

## PRESS RELEASE

Boulogne-Billancourt, 4 March 2018

### Provision of additional information

Further to the publication of its 2017 results and the holding of the Investor Day which took place on February 15, the Company provides the following additional information with respect to its activities:

#### Additional information regarding the number of clients

The Company's average churn rate decreased from 18.5%, in 2016 to 17.1%, in 2017.

As part of our new strategy and in order to continue to improve our churn rate, we will seek to migrate our clients towards "evergreen" contracts. These one-year contracts will, upon expiry, automatically be renewed unless cancelled by the client. We also intend that these contracts will have payment terms calling for an upfront payment at the outset of the contract. Approximately 10% of our total sales for the year ended December 31, 2017 were derived from "evergreen" contracts, and approximately 26,000 of our clients have entered into such contracts with us as of January 2018. Our goal for 2018 is to increase the portion of our total sales derived from "evergreen" contracts to 30% and triple the number of such clients under such contracts.

#### Additional information regarding the Print & Voice activities

The performance of the Print & Voice business line has been in decline for the last several years. This decline is driven by the shift by advertisers and users away from printed directories towards Internet-based advertising.

In order to maintain a controlled decline of this business, the Company must continue to encourage Print & Voice clients to use its services. In this respect, the Company is currently exploring "Print-to-Digital" solutions, based on innovations tested in "test & learn" mode to give print content a new dimension, with an emphasis on augmented reality flyers and digital local guides.

If these new offerings fail to improve the financial performance or prospects of the Print & Voice business, the Company may decide to phase it out in 2019 or 2020.

#### Additional information regarding the evolution of the company's expenditures for acquisition of tangible and intangible fixed assets (CAPEX)

The Company expects that its expenditures for acquisition of tangible and intangible fixed assets (CAPEX) for 2018 and 2019 to be lower than its CAPEX in 2017.

#### Additional details regarding the possible sale of certain non-core assets

In addition, as part of the Company's continuous effort to improve its business and maximize cash generation, the Company has launched a strategic review of certain non-core business assets and sites.

For instance, in October 2017, the Company confirmed the disposal of its real estate classifieds business, AVendreALouer.fr, for a total amount of €19.8 million.



The Company has launched other similar initiatives and may execute at least one similar transaction for another non-core asset in the coming months.

## Partnerships

Our growth strategy partly depends on our ability to maintain and develop our strategic partnerships, including those with industry leaders such as Google, Facebook, Apple and Bing (Microsoft). We are currently in active discussions with some of these partners with respect to the renewal of these partnerships, including our partnership with Google, which are due to expire 2018. We are confident that we will succeed in renewing these strategic partnerships.

## About SoLocal Group

SoLocal Group aims to become the trusted and local digital partner supporting business companies to accelerate their growth. To succeed in this transformation, it relies on its six key assets some of them being unique in France: media with very high audiences, powerful geolocated data, scalable technological platforms, commercial coverage throughout France, privileged partnerships with GAFAM and numerous talents (experts in data, IT development, digital marketing, etc.). SoLocal Group's activities are structured around two axes. First, a range of "full web & apps" digital services on all devices (PCs, mobiles, tablets and personal assistants), offered in the form of packs and subscriptions, ("Digital Presence", "Digital Advertising", "Digital Website", "Digital Solutions" and "Print to Digital"), and integrating a digital coaching service, to support clients success. Second, flagship owned media (PagesJaunes and Mappy) used daily by Frenchs and offering an enriching and differentiating user experience. With more than 460,000 customers across France and 2.4 billion visits on its media, the Group generated revenues of €756 million in 2017, 84% coming from Internet making it one of the leading European players in terms of online advertising revenue. SoLocal Group is listed on Euronext Paris (LOCAL). More information is available at [www.solocalgroup.com](http://www.solocalgroup.com).

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