

Lighthouse International Company S.A.

Annual accounts
for the year ended December 31, 2004

(with report of the "Commissaire aux comptes" thereon)



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To the Shareholders of
Lighthouse International Company S.A.
8, rue Dicks
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REPORT OF THE "COMMISSAIRE AUX COMPTES"

Following our appointment by the general meeting of Shareholders held on April 7, 2004 we have audited the accompanying annual accounts of Lighthouse International Company S.A. for the year ended December 31, 2004. These annual accounts are the responsibility of the Board of Directors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the attached annual accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of Lighthouse International Company S.A. as at December 31, 2004 and of the results of its operations for the year then ended. We therefore recommend their approval.

Luxembourg, May 6, 2005

KPMG Audit S.à r.l.
Réviseurs d'Entreprises



Ph. Meyer

Lighthouse International Company S.A.

Profit and loss account
for the year ended December 31, 2004
(expressed in euro)

			Period from June 27, 2003 to 2004 December 31, 2003
CHARGES			
External charges	8	34.717.204	13.719
Value adjustment in respect of formation expenses		1.550	904
Other operating charges	9	7.979.696	-
Interest payable and similar charges	10	71.645.482	131
Tax on profit		45.570	-
Profit for the financial year		<u>57.941</u>	<u>-</u>
		<u>114.447.443</u>	<u>14.754</u>
INCOME			
Other operating income	8	34.649.647	-
Income from loans forming part of fixed assets	11	79.796.336	-
Interest receivable and similar income		1.460	217
Loss for the financial period		<u>-</u>	<u>14.537</u>
		<u>114.447.443</u>	<u>14.754</u>

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2004

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 has been changed on January 27, 2005 from 3, rue du Fort Reinsheim, Luxembourg to 8, rue Dicks, L-1417 Luxembourg and 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.

Significant accounting policies

Basis of presentation

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

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, 2004
(continued)

2.3 *Formation expenses*

Expenses relating to the creation of the Company are recorded as formation expenses.

Formation expenses are amortised on a straight-line basis at an annual rate of 20%.

2.4 *Financial assets*

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

2.5 *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.

2.6 *Creditors*

Creditors are recorded at their nominal value.

3 **Financial assets**

The financial assets are represented by a loan towards SEAT PAGINE GIALLE S.p.A. ("SEAT") amounting to EUR 1.300.000.000 bearing interest of 8,91 % as at December 31, 2004.

The loan shall be repaid no later than one business day prior to the final maturity date of the Senior Notes, 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.

4 **Debtors**

Debtors mainly comprise accrued interest related to the loan towards SEAT, reduced by Italian withholding tax of 10 %, amounting to a net total of EUR 17.375.007 and other receivables from SEAT amounting EUR 386.195.

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.

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Notes to the annual accounts
as at December 31, 2004
(continued)

Creditors

Creditors mainly comprise Senior Notes issued on the Luxembourg Stock Exchange on April 22, 2004 representing a principal amount of EUR 1.300.000.000 and its related accrued interest of EUR 17.333.340. The other debts essentially comprise fees related to the issuance of the Senior Notes.

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

The notes will mature on April 30, 2014.

The notes are guaranteed on a senior subordinated basis by SEAT.

The Company has the option to redeem the notes:

- in whole or in part at any time prior to April 30, 2009 at a redemption price equal to 100 % of the principal plus an applicable "make-whole" premium and accrued interest to the date of redemption;
- in whole or in part at any time on or after April 30, 2009 at the redemption price fixed to 104 % for the year 2009, 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;
- at any time and from time to time prior to April 30, 2007, in an aggregate principal amount which shall not exceed 35 % of the originally issued principal amount at a redemption price of 108 %, 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.

External charges

External charges mainly comprise of legal and banking fees linked to the issuance of the notes which have been re-invoiced to SEAT. This re-invoicing is shown under other operating income.

Other operating charges

Other operating charges mainly comprise of withholding tax of 10 % on interest paid and payable on the loan granted to SEAT amounting to EUR 7.979.633.

Lighthouse International Company S.A.

Notes to the annual accounts
as at December 31, 2004
(continued)

10 Interest payable and similar charges

This amount essentially comprises of interest on the Senior Notes for EUR 71.644.480.

11 Income from loans forming part of the fixed assets

This amount comprises of interest on the loan granted to SEAT amounting to EUR 79.796.336.

12 Off balance sheet financial commitments

The Company has no commitment following the issuance of its Senior Notes described in note 7.