Financial report as at 30 June 2015

Board of Directors of 21 July 2015

Unofficial translation of the French-language "*Rapport financier au 30 juin 2015*" of Solocal Group, for information purposes only.

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Solocal Group
Public limited company with a Board of Directors with capital of 233,259,388.60 euros
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Commercial and Companies Register Nanterre 552 028 425

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1. ACTIVITY REPORT AS AT 30 JUNE 2015

1.1. Overview

Through its subsidiaries, Solocal Group 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 creates services and makes them available which give access to a mine of useful and reliable information. Constantly adapted to today's consumption modes, they accompany citizens everywhere and everyday and make their life easier: locating and contacting a business, obtaining an itinerary, visiting merchant shops, finding good deals...

Always in line with the uses, Solocal Group develops its services not only for desktop internet but also across all the mobile platforms (in particular via applications for iPhone, iPad and Android), as such meeting the growing needs for information availability and proximity.

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 brands benefit from the strong notoriety and from the trust of users. The credibility of services, built year after year, is the base for the power of the audiences. Since the beginning of 2014, the Group has reorganised itself around 6 business units, 5 vertical "markets" Solocal Retail, Solocal B2B, Solocal Home, Solocal Services, Solocal Health & Public, and Solocal Network dedicated to brands and networks, major accounts and international customers. This organisation aims to improve the customer experience, and to best meet their expectations, in particular with the development and the marketing of products and services that are adapted to the needs of the various markets.

The Group’s activities are organised in two segments: the "Internet" segment and the "Print & Voice" segment.

- Internet:

  The Group’s Internet growth is based on 2 product lines: "search and display" on the one hand, and "digital marketing" on the other hand.

  The "search and display" products are the historical base of Solocal Group's internet activities and represent the largest share of Internet revenues.
  The Group is diversifying more and more in "digital marketing" activities, primarily by proposing new service offerings to its existing base of "search and display" customers.

  Search and display: 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). The related products are by far based on the Group's media offering "pagesjaunes.fr", "Mappy" and "ComprendreChoisir".

  Digital marketing: Solocal Group's Digital marketing solutions allows any business, from an SME to a major networked brand, to extend their presence on the Internet beyond the Group's own media, and to benefit from setting up contacts for transactional services.

  Among its digital presence solutions, Solocal Group offers the creating and hosting of Websites and listing them on pagesjaunes.fr, affiliated partners and search engines – (SEO – natural listing or SEM – paid listing). The sites developed by Solocal Group for its customers are compatible for mobile use. In addition, Internet user retargeting solutions make it possible to extend the visibility of the Group's customer sites on premium partner portals.

Solocal Group also offers setting up contacts for transactional services, suited to the activity sector of businesses: online quotation requests and contact establishment with players of the construction industry from Sotravo, online quotation requests with the themed content site ComprendreChoisir.com published by Fine Media, online appointment making using the technology developed by ClicRDV, online ordering of meals on Chronoresto.fr from locally-listed restaurants, Web-to-Store solutions through the Mappy mapping asset and Leadformance's "store locator" technology.

Furthermore, Solocal Group provides its customers with the possibility of creating and making visible promotional offers of the "couponing" type (123deal and Smartprivé), promoting and highlighting Good Deals on pagesjaunes.fr, and the creating and management of Direct Marketing campaigns (SMS, targeted emailing).

- Print & Voice:

This involves the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire).

Moreover, this also comprises the following businesses: directory enquiry services by telephone and SMS (118 008), and the QuiDonc reverse directory. This segment also includes some activities of PJMS: telemarketing, data mining, database generation, prospect processing and traditional direct marketing activities (data entry and postage).

1.2. Commentary on the results as at 30 June 2015

Consolidated income statement, as at 30 June 2015

Solocal Group	**As at 30 June**		
in million euros	**2015**	**2014**	**Change 2015/2014**
Revenues	**450.2**	**470.8**	**-4.4%**
Net external expenses	(103.7)	(109.5)	5.3%
Personnel expenses	(212.8)	(194.1)	-9.6%
Reccuring EBITDA	**133.8**	**167.2**	**-20.0%**
As % of revenues	*29.7%*	*35.5%*	
Exceptional items	(8.6)	(10.1)	14.9%
EBITDA	**125.2**	**157.1**	**-20.3%**
As % of revenues	*27.8%*	*33.4%*	
Depreciation and amortisation	(23.2)	(27.1)	14.4%
Operating income	**102.0**	**130.0**	**-21.5%**
As % of revenues	*22.7%*	*27.6%*	
Financial income	1.0	0.6	66.7%
Financial expenses	(44.0)	(58.4)	24.7%
Net financial income	**(42.9)**	**(57.8)**	**25.8%**
Share of profit or loss of an associate	0.1	(0.2)	na
Income before tax	**59.1**	**72.0**	**-17.9%**
Corporate income tax	(25.1)	(31.7)	20.8%
Effective tax rate (exluding associate)	*-42.6%*	*-44.0%*	
Income for the period	**34.0**	**40.3**	**-15.6%**

Details on consolidated revenue, as at 30 June 2015

Solocal Group	**As at 30 June**		
in million euros	**2015**	**2014**	**Change 2015/2014**
Internet Revenues	**329.2**	**315.3**	**+4.4%**
Search & Display	255.2	247.3	+3.2%
Marketing digital	74.1	68.0	+9.0%
Print & Voice Revenues	**121.0**	**155.5**	**-22.2%**
Consolidated Revenues	**450.2**	**470.8**	**-4.4%**

Audience

The number of visits to the Group's websites as a whole is 1108 million in the first half of the year, up 12% compared to the first half of 2014, on a like-for-like basis, with a number of visits on mobile Internet up 23%. Mobile represents 35% of the Group's internet audience.

1.2.1. Analysis of the revenues and recurring EBITDA

In the first half of 2015, consolidated revenues for the Group amounted to 450.2 million euros, down -4.4% compared to the first half of 2014.

- The Internet business recorded a growth of +4.4% (+4.8% in the 2nd quarter) driven by the Search & Display business at +3.2%. The growth in this activity is driven primarily by the increase in the ARPA Search & Display by +9% linked to the good monetisation of Internet audiences up +12%, and by the +9% growth in the Digital Marketing activity following the renewal of sites around the new offerings and enriched content.

- The decrease in the Print & Voice businesses amounts to -22.2% over the period (-23.2% in the 2nd quarter), affected by the increasing digitalisation of the offers carried out by sales representatives who are increasingly becoming experts in digital communication.

The Group's recurring EBITDA amounts to 133.8 million euros in the first half of 2015, down 20.0% compared to the first half of 2014. The EBITDA margin rate/revenue is 30% in the first half of 2015, down 6 points compared to the first half of 2014. This controlled drop is the result of a margin rate of 33% in the 2nd quarter of 2015 which is practically stable compared to the 2nd quarter of 2014, reflecting the setting up of the operational improvement plan:

- the substantial discipline on external expenses, down 5.3% in the first half of the year (13.5% in the 2nd quarter),
- the rigorous management of resources allowing personnel costs to stabilise in the 2nd quarter,
- and the control of the decline in the Print & Voice business with a margin rate at 30% in the first half of the year.

1.2.2. Analysis of operating income

The table below shows the Group's consolidated operating income in the first half of 2014 and in the first half of 2015:

Solocal Group	**As at 30 June**		
in million euros	**2015**	**2014**	**Change 2015/2014**
Recurring EBITDA	**133.8**	**167.2**	**-20.0%**
Exceptional items	(8.6)	(10.1)	14.9%
EBITDA	**125.2**	**157.1**	**-20.3%**
Depreciation and amortisation	(23.2)	(27.1)	14.4%
Operating income	**102.0**	**130.0**	**-21.5%**
As % of revenues	*22.7%*	*27.6%*	

The exceptional items (cost of restructuring and integration) of the Group amount to 8.6 million euros in the first half of 2015, compared to 10.1 million euros in the first half of 2014. In 2015, the expense is linked to provisions for restructuring booked as part of the operational improvement plan. In the first half of 2014, the latter had been provisioned for the commercial and marketing reorganisation of PagesJaunes.

Depreciation and amortisation for the Group stands at 23.2 million euros in the first half of 2015 compared to 27.1 million euros in the first half of 2014, a decline of 3.9 million euros (14.4%) which is explained primarily by a goodwill impairment for 3.6 million euros recognised as at 30 June 2014, and by a favourable impact of 1.5 million euros linked to the sale of the remaining stakes in Editus in the second quarter of 2015. Adjusted for these exceptional amounts, depreciation and amortisation for the Group is up 5.2% in the first half of 2015 compared to the first half of 2014.

The Group's operating income decreased by 21.5% compared to the first half of 2014 at 102.0 million euros. This drop of 28.0 million euros stems from the -33.5 million euros drop in recurring EBITDA, +1.5 million euros less in restructuring expense and +3.9 million euros from the decrease in depreciation and amortisation.

1.2.3. Analysis of income for the period

The table below shows the Group's income in the first half of 2014 and in the first half of 2015:

Solocal Group	**As at 30 June**		
in million euros	**2015**	**2014**	**Change 2015/2014**
Operating income	**102,0**	**130,0**	**-21,5%**
Financial income	1,0	0,6	66,7%
Financial expenses	(44,0)	(58,4)	24,7%
Net financial income	**(42,9)**	**(57,8)**	**25,8%**
Share of profit or loss of an associate	0,1	(0,2)	na
Income before tax	**59,1**	**72,0**	**-17,9%**
Corporate income tax	(25,1)	(31,7)	20,8%
Income for the period	**34,0**	**40,3**	**-15,6%**

1.2.3.1. Net financial income

The Group net financial income represents net expense of 42.9 million euros in the first half of 2015 compared to 57.8 million euros in the first half of 2014. The net financial income is primarily composed of interest expense relating to the bank loan, amounting to 811.1 million euros in the first half of 2015 (813.8 million euros in the first half of 2014), and relating to the bond loan issued in 2011 for an amount of 350.0 million euros. As at 30 June 2015, the evolving credit line was not utilised.

As at 30 June 2015, the bank debt is hedged 98.6% by swaps and a collar (maturing in September 2015).

The total interest expense amounts to 40.5 million euros in the first half of 2015, compared to

48.3 million euros in the first half of 2014. This drop is linked to the decrease in the average amount of the debt between the 2 half-years following the repayment in June 2014 of 400 million euros of the bank loan. The average interest rate on debt increased from 6.07% in the first half of 2014 to 6.83% in the first half of 2015, which is an increase of 76 basis points linked to the greater weight in the first half of 2015 than in the first half of 2014 of the bond loan in the financing sources.

The net financial income also includes the amortisation of loan issue expenses amounting to 3.6 million euros in the first half of 2015 compared to 9.5 million euros in the first half of 2014 which in particular included the accelerated amortisation of expenses following the refinancing that took place in June 2014. The change in the fair value of hedging instruments (portion recognised in profit or loss) represented income of 2.7 million euros in the first half of 2015 compared to 0.5 million euros in the first half of 2014.

1.2.3.2. Corporate income tax

In the first half of 2015, the Group recorded a corporation tax charge of 25.1 million euros, down 20.8% compared in the first half of 2014. The effective tax rate is 42.6% in the first half of 2015 compared to 44.0% in the first half of 2014. This drop in the effective tax rate can be explained primarily by the deduction of the expense for share-based payments concerning the free share plan.

1.2.3.3. Income for the period

The Group’s income for the period amounted to 34.0 million euros in the first half of 2015, compared to 40.3 million euros in the first half of 2014, a decrease of 15.6% 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 30 June 2015, as at 31 December 2014, and as at 30 June 2014:

Solocal Group	**As at 30 June**	**As at 31 December**	**As at 30 June**
in million euros	**2015**	**2014**	**2014**
Accrued interest not yet due	0.0	0.2	0.0
Cash and cash equivalents	75.1	46.2	54.6
Cash	**75.2**	**46.4**	**54.6**
Bank overdrafts	(2.8)	(2.8)	(1.9)
Net cash	**72.3**	**43.6**	**52.7**
Bank borrowing	811.1	813.8	813.9
Bond loan	350.0	350.0	350.0
Revolving credit facility	-	20.0	-
Loan issue expenses	(22.2)	(25.8)	(29.3)
Capital leases	0.9	0.8	1.0
Fair value of hedging instruments	3.1	9.9	16.2
Accrued interest not yet due	4.8	5.1	16.9
Earn-outs	1.0	1.4	1.4
Other financial liabilities	4.8	4.1	1.4
Gross financial debt	**1,153.5**	**1,179.4**	**1,171.5**
Net debt	**1,081.1**	**1,135.8**	**1,118.9**
Net debt excl. fair value of hedging instruments and loan issue expenses	**1,100.2**	**1,151.6**	**1,131.9**

The Group net debt is down 37.8 million euros compared to 30 June 2014 and down 54.7 million euros compared to 31 December 2014. It stood at 1,081.1 million euros at 30 June 2015 compared to 1,135.8 million euros at 31 December 2014 and 1,118.9 million euros at 30 June 2014.

As at 30 June 2015, it mainly comprised:

- of a tranche A7 bank loan, for a total amount of 811.1 million euros, the final maturity is March 2018 (or March 2020 on option).
- the fair value of hedging instruments which represents a debt of 3.1 million euros as at 30 June 2015. As at 30 June 2015, the bank debt is hedged 98.6% by swaps and a collar (until September 2015),
- a revolving credit line of a total of 54.6 million euros. It was not drawn as at 30 June 2015,
- 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 72.3 million euros.

As at 30 June 2015, the amount available in the revolving credit line amounts to 54.6 million euros. Including the cash flow as at 30 June 2015, available cash thus amounts to 126.9 million euros.

Excluding the fair value of interest rate hedging instruments, representing a liability of 3.1 million euros as at 30 June 2015, compared to a liability of 9.9 million euros as at 30 June 2014, and excluding loan issue expenses of 25.8 million euros as at 30 June 2015, compared to 22.2 million euros as at 30 June 2014, the net debt amounted to 1,100.2 million euros as at 30 June 2015, compared to 1,131.9 million euros as at 30 June 2014.

The table below shows the cash flows of the consolidated Group in the first half of 2014 and in the first half of 2015:

Solocal Group	**As at 30 June**		
in million euros	**2015**	**2014**	**Change 2015/2014**
Net cash from operations	77.3	95.9	(18.6)
Net cash used in investing activities	(28.5)	(49.6)	21.1
Net cash provided by (used in) financing activities	(20.0)	(66.7)	46.6
Impact of changes in exchange rates on cash	0.0	0.0	0.0
Net increase (decrease) in cash position	**28.8**	**(20.4)**	**49.2**
Net cash and cash equivalents at beginning of period	43.6	73.1	(29.5)
Net cash and cash equivalents at end of period	**72.3**	**52.7**	**19.7**

Net cash and cash equivalents for the Group amounted to 72.3 million euros as at 30 June 2015, compared to 52.7 million euros as at 30 June 2014.

The net cash from operations amounted to 77.3 million euros in the first half of 2015 compared to 95.9 million euros in the first half of 2014, representing a decrease of 18.6 million euros due mainly to:

- recurring EBITDA of 133.8 million euros in the first half of 2015, down 33.5 million euros compared to the first half of 2014,
- an increase of 2.7 million euros in exceptional disbursements (including restructuring costs),
- an increase in the working capital requirement of 5.6 million euros in the first half of 2015 compared to a drop of 15.8 million euros in the first half of 2014, representing a change of 21.4 million euros between the two periods. It is temporarily induced by the new method of compensation for the sales force,
- a net disbursement of 42.5 million euros in respect of financial interest in the first half of 2015 compared to 37.8 million euros in the first half of 2014 which had benefited from a shift in the payment of interest in the second half of the year,
- a disbursement of 0.6 million euros in respect of corporation tax in the first half of 2015 compared to 44.8 million euros in the first half of 2014.

The net cash used in investing activities represents a disbursement of 28.5 million euros in the first half of 2015, down compared to a disbursement of 49.6 million euros recorded in the first half of 2014, mainly comprising:

- 34.7 million euros in respect of acquisitions of tangible and intangible fixed assets in the first half of 2015 compared to 35.5 million euros in the first half of 2014.

- 0.4 million euros in terms of the acquisition of equity interests and net price supplements of the cash flow acquired in the first half of 2015 compared to 8.2 million euros as at 30 June 2014 (100% takeover of LeadFormance, Retail Explorer),

- 4.1 million euros in come from the sale of equity interests in the first half of 2015 (Editus primarily),

- 6.0 million euros in terms of cash collateral paid as a guarantee for two commercial lease contracts for future completion subscribed to in May 2014.

The net cash from operations used in financing activities amounted to 20.0 million euros in the first half of 2015 compared to 66.7 million euros in the first half of 2014, representing a decrease of 46.6 million euros due mainly to:

- a decrease of 20.0 million euros corresponding to the repayment in the first half of 2015 of the revolving credit line drawn at the end of 2014,

- a 83.6 million euro decrease corresponding to contractual repayments of the bank loan in the first half of 2014,

- a 400.0 million euro decrease related to the repayment of a portion of the bank loan following its renegotiation, disbursed costs amount to 6.2 million euros as at 30 June 2014,

- a capital increase net of subscription costs of 422.9 million euros in the first half of 2014,

- a capital increase reserved for employees of 2.6 million euros in the first half of 2015,

- disbursements in respect of own shares amounting to 2.7 million euros in the first half of 2015.

1.4. Risks and uncertainties relating to the last two quarters of 2015

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.

- 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)	Notes	As at 30 June 2015	As at 30 June 2014 (*)	2rd Quarter 2015	2rd Quarter 2014 (*)
Revenues		450,197	470,775	240,960	255,076
Net external expenses		(103,667)	(109,451)	(53,140)	(61,402)
Personnel expenses		(212,755)	(194,081)	(108,230)	(108,241)
Recurring EBITDA		**133,775**	**167,244**	**79,590**	**85,433**
As % of revenues		*29.7%*	*35.5%*	*33.0%*	*33.5%*
Exceptional items		(8,571)	(10,097)	(8,091)	(775)
EBITDA		**125,204**	**157,147**	**71,499**	**84,658**
		27.8%	*33.4%*	*29.7%*	*33.2%*
Depreciation and amortization		(23,248)	(27,139)	(11,383)	(16,828)
Operating income		**101,957**	**130,008**	**60,116**	**67,830**
Financial income		1,032	584	566	56
Financial expenses		(43,953)	(58,383)	(21,418)	(30,074)
Net financial income	5	**(42,921)**	**(57,799)**	**(20,852)**	**(30,018)**
Share of profit or loss of an associate		107	(191)	-	(224)
Corporate income tax	6	(25,146)	(31,748)	(17,669)	(16,864)
Income for the period		**33,996**	**40,270**	**21,595**	**20,724**
Income for the period attributable to:					
- Shareholders of Solocal Group		33,992	40,272	21,587	20,722
- Non-controlling interests		4	(2)	8	2
Net earnings per share (in euros)					
Net earnings per share of the consolidated group based on a weighted average number of shares					
- basic		0.03	0.14		
- diluted		0.03	0.13		
Net earnings per share of the consolidated group based on a year end number of existing shares (as at 30 June)					
- basic		0.03	0.14		
- diluted		0.03	0.13		

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

2.2 - Statement of comprehensive income

Consolidated statement of comprehensive income

(Amounts in thousands of euros)	**As at 30 June 2015**	**As at 30 June 2014 (*)**	**2rd Quarter 2015**	**2rd Quarter 2014 (*)**
Income for the period report	**33,996**	**40,270**	**21,595**	**20,724**
Net (loss) /gain on cash flow hedges				
- Gross	5,959	3,677	3,078	1,891
- Deferred tax	(397)	(1,397)	849	(718)
- Net of tax	**5,562**	**2,280**	**3,927**	**1,173**
ABO reserves :				
- Gross	-	6,426	-	6,426
- Deferred tax	-	(2,212)	-	(2,212)
- Net of tax	**-**	**4,214**	**-**	**4,214**
Exchange differences on translation of foreign operations	(21)	2	(15)	5
Other comprehensive income	**5,541**	**6,496**	**3,912**	**5,392**
Total comprehensive income for the period, net of tax	**39,538**	**46,765**	**25,506**	**26,115**
Total comprehensive income for the period attributable to:				
- Shareholders of Solocal Group	39,534	46,767	25,498	26,113
- Non-controlling interests	4	(2)	8	2

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

2.3 - Statement of financial position

(Amounts in thousands of euros)	Notes	**As at 30 June 2015**	**As at 31 December 2014 (*)**	**As at 30 June 2014 (*)**
Assets				
Net goodwill		82,467	82,467	82,209
Other net intangible fixed assets		120,335	107,265	97,596
Net tangible fixed assets		22,156	25,269	26,249
Investment in an associate		-	2,272	2,087
Available-for-sale assets		183	340	408
Other non-current financial assets		4,847	4,616	5,032
Net deferred tax assets	6	5,433	6,928	13,439
Total non-current assets		**235,421**	**229,157**	**227,020**
Net inventories		742	1,253	805
Net trade accounts receivable		335,103	441,786	333,796
Acquisition costs of contracts		36,720	46,669	56,949
Other current assets		38,499	29,032	33,815
Current tax receivable		96	18,983	19,213
Prepaid expenses		14,058	9,431	9,971
Other current financial assets		9,730	13,187	9,730
Cash and cash equivalents	8	75,153	46,354	54,603
Total current assets		**510,102**	**606,695**	**518,882**
Total assets		**745,522**	**835,852**	**745,902**
Liabilities				
Share capital		233,259	232,345	232,345
Issue premium		364,544	362,899	362,899
Reserves		(1,939,011)	(1,993,474)	(1,995,192)
Income for the period attribuable to shareholders of Solocal Group		33,992	59,286	40,272
Other comprehensive income		(16,815)	(22,377)	(19,897)
Own shares		(4,744)	(7,151)	(9,218)
Equity attributable to equity holders of the Solocal Group		**(1,328,775)**	**(1,368,472)**	**(1,388,791)**
Non-controlling interests		73	69	58
Total equity		**(1,328,702)**	**(1,368,403)**	**(1,388,733)**
Non-current financial liabilities and derivatives	8	1,128,493	1,139,637	1,153,015
Employee benefits - non-current		90,954	90,439	78,359
Provisions - non-current		12,989	16,910	8,932
Other non-current liabilities		-	30	-
Total non-current liabilities		**1,232,436**	**1,247,016**	**1,240,306**
Bank overdrafts and other short-term borrowings	8	23,002	37,461	3,587
Accrued interest	8	4,784	5,060	16,876
Provisions - current		24,792	22,864	22,463
Trade accounts payable		99,403	98,923	98,614
Employee benefits - current		100,210	117,615	113,235
Other current liabilities		90,490	99,886	87,047
Corporation tax		5,629	51	59
Deferred income		493,479	575,379	552,448
Total current liabilities		**841,788**	**957,239**	**894,330**
Total liabilities		**745,522**	**835,852**	**745,902**

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

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 1 January 2014 (*)	**277,002,259**	**56,197**	**98,676**	**(10,004)**	**(1,984,215)**	**(26,391)**	**1**	**(1,865,737)**	**60**	**(1,865,677)**
Total comprehensive income for the period, net of tax					40,856			**40,856**	(2)	**40,854**
Other comprehensive income, net of tax					-	6,494	2	**6,496**		**6,496**
Comprehensive income for the period, net of tax					**40,856**	**6,494**	**2**	**47,351**	**(2)**	**47,349**
Capital increase, net of costs after tax	880,742,416	176,148	264,223		(12,792)			**427,579**		**427,579**
Share-based payment					1,814			**1,814**	-	**1,814**
Shares of the consolidating company net of tax effect	930,591			786				**786**		**786**
Balance as at 30 June 2014 (*)	**1,158,675,266**	**232,345**	**362,899**	**(9,218)**	**(1,955,962)**	**(19,897)**	**2**	**(1,389,830)**	**58**	**(1,389,772)**
Total comprehensive income for the period, net of tax					18,557			**18,557**	11	**18,568**
Other comprehensive income, net of tax						(2,480)	9	**(2,471)**		**(2,471)**
Comprehensive income for the period, net of tax					**18,557**	**(2,480)**	**9**	**16,086**	**11**	**16,097**
Capital increase, net of costs after tax	-	-	-		587			**587**		**587**
Share-based payment					1,121			**1,121**	-	**1,121**
Shares of the consolidating company net of tax effect	794,717			2,067				**2,067**	-	**2,067**
Balance as at 31 December 2014 (*)	**1,159,469,983**	**232,345**	**362,899**	**(7,151)**	**(1,934,200)**	**(22,377)**	**12**	**(1,368,472)**	**69**	**(1,368,403)**
Total comprehensive income for the period, net of tax					33,992			**33,992**	4	**33,996**
Other comprehensive income, net of tax						5,562	(21)	**5,541**		**5,541**
Comprehensive income for the period, net of tax					**33,992**	**5,562**	**(21)**	**39,534**	**4**	**39,538**
Capital increase, net of related costs after tax	4,569,773	914	1,645		-			**2,559**		**2,559**
Share-based payment					(4,803)			**(4,803)**	-	**(4,803)**
Shares of the consolidating company net of tax effect	1,436,123			2,407				**2,407**	-	**2,407**
Balance as at 30 June 2015	**1,165,475,879**	**233,259**	**364,544**	**(4,744)**	**(1,905,010)**	**(16,815)**	**(9)**	**(1,328,775)**	**73**	**(1,328,702)**

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

2.5 - Cash flow statement

(Amounts in thousands of euros)	Notes	As at 30 June 2015	As at 30 June 2014 (*)	2rd Quarter 2015	2rd Quarter 2014 (*)
Income for the period attribuable to shareholders of Solocal Group		**33,992**	**40,272**	**21,587**	**20,722**
Depreciation and amortisation of fixed assets		24,993	26,791	13,128	16,509
Change in provisions		(1,440)	3,365	1,156	(3,972)
Share-based payment		1,954	1,814	1,055	1,538
Capital gains or losses on asset disposals		(1,487)	348	(1,487)	319
Interest income and expenses	5	35,050	50,920	16,847	26,235
Hedging instruments	5	7,871	6,879	4,005	3,783
Unrealised exchange difference		-	-	-	-
Tax charge for the period	6	25,146	31,748	17,669	16,864
Share of profit or loss of an associate		(107)	191	-	224
Non-controlling interests		4	(2)	8	2
Decrease (increase) in inventories		511	110	(520)	(403)
Decrease (increase) in trade accounts receivable		106,935	70,869	52,955	65,929
Decrease (increase) in other receivables		(4,463)	(6,294)	386	6,152
Increase (decrease) in trade accounts payable		1,705	6,754	10,878	7,509
Increase (decrease) in other payables		(110,288)	(55,593)	(66,544)	(83,510)
Net change in working capital		**(5,600)**	**15,847**	**(2,845)**	**(4,323)**
Dividends and interest received		212	313	137	151
Interest paid and rate effect of net derivatives		(42,700)	(37,804)	(30,196)	(25,072)
Corporation tax paid		(597)	(44,829)	(663)	(24,742)
Net cash from operations		**77,291**	**95,852**	**40,401**	**28,238**
Acquisition of tangible and intangible fixed assets		(34,696)	(35,459)	(18,550)	(18,866)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		6,171	(14,168)	7,224	(11,078)
Net cash used in investing activities		**(28,525)**	**(49,627)**	**(11,326)**	**(29,944)**
Increase (decrease) in borrowings		(19,918)	(489,444)	(1,347)	(450,442)
Capital increase net of costs		2,559	422,883	2,559	422,883
Other cash from financing activities o/w own shares		(2,653)	(90)	49	(1,009)
Net cash provided by (used in) financing activities		**(20,012)**	**(66,650)**	**1,261**	**(28,567)**
Impact of changes in exchange rates on cash		4	2	(3)	3
Net increase (decrease) in cash position		**28,758**	**(20,424)**	**30,333**	**(30,270)**
Net cash and cash equivalents at beginning of period		43,578	73,079	42,003	82,925
Net cash and cash equivalents at end of period	8	**72,335**	**52,655**	**72,335**	**52,655**

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

2.6 – Notes to the consolidated financial statements

Note 1 - Description of the business

The Group's main activities are described in note 4.

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 (LOCAL).

This information was approved by the Board of Directors of Solocal Group on 21 July 2015.

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 six months ending on 30 June 2015, 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 2014 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 2014, with the exception of new standards, amendments and interpretations which are mandatory with effect from 1 January 2015, but which have no significant impact:

- IAS 19 Defined Benefit Plans: Employee Contributions
- Improvements to IFRSs 2010-2012 Cycle
- Improvements to IFRSs 2011-2013 Cycle

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 30 June 2015.

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 2015, 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.

Application of IFRIC 21 constitutes a change in the accounting method. It was applied retroactively starting on 1 January 2014 and resulted in the immediate recognition in equity:

- on 1 January 2014 of 1.6 million euros, 1.0 million euros after tax,
- on 30 June 2014 of 0.9 million euros, 0.6 million euros after tax,
- on 31 December 2014 of 0.7 million euros, 0.5 million euros after tax,

The results published at 30 June 2014 (40.9 million euros), is as such restated for 0.6 million euros after tax and stands at 40.3 million euros.

The Group is not applying the following instruments, which were not adopted by the European Union as at 30 June 2015:

- IFRS 14 Regulatory Deferral Accounts (applicable 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (applicable 1 January 2017) – "Provisional IASB decision carried over to 1 January 2018."
- IFRS 9 Financial Instruments (applicable 1 January 2018)
- IFRS 9 Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 (application date unfixed)
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (applicable 1 January 2016)
- IAS 16 et IAS 38 Clarification of Acceptable Methods od Depreciation and Amortisation (applicable 1 January 2016)
- IAS 27 Equity Method in Separate Financial Statements (applicable 1 January 2016)
- Improvements to IFRSs 2012-2014 Cycle (applicable 1 January 2016)
- IAS 1 Disclosure Initiative (applicable 1 January 2016)
- IFRS 10, IFRS12 and IAS 28 Investment Etities: Applying the Consolidation Exception (applicable 1 January 2016)

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 30 June 2015 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 30 June 2015

The review of indicators of impairment consisted in a detailed analysis of the underlying assumptions, and did not lead to any impairement in the financial statements as of June 30.

Note 3 - Presentation of Financial Statements

As permitted under IAS 1 "Presentation of Financial Statements", the Group presents the income statement by type.

Operating income corresponds to net income before:
- financial income;
- financial expenses;
- current and deferred income taxes.

EBITDA corresponds to operating income before taking depreciation and amortisation into account.

Note 4 - Segment information

Through its subsidiaries, Solocal Group 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 creates services and makes them available which give access to a mine of useful and reliable information. Constantly adapted to today's consumption modes, they accompany citizens everywhere and everyday and make their life easier: locating and contacting a business, obtaining an itinerary, visiting merchant shops, finding good deals...

Always in line with the uses, Solocal Group develops its services not only for desktop internet but also across all the mobile platforms (in particular via applications for iPhone, iPad and Android), as such meeting the growing needs for information availability and proximity.

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 brands benefit from the strong notoriety and from the trust of users. The credibility of services, built year after year, is the base for the power of the audiences. Since the beginning of 2014, the Group has reorganised itself around 6 business units, 5 vertical "markets" Solocal Retail, Solocal B2B, Solocal Home, Solocal Services, Solocal Health & Public, and Solocal Network dedicated to brands and networks, major accounts and international customers. This organisation aims to improve the customer experience, and to best meet their expectations, in particular with the development and the marketing of products and services that are adapted to the needs of the various markets.

The Group's activities are organised in two segments: the "Internet" segment and the "Print & Voice" segment.

- Internet:

  The Group's Internet growth is based on 2 product lines: "search and display" on the one hand, and "digital marketing" on the other hand.

  The "search and display" products are the historical base of Solocal Group's internet activities and represent the largest share of Internet revenues.
  The Group is diversifying more and more in "digital marketing" activities, primarily by proposing new service offerings to its existing base of "search and display" customers.

  Search and display: 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). The related products are by far based on the Group's media offering "pagesjaunes.fr", "Mappy" and "ComprendreChoisir".

Digital marketing: Solocal Group's Digital marketing solutions allows any business, from an SME to a major networked brand, to extend their presence on the Internet beyond the Group's own media, and to benefit from setting up contacts for transactional services.

Among its digital presence solutions, Solocal Group offers the creating and hosting of Websites and listing them on pagesjaunes.fr, affiliated partners and search engines – (SEO – natural listing or SEM – paid listing). The sites developed by Solocal Group for its customers are compatible for mobile use. In addition, Internet user retargeting solutions make it possible to extend the visibility of the Group's customer sites on premium partner portals.

Solocal Group also offers setting up contacts for transactional services, suited to the activity sector of businesses: online quotation requests and contact establishment with players of the construction industry from Sotravo, online quotation requests with the themed content site ComprendreChoisir.com published by Fine Media, online appointment making using the technology developed by ClicRDV, online ordering of meals on Chronoresto.fr from locally-listed restaurants, Web-to-Store solutions through the Mappy mapping asset and Leadformance's "store locator" technology.

Furthermore, Solocal Group provides its customers with the possibility of creating and making visible promotional offers of the "couponing" type (123deal and Smartprivé), promoting and highlighting Good Deals on pagesjaunes.fr, and the creating and management of Direct Marketing campaigns (SMS, targeted emailing).

- Print & Voice:

This involves the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire).

Moreover, this also comprises the following businesses: directory enquiry services by telephone and SMS (118 008), and the QuiDonc reverse directory. This segment also includes some activities of PJMS: 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 30 June 2015**	**As at 30 June 2014 (*)**	**2rd Quarter 2015**	**2rd Quarter 2014 (*)**
Revenues	**450,197**	**470,775**	**240,960**	**255,076**
- Internet	329,242	315,281	168,990	161,320
- Print & Voice	120,955	155,494	71,970	93,756
Recurring EBITDA	**133,775**	**167,244**	**79,590**	**85,433**
- Internet	97,680	106,117	55,919	49,294
- Print & Voice	36,095	61,127	23,671	36,139

Note 5 - Net financial income

The net financial income is made up as follows:

(Amounts in thousands of euros)	**As at 30 June 2015**	**As at 30 June 2014**	**2rd Quarter 2015**	**2rd Quarter 2014**
Interest and similar items on financial assets	145	160	89	67
Result of financial asset disposals	(13)	153	20	84
Change in fair value of hedging instruments	900	271	457	(95)
Financial income	**1,032**	**584**	**566**	**56**
Interest on financial liabilities	(32,613)	(41,401)	(16,300)	(19,859)
Income / (expenses) on hedging instruments	(7,871)	(6,879)	(4,005)	(3,783)
Amortisation of loan issue expenses	(3,599)	(9,521)	(1,800)	(6,527)
Change in fair value of financial assets and liabilities	2,739	476	2,739	476
Other financial expenses & fees	(1,940)	(103)	(1,719)	(83)
Accretion cost (1)	(669)	(955)	(333)	(298)
Financial expenses	**(43,953)**	**(58,383)**	**(21,418)**	**(30,074)**
Net financial income	**(42,921)**	**(57,799)**	**(20,852)**	**(30,018)**

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

Note 6 – Corporation tax

6.1 - 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 30 June 2015	As at 30 June 2014 (*)	2nd Quarter 2015	2nd Quarter 2014 (*)
Pretax net income from continuing businesses	59,142	72,018	39,264	37,588
Share of profit or loss of an associate	107	(191)	-	(224)
Pretax net income from continuing businesses and before Share of profit or loss of an associate	**59,035**	**72,209**	**39,264**	**37,812**
Statutory tax rate	34.43%	34.43%	34.43%	34.43%
Theoretical tax	**(20,328)**	**(24,864)**	**(13,520)**	**(13,020)**
Loss-making companies not integrated for tax purposes	(918)	(972)	(338)	(582)
Share-based payment	2,814	(625)	(391)	(530)
Foreign subsidiaries	598	184	579	119
Recognition of previously unrecognised tax losses	-	(1,678)	-	(1,678)
Non-deductible amortisation	(43)	-	-	-
Corporate value added contribution (after tax)	(3,562)	(3,807)	(1,911)	(2,016)
Ceiling of interest expense deductibility	(3,460)	(4,146)	(1,739)	(2,021)
Adjustment corporation tax of prior years	-	4,510	-	3,258
Additional tax 10,7%	(2,043)	(2,680)	(1,369)	(1,033)
Other non-taxable / non-deductible items	1,795	2,329	1,020	640
Effective tax	**(25,146)**	**(31,748)**	**(17,669)**	**(16,864)**
of which current tax	*(25,743)*	*(21,564)*	*(14,908)*	*(7,016)*
of which deferred tax	*597*	*(10,184)*	*(2,761)*	*(9,848)*
Effective tax rate	**42.6%**	**44.0%**	**45.0%**	**44.6%**

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

6.2 - Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	**As at 30 June 2015**	**As at 31 December 2014**	**As at 30 June 2014 (*)**
Retirement benefits	28,832	27,663	25,887
Legal employee profit-sharing	2,927	3,048	3,553
Non-deductible provisions	1,216	2,048	6,082
Hedging instruments	1,097	1,836	4,230
Other differences	2,041	1,359	863
Subtotal deferred tax assets	**36,113**	**35,954**	**40,615**
Corporate value added contribution	-	(13)	(28)
Loan issue costs	(8,299)	(9,643)	(10,985)
Depreciations accounted for tax purposes	(22,381)	(19,370)	(16,163)
Subtotal deferred tax liabilities	**(30,680)**	**(29,026)**	**(27,176)**
Total net deferred tax assets / (liabilities)	**5,433**	**6,928**	**13,439**
Deferred tax assets	*5,433*	*6,928*	*13,439*

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

No deferred tax asset relating to loss carryforwards of QDQ Media was recognised in the balance sheet, as this company recorded a net loss in the first half of 2015. The amount of deferred tax not recognised is estimated at 65.5 million euros.

The deferred tax assets in the balance sheet decreased from 6.9 million euros as at 31 December 2014 to 5.4 million euros as at 30 June 2015.

In the balance sheet as at 30 June 2015, corporation tax represents a receivable of 0.1 million euros and a liability of 5.6 million euros. In the balance sheet as at 30 June 2014, corporation tax represented a receivable of 19.2 million euros and a liability of 0.1 million euros. The tax disbursed as at 30 June 2015 is 0.6 million euros compared to 44.8 million euros as at 30 June 2014.

Amounts in thousands of euros	**As at 30 June 2015**	**As at 31 December 2014**	**As at 30 June 2014 (*)**
Opening balance	**6,928**	**19,711**	**19,711**
Changes recognized in equity	(2,092)	5,943	3,912
Changes recognized in income	597	(18,726)	(10,184)
Closing balance	**5,433**	**6,928**	**13,439**

(*) restated for the retrospective application of IFRIC 21 (cf. note 2)

Note 7 - 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 8). Prospective effectiveness tests performed on the inception of these operations and retrospective tests carried out on 31 December 2014 and 30 June 2015 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 30 June 2015**	**As at 31 December 2014**	**As at 30 June 2014**
Interest rate swaps – cash flow hedge	(2,642)	(8,601)	(14,215)
Collars – fair value hedge	(442)	(1,342)	(2,029)
Assets / (liability)	**(3,084)**	**(9,943)**	**(16,244)**
Of which non-current	-	-	*(16,244)*
Of which current	*(3,084)*	*(9,943)*	-

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2014 and 30 June 2015, i.e. a decrease of 6.0 million euros for the interest rate swaps, was stated in transferable equity, after recognition of deferred tax of 0.4 million euros.

The change in the collar (qualified as fair value hedging) was recognised in financial expenses (cf. note 6), for an amount of 0.9 million euros. Deferred tax of 0.3 million euros was recorded in this respect.

No ineffectiveness was recorded with regard to cash flow hedges.

Note 8 - 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 30 June 2015**	**As at 31 December 2014**	**As at 30 June 2014**
Accrued interest not yet due	15	179	22
Cash equivalents	60,002	34,349	41,770
Cash	15,136	11,826	12,811
Gross cash	**75,153**	**46,354**	**54,603**
Bank overdrafts	(2,818)	(2,776)	(1,949)
Net cash	**72,335**	**43,578**	**52,654**
Bank loan	811,068	813,816	813,896
Bond loan	350,000	350,000	350,000
Revolving credit facility drawn	-	20,000	-
Loans issue expenses	(22,154)	(25,753)	(29,287)
Lease liability	884	841	1,021
Fair value of hedging instruments (cf. note 7)	3,084	9,943	16,244
Price supplements on acquisition of securities	1,009	1,419	1,419
Accrued interest not yet due	4,784	5,060	16,876
Other financial liabilities	4,786	4,056	1,360
Gross financial debt	**1,153,461**	**1,179,382**	**1,171,529**
of which current	*24,968*	*39,745*	*18,514*
of which non-current	*1,128,493*	*1,139,637*	*1,153,015*
Net debt	**1,081,126**	**1,135,804**	**1,118,875**

Cash and cash equivalents

As at 30 June 2015, cash equivalents amounted to 60.0 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 overdraft

The Group has authorised overdrafts totalling 14 million euros granted by a number of its banks.

Bank loan (syndicated credit agreement)

The syndicated credit agreement was amended in June 2014 and contains the following financial covenants:

- the ratio of consolidated net debt over consolidated EBITDA (the "**Leverage Ratio**") must be less than or equal to 4.25 as at 30 June and 30 September 2015 and 4.00 at the end of each calendar quarter thereafter over the residual term of the agreement (EBITDA and consolidated net debt as defined in the credit agreement with the financial institutions, note that the definition of EBITDA when calculating covenants is different from that of EBITDA reported in these financial statements);
- the ratio of consolidated EBITDA over 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 (EBITDA and consolidated net expense such as defined in the credit agreement with the

financial institutions);

- starting in 2015 and if the Leverage Ratio is higher than 3.50, a maximum amount of investments of 70 million euros during the following financial year.

As at 30 June 2015, these financial covenants were met and there are no grounds for reclassifying non-current debt as current debt. These ratios were respectively at 3.83 and 3.72.

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 calendar year for a percentage of the cash flows of the consolidated Group less the debt service, with this percentage varying according to the level of the Leverage Ratio (67% if the Ratio is higher than 3.00, 50% if it is between 2.50 and 3.00 and 25% if it is less than 2.50).

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, amortising and reducing its capital and other cash distributions concerning its capital as long as the Leverage Ratio is higher than 3.00.

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 30 June 2015, bank debt can be broken down as follows:

- Tranche A7 at a nominal of 811.1 million euros: maturity March 2018 with a faculty to extend it to March 2020 (with the condition of refinancing the bond loan of 350 million euros before March 2018), repayable *in fine* less the partial repayments described hereinabove, margin of 400 bps if the Leverage Ratio is higher than 3.00 (325 bps if the Ratio is between 2.50 and 3.00 and, 250 bps if it is less than 2.50);

- RCF 3 revolving credit line, not drawn: at a nominal of 54.6 million euros, depreciable by 4.124% every quarter a final maturity in March 2018 with a faculty to extend it to March 2020, same margin as the tranche A7.

The company in the 2nd quarter repurchased a portion of its bank debt for 15 million euros.

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 in 2014, price supplements may be paid in 2015, 2016 and 2017 if certain operating performance conditions are fulfilled. As at 30 June 2015, these were estimated to be 1.0 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 9 - Share-holders' equity

Through the liquidity contract, the Company held 702,891 of its own shares as at 30 June 2015 (737,001 as at 31 December 2014), stated as a deduction from equity.

Outside the liquidity contract, Solocal Group 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. In April 2014, the final acquisition of 479,814 actions distributed in terms of the free shares plan of 2011 were taken from this stock. The balance of these own shares, which is 1,520,186, were definitively acquired in March 2015 and were taken from this stock.

- As at 31 March 2015, 3,700,000 of its own shares for a total of 2.3 million euros, stated as a deduction from equity. In March 2015, the final acquisition of 3,581,827 actions distributed in terms of the free shares plan of 2011 were taken from this stock.

As at 30 June 2015, Solocal Group held 118,173 of its own shares directly.

As at 30 June 2015, Solocal Group consequently held 821,064 of its own shares.

The social capital of Solocal Group is comprised of 1,166,296,243 shares each with a par value of

0.20 euro, which is a total amount of 233,259,389 euros (before deduction of treasury shares).

Note 10 – Changes in the scope of consolidation

On 15 June 2015, Euro Directory sold the 10.1% of the capital of Editus Luxembourg. At the end of this operation, Solocal Group no longer has any holding in Editus.

Note 11 - Information on related parties

There were no new significant transactions or changes with related parties during the first half of 2015.

Note 12 – Off-balance-sheet commitments

There were no new significant commitments during the first half of 2015.

Note 13 – Disputes – significant changes over the half-year

During the year 2013, PagesJaunes had to be reorganised again in order to guarantee its sustainability faced with a constantly changing and highly competitive professional environment.

A project on changes in the model and the organisation of PagesJaunes was presented to the staff representation bodies concerned in September 2013.
In parallel, the Direction negotiated with the representative trade unions, a majority agreement concerning the measures for the social support, this agreement was signed on 20 November 2013.
At the end of this work with the staff representatives, this plan called for reorganisation along with modifications in the employment contracts of the sales force, a project without direct lay-offs for which the net global balance, however, is the creation of 48 additional jobs within the company.
This agreement received validation via a ruling of the DIRECCTE on 2 January 2014.
One employee engaged an isolated action in order to solicit the cancellation of this safeguard procedure. He was rejected by the tribunal administratif of Cergy-Pontoise on 22 May 2014.

Following the appeal filed by this employee, the Cour Administrative d'Appel of Versailles in a judgement of 22 October 2014, however ruled that the signature of a trade union representative should be challenged and cancelled consequently the administrative validation decision of the Safeguard Procedure of 20/11/2013.
The existence or the content of the plan was however not disputed. The decision of the Cour, as is, does not call into question the validity of the procedure followed or the reality of the economic reasons that justified the procedure implemented by PagesJaunes.
As such, this decision therefore has no impact on the validity of the redundancy procedure itself.
PagesJaunes took the case before the Conseil d'Etat and the latter is to render a decision very soon on the merits of this case.

As 311 employees refused the amendment to their employment contract linked to this reorganisation, 280 of them were made redundant.
To date, 3 proceedings before the tribunal administratif of Cergy-Pontoise for cancellation of the decisions for redundancy authorisations are currently underway.
104 legal proceedings have been brought before industrial tribunals (of which 20 urgent applications) by employees in regard to the consequences of the setting aside of the administrative decision to validate the collective agreement relating to the job safeguarding plan by the Versailles Administrative Appeal Court, which permits them, according to the law, to claim a fixed compensation.
To date, the 1st jurisdiction seized, the Conseil de Prud'hommes of Rennes on 5 February 2015 rejected all of the 20 urgent applications brought before it.
An appeal filed by the employees is underway.

Note 14 - Events subsequent to the closing date of 30 June 2015

None

3. DECLARATION OF THE PERSON RESPONSIBLE

I certify that to the best of my knowledge, the condensed consolidated financial statements for the first half of 2015 have been prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial situation and results of the Company and all of the companies included within the consolidation, and that the half year management report is a true reflection of the major events that have occurred during the first six months of the period, of their impact on the half year accounts and of the main transactions between related parties, as well as a description of the main risks and main uncertainties for the last six months of the period.

Sèvres, 21 July 2015
Chief Executive Officer
Jean-Pierre Remy

4. STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL INFORMATION 2015

To the Shareholders,

In accordance with the terms of our appointment at your General Meeting and in application of article L.451-1-2 III of the French Monetary and Financial Code, we have performed:

- a limited examination of the condensed consolidated half-year financial statements for Solocal Group, concerning the period from 1 January to 30 June 2015, as provided with this report;
- verification of the information provided in the half-year management report.

The half-year condensed consolidated financial statements were drawn up under the responsibility of your Board of Directors. Our responsibility is to express our conclusion on these financial statements based on our limited review.

I- Conclusion on the financial statements

We have performed our limited review pursuant to the professional standards applicable in France. A limited review consists primarily in meeting with members of the management in charge of the finance and accounting aspects and in implementing analytical procedures. This work is not as extensive as that required for an audit pursuant to the professional standards applicable in France. Consequently, the assurance that the financial statements, taken as a whole, do not contain any significant anomalies obtained in the framework of a limited review is a moderate assurance, and is not as high as that obtained in the framework of an audit.

Based on our limited review, we have not detected any material misstatement of a nature to call into question the compliance of the half-year condensed consolidated financial statements with IAS 34 –IFRS standards adopted in the European Union concerning interim financial reporting.

II- Specific verification

We have also performed a verification of the information provided in the half-year management report commenting the half-year condensed consolidated financial statements on which our limited review was based. We have no matters to report regarding its fairness and consistency with the half-year condensed consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, 21 July 2015

The Statutory Auditors,

Ernst & Young Audit	Deloitte & Associés
Denis THIBON	Ariane BUCAILLE