

Sèvres, 22 July 2015

2nd Quarter 2015 results: Internet revenues up +4.8% and EBITDA margin¹ of 33%

- Q2 2015 results:
 - Internet revenues of €169 million, up +4.8%²
 - Group revenues of €241 million, down -5.5%²
 - EBITDA³ of €80 million, down -6.8%²
 - EBITDA/revenues margin¹ of 33%
- Confirmed annual outlook for 2015

I. Revenues and EBITDA

The Board of Directors approved the Group's consolidated accounts as of 30 June 2015.

| In million of euros | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|--|--------------|--------------|---------------|--------------|--------------|---------------|
| Internet revenues | 161.3 | 169.0 | +4.8% | 315.3 | 329.2 | +4.4% |
| Search & Display | 126.0 | 127.5 | +1.2% | 247.3 | 255.2 | +3.2% |
| <i>Number of visits (in million)</i> | 503 | 553 | +10% | 989 | 1107 | +12% |
| <i>ARPA⁴ (in €)</i> | 223 | 239 | +7% | 438 | 476 | +9% |
| <i>Number of clients (in thousand)⁵</i> | 565 | 534 | -5% | 564 | 536 | -5% |
| Digital marketing | 35.3 | 41.5 | +17.7% | 68.0 | 74.1 | +9.0% |
| <i>Penetration rate (in number of clients)⁶</i> | 21% | 22% | | 21% | 22% | |
| Print & Voice revenues | 93.8 | 72.0 | -23.2% | 155.5 | 121.0 | -22.2% |
| Group revenues | 255.1 | 241.0 | -5.5% | 470.8 | 450.2 | -4.4% |

The Group posted consolidated revenues of €450.2 million in H1 2015, down -4.4% compared to H1 2014 (-5,5% in Q2).

- The **Internet** business is up by **+4.4%** in H1 2015 (+4.8% in Q2), driven primarily by:
 - an increase of +9% in ARPA⁴ for Search & Display, which is the result of improved monetisation of Internet audiences, up by +12% and
 - the expansion of the Digital Marketing business by +9% following renewal of our sites with new offers and enriched content.

¹ Recurring EBITDA/Group revenues margin, excluding exceptional items

² In Q2 2015, compared to Q2 2014

³ Recurring, excluding exceptional items

⁴ Average Revenue Per Advertiser

⁵ Average number of clients for the period owning a product of the "Search & Display" range

⁶ Percentage of "Search & Display" Internet clients benefitting from a "Digital Marketing" service

These effects have more than offset the -5% decrease in the number of Search & Display clients, which has been impacted, in particular, by the priority given to the commercial development of high-value clients.

- The **Print & Voice** business fell by **-22.2%** in the period (-23.2% in Q2), impacted by a broader offer of online products promoted by advisers who have acquired greater expertise in online communication.

| In million of euros | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|---|-------------|-------------|---------------|--------------|--------------|---------------|
| Internet recurring EBITDA⁷ | 49.3 | 55.9 | 13.4% | 106.1 | 97.7 | -7.9% |
| <i>EBITDA / Revenues</i> | 31% | 33% | | 34% | 30% | |
| Print & Voice recurring EBITDA⁷ | 36.1 | 23.7 | -34.3% | 61.1 | 36.1 | -40.9% |
| <i>EBITDA / Revenues</i> | 39% | 33% | | 39% | 30% | |
| Group recurring EBITDA⁷ | 85.4 | 79.6 | -6.8% | 167.2 | 133.8 | -20.0% |
| <i>EBITDA / Revenues</i> | 33% | 33% | | 36% | 30% | |

Recurring EBITDA⁷ of €133.8 million in H1 2015 was lower by -20.0% compared to H1 2014. The **EBITDA/revenues margin** was **30%** in H1 2015, a drop of 6 points compared to H1 2014. This contained drop is due to a margin of 33% in Q2 2015, which is stable compared to Q2 2014, and which reflects the implementation of the operational contingency plan:

- disciplined oversight of external expenses, which fell by -5.3% in H1 (-13.5% in Q2);
- rigorous management of resources that caused personnel expenses to stabilise in Q2 and
- the controlled decline of the Print & Voice business with a margin of 30% in H1.

II. Net income and financial structure

| In million of euros | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|-------------------------------------|-------------|-------------|---------------|--------------|--------------|---------------|
| Recurring EBITDA⁷ | 85.4 | 79.6 | -6.8% | 167.2 | 133.8 | -20.0% |
| Exceptional items | (0.8) | (8.1) | na | (10.1) | (8.6) | 14.9% |
| EBITDA | 84.7 | 71.5 | -15.6% | 157.1 | 125.2 | -20.3% |
| Depreciation and amortisation | (16.8) | (11.4) | +32.4% | (27.1) | (23.2) | +14.4% |
| Net financial income ⁸ | (30.2) | (20.9) | +30.8% | (58.0) | (42.8) | +26.2% |
| Corporate income tax | (16.9) | (17.7) | -4.8% | (31.7) | (25.1) | +20.8% |
| Net income | 20.7 | 21.6 | +4.2% | 40.3 | 34.0 | -15.6% |

EBITDA of €125.2 million in H1 2015 is down 20.3% and is impacted primarily by the drop in recurring EBITDA and exceptional items of -€8.6 million related to restructuring accruals in connection with the Group's operational contingency plan. As the French Council of State is expected to make its decision shortly in respect of the Group's appeal following the annulment of the approval of the Employment Safeguard Plan by the French labor inspectorate (Direccte), no additional provision has been recognized for that purpose in H1 2015.

Depreciation and amortisation totalled -€23.2 million in H1 2015, down 14.4% compared to H1 2014.

Net financial income was negative by -€42.8 million in H1 2015, down 26.2% compared to H1 2014, mainly due to the impact of debt repayments made between the two periods.

In H1 2015, the Group recognised corporate income tax expense of €25.1 million, a decrease of 20.8% compared to H1 2014. The effective tax rate of 43% in H1 2015 is 1 point higher than in H1 2014.

⁷ Excluding exceptional items

⁸ Including share of profit or loss of an associate

Net income amounted to €34.0 million in H1 2015, down 15.6% compared to H1 2014 (of which Q2 2015 represented €21.6 million, up +4.2% compared to Q2 2014).

Net debt⁹ totalled €1,081.1 million as of 30 June 2015, a decrease of €37.8 million compared to 30 June 2014.

Net cash flow was €42.3 million in H1 2015, down by -30.3% compared to H1 2014 (of which Q2 2015 represented €21.6 million, up +125.0% compared to Q2 2014).

As of 30 June 2015, Solocal Group held net cash of €72.3 million.

III. Confirmed outlook for 2015

The Group narrows its outlook for 2015:

- Internet revenues growth between +5% and +7%
- A slight decrease in Group revenues
- EBITDA/revenues margin¹⁰ between 29% and 30%
- Net income stable compared to 2014

Furthermore, in Q2 2015, the Group proceeded with partial purchase of its bank debt in an amount of €15 million, and in September 2015 the Group intends to carry out the reverse split approved in June by the shareholders.

About Solocal Group

Solocal Group, the European market leader in local online communication, provides digital content, advertising solutions and transactional services that simply connect people with local businesses. The Group employs some 4,800 people (including nearly 2,300 local communication advisors) in France, Spain, Austria and the United Kingdom and supports the online development of SMB and major client accounts, mainly through its four flagship brands: PagesJaunes, Mappy, ComprendreChoisir and A Vendre A Louer. Over the years, Solocal Group has earned the trust of some 550,000 Internet clients. In 2014, Solocal Group generated revenues of 936 million euros, of which Internet business accounted for 68%, making it a European market leader in terms of online advertising revenues. Solocal Group is listed on Euronext Paris (LOCAL). More information may be obtained at 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 represented on an annual basis in audited consolidated form and on a quarterly basis in unaudited consolidated form.

⁹ Net debt is the gross financial debt plus or minus the fair net asset value of asset and/or liability derivative instruments used for cash flow hedging purposes, minus cash and cash equivalents.

¹⁰ Recurring EBITDA/Group revenues margin, excluding exceptional items

Appendix 1: Audiences of 2nd quarter and 1st half year

| In million of visits | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|--------------------------|--------------|--------------|---------------|--------------|----------------|---------------|
| PagesJaunes | 361.4 | 392.3 | +8.6% | 721.0 | 799.7 | +10.9% |
| of which mobile | 120.8 | 139.2 | +15.2% | 232.3 | 274.2 | +18.1% |
| Mappy | 86.1 | 93.0 | +8.0% | 159.6 | 175.3 | +9.8% |
| of which mobile | 34.2 | 40.1 | +17.2% | 61.7 | 73.1 | +18.5% |
| ComprendreChoisir | 26.9 | 42.3 | +57.5% | 48.7 | 79.8 | +64.0% |
| of which mobile | 8.6 | 18.2 | +112.9% | 14.8 | 33.2 | +124.5% |
| Other | 29.0 | 25.2 | -13.2% | 59.3 | 52.6 | -11.3% |
| Total* | 503.4 | 552.8 | +9.8% | 988.6 | 1,107.5 | +12.0% |
| of which mobile | 168.7 | 203.6 | +20.7% | 318.7 | 392.3 | +23.1% |

Source : Solocal Group
on a like-for-like basis

*shut down of 123people in Q1 2014

Appendix 2: Income statement of 2nd quarter and 1st half year

| In million of euros | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|--|--------------|--------------|---------------|--------------|--------------|---------------|
| Group revenues | 255.1 | 241.0 | -5.5% | 470.8 | 450.2 | -4.4% |
| Net external expenses | (61.4) | (53.1) | +13.5% | (109.5) | (103.7) | +5.3% |
| Personnel expenses | (108.2) | (108.2) | +0.0% | (194.1) | (212.8) | -9.6% |
| Recurring EBITDA¹ | 85.4 | 79.6 | -6.8% | 167.2 | 133.8 | -20.0% |
| <i>EBITDA/revenues</i> | 33% | 33% | | 36% | 30% | |
| Exceptional items | (0.8) | (8.1) | na | (10.1) | (8.6) | +14.9% |
| EBITDA | 84.7 | 71.5 | -15.5% | 157.1 | 125.2 | -20.3% |
| Depreciation and amortisation | (16.8) | (11.4) | +32.4% | (27.1) | (23.2) | +14.4% |
| Operating income | 67.8 | 60.1 | -11.4% | 130.0 | 102.0 | -21.5% |
| Net financial income | (30.0) | (20.9) | +30.5% | (57.8) | (42.9) | +25.8% |
| Share of the result from associated compagnies | (0.2) | - | na | (0.2) | 0.1 | na |
| Income before tax | 37.6 | 39.3 | +4.5% | 72.0 | 59.1 | -17.9% |
| Corporate income tax | (16.9) | (17.7) | -4.8% | (31.7) | (25.1) | +20.8% |
| <i>Corporate income tax rate</i> | 45% | 45% | | 44% | 43% | |
| Net income | 20.7 | 21.6 | +4.2% | 40.3 | 34.0 | -15.6% |

¹ Excluding exceptional items

Appendix 3: Cash flow statement of 2nd quarter and 1st half year

| In million of euros | Q2 2014 | Q2 2015 | Change | H1 2014 | H1 2015 | Change |
|---|---------------|-------------|----------------|---------------|--------------|----------------|
| Recurring EBITDA¹ | 85.4 | 79.6 | -6.8% | 167.2 | 133.8 | -20.0% |
| Non monetary items included in EBITDA and other | (3.0) | (5.9) | -96.7% | (4.6) | (8.1) | -76.1% |
| Net change in working capital | (4.3) | (2.8) | +34.9% | 15.8 | (5.6) | -135.4% |
| Acquisition of tangible and intangible fixed assets | (18.9) | (18.5) | +2.1% | (35.5) | (34.7) | +2.3% |
| Cash financial income | (24.9) | (30.1) | -20.9% | (37.5) | (42.5) | -13.3% |
| Corporate income tax paid | (24.7) | (0.7) | +97.2% | (44.8) | (0.6) | +98.7% |
| Net cash flow | 9.6 | 21.6 | +125.0% | 60.7 | 42.3 | -30.3% |
| Increase (decrease) in borrowings and bank overdrafts | (450.4) | (1.3) | +99.7% | (489.4) | (19.9) | +95.9% |
| Capital increase | 422.9 | 2.6 | -99.4% | 422.9 | 2.6 | -99.4% |
| Other | (12.3) | 7.5 | +161.0% | (14.5) | 3.8 | +126.2% |
| Net cash variation | (30.3) | 30.3 | +200.0% | (20.4) | 28.8 | +241.2% |
| Net cash and cash equivalents at beginning of period | 82.9 | 42.0 | -49.3% | 73.1 | 43.6 | -40.4% |
| Net cash and cash equivalents at end of period | 52.7 | 72.3 | +37.2% | 52.7 | 72.3 | +37.2% |

¹ Excluding exceptional items

Appendix 4: Balance sheet

| In million of euros | 30 June 2014 | 31 Dec 2014 | 30 June 2015 |
|---|------------------|------------------|------------------|
| ASSETS | | | |
| Total non-current assets | 227.0 | 229.2 | 235.4 |
| Net goodwill | 82.2 | 82.5 | 82.5 |
| Other net intangible fixed assets | 97.6 | 107.3 | 120.3 |
| Net tangible fixed assets | 26.2 | 25.3 | 22.2 |
| Other non-current assets of which deferred tax assets | 21.0 | 14.2 | 10.5 |
| Total current assets | 518.9 | 606.7 | 510.1 |
| Net trade accounts receivable | 333.8 | 441.8 | 335.1 |
| Acquisition costs of contracts | 56.9 | 46.7 | 36.7 |
| Prepaid expenses | 10.0 | 9.4 | 14.1 |
| Cash and cash equivalents | 54.6 | 46.4 | 75.2 |
| Other current assets | 63.6 | 62.5 | 49.1 |
| TOTAL ASSETS | 745.9 | 835.9 | 745.5 |
| LIABILITIES | | | |
| Total equity | (1,388.7) | (1,368.4) | (1,328.7) |
| Total non-current liabilities | 1,240.3 | 1,247.0 | 1,232.4 |
| Non-current financial liabilities and derivatives | 1,153.0 | 1,139.6 | 1,128.5 |
| Employee benefits (non-current) | 78.4 | 90.4 | 91.0 |
| Other non-current liabilities | 8.9 | 16.9 | 13.0 |
| Total current liabilities | 894.3 | 957.2 | 841.8 |
| Bank overdrafts and other short-term borrowings | 20.5 | 42.5 | 27.8 |
| Deferred income | 552.4 | 575.4 | 493.5 |
| Employee benefits (current) | 113.2 | 117.6 | 100.2 |
| Trade accounts payable | 98.6 | 98.9 | 99.4 |
| Other current liabilities | 126.4 | 122.8 | 120.9 |
| TOTAL LIABILITIES | 745.9 | 835.9 | 745.5 |

Appendix 5: Net debt

| In million of euros | 30 June 2014 | 31 Dec 2014 | 30 June 2015 |
|---|------------------|------------------|------------------|
| Cash and cash equivalents | 54.6 | 46.2 | 75.1 |
| Gross Cash position | 54.6 | 46.4 | 75.2 |
| Bank overdrafts | (1.9) | (2.8) | (2.8) |
| Net Cash position | 52.7 | 43.6 | 72.3 |
| Bank borrowings | (813.9) | (833.8) | (811.1) |
| Bond borrowings -Senior secured notes | (350.0) | (350.0) | (350.0) |
| Loan issuance expenses | 29.3 | 25.8 | 22.2 |
| Capital leases | (1.0) | (0.8) | (0.9) |
| Fair value of hedging instruments | (16.2) | (9.9) | (3.1) |
| Accrued interest not yet due | (16.9) | (5.1) | (4.8) |
| Other financial liabilities | (2.8) | (5.5) | (5.8) |
| Gross financial debt | (1,171.5) | (1,179.4) | (1,153.5) |
| <i>of which current</i> | <i>(18.5)</i> | <i>(39.7)</i> | <i>(25.0)</i> |
| <i>of which non-current</i> | <i>(1,153.0)</i> | <i>(1,139.6)</i> | <i>(1,128.5)</i> |
| Net debt | (1,118.9) | (1,135.8) | (1,081.1) |
| | | | 0 |
| Net cash (debt) excluding fair value of financial instruments and loan issuance expenses | (1,131.9) | (1,151.6) | (1,100.2) |

At 06/30/2015, €54 M available under the revolving credit line

| | 30 June 2014 | 31 Dec 2014 | 30 June 2015 |
|---------------------------|-----------------|----------------|-----------------|
| Financial leverage | 2.92X | 3.73X | 3.83X |
| Covenant (max) | 4.50X | 4.50X | 4.25X |
| Interest coverage | 3.65X | 3.64X | 3.72X |
| Covenant (min) | 3.00X | 3.00X | 3.00X |

Appendix 6: Historical data

| In million of euros | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Internet revenues | 154.0 | 161.3 | 152.5 | 164.8 | 160.3 | 169.0 |
| Search & Display | 121.2 | 126.0 | 119.8 | 130.3 | 127.9 | 127.5 |
| <i>Number of visits (in million)</i> | 485 | 503 | 530 | 526 | 555 | 553 |
| <i>ARPA¹ (in €)</i> | 215 | 223 | 217 | 239 | 237 | 239 |
| <i>Number of clients² (in thousand)</i> | 564 | 565 | 552 | 544 | 539 | 534 |
| Digital marketing | 32.7 | 35.3 | 32.6 | 34.5 | 32.3 | 41.5 |
| <i>Penetration rate (in number of clients)³</i> | 21% | 21% | 21% | 22% | 22% | 22% |
| Print & Voice revenues | 61.7 | 93.8 | 76.8 | 71.6 | 49.0 | 72.0 |
| Group revenues | 215.7 | 255.1 | 229.3 | 236.4 | 209.2 | 241.0 |

¹ Average Revenue Per Advertiser

² Number of average clients for the period with a product of the "Search & Display" range

³ % of Internet clients benefiting from a Digital marketing product

| In million of euros | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Internet recurring EBITDA¹ | 56.8 | 49.3 | 49.5 | 37.2 | 41.8 | 55.9 |
| <i>EBITDA / Revenues</i> | 37% | 31% | 32% | 23% | 26% | 33% |
| Print & Voice recurring EBITDA¹ | 25.0 | 36.1 | 29.0 | 18.2 | 12.4 | 23.7 |
| <i>EBITDA / Revenues</i> | 40% | 39% | 38% | 25% | 25% | 33% |
| Group recurring EBITDA¹ | 81.8 | 85.4 | 78.5 | 55.4 | 54.2 | 79.6 |
| <i>EBITDA / Revenues</i> | 38% | 33% | 34% | 23% | 26% | 33% |

¹ Excluding exceptional items

| In million of euros | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Group revenues | 215.7 | 255.1 | 229.3 | 236.1 | 209.2 | 241.0 |
| Net external expenses | (48.0) | (61.4) | (52.9) | (68.2) | (50.5) | (53.1) |
| Personnel expenses | (85.8) | (108.2) | (97.9) | (112.5) | (104.5) | (108.2) |
| Recurring EBITDA¹ | 81.8 | 85.4 | 78.5 | 55.4 | 54.2 | 79.6 |
| Exceptional items | (9.3) | (0.8) | (24.3) | 0.2 | (0.5) | (8.1) |
| EBITDA | 72.5 | 84.7 | 54.2 | 55.5 | 53.7 | 71.5 |
| Depreciation and amortisation | (10.3) | (16.8) | (11.9) | (13.6) | (11.9) | (11.4) |
| Operating income | 62.2 | 67.8 | 42.3 | 41.9 | 41.8 | 60.1 |
| Net financial income | (27.8) | (30.0) | (18.6) | (21.7) | (22.1) | (20.9) |
| Share of the result from associated companies | 0.0 | (0.2) | 0.5 | (0.3) | 0.1 | - |
| Income before tax | 34.4 | 37.6 | 24.2 | 19.9 | 19.9 | 39.3 |
| Corporate income tax | (14.9) | (16.9) | (13.6) | (11.5) | (7.5) | (17.7) |
| <i>Corporate income tax rate</i> | 43% | 45% | 57% | 57% | 38% | 45% |
| Net income | 19.5 | 20.7 | 10.6 | 8.4 | 12.4 | 21.6 |

¹ Excluding exceptional items

| In million of euros | Q1 2014 | Q2 2014 | Q3 2014 | Q4 2014 | Q1 2015 | Q2 2015 |
|---|-------------|---------------|---------------|-------------|--------------|-------------|
| Recurring EBITDA¹ | 81.8 | 85.4 | 78.5 | 55.4 | 54.2 | 79.6 |
| Non monetary items included in EBITDA and other | (1.6) | (3.0) | (3.6) | (5.3) | (2.2) | (5.9) |
| Net change in working capital | 20.2 | (4.3) | (49.4) | 0.2 | (2.8) | (2.8) |
| Acquisition of tangible and intangible fixed assets | (16.6) | (18.9) | (15.6) | (18.5) | (16.1) | (18.5) |
| Cash financial income | (12.6) | (24.9) | (18.7) | (29.9) | (12.4) | (30.1) |
| Corporate income tax paid | (20.1) | (24.7) | (15.2) | (0.5) | 0.1 | (0.7) |
| Net cash flow | 51.1 | 9.6 | (24.1) | 1.3 | 20.7 | 21.6 |
| Increase (decrease) in borrowings and bank overdrafts | (39.0) | (450.4) | (4.6) | 18.2 | (18.6) | (1.3) |
| Capital increase | - | 422.9 | (0.2) | (0.0) | - | 2.6 |
| Other | (2.3) | (12.3) | (0.5) | 0.9 | (3.7) | 7.5 |
| Net cash variation | 9.8 | (30.3) | (29.4) | 20.3 | (1.6) | 30.3 |
| Net cash and cash equivalents at beginning of period | 73.1 | 82.9 | 52.7 | 23.2 | 43.6 | 42.0 |
| Net cash and cash equivalents at end of period | 82.9 | 52.7 | 23.2 | 43.6 | 42.0 | 72.3 |

¹ Excluding exceptional items