Half-year financial report
As at 30 June 2011

Board of Directors meeting of 26 July 2011

Unofficial translation of the French-language “Rapport financier semestriel au 30 juin 2011” of PagesJaunes Groupe, for information purposes only.

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PagesJaunes Groupe
Limited company having a Board of Directors and a capital of €56,196,950.80
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Commercial and companies register Nanterre 552 028 425

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

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

We also certify that to the best of our knowledge the half-year activity report appearing in section 2 of the present half-year financial report is a true reflection of the information referred to in article 222-6 of the General Regulations of the Autorité des Marchés Financiers, namely the important events arising in the first six months of the 2011 financial year and their impact on the condensed consolidated financial statements, as well as a description of the principal risks and the principal uncertainties for the second half of the 2011 financial year and a report on the principal transactions among related parties."

Mr Jacques Garaïalde
Chairman of the Board of Directors
of PagesJaunes Groupe

Mr Jean-Pierre Remy
Chief Executive Officer
of PagesJaunes Groupe

2. HALF-YEAR ACTIVITY REPORT AS AT 30 JUNE 2011

2.1. Overview

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

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

The Group's activities are organised in three segments:

- Internet:

  These are the activities carried out through the Internet. The main products are listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display) and finally a complete range of products and services for the provision and distribution of information with local content.

  This segment comprises all the Internet activity of PagesJaunes SA: the "pagesjaunes.fr" and "pagespro.com" online directories, the creation and marketing of display advertisements and content, the development and hosting of Internet sites, and "annoncesjaunes.fr" online small ads.

  The Group's other subsidiaries are also represented in this segment: the activities and services provided by Mappy (including geolocation, base maps, online bookings), direct marketing (of the e-mailing type) carried out by the PagesJaunes Marketing Services subsidiary, the Internet activities of QDQ Media and Editus in Spain and Luxembourg respectively (listing and Internet display, production and hosting of websites, sale of web optimisation and visibility solutions of the SEO or SEM type).

  This segment also includes online people and profile searching with 123people, online quotation requests and the generation of contacts in the building and construction industry with Keltravo, the management of online real-estate ads with A Vendre A Louer, promotional offers (couponing) with 123deal and the Internet advertising representation activity of Horyzon Média.

- Printed Directories:

  This is the Group's historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, *l'Annuaire* and the directories of QDQ Media in Spain and Editus in Luxembourg).

- Other Businesses:

  This comprises on the one hand the specific activities of PagesJaunes SA: directory enquiry services by telephone and SMS (118 008), Minitel and the QuiDonc reverse directory. This segment also includes a number of activities of PagesJaunes Marketing Services: telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

2.2. Commentary on the results for the first half of 2011

PagesJaunes Group	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Revenues	**534.3**	**542.3**	**-1.5%**
External purchases	(117.2)	(116.4)	0.7%
Other operating income	1.6	2.1	-23.8%
Other operating expenses	(4.9)	(5.9)	-16.9%
Salaries and charges	(168.2)	(166.7)	0.9%
Gross Operating Margin	**245.6**	**255.3**	**-3.8%**
As % of revenues	*46.0%*	*47.1%*	
Employee profit-sharing	(6.8)	(7.2)	-5.6%
Share-based payment	(0.7)	(0.9)	-22.2%
Depreciation and amortisation	(11.7)	(8.7)	34.5%
Result of asset disposals	(0.2)	(0.0)	na
Acquisition costs of shares	(0.6)	(0.4)	50.0%
Share of profit or loss of an associate	(0.0)	-	na
Operating income	**225.5**	**238.2**	**-5.3%**
As % of revenues	*42.2%*	*43.9%*	
Financial income	2.5	1.8	38.9%
Financial expenses	(59.8)	(47.4)	26.2%
Gain (loss) on foreign exchange	-	-	na
Net financial income	**(57.3)**	**(45.6)**	**25.7%**
Income before tax	**168.2**	**192.6**	**-12.7%**
Corporation tax	(62.7)	(69.6)	-9.9%
Income for the period	**105.5**	**123.1**	**-14.3%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	105.5	123.1	-14.3%
- Non-controlling interests	0.0	(0.0)	

The number of visits to the Group's Internet sites as a whole, in France and internationally, totalled 1,111.6 million in the first half of 2011, representing a rise of 10.3% compared to the first half of 2010 on a like-for-like basis, i.e. including pre-acquisition visits to 123people, A Vendre A Louer and Keltravo. Excluding 123people, the number of visits to the Group's Internet sites as a whole totalled 775.5 million in the first half of 2011, representing a rise of 9.5% compared to the first half of 2010.

In May 2011, the Group's Internet sites in France collectively ranked fifth among the most consulted Internet sites, with 19.4 million unique visitors, representing a reach rate of 46.6% of the total number of Internet users in France. Excluding 123people, the Group's fixed and mobile Internet sites in France recorded 787.4 million visits in the first half of 2011, representing a rise of 8.3% compared to the first half of 2010, with a doubling of the number of mobile Internet visits compared to the first half of 2010.

The consolidated revenues of the PagesJaunes Group amounted to €534.3 million in the first half of 2011. That represents a decrease of 1.8% compared to the first half of 2010 on a comparable publication basis for the printed directories of PagesJaunes and a decrease of 1.5% on the basis of historical data. The decline in revenues from printed directories, down 8.8% compared to the first half of 2010 on a comparable publication basis (8.2% on the basis of historical data), was partly offset by the growth in Internet activities, which rose 6.8% compared to the first half of 2010 to €281.8 million. Internet revenues consequently made up 52.8% of the Group's revenues in the first half of 2011, compared to 48.7% in the first half of 2010.

The Group's gross operating margin amounted to €245.6 million in the first half of 2011, representing a decrease of 3.8% compared to the first half of 2010. The continuation of efforts to optimise all the costs of the printed directories and the positive impact of the companies acquired in 2010 and 2011 on the gross operating margin in the first half of 2011 made it possible to continue investing in new Internet products and services while maintaining a high gross operating margin of 46.0% in the first half of 2011, compared to 47.1% in the first half of 2010, despite the impact of the decrease in revenues.

The Group's operating income decreased by 5.3% compared to the first half of 2010 to €225.5 million. The decrease in the operating income resulted mainly from the decrease in the gross operating margin and from the €3.0 million increase in the depreciation and amortisation charge due to the start-up of the investments made in 2010.

The Group's financial result decreased by 25.7% between the first half of 2010 and the first half of 2011, to €(57.3) million, due to the rise in the average interest rate on the gross debt (including hedging instruments), which rose from 4.36% in the first half of 2010 to 5.07% in the first half of 2011, and the €5.1 million of accelerated amortisation of part of the expenses associated with the issue of the bank loan in 2006 and its renegotiation in 2011.

Income for the period amounted to €105.5 million, representing a decrease of 14.3% compared to the first half of 2010.

The information below shows the revenues and the gross operating margin for each of the three segments of the Group: Internet, Printed Directories and Other Businesses.

	As at 30 June		
in million euros	**2011**	**2010**	**Change 2011/2010**
Internet	281.8	263.9	6.8%
Printed directories	233.2	253.9	-8.2%
Other	19.2	24.4	-21.3%
Revenues	**534.3**	**542.3**	**-1.5%**
Internet revenues as % of total revenues	*52.8%*	*48.7%*	
Internet	126.6	123.1	2.8%
Printed directories	111.7	124.1	-10.0%
Other	7.2	8.1	-11.1%
Gross Operating Margin	**245.6**	**255.3**	**-3.8%**
As % of revenues	*46.0%*	*47.1%*	

2.2.1. Analysis of the revenues and gross operating margin of the Internet segment

The following table shows the revenues and gross operating margin of the Internet segment in the first half of 2010 and the first half of 2011:

Internet	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Revenues	**281.8**	**263.9**	**6.8%**
Gross Operating Margin	**126.6**	**123.1**	**2.8%**
As % of revenues	*44.9%*	*46.6%*	

The revenues of the Internet segment grew by 6.8% in the first half of 2011 to €281.8 million. This growth was driven by the mobile and display activities in France.

The gross operating margin of the Internet segment amounted to €126.6 million in the first half of 2011, representing a rise of 2.8% compared to the first half of 2010. The gross operating margin rate decreased from 46.6% in the first half of 2010 to 44.9% in the first half of 2011, due to an active editorial policy on the pagesjaunes.fr site (purchase of content), investments in advertising and the strengthening of the marketing and technical teams working on both product innovations and new functionalities. The Internet margin of PagesJaunes SA is similar to that of the printed directories.

2.2.2. Analysis of the revenues and gross operating margin of the Printed Directories segment

The following table shows the revenues and gross operating margin of the Printed Directories segment in the first half of 2010 and the first half of 2011:

Printed directories	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Revenues	**233.2**	**253.9**	**-8.2%**
Gross Operating Margin	**111.7**	**124.1**	**-10.0%**
As % of revenues	*47.9%*	*48.9%*	

The revenues of the Printed Directories segment recorded a contained decrease of 8.2% in the first half of 2011, to €233.2 million. This decline was smaller than that recorded in the previous year (-9.2% in the first half of 2010 compared to the first half of 2009) due to developments in advertising products in France (particularly surface area promotions).

The gross operating margin of the Printed Directories segment amounted to €111.7 million in the first half of 2011, representing a decrease of 10.0% compared to the first half of 2010. The optimisation of all expenses, more particularly those associated with the production, printing and distribution of printed directories, enabled the gross operating margin rate of the Printed Directories segment to be held at 47.9% in the first half of 2011.

2.2.3. Analysis of the revenues and gross operating margin of the Other Businesses segment

The following table shows the revenues and gross operating margin of the Other Businesses segment in first half of 2010 and the first half of 2011:

Other businesses	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Revenues	**19.2**	**24.4**	**-21.3%**
Gross Operating Margin	**7.2**	**8.1**	**-11.1%**
As % of revenues	*37.5%*	*33.2%*	

The revenues of the Other Businesses segment decreased by 21.3% in the first half of 2011 to €19.2 million. This was due to sharp falls in revenues from telephone directory enquiry services, including both advertising revenues from advertisers and revenues from calls generated by the users of the service.

The gross operating margin of the Other Businesses segment amounted to €7.2 million in the first half of 2011, representing a decrease of 11.1% compared to the first half of 2010. The gross operating margin rate rose from 33.2% in the first half of 2010 to 37.5% in the first half of 2011. The improvement in the margin rate is explained largely by the discontinuation of expenditure on advertising to promote the telephone directory enquiry services (118 008). A large campaign had taken place in the first half of 2010.

2.2.4. Analysis of consolidated operating income

The table below shows the Group’s consolidated operating income in the first half of 2010 and the first half of 2011:

PagesJaunes Group	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Gross Operating Margin	**245.6**	**255.3**	**-3.8%**
Employee profit-sharing	(6.8)	(7.2)	-5.6%
Share-based payment	(0.7)	(0.9)	-22.2%
Depreciation and amortisation	(11.7)	(8.7)	34.5%
Result of asset disposals	(0.2)	(0.0)	na
Acquisition costs of shares	(0.6)	(0.4)	50.0%
Share of profit or loss of an associate	(0.0)	-	na
Operating income	**225.5**	**238.2**	**-5.3%**
As % of revenues	*42.2%*	*43.9%*	

2.2.4.1. Employee profit-sharing and share-based payment

Employee profit-sharing in the Group amounted to €6.8 million in the first half of 2011, representing a decrease of 5.6% compared to the first half of 2010, in line with the trend in the gross operating margin.

The Group's share-based payment expense amounted to €0.7 million in the first half of 2011, compared to €0.9 million in the first half of 2010. The expense in the first half of 2010 resulted from the stock option plans set up in 2007 and 2009, while that of the first half of 2011 resulted from the stock option plans set up in 2009 and the second half of 2010.

2.2.4.2. Depreciation and amortisation

The Group's depreciation and amortisation charges amounted to €11.7 million in the first half of 2011, compared to €8.7 million in the first half of 2010, representing a rise of 34.5%. This reflects the increase in the investments made by the Group which are essential for its business strategy, particularly launches of new products and services for customers and enhanced functionalities on the Group's fixed and mobile Internet sites.

2.2.4.3. Operating income

The Group's operating income in the first half of 2011 amounted to €225.5 million, representing a decrease of 5.3% compared to the first half of 2010. The Group's rate of operating margin as a proportion of revenues decreased from 43.9% in the first half of 2010 to 42.2% in the first half of 2011.

2.2.5. Analysis of income for the period

The table below shows the Group's income in the first half of 2010 and the first half of 2011:

PagesJaunes Group	**As at 30 June**		
in million euros	**2011**	**2010**	**Change 2011/2010**
Operating income	**225.5**	**238.2**	**-5.3%**
Financial income	2.5	1.8	38.9%
Financial expenses	(59.8)	(47.4)	26.2%
Gain (loss) on foreign exchange	-	-	na
Net financial income	**(57.3)**	**(45.6)**	**25.7%**
Income before tax	**168.2**	**192.6**	**-12.7%**
Corporation tax	(62.7)	(69.6)	-9.9%
Income for the period	**105.5**	**123.1**	**-14.3%**
of which attributable to:			
- Shareholders of PagesJaunes Groupe	105.5	123.1	-14.3%
- Non-controlling interests	0.0	(0.0)	

2.2.5.1. Net financial income

The Group's financial result was a loss of €57.3 million in the first half of 2011, compared to a loss of €45.6 million in the first half of 2010. The financial result essentially comprises the interest expense relating to the bank loan, which decreased from €1,950.0 million as at 31 December 2010 to €1,600.0 million as at 30 June 2011, and relating to the bond loan issued on 20 May 2011 at a fixed rate of 8.875% for a total of €350.0 million.

As at 30 June 2011, the bank loan was fully hedged against rises in interest rates by a portfolio of rate swaps and collars maturing at the end of 2011 and 56% hedged by forward swaps maturing at the end of 2013.

The total interest expense, net of the effect of interest rate hedging instruments, amounted to €49.4 million in the first half of 2011, compared to €42.5 million in the first half of 2010. The average interest rate on the debt rose from 4.36% in the first half of 2010 to 5.07% in the first half of 2011. This increase of 71 basis points was due to the refinancing operations carried out in the first half of 2011 (see below). For the record, the rate for 2010 as a whole was 4.55%.

The financial result also includes €8.5 million of amortisation of loan issue expenses in the first half of 2011, compared to €3.3 million in the first half of 2010, as well as the change in the time value of the collar entered into in November 2006, representing income of €0.9 million in the first half of 2011, compared to income of €1.4 million in the first half of 2010, and stated under "change in the fair value of hedging instruments".

The issue of the bond loan led to the extinguishment of part of the bank debt and the recognition of €5.1 million of accelerated amortisation of part of the expenses associated with the issue of this loan in 2006 and its renegotiation in 2011.

2.2.5.2. Corporation tax

The Group recorded a corporation tax charge of €62.7 million in the first half of 2011, representing a decrease of 9.9% compared to the first half of 2010. The apparent tax rate was 37.3% in the first half of 2011, compared to 36.1% in the first half of 2010. This was mainly due to a prior year tax adjustment of €1.2 million recognised in the first half of 2011 and the recognition of non-recurring deferred tax income of €0.7 million in the first half of 2010 following the option exercised in 2009 to classify the corporate value added contribution (CVAE) under corporation tax.

2.2.5.3. Income for the period

The Group's income for the period amounted to €105.5 million in the first half of 2011, compared to €123.1 million in the first half of 2010, representing a decrease of 14.3% between the two periods.

2.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group's cash position at 30 June 2010, 31 December 2010 and 30 June 2011:

PagesJaunes Group *in million euros*	**As at 30 June 2011**	**As at 31 December 2010**	**As at 30 June 2010**
Fair value of hedging instruments	0.5	-	-
Accrued interest not yet due	0.0	0.0	0.0
Cash and cash equivalents	58.3	106.0	46.5
Cash	**58.8**	**106.0**	**46.5**
Bank overdrafts	(6.5)	(2.5)	(9.4)
Net cash	**52.3**	**103.5**	**37.1**
Bank borrowing	1,600.2	1,950.2	1,950.2
Notes	350.0	-	-
Revolving	-	-	-
Debt related costs	(37.8)	(21.4)	(24.9)
Liability in respect of hedging instruments	1.9	1.9	3.7
Fair value of hedging instruments	39.7	63.9	82.2
Accrued interest not yet due	8.3	4.7	4.1
Earn-outs	7.5	2.8	2.8
Other financial liabilities	0.6	1.5	2.0
Gross financial debt	**1,970.4**	**2,003.6**	**2,020.1**
Net debt	**1,918.1**	**1,900.1**	**1,983.0**
Net debt excl. fair value of hedging instruments and debt-related fees	**1,916.7**	**1,857.6**	**1,925.7**

The Group's net debt amounted to €1,918.1 million as at 30 June 2011, compared to €1,900.1 million as at 31 December 2010 and €1,983.0 million as at 30 June 2010.

As at 30 June 2011, it mainly comprised:

- a bank loan totalling €1,600 million, of which €638.0 million is repayable at the end of 2013 and €962.0 million at the end of 2015 and which is fully hedged against rises in interest rates by a portfolio of rate swaps and collars maturing at the end of 2011 and 56% hedged by forward swaps maturing at the end of 2013. In addition, a diversified syndicate of banks has granted PagesJaunes Groupe a credit line of approximately €300.0 million expiring at the end of 2013. This credit line was unutilised as at 30 June 2011.

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

Excluding the fair value of interest rate hedging instruments, representing a liability of €39.7 million as at 30 June 2011 compared to a liability of €82.2 million as at 30 June 2011, and excluding loan issue expenses (debt-related fees) of €37.8 million as at 30 June 2011 compared to €24.9 million as at 30 June 2010, the net debt amounted to €1,916.7 million as at 30 June 2011, compared to €1,925.7 million as at 30 June 2010.

The table below shows the cash flows of the consolidated group in the first half of 2010 and the first half of 2011:

PagesJaunes Group *in million euros*	**As at 30 June**	
	2011	**2010**
Net cash from operations	162.3	197.6
Net cash used in investing activities	(32.3)	(30.7)
Net cash provided by (used in) financing activities	(181.6)	(191.2)
Impact of changes in exchange rates on cash	(0.1)	0.0
Net increase (decrease) in cash position	**(51.7)**	**(24.3)**
Net cash and cash equivalents at beginning of period	103.5	61.4
Net cash and cash equivalents at end of period	**51.8**	**37.1**

The Group's cash and cash equivalents amounted to €51.8 million as at 30 June 2011, compared to €37.1 million as at 30 June 2010.

The net cash from operations amounted to €162.3 million in the first half of 2011, compared to €197.6 million in the first half of 2010, a decrease of €35.3 million, mainly comprising:

- a gross operating margin of €245.6 million in the first half of 2011, down €9.8 million compared to the first half of 2010,
- a decrease of €35.2 million in the working capital requirement in the first half of 2011, compared to a decrease of €51.7 million in the working capital requirement in the first half of 2010, representing a resource reduction of €16.5 million between the two periods,
- a net disbursement of €44.7 million in respect of financial interest in the first half of 2011, compared to €42.4 million in the first half of 2010, in view of the larger spreads following the partial refinancing of the bank debt,
- a disbursement of €69.5 million in respect of corporation tax in the first half of 2011, compared to €65.2 million in the first half of 2010.

The net cash used in investing activities represents a disbursement of €32.3 million in the first half of 2011, compared to a disbursement of €30.7 million in the first half of 2010. That represents a rise of €1.6 million, mainly comprising:

- €20.1 million in acquisitions of tangible and intangible fixed assets in the first half of 2011, compared to €17.4 million in the first half of 2010, reflecting the increase in investments in new Internet products and services,
- €11.0 million in the first half of 2011 relating to acquisitions of equity interests, net of cash acquired (including A Vendre A Louer, ClicRDV), compared to €16.5 million in the first half of 2010 (123people and Keltravo),
- in the first half of 2010, €5.3 million of income from disposals of financial assets relating to the sale of Edicom at the end of 2009.

The net cash used in financing activities amounted to €181.6 million in the first half of 2011, compared to €191.2 million in the first half of 2010, representing a decrease of €9.6 million, mainly comprising:

- €162.7 million in respect of dividends paid in the first half of 2011, representing a decrease of €19.8 million compared to the dividends paid in the first half of 2010,
- A decrease of €19.2 million in other financial liabilities in the first half of 2011 (including a disbursement of €18.2 million in respect of part of the refinancing expenses), compared to a decrease of €8.5 million in the first half of 2010.

2.4. Risks and uncertainties relating to the second half of 2011

The main risks and uncertainties identified by the Group concern:

- The economic environment and the situation of the advertising market in France and Spain, which are expected to affect the sales prospecting by PagesJaunes and QDQ Media in their respective markets,
- The Group’s social relations environment in France associated with the introduction of a commercial reorganisation plan. The social action in June severely disrupted commercial activity and will have a negative impact on the 2011 full-year results. The Group estimates that the industrial action in June will have an impact of approximately €20 million on its full-year revenues,
- Developments in competition on the Internet, particularly with regard to search, geographic and mapping services, which may affect the ability of PagesJaunes and Mappy to maintain their rate of revenue growth.

3. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

3.1 – Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	As at 30 June 2011	As at 30 June 2010	2nd Quarter 2011	2nd Quarter 2010
Revenues		534,255	542,260	302,696	308,349
External purchases		(117,164)	(116,358)	(67,363)	(65,651)
Other operating income		1,579	2,060	683	1,191
Other operating expenses		(4,926)	(5,895)	(2,518)	(3,425)
Personnel expenses : - Salaries and charges		(168,184)	(166,722)	(91,265)	(93,019)
Gross Operating Margin		**245,560**	**255,345**	**142,233**	**147,444**
- Employee profit-sharing		(6,845)	(7,202)	(3,892)	(3,866)
- Share-based payment		(748)	(851)	(348)	(388)
Depreciation and amortisation		(11,719)	(8,654)	(6,246)	(4,485)
Result of asset disposals		(171)	(4)	(7)	(5)
Restructuring costs		-	-	-	-
Acquisition costs of shares		(550)	(429)	(550)	(429)
Share of profit or loss of an associate		(46)	-	(46)	-
Operating income		**225,481**	**238,205**	**131,144**	**138,271**
Financial income		2,498	1,826	1,372	525
Financial expenses		(59,751)	(47,420)	(35,128)	(24,079)
Gain (loss) on foreign exchange		-	-	-	-
Net financial income	4	**(57,253)**	**(45,594)**	**(33,756)**	**(23,554)**
Corporation tax	5	(62,742)	(69,558)	(36,004)	(39,828)
Income for the period		**105,486**	**123,053**	**61,384**	**74,889**
Income for the period attributable to:					
- Shareholders of PagesJaunes Groupe		105,478	123,053	61,376	74,889
- Non-controlling interests		8	-	8	-
Net earnings per share (in euros)					
Net earnings per share of the consolidated group					
- basic		0.38	0.44		
- diluted		0.37	0.43		

3.2 – Statement of comprehensive income

(Amounts in thousands of euros, except data relating to shares)	Notes	As at 30 June 2011	As at 30 June 2010	2nd Quarter 2011	2nd Quarter 2010
Income for the period report		**105,486**	**123,053**	**61,384**	**74,889**
Net (loss) /gain on cash flow hedges					
- Gross		23,757	(27,428)	(1,801)	(6,315)
- Deferred tax		(8,180)	9,444	620	2,174
- Net of tax	6	**15,577**	**(17,984)**	**(1,181)**	**(4,141)**
Exchange differences on translation of foreign operations		-	-	-	-
Other comprehensive income		**15,577**	**(17,984)**	**(1,181)**	**(4,141)**
Total comprehensive income for the period, net of tax		**121,063**	**105,070**	**60,203**	**70,749**
Total comprehensive income for the period attributable to:					
- Shareholders of PagesJaunes Groupe		121,055	105,070	60,195	70,749
- Non-controlling interests		8	-	8	-

3.3 – Statement of financial position

(Amounts in thousands of euros)	Notes	As at 30 June 2011	As at 31 December 2010	As at 30 June 2010
ASSETS				
Net goodwill		83,080	66,687	66,330
Other net intangible fixed assets		57,944	49,154	36,267
Net tangible fixed assets		27,301	27,694	25,154
Investment in an associate		154	-	-
Available-for-sale assets		207	207	207
Other non-current financial assets	6	1,500	1,251	681
Net deferred tax assets	5	17,427	31,572	38,367
Total non-current assets		**187,614**	**176,566**	**167,006**
Net inventories		3,915	2,194	7,311
Net trade accounts receivable		391,587	447,042	390,222
Other current assets		35,392	27,830	32,795
Current tax receivable	5	14,618	1,986	417
Prepaid expenses		112,149	105,611	111,832
Other current financial assets	6	405	-	1,804
Derivative financial instruments	6	488	-	-
Cash and cash equivalents	7	58,295	105,977	46,523
Total current assets		**616,849**	**690,639**	**590,904**
TOTAL ASSETS		**804,463**	**867,205**	**757,911**
LIABILITIES				
Share capital		56,197	56,197	56,197
Issue premium		98,676	98,676	98,676
Reserves		(2,426,040)	(2,509,017)	(2,510,307)
Income for the period attribuable to shareholders of PagesJaunes Groupe		105,478	244,926	123,053
Other comprehensive income		(25,357)	(40,934)	(53,429)
Own shares		(3,879)	(4,037)	(3,876)
Equity attributable to equity holders of the PagesJaunes Groupe		**(2,194,925)**	**(2,154,188)**	**(2,289,685)**
Non-controlling interests		39	-	0
Total equity		**(2,194,886)**	**(2,154,188)**	**(2,289,685)**
Non-current financial liabilities and derivatives	7	1,946,744	1,962,358	2,011,456
Employee benefits - non-current		50,847	47,435	45,232
Provisions - non-current		6,979	6,813	5,653
Deferred tax liabilities	5	1,136	1,136	1,132
Total non-current liabilities		**2,005,706**	**2,017,742**	**2,063,473**
Bank overdrafts and other short-term borrowing	7	21,851	38,970	14,029
Accrued interest	7	8,297	4,739	4,057
Provisions - current		798	1,285	350
Trade accounts payable		96,526	101,998	94,347
Employee benefits - current		110,731	119,261	112,197
Other current liabilities		94,872	94,808	93,050
Corporation tax	5	566	490	747
Deferred income		660,001	642,101	665,346
Total current liabilities		**993,642**	**1,003,651**	**984,123**
TOTAL LIABILITIES		**804,463**	**867,205**	**757,911**

3.4 – Statement of changes in shareholders' equity

(Amounts in thousands of euros)	Number of shares in circulation	Share capital	Issue premium	Own shares	Income and reserves	Cash flow hedges	Translation reserve	Group equity	Non-controlling interests	Total equity
Balance as at 31 December 2009	**280,450,576**	**56,197**	**98,676**	**(3,831)**	**(2,328,709)**	**(35,445)**	**-**	**(2,213,112)**	**-**	**(2,213,112)**
Total comprehensive income for the period, net of tax					123,053			123,053	-	123,053
Other comprehensive income, net of tax						(17,984)	-	(17,984)		(17,984)
Comprehensive income for the period, net of tax					**123,053**	**(17,984)**	**-**	**105,070**	**-**	**105,070**
Share-based payment					850			850	-	850
Dividends paid					(182,448)			(182,448)	-	(182,448)
Shares of the consolidating company net of tax effect	(1,649)			(45)				(45)	-	(45)
Balance as at 30 June 2010	**280,448,927**	**56,197**	**98,676**	**(3,876)**	**(2,387,254)**	**(53,429)**	**-**	**(2,289,685)**	**-**	**(2,289,685)**
Total comprehensive income for the period, net of tax					121,873			121,873		121,873
Other comprehensive income, net of tax						12,495		12,495		12,495
Comprehensive income for the period, net of tax					**121,873**	**12,495**	**-**	**134,367**	**-**	**134,367**
Share-based payment					1,290			1,290		1,290
Dividends paid					-			-		-
Shares of the consolidating company net of tax effect	(83,234)			(161)				(161)		(161)
Balance as at 31 December 2010	**280,365,693**	**56,197**	**98,676**	**(4,037)**	**(2,264,091)**	**(40,934)**	**-**	**(2,154,188)**	**-**	**(2,154,188)**
Total comprehensive income for the period, net of tax					105,478			105,478	8	105,486
Other comprehensive income, net of tax						15,577	-	15,577		15,577
Comprehensive income for the period, net of tax					**105,478**	**15,577**	**-**	**121,055**	**8**	**121,063**
Share-based payment					748			748	-	748
Dividends paid					(162,697)			(162,697)	-	(162,697)
Shares of the consolidating company net of tax effect	19,836			158				158	-	158
Other								-	31	31
Balance as at 30 June 2011	**280,385,529**	**56,197**	**98,676**	**(3,879)**	**(2,320,561)**	**(25,357)**	**-**	**(2,194,924)**	**39**	**(2,194,885)**

3.5 – Cash flow statement

(Amounts in thousands of euros)	Notes	**As at 30 June 2011**	**As at 30 June 2010**	**2nd Quarter 2011**	**2nd Quarter 2010**
Income for the period attributable to shareholders of PagesJaunes Groupe		**105,478**	**123,053**	**61,376**	**74,889**
Depreciation and amortisation of fixed assets		11,719	8,654	6,246	4,485
Change in provisions		3,048	5,745	1,549	4,255
Share-based payment		748	851	348	388
Capital gains or losses on asset disposals		171	4	7	5
Interest income and expenses	4	40,471	24,965	25,716	13,152
Hedging instruments	6	16,782	20,629	8,040	10,402
Unrealised exchange difference		104	(18)	92	(18)
Tax charge for the period		62,742	69,558	36,004	39,828
Share of profit or loss of an associate		46	-	46	-
Non-controlling interests		8	-	8	-
Decrease (increase) in inventories		(1,721)	(877)	(1)	(1,427)
Decrease (increase) in trade accounts receivable		55,017	75,530	73,670	60,640
Decrease (increase) in other receivables		(13,456)	(6,596)	10,124	6,990
Increase (decrease) in trade accounts payable		(12,494)	(8,426)	9,272	14,955
Increase (decrease) in other payables		7,863	(7,907)	(84,913)	(76,331)
Net change in working capital		**35,209**	**51,725**	**8,152**	**4,828**
Dividends and interest received		1,799	387	1,294	270
Interest paid and rate effect of net derivatives		(46,541)	(42,783)	(24,079)	(21,800)
Corporation tax paid	5	(69,479)	(65,157)	(35,655)	(36,282)
Net cash from operations		**162,304**	**197,614**	**89,144**	**94,402**
Acquisition of tangible and intangible fixed assets		(20,094)	(17,388)	(11,111)	(11,269)
Change in suppliers of fixed assets		(576)	(406)	(279)	767
Proceeds from sale of tangible and intangible assets		66	11	1	(728)
Acquisitions of investment securities and subsidiaries, net of cash acquired		(11,045)	(16,492)	(10,345)	(2,373)
Investments in associates		(200)	-	(200)	-
Proceeds from disposals of financial assets, net of cash sold		-	5,337	-	-
Decreases (increases) in marketable securities and other long-term assets		(401)	(1,805)	(387)	(931)
Net cash used in investing activities		**(32,250)**	**(30,743)**	**(22,321)**	**(14,534)**
Cash flows arising from changes in ownership interests not		(55)	(460)	(55)	(95)
Increase (decrease) in borrowings		(19,196)	(8,505)	(19,459)	1,535
Movements in own shares		293	196	158	91
Capital increase		-	-	-	-
Non-controlling interests contribution		31	-	31	-
Dividends paid	8	(162,697)	(182,447)	(162,697)	(182,447)
Net cash provided by (used in) financing activities		**(181,624)**	**(191,216)**	**(182,022)**	**(180,916)**
Impact of changes in exchange rates on cash		(104)	18	(92)	18
Net increase (decrease) in cash position		**(51,674)**	**(24,328)**	**(115,290)**	**(101,030)**
Net cash and cash equivalents at beginning of period		103,501	61,444	167,117	138,146
Net cash and cash equivalents at end of period	7	**51,827**	**37,116**	**51,827**	**37,116**

3.6 – Notes to the condensed consolidated financial statements

Note 1 – Description of the business activity

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

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

PagesJaunes Groupe is a limited liability company listed on Euronext Paris (PAJ) – compartment A.
This information was approved by the PagesJaunes Group Board of Directors at its meeting of 26 July 2011.

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

The consolidated financial statements of PagesJaunes Groupe for the six-month period ending on 30 June 2011 have been prepared in accordance with standard IAS 34 – Interim Financial Reporting. Being summary financial statements, they do not contain all the information required by IFRS and should be read in conjunction with the annual consolidated financial statements of the Group for the year ending 31 December 2010 included in the reference document filed with the AMF on 4 May 2011 under the number D.11-0446, subject to specific requirements set out for the preparation of interim accounts as described below.

In line with its strategy, the Group has decided to modify its internal and external reporting structure in order to assess the performance of each operating segment and allocate resources to the respective segments. The segments, determined in accordance with IFRS 8 – Operating Segments, are as follows: Internet, Printed Directories and Other Businesses.
Pursuant to IAS 8, this is a change of accounting method which has led to a retrospective change in the segment reporting.

The accounting principles used are consistent with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2010, with the exception of any new standards, amendments and interpretations which are mandatory with effect from 1 January 2011, but which have no significant impact:

- IAS 32 – Classification of Rights Issues, applicable to financial years commencing from 1 February 2010,
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments, applicable to financial years commencing from 1 July 2010,
- IAS 24 – Related Party Disclosures, applicable to financial years commencing from 1 January 2011,
- IFRIC 14 – Prepayments of a Minimum Funding Requirement, applicable to financial years commencing from 1 January 2011,
- 2010 improvements:
    - Amendments to IFRS 3 – Business Combinations, applicable to financial years commencing from 1 July 2010,
    - Amendment to IFRS 7 – Financial Instruments – Disclosures, applicable to financial

years commencing from 1 January 2011,
- Amendment to IAS 1 – Presentation of Financial Statements, applicable to financial years commencing from 1 January 2011,
- Amendment to IFRIC 13 – Customer Loyalty Programmes, applicable to financial years commencing from 1 January 2011,
- Amendment to IAS 34 – Interim Financial Reporting, applicable to financial years commencing from 1 January 2011.

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 30 June 2011.

Furthermore, these principles do not differ from the IFRS standards as published by the IASB insofar as there would be no significant impact from the implementation of the amendments and interpretations which are mandatory for financial years commencing from 1 January 2011, as set out in the reference framework published by the IASB, but which are not yet mandatory in the reference framework endorsed by the European Union.

Finally, the Group is not applying the following instruments, which were not adopted by the European Union as at 30 June 2011:

- Amendment to IFRS 7 – Disclosures – Transfers of Financial Assets
- Amendment to IAS 12 – Deferred Tax: Recovery of Underlying Assets
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosures of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 28 revised – Investments in Associates and Joint Ventures
- IAS 19 revised – Employee Benefits
- Amendment to IAS 1 – Presentation of Financial Statements – presentation of items of other comprehensive income.

Nonetheless, the Group is currently reviewing the practical consequences of these new instruments and the effects of their implementation on its future financial statements. At this stage of the review, the impacts on its consolidated financial statements are expected to be as follows:

IFRS 11 will replace IAS 31. Accounting for partnerships must be based on the substance of the agreements and mainly on the analysis of the resulting rights and obligations. Proportional consolidation is discontinued as a consolidation method. This is the method currently used for Editus Luxembourg, which could be consolidated by the equity method. This standard will be applied retrospectively. In 2010, this entity contributed €8.4 million to consolidated revenues and €2.6 million to consolidated GOM.

IFRS 12 requires the publication of very detailed information on the determination of the scope of consolidation and on the risks associated with interests in other entities (subsidiaries, joint ventures, associated entities, SPVs, non-consolidated entities).

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

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

- actuarial losses and gains on post-employment benefits must be recognised immediately in non-transferable equity,
- the recognition of the return on plan assets in the income statement based on an expected rate of return is eliminated (the same rate of return on first-class bonds must be used as that used for the accretion of the liability),
- the spreading of non-vested past service costs is discontinued,
- disclosures are improved by refocusing them on the characteristics of the plans and the associated risks.

It also redefines the principles of the accounting conditions for severance payments, which must be recognised when the entity is no longer able to withdraw its offer or when a restructuring liability under IAS 37 must be recognised. This standard will be the subject of limited retrospective application.
The main impact expected by the Group is the immediate recognition of actuarial losses and gains on post-employment benefits in non-transferable equity; these represented a charge of €3.1 million in 2010 and a total unrecognised liability of €17 million as at 31 December 2010.

All of the standards and interpretations adopted by the European Union as at 30 June 2011 are available on the website of the European Commission at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

In order to prepare the financial statements, the Management of the Group is required to make estimates and assumptions which have an effect on the amounts presented as assets and liabilities, the contingent liabilities at the date of preparation of the financial statements and the amounts presented as income and expenses for the financial year. The Management continuously evaluates these estimates and assessments on the basis of its past experience, as well as various other factors deemed reasonable, which combine to form the basis of its assessment of the book value of the assets and liabilities. This includes in particular goodwill, share-based payments and the valuation of pension liabilities. The actual result may differ markedly from these estimates due to different realisation conditions. Finally, where a specific transaction is not covered by any standards or interpretations, the Management of the Group applies judgment to define and apply accounting methods which will provide relevant and reliable disclosures, ensuring that the financial statements:

- present a true and fair view of the financial position, the financial performance and the cash flow of the Group,
- reflect the economic substance of transactions,
- are neutral,
- are prudent,
- and are complete in all material respects.

Seasonal variations

Although the activities of the Group are not subject to seasonal effects *per se*, in order to optimise costs, the dates of publication of the printed directories (which determine the recognition of income and related expenses) may vary from one half-year to the next, as each printed directory appears only once a year.

Impairment tests as at 30 June 2011

In the absence of any indication of loss of value, it has not been necessary to carry out any impairment tests on goodwill and intangible fixed assets as at 30 June 2011.

Note 3 – Segment information

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

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

The Group's activities are organised in three segments:

- Internet:

  These are the activities carried out through the Internet. The main products are listing, targeted advertising and provision of advertising space for local and national advertisers (often referred to as display) and finally a complete range of products and services for the provision and distribution of information with local content.

  This segment comprises all the Internet activity of PagesJaunes SA: the "pagesjaunes.fr" and "pagespro.com" online directories, the creation and marketing of display advertisements and content, the development and hosting of Internet sites, and "annoncesjaunes.fr" online small ads.

  The Group's other subsidiaries are also represented in this segment: the activities and services provided by Mappy (including geolocation, base maps, online bookings), direct marketing (of the e-mailing type) carried out by the PagesJaunes Marketing Services subsidiary, the Internet activities of QDQ Media and Editus in Spain and Luxembourg respectively (listing and Internet display, production and hosting of websites, sale of web optimisation and visibility solutions of the SEO or SEM type).

  This segment also includes online people and profile searching with 123people, online quotation requests and the generation of contacts in the building and construction industry with Keltravo, the management of online real-estate ads with A Vendre A Louer, promotional offers (couponing) with 123deal and the Internet advertising representation activity of Horyzon Média.

- Printed Directories:

  This is the Group's historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire and the directories of QDQ Media in Spain and Editus in Luxembourg).

- Other Businesses:

  This comprises on the one hand the specific activities of PagesJaunes SA: directory enquiry services by telephone and SMS (118 008), Minitel and the QuiDonc reverse directory. This segment also includes a number of activities of PagesJaunes Marketing Services: telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

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

Amounts in thousands of euros	**As at 30 June 2011**	**As at 30 June 2010**
Revenues	**534,255**	**542,260**
- Internet	281,845	263,945
- Printed directories	233,246	253,936
- Other	19,164	24,380
Gross Operating Margin	**245,560**	**255,345**
- Internet	126,648	123,114
- Printed directories	111,710	124,098
- Other	7,202	8,133
Amortisation of tangible and intangible fixed assets	**(11,719)**	**(8,654)**
- Internet	(7,097)	(4,335)
- Printed directories	(4,150)	(3,981)
- Other	(472)	(338)
Acquisitions of tangible and intangible fixed assets	**20,094**	**17,388**
- Internet	17,766	14,697
- Printed directories	2,027	1,848
- Other	301	843

Note 4 – Financial result

The financial result is made up as follows:

(Amounts in thousands of euros)	**As at 30 June 2011**	**As at 30 June 2010**	**2nd Quarter 2011**	**2nd Quarter 2010**
Interest and similar items on financial assets	33	25	19	14
Result of financial asset disposals	1,165	260	787	156
Change in fair value of hedging instruments	1,151	1,441	417	255
Discount income - hedging instruments	-	-	-	-
Dividends received	149	100	149	100
Financial income	**2,498**	**1,826**	**1,372**	**525**
Interest on financial liabilities	(32,791)	(21,873)	(19,479)	(11,193)
Income / (expenses) on hedging instruments	(16,572)	(20,629)	(7,845)	(10,402)
Change in fair value of hedging instruments	(210)	-	(195)	-
Amortisation of loan issue expenses	(8,500)	(3,347)	(6,770)	(1,675)
Other financial expenses & fees	(284)	(159)	(147)	(105)
Accretion cost (1)	(1,394)	(1,412)	(692)	(704)
Financial expenses	**(59,751)**	**(47,420)**	**(35,128)**	**(24,079)**
Gain (loss) on exchange	-	-	-	-
Financial result	**(57,253)**	**(45,594)**	**(33,756)**	**(23,554)**

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

Note 5 – Corporation tax

Note 5.1 – Group tax computation

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

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

Amounts in thousands of euros	As at 30 June 2011	As at 30 June 2010	2nd Quarter 2011	2nd Quarter 2010
Pretax net income from continuing businesses and before goodwill impairment	**168,228**	**192,611**	**97,388**	**114,717**
Statutory tax rate	34.43%	34.43%	34.43%	34.43%
Theoretical tax	**(57,926)**	**(66,322)**	**(33,534)**	**(39,501)**
Loss-making companies not integrated for tax	(135)	(143)	66	528
Loan and current account depreciation QDQ Media	-	-	-	-
Share-based payment	(256)	(293)	(123)	(134)
Foreign subsidiaries	198	135	151	110
Recognition of previously unrecognised tax losses	192	-	-	-
Corporate value added contribution	(4,506)	(3,453)	(2,405)	(1,363)
Other non-taxable income	(308)	518	(158)	532
Effective tax	**(62,742)**	**(69,558)**	**(36,004)**	**(39,828)**
of which current tax	*(56,912)*	*(70,592)*	*(30,425)*	*(41,237)*
of which deferred tax	*(5,830)*	*1,034*	*(5,579)*	*1,409*
Effective tax rate	**37.30%**	**36.11%**	**36.97%**	**34.72%**

Note 5.2 – Balance sheet tax

Amounts in thousands of euros	As at 30 June 2011	As at 31 December 2010	As at 30 June 2010
Retirement benefits	14,254	13,537	12,906
Employee profit-sharing	4,617	4,783	4,901
Non-deductible provisions	4,674	4,726	3,480
Hedging instruments	17,117	24,806	31,108
Other differences	901	914	757
Subtotal deferred tax assets	**41,563**	**48,766**	**53,152**
Corporate value added contribution	(227)	(309)	(643)
Loan issue costs	(15,281)	(9,934)	(10,815)
Brand 123people	(1,132)	(1,132)	(1,132)
Depreciations accounted for tax purposes	(8,632)	(6,955)	(3,327)
Subtotal deferred tax liabilities	**(25,272)**	**(18,330)**	**(15,917)**
Total net deferred tax assets / (liabilities)	**16,291**	**30,436**	**37,235**
Deferred tax assets	*17,427*	*31,572*	*38,367*
Deferred tax liabilities	*(1,136)*	*(1,136)*	*(1,132)*

No deferred tax assets relating to the tax loss carryforwards of QDQ Media have been included in the balance sheet, since this company recorded a net loss as at 30 June 2011. The amount of the deferred tax not stated in the accounts is estimated at €62.5 million.

In the balance sheet as at 30 June 2011, the corporation tax comprised a receivable of €14.6 million and a liability of €0.6 million. As at 30 June 2010, the corporation tax represented a receivable of €0.4 million and a liability of €0.7 million. The tax disbursed in the first half of 2011 amounted to €69.5 million, compared to €65.2 million in the first half of 2010.

Note 6 – Derivative financial instruments

PagesJaunes Groupe uses derivative financial instruments to manage interest rate risks associated with the variable rate debt arranged by the Company in 2006 and 2009. PagesJaunes Groupe has introduced the procedures and documentation necessary to justify the use of hedge accounting within the meaning of IAS 39.

These transactions cover the cash flows related to the variable rate debt arranged by PagesJaunes Groupe in November 2006 (cf. note 7). The prospective effectiveness tests carried out by PagesJaunes Groupe at the inception of these transactions and the retrospective tests carried out on 31 December 2010 and 30 June 2011 demonstrated that these financial instruments offered fully effective hedging of the cash flows relating to this debt.

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

The value of these derivative financial instruments is as follows:

in thousands of euros	**Period ending 30 June 2011**	**Year ending 31 December 2010**	**Period ending 30 June 2010**
Interest rate swaps – cash flow hedge	(31,864)	(42,700)	(49,276)
Interest rate swaps – fair value hedge	489	(574)	-
Collar – cash flow hedge	(7,869)	(20,668)	(32,970)
of which intrinsic value	*(6,809)*	*(19,730)*	*(32,210)*
of which time value	*(1,060)*	*(938)*	*(760)*
Asset / (Liability)	**(39,244)**	**(63,942)**	**(82,246)**
Of which non-current	*(28,144)*	*(31,628)*	*(82,246)*
Of which current	*(11,100)*	*(32,314)*	-

The change in the fair value of the derivative financial instruments (qualified as cash flow hedges) between 31 December 2010 and 30 June 2011 represents a decrease of €23.7 million (including €10.8 million for the interest rate swaps and €12.9 million for the intrinsic value of the collar), which was recognised in transferable shareholders' equity, following the recognition of a deferred tax liability of €8.2 million.

The change in the time value of the collars and the change in the value of the interest rate swap qualified as a fair value hedge have been stated in financial income, in an amount of €1.2 million, and have given rise to the recognition of €0.4 million of deferred tax.

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

Note 7 – Cash and cash equivalents, net financial debt

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

(in thousands of euros)	**Period ending 30 June 2011**	**Year ending 31 December 2010**	**Period ending 30 June 2010**
Fair value of hedging instruments (cf. note 6)	488	-	-
Accrued interest not yet due	13	3	1
Cash equivalents	52,616	103,025	33,748
Cash	5,666	2,949	12,774
Gross cash	**58,783**	**105,977**	**46,523**
Bank overdrafts	(6,468)	(2,476)	(9,407)
Net cash	**52,315**	**103,501**	**37,116**
Bank loan	1,600,000	1,950,000	1,950,000
Bond loan	350,000	-	-
Loan issue expenses	(37,791)	(21,439)	(24,900)
Lease liabilities	144	159	259
Fair value of hedging instruments (cf. note 6)	39,732	63,942	82,246
Liabilities on hedging instruments	1,866	1,866	3,699
Price supplements	7,517	2,772	2,813
Accrued interest not yet due	8,297	4,739	4,057
Other financial liabilities	659	1,552	1,961
Gross financial debt	**1,970,424**	**2,003,591**	**2,020,135**
of which current	*23,680*	*41,233*	*8,679*
of which non-current	*1,946,744*	*1,962,358*	*2,011,456*
Net debt	**1,918,109**	**1,900,090**	**1,983,019**

Cash and cash equivalents

As at 30 June 2011, cash equivalents amounted to €52.6 million and comprised fixed deposits and money market mutual fund units invested particularly within the framework of the liquidity agreement.
They are valued at fair value, that being the basis on which they are managed.

Bank overdraft

The Group has authorised overdrafts totalling €30 million granted by a number of its banks.

Bank loan

PagesJaunes Groupe had a bank finance facility up to a maximum of €2,350 million comprising a medium-term loan of €1,950 million and a revolving credit line of approximately €400 million. The revolving credit line is intended to finance the Group's treasury requirements (working capital, investments or refinancing) in the context of its operating activities and is available in particular in the form of drawings, letters of credit or bilateral lines.
The medium-term loan has a variable rate. It was due to mature in November 2013 and was repayable in full at maturity.

On 12 May 2011, the Group finalised the refinancing of half of its bank debt on the following terms:

- maturity of a €962.0 million tranche (A3) of the debt extended by almost two years, with the maturity date moving from November 2013 to September 2015.
- covenants relaxed with financial leverage and interest coverage ratios adjusted to take account of the new debt structure.
- moderate increase in margin over Euribor, rising on average from 175 basis points to 274 basis points.

The maturity of the tranches A1 (€642.3 million) and A2 (€345.3 million) remained November 2013. The revolving credit line was decreased from approximately €400 million to approximately €300 million.

On 20 May, through PagesJaunes Finance & Co SCA, PagesJaunes Groupe finalised the issue of a €350 million bond loan with an issue premium of €2.3 million. The net proceeds consequently amount to €347.7 million. This loan has a fixed rate of 8.875% and is repayable on 1 June 2018. The proceeds were allocated to the repayment of all of tranche A2 (€345.3 million), with the balance (€4.7 million) being allocated to part of tranche A1.

This transaction led to the extinguishment of part of the bank debt and the recognition of €5.1 million of accelerated amortisation of part of the expenses associated with the issue of this loan in 2006 and its renegotiation in 2011.
In respect of IAS 39, the refinancing of the remaining bank loan has not been considerered as a debt extinguishment.

These two transactions generated estimated expenses of €22.6 million.

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

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM must be less than or equal to 4.50 up to 30 September 2011, 4.30 from 31 December 2011 to 30 September 2012, 4.00 from 31 December 2012 to 30 September 2013 and 3.75 thereafter (GOM and consolidated net debt as defined in the agreement with the financial institutions);
- the ratio of an aggregate close to the consolidated GOM to the consolidated net interest expense must be greater than or equal to 3.0 over the remaining term of the agreement (GOM and consolidated net debt as defined in the agreement with the financial institutions).

As at 30 June 2011, these financial covenants were complied with and there are no grounds for reclassifying non-current debt as current.

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

The reference rate is Euribor or Libor plus a margin of 175 basis points, or 150 basis points in the event that the financial leverage ratio falls below 3.50 times an aggregate close to the GOM.
The revolving credit line has the same maturity as tranche A1, with variable interest based on the Euribor or Libor reference rate plus a margin of 175 or 150 basis points. It was unutilised as at 30 June 2011.

Following these transactions, the liquidity profile is as follows:

- Bank debt tranche A1: nominal €638 million maturing in November 2013;
- Bank debt tranche A3: nominal €962 million maturing in September 2015;
- Bond loan: nominal €350 million maturing in June 2018;
- Revolving credit line: nominal around €300.0 million maturing in November 2013.

Price supplements on acquisition of securities

As part of the acquisitions completed in 2010 and 2011, price supplements totalling an estimated €7.5 million may be paid between 2012 and 2014 if certain operating performance conditions are fulfilled.

Other financial liabilities

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

Note 8 – Shareholders' equity

In accordance with the decision of the shareholders taken at the Combined General Meeting of 7 June 2011, PagesJaunes Groupe paid on 23 June 2011 the dividend relating to the 2010 financial year, amounting to €162.7 million, i.e. €0.58 per share.

Through the liquidity contract, the Company held 599,225 of its own shares as at 30 June 2011 (619,061 at 31 December 2010), stated as a deduction from shareholders' equity, and €4.2 million in liquid assets recorded in the item "Cash and cash equivalents". PagesJaunes Groupe has not repurchased any shares outside the liquidity contract.

PagesJaunes Groupe is a subsidiary of Médiannuaire, which controls 54.68% of the capital and voting rights. The general meeting of 7 June 2011 modified the articles of association of the company in order to grant double voting rights to all fully paid-up shares in respect of which evidence is provided of registration in the name of the same shareholder for at least the past two years in accordance with the provisions of article L. 225-123 of the Commercial Code.

In order to allow each of the shareholders to anticipate the inception of these double voting rights, the grant date of the double voting rights has been deferred to 1 May 2013, with the result that from that date all shares in respect of which evidence is provided of registration in the name of the same shareholder for at least the past two years will benefit from double voting rights.

Note 9 – Changes in the scope of consolidation

On 1 April 2011, PagesJaunes Groupe acquired 100% of the shares and voting rights of the company A Vendre A Louer. A Vendre A Louer was formed in 1986 as the first solution for the distribution of real-estate ads for businesses, since when it has become a benchmark in the online real-estate small ads market.

On 24 May 2011, PagesJaunes Groupe acquired 100% of the shares and voting rights of the company ClicRDV. Formed in 2006, ClicRDV is the leader in online appointment booking solutions and now provides a tailor-made solution for the specific needs of all businesses – major accounts, self-employed professionals, SMEs – and public bodies.

The fair values of the identifiable assets and liabilities are as follows:

(Amounts in thousands of euros)	**Acquisitions of the first half of 2011**
Non-current assets	276
Current assets	1,078
Cash and cash equivalents	695
TOTAL ASSETS	**2,049**
Non-current liabilities	(109)
Current liabilities	(3,231)
TOTAL LIABILITIES	**(3,340)**
TOTAL IDENTIFIABLE NET ASSETS AT FAIR VALUE	**(1,291)**
Non-controlling interest measured at fair value	-
Goodwill arising on acquisition	16,393
PURCHASE CONSIDERATION TRANSFERRED	**15,102**

All these securities were acquired in cash for a total price of €9.6 million. Price supplements totalling an estimated €5.5 million may be payable up to 2014 if a number of operational performance conditions are fulfilled. These are part of the purchase price and have been recognised in non-current liabilities.

These transactions gave rise to the recognition of goodwill totalling €16.4 million. This goodwill, which is not deductible for tax purposes, represents in particular the expected synergies and the know-how developed by these companies. Any value adjustments will be finalised over a period of 12 months from the respective transaction dates.

If these entities had been acquired on 1 January 2011, the consolidated revenues would have been €536.2 million and the consolidated gross operating margin would have been €245.5 million.

In addition, on 27 April 2011, PagesJaunes Groupe subscribed 40% of the capital of Relaxevents, a company formed on 22 March. Relaxevents has been consolidated by the equity method.

On 20 May 2011, PagesJaunes Groupe finalised the issue of a bond loan amounting to €350 million through PagesJaunes Finance & Co SCA, an entity specifically dedicated to this transaction (cf. note 7). It is fully consolidated.

Note 10 – Information on related parties

There were no new transactions nor significant developments affecting related parties in the first half of 2011.

Note 11 – Off-balance-sheet commitments

In the issuance of the bond loan, the bonds are indirectly guaranteed by a pledge of the securities of PagesJaunes SA held by PagesJaunes Groupe. There was no other significant change with regard to the nature of the off-balance-sheet commitments and contractual obligations in the first half of 2011.

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

In the ordinary course of business, the Group companies may be involved in a number of legal, arbitration and administrative proceedings. Costs that may arise from these proceedings are provisioned only when they are probable and their amounts can be either quantified or estimated within a reasonable range. The amount of the provisions is based on an assessment of the risk on a case-by-case basis and largely depends on factors other than the particular stage of proceedings, although events occurring during the proceedings may call for a reassessment of this risk.

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

At the beginning of 2002, PagesJaunes implemented a commercial development plan, including, notably, the modification of the employment contracts of 930 sales representatives. The purpose of this modification was to adapt these contracts to a new competitive environment. Approximately 100 employees refused to sign the proposed new contract and were laid off during the second quarter of 2002. Almost all these employees commenced legal proceedings against PagesJaunes to contest the validity of the reason for the redundancies. The *Cour de Cassation*, in two judgments handed down on 11 January 2006, approved the commercial development plan. The *Cour de Cassation* ruled that economic redundancy following a reorganisation implemented to prevent future economic difficulties associated with technological developments was justified. In a further judgement on 14 February 2007, the *Cour de Cassation* upheld the validity of the plan implemented by PagesJaunes. With regard to the cases before administrative courts, the *Conseil d'Etat*, as court of last resort, issued eight judgements unfavourable to PagesJaunes on 12 January 2011, setting aside the rulings issued by the *Cour Administrative d'Appel* of Paris in 2009 and hence the Minister's authorisation of the redundancies. Six employees have filed various claims with the *Conseil des Prud'hommes* for reparation of the damage they believe they have suffered. The €7.3 million provision recognised at the end of 2002 in respect of this risk has been the subject of several writebacks since 2006 in view of the favourable progress of these cases and amounted to €2.1 million as at 30 June 2011.

In addition, in common with the other companies in the sector, the Group is frequently the subject of court proceedings brought in relation to errors in the publication of directories and other media. Generally the financial risk represented by each of these proceedings is relatively limited. However, an increase in their number may constitute a significant risk for the Group. The number of such proceedings declined constantly from 2001, remained stable in 2006 and 2007 and has decreased once again. As at 30 June 2011, there were 10, representing total claims for damages of €0.3 million. In these proceedings, the Group endeavours to negotiate out-of-court compensation, which significantly reduces the final total cost of these proceedings. However, no guarantee can be given that these proceedings will not have an adverse impact on the Group's financial position.

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

Note 13 – Events subsequent to the closing date of 30 June 2011

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

4. AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION FOR 2011

DELOITTE & ASSOCIES
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Statutory Auditors
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Régionale de Versailles

ERNST & YOUNG Audit
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92037 Paris-La Défense Cedex
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Statutory Auditors
Member of the Compagnie
Régionale de Versailles

PagesJaunes Groupe
Period from 1 January to 30 June 2011

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

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

- conducted a limited review of the condensed consolidated half-year financial statements of PagesJaunes Groupe, for the period from 1 January to 30 June 2011, as appended to this report;
- verified the information disclosed in the half-year report.

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

1. Conclusion concerning the financial statements

We conducted our limited review in accordance with the professional standards applicable in France. A limited review essentially involves discussions with the members of the management in charge of accounting and financial matters, and implementing analytical procedures. The procedures involved in a review of this type are less extensive than in an audit performed in accordance with the professional standards applicable in France. Consequently, the assurance that the overall financial statements are free of material misstatements obtained in a limited review is a moderate assurance, on a lower level than that obtained in an audit.
On the basis of our limited review, no significant misstatements have come to our attention which would cause us to question the compliance of the condensed consolidated half-year financial statements with IAS 34, the standard relating to interim financial reporting and forming part of the IFRS standards as endorsed by the European Union.
Without calling into question the conclusion expressed above, we would draw your attention to note 2 to the financial statements which sets out the changes of accounting method resulting from the application of new standards and interpretations with effect from 1 January 2011 and the retrospective change in accounting policy in accordance with IFRS 8 and IAS 8 standards.

2. Specific verification

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

Neuilly-sur-Seine and Paris-La Défense, 26 July 2011

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG Audit
Dominique Descours	Denis Thibon