



Sèvres, April 27, 2005

PagesJaunes Groupe: 2004 figures under IFRS

- **Limited impact on pro forma ⁽¹⁾ consolidated revenues, pro forma ⁽¹⁾ consolidated gross operating margin ⁽²⁾ and consolidated shareholders' equity**
- **No effect on cash-generating capacity**
- **Maintenance of the Group's financial targets, particularly that of distributing the entire net income from the Group's operating activities in 2005**

With a view to the publication of comparative financial statements for the 2005 consolidated accounts, which will be drawn up in accordance with International Financial Reporting Standards (IFRS), PagesJaunes Groupe is today publishing consolidated IFRS figures for the year ending on December 31, 2004, by way of preliminary information.

These 2004 figures have been prepared on the basis of IFRS standards and interpretations applicable on December 31, 2005, as known at the current time.

Pro forma ⁽¹⁾ 2004 consolidated revenues under IFRS: €978 million

The pro forma ⁽¹⁾ 2004 consolidated revenues under IFRS amount to €978.1 million. The difference as compared to the revenues of €984.1 million under French standards results from the application of standard IAS 18 "Revenue recognition".

The difference is explained by the fact that exchanges of merchandise by Group companies are no longer included in revenues and that income from the advertising representation for Europages is now stated net of amounts passed on to Euredit, the publisher of Europages directories. These two accounting treatments have no impact on the gross operating margin ⁽²⁾, since expenses are reduced by the same amount.

It will be recalled that since 2001, thus anticipating the application of IFRS, PagesJaunes Groupe has spread the income from the sale of advertisements in online directories over the publication period, which is generally 12 months.

Press Release



Pro forma ⁽¹⁾ 2004 consolidated gross operating margin ⁽²⁾ under IFRS: €405 million

The consolidated gross operating margin ⁽²⁾ under IFRS becomes the key indicator of the Group's operating performance, fulfilling the role previously played by the EBITDA ⁽³⁾ under French standards. The pro forma ⁽¹⁾ 2004 gross operating margin amounts to €405.1 million.

In accordance with the standard IAS 1 "Presentation of Financial Statements", the other non-operating expenses are reclassified in the consolidated gross operating margin ⁽²⁾. This reclassification concerns in particular the non-recurring expenses in respect of the stockmarket listing of PagesJaunes Groupe in July 2004 amounting to €8.1 million.

Employee profit-sharing (€29.9 million in 2004) is reclassified under operating income.

Pro forma ⁽¹⁾ 2004 consolidated net attributable income under IFRS: €210 million

Pro forma ⁽¹⁾ consolidated net attributable income under IFRS amounts to €210.1 million in 2004. Net attributable income under French accounting standards is €228.2 million.

Net income is impacted by the application of IFRS 2 "Share-based Payment", which results in subscription or purchase options and share acquisition or subscription offers reserved for employees of the PagesJaunes Group being included under expenses. This standard results in an additional expense of €24.1 million ⁽⁴⁾ in the 2004 consolidated accounts of PagesJaunes Groupe. With regard to the existing schemes, the application of IFRS 2 is due to have a decreasing impact on the Group's accounts in 2005.

Finally, in accordance with IFRS 3 "Business Combinations", goodwill is no longer amortised. This has a positive effect on pro forma ⁽¹⁾ 2004 consolidated net income under IFRS.

2004 consolidated shareholders' equity under IFRS: €388 million

The transition to IFRS has a positive impact of €4.2 million on the consolidated shareholders' equity of PagesJaunes Groupe as at December 31, 2004, which rises from €383.4 million under French accounting standards to €387.5 million under IFRS.

The impact on consolidated shareholders' equity arises solely from the discontinuation of goodwill amortisation (IFRS 3). By contrast, IFRS 2 has no impact on the shareholders' equity of PagesJaunes Groupe at the beginning and end of the financial year.



Financial targets confirmed

The adoption of the IFRS accounting framework has no impact on the operating performance of the business segments or on the cash generated by PagesJaunes Groupe. The IFRS standards have no impact on the distributive capacity and the strategy of PagesJaunes Groupe.

PagesJaunes Groupe is maintaining its financial targets, which are as follows under IFRS:

- Consolidated revenue growth of 5-7% in 2005,
- Growth in consolidated gross operating margin ⁽²⁾ in excess of 10% excluding telephone directory enquiry services in 2005,
- Reiterated target of gross operating margin ⁽²⁾ at breakeven at QDQ Media by the end of 2006,
- Maintained target of distributing entire net income from the Group's operating activities in respect of full-year 2005.

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

About PagesJaunes Groupe

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

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

With more than 580,000 advertisers in 2004, PagesJaunes Groupe is the second largest French company in terms of advertising revenue.

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



Contacts:

PagesJaunes Press

Thomas Barbelet / Orith Tabeur
+33 1 46 23 34 64
tbarbelet@pagesjaunes.fr
otabeur@pagesjaunes.fr

France Télécom Press

Nilou du Castel / Bertrand Deronchaine
+33 1 44 44 93 93
nilou.ducastel@francetelecom.com
bertrand.deronchaine@francetelecom.com

PagesJaunes Investors

Vincent Gouley
+33 1 46 23 40 92
vgouley@pagesjaunes.fr

Appendices:

Table 1: Impact on the pro forma ⁽¹⁾ preliminary consolidated income statement for the 2004 financial year drawn up in accordance with IFRS

(in € millions)	Under French standards	Reclassifications and adjustments	Under IFRS
Net revenues	984.1	(6.0)	978.1
External purchases	(329.3)	6.0	(323.3)
Other operating income and expenses	31.3	(5.0)	26.1
Wages and employee benefit expenses	(272.5)	(3.3)	(275.8)
EBITDA ⁽³⁾	413.4	-	-
Gross operating margin ⁽²⁾	-	(8.3)	405.1
- Employee profit-sharing	-	(29.9)	(29.9)
- Share-based compensation	-	(25.3)	(25.3)
Depreciation and amortisation	(10.3)	0.0	(10.3)
Impairment of goodwill	-	0.0	0.0
Impairment of non-current assets	-	0.0	0.0
Gains (losses) on disposals of assets	-	(0.4)	(0.4)
Restructuring costs	-	0.0	0.0
Share of profits (losses) of associates	-	0.8	0.8
Operating income	403.1	(63.1)	340.0
Financial income	18.5	0.3	18.8
Share of profits (losses) of associates	0.8	(0.8)	-
Other net non-operating income (expenses)	(9.6)	9.6	-
Employee profit-sharing	(29.9)	29.9	-
Amortisation of goodwill	(5.9)	5.9	-
Income tax	(148.8)	0.0	(148.8)
Net income	228.2	(18.1)	210.1



Table 2: Impact on 2004 consolidated shareholders' equity under IFRS

(in € million)	Shareholders' equity at start of period	Shareholders' equity at end of period	Of which share capital and premiums	Of which reserves	Of which 2004 net income
Under French standards	332.4	383.4	108.4	41.6	233.4
Recognition of revenue	(0.1)	-	-	-	(0.1)
Share-based payment	-	-	15.7	8.3	(24.1)
Amortisation of goodwill	-	4.2	-	-	4.2
Under IFRS	332.2	387.5	124.1	50.0	213.6

Notes

(1) Pro forma figures: the pro forma consolidated figures reflect the consolidation of QDQ Media and Mappy since January 1, 2004. The figures are unaudited.

(2) Gross operating margin: revenues less external purchases, operating expenses (net of operating income) and wages and social charges. The wages and social charges included in the gross operating margin do not include employee profit-sharing or the cost of share-based payment.

(3) EBITDA: Earnings before interest, taxes, depreciation, amortisation and employee profit sharing

(4) Share-based payment: this concerns the benefits granted to Group employees as a result of the advantageous conditions offered to them during the IPO of PagesJaunes and the sale by the State of a block of France Télécom shares in September 2004, together with the Wanadoo stock option plans created prior to its merger with France Télécom.

* * *

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

A description of the risks borne by the PagesJaunes Group appears in section 4.9 "Analyse des risques du Groupe" of the "Document de Référence" of PagesJaunes Groupe filed with the French financial markets authority (AMF) under the number R. 05-034 on 30 March 2005. A description of the objectives of the PagesJaunes Group appears in chapter VII of the "Document de Référence".

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

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