INDEX TO FINANCIAL STATEMENTS

INTRODUCTION TO FINANCIAL STATEMENTS

This introduction should be read in conjunction with the corporate structure chart included on Page 33 of this prospectus.

As described on page 108 of this prospectus, Findexa I AS has provided a senior subordinated guarantee of the notes. The guarantee is subject to a 150-day waiting period before any obligations become due.

This prospectus includes the consolidated financial statements of Findexa II AS, the issuer of the notes and its consolidated subsidiaries, and Findexa I AS, the guarantor of the notes, and its consolidated subsidiaries.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Shareholder of Findexa II AS:

We have audited the accompanying consolidated balance sheets of Findexa II AS and its subsidiaries (the "Company") and its predecessor, Findexa AS (formerly known as Telenor Media AS) and its subsidiaries, as of December 31, 1999, 2000 and 2001, and the related consolidated statements of profit and loss, shareholder's equity and cash flows for each of the two years in the period ended December 31, 2000 and for the period from January 1, 2001 to November 15, 2001 (the predecessor periods) and for the period from November 16, 2001 to December 31, 2001 (the successor period), together the "financial statements". These financial statements are the responsibility of the Company's management and have been prepared on the basis set out in Note 1. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company and its predecessor, Findexa AS (formerly known as Telenor Media AS), as of December 31, 1999, 2000 and 2001, and the related consolidated statements of profit and loss, shareholder's equity and cash flow for each of the two years in the period ended December 31, 2000 and for the period from January 1, 2001 to November 15, 2001 (the predecessor periods) and for the period from November 16, 2001 to December 31, 2001 (the successor period) then ended in conformity with generally accepted accounting principles in Norway.

Accounting practices used by the Company in preparing the accompanying financial statements conform with generally accepted accounting principles in Norway, but do not conform with accounting principles generally accepted in the United States. A description of these differences and a complete reconciliation of consolidated net income and shareholder's equity to US generally accepted accounting principles is set forth in Note 28.

Our audit was made for the purposes of forming an opinion on the basic financial statements taken as a whole. The Schedule 1 included in the financial statements is presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen & Co.
Oslo, Norway, March 27, 2002

FINDEXA II AS
CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

		Predecessor			Successor
		Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	Note	1999	2000	2001	2001
		(in NOK thousands)			
Operating revenue	2	1,573,644	1,801,342	1,730,527	269,528
Gain on disposal of fixed assets and operations	1	179	—	10,371	431
Total revenue		1,573,823	1,801,342	1,740,898	269,959
Cost of materials and printing	4	248,083	261,249	216,557	40,579
Salaries and personnel costs	5,6	444,384	556,418	545,989	130,848
Other operating expenses	7	535,243	617,125	580,724	158,677
Depreciation and amortization	12,13	68,382	62,663	69,578	84,447
Impairment of fixed assets	8	48	1,951	15,572	797
Total operating expenses		1,296,140	1,499,406	1,428,420	415,348
Operating profit (loss)		277,683	301,936	312,478	(145,389)
Income (loss) from associated companies		3,793	3,615	(4,559)	(5,917)
Financial income	10	44,079	43,280	27,990	3,607
Financial expenses	10	(6,420)	(10,240)	(2,904)	(115,839)
Net financial items		37,659	33,040	25,086	(112,232)
Income (loss) from continuing operations, before taxes		319,135	338,591	333,005	(263,538)
Taxes	11	(67,651)	(118,699)	(129,823)	61,768
Income (loss) from continuing operations, after taxes		251,484	219,892	203,182	(201,770)
Income from discontinued operations (net of income tax of NOK 35,247 for 1999)		90,636	—	—	—
Net income (loss) before minority interest		342,120	219,892	203,182	(201,770)
Minority interest	26	—	—	(994)	304
Net income (loss)		342,120	219,892	202,188	(201,466)

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
CONSOLIDATED BALANCE SHEETS

	Note	Predecessor		Successor
		At December 31,		
		1999	2000	2001
		(in NOK thousands)		
ASSETS				
Intangible assets	12	184,173	236,216	5,986,136
Tangible assets	13	104,426	45,229	53,208
Financial assets	14	44,864	43,271	44,562
Total fixed assets	2	333,463	324,716	6,083,906
Inventories and work in progress		70,226	78,446	74,348
Current receivables	16	393,363	495,228	663,624
Cash and cash equivalents	24	705,021	653,886	336,492
Total current assets		1,168,610	1,227,560	1,074,464
Total assets	2	1,502,073	1,552,276	7,158,370
EQUITY AND LIABILITIES				
Equity				
Shareholder's equity		687,430	39,251	850,664
Total equity		687,430	39,251	850,664
Liabilities				
Provisions	17	17,160	13,219	685,500
Long-term interest-bearing liabilities	18	7,313	6,797	4,828,348
Total long-term liabilities		24,473	20,016	5,513,848
Short-term interest-bearing liabilities	18	545	265	75,076
Short-term non-interest-bearing liabilities	19	789,625	1,492,744	718,782
Total short-term liabilities		790,170	1,493,009	793,858
Total equity and liabilities		1,502,073	1,552,276	7,158,370

Guarantees, commitments and contractual obligations.......... 20,21

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
CONSOLIDATED STATEMENTS OF CASH FLOW

		Predecessor			Successor
		Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	Note	1999	2000	2001	2001
		(in NOK thousands)			
Cash flow from operating activities					
Income (loss) from continuing operations		319,135	338,591	333,005	(263,538)
Income before taxes paid from discontinued operations		125,883	—	—	—
Taxes paid		(70,739)	(5,488)	(9,439)	—
Net gain from sale of fixed assets and operations		(179)	—	(10,371)	(431)
Income from associated companies		(3,793)	(3,615)	4,559	5,917
Depreciation, amortization and impairments of fixed assets		93,919	65,590	85,150	85,244
Bad debt expense		44,043	57,009	56,349	4,700
Amortization of debt issuance costs		—	—	—	2,067
Changes in accounts receivables and prepayments from customers		(10,971)	(86,293)	(45,644)	20,143
Changes in accounts payable, prepaid expenses and inventory		32,709	(17,677)	(146,984)	140,317
Changes in other accruals		(57,239)	28,283	62,855	(9,744)
Net cash flow from (used in) operating activities		472,768	376,400	329,480	(15,325)
Cash flow from investment activities					
Proceeds from sale of tangible and intangible assets		2,640	7,835	6,000	—
Purchase of tangible and intangible assets		(72,565)	(40,451)	(76,115)	(9,446)
Proceeds from other investments		12,121	—	—	—
Purchase of other investments		—	—	(10,520)	—
Cash paid on acquisitions of subsidiaries and joint ventures, net of cash received	24	(30,507)	(56,804)	(119,411)	(5,026,386)
Net cash flow from investment activities		(88,311)	(89,420)	(200,046)	(5,035,832)
Cash flow from financing activities					
Proceeds from interest-bearing liabilities		—	—	—	6,004,025
Payment of debt issuance costs		—	—	—	(94,054)
Payment of interest bearing liabilities		—	—	—	(1,110,000)
Proceeds from new equity from shareholder		—	—	—	1,048,357
Payment on long-term liabilities		(14,471)	(798)	(14,783)	(664)
Payment of group contribution (dividend to shareholder)		(141,580)	(246,653)	(481,044)	(460,000)
Net cash flow from (used in) financing activities		(156,051)	(247,451)	(495,827)	5,387,664
Effect on cash and cash equivalents of changes in foreign exchange rates		(793)	1,476	(851)	(15)
Net change in cash and cash equivalents		227,613	41,005	(367,244)	336,492
Cash and cash equivalents at beginning of period		477,408	705,021	653,886	—
Disposal of Teleservice operations at January 1, 2000	25	—	(92,140)	—	—
Cash and cash equivalents at period end		705,021	653,886	286,642	336,492

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY

	Note	Number of Shares (1)	Nominal Amount Per Share	Share Capital	Additional Paid – In Capital	Retained Earnings/ Losses	Minority Interest	Cumulative Translation Adjustment	Total
				(in NOK thousands, except per share amounts)					
Predecessor									
Balance as of December 31, 1998		50,000	1,000	50,000	—	551,165	—	3,268	604,433
Net income		—	—	—	—	342,120	—	—	342,120
Group contribution (2), net of taxes		—	—	—	—	(248,400)	—	—	(248,400
Translation adjustments for the year		—	—	—	—	—	—	(10,723)	(10,723
Balance as of December 31, 1999		50,000	1,000	50,000	—	644,885	—	(7,455)	687,430
Demerger of Teleservice operations	25	(3,359)	—	(3,359)	—	(44,125)	—	—	(47,484
Net income		—	—	—	—	219,892	—	—	219,892
Group contribution (2), net of taxes		—	—	—	—	(295,953)	—	—	(295,953
Additional group contribution (2)		—	—	—	—	(530,000)	—	—	(530,000
Translation adjustments for the year		—	—	—	—	—	—	5,366	5,366
Balance as of December 31, 2000		46,641	1,000	46,641		(5,301)	—	(2,089)	39,251
Net income		—	—	—	—	202,188	—	—	202,188
Sale of minority interest		—	—	—	—	—	1,821	—	1,821
Minority interest income		—	—	—	—		994	—	994
Translation adjustments for the year		—	—	—	—	—	(182)	(5,594)	(5,776
Balance as of November 15, 2001		46,641	1,000	46,641	—	196,887	2,633	(7,683)	238,478
Successor									
Issue of Share Capital	1	10,582,000	1	10,582	1,037,775	—	—	—	1,048,357
Minority interest as of November 16, 2001		—	—	—	—	—	2,583	—	2,583
Net loss		—	—	—	—	(201,466)	—	—	(201,466
Minority interest loss		—	—	—	—	—	(304)	—	(304
Translation adjustments for the year		—	—	—	—	—	1	1,493	1,494
Balance as of December 31, 2001		10,582,000	1	10,582	1,037,775	(201,466)	2,280	1,493	850,664

(1) Only one class of shares. All shares have equal voting and dividend rights. There are no shares outstanding during the period presented.

(2) Dividend to shareholder.

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General

The consolidated financial statements for Findexa II AS and its subsidiaries (Findexa or the Group) are prepared in accordance with generally accepted accounting principles in Norway (Norwegian GAAP). Through November 15, 2001, Findexa was wholly owned by Telenor ASA (Telenor) through an intermediate company.

On November 16, 2001, an investment fund managed by Texas Pacific Group acquired 100% of the voting equity interests of Findexa AS (formerly known as Telenor Media AS) and its subsidiaries from Telenor through a newly formed holding company, Findexa I AS, an indirect, wholly-owned subsidiary of Findexa II AS (the "Acquisition"). On December 6, 2001 Findexa transferred its international operations from Findexa AS, an indirect, wholly-owned subsidiary of Findexa II AS, to Findexa Holding AS, an indirect, wholly-owned subsidiary of Findexa II AS. In this context, Findexa II AS, which includes the Group's international operations as of and for all periods presented, represents the accounting "successor" to Findexa AS.

For financial reporting purposes the Acquisition described in note 1 is deemed to have occurred on November 16, 2001. The consolidated financial statements for periods prior to November 16, 2001 are referred to herein as the financial statements of the "Predecessor", and the consolidated financial statements for periods subsequent to November 16, 2001 are referred to herein as the financial statements of the "Successor". Due to the application of purchase accounting in connection with the Acquisition resulting in incremental amortization expense, incremental interest expense and other adjustments to successor period income statement items, the consolidated financial statements of Predecessor are not comparable to the consolidated financial statement of Successor. In the following text, "Findexa" and "the Group" refer to both Predecessor and Successor.

The Group's accounting principles under Norwegian GAAP differ, in certain material respects, from United States generally accepted accounting principles (U.S. GAAP). The differences and the related effects on the Group's revenue, operating profit, net income, shareholder's equity, total assets and total liabilities are set forth in note 28.

Prior to the Acquisition, the Group operated as a subsidiary of Telenor and, as a result, the predecessor period results may have been different than had the Group operated as an independent entity.

For information about acquisitions, sales and disposal of business for 1999 through 2001 see notes 1 and 25.

Consolidation principles

These consolidated financial statements include Findexa II AS and subsidiaries in which Findexa has effective control, generally more than 50% ownership.

All significant intercompany transactions and balances have been eliminated.

Investment in joint ventures are consolidated on a pro-rata basis in proportion to the Group's equity ownership interest. Findexa's share of each line item is included in the consolidated financial statements. See note 15 for a summary of amounts that have been consolidated on this basis.

Investments in other than joint venture entities in which Findexa has an equity ownership interest of 20 to 50% and exercises significant influence are accounted for according to the equity method.

Any loss attributable to the minority interests over their interests in the equity of a subsidiary has not been recognized unless the minority shareholders have an obligation to, and are able to cover these losses. The minority share of any net liabilities at the time of acquisition has been accounted for according to the same principle.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of net assets acquired in business combinations accounted for under the purchase method. Goodwill is amortized on a straight-line basis over its estimated economic life, based on an individual assessment. Goodwill is carried at cost less accumulated amortization and any accumulated impairment losses recorded. For goodwill amortization periods, see note 12.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from directory operations is recognized at the time of publication. Advertisements and listings in printed directories are recognized at the commencement of distribution of the individual directories. Revenue from separate sale of advertisements and listings published over the internet is deferred over the term of the contract. Revenue from combined offerings of printed and internet published advertisements and listings are allocated to each individual component and recognized accordingly. The allocation is based on the management's best estimate of the fair value to the customer.

Deferred revenue is presented within short-term non-interest bearing liabilities.

Operating expenses

Direct sales and distribution expenses including personnel expenses related to these activities are deferred until the related directory revenue is recognized. Deferred sales and distribution expenses are classified as prepaid assets within current receivables.

Costs related to the production of directories, including paper and printing expenses, are deferred as work in progress and expensed when the related directory revenue is recognized.

Advertising and marketing costs directly related to sale of directory advertisements and listings are deferred as prepaid expenses and expensed at the time of publication. Other advertising and marketing costs are expensed as incurred.

Pensions

Defined benefit plans are valued at the present value of accrued future pension benefits at the balance sheet date. Pension plan assets are valued at their fair value. Changes in the pension obligations due to changes in pension plans are recognized over the estimated average remaining service period. When the accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions exceed 10% of the higher of pension benefit obligations and pension plan assets, the excess amount is recognized over the estimated average remaining service period. The net pension cost for the period is classified as salaries and personnel costs.

Research and development costs

Research and development costs are expensed as incurred.

Software costs

Direct development costs associated with internal-use software are capitalized, including external direct costs of material and services and salary costs of employees devoting time to the software development.

Costs incurred during the preliminary project stage, as well as maintenance and training costs, are expensed as incurred.

Taxes

Deferred tax assets and liabilities are calculated with full allocation for all temporary differences between the carrying amount of assets and liabilities in the financial statements and their basis for tax purposes, including tax losses carried forward. The enacted tax rates at the balance sheet date and nominal amounts are used. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

Foreign currency transactions and balances

Transactions involving foreign currencies are translated into Norwegian Kroner using exchange rates in effect at the time of the transactions. Resulting gains or losses are charged to financial items for the respective period. Foreign currency assets or liabilities are translated using exchange rates prevailing at the balance sheet date.

Foreign currency translation

The financial statements of the Group's foreign operations are maintained in the currency in which the entity primarily conducts business. When translating financial statements for foreign entities (subsidiaries and joint ventures) from local currencies to Norwegian Kroner, assets and liabilities are translated using year-end exchange rates and results are translated using the average exchange rates for the reporting period. The resulting translation adjustments are reported as a component of shareholder's equity.

Tangible assets, intangible assets and depreciation

Tangible and intangible assets are carried at historical cost less accumulated depreciation and amortization. Repairs and maintenance costs are expensed as incurred.

Tangible and intangible assets are depreciated on a straight-line basis over their expected economic useful lives, except for advertising relationships which is amortized according to the declining balance method, using the following annual rates:

Office equipment and furniture	20-33%
Computer equipment and vehicles	10-20%
Buildings	3-4%
Software	5-20%
Advertiser relationships	24%
Brand names	5-10%
Other intangible assets	33%
Goodwill	5-10%

Impairment of tangible and intangible assets is assessed when changes in circumstances indicate that their carrying amount may not be recoverable. The assessment is made based on estimated undiscounted future cash flows for those assets to be held and used and sales price less cost to sell for assets to be disposed of. When such amounts are less than the carrying amount of the asset, a write down to fair value or sales price less cost to sell is recorded using discounting cash flows to arrive at fair value. Interest has been capitalized on assets under construction.

Investments

Long-term shares and other investments, excluding shares in associated companies and joint venture activities, are valued at the lower of historical cost and the estimated fair value unless the decline in value is temporary.

Debt issuance costs

Debt issuance costs are deferred and amortized as a component of interest expense over the term of the related note.

Inventories

Inventories are valued at the lower of cost or market value. Cost of inventory is determined using the FIFO method.

Current receivables and short-term liabilities

Accounts receivable and other receivables are recorded at nominal value net of provision for bad debt and customer complaints. Due to the large volume and diversity of the Group’s customer base, concentrations of credit risk with respect to trade accounts receivable are limited, except for Telenor through which we invoice a significant portion of our revenues.

Other short-term liabilities include accruals for operating expenses.

Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and other deposits with original maturity of three months or less.

Cash flow statement

The cash flow statement is presented according to the indirect method.

Group contribution

Group contributions (dividend to shareholder) are accrued as a charge against equity in the year to which they relate based on approval subsequent to period end.

Sales of group companies to Telenor, our previous parent

Gains or losses resulting from the sale of subsidiary operations to our parent or to other companies controlled by our parent are recorded in the profit and loss statement in the period in which the sale occurred.

Use of estimates

The preparation of financial statements in accordance with Norwegian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates are used for, but not limited to, the accounting for revenue recognition, useful economic lives of tangible and intangible assets, bad debt provision, accrual for customer complaints, obligations under employee benefit plans, taxes and contingencies. Actual results could differ from those estimates.

Changes in accounting policies

The company has changed certain accounting policies during the periods presented. However, these changes have been restated in the financial statements retroactively giving effect on all the financial periods presented.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation.

1. ACQUISITIONS AND DISPOSALS

Acquisition of Findexa AS

On November 16, 2001, an investment fund managed by Texas Pacific Group ("TPG") acquired 100% of the voting equity interests of Findexa AS from Telenor through a newly formed holding company, Findexa II AS. The results of the Successor's operations have been included in the consolidated financial statements since that date. The acquisition of Findexa by TPG reflects TPG's strategic thrust of making investments in branded products. In the case of Findexa, TPG expects to enhance value from completing the migration from a focus on revenue to a focus on net income, thus improving margins. The business also offers the potential for revenue growth from improved customer service incentives, price increases and increased up-selling.

The aggregate purchase price was NOK 5,800 million of cash, which includes repayment of NOK 460 million owed to Telenor. Findexa II AS issued new shares to TPG in connection with the Acquisition raising new equity of NOK 1,048 thousand. The acquisition is being accounted for as a purchase. The purchase price is subject to adjustment based on cash balances, debt balances and working capital as at September 30, 2001. These balances are currently under negotiation between the buyer and seller and any resulting payments will be recorded as an adjustment to purchase price at the time they are made.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. Findexa is in the process of obtaining third-party valuations of certain intangible assets; thus, the allocation of the purchase price is subject to refinement.

	At November 16, 2001 (in NOK thousand)
Goodwill	3,530,757
Intangible assets	2,430,391
Financial assets	54,671
Tangible assets	49,886
Current assets	1,228,857
Total assets acquired	7,294,562
Long-term liabilities	722,041
Current liabilities	1,229,938
Total liabilities assumed	1,951,979
Minority interests	2,583
Net assets acquired	5,340,000

Liabilities assumed includes accruals of NOK 14.2 million and NOK 44.9 million related to the discontinuation of New Media and the Spanish operations, respectively, which represent employee termination costs of NOK 22.4 million and other costs such as lease and other cancellation costs. At December 31, 2001, Findexa has not made any payments against the liability for severance payments. The remaining payments for severance and office leases are expected to be paid out in the first quarter of 2002.

The acquired intangible assets of NOK 2,365 million have a weighted-average useful life of 15 years. Of this amount, NOK 1,105 million was assigned to advertising relationships (12-year weighted-average useful life), NOK 1,100 million to brand names (19-year weighted-average useful life) and NOK 160 million to other intangibles (3-year weighted-average useful life).

The NOK 3,531 million of goodwill was assigned to Directories—Norway and International Operations segments in the amounts of NOK 2,854 million and NOK 676 million, respectively. The goodwill has a weighted average useful life of 18 years. Of the total amount, none is expected to be deductible for tax purposes.

1. ACQUISITIONS AND DISPOSALS (Continued)

In connection with the purchase price allocation, printed directories in progress have been increased to fair value as of the purchase date and includes profit for the completed portion of each directory, as a result, gross profit during the successor period will be less than during the predecessor periods until those directories have been distributed. Deferred revenue at the time of acquisition has been 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 will be less than the predecessor periods.

The table below reflects unaudited pro forma results of the Group as if the Acquisition had taken place at the beginning of fiscal 2001 and 2000:

	2001	2000
	(in NOK thousands)	
Operating Revenue	2,013,925	1,801,342
Net loss	(674,727)	(653,948)

Pro forma adjustments have been made to reflect the purchase price allocation and impact of the acquisition related financings as well as to eliminate non-recurring charges associated with the purchase and related financings.

In management's opinion, these unaudited pro forma amounts are not necessarily indicative of what the actual results of operations would actually have been had the Acquisition and the related financings been effective as of January 1, 2001 and 2000.

During the three years ended December 31, 2001, Findexa entered into the acquisitions listed below. Each acquisition was recorded using the purchase method of accounting.

Acquisitions in 2001

Findexa acquired the following significant subsidiaries:

Company	Country	Change in Interest	Ownership Interest In %	Business	Purchase month	Purchase Price (1)	Goodwill	Amortization period
						(in NOK thousands)		
Yellow Pages Ukraine Ltd.	Ukraine	100%	100	Print directories	February	5,246	2,865	5
Annuaire Phone Edition Holding SA	France	100%	100	Print directories	May	102,857	135,150	10
Annuaires Du Langeudoc S.A.	France	45%	100	Print directories	August	2,302	2,302	10
Annuaires Telephoniques De Bretagne S.A.	France	25%	100	Print directories	May	8,634	8,634	10
Other						1,100	3,304	
Total						120,139	152,255	

(1) Purchase price is payment for the shares and excludes any liabilities assumed.

Disposals in 2001

Findexa sold the Audiotex operations for NOK 6.0 million to a subsidiary of Telenor resulting in a gain of NOK 5.4 million. Golfguiden AS was sold for NOK 5.1 million resulting in a gain of NOK 4.9 million.

1. ACQUISITIONS AND DISPOSALS (Continued)

In December 2000 Findexa established a joint venture, E-fair AS, together with Nextra AS, a Telenor company. Findexa and Nextra AS each owned 51% and 49%, respectively, of the business. The business mission of E-fair was to develop electronic trading solutions for the Internet until September 15, 2001 when the business was terminated.

Acquisitions in 2000

Findexa acquired the following significant subsidiaries:

Company	Country	Change in interest	Ownership interest in %	Business	Purchase month	Purchase Price [(1)]	Goodwill	Amortization period
						(in NOK thousands)		
OY Findexa AB........................	Finland	60%	60	On-line directories	August	19,064	19,043	10
Annuaires Telephoniniques De Bretagne S.A........................	France	75%	75	Print directories	June	28,031	27,430	10
ZAO Euro Adress.................	Russia	100%	100	Print directories	August	8,714	17,941	5
Annuaires Du Langedoc S.A	France	55%	55	Print directories	July	312	1,680	10
Edition de L'acqueduc. S.A	France	100%	100	Print directories	July	3,153	7,624	10
Total						59,274	73,718	

(1) Purchase price is payment for the shares and excludes any liabilities assumed.

Acquisitions in 1999

Findexa increased its interests in the following significant subsidiaries:

Company	Country	Change in interest	Ownership Interest in %	Business	Purchase month	Purchase Price [(1)]	Goodwill	Amortization Period
						(in NOK thousands)		
Interinfo OY	Finland	59.5%	100	On-line/ Print directories	January	17,085	26,765	10
Soleil Publicite SA	France	25.0%	100	Print directories	November	13,422	—	
Total						30,507	26,765	

(1) Purchase price is payment for the shares and excludes any liabilities assumed.

Disposals

Effective from January 1, 2000 Findexa transferred through a statutory demerger to a subsidiary of Telenor 100% of the operations of Teleservice, which mainly provides operator assisted number information services on behalf of Telenor. The profit and loss statements for the years ended and the balance sheet as of December 31, 1999 include Teleservice operations as discontinued operations. No gain or loss was recognized from the demerger. For further details see note 25.

2. GEOGRAPHICAL DISTRIBUTION OF OPERATING REVENUE AND ASSETS

Geographic distribution of operating revenue based on company location:

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Nordic(1)	1,331,314	1,487,243	1,462,602	107,873
Western Europe(2)	86,386	115,439	125,771	51,891
Central Europe(3)	111,123	124,557	71,300	55,500
Eastern Europe(4)	44,821	74,103	70,854	54,264
Total operating revenue	1,573,644	1,801,342	1,730,527	269,528

Assets by geographical location of the company:

	Predecessor		Successor	Predecessor		Successor
	At December 31,					
	Fixed assets			Total assets		
	1999	2000	2001	1999	2000	2001
	(in NOK thousands)					
Nordic(1)	278,852	239,770	5,759,021	1,295,944	1,255,553	6,586,796
Western Europe(2)	48,743	70,850	434,251	149,853	201,438	586,315
Central Europe(3)	42,651	37,783	158,668	80,538	84,349	220,225
Eastern Europe(4)	27,634	40,857	69,031	47,621	82,661	128,636
Intercompany eliminations	(64,417)	(64,544)	(337,065)	(71,883)	(71,725)	(363,602)
Total assets	333,463	324,716	6,083,906	1,502,073	1,552,276	7,158,370

(1) Comprises Norway and Finland.
(2) Comprises France and Spain.
(3) Comprises Poland and the Czech Republic.
(4) Comprises Russia, Estonia, Latvia and Lithuania.

3. BUSINESS SEGMENTS

Findexa operates in two business segments: Directories—Norway (Norway), the Group's directory services in Norway, and International Operations (International), the Group's directory services outside Norway.

The business segments Findexa reported below are consistent with reporting to the group management and Board of Directors. The primary measures for assessing performance and allocating resources are revenue, operating profit and EBITDA[(1)].

Operating results

	Predecessor		
	Year ended December 31, 1999		
	Norway	International	Total
	(in NOK thousands)		
Operating revenue	1,331,287	242,357	1,573,644
Gain on disposal of fixed assets and operations	4	175	179
Total revenue	1,331,291	242,532	1,573,823
Cost of materials and printing	192,144	55,939	248,083
Salaries and personnel cost	349,173	95,211	444,384
Other operating expenses	390,161	145,082	535,243
Depreciation and amortization	31,577	36,805	68,382
Impairment of fixed assets	48	—	48
Total operating expenses	963,103	333,037	1,296,140
Operating profit	368,188	(90,505)	277,683
Income from associated companies	3,793	—	3,793
Income from discontinued operations (net of income tax of NOK 35,247 thousand)	90,636	—	90,636
EBITDA[(1)]	399,765	(53,700)	346,065

	Predecessor		
	Year ended December 31, 2000		
	Norway	International	Total
	(in NOK thousands)		
Operating revenue	1,486,545	314,797	1,801,342
Gain on disposal of fixed assets and operations	—	—	—
Total revenue	1,486,545	314,797	1,801,342
Cost of materials and printing	197,582	63,667	261,249
Salaries and personnel costs	402,956	153,462	556,418
Other operating expenses	441,730	175,395	617,125
Depreciation and amortization	28,808	33,855	62,663
Impairment of fixed assets	1,951	—	1,951
Total operating expenses	1,073,027	426,379	1,499,406
Operating profit (loss)	413,518	(111,582)	301,936
Income from associated companies	3,615	—	3,615
EBITDA[(1)]	442,326	(77,727)	364,599

3. BUSINESS SEGMENTS (Continued)

	Predecessor		
	Period January 1, 2001 to November 15, 2001		
	Norway	International	Total
	(in NOK thousands)		
Operating revenue	1,435,477	295,050	1,730,527
Gain on disposal of fixed assets and operations	10,346	25	10,371
Total revenue	1,445,823	295,075	1,740,898
Cost of materials and printing	134,183	82,374	216,557
Salaries and personnel costs	357,112	188,877	545,989
Other operating expenses	412,573	168,151	580,724
Depreciation and amortization	26,234	43,344	69,578
Impairment of fixed assets	15,572	—	15,572
Total operating expenses	945,674	482,746	1,428,420
Operating profit (loss)	500,149	(187,671)	312,478
Loss from associated companies	(4,559)	—	(4,559)
EBITDA[1]	526,383	(144,327)	382,056

	Successor		
	Period November 16, 2001 to December 31, 2001		
	Norway	International	Total
	(in NOK thousands)		
Operating revenue	64,495	205,033	269,528
Gain on disposal of fixed assets and operations	—	431	431
Total revenue	64,495	205,464	269,959
Cost of materials and printing	4,873	35,706	40,579
Salaries and personnel costs	38,722	92,126	130,848
Other operating expenses	59,611	99,066	158,677
Depreciation and amortization	69,978	14,469	84,447
Impairment of fixed assets	660	137	797
Total operating expenses	173,844	241,504	415,348
Operating profit (loss)	(109,349)	(36,040)	(145,389)
Loss from associated companies	(5,917)	—	(5,917)
EBITDA[1]	(39,371)	(21,571)	(60,942)

3. BUSINESS SEGMENTS (Continued)

Reconciliation of EBITDA to profit before taxes

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
EBITDA[1]	(in NOK thousands)			
Norway	399,765	442,326	526,383	(39,371)
International	(53,700)	(77,727)	(144,327)	(21,571)
Total reportable segments	346,065	364,599	382,056	(60,942)
Income from associated companies	3,793	3,615	(4,559)	(5,917)
Depreciation and amortization	(68,382)	(62,663)	(69,578)	(84,447)
Net financial items (including interest expense)	37,659	33,040	25,086	(112,232)
Total profit before taxes	319,135	338,591	333,005	(263,538)

(1) EBITDA is defined as operating profit before depreciation and amortization.

Balance Sheet and Investments

	Predecessor			
	Year ended or at December 31, 1999			
	Norway	International	Inter-company	Total
	(in NOK thousands)			
Fixed assets (excl. associated companies)	259,708	118,191	(56,389)	321,510
Current assets	1,011,962	156,648	—	1,168,610
Associated companies	11,953	—	—	11,953
Total assets	1,283,623	274,839	(56,389)	1,502,073
Long term liabilities including provisions	15,917	64,945	(56,389)	24,473
Short -term liabilities	676,238	113,932	—	790,170
Total liabilities	692,155	178,877	(56,389)	814,643
Net deferred tax assets	19,202	5,473	—	24,675
Capital expenditures in fixed assets	63,847	8,718	—	72,565

3. BUSINESS SEGMENTS (Continued)

	Predecessor			
	Year ended or at December 31, 2000			
	Norway	International	Inter-company	Total
	(in NOK thousands)			
Fixed assets (excl. associated companies)	464,472	183,676	(339,005)	309,143
Current assets	935,173	292,387	—	1,227,560
Associated companies	15,573	—	—	15,573
Total assets	1,415,218	476,063	(339,005)	1,552,276
Long term liabilities including provisions	6,031	283,985	(270,000)	20,016
Short -term liabilities	1,358,872	203,142	(69,005)	1,493,009
Total liabilities	1,364,903	487,127	(339,005)	1,513,025
Net deferred tax assets	17,011	8,610	—	25,621
Capital expenditures in fixed assets	25,173	15,278	—	40,451

	Successor			
	Year ended or at December 31, 2001			
	Norway	International	Inter-company	Total
	(in NOK thousands)			
Fixed assets (excl. associated companies)	5,760,440	825,957	(523,183)	6,063,214
Current assets	749,316	453,494	(128,346)	1,074,464
Associated companies	20,692	—	—	20,692
Total assets	6,530,448	1,279,451	(651,529)	7,158,370
Long term liabilities incl. Provisions	5,463,428	573,603	(523,183)	5,513,848
Short -term liabilities	571,912	350,292	(128,346)	793,858
Total liabilities	6,035,340	923,895	(651,529)	6,307,706
Net deferred tax liability	633,985	23,174	—	657,159
Capital expenditures in fixed assets(1)	62,442	23,119	—	85,561
Investments in associated companies	15,595	—	—	15,595

(1) Amount represents capital expenditures for the year ended December 31, 2001.

4. COST OF MATERIALS AND PRINTING

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Paper	103,649	103,480	82,027	11,436
Printing and binding	123,697	130,207	109,224	26,076
Other costs of materials and printing	20,737	27,562	25,306	3,067
Total cost of materials and printing	248,083	261,249	216,557	40,579

5. PENSION OBLIGATIONS

Findexa provides defined benefit pension plans for substantially all employees in Norway. In addition, social security payments are provided by the Norwegian government to all retired Norwegian citizens. Such government payments are calculated by reference to a base amount annually approved by the Norwegian parliament. Benefits are determined based on the employee’s length of service and compensation. The cost of pension benefits plans is expensed over the period which the employee renders services and becomes eligible to receive benefits.

Up until August 31, 1995 most of Findexa’s employees were covered through the Norwegian Public Service Pension Fund. In 1995 Telenor Pensjonskasse was established as an independent foundation. Findexa’s employees will be covered through Telenor Pensjonskasse through July 1, 2002. Subsequently, Findexa's employees are covered by and plan assets are managed by Gjensidige NOR, Findexa’s primary insurance provider. In addition, the Group has a few group pension schemes with independent insurance companies and a separate pension plan for executive employees. Plan assets consisting primarily of bonds (i.e., government, county, municipal and industry) and shares, fund these pension plans. The assets held by the participating entities are restricted to provide benefits to employees of that employer only. For employees abroad, the Group provides for pension benefits principally through contribution plans. In connection with the acquisition by TPG, Telenor funded the pension plan by NOK 29.2 million.

In addition, Findexa has an early retirement pension plan. The agreement-based early retirement plan (AFP) was established in 1997. Under this scheme employees may retire on reaching the age of 62 years or later. The pension obligations under this early retirement plan are included in pension obligations.

5. PENSION OBLIGATIONS (Continued)

	Predecessor		Successor
	Year ended December 31,		
	1999	2000	2001
	(in NOK thousands)		
Benefit obligation at the beginning of the year	155,483	217,031	123,330
Service costs	27,694	18,365	15,454
Interest cost	10,817	6,967	7,948
Actuarial gains and losses	31,235	(2,187)	(13,523)
Acquisitions and disposals [(1)]	801	(108,540)	(84)
Benefits paid	(8,999)	(8,306)	(7,171)
Benefit obligations at the end of the year	217,031	123,330	125,954
Change in plan assets			
Fair value of plan assets at the beginning of the year	127,063	171,902	104,886
Actual return on plan assets	11,888	3,347	(25,720)
Acquisitions and disposals [(1)]	1,015	(81,048)	(53)
Pension premium	40,432	18,467	54,164
Benefits paid	(8,496)	(7,782)	(6,035)
Fair value of plan assets at the end of the year	171,902	104,886	127,242
Funded status of plan at the end of the year	45,129	18,444	(1,288)
Unrecognized net actuarial loss	(56,832)	(28,706)	(1,044)
Prepaid social security tax	(1,650)	(2,107)	(874)
Net provision for pensions	(13,353)	(12,369)	(3,206)
Pension obligations	15,659	11,452	16,765
Pension benefits	(29,012)	(23,821)	(19,971)

	1999	2000	2001
Assumptions as of December 31			
Discount rate in %	6.5	6.5	6.5
Expected return on plan assets in %	7.5	7.5	7.5
Rate of compensation increase in %	3.5	3.5	3.5
Expected increase in the social security base amount in %	3.0	3.0	3.0
Annual adjustments to pensions in %	3.0	3.0	3.0

(1) Includes the effect of the Teleservice demerger.

5. PENSION OBLIGATIONS (Continued)

Components of net periodic pension cost

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Service cost	27,694	18,380	13,519	1,935
Interest cost	10,817	6,952	6,955	993
Expected return on plan assets	(10,561)	(8,064)	(7,311)	(1,048)
Amortization of net actuarial loss	780	1,525	1,528	—
Social security tax	3,494	1,862	1,957	280
Net periodic pension costs	32,224	20,655	16,648	2,160
Demerger of Teleservice operations (discontinued operations)	(17,991)	—	—	—
Net periodic pension costs	14,233	20,655	16,648	2,160

6. SALARIES AND PERSONNEL COSTS

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Salaries and holiday pay	341,361	415,520	422,581	94,522
Social security tax	63,513	75,675	69,401	21,921
Pension costs including social security tax	14,233	20,655	16,648	2,160
Other personnel costs	25,277	44,568	37,359	12,245
Total salaries and personnel costs	444,384	556,418	545,989	130,848

The total salary for the chief executive officer of Findexa for 2001 was NOK 1,842 thousand. In addition, Findexa paid pension premiums of NOK 1,364 thousand, bonuses of NOK 1,713 thousand and other remuneration of NOK 150 thousand for the year 2001.

Findexa did not pay any remuneration to the Board of Directors for 2001.

The employment agreements for the Group management have been revised in December 2001. Under these new agreements, the members of the Group Management have the right to receive salary for nine months beyond the agreed period of notice of six months if Findexa terminates their employment. The chief executive officer has the right to receive salary for fifteen months beyond the agreed period of notice of six months if Findexa terminates the

6. SALARIES AND PERSONNEL COSTS (continued)

employment. Both the members of Group Management and Findexa have the right to terminate the employment with a six months period of notice.

Furthermore, the members of Group management, have annual bonus schemes up to an amount corresponding to twelve months' salary. The bonus scheme is based on Findexa's results from operations and achievement of other specific targets within each business unit.

The chief executive officer has a voluntary right to retire at the age of 62 years with a supplementary pension, making his pension 66% of his salary at the retirement date. If Findexa terminates the employment of the chief executive officer he will have the right to receive the same fully funded pension benefits from the age of 62 years.

The suggested audit fee for 2001 to the auditor of the Group (Arthur Andersen & Co, Norway) is NOK 850 thousand, of which NOK 100 thousand relates to Findexa II AS. For other services the auditor of the Group has invoiced NOK 2,944 thousand.

Total loans to employees were NOK 1,970 and NOK 825 thousand as of December 31, 2000 and 2001 respectively. The loans were given by Telenor Communications AS to finance the employees' purchase of shares in Telenor ASA and have been included in the accounts payable to Telenor. The loans for purchase of shares were limited to NOK 8,500 per employee. Loans for share purchase are non interest bearing. Subsequent to the Acquisition by TPG, these amounts are still payable to Telenor Communication AS.

The Group's average number of employees was 2,750, 2,463 and 2,655 respectively, in 1999, 2000 and 2001.

7. OTHER OPERATING EXPENSES

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Cost of premises, vehicles, office equipment, etc	98,626	109,721	96,123	13,732
Travel and travel allowances	56,732	64,152	40,692	14,485
Marketing and advertising	80,718	76,143	70,459	22,709
Bad debt	40,043	57,009	56,349	4,700
Distribution	58,589	66,836	68,584	18,432
Management fee to Telenor	24,000	24,000	21,000	—
Consultancy fees and hired personnel	42,285	79,949	89,334	13,497
Invoicing and database services rendered from Telenor	29,936	27,327	26,755	184
Other	104,314	111,988	111,428	70,938
Total other operating expenses	535,243	617,125	580,724	158,677

8. IMPAIRMENT OF FIXED ASSETS

Impairment of fixed assets for the period January 1, 2001 to November 15, 2001 includes a charge of NOK 10.1 million for discontinued use of computers, etc., software and software licenses acquired from the dissolved business venture with Nextra AS, a Telenor subsidiary. Additionally, a writeoff of NOK 5.5 million in internally developed software was taken related to the discontinuation of new media initiatives in the same period.

9. RESEARCH AND DEVELOPMENT COSTS

Research and development activities relate mainly to new products and enhancements of the existing products.

Research and development costs expensed within other operating expenses totalled NOK 9 million, NOK 6 million, NOK 6.5 million and NOK 0.9 million for 1999, 2000, the period January 1, 2001 to November 15, 2001 and the period November 16, 2001 to December 31, 2001, respectively.

10. FINANCIAL INCOME AND EXPENSES

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Interest income	37,103	38,771	27,933	3,389
Foreign currency gains	1,558	3,123	—	—
Other financial income	5,418	1,386	57	218
Total financial income	44,079	43,280	27,990	3,607
Interest expense(1)	4,605	6,912	2,315	84,327
Foreign currency losses	1,379	1,629	270	29,315
Other financial expenses	436	1,699	319	2,197
Total financial expenses	6,420	10,240	2,904	115,839
Net financial items	37,659	33,040	25,086	(112,232)

(1) Interest expense for the period November 16, 2001 to December 31, 2001 includes amortization of debt issuance costs of NOK 2,067 thousand, fees expensed in connection with the bridge financing of NOK 9,736 thousand and NOK 2,922 thousand for a commitment fee on the senior credit facilities.

11. TAXES

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
Profit (loss) before taxes	(in NOK thousands)			
Norway	361,007	398,343	458,308	(238,713)
Outside Norway[1]	(41,872)	(59,752)	(125,303)	(24,825)
Total profit (loss) before taxes	319,135	338,591	333,005	(263,538)
Taxes				
Taxes payable on Norwegian income	66,122	118,804	167,184	(78,747)
Changes in deferred taxes	(3,959)	(3,615)	(35,015)	7,372
Tax expense (benefit) outside Norway	5,488	3,510	(2,346)	9,607
Taxes	67,651	118,699	129,823	(61,768)

	Predecessor			Successor
	Year ended December 31,		Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	1999	2000	2001	2001
	(in NOK thousands)			
Expected income taxes according to statutory tax rate (28%)[2]	89,358	94,805	93,241	(73,791)
Tax-differences abroad	—	(836)	(113)	(1,235)
Net losses from joint ventures and subsidiaries abroad	12,074	23,188	34,537	4,792
Non-deductible expenses/ Non-taxable income	2,055	1,291	6,964	995
Tax assets not recognized in previous years [3]	(42,569)	—	(19,425)	—
Non-deductible amortization of goodwill	9,656	6,263	8,671	7,874
Other	(2,923)	(6,012)	5,948	(403)
Taxes	67,651	118,699	129,823	(61,768)
Effective tax rate in %	21.2	35.1	39.0	23.4

(1) Includes joint venture companies outside Norway.

(2) Norwegian nominal statutory tax rate is 28%.

(3) In 1999, a tax saving of NOK 42,569 thousand was realized resulting from the tax restructuring of the Spanish operations that in previous years was offset by a valuation allowance. In 2001 a tax saving of NOK 19,425 thousand was realized resulting from the tax restructuring of the French operations that in previous years was offset by a valuation allowance.

11. TAXES (Continued)

Deferred taxes

	Predecessor				Successor	
	December 31,					
	1999		2000		2001	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
	(in NOK thousands)					
Tangible and intangible assets	16,087	8,660	4,645	4,209	—	640,992
Other long-term items	924	—	—	—	6,069	9,329
Total long-term assets and liabilities	17,011	8,660	4,645	4,209	6,069	650,321
Current assets	7,814	243	16,801	270	—	31,931
Current liabilities	6,626	83	6,358	—	17,335	—
Total current assets and liabilities	14,440	326	23,159	270	17,335	31,931
Taxable losses carried forward	65,554	—	57,315	—	101,149	—
Valuation allowances	(60,081)	—	(55,019)	—	(99,460)	—
Deferred tax/tax assets	36,924	8,986	30,100	4,479	25,093	682,252
Net deferred tax assets (liabilities) as of December 31	27,938		25,621			(657,159)
Demerger of Teleservice	(3,263)					
Net deferred tax assets on January 1, 2000	24,675					

Deferred taxes have not been recognized on undistributed earnings from domestic entities which can be remitted tax-free as dividends, or undistributed earnings from investments in foreign subsidiaries that are considered essentially permanent in nature.

Valuation allowances relate mainly to deferred tax assets on taxable carry forward losses from joint ventures and subsidiaries abroad, where future utilisation are not deemed likely.

At December 31, 2001 Findexa had tax losses carried forward of NOK 293,477 thousand, primarily abroad. Amounts carried forward expire as follows:

Country	2002	2003	2004	2005	2006	2007 and later	Total tax losses carried forward	Corporate income tax-rate
Spain	37,970	7,221	32,846	25,761	75,818	—	179,616	35%
France	280	11,907	13,785	12,316	36,844	3,525	78,657	37%
Finland	—	—	—	—	—	29,173	29,173	29%
Lithuania	61	1,073	1,607	1,178	—	—	3,919	25%
Czech Republic	—	—	—	160	1,952	—	2,112	31%
Total	38,311	20,201	48,238	39,415	114,614	32,698	293,477	

11. TAXES (Continued)

Allowance for deferred tax assets:

	Balance at Beginning of Period	Taxable Losses for the Year	Losses Expired and Losses Utilized	Change in Valuation	Balance at End of Period
Year ended December 31, 1999	12,784	46,114	—	1,183	60,081
Year ended December 31, 2000	60,081	15,492	(20,554)	—	55,019
Year ended December 31, 2001	55,019	46,701	(2,375)	115	99,460

12. INTANGIBLE ASSETS

	Accumulated Cost Beginning of Period	Additions[1]	Acquisitions[3]	Disposals[2]	Accumulated Cost End of Period	Accumulated Amortization	Foreign Exchange Adjustment	Net Book Value
	For the year ended December 31, 1999					December 31, 1999		
	(in NOK thousands)							
Goodwill	181,334	—	26,765	—	208,099	(111,604)	(6,430)	90,065
Software	84,905	10,172	3,494	(2,858)	95,713	(29,204)	(339)	66,170
Sub total	266,239	10,172	30,259	(2,858)	303,812	(140,808)	(6,769)	156,235
Deferred tax asset								27,938
Total intangible assets								184,173
	For the year ended December 31, 2000					December 31, 2000		
Goodwill	202,892	—	73,718		276,610	(136,404)	2,069	142,275
Software	95,374	19,986	840	(4,015)	112,185	(44,320)	455	68,320
Sub total	298,266	19,986	74,558	(4,015)	388,795	(180,724)	2,524	210,595
Deferred tax asset								25,621
Total intangible assets								236,216

12. INTANGIBLE ASSETS (Continued)

	For the year ended December 31, 2001					December 31, 2001		
Goodwill	278,679		3,422,600	—	3,701,279	(198,251)	(391)	3,502,637
Advertiser lists	—	—	1,105,000	—	1,105,000	(34,441)	—	1,070,559
Brand names	—	—	1,100,000	—	1,100,000	(9,028)	—	1,090,972
Other intangible assets	—	—	160,000	—	160,000	(7,002)	—	152,998
Software	112,639	54,088	1,403	(44)	168,086	(92,171)	334	76,249
Sub total	391,318	54,088	5,789,003	(44)	6,234,365	(340,893)	(57)	5,893,415
Debt issuance costs								92,721
Deferred tax assets								—
Total intangible assets								5,986,136

(1) Additions in 1999 include amounts related to Teleservice.

(2) Disposals in 2000 include amounts related to the discontinued Teleservice operation.

(3) Acquisition includes purchase price adjustment recorded on November 16, 2001.

Amortization and impairment of goodwill, software and other intangible assets was 33,955 thousand in 1999, NOK 38,693 thousand in 2000, and NOK 152,867 thousand in 2001.

Book value of goodwill relates to the following subsidiaries and joint ventures in the predecessor periods:

	Predecessor			
	At December 31,			
Company	1999	2000	Amortization Period	Year of Purchase
	(in NOK thousands)			
Subsidiaries:				
ZAO Euroadress	—	16,448	5	2000
Annuaires téléphoniques de Bretagne S.A	—	26,291	10	2000
Annuaires du Languedoc & Edition de l'Acqueduc S.A	—	9,042	10	2000
OY Findexa AB	—	18,569	10	2000
Interinfo OY	19,623	17,845	10	1999
Soleil Publicité S.A	34,383	24,268	5	1998
Publishing AS	3,718	2,366	5	1997
Nord Trans Handelshus A.B	2,772	561	5	1996
Joint ventures:				
Polskie Ksiazki Telefoniczne APE Sp.Z.o.o (PKT)	29,569	26,885	10	1997
Total	90,065	142,275		

12. INTANGIBLE ASSETS (Continued)

Book value of goodwill relates to the following operations in geographic areas in the successor period:

	Successor At December 31, 2001	Amortization Period
	(in NOK thousands)	
Nordic [(1)]	2,970,990	10-20
Western Europe [(2)]	355,431	10
Central Europe [(3)]	123,947	10
Eastern Europe [(4)]	52,269	10
Total	3,502,637	

(1) Comprises Norway and Finland.

(2) Comprises France and Spain.

(3) Comprises Poland and Czech Republic.

(4) Comprises Russia, Estonia, Latvia and Lithuania.

13. TANGIBLE ASSETS

	Accumulated Cost Beginning of Period	Additions	Acquisitions	Disposals	Accumulated Cost End of Period	Accumulated Amortization	Foreign Exchange Adjustment	Net Book Value
	For the year ended December 31, 1999 (in NOK thousands)					December 31, 1999		
Land	—	—	484	—	484	(209)	65	340
Buildings	1,349	662	—	—	2,011	(1,266)	—	745
Office equipment and furnitures	60,291	5,058	1,184	—	66,533	(45,327)	141	21,347
Computer equipment	115,314	53,261	644	—	169,219	(91,283)	53	77,989
Vehicles	1,653	591	557	—	2,801	(1,710)	66	1,157
Construction in progress	—	2,821	—	—	2,821	—	27	2,848
Total tangible assets	178,607	62,393	2,869	—	243,869	(139,795)	352	104,426
	For the year ended December 31, 2000					December 31, 2000		
Land	549	515	—	—	1,064	(377)	41	728
Buildings	2,011	261	—	—	2,272	(1,570)	60	762
Office equipment and furnitures	66,674	6,301	2,674	(12,411)	63,238	(62,435)	(19)	784
Computer equipment	169,272	12,075	3,007	(44,211)	140,143	(99,231)	2	40,914
Vehicles	2,867	1,299	125	(255)	4,036	(2,103)	95	2,028
Construction in progress	2,848	14	—	(2,850)	12	—	1	13
Total tangible assets	244,221	20,465	5,806	(59,727)	210,765	(165,716)	180	45,229
	For the year ended December 31, 2001					December 31, 2001		
Land	1,105	503	—	—	1,608	(715)	20	913
Buildings	2,332	387	—	—	2,719	(1,829)	3	893
Office equipment and furnitures	63,219	7,922	114	(59)	71,196	(62,556)	(20)	8,620
Computer equipment	140,145	21,093	1,372	(7,774)	154,836	(115,451)	564	39,949
Vehicles	4,132	1,332	25	(903)	4,586	(2,693)	690	2,583
Construction in progress	13	237	—	—	250	—	—	250
Total tangible assets	210,946	31,474	1,511	(8,736)	235,195	(183,244)	1,257	53,208

13. TANGIBLE ASSETS (Continued)

Depreciation and impairment of tangible assets was NOK 34,475 thousand in 1999, NOK 25,921 thousand for 2000 and NOK 17,527 in 2001. Accumulated capitalized interest was NOK 4,436 thousand as of December 31, 1999, 2000 and 2001.

14. FINANCIAL ASSETS

	Predecessor		Successor
	At December 31,		
	1999	2000	2001
	(in NOK thousands)		
Net pension benefits	29,012	23,821	19,971
Other long term receivables	3,210	3,193	3,215
Shares and other investments (1)	684	684	684
Investments in associated companies (2)	11,958	15,573	20,692
Total financial assets	44,864	43,271	44,562

(1) Shares and Other Investments

	Findexa's Share Capital	Number of Shares Owned	Shares Owned in %	Predecessor: Book Value At December 31, 1999	Predecessor: Book Value At December 31, 2000	Successor: Book Value At December 31, 2001
			(in NOK thousands)			
Midlun Directory ehf	IKR586	75	12.8	394	394	394
Miklagard Golf AS	NOK12,702	5	3	290	290	290
Total				684	684	684

(2) Associated Companies

Company	Shares Owned in %	Book Value At January 1, 1999	Investments/ Disposals during 1999	Share of Profit after Tax	Amortization Goodwill	Equity and Translation Adjustments	Book Value at December 31, 1999	Goodwill At December 31, 1999
				(in NOK thousands)				
Interinfo OY	40.5	(1,161)	1,161	—	—	—	—	—
DM Huset AS	34.0	8,165	—	4,039	(246)	—	11,958	—
Total associated companies		7,004	1,161	4,039	(246)	—	11,958	—

Company	Shares Owned in %	Book Value At January 1, 2000	Investments/ Disposals during 2000	Share of Profit after Tax	Amortization Goodwill	Equity and Translation Adjustments	Book Value at December 31, 2000	Goodwill at December 31, 2000
				(in NOK thousands)				
DM Huset AS	34.0	11,958	—	3,615	—	—	15,573	—
Total associated companies		11,958	—	3,615	—	—	15,573	—

14. FINANCIAL ASSETS (Continued)

Company	Shares Owned in %	Book Value at January 1, 2001	Investments/ Disposals during 2001	Share of Profit after Tax	Amortization of Goodwill/ Writeoffs	Equity and Translation Adjustments	Book Value at December 31, 2001	Goodwill at December 31, 2001
				(in NOK thousands)				
DM Huset AS	34.0	15,573	—	5,119	—	—	20,692	—
Cobuilder AS	20.0	—	7,520	—	(7,520)	—	—	—
Golf Step ASA	20.0	—	8,075	(1,460)	(6,615)	—	—	—
Total associated companies		15,573	15,595	3,659	(14,135)	—	20,692	—

15. JOINT VENTURES

Investments in joint ventures are as follows:

Company	Shares Owned in %	Book Value at January 1, 1999	Investments/ Disposals during 1999	Purchase Accounting Adjustment	Share of Profit after Tax	Amortization of Goodwill	Equity and Translation Adjustments	Book Value at December 31, 1999	Goodwill at December 31, 1999
					(in NOK thousands)				
PKT	50.0	35,372	—	—	4,904	(10,715)	(2,248)	27,313	29,569
Inform Net Partners	50.0	(510)	—	—	(1,364)	—	272	(1,602)	—
Total joint ventures		34,862	—	—	3,540	(10,715)	(1,976)	25,711	29,569

Company	Shares Owned in %	Book Value at January 1, 2000	Investments/ Disposals during 2000	Purchase Accounting Adjustment	Share of Profit after Tax	Amortization of Goodwill	Equity and Translation Adjustments	Book Value at December 31, 2000	Goodwill at December 31, 2000
					(in NOK thousands)				
PKT	50.0	27,313	—	—	8,427	(4,593)	3,090	34,237	26,885
Inform Net Partners	50.0	(1,602)	1,144	—	92	—	(41)	(407)	—
Guias de Ciudad	50.0	—	3,750	—	(1,181)	—	(30)	2,539	—
Total joint ventures		25,711	4,894	—	7,338	(4,593)	3,019	36,369	26,885

Company	Shares Owned in %	Book Value at January 1, 2001	Investments/ Disposals during 2001	Purchase Accounting Adjustment	Share of Profit after Tax	Amortization of Goodwill	Equity and Translation Adjustments	Book Value at December 31, 2001	Goodwill and Brand Name at December 31, 2001
					(in NOK thousands)				
PKT	50.0	34,237	—	117,186	7,588	(6,364)	1,344	153,991	139,051
Inform Net Partners	50.0	(407)	—	7,044	1,401	(112)	(353)	7,573	6,932
Guias de Ciudad	50.0	2,539	3,593	(2,232)	(2,364)	—	(244)	1,292	—
Total joint ventures		36,369	3,593	121,998	6,625	(6,476)	747	162,856	145,983

15. JOINT VENTURES (Continued)

These joint ventures are pro-rata consolidated and thus included line by line in the financial statements. The respective amounts included for operating revenue, income from continuing operations, net income, total assets and liabilities are as follows (including goodwill amortization):

Profit and Loss and Cash Flows

	Predecessor			
	Year ended December 31, 1999			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Operating revenue	—	103,905	7,218	111,123
Operating profit	—	1,646	(1,280)	366
Loss from continuing operations	—	(411)	(1,364)	(1,775)
Net loss	—	(5,811)	(1,364)	(7,175)
Cash from operating activities				(2,218)
Cash from investing activities				(710)
Cash from financing activities				764

	Predecessor			
	Year ended December 31, 2000			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Operating revenue	1,791	117,125	7,432	126,348
Operating profit	(1,239)	6,720	162	5,643
Income (loss) from continuing operations	(1,181)	6,960	92	5,871
Net income (loss)	(1,181)	3,834	92	2,745
Cash from operating activities				(3,478)
Cash from investing activities				(1,572)
Cash from financing activities				4,034

	Predecessor			
	Period January 1, 2001 to November 15, 2001			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Operating revenue	2,971	65,095	9,153	77,219
Operating profit	(2,049)	(9,272)	1,590	(9,731)
Income (loss) from continuing operations	(1,865)	(10,207)	1,675	(10,397)
Net income (loss)	(1,865)	(10,278)	1,675	(10,468)
Cash from operating activities				6,043
Cash from investing activities				(2,944)
Cash from financing activities				1,703

15. JOINT VENTURES (Continued)

	Successor			
	Period November 16, 2001 to December 31, 2001			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Operating revenue	2,433	51,926	626	54,985
Operating profit	(315)	16,210	(411)	15,484
Income (loss) from continuing operations	(500)	16,299	(385)	15,414
Net income (loss)	(500)	11,502	(385)	10,617
Cash from operating activities				7,309
Cash from investing activities				—
Cash from financing activities				(45)

Balance Sheet

	Predecessor			
	At December 31, 1999			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Fixed assets	—	32,495	3,271	35,766
Current assets	—	35,791	1,290	37,081
Total assets	—	68,286	4,561	72,847
Short-term liabilities	—	36,935	4,165	41,100
Long-term liabilities	—	4,068	1,997	6,065
Total liabilities	—	41,003	6,162	47,165

	Predecessor			
	At December 31, 2000			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Fixed assets	4,318	30,127	4,260	38,705
Current assets	31	36,288	934	37,253
Total assets	4,349	66,415	5,194	75,958
Short-term liabilities	1,810	25,801	5,601	33,212
Long-term liabilities	—	6,377	—	6,377
Total liabilities	1,810	32,178	5,601	39,589

15. JOINT VENTURES (Continued)

	Successor			
	At December 31, 2001			
	Guias de Ciudad	PKT	Inform Net Partners	Total
	(in NOK thousands)			
Fixed assets	107	149,654	8,429	158,190
Current assets	5,917	58,192	4,508	68,617
Total assets	6,024	207,846	12,937	226,807
Short-term liabilities	4,732	43,448	5,329	53,509
Long-term liabilities	—	10,407	35	10,442
Total liabilities	4,732	53,855	5,364	63,951

16. CURRENT RECEIVABLES

	Predecessor		Successor
	At December 31,		
	1999	2000	2001
	(in NOK thousands)		
Accounts receivable			
Accounts receivable (b)	342,312	415,118	476,616
Provision for bad debt (a)	(71,277)	(97,417)	(133,458)
Total accounts receivables	271,035	317,701	343,158
Prepaid expenses and accrued revenue			
Prepaid expenses	97,568	106,462	300,734
Accrued revenue	1,989	2,988	2,202
Total prepaid expenses and accrued revenue	99,557	109,450	302,936
Other current receivables			
Receivables from employees	500	1,574	1,895
Group contribution (capital contribution from shareholder)	—	40,622	—
Other short-term receivables	22,271	25,881	15,635
Total other current receivables	22,771	68,077	17,530
Total current receivables	393,363	495,228	663,624

16. CURRENT RECEIVABLES (Continued)

	Balance at Beginning of Period	Additions/ Disposals[1]	Charged to Costs and Expenses	Deductions/ Writeoffs	Foreign Currency Adjustment	Balance at End of Period
(a) Provision for bad debt:						
Year ended December 31, 1999	72,606	—	40,043	(42,472)	1,100	71,277
Year ended December 31, 2000	71,277	6,198	57,009	(33,649)	(3,418)	97,417
Year ended December 31, 2001	97,417	19,954	61,049	(47,619)	2,657	133,458
(b) Allowance for customer complaints:						
Year ended December 31, 1999	5,841	—	32,647	(29,407)	—	9,081
Year ended December 31, 2000	9,081	—	81,400	(72,155)	—	18,326
Year ended December 31, 2001	18,326	—	70,266	(63,750)	—	24,842

(1) Includes NOK 13,354 related to purchase accounting.

17. PROVISIONS

	Predecessor		Successor
	At December 31,		
	1999	2000	2001
	(in NOK thousands)		
Deferred tax liability	—	—	657,159
Pension obligations	15,659	11,452	16,765
Other provisions	1,501	1,767	11,576
Total provisions	17,160	13,219	685,500

18. INTEREST BEARING LIABILITIES

	Predecessor		Successor
	At December 31		
	1999	2000	2001
	(in NOK thousands)		
Short-term interest bearing liabilities	545	265	75,076
Subordinated loan	5,274	—	—
Loan from joint venture partner	—	6,337	8,058
Term loan A	—	—	1,650,000
Term loan B	—	—	575,000
Senior notes	—	—	1,156,158
Subordinated deferred interest notes	—	—	219,271
Subordinated shareholder loans	—	—	1,219,027
Other	2,039	460	834
Long-term interest bearing liabilities	7,313	6,797	4,828,348
Total interest bearing liabilities	7,858	7,062	4,903,424

18. INTEREST BEARING LIABILITIES (Continued)

In connection with the Acquisition, the Group entered into several financing arrangements: two senior credit facilities (Term loan A and Term loan B), a subordinated bridging loan, a revolving line of credit, deferred interest notes and shareholder loans.

Term loan A and Term loan B are secured senior obligations from certain banks that have aggregate principal amounts of NOK 1,725 million and NOK 575 million, respectively, with Citibank International plc as the facility agent. Term loan A bears interest at LIBOR plus a percentage ranging from 1.25% to 2.25% per annum, depending on a margin adjustment mechanism beginning after December 31, 2002. Term loan B bears interest at LIBOR plus 2.75%. Term loan A and Term loan B bore interest at 9.31% and 9.81%, respectively, at December 31, 2001. Term loan A is to be repaid in semi-annual installments beginning on March 31, 2002, and continuing through March 31, 2008 and Term loan B is to be repaid in two installments with 47.8% repayable September 30, 2008, and the balance repayable on March 31, 2009. The Group incurred debt issuance costs of NOK 54.0 million in connection with these loans. Debt issuance costs are deferred and then amortized as a component of interest expense over the term of the notes. Including debt issuance costs, these notes had an effective annualized interest rate of 10.03% and 10.12% for the period November 16, 2001 to December 31, 2001 Term loan A and Term loan B, respectively. A related commitment fee of NOK 3.0 million was expensed during the period November 16, 2001 to December 31, 2001.

The Group obtained bridge financing in the amount of NOK 1,110 million under the subordinated bridging loan from certain banks and lenders with Citibank International plc as the facility agent. Fees of NOK 9.7 million were expensed during the period November 16, 2001 to December 31, 2001.

The Group obtained a NOK 400 million revolving loan. The revolving loan facility will cease to be available for drawing on February 29, 2008, and all advances then outstanding under it will be due March 31, 2008. As of December 31, 2001, no amounts had been drawn on the revolving loan facility. The Group will incur annual fees of NOK 3.0 million with respect to this facility and has expensed NOK 0.4 million in the period November 16, 2001 to December 31, 2001 in that respect.

The Group issued subordinated deferred interest notes to certain affiliates of GSC European Mezzanine Fund, L.P. with a principal amount of Euro 27.5 million (for which we received proceeds of NOK 215 million on November 16, 2001) at a fixed interest rate of 14.5%. This interest is deferred until a specified adjusted EBITDA/consolidated interest expense ratio is at least 2.0 to 1.0 (as described in the indenture). Thereafter, interest is payable semi-annually in cash on June 1 and December 1. These notes mature on June 1, 2012. The Group incurred debt issuance costs of NOK 7.0 million. Debt issuance costs are deferred and then amortized as a component of interest expense over the term of the notes. Including debt issuance costs, these notes had an effective annualized interest rate of 14.7% for the period November 16, 2001 to December 31, 2001.

The Group issued subordinated shareholder loans of NOK 1,219 million which accrue interest at a fixed interest rate of 15% per annum compounded semi-annually. This loan matures and cannot be repaid prior to the later of June 1, 2013 or the 180th day following repayment of the senior credit facilities. These loans do not amortize or bear cash interest before June 1, 2013.

In December 2001, the Group issued senior notes having an aggregate principal amount of Euro 145 million for which we received proceeds of NOK 1,161 million on December 10, 2001 to replace the NOK 1,110 million bridge financing. The notes are unsecured obligations of the Group that mature on December 1, 2011, and bear interest at a fixed interest rate of 10.25% payable semi-annually in arrears. The Group incurred debt issuance costs of NOK 33.1 million. Including debt issuance costs, these notes had an effective annualized interest rate of 10.5% for the month ended December 31, 2001.

18. INTEREST BEARING LIABILITIES (Continued)

The senior credit facilities impose restrictions on such items as total debt, dividend payments, off-balance sheet financing and transactions with affiliates as well as maintaining specified consolidated financial ratios for the financial year ending December 31, 2001, as well as certain capital expenditure and financial lease expenditures limits for each financial year. The deferred interest notes and the senior notes impose restrictions on such items as total debt, dividend payments, guarantees by subsidiaries, sale of stock by restricted subsidiaries, sales of assets and transactions with affiliates. At December 31, 2001, the Group was in compliance with these arrangements.

At December 31, 2000 and 2001 the Group's joint venture company, PKT, had a long term payable of U.S.$1.5 million and U.S.$1.8 million, respectively, to Verizon (the other shareholder in the joint venture), Findexa has consolidated its percentage of ownership of the loan on a pro-rata basis.

Maturities of the Groups' long-term interest bearing liabilities are as follows:

Year	Installment (in NOK thousands)
2002	75,076
2003	158,892
2004	230,000
2005	300,000
2006	325,000
2007 and later	3,814,456
Total long-term interest bearing liabilities	4,903,424

19. SHORT-TERM NON-INTEREST BEARING LIABILITIES

	Predecessor		Successor
	At December 31,		
	1999	2000	2001
	(in NOK thousands)		
Accounts payable	111,376	142,442	104,152
Group contribution (dividend to shareholder)	345,000	981,668	—
Accrued VAT, social security, withheld taxes from employees, etc.	130,997	110,623	155,226
Taxes payable	9,113	9,439	96,243
Accrued interest expense	—	—	52,371
Other accrued expenses	103,058	110,932	124,680
Deferred revenue	64,125	81,507	105,774
Other short-term liabilities	25,956	56,133	80,336
Total short-term non-interest bearing liabilities	789,625	1,492,744	718,782

Due to the large volume and diversity of the Group's supplier base, concentrations of credit risk with respect to trade accounts payable are limited.

20. GUARANTEES

The group has provided guarantees for payment of taxes withheld from employees.

	Predecessor		Successor
	At December 31,		
	1999	2000	2001
	(in NOK thousands)		
Guarantees			
Guarantees of taxes withheld from employees	35,000	35,000	23,000
Guarantee on behalf of subsidiaries	13,621	13,253	13,517
	48,621	48,253	36,517

21. CONTINGENCIES, COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The Group has entered into agreements with fixed future payments or terms in the following areas as of December 31, 2001:

	2002	2003	2004	2005	2006	There-after
	(in NOK thousands)					
Rent of premises	2,976	24,034	23,697	22,885	22,243	64,287
Printing and distribution contractual commitments	104,500	46,500	47,500	48,500	—	—
Total contractual obligations	107,476	70,534	71,197	71,385	22,243	64,287

In December 2001, the Group entered into a seven year lease agreement for a new headquarters building. The lease begins in December 2002 and related commitments are included in the table above. Rental payments for the first year are NOK 21,459 thousand to be indexed to 85% of the change in the annual consumer price index.

Findexa is seeking appropriate insurance cover to replace the cover from which the Findexa group currently benefits. While this process is ongoing, to ensure that Findexa enjoys a level of insurance cover similar to that which is enjoyed as a member of the Telenor Group, Telenor has agreed to continue to provide insurance cover, where necessary. Findexa expects to have established its own insurance coverage by April 2002.

In December 2001, Findexa decided to discontinue their directory operations in Spain, which is organised through the wholly owned subsidiary Findexa S.A. and Guias de Ciudad S.L, the latter a 50%/50% owned joint venture together with Gropo Godo, Spain. Subsequent to the decision Gropo Godo filed a claim of €5,200 thousand (NOK 41,462 thousand as of December 31, 2001) for direct and consequential damages due to an alleged breach of joint venture agreement. Findexa management believes that Findexa is not in breach of this agreement and that the claim is unsubstantiated. The probable resolution of the claim have been provided for in the financial statements as of December 31, 2001 and is therefore not expected to have a material effect on the future financial position or results of operations.

The Group has certain other contingent liabilities resulting from litigation, claims, performance guarantees, and other commitments incident to the ordinary course of business. Management believes that the probable resolution of such contingencies will not materially affect the financial position, results of operations or cash flows of Findexa.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group holds or issues financial instruments mainly to finance its operations and at December 31, 2001 had not purchased or issued any derivative contracts for either trading or hedging purposes. In addition, various financial instruments, for example trade debtors and trade creditors, arise directly from the Group's operations.

Following the acquisition of the Group by TPG, the Group will be responsible for financing its operations primarily through cash flows from operations.

During the year ended December 31, 2001, as set out in the consolidated cash flow statements, net debt increased from NOK 7 million to NOK 4,903 million, primarily as a result of the Acquisition.

Paper is the most important raw material used by the Group. The Group has developed long-term relationships with two major European manufacturers through contracts with a duration of four years each.

The following table shows the carrying amount and fair values of the Group's financial instruments at December 31, 1999, 2000 and 2001. Short term debtors and creditors have been excluded from the disclosures. The fair values of the financial instruments are the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

	Carrying amount			Fair value		
	at December 31,					
	1999	2000	2001	1999	2000	2001
	(in NOK millions)					
Non-derivatives:						
Assets:						
Cash at bank and in hand	705	654	337	705	654	337
Liabilities:						
Long term borrowings (a)	8	7	4,903	8	7	4,960

(a) The fair value of the Group's notes and other long-term borrowings has been estimated on the basis of quoted market prices for the same or similar issues with the same maturities where they existed, and on calculations of the present value of future cash flows using the appropriate discount rates in effect at the balance sheet dates, where market prices of similar issues did not exist.

23. RELATED PARTIES

Transactions and balances with other Telenor entities are summarised as follows: (including transactions of Teleservice)

	Predecessor		
	Year ended or at December 31,		Period January 1 to November 16,
	1999	2000	2001
	(in NOK thousands)		
Revenue			
Operating revenue	600,881	117,588	94,781
Gain on sale of fixed assets and operations	—	—	5,359
Total	600,881	117,888	100,140
Operating costs			
Cost of materials and printing	15,456	5,313	4,092
Salaries and personnel costs	3,467	3,381	2,729
Other operating costs	195,785	140,532	118,797
Total	214,708	149,226	125,618
Net financial items	35,504	30,657	22,168
Current receivables			
Accounts receivables	118,961	70,785	
Group contribution	—	40,622	
Other current receivables	16,540	11,012	
Total	135,501	122,419	
Cash and cash-equivalents	570,000	540,000	
Short-term non-interest bearing liabilities			
Accounts payable	49,324	78,527	
Group contribution (dividend to shareholder)	345,000	981,668	
Other short-term liabilities	—	5,238	
Total	394,324	1,065,433	

Prior to the acquisition, Findexa had several agreements with Telenor to provide a variety of services as described below. Subsequent to the acquisition, these agreements were replaced with new agreements with Telenor or third party providers.

The business segment Directories—Norway distributes white and pink pages directories to Telenor's subscribers on behalf of other Telenor entities. Revenue from these services from Telenor was NOK 75,534 thousand, NOK 77,909 thousand and NOK 62,885 thousand 1999 and 2000 and the period January 1, 2001 to November 15, 2001, respectively.

23. RELATED PARTIES (Continued)

Findexa operations has an agreement regarding sale of additional listings in the white and pink pages directories which are invoiced to subscribers by Telenor through invoicing of the fixed line telephone services of other Telenor entities. These revenues invoiced through Telenor are not included in the revenues above and amount to NOK 192,335 thousand, NOK 227,627 thousand and NOK 228,463 thousand for 1999, 2000 and the period January 1, 2001 to November 15, 2001, respectively.

Findexa operations has an agreement regarding basic and additional listings in the Yellow Pages directories which are invoiced to subscribers through invoicing of the fixed line telephone services of other Telenor entities. These revenues invoiced through Telenor are not included in the revenues above and amount to NOK 191,264 thousand, NOK 244,840 thousand and NOK 271,840 thousand for 1999, 2000 and for the period January 1, 2001 to November 15, 2001. For invoicing and collection services for additional listings in the white and pink pages and basic and additional listings in the yellow pages directories. Findexa paid to Telenor NOK 21,600 thousand, NOK 21,370 thousand and NOK 19,930 thousand in 1999, 2000 and the period January 1, 2001 to November 15, 2001, respectively.

In 2000 and for the period January 1, 2001 to November 15, 2001 and the period November 16, 2001 to December 31, 2001, the Norway operations sold updated subscriber data to the demerged Teleservice operation amounting to NOK 20,000 thousand, NOK 2,625 thousand and NOK 18,375 thousand, respectively.

Directories—Norway purchased subscription updates from other Telenor entities amounting to NOK 7,697 thousand, NOK 7,264 thousand and NOK 6,574 thousand for 1999, 2000 and the period January 1, 2001 to November 15, 2001, respectively.

Findexa rents premises from Telenor for all its operations located in Norway. The rent amounted to NOK 43,406 thousand, NOK 32,825 thousand, and NOK 28,716 thousand in 1999, 2000 and the period January 1, 2001 to November 15, 2001, respectively.

Through November 16, 2001 Findexa managed its cash balances and banking relationships as part of the established Telenor Group bank accounts agreement with two external banks. In addition Findexa had an agreement with Telenor Treasury enabling the Group to place short-term deposits through Telenor Treasury at market terms.

The net financial income from these agreements was NOK 47,916 thousand, NOK 41,994 thousand and NOK 22,168 thousand, for 1999, 2000 and the period January 1, 2001 to November 15, 2001, respectively. Subsequent to the Acquisition, Findexa has established its own bank accounts.

Until January 1, 2000 the demerged Teleservice operations had revenue from operator assisted number information services, telephone and video conference services invoiced to external customers through other Telenor subsidiaries amounting to NOK 510,222 thousand in 1999. These amounts are included in income from discontinued operations.

24. ADDITIONAL INFORMATION ABOUT CASH AND CASH FLOW

Except for the foreign subsidiaries the Findexa Group participated in the Group bank accounts agreement established by Telenor Communication AS through November 15, 2001. According to these agreements Telenor ASA was the Group account holder, whereas the other companies in the Group are sub-account holders or participants. The banks could off-set balances in their favor, so that the net position represents the net balance between the bank and the Group account holder. The account balance represents a receivable from Telenor Communication AS. This balance is presented under cash and cash equivalents in the balance sheet and amounts to NOK 92,402 thousand and NOK 97,073 thousand as of December 31, 1999 and 2000, respectively.

24. ADDITIONAL INFORMATION ABOUT CASH AND CASH FLOW (Continued)

Cash paid for interest was NOK 4,605 thousand, NOK 6,912 thousand, NOK 2,315 thousand and NOK 29,889 thousand for 1999, 2000, the period January 1, 2001 to November 15, 2001 and the period November 16, 2001 to December 31, 2001, respectively.

Findexa AS had an agreement with Telenor Treasury for investing and holding of Findexa's cash and cash equivalents. Findexa AS could call the cash on a daily notice. Subsequent to the Acquisition this relationship was terminated.

The Teleservice operation was demerged from the Findexa Group as of January 1, 2000, including cash amounting to NOK 92,140 thousand.

Specification of net cash paid for acquired subsidiaries and investments in subsidiaries and joint ventures.

	Predecessor		
	Purchase Price	Cash Acquired	Net Cash Paid
1999	(in NOK thousands)		
Soleil Publicité S.A.	13,422	—	13,422
Interinfo OY	17,085	—	17,085
Total	30,507	—	30,507

	Predecessor		
	Purchase Price	Cash Acquired	Net Cash Paid
2000	(in NOK thousands)		
Annuaires du Languedoc and Edition de l'Aqueduc	3,466	124	3,342
Findexa OY	21,211	1,835	19,376
ZAO Euroadress	9,586	813	8,773
Annuaires Téléphoniques de Bretagne SA	28,031	2,718	25,313
Total	62,294	5,490	56,804

	Predecessor		
	Purchase Price	Cash Acquired	Net Cash Paid
Period January 1, 2001 to November 15, 2001	(in NOK thousands)		
Annuaire Phone Edition SA	102,857	433	102,424
Yellow Pages Ukraine Ltd	5,246	295	4,951
Annuaires Téléphoniques de Bretagne SA	8,634	—	8,634
Annuaires du Languedoc SA	2,302	—	2,302
Findexa Directoria AS	1,100	—	1,100
Total	120,139	728	119,411

24. ADDITIONAL INFORMATION ABOUT CASH AND CASH FLOW (Continued)

	Successor		
	Purchase Price	Cash Acquired	Net Cash Paid
Period November 16, 2001 to December 31, 2001	(in NOK thousands)		
Nytt Hjem AS	2,300	—	2,300
Findexa Holdings AS [1]	5,310,728	286,642	5,024,086
Total	5,313,028	286,642	5,026,386

(1) As part of t he agreement to acquire Findexa AS the stated purchase price was NOK 5,340 thousand, (net of the NOK 460 thousand payment of amounts owed to Telenor). In addition, Telenor funded the pension plan with NOK 29,272 thousand.

25. ADDITIONAL INFORMATION ABOUT DISCONTINUED OPERATIONS

As of January 1, 2000, the following balance sheet items related to the discontinued Teleservice operation were transferred to Telenor at book value:

Assets	
Intangible assets	9,077
Tangible assets	46,281
Financial assets	405
Total fixed assets	55,763
Current receivables	118,675
Cash and cash equivalents	92,140
Total current assets	210,815
Total assets	266,578
Equity and liabilities	
Equity	
Share capital	3,359
Retained earnings	44,125
Total Equity	47,484
Short-term non-interest-bearing liabilities	219,094
Total short-term liabilities	219,094
Total equity and liabilities	266,578

For the year ended December 31, 1999, Teleservice generated revenue of NOK 625 million.

26. MINORITY INTERESTS

The percentage of shares owned by minorities in the subsidiaries of Telenor Media Group for the year ended December 31, are as follows

Subsidiary	Shares owned % 1999	2000	2001
OY Findexa AB	—	40%	40%
Annuaries Téléphoniques de Bretagne SA	—	25%	—
Annuaries du Languedoc SA	—	45%	—
ZAO EuroAdress	—	—	19%

27. SUBSEQUENT EVENTS

During the first quarter of 2002, Findexa LLC offered certain members of Group management the opportunity to purchase up to 5% of outstanding shares in Findexa LLC, established a stock option plan for employees to purchase shares in Findexa IV AS and established a Stock Purchase Plan for all employees to buy four shares and receive one free. In the event an employee leaves the Group, Findexa Co-Invest LLC will have the option to repurchase the shares at market value at the date of departure or a cost, whichever is higher. The Group is currently evaluating the accounting for these stock plans.

During the first quarter of 2002 as required by the senior credit facilities, the Group has entered into an interest rate swap for NIBOR at a fixed rate of 6.6625% on NOK 575 million of the senior credit facilities and an interest rate cap for NIBOR at 6.6625% on NOK 575 million of the senior credit facilities.

During the first quarter of 2002, Findexa entered into an agreement to sell its directory operations in Telenor Media Espana SA for €1 million. The sale is expected to be completed during the second quarter of 2002 and result in no material gain or loss. The sale is part of the discontinuation of the Spanish operations.

During the first quarter of 2002, the board of directors approved a resolution to transfer the international operations to a separate entity controlled by Findexa LLC which is not a subsidiary of Findexa II AS.

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Group's consolidated financial statements have been prepared under Norwegian GAAP, which differs in certain respects from U.S. GAAP. The principal differences between the Group's accounting principles under Norwegian GAAP and U.S. GAAP for the year ended December 31, 2000, the period January 1, 2001 to November 15, 2001 and the period November 16, 2001 to December 31, 2001 are set out below:

I. Description of Adjustments:

(1) Revenue recognition:

(a) Printed Directories: Under Norwegian GAAP, revenue and costs from sales of advertisements and listings are recognized at the time distribution of the individual directory commences. Under U.S. GAAP, performance has to be substantially complete when revenue can be recognized, therefore revenue from the printed directories can only be recognized when the distribution of the related directories is complete.

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(b) Combined Offerings: Basic listings and advertisements in the printed directories, Internet listings and Talking Yellow Pages listings are often sold through combined offerings. Under Norwegian GAAP, revenues from combined offerings are recognized based on management's best estimate of the fair market value of the individual brands and recognized according to the distribution of the individual directories within the various brands and over the term of the contract for Internet and Talking Yellow Pages listing (normally 12 months).

Under U.S. GAAP, combined offerings represent a multiple element arrangement, and each element satisfies the criteria of a separate earnings process. In some of these offerings, from 1999 and onwards, supportable fair market value did not exist for all the individual elements as defined by U.S. GAAP, the main reason being that these elements were no longer sold on a stand-alone basis. Therefore, under U.S. GAAP, revenues from these combined offerings should be deferred over the term of the associated Internet or Talking Yellow Pages listing. Revenue recognition starts at the time the printed directories are published and revenue is recognized rateably over the term of the contract.

(2) Work in progress and prepaid expenses:

(a) Under Norwegian GAAP, both for (a) printed directories and (b) combined offerings, costs of selling, production, printing and distribution are deferred and recognized as expenses when the related revenue is recognized.

(b) Under Norwegian GAAP, the Group defers direct costs as well as directly attributable overhead expenses associated with selling, production, printing and distribution as work in progress and prepaid expenses. Under U.S. GAAP, the Group only defers the direct and incremental direct costs according to the cost deferral model described by FASB Technical Bulletin 90-1. Application of this model limits the cost deferral to direct and incremental expenses associated with selling, printing and distribution.

(3) Discontinued operations:

Under Norwegian GAAP, the de-merger of the Teleservice operations was given effect on January 1, 2001 whereas the legal transfer of the operations took place on October 1, 2001.

Under U.S. GAAP, the de-merger would have been given effect as of the consummation date and the results of operations would have been included as discontinued operations through that date.

(4) Group contribution (dividend to shareholder):

Under Norwegian GAAP, group contributions (dividends) are recorded as current liabilities in the year that they are designated.

Under U.S. GAAP, group contributions are only recognized when declared and approved by the general assembly.

(5) Taxes:

The income tax effects of U.S. GAAP adjustments are recorded as a deferred tax expense at the statutory tax rate of 28%.

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(6) Proportionate consolidation of joint ventures:

Under Norwegian GAAP, Findexa is accounting for investments in corporate joint venture investments according to proportionate consolidation.

Under U.S. GAAP, investments in corporate joint ventures are accounted for according to the equity method. See Note 15 for a summary of amounts that have been proportionately consolidated.

(7) Goodwill amortization:

Under Norwegian GAAP, goodwill is amortized over its estimated useful economic life. Under U.S. GAAP, goodwill related to Acquisitions consummated after June 30, 2001 is not amortized, but tested for impairment on an annual basis.

(8) Push down accounting:

Under Norwegian GAAP, acquisition expenses incurred by an acquiring entity are not recognized in the acquired company's financial statements. Under U.S. GAAP all acquisition expenses are recognized in the acquired company's financial statements.

(9) Minority interests:

Under Norwegian GAAP, minority interests are included in equity. Under U.S. GAAP, minority interests are presented as a separate line item.

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

II. Reconciliation of net income from Norwegian GAAP to U.S. GAAP:

		Predecessor		Successor
		Year ended December 31,	Period January 1, 2001 to November 15,	Period November 16, 2001 to December 31,
	Note	2000	2001	2001
		(in NOK thousands)		
Net income in accordance with Norwegian GAAP		219,892	202,188	(201,466)
Adjustment to U.S. GAAP:				
Revenues				
Revenue—revenue recognition	1a	16,888	3,875	(146,526)
Revenue—combined offerings	1b	(6,500)	(119,206)	—
Proportionate consolidation revenues	6	(126,348)	(77,219)	(54,985)
Operating expenses				
Operating expenses—revenue recognition	2a	(10,841)	11,214	121,735
Operating expenses—combined offerings	2a	(300)	7,414	—
Work in progress and prepaid expenses	2b	(32,000)	(17,686)	(20,493)
Goodwill amortization	7	—	—	27,626
Proportionate consolidation operating expenses	6	114,489	86,950	39,501
Effect on operating profit		(44,612)	(104,658)	(33,143)
Proportionate consolidation	6	11,859	(9,731)	15,485
Discontinued operations	3	49,243	—	—
Tax effect of U.S. GAAP adjustments	5	9,171	32,029	12,680
Net income in accordance with U.S. GAAP		245,553	119,828	(206,445)
Total Revenues in accordance with U.S. GAAP	6	1,685,382	1,537,977	68,017

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

III. Reconciliation of shareholder's equity from Norwegian GAAP to U.S. GAAP:

	Note	Predecessor December 31, 2000	Successor December 31, 2001
		(in NOK thousands)	
Shareholder's equity in accordance with Norwegian GAAP		39,251	850,664
Adjustments for U.S. GAAP:			
Revenue—revenue recognition	1a	(24,054)	(146,526)
Revenue—combined offerings	1b	(83,200)	—
Operating expenses—revenue recognition	2a	7,779	121,735
Operating expenses—combined offerings	2a	7,100	—
Work in progress and prepaid costs	2b	(114,422)	(20,493)
Group contribution (dividends to shareholders)	4	941,046	—
Goodwill – pushdown accounting	8	—	229,474
Goodwill amortization	7	—	27,626
Tax effect of U.S. GAAP adjustments	5	57,903	12,680
Minority interest	9	—	(2,280)
Shareholder's equity in accordance with U.S. GAAP		831,403	1,072,880
Total assets in accordance with U.S. GAAP	6	1,409,443	7,143,379
Total liabilities in accordance with U.S. GAAP	6	578,040	6,070,501

IV. The following table reflects the components of comprehensive income under U.S. GAAP:

	Predecessor		Successor
	Year ended December 31, 2000	Period January 1, 2001, to November 15, 2001	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)		
Other comprehensive income			
Net income	245,553	119,828	(206,445)
Translation adjustment	5,366	(4,617)	1,493
Comprehensive income	250,919	115,211	(204,952)

28. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

V. New US Accounting Standards:

In December 1999, the SEC issued Staff Accounting Bulletin No. 101 (SAB 101) which provides guidance on revenue recognition. SAB 101 is effective for the fourth quarter of the financial year beginning after December 15, 1999. The Company adopted SAB 101 in the financial statements for all periods presented.

In June 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133, as amended by SFAS No. 137 and 138, requires that all derivative instruments be recorded on the balance sheet at fair value and introduces new rules in respect of hedge accounting and the recognition of movements in fair value through the income statement. Findexa AS did not have any derivative instruments at December 31, 2001, and will utilize the guidelines set forth under SFAS 133 regarding the derivative instruments that have been entered into subsequent to that date and any derivative instruments that we may elect to enter into the future.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 and SFAS No. 142 have to be implemented with effect from July 1, 2001 and January 1, 2002, respectively. SFAS No. 141 requires that all business combinations be accounted for by the purchase method, SFAS No. 142 addresses the accounting for acquired goodwill and other intangible assets and contains certain transitional provisions, which may affect classification of intangible assets, as well as the balance of goodwill. The ongoing impact will be that goodwill will not be amortized subsequent to the acquisition by TPG, but instead will be tested at least annually for impairment.

In June 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations". SFAS No. 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. An entity shall measure changes in the liability for an asset retirement obligation due to passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period. The interest rate used to measure that change shall be the credit-adjusted risk-free rate that existed when the liability was initially measured. That amount shall be recognized as an increase in the carrying amount of the liability and as an expense classified as an operating item in the statement of income. SFAS No. 143 is effective for fiscal years beginning after June 15, 2002. The Company does not anticipate that adoption of SFAS No. 143 will have a material impact on its results of operations or its financial position.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets. This statement supersedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", and the accounting and reporting provisions of Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations" "Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions". SFAS No. 144 establishes a single accounting model, based on the framework of SFAS 121, for long-lived assets to be disposed of by sale. SFAS 144" is effective for fiscal years beginning after December 15, 2001. The Company does not expect the adoption of this standard to have a significant impact on its financial position or results of operations.

Schedule 1

FINDEXA II AS
STATEMENT OF LOSS

	Note	Period November 16, 2001 to December 31, 2001
		(in NOK thousands)
Interest income		33,958
Interest expense		(34,535)
Other financial expenses	1	(4,224)
Share of loss from Findexa I AS		(197,940)
Loss before taxes		(202,741)
Taxes	2	1,275
Net loss		(201,466)

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
BALANCE SHEET

	Note	At December 31, 2001 (in NOK thousands)
ASSETS		
Intangible assets	3	40,965
Financial assets	4	3,079,837
Total fixed assets		3,120,802
Current receivables	5	357,468
Cash and cash equivalents		14
Total current assets		357,482
Total assets		3,478,284
EQUITY AND LIABILITIES		
Equity		
Shareholder's equity		848,384
Total equity		848,384
Liabilities		
Long-term interest-bearing liabilities	6	2,594,456
Total long-term liabilities		2,594,456
Short-term non-interest-bearing liabilities	7	35,445
Total short-term liabilities		35,445
Total equity and liabilities		3,478,284

The accompanying notes are an integral part of these financial statements.

Schedule 1

FINDEXA II AS
STATEMENT OF CASH FLOW

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
Cash flow from operating activities	
Loss before taxes	(202,741)
Share of loss from Findexa I AS	197,940
Amortization of debt issuance costs	234
Changes in accruals	1,603
Net cash flow from operating activities	(2,964)
Cash flow from investment activities	
Issuance of loan to Findexa I AS	(2,551,554)
Investment in Findexa I AS	(1,048,357)
Net cash flow from investment activities	(3,599,911)
Cash flow from financing activities	
Proceeds from issuance of shares	1,048,357
Proceeds from interest bearing liabilities	2,594,456
Payment of debt issuance costs	(39,924)
Net cash flow from financing activities	3,602,889
Net change in cash and cash equivalents	14
Cash and cash equivalents as at inception (September 10,2001)	--
Cash and cash equivalents at December 31, 2001	14

The accompanying notes are an integral part of these financial statements.

FINDEXA II AS
STATEMENT OF SHAREHOLDER'S EQUITY

	Number of Shares[(1)]	Nominal Amount In NOK	Share Capital	Additional paid in Capital	Retained Earnings/ Losses	Cumulative Translation Adjustment	Total
		(in NOK thousands, except per share amounts)					
Issue of share capital	10,582,000	1	10,582	1,037,775	—	—	1,048,357
Net loss	—	—	—	—	(201,466)	—	(201,466)
Translation adjustment	—	—	—	—	—	1,493	1,493
Balance as of December 31, 2001	10,582,000	1	10,582	1,037,775	(201,466)	1,493	848,384

(1) Only one class of shares. All shares have equal voting and dividend rights. There are no shares outstanding during the period presented.

The accompanying notes are an integral part of these financial statements.

Schedule 1

FINDEXA II AS
SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General

These condensed financial statements of the Company have been prepared using the same accounting principles as set out in our consolidated financial statements for the period November 16, 2001 to December 31, 2001 except that Findexa I AS and its subsidiaries are not consolidated but instead are accounted for using the equity method.

FINDEXA II AS
NOTES TO CONDENSED FINANCIAL STATEMENTS

1. INTEREST EXPENSE

Interest expense includes amortization of debt issuance costs of NOK 234 thousand.

2. INCOME TAXES

The income tax benefit of NOK 1,275 thousand includes Norwegian deferred taxes only. These deferred taxes result from temporary differences between the tax bases of assets and liabilities and their reported amounts.

3. INTANGIBLE ASSETS

	At December 31, 2001 (in NOK thousands)
Debt issuance costs	39,690
Deferred tax assets	1,275
Total intangible assets	40,965

4. FINANCIAL ASSETS

	At December 31, 2001 (in NOK thousands)
Investment in Findexa I AS	528,293
Deferred interest shareholder loan to Findexa I AS	219,271
Shareholder loans to Findexa I AS	2,332,283
Total financial assets	3,079,847

Investment in associated company is as follows:

Company	Shares Owned in %	Book Value 16.11.01	Share of Profit After Tax	Dividend/Group Contribution	Equity and Translations Adjustments	Book Value 31.12.01
Findexa I AS	100.0	1,048,357	(197,940)	(323,519)	1,395	528,293

In November 2001, Findexa II AS issued a deferred interest shareholder loan with a principle amount of Euro 27.5 million and bears interest at a fixed interest rate at 14.5%. This interest is deferred until a specified adjusted EBITDA (as defined in the deferred interest shareholder loan agreement)/consolidated interest expense rate is at least 2.0 to 1.0. Thereafter interest is payable in cash semi-annually on June 1, and December 1. The loan matures on June 1, 2012.

In November 2001, Findexa II AS issued a shareholder loan of NOK 1,219 million which accrue interest at a fixed interest rate of 15% per annum compounded semi-annually. This loan matures and cannot be repaid prior to the later of June 1, 2013 or the 180th day following repayment of the senior credit facilities. This loan do not amortize or earn cash interest before June 1, 2013.

FINDEXA II AS
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

In December 2001, Findexa II AS issued a shareholder loan having a principle of Euro 142 million. The loan matures on December 1, 2011 and bears interest at a fixed interest rate of 10.25% payable semi-annually in arrears.

5. CURRENT RECEIVABLES

	At December 31, 2001 (in NOK thousands)
Group contribution	323,519
Accrued interest receivable	33,949
Total current receivables	357,468

6. LONG- TERM INTEREST BEARING LIABILITIES

	At December 31,2001 (in NOK thousands)
Senior notes	1,156,158
Subordinated deferred interest notes	219,271
Subordinated shareholder loans	1,219,027
Total long-term interest liabilities	2,594,456

See Findexa II AS consolidated financial statements, Note 18, for a description of these liabilities. All of these liabilities are due after 2006.

7. SHORT-TERM NON-INTEREST BEARING LIABILITIES

	At December 31, 2001 (in NOK thousands)
Accrued interest	34,301
Other accrued expenses	1,144
Short-term non interest bearing liabilities	35,445

FINDEXA II AS
NOTES TO THE CONDENSED FINANCIAL STATEMENTS (Continued)

8. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

See Findexa II AS consolidated financial statements, Note 28, for a description of the principle differences of Findexa's accounting principles under Norwegian GAAP and US GAAP and adjustments.

I. Reconciliation of net income from Norwegian GAAP to US GAAP:

	Period November 16, 2001 to December 31, 2001
Net loss in accordance with Norwegian GAAP	(201,466)
Adjustment for US GAAP differences	(4,979)
Net income in accordance with US GAAP	(206,445)
Total revenues in accordance with US GAAP	-

II. Reconciliation of shareholder's equity from Norwegian GAAP to US GAAP:

	Period November 16, 2001 to December 31, 2001
Shareholder's equity in accordance with Norwegian GAAP	848,384
Adjustments for US GAAP differences	224,496
Shareholder's equity in accordance with US GAAP	1,072,880
Total assets in accordance with US GAAP	3,702,780
Total liabilities in accordance with US GAAP	2,629,900

III. The following table reflects the components of comprehensive income under US GAAP:

	Period November 16, 2001 to December 31, 2001
Other comprehensive income	
Net income	(206,445)
Translation adjustment	1,493
Comprehensive income	(204,952)

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the shareholder of Findexa I AS:

We have audited the accompanying consolidated balance sheet of Findexa I AS and its subsidiaries (the "Company") as of December 31, 2001, and the related consolidated statement of loss, shareholder's equity and cash flows for the period November 16, 2001 to December 31, 2001. These financial statements are the responsibility of the Company's management and have been prepared on the basis as set out in Note 1. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2001, and the related consolidated statements of loss, shareholder's equity and cash flow for the period November 16, 2001 to December 31, 2001 then ended in conformity with generally accepted accounting principles in Norway.

Accounting practices used by the Company in preparing the accompanying financial statements conform with generally accepted accounting principles in Norway, but do not conform with accounting principles generally accepted in the United States. A description of these differences and a complete reconciliation of consolidated net loss and shareholder's equity to US generally accepted accounting principles is set forth in Note 27.

Arthur Andersen & Co.
Oslo, Norway, March 27, 2002

FINDEXA I AS
CONSOLIDATED STATEMENT OF LOSS

	Note	Period November 16, 2001 to December 31, 2001
		(in NOK thousands)
Operating revenue	2	269,528
Gain on disposal of fixed assets and operations	1	431
Total revenue		269,959
Cost of materials and printing	4	40,579
Salaries and personnel costs	5,6	130,848
Other operating expenses	7	158,677
Depreciation and amortization	12, 13	84,447
Impairment of fixed assets		797
Total operating expenses		415,348
Operating profit		(145,389)
Loss from associated companies		(5,917)
Financial income	10	3,603
Financial expenses	10	(111,033)
Net financial items		(107,430)
Loss before taxes and minority interest		(258,736)
Taxes	11	60,492
Net Loss before minority interests		(198,244)
Minority interests	25	304
Net loss		(197,940)

The accompanying notes are an integral part of these financial statements.

FINDEXA I AS
CONSOLIDATED BALANCE SHEET

	Note	At December 31, 2001
		(in NOK thousands)
ASSETS		
Intangible assets	12	5,946,446
Tangible assets	13	53,208
Financial assets	14	44,562
Total fixed assets		6,044,216
Inventories and work in progress		74,348
Current receivables	16	663,624
Cash and cash equivalents	24	336,478
Total current assets		1,074,450
Total assets	2	7,118,666
EQUITY AND LIABILITIES		
Equity		
Shareholder's equity		530,573
Total equity		530,573
Liabilities		
Provisions	17	686,776
Long-term interest-bearing liabilities	18	4,785,436
Total long-term liabilities		5,472,212
Short-term interest-bearing liabilities	18	75,076
Short-term non-interest-bearing liabilities	19	1,040,805
Total short-term liabilities		1,115,881
Total equity and liabilities		7,118,666
Guarantees, commitments and contractual obligations	20,21	

The accompanying notes are an integral part of these financial statements.

FINDEXA I AS
CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period November 16, 2001 to December 31, 2001
		(in NOK thousands)
Cash flow from operating activities		
Loss before taxes		(258,736)
Taxes paid		—
Net gain from sale of fixed assets and operations		(431)
Loss from associated companies		5,917
Depreciation, amortization and impairments of fixed assets		85,244
Bad debt expense		4,700
Amortization of debt issuance costs		1,832
Changes in accounts receivables and prepayments from customers		20,143
Changes in accounts payable, prepaid expenses and inventory		140,317
Changes in other accruals		(10,476)
Net cash flow from operating activities		(11,490)
Cash flow from investment activities		
Purchase of tangible and intangible assets		(9,446)
Cash paid on acquisitions of subsidiaries and joint ventures, net of cash received	24	(5,026,386)
Net cash flow from investment activities		(5,035,832)
Cash flow from financing activities		
Proceeds from interest bearing liabilities		5,961,113
Payment of debt issuance costs		(54,863)
Payment of interest bearing liabilities		(1,110,000)
Proceeds from new equity from shareholder		1,048,357
Payment on long-term liabilities		(792)
Payment of group contribution (dividend to shareholder)		(460,000)
Net cash flow from financing activities		5,383,815
Effect on cash and cash equivalents of changes in foreign exchange rates		(15)
Net change in cash and cash equivalents		336,478
Cash and cash equivalents at November 16, 2001		—
Cash and cash equivalents at December 31, 2001		336,478

The accompanying notes are an integral part of these financial statements.

FINDEXA I AS
CONSOLIDATED STATEMENT OF SHAREHOLDER'S EQUITY

	Number of Shares(1)	Nominal Amount in NOK	Share Capital	Additional paid in Capital	Retained Earnings/ Losses	Minority Interest	Cumulative Translation Adjustment	Total
				(in NOK thousands)				
Issue of share capital	10,582,000	1	10,582	1,037,775	—	—	—	1,048,357
Minority interest as of November 16, 2001						2,583	—	2,583
Net loss	—	—	—	—	(197,940)	—	—	(197,940)
Minority interest loss	—	—	—	—	—	(304)	—	(304)
Group contribution (dividend to shareholder)	—	—	—	—	(323,519)	—	—	(323,519)
Translation adjustment	—	—	—	—	—	1	1,395	1,396
Balance as of December 31, 2001	10,582,000	1	10,582	1,037,775	(521,459)	2,280	1,395	530,573

(1) Only one class of shares. All shares have equal voting and dividend rights. There are no shares outstanding during the period presented.

The accompanying notes are an integral part of these financial statements.

FINDEXA I AS
SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

General

Findexa I AS (the "Company") is as wholly-owned subsidiary of Findexa II AS. The separate financial statements of the Company and its subsidiaries have been included since the Company has guaranteed the senior notes of its parent company on a subordinated basis. The consolidated financial statements of Findexa II AS are included on pages F-4 to F-54. The parent company of the Company has no operations, assets or liabilities of its own other than investment in Findexa I AS and the senior notes and the 14.5% deferred interest notes the related debt issuance costs and the shareholder loan from Findexa III AS. These notes are described in Note 18 of the notes to the consolidated financial statements of Findexa II AS. The proceeds of these loans have been loaned to Findexa I AS and are described in Note 18. As a result, the "Summary of Significant Accounting Policies" and certain financial statements footnotes of Findexa II AS are equally applicable to the Company as are references to "Findexa II AS" in those footnotes.

On September 10, 2001 Findexa I AS was established as a company in Norway for the purpose of acquiring shares in Findexa AS (formerly known as Telenor Media AS). The purchase of shares and assets of Findexa although Findexa I AS was established on September 10, 2001. There were only insignificant transactions from the date of inception through the date of the Acquisition. As a result, only the period from November 16, 2001 to December 31, 2001 has been presented (hereafter referred to as "the Acquisition") was recorded under the purchase accounting method (Note 1).

The Group's accounting principles under generally accepted accounting principles in Norway (Norwegian GAAP) differ, in certain material respects, from United States generally accepted accounting principles (U.S. GAAP). The differences and the approximate related effects on the Group's revenue, operating profit, net income, shareholder's equity, total assets and total liabilities are set forth in note 27.

FINDEXA I AS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. ACQUISITIONS AND DISPOSALS - See Findexa II AS, Note 1.

2. GEOGRAPHICAL DISTRIBUTION OF OPERATING REVENUE AND ASSETS – See Findexa II AS Note 2, except as noted below:

Assets by geographical location of the company:

	At December 31, 2001 (in NOK thousands)	
	Fixed assets:	Total assets:
Nordic[1]	5,719,331	6,547,092
Western Europe[2]	434,251	586,315
Central Europe[3]	158,668	220,225
Eastern Europe[4]	69,031	128,636
Intercompany eliminations	(337,065)	(363,602)
Total assets	6,044,216	7,118,666

(1) Comprises Norway and Finland.
(2) Comprises France and Spain.
(3) Comprises Poland and the Czech Republic.
(4) Comprises Russia, Estonia, Latvia, Lithuania.

3. BUSINESS SEGMENTS

Findexa operates in two business segments: Directories—Norway (Norway), the Group’s directory services in Norway, and International Operations (International), the Group’s directory services outside Norway.

The business segments Findexa reported below are consistent with reporting to the group management and Board of Directors. The primary measures for assessing performance and allocating resources are revenue, operating profit and EBITDA[1].

3. BUSINESS SEGMENTS (Continued)

Operating results

	Period November 16, 2001 to December 31, 2001		
	Norway	International	Total
	(in NOK thousands)		
Operating revenue	64,495	205,033	269,528
Gain on disposal of fixed assets and operations		431	431
Total Revenue	64,495	205,464	269,959
Cost of materials and printing	4,873	35,706	40,579
Salaries and personnel costs	38,722	92,126	130,848
Other operating expenses	59,611	99,066	158,677
Depreciation and amortization	69,978	14,469	84,447
Impairment of fixed assets	660	137	797
Total operating expenses	173,844	241,504	415,348
Operating profit (loss)	(109,349)	(36,040)	(145,389)
Income from associated companies	(5,917)	—	(5,917)
EBITDA[(1)]	(39,371)	(21,571)	(60,942)

Reconciliation of EBITDA to profit before taxes

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
EBITDA[(1)]	
Norway	(39,371)
International	(21,571)
Total reportable segments	(60,942)
Income from associated companies	(5,917)
Depreciation and amortization	(84,447)
Net financial Items (including interest expense)	(107,430)
Total profit before taxes	(258,736)

(1) EBITDA is defined as operating profit before depreciation and amortization.

3. BUSINESS SEGMENTS (Continued)

Balance Sheet and Investments

	For the period ended or at December 31, 2001			
	Norway	International	Inter-company	Total
	(in NOK thousands)			
Fixed assets (excl. associated companies)	5,720,750	825,957	(523,183)	6,023,524
Current assets	749,302	453,494	(128,346)	1,074,450
Associated companies	20,692	—	—	20,692
Total assets	6,490,744	1,279,451	(651,529)	7,118,666
Long term liabilities incl. Provisions	5,421,792	573,603	(523,183)	5,472,212
Short -term liabilities	893,935	350,292	(128,346)	1,115,881
Total liabilities	6,315,727	923,895	(651,529)	6,588,093
Net deferred tax assets	635,261	23,174	—	658,435
Capital expenditures in fixed assets	7,052	2,394	—	9,446

4. COST OF MATERIALS AND PRINTING – See Findexa II AS, Note 4.

5. PENSION OBLIGATIONS – See Findexa II AS, Note 5.

6. SALARIES AND PERSONNEL COSTS – See Findexa II AS, Note 6.

7. OTHER OPERATING EXPENSES – See Findexa II AS, Note 7.

8. IMPAIRMENT OF FIXED ASSETS – See Findexa II AS, Note 8.

9. RESEARCH AND DEVELOPMENT COSTS – See Findexa II AS, Note 9.

10. FINANCIAL INCOME AND EXPENSES

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
Interest income	3,389
Other financial income	214
Total financial income	3,603
Interest expense(1)	83,741
Foreign currency losses	25,097
Other financial expenses	2,195
Total financial expenses	111,033
Net financial items	(107,430)

(1) Interest expense included amortization of debt issuance costs of NOK 1,833 thousand, fees expensed in connection with the bridge financing of NOK 9,736 thousand and NOK 2,922 thousand for a commitment fee on the senior credit facilities.

11. TAXES – See Findexa II AS, Note 11, except as noted below:

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
Loss before taxes	
Norway	(233,911)
Outside Norway[1]	(24,825)
Total loss before taxes	(258,736)
Taxes	
Taxes payable on Norwegian income	(77,471)
Changes in deferred taxes	7,372
Tax expense outside Norway	9,607
Total tax expense	(60,492)

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
Expected income taxes according to statutory tax rate (28%)[1]	(72,446)
Tax-differences abroad	(1,235)
Net losses from joint ventures and subsidiaries abroad	4,792
Non-deductible expenses/Non-taxable income	995
Amortization of goodwill	7,874
Other	(472)
Income tax expense	(60,492)
Effective tax rate in %	23.4

(1) Includes joint venture companies outside Norway.
(2) Norwegian nominal statutory tax rate is 28%.

11. TAXES (Continued)

	At December 31, 2001	
	Deferred tax assets	Deferred tax liabilities
	(in NOK thousands)	
Tangible and intangible assets	—	640,992
Other long-term items	6,069	10,605
Total long term assets and liabilities	6,069	651,597
Current assets	—	31,931
Current liabilities	17,335	—
Total current assets and liabilities	17,335	31,931
Taxable losses carried forward	101,149	—
Valuation allowance	(99,460)	—
Deferred tax/tax assets	25,093	683,528
Net deferred tax liability		(658,435)

12. INTANGIBLE ASSETS

	Net Book Value At December 31, 2001
	(in NOK thousands)
Goodwill	3,502,637
Advertiser lists	1,070,559
Brand names	1,090,972
Other intangible assets	152,998
Software	76,249
Debt issuance costs	53,031
Total intangible assets	5,946,446

13. TANGIBLE ASSETS – See Findexa II AS, Note 13.

14. FINANCIAL ASSETS - Findexa II AS, Note 14.

15. JOINT VENTURES - Findexa II AS, Note 15.

16. CURRENT RECEIVABLES - Findexa II AS, Note 16.

17. PROVISIONS

	At December 31, 2001
	(in NOK thousands)
Deferred tax liability	658,435
Pension obligations	16,765
Other provisions	11,576
Total provisions	686,776

18. INTEREST BEARING LIABILITIES – See Findexa II AS Note 18, except as noted below:

	At December 31, 2001
	(in NOK thousands)
Short-term interest bearing liabilities	75,076
Subordinated loan	—
Loan from joint venture partner	8,058
Term loan A	1,650,000
Term loan B	575,000
Subordinated shareholder loans	2,551,544
Other	834
Long-term interest bearing liabilities	4,785,436
Total interest bearing liabilities	4,860,512

In connection with the Acquisition, the Group entered into several financing arrangements: two senior credit facilities (Term loan A and Term loan B), a subordinated bridging loan, a revolving line of credit, deferred interest notes and shareholder loans.

Term loan A and Term loan B are secured senior obligations from certain banks that have aggregate principal amounts of NOK 1,725 million and NOK 575 million, respectively, with Citibank International plc as the facility agent. Term loan A bears interest at LIBOR plus a percentage ranging from 1.25% to 2.25% per annum, depending on a margin adjustment mechanism beginning after December 31, 2002. Term loan B bears interest at LIBOR plus 2.75%. Term loan A and Term loan B bore interest at 9.31% and 9.81%, respectively, at December 31, 2001. The NOK 1,725 million facility is to be repaid in semi-annual installments beginning on March 31, 2002, and continuing through March 31, 2008 and the NOK 575 million facility is to be repaid in two installments with 47.8% repayable September 30, 2008, and the balance repayable on March 31, 2009. The Group incurred debt issuance costs of NOK 54.0 million in connection with these loans. Debt issuance costs are deferred and then amortized as a component of interest expense over the term of the notes. Including debt issuance costs, these notes had an effective annualized interest rate of 10.03% and 10.12% for the period November 16, 2001 to December 31, 2001 Term loan A and Term loan B, respectively. A related commitment fee of NOK 3.0 million was expensed during the period November 16, 2001 to December 31, 2001.

The Group obtained bridge financing in the amount of NOK 1,110 million under the subordinated bridging loan from certain banks and lenders with Citibank International plc as the facility agent. Fees of NOK 9.7 million were expensed during the period November 16, 2001 to December 31, 2001.

The Group obtained a NOK 400 million revolving loan. The revolving loan facility will cease to be available for drawing on February 29, 2008, and all advances then outstanding under it will be due March 31, 2008. As of December 31, 2001, no amounts had been drawn on the revolving loan facility. The Group will incur annual fees of NOK 3.0 million with respect to this facility and has expensed NOK 0.4 million in the period November 16, 2001 to December 31, 2001 in that respect.

The Group issued subordinated shareholder loans of NOK 1,219 million which accrue interest at a fixed interest rate of 15% per annum compounded semi-annually. These loan mature and cannot be repaid prior to the later of June 1, 2013 or the 180th day following repayment of the senior credit facilities. These loans do not amortize or bear cash interest before June 1, 2013.

The Group issued subordinated deferred interest shareholder loans with a principle amount of Euro 27.5 million (for which we received proceeds at NOK 215 million on November 16, 2001) and bears interest at a fixed interest rate at 14.5%. This interest is deferred until a specified adjusted EBITDA (as defined in the indenture)/consolidated interest expense rate is at least 2.0 to 1.0. Thereafter interest is payable in cash on June 1 and December 1. The loan matures on June 1, 2012.

18. INTEREST BEARING LIABILITIES (Continued)

In December 2001, the Group issued an additional shareholder loan having a principle balance of Euro 145 million to replace the NOK 1,110 million bridge financing for which we received proceeds at NOK 1,119 million on December 10, 2001. The loan matures on December 1, 2011 and bears interest at a fixed interest rate of 10.25% payable semi-annually in arrears.

The senior credit facilities impose restrictions on such items as total debt, dividend payments, off-balance sheet financing and transactions with affiliates as well as maintaining specified consolidated financial ratios for the financial year ending December 31, 2001, as well as certain capital expenditure and financial lease expenditures limits for each financial year. The deferred interest notes and the senior notes impose restrictions on such items as total debt, dividend payments, guarantees by subsidiaries, sale of stock by restricted subsidiaries, sales of assets and transactions with affiliates. At December 31, 2001, the Group was in compliance with these arrangements.

At December 31, 2001 the Group's joint venture company, PKT, has a payable of U.S.$1.5 million and U.S.$1.8 million, respectively, to Verizon (the other shareholder in the joint venture), Findexa has consolidated its percentage of ownership of the loan on a pro-rata basis.

Maturities of the Groups long-term interest bearing liabilities as of December 31, 2001, are as follows:

Year	Installment (in NOK thousands)
2002	75,076
2003	158,892
2004	230,000
2005	300,000
2006	325,000
2007 and later	3,771,544
Total long-term interest bearing liabilities	4,860,512

19. SHORT-TERM NON-INTEREST BEARING LIABILITIES

	At December 31, 2001 (in NOK thousands)
Accounts payable	104,152
Group contribution (dividend to shareholder)	323,519
Accrued VAT, social security, withheld taxes from employees, etc.	155,226
Taxes payable	96,243
Accrued interest expense	52,018
Other accrued expenses	124,680
Deferred revenue	105,774
Other short-term liabilities	79,193
Total short-term non-interest bearing liabilities	1,040,805

20. GUARANTEES - See Findexa II AS, Note 20.

21. CONTINGENCIES, COMMITMENTS AND CONTRACTUAL OBLIGATIONS – See Findexa II AS, Note 21.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT – See Findexa II AS, Note 22.

23. RELATED PARTIES – See Findexa II AS, Note 23.

24. ADDITIONAL INFORMATION ABOUT CASH AND CASH FLOW – See Findexa II AS, Note 24.

25. MINORITY INTERESTS – See Findexa II AS, Note 26.

26. SUBSEQUENT EVENTS – See Findexa II AS, Note 27.

27. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES – See Findexa II AS, Note 28, except as noted below:

The Group's consolidated financial statements have been prepared under Norwegian GAAP, which differs in certain respects from U.S. GAAP. The principal differences between the Group's accounting principles under Norwegian GAAP and U.S. GAAP for the period from November 16, 2001 to December 31, 2001, are set out below:

I. Description of Adjustments:

(1) Revenue recognition:

Printed Directories: Under Norwegian GAAP, revenue and costs from sales of advertisements and listings are recognized at the time distribution of the individual directory commences. Under U.S. GAAP, performance has to be substantially complete when revenue can be recognized, therefore revenue from the printed directories can only be recognized when the distribution of the related directories is complete.

(2) Work in progress and prepaid expenses:

(a) Under Norwegian GAAP, costs of selling, production, printing and distribution is deferred and recognized as expenses when the related revenue is recognized.

(b) Under Norwegian GAAP, the Group defers direct costs as well as directly attributable overhead expenses associated with selling, production, printing and distribution as work in progress and prepaid expenses. Under U.S. GAAP, the Group only defers the direct and incremental direct costs according to the cost deferral model described by FASB Technical Bulletin 90-1. Application of this model limits the cost deferral to direct and incremental expenses associated with selling, printing and distribution.

(3) Taxes:

The income tax effects of U.S. GAAP adjustments are recorded as a deferred tax expense at the statutory tax rate of 28%.

(4) Proportionate consolidation of joint ventures:

Under Norwegian GAAP, Findexa is accounting for investments in corporate joint venture investments according to proportionate consolidation.

Under U.S. GAAP, investments in corporate joint ventures are accounted for according to the equity method.

27. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

(5) Goodwill amortization:

Under Norwegian GAAP, goodwill is amortized over its estimated useful economic life. Under U.S. GAAP, goodwill is not amortized, but tested for impairment on an annual basis.

(6) Push down accounting:

Under Norwegian GAAP, acquisition expenses incurred by an acquiring entity are not recognized in the acquired company's financial statements.

(7) Minority interests:

Under Norwegian GAAP, minority interests are included in equity. Under U.S. GAAP, minority interests are presented as a separate line item.

(8) Group Contribution (dividend to shareholder):

Under Norwegian GAAP, group contributions (dividends) are recorded as current liabilities in the year that they are designated. Under U.S. GAAP, ground contributions are only recognized when declared and approved by the general assembly.

II. Reconciliation of net income from Norwegian GAAP to U.S. GAAP:

	Note	Period November 16, 2001 to December 31, 2001
		(in NOK thousands)
Net income in accordance with Norwegian GAAP		(197,940)
Adjustments for U.S. GAAP:		
Revenues		
Revenue—revenue recognition	1	(146,526)
Proportionate consolidation revenues	4	(54,985)
Operating expenses		
Operating expenses—revenue recognition	2a	121,735
Work in progress and prepaid expenses	2b	(20,493)
Goodwill amortization		27,626
Proportionate consolidation operating expenses	4	39,500
Effect on operating profit		(33,143)
Proportionate consolidation		15,484
Tax effect of U.S. GAAP adjustments	3	12,680
Net income in accordance with U.S. GAAP		(202,919)
Total revenue in accordance with U.S. GAAP		68,017

27. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (Continued)

III. Reconciliation of shareholder’s equity from Norwegian GAAP to U.S. GAAP:

	Note	Period November 16, 2001 to December 31, 2001
		(in NOK thousands)
Shareholder’s equity in accordance with Norwegian GAAP		530,573
Adjustments for U.S. GAAP:		
Revenue—revenue recognition	1a	(146,526)
Operating expenses—revenue recognition	2a	121,735
Work in progress and prepaid costs	2b	(20,493)
Goodwill pushdown accounting	6	229,474
Goodwill amortization	5	27,626
Group contribution	8	323,519
Tax effect of U.S. GAAP adjustments	3	12,680
Minority interests	7	(2,280)
Shareholder’s equity in accordance with U.S. GAAP		1,076,308
Total assets in accordance with U.S. GAAP		7,102,631
Total liabilities in accordance with U.S. GAAP		6,026,324

IV. The following table reflects the components of comprehensive income under U.S. GAAP:

	Period November 16, 2001 to December 31, 2001
	(in NOK thousands)
Other comprehensive income	
Net income	(202,919)
Translation adjustment	1,395
Comprehensive income	(201,524)

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