Consolidated financial information as at 31 December 2015

Board of Directors of 10 February 2016

Unofficial translation of the French-language "*Informations financières consolidées au 31 décembre 2015*" 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. Annual activity report as of 31 december 2015

1.1. Overview

The "Digital 2015" programme has transformed SoLocal into an Internet Group of which the mission is to "reveal local know-how everywhere and boost local revenues of trusted businesses". The Group provides its customers service and digital solutions to increase visibility and leads for local businesses and creates and updates the best local, professional and personalized content for users.

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

Internet

The Group's Internet growth is based on two businesses: "local search" on the one hand, and "digital marketing" on the other hand.

The "local search" 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 "local search" customers.

- **Local search**: 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 related products are by far based on the Group's media offering "pagesjaunes.fr", "Mappy" and "Ooreka" (formerly "ComprendreChoisir") as well as on the partnerships set up by the Group with Bing, Google and Apple in particular.

- **Digital marketing**: Digital marketing products and services make it possible to reinforce the pertinence of the presence of the Group's customers on the Web and revolve around three lines:

  - Sites and content: 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.

  - Local programmatic marketing and adwords: In addition, Internet user retargeting solutions (ADhesive offering) make it possible to extend the visibility of the Group's customer sites on premium partner portals. The Group has also reinforced its expertise in managing adword campaigns for its customers through the acquisition of Effilab at the end of 2015.

  - Transactional services: the Group also proposes transactional services that are suited to the specific needs of certain professionals, PagesJaunesdoc intended for health-care professionals and PagesJaunesresto, an online ordering service for the delivery of meals from locally-listed restaurants.

Print & Voice

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

From a sales standpoint, the Group is reorganised 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 different markets.

1.2. Commentary on the 2015 full-year results

During 2015 the Group announced it was disposing of a certain number of non-profitable and no-growth activities ("divested activities"):

- Horyzon Media: Internet display agency,
- ZoomOn: local social media
- Lookingo: « daily deals »
- Sotravo: online home project quotes,

The accounts published by the Group as at 31 December 2015 are made up as follows:

Consolidated, Continued activities, Divested activities.

	As at 31 december 2015				**As at 31 december 2014**			
(in million of euros, except data relating to shares)	**Consolidated**	**Divested activities**	**Continued activities**		**Consolidated**	**Divested activities**	**Continued activities**	
			Recurring	**Exceptional**			**Recurring**	**Exceptional**
Revenues	878.0	5.3	**872.6**	**-**	936.2	14.6	**921.6**	**-**
Recurring EBITDA	260.9	(9.5)	**270.3**	**-**	301.1	(9.6)	**310.7**	**-**
EBITDA	211.1	(10.1)	**270.3**	**(49.1)**	266.9	(9.6)	**310.7**	**(34.3)**
Operating income	142.8	(26.3)	**218.2**	**(49.1)**	214.2	(15.1)	**263.6**	**(34.3)**
Income before tax	59.3	(26.3)	**134.7**	**(49.1)**	116.1	(15.1)	**165.5**	**(34.3)**
Income for the period	26.6	(15.9)	**72.6**	**(30.0)**	59.3	(13.4)	**94.0**	**(21.2)**

In the presentation of its results since the 3rd quarter of 2015, and in this activity report, SoLocal Group isolates the momentum of the continued activities from that of the activities that it is disposing of. The comments on the financial performance indicators concern the scope of continued activities.

As at 31 December 2015, net income for divested activities amounted to -15.9 million euros, down -18.1% compared to 31 December 2014.

Consolidated income statement for continued activities, as at 31 December 2015 and 2014

SoLocal Group	Continued activities						
in million euros	As at 31 December 2015			As at 31 December 2014*			Change recurring 2015/2014*
	Total	Recurring	Exceptional	Total	Recurring	Exceptional	
Revenues	**872.6**	**872.6**	**-**	**921.6**	**921.6**	**-**	**-5.3%**
Net external expenses	(208.2)	(208.2)	-	(214.6)	(214.6)	-	-3.0%
Personnel expenses	(394.1)	(394.1)	-	(396.3)	(396.3)	-	-0.6%
Recurring EBITDA	**270.3**	**270.3**	**-**	**310.7**	**310.7**	**-**	**-13.0%**
As % of revenues	*31.0%*	*31.0%*	-	*33.7%*	*33.7%*	-	
Exceptional items	(49.1)	-	(49.1)	(34.3)	-	(34.3)	-
EBITDA	**221.2**	**270.3**	**(49.1)**	**276.5**	**310.7**	**(34.3)**	**-13.0%**
As % of revenues	*25.3%*	*31.0%*	-	*30.0%*	*33.7%*	-	
Depreciation and amortisation	(52.2)	(52.2)	-	(47.2)	(47.2)	-	10.6%
Operating income	**169.1**	**218.2**	**(49.1)**	**229.3**	**263.6**	**(34.3)**	**-17.2%**
As % of revenues	*19.4%*	*25.0%*	-	*24.9%*	*28.6%*	-	
Financial income	1.9	1.9	-	1.6	1.6	-	18.8%
Financial expenses	(85.5)	(85.5)	-	(99.7)	(99.7)	-	-14.2%
Net financial expense	**(83.6)**	**(83.6)**	**-**	**(98.1)**	**(98.1)**	**-**	**-14.8%**
Share of profit or loss of an associate	0.1	0.1	-	(0.0)	(0.0)	-	-
Income before tax	**85.6**	**134.7**	**(49.1)**	**131.2**	**165.5**	**(34.3)**	**-18.6%**
Corporate income tax	(43.0)	(62.1)	19.1	(58.5)	(71.5)	13.0	-13.1%
Income for the period	**42.5**	**72.6**	**(30.0)**	**72.7**	**94.0**	**(21.2)**	**-22.8%**

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

Details on the revenues and recurring EBITDA of continued activities, as at 31 December 2015 and 2014

SoLocal Group	Continued activities		
in million euros	As at 31 December 2015	As at 31 December 2014*	Change 2015/2014*
Internet	640.2	617.9	3.6%
Print & Voice	232.5	303.7	-23.4%
Revenues	**872.6**	**921.6**	**-5.3%**
Internet revenues as % of total revenues	*73.4%*	*67.0%*	
Internet	201.4	202.0	-0.3%
Print & Voice	68.9	108.7	-36.6%
Recurring EBITDA	**270.3**	**310.7**	**-13.0%**
As % of revenues			
Internet	*31.5%*	*32.7%*	
Print & Voice	*29.6%*	*35.8%*	

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

1.2.1. Analysis of the revenues and recurring EBITDA of continued activities

Revenues stood at 872.6 million euros in 2015, down -5.3% compared to 2014:

- Internet revenues grew by +3.6%, mainly driven by the acceleration of the Digital marketing business up +9.3% thanks to local programmatic and websites & contents, and the growth of Local search ARPA, partially offset by reduced investments in client acquisition.

- Print & Voice revenues down by -23.4% over the period.

Recurring EBITDA was 270.3 million euros in 2015, down -13.0% versus 2014, mainly due to the -36.6% decline of the Print & Voice EBITDA partially offset by a stabilization of the Internet EBITDA.

The EBITDA/revenue margin was 31% in 2015, a limited drop of 2.7 points compared to 2014, thanks to the full implementation of the operational contingency plan:

- Divestment of 4 non profitable and non growing Internet businesses,

- Strong discipline in resource and cost management with cost reduction of -1% compared to 2014 and in the implementation of voluntary departure plan,

- Streamlined processes.

1.2.2. Analysis of operating income for continued activities

The table below shows the Group's recurring operating income for continued activities as at 31 December 2015 and 2014:

SoLocal Group	**Continued activities**						
in million euros	**As at 31 December 2015**			**As at 31 December 2014***			**Change recurring 2015/2014***
	Total	**Recurring**	**Exceptional**	**Total**	**Recurring**	**Exceptional**	
Recurring EBITDA	**270.3**	**270.3**	**-**	**310.7**	**310.7**	**-**	**-13.0%**
As % of revenues	*31.0%*	*31.0%*	-	*33.7%*	*33.7%*	-	
Exceptional items	(49.1)	-	(49.1)	(34.3)	-	(34.3)	-
EBITDA	**221.2**	**270.3**	**(49.1)**	**276.5**	**310.7**	**(34.3)**	**-13.0%**
As % of revenues	*25.3%*	*31.0%*	-	*30.0%*	*33.7%*	-	
Depreciation and amortisation	(52.2)	(52.2)	-	(47.2)	(47.2)	-	10.6%
Operating income	**169.1**	**218.2**	**(49.1)**	**229.3**	**263.6**	**(34.3)**	**-17.2%**
As % of revenues	*19.4%*	*25.0%*	-	*24.9%*	*28.6%*	-	

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

Depreciation and amortisation of Group amounted to -52.2 million euros in 2015 compared to -47.2 million euros in 2014, up +5.0 million euros (+10.6%) which was mainly due to an increase in depreciation and amortisation in line with Digital 2015 investment programme.

The recurring operating income was down -17.2% compared to 218.2 million euros in 2014. This decrease of -45.4 million euros resulted from the 40.4 million euros decrease in recurring EBITDA and from 5.0 million euros increase in depreciation and amortisation.

1.2.3. Analysis of the results for continued activities

The table below shows the Group's recurring operating income for continued activities as at 31 December 2015 and 2014:

SoLocal Group	**Continued activities**						
in million euros	**As at 31 December 2015**			**As at 31 December 2014***			**Change recurring 2015/2014***
	Total	**Recurring**	**Exceptional**	**Total**	**Recurring**	**Exceptional**	
Operating income	**169.1**	**218.2**	**(49.1)**	**229.3**	**263.6**	**(34.3)**	**-17.2%**
As % of revenues	*19.4%*	*25.0%*	*-*	*24.9%*	*28.6%*	*-*	
Financial income	1.9	1.9	-	1.6	1.6	-	18.8%
Financial expenses	(85.5)	(85.5)	-	(99.7)	(99.7)	-	-14.2%
Net financial expense	**(83.6)**	**(83.6)**	**-**	**(98.1)**	**(98.1)**	**-**	**-14.8%**
Share of profit or loss of an associate	0.1	0.1	-	(0.0)	(0.0)	-	-
Income before tax	**85.6**	**134.7**	**(49.1)**	**131.2**	**165.5**	**(34.3)**	**-18.6%**
Corporate income tax	(43.0)	(62.1)	19.1	(58.5)	(71.5)	13.0	-13.1%
Income for the period from continuing	**42.5**	**72.6**	**(30.0)**	**72.7**	**94.0**	**(21.2)**	**-22.8%**

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

1.2.3.1. Net financial expense for continued activities

The Group's net financial expense amount to -83.6 million euros, down -14.8% primarily under the effect of the decrease in the average amount of the debt between the 2 periods following the repayment in June 2014 of 400 million euros of the bank loan. The average interest rate on debt increased from 6.20% as at 31 December 2014 to 6.37% as at 31 December 2015, which is a slight increase of 17 basis points linked to the greater weight as at 31 December 2015 than as at 31 December 2014 of the bond loan in the financing sources partially offset by a more favourable hedging policy.

Net financial expense also includes the amortisation of loan issue expenses amounting to 7.4 million euros as at 31 December 2015 compared to 13.1 million euros as at 31 December 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 +1.4 million euros as at 31 December 2015 compared to +1.0 million euros as at 31 December 2014. These instruments matured in September 2015.

1.2.3.2. Recurring results for the period for continued activities

Corporate income tax was a charge of -62.1 million euros in 2015, in reduction of -13.1% compared to 2014.

Recurring income for the period amounts to +72.6 million euros, down -22.8% compared to 2014.

1.2.3.3. Result for continued activities

Contribution to net income from exceptional items was -30,0 million euros in 2015 as a result of -35.0 million euros provision made in connection with the court decisions of the annulment of the approval of the Employment Safeguard Plan by the French labor inspectorate (Direccte) approved by the majority of the trade union organizations late 2013, and the provision for the voluntary departure plan as part of the operational contingency plan late 2013, and the provision for the voluntary departure plan as part of the operational contingency plan.

The Group's net income was +26.6 million euros in 2015, down -55.1% compared to 2014.

1.2.3.4. Presentation of the results and the consolidated cash flows with the detail for "Continued activities" and " Divested activities"

(Amounts in thousands of euros, except data relating to shares)	**As at 31 december 2015**				**As at 31 december 2014**			
	Consolidated	**Divested activities**	**Continued activities**		**Consolidated**	**Divested activities**	**Continued activities**	
			Recurring	**Exceptional**			**Recurring**	**Exceptional**
Revenues	877,959	5,317	872,642	-	936,193	14,589	921,604	-
Net external expenses	(217,051)	(8,818)	(208,232)	-	(230,564)	(15,938)	(214,626)	-
Personnel expenses	(400,051)	(5,966)	(394,085)	-	(404,526)	(8,270)	(396,256)	-
Recurring EBITDA	**260,858**	**(9,467)**	**270,325**	**-**	**301,103**	**(9,619)**	**310,722**	**-**
Exceptional items	(49,730)	(630)	-	(49,100)	(34,221)	40	-	(34,261)
EBITDA	**211,128**	**(10,097)**	**270,325**	**(49,100)**	**266,882**	**(9,579)**	**310,722**	**(34,261)**
Depreciation and amortization	(68,325)	(16,166)	(52,159)	-	(52,685)	(5,534)	(47,151)	-
Operating income	**142,803**	**(26,263)**	**218,166**	**(49,100)**	**214,197**	**(15,113)**	**263,571**	**(34,261)**
Financial income	1,923	-	1,923	-	1,580	-	1,580	-
Financial expenses	(85,535)	(2)	(85,533)	-	(99,704)	(15)	(99,689)	-
Net financial expense	**(83,612)**	**(2)**	**(83,610)**	**-**	**(98,124)**	**(15)**	**(98,109)**	**-**
Share of profit or loss of an asso	107	-	107	-	(6)	-	(6)	-
Income before tax	**59,298**	**(26,265)**	**134,663**	**(49,100)**	**116,067**	**(15,128)**	**165,456**	**(34,261)**
Corporate income tax	(32,649)	10,386	(62,103)	19,068	(56,772)	1,681	(71,472)	13,019
Effective tax rate	*-55.2%*	*-39.5%*	*-46.2%*	*-38.8%*	*-48.9%*	*-11.1%*	*-43.2%*	*-38.0%*
Income for the period	**26,649**	**(15,879)**	**72,560**	**(30,032)**	**59,295**	**(13,447)**	**93,983**	**(21,242)**

In million of euros	2014	2015	Change
Recurring EBITDA	**310.7**	**270.3**	**-13.0%**
Non monetary items included in EBITDA	11.4	9.8	-14.0%
Net change in working capital	(37.5)	(10.5)	+72.0%
Acquisition of tangible and intangible fixed assets	(67.9)	(75.5)	-11.2%
Cash financial income	(86.1)	(79.4)	+7.8%
Non recurring items	(25.0)	(27.9)	-11.6%
Acquisition costs of shares	-	-	-
Corporate income tax paid	(58.4)	(19.9)	+65.9%
Net Cash flow from continued activities	**47.0**	**66.8**	**+42.13%**
Net Cash flow from divested activities	(9.1)	(8.5)	+6.6%
Net cash flow	**37.9**	**58.3**	**+53.8%**
Increase (decrease) in borrowings and bank	(475.9)	(33.8)	+92.9%
Capital increase	422.6	2.4	-99.4%
Other	(14.1)	(17.2)	-22.0%
Net cash variation	**(29.5)**	**9.8**	**+133.2%**
Net cash and cash equivalents at beginning of period	73.1	43.6	-40.4%
Net cash and cash equivalents at end of period	**43.6**	**53.3**	**+22.2%**

1.2.3.5. Revenue and key indicators by vertical

SoLocal Group	**2015**	**2014**	**Change**
Internet revenues	**640.2**	**617.9**	**3.6%**
Local Search	**496.3**	**486.2**	**2.1%**
Number of visits (in million)	*2238*	*2046*	*9.4%*
ARPA (in €)	*940*	*874*	*7.6%*
Number of clients (in thousand)	*528*	*556*	*-5.1%*
Digital marketing	**143.9**	**131.7**	**9.3%**
Penetration rate (in number of clients)	*22%*	*21%*	*2.3%*
Print & Voice revenues	**232.5**	**303.7**	**-23.4%**
Revenues	**872.6**	**921.6**	**-5.3%**

The split by vertical of the French operations of the Group is as follows:

Home	**2015**	**2014**	**Change**
Internet revenues	**182.7**	**175.6**	**4.0%**
Local Search	**147.8**	**144.3**	**2.4%**
ARPA (in €)	*1272*	*1161*	*9.5%*
Number of clients (in thousand)	*116*	*124*	*-6.5%*
Digital marketing	**34.9**	**31.3**	**11.5%**
Penetration rate (in number of clients)	*24%*	*23%*	*4.9%*
Print & Voice revenues	**80.6**	**104.6**	**-22.9%**
Revenues	**263.3**	**280.2**	**-6.0%**

Retail	**2015**	**2014**	**Change**
Internet revenues	**130.4**	**123.4**	**5.7%**
Local Search	**101.6**	**100.5**	**1.1%**
ARPA (in €)	*696*	*651*	*7.1%*
Number of clients (in thousand)	*146*	*154*	*-5.5%*
Digital marketing	**28.8**	**22.9**	**25.6%**
Penetration rate (in number of clients)	*16%*	*16%*	*5.2%*
Print & Voice revenues	**35.9**	**48.7**	**-26.2%**
Revenues	**166.3**	**172.0**	**-3.3%**

Health & Public	2015	2014	Change
Internet revenues	**71.4**	**64.3**	**10.9%**
Local Search	**61.3**	**55.4**	**10.7%**
ARPA (in €)	*741*	*692*	*7.1%*
Number of clients (in thousand)	*83*	*80*	*3.3%*
Digital marketing	**10.1**	**9.0**	**12.4%**
Penetration rate (in number of clients)	*11%*	*10%*	*7.9%*
Print & Voice revenues	**34.9**	**42.3**	**-17.5%**
Revenues	**106.3**	**106.7**	**-0.4%**

Services	2015	2014	Change
Internet revenues	**124.1**	**119.1**	**4.2%**
Local Search	**94.4**	**92.7**	**1.9%**
ARPA (in €)	*1231*	*1143*	*7.8%*
Number of clients (in thousand)	*77*	*81*	*-5.5%*
Digital marketing	**29.7**	**26.4**	**12.4%**
Penetration rate (in number of clients)	*24%*	*23%*	*3.4%*
Print & Voice revenues	**50.4**	**66.1**	**-23.7%**
Revenues	**174.5**	**185.1**	**-5.7%**

BtoB	2015	2014	Change
Internet revenues	**110.3**	**112.7**	**-2.1%**
Local Search	**91.2**	**93.4**	**-2.4%**
ARPA (in €)	*1053*	*999*	*5.4%*
Number of clients (in thousand)	*87*	*94*	*-7.4%*
Digital marketing	**19.2**	**19.3**	**-0.7%**
Penetration rate (in number of clients)	*18%*	*17%*	*8.7%*
Print & Voice revenues	**30.6**	**42.0**	**-27.2%**
Revenues	**140.9**	**154.7**	**-8.9%**

1.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the cash flows for **continued activities** of the Group as at 31 December 2015 and 2014:

SoLocal Group in million euros	**Continued activities**		
	As at 31 December 2015	**As at 31 December 2014***	**Change 2015/2014***
Net cash from operations	141.9	114.6	27.3
Net cash used in investing activities	(83.0)	(81.7)	(1.3)
Net cash provided by (used in) financing activities	(34.6)	(52.9)	18.3
Impact of changes in exchange rates on cash	(0.0)	0.0	(0.0)
Net increase (decrease) in cash position	**24.2**	**(20.0)**	**44.2**

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

The net cash from operations amounted to 141.9 million euros in 2015 compared to 114.6 million euros in 2014, representing an increase of 27.3 million euros due mainly to:

- recurring EBITDA for continued activities of 270.3 million euros in 2015, down 40.4 million euros compared to 2014,
- a decrease of 3.9 million euros in exceptional disbursements (including restructuring costs),
- an increase in the working capital requirement of 10.5 million euros in 2015 compared to an increase of 37.5 million euros 2014, representing a favourable change of 27.0 million euros between the two periods,
- a net disbursement of 79.4 million euros in respect of net financial interest in 2015 compared to 86.1 million euros in 2014,
- a disbursement of 19.9 million euros in respect of corporation tax in 2015 compared to 58.4 million euros in 2014.

The net cash used in investing activities represents a disbursement of 83.0 million euros in 2015, an increase compared to a disbursement of 81.7 million euros recorded in 2014, mainly comprising:

- 76.1 million euros in respect of acquisitions of tangible and intangible fixed assets in 2015 compared to 69.5 million euros in 2014,

- 13.3 million euros in terms of the acquisition of equity interests and net price supplements of the cash flow acquired as at 31 December 2015 (acquisition of Effilab on 31 December 2015) compared to 8.2 million euros as at 31 December 2014 (100% takeover of LeadFormance, Retail Explorer),

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

The net cash used in financing activities amounted to 34.6 million euros in 2015 compared to 52.9 million euros in 2014, representing a decrease of 18.3 million euros due mainly to:

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

- a decrease of 15.0 million euros (par value) linked to the partial repurchase of the tranche A7 in 2015 compared to a decrease of 83.6 million euros corresponding to contractual repayments of the bank loan in 2014,

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

- disbursements in respect of own shares amounting to 3.2 million euros in 2015 compared to 0.4 million euros in 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 17.7 million euros in 2014,

- a capital increase net of subscription costs of 422.6 million euros in 2014,

- a disbursement of 12.1 million euros for refinancing costs in 2014

The table below shows **the consolidated Group's cash position** in the year's ending on 31 December 2015 and 2014:

In million euros	**Période close le 31 décembre 2015**	**Exercice clos le 31 décembre 2014**
Accrued interest not yet due	0.1	0.2
Cash and cash equivalents	53.6	46.2
Cash	**53.7**	**46.4**
Bank overdrafts	(0.4)	(2.8)
Net cash	**53.3**	**43.6**
Bank borrowing	800.5	813.8
Bond loan	350.0	350.0
Revolving credit facility	-	20.0
Loan issue expenses	(18.4)	(25.8)
Capital leases	0.7	0.8
Fair value of hedging instruments	-	9.9
Earn-outs	2.8	1.4
Accrued interest not yet due	4.1	5.1
Other financial liabilities	4.2	4.1
Gross financial debt	**1 143.9**	**1 179.4**
Net debt	**1 090.5**	**1 135.8**
Net debt excl. fair value of hedging instruments and loan issue expenses	**1 108.9**	**1 151.6**

The Group net debt is down 45.3 million euros compared to 31 December 2014. It stood at 1,090.5 million euros as at 31 December 2015 compared to 1,135.8 million euros as at 31 December 2014.

As at 31 December 2015, it mainly comprised:

- of a tranche A7 bank loan, for a total amount of 798.8 million euros (whose 15.2 millions d'euros of cash sweep), the final maturity is March 2018 (or March 2020 on option),
- a revolving credit line of a total of 49.2 million euros. It was not drawn as at 31 December 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 53.3 million euros.

As at 31 December 2015, the amount available in the revolving credit line amounts to 49.2 million euros. Including the cash flow as at 31 December 2015, available cash thus amounts to 102.5 million euros.

Excluding loan issue expenses of 18.4 million euros as at 31 December 2015, the net debt amounted to 1,108.9 million euros as at 31 December 2015.

1.4. Off-balance-sheet commitments, disputes and related parties

See notes 30 to 32 of the consolidated financial statements.

1.5. Risks and uncertainties relating to the 2016 financial year

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 (cf. note 32 of the consolidated financial statements).

1.6. Events subsequent to the closing date of 31 December 2015

None

1.7. Research and development

At the cutting edge of its sector, the SoLocal Group conducts high-performance research and innovation thanks to its teams and numerous partnerships. These teams bring together the best specialists in their respective fields with the aim of promoting innovation and excellence.

1.8. Quaterly financial data

Revenues by Quarter

In million of euros	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Internet revenues	**150.4**	**157.7**	**149.3**	**160.5**	**157.9**	**167.3**	**151.8**	**163.2**
Local search	**118.7**	**123.7**	**117.9**	**125.9**	**126.3**	**126.4**	**118.7**	**124.9**
Number of visits (in million)	*486*	*504*	*531*	*526*	*555*	*553*	*568*	*560*
ARPA1 (in €)	*211*	*219*	*212*	*232*	*234*	*237*	*226*	*243*
Number of clients (in thousand)	*564*	*565*	*555*	*542*	*539*	*534*	*525*	*515*
Digital marketing	**31.7**	**34.1**	**31.4**	**34.6**	**31.6**	**40.9**	**33.1**	**38.3**
Penetration rate (in number of clients)2	*21%*	*21%*	*21%*	*22%*	*22%*	*22%*	*22%*	*22%*
Print & Voice revenues	**61.7**	**93.8**	**76.8**	**71.3**	**49.0**	**72.0**	**60.5**	**51.0**
Revenues from continued activities	**212.1**	**251.5**	**226.2**	**231.8**	**206.9**	**239.3**	**212.3**	**214.2**
Revenues from divested activties	3.6	3.6	3.1	4.3	2.4	1.7	0.9	0.3
Consolidated revenues	**215.7**	**255.1**	**229.3**	**236.1**	**209.2**	**241.0**	**213.2**	**214.6**

[1] Average Revenue Per Advertiser

[2] % of Internet clients benefiting from a Digital marketing product

Recurring EBITDA by Quarter

In million of euros	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Internet recurring EBITDA	58.6	51.4	52.5	39.5	44.4	58.3	57.8	40.9
EBITDA / revenue margin	39%	33%	35%	25%	28%	35%	38%	25%
Print & Voice recurring EBITDA	25.0	36.1	29.2	18.4	12.4	23.7	20.4	12.4
EBITDA / revenue margin	40%	39%	38%	26%	25%	33%	34%	24%
Recurring EBITDA from continued activities	**83.6**	**87.5**	**81.6**	**57.9**	**56.8**	**82.0**	**78.3**	**53.3**
EBITDA / revenue margin	39%	35%	36%	25%	27%	34%	37%	25%
Recurring EBITDA from divested activities	(1.8)	(2.1)	(3.1)	(2.6)	(2.6)	(2.4)	(2.8)	(1.7)
Consolidated recurring EBITDA	**81.8**	**85.4**	**78.5**	**55.4**	**54.2**	**79.6**	**75.5**	**51.6**
EBITDA / revenue margin	38%	33%	34%	23%	26%	33%	35%	24%

Income Statement by Quarter

In million of euros	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Group revenues	**212.1**	**251.5**	**226.2**	**231.8**	**206.9**	**239.3**	**212.2**	**214.2**
Net external expenses	(44.6)	(57.7)	(48.8)	(63.5)	(47.6)	(50.6)	(51.0)	(59.0)
Personnel expenses	(83.9)	(106.2)	(95.7)	(110.4)	(102.5)	(106.7)	(83.0)	(101.9)
Recurring EBITDA	**83.6**	**87.5**	**81.6**	**57.9**	**56.8**	**82.0**	**78.3**	**53.3**
Exceptional items	(9.3)	(0.7)	(24.4)	0.2	(0.4)	(1.8)	(1.8)	(45.0)
EBITDA	**74.3**	**86.8**	**57.2**	**58.1**	**56.4**	**80.1**	**76.5**	**8.3**
Depreciation and amortisation	(10.1)	(12.4)	(11.6)	(13.1)	(11.4)	(10.4)	(13.0)	(17.3)
Operating income	**64.2**	**74.4**	**45.7**	**45.0**	**44.9**	**69.7**	**63.4**	**(9.0)**
Net financial expense	(27.8)	(30.0)	(18.6)	(21.7)	(22.1)	(20.9)	(21.2)	(19.5)
Share of the result from associated companies	0.0	(0.2)	0.5	(0.3)	0.1	-	-	-
Income before tax	**36.4**	**44.2**	**27.6**	**23.0**	**23.0**	**48.9**	**42.3**	**(28.6)**
Corporate income tax	(15.3)	(17.4)	(14.0)	(11.8)	(7.9)	(22.4)	(19.9)	7.1
Corporate income tax rate	*42.0%*	*39.3%*	*50.8%*	*51.2%*	*34.2%*	*45.8%*	*47.0%*	*24.7%*
Net income from continued activities	**21.1**	**26.8**	**13.6**	**11.2**	**15.1**	**26.5**	**22.4**	**(21.5)**
Net income from divested activities	(1.6)	(6.1)	(3.0)	(2.8)	(2.7)	(4.9)	(5.5)	(2.8)
Net income	**19.5**	**20.7**	**10.6**	**8.4**	**12.4**	**21.6**	**16.9**	**(24.2)**

Cash flow Statement by Quarter

In million of euros	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Recurring EBITDA	**83.6**	**87.5**	**81.6**	**57.9**	**56.8**	**82.0**	**78.3**	**53.3**
Non monetary items included in EBITDA and other	2.1	2.8	2.8	3.7	2.9	1.9	4.5	0.5
Net change in working capital	17.4	(5.0)	(48.9)	(1.0)	(4.5)	(2.8)	(24.4)	21.1
Acquisition of tangible and intangible fixed assets	(16.3)	(18.5)	(15.2)	(18.0)	(15.9)	(18.3)	(18.6)	(22.8)
Cash financial income	(12.6)	(24.9)	(18.7)	(29.9)	(12.4)	(30.1)	(12.8)	(24.2)
Non recurring items	(3.5)	(5.9)	(6.7)	(8.8)	(5.1)	(7.8)	(7.2)	(7.8)
Acquisition costs of shares	(0.1)	(0.1)	(0.2)	-	-	-	-	-
Corporate income tax paid	(18.8)	(24.0)	(14.7)	(1.0)	0.1	(0.7)	(7.9)	(11.3)
Net Cash flow from continued activities	**51.9**	**11.9**	**(20.0)**	**2.9**	**21.9**	**24.2**	**11.8**	**8.8**
Net Cash flow from divested activities	(0.9)	(2.5)	(4.1)	(1.6)	(1.2)	(1.7)	(2.5)	(3.1)
Net cash flow	**51.0**	**9.4**	**(24.1)**	**1.3**	**20.7**	**22.5**	**9.3**	**5.7**
Increase (decrease) in borrowings and bank overdrafts	(39.0)	(450.4)	(4.6)	18.2	(18.6)	(1.3)	(10.4)	(3.5)
Capital increase	-	422.9	(0.2)	(0.0)	-	2.6	-	(0.1)
Other	(2.2)	(12.1)	(0.4)	0.9	(3.7)	6.6	(2.1)	(17.9)
Net cash variation	**9.8**	**(30.3)**	**(29.4)**	**20.3**	**(1.6)**	**30.3**	**(3.2)**	**(15.8)**
Net cash and cash equivalents at beginning of period	73.1	82.9	52.7	23.2	43.6	42.0	72.3	69.2
Net cash and cash equivalents at end of period	**82.9**	**52.7**	**23.2**	**43.6**	**42.0**	**72.3**	**69.2**	**53.3**

Glossary

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

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

Digital marketing revenues: Revenues generated from the Digital marketing business center around 3 product lines:

<u>Websites and contents</u>: this product line is currently the Group's flagship Digital marketing activity. The Group has a significant international presence through its partners and subsidiaries (QDQ, Leadformance, SoLocal UK) and will continue to develop these activities in order to offer its customers the most effective possible promotion of their local know-how.

<u>Local programmatic</u>: SoLocal Group is disposing of an over the counter display business and will focus solely on local programmatic, which offers the most promising growth opportunities. The Group is increasing its investments in this technology and taking advantage of its local database and the success of its ADhesive offer, which was launched at the beginning of the year.

<u>Transactional services</u>: in particular, making appointments with doctors (PagesJaunes Doc), making reservations or ordering meals from restaurants (PagesJaunes Resto), and offering deals provided by clients. SoLocal Group is abandoning 'daily deals', which generated little customer loyalty, and will focus on deals provided by PagesJaunes, which are more highly valued by its clients.

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

Number of Local search clients: Average number of clients for the reporting period (average of number of clients present at the beginning and the end of the concerned period) owning a product of the "Local search" range

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

Digital marketing penetration rate: Average number of clients for the reporting period owning a product of the "Digital marketing" range, divided by average number of clients for the same reporting period owning a product of the "Local search" range

Reach (audience indicator created and published by Nielsen Médiamétrie)

Number of unique website visitors: the number of fixed, mobile phone and tablet Internet users who have visited a website during a given month

Reach: the traffic of a website or group of websites during a given month, expressed in terms of unique visitors. It may be expressed in terms of volume (the number of unique visitors) or as a percentage of unique visitors within a reference population of Internet users during the month. The SoLocal Group's Reach indicator applies only to the group's services and excludes all external syndicated partner mediasAudiences (visit indicator measured by SoLocal Group)

Audiences (visit indicator measured by SoLocal Group)

Syndication: indirect audiences on PagesJaunes contents excluding PagesJaunes digital media (such as Bing, Yahoo!, Ooreka, etc.)

SEO & affiliates: audiences on PagesJaunes digital media originating from affiliate partners (MSN, Nosibay, Free & Alice, Planet, L'internaute) and SEO (Search Engine Optimisation)

PagesJaunes: audiences that are the result of users' expressed intent to access PagesJaunes digital media (direct access and brand search on a search engine)

2. Consolidated financial statements

Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	**As at 31 December 2015**	**As at 31 December 2014 (*)**
Revenues		877,959	936,193
Net external expenses		(217,051)	(230,564)
Personnel expenses	6	(400,051)	(404,526)
Recurring EBITDA		**260,858**	**301,103**
Exceptional items	7	(49,730)	(34,221)
EBITDA		**211,128**	**266,882**
Depreciation and amortization		(68,325)	(52,685)
Operating income		**142,803**	**214,197**
Financial income		1,923	1,580
Financial expenses		(85,535)	(99,704)
Net financial expense	8	**(83,612)**	**(98,124)**
Share of profit or loss of an associate		107	(6)
Corporate income tax	9	(32,649)	(56,772)
Income for the period		**26,649**	**59,295**
Income for the period attributable to:			
- Shareholders of SoLocal Group		26,639	59,286
- Non-controlling interests		10	9
Net earnings per share (in euros)			
Net earnings per share of the consolidated group based on a weighted average number of shares			
- basic		0.69	3.13
- diluted		0.65	3.00
Net earnings per share of the consolidated group based on a year end number of existing shares (as at 31 December)			
- basic		0.69	1.53
- diluted		0.66	1.45

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

Consolidated statement of comprehensive income

(Amounts in thousands of euros)	Notes	**As at 31 December 2015**	**As at 31 December 2014 (*)**
Income for the period report		**26,649**	**59,295**
Net (loss) /gain on cash flow hedges			
- Gross		8,601	9,291
- Deferred tax		(1,401)	(3,530)
- Net of tax	16	**7,200**	**5,761**
ABO reserves :			
- Gross		9,289	(2,666)
- Deferred tax		(3,193)	919
- Net of tax		**6,096**	**(1,747)**
Exchange differences on translation of foreign operations		6	11
Other comprehensive income		**13,302**	**4,025**
Total comprehensive income for the period, net of tax		**39,951**	**63,320**
Total comprehensive income for the period attributable to:			
- Shareholders of SoLocal Group		39,941	63,311
- Non-controlling interests		10	9

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

Consolidated statement of financial position

(Amounts in thousands of euros)	Notes	As at 31 December 2015	As at 31 December 2014 (*)
Assets			
Net goodwill	11	95,107	82,467
Other net intangible fixed assets	12	123,384	107,265
Net tangible fixed assets	13	28,381	25,269
Investment in an associate	5	-	2,272
Available-for-sale assets	14	179	340
Other non-current financial assets	15	4,097	4,616
Net deferred tax assets	9	-	6,928
Total non-current assets		**251,148**	**229,157**
Net inventories	17	653	1,253
Net trade accounts receivable	18	352,623	441,786
Acquisition costs of contracts	19	37,714	46,669
Other current assets	20	24,096	29,032
Current tax receivable	9	16,815	18,983
Prepaid expenses		9,374	9,431
Other current financial assets		12,866	13,187
Cash and cash equivalents	26	53,695	46,354
Total current assets		**507,836**	**606,695**
Total assets		**758,983**	**835,852**
Liabilities			
Share capital		233,259	232,345
Issue premium		364,544	362,899
Reserves		(1,938,166)	(1,993,474)
Income for the period attribuable to shareholders of SoLocal Group		26,639	59,286
Other comprehensive income		(9,081)	(22,377)
Own shares		(5,209)	(7,151)
Equity attributable to equity holders of the SoLocal Group	22	**(1,328,014)**	**(1,368,472)**
Non-controlling interests		79	69
Total equity		**(1,327,935)**	**(1,368,403)**
Non-current financial liabilities and derivatives	26	1,118,265	1,139,637
Employee benefits - non-current	24	84,986	90,439
Provisions - non-current	24	33,654	16,910
Other non-current liabilities		2	30
Deferred tax liabilities	9	7,248	-
Total non-current liabilities		**1,244,155**	**1,247,016**
Bank overdrafts and other short-term borrowing	26	21,907	37,461
Accrued interest	26	4,061	5,060
Provisions - current	24	32,968	22,864
Trade accounts payable	23	95,391	98,923
Employee benefits - current	24	120,904	117,615
Other current liabilities	24	84,163	99,886
Corporation tax	9	59	51
Deferred income	27	483,309	575,379
Total current liabilities		**842,764**	**957,239**
Total liabilities		**758,983**	**835,852**

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

Consolidated 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 2013	**277,002,259**	**56,197**	**98,676**	**(10,004)**	**(1,985,255)**	**(26,391)**	**1**	**(1,866,777)**	**60**	**(1,866,717)**
					1,040			*1,040*		*1,040*
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					59,413			**59,413**	9	**59,422**
Other comprehensive income, net of tax					-	4,014	11	**4,025**		**4,025**
Comprehensive income for the period, net of tax					**59,413**	**4,014**	**11**	**63,438**	**9**	**63,447**
Capital increase, net of costs after tax	880,742,416	176,148	264,223		(12,205)			**428,166**		**428,166**
Share-based payment					2,935			**2,935**	-	**2,935**
Shares of the consolidating company net of tax effect	1,725,308			2,853				**2,853**		**2,853**
Balance as at 31 December 2014	**1,159,469,983**	**232,345**	**362,899**	**(7,151)**	**(1,934,073)**	**(22,377)**	**12**	**(1,368,345)**	**69**	**(1,368,276)**
					(127)			*(127)*		*(127)*
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					26,639			**26,639**	10	**26,649**
Other comprehensive income, net of tax					-	13,296	6	**13,301**		**13,301**
Comprehensive income for the period, net of tax					**26,639**	**13,296**	**6**	**39,940**	**10**	**39,950**
Regrouping shares impact of 26 October 2015	(1,120,820,984)							**-**		**-**
Capital increase as part of the employee offering	152,326	914	1,645		(92)			**2,467**		**2,467**
Share-based payment					(3,891)			**(3,891)**	-	**(3,891)**
Shares of the consolidating company net of tax effect	(11,550)			1,942				**1,942**		**1,942**
Balance as at 31 December 2015	**38,789,776**	**233,259**	**364,544**	**(5,209)**	**(1,911,544)**	**(9,081)**	**17**	**(1,328,014)**	**79**	**(1,327,935)**

Consolidated cash flow statement

(Amounts in thousands of euros)	Notes	As at 31 December 2015	As at 31 December 2014 (*)
Income for the period attribuable to shareholders of SoLocal Group		**26,639**	**59,286**
Depreciation and amortisation of fixed assets	11 & 13	54,848	52,198
Change in provisions	21	27,360	15,924
Share-based payment		2,865	4,351
Capital gains or losses on asset disposals		13,735	487
Interest income and expenses	8	72,505	83,654
Hedging instruments	8	11,107	14,470
Unrealised exchange difference		-	-
Tax charge for the period	9	32,649	56,772
Share of profit or loss of an associate		(107)	6
Non-controlling interests		10	9
Decrease (increase) in inventories		600	(338)
Decrease (increase) in trade accounts receivable		83,795	(38,812)
Decrease (increase) in other receivables		12,288	8,114
Increase (decrease) in trade accounts payable		(2,386)	13,086
Increase (decrease) in other payables		(102,057)	(17,528)
Net change in working capital		**(7,760)**	**(35,477)**
Dividends and interest received		635	874
Interest paid and rate effect of net derivatives		(80,075)	(87,021)
Corporation tax paid		(20,024)	(58,473)
Net cash from operations		**134,386**	**107,060**
Acquisition of tangible and intangible fixed assets	12 & 13	(76,075)	(69,541)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		(13,942)	(14,121)
Net cash used in investing activities		**(90,017)**	**(83,662)**
Increase (decrease) in borrowings	26	(33,777)	(475,902)
Capital increase net of costs	22	2,411	422,639
Other cash from financing activities o/w own shares		(3,248)	362
Net cash provided by (used in) financing activities		**(34,614)**	**(52,901)**
Impact of changes in exchange rates on cash		(3)	2
Net increase (decrease) in cash position		**9,752**	**(29,501)**
Net cash and cash equivalents at beginning of period		43,578	73,079
Net cash and cash equivalents at end of period	26	**53,330**	**43,578**

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

There are no significant non-monetary flows.

Note 1 – Information on the Group

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 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 10 February 2016.

Note 2 - Context of publication and basis for preparation of the 2015 financial information

Pursuant to European regulation 1606/2002 of 19 July 2002 on the application of international accounting standards, the Group has prepared the consolidated financial statements for the year ending 31 December 2015 in accordance with the IFRS standards adopted in the European Union and applicable as of that date.

The summary statements relate to the financial statements prepared in accordance with the IFRS standards as at 31 December 2015 and as at 31 December 2014. The 2013 financial statements, included in the Document de référence filed with the AMF on 30 April 2015 under the number D.15 0449, are included for reference purposes.

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:

- Revised IAS 27: Separate Financial Statements
- Revised IAS 28: Investments in associates and joint ventures
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of Interests in other entities
- Amendment to 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
- IFRIC 21: Levies
- 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 31 December 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 31 December 2014 of 0.2 million euros, 0.1 million euros after tax,

The results published at 31 December 2014 (59.4 million euros), is as such restated for 0.1 million euros after tax and stands at 59.3 million euros.

Moreover, the Group did not opt for early application of the standards and interpretations adopted by the European Union and which are mandatory application is after 1 January 2016:

- Improvements to IFRSs 2011-2013 Cycle (applicable on 1 January 2015)

Finally, the Group is not applying the following instruments, which were not adopted by the European Union as at 31 December 2015:

- IFRS 14 Regulatory Deferral Accounts (applicable on 1 January 2016)
- IFRS 15 Revenue from Contracts with Customers (applicable on 1 January 2017)
- IFRS 9 Financial Instruments (applicable on 1 January 2018)
- IFRS 9 Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39 (application date unfixed)
- IAS 19 Defined Benefit Plans: Employee Contributions (applicable on 1 January 2015)
- Improvements to IFRSs 2010-2012 Cycle (applicable on 1 January 2015)
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (applicable on 1 January 2016)
- IAS 16 et IAS 38 Clarification of Acceptable Methods od Depreciation and Amortisation (applicable on 1 January 2016)
- IAS 27 Equity Method in Separate Financial Statements (applicable on 1 January 2016)
- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable on 1 January 2016)
- Improvements to IFRSs 2012-2014 Cycle (applicable on 1 January 2016)
- IAS 1 Disclosure Initiative (applicable on 1 January 2016)
- IFRS 10, IFRS12 and IAS 28 Investment Etities: Applying the Consolidation Exception (applicable on 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 31 December 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.

Note 3 - Accounting policies and changes of estimates

This note describes the accounting policies applied for the financial year ending 31 December 2015, in accordance with the provisions of international accounting standards as adopted by the European Union as at 31 December 2015.

Unless stated otherwise, these methods have been applied permanently for all financial years presented.

3.1 – Accounting positions adopted by the Group pursuant to paragraphs 10 to 12 of IAS 8

The accounting positions retained by the Group are not subject to any particular provisions in the international accounting standards adopted by the European Union or their interpretation.

3.2 – Consolidation

Subsidiaries which are controlled by the Group, directly or indirectly, are fully consolidated.

Companies not controlled by the Group but over which the Group exercises significant influence (generally corresponding to an ownership interest of 10% to 50%) are consolidated using the equity method.

When assessing the level of control or significant influence exercised, account is taken of the existence and effect of any exercisable or convertible potential voting rights at the end of the period.

In accordance with IFRS 5, the assets and liabilities of controlled entities that are considered as being held for sale are reported on a separate line in the balance sheet. Profits or losses of discontinued operations are reported on a separate line of the income statement. IFRS 5 defines a discontinued operation as a component of an entity comprising cash flows that can be clearly distinguished from the rest of the entity, that has either been disposed of, or is classified as held for sale, and represents a separate major line of business or geographical area of operations.

Material inter-company transactions and balances are eliminated in consolidation.

3.3 – Transactions in foreign currencies

The principles covering the measurement and recognition of transactions in foreign currencies are set out in IAS 21 “Effects of Changes in Foreign Exchange Rates”. In accordance with this standard, transactions in foreign currencies are converted by the subsidiary into its operating currency at the exchange rate of the transaction date. Monetary assets and liabilities are re-measured at each balance sheet date. The differences arising from re-measurement are recorded in the income statement:

- in operating income for sales transactions;
- in financial income or expenses for financial transactions.

3.4 – Presentation of the 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. Recurring EBITDA corresponds to EBITDA before taking exceptional events such as restructuring costs into account.

The activity report presents the Group's continued activities. Segment information (note 4), presents the details of the revenues and recurring EBITDA of "Continued activities" and of "Disposed activities".

3.5 – Revenues

Revenues from the activities of the Group are recognised and presented as follows, in accordance with IAS 18 “Revenue”:

- Revenues from the sale of advertising space in printed directories are recognised at the time of publication of each printed directory. Consequently, sales of advertising space billed in respect of future directories are stated in the balance sheet under the heading of “Deferred Income”.
- Income from the sale of advertising space in online directories (digital revenue) and on telephone enquiry services is apportioned over the display period, which is generally 12 months. The same applies to the websites.
- Revenues from traffic relating to the telephone enquiry services (118 008 in France) are recognised at their gross value when the service is rendered.
- Revenues from publicity campaigns are recognised for the period in which the campaigns are run. When Group entities act exclusively as agents, the revenue consists only of the commission.
- The variable costs of the sales force relating to the marketing of advertising products in the printed directories and on digital media constitute direct and incremental costs in the obtaining of customer orders. These are capitalised on the balance sheet in the "Acquisition costs of contracts" item and are recognised as expense over the life of the customer orders, i.e. according to the publication of the advertisements and the recognition of the revenue.

Furthermore, in accordance with SIC 31 “Revenue – Barter Transactions Involving Advertising Services”, the revenue from ordinary activities does not include any benefits resulting from exchanges of goods or services for similar benefits, even when the latter are rendered over different periods.

3.6 – Advertising and similar expenses

Expenses for advertising, promotion, sponsorship, communication and brand development are stated in full in the expenses for the year in which they are incurred.

3.7 – Earnings per share

The Group discloses both basic earnings per share and diluted earnings per share. The number of shares used to calculate diluted earnings per share takes into account the conversion into ordinary shares of dilutive instruments outstanding at the period-end (unexercised options, free shares, etc.). If the basic earnings per share are negative, diluted loss per share represents the same amount as the basic loss. To permit direct comparisons of earnings per share, the weighted average number of shares outstanding for the reporting year and previous years is adjusted to take into account any shares issued at a discount to market price. Treasury stock deducted from consolidated equity is not taken into account in the calculation of earnings per share.

3.8 – Goodwill

Goodwill represents the difference between the purchase cost of shares in consolidated companies, including transaction expenses, and the Group's equity in the value of the underlying net assets at the date of acquisition.

In accordance with IFRS 3 "Business Combinations", goodwill is not amortised. It is tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. IAS 36 "Impairment of Assets" requires these tests to be performed at the level of each Cash Generating Unit (CGU) to which the goodwill has been allocated. In certain cases, CGUs may be combined if the combined CGUs represent the lowest level at which management monitors return on investment. (A Cash Generating Unit is defined as the smallest homogeneous group of assets whose continuous use generates cash inflows that are largely independent of the cash inflows from other groups of assets). Since 2015, the level at which the Group measures the current value of goodwill corresponds to the level of each of the product lines (local search, digital marketing and their derivatives).

The segments have been determined in compliance with IFRS 8 "Operating Segments", and are as follows: Internet, Printed and Vocal. As at 31 December 2015, the goodwill undepreciated is fully allocated to Internet sector.

To determine whether goodwill has been impaired, the consolidated net book value of the assets and liabilities of each CGU is compared to their recoverable amount. The recoverable amount is the higher of the fair value less exit costs and value in use.

Fair value less exit costs is determined as the best estimate of the sale value net of exit costs in a transaction conducted under normal competitive conditions between knowledgeable, willing parties. This estimate is determined on the basis of the available market information, taking into account particular situations.

The value in use applied by the Groupe is the present value of the future cash flows expected to be derived from the CGU, including goodwill. Cash flow projections are based on economic and regulatory assumptions and forecast trading conditions applied by the management of Group, as follows:

- cash flow projections are based on the five-year business plan,
- cash flow projections beyond the five-year period are extrapolated by applying a growth rate to perpetuity reflecting the expected long-term growth in the market and specific to each activity,
- the cash flow is discounted at rates appropriate to the nature of the activities and countries.

Goodwill impairment losses are recorded in the income statement.

If the business is intended to be sold, the recoverable amount is determined on the basis of the fair value net of exit costs.

3.9 – Other intangible assets

Other intangible assets consist mainly of trademarks, licences and patents, research and development costs and software. They are stated at acquisition or production cost.

When intangible assets are acquired in a business combination, their cost is generally determined when the purchase price of the company acquired is allocated based on their respective market values. When such market value is not readily determinable, cost is determined using generally accepted valuation methods based on revenues, costs or other appropriate criteria.

Internally developed trademarks are not recognised in the balance sheet.

Trademarks
Trademarks having an indefinite useful life are not amortised, but are tested for impairment (see note 3.11).

Licences and patents
Licences and patents are amortised on a straight-line basis over periods which correspond to the expected usage period, not exceeding twenty years.

Research and development costs
Under IAS 38 "Intangible Assets", development costs must be recognised as an intangible fixed asset when the following can be demonstrated:

- the technical feasibility necessary to complete the intangible asset with a view to its being put into service or sold;
- the intention and financial and technical ability to complete the development project;
- its capacity to use or sell the intangible asset;
- the likelihood that the future economic benefits attributable to the development costs incurred will accrue to the company;
- and the costs of this asset can be reliably valued.

Research and development costs not fulfilling the above criteria are expensed in the year in which they are incurred. Significant capitalised development costs are amortised on a straight-line basis over their useful life, generally not exceeding three years.

Software
Software is amortised on a straight-line basis over its useful life, not exceeding five years.

3.10 – Tangible fixed assets

Gross value
The gross value of tangible fixed assets corresponds to their purchase or production cost, including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

It also includes the estimate of the costs of dismantling and removing the item and restoring the site on which it is located, such obligation being incurred by the Group either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories.

Finance leases
Assets acquired under leases that transfer the risks and rewards of ownership to entities of the Group (financial leases) are stated in fixed assets, with a corresponding financial obligation being recorded in liabilities. The risks and rewards of ownership are considered as having been transferred to the entities of the Group when:

- the lease transfers ownership of the asset to the lessee at the end of the lease term,
- the lease has the option to purchase and the conditions of the option are such that it is highly likely that ownership will be transferred at the end of the lease term,
- the lease term covers the major part of the estimated economic life of the asset,
- the discounted value of the total of the minimum fees provided for in the contract is close to the fair value of the asset.

At the same time, the assets in respect of which the risks and rewards associated with ownership are transferred by the entities of the Group to third parties under a lease contract are considered as having been sold.

Maintenance and repair costs are expenses as incurred, except where they serve to increase the asset's productivity or prolong its useful life.

Finance leases are not significant for the disclosed periods.

Depreciation
Tangible fixed assets are depreciated on a basis that reflects the pattern in which their future economic benefits are expected to be consumed in the case of each asset item on the basis of the acquisition cost, less any residual value. The straight-line basis is usually applied over the following estimated useful lives: 25 to 30 years for buildings, 5 to 10 years for fittings, 1 to 5 years for other fixed assets.

These depreciation periods are reviewed annually and are adjusted if current estimated useful lives differ from previous estimates. These changes in accounting estimates are recognised prospectively.

3.11 – Impairment of fixed assets

Under IAS 36 "Impairment of Assets", the value in use of tangible and intangible fixed assets must be tested for impairment when there is an indication that they may be impaired. Indicators are reviewed at each closing date.

Intangible and tangible fixed assets are subject to a write down for impairment when, because of events or circumstances which have occurred during the period (such as obsolescence, physical deterioration, significant changes to the manner in which the asset is used, worse than expected performance, a drop in revenues or other external indicators, etc.), their recoverable amount appears to be lower than their net book value in the long term. The recoverable amount of an asset is the higher of its fair value less exit costs and its value in use.

Each asset or group of assets is tested for impairment by comparing its recoverable amount to its net book value. When an asset or group of assets is found to be impaired, the recognised impairment loss is equal to the difference between its net book value and the recoverable amount.

The recoverable amount of an asset is generally determined by reference to its value in use, corresponding to the future economic benefits expected to be derived from the use of the asset and its subsequent disposal. It is assessed by the discounted cash flows method, based on economic assumptions and operating conditions expected by the Management of the Group.

3.12 – Financial assets and liabilities

Financial assets include available-for-sale assets, held-to-maturity assets, loans and receivables and cash and cash equivalents.
Financial liabilities include borrowings, other financing and bank overdrafts and operating debts.

Financial assets and liabilities are measured and recognised in accordance with IAS 39 “Financial Instruments: Recognition and Measurement”.

3.12.1 – Measurement and recognition of financial assets

Assets held to maturity
Held-to-maturity investments comprise exclusively securities with fixed or determinable income and fixed maturities, other than loans and receivables, which the Group has the intention and ability to hold to maturity. They are recognised initially at fair value and are subsequently measured at amortised cost by the effective interest method.

The Group assesses whether there is any objective evidence that held-to-maturity assets are impaired. A financial asset is written down if its book value exceeds the recoverable amount estimated at the time of the impairment tests. The impairment loss is recognised in the income statement.

Available-for-sale assets
Available-for-sale assets consist mainly of shares in non-consolidated companies and marketable securities that do not fulfil the criteria for classification in any of the other categories of financial assets. They are measured at fair value and gains and losses arising from re-measurement at fair value are recognised in equity.

Fair value corresponds to market price for listed securities and estimated value in use for unlisted securities, determined according to the most appropriate financial criteria in each case.

If there is any objective indication that these assets are impaired, the accumulated loss stated in equity is recognised in the income statement.

Loans and receivables
This category includes receivables from participating interests, other loans and receivables and trade accounts receivable. They are recognised initially at fair value and are subsequently measured at amortised cost by the effective interest method. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Cash flows on loans and receivables at variable rates of interest are re-measured periodically, to take into account changes in market interest rates. The re-measurement has the effect of increasing or reducing the effective interest rate and, consequently, the carrying value of the loan or receivable.

Loans or receivables are assessed for objective evidence of impairment. A financial asset is written down if its book value exceeds the recoverable amount estimated at the time of the impairment tests. The impairment loss is recognised in the income statement.

Assets at fair value through the income statement
Assets held for trading are assets which the Company intends to resell in the near term in order to realise a profit, which form part of a portfolio of financial instruments that are managed together and for which there is a practice of short-term disposal. This category also includes assets, which the Group has opted to classify in this category, irrespective of the criteria stated above ("fair value" option).

These assets are carried in the balance sheet under short-term financial assets.

Cash and cash equivalents
Cash equivalents are held to meet short-term cash needs rather than for investment or other purposes. They consist of instruments that are readily convertible into known amounts of cash and are not exposed to any material risk of impairment. Cash and cash equivalents comprise cash available on demand and short-term investments with maturities generally of three months or less at the date of purchase. They are stated at historical cost, which is close to their realisable value.

3.12.2 – Measurement and recognition of financial liabilities

Financial liabilities

With the exception of financial liabilities held for trading, which are measured at fair value, borrowings and other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost by the effective interest method.

Transaction costs that are directly attributable to the acquisition or issue of a financial liability are deducted from the liability's carrying value. This is because financial liabilities are initially recognised at cost, corresponding to the fair value of the sums paid or received in exchange for the liability. The costs are subsequently amortised over the life of the liability, by the effective interest method.

The effective interest rate is the rate, which discounts estimated future cash payments up to the maturity date or the nearest date of price adjustment to the market rate, to the net carrying amount of the financial liability.

3.12.3 – Measurement and recognition of derivative instruments

Derivative instruments are measured at fair value in the balance sheet. Except as explained below, gains and losses arising from re-measurement at fair value of derivative instruments are systematically recognised in the income statement.

Hedging instruments

In accordance with IAS 39 "Financial Instruments: Recognition and Measurement", derivative instruments may be designated as fair value hedges or cash flow hedges:

- a fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an identified portion of the asset or liability, that is attributable to a particular risk, notably rate and currency risks, and which would affect profit or loss;
- a cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a forecast transaction (such as a future purchase or sale) and could affect profit or loss.

Hedge accounting applies if:

- at the inception of the hedge, there is formal designation and documentation of the hedging relationship;
- at the inception of the hedge and in subsequent periods, the company may expect the hedge to be highly effective in offsetting changes in fair value or cash flows attributable to the hedged risk and if the actual results of the hedge are within a range of 80-125%.

The effects of applying hedge accounting are as follows:

- for fair value hedges of existing assets and liabilities, the hedged portion of the asset or liability is recognised in the balance sheet at fair value. The gain or loss from re-measuring the hedged item at fair value is recognised in profit or loss and is offset by the effective portion of the loss or gain from re-measuring the hedging instrument at fair value;
- for future cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity – because the change in the fair value of the hedged portion of the underlying item is not recognised in the balance sheet – and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. Amounts recognised directly in equity are subsequently recognised in profit or loss in the same period or periods during which the hedged forecast transaction affects profit or loss.

3.13 – Inventories

Inventories are stated at the lower of cost and probable net realisable value. Cost corresponds to purchase or production cost determined by the weighted average cost method.

3.14 – Deferred taxes

In accordance with IAS 12 “Income Taxes”, deferred taxes are recognised for all temporary differences between the book values of assets and liabilities and their tax basis, as well as for unused tax losses, by the liability method. Deferred tax assets are recognised only when their recovery is considered probable within a period of 3 to 5 years.

IAS 12 requires, in particular, the recognition of deferred tax liabilities on all intangible assets recognised in business combinations (trademarks, customer lists, etc.).

A deferred tax liability is recognised for all taxable temporary differences between the book value of shares and their tax base associated with investments in subsidiaries, equity-method associates and interests in joint ventures, except where:

- the Group is able to control the timing of the reversal of the temporary difference (distribution of dividends for example), and
- it is probable that the temporary difference will not be reversed in the foreseeable future.

In practice, this means that for fully consolidated companies, a deferred tax liability is recognised for taxes payable on planned dividend distributions by these companies.

The deferred tax assets and liabilities are set off if there is a legally enforceable right allowing set-off against a future tax liability. Any set-offs are treated by tax group depending on a single tax authority.

The deferred taxes relating to items stated directly in shareholders’ equity are also stated in shareholders’ equity.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

3.15 – Provisions

In accordance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, a provision is recognised when, at the end of the period, the Group has an obligation towards a third party resulting from a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Group’s practices or public commitments, which have created a legitimate expectation among third parties concerned that the Group will meet certain responsibilities.

The amount recognised as a provision corresponds to the best estimate of the expenditure required of the Group to settle the present obligation. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded, but details of the obligation are disclosed in the Notes to the financial statements.

Contingent liabilities – corresponding to potential obligations resulting from past events, the existence of which will be confirmed only by the occurrence of one or more uncertain future events not wholly within the Company’s control, and to probable obligations that are not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation – are disclosed in the Notes to the financial statements.

Provisions for restructuring costs are recognised only when the restructuring has been announced and a detailed plan has been drawn up or implemented before the period end-date.

Provisions are discounted when the discounting adjustment is material.

3.16 – Pension and similar benefit obligations

3.16.1 – Post-employment benefits

Retirement benefits and similar commitments

In France, legislation provides for benefits to be paid to employees at retirement on the basis of their length of service and salary at retirement age.

In accordance with IAS 19, obligations under defined benefit schemes are measured by the projected unit credit method. According to this method, each period of service gives rise to an additional unit of benefit entitlement and measures each unit separately to value the final obligation, using demographic hypotheses (turnover of the personnel, mortality, retirement age, etc.) and financial hypotheses (future increase in salary by category).
This final obligation is then discounted with a rate determined in reference to the yield on first-category long-term private bonds (or State bonds if there is no liquid market).
Actuarial differences relating to post-employment benefits are recognised for the full amount in other comprehensive income.

Other retirement schemes

These benefits are offered through defined contribution schemes for which the Group has no commitment other than the payment of contributions. The charge corresponding to the contributions paid is recognised in the income statement for the period.

3.16.2 – Other long-term benefits

Other long-term benefits which may be granted by the Group consist mainly of long-service awards that are also measured on an actuarial basis.

3.16.3 – Termination benefits

Any termination benefits are also determined on an actuarial basis and covered by provisions.
For all commitments where termination of employment contracts would trigger payment of compensation, the impact of changes in assumptions is recognised in profit or loss for the period during which the revision takes place.

3.17 – Share-based payments

In accordance with IFRS 2 "Share-Based Payment", stock options, employee share issues and free grants of shares to employees of the Group are valued on their grant date.

The value of stock options is determined in particular by reference to the exercise price, the life of the options, the current price of the underlying shares, the expected share price volatility, expected dividends and the risk-free interest rate over the life of the options. The amount so determined (under the share-based payment heading) is recognised in personnel expenses on a straight-line basis over the period between the grant date and the exercise date – corresponding to the vesting period – and in equity for equity-settled plans or in liabilities to employees for cash-settled plans. The Group has opted for retrospective application of IFRS 2 to equity- and cash-settled plans. The new plans are valued in accordance with IFRS 2 using a binomial model.

The fair value of a free share is the market price of the share on the grant date after adjustment to take account of the loss of dividends expected during the vesting period. This expense is recorded on a straight-line basis over the vesting period and, if necessary, is adjusted to take account of the likelihood that the performance conditions will be fulfilled.

3.18 – Own shares

Under IAS 32, acquisition of own shares are recorded as a decrease in own capital on the basis of their acquisition cost. If own shares are disposed of, the profits or losses are recognised in the consolidated reserves for their amounts less tax.

Note 4 - Segment information

The "Digital 2015" programme has transformed SoLocal into an Internet Group of which the mission is to "uncover local know-how everywhere and stimulate the local activity of trustworthy companies". The Group offers its customers digital solutions and services to increase their visibility and contacts at the local level and creates and updates the best local professional and personalised content for users.

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

Internet

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

The "local search" 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 "local search" customers.

- **Local search**: 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 related products are by far based on the Group's media offering "pagesjaunes.fr", "Mappy" and "Ooreka" (formerly "ComprendreChoisir") as well as on the partnerships set up by the Group with Bing, Google and Apple in particular.

- **Digital marketing**: Digital marketing products and services make it possible to reinforce the pertinence of the presence of the Group's customers on the Web and revolve around three lines:

    - Sites and content: 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.

    - Local programmatic marketing and adwords: In addition, Internet user retargeting solutions (ADhesive offering) make it possible to extend the visibility of the Group's customer sites on premium partner portals. The Group has also reinforced its expertise in managing adword campaigns for its customers through the acquisition of Effilab at the end of 2015.

    - Transactional services: the Group also proposes transactional services that are suited to the specific needs of certain professionals, PagesJaunesdoc intended for health-care professionals and PagesJaunesresto, an online ordering service for the delivery of meals from locally-listed restaurants.

Print & Voice

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

From a sales standpoint, the Group is reorganised 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.

4.1 – By business sector

The table below presents a breakdown of the main aggregates by business sector for the periods ending 31 December 2015 and 2014:

Amounts in thousands of euros	**As at 31 december 2015**			**As at 31 december 2014**		
	Consolidated	**Divested activities**	**Continued activities**	**Consolidated**	**Divested activities**	**Continued activities**
Revenues	**877,959**	**5,317**	**872,642**	**936,193**	**14,589**	**921,604**
- Internet	645,504	5,317	640,187	632,534	14,589	617,945
- Print & Voice	232,455	-	232,455	303,659	-	303,659
Recurring EBITDA	**260,858**	**(9,467)**	**270,325**	**301,103**	**(9,619)**	**310,722**
- Internet	191,975	(9,467)	201,442	192,399	(9,619)	202,018
- Print & Voice	68,883	-	68,883	108,704	-	108,704

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

4.2 – By geographic region

Amounts in thousands of euros	**As at 31 December 2015**	**As at 31 December 2014**
Revenues	**877,959**	**936,193**
- France	856,578	912,109
- Others	21,381	24,084
Assets	**758,983**	**835,852**
- France	657,152	727,971
- Others	14,180	15,200
- Unallocated	87,652	92,681

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

Note 5 - Changes in the scope of consolidation

The main transactions during the 2015 and 2014 financial years were as follows:

2015

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.

On 16 October 2015, 100% of the Horyzon Media securities were sold.

On 31 December 2015, 100% of the Sotravo securities were sold.

On 23 December 2015, SoLocal Group acquired 100% of the shares and voting rights of Effilab, a digital marking agency specialised in the creation, management and optimisation of advertising campaigns (incl. "Adwords") on search engines and positioning on social networks.

2014

On 5 March 2014, Mappy acquired 100% of the shares and voting rights of Retail Explorer, of which the core business is to propose an assessment of the prices and promotions on thousands of products present in the catalogues and in the stores in the French mass distribution market.

On 20 May 2014, an additional acquisition of 51% of the capital of LeadFormance, the leader in sales outlet location on the Internet. The Group is thus enhancing its digital communication offering for major advertisers.

Note 6 – Personnel costs

(In thousands of euros, except staff count)		**As at 31 December 2015**	**As at 31 December 2014**
Average staff count (full-time equivalent)		4,666	4,535
Salaries and charges		**(387,513)**	**(385,686)**
of which:	- Wages and salaries	(256,619)	(259,798)
	- Social charges	(119,523)	(114,856)
	- Tax credit employment (CICE)	3,457	3,392
	- Taxes on salaries and other items	(14,829)	(14,425)
Share-based payment (1)		**(3,074)**	**(8,560)**
of which:	- Stock options and free shares	(2,865)	(4,351)
	- Social charges on grants of stock options and free shares	(209)	(4,209)
Employee profit-sharing (2)		**(9,463)**	**(10,280)**
Total personnel expenses		**(400,051)**	**(404,526)**

(1) Cf. note 25
(2) incl. corporate contribution

Note 7 - Other operating expenses and income

This item includes in particular the result from disposals of non-financial assets, impairment on goodwill and on fixed assets, changes in fair value in price supplements granted in the framework of securities acquisitions and acquisition costs of shares, as well as restructuring costs.

In 2015, no impairment on goodwill or on fixed assets was recorded, contrary to 2014 when they represented 3.8 million euros (cf. notes 11 and 12).

Restructuring costs amounted to 49.4 million euros in 2015. This includes costs relating to the voluntary departure plan, a provision concerning the dispute with the PSE (job safeguarding plan - cf. note on disputes) as well as the reversal of the provision linked to pension commitments and long-term benefits (long-service award). In 2014, restructuring costs amounted to 23.5 million euros.

Note 8 – Net financial expenses

Net financial expense is made up as follows:

(Amounts in thousands of euros)	**As at 31 December 2015**	**As at 31 December 2014**
Interest and similar items on financial assets	533	376
Result of financial asset disposals	48	246
Change in fair value of hedging instruments	1,342	958
Financial income	**1,923**	**1,580**
Interest on financial liabilities	(64,583)	(70,711)
Income / (expenses) on hedging instruments	(11,107)	(14,470)
Amortisation of loan issue expenses	(7,368)	(13,076)
Change in fair value of financial assets and liabilities	2,742	476
Other financial expenses & fees	(3,385)	(602)
Accretion cost (1)	(1,834)	(1,321)
Financial expenses	**(85,535)**	**(99,704)**
Net financial expense	**(83,612)**	**(98,124)**

(1) The accretion cost corresponds to the increase, during the financial year, of the current value of pension commitments (cf. note 24) and the liability in respect of hedging instruments (cf. note 16).

Note 9 – Corporation tax

9.1 – Group tax analysis

The corporation tax for the year 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 December 2015**	**As at 31 December 2014 (*)**
Pretax net income from businesses	59,298	116,067
Share of profit or loss of an associate	107	(6)
Pretax net income from businesses and before Share of profit or loss of an associate	**59,190**	**116,073**
Statutory tax rate	34.43%	34.43%
Theoretical tax	**(20,381)**	**(39,968)**
Loss-making companies not integrated for tax purposes, net of the tax impact of divested activities	(138)	(1,988)
Loan and current account depreciation QDQ Media	-	498
Share-based payment	1,621	(1,498)
Foreign subsidiaries	593	82
Recognition of previously unrecognised tax losses	-	(1,242)
Non-deductible amortisation	(172)	(287)
Corporate value added contribution (after tax)	(6,845)	(7,206)
Ceiling of interest expense deductibility	(6,479)	(7,295)
Adjustment corporation tax of prior years	7	4,497
Additional tax 10,7%	(1,980)	(4,069)
Other non-taxable / non-deductible items	1,126	1,704
Effective tax	**(32,649)**	**(56,772)**
of which current tax	*(24,579)*	*(38,046)*
of which deferred tax	*(8,070)*	*(18,726)*
Effective tax rate	**55.2%**	**48.9%**

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

9.2 – Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	As at 31 December 2015	As at 31 December 2014 (*)
Retirement benefits	24,793	27,663
Legal employee profit-sharing	2,204	3,048
Non-deductible provisions	2,344	2,048
Hedging instruments	-	1,836
Other differences	1,285	1,359
Subtotal deferred tax assets	**30,626**	**35,954**
Corporate value added contribution	-	(13)
Loan issue costs	(7,186)	(9,643)
Depreciations accounted for tax purposes	(30,688)	(19,370)
Subtotal deferred tax liabilities	**(37,874)**	**(29,026)**
Total net deferred tax assets / (liabilities)	**(7,248)**	**6,928**
Deferred tax assets	-	*6,928*

(*) 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 sub-group recorded a net loss in 2015. The amount of deferred tax not recognised is estimated at 65.2 million euros as at 31 December 2015.

The deferred tax assets in the balance sheet of 6.9 million euros as at 31 December 2014 changed to a deferred tax liability of 7.3 million euros as at 31 December 2015.

In the balance sheet as at 31 December 2015, corporation tax represents a receivable of 16.8 million euros and a liability of 0.1 million euros. As at 31 December 2014, corporation tax represented a receivable of 19.0 million euros and a liability of 0.1 million euros.

The tax disbursed during the 2015 financial year was 20.0 million euros compared to 60.6 million euros in 2014, which included a repayment of 4.3 million euros concerning on the one hand, the approval received on a deductible provision from Aval which had merged in 2013 with PagesJaunes SA for an amount of 3.1 million euros and on the other hand, default interest on the deactivation of sales costs for an amount of 1.2 million euros.

Amounts in thousands of euros	As at 31 December 2015	As at 31 December 2014 (*)
Opening balance	**6,928**	**19,711**
Changes recognized in equity	(6,106)	- 5,943
Changes recognized in income	(8,070)	(18,726)
Closing balance	**(7,248)**	**6,928**

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

Note 10 - Earnings per share

In 2015, net income amounted to 26.6 million euros. Following the consolidation of the shares of 26 October 2015 (cf. note 22), the average number of ordinary shares in circulation was 38.7 million, after deduction of own shares. The net earnings per share for the consolidated group therefore amounted to 0.69 euro taking into account the potentially dilutive effect of the average of 2.0 million stock options and free shares in existence in 2015 (cf. note 25).

In 2014, net income amounted to 59.3 million euros. Following the capital increase of 29 April 2014 (cf. note 22), the average number of ordinary shares in circulation was 567.4 million (18.9 million after consolidation), after deduction of own shares. The net earnings per share for the consolidated group therefore amounted to 0.10 euro (3.13 euros after consolidation) taking into account the potentially dilutive effect linked to the existence, on the average over 2014, of 26.2 million (0.9 million after consolidation) stock options and free shares (cf. note 25).

Note 11 - Goodwill in respect of consolidated companies

Since 2015, the level at which the Group measures the current value of goodwill corresponds to the level of each of the product lines (local search, digital marketing and their derivatives).

Breakdown of the net value of goodwill by business sector:

(in thousands of euros)	**As at 31 December 2015**			**As at 31 December 2014 (*)**			**Change**
	Gross	Accumulated impairments	Net	Gross	Accumulated impairments	Net	Net
Search local + Transactionnel	54,201	(1,400)	52,801				
Sites	26,891	-	26,891				
Programmatique	15,415	-	15,415				
Internet	**96,507**	**(1,400)**	**95,107**	**164,555**	**(82,088)**	**82,467**	**12,640**
Other businesses	75,282	(75,282)	-				
TOTAL	**171,789**	**(76,682)**	**95,107**	**164,555**	**(82,088)**	**82,467**	**12,640**

The movements in the net value of goodwill can be analysed as follows:

(in thousands of euros)	**2015**	**2014**
Balance at start of year	**82,467**	**78,697**
Acquisitions / disposals	12,640	12,976
Impairments	-	(3,606)
Reclassifications and others	-	(5,600)
Balance at end of year	**95,107**	**82,467**

(1) in 2014, reclassification of the goodwill as intangible fixed assets for 5.6 million euros (cf. note 12)

Goodwill values were examined on the closure of the consolidated financial statements according to the method described in note 3.8 – Accounting policies, on the basis of business plans, a perpetual growth rate of between 1.5% and 3.0% and an after-tax discount rate of between 9.0% and 15.0% depending on the cash-generating units. These rates are based on published sector studies.

The assumptions made in determining the recoverable values are similar for all cash-generating units. They may be based on market data, the penetration rates of the various media or the products on the market, revenues (number of advertisers, average revenue per advertiser) or levels of gross operating margin. The values assigned to each of these parameters reflect past experience, subject to anticipated developments during the life of the plan. These parameters are the main sensitivity factors.

In 2015, no impairment was recorded.

In 2014, an impairment of goodwill was recognised for an amount of 3.6 million euros.

In terms of sensitivity, an increase of 1% in the discount rate across all of the CGUs, a decrease of 1% in the perpetuity growth rate or a decrease of 1% in the margin rate of the last year of the business plans would not result in the recording of depreciation.

Note 12 - Other intangible fixed assets

(in thousands of euros)	31 December 2015			31 December 2014		
	Gross value	Total depreciation and losses of value	Net value	Gross value	Total depreciation and losses of value	Net value
Software and support applications	316,445	(196,173)	120,272	270,398	(166,116)	104,282
Other intangible fixed assets	10,200	(7,088)	3,111	11,180	(8,196)	2,983
Total	**326,644**	**(203,261)**	**123,384**	**281,577**	**(174,312)**	**107,265**

No other significant impairment was recorded as at 31 December 2015 and 2014.

Movements in the net value of other intangible fixed assets can be analysed as follows:

(in thousands of euros)	31 December 2015	31 December 2014
Opening balance	**107,265**	**80,773**
Acquisitions	2,127	4,672
Internally generated assets (1)	60,450	54,698
Effect of changes in the scope of consolidation	(340)	766
Exchange differences	19	29
Reclassifications	-	5,600
Disposals and accelerated amortisation	(1,838)	(362)
Depreciation charge	(44,300)	(38,911)
Closing balance	**123,384**	**107,265**

(1) concerns all capitalised development expenses

The increase in investments made by the Group is linked to the launch of new products and services for customers and the enrichment of the functionalities of the Group's fixed and mobile Internet sites. Part of these investments was carried out by internal teams.

Note 13 – Tangible fixed assets

(in thousands of euros)	31 December 2015			31 December 2014		
	Gross value	Total depreciation	Net value	Gross value	Total depreciation	Net value
IT and terminals	62,018	(55,347)	6,671	59,550	(52,423)	7,127
Others	64,966	(43,256)	21,710	55,376	(37,235)	18,141
Total	**126,984**	**(98,603)**	**28,381**	**114,926**	**(89,657)**	**25,269**

No significant impairment was recorded as at 31 December 2015 and 2014.

Movements in the net value of tangible fixed assets can be analysed as follows:

(in thousands of euros)	31 December 2015	31 December 2014
Opening balance	**25,269**	**23,569**
Acquisitions	13,832	11,354
Effect of changes in the scope of consolidation	(138)	27
Exchange differences	4	12
Disposals and accelerated amortisation	(37)	(12)
Depreciation charge	(10,548)	(9,681)
Closing balance	**28,381**	**25,269**

Note 14 - Other available-for-sale assets

This section includes investment securities classified as available-for-sale assets as defined in standard IAS 39.

Note 15 - Other non-current financial assets

The other financial assets essentially comprise the long-term portion of security deposits.

Note 16 – Derivative financial instruments

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

(in thousands of euros)	**As at 31 December 2015**	**As at 31 December 2014**
Interest rate swaps – cash flow hedge	-	(8,601)
Collars – fair value hedge	-	(1,342)
Assets / (liability)	**-**	**(9,943)**
Of which non-current	-	-
Of which current	-	*(9,943)*

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2014 and 31 December 2015 of 8.6 million euros for the interest rate swaps, was stated in transferable equity, after recognition of deferred tax of 1.4 million euros.

The change in the collar (qualified as fair value hedging) was recognised in financial expenses (cf. note 8), for an amount of 1.3 million euros. Deferred tax of 0.4 million euros was recorded in this respect.

All of the financial instruments have matured.

Note 17 – Net inventories

Inventories consist mainly of current service requirements for the production of advertisements (printed and online products) and websites.

Where necessary, these inventories have been written down when sales prospects could entail a risk of a fall in value to below that stated in the balance sheet.

No significant discards were recorded during the 2015 and 2014 financial years.

Note 18 – Trade debtors

The breakdown of the gross value and impairment of trade debtors is as follows:

(in thousands of euros)	**31 December 2015**	**31 December 2014**
Gross trade debtors	374,002	464,632
Provisions for impairment (1)	(20,361)	(17,527)
Net receivables before statistical impairment	**353,641**	**447,105**
Provisions for statistical impairment (1)	(1,018)	(5,319)
Net trade debtors	**352,623**	**441,786**

(1) Cf. note 21 - Changes in provisions for impairment of assets

As at 31 December, trade debtors were due as follows:

(in thousands of euros)	**Total (1)**	**Not due (1)**	**Overdue and not impaired (1)**					
			< 30 days	**between 31 and 60 days**	**between 61 and 90 days**	**between 91 and 180 days**	**between 181 and 360 days**	**> 360 days**
2015	**353,641**	327,930	8,664	6,056	4,512	3,247	2,963	269
2014	**447,105**	406,027	17,215	6,472	4,231	6,062	5,293	1,805

(1) Excluding statistical impairment provisions totalling 1,018 thousand euros as at 31 December 2015 and 5,319 thousand euros as at 31 December 2014

The Group's portfolio of trade debtors does not present a significant risk of concentration (about 537,000 advertisers, including 516,000 with PagesJaunes in France). In France, PagesJaunes' 20 largest advertisers represent 1.5% of these revenues (unchanged compared to 2014) and advertisers in the 10 largest business sections represent 14.2% of PagesJaunes revenues (14.6% in 2014). Provisions for bad debts remain at a very low level, with net provisions amounting to 0.1% of revenues in 2015 compared to 0.6% in 2014.

Note 19 – Acquisition costs of contracts

Acquisition costs of contracts represent the variable costs of the sales force relating to the marketing of advertising products in the printed directories and on digital media. These direct and incremental costs in obtaining customer contracts are capitalised on the balance sheet in this item and are recognised as expense over the life of the customer orders, i.e. according to the publication of the advertisements and the recognition of the revenue.

Note 20 - Other current assets

The other current assets are made up as follows

en milliers d'euros	**31 décembre 2015**	**31 décembre 2014**
TVA à recevoir	17,161	21,406
Divers Etat à recevoir	92	18
Avances, acomptes & avoirs fournisseurs	3,310	3,680
Autres actifs courants (1)	3,533	3,928
Total	**24,096**	**29,032**

Note 21 – Changes in provisions for impairment of assets

(in thousands of euros)	**Balance at start of période**	**Allowances**	**Releases of unused provisions**	**Release of used provisions**	**Other movements**	**Balance at end of period**
2014						
Trade debtors	25,911	9,109	(139)	(12,109)	74	22,846
Other assets	-	-	-	-	-	-
2015						
Trade debtors	22,846	9,806	(740)	(8,840)	(1,693)	21,379
Other assets	-	-	-	-	-	-

(1) In 2015, selling of Horyzon Media and Sotravo and acquisition of Effilab

Application of a provision rate according to the age of the receivables based on the collection history.

Note 22 – Share-holders' equity

22.1 – Share capital

Capital increase

The mixed general meeting of shareholders on 11 June 2015 approved the consolidation of the shares of SoLocal Group based on an exchange parity of 30 old shares for 1 new share.

The share capital of SoLocal Group is now comprised of 38,876,564 shares.

22.2 - Other reserves and other comprehensive income

The other consolidated reserves and other comprehensive income were negative in an amount of 1,947.3 million euros as at 31 December 2015 (2,015.9 million euros as at 31 December 2014) and were mainly composed of:

- the portion of distributions in excess of the income for the year, mainly relating to exceptional distributions made in November 2006 for an amount of 2,519.7 million euros;

- the cross-entry for the share-based payment expense corresponding to the portion settled in equity instruments in an amount of 61.5 million euros (66.9 million euros as at 31 December 2014), cf. note 25.

22.3 – Own shares

Through the liquidity contract, the Company held 82,850 of its own shares as at 31 December 2015 compared to 24,567 on 31 December 2014 (737,001 before consolidation of shares), 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 2012 were taken from this stock.

As at 31 December 2015, SoLocal Group held 3,939 of its own shares directly.

As at 31 December 2015, SoLocal Group consequently held 86, 789 of its own shares.

The social capital of SoLocal Group is comprised of 38,876,565 shares each with a par value of 6.00 euros, which is a total amount of 233,259,384 euros (before deduction of treasury shares).

22.4 - Dividends

SoLocal Group did not distribute any dividends in 2015 or in 2014.

Note 23 – Trade creditors

Amounts owed to suppliers bear no interest and are payable in principle between 30 and 60 days.

Note 24 - Personnel benefits, provisions and other liabilities

These are made up as follows:

(in thousands of euros)	**31 December 2015**	**31 December 2014**
Post-employment benefits	75,562	80,482
Other long-term benefits	9,425	9,957
Non-current personnel benefits (1)	**84,986**	**90,439**
Other Provision for risks	27,703	13,903
Provisions for social or fiscal disputes	5,951	3,007
Non-current provisions	**33,654**	**16,910**

(1) Cf. details in the folloing note. Non-current personnel benefits concern the French companies.

(in thousands of euros)	**31 December 2015**	**31 December 2014**
Personnel (1)	68,146	64,442
Social organisations	52,759	53,173
Total current personnel benefits	**120,904**	**117,615**
VAT payable	72,666	92,004
Sundry accounts payable	5,770	6,614
Other current liabilities	5,728	1,268
Other current liabilities	**84,163**	**99,886**

(1) Comprising mainly employee profit-sharing and provisions for personnel expenses.

Movements in provisions were as follows:

(in thousands of euros)	Opening balance	Charge for the year	Reversal of the year (unused)	Reversal of the year (utilised)	Changes in the scope of consolidation, reclassifications and others	Closing balance
Provisions for social and fiscal litigations	28,612	53,273	(6,278)	(20,626)	1,420	56,401
Other Provision for risks	11,162	503	(459)	(860)	(125)	10,221
Total provisions	**39,774**	**53,776**	**(6,737)**	**(21,486)**	**1,295**	**66,622**
- of which non current	*16,910*	*33,465*	*(773)*	*(1,044)*	*(14,904)*	*33,654*
- of which current	*22,864*	*20,311*	*(5,964)*	*(20,442)*	*16,199*	*32,968*

The provisions booked primarily cover social or fiscal disputes.
Pagesjaunes SA underwent a tax reassessment, notified in 2014 and in 2015, in terms of a portion of the research tax credits for 2010, 2011, 2012 and 2013. The rectifications, which were disputed, are based in particular on a divergence in interpretation in tax doctrine between PagesJaunes SA and the administration.

Pension commitments and other personnel benefits:

(in thousands of euros)	Post-employment benefits	Other long-term benefits	**Total 31 December 2015**	Post-employment benefits	Other long-term benefits	**Total 31 December 2014**
Change in value of commitments						
Total value of commitments at start of period	**80,483**	**9,957**	**90,440**	**76,532**	**9,677**	**86,209**
Cost of services rendered	4,685	662	5,347	5,012	661	5,674
Discounting cost	1,637	198	1,835	1,182	139	1,321
Contributions paid by employees	-	-	-	-	-	-
Amendments to scheme	-	-	-	-	-	-
Reductions/liquidations	(1,208)	(72)	(1,280)	(4,153)	(495)	(4,648)
Actuarial (gains) or losses	(9,290)	(792)	(10,081)	2,636	297	2,933
Benefits paid	(346)	(228)	(574)	(727)	(323)	(1,050)
Acquisitions	-	-	-	-	-	-
Assignments/transfers of activity	-	-	-	-	-	-
Changes in scope	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total value of commitments at end of period (A)	**75,962**	**9,725**	**85,686**	**80,482**	**9,957**	**90,439**
Commitments at end of period relating to fully or partly financed schemes	-	-	-	-	-	-
Commitments at end of period relating to non-financed schemes	*75,962*	*9,725*	*85,686*	*80,482*	*9,957*	*90,439*
Change in cover assets						
Fair value of cover assets at start of period	**-**	**-**	**-**	**30**	**-**	**30**
Financial income from cover assets	-	-	-	-	-	-
Gains/losses on cover assets	-	-	-	-	-	-
Contributions paid by the employer	-	-	-	-	-	-
Contributions paid by the employees	-	-	-	-	-	-
Reductions/liquidations	-	-	-	-	-	-
Benefits paid by the fund	-	-	-	-	-	-
Change in scope	-	-	-	-	-	-
Others (translation differences)	-	-	-	(30)	-	(30)
Fair value of cover assets at end of period (B)	**-**	**-**	**-**	**-**	**-**	**-**
Financial cover						
Situation of the scheme (A) – (B)	75,962	9,725	85,686	80,482	9,957	90,439
Unrecognised actuarial gains or (losses)	-	-	-	-	-	-
Unrecognised cost of past services	-	-	-	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-	-	-
Provision / (assets) at end of period	**75,962**	**9,725**	**85,686**	**80,482**	**9,957**	**90,439**
of which provision / (asset) short term	*400*	*300*	*700*	-	-	-
of which provision / (asset) long term	*75,562*	*9,425*	*84,986*	*80,482*	*9,957*	*90,439*
Pension charge						
Cost of services rendered	4,685	662	5,347	5,012	661	5,674
Discounting costs	1,637	198	1,835	1,182	139	1,321
Expected return on scheme assets	-	-	-	-	-	-
Amortisation of actuarial (gains) or losses	-	(792)	(792)	-	297	297
Amortisation of cost of past services	-	-	-	-	-	-
Effect of reductions/liquidations	(1,208)	(72)	(1,280)	(4,153)	(495)	(4,648)
Assignments/transfers of activity	-	-	-	-	-	-
Adjustment linked to upper limit of assets	-	-	-	-	-	-
Total pension charge	**5,114**	**(4)**	**5,110**	**2,042**	**602**	**2,644**
Movements in the provision / (asset)						
Provision / (assets) at start of period	**80,483**	**9,957**	**90,440**	**76,502**	**9,677**	**86,179**
Pension charge	5,114	(4)	5,110	2,042	602	2,644
Pension charge from divested businesses	-	-	-	-	-	-
Contributions paid by the employer	(346)	(228)	(574)	(727)	(323)	(1,050)
Benefits paid directly by the employer	-	-	-	-	-	-
Change of scope	-	-	-	-	-	-
Actuarial gains or (losses)	(9,290)	-	(9,290)	2,636	-	2,636
Others	(0)	-	(0)	30	-	30
Provision / (assets) at end of period	**75,962**	**9,725**	**85,686**	**80,482**	**9,957**	**90,439**
Assumptions						
Discount rate (%)	2.25%	2.25%	2.25%	1.50%	1.50%	1.50%
Expected long-term inflation rate (%)	2.0%		2.00%	2.0%		2.0%
Expected yield on scheme assets (%)	2.25%	-	-	1.50%	-	-
Probable residual activity period	12.2	12.2	12.2	12.5	12.5	12.5
Amount entered as a charge in respect of the period	**5,114**	**(4)**	**5,110**	**2,042**	**602**	**2,644**

In 2015, the expense stated in respect of defined contribution pension plans amounted to 47.0 million euros.

The discount rate applied in valuing commitments as at 31 December 2015 is 2.25%, compared to 1.5% as at 31 December 2014.

The IAS 19 standard sets the discount rate at the rate of bonds issued by first-class companies having a maturity equal to that of the commitment. If the market for these bonds is not liquid, the rate is equal to the rate of the corresponding government bonds (OATs).

On the valuation date, in the eurozone, the rate for first-class private bonds (AA) was about 2.25% according to Bloomberg.

The discount rate actually adopted in this valuation was thus in accordance with the IAS 19 standard.

Sensitivity of the discount rate on post-employment benefits (IFC):
A 0.50% increase in the discount rate leads to a decrease in the commitment of about 6.5%, or around 4.6 million euros, while a decrease of 0.50% in the discount rate leads to an increase in the commitment of about 7.1%, i.e. around 5.1 million euros.

Sensitivity of the discount rate on other long-term benefits (long-service awards):
An increase of 0.50% in the discount rate leads to a decrease in the commitment of 4.4% (less than 1 million euros), while a decrease of 0.50% in the discount rate leads to an increase in the commitment of 4.8% (less than 1 million euros).

For all post-employment benefits and other long-term benefits, an increase of 0.5% in the discount rate leads to a decrease in the expense for the year of 0.2 million euros, i.e. 0.8% of the income for the period, while a decrease of 0.50% in the discount rate leads to an increase in the expense for the year of 0.3 million euros i.e. 1.0% of the income for the period.

The discounted value of the obligation in respect of these commitments and the adjustments to the scheme linked to experience for the current year and or the four previous years are as follows:

(in thousands of euros)	**2015**	**2014**	**2013**	**2012**	**2011***
Total value of commitments at end of period	85,686	90,439	86,209	85,510	85,510
Fair value of cover assets at end of period	-	-	(30)	(29)	(30)
Situation of the scheme	**85,686**	**90,439**	**86,179**	**85,481**	**85,480**
Actuarial (gains) or losses relating to experience - liability	107	(366)	(2,931)	(2,292)	(735)
Actuarial (gains) or losses relating to experience - cover asset	-	-	-	-	-

* restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Note 25 - Stock options and free shares

25.1 - Description of the plans

25.1.1 - Stock options

Neither SoLocal Group nor any of its subsidiaries granted any stock option plans in 2015 and 2014.

25.1.2 - Free shares

The Extraordinary General Meeting of 29 April 2014 authorised the Board of Directors to introduce a free share plan to existing or new shares for the benefit of certain Group directors and employees, as defined in articles L. 225-197-1 and following of the Commercial Code, with the particular aim of involving them in the Company's development. This authorisation was granted for a period of 38 months and the total number of shares granted in respect of this resolution must not exceed 5% of the capital of the Company after the settlement-delivery of the capital increases provided for at this same General Meeting (cf. note 22).

On 19 June 2014, the Board of Directors adopted the conditions for a free share plan for 45,221,000 shares. These shares will be finally vested at the end of vesting periods ending on 19 June 2016, 19 June 2017 and 19 June 2018, provided that the beneficiary is still an employee or director of the Group and performance conditions are fulfilled.

On 09 February 2015, the Board of Directors adopted the conditions for a free share plan for 2,305,000 shares. These shares will be finally vested at the end of vesting periods ending on 09 February 2017, 09 February 2018 and 09 February 2019, provided that the beneficiary is still an employee or director of the Group and performance conditions are fulfilled.

All of these allocations were carried out before the consolidation of shares of October 2015 which resulted in the multiplication of the nominal by 30.

The grant date applied for the valuation of the expense is the date of the Board of Directors' Meeting granting the options, the time allowed for informing the grantees having been deemed reasonable.

25.2 - Movements in stock option and free share plans during the year

	Closing balance as at 31 December 2014	New volume conversion (regrouping shares of 26 October 2015)	Granted	Exercised	Cancelled / lapsed	Closing balance as at 31 December 2015	Exercise price (adjusted post regrouping shares)
Subscription share plans	**12,627,186**	**418,826**	**-**	**-**	**(182,038)**	**236,789**	
July 2010	1,714,162	56,725	-	-	(6,546)	50,179	127.20 €
December 2010	172,125	5,736	-	-	-	5,736	105.09 €
July 2009	1,409,399	46,976	-	-	(1,890)	45,086	99.39 €
October 2009	34,425	1,147	-	-	(1,147)	-	130.98 €
December 2009	151,875	5,063	-	-	(2,362)	2,700	115.86 €
December 2007	4,329,085	143,517	-	-	(10,429)	133,088	214.20 €
June 2005	4,816,116	159,663	-	-	(159,663)	-	
Free share plans	**50,928,460**	**1,694,873**	**76,833**	**-**	**(296,469)**	**1,475,238**	**Final vesting date**
February 2015	-	-	18,944	-	(2,279)	16,665	09/02/2017
February 2016	-	-	18,944	-	(2,279)	16,665	09/02/2018
February 2015	-	-	38,944	-	(2,279)	36,665	09/02/2019
June 2014	10,073,000	335,766	-	-	(20,786)	314,980	19/06/2016
June 2014	10,073,000	335,766	-	-	(20,786)	314,980	19/06/2017
June 2014	24,147,000	804,898	-	-	(49,828)	755,070	19/06/2018
December 2013	789,600	23,581	-	-	(3,369)	20,212	31/12/2015
December 2012	5,845,860	194,862	-	-	(194,862)	-	31/12/2014

As at 31 December 2015, the options of all of the stock option plan can be exercised.

25.3 - Description of the valuation models

The fair value of a granted share corresponds to the market price of the share on the grant date after adjustment for the expected loss of dividends during the vesting period ending on 31 December 2015.

Grant date in 2015	**9 February**
Market price of underlying stock	€0.766
Vesting period	From 2 to 4 years
Expected dividend rate	-
Fair value of one share	€0.766

The expense representing the cost of this free share plan, which takes account of an estimated annual departure rate of 15%, is amortised over the vesting period, between 2 and 4 years according to the tranche. It is adjusted in line with the probability that the performance conditions will be fulfilled or the departure rate during this period and is fixed permanently on the basis of the number of shares actually distributed at the end of this period.

25.4 - Expense relating to stock option plans and free grants of shares

The impact of the stock option plans and free grants of shares on the 2015 income statement amounts to 3.1 million euros compared to 8.6 million euros in 2014. These amounts include the social charges relating to the employer's contribution based on the fair value of the options granted, i.e. 30% in 2015 and 2014.

These plans are expected to be settled through equity instruments.

Note 26 – Cash and cash equivalents, net financial debt

Net financial debt corresponds to the total gross financial debt plus or minus the fair value of derivative asset and/or liability hedging instruments and minus cash and cash equivalents.

(in thousands of euros)	**As at 31 December 2015**	**As at 31 December 2014**
Accrued interest not yet due	122	179
Cash equivalents	36,602	34,349
Cash	16,971	11,826
Gross cash	**53,695**	**46,354**
Bank overdrafts	(365)	(2,776)
Net cash	**53,330**	**43,578**
Bank loan	800,483	813,816
Bond loan	350,000	350,000
Revolving credit facility drawn	-	20,000
Loans issue expenses	(18,385)	(25,753)
Lease liability	708	841
Fair value of hedging instruments (cf. note 7)	0	9,943
Price supplements on acquisition of securities	2,759	1,419
Accrued interest not yet due	4,061	5,060
Other financial liabilities	4,242	4,056
Gross financial debt	**1,143,868**	**1,179,382**
of which current	*25,603*	*39,745*
of which non-current	*1,118,265*	*1,139,637*
Net debt	**1,090,538**	**1,135,804**

Cash and cash equivalents

As at 31 December 2015, cash equivalents amounted to 36.6 million euros and are primarily comprised of UCITS and non-blocked, remunerated, fixed-deposit accounts and own bonds.

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 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 4.00 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 31 December 2015, these financial covenants were met and there are no grounds for reclassifying non-current debt as current debt. These ratios were respectively at 3.79 and 3.89.

The development of the Group remains constrained by its bank covenants; this is why the Group continues to explore all refinancing options and the 2016 outlook will depend on the retained orientation.

As for the sensitivity, a drop in EBITDA (covenant) of 1% would lead to an increase of the leverage ratio by 0.04. A drop in the net debt of 2% would lead to a decrease of the same ratio by 0.07.

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 31 December 2015, bank debt can be broken down as follows:

- Tranche A7 at a nominal of 798.8 million euros: maturity March 2018 (including the cash sweep of 15.2 million euros) 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 49.2 million euros, depreciable of 2.7 million euros 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 a nominal value of 15 million euros. This portion was written off.

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 and 2015, price supplements may be paid in 2016, 2017 and 2018 if certain operating performance conditions are fulfilled. As at 31 December 2015, these were estimated to be 2.8 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 27 – Deferred income

Deferred income mainly comprises income from sales of advertisements invoiced for inclusion in directories yet to be published and online directories spread over a display period which is usually 12 months.

Note 28 – Financial instruments

28.1 - Financial instruments in the balance sheet

(in thousands of euros)	Carrying amount in balance sheet	Breakdown according to IAS 39: Fair value recognised in profit or loss	Derivative instruments (Fair value recognised in equity)	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Others
Available-for-sale assets	179	-	-	179	-	-	-
Other non-current financial assets	4,097	-	-	-	4,097	-	-
Net trade accounts receivable	352,623	-	-	-	352,623	-	-
Other current financial assets	12,866	12,866	-	-	-	-	-
Cash equivalents	36,602	36,602	-	-	-	-	-
Cash	17,093	17,093	-	-	-	-	-
Financial assets	**423,460**	**66,561**	**-**	**179**	**356,720**	**-**	**-**
Non-current financial liabilities and derivatives	1,118,265	2,399	-	-		1,115,866	-
Bank overdrafts and other short-term borrowings	21,907	360	-	-		21,547	-
Accrued interest	4,061	-	-	-		4,061	-
Trade accounts payable	95,391	-	-	-		95,391	-
Financial liabilities	**1,239,624**	**2,759**	**-**	**-**		**1,236,865**	**-**

Hedging derivatives stated at fair value in equity are detailed in note 16.

As at 31 December 2015, the market value of the bank and bond loans was 765.3 million euros, compared to a carrying value of 1,148.8 million euros:

(in thousands of euros)	Carrying value	Quotes as at 31/12/2015	Market value
Bank borrowing - facility A7	798,805	63.6%	508,040
Senior secured notes PagesJaunes Finance & Co SCA	350,000	73.5%	257,254
Loans	**1,148,805**	**66.6%**	**765,293**
Other debts incl. debt costs	(11,392)	-	(11,392)
Non-current financial liabilities and derivatives	**1,137,413**	**66.3%**	**753,901**

The Group has classified the valuations at fair value according to a hierarchy of fair values reflecting the importance of the data used to carry out the valuations. The hierarchy of fair values is made up of the following levels:

- Level 1: prices (non-adjusted) listed on active markets with identical assets or liabilities;
- Level 2: data other than the listed prices referred to in Level 1, which are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derivative price data); and
- Level 3: data relating to assets or liabilities not based on observable market data (non-observable data)

In the 2015 financial year, there were no transfers between levels 1 and 2 in the hierarchy of fair values, nor any transfers to or from level 3.

28.2 - Effect of financial instruments on income

(in thousands of euros)	Impact in profit and loss	Breakdown according to IAS 39 Fair value recognised in profit or loss	Derivative instruments	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Others
Interest income	1,923	1,923	-	-	-	-	-
Interest expenses	(83,701)	2,742	-	-	-	(86,443)	-
Net gains / (net losses)	**(81,778)**	**4,665**	**-**	**-**	**-**	**(86,443)**	**-**
Accretion cost	(1,834)						
Net financial income (cf. note 8)	**(83,612)**						

Note 29 - Financial risk management and capital management policy objectives

The Group's objective is to optimise its financial structure, the principal assessment criterion being the financial leverage (ratio of net debt to gross operating margin), in order to reduce the cost of its capital while maintaining financial flexibility enabling the Group to meet its development plan.

The two main financial management objectives are as follows:

- SoLocal Group, and the consolidated Groupe SoLocal, are net borrowers and, in this context, the prime objective of SoLocal Group is to secure and thus limit the cost of its debt;
- Since the Group generates a substantial cash flow in line with the rate of the sales prospecting cycle and pays interest on its debt according to a different timescale, the Groupe SoLocal produces cash surpluses and may find itself in a situation of temporary cash flow surplus. Since these surpluses are not long-lasting, the Group's objective is to invest them at the best possible interest rate with a very limited level of risk.

The Group also ensures that the commitments made in its banking and bond documentation are respected, including certain default and prepayment clauses. These clauses are linked, in particular, to compliance with operational and financial covenants such as the minimum level of coverage of the net consolidated interest charge by consolidates EBITDA and the maximum leverage, measured by the relationship between the consolidated net debt and consolidated EBITDA. Note that the EBITDA used in calculating these bank covenants differs from that used in these financial statements.

The Group has set a goal to reduce its financial leverage. As at 31 December 2015, this ratio was 3.79 times EBITDA, which is lower than the maximum of 4.00 times specified in the bank documentation.

The development of the Group remains constrained by its bank covenants; this is why the Group continues to explore all refinancing options and the 2016 outlook will depend on the retained orientation.

In view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk.

Exchange rate risk

SoLocal Group considers that the exchange rate risk is not significant as far as its activity is concerned, insofar as it is exercised mainly in the eurozone.

Interest rate risk
SoLocal Group is exposed to the risk of interest rate fluctuations insofar as all of the bank debt is at a variable rate. In an environment of low rates, the Group feels that it is not in its best interest to hedge this short-term interest rate risk.
The main features of the Group's banking debt are stated in note 26 (Cash and Cash equivalents, net financial debt) and the features of the instruments used for hedging against interest rate fluctuations can be found in note 16 ("Derivative financial instruments – non-current assets").

(in millions of Euros)	As at 31 December 2015	Less than 1 year	In 1 to 5 years	In more than 5 years
Bank loan	(798.8)	(16.8)	(782.0)	-
Revolving credit lines	-	-	-	-
Cash and cash equivalents, net of bank overdrafts	53.3	53.3	-	-
Assets / (liabilities) at variable rate before hedging	**(745.5)**	**36.5**	**(782.0)**	**-**
Active hedgings (excl. forwards)	-			
Assets / (liabilities) at variable rate after hedging	**(745.5)**			
Fixed rate				
Bond loan	(350.0)	-	(350.0)	-
Assets / (liabilities) at fixed rate before hedging	**(350.0)**	**-**	**(350.0)**	**-**
Active hedgings (excl. forwards)	-			
Assets / (liabilities) at fixed rate after hedging	**(350.0)**			
Other items *	4.9			
Net debt	**(1,090.5)**			

* loan issue expenses, accrued interest not yet due, price supplement on acquisition of securities, Effilab loan, current account with PagesJaunes Outre-mer, pre-financing of the CICE (Tax Credit for Competition and Employment)

SoLocal Group estimates that an increase of 0.50% in short-term interest rates compared to the three-month Euribor rate at 31 December 2015, i.e. -0.232%, should not lead to a decrease in the consolidated annual income.

Sensitivity analysis of an increase of 50 basis points of Euribor 3 months (before tax)

(in millions of Euros)	Cash equivalents	Bank loan and overdrafts	Net derivative financial instruments		Total
			Cash flow hedge	Fair value	
Carrying amount in balance sheet	53.6	(805.1)	-	-	
Sensitivity in profit and loss	0.3	(4.0)	-	-	**(3.8)**
Sensitivity in equity	-	-	-	-	**-**

Liquidity risk
SoLocal Group has established a centralised cash management system with cash pooling including all its French subsidiaries and organised around a SoLocal Group pivot. This method of managing liquidities associated with an internal reporting system enables the Group to anticipate and estimate future cash flows linked to the operational activities of its various subsidiaries and thus to optimise drawings on its credit lines when cash is required, and investments in the case of cash surpluses.

Based on the maturity dates of financial liabilities as at 31 December 2015, forecast disbursements for future periods, calculated on the basis of the forward rate curve at 31 December 2015, are as follows:

(in millions of Euros)	Carrying amount in balance sheet		2016		2017		2018	
	Assets	Liabilities	Interest	Reimb.	Interest	Reimb. (off cash sweep)	Interest	Reimb. (off cash sweep)
Financial liabilities		**(1,161.9)**	**(58.9)**	**(23.5)**	**(55.2)**	**(2.4)**	**(18.4)**	**(1,132.0)**
Bank loan A7	-	(798.8)	(23.8)	(16.8)	(24.1)	-	(5.3)	(782.0)
Bond loan	-	(350.0)	(31.1)	-	(31.1)	-	(13.0)	(350.0)
Bank overdrafts	-	(0.4)	-	(0.4)	-	-	-	-
Accrued interest not yet due	-	(4.1)	(4.1)	-	-	-	-	-
Liability on committed purchase of minority interests	-	(2.8)	-	(0.4)	-	(2.4)	-	-
Other financial liabilities	-	(5.9)	-	(5.9)	-	-	-	-
Interest rate risk hedging								
Swaps	-	-	-	-	-	-	-	-
Forward rate (Euribor 3m)			-0.27%		-0.23%		0.05%	

Credit risk

SoLocal Group is generally exposed to credit risk essentially in its investments and interest rate hedging instruments. SoLocal Group limits credit risk by selecting counterparties having a long-term rating higher than AA- (Standard & Poor's and/or Fitch IBCA) or Aa3 (Moody's). As at 31 December 2015, SoLocal Group was exposed to an extent of 36.6 million euros in respect of its investment operations (cf. note 26 – Cash equivalents).

Furthermore, the management procedure for SoLocal Group's financial operations involves the drawing up of a limited list of authorised signatures, outside of which the Chief Executive Officer's authorisation is compulsory. The banking documentation also limits the list of counterparties for interest rate hedging operations.

Equity risk

SoLocal Group considers that the equity risk is not significant insofar as the amount invested in own shares particularly under the liquidity contract remains limited and the investment of its cash surpluses is not exposed to equity market risk.

Note 30 - Information on related parties

30.1 - Remuneration of executive committee and board of directors members

The table below shows the remuneration of persons who were members of SoLocal Group's Board of Directors and Executive Committee during or at the end of each financial year. It also includes the directors representing employees and sitting on the SoLocal Group Board of Directors.

(in thousands of euros)	**31 December 2015**	**31 December 2014**
Short-term benefits (1)	5,503	5,031
of which employer charges	*1,561*	*1,334* [(6)]
Post-employment benefits (2)	37	71
Other long term benefits (3)	1	2
End-of-contract benefits (4)	-	664
Equity benefits (5)	495	2,941
Total	**6,036**	**8,708**

(1) Salaries, remuneration, profit-sharing and bonuses paid and social security contributions, paid holidays, directors' fees and non-monetary benefits entered in the accounts.
(2) Pensions, annuities, other benefits, …
(3) Seniority leave, sabbatical leave, long-term benefits, deferred remuneration, profit-sharing and bonuses (if payable 12 months or more after the closing date).
(4) Severance pay, non-competition clause compensation, including social charges.
(5) Share-based payment including social charges relating to free grants of shares and stock options.
(6) After taking account of an adjustment in the corporate contribution for €81 thousand.

In 2015, the charge in respect of defined-contribution pension plans amounted to 0.3 million euros (0.4 million euros in 2014).

30.2 – Transactions with related parties

The Board of Directors of SoLocal Group, meeting on 17 May 2009, appointed Jean-Pierre Remy Chief Executive Officer of the company effective 25 May 2009. Since Jean-Pierre Remy does not benefit from an employment contract, the Board of Directors decided to implement severance pay in the event of forced departure from the company in connection with a change in control or strategy or implementation, the sum of which will be equal to his gross annual remuneration (fixed and variable in accordance with the targets met), subject to the performance obligation

A non-competition obligation will be applied in the event of termination of Jean-Pierre Remy's mandate as Chief Executive Officer for any reason and in any form whatsoever. This competition prohibition shall be limited to a period of 24 months commencing on the day on which his duties actually come to an end, and shall cover 100% of French territory. The relevant compensation will be equal to 12 months of remuneration based on the total gross monthly average of remuneration over the 12 months of activity preceding the date of termination.

The accumulation of the severance pay and non-competition obligation cannot exceed two years of remuneration, fixed and variable.

Christophe Pingard was appointed Deputy Chief Executive Officer by the Board of Directors on 26 October 2011. On this occasion, SoLocal Group entered into the following commitments with regards to him.

Since Christophe Pingard does not benefit from an employment contract, the Board of Directors decided to provide severance pay in the event of his forced departure from the Company due to a change in the Company's control or strategy or its implementation (irrespective of the form of departure: dismissal, non-renewal or resignation), subject to fulfilment of the performance condition. The amount of this severance pay shall equal 12 months of remuneration calculated based on the average monthly total gross remuneration paid during the 12 months of activity preceding the date of cessation of duties.

A non-competition obligation will be applied in the event of termination of Christophe Pingard's term of office as Deputy Chief Executive Officer for any reason and in any form whatsoever. This competition prohibition shall be limited to a period of 24 months commencing on the day on which his duties actually come to an end, and shall cover 100% of French territory. The corresponding compensation shall amount, based on a non-competition period of 24 months, to 12 months' remuneration calculated on the basis of the monthly average of his total gross pay for the 12 months prior to the date on which the term of office was terminated. On termination of the term of office, the Company may renounce the benefit of the non-competition agreement (in which case it will not have to pay the corresponding compensation).

The bank and bond loans are indirectly guaranteed by a pledge of the securities of PagesJaunes SA held by SoLocal Group.

Note 31 - Contractual obligations and off-balance-sheet commitments

Significant off-balance-sheet commitments are as follows:

Contractual obligations (in thousands of euros)	2015				2014
		Payments due per period			
	Total	Less than 1 year	In 1 to 5 years	In more than 5 years	Total
Operating leases	**152,406**	**27,267**	**62,320**	**62,819**	**151,715**
Paper, printing, distribution [1]	1,629	1,629	-	-	2,195
Other services	6,356	5,552	804	-	8,654
Commitments for purchases of goods and services	**7,985**	**7,181**	**804**	**-**	**10,849**
Total	**160,391**	**34,448**	**63,124**	**62,819**	**162,564**

(1) See details in the table below

The "Other services" section includes all firm orders placed as at 31 December 2015 for goods and services deliverable from 2016.

Leases

PagesJaunes has leased land, buildings, vehicles and equipment. These leases are due to expire on different dates over the next six years.

The Management considers that these leases will be renewed or replaced on expiry by other leases under normal operating conditions.

The rental charge recorded in the income statement in respect of operating leases amounted to 18.1 million euros in 2015 (18.3 million euros in 2014).

In 2014 and 2015, SoLocal Group subscribed to two commercial lease contracts for future completion signed with two separate investors, for premises located in the towers of a real estate complex currently being rehabilitated called Citylights, located in Boulogne Billancourt.

The lease contracts for future completion were irrevocably signed on 26 May 2014 for a firm period of 10 years, as SoLocal Group has renounced its 3-year termination faculty until the end of the firm period of the two lease contracts. The scheduled date for the two lease contracts to take effect is set to 9 May 2016, with the expiry date for each of the two lease contracts set to 08 May 2026.
These leased premises have a surface area of 35.702 m², for a total commitment for these two contracts of 126 million euros (excluding expenses and rent indexing).

Autonomous bank guarantees at first demand for an amount each representing 12 months of rent incl. tax were, moreover, issued for the benefit of the landlords to guard the latter against any presentation failure of SoLocal Group on the date the lease takes effect. These guarantees were granted for a period that expires on 31 October 2016 and have given rise to a collateral cash payment of 9 million euros.

As at 31 December 2015, the Group's commitment under all leases amounted to 152.4 million euros, of which 27.3 million euros is payable in under one year.

Commitments for purchases of goods and services

Production of directories

For the production and distribution of its printed directories, the Group entities enter into contracts with their paper suppliers, printers and distributors. These contracts may be annual or multi-annual.

A contract has been concluded with an exclusive printer covering the editions of the years 2014 to 2016. This contract does not entail any volume commitment.

Starting on 1 January 2015, annual contracts are signed with two paper suppliers specifying the rates payable for the supply by the printer of directory paper. For 2015, the volume commitment is 16,000 tonnes.
The printer will obtain his supply and his purchases of paper following these conditions.

Only firm orders placed as at 31 December 2015, both with paper suppliers and with printers and distributors, were reported as off-balance-sheet commitments at that date, for a total amount of 1.6 million euros, as detailed in the table below:

Contractual obligations (in thousands of euros)	2015				2014
		Payments due per period			
	Total	Less than 1 year	In 1 to 5 years	In more than 5 years	Total
Paper	1,286	1,286	-	-	1,079
Printing	343	343	-	-	359
Distribution	-		-	-	757
Total	**1,629**	**1,629**	**-**	**-**	**2,195**

Other commitments given
The bank and bond loans are indirectly guaranteed by a pledge of the securities of PagesJaunes SA held by SoLocal Group.

Other commitments received
SoLocal Group has a revolving credit facility of 49.2 million euros to cover the Group's cash flow requirements (working capital, investments and refinancing) resulting from its operational activities. This line was unutilised as at 31 December 2015.

The other significant off-balance-sheet commitments received are as follows:

Contractual obligations (in thousands of euros)	2015				2014
		Payments due per period			
	Total	Less than 1 year	In 1 to 5 years	In more than 5 years	Total
Operation leases - lessor	23	23		-	165
Other services	2,433	2,077	356	-	3,872
Total	**2,456**	**2,100**	**356**	**-**	**4,037**

Special purpose vehicles
In 2011, SoLocal Group issued a bond loan amounting to 350 million euros through PagesJaunes Finance & Co SCA, an entity specifically dedicated to this transaction (cf. note 26). This entity is fully consolidated.
The Group did not create any deconsolidation structures during the reporting periods.
It has no contractual obligations towards special purpose vehicles.

Note 32 – Disputes and litigation

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, Management 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.
As 311 employees refused the amendment to their employment contract linked to this reorganisation, 280 of them were made redundant. One employee of the company decided to dispute the validation of the collective agreement relating to the job safeguarding plan before the administrative courts. Initially, his recourse was rejected by the Tribunal administratif of Cergy-Pontoise in a ruling of 22 May 2014. Then, in a judgement of 22 October 2014, the Cour Administrative d'Appel of Versailles overturned the aforementioned ruling, as well as the decision of the administrative authority concerning the validation of the agreement signed on 20 November 2013. PagesJaunes and the Minister of Labour appealed this judgement before the Conseil d'Etat. On 22 July 2015, the High Authority rejected this appeal, and confirmed the decision of the Cour Administrative of Versailles, as such definitively cancelling the initial administrative validation decision. The motivation retained by the Cour d'Appel of Versailles, confirmed by the Conseil d'Etat, concerns the majority nature of the agreement of 20 November 2013, as these judges retained that the signatory of this agreement in the name of the FORCE OUVRIERE union did not have, on that date, a central union delegate mandate, in the absence of designation in writing by his union after the latest professional elections.
To date, 3 proceedings before the tribunal administratif of Cergy-Pontoise for cancellation of the

decisions for redundancy authorisations are underway. PagesJaunes has, moreover, filed for legal recourse before this same tribunal against a decision to refuse authorisation on hierarchical recourse filed by another employee. 191 legal proceedings have been brought before industrial tribunals (of which 26 urgent applications, including 20 appeals) 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 Court of Appeal, which permits them, according to the law, to claim a fixed compensation based on Articles L.1235-10, -11 and -16 of the French Labour Code. To date, an urgent appeal is underway before the Rennes Court of Appeal concerning a provision request for damages, a request based on the consequences of the setting aside of the administrative decision to validate the job safeguarding plan (these employees were denied their requests in the first-instance judgement).
In the framework of these legal proceedings PagesJaunes has raised a priority question of constitutionality (QPC) concerning Article L.1235-16 of the French Labour Code, for infringement to undertake activities, infringement concerning the principle of equality and revelation that the constitutional objective of accessibility and eligibility of the law is not achieved. PagesJaunes as such is forming a request for a stay on the proceedings while waiting for a decision on the transmission of this priority question to the Cour de cassation in a first step and, where applicable before the Conseil Constitutionnel in a second step. The result of these proceedings is indeed able to affect all of the disputes initiated by the employees in the framework of the PSE (Job Safeguard Procedure).
The Conseil de Prud'hommes of TROYES decided on 13 January 2016 to refer this question of constitutionality (QPC) to the Cour de cassation. This decision will have a direct effect on the current disputes for which the QPC has already been raised, but has not yet been argued and on those for which the QPC has not yet been raised but which could be (dossiers for which the claimants base their request primarily or alternatively on Article L1235-16 to formulate their fixed compensation, but for which the state of progress for setting this up have not yet made it possible to raise the QPC). In the framework of these various instances, we are founded in requesting a stay on the proceedings, while waiting for a decision from the Cour de cassation and, where applicable before the Conseil Constitutionnel concerning our issue.
PagesJaunes is therefore going to request a stay on the proceedings for all of the disputes for which the claimants are basing their request on Article L1235-16, while waiting for the decision from the Cour de Cassation, which must take place within a period of three months starting from receipt of the QPC – which is scheduled within a period of eight days according to the CPH de TROYES. This stay on proceedings is not automatically imposed, since it concerns a faculty offered to the judge, who still has the faculty to rule on the transmission of the QPC if he so desires.
The Cour d'Appel of Rennes, in the framework of the "basic "pleadings" of the urgent proceedings on 18 January 2016, did not wish to stay the proceedings and refer the examination of the dossier to a later date. The Cour will render its ruling on 9 March.
Finally, there are a still a certain number of disputes for which the claimants are requesting the nullity of their redundancy in application de of Article L1235-10 and L1235-11 of the French Labour Code, without mentioning, even alternatively, application of Article L1235-16 of the French Labour Code. For these disputes, the transmission of the QPC is without impact.

Note 33 – Information on continued and disposed activities, as at 31 December 2015

In the framework of its financial reporting concerning the 1st quarter 2015 published on 28 April, and more recently in a press release on 19 October 2015, the Group announced it was disposing of a certain number of non-profitable and no-growth activities ("disposed activities"):

- Horyzon Media: advertising management for third-party media selling advertising space of general public websites to national advertisers,
- Horyzon Media Worldwide: advertising management in Spain,
- Sotravo: online quotation requests and transactional contact services between consumers and craftsmen,
- ZoomOn: local social media on Facebook offering themed and hyperlocal content,
- Lookingo/Smartprivé: online flash sales for daily offers in various areas (well-being, gastronomy, entertainment, travel and everyday "leisure" products).

The accounts published by the Group as at 31 December 2015 are made up as follows: Consolidated, Continued activities, Disposed activities.

(Amounts in thousands of euros, except data relating to shares)	**As at 31 december 2015**				**As at 31 december 2014**			
	Consolidated	**Divested activities**	**Continued activities**		**Consolidated**	**Divested activities**	**Continued activities**	
			Recurring	**Exceptional**			**Recurring**	**Exceptional**
Revenues	877,959	5,317	872,642	-	936,193	14,589	921,604	-
Net external expenses	(217,051)	(8,818)	(208,232)	-	(230,564)	(15,938)	(214,626)	-
Personnel expenses	(400,051)	(5,966)	(394,085)	-	(404,526)	(8,270)	(396,256)	-
Recurring EBITDA	**260,858**	**(9,467)**	**270,325**	**-**	**301,103**	**(9,619)**	**310,722**	**-**
Exceptional items	(49,730)	(630)	-	(49,100)	(34,221)	40	-	(34,261)
EBITDA	**211,128**	**(10,097)**	**270,325**	**(49,100)**	**266,882**	**(9,579)**	**310,722**	**(34,261)**
Depreciation and amortization	(68,325)	(16,166)	(52,159)	-	(52,685)	(5,534)	(47,151)	-
Operating income	**142,803**	**(26,263)**	**218,166**	**(49,100)**	**214,197**	**(15,113)**	**263,571**	**(34,261)**
Financial income	1,923	-	1,923	-	1,580	-	1,580	-
Financial expenses	(85,535)	(2)	(85,533)	-	(99,704)	(15)	(99,689)	-
Net financial expense	**(83,612)**	**(2)**	**(83,610)**	**-**	**(98,124)**	**(15)**	**(98,109)**	**-**
Share of profit or loss of an asso	107	-	107	-	(6)	-	(6)	-
Income before tax	**59,298**	**(26,265)**	**134,663**	**(49,100)**	**116,067**	**(15,128)**	**165,456**	**(34,261)**
Corporate income tax	(32,649)	10,386	(62,103)	19,068	(56,772)	1,681	(71,472)	13,019
Effective tax rate	*-55.2%*	*-39.5%*	*-46.2%*	*-38.8%*	*-48.9%*	*-11.1%*	*-43.2%*	*-38.0%*
Income for the period	**26,649**	**(15,879)**	**72,560**	**(30,032)**	**59,295**	**(13,447)**	**93,983**	**(21,242)**
	-55.1%	18.1%						
Income for the period attributable to:								
- Shareholders of Solocal Group	26,639	(15,879)	72,550	(30,032)	59,286	(13,447)	93,974	(21,242)
- Non-controlling interests	10	-	10	-	9	-	9	-

(Amounts in thousands of euros)	**As at 31 december 2015**			**As at 31 december 2014**		
	Consolidated	**Divested activities**	**Continued activities**	**Consolidated**	**Divested activities**	**Continued activities**
Recurring EBITDA	**260,858**	**(9,467)**	**270,325**	**301,103**	**(9,619)**	**310,722**
Non monetary items included in EBITDA	9,703	(48)	9,751	11,463	87	11,376
Net change in working capital	(7,760)	2,787	(10,547)	(35,477)	2,041	(37,518)
Acquisition of tangible and intangible fixed assets	(76,075)	(543)	(75,532)	(69,541)	(1,604)	(67,937)
Recurring operational cash flow	**186,726**	**(7,271)**	**193,997**	**207,548**	**(9,095)**	**216,643**
in % of recurring EBITDA (transformation rate)	*71.6%*		*71.8%*	*68.9%*		*69.7%*
Cash financial income	(79,440)	(1)	(79,439)	(86,147)	(1)	(86,146)
Restructuring costs	(28,955)	(1,084)	(27,871)	(25,044)	-	(25,044)
Corporation tax paid	(20,024)	(104)	(19,920)	(58,473)	(24)	(58,449)
Free cash flow	**58,306**	**(8,460)**	**66,766**	**37,884**	**(9,120)**	**47,004**
Increase (decrease) in borrowings and bank overdrafts	(33,777)			(475,902)		
Capital increase net of costs	2,411			422,639		
Others	(17,188)			(14,122)		
Net cash variation	**9,752**			**(29,501)**		
Net cash and cash equivalents at beginning of period	43,578			73,079		
Net cash and cash equivalents at end of period	**53,330**			**43,578**		

Note 34 – Auditors' fees

(amounts in thousands of euros)	Deloitte & Associates				Ernst & Young			
	Amount		In % of fees		Amount		In % of fees	
	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Audit, statutory audit, certification and inspection of individual and consolidated accounts	**386**	**407**	**83%**	**76%**	**393**	**500**	**79%**	**72%**
- Including SoLocal Group	133	133	29%	25%	133	133	27%	19%
- Including fully consolidated subsidiaries	253	273	55%	51%	259	366	52%	53%
Other procedures and services in relation to the mission of the Company Auditors	**77**	**129**	**17%**	**24%**	**104**	**191**	**21%**	**28%**
- Including SoLocal Group	77	129	17%	24%	96	153	19%	22%
- Including fully consolidated subsidiaries	-	-	0%	0%	8	38	2%	6%
Subtotal	**463**	**535**	**100%**	**100%**	**497**	**691**	**100%**	**100%**
Other services provided by the networks to fully consolidated subsidiaries								
Legal, tax and social security -related	-	-			-	-		
Others	-	-			-	-		
Subtotal	**-**	**-**			**-**	**-**		
TOTAL	**463**	**535**	**100%**	**100%**	**497**	**691**	**100%**	**100%**

Note 35 – Scope of consolidation

		As at 31 December 2015		As at 31 December 2014	
Entities	**Country**	**Interest**	**Control**	**Interest**	**Control**
Fully consolidated companies					
SoLocal Group (consolidating)	France	100%	100%	100%	100%
PagesJaunes	France	100%	100%	100%	100%
QDQ Media	Spain	100%	100%	100%	100%
Optimizaclick	Spain	100%	100%	100%	100%
Trazada	Spain	100%	100%	100%	100%
Euro Directory	Luxembourg	100%	100%	100%	100%
PJMS	France	100%	100%	100%	100%
Mappy	France	100%	100%	100%	100%
Retail Explorer	France	100%	100%	100%	100%
Leadformance	France	100%	100%	100%	100%
Net Vendeur	France	100%	100%	100%	100%
Digital To Store	United Kingdom	100%	100%	100%	100%
Horyzon Média (1)	France	-	-	100%	100%
Horyzon Worldwide	Spain	100%	100%	100%	100%
Yelster Digital	Austria	100%	100%	100%	100%
Sotravo (2)	France	-	-	100%	100%
ClicRDV	France	100%	100%	100%	100%
Fine Media	France	100%	100%	100%	100%
Chronoresto (CD&Co)	France	100%	100%	100%	100%
Orbit Interactive	Morocco	100%	100%	100%	100%
PagesJaunes Finance & Co	Luxembourg	100%	100%	100%	100%
Effilab (3)	France	100%	100%	-	-
Companies consolidated by the equity method					
Editus (4)	Luxembourg	-	-	10%	10%

(1) sold on 16 October 2015
(2) sold on 31 December 2015
(3) Acquired on 23 December 2015
(4) sold on 15 June 2015

Note 36 - Events subsequent to the closing date

None