



Sèvres, October 23, 2006

## **PagesJaunes Groupe: revenue growth of 6.1% in the first nine months and forecast of revenue growth in excess of 6% in full-year 2006**

- **Organic growth of 6.3% for PagesJaunes in France and 4.6% for the International & Subsidiaries segment in the third quarter of 2006**
- **Record audience on pagesjaunes.fr in October 2006**
- **Proposal by the Board of Directors to pay a special dividend of €9 per share**

The consolidated revenues of PagesJaunes Groupe amounted to €821.9 million as at September 30, 2006, a rise of 6.1% compared to September 30, 2005. In the third quarter, the consolidated revenue growth amounted to 5.7%.

### **On the publication of the revenues of PagesJaunes Groupe for the period to September 30, 2006, Michel Datchary, Chief Executive Officer, said:**

"PagesJaunes Groupe has recorded consolidated revenue growth in excess of 6% in the first nine months of 2006. These results, although slightly lower than the Company's targets, have been achieved due to the Group's quality efforts, product innovation and recruitment of new customers. With nine-month revenues of over €235 million and 66 million visits to pagesjaunes.fr in September, PagesJaunes Groupe is establishing itself as the European leader in directories on the Internet. The Group has stated its targets of full-year consolidated revenue growth between 6% and 6.5% and consolidated gross operating margin growth between 5% and 6%, including the costs associated with the planned development of an online classified ads business in France but excluding the costs associated with the sale process of France Télécom's holding in the capital of the Group."

### **PagesJaunes in France segment: organic growth of 6.1% in the first nine months of 2006**

The revenues of the PagesJaunes in France segment advanced 6.1% to €743.2 million as at September 30, 2006. In the third quarter of 2006, the growth in revenues of the PagesJaunes in France segment was 6.3%.



### **Printed directories: growth of 3.2% in the first nine months of 2006**

Revenues from printed directories advanced 3.2% to €480.9 million as at September 30, 2006, and 2.6% in the third quarter of 2006.

Revenues from *l'Annuaire* (White Pages) advanced 12.0% to €94.5 million as at September 30, 2006. As expected, this growth in revenues from *l'Annuaire* weighed on the growth in revenues from the PagesJaunes directory (Yellow Pages), which increased by 1.3% to €386.4 million as at September 30, 2006.

### **Online services: growth of 10.3% in the first nine months of 2006**

Revenues from online services advanced 10.3% to €235.4 million as at September 30, 2006, and 13.2% in the third quarter of 2006.

The decline of the Minitel service, where revenues fell 32.9% to €30.2 million as at September 30, 2006, was equivalent to less than half of the increase in Internet revenues (pagesjaunes.fr and websites), which grew 21.9% to €205.2 million.

The number of online advertisers on pagesjaunes.fr totalled 350,927 as at September 30, 2006, a rise of 7.5% in one year.

Pagesjaunes.fr set a new audience record in 2006. The number of visits rose from 50.0 million in September 2005 to 65.8 million in September 2006 <sup>(3)</sup>, a rise of 32%. With a reach rate of 41.2% in September 2006, pagesjaunes.fr has consolidated its fifth position in the ranking of the most visited Internet sites in France <sup>(4)</sup> and remains the preferred site among executives.

After the launch of the aerial photographs service across the whole of France in the second quarter, in September 2006 PagesJaunes launched an experimental 3D (three-dimensional) search service on pagesjaunes.fr for the cities of Paris and Rennes.

### **Telephone directory enquiry services: revenues of almost €10 million in the first nine months of 2006, including €4.6 million in the third quarter**

The telephone directory enquiries market has not seen a return of the volumes that existed prior to liberalisation. PagesJaunes is maintaining its long-term strategy, on the basis that quality and innovation will compensate for a lower level of advertising investment.



## **International & Subsidiaries segment: growth of 7.2% in the first nine months of 2006**

The revenues of the International & Subsidiaries segment amounted to €84.1 million as at September 30, 2006, a rise of 7.2% on a constant consolidation <sup>(1)</sup> and publication <sup>(2)</sup> basis for printed directories. The growth in revenues in the International & Subsidiaries segment was 4.6% in the third quarter of 2006.

The revenues from B to C directories (QDQ Media, Editus Luxembourg and Edicom) advanced 8.5% to €42.4 million as at September 30, 2006. The revenues of QDQ Media amounted to €32.5 million as at September 30, 2006, a rise of 8.4% on a constant publication basis for printed directories. This rise was mainly due to the strong growth in the Internet activities of QDQ Media, driven by the continued development of QDQ.com. With 9,300 websites produced for its advertisers as at 30 September 2006, QDQ Media has become one of the leading operators in the Spanish market. QDQ Media also won the prize for the best printed directory in 2006 from the EADP (European Association of Directory Publishers).

Revenues from the Kompass businesses increased 10.9% to €23.5 million. Revenues from direct marketing and geographic services remained stable at €18.2 million. The slowdown in the direct marketing activities of PagesJaunes Marketing Services, in the context of the merger in the first half of 2006, was offset by the buoyant growth of Mappy in geographic services.

The activities of PagesJaunes in Lebanon, an unconsolidated company, were sold at the end of June 2006.

## **Recent events**

The composition of the Board of Directors of PagesJaunes Groupe was modified on October 12, 2006 to reflect the Company's new shareholding structure following the acquisition by Mediannuaire of 54% of the capital and voting rights in PagesJaunes Groupe from France Télécom on October 11, 2006. This Board of Directors resolved to convene an ordinary general meeting of the company with a view to authorising the payment of a dividend of €9.0 per PagesJaunes Groupe share. Mediannuaire will vote in favour of this resolution.

If authorised by the Company's general meeting, the payment of this dividend will be financed in part by the group's net cash position and in part by bank financing. After this operation, the consolidated net debt of PagesJaunes Groupe will be equivalent to approximately 4 times its consolidated gross operating margin <sup>(5)</sup>.



## **Financial targets**

Due to the sagging of call volumes in the directory enquiries market and a lower than anticipated market share of the 118 008, the consolidated revenue growth of PagesJaunes Groupe in full-year 2006 is expected to be between 6% and 6.5%.

The growth in the consolidated gross operating margin of PagesJaunes Groupe is expected to be between 5% and 6% in 2006, excluding the costs associated with the sale process of France Télécom's holding in the capital of PagesJaunes Groupe, but including the costs associated with the planned development of an online small ads business in France.

PagesJaunes Groupe is reiterating its target of breakeven in the gross operating margin of QDQ Media in the second half.

PagesJaunes Groupe envisages the distribution of its entire consolidated net attributable income in respect of the 2006 financial year. 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 is the leading European publisher of directories on the Internet (pagesjaunes.fr, qdq.com) and the leading publisher of printed directories in France (the PagesJaunes directory and l'Annuaire).

PagesJaunes Groupe also publishes directories for the general public in Spain, Morocco and Luxembourg, operates telephone directory enquiry services in France (118 008) and Spain (118 75) and publishes BtoB directories (Kompass) in France, Spain, Belgium and Luxembourg. It also provides complementary services such as the geographic services of Mappy and the direct marketing services of PagesJaunes Marketing Services.

With almost 620,000 advertisers in France in 2005, PagesJaunes Groupe is the second largest French company in terms of advertising revenue.

PagesJaunes Groupe is listed on Euronext Paris (PAJ).

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

## **Contacts:**

### **PagesJaunes Press**

Thomas Barbelet / Daniel Lemin  
+33 1 46 23 34 64  
[tbarbelet@pagesjaunes.fr](mailto:tbarbelet@pagesjaunes.fr)  
[dlemin@pagesjaunes.fr](mailto:dlemin@pagesjaunes.fr)

### **PagesJaunes Investors**

Vincent Gouley  
+33 1 46 23 40 92  
[vgouley@pagesjaunes.fr](mailto:vgouley@pagesjaunes.fr)

## Appendices:

**Table 1: Consolidated revenues of PagesJaunes Groupe**

In millions of euros	Third quarter			September 30, 2006		
	2005	2006	Change	2005	2006	Change
<b>PagesJaunes in France</b>	<b>262.4</b>	<b>278.8</b>	<b>6.3%</b>	<b>700.2</b>	<b>743.2</b>	<b>6.1%</b>
<b>Printed directories</b>	<b>179.9</b>	<b>184.5</b>	<b>2.6%</b>	<b>465.9</b>	<b>480.9</b>	<b>3.2%</b>
of which PagesJaunes	149.7	151.9	1.5%	381.5	386.4	1.3%
of which L'Annuaire	30.2	32.7	8.0%	84.4	94.5	12.0%
<b>Online services</b>	<b>72.6</b>	<b>82.2</b>	<b>13.2</b>	<b>213.3</b>	<b>235.4</b>	<b>10.3%</b>
of which Internet	57.9	72.5	25.2%	168.4	205.2	21.9%
of which Minitel	14.7	9.7	-34.0%	44.9	30.2	-32.9%
<b>Directory enquiry services</b>	<b>0.0</b>	<b>4.6</b>	<b>na</b>	<b>0.0</b>	<b>9.8</b>	<b>na</b>
<b>other revenues</b>	<b>9.8</b>	<b>7.5</b>	<b>-23.7%</b>	<b>21.0</b>	<b>17.1</b>	<b>-18.5%</b>
<b>International &amp; Subsidiaries</b>	<b>31.4</b>	<b>32.7</b>	<b>4.2%</b>	<b>76.7</b>	<b>84.1</b>	<b>9.6%</b>
<i>On a constant consolidation and publication basis</i>	<i>31.3</i>	<i>32.7</i>	<i>4.6%</i>	<i>78.5</i>	<i>84.1</i>	<i>7.2%</i>
<b>BtoC directories</b>	<b>18.3</b>	<b>19.1</b>	<b>4.2%</b>	<b>38.0</b>	<b>42.4</b>	<b>11.6%</b>
<i>On a constant consolidation and publication basis</i>	<i>18.2</i>	<i>19.1</i>	<i>4.9%</i>	<i>39.1</i>	<i>42.4</i>	<i>8.5%</i>
Of which QDQ Media	11.0	11.4	3.5%	30.1	32.5	7.9%
<i>On a constant publication basis</i>	<i>10.9</i>	<i>11.4</i>	<i>4.7%</i>	<i>30.0</i>	<i>32.5</i>	<i>8.4%</i>
<b>Kompass businesses</b>	<b>7.0</b>	<b>7.6</b>	<b>8.4%</b>	<b>21.2</b>	<b>23.5</b>	<b>10.9%</b>
<i>On a constant consolidation basis</i>	<i>7.0</i>	<i>7.6</i>	<i>8.4%</i>	<i>21.2</i>	<i>23.5</i>	<i>10.9%</i>
<b>Direct marketing and geographic services</b>	<b>6.0</b>	<b>6.0</b>	<b>-0.9%</b>	<b>17.5</b>	<b>18.2</b>	<b>3.9%</b>
<i>On a constant consolidation basis</i>	<i>6.0</i>	<i>6.0</i>	<i>-0.9%</i>	<i>18.2</i>	<i>18.2</i>	<i>-0.1%</i>
Inter-segment	(1.1)	(2.0)		(2.7)	(5.4)	
<b>Consolidated revenues</b>	<b>292.6</b>	<b>309.5</b>	<b>5.7%</b>	<b>774.3</b>	<b>821.9</b>	<b>6.1%</b>
<i>On a constant consolidation and publication basis</i>	<i>292.5</i>	<i>309.5</i>	<i>5.8%</i>	<i>776.0</i>	<i>821.9</i>	<i>5.9%</i>

**Table 2: Trend in the number of consultations of online directories <sup>(3)</sup>**

In millions	June 2005	Sept. 2005	Dec. 2005	March 2006	June 2006	Sept. 2006
PagesJaunes 3611	14	13	11	11	10	9
pagesjaunes.fr	48	50	49	62	64	66
Total	61	63	59	73	74	75

**Table 3: Trend in the number of Internet advertisers of PagesJaunes**

In thousands	June 2005	Sept. 2005	Dec. 2005	March 2006	June 2006	Sept. 2006
pagesjaunes.fr	328.7	326.4	339.6	348.2	355.9	350.9
QDQ.com	31.5	36.1	41.0	42.3	44.2	43.9
Total	360.2	362.5	380.6	390.4	400.1	394.8



## Notes

- (1) Constant consolidation basis: the companies e-sama and Edicom were acquired in February and July 2005 respectively and are consolidated for nine months in 2005.
- (2) Constant publication basis: the publication schedule of the printed directories of QDO Media as at September 30, 2006 is not identical to that of the same period in 2005. For the purposes of calculating the data on a constant publication basis, the 2006 publication schedule has been applied to 2005.
- (3) Source: Cybermétrique - Médiamétrie / eStat for the number of visits to pagesjaunes.fr and the number of requests made at the server interrogation centres of PagesJaunes 3611.
- (4) Reach rate: number of Internet users visiting the site at least once in the month in question as a proportion of the actual number of active Internet users during this period - Source: Nielsen//Netratings "Home & Work" – domain ranking – September 2006.
- (5) Gross operating margin (GOM): revenues less external purchases, operating expenses (net of operating income) and salaries and charges. The salaries and charges included in the GOM do not include employee profit-sharing or the cost of share-based payment.

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*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 Groupe in France and abroad.*

*A description of the risks borne by the PagesJaunes Groupe appears in section 4 "Facteurs de risques" of the "Document de Référence" of PagesJaunes Groupe S.A. filed with the French financial markets authority (AMF) under the number R. 06 - 024 on March 23, 2006.*

*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.*

*All the accounting data are presented in unaudited consolidated form on a constant publication basis.*