

Financial results for the quarter and year ended December 31, 2003

Findexa announces financial results for the quarter and year ended December 31, 2003

Highlights

- Full year consolidated operating revenue at NOK 1.979m, up 3,4% from 2002 (pro forma excluding France)
- Growth in full year EBITDA of 30% from 2002 to NOK 795m. EBITDA margin at 40,2% for the group (pro forma excluding France) and 48,2% for the Norwegian segment
- Full year consolidated cash flow from operating activities before interest payments up 28% from 2002 to NOK 734m
- Cash position at NOK 560m
- Acquisition of AS Delfi

Findexa II AS today announced its operating and financial results for the quarter and year ended December 31, 2003. Summary of consolidated pro forma income statement – excluding France – is as follows:

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Total:				
Operating revenue	448,6	378,3	1 979,5	1 913,8
% Growth	18,6 %		3,4 %	
EBITDA	100,9	35,6	795,4	610,9
% of Operating revenue	22,5 %	9,4 %	40,2 %	31,9 %
% Growth	183,5 %		30,2 %	
Norway:				
Operating revenue	230,1	199,6	1 608,5	1 567,7
% Growth	15,3 %		2,6 %	
EBITDA	58,5	8,3	775,6	629,9
% of Operating revenue	25,4 %	4,1 %	48,2 %	40,2 %
% Growth	607,7 %		23,1 %	

Notes:

1. Findexa exited its French operations in the third quarter. All results, 2002 and 2003, are excluding France.
2. 2002 results are pro forma accounts adjusted for purchase accounting adjustments. All comparisons to 2002 results relates to pro forma results for the year. Please refer explanation later in this release.
3. EBITDA is defined as total operating profit (loss) before depreciation, amortization and impairment. EBITDA may not be comparable to other similarly titled measures for other companies.

Details on results and cash flow are discussed below.

Significant Events

On December 15, 2003, Findexa signed an agreement to acquire AS Delfi, the leading Baltic portal, from Microlink. The acquisition makes Findexa the largest internet player in the Baltic region. The transaction was completed January 15, 2004.

During the fourth quarter Findexa signed an agreement to divest its Czech business to Mediatel. The transaction is yet to be closed.

On December 31, 2003, all International assets have been transferred out of the Findexa II AS group of companies to an entity controlled by Findexa L.L.C., our indirect parent. This is the finalization of the plan announced in the Form 6-K filed May 30, 2002. As a consequence of this the International segment will in future filings be reported as discontinued operations. For comparison purposes the International segment is consolidated as previous quarters in this earnings release. All consolidated financial information is therefore given on a pro forma basis.

Revenue

Full year consolidated operating revenue, excluding France, was at NOK 1.979,5m, up 3,4% from prior year. Fourth quarter year on year revenue, excluding France, was up 18,6%, reflecting positive development in both segments.

Norway

Operating revenue was up 2,6% to NOK 1.608,5m for the year. The increase reflects improved performance within online as well as the acquisition of 1880, while print revenues remain at 2002 level.

For the quarter revenue was up 15,3% year on year, driven by online and 1880.

Customer credits for the year were at 3,5% of gross revenue, compared to the prior year 3,8%. Fourth quarter includes an adjustment driven by changes in historical credits.

Full year media spending in Norway was up 4,9% from the prior year.

International (excluding France)

Operating revenue was up 7,2% for the full year and up 22,2% for the quarter. Adjusting for portfolio and timing differences the organic growth in local currency was 11,2% for the year and 8,2% for the quarter.

We have experienced growth in all regions, with the exception of Central Europe. Particularly Finland and Russia show high growth in local currency.

Cost of Materials and Printing

Cost of materials and printing continued to decline in absolute numbers as well as in a percentage of revenue. Consolidated cost (pro forma excluding France) for the full year 2003 was 8,0% of revenue as compared to 9,1% for the full year 2002. Both Norway and International show positive trends.

The reduction is driven by new supplier contracts as well as reduced number of books and pages printed, reflecting more cost-effective directory layouts and more selective distribution of directories in certain areas. Furthermore, the relative higher share of internet revenues positively impacted the ratio.

Operating Expenses

Full year consolidated operating expenses (pro forma excluding France) is at NOK 1.025,8m or 9,1% below prior year. For the fourth quarter, spending was at NOK 302,6m or 1,8% below the same quarter in 2002.

Norway

Norway shows a decrease in full year spending of NOK 93,8m or 11,5%.

Salaries and personnel costs are down with 3,4%. The company announced a restructuring process in 2002, including a headcount reduction of 30, which was implemented in the first quarter of 2003. The cost impact of this restructuring was in place in the second quarter. Partly offsetting the impact is the acquisition of 1880 in September 2003.

Other operating expenses are down with 20,7% or NOK 84,7m. Included is reduction of cost of premises and other infrastructure related costs with NOK 33,9m. Bad debt is for the full year at 1,6% of net operating revenue as compared to prior year 1,9%.

The 2003 spending level have been impacted by a reduced provision for bad debt, which was driven by current trends on credit risks, as well as reversal of other provisions. In total these elements amounts to NOK 34m.

International (excluding France)

International operations (pro forma excluding France) had a full year spending decrease of NOK 9,2m or 3,0% as compared to prior year.

EBITDA

Consolidated EBITDA (pro forma excluding France) was at NOK 100,9m for the quarter, which is NOK 65,3m above same quarter prior year. Full year EBITDA (pro forma excluding France) was at NOK 795,4m, which is NOK 184,5m or 30,2% above prior year.

Norway had an increase in EBITDA of NOK 145,7m, or 23,1%, for the year. Fourth quarter increase in EBITDA was impacted by adjustments related to bad debt and provisions. EBITDA margin is 48,2% for the year, as compared to total year 2002 40,2%.

International operations (pro forma excluding France) had a positive EBITDA for the quarter of NOK 42,4m. For the full year EBITDA was NOK 19,7m, which is an improvement over prior year of NOK 38,7m.

Financial Items

Net financial items for the year were a cost of NOK 744,5m, compared to prior year cost of NOK 454,9m. Included in this cost are non-cash based interest expenses of NOK 265,7m (2002: NOK 227,9m) and unrealized foreign currency loss on senior loans of NOK 201,5m (2002: net gain NOK 119,5m).

Cash Flow

Quarter consolidated cash flow from operating activities, before interest payments of NOK 91,4m, was NOK 98,2m, compared to NOK 84,2m in the prior year. Full year consolidated cash flow from operating activities, before interest payments of NOK 340,0m, was NOK 734,3m, up 28,0% from prior year NOK 573,6m. The improvement is driven by EBITDA.

Net cash paid on acquisitions was NOK 51,7m. Scheduled and surplus cash repayments in relation to the senior credit agreement were NOK 252,2m. International received a loan from Findexa III AS in the quarter of NOK 32,6m.

Cash transferred from Norway (Restricted Group) to International was NOK 80,0m for the year and NOK 40,0m for the quarter.

Full year net change in cash and cash equivalents was NOK 111,1m (Norway NOK 42,6m).

Cash position at the end of the year was NOK 560,0m (Norway: NOK 409,4m). In addition, the company has an unused revolving credit facility of NOK 400m.

Note to pro forma adjustments, 2002 accounts

2002 accounts are unaudited pro forma accounts adjusted for purchase accounting adjustments as follows:

In connection with the purchase price allocation for the acquisition of Findexa AS by TPG, printed directories in progress were increased to fair value as of the purchase date to include profit for the completed portion of each directory. As a result, gross profit during the successor periods was less than during the predecessor periods until those directories had been distributed. Deferred revenue at the time of acquisition was reduced to reflect the present value of the costs to provide the related services plus a profit margin. As a result, profit during the successor period was less than the predecessor period. For the full year 2002, these adjustments resulted in a decrease in revenue of NOK 36,1m and an increase in

operating expenses of NOK 171,2m. The pro forma income statement reflects adjustments for the year 2002 to remove the one-time effects of these purchase accounting adjustments.

Further information

This release as well as further financial information, may be accessed at:

www.huginonline.no/FIND.

Oslo, February 13, 2004

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This report has not been reviewed by the company's auditors.

CONSOLIDATED INCOME STATEMENT - PRO FORMA

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Operating revenue	449,6	423,1	2 068,5	2 058,9
Gain on disposal of fixed assets and operations	0,0	0,1	0,1	0,4
Total revenue	449,6	423,2	2 068,6	2 059,3
Cost of materials and printing	45,2	45,7	180,4	215,3
Contribution margin	404,4	377,5	1 888,2	1 844,0
Salaries and personnel costs	202,9	198,0	652,3	659,6
Other operating expenses	100,1	157,8	501,4	609,3
Loss on disposal of fixed assets	5,4	0,9	5,4	4,1
Total expenses	308,4	356,7	1 159,1	1 273,0
EBITDA	96,0	20,8	729,0	571,0
NORWAY				
Operating revenue	230,1	199,6	1 608,5	1 567,7
Gain on disposal of fixed assets and operations	0,0	0,0	0,0	0,0
Total revenue	230,1	199,6	1 608,5	1 567,7
Cost of materials and printing	14,0	9,1	109,3	120,4
Contribution margin	216,1	190,5	1 499,2	1 447,3
Salaries and personnel costs	111,8	94,9	394,0	407,8
Other operating expenses	40,4	86,7	324,2	408,9
Loss on disposal of fixed assets	5,4	0,7	5,4	0,7
Total expenses	157,6	182,2	723,6	817,4
EBITDA	58,5	8,3	775,6	629,9
INTERNATIONAL				
<u>Operating revenue:</u>				
Western Europe	80,5	109,0	221,3	250,8
Central Europe	51,1	58,7	91,1	109,3
Eastern Europe	88,0	55,1	147,6	131,0
Eliminations & Other	(0,0)	0,7	0,0	0,1
Operating revenue	219,5	223,5	460,0	491,2
Gain on disposal of fixed assets and operations	0,0	0,1	0,1	0,4
Total revenue	219,5	223,6	460,1	491,6
Cost of materials and printing	31,2	36,6	71,2	94,9
Contribution margin	188,3	187,0	388,9	396,7
Salaries and personnel costs	91,1	103,1	258,3	251,8
Other operating expenses	59,7	71,2	177,2	200,4
Loss on disposal of fixed assets	0,0	0,2	0,0	3,4
Total expenses	150,8	174,5	435,5	455,6
EBITDA	37,5	12,5	(46,6)	(58,9)

CONSOLIDATED INCOME STATEMENT - PRO FORMA

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Pro Forma EBITDA	96,0	20,8	729,0	571,0
Purchase Accounting Adjustments:				
Total revenue	0,0	(0,1)	0,0	(36,1)
Total expenses	0,0	0,0	0,0	(171,2)
Adjusted EBITDA	96,0	20,7	729,0	363,7
Depreciation and amortization	142,5	445,0	747,5	922,2
EBIT / Operating profit (loss)	(46,5)	(424,3)	(18,5)	(558,6)
Income / (loss) from associated companies	(1,0)	1,8	3,9	5,2
Net financial items	(202,6)	(136,4)	(744,5)	(454,9)
Income before taxes	(250,2)	(558,9)	(759,1)	(1 008,3)
Taxes	44,4	56,3	150,3	158,6
Gain/loss from liquidation of operations	6,9	0,0	69,1	0,0
Minority interest	(0,1)	0,5	0,0	0,7
Net profit / (loss)	(199,0)	(502,0)	(539,7)	(849,0)

CONSOLIDATED BALANCE SHEET - PRO FORMA

Unaudited - Norwegian GAAP (NOK million)	December 31, 2003		December 31, 2002	
	Consolidated	Norway	Consolidated	Norway
ASSETS				
Intangible assets	4 502,2	4 304,9	5 157,5	4 728,1
Tangible assets	51,0	40,5	51,1	38,1
Financial assets	33,6	531,2	44,4	666,7
Total fixed assets	4 586,7	4 876,5	5 253,0	5 432,9
Inventories and work in progress	35,1	30,5	35,3	29,6
Current receivables	378,0	298,0	437,5	259,8
Cash and cash equivalents	560,0	409,4	448,9	371,3
Total current assets	973,1	737,9	921,6	660,8
Total assets	5 559,8	5 614,4	6 174,7	6 093,6
EQUITY AND LIABILITIES				
Equity				
Shareholder's equity	(490,1)	(381,8)	31,6	285,1
Minority Interest	0,3	0,3	0,0	0,0
Total equity	(489,8)	(381,6)	31,6	285,1
Liabilities				
Provisions	356,9	342,2	522,1	478,2
Long-term interest-bearing liabilities	4 917,8	4 917,8	4 778,1	4 772,8
Total long-term liabilities	5 274,8	5 260,0	5 300,2	5 251,0
Short-term interest-bearing liabilities	251,9	219,0	168,3	150,0
Short-term non-interest-bearing liabilities	523,0	517,0	674,5	407,6
Total short-term liabilities	774,9	736,0	842,8	557,6
Total equity and liabilities	5 559,8	5 614,4	6 174,7	6 093,6
CAPEX	33,2	19,2	26,5	16,4

CONSOLIDATED CASH FLOW

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Cash flow from operating activities				
Income (loss) before taxes	(250,2)	(558,9)	(759,1)	(1 008,3)
Taxes paid	(0,7)	(72,9)	(8,5)	(97,8)
Depreciations, amortizations and impairments	151,4	448,6	767,2	938,2
Other Items	36,9	12,2	43,3	54,7
Cash flow from operating activities before working capital changes	(62,6)	(171,1)	42,9	(113,1)
Working Capital Changes	69,4	197,6	351,4	399,0
Net cash flow from (used in) operating activities	6,8	26,5	394,3	285,9
Cash flow from investment activities				
Net cash paid on acquisitions	(4,3)	(11,1)	(51,7)	(99,1)
Net purchase and proceeds from other investments	7,3	(6,9)	(16,6)	(15,8)
Net cash flow from investment activities	3,1	(17,9)	(68,4)	(114,9)
Cash flow from financing activities				
Net change in loans	32,6	(2,5)	(219,6)	(55,7)
Net cash flow from (used in) financing activities	32,6	(2,5)	(219,6)	(55,7)
Effect on cash and cash equivalents of changes in foreign exchange rates	1,0	(0,4)	4,8	(2,9)
Net change in cash and cash equivalents	43,4	5,7	111,1	112,4
Cash and cash equivalents at beginning of period	516,6	443,2	448,9	336,5
Cash and cash equivalents at period end	560,0	448,9	560,0	448,9

CASH FLOW BY SEGMENT

Unaudited - Norwegian GAAP (NOK million)	Oct - Dec 2003		Jan - Dec 2003	
	Norway	Int'l	Norway	Int'l
Cash flow from operating activities				
Income (loss) before taxes	(249,8)	(0,4)	(406,8)	(352,3)
Taxes paid	(0,7)	0,0	(1,5)	(7,0)
Depreciations, amortizations and impairments	130,8	20,6	502,1	265,1
Other Items	23,0	13,9	22,5	20,7
Cash flow from operating activities before working capital changes	(96,6)	34,0	116,3	(73,4)
Working Capital Changes	99,3	(29,9)	292,6	58,8
Net cash flow from (used in) operating activities	2,6	4,1	408,9	(14,7)
Cash flow from investment activities				
Net cash paid on acquisitions	16,1	(20,4)	(31,4)	(20,4)
Net purchase and proceeds from other investments	13,5	(6,1)	(2,8)	(13,9)
Net cash flow from investment activities	29,5	(26,5)	(34,1)	(34,2)
Cash flow from financing activities				
Net change in loans	(40,0)	72,6	(332,2)	112,6
Net cash flow from (used in) financing activities	(40,0)	72,6	(332,2)	112,6
Effect on cash and cash equivalents of changes in foreign exchange rates	0,0	1,0	0,0	4,8
Net change in cash and cash equivalents	(7,8)	51,2	42,6	68,5
Cash and cash equivalents at beginning of period	417,2	99,4	366,7	82,2
Cash and cash equivalents at period end	409,4	150,6	409,4	150,6

FINANCING - CONSOLIDATED

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Financial Items				
Non-Cash based interest expenses	(70,8)	(60,5)	(265,7)	(227,9)
Cash based interest expenses senior loans	(59,2)	(85,8)	(298,3)	(329,1)
Foreign currency income / (loss) on long term loans	(46,5)	10,5	(201,5)	119,5
Other financial items	(26,1)	(0,6)	21,1	(17,4)
Net financial items	(202,6)	(136,4)	(744,5)	(454,9)
Long Term Loans (incl repayments next 12 months)				
Senior Credit Agreement			1 972,8	2 225,0
High Yield Bond			1 221,2	1 056,0
Deferred Coupon Notes			307,9	230,4
Shareholder Loan			1 634,3	1 411,5
Other Loans			33,5	23,6
Total long term loans			5 169,7	4 946,4

OPERATIONAL DATA - NORWAY

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Gross operating revenue				
Brands	177,7	177,5	1 493,4	1 493,2
Other Revenues	56,3	29,1	174,0	135,9
Gross operating revenue	234,0	206,6	1 667,4	1 629,1
Customer credits				
Customer credits	(3,8)	(7,1)	(58,9)	(61,4)
Net operating revenue	230,1	199,6	1 608,5	1 567,7
Customer credits (% of gross operating revenue)	1,6 %	3,4 %	3,5 %	3,8 %
Bad debt expense				
Bad debt expense	(5,5)	(2,8)	26,4	29,7
Bad debt (% of net operating revenue)	-2,4 %	-1,4 %	1,6 %	1,9 %

Memo

**Consolidated Income Statement
Pro Forma - excluding France**

CONSOLIDATED INCOME STATEMENT - PRO FORMA

Unaudited - Norwegian GAAP (NOK million)	October - December		January - December	
	2003	2002	2003	2002
Operating revenue	448,6	378,3	1 979,5	1 913,8
Gain on disposal of fixed assets and operations	0,0	0,1	0,1	0,4
Total revenue	448,6	378,4	1 979,5	1 914,2
Cost of materials and printing	45,0	34,9	158,3	174,5
Contribution margin	403,6	343,6	1 821,2	1 739,7
Salaries and personnel costs	200,8	168,3	551,1	562,5
Other operating expenses	96,5	138,7	469,4	562,2
Loss on disposal of fixed assets	5,4	0,9	5,4	4,1
Total expenses	302,6	308,0	1 025,8	1 128,8
EBITDA	100,9	35,6	795,4	610,9
NORWAY				
Operating revenue	230,1	199,6	1 608,5	1 567,7
Gain on disposal of fixed assets and operations	0,0	0,0	0,0	0,0
Total revenue	230,1	199,6	1 608,5	1 567,7
Cost of materials and printing	14,0	9,1	109,3	120,4
Contribution margin	216,1	190,5	1 499,2	1 447,3
Salaries and personnel costs	111,8	94,9	394,0	407,8
Other operating expenses	40,4	86,7	324,2	408,9
Loss on disposal of fixed assets	5,4	0,7	5,4	0,7
Total expenses	157,6	182,2	723,6	817,4
EBITDA	58,5	8,3	775,6	629,9
INTERNATIONAL				
<u>Operating revenue:</u>				
Western Europe	79,4	64,2	132,2	105,7
Central Europe	51,1	58,7	91,1	109,3
Eastern Europe	88,0	55,1	147,6	131,0
Eliminations & Other	(0,0)	0,7	0,0	0,1
Operating revenue	218,4	178,7	371,0	346,1
Gain on disposal of fixed assets and operations	0,0	0,1	0,1	0,4
Total revenue	218,4	178,8	371,0	346,5
Cost of materials and printing	31,0	25,7	49,1	54,1
Contribution margin	187,4	153,1	321,9	292,4
Salaries and personnel costs	89,0	73,5	157,0	154,7
Other operating expenses	56,1	52,1	145,2	153,3
Loss on disposal of fixed assets	0,0	0,2	0,0	3,4
Total expenses	145,1	125,8	302,2	311,4
EBITDA	42,4	27,3	19,7	(19,0)