Consolidated financial information as at 31 March 2014

Board of Directors of 29 April 2014

Unofficial translation of the French-language "*Informations financières consolidées au 31 mars 2014*" of Solocal Group, for information purposes only.

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Solocal Group
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Commercial and Companies Register Nanterre 552 028 425

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1. ACTIVITY REPORT AS AT 31 MARCH 2014

1.1. Overview

The Group's core business activity is the provision of local information, principally in France, through the publication of online and printed directories, and the publication of editorial content to assist users in making searches and choices. Through its subsidiaries, Solocal Group (ex – PagesJaunes Groupe) conducts three complementary businesses: the provision of content and services, media and advertising representation. Its offering comprises a diversified range of products and services associated with this activity for the general public and businesses.

The Group's business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either as a whole or in segments, among businesses.

The Group's activities are organised in three segments:

- Internet:

  These are the activities carried out through the Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly carried out in France, but also in Spain (QDQ Media). Through Yelster Digital, specialised in metasearch activities (including 123people until March 2014, e-reputation and 123pages), the group markets its products and services in many other countries.

  This segment comprises the online directory activity of "pagesjaunes.fr" and "pagespro.com", the creation and marketing of content and advertising space of the "search" and "display" type, particularly through Horyzon Média's Internet advertising representation, as well as through online small ads from "annoncesjaunes.fr" and "avendrealouer.fr".

  The Group is one of the key European players in making and hosting sites. It offers its clients web optimisation and visibility solutions through Search Engine Optimisation (''SEO'') or Search Engine Marketing (''SEM'', paid listing).

  This segment includes routes, geolocation and reservation services of Mappy, and couponing from 123deal and digital promotion.

  Online people and profile search with 123people (until March 2014), online quotation requests and contact establishment with players of the construction industry from Sotravo, the themed content site ComprendreChoisir.com published by Fine Media, the online ordering of meals on Chronoresto.fr from locally-listed restaurants (in 2013) and the Direct Marketing (emailing type) services are also included this segment.

- Printed Directories:

  This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, *l'Annuaire)*.

- Other businesses:

  This comprises the specific businesses of Solocal Group: directory enquiry services by telephone and SMS (118 008), and the QuiDonc reverse directory. This segment also includes some activities of PJMS (formerly PagesJaunes Marketing Services): telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

1.2. Commentary on the results as at 31 March 2014

Solocal Group	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Revenues	**215.7**	**228.0**	**-5.4%**
Net external expenses	(46.7)	(45.9)	-1.7%
Salaries and charges	(83.0)	(86.0)	3.5%
Gross Operating Margin	**86.0**	**96.0**	**-10.4%**
As % of revenues	*39.9%*	*42.1%*	
Legal employee profit-sharing	(2.6)	(2.9)	10.3%
Share-based payment	(0.3)	(0.6)	50.0%
Depreciation and amortisation	(10.3)	(9.9)	-4.0%
Other income and expenses	(9.4)	0.0	na
Operating income	**63.5**	**82.6**	**-23.1%**
As % of revenues	*29.4%*	*36.2%*	
Financial income	0.5	1.0	-50.0%
Financial expenses	(28.3)	(35.0)	19.1%
Net financial income	**(27.8)**	**(34.0)**	**18.2%**
Share of profit or loss of an associate	0.0	(0.1)	100.0%
Income before tax	**35.7**	**48.4**	**-26.2%**
Corporate income tax	(16.2)	(19.4)	16.5%
Income for the period	**19.5**	**29.0**	**-32.8%**
of which attributable to:			
- Shareholders of Solocal Group	19.5	29.0	-32.8%
- Non-controlling interests	(0.0)	(0.0)	

Excluding 123people, the number of visits to the Group’s websites as a whole totalled 486.0 million as at 31 March 2014, up 5.6% compared to 31 March 2013 on a like-for-like basis, with a number of visits on mobile up 34%. Mobile represents 29% of the Group's internet audience. The 123People website was shut down in the first quarter due to the abrupt decline in the traffic caused by successive modifications to Google's search algorithms. The Group had recorded a provision for partial depreciation in the assets of Yelster for this purpose in its accounts as at 31 December 2013. This shut-down did not have any significant effect on the accounts in the first quarter of 2014.

In an economic environment which remains morose, consolidated revenues for Solocal Group stand at 215.7 million euros as at 31 March 2014, down 5.4% compared to 31 March 2013 based on published figures. Internet revenues represent 71% of the Group's revenue as at 31 March 2014 compared to 68% as at 31 March 2013. Revenues from printed directories are down 15.2% compared to 31 March 2013. Internet revenues are down 0.9% over the quarter, in a context of profound commercial transformation and setting up of new sales staff contracts, which resulted in the departure of nearly 300 sales staff which is about 20% of the workforce concerned. The new commercial organisation by vertical and the recruiting of new sales staff are under way with the end of deployment scheduled to be finalised by the end of the summer.

The Group's gross operating margin stands at 86.0 million euros as at 31 March 2014, down 10.4% compared to 31 March 2013. In a context of declining revenue and profound transformation, controlling the costs for Printed directories and personnel expenses has allowed the Group to maintain a high gross operating margin of 39.9% as at 31 March 2014 compared to 42.1% as at 31 March 2013. The margin for the 1st quarter is impacted by the drop in the activity and by investments in the management of the digital transformation, which should allow the Group to get back on the path to growth in 2015.

The Group’s operating income stands at 63,5 million euros as at 31 March 2014, down 23,1% compared to previous year. The 19.1 million euro decrease in operating income stems from the 10.0 million euro decrease in gross operating margin and from additional restructuring costs of 9.3 million euros due mainly to the increase in the number of PagesJaunes sales staff who opted for the departure plan.

The Group's financial result represents a net expense of 27.8 million euros which decreased 18.2% between 31 March 2013 and 31 March 2014. The average interest rate for the debt decreased 103 basis points, changing from 7.07% as at 31 March 2013 to 6.05% as at 31 March 2014, this drop is due to the more favourable effect of hedging instruments.

Income for the period amounted to 19.5 million euros, down 32.8% compared to 31 March 2013.

The following table summarises the revenues and gross operating margin for each of the Group’s three segments: Internet, Printed directories and Other businesses.

Solocal Group	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Internet	154.0	155.4	-0.9%
Printed directories	56.7	66.9	-15.2%
Other businesses	5.0	5.7	-12.3%
Revenues	**215.7**	**228.0**	**-5.4%**
Internet revenues as % of total revenues	*71.4%*	*68.2%*	
Internet	60.2	64.1	-6.1%
Printed directories	24.5	30.0	-18.3%
Other businesses	1.3	1.9	-31.6%
Gross Operating Margin	**86.0**	**96.0**	**-10.4%**
As % of revenues	*39.9%*	*42.1%*	

1.2.1. Analysis of the revenues and gross operating margin of the Internet segment

The following table shows the revenues and gross operating margin of the Internet segment as at 31 March 2013 and as at 31 March 2014:

Internet	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Revenues	**154.0**	**155.4**	**-0.9%**
Gross Operating Margin	**60.2**	**64.1**	**-6.1%**
As % of revenues	*39.1%*	*41.2%*	

Internet segment revenues decreased by 0.9% as at 31 March 2014 to 154.0 million euros. Internet revenues were affected by the commercial reorganisation and the slowdown in the growth of the Search activity.

The gross operating margin of the Internet segment stands at 60.2 million euros as at 31 March 2014, down 6.1% compared to 31 March 2013. The gross operating margin of the Internet segment is impacted by the commercial reorganisation and by investments in the management of the digital transformation. This also results in a moderate drop in the gross operating margin moving from 41.2% as at 31 March 2013 to 39.1% as at 31 March 2014.

1.2.2. Analysis of the revenues and gross operating margin of the Printed Directories segment

The following table shows the revenues and gross operating margin of the Printed directories segment as at 31 March 2013 and as at 31 March 2014:

Printed directories	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Revenues	**56.7**	**66.9**	**-15.2%**
Gross Operating Margin	**24.5**	**30.0**	**-18.3%**
As % of revenues	*43.2%*	*44.8%*	

The revenues of the Printed directories segment decreased by 15.2% as at 31 March 2014 to 56.7 million euros. The decline in printed directories remains contained. There was no discontinuation of Pages Blanches in the first quarter of 2014.

The gross operating margin for the Printed Directories segment stands at 24.5 million euros as at 31 March 2014, down 18.3% compared to 31 March 2013. The gross operating margin rate has declined moderately by 1.6 point, to 43.2% as at 31 March 2014. The limited erosion in the margin rate reflects the continuation of sustained efforts to reduce the production, printing and distribution costs of Printed directories, which declined significantly by 23% over the 1st quarter.

1.2.3. Analysis of the revenues and gross operating margin of the Other businesses segment

The following table shows the revenues and gross operating margin of the Other businesses segment as at 31 March 2013 and as at 31 March 2014:

Other businesses	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Revenues	**5.0**	**5.7**	**-12.3%**
Gross Operating Margin	**1.3**	**1.9**	**-31.6%**
As % of revenues	*26.0%*	*33.3%*	

The revenues of the Other businesses segment decreased by 12.3% as at 31 March 2014 to 5.0 million euros. This was primarily due to the sharp decrease in revenues from telephone directory enquiry services, and in revenues from advertisers and from calls made by users of this service.

The gross operating margin of the Other businesses segment stands at 1.3 million euros as at 31 March 2014, down 31.6% compared to 31 March 2013. The gross operating margin rate decreased from 33.3% as at 31 March 2013 to 26.0% as at 31 March 2014. The drop in the margin rate stems from the drop in revenue. As the advertising expenses to promote the telephone directory enquiry services (118 008) were discontinued in 2012, efforts in optimising the margin are now based primarily on controlling production costs and continuing with initiatives to save on call processing costs.

1.2.4. Analysis of consolidated operating income

The table below shows the Group's consolidated operating income as at 31 March 2013 and as at 31 March 2014:

Solocal Group	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Gross Operating Margin	**86.0**	**96.0**	**-10.4%**
Legal employee profit-sharing	(2.6)	(2.9)	10.3%
Share-based payment	(0.3)	(0.6)	50.0%
Depreciation and amortisation	(10.3)	(9.9)	-4.0%
Other income and expenses	(9.4)	0.0	na
Operating income	**63.5**	**82.6**	**-23.1%**
As % of revenues	*29.4%*	*36.2%*	

1.2.4.1. Employee profit-sharing and share-based payment

The employee profit-sharing in the Group amounted to 2.6 million euros as at 31 March 2014, down 10.3% compared to 31 March 2013, in line with that of the gross operating margin.

The expense for share-based payments amounted to 0.3 million euros as at 31 March 2014 compared to 0.6 million euros as at 31 March 2013. This expense stems from stock option plans and free grants of shares.

1.2.4.2. Depreciation and amortisation

The Group's depreciation and amortisation charges amounted to 10.3 million euros as at 31 March 2014 compared to 9.9 million euros as at 31 March 2013, an increase of 4.0%. This increase reflects the ongoing investments carried out by the Group in order to support its digital transformation, with in particular a revamping of the sales tools, the enhancements to the functionalities of the Group's fixed and mobile websites.

1.2.4.3. Operating income

The Group's operating income as at 31 March 2014 stands at 63.5 million euros, down 23.1% compared to 31 March 2013 which can be explained by the 10.0 million euro drop in gross operating margin and from additional restructuring costs of 9.3 million euros due mainly to the increase in the number of PagesJaunes sales staff who opted for the departure plan. The rate of the Group's operating margin decreased from 36.2% as at 31 March 2013 to 29.4% as at 31 March 2014.

1.2.5. Analysis of income for the period

The table below shows the Group's income for the period as at 31 March 2013 and as at 31 March 2014:

Solocal Group	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Operating income	**63.5**	**82.6**	**-23.1%**
Financial income	0.5	1.0	-50.0%
Financial expenses	(28.3)	(35.0)	19.1%
Net financial income	**(27.8)**	**(34.0)**	**18.2%**
Share of profit or loss of an associate	0.0	(0.1)	100.0%
Income before tax	**35.7**	**48.4**	**-26.2%**
Corporate income tax	(16.2)	(19.4)	16.5%
Income for the period	**19.5**	**29.0**	**-32.8%**
of which attributable to:			
- Shareholders of Solocal Group	19.5	29.0	-32.8%
- Non-controlling interests	(0.0)	(0.0)	

1.2.5.1. Financial result

The Group financial result represents net expense of 27.8 million euros as at 31 March 2014 compared to 34.0 million euros as at 31 March 2013. The financial result is primarily composed of interest expense relating to the bank loan, amounting to 1,234.6 million euros as at 31 March 2014 (1,368.1 million euros as at 31 March 2013), and relating to the bond loan issued in 2011 for an amount of 350.0 million euros. As at 31 March 2014, the revolving line of credit is utilised for 20.0 million euros.

As at 31 March 2014, the bank debt is hedged 65% by forward swaps and a collar. Taking scheduled repayments into account, this hedging rate will be about 72% between now and the maturity in September 2015.

The total interest expense amounted to 24.6 million euros as at 31 March 2014 compared to 31.3 million euros as at 31 March 2013. The average interest rate for the debt decreased from 7.07% as at 31 March 2013 to 6.05% as at 31 March 2014, which is a decrease of 103 basis points due to the more favourable effect of hedging instruments.

The financial result also includes the amortisation of loan issue expenses amounting to 3.0 million euros as at 31 March 2014 compared to 3.0 million euros as at 31 March 2013. Investment income amounted to 0.2 million euros as at 31 March 2014 compared to 0.3 million euros as at 31 March 2013. The change in the fair value of hedging instruments (portion recognised in profit or loss) represented income of 0.4 million euros as at 31 March 2014 compared to 0.7 million euros as at 31 March 2013.

1.2.5.2. Corporation tax

As at 31 March, the Group recorded a corporation tax charge of 16.2 million euros, down 16.5% compared to 31 March 2013. The effective tax rate is 45.3% as at 31 March 2014 compared to 40.0% as at 31 March 2013. This change in the effective tax rate can be explained by the 1.9 point increase in the CIT rate (increasing from 36.1% to 38.0% introduced by the Finance Law of 2013) and an impact that was more unfavourable in 2014 than in 2013 of the partial deductibility of financial interest that changed from 85% in 2013 to 75% in 2014. These effects are partially offset by higher tax credits (CICE “Tax Credit for Competition and Employment” in particular).

1.2.5.3. Income for the period

The Group’s income for the period amounted to 19.5 million euros as at 31 March 2014 compared to 29.0 million euros as at 31 March 2013, a decrease of 32.8% between the two periods.

1.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group’s cash position as at 31 March 2014, as at 31 December 2013, and as at 31 March 2013:

Solocal Group in million euros	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Accrued interest not yet due	0.0	0.0	0.0
Cash and cash equivalents	84.0	75.5	91.7
Cash	**84.0**	**75.6**	**91.7**
Bank overdrafts	(1.1)	(2.5)	(3.3)
Net cash	**82.9**	**73.1**	**88.4**
Bank borrowing	1,234.6	1,297.5	1,368.2
Bond loan	350.0	350.0	350.0
Revolving credit facility	20.0	-	-
Loan issue expenses	(22.4)	(25.4)	(34.6)
Capital leases	0.0	0.0	0.1
Fair value of hedging instruments	18.0	20.2	44.3
Accrued interest not yet due	18.2	6.3	37.4
Earn-outs	3.2	3.3	4.9
Other financial liabilities	3.1	0.8	2.1
Gross financial debt	**1,624.8**	**1,652.7**	**1,772.4**
of which current	*138.7*	*136.4*	*152.8*
of wich non current	*1,486.2*	*1,516.2*	*1,619.6*
Net debt	**1,541.9**	**1,579.6**	**1,684.0**
Net debt excl. fair value of hedging instruments and loan issue expenses	**1,546.3**	**1,584.8**	**1,674.3**

The Group net debt is down 142.1 million euros compared to 31 March 2013 and down 37.7 million euros compared to 31 December 2013. It stood at 1,541.9 million euros at 31 March 2014 compared to 1,579.6 million euros at 31 December 2013 and 1,684.0 million euros at 31 March 2013.

As at 31 March 2014, it mainly comprised:

- a bank loan, for a total amount of 1,234.6 million euros, comprised of 2 tranches:

- Tranche A3 for an amount of 905.3 million euros of which 33.8 million euros is payable in under one year, the final maturity is September 2015,

- Tranche A5 for an amount of 329.3 million euros of which 61.1 million euros is payable in under one year (excluding excess cash flow), the final maturity is September 2015,

- the fair value of hedging instruments which represents a debt of 18.0 million euros as at 31 March 2014. As at 31 March 2014, the bank debt is hedged 65% by forward swaps.

- a revolving credit line of a total of 68.2 million euros. The drawing on this line amounted to 20.0 million euros as at 31 March 2014.

- a bond loan amounting to a total of 350.0 million euros at a fixed rate of 8.875% repayable in mid-2018.

- of net cash flow of 82.9 million euros.

As at 31 March 2014, the amount available in the revolving credit line amounts to 48.2 million euros. Including the cash flow as at 31 March 2014, available cash thus amounts to 131.1 million euros.

Excluding the fair value of interest rate hedging instruments, representing a liability of 18.0 million euros as at 31 March 2014, compared to a liability of 44.3 million euros as at 31 March 2013, and excluding loan issue expenses of 22.4 million euros as at 31 March 2014, compared to 34.6 million euros as at 31 March 2013, the net debt amounted to 1,546.3 million euros as at 31 March 2014, compared to 1,674.3 million euros as at 31 March 2013.

The table below shows the cash flows of the consolidated Group as at 31 March 2013 and as at 31 March 2014:

Solocal Group	**As at 31 March**		
in million euros	**2014**	**2013**	**Change 2014/2013**
Net cash from operations	67.6	83.2	(15.6)
Net cash used in investing activities	(19.7)	(9.5)	(10.2)
Net cash provided by (used in) financing activities	(38.1)	(77.1)	39.0
Impact of changes in exchange rates on cash	(0.0)	-	(0.0)
Net increase (decrease) in cash position	**9.8**	**(3.4)**	**13.3**
Net cash and cash equivalents at beginning of period	73.1	91.9	(18.8)
Net cash and cash equivalents at end of period	**82.9**	**88.4**	**(5.5)**

Net cash and cash equivalents for the Group amounted to 82.9 million euros as at 31 March 2014, compared to 88.4 million euros as at 31 March 2013.

The net cash from operations amounted to 67.6 million euros as at 31 March 2014 compared to 83.2 million euros as at 31 March 2013, representing a decrease of 15.6 million euros due mainly to:

- a gross operating margin of 86.0 million euros as at 31 March 2014, down 10.0 million euros compared to 31 March 2013,

- a decrease in the working capital requirement of 18.9 million euros as at 31 March 2014 compared to a decrease of 20.6 million euros as at 31 March 2013, representing a lesser resource of 1.7 million euros between the two periods,

- a net disbursement of 3.5 million euros for restructuring costs as at 31 March 2014,

- a net disbursement of 12.6 million euros in respect of financial interest as at 31 March 2014 compared to 10.4 million euros as at 31 March 2013. Disbursement of first quarter 2014 includes a shift of 4.2 million euros which will be disbursed in the 3rd quarter 2014 while the disbursement of first quarter 2013 included a shift of 14 million euros which has been disbursed in the second quarter of 2013,

- a disbursement of 20.0 million euros in respect of corporation tax as at 31 March 2014 compared to 21.0 million euros as at 31 March 2013.

The net cash used in investing activities represents a disbursement of 19.7 million euros as at 31 March 2014, an increase compared to a disbursement of 9.5 million euros recorded as at 31 March 2013, mainly comprising:

- 16.6 million euros in respect of acquisitions of tangible and intangible fixed assets as at 31 March 2014 compared to 9.5 million euros as at 31 March 2013, reflecting in particular a revamping of the sales tools as well as the investments carried out in the framework of launching new products and services for customers, and the enhancements to the functionalities of the Group's fixed and mobile Internet sites.

The net cash used in financing activities amounted to 38.1 million euros as at 31 March 2014 compared to 77.1 million euros as at 31 March 2013, representing a decrease of 39.0 million euros due mainly to:

- a decrease of 62.8 million euros as at 31 March 2014 corresponding to contractual repayments of the bank loan of which 41.7 million euros in respect of the excess cash flow clause,

- an increase of 20.0 million euros corresponding to the drawings under the revolving credit line as at 31 March 2014, compared to a decrease of 75.8 million euros corresponding to repaying the balance of the revolving credit lines as at 31 March 2013,

- receipts in respect of own shares amounting to 0.9 million euros at 31 March 2014 compared to disbursements of 0.1 million euros as at 31 March 2013.

1.4. Risks and uncertainties relating to the last three quarters of 2014

The main risks and uncertainties identified by the Group concern:

- The operational activities and the strategy of the Group: the decrease in the use of the Printed directories combined with increasing competition in the online advertising market, a deterioration in the economic conditions, uncertainty concerning the economic model for online advertising and the reduction in the content of its services are risk factors that could have a significant negative impact on the Group’s business, financial position or results.

- The financial aspects: in view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk and to an execution risk on its refinancing operations, especially on the capital increase project and the extension of its maturities to 2015, described in the paragraph concerning events subsequent to the closing date.

- The legal aspects: the occurrence of arbitration procedures or major lawsuits, uncertainty or stiffening of applicable regulations, especially the application of restrictions to the Group's right to collect personal data, could have a significant unfavourable effect on the Group's business, results, financial position or its ability to achieve its goals.

2. Consolidated condensed accounts

2.1 - Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	**As at 31 March 2014**	**As at 31 March 2013**
Revenues	215,699	227,993
Net external expenses	(46,741)	(45,937)
Personnel expenses : - Salaries and charges	(82,967)	(86,038)
Gross Operating Margin	**85,992**	**96,018**
- Legal employee profit-sharing	(2,597)	(2,916)
- Share-based payment	(276)	(634)
Depreciation and amortisation	(10,282)	(9,918)
Other income and expenses	(9,351)	2
Operating income	**63,486**	**82,552**
Financial income	528	957
Financial expenses	(28,309)	(34,999)
Net financial income	**(27,781)**	**(34,042)**
Share of profit or loss of an associate	33	(135)
Corporate income tax	(16,192)	(19,385)
Income for the period	**19,546**	**28,991**
Income for the period attributable to:		
- Shareholders of Solocal Group	19,550	29,001
- Non-controlling interests	(4)	(10)
Net earnings per share (in euros)		
Net earnings per share of the consolidated group		
- basic	0.07	0.10
- diluted	0.07	0.10

2.2 - Statement of comprehensive income

(Amounts in thousands of euros)	**As at 31 March 2014**	**As at 31 March 2013**
Income for the period report	**19,546**	**28,991**
Net (loss) /gain on cash flow hedges		
- Gross	1,786	9,626
- Deferred tax	(679)	(3,504)
- Net of tax	**1,107**	**6,122**
ABO reserves :		
- Gross	-	(280)
- Deferred tax	-	101
- Net of tax	**-**	**(179)**
Exchange differences on translation of foreign opera	(3)	2
Other comprehensive income	**1,104**	**5,945**
Total comprehensive income for the period, net	**20,650**	**34,936**
Total comprehensive income for the period attributable to:		
- Shareholders of Solocal Group	20,654	34,946
- Non-controlling interests	(4)	(10)

2.3 - Statement of financial position

(Amounts in thousands of euros)	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Assets			
Net goodwill	80,884	78,697	82,340
Other net intangible fixed assets	87,339	80,773	70,134
Net tangible fixed assets	23,302	23,569	24,262
Investment in an associate	6,057	6,024	5,987
Available-for-sale assets	439	515	271
Other non-current financial assets	5,085	4,944	1,397
Net deferred tax assets	18,607	20,257	24,064
Total non-current assets	**221,713**	**214,779**	**208,455**
Net inventories	402	915	2,686
Net trade accounts receivable	399,868	405,843	416,926
Acquisition costs of contracts	63,676	63,250	70,557
Other current assets	29,308	24,727	32,841
Current tax receivable	5,208	777	5,901
Prepaid expenses	13,311	5,905	13,850
Other current financial assets	9,963	8,264	6,124
Cash and cash equivalents	84,037	75,569	91,702
Total current assets	**605,774**	**585,250**	**640,586**
Total assets	**827,487**	**800,029**	**849,041**
Liabilities			
Share capital	56,197	56,197	56,197
Issue premium	98,676	98,676	98,676
Reserves	(1,984,982)	(2,100,026)	(2,100,533)
Income for the period attribuable to shareholders of Solocal Group	19,550	114,772	29,001
Other comprehensive income	(25,284)	(26,391)	(44,518)
Own shares	(9,720)	(10,004)	(10,400)
Equity attributable to equity holders of the Solocal Group	**(1,845,563)**	**(1,866,777)**	**(1,971,578)**
Non-controlling interests	56	60	(5)
Total equity	**(1,845,507)**	**(1,866,717)**	**(1,971,583)**
Non-current financial liabilities and derivatives	1,486,175	1,516,223	1,619,558
Employee benefits - non-current	87,928	85,051	85,290
Provisions - non-current	18,347	16,259	6,454
Deferred tax liabilities	-	-	899
Total non-current liabilities	**1,592,450**	**1,617,533**	**1,712,201**
Bank overdrafts and other short-term borrowings	121,567	132,652	118,695
Accrued interest	18,195	6,269	37,411
Provisions - current	14,814	11,698	95
Trade accounts payable	86,177	84,484	72,165
Employee benefits - current	118,549	119,207	124,297
Other current liabilities	102,015	94,608	98,662
Corporation tax	3,040	2,840	3,212
Deferred income	616,187	597,455	653,886
Total current liabilities	**1,080,543**	**1,049,213**	**1,108,423**
Total liabilities	**827,487**	**800,029**	**849,041**

2.4 - Statement of changes in equity

(Amounts in thousands of euros)	Number of shares in circulation	Share capital	Issue premium	Own shares	Income and reserves	Cash flow hedges & actuarial differences	Translation reserve	Group equity	Non-controlling interests	Total equity
Balance as at 31 December 2012	**277,656,043**	**56,197**	**98,676**	**(10,010)**	**(2,101,169)**	**(50,461)**	**-**	**(2,006,767)**	**5**	**(2,006,762)**
Total comprehensive income for the period, net of tax					29,001			**29,001**	(10)	**28,991**
Other comprehensive income, net of tax						5,943	2	**5,945**		**5,945**
Comprehensive income for the period, net of tax					**29,001**	**5,943**	**2**	**34,946**	**(10)**	**34,936**
Share-based payment					634			**634**	-	**634**
Shares of the consolidating company net of tax effect	(86,497)			(390)				**(390)**	-	**(390)**
Balance as at 31 March 2013	**277,569,546**	**56,197**	**98,676**	**(10,400)**	**(2,071,535)**	**(44,518)**	**2**	**(1,971,578)**	**(5)**	**(1,971,583)**
Total comprehensive income for the period, net of tax					85,771			**85,771**	65	**85,836**
Other comprehensive income, net of tax						17,794	(1)	**17,793**		**17,793**
Comprehensive income for the period, net of tax					**85,771**	**17,794**	**(1)**	**103,564**	**65**	**103,629**
Share-based payment					841			**841**	-	**841**
Shares of the consolidating company net of tax effect	(567,287)			396				**396**	-	**396**
Reclassification of reserves (actuarial differences)					(333)	333		**-**		**-**
Balance as at 31 December 2013	**277,002,259**	**56,197**	**98,676**	**(10,004)**	**(1,985,255)**	**(26,391)**	**1**	**(1,866,777)**	**60**	**(1,866,717)**
Total comprehensive income for the period, net of tax					19,550			**19,550**	(4)	**19,546**
Other comprehensive income, net of tax						1,107	(3)	**1,104**		**1,104**
Comprehensive income for the period, net of tax					**19,550**	**1,107**	**(3)**	**20,654**	**(4)**	**20,650**
Share-based payment					276			**276**	-	**276**
Shares of the consolidating company net of tax effect	1,118,984			284				**284**	-	**284**
Reclassification of reserves (actuarial differences)					-	-		**-**		**-**
Balance as at 31 March 2014	**278,121,243**	**56,197**	**98,676**	**(9,720)**	**(1,965,430)**	**(25,284)**	**(2)**	**(1,845,563)**	**56**	**(1,845,507)**

2.5 - Cash flow statement

(Amounts in thousands of euros)	Notes	**As at 31 March 2014**	**As at 31 March 2013**
Income for the period attributable to shareholders of Solocal Group		**19,550**	**29,001**
Depreciation and amortisation of fixed assets	11 & 13	10,282	9,918
Change in provisions	21	7,337	850
Share-based payment		276	634
Capital gains or losses on asset disposals		29	(2)
Interest income and expenses	4	24,685	25,502
Hedging instruments	4	3,096	8,540
Unrealised exchange difference		-	-
Tax charge for the period	5	16,192	19,385
Share of profit or loss of an associate		(33)	135
Non-controlling interests		(4)	(10)
Decrease (increase) in inventories		513	(319)
Decrease (increase) in trade accounts receivable		4,940	13,175
Decrease (increase) in other receivables		(12,446)	(14,800)
Increase (decrease) in trade accounts payable		(754)	(3,815)
Increase (decrease) in other payables		26,609	26,361
Net change in working capital		**18,861**	**20,602**
Dividends and interest received		162	292
Interest paid and rate effect of net derivatives		(12,732)	(10,646)
Corporation tax paid		(20,087)	(20,974)
Net cash from operations		**67,614**	**83,226**
Acquisition of tangible and intangible fixed assets	12 & 13	(16,593)	(9,461)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		(3,090)	(71)
Net cash used in investing activities		**(19,683)**	**(9,532)**
Increase (decrease) in borrowings	26	(39,002)	(76,994)
Other cash from financing activities ow own shares		919	(138)
Net cash provided by (used in) financing activities		**(38,083)**	**(77,132)**
Impact of changes in exchange rates on cash		(1)	-
Net increase (decrease) in cash position		**9,846**	**(3,438)**
Net cash and cash equivalents at beginning of period		73,079	91,872
Net cash and cash equivalents at end of period	7	**82,925**	**88,434**

2.6 – Notes to the consolidated financial statements

Note 1 - Description of the business

For over sixty years, the Solocal Group has provided a diversified range of products and services for consumers and businesses, with its provision of local information through online and printed directories publishing constituting its core business, as well as the publication of editorial content to assist users in making searches and choices. The Group's main activities are described in note 3.

The accounting year for the companies in the Solocal Group extends from 1 January to 31 December. The currency used in presenting the consolidated financial statements and the accompanying notes is the euro.

Solocal Group is a public limited company listed on Euronext Paris (PAJ).

This information was approved by the Board of Directors of Solocal Group on 29 April 2014.

Note 2 – Context of publication and basis for preparation of the consolidated condensed financial statements

The consolidated financial statements of Solocal Group, drawn up for the period of three months ending on 31 March 2014, were prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting. As these are summary statements, they do not include all of the information required by IFRS standards and must be read in relation with the Group's annual consolidated financial statements for the year ended 31 December 2013 available on (http://www.solocalgroup.com/en/finances), subject to the particularities inherent with drawing up interim financial statements described hereinafter..

The accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2013, with the exception of new standards, amendments and interpretations which are mandatory with effect from 1 January 2014, but which have no significant impact:

- IAS 27 revised: Separate Financial Statements
- IAS 28 revised: Investments in associates and joint ventures
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of Interests in other entities
- Amendment IAS 32: Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 10,11,12 – Transition guidance
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendments to IAS 36: Recoverable Amount Disclosures for Non Financial Assets
- Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 31 March 2014.

Furthermore, these principles do not differ from the IFRS standards as published by the IASB insofar as there would be no significant impact from the implementation of the amendments and interpretations which are mandatory for financial years commencing from 1 January 2014, as set out in the reference framework published by the IASB, but which are not yet mandatory in the reference framework endorsed by the European Union.

The Group is not applying the following instruments, which were not adopted by the European Union as at 31 March 2014:

- IFRS 14: Regulatory Deferral Accounts (applicable 1 January 2016)
- IFRS 9 Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39
- IAS 19 Defined Benefit Plans: Employee Contributions
- Improvements to IFRSs 2010-2012 Cycle
- Improvements to IFRSs 2011-2013 Cycle
- IFRIC 21: Levies

Nonetheless, the Group is currently reviewing the practical consequences of these new instruments and the effects of their implementation on its future financial statements. At this stage of the review, the impacts on its consolidated financial statements are not significant.

All of the standards and interpretations adopted by the European Union as at 31 March 2014 are available on the website of the European Commission at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

In order to prepare the financial statements, the Management of the Group is required to make estimates and assumptions which have an effect on the amounts presented as assets and liabilities, the contingent liabilities at the date of preparation of the financial statements and the amounts presented as income and expenses for the financial year. The Management continuously evaluates these estimates and assessments on the basis of its past experience, as well as various other factors deemed reasonable, which combine to form the basis of its assessment of the book value of the assets and liabilities. This includes in particular goodwill, acquisition costs of contracts, share-based payments, restructuring costs and the valuation of pension liabilities. The actual results could differ appreciably from these estimates, if the actual outcome differs. Finally, where a specific transaction is not covered by any standards or interpretations, the Management of the Group applies judgement to define and apply accounting methods which will provide relevant and reliable disclosures, ensuring that the financial statements:

- present a true and fair view of the financial position, the financial performance and the cash flow of the Group,
- reflect the economic substance of transactions,
- are neutral,
- are prudent,
- and are complete in all material respects.

Seasonal variations

Although the activities of the Group are not subject to seasonal effects per se, in order to optimise costs, the dates of publication of the printed directories (which determine the recognition of income and related expenses) may vary from one quarter to the next, as each printed directory appears only once a year.

Impairment test as at 31 March 2014

In the absence of an indication of impairment, it was not necessary to carry out, as at 31 March 2014, impairment tests on goodwill and intangible fixed assets.

Note 3 - Segment information

The Group's core business activity is the provision of local information, principally in France, through the publication of online and printed directories, and the publication of editorial content to assist users in making searches and choices. Through its subsidiaries, Solocal Group (ex – PagesJaunes Groupe) conducts three complementary businesses: the provision of content and services, media and advertising representation. Its offering comprises a diversified range of products and services associated with this activity for the general public and businesses.

The Group's business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either as a whole or in segments, among businesses.

The Group's activities are organised in three segments:

- Internet:

  These are the activities carried out through the Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly carried out in France, but also in Spain (QDQ Media). Through Yelster Digital, specialised in metasearch activities (including 123people until March 2014, e-reputation and 123pages), the group markets its products and services in many other countries.

  This segment comprises the online directory activity of "pagesjaunes.fr" and "pagespro.com", the creation and marketing of content and advertising space of the "search" and "display" type, particularly through Horyzon Média's Internet advertising representation, as well as through online small ads from "annoncesjaunes.fr" and "avendrealouer.fr".

  The Group is one of the key European players in making and hosting sites. It offers its clients web optimisation and visibility solutions through Search Engine Optimisation (''SEO'') or Search Engine Marketing (''SEM'', paid listing).

  This segment includes routes, geolocation and reservation services of Mappy, and couponing from 123deal and digital promotion.

  Online people and profile search with 123people (until March 2014), online quotation requests and contact establishment with players of the construction industry from Sotravo, the themed content site ComprendreChoisir.com published by Fine Media, the online ordering of meals on Chronoresto.fr from locally-listed restaurants (in 2013) and the Direct Marketing (emailing type) services are also included this segment.

- Printed Directories:

  This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, *l'Annuaire)*.

- Other businesses:

  This comprises the specific businesses of Solocal Group: directory enquiry services by telephone and SMS (118 008), and the QuiDonc reverse directory. This segment also includes some activities of PJMS (formerly PagesJaunes Marketing Services): telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

The table below presents a breakdown of the main aggregates by business sector:

Amounts in thousands of euros	**As at 31 March 2014**	**As at 31 March 2013**
Revenues	**215,699**	**227,993**
- Internet	153,961	155,385
- Printed directories	56,719	66,869
- Other businesses	5,019	5,739
Gross Operating Margin	**85,992**	**96,018**
- Internet	60,170	64,101
- Printed directories	24,500	30,034
- Other businesses	1,322	1,883
Amortisation of tangible and intangible fixed assets	**(10,282)**	**(9,918)**
- Internet	(7,825)	(7,222)
- Printed directories	(2,241)	(2,477)
- Other businesses	(216)	(219)
Acquisitions of tangible and intangible fixed assets	**16,593**	**9,461**
- Internet	16,105	9,165
- Printed directories	364	170
- Other businesses	124	126

Note 4 - Financial result

The financial result is made up as follows:

(Amounts in thousands of euros)	**As at 31 March 2014**	**As at 31 March 2013**
Interest and similar items on financial assets	93	143
Result of financial asset disposals	69	149
Change in fair value of hedging instruments	366	665
Financial income	**528**	**957**
Interest on financial liabilities	(21,542)	(22,742)
Income / (expenses) on hedging instruments	(3,096)	(8,540)
Amortisation of loan issue expenses	(2,994)	(3,010)
Other financial expenses & fees	(20)	(55)
Accretion cost (1)	(657)	(652)
Financial expenses	**(28,309)**	**(34,999)**
Net financial income	**(27,781)**	**(34,042)**

(1) The accretion cost corresponds to the increase, during the financial year, of the current value of pension commitments.

Note 5 – Corporation tax

5.1 - Group tax analysis

The corporation tax results from the application of the effective tax rate at the end of the financial year to the pre-tax income.

The reconciliation of the theoretical tax, calculated on the basis of the statutory tax rate in France, and the effective tax is as follows:

Amounts in thousands of euros	**As at 31 March 2014**	**As at 31 March 2013**
Pretax net income from continuing businesses	35,738	48,376
Share of profit or loss of an associate	33	(135)
Pretax net income from continuing businesses and before Share of profit or loss of an associate	**35,705**	**48,510**
Statutory tax rate	34.43%	34.43%
Theoretical tax	**(12,294)**	**(16,704)**
Loss-making companies not integrated for tax	(389)	(115)
Share-based payment	(95)	(218)
Foreign subsidiaries	66	3
Corporate value added contribution (after tax)	(1,791)	(1,911)
Ceiling of interest expense deductibility	(2,125)	(1,174)
Adjustment corporation tax of prior years	-	1,516
Goodwill impairment and earn out variation	1,252	-
Additional tax 5%	(1,197)	(793)
Other non-taxable / non-deductible items	381	11
Effective tax	**(16,192)**	**(19,385)**
of which current tax	*(15,856)*	*(21,184)*
of which deferred tax	*(336)*	*1,799*
Effective tax rate	**45.3%**	**40.0%**

5.2 - Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Retirement benefits	26,784	26,373	26,550
Employee profit-sharing	4,340	4,697	4,150
Non-deductible provisions	7,544	8,526	4,573
Hedging instruments	4,636	5,730	15,115
Tax loss carryforward	-	-	738
Other differences	966	1,043	1,071
Subtotal deferred tax assets	**44,270**	**46,369**	**52,197**
Corporate value added contribution	(34)	(40)	(78)
Loan issue costs	(9,290)	(9,859)	(12,098)
Brand 123people	-	-	(1,132)
Depreciations accounted for tax purposes	(16,339)	(16,213)	(15,724)
Subtotal deferred tax liabilities	**(25,663)**	**(26,112)**	**(29,032)**
Total net deferred tax assets / (liabilities)	**18,607**	**20,257**	**23,165**
Deferred tax assets	*18,607*	*20,257*	*24,064*
Deferred tax liabilities	*-*	*-*	*(899)*

No deferred tax asset relating to loss carryforwards of QDQ Media was recognised in the balance sheet, as this company recorded a net loss as at 31 March 2014. The amount of deferred tax not recognised is estimated at 65.0 million euros.

The deferred tax assets in the balance sheet decreased from 20.3 million euros as at 31 December 2013 to 18.6 million euros as at 31 March 2014.

In the balance sheet as at 31 March 2014, corporation tax represents a receivable of 5.2 million euros and a liability of 3.0 million euros. In the balance sheet as at 31 March 2013, corporation tax represented a receivable of 5.9 million euros and a liability of 3.2 million euros. The tax disbursed as at 31 March 2014 is 20.1 million euros compared to 21.0 million euros as at 31 March 2013.

Amounts in thousands of euros	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Opening balance	20,257	25,021	25,021
Changes recognized in equity	(1,314)	(13,543)	(3,655)
Changes recognized in income	(336)	8,779	1,799
Closing balance	**18,607**	**20,257**	**23,165**

Note 6 - Derivative financial instruments

Solocal Group uses derivative financial instruments to manage the interest rate risk associated with the variable rate bank debt. Solocal Group has implemented the procedures and documentation necessary to justify hedge accounting as defined in IAS 39.

These operations provide a cash flow hedge relating to the variable rate debt (cf. note 7). Prospective effectiveness tests performed on the inception of these operations and retrospective tests carried out on 31 December 2013 and 31 March 2014 showed that these financial instruments offered a totally effective cash flow hedge in relation to this debt.

Accounting and assets/liabilities relating to these derivative financial instruments

The value of these derivative financial instruments is made up as follows:

(in thousands of euros)	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Interest rate swaps – cash flow hedge	(16,106)	(17,892)	(40,985)
Collars – fair value hedge	(1,934)	(2,300)	(3,304)
Assets / (liability)	**(18,040)**	**(20,192)**	**(44,289)**
Of which non-current	*(18,040)*	*(20,192)*	*(23,591)*
Of which current	-	-	*(20,698)*

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2013 and 31 March 2014, i.e. an increase of 1.8 million euros for the interest rate swaps, was stated in transferable equity, after recognition of deferred tax of 0.7 million euros.

The change in the collar (qualified as fair value hedging) was recognised in financial expenses (cf. note 4), for an amount of 0.4 million euros. Deferred tax of 0.1 million euros was recorded in this respect.

No ineffectiveness was recorded with regard to cash flow hedges.

Note 7 - Cash and cash equivalents, net financial debt

Net financial debt corresponds to the total gross financial debt less or plus derivative asset and liability cash flow hedging instruments and less cash and cash equivalents.

(in thousands of euros)	**As at 31 March 2014**	**As at 31 December 2013**	**As at 31 March 2013**
Accrued interest not yet due	47	45	48
Cash equivalents	70,483	54,940	78,189
Cash	13,507	20,584	13,465
Gross cash	**84,037**	**75,569**	**91,702**
Bank overdrafts	(1,111)	(2,490)	(3,268)
Net cash	**82,926**	**73,079**	**88,434**
Bank loan	1,234,642	1,297,476	1,368,216
Bond loan	350,000	350,000	350,000
Revolving credit facility drawn	20,000	-	-
Loans issue expenses	(22,423)	(25,417)	(34,621)
Lease liability	23	44	97
Fair value of hedging instruments (cf. note 6)	18,040	20,192	44,289
Price supplements on acquisition of securities	3,224	3,301	4,898
Accrued interest not yet due	18,195	6,269	37,411
Other financial liabilities	3,125	789	2,106
Gross financial debt	**1,624,826**	**1,652,654**	**1,772,396**
of which current	*138,651*	*136,431*	*152,838*
of which non-current	*1,486,175*	*1,516,223*	*1,619,558*
Net debt	**1,541,900**	**1,579,575**	**1,683,962**

Cash and cash equivalents

As at 31 March 2014, cash equivalents amounted to 70.5 million euros and is primarily comprised of UCITS and non-blocked, remunerated, fixed-deposit accounts.

These are managed and valued on the basis of their fair value.

Bank loan (syndicated credit agreement)

The syndicated credit agreement amended in November 2012 contains the following financial covenants:

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM (the "**Leverage Ratio**") must be less than or equal to 3.75 on 31 March 2014, and at the end of each calendar quarter thereafter over the residual term of the agreement (GOM and consolidated net debt as defined in the agreement with the financial institutions);

- the ratio of an aggregate close to the consolidated GOM to the consolidated net interest expense must be greater than or equal to 3.0 at the end of each calendar quarter over the residual term of the agreement (GOM and consolidated net debt as defined in the agreement with the financial institutions).

As at 31 March 2014, these financial covenants were met and there are no grounds for reclassifying non-current debt as current debt. These ratios were respectively at 3.72x and 3.69x.

The Company's syndicated credit agreement also includes compulsory early repayment clauses including in particular:
- a compulsory early repayment clause that applies in the event of a change of control of the Company resulting from the acquisition of the shares of the Company; and
- an early partial repayment clause for each half calendar year for a percentage of the cash flows of the consolidated Group less the debt service (this includes voluntary early repayments), with this percentage varying according to the level of the Leverage Ratio.

The Company's syndicated credit agreement also includes certain commitments (subject to certain exceptions) to apply or not to apply to the Company and/or to its subsidiaries, including the following commitments in particular:
- obligation to maintain certain authorisations;
- restrictions concerning the granting of sureties;
- restrictions concerning the carrying out of mergers, spin-offs or other restructuring;
- commitment to not change the general nature of the activities of the Company and of the Group with regards to their activity on the conclusion date of the syndicated credit agreement;
- restrictions concerning the financial debt that can be incurred by the Company's subsidiaries; and
- the Company is not allowed to engage in distributing dividends, purchasing its shares, amortising and reducing its capital and other cash distributions concerning its capital as long as the Leverage Ratio is higher than 3.0:1.0.

The Company's syndicated credit agreement finally includes the usual default clauses (in particular in cases of payment default, non-compliance with financial covenants of the Company's commitments (including the commitments mentioned hereinabove), cross-default and opening proceedings for the prevention of and handling of company difficulties) allowing lenders to accelerate the term of the loans that they have granted to the Company and to cancel their commitments with regards to the Company's syndicated credit agreement.

The bond loan amounting to 350 million euros mentioned hereinabove was issued by the entity PagesJaunes Finance & Co SCA (which is not an entity affiliated with the Company) and its income was used by the latter to finance the making available to the Company of a Tranche C1 with regards to the Company's syndicated credit agreement.

The compulsory early repayment clause of the Company's syndicated credit agreement in the event of a change in control does not apply to the Tranche C1. In the event of a change in the control of the Company, the Company will have to pay PagesJaunes Finance & Co SCA (who is the sole lender with regards to the Tranche C1) an amount with regards to the Tranche C1 such that it will allow PagesJaunes Finance & Co SCA to buy back bonds from bond holders who so desire with regards to the aforementioned bond loan.

Moreover, PagesJaunes Finance & Co SCA and the Company have signed a separate agreement that provides for certain commitments in particular (subject to certain exceptions) to apply or not to apply to the Company and/or to its subsidiaries, including in particular commitments concerning the same subjects as those provided for in the Company's aforementioned syndicated credit agreement and the following commitments:
- restrictions concerning the financial debt that can be incurred by the Company and it's subsidiaries; and
- prohibition to carry out certain payments in particular with regards to distributing dividends, acquisitions and granting loans.

The reference rate is Euribor or Libor plus a margin.

As at 31 March 2014, bank debt can be broken down as follows:

- Tranche A3: principal of 905.3 million euros of which 33.8 million euros is payable in under one year, the final maturity is September 2015, margin of 400 bps;
- Tranche A5: principal of 329.3 million euros of which 61.1 million euros is payable in under one year, the final maturity is September 2015, margin of 360 bps;
- Revolving credit line RCF 3: principal of 68.2 million euros of which 12.6 million euros is payable in under one year, the final maturity is September 2015, margin of 360 bps; utilised for 20.0 million euros as at 31 March 2014

Bond borrowings

Moreover, Solocal Group has, via PagesJaunes Finance & Co SCA, a 350 million euro bond loan. This loan has a fixed rate of 8.875% and is repayable on 1 June 2018.

Price supplements on acquisition of securities

As part of the acquisitions completed between 2011 and 2014, price supplements may be paid in 2014 if certain operating performance conditions are fulfilled. As at 31 March 2014, these were estimated to be 3.2 million euros.

Other financial liabilities

The other financial liabilities primarily comprise a debit current account with PagesJaunes Outre-mer, a wholly owned non-consolidated subsidiary of Solocal Group.

Note 8 - Share-holders' equity

Through the liquidity contract, the Company held 863,511 of its own shares as at 31 March 2014 (1,982,495 as at 31 December 2013), stated as a deduction from equity.

Solocal Group also repurchased 2,000,000 of its own shares outside the liquidity contract in 2011 for a total of 6.0 million euros, stated as a deduction from equity.

As at 31 March 2014, Solocal Group consequently held 2,863,511 of its own shares.

As at 31 March 2014, 18.49% of the capital of Solocal Group is held by Médiannuaire Holding which holds 28.29% of the voting rights.

Note 9 – Changes in the scope of consolidation

The scope of consolidation did not change significantly during the first quarter of 2014.

Note 10 - Information on related parties

There were no new significant transactions or changes with related parties during the first quarter of 2014.

Note 11 – Off-balance-sheet commitments

There were no new significant commitments during the first quarter of 2014.

Note 12 – Disputes – significant changes over the quarter

On 21 September 2011, the CNIL issued a public warning to PagesJaunes for having in particular "crawled" the data of persons on six social networks and for having provided access to this data on the PagesBlanches directory without having informed the persons beforehand.
PagesJaunes disputed the means retained by the CNIL before the *Conseil d'Etat*, which in its ruling of 12 March 2014, did not retain any of the means raised and consequently rejected the recourse of PagesJaunes.

Note 13 - Events subsequent to the closing date of 31 March 2014

On 23 April 2014 Solocal Group announced that the creditors' voting meeting of the Company's *Sauvegarde Financière Accélerée* ("SFA") proceeding took place the same day (procedure opened on 9 April) and that the SFA Plan incorporating the terms of the Proposed Refinancing has been approved by its lenders representing over 92% of the commitments of Facility A3, A5 and B3 Lenders who voted, with a large participation of lenders representing over 94% of the commitments of Facility A3, A5 and B3 Lenders.
The Proposed Refinancing consists in extending the maturities of the Company's A3, A5 and B3 Facilities to 15 March 2018 with an option to further extend to 15 March 2020 (subject to certain conditions) and certain other amendments (the "Proposed Refinancing") in exchange for a minimum 400 million euros prepayment at par of the A3 and A5 Facilities with proceeds from the planned minimum 440 million euros capital increase.
The next step of the SFA proceeding is for the Commercial Court of Nanterre to review and, if acceptable, homologate the SFA Plan thereby making it binding on 100% of the commitments of the Facility A3, A5 and B3 lenders and thereby satisfying one of the key conditions precedent to the minimum 440 million euros capital increase.
The completion of the Proposed Refinancing will remain inter-conditional with the shareholders' approval and successful completion of the announced capital increase.
Resolutions related to the capital increase will be submitted to Solocal Group's shareholder approval at an EGM convened for April 29^{th}, 2014. Subject to conditions precedent being met, Solocal expects to launch its capital increase in May 2014.