of its subsidiaries not included in the annual budget or in the three-year business plan,
 - the implementation of any profit-sharing plan (as defined in French labour law or any other similar legal provisions in other countries, with the exception of mandatory and voluntary profit-sharing – known as profit-sharing and company savings) within PagesJaunes Groupe or its subsidiaries or any measure which would lead employees to acquire, directly or indirectly, shares in the capital of PagesJaunes Groupe or its subsidiaries,
 - any authorisation or instruction given to a subsidiary of PagesJaunes Groupe to study or undertake any of the operations referred to in this list,
 - entering into any agreement not included in the annual budget which would entail PagesJaunes Groupe or its subsidiaries making payments or providing goods and services for an annual amount in excess of 10 million euros,
 - any decision relating to plans for the merger or demerger of any PagesJaunes Groupe subsidiary, partial contribution of capital of a business of one of PagesJaunes Groupe's subsidiaries, or lease management of a business belonging to a PagesJaunes Groupe subsidiary, where this is not provided for in the annual budget or three-year business plan, and excluding internal reorganisations with no material impact on PagesJaunes Groupe's position,
 - any transfer or disposal in order to grant security or any decision for the granting of security or pledges, by PagesJaunes Groupe or any of its subsidiaries, so as to meet its obligations with respect to debts or to honour guarantees given in favour of third parties, where these are not included in the annual budget and are for a total amount in excess of 10 million euros in any one fiscal year,
 - the granting of any loans by PagesJaunes Groupe or any of its subsidiaries where the cumulative amount is greater than 5 million euros and no provision has been made for this in the annual budget.

1.5 ACCESS, PARTICIPATION AND VOTING AT GENERAL SHAREHOLDERS' MEETINGS

Information relating to access, participation and voting at General Shareholders' Meetings appears in Articles 11 and 26 to 32 of the Company's Articles and is provided in detail in section 21.2.2 of the reference document.

1.6 PUBLICATION OF THE CAPITAL STRUCTURE AND FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC OFFERING

Information concerning share capital appears in section 21.1 of the Company's reference document.

1.7 RULES FOR THE DETERMINATION OF THE CHIEF EXECUTIVE OFFICER'S REMUNERATION

Rules for the determination of Michel Datchary's remuneration

Michel Datchary was as CEO of PagesJaunes Groupe from 23 September 2004 to 25 May 2009.

Michel Datchary was an employee of PagesJaunes (formerly ODA) until 25 February 2009. His employment contract with PagesJaunes was suspended when he was appointed Chief Executive Officer of the PagesJaunes Groupe company. For the purpose of compliance with AFEP/MEDEF recommendations and in due consideration of the fact that the result of the termination of Michel Datchary's employment contract was the loss of his entitlement to post-employment payments (due in the event of departure into retirement) and of his entitlement to non-competition and severance pay, the Board of Directors attempted, in the definition of the scheme proposed, to transfer to the corporate officer's contract the current system of non-competition and severance pay, adapting it to the AFEP/MEDEF recommendations on the subject, and introducing a new system against the post-employment payments to which Michel Datchary would have been entitled under the current system if he had left the Group to exercise his retirement rights.

Accordingly, Michel Datchary resigned from his salaried functions within the Group, and thus his contract came to an end on 25 February 2009. Michel Datchary's entitlements as an employee of PagesJaunes were settled. Approximately 218,752.31 euros were paid to him in full settlement. (corresponding to 83 days of leave for length of service, 47 days of managerial-staff leave and 5 days of cumulated paid time off), with no further compensation paid.

Two types of benefits were implemented: compensation that is only applicable in the event of forced departure and compensation for the non-competition obligation.

1) Compensation for termination

The Board of Directors, at its meeting on 25 February 2009, decided that Michel Datchary should be compensated in the event of forced departure from the Company linked to a change of Company control or strategy (and whatever the form of said departure: dismissal, non-renewal or resignation).

This compensation amounts to 21 months' remuneration calculated on the basis of the monthly average of the total gross pay received by

the interested party during the course of the 12 calendar months prior to the date on which the term of office was terminated. Gross pay shall be taken to mean the total amount of remuneration including wage costs, but excluding employer contributions.

In accordance with Article L. 225-42-1 of the French Commercial Code (in the version resulting from the Law known as the TEPA Law), this type of undertaking must comply with the beneficiary's performance obligations, assessed in relation to Company performance.

Compensation is subject to the following performance obligation: the average increase in the gross operating margin over the last three years, as shown by the PagesJaunes Groupe consolidated accounts posted by the Board of Directors prior to Michel Datchary's date of departure, must exceed the average increase in the operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets for the same period.

As an exception, if the termination occurs between 1 January and the date on which the Board of Directors posts the accounts for the year prior to the termination, the Board of Directors shall wait for this posting to establish whether or not the aforementioned condition has been met (on the basis of the accounts posted).

It should be pointed out that the compensation shall not be due should Michel Datchary leave the Company in order to receive his retirement benefits.

The Board of PagesJaunes Groupe, at a meeting on 17 May 2009, appointed Jean-Pierre Remy CEO of the Company as of 25 May 2009 to replace Michel Datchary, who resigned from his functions on the same date.

At this meeting the Board announced that the terms for severance pay for Michel Datchary, as set by the Board meeting of 25 February 2009, had been honoured. The Board also stated that the performance obligation for severance pay to Michel Datchary had been met, namely that the average trend in gross operating margin over the previous three years, as posted in the consolidated accounts of PagesJaunes Groupe by the Board of Directors, exceeded the average trend in operating income prior to impairment of goodwill, restructuring costs and sales of SBF 120 index company assets, for the same period.

In respect of the severance pay subject to performance, and in accordance with the recommendations of the AFEP/MEDEF corporate governance recommendations, 802,046 euros were paid to Michel Datchary.

2) Non-competition clause/related compensation

Insofar as Michel Datchary was no longer subject to a non-competition obligation under his employment contract, the Board of Directors decided that Michel Datchary shall be subject to a non-competition obligation by virtue of his duties as the Company's Chief Executive Officer.

This non-competition obligation could be implemented in the event of termination of his term of office as Chief Executive Officer for whatever reason, and in whatever form this may take.

This competition ban was limited to a period of 24 months commencing on the day on which his duties actually come to an end, and covers the entire French territory.

The corresponding compensation was equal to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. This was to be paid to Michel Datchary at the end of each half-year at a rate of 1/4 of the total amount of the compensation.

Pursuant to Article L. 225-42-1 of the Commercial Code, since this is a non-competition clause, it should be pointed out that this compensation shall be due under all circumstances and that, consequently, the Company shall not be entitled to waive the non-competition undertaking given.

The sum total of the severance pay and this compensation shall not, under any circumstances, exceed 24 months' gross remuneration.

Michel Datchary has been bound by a non-competition obligation since 25 May 2009, the date of cessation of his functions as CEO of PagesJaunes Groupe, and has received the corresponding compensation since this date. This was 200,512 euros in 2009.

Rules for the determination of Jean-Pierre Remy's remuneration

1) Fixed remuneration

On 17 May 2009 the Board of Directors set the fixed amount of Jean-Pierre Remy's gross annual remuneration as 390,000 euros, payable over twelve months.

2) Rules for calculation of the variable portion

On 11 June 2009, the Board of Directors, based on a proposal by the Remuneration and Appointments Committee, determined the rules for calculating the variable portion of the Chief Executive Officer's remuneration.

In 2009, the Chief Executive Officer was eligible for a variable share of 100% of the fixed sum on objectives achieved, between 0% and 200%, based on the following criteria:

- 50% on a qualitative scale from 0% to 200%;
- and 50% on a quantitative scale based on an additional gross operating margin target from 0% to 200%.

3) Termination Indemnity

Since Jean-Pierre Remy does not benefit from an employment contract, the Board of Directors decided to implement severance pay in the event of forced departure from the Company in connection with a change in control or strategy or implementation, the sum of which was to be equal to his gross annual remuneration (fixed and variable in accordance with the targets met), subject to the following performance obligations:

- in the event of his departure prior to the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: achievement of at least 90% of the quantitative objectives set to determine his variable remuneration (especially in terms of the trend in gross operating margin);

- in the event of his departure after the posting by the Board of Directors of the Group consolidated accounts for the year ending 31 December 2010, payment of severance would be subject to the following condition: the average trend in gross operating margin over the previous three years (or over the last two years in the event of departure between the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2010 and the posting by the Board of Directors of the Group's consolidated accounts for the year ending on 31 December 2011) as posted by the Board of Directors prior to the date of departure of Jean-Pierre Remy will exceed the average trend in operating income prior to impairment of goodwill, restructuring costs and results of sales of SBF 120 index company assets, for the same period.

Payment of severance will be made only when the Board of Directors has observed that the performance condition has been met.

4) Non-competition clause/related compensation

A non-competition obligation shall be implemented in the event of a cessation in Jean-Pierre Remy's term as CEO of the Company for any reason and in any way. This competition ban is limited to a period of 24 months commencing on the day on which his duties actually come to an end, and covers 100% of French territory. The corresponding compensation shall amount to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. It shall be paid to Jean-Pierre Remy at the end of each half-year at a rate of 1/4 of the total amount of the compensation. The Company shall be entitled to release Jean-Pierre Remy from this non-competition clause, informing him of its decision at the latest within the 15 calendar days following the decision or announcement by the Board of Directors to curtail Jean-Pierre Remy's term as CEO at the Company.

5) Retirement

Within the framework of the implementation of an additional retirement scheme in two sections (the Collective Retirement Savings Plan – PERCO), implemented in 2007, whereby all the employees of the Group's French subsidiaries may benefit from an additional defined-contribution retirement scheme to be enjoyed by all management staff at Group subsidiaries as of 1 January 2008), Mr Jean-Pierre Remy cannot benefit from the PERCO scheme.

The Board of Directors at PagesJaunes Groupe, however, in accordance with the stipulations of Article L. 225-38 of the French Commercial Code, has approved a stipulation whereby Mr Jean-Pierre Remy may avail himself of the additional retirement scheme (Article 83 of the General Tax Code) under the same conditions as other contributors.

It must also be stated that Mr Jean-Pierre Remy has been signed up to the Company's benefits and retirement scheme under the same conditions as other Group employees.

All these rules comply with the stipulations of the AFEP/MEDEF Corporate Governance Code.

2. Internal control and risk management procedures introduced within PagesJaunes Groupe

For the purposes of organising its internal control and managing its risks, PagesJaunes Groupe has implemented a number of internal processes, described below, with reference to the AMF reference framework. Compliance with this framework was in the process of being implemented at year-end.

Internal control, in accordance with the definition given by AFEP/MEDEF, is a process implemented by the Company's directors, management and personnel, the purpose of which is to provide reasonable assurance concerning the achievement of objectives in the following areas:

- effectiveness and efficiency of operations;
- reliability of financial information;
- conformity with current laws and regulations.

This process covers all the activities of PagesJaunes Groupe. Its purpose is to carry out a reasonable verification that risks shall be controlled and that the stipulated objectives shall be attained.

The 8th directive is applicable at PagesJaunes as of August 2010, and work is ongoing to determine the most appropriate procedures to allow the Audit Committee to monitor the effectiveness of mechanisms for internal control and risk management. The same is true of communication procedures between the Audit Committee and the Board of Directors.

2.1 GENERAL ORGANISATION OF INTERNAL CONTROL AND RISK MANAGEMENT WITHIN PAGESJAUNES GROUPE

2.1.1 Internal control

2.1.1.1 INTERNAL CONTROL OBJECTIVES

Internal control objectives are:

- to ensure that activities for the management or performance of operations and the conduct of employees are as stipulated by the guidelines for business activity in accordance with the Company's internal rules, standards and values;
- to ensure that information relating to accounts, finance and management notified by the Company constitutes a true reflection of the business and the position of the Company.

Among other concerns, the internal control system aims to prevent and control risks arising from Company business and the risk of errors, particularly aspects relating to accounts, finance and legal matters.

Like any control system, it cannot provide an absolute guarantee that all risks will be completely eliminated.

2.1.1.2 SCOPE OF INTERNAL CONTROL

Internal control applies to all operational processes at the Company, and most particularly the account-closing process, as recommended by the *Autorité des marchés financiers*.

2.1.1.3 GENERAL ORGANISATION OF INTERNAL CONTROL

PagesJaunes Groupe has established a series of organisational rules, policies, procedures and mechanisms and evaluation and control bodies that contribute to the effectiveness of internal control.

The Board of Directors, operational and functional departments and all staff play a role in controlling activities and risks associated with the areas under their responsibility.

2.1.2 Risk management

2.1.2.1 RISK MANAGEMENT OBJECTIVES

Risk management objectives are:

- assessing and controlling risks by:
 - identifying them,
 - assessing their impacts, frequency and coverage,
 - reducing them to an acceptable level,
 - describing reduction measures,
 - using an identification and classification method,
 - regularly updating these points.

These objectives are consistent with company objectives, set on an annual basis, and can be reviewed on a half-yearly basis and measured quarterly.

2.1.2.2 SCOPE OF RISK MANAGEMENT

The risk management policy applies to all Group assets.

2.1.2.3 GENERAL RISK MANAGEMENT ORGANISATION

PagesJaunes Groupe has introduced a Group risk governance policy which is chiefly based on a sponsor director, a risk manager and a network of corresponding business divisions.

This is managed by two committees; a steering committee and a monitoring committee.

2.2 PLAYERS OR STRUCTURES CARRYING OUT RISK MANAGEMENT AND CONTROL ACTIVITIES

2.2.1 The Group's values, behavioural and action principles

At its meeting on 27 May 2004, the Supervisory Board of PagesJaunes Groupe adopted an Ethical Charter for the Group. This is displayed on the Group's Intranet and Internet sites (www.pagesjaunesgroupe.com), and is also given to each new employee.

The Charter sets out the Group's values and explains its action principles vis-à-vis its customers, its shareholders, its employees, its suppliers, and its competitors, and also vis-à-vis the environment and the countries in which the Group operates. It also mentions a number of individual behavioural principles with which each employee, director and manager must comply.

Stock market ethical principles and rules will be covered by a specific document which is an integral part of the Charter. The purpose of this document is to draw the attention of employees and directors of the Group's companies to the current relevant principles and rules and the need to fully comply with these and also certain preventive measures (in particular, the existence of a lock-up period for "permanent insiders").

In addition, in accordance with Articles 223-22 A and following of the General Regulations of the *Autorité des marchés financiers* (adopted pursuant to Article L. 621-18-2 of the French Monetary and Financial Code), PagesJaunes Groupe has informed its directors of the obligation to communicate to the AMF and to make public through a press release, within five days of trading, any acquisitions, sales, subscriptions or exchanges of its financial instruments, and the transactions carried out on these instruments using financial futures instruments, by the members of the Board of Directors and by those persons having close personal links with them.

2.2.2 The Group's governance

A PagesJaunes Groupe Executive Committee was created under the authority of the Chief Executive Officer, consisting of the Executive Vice-Presidents in charge of the Internet, Printed Directories, Advertisers and Finance/Performance/Information System Divisions, and also the Director of Strategy and Communication, the Director of Human Resources and the Director of Legal Affairs.

Its task is to support the Divisions, arbitrate on the main Group decisions, and implement the policies and means required by each to enable their targets to be met. It meets at least once a week.

2.2.3 The internal audit function

PagesJaunes Groupe's internal audit service helps it maintain an appropriate control mechanism by evaluating efficiency and effectiveness and encouraging continuous improvement. Based on risk evaluation results, the internal audit department assesses the relevance and effectiveness of internal control procedures by measuring the quality of the control environment within the Group, the quality of operation of the internal governance bodies, the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, protection of assets, and compliance with laws, regulations and contracts.

PagesJaunes Groupe's internal audit department carries out the missions defined at the beginning of the year in the audit plan. From a functional viewpoint, the department is part of the Group's Finance Department, although from the point of view of hierarchy it is supervised by the Audit Committee.

Three types of audit are carried out at PagesJaunes:

- an audit of conformity in relation to financial statements: assessment of off-balance-sheet commitments, evaluation of retirement commitments, monitoring of stock, etc.;
- a compliance, efficiency and governance audit, particularly directed at subsidiaries;
- an audit of specific functions such as the purchasing function, monitoring of commercial expenditure, etc.

2.2.4 Risk management

In 2005, PagesJaunes Groupe implemented a risk management scheme and appointed a risk manager reporting to the Director of Legal Affairs, who supervises and organises the scheme.

This led to the establishment of risk-mapping and organised the risk management process, which includes, on the one hand, an approach by Group segments (PagesJaunes Groupe, PagesJaunes, QDQ Media, and other subsidiaries) and by business categories and, on the other, the allocation of risks to risk owners.

This risk management system was presented to the Audit Committee.

A full risk review is carried out at least twice a year. The review allows the following operations to be carried out:

- measurement of the progress of the courses of action planned;
- updating previously identified risks (trends and disappearances);
- addition of any new risks which may arise.

The scheme is led by the risk manager, who is assisted by a steering committee comprised of Executive Directors of PagesJaunes Groupe and PagesJaunes. The steering committee also supports the establishment of an information security policy within PagesJaunes Groupe, in order to ensure the homogeneity of these two programmes.

Risk management is now organised as follows:

- two complete reviews of risks and information security are carried out each year;
- regular monitoring committees check the progress of the courses of action planned;
- a quarterly list of indicators focusing mainly on the progress of activities to guard against risks.

The method used takes into account:

- identification of the Company's sensitive assets;

- identification of risks;
- classification by impacts and frequency;
- risk hedging measurement;
- identification of hedging initiatives;
- Company objectives.

A continuity plan was drawn up in 2007, tested in 2008, and put in place in 2009. Two simulations are carried out annually.

2.3 INTERNAL CONTROL PROCEDURES CONCERNING THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

The Group's Finance Department draws up accounting and financial information.

The reliability of the accounting and financial information published is reinforced by a series of bodies, rules, procedures and checks, by a skills management policy, and by a process to ensure continuous improvement of procedures.

Specific internal control procedures have therefore been implemented, based mainly on the following:

- the Financial Information Committee;
- the Group's accounting and management organisation;
- unified management and accounting reporting;
- the reference model and the common accounting methods within the Group;
- scheduling of account closure work at Group level;
- financial communication.

2.3.1 The Financial Information Committee

Financial information and its control are organised in accordance with managerial organisation and management of PagesJaunes Groupe. In order to improve the quality and reliability of financial information, the Group has set up a financial information management and control mechanism, primarily based on the work of the Financial Information Committee.

This Committee is responsible for ensuring integrity, accuracy and conformity with applicable laws and regulations and recognised practices, and the consistency and quality of PagesJaunes Groupe's financial information.

Prior to examination by the Audit Committee and subsequently by the Board of Directors, it reviews all financial information to be notified to the public. This examination covers periodic press releases including financial items, periodic presentations to analysts, management reports, and the reference document.

The Committee acts on the basis of procedures for the preparation and validation of financial information defined for the entire Group. It is chaired by the Group's Financial Director and includes managers for accounting, legal affairs, communication, investor relations and management control.

This Committee was set up in July 2004 and met on four occasions in 2009.

2.3.2 The accounting and management function

Reporting to the Group's Financial Director, the Consolidation Service, the Management Control and Accounting departments of the Group's subsidiaries perform the essential missions to ensure consistency in PagesJaunes Groupe's financial data.

Thus,

- they produce the Company and consolidated accounts of PagesJaunes Groupe within the periods satisfying the requirements of the financial markets and legal obligations;
- they manage the budgeting and forecasting process and produce monthly management reports as swiftly as possible while ensuring data consistency;
- they produce the documentation necessary for the financial communication of results and the summary management reporting for PagesJaunes Groupe Management;
- they design and set up the accounting and management methods, procedures and reference documents of PagesJaunes Groupe;
- they identify and manage the necessary changes to the accounting information and management systems of PagesJaunes Groupe.

2.3.3 Unified management and accounting reporting;

The Group's management and steering cycle has four basic components, as follows:

- the three-year strategic plan;
- the budget process;
- monthly reporting;
- business reviews.

THE STRATEGIC PLAN

Each year a strategic plan is drawn up by PagesJaunes Groupe for the next three years. This strategic plan is drawn up on the basis of strategic choices by PagesJaunes Groupe in view of market trends, its own business segments and competitor contexts.

THE BUDGET PROCESS

The budget process is determined for PagesJaunes Groupe and its subsidiaries. The main phases are as follows:

- in autumn: updating the budget for the year in progress and preparation by each entity of an annual and monthly budget for the following year;
- in spring: updating the initial forecast for the year in progress, which also serves as the basis for drawing up the strategic plan;
- in summer: updating the latter half of the year in accordance with the results produced during the first half of the year.

A continuous reforecasting process was implemented in 2007 in order to improve steering and monitoring of Group performance.

MONTHLY REPORTING

Monthly reporting is a major component of the control and financial information mechanism. It is PagesJaunes Groupe Management's primary monitoring, control and management tool. It is comprised of several documents prepared by the Management Control and Accounting services and notified to the Management of PagesJaunes Groupe.

Monthly reporting includes quantified data, comments on developments, and performance measurement indicators.

The Management Control and Accounting services at PagesJaunes Groupe use a joint consolidation tool, introduced in 2007, to produce reporting on actual figures and the budget, and also the strategic plan.

BUSINESS REVIEWS

The monthly business reviews with all Senior Management at subsidiaries are a key component of PagesJaunes Groupe's steering and control mechanism. Their primary objective is to ensure consistency between the action undertaken and the Group's priorities and ambitions.

2.3.4 Common accounting methods and references used at the Group

For the process of preparation of the foreseeable and actual consolidated accounts, the Group has elected to use the principle of standardisation, which entails:

- homogeneity of the reference model, accounting methods and consolidation rules;
- standardisation of restitution formats;
- use of a common consolidation IT tool in the Group.

The Group has a single reference model that standardises all items in consolidated reporting, including off-balance-sheet commitments. All the Group's consolidated entities have adopted this reference model. PagesJaunes Groupe draws up the consolidated accounts in

accordance with IFRS standards (European Regulation 1606/2002 of 19 July 2002).

The consolidation documents are prepared in accordance with local accounting principles and include standardisation restatements in order to comply with the Group's standards and with IFRS standards. Instruction memos from the Group's Finance Department specifying the preparation process and timetable for each closure are distributed within the Group. Each subsidiary of PagesJaunes Groupe defines these processes and timetables for its own organisation.

2.3.5 The scheduling of closure work at Group level

In order to maintain short account closing times, which enable it to publish its consolidated accounts, as prepared by the Board of Directors in February, the Group has set up a precise schedule to plan its closure work. This schedule includes:

- budget monitoring processes;
- preparation of pre-closure accounts;
- enhanced formalisation of closing processes;
- forecasting the treatment of complex accounting operations and estimates.

The planning of coordination activities between the various Divisions and functions of the Group, improvement of the quality of quantified forecasts and increased control of financial processes and anticipation and acceleration of accounting preparation processes have all been essential factors in the progress made by the Group in preparing its accounts.

2.3.6 Financial Communication

In addition to the Chief Executive Officer, the Financial Director, the Investor Relations Manager and the Department of Strategy and Communication's press department are the only entities authorised to issue financial information concerning the Group and its strategy outside the Company.

The Group's Finance Department, in association with Management Control and the Legal Department, is responsible for drawing up and distributing to public entities and regulatory and market authorities (the *Autorité des marchés financiers*) the following periodic and permanent information documents:

- periodic financial press releases (quarterly information, half-yearly and annual results) and also occasional releases (external growth operations, divestment, strategic partnerships, etc.);
- presentations to back up meetings of analysts, investors and press conferences;
- half-yearly and annual financial reports;
- the reference document;

- presentation for the General Shareholders' Meeting.

These documents are reviewed by the Financial Information Committee (See section 2.3.1).

PagesJaunes Groupe strives to provide intelligible, relevant and reliable information. The Group also strives to observe stock market regulations and the principles of corporate governance.

2.4 RELATIONS WITH THE COMPANY'S AUDITORS

As part of their mission required by law, the Company's auditors perform their work at the end of the first half of the year, in the form of a limited examination at Group level, and for the annual closing, *via* a review of the pre-closure, followed by an audit of the accounts at 31 December. In this way, they provide an external evaluation reference to complement the internal evaluation process.

In a general sense, continuous improvement of processes and standards focuses on the three concerns of effectiveness, control and monitoring of operations.

PagesJaunes Groupe

Financial year ending 31 December 2009

■ The Auditors' Report prepared pursuant to Article L. 225-235 of the Commercial Code, on the report of the Chairman of the Board of Directors of PagesJaunes Groupe

To the Shareholders,

As Company Auditors of PagesJaunes Groupe and pursuant to Article L. 225-235 of the Commercial Code, we submit to you our findings on the report prepared by the Chairman of your Company in accordance with Article L. 225-37 of the Commercial Code for the fiscal year ended 31 December 2009.

The Chairman is responsible for drawing up and submitting to the Board for approval a report on procedures for internal control and risk management implemented at the Company, and providing other information required by Article L. 225-37 of the Commercial Code, especially in relation to corporate governance.

Our task is as follows:

- to provide you with our comments concerning the information provided in the Chairman's report with regard to the procedures for internal control and risk management in relation to the preparation and treatment of accounting and financial information; and,
- to certify that the report contains the other information required by Article L. 225-37 of the Commercial Code. We are not, however, required to verify the sincerity of this other information.

We have conducted our work in accordance with the professional standards applicable in France.

INFORMATION CONCERNING THE PROCEDURES FOR INTERNAL CONTROL AND RISK MANAGEMENT IN RELATION TO THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

These professional standards require measures aimed at assessing the sincerity of information, in relation to the internal audit procedures and risk management in relation to the preparation and treatment of accounting and financial information. These measures consist mainly of:

- examining the procedures for internal control and risk management in relation to the preparation and treatment of accounting and financial information underlying the information submitted in the Chairman's report, and existing documentation;
- examining the work involved in drawing up this information and existing documentation;
- determining whether any of the major deficiencies in internal controls relating to the preparation and treatment of accounting and financial information encountered by us during our task are properly covered in the Chairman's report.

Based on this work, we have no comments concerning the information concerning procedures for internal control and risk management in relation to the preparation and treatment of accounting and financial information in the report by the Chairman of the Board of Directors, drawn up pursuant to Article L. 225-37 of the Commercial Code.

OTHER INFORMATION

We certify that the report by the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the Commercial Code.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés
Dominique Descours

Ernst & Young Audit
Jeremy Thurbin

PagesJaunes Groupe

General Shareholders' Meeting of 10 June 2010

(Eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and eighteenth resolutions)

■ Auditors' report on the issue and miscellaneous securities with maintenance and/or elimination of preferred subscription rights

To the Shareholders,

In our capacity as Statutory Auditors of your company, and in compliance with Articles L. 225-135, L. 225-136, and L. 228-92 of the Commercial Code, we hereby report on the proposed empowerment of the Board of Directors to decide and determine the conditions of the issue of shares and securities, upon which you are called to vote.

On the basis of its report, your Board of Directors proposes that:

- you authorise it, for a period of 26 months, to decide on the following transactions and determine the final conditions for these transactions and, if applicable, to eliminate your preferred subscription rights:
 - issue of ordinary shares and securities giving access to ordinary shares in the Company with no suppression of shareholders' preferred subscription rights (eleventh resolution),
 - issue through a public bid or through offers set out in section II of Article L. 411-2 of the Monetary and Financial Code, of ordinary shares and securities giving access to ordinary shares in the Company with elimination of shareholders' preferred subscription rights (twelfth and thirteenth resolutions),
 - issue of ordinary shares and securities giving access to ordinary shares, in the event of a public offer of exchange initiated by your Company (sixteenth resolution), based on and under the conditions set out in the twelfth resolution;
- to authorise it, through the fourteenth resolution and within the scope of implementation of the delegation of authority referred to in the twelfth and thirteenth resolutions, to determine the issue price within the annual legal limit of 10% of the share capital;
- to authorise, for a period of 26 months, to determine the conditions for an issue of ordinary shares and securities giving access to ordinary shares, with a view to remunerating contributions in kind permitted to your Company comprised of equity securities or other financial instruments giving access to capital (seventeenth resolution), up to 10% of the capital.

The total nominal amount of the capital increases likely to be carried out immediately or in the future cannot exceed 20 million euros pursuant to the eighteenth resolution. The total nominal amount of the debt securities that could be issued cannot exceed 300 million euros pursuant to the eleventh, twelfth, thirteenth, sixteenth and seventeenth resolutions. The nominal amount of capital increases carried out through an offer set out in section II of Article L. 411-2 of the Monetary and Financial Code cannot exceed 10 million euros, and in any case may not exceed 20% of share capital per fiscal year.

The number of shares to be created within the scope of implementation of the delegations of authority referred to in the eleventh and twelfth resolutions may be increased under the conditions stipulated in Article L. 225-135-1 of the French Commercial Code, if you approve the fifteenth resolution and subject to compliance with the ceiling stipulated in the resolution pursuant to which the issue is decided.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 and R. 225-117 of the Commercial Code. It is our responsibility to report on the fairness of the financial information taken from the accounts, on the proposed elimination of the preferred subscription rights, and on other specific information relating to the issue contained in this report.

We performed those procedures we considered necessary to comply with the French national auditing body's professional guidance for this engagement (*Compagnie Nationale des Commissaires aux Comptes*). These procedures consisted of verifying the information contained in the Board of Directors' Report relating to this operation and the methods used for determining the selling price of shares to be issued.

Subject to a subsequent examination of the conditions for issues decided, we have nothing to report on the methods used for determining the issue price of shares provided in the Board of Director's report, in relation to the twelfth, thirteenth, fourteenth and sixteenth resolutions.

As this report does not specify the conditions for determination of the price of the shares to be issued pursuant to implementation of the eleventh and seventeenth resolutions, we are unable to give our opinion on the choice of the items used to calculate the issue price.

As the issue price has not yet been determined, we do not express an opinion on the final conditions for the increase in capital, and, consequently, on the proposed elimination of preferred subscription rights made to you in the twelfth, thirteenth, fourteenth, fifteenth, sixteen and seventeenth resolutions.

In accordance with Article R. 225-116 of the Commercial Code we shall issue a further report, if applicable, when your Board of Directors has used these authorisations in the event of issue of shares with elimination of preferred subscription rights and issues of securities giving access to capital and/or providing an entitlement to allocation of debt securities.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

PagesJaunes Groupe

General Shareholders' Meeting of 10 June 2010

(Nineteenth resolution)

■ Auditors' Report on the issue of securities providing entitlement to allocation of debt securities

To the Shareholders,

In our capacity as Statutory Auditors and in compliance with Article L. 228-92 of the Commercial Code, we hereby report on the proposed empowerment of the Board of Directors to decide on an issue of securities providing entitlement to allocation of debt securities, for an amount of up to 300 million euros, or the equivalent of this amount in foreign currency or in any monetary units determined by reference to a basket of currencies, upon which you are called to vote.

Your Board of Directors has proposed, on the basis of its report, that you delegate authority to it for a period of 26 months to carry out this operation. It shall concern itself, if necessary, with setting the final conditions for issue.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R. 225-113 and R. 225-114 and R. 225-117 of the Commercial Code. It is our responsibility to report on the fairness of the financial information taken from the accounts and on other specific information relating to the issue contained in this report.

We performed those procedures we considered necessary to comply with the French national auditing body's professional guidance for this engagement (*Compagnie Nationale des Commissaires aux Comptes*). These procedures consisted of verifying the information contained in the Board of Directors' Report relating to this operation.

As the issue's final conditions have not yet been determined, we do not express an opinion on the final conditions under which the issue shall be carried out.

In accordance with Article R. 225-116 of the Commercial Code, we will issue a further report, if applicable, when your Board of Directors has used this authorisation.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

PagesJaunes Groupe

General Shareholders' Meeting of 10 June 2010

(Twenty-first resolution)

■ Auditors' report on the increase in capital reserved for company employees participating in a company savings scheme

To the Shareholders,

In our capacity as Statutory Auditors of your Company and pursuant to Articles L. 225-135, L. 225-138, L. 228-92 and L. 225-197-1 of the Commercial Code, we hereby report on the proposed empowerment of the Board of Directors to decide on the issue, with suppression of preferential subscription rights, reserved for employees and former employees who participate in the PagesJaunes Groupe savings scheme, of shares or securities giving access to existing or future shares, or the allocation of ordinary bonus shares or securities giving access to existing or future ordinary shares in the Company, in particular *via* the incorporation in the capital of reserves, profits or premiums, for a maximum nominal amount of 1,122,000 euros, on which you are called upon to vote.

This issue is submitted for your approval in accordance with Articles L. 225-129-6 of the Commercial Code and L. 3332-18 et seq. of the Labour Code.

Your Board of Directors has proposed, on the basis of its report, that you delegate authority to it for a period of 26 months to decide one or more issues and waive your preferred subscription rights. It shall concern itself, if necessary, with setting the final conditions for this operation.

It is the responsibility of the Board of Directors to prepare a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the Commercial Code. It is our responsibility to report on the fairness of the financial information taken from the accounts, on the proposed suppression of preferred subscription rights, and on other specific information relating to the issue, contained in this report.

We performed those procedures we considered necessary to comply with the French national auditing body's professional guidance for this engagement (*Compagnie Nationale des Commissaires aux Comptes*). These procedures consisted of verifying the information contained in the Board of Directors' Report relating to this operation and the methods used for determining the issue price.

Subject to a subsequent examination of the conditions for the proposed share issue to be decided, we have no remarks to make concerning the methods used for determining the issue price provided in the Board of Directors' report.

As the issue price has not yet been determined, we do not express an opinion on the final conditions for the increase in capital and, consequently, on the proposed suppression of preferential subscription rights.

In accordance with Article R. 225-116 of the Commercial Code, we will issue a further report, if applicable, when your Board of Directors has used this authorisation.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

PagesJaunes Groupe

General Shareholders' Meeting of 10 June 2010

(Twenty-second resolution)

■ Auditors' report on the reduction in capital by the cancellation of shares purchased

To the Shareholders,

In our capacity as Statutory Auditors of PagesJaunes Groupe, and in compliance with Article L. 225-209 of the Commercial Code in relation to a capital reduction through the cancellation of shares purchased, we have drawn up this report to notify you of our appraisal of the causes and conditions of the proposed capital reduction.

We performed those procedures we considered necessary to comply with the French national auditing body's professional guidance for this engagement (*Compagnie Nationale des Commissaires aux Comptes*). These measures consisted of ascertaining whether the causes and conditions for the proposed capital reduction are fair.

This operation involves the purchase by your Company of its own shares, representing an amount not exceeding 10% of its total capital, pursuant to Article L. 225-209 of the Commercial Code. Moreover, this purchase authorisation is proposed to your Meeting for approval, and would be issued for a period of 18 months.

Your Board of Directors requests you delegate, for a period of 18 months and in relation to implementation of authorisation for your Company to buy its own shares, full powers to cancel, to a limit of 10% of share capital over a period of 24 months, the shares thus purchased.

We have no remarks to make on the causes and conditions of the proposed reduction in capital, which can be performed only after your Meeting has already approved purchase by your Company of its own shares.

At Neuilly-sur-Seine and Paris-La Défense, on 18 February 2010.

The Company Auditors

Deloitte & Associés

Dominique Descours

Ernst & Young Audit

Jeremy Thurbin

■ Glossary

Directory: a directory is a compilation of lists of businesses and/or individuals, subscribers of a fixed or mobile operator, with a view to their publication in alphabetical format or by professional sections, in printed or electronic format.

Consolidated Group revenue: the Group's revenue, including that of PagesJaunes and all its subsidiaries, with the exception of the revenue of PagesJaunes Outre-Mer, Kompass Belgium, and PagesJaunes Lebanon, which are not consolidated.

External Group revenue: the Group's revenue obtained with third parties outside the France Télécom Group.

Publisher: a natural person or legal entity who assumes responsibility for the content it disseminates.

Group: the group of companies comprised of the Company and all its subsidiaries.

Consolidated Group: the group of companies comprised of the Company and all its subsidiaries, with the exception of PagesJaunes Outre-Mer and PagesJaunes Lebanon.

France Télécom Group: the France Télécom company and all its subsidiaries.

I-mode: data exchange protocol developed by Japanese mobile telephone operator NTT DoCoMo permitting the use of Internet from mobile terminals.

Intranet: local network using the same protocols and technologies as the Internet, but connecting computers privately (*i.e.* it is not open to all Internet users). Examples: company Intranet, community Intranet, etc.

Numéro Azur (local rate number): telecommunications number the cost of which is shared between the service publisher and the caller.

PagesJaunes or PagesJaunes SA: the PagesJaunes SA Company.

Advertising sales agency: natural person or legal entity who assumes responsibility for selling the advertising spaces of the content edited by a third party and whose rights and obligations are defined by an advertising sales contract.

Company: the PagesJaunes Groupe Company.

Reach rate of an Internet site: number of Internet users who have visited the site studied at least once during a given period over the total number of users active during this period.

WAP (Wireless Application Protocol): data exchange protocol developed by several mobile telephone manufacturers permitting the use of the Internet from mobile terminals.

Web call-back: telephone connection with the advertiser if requested by the consulting person from an icon placed on the advertiser's Internet site.

■ Concordance table

The annual financial report for the 2009 fiscal year, drawn up pursuant to Articles L. 451-1-2 of the French Monetary and Financial Code and 222-3 of the General Regulations of the AMF Markets Authority, comprises the sections of the Reference Document identified in the table below:

Information	Chapters (or pages) of the Reference Document
Group's consolidated financial statements	20.1
Auditors' report on the consolidated financial statements	20.4
Group's management report	9.
Company's annual financial statements	20.2
Auditors' report on the annual accounts	20.4
Company management report	20.3
Statement by the persons responsible for the document	1.2