PRESS RELEASE

Sèvres, 30 July 2014

Results for 2nd quarter 2014
Ongoing transformation of the Group and confirmed outlook for 2014

- **Q2 consolidated revenues of €255.1 million, down 6.3%**
- **Internet growth of +0.4% in 2nd quarter**
- **Q2 normalised gross operating margin of €100.8 million with a 39.5% margin rate**
- **Debt of €1.12 bn, leverage of 2.9 times as of 30 June**
- **Confirmed outlook for 2014**

On the announcement of Solocal Group's results for the 2nd quarter of 2014, Jean-Pierre Remy, Chairman and CEO, declared :

« The results for the 2nd quarter 2014 are in line with the 2014 outlook announced in November 2013. Following the large success of our capital increase and the effective set-up of a new organisation now verticalised and in running order, Solocal Group can now finalise its digital transformation, already well under way. The Group confirmed on this occasion its objective of a return to global growth in 2015.»

The Board of Directors approved the Group's consolidated accounts as of 30 June 2014.

In millions of euros	Q2 2014	Q2 2013	Change
Group revenues	**255.1**	**272.3**	**-6.3%**
of which Internet	161.3	160.7	+0.4%
as % of Group revenues	*63.2%*	*59.0%*	
Normalised gross operating margin*	**100.8**	**119.5**	**-15.6%**
as % of Group revenues	*39.5%*	*43.9%*	

*Normalised GOM for non-cash impacts of changes to sales contracts (cf. appendix 3)

I. Key highlights for 2nd quarter

Finalisation of the strengthening of the financial structure

- Net debt decreased by € 461M in H1, down to € 1.12bn
- Financial leverage reduced to 2.92x GOM as of June, with a 35% headroom on covenant

2nd Quarter results in line with the outlook announced

- Consolidated revenues of € 255.1M, down 6.3%
- Internet revenues up +0.4%
- Normalised gross operating margin of € 100.8M, with a 39.5% margin rate
- Confirmed annual outlook

Operational implementation of Digital 2015 transformation program

- Continued strong audience growth driven by mobile and partnerships
- Deployment of 5 Verticalised BUs and 1 BU dedicated to key accounts
- Reskilling of the salesforce with the replacement of 280 people
- Delivery of part of the new information system and front loading of technology investments in H1 (x2 compared to H1 2013)
- Confirmed objective to return to global growth in 2015 and generate about 75% of our revenues online

II. Audiences for 2nd quarter

Audiences (in millions of visits)	**Q2 2014**	**Q2 2013**	**Change**
PagesJaunes	361.4	324.4	+11.4%
of which mobile	120.9	87.5	+38.2%
Mappy (a)	86.1	81.3	+5.9%
of which mobile (a)	34.2	27.6	+23.9%
ComprendreChoisir	26.9	17.8	+51.1%
of which mobile	8.6	3.8	+126.3%
Other (a)	29.0	30.1	-3.7%
Total (b)	**503.4**	**453.7**	**+11.0%**
of which mobile	168.8	121.4	+39.0%

Source : Solocal Group

(a) on a like-for-like basis

(b) shut dow n of 123people in Q1 2014

Furthermore, the Internet audience for the Group's sites grew by +11% in the 2nd quarter of 2014 compared to the 2nd quarter of 2013, in particular thanks to the strong growth in the number of mobile Internet visits, up +39.0%. At the end of June 2014, the Solocal Group applications (primarily PagesJaunes and Mappy) had been downloaded more than 33 million times across all smartphones and tablets in France.

The Group's Internet media continue to benefit from strong audiences at the end of June 2014: 23 million unique visitors[1] on the fixed and mobile Internet portion in April 2014 (the 6th Group whose websites are the most visited in France on fixed and mobile Internet).

[1] Source: Médiamétrie NetRatings – April 2014

III. Revenues and gross operating margin

In millions of euros	Q2 2014	Q2 2013	Change
Group revenues	**255.1**	**272.3**	**-6.3%**
Internet	**161.3**	**160.7**	**+0.4%**
as % of Group revenues	63.2%	59.0%	
Printed directories	**89.6**	**106.7**	**-16.0%**
as % of Group revenues	35.1%	39.2%	
Other businesses	**4.1**	**5.0**	**-18.0%**
as % of Group revenues	1.6%	1.8%	
Normalised gross operating margin*	**100.8**	**119.5**	**-15.6%**
as % of Group revenues	*39.5%*	*43.9%*	
Internet	**59.8**	**68.6**	**-12.8%**
as % of Internet revenues	37.1%	42.7%	
Printed directories	**40.2**	**49.7**	**-19.1%**
as % of Printed directories revenues	44.9%	46.6%	
Other businesses	**0.8**	**1.2**	**-33.3%**
as % of Other businesses revenues	19.5%	24.0%	
Published gross operating margin	**96.2**	**119.5**	**-19.5%**
as % of Group revenues	*37.7%*	*43.9%*	
Internet	**56.7**	**68.6**	**-17.3%**
as % of Internet revenues	35.2%	42.7%	
Printed directories	**38.8**	**49.7**	**-21.9%**
as % of Printed directories revenues	43.3%	46.6%	
Other businesses	**0.8**	**1.2**	**na**
as % of Other businesses revenues	19.5%	24.0%	

*Normalised GOM for non-cash impacts of changes to sales contracts (cf. appendix 3)

The Group recorded **consolidated revenues down 6.3%** over the 2nd quarter of 2014.

- **Internet business** represents **63% of the Group's revenues** and **has increased +0.4%** over the 2nd quarter of 2014.
- **The decrease in the Printed directories business** remains contained and amounts to **-16.0%** over the 2nd quarter of 2014.

The Group's normalised gross operating margin of 100.8 million euros over the 2nd quarter of 2014 is down 15.6% compared to the 2nd quarter of 2013: the reduction by 26% of the production costs[2] of Printed directories and the control of personnel costs have partially offset the drop in the activity and and the investments made to support the digital transformation. The Group has recorded a **normalised gross operating margin of 39.5% for the 2nd quarter of 2014** compared to 43.9% for the 2nd quarter of 2013.

[2] Paper, Print, Distribution

IV. Financial results

In millions of euros	H1 2014	H1 2013	Change
Revenues	**470,8**	**500,3**	**-5,9%**
Normalised gross operating margin*	**186,8**	**215,5**	**-13,3%**
Normalisation impact	4,6		
Reported gross operating margin	**182,2**	**215,5**	**-15,5%**
as % of Group revenues	*38,7%*	*43,1%*	
Operating income	**133,0**	**184,9**	**-28,1%**
Net financial income	(57,8)	(66,8)	+13,5%
Share of profit or loss of an associate	(0,2)	(0,1)	na
Income before tax	**75,0**	**118,0**	**-36,4%**
Corporate income tax	(34,1)	(47,4)	+28,1%
Corporate income tax rate	45,4%	40,1%	
Net income	**40,9**	**70,6**	**-42,1%**

*Normalised GOM for non-cash impacts of changes to sales contracts

The Group's operating income has reached 133.0 million euros in the 1st half of 2014, **down 28.1%** compared to the 1st half of 2013. The decrease in operating income is 51.9 million euros of which : 30.8 million euros due to operational elements and 21.1 million euros due to exceptional items, such as an additional provision for the restructuring costs concerning PagesJaunes salesforce of 9.8 million euros. Excluding exceptional items, the operating income has reduced by 17%.

The financial result represents a net expense of 57.8 million euros as of 30 June 2014 down 13.5% compared to 30 June 2013, mainly impacted by the reduction of the average cost of gross debt by 84 basis point. The average cost of gross debt (including hedging instruments) has reached 6.07% as of 30 June 2014.

As of 30 June 2014, the Group has recorded a corporation tax charge of 34.1 million euros, down 28.1% compared to 30 June 2013. The effective tax rate is 45.4 % as of 30 June 2014, 5.3 points higher than as of 30 June 2013, under the combined effect of higher corporation tax rate and lower partial deductibility of financial interest.

The Group's net income stands at 40.9 million euros as of 30 June 2014, down 42.1% compared to 30 June 2013. Excluding exceptional items, the net income has reduced by 22%.

V. Financial structure

Net debt[3] amounts to 1,118.9 million euros as of 30 June 2014, down 460.7 million euros compared to 31 December 2013. This decrease is mainly due to the capital increase made on June 6, 2014 and of net cash flow generated in the 1st half of 2014.

During the 1st half, the Group has repaid € 400 million in respect of the refinancing completed in June and € 83.6 million in respect of the ' excess cash flow' clause and contractual payments.

As of 30 June 2014, the Group had a headroom of 35% for its financial leverage covenant which was 2,92 times an aggregate close to GOM **and of 22% on its interest coverage ratio** which was 3,65 times the net interest expenses[4]. Following the bank debt refinancing, the financial leverage covenant is as follows :

- 4.50 times until March 2015 included
- 4.25 times in June and September 2015
- 4.00 times post September 2015.

The Group's net cash flow at 64.9 million euros at the end of June 2014 is down -31.7% compared to 30 June 2013. This decline is primarily related to the drop in the gross operating margin over the period, the increase in investments supporting the "Digital 2015" program partially offset by a reduction of financial expenses. **As of 30 June 2014, the Group had a net cash flow of 52.7 million euros.**

VI. Confirmed outlook for 2014

As announced in November, 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%
- Normalised[5] gross operating margin expected between 355 million euros and 375 million euros.

Digital 2015 investments shall allow to return to global growth in 2015 by generating about 75% of revenues on Internet.

[3] 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.
[4] Excluding the change in the fair value of hedging instruments, amortisation of loan issue expenses and accretion income.
[5] GOM normalised : GOM adjusted for accounting effects (without cash impact) related to the implementation of the new sales contracts

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 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 (LOCAL). Further information on Solocal Group is available on www.solocalgroup.com.

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This press release contains forward-looking statements. Although Solocal Group feels that its estimates are based upon assumptions which we believe to be reasonable, these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated in said forward-looking statements. For a discussion of risks and uncertainties which could cause actual results, financial condition, performance or achievements of Solocal Group to differ from those contained in the forward-looking, please refer to the "Risk factors" section of the "Document de Référence" filed with the French financial markets authority (AMF) and available on the Internet sites of the AMF (www.amf-france.org) and of Solocal Group (www.solocalgroup.com). Accounting data are presented on an annual basis in audited consolidated form and on an quarterly basis in unaudited consolidated form.

Appendix 1 : Evolution of audiences for Internet fixed and mobile

In millions of visits	H1 2014	H1 2013	Change
PagesJaunes	721.0	658.0	+9.6%
of which mobile	232.3	169.7	+36.9%
Mappy	159.6	158.1	+0.9%
of which mobile	61.7	50.3	+22.7%
ComprendreChoisir	48.7	34.5	+41.2%
of which mobile	14.8	6.8	+117.6%
Other (a)	59.3	62.6	-5.3%
Total (b)	**988.6**	**913.2**	**+8.3%**
of which mobile	318.7	232.0	+37.4%

Source : Solocal Group

(a) on a like-for-like basis
(b) shut down of 123people in Q1 2014

Appendix 2 : Revenues and gross operating margin for 1st semester

In millions of euros	H1 2014	H1 2013	Change
Group revenues	**470.8**	**500.3**	**-5.9%**
Internet	**315.3**	**316.0**	**-0.2%**
as % of Group revenues	67.0%	63.2%	
Printed directories	**146.4**	**173.5**	**-15.6%**
as % of Group revenues	31.1%	34.7%	
Other businesses	**9.1**	**10.7**	**-15.0%**
as % of Group revenues	1.9%	2.1%	
Normalised gross operating margin*	**186.8**	**215.5**	**-13.3%**
as % of Group revenues	*39.7%*	*43.1%*	
Internet	**120.0**	**132.7**	**-9.6%**
as % of Internet revenues	38.1%	42.0%	
Printed directories	**64.7**	**79.8**	**-18.9%**
as % of Printed directories revenues	44.2%	46.0%	
Other businesses	**2.1**	**3.1**	**-32.3%**
as % of Other businesses revenues	23.1%	29.0%	
Reported gross operating margin	**182.2**	**215.5**	**-15.5%**
as % of Group revenues	*38.7%*	*43.1%*	
Internet	**116.8**	**132.7**	**-12.0%**
as % of Internet revenues	37.0%	42.0%	
Printed directories	**63.3**	**79.8**	**-20.7%**
as % of Printed directories revenues	43.2%	46.0%	
Other businesses	**2.1**	**3.1**	**-32.3%**
as % of Other businesses revenues	23.1%	29.0%	

*Normalised GOM for non-cash impacts of changes to sales contracts (cf. appendix 3)

Appendix 3 : Normalisation impact following the change of compensation terms for salesforce

In millions of euros	H1 2014	H1 2013	Change
Normalised gross operating margin	**186.8**	**215.5**	**-13.3%**
as % of Group revenues	*39.7%*	*43.1%*	
Normalisation impact	**4.6**	**0.0**	
Reported gross operating margin	**182.2**	**215.5**	**-15.5%**
as % of Group revenues	*38.7%*	*43.1%*	

The year 2014 is marked by the extension, to almost all of the sales force, of the "specialist" status, resulting in a modification of the employment contract with in particular the switching from a travelling sales representative to an executive status. This modification comes with the introduction of a fixed remuneration and reimbursement for costs, with the direct consequence of a decrease in the variable share of the sales force compensation. Recall that this status had already been partially set up in 2012 with a population of about 230 sales staff.

Recall that, according to IFRS rules, only the variable compensation with an incremental nature were capitalised as "acquisition costs of contracts" and were recognised as expense at the same time as the revenue, i.e. in a single action at the time of publication for printed directories and, spread out starting from online publication, and over the duration of publication.

The 2014 financial statements, starting in the 2nd quarter, will support a dual accounting effect: the recognition as expense of the commercial costs concerning the revenue prospected in 2013 (activated and booked in the balance sheet at at 31 December 2013) as well as the fixed remuneration paid in 2014 for the revenue prospected in 2014.

As the sales representatives do not receive double compensation in 2014, this is a double accounting effect without impact on cash flow.

The purpose of normalised GOM is to neutralise this double effect linked to the acceleration in the recognition of commercial costs (decrease in the variable share in total remuneration) in order to make it possible to obtain a pertinent and comparable aggregate, in such a way that it reveals the economic activity of the business. The impact in terms of figures corresponds to an estimate based on forecast projections.

Appendix 4: Consolidated income statement for 2nd quarter

In millions of euros	Q2 2014	Q2 2013	Change
Revenues	**255.1**	**272.3**	**-6.3%**
Net external expenses	(59.8)	(56.9)	-5.1%
Salaries and charges	(99.1)	(95.9)	-3.3%
Gross operating margin	**96.2**	**119.5**	**-19.5%**
as % of revenues	*37.7%*	*43.9%*	
Legal employee profit-sharing	(3.4)	(4.1)	+17.1%
Share-based payment	(5.7)	(0.7)	na
Depreciation and amortisation	(12.9)	(10.1)	-27.7%
Other income and expenses	(4.7)	(2.2)	na
Operating income	**69.5**	**102.4**	**-32.1%**
as % of revenues	*27.2%*	*37.6%*	
Net financial income	**(30.0)**	**(32.8)**	**+8.5%**
Share of profit or loss of an associate	(0.2)	0.0	na
Income before tax	**39.2**	**69.6**	**-43.7%**
Corporate income tax	(17.9)	(28.0)	+36.1%
Corporate income tax rate	45.4%	40.2%	
Net income	**21.3**	**41.6**	**-48.8%**

Appendix 5: Consolidated income statement for 1st semester

In millions of euros	H1 2014	H1 2013	Change
Revenues	**470.8**	**500.3**	**-5.9%**
Net external expenses	(106.5)	(102.9)	-3.5%
Salaries and charges	(182.0)	(182.0)	na
Gross operating margin	**182.2**	**215.5**	**-15.5%**
as % of revenues	*38.7%*	*43.1%*	
Legal employee profit-sharing	(6.0)	(7.0)	+14.3%
Share-based payment	(6.0)	(1.3)	na
Depreciation and amortisation	(23.2)	(20.0)	-16.0%
Other income and expenses	(14.1)	(2.2)	na
Operating income	**133.0**	**184.9**	**-28.1%**
as % of revenues	*28.2%*	*37.0%*	
Net financial income	**(57.8)**	**(66.8)**	**+13.5%**
Share of profit or loss of an associate	(0.2)	(0.1)	na
Income before tax	**75.0**	**118.0**	**-36.4%**
Corporate income tax	(34.1)	(47.4)	+28.1%
Corporate income tax rate	45.4%	40.1%	
Net income	**40.9**	**70.6**	**-42.1%**

Appendix 6 : Consolidated cash flow statement for 2nd quarter

In millions of euros	Q2 2014	Q2 2013	Change
Gross operating margin	**96.2**	**119.5**	**-19.5%**
Legal employee profit-sharing	(3.4)	(4.1)	+17.1%
Non monetary items included in GOM	1.4	2.9	-51.7%
Net change in working capital	(6.0)	4.8	na
Acquisition of tangible and intangible fixed assets	(18.9)	(12.1)	-56.2%
Operational cash flow	**69.4**	**110.9**	**-37.4%**
as % of GOM	*72.1%*	*92.8%*	
Cash financial income	(24.9)	(60.4)	+58.8%
Other income and expenses	(5.9)	(2.0)	na
Corporate income tax paid	(24.7)	(27.3)	+9.5%
Net cash flow	**13.8**	**21.2**	**-34.9%**
Increase (decrease) in borrowings and bank overdrafts	(450.4)	(1.9)	na
Capital increase	422.9	-	-
Other	(16.5)	(1.9)	na
Net cash variation	**(30.3)**	**17.5**	**na**
Net cash and cash equivalents at beginning of period	82.9	88.4	-6.2%
Net cash and cash equivalents at end of period	**52.7**	**105.9**	**-50.2%**

Appendix 7 : Consolidated cash flow statement for 1st semester

In millions of euros	H1 2014	H1 2013	Change
Reported gross operating margin	**182.2**	**215.5**	**-15.5%**
Legal employee profit-sharing	(6.0)	(7.0)	+14.3%
Non monetary items included in GOM	3.0	3.7	-18.9%
Net change in working capital	12.9	25.4	-49.2%
Acquisition of tangible and intangible fixed assets	(35.5)	(21.6)	-64.4%
Operational cash flow	**156.7**	**216.0**	**-27.5%**
as % of GOM	*86.0%*	*100.2%*	
Cash financial income	(37.5)	(70.8)	+47.0%
Other income and expenses	(9.5)	(2.0)	na
Corporate income tax paid	(44.8)	(48.3)	+7.2%
Net cash flow	**64.9**	**95.0**	**-31.7%**
Increase (decrease) in borrowings and bank overdrafts	(489.4)	(78.9)	na
Capital increase	422.9	-	na
Other	(18.7)	(2.1)	na
Net cash variation	**(20.4)**	**14.0**	**na**
Net cash and cash equivalents at beginning of period	73.1	91.9	-20.5%
Net cash and cash equivalents at end of period	**52.7**	**105.9**	**-50.2%**

Appendix 8 : Consolidated balance sheet

In millions of euros	30 June 2014	31 Dec 2013	30 June 2013
ASSETS			
Total non-current assets	**227.3**	**214.8**	**210.6**
Net goodwill	82.2	78.7	83.9
Other net intangible fixed assets	97.6	80.8	72.2
Net tangible fixed assets	26.2	23.6	24.1
Other non-current assets of which deferred tax assets	21.2	31.7	30.5
Total current assets	**518.9**	**585.3**	**581.1**
Net trade accounts receivable	333.8	405.8	350.7
Acquisition costs of contracts	56.9	63.3	64.9
Prepaid expenses	10.0	5.9	12.3
Cash and cash equivalents	54.6	75.6	107.9
Other current assets	63.6	34.7	45.4
TOTAL ASSETS	**746.1**	**800.0**	**791.7**
LIABILITIES			
Total equity	**(1,389.2)**	**(1,866.7)**	**(1,923.5)**
Total non-current liabilities	**1,240.3**	**1,617.5**	**1,693.0**
Non-current financial liabilities and derivatives	1,153.0	1,516.2	1,595.6
Employee benefits (non-current)	78.4	85.1	89.6
Other non-current liabilities	8.9	16.3	7.9
Total current liabilities	**895.0**	**1,049.2**	**1,022.1**
Bank overdrafts and other short-term borrowings	3.6	132.7	133.8
Deferred income	552.4	597.5	599.2
Employee benefits (current)	113.2	119.2	114.9
Trade accounts payable	98.6	84.5	79.9
Other current liabilities	127.1	115.4	94.5
TOTAL LIABILITIES	**746.1**	**800.0**	**791.7**

Appendix 9 : Consolidated net debt

In millions of euros	30 June 2014	31 Dec 2013	30 June 2013
Cash and cash equivalents	54.6	75.5	107.9
Gross Cash position	**54.6**	**75.6**	**107.9**
Bank overdrafts	(1.9)	(2.5)	(2.0)
Net Cash position	**52.7**	**73.1**	**105.9**
Bank borrowings	(813.9)	(1,297.5)	(1,368.2)
Bond borrowings -Senior secured notes	(350.0)	(350.0)	(350.0)
Revolving credit line drawn*	-	-	-
Loan issuance expenses	29.3	25.4	31.6
Capital leases	(1.0)	(0.0)	(0.1)
Fair value of hedging instruments	(16.2)	(20.2)	(34.4)
Accrued interest not yet due	(16.9)	(6.3)	(7.0)
Other financial liabilities	(2.8)	(4.1)	(6.2)
Gross financial debt	**(1,171.5)**	**(1,652.7)**	**(1,734.3)**
of which current	*(18.5)*	*(136.4)*	*(138.8)*
of which non-current	*(1,153.0)*	*(1,516.2)*	*(1,595.6)*
Net debt	**(1,118.9)**	**(1,579.6)**	**(1,628.5)**
Net cash (debt) excluding fair value of financial instruments and loan issuance expenses	**(1,131.9)**	**(1,584.8)**	**(1,625.6)**

*At 06/30/2014, €65,3 M available under the undraw n revolving credit line