

PRESS RELEASE

Boulogne-Billancourt, 30 November 2016



Approval of the financial restructuring plan by creditors

Approval of the revised financial restructuring plan by creditors

SoLocal Group announces that more than two-thirds of the creditors have approved today its revised financial restructuring plan.

The plan will now be submitted to the vote of shareholders at the Extraordinary General Shareholders' Meeting on 15 December 2016, which will be decisive for the implementation of both the financial restructuring plan and "Conquer 2018" plan. In this respect, the Company reminds that the adoption of the revised plan is urgent in regard to the recent evolution of its activity. This adoption is critical to ensure the continuity of the business, safeguard its social entity and guarantee the future of the Company.

As a reminder, in case of approval by the General Shareholders' Meeting, the plan will still have to be submitted to the approval of the Commercial Court of Nanterre.

Independent expert report

Moreover, SoLocal Group announces to its shareholders that the report issued by Didier Kling & Associés, who acted as an independent expert with the mission to provide a fairness opinion of the proposed subscription prices for the reserved issuances of shares concerning the financial restructuring plan of the Group, is now available.

This report issued by Didier Kling & Associés is available on the Company's website: <http://www.solocalgroup.com>.

The conclusion of the Didier Kling & Associés report is the following:

"The revised financial restructuring plan satisfies the desire to address the particularly delicate situation which SoLocal faces with debt of 1.164 M€ due and payable. Its approval appears absolutely critical at a time when the company's continuity is threatened. Creditors have indicated that they will not support the restructuring project if it is not accepted by the shareholders.

This plan was developed with the assistance of an *ad hoc* agent and has been approved by the current parties. The goal of this restructuring plan is to implement a balanced solution for each stakeholder with, first, shareholders which will be diluted to varying degrees depending on whether they decide to subscribe for the capital increase and, second, creditors which will have to waive a significant portion of their debt.

The planned mechanism is designed to reduce the level of SoLocal's indebtedness to 400 M€, *i.e.*, a level deemed sustainable to allow SoLocal to continue its business and roll out its "Conquer 2018" strategic plan.

The procedures for this restructuring are particularly complex. Also, it is difficult to model the plan's consequences. These consequences are related to multiple factors, including:

- the individual behaviour of each shareholder, as well as the collective behaviour of all shareholders;

- the post-restructuring SOLOCAL stock price, which is particularly uncertain given the current situation and the uncertainties related to the success of the financial restructuring.

An analysis of the impact of the restructuring based on the current conditions prior thereto does not seem appropriate. Continuation of SoLocal's business without a financial restructuring would be compromised. Such a scenario would lead a reduction in the value of SoLocal's current debt to its enterprise value, which is not sustainable and would result in the SoLocal share price dropping to zero.

The work we completed to assess SoLocal's value led us to value the company using the discounted cash flow method with net financial debt after restructuring:

- enterprise value (core value) of 1.480 M€;
- net financial debt of 432 M€;
- i.e., owners' equity of 1.048 M€ and a value per share between €1.53 and €1.81 (based on the number of shares after the capital increases)

These values assume that the financial restructuring will be approved.

The initial financial restructuring plan was based on procedures which had been assessed by an independent expert who concluded that these procedures were fair to SoLocal shareholders. The terms offered to shareholders under the revised plan are more favourable than those under the prior plan, which was rejected at the 19 October 2016 shareholders' meeting, included, *inter alia*, a grant of additional free shares and a reduction in the number of warrants assigned to creditors.

Shareholders are encouraged to subscribe for the capital increase at a price of €1, which is a discount if one uses the value per share after the restructuring based on our analysis (€1.53 to €1.81) as a reference. Subscription will allow them to materially limit their dilution. The dilution will be eased by the grant of free shares.

Creditors may subscribe at €1, with a continuation of the preferential subscription right, to guarantee the capital increase. The other issues (new shares with warrants and MCB) specify a subscriptions price for creditors between €1.94 and €4.73, which is higher than the value per share based on our analysis (€1.53 to €1.81) and the subscription price offered to shareholders.

Upon conclusion of the various stages of the restructuring, the status of creditors may be assessed using the nominal value of the receivables that they hold from the company and the value of the assets (shares, residual debts and any cash) that they will hold after the plan is approved. Creditors will subscribe by setting of receivables at nominal value which, from a legal perspective, is justified because repayment for at nominal value is contractually provided. As a result, it seems to us appropriate to analyse the effects of the restructuring using the value of the debt at nominal value by comparing it with the post-restructuring SoLocal value per share. Accordingly, creditors will be granted terms which may result in a premium or discount (from -20% to +10%) compared to the "counter-value" received in exchange for a portion their face debt. For information, this "counter-value" would lead to discounts or premiums between -20% to +84% if one applies a 0 to 40% discount to debt face value.

They will receive SoLocal shares and, if appropriate, warrants, which will allow them to realize a potential value which remains difficult to quantify and which will depend on changes in the SoLocal share price after the restructuring.

This approach is designed to grant these terms to creditors and is based on the fact that creditors benefit from a priority ranking over equity holders and that, as at the date hereof, there is no credible alternative for the company to survive the financial impasse which it faces.

In summary and in light of the foregoing, the terms of the various issues seem to us to be fair to the shareholders from a financial point of view as they will ensure the company's continuity."

Threshold crossings

Furthermore, SoLocal Group took note of the following threshold crossings:

- As of 23 November 2016, Boussard & Gavaudan Partners Limited in the name of and on behalf of BG Master Fund ICAV, Boussard & Gavaudan SICAV, Amundi Absolute Return BG Enhanced Master Fund regarding their holding of 486 085 shares, representing 1.25% of the capital of the company.
- As of 30 November 2016, JMPI Limited holding 1 337 300 shares, representing 3.44% of the capital of the Company.

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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