



Sèvres, July 21, 2006

PagesJaunes Groupe: growth of 6.4% in revenues and 9.5% in net income in the first half of 2006

- **Consolidated revenues: +6.4%**
- **Consolidated gross operating margin ⁽¹⁾: +2.8%**
- **Net attributable income: +9.5%**

The consolidated revenues of PagesJaunes Groupe amounted to €512.4 million in the first half of 2006, a rise of 6.4% compared to the first half of 2005.

The consolidated gross operating margin increased 2.8% to €209.2 million in the first half of 2006. Operating income rose 8.2% to €194.7 million in the first half of 2006.

Consolidated net attributable income amounted to €131.5 million in the first half of 2006, compared to €120.1 million in the first half of 2005, a rise of 9.5%.

On the publication of the first-half results of PagesJaunes Groupe, Michel Datchary, Chief Executive Officer, said:

"PagesJaunes Groupe has maintained its strong sales growth in the first half of 2006. Revenues were 6.4% higher than in the first half of 2005. The 118 008 directory enquiry service only began to contribute to the growth of PagesJaunes in France from the second quarter. As forecast, the purchases of advertising space which accompanied the launch of 118 008 weighted on the Group's gross operating margin, which nevertheless increased 2.8% in the first half of 2006. These expenses were only partly offset by the control of publishing costs in France and the continued recovery of QDQ Media in Spain. The sagging of call volumes in the directory enquiries market and higher-than-expected advertising expenditure may result in full-year growth of consolidated revenues of around 6.5% and growth of the consolidated gross operating margin of PagesJaunes Groupe in the lower part of its target range for full-year 2006, including costs related to the project of development of an online classified ads business in France."

Press Release



PagesJaunes in France Segment: strong sales performance

Revenues: growth of 6.1%

The revenues of the PagesJaunes in France segment rose 6.1% to €464.4 million in the first half of 2006.

PagesJaunes maintained its strong sales performance in the period to June 30, 2006, with the number of new advertisers in line with expectations.

Printed directories: strong growth of *l'Annuaire* (White Pages)

Revenues from printed directories rose 3.7% to €296.4 million in the first half of 2006.

The new formula for *l'Annuaire* has proved a great commercial success with PagesJaunes' advertisers. Revenues from *l'Annuaire* grew 14.3% to €61.9 million in the first half of 2006. As expected, this growth in revenues from *l'Annuaire* weighted on the growth of revenues from the PagesJaunes directory, which increased 1.2% to €234.5 million in the first half of 2006. The current enriching of subscriber lists with unbundled and mobile numbers should increase the utility value of *l'Annuaire*, but will be accompanied by an increase in print runs and distribution from 2007, which may lead to an increase in publishing costs.

Online services: continued growth of pagesjaunes.fr

Revenues from online services advanced 8.9% to €153.2 million in the first half of 2006. The decline in the Minitel service, where revenues fell 32.4% to €20.4 million in the first half of 2006, was more than offset by the increase in revenues from the Internet services (pagesjaunes.fr and websites) which grew 20.2% to €132.8 million.

The number of online advertisers on pagesjaunes.fr totalled 355,900 as at June 30, 2006, a rise of 8.3% in one year.

Pagesjaunes.fr set a new audience record in June 2006. The number of visits rose from 48 million in June 2005 to 64 million in June 2006 ⁽³⁾, a rise of 33%, driven by the launch of new online content in the first half of 2006, in particular aerial photographs (3 million page views per day on average since they went online). With a reach rate of 42.6% in June 2006, pagesjaunes.fr has consolidated its fifth position in the ranking of the most visited internet sites in France ⁽⁴⁾. The value of this audience growth is being enhanced through changes to rates and advertising products: the full rollout of the free call service which enables users to call "module pagesjaunes.fr" advertisers free of charge (as at June 30, 2006 almost 50,000 module pagesjaunes.fr advertisers were already equipped with the service), expansion of the "En savoir +" product range (as at June 30, 2006, almost 24,000 advertisers had signed up for "En savoir +"), with new options providing users with more rich media content, and an extension to the e-advertising offering thanks to the opening of new spaces.



Directory enquiry service: start-up in the second quarter

Revenues from telephone directory enquiry services (118 008) amounted to €5.2 million in the first half of 2006. These comprise traffic revenues billed directly to the users of the service and advertising revenues. Revenues from 118 008 were not significant in the first half of 2006, since the market has only recently been fully liberalised (April 3, 2006). Pending the publication of market figures by ARCEP, PagesJaunes estimates that the annual trend in the market is 35-45% below 2004. In spite of the high level of advertising investment by the various operators of directory enquiry services in 2006 and probably in 2007, which are expected to delay operational break-even in this business by one year to 2008, PagesJaunes is confirming its target of being among the three main operators of directory enquiry services.

Result: 2.1% rise in gross operating margin

The gross operating margin of the PagesJaunes in France segment increased 2.1% to €208.3 million in the first half of 2006.

External purchases in the PagesJaunes in France segment amounted to €126.3 million in the first half of 2006, a fall of 0.6% compared to the first half of 2005, while revenues in the segment advanced 6.1% over the same period. This slight decrease in external purchases is due to continued control of the costs of paper purchases, storage and printing of directories, in spite of a rising trend in paper prices and delivery costs. It is also due to the revision of the advertising representation, production and distribution agreements for *l'Annuaire* between France Telecom and PagesJaunes, which resulted in the discontinuation of the fee paid to France Telecom for an amount of €25.8 million in the first half of 2005 and, at the same time, the ending of recharging to France Telecom of the production and distribution costs for *l'Annuaire*, representing €18.2 million in the first half of 2005. These factors partially offset the substantial purchases of advertising space in the first half of 2006 to support the launch of 118 008.

The salaries and charges in the PagesJaunes in France segment amounted to €123.7 million in the first half of 2006, a rise of 5.3% compared to the first half of 2005. This increase was smaller than that of revenues, which advanced 6.1% over the same period.

International & Subsidiaries segment: revenue growth of 8.9% on a constant consolidation basis ⁽²⁾

Revenues: sustained revenue growth

The revenues of the International & Subsidiaries segment amounted to €51.4 million in the first half of 2006, a rise of 13.4% compared to the first half of 2005. The recently consolidated companies (e-sama and Edicom) jointly represented additional revenues of €1.9 million in the first half of 2005. On a constant consolidation basis, the growth in revenues in the International & Subsidiaries segment amounted to 8.9% in the first half of 2006.



Revenues from B to C directories (QDQ Media, Editus Luxembourg, Edicom) advanced 18.4% to €23.4 million in the first half of 2006 (+11.7% on a constant consolidation basis). Revenues from the Kompass businesses increased 12.2% to €15.9 million, while those generated by direct marketing and geographic services rose 6.3% to €12.2 million (+0.3% on a constant consolidation basis).

The revenues of QDQ Media advanced 10.5% to €21.1 million in the first half of 2006. The revenue growth of QDQ Media was buoyant in online services (QDQ.com), with a rise of 45.5% to €3.9 million, while the growth of revenues from printed directories amounted to 4.2%. The proportion of sales generated by online businesses represented 18.6% of revenues in the first half of 2006, against 14.1% in the first half of 2005.

Result: positive gross operating margin in prospect at QDQ Media in second half of 2006

The gross operating margin in the International & Subsidiaries segment amounted to €0.9 million in the first half of 2006, compared to a loss of €0.5 million in the first half of 2005.

The continuation of the recovery plan at QDQ Media led to an improvement in its gross operating margin, with a reduced loss of €0.7 million in the first half of 2006, compared to a loss of €2.8 million in the first half of 2005. This favourable trend is mainly due to the decrease in commercial and communication expenses at QDQ Media and improved management of customer risk, following the actions taken as part of the recovery plan.

The substantial improvement in the gross operating margin of QDQ Media was partly offset by the completion of the merger of Wanadoo Data and e-Sama, creating PagesJaunes Marketing Services, and the launching costs for the online classified ads service in France, which should provide a source of growth in the medium term.

Financial targets for 2006

The sagging of call volumes in the directory enquiries market and higher-than-expected advertising expenditure may result in growth in the consolidated revenues of PagesJaunes Groupe of around 6.5% in full-year 2006.

The growth of the consolidated gross operating margin of PagesJaunes Groupe is expected to be in the lower part of its full-year target range of 5% to 7% in 2006, excluding costs related to the sale of France Telecom's holding in the capital of PagesJaunes Groupe, but including costs related to the project of development of an online classified 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 enquiries 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 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>.

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Appendices:

Table 1: Consolidated revenues of PagesJaunes Groupe in the first half of 2006

In millions of euros	Second quarter			First half		
	2005	2006	Change	2005	2006	Change
PagesJaunes in France	260.3	276.0	6.0%	437.9	464.4	6.1%
Printed directories	182.2	188.6	3.5%	285.9	296.4	3.7%
of which PagesJaunes	149.4	151.3	1.3%	231.8	234.5	1.2%
of which <i>L'Annuaire</i>	32.8	37.2	13.7%	54.2	61.9	14.3%
Online services	72.0	79.4	10.3%	140.7	153.2	8.9%
of which Internet	57.7	69.2	19.9%	110.5	132.8	20.2%
of which Minitel	14.2	10.1	-28.8%	30.2	20.4	-32.4%
Directory enquiry services	-	3.7	na	-	5.2	na
Other revenues	6.2	4.3	-29.8%	11.2	9.6	-14.0%
International & Subsidiaries	22.6	28.9	28.0%	45.3	51.4	13.4%
<i>on a constant consolidation and publication basis</i>	<i>28.4</i>	<i>28.9</i>	<i>1.9%</i>	<i>47.2</i>	<i>51.4</i>	<i>8.9%</i>
BtoC directories	9.0	15.2	68.7%	19.7	23.4	18.4%
<i>on a constant consolidation and publication basis</i>	<i>15.1</i>	<i>15.2</i>	<i>1.1%</i>	<i>20.9</i>	<i>23.4</i>	<i>11.7%</i>
of which QDQ Media	8.7	14.6	68.0%	19.1	21.1	10.5%
<i>on a constant publication basis</i>	<i>13.5</i>	<i>14.6</i>	<i>7.7%</i>	<i>19.1</i>	<i>21.1</i>	<i>10.5%</i>
Kompass businesses	7.4	7.5	1.0%	14.2	15.9	12.2%
<i>on a constant consolidation basis</i>	<i>6.5</i>	<i>7.5</i>	<i>15.6%</i>	<i>14.2</i>	<i>15.9</i>	<i>12.2%</i>
Relational marketing and geographic services	6.1	6.1	0.7%	11.4	12.2	6.3%
<i>on a constant consolidation basis</i>	<i>6.8</i>	<i>6.1</i>	<i>-9.4%</i>	<i>12.1</i>	<i>12.2</i>	<i>0.3%</i>
Inter-segment	(1.2)	(1.8)	-	(1.5)	(3.4)	-
Consolidated revenues	281.7	303.1	7.6%	481.7	512.4	6.4%
<i>On a constant consolidation and publication basis</i>	<i>287.6</i>	<i>303.1</i>	<i>5.4%</i>	<i>483.5</i>	<i>512.4</i>	<i>6.0%</i>

Table 2: First-half consolidated income statement of PagesJaunes Groupe

In millions of euros	First half of 2005	First half of 2006	Change 2006/2005
Revenues	481.7	512.4	6.4%
External purchases	(145.8)	(146.3)	0.4%
Other operating income and expenses	9.8	(5.5)	na
Personnel expenses: - Salaries and charges	(142.2)	(151.4)	6.5%
Gross operating margin	203.5	209.2	2.8%
- Employee profit-sharing	(14.5)	(5.8)	-59.8%
- Share-based payment	(4.2)	(2.1)	-49.1%
Depreciation and amortisation	(4.4)	(6.2)	40.4%
Impairment of fixed assets	(0.4)	0.0	-
Capital gain (loss) on asset disposals	(0.1)	(0.3)	na
Restructuring expenses	0.0	(0.1)	na
Operating income	180.0	194.7	8.2%
Financial result	4.1	7.7	90.3%
Corporation tax	(64.0)	(70.9)	10.8%
Net income	120.1	131.5	9.5%

Table 3: First-half results of PagesJaunes Groupe by segment

In millions of euros	PagesJaunes in France			International & Subsidiaries		
	First half of 2005	First half of 2006	Change 2006/2005	First half of 2005	First half of 2006	Change 2006/2005
Revenues	437.9	464.4	6.1%	45.3	51.4	13.4%
External purchases	(127.1)	(126.3)	-0.6%	(20.2)	(23.4)	16.1%
Other operating income and expenses	10.7	(6.1)	na	(1.0)	0.6	na
Personnel expenses: - Salaries and charges	(117.5)	(123.7)	5.3%	(24.7)	(27.7)	12.2%
Gross operating margin	204.0	208.3	2.1%	(0.5)	0.9	na
- Employee profit-sharing	(14.3)	(5.8)	-59.3%	(0.2)	(0.0)	-95.0%
- Share-based payment	(3.7)	(1.7)	-54.3%	(0.4)	(0.4)	-2.1%
Depreciation and amortisation	(2.9)	(4.2)	44.3%	(1.4)	(1.9)	32.5%
Impairment of fixed assets	0.0	0.0	-	(0.4)	(0.0)	-96.4%
Result of asset disposals	0.0	(0.3)	na	0.0	0.0	-
Restructuring expenses	0.0	0.0	-	0.0	(0.1)	na
Operating income	183.0	196.3	7.2%	(3.1)	(1.6)	na



Table 4: Trend in the number of consultations of online directories ⁽³⁾

In millions	March 2005	June 2005	Sept. 2005	Dec. 2005	March 2006	June 2006
PagesJaunes 3611	14	14	13	11	11	10
Pagesjaunes.fr	44	48	50	49	62	64
Total	59	61	63	59	73	74

Table 5: Trend in the number of Internet advertisers of PagesJaunes Groupe

In thousands	March 2005	June 2005	Sept. 2005	Dec. 2005	March 2006	June 2006
Pagesjaunes.fr	318.9	328.7	326.4	339.6	348.2	355.9
QDQ.com	28.6	31.5	36.1	41.0	42.3	44.2
Total	347.5	360.2	362.5	380.6	390.4	400.1

Notes

(1) 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 gross operating margin do not include employee profit-sharing or the cost of share-based payment.

(2) Constant consolidation basis: the pro forma consolidated data reflect the consolidation of Edicom and e-sama on 1 January 2005. The figures are unaudited.

(3) Source: Cybermétrique - Médiamétrie / eStat for the number of visits to pagesjaunes.fr and the number of requests made at the server request centres of PagesJaunes 3611.

(4) Monthly 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 – June 2006.

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 "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. A description of the objectives of the PagesJaunes Group appears in section 13 "Prévisions ou estimations de bénéfices" 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.

All the accounting data are presented in unaudited consolidated form.