Consolidated Financial Statements
for the financial year ended 31 December 2015
European Directories Midco S.à r.l, 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

Contents

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 2015.

Events during the period

Acquisitions and divestments

In February 2015, the Group divested through Herold Business Data GmbH, its business unit "secondary entries" for an amount of MEUR 10.

In March 2015, the Group acquired, through Herold Business Data GmbH, 51% of shares in Dogado GmbH, a webhosting and SaaS service provider in Germany, for an amount of MEUR 2. On 8 August 2015 the Group acquired 100% of the shares in Kontaktia Oy for an amount of MEUR 2. Kontaktia Oy is a Finnish digital marketing agency which offers a variety of digital marketing solutions and directory services. On 16 November 2015 the Group acquired 100% of the shares in Vilperi Digimediat Oy, for an amount of MEUR 2. Vilperi Digimediat Oy is a company engaged in providing digital sales and marketing solutions to the SMB sector in Finland.

Tax positions

Fonecta received Board of Appeal decisions from most of the last year's pending tax disputes (European Directories Group Oy, European Directories Services Oy, European Directories Corporations Oy and Fonecta Oy) and Fonecta Group companies paid MEUR 6.4 taxes (including penalties) in December 2015 which were recognized against MEUR 15.0 tax provision.

Helsinki Administrative Court issued in September 2015 a ruling in a tax dispute against Finderia Oy (a dormant subsidiary of Fonecta Oy which has been in liquidation since 2003). The Administrative Court's ruling imposed an income tax (incl. interest) to Finderia Oy amounting to approximately MEUR 38.8. Finderia Oy has appealed the Administrative Court's decision and requested that the payment of the tax and interest would be deferred. The Supreme Administrative Court ("SAC") in Helsinki granted Finderia Oy a deferral in full of the MEUR 38.8m tax assessment. The deferral is granted until the matter has been finally resolved by the SAC. The Group's position is that the tax claim is unfounded and that the ruling contravenes previous court rulings and misinterprets applicable law. Finderia Oy does not have any information on whether or not the leave to appeal will be granted, nor of the timing of the process.

In the event that the SAC rejects the appeal and the full claim of MEUR 38.8 (plus additional interest) becomes payable – which the Group considers unlikely in the short term, or indeed, at all – then this could put a strain on the Group's funding, representing as it does 80% of annual EBITDA. Management is aware of this issue and is keeping it under constant review.

Financial performance

The Group is continuing with its transition from print to online and, within the online segment is expanding its digital services offerings in websites and digital marketing services. The 2015 reported revenues of the Group totalled MEUR 294, a MEUR 24 or 8% decline compared to 2014 mainly due to declining traditional print and consumer services (directory assistance and SMS) revenues. Revenue in the Netherlands (DTG) was positively impacted by MEUR 6 due to the change in the terms and conditions of customer contracts which resulted in a change of timing of revenue recognition. DTG has changed the terms and conditions for Profile services (Online profiles) sales. From 1 January 2015 revenue recognition starts from the service delivery date instead of the book publication date, which has been the case before due to bundling of Print & Online profiles sales.

Profile services totalled MEUR 106, a decline of 2%. New media revenues, mainly website and marketing services were slightly above last year's level totalling MEUR 76 and represented 26% of the total revenue of the Group. The share of online products in the Group's product portfolio totalled 62%.

Print revenues totalled MEUR 33, a decline of 28%. Print revenues represented 11% (2014: 14%) of total revenues. Consumer services consisting of directory assistance and SMS data information services declined by 11% and totalled MEUR 67, representing 23% of total revenues. In addition to the structural decline in traditional print products and Fonecta's consumer business, the transition to online and digital services is impacted by a challenging economic environment in all key markets.

The Group's EBITDA[1)] of MEUR 48 decreased by MEUR 31. EBITDA margin was 16%, a reduction of 9 percentage points compared to 2014. Overall EBITDA is positively impacted by MEUR 6 due to the change in contract terms and conditions in the Netherlands described above. The decline in high margin traditional business (print and consumer business) has a negative impact on margin and EBITDA in all countries.

1) Operating profit/loss before depreciation, amortization and impairment charges and gain/(loss) from sale of subsidiaries. Please refer also to note 2.2 Presentation of Consolidated Income Statement and Balance Sheet.

The Group's total operating costs and expenses for the year increased by MEUR 5 compared to the previous year. In 2014 total operating costs and expenses included MEUR 7 positive impact relating to closure of the main pension plan in DTG. Personnel expenses decreased overall due to renegotiated pension costs and lower employee numbers. Cost of consumables reduced due to lower print production costs, partially offset with higher fulfilment costs of the online products.

The operating profit amounted to MEUR 15 compared with MEUR -174 in 2014 and operating margin was 5%. The loss in previous year was mainly due to impairments of goodwill and intangible assets recognised. The net finance costs of the Group increased by MEUR 3 year-over-year driven by accrued interest on the capitalized Shareholder Loan (Preferred Equity Certificate) interest. The shareholder loan interest is not paid and will not lead to cash interest whilst the bond is outstanding.

Finland (Fonecta)

Revenues of MEUR 142 were MEUR 15 or 10% below 2014 due to a 24% structural decline of print and a 11% decline in directory assistance & SMS compared to 2014. Print revenues were MEUR 11, which represent 8% of Fonecta's total revenues in 2015. The directory assistance & SMS revenue were MEUR 67, which continues to present a significant 47% share from the 2015 total revenue. Total Online revenues amounted to MEUR 63, of which 52% came from new media revenues. EBITDA decreased from MEUR 44 in 2014 to MEUR 29 in 2015.

Austria (Herold)

Revenues reduced marginally by 1% to MEUR 79 in 2015. The declining print and profile services revenues were offset by increasing new media revenues. The new media revenues increased by 16% to MEUR 34 due to organic and inorganic growth, and were 43% of total revenues in 2015, compared to 37% in 2014. EBITDA decreased by MEUR 8 to MEUR 10, or 13% of revenues. Herold acquired in March 2015 51% of shares of DogadoGmbH, a webhosting and SaaS service provider in Germany. Herold started operations in Germany, primarily focused on selling websites. Herold divested its 'secondary listings' business in February 2015.

The Netherlands (DTG)

Revenues decreased by 9% from MEUR 81 to MEUR 74 (MEUR 68 excluding MEUR 6 positive effect from change in contract terms) in 2015 mainly due to MEUR 7 or 30% decline of print revenues. EBITDA declined from MEUR 26 to MEUR 13, and included a one-off MEUR 6 positive effect from the change in terms and conditions for Profile Services sales. Operating cash flow continued to be negative in 2015.

Cash flow and financing

Net cash from operating activities decreased to MEUR 4 from MEUR 38 in 2015. This decrease is mainly driven by lower operating results and MEUR 6 Fonecta tax payment. Net cash used in investing activities was MEUR -6 compared to MEUR -23 in previous year driven by the cash flow from divestment of business unit "secondary entries" by Herold (MEUR 10) and the divestment of the Swedish partnership, HB Förlaget (MEUR 1) off-setting the capital investment and acquisition expenditure of MEUR -3 and MEUR -14, respectively.

Net cash used in financing activities was MEUR -2 (2014: MEUR -18), which includes cash sweep of MEUR -0.6, sale of bonds of MEUR 0.8 and repayment of the external loans (MEUR -2) of the acquired companies (Dogado GmbH, Kontaktia Oy and Vilperi Digimediat Oy).

The liquidity position of the Group is strong with a cash balance of MEUR 47. Net interest-bearing debt at 31 December 2015 was MEUR 91, 1.9x 2015 EBITDA, excluding subordinated shareholder loans.

With the refinancing at the end of 2013, the Group secured its financing position until December 2018. 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 at least the 12 months following and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

Net debt (excluding shareholder loan)

The Group's net debt at 31 December 2015 is set out below:

Amounts 1000 EUR	**31 December 2015**
Bond*)	138,084
Interest-bearing liabilities	**138,084**
Minus: Cash and cash equivalents	46,705
Total net debt	**91,379**

*) *The carrying amount of the bond as of 31 December 2015 includes TEUR 155,899 for bonds issued less TEUR 17,805 for bonds held by the Group.*

The Group is operating mainly in Euro zone countries and does not have material foreign exchange exposures.

Cash sweep and sale of bonds

After the replacement of the bank debt in December 2013 by the issuance of MEUR 160 senior secured bonds, the bonds were listed on the Nasdaq Stockholm in December 2014.

According to the financial report as per 31 December 2014, the Group held cash and cash equivalents in excess of MEUR 50, which constituted a Mandatory Cash Sweep Event under the Bond Terms and Conditions. A partial prepayment at the Prepayment Amount was executed on 9 September 2015, by way of reducing the Nominal Amount of each Bond pro rata with the Mandatory Cash Sweep Amount, MEUR 0.6. The Nominal Amount of each Bond is Euro 99,600**) after prepayment. The Group sold part of the bonds with the market value of Euro 79,000**) per Euro 99,600**) nominal value back to the market on 16 October 2015. The proceeds of MEUR 0.8 has been used for general corporate purposes. Please refer to note 19 Financial Liabilities for further details.

**) *The figures relating to the nominal and market value of the bond above are stated in exact Euro amounts.*

Risks and uncertainties

Market conditions remain very competitive and challenging in all markets in which the Group operates through its operating companies. Print revenues in 2015 amounted to MEUR 33, which is 11% of total revenues. These revenues are expected to decline further in 2016. Fonecta's consumer business, DA & SMS, which amounted to 23% of total Group revenues in 2015 is expected to decline further. The Group continues to have a large dependency on profile services, which has a 36% share of total revenues in 2015. The new media revenues are expected to grow further, both organically as well as through inorganic investments.

Management and board changes

Group CFO Germon Knoop resigned and left his position at the end of August 2015. Neil Robson, a partner in UK based advisory firm Talbot Hughes McKillop LLP, joined the European Directories Group on 3 August 2015 and succeeded Germon Knoop as Group CFO as of 1 September 2015.

During 2015, the following changes have taken place in members of European Directories Midco S.à r.l. board of directors. Jyrki Lee Korhonen resigned 10 January 2015, Hendricus Huijgen resigned 27 April 2015, Timo Leino resigned 31 May 2015, Gerhard Sundt resigned 1 June 2015 and Nadia Meier-Kirner resigned 29 July 2015. Sébastien Rimlinger was appointed on 1 January 2015, Björn Osterloff on 1 June 2015 and Peder Prahl on 29 July 2015. As per 31 December 2015, the board of directors of European Directories Midco S.à r.l. consists of the following members: Hannu Syrjänen (Chairman), David Anderson, Björn Osterloff, Peder Prahl, Marco Sodi, Fabrice Rota and Sébastien Rimlinger.

Control framework

A group-wide control framework process is in place. The objective of this process is to synchronize 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 assit operating companies to identify, analyze 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 continous 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 categorized. This register results in an overall risk level assessment 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 is included in note 25 Financial Risk Management.

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 implemented a Code of Conduct which provides the legal and ethical framework for the conduct of all directors, officers and employees of the Group and defines the basic rules of conduct within the Group and in relation to its business partners and the general public.

Outlook

The business transformation continues in 2016 with declining revenues in traditional products, offset with investments and expected growth in online services, primarily targeted on new media revenues (websites and digital marketing services). The continued transformation is expected to show a moderate overall decline in revenues whilst maintaining margin of similar levels.

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.

Share capital

The issued share capital consists of 4,990,000 Class A shares, 4,010,000 Class B shares and 1,000,000 Class C shares. Each share class has a nominal value of Euro 0.01 and all shares are fully paid up. Each share entitles the holder to one vote at the Annual General Meeting.

According to the Articles of Association, profits shall be allocated between the different share classes as follows:
a) the Class C shares shall be entitled to receive an amount equal to max 15% of the aggregate amount to be distributed;
b) the Class A shares shall be entitled to receive an amount equal to 49.9% of the aggregate amount of the distributable amount after subtraction of the C share entitlement;
c) the Class B shares shall be entitled to receive an amount equal to 50.1 % of the aggregate amount of the distributable amount after subtraction of the C share entitlement; and
d) the holders of each class of shares shall be entitled to participate in those proceeds of a distribution which are to be distributed in respect of that class, pro rata to the number of shares they hold within that class.

In the end of 2015 the entirely paid share capital registered in the Luxembourg trade register was Euro 100,000.

At the end of 2015 share capital, paid in its entirety and entered in the trade register was Euro 100,000.

Research and Development

The Group has a focus on product development and is constantly reviewing new product and services opportunities to strengthen its market position. By regularly launching new products and services in each market the operating companies adapt to the market and the changing customer needs. 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 Grouphas the ability to replicate complete product offerings and concepts from one market to another, which results in potential cost savings and revenue growth. For example, the Group entered into a strategic partnership with Yext as a platform service in its markets.

Post-balance sheet events

On 22 January 2016 De Telefoongids Holding B.V. ("DTG"), a European Directories Group company, acquired 100% of the shares in DR3 B.V. ("DR3DATA"). DR3DATA is a Dutch company holding an extensive business-to-business marketing database. The acquisition of DR3DATA will reinforce DTG's position as the online marketing services company for the Dutch SME sector.

As part of an intra-group restructure in order to reduce administrative costs and bring the Austrian trading companies under the direct ownership of a Dutch holding company, the European Directories Group has initiated merger proceedings starting on 19 February 2016 of its 100% owned Austrian subsidiary, Herold Holding GmbH, with a newly incorporated 100% owned Dutch subsidiary, European Directories (DH8) B.V. Both companies are 100% direct subsidiaries of European Directories (DH7) B.V. Neither company conducts any trading business, nor has any employees and the operations of the Dutch and Austrian business are completely unaffected by this matter. The proposed merger is subject to court approvals in Austria and The Netherlands which will be sought following the expiry of statutory notice periods to the companies' creditors. In any event, the merger must be completed with six months.

Luxembourg, 30 March 2016
The Board of Managers,

Hannu Syrjänen

Peder Prahl

Marco Sodi

Björn Osterloff

David Anderson

Sébastien Rimlinger

Fabrice Rota

Consolidated balance sheet

1000 EUR	Note	Dec 31 2015	Dec 31 2014
ASSETS			
Non-current assets			
Goodwill	7,8	213,816	208,177
Other intangible assets	8	93,613	119,641
Property, plant and equipment	9	5,486	5,660
Investments in associates	11	403	434
Available-for-sale financial assets	12	1,471	1,655
Loan receivables from related parties	13	1,731	1,511
Other financial assets		36	-
Deferred tax assets	21	2,837	4,662
Total non-current assets		**319,393**	**341,740**
Current assets			
Inventories		712	724
Trade and other receivables	14	59,553	64,624
Cash and cash equivalents (excluding bank overdrafts)	15	46,705	92,308
Assets held-for-sale	7	-	1,051
Total current assets		**106,970**	**158,707**
Total assets		**426,363**	**500,447**
EQUITY			
Equity attributable to owners of the parent			
Share capital	16	100	100
Share premium		16,449	16,449
Other reserves		10	10
Retained earnings		-63,026	-60,694
Total		**-46,467**	**-44,135**
Non-controlling interests	18	1,003	429
Total equity		**-45,464**	**-43,706**
LIABILITIES			
Non-current liabilities			
Bond	19	138,084	137,051
Shareholder loan and accrued interest	19	134,781	118,215
Other non-current financial liabilities	19	8,270	-
Deferred tax liabilities	21	46,884	49,309
Provisions	23	1,930	4,257
Pension obligations	20	12,050	29,668
Total non-current liabilities		**341,999**	**338,500**
Current liabilities			
Trade payables		12,164	12,299
Deferred revenues		58,009	75,928
Provisions	23	21,596	28,587
Other current liabilities	22	38,059	47,295
Bank overdrafts	19	-	41,544
Total current liabilities		**129,828**	**205,653**
Total liabilities		**471,827**	**544,153**
Total equity and liabilities		**426,363**	**500,447**

Consolidated income statement

1000 EUR	Note	2015	2014
Revenues	4	**293,917**	**318,166**
Other income		1,511	4,134
Cost of consumables		-60,139	-62,069
Personnel expenses	5	-132,514	-130,883
Other operating expenses		-54,826	-49,875
EBITDA*)	4	**47,949**	**79,473**
Gain/(loss) from sale of subsidiaries		-399	1,646
Depreciation, amortisation and impairment charges	8,9	-32,741	-255,449
Operating loss		**14,809**	**-174,330**
Finance income		82	1,758
Finance expense		-28,050	-26,363
Net finance costs	6	-27,968	-24,605
Loss before income tax		**-13,159**	**-198,935**
Income tax benefit	21	818	12,436
Loss for the period		**-12,341**	**-186,499**
Attributable to:			
Owners of the parent		-12,095	-186,624
Non-controlling interests		-246	125
		-12,341	**-186,499**

Consolidated statement of comprehensive income

1000 EUR	Note	2015	2014
Loss for the period		**-12,341**	**-186,499**
Other comprehensive income, net of tax			
Items that may be reclassified to profit or loss in subsequent periods			
Translation differences		195	-110
		195	**-110**
Items that will not be reclassified to profit or loss in subsequent periods			
Remeasurements of defined benefit liability	20	17,756	-30,118
Related tax		0	12
		17,756	**-30,106**
Other comprehensive income for the period, net of tax		17,951	-30,216
Total comprehensive income for the year		**5,610**	**-216,715**
Total comprehensive income attributable to			
Owners of the parent		5,856	-216,840
Non-controlling interests		-246	125
		5,610	**-216,715**

*) EBITDA is defined as Operating profit/loss before depreciation, amortisation and impairment charges and gain/(loss) from sale of subsidiaries.

Consolidated statement of changes in total equity

1000 EUR	Share capital	Share premium	Other reserves	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity 31 December 2014	**100**	**16,449**	**10**	**-60,694**	**-44,135**	**429**	**-43,706**
Loss for the period				-12,095	-12,095	-246	-12,341
Remeasurements of defined benefit liability				17,756	17,756		17,756
Translation differences				195	195		195
Comprehensive income for the period	**-**	**-**	**-**	**5,856**	**5,856**	**-246**	**5,610**
Put option arising on business combination*)				-8,188	-8,188	-	-8,188
Non-controlling interest arising on business combination				-	-	955	955
Dividends to non-controlling interests				-	-	-135	-135
Total equity 31 December 2015	**100**	**16,449**	**10**	**-63,026**	**-46,467**	**1,003**	**-45,464**
Total equity 31 December 2013	**100**	**16,449**	**10**	**155,581**	**172,140**	**439**	**172,579**
Loss for the period				-186,059	-186,059	125	-185,934
Remeasurements of defined benefit liability				-30,106	-30,106		-30,106
Translation differences				-110	-110		-110
Comprehensive income for the period	**-**	**-**	**-**	**-216,275**	**-216,275**	**125**	**-216,150**
Dividends to non-controlling interests				-	-	-135	-135
Total equity 31 December 2014	**100**	**16,449**	**10**	**-60,694**	**-44,135**	**429**	**-43,706**

*) The Group has recognised a financial liability for a put option relating to the acquisition of non-controlling interest in Dogado GmbH. The put option entitles the non-controlling interest of Dogado GmbH to sell their shares to the Group during 2018-2019. See Note 7 Acquisition and disposal of subsidiaries and non-current assets held for sale and Note 19 Financial Liabilities for details.

Consolidated cash flow statement

1000 EUR	2015	2014
Cash flow from operating activities		
Loss for the period	**-12,341**	**-186,499**
Adjustments for:		
Income taxes	-818	-12,436
Finance costs - net	27,968	24,605
Depreciation, amortisation and impairment charges	32,741	255,449
Gain/(loss) from sale of subsidiaries	399	-1,646
Adjustment for post-employment benefits	-	-2,843
Gains/losses from sale of fixed assets	-360	-8
Interest received	144	308
Interest paid	-9,938	-11,734
Other financial expenses paid	-834	73
Taxes paid	-5,804	-35
Operating cash flow before movements in working capital	**31,157**	**65,234**
Net change in working capital	-26,786	-27,410
Net cash from operating activities	**4,371**	**37,824**
Cash flow from investing activities		
Acquisitions of subsidiaries and businesses, net of cash acquired	-3,135	-8,001
Purchases of associated companies	-	-288
Purchases of available-for-sale investments	-20	-1,333
Purchases of intangible assets and property, plant and equipment	-14,314	-16,142
Sales of subsidiaries and businesses, net of cash	985	2,803
Proceeds from sales of intangible assets and property, plant and equipment	10,099	11
Proceeds from interest-bearing receivables	-2	-
Net cash used in investing activities	**-6,387**	**-22,950**
Cash flow before financing activities	**-2,016**	**14,874**
Cash flow from financing activities		
Proceeds from long-term liabilities	788	3,000
Payments of long-term liabilities	-559	-18,792
Payments of short-term liabilities	-1,918	-
Refinancing costs paid	-	-1,678
Dividends paid to non-controlling interests	-135	-135
Loans granted to related parties	-219	-359
Net cash used in financing activities	**-2,043**	**-17,964**
Net increase (+) / decrease (-) in cash and cash equivalents	**-4,059**	**-3,090**
Cash and cash equivalents at the beginning of period	**50,764**	**53,854**
Foreign exchange differences in cash and cash equivalents	-	-
Cash and cash equivalents at the end of period	**46,705**	**50,764**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The Group includes the parent company, European Directories Midco S.à r.l., corporate registration number B 155418, and its subsidiaries and associated companies. The parent company is a holding company and has its registered office in Luxembourg. The registered address of the parent company is 46A, Avenue J.F. Kennedy, L-1855 Luxembourg. The parent company's subsidiary European Directories Bondco S.C.A has a bond listed on Nasdaq Stockholm since December 5, 2014. The principal activities of the Group consist of publishing and distribution of printed (telephone) directories, profile services, online marketing and website services, data services, online and mobile searches, and directory assistance services. The Group is active in the Netherlands, Finland, Austria and Germany.

These financial statements were authorised by the Board of Managers for issuance on 30 March 2016.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting standards (IFRS) and IFRIC interpretations in effect on 31 December 2015 and as adopted by the European Union. The consolidated financial statements have been prepared under the historical cost convention, as modified by 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).

2.2 Presentation of Consolidated Income Statement and Balance Sheet

IAS 1 Presentation of Financial Statements standard does not define operating profit/loss. The Group has defined it as net amount of operating income and expenses, including revenue and other income, less operating expenses, such as cost of consumables, personnel expenses, depreciation, amortisation and impairment charges arising as well as other operating expenses. Operating profit/loss excludes financial items, share of results from associates and income taxes.

Consolidated income statement includes, in addition to operating profit/loss, EBITDA, which is presented to better reflect the Group's business performance when comparing results to previous periods. EBITDA doesn't include gain/(loss) from sale of subsidiaries.

IAS 1 Presentation of Financial Statements standard does not define EBITDA either. 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.

In the consolidated balance sheet, assets and liabilities are classified as current when they are expected to realise within 12 months or when they are classified as liquid funds. Other assets and liabilities are classified as non-current assets or liabilities.

2.3 Use of estimates

The preparation of financial statements in conformity with IFRS standards requires Group management to make certain estimates and judgements in applying the accounting principles. Information about the judgement exercised by management in applying the Group's accounting principles and the areas where the estimates and judgements have biggest impact in the financial statements are presented in Note 3 Critical acounting estimates and sources of uncertainty.

2.4 Application of new and amended IFRS standards and IFRIC interpretations

a) New and amended standards applied in financial year ended

The Group has applied as from 1 January 2015 the following new and amended standards that have come into effect.

Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions
The amendments clarify the accounting treatment under IAS 19 in respect of defined benefit plans that involve contributions from employees or third parties towards the cost of benefits. These amendments are effective for annual periods beginning on or after 1 July 2014. The amendments did not have an impact on the Group's financial statements.

Annual improvements to IFRSs (2011-2013 cycle and 2010-2012 cycle)
The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments cover in total four (2011-2013 cycle) and seven (2010-2012 cycle) standards. These amendments did not have an impact on the Group's financial statements.

Other standards issued and effective from periods beginning 1 January 2015 did not have an effect on the Group's financial statements.

b) Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective (in case endorsed by EU).

IFRS 15 Revenue from Contracts with Customers
IFRS was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is currently evaluating the effects of the new standard to its financial statements. The Group is considering the clarifications issued by IASB in an exposure draft issued in July 2015 and will monitor any further developments.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instrumewnts: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 includes a revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new hedge accounting requirements. it also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Group is assessing the impact of IFRS 9.

IFRS 16 Leases
IFRS published new Leasing standard IFRS 16 in January 2016. The standard is a major revision of how to account for leases and requires all leases to be reported on the balance sheet. Thus, the application of IFRS 16 will lead to operating leases being recognised in the balance sheet. The standard will be effective from 2019 onwards, in case endorsed by EU. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 16.

Other standards issued and effecting future financial periods are not expected to have any significant impact on the Group's financial statements.

2.5 Going concern

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

The net debt position as of 31 December 2015 was TEUR 226,160 (2014: TEUR 204,502) including accrued PIK interest on the shareholder loan. Net debt position excluding the shareholder loan was TEUR 91,379 (2014: TEUR 86,287). Cash flow forecasts for the upcoming 12 months show a positive cash flow that should enable the Group to maintain its operations for at least next 12 months.

With the refinancing at the end of 2013, the Group has secured its financing position until December 2018. 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 at least the 12 months following and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

2.6 Consolidation

(a) General consolidation principles

Consolidation

Consolidation, consolidation method and classification of ownership interests depends on whether the Group has power to control or jointly control the entity or have significant influence or other interests in the entity. When group has power to control the entity, it is consolidated as subsidiary in the Group according to principles described below in Note 2.6 b) Subsidiaries. When the Group has joint control or significant influence over an entity but does not have power to control, entity is accounted for by using equity method according to principles set in Note 2.6 c) Associates. If the Group does not have power to control nor significant influence in the entity, its ownership interests are classified as financial assets available for sale and accounted for according to principles in Note 2.12 Financial Assets.

Translation of foreign currency items

Items included in each subsidiary's financial statements are measured using the currency that is the main currency of operating environment of each subsidiary ("funtional currency"). The consolidated financial statements have been presented in euros, which is the parent company's funtional and presentation currency. Transactions denominated in foreign currencies in group companies are translated into functional currency by using the exchange rate on the day of the transaction. Receivables and liabilities that are denominated in foreign currencies and are outstanding on the closing date are translated using the exchange rate of the closing date. Exchange rate differences are recognised in the income statement.

Foreign subsidiaries whose funtional currency is not euro are translated into euros by using average rate for the financial year. Balance sheets are translated by using the closing rate for the financial period. Translation differences arising from the elimination of acquisition costs of foreign subsidiaries are recognised in other comprehensive income. When a foreign subsidiary is sold, the differences are recognised as part of the sales gain or loss.

(b) Subsidiaries

The Group's consolidated financial statements include the parent company European Directories Midco S.à r.l and all its subsidiaries. Subsidiariew are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The acquired subsidiaries are included in the consolidated financial statements from the day the Group has control, and disposed subsidiaries until the control ceases.

Acquired and established companies are accounted for using the acquisition method of accounting. Accordingly, the acquired company's identifiable assets, liabilities and contingent liabilities are measured at fair value on the date of the acquisition. The excess between purchase price and fair value of the Group's share of the identifiable net assets is recognised as goodwill.

All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless there is evidence of an impairment related to the asset transferred. The accounting policies of subsidiaries have been changed to correspond the Group's accounting policies. The Group companies are listed in note 30 Group companies on 31 December 2015.

Non-controlling interests and transactions with non-controlling interests

Non-controlling interests are presented within equity in the consolidated balance sheet, separated from equity attributable to owners of the parent. For each acquisition the non-controlling interest can be recognised either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The carrying amount of non-controlling interests is the amount of the interests at initial recognition added with the non-controlling interests' share of subsequent changes in equity. Transactions with non-controlling interests are regarded as transactions with equity owners.

(c) Associates

Associates are companies in which the Group usually holds 20-50 per cent of the voting rights or in which the Group has significant influence but in which it does not exercise control. The Group's interests in associated companies are accounted for using the equity method.

The investment in associates include goodwill recognised at the time of acquisition. The Group recognises its share of the post-acquisition results in associates in the income statement. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations on behalf of the associate.

Results from the transactions between the Group and its associates are recognised only to the extent of unrelated investor's interests in the associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. In case of such indications, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. The impairment is recognised in share of results in associates.

Accounting policies of associates have been changed where necessary to correspond with the accounting policies adopted by the Group. If financial statements for the period are not available, the share of the profit of associated companies is included in the consolidated accounts based on the preliminary financial statements or latest available information.

2.7 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Managers.

2.8 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and impairment loss if applicable. 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 income statement as incurred.

Amortisation is calculated to write off the cost of intangible assets using the straight-line method over their estimated useful lives, and is recognised in income statement. Goodwill is not amortised.

The estimated useful lives are as follows:

Trademarks	10-20 years
Customer relationships	3-15 years
Software development costs	2-4 years
Data rights	10 years

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGU"s, 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 the CGU containing 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.

(b) Trademarks

Trademarks have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives.

At each reporting date, the Group reviews the carrying amounts of its trademarks to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

(c) Customer relationships

Customer relationships are recognised at fair value in connection with acquisitions. The values of those relationships are amortised over the estimated useful lives.

At each reporting date, the Group reviews the carrying amounts of its customer relationships to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

(d) Computer software and other

Major software development costs are capitalised when they are expected to generate economic value longer than one year. Acquired user rights and licences are recorded as computer software at the acquisition cost, including the cost of making the licence and software ready for use. Maintenance and minor development costs are recognised as an expense as incurred. Data rights and computer software and other intangible assets are amortised over the useful lives.

At each reporting date, the Group reviews the carrying amounts of its computer development costs and acquired user rights and licenses to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.9 Impairment of non-financial assets

At each reporting date the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets of CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10 Non-current assets and liabilities held for sale

Non-current assets or disposal groups are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable, during the following twelve months.

Immediately before classification, assets held for sale or assets and and liabilities of disposal groups are valued at the lower of the carrying amount or their fair value less costs to sell. Depreciation on these assets is discontinued at the moment of classification. The Group does not have any non-current assets or disposal groups classified as held for sale at the reporting date.

2.11 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss if applicable. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs where applicable. If significant parts of an item of property, plant and equipment have difererent useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when is is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to the income statement during the period in which they are incurred.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss. Property, plant and equipment under construction/in progress are not depreciated.

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.

On every closing date the Group reviews individual tangible asset items for any indication of impairment losses. An asset's carrying amount is written down immediately to its recoverable amount if it is greater than the recovarable amount.

2.12 Financial assets

2.12.1 Classification

In the Group, financial assets have been classified into the following categories according to the IAS 39 standard "Financial Instruments: Recognition and Measurement": loans and receivables and available-for-sale financial assets. The classification is made on the basis of the purpose purpose of the acquisition of the financial assets in connection with the original acquisition. All purchases and sales of financial assets are recognised on the trade date.

Loans and receivables are recognised at their amortised cost using the effective interest rate method. Loans and receivables include trade and other receivables and cash and cash equivalents in the balance sheet (notes 14,15). Available-for-sale financial assets are non-derivatives that are either desginated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Changes in the fair value of financial assets classified as avaiable for sale are recognised in other comprehensive income, from which it is transferred to income statement in connection with a sale. Unquoted shares are measured in the Group at their acquisition price in the absence of a reliable fair value.

Derecognition of financial assets takes place when the Group has lost its contractual right to receive cash flows or when it has substantially transferred the risks and rewards outside the Group.

2.12.2 Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has a reliably estimated impact on the estimated future cash flows of the financial asset or group of financial assets.

When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount. The recoverable amount is the estimated future cash flow discounted at the original effective interest of the instrument. From there on, the reversal of the discount effect is booked as interest income. The loss is recognised in profit or loss. Interest income on impaired loans is recognised using the original effective interest rate.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.14 Trade receivables

Trade receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

When the Group has objective evidence that it may not be able to collect all trade receivables that are due, a bad debt provision is recognised. Financial difficulties that indicate that a customer is going into bankruptcy, financial restructuring or substantial delays in payments are examples of objective evidence that might cause trade receivables to be impaired. Impairment of trade receivables is recognised in other operating expenses.

2.15 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.

2.16 Cash and cash equivalents

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.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any group company purchases the parent company's (European Directories Midco S.a.r.l) equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the parent until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the parent. Dividends on ordinary shares are recognised in the consolidated financial statements in the period in which they are approved by the Company’s shareholders.

2.18 Financial liabilities

Financial liabilities are initially recognised at fair value on the basis of the original consideration received. Transaction costs have been included in the original book value of the financial liabilities. Thereafter, all non-derivative financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities are included in non-current and current liabilities and they can be interest-bearing or non-interest bearing. Loans that are due for payment within 12 months are presented in current liabilities.

Accounts payable are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Derecognition of financial liabilities takes place when the Group has fulfilled the contractual obligations.

Put option written over non-controlling interests in subsidiaries

The potential cash payments relating to put options issued by the Group over the equity of the subsidiary companies are accounted for as financial liabilities when such options may only be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of shares in the subsidiary.

The amount that may become payable under the option by excercise is initially recognised at fair value within financial liabilities with a corresponding charge directly to equity. The charge to equity is recognised separately as written put option over non-controlling interests, adjacent to non-controlling interests in the net assets of consolidated subsidiaries.

Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable by the option at the date at which it first becomes exercisable. The charge arising is recorded as a financing cost. In the event that the option expires unexercised, the liability is derecognised with a corresponding adjustment to equity.

2.19 Post-employment benefits

The Group operates various post-employment schemes, including both defined benefit and defined contribution plans. The main defined benefit pension plan in DTG has been closed as of 31 December 2014 and from 1 January 2015 onwards no employee benefits are accrued. As of 1 January 2015 all employees of DTG have started pension accrual in a new pension plan, which classifies as a defined contribution pension plan under IAS 19. As a result of this new pension plan, no future pension accrual has taken place within the main pension plan as of 1 January 2015.

Defined benefit and defined contribution plans

Pension plans are classified as defined benefit and defined contribution plans. Payments made into defined contribution pension plans are recognised in the income statement in the period to which the payment aplies. 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 of service and compensation. Current service cost is the present value of the post employment benefit, which is earned by the employees during the year and it is recognised as employee benefit expense (pension cost/personnel expense). The liability recognised in the balance sheet in respect of defined pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by an independent actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash flows 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.

Remeasurements 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.

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of pension obligations. The note 20 Pension obligations includes a description of exposure to most significant risks and a sensitivity analysis on impacts of changes in actuarial assumptions.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination. The Group is demonstrably committed when it has a detailed formal plan to terminate the employment of current employees without possibility to withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, the fulfillment of the payment obligation is probable, and a reliable estimate of the amount of the obligation can be made. The amount to be recognised as provisions corresponds to management's best estimate of the expenses that will be necessary to meet the obligation at the end of the reporting period. When the time value of money is material, the amount recognised is the present value of the estimated expenditures.

Restructuring provisions are recognised when the Group has prepared a detailed restructuring plan and has begun to implement the plan or has announced it. A restructuring plan must include at least the following information: the operations affected, the workplace locations, working tasks and estimated number of people who will be paid compensation for the ending of their employment, the likely costs and the date of the implementation of the plan. Future operating losses are not provided for.

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. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

2.21 Trade payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from the suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Current and deferred Income tax

Tax expense for the period comprises current and deferred tax and adjustments to previous years' taxation. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or other equity items.

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.

Deferred tax are calculated for temporary differences between accounting and taxation using the valid tax rates for future years at the closing date. Deferred tax is recognised to the extent that realisation of the related tax benefit through future profits is probable. Temporary differences arise mainly from amortisation of intangible assets and unused tax losses. Utilising deferred tax assets related to tax losses requires management to make expectations of future performance of operations.

Deferred tax assets and liabilities are set off when they are levied by the same taxing authority and the Group has legally enforceable right to set off the balances.

2.23 Revenue recognition

Revenue is recognised when goods or services are delivered. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historic results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group revenue is generated from Profile Services, Consumer services, New Media and Print product groups. Revenue for each product group is recognized over the period the Group provides products or services, and in accordance with the various revenue recognition principles that apply to the specific product or service components.

Profile Services

The Group offers its customers visibility (customer gets his contact details shown) in the Group's search sites and provides services to manage customers' contact details on selected global partner search, map and social media platforms. Products in this category may be sold separately or in bundled packages together with Print. The revenue from the bundles are apportioned to the constituent components. The revenue is allocated over time that the service is provided, normally 12 months. The revenue recognition starts when the customer begins to receive the service.

DTG changed the terms and conditions relating to its Internet Yellow Pages (IYP) products in 2015. This change affected timing of the revenue recognition of IYP product. After the change, revenue recognition is started when the customer begins to receive the service. The change is effective for annual periods beginning on or after 1 January 2015. Before the change DTG revenue recognition for IYP started when the related print product (telephone directory) was delivered to the customer.

Consumer Services

In the Consumer Services category the Group offers customers directory assistance and SMS services. Revenue is recognised when the service is provided to the end user in a phone call or text message (SMS).

New Media

This category includes campaign products, where the Group offers services such as display advertising, search engine marketing (SEM), search engine optimization (SEO), data and analytical services, videos, websites, hosting services, online booking platforms and other similar online products.

In search engine marketing the Group offers customers certain amount of clicks over a campaign period in major search engines. These campaigns may include setup services, which are recognized at time when the setup service is provided. Revenue for the campaign products are recognized over the contracted period.

Search engine optimization (SEO) entails optimizing customers' websites for the major search engines. The group conducts continuous updates in order to deliver the desired results. The revenue is allocated over the period during which the service is provided.

Print

In this category the Group offers customers visibility in printed directories. Products in this category may be sold separately or in bundled packages together with profile services. The revenue from the bundles is apportioned to the constituent components. The revenue is allocated over time that the service is provided, normally 12 months.

Other

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

2.24 Financial income and expenses

Financial income and expenses comprise interest expenses calculated using the effective interest rate method and foreign exchange gains and losses. Interest income and expenses are recognised on a time-proportion basis using the effective interest method.

Dividend income is recognised when the company has a legal right to receive the dividends. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

2.25 Leases

Lease agreements of tangible assets, where a substantial part of the risks and rewards of ownership are transferred to the Group, are classified as finance leases. Finance leases are capitalised at the commencement of the lease term at the lower of the fair value of the leased property and the present value of the minimum lease payments. A corresponding sum is recognised as a finance lease liability. The lease payments are allocated between the finance expenses and the reduction of the outstanding liability. The corresponding rental obligations, net of finance charges, are included in the long-term or short-term interest-bearing liabilities. Asset items acquired under finance leases are capitalised over the shorter of the useful life of the asset or the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases are charged to income statement over the lease term in other operating expenses.

2.26 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.

2.27 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. The Group did not have any discontinued operations at the reporting date.

3 Critical accounting estimates and sources of uncertainty

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

3.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Revenue recognition (Note 4 Segment information) - print revenue is recognised over the contract term

3.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 December 2015 is included in the following notes:

Critical accounting estimates	Note
Assumptions relating to impairment testing of intangible assets and goodwill	8. Intangible assets
Valuation of intangible assets acquired in a business combination	7. Acquisition and disposal of subsidiaries and non-current assets held for sale. 8. Intangible assets
Valuation of trade receivables	14. Trade and other receivables
Valuation of the put option liability	19. Financial liabilities
Recognition of deferred tax assets: availability of future taxable profits againts which tax losses carried forward can be used	21. Income taxes
Assumptions made when estimating provisions (tax provisions and provision for onerous leases)	23. Provisions
Measurement of defined benefit obligations: key actuarial assumptions	20. Pension obligations

4 Segment information

The segmental information below is based on the segmental results regularly reviewed by the Board of Managers (considered the Chief Operating Decision Maker). The operating segments have been determined based on the information reviewed by the Board of Managers for the purposes of allocating resources and assessing performance. The Board of Managers considers the business from a geographic perspective and the operating segments are Fonecta (Finland), Herold (Austria) and DTG (the Netherlands). The Group's reportable segments are identical to the operating segments.

- Fonecta reporting segment consists of print, consumer services, new media and other online product lines in Finland.
- DTG reporting segment consists of print, new media and other online product lines in the Netherlands.
- Herold reporting segment consists of print, new media and other online product lines in Austria.
- "Other" is not a reporting segment, but consists of corporate headquarter costs, corporate financing and Polish business, which was divested in 2014.

As of 1 August 2015, the Group has changed its reporting structure. Two holding companies were transferrred from Fonecta to Other segment. The comparable segment information has not been restated due to the immaterial impact of the change to income statement items. The impact to balance sheet comes mainly from non-operational items, which include intra-group financing and group contributions between Fonecta and the holding companies.

The Board of Managers reviews the revenue and EBITDA within these reportable 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.

All revenues are generated from rendering of services.

2015					
1000 EUR	Fonecta	DTG	Herold	Other	Total
Revenues	141,510	73,643	78,764	-	**293,917**
EBITDA	29,444	13,217	10,405	-5,117	**47,949**
Capital expenditure	3,931	5,376	5,007	-	**14,314**

2014					
1000 EUR	Fonecta	DTG	Herold	Other	Total
Revenues	157,276	80,981	79,576	333	**318,166**
EBITDA	43,803	26,062	17,597	-7,989	**79,473**
Capital expenditure	4,763	6,147	5,093	139	**16,142**

Revenues by product group		
1000 EUR	2015	2014
Profile services	105,752	107,734
Consumer services	66,923	74,928
New media	75,785	75,137
Print	32,891	46,232
Other	12,566	14,135
Total revenues	**293,917**	**318,166**

Revenues by country 1000 EUR	2015	2014
Luxembourg	-	-
Finland	141,510	157,276
Austria	76,299	79,397
Germany	2,465	179
Netherlands	73,643	80,981
Other	-	333
Total revenues	**293,917**	**318,166**

	Assets by segments		Liabilities by segments	
1000 EUR	2015	2014	2015	2014
Fonecta	277,482	274,207	168,621	479,069
DTG	86,893	112,024	283,077	325,034
Herold	140,456	100,609	196,424	191,262
Other	-78,468	13,607	-176,295	-451,212
Total in the balance sheet	**426,363**	**500,447**	**471,827**	**544,153**

5 Personnel expenses

1000 EUR	2015	2014
Salaries & wages	91,752	91,292
Social security costs *)	13,515	13,970
Pension costs	9,026	4,744
of which related to defined benefit plans	*6*	*-2,843*
of which related to defined contribution plans	*9,020*	*7,587*
Other	*18,221*	*20,877*
Total	**132,514**	**20,877**

*) The social security costs include certain municipal and local taxes for Austria that are payable by the employer.

6 Net finance costs

1000 EUR	2015	2014
Interest income on loans and receivables	12	215
Interest income - other	20	-24
Finance income - other	50	1,567
Finance income	**82**	**1,758**
Financial liabilities measured at amortised cost - interest expense:		
Bond **)	-9,927	-11,685
Shareholder loan	-16,566	-14,010
Amortisation of loan transaction costs (bond)	-685	-725
Net interest on net defined benefit liability	-656	-293
Other	-216	350
Finance expense	**-28,050**	**-26,363**
Net finance costs	**-27,968**	**-24,605**

**) The interest expense in 2015 on the bond is net of interest income of TEUR 1,454 from the bonds held by the Group.

7 Acquisition and disposal of subsidiaries and non-current assets held for sale

7.1 Acquisitions

Acquisitions in 2015

The aggregate cash consideration in respect of acquisitions during the year was TEUR 6,670 (2014: TEUR 9,174). After deducting aggregate cash and cash equivalents acquired of TEUR 2,660 (2014: TEUR 423) and deferred consideration of TEUR 875 (2014: TEUR 750), the net cash outflow related to acquisitions was TEUR 3,135 (2014: TEUR 8,001).

Total goodwill acquired was TEUR 5,639 and included TEUR 1,006 for Dogado GmbH, TEUR 1,410 for Kontaktia Oy, TEUR 1,894 for Vilperi Digimediat Oy, TEUR 12 for Valve business and an increase of TEUR 1,317 resulting from amendments to provisional purchase price allocations on acquisitions completed in previous periods.

The Group incurred acquisition-related costs of TEUR 342 on legal fees and due diligence costs. These costs have been included in other operating expenses.

On 16 November 2015, the Group acquired 100% of the shares and votes in Vilperi Digimediat Oy, which is a Finnish company engaged in providing digital sales and marketing solutions to the SMB sector in Finland with annual turnover of c. TEUR 4,400. As a result the Group gained control of Vilperi Digimediat Oy. The total consideration was TEUR 2,014 and the acquisition provides the Group with an increased customer base. Goodwill of TEUR 1,894 consists of synergies.

On 8 August 2015, the Group acquired 100% of the shares and votes in Kontaktia Oy, which is a Finnish digital marketing agency offering a variety of digital marketing solutions and directory services. As a result the Group gained control of Kontaktia Oy. The total consideration was TEUR 2,396 and the acquisition provides the Group with an increased customer base and expertise. Goodwill of TEUR 1,410 consists of synergies.

The following table summarises the consideration paid for the Finnish companies, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration transferred	
Cash	4,670
Total consideration transferred	**4,670**
Cash in the acquired company	-660
Deferred consideration	-875
Net cash outflow from acquisition	**3,135**

Recognised amounts of identifiable assets acquired and liabilities assumed

Fair value recognised on acquisition 1000 EUR	
Intangible assets	4,191
Property, plant and equipment	25
Trade and other receivables	1,389
Cash and cash equivalents	660
Loans	-1,567
Deferred tax liabilities	-778
Trade and other payables	-2,566
Total net assets acquired	**1,354**
Goodwill on acquisition	3,316
Consideration price, satisfied in cash	**4,670**

On 10 March 2015, the Group acquired 51% of the shares and votes in Dogado GmbH. As a result the Group gained control of Dogado GmbH. The acquisition allows the Group to enter the webhosting and SaaS (Software-as-a-service) sector. In addition, through its existing sales force in Austria (but also increasingly in Germany) the Group will be an important customer and sales channel for Dogado's products and solutions. Goodwill of TEUR 1,006 is the strategic value of entering the Web-Hosting and SaaS market as well as the access to the German market/customer and the Hosting/Business know-how of key-employees at Dogado GmbH.

For the nine months ended 31 December 2015, Dogado GmbH contributed revenue of TEUR 2,021 and loss of TEUR 369 to the group. If the acquisition had occurred on 1 January 2015, management estimates that consolidated revenue would have been TEUR 2,442 and consolidated loss would have been TEUR 415. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 January 2015.

The following table summarises the consideration paid for Dogado GmbH, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

Consideration transferred	10 March 2015
Cash	2,000
Total consideration transferred	**2,000**
Cash in the acquired company	-2,000
Net cash outflow from acquisition	**0**

Recognised amounts of identifiable assets acquired and liabilities assumed

Fair value recognised on acquisition 1000 EUR	10 March 2015
Intangible assets	891
Property, plant and equipment	246
Trade and other receivables	276
Cash and cash equivalents	2,000
Loans	-359
Deferred tax liabilities	-223
Trade and other payables	-882
Total net assets acquired	**1,949**
Non-controlling interest	**-955**
Goodwill on acquisition	1,006
Consideration price, satisfied in cash	**2,000**

The Group has recognised a financial liability for a put option relating to the acquisition of the non-controlling interest in Dogado GmbH. The put option entitles the non-controlling interests of Dogado GmbH to sell their shares to the Group during 2018-2019. The financial liability, with nominal value of TEUR 10,000, was discounted and recorded at its net present value of TEUR 8,188 as of 31 March 2015. The unwind of the discount of TEUR 459 has been included in other financial expenses in 2015. The remaining liability was remeasured at year-end due to changes in the discount rate and the impact from the remeasurement of TEUR 420 was recognised in other financial income in 2015. The carrying amount of the liability was TEUR 8,226 as of 31 December 2015.

Acquisitions in 2014

In July 2014, Group acquired 100% of the shares and votes in Klantenvertellen Media Group. As a result European Directories gained control of Klantenvertellen Media Group. The acquisition allows the Group to extend its added value services offering to its SME customer base. The goodwill of TEUR 3,512 arising from the acquisition is attributable to company's current customer base and market position.

Consideration transferred	
Cash	5,317
Contingent consideration	750
Total consideration transferred	**6,067**

Recognised amounts of identifiable assets acquired and liabilities assumed

Fair value recognised on acquisition 1000 EUR	Provisional fair value recognised on acquisition	Adjustment in 2015	Fair value recognised on acquisition
Non-current assets	5,149	-1,710	3,439
Current assets	722	-34	688
Non-current liabilities	-1,265	427	-838
Current liabilities	-734	0	-734
Total net assets acquired	**3,872**	**-1,317**	**2,555**
Goodwill on acquisition	2,195	1,317	3,512
Consideration price, satisfied in cash	**6,067**	**0**	**6,067**

The fair values of the acquired net assets were measured on a provisional basis in 2014 and the final valuation was received in March 2015, which resulted in adjustment to the amount goodwill of TEUR 1,317.

In February 2014, the Group acquired Verkossa Media Business (TEUR 1,500). The acquisition provided the Group with increased market share in display advertising business in Finland. The goodwill of c. TEUR 300 from the acquisition consists of synergies and personnel and is deductible for income tax purposes. The fair value of non-current assets of TEUR 1,188 consisted of acquired customer relationships.

The other acquisitions in 2014 consisted of the acquisition of Innerballoons Consulting B.V. (TEUR 1,567), which was re-sold in December 2014.

Acquisitions after the reporting period

On 22 January 2016 De Telefoongids Holding B.V. (“DTG”), acquired 100% of the shares in DR3 B.V. (“DR3DATA”). DR3DATA is a Dutch company holding an extensive business-to-business marketing database with annual turnover of MEUR 1.5. The acquisition of DR3DATA will reinforce DTG’s position as the online marketing services company for the Dutch SME sector. The initial accounting for the business combination is not yet complete.

7.2 Disposals

Disposals in 2015

In January 2015 the Group sold its Swedish partnership, HB Förlaget 1 Ab. The partnership owns a property in Halmstad, Sweden, which was classified as an investment property in the Group. The partnership was reclassidied as assets held-for-sale and its assets and liabilities were presented as held for sale as of 31 December 2014.

Disposals in 2014

In December 2014, the Group disposed its 51% shareholding in Innerballoons Consulting B.V. The sale resulted in a gain of c. TEUR 1,500.

The remaining Polish operations, ClearSense S.A, was sold in February 2014. The sale resulted in a minor gain in the Group.

8 Intangible assets

The movements in intangible assets can be shown as follows:

Cost 1000 EUR	Goodwill	Trademarks	Customer relationships	Other	Total
At 1 January 2014	**416,216**	**244,063**	**97,217**	**233,325**	**990,821**
Acquisitions through business combinations	2,509	230	6,018	71	8,828
Additions	-	-	-	14,058	14,058
Disposals	-	-	-	-73	-73
Exchange differences	49	-	-	-	49
As at 31 December 2014	**418,774**	**244,293**	**103,235**	**247,381**	**1,013,683**
Acquisitions through business combinations	5,639	482	2,558	317	8,996
Additions	-	-	-	12,495	12,495
Disposals	-	-	-	-10,053	-10,053
As at 31 December 2015	**424,413**	**244,775**	**105,793**	**250,140**	**1,025,121**

Accumulated amortisation and impairment 1000 EUR	Goodwill	Trademarks	Customer relationships	Other	Total
At 1 January 2014	**-64,968**	**-144,985**	**-42,285**	**-182,474**	**-434,712**
Amortisation charge for the year	-	-5,837	-23,419	-17,644	-46,900
Impairment charge for the year	-145,629	-39,775	-15,254	-3,595	-204,253
As at 31 December 2014	**-210,597**	**-190,597**	**-80,958**	**-203,713**	**-685,865**
Disposals	-	-	-	-1,539	-1,539
Amortisation charge for the year	-	-3,413	-12,820	-14,055	-30,288
As at 31 December 2015	**-210,597**	**-194,010**	**-93,778**	**-219,307**	**-717,692**

Carrying amount 31 December 2014	208,177	53,696	22,277	43,668	327,818
Carrying amount 31 December 2015	**213,816**	**50,765**	**12,015**	**30,833**	**307,429**

No borrowing costs have been capitalised within intangible assets.

In February 2015 the Group divested the Austrian business unit "secondary entries" for TEUR 10,000.

Based on the impairment review performed at 31 December 2015 there was no indication for impairment on the intangible assets.

In 2014 an impairment of the intangible assets arose following the impairment review performed at 31 December 2014. 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 TEUR 39,775 and TEUR 15,254 was recognised, respectively. In addition, an impairment of TEUR 3,595 was recognised relating to parts of CRM systems no longer being used in the Group.

Impairment tests for goodwill

The recoverable amount in all cash-generating units has been determined based on value-in-use calculations. The cash-generating units equal the reporting segments. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a three-year period. Key assumptions of the cash flow projections relate to long-term growth, EBITDA and discount rate. These figures are set in relation to the historical figures and external reports on market growth. The cash flow for the third year is used as the base for the fourth year and onwards in perpetuity. Cash flows beyond the three-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the cash-generating unit operates.

Value in use was determined by discounting the future cash flows expected to be generated from the continuing use of the units. Value in use as at 31 December 2015 was determined similarly to the 31 December 2014 goodwill impairment test and was based on the following key assumptions.

- Cash flows were forecast based on past experience, actual operating results and the three-year business plan.
- Cash flows beyond three-year forecast period were extrapolated using a constant growth rate, which does not exceed the long-term average growth rate for the industry.
- The capital structure and asset beta used in the weighted cost of capital calculation are derived from selected peer group and available market information. The decrease in the discount rate is mainly due to change in debt to enterprise value ratio and required return on debt and equity.

The key assumptions used in estimation of the recoverable amount are set out below.

	Growth rate		Discount rate (pre-tax)	
In percent	2015	2014	2015	2014
Fonecta	1.5	1.3	11.8	17.9
DTG	1.5	1.0	12.1	18.5
Herold	2.0	1.7	12.2	19.0

Goodwill is monitored by management at the reporting segment level. The following is a summary of goodwill allocation for each reporting segment:

2015 1000 EUR	Opening	Addition	Impairment	Other adjust-ments	Closing
Fonecta	143,972	3,316	-	-	147,288
DTG	47,318	1,317	-	-	48,635
Herold	16,887	1,006	-	-	17,893
Total	**208,177**	**5,639**	**-**	**-**	**213,816**

2014 1000 EUR	Opening	Addition	Impairment	Other adjust-ments	Closing
Fonecta	174,657	312	-30,997	-	143,972
DTG	98,295	2,195	-53,221	49	47,318
Herold	78,296	2	-61,411	-	16,887
Total	**351,248**	**2,509**	**-145,629**	**49**	**208,177**

Based on testing there are no indications of a need for impairment in 2015. In terms of sensitivity, a 10% decrease in the ebitda across all of the CGUs, a 1%-point decrease in the long-term growth rate or increase of 6%-point in the discount rate would not result in an impairment loss.

In 2014, an impairment loss of TEUR 145,629 was recognised for goodwill. The carrying amount of the cash-generating unit was determined to be higher than its recoverable amount in all cash-generating units. The impairment loss was allocated fully to goodwill reducing the goodwill included in Fonecta to TEUR 143,972, in DTG to TEUR 47,318 and in Herold to TEUR 16,887.

9 Property, plant and equipment

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

Cost 1000 EUR	Furniture & fittings	IT	Other	Total
At 1 January 2014	**12,559**	**25,909**	**8,522**	**46,990**
Acquisition of subsidiary	19	-	-	19
Additions	277	1,120	655	2,052
Disposals	-1	-1	-49	-51
Exchange differences	-2	-	-1	-3
At 31 December 2014	**12,852**	**27,028**	**9,127**	**49,007**
Acquisition of subsidiary	-	269	-	269
Additions	-	1,169	841	2,010
At 31 December 2015	**12,852**	**28,466**	**9,968**	**51,286**
Accumulated amortisation and impairment				
At 1 January 2014	**-11,066**	**-22,581**	**-6,985**	**-40,632**
Disposals	-6	-	-3	-9
Depreciation charge for the year	-587	-1,613	-506	-2,706
At 31 December 2014	**-11,659**	**-24,194**	**-7,494**	**-43,347**
Depreciation charge for the year	-137	-1,376	-940	-2,453
At 31 December 2015	**-11,796**	**-25,570**	**-8,434**	**-45,800**
Carrying amount 31 December 2014	**1,193**	**2,834**	**1,633**	**5,660**
Carrying amount 31 December 2015	**1,056**	**2,896**	**1,534**	**5,486**

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 were required to be capitalized under property, plant and equipment.

10 Financial Instruments

The carrying amounts and fair value of financial assets and liabilities measured at amortised cost

	Carrying amount		Fair value	
1000 EUR	2015	2014	2015	2014
Bond*)	138,084	137,051	107,052	127,551
Shareholder loans (Preferred Equity Certificates)	134,781	118,215	94,097	112,115
Total	**272,865**	**255,266**	**201,149**	**239,666**

*) The fair value of the bond (fair value hierarchy level 1) as of 31 December 2015 of TEUR 107,052 excludes TEUR 14,948 of bonds held by the group. The fair value of the bond is based on the market price as of the 31 December 2015 (last trade day of the year 30 November 2015) on NASDAQ Stockholm. The fair value of the shareholder loan is determined using a discounted cash flow analysis (fair value hierarchy level 3).

The Group has no financial instruments measured at fair value. Available-for-sale financial assets consist of unquoted shares, which are measured in the Group at their acquisition price in the absence of a reliable fair value.

The fair value of the following financial assets and liabilities approximate their carrying amount:

- Trade and other receivables
- Other financial assets
- Loan receivables from related parties
- Cash and cash equivalents
- Other non-current financial liabilities
- Trade payables
- Other current liabilities

No fair value hierachy information is disclosed for financial assets and financial liabilities which are not measured at fair value, since their carrying amounts are reasonable approximation of their fair value.

The following table shows the carrying amounts of financial assets and financial liabilities.

Classification of financial assets and liabilities

	2015			
1000 EUR	Available for sale financial assets	Loans and receivables	Measured at amortised cost	Total
Assets as per balance sheet				
Trade and other receivables	-	59,553	-	**59,553**
Cash and cash equivalents	-	46,705	-	**46,705**
Available-for-sale financial assets	1,471	-	-	**1,471**
Other financial assets	-	36	-	**36**
Loan receivables from related parties	-	1,731	-	**1,731**
Book value total	**1,471**	**108,025**	**-**	**109,496**
Liabilities as per balance sheet				
Bond	-	-	138,084	**138,084**
Shareholder loan	-	-	134,781	**134,781**
Other non-current financial liabilities	-	-	8,270	**8,270**
Trade payables	-	12,164	-	**12,164**
Other current liabilities	-	38,059	-	**38,059**
Book value total	**-**	**50,223**	**281,135**	**331,358**

1000 EUR	2014			
	Available for sale financial assets	Loans and receivables	Measured at amortised cost	Total
Assets as per balance sheet				
Trade and other receivables	-	64,624	-	64,624
Cash and cash equivalents	-	92,308	-	92,308
Available-for-sale financial assets	1,655	-	-	1,655
Loan receivables from related parties	-	1,511	-	1,511
Book value total	**1,655**	**158,443**	**-**	**160,098**
Liabilities as per balance sheet				
Bond	-	-	137,051	137,051
Shareholder loan	-	-	118,215	118,215
Trade payables	-	12,299	-	12,299
Other current liabilities	-	47,295	-	47,295
Bank overdrafts	-	41,544	-	41,544
Book value total	**-**	**101,138**	**255,266**	**356,404**

11 Investments in associates

Investments comprise shareholdings in the following associated companies:

Name	Country, City	Ownership %
Binder Trittenwein Kommunikation GmbH ("Binder")	Austria, Graz	24.9 %
Taputa Oy	Finland, Helsinki	25.0 %

The companies are classified as associated companies due to the significant influence through board memberships that the Group has in these companies. Total assets of TEUR 333 (2014: TEUR 613) and net result for the year 2015 is TEUR -132 (2014: TEUR 13). Movements are detailed as follows.

1000 EUR	2015	2014
At 1 January	**434**	**146**
Acquisition	-	280
Other changes	**-31**	8
At 31 December	**403**	**434**

All the associated companies owned by the Group are unlisted companies and none of them are considered material compared to the Group's operations.

12 Available-for-sale financial assets

1000 EUR	2015	2014
At t 1 January	**1,655**	**825**
Transfer on account of acquisition of control	-	-500
Additions	16	1,332
Other changes	-200	-2
At 31 December	**1,471**	**1,655**

Available-for-sale financial assets consist mainly of shares in unlisted companies, for which the fair value cannot be reliably determined. These shares are measured at cost less possible impairment. Available-for-sale financial assets include investment (3.4%) in Spotzer Media Group B.V. of TEUR 298 (2014: TEUR 298), investment (14.83%) in Bokadirekt i Stockholm Ab of TEUR 1,152 (2014: TEUR 1,132). The investment (13.5%) in Vuole (TEUR 200) has been written down in 2015 due to its bankruptcy. During 2014 the Group acquired control of Innerballoons Consulting B.V but before the end of the year the company was sold.

13 Loan receivables from related parties

As of 31 December the Group has a loan receivable from European Directories Holdco S.A., European Directories Parent S.A. and Leafy S.à r.l totalling of TEUR 1,730 (2014: TEUR 1,511). See Note 29 Related parties for detailed information.

14 Trade and other receivables

1000 EUR	2015	2014
Trade receivables	38,341	38,180
Prepayments	9,788	12,627
Accrued income	10,190	12,113
Personnel receivables	33	50
Social security and pension receivables	144	432
VAT receivable	-	74
Corporate income tax receivable	444	568
Severance related securities *)	-	93
Other	613	487
Total	**59,553**	**64,624**

*) 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.

Trade receivables

1000 EUR	2015	2014
Trade receivables	42,796	43,722
Provision for impairment of trade receivables	-4,455	-5,542
At 31 December	**38,341**	**38,180**

Provisions for impairment of trade receivables

1000 EUR	2015	2014
At 1 January	**5,542**	**9,114**
Receivables written off during the year	-1,028	-1,763
Unused amounts reversed	-89	-1,609
Disposal of operations	-	-209
Exchange rate differences and other changes	30	9
At 31 December	**4,455**	**5,542**

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

1000 EUR	2015	2014
Euro-zone countries	38,341	38,180
At 31 December	**38,341**	**38,180**

The ageing analysis of trade receivables past due is as follows:

1000 EUR	2015	2014
Less than 2 months overdue	2,343	2,120
2 to 6 months overdue	1,070	1,332
More than 6 months overdue	1,828	817
Total trade receivables past due but not impaired	5,241	4,269
Not overdue	33,100	33,911
Impaired trade receivables	4,455	5,542
Total trade receivables (gross)	**42,796**	**43,722**

15 Cash and cash equivalents

Cash and cash equivalents in the balance sheet 1000 EUR	2015	2014
Cash at bank and in hand	46,242	91,845
Short-term bank deposits	463	463
Cash and cash equivalents (excluding bank overdtafts)	**46,705**	**92,308**

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

Cash and cash equivalents in the cash flow statement 1000 EUR	2015	2014
Cash and cash equivalents	**46,705**	**92,308**
Bank overdrafts (note 19)	-	-41,544
Cash and cash equivalents	**46,705**	**50,764**

The Group had a notional cash pool and overdraft arrangement in the Netherlands for the Dutch companies, which was wound down In December 2015 and the cash pool balances were netted off. After the wound down there are no bank overdrafts as of 31 December 2015.

16 Equity

The amounts in this note are stated in exact Euro amounts.

Share capital

The issued share capital consists of 4,990,000 Class A shares, 4,010,000 Class B shares and 1,000,000 Class C shares. Each share class has a nominal value of Euro 0.01 and all shares are fully paid up. Each share entitles the holder to one vote at the Annual General Meeting.

According to the Articles of Association, profits shall be allocated between the different share classes as follows:
a) the Class C shares shall be entitled to receive an amount equal to max 15% of the aggregate amount to be distributed;
b) the Class A shares shall be entitled to receive an amount equal to 49.9% of the aggregate amount of the distributable amount after subtraction of the C share entitlement;
c) the Class B shares shall be entitled to receive an amount equal to 50.1 % of the aggregate amount of the distributable amount after subtraction of the C share entitlement; and
d) the holders of each class of shares shall be entitled to participate in those proceeds of a distribution which are to be distributed in respect of that class, pro rata to the number of shares they hold within that class.

At the end of 2015 the entirely paid share capital registered in the Luxembourg trade register was Euro 100,000.

Share premium

This represents the amount subscribed for share capital in excess of its nominal value, less directly attributable issue costs.

Other reserves

In accordance with Luxembourg company law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance on the legal reserve reaches 10% of the issued share capital. The legal reserve is not available for distribution to shareholders.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

17 Capital management

The objective of capital management is to secure the Group's ability to continue as a going concern and to optimize the cost of capital in order to enhance value to shareholders.

The Group monitors the capital structure based on adjusted net debt to EBITDA. Adjusted net debt is calculated as interest-bearing liabilities (excluding the shareholder loan) less cash and cash equivalents. EBITDA is calculated by adding back depreciation, amortisation and impairment charges and capital gains and losses to operating profit/(loss).

On 31 December 2015, adjusted net debt was TEUR 91,379 (2014: TEUR 86,287) and adjusted net debt to EBITDA was 1.9 (2014:1.1).

18 Non-controlling interests

Non-controlling interests (NCI) comprise the equity portions of Suomen Numeropalvelu Oy (45%), Tupalo Internet Services GmbH (23.7%) and Dogado GmbH (49%) which are not owned by the Group. The movements are as follows.

Non-controlling interests 1000 EUR	2015	2014
At 1 January	**429**	**439**
Acquisition of subsidiary	955	-
Dividend to non-controlling interests	-135	-135
Non-controlling interest from income statement	-246	125
At 31 December	**1,003**	**429**

During 2014 and 2015 no acquisitions of non-controlling interests occurred. Increase in the non-controlling interests of TEUR 955 relates to the acquisition of Dogado GmbH (51% share), which created a non-controlling interest for 49%. See Note 7 Acquisition and disposal of subsidiaries and non-current assets held for sale for details on the acquisition.

The following table summarises the information regarding each of the Group's subsidiaries that has material NCI, before any intra-group eliminations.

31 December 2015	Dogado GmbH	Other individually immaterial subsidiaries	Intra-group eliminations	Total
NCI percentage	**49%**			
Non-current assets	1,717			
Current assets	2,429			
Non-current liabilities	-2,113			
Current liabilities	-808			
Net assets	**1,225**			
Net assets attributable to NCI	**600**	**922**	**-519**	**1,003**
Revenue	2,021			
Profit/loss for the period	-723			
OCI	0			
Total comprehensive income	**-723**			
Profit/loss allocated to NCI	**-354**	**175**	**-67**	**-246**
Net cash from operating activities	-617			
Net cash used in investing activities	-800			
Net cash used in financing activities	3,562			
Net increase (decrease) in cash and cash equivalents	**2,145**			

19 Financial liabilities

1000 EUR	2015	2014
Non-current		
Bond	138,084	137,051
of which bonds issued	*155,899*	*155,843*
of which bonds held by the Group	*-17,805*	*-18,792*
Shareholder loans (Preferred Equity Certificates)	134,781	118,215
Other non-current financial liabilities	8,270	-
	281,145	**255,266**
Current		
Bank overdrafts (note 15)	-	41,544
Total financial liabilities	**281,145**	**296,810**

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 TEUR 160,000 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 Note 26 Guaranteees). The bonds were listed on Nasdaq Stockholm in December 2014. The figures in following paragraps relating to the nominal and market value of the bond are stated in exact Euro amounts.

In November 2014 the Group purchased TEUR 20,600 bonds from the market with the market value of Euro 0.9123 per Euro 1 nominal. The purchase reduced the carrying value of the bond and resulted in a gain of c. TEUR 1,500, which was recognised in other financial income.

According to the financial report at 31 December 2014, the Group held cash and cash equivalents in excess of TEUR 50,000 which constituted a mandatory cash sweep event under the bond terms and conditions. A partial prepayment at the Prepayment Amount was executed on 9 September 2015, by way of reducing the nominal amount of each bond pro rata with the mandatory cash sweep amount, TEUR 558. The nominal amount of each bond was reduced to Euro 99,600 after the prepayment. The cash sweep resulted in a reduction of the carrying value of the bonds of TEUR 558.

The Group sold part of the bonds which had been repurchased in 2014 with the market value of Euro 79,000 per Euro 99,600 nominal value back to the market on 16 October 2015. The sale resulted in an increase of the carrying value of the bonds of TEUR 906. The amortisation of the transaction costs during January-December was TEUR 685. The amortised cost of the bond as of 31 December 2015 was TEUR 138,084.

Bond issuance costs and other refinancing cost directly linked to issue of the bond are included in the carrying value of the liability and are amortised over its term.

The movement of the bond during the year is as follows:

1000 EUR	2015	2014
At January	**137,051**	**153,578**
Amortisation of loan transaction costs	685	725
Cash sweep	-558	-
Sale of bonds by the Group	906	-
Repurchase of the bonds by the Group	-	-17,252
At 31 December	**138,084**	**137,051**

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 Euro 1.00 each. Leafy S.à r.l., the parent company of European Directories Midco S.à r.l. has subscribed all issued PECs. The maturity date of the PECs is 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 senior secured callable floating rate bonds issued by European Directories BondCo S.C.A. are outstanding.

Each PEC carries the right to receive a fixed yield of 7.24 % p.a. and a compounding profit yield of 6.26 % p.a. The principal as well as accrued interest is payable on the PECs at their maturity or if the PECs would be redeemed by the Company at an earlier date. Such optional redemption is possible only to the extent that i) the Company will have sufficient funds available to settle its liabilities to all other creditors as a result of the redemption payment, and ii) the Company is not insolvent and will not become insolvent after making the redemption payment. Whilst the PECs mature in 2043, it would the Board's intention to prepay this loan as early as possible after maturing of the bond, potentially in 2019.

The accrued interest on the PECs as of 31 December 2015 was TEUR 30,861 (2014: TEUR 14,902).

Interest PECs

The Group is entitled to satisfy its obligation to pay the fixed yield in respect of any accrual period in full or in part by issuing new preferred equity certificates to the holders (the " Interest PECs"). The Interest PECs carry the right to receive a fixed yield of 7.24 % p.a., which is payable on the Interest PECs at maturity or if the PECs would be redeemed by the Company at an earlier date. Such optional redemption is possible only to the extent that i) the Company will have sufficient funds available to settle its liabilities to all other creditors as a result of the redemption payment, and (ii) the Company is not insolvent and will not become insolvent after making the redemption payment. Whilst the PECs mature in 2043, it would the Board's intention to prepay this loan as early as possible after maturing of the bond, potentially in 2019.

The Company issued Interest PECs for TEUR 606 in 2015 covering the fixed yield from 2013 until 2014. The Interest PECs for the accrual period of 2015 of TEUR 541 will be issued in 2016. The accrued interest on the Interest PECs as of 31 December 2015 was TEUR 606 (2014:TEUR 0).

Other non-current financial liabilities

The Group has recognised a financial liability for a put option relating to the acquisition of non-controlling interest in Dogado GmbH. The put option entitles the non-controlling interest of Dogado GmbH to sell their shares to the Group during 2018-2019. The financial liability with nominal value of TEUR 10,000 was discounted and recorded at its net present value of TEUR 8,188 as of 31 March 2015. The unwind of the discount of TEUR 459 has been included in other financial expenses in 2015. The remaining liability was remeasured at year-end due to change in the discount rate and the impact from the remeasurement of TEUR 420 was recognised in other financial income in 2015. The carrying amount of the liability was TEUR 8,226 as of 31 December 2015 and was included in other non-current financial liabilities.

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 2015 or subsequent to year-end or before the Consolidated Financial Statements were authorised for issuance on 30 March 2016.

20 Pension obligations

The Group operates defined benefit pension plans in DTG and Herold. All arrangements are presented and calculated in line with IAS 19 Employee Benefits. The net obligations are as outlined below.

The amounts recognised in the balance sheet are determined as follows:

1000 EUR	2015	2014
Present value of funded obligations	**199,308**	**212,969**
Fair value of plan assets	-190,072	-186,323
Deficit of funded plans	**9,236**	**26,646**
Present value of unfunded obligations	2,814	3,022
Liability in the balance sheet	**12,050**	**29,668**

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. The net defined benefit liability as of 31 December 2015 of TEUR 8,811 includes TEUR 5,997 related to the main defined benefit pension plan, TEUR 794 related to the jubilee plan and TEUR 2,020 relating to the transitional plans. These defined benefit arrangements have been calculated in accordance with IAS 19 taken into account significant changes to the assumptions used. The net obligation in DTG decreased from TEUR 25,946 at the end of 2014 to TEUR 8,811 at the end of 2015. The decrease was mainly due to the fact that the discount rate used increased from 2.20% to 2.60%.

DTG's main defined benefit pension plan has been closed since 31 December 2014. The plan was an average-pay pension plan in which old-age pension and survivor's pension were accrued. As of 1 January 2015 all employees of DTG started pension accrual in a new pension plan, which classifies as a defined contribution pension plan under IAS 19. As a result of this new pension plan, no future pension accrual has taken place within the main defined benefit pension plan since 1 January 2015.

The main defined benefit pension plan is subject to the regulations as stipulated in the Pensions Act (Pensioenwet). As stipulated in the Pensions Act the plan needs to be fully funded and needs to be operated outside the company at a separate legal entity. The separate legal entity that operates and fully insures the plan is AEGON. Since the plan has been closed since 31 December 2014, DTG no longer pays annual contributions to AEGON to fund the annual accrual of pension entitlements. AEGON guarantees that all pension entitlements that have accrued until 31 December 2015 are paid to the pension plan participants.

AEGON is responsible for operating the DTG main defined benefit pension plan in accordance with the financing agreement. AEGON is responsible for the investment policy with regard to the assets of the plan and DTG has no additional responsibilities for the governance of the pension plan.

The Group estimates to pay TEUR 83 in contributions to its defined benefit plans (jubilee and transitional plans) in 2016.

Herold

The obligation for post-employment benefits is calculated in compliance with IAS 19 amounting to TEUR 3,239 (2014: TEUR 3,723). 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 TEUR 2,425 (2014: TEUR 2,628) relates to a provision for severance payments – exclusively for employees of Austrian companies – and is recorded based on actuarial calculation in compliance with IAS 19. According to 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 to Severance Payment (old) remains 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[*)].

An amount of TEUR 814 (2014: TEUR 1,094) relates to a provision for jubilee bonuses. The liability is calculated in line with IAS 19 and based upon actuarial assumptions.

In previous years Herold employed one person who had a defined benefit pension arrangement. The pension arrangement ceased in 2014.

The Group estimates to pay TEUR 255 in contributions to its defined benefit plans (severance payments and jubilee bonuses) in 2016.

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

Change in defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for defined benefit obligation:

1000 EUR	2015	2014
Balance 1 January	**215,991**	**171,790**
Items recognised in the income statement		
Current service costs	-14	3,618
Past service cost	-	-6,675
Other	-115	192
Service cost total included in personnel expenses	**-129**	**-2,865**
Interest expenses	4,717	5,711
Included in income statement total	**4,588**	**2,846**
Remeasurement recognised through other comprehensive income		
Changes in demographic actuarial assumptions	50	639
Changes in financial actuarial assumptions	-18,320	47,403
Experience adjustments on plan obligation	3,839	-3,048
Remeasurements recognised through other comprehensive income total	**-14,431**	**44,994**
Contributions/Payments from plans		
Contributions from employers	-	-
Benefit payments	-4,026	-3,639
Contributions/payments from plans total	**-4,026**	**-3,639**
Balance 31 December	**202,122**	**215,991**

Change in fair value of plan assets

The following table shows a reconciliation from the opening balances to the closing balances for fair value of plan assets:

1000 EUR	2015	2014
Balance 1 January	**-186,323**	**-164,645**
Items recognised in the income statement		
Other	-	22
Service cost total included in personnel expenses	**-**	**22**
Interest income	-4,061	-5,418
Included in income statement total	**-4,061**	**-5,396**
Remeasurement recognised through other comprehensive income		
Return on plan assets excluding interest income	-3,325	-14,876
Other	-	-
Remeasurements recognised through other comprehensive income total	**-3,325**	**-14,876**
Contributions/Payments from plans		
Contributions from employers	-31	-4,828
Benefit payments	3,668	3,422
Contributions/payments from plans total	**3,637**	-1,406
Balance 31 December	**-190,072**	**-186,323**

Change in net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability:

1000 EUR	2015	2014
Balance 1 January	**29,668**	**7,145**
Items recognised in the income statement		
Current service costs	-14	3,618
Past service cost	-	-6,675
Other	-115	214
Service cost total included in personnel expenses	**-129**	**-2,843**
Interest expense/income	656	293
Included in income statement total	**527**	**-2,550**
Remeasurement recognised through other comprehensive income		
Actuarial loss (gain) arising from:		
Changes in demographic actuarial assumptions	50	639
Changes in financial actuarial assumptions	-18,320	47,403
Experience adjustments on plan obligation	3,839	-3,048
Return on plan assets excluding interest income	-3,325	-14,876
Remeasurements recognised through other comprehensive income total	**-17,756**	**30,118**
Contributions/Payments from plans		
Contributions from employers	-31	-4,828
Benefit payments	-358	-217
Contributions/payments from plans total	**-389**	**-5,045**
Balance 31 December	**12,050**	**29,668**

1000 EUR	2015	2014
Present value of obligation	202,122	215,991
Fair value of plan assets	-190,072	-186,323
Net defined benefit liability	**12,050**	**29,668**

Risks

European Directories Group is exposed to risks mainly through the DTG defined benefits pension plan. The most significant risks and considerations are detailed below:

Most of the risks associated with the DTG pension plan have been reinsured by DTG with AEGON. AEGON guarantees that all pension entitlements that have accrued are paid to the pension plan participants. The DTG pension plan exposes the entity to risks such as risk of individual value transfers and the risk of default by AEGON. The DTG transitional plans expose DTG to interest rate risk and longevity risk. This is due to the fact that the tariffs at financing the pension entitlements resulting from the transitional plans may deviate from the tariffs currently observed in the market.

As the DTG pension plan has been closed since 31 December 2014, no annual contributions for the accrual of pension entitlements have been made since or have to be made in the future. However, DTG can be held liable to pay additional contributions. These additional contributions include outgoing individual value transfers of accrued pension entitlements and contributions for cost surcharges that are determined as a percentage of the pension provision, in case there is not enough excess return to cover the cost surcharges. The excess return will first be used to finance the cost surcharges, the remainder of the excess return will be transferred to a buffer pool. If the buffer pool holds more than MEUR 7.5, the excess funds will be transferred to the indexation pool for the (former) employees. If in any year the excess return is insufficient to pay for the cost surcharges, these will be financed from the buffer pool. Only when both the excess return and buffer pool are insufficient to finance the cost charges, DTG has to pay an additional contribution. The current value of the buffer pool is MEUR 7.5. Due to these arrangements, the likelihood of DTG needing to make an additional contribution in near future is considered to be remote.

Fair value of plan assets

1000 EUR	2015	2014
Equity instruments	36,950	37,209
Debt instruments	76,580	71,231
Cash and cash equivalents	-114	-
Real estate	10,074	8,552
Derivatives	7,793	10,620
Investment funds	17,658	16,303
Asset-backed securities	13,267	13,527
Structured debt	22,162	23,812
Other	5,702	5,069
Total	**190,072**	**186,323**

The actual return on plan assets in the Group totalled TEUR 3,325 (2014: TEUR 14,876).

Amounts recognised in the balance sheet by country 2015

1000 EUR	Netherlands	Austria	Total
Present value of funded obligations	196,069	3,239	199,308
Fair value of plan assets	-190,072	0	-190,072
Deficit(+)/surplus(-)	**5,997**	**3,239**	**9,236**
Present value of unfunded obligations	2,814	0	2,814
Net asset(-)/liability(+) in the balance sheet	**8,811**	**3,239**	**12,050**

Amounts recognised in the balance sheet by country 2014

1000 EUR	Netherlands	Austria	Total
Present value of funded obligations	209,247	3,722	212,969
Fair value of plan assets	-186,323	0	-186,323
Deficit(+)/surplus(-)	**22,924**	**3,722**	**26,646**
Present value of unfunded obligations	3,022	0	3,022
Net asset(-)/liability(+) in the balance sheet	**25,946**	**3,722**	**29,668**

As at the last valuation date, in the Netherlands the present value of the defined benefit obligation was comprised of approximately TEUR 2,815 (2014: TEUR 3,022) relating to active employees, TEUR 128,817 (2014: TEUR 143,673) relating to deferred members, TEUR 49,894 (2014: TEUR 47,756) relating to members in retirement and TEUR 17,357 (2014: TEUR 17,819) relating to other participants (disabled participants and participants' surviving relatives).

The principal actuarial assumptions used

	2015		2014	
	Netherlands	Austria	Netherlands	Austria
Discount rate, %	2.60%	2.29%	2.20%	2.20%
Future salary increases, %	2.00%	3.00%	2.00%	3.00%
Future pension increases, %	0.50%	0.00%	0.50%	0.00%
Rate of inflation, %	2.00%	0.00%	2.00%	0.00%

The discount, inflation and salary growth rates used are the key assumptions used when calculating defined benefit obligations. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Impact on net defined benefit obligation increase (+)/decrease (-)

	Netherlands	
Change in the assumption	2015	2014
0.5%-point increase in discount rate	-10.00%	-10.70%
0.5%-point decrease in discount rate	11.71%	12.60%
0.5%-point increase in benefit	11.63%	6.00%
0.5%-point decrease in benefit	-10.01%	-5.50%
0.5%-point increase in salary growth rate	0.02%	0.02%
0.5%-point decrease in salary growth rate	-0.02%	-0.02%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

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

In the Netherlands the average duration of the defined benefit obligation at the end of 2015 is 22 (2014: 23) years.

21 Income tax

The Group's tax position at 31 December 2015 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.

Income taxes

1000 EUR	2015	2014
Current tax expense		
Current year	-124	-635
Adjustment for prior years	-162	-198
Total	**-286**	**-833**
Deferred tax income		
Origination and reversal of temporary differences	-408	13,062
Recognition of previously unrecognised tax losses	1,249	-
Change in recognised deductible temporary differences	263	207
Total	**1,104**	**13,269**
Income tax benefit	**818**	**12,436**

The table below explains the difference between theoretical tax cost calculated with Luxembourg nominal tax rate 29.2% (29.2%) and tax expense in the consolidated income statement.

1000 EUR	2015	2014
Loss before income tax	-13,159	-198,935
Taxes calculated using the Luxembourg tax rate	3,845	58,129
Differences in tax rates and regulations	-435	-730
Tax-exempt income	-	560
Non-deductible expenses	-1,782	-37,807
Current year losses for which no deferred tax asset was recognised	-2,585	-7,681
Utilisation of previously unrecognised tax losses	249	370
Recognition of tax effect of previously unrecognised tax losses	1,249	-
Change in recognised deductible temporary differences	263	-207
Adjustment recognised for taxes of prior periods	-162	-198
Other	176	-
Income tax benefit, total	**818**	**12,436**

Effective tax rate was -6.2% (-6.3%).

Deferred tax assets and liabilities

The Group has evaluated the nature and classification of deferred tax assets. Based on the evaluation of the Finnish companies, deferred tax assets and liabilities levied by the same taxing authority meet the requirements for offset eligibility in accordance with IAS12. The deferred tax assets and liabilities for Finnish companies are shown net on the balance sheet.

Changes in deferred taxes during 2015:

Net deferred tax assets and liabilities 1000 EUR	Employee benefits	Goodwill amortisation	Other intangible assets	Tax losses	Other	Total
1 January 2014	**585**	**-33,594**	**-33,834**	**5,016**	**5,165**	**-56,662**
Recognised in the income statement	-84	-2,216	19,154	-1,437	-2,149	13,268
Recognised in other comprehensive income	12	-	-	-		12
Acquisition of subsidiary	-	-	-1,265	-		-1,265
31 December 2014	**513**	**-35,810**	**-15,945**	**3,579**	**3,016**	**-44,647**
Of which deferred tax assets	513	2,688	-	-	1,461	4,662
Of which deferred tax liabilities	-	-38,498	-15,945	3,579	1,555	-49,309
1 January 2015	**513**	**-35,810**	**-15,945**	**3,579**	**3,016**	**-44,647**
Recognised in the income statement	-16	-1,657	2,717	1,252	-1,192	1,104
Acquisition of subsidiary	-	-	-502	-		-502
31 December 2015	**497**	**-37,467**	**-13,730**	**4,831**	**1,824**	**-44,045**
Of which deferred tax assets	345	2,021	-	-	471	2,837
Of which deferred tax liabilities	152	-39,488	-13,730	4,831	1,353	-46,882

According to the Group's forecast, future profits should result in taxable income which would off-set the temporary difference arising from the tax losses.

Tax losses carried forward

Unrecognised tax losses carried forward expire as follows.

1000 EUR	2015	Expiry date	2014	Expiry date
Expire	**363,380**	**2016-2025**	351,919	2016-2023
Never expire	**128,169**	**-**	112,014	-

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. 9 to 10 years). Consequently, tax losses carried forward may be lost in future. For most fiscal territories no tax return has been filed yet for the period ended 31 December 2015 and part of the tax losses carried forward are related to the open tax cases in Austria. Unrecognised tax losses carried forward as of 31 December 2015 include losses for the Netherlands and Luxembourg until 2014. Losses for 2015 in these two fiscal territories have not been included in the table above as management has deemed their impact immaterial. More information on these tax cases can be found in Note 23 Provisions.

Of the deferred tax liabilities, TEUR 13,730 (2014: TEUR 15,945) arise as a result of PPA adjustments under IFRS 3. The remaining TEUR 33,152 (2014: TEUR 33,364) is due mainly to timing differences in (local) goodwill amortisation. Deferred tax assets are capitalised only to the extent there is a deferred tax liability against it unless there is a reasonable assumption that this will be realised.

22 Other current liabilities

1000 EUR	2015	2014
Accrued expenses	12,693	17,343
Customer advance payments	2,517	3,319
VAT and advertising tax payable	4,046	8,333
Corporate tax payable	6	82
Wage tax payable	2,301	2,538
Social securities payable	1,316	1,488
Accrued interest	709	692
Net wages payable (recoverable)	1,866	9
Holiday & vacation accrual	9,820	10,158
Pension premium liability	280	768
Deferred consideration relating to acquisitions	1,128	750
Other	1,377	1,815
Total	**38,059**	**47,296**

23 Provisions

1000 EUR	Restruc-turing provision	Tax provision	Other	2015	Restruc-turing provision	Tax provision	Other	2014
1 January	1,841	24,446	6,557	**32,844**	555	15,000	9,459	**25,014**
Provisions for the period	300		764	**1,064**	3,006	566	-	**3,572**
Provisions used	-1,658	-6,424	-2,300	**-10,382**	-1,720	-	-2,433	**-4,153**
Provisions reversed	-	-	-	**-**	-	-	-354	**-354**
Disposals	-	-	-	**-**	-	-	-115	**-115**
Other (*)	-	-	-	**-**	-	8,880	-	**8,880**
31 December	**483**	**18,022**	**5,021**	**23,526**	**1,841**	**24,446**	**6,557**	**32,844**
Of which non-current	-	-	1,930	**1,930**	-	-	4,257	**4,257**
Of which current	483	18,022	3,091	**21,596**	1,841	24,446	2,300	**28,587**
Total	**483**	**18,022**	**5,021**	**23,526**	**1,841**	**24,446**	**6,557**	**32,844**

* The Group reclassified tax provisions in 2014 by TEUR 8,880 . This reclassification has been presented as other movements in 2014. Previously this item was classified under current tax liabilities.

Other provisions as of 31 December 2015 include provisions for onerous leases of TEUR 4,857 (2014: TEUR 6,285), which are expected to be utilised in 2 years.

Uncertain tax positions/Tax provisions

The Group is involved in various discussions with local tax authorities.

Austria

In a recent Austrian tax audit (years 2007-2009), the tax authority denied Herold tax deduction for goodwill amortization relating to a previous acquisition. The tax authority considers the transaction a related party transaction (thereby disqualifying goodwill amortisation from 2005 and interest deduction as of 2011). In addition, the tax authority questions the arm's length nature of certain intercompany interest expenses. The financial impact for all years up to 2015 is estimated to be maximum MEUR 10 (including interest and penalties). Herold has appealed the decision to the local court but provided for the majority of the amount claimed. In the event that a final ruling would be issued consistent with the tax authority's view, this could potentially further increase tax costs (depending on the future Group's financing structure) by MEUR 2 to MEUR 4 annually (depending if goodwill amortization deduction or full interest deduction is disallowed).

Finland

Fonecta Group has received Board of Appeal decisions for pending tax disputes in respect of European Directories Group Oy, European Directories Services Oy, European Directories Corporations Oy and Fonecta Oy. Based on these decisions, Fonecta Group companies paid MEUR 6.4 taxes (including penalties) in December 2015 which were recognized against the MEUR 15.0 tax provision.

Helsinki Administrative Court issued in September 2015 a ruling in a tax dispute against Finderia Oy (a dormant subsidiary of Fonecta Oy which has been in liquidation since 2003). The Administrative Court's ruling imposed an income tax (incl. interest) to Finderia Oy amounting to approximately MEUR 38.8. Finderia Oy has appealed the Administrative Court's decision and requested that the payment of the tax and interest would be deferred. The Supreme Administrative Court ("SAC") in Helsinki granted Finderia Oy a deferral in full of the MEUR 38.8m tax assessment. The deferral is granted until the matter has been finally resolved by the SAC. The Group's position is that the tax claim is unfounded and that the ruling contravenes previous court rulings and misinterprets applicable law. Finderia Oy does not have any information on whether or not the leave to appeal will be granted, nor of the timing of the process. In the event that the SAC rejects the appeal and the full claim of MEUR 38.8 (plus additional interest) becomes payable – which the Group considers unlikely in the short term, or indeed, at all – then this could put a strain on the Group's funding, representing as it does 80% of annual EBITDA. Management is aware of this issue and is keeping it under constant review.

In the condensed consolidated interim financial statements of the Group, of MEUR 15 provision initially recognised for the Finnish tax cases, MEUR 6.4 has been used in 2015 and the remaining provision amounts to MEUR 8.6 as of 31 December 2015. The remaining provision for the Austrian tax cases amounts to MEUR 9.4.

24 Personnel numbers

	FTE's	Headcount
1 January 2015	1,881	2,003
31 December 2015	1,759	1,898
Average for the period	**1,820**	**1,951**

	FTE's	Headcount
1 January 2014	2,065	2,281
31 December 2014	1,881	2,003
Average for the period	**1,973**	**2,142**

25 Financial Risk Management

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. These corporate governance rules and rules of procedure have been adopted by the board of directors of European Directories MidCo S.à r.l.

These corporate governance rules and rules of procedure are applicable to work carried out by the Board, the Group CFO, the local managing directors ("OpCo CEO's") and other executive management of the Company and its subsidiaries.

Code of Conduct

The Group is committed to doing business only in full compliance with all laws and regulations and in line with high ethical standards. Only a business conduct which is fully compliant with all laws and regulations and high ethical standards secures the long-term success of the Group and serves society best. The Group has implemented a Code of Conduct which provides the legal and ethical framework for the conduct of all directors, officers and employees of the Group and defines the basic rules of conduct within the Group and in relation to its business partners and the general public. It also reflects the underlying basic values pursued by the Group.

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.

Liquidity risk

The goal of the Group is to maintain good liquidity. 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. The Group has a possibility to utilize a "Permitted Basket" under The Corporate Bond terms and conditions to gain short- to mid-term financing in case needed. In the end of 2015 the Group sees the liquidity risk as remote due to its good liquidity situation.

31 December 2015 1000 EUR Maturity of financial liabilities	Carrying amount	2016	2017	2018	2019	2020	Later	Total
Bond	138,084	9,946	9,946	149,104	-	-	-	168,996
Shareholder loan and accrued interest	134,781	-	-	-	229,638	-	-	229,638
Other non-current financial liabilities	8,270	-	-	10,000	-		-	10,000
Trade payables	12,164	12,164	-	-	-	-	-	12,164
Other current liabilities	38,059	38,059	-	-	-	-	-	38,059
Total	**331,358**	**60,169**	**9,946**	**159,104**	**229,638**	**-**	**-**	**458,857**

31 December 2014 1000 EUR Maturity of financial liabilities	Carrying amount	2015	2016	2017	2018	2019	Later	Total
Bond	137,051	9,741	9,741	149,100	-	-	-	168,582
Shareholder loan and accrued interest	118,215	-	-	-	229,638	-	-	229,638
Trade payables	12,299	12,299	-	-	-	-	-	12,299
Other current liabilities	47,295	47,295	-	-	-	-	-	47,295
Total	**314,860**	**69,335**	**9,741**	**149,100**	**229,638**	**-**	**-**	**457,814**

Most of the financial liabilities are maturing in 2018-2019. The contractual maturity of the shareholder loan is 10 December 2043. Whilst the shareholder loan matures in 2043, it would the Board's intention to prepay this loan as early as possible after maturing of the bond, potentially in 2019.

Helsinki Administrative Court issued in September 2015 a ruling in a tax dispute against Finderia Oy (a dormant subsidiary of Fonecta Oy which has been in liquidation since 2003). The Administrative Court's ruling imposed an income tax (incl. interest) to Finderia Oy amounting to approximately MEUR 38.8. Finderia Oy has appealed the Administrative Court's decision and requested that the payment of the tax and interest would be deferred. The Supreme Administrative Court ("SAC") in Helsinki granted Finderia Oy a deferral in full of the MEUR 38.8m tax assessment. The deferral is granted until the matter has been finally resolved by the SAC. The Group's position is that the tax claim is unfounded and that the ruling contravenes previous court rulings and misinterprets applicable law. Finderia Oy does not have any information on whether or not the leave to appeal will be granted, nor of the timing of the process. In the event that the SAC rejects the appeal and the full claim of MEUR 38.8 (plus additional interest) becomes payable – which the Group considers unlikely in the short term, or indeed, at all – then this could put a strain on the Group's funding, representing as it does 80% of annual EBITDA. Management is aware of this issue and is keeping it under constant review.

Market risk

Foreign exchange risk

The Group is exposed to foreign exchange risks on sales and purchases that are denominated in a currency other than the euro. 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 foreign exchange risk at the end of 2015 is minimal, since the Group has disposed of its Polish operations.

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

	2015	2014
Average rates		
Swedish kroner	9.3497	9.3908
Pounds sterling	0.7279	0.7872
Year-end rates		
Swedish kroner	9.1895	9.5150
Pounds sterling	0.7340	0.7787

Interest rate risk

Interest rate risk means the cash flow and financial performance uncertainty arising from interest rate fluctuations. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. 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 (3 months EURIBOR) which is not hedged.

On the closing date, a 0.5%-point rise in the interest rate increases the annual interest expense of the bond by approximately TEUR 700.

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	2015	2014
Trade receivables	14	38,341	38,180
Cash and cash equivalents (incl. bank overdrafts)	15	46,705	50,764
Total		**85,046**	**88,944**

26 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 19 Financial Liabilities). 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.

The following UK subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Companies Act 2006:
- European Directories UK Limited, United Kingdom
- EDUK2 Limited, United Kingdom

27 Lease commitments

Non-cancellable operating lease rentals are payable as follows:

2015	Rent	Cars	Other	Total
< 12 months	5,997	2,309	224	**8,530**
12 – 60 months	12,571	3,214	151	**15,936**
> 60 months	1,884	5	0	**1,889**

2014	Rent	Cars	Other	Total
< 12 months	6,655	2,775	72	**9,502**
12 – 60 months	16,017	3,205	109	**19,331**
> 60 months	4,338	6	0	**4,344**

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).

28 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 European Directories Midco S.à r.l. is Triton MasterLuxCo 3 S.à r.l., a company incorporated in Luxembourg.

29 Related parties

Related parties of the Group include its subsidiaries, key management personnel and associated companies. Subsidiaries are listed in Note 30 and associates in Note 11. Related party transactions include such operations that are not eliminated in the group's consolidated financial statements.

Transactions with key management personnel

Key management personnel compensation

The Board of Managers (also referred to as the Board of Directors) of European Directories Midco S.à r.l. and the CEOs in the operating companies (Fonecta, DTG, Herold) are considered as key personnel who have authority and responsibility for planning, directing and controlling the activities of the European Directories Group.

Key management personnel received the following benefits:

2015	2015	2014
Short-term employee benefits*)	2,987	2,519
Post-employment benefits	20	69
Other long-term benefits	-3	2
	3,004	**2,590**

*) Includes amounts paid as remuneration to individuals or as reimbursement for services paid to enties providing the service.

The above represents the expense arising in the relevant period. As at 31 December 2015 and 31 December 2014, the management had no personal shareholdings in the Group. Management has not been granted any loans.

Certain members of senior management and the Board of the Managers of the Group have invested into a Management Pooling Vehicle ("MPV"), which holds shares in the company as part of a management incentive plan ("MIP"). The MIP participants are required to make a financial commitment and are exposes to 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. There is no employee benefit expense recorded in these financial statements in relation to the above MIP since the transactions are outside the scope of IFRS 2.

Other related party transactions

1000 EUR	2015	2014
Interest on loan receivables	2	1
Shareholder loan and accrued interests	134,781	118,215
Long-term interest-bearing loan receivables (Note 13)	1,730	1,511

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. Leafy S.à r.l., the parent company of European Directories Midco S.à r.l. has subscribed all issued PECs. 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. Whilst the PECs mature in 2043, it would the Board's intention to prepay this loan as early as possible after maturing of the bond, potentially in 2019.

Long-term interest-bearing loan receivables and interest on loan receivables include receivables from European Directories Holdco S.A, European Directories Parent S.A and Leafy S.à r.l.

All transactions with related parties are at arm’s length, and are on similar terms to transactions carried out with independent parties.

30 Group companies on 31 December 2015

Company name	Country, City	Ownership (%) direct or indirect
European Directories GP S.a.r.l	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%
European Directories Corporations Oy (former Fonecta Corporations Oy)	Finland, Helsinki	100%
European Directories Services Oy (former Fonecta Services Oy)	Finland, Helsinki	100%
Fonecta Holding B.V.	The Netherlands, Rotterdam	100%
Fonecta Group Oy	Finland, Helsinki	100%
Fonecta Media Oy	Finland, Helsinki	100%
Fonecta Oy	Finland, Helsinki	100%
Finderia Oy (in liquidation)	Finland, Helsinki	100%
Kontaktia Oy	Finland, Helsinki	100%
Vilperi Digimediat Oy	Finland, Helsinki	100%
KV Media Groep B.V.	The Netherlands, Tilburg	100%
Kiyoh International B.V.	The Netherlands, Tilburg	100%
Klantenvertellen Project Services B.V.	The Netherlands, Tilburg	100%
Kiyosh B.V.	The Netherlands, Tilburg	100%
Klantenvertellen B.V.	The Netherlands, Tilburg	100%
Maksukone Oy	Finland, Helsinki	100%
Suomen Numeropalvelu Oy	Finland, Helsinki	55%
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%
Dogado GmbH [1)]	Germany, Dortmund	51%
Tupalo Internet Services GmbH	Austria, Vienna	76.34%
Herold Mediatel Limited	Gibraltar, Gibraltar	100%

[1)] At 31 December 2015 the Group had a 51% interest in Dogado GmbH. The Group has issued a put option for the non-controlling interest, which if exercised would require the Group to purchase further 30% of the company.

31 Post-balance sheet events

On 22 January 2016 De Telefoongids Holding B.V. (“DTG”), a European Directories Group company, acquired 100% of the shares in DR3 B.V. (“DR3DATA”). DR3DATA is a Dutch company holding an extensive business-to-business marketing database. The acquisition of DR3DATA will reinforce DTG’s position as the online marketing services company for the Dutch SME sector.

As part of an intra-group restructure in order to reduce administrative costs and bring the Austrian trading companies under the direct ownership of a Dutch holding company, the European Directories Group has initiated merger proceedings starting on 19 February 2016 of its 100% owned Austrian subsidiary, Herold Holding GmbH, with a newly incorporated 100% owned Dutch subsidiary, European Directories (DH8) B.V. Both companies are 100% direct subsidiaries of European Directories (DH7) B.V. Neither company conducts any trading business, nor has any employees and the operations of the Dutch and Austrian business are completely unaffected by this matter. The proposed merger is subject to court approvals in Austria and The Netherlands which will be sought following the expiry of statutory notice periods to the companies’ creditors. In any event, the merger must be completed with six months.

Luxembourg, 30 March 2016
The Board of Managers,

Hannu Syrjänen

Peder Prahl

Marco Sodi

Björn Osterloff

David Anderson

Sébastien Rimlinger

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To the Partners of
European Directories Midco S.à r.l.
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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, 2015 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, Société coopérative, a Luxembourg entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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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, 2015, 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, March 30, 2016

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

F. Leonardi

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