PRESS RELEASE

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SoLocal Group finalises the terms of its financial restructuring plan

Main evolutions of the financial restructuring plan:

- Presentation of the terms of the reinstated debt of € 400M
- Distribution of one free share for each existing share, replacing shareholders' warrants
- Upcoming evolution of governance to reflect the future capital ownership

I. Terms and conditions of the financial restructuring plan

The financial restructuring plan will be submitted to the vote of creditors on 12 October 2016, the one of shareholders on 19 October 2016, and afterwards to the approval of the Commercial court of Nanterre.

The voting process is initiated despite the fact that negotiations with the creditors who had signed an agreement in principle on 1 August 2016, have not been fully achieved, in particular on the terms of the debt and governance.

Terms of the reinstated debt

The plan, which will be submitted to the vote, will integrate the compromise proposed by the *mandataire ad hoc* on the reinstated debt servicing conditions and some covenants. The main terms of the reinstated debt are the following:

- Reinstated debt: € 400M new bonds with a maturity of 5 years.
- Interests: floating rate (based on 3-month EURIBOR with a minimum of 1%) plus a margin of between 3% and 9% reviewed semi-annually depending on the Company's leverage over the preceding half-year (and for the initial margin, on the pro forma basis of restructuring operations). The Company should pay between 7 and 8% of interest for the first six-month post bond issuance.
- The Company would have the option, at any time to redeem these bonds at 101% of their nominal value.
- These terms are detailed in appendix.
- As a reminder, the "Conquer 2018" plan presented last August assumed an interest equal to the weighted average cost of the current debt (5.5%). The proposed terms imply an additional interest expense ranging between € 10M and € 20M per year.

Distribution of free shares to shareholders

Discussions have taken place between the different stakeholders to improve shareholders position compared to the plan presented on 1 August 2016.

Thus, the Board of directors proposes to grant one free share for each existing share, replacing the distribution to shareholders of warrants with a strike price of €1.5.

These terms would allow to carry the minimum level of equity held by the current shareholders of 6.3% in the initial project to 11.9%[1].

[1] Or 11.1% after dilution of warrants allocated to the creditors, both including ca. 87k shares held by the Company

Summary of the terms of the financial restructuring plan

The proposed financial restructuring plan, which aims at drastically reducing the financial debt of the Group and the implementation of the strategic plan "Conquer 2018", would have the following features, depending upon cash subscription to the rights issue. In any case, financial debt would be reduced from € 1.164 billion to € 400M lowering Group leverage from 4.2x to 1.5x.

Summary of share issue terms depending upon the cash subscription rate to the rights issue

Rights Issue			Debt Conversion into Equity		Reserved Capital Increase		Debt left on Balance Sheet and MCBs (€m)		Free shares allocated to current shareholders	Creditors Warrants	
Subscription Rate	Amount of Cash Raised (€m)	Issue Price	Amount (€m)	Issue Price	Amount (€m)	Issue Price	Debt left on Balance Sheet	MCBs	# of free shares (m)	# of warrants (m)	Strike Price
100%	400	1.00 €	0	1.00 €	384	4.73 €	400	0	39	155	2.00 €
50%	200	1.00 €	200	1.00 €	317	3.98 €	400	67	39	121	2.00 €
0%	0	1.00 €	400	1.00 €	164	2.14 €	400	200	39	45	2.00 €

Maximum number of shares created and maximum number of total shares depending upon the cash subscription rate to the rights issue

Cash subscription rate to the rights issue	Number of existing shares (m)	Number of shares created (m) through:					Number of shares (m) after conversion of MCBs and before dilution of warrants	Number of shares created (m) through the exercise of creditors warrants	Number of shares (m) after dilution of creditors warrants
		Free shares	Capital increase with preferential subscription rights	Creditors backstop to capital increase with preferential subscription rights	Reserved capital increase	Conversion of MCBs			
	Shareholders	Shareholders	Shareholders	Creditors	Creditors	Creditors		Creditors	
100%	**39**	39	400	0	81	0	**559**	155	**713**
50%	**39**	39	200	200	80	33	**591**	121	**712**
0%	**39**	39	0	400	77	100	**654**	45	**699**

Percentage of capital ownership between shareholders and creditors after conversion of MCBs and before/after dilution of warrants depending upon the cash subscription rate to the rights issue

Cash subscription rate to the rights issue	% of equity ownership after conversion of MCBs and before exercice of creditors warrants		% of equity ownership after conversion of MCBs and after exercice of creditors warrants	
	Shareholders[1]	Creditors	Shareholders[1]	Creditors
100%	85.5%	14.5%	67.0%	33.0%
50%	47.0%	53.0%	39.0%	61.0%
0%	11.9%	88.1%	11.1%	88.9%

[1] Including ca. 87k shares held by the Company, i.e. 0.02% of the capital

Average subscription price of shareholders and creditors depending upon cash subscription rate to the rights issue

Cash subscription rate to the rights issue	Shareholders' subscription price after taking into account free shares	Average subscription price of creditors after conversion of MCBs, before exercice of BSAs	Average subscription price of creditors after conversion of MCBs, after exercice of BSAs
100%	0.91 €	4.73 €	2.94 €
50%	0.84 €	1.87 €	1.90 €
0%	0.00 €	1.32 €	1.37 €

Governance

A second General shareholders' meeting would be held in the best possible timing following the completion of the financial restructuring plan (if this one is approved and implemented) in order to examine the possible changes to the composition of the Board of Directors. In accordance with the principles of the Afep-Medef corporate governance Code, in the absence of controlling shareholders, the Board of directors will remain composed of at least 50% of independent directors (including if applicable representatives of individual shareholders). Based on the post-restructuring capital ownership, the Board of Directors could also include representatives of the main shareholders willing to join the Board.

The Company received from two groups of individual shareholders, each representing 0.8% of the Company's capital, draft resolutions proposing the revocation of five directors (Chairman of the Board of directors, CEO (as a director) and other members of the appointments and compensation Committee) and the appointment of seven new directors (of which six members of the association RegroupementPPLocal of which its President Mr. Alexandre Loussert and Mr. Arnaud Marion).

These draft resolutions filed by these two groups of shareholders will be published on the Internet website of SoLocal Group www.solocalgroup.com on 28 September 2016.

These resolutions all together are not supported by the Board of directors who considers that their adoption would weaken the governance of the Company well beyond the effective representation of shareholders who filed them and that it could put in question "Conquer 2018" plan which is neither in the interest of the Company nor of its shareholders. However, the Board of directors has proposed to the creditors group and RegroupementPPLocal to be represented to a limited extent on the Board of directors, without waiting for the second General shareholders' meeting. Discussions are ongoing and the Board of directors will keep the shareholders informed if it is in a position of proposing new directors applications at the General Shareholders' Meeting of 19 October 2016.

Independent expertise

It is reminded that an independent expert, Finexsi has been appointed to give an opinion on the fairness of the proposed subscription price for securities issues reserved for creditors of SoLocal Group in the context of the financial restructuring plan.
Its report will be made available to shareholders on 4 October 2016, according to the indicative timetable.

II. Next steps

The creditors' committee will be convened shortly and is scheduled to meet on **12 October 2016** to vote on the entire financial restructuring plan. The Company will keep the market informed of the result of this vote. It is reminded that the approval of this project by the creditors of the Company, acting by a two-thirds majority of those voters, as well as approval by the Commercial Court of Nanterre, are necessary conditions for the implementation of this plan.

In case of approval by creditors, this plan will also be submitted to the Combined General Shareholders' Meeting on **19 October 2016**. The amended draft resolutions to reflect the described amendments above will be published in the notice of meeting to be published on 3 October 2016 in the BALO (French official bulletin of legal and compulsory announcements). Finally in case of approval by the General Shareholders' Meeting, it will be submitted to the Commercial Court of Nanterre.

The Company has received confirmation of the absence of tax consequences of the proposed financial restructuring.

Conditions of participation in the vote by the noteholders of the € 350M 8.875% Senior Secured Notes due 2018 issued by PagesJaunes Finance & Co S.C.A (Luxembourg company which is not an affiliate of SoLocal Group) (the "Notes")

For the vote at the creditors committee on the plan:

- Either PagesJaunes Finance & Co S.C.A will vote on behalf of noteholders
- Or the noteholders will be able to participate directly in case of the enforcement of the pledge of the Facility C1 Loan (loan held by PagesJaunes Finance & Co S.C.A) (cf. press release of 5 July 2016)

III. Breach of covenant

As announced on 1 August 2016, the Company has breached its leverage bank covenant as of 30 June 2016. This gives creditors acting by a majority of two-thirds (excluding Facility C1 Loan) the ability to vote at any time for the automatic acceleration of the entire debt of the Group, i.e. € 1,164 billion (as of 30 June 2016, excluding debt held by the Group).

The Company is not expected to be able to meet its leverage bank covenant as of 30 September 2016. This would lead to the same consequences as those following the breach of its leverage bank covenant as of 30 June 2016.

The approval of the financial restructuring plan by creditors, shareholders and the Commercial Court of Nanterre would extinguish the consequences of this breach of covenant.

However, in the absence of the approval of financial restructuring plan on 12 October 2016 by the creditors or on 19 October 2016 by the shareholders, the creditors would keep the ability (acting by a majority of two-thirds (excluding Facility C1 Loan)) at any time (subject to the mandatory provisions of the Commercial Code) to vote for the automatic acceleration of the entire debt of SoLocal Group. The Company has no information to date on the position that the creditors would adopt in such a case.

IV. Changes in capital ownership and debt positions

At the request of the *Autorité des Marchés Financiers*, SoLocal Group provides the following details regarding its capital ownership:

- Amongst the main shareholders representing 15% of the capital of the Company who had expressed on 1 August 2016 their support to the plan and their intention to participate, only DNCA Investments, who holds 5% of SoLocal Group's capital, concomitantly held directly or through affiliates a position of the Group's debt representing € 36M in nominal value. As of today, the Company has not approached these shareholders to confirm their support based on the final terms of its financial restructuring plan.

  To date, the company has noted following shareholding evolutions:
  - Aleph Holding Limited II Sarl, one of our main shareholders as of 1 August 2016, has declared to the Company on 7 September 2016 a threshold crossing down the statutory threshold of 2% of SoLocal Group's capital as of 1 September 2016, then on 19 September 2016 a threshold crossing down the statutory threshold of 1% of the SoLocal Group's capital as of 14 September 2016.
  - BJ Invest, one of our main shareholders, has declared to the Company on 23 September 2016 to hold 4.5% of SoLocal Group's capital.
  - The shareholding of main shareholders would be as follows: Edmond de Rothschild Asset Management (6%), DNCA Investments (5%), BJ INVEST (4.5%) and Société Générale Suisse Private Banking (2.4%).

- To the Company's knowledge, as of 28 September 2016, none of the creditors with which an agreement in principle by the company had been reached on 1 August 2016, held more than 1% of SoLocal Group's capital. One of the parties to this agreement in principle, GSO, has indicated to the company that it had sold the debt of SoLocal Group held by itself and its affiliates. In the meantime, Monarch, who to the Company's knowledge as of 28 September 2016 did not hold more than 1% of SoLocal Group's capital, has indicated to the Company that it had acquired (directly or through affiliates) a position of SoLocal Group debt.

V. Information about the Combined General Shareholders' Meeting

The Combined General Shareholders' Meeting will be held on 19 October 2016 at 5:00 pm at Dock Pullman[2].

The notice of meeting will be published in the BALO (French official bulletin of legal and compulsory announcements) on 3 October 2016. This will include draft resolutions amended to reflect the above mentioned changes to the financial restructuring plan.

In the perspective of the Combined General Shareholders' meeting of 19 October 2016, SoLocal Group will post a website dedicated to the financial restructuring plan. This platform aims at sharing with all individual shareholders main terms and conditions related to the financial restructuring plan, and providing a more user friendly reading of the plan.

Shareholders will have access to all the information about this project on **www.solocalgroup.com/assemblee-generale-extraordinaire-2016**. They can also ask their questions to **0 800 81 84 54** (toll-free number available) and email to **actionnaires@solocalgroup.com**.

About SoLocal Group

SoLocal Group, European leader in local online communication, reveals local know-how, and boosts local revenues of businesses. The Internet activities of the Group are structured around two business lines: Local Search and Digital Marketing. With Local Search, the Group offers digital services and solutions to clients which enable them to enhance their visibility and develop their local contacts. Thanks to its expertise, SoLocal Group earned the trust of some 530,000 clients of those services and over 2.2 billions of visits via its 4 flagship brands (PagesJaunes, Mappy, Ooreka and A Vendre A Louer) but also through its partnerships. With Digital Marketing, SoLocal Group creates and provides Internet users with the best local and customised content about professionals. With over 4,400 employees, including a salesforce of 1,900 local communication advisors specialised in five verticals (Home, Services, Retail, Health & Public, BtoB) and Internationally (France, Spain, Austria, United Kingdom), the Group generated in 2015 revenues of 873 millions euros, of which 73% on Internet and ranks amongst the first European players in terms of Internet advertising revenues. SoLocal Group is listed on Euronext Paris (LOCAL). More information may be obtained at www.solocalgroup.com.

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VI. Appendix

The main terms and conditions of this bond issuance can be summarized as follows:

Amount	€ 400M	
Maturity	5 years	
Interests	Interest: margin plus 3-month EURIBOR rate with a minimum of 1%	
	Margin: depending on net consolidated financial leverage ratio:	
	Net consolidated financial leverage ratio (L)	**Margin**
	L > 2.0x	9.0%
	L ≤ 2.0x but L >1.5x	7.0%
	L ≤ 1.5x but L >1.0x	6.0%
	L ≤ 1.0x but L >0.5x	5.0%
	L ≤ 0.5x	3.0%
Early redemption	101% at any time	
Cash & cash equivalents surplus	Mandatory early redemption at an amount equal to a percentage of the cash & cash equivalents surplus beyond € 90M calculated based on a certain level of its net consolidated financial leverage ratio	
	Net consolidated financial leverage ratio (L)	**Margin**
	L > 3,0x	100%
	L ≤ 3,0x but L >2,0x	85%
	L ≤ 2,0x but L >1,0x	50%
	L ≤ 1,0x	25%
Covenants	Net consolidated financial leverage ratio (Total net debt/EBITDA) < 3.5x	
	Interest coverage ratio (EBITDA/ Interest expenses) > 3.0x	
	Commitments on CAPEX in 2017, and for any succeeding year if the net consolidated financial leverage ratio exceeds 1.5x, CAPEX does not exceed 10% of SoLocal's revenues of the previous year with the ability to defer under certain conditions any unused amount	
Restricted payments	Restricted distributions to shareholders and investments mainly subject to (i) Net consolidated financial leverage ratio does not exceed 1.0x for dividends and distributions and (ii) net consolidated financial leverage ratio pro forma does not exceed 1.25x for majority ownership in growth operations for a maximum amount of € 100 million for these investments.	
Security	PagesJaunes SA securities pledged	