



# 3<sup>RD</sup> QUARTER 2015 RESULTS



5 NOVEMBER 2015



# DISCLAIMER

---

This document contains forward-looking statements. Although SoLocal Group believes its expectations are based on reasonable assumptions, these statements are subject to numerous risks and uncertainties. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include the effects of competition, usage levels, the success of the Group's investments in France and abroad, and the effects of the economic situation.

A description of the risks to which the Group is exposed appears in section 4 "Risk Factors" of the SoLocal Group's "Document de référence", which was filed with the French financial markets authority (AMF) on 30 April 2015.

The forward-looking statements contained in this document apply only from the date of this document. SoLocal Group does not undertake to update any of these statements to take account of events or circumstances arising after the date of said document or to take account of the occurrence of unexpected events.

Accounting data presented on an annual basis are in audited consolidated form, but accounting data indicated on a quarterly or half-yearly basis are in unaudited consolidated form.

# BUSINESS UPDATE

JEAN-PIERRE REMY  
CHIEF EXECUTIVE OFFICER

---



## Q3 HIGHLIGHTS

---

### EBITDA/revenue margin<sup>1</sup> of 37% in Q3 2015 reflects the implementation of the operational contingency plan

- Divestment of Internet businesses that are not growing and are unprofitable
- Reduction of costs accelerated due to bank covenants

### Internet activities focused on two engines of growth

- The **Local search** business growing slightly, impacted by reduced investments in new client acquisition
- The **Digital marketing** business growing by +6%, driven by the evolution of local programmatic and sites & content

<sup>1</sup> Recurring EBITDA/revenue margin, excluding exceptional items, for continued activities


# IMPLEMENTATION OF THE OPERATIONAL CONTINGENCY PLAN

## Divestment of Internet businesses that are not growing and are unprofitable

- Horyzon Media Internet display agency
- ZoomOn local social media
- Lookingo “daily deals”
- Sotravo online home project quotes

|          |                |
|----------|----------------|
|          | <b>9M 2015</b> |
| Revenues | €5 million     |
| EBITDA   | -€8 million    |

## Reduction of costs accelerated due to bank covenants



|   |                 |
|---|-----------------|
|   | <b>Q3 2015</b>  |
| <b>EBITDA<sup>1</sup></b><br>€ millions | <b>78 (-4%)</b> |
| <b>EBITDA/<br/>revenues<sup>1</sup></b> | <b>37%</b>      |

<sup>1</sup> Indicators for continued activities, recurring EBITDA excluding exceptional items, change 2015 versus 2014, recurring EBITDA/revenue margin

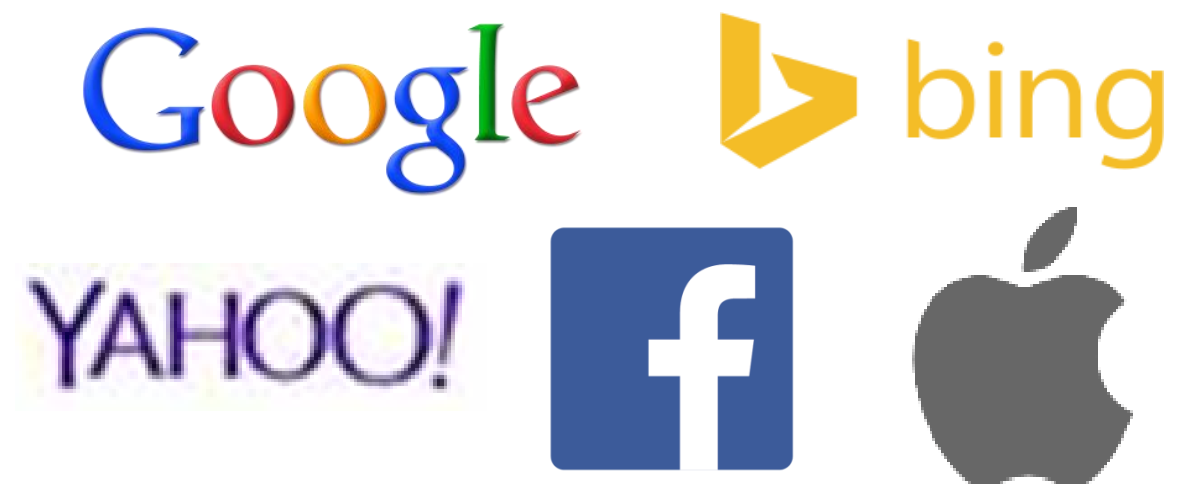
# INTERNET ACTIVITIES FOCUSED ON TWO ENGINES OF GROWTH

Revenues 9M 2015:  
€370 million (+3%<sup>1</sup>)

- Development of products based on



- and its partners



Revenues 9M 2015:  
€107 million (+9%<sup>1</sup>)

- Transactional services



- Local programmatic: success of the ADhesive offer

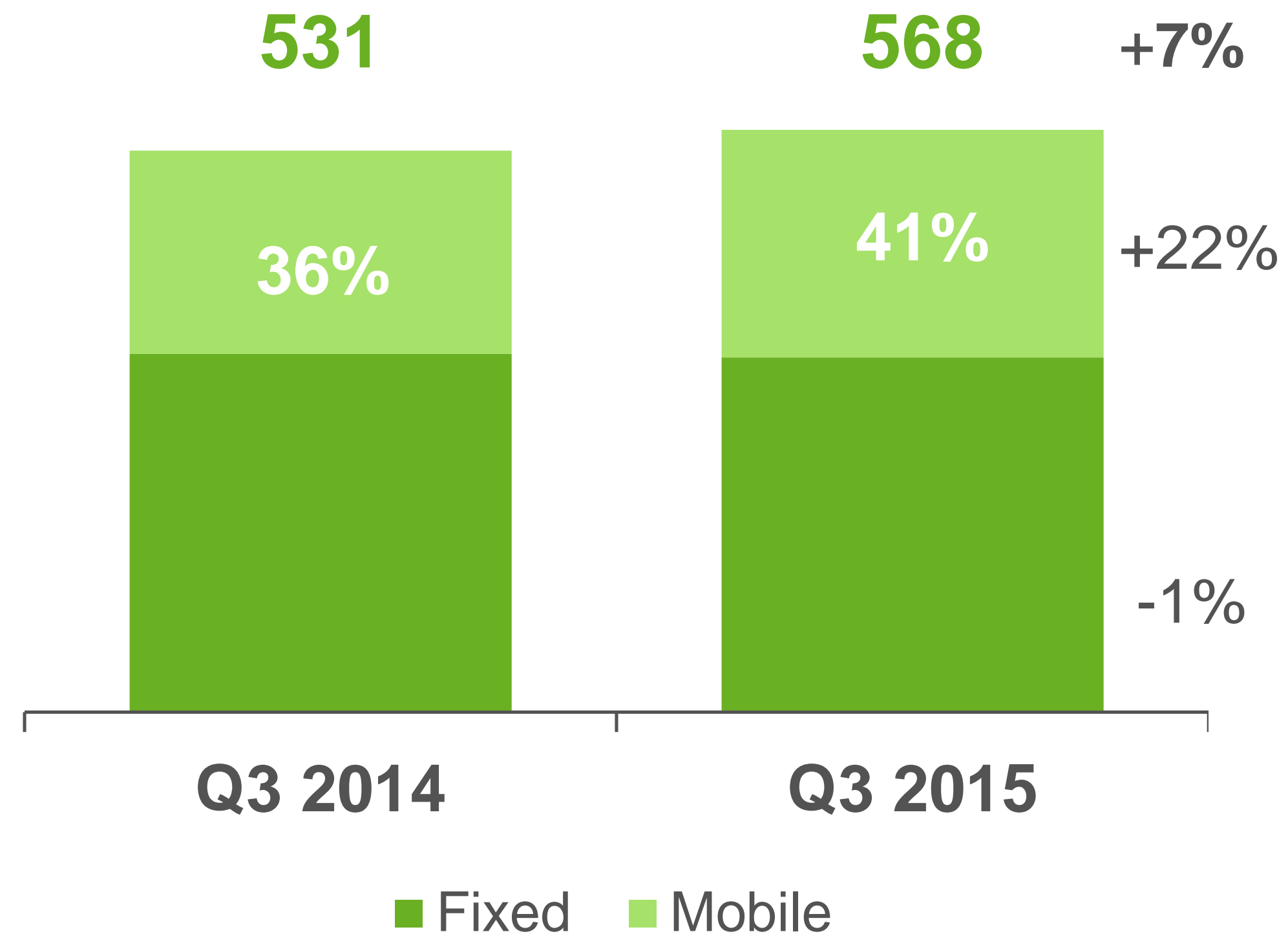
- Positive evolution of sites & content

<sup>1</sup> Progression of revenues over the first 9 months

# STEADY AUDIENCE GROWTH

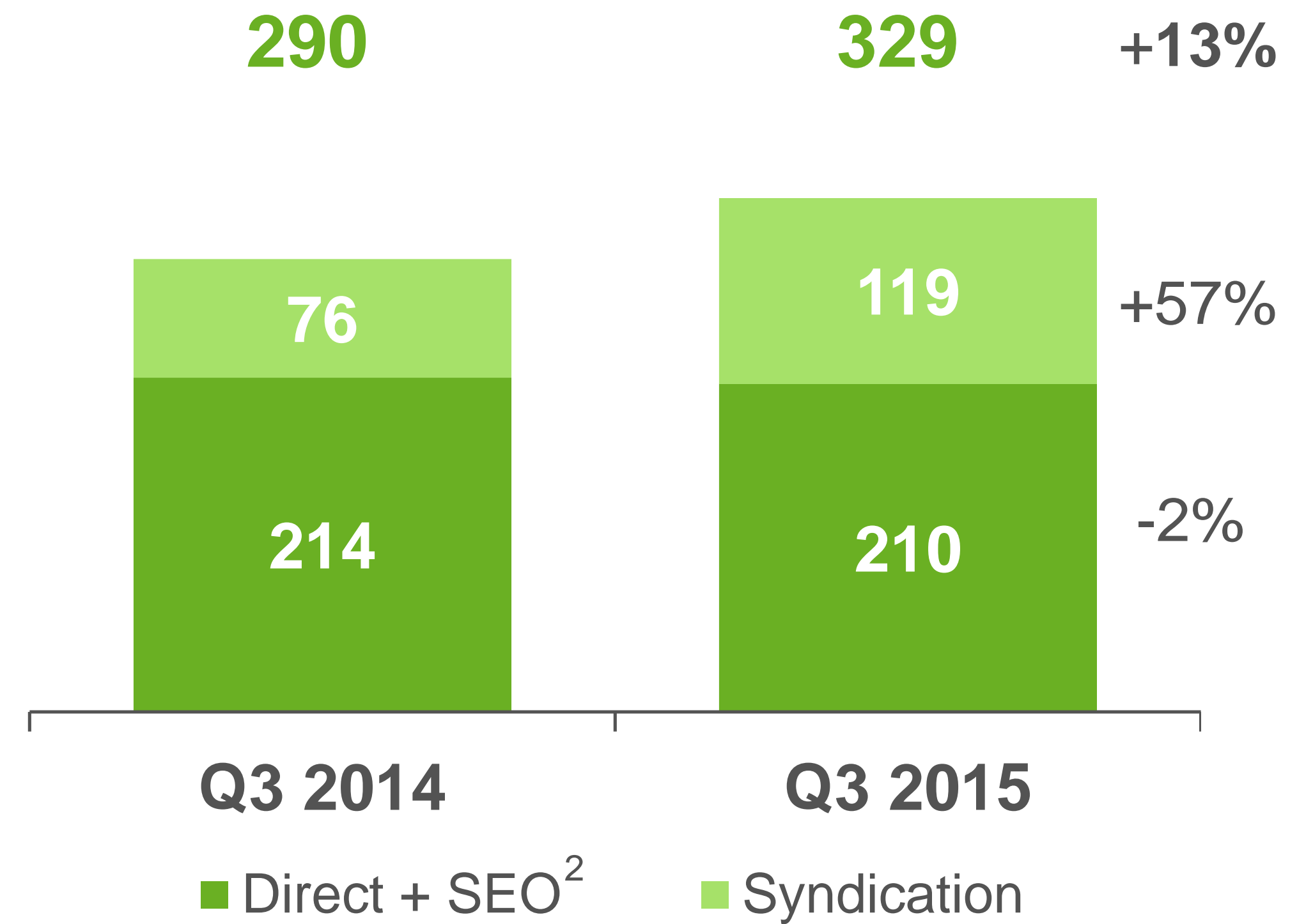
## SoLocal Group audiences

Millions of visits



## PagesJaunes visits towards professionals<sup>1</sup>

Millions of visits



<sup>1</sup> Internal source: PagesJaunes and Pages Pro data, excluding PagesBlanches <sup>2</sup> Search Engine Optimisation



# INTERNET GROWTH<sup>1</sup> OF +2% IN Q3 DRIVEN BY DIGITAL MARKETING

| € millions                        | Q3 2014    | Q3 2015    | Change     | 9M 2014    | 9M 2015    | Change     |
|-----------------------------------|------------|------------|------------|------------|------------|------------|
| <b>Internet revenues</b>          | <b>149</b> | <b>152</b> | <b>+2%</b> | <b>457</b> | <b>477</b> | <b>+4%</b> |
| <b>Local search revenues</b>      | <b>118</b> | <b>118</b> | <b>0%</b>  | <b>360</b> | <b>370</b> | <b>+3%</b> |
| ● # visits (in millions)          | 531        | 568        | +7%        | 1520       | 1677       | +10%       |
| ● ARPA (in €)                     | 212        | 225        | +6%        | 641        | 695        | +8%        |
| ● # clients ('000)                | 555        | 525        | -5%        | 561        | 532        | -5%        |
| <b>Digital marketing revenues</b> | <b>32</b>  | <b>34</b>  | <b>+6%</b> | <b>98</b>  | <b>107</b> | <b>+9%</b> |
| ● Penetration rate                | 21%        | 22%        | +1 pt      | 21%        | 22%        | +1 pt      |

<sup>1</sup> Figures presented are for continued activities



# VERTICAL MARKETS: INTERNET REVENUES AND Q3 HIGHLIGHTS

Q3 2015 Internet revenues €152 million (+2% vs. Q3 2014)  
of which €147 million in France (+2% vs. Q3 2014)

**€43 million**  
**+2%**

- Drop in client numbers in a difficult market
- But first signs of the home market recovery

**SoLocal**  
HABITAT

**€31 million**  
**+1%**

- Financial covenants lead to reduced new client acquisition

**SoLocal**  
COMMERCE

**€17 million**  
**+11%**

- Strong growth in new client acquisition due to Digital marketing offers (booking appointments online, websites)

**SoLocal**  
SANTÉ&PUBLIC

**€29 million**  
**+2%**

- Confirmed improvement of Digital marketing (classified ads, websites)

**SoLocal**  
SERVICES

**€27 million**  
**-2%**

- Weak new client acquisition, but awaiting impact of the new keywords search offer (launched in September)

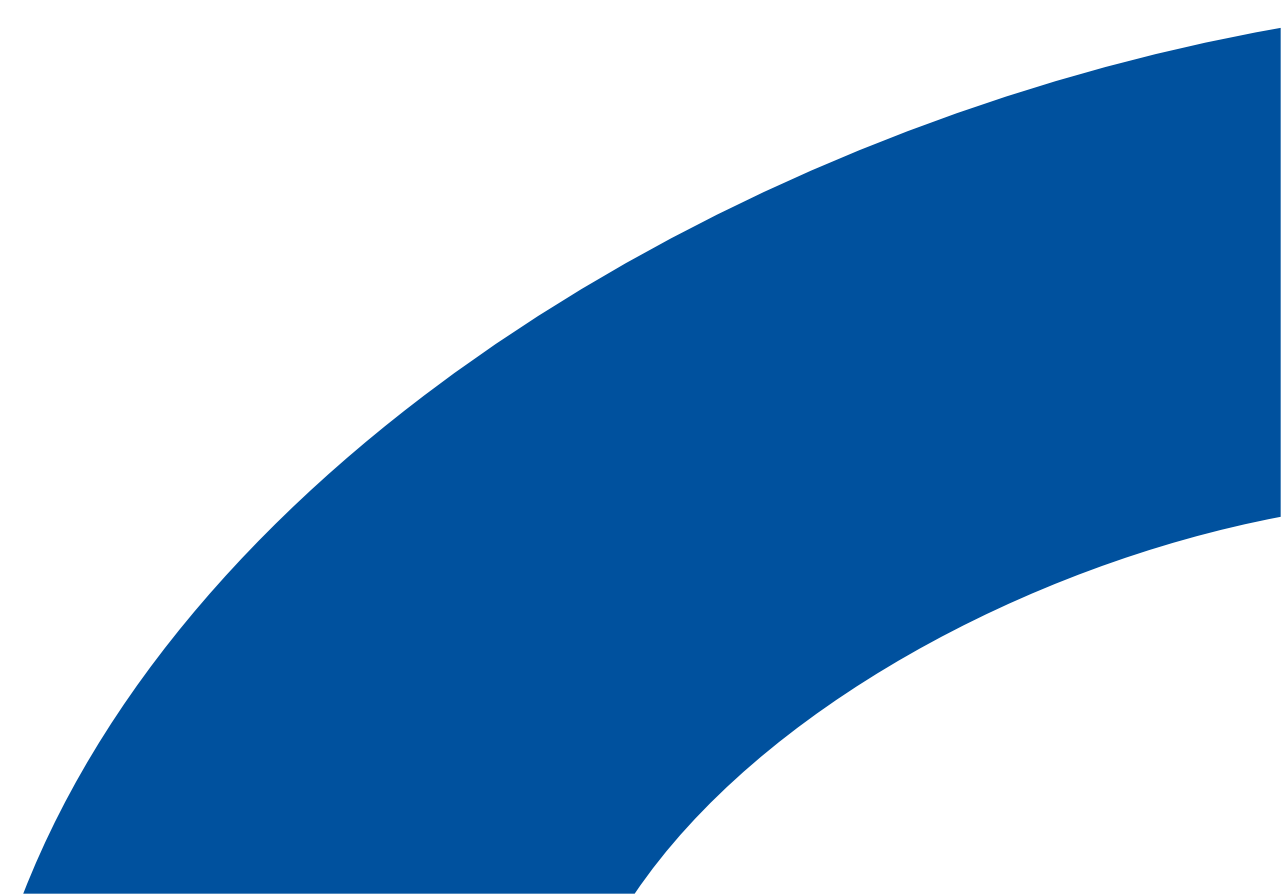
**SoLocal**  
BtoB

Source: SoLocal Group revenues, excluding International in Q3 2015, change versus Q3 2014 (%), for continued activities

# FINANCIAL PERFORMANCE

VIRGINIE CAYATTE  
CHIEF FINANCIAL OFFICER

---



# Q3 FINANCIAL PERFORMANCE<sup>1</sup>: SUMMARY

| Internet growth |     |     |
|-----------------|-----|-----|
| Q1              | Q2  | Q3  |
| +5 %            | +6% | +2% |
| 9M 2015         |     |     |
| +4%             |     |     |

| EBITDA/revenue margin <sup>2</sup> |     |     |
|------------------------------------|-----|-----|
| Q1                                 | Q2  | Q3  |
| 27%                                | 34% | 37% |
| 9M 2015                            |     |     |
| 33%                                |     |     |

| Debt reduction<br>Net cash flow |       |       |
|---------------------------------|-------|-------|
| Q1                              | Q2    | Q3    |
| €22 M                           | €24 M | €12 M |
| 9M 2015                         |       |       |
| €58 M                           |       |       |

<sup>1</sup> Indicators for continued activities.

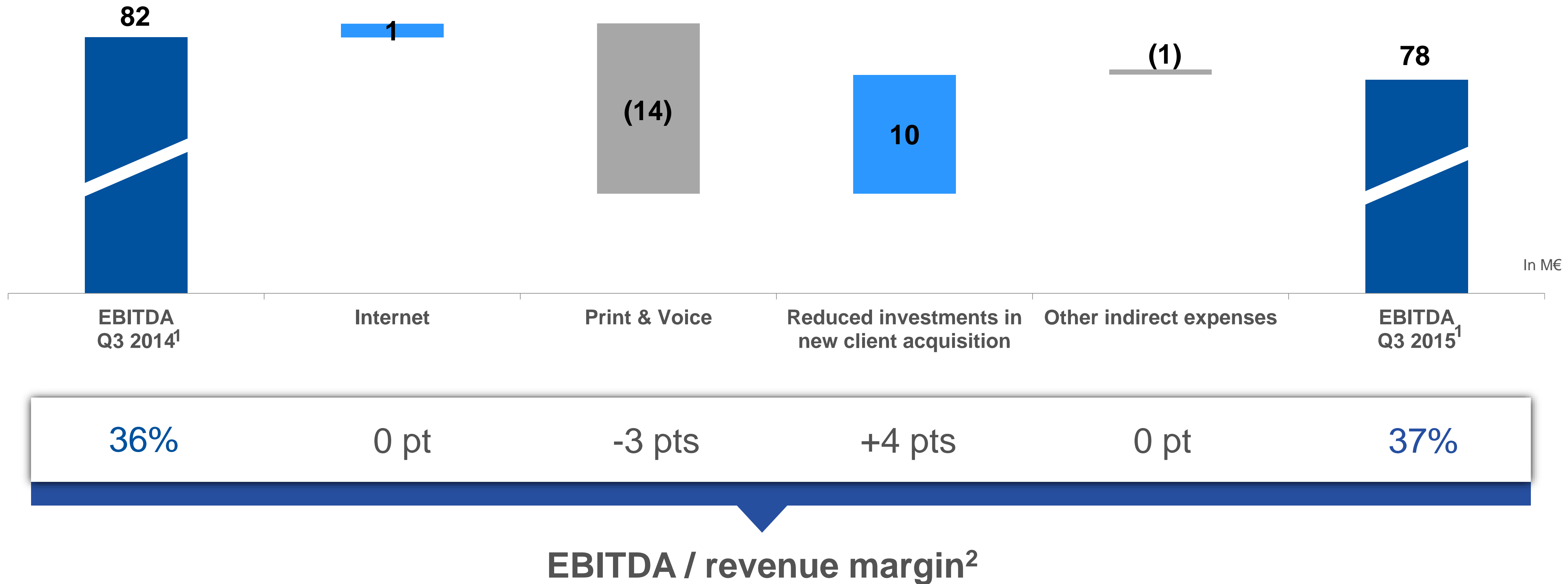
<sup>2</sup> Recurring EBITDA/revenue margin, excluding exceptional items



## CONTINUED ACTIVITIES REVENUES AND EBITDA FOR Q3 AND 9M

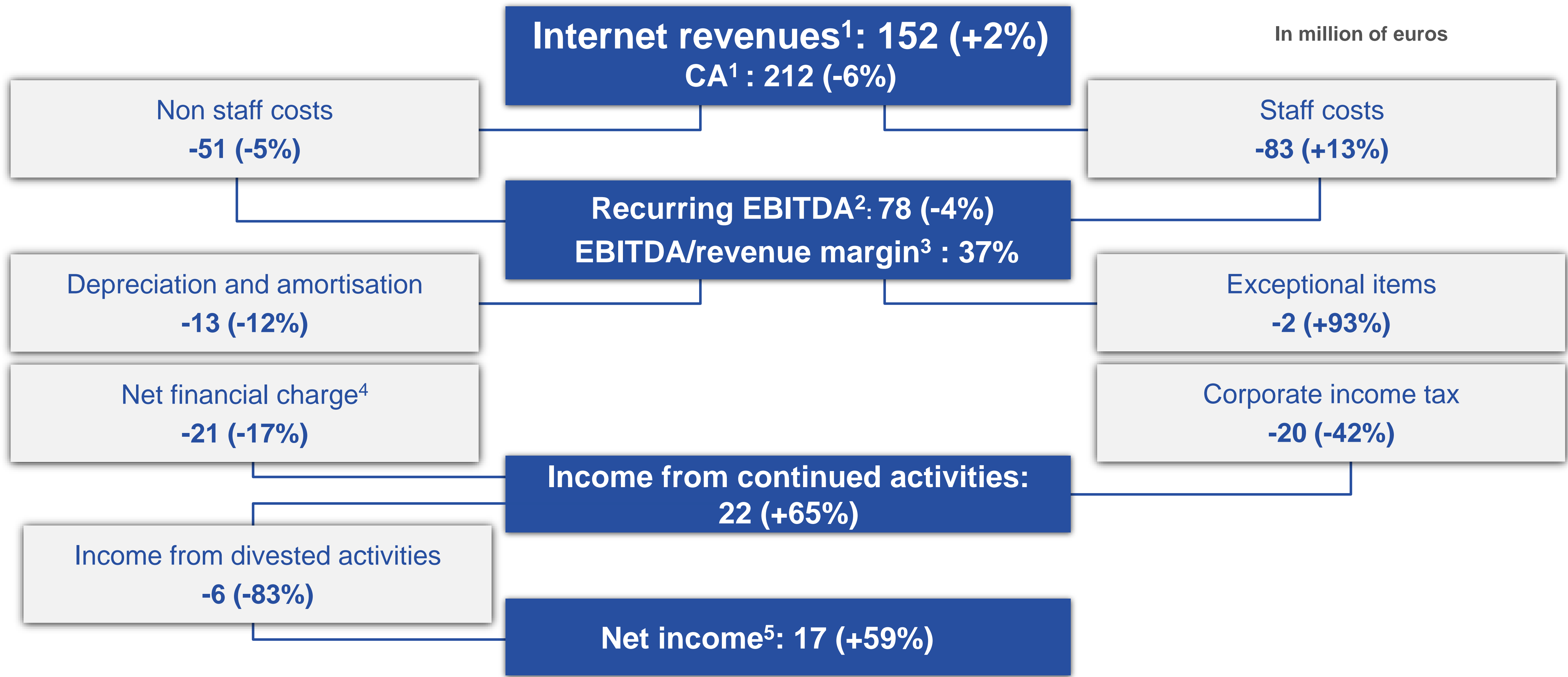
| <i>In million of euros</i>          | Q3 2014    | Q3 2015    | Change     | 9M 2014    | 9M 2015    | Change      |
|-------------------------------------|------------|------------|------------|------------|------------|-------------|
| ● <i>Internet revenues</i>          | 149        | 152        | +2%        | 457        | 477        | +4%         |
| ● <i>Print &amp; Voice revenues</i> | 77         | 60         | -21%       | 232        | 181        | -22%        |
| <b>Revenues</b>                     | <b>226</b> | <b>212</b> | <b>-6%</b> | <b>690</b> | <b>658</b> | <b>-5%</b>  |
| ● <i>Internet EBITDA</i>            | 52         | 58         | +10%       | 162        | 161        | -1%         |
| <i>EBITDA / revenue margin</i>      | 35%        | 38%        | +3 pts     | 36%        | 34%        | -2 pts      |
| ● <i>Print &amp; Voice EBITDA</i>   | 29         | 20         | -30%       | 90         | 57         | -37%        |
| <i>EBITDA / revenue margin</i>      | 38%        | 34%        | -4 pts     | 39%        | 31%        | -8 pts      |
| <b>Continued activities EBITDA</b>  | <b>82</b>  | <b>78</b>  | <b>-4%</b> | <b>253</b> | <b>217</b> | <b>-14%</b> |
| <i>EBITDA / revenue margin</i>      | 36%        | 37%        | +1 pt      | 37%        | 33%        | -4 pts      |

# STRONG EBITDA MARGIN OF 37% IN Q3



<sup>1</sup>Recurring EBITDA, excluding exceptional items <sup>2</sup>Recurring EBITDA / revenue margin

# NET INCOME OF €17 M IN Q3 2015, UP +59% VERSUS Q3 2014



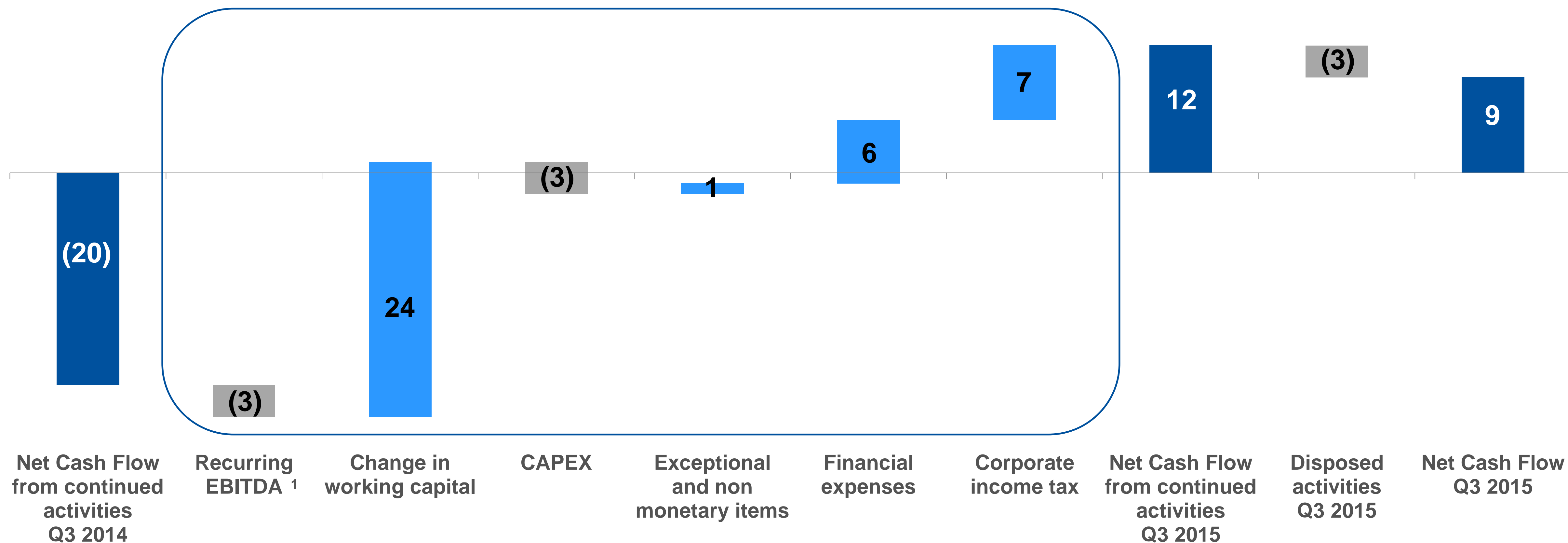
<sup>1</sup> Indicators for continued activities. <sup>2</sup> Recurring EBITDA excluding exceptional items <sup>3</sup> Recurring EBITDA / revenue margin <sup>4</sup> including share of profit and loss of an associate

<sup>5</sup> Excluding potential impacts of the voluntary departures plan and of the decision of the Conseil d'État on the annulment of the approval of the Employment Safeguard Plan by the French labor inspectorate (Direccte) late 2013



# NET CASH FLOW IN Q3

**+32**



<sup>1</sup>Recurring EBITDA excluding exceptional items

## 9M 2015 PERFORMANCE

| <i>In million of euros</i>                                    | 9M 2014    | 9M 2015    | Change      |
|---|------------|------------|-------------|
| <b>Recurring EBITDA<sup>1</sup> from continued activities</b> | <b>253</b> | <b>217</b> | <b>-14%</b> |
| <b><i>EBITDA / revenue margin<sup>2</sup></i></b>             | <b>37%</b> | <b>33%</b> |             |
| <i>Exceptional items</i>                                      | (34)       | (4)        | +88%        |
| <i>Depreciation and amortisation</i>                          | (34)       | (35)       | -2%         |
| <i>Net financial income<sup>3</sup></i>                       | (76)       | (64)       | +16%        |
| <i>Corporate income tax</i>                                   | (47)       | (50)       | -7%         |
| <b>Income from continued activities<sup>4</sup></b>           | <b>62</b>  | <b>64</b>  | <b>+4%</b>  |
| <i>Income from divested activities</i>                        | (11)       | (13)       | -24%        |
| <b>Net income</b>   | <b>51</b>  | <b>51</b>  | <b>0%</b>   |
| <b>Net cash flow from continued activities</b>                | <b>44</b>  | <b>58</b>  | <b>+33%</b> |
| <i>Net cash flow from divested activities</i>                 | (8)        | (5)        | +28%        |

<sup>1</sup>Recurring EBITDA excluding exceptional items <sup>2</sup>Recurring EBITDA / revenue margin <sup>3</sup>including share of profit and loss of an associate

<sup>4</sup>Excluding potential impacts of the voluntary departures plan and of the decision of the Conseil d'État on the annulment of the approval of the Employment Safeguard Plan by the French labor inspectorate (Direccte) late 2013

# OUTLOOK

JEAN-PIERRE REMY  
CHIEF EXECUTIVE OFFICER

---

*Solocal*  
GROUP





# OUTLOOK FOR 2015

The Group has lowered its revenue growth outlook and raised its profitability outlook with regard to continued activities:

|  | Outlook for 2015 |
|--|------------------|
| Internet revenue growth <sup>1</sup>         | +3% to +5%       |
| Revenue evolution <sup>1</sup>               | around -5%       |
| Recurring EBITDA/revenue margin <sup>2</sup> | 31%              |
| Net income <sup>1&amp;3</sup>                | stable           |

- The Group secures compliance with bank covenants.
- The reverse stock split took effect on 26 October 2015.

<sup>1</sup> Compared to 2014 <sup>2</sup> Recurring EBITDA/revenue margin, excluding exceptional items <sup>3</sup> Excluding potential impacts of the voluntary departures plan and of the decision of the Conseil d'État on the annulment of the approval of the Employment Safeguard Plan by the French labor inspectorate (Direccte) late 2013

# QUESTIONS & ANSWERS

---



# FINANCIAL RESULTS APPENDICES

---





## RECURRING EBITDA<sup>1</sup> : 3<sup>RD</sup> QUARTER AND FIRST 9 MONTHS

| <i>In million of euros</i>                            | Q3 2014     | Q3 2015     | Change        | 9M 2014      | 9M 2015      | Change        |
|---|-------------|-------------|---------------|--------------|--------------|---------------|
| <b>Internet recurring EBITDA<sup>1</sup></b>          | <b>52.5</b> | <b>57.8</b> | <b>10.1%</b>  | <b>162.5</b> | <b>160.5</b> | <b>-1.2%</b>  |
| <i>EBITDA / revenue margin</i>                        | <i>35%</i>  | <i>38%</i>  |               | <i>36%</i>   | <i>34%</i>   |               |
| <b>Print &amp; Voice recurring EBITDA<sup>1</sup></b> | <b>29.2</b> | <b>20.4</b> | <b>-30.1%</b> | <b>90.3</b>  | <b>56.5</b>  | <b>-37.4%</b> |
| <i>EBITDA / revenue margin</i>                        | <i>38%</i>  | <i>34%</i>  |               | <i>39%</i>   | <i>31%</i>   |               |
| <b>Group recurring EBITDA<sup>1</sup></b>             | <b>81.6</b> | <b>78.3</b> | <b>-4.0%</b>  | <b>252.8</b> | <b>217.0</b> | <b>-14.2%</b> |
| <i>EBITDA / revenue margin</i>                        | <i>36%</i>  | <i>37%</i>  |               | <i>37%</i>   | <i>33%</i>   |               |

<sup>1</sup>Excluding exceptional items

# INCOME STATEMENT OF 3<sup>RD</sup> QUARTER

| <i>In million of euros</i>                    | Consolidated |              |               | Continued activities |              |               | Divested activities |               |               |
|---|--------------|--------------|---------------|----------------------|--------------|---------------|---------------------|---------------|---------------|
|   | Q3 2014      | Q3 2015      | Change        | Q3 2014              | Q3 2015      | Change        | Q3 2014             | Q3 2015       | Change        |
| <b>Group revenues</b>                         | <b>229.3</b> | <b>213.2</b> | <b>-7.0%</b>  | <b>226.2</b>         | <b>212.2</b> | <b>-6.2%</b>  | <b>3.1</b>          | <b>0.9</b>    | <b>-71.0%</b> |
| Net external expenses                         | (52.9)       | (53.1)       | -0.4%         | (48.8)               | (51.0)       | -4.5%         | (4.1)               | (2.1)         | +48.8%        |
| Personnel expenses                            | (97.9)       | (84.6)       | +13.6%        | (95.7)               | (83.0)       | +13.3%        | (2.2)               | (1.6)         | +27.3%        |
| <b>Recurring EBITDA<sup>1</sup></b>           | <b>78.5</b>  | <b>75.5</b>  | <b>-3.8%</b>  | <b>81.6</b>          | <b>78.3</b>  | <b>-4.0%</b>  | <b>(3.1)</b>        | <b>(2.8)</b>  | <b>+9.7%</b>  |
| Exceptional items                             | (24.3)       | (0.1)        | +99.6%        | (24.4)               | (1.8)        | +92.6%        | 0.1                 | 1.7           | na            |
| <b>EBITDA</b>                                 | <b>54.2</b>  | <b>75.4</b>  | <b>+39.1%</b> | <b>57.2</b>          | <b>76.5</b>  | <b>+33.7%</b> | <b>(3.1)</b>        | <b>(1.0)</b>  | <b>+67.7%</b> |
| Depreciation and amortisation                 | (11.9)       | (21.7)       | -82.4%        | (11.6)               | (13.0)       | -12.1%        | (0.4)               | (8.7)         | na            |
| <b>Operating income</b>                       | <b>42.3</b>  | <b>53.7</b>  | <b>+27.0%</b> | <b>45.7</b>          | <b>63.4</b>  | <b>+38.7%</b> | <b>(3.4)</b>        | <b>(9.7)</b>  | <b>na</b>     |
| Net financial income                          | (18.6)       | (21.2)       | -14.0%        | (18.6)               | (21.2)       | -14.0%        | (0.0)               | -             | -             |
| Share of the result from associated companies | 0.5          | -            | na            | 0.5                  | -            | na            | -                   | -             | -             |
| <b>Income before tax</b>                      | <b>24.2</b>  | <b>32.6</b>  | <b>+34.7%</b> | <b>27.6</b>          | <b>42.3</b>  | <b>+53.3%</b> | <b>(3.4)</b>        | <b>(9.7)</b>  | <b>na</b>     |
| Corporate income tax                          | (13.6)       | (15.7)       | -15.4%        | (14.0)               | (19.9)       | -42.1%        | 0.4                 | 4.2           | na            |
| <i>Corporate income tax rate</i>              | <i>56.1%</i> | <i>48.1%</i> |               | <i>50.8%</i>         | <i>47.0%</i> |               | <i>-13.1%</i>       | <i>-43.2%</i> |               |
| <b>Net income</b>                             | <b>10.6</b>  | <b>16.9</b>  | <b>+59.4%</b> | <b>13.6</b>          | <b>22.4</b>  | <b>+64.7%</b> | <b>(3.0)</b>        | <b>(5.5)</b>  | <b>-83.3%</b> |

<sup>1</sup>Excluding exceptional items

# INCOME STATEMENT OF THE FIRST 9 MONTHS

| <i>In million of euros</i>                    | Consolidated |              |               | Continued activities |              |               | Divested activities |               |               |
|---|--------------|--------------|---------------|----------------------|--------------|---------------|---------------------|---------------|---------------|
|   | 9M 2014      | 9M 2015      | Change        | 9M 2014              | 9M 2015      | Change        | 9M 2014             | 9M 2015       | Change        |
| <b>Group revenues</b>                         | <b>700.1</b> | <b>663.4</b> | <b>-5.2%</b>  | <b>689.8</b>         | <b>658.4</b> | <b>-4.6%</b>  | <b>10.3</b>         | <b>5.0</b>    | <b>-51.5%</b> |
| Net external expenses                         | (162.3)      | (156.8)      | +3.4%         | (151.1)              | (149.2)      | +1.3%         | (11.2)              | (7.6)         | +32.1%        |
| Personnel expenses                            | (292.0)      | (297.3)      | -1.8%         | (285.8)              | (292.2)      | -2.2%         | (6.2)               | (5.2)         | +16.1%        |
| <b>Recurring EBITDA<sup>1</sup></b>           | <b>245.7</b> | <b>209.3</b> | <b>-14.8%</b> | <b>252.8</b>         | <b>217.0</b> | <b>-14.2%</b> | <b>(7.0)</b>        | <b>(7.8)</b>  | <b>-11.4%</b> |
| Exceptional items                             | (34.4)       | (8.6)        | +75.0%        | (34.4)               | (4.1)        | +88.1%        | 0.0                 | (4.6)         | -             |
| <b>EBITDA</b>                                 | <b>211.3</b> | <b>200.6</b> | <b>-5.1%</b>  | <b>218.4</b>         | <b>213.0</b> | <b>-2.5%</b>  | <b>(7.0)</b>        | <b>(12.4)</b> | <b>-77.1%</b> |
| Depreciation and amortisation                 | (39.1)       | (44.9)       | -14.8%        | (34.1)               | (34.9)       | -2.3%         | (5.0)               | (10.1)        | na            |
| <b>Operating income</b>                       | <b>172.3</b> | <b>155.7</b> | <b>-9.6%</b>  | <b>184.3</b>         | <b>178.1</b> | <b>-3.4%</b>  | <b>(12.0)</b>       | <b>(22.4)</b> | <b>-86.7%</b> |
| Net financial income                          | (76.4)       | (64.1)       | +16.1%        | (76.4)               | (64.1)       | +16.1%        | (0.0)               | (0.0)         | -             |
| Share of the result from associated companies | 0.3          | 0.1          | -66.7%        | 0.3                  | 0.1          | -66.7%        | -                   | -             | -             |
| <b>Income before tax</b>                      | <b>96.2</b>  | <b>91.7</b>  | <b>-4.7%</b>  | <b>108.2</b>         | <b>114.1</b> | <b>+5.5%</b>  | <b>(12.0)</b>       | <b>(22.4)</b> | <b>-86.7%</b> |
| Corporate income tax                          | (45.3)       | (40.8)       | +9.9%         | (46.7)               | (50.1)       | -7.3%         | 1.4                 | 9.3           | na            |
| <i>Corporate income tax rate</i>              | <i>47.1%</i> | <i>44.5%</i> |               | <i>43.1%</i>         | <i>43.9%</i> |               | <i>11.4%</i>        | <i>41.4%</i>  |               |
| <b>Net income</b>                             | <b>50.9</b>  | <b>50.9</b>  | <b>+0.0%</b>  | <b>61.5</b>          | <b>64.0</b>  | <b>+4.1%</b>  | <b>(10.6)</b>       | <b>(13.1)</b> | <b>-23.6%</b> |

<sup>1</sup>Excluding exceptional items

# CASH FLOW STATEMENT: 3<sup>RD</sup> QUARTER AND FIRST 9 MONTHS

| <i>In million of euros</i>                            | Q3 2014       | Q3 2015      | Change        | 9M 2014       | 9M 2015      | Change        |
|---|---------------|--------------|---------------|---------------|--------------|---------------|
| <b>Recurring EBITDA</b>                               | <b>81.6</b>   | <b>78.3</b>  | <b>-4.0%</b>  | <b>252.8</b>  | <b>217.0</b> | <b>-14.2%</b> |
| Non monetary items included in EBITDA                 | 2.8           | 4.5          | +60.7%        | 7.7           | 9.3          | +20.8%        |
| Net change in working capital                         | (48.9)        | (24.4)       | +50.1%        | (36.5)        | (31.7)       | +13.2%        |
| Acquisition of tangible and intangible fixed assets   | (15.2)        | (18.6)       | -22.4%        | (49.9)        | (52.8)       | -5.8%         |
| Cash financial income                                 | (18.7)        | (12.8)       | +31.6%        | (56.2)        | (55.3)       | +1.6%         |
| Non recurring items                                   | (6.7)         | (7.2)        | -7.5%         | (16.2)        | (20.0)       | -23.5%        |
| Acquisition costs of shares                           | (0.2)         | -            | -             | (0.4)         | -            | -             |
| Corporate income tax paid                             | (14.7)        | (7.9)        | +46.3%        | (57.5)        | (8.6)        | +85.0%        |
| <b>Net Cash flow from continued activities</b>        | <b>(20.0)</b> | <b>11.8</b>  | <b>na</b>     | <b>43.7</b>   | <b>58.0</b>  | <b>+32.7%</b> |
| Net Cash flow from divested activities                | (4.1)         | (2.5)        | +39.0%        | (7.5)         | (5.4)        | +28.0%        |
| <b>Net cash flow</b>                                  | <b>(24.1)</b> | <b>9.3</b>   | <b>na</b>     | <b>36.2</b>   | <b>52.6</b>  | <b>+45.3%</b> |
| Increase (decrease) in borrowings and bank overdrafts | (4.6)         | (10.4)       | na            | (494.1)       | (30.3)       | +93.9%        |
| Capital increase                                      | (0.2)         | -            | na            | 422.7         | 2.6          | -99.4%        |
| Other   | (0.4)         | (2.1)        | na            | (14.7)        | 0.7          | na            |
| <b>Net cash variation</b>                             | <b>(29.4)</b> | <b>(3.2)</b> | <b>+89.1%</b> | <b>(49.9)</b> | <b>25.6</b>  | <b>na</b>     |
| Net cash and cash equivalents at beginning of period  | 52.7          | 72.3         | +37.2%        | 73.1          | 43.6         | -40.4%        |
| <b>Net cash and cash equivalents at end of period</b> | <b>23.2</b>   | <b>69.2</b>  | <b>na</b>     | <b>23.2</b>   | <b>69.2</b>  | <b>na</b>     |

<sup>1</sup>Excluding exceptional items



# BALANCE SHEET AT 30 SEPTEMBER

| <i>In million of euros</i>                            | <b>30-Sept-14</b> | <b>31-Dec-14</b> | <b>30-Sept-15</b> |
|---|-------------------|------------------|-------------------|
| <b>ASSETS</b>   |                   |                  |                   |
| <b>Total non-current assets</b>                       | <b>238.5</b>      | <b>229.2</b>     | <b>235.1</b>      |
| Net goodwill  | 82.5              | 82.5             | 79.7              |
| Other net intangible fixed assets                     | 102.5             | 107.3            | 123.4             |
| Net tangible fixed assets                             | 25.1              | 25.3             | 23.0              |
| Other non-current assets of which deferred tax assets | 28.5              | 14.2             | 9.0               |
| <b>Total current assets</b>                           | <b>443.9</b>      | <b>606.7</b>     | <b>430.8</b>      |
| Net trade accounts receivable                         | 299.5             | 441.8            | 263.2             |
| Acquisition costs of contracts                        | 51.7              | 46.7             | 31.5              |
| Prepaid expenses                                      | 7.3               | 9.4              | 10.7              |
| Cash and cash equivalents                             | 24.7              | 46.4             | 71.7              |
| Other current assets                                  | 60.8              | 62.5             | 53.8              |
| <b>TOTAL ASSETS</b>                                   | <b>682.4</b>      | <b>835.9</b>     | <b>665.9</b>      |
| <b>LIABILITIES</b>                                    |                   |                  |                   |
| <b>Total equity</b>                                   | <b>(1,374.3)</b>  | <b>(1,368.4)</b> | <b>(1,309.7)</b>  |
| <b>Total non-current liabilities</b>                  | <b>1,236.4</b>    | <b>1,247.0</b>   | <b>1,238.8</b>    |
| Non-current financial liabilities and derivatives     | 1,138.4           | 1,139.6          | 1,130.3           |
| Employee benefits (non-current)                       | 79.8              | 90.4             | 94.6              |
| Other non-current liabilities                         | 18.1              | 16.9             | 13.9              |
| <b>Total current liabilities</b>                      | <b>820.4</b>      | <b>957.2</b>     | <b>736.8</b>      |
| Bank overdrafts and other short-term borrowings       | 17.0              | 37.5             | 8.1               |
| Deferred income                                       | 490.2             | 575.4            | 423.9             |
| Employee benefits (current)                           | 108.3             | 117.6            | 96.6              |
| Trade accounts payable                                | 83.7              | 98.9             | 90.3              |
| Other current liabilities                             | 121.2             | 127.9            | 117.9             |
| <b>TOTAL LIABILITIES</b>                              | <b>682.4</b>      | <b>835.9</b>     | <b>665.9</b>      |

# NET DEBT AT 30 SEPTEMBER

| <i>In million of euros</i>  | 30-Sept-14     | 31-Dec-14      | 30-Sept-15     |
|---|----------------|----------------|----------------|
| Cash and cash equivalents   | 24.6           | 46.2           | 71.7           |
| <b>Gross Cash position</b>  | <b>24.7</b>    | <b>46.4</b>    | <b>71.7</b>    |
| Bank overdrafts   | (1.5)          | (2.8)          | (2.5)          |
| <b>Net Cash position</b>  | <b>23.2</b>    | <b>43.6</b>    | <b>69.2</b>    |
| Bank borrowings   | 813.9          | 813.8          | 798.8          |
| Bond borrowings -Senior secured notes   | 350.0          | 350.0          | 350.0          |
| Revolving credit line drawn*  | -              | 20.0           | -              |
| Loan issuance expenses  | (27.5)         | (25.8)         | (20.3)         |
| Capital leases  | 0.9            | 0.8            | 0.8            |
| Fair value of hedging instruments   | 12.9           | 9.9            | -              |
| Accrued interest not yet due  | 14.8           | 5.1            | 11.7           |
| Other financial liabilities   | 3.8            | 5.5            | 6.5            |
| <b>Gross financial debt</b>   | <b>1,168.8</b> | <b>1,179.4</b> | <b>1,147.6</b> |
| <i>of which current</i>   | <i>30.3</i>    | <i>39.7</i>    | <i>17.3</i>    |
| <i>of which non-current</i>   | <i>1,138.4</i> | <i>1,139.6</i> | <i>1,130.3</i> |
| <b>Net debt</b>   | <b>1,145.6</b> | <b>1,135.8</b> | <b>1,078.4</b> |
| <b>Net cash (debt) excluding fair value of financial instruments and loan issuance expenses</b> | <b>1,160.2</b> | <b>1,151.6</b> | <b>1,098.7</b> |
| <b>Financial leverage</b>   | <b>3,35X</b>   | <b>3,73X</b>   | <b>3.85X</b>   |
| <b>Financial leverage from continued activities</b>   |                |                | <b>3.72X</b>   |
| Covenant (max)  | 4,50X          | 4,50X          | 4.25X          |
| <b>Interest coverage</b>  | <b>3,74X</b>   | <b>3,64X</b>   | <b>3.57X</b>   |
| Covenant (min)  | 3,00X          | 3,00X          | 3,00X          |

at 09/30/2015, €52 M available under the revolving credit line

# HISTORICAL DATA

---

*Solocal*  
GROUP



## REVENUES: BY QUARTER

| <i>In million of euros</i>                     | Q1 2014      | Q2 2014      | Q3 2014      | Q4 2014      | Q1 2015      | Q2 2015      | Q3 2015      |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Internet revenues</b>                       | <b>150.4</b> | <b>157.7</b> | <b>149.3</b> | <b>160.5</b> | <b>157.9</b> | <b>167.3</b> | <b>151.8</b> |
| <b>Local search</b>                            | <b>118.8</b> | <b>123.2</b> | <b>117.6</b> | <b>127.2</b> | <b>125.9</b> | <b>125.9</b> | <b>118.0</b> |
| <i>Number of visits (in million)</i>           | <i>486</i>   | <i>504</i>   | <i>531</i>   | <i>526</i>   | <i>555</i>   | <i>553</i>   | <i>568</i>   |
| <i>ARPA (in €)</i>                             | <i>211</i>   | <i>218</i>   | <i>212</i>   | <i>234</i>   | <i>234</i>   | <i>236</i>   | <i>225</i>   |
| <i>Number of clients (in thousand)</i>         | <i>564</i>   | <i>565</i>   | <i>555</i>   | <i>544</i>   | <i>539</i>   | <i>534</i>   | <i>525</i>   |
| <b>Digital marketing</b>                       | <b>31.6</b>  | <b>34.5</b>  | <b>31.8</b>  | <b>33.3</b>  | <b>32.0</b>  | <b>41.4</b>  | <b>33.8</b>  |
| <i>Penetration rate (in number of clients)</i> | <i>21%</i>   | <i>21%</i>   | <i>21%</i>   | <i>22%</i>   | <i>22%</i>   | <i>22%</i>   | <i>22%</i>   |
| <b>Print &amp; Voice revenues</b>              | <b>61.7</b>  | <b>93.8</b>  | <b>76.8</b>  | <b>71.3</b>  | <b>49.0</b>  | <b>72.0</b>  | <b>60.5</b>  |
| <b>Revenues from continued activities</b>      | <b>212.1</b> | <b>251.5</b> | <b>226.2</b> | <b>231.8</b> | <b>206.9</b> | <b>239.3</b> | <b>212.3</b> |
| Revenues from divested activities              | 3.6          | 3.6          | 3.1          | 4.3          | 2.4          | 1.7          | 0.9          |
| <b>Consolidated revenues</b>                   | <b>215.7</b> | <b>255.1</b> | <b>229.3</b> | <b>236.1</b> | <b>209.2</b> | <b>241.0</b> | <b>213.2</b> |



## RECURRING EBITDA<sup>1</sup>: BY QUARTER

| <i>In million of euros</i>                        | Q1 2014     | Q2 2014     | Q3 2014     | Q4 2014     | Q1 2015     | Q2 2015     | Q3 2015     |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Internet recurring EBITDA                         | 58.6        | 51.4        | 52.5        | 39.5        | 44.4        | 58.3        | 57.8        |
| <i>EBITDA / revenue margin<sup>1</sup></i>        | 39%         | 33%         | 35%         | 25%         | 28%         | 35%         | 38%         |
| Print & Voice recurring EBITDA                    | 25.0        | 36.1        | 29.2        | 18.4        | 12.4        | 23.7        | 20.4        |
| <i>EBITDA / revenue margin<sup>1</sup></i>        | 40%         | 39%         | 38%         | 26%         | 25%         | 33%         | 34%         |
| <b>Recurring EBITDA from continued activities</b> | <b>83.6</b> | <b>87.5</b> | <b>81.6</b> | <b>57.9</b> | <b>56.8</b> | <b>82.0</b> | <b>78.3</b> |
| <i>EBITDA / revenue margin<sup>1</sup></i>        | 39%         | 35%         | 36%         | 25%         | 27%         | 34%         | 37%         |
| Recurring EBITDA from divested activities         | (1.8)       | (2.1)       | (3.1)       | (2.6)       | (2.6)       | (2.4)       | (2.8)       |
| <b>Consolidated recurring EBITDA</b>              | <b>81.8</b> | <b>85.4</b> | <b>78.5</b> | <b>55.4</b> | <b>54.2</b> | <b>79.6</b> | <b>75.5</b> |
| <i>EBITDA / revenue margin<sup>1</sup></i>        | 38%         | 33%         | 34%         | 23%         | 26%         | 33%         | 35%         |

<sup>1</sup>Excluding exceptional items

# INCOME STATEMENT: BY QUARTER

| In million of euros                           | Q1 2014      | Q2 2014      | Q3 2014      | Q4 2014      | Q1 2015      | Q2 2015      | Q3 2015      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Group revenues</b>                         | <b>212.1</b> | <b>251.5</b> | <b>226.2</b> | <b>231.8</b> | <b>206.9</b> | <b>239.3</b> | <b>212.2</b> |
| Net external expenses                         | (44.6)       | (57.7)       | (48.8)       | (63.5)       | (47.6)       | (50.6)       | (51.0)       |
| Personnel expenses                            | (83.9)       | (106.2)      | (95.7)       | (110.4)      | (102.5)      | (106.7)      | (83.0)       |
| <b>Recurring EBITDA<sup>1</sup></b>           | <b>83.6</b>  | <b>87.5</b>  | <b>81.6</b>  | <b>57.9</b>  | <b>56.8</b>  | <b>82.0</b>  | <b>78.3</b>  |
| Exceptional items                             | (9.3)        | (0.7)        | (24.4)       | 0.2          | (0.4)        | (1.8)        | (1.8)        |
| <b>EBITDA</b>                                 | <b>74.3</b>  | <b>86.8</b>  | <b>57.2</b>  | <b>58.1</b>  | <b>56.4</b>  | <b>80.1</b>  | <b>76.5</b>  |
| Depreciation and amortisation                 | (10.1)       | (12.4)       | (11.6)       | (13.1)       | (11.4)       | (10.4)       | (13.0)       |
| <b>Operating income</b>                       | <b>64.2</b>  | <b>74.4</b>  | <b>45.7</b>  | <b>45.0</b>  | <b>44.9</b>  | <b>69.7</b>  | <b>63.4</b>  |
| Net financial income                          | (27.8)       | (30.0)       | (18.6)       | (21.7)       | (22.1)       | (20.9)       | (21.2)       |
| Share of the result from associated companies | 0.0          | (0.2)        | 0.5          | (0.3)        | 0.1          | -            | -            |
| <b>Income before tax</b>                      | <b>36.4</b>  | <b>44.2</b>  | <b>27.6</b>  | <b>23.0</b>  | <b>23.0</b>  | <b>48.9</b>  | <b>42.3</b>  |
| Corporate income tax                          | (15.3)       | (17.4)       | (14.0)       | (11.8)       | (7.9)        | (22.4)       | (19.9)       |
| <i>Corporate income tax rate</i>              | <i>42.0%</i> | <i>39.3%</i> | <i>50.8%</i> | <i>51.2%</i> | <i>34.2%</i> | <i>45.8%</i> | <i>47.0%</i> |
| <b>Net income from continued activities</b>   | <b>21.1</b>  | <b>26.8</b>  | <b>13.6</b>  | <b>11.2</b>  | <b>15.1</b>  | <b>26.5</b>  | <b>22.4</b>  |
| Net income from divested activities           | (1.6)        | (6.1)        | (3.0)        | (2.8)        | (2.7)        | (4.9)        | (5.5)        |
| <b>Net income</b>                             | <b>19.5</b>  | <b>20.7</b>  | <b>10.6</b>  | <b>8.4</b>   | <b>12.4</b>  | <b>21.6</b>  | <b>16.9</b>  |

<sup>1</sup>Excluding exceptional items

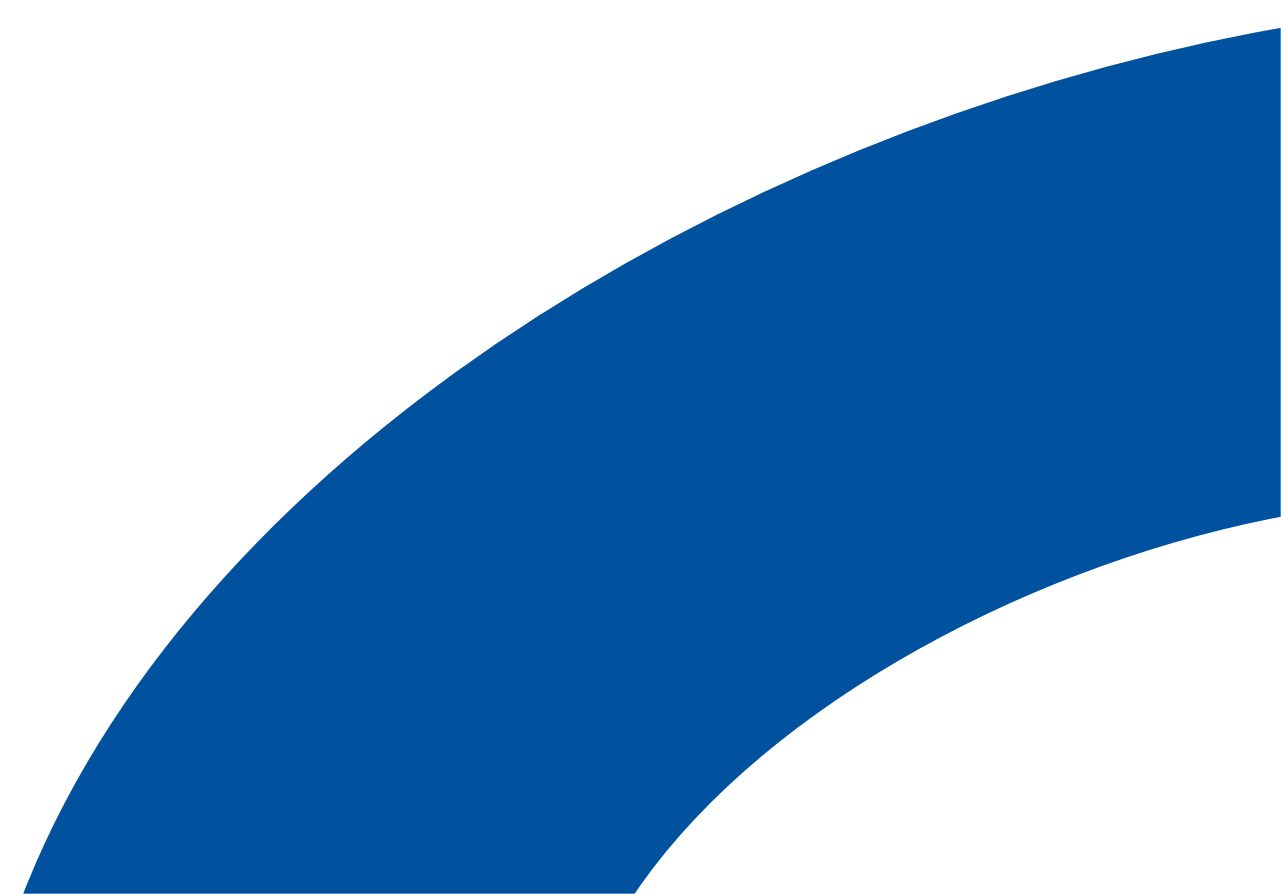
## CASH FLOW STATEMENT: BY QUARTER

| <i>In million of euros</i>                            | Q1 2014     | Q2 2014       | Q3 2014       | Q4 2014     | Q1 2015      | Q2 2015     | Q3 2015      |
|---|-------------|---------------|---------------|-------------|--------------|-------------|--------------|
| <b>Recurring EBITDA<sup>1</sup></b>                   | <b>83.6</b> | <b>87.5</b>   | <b>81.6</b>   | <b>57.9</b> | <b>56.8</b>  | <b>82.0</b> | <b>78.3</b>  |
| Non monetary items included in EBITDA                 | 2.1         | 2.8           | 2.8           | 3.7         | 2.9          | 1.9         | 4.5          |
| Net change in working capital                         | 17.4        | (5.0)         | (48.9)        | (1.0)       | (4.5)        | (2.8)       | (24.4)       |
| Acquisition of tangible and intangible fixed assets   | (16.3)      | (18.5)        | (15.2)        | (18.0)      | (15.9)       | (18.3)      | (18.6)       |
| Cash financial income                                 | (12.6)      | (24.9)        | (18.7)        | (29.9)      | (12.4)       | (30.1)      | (12.8)       |
| Non recurring items                                   | (3.5)       | (5.9)         | (6.7)         | (8.8)       | (5.1)        | (7.8)       | (7.2)        |
| Acquisition costs of shares                           | (0.1)       | (0.1)         | (0.2)         | -           | -            | -           | -            |
| Corporate income tax paid                             | (18.8)      | (24.0)        | (14.7)        | (1.0)       | 0.1          | (0.7)       | (7.9)        |
| <b>Net Cash flow from continued activities</b>        | <b>51.9</b> | <b>11.9</b>   | <b>(20.0)</b> | <b>2.9</b>  | <b>21.9</b>  | <b>24.2</b> | <b>11.8</b>  |
| Net Cash flow from divested activities                | (0.9)       | (2.5)         | (4.1)         | (1.6)       | (1.2)        | (1.7)       | (2.5)        |
| <b>Net cash flow</b>                                  | <b>51.0</b> | <b>9.4</b>    | <b>(24.1)</b> | <b>1.3</b>  | <b>20.7</b>  | <b>22.5</b> | <b>9.3</b>   |
| Increase (decrease) in borrowings and bank overdrafts | (39.0)      | (450.4)       | (4.6)         | 18.2        | (18.6)       | (1.3)       | (10.4)       |
| Capital increase                                      | -           | 422.9         | (0.2)         | (0.0)       | -            | 2.6         | -            |
| Other   | (2.2)       | (12.1)        | (0.4)         | 0.9         | (3.7)        | 6.6         | (2.1)        |
| <b>Net cash variation</b>                             | <b>9.8</b>  | <b>(30.3)</b> | <b>(29.4)</b> | <b>20.3</b> | <b>(1.6)</b> | <b>30.3</b> | <b>(3.2)</b> |
| Net cash and cash equivalents at beginning of period  | 73.1        | 82.9          | 52.7          | 23.2        | 43.6         | 42.0        | 72.3         |
| <b>Net cash and cash equivalents at end of period</b> | <b>82.9</b> | <b>52.7</b>   | <b>23.2</b>   | <b>43.6</b> | <b>42.0</b>  | <b>72.3</b> | <b>69.2</b>  |

<sup>1</sup>Excluding exceptional items

# GLOSSARY

---





## GLOSSARY – OPERATIONAL P&L (1/3)

### Internet revenues:

- The sum of revenues from the Local search and Digital marketing businesses

### Local search revenues:

- Revenues generated from the Local search business, consisting of local communication services that the Group offers on its own websites, such as PagesJaunes, Mappy, Ooreka (the new name of ComprendreChoisir) and A Vendre A Louer, or with its partners, in particular Google, Bing, Apple and Facebook.

### Digital marketing revenues:

- Revenues generated from the Digital marketing business center around 3 product lines:
  - Transactional services: in particular, making appointments with doctors (PagesJaunes Doc), making reservations or ordering meals from restaurants (PagesJaunes Resto), and offering deals provided by clients. SoLocal Group is abandoning 'daily deals', which generated little customer loyalty, and will focus on deals provided by PagesJaunes, which are more highly valued by its clients.
  - Local programmatic: when selling Horyzon Media, SoLocal Group is disposing of an over the counter display business and will focus solely on local programmatic, which offers the most promising growth opportunities. The Group is increasing its investments in this technology and taking advantage of its local database and the success of its ADhesive offer, which was launched at the beginning of the year.
  - Websites and contents: this product line is currently the Group's flagship Digital marketing activity. The Group has a significant international presence through its partners and subsidiaries (QDQ, Leadformance, SoLocal UK) and will continue to develop these activities in order to offer its customers the most effective possible promotion of their local know-how.

### Print & Voice revenues:

- The sum of revenues generated by, firstly, the "printed directories" business, consisting of the publication, distribution and sale of advertising space in printed directories (PagesJaunes, PagesBlanches) and, secondly, activities in connection with telephone and SMS directory enquiry services (118 008), the QuiDonc reverse directory, and traditional direct marketing (telemarketing, logistics, posting mailings)



### **Number of Local search clients:**

- Average number of clients for the reporting period (average of number of clients present at the beginning and the end of the concerned period) owning a product of the “Local search” range

### **Local search ARPA :**

- Local search revenues of the reporting period divided by the average number of clients of that same period

### **Digital marketing penetration rate:**

- Average number of clients for the reporting period owning a product of the “Digital marketing” range, divided by average number of clients for the same reporting period owning a product of the “Local search” range

### **Net external expenses:**

- Include external purchases: mainly printed publishing costs (cost of paper, printing and distribution of printed directories), database costs, information system development and operating expenses, communication and marketing expenses, and overhead
- Also include other operating income and expenses: mainly taxes, some provisions for contingencies and provisions for bad debt
- Do not include extraordinary expenses, such as provisions for the move to new headquarters planned in 2016

### **Personel expenses:**

- Payroll expenses for the entire Group (for all categories of employees), but excluding employee profit-sharing, the cost of share-based remuneration, and restructuring costs (e.g. the Plan de sauvegarde de l'emploi)

### **EBITDA (Earnings before interests, taxes, depreciation and amortisation)**

- EBITDA is equal to annual revenues after the deduction of net external charges, salaries and social security contributions (including employee profit-sharing and share-based payments) and restructuring and integration costs

### **Recurring EBITDA**

- EBITDA excluding exceptional items (such as restructuring and integration costs)

# GLOSSARY – FINANCIAL STRUCTURE

---

## **Net financial debt:**

- Total gross financial debt, plus or minus the fair net asset value of derivative instruments used for hedging purposes and minus cash and cash equivalents

## **Average cost of total debt:**

- Weighted average cost of bank debt and bond borrowings, annualised if the period is less than 12 months

## Reach (audience indicator created and published by Nielsen Médiamétrie)

- **Number of unique website visitors:** the number of fixed, mobile phone and tablet Internet users who have visited a website during a given month
- **Reach:** the traffic of a website or group of websites during a given month, expressed in terms of unique visitors. It may be expressed in terms of volume (the number of unique visitors) or as a percentage of unique visitors within a reference population of Internet users during the month. The SoLocal Group's Reach indicator applies only to the group's services and excludes all external syndicated partner medias.

## Audiences (visit indicator measured by SoLocal Group)

- **Syndication:** indirect audiences on PagesJaunes contents excluding PagesJaunes digital media (such as Bing, Yahoo!, Ooreka, etc.)
- **SEO & affiliates:** audiences on PagesJaunes digital media originating from affiliate partners (MSN, Nosibay, Free & Alice, Planet, L'internaute) and SEO (Search Engine Optimisation)
- **PagesJaunes:** audiences that are the result of users' expressed intent to access PagesJaunes digital media (direct access and brand search on a search engine)