Press release

Sèvres, February 13th 2014

Solocal announces a refinancing plan including a capital increase of 440 million euros, a partial debt pay-down and an extension of debt maturities

- **Solocal Group intends to launch a capital increase of 440 million euros, and initiates in parallel discussions with its lenders to extend its 2015 debt maturities, in exchange for a partial prepayment; these two transactions are inter-conditional.**
- **The capital increase, which will be submitted for approval to an Extraordinary General Meeting, includes a 361 million euros capital increase with preferential subscription rights, preserving the interests of existing shareholders, and a reserved tranche of 79 million euros.**
- **The capital increase is fully subscribed or backstopped, by three of Solocal Group's largest shareholders and by five institutional investors.**
- **Pursuant to the transaction, Solocal Group's indebtedness would be reduced by 400 million euros, to less than 1.2 billion euros at year-end 2013 pro forma for the transaction, leading to a cumulated net debt reduction of more than 700 million euros since end of 2011.**
- **The transaction will strengthen Solocal Group's capabilities to accelerate its transformation plan and to its development strategy in digital already representing 63% of group revenues.**

Solocal Group announces that it plans to launch a capital increase and is initiating today discussions with its lenders in order to seek their consent to extend the maturities of its bank debt facilities which mature in September 2015, in exchange of a prepayment of 400 million euros. The envisaged transaction would significantly and durably strengthen the Group's capital structure and its capacity to sustain digital activities growth. The Group hereby also reiterates its outlook for 2014 on the back of the positive progress made in its "Digital 2015" plan.

About the transaction, M. Jean-Pierre Remy, Chairman and CEO of Solocal Group, said:
"This transaction, that remains conditional on approval by our shareholders and consent from our debt holders, will represent a significant and long-term strengthening of Solocal Group's capital structure. It represents a unique opportunity to write a new chapter in the Group history. From now on, we will have the necessary financial resources to accelerate our Digital 2015 transformation program and the growth of our Internet activities".

A capital increase of 440 million euros

The 440 million euros capital increase would comprise two tranches:

- A **capital increase with preferential subscription rights** (the "Rights Issue") of 361 million euros open to existing shareholders and
- A 79 million euros **reserved capital increase**, without preferential subscription rights, to four institutional investors providing backstop commitments for the rights offering. Allocation in the reserved capital increase will be made on a pro-rata basis of each investor underwriting commitment.

Subscription prices for the Rights Issue and the reserved capital increase will be identical and determined, following the Extraordinary General Meeting (the "EGM") approving the capital increases, by the Board of Directors in accordance with the following formula :

- the higher of: (i) a 35% discount to the theoretical ex-rights price ("TERP" which means the fully diluted theoretical share price ex rights pro-forma for the Rights Issue and the Reserved Capital Increase) where the cum rights share price used to calculate the theoretical ex-rights price shall be the lower of (a) the volume weighted average trading price on the full trading day immediately preceding the decision of the board of directors and (b) the volume weighted average trading price on the five full trading days immediately preceding the decision of the board of directors; and (ii) the nominal value of the existing shares of the Company (i.e. €0.20).
- The subscription price will not exceed €0.50 per share

Full guarantee of the transaction

The 440 million euros capital increase is fully subscribed or backstopped in cash by certain shareholders, institutional investors and financial intermediaries:

- Médiannuaire Holding (MDH), Solocal Group's largest shareholder, has agreed to (i) commit to exercise its rights for an amount of 25 millions euros, or (ii) transfer its rights to Cerberus, so that it will exercise them
- Five institutional investors (Paulson & Co. Inc., Amber Capital, Credit Suisse, Praxient and Boussard & Gavaudan) are providing a backstop commitment of 355 million euros ;
- Morgan Stanley, acting as Sole Global Coordinator and Joint Bookrunner, and BNP Paribas, acting as Joint Bookrunner, have agreed to underwrite up to 60 million euros in aggregate in the Rights Issue.

The reserved capital increase will be open to Paulson & Co. Inc., Credit Suisse, Praxient and Amber Capital. New shares subscribed in the reserved capital increase by Paulson & Co, Amber Capital, Credit Suisse Securities and Praxient will be subject to a 180-day lock-up starting after the date of issuance of the new shares.

Solocal Group will refrain itself from buying or selling its shares for the same period of time.

Furthermore, DNCA Finance and Edmond de Rothschild AM, who are two of the largest shareholders of Solocal Group have already committed to subscribe to their prorata of the Rights Issue.

The transaction is fully backstopped for a 4-months period starting February 13th, 2014.

Debt partial prepayment and extension

The envisaged capital increase and the backstopped commitments are conditional on the extension to March 2018 of the debt facilities maturing in September 2015, with an option to further extend to 2020 (subject to the refinancing of the 350 million euros bond) and on the amendment of certain clauses of Solocal Group debt facilities documentation.

Solocal Group is therefore initiating today discussions with its lenders seeking their consent to extend its debt facilities maturities. It proposes to its lenders a 400 million euros prepayment in exchange for:

- Extending the maturity of its bank facilities ;
- Maintaining its existing dividend blocker to 3.0x GOM[1]; and
- Increasing the level of its net leverage covenant (net debt / GOM[1]).

Solocal is seeking the extension of at least 90% of the A3, A5 and B3 debt facilities and intends to use the framework of a *conciliation* proceeding (a court-supervised consensual negotiation with such lenders) to hold its discussions with the lenders. If following the *conciliation* proceedings the minimum consent threshold of 90% of lenders has not been reached, but provided that two-third of the lenders are in favour of the transaction, Solocal Group will seek to implement its debt refinancing through a *Sauvegarde Financière Accélérée* (the "SFA", French equivalent to UK Scheme of Arrangement). The SFA provides the group with the ability to implement the extension of its debt maturities binding 100% of the lenders within a very short timeframe.

Lenders holding approximately 30% of the A3, A5 and B3 debt facilities have already committed to vote in favour of the extension.

In order to be allowed to implement a SFA, Solocal Group also announced today that PagesJaunes Finance & Co. S.C.A., the issuer of its 350 million euros 8.875% senior secured notes due 2018 (the "Notes") is soliciting consent from the holders of the Notes to enable Solocal Group to initiate, if required, certain French creditor proceedings including *conciliation* proceedings and SFA.

Solocal Group aims at successfully finalizing the discussions with its lenders before the EGM approving the capital increase.

Governance

The Board of Directors composition may be amended post completion of the transaction to reflect the pro forma ownership of Solocal Group, subject to General Meeting approval, in compliance with AFEP-MEDEF rules.

MDH, its largest shareholder Cerberus and the five institutional investors have declared they are not acting in concert. None of the investors would cross the threshold of 30% in capital or voting rights post transaction.

Shareholder approval and other conditions precedents

The capital increase and the implementation of the debt refinancing are inter-conditional. A prospectus will be published once an AMF visa has been obtained, describing the characteristics of the Rights issue and the reserved capital increase.

---

[1] Gross Operating Margin

Resolutions related to the Rights issue and to the reserved capital increase will be submitted to Solocal Group’s shareholder approval at an EGM to be convened in April, 2014.

Envisaged timeline

Solocal Group’s objective is to finalise the capital increase and the debt refinancing in the shortest timeframe possible.

Subject to conditions precedents being met, the capital increase will be launched in May, 2014.

About Solocal Group

Solocal Group, the leader in 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 more than 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, 123people, 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 euros 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 (LOCAL). Information on Solocal Group is available at www.solocalgroup.com.

Contacts

Press	*Investors*
Delphine Penalva	*Elsa Cardarelli*
+33 1 46 23 35 31	*+33 1 46 23 40 92*
dpenalva@solocal.com	*ecardarelli@solocal.com*
Edwige Druon	
+33 1 46 23 37 56	
edruon@solocal.com	

This press release contains certain forward-looking statements. Although Solocal Group believes its expectations are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in such forward-looking statements. For a discussion of risks and uncertainties which could cause the company's actual results, financial condition, performance or achievements to differ from forward-looking statements, please refer to the Risk Factors section of the Document de Reference of Solocal Group filed with the AMF, which is available on the AMF website (www.amf-france.org) or on Solocal Group website (www.solocalgroup.com).

This press release has been issued by, and is the sole responsibility, of Solocal Group. Morgan Stanley & Co. International plc and BNP PARIBAS have not independently verified the information published by Solocal. Accordingly, no representation, warranty or undertaking, express or implied, is made and any responsibility or liability is expressly disclaimed by either of Morgan Stanley & Co. International plc and BNP Paribas or by their respective affiliates as to the accuracy or completeness of such information or any other written or oral information made available or publicly available to any interested party or its advisers, including in respect of the information in this press release.

Morgan Stanley & Co. International plc and BNP PARIBAS are acting exclusively on behalf of Solocal and no one else, will not regard any other person as their respective clients in relation to this announcement and will not be responsible to any other person for providing the protections afforded to their clients, or for providing advice in relation to the securities or the transactions referred to herein.

This press release is not an offer of securities for sale in the United States or a solicitation to purchase securities in the United States. Securities may not be sold in the United States except (i) if they are registered, (ii) in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended, or (iii) if they are otherwise exempt from registration. The Company does not intend to register any portion of this Offering in the United States or to conduct a public offering in the United States. Copies of this press release are not being, and should not be, distributed in or sent into the United States.

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Solocal Group in any country.

This press release does not constitute or form part of an offer or solicitation of an offer to buy or subscribe for securities in France. The capital increase with shareholders' preferential subscription right referred to in this press release will be presented in a prospectus subject to the visa of the French market authority "Autorité des Marchés Financiers".

With respect to the member states of the European Economic Area which have implemented the Directive 2003/71/EC of the European Parliament and the Council of November 4, 2003 (the "Prospectus Directive"), no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring the publication of a prospectus in any relevant member state other than France. As a result, the securities may not and will not be offered in any relevant member state other than France except in accordance with the exemptions set forth in Article 3(2) of the Prospectus Directive, if they have been implemented in that relevant member state, or under any other circumstances which do not require the publication by Solocal Group of a prospectus pursuant to Article 3 of the Prospectus Directive and/or to applicable regulations of that relevant member state.

This press release is not an offer of securities for sale in the United States or any other jurisdiction. Securities may not be sold or offered in the United States unless they are registered or are exempt from the registration requirements of the U.S. Securities Act of 1933, as amended. Solocal Group does not intend to register any portion of this offering in the United States or to conduct a public offering of securities in the United States.

In the United Kingdom, this press release is only being distributed to, and is only directed at, persons that (i) are "investment professionals" (falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order, or (iii) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). In the United Kingdom, this press release is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.

It may be unlawful to distribute this press release in certain jurisdictions.