



FINANCIAL RESULTS FOR THE 1ST QUARTER 2014

WEDNESDAY 30 APRIL

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A description of the risks borne by the Group appears in section 4 "Facteurs de risques" of the Solocal Group's "Document de Référence" filed with the French financial markets authority (AMF) on 15 April 2014.

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Accounting data are presented on an annual basis in audited consolidated form and on a quarterly basis in unaudited consolidated form.

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ONGOING DIGITAL TRANSFORMATION



Highlights

Ongoing Digital 2015 transformation program

- Power and strong growth in audiences driven by mobile and partnerships
- Specialisation of the sales and marketing teams around 5 verticals
- Setting up of a new labour contract for the sales force, departure of about 300 who did not sign
- Digital investments scheduled over 3 years in order to return to growth in 2015 and generate about 75% of Internet revenues

Capital increase approved at more than 96% by Extraordinary General Meeting

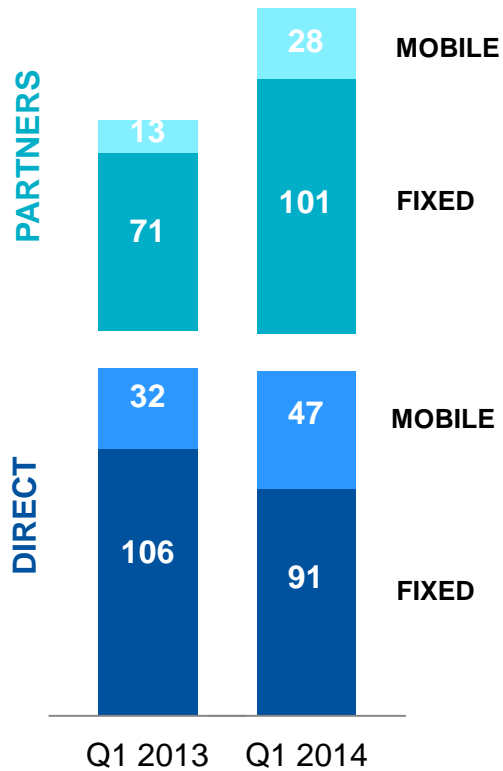
- Capital increase guaranteed up to 440 million euros
- Extension of its 2015 debt maturities subject to the homologation of the SFA plan by the Commercial Court of Nanterre and the completion of the capital increase

Results from the 1st quarter of 2014 in line with the outlook announced

- Consolidated revenues of 215.7 million euros (Internet representing 71%) down 5.4%
- Gross operating margin of 86.0 million euros with a 39.9% margin rate
- compliance with covenants as of 31 March 2014

Continued growth of PagesJaunes audiences

PAGESJAUNES AUDIENCE TOWARDS PROFESSIONALS (in million of visits)



facebook mappy COMPRENDRE CHOISIR.COM

Google bing YAHOO!



GROWTH IN VISITS Q1 2014 VS Q1 2013

+115%

+43%

+45%

-0.8%

-15%

$\Sigma = +20\%$

Fixed = +8%

Mobile = +65%

PagesJaunes: development of transactional services

1 **Le Petit Indien** ★★★★★ 4 avis
restaurants
5 r Pouchet, 75017 Paris 🟢 Ouvert

Afficher le N° Voir le plan Contacter par mail Commander Réserver

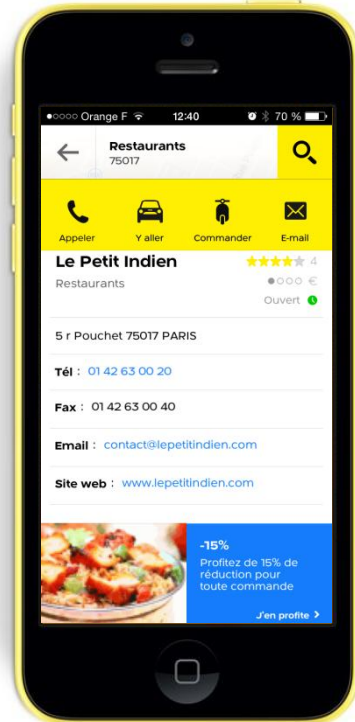
+ Autres coordonnées

Promotion lafourchette : -30% sur la carte [Réserver](#)

Budget : €€€€ / Cuisine du Monde / Anglais parlé / Livraison à domicile
Le Petit Indien propose une cuisine indienne originale, plats fait maison et cuisinés avec des produits frais - Spécialités tandoori et curry, plats végétariens ... [Lire la suite](#)

[Voir les Bons Plans](#) 3

Site internet : www.lepetitindien.com



Transactional services

- **Ordering meals / delivery at home**
 - integration of **Chronoresto**
- **Reserving**
 - integration **ClicRDV**
 - integration **LaFourchette**
- **On-line quotation**
 - integration **Keltravo**

Good Deals

- Reinforced leadership through the acquisition of **Lookingo**

Detailed products information

- **Real estate advertisements**
 - integration **A Vendre A Louer**
- **Retail**
 - acquisition of **Retail Explorer**

Link to the website

Mappy: development of web-2-store services

The screenshot displays the Mappy website interface. At the top, there is a search bar with the text 'Adresse, professionnels...' and a 'Rechercher' button. To the right, there are buttons for 'Itinéraire' and 'Connexion'. Below the search bar, there is a navigation menu with icons for home, list, search, and various services like car, house, restaurant, etc.

The main content area is divided into two parts. On the left, there is a sidebar titled 'NOTRE SÉLECTION D'ADRESSES À PARIS' with categories like 'AGENCE IMMOBILIÈRE', 'COIFFEUR', 'CAVISTE', and 'RESTAURANT'. The 'CAVISTE' category is selected, showing 'Le Repaire de Bacchus' with its address '40 rue de Bretagne, 75003 Paris' and a 'Y aller' button.

On the right, there is a street view image of a Parisian street. A product overlay for 'Le Repaire de Bacchus' is shown, displaying the address and a 'Y aller' button. Below the street view, there is a product selection table.

La sélection de produits		
Whisky blend - Natural Color Whisky Blend	Margaux - Château Grand Soussans, 2011	Rully - Domaine Belleville 'Les Chauchoux', 2007
19.9 € en stock	21.1 € en stock	18.1 € en stock

Below the table, there are more product images and their details: 'Côtes du Roussillon - Domaine', 'Fleurie - J. Etienne, 2011', and 'Autre - Comtesse de Cérés, France'.

Route calculation and virtual visits

- Integration **UrbanDive**
- Indoor views

Product and brand search

- Brand display
- Several million references
- Acquisition of **Retail Explorer** (1st database of products and prices of retail in France)

Setting up a new agile organisation



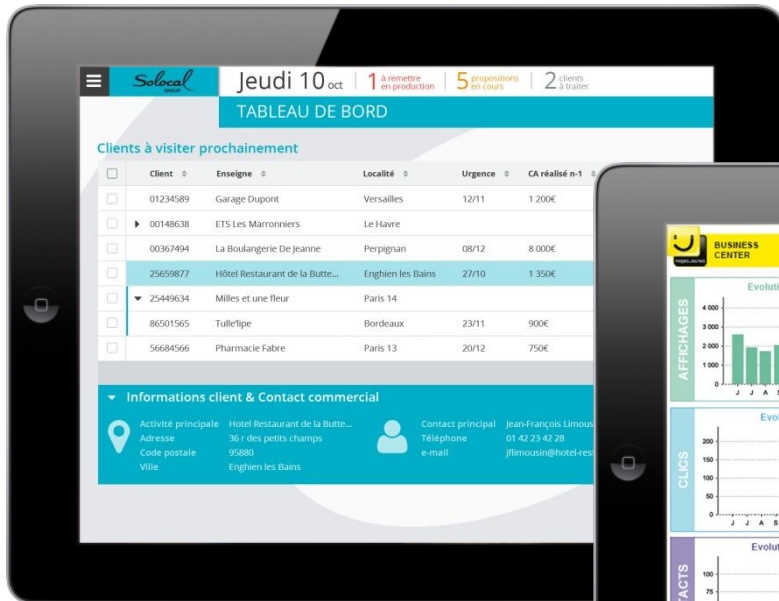
Commercial operational transformation

Commercial management

- Objective-oriented and vertical management
- New contractual system: flexibility and abandoning the VRP sales representative contract (departure of about 300 sales staff who did not sign)
- For telesales, switching from 30h to 35h (voluntary basis)

Sales tools

- Save time
- Adaptation to the digital products
- Pleasant and ergonomic environment
- Attractive customer interface



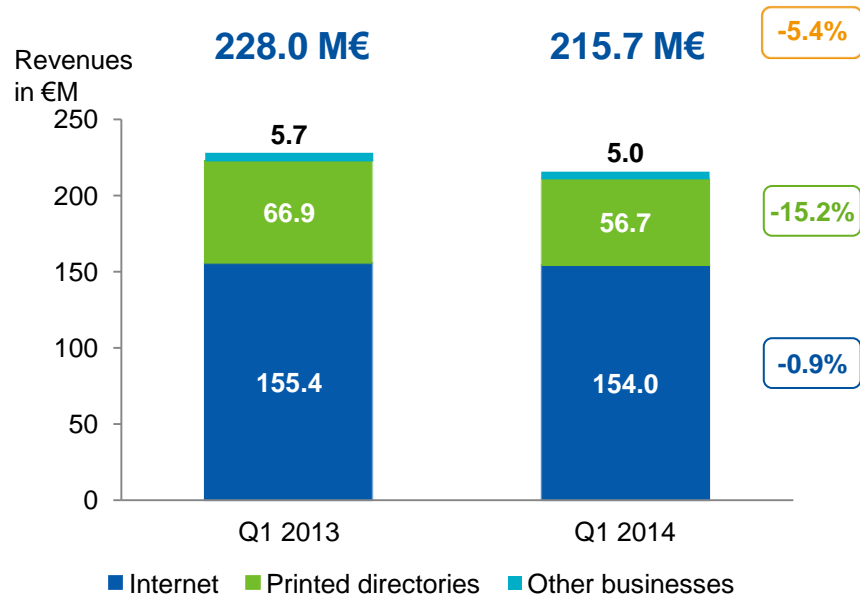


**FINANCIAL RESULTS
FOR THE 1ST QUARTER OF 2014**

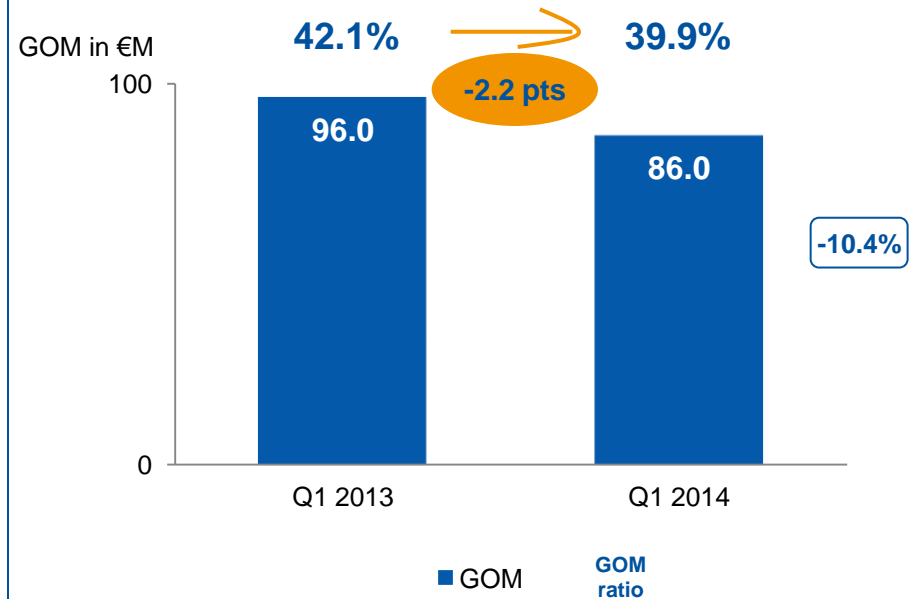


Group revenues: -5.4%

Revenues affected by the slowdown of the Internet business

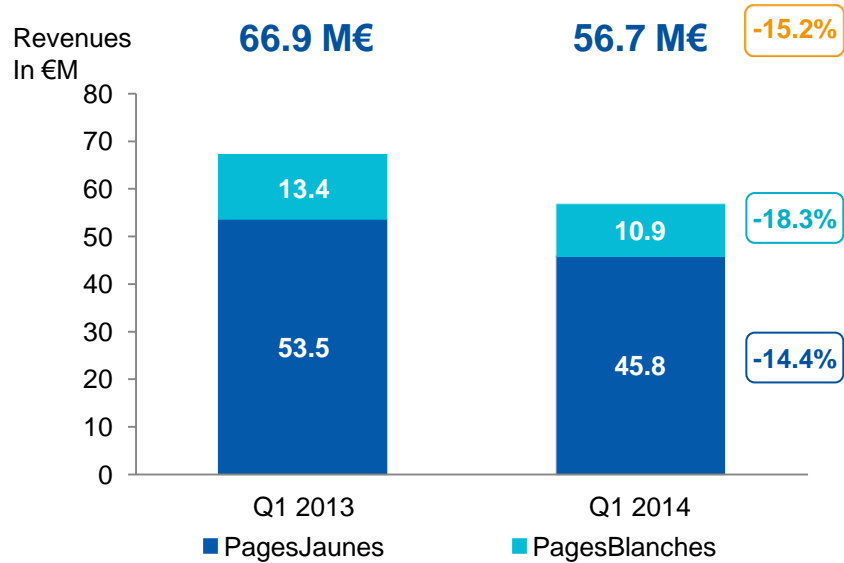


Decrease in GOM linked to the business slowdown and management of the digital transformation

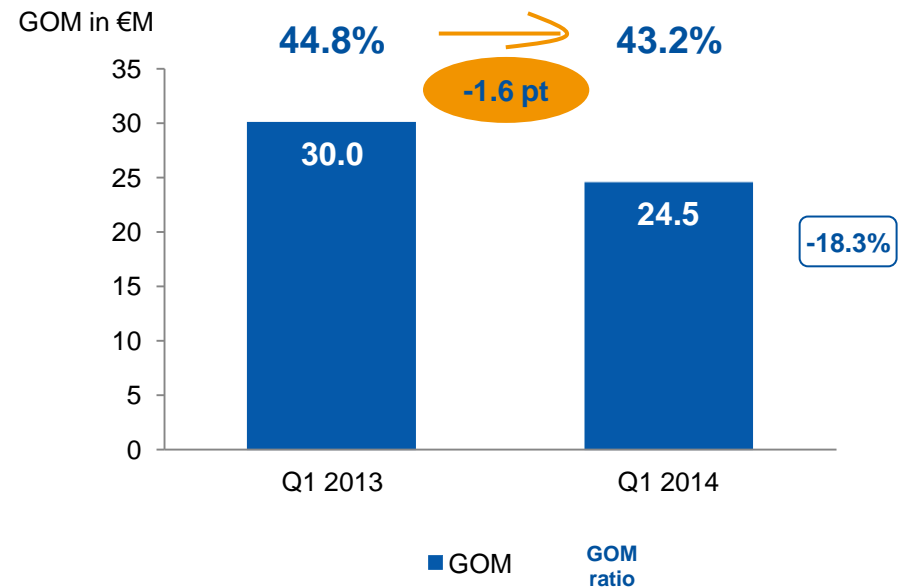


Printed directories: Revenues at -15.2%, still a high margin rate

Contained decrease in the Printed directories business



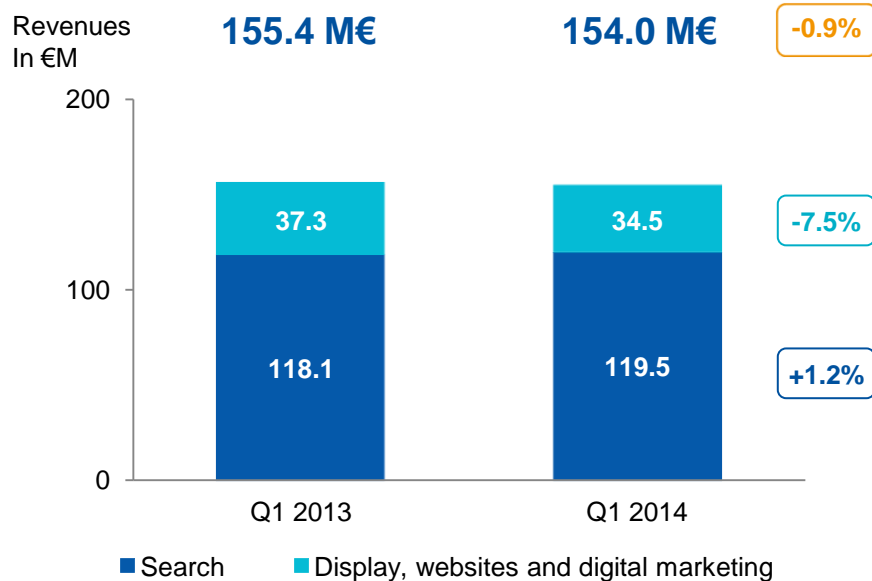
High profitability maintained thanks to the drop of -23% in production costs¹ in France



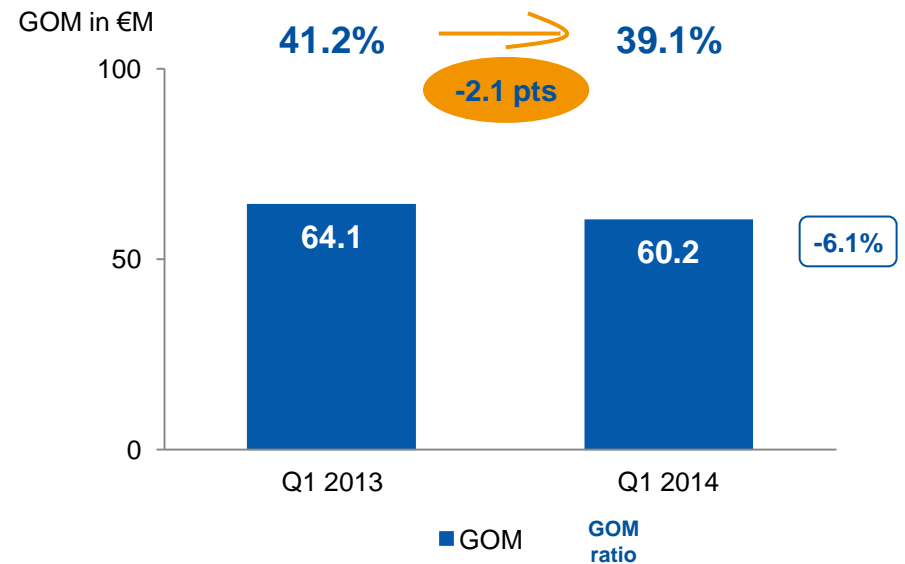
¹ Paper, Print, Distribution

Internet: 71% of Group revenues, at -0.9%

Slowdown linked to setting up the new commercial organisation

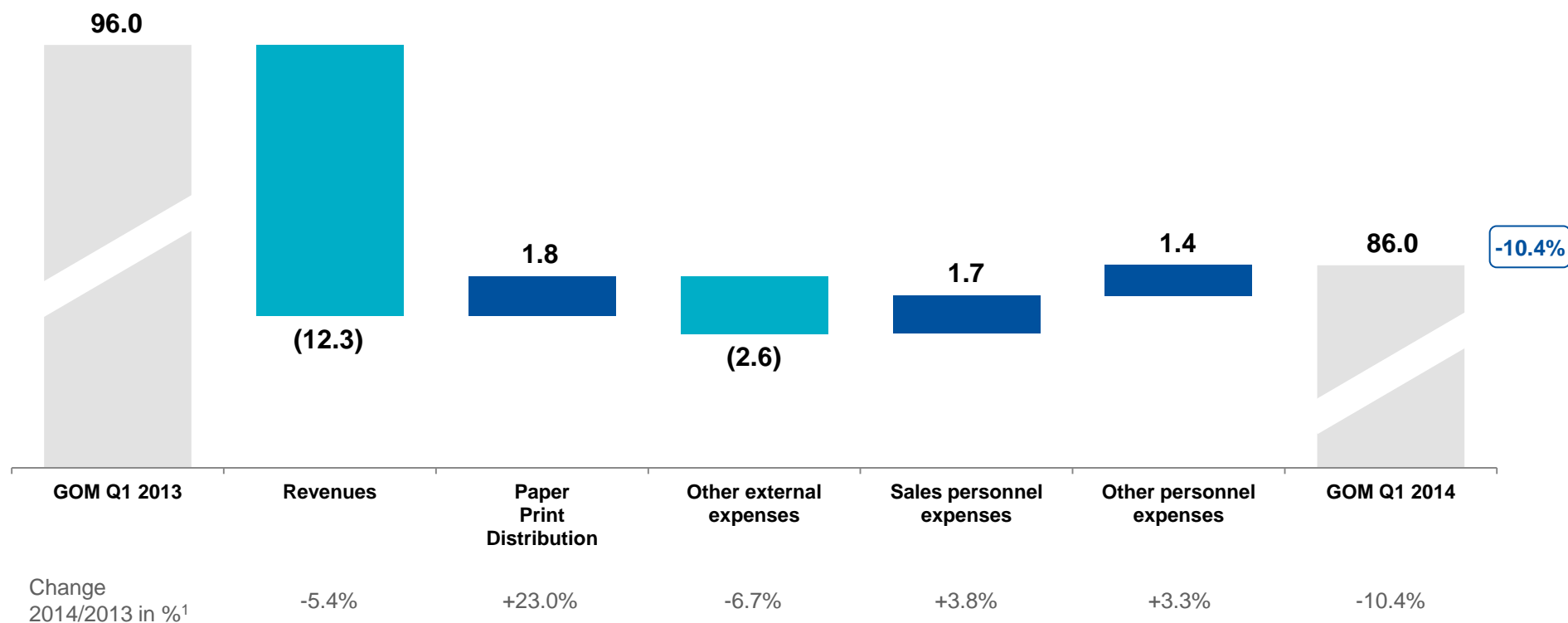


Decrease in GOM affected by the decline in the business and the management of the digital transformation



GOM decreased by -10.4%

Change in consolidated gross operating margin (GOM) in million Euros



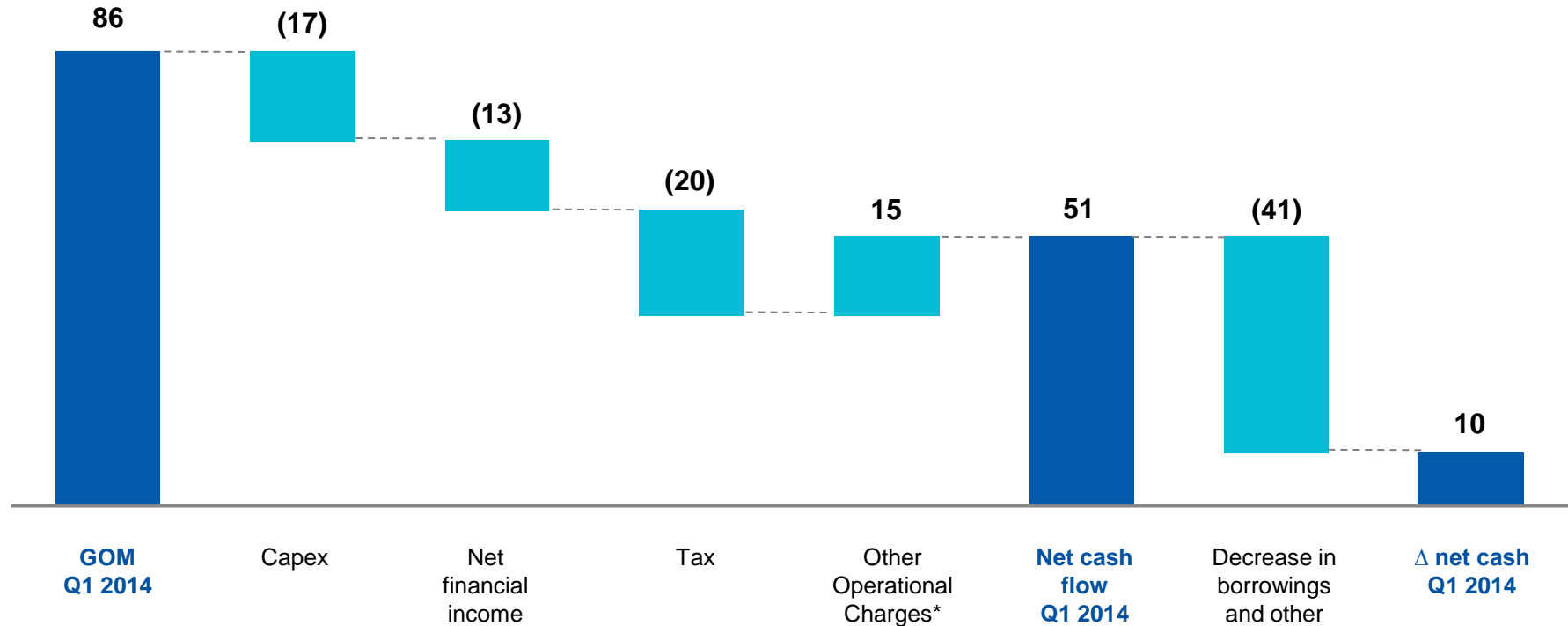
Net income of €19.5 M impacted by GOM decrease and additional reorganization costs

From gross operating margin to consolidated income

In million Euros	Q1 2014	Q1 2013	Change
Gross operating margin	86.0	96.0	-10.4%
<i>Legal employee profit-sharing</i>	(2.6)	(2.9)	+10.3%
<i>Share-based payment</i>	(0.3)	(0.6)	+50.0%
<i>Depreciation and amortisation</i>	(10.3)	(9.9)	-4.0%
<i>Other income and expenses</i>	(9.4)	0.0	na
Operating income	63.5	82.6	-23.1%
Net financial income	(27.8)	(34.0)	+18.2%
<i>Share of profit or loss of an associate</i>	0.0	(0.1)	na
Income before tax	35.7	48.4	-26.2%
<i>Corporate income tax</i>	(16.2)	(19.4)	+16.5%
<i>Effective tax rate</i>	45.3%	40.0%	
Net income	19.5	29.0	-32.8%

Net cash flow: €51 M as of 1st quarter 2014

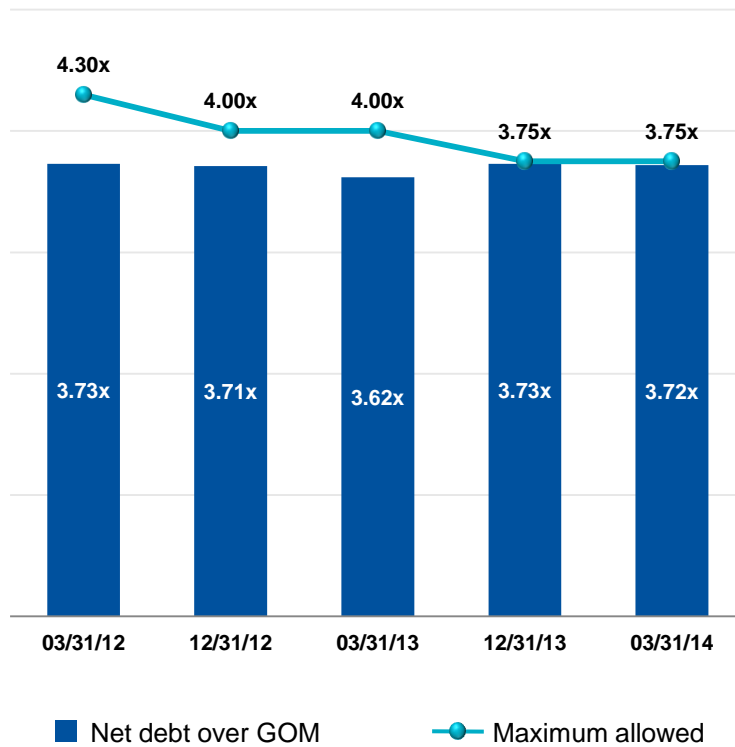
Net cash flow as of 31 March 2014 (in million Euros)



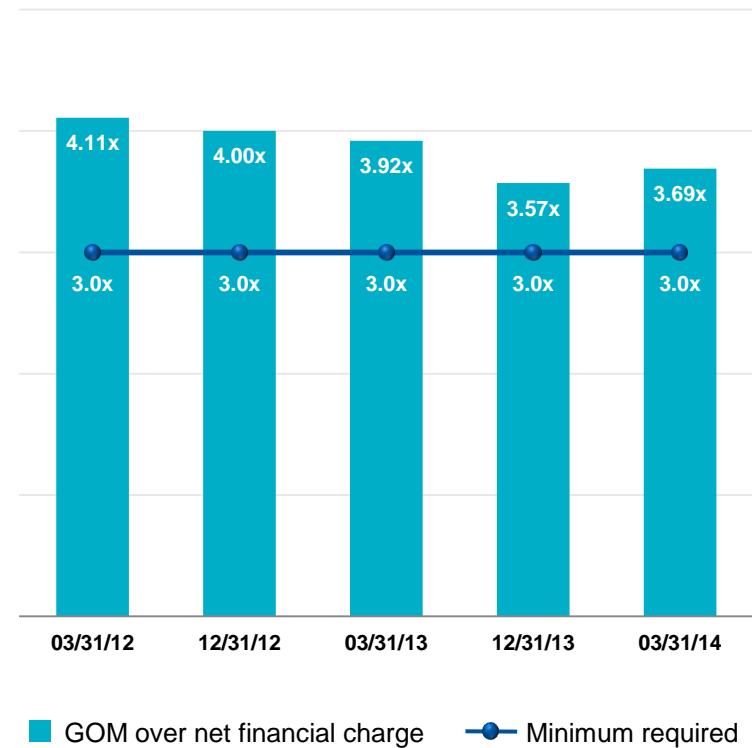
* Including primarily change in working capital

Compliance with covenants as of 1st quarter 2014

Financial leverage



Interest coverage



Confirmed 2014 outlook

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:

- Revenues decrease between -3 and -6%
- Normalized¹ gross operating margin expected between €355 millions and €375 millions.

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



QUESTIONS & ANSWERS





APPENDICES



-5,4% decrease in revenues

Internet: 71,4% of Group revenues at -0,9%

Consolidated revenues by segment

In million Euros	Q1 2014	Q1 2013	Change
Group revenues	215.7	228.0	-5.4%
Internet	154.0	155.4	-0.9%
<i>as % of Group revenues</i>	71.4%	68.2%	
Printed directories	56.7	66.9	-15.2%
<i>as % of Group revenues</i>	26.3%	29.3%	
Other businesses	5.0	5.7	-12.3%
<i>as % of Group revenues</i>	2.3%	2.5%	

GOM of 86.0 million euros, 39.9% of Group revenues

Gross operating margin by segment

In million euros	Q1 2014	Q1 2013	Change
Group gross operating margin	86.0	96.0	-10.4%
<i>as % of Group revenues</i>	39.9%	42.1%	-220 bps
Internet	60.2	64.1	-6.1%
<i>as % of Internet revenues</i>	39.1%	41.2%	-210bps
Printed directories	24.5	30.0	-18.3%
<i>as % of Printed directories revenues</i>	43.2%	44.8%	-160 bps
Other businesses	1.3	1.9	-31.6%
<i>as % of Other businesses revenues</i>	26.0%	33.3%	na

Income statement: 1st quarter 2014

In million euros	Q1 2014	Q1 2013	Change
Revenues	215.7	228.0	-5.4%
<i>Net external expenses</i>	(46.7)	(45.9)	-1.7%
<i>Salaries and charges</i>	(83.0)	(86.0)	+3.5%
Gross operating margin	86.0	96.0	-10.4%
as % of revenues	39.9%	42.1%	
<i>Legal employee profit-sharing</i>	(2.6)	(2.9)	+10.3%
<i>Share-based payment</i>	(0.3)	(0.6)	+50.0%
<i>Depreciation and amortisation</i>	(10.3)	(9.9)	-4.0%
<i>Other income and expenses</i>	(9.4)	0.0	na
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<i>Effective tax rate</i>	45.3%	40.0%	
Net income	19.5	29.0	-32.8%

Tax rate evolution

	Q1 2014	Q1 2013	Change
Statutory tax rate	34.4%	34.4%	
Additional tax ¹	3.6%	1.7%	+190 bp
Partial deductibility of financial interest (75%) ²	6.6%	-0.6%	+720 bp
CVAE (Cotisation à la valeur ajoutée des entreprises)	4.7%	3.8%	+90 bp
Other	-0.5%	0.7%	-120 bp
Effective tax rate before non recurring items	48.8%	40.0%	+880 bp
Income tax reimbursement from prior years ³	-3.5%	0.0%	-350 bp
Effective tax rate	45.3%	40.0%	+530 bp

Cash flow statement: 1st quarter 2014

In million euros	Q1 2014	Q1 2013	Change
GOM	86.0	96.0	-10.4%
<i>Legal employee profit-sharing</i>	(2.6)	(2.9)	+10.3%
<i>Non monetary items included in GOM</i>	1.6	0.9	na
<i>Net change in working capital</i>	18.9	20.6	-8.3%
Acquisition of tangible and intangible fixed assets	(16.6)	(9.5)	na
Operational cash flow	87.3	105.1	-16.9%
<i>in % of GOM</i>	101.5%	109.5%	
<i>Cash financial income</i>	(12.6)	(10.4)	-21.2%
<i>Other income and expenses</i>	(3.5)	-	na
<i>Corporate income tax paid</i>	(20.1)	(21.0)	+4.3%
Net cash flow	51.1	73.8	-30.8%
<i>Increase (decrease) in borrowings and bank overdrafts</i>	(39.0)	(77.0)	+49.4%
<i>Other</i>	(2.3)	(0.2)	na
Net cash variation	9.8	(3.4)	na
<i>Net cash and cash equivalents at beginning of period</i>	73.1	91.9	-20.5%
Net cash and cash equivalents at end of period	82.9	88.4	-6.2%

Net cash flow as of 31st March 2014

	Q1 2014	Q1 2013	Change
Reported net cash flow (€M)	51.1	73.8	-30.8%
- Interest payments of Q1 2013 postponed to April 2013	-	(14.0)	
- Interest payments of March 2014 postponed to July 2014	(4.2)	-	
- Sales force reorganisation	3.5	-	
Net cash flow excluding non-recurring items (€M)	50.4	59.8	-15.7%

Balance sheet as of 31st March 2014

In million euros	31 Mar. 2014	31 Dec. 2013	31 Mar. 2013
ASSETS			
Total non-current assets	221.7	214.8	208.5
<i>Net goodwill</i>	80.9	78.7	82.3
<i>Other net intangible fixed assets</i>	87.3	80.8	70.1
<i>Net tangible fixed assets</i>	23.3	23.6	24.3
<i>Other non-current assets of which deferred tax assets</i>	30.2	31.7	31.7
Total current assets	605.8	585.3	640.6
<i>Net trade account receivable</i>	399.9	405.8	416.9
<i>Acquisition costs of contracts</i>	63.7	63.3	70.6
<i>Prepaid expenses</i>	13.3	5.9	13.9
<i>Cash and cash equivalents</i>	84.0	75.6	91.7
<i>Other current assets</i>	44.9	34.7	47.6
Total assets	827.5	800.0	849.0
LIABILITIES			
Total equity	(1,845.5)	(1,866.7)	(1,971.6)
Total non-current liabilities	1,592.5	1,617.5	1,712.2
<i>Non-current financial liabilities and derivatives</i>	1,486.2	1,516.2	1,619.6
<i>Employee benefits (non-current)</i>	87.9	85.1	85.3
<i>Other non-current liabilities</i>	18.3	16.3	7.4
Total current liabilities	1,080.5	1,049.2	1,108.4
<i>Bank overdraft and other short-term borrowings</i>	121.6	132.7	118.7
<i>Deferred income</i>	616.2	597.5	653.9
<i>Employee benefits (current)</i>	118.5	119.2	124.3
<i>Trade accounts payable</i>	86.2	84.5	72.2
<i>Other current liabilities</i>	138.1	115.4	139.4
Total liabilities	827.5	800.0	849.0

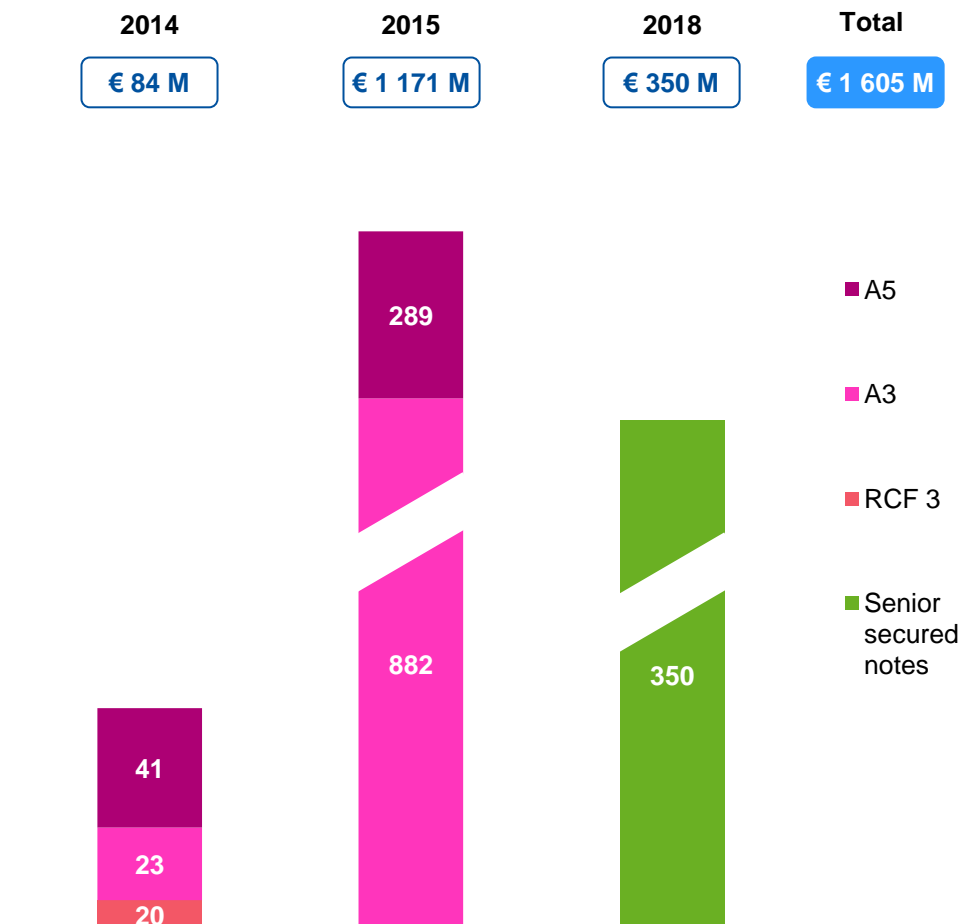
Net debt as of 31st March 2014

In million euros	31 Mar. 2014	31 Dec. 2013	31 Mar. 2013
<i>Cash and cash equivalents</i>	84.0	75.5	91.7
Gross cash position	84.0	75.6	91.7
<i>Bank Overdrafts</i>	(1.1)	(2.5)	(3.3)
Net cash position	82.9	73.1	88.4
<i>Bank borrowings</i>	(1,234.6)	(1,297.5)	(1,368.2)
<i>Bond borrowings – Senior secured notes</i>	(350.0)	(350.0)	(350.0)
<i>Revolving credit facility drawn*</i>	(20.0)	-	-
<i>Loan issuance expenses</i>	22.4	25.4	34.6
<i>Capital leases</i>	(0.0)	(0.0)	(0.1)
<i>Fair value of hedging instruments</i>	(18.0)	(20.2)	(44.3)
<i>Accrued interest not yet due</i>	(18.2)	(6.3)	(37.4)
<i>Other financial liabilities</i>	(6.3)	(4.1)	(7.0)
Gross financial debt	(1,624.8)	(1,652.7)	(1,772.4)
<i>Of which current</i>	(138.7)	(136.4)	(152.8)
<i>Of which non-current</i>	(1,486.2)	(1,516.2)	(1,619.6)
Net cash (debt)	(1,541.9)	(1,579.6)	(1,684.0)
Net cash (debt) excluding fair value of financial instruments and loan issuance expenses	(1,546.3)	(1,584.8)	(1,674.3)

* At 03/31/2014, €48.2 M available under the undrawn revolving credit line

Financial structure and debt maturity as of 03/31/2014

	Size (€M)	Margin (bp) / Rate (%)
Tranche A3	905.3	400
Tranche A5	329.3	360
RCF 3*	20.0	360
Total bank debt	1 254.6	389** / 5.30%
Senior secured notes	350.0	8.875%
Bank and bond debt	1 604.6	6.05%***
Other debts	20.2	
Total gross debt	1 624.8	
Net cash	82.9	
Total dette nette	1 541.9	



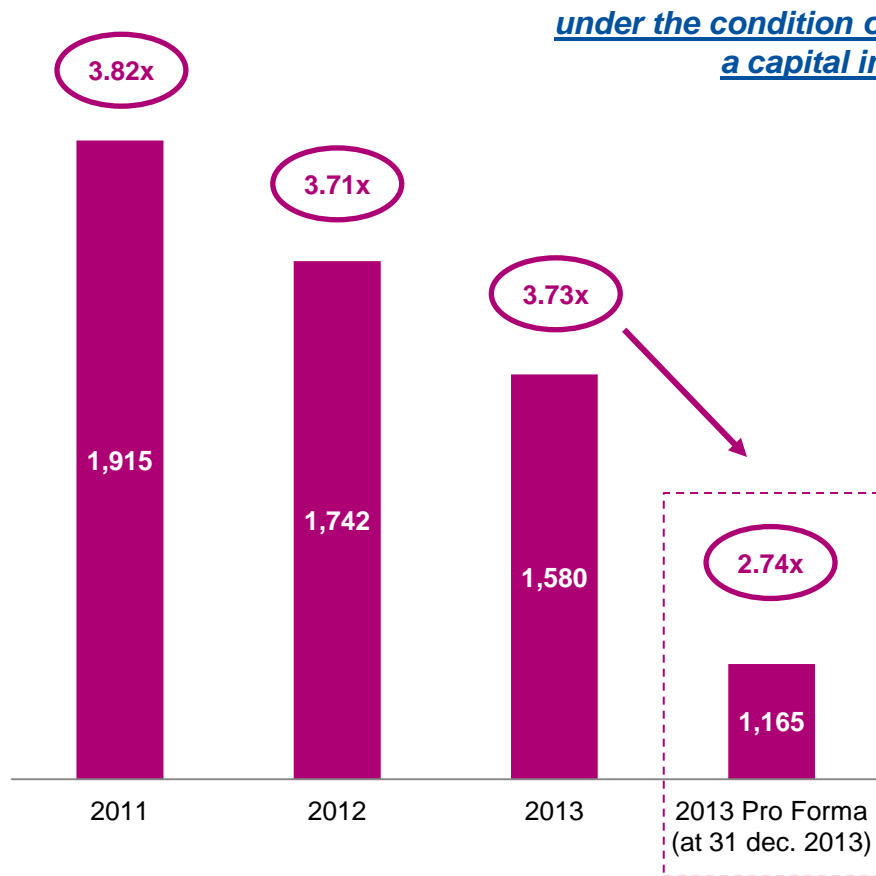
*As of 03/31/2014, € 48.2 M available under the undrawn revolving credit line
 ** Average weighted margin *** Weighted average cost of bank debt and high yield notes

Gross debt corresponding to bank debt and high yield notes excluding available undrawn revolving credit line.

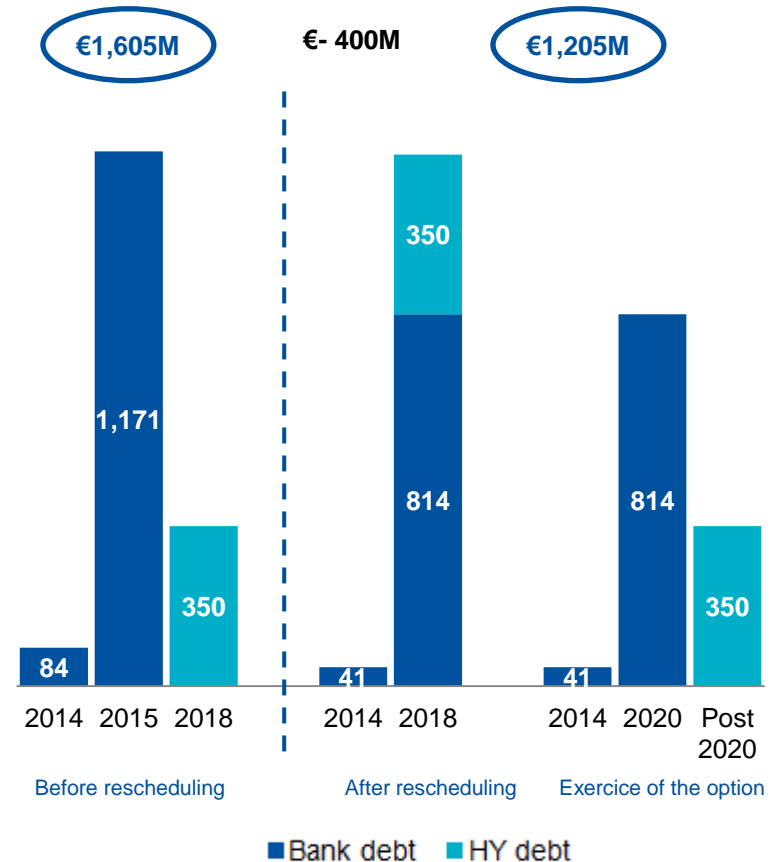
Undrawn revolving credit line : € 48.2 M as of 03/31/2014

Deleveraging of about 1 time GOM and rescheduling of 2015 maturities

Net debt¹ (in €M)



Maturity profile of gross debt² (in €M)





GLOSSARY



Glossary - Operating P&L

Group Digital revenues:

- Total of Internet revenues from PagesJaunes (pagesjaunes.fr, annoncesjaunes.fr, pagespro.com, websites and mobile Internet) and Internet revenues from all other subsidiaries in the Group

Net external expenses:

- Include external purchases: primarily include the editorial costs (purchase of paper, printing and distribution of printed directories), costs linked to databases, expenses for the information system, communication and marketing expenses, as well as structure expenses. For example: costs for producing Internet sites (launch of the Internet Visibility Pack), information system costs in line with the new developments, linked to services for advertisers or new functionality on the pagesjaunes.fr website
- And also include the operating income and expenses: primarily comprised of taxes, certain provisions for risks, and provisions for bad debts

Salaries and charges:

- Exclude employee profit-sharing and share-based payment

Gross operating margin (GOM):

- Revenues less external purchases, operating expenses (net of operating income) and salaries and social charges. The salaries and social charges included in the gross operating margin do not include employee profit-sharing or the cost of share-based payment.

Normalised gross operating margin (GOM):

- GOM adjusted for accounting effects (without cash impact) related to the implementation of the new sales contracts

Glossary – Financial Structure

Net financial debt:

- Total gross financial debt plus or minus the fair value of derivative asset and liability hedging instruments and minus cash and cash equivalents

Ratio of Net Debt to GOM:

- Such as defined in the agreement concluded with the creditors, i.e. the ratio between an aggregate of consolidated net debt (excluding fair value of hedging instruments and loan issuing expenses) and an aggregate close to consolidated GOM

Ratio of GOM to net financial expenses:

- Such as defined in the agreement concluded with the creditors, in other words the ratio between an aggregate close to consolidated GOM and an aggregate of consolidated net financial expenses (excluding change in fair value of hedging instruments recognised in P&L and loan issuing expenses amortisation)

Average cost of total debt:

- Weighted average of bank debt cost and coupon on the high yield notes, annualised when the period is less than 12 months

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