



European Directories Group
and
European Directories Midco S.à r.l.
Interim report Q4 2013

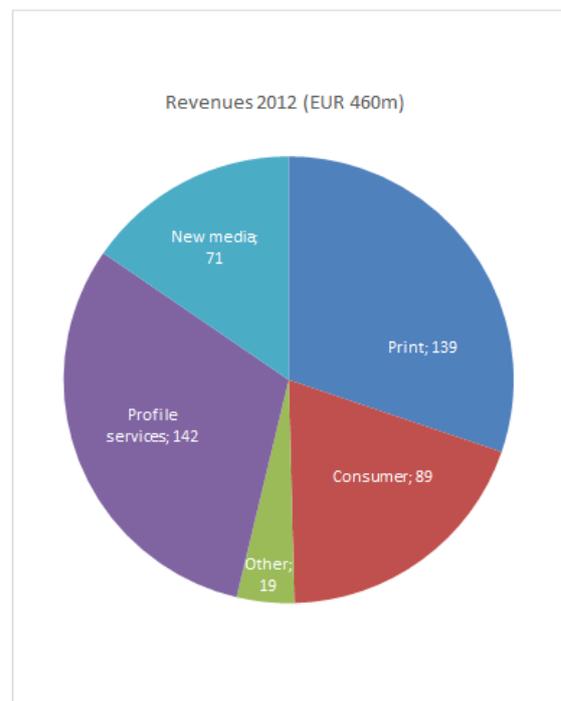
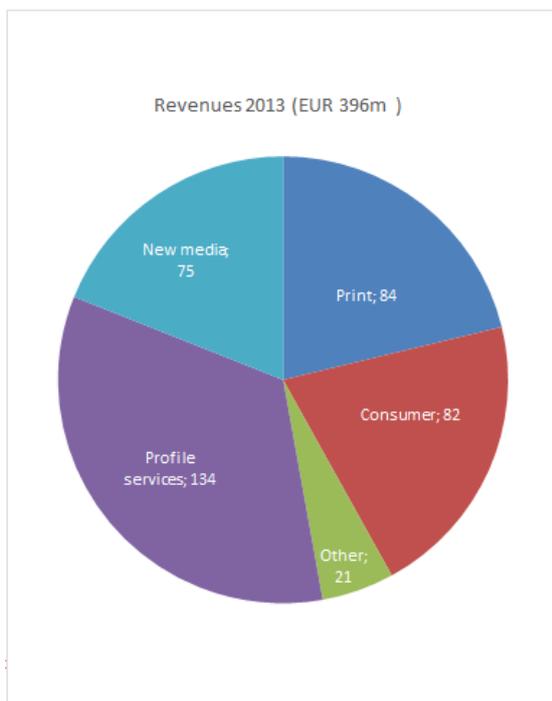
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Report of the Board of Directors

The European Directories (“Edsa”) Group is well on track transforming to online and almost at an inflection point where new business areas are replacing the declining traditional revenue streams. The 2013 reported revenues of Edsa totalled EUR 396m, showing EUR 64m decline (-14%) compared to 2012 due to structurally declining revenues.

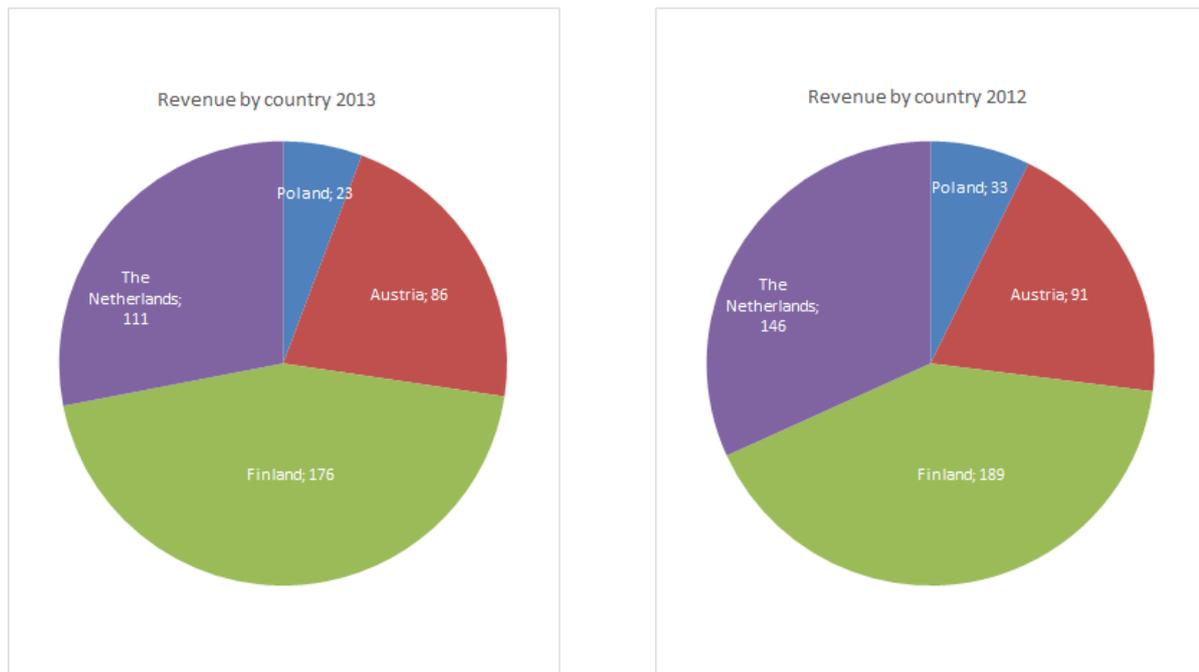
The majority of the decline in revenues is deriving from print. In 2013 the **print revenues** totalled EUR 84m, showing a decline of EUR 55m (-40%) compared to 2012. Print revenues represented 21% of total revenues in 2013, showing a decrease of 9 percentage points compared to 2012. Print revenues are expected to continue decreasing during 2014. **New media revenues**, mainly web presence and marketing services, increased by 6% in 2013 and the share of online in the Group’s product portfolio totalled 53%, showing an increase of 7 percentage points compared to 2012 (46% in 2012). **Consumer services** consisting of directory assistance and sms data information services, represented 21% of total revenues. These services are provided only by Fonecta in Finland. **M&A activities** generated revenues of EUR 6m in 2013. Furthermore, **mobile usage** was increasing significantly in all markets and represents a key growth opportunity for Edsa in the coming years.



Product groups: **New media** is mainly consisting of web presence and marketing services, **Profile services** are mainly internet yellow pages (IYP), **Consumer services** (only in Finland) are directory assistance and sms data information services, **Print** is traditional printed directories and **Other** consists of mixed revenue streams.

Edsa is a market leader in respective markets in Finland (Fonecta) and Austria (Herold), and the transition to online is progressing well with print revenues representing well below 20% in both markets. The transition to online in the Netherlands (DTG) has been slower compared to Fonecta and Herold, but DTG has made a good progress in the latter part of 2013 in line with the turnaround

plan. As a result of the slower transition to date, DTG had EUR 41m of print revenues in 2013, representing 37% of total revenues.



Group EBITDA of EUR 96m (24%) increased by EUR 29m (9 percentage points) compared to 2012. Adjusted EBITDA (excl. Polish operations) totalled EUR 99m (adjusted EBITDA margin was 26%). The cost structure has improved significantly during 2013 mainly resulting from the closing of headquarter operations in London and a significant reduction of the cost base in DTG as part of the turnaround plan. The closure of headquarter operations also resulted in a reduction of capex, which in 2013 was EUR 19m, showing a decrease of EUR 17m compared to 2012.

The significant reductions in costs and capex spending protected cash flow, despite the structurally declining revenues of traditional products. Cash flow before financing activities was EUR -2.6m (EUR -41.3m in 2012).

The liquidity position of the Edsa Group is strong with a cash balance of EUR 54m. Net-interest bearing debt at December 31, 2013 was EUR 100m, 1.0x 2013 EBITDA, excluding subordinated shareholder loans.

In December 2013 and February 2014 Edsa disposed of its Polish operations. The total funding related to exiting the Polish operations amounted to EUR 2.4m, significantly below the EUR 12m guidance previously communicated. No further liabilities exist in relation to the Polish operations.

In February 2014, Edsa settled a dispute with former managers of the former Danish subsidiary De Gule Sider A/S, which has been liquidated. The settlement amount was below the provisioned amount. No further liabilities exist in relation to this dispute.

All in all, with long-term financing in place, the Edsa Group is well positioned to complete the transition to online.

Hannu Syrjänen, Chairman of the Board
European Directories Midco S.à r.l.

For further information, please contact:

Edsa Group CFO Minna Dahlström
e-mail: edsareporting@fonecta.com

Financial Summary

Financial Overview			
1000 EUR	2013	2012	Q4 2013
Revenues	395,632	459,737	96,121
EBITDA	95,795	66,764	28,978
EBITDA margin (%)	24%	15%	30%
Operating profit / loss	-60,546	-184,198	-76,440
Operating profit margin (%)	-15%	-40%	-80%
Cash flow before financing activities	-2,578	-41,256	
Net cash flow	-18,263	-24,890	
Cash and cash equivalents	53,854	72,124	
Net debt	203,038	199,193	
Adjusted net debt excluding shareholder loans	99,724	199,193	
Net debt to EBITDA	2.1	3.0	
Adjusted net debt to EBITDA	1.0	3.0	
<i>The policy change for IAS 19R has not been reflected in the comparatives</i>			

About European Directories (Edsa)

Edsa is an online partner for SMEs offering local search and lead generation with a scalable business model. The group operates through three main brands: Fonecta in Finland, Herold in Austria and DTG in the Netherlands. At the end of 2013 the total headcount of the Group was 2 065 (FTE), showing a reduction of 790 (FTE) compared to 2012, driven by pkt.pl disposal in Poland in December 2013.

The parent company of the group is European Directories Midco S.à r.l. in Luxembourg. European Directories BondCo S.C.A., a subsidiary of European Directories Midco S.à r.l., issued senior secured callable floating rate bonds in the amount of EUR 160m in December 2013 which will be listed during Q4 2014 in NASDAQ OMX Stockholm.

Accounting Principles and reporting

The figures presented in this interim report on the condensed consolidated balance sheet, income statement, and the cash flow statement have been presented in accordance with the accounting policies of the 2012 consolidated financial statements and the new accounting standards adopted from the beginning of 2013. The policy change for IAS 19R has not been reflected in the comparatives. All numbers presented in this report are unaudited and therefore subject to change.

Interim reports will be released quarterly no later than two months after the expiry of each quarter on the European Directories Group web site: www.europeandirectories.com/investors.

Group Income Statement

Condensed consolidated income statement (unaudited)		
1000 EUR	Q4 2013	2013
Revenues	96 121	395 632
Other income	956	2 093
Cost of production	-16 869	-73 202
Personnel expenses	-40 232	-162 091
Other expenses	-10 997	-66 637
EBITDA	28 978	95 795
Depreciation, amortisation and impairment charges	-105 418	-156 341
Operating profit / loss	-76 440	-60 546
Finance costs - net	-9 888	-20 635
Profit / loss before income tax	-86 328	-81 181
Income tax expense	18 149	21 680
Profit / loss for the period from continuing operations	-68 179	-59 500
Attributable to:		
Owners of the parent	-68 196	-59 543
Non-controlling interests	18	43
	-68 179	-59 500

The policy change for IAS 19R has not been reflected in the comparatives

Group Balance sheet

Condensed consolidated balance sheet (unaudited)		
1000 EUR	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets		
Intangible assets	556 109	686 121
Property, plant and equipment	9 131	13 156
Other financial assets	8 178	20 078
Total non-current assets	573 418	719 355
Current assets		
Inventories	439	435
Trade and other receivables	73 955	103 151
Cash and cash equivalents	53 854	72 124
Total current assets	128 248	175 710
Total assets	701 666	895 065
1000 EUR		
31 Dec 2013		
31 Dec 2012		
EQUITY		
Equity attributable to owners of the parent	160 338	217 527
Non-controlling interests	439	396
Total equity	160 776	217 923
LIABILITIES		
Non-current liabilities		
Bond	153 578	
Shareholder loan	103 314	
Other interest-bearing liabilities		271 317
Deferred tax liabilities	69 549	104 695
Pension obligations and other non-current liabilities	13 269	8 635
Total non-current liabilities	339 710	384 647
Current liabilities		
Trade payables	19 068	20 184
Deferred revenues	90 788	138 020
Provisions and other current liabilities	91 324	134 291
Total current liabilities	201 181	292 495
Total liabilities	540 890	677 142
Total equity and liabilities	701 666	895 065

The policy change for IAS 19R has not been reflected in the comparatives

Group Cash flow Statement

Consolidated cash flow statement (unaudited)		
1000 EUR	2013	2012
Cash flow from operating activities		
Net profit/loss for the period	-59,500	869,815
Adjustments for:		
Income tax expenses	-21,680	-114,234
Finance costs - net	20,635	-965,258
Depreciation, amortisation and impairment charges	156,341	250,962
Loss on discontinued operations	-	25,479
Operating profit before depreciations	95,795	66,764
Losses on sale of property, plant and equipment, net	353	
Interest received	197	
Interest paid	-21,767	-22,253
Realised foreign exchange gains and losses and other financial items	-611	-2,410
Taxes paid	-451	-2,142
Operating cash flow before movements in working capital	73,515	39,959
Net change in working capital	-40,493	-29,426
Net cash in operations -continuing operations	33,022	10,533
Net cash generated from operating activities (discontinued operations)	-	-11,253
Cash flow from investing activities		
Acquisitions of subsidiaries and businesses, net of cash acquired	-15,331	-3,379
Purchases of available-for-sale investments	-509	-
Purchases of intangible assets and property, plant and equipment	-18,634	-36,374
Sales of subsidiaries and businesses, net of cash	-1,963	
Proceeds from sales of intangible assets and property, plant and equipment	800	384
Change in other interest-bearing receivables	36	-
Net cash used in investing activities (continuing operations)	-35,600	-39,369
Net cash used in investing activities (discontinued operations)	-	-1,167
Cash flow before financing activities	-2,578	-41,256
Cash flow from financing activities		
Proceeds from issuance of shares	-	16,500
Proceeds from long-term liabilities	157,000	
Payments of long-term liabilities	-158,900	
Refinancing costs	-13,786	
Net cash used in financing activities (continuing operations)	-15,686	16,500
Net cash used in financing activities (discontinued operations)	-	-134
Net increase (+) / decrease (-) in cash and cash equivalents (continuing operations)	-18,263	-12,336
Net increase (+) / decrease (-) in cash and cash equivalents (discontinued operations)		-12,554
Cash and cash equivalents at the beginning of the year	72,124	97,014
Foreign exchange differences in cash and cash equivalents	-6	
Cash and cash equivalents at the end of the year	53,854	72,124

Financial Statements of the Parent

Income Statement, European Directories Midco S.à r.l. (unconsolidated)

Income statement (unaudited)		
1000 EUR	Q4 2013	2013
Personnel expenses	-408	-566
Other expenses	447	-294
EBITDA	39	-860
Finance costs - net	1 307	1 302
Profit / loss before income tax	1 346	1 302
Income tax expense	-1	-2
Profit / loss for the period	1 345	440

Balance Sheet, European Directories Midco S.à r.l. (unconsolidated)

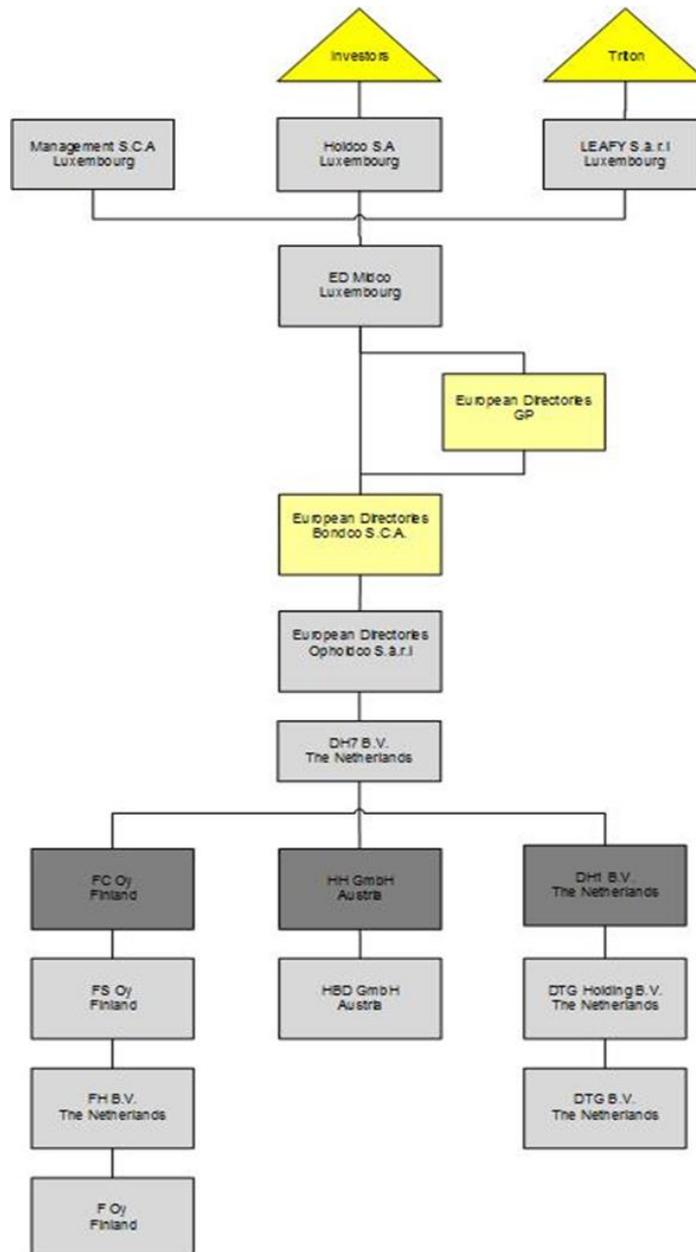
Balance sheet (unaudited)		
1000 EUR	31 Dec 2013	31 Dec 2012
ASSETS		
Non-current assets		
Other financial assets	2 043	32
Long-term loan receivables, intra-group	103 314	
Total non-current assets	105 357	32
Current assets		
Trade and other receivables, intra-group	478	
Other trade and other receivables	96	158
Total current assets	574	158
Total assets	105 931	190
1000 EUR	31 Dec 2013	31 Dec 2012
EQUITY	-8 967	-9 407
LIABILITIES		
Non-current liabilities		
Shareholder loan	103 314	
Total non-current liabilities	103 314	0
Current liabilities		
Current liabilities, intra-group	10 673	
Other current liabilities	911	9 597
Total current liabilities	11 584	9 597
Total liabilities	114 898	9 597
Total equity and liabilities	105 931	190

Cash Flow Statement, European Directories Midco S.à r.l.

Cash flow (unaudited)	
1000 EUR	2013
Cash flow from operating activities	
Net profit for the period	440
Adjustments:	
Income tax expenses	2
Finance costs - net	-1 302
Operating cash flow before movements in working capital	-860
Change in working capital	-406
Net cash in operations	-1 266
Cash flow from investing activities	
Acquisitions of subsidiaries and businesses, net of cash acquired	-44
Net cash used in investing activities	-44
Cash flow before financing activities	
	-1 310
Cash flow from financing activities	
Proceeds from short-term liabilities, intragroup	1 310
Net cash used in financing activities	1 310
Net increase (+) / decrease (-) in cash and cash equivalents	0
Cash and cash equivalents at the beginning of the year	0
Foreign exchange differences in cash and cash equivalents	0
Cash and cash equivalents at the end of the year	0

Legal structure

Simplified legal structure of the Edsa Group on 28 February 2014 is following:



Head quarter of European Directories Group:

Herikerbergweg 88
Postbus 77863
1070 LL Amsterdam
The Netherlands

European Directories BondCo S.C.A.:

26-28, rue Edward Steichen
L-2540 Luxembourg
Luxembourg