

Lighthouse International Company S.A.

Annual accounts
as at
December 31, 2010

(with the report of the
Réviseur d'Entreprises agréé
thereon)

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L-1930 Luxembourg
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To the Shareholders of
Lighthouse International Company S.A.
66, avenue de la Liberté
L-1930 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders dated May 15, 2010, we have audited the accompanying annual accounts of Lighthouse International Company S.A., which comprise the balance sheet as at December 31, 2010 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts 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 annual accounts 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 annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, 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 annual accounts 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 Directors, as well as evaluating the overall presentation of the annual accounts.

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

Opinion


In our opinion, the annual accounts give a true and fair view of the financial position of Lighthouse International Company S.A. as of December 31, 2010, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Luxembourg, April 28, 2011

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



Ph. Meyer

Lighthouse International Company S.A.

Balance sheet
as at December 31, 2010
(expressed in euro)

	Notes	31/12/2010	31/12/2009
ASSETS			
Fixed assets			
Financial assets			
Loans to undertakings with which the company is linked by virtue of participating interests	3	1,300,000,000	1,300,000,000
Current assets			
Debtors	4		
Amounts owed by undertakings with which the company is linked by virtue of participating interests becoming due and payable within one year		17,506,405	17,506,405
Other debtors becoming due and payable within one year		70,560	257,767
Cash at bank		508,406	390,644
		18,085,371	18,154,816
Prepayments		-	2,392
Total assets		1,318,085,371	1,318,157,208
LIABILITIES			
Capital and reserves			
Subscribed capital	5	31,000	31,000
Legal reserve	6	3,100	3,100
Results brought forward		516,259	372,238
Profit for the financial year		141,072	144,021
		691,431	550,359
Provisions for liabilities and charges			
Provisions for taxation	7	41,515	256,628
Creditors	8		
Non convertible bonds becoming due and payable after more than one year		1,300,000,000	1,300,000,000
Trade creditors becoming due and payable within one year		18,958	16,888
Other creditors becoming due and payable within one year		17,333,333	17,333,333
		1,317,352,291	1,317,350,221
Prepayments		134	-
Total liabilities		1,318,085,371	1,318,157,208

The accompanying notes form an integral part of these annual accounts.

Lighthouse International Company S.A.

Profit and loss account
for the year ended December 31, 2010
(expressed in euro)

CHARGES	Notes	2010	2009
Other external charges		103,715	322,535
Staff costs	9		
Wages and salaries		12,444	10,654
Social security costs		3,349	3,250
Value adjustments in respect of formation expenses and tangible fixed assets		-	278
Interest payable and similar charges	10	104,001,022	104,011,179
Tax on profit		38,060	97,346
Other taxes not shown under the above items		3,455	1,800
Profit for the financial year		<u>141,072</u>	<u>144,021</u>
		<u>104,303,117</u>	<u>104,591,063</u>
INCOME			
Other income		42,912	-
Income from loans forming part of fixed assets	11	104,250,000	104,250,000
Other interest receivable and similar income		<u>10,205</u>	<u>341,063</u>
		<u>104,303,117</u>	<u>104,591,063</u>

The accompanying notes form an integral part of these annual accounts.

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2010

1 General

Lighthouse International Company S.A. (the "Company") was incorporated on June 27, 2003 as a limited liability company "société anonyme".

The Company is established for an unlimited period.

The registered office of the Company is 66, avenue de la Liberté, L-1930, Luxembourg. The Company is registered with the Register of Commerce of Luxembourg under the section B number 94.548.

The purpose of the Company is to borrow money or issue bonds or other debt securities of any description (with or without collateral) and to lend the proceeds of such borrowings or issuances to one designated company, or any other company belonging to the same group, and any of its successors or assigns, and to grant a security interest in such loans, and to do all such other things as may be considered incidental or conducive to any of the above-mentioned actions, it being understood that the Company will only enter into any such financing transactions for the benefit of one designated company, or any other company belonging to the same group, and any of its successors or assigns.

The Company's financial year begins on the first day of January and terminates on the last day of December.

2 Significant accounting policies

2.1 Basis of presentation

The annual accounts of the Company are prepared in accordance with current Luxembourg legal and regulatory requirements.

The Board of Directors has decided not to apply the law of December 10, 2010 for these annual accounts in accordance with article 4 of the same law.

2.2 Bases of conversion for items originally expressed in foreign currency

The Company maintains its accounting records in euro ("EUR") and the balance sheet and profit and loss account are expressed in this currency.

Income and charges are translated at the exchange rates ruling at the transaction date.

Fixed assets are valued using the historical exchange rates.

Other current assets and liabilities expressed in foreign currencies are translated into euro at the rates of exchange in effect at the balance sheet date.

Realised exchange gains and losses and unrealised exchange losses are recognised in the profit and loss account.

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2010
(continued)

2.3 Financial assets

Financial assets represented by a loan are stated at their nominal value less any provision for a durable impairment in value.

2.4 Debtors

Debtors are stated at their nominal value. Value adjustments are recorded at the end of the financial year if the net realizable value is lower than the book value.

2.5 Creditors

Creditors are recorded at their nominal value.

2.6 Provisions for liabilities and charges

Provisions for liabilities and charges are intended to cover losses or debts the nature of which is clearly defined and which, at the date of the balance sheet are either likely to be incurred but uncertain as to their amount or as to the date on which they will arise.

3 Loans to undertakings with which the company is linked by virtue of participating interests

	EUR
Nominal	
At December 31, 2009	1,300,000,000
Additions during the year	-
Reimbursement during the year	-
At December 31, 2010	<u>1,300,000,000</u>

The loan towards SEAT PAGINE GIALLE S.p.A. ("SEAT"), a 25% shareholder of the Company, amounts to EUR 1,300,000,000 bearing interest of 8% plus EUR 250,000 as at December 31, 2010 (the "Proceeds Loan").

The Proceeds Loan shall be repaid no later than one business day prior to the final maturity date of the Senior Notes as defined in note 8, which is April 30, 2014. Interest is due and payable no later than one business day prior to the date on which the Senior Notes interest is payable (cf. note 4).

4 Debtors

As at December 31, 2010, debtors mainly comprise accrued interest related to the Proceeds Loan, amounting to a net total of EUR 17,375,000 (2009: EUR 17,375,000).

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2010
(continued)

5 Subscribed capital

The subscribed capital of EUR 31,000, issued and fully paid, is represented by 15,500 shares with a nominal value of EUR 2.

6 Legal reserve

Under Luxembourg law, the Company must appropriate annually at least 5 % of its statutory net profits to a legal reserve until the aggregate reserve equals 10 % of the subscribed share capital. Such reserve is not available for distribution.

7 Provisions for taxation

Provisions for taxation relate to the income taxes (ICC, IRC) and to the wealth tax of the years 2009 and 2010.

8 Creditors

As at December 31, 2010 and December 31, 2009, creditors mainly comprise senior notes issued on the Luxembourg Stock Exchange on April 22, 2004 (the "Senior Notes") representing a principal amount of EUR 1,300,000,000 and its related accrued interest of EUR 17,333,333 (becoming due and payable within one year).

The Senior Notes bear interest of 8% which is payable each April 30 and October 31, beginning on October 31, 2004.

The Senior Notes will mature on April 30, 2014 and are guaranteed on a senior subordinated basis by SEAT PAGINE GIALLE S.p.A. ("SEAT").

The Company has the option to redeem the Senior Notes:

- in whole or in part at any time prior to April 30, 2010 at a redemption price equal to 100% of the principal plus accrued and unpaid interest, if any, to the redemption date, plus the applicable premium at the redemption date. As of December 31, 2010, the Company has not exercised the option to redeem the notes;
- in whole or in part at any time on or after April 30, 2010 at the redemption price fixed to 102.667% for the year 2010, 101.333% for the year 2011 and 100% for the year 2012 and thereafter, plus accrued interest to the date of redemption;
- in whole, but not in part, at a price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption in the event of specified development affecting taxation.

9 Staff costs

As at December 31, 2010, the Company employed one person on a part-time basis (2009: one employee on a part-time basis).

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2010
(continued)

10 Interest payable and similar charges

This amount mainly comprises of interest on the Senior Notes for EUR 104,000,000 (2009: EUR 104,000,000).

11 Income from loans forming part of the fixed assets

This amount comprises of interest on the Proceeds Loan granted to SEAT amounting to EUR 104,250,000 (2009: EUR 104,250,000).