

Sèvres, 13 February 2014

## Solocal Group 2013 Full-Year results

- Consolidated revenues of 998.9 million euros down 5.8% on a like-for-like basis<sup>1</sup>
- Gross operating margin of 424.3 million euros slightly above forecast, with a sustained high margin rate of 42.5%
- Debt repayment of 146.5 million euros
- Compliance with covenants
- Confirmed 2014 outlook

On the announcement of Solocal Group's full-year results for 2013, Jean-Pierre Remy, Chairman and CEO, said:

*"The Group recorded full year results slightly above our forecasts and better than expected year-end sales. The growth of our audiences is ongoing, particularly with PagesJaunes experiencing again a strong growth, with +25%, in fixed and mobile internet traffic towards professionals. We also made noticeable progress in the implementation of our new customer organisation by verticals and in the strengthening of our management teams. These early successes of our Digital 2015 transformation program, combined with the capital increase and debt refinancing, will enable us to accelerate the development of our Internet business."*

The Board of Directors approved the Group's consolidated accounts as at 31 December 2013.

In millions of euros	2013	2012	Change	Like-for-like basis
<b>Group revenues</b>	<b>998.9</b>	<b>1 066.2</b>	<b>-6.3%</b>	<b>-5.8%</b>
of which Internet	632.5	622.7	+1.6%	+1.7%
as % of Group revenues	63.3%	58.4%		
<b>Gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>	<b>-7.9%</b>
as % of Group revenues	42.5%	43.6%		

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

## I. End of 2013 highlights

### Consolidated revenues of 998.9 million euros down 5.8% on a like-for-like basis<sup>2</sup>

- Internet up +1.7%<sup>2</sup>, represents 63.3% of the Group's revenues
- Printed directories -16.4%<sup>2</sup>

### Gross operating margin of 424.3 million euros slightly above the Group's forecasts with a sustained high margin rate of 42.5%

- Strong Internet margin: 42.3%
- Ongoing reduction in the costs of producing<sup>3</sup> Printed directories
- Controlled commercial costs

### Debt repayment for 146.5 million euros, compliance with covenants

### Digital 2015: strong growth in audiences in Q4 driven by mobile and partnerships

- PagesJaunes.fr: +25% growth in traffic<sup>4</sup> to professionals
- Solocal Group: +10% growth in visits<sup>5</sup> of which 27% mobile visits
- Mobile: more than 30 million Group applications downloaded at the end of December 2013, up +37% in one year

### Digital 2015: Obtained regulatory and works council approvals on the customer organisation project

## II. Trend in fixed and mobile Internet audiences

In millions of visits	2013	2012	Change
PagesJaunes	1 324.0	1 194.4	+10.9%
of which mobile	342.5	233.9	+46.4%
Mappy	310.4	308.8	+0.5%
of which mobile	111.4	74.7	+49.1%
Other (a)	191.0	177.7	+7.5%
<b>Total excluding 123people</b>	<b>1 825.4</b>	<b>1 681.0</b>	<b>+8.6%</b>
of which mobile	465.3	313.6	+48.4%
123people	182.8	433.1	-57.8%

Source : Solocal Group

(a) on a like-for-like basis

The Internet audience for the Group's sites (excluding 123people) grew by +8.6% over 2013 compared with 2012, sustained in particular by the strong growth in the number of mobile Internet visits up by +48.4%. In 2013, the Solocal Group applications (primarily PagesJaunes and Mappy) had been downloaded more than 30 million times across all smartphones and tablets in France.

The Group's websites continue to benefit from strong audiences in 2013: 18 million unique visitors<sup>6</sup> on the fixed Internet portion and 7 million unique visitors<sup>6</sup> on the mobile Internet portion in December 2013 (respectively the 10<sup>th</sup> and 8<sup>th</sup> Group whose websites are the most visited in France).

<sup>2</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

<sup>3</sup> Paper, Print, Distribution

<sup>4</sup> Fixed and mobile internet, PagesJaunes.fr audiences excluding PagesBlanches, internal source

<sup>5</sup> compared to Q4 2012, excluding 123people, internal source

<sup>6</sup> Source: Médiamétrie NetRatings – December 2013

### III. Financial Results

In millions of euros	2013	2012	Change
<b>Group revenues</b>	<b>998.9</b>	<b>1 066.2</b>	<b>-6.3%</b>
<b>Internet</b>	<b>632.5</b>	<b>622.7</b>	<b>+1.6%</b>
as % of Group revenues	63.3%	58.4%	
<b>Printed directories</b>	<b>344.7</b>	<b>416.6</b>	<b>-17.3%</b>
as % of Group revenues	34.5%	39.1%	
<b>Other businesses</b>	<b>21.7</b>	<b>26.9</b>	<b>-19.3%</b>
as % of Group revenues	2.2%	2.5%	
<b>Gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
as % of Group revenues	42.5%	43.6%	
<b>Internet</b>	<b>267.4</b>	<b>269.6</b>	<b>-0.8%</b>
as % of Internet revenues	42.3%	43.3%	
<b>Printed directories</b>	<b>150.9</b>	<b>184.8</b>	<b>-18.3%</b>
as % of Printed directories revenues	43.8%	44.4%	
<b>Other businesses</b>	<b>6.0</b>	<b>10.1</b>	<b>-40.6%</b>
as % of Other businesses revenues	27.6%	37.5%	
<b>Operating income</b>	<b>329.2</b>	<b>408.0</b>	<b>-19.3%</b>
Net financial income	(132.3)	(136.1)	+2.8%
Share of profit or loss of an associate	(0.2)	(0.9)	na
<b>Income before tax</b>	<b>196.7</b>	<b>271.0</b>	<b>-27.4%</b>
Corporate income tax	(81.9)	(112.4)	+27.1%
Corporate income tax rate	41.6%	41.3%	
<b>Net income</b>	<b>114.8</b>	<b>158.5</b>	<b>-27.6%</b>

The Group recorded **consolidated revenues down 5.8% on a like-for-like basis<sup>7</sup>** over financial year 2013 (6.3% drop based on reported figures).

- **Internet business represents 63% of the Group's revenues and grew +1.7% on a like-for-like basis<sup>7</sup>** (+1.6% growth based on reported figures) **over the financial year 2013** affected by the slowdown in the display business.
- **The decrease in the Printed directories business is in line with our forecast, amounting to -16.4% on a like-for-like basis<sup>7</sup>** (17.3% drop based on published figures) **over the financial year 2013** thanks to an adapted pricing policy.

**The Group's gross operating margin of 424.3 million euros over financial year 2013** is down 8.0% on a like-for-like basis<sup>7</sup> (8.7% decline based on reported figures) compared to 2012: the decrease in GOM stems from the revenue decline and the disposal of Editus, partially offset by commercial and production cost controls<sup>8</sup>. **The Group is maintaining a high gross operating margin of 42.5% as of 31 December 2013** compared to 43.6% as of 31 December 2012.

<sup>7</sup> Excluding disposal of Editus and acquisition of Chronoresto

<sup>8</sup> Paper, Print, Distribution

**The Group's operating income, down -19.3% over financial year 2013** compared to 2012, **reached 329.2 million euros**. The decrease in operating income mainly results from the decline in gross operating margin, restructuring costs related to the new commercial organisation and the increase in depreciation and amortisation stemming from the increase in Internet investment .

**The financial result represents net expense of 132.3 million euros as of 31 December 2013 down 2.8%** compared to 31 December 2012. The average cost of gross debt (including hedging instruments) stood at 6.83% as of 31 December 2013 compared to 5.80% (excluding RCF drawing) as of 31 December 2012. The increase of 103 basis points is the result of the refinancing operations carried out in autumn 2012. The reduction in debt allowed the increase in the cost of the debt to be offset almost entirely.

**The Group's net income stands at 114.8 million euros as of 31 December 2013, down -27.6%** compared to 31 December 2012. The decline in net income is primarily related to that of operating income and to the increase in the tax pressure since the end of 2012 (additional tax, partial deductibility of financial interest introduced at the end of 2012, ...) offset by a repayment of taxes from prior years.

#### **IV. Financial structure**

**Net debt<sup>9</sup> amounts to 1,579.6 million euros as of 31 December 2013**, down 162.1 million euros compared to 31 December 2012.

**As of 31 December 2013, the Group had headroom of 0.4% for its financial leverage covenant** which was 3.73 times an aggregate close to GOM **and of 19.1% on its interest coverage ratio** which was 3.57 times the net interest expenses<sup>10</sup>.

**The Group's net cash flow at 136.2 million euros at the end of December 2013 is down -26.4%** compared to 31 December 2012. This decline is primarily related to the drop in the gross operating margin over the period and a shift in the payment of interest for 2012 in 2013. **As of 31 December 2013, the Group had a net cash flow of 73.1 million euros.**

#### **V. Confirmed 2014 outlook**

**2014 will be a year of structural changes, especially in the commercial area.**

**In this context and in light of a mediocre economic environment, the outlook for 2014 is:**

- Revenue decrease between -3% and -6%
- Normalized<sup>11</sup> gross operating margin expected between 355 million euros and 375 million euros

**Digital 2015 investments shall allow to return to growth in 2015 and to generate about 75% of revenues on Internet.**

<sup>9</sup> Net debt corresponds to the total gross financial debt plus or minus the fair value of derivative asset and/or liability hedging instruments and minus cash and cash equivalents.

<sup>10</sup> Excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and accretion income.

<sup>11</sup> GOM normalised for non-cash impacts of changes to sales contracts



### **About Solocal Group**

Solocal Group, the leader in European local communication, became the new name of PagesJaunes Groupe on 5 June 2013. The Group offers online content, advertising solutions and transactional services that connect consumers and clients locally. It brings together around 4,500 people – including nearly 2,200 advisors in local communication in France and Spain to support the digital development of companies (SMEs and micro businesses, tier 1 brand accounts, etc.) – 17 strong and complementary brands (PagesJaunes, Mappy, 123deal, A vendre A louer, Embauche.com, Keltravo, Chronoresto, ZoomOn, Solocal Network, ComprendreChoisir, ClicRDV, PJMS, Horyzon Media, Leadformance, QDQ, Editus and Solocal Group) and nearly 650,000 clients. In 2013, Solocal Group generated nearly €1 billion in revenues, of which 63% via the Internet, and thus ranks among the key European players in terms of online advertising revenues. Solocal Group is listed on NYSE Euronext Paris (ticker 'LOCAL'). Further information on Solocal Group is available on [www.solocalgroup.com](http://www.solocalgroup.com).

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## Appendix 1: Quarterly trend in fixed and mobile Internet audiences

In millions of visits	Q4 2013	Q4 2012	Change
<b>PagesJaunes</b>	340.8	300.7	+13.3%
of which mobile	92.8	66.8	+38.9%
<b>Mappy</b>	69.2	72.7	-4.8%
of which mobile	26.2	21.1	+23.9%
<b>Other (a)</b>	47.2	42.8	+10.4%
<b>Total excluding 123people</b>	<b>457.3</b>	<b>416.2</b>	<b>+9.9%</b>
of which mobile	122.3	89.5	+36.7%
<b>123people</b>	8.9	102.1	-91.2%

Source : Solocal Group

(a) on a like-for-like basis

## Appendix 2: Quarterly revenues and gross operating margin

In millions of euros	Q4 2013	Q4 2012	Change
<b>Group revenues</b>	<b>249.5</b>	<b>266.3</b>	<b>-6.3%</b>
<b>Internet</b>	<b>161.5</b>	<b>159.4</b>	<b>+1.3%</b>
as % of Group revenues	64.7%	59.9%	
<b>Printed directories</b>	<b>82.5</b>	<b>100.4</b>	<b>-17.8%</b>
as % of Group revenues	33.1%	37.7%	
<b>Other businesses</b>	<b>5.4</b>	<b>6.5</b>	<b>-16.9%</b>
as % of Group revenues	2.2%	2.4%	
<b>Gross operating margin</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>
as % of Group revenues	38.3%	38.6%	
<b>Internet</b>	<b>64.9</b>	<b>63.4</b>	<b>+2.4%</b>
as % of Internet revenues	40.2%	39.8%	
<b>Printed directories</b>	<b>29.5</b>	<b>37.1</b>	<b>-20.5%</b>
as % of Printed directories revenues	35.8%	37.0%	
<b>Other businesses</b>	<b>1.0</b>	<b>2.2</b>	<b>na</b>
as % of Other businesses revenues	18.5%	33.8%	

### Appendix 3: Quarterly consolidated income statement

In millions of euros	Q4 2013	Q4 2012	Change
<b>Revenues</b>	<b>249.5</b>	<b>266.3</b>	<b>-6.3%</b>
Net external expenses	(66.6)	(64.2)	-3.7%
Salaries and charges	(87.4)	(99.4)	+12.1%
<b>Gross operating margin</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>
<i>as % of revenues</i>	38.3%	38.6%	
Legal employee profit-sharing	(4.8)	(3.1)	-54.8%
Share-based payment	0.2	(1.7)	na
Depreciation and amortisation	(10.7)	(10.2)	-4.9%
Other income and expenses	(33.5)	(2.7)	na
<b>Operating income</b>	<b>46.6</b>	<b>85.1</b>	<b>-45.2%</b>
<i>as % of revenues</i>	18.7%	32.0%	
<b>Net financial income</b>	<b>(31.3)</b>	<b>(41.1)</b>	<b>+23.8%</b>
Share of profit or loss of an associate	(0.5)	(0.3)	na
<b>Income before tax</b>	<b>14.8</b>	<b>43.8</b>	<b>-66.2%</b>
Corporate income tax	(6.6)	(24.2)	+72.7%
Corporate income tax rate	43.4%	55.0%	
<b>Net income</b>	<b>8.2</b>	<b>19.5</b>	<b>-57.9%</b>

### Appendix 4: Consolidated income statement for the period

In millions of euros	2013	2012	Change
<b>Revenues</b>	<b>998.9</b>	<b>1 066.2</b>	<b>-6.3%</b>
Net external expenses	(222.1)	(228.2)	+2.7%
Salaries and charges	(352.5)	(373.5)	+5.6%
<b>Gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
<i>as % of revenues</i>	42.5%	43.6%	
Legal employee profit-sharing	(15.4)	(14.7)	-4.8%
Share-based payment	(1.5)	(2.3)	+34.8%
Depreciation and amortisation	(40.7)	(36.7)	-10.9%
Other income and expenses	(37.4)	(2.8)	na
<b>Operating income</b>	<b>329.2</b>	<b>408.0</b>	<b>-19.3%</b>
<i>as % of revenues</i>	33.0%	38.3%	
<b>Net financial income</b>	<b>(132.3)</b>	<b>(136.1)</b>	<b>+2.8%</b>
Share of profit or loss of an associate	(0.2)	(0.9)	na
<b>Income before tax</b>	<b>196.7</b>	<b>271.0</b>	<b>-27.4%</b>
Corporate income tax	(81.9)	(112.4)	+27.1%
Corporate income tax rate	41.6%	41.3%	
<b>Net income</b>	<b>114.8</b>	<b>158.5</b>	<b>-27.6%</b>

## Appendix 5: Quarterly consolidated cash flow statement

In millions of euros	Q4 2013	Q4 2012	Change
<b>Gross operating margin</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>
Legal employee profit-sharing	(4.8)	(3.1)	-54.8%
Non monetary items included in GOM	0.4	2.0	na
Net change in working capital	2.1	(7.0)	na
Acquisition of tangible and intangible fixed assets	(19.7)	(13.4)	-47.0%
<b>Operational cash flow</b>	<b>73.4</b>	<b>81.2</b>	<b>-9.6%</b>
<i>as % of GOM</i>	76.9%	79.1%	
Cash financial income	(35.1)	(28.3)	-24.0%
Other income and expenses	(3.7)	(1.9)	na
Corporate income tax paid	(14.3)	(31.3)	+54.3%
<b>Net cash flow</b>	<b>20.3</b>	<b>19.8</b>	<b>+2.5%</b>
Increase (decrease) in borrowings and bank overdrafts	(50.1)	(452.0)	na
Other	(1.8)	3.0	na
<b>Net cash variation</b>	<b>(31.6)</b>	<b>(429.2)</b>	<b>na</b>
Net cash and cash equivalents at beginning of period	104.7	521.1	na
<b>Net cash and cash equivalents at end of period</b>	<b>73.1</b>	<b>91.9</b>	<b>-20.5%</b>

## Appendix 6: Consolidated cash flow statement for the period

In millions of euros	2013	2012	Change
<b>Gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
Legal employee profit-sharing	(15.4)	(14.7)	-4.8%
Non monetary items included in GOM	6.5	0.4	na
Net change in working capital	(2.4)	(6.0)	+60.0%
Acquisition of tangible and intangible fixed assets	(55.3)	(42.6)	-29.8%
<b>Operational cash flow</b>	<b>357.6</b>	<b>401.6</b>	<b>-11.0%</b>
<i>as % of GOM</i>	84.3%	86.5%	
Cash financial income*	(128.4)	(107.2)	-19.8%
Other income and expenses	(7.4)	(1.9)	na
Corporate income tax paid	(85.7)	(107.5)	+20.3%
<b>Net cash flow</b>	<b>136.2</b>	<b>185.0</b>	<b>-26.4%</b>
Increase (decrease) in borrowings and bank overdrafts	(149.4)	(172.2)	+13.2%
Other	(5.5)	1.0	na
<b>Net cash variation</b>	<b>(18.8)</b>	<b>13.8</b>	<b>na</b>
Net cash and cash equivalents at beginning of period	91.9	78.1	+17.7%
<b>Net cash and cash equivalents at end of period</b>	<b>73.1</b>	<b>91.9</b>	<b>-20.5%</b>

\* a shift of €10 M of 2012 interest disbursed in Q2 2013



## Appendix 7: Consolidated balance sheet

In millions of euros	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>		
<b>Total non-current assets</b>	<b>214.8</b>	<b>212.3</b>
Net goodwill	78.7	82.3
Other net intangible fixed assets	80.8	69.4
Net tangible fixed assets	23.6	25.5
Other non-current assets of which deferred tax assets	31.7	35.1
<b>Total current assets</b>	<b>585.3</b>	<b>653.9</b>
Net trade accounts receivable	405.8	429.9
Acquisition costs of contracts	63.3	68.9
Prepaid expenses	5.9	5.6
Cash and cash equivalents	75.6	111.5
Other current assets	34.7	38.0
<b>TOTAL ASSETS</b>	<b>800.0</b>	<b>866.2</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>(1 866.7)</b>	<b>(2 006.8)</b>
<b>Total non-current liabilities</b>	<b>1 617.5</b>	<b>1 777.2</b>
Non-current financial liabilities and derivatives	1 516.2	1 686.6
Employee benefits (non-current)	85.1	83.3
Other non-current liabilities	16.3	7.3
<b>Total current liabilities</b>	<b>1 049.2</b>	<b>1 095.7</b>
Bank overdrafts and other short-term borrowings	132.7	149.9
Deferred income	597.5	632.1
Employee benefits (current)	119.2	124.4
Trade accounts payable	84.5	78.3
Other current liabilities	115.4	111.0
<b>TOTAL LIABILITIES</b>	<b>800.0</b>	<b>866.2</b>

## Appendix 8: Consolidated net debt

In millions of euros	31 Dec 2013	31 Dec 2012
Cash and cash equivalents	75.5	111.5
<b>Gross Cash position</b>	<b>75.6</b>	<b>111.5</b>
Bank overdrafts	(2.5)	(19.6)
<b>Net Cash position</b>	<b>73.1</b>	<b>91.9</b>
Bank borrowings	(1 297.5)	(1 368.2)
Bond borrowings -Senior secured notes	(350.0)	(350.0)
Revolving credit line drawn*	-	(75.8)
Loan issuance expenses	25.4	37.6
Capital leases	(0.0)	(0.1)
Fair value of hedging instruments	(20.2)	(54.6)
Accrued interest not yet due	(6.3)	(16.7)
Other financial liabilities	(4.1)	(5.7)
<b>Gross financial debt</b>	<b>(1 652.7)</b>	<b>(1 833.6)</b>
<i>of which current</i>	<i>(136.4)</i>	<i>(147.0)</i>
<i>of which non-current</i>	<i>(1 516.2)</i>	<i>(1 686.6)</i>
<b>Net debt</b>	<b>(1 579.6)</b>	<b>(1 741.7)</b>
<b>Net cash (debt) excluding fair value of financial instruments and loan issuance expenses</b>	<b>(1 584.8)</b>	<b>(1 724.7)</b>

\*At 12/31/2013, €71.0 M available under the undrawn revolving credit line (€20 M available at 12/31/2012)