



# FULL YEAR 2013 RESULTS

02/13/2014

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# End of 2013 highlights

## Consolidated revenues of 998.9 million euros down 5.8% on a like-for-like basis<sup>1</sup>

- Internet up +1.7%<sup>1</sup>, represents 63.3% of the Group's revenues
- Printed directories -16.4<sup>1</sup>%

## Gross operating margin of 424.3 million euros slightly above the Group's forecasts with a sustained high margin rate of 42.5%

- Strong Internet margin: 42.3%
- Ongoing reduction in the costs of producing<sup>2</sup> Printed directories
- Controlled commercial costs

## Debt repayment for 146.5 million euros, compliance with covenants

## Digital 2015: strong growth in audiences in Q4 driven by mobile and partnerships

- PagesJaunes.fr: +25% growth in traffic<sup>3</sup> to professionals
- Solocal Group: +10% growth in visits<sup>4</sup> of which 27% mobile visits
- Mobile: more than 30 million Group applications downloaded at the end of December 2013, up +37% in one year

## Digital 2015: Obtained regulatory and works council approvals on the customer organisation project

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

<sup>2</sup> Paper, Print, Distribution

<sup>3</sup> Fixed and mobile websites, PagesJaunes.fr Audiences excluding PagesBlanches, internal source

<sup>4</sup> compared to Q4 2012, excluding 123people, internal source

# Confirmed 2014 outlook

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**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%
- Normalized<sup>1</sup> gross operating margin expected between €355 millions et €375 millions.

**Digital 2015 investments shall allow to return to growth in 2015 and to generate about 75% of revenues on Internet.**

# Capital increase of €440M subject to extension of debt maturities

## Capital increase of €440 M

- **€361M capital increase with preferential subscription rights** protecting interests of existing shareholders (Rights Issue)
- **Reserved capital increase of €79M** to some investors backstopping the operation
- **Fully subscribed and backstopped** by Médiannuaire Holding (MDH), largest shareholder of Solocal Group, some investors and lenders of the Group and a syndicate of banks
- Two of the main shareholders have already committed to subscribe to their prorata of their Rights Issue
- Subject to EGM approval (2/3 Majority of the votes required)

## Debt maturities extension

- **Partial debt pay down in exchange for an extension of 2015 maturities** to March 2018 with an option to further extend to 2020<sup>1</sup>
- **Minimum €400M** partial prepayment of 2015 maturities **at par**
- **Conditional on participation of minimum 90% of lenders**
- Implementation through a procedure of 'sauvegarde financière accélérée' (SFA, French equivalent to UK Scheme of Arrangement) once consent of 2/3 of lenders is obtained<sup>2</sup> to get the above mentioned 90% threshold
- The two transactions are inter-conditional

**Pro forma<sup>3</sup> net debt is expected to be below 3,0x GOM**

<sup>1</sup> subject to the refinancing of Senior secured notes

<sup>2</sup> requires a preliminary phase of conciliation and the preliminary consent of 50% of the bondholders

<sup>3</sup> Pro forma as of 12/31/2013 of €400 M prepayment

# Fully backstopped capital increase of €440 M

## Capital increase of €361 M with preferential subscription rights (Rights Issue)

- Capital increase of €361 M with preferential subscription rights of shareholders
- Option to increase the size of the capital increase up to €481 M
- Fully backstopped by:
  - MDH (mainly controlled by Cerberus) is committed to subscribe at level of €25M
  - Other investors (€355 M): Paulson & Co. Inc., Amber Capital, Credit Suisse, Bousard & Gavaudan & Praxient
  - Syndicate of banks (€60 M): Morgan Stanley and BNP Paribas
- Subscription of two main Group's shareholders: DNCA Finance and Edmond de Rothschild AM

## Reserved capital increase €79 M

- The reserved capital increase will be open to Paulson & Co. Inc., Amber Capital, Credit Suisse and Praxient
- Shares issued at the Rights Issue subscription price
- Commitment of a 180-day lock-up starting after the date of issuance of the new shares relating to the reserved capital increase

## Subscription Price

- The higher of: (i) a 35% discount to the theoretical ex-rights price (TERP) calculated on the lower of (a) the volume weighted average trading price on the full trading day immediately preceding the decision of the board of directors and (b) the volume weighted average trading price on the five full trading days immediately preceding the decision of the board of directors; and (ii) the nominal value of the existing shares of the Company
- In any case, the subscription price will not exceed €0.50 per share

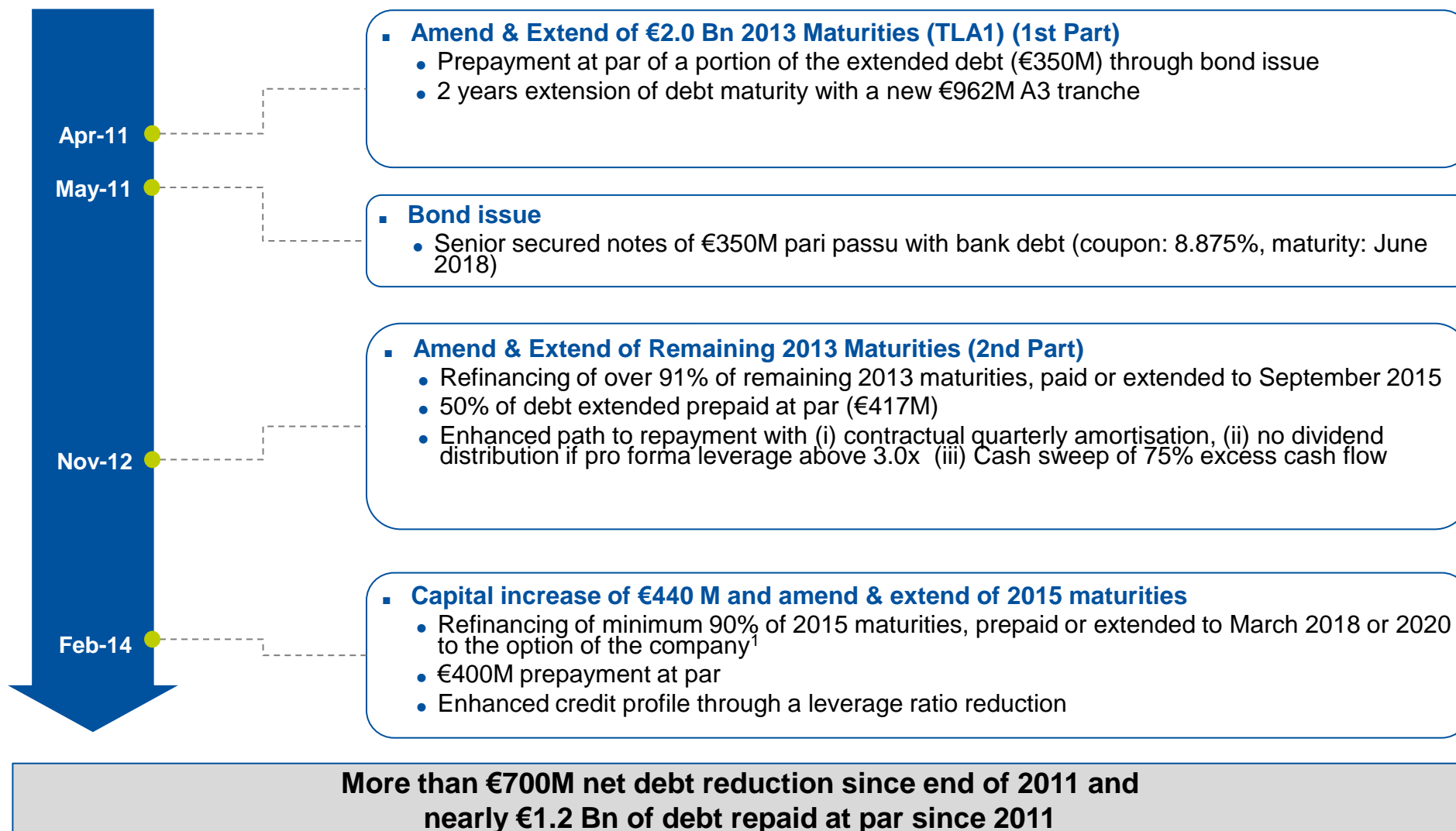
## Conditionality

- AMF approval and visa on the prospectus
- Approval by the EGM on the proposed resolutions (2/3 Majority of the votes)
- Successful refinancing transaction (minimum consent of 90% of lenders or implementation through a procedure of 'sauvegarde financière accélérée' (SFA) with the consent of 2/3 of lenders<sup>1</sup>)

## Corporate Governance

- Board composition to be amended post completion of the transaction to reflect pro forma ownership
- Compliance with AFEP-MEDEF rules
- No shareholders' agreement

# Decisive step of refinancing process started in April 2011



# Solocal Group profile post transaction

## Substantial and sustainable strengthening of financial structure

- Pro forma leverage below 3.0x GOM
  - Decrease of financial leverage by around 0.9x<sup>1</sup>
- No significant maturities before 2018
- Solocal Group option to push back maturities to 2020 if the bond is refinanced

## Enhanced covenant flexibility

- More financial and operational flexibility with a marked improvement in the headroom under the financial leverage covenant

## A company focused on business

- Finalisation of the Group transformation plan
- Acceleration of digital growth

<sup>1</sup> assuming an operation on December 31, 2013, pro forma





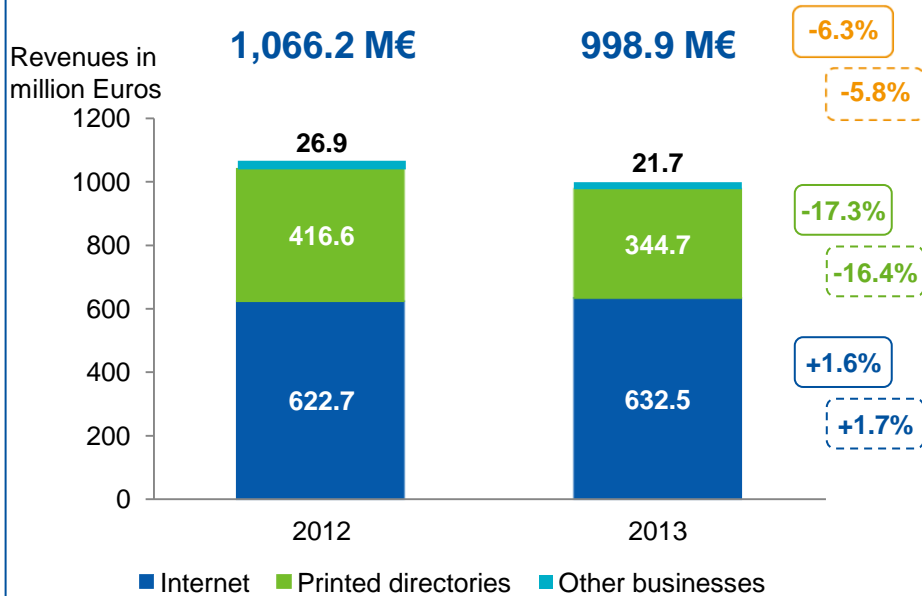
# 2013 FINANCIAL RESULTS

Martine GEROW



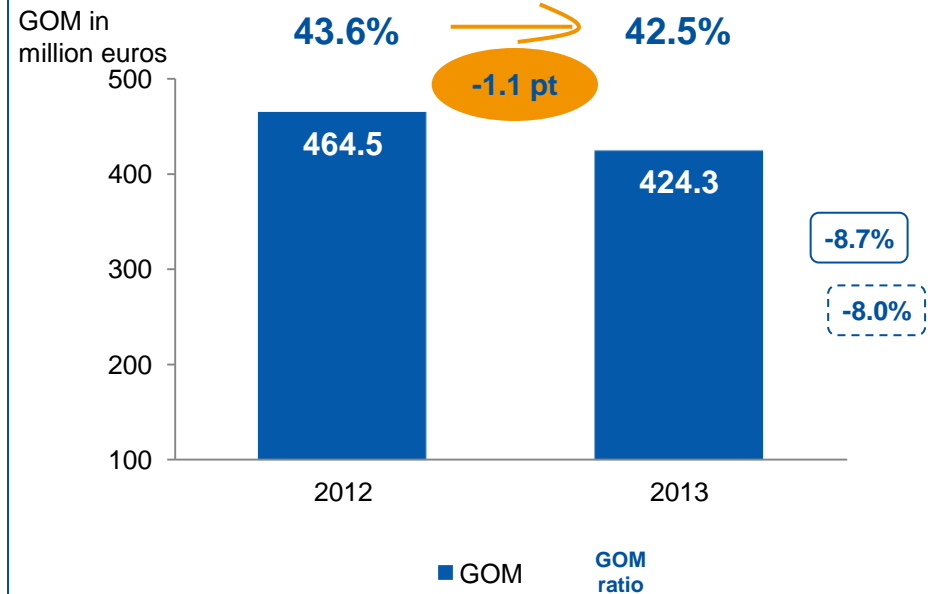
# Group revenues: -5.8%<sup>1</sup>

## Internet growing, Printed directories contraction



+x.x% Like-for-like basis<sup>1</sup>

## Revenue decrease and disposal of Editus partially offset by cost discipline on commercial and Paper-Print-Distribution



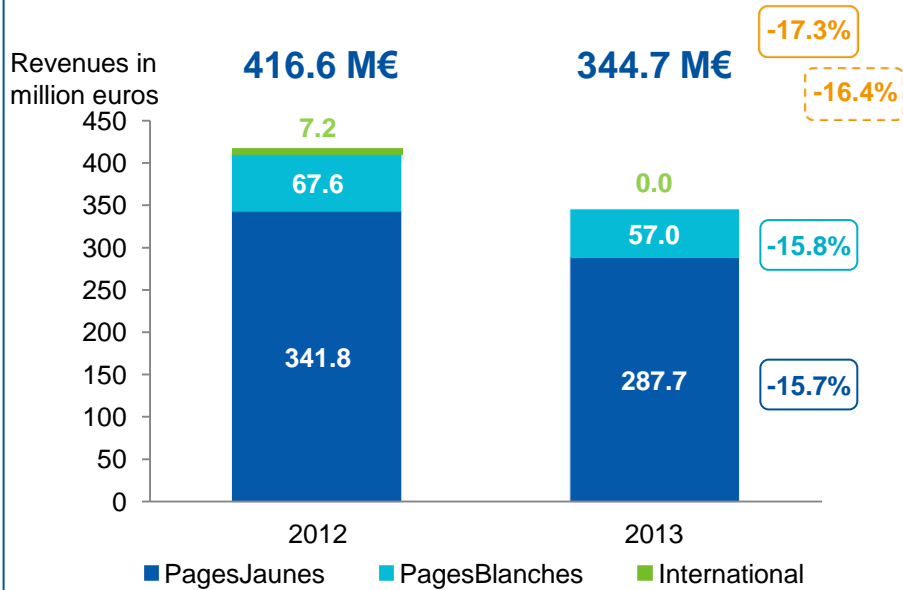
+x.x% Like-for-like basis<sup>1</sup>

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

# Printed directories:

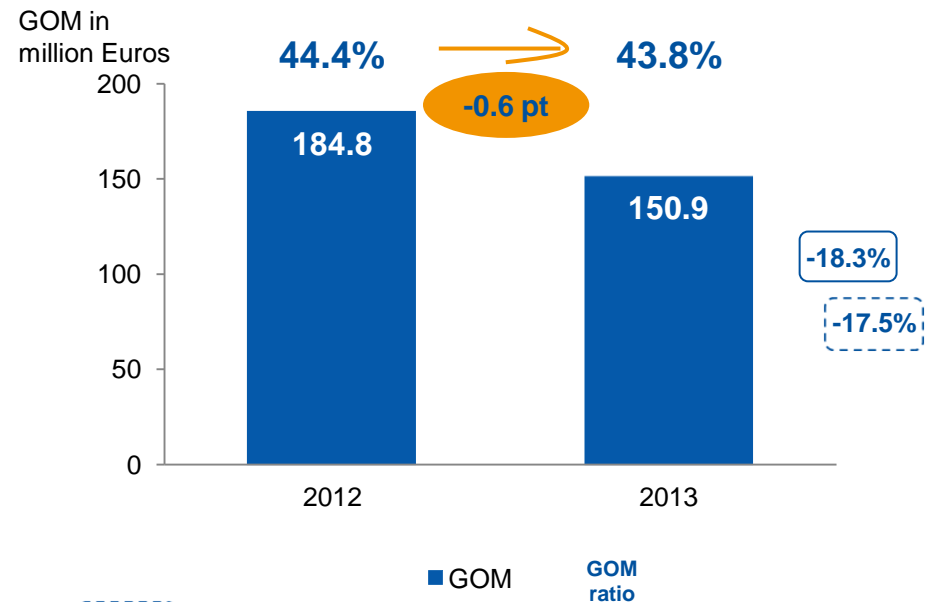
## Revenues at -16.4%<sup>1</sup>, stable high GOM ratio

### Controlled decrease of Printed directories activity



-x.x% Like-for-like basis<sup>1</sup>

### High profitability maintained thanks to -21% decrease in Paper-Print-Distribution costs in France

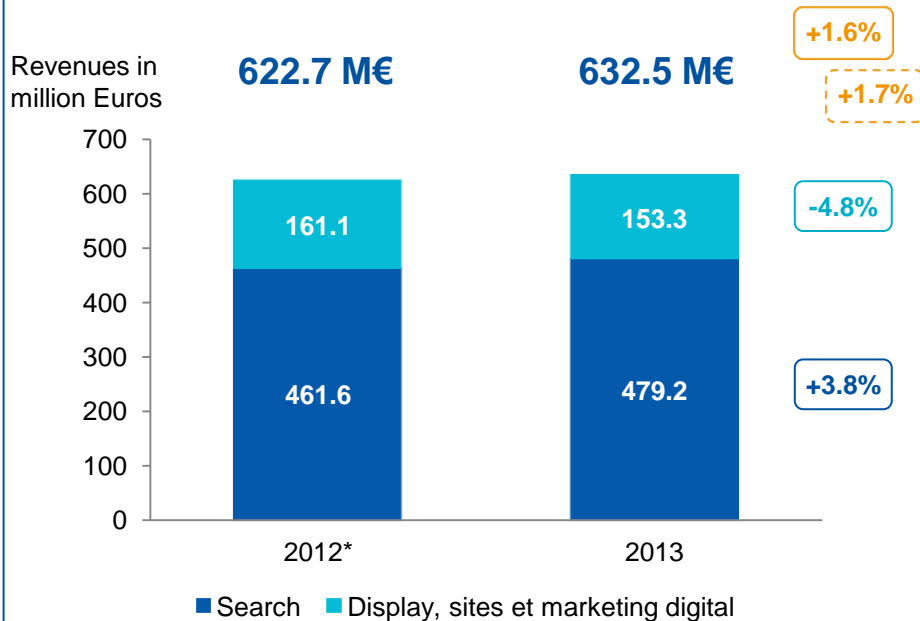


+x.x% Like-for-like basis<sup>1</sup>

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

# Internet: 63.3% of Group revenues, at +1.7%<sup>1</sup>, controlled margin

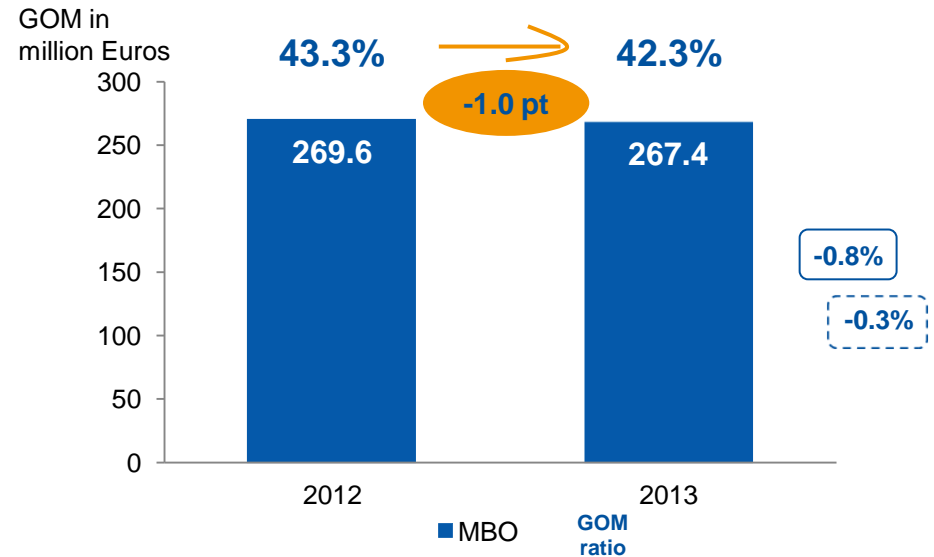
## Internet growth impacted by Display activity



+x.x% Like-for-like basis<sup>1</sup>

\*Revised 2012 split following reclass between Search and Display

## Controlled Internet margin thanks to commercial cost discipline

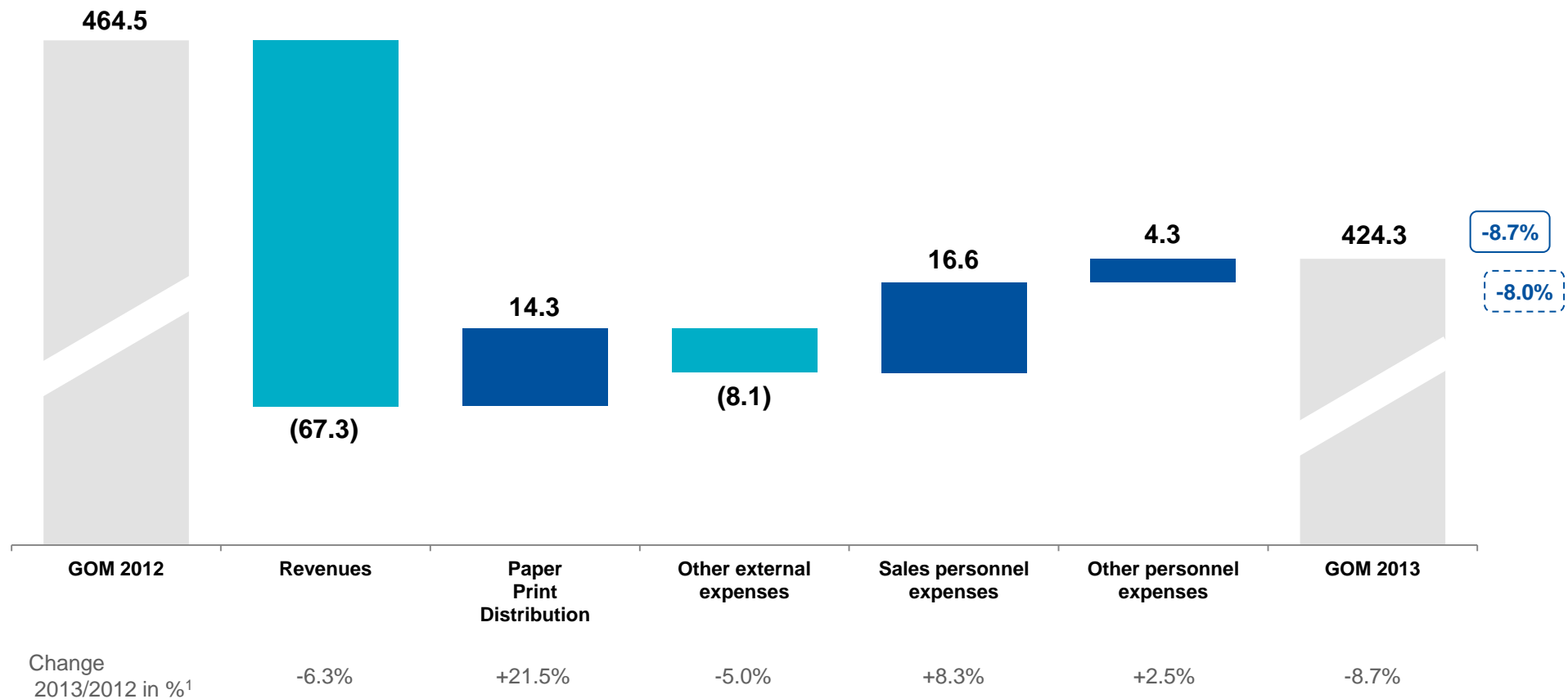


+x,x% Like-for-like basis<sup>1</sup>

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

# GOM decreased by -8.7%

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



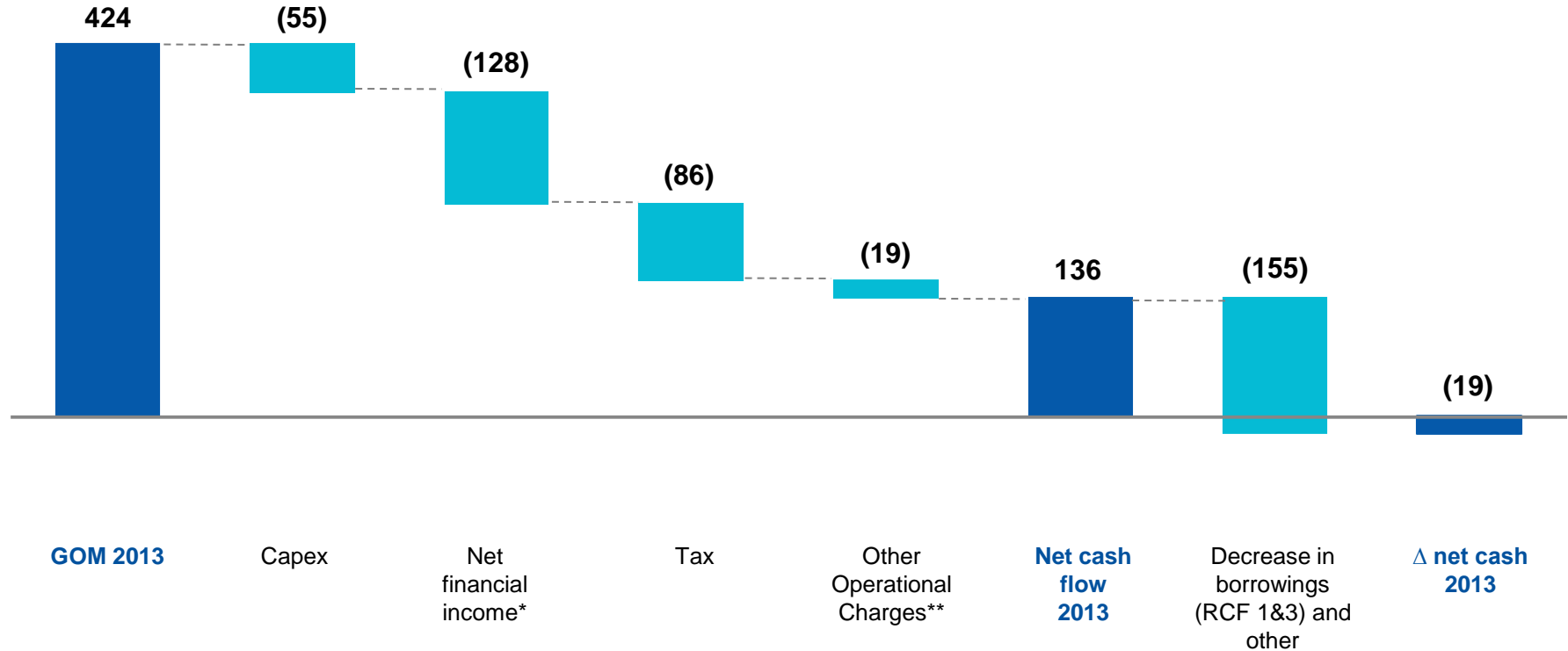
# Net income of €114.8 M impacted by reorganization costs

## From gross operating margin to consolidated income

In million Euros	2013	2012	Change
<b>Gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
<i>Legal employee profit-sharing</i>	(15.4)	(14.7)	-4.8%
<i>Share-based payment</i>	(1.5)	(2.3)	+34.8%
<i>Depreciation and amortisation</i>	(40.7)	(36.7)	-10.9%
<i>Other income and expenses</i>	(37.4)	(2.8)	na
<b>Operating income</b>	<b>329.2</b>	<b>408.0</b>	<b>-19.3%</b>
<b>Net financial income</b>	<b>(132.3)</b>	<b>(136.1)</b>	<b>+2.8%</b>
<i>Share of profit or loss of an associate</i>	(0.2)	(0.9)	na
<b>Income before tax</b>	<b>196.7</b>	<b>271.0</b>	<b>-27.4%</b>
<i>Corporate income tax</i>	(81.9)	(112.4)	+27.1%
<i>Effective tax rate</i>	41.6%	41.3%	
<b>Net income</b>	<b>114.8</b>	<b>158.5</b>	<b>-27.6%</b>

# Net cash flow: €136 M as of 31 December 2013

## Net cash flow as of 31 December 2013 (in million Euros)

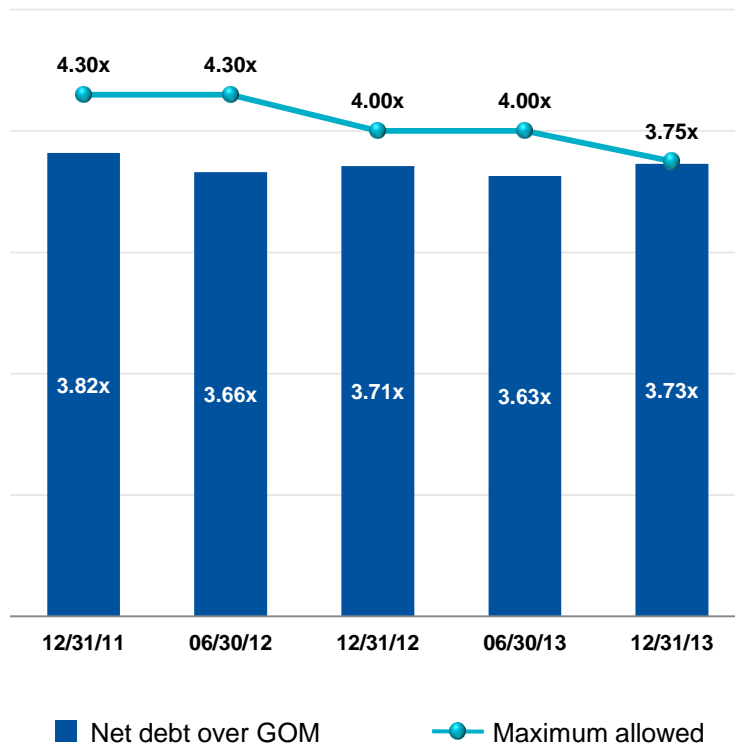


\* Of which €10 M of interests concerning 2012

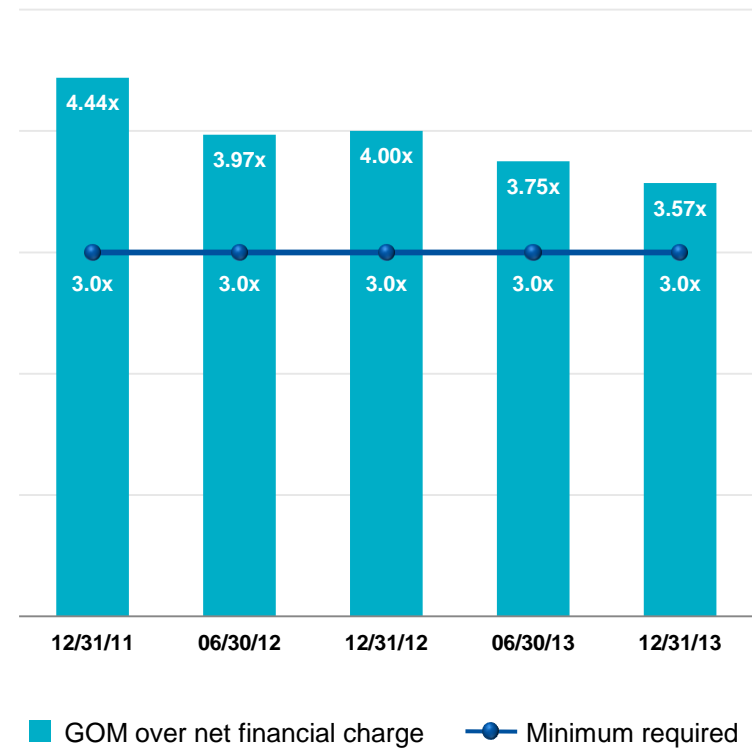
\*\* including primarily change in Other income and expenses and legal employee profit-sharing

# Compliance with covenants

## Financial leverage



## Interest coverage







# **ACCELERATION OF DIGITAL TRANSFORMATION**

Jean-Pierre REMY



# #1 in Local Digital Communication

~€1 billion

of revenues

~63%

of Internet revenues

*Solocal*  
GROUP

~650,000

advertisers

~52%

Online and mobile reach<sup>1</sup>

## COMMUNICATION LOCAL AND DIGITAL



mappy

COMPRENDRE  
CHOISIR.COM Zoom on

CHRONORESTO  
livré ou emporté, c'est vous qui choisissez



A VENDRE  
A LOUER.fr

keltravo.com

clicrdv

leadformance<sup>1</sup>

HORYZON MEDIA

# Strategy established in digital local communication



# #1 in local digital contents



## Detailed pages & Reviews

560k advertisers

800k reviews

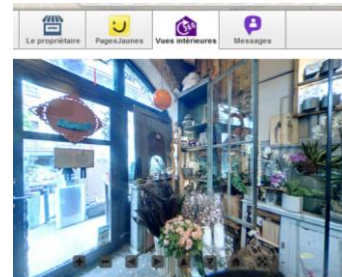
10k FB pages



## Websites

125k customers

- #1 France

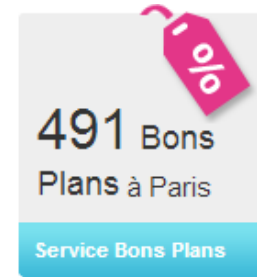


## Videos & Virtual visits

18k videos

17k virtual visits

- #1 France



## Deals

16k deals

- #1 France<sup>1</sup>



## Products & Transactions

Store/Product locator

- #1 Europe

Appointment on line

- #1 Europe

# Powerful audiences of Solocal Group

**Reach**

**52%**

Monthly fixed and  
mobile Reach<sup>1</sup>

**Mobile**

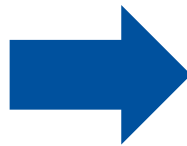
**27%**

of visits<sup>2</sup>

**Visits**

**1.3bn**

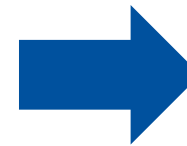
Visits  
per year



**Conversion**

**70%**

Visits converted  
into contacts

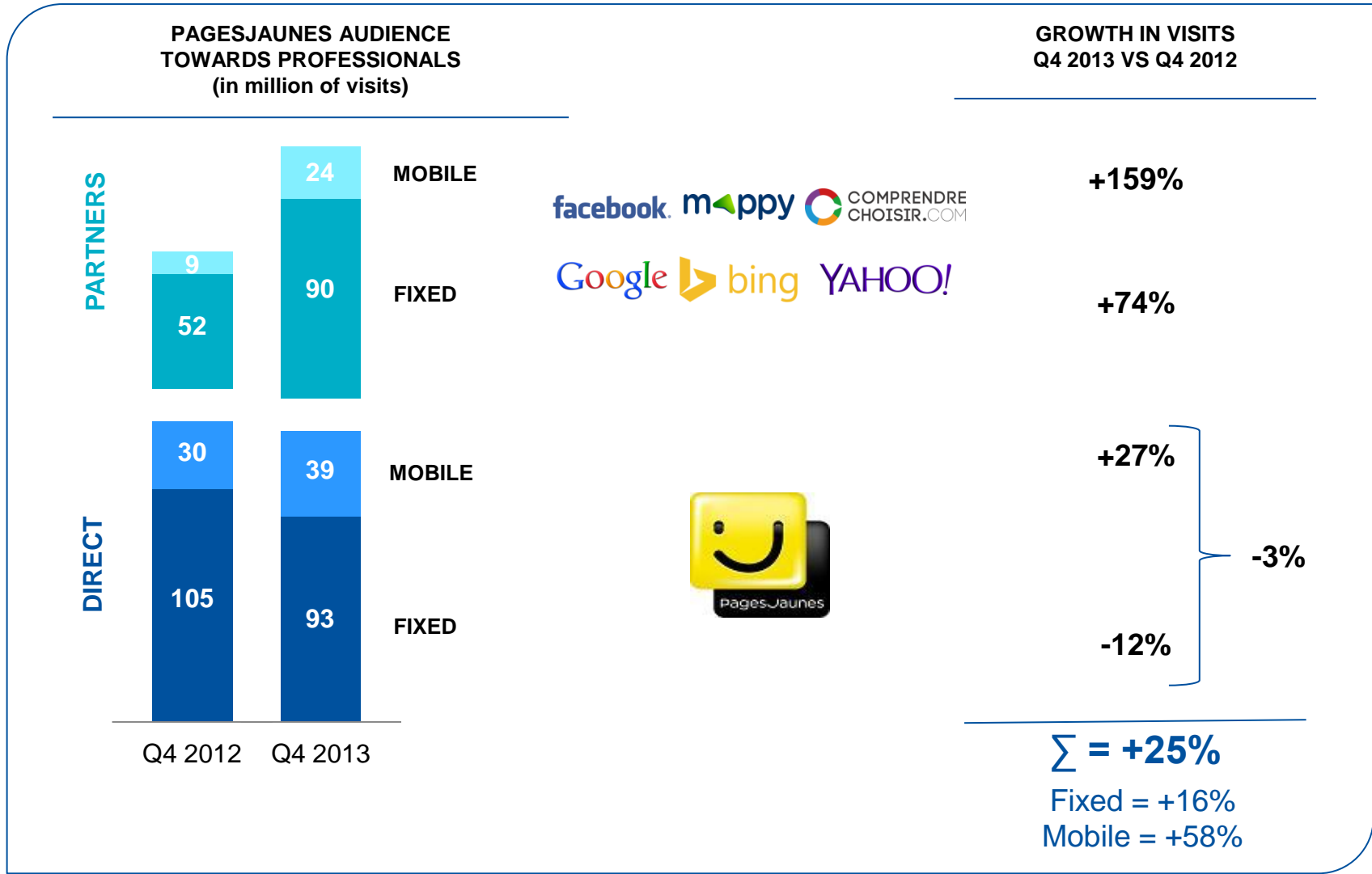


**Monetisation**

**70c**

Average cost  
per contact  
(in cents of €)

# Continued growth of PagesJaunes audiences



# Local presence : growth by specialisation

- Creation of 5 customer verticals
- Specialisation of teams
- Verticalisation of services
- Re-design of customer relationship



**Retail**



**Services**



**B2B**



**Home**



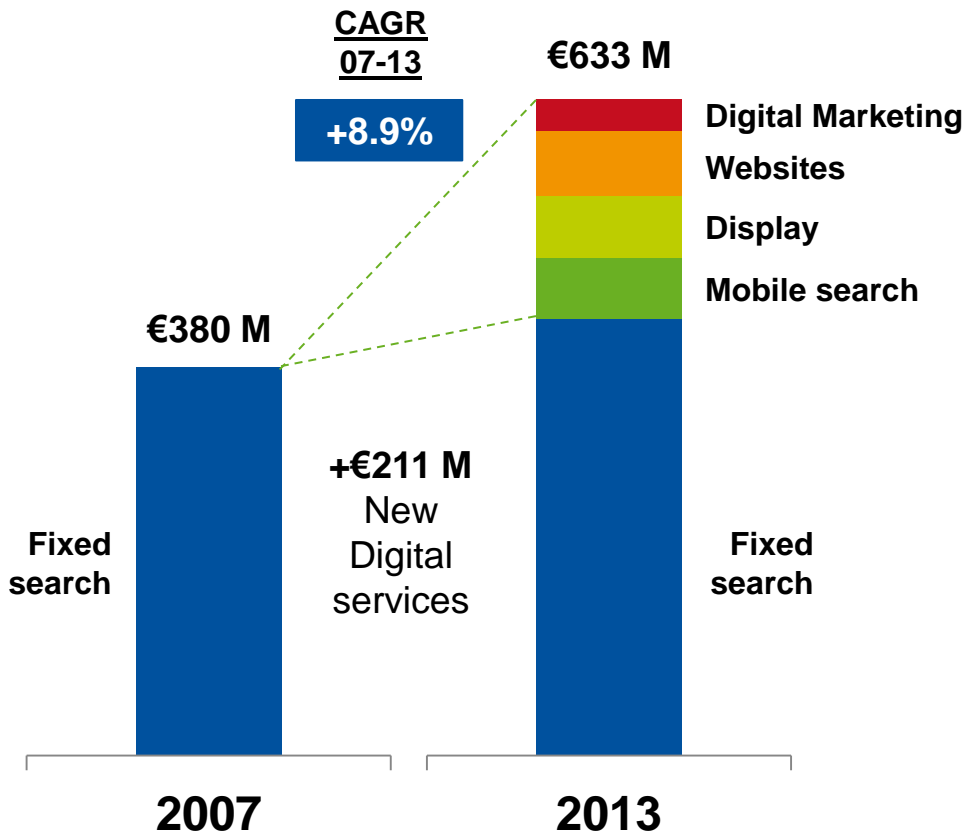
**Health & Public**

KPIs\*

- |                           |                           |                           |                           |                           |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| ▪ <b>€193m</b> Rev.       | ▪ <b>€206m</b> Rev.       | ▪ <b>€175m</b> Rev.       | ▪ <b>€314m</b> Rev.       | ▪ <b>€110m</b> Rev.       |
| ▪ <b>184k</b> customers   | ▪ <b>89k</b> customers    | ▪ <b>106k</b> customers   | ▪ <b>149k</b> customers   | ▪ <b>86k</b> customers    |
| ▪ <b>42m</b> search/month | ▪ <b>19m</b> search/month | ▪ <b>20m</b> search/month | ▪ <b>11m</b> search/month | ▪ <b>43m</b> search/month |

# Growth in digital businesses by product

## Internet revenues growth since 2007



Change  
2012 – 2013

Estimation  
2014 – 2017

Digital Marketing	+4%	↑ ↑
Websites	+1%	↑
Display	-13%	→
Mobile search	+41%	↑ ↑
Fixed search	0%	→



# A digital transformation intensifying between 2013 and 2015

**2009 – 2012**  
**Online development**

## Priority given to Online

- Vision & strategy
- Online innovation
- Partnerships with key players
- Tactical acquisitions

## Change management

- Online salesforce and customer relationship
- Technologies and contents
- Engagement of teams

**2013 – 2015**  
**Digital Company**

## Online > 75% in 2015

- 100% online focus

## Digital 2015 program

- Media and audiences evolution
- Sales specialisation
- IT investment and technology
- Shift in HR and culture

# Digital 2015: invest in transformation

3-year  
investment

OPEX

Reorganisation  
costs

CAPEX

## ■ Media and audiences

- Mobile and indirect audiences
- PagesJaunes new search
- Transactional services
- Web-2-Store / products and deals

€30 M

■ ~€10 M  
p.a. as of 2014

## ■ Customer and monetisation

- Sales and marketing specialisation / 5 BU
- Decentralised management
- Customer focused and ROI demonstration

€100 M

■ ~ €25 M  
p.a. as of 2014

■ €25 M  
2013/2014

## ■ Technology

- IT (sales, OTC, BI, finance, infrastructure)
- Digitalisation of activities (billing & production)

€40 M

■ ~ 10-15 M€  
p.a. as of 2013

## ■ HR (values, talents, behaviours)

€170 M

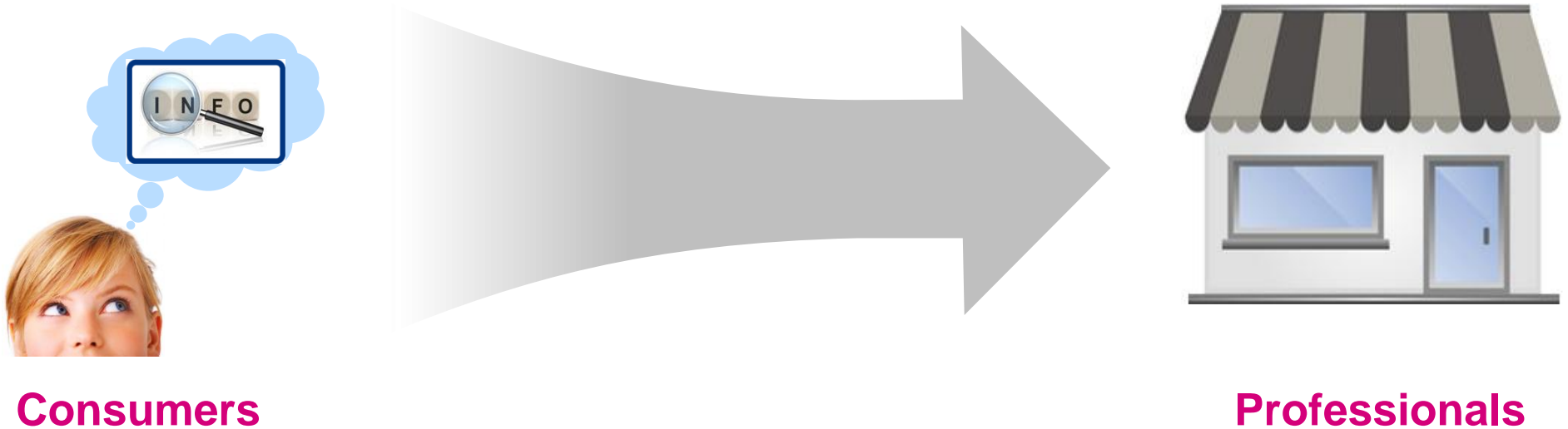


# REACH AND EFFICIENCY OF AUDIENCES

Julien AMPOLLINI

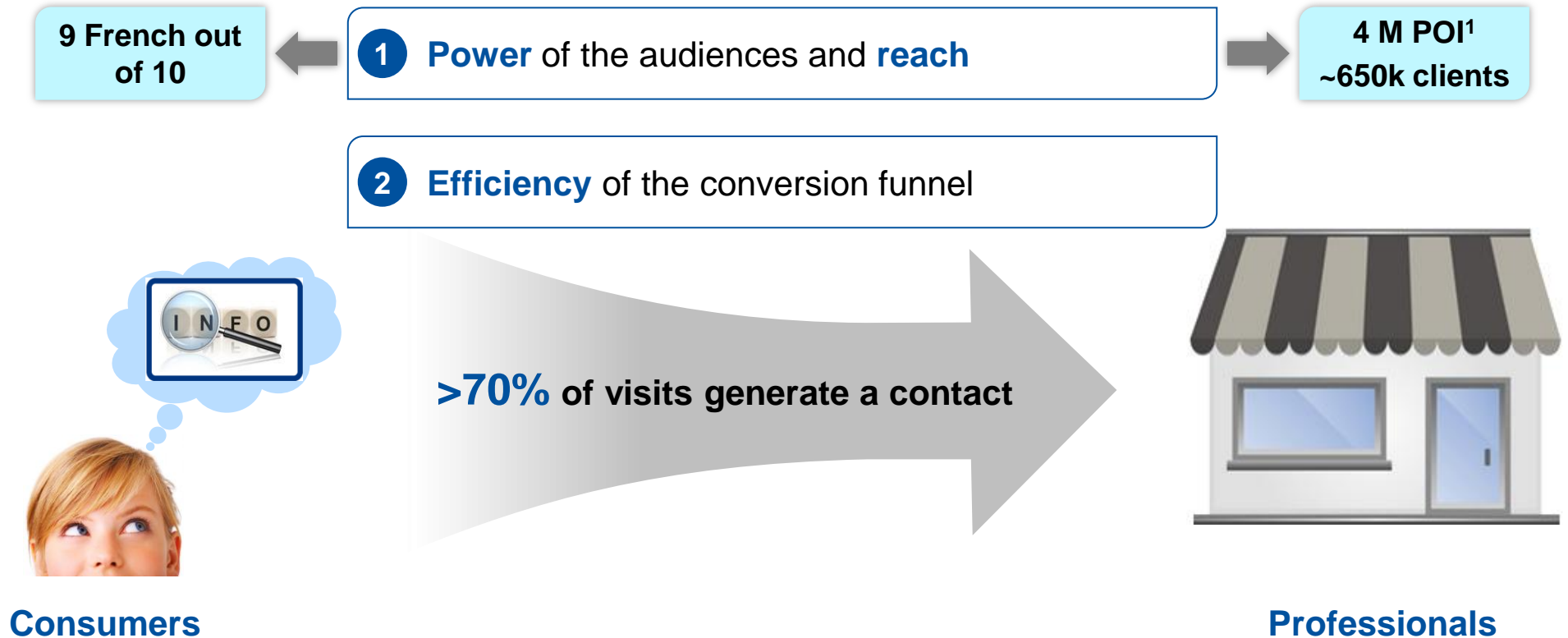


# A unique know-how



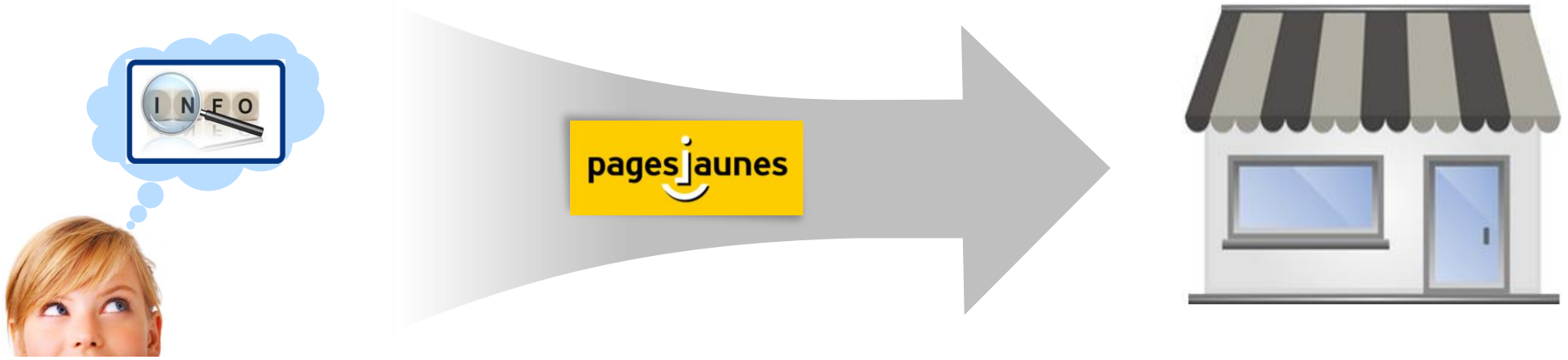
Efficiently connecting **consumers**  
**with brands and professionals most adapted to their needs**  
at local level, as close as possible to the purchasing

# 2 key success factors



1. POI: Points of interests ...

# Historically, a simple funnel

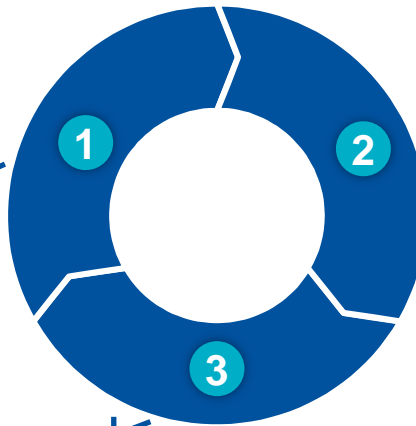


Consumers

Professionals



**1 content:**  
Addresses and  
telephone numbers



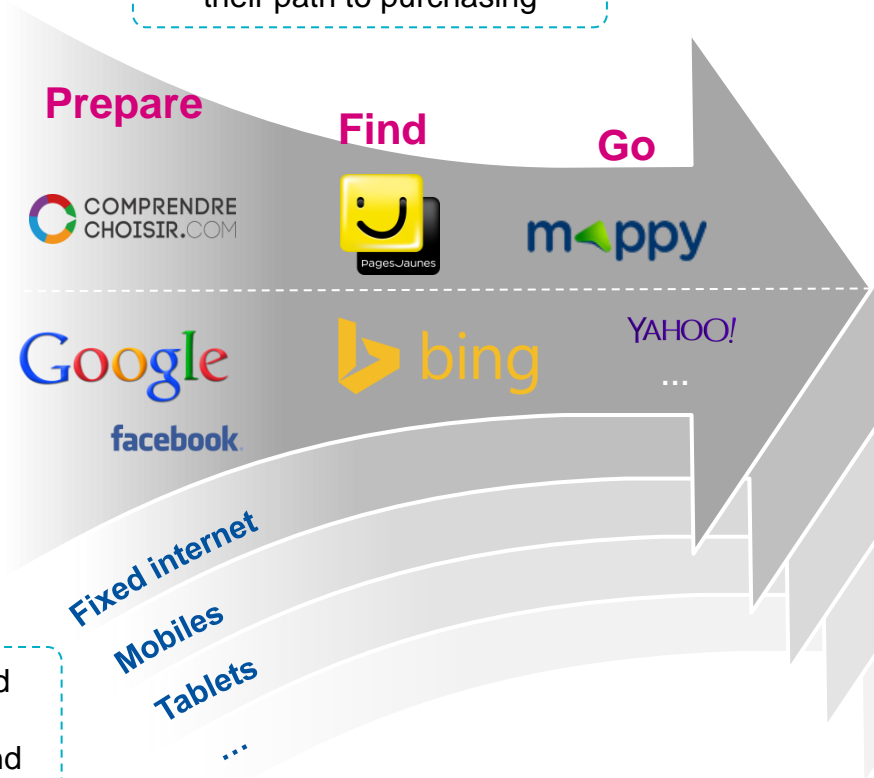
**1 media:**  
Printed  
directories



Sales staff

# We enriched our approach to take advantage of the changes in our environment

**1** Several brands and services + richer content to accompany consumers at every step of their path to purchasing



**4** Specific offers and dedicated salesforces by vertical

**Solocal**  
NETWORK



RETAIL

HOME

SERVICES

B2B

HEALTH & PUBLIC



**3** Partnerships to cover the entire market

**2** Developed across all platforms and devices

# Sustained growth in audiences in 2013

**Reach:**  
**>90% of French use our media**

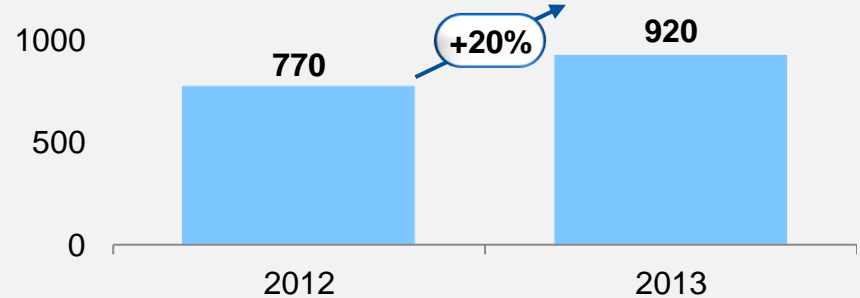
## Digital reach

- ~52% direct...
- ...completed by out-portalling and partnerships

**7 people out of 10 use printed directories**

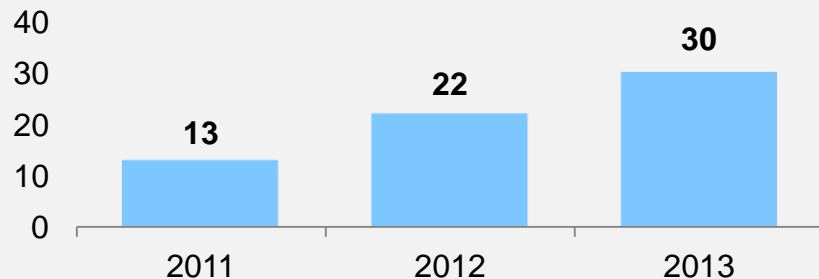
**Strong growth in useful traffic: +20%**

Visits in M

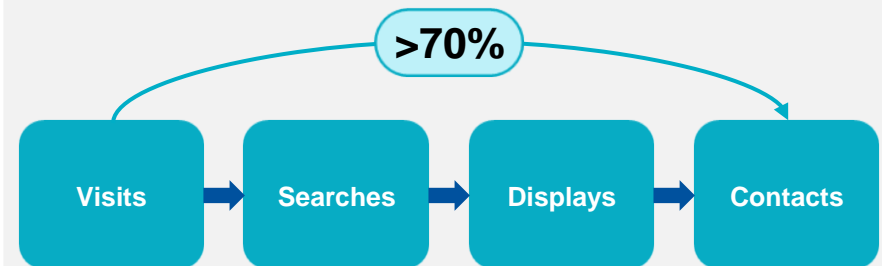


**Leadership on Mobile**

Downloads in M



**Unique efficiency**



Sources: Médiamétrie Average Global Measurement January-November 2013, AT Internet and Stores



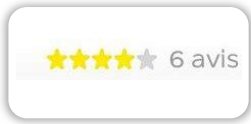
# 5 priority levers to strengthen our leadership



## 2 Engage our users and customers communities



**~1M** user accounts



**300K** professionals with ratings



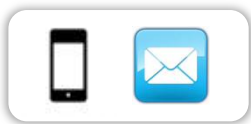
**~1.5M** ZoomOn fans



**60%** French pros contacted via multi-channels



**~75%** opt-ins\*



**0.5M** pros contacting Solocal each year



### To go further in 2014

- Intensification in the collection of UGC and AGC (reviews, photos, videos, etc.)
- "Community" innovations (community real time traffic with Mappy, ZoomOn)

\* Internal source following call campaign conducted with 10 M households

### 3 Strengthen our leadership in local promotions

Deals

A **unique inventory** in France:

**16,000 deals** published



in **46 of the 58 largest cities** in France\*



**95%** of French towns covered

Product promotions

**Innovative solutions:**

**No. 1 offering** for local inventory clearance in France



Pilot in progress with **5 leading retailers** and **~1,000 shops**

\* Source: Kantar Ad Media Intelligence conducted from 18 October to 20 November 2013

4

# Enhance our contents and services as part of a "web-2-store" process



**125K** websites



**120K** shops as store-locator



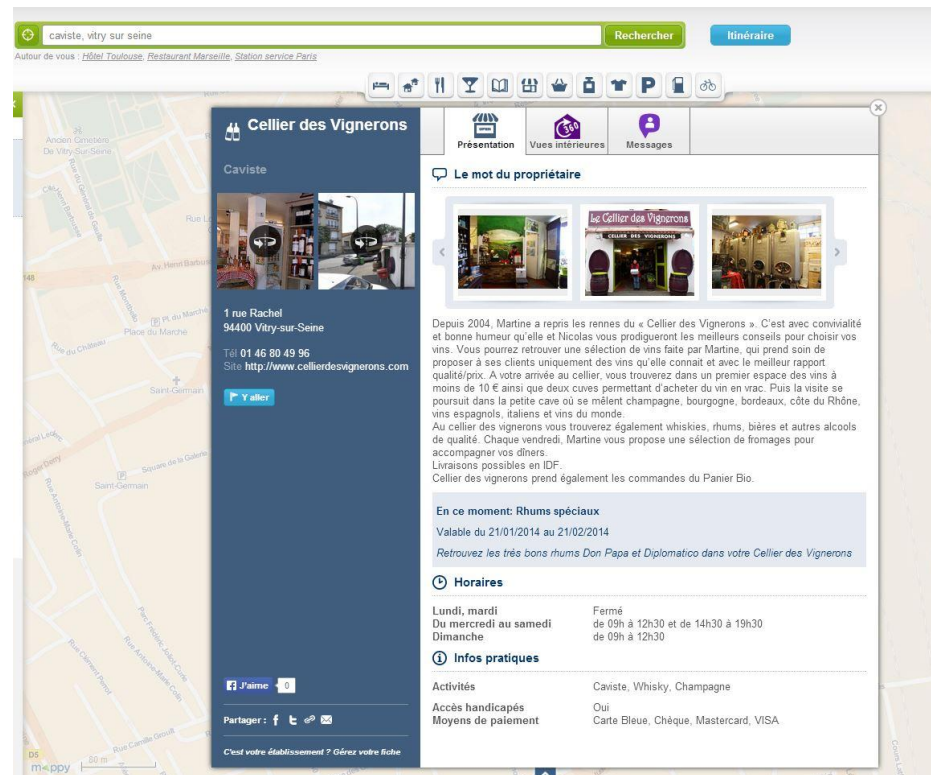
**30%** Paris area businesses collected by Mappy



**17K** indoor views (Paris area and Bordeaux)



**600K** opening hours info



**Product locator, Click & Collect, Theme contents by vertical**

5

# Integrate transactional services to further accompany consumers and to optimize conversion



Consumers

Get info



Find it



Go There



Purchase / transactional



Professionals



**30M**  
Appointments



**1,1M**  
real estate ads\*



**500K**  
orders / year



**500K**  
quotes / year



Pick-up-in store

\* On AVAL and AnnoncesJaunes

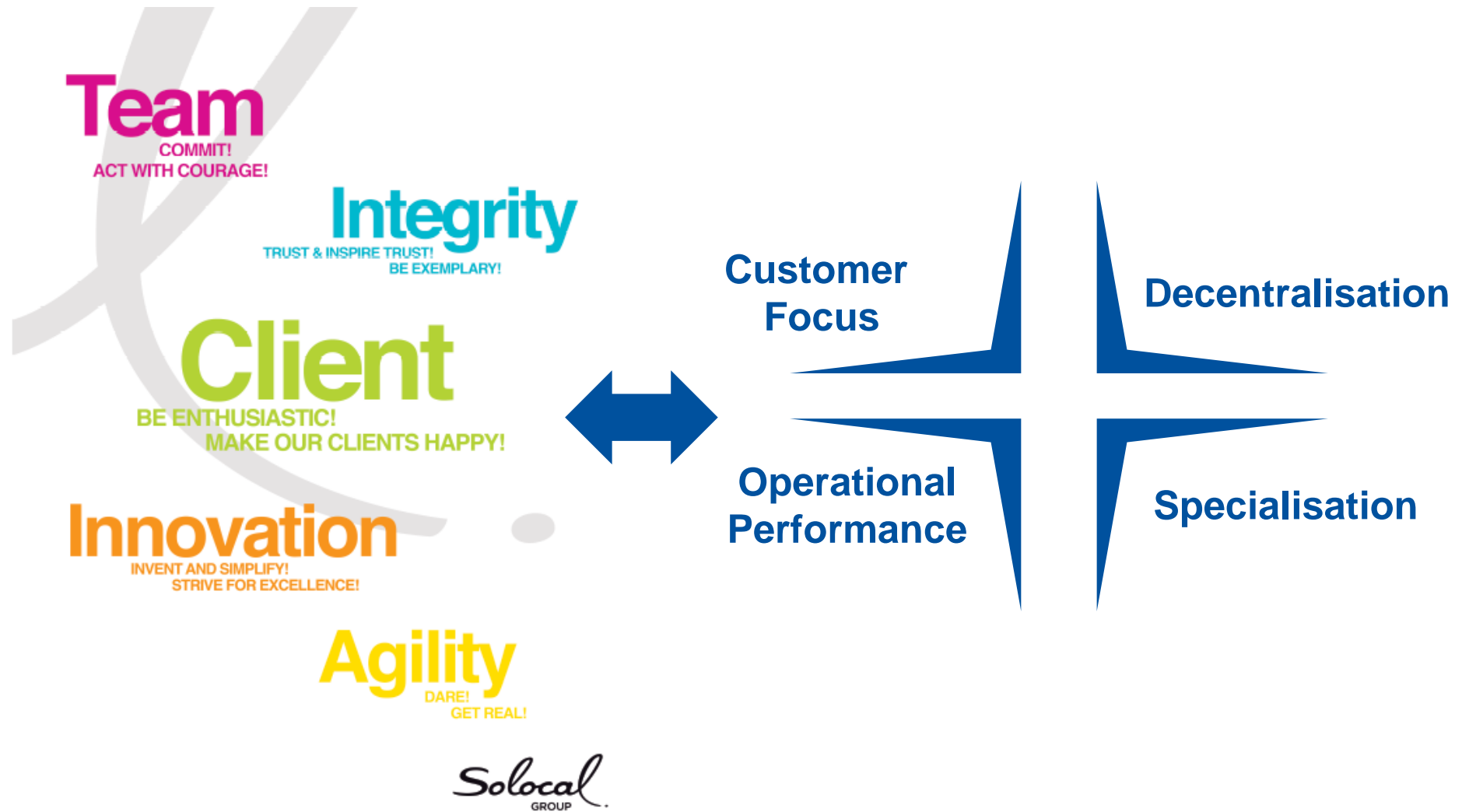


# DEPLOYMENT OF A NEW ORGANISATION

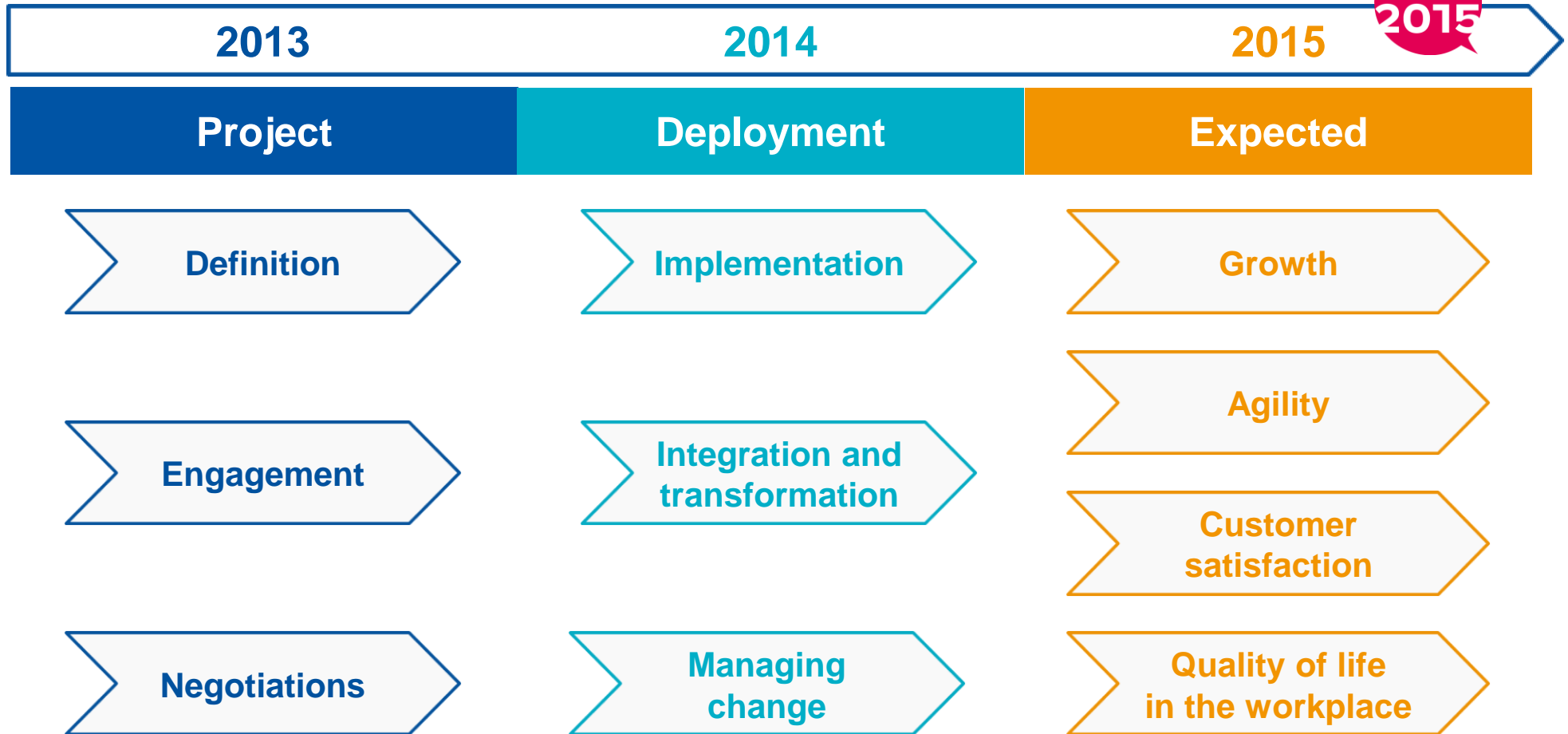
Christophe PINGARD



# Digital organisation at the service of customers



# Key steps in the transformation



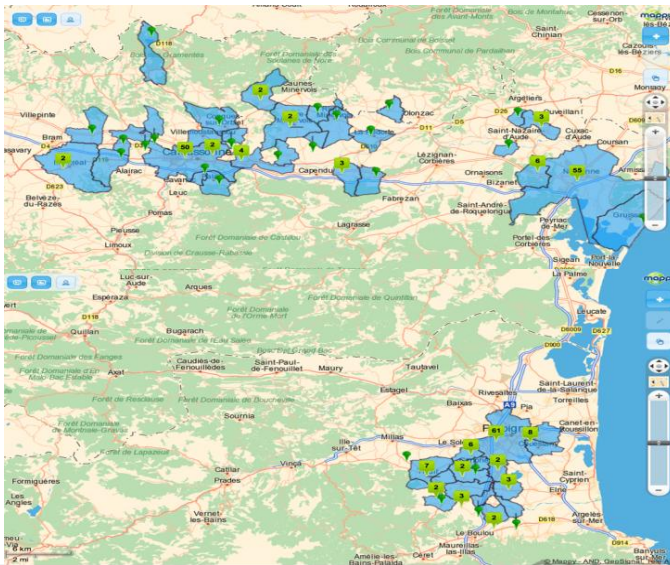


# Setting up a new agile organisation

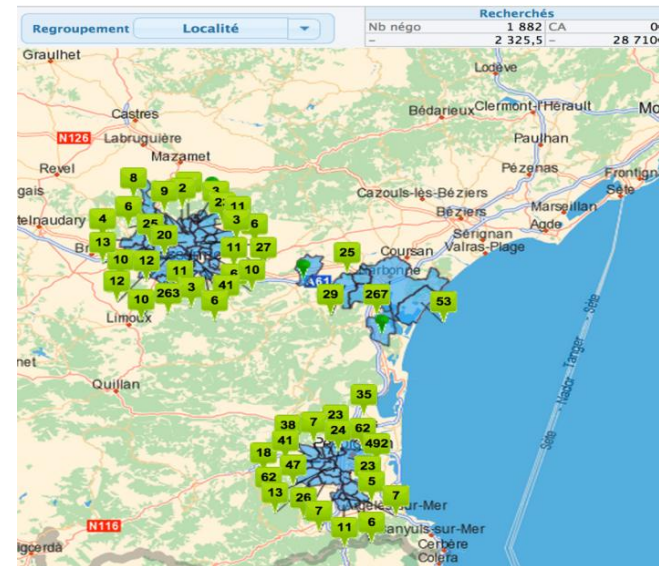


# Decentralisation : agility and close contact with customers

- Accountability of local teams
- Continuous prospection throughout the year
- Strengthening of the multichannel strategy
- Optimised geographical coverage
- Real time VS batch



*With eGeo, customer selection by integrating the locations of the sales staff*



*Then, display and selection of prospects on the customers' area*

# Specialisation: the first achievements

## Health Offering

Search Offer on fixed and mobile pagesjaunes.fr

**5** **Hardy Jean-Mathieu**  
ostéopathes  
100 av St Ouen, 75018 Paris ● Ouvert

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 Ostéopathe D.O. exclusif Formation en 5 ans CEESO Paris Adultes - Sportifs - Séniors Consultations à domicile possibles. Approches crâniennes, viscérales ■■■

[Voir le site internet](#)

### Growth in revenues of nearly 9% in 2013

- 11% of market share (35,000 advertisers)
- Close to 1,900 Website advertisers
- 80% of advertisers with pagesjaunes.fr search
- Nearly 900 Health professionals using the ClicRDV solution

**Telesales specialised in Health being deployed progressively since 2013**

## Catering Offering

Performance-based offer and on-line reservations

**1** **Bombay Curry** ★★★★★ 1  
restaurants  
119 r Meaux, 75019 PARIS

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 Economisez 50% sur votre addition en week-end ! [En profiter](#)

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Cuisine du Monde  
Bienvenue au Bombay Curry restaurant indien ouvert tous les jours midis et soirs - Découvrez toutes les spécialités de la cuisine indienne : naan, butter ... [Lire la suite](#)

   [Voir les Bons Plans](#) <sup>3</sup>

[Infos financières de l'entreprise](#) (SIRET, effectifs, dirigeants...)

Site internet : [bombaycurry.fr](http://bombaycurry.fr)

### Market share of 5% in less than 4 months with a team of specialised sales staff

#### Genuine value added:

- The customer pays only if he is provided with a real contact
- The customer pays only if a reservation is made

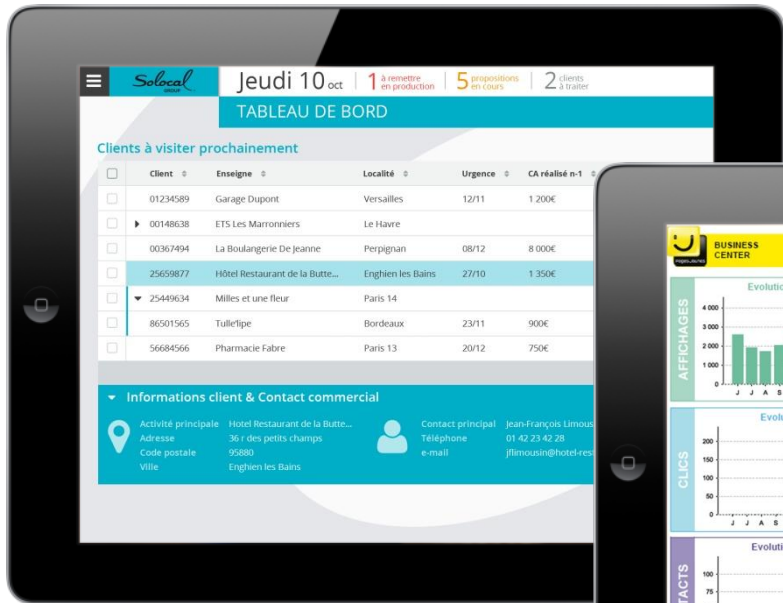
# Operational performance

## Sales efficiency

- New contractual system: flexibility and abandoning the VRP sales representative contract
- Management by objective
- For telesales, switching from 30 hours to 35 hours (voluntary basis)

## New Sales Tools

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



# Customer focus

## Real time

- CRM: 360° view
- Investments in salesforce.com
- Monitoring and enriching customer relationship



## Customer service

- Dematerialising flows
- Service and availability commitment
- "Once & done"

The image shows a tablet displaying a CRM interface. The main content is a table titled 'Proposition N°1' with a filter set to 'Produits vendus ou modifiés'. The table lists various items and their prices. Below the table, there are two buttons: 'Générer le devis' and 'Commander la proposition'.

Proposition N°1		Filter: Produits vendus ou modifiés
Print / Annuaires Imprimés	7 600 € - 1 000 € dégressif	6 600€
Search / Référencement	1 500 € - 200 € dégressif	1 300€
Display / Bannières		7 530€
Sites		1 500€
Offres de transactions		580€
Frais d'espace & dégressif multi-emplacements		17 950€
Frais techniques		400€
Total HT avant remises et promotions		18 350€
Remises & promotions		-1 000€
<b>TOTAL HT</b>		<b>17 350€</b>
TVA 19,6		3400,60€
<b>Total TTC</b>		<b>20 750,60€</b>

# Return to sustainable growth by 2015

	Reduction in the churn rate	Acquisition of new customers	ARPA <sup>1</sup> Growth
• Specialisation of the sales force	✓	✓	✓
• Reducing the customer portfolios		✓	✓
• New contract / method of compensation		✓	
• Reorganisation of customer services	✓		✓
• Demonstration of ROI / Training	✓	✓	✓
• Verticalisation of the offerings	✓	✓	✓
• Performance / transactional / product models		✓	✓
• New sales tools		✓	✓

<sup>1</sup> Average Revenue Per Advertiser



## QUESTIONS & ANSWERS





## **APPENDICES**





# -5,8%<sup>1</sup> decrease in revenues

Internet: 63.3% of Group revenues and growth of +1.7%<sup>1</sup>

## Consolidated revenues by segment

In million Euros	2013	2012	Change	Like-for-like basis <sup>1</sup>
<b>Group revenues</b>	<b>998.9</b>	<b>1,066.2</b>	<b>-6.3%</b>	<b>-5.8%</b>
<b>Internet</b>	<b>632.5</b>	<b>622.7</b>	<b>+1.6%</b>	<b>+1.7%</b>
<i>as % of Group revenues</i>	<b>63.3%</b>	<b>58.4%</b>		
<b>Printed directories</b>	<b>344.7</b>	<b>416.6</b>	<b>-17.3%</b>	<b>-16.4%</b>
<i>as % of Group revenues</i>	34.5%	39.1%		
<b>Other businesses</b>	<b>21.7</b>	<b>26.9</b>	<b>-19.3%</b>	<b>-17.8%</b>
<i>as % of Group revenues</i>	2.2%	2.5%		

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

# GOM of 424.3 million euros, 42.5% of Group revenues

## Gross operating margin by segment

In million euros	2013	2012	Change	Like-for-like basis <sup>1</sup>
<b>Group gross operating margin</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>	<b>-8.0%</b>
<i>as % of Group revenues</i>	42.5%	43.6%	-110 bps	-100 bps
<b>Internet</b>	<b>267.4</b>	<b>269.6</b>	<b>-0.8%</b>	<b>-0.3%</b>
<i>as % of Internet revenues</i>	42.3%	43.3%	-100 bps	-90 bps
<b>Printed directories</b>	<b>150.9</b>	<b>184.8</b>	<b>-18.3%</b>	<b>-17.5%</b>
<i>as % of Printed directories revenues</i>	43.8%	44.4%	-60 bps	-60 bps
<b>Other businesses</b>	<b>6.0</b>	<b>10.1</b>	<b>-40.6%</b>	<b>-40.0%</b>
<i>as % of Other businesses revenues</i>	27.6%	37.5%	na	na

<sup>1</sup> On a like-for-like basis (excluding disposal of Editus and acquisition of Chronoresto)

# Stable GOM margin

	2013	2012	Change	Q4 2013	Q4 2012	Change
<b>Reported gross operating margin (€M)</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>
Reported GOM margin	42.5%	43.6%	-110 bps	38.3%	38.6%	-20 bps
- Expensing of fixed salesforce costs		na			+1.4	
- 2008 and 2009 Research Tax Credit accounted for in 2012		-2.2			na	
- Disposal of Editus impact		-1.1			na	
<b>Gross operating margin excluding non-recurring items (€M)</b>	<b>424.3</b>	<b>461.2</b>	<b>-8.0%</b>	<b>95.5</b>	<b>104.1</b>	<b>-7.9%</b>
GOM margin Excluding non-recurring items	42.5%	43.6%	-110 bps	38.3%	39.1%	-80 bps

# Revenues and Gross operating margin: 4<sup>th</sup> quarter and financial year 2013

In million euros	Q4 2013	Q4 2012	Change	2013	2012	Change
<i>Internet</i>	161.5	159.4	+1.3%	632.5	622.7	+1.6%
<i>Printed directories</i>	82.5	100.4	-17.8%	344.7	416.6	-17.3%
<i>Other businesses</i>	5.4	6.5	-16.9%	21.7	26.9	-19.3%
<b>Revenues</b>	<b>249.5</b>	<b>266.3</b>	<b>-6.3%</b>	<b>998.9</b>	<b>1,066.2</b>	<b>-6.3%</b>
<i>Internet</i>	64.9	63.4	+2.4%	267.4	269.6	-0.8%
<i>as % of Internet revenues</i>	40.2%	39.8%	+40 bps	42.3%	43.3%	-100 bps
<i>Printed directories</i>	29.5	37.1	-20.5%	150.9	184.8	-18.3%
<i>as % of Printed directories revenues</i>	35.8%	37.0%	-120 bps	43.8%	44.4%	-60 bps
<i>Other businesses</i>	1.0	2.2	na	6.0	10.1	-40.6%
<i>as % of Other businesses revenues</i>	18.5%	33.8%	na	27.6%	37.5%	na
<b>Gross operating margin</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
<i>as % of Group revenues</i>	<b>38.3%</b>	<b>38.6%</b>	<b>-30 bps</b>	<b>42.5%</b>	<b>43.6%</b>	<b>-110 bps</b>

# Income statement: 4<sup>th</sup> quarter and financial year 2013

In million euros	Q4 2013	Q4 2012	Change	2013	2012	Change
<b>Revenues</b>	<b>249.5</b>	<b>266.3</b>	<b>-6.3%</b>	<b>998.9</b>	<b>1 066.2</b>	<b>-6.3%</b>
<i>Net external expenses</i>	(66.6)	(64.2)	-3.7%	(222.1)	(228.2)	+2.7%
<i>Salaries and charges</i>	(87.4)	(99.4)	+12.1%	(352.5)	(373.5)	+5.6%
<b>Gross operating margin</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
as % of revenues	38.3%	38.6%		42.5%	43.6%	
<i>Legal employee profit-sharing</i>	(4.8)	(3.1)	-54.8%	(15.4)	(14.7)	-4.8%
<i>Share-based payment</i>	0.2	(1.7)	na	(1.5)	(2.3)	34.8%
<i>Depreciation and amortisation</i>	(10.7)	(10.2)	-4.9%	(40.7)	(36.7)	-10.9%
<i>Other income and expenses</i>	(33.5)	(2.7)	na	(37.4)	(2.8)	na
<b>Operating income</b>	<b>46.6</b>	<b>85.1</b>	<b>-45.2%</b>	<b>329.2</b>	<b>408.0</b>	<b>-19.3%</b>
<b>Net financial income</b>	<b>(31.3)</b>	<b>(41.1)</b>	<b>+23.8%</b>	<b>(132.3)</b>	<b>(136.1)</b>	<b>+2.8%</b>
<i>Share of profit or loss of an associate</i>	(0.5)	(0.3)	Na	(0.2)	(0.9)	na
<b>Income before tax</b>	<b>14.8</b>	<b>43.8</b>	<b>-66.2%</b>	<b>196.7</b>	<b>271.0</b>	<b>-27.4%</b>
<i>Corporate income tax</i>	(6.6)	(24.2)	+72.7%	(81.9)	(112.4)	+27.1%
<i>Effective tax rate</i>	43.4%	55.0%		41.6%	41.3%	
<b>Net income</b>	<b>8.2</b>	<b>19.5</b>	<b>-57.9%</b>	<b>114.8</b>	<b>158.5</b>	<b>-27.6%</b>

# Tax rate evolution

	2013	2012	Change	Q4 2013	Q4 2012	Change
<b>Statutory tax rate</b>	<b>34.4%</b>	<b>34.4%</b>		<b>34.4%</b>	<b>34.4%</b>	
Additional tax <sup>1</sup>	3.6%	1.7%	+190 bp	24.4% <sup>1</sup>	1.7%	+2270 bp
Partial deductibility of financial interest (85%)	3.5%	2.3%	+120 bp	22.5%	14.5%	+800 bp
CVAE (Cotisation à la valeur ajoutée des entreprises)	3.9%	3.2%	+70 bp	11.1%	4.7%	+640 bp
Other	1.5%	-0.3%	+180 bp	19.8%	-0.2%	+2000 bp
<b>Effective tax rate before non recurring items</b>	<b>46.9%</b>	<b>41.3%</b>	<b>+560 bp</b>	<b>112.2%</b>	<b>55.1%</b>	<b>+5710 bp</b>
Income tax reimbursement from prior years <sup>2</sup>	-5.3%	0.0%	-530 bp	-68.8%	0.0%	-6880 bp
<b>Effective tax rate</b>	<b>41.6%</b>	<b>41.3%</b>	<b>+30 bp</b>	<b>43.4%</b>	<b>55.1%</b>	<b>-1170 bp</b>

# Cash flow statement:

## 4<sup>th</sup> quarter and financial year 2013

In million euros	Q4 2013	Q4 2012	Change	2013	2012	Change
<b>GOM</b>	<b>95.5</b>	<b>102.7</b>	<b>-7.0%</b>	<b>424.3</b>	<b>464.5</b>	<b>-8.7%</b>
<i>Legal employee profit-sharing</i>	(4.8)	(3.1)	-54.8%	(15.4)	(14.7)	-4.8%
<i>Non monetary items included in GOM</i>	0.4	2.0	na	6.5	0.4	na
<i>Net change in working capital</i>	2.1	(7.0)	na	(2.4)	(6.0)	+60.0%
<i>Acquisition of tangible and intangible fixed assets</i>	(19.7)	(13.4)	-47.0%	(55.3)	(42.6)	-29.8%
<b>Operational cash flow</b>	<b>73.4</b>	<b>81.2</b>	<b>+9.6%</b>	<b>357.6</b>	<b>401.6</b>	<b>-11.0%</b>
<i>in % of GOM</i>	76.9%	79.1%		84.3%	86.5%	
<i>Cash financial income<sup>1</sup></i>	(35.1)	(28.3)	-24.0%	(128.4)	(107.2)	-19.8%
<i>Other income and expenses</i>	(3.7)	(1.9)	na	(7.4)	(1.9)	na
<i>Corporate income tax paid</i>	(14.3)	(31.3)	+54.3%	(85.7)	(107.5)	+20.3%
<b>Net cash flow</b>	<b>20.3</b>	<b>19.8</b>	<b>+2.5%</b>	<b>136.2</b>	<b>185.0</b>	<b>-26.4%</b>
<i>Increase (decrease) in borrowings and bank overdrafts</i>	(50.1)	(452.0)	na	(149.4)	(172.2)	+13.2%
<i>Other</i>	(1.8)	3.0	na	(5.5)	1.0	na
<b>Net cash variation</b>	<b>(31.6)</b>	<b>(429.2)</b>	<b>na</b>	<b>18.8</b>	<b>13.8</b>	<b>na</b>
<i>Net cash and cash equivalents at beginning of period</i>	104.7	521.1	na	91.9	78.1	+17.7%
<b>Net cash and cash equivalents at end of period</b>	<b>73.1</b>	<b>91.9</b>	<b>-20.5%</b>	<b>73.1</b>	<b>91.9</b>	<b>-20.5%</b>

<sup>1</sup>a shift of €10 M of 2012 interest disbursed in Q2 2013

# 2013 net cash flow

	2013	2012	Change	Q4 2013	Q4 2012	Change
<b>Reported Net Cash Flow (€M)</b>	<b>136.2</b>	<b>185.0</b>	<b>-26.4%</b>	<b>20.2</b>	<b>19.8</b>	<b>+2.0%</b>
- Timing of 2012 interest payments	+10.0	-10.0			-10,0	
- 2011 Income tax refund		-5.0		na	na	
- Reimbursement of income tax on previous years	-10.5			-10.5		
<b>Net Cash Flow excluding non-recurring items (€M)</b>	<b>135.6</b>	<b>170.0</b>	<b>-20.2%</b>	<b>9.7</b>	<b>9.8</b>	<b>-1.0%</b>



# Balance sheet as of 31<sup>st</sup> December 2013

In million euros	31 Dec 2013	31 Dec 2012
<b>ASSETS</b>		
<b>Total non-current assets</b>	<b>214.8</b>	<b>212.3</b>
<i>Net goodwill</i>	78.7	82.3
<i>Other net intangible fixed assets</i>	80.8	69.4
<i>Net tangible fixed assets</i>	23.6	25.5
<i>Other non-current assets of which deferred tax assets</i>	31.7	35.1
<b>Total current assets</b>	<b>585.3</b>	<b>653.9</b>
<i>Net trade account receivable</i>	405.8	429.9
<i>Acquisition costs of contracts</i>	63.3	68.9
<i>Prepaid expenses</i>	5.9	5.6
<i>Cash and cash equivalents</i>	75.6	111.5
<i>Other current assets</i>	34.7	38.0
<b>Total assets</b>	<b>800.0</b>	<b>866.2</b>
<b>LIABILITIES</b>		
<b>Total equity</b>	<b>(1,866.7)</b>	<b>(2,006.8)</b>
<b>Total non-current liabilities</b>	<b>1,617.5</b>	<b>1,777.2</b>
<i>Non-current financial liabilities and derivatives</i>	1,516.2	1,686.6
<i>Employee benefits (non-current)</i>	85.1	83.3
<i>Other non-current liabilities</i>	61.3	7.3
<b>Total current liabilities</b>	<b>1,049.2</b>	<b>1,095.7</b>
<i>Bank overdraft and other short-term borrowings</i>	132.7	149.9
<i>Deferred income</i>	597.5	632.1
<i>Employee benefits (current)</i>	119.2	124.4
<i>Trade accounts payable</i>	84.5	78.3
<i>Other current liabilities</i>	115.4	111.0
<b>Total liabilities</b>	<b>800.0</b>	<b>866.2</b>

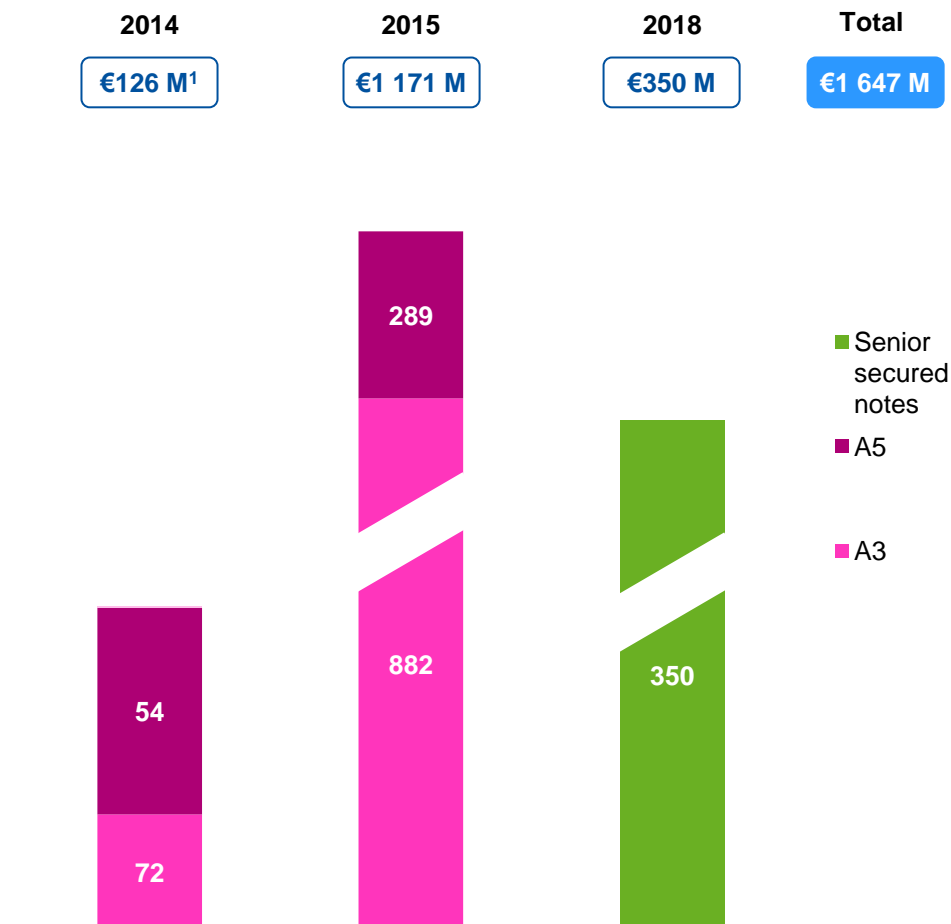
# Net debt as of 31<sup>st</sup> December 2013

In million euros	31 Dec 2013	31 Dec 2012
<i>Cash and cash equivalents</i>	75.5	111.5
<b>Gross cash position</b>	<b>75.6</b>	<b>111.5</b>
<i>Bank Overdrafts</i>	(2.5)	(19.6)
<b>Net cash position</b>	<b>73.1</b>	<b>91.9</b>
<i>Bank borrowings</i>	(1,297.5)	(1,368.2)
<i>Bond borrowings – Senior secured notes</i>	(350.0)	(350.0)
<i>Revolving credit facility drawn*</i>	-	(75.8)
<i>Loan issuance expenses</i>	25.4	37.6
<i>Capital leases</i>	(0.0)	(0.1)
<i>Fair value of hedging instruments</i>	(20.2)	(54.6)
<i>Accrued interest not yet due</i>	(6.3)	(16.7)
<i>Other financial liabilities</i>	(4.1)	(5.7)
<b>Gross financial debt</b>	<b>(1,652.7)</b>	<b>(1,833.6)</b>
<i>Of which current</i>	(136.4)	(147.0)
<i>Of which non-current</i>	(1,516.2)	(1,686.6)
<b>Net cash (debt)</b>	<b>(1,579.6)</b>	<b>(1,741.7)</b>
<b>Net cash (debt) excluding fair value of financial instruments and loan issuance expenses</b>	<b>(1,584.8)</b>	<b>(1,724.7)</b>

\* At 12/31/2013, €71.0 M available under the undrawn revolving credit line (at 12/31/2013, €20 M available)

# Financial structure and debt maturity as of 12/31/2013

	Size (€M)	Margin (bp) / Rate (%)
Tranche A3	954.5	400
Tranche A5	342.8	360
RCF 3*	-	360
<b>Total bank debt</b>	<b>1 297.3</b>	<b>382** / 6.38%</b>
Senior secured notes	350.0	8.875%
<b>Bank and bond debt</b>	<b>1 647.3</b>	<b>6.83%***</b>
Other debts	5.3	
<b>Total gross debt</b>	<b>1 652.7</b>	
Net cash	73.1	
<b>Total net debt</b>	<b>1 579.6</b>	



\* As of 12/31/2013, €71,0 M available under the undrawn revolving credit line (20 M€ available as of 12/31/2012) \*\* 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 : 71 M€ as of 12/31/2013 and 60 M€ as of 12/31/2014

<sup>1</sup>including cash sweep estimated at 41,7M€



## **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 charges:**

- 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 other operating income and expenses: are primarily comprised of taxes, certain provisions for risks, and provisions for bad debts

## **Salaries and charges:**

- Exclude legal 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

## **Gross operating margin (GOM) normalised:**

- GOM adjusted of 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 or liability hedging instruments and minus cash and cash equivalents

## **Ratio of net debt to GOM:**

- As defined in the agreement concluded with the financial establishments, in other words 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:**

- As defined in the agreement concluded with the financial establishments, 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

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[www.solocalgroup.com](http://www.solocalgroup.com)