Consolidated Financial Statements

for the financial year ended 31 December 2013

European Directories Midco S.à r.I, Luxembourg

(with the Report of the Réviseur d'Entreprises Agréé thereon)

R.C.S Luxembourg B 155418

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Subscribed capital: EUR 100,000

EDSA
European Directories Group

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Managers' Report

The consolidated financial statements of European Directories Midco S.à r.l. (the "Company") group (the "Group") included in this annual report reflect the consolidated results of the operations of the Group for the year ended 31 December 2013.

The most significant event of 2013 was the refinancing of the bank debt completed in December, which saw the Group's senior and super senior facilities being repaid in full. The bank financing was replaced by bonds issued to the markets by Group company, European Directories BondCo S.C.A as well as preferred equity certificates issued by the Company.

Further restructuring of the Group's operations took place in 2013, following the disposal of a part of the Group's Polish business, pkt.pl. The remainder of the Polish business, ClearSense, was disposed in February 2014. The decision to dispose of the Polish operations was made in connection with the refinancing and it allowed the Group to focus on its other business areas, Austria, Finland and the Netherlands. Furthermore, closure of headquarter operations in London was finalised in 2013 according the decision taken in the end of 2012.

The Board of Managers was strengthened during 2013 with two seasoned industry experts, Mr Gerhard Sundt and Hendricus (Eric) Huijgen. Corporate governance was also updated to introduce country committees in order better to support local operating companies' management to create and implement value creating initiatives.

Development and financial performance

The Group is well on track with its transformation to online and almost at an inflection point where new business areas are replacing the declining traditional revenue streams. The 2013 reported revenues of the Group totalled EUR 396m, a 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 print revenues totalled EUR 84m, a decline of EUR 55m (-40%) compared to 2012. Print revenues represented 21% of total revenues in 2013, a decrease of 9 percentage points compared to 2012 (30% in 2012). Print revenues are expected to continue to decline during 2014. New media revenues, mainly web presence and marketing services, increased by 6% in 2013 and the share of online revenues in the Group's product portfolio totalled 53%, an increase of 7 percentage points compared to 2012 (46% in 2012). Consumer services consisting of directory assistance and sms data information services, represented a 21% share of total Group 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 the Group in the coming years.

The Group 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 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[1] of EUR 96m (EBITDA margin 24%) increased by EUR 28m (EBITDA margin improved 9 percentage points) compared to 2012. Adjusted EBITDA (excl. Polish operations) amounted to EUR 99m (adjusted EBITDA margin was 26%).

[1] Earnings Before Interest, Tax, Depreciation and Amortisation. Please refer also to note 1.3.

The cost structure has improved significantly during 2013 mainly resulting from the closing down of headquarter operations in London and a significant reduction of the cost base in DTG as part of the turnaround plan. The closing down 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 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.

Risks and uncertainties

Market conditions remained very competitive and challenging in all markets in which the Group operates. Although major trends support the strategic direction of the Group, the current economic downturn in Europe has a considerable detrimental effect on local small and mid-sized businesses, the main customer segment of the Group. Print revenues amounted to EUR 84m, 21% of total revenues, in the end of 2013 and are expected to further decline in 2014. Structural decline of print is no longer an issue in Austria and Finland, but the high level of print, 37% of revenues, in the Netherlands represents a considerable risk, although there has been good progress in transition to online according to the turnaround plan during second half of 2013. Telekom Austria Group listings and distribution represent two significant revenue streams for Herold and are a risk considering future revenue streams. Directory assistance and sms business in Finland also represent traditional business with declining volume trends, but they still constitute a major part of the current proceeds. However, management is confident that the current long-term financing enables Fonecta to focus on value creating initiatives and complete the transformation to online.

Under IFRS/the applicable accounting principles, the Group is required to make impairment tests on goodwill and other intangible assets. The assets on the balance sheet are primarily intangible in nature, the total value of which as of 31 December 2012 amounted to EUR 686m and after impairments as of 31 December 2013 amounted to EUR 556m. These amounts are substantial compared to the total equity of EUR 173m. Should the global economic conditions deteriorate and affect the business materially, or if the business does not develop as management currently expects, the need for further impairment may occur.

Certain Group companies in Austria and Finland are involved in a number of tax-related disputes with local tax authorities. Further information in the note 5.2. Contingent liabilities.

Trading performance

Finland
Revenues of EUR 176 million were EUR 13m (7%) below 2012 due to structural decline of print as well as directory assistance EUR -20m and sms EUR -7m, compared to 2012. Print revenues were EUR 29m, which represent 16% of Fonecta's total revenues in 2013. Online revenues were growing by EUR 14m (29%) of which EUR 3m was through acquisitions. EBITDA increased from EUR 46 million to EUR 50 million, reflecting improved cost structure as a result of executed cost savings. Restructuring costs of traditional business operations totalled to EUR 3m in 2013.

Austria
Revenues of EUR 86m declined by 6% mainly due to EUR 8m (-40% of print revenues) structural decline of print revenues compared to 2012. Remaining print revenues of EUR 11m represents only 13% of Herold's total

revenues. EBITDA was EUR 23m which declined by 10% reflecting the revenue decline, as well as lower margin level of online business.

The Netherlands

Revenues decreased by 24% from EUR 146 million to EUR 111 million in 2013 due to EUR 23m (-36% of print revenues) structural decline of print revenues compared to 2012. However, remaining print revenues of EUR 41m still represent 37% of DTG's total revenues. EBITDA increased from EUR 19 million to EUR 31 million reflecting a significant reduction of cost base which was a part of the turnaround plan headed by the new management since end of 2012.

Poland

PKT's offering was 100% online products from the beginning of 2013, but it was not competitive enough in a very fragmented and price sensitive market. Revenues of EUR 23m declined by 32% compared to 2012 and the business was loss making in 2013.

Net debt

Following completion of the Group's financial restructuring in December 2013, the Group's net debt at 31 December 2013 is set out below:

Amounts EUR x 1,000	**31 December 2013**
Bond	153,578
Shareholder loans (preferred equity certificates)	103,314
Interest-bearing liabilities	**256,892**
Minus: Cash and cash equivalents	53,854
Total net debt	**203,038**

Following the refinancing completed in December 2013, no hedging liabilities exist in the Group at year-end. Furthermore, after disposal of Polish business (completed in February 2014) the Group has no material foreign exchange exposures.

Financing and going concern

The Group has repaid its bank debt on 10 December 2013, whereby the senior and super senior facilities of the Group were repaid in full. The bank debt was replaced by senior secured callable floating rate bonds ("Bonds") issued by European Directories BondCo S.C.A. The maturity date for the Bonds is 10 December 2018. Part of the bank debt was replaced by preferred equity certificates ("PECs") issued by the Company. The holder of the PECs is direct parent company of the Group, Leafy S.à r.l. which is the majority owner of the Group. The maturity for the PECs is 10 December 2043. With the new financing in place, the Group has secured its financing position for the next five years. Consequently, and taking the current cash flow and working capital forecasts into consideration, these financial statements have been prepared on a going concern basis assuming that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Control framework

A group-wide control framework process is in place. The objective of this process is to synchronise and, where necessary, improve the various internal controls and risk management procedures across the Group.

Risk includes strategic, operational, financial, regulatory and other issues that cause uncertainty or hazard to the business, and is measured in terms of likelihood and consequences. The objectives of risk management in the Group are:

- to identify and manage risks appropriately across the Group;
- to ensure and assist operating companies to identify, analyse and manage risks, which might affect the Group's ability to achieve its strategic objectives; and
- to validate how the decisions to reduce or eliminate risks have been implemented.

The overall objectives of the group-wide control framework process are to ensure that:

- risk management is an integral part of business management;
- risk management is a continuous process;
- risk management is supported by effective internal control systems; and
- risk management is effected by continuous reporting and review mechanisms to ensure risks are identified, escalated and addressed in a timely and appropriate manner

The risk register that is currently maintained by all operating companies was developed to address all of the above. The register is split into strategic risks, commercial and operational risks, technical & IT risks, financial risks, HR and health & safety risks, and legal risks. All risks follow a consistent qualification process in which the risk and its possible consequences including the impact, likelihood and inherent risk rating, are categorised. This results in an overall risk level against which the specific controls are described including the effectiveness of the controls and the ultimately remaining residual risk. The risks identified in the risk registers are in general common risks as one would assume to see with a company active in this industry. Where necessary, the notes to the financial statements include specific information. Information on the financial risks, and specific information as required by IFRS 7 (Financial Instruments: Disclosures), are included in note 5.1.

The Group has corporate governance rules and rules of procedure in place which are applicable to work carried out by the Board of Managers of the Company, the Group CFO, the local operating companies' managing directors and other executive management of the Company and its subsidiaries. The Group has also formed specific country committees whose role is to monitor and manage the risks of the local operating companies as well as an audit committee which concentrates on matters pertaining to financial reporting and control.

Outlook

The structural shift from print to more competitive online products will continue in 2014 and the markets in which the Group operates remain challenging. Online markets are more competitive, innovative and faster moving, than our legacy businesses, and this means that margins will be lower and require continuous investments. Hence we expect that profitability in 2014 will be lower than 2013 reflecting structural decline of the revenues and the lower margin level of online business. Initiatives to improve cost structure will continue.

Other information

Agreements between shareholders

The Company, European Directories OpHoldco S.à r.l. and certain direct and indirect owners of the Company entered into a subscription and shareholders deed on 7 December 2012, regulating standard issues on how resolutions of the Group are passed, how the directors of the Company are appointed and remunerated, how board meetings are held, how shares in the Company may be transferred and other matters which are normally regulated in shareholders' agreements.

Branches

The Company has no branches.

Company shares

The issued share capital of the Company consists of 4,990,000 Class A shares with a nominal value of EUR 0.01 each, all of which are fully paid up, 4,010,000 Class B shares with a nominal value of EUR 0.01 each, all of which are full paid up and 1,000,000 Class C shares with a nominal value of EUR 0.01 all of which are fully paid up. The Company has not acquired its own shares in the year.

Research and Development

The Group has a strong focus on R&D and continuously innovates new products and services to maintain its market position in spite of the industry transition. By continuously launching new products and services, the Group adapts to the market and the changing customer needs.

To ensure synergies and best practice, the sales force provides feedback actively to the product development team on a monthly basis on everything from changes in pricing schemes to suggested new products. This ensures the specific Group company is able to satisfy customer needs and keep up with the rapidly changing marketing and product needs. Furthermore, an important Group R&D advantage is the ability to continuously test products in the market with measurable results. This ensures high adaptability and low product launch risk.

New product developments are shared on a Group level through regular formal and informal information and idea sharing of the local operating companies' managers. The Group can easily replicate complete product offerings and concepts from one market to another, which results in potential cost savings and revenue growth. For example, Fonecta replicated the pricing scheme and website development scope from Herold. This has resulted in revenue growth and an extended product offering.

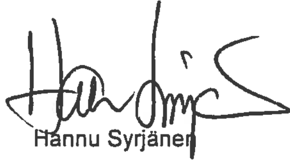
Significant Agreements

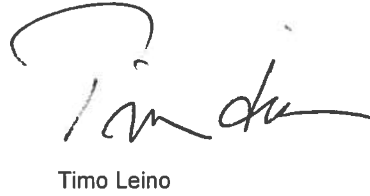
A share-based management incentive plan (MIP) was established in 2013 for certain members of the senior management and Board of Managers of the Group to invest into a Management Pooling Vehicle ("MPV"), a Luxembourg company that holds the relevant shares in the Company alongside Triton entities and (former) lenders. Participation in the program by invitation involves a personal and financial commitment and real investment risk. MIP participants provide non-compete and non-solicit undertakings, and shares held by MIP participants are subject to strict transfer and leaver limitations. Timing and method of exit will be controlled by Triton having imposed tag-along and drag-along rights, obligation to reinvest and allocation of certain exit costs to MIP participants.

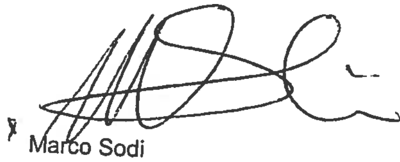
Post-balance sheet events

On 10 February 2014 two Group companies in Poland, ClearSense S.A and ClearSense S.A sp.k., were disposed. The sale resulted in minor capital gain in the Group. The bonds subscribed by Fonecta Oy (see note 3.12 Interest-bearing liabilities) have been sold during January 2014.

Luxembourg, 10 April 2014
The Board of Managers,

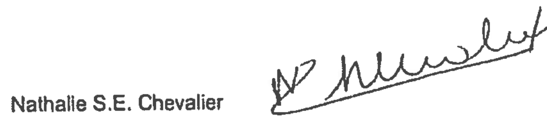

Hannu Syrjänen


Timo Leino

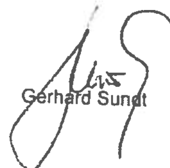

Marco Sodi

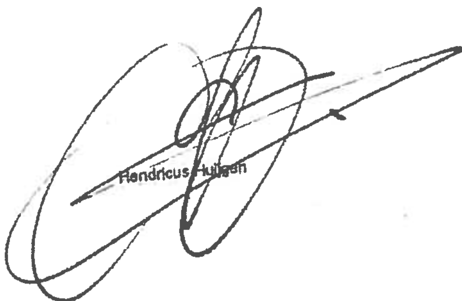
Jyrki Lee Korhonen

David Anderson

Nathalie S.E. Chevalier


Fabrice Rota


Gerhard Sundt


Hendricus Huijsen

Consolidated balance sheet

Amounts EUR x 1,000		31 December 2013	31 December 2012 Restated*)
Non-current assets			
Goodwill	3.2	351,248	358,564
Other intangible assets	3.3	204,861	327,557
Investment property	3.4	2,773	2,974
Property, plant and equipment	3.5	6,358	10,182
Investments and associates	3.6	146	156
Other financial assets	3.7	825	505
Deferred tax asset	3.14	7,207	19,796
		573,418	719,734
Current assets			
Inventories		440	435
Trade accounts receivable	5.1	43,454	63,895
Associates receivables		-	201
Severance related securities	3.8	93	92
Other current assets	3.9	30,407	38,963
Cash and cash equivalents	3.10	53,854	72,124
		128,248	175,710
TOTAL ASSETS		**701,666**	**895,444**

*) Restated for IAS 19R Employee benefits

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

Consolidated balance sheet

(Continued)

Amounts EUR x 1,000		Notes	31 December 2013	31 December 2012 Restated*)
Equity				
	Share capital	3.11	100	100
	Share Premium	3.11	16,449	16,449
	Other Reserve	3.11	10	10
	Translation Reserve	3.11	210	-3,117
	Net loss for the period	3.11	-53,864	870,190
	Retained earnings	3.11	209,235	-683,192
	Equity attributable to the equity holders		172,140	200,440
	Non-controlling interest	3.11	439	396
Total equity			172,579	200,836
Non-current liabilities				
Interest-bearing liabilities		3.12		
	Bond		153,578	
	Shareholder loan		103,314	
	Loans from financial institutions			271,317
Other non-current liabilities				
	Employee benefits	3.13	7,145	25,973
	Deferred tax liabilities	3.14	63,869	104,695
	Other non-current liabilities	3.15	-	128
			327,906	402,113
Current liabilities				
	Trade accounts payable		19,068	20,184
	Deferred revenues		90,788	138,020
	Other current liabilities	3.16	66,311	94,361
	Provisions	3.17	25,014	39,930
			201,181	292,495
TOTAL EQUITY & LIABILITIES			**701,666**	**895,444**

*) Restated for IAS 19R Employee benefits

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

Consolidated income statement

Amounts EUR x 1,000

	Notes	2013	2012 Restated*)
Revenues	4.2	395,632	459,737
Direct costs		-105,482	-113,846
		290,150	**345,891**
Other income		2,093	2,197
Indirect costs		-196,448	-280,325
EBITDA[1]	4.2	**95,795**	**67,763**
Impairment of goodwill	3.2	-10,191	-
Impairment and amortisation of other intangible fixed assets	3.3	-142,390	-246,838
Depreciation tangible fixed assets	3.5	-3,760	-4,124
Total amortisation, impairments and depreciation		*-156,341*	*-250,962*
EBIT[2] / Operating result before financing costs		**-60,546**	**-183,199**
Interest income		200	439
Interest expenses	4.5	-14,961	-131,944
Other financial income and expenses	4.6	-5,874	1,096,334
Net financing costs		*-20,635*	*964,829*
EBT[3] / Loss before tax		**-81,181**	**781,630**
Income tax expense	3.14	27,360	114,125
Profit/loss for the year from continuing operations		**-53,821**	**895,756**
Discontinued operations			
Loss from discontinued operations (net of tax) [4]	4.1	-	-25,479
Profit/loss for the year		**-53,821**	**870,277**

*) Restated for IAS 19R Employee benefits

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

[1] Earnings Before Interest, Tax, Depreciation and Amortisation. Please refer also to note 1.3.
[2] Earnings Before Interest and Tax. Please refer also to note 1.3.
[3] Earnings Before Tax. Please refer also to note 1.3.
[4] Loss from discontinued operations is attributable entirely to the Equity shareholders. Please refer also to note 4.1.

Consolidated statement of comprehensive income

Amounts EUR x 1,000

		2013	2012 Restated
Profit/loss for the year		**-53,821**	**870,277**
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods			
Exchange differences on translating foreign operations		1,000	-2,410
		1,000	**-2,410**
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial gains/losses on defined benefit plans (net of tax) *)		22,238	-21,341
		22,238	**-21,341**
Other comprehensive income for the period, net of tax		**23,238**	**-23,751**
Total comprehensive income for the year		**-30,583**	**846,526**
Loss for the period attributable to:			
Equity holders of the parent	3.11	-53,864	870,190
Non-controlling interest	3.11	43	87
Profit/loss for the year		**-53,821**	**870,277**
Total comprehensive income for the period attributable to:			
Equity holders of the parent		-30,626	846,439
Non-controlling interest		43	87
Total comprehensive income for the year		**-30,583**	**846,526**

*) Including income tax of EUR -150 for 2013 and EUR 447 for 2012, respectively

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

Amounts EUR x 1,000	Share capital	Share premium	Other reserves	Translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
Balance 1 January 2012 (as previously reported)	**32**	**-**	**-**	**-707**	**-666,347**	**-667,022**	**1,013**	**-666,009**
Change in accounting policy	-	-	-	-	3,791	3,791	-	3,791
Balance 1 January 2012 Restated	**32**	**-**	**-**	**-707**	**-662,556**	**-663,231**	**1,013**	**-662,218**
Movements current financial year								
Profit/loss for the period (restated)	-	-	-	-	870,190	870,190	87	870,277
Other comprehensive income (restated)	-	-	-	-2,410	-21,341	-23,751		-23,751
Total comprehensive income for the period (restated)	-	-	-	-2,410	848,849	846,439	87	846,526
Issue of capital and capital contribution	68	16,449	10	-	-	16,527	-	16,527
Acquisition of non-controlling interest	-	-	-	-	704	704	-704	-
Total transactions with owners recognised directly in equity (restated)	*68*	*16,449*	*10*	*-2,410*	*849,553*	*863,670*	*-617*	*863,053*
Balance 31 December 2012 Restated	**100**	**16,449**	**10**	**-3,117**	**186,998**	**200,440**	**396**	**200,836**
Movements current financial year								
Profit/loss for the period	-	-	-	2,327	-53,864	-51,537	43	-51,494
Other comprehensive income	-	-	-	1,000	22,238	23,238	-	23,238
Total comprehensive income for the period	-	-	-	3,327	-31,626	*-28,299*	43	-28,256
Total transactions with owners recognised directly in equity	-	-	-	*3,327*	*-31,626*	*-28,299*	*43*	*-28,256*
Balance 31 December 2013	**100**	**16449**	**10**	**210**	**155,371**	**172,140**	**439**	**172,579**

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

Consolidated Cash flow statement

Amounts EUR x 1,000	Notes	2013	2012 Restated*)
CASH FLOW FROM OPERATING ACTIVITIES			
Net profit/ loss for the period		-53,821	870,277
Adjustments for:			
Income tax benefit	3.14	-27,360	-114,125
Net finance costs		20,635	-964,289
Depreciation, amortisation and impairment charges	3.2,3.3	156,341	250,962
Loss on discontinued operations	4.1	-	25,479
Operating profit before depreciations		**95,795**	**67,763**
Losses on sale of property, plant and equipment		353	-
Interest paid		-21,571	-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**	**40,958**
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			
Acquisition of subsidiary, net of cash acquired	3.1	-15,331	-3,379
Sale of subsidiaries and businesses, net of cash		-1,963	-
Purchases of available-for-sale investments		-509	-
Purchases of intangible assets	3.3	-16,719	-31,356
Purchases of property, plant and equipment	3.5	-1,915	-4,988
Proceeds from sale of property, plant and equipment		800	384
Change in interest-bearing receivables		37	70
Net cash used in investing activities (continuing operations)		**-35,600**	**-39,269**
Net cash used in investing activities (discontinued operations)		**-**	-1,167
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of share capital, share premium and capital contributions		-	16,500
Proceeds from issuance of bonds	3.12	157,000	
Repayments of borrowings	3.12	-158,900	-
Payment of refinancing costs	3.12	-13,786	
Net cash used in financing activities (continuing operations)		**-15,686**	**16,500**
Net cash used in financing activities (discontinued operations)		**-**	-134
Net decrease in cash and cash equivalents		-18,264	-24,890
Exchange gains/(losses) on cash and cash equivalents		-6	
Cash & cash equivalents start period		72,124	97,014
Cash & cash equivalents ending period		**53,854**	**72,124**

The notes on pages 17 to 54 are an integral part of these consolidated financial statements.

Notes to the Consolidated financial statements

Accounting policies

1.1. Basic information

European Directories Midco S.à r.l., Luxembourg (hereafter referred to as "the Company") is the parent company of the European Directories group ("the Group" or "European Directories") and has its registered address at 46A, Avenue J. F. Kennedy, L-1855 Luxembourg. The Company was incorporated on 27 August 2010 as European Directories Midco S.A. On 7 December 2012 the Company became European Directories Midco S.à r.l. The Company acquired the entire operational business of European Directories (DH7) B.V. and its subsidiaries (the "ED Group") on 10 December 2010. The Company is a holding company and is registered with the Luxembourg register of commerce under number B 155418. The principal activities of the Group consist of publishing and distribution of printed (telephone) directories, profile services, online and mobile searches, and directory assistance services. The Group is active the Netherlands, Finland, Austria and Poland.

These financial statements were authorised by the Board of Managers for issuance on 10 April 2014.

1.2. Going concern

Board of Managers' position as regard to going concern of the Company

As described in note 3.12 the existing bank loans were repaid, resulting in a net debt position of EUR 203,038 (2012: EUR 199,000). Cash flow forecasts for the upcoming 12 months show a positive cash flow that will enable the Group to maintain its operations in the foreseeable future.

Due to the refinancing in 2013, the financing of the Group is secured for the next five (5) years. Consequently, these financial statements have been prepared on a going concern basis assuming that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

1.3. The use of EBITDA, EBIT and EBT

The Group uses the EBITDA, EBIT, and EBT headings in the income statement. EBITDA is not a measurement under IFRS and the reader should not consider EBITDA as an alternative to a) net income (as determined in accordance with IFRS), b) cash flows from operating, investing or financing activities (as determined in accordance with IFRS), or as a measure of our ability to meet cash needs or c) any other measures or performance under IFRS. EBITDA is not a direct measure of our liquidity, which is shown by the Group's cash flow statement and needs to be considered in the context of our financial commitments. EBITDA may not be indicative of our historical operating results, nor is it meant to be predictive of our potential future results. We believe that EBITDA is a key performance indicator to measure the underlying performance of the business and is commonly reported and widely used by investors in comparing performance on a consistent basis without regard to depreciation and amortisation, which can vary significantly depending upon accounting methods or non-operating factors. Accordingly, EBITDA has been added as additional information to permit a more complete and comprehensive analysis of our operating performance and of our ability to service our debt.

1.4. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS and IFRIC interpretations as adopted by EU. The consolidated financial statements have been prepared under the historical cost

convention, except for available for sale financial assets, financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The consolidated financial statements are presented in Euros, rounded to the nearest thousand (EUR x1,000)

Except for the effect of applying new IFRS standards (refer to 1.7) the accounting policies have been applied consistently to all periods presented in these financial statements and have been applied consistently throughout the Group and assume the going concern of the group (refer to 1.2).

1.5. Principles for consolidation

The consolidated financial statements have been prepared in accordance with the principles set forth in IAS 27, Consolidated Financial Statements. The consolidated financial statements comprise of the parent company, subsidiaries, joint ventures and associated companies.

1.5.1. Subsidiaries

Subsidiaries are defined as companies in which the Company has the power to govern the financial and operating policies and generally holds, directly or indirectly, more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the aggregate of fair value of the assets given and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost acquisition over the fair value of the Group's identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Any surplus or deficit arising on loss of control is recognised in profit or loss.

1.5.2. Associates and joint ventures

Associated companies are those entities in which the Group has significant influence but no control. Significant influence is presumed to exist when the Group holds between 5% and 20% of the voting power of another entity. Joint ventures are entities over which the Group has contractually agreed to share the power to govern the financial and operating policies of that entity with another venture or ventures. The Group's interests in associated companies and jointly controlled entities are accounted for using the equity method of accounting.

1.5.3. Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of

the asset transferred. Where necessary, subsidiaries accounting policies have been changed to ensure consistency with the policies the Group has adopted. The Group companies are listed in note 5.8.

1.5.4. Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from equity of the owners of the parent company. The non-controlling interests are initially measured at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

1.6. Foreign currency transactions and translation

1.6.1. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional and presentation currency.

1.6.2. Transactions and balances

Transactions denominated in foreign currencies are translated using the exchange rate at the date of the transaction. Receivables and liabilities denominated in foreign currencies outstanding on the closing date are translated using the exchange rate quoted on the closing date. Exchange rate differences have been entered in the income statement. Net conversion differences relating to financing are entered under financial income or expenses.

1.6.3. Group companies

The income statement of subsidiaries, whose measurement and reporting currency are not euros, are translated into the Group reporting currency using the average rates for the year based on the month-end exchange rates, whereas the balance sheets of subsidiaries are translated using the exchange rates on the balance sheet date. On consolidation, exchange differences arising from the translation of the net investments, are taken to equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The balance sheet date rate is based on the exchange rate published by the European Central Bank for the closing date. The average exchange rate is calculated as an average of each month's ending rate from the European Central Bank during the year and the ending rate of the previous year.

1.7. New accounting principles

1.7.1. New IFRS standards adopted from 1 Jan 2013

The Group has adopted the following new of amended standards on 1 January 2013.

IAS 19R Employee benefits

The amendment to IAS 19 Employee benefits changed the accounting for defined benefit plans by eliminating the corridor approach. Accordingly actuarial gains and losses are immediately recognised in the period they occur in equity in other comprehensive income.

In addition, IAS 19 R requires calculation of the net interest costs on the net defined benefit liability or asset using the discount rate measuring the defined benefit obligation. As a consequence, net interest income on plan assets is no longer based on the long-term rate of expected return, but based on corporate bond yields irrespective of actual composition of plan assets. This change results in a reduction of net profit if the discount rate applied to the defined benefit obligation is a lower rate than the expected return rate on plan assets.

IAS 19 R requires past service costs to be recognised in the statement of income in the period of a plan amendment. Under the former standard the portion of past service costs related to unvested benefits was deferred and amortised over the remaining average vesting period.

The amendment did not have a material effect on the Group's financial results or financial position, however it had an impact to equity through other comprehensive income.

Transition requirements in IAS 19 require that the financial information for 2012 is restated. The following table summarises the adjustments made to the statement of financial position.

Impact on Consolidated balance sheet as of 31 December 2012

1000 EUR	Balances at 1 Jan 2012, previously reported	Impact of change in accounting policy	Restated balances at 1 Jan 2012	Balances at 31 Dec 2012, previously reported	Impact of change in accounting policy	Restated balances at 31 Dec 2012
Deferred tax assets	14,612	55	14,667	19,417	379	19,796
Impact to assets		**55**			**379**	
Equity	-666,009	3,791	-662,218	217,923	-17,087	200,836
Deferred tax liabilities						
Retirement benefit obligations	10,379	-3,736	6,643	8,507	17,466	25,973
Other non-current liabilities						
Impact to equity and liabilities		**55**			**379**	

The effect on the consolidated income statement and consolidated statement of comprehensive income for 2012 is presented below. When starting to apply the amended standard, the Group has decided to present the net interest is financial results, rather than in operating profit as reported in previous years.

Impact on Consolidated income statement for 2012

1000 EUR	Previously reported 2012	Impact of change in accounting policy	Restated 2012
Effect to Income statement			
Personnel expenses (employee benefit expenses)	-222,382	999	-221,383
Operating profit	**-222,382**	**999**	**-221,383**
Other financial expenses -net	965,258	-429	964,829
Income tax expense	114,234	-109	114,125
Profit/Loss for the year	**857,110**	**462**	**857,571**
Effect to other comprehensive income			
Actuarial gains/losses on defined benefit plans		-21,830	-21,830
Tax on actuarial gains/losses on defined benefit plans		447	447
Effect to comprehensive income	**857,110**	**-20,921**	**836,189**

Other new or amended standards adopted from 1 January 2013

New IFRS 13 Fair value measurement –standard establishes guidance under IFRS for all fair value measurements. IFRS 13 does not change the requirement when to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

IFRS 7 Financial Instruments: Disclosures Offsetting Financial Assets and Financial Liabilities- standard as amended requires disclosures about rights to offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The application of this standard did not have an impact on the Group's financial statements.

The amendment to IAS 1 Presentation of Items of Other Comprehensive Income (effective for annual period beginning on or after 1 July 2012) relates to presentation of Comprehensive Income. The adoption of the standard did not have impact on the Group's reported result or financial position. The main change resulting from these amendments is a requirement to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

Annual improvements to IFRSs issued in May 2012 (effective for annual periods beginning on or after 1 January 2013). The improvents primarily remove inconsistencies and clarify wording of standards. There are separate transitional provisions for each standard. Amendments did not have an impact on the Group's financial statements.

1.7.2. Adoption of new IFRS standards from 1 January 2014 or later

The Group will apply the following new IFRS standards starting from 1 January 2014:

IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements and IFRS 12 Disclosure of interests in other entities

IFRS 10 Consolidated financial statements (mandatory application in EU for annual periods beginning on or after 1 January 2014). The standard builds on existing principles by identifying the concept of control as the determining factor whether an entity should be included within the consolidated financial statements of the parent

company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.

IFRS 11 Joint arrangements (mandatory application in EU for annual period beginning on or after 1 January 2014). The standard replaces IAS 31 Interests in joint ventures. Joint control under IFRS 11 is defined as the contractual sharing of control of an arrangement, which exists only when the decisions about the relevant activities require unanimous consent of the parties sharing control.

IFRS 12 Disclosures of interests in other entities (mandatory application in EU for annual periods beginning on or after 1 January 2014). The standard includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. These disclosures will be given in the consolidated financial statements for 2014.

The Group is currently reviewing the practical consequences of these new standards 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 limited to more extensive disclosure requirements.

The Group will apply the following new or amended standards and interpretations starting from 1 January 2015 or later

IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2015). The standard has new requirements for the classification and measurement of financial assets and liabilities. New requirements are expected to be added to the standard and it will eventually replace IAS 39 and IFRS 7. the Group will apply the new standard in due course. The standard is still subject to endorsement by EU.

IFRIC 21 Levies (effective for annual periods beginning on or after 1 January 2014). The interpretation has guidance on when to recognise a liability to pay a levy. The Group will apply the new standard in due course. The standard is still subject to endorsement by EU.

1.8. Significant accounting policies

1.8.1. Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of net identifiable assets of the acquired subsidiary/associate at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates and is tested for impairment as part of the overall balance. Separately recognised goodwill is tested annually for impairment and carried at costs less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is

the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangible assets

Other intangible assets that are acquired by the Group are stated at cost less cumulative amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are:

- Trademarks: 10 – 40 years
- Customer relationships: 3 –15 years
- Data rights: 10 years
- Software: 2 – 4 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

1.8.2. Impairment of non-financial assets

Intangible assets that have indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Impairment tests are required whenever events or changes in circumstances indicate that the carrying amount is not recoverable. The timing and the amount for potential impairment losses are dependent on the development of future cash flows within the cash-flow generating business areas. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

1.8.3. Investment property

Investment property is measured using the cost model and depreciated on a straight-line basis over a period of 50 years.

1.8.4. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or manufacture, less cumulative depreciation and impairment losses. Depreciation is calculated as a percentage of the cost price according to the straight-line method on the basis of the expected useful life. Property, plant and equipment under construction/in progress are not depreciated.

Maintenance expenditure is exclusively capitalised where this extends the useful life of the asset. In addition, part of the interest on debt over its period of manufacture is attributed to the cost of manufacture.

The estimated useful lives are:

- Leasehold improvements: lease term or shorter
- Office equipment: 5 – 10 years
- Motor vehicles: 4 – 8 years
- Computers: 2 – 4 years
- Other equipment: 2 – 5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components. Leases where the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases.

1.8.5. Other financial assets

Other financial assets include financial assets held by the Group available for sale and are stated at fair value with any resultant gain or loss recognised directly in equity. When these instruments are derecognised, the cumulative gain or loss previously recognised in equity is derecognised in the income statement.

Financial assets held to maturity are stated at amortised cost.

Other financial assets comprise of strategic investments and are classified at fair value through the income statement. These strategic investments in "start-up" companies are valued using generally accepted methods.

1.8.6. Investments in associates

Investments in associated companies are recorded under the equity method. The goodwill that might arise from the acquisition of an associated company is presented as part of the investment.

1.8.7. Trade accounts receivable

Trade accounts receivable are measured upon initial recognition at fair value, and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

1.8.8. Inventories

Inventories, directories in progress and deferred directory costs are stated at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

1.8.9. Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and call deposits with an original maturity of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

1.8.10. Share capital

Dividends on ordinary shares are recognised in the consolidated financial statements in the period in which they are approved by the Company's shareholders.

1.8.11. Borrowings

Borrowings are initially recognised at fair value less transaction costs incurred (see note 3.12 Interest-bearing liabilities). Subsequent to initial recognition, they are stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised as interest cost over the period of the borrowing using the effective interest method.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying value. This is because financial liabilities are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

1.8.12. Employee benefits

The group operates various post-employment schemes, including both defined benefit and defined contribution plans.

Pension obligations

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years or service and compensation.

The liability recognised in balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.8.13. Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks to the liability. The unwinding of the discount rate is recognized as finance cost.

A provision for restructuring is recognised only when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly before balance sheet date. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.8.14. Trade accounts payable

Trade accounts payable are initially measured at fair value and subsequently at amortised cost.

1.8.15. Current and deferred Income tax

Tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income and expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the closing date and are expected to apply when the related tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets are set off against deferred tax liabilities if they relate to income taxes levied by the same taxation authority.

Deferred tax provided on temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group, and it is probable that the temporary difference will not reverse in the foreseeable future.

1.8.16. Revenues

Revenues arising from the delivery of goods or services are realised when all major risks and opportunities arising from the delivery object have been transferred to the buyer. Revenues are presented net of discounts, rebates and value added taxes (“VAT”).

Revenues from online services are recognised over the life of the contract. Other revenues are recognised either at the date of sale or recognised over the life of the contract depending on the nature of the goods or services rendered.

The difference between the value of the revenue recognised to date and the total sale invoiced is carried as deferred revenue in the balance sheet. Deferred revenue is presented net of accrued direct costs.

1.8.17. Direct and indirect costs

Direct costs are the costs incurred in producing and distributing the Group's products and services. Direct costs are allocated to the various products and services and recognised in the income statement parallel to the revenue recognition policy of the respective products and services.

Indirect costs are all costs that are not directly attributable to revenues. These costs are recognised in the income statement as period costs and consist of selling, marketing, G&A and IT expenses.

1.8.18. Financial income and expenses

Financial income and expenses comprise interest payable on borrowings calculated using the effective interest rate method, foreign exchange gains and losses, and gains and losses on hedging instruments that are recognised in the income statement.

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date that the entity's right to receive payments is established. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

1.8.19. Leases

Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

1.8.20. Cash flow statement

The cash flow statement has been prepared using the indirect method, whereby the net result according to the consolidated income statement is taken as a basis for the movements in cash.

1.8.21. Discontinued operations

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

2. Critical accounting estimates

The preparation of IFRS consolidated financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results and timing may differ from these estimates.

Critical estimates and judgements as applied by management in the preparation of the financial figures are periodically discussed with the Board of Managers. The major accounting estimates and judgements applied in the preparation of the underlying consolidated financial statements are as follows:

- Goodwill impairment (note 3.2).
- Accounting for income taxes (note 3.14).
- Accounting for provisions (note 3.17).
- Accounting for employee benefits (note 3.13)
- Accounting for intangible assets (note 3.3)

By their nature, the above-mentioned items are dependent upon estimates and judgements whether the criteria for recognition have been met. Should the actual outcome defer from the estimates and judgements, revision to the recognised amounts would be required which could impact the financial position of the Group.

3. Individual notes to the consolidated statement of financial position

3.1. Acquisition and disposal of subsidiaries

Acquisitions in 2013

Total investments in subsidiary shares in 2013 amounted to EUR 15,331 (2012: 3,379). On 11 January 2013, the Group acquired 100% of the share capital of Ideakone Oy. The effects of this business combination are as follows:

	Fair value recognised on acquisition	Fair value changes	Original reporting amounts acquired
Non-current assets	4,386	4,023	363
Current assets	906	-	906
Non-current liabilities	-805	-805	
Current liabilities	-564	291	-855
Total net assets acquired	3,923	3,509	414
Transaction costs	160		
Goodwill on acquisition	2,435		
Consideration price, satisfied in cash	**6,518**		
Consideration price, deferred consideration at FV	**-**		
Cash acquired	-906		
Net cash outflow	**5,612**		

Ideakone provides Group with increased customer base and products. In addition to that Ideakone owns Kotisivukone brand, which is well-recognised brand for do-it-yourself webpages. The goodwill from the acquisitions consists of synergies and personnel.

The results for the year include a profit of EUR 88 arising from the operations of the above company.

The other acquisitions in 2013 consist of acquisition of Aldone (EUR 1,050) and Schober (EUR 1,000) resulting in goodwill of EUR 437. Also the deferred considerations of c. EUR 7,669 were paid in 2013 for acquisitions made in previous years of Eniro, Snoobi, AdQ and Vertical Media.

The 2012 acquisitions and preliminary PPAs have been finalised during 2013 and have not resulted in material changes to the amounts disclosed in the 2012 financial statements.

Disposals in 2013

During 2013 the Group sold its shares in pkt.pl to Yarus Investments Ltd. The total sales price was 1 euro. Group's capital loss was c. EUR 3,200.

3.2. Goodwill

The movements in goodwill are as follows.

	Notes	Goodwill
Balance 1 January 2012		**358,301**
Movements		
Acquisitions through business combinations		2,914
Disposals of business		-2,651
		263
Cost		443,107
Cumulative impairments		-84,543
Balance 31 December 2012		**358,564**
Movements		
Acquisitions through business combinations	3.1	**2,872**
Impairment		**-10,188**
		351,248
Cost		445,982
Cumulative impairments		-94,734
Balance 31 December 2013		**351,248**

Goodwill arising on acquisition is calculated on a group basis, but in line with IFRS 3 is allocated to the cash generating units ("CGUs"). In line with Group policy the carrying value of goodwill was measured against its recoverable amount which was estimated by using a discounted cash flows model. Calculations are performed for each CGU.

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets and 3-year plans approved by management covering a 3-year period. Cash flows beyond the three-year period are extrapolated using the expected long-term growth rates. A perpetual growth rate of between 1.2% and 2.0% and a pre-tax discount rate of 14.57% has been used.

The assumptions made in determining the recoverable values are similar for all cash-generating units. They may be based on market data, revenues or EBITDA. The values assigned to each of these parameters reflect past experience, subject to anticipated developments during the life of the plan. These parameters are the main sensitivity factors.

An impairment to goodwill of EUR 10,188 was recognised in the year resulting from the annual process of the asset valuation tests. The impairment is related to the transformation process from traditional print business to online business in DTG, which during the transformation phase (2014-2016) is leading to a drop in its revenues and in its margin.

The allocation of the goodwill (after impairment) towards the cash generating units was based on the relative forecast turnover contribution of these units and is shown in the table below.

	31 December 2013	31 December 2012
DTG	98,295	108,485
Fonecta	174,657	171,752
Herold	78,296	78,327
Total	**351,248**	**358,564**

3.3. Other intangible assets

The movements in other intangible fixed assets can be shown as follows.

	Trade-marks	Customer relation-ships	Data rights	Software	Other & In Progress	Total
Balance 1January 2012	**247,166**	**259,642**	**26,042**	**13,597**	**39,504**	**585,951**
Movements						
New business combination	2,795	1,215	143	-	-	4,153
Additions	-	-	7,195	5,384	18,584	31,163
Divestment of Lokaldelen and Mediatel – cost	-49,595	-18,314	-1,490	-13,974	-324	-83,697
Divestment of Lokaldelen and Mediatel – amortisation	14,241	12,820	343	9,109	150	36,663
Reclassifications	-	-	2,622	-177	-2,445	-
Amortisation charge for the year	-5,443	-74,126	-6,824	-5,664	-36,922	-128,979
Impairment charge for the year	-69,850	-48,009	-	-	-	-117,859
Translation effect – cost	-	-	43	99	1	143
Translation effect – accumulated amortisation	-	-	11	-	8	19
	-107,852	-126,414	2,043	-5,223	-20,948	-258,394
Cost	263,932	435,136	40,972	12,139	68,981	821,160
Cumulative impairments & amortisation	-124,618	-301,908	-12,887	-3,765	-50,425	-493,603
Balance 31 December 2012	**139,314**	**133,228**	**28,085**	**8,374**	**18,556**	**327,557**
Movements						
New business combination	2,220	2,385	1,050	-	-	5,655
Additions	-	-	5,966	10,775	-	16,741
Disposals – cost	-	-	-3,279	-1,884	-1525	-6,688
Disposals – depreciation	-	-	2,394	1,271	350	4,015
Reclassifications	-	-	141	-141	-	0
Amortisation charge for the year	-5,439	-44,749	-8,667	-4,716	-4,206	-67,777
Impairment charge for the year	-37,023	-35,932	-	-	-1,658	-74,613
Translation effect – cost	6	-	-47	-27	-10	-78
Translation effect – accumulated amortisation	-	-	29	12	8	49
	-40,236	-78,296	-2,413	5,290	-7,041	-122,696
Cost	266,157	437,520	44,804	20,863	67,446	836,790
Cumulative impairments & amortisation	-167,080	-382,589	-19,131	-7,198	-55,931	-631,929
Balance 31 December 2013	**99,077**	**54,931**	**25,673**	**13,665**	**11,515**	**204,861**

No borrowing costs have been capitalised within intangible fixed assets.

The impairment of the intangible assets arises following the impairment review performed at 31 December 2013. The recoverable amount of the trademarks were estimated based on the relief from royalty method and customer relationships were estimated based on multi-period excess earnings method, using the discount rate for the group of 14.57%. Based on the assessment, the carrying amount of the trademarks and customer relationships was determined to be higher than their recoverable amount, and an impairment loss of EUR 72,955 was recognised. Increase of 1 % in the discount rate would result in additional impairment of c. EUR 4,500. In addition, an impairment of EUR 2,506 was recognised relating to IT platforms not being used anymore in the Group.

3.4. Investment property

Balance 1 January 2012	**-**
Movements	
Reclassification upon disposal of Swedish business – cost	3,074
Reclassification upon disposal of Swedish business – accumulated depreciation	-100
	2,974
Cost	3,074
Cumulative depreciation	-100
Balance 31 December 2012	**2,974**
Balance 1 January 2013	**2,974**
Movements	
Depreciation for the period	-96
Translation difference	-105
Balance 31 December 2013	2,773
Cost	3,074
Cumulative depreciation	-196
Cumulative translation difference	-105
Balance 31 December 2013	**2,773**

On 31 December 2012 the Group disposed of its interest in its Swedish business. Prior to that, the Swedish group transferred its ownership of a commercial building in Halmstad, Sweden to another Group company. The building was then leased to the Swedish business. In accordance with IAS 40, as the building was no longer use in the commercial endeavours of the Group, it was reclassified as an investment property.

During 2013 the Group received rental income of EUR 379 from the use of the property. The expenditure occurred during 2013 was minimal.

The Group has elected to adopt the cost model for investment property.

EDSA
European Directories Group

The fair market value of the building at 31 December 2013 was estimated at SEK 24m (EUR c. 2.7-3.0m). (2012: SEK 35 – 40m, EUR 3.9 – 4.5m).

3.5. Property, plant and equipment

The movements in property, plant and equipment can be shown as follows.

	Land & buildings	Furniture & fittings	IT	Other	Total
Balance 1 January 2012	**3,031**	**3,348**	**6,289**	**2,107**	**14,775**
Movements					
New business combination	-	-	116	-	116
Additions	-	559	1,765	2,664	4,988
Disposals – cost	-	-24	-132	-475	-631
Disposals – depreciation	-	13	131	101	245
Divestment Lokaldelen and Mediatel - cost	-	-1,522	-1,774	-2,623	-5,919
Divestment Lokaldelen and Mediatel – accumulated depreciation	-	1,453	674	1,779	3,906
Reclassification cost	-3,074	18	771	-789	-3,074
Reclassification depreciation	100	-	-	-	100
Depreciation charge for the year	-	-1,103	-2,310	-711	-4,124
Translation effect – cost	16	67	71	55	209
Translation effect – depreciation	-	-27	-48	-3	-78
	-2,958	-566	-736	-2	-4,262
Cost	-	3,457	9,509	3,052	16,018
Cumulative depreciation	-	-920	-4,776	-140	-5,836
Balance 31 December 2012	**-**	**2,537**	**4,733**	**2,912**	**10,182**
Movements					
Additions	-	339	895	681	1,915
Disposals – cost	-	-852	-1,093	-1,651	-3,596
Disposals - depreciation	-	340	874	428	1642
Depreciation charge for the year	-	-862	-2,086	-812	-3,760
Disposal CGU's – cost	-	-	9	-	9
Translation effect – cost	-	-23	-16	-24	-63
Translation effect - depreciation	-	16	10	4	30
	-	-1,042	-1,407	-1,374	-3,823
Cost	-	2,920	9,305	2,058	14,359
Cumulative depreciation	-	-1,427	-5,977	-521	-7,853
Balance 31 December 2013	**-**	**1,493**	**3,328**	**1,537**	**6,358**

Furniture & fittings comprise leasehold improvements as well as office equipment. IT includes computers and other IT related machinery. Other includes motor vehicles. No borrowing costs have been taken into account under tangible fixed assets.

3.6. Investments in associates

Investments comprise shareholdings in the following associated companies:

Name	Country, City	Ownership %
Binder Trittenwein Kommunikation GmbH (“Binder”)	Austria, Graz	24.9

The company is classified as associated company due to the significant influence through board memberships that the Group has in these companies. Assets total EUR 615 (2012: EUR 482) and net result for the year 2013 is EUR 7 (2012: EUR -71). Movements are detailed as follows.

	Binder	Total
Balance 1 January 2012	**162**	**162**
Movements		
Additional investment	-6	-6
	-6	-6
Balance 31 December 2012	**156**	**156**
Movements		
Additional investment	-10	-10
	-10	-10
Balance 31 December 2013	**146**	**146**

3.7. Other financial assets

Other financial assets mainly comprise of the investment in Spotzer Media Group B.V. of EUR 298 (2012: EUR 298) and the investment in Innerballoons Consulting BV of EUR 500 (2012:0).

3.8. Severance related securities

These are securities previously necessary to cover specific Austrian severance obligations. The actual securities comprise of investments in instruments equal to or comparable to low risk state bonds. Herold is required to hold these securities under Austrian law.

3.9. Other current assets

	31 December 2013	31 December 2012
Prepayments	14,457	19,920
Accrued income	13,627	15,984
Personnel receivables	50	191
Social security and pension receivables	496	290
VAT receivable	93	1
Corporate income tax receivable	773	397
Other	911	2,180
Total	**30,407**	**38,963**

3.10. Cash and cash equivalents

In the consolidated financial statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

3.11. Equity

The amounts in this note are stated in exact EUR.

The issued share capital consists of 4,990,000 Class A shares with a nominal value of EUR 0.01 each, all of which are fully paid up, 4,010,000 Class B shares with a nominal value of EUR 0.01 each, all of which are full paid up and 1,000,000 Class C shares with a nominal value of EUR 0.01 all of which are fully paid up.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Non-controlling interest

Non-controlling interest comprises the equity portions of Suomen Numeropalvelu Oy (45%) and Tupalo Internet Services GmbH (23.7%) which are not owned by the Group. The movements are as follows.

	Amount
Balance 1 January 2012	1,013
Movements	
Acquisition of remaining NCI – AdQ	-578
Other acquisitions and disposals net	-128
Non-controlling interest from income statement	87
	-617
Balance 31 December 2012	396
Movements	
Acquisition of remaining NCI	-
Other acquisitions and disposals net	-
Non-controlling interest from income statement	43
	43
Balance 31 December 2013	**439**

During 2013 no acquisitions of non-controlling interests occurred. In 2012 the Group acquired the remaining interest in various subsidiary companies. The most significant of which was the acquisition of the remaining interest in AdQ Company Oy resulting in a decrease in Non-controlling interest of EUR 578 and an increase to retained earnings of the same amount.

3.12. Interest-bearing liabilities

On 10 December 2013 the Group repaid its bank debt entirely and replaced it with bonds issued to the market as well as preferred equity certificates (PECs). Related refinancing generated costs are estimated at EUR 14.7 million.

The Company assessed the accounting implication of the related refinancing and concludes that the modification of the agreements should be considered partly a repayment of debt (repayment financed with issue of bond) and partly a ‘substantial modification’ under IFRS for the part that was replaced with PECs. As such the related loans have been derecognized and “new loans” have been recognized (at fair value). This resulted in an extinguishment of the old debt facilities of the Group. Consistent with IFRS requirements, costs incurred due to issue of the bond in the refinancing have been included in the amortised cost of the loan (i.e. reduced from the carrying amount of the loan) and the other not directly related refinancing costs have been recognised in profit or loss (as part of finance results).

Interest-bearing liabilities	31 Dec 2013	31 Dec 2012
Non-current		
Bank loans	-	262,234
Bond	153,578	-
Shareholder loans (Preferred Equity Certificates)	103,314	-
Interest rate SWAP	-	9,083
Total interest-bearing liabilities	**256,892**	**271,317**

Bond

On 10 December 2013 a direct subsidiary of European Directories Midco S.à r.l., European Directories BondCo S.C.A. issued senior secured callable floating rate bonds in the amount of EUR160,000 to the market. The proceeds of the bonds were used to repay all bank debt. The interest rate for the bonds is charged at 3 months EURIBOR rate plus a 7% margin. Interest is payable quarterly in arrears. The bonds have a maturity date of 10 December 2018 and rank above the preferred equity certificates. European Directories Midco S.à r.l. has issued a guarantee for the obligations of European Directories BondCo S.C.A. under the bonds (see 5.3). The bonds will be listed on NASDAQ OMX Stockholm during 2014.

Bond issuance costs and other refinancing cost directly linked to issue of the bond were included in the cost of the loan and they are amortised over the loan term. In connection with the refinancing Fonecta Oy subscribed bonds, which create an intercompany financial asset in the Group. On 31 December 2013 this intercompany asset of EUR 3,000 has been eliminated in the consolidated financial statements against the carrying amount of the bond.

The breakdown of the carrying amount of the bond as of 31 December 2013 is as follows:

FV of the bond	160,000
Issue cost	-2,800
Refinancing costs directly linked to issuance of bond	-622
Netting of financial intercompany asset	-3,000
Carrying amount in balance sheet	**153,578**

Shareholder loan

On 10 December 2013 European Directories Midco S.à r.l. issued 103,313,950 preferred equity certificates (“PECs”) with nominal value of 1 euro each. The holder of all issued PECs is parent company Leafy S.à r.l. The PECs have a maturity date of 10 December 2043. The PECs are unsecured and subordinated to all other obligations of the Company and no cash interest will be paid whilst the bond is outstanding.

Covenants

Neither the Bond nor the PECs include covenants, however the Bond terms and conditions require an incurrence test (ratio of net interest bearing debt to Group EBITDA as well as interest cover ratio) to be met i) in a situation where any Group company acquires another entity which holds indebtedness, and ii) in a situation where European Directories BondCo S.C.A. incurs any new financial indebtedness. Neither of the events occurred

during 2013 or subsequent year-end or before the Consolidated Financial Statements were authorised for issuance on 30 April 2014.

3.13. Employee benefits

The Group has several pension arrangements in place around the group. All arrangements are presented and calculated in line with IAS 19R *Employee Benefits*. The net obligations are as outlined below.

	31 December 2013	31 December 2012
Herold	3,459	3,759
Fonecta	0	1,092
DTG	3,686	20,643
PKT.pl/CS	0	373
Total	**7,145**	**25,867**

The Group's net obligations in respect of long-term service benefits, other than post-employment plans, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any plan assets is deducted. The discount rate is the yield of high-quality corporate bonds with at least a rating of AA or higher.

DTG

In addition to a defined contribution arrangement, DTG has a number of defined benefit arrangements with employees. These defined benefit arrangements have been calculated in accordance with IAS 19R taken into account significant changes to the assumptions used. The net obligation in DTG decreased from EUR 20,643 in the end of 2012 to EUR 3,686 in the end of 2013. The decrease was mainly due to change in indexation of future pension payments. Financial assumption regarding the increase of accrued pension rights decreased from 1% on 31 Dec 2012 to 0.5% on 31 Dec 2013.

Herold

The obligation for post-employment benefits is calculated in compliance with IAS 19R amounting to EUR 3,459 (2012: EUR 3,759). This defined benefit plan is not backed by assets for this respective purpose. Therefore, a provision is recorded for the full obligation.

An amount of EUR 2,365 (2012: EUR 2,658) relates to a provision for severance payments – exclusively for employees of Austrian companies – and is recorded based on actuarial calculation in compliance with IAS 19R. According to the Austrian labour law, a company is obliged to pay a certain severance payment on termination of the employment or retirement of all employees, who joined the company before 1 January 2003. Employees, who leave voluntarily or are dismissed, are not entitled to such a payment. The severance payment depends on the number of years of employment and the entitlement of *Severance Payment OLD* remains existent for the full duration of the employment. For those employees, who opted to switch to the new system *Severance Payment NEW,* old severance payment obligations were frozen[5]. EUR 106 of the provision for severance payments recognised in pension obligations in the end of 2012 was not included in the actuarial calculation.

An amount of EUR 912 (2012: EUR 1,014) relates to a provision for jubilee bonuses. The liability is calculated in line with IAS 19 and based upon actuarial assumptions.

[5] The related costs of these severance payments are recorded under salaries and wages and not under pension costs.

Herold employs one person, who has a defined benefit plan based pension arrangement.

Movement in net defined benefit liability

The table below is presenting the movements for DTG, Fonecta and Herold.

	Defined benefit obligation		Fair value of plan assets		Impact of minimum funding requirement/ effect of asset ceiling		Net defined benefit asset(-)/liability(+)	
1000 EUR	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
Balance 1 January	**186,387**	**137,110**	**160,893**	**133,219**	**-**	**2,447**	**25,494**	**6,338**
Included in profit or loss	8,596	7,495	3,973	5,498	-	55	4,623	2,052
Current service cots	4,566	4,366	0	0	-	0	4,566	4,366
Past service cost	-99	-2,323	0	0	-	0	-99	-2,323
Settlements	-2,139	-1,025	-1,486	-503	-	0	-653	-522
Net interest	6,392	6,428	5,459	6,077	-	55	933	406
Other	-124	49	0	-76	-	0	-124	125
	194,983	**144,605**	**164,866**	**138,717**	**-**	**2,502**	**30,117**	**8,390**
Included in OCI								
Remeasurement gains(+)/losses(-)	-19,365	45,414	3,023	21,082	-	-2,502	-22,388	21,830
Actuarial gains/losses arising from changes in demographic assumptions	0	1,069	0	0	-	0	0	1,069
Actuarial gains/losses arising from changes in financial assumptions	-14,860	40,730	0	0	-	0	-14,860	40,730
Actuarial gains/losses arising from experience adjustments	-4,505	3,615	0	0	-	0	-4,505	3,615
Return on plan assets (excluding amounts included in net interest expense)	0	0	3,023	21,082	-	0	-3,023	-21,082
Change in asset ceiling (excl. Amounts recognised in interest expense)	-	-	-	-	-	-2,502	0	-2,502
	175,618	**190,019**	**167,889**	**159,799**	**-**	**0**	**7,729**	**30,220**
Other								
Contributions paid by the employer	0	0	316	4,521	-	-	-316	-4,521
Benefits paid	-3,827	-3,634	-3,560	-3,428	-	-	-268	-206
Balance at 31 December	**171,791**	**186,385**	**164,645**	**160,892**	**-**	**-**	**7,145**	**25,493**
Present value of funded defined benefit obligation	-	-	-	-	-	-	171,790	186,386
Fair value of plan assets	-	-	-	-	-	-	-164,645	-160,893
Funded status	**-**	**-**	**-**	**-**	**-**	**-**	**7,145**	**25,493**
Present value of unfunded obligation	-	-	-	-	-	-	0	0
Net liability arising from defined benefit obligation	**-**	**-**	**-**	**-**	**-**	**-**	**7,145**	**25,493**
Defined benefit obligations included in the non-current liabilities	-	-	-	-	-	-	7,145	25,493
Defined benefit obligations included in the non-current assets	-	-	-	-	-	-	0	0
Net defined benefit asset(-)/ liability(+) presented in balance sheet	**-**	**-**	**-**	**-**	**-**	**-**	**7,145**	**25,493**

Fair value of plan assets

1000 EUR	2013	2012
Equity instruments	30,129	29,862
Debt instruments	63,205	60,806
Cash and cash equivalents	902	4,913
Real estate	7,860	6,963
Derivatives	7,205	5,570
Investment funds	15,883	14,235
Asset-backed securities	11,626	10,212
Structured debt	22,924	22,899
Other	4,912	4,178
Total	**164,646**	**159,638**

The actual return on plan assets in the Group totalled EUR 3,023 thousand (2012: 21,082).

Amounts recognised in the balance sheet by country 2013

1000 EUR	Netherlands	Finland	Austria	Other countries	Total
Present value of funded obligations	168,331	0	3,459		171,790
Fair value of plan assets	-164,645	0	0		-164,645
Deficit(+)/surplus(-)	**3,686**	**0**	**3,459**	**0**	**7,145**
Present value of unfunded obligations	0	0	0		0
Net asset(-)/liability(+) in the balance sheet	**3,686**	**0**	**3,459**	**0**	**7,145**
Defined benefit asset included in the assets	0	0	0		0
Pension obligations in the balance sheet	**3,686**	**0**	**3,459**	**0**	**7,145**

Amounts recognised in the balance sheet by country 2012

1000 EUR	Netherlands	Finland	Austria	Other countries	Total
Present value of funded obligations	180,280	2,348	3,759	373	186,760
Fair value of plan assets	-159,637	-1,256	0	0	-160,893
Deficit(+)/surplus(-)	**20,643**	**1,092**	**3,759**	**373**	**25,867**
Present value of unfunded obligations	0	0	0	0	0
Net asset(-)/liability(+) in the balance sheet	**20,643**	**1,092**	**3,759**	**373**	**25,867**
Defined benefit asset included in the assets	0	0	0	0	0
Pension obligations in the balance sheet	**20,643**	**1,092**	**3,759**	**373**	**25,867**

The principal actuarial assumptions used

	2013			2012		
	Netherlands	**Finland**	**Austria**	**Netherlands**	**Finland**	**Austria**
Discount rate, %	3.30%	3.10%	3.00%	3.40%	3.00%	3.00%
Future salary increases, %	2.00%	3.50%	3.00%	2.00%	3.50%	3.00%
Future pension increases, %	0.50%	0.30%	0.00%	1.00%	0.50%	0.00%
Rate of inflation, %	2.00%	2.00%	0.00%	2.00%	2.00%	0.00%

The discount, inflation and salary growth rates used are the key assumptions used when calculating defined benefit obligations. Effects of 0.5 percentage point change in the rates to the defined benefit obligation on 31 December 2013, holding all other assumptions stable, are presented in the table below.

Sensitivity of defined benefit obligation to changes in assumptions

Change in the assumption	**Impact to the pension obligation increase+/decrease-** **Netherlands**
0.5% increase in discount rate	-9.70%
0.5% decrease in discount rate	11.29%
0.5% increase in benefit	5.29%
0.5% decrease in benefit	-4.93%
0.5% increase in salary growth rate	0.14%
0.5% decrease in salary growth rate	-0.14%

The methods used in preparing the sensitivity analysis did not change compared to the previous period.

The average duration of the defined benefit obligation at the end of 2013 is 20.5 (2012: 21.0) years. For a limited number of employees the company contributes to a defined contribution plan.

3.14. Income tax

The Group's tax position at 31 December 2013 is based on the Group's best estimate using the available information on local taxation rules and regulations of the various fiscal territories and taking into account tax facilities and non-deductible costs. For most fiscal territories no tax return has been filed yet for the period ended 31 December 2013.

The Group has taxable losses in all fiscal territories. The annual expected effective income tax rate of the Group is close to nil compared to the weighted average country tax rates at the balance sheet date of approximately 23% The difference is mainly caused by either amortisation of fiscal goodwill from the past as well as the fiscal treatment of past loan transaction costs. Because of the size of the losses, and since no taxable profits are expected in Dutch Fiscal Unit in the next 3 years, deferred tax asset (amounting to EUR 10million) has been released in 2013. As at 31 December 2013, the total losses carried forward in Dutch Fiscal Unit for which no deferred tax assets have been recognised are estimated at approximately EUR 382 million (2012: EUR 227 million). 37% of the total losses carried forward expire within the next 5 years and 63% after the next 5 years. A significant part of these unrecognised deferred tax assets can only be realised within the fiscal entity in which they were incurred. Since some of these fiscal entities do not generate taxable income it is unclear whether some of these losses can be realised in the foreseeable future. Furthermore, in several tax jurisdictions, these losses can only be utilised for a limited period (i.e. 4 years). Consequently, net operating losses carried forward may be lost in future.

The effective tax rate reconciliation for the Group is as follows (EUR million):

	2013	2012
Earnings before taxation (EBT)	-81	781
Statutory tax rate:	29.22%	28.80%
Calculated income tax benefit	24	-225
Reconciliation differences:		
-Remeasurement of deferred tax – change in Finnish tax rate	6	-
-Difference in domestic tax rates	-9	-6
-Current year losses for which no deferred tax asset was recognized	-18	-35
-Gains/expenses not chargeable/deductible	24	380
Income tax benefit per income statement	27	114

In December 2013 the Finnish Parliament passed legislation lowering the income tax rate from 24.5% to 20.0%. The one-time positive effect in the 2013 income statement from the tax rate change is approximately EUR 6,443.

Within Finland, there is a system of group contributions which, economically, is the same as a fiscal unity.

Within the Netherlands, there is a fiscal unity implemented between the following group companies:

- European Directories (DH7) B.V.
- European Directories (DH1) B.V.
- European Directories Services B.V.
- De Telefoongids Holding B.V.
- De Telefoongids B.V.
- Suurland Outdoor B.V.
- Scoot B.V.
- City & Tourist Promotions B.V.
- ClearSense B.V.

The above-mentioned companies are jointly and severally liable for corporate tax liabilities.

The income tax line in the income statement can be split as follows.

	31-Dec-13	31-Dec-12
Current taxation	-1,844	-4,430
Deferred taxation	29,204	118,555
Income tax	**27,360**	**114,125**

The main temporary differences for which deferred tax assets (negative) and liabilities (positive) have been recorded can be detailed as follows.

	31-Dec-12	31-Dec-12
Receivables	-	-
Goodwill and goodwill amortisation	17,715	19,396
Timing differences print products	-2,124	-2,706
Trademarks	21,668	34,489
Customer relationships	12,165	32,972
Other timing differences	7,238	10,748
Tax losses carried forward	-	-10,000
Net amount (=liability)	**56,662**	**84,899**
Deferred tax assets	-7,207	-19,796
Deferred tax liabilities	63,869	104,695
Net amount (=liability)	**56,662**	**84,899**

Of the deferred tax liabilities, EUR 33,833 (2012: EUR 67,461) arises as a result of the PPA adjustments under IFRS 3. The remaining EUR 30,036 (2012: EUR 37,234) is due mainly to timing differences in (local) goodwill amortisation. Deferred tax assets are capitalised to the extent there is a deferred tax liability against it unless there is a reasonable assumption that this will be realised.

3.15. Other non-current liabilities

The other non-current liabilities mainly relate to some personnel related items and lease related items.

3.16. Other current liabilities

	31 December 2013	31 December 2012
Accrued expenses	25,729	44,895
Customer advance payments	4,267	5,215
VAT and advertising tax payable	8,972	11,689
Corporate tax payable	8,924	6,938
Wage tax payable	2,566	3,329
Social securities payable	1,304	1,781
Accrued interest	1,650	814
Net wages payable (recoverable)	37	116
Holiday & vacation accrual	10,323	11,273
Pension premium liability	581	550
Other	1,958	7,761
Total	**66,311**	**94,361**

3.17. Provisions

The movements in provisions are as follows:

	Restructuring	Other	Total
Balance 1 January 2012	**3,053**	**23,527**	**26,580**

Movements			
Additions	14,238	5,814	20,052
Usage	-5,453	-1,816	-7,269
Releases	-	-131	-131
Unwind of discount	-	680	680
Translation effects	-	18	18
	8,785	4,565	13,350
Balance 31 December 2012	**11,838**	**28,092**	**39,930**
Movements			
Additions	0	526	526
Usage	-7,575	-4,220	-11,795
Releases	-3,433	-574	-4,007
Unwind of discount	16	642	658
Other	-184		-184
Translation effects	-107	-7	-114
	-11,283	-3,633	-14,916
Balance 31 December 2013	**555**	**24,459**	**25,014**

4. Individual notes to the consolidated income statement

4.1. Discontinued operations

In 2013 the Group did not have any discontinued operations.

In 2012 Lokaldelen (Sweden) and Mediatel (Czech and Slovakia) were disposed.

4.2. Selected segmental information

The below segmental information is based on the segmental results regularly reviewed by Group management (considered the Chief Operating Decision Maker). The main segment used by the Group is by geography. The Group's operations are split geographically between the Netherlands, Finland, Austria, and Poland. Group management reviews the revenue and EBITDA within these geographical segments. Revenues and EBITDA are key financial measures that are used to assess the success of our people in achieving growth in the business and operational efficiencies. The geographical analysis included in this note is stated on the basis of origin of operations, although it would not be different if it had been stated on the basis of customer origin.

Revenues and reported EBITDA for the period can be detailed as follows for the Group's main geographies.

	1 January to 31 December 2013		1 January to 31 December 2012	
	Revenues	EBITDA	Revenues	EBITDA
The Netherlands	111,006	30.637	146,199	19,285
Finland	176,317	50,351	189,444	46,257
Austria	85,660	22,801	90,966	25,690
Poland	22,649	-2,366	33,128	-6,596
Non-geography related items		-5,628	-	-16,873
Total	**395,632**	**95,795**	**459,737**	**67,763**

4.3. Personnel expenses

The direct costs, indirect costs and loss on disposal include the following personnel expenses charged to the income statement for the reporting period:

	1 January to 31 December 2013	1 January to 31 December 2012
Salaries & wages	104,565	161,542
Social security costs[6]	16,027	23,544
Pension costs	12,660	12,331
Others	28,839	23,966
Total	**162,091**	**221,383**

[6] The social security costs include certain municipal and local taxes for Austria that are payable by the employer.

EUR 130,366 (2012: EUR 177,255) of the total amount is included under indirect costs, EUR 31,725 (2012: EUR 13,348) under direct costs and EUR 0 (2012: EUR 31,779) of the total amount is included in loss on disposal as it relates to disposed businesses.

4.4. Personnel numbers

	FTE's	Headcount
1 January 2013	2,855	3,170
31 December 2013	2,065	2,281
Average for the period	**2,460**	**2,726**

4.5. Interest expenses

Interest expenses can be split as follows:

	1 January 2013 to 31 December 2013	1 January 2012 to 31 December 2012
Interest Bank loans	11,935	32,776
Interest Bond	742	-
Interest Shareholder loan	1,633	-
Interest Holdco facility	-	92,878
Swap interest	8,232	8,393
Fair value change of the interest rate swap	-8,359	-2,837
Others	778	734
Total	**14,961**	**131,944**

4.6. Other financial income and expenses

Other financial income and expenses includes c. EUR 3,200 capital loss relating to sale of Polish subsidiary, pkt.pl and EUR 1,700 capital gain relating to the sale of Dutch subsidiary Werkspot.

5. Other notes to the consolidated financial statements

5.1. Control framework

In the Group a group-wide control framework process is in place. The objective of this process is to synchronise and, where necessary, improve the various internal controls and risk management procedures across the Group.

Risk includes strategic, operational, financial, regulatory and other issues that cause uncertainty or hazard to the business, and is measured in terms of likelihood and consequences. The objectives of risk management in the Group are:

- to identify and manage risks appropriately across the Group;
- to ensure and assist operating companies to identify, analyse and manage risks, which might affect the Group's ability to achieve its strategic objectives; and
- to validate how the decisions to reduce or eliminate risks have been implemented.

The overall objectives of the group-wide control framework process are to ensure that:

- risk management is an integral part of business management;
- risk management is a continuous process;
- risk management is supported by effective internal control system; and
- risk management effected by continuous reporting and review mechanisms to ensure risks are identified, escalated and addressed in a timely and appropriate manner.

The risk register that is currently maintained by all operating companies was developed to address all of the above. The register is split into strategic risks, legal risks, financial risks, commercial risks, HR & people risks, Technical & IT risks, operational risks, and health & safety risks. All risks follow a consistent qualification process in which the risk & consequences including the impact, likelihood and inherent risk rating are categorised. This results in an overall risk level against which the specific controls are described including the effectiveness of the controls and the ultimately remaining residual risk. The risks identified in the risk registers are in general common risks as one would assume to see with a company active in this industry. Where necessary, the notes to the financial statements include specific information. Information on the financial risks, and specific information as required by IFRS 7 *Financial Instruments: Disclosures*, are included in the following notes.

Corporate Governance

The Group has corporate governance rules and rules of procedure in place. Due to changes in corporate governance in 2013, the Group no longer has a CEO.

Country Committees

The Group has introduced country committees for each of the three operating countries, Austria, Finland and the Netherlands. The country committees monitor the operating companies and together with local management identify and manage risks relating to the operating company. The country committees review strategic direction and identifying the key value creation levers for the relevant country and analyse improvement areas through which the respective country organisations will drive value creation.

Audit Committee

The Group's audit committee assists the Board of Managers by concentrating on matters pertaining to financial reporting and control. The audit committee oversees financial reporting and disclosure process, performance of external auditors, regulatory compliance as well as internal control processes. It also discusses risk management policies and practices with operating company management.

Financial risks

Exposure to liquidity and interest risks arises in the normal course of the Group's business, whereas exposure to credit and markets risks arises in the normal course of the local operating companies' business. This note presents information about the Group's and local operating companies' exposure to these financial risks.

Market risk

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing the mid- to long-term liquidity is mainly focused towards its ability to service debt both under normal as well as under stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. On a yearly basis, the Group prepares a three-year plan that projects cash flows and investigates the necessity to change the financing structure of the Group.

In addition to the cash & cash balances available to the Group, the Group has no additional credits. In the end of 2013 the Group sees the liquidity risk as remote due to its good liquidity situation.

Currency risk
The Group is exposed to foreign currency risks on sales, purchases that are denominated in a currency other than the euro. The major currency giving rise to this is the Polish zloty. The group considers its foreign exchange risk related to investments in foreign subsidiaries acceptable as the nature of the main currencies are stable due to the fact that the respective countries are part of the European Union. The remaining currency risk in the end of 2013 is minimal, since the Group has disposed its Polish operations.

The following year-end rates and average rates are used for the consolidation:

	2013	2012
Average rates		
Swedish kroner	8.66745	8.701112
Polish zloty	4.20087	4.189913
Pounds sterling	0.84681	0.813049
Year-end rates		
Swedish kroner	8.943	8.616604
Polish zloty	4.1472	4.088207
Pounds sterling	0.8331	0.815461

Interest risks
The Group partly finances its operations through borrowing. This means that part of the Group's cash flow will be used to pay interest on its debts, which reduces the funds available for business activities and future business opportunities. A future increase in interest rates could increase the interest payments, which may have an adverse effect on the Group's cash flow, financial position and earnings. The bonds have a floating interest rate (3months EURIBOR) which is not hedged. However, due to the cash sweep mechanism in the bond terms and conditions, the risk is lowered as the bonds will be repaid on a yearly basis with excess cash in the Group over EUR 50 million.

Credit risk - general
Credit risk is the risk of a financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations. In the case of the Group, this risk arises mainly from the local operating

companies' receivables from customers. On an ongoing basis, local management monitors its credit risks. Furthermore, investments are allowed only in cash and short-term deposits with a stable well recognised credit institution with the exception of severance related securities which are invested in instruments equal to or comparable to low risk state bonds. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The Group's customer base is very fragmented and is represented mainly by a large number of customers representing relatively low outstanding balances. There are no single customers representing a material amount of the Group's sales transactions. All operating companies manage strict guidelines as to new customer acceptance, discounts and abnormal payment conditions.

Credit risk – exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	Note	31-Dec-13	31-Dec-12
Other financial assets	3.7	825	505
Trade accounts receivable	5.1	43,454	63,895
Cash and cash equivalents	3.10	53,854	72,124
Total		**98,133**	**136,524**

The exposure (in euros) to trade receivables (i.e. after allowance for impairment) at the reporting date per geographic region was as follows:

	31 December 2013	31 December 2012
Euro-zone countries	42,378	55,466
Polish zloty	1,076	8,429
Total	**43,454**	**63,895**

The ageing of the trade receivables at the reporting date was as follows:

		31-Dec-13		31-Dec-12
	Gross	Impairment	Gross	Impairment
< 30 days past due	37,910	0	51,352	-265
30-60 days past due	2,600	-122	5,679	-160
60-180 days past due	3,253	-1,407	6,843	-2,292
>180 days past due	8,805	-7,585	18,180	-15,442
Total	**52,568**	**-9,114**	**82,054**	**-18,159**
Net total		**43,454**		**63,895**

The movement in the allowance for impairment in respect of trade receivables was as follows:

	Amount
Balance 1 January 2012	19,876
Movements	
Released to the income statement	3,423
Write-offs	-2,500
Reductions through business disposals	-2,962
Other movements (including translation differences)	322
	-1,717
Balance 31 December 2012	**18,159**
Movements	
Released to the income statement	-2,835
Write-offs	-2,405
Reductions through business disposals	-3,723
Other movements (including translation differences)	-82
	-9,045
Balance 31 December 2013	**9,114**

5.2. Contingent liabilities

Tax authority reviews

Austria

In a recent tax audit in Austria relating to the taxation years 2007-2009, the Austrian tax authority has denied Herold Holding GmbH's (as legal successor pursuant to a merger with Herold Services GmbH) tax deduction for goodwill amortization in relation to the 2005 acquisition of Herold Business Data GmbH as the transaction was considered a related party transaction. The tax authority further deemed that certain intercompany interest expenses are not at arm's length. If the 2005 acquisition is confirmed as a related party transaction by a final ruling, this would also disqualify the deduction of interest as of 2011. The potential maximal effect of the above matters amounts to approximately EUR 6,700 plus interest in relation to the taxation years 2007-2012 and, although Herold Holding GmbH appealed the tax authority's decision in July 2013, Herold Holding GmbH has made provisions for the entire sum in its financial statements. A final ruling in accordance with the tax authority's decision would potentially further entail increased tax costs of up to EUR 2,000 annually (if the deduction of future goodwill amortization is denied) and further approximately EUR 2,000 annually for the non-deductibility of interest, although the amount depends on the Group's future financing structure.

Finland

The Finnish tax authority has issued a decision relating to capital gains following the 2005 divestment of Fonecta Holding B.V. According to the decision, Fonecta Group Oy was to pay additional EUR 29.3 million in corporate tax plus interest due to it being deemed to have conducted indirect private equity functions. The decision, as taken by the tax authority on the primary grounds set forth above, was revoked by the Supreme Administrative Court after an appeal by Fonecta Group Oy. However, the dispute is still ongoing on secondary grounds argued by the tax authority. In two other disputes against Fonecta Group Oy relating to the taxation years 2005 and 2006, the tax authority has deemed that certain financing costs and intragroup interest expenses are not tax

deductible. Fonecta disagrees with the tax authority and has claimed for adjustment. The aggregate exposure relating to the non-deductibility of said costs amounts to EUR 3.9 million plus interest and possible penalties.

Further, there are ongoing disputes relating to the taxation of the Fonecta Services Oy and Fonecta Corporation Oy for the taxation years 2006-2010. These disputes also relate to the deductibility of financing costs and intragroup interest expenses as well as reclassification of debt into equity in Fonecta Corporations Oy. The aggregate exposure relating to the claim amounts to EUR 13.4 million plus interest and possible penalties.

The proceeds from an ongoing liquidation of Finderia Oy, currently a dormant subsidiary of Fonecta Oy, were transferred to Fonecta Oy in 2004. The tax authority claimed that within the liquidation valuable business assets were transferred to Fonecta Oy and the realized gain on the disposal of these assets should be added to Finderia's 2004 taxable income. This interpretation was partly accepted also by the Supreme Administrative Court when it decided that the business agreements transferred in the liquidation had value and the gain on disposal should have been added to the taxable income of 2004 for Finderia. Supreme Administrative Court returned the case therefore for tax authority's reassessment. Within the reassessment, the tax authority was initially of the opinion that Finderia's tax liability in relation to the proceeds would have amounted to maximum EUR 38.7 million; but the eventually added amount corresponded to the amount proposed based on a valuation report by Finderia, i.e. EUR 3.7 million whereof the tax liability of EUR 1.0 million has already been paid in 2012. The Representative of the State disagreed with the tax reassessment and claimed for adjustment; but the claim was revoked entirely by the Board of Adjustment at the Corporate Taxation Unit in February 2014. The Representative of the State has 60 days to appeal the decision to the Administrative Court. Should there be no appeal, the decision is final and no tax liability will remain.

Fonecta Oy has pending tax disputes for the taxation years 2004-2010. These cases also refer to the deductibility of financing costs and intragroup interest expenses. The aggregate exposure relating to the claim on financing costs amounts to EUR 1.6 million plus interest and possible penalties.

In the consolidated financial statements of the Group, a provision of EUR 15 million has been made for the Finnish tax cases. No provisions have been made in the financial statements for the individual Finnish companies.

5.3. Guarantees

European Directories Midco S.à r.l. is a guarantor for the obligations of European Directories BondCo S.C.A under the bond (see note 3.12). No other Group companies are guarantors. European Directories Midco S.à r.l. and European Directories BondCo S.C.A. have provided security for certain assets (loan receivables and accounts) to secure the obligations of European Directories BondCo S.C.A. under the finance documents.

5.4. Lease commitments

Non-cancellable operating lease rentals are payable as follows:

31 December 2012	Rent	Cars	Other	Total
< 12 months	7,350	4,563	263	**12,176**
12 – 60 months	18,265	5,715	224	**24,204**
> 60 months	5,480	4	-	**5,484**

31 December 2013	Rent	Cars	Other	Total

< 12 months	6,925	3,127	75	**10,127**
12 – 60 months	14,063	2,398	182	**16,643**
> 60 months	6,848	5		**6853**

The Group has no substantial sublease payments. European Directories Services B.V. has provided a guarantee for the liabilities of European Directories UK Ltd. relating to a sub-lease agreement made on 12 July 2013 between 24 Live UK Ltd. and European Directories UK Ltd. of the lease of Chiswick Park premises (former headquarter premises).

5.5. Purchase commitments

As of 31 December 2013, the Group has certain long-term purchase contracts for data purchase mainly from major telecommunication companies.

These commitments are as follows:

31 December 2012	**Data purchase**	**Total**
< 12 months	189	**189**
> 12 months	963	**963**
> 60 months	-	**-**

31 December 2013	**Data purchase**	**Total**
< 12 months	57	**57**
> 12 months	1,152	**1,152**
> 60 months		

On 31 December 2013 the Group was contractually committed for an amount of c. EUR 6,400, related to an agency agreement and cooperation agreement concluded between pkt.pl and ClearSense S.A. sp.k. in connection with the sale of pkt.pl. The commitment commenced 1 January 2014 and was subsequently released from the Group in connection with the disposal of ClearSense S.A. sp.k. in February 2014.

5.6. Immediate parent and Ultimate parent company

Leafy S.à r.l, a company incorporated in Luxembourg is the immediate parent company of the Company and has majority control over the Company. The ultimate parent of Leafy S.à.r.l is Triton MasterLuxCo 3 S.à r.l., a company incorporated in Luxembourg.

5.7. Related parties

Managers' remuneration and shareholdings

The Board of Managers are considered as key personnel who have authority and responsibility for planning, directing and controlling the activities of the European Directories Group. For the purpose of determining related parties under IAS 24, local management is not considered as key personnel.

The Board of Managers received the following benefits:

2013	Short term	Termination payment	Pension	Total
Board of Managers	544	-	-	**544**

2012	Short term	Termination payment	Pension	Total
Board of Managers	829	-	104	**933**

The above represents the expense arising in the relevant period. As at 31 December 2013 and 31 December 2012, the Board of Managers or local management had no personal shareholdings in the Group. A share-based incentive plan is in place and is directed to certain members of the senior management of the Group and Board of Managers of the Company. The maximal economic interest of the participants in the plan equals 15 per cent of the ordinary equity of the Company and vests over time (the current holding under this plan is 13.5 per cent). The shares in the incentive plan are held by a direct shareholder of the Company, Triton Luxembourg GP Eudora S.C.A. which is a party to the subscription and shareholders' deed referred to in the Managers' Report.

Related party transactions

All transactions with associated companies were performed at arm's length consideration. This mainly relates to regular business transactions and sales commissions settled against prices that are comparable to prices charged by external parties.

The Group paid an agency fee of EUR 120 to the minority shareholders (banks) in 2013. Group also paid a fee of EUR 253 to majority shareholder Leafy S.à r.l. in connection with the refinancing. All these transactions were conducted at arm's length.

5.8. Group companies on 31 December 2013

Company name	Country, City	Ownership % direct or indirect
European Directories GP	Luxembourg, Luxembourg City	100%
European Directories BondCo S.C.A.	Luxembourg, Luxembourg City	100%
European Directories Opholdco S.à r.l.	Luxembourg, Luxembourg City	100%
European Directories UK Ltd.	England & Wales, London	100%
ED UK 2 Ltd	England & Wales, London	100%
European Directories (DH7) B.V.	The Netherlands, Amsterdam	100%
European Directories (DH1) B.V.	The Netherlands, Amsterdam	100%
European Directories Services B.V.	The Netherlands, Amsterdam	100%
De Telefoongids Holdings B.V.	The Netherlands, Amsterdam	100%
De Telefoongids B.V.	The Netherlands, Amsterdam	100%
Suurland Outdoor B.V.	The Netherlands, Rijswijk	100%
Scoot B.V.	The Netherlands, Amsterdam	100%
City & Tourist Promotions B.V.	The Netherlands, Kaatsheuvel	100%
ClearSense B.V.	The Netherlands, Amsterdam	100%
AdQ Company Oy	Finland, Helsinki	100%
Fonecta Corporations Oy	Finland, Helsinki	100%
Fonecta Services Oy	Finland, Helsinki	100%
Fonecta Holding B.V.	The Netherlands, Rotterdam	100%
Fonecta Group Oy	Finland, Helsinki	100%

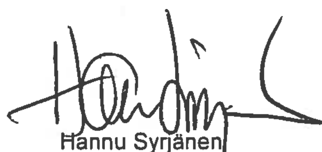
Directory Invest Oy (in liquidation)	Finland, Kauniainen	100%
Fonecta Media Oy	Finland, Helsinki	100 %
Fonecta Oy	Finland, Helsinki	100%
Finderia Oy (in liquidation)	Finland, Helsinki	100%
Ideakone Oy	Finland, Helsinki	100%
In Stereo Solutions Oy	Finland, Espoo	100%
Maksukone Oy	Finland, Helsinki	100%
Nubacom Oy	Finland, Vantaa	100%
Suomen Numeropalvelu Oy	Finland, Helsinki	55%
Snoobi Oy (from 20.1.2014 name changed to Fonecta Enterprise Solutions Oy)	Finland, Helsinki	100%
Herold Holding GmbH	Austria, Mödling	100%
Herold Business Data GmbH	Austria, Mödling	100%
ClearSense GmbH	Austria, Mödling	100%
UrlaubUrlaub.at Vermarktungsgesellschaft m.b.H.	Austria, Vienna	100%
Vertical Media GmbH	Austria, Vienna	100%
Tupalo Internet Services GmbH	Austria, Vienna	76.34%
Polskie Ksiazki Telefoniczne Sp. Z.O.O.	Poland, Warsaw	100%
ClearSense S.A. sp.k.	Poland, Warsaw	100%
ClearSense S.A.	Poland, Warsaw	100%
Herold Mediatel Limited	Gibraltar, Gibraltar	100%
HB Förlaget 1	Sweden, Halmstad	100%

5.9. Post-balance sheet events

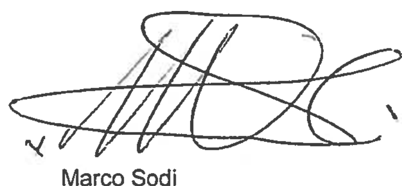
On 10 February 2014 two Group companies in Poland, ClearSense S.A and ClearSense S.A sp.k., were disposed. The sale resulted in minor capital gain in the Group. The bonds subscribed by Fonecta Oy (see note 3.12 Interest-bearing liabilities) have been sold during January 2014.

Luxembourg, 10 April 2014

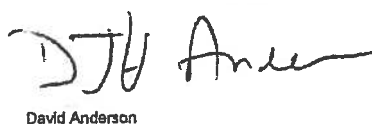
The Board of Managers,


Hannu Syrjänen

Timo Leino


Marco Sodi

Jyrki Lee Korhonen


David Anderson

Nathalie S.E. Chevalier

Fabrice Rota

Gerhard Sundt

Hendricus Huijgen

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To the Partners of
European Directories Midco S.à r.l.
46A, Avenue John F. Kennedy
L-1855 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of European Directories Midco S.à r.l., which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Managers' responsibility for the consolidated financial statements

The Board of Managers is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG Luxembourg S.à r.l., a Luxembourg private limited company and a member of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

T.V.A. LU 24892177
Capital 12.502 €
R.C.S. Luxembourg B 149133

KPMG

Opinion

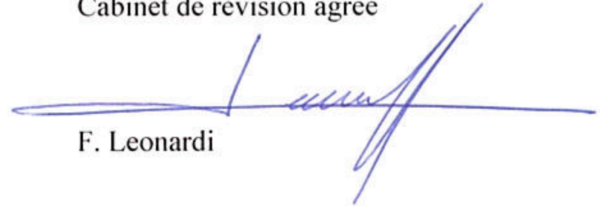
In our opinion, the consolidated financial statement give a true and fair view of the consolidated financial position of European Directories Midco S.à r.l. as of December 31, 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Managers, is consistent with the consolidated financial statements.

Luxembourg, April 10, 2014

KPMG Luxembourg S.à r.l.
Cabinet de révision agréé



F. Leonardi