Solocal GROUP

#2015 REFERENCE DOCUMENT

SoLocal GROUP

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Reference Document (*Document de référence*) was filed with the French financial markets authority (*Autorité des marchés financiers – AMF*) on 29 April 2016 pursuant to Article 212-13 of the AMF's General Regulations. It may be used in connection with an offering of securities if accompanied with a short-form prospectus (*note d'opération*) approved by the AMF.

Copies of this Reference Document are available free of charge from SoLocal Group at its registered office at 7, avenue de la Cristallerie, 92317 Sèvres Cedex, France; on SoLocal Group's website at www.solocalgroup.com; and on the AMF's website at www.amf-france.org.

Pursuant to Article 28 of European Regulation No. 809/2004, the following information is incorporate by reference in this Reference Document:

- the Group's Company and Consolidated Financial Statements for the year ended 31 December 2014, the Statutory Auditors' Reports and the Group's Management Report for that year are provided respectively on pages 124 to 177, pages 178 to 198 and pages 69 to 76 of the Reference Document filed on 30 April 2015 (No. D.15-0449);
- the Group's Company and Consolidated Financial Statements for the year ended 31 December 2013, the Statutory Auditors' Reports and the Group's Management Report for that year are provided respectively on pages 132 to 189, pages 190 to 192 and pages 72 to 77 of the Reference Document filed on 15 April 2014 (No. D.14-0366).

The chapters of the 2014 and 2013 Reference Documents that are not referred to above are either of no relevance to the investor or are dealt with elsewhere in this Reference Document.

Unofficial translation of the French-language "Document de référence 2015" of SoLocal Group, for information purposes only.

SOLOCAL GROUP
A public limited company with share capital of 233,259,384 euros
Registered office: 7, avenue de la Cristallerie – 92317 Sèvres Cedex – France
From 9 May 2016: 204, Rond-Point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex
Nanterre Trade and Companies Register No. 552 028 425

OVERVIEW 2015

SoLocal GROUP

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INTERNET €640M[1]

LOCAL SEARCH €496M[1]

DIGITAL MARKETING €144M[1]

LOCAL LISTING ON OUR MEDIA AND OUR PARTNERSHIPS

AUDIENCES
2,238,000,000 INTERNET VISITS

CUSTOMERS
528,000

TRANSACTIONAL SERVICES

LOCAL PROGRAMMATIC

INTERNET SITES AND CONTENTS

> *Advertising local know-how everywhere and stimulating local company business*

SoLocal HABITAT | SoLocal SERVICES | SoLocal COMMERCE | SoLocal SANTÉ&PUBLIC | SoLocal BtoB

[1] 2015 annual revenue

Message from the Chairman of the Board of Directors and Chief Executive Officer of SoLocal Group

Jean-Pierre Remy
Chief Executive Officer
of SoLocal Group

Robert de Metz
Chairman of the
Board of Directors
of SoLocal Group

The year 2015 was decisive, both for completing the transformation of SoLocal Group into the European leader in local digital communication as well as for preparing the Group for a new stage of conquest. The Group is now embracing a meaningful and scalable mission, "Reveal local know-how, everywhere, and boost local revenues of businesses".

The Internet activities of SoLocal Group are now structured around two business lines:

- First, we offer digital services and solutions to clients which enable them to enhance their visibility and develop their local contacts. In 2015, this Local Search activity posted revenues of €496 million thanks to a sustainable and highly qualitative audience generated through our own brands (PagesJaunes, Mappy, Ooreka) and our privileged partners (Google, Bing (Microsoft), Yahoo!, Apple and Facebook).
- Second, we create and provide Internet users with the best local and customised content about professionals. In 2015, this Digital Marketing activity represented revenues of €144 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+9% in 2015). They comprise sites & contents, local programmatic and transactional services. In 2015, we innovated on these product ranges, with an upmarket move of our Internet sites and product & store locator offerings, and the successful launch of the ADhesive targeting offer, which benefits from our data on local purchasing intents expressed by Internet users. In addition, our transactional services have been rebranded PagesJaunes Resto and PagesJaunes Doc, leveraging on and strengthening the traffic generated on PagesJaunes.

Our ambitions by 2018 are clear: stabilise our Local Search's client base, develop customer loyalty and increase the average revenue per advertiser generated on this range of products, thanks to the audience generated on our media and those of our partner platforms, and finally accelerate penetration of Digital Marketing offerings among those same customers.

To better meet its client needs, the Group has been totally reorganised around five client verticals (Home, Service, Retail, Health & Public and BtoB) and product business lines grouped around its activities (Local Search, Digital Marketing and Print & Voice).

This reorganisation and the progressive revamping of our operating platform have enabled our 4,400 employees to develop new skills based on the five company values: focus on our Clients' interest, Integrity, Teamwork, Innovation and Agility.

In 2015, Internet revenues represented 73% of the total revenues and showed a positive growth of 4%, following stability in 2014 vs 2013. The Group registered an EBITDA margin on revenues of 31% which enabled it to meet its financial constraints at year-end 2015.

Nevertheless, for historical reasons, the Group is still very indebted; growth in Internet business is constrained by bank covenants which affect our ability to invest more in technologies, acquisition of new clients, communication, and even in certain external growth transactions.

In a highly competitive environment, where some competitors are investing without being worried about their operating profitability in the short term while still benefiting from their investors' goodwill, it has become necessary for SoLocal to alleviate these constraints that are preventing us from taking full advantage of our development potential. In fact, the share and debt price no longer reflects the quality of SoLocal's operating performance, but rather the urgency to restructure its debt.

For several months now, we have been exploring all possible refinancing options with our advisors to be able to maintain the Group's chances of growing as a French champion of the Internet and we will inform our shareholders and the market as soon as we are in position to propose the implementation of concrete solutions.

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PERSONS RESPONSIBLE FOR THE REFERENCE DOCUMENT

In this Reference Document, the terms "SoLocal Group" or "the Company" refer to the SoLocal Group SA holding company, and the terms "PagesJaunes SA" or "PagesJaunes" refer to the company PagesJaunes SA. The term "Group" refers to the group of companies formed by the Company and all its subsidiaries, and the term "Consolidated Group" refers to the group of companies formed by the Company and all its subsidiaries, apart from PagesJaunes Outre-Mer, which is not consolidated. A glossary defining the main terms used herein is provided at end of this document.

1.1 Responsibility for the Reference Document

Mr Robert de Metz, Chairman of the Board of Directors, and Mr Jean-Pierre Remy, Chief Executive Officer of SoLocal Group, are responsible for this document.

1.2 Attestation of the persons responsible for this document

We hereby attest that the information in this document is accurate and contains no omissions which could limit the scope of its relevance, to the best of our knowledge and after having taken all reasonable measures to ensure the validity of this information.

We hereby attest that to the best of our knowledge, the financial statements were prepared in accordance with the applicable accounting standards and present a true picture of the assets, financial position and net income of the Company and of all of the consolidated companies, and that the management report provided in chapter 20 of this document is an accurate reflection of the development of the business activities, performance and financial position of the Company and of all of the consolidated companies, as well as a description of the main risks and uncertainties they face.

We have obtained a letter from the Statutory Auditors stating that they have completed their work and verified the information on the financial position and accounts provided in this document and read through the entire document.

The Statutory Auditors have reported on the financial information presented in this document.

The Statutory Auditors' report on the consolidated financial statements for 2015, which is presented in chapter 20 of this document, contains no observations. The report on the Consolidated Financial Statements for 2014, which is presented in the Reference Document filed with the AMF on 30 April 2015 under No. D.15-0449, contains no observations.

Mr Robert de Metz

Chairman of the SoLocal Group Board of Directors

Mr Jean-Pierre Remy

Chief Executive Officer of SoLocal Group

2 STATUTORY AUDITORS

2.1 Statutory Auditors

Deloitte & Associés

Represented by Ariane Bucaille
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex

A member of the French National Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes*) and of the French National Association of Chartered Accountants (*Ordre des Experts-Comptables*).

Appointed at the General Shareholders' Meeting of 3 June 2003 to replace the resigning joint Statutory Auditor Ernst & Young, for the remaining period of its predecessor's appointment, i.e. until the completion of the General Shareholders' Meeting called to approve 2003 financial statements. This appointment was renewed at the General Shareholders' Meetings of 27 May 2004 and of 10 June 2010 for terms of six years until the completion of the General Shareholders' Meeting held in 2016 to approve 2015 financial statements.

It will be proposed to the General Shareholders' Meeting called to rule on the 2015 accounts to renew the term of office of Deloitte & Associés for a term of six financial years to the completion of the General Shareholders' Meeting ruling in 2022 on the financial statements for the year ending 31 December 2021.

Ernst & Young Audit

Represented by Denis Thibon
Tour First
1, place des Saisons
92400 Courbevoie – Paris-La Défense 1

A member of the French National Institute of Auditors (*Compagnie Nationale des Commissaires aux Comptes*) and of the French National Association of Chartered Accountants (*Ordre des Experts-Comptables*).

Appointed a joint Statutory Auditor of the Company at the General Shareholders' Meeting of 27 May 2004. This appointment was renewed at the General Shareholders' Meeting of 10 June 2010 for a term of six years until the completion of the General Shareholders' Meeting of 2016 called to approve 2015 financial statements.

Auditors' fees are presented in Note 34 to the consolidated financial statements.

It will be proposed to the General Shareholders' Meeting called to rule on the 2015 accounts to renew the term of office of Ernst & Young Audit for a term of six financial years to the completion of the General Shareholders' Meeting ruling in 2022 on the financial statements for the year ending 31 December 2021.

2.2 Substitute Auditors

BEAS

7-9, villa Houssay
92524 Neuilly-sur-Seine Cedex
France

Appointed at the General Shareholders' Meeting of 3 June 2003 to replace the resigning joint substitute auditor Mr Francis Gidoin, for the remaining period of its predecessor's appointment, i.e. until the completion of the General Shareholders' Meeting called to approve 2003 financial statements. This appointment was renewed at the General Shareholders' Meetings of 27 May 2004 and of 10 June 2010 for terms of six years until the completion of the General Shareholders' Meeting of 2016 called to approve 2015 financial statements.

It will be proposed to the General Shareholders' Meeting called to rule on the 2015 accounts to renew the term of office of Beas for a term of six financial years to the completion of the General Shareholders' Meeting ruling in 2022 on the financial statements for the year ending 31 December 2021.

Auditex

Tour First
1, place des Saisons
92400 Courbevoie – Paris-La Défense 1
France

Appointed the Company's joint substitute auditor at the General Shareholders' Meeting of 27 May 2004. This appointment was renewed at the General Shareholders' Meeting of 10 June 2010 for a term of six years, i.e. until the completion of the General Shareholders' Meeting held in 2016 to approve 2015 financial statements.

It will be proposed to the General Shareholders' Meeting called to rule on the 2015 accounts to renew the term of office of Auditex for a term of six financial years to the completion of the General Shareholders' Meeting ruling in 2022 on the financial statements for the year ending 31 December 2021.

3 SELECTED FINANCIAL INFORMATION

(in millions of euros)	2015			2014[*]			2013
CONSOLIDATED INCOME STATEMENT	Total	Continued activities[1]		Total	Continued activities[1]		Total
		Recurring	Exceptional[2]		Recurring	Exceptional[2]	
Revenues	878.0	872.6		936.2	921.6		998.9
Internet	645.5	640.2		632.5	617.9		632.5
Print & Voice	232.5	232.5		303.7	303.7		366.4
Recurring EBITDA	260.9	270.3		301.1	310.7		424.3
Internet	192.0	201.4		192.4	202.0		267.4
Print & Voice	68.9	68.9		108.7	108.7		156.9
EBITDA	211.1	270.3	(49.1)	266.9	310.7	(34.3)	424.3
Operating Income	142.8	218.2	(49.1)	214.2	263.6	(34.3)	329.2
Net financial expense	(83.6)	(83.6)		(98.1)	(98.1)		(132.3)
INCOME FOR THE PERIOD (GROUP SHARE)	**26.6**	**72.6**	**(30.0)**	**59.3**	**94.0**	**(21.2)**	**114.8**
CONSOLIDATED BALANCE SHEET							
Assets							
Non-current assets	251.1			229.2			214.8
Of which net goodwill	95.1			82.5			78.7
Current assets	507.8			606.7			585.3
Of which net trade debtors	352.6			441.8			405.8
Of which cash and cash equivalents	53.7			46.4			75.6
TOTAL ASSETS	**759.0**			**835.9**			**800.0**
SHAREHOLDERS' EQUITY (GROUP SHARE)	(1,328.0)			(1,368.5)			(1,866.8)
Non-current liabilities	1,244.2			1,247.0			1,617.5
Of which non-current financial liabilities and derivatives	1,118.3			1,139.6			1,516.2
Current liabilities	842.8			957.2			1,049.2
Of which trade creditors	95.4			98.9			84.5
Of which deferred income	483.3			575.4			597.5
TOTAL LIABILITIES	**759.0**			**835.9**			**800.0**
Net cash flow	58.3			37.9			136.2
CONSOLIDATED NET DEBT FOR THE GROUP[3]	**(1,090.5)**			**(1,135.8)**			**(1,579.6)**
Cash generated by the activity of the consolidated Group	134.4			107.1			191.4

(*) Adjusted by retroactive application of interpretation of IFRIC 21 (cf. chapter 20.1 note 2).
(1) Consolidated income statement is composed of continued activities as above and of divested activities detailed in Consolidated Financial Statements.
Continued activities are divided in recurring items and exceptional items so that the momentum of the continued activities shall be isolated.
(2) Exceptional items are non-recurring costs.
(3) Net debt corresponds to total gross borrowings less and/or plus the fair value of cash flow hedge derivatives (assets and/or liabilities), and less cash and cash equivalents (please see chapter 10).

4 RISK FACTORS

SoLocal Group has reviewed the risks that could have a significantly unfavourable effect on its business, financial position or results (or its ability to achieve its goals). We consider that there are no other significant risks apart from the following risk factors, supplemented by other information and the Consolidated Financial Statements provided in this Reference Document. Investors are invited to take into consideration the risk factors described in this chapter before taking any decision to invest.

The description of the internal control and risk management organisation introduced by the SoLocal Group is provided in the Report of the Chairman of the Board of Directors on the conditions of preparing and organising the work of the Board of Directors and on the procedures for internal control, attached as an appendix to this document. We have also introduced a risk assurance and management programme presented in section 6.8 of this Reference Document.

4.1 Risks related to the Group's business and strategy

Group's adaptation to digital technologies and market changes

The rapid development of new technologies and widespread use of the Internet in the workplace, at home and on the move and the significant influence of the major Internet actors, such as social media or search engines has brought about a change in consumer preferences and habits which could have a long-term significant influence on use of the Group's media, and on printed directories in particular, and it should be noted that a reduction in the audience of a platform to a reduction in advertising revenues for that platform given-woved-lead in the long run. These developments as well as changes in the behaviour of the main world players on the internet could have a significant negative impact on the Group's activities, organisation, financial situation or results.

The Group also has to face the appearance of new economic models associated with the digital technology. Various pricing models are used to sell advertising on the Internet and it is hard to predict which of these models will become established as the industry standard, if any. Although we have managed to increase the profitability of our Internet advertising products, due to an increase in the return on investment for advertisers in particular, the emergence of new economic models and increased competition in the online advertising market sector could lead to a drop in market rates and a change in our business model.

These factors could have a significantly negative impact on the SoLocal Group's business, financial position or results, or on our ability to achieve our goals.

Difficulty in remaining competitive

SoLocal Group is experiencing an increasing level of competition in its activities, particularly on the online advertising market. No assurances can be given that we will be able to meet the competition generated by other established economic actors or new entrants. Increasing competition could result in lower audiences and prices, reduced growth, reduced margins or the loss of market share, and each of these elements could have a significantly negative impact on our business, financial position or results.

Our challenge is to be able to always provide pertinent offers in the online advertising market that can best meet the expectations of our customers, in a context of increased competition.

Sensitivity to the economic climate – SoLocal Group's inability to adapt its cost structure

Our income could drop significantly, if the countries where we generate major advertising revenues were to experience a deterioration in their economic conditions.

Our inability to adapt our cost structure if faced with a downturn in the economy or increased competition could also have a significant negative impact on our business, financial position or results.

Increase in the price of paper or the cost of other production factors

If the price of paper or the cost of other production factors were to rise, operating costs could increase significantly.

An increase in the price of paper or a shortage of paper over a long period could have a significant negative impact on our business, financial position or results. The chronic overcapacities in production faced with a rapidly eroding demand do not suggest any substantial increase in prices. SoLocal Group has no mechanisms to cover variations in the price of paper, other than those provided for, in the current contracts. We subcontract the work involved in printing, binding and packing printed directories. An exclusive printing contract was signed in order to ensure a reduction in rates compared to 2013 and stability in rates over the period 2014 to 2016.

In addition, we have outsourced the distribution of directories to a number of subcontractors. An increase in distribution costs (linked for example to a significant increase in the fuel price or a substantial revaluation of the minimum wage), or difficulties encountered with distribution could have a significant negative impact on our business, financial position or results.

Risk of a reduction in contents – Inability to improve the technical features and functionalities in the products and services offered by SoLocal Group

Our goal in our media is to provide useful information which is as comprehensive as possible. The information on individuals and businesses that we publish is mostly gathered from databases available on the market, in particular, from various telecommunications operators. If we were unable to access these databases, or if a large number of subscribers asked to be unlisted, no assurance can be given that we would be able to gather information by other means, and that this would not lead to a reduction in the contents of the media published by the Group, which could have a significant negative impact on its business, financial position or results.

In addition, to remain competitive, we must continually improve our reaction time and the functionality and features of our products and services, and develop new products and services which are attractive to users and advertisers. Use of the Internet as a platform for some products, we have developed, has increased this need for adaptability. Compared to other platforms, the Internet is characterised by very rapid technological advances, the frequent introduction of new products and services, rapidly changing business standards, a very volatile and changeable demand from the consumer and instability in its business models for these products and services.

These rapid changes in the digital sector require that we constantly improve our performance and rapidly adapt our technology and functionality. Any inability on our part to anticipate or properly respond to changes in technology or demand, significant delays or major costs incurred in developing and marketing new products and services, and as such the inability to honour our promises with regard to the users of our services, could have a significant negative impact on our business, financial position or results.

Damage to information systems

A major part of the SoLocal Group's business depends on the efficient, continuous operation of its information systems, particularly production and distribution systems. These systems could be damaged by several causes, including fire, widespread power cuts, damage to communications networks, cyber-attacks such as intrusions into computer systems, computer sabotage or any other cause which could affect operations. As far as the activities that we subcontract are concerned, we cannot respond to these types of events and must rely on the ability of the subcontracting companies to react quickly and effectively. Any inability by subcontractors to respond to these problems could have an impact on our business. As far as the activities over which we have full control are concerned, no assurance can be given that we will have the technical and financial capacity to alleviate all the damage caused. Our business could be significantly affected.

Fluctuations in SoLocal Group's quarterly results

The various editions of our printed directories are published and distributed throughout the year, so the business of printed directories does not go through any major cycles. The publication and distribution of printed directories is carried out according to a calendar defined one year beforehand. From an accounting point of view, income and expenses from selling advertising space in the printed directories are recognised when they are published. Therefore revenues and the various revenues aggregates can vary from one quarter to the next and may not be representative of our full-year results. In addition, if the publication of one or more directories is brought forward or delayed, the recognition of revenues as well as the associated costs of publication and distribution could be delayed or brought forward. Finally, the time delay between the recognition of income and costs on one hand and the actual receipt of invoice payments from advertisers on the other hand could affect working capital requirements, operating cash flow, operating income or other financial indicators generally used by investors to evaluate the financial performance of a company and not reflect SoLocal Group's actual liquidity level.

Effect of investments or divestments

SoLocal Group may carry out acquisitions or investments in one of its businesses. No assurances can be given that we will manage to successfully integrate the acquired companies, to realise the anticipated synergies, maintain uniform standards, controls, procedures and policies, maintain good relations with the staff at the acquired companies, or that the additional income and results generated by each acquisition will justify the price paid for the acquisition. A failure in any of these integration steps could have a negative impact on the business, financial position or results, achievement of the strategic objectives, the financial situation and the revenues of the Group.

A part of these acquisitions and investments could involve payment by issuing SoLocal Group shares, which could have a diluting effect for our shareholders. Such acquisitions and investments, whether paid for in cash or shares, could have an unfavourable effect on our business, financial position or results.

SoLocal Group could also decide to divest itself, sell or close down any of its businesses. No assurance can be given that SoLocal Group could find potential buyers or that the price received for the sale of these businesses or the cost reductions associated with the disposal or closing of these businesses could offset any drop in our results.

Inability to comply with its bank covenants and effects of a possible debt refinancing

With net debt (1) amounting to 1,091 million euros as at 31 December 2015, SoLocal Group's covenant on financial leverage stands at 3.79 times the consolidated EBITDA as defined in the contract concluded with the financial establishments. No assurance can be given as to our ability to refinance this debt under favourable terms between now and its maturity, in March 2018 for 799 million euros and in June 2018 for 350 million euros. Refinancing this debt could have a cost that is higher than the cost in effect today, and as such affect the results in the long term and the level of cash flow generation (see section 10.1 of this Reference Document and Notes 26 and 28 in the Notes to the consolidated financial statements provided in chapter 20.1).

The financing agreement between SoLocal Group and its syndicate of lenders includes default and mandatory early repayment clauses as well as bank covenants (see Note 29 in the Notes to the consolidated financial statements provided in chapter 20.1). We might have to renegotiate certain terms in our financing agreement if it were determined that a risk of non-compliance with one or more of our covenants had a high probability of occurring in the short to medium term. We have carried out a specific review of our liquidity risk and consider that we are in a position to meet future payment liabilities.

The following financial ratings were attributed to SoLocal Group at the date of publication of the Reference Document:

- Caa2 attributed in February 2016 by Moody's with a negative outlook;
- B- attributed in June 2015 by Fitch Ratings with a negative outlook.

Changes in ratings are presented below:

		31/12/2015		31/12/2014		31/12/2013	
		Fitch Ratings	Moody's	Fitch Ratings	Moody's	Fitch Ratings	Moody's
SoLocal Group	Rating	B-	B3	B-	B3	B–	Caa1
	outlook	Negative	Negative	Stable	Negative	Negative	Negative
PagesJaunes Finance (2)	Rating	B	B3	B+	B3	B+	Caa1
	outlook	-	Negative	-	Negative	-	Negative

(1) Net debt is the total gross financial debt plus or minus the fair value of derivative instruments used for hedging purposes and minus cash and cash equivalents.
(2) Relating to the bond issue for 350 million euros maturing in 2018.

4.2 Legal risks

Litigation and arbitration

In the ordinary course of business, SoLocal Group entities may be involved in a number of legal, arbitration and administrative proceedings. Provisions are only constituted for expenses that may result from such proceedings where they are considered suitable and their amount can be either quantified or estimated within a reasonable range. The amount of the provisions is based on an assessment of the risk on a case-by-case basis and largely depends on factors other than the particular stage of proceedings, although events occurring during the proceedings may call for a reassessment of this risk.

With the exception of the proceedings described below, SoLocal Group's entities are not party to any lawsuit or arbitration procedure which the Management believes could reasonably have a material adverse effect on its earnings, operations or consolidated financial position.

During the year 2013, PagesJaunes had to carry out a further reorganisation, in order to ensure long-term business sustainability in the face of a constantly changing professional environment presenting strong threats from competition. From September 2013, a proposed development of the PagesJaunes model and organisation has been presented to the company's Representative Staff Bodies. At the same time, Management negotiated with the representative unions a majority agreement on welfare support measures. This agreement was signed on 20 November 2013. Following completion of these works with the employee representatives, this plan provided for restructuring combined with changes in the employment contracts of the entire sales force, a project with no compulsory redundancies but which ultimately created 48 additional jobs within the company. Following completion of these works with the employee representatives, this plan provided for restructuring combined with changes in the employment contracts of the entire sales force, a project with no compulsory redundancies but which ultimately created 48 additional jobs within the company. This agreement was the subject of a validation decision by DIRECCTE (the State's body in charge of businesses competition, consumption and labour) on 2 January 2014.

Since 311 employees refused the changes in their employment contracts associated with this restructuring, 280 of them were laid off. One company employee decided to dispute the decision to ratify the collective agreement which included the measures provided for in the employment protection plan before the administrative courts. Initially, his appeal was rejected by the Administrative Court of Cergy-Pontoise in a judgment pronounced on 22 May 2014. Then, by a decision dated 22 October 2014, the Administrative Court of Appeal of Versailles annulled the aforesaid judgment, as well as the decision of the administrative authority ratifying the agreement concluded on 20 November 2013. PagesJaunes and the Minister of Labour filed an appeal against that decision before the Council of State. On 22 July 2015, the Supreme Authority rejected that appeal and confirmed the decision of the Administrative Court of Versailles, thus definitively annulling the initial administrative decision on ratification. The reasoning adopted by the Court of Appeal of Versailles, confirmed by the Council of State, relates to the majority aspect of the agreement of 20 November 2013, the judges considering that the signatory of that agreement on behalf of the union FORCE OUVRIERE did not hold a mandate of central union representative at the time, as he did not hold a written delegation from his union following the latest union elections.

To date, three proceedings before the administrative court of Cergy-Pontoise for the annulment of the decisions on authorisation of redundancy are in progress. PagesJaunes filed an appeal before that same court against a decision refusing authorisation on an appeal to a higher administrative authority filed by another employee. More than 200 legal proceedings were filed before the industrial tribunals (of which 27 proceedings were for interim relief, including 21 on appeal and 1 still in progress) by employees taking advantage of the consequences of the annulment of the administrative decision ratifying the collective agreement relating to the employment protection plan by the Administrative Court of Appeal of Versailles, which allows them, as the legal wordings currently stand, to claim compensation on the basis of Articles L.1235-10, -11 and -16 of the Labour Code.

Within the scope of these legal proceedings, PagesJaunes raised a priority question of constitutionality (QPC) concerning Article L.1235-16 of the Labour Code, owing to infringement of the freedom to choose and infringement of the principle of equality and highlighting the fact that the constitutional aim of accessibility and eligibility of the law is not achieved. PagesJaunes filed an application for a stay of proceedings in this connection while awaiting the decision on the transfer of this priority question initially to the Court of Cassation and, if necessary, to the Constitutional Council. The outcome of these proceedings is likely to affect all the disputes brought by employees within the scope of the Employment Protection Plan. In a decision pronounced on 24 March 2016, the Court of Cassation refused to refer the QPC on the provisions of Article L. 1235-16 of the Labour Code to the Constitutional Council. Moreover, the Court of Appeal of Rennes, which had not wished for a stay of proceedings while awaiting the decision of the Court of Cassation, in a decision of 9 March 2016 ordered PagesJaunes to pay that provision to the 20 claimants.

Finally, several disputes are still in progress for which the claimants are seeking the nullity of their redundancy pursuant to Articles L1235-10 and L1235-11 of the Labour Code, without evoking, even subsidiarily, the application of Article L1235-16 of the Labour Code.

In the consolidated financial statements for 2015, the Company recognised the exceptional impact of the legal decisions annulling DIRECCTE's ratification of the Employment Protection Plan. This additional provision amounts to -€35 million and is posted in the consolidated financial statements for 2015. It is based on a prudent assumption in a context of great legal uncertainty, increased recently by the contradictory decisions of the industrial tribunals. Many appeals were filed by the SoLocal Group to contest these decisions. Nevertheless, the proceedings in progress and the legal uncertainty created by this situation require the Group to recognise an additional provision in its consolidated financial statements for 2015.

Eleven advertising agencies submitted complaints to the French Competition Authority for abuse of a dominant position (particularly for withdrawing the 5% trade discount granted to advertisers using advertising agencies on the Internet and 118,008 platforms), seeking the imposition of provisional measures on the basis of Article L. 464-1 of the French Commercial Code. In a ruling of 22 November 2012, the French Competition Authority accepted the commitments proposed by PagesJaunes, which closes this dispute. These commitments ended on 31 March 2016.

In 2010, PagesJaunes was the subject of an inspection by the French social security agency Urssaf in respect of the 2007, 2008 and 2009 financial years. The Company was notified of an adjustment amounting to 2.2 million euros. This risk was fully provisioned as at 31 December 2010. The adjustment applying to PagesJaunes was confirmed by the Urssaf Arbitration Committee and the Bobigny Social Tribunal in a decision on 6 March 2014, following proceedings brought by PagesJaunes. PagesJaunes has lodged an appeal against this decision in the Paris Court of Appeal, seeking a revised settlement of 1.4 million euros.

PagesJaunes is the subject of a tax inspection in respect of the financial years 2010 to 2013 and has received reassessment notices for Tax Credit for Research. We have taken the view that the counts for adjustment are without basis and have disputed them with the tax authority. We have therefore made provision to cover the main risks.

Moreover, in common with other companies in the sector, SoLocal Group is frequently the subject of court proceedings brought in relation to errors in the publication of directories and other media. Generally the financial risk represented by each of these proceedings is relatively limited. However, an increase in their number may constitute a significant risk. As at 31 December 2015, there were seven sets of proceedings, representing total claims for damages of 451,269 euros. In these proceedings, our entities endeavour to negotiate out-of-court compensation, which significantly reduces the final total cost of such proceedings. However, no guarantee can be given that these proceedings will not have an adverse impact on our financial position.

To the best of our knowledge, there is no other government, judicial or arbitration procedure, whether pending or threatened, that is liable to have, or has had in the last twelve months, a significant impact on the financial position or profitability of the Company and/or the Group.

All of this information is provided in Note 32 of the Notes to the consolidated financial statements.

Liaising with the General Management and our subsidiaries, our Legal Department, assisted by law firms, monitors the risks connected with the most significant disputes.

Changes in regulations affecting the Group's markets

The communications industry in which SoLocal Group operates is subject to many regulations (see section 6.6 "Regulations"). Changes in policy or regulations in the European Union, in France or in other European countries where we operate could have a significant unfavourable effect on the business in these countries, especially if such changes increase the cost and regulatory constraints associated with providing our products and services. These changes could have a negative impact on our business, financial position or results.

In order to anticipate any regulatory development that could have a significantly unfavourable effect on its business, SoLocal Group carries out permanent monitoring of the regulations.

Legal risks associated with uncertainty concerning existing regulations

A number of draft laws are being examined, especially in relation to protecting personal information, responsibility for content, e-commerce, adaptation of the Sapin Law to digital advertising and the taxing of advertising on the Internet.

These future developments in regulations could have a significant unfavourable effect on SoLocal Group's business, results and financial position or our ability to achieve our goals.

SoLocal Group constantly checks that it complies with the national and international regulations.

Intellectual and industrial property rights

We cannot be certain that steps taken in France and in other countries to protect our intellectual and industrial property rights, our trademarks in particular, domain names, software and patents, will be adequate, or that third parties will not be able to counterfeit or misappropriate our intellectual and industrial property rights, or have them cancelled. In addition, because of the global nature of the Internet, our trademarks and other forms of intellectual and industrial property could be spread to countries which offer a lower level of protection in terms of intellectual and industrial property than in Europe or the United States. Given the importance and impact of our trademarks, any counterfeiting, misappropriation or cancellation could have a significant, unfavourable effect on our business, operating income and financial position, or our ability to achieve our goals.

In order to monitor its assets and ensure consistent protection, management and defence of its rights, SoLocal Group regularly updates its portfolio of intellectual and industrial property rights and we take all legal measures required, particularly by means of actions for infringement and/or unfair competition, to protect and defend our intellectual and industrial property rights.

Limitations on the Group's right to collect personal information

SoLocal Group must abide by privacy protection laws, including European Directive No. 95/46/EC of 24 October 1995, which limits its right to collect and use personal information about its users (see section 6.6.1.2 – Protecting Personal Information). Any restrictions on using cookies installed on an Internet user's terminal or browser when the user looks up information on the Internet showing how the user uses the Internet (cookies), or the obligation to allow users to object to the use of these cookies, could weaken the effectiveness of advertising as part of the Group's business. An increased public awareness of these privacy concerns and changes in the laws, created, among other things, by the European regulation draft on the protection of personal data with which we must comply, could limit our ability to use such personal information for business, and more generally affect the public perception of the Internet as a market for goods and services. Each of these developments could have an impact on our business, financial position or results.

In particular, the French Commission for Data Protection and Liberties (Commission nationale de l'informatique et des libertés – CNIL) issued a public warning to PagesJaunes without financial penalty on 21 September 2011 concerning a "Web Crawl" service aimed at enabling users to find a person even if they are not listed on pagesblanches.fr by providing results obtained from social networks. The CNIL criticised PagesJaunes for distributing this data without specifically informing or having obtained authorisation from the persons involved. In the social networks that were crawled, members had the possibility of limiting search engine access to their data, if they so desired. PagesJaunes is appealing this ruling with the Council of State (Conseil d'État). On 12 March 2014 the Council of State dismissed the appeal of PagesJaunes. Among other things, the Council of State upheld CNIL's position on the fact that physical persons whose data is collected indirectly, in particular on the Internet, must be informed at time of collection of the use that will be made of this data, irrespective of the difficulties that may be met with in so doing. In the absence of prior notification given to such physical persons, PagesJaunes is not permitted to crawl personal data on the Internet.

SoLocal Group constantly checks that it complies with legislation on the protection of privacy. With this in mind, we have established a Personal Data Department and a Data Protection Correspondent.

4.3 Market risks

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

The interest rate, liquidity and credit risks are set out in Note 29 of the Notes to the consolidated financial statements for the 2015 financial year provided in chapter 20.1 – Historical Financial Statements. Information pertaining to SoLocal Group's debt is also provided in chapter 10 – Cash and Capital Resources, Note 16 – Derivative financial instruments, Note 26 – Cash and Cash Equivalents, Net Financial Debt, and Note 29 – Financial Risk Management and Capital Management Policy Objectives in the notes to the historical financial statements for the 2015 financial year.

The equity risk is linked to own shares held directly and under the liquidity contract implemented in October 2008, the details of which are set out in Note 22.3 of the Notes to the consolidated financial statements for the 2015 financial year appearing in chapter 20.1 – Historical Financial Statements.

4.4 Industrial and environmental risks

SoLocal Group's activities have an impact on the environment.

Anxious to limit the environmental impact associated with its Printed Directories business, the Group took an environmental step over the entire lifecycle of the product. In 2013, PagesJaunes thus obtained AFAQ ISO 14001 certification for a further 3-year period for the design, production and circulation of the printed directories it publishes.

The Group's other environmental impact relates to:

- its digital business, with the management of its IT equipment, its electric and electronic waste, the energy consumption of its data centres and also the eco-design of its services;
- employee travel;
- energy consumption, use of resources and management of waste by its offices.

In this connection, PagesJaunes produced a Carbon Footprint in 2009-2010, which was updated in 2015 over the 2014 period.

In order to reduce these impacts, we have implemented a number of measures. These actions are detailed in Chapter 8: Corporate Social Responsibility.

INFORMATION ON THE ISSUER

5.1 History and evolution of the Company

5.1.1 Corporate name and trading name

The corporate name of the Company is "SoLocal Group", since the change voted by the General Shareholders' Meeting on 5 June 2013 (previously "PagesJaunes Groupe").

The Group has profoundly transformed itself in order to adapt to technological and societal changes. The name "SoLocal Group" expresses our current strength: local and digital services. This change of name was motivated by the desire to become the market leader in local communication.

5.1.2 Registration location and number

Trade and Companies Register No: RCS Nanterre 552 028 425

APE code: 7010 Z

5.1.3 Date of incorporation and term (Article 5 of the Articles of Association)

The Company was incorporated on 12 January 1897 and registered on 21 February 1955. Based on Article 5 of its Articles of Association, the Company has a term of 99 years, which began on 31 December 1954 and will run until 31 December 2053, unless it is dissolved earlier or extended as provided for in the Articles of Association.

5.1.4 Registered office, legal form and legislation

Registered office and the Company's main place of business: 7, avenue de la Cristallerie, 92317 Sèvres Cedex.

As from 9 May 2016, the Company's registered office and many of the Group's subsidiaries will move to 204 rond-point du Pont de Sèvres, 92100 Boulogne Billancourt.

Telephone: +33 (0)1 46 23 30 00.

Company's country of origin: France.

SoLocal Group is a public limited company with a Board of Directors subject to the provision of Articles L. 210-1 ff. of the French Commercial Code.

5.1.5 Major events in the development of business

On 4 February 1946, the Ministry of Posts, Telegraphs and Telephones ("PTT") made Office d'annonces ("ODA"), a state-owned company through the Havas advertising agency, responsible for handling advertising representation for directories in mainland France.

The shareholders in ODA changed on several occasions until 1998. In July 1998, Havas, which then owned all the share capital in ODA, sold its holding to Cogecom (a subsidiary of France Télécom). In 2000, before Wanadoo's IPO, France Télécom first transferred some of SNAT's activities (the France Télécom division in charge of publishing the telephone directories) to ODA, then transferred all ODA's shares to Wanadoo. The name of ODA was then changed to "PagesJaunes". Following this reorganisation, PagesJaunes became the owner of the directory publishing business of the France Télécom Group, excluding l'*Annuaire* (formerly known as Pages Blanches) and alphabetical searching on PagesJaunes 3611, which were retained by France Télécom. Advertising representation as well as all of the design and production of l'*Annuaire* and alphabetical searching on PagesJaunes 3611 were nevertheless entrusted to PagesJaunes by France Télécom.

Advertising in directories had developed continuously since 1946 thanks to the consumption growth and in the advertising market in France and thanks to the increase in directory distribution and its audience, linked to the increase in the number of telephone subscribers. The continuous increase in ODA's sales was particularly due to its ongoing ability to make permanent adaptations in terms of business and technology. The 1980s saw the successful launch of the PagesJaunes directory as well as the start-up of Minitel, a pioneer of the advertising model on the Internet. In addition, the Company has developed its range of advertising services beyond that of consumer directories, with a range of directories for businesses (Kompass, PagesPro), as well as a range of services pertaining to the Direct Marketing business (SoLocal Marketing Services).

In the framework of the public offering initiated by France Télécom for Wanadoo in February 2004, it was decided to place some companies in Wanadoo's directory division under the Company's umbrella (including QDQ Media and Mappy). These were then admitted for trading to the Eurolist of Euronext Paris on 8 July 2004.

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In December 2004, SoLocal Group transferred to PagesJaunes SA, by a partial asset transfer agreement, the business assets, business, and staff members in charge of the business of publishing the PagesJaunes directories, previously performed by PagesJaunes SA, which is now SoLocal Group. These assets were transferred at their fair value, representing an amount of net assets of 4,005,000,000 euros, with a market value of 3,959,321,134 euros.

On 20 January 2006, PagesJaunes signed an operating licence agreement with France Télécom for the printed universal directory in favour of PagesJaunes, accompanied by an acquisition agreement for the l'*Annuaire* name for a total amount of 12.0 million euros. These contracts took effect on 1 January 2006.

Following a competitive tender process in June 2006, France Télécom announced, it had concluded a purchase agreement on 11 October 2006, in which France Télécom agreed to transfer 150,546,830 shares of SoLocal Group to Médiannuaire representing approximately 54% of the Company's share capital and voting rights, with Médiannuaire and its sole shareholder, Médiannuaire Holding, a company controlled by an investment fund consortium consisting of Kohlberg Kravis Roberts & Co. and Goldman Sachs.

The transfer of the controlling interest took place on 11 October 2006 within the framework of an over-the-counter transfer of controlling interest that was performed in compliance with Articles 516-2 ff. of the General Regulations of the AMF, on payment by Médiannuaire to France Télécom of a total price of 3,312,030,260 euros, i.e. 22 euros per transferred share.

Following this acquisition, Médiannuaire made a standing market offer for the Company's shares. As part of this operation, and pursuant to the provisions of Articles 261-1 ff. of the General Regulations of the AMF, the Company's Board of Directors appointed the firm Ricol, Lasteyrie & Associés as independent experts for preparation of a report on the standing market offer. This firm, Ricol, Lasteyrie & Associés, issued an expert opinion confirming that the price offered to shareholders in this operation was equitable. Following this standing market offer, Médiannuaire held 54.82% of the capital and voting rights of SoLocal Group. This holding decreased to 54.75% as of 31 December 2007. On 24 November 2006, the Company also paid out an exceptional dividend of 9 euros per share, i.e. a total dividend of 2,519.7 million euros. The dividend was partly financed by the Group's cash surplus and partly by arranging a bank loan for a maximum total amount of 2.35 billion euros.

On 9 January 2007, via its subsidiary PagesJaunes Petites Annonces, SoLocal Group launched an online real estate and vehicle small ads service, accessible via "annoncesjaunes.fr". This website is now published by PagesJaunes SA.

On 1 April 2011, SoLocal Group finalised an agreement with Price Minister to acquire 100% of the capital of A Vendre A Louer, a key operator in the online real-estate small ads market. This company was absorbed in 2013 by PagesJaunes SA in order to speed up the synergies with the website "annoncesjaunes.fr" in particular.

On 24 May 2011, SoLocal Group acquired 100% of the capital of ClicRDV. Formed in 2006, ClicRDV.com is the leader in online appointment booking solutions and now provides tailor-made solutions for the specific needs for all businesses types (Major Accounts, self-employed professionals, SMEs and public bodies).

On 29 July 2011, SoLocal Group finalised the acquisition of 100% of the capital of Fine Media, publisher of the ComprendreChoisir.com website, enriching its local and digital communication offering for businesses. Formed in 2007, ComprendreChoisir.com now attracts more than 1.5 million monthly visits and has developed over 280 sites with themed contents aimed at the general public, enabling Internet users to have a better understanding and make the right choices in five areas: Home/Household Jobs, Money/Law, Consumer/Practical Info, Health/Beauty and Business. Since 23 October 2015, the business has been trading under the name «OOREKA" which replaced the name "ComprendreChoisir".

On 2 October 2012, SoLocal Group announced that its subsidiary Euro Directory had transferred 38.92% of the capital of Editus Luxembourg SA to P&T Luxembourg, number one operator in postal and telecommunications services, Luxemburg, which at that time was already a shareholder of 51% of Editus. Following this disposal, SoLocal Group was still a shareholder of Editus with 10.08% via its subsidiary Euro Directory. On 15 June 2015, Euro Directory sold off the 10.08% of the capital of Editus that it still held and is no longer a shareholder therein.

On 31 December 2012, SoLocal Group finalised the acquisition of 100% of the capital of Chronoresto, the reference operator in online meal ordering. Since the end of 2015, Chronoresto has been trading under the name PagesJaunes Resto in order to associate its business with the Group's key brand.

On 13 June 2014, SoLocal Group announced the acquisition of 100% of the capital of Leadformance of which we had owned 49% since our initial investment in 2011. This acquisition meets the growing needs of brands and high-street names to increase their visibility on the Internet and mobile devices, in order to better convert internet users into clients who use their shops. The synergy created by 100,000 sites designed by Leadformance, and dedicated to the outlets of major brands and high street names, and 125,000 professional sites created and managed by SoLocal Group, reinforces our position as France's leading website designer. Integrating Leadformance also represents a major step for us in the area of Web-to-Store.

In order to offer our customers more relevant services, better tailored to their needs, SoLocal Group began a process of transformation in 2014. This has two main components: the reorganisation of sales teams and enhanced digital repositioning. To implement this process, SoLocal Group sought and successfully secured a capital increase of 440 million euros (an amount of 361 million euros, respecting Pre-emptive Subscription Rights (PSRs) and a 79 million euros increase in capital reserves) combined with a refinancing plan, both of which were announced on 13 February 2014. Both operations were very successfully concluded as a result of broad support from both our shareholders and creditors.

- Firstly, on 29 April 2014 the SoLocal Group's shareholders by more than 96% in favour of the increase in capital with maintenance of the preferential subscription right.
- Then the Group received a global request for this increase in capital by more than €920 million, i.e. a 255% increase.
- Finally, SoLocal also obtained approval from its lenders, representing more than 92% of the debts of the scheme of arrangement (sauvegarde financière accélérée) plan. This plan was approved on 9 May 2014 and allowed an early partial repayment at par in the sum of €400 million, in return for an extension of the due dates from 2015 to 2018, with an additional right available to the Company (under certain conditions) to extend these due dates to 2020.

This refinancing plan also presented many innovations in terms of refinancing:

- This transaction made it possible to combine an extension of the bank debt payable on the due dates with an increase in capital.
- SoLocal Group was the first group listed in France to apply the scheme of arrangement to effect refinancing knowing that its pre-transaction bank debt was very significant (€1.2 billion).
- The Group asked its guarantors to guarantee the increase in capital over a period of four months, the time required to set up this scheme of arrangement.
- SoLocal Group made an increase in capital whose pre-transaction value was equivalent to the Company's market capitalisation.
- Consequently, SoLocal Group's enterprise value (defined conventionally, by adding the market capitalisation to the gross bank debt), increased from €1.9 billion (more than 80% of the bank debt) on 14 February 2014 before the transaction to €2 billion as of 31 December 2014, providing a better balance between market capitalisation and debt.

Thanks to this transaction, SoLocal Group crossed a major milestone in its financial restructuring in June 2014.

The Group reduced its net debt by almost €400 million, bringing its net financial debt to around €1,165 million following the transaction at the end of 2013, i.e. a total reduction in its net debt since the end of 2011 of almost €700 million.

The Group also relaxed the constraints on its banking agreements. The financial leverage covenant (the ratio between net debt and gross operating margin), which amounted to 3.75 x since December 2013, is now fixed in the new bank documentation at 4.50 x up to March 2015, then at 4.25 up to September 2015, remaining stable at 4 x as from December 2015. The amended bank documentation this provides more flexibility in the management of the business.

In April 2015, SoLocal Group launched a plan to divest the Internet businesses that were unprofitable and not growing. Consequently, on 2 October 2015, the local social media Zoom On was transferred to the Reworld group; on 16 October 2015, SoLocal Group finalised the transfer of Horyzon Media and on 21 December 2015 SoLocal Group also finalised the transfer of Sotravo to Mybestpro (formerly Wengo), an entity in the Vivendi group. Finally SoLocal Group terminated Lookingo's "daily deals" business.

On 5 January 2016, SoLocal Group announced the acquisition of 100% of the capital of Effilab. Set up in 2011, certified and recognised as one of the main specialist agencies of Google AdWords™ and Facebook Ads™, Effilab is an agency that specialises in the management of online advertising campaigns on search engines and social networks. This acquisition enables SoLocal Group to strengthen its portfolio of AdWords solutions and to take up a leading position on a quickly-developing market.

5.2 Investments

5.2.1 Main investments during the past financial year

The Group's Internet activities focus on two product lines: Local Search and Digital Marketing.

The Local Search products are mainly connected with the creation and marketing of advertising content and space, listing, targeted advertising and availability of advertising space for local and national advertisers (an activity often known as "display"), as well as a whole range of services and products allowing local information to be made available and circulated. The related products very broadly focus on the Group's main media "pagesjaunes.fr", "Mappy" and "Ooreka" (former "ComprendreChoisir") and on the Group's privileged partnerships, mainly with Google, Bing (Microsoft), Yahoo!, Apple and Facebook.

The Digital Marketing products and services enable the relevance of the presence of the Group's clients on the Web to be strengthened and are divided into three areas: websites and content, local programming and transactional services including PagesJaunes Doc and PagesJaunes Resto in particular.

In 2015, the Group's investments concentrated on:

- for Local Search, the new version of the pagesjaunes.fr website with heightened ergonomics, relevance and quality of content;
- for Digital Marketing, the development of the Website production platform with the launch of the Special Websites, the acquisition of the tools and processes required to carry out our local programming activities and AdWords and the investments in PagesJaunes Doc and PagesJaunes Resto in particular;
- the common technological base to improve the Group's various processes, particularly the revamping finalisation of the sales tools;
- the development of its new Citylights registered office in Boulogne-Billancourt for a move to that site during the second quarter of 2016.

	2015		2014		2013
(in millions of euros)	Consolidated	Continued activities	Consolidated	Continued activities	Consolidated
Revenues	878.0	872.6	936.2	921.6	998.9
Acquisitions of tangible and intangible fixed assets	**76.1**	**75.5**	**69.6**	**67.9**	**55.3**
As a percentage of revenues	8.7%	8.7%	7.4%	7.4%	5.5%

5.2.2 Main current and future investments

In 2016, the Group will continue to invest in the three aforesaid business areas, increasing its investment in Digital Marketing in particular. The Citylights project for the new registered office will be finalised in the summer of 2016.

All the investments made by the Group are financed from resources available and are regularly reviewed by the Management Committee.

6 OVERVIEW OF BUSINESSES

As the European leader in local online communication, SoLocal Group embraces a meaningful and scalable mission which is to "reveal local know-how, everywhere, and boost local revenues of businesses".

Over the past five years, the Group significantly expanded its activities on the digital front, while retaining its historical activity of print distribution as a key component of its ability to reach all consumers and offer to its advertisers a full range of communication tools.

Thanks to powerful media (PagesJaunes, Mappy, Ooreka – formerly ComprendreChoisir - and A Vendre A Louer) and partnerships with leading Internet players such as Google, Bing (Microsoft), Yahoo! and Apple, SoLocal Group ranked among the top 10 most visited sites in France in 2015, with a monthly average of 25 million unique visitors (monthly average between January and December 2015) on fixed and mobile Internet, thus representing more than 1 out of 2 Internet users in France.

In 2015, the Group generated over 2.2 billion visits. Mobile devices, which have become an increasingly important part of the Group's strategy, represented 39% of the Group's Internet audience in 2015, up 24% compared to 2014.

With more than 4,400 full time equivalent employees and a sales force of 1,900 specialised consultants assigned to five vertical business units (Home, Services, Retail, Health & Public, BtoB) and its International unit, the Group offers communication solutions tailored to customers' requirements.

Within the scope of continued activites*, SoLocal Group generated revenues of €873 million in 2015, of which revenues from its Internet activities represented 73% and revenues from its Print & Voice activities represented 27%. Internet business growing by +4% in 2015 is driven by two primary business lines: Local Search and Digital Marketing.

6.1 Business lines

6.1.1 Internet

In 2015, SoLocal Group recorded €640 million Internet revenues, representing 73% of Group revenues, up +4% versus 2014.

The Internet activities of SoLocal Group are now structured around two business lines:

- First, we offer digital services and solutions to clients which enable them to enhance their visibility and develop their local contacts. In 2015, this Local Search activity posted revenues of €496 million thanks to a sustainable and highly qualitative audience generated through our own brands (PagesJaunes, Mappy, Ooreka) and our privileged partners (Google, Bing (Microsoft), Yahoo!, Apple and Facebook).
- Second, we create and provide Internet users with the best local and customised content about professionals. In 2015, this Digital Marketing activity represented revenues of €144 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+9% in 2015). They comprise sites & contents, local programmatic and transactional services. In 2015, we innovated on these product ranges, with an upmarket move of our Internet sites and product & store locator offerings, and the successful launch of the ADhesive targeting offer, which benefits from our data on local purchasing intents expressed by Internet users. In addition, our transactional services have been rebranded PagesJaunes Resto and PagesJaunes Doc, leveraging on and strengthening the traffic generated on PagesJaunes.

6.1.1.1 Local Search

Overall in 2015, the Local Search business generated annual revenues of €496 million (approximately 78% of total Internet revenues), growing by 2% compared to 2014. This activity encompasses local communication services, mainly the online listing offered by the Group via its own media, such as PagesJaunes, Mappy, Ooreka (formerly ComprendreChoisir) and A Vendre A Louer, granting access to additional visibility beyond its media, via its partnerships, in particular with Google, Bing (Microsoft), Apple Yahoo! and Facebook.

This business is both sizeable, i.e. delivering high profitability and protected by strong barriers to entry ensured by a unique platform and a business model, extremely hard to replicate.

Audiences and partnerships

The Local Search activity relies on very large audiences combined with a continued and steady growth over time, powered by strong own media (PagesJaunes, Mappy, Ooreka) and privileged partnerships with key global Internet players which recognise the quality and freshness of the Group's local content. In 2015, over the 4 million of local businesses listed in our database in France, 528,000 are Internet clients of SoLocal Group, thanks to our unique coverage of the French market.

In 2015, we had over 2.2 billion visits on the fixed and mobile Internet, an increase of 9% compared to 2014. The mobile Internet represents a growing share of visits, which accounts for 39% in 2015. SoLocal Group's mobile applications (mainly PagesJaunes and Mappy) have been downloaded over 43 million times on smartphones and tablets in France, an increase of 16% compared to 2014.

*on the scope of continued activities excluding the divested businesses in 2015 (Horyzon Media, Sotravo, Lookingo and ZoomOn)

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In 2015, audiences specifically direceted towards clients reached 1.3 billion , growing by 15% versus 2014.

Bolstered by the performance of our brands (PagesJaunes, Mappy and Ooreka are ranked in the Top 100 by Médiamétrie Nielsen, etc.), SoLocal Group reached one out of two French Internet users in 2015. Our Group's media continue to generate sizeable audiences with 25 million unique visitors to fixed and mobile websites (SoLocal is ranked 7th among the most visited fixed and mobile sites in France over the 12 months between January and December 2015, according to Médiamétrie Nielsen).

Audiences (in millions of visits)	FY 2015	FY 2014	Change
PagesJaunes	**1,612**	**1,485**	**9%**
of which mobile & tablet	601	492	22%
Mappy	**356**	**331**	**7%**
of which mobile & tablet	156	136	15%
Ooreka	**166**	**116**	**43%**
of which mobile & tablet	72	39	85%
Others	**104**	**114**	**-9%**
of which mobile & tablet	36	29	24%
Total	**2,238**	**2,046**	**9%**
of which mobile & tablet	865	695	24%
of which fixed	1,373	1,351	2%

Since 2011, SoLocal Group has been building partnerships with global Internet players in order to develop its offering on all search engines and local platforms, also providing it with unique access to the local mobile web.

The Group has established global partnerships with major online platforms in order to mutually benefit from the fast-growing mobile market and technical developments. They allow its partners to easily access SoLocal's content database and to provide the Group in return with accurate audience data for its clients. In particular, SoLocal Group signed differentiating and complementary partnerships with Google, Bing (Microsoft), Yahoo!, Apple and Facebook, leveraging on the relevance and accuracy of its database.

In 2015, audiences from syndication accounted for 458 million of Internet visits, corresponding to 35% of PagesJaunes' audience in terms of number of visits towards businesses.

Those partnerships do not result in any revenue sharing.

Key partnerships	
Google	• "Adwords Premier SMB Partner" • Joint BtoB offer: increased visibility and optimised advertising campaigns for SoLocal's clients • Technical management of SEM campaigns in France
Bing	• Exclusive brand and PagesJaunes' data highlighted in Local Search in France • Access granted to SoLocal's databases in return for information provided by Bing on Internet traffic generated for SoLocal's clients • Strong cooperation on Local Search algorithms • Partnership as advertising service provider for Bing
Yahoo!	• Exclusive incorporation of PagesJaunes' results into Yahoo's result list, for Local Search in France • Direct access to detailted PagesJaunes' website and content
Apple	• Brand and PagesJaunes' data highlighted in Local Search on Apple Maps • Access granted to SoLocal's databases in return for information provided by Apple on traffic generated from all Apple services using Apple Maps (iPhone, Siri, Spotlight, Watch, iMac, iPad etc.)
Facebook	• Creation of fan pages for SMBs • Management of Facebook ads campaigns incorporated into SoLocal's platform

In 2015, SoLocal Group became a major provider of information for professional listings to Apple for Local Search in France.

In March 2015, the Group signed an agreement with Apple Inc. for an initial term of five years pursuant to which PagesJaunes grants Apple the right to use PagesJaunes' content and technology in Apple's operating systems for its computers, iPhones, iPads and any other devices marketed under the Apple brand.

As of today, the information from PagesJaunes' database is available to users of the Apple "Maps" mobile application, Siri and Spotlight. It will also become available through recent and developing Apple technologies such as the Apple Watch.

Local Search products and services

The main offerings of Local Search are the creation and marketing of content, as well as advertising space, listings and the supply of advertising spaces for local advertisers (often referred as "Display").

This segment comprises the activity of "pagesjaunes.fr", "pagespro.com", Mappy and Ooreka.

PagesJaunes

SoLocal Group leverages on the power of its main media, PagesJaunes, to deliver high-performing Local Search's products to its customers.

Such products cover a wide range of solutions that enable advertisers to be localised, analysed, and eventually chosen and contacted by consumers, whatever the device is (computer or mobile/tablet):

- visibility in the listing results in response of users' queries, depending on the criteria mentioned in such queries;
- ranking within these listings;
- up-to-date and rich content to highlight the advertiser's specifics, e.g. opening hours, ongoing deals, specialties, areas of expertise, etc;
- transactional solutions enabling the consumer to engage one step further, e.g. food online order, restaurant reservation, online appointment with a doctor, etc.

Thanks to its Local Search's solutions, the Group allows its clients to be highly visible on its main media and on its partners' media. These solutions are increasingly customised by client's vertical in order to best match users' expectations and clients' requirements.

SoLocal Group also markets advertising spaces through its own media, such as advertising banners, boxes and strips (Display).

Finally, SoLocal Group focuses strongly on the return on investment (ROI) generated for its clients, the Group provides to its clients and potential clients with a "Business Center". This extranet tool enables them to track the audiences generated on their contents (clicks and contacts), by user media (fixed or mobile) and by origin (own media and partners' media).

Ooreka (formerly ComprendreChoisir)

The Ooreka website is produced by Fine Media (which was formed in 2007 and acquired by SoLocal Group in 2011). Ooreka provides expert answers to day-to-day questions of concern for French people on over different 400 topics listed into five main thematics: home/household improvements, finance/law, consumer/useful information, health/beauty and business. The Ooreka website was the 86th most visited website in France over the period January December 2015 (according to Médiamétrie/Nielsen), with approximately 6 million unique visitors.

Ooreka leverages on the variety and uniqueness of the contents that it creates to ensure visibility for its clients in the most relevant way.

Mappy

Mappy, acquired by SoLocal Group in 2004, provides geographic services (maps, trip planners, geolocalisation, Local Search and GPS navigation) on fixed and mobile Internet in France and Belgium. Its website, "mappy.com", had approximately 10 million unique visitors over the period January-December 2015 (according to Médiamétrie/Net Ratings) and ranked as the 40th most visited website in France. Mappy acquires the raw geographical data from third parties, restructures, aggregates and enriches it, and then incorporates it in its own technical platform. Mappy offers convenient services related to travelling, such as map displays enriched with information, and also offers trip itinerary calculation services by car, on foot or by public transportation, as well as hotel and restaurant reservations.

The MappyGPS Free is a navigation system that can be downloaded free of charge. It also offers business search using the Mappy "Business Card", which incorporates all of the PagesJaunes' and PagesBlanches' databases. This application offers an interface that facilitates the search for a nearby merchant or parking facility and suggests an itinerary to get there. The application can also be set to "walk" mode for pedestrians. It was downloaded about 6 million times in 2015.

6.1.1.2 Digital Marketing

Digital Marketing generated annual revenues of €144 million (approximately 22% of total Internet revenues) in 2015, an increase of 9% compared to 2014. The SoLocal Group's Digital Marketing solutions offer to all clients, from micro and small enterprises to largest corporations, the ability to expand their presence on the Internet through the Group's own media and its partners' media. This scalable and fast-growing activity continues its development around three product lines:

i) Websites and contents,
ii) Local Programmatic,
iii) Transactional services

Websites & contents

The Group holds the number one market position in France and is one of the leaders in Europe in website creation, hosting, management and listing (with Pagesjaunes, affiliated partners and search engines). At year-end 2015, we managed approximately 250,000 sites in France and abroad. The sites developed by SoLocal Group are natively designed to adapt to fixed and mobile media, meaning that their designs are compatible with both computer and mobile/tablet.

The Group offers to its clients a complete turnkey website creation, hosting and listing services that enable them to promote their activities on a website. This offer range extends the relationship it has with its clients and thus contributes to reinforcing their customer's loyalty.

Over the last five years, SoLocal Group has expanded its range of site offerings with the "Internet Visibility Pack" and an entry-level product marketed as a 12- or 24-month subscription, called "Site Présence". Since mid-2014, the Internet Visibility Pack has been gradually replaced by a new type of verticalised site, the "Internet Visibility Sites", which are more user friendly and offer a new design adapted to each client's business sectors. In 2015, the Group launched a premium website offering, called "Site Privilège", that offers a high-end product and service (dedicated webmaster, customisation of design etc.).

The range "Sites" offers to advertisers which subscribed to this service an increased visibility on the Group's media, search engines, fixed and mobile partner sites. These sites are optimised so that they can be easily accessed from PagesJaunes, but also through the various search engines.

Furthermore, Leadformance, a wholly-owned SoLocal Group's subsidiary since June 2014, offers to its clients fully customised mini-sites for each of their shops. This company, which is the leader in France in locating the Internet physical retail outlets and clearance products available, has developed a SaaS platform for this purpose, called "BRIDGE". This system enables Internet users to easily access all information they need to visit clients' retail outlets (opening hours, services, products, etc.), download coupons and contact merchants directly.

In addition to PagesJaunes and Leadformance, our website creation offering has been extended to other Group brands in France and abroad, some of which are specialised and offer value-added services:

- creation of specialised sites: real estate sector (A Vendre A Louer), major accounts and networks, creation of sites with guaranteed visits (PJMS' "Site Connect"), dedicated offers (restaurants and health professionals);
- creation of sites abroad: "Solucion Web" sites, paid and natural listing and creation of videos in Spain (QDQ Media);
- creation of Facebook Fan Pages: offered to clients in order to expand their audience on social networks.

QDQ Media

QDQ Media, a wholly-owned subsidiary of the SoLocal Group, is one of the leading web agencies in Spain with over 20,000 clients at year-end 2015. The company provides its advertisers with a broad range of online advertising products and numerous digital services that enhance their visibility on the Internet and enable them to manage their presence on social networks (Facebook, blogs, etc.).

QDQ Media portfolio mainly includes website creation and management, creation and management of AdWords campaigns, and increasingly leverages on SoLocal Group's solutions related to local programmatic. QDQ Media is able to serve small, medium and large companies.

Marketing SoLocal Group's solutions for local advertisers

SoLocal Group has set up partnerships with online directories and agencies throughout the world, with the aim of marketing its technological solutions and know-how (creation of websites and fan pages, Digital Marketing and sales consulting) for local advertisers. The first partnership was initiated in 2012 by its subsidiary PJMS with local.ch for the purpose of offering a website creation and management solution to SMEs and micro-enterprises in Switzerland.

Local programmatic

SoLocal has developed over years both a unique and powerful local database thanks to exclusive data on qualified and geolocated purchase intentions of Internet users visiting its media.

Retargeting offer

SoLocal develops offerings based on data originated from own media (PagesJaunes, Mappy, etc.). In particular, since October 2014, SoLocal markets "ADhesive", a new offer that has been successfully launched. This product relies on the searches of Internet users on the Group's media to expose these same users to relevant advertisers on third party media. This offer has significant commercial potential for the various client verticals in France, whatever the size of the advertisers. The programmatic market is a strong opportunity for SoLocal's growth.

AdWords campaign

Thanks to its partnerships with Google and Bing, SoLocal has been strongly reinforcing since 2013 its capabilities to create and manage paid search campaigns on main search engines. Its product "Booster Site" is currently the flagship of Adwords products, and enables all advertisers to drive traffic towards their websites, be it managed by SoLocal or not.

In addition, SoLocal keeps reinforcing its position with the acquisition of Effilab at year-end 2015. It helps to consolidate SoLocal Group's portfolio of AdWords solutions with a strong expertise in managing online advertising campaigns. Certified and considered as a major agency specialised in Google Adwords™ and Facebook Ads™, Effilab already serves around 200 large clients in France and abroad.

Transactional services

SoLocal Group also offers transactional services that allow highly committed relationships between users and the advertisers benefiting from its services.

Most of these services can be accessed on PagesJaunes' website using the "action buttons" (book, order, etc.), as well as from websites created by PagesJaunes. These services enable users to:

- schedule an appointment online with a professional (using technology developed by ClicRDV) or a doctor (PagesJaunesDoc);
- book a table at a restaurant: as a result of a partnership agreement concluded in 2014 with LaFourchette, a very large number of restaurants can now be booked directly from PagesJaunes' website, and users can also take advantage of any promotions offered;
- order meals online and arrange for home delivery, as a result of the recent acquisition of Chronoresto, which is now fully incorporated into pagesjaunes.fr;
- book an hotel: SoLocal Group signed a partnership with Expedia in 2014 to develop this service.

Furthermore, the new Web-to-Store solutions using Mappy's mapping assets and Leadformance's store locator technology have led to new offerings marketed to professionals, including:

- Mappy Shopping, which enables merchants to put their stock of products online;
- Vitrine Digitale, which enables merchants to post photos of their shop online.

Recently, SoLocal has focused on its investments and development in transactional services around two main areas:

- Medical appointment with PagesJaunes Doc: The combination of SoLocal's very strong audience with health-care & public sector (more than 400 million searches per year), its large salesforce, and its technological know-how in online appointment positions SoLocal as the French leader to tap into the market potential of 250,000 doctors in France
- Meals online ordering with PagesJaunes Resto: in 2015, SoLocal Group rebranded Chronoresto into PagesJaunes Resto to better leverage on the strength of PagesJaunes' brand and audience in the restaurant sector.

Lastly, SoLocal Group offers a vast selection of real estate advertisements through A Vendre A Louer. Created in 1986 (and merged into PagesJaunes in 2013), A Vendre A Louer specialises in communication solutions for realestate agencies and real estate professionals. "Avendrealouer.fr", whose new website was launched in June 2014, is one of the leading websites for real estate classified advertisements in France. The Group offers A Vendre A Louer solutions to its clients along with AnnoncesJaunes products and services.

6.1.2 Print & Voice

The Print & Voice activities generated €232 million, i.e. 27% of the Group's consolidated revenues in 2015. This business line includes the Group's activities in the publication, distribution and sale of advertising space in printed directories (PagesJaunes, PagesBlanches), as well as the Group's other activity called 'Voice', including telephone directory enquiry and reverse directory services.

Print

The 2015 edition consisted of 239 different directories (129 PagesJaunes directories, 93 PagesBlanches directories and 17 publications of "l'Annuaire"). The publication of these directories is staggered throughout the year.

Following the sale of its 39% stake in Editus in September 2012 and the shutdown of the printed directories business in Spain at the end of December 2012, the printed directories activity has been conducted exclusively in France since 2013.

Voice

The Voice and other related activities includes activities specific to SoLocal Group, such as telephone and SMS directory enquiries services (118 008) and the QuiDonc reverse directory. This product also includes some PJMS activities (formerly known as PagesJaunes Marketing Services): telemarketing, data mining (database processing), file creation, management of potential clients and traditional direct marketing activities (inputting entries and posting mailings).

6.2 Business organisation: Overview of the five verticals

In accordance with its strategy which aims at reviving growth and offering to clients the best possible services, SoLocal products, designed by "business lines", are marketed through six business units of which five verticals on the French market (Home, Retail, Health & Public, Services, and BtoB). This enables us to offer to our customers communication solutions that more closely match their marketing needs.

In connection with these changes, we have revamped our business model and organisation to match the best practices of the digital sector, as well as develop a successful customer experience and increase our focus on winning new markets:

- our local communication advisors are now specialised by vertical and each one has an optimised sales area for prospection;
- employees' sales representative contracts and the concept of a guaranteed customer portfolio have been terminated and replaced with an organisation combining secure contracts for employees (management status) with time management focusing on service and return on investment for clients;
- each vertical sets its objectives (in coordination with business lines) for acquiring and developing a client base and maximising customer loyalty, and can adjust these objectives as matters evolve. This decentralised management system enables a governance that closely matches the specific features of each relevant market.

Below is a table setting out the Internet revenues in 2015 for each of the six vertical business units.

Internet revenues (in millions of euros)	2014	2015	Change
Home	176	183	+4%
Retail	123	130	+6%
Health & Public	64	71	+11%
Services	119	124	+4%
BtoB	113	110	-2%
International*	23	21	-7%
INTERNET REVENUES	**618**	**640**	**+4%**
Scope includes only continued operations			

*International refers to QDQ Media activities in Spain.

Each business unit has its own governance model, which is as follows:

i) a managing director,
ii) a sales department including the regional sales directors, sales managers, regional marketing managers and sales representatives on the ground, as well as client and prospect telemarketers,
iii) a marketing department that includes expert managers covering each market of the vertical business unit,
iv) an operations department with steering and project managers.

Financial information and performance indicators of each vertical business unit relate to the scope of continued activities:

SoLocal Home

SoLocal Home	2014	2015	Change
Internet revenues (in millions of euros)(1)	176	183	+4%
Audience (in millions of searches)	102	118	+16%
Number of Internet clients (in thousands)	124	116	-6%
ARPA(2) - Local Search	€1,161	€1,272	+10%
Penetration rate - Digital Marketing(3)	23%	24%	1 pt

(1) France.
(2) Average Revenue Per Advertiser.
(3) Percentage of "Local Search" Internet clients subscribing to a "Digital Marketing" service.

Market of the Home Business Unit

The market of the Home business unit includes all professionals of construction, renovation, maintenance and emergency fixing services. These segments include craftsmen, medium-sized construction enterprises, emergency repairmen and sellers/installers of home equipment (kitchens, verandas, swimming pools, etc.). In the current economy, this sector is experiencing difficulties and has been declining for over two years, with the new construction market being the most severely impacted. However, the sale of renovated old housing has seen slight growth due to energy efficiency subsidies. Another feature of the Home market is that advertising is a major concern for the craftsmen in this sector, for whom over half of their revenues is generated by new customers. This is also a market in which print retains a significant share, although, the various players are gradually shifting online.

Positioning of the Home Business Unit

SoLocal Group's vision is to assist professionals of the Home sector in expanding their businesses through advertising. Therefore, the Home business unit focuses on:

i) increasing market share by offering, for example, new services in the form of key packages in order to enhance clients' visibility, and promoting Digital Marketing to its clients;
ii) shifting its media towards new models that require contributions, thereby capitalising on the role of users' recommendations.

The Group has key advantages in the Home market, such as:

i) significant market penetration;
ii) expertise in fixed and mobile Internet advertising that is recognized by craftsmen;
iii) powerful media, such as pagesjaunes.fr, Ooreka.fr (the leading site in the home sector) and printed directories, which provide its clients with a large number of contacts;
iv) a global and complete offer that is the result of our websites' and subsidiaries' offerings, in particular (PJMS, etc.).

Competition

In the Home market, SoLocal Group's position is challenged by active players in various segments of activities:

- specialised companies in the works sector that have positioned themselves as intermediary between craftsmen and individuals: 123devis.com, choisirunartisan.fr, sefaireaider.com, etc.;
- general players that emphasize Digital Marketing offers: Google, LeBonCoin (Schibsted Group), Linkeo, Mediapost.

SoLocal Retail

SoLocal Retail	2014	2015	Change
Internet revenues (in millions of euros)[1]	123	130	+6%
Audience (in millions of searches)	452	572	+27%
Number of Internet clients (in thousands)	154	146	-6%
ARPA[2] - Local Search	€ 651	€ 696	+7%
Penetration rate - Digital Marketing[3]	16%	16%	0 pt

(1) France.
(2) Average Revenue Per Advertiser.
(3) Percentage of "Local Search" Internet clients subscribing to a "Digital Marketing" service.

Market of the Retail Business Unit

The market of the Retail business unit includes local businesses offering services in the following various segments:

i) merchants with transactional potential (restaurants, beauty salons, accommodations);
ii) neighbourhood shops, a segment that includes small businesses located downtown, such as florists, wine shops, dry-cleaners and local grocers;
iii) sports clubs and cultural institutions;
iv) chains (supermarkets, clothing shops, DIY shops).

Positioning of the Retail Business Unit

The various segments within the Retail business unit pursue diverse communication strategies. Most advertisers invest primarily online to promote their image and in direct offline marketing (advertising mail), though certain businesses (mainly restaurants and accommodations) have developed transactional solutions (online appointment scheduling, deals and websites), which already account for a significant share of total advertising in this market.

To meet the diversity of its clients' expectations and needs, the Retail business unit has developed an overall digital offering, but retains a strong presence in printed directories and other paper media.

The Retail business unit focuses on:

i) gaining new customers and territories;
ii) increasing the share of its clients' advertising that it publishes by developing mobile media and optimising existing media;
iii) further enhancing the customisation of services offered in order to more closely match expectations.

The Retail business unit has the following significant advantages in this market:

i) a dense local network;
ii) PagesJaunes, which is a particularly strong brand (one merchant out of four advertises on PagesJaunes);
iii) extensive coverage of its clients' communication needs through a broad range of online and offline media;
iv) highly diversified offering, adapted to this market and its various sectors: transactional solutions, print, searches, Web-to-Store, etc.

Competition

The Retail vertical business faces a variety of competitors in its market, including Internet pure players with disruptive models (e.g., Yelp, JustEat and TripAdvisor). In the hotel reservation field, SoLocal Group is both developing its own solutions and has signed cooperation agreements with Expedia and Booking.

SoLocal Health & Public

SoLocal Health & Public	2014	2015	Change
Internet revenues (in millions of euros)[1]	64	71	+11%
Audience (in millions of searches)	465	507	+9%
Number of Internet clients (in thousands)	80	83	+3%
ARPA[2] - Local Search	€ 692	€ 741	+7%
Penetration rate - Digital Marketing[3]	10%	11%	1 pt

(1) France.
(2) Average Revenue Per Advertiser.
(3) Percentage of "Local Search" Internet clients subscribing to a "Digital Marketing" service.

Market of the Health & Public Business Unit

The market of the Health & Public business unit covers public institutions, the liberal professions and professionals in the health sector. This market breaks down primarily into four segments:

- Public sector: the state and social care, local governments (cities and towns, metropolitan areas, departmental councils (*conseils départementaux*)), chambers of commerce (*organismes consulaires*), professional associations, etc.;
- Education: driving schools, professional training institutions, primary, secondary and higher education, individual tutoring services, etc.;
- Liberal professions: lawyers, chartered accountants, architects, auditors, surveyors, veterinarians, etc.;
- Health sector professionals: health professionals, whether or not regulated by a professional association, pharmacies, health institutions and services, etc.

Positioning of the Health & Public Business Unit

The Health & Public business unit covers sectors that advertise little, in particular due in some cases to regulatory restrictions. As this market gradually opens to advertising, SoLocal Group intends to gain market share and to become a leader in this sector by selling sites and providing online appointment scheduling solutions.

Despite this regulatory and budgetary context, the health market is buoyed by strong demand due to an ageing population, a high birth rate and a greater focus on prevention and screening. The public market must now take into account the fact that users have become "consumers" of public services who have high expectations for easy online access to such services.

The Health & Public business unit focuses on:

i) optimising listings and increasing visibility on online media in order to improve users' experience and maximise audience loyalty (navigation/user friendliness and content);
ii) facilitating business management for customers: online appointment scheduling, secretary services, etc.;
iii) handling patient oversight, in particular for health professionals: ensuring personalised continuity of care, conducting information campaigns, etc.;
iv) expanding the personalisation of services offered to clients by developing tailor-made solutions for websites;
v) improving services with increasingly diversified and sophisticated measurement tools.

The Group has the following significant advantages in the Health & Public market:

i) a large sales force with solid knowledge of the local market;
ii) a powerful general media that generates strong audiences in this specific sector;
iii) an offering adapted to this market (including hotlines, online appointment scheduling and relationship marketing campaigns). A most noteworthy example is the launch of PagesJaunesDoc, a specialised online appointment scheduling solution.

Competition

The Health & Public vertical business unit faces a fragmented competition with numerous players offering very different communication solutions (direct marketing, specialised press, advertising leaflets, etc.).

SoLocal Services

SoLocal Services	2014	2015	Change
Internet revenues (in millions of euros)[1]	119	124	+4%
Audience (in millions of searches)	204	244	+19%
Number of Internet clients (in thousands)	81	77	-5%
ARPA[2] - Local Search	€ 1,143	€ 1,231	+8%
Penetration rate - Digital Marketing[3]	23%	24%	1 pt

(1) France.
(2) Average Revenue Per Advertiser.
(3) Percentage of "Local Search" Internet clients subscribing to a "Digital Marketing" service.

Market of the Services Business Unit

The market of the Services business unit breaks down into various segments, including:

i) automobile/motorcycle commerce and maintenance (car dealers, mechanics, technical control, body shops, auto centres and specialists);
ii) services for individuals (taxis, undertakers, personal services, clairvoyance);
iii) real estate (real estate agents, notaries, inspectors);
iv) banking and insurance (banks, supplemental health plans, insurance companies, brokers).

Positioning of the Services Business Unit

In this market, digital maturity varies significantly by segment, the Services business unit aims to provide greater assistance to our clients as they transition to online advertising by offering communication plans that give return on investment (ROI) in order to better meet their needs.

The Services business unit seeks to offer services that are increasingly adapted to its various segments and focuses on the following key issues:

i) offering diversified media solutions;
ii) pursuing the development of Display Advertising, a process that has already been initiated with the launch of a CPM ("Coût Pour Mille") offer;
iii) extending the customisation of services offered to clients by developing tailor-made solutions for websites;
iv) improving services with increasingly diversified and sophisticated measurement tools.

More specifically, in the real estate advertising market, in spring 2011, SoLocal Group acquired one of the four leaders in the real estate classified advertising field (according to Médiamétrie Nielsen), the "A Vendre A Louer" website. This acquisition enabled us to enhance our offer to our advertisers in the real estate sector and to improve our competitive position.

The Group has the following significant market advantages:

i) a large sales force with solid knowledge of the local market;
ii) two powerful and dynamic media: PagesJaunes, a general media, and A Vendre A Louer, a dedicated media that is one of the leaders in the real estate classified advertising field (according to Médiamétrie Nielsen);
iii) offers adapted to this market, such as the "Pack Vitrine", which offers real estate classified ads on Annonces Jaunes, and A Vendre A Louer, the vertical Internet visibility card, a new offer of sites that are more user-friendly and effective in terms SEO, direct marketing offers through its PJMS entity, etc.

Competition

The vertical Services business unit faces well-established competitors:

- specialised players in the real estate sector: SeLoger.com (Axel Springer group), Le Figaro (FigaroClassifieds), Logic Immo (Spir Communication), Reflexímmo (S3G), De Particulier à Particulier, EntreParticuliers.com;
- specialised players in the automobile, banking and insurance sectors: La Centrale, loan and insurance comparison sites;
- general players: leboncoin.fr (Schibsted group), ParuVendu, TopAnnonces (Spir Communication), regional and national daily press publishers, Vivastreet, etc.

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SoLocal BtoB

SoLocal BtoB	2014	2015	Change
Internet revenues (in millions of euros)[1]	113	110	-2%
Audience (in millions of searches)	188	205	+9%
Number of Internet clients (in thousands)	94	87	-7%
ARPA[2] - Local Search	€ 999	€ 1,053	+5%
Penetration rate - Digital Marketing[3]	17%	18%	1 pt

(1) France.
(2) Average Revenue Per Advertiser.
(3) Percentage of "Local Search" Internet clients subscribing to a "Digital Marketing" service.

Market of the BtoB Business Unit
The BtoB market includes major national advertisers, as well as 500,000 small and medium-sized enterprises, that are active in various business segments, including:

- business services: photocopying services, logistics, medical secretary services, messengers, call centers, survey institutes, etc.;
- wholesale commerce: construction materials, office furniture, packaging, wholesalers, etc.;
- industry: printing, signs, forklift rent, butchers and abattoirs, dental prosthetists, etc.;
- construction and public works: public works, lift repairs, plumbing materials, earth-moving works, car park equipment, etc.;
- agriculture: farmers, cattle farms, grain producers, organic produce farmers, animal breeders;
- craftsmen: furniture manufacturers, upholsterers and decorators, fashion designers, costum designers, carpenters, tailors, etc.

These businesses all face similar communication issues because of their clientele. Nevertheless, the variety of the business sectors represented requires SoLocal Group's teams to have in-depth knowledge of these markets in order to design communication and marketing campaigns whose purposes may differ.

Positioning of the BtoB Business Unit
SoLocal Group positions itself as an expert in its clients' digital communication needs.

The BtoB business unit focuses on:

i) finely segmenting the various businesses in this market in order to offer services that closely match our clients' needs;
ii) assisting clients in shifting online and diversifying their online communication means;
iii) providing clients with the best local communication tools and demonstrating the added value and return on investment generated.

The Group has the following significant advantages in this key accounts market:

i) powerful and effective media and listings;
ii) direct marketing solutions;
iii) effective website solutions that take advantage of the power of PagesJaunes;
iv) a dedicated local leading sales force.

Competition
In this market, SoLocal Group faces competition from specialised companies, all of a similar size. These competitors include:

- search: Google, etc.;
- specialised directory publishers: Companeo, Kompass, hellopro.fr, societe.com, etc.;
- specialised media: Infopro, Le Moniteur, Facilities, etc.;
- tradeshows and public relations: Reed Expositions, Comeposium, etc.;
- web agencies: Linkeo, etc.;
- direct marketing and CRM: Mediapost, etc.

International Business Unit

The International Business Unit refers to the QDQ Media activities in Spain.

6.3 Exceptional events

At the time of publication, no exceptional event had taken place.

6.4 Relations with shareholders

Médiannuaire Holding was a Director of the Company until 5 November 2014. There has been no mutually binding agreement between the Company and Médiannuaire Holding since 2013.

Médiannuaire Holding, which has been controlled by Promontoria Holding 55 B.V. since 27 March 2013, has since this date held 51,960,633 SoLocal Group shares representing 18.49% of the Company's capital, subsequent to a transfer of 101,679,554 SoLocal Group shares in payment for a portion of its debt.

After the capital increase of 13 May 2014, Promontoria Holding 55 B.V. reported that it held directly and indirectly via Médiannuaire Holding 95,480,316 SoLocal Group shares, representing 8.22% of the Company's capital.

On 25 August 2014, Promontoria Holding 55 B.V. informed the Company that its direct and indirect holdings held via Médiannuaire Holding had fallen below the 5% voting rights threshold on 13 August 2014 and that on 22 August 2014 it held 29,483,213 SoLocal Group shares representing 51,012,741 voting rights, representing 2.54% of the Company's capital and 4.31% of its voting rights via Médiannuaire Holding.

Lastly, Promontoria Holding 55 B.V. informed SoLocal Group that its shareholding held directly and indirectly via Médiannuaire Holding, which it controls, fell below the statutory thresholds of 1% capital and voting rights on 6 November 2014.

Médiannuaire Holding was dissolved then deleted from the companies register on 11 February 2016.

6.5 The Group's dependence on certain factors

6.5.1 Dependence on patents and licences

SoLocal Group owns many trademarks and domain names for a wide range of products and services, both in France and internationally, including the "PagesJaunes", "Les Pages Blanches", "QDQ, La Guía Útil", "QuiDonc", "Mappy", "123people", "SoLocal", "123deal", "PJMS", "A Vendre A Louer", "LeadFormance", "ClicRDV", "Ooreka", "ComprendreChoisir.com", "PagesJaunes Resto", "Chronoresto", "123pages" and "Embauche.com" trademarks.

SoLocal Group thus owns all the trademarks it uses for its business.

Furthermore, the Group has registered a large number of domain names, including solocal.com, pagesjaunes.fr, pagesblanches.fr, pagespro.com, mappy.com, ooreka.fr, avendrealouer.fr, pagesjaunesresto.fr, 123people.com, 123pages.fr, embauche.com and qdq.com. SoLocal Group has also registered or begun registering numerous domain names for each of its sites in the countries where it operates or could operate.

6.5.2 Dependence on supply contracts and industrial contracts

6.5.2.1 Purchase of paper

SoLocal Group concludes framework agreements each year with a number of paper suppliers from among the world's largest paper groups. Paper supply contracts include commitments to purchase a volume of paper within a minimum-maximum range. PagesJaunes does not consider itself dependent upon any of these suppliers.

6.5.2.2 Printing

To have its BtoC directories printed, SoLocal Group has signed an exclusive agreement with one printer covering the three years from 2014 to 2016, to ensure a reduction in prices compared to 2013 and price stability from 2014 to 2016.

6.5.2.3 Distribution

Each year, PagesJaunes concludes contracts with various companies to have the PagesJaunes and the PagesBlanches directories distributed. These contracts include volume and revenue commitments. PagesJaunes does not consider itself dependent on any of these distributors.

6.5.2.4 Access to directory data

The Company has signed agreements with a number of operators providing access to their subscriber databases. In general, these agreements are for a one-year period, renewable by tacit agreement for periods of one year.

Under these contracts, the Group's total costs to have access to operator databases for publication purposes (printed directories and online services) amounted to over 5.2 million euros in 2015. This amount includes a 3.4 million euros payment to Orange, under a contract to make its directory data available.

6.6 Regulations

In addition to the regulations generally applicable to companies in the countries in which SoLocal Group is present, SoLocal Group is more specifically subject to information society legislation with regard to its directories business.

As PagesJaunes is mainly present in Europe, particularly in France, the discussion below focuses on European and French regulations.

6.6.1 Information society regulations

6.6.1.1 Internet content regulation and operators' responsibility

The European Directive of 8 June 2000 on certain legal aspects of information society services, and in particular on electronic commerce, which establishes the obligations and responsibilities of Internet operators, was due to be transposed into French law before 17 January 2002. This directive had been partially transposed in France via the Act of 1 August 2000, which amended the Act of 30 September 1986 with a new chapter entitled "Provisions on online communication services other than private correspondence" (Articles 43-7 to 43-10).

This Act created a direct or indirect identification obligation for online communication service publishers. Its Article 43-10 includes an obligation that individuals publishing an online communication service for non-professional purposes include their name and address on the website, or failing that the name and address of the hosting company of their website if they wish to maintain their anonymity. Individuals and legal entities who publish a website for professional purposes must include their exact contact details on their website (company name, registered office and the name of the publication's director or co-director) as well as the name and address of their hosting provider.

To that end, hosting services must provide publishers with the technical means enabling them to meet their identification obligations (Article 43-9).

As regards the hosting service's responsibility for the content of the hosted services, Article 43-8 stipulates that hosting providers are neither criminally nor civilly responsible for the content of the services they host unless, after being contacted by a legal authority, they do not act promptly to prevent access to the said content.

Furthermore, within the context of their identification obligations, hosting providers are required to retain all the information necessary to identify the person who created or produced the content of the services they host in order to be able to provide this information to the legal authorities upon request (Article 43-9).

This provision was supplemented by the Digital Economy Trust Act (or "LCEN" Act) of 21 June 2004, which stipulates the liability regime of technical service providers on the Internet and deals, in particular, with electronic commerce and data encryption.

The LCEN Act also states that hosting providers are not subject to a general obligation to monitor the information they transmit or store, nor a general obligation to investigate the facts or circumstances surrounding illegal activity. However, the judicial authorities may order targeted and temporary monitoring in individual cases.

Furthermore, the LCEN Act stipulates, in Article 6, paragraph I-2, that "individuals or legal entities which, even free of charge, provide storage services for signals, documents, images, sounds or messages of any kind provided by the recipients of these services and to be made available to the general public by means of online public communication services are not civilly liable for the activities or information stored at the request of a recipient of said services if they had no knowledge of the illegal nature thereof or of the facts and circumstances making the aforementioned illegal, or if, from the time they became aware, they acted promptly to remove said data or to prevent access".

The hosting provider, however, is only liable if the content or information in question is manifestly illegal and it fails to take prompt measures to remove such information or make it impossible to access. A recent decision by the Paris Court of Appeal (*Cour d'appel de Paris*) on 2 December 2014 confirmed this, citing Article 6 paragraph I-2 of the LCEN Act, by ordering Dailymotion, in its capacity as a web host, to pay 1.2 million euros in damages for having failed to promptly remove videos from its website after being notified to do so by the rights holder.

Lastly, on 10 June 2004, the Conseil constitutionnel formulated the following interpretative reservation on this provision of the LCEN act: "[...] paragraphs 2 and 3 of section I of Article 6 of the Act brought before the Court have the sole consequence of excluding hosting service providers from civil and criminal liability in the two situations mentioned; these provisions would not render a hosting service provider liable in the case that it does not remove information reported by a third party as being illegal unless the said information is manifestly illegal or its removal is ordered by a judge [...]".

Furthermore, three judgements of the French Court of Cassation on 12 July 2012 ruled that the hosting provider cannot be held liable for not having independently of any notification prevented any new publishing online of content that was previously notified as being illicit.

The LCEN Act also strengthens consumer protection, in particular through provisions regarding the obligation to provide the exact identification of the vendor and by establishing principles guaranteeing the validity of online contracts.

Companies that are granted this status will benefit from the tax advantages of press companies, such as full exemption from corporate property taxes and a lower VAT rate of 2.1%, and can also benefit from a special 20 million euros aid fund.

The criteria that determine whether or not a website is entitled to this status are: a "professional information mission"; the "journalistic production of original and renewed content", excluding content that is "self-promotional or incidental to a manufacturing or commercial business activity"; and employing "at least one professional journalist", as defined in Article L. 7111-3 of the French Labour Code.

The Hamon Act of 17 March 2014 transposed into French law Directive 2011/83/EU of 25 October 2011 on consumer rights and strengthened the requirements for distance selling – pre-contractual information, the withdrawal period and the period required for online contracts to become valid – in favour of consumers.

Lastly, AFNOR standard NF 522 was issued in July 2013, to provide a framework for the development of services that enable consumers to post online reviews of products and services. On 13 November 2014, PagesJaunes obtained certification under this standard for a period of three years. This standard aims to increase the reliability of the processes and systems used to collect, moderate and post consumer reviews on all digital economy media. An international standard on online reputations that also includes consumer reviews is also being considered by the International Organization for Standardization (ISO).

6.6.1.2 Protection of personal data

The European Framework Directive 95/46/EC of 24 October 1995, on the protection of individuals with regard to the processing of personal data and on the free movement of such data, defines the legal framework necessary to protect individuals' rights and freedoms. This framework directive was supplemented by a European Sectoral Directive 2002/58/EC of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, replacing Directive 97/66/EC of 15 December 1997.

The goals of this directive were:

- to harmonise European law on personal data;
- to facilitate their circulation (provided that the country to which the personal data are being transferred offers an appropriate level of protection);
- to protect individuals' privacy and freedoms.

Act 2004-801 of 6 August 2004, on the protection of individuals regarding the processing of personal data and amending Act 78-17 of 6 January 1978 on information technologies, files and freedoms, completed the transposition of Directive 95/46/EC into French law. This Act strengthens people's rights to their data, simplifies the procedures for reporting the processing of data that may be at risk and increases the powers of the regulatory authority, the CNIL.

The French Data Protection Act (*loi Informatique et Libertés*) strengthens people's rights to their personal data, requiring data processors to provide more detailed information on the intended use of personal data. The right to oppose the use of personal data for marketing purposes is protected by law and the conditions governing the right of access and rectification of data are set out in the decree of 25 March 2007. For example, all requests to access or correct data must be responded to within two months or will be deemed to have been refused, and all refusals to access data or have them corrected must be justified. To simplify procedures, disclosure has been made the general legal requirement, with CNIL's preliminary control being limited to just those processes that put people's rights and freedoms at risk. Finally, the CNIL's powers have been extended and procedures for performing on-site inspections have been specified, with the CNIL now being able, for example, to issue injunctions to cease or suspend the processing of data, block information and withdraw authorisation. The CNIL can impose financial penalties of up to 150,000 euros for the first confirmed fault if the offender is an individual, and of up to 300,000 euros, or 5% of the previous year's pre-tax revenues, in the case of a company. Finally, the CNIL may make its warnings public and have any sanctions, it decides, published in a newspaper, magazine or other publication at the expense of the person sanctioned. In addition to this, the Hamon Act on Consumption No. 2014-344 of 17 March 2014 amended the Data Protection Act and authorised the CNIL to monitor compliance with the Data Protection Act online remotely from a computer connected to the Internet. It records any violations it observes in a report which it sends to the offender and may use this report in legal proceedings. This amendment has given the CNIL the investigation power and authority it needs to keep pace with the development of digital technology and enables it to be more responsive and effective in a constantly evolving environment. The Commission is thus able to quickly note data security failures on the Internet and take action. It can also easily check the compliance of the legally required information provided on online forms and the rules that govern Internet user consent. This new power applies to "*data that are freely accessible or made accessible*" online and of course does not allow the CNIL to override security measures to penetrate an information system.

Within the framework of its activities, SoLocal Group records and processes statistical information, especially regarding visits to its websites. In order to optimise its services and increase revenues it has also developed means to identify, using general statistics, Internet users' areas of interest and behaviour online. For this purpose and to offer more personalised services, the Group also collects and process personal data, it sells to third parties or uses for targeted advertising projects.

The new European sector directive on the processing of personal data and the protection of privacy has made a number of changes to the existing law and expanded its scope of application to include electronic communications. New provisions are the following:

- The concept of traffic data now includes all data on traffic regardless of the technology employed, and therefore includes data on communications over the Internet.
- Cookies are permitted if clear and complete information is provided to the subscriber or user, particularly on how the data, thus obtained, is to be processed before the cookies are submitted and only if the subscriber or user has first given their informed consent to accept the cookies. However, cookies exclusively designed to perform or facilitate the transmission of a message, or those strictly necessary to provide a service expressly requested by the user (Article 5.3 of the Directive) are outside the scope of this provision. These provisions were transposed into French law by Act No. 2004-801 of 6 August 2004 on the protection of individuals with regard to the processing of personal data (Article 32 of the consolidated version of the Data Protection Act) and by the "Telecom Package" Order of 24 August 2010. A CNIL recommendation dated 5 December 2013 details the practical procedures for obtaining Internet users' consent to the use of cookies (some not requiring consent), by means of an information banner at the top of the first page displayed which links to an information page where the website visitor can refuse the cookie. Otherwise, consent is assumed to be granted for a period of 13 months. Subsequent to this recommendation, in October 2014 CNIL began to perform remote verifications to check the compliance of website operators. In this context, a Group site was checked on several occasions in 2014 and 2015; the reports signalled cookies submission upon initial page display, the relevance of the data collected, the veracity of the procedures claimed, compliance with legal information obligations and data security. A letter of formal notice was sent by CNIL, instructing the site to comply within three months, and by 5 May 2016 at the latest.

- Location information other than traffic data may only be processed after anonymisation, or with the consent of the subscriber or user, duly informed in advance, and with the aim of providing an added-value service. Subscribers and users have the right to withdraw their consent at any time and must be able to exercise the option, simply and free of charge, of suspending the processing of these data every time they log on or for each communication transmission. These provisions were transposed into French law by Act No. 2004-669 of 9 July 2004 on electronic communications and audio-visual communication services (Article L. 34-1-IV of the French Post and Electronic Communications Code).
- With regard to public directories, subscribers are entitled to decide whether their data, and where applicable, exactly, which data, may appear. Non-inclusion is free of charge, as are corrections and deletions. EU Member States may require subscriber consent for any public directory that is intended for any use other than simply searching for a person's contact details using their name. These provisions were adopted in Decree No. 2003-752 of 1 August 2003 on universal directories and universal directory enquiry services, which amended the French Post and Telecommunications Code. With regard to unsolicited communications (or spamming), direct marketing by e-mail is prohibited unless targeted at subscribers who have given their prior consent. However, where a person has received electronic contact details directly from a customer, the person may use this information to directly market to this customer products or services similar to those already supplied, provided that the customer is able to refuse such marketing when the customer's personal details are collected and when each message is sent. These provisions were transposed into French law by the LCEN Act and the Electronic Communications Act, which requires people contacted by online marketers to give their prior consent or "opt-in" under Article L. 34-1-III of the French Post and Electronic Communications Code.

The European Directive 95/46/EC on personal data is currently being amended. This Directive will be replaced by a European Regulation. The text must be approved by the Member States and the European Parliament. The regulation is scheduled to come into force two years after adoption, which should be by the end of the first quarter of 2016. The European Commission has proposed a single set of rules for the entire European Union. The proposals include aiming to require companies to obtain consent before re-using people's personal data, even for certain types of processing (sensitive profiling data), express and explicit consent. Furthermore, users must be able to consult their personal data more easily and transfer it to another service provider (data portability).

In addition to the existing rights to access data and have them corrected, the "right to be forgotten" will be strengthened and anyone may request that their personal data be deleted if they feel that a company or other organisation has no legitimate right to retain their data.

To strengthen responsibility and transparency, companies will be required to rapidly inform their customers of any theft or accidental publication of personal data.

When personal data are processed outside Europe, users will be entitled to contact the data protection authority in their country, even when their data are processed by a company based outside the European Union if this company collects their data to market goods and services or for behavioural marketing purposes.

Companies will have a single contact, i.e. the data protection authority in the country where they have their main place of business.

The new rules will give national data protection authorities the powers they need to ensure stricter compliance with European Union laws. Financial penalties will be increased, with fines of up to 100 million euros or 5% of the Company's global revenues.

6.6.2 Directories

Order 2001-670 of 25 July 2001, to bring the French Intellectual Property Code and Post and Telecommunications Code into compliance with EU law, transposed several European directives into French law, including the Directive on personal data protection in the telecommunications sector and Directive 98/10/EC of 26 February 1998 on the application of open network provision (ONP) to voice telephony. This directive is intended to liberalise the directories market and facilitate the provision of universal directory services. This directive requires telecommunications operators to provide directory publishers with their list of subscribers, upon request and subject to certain conditions.

Decree 2003-752 of 1 August 2003, as amended by the Decrees of 27 May 2005, 2005-605 and 2005-606, regarding universal directories and universal directory enquiry services, and amending the French Post and Telecommunications Code, requires telecommunications operators to supply their subscriber and user lists to any person wishing to publish a universal directory, either in the form of a file or via access to a database, operators are required to maintain up to date.

This obligation applies to any entity that is the registered owner of numbers on a fixed-line or mobile network.

This makes it possible to publish a universal directory, i.e. one that contains all subscribers to telecommunication services. As a publisher of printed and online directories, SoLocal Group welcomes this new regulation, which will enable it to acquire licences to directory data from all telecommunications operators and to enrich its contents.

Article L. 34 of the French Post and Electronic Communications Code specifies that there are no restrictions on the publication of lists of subscribers or users to electronic communication networks or services, provided that their rights are protected and that operators are required to provide, in a non-discriminatory manner and at a price that reflects the cost of the service provided, the list of all subscribers or users to whom they have allocated one or more telephone numbers. This article also reaffirms the rights that govern the publication of personal data in directories and the use of directory enquiry services. Lastly, pursuant to this article, subscribers to a mobile telephone operator service must give their prior consent to inclusion in a subscriber or user list.

6.6.3 Database regulations

On 11 March 1996, European Directive 96/9/EC on the protection of databases was adopted.

The main innovation introduced by this directive was the creation of a new type of right, in addition to copyright, which protects, for a specified time, a substantial investment of money and/or time, effort or energy to obtain, check and present the contents of a database.

This directive was transposed into French law by an Act of 1 July 1998 that provided for a sui generis right that protects the interests of database creators, in addition to any protection provided by copyright (and most notably Articles L. 111-1, L. 112-3 and L. 122-5 of the French Intellectual Property Code and all of Title IV of Book III of this Code, i.e. its Articles L. 341-1 to L. 343-7).

This protection applies to database content "the constitution, verification or presentation of which reflects a substantial financial, material or human investment". This protection is independent of and without prejudice to the protection that copyright provides to a database's contents or graphic interface, as Article L. 341-1 of the French Intellectual Property Code stipulates that a database creator, who is understood to be the person who takes the initiative and bears the risk of making the necessary investments, is entitled to protection of his or her database content when its constitution, verification or presentation has required a substantial financial, material or human investment.

Database creators thus have a legal right to prohibit any substantial extraction of the content of their databases and any reuse thereof. Regarding this, Article L. 342-1 of the French Intellectual Property Code stipulates that database creators may prohibit the following:

- the extraction, by a temporary or a continuous transfer, of all of the content of a database or of a part thereof that is quality-wise or quantity-wise substantial, to another medium, by any means and in any form whatsoever;
- the re-use of all of the content of a database or of a part thereof that is quality-wise or quantity-wise substantial, by making such content or part thereof available to the public, in any form whatsoever.

This protection covers the extraction or reuse of a substantial part of a database even when the database has been made publically available. This protection remains valid even when the person extracting content has lawful access to the database. Pursuant to Article L. 342-2 of the French Intellectual Property Code: "The database creator may also prohibit the extraction or the systematic or repeated re-use of parts of the content of the database that are not quality-wise or quantity-wise substantial, when such extraction or systematic or repeated reuse manifestly exceeds normal use of the database." However, Article L. 342-3 of the French Intellectual Property Code stipulates that: "When a database is made available to the public by the rights holder, the latter may not prohibit (...) the extraction or re-use of a part of its content that is not quality-wise or quantity-wise substantial by someone who has lawful access to the database (...)".

The database creator's rights are therefore normally protected for a period of fifteen years after the creation of the database or the date it is made available to the public (paragraphs 1 and 2 of Article L. 342-5). However, the term of protection may be extended if a further substantial investment is made, which in effect means that a database may then be indefinitely protected (paragraph 3 of Article L. 342-5).

6.7 Suppliers

See section 6.5.2 "Dependence on supply contracts and industrial contracts".

6.8 Insurance and risk coverage

The Company has implemented an insurance and risk management programme to cover its major property damage, civil liability and personal insurance risks.

The Company seeks to continuously optimise the management of risks that can be transferred to insurers.

The exchange of information between the Legal department, the risk manager, the internal control manager and Internal Audit department has been systematically organised to ensure that they each have a comprehensive perspective of the Group's risks that is as exhaustive as possible, in accordance with the risk mapping.

This comprehensive perspective enables the Group to find the most appropriate coverage for its insurable risks.

Insurance is obtained from major international companies and policies are regularly compared between insurers and renegotiated with the assistance of a leading major broker.

Property damage risk is insured under a Group insurance policy that covers "property damage and business interruption losses, including damage to goods during shipment", which covers all direct damage to goods and operating losses except for those that are specifically excluded.

The maximum annual cover amount per claim in 2015 was 49,900,000 euros for damage and business interruption losses, of which the latter accounted for 40,000,000 euros. This is sufficient to cover business interruption in the event of a major disaster that requires the implementation of a business continuity plan.

When it is time to renew the insurance policy, the insurer is accompanied by engineering department staff and the chief safety officer when inspecting premises to make sure that the insurer is able to assess risk as accurately as possible and that the best possible coverage is negotiated.

To reduce the premium, a term of two years was agreed for the policy, which can be revised in the interim if warranted by claims experience. The policy's limits and deductibles are in line with current market practices.

The civil liability policy covers civil liability claims from customers and third parties that may arise during business operation or business-related activities. The policy is an "all risks, subject to exclusions" policy, which means that all bodily injuries, property damage and consequential damage are automatically covered, including damage from computer viruses, unless expressly excluded.

This policy's deductibles were determined not only on the basis of the types of risk exposure, but also on each subsidiary's scope of exposure. This has made it possible to cover all risks without increasing the premium.

For civil liability coverage in 2015, the Company paid a provisional premium of approximately 84,000 euros, vs. 85,000 euros in 2014.

For property damage and business interruption coverage in 2015, the Company paid a premium of approximately 180,000 euros, vs. 170,000 euros in 2014.

For automobile insurance coverage in 2015, the Company paid a premium of about 515,000 euros, vs. 405,000 euros in 2014.

In response to the change in the Company's shareholding structure in 2013, the Company took out a Company Representatives Liability insurance policy offering maximum coverage of 30,000,000 euros. This insurance cost about 84,000 euros in 2015, vs. 85,000 in 2014.

6.9 Major tangible fixed assets

Leases and subletting agreements are described in Note 31 to the consolidated financial statements for 2015, which is found in chapter 20.1 – Historical Financial Information.

ORGANISATIONAL CHART

7.1 Brief description of the Group

A description of the Group is provided in section 6.1.1 of this document: "General presentation of business activity".

Note 35 to the consolidated financial statements provides a list of the consolidated companies, indicating their country of origin and the Company's percentage of control and equity interest in each one at 31 December 2015.

7.2 List of main subsidiaries and equity interests

A simplified organisational chart of SoLocal Group at 31 December 2015 is provided below:

(1) PagesJaunes Outre-Mer SA is not consolidated due to its non-significant nature.

8 CORPORATE SOCIAL RESPONSIBILITY

Introduction

1. Message from the Chairman and the General Secretary in charge of Corporate Social Responsibility

The final stage of our Digital 2015 transformation programme last year was placed under investment to stabilise our new processes and tools. These human and financial efforts were made without losing sight of our commitments to social responsibility and significant steps are still being taken.

- Employer responsibility: "*To build a motivating and fulfilling digital group for everyone*": in particular, the Group continued its investment in training to enable employees to increase their skills in our stakes and in the ecosystem in which we are developing.
- Environmental responsibility: "*To preserve the environment in our business management*": while PagesJaunes' targets to reduce CO_2 emissions were exceeded between 2009 and 2015, a new ambitious target has been set, -30% between now and 2018 compared to 2014.
- Societal responsibility: "*To energise the local economic fabric in a responsible way*": the Group is intensifying its actions by allowing small and medium-sized French businesses to join the digital economy and thus participate in the ecosystems that favour the local economy.

These few examples demonstrate how Social Responsibility is an important point of reference to guide our actions and create motivation. In the cultural and organisational upheaval experienced by our Group that also reclassifies our relations with external stakeholders, we firmly believe that we have to be mindful of our social responsibility in our everyday lives for us all to be able to benefit from it.

Jean-Pierre Remy, Chief Executive Officer
Pascal Garcia, General Secretary in charge of CSR

2. SoLocal Group – a responsible company

2.1 Organisation

At SoLocal Group, the leader in local digital communication, we provide digital content, advertising solutions and transactional services that bring consumers and local businesses together.

Our organisational structure is presented in the Chapter "Organisational Chart" and our strategy is detailed in the Chapter "*Overview of activities*".

2.2 The origin and development of our CSR Strategy

For SoLocal Group (until June 2013 the PagesJaunes group) Corporate Social Responsibility (CSR) is an integral part of daily business and is essential to achieving financial and extra-financial objectives. Corporate social responsibility means respecting our employees, protecting the environment and ensuring constructive relationships with our clients, suppliers, non-profits and other stakeholders.

Our first CSR initiative was to reduce the environmental impact of our printed directories business by optimising their production and distribution. We soon realised that CSR drives our progress and could inspire many other sustained initiatives.

CSR is a continuous process of improvement that enriches our vision and stimulates our desire to progress and work in partnership with others. Both our management and employees support the CSR strategy and initiatives, which serve the legitimate concerns of our stakeholders.

2.3 CSR governance

In 2011, our Partnerships, External Relations and Strategy department was put in charge of developing CSR strategy, which it now leads and supervises. This department's CSR team reports directly to the General Secretary and Deputy CEO in charge of Partnerships, External Relations and Strategy, who is a member of our Executive Committee. The CSR team, which consists of a CSR officer and CSR project manager, oversees all aspects of CSR.

All PagesJaunes divisions and SoLocal Group subsidiaries also have CSR correspondents. As a result, all of our people are actively engaged in our commitment to corporate social responsibility.

To achieve our specific employer responsibility goals, our Human Resources department has trained a team dedicated to improving the quality of life in the workplace, fostering diversity and facilitating the employment of people with disabilities.

Our Printed Directories department has an environmental committee led by its Chief Quality Officer.

The CSR team coordinates the efforts of correspondents and works with them to develop projects that will achieve our strategic CSR goals.

2.4 Commitments, objectives and key performance indicators

The SoLocal Group's three main commitments to CSR are:

- to build a digital group with a motivating and enriching work environment;
- to conduct business in an eco-responsible manner;
- to promote responsible local economic development.

These commitments have been integrated into our strategy and will drive our growth.

For each of these commitments, we monitor strategic objectives and indicators that enable us to ensure a follow-up:

KEY FIGURES

EMPLOYER RESPONSIBILITY

To build a digital Group with a motivating and enriching work environment

Empower employees to play an active role in our development	139,802 hours of training were provided in 2015 186 Eureka[1] suggestions were implemented in 2015
Promote diversity and equal opportunity	27% of senior executives were women in 2015 Employees with disabilities represented 3.7% of the workforce in 2014
Provide a pleasant work environment	73% of employees participated in the opinion survey SoLocal[2]

ENVIRONMENTAL RESPONSIBILITY

To conduct business in an eco-responsible manner

Reduce the environmental impacts of our products and services	CO_2 emissions were reduced by 58% from 2009 to 2014
Reduce the impact of employee communities	Mobility plans for the head office and other premises in the Paris area prepared in 2015
Reduce the environmental impact of business activities	15.3% of premises met HEQ environmental standards in 2015

SOCIETAL RESPONSIBILITY

To promote responsible local economic development

Make an active contribution to local economies	One PagesJaunes job creates two jobs in the private and public sectors[3] 92% of French used the PagesJaunes service in 2015[4]
Help small businesses increase their online presence	Almost 530,000 Internet advertisers
Ensure responsible communication that respects personal data	Requests to delete personal data were handled in 2 days on average in 2015
Win the trust of our customers	Almost 9 out of 10 Internet users trust the PagesJaunes brand[5]

(1) See "Collaborative innovation" in the section entitled "Employer Responsibility/Eurêka"
(2) Source: Internal opinion poll regarding 2014
(3) See "Local economic impact" in the section entitled "Societal Responsibility"
(4) Source: the TNS Sofres Audience Barometer from January to December 2015.
(5) Source: Harris Interactive – Tracking the PJ brand, January 2016

2.5 Communicating with stakeholders

To give SoLocal Group businesses a stable foundation in the communities we serve and adapt our efforts to meet local requirements, we make it point to listen to and communicate with our stakeholders. We have been tailoring our communication means and messages to communicate more effectively with all of our stakeholder groups, which include:

- Employees:
  - A group network of CSR correspondents which is involved in leading and implementing actions throughout the year;
  - Efforts to increase employee awareness of CSR commitments and inform staff of CSR actions:
    - newsletters regularly sent to all employees provide news on CSR-related topics,
    - Group entities have organised information and training actions at various events, such as Sustainable Development Week and Handicap Week, at the head office and at other Group sites,
    - pages dedicated to CSR on our corporate website and intranet site,
    - particular attention was paid to the PagesJaunes 2009-2014 Carbon Footprint and fixing the target for 2018: presentation meetings, newsletters for all Group employees and circulation on the Group Intranet;

- The general public:
  - Information on CSR commitments:
    - presentations by SoLocal Group experts: a conference organised by the OREE and Comité 21 on the subject of Reporting by businesses and communities, CDDD conference in the Grand Palais during the COP21 on the subject of the Climate Book, testimony during the conference for the launch of the book on good practices in eco-design with Green IT,
    - series of measures taken by the Group in the media: interview by M6 with employees at head office on waste sorting during the COP21,
    - partnerships with e-RSE.net, media specialising in sustainable development,
    - the corporate website and social networks;
- Government and institutions: initiatives to engage with members of parliament, ministerial cabinets and trade associations; memoranda and participation in roundtable conferences;
- Suppliers:
  - most contracts with suppliers include a Sustainable Procurement Charter,
  - supplier selection criteria in some request for proposals and contracts;
- Business community:
  - membership in the Sustainable Development Directors College, with participation in conferences and working groups,
  - membership in OCSR, which monitors trends in corporate social responsibility,
  - membership of the Green IT club,
  - CSR team head Carole Vrignon's participation in Label Lucie's Certification Committee;
- Business clients and users:
  - independent surveys of 6,000 PagesJaunes' business clients during the year to determine their satisfaction and get feedback on specific aspects of the client relationship,
  - a Business Client Experience department and a Consumer Marketing department were set up at PagesJaunes to measure satisfaction with customer service,
  - ongoing and periodic online surveys to measure the satisfaction of PagesJaunes and Mappy website users;
- Schools:
  - partnership with target schools,
  - building the employer brand on social networks;
- Financial sector:
  - exchanges with CSR rating agencies (Vigeo, Oekom, Ethifinance) and investors,
  - presence in the Gaïa index.

PagesJaunes's Printed Directories department keeps its employees regularly informed of its efforts to obtain environmental certification. The Head of the Printed Directories department sets forth environmental responsibility guidelines. A letter indicating the department's quality and environmental commitments was sent to all department employees.

Many awareness-raising actions on environmental initiatives are conducted each year:

- For managers:
  - meetings are organised by the Operations and Field Distribution department's Quality team and by the Head of the Printed Directories department to inform managers and process supervisors,
  - an annual Management Review is organised to examine all certified processes and prepare improvement plans,
  - an annual Environmental Committee meeting is held to review environmental impacts and assess progress. These meetings may include updates on the ongoing ISO 14001 certification of Printed Directories business;
- For all personnel:
  - at least two information meetings are held annually for employees of the Printed Directories department. These meetings include reports on environmental actions, progress and improvement initiatives,
  - the managers and/or staff members of each Printed Directories operating department meet weekly or twice per month to present progress on environmental actions,
  - department managers organise process reviews with their teams in preparation for the annual Management Review.

3. The 2015 CSR report

3.1 Reporting process

The implementation decree of the Grenelle 2 Act requires certain companies to annually report information on various topics in relation to human resources, the environment and society. To comply with this requirement, SoLocal Group expanded the amount of CSR-related information in its Reference Document in 2012.

To inform and promote communication with our stakeholders, this CSR report presents all actions and initiatives in connection with our corporate responsibility commitments. The scopes of the reported employer, environmental and societal responsibility indicators vary each year and may also vary between indicators.

The social indicators relate to the scope of the SoLocal Group and PagesJaunes.

Unlike the financial scope, the social indicators for the year 2015 presented in the document include:

- 21 employees of the subsidiary PJOM who represent 0.41% of the Group's workforce registered at 31/12/2015;
- 45 employees of the subsidiary Sotravo who were transferred by the SoLocal Group on 31/12/2015 at 23:59. These employees represent 0.89% of the Group's workforce registered at 31/12/2015.

The scope of the other indicators is indicated in the note on methodology attached as an appendix. A document explaining the reporting scope and the CSR indicators presented herein may be obtained from the CSR department upon request.

A SoLocal Group Statutory Auditor has been appointed to verify the CSR report as an «independent third party», in compliance with the Grenelle II Act. This auditor has prepared the report shown on an appendix to this chapter. It comprises certification that the required HR, environmental and societal information has been reported as well as the auditor's opinion on this information.

3.2 General information

3.2.1 Information on our ICPE premises

SoLocal Group currently has two facilities that are classified as "ICPE", or environmentally-sensitive, and which are subject to a simple registration formality. These facilities are the premises in Sèvres and the data centre in Rennes.

At the Sèvres facility, the classified operations include refrigeration systems, a battery-charging shop and a storage area for chlorofluorocarbons, halons, halogenated hydrocarbons and carbons. At the Rennes facility, the only classified activity is the storage of chlorofluorocarbons, halons and halogenated hydrocarbons and carbons.

3.2.2 Financial data on provisions and guarantees on environmental risks

No provisions have been made and no guarantees granted in relation to environmental risks. We have identified no situation where such provisions or guarantees would be necessary.

4. Other regulatory measures associated with CSR

In 2015, PagesJaunes complied with the regulations and drew up the Plan for Transfer of the Company's registered office to Sèvres. The analysis made enabled measures to be defined to favour smooth transfer methods for employees.

An energy audit was also performed on the registered office buildings and fleet of vehicles. The move to the new Citylights registered office will enable a significant improvement to be made on the results.

Employer Responsibility

SoLocal Group provides a dynamic work environment and stimulating career development opportunities for over 5,000 employees. These opportunities are made possible by the variety of our activities, which cover a diverse range of positions in regional and international entities.

Our CSR strategy and commitments are adapted and supported by our Human Resources policy, which applies to all employees, regardless of their job or employment status.

1. Sharing Group values

Customer, Integrity, Team, Agility and Innovation are the five values that SoLocal Group selected in late 2013, in a participatory approach that included our employees. These values form a common foundation and guidelines for the flatter, more fluid, more agile and more digital company culture we are building.

Since a word can mean different things to different people, each value is accompanied with two "booster" phrases that employees can apply to their everyday work.

- Customer: Be passionate about customer service! Let's make our clients happy!
- Integrity: Trust and inspire trust! Be a model for others!
- Team: Be engaged! Do it with the heart!
- Innovation: Create and simplify! Aim for excellence!
- Agility: Dare! Focus on what is essential!

2. Employment policy and employability

2.1 Workforce and remuneration

2.1.1 Breakdown

Breakdown

	SoLocal Group			PagesJaunes		
	2013	**2014**	**2015**	**2013**	**2014**	**2015**
Total workforce at year end	4,903	5,482	5,080	3,978	4,423	4,028
France	*4,463*	*5,008*	*4,556*			
International	*440*	*474*	*524*			
FTE workforce at year end	4,441	4,802	4,493	3,553	3,789	3,495
Field sales representatives at year end	1,317	1,568	1,341	1,179	1,421	1,245
Telesales representatives at year end	848	957	812	719	846	708
Non-sales staff at year end	2,738	2,957	2,927	2,073	2,156	2,075
Employees with indefinite-term contracts at year end	4,844	5,422	5,053	3,940	4,386	4,013
Percentage of indefinite-term contracts at year end	99%	99%	99%	99%	99%	99%
Percentage of senior executives out of total workforce at year end	3.3%	3.2%	3.2%			

The decrease in the French workforce (-9.1%) is partially offset by the increase in the international workforce (+10.5%).

The withdrawal in France is mainly attributable to the PagesJaunes Job Protection Plan and to the decrease in the workforce of Sotravo and Chronoresto (Lookingo). In the context of the cost reduction plan announced in April 2015, SoLocal Group transferred the Horyzon Media subsidiary. The increase in the workforce is also a consequence of the acquisition of new companies Effilab and Digital to Store UK

Average employee age and length of service

	SoLocal Group		
	2013	**2014**	**2015**
Average employee age at year end	41.7	40.9	40.9
Average length of service at year end	11.8	10.9	11.0

The average length of service average and average age within the Group are stable.

Working hours

	SoLocal Group		
	2013	2014	2015
Percentage of part-time employees at year end	6.0%	5.9%	6.5%

The agreement on working hours gives employees of SoLocal Group, if they so wish, and according to the terms and conditions defined in the agreement, the opportunity to benefit from part-time work. Parental leave is one of the reasons for part-time work.

Part-time employees can be found in all departments and positions, including Sales, Support, Production and Information Systems.

The number of part-time employees is fairly stable, at around 6% of the workforce. For PagesJaunes, 6.4% of employees worked part-time at year-end.

2.1.2 Recruitment, turnover and departures

Turnover

	SoLocal Group		
	2013	2014	2015
Overall turnover	10.2%	12.4%	17.7%

The increase in our turnover rate is related to the PagesJaunes Job Protection Plan. Excluding PSE, the rate is 13.3%.

	PagesJaunes		
	2013	2014	2015
Telesales representative turnover	17.0%	23.8%	31.2%
Field sales representative turnover	4.2%	4.7%	20.0%
Non-sales staff turnover	4.2%	7.0%	6.8%

The increase in PagesJaunes staff turnover rates is explained by PSE. Excluding PSE, the turnover rate of telemarketers is 26.5% and that of field sales representatives is 5.9%.

Number of hires and departures by type

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Hires under indefinite-term contracts during the year	462	1,158	592	202	814	280
Departures at end of indefinite-term contract trial period	134	250	207	49	162	125
Percentage of all departures	*27%*	*39%*	*22%*	*19%*	*44%*	*19%*
Voluntary departures under indefinite-term contracts (departures initiated by the employee)	143	177	296	87	86	165
Percentage of all departures	*28%*	*28%*	*32%*	*34%*	*23%*	*25%*
Non-voluntary departures under indefinite-term contracts (departures initiated by the employer)	228	206	429	121	120	363
Percentage of all departures	*45%*	*33%*	*46%*	*47%*	*33%*	*56%*
Total number of departures under indefinite-term contracts	505	633	932	257	368	653

The number of recruitments in 2014 was unusual with mass recruitments of sales representatives at PagesJaunes following the commercial reorganisation and at PSE. The reduction in recruitments in 2015 only relates to the French subsidiaries. The foreign subsidiaries recorded an increase in recruitments compared to 2014.

The fall in departures at the end of the probationary period is associated with the decline in recruitments. Apart from PSE, non-voluntary departures under indefinite-term contracts were down on 2014 (-1.7%). Within the scope of the Group transformation, departures connected with termination of contract and resignations increased mainly in France and at PagesJaunes in particular.

2.1.3 Employee remuneration

The SoLocal Group's remuneration policy in France comprises a series of direct and indirect remuneration items and company benefits. These items regularly form the subject of external comparisons.

Fixed remuneration is paid over 12 or 13 months depending on duties. Various bonuses are paid based on the articles of association (regular attendance bonus, length of service bonus, holiday bonus, child allowance, gross transport allowance, etc.).

The variable remuneration is based on achieving targets set according to the articles of association. For example:

- for sales teams: increase in turnover, quality and operational efficacy, etc.;
- for managers: targets linked to financial indicators, to the transformation of the information systems, to human resources and personal targets.

Indirect remuneration and company benefits include wage savings plans, social security and other benefits.

With regard to wage savings, a France Group agreement provides the framework for the various plans:

- Participation: a Group agreement was signed in 2006 and applies to all the French companies in the Group accepting that agreement. It provides for an exceptional calculation of the special participation reserve fund which applies if it is more favourable that the statutory formula;
- PEG and PERCO: these plans are accessible to all Group employees with 3 months' service;
- Employer contribution: to facilitate preparation for retirement, the SoLocal Group makes an annual financial contribution to PERCO with the payment of a contribution that supplements the payments made by employees (participation and/or voluntary payments).

With regard to social security:

- Health and benefits cover: a single plan for all Group employees in France, largely financed by the Group;
- Pension: all Group executives in France benefit from a supplementary pension plan known as "Article 83". The contribution amounts to 5.5% of the portion of the gross wage exceeding the annual Social Security limit, 2/3 of which is borne by the Company (see agreement on the introduction of supplementary pension plans).

Plans going further than the regulations exist in the foreign subsidiaries (Orbit Interactive, Digital to Store UK, QDQ, etc.).

Other company benefits exist within the Group:

- Company concierge service: the online company concierge service, launched within the scope of the Quality of Life and Health at Work action, enables employees to benefit from a set of "practical life" services within the company (dry cleaning, shoe repairs, ironing, alterations, etc.);
- Meal vouchers / company catering: depending on the sites, employees may benefit from meal vouchers and/or, where appropriate, use the company restaurant. This benefit is largely financed by the company;
- Works Council (PagesJaunes, SoLocal Holding, Mappy, PJMS, Clic RDV): the Company provides the works council with an annual allowance to finance the social, sports and cultural activities of its employees. By way of example, the budget allocated in 2014 to PagesJaunes was €943,335;
- Housing Action (PagesJaunes, SoLocal Holding, PJOM, Mappy, PJMS): organisations work alongside employees at every stage of the housing path (looking for accommodation to rent, financing the guarantee deposit, buying a home, financing works, etc.);
- Long-service medal (PagesJaunes and holding company);
- PagesJaunes working hours and leave: in addition to the 25 days of statutory paid leave, employees benefit, depending on their status, from days associated with the division of their leave, extra days offered by the company, days of leave for family events (births, marriages or civil solidarity pacts, moving house), days for reduction in working hours, long-service leave and days of time offsetting depending on status;
- Time saving account: a France Group agreement introduced a Time Saving Account. Subject to one year's service, it allows employees to accumulate their entitlement to paid leave or to benefit from immediate or deferred remuneration in return for periods of leave or rest not taken.

Since 2012, the Human Resources department has been preparing the Individual Human Resources Report, which is intended to provide employees with more information about the various factors constituting their remuneration as an employee of the SoLocal Group, and which include direct remuneration (fixed salary, variable remuneration, bonuses, Company savings plan, social security benefits and paid holidays) and any other benefits to which they may be entitled (e.g. Company restaurant, restaurant vouchers, corporate concierge service, etc.).

This report is extended to all Group subsidiaries in France. In 2015, the report SoLocal was consulted at least once by 65.5% of employees concerned.

2.2 Involving employees in the Group's transformation

2.2.1 Employee development

2.2.1.1 Training programmes

The year 2015 was the year of increasing skills acquired in 2014 and of developing new digital and managerial skills to produce faster results in the ambitious *Digital 2015* transformation project.

2015 was also the year for bringing into force the new reform in occupational training (Law of 5 March 2014). The Company adapted its training policy accordingly, while providing ambitious training required for its development in a competitive and economically difficult universe. Specialised and diversified skills are required more than ever to operate in this context.

Employee training

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Number of hours of training provided during the year	121,286	172,894	139,802	114,407	162,485	116,963
Number of employees trained during the year	3,806	3,916	4,432	3,358	3,465	3,875
Average number of hours of training per employee trained	32	44	32	34	47	30
Percentage of payroll allocated to training	4.3%	3.9%	4.0%	4.8%	4.5%	4.4%

In 2014, support for the PagesJaunes transformation project led to the provision of an exceptional training plan.

The main provision for training in 2015 focused on four themes:

- Confirm the Company's digital skills: in 2014, the Company had introduced its Digital Academy, composed of around ten courses allowing every employee to increase his digital technology training, depending on his job and his grade. In 2015, this provision was developed with new courses, both in attendance and on line, in order to cover a maximum number of requirements and new developments in the digital field. The Group set itself the target of training 50% of its employees in digital skills over the period 2014/2015. Beyond this general training, individual or intra-direction training adapted to each team was provided, such as developing the skills of the IT teams on Big Data, training sales representatives in the new sales tools, etc. For all other Company employees and as in previous years, preference was given to training associated with the new technologies and the Internet;
- Support the development of jobs, skills and organisations: the year 2015 was a year for increasing skills acquired by the various populations concerned in all subsidiaries;
- Develop new managerial skills: in 2015, the main aim of the management was to perpetuate and develop existing courses. Within the scope of the training reform to be implemented within the Company and the Digital Performance project, a day's training was also provided for all office managers in order to develop the managers' ability to conduct quality annual interviews (targets interview and occupational interview);
- Introduce new measures for the reform of training with the advertising branch and then within the company. The Law of 5 March 2014 profoundly reforms occupational training. For PagesJaunes, the main changes involved:
  - a payment to AFDAS (OPCA/OPACIF) rising from 0.7% of its payroll to 1%, to finance the new Employee Training Account system;
  - the disappearance of the DIF in its current form and therefore the re-inclusion of some training within the scope of the Company training plan;
  - a far more careful monitoring of occupational training in order to observe the new constraints in this field;
  - a reduction in the available portion of apprenticeship tax payable to schools.

2.2.1.2 Career development

Employees are the key players in their occupational development. For that reason, they must benefit from relevant information enabling them to find out about the supporting measures provided, the Group skills, posts available, etc.

In 2015, an Intranet section answering all these questions was created: "Occupational development".

Beyond their annual skills appraisal, employees also had an occupational interview with their managers enabling them to:

- assess the employees' activities;
- exchange their expectations and needs in association with their career path;
- where appropriate, inform them of the various measures available for building a career path, determining the actions to be taken with a view to executing these projects and defining the methods of accessing occupational training.

To help employees manage their careers and enable them to contribute to our growth, Talents Reviews were made available to non-sales staff in 2014. These continued in 2015. In 2016, they will also involve sales staff.

The Human Resources department also continues to promote internal mobility via the Job Centre portal on the Company intranet, where employees can update their curriculum vitae, apply for Company job offers or request to receive alerts on selected job opportunities. Employees have priority over external job applicants and are also regularly informed of job vacancies via the weekly newsletter.

A new retargeting functionality was launched in 2015, making it easier to look for jobs and making offers based on employees' preferences.

2.2.2 Developing a digital company culture

2.2.2.1 Eurêka and the benefits of collaborative innovation

Since September 2010, the Eurêka collaborative innovation programme has enabled employees to play an active role in our transformation. Eurêka aims to liberate their creativity energy so that they can improve internal processes and come up with ideas for new products and services. On our collaborative intranet platform employees form a virtual community whose main focus is innovation.

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Since this project was launched, employees have submitted over 5,600 ideas and over 78% of the employees targeted have visited the platform at least, once. Their enthusiasm is easy to understand – their ideas and suggestions are given immediate visibility and they want to play a part in our transformation and be able to express their opinions on key questions in an open environment.

186 ideas inspired by employees have already been used and more than 62 have been added to department roadmaps and implemented.

In 2015, SoLocal Group introduced the open-source Eurêka platform free of charge, available to any company or institution wishing, like it, to enter into collaborative innovation.

By supporting the change process, transforming managerial behaviour and promoting the exchange of ideas and information across departments, Eureka is making a strong contribution to SoLocal Group's innovation culture.

2.2.2.2 Finding and using in-house talent

The initiatives launched through the Digital 2015 programme to highlight and develop our "talents" were continued in 2015, in the context of two actions:

- One example is *Digital Talents*, which involves organising, three times a year, "initiative contests" rewarding five projects emblematic of the Group's transformation and which create value, and the creation of four expert communities that discuss topical subjects within their field of expertise or provide in-house training.

  The objective is to use contests and the exchange of information to detect expertise, "talented" employees and transform company culture and behaviour throughout the Group.

- The *Make it Day*: the second of which was held from 31 March to 2 April 2015 (the first one had been organised in November 2013). For 2 days, 270 participants over the 3 sites of Sèvres, Rennes and Eysines developed 52 pragmatic and innovating projects to make customers happy.

3. Diversity

3.1 Improving the gender balance

SoLocal Group is committed to promoting diversity and in particular gender equality in the workplace. This policy is formalised for each subsidiary with dedicated agreements. For PagesJaunes, this agreement has six objectives:

- promote and hire more women internally and externally;
- increase the number of women in senior management positions;
- improve access to training;
- promote equal pay for equal work;
- improve the work-life balance;
- increase the number of women in employee representative bodies.

The Group has also set itself new targets for 2017:

- to increase the proportion of female senior executives to at least 30%;
- to increase the proportion of female advisors/sales representatives to 35%.

Agreements also exist in the other subsidiaries, particularly Mappy. The main lines of action are to guarantee equal treatment for women and men in the recruitment processes, to guarantee equal pay and to make provision for a better reconciliation of working life with family life.

The status of women employees

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Percentage employed under indefinite-term contracts at year end	51%	50%	51%	51%	50%	51%
Percentage employed under fixed-term contracts at year end	73%	68%	48%	84%	73%	60%
Number of women senior executives at year end	43	49	54	29	36	36
Percentage of women senior executives at year end	26%	28%	27%	26%	27%	27%

The proportion of women in the workforce is growing. The proportion of women holding fixed-term contracts is falling compared to the end of 2014, associated with the reduction in employees on fixed-term contracts.

Aware that gender equality in the workplace is impossible without a proper balance between work and personal commitments, we have made a considerable effort to adapt working conditions to accommodate the personal constraints of our employees. For example, all requests to work part-time are accepted. To the same end, we have set up our corporate concierge service, which provides employees with a range of practical services within their Company.

3.2 Making sure no-one is excluded

3.2.1 Older employees

SoLocal Group recognises the experience and talent of its older employees and has made a formal commitment to developing their skills and improving their working conditions.

Our policy for older employees includes six distinct measures:

- recruitment and retention;
- developing skills and qualifications and providing training;

- career planning;
- preparing the transition from work to retirement;
- transferring knowledge and skills through mentoring programmes;
- improving working conditions and preventing arduous situations.

The main focus of our Older Employees Agreement is adapting working conditions to meet their specific needs. In keeping with the Human Resources policy, it prevents age-based discrimination and ensures equal access to training and career opportunities. This agreement shows that we value the skills of our older employees and are ready to help them plan the second half of their careers.

Some examples of these measures:

- A mid-career interview, to discuss the changes underway in job requirements, career prospects with SoLocal Group, and the employee's skills, training requirements and professional situation. These interviews are conducted on a voluntary basis and at the employee's request to his or her local Human Resources correspondent;
- Special part-time working arrangements for older employees except for "VRP" sales/representatives on the field, at the employee's initiative and provided that the request is approved by his or her management and the Human Resources department. This involves reducing the number of work hours to 80% or 60% for at least 12 months and no more than four years prior to the full-retirement age, at a higher hourly pay rate, with 80% and 60% part-time employment paid respectively at 90% and 72% of the full salary and with full compensation for pension contributions. When the employee retires, he or she will receive a full retirement bonus. Throughout the term of the current agreement, 75 employees will normally be entitled to this part-time work arrangement;
- The Retirement Planning Assessment is intended to help employees aged 56 and older prepare for their retirement. The assessment is conducted by a specialist company and is financed by SoLocal Group. Under the Older Employees Agreement, we had agreed to finance up to 100 retirement planning assessments in 2013, 50 in 2014, 50 in 2015 and 50 in 2016.

3.2.2 Young people

3.2.2.1 Efforts to employ young people

As of the agreement signed in October 2013, our employment commitments toward students and young recruits include:

- Helping young people get onto the job market: This involves giving student interns and co-op students from various academic backgrounds an opportunity to discover a profession in a company work environment while promoting diversity in the workplace. Our objective is to ensure that young people employed under co-op contracts account for at least 2.5% of the average annual workforce throughout the term of the agreement;
- Increasing the number of co-op students hired under indefinite-term or fixed-term contracts: Co-operative education programmes enable students to gain professional experience and skills while they study. These contracts or agreements meet the needs of managers while giving many young people a chance to discover the many and diverse career opportunities that SoLocal Group offers. We would also like to hire more co-op students when they complete their studies;
- Our objective being: to recruit at least 10% of the young people employed under work-study programmes either permanently or for at least six months;
- Encouraging between generations exchange: Under the new agreement, when a young person arrives in the Company their direct manager will introduce them to their "guide", who will show them around and help them learn about their job and work environment. The agreement also provides for a mentoring programme that enables experienced management staff to share their knowledge and skills. Through mentoring we recognise the value and experience of older employees, enable the exchange of information between generations, foster our company culture, and facilitate the integration of young recruits.

This agreement clearly demonstrates our determination to reach out to and employ Generation "Y" graduates.

For example, we have made a commitment to hire student interns and co-op students under work-training and apprenticeship contracts, enabling them to increase their employability while they study. This also enables us to develop stronger relationships with French schools and universities.

In 2015, PagesJaunes received 135 trainees in France (internship), based on the Company's management requirements and capacity to accommodate trainees. It also took on other trainees for a shorter period (school level - BAC+2).

Co-operative contracts

	PagesJaunes		
	2013	2014	2015
Number of annual hires under co-operative work-study contracts	53	61	73

In 2015, an initiative was launched to learn how student interns and co-op students felt about their experience working for SoLocal Group. This involved a satisfaction survey that these young people could complete online, once they had finished their internship or work-study programme. This effort earned us the "Happy Trainees" seal of approval on the Meilleure-Entreprise.com employer rating website and recognition by young people as a good company to work for.

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3.2.2.2 Building relationships with schools and universities

To achieve our goals, we need employees with skills in the latest Internet technologies. To ensure that we will be able to attract all available talent we actively seek to develop relationships with educational institutions.

Since our objective is to be seen as a top employer by students and educational institutions, we have made considerable efforts to reach out to schools and universities that are actively involved in new information and communication technologies.

We have thus developed relationships with 13 high flying institutions based on four focal points (recruitment, visibility, training and projects):

- 3 leading business schools: EDHEC, ESCP and HEC;
- 2 engineering *grandes écoles*: Centrale Paris, ENSAI;
- 3 IT schools: École 42, Epitech and Webschool Factory;
- 5 regional business schools: EM Normandie, KEDGE, IÉSEG, SKEMA and GEM.

In partnership with the École 42, the group also organised a hackathon entitled digital alternatives, hotel management and catering. This hackathon, organised under the patronage of Guy Martin (chef at Grand Véfour), provided the opportunity for apprentices at three recognised hotel management and catering schools (Ferrandi, CFA Médéric, CFA Stephenson) and students of École 42 to meet for two days.

Consequently, more than 70 students, split into groups of four (composed of two hotel management and catering apprentices and two digital technology students) had two days in which to develop an application useful to the hotel and catering sector. With a surprising ease of adaptation and disconcerting speed, these young people, who did not know each other, managed to produce exciting projects to which they now hold the intellectual property rights.

Composed of digital technology experts, bloggers and specialists in the hotel management and catering sector, on 19 March a jury awarded a prize to the top two groups. The mark scale was based on three criteria: the utility of the application to the hotel and catering sector, the feasibility of the project and its innovative nature, and the way in which the project was presented to the jury.

The winning team was composed of two young women and two young men, from École 42 and CFA Stephenson. They devised an application intended for hotel managers that facilitates internal communications and, more specifically, the sharing of instructions among the various departments of a hotel. The winners each received an iPad, and were treated to lunch at a gastronomic restaurant. The jury also awarded a prize to the second team (four iPads) for their application which consists in putting businesses in touch with "extras" looking for special or specific supply work (students, unemployed persons, contract workers, teachers, etc.). This application enables restaurant and hotel managers to quickly deal with additional business, possible absences or exceptional events.

Offering innovative training, through Digital Alternatives the SoLocal Group hopes to allow young participants to:

- acquire hands-on skills and to show initiative, ingenuity and creativity;
- progress as a team;
- discover how to innovate;
- learn how to work with young people coming from different business sectors.

3.2.2.3 Developing our employer brand

To increase the visibility of our employer brand and gain name recognition with young people from age 19 to 25 in addition to the students of our partner schools, we have been actively present on social networks since November 2012 and creating much of our own content.

Our strategy is to:

- make it known that we are a leading digital Group and employer;
- show concretely what our employees do;
- offer internship, work-study and job opportunities.

SoLocal Group has therefore increased its presence on such professional social networks as LinkedIn and Viadeo, while getting closer to young people by also being present on Facebook, Twitter, Yupeek and Wizbii, and on job sites that specialise in the recruitment of young graduates, such as Jobteaser.

To engage with and stay close to young people, we have adapted our editorial policy to appeal specifically to them, with a casual tone, attractive visuals and 100% online events. For example, the Group regularly publishes information on Facebook, Twitter, Viadeo and Jobteaser on business news and opportunities. These messages aim to invite applicants to discover the Group, its skills, its offers and its internal events.

3.2.3 Employing the disabled

The SoLocal Group undertakes to promote diversity and has introduced an active disability policy. It affirms its desire along two priority lines: to recruit disabled persons and to ensure they remain within the Company. A new agreement was signed in 2015 by four trade unions. This agreement pursues the commitments introduced within the scope of the first agreement and aims to be more ambitious in taking the consequences of the disability into account at the workstation.

As indicated above, our disabled employment policy involves two main types of actions:

- Hiring and integrating people with disabilities: the Group has committed itself to hiring between 15 and 20 disabled persons over 3 years. To achieve this target, the Group relies on the know-how developed in recruitment via occupational development contracts and ensures that workstations are adapted. The Group obviously relies on partners specialising in the matter;
- Since 2010, work-training contracts have played a major role in hiring people with disabilities. We have committed to hiring 15 disabled people a year under these contracts. The new agreement notes this commitment and goes further insofar as the Group has committed to perpetuating the contractual relationship, favouring the inclusion of 15 persons over 3 years under indefinite-term contracts.

Percentage rate of employment of people with disabilities

	SoLocal Group (whole of France)		
	2012	2013	2014
Percentage of people with disabilities as of 31/12 in the year relative to the workforce	3.1%	3.9%	3.7%

In 2015, the SoLocal Group Disability Mission carried out 34 measures for disabled persons to be able to remain within the Company (technical adaptation at the workstation, ergonomic studies, specific training measures, funding provided for equipment or adapted sports, etc.) which benefited 102 persons.

4. Safety, health and well-being at work

Within a context of profound change within its organisation and its business model, the SoLocal Group has chosen to implement an action plan favouring quality of life and health at work in order to support the changes in progress, closer to actual work. The local action plans drawn up by the managers are prepared across many disciplines, whether based on construction or on indicators provided by results.

4.1 SoLocal Monitoring quality of life at work

4.1.1 Employee opinion survey

Each year, we poll all of our employees to get their opinions on their work environment, work content, career development, communication, management and quality of life. This annual survey gives all managers an opportunity to listen to their staff, understand needs, identify priorities and determine the means and actions that will be necessary to correct any problems observed. The survey is conducted online by a survey firm and is entirely anonymous. The 2015 opinion poll, conducted from 12 to 30 January 2015 among Group employees in France and internationally, saw a large response. More than 3,500 employees responded, i.e. 73% of the Group's employees. 79% of respondents said that this survey was useful to support progress within the Company.

4.1.2 Measuring, assessing and understanding actions to improve work environments

4.1.2.1 Studies of specific business activities and/or sites

In 2015, the SoLocal Group mapped out the psychosocial risks to which employees are exposed, measuring constraints at work, the nature of the risks (requirement, independence, support, meaning of work) and feelings expressed. The psychosocial risks include occupational illnesses. Discussions were also held by a practice specialising in health at work among managers of entities; these allowed a better interpretation to be made of the results obtained from the mapping. This sharing of information and the qualitative analysis of the operational problems make it possible to set up problem-solving workshops for managers and employees.

The results were presented to all persons responsible for health (CHSCT, Manager, Human Resources Officer, occupational health doctors). A shared understanding of the priorities for resolving the problems identified led to the introduction of a specific action plan to support the change and prevention of RPS. By way of illustration, a space for exchange among PagesJaunes' regional sales managers on the perimeter of the CHSCT Grand Ouest was launched at the end of 2015, to find solutions to meet employees' concerns as far as possible. The CHSCT thus supports this measure for employees to express their concerns at work, which enables those operating in the field to offer solutions adapted to the problems found.

Job and/or site specific studies are conducted as indicators of change in cases of developments in jobs. Employees are thus asked directly for their opinions on the results of the measures taken with regard to quality of life and health at work. The results and the action plans are systematically presented to the CHSCT, or even to an *ad hoc* monitoring group.

4.1.2.2 Developing relevant performance indicators

Work accident frequency and severity

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Work accident frequency rate	6.4%	7.3%	7.3%	5.3%	6.5%	7.9%
Work accident severity rate	0.6%	0.4%	1.0%	0.8%	0.5%	1.2%

We have undertaken a major effort to reduce and prevent sick leave and has prepared a national action plan that was incorporated in the Group current life and health insurance policy. In 2015, the sick leave rate of SoLocal Group was 7.0% and for PagesJaunes, 7.8%.

To improve the reading and analysis of data on sick leave taken at PagesJaunes, multidisciplinary Working Parties were set up. Reading and analysis indicators were defined with the CHSCT, Human Resources managers, occupational health doctors and the ANACT (*Agence Nationale pour l'Amélioration des Conditions de Travail*). These meetings enabled relevant, shared and cross measurement indicators on absenteeism to be produced. These indicators are now discussed in connection with the action involved and stakes relating to health at work.

4.1.2.3. Other sources

Quality of life at work is also monitored by reading the annual reports on occupational health. In 2015, the HR Department contacted 32 inter-company occupational health centres, liaising with the registered office's coordinating occupational health doctor to obtain reports, even beyond the legal requirement, defining a perimeter of 200 employees.

In 2015, special care was taken over the production of reports on the activities of social workers. The annual report on the social service at work, managed by a contact social worker, was presented to the CHSCT and to the Works Council. Monitoring of the social action and the measures taken by occupational psychologists also allows further support to be provided for individuals.

4.2 Actions to improve quality of life

4.2.1 Specific actions to assist employees

The SoLocal Group regularly draws up action plans for its employees to improve their quality of life and health at work. These initiatives are included among the aims and the subjects defined by the 2012 national action plan on the quality of life and health at work, introduced by the Group. The aim is to make the action taken on well-being at work visible and long-term. The support measures dedicated to this national action plan call for innovation, experimentation and a multidisciplinary approach by the persons involved.

4.2.1.1 Meetings with employees and reflection on their activities

Within the scope of the 2012 national action plan, space for work-related exchanges and communications was introduced in various commercial entities in order to strengthen work communities. These meetings were led by an occupational psychologist. The teams concerned all appreciated the support given to their collective problems.

In 2015, a new plan supporting the prevention of occupational risks was drawn up based on the mapping effected.

4.2.1.2 Teleworking: a response to digital working methods

In 2015, the SoLocal Group entered into a Group teleworking agreement with its partners. Teleworking is open to all employees, provided the tools allow it and their jobs are eligible for that method of organising their work.

Teleworking is very appealing to employees who are looking for a better balance between their work and personal lives and who would like to reduce the time and fatigue associated with commuting. The basis applied is 1 to 2 days' teleworking per week. In some cases, teleworking also enables employees with disabilities, older workers who must commute long distances and other employees in difficult situations to continue working for the Company.

We launched our teleworking project at SoLocal Group three years ago, with a pilot group of employees. Initially, the trial phase, conducted at the PagesJaunes subsidiary, involved some 50 employees and was later expanded to include 100.

To learn what they and their managers thought about this experience, two questionnaires were sent out after this trial phase. Responses showed that that the experiment was a success for 100% of the trial phase group.

4.2.1.3 Psychological measures of assistance adapted to situations

In 2015, we introduced measures to provide moral support and assistance to individual employees, via the permanent employee assistance hotline, action-prevention personalised assistance and more support for employees seeking to return to and continue work.

Employees may express their concerns or requests to CHSCT committee members, occupational health physicians or Company social workers, who will pass this information on to the employee's manager or HR staff. Furthermore, in keeping with recent changes in the provision of occupational healthcare services, the role of occupational health physicians has been realigned. The distribution of activities and the role of the contact social worker at the registered office in Sèvres were also adapted to the Group's expectations and its means of action developed.

An internal audit was conducted in 2015 on interaction between health officers at work, a knowledge of the help and support processes and the efficiency of relays. It indicated that everyone knew their role and that support is selected and provided by a comparative or additional review by health operators. The aim today is to optimise the various types of psychological or medical support possible.

Consequently, the chain of people involved in health at work has proved effective in dealing with requests made by managers, CHSCT, human resources officers and the employees themselves.

4.2.1.4 Increased psychological support

At the request of the human resources officers, managers or social worker, the Quality of Life and Health at Work Department may organise the individual, personalised monitoring of an employee. This measure, fully assumed by the Company, may organise 3 to 5 meetings with an occupational psychologist and/or a clinician.

Following the context of the November 2015 attacks, an appropriate system has been introduced and several employees have had recourse to it and have shown their appreciation for the support provided.

4.3 Incorporate the prevention of psychosocial risks into the managerial model

4.3.1 Train managers in the prevention of psychosocial risks

To facilitate the transformation of management practices SoLocal Group has included a training module in psychosocial risk (PSR) prevention in its new manager training programme.

One of the priorities of its National Quality of Work Life Plan has been to prepare a training module to help local managers understand the causes of PSR, identify problems and know who to contact. This training is intended to enable managers to:

- understand PSR (its human and economic costs, main theories, organisational, managerial and individual factors and the manager's role and responsibility);
- learn how to identify high-risk situations;
- adapt their day-to-day management practices to prevent PSR in the work environment.

By the end of 2015, SoLocal Group had provided PSR training to 650 managers.

A new training programme on the prevention of psychosocial risks was drawn up in 2015 and will be put into practice in 2016 for trained managers. The training incorporates teaching aids enabling managerial support to be increased in a context of transformation.

The training content intended for managers is also included in the other training on the prevention of psychosocial risks intended for HR Officers and the CHSCT.

Consequently, the coordination committee for the CHSCT and the nine regional CHSCTs joined forces in the global action on quality of life and health at work. A training module provided by an independent service provider specialising in health at work was drawn up following an interview with members of the CHSCT. It incorporates a section on handling situations at an emotional level (compassionate mode).

4.3.2 Co-development, a new approach

In 2014, SoLocal Group launched a programme of co-development, which is an approach to professional development that is based on North-American pedagogical techniques of learning through action and experimentation and group dynamics and involves exchanging practices and opinions on work-related questions or problems. We have trained in-house trainers in co-development techniques and they regularly provide co-development training to twelve groups of managers from various departments. At the end of 2015, the number of Groups set up doubled, 29 Groups of managers from various departments meet regularly. The Human Resources department oversees the planning and execution of this project.

4.4 Improving business performance through sports and exercise

Raising employee awareness about the importance of sports and exercise is not only good for their health, it also builds team spirit. This is why we developed a project that enables our employees to practice a physical activity together. There are three objectives – combat the sedentary lifestyle, prevent muscular-skeletal diseases (MSD) and other physical ailments, and develop "healthy attitudes" by raising awareness.

This programme consists of a daily workshop, completely free for employees, in the form of planned sessions or workshops where employees may discover a new indoor physical activity proposed on our intranet or on posters at some sites.

"Move it Day", the first annual group sporting event open to all employees, was held in June 2014. The 2015 event was attended by twice as many competitors and supporters as in 2014. Almost 300 employees met in Parc de Saint-Cloud. Employees appreciate these activities in which they participate together, as they encourage a team spirit and solidarity within the Company.

Lastly, we organised conferences on sports themes that included the participation of star athletes and Olympic medal winners.

Thanks to these events, 650 employees were able to practice a sport or other physical activity in 2015.

In 2015, regional initiatives were encouraged, such as Run in Lyon, the Rennes green marathon, applications from sales agencies in Île-de-France or even the Sèvres telesales football tournament.

On 16 December 2014, the French National Olympic and Sports Committee (CNOSF) awarded SoLocal Group its "Health and Well-being" prize at its "Sentez-vous sport" awards ceremony. This award encourages companies to develop sports activities for their employees, not only to improve their health but also business and social performance. By promoting sports and exercise, we will be able to accelerate our transformation in accordance with our values and management model and strengthen working groups.

We also proposed the following training modules concerning health prevention, such as for example, helping employees stop smoking.

5. Labour relations

The Group's labour relations take on two dimensions: a Group dimension (France) for certain agreements and a subsidiary dimension for the entities concerned. Certain bodies even exist at regional level for the subsidiary PagesJaunes.

5.1 Unions rights

In 2014, PagesJaunes signed an agreement with the representative unions on the conditions of developing working hours, targets and remuneration for employees holding office as staff representatives. This agreement also aimed to provide the representative unions with long-term material, financial and human resources allowing their proper functioning and the development of constructive industrial relations to be guaranteed.

The representative unions within the Company are the Management's natural and preferential contacts for developing constructive industrial relations which the signatories to this agreement wish to develop and increase.

PagesJaunes reaffirms its desire to guarantee the correct functioning of the Representative Staff Bodies. Collective negotiation is a decisive form of industrial relations which the Company intends to promote in order to prevent and resolve any conflicts arising.

The Company also wishes to confirm its commitment to the freedom of exercise of union rights and its wish to ensure the observance thereof. It seeks transparency of information and the search for constructive solutions to ensure that no discrimination based on exercise of a mandate applies or is encouraged.

It recognises conciliation in the exercise of a mandate of representation with the occupational activity as essential to the quality of the representation.

It reaffirms the importance of full integration of employees holding mandates into the life of the Company and the need to allow them to follow a career path corresponding to the development of their skills.

5.2 Voluntary departure plan

The long-term reorientation of PagesJaunes' activities towards the dynamic and profitable segments of the market involves efforts above and beyond the Employment Protection Plan implemented in 2014. Consequently, a voluntary departure plan (PDV) was introduced in 2015 in order to complete the following developments:

- Intensification of the Company's digital dimension: The company's ambition to increase its digital turnover by 10% by 2018 calls for the continuation and intensification of the efforts made in recent years to this effect, by the transformation of several skills, tools and processes, in particular;
- The Company's reorientation towards the more profitable and more dynamic activities on its market: the intensification of the Company's digital dimension involves altering the balance between non-digital activities and digital activities in favour of the latter and directing the Company towards the more dynamic segments of the digital market (mobile, programming, etc.);
- Improvement in the Company's reactivity and flexibility in order to adapt it to a more segmented and competitive market: this increase in reactivity and flexibility can be achieved by preparing teams for these new objectives, providing them with more cross skills and rationalising the tools of the trade in order to increase the Company's operational efficacy;
- The PDV falls within the more global scope of an operational improvement plan aimed at generating annual savings of 30 million euros; this savings plan includes the PDV, a reduction in external expenses and the transfer of certain subsidiaries.

In order to implement these changes, PagesJaunes plans to define a new target organisation that could be put into place by implementing a Voluntary Departure Plan (PDV). The period for applying for voluntary departure extends from 11 December 2015 to 18 January 2016 (29 February for graphic designers).

The aim of the PDV is to cut 140 jobs based on the voluntary departure of the employees concerned. The employees concerned are employees working in one of the occupational categories previously determined who have drawn up a career path.

The number of departure may not exceed 140; 70% of applicants are eligible for retirement.

The choice of PDV to enable PagesJaunes to pursue its course of reorganisation testifies to its desire to avoid compulsory redundancies and to favour the implementation of external career paths for employees so wishing.

5.3 Other agreements

Moreover, labour negotiations in 2015 resulted in the signing of several agreements:

- a new agreement to enable disabled workers to be incorporated into and remain within the Company;
- Amendment 1 extending the Forward-Looking Careers and Skills planning (FCSP agreement);
- Amendment 3 revising the agreement on the introduction of supplementary pension plans;
- agreement on the measures supporting mobility within the scope of the CityLights real estate project.

Two agreements concerning PagesJaunes were signed with union representatives in 2015:

- an agreement on the introduction of teleworking;
- an agreement supporting the organisational development envisaged.

Although no specific agreement on occupational safety and health was signed, the health and safety plan described above in this document was prepared.

Environmental responsibility

SoLocal Group continues eco-responsible management of its activities as a basic component of its culture, in line with its key value of integrity. Another of our objectives is to develop services that will enable our clients to do their share to protect the environment.

In 2015, the subsidiary PagesJaunes updated its detailed Carbon Footprint for the year 2014. The results enabled:

- the development of its major impact identified at the time of the Carbon Footprint produced in 2010 to be identified;
- the results of the actions taken on its main stakes to be checked;
- potential new stakes to be identified.

The subsidiary PagesJaunes thus reduced its CO_2 equivalent emissions by 58% between 2009 and 2014, exceeding the target it had set itself of -50% between 2009 and 2015. The actions taken bore fruit.

Within the SoLocal Group, PagesJaunes set itself new targets to continue to reduce greenhouse gas emissions connected with its activities and undertakes to reduce its emissions by -30% by 2018 compared to 2014.

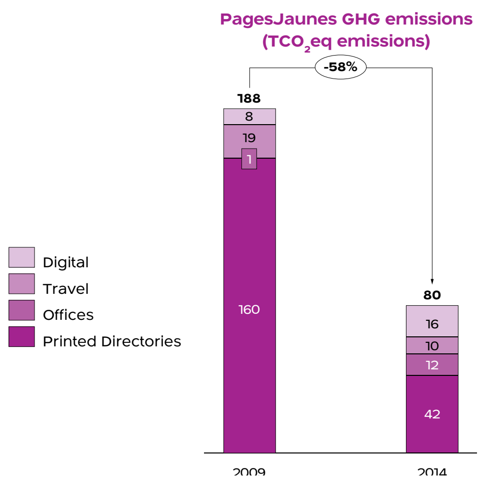
This overall target for 2014-2018 includes the following three types of emissions defined under the GHG Protocol.

The SoLocal Group has a strategy for adapting to climate change, particularly through its environmental measures concerning printed directors, developments in searching for eco-responsible professionals and the environmental certification of its buildings.

1. Impact of activities

1.1 Details of PagesJaunes' main greenhouse gas emissions between 2009 and 2014

Details of PagesJaunes' main greenhouse gas emissions between 2009 and 2014 (scope 1 to 3)



Emissions connected with the Printed Directories include the entire lifecycle of the directories, from production to recycling. Apart from the reduction in volumes connected with the business, the efforts made in terms of eco-design of the directories and optimisation of distribution explain the reduction in emissions on this item.

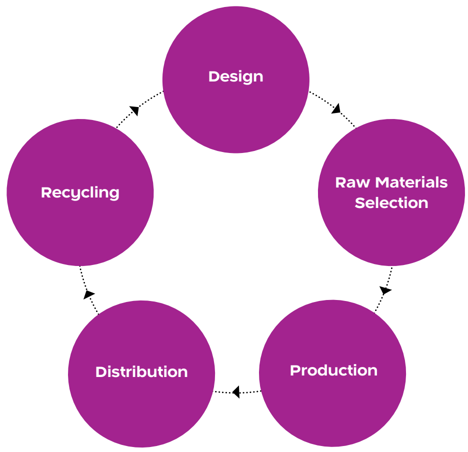
Emissions connected with travel include the business travel of all employees: by company car, aircraft, train, etc. as well as travelling from home to work. The study of this item has gained in precision. Reflection on measures allowing less polluting travel to be encouraged is currently in progress.

Emissions connected with office life include in particular the energy consumption of the office buildings, purchases of intellectual services and supplies, employees' meals and the production of waste or even coolants. The addition of new categories of emissions explains the increase in this item compared to 2009.

Emissions connected with digital technology include the energy consumption of the datacenters, the impact of computer equipment and the impact of users of PagesJaunes' digital services. Since the datacenters' consumption has been monitored for several years, it is mainly the inclusion of the impact of users of PagesJaunes' digital services that explains the increase in this item. This point was investigated by an expert in responsible digital technology, Frédéric Bordage. According to his analysis, the environmental impact of the equipment used by PagesJaunes, and particularly by its users, is a decisive point. In fact, the manufacture of a piece of equipment (computer, tablet, mobile) has a very significant impact on greenhouse gas emissions. That is why PagesJaunes has introduced a digital eco-design for its new website pagesjaunes.fr, which allows the website to be consulted from any type of terminal with optimum performance to avoid an ever-increasing speed in the obsolescence of users' terminals.

1.2 Printed directories

1.2.1 Environmental management system



Efforts to reduce the environmental impact of printed directories form a holistic approach that covers the entire product life cycle, from design to recycling.

In accordance with this approach, in 2009 PagesJaunes' Printed Directories department decided to set up an environmental management system to provide a framework for its efforts to mitigate the environmental impact of its activities. The following year, this system was granted ISO 14001 certification after auditing by AFAQ, the French Association for Quality. As a result, all aspects of the design, production and distribution of printed directories are dealt with by a certified environmental management system.

This approach has enabled the Printed Directories department to address environmental considerations in all of its processes and makes it possible to measure and reduce the environmental impact of all the activities, the department oversees, in compliance with applicable laws and regulations.

Achieving regulatory compliance under ISO 14001 involved:

- identifying all regulations that apply to SoLocal Group's industry and those that apply to its specific objectives;
- implementing a system for monitoring changes in these regulations.

In terms of operations, this standard has contributed to:

- identifying, within each process, the activities that are most likely to have a significant environmental impact;
- preparing an annual action plan (the Environmental Management Plan) for deploying actions to reduce the significant environmental impacts of activities, in compliance with applicable regulations. Twice a year, the Environmental Committee monitors indicators to check on the progress of these actions.

As described above, the environmental management system for printed directories includes suppliers, all of whom are regularly informed of PagesJaunes' requirements. Whether paper manufacturers, printers, distributors or shippers, all are made aware of the Company's environmental policy. Moreover, all of PagesJaunes paper suppliers and printers are ISO 14001 certified.

As a result, the carbon footprint of Printed Directories fell by about 74% between 2009 and 2014. The eco-design efforts during this period, as described below, accounted for 34% of this decrease.

1.2.2 Processes and indicators

1.2.2.1 Design

Reducing the environmental impact of printed directories begins with the design phase, i.e. is the responsibility of the Printed Directories Marketing department, which therefore has a say in such decisions as the overall directory format, page layout, page background colour, type of paper used, etc.

Working from the Environmental Management Plan, the Printed Directories department has assessed and implemented the following actions:

- reducing the density of the background colour of PagesJaunes directories;
- modifying page size to reduce cutting waste in print shops;
- reducing the weight of directory paper from 36 to 34 grams, to lower total weight for transportation;
- conducting a study on using thinner packaging film to reduce consumption.

1.2.2.2 Eco-responsible selection of raw materials

The selection of the materials used to make directories is the second essential phase of the product life cycle that PagesJaunes must take into consideration their environmental impact reduction. As their main component, paper is a strategic purchase, the procurement of which must be ensured responsibly and sustainably. To achieve this objective, PagesJaunes engages its paper suppliers in its environmental management system.

For example, although the paper used for PagesJaunes yellow page directories is not PEFC or FSC compliant, over half of this paper supplied does however contain recycled fibres. Furthermore, all of the Printed Directories department's paper suppliers have implemented sustainable resource management policies and obtain their wood from forests that are certified to be sustainably managed. This ensures that the wood, they purchase is precisely identified and closely monitored and that sustainability claims are reliable.

It should also be noted that attempted delivery notice slips left by directory distributors are printed on PEFC-certified paper. This is also the case for notices posted in apartment buildings when directories are distributed.

1.2.2.3 Production

Printed directory production and distribution

	PagesJaunes			
	2013	2014	2015	Evolution 2014/2015
Ink consumption (tons)	522.5	400.4	323.3	-19%
Paper consumption (thousands of tons)	27.8	19.5	16.3	-16%
Tonnes of paper circulated (thousands of tons)	21.0	16.4	13.6	-17%
Number of printed directories produced (million)	34.9	28.8	27.0	-6%

The Printed Directories department's environmental system also covers the printing and assembly of directories. Printers are therefore closely monitored to ensure they are able to obtain and maintain environmental certification. Printers these days may be required to obtain several types of certification, such as ISO 9001 (quality management), ISO 14001 (environmental management) and EMAS (European Eco-Management and Audit Scheme) and to comply with PEFC and FSC sourcing requirements. These certifications ensure that they have a system for managing risk.

Printers are also regularly audited by the Printed Directories department's Quality staff. During these audits, printers present a report on their activity. The areas that can be improved and possible corrective actions are then discussed. One example of such a corrective action is a study of overall shipping and transportation (freight) requirements that covered everything necessary to minimise their environmental impact.

Lastly, the amount of paper to be used to make directories is specified in printer contracts. To encourage printers to reduce paper consumption, a monetary penalty is applied when a specified limit is exceeded. If they use less paper, PagesJaunes will pay them a bonus.

1.2.2.4 Optimising distribution

Special attention is also paid to directory distribution, to reduce paper and packaging consumption and ensure that directories are not delivered to people who do not want them.

To begin with, PagesJaunes uses environment-friendly or recyclable packaging for its directories.

Secondly, before distribution, PagesJaunes uses its distribution database, which covers all of continental France, to telephone intended recipients and ask them whether or not they want a printed directory.

However, in highly populated areas people are not contacted in advance by telephone and the proportion of directories to be distributed relative to the local population is determined on the basis of studies conducted by the Printed Directories department.

In 2011, 13.6 million homes have been contacted so far. An average of 70.0% of households asked to be delivered directories.

The purpose of the recevoirmesannuaires.pagesjaunes.fr website, launched in September 2008, is to provide an online tool that enables consumers and businesses to indicate what directories they would like to receive, if any.

The website saw the number of visits and requests fall by -34% and -41% respectively in 2015 compared with 2014, with 11,750 people saying they no longer wished to receive a directory, compared to 51,164 in 2014 (-77%). Yet 78% of customer requests received online are to continue delivery.

PagesJaunes also works to continuously improve the quality of the addresses in its distribution database, to ensure accurate distribution and reduce the cost of delivery errors.

Pre-delivery consultation will be pursued in 2016, with emphasis on households that answered "Yes" when questioned in previous years, to enable them to confirm their decision or change their mind.

1.2.2.5 Directory recycling

We also care about what happens to our directories when they are no longer needed and believe that the manufacturer is responsible throughout the product life-cycle. We therefore organise the collection, disposal and recycling of used directories.

In addition, some of the paper purchased is recovered and recycled by the printer during printing and assembly. Furthermore, any excess copies are collected and recycled by specialised waste-processing companies.

SoLocal Group contributes actively to the efforts of Ecofolio, an environmental organisation that coordinates and funds paper recycling. PagesJaunes' financial contribution for 2015 was 393,000 euros net of VAT.

PagesJaunes also facilitates the recycling of used directories by using less background ink on its yellow page directories, which also reduces ink consumption significantly. As a result, in April 2012, the Board of Directors of REVIPAP, a French trade association of paper manufacturers that use recyclable paper, changed the waste-recovery classification of telephone directories from "tolerated" to "acceptable".

1.3 Digital technologies

SoLocal Group is concerned about the environmental impact of its digital services, which are growing at a rapid pace.

In 2014 and 2015, we undertook several actions to raise awareness of the importance of eco-design for ICT facilities, to ensure that employees understand the basic principles of eco-design: information meetings for the managers of SoLocal Group's major digital media, presented the environmental impact of ICT to our senior management, provided awareness-raising training to software developers and all employees through in-house information letters.

There are also many processes underway to digitise paper documents and processes. These include, for example, all commercial transactions from customer ordering to collection, employee pay slips, the supplier purchasing portal, meal vouchers, etc. We conducted an impact study on one of these projects to ensure that best environmental practices were being observed.

In order to participate in the market reflection on this subject, SoLocal Group became a member of the Green IT Club in 2015.

1.3.1 Datacenters

Subsidiaries PagesJaunes, Mappy, PJMS and QDQ use internal and external datacenters. Each year the power consumption of these datacenters is optimised as the number of servers required for new projects and applications increases. Measures to reduce power consumption include:

- reorganising datacenter premises to enable more efficient cooling of servers, by changing room layouts, confinement and anti-UV filters;
- replacing existing servers with more energy-efficient models that give off less heat;

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- massive deployment of cloud computing and virtualisation technologies, which not only reduce the power consumption of individual servers hosting applications, but also enables more efficient overall use of IT infrastructure and operational flexibility. Consequently, most of the systems currently used are virtual machines. 73.8% of the Group's servers were virtualised in 2015.

Datacenters' power consumption

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Datacenters' electricity consumption in MWh	5699	5656	5545	5345	5275	5196

The falls in consumption observed between 2014 and 2015 are connected with the use of equipment consuming less energy, the rationalisation of equipment and the ongoing efforts made in the virtualisation of the servers.

1.3.2 IT equipment

Reducing the environmental impact of office activities also requires the adoption of a Green IT strategy and various measures such as processes for automatically switching computers to stand-by or hibernate mode, replacing fixed office computers with laptops, which consume less energy, and optimising the number of printers at Group sites.

Average number of computers and printers per employee

	SoLocal Group	
	2014	2015
Average number of computers per employee	1.43	1.24
Average number of printers per employee	0.37	0.41

These ratios do not include external service providers accommodated on-site, even though, they do use in-house resources.

1.3.3 Waste electrical and electronic equipment (WEEE)

In order to deal with the fact that its electric and electronic equipment was coming to the end of its life, in December 2014 the SoLocal Group signed a partnership agreement with Ateliers du Bocage. This well-adapted integration company, which belongs to the Emmaüs network, handles recycling while favouring the re-use of equipment. This choice of service provider is fully consistent with the social responsibility strategy and the desire to become a sustainable digital Group.

Amount of WEEE disposed of

	SoLocal Group		PagesJaunes	
	2014	2015	2014	2015
WEEE disposed of (in tons)	14.2	27.7	11.2	24.4

Within the scope of the transfer of registered office planned in 2016 and the replacement of the sales representatives' equipment, a large number of fixed computers was disposed of in 2015 for re-use or recycling.

1.4 Employee business travelling

Close attention is paid to employee travelling, and in particular sales' representatives, which has a significant impact on PagesJaunes' GHG emissions.

Our digital transformation project includes efforts to optimise and reduce the number of kilometres travelled by sales representatives, by reducing the size of their territories.

We have also drafted a policy on the use of Company vehicles and distributed it to all employees who use a Company car, including sales representatives hired under the new employment contract. This policy's main objectives are to clarify the rules for allocating and using Company vehicles and to improve vehicle fleet management. The policy specifies a list of "authorised" carmakers and limits GHG emissions to 130 g/km. It specifies various rules, requires employees to sign a Car Policy Agreement before being issued a vehicle and rewards them with a gross bonus of 300 euros at the end of the lease period if they keep up with the policy's vehicle maintenance and usage rules.

TCO_2eq emissions – Travel by company car

	PagesJaunes
	2015
CO_2 emissions connected with travel by company car, in CO_2 equivalent tons	4,888.4

This figure includes travel by company car by sales teams and office workers (managers). Almost 70% of sales representatives had a company car at the end of 2015. This proportion increases every year, particularly since the introduction of the new contracts for sales representatives.

SoLocal Group's Travel Policy lays down general rules that govern employee travel in an equitable manner and ensures a standard level of service and comfort. It sets forth strict guidelines on the means of transportation that can be used for a given trip. For example, with few exceptions, employees must use the train for trips of less than three hours, air travel of less than six hours must be in economy class, and employees who frequently make the same journeys are encouraged to purchase season tickets.

We also provide employees with tools for conducting meetings remotely (such as, Microsoft Lync and videoconference equipment in meeting rooms) in order to reduce the need to travel between sites.

1.5 Office premises

Power consumption excluding datacenters

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
Total power consumption excluding datacenters and machine rooms (in MWh)	9,594	8,205	8,737	9,363	7,987	8,546
Electricity consumption in kWh per m^2 excluding datacenters & plant room	167	145	140	167	133	140

There has been a relative increase in energy consumption in offices, which is partly explained by a change of electricity supplier to PagesJaunes, which led to billing based on estimated consumption rather than actual statements.

SoLocal Group promotes the use of renewable energies. In its contract with the electrical utility at its main site in Sèvres, there is a specific clause that requires the utility to provide at least 25% "green" energy obtained from 100% renewable sources certified by TÜV-SÜD.

Buildings with environmental certification

	SoLocal Group		
	2013	2014	2015
Percentage of space leased with environmental certification as of 31/12	10.5%	13.9%	15.3%

HEQ buildings are now preferred when selecting new premises.

In 2014, we signed a lease in view of moving our head office and Paris area subsidiaries, by May 2016, to a high-rise building that was designed and constructed to be fully compliant with HEQ, BREEAM and BBC environmental requirements.

Water consumption

	PagesJaunes		
	2013	2014	2015
Annual water consumption per employee in m^3	8.4	6.0	6.2

Since PagesJaunes sites are mainly leased office premises, it is difficult to compile data on the amount of water consumed. The figure indicated above therefore applies to a limited area.

Other energy consumption

The amounts of natural gas and fuel oil consumed are immaterial in comparison with our electrical power consumption and are therefore not indicated in this report.

Waste management

Although subsidiaries and sites manage waste differently, each year selective waste collection is being extended to new sites.

For example, in 2014, we implemented selective waste collection at our head office and at two sites in the Paris area. QDQ, a Spanish subsidiary, has sorted waste for its agencies for many years.

1.6 Greenhouse gas emissions connected with electricity consumption

CO_2e emissions - Electricity: offices and datacenters

	SoLocal Group			PagesJaunes		
	2013	2014	2015	2013	2014	2015
CO_2 emissions connected with electricity consumption in CO_2 equivalent tons	971.2	998.0	1,071.1	951.5	954.9	1,030.6

The increase in emissions is connected with the increase in electricity consumption outside the datacenters.

1.7 Biodiversity

As a service company, SoLocal Group has little impact on biodiversity.

Being aware that the production of its printed directories may potentially have an impact on forests, PagesJaunes is careful to select suppliers that are committed to sustainable forest management. In fact, all stationery and printer suppliers hold ISO 14001 certification.

1.8 Other types of pollution and nuisance

Given the service nature of our business and the outsourcing of printed directory production, we release no significant amounts of pollutants into the atmosphere, water or ground that have a serious impact on the environment.

At our two facilities that are classified as "environmentally-sensitive" and where chlorofluorocarbons, halons and halogenated hydrocarbons and carbons and similar products are stored and refrigerated, we comply with regulatory requirements to reduce major environmental risks.

Furthermore, given their number and size, these facilities generate no significant noise pollution for nearby populations. No request from stakeholders regarding this has been registered.

Lastly, the service sites we leased in 2015 cover a total land area of almost seven hectares. Our impact on land and soil use is deemed to be minimal in comparison with other industries.

2. Helping people be eco-responsible

Another way that we reduce the environmental impact of SoLocal Group's activities is by developing innovative services that enable our customers to act responsibly with respect to the environment.

2.1 Increasing the visibility of eco-responsible businesses

PagesJaunes wants to encourage consumers to select manufacturers and service providers who have made a commitment to protect the environment. In 2011, it launched an eco-responsible information service to provide visitors to its websites with free and impartial information on the eco-responsibility of local businesses.

Two possibilities are offered to be identified as an eco-responsible business: by voluntary declaring the business' commitment, which is then moderated by a PagesJaunes team, or by holding one of the labels or certifications selected by a committee of independent experts (éco artisans, les Pros de la Performance Energétique, QualiPV, QualiPac, La Clef Verte, European Ecolabel, Imprim'Vert, etc.). These labels or certifications of commitment to the environment cover various business sectors. In the building field in particular, SoLocal signed a partnership with Qualibat and Qualit'EnR, accredited bodies for issuing the RGE label (Recognised as Responsible for the Environment), a national system aiming to easily identify companies qualified in the field of energy renovation and renewable energies. Consequently, more than 90% of RGE approved companies are included in the PagesJaunes' database of eco-responsible businesses and benefit from the visibility of this information free of charge.

To meet the expectations of French people concerning eco-responsibility of businesses, a new website http://lesecopros.pagesjaunes.fr was launched at the beginning of 2016 that provides a simple way of searching for eco-responsible businesses in a database of 63,000 eco-responsible businesses.

2.2 How Mappy supports the cause of sustainable mobility

SoLocal Group's subsidiary, Mappy, designs, develops and provides services that help people get from one place to another, with maps, routes and a Local Search function, on home computers, smartphones and tablets.

Mappy can also calculate "green" routes for public transportation users, cyclists and pedestrians. In 2015, Mappy users searched for some 40 million non-driving routes involving:

- Public transportation: A service exclusively dedicated to public transportation in the Paris region was set up in partnership with STIF and Canal TP. It can calculate a route that includes all possible interconnections. Two partnership agreements were also concluded with Mecatran and Cityway to enable route calculation on almost 90% of the French public transportation network;
- Bicycles: developed in partnership with JC Decaux, can immediately find the closest bike station and determine bike availability in departure stations and the number of open docks at arrival stations. A partnership with Geovelo is currently underway to expand the number of bike-path routes;
- Walking: Mappy has had a pedestrian route-planning service ever since day one.

When users search for a standard driving route, Mappy will propose the following alternative solutions:

- Ride sharing: Mappy has been promoting Blablacar.com's long-distance ride-sharing service, which enables drivers and ride seekers to find each other. Each Mappy user who requests a route between cities will have the opportunity to post their trip on Blablacar.com to share their driving expenses with Blablacar users who need to make the same journey. Not only does this enable Mappy users to save money, it is also good for the environment. Through this partnership, Mappy can offer its visitors a new way to get around that is simple, more economical and eco-responsible;
- Rental car return: Mappy users who request a driving route have access to Driiveme, a French start-up that brings together car rental agencies that need to balance out their rental fleet and move their vehicles between cities, and people who don't want to spend more than one euro to get where they have to go (excluding toll road and fuel expenses);
- Train travel: Lastly, when a route that a Mappy user searches matches a train line, Mappy will suggest booking a train ticket *via* a link to voyages-sncf.com, SNCF's travel website. This encourages Mappy users to take the train, issuing therefore less CO_2 than a passenger car.

Optimisations made it possible to increase train reservation offers between 2014 and 2015 by 50%. Car-share offers also increased by more than 21% between 2014 and 2015.

2.3 Providing experts' responses for responsible consumption

The Ooreka.com website is produced by Fine Media, which was formed in 2007 and acquired by SoLocal Group in 2011. Ooreka provides expert responses to questions that concern the day-to-day concerns of French people on over 400 subjects that are organised into five main themes: Home/Household Jobs; Money/Law; Consumer/Practical Info, Health/Beauty and Business.

Many of the subjects dealt with by Ooreka have to do with saving energy and renewable energies (e.g. solar energy, passive houses and energy efficiency), consumer and employee rights (consumer protection, litigation with employers and employment contracts) and people with limited mobility (handicapped accessibility, wheelchairs and avoiding institutional care, etc.).

Societal responsibility

As a major player in digital and local communication, SoLocal Group's objective is to promote local economic activity in a responsible manner. By creating content and providing news and information, we make it easier for consumers to connect with local businesses and professionals. This is something we have been doing for over 60 years, as a key advertising and communication medium for tradespeople, small businesses, large national companies, professionals, local government services and others. We advise them and offer a range of advertising options in line with their budgets and objectives that will ensure their visibility on desktops, smart phones and tablets regardless of their level of online expertise.

Using our media and content-enriched offerings, consumers can easily find and access information about the products and services, they need and thus contribute to the local economy. We also strive to maintain a relationship of trust with all of our stakeholders. This is why we have taken steps to ensure that we protect personal data and observe the rules of fair competition and ethical behaviour.

Our commitment to society is thus consistent with our values as a company that places the interests of its customers at the heart of everything it does.

1. Promoting local economic activity

1.1 Helping communities grow through digital services

1.1.1 Creating content and providing local information

The local media activities of our subsidiaries basically involve bringing consumers into contact with local businesses and professionals.

Printed directories are designed to be guidebooks to local communities that bring businesses and consumers closer together. For many people, a directory is a useful complement to web-based services. It is still the main source of local information for 23% of French people[1] who do not have an Internet connection. This is why we believe that printed directories fulfil a useful function in society and that they should be distributed free of charge within reasonable limits.

The diversity of our media and their availability on computers, smart phones and tablets enable Internet users in France and Spain to easily access local information anywhere and anytime. Among other things, our services provide consumers not only with reliable contact details, but also with a wealth of information for selecting and using products and services wisely: practical information and advice, access to over 400 themed websites via Ooreka.com, access to detailed information about businesses and professionals, local business Good Deals, information about sales, etc.

Mappy also serves local business, by displaying store locations on its maps since 2012. Since early 2013, its new website offers the following features:

- dynamic and contextual merchant information on maps;
- merchant identification in street views;
- merchant search by category and display on map;
- detailed information on each business, which can be updated on the Mappy Local Business portal;
- store locator applications, to locate chain store locations.

It has now expanded its offering to these merchants to include a Digital Store Window that will enhance their visibility to some 10 million Mappy users on fixed and mobile platforms and encourage them to walk into their shops. Launched in 2015, Mappy's Visibility Offer for service businesses and companies was subscribed to by more than 12,000 local businesses.

Mappy's shopping service enables consumers to look for products in retail chain stores and check whether a product is available in a store nearby.

The MappyGPS Free application offers an interface that facilitates the search for a nearby merchant or parking facility and suggests a route to get there. The application can also be set to "walk" mode.

Other Group subsidiaries also serve neighbourhood and local merchants. For example, Leadformance provides digital solutions for optimising and accelerating transactions between consumers and local businesses. Leadformance offers local merchants "mini-sites" that are fully tailored to each of their shops and which, for example, provide information about sales and features such as Click and Collect and Pick Up in Store. This enables these merchants to increase their online brand visibility while bringing nearby consumers directly into their shops.

The advantages for Internet users is being able to easily access all the information they need to shop (shops' opening hours, services, products, etc.), download coupons and phone merchants directly.

SoLocal Group is therefore doing what it has always done – enabling local businesses and professionals to promote their products and services to local consumers. However, it is doing so in new and innovative ways by developing multiple service channels on printed, digital and mobile media.

To make sure that no one is excluded, our staff are aware of the importance of the accessibility of digital media each year.

(1) Source: Audirep framework study – September 2014

1.1.2 Helping small and large business users with their digital communication

Local digital communication provides new business development opportunities to all stakeholders in local communities. SoLocal Group is convinced that there is a place for everyone on the Internet, in accordance with their needs and objectives. Our commitment is to give everyone the resources they will need to use the Internet to develop their business and grow sales, whether they be entrepreneurs or small business owners, seeking solutions for their specific needs, large companies with large networks to manage, or government agencies looking for more efficient ways to serve the public.

To help our clients differentiate themselves in a highly competitive environment, we are continuously looking for innovative solutions that meet their needs and the needs of their customers.

Lastly, we provide advice and assistance that is tailored for each market segment and solutions for the specific requirements of each industry sector, we serve. Our local communication advisors are specialised in such sector or markets as real estate, automobile, hotel/catering, local retail, construction, public sector and BtoB. Our advisors and long experience in local digital communication make SoLocal Group the natural choice for entrepreneurs who are looking for assistance to develop their business.

Nearly 530,000 French companies currently benefit from our advice and digital services at the end of 2015.

QDQ, our Spanish subsidiary, is also committed to the online development of local merchants. Its blog, Proyecto Activa Internet, keeps visitors regularly informed of the latest developments in Digital Marketing. It has also published guidebooks to online marketing for small and medium-size businesses. QDQ also published articles in economic journals and took part in a radio and television programme to support the development of Digital Marketing strategies in Spanish micro, small and medium-sized businesses.

1.1.3 Partnerships to get small and medium-sized businesses online

SoLocal Group is involved in several initiatives with institutional partners to help tradespeople, professionals and small businesses start using digital communication practices.

Some of the many actions undertaken in 2015 include partnerships with:

- The Directorate-General for Businesses (DGE) and its Digital Transition government programme to assist in the digitisation of micro, small and medium-sized businesses. The SoLocal Group held the position of vice chairman of the Digital Transition Association + which comprises private partners joining programme. The Group endeavoured in particular to provide training modules intended for the digital representatives of the programme, running an online course on digital technology for partners, participating in the Tour de France Digital Transition.
- The Assemblée des Départements de France (ADF) with which the Group drew up (design, drafting and development) a methodological guide on regional marketing to increase the value of the region, the parties involved and the accessibility of digital services to those under its administration.
- The Assemblée Permanente des Chambres de métiers et de l'Artisanat (APCMA) [a French trade body] within the scope of the Passionnément Artisans [Passionately Craftsmen] operation, honouring French craftsmen including digital practices in their craft business.
- The Club des Managers de Centre Ville (CMCV) which was provided with a website free of charge for the Club to be able to communicate more easily online on the measures it is taking to develop local businesses.
- Branch professional federations in order to make their members aware of digital practices. 4 partnerships were set up with the Fédération des auto-entrepreneurs (FEDAE), the Fédération des Entreprises du Bureau et du Numérique (EBEN), the Organisation Nationale des TPE (ONTPE) and the Organisation des Transporteurs Routiers Européens (OTRE).

Several of our experts have given presentations on the digital transition of French companies at various institutional events (congresses, trade shows, conferences, roundtable conferences, etc.).

In 2015, the Group also undertook structured action on relations with the innovating regional ecosystems, particularly by supporting applicants holding the French Tech label, which enables start-ups and micro, small and medium-sized digital technology businesses to grow more quickly.

The innovating ecosystems in Poitou-Charentes and in the region of Annecy thus benefited from the free use of Mappy's mapping API, which makes it possible to geolocalise the micro, small and medium-sized digital technology businesses in the region and to increase their value.

On 16 October 2015, the Group also participated, alongside other private partners, in the Biz Connection Day organised by Rennes Atalante, which enables the local micro, small and medium-sized businesses to present their innovations and their know-how and to thus establish preliminary business contacts with the Group.

In 2015 the Group was involved in actions for the benefit of innovating micro, small and medium-sized businesses in the region of Grand Paris Seine Ouest, within the scope of the Booster SOdigital programme, offering in particular mentoring for businesses newly set up and presenting them with potential business partners.

Finally, the Group joined regional digital technology support associations to enable innovating micro, small and medium-sized businesses belonging to them to benefit from its skills.

1.1.4 Local Ideas blog

SoLocal Group provides new and innovative services that can help companies with their local communication.

In October 2012, the Group launched the "Blog des idées locales" (local ideas blog) blog, which provides an innovative way for local merchants to keep track of the latest business trends online (on both fixed and mobile devices) and find inspiration and solutions for developing their business.

It is intended for all types of businesses and in particular small and medium-sized businesses. Although they express a need for creative stimulation, they do not necessarily have the time and resources to track the latest ideas and trends.

The blog provides over 500 examples of original initiatives, from the most simple to the most daring, from all over France and from over 20 countries worldwide. It has received over 500,000 visits since its inception and now offers a White Paper, a newsletter and other content *via* partnerships with news and trends websites. At the 2013 Grand Prix du Brand Content awards in May 2013, the Local Ideas blog won the Gold Prize in the BtoB category and the London Blog Awards 2015 in the "*most innovating website*" category with the blog Local Ideas, an English version launched in June 2014.

With this blog, we have found a new way to share the expertise we have gained from many years of working closely with local businesses.

1.2 Economic impact

Since we care about our role in local economies, in 2012 we measured the economic impact of our subsidiary PagesJaunes in France, where almost all of its operations are located. To assess the economic and social impacts of its activities in a given geographic area, we used Utopies' Local Footprint® model. This enabled us to determine that PagesJaunes' purchases in France and the payroll and income taxes it pays generate two jobs in the public and private sectors for every employee.

We also make it a point to preserve local jobs when we acquire a new subsidiary.

Another local economic impact study was conducted in 2015 by the subsidiary PJMS for its Angoulême site.

We are also a partner in Utopies's Local Economic Footprint dedicated website initiative, which enables consumers to assess the economic impact of their *Made in France* purchases on a dedicated website.

2. Personal data and responsible communication

2.1 Information security and personal data protection

2.1.1 Information security

Internally, employees have access via the Group Intranet to the Group's "Information Security Policy".

This policy constitutes a reference code on conduct connected with the security of information for the SoLocal Group which must be implemented by each Group entity. It describes the management's commitment to information security, its scope, the items taken into account, the regulations and contractual obligations, the aims and responsibilities. It covers all the security problems caused by the handling of information, at physical, technical and organisational levels, whatever the medium used. It also covers the use of information and communication technologies.

Guidelines indicate, depending on the use, in particular, of the new digital technologies and in view of the new risks associated with them, the rules to be followed and good practices applicable, firstly to ensure the identification and authentication of internal users when connecting to components of the SoLocal Group's information system (more broadly speaking: machines, systems, applications, routers, etc.).

2.1.2 Users' personal data protection

At SoLocal Group, we care about providing information that is reliable and secure to the users of our websites and services, who use this information in their everyday lives and appreciate its relevance and accuracy. We are also actively committed to protecting the data we collect from them and showing respect for their privacy.

Our Data Protection Team has four members: the DPC, a senior lawyer, a security engineer who joined SoLocal Group in 2013 after having worked at CNIL (the National Commission for Information Technology and Rights) and a junior lawyer who joined the team in 2014.

2.1.2.1 Internal rules and procedures

SoLocal Group's commitment to information security is governed by the following rules and procedures:

- the Personal Data Archiving Rules, implemented in March 2005;
- a procedure to formally document processing personal data (last updated on 3 May 2012) which among other things specifies the disclosure obligations that must be observed before processing personal data;
- a procedure that governs the reporting of personal data processing and which serves to ensure proper maintenance of the DPC register in which all processing of personal data by the Group's French companies are recorded, and verification that any new data processing or any change to current data processing complies with the French Data Protection Act (*loi Informatique et Libertés*);
- a procedure that governs the transfer of databases that contain personal data within the Group, to ensure the protection of these data by specifying the requirements for such transfers, so as to minimise any risk of misuse, theft or loss, during their transmission or otherwise;
- a procedure for handling requests from individuals to access their personal data (last updated on 17 September 2012), which seeks to ensure that these practices are uniform throughout SoLocal Group and facilitate the exercise of this right;
- a procedure for handling requests from individuals to correct or delete their personal data (last updated on 18 September 2012), which seeks to ensure that these practices are uniform throughout SoLocal Group and facilitate the exercise of this right;
- a procedure aiming to deal specifically with requests to exercise rights made to the Customer Relations Centre and those received in the mailbox of the Data Protection Correspondent (latest version dated 19 October 2015).

The last three procedures are part of our personal data protection system. Accordingly, all of our companies, and especially employees responsible for data processing, must make sure to implement procedures for satisfying the requests of individuals who exercise their right to have their personal data corrected or deleted pursuant to Articles 38 and 40 of the French Data Protection Act of 6 January 1978, as amended by the Act of 6 August 2004, and Articles 92 to 97, 99 and 100 of Decree No. 2007-451 of 25 March 2007, which amended the Decree of 20 October 2005.

Furthermore, these procedures are consistent with the DPC's role, which is to ensure that personal data correction and deletion rights are observed, mostly by ensuring that appropriate procedures are implemented.

In 2014, we updated the procedure concerning the rules to be observed in the event of an audit by CNIL and posted practical guidance on the Group's intranet.

We also posted a process to ensure compliance with the rules for protecting the personal data of SoLocal Group website users on the Group's intranet. These rules cover the encryption of communication, authentication procedures and the need to obtain the website user's permission to agree to the use of cookies and other tracking tools. These rules were accompanied with practical information on the use of cookies on our websites.

Requests received to amend or delete personal data

	PagesJaunes		
	2013	2014	2015
Requests received by Customer Service:			
Requests for deletion from red list	*20,000*	*22,684*	*20,609*
Requests for modification (No-advertising list, PagesBlanches, aerial views)	*19,000*	*36,227*	*27,973*
Requests received directly by the DPC	200	4,197	219
Requests received by the DPC from CNIL	16	5	8

Two days were allowed in 2015 to process requests to cancel personal data (excluding requests handled directly by Data Protection staff). For requests to modify data, this processing time was 2.3 days.

2.1.2.2 In-house training

The DPC team has set forth guidelines for project managers that include:

- a process that specifies all issues to be addressed when designing a new product or service and when the DPC team must be contacted;
- a processing description form for exchanging information with project managers and ensuring that all required information is reported to the DPC team so that it can update the register, among other things;
- a presentation of the basic principles of the French Data Protection Act in the form of FAQ.

The purpose of these guidelines is to address Data Protection Act requirements before projects begin. These documents therefore serve to:

- ensure that the necessary information is reported to the DPC team so that it can centralise data processing information;
- provide operational staff with clear rules that enable them to detect events that may have an impact on personal data and contact the DPC team when necessary;
- detect and deal effectively with sensitive issues whose implementation requires examination before making a decision.

These guidelines were issued at the end of 2013 and implemented early 2014. They were also published on the Group's intranet.

Awareness-raising and training actions were pursued in 2015, on such subjects as raising awareness of the French Data Protection Act and the new procedure introduced for teleadvisors of the Customer Relations Service responsible for dealing with requests from individuals to exercise rights.

Moreover, following invalidation of the Safe Harbour Scheme by the European Court of Justice on 6 October 2015, awareness-raising actions were provided for managers on the consequences of such a decision in order to examine the impact on current contracts involving a transfer of personal data to the USA and the solutions that may be implemented.

Group employees who deal with personal data receive a bi-monthly newsletter entitled "*En Bref sur les Données*" (data in short) that covers recent news on personal data issues.

Internal audits are regularly conducted during the year either by the CIL team or by the internal audit department.

2.1.2.3 Internal and external audits

Audits were conducted by the CNIL in 2010 and resulted in SoLocal the ordering of a public warning against PagesJaunes by the CNIL in 2011. These audits concerned the "Webcrawl" service created for the pagesblanches.fr website in March 2010, which served to complete user first and last names entered on the site with responses found in public profiles on six social networks: Facebook, Twitter, LinkedIn, Copains d'Avant, Trombi and Viadeo.

When this service was launched, CNIL conducted an audit in SoLocal Group's premises in Sèvres and Rennes. In late 2011, SoLocal Group was sanctioned for the following:

- collecting personal data without first informing users;
- using directory data to eliminate foreign user profiles on Facebook;
- not updating data collected from Twitter, Facebook and other sources;
- failure to observe user rights;
- inappropriate, irrelevant and excessive collection of IP addresses.

This decision resulted in a public notification which in turn led SoLocal Group to lodge an appeal with the *Conseil d'État*. This appeal was dismissed on 12 March 2014.

The Hamon Act on Consumer Protection No. 2014-344 of 17 March 2014 amended the Data Protection Act and enabled CNIL to conduct inspections and audits online and note failure to comply with the Data Protection Act remotely, from a computer connected to the Internet. In October 2014, CNIL thus began to conduct remote audits to check whether website operators were complying with its recommendation of 5 December 2013.

These audits covered the submission of cookies upon initial page display in particular, the relevance of the data collected, verification that claimed procedures were in place, compliance with information obligations and data security.

These audits continued in 2015. The CIL team sent its new recommendations to those responsible for the Group's websites on respect for private life through the users' information (cookie banner, information on personal data collection forms, introduction of policy on the protection of private life, etc.) and on the need to observe the rules on data security: non-storage and transfer of plaintext passwords.

2.2 Other actions to promote responsible digital communication

2.2.1 Improving the quality of consumer reviews

In order to build a lasting relationship of trust with its advertisers and consumers, PagesJaunes applied late 2013 to get its online consumer review service certified by AFNOR Certification, a well-known independent French certification body, which in 2013 issued the world's first voluntary quality standard (NF Z74-5012) on the handling of consumer reviews on the Internet.

For 18 months, PagesJaunes has worked with AFNOR and some 40 other organisations to specify rules that could be applied to all websites that features consumer reviews on products, restaurants, tourist facilities and other services.

Late 2013, PagesJaunes staff therefore began working on rules and procedures that would make its services even more reliable and provide assurance as to the methods used to collect, process, moderate and post consumer reviews online, while ensuring that review authors may be contacted and optimising external measures for assessing the reliability of reviews and detecting those that are fraudulent.

AFNOR certification was obtained on 13 November 2014 and will be valid until 13 November 2017. It applies to reviews published on PagesJaunes' fixed and mobile websites and PagesJaunes' application for Android and iPhone smart phones.

2.2.2 Responsible communication charters

SoLocal Group and its subsidiaries have signed the following charters, which reaffirm or further specify their commitments:

- The Data Protection Charter, which describes our measures to protect the personal data of the people who use our websites and online services.
- The Targeted Advertising and Internet User Charter, which was drafted by trade associations of targeted advertising agencies, such as PagesJaunes Marketing Services and pagesjaunes.fr. The charter make substantial contributions to limit the lifespan of cookies, foster transparency and give Internet users more control over their personal data.
- The Internet Authentication Charter. This charter is in keeping with our belief that given our role in bringing Internet users and businesses together, we have a duty to promote user authentication and to assist consumers and business users in securing their transactions.
- The "Right-to-be-Forgotten" Charter, which supports the rights of Internet users to have information they post online removed. The charter specifies best practices for collaborative websites (i.e. social networks, blogs, forums, content publication and messaging websites) and for search engines where Internet users may post information about themselves.
- The Charter of SNCD (the National Direct Communication Association): PJMS signed SNCD's Responsible Development Charter, which includes commitments to employees, the environment and society. Among other initiatives, PJMS uses software to detect changes in a customer's address to reduce misdelivery.

We are also a member of the Open Internet Project, which includes over 400 leading European digital firms that defend Net neutrality.

3. Compliance with professional ethics and competition law

3.1 Code of Conduct

SoLocal Group does business within a framework of responsible development that is underpinned by ethical principles that must be shared by all employees.

These principles, which are set forth in our Code of Conduct, are based on our values and determine our behaviour with respect to our customers, shareholders, employees, suppliers and competitors, to the environment, and to the countries where we do business. It applies to everyone, including members of the Board of Directors and senior management.

Our Code of Conduct is aligned with such fundamental and universal principles as those of the Universal Declaration of Human Rights; those set forth in International Labour Organisation agreements on freedom of association, the right to collective bargaining, eliminating discrimination in respect to employment and occupation, eliminating forced or compulsory labour, and abolishing child labour; and those of the Organisation for Economic Cooperation and Development, especially with respect to efforts to fight corruption. The SoLocal Group Code of Conduct also addresses our commitments in other areas, such as sustainable development.

The Code also specifies the need to comply strictly with stock trading rules and includes specific preventive measures, such as having Board members, senior executives and other "permanent insiders" observe a "blackout" period before selling any shares they may hold in the Company.

The Code prohibits corruption especially when dealings with customers and suppliers.

3.2 Responsible lobbying

In keeping with its CSR policy, SoLocal Group strives to be exemplary in its dealings with elected officials and political institutions, which are governed by the following four basic values:

- Ethics: Our Institutional Relations department is registered and approved by the French National Assembly. This means that this department's staff members:
  - comply with the disclosure requirements of the National Assembly Bureau, the French Senate, the European Parliament and the European Commission, and have agreed to make public the information provided in their disclosure statement,
  - systematically disclose their identity, that of their employer and the interests they represent when dealing with Assembly members, senators or members of European Parliament or of the European Commission,
  - comply with the rules governing access to and circulation within the premises of the National Assembly, French Senate, European Parliament and the European commission.
- Transparency: We are committed to exemplary behaviour and to disclosing our discussions with public authorities whoever they may be;
- Sustainability: We work to establish durable relationships with public authorities to build projects that will generate long-term benefits for society;
- Community involvement: The primarily local dimension of our institutional relations policy distinguishes us from most other companies. Our position in local communities, which is even reflected in our name, connects us intimately with the day-to-day concerns of public authorities.

3.3 Compliance with competition law

SoLocal Group strives to conduct all business activities in strict compliance with competition law.

PagesJaunes has made a commitment to the French competition authority (hereinafter ADLC) to ensure that its staff observe the rules of fair competition, especially with regard to advertising agencies, and to implement a compliance programme that prevents sales staff from engaging in anti-competitive behaviour, including but not limited to the disparagement of advertising agencies in any way, pursuant to ADLC Decision No. 12-D-22 of 22 November 2012 in response to the complaint regarding PagesJaunes SA's business practices lodged by NHK Conseil, Agence I&MA conseils, Sudmédia conseil, OSCP, Audit Conseil Publicité Annuaires, Charcot.net, Agence Heuveline, Avycom publicité annuaire, Toocom, Ecoannuaires and Netcreative-Pages annuaires.

To comply with this decision and prevent future incidents, PagesJaunes has prepared and implemented a programme to ensure that its relevant departments observe competition rules. This programme aims to prevent the alleged disparagement of competitors by sales personnel, through the:

- distribution of a revised version of the Competition Booklet, which is appended to the Company's bylaws;
- organisation of compulsory annual training in competition rules, intended specifically for all PagesJaunes sales personnel and including a specific module on disparagement (in 2015, 1,941 PagesJaunes employees were trained);
- training of a Compliance Team to handle any alerts or complaints about the behaviour of PagesJaunes sales staff, examine these complaints and answer any questions that PagesJaunes employees may have about competition rules;
- application of disciplinary sanctions on employees who knowingly fail to observe competition rules.

In addition to the aforementioned compliance programme, PagesJaunes has agreed to maintain and make compulsory preliminary checks to validate customer orders that involve "risky" activities, as described in Sales department memorandum No. 2010/09 of 20 October 2010 and its most recent revisions.

PagesJaunes has drafted "sales instructions" to ensure that the advertisements of its clients comply with the law and with consumer protection rules in particular. PagesJaunes may indeed be held liable for complicity in false advertising if the information in an advertiser's advertisement does not reflect the advertiser's actual business or the services that a prospective customer may legitimately expect.

It has also become apparent that certain services (such as plumbing, lock repair or house moving) require that the service provider comes to the customer's premises, and often urgently. It must therefore be checked that the advertisements for such services reflect the advertiser's actual business activity.

PagesJaunes implemented these checks on advertiser business activity in 2009 after complaints about misleading advertisements in high-risk services in certain departments near Paris and in southern France.

These checks also reduce the risk of criminal liability for complicity in money laundering. One of PagesJaunes' commitments to ADLC is to maintain these checks until at least, 31 March 2016.

Lastly, PagesJaunes has also committed to strengthening its current risk control system, with random checks on orders placed with PagesJaunes sales staff that do not require preliminary checking pursuant to the aforementioned Sales department memorandum, because they are located in French departments and/or involve high-risk activities that are not listed in this memorandum. These checks are performed to ensure that these orders comply with Sales Instructions.

These commitments will be observed for three years, and will end on 31 March 2016.

3.4 Audit and internal control policy

3.4.1 Internal control policy

The Group sees internal control as a series of processes and systems defined by the Senior Management and implemented by the Group employees, aiming to ensure the achievement of the following objectives:

- compliance with the laws and regulations in force, both external and within the Group;
- application of the instructions and guidelines set by the board of directors;
- prevention and control of operational risks, financial risks and risks of error or fraud;
- optimisation of the internal processes by ensuring the efficacy of operations and efficient use of resources;
- quality and truthfulness of the accounting, financial and management information.

These principles are based on:

- a policy contributing towards the development of the culture of internal control and principles of integrity;
- the identification and analysis of risk factors that may affect the achievement of the Group's objectives;
- an organisation and procedures that tend to ensure the implementation of the guidelines defined by the Senior Management;
- the periodic examination of the control activities and constant search for lines of improvement;
- the process of circulating information on internal control.

In order to achieve each of its objectives, the SoLocal Group has defined and implemented the general principles of internal control which are largely based on the COSO (*Committee of Sponsoring Organisation Of The Treadway Commission*) Guidelines published in 1992 and on the reference framework on internal control and the recommendations published by the AMF. The description provided below of the internal control and risk management procedures applied within the SoLocal Group are based on this reference framework. The analysis was conducted observing the various points of attention of this reference framework and its guidelines on application in particular. It also took into account the reflections resulting from the work of the IFACI (*Institut Français de l'Audit et du Contrôle Internes*).

The internal control system involves the entire business, from the governing bodies to all employees of the SoLocal Group.

The organisation of internal control is based on a centralised management division supported by a network of employees within the various departments and entities.

This organisation aims to provide reasonable assurance of achievement of the aims of the business (compliance and reliability of the results obtained) by means of the internal control system.

3.4.2 Internal audit policy

The Internal Audit Division makes it possible to ensure that appropriate internal control is fully operational by assessing its efficacy and its efficiency while encouraging its constant improvement. Based on the results of the risk assessment, Internal Audit assesses the relevance and the efficacy of the internal control system by measuring in particular the quality of the control environment within the Group, the functioning of the internal governance bodies, the reliability and integrity of the financial and operational information, the efficacy and performance of transactions, protection of assets and compliance with laws, regulations and contracts.

The Group's Internal Audit Division is responsible for performing the tasks defined in the audit plan at the beginning of the year. It answers to the Group's Senior Management but is functionally supervised by the Board of Directors' Audit Committee.

Three types of audit are performed by Internal Audit:

- audits on the compliance and efficacy of the processes and activities;
- audits on the maturity of Internal Control in the Group's subsidiaries apart from PagesJaunes and SoLocal Holding (both in France and abroad);
- compliance or performance audits on those persons decided by the Audit Committee.

4. Relationships with suppliers

4.1 Procurement Charter

Through its Purchasing Department, SoLocal Group seeks to engage with its suppliers and share its responsible procurement values with them.

For this purpose we have drafted a Sustainable Procurement Charter, which is signed by new suppliers or upon renewal of a supply contract. The supplier's business relationship with SoLocal Group will depend largely on its compliance with this charter, which requires the supplier to observe basic principles regarding working conditions, health, safety, the environment and ethics. The charter covers many subjects, including clandestine or forced labour, discrimination, compliance with environmental regulations and resource management. Suppliers must ensure that their own suppliers and subcontractors, for all of their business activities and sites worldwide, observe the requirements of this charter.

This charter was signed by 102 PagesJaunes, Mappy and SoLocal Holding suppliers under new or amended contracts at the end of 2015.

4.2 Purchasing Guidelines

The Responsible Purchasing Guidelines were updated in 2011 and are intended for all Group subsidiaries. They are the foundation of SoLocal Group's responsible procurement policy, which seeks to encourage the procurement of products and services that are more respectful of the environment, people and society, and may even provide individual or societal benefits.

There are three objectives:

- prioritising products, services and companies that address the CSR challenges that are specific to their business activities;
- gradually increase the sustainability criteria for people, the environment and society, in a continual improvement approach;
- monitor the CSR performance of suppliers to help them improve.

The SoLocal Group Purchasing Guidelines also set forth more general guidelines such as:

- promoting official eco-labels and eco-designed products;
- increasing supplier awareness of the role their products, services or industries play in society;
- encouraging suppliers to be more transparent about the environmental characteristics of their products.

When selecting suppliers, we also take the following CSR criteria into account – CSR knowledge and experience, quality control process, human resources policy (employee loyalty, training and turnover), eco-responsibility policy (e.g. CSR Charter), financial health and geographic location. Furthermore, we systematically send requests for proposals to companies that employ over 80% disabled workers.

5. Relationships with non-profits

pagesjaunes.fr and other Group subsidiaries donated unsold advertising space to charities, such as Microdon or the Téléthon under partnership agreements or on a one-off basis.

For example, SoLocal Group supported once again this year the Téléthon on 5 and 6 December, with massive 100% digital visibility (including banner and block ads, promotional home pages and ads on social networks) on its main websites, with fresh content that links to the donation form.

For the 13th consecutive year, Digital Marketing and data solutions provider PJMS made its call centre in Angoulême available to volunteers receiving donations by telephone. The 126 volunteers handled 2,414 calls, allowing the collection of €143,177 over the weekend of 4 and 5 December 2015.

Our subsidiaries also support local non-profits. For example, QDQ Media organises food and clothing drives for Caritas and other charitable organisations.

The subsidiary À vendre à louer has formed a partnership with Secours Populaire: collecting donations and joint challenge and Ooreka has offered its employees a day of work at the Food Bank.

Outlook

SoLocal Group has made CSR the foundation of its business strategy and therefore of its digital transformation. Our move to our future headquarters at the new Citylights site in Boulogne-Billancourt near Paris – bringing together the majority of the Île-de-France sites - in May 2016, will be a fitting symbol of our efforts and commitment.

The site's compliance with HEQ Exceptionnel, Breeam Very Good and BBC environmental certification criteria will enable us to further reduce the environmental impact and many changes in practice (waste management, printing out documentation, mobility, etc.). This move also gives us an opportunity to increase employee well-being, by providing a range of services that include a concierge service, a wellness centre, a gym, a relaxation area, a traveller lobby and several restaurants. Furthermore, requests for proposals issued or pending include CSR criteria that prioritise sustainable local supply chains, the employment of people with disabilities and the reduction of environmental impact.

The SoLocal Group also aims to enable its customers to take measures in turn in favour of the environment. This ambition materialised in February 2016 with the launch of PagesJaunes' Les ÉcoPros website http://lesecopros.pagesjaunes.fr which makes it possible to search for professionals and micro, small and medium-sized businesses committed to the environment. This content, awaited by consumers in France since the day after the COP21, enables PagesJaunes to make use of the largest database in France on this subject.

With this project, SoLocal Group is making it clear that it is determined to keep getting better in terms of corporate responsibility.

CSR contacts

Please address any questions on SoLocal Group's corporate social responsibility to the CSR team at:

SoLocal Group

CSR Department – Direction Stratégie, Partenariats et Relations Extérieures et Secrétariat Général

7, avenue de la Cristallerie

92317 Sèvres Cedex – France

rse@solocal.com

Appendix 1 - Note on methodology

The SoLocal Group provides information on its CSR commitments in response to the decree implementing Article 225 of the Grenelle II Act.

The SoLocal Group wanted to establish a reporting process allowing all the information required to be collected. This process adopted within the Group is guided by a number of indicators in keeping with the requirements of Article 225 of the Grenelle II Act. It comprises several stages which are described below.

Scope of reporting

Period and frequency

The SoLocal Group's CSR report is published annually in the Group's Reference Document. The information required covers the past calendar year in line with the Group's financial year, from 1 January to 31 December 2015.

In the case of indicators for which the information required is not fully available, two cases arise:

- the data is extrapolated so as to arrive at the annual result (note that the sliding 12-month method is not adopted except in specific cases);
- the period taken into consideration differs from the calendar year.

The particular cases are described in this Note on Methodology, part 1.6 "Estimates and extrapolations"

Scope

Within the scope of its proactive strategy, the SoLocal Group aims in the future to extend its reporting to all its subsidiaries in the regions in which it operates. Nevertheless, at the moment, bearing in mind the complexity of the process, the CSR report is limited to a few subsidiaries for certain indicators.

Consequently, for the financial year 2015, the scope taken into consideration will be as follows:

- For most of the social indicators, data is provided for the entire Group. Unlike the financial scope, the social indicators for the year 2015 presented in the document include:
  - 45 employees of the subsidiary Sotravo that was transferred by the SoLocal Group as of 31/12/2015 at 23:59. These employees represent 0.89% of the Group's workforce registered as of 31/12/2015,
  - 21 employees of the subsidiary PJOM who represent 0.41% of the Group's workforce registered as of 31/12/2015;
- For the other indicators (see below), the reporting scope is mainly limited to the subsidiaries PJ SA, Mappy SA, QDQ and PJMS.

Particular cases:

As mentioned, certain indicators are not reported on the Group's scope. These are shown in the table below.

Indicator	Scope
CO_2 emissions connected with electricity consumption in CO_2 equivalent tons	PJ SA + Mappy
Virtualisation of servers	PJ SA + Mappy + PJMS
Average number of computers per employee	PJ SA + Holding + Mappy + PJMS + QDQ
Electricity consumption excluding datacenters	PJ SA + Mappy
Percentage of buildings with environmental certification throughout the sites leased	PJ SA + Mappy
Quantity of electrical and electronic equipment waste disposed of in tons	PJ SA + Mappy + QDQ
Water consumption	PJ SA Sèvres + PJ SA Ajaccio

Organisation of the report

The CSR indicators are provided by a network of participants. Their role consists, among other things, in organising and coordinating the feedback of information to the CSR Division, and in guaranteeing the quality and exhaustive nature of the data supplied by means of consistency and probability checks.

Reporting guidelines explaining the CSR scope and indicators published in this Reference Document are available on request from the CSR Division (rse@solocal.com).

There are four successive stages in the reporting process:

- Collection and input of data via the reporting tool "Reporting 21", by a contributor;
- Validation of the data collected, by an officer (the "validator");
- Global verification and consolidation, assured by the CSR Division and by a specialist independent firm;
- And finally use of the data collected: transmission of final results to the commitment officers, for directing projects and drawing up the SoLocal Group's reports.

Reporting tool

The quantitative and qualitative CSR data is collected for this report by means of a new reporting tool known as "Reporting 21", introduced in 2015. This tool has enabled the reliable collection, consolidation and control of CSR information to take place.

Indicators not reported

Based on its obligations to report on the 42 CSR subjects according to Article 225 of the Grenelle II Act, the SoLocal Group has selected the indicators considered to be the most significant in view of its business and its stakes. These indicators cover the three sections of Article 225 of the Grenelle II Act: Environment, Social and Societal.

Independent verification

An independent third party reviews and certifies the presence and truthfulness of the CSR information published in the Reference Document in accordance with the requirements of the Grenelle II Act. This work is conducted in accordance with standard ISAE 3000 (International Standard on Assurance Engagements). The independent third party's report on the consolidated social, environmental and societal information published is presented in this Reference Document.

Main methodological details

Main estimates and extrapolations

Certain indicators for which all or some of the data was not available were extrapolated or estimated:

Indicators	Assumptions
Electricity consumption by datacenters	PagesJaunes Sèvres: estimated consumption by the Sèvres plant room based on the kWh/server ratio at Rennes Goupillais
	PagesJaunes Datacenter Rennes SFR: correction of the 2014 figure based on meter readings
	Issy les Moulineaux/Mappy: Estimated consumption by the plant room based on the following calculation: Electricity consumption (kWh) = Estimated monthly consumption in kilovolt-amps (KVA) in relation to the number of machines present * number of hours per month * 0.8 (power factor currently used)
Electricity consumption by offices excluding datacenters	PagesJaunes Sèvres: electricity consumption by the building based on the EDF bill excluding the estimated consumption by the plant room (based on the Rennes Goupillais ratio)
Electricity consumption by offices excluding datacenters	PJ SA: Extrapolation to the entire area leased based on the kWh/m² ratio of the sites covered by the bills

Details of certain social indicators:

- training: The training indicators include any training format and period. Employees provided with less than 30 minutes' training represent an insignificant number of employees trained;
- occupational accidents and accidents on business trips: Occupational accidents exclude home-work travel but take into account accidents occurring while on business trips.

Method of calculating greenhouse gas emissions

In order to calculate the greenhouse gas emissions resulting from electricity consumption and business travel, the following emission factors (FE) were used:

- For electricity:

FE (France): 0.075 kg CO_2 / kWh (Upstream and Production excluding line losses).

- For business travel:

Diesel oil from the pump, mainland France: 3,166 kg CO_2e per litre.

These emission factors were updated in 2015 by referring to the Carbon Database, Version 7.4.

Appendix 2: Tables of compliance with Grenelle II and ISO26000

		Pages	Art.225 Grenelle II	Central questions and fields of action of ISO 26000
Introduction				
1.	Message from the Chief Executive Office and the General Secretary in charge of CSR		Actions taken and guidelines adopted by the company to take into account the social and environmental consequences of its activities and to fulfil its societal commitments in favour of sustainable development	Organisation governance
2.	SoLocal Group, a committed company			
2.1	Organisation of SoLocal Group		Actions taken and guidelines adopted by the company to take into account the social and environmental consequences of its activities and to fulfil its societal commitments in favour of sustainable development	Organisation governance
2.2	Origin, construction and development of the CSR strategy			
2.3	CSR governance			
2.4	Commitments, targets and key performance indicators			
2.5	Dialogue with the participating parties		Conditions of relations with persons or organisations interested in the company's activities Employee training and information measures for environmental protection	
3.	CSR 2015 reporting			
3.1	Reporting		Actions taken and guidelines adopted by the company to take into account the social and environmental consequences of its activities and to fulfil its societal commitments in favour of sustainable development	Organisation governance
3.2	General information		The amount of provisions and guarantees for environmental risks, provided this information does not cause a serious loss to the company in a dispute in progress	
4.	Other regulatory measures associated with CSR			
Social responsibility				
1.	Sharing of Group values		Actions taken and guidelines adopted by the company to take into account the social and environmental consequences of its activities and to fulfil its societal commitments in favour of sustainable development	Organisation governance

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		Pages	Art.225 Grenelle II	Central questions and fields of action of ISO 26000
2.	Employment policy and employability			
2.1	Staff and remuneration		• Total staff, distribution by gender, age and geographical area • Remuneration and the development thereof • Organisation of working hours	• Employment and employer/employee relations • Working conditions and social protection
2.2	Involve staff in the transformation of the Group		• Training policies implemented • Total number of training hours • Organisation of industrial relations, particularly the personnel information and consultation procedures and negotiating with them	• Industrial relations • Development of human capital
3.	Diversity			
3.1	Develop equality between men and women		• Measures taken in favour of equality between men and women	
3.2	Integrate all publics		• Measures taken in favour of the employment and inclusion of disabled persons • Anti-discrimination policy	• Discrimination and vulnerable groups • Employment and employer/employee relations
4.	Safety, health and wellbeing at work			
4.1	Monitoring the quality of life at work		• Conditions of health and safety at work • Recruitments and dismissals • Absenteeism	• Employment and employer/employee relations • Working conditions and social protection
4.2	Actions to improve the quality of life		• Occupational accidents, particularly the frequency and seriousness thereof, as well as occupational sickness	• Working conditions and social protection • Industrial relations • Health and safety at work
4.3	Raise awareness of participants in the prevention of psychosocial risks		• Conditions of health and safety at work • Training policies implemented	• Health and safety at work
4.4	Physical and sports activities: a performance lever for the company		• Conditions of health and safety at work	• Health and safety at work
5.	Organisation of industrial relations			
5.1	Union rights		• Organisation of industrial relations	• Industrial relations
5.2	Voluntary departure plan		• Appraisal of collective agreements	• Industrial relations
5.3	Other agreements		• Appraisal of collective agreements • Appraisal of agreements signed with the unions or staff representatives on health and safety at work	• Industrial relations

		Pages	Art.225 Grenelle II	Central questions and fields of action of ISO 26000
Environmental responsibility				
1.	Impact of activities			
1.1	PagesJaunes greenhouse gas emissions appraisal 2009-2014		• Greenhouse gas emissions	• Mitigation of climate change and adaptation
1.2	Printed directories		• Company organisation to take into account environmental issues and, where appropriate, environmental assessment or certification • onsumption of raw materials and measures taken to improve the efficiency in the use thereof • Prevention, recycling and waste disposal measures • Adaptation to the consequences of climate change	• Sustainable use of resources • Protection of the environment, biodiversity and rehabilitation of natural habitats • Sustainable consumption
1.3	Digital technologies		• Energy consumption, measures taken to improve energy efficiency and recourse to renewable energies • Prevention, recycling and waste disposal measures	• Pollution prevention • Sustainable use of resources
1.4	Employee travel		• Discharge of greenhouse gases	• Pollution prevention • Protection of the environment, biodiversity and rehabilitation of natural habitats
1.5	Offices		• Energy consumption, measures taken to improve energy efficiency and recourse to renewable energies • Water consumption and water supply based on local constraints • Adaptation to the consequences of climate change	• Pollution prevention • Sustainable use of resources
1.6	CO_2 emissions - electricity consumption		• Discharge of greenhouse gases	• Mitigation of climate change and adaptation
1.7	Biodiversity		• Measures taken to preserve or develop biodiversity	• Protection of the environment, biodiversity and rehabilitation of natural habitats
1.8	Other forms of disturbance and pollution		• Measures for the prevention, reduction or restoration following discharge into the air, water and soil seriously affecting the environment	• Pollution prevention
2.	Provide support for users' environmental measures			
2.1	Search for eco-responsible professionals		• Adaptation to the consequences of climate change	• Mitigation of climate change and adaptation • Sustainable consumption
2.2	Promote durable mobility			
2.3	Provide experts' responses for responsible consumption			

	Pages	Art.225 Grenelle II	Central questions and fields of action of ISO 26000
Societal responsibility			
1. Promoting local economic development			
1.1 Digital technology to develop local economic life		• Regional, economic and social impact of the activities on employment and regional development • Regional, economic and social impact of the activities on the resident and local populations	• Implication among the communities • Creation of wealth and revenues
1.2 Local economic impact		• Regional, economic and social impact of the activities on employment and regional development • Partnership or sponsorship measures	• Creation of wealth and revenues
2. Personal data and responsible communication			
2.1 Security of information and protection of personal data			• Protection of consumer data and private lives
2.2 Other actions to promote responsible digital communications		• Measures taken in favour of the health and safety of consumers	• Fair practices in marketing, information and contracts • Protection of the health and safety of consumers
3. Respect for ethics and the law on competition		• Promotion of and compliance with the provisions of the ILO agreements • Actions taken to prevent corruption • Other actions undertaken in favour of human rights	• Fair practices in marketing, information and contracts • Fundamental principles and employment rights • Combating corruption • Fair competition
3.1 Professional Ethics Charter		• Promotion of and compliance with the provisions of the ILO agreements • Actions taken to prevent corruption • Other actions undertaken in favour of human rights	• Fair practices in marketing, information and contracts • Combating corruption • Fair competition
3.2 Responsible industrial relations mea-sures		• Regional, economic and social impact of the activities on employment and regional development • Actions to prevent corruption	• Combating corruption
3.3 Observance of rules on competition		• Measures to prevent corruption	• Fair practices with regard to marketing, information and contracts • Combating corruption • Fair competition
3.4 Audit and internal control policy			
4. Relations with suppliers		• Taking the social and environmental stakes into account in the purchasing policy • The importance of subcontracting and taking relations with suppliers and subcontractors and their social and environmental responsibility into account	• Promotion of societal responsibility in the value chain
5. Relations with associations		• Conditions of relations with these persons or organisations	• Organisation governance

Appendix 3: Report of the Statutory Auditor as an Independent Third Party

Report of one of the Statutory Auditors, designated Independent Third Party, on the consolidated social, environmental and societal information contained in the management report

Financial year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of the company SoLocal SA designated Independent Third Party, accredited by COFRAC under no. 3-1048[1], we present our report on the consolidated social, environmental and societal information presented in the management report (hereinafter the "RSE Information"), drawn up for the financial year ended 31 December 2015 pursuant to Article L.225-102-1 of the French Commercial Code.

The Company's responsibility

The Board of Directors is responsible for preparing a management report including the RSE Information provided for by Article R.225-105-1 of the French Commercial Code, in accordance with the guidelines used by the Company (hereinafter the "Guidelines") and available on request from the Company office.

Independence and quality control

Our independence is defined by the regulatory wordings, the Code of Ethics in the trade and the provisions of Article L.822-11 of the French Commercial Code. We have also introduced a quality control system that comprises documented policies and procedures seeking to ensure observance of the rules on ethics, professional standards and the applicable laws and regulations.

Responsibility of the Statutory Auditor

Our duties are, on the basis of our auditing work, to:

- attest whether the required CSR information is presented in the Management Report or, if not presented, whether an appropriate explanation is given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of the presentation of the CSR information);
- provide limited assurance on whether the CSR information, taken as a whole, is fairly presented, in all material aspects, in accordance with the Guidelines (Reasoned opinion on the fair presentation of the CSR information).

Our work was carried out by a team of four people between December 2015 and February 2016 and lasted around three weeks. To assist us with our work, we have called upon our experts in social and environmental responsibility.

Our engagement was performed in accordance with professional standards applicable in France, with the Decree of 13 May 2013, which sets forth the procedures to be adopted by independent third parties in carrying out their engagements, and with ISAE 3000[2] with regard to the reasoned opinion on truth and fairness.

1. Attestation of presence of CSR information

We examined, on the basis of interviews with the managers of the departments concerned, the guidance on sustainable development, in relation to the consequences of the Company's activity on its staff and on the environment and its commitments to society and, where relevant, the resulting actions or programmes.

We compared the CSR information presented in the Management Report with the list provided in Article R.225-105-1 of the French Commercial Code.

In the event of the omission of some consolidated information, we verified that an appropriate explanation was given in accordance with the third paragraph of Article R. 225-105 of the French Commercial Code.

We have checked whether the CSR information covered the Company's consolidated scope, i.e. the Company and its subsidiaries as defined in Article L.233-1 and the companies it controls as defined in Article L.233-3 of the French Commercial Code, within the methodological limits indicated in the chapter of the Management Report that deals with corporate social responsibility.

On the basis of this work and taking into account the limits referred to above, we attest that the required CSR information is presented in the Management Report.

2. Reasoned opinion on the sincerity of the CSR information

Nature and extent of the engagement

We carried out around fifteen interviews with the persons in charge of preparing the CSR information within the departments responsible for the information gathering processes and, where relevant, those responsible for the internal control and risk management procedures, in order to:

- assess the appropriateness of the Guidelines regarding their relevance, completeness, reliability, neutrality and clarity, taking into consideration, where applicable, best practices in the sector;
- verify that a process had been set up for the collection, compilation, processing and control of the CSR information to ensure its completeness and consistency, and examine the internal control and risk-management procedures relating to the preparation of the CSR information.

We determined the nature and extent of our tests and checks based on the nature and importance of the CSR information with regard to the Company's characteristics, the social and environmental issues stemming from its activities, its sustainable-development policies and best practices in the sector.

Concerning the CSR information we consider to be most significant (see Appendix):

- at the consolidating entity level, we consulted the source documents and carried out interviews to corroborate the qualitative information (organisation, policies, actions, etc.), we implemented analytical procedures on the quantitative information and verified, on a test basis, the calculations and consolidation of the data as well as verifying their coherence and their consistency with the other information disclosed in the Management Report;
- at the level of subsidiary PagesJaunes SA, which was selected on the basis of its business activity, its contribution to the consolidated indicators, its geographic presence and a risk analysis, we conducted interviews to verify that the procedures were correctly applied and performed tests of details based on sampling, which consisted in verifying the calculations made and reconciling the data with the supporting documents. The sample thus selected represented an average of 79% of the workforce and between 68% and 100% of the quantitative environmental information.

(1) The scope of which can be viewed at site www.cofrac.fr
(2) ISAE 3000 - Assurance of commitments other than audits or reviews of historical information

As regards the other consolidated CSR information, we assessed its consistency in relation to our knowledge of the Company.

Finally, we assessed the relevance of any explanations given to explain the total or partial absence of some information.

We believe that the sampling methods and sample sizes we have adopted by exercising our professional judgment have enabled us to form a limited assurance conclusion; a higher level of assurance requiring more extensive verification work. Due to the use of sampling techniques and other limitations inherent in the functioning of any internal control and information system, the risk of failing to detect a significant anomaly in the CSR information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR information, taken as a whole, is not fairly presented, in accordance with the Guidelines.

Neuilly-sur-Seine, 10 February 2016

One of the Statutory Auditors,

Deloitte & Associés

Ariane Bucaille
Partner

Florence Didier-Noaro
Sustainability Services Partner

Appendix

The information was deemed most significant and was examined in detail:

Quantitative indicators:

Social:

Total workforce registered at 31/12

Number of people hired under indefinite-term contracts during the year

Total number of indefinite-term contract departures

Turnover of telemarketers

Number of indefinite-term contract departures at the end of the probationary period

Sick leave rate

Number of hours of training provided during the year

Environment:

WEEE disposed of (in metric tons)

Amount of paper distributed (in thousands of metric tons)

Electricity consumption by datacenters in MWh

Total electricity consumption excluding datacenter and plant room, MWh

CO_2 emissions associated with electricity consumption in tons of CO_2 equivalent

CO_2 emissions associated with use of company cars, in tons of CO_2 equivalent

Society:

Number of suppliers that have signed the Group Sustainable Procurement Charter

Average time taken to deal with requests for deletion or amendment during the course of the financial year

Qualitative information:

Introduction of the voluntary departure plan

New remuneration policy

Help for microenterprises/small and medium-sized enterprises in digital development

9 ANNUAL ACTIVITY REPORT AS OF 31 DECEMBER 2015

9.1 Overview

As the European leader in local online communication, SoLocal Group embraces a meaningful and scalable mission which is to "reveal local know-how, everywhere, and boost local revenues of businesses".

Within the scope of continued activites*, SoLocal Group generated revenues of €873 million in 2015, of which revenues from its Internet activities represented 73% and revenues from its Print & Voice activities represented 27%. Internet business growing by +4% in 2015 is driven by two primary business lines: Local Search and Digital Marketing.

Internet

In 2015, SoLocal Group recorded €640 million Internet revenues, representing 73% of Group revenues, up +4% versus 2014.

The Internet activities of SoLocal Group are now structured around two business lines:

- First, we offer digital services and solutions to clients which enable them to enhance their visibility and develop their local contacts. In 2015, this Local Search activity posted revenues of €496 million thanks to a sustainable and highly qualitative audience generated through our own brands (PagesJaunes, Mappy, Ooreka) and our privileged partners (Google, Bing (Microsoft), Yahoo!, Apple and Facebook).
- Second, we create and provide Internet users with the best local and customised content about professionals. In 2015, this Digital Marketing activity represented revenues of €144 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+9% in 2015). They comprise sites & contents, local programmatic and transactional services. In 2015, we innovated on these product ranges, with an upmarket move of our Internet sites and product & store locator offerings, and the successful launch of the ADhesive targeting offer, which benefits from our data on local purchasing intents expressed by Internet users. In addition, our transactional services have been rebranded PagesJaunes Resto and PagesJaunes Doc, leveraging on and strengthening the traffic generated on PagesJaunes.

Print & Voice

The Print & Voice activities generated €232 million, i.e. 27% of the Group's consolidated revenues in 2015. This business line includes the Group's activities in the publication, distribution and sale of advertising space in printed directories (PagesJaunes, PagesBlanches), as well as the Group's other activity called 'Voice', including telephone directory enquiry and reverse directory services.

*on the scope of continued activities excluding the divested businesses in 2015 (Horyzon Media, Sotravo, Lookingo and ZoomOn)

9.2 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			
			Continued activities				Continued activities	
(amounts in thousands of euros, except data relating to shares)	Consolidated	Divested activities	Recurring	Exceptional	Consolidated	Divested activities	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						
	As at 31 December 2015			As at 31 December 2014*			Change recurring 2015/2014*
(in million euros)	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 expenses	**(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)

9.2.1 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.

9.2.2 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						
	As at 31 December 2015			As at 31 December 2014*			Change recurring 2015/2014*
(in million euros)	Total	Recurring	Exceptional	Total	Recurring	Exceptional	
Recurring EBITDA	**270.3**	**270.3**	**-**	**310.7**	**310.7**	**-**	**-13.0%**
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%**
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%*	*-5.6%*	*24.9%*	*28.6%*	*-3.7%*	

(*) 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.

9.2.3 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						
	As at 31 December 2015			As at 31 December 2014*			Change recurring 2015/2014*
(in million euros)	Total	Recurring	Exceptional	Total	Recurring	Exceptional	
Operating income	**169.1**	**218.2**	**(49.1)**	**229.3**	**263.6**	**(34.3)**	**-17.2%**
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 expenses	**(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)

9.2.3.1 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.

9.2.3.2 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.

9.2.3.3 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.

9.2.3.4 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			
			Continued activities				Continued activities	
	Consolidated	Divested activities	Recurring	Exceptional	Consolidated	Divested activities	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 expenses	**(83,612)**	**(2)**	**(83,610)**	**-**	**(98,124)**	**(15)**	**(98,109)**	**-**
Share of profit or loss of an associate	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)	2015	2014	Change
Recurring EBITDA	**270.3**	**310.7**	**-13.0%**
Non monetary items included in EBITDA	9.8	11.4	-14.0%
Net change in working capital	(10.5)	(37.5)	+72.0%
Acquisition of tangible and intangible fixed assets	(75.5)	(67.9)	-11.2%
Cash financial income	(79.4)	(86.1)	+7.8%
Non recurring items	(27.9)	(25.0)	-11.6%
Acquisition costs of shares	-	-	-
Corporate income tax paid	(19.9)	(58.4)	+65.9%
Net Cash flow from continued activities	**66.8**	**47.0**	**+42.1%**
Net Cash flow from divested activities	(8.5)	(9.1)	+6.6%
Net cash flow	**58.3**	**37.9**	**+53.8%**
Increase (decrease) in borrowings and bank overdrafts	(33.8)	(475.9)	+92.9%
Capital increase	2.4	422.6	-99.4%
Other	(17.2)	(14.1)	-22.0%
Net cash variation	**9.8**	**(29.5)**	**+133.2%**
Net cash and cash equivalents at beginning of period	43.6	73.1	-40.4%
Net cash and cash equivalents at end of period	**53.3**	**43.6**	**+22.2%**

9.2.3.5 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[1] (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%**

[1] Average Revenue Per Advertiser.

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%**

9.3 Quarterly 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*
ARPA (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)[1]	*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] % of Internet clients benefiting from a Digital Marketing product.

Reccuring 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 from Continued activities operations	**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 expenses	(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)**

10 TREASURY

10.1 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:

	Continued activities		
SoLocal Group (in million euros)	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:

SoLocal Group (in million euros)	As at 31 December 2015	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.

10.2 Off-balance-sheet commitments, disputes and related parties

See notes 30 to 32 of the consolidated financial statements.

10.3 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).

10.4 Events subsequent to the closing date of 31 December 2015

None

10.5 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.

11 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.

The amount and breakdown of business developments costs are given on Note 12 of the Notes to the Consolidated Financial Statements for financial year 2015, in chapter 20.1 – Historical Financial Information.

12 INFORMATION ON TRENDS

12.1 Main trends affecting the Group's business

See chapters 9 and 10.

12.2 Trends that may affect the Group's business

The main trends liable to influence the Group's activity in 2016 are associated with developments in the advertising market in France and in Spain, particularly in local communication, which are expected to affect the commercial prospecting of SoLocal Group.

12.3 Outlook

SoLocal Group has not yet published its outlook for 2016.

In fact, for historical reasons, the Group is still very indebted; growth in Internet business is constrained by bank covenants which affect our ability to invest more in technologies, acquisition of new clients, communication, and even in certain external growth transactions.
In a highly competitive environment, where some competitors are investing without being worried about their operating profitability in the short term while still benefiting from their investors' goodwill, it has become necessary for SoLocal to alleviate these constraints that are preventing us from taking full advantage of our development potential. In fact, the share and debt price no longer reflects the quality of SoLocal's operating performance, but rather the urgency to restructure its debt.
For several months now, we have been exploring all possible refinancing options with our advisors to be able to maintain the Group's chances of growing as a French champion of the Internet and we will inform our shareholders and the market as soon as we are in position to propose the implementation of concrete solutions.

13 PROFIT FORECASTS OR ESTIMATES

The Company does not issue forecasts as defined in European regulation (EC) 809/2004.

14 ADMINISTRATIVE AND MANAGEMENT BODIES

14.1 Board of Directors

As of the date of this document, the Board of Directors is composed of the following members:

- Nathalie Balla;
- Sandrine Dufour;
- Robert de Metz;
- Cécile Moulard;
- Joëlle Obadia;
- Jean-Pierre Remy;
- Rémy Sautter and
- Jean-Marc Tassetto.

The Board of Directors, on the date of this document, is composed of eight members, of whom one is a corporate officer, one a director and employee representative and six are independent directors.

Name	Nationality	Function	Date appointed	Date office expires	Other duties and main offices in other companies during the past five years
Nathalie Balla La Redoute 57, rue Blanchemaille 59100 Roubaix, France	French	Director and member of the Audit Committee	29 July 2014	General Shareholders' Meeting to be held in 2018	Chairman of BCR SAS (France) Chairman of New R SAS (France) Permanent representative of New R SAS, Chairwoman of La Redoute SAS (France) CEO of Relais Colis SAS (France) Director of La Redoute Sverige (Sweden) Director of Redcats (UK) Ltd (United Kingdom) Liquidator of La Redoute Mag SAS (France) Managing Director of La Redoute Catalogue Benelux SA (Belgium) Director of La Redoute Switzerland SA (Switzerland) Chairwoman of La Redoute Catalogue Benelux SA (Belgium) Permanent representative of La Redoute, Chairwoman of Les Aubaines Mag SAS (France) Director of FEVAD (France) Offices no longer held: Chairwoman of Ref Brésil SA (France) Liquidator of Ellos France SAS (France) Permanent representative of La Redoute Mag, director of Ref Bresil SA (France) Director and vice-president of PICOM (France) Chairwoman of La Redoute Mag SAS (France) Chairwoman of Ellos France SAS (France) Director of Redcats Brands Ltd (United Kingdom) Director of Redcats Finance Ltd (United Kingdom) Director of Holdsworth Collections Ltd (United Kingdom)

Name	Nationality	Function	Date appointed	Date office expires	Other duties and main offices in other companies during the past five years
Sandrine Dufour Proximus (Belgacom) Boulevard du Roi Albert II, 27 1030 Brussels Belgium	French	Director Chairman of the Audit Committee	23 April 2013	General Shareholders' Meeting to be held in 2018	Financial Officer and member of the Management Committee of Proximus (Belgium) Director of BICS (Belgacom International Carrier Services) (Belgium) Director of Proximus Group Services SA (Belgium) Director of Connectimmo (Belgium) Director of Proximus Art Asbl (Belgium) Offices no longer held: Executive Director of Finance and Strategy of Groupe SFR (France) Chairwoman and CEO of CID SA (France) Chairwoman and CEO of SNBL SA (France) Permanent Representative of SFR, director of SFD SA (France) Director of SHD SA (France) Permanent Representative of SFR, director of Service Client SA (France) Permanent Representative of SFR, director of SFR Collectivités SA (France) Director of Société Financière de Communication et du Multimedia SA (France) Permanent Representative of SFR, director of Ltb-R SA (France) Member of the Supervisory Committees of Foncière Rimbaud 1 SAS, Foncière Rimbaud 2 SAS, Foncière Rimbaud 3 SAS, Foncière Rimbaud 4 SAS (France) Member of the Strategic and Financial Committee of La Poste Telecom SAS (France) Member of the Supervisory Committee of Numergy SAS (France) Chairman of the Board of LDCom Italy (Italy) Chairman of the Board of LDCom Switzerland (Switzerland) Member of the Audit Committee of Maroc Telecom (Morocco) Director of CEREP (France) CEO and director of Watchever Group (formerly Vivendi Mobile Entertainment) (France) Director of Groupe Telindus France Director of SIG 75 (France)
Robert de Metz Dexia Group Bastion Tower Place du Champ de Mars 5 B-1050 Brussels Belgium	French	Director Chairman of the Board Chairman of the Remuneration and Appointments Committee	5 Nov. 2014	General Shareholders' Meeting to be held in 2019	Chairman of the Board and independent director of Dexia SA (Belgian public company) Chairman of the Board and director of Dexia Crédit Local (Belgium) Executive director of La Fayette Investment Management Ltd (UK) Executive Director of La Fayette Management Ltd (UK) Director and Chairman of the Audit Committee of Media Participations (Franco-Belgian) Deputy Chairman of Bee 2 Bees SA (Belgium) Member of the Executive Committee of the Fondation pour les Monuments Historiques (France) Offices no longer held: Member of the Supervisory Board of Canal Plus France SA (France) Non-executive director and member of the Audit Committee of Belfius Banque (Dexia Banque Belgium) (Belgium)
Cécile Moulard Sixième Continent 5, rue de la Baume 75008 Paris, France	French	Director Member of the Remuneration and Appointments Committee	26 March 2013	General Shareholders' Meeting to be held in 2019	Director of MilleMercis (French public company) Director of Truffle Capital, an Internet incubator holding company (France) Director of AXA France (IARD-Vie) (France) Offices no longer held: Director of Foncière INEA (France)
Joëlle Obadia PagesJaunes 7, avenue de la Cristallerie 92310 Sèvres, France	French	Director and employee representative	7 April 2016	7 April 2020	None **Offices no longer held:** None

Name	Nationality	Function	Date appointed	Date office expires	Other duties and main offices in other companies during the past five years
Jean-Pierre Remy SoLocal Group 7, avenue de la Cristallerie 92310 Sèvres, France	French	Director, CEO	17 May 2009	General Shareholders' Meeting to be held in 2018	Chairman of the Board and Director of PagesJaunes (France)* Director of PJMS (France)* Director of Mappy (France)* Chairman of the Board and Director of QDQ Media (Spain)* Offices no longer held: Chairman of the Board of SoLocal Group (French public company) CEO of PagesJaunes (France) Chairman of the Board of Directors and Director of Médiannuaire Holding (France)
Rémy Sautter RTL 22, rue Bayard 75008 Paris, France	French	Director Member of the Audit Committee Member of the Remuneration and Appointments Committee	27 May 2004	General Shareholders' Meeting to be held in 2018	Director of Partner Re (USA) Director of Girondins de Bordeaux (France) Offices no longer held: Chairman and CEO of Bayard d'Antin (France) Chairman of the Supervisory Board of Ediradio/RTL (France) Member of the Supervisory Board of M6 (France) Chairman and Director of Technicolor (France)
Jean-Marc Tassetto Coorpacademy – EPFL Innovation Park Bâtiment I 1015 – Lausanne Switzerland	French	Director Member of the Remuneration and Appointments Committee	5 Nov. 2014	General Shareholders' Meeting to be held in 2019	Chairman of the Board of Directors of Coorpacademy Director of Paper.li (Switzerland) Offices no longer held: Independent consultant to the Board of Directors of Fullsix (France)

*SoLocal Group subsidiary.

Changes in the composition of the Board of Directors

Following the Combined General Shareholders' Meeting of 19 June 2014, the composition of the Board of Directors was changed to take into account the new allocation of the share capital after completion of the capital increase approved by the General Meeting of 29 April 2014:

- the number of Directors was reduced from eleven to nine (Messrs Élie Cohen and Steven Mayer did not wish to have their terms of office as Director renewed at that General Meeting);
- the duration of Directors' terms of office was reduced from five years to four years, and that change was applied to the terms of office in progress.

Furthermore, in accordance with the commitment he made in June 2014 upon completion of the capital increase, on 5 November 2014, Mr Jean-Pierre Remy resigned his office as Chairman of the Board of Directors, but retained his positions as Chief Executive Officer and Director.

As a result, on 5 November 2014, the Board of Directors decided to separate the offices of Chairman of the Board of Directors and Chief Executive Officer, to appoint Robert de Metz as Chairman of the Board of Directors and to retain Jean-Pierre Remy as Chief Executive Officer.

The General Shareholders' Meeting of 11 June 2015 renewed for four years, the positions of Ms Cécile Moulard and Messrs Robert de Metz and Jean-Marc Tassetto as Directors.

APPOINTMENT OF MS MONICA MENGHINI AS DIRECTOR

The nomination of Ms. Monica Menghini will be put to the vote during the General Shareholders' Meeting called to rule on the 2015 accounts.

ELECTION OF THE DIRECTOR AND EMPLOYEE REPRESENTATIVE

Ms Abeille Deniau was elected Director and employee representative on 30 June 2015. In that capacity, she participated in several meetings of the Company's Board of Directors. Following an appeal filed by a trade union, by a judgment pronounced on 18 December 2015 the Regional Court of Boulogne Billancourt annulled the elections of 30 June 2015. Further elections were held for a director and employee representative. Mrs Joëlle Obadia was elected Director and employee representative on 7 April 2016.

Independent directors

The Board of Directors has six independent directors (75% of the Board of Directors): Ms Nathalie Balla, Ms Cécile Moulard, Ms Sandrine Dufour, Mr Robert de Metz, Mr Rémy Sautter and Mr Jean-Marc Tassetto.

The criteria used to determine whether or not a director is independent are those of the AFEP/MEDEF Corporate Governance Code.

With respect to the Chairman of the Board of Directors, Mr Robert de Metz, the Board considers that he is an independent director based on the AFEP/MEDEF Corporate Governance Code criteria, and the fact that Mr de Metz recently advised the Board in respect of the Company's financial restructuring transactions is not in contradiction with these criteria, since the cost of the shares in the Company that Mr de Metz purchased after his appointment far exceeded the compensation he received for these advisory services and paid to a company he was the main shareholder of.

There are no family relationships between the members of the administrative and management bodies.

Directors' biographies

Nathalie Balla has managed several companies and is a specialist in e-commerce and digital transformations. After beginning her career as the CEO of several subsidiaries of the Karstadt Quelle group, where she launched the Quelle e-commerce site, she was appointed CEO in 2009 of La Redoute, where she implemented a transformation plan that enabled it to return to growth a year later. In 2011, she was named "E-commerce Personality" of the year by E-commerce magazine. In December 2013, the Kering group decided to sell La Redoute to Nathalie Balla, who thus became the French retailer's chairwoman and CEO and to Éric Courteille, General Secretary at Redcats. Nathalie Balla graduated from the ESCP-EAP business school in Paris and holds a doctorate degree in economics and accounting.

Sandrine Dufour has been a member of the Steering Committee of Proximus in Brussels since January 2015 and its chief financial officer since April 2015. From May 2013 until the end of 2014, she was Executive Director of Finance and Strategy at Groupe SFR. Prior to that, Ms Dufour worked at Vivendi, successively as Special Assistant to the Chief Financial Officer, Chief Financial Officer of VU Net, Head of Internal Auditing and Special Projects at Vivendi in New York, Deputy Chief Financial Officer and Head of Innovation at Groupe Vivendi. Before joining Vivendi in 1999, Ms Dufour was a financial analyst for BNP and stockbroker for CAI Cheuvreux. She holds a degree from ESSEC Business School and is a member of SFAF (the French Society of Financial Analysts) and a chartered financial analyst (CFA).

Robert de Metz began his career at the *Inspection générale des Finances* (the French public-sector auditing body). He then moved to the private sector working for Banque Indosuez in 1983 in Hong-Kong and Paris and then at the end of 1987 for Demachy Worms & Cie. Joining Paribas in 1991, he held numerous positions there, in particular mergers-acquisitions, before being appointed member of the board, responsible from London for rates markets, foreign exchange and derivatives. Between 2002 and 2007, he was deputy managing director for the Vivendi group, in charge of mergers-acquisitions and strategy. As independent director of Dexia since July 2009, he has held the post of Chairman of the Board since August 2012. Robert de Metz graduated from the *Institut d'études politiques de Paris* and from the *École nationale d'administration*.

Cécile Moulard began her career in media (radio and television). In October 1995, she founded Carat Interactive, assuming the role of Chief Executive Officer and heading the company's international development. She then joined the Vivendi group as an advisor to the Chairman on Internet-related issues, served as Amazon.fr first CEO in charge of Strategy, Marketing and Development, before joining Meetic's management team to prepare its IPO. Today, Cécile Moulard shares her time between France and the United States. She is a founding partner of Smallbusinessact.com and sits on the boards of MilleMercis and AXA France. A Young Leader Fellow, an Einsenhower Fellow and a Remarque Fellow, Cécile Moulard graduated from IEP Paris with a DESS degree in Marketing and earned a certificate in Finance at UCLA.

Joëlle Obadia spent 10 years with the Thomson group, with 5 of these years at Thomson Brandt Armements where she looked after external public relations (press, public, events relations in France and overseas); in November 1991, she joined the Sales Department PagesJaunes, being responsible for sales force incentives, then for boosting sales by combining with leading sales, commercial challenges, information from the various sales channels and client events. In 2007, Joëlle Obadia joined the Sales Department management committee, becoming Manager of Sales Growth, and taking on management and guidance of all sales training. Today, she is PR Director and MICE within Operational Excellence.

Jean-Pierre Remy has been SoLocal Group's Chief Executive Officer since 25 May 2009 and was also its Chairman of the Board from 11 December 2012 until 5 November 2014. Born in 1964, he is a graduate of the *École centrale* in Paris and of the HEC business school, where he completed the doctoral programme. After many years of experience as a strategic consultant and partner at Bain & Company where he specialised in the digital economy, he founded Egencia in 2000, which became the global leader in online business travel. In April 2004, Mr Remy sold Egencia to Expedia and was put in charge of Expedia's European and then Global Business Travel units and also sat on Expedia Inc.'s Executive Committee.

Rémy Sautter began his career at Caisse des Dépôts et Consignations in 1971. In 1981, he joined the French Defence Ministry, where he was an advisor on financial and budgetary affairs until 1983, when he joined Agence Havas as its chief financial officer. In 1985 he was appointed Vice-Chairman and Chief Executive Officer at RTL, where he remained until 1996. Mr Sautter then joined CLT- UFA where he served as Chief Executive Officer until 2000 before being Chairman and Chief Executive Officer of RTL until 2002 and Chairman of RTL's Supervisory Board until 2015. Born in 1945, Mr Sautter holds a law degree and is a graduate of the *Institut d'etudes politiques* in Paris and the *École nationale d'administration*.

Jean-Marc Tassetto was chief marketing officer at a Danone group subsidiary before joining Groupe SFR where he served successively as CMO, deputy CEO, Head of Services and Products, and finally Head of Marketing and Consumer Business. In 2010, he was made CEO of Google France and in 2013 founded Coorpacadémy. Mr Tassetto graduated from ESCP and holds a DEA post-graduate degree in business management. He is an affiliate professor at HEC Paris.

14.2 Criminal offences and potential conflicts of interest

Over the past five years, no member of an administrative body, a management body or of senior management has been:

- convicted of fraud;
- directly involved in bankruptcy, receivership or liquidation proceedings;
- charged with a crime and/or sanctioned by a statutory or regulatory authority;
- involved in legal proceedings to prevent him or her from serving on an administrative, management or supervisory body of an issuer of securities or from participating in the management or administration of an issuer of securities business.

There is no potential conflict of interests between the duties of the members of administrative and management bodies and of senior management with regard to the Company and their private interests and/or other duties.

14.3 Management bodies

As of the date of this document, the Company's senior management is composed of the following members:

Name	Function
Jean-Pierre Remy	Chief Executive Officer
Christophe Pingard	Deputy Chief Executive Officer
Julien Ampollini	Assistant CEO in charge of Media
Virginie Cayatte	Chief Financial Officer in charge of Finance, Property and Purchasing
Pascal Garcia	General Secretary and Assistant CEO in charge of Strategy, Partnerships and External Relations
Julien Veyrier	Assistant General Secretary, Head of Human Resources and Institutional Relations
Nicolas Gauthier	Head of Business Solutions (Information System and Internet Ad Technologies – Adnet)

Jean-Pierre Remy has been SoLocal Group's Chief Executive Officer since 25 May 2009 and was also its Chairman of the Board from 11 December 2012 until 5 November 2014. Born in 1964, he is a graduate of the *École centrale* in Paris and of the HEC business school, where he completed the doctoral programme. After many years of experience as a strategic consultant and partner at Bain & Company where he specialised in the digital economy, he founded Egencia in 2000, which became the global leader in online business travel. In April 2004, Mr Remy sold Egencia to Expedia and was put in charge of Expedia's European and then Global Business Travel units and also sat on Expedia Inc.'s Executive Committee.

Christophe Pingard has been SoLocal Group's Deputy Chief Executive Officer since 21 November 2011. He is accountable for the revenues of all Group entities and heads the Advertisers Division's Sales, Marketing and Operations departments. Before joining SoLocal Group, he worked for Steelcase Strafor for 12 years before leaving the company to co-found Egencia, the leader in online business travel. There is served as CEO for France and then Senior Vice-President for Europe and Asia-Pacific. Born in 1964, Christophe Pingard holds an MBA and a DESS degree in Quality Management and Innovation.

Julien Ampollini is Assistant CEO and Head of the Media Division. Born in 1974, he is a graduate of the HEC business school. After beginning his career with the LVMH Group in New York, in 1998 Mr Ampollini joined the strategic consulting firm of Bain & Company in Paris. In 2000, he was a co-founder of Egencia, which became the European leader in online business travel and was acquired by Expedia. Two years later, he joined Boston Consulting Group, where he was made Manager. From 2007 to 2009, he was Head of Strategy at Canal+ Group and a member of its Management Committee. He joined SoLocal Group in 2009 as Head of Strategy and Communication and then oversaw the Major Accounts and Digital Marketing division until 2013.

Virginie Cayatte is Chief Financial Officer in charge of Finance, Property and Purchasing since 6 January 2015. Ms Cayatte, who is 44 years old, was awarded the *Légion d'Honneur* in 2014 and became a member of French Financial Analysts Society (SFAF) in 1997. She also holds degrees from the *École Polytechnique* (1993) and the *École des Mines* in Paris (1995). Before joining SoLocal Group, she was Chief Financial Officer at AXA IM, the asset management subsidiary of the AXA group since 2009. From 2002 to 2006, she oversaw the regulation of financial markets at the French Treasury Department *(Direction générale du Trésor et de la prévision économique)*. She began her career at the AXA group in the Finance department, where among other things she oversaw financing and cash management from 1997 to 2002.

Pascal Garcia is General Secretary and Assistant Chief Executive Officer in charge of Strategy, Partnerships and External Relations. He previously held various senior management posts within SoLocal Group, first at Telelistas, a 50% subsidiary in Brazil, from 1997 to 2001, then at Wanadoo Edition in 2002, before serving as CEO of Spanish subsidiary QDQ Media from 2003 to 2008. Until 1 January 2014 he was Assistant CEO in charge of Strategy, Partnerships and External Relations. He began his career in 1982 in the Financial department of Comex, and oilfield services company, and then joined Coflexip in Brazil, where he held various management posts in France and internationally before being appointed CEO of Coflexip Stena Offshore Brazil. Mr Garcia was born in 1958, is of French and Brazilian nationality, is a graduate of HEC business school and holds MBAs from *Fundação Getulio Vargas* (São Paulo, Brazil) and ESADE (Barcelona, Spain).

Julien Veyrier is Assistant General Secretary, Head of Human Resources and Institutional Relations. A graduate of the *École normale supérieure* (Paris) and Sciences-Po Paris, he also holds a DEA degree in Economic Geography from the Paris-I University. Mr Veyrier began his career as Assistant Head of Research at UMP, a political party. In 2007, he joined the National Education Ministry as an advisor and then became personal advisor to Xavier Darcos, the Minister of Labour, Industrial Relations, the Family, Solidarity and the City. In 2010, he was appointed Assistant to the Principal Secretary of the Minister of Industry, then Assistant to the Principal Secretary to the Minister of Apprenticeship and Vocational Training. Since 2011, he is the director of Centre Inffo, the Centre for Information on Continuing Education.

Nicolas Gauthier, a graduate of ESIGETEL, began his career at Bossard Consultants, then joined Accenture, where for eight years he specialised in the Telecoms, Media and Internet sectors. In 2006, he joined Capgemini Consulting where, as Vice-President he headed the TechnoStrategy business unit. In 2010, he joined SoLocal Group where he is currently head of Business Solutions.

15 COMPENSATION AND BENEFITS

15.1 Overall compensation and benefits in kind

All gross compensation, excluding employer charges and benefits in kind individually owed and paid by the Company to the corporate officers during the year ended 31 December 2015 within SoLocal Group is summarised in the tables below:

SUMMARY TABLE OF COMPENSATION AND OPTIONS AND SHARES AWARDED TO EACH EXECUTIVE CORPORATE OFFICER

	2015 financial year	2014 financial year
Robert de Metz, Chairman of the Board of Directors (1)		
Compensation owed for the year (detailed in the table below)	90,000	5,133 (2)
Valuation of the options awarded during the year	—	—
Valuation of the performance shares awarded during the year	—	—
Jean-Pierre Remy, Chief Executive Officer		
Compensation owed for the year (detailed in the table below)	1,049,233	1,067,620
Valuation of the options awarded during the year	—	—
Valuation of the performance shares awarded during the year (3)	—	(4)
Christophe Pingard, Deputy Chief Executive Officer		
Compensation owed for the year (detailed in the table below)	588,785	554,875
Valuation of the options awarded during the year	—	—
Valuation of the performance shares awarded during the year (3)	—	(5)
TOTAL	**1,728,018**	**1,627,628**

(1) Robert de Metz was appointed as Chairman of the Board of Directors on 5 November 2014.

(2) This amount does not include the fees received by a company whose main shareholder is Robert de Metz for consulting services, he provided between September 2013 and May 2014 as part of the financial restructuring of the Company. The total of the fees paid to the company whose main shareholder is Robert de Metz for these services amounted to 433,000 euros excluding taxes.

(3) See presentation of the method for valuing performance shares in Note 25 to the consolidated financial statements.

(4) The shareholders of SoLocal Group, at the Extraordinary General Shareholders' Meeting on 29 April 2014, authorised the Board of Directors to introduce a performance share plan, which resulted, on 19 June 2014, in the allocation for the benefit of Jean-Pierre Remy of (i) 140,000 performance shares (after reverse stock split) for the three years 2014/2016, conditional on revenue growth being greater than 0% (vesting will be carried out by third parties in 2016, 2017 and 2018) and (ii) 150,000 performance shares (after reverse stock split) conditional on sales growth being above 3% (CAGR) (vesting will take place in four years' time: in 2018).

(5) The shareholders of SoLocal Group, at the Extraordinary General Shareholders' Meeting on 29 April 2014, authorised the Board of Directors to introduce a performance share plan, which resulted, on 19 June 2014, in the allocation for the benefit of Christophe Pingard of (i) 70,000 performance shares (after reverse stock split) for the three years 2014/2016, conditional on revenue growth being greater than 0% (vesting will be carried out by third parties in 2016, 2017 and 2018) and (ii) 58,333 performance shares (after reverse stock split) conditional on sales growth being above 3% (CAGR) (vesting will take place in four years' time: in 2018).

SUMMARY TABLE OF THE COMPENSATION OF EACH EXECUTIVE CORPORATE OFFICER

	2015 financial year		2014 financial year	
	Amounts owed	Amounts paid	Amounts owed	Amounts paid
Robert de Metz, Chairman of the Board of Directors[1]				
Fixed compensation	—	—	—	—
Variable compensation	—	—	—	—
Exceptional compensation	—	—	—	—
Director's fees	90,000[3]	95,133	5,133	0
Benefits in kind	—	—	—	—
TOTAL	**90,000**	**95,133**	**5,133[4]**	**0**
Jean-Pierre Remy, Chief Executive Officer				
Fixed compensation	520,000	520,000	520,000	520,000
Variable compensation	468,000	494,000	494,000	390,000
Exceptional compensation	—	—	—	—
Director's fees	41,000	10,265	33,531	33,185
Benefits in kind[2]	20,233	20,233	20,089	20,089
TOTAL	**1,049,233**	**1,044,498**	**1,067,620**	**963,274**
Christophe Pingard, Deputy Chief Executive Officer				
Fixed compensation	370,000	370,000	370,000	370,000
Variable compensation	200,000	166,500	166,500	185,000
Exceptional compensation	—	—	—	—
Director's fees	—	—	—	—
Benefits in kind[2]	18,785	18,785	18,375	18,375
TOTAL	**588,785**	**555,285**	**554,875**	**573,373**

(1) Robert de Metz was appointed as Chairman of the Board of Directors on 5 November 2014.

(2) Availability of a Company car and payment of unemployment insurance.

(3) According to the rules on the distribution of directors' fees decided by the Board of Directors and in force in 2015, Robert de Metz received a fixed total of €90,000 for his participation on the Board of Directors.

(4) This amount does not include the fees received by a company whose main shareholder is Robert de Metz for consulting services, he provided between September 2013 and May 2014 as part of the financial restructuring of the Company. The total of the fees paid to the company whose main shareholder is Robert de Metz for these services amounted to 433,000 euros excluding taxes.

TABLE OF DIRECTORS' FEES AND OTHER COMPENSATION RECEIVED BY NON-EXECUTIVE OFFICERS

Non-executive officers	Amount owed in 2015	Amounts paid in 2015 (*)	Amount owed in 2014	Amounts paid in 2014 (*)
Nathalie Balla (1)				
Director's fees	59,000	69,266	10,266	—
Other compensation	—	—	—	—
Thierry Bourguignon (2)				
Director's fees	20,000	20,531	41,212	20,681
Other compensation	134,458	134,458	128,369	128,369
François de Carbonnel (3)				
Director's fees	8,000	8,000	58,644	58,644
Other compensation	—	—	—	—
Élie Cohen (4)				
Director's fees	—	—	23,266	23,266
Other compensation	—	—	—	—
Abeille Deniau (5)				
Director's fees	16,000	–	—	—
Other compensation	64,793	64,793	—	—
Sandrine Dufour				
Director's fees	63,000	12,832	36,098	23,266
Other compensation	—	—	—	—
Steven Mayer (6)				
Director's fees	—	—	7,755	7,755
Other compensation	—	—	—	—
Médiannuaire Holding (7)				
Director's fees	—	—	36,135	36,135
Other compensation	—	—	—	—
Lee Millstein (8)				
Director's fees	—	—	20,681	20,681
Other compensation	—	—	—	—
Cécile Moulard				
Director's fees	51,000	51,000	51,552	51,552
Other compensation	—	—	—	—
Rémy Sautter				
Director's fees	72,000	18,606	47,689	29,082
Other compensation	—	—	—	—
Marc Simoncini (9)				
Director's fees	—	—	10,340	10,340
Other compensation	—	—	—	—
Jean-Marc Tassetto (10)				
Director's fees	48,000	48,000	7,699	7,699
Other compensation	—	—	—	—
TOTAL	**536,251**	**427,486**	**479,706**	**417,470**

(*) For 2015, the amounts indicated do not include the 30% withholding for foreign tax residents and 21% withholding for French tax residents. For 2014, the amounts indicated do not include the 30% withholding for foreign tax residents and 21% withholding for French tax residents.

(1) Nathalie Balla was appointed by the Board of Directors at its meeting on 29 July 2014. This appointment was ratified by the General Shareholders' Meeting on 11 June 2015.

(2) The term of office of Thierry Bourguignon, Director and employee representative, expired on 20 July 2015.

(3) François de Carbonnel resigned at the Board meeting on 27 April 2015.

(4) Élie Cohen resigned at the Board of Directors meeting of 19 June 2014.

(5) Abeille Deniau was elected Director and employee representative on 30 June 2015. In that capacity, she participated in several meetings of the Company's Board of Directors. Following an appeal filed by a trade union, by judgment pronounced on 18 December 2015 the Regional Court of Boulogne Billancourt annulled the elections of 30 June 2015. Further elections were organised. Ms Joëlle Obadia was elected Director and employee representative on 7 April 2016.

(6) Steven Mayer resigned at the Board of Directors meeting of 19 June 2014.

(7) The Board of Directors, at its meeting on 5 November 2014, noted the resignation of Médiannuaire Holding.

(8) Lee Millstein resigned from his position as director at the Board of Directors meeting of 29 July 2014.

(9) Marc Simoncini resigned at the Board of Directors meeting of 5 November 2014.

(10) Jean-Marc Tassetto was appointed by the Board of Directors at its meeting of 5 November 2014. This appointment was ratified by the General Shareholders' Meeting of 11 June 2015.

Directors are paid the following fees for their attendance:

- 4,000 euros per Board of Directors meeting;
- 4,000 euros per Committee meeting;
- a fixed fee of 90,000 euros to the Chairman of the Board of Directors;
- a fixed fee of 10,000 euros to the Chairman of the Audit Committee.

The information on the share options awarded or exercised by the corporate officers of the Company is provided in section 17.1.

In 2015, the Chief Executive Officer was eligible for a variable portion of 100% of the annual fixed portion, with objectives achieved, ranging from 0% to 200%, and structured as follows:

- 50% calculated on common target to the Executive Committee, varying from 0 to 200%, based on criteria mainly linked to sales growth, EBITDA, IT transformation and HR;
- 50% calculated on specific qualitative targets based on SoLocal Group's transformation, varying from 0 to 200%.

In financial year 2015, the variable portion of the Chief Executive Officer's remuneration totalled 120% of the target: 60% for the quantitative component (against the target of 50% of objectives achieved) and 60% for the quantitative component (against the target of 50% of objectives achieved and 120% of the annual fixed portion. However, with regard to the Company share price recorded over the financial year, the Board of Directors decided, on a joint proposal from the Remuneration Committee and Jean-Pierre Remy, to limit to 90% the variable portion paid in respect of 2015.

Consequently, the Board of Directors fixed Jean-Pierre Remy's bonus for the year 2015 at 468,000 euros, i.e. a 2015 bonus equal to 90% of the target (45% for the quantitative component (against the target of 50% of objectives achieved) and 45% for the qualitative component (against the target of 50% of objectives achieved) and 90% of the annual fixed portion.

As a reminder, the variable portion for the Chief Executive Officer amounted to 494,000 euros, i.e. 95% of the target objective, for the financial year 2014, and 390,000 euros, i.e. 75% of the target objective, for the financial year 2013.

For 2016, the Chief Executive Officer is eligible for a variable portion of 100% of the annual fixed remuneration, with objectives met, varying from 0 to 200%, based on:

- For 80%, an objective common to the entire Executive Committee and Group Officers varying from 0 to 200%, based on criteria mainly connected with the growth in Internet business, EBITDA, simplification and customer satisfaction;
- For 20%, on a particular objective varying from 0 to 200%, based on criteria connected with the Group's refinancing and communications.

In addition, since the Company has set up specific supplementary pension schemes (see chapter 17.2), the Board of Directors decided to offer the Chief Executive Officer the defined-contribution supplementary retirement plan (Article 83 of the French General Tax Code) established for Group executives.

The employer's share of old age pension destined to Jean-Pierre Remy in accordance with Article 83 of the French Tax Code amounts to 8,787 euros for 2015.

In 2015, the Deputy Managing Director was eligible for a variable worth 60% of the annual fixed compensation, targets met, varying from 0% to 120%. Here is the breakdown:

- 50% calculated on common target to the Executive Committee, varying from 0 to 200%, based on criteria mainly linked to sales growth, EBITDA, IT transformation and HR;
- 50% calculated on specific qualitative targets based on SoLocal Group's transformation, varying from 0 to 200%

In financial year 2015, the variable portion of the Deputy Chief Executive Officer's remuneration totalled 120% of the target: 60% for the quantitative component (against the target of 50% of objectives achieved) and 72% of the annual fixed portion. However, with regard to the Company share price recorded over the financial year, the Board of Directors decided, on a joint proposal from the Remuneration Committee and Christophe Pingard, to limit to 90% the variable portion paid in respect of 2015.

Consequently, the Board of Directors fixed Christophe Pingard's bonus for the year 2015 at 200,000 euros, i.e. a 2015 bonus equal to 90% of the target (45% for the quantitative component (against the target of 50% of objectives achieved) and 45% for the qualitative component (against the target of 50% of objectives achieved)) and 54% of the annual fixed portion.

As a reminder, the variable portion for the Deputy Chief Executive Office amounted to 166,500 euros for the financial year 2014 and 185,000 euros for 2013.

For 2016, the Deputy Chief Executive Officer is eligible for a variable portion of 60% of the annual fixed remuneration, with objectives met, varying from 0 to 200%, based on:

- For 80%, an objective common to the entire Executive Committee and Group Officers varying from 0 to 200%, based on criteria mainly connected with the growth in Internet business, EBITDA, simplification and customer satisfaction;
- For 20%, on a particular objective varying from 0 to 200%, based on criteria connected with the development of new activities and the enrichment of content held by the Group.

Moreover, SoLocal has put in place additional specific pension schemes (see section 17.2), the Board of Directors decided to have the Deputy Managing Director benefit from the additional pension defined contribution scheme (Article 83 of the French General Tax Code), established by the executives of the Group.

The employer's share of old age contribution scheme in respect of Article 83, for Christophe Pingard amounted to 8,787 euros in 2014.

The Company has not put in place any additional specific pension scheme for its corporate officers.

Commitments made to corporate executive officers

Robert de Metz does not benefit from any deferred compensation commitment by the Company.

As Jean-Pierre Remy has no employment contract, the Board of Directors approved a severance package in the event he was forced to leave the Company because of a change in control or strategy or its implementation, the amount of which would be equal to his flat gross annual compensation (fixed and variable with objectives achieved), on condition that Jean-Pierre Remy has achieved at least 80% of his annual targets for the last three years.

The severance package would be paid only after the Board of Directors of the Company verified the achievement of the applicable performance condition.

A non-competition obligation is stipulated in the event of termination of Jean-Pierre Remy's appointment as Chief Executive Officer for any reason and in any form. This competition prohibition would be limited to a period of 24 months beginning on the effective termination date, and would cover all of the French territory. The corresponding package would be equal to 12 months of compensation calculated on the basis of the monthly average of total gross compensation for the 12 months of employment preceding the termination date. It would be paid to Jean-Pierre Remy in instalments of one-fourth of the total package at the end of every six-month period. The Company will have the option to release Jean-Pierre Remy from this non-competition clause by informing him of its decision no later than 15 calendar days after the Board meeting that noted or decided to terminate Jean-Pierre Remy's position as Chief Executive Officer of the Company.

The cumulative total of these two packages, severance and non-competition, may not exceed two years' compensation, fixed and variable.

Christophe Pingard was appointed Deputy Chief Executive Officer by the Board of Directors on 26 October 2011. At that time, the Company made the following commitments to him.

As Christophe Pingard has no employment contract, the Board of Directors approved a severance package in the event he was forced to leave the Company because of a change in control or strategy or its implementation (regardless of the form of departure: dismissal, non-renewal or resignation) on condition that the following performance target has been met: the average increase in turnover over the previous three years, shown in the consolidated financial statements approved by the Board of Directors before the date of departure of Christophe Pingard, will be equal to, or greater than, the average increase in turnover set out in budgets for the same period.

The severance package will be paid only after the Board of Directors verifies the achievement of the performance condition.

This package will be equal to 12 months of compensation calculated on the basis of the monthly average of his total gross compensation over the last twelve months of activity preceding the termination date.

A non-competition obligation will be established in the event that Christophe Pingard's appointment as Deputy Chief Executive Officer is terminated for any reason and in any form. This competition prohibition will be limited to a period of 24 months beginning on the effective termination date, and would cover all of the French territory. The corresponding package will be equal, on the basis of a 24-month non-competition period, to 12 months of compensation calculated on the basis of the monthly average of the total gross compensation for the 12 months of employment preceding the termination date. It will be paid to Christophe Pingard in four instalments at the end of each six-month period.

At the time of termination, the Company may waive the benefit of the non-competition commitment (in which case it will not be required to pay the corresponding severance package).

The cumulative total of these two packages, severance and non-competition, may not exceed two years' compensation, fixed and variable.

Corporate executive officers	Employment contract		Supplementary Pension Scheme		Indemnities or benefits due or which could be due because of termination or a change in position		Indemnities tied to a non-competition clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Robert de Metz Chairman of the Board of Directors		X		X		X		X
Jean-Pierre Remy Chief Executive Officer		X	Defined contribution supplementary pension scheme (Article 83 of the General Tax Code)		X		X	
Christophe Pingard Deputy Chief Executive Officer		X	Defined contribution supplementary pension scheme (Article 83 of the General Tax Code)		X		X	

15.2 Sums provisioned or recognised elsewhere for payment of pensions, retirement or other benefits

On the date of this Reference Document, the sums provisioned or recognised elsewhere for the payment of pensions, retirement or other benefits were as follows:

- for Jean-Pierre Remy: 0 euro;
- for Christophe Pingard: 0 euro;
- for Thierry Bourguignon: 40,242 euros as provision for the retirement scheme and 3,493 euros as provision for the seniority plan ;
- for Abeille Deniau: 61,674 euros as provision for the retirement scheme and 5,999 euros as provision for the seniority plan..

15.3 Components of compensation submitted for shareholder approval

Pursuant to the AFEP/MEDEF Corporate Governance Code, which the Company follows, the shareholders will be asked at the Annual General Shareholders' Meeting to approve the elements of the compensation owed or awarded to Jean-Pierre Remy and Christophe Pingard for 2015.

ROBERT DE METZ, CHAIRMAN OF THE BOARD OF DIRECTORS

Elements of the compensation owed or awarded for the year ended		
	Amounts or valuation submitted for vote	Description
Fixed portion	N/A	No fixed compensation
Amount of the annual variable portion	N/A	No variable compensation
Valuation of the deferred variable portion	N/A	The principle of awarding deferred variable compensation is not applied
Valuation of the multi-year variable compensation	N/A	There is no multi-year variable compensation mechanism
Amount of exceptional compensation	N/A	No exceptional compensation
Valuation of share options and performance shares or any other item of long-term compensation	N/A	No award
Director's fees	€90,000	€90,000 as a flat-rate amount for his term as Chairman of the Board of Directors
Valuation of benefits of any kind	N/A	
Compensation elements due or awarded for the year ended which have been approved or will be submitted for approval by the General Shareholders' Meeting under the procedure for related-party agreements and commitments		
Amount due for termination of position:		
• Severance package	N/A	N/A
• Non-competition indemnity	N/A	N/A
Amount due for supplementary pension scheme	N/A	N/A

JEAN-PIERRE REMY, CHIEF EXECUTIVE OFFICER

Elements of the compensation owed or awarded for the year ended		
	Amounts or valuation submitted for vote	Description
Fixed portion	€520,000	€520,000 in 2014
Amount of the annual variable portion	€468,000	Jean-Pierre Remy was eligible for a variable portion of 100% of the annual fixed portion with objectives reached, ranging from 0% to 200%, based on: (i) 50% on an objective common to the whole Executive Committee, varying from 0% to 200% and based on criteria primarily related to growth in sale, EBITDA, transformation of information systems and human resources; and (ii) 50% on specific qualitative objectives related to the transformation of SoLocal Group, varying from 0% to 200%. In financial year 2015, the Board of Directors noted that the annual performance of Jean-Pierre Remy, in the light of his quantitative and qualitative targets, totalled 120% (60% (compared to 50% of objectives achieved) on the quantitative part and 60% (compared to 50% of objectives achieved) on the qualitative part). However, in the light of changes in the share price recorded over the financial year, the Board of Directors decided, on a joint proposal from the Remuneration Committee and Mr Remy, to limit to 90% the amount of the variable portion paid in respect of 2015. Consequently, the Board of Directors fixed Jean-Pierre Remy's bonus for the year 2015 at 468,000 euros, i.e. a 2015 bonus equal to 90% of the target (45% for the quantitative component (against the target of 50% of objectives achieved) and 45% for the qualitative component (against the target of 50% of objectives achieved) and 90% of the annual fixed portion.
Valuation of the deferred variable portion	N/A	The principle of awarding deferred variable compensation is not applied.
Valuation of the multi-year variable compensation	N/A	There is no multi-year variable compensation mechanism.
Amount of exceptional compensation	N/A	No exceptional compensation
Valuation of share options and performance shares or any other item of long-term compensation	N/A	No allotment during the financial year 2015
Director's fees	€41,000	€4,000 per Board meeting
Valuation of benefits of any kind	€20,233	Company vehicle and payment of unemployment insurance contributions

Compensation elements due or awarded for the year ended which have been approved or will be submitted for approval by the General Shareholders' Meeting under the procedure for related-party agreements and commitments		
Amount due for termination of position: • Severance package	No amount due for the year ended	As Jean-Pierre Remy has no employment contract, the Board of Directors approved a severance package in the event he was forced to leave the Company because of a change in control or strategy or its implementation, the amount of which would be equal to his flat gross annual compensation (fixed and variable with objectives achieved), on condition that Jean-Pierre Remy has achieved at least 80% of his annual targets for the last three years. The severance package would be paid only after the Board of Directors of the Company verified the achievement of the applicable performance condition.
• Non-competition indemnity	No amount due for the year ended	A non-competition obligation is stipulated in the event of termination of Jean-Pierre Remy's appointment as Chief Executive Officer for any reason and in any form. This competition prohibition would be limited to a period of 24 months beginning on the effective termination date, and would cover all of the French territory. The corresponding package would be equal to 12 months of compensation calculated on the basis of the monthly average of total gross compensation for the 12 months of employment preceding the termination date. It would be paid to Jean-Pierre Remy in instalments of one fourth of the total package at the end of every six-month period. The Company will have the option to release Jean-Pierre Remy from this non-competition clause by informing him of its decision no later than 15 calendar days after the Board meeting that noted or decided to terminate Jean-Pierre Remy's position as Chief Executive Officer of the Company. The cumulative total of these two packages, severance and non-competition, may not exceed two years' compensation, fixed and variable. These commitments were previously approved by the Board of Directors at its meetings of 17 May 2009 and 10 March 2014 and by the General Shareholders' Meetings of 10 June 2010 and 19 June 2014.
Amount due for supplementary pension scheme	No amount due for the year ended	Defined contribution supplementary pension scheme (Article 83 of the General Tax Code), resulting in a contribution of 5.50% applied to tranches B and C of the compensation. 40% of this contribution is paid by Jean-Pierre Remy, i.e. 2.20%, and 60% by the Company, which equals 3.30%. These commitments were previously approved by the Board of Directors at its meetings of 17 May 2009 and 10 March 2014 and by the General Shareholders' Meetings of 10 June 2010 and 19 June 2014.

CHRISTOPHE PINGARD, DEPUTY CHIEF EXECUTIVE OFFICER

Elements of the compensation owed or awarded for the year ended		
	Amounts or valuation submitted for vote	Description
Fixed portion	€370,000	€370,000 in 2014
Amount of the annual variable portion	€200,000	Christophe Pingard is eligible for a variable portion of 60% of the annual fixed portion with objectives achieved ranging from 0% to 120%, based on (i) 50% on an objective common to the whole of the Executive Committee ranging from 0% to 200% based on criteria related primarily to growth, EBITDA, transformation of information systems and human resources and for 50% for specific qualitative targets related to the transformation of SoLocal Group, varying from 0 to 200%. In respect of the 2015 financial year, the Board of Directors has noted that the annual performance of Christophe Pingard in the light of his quantitative and qualitative targets totalled 120% (60% (compared to 50% of objectives achieved) on the quantitative part and 60% (compared to 50% of objectives achieved) on the qualitative part). However, in the light of changes in the share price recorded over the financial year, the Board of Directors decided, on a joint proposal from the Remuneration Committee and Mr Pingard, to limit to 90% the amount of the variable portion paid in respect of 2015. Consequently, the Board of Directors fixed Christophe Pingard's bonus for the year 2015 at 200,000 euros, i.e. a 2015 bonus equal to 90% of the target (45% for the quantitative component (against the target of 50% of objectives achieved) and 45% for the qualitative component (against the target of 50% of objectives achieved) and 54% of the annual fixed portion.
Valuation of the deferred variable portion	N/A	The principle of awarding deferred variable compensation is not applied.
Valuation of the multi-year variable compensation	N/A	There is no multi-year variable compensation mechanism.
Amount of exceptional compensation	N/A	No exceptional compensation
Valuation of share options and performance shares or any other item of long-term compensation	N/A	No allotment during the financial year 2015
Director's fees	N/A	Christophe Pingard is not a member of the Board of the Company and does not receive director's fees.
Valuation of benefits of any kind	€18,785	Company vehicle and payment of unemployment insurance contributions.

Compensation elements due or awarded for the year ended which have been approved or will be submitted for approval by the General Shareholders' Meeting under the procedure for related-party agreements and commitments		
Amount due for termination of position: ⬢ Severance package	No amount due for the year ended	As Christophe Pingard has no employment contract, the Board of Directors approved a severance package in the event he was forced to leave the Company because of a change in control or strategy or its implementation (regardless of the form of departure: dismissal, non-renewal or resignation) on the condition that the following performance target has been met: the average increase in turnover over the previous three years, shown in the consolidated financial statements approved by the Board of Directors before the date of departure of Christophe Pingard, will be equal to, or greater than, the average increase in turnover set out in budgets for the same period. The severance package will be paid only after the Board of Directors verifies the achievement 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.
⬢ Non-competition indemnity		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 would be limited to a period of 24 months beginning on the effective termination date, and would cover all of the 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. It will be paid to Christophe Pingard in four instalments at the end of each six-month period. At the time of termination, the Company may waive the benefit of the non-competition commitment (in which case it will not be required to pay the corresponding severance package). These commitments were previously approved by the Board of Directors at its meeting of 26 October 2011 and 29 April 2014 and by the General Shareholders' Meeting of 6 June 2012 and 19 June 2014.
Amount due for supplementary pension scheme	No amount due for the year ended	Defined contribution supplementary pension scheme (Article 83 of the General Tax Code), resulting in a contribution of 5.50% applied to tranches B and C of the compensation. 40% of this contribution is paid by Christophe Pingard, i.e. 2.20%, and 60% by the Company, which equals 3.30%. This commitment was previously approved by the Board of Directors at its meeting of 26 October 2011 and 29 April 2014 and by the General Shareholders' Meeting of 6 June 2012 and 19 June 2014.

16 FUNCTIONING OF THE ADMINISTRATION AND MANAGEMENT BODIES

The Company is managed by a Board of Directors that decides business strategy and oversees its execution by senior management. Without prejudice to the powers expressly reserved by law for General Shareholders' Meetings and within the limits of the corporate purpose, the Board may address any concern that may have an impact on the Company's business and decide any matters within its remit. It also expresses its opinion on all major decisions in relation to the Company's strategy, business development, human resources, finances and technology.

16.1 Compliance with French corporate governance standards

SoLocal Group observes the corporate governance principles for listed companies set forth in the consolidated version of December 2008 of the AFEP-MEDEF Corporate Governance Code, and in particular those principles that deal with:

- the responsibility and integrity of senior managers and directors;
- the Board of Directors' independence;
- the transparency and disclosure of information;
- respect for shareholder rights.

The Company is committed to implementing the recommendations in this report, notably through the Board of Directors' adoption of Bylaws, which set forth guidelines for the Board's operation and procedures (see section 21.2.1).

Pursuant to Article L. 225-37 of the French Commercial Code, in a report appended to the Board's management report, the Chairman must describe how the Board has prepared and organised its work and indicate the Company's internal control procedures. This report is appended to this Reference Document.

At its meeting on 18 December 2008, the Board noted the AFEP-MEDEF recommendations of 6 October 2008 on the compensation of corporate officers at listed companies.

The Board considers that the Company's corporate governance system observes these recommendations.

Accordingly, pursuant to the Act of 3 July 2008, the AFEP-MEDEF Corporate Governance Code as amended will serve as the framework for the Company's drafting of the report stipulated in Article L. 225-37 of the French Commercial Code.

The Board of Directors has identified no difference between SoLocal Group's practices and the recommendations of the AFEP-MEDEF Corporate Governance Code.

16.2 Service agreements

Prior to his appointment as a director and Chairman of the Board, Mr Robert de Metz was an advisor to the Board in respect of the Company financial restructuring transactions, these advisory services ending in May 2014. With this exception, no member of the Board of Directors and no Chief Executive Officer has a service agreement with the Company or with one of its subsidiaries that provides for benefits upon contract termination.

16.3 Report of the Chairman of the Board of Directors and Auditor's Report on the Chairman's Report

16.3.1 Report of the Chairman of the Board of Directors

ARTICLE L.225-37 OF THE FRENCH COMMERCIAL CODE (For the year ended 31 December 2015)

Pursuant to Article L. 225-37 of the French Commercial Code, in this report the Chairman of your Board of Directors will report on the following:

- the Board's composition, how the Board prepares and organises its work, and the Company's internal control and risk management procedures;
- the limitations the Board of Directors has placed on the Chief Executive Officer's powers;
- compliance with the recommendations of the AFEP-MEDEF Corporate Governance Code, which SoLocal Group observes;
- shareholder participation in General Shareholders' Meetings and the Board of Directors' principles and rules for determining the compensation and benefits awarded to corporate officers.

Pursuant to Article L. 225-37 of the French Commercial Code, this Chairman of the Board's report includes a description of the Group's internal control and risk management procedures and standards and of the associated responsibilities within the Group.

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This report was approved by the Board of Directors at its meeting of 10 February 2016.

1. CORPORATE GOVERNANCE

Corporate Governance Code

SoLocal Group observes the AFEP-MEDEF Corporate Governance Code, available on the www.medef.fr website, and complies with all of the operating rules recommended in this code.

1.1 Members of the board of directors

On 5 November 2014, the Board of Directors decided to separate the offices of CEO and Chairman.

The Board of Directors then appointed Mr Robert de Metz as Chairman and Mr Jean-Pierre Remy as the Company's CEO.

At the date of this report, the Board's members are:

- Nathalie Balla;
- Sandrine Dufour;
- Robert de Metz;
- Cécile Moulard;
- Jean-Pierre Remy;
- Rémy Sautter;
- Jean-Marc Tassetto.

The Board of Directors has six members who are independent, in accordance with the criteria of the AFEP-MEDEF Corporate Governance Code: Ms Nathalie Balla, Ms Sandrine Dufour and Ms Cécile Moulard, Mr Robert de Metz, Mr Rémy Sautter and Mr Jean-Marc Tassetto.

SoLocal Group selects directors on the basis of the criteria recommended by the Remuneration and Appointments Committee. The main criteria are their availability and their experience and expertise in the Group's businesses activities and the specific challenges of its markets. These criteria are the same as those recommended in the AFEP-MEDEF Corporate Governance Code. The Remuneration and Appointments Committee pays particular attention to ensuring that the expertise of Board of Directors members is complementary, that there is an appropriate balance on the Board and that its members have the requisite experience.

There are no family relationships between the members of the administrative and management bodies.

Additional information on the Board's composition is provided in section VI of the Management Report.

1.2 The preparation and organisation of the board's work

1.2.1 Bylaws

At its meeting of 23 September 2004, the Board drew up bylaws based on those recommended in the AFEP-MEDEF Corporate Governance Code. These bylaws lay down the basic principles that govern the Board's operations and the rights and duties of directors.

The main provisions of the Board of Directors' bylaws are described in section 21.2.1 of the Reference Document.

1.2.2 Board meetings

The Board of Directors gives its opinion on all major decisions in relation to the Company's strategy, business development, human resources, finances and technology and sees to it that senior management implements these decisions.

The Board met eight times in 2015. On average 96% of Directors attended each Board of Directors meeting during the financial year. The average meeting was three and a half hours long.

The Board of Directors' work mainly involved:

- reviewing financial accounts and results – the Board reviewed and approved Company and consolidated annual and semi-annual accounts and management reports. It examined quarterly revenue and key income figures and the associated financial communication. It prepared the reports and resolutions for General Shareholders' Meetings;
- reviewing business performance – at each Board meeting, senior management reported on business conditions and results, which enabled directors to keep close track of the Group's business activity "in real time";
- reviewing strategy – business unit managers regularly gave presentations of a specific Group business to the Board. The Board examined the strategic plan, discussed it at length and approved it;
- approving strategic transactions – the Board discussed current and planned acquisitions and disposals;
- corporate governance – pursuant to Article L. 225-37 of the French Commercial Code, the Board approved the Chairman's report on the preparation and organisation of the Board's work and on internal control and risk management procedures.

1.2.3 Board of Directors committees

At its meeting of 23 September 2004, the Board of Directors formed two committees within the Company, the Audit Committee and the Remuneration and Appointments Committee.

1.2.3.1 Audit Committee

The Audit Committee must have at least two members, which are appointed by the Board of Directors on the Chairman's recommendation. Pursuant to its charter, the Audit Committee designates its own Chairman.

As of the date of this document, the Audit Committee was composed of the following members:

- Ms Sandrine Dufour, Chairman;
- Ms Nathalie Balla;
- Mr Rémy Sautter.

Therefore, all of its members are independent Directors.

The Audit Committee monitors all matters that have to do with the preparation and auditing of accounting and financial information. Without prejudice to the powers of the administrative, management and supervisory bodies, it is responsible for the following, in particular:

- monitoring the preparation of financial information, specifically:
  - reviewing Company and consolidated draft annual and semi-annual financial statements and draft management reports and sales and earnings tables,
  - reviewing financial communication documents,
  - ensuring that Company and consolidated financial statements comply with the accounting standards adopted,
  - reviewing the accounting treatment of specific transactions and the corresponding disclosures,
  - checking the quality and relevance of the information communicated to shareholders;
- monitoring the effectiveness of internal control and risk management systems, in particular:
  - checking that internal data collection and control procedures are complied with,
  - reviewing the annual audit programmes proposed by the statutory and internal auditors, examining the internal auditing reports for the past year and preparing the audit engagement programme for the current year,
  - each year, assessing the Group's exposure to risks and in particular to financial and litigation risks, significant off-balance sheet commitments and the effectiveness of the internal control system;
- the statutory audit of the annual Company, and if applicable consolidated, accounts;
- monitoring the independence of the Statutory Auditors;
- giving its opinion on the Statutory Auditors proposed for appointment at the General Shareholders' Meeting;
- reporting regularly on its work to the Board of Directors and informing it immediately of any difficulty encountered.

These duties do not limit the powers of the Board of Directors, which cannot rely on the duties or opinions of these committees to reduce its responsibility.

The Audit Committee shall meet as often as it deems useful and shall address any matter that falls within its remit. It may ask the Company to provide it with any document or information it needs to carry out its duties and conduct any internal or external audit on any matter, it believes is pertinent to these duties. When reviewing annual and semi-annual draft financial statements, the committee may question the Statutory Auditors in the absence of the Company's senior executives. The Audit Committee must be notified of any accounting or auditing irregularity.

The Audit Committee met six times in 2015. All Audit Committee's members attended the committee's meetings during the year. It regularly met with the Company's senior executives, senior Finance Department managers, the head of Auditing, Risks and Internal Control and the Statutory Auditors, to discuss their work programmes and follow-up actions.

The Audit Committee looked at the following in 2015 in particular:

- the annual Company and consolidated financial statements for 2014;
- quarterly condensed consolidated accounts for 2015;
- 2015 Internal Audit programme, findings of the year's audit engagements and implementation of recommendations;
- risk management and major risk mapping.

1.2.3.2 Remuneration and Appointments Committee

This committee is comprised of at least three members who are appointed by the Board of Directors on the Chairman's proposal. The committee designates its own Chairman.

As of the date of this report the Remuneration and Appointments Committee was composed of the following members:

- Mr Robert de Metz, Chairman;
- Ms Cécile Moulard;
- Mr Jean-Marc Tassetto;
- Mr Rémy Sautter.

Therefore, 100% of its members are independent Directors.

Mr Thierry Bourguignon, director representing employees, was a member of the Committee up to the end of his term of office as director on 20 July 2015.

Ms Abeille Deniau, director representing employees, had been appointed a member of the Remuneration and Appointments Committee following her election.

The annulment thereof, by a judgment pronounced by the Regional Court of Boulogne-Billancourt on 28 December 2015, terminated her office of director and of member of the Committee.

The Committee is responsible for proposing appointments to the Board of Directors and to Board committees, and to the offices of Chairman and Chief Executive Officer. It is also kept informed by the Chairman of the Board of other senior executive appointments within the Group. The Committee also advises the Board of Directors on the amount of Directors' fees to be proposed at the General Shareholders' Meeting and on the allocation of these fees between Board members.

The Committee also proposes the remuneration of corporate officers to the Board of Directors and may also, at the Chairman's request, make recommendations on the remuneration of senior executives.

The Remuneration and Appointments Committee met three times in 2015. All members attended each Committee meeting.

In 2015, the Committee reviewed issues involving the definition of performance targets and the calculation of the variable part of the Chief Executive Officer's remuneration, the composition of the executive management team, her remuneration and long-term incentives, and the composition of the Board of Directors and of the Board committees.

1.3 Evaluation of the board of directors

A new procedure for evaluating the Board of Directors' operating procedures was adopted, to ensure that important questions are appropriately prepared, handled and debated at Board meetings, and to assess progress relative to the previous year's assessment.

To make this evaluation a detailed questionnaire was sent to each director and the individual responses were compiled by the Remuneration and Appointments Committee and then discussed at a Board meeting.

The Board of Directors considered that the results thus obtained showed that the Board was functioning appropriately.

CONTENTS
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1.4 Limitation of the chief executive officer's powers

Without prejudice to the powers expressly granted by law to shareholder meetings and to the Board of Directors and within the limits of the corporate purpose, the Chief Executive Officer has the broadest powers to act on behalf of the Company under all circumstances, with the following stipulations:

(i) the Chief Executive Officer must present a draft strategic plan to the Board of Directors each year that indicates the Group's operational guidelines over the medium term and includes projections for the Group's key operational and financial indicators and a proposed annual budget;

(ii) the following decisions must be approved in advance by the Board of Directors:

- the annual budget and any significant changes thereto,
- the annual and three-year business plans,
- the acquisition or disposal of a business by SoLocal Group or a subsidiary that is not included in the annual budget, the total amount of which, including all liabilities and off-balance sheet commitments exceeds 10 million euros,
- any investment in or divestment of fixed assets that is not included in the annual budget, the total amount of which, including all liabilities and off-balance sheet commitments exceeds 10 million euros,
- the modification of the employment contract or the hiring/appointment or dismissal/removal from office of SoLocal Group's Chief Financial Officer. Although the modification of the employment contract or the hiring/appointment or dismissal/removal from office of any other SoLocal Group executive officer whose total gross annual remuneration exceeds 200,000 euros will not require the Board of Directors' prior approval, it will require the prior approval of the Remuneration and Appointments Committee,
- any increase in the total indebtedness of SoLocal Group or of a subsidiary that exceeds the amount authorised under the financing or loan agreements previously authorised by SoLocal Group's Board of Directors,
- any agreement to form a joint-venture with a third party that is not included in the annual budget and which would result in a commitment that exceeds 10 million euros over the term of the joint-venture for SoLocal Group or a subsidiary,
- any decision to have the securities of SoLocal Group or a subsidiary listed on a regulated exchange and any subsequent action to have additional SoLocal Group or subsidiary securities listed if already listed on a regulated exchange,
- any decision to delist or buy back shares (except share purchases under liquidity agreements previously authorised by the Board of Directors),
- the acquisition or subscription, by SoLocal Group or by a subsidiary, of shares, other equity securities or securities giving access to the capital of (i) any company the value of which, including all liabilities and other off-balance sheet commitments, exceeds 10 million euros, provided that the liability of SoLocal Group or its subsidiary is limited and the transaction is not already included in the annual budget, or (ii) any company irrespective of the amount invested if SoLocal Group or its subsidiary is acting as an unlimited liability partner in such a company,
- any diversification of the business activities of SoLocal Group or of a subsidiary that is unrelated to previous business activities, or any diversification that is related to previous business activities but is not included in the annual budget and involves a financial commitment that exceeds 10 million euros,
- any sale, transfer or termination of a major business activity of SoLocal Group or of a subsidiary that is not included in the annual budget or the three-year business plan,
- any incentive plan (as defined under French labour law or the labour law of another country, with the exception of a mandatory or standard voluntary profit-sharing plan) to be implemented in SoLocal Group or within a subsidiary, or any measure that encourages employees to directly or indirectly acquire shares in SoLocal Group or a subsidiary,
- any authorisation or instruction given to a SoLocal Group subsidiary to examine or undertake any of the transactions referred to in this appendix,
- any agreement that is not included in the annual budget and which would involve payments or the supply of goods or services by SoLocal Group or by a subsidiary the annual value of which exceeds 10 million euros,
- any decision relating to plans for the merger or demerger of a SoLocal Group subsidiary, the spin-off of the assets of a SoLocal Group subsidiary, or a long-term agreement to manage a SoLocal Group subsidiary, that is not included in the annual budget or the three-year business plan, excluding internal reorganisation that has no material impact on SoLocal Group's position,
- any transfer or assignment to provide collateral, any decision to grant a pledge or other security interest by SoLocal Group or by a subsidiary to meet debts or honour guarantees to third parties that are not included in the annual budget and of which the total value exceeds 10 million euros,
- any loans made by SoLocal Group or by a subsidiary that are not included in the annual budget the cumulative amounts of which exceed 5 million euros.

1.5 Shareholder access, participation and voting at general shareholders' meeting

Information on shareholder access, participation and voting at General Shareholders' Meetings is provided in Articles 11 and 26 to 32 of the Company's Articles of Association and in section 21.2.2 of the Reference Document.

1.6 Disclosure of the share capital structure and of information that may be relevant in the event of a public offering

Information on the share capital is provided in section 21.1 of the Reference Document.

1.7 The chairman of the board's remuneration

On 5 November 2014, the Board of Directors decided that for his duties as Chairman of the Board of Directors, Robert de Metz would receive total remuneration of 90,000 euros.

1.8 The chief executive officer's remuneration

1.8.1 Fixed remuneration

At its meeting of 11 December 2012, the Board of Directors set Mr Jean-Pierre Remy's gross annual remuneration, for a period of twelve months, at 520,000 euros.

1.8.2 Calculation of variable remuneration

At its meeting of 9 February 2015, the Board of Directors set forth the rules for calculating the variable share of the Chief Executive Officer's remuneration, on the recommendation of the Remuneration and Appointments Committee.

In 2015, the Chief Executive Officer was eligible for a variable share of 100% of the annual fixed remuneration, with performance target achievement ranging from 0% to 200%, based:

- 50% on qualitative criteria related to SoLocal Group's transformation;
- 50% on a quantitative basis related to the attainment of a level of orders and EBITDA, transformation of the information systems and human resources.

1.8.3 Severance payment

As Jean-Pierre Remy has no employment contract, the Board of Directors approved a severance payment in the event he is forced to leave the Company due to a change in the control or strategy of the Company or in the implementation of its strategy. The amount of this payment is Mr Remy's gross annual lump-sum compensation, i.e. fixed plus variable remuneration with objectives achieved. It is subject to the condition that he achieves at least 80% of his annual targets over his last three years of office.

The severance payment would be paid only after the Company's Board of Directors is satisfied that the above performance condition has been met.

1.8.4 Non-competition clause and compensation

A non-competition obligation will come into effect if Mr Jean-Pierre Remy ceases to be Chief Executive Officer for any reason and in any way whatsoever. This obligation would be limited to a period of 24 months as of the date he ceases to perform his duties and shall be valid throughout France. This severance pay would be equal to twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of his term of office. One-fourth of this compensation would be paid to Mr Remy at the end of each six-month period. The Company will have the option to release Mr Remy from this non-competition clause by informing him of its decision to do so no later than fifteen calendar days after the Board of Directors' meeting where the termination of Mr Remy's term of office as Chief Executive Officer is acknowledged or decided.

The combined total of the severance payment and the non-competition compensation may not exceed two years of fixed and variable remuneration.

1.8.5 Retirement

Regarding the supplementary retirement scheme consisting of (i) a PERCO (collective retirement savings plan) with a matching employer contribution set up in 2007 for all employees of the Group's French subsidiaries and (ii) a supplementary defined contribution retirement plan available to all Group subsidiary management staff as of 1 January 2008, Jean-Pierre Remy is not entitled to participate in the PERCO plan.

However, SoLocal Group's Board of Directors has approved, pursuant to Article L. 225-38 of the French Commercial Code, the provision that enables Mr Remy to participate in the supplementary retirement plan (Article 83 of the French General Tax Code) under the same conditions as other contributors to this plan.

Mr Remy also participates in the Company's retirement, life and health insurance plans under the same conditions as other Group employees.

The above rules comply with the provisions of the AFEP-MEDEF Corporate Governance Code.

2. INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT AT SOLOCAL GROUP

2.1 Internal control and risk management guidelines, objectives and scope

2.1.1 Internal control and risk management guidelines

In order to achieve its objectives, SoLocal Group has set forth and implemented general guidelines for internal control that are largely based on the guidance published in 1992 by the Committee of Sponsoring Organisation of the Treadway Commission (COSO) and on the AMF's internal control framework and recommendations. The following description of SoLocal Group's internal control and risk management procedures is based on this framework. The assessment made for this purpose was carried out in accordance with the key points of this framework and its implementation guidance. It also takes into account the work of IFACI, the French Internal Control and Audit Institute.

2.1.2 Internal control definition and objectives

Internal control at SoLocal Group is a set of processes and measures that are defined by senior management and implemented by employees and which serve to meet the following objectives:

- compliance with the applicable laws and regulations in force, both within and outside SoLocal Group;
- observance of the Board of Directors' instructions and guidelines;
- prevention and control of operational risks, financial risks and the risk of error and fraud;
- optimisation of internal processes by ensuring that operations are effective and that resources are used efficiently;
- the quality and fair presentation of accounting, financial and management information.

These principles are underpinned by:

- a policy that fosters the development of an internal control culture and the principles of integrity;
- the identification and analysis of risk factors that could compromise the achievement of the Group's objectives;
- an organisation and procedures designed to ensure that senior management's strategies are implemented;

- periodic review of control activities and a continuous effort to improve;
- a process for distributing internal control information.

However, as with any control system, the rules and principles implemented cannot provide absolute assurance that all risks will be eliminated or controlled.

2.1.3 The internal control scope

The procedures described below apply to all SoLocal Group subsidiaries.

The internal control measures employed within each entity (i.e. department or subsidiary) involve implementing the Group's procedures and specifying and implementing procedures that are specific to each business line, in accordance with the entity's organisation, culture, risk factors and operational characteristics.

2.2 The internal control environment

2.2.1 Rules of conduct and ethics applying to all employees

SoLocal Group's growth is underpinned by the values and principles of its Professional Ethics Charter. These values and principles are intended to serve the interests of our customers, shareholders and employees and the communities and countries where we do business, while protecting the environment and the needs of future generations.

Our Professional Ethics Charter is aligned with such fundamental and universal principles as those of the Universal Declaration of Human Rights, those set forth in International Labour Organisation agreements (in particular regarding the prevention of child and forced labour) and those of the OECD (and most notably efforts to fight corruption); and addresses our commitments also in other areas, such as sustainable development. These values and principles guide the actions of SoLocal Group and its subsidiaries and provide a framework for all employees regardless of their job or duties. It is thus everyone's responsibility, and especially that of Group and subsidiary senior managers, to observe and promote these values and implement these principles.

These rules, which are presented on the SoLocal Group website at www.solocalgroup.com and on its intranet, cover the following:

- the Group's values;
- the principles that underlie Group actions that may affect customers, shareholders, employees, suppliers, competitors or the environment;
- the principles that guide individual behaviour and which serve to ensure good relationships with customers and suppliers, protect Group assets, compliance with Group rules and values, prevent conflicts of interest and ensure ethnical stock trading.

In addition to the Professional Ethics Charter, a Securities Trading Code of Conduct has also been drafted to deal specifically with stock-trading issues.

It informs the employees and directors of Group companies of the rules that govern the trading of securities, of the need to comply scrupulously with these rules, and of the various preventive measures that SoLocal Group has implemented to enable all employees to invest securely in the listed securities of Group companies.

To reduce the risk of improper trading, SoLocal Group has all of its employees whose work involves sensitive information sign a confidentiality agreement, particularly when they work with people outside of the Group who may not be bound to a confidentiality obligation under their own rules of professional ethics.

Accordingly, any permanent or occasional insider who has doubts or questions about selling or purchasing the securities of a Group company, or about the nature of the information that he or she can disclose, must consult his or her manager or the Chairman of the Group's Ethics Committee, or if applicable the Ethics Committee of their specific company. If they are a Board member, they must contact the Chairman of the Board.

2.2.2 Senior management's responsibility and commitment

SoLocal Group has set up a Risk Management Policy that includes a guidance memo that specifies senior management's commitments. This policy is reviewed twice yearly with the Group's subsidiaries and departments. The Group's Risk and Security committee monitors and compiles updates to risk assessments and the actions taken and reports this information to senior management's Executive Committee at least once a year.

A Business Unit Risk and Security correspondent, is appointed in each Group subsidiary and department. The work of these correspondents is co-ordinated by a Division Co-ordinator who reports all substantial matters involving risks, security and internal control directly to a member of the Group's Executive Committee, and also by the follow-up committee headed by the Group's Risk Manager and Head of Internal Control, who, as members of the Auditing, Risks and Internal Control department report directly to senior management.

2.2.3 Human resources and skills management policy

SoLocal Group's performance depends directly on the skills of its employees and on its ability to manage and adapt its human resources. Our Human Resources Department works in close partnership with our operational departments to develop, provide and manage human resources that will further the company's strategy. To meet the needs of managers and employees more effectively, the HR department has been divided into 4 sub-departments: HR Operations, HR Development, Compensations and Benefits and the Social Relations sub-department.

The role of the HR Operations department is to provide HR support to the managers of the divisions and departments within its remit and manage their employees. In addition to a thorough understanding of the Group's business activities, this department must also understand how the division or department is organised and what its objectives are.

The role of the HR Development department is to define HR policies and improve processes. It deploys the Group's HR policy and resources to the HR Operations department and to regional and local HR managers in particular, and provides the tools and advice they need to do the best job they can.

Since SoLocal Group is determined to make quality of life in the workplace a priority as it helps its employees learn new working methods and adapt to changes in their jobs, our priority in 2015 was to take action in response to specific situations that employees encountered during our digital transformation. These actions are described in detail in chapter 8 of the Reference Document.

2.2.4 Information system

SoLocal Group's various information systems are composed of:

- Business activity software: e.g. for creating and storing digital content and dedicated website tools;
- Business management software: e.g. accounting and financial applications;
- Communication software: messaging systems, collaborative tools (Intranet), etc.;
- Risk management software, with specific modules for risks, security, crisis management, business continuity plans (BCP) and auditing.

Business Solutions (which manages information systems) and Media/DT (the Media division's Technical Services department) are largely responsible for supervising the Group's information systems and in particular for ensuring that they will enable the Group to achieve its long-term objectives. They work closely with the Audit, Risks and Internal Control Department, which monitors and manages IT risks to reliability, business continuity, legal and regulatory compliance as well as operational objectives. Risk control and IT security actions are monitored quarterly by the BU Risk and Security Correspondents and are reviewed every six months by the risk manager and the relevant department.

2.3 Risk monitoring and management

2.3.1 Organisational framework

Like any company, SoLocal Group's business activities expose it to various risks. The main risks that have been identified are described in chapter 4 **(Risk factors)** of this Reference Document. Risk management is a priority and is conducted both by subsidiaries and the parent company, which compiles information.

Risk management serves to:

- develop a comprehensive, systematic, integrated and flexible method for identifying, assessing, analysing and managing risks and for promoting risk control;
- develop risk management best practices;
- prevent risks that threaten the Company and mitigate their consequences.

The Risk Management Policy applies to all SoLocal Group entities. The Group has set up a risk governance system in a department that reports directly to the Chief Executive Officer. This system is composed of a Risk Manager and a network of BU correspondents.

2.3.2 Risk identification and analysis process

Below is a list of some of the many procedures, the Group employs to identify risk:

- a risk assessment and classification method that was deployed in 2005.
  This method involves a risk mapping approach that ranks the main risks to which the Group believes, it may be exposed, in terms of their seriousness and likelihood of occurrence, and assesses the level of coverage;
- risk and security reviews, which are conducted at least annually;
- a network of co-ordinators who oversee the implementation of the risk and security policy and which is supervised by a dedicated governance unit;
- a risk and security management information system that includes the description and monitoring of risk-management actions. This system also includes risk and security management dashboards, a crisis management process and business continuity plans (BCP).

2.4 Internal audit and control

The first level of control is the one exercised by the functional and operational departments using standard procedures and processes. SoLocal Group has set up three levels of risk management and control: **operational management, risk management and internal control**, and **internal auditing**. The objective in implementing these systems is to harmoniously combine regulatory measures (instructions and directives), organisational measures (organisational charts and processes) and technical measures (mostly IT and communication) in accordance with the following basic principles:

- these systems provide the Group's management and its Board of Directors with reasonable and not absolute assurance;
- these systems are not simply a collection of manuals and procedures but are implemented by employees at all levels of the organisation.

2.4.1 Internal audit

The Internal Audit team ensures that the internal control system is mature and appropriate by evaluating its effectiveness and efficiency, while promoting continuous improvement. On the basis of a risks assessment, the Internal Audit team evaluates the system's relevance and effectiveness by assessing the quality of the Group's control environment, the work of internal governance bodies, the reliability and integrity of financial and operational information, operational effectiveness and efficiency, asset protection, and legal, regulatory and contractual compliance.

SoLocal Group's Internal Audit team is responsible for conducting the engagements specified in the audit plan at the beginning of the year. It reports directly to Group Management while being supervised by the Audit Committee.

Internal Audit staff perform three types of audits:

- on the compliance and effectiveness of processes and activities;
- on the maturity of French and foreign subsidiary Internal Control systems (excluding PagesJaunes SA and the SoLocal Group);
- on the compliance or performance of specific themes selected by the Audit Committee.

Scheduled operational security compliance audits are also conducted and followed up.

2.4.2 Internal control

The internal control system is composed of the various policies and procedures that an entity's management has implemented to provide the greatest possible assurance that its business activities are being managed effectively. By deploying controls, identifying any corrective actions that may be necessary and making sure that recommendations are observed, the internal control system ensures that these policies and procedures are effective and properly implemented.

The internal control system involves all SoLocal Group governance bodies and employees.

The organisation of internal control requires centralised supervision and leadership that is supported by a network of correspondents in the various departments and entities.

The Internal Control Charter approved by SoLocal Group's Chief Executive Officer sets forth the guidelines that all entities must observe with respect to internal control.

The charter:

- specifies the scope, objectives and limits of SoLocal Group's internal control system;
- indicates the people who are responsible for the system;
- specifies the internal control standards and guidelines to be observed throughout the Group.

2.4.3 The contribution of the statutory auditors

The work of the Statutory Auditors includes a limited interim Group level review and, toward the end of the year, a pre-closing review followed by a full audit of accounts at 31 December. They also perform limited reviews on the internal auditing systems of the Group's main subsidiaries, in accordance with an audit plan submitted to the Audit Committee's Internal Audit unit. The main recommendations are presented to the Financial Departments and to the Audit Committee.

Efforts to continuously improve processes and standards serve to enhance operational control, effectiveness and efficiency.

2.5 Internal control procedures on the preparation and processing of accounting and financial information

SoLocal Group's Finance Department is responsible for preparing accounting and financial information.

To increase the reliability of published accounting and financial information, various committees, rules, procedures, controls, a skills management policy, and a continuous process to improve procedures have been implemented.

Specific internal control procedures on accounting and financial information have thus been set up via:

- the Financial Information Committee;
- the Group's financial and management accounting organisation;
- a unified financial and management accounting reporting process;
- Group-wide accounting methods and standards;
- the scheduling of year-end closure work of Group accounts;
- the financial communication process.

2.5.1 The financial information committee

The preparation and control of financial information are organised in a manner that is consistent with SoLocal Group's management organisation and systems. To improve the quality and reliability of financial information, a system for managing and monitoring financial information based essentially on the work of the Financial Information Committee, has been set up. The Committee is responsible for ensuring the integrity, accuracy, quality and consistency of SoLocal Group's financial information and that this information complies with legal and regulatory requirements and professional standards.

The Committee reviews all financial information that must be publicly disclosed, prior to examination by the Audit Committee and the Board of Directors. This review covers, among other things, press releases containing financial information and presentations to financial analysts.

The Committee is involved in Group procedures for preparing and validating financial information. It is chaired by the Group's CEO and CFO and is composed of management staff with expertise in accounting, consolidation, legal affairs, communication, investor relations and management control.

The Committee was established in July 2004 and met four times in 2015.

2.5.2 Accounting and management control

The Operational Finance department, the Financial Performance Management Control department and the Corporate Finance department perform essential tasks to ensure that SoLocal Group's financial information is consistent. These departments report to the Group's Chief Financial Officer.

These tasks include:

- preparing SoLocal Group company and consolidated financial statements within the time constraints of financial markets, legal and regulatory requirements and contractual obligations;
- managing the budgeting and forecasting process and preparing the monthly management report as quickly as possible, while ensuring that data is consistent;
- preparing the documents necessary to communicate financial results and to enable SoLocal Group's management to prepare its management report;
- designing and implementing SoLocal Group's accounting and management control methods, procedures and standards;
- identifying and overseeing any changes to SoLocal Group's accounting and management information systems that may be necessary.

2.5.3 The unified accounting and management control reporting system

The Group's business management cycle is composed of four basic components:

- the three-year strategic marketing plan;
- the budget process;
- the monthly reporting system;
- business and financial performance reviews.

a. The strategic marketing plan

Each year, SoLocal Group prepares a strategic marketing plan for the coming three years. This plan takes into account the Group's strategic priorities and any changes in market trends, business segments or the competitive environment.

b. The budget process

The budget process covers SoLocal Group and its subsidiaries. It involves the following steps:

- in the fall, each entity updates its budget for the current year and prepares next year's budget, which is broken down month by month;
- in the spring, the initial budget forecast for the year is updated and this updated budget is used to prepare the strategic marketing plan;

- in the summer, the budget for the second half of the year is updated on the basis of the results of the previous six months.

To improve the management and monitoring of performance, an ongoing reforecasting process was implemented in 2007.

c. Monthly reporting system

Monthly reporting is a major component of the financial information and control system. It is the main tool that SoLocal Group's management uses to monitor trends and performance and make decisions going forward. The report comprises several documents that are prepared by the Financial Performance and Operational Finance departments and communicated to the management of SoLocal Group.

Monthly reporting includes quantified data, commentary on trends and performance indicators.

The Financial Performance and Operational Finance departments use a consolidation tool to ensure that budgeted figures, actual figures and forecasts are reported in a consistent and uniform manner.

d. Business and financial performance reviews

Quarterly business performance reviews with all subsidiary senior managers and monthly financial reviews with Financial departments are a key component of SoLocal Group's management and control system. Their main objective is to ensure that the actions undertaken are consistent with Group priorities and long-term goals.

In 2016, the scope of these reviews will be adapted to the new Product-Line based organisation set up in 2015.

2.5.4 Common group accounting methods and framework

The Group prepares its provisional and actual consolidated accounts in accordance with the "unification principle". This involves:

- uniform accounting methods, standards and consolidation rules;
- standardised presentation formats;
- the use of a Group-wide consolidation application.

SoLocal Group has a single accounting system that standardises the reporting of all consolidated items, including off-balance-sheet commitments, and which has been adopted by all of the consolidated Group entities. The Group prepares its consolidated financial statements in compliance with IFRS standards (European Regulation 1606/2002 of 19 July 2002).

The consolidated accounting documents are prepared in accordance with local accounting principles and are restated to comply with Group and IFRS standards. The Group's finance Department sends out memoranda to specify the year-end closing process and timetable. Each SoLocal Group subsidiary adapts these processes and timetables as necessary.

2.5.5 Scheduling of closure work at group level

In order to meet accounting deadlines, and enable the Board of Directors to publish consolidated accounts in February, the Group has established a precisely scheduled programme of its year-end accounting work. This programme includes:

- budget monitoring processes;
- preparation of pre-closing accounts;
- documented closing processes;
- the anticipated treatment of estimates and complex accounting transactions.

The progress that the Group has made in preparing year-end accounts can largely be attributed to greater co-ordination between Group divisions and functions, more accurate forecasts, better control over financial processes, and better preparation and speedier execution of account-closure processes.

2.5.6 Financial communication

Other than the Chief Executive Officer, the only people authorised to communicate financial and strategic information outside of the Group are the Chief Financial Officer, the Financial Performance Officer, the Head of Investor Relations and the Head of External Communication and Press Relations.

SoLocal Group's Finance Department, in collaboration with management control and the Legal Department, is responsible for drawing up the following periodic and permanent information documents and distributing them to regulatory authorities, the financial market authority (the AMF) and other intended recipients:

- periodic financial press releases (quarterly and annual income and earnings) and ad hoc releases (e.g. to announce acquisitions, divestments, financing transactions, changes in governance or a strategic partnership);
- presentations at meetings with financial analysts or investors and press conferences;
- quarterly financial information;
- semi-annual and annual financial reports;
- the Reference Document;
- presentation for the Annual General Shareholders' Meeting.

These documents are reviewed by the Financial Information Committee (see section 2.3.1).

SoLocal Group strives to provide information that is easy to understand, relevant and reliable, and to comply with stock market regulations and sound principles of corporate governance.

2.6 Information and communication within the group

All of the Group's press releases and the major regulatory documents are posted on the Group's intranet, which is accessible to all employees.

Collaborative tools and other applications available on the Group intranet also ensure efficient distribution of information to everyone throughout the Group.

2.7 Outlook

For 2016, SoLocal Group will continue to provide audit, internal control and risk management support to operational entities and to empower them in these areas.

Sèvres, 10 February 2016

Robert de Metz

Chairman of the Board of Directors

16.3.2 Statutory Auditors' Report on the Chairman of the Board's Report, pursuant to Article L. 225-235 of the French Commercial Code

Financial year ended 31 December 2015

To the Shareholders,

In our capacity as auditors of the company SoLocal Group and pursuant to Article L. 225-235 of the French Commercial Code, we present to you our report on the report drawn up by the Chairman of your Company pursuant to Article L. 225-37 of the French Commercial Code for the financial year ended 31 December 2015.

The Chairman is responsible for preparing and submitting for the approval of the Board of Directors a report on the internal control and risk management procedures implemented within the Company and for providing the other information required by Article L. 225-37 of the French Commercial Code, particularly on the corporate governance procedure.

We are responsible:

- for informing you of our observations on the information contained in the Chairman's report on the internal control and risk management procedures relating to the preparation and handling of the accounting and financial information; and
- for certifying that the report contains all the other information required by Article L. 225-37 of the French Commercial Code, it being stipulated that we are not responsible for checking the truthfulness of this other information.

We have carried out our work in accordance with the professional standards of practice applicable in France.

Information on the internal control and risk management procedures relating to the preparation and handling of the accounting and financial information

The professional standards of practice require measures to be taken to assess the truthfulness of the information on the internal control and risk management procedures relating to the preparation and handling of the accounting and financial information contained in the Chairman's report. These measures consist of the following in particular:

- noting the internal control and risk management procedures relating to the preparation and handling of the accounting and financial information underlying the information presented in the Chairman's report as well as the existing documentation;
- noting the works allowing such information to be drawn up and the existing documentation;
- determining whether any major deficiencies in the internal control relating to the preparation and handling of the accounting and financial information detected by us within the scope of our task are suitably indicated in the Chairman's report.

Based on these works, we have no comments to make on the information concerning the Company's internal control and risk management procedures relating to the preparation and handling of the accounting and financial information contained in the report of the Chairman of the Board of Directors, drawn up pursuant to Article L. 225-37 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris-La Défense and Neuilly-sur-Seine, 4 April 2016

Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Denis THIBON	Ariane BUCAILLE

17.1 Shareholdings, share subscription and options purchase, free share allotments made to each corporate officer and options exercised by officers

Shareholdings

On the date this Document was filed, and to the Company's knowledge, the members of the Board of Directors held the following number of SoLocal Group shares:

Director	Number of shares
Nathalie Balla	1
Sandrine Dufour	119
Robert de Metz	50,000
Cécile Moulard	475
Joëlle Obadia	1
Jean-Pierre Remy and related persons	34,931
Rémy Sautter	225
Jean-Marc Tassetto	666

Stock options plans

2005 plan

The Company set up a share subscription option plan on 28 June 2005 which, having ended on 28 June 2015, has been cancelled.

2007 plan

The Company implemented a second share subscription option plan on 20 December 2007 involving 2,927,900 options with an exercise price of 14.46 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), and the same characteristics as the original plan, i.e. a term of ten years and full vesting of options after three years.

2009 plan

In 2009, the Company set up three share subscription option plans: on 23 July 2009 involving 1,145,000 options at an exercise price of 6.71 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), on 29 October 2009 involving 87,000 options at an exercise price of 8.84 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), and on 17 December 2009 involving 75,000 options at an exercise price of 7.821 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015). As with the first plan, these plans all have terms of 10 years and are fully vested after three years.

Concerning the plan of 23 July 2009, the Board of Directors adopted the proposal of the Remuneration and Appointments Committee to grant 140,000 options to Jean-Pierre Remy.

All of these options are subject, in accordance with the AFEP/MEDEF Corporate Governance Code, to the performance obligation that Jean-Pierre Remy achieve his annual targets for 2009, 2010 and 2011. Since the Remuneration Committee granted Jean-Pierre Remy respectively 150%, 130% and 50% of the variable portion of his remuneration for 2009, 2010 and 2011 based on the achievement of his performance targets, the average being 110%, 140,000 options were granted under this plan (9,450 options after adjustments).

Mr Remy will be required to reinvest in SoLocal Group shares 33% of the net capital gain obtained from the sale of the shares acquired by exercising these options. He must keep these shares registered in his own name until he has completed his term as Chief Executive Officer.

2010 plan

In 2010, the Company set up two share subscription option plans: on 27 July 2010 involving 1,336,000 options with an exercise price of 8.58 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), and on 16 December 2010 involving 166,000 options with an exercise price of 7.09 euros (before adjustments subsequent to the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015).

As with the first plan, these plans all have terms of 10 years and are fully vested after three years.

Concerning the plan of 27 July 2010, the Board of Directors adopted the proposal of the Remuneration and Appointments Committee to grant 140,000 options to Jean-Pierre Remy.

All of these options are subject, in accordance with the AFEP/MEDEF Corporate Governance Code, to the performance obligation that Jean-Pierre Remy achieves his annual targets for 2010, 2011 and 2012. Since the Remuneration Committee granted Jean-Pierre Remy respectively 130%, 50% and 65% of the variable portion of his remuneration for 2010, 2011 and 2012 based on the achievement of his performance targets, the average being 81.67%, 114,333 options were granted under this plan (7,717 options after adjustment).

Mr Remy will be required to reinvest in SoLocal Group shares 33% of the net capital gain obtained from the sale of the shares acquired by exercising these options. He must keep these shares registered in his own name until he has completed his term as Chief Executive Officer.

Given the capital increase that was completed on 6 June 2014 (see chapter 5 of this document) and in accordance with the laws, regulations and rules that govern each of these plans, the Board of Directors decided, at its meeting of 19 June 2014, to adjust the terms of the share subscription plans with respect to the option exercise price and the number of shares that may be subscribed by exercising options.

Similarly, in order to take into account the reverse stock split effected on 26 October 2015, the CEO, using the powers conferred on him by the Board of Directors on 21 July 2015, resolved to adjust the parity for exercise of the options for each individual plan (for plans adopted by the meetings of the Board of Directors on 20 December 2007, 23 July 2009, 29 October 2009, 17 December 2009, 27 July 2010 and 16 December 2010), while retaining a new parity equal to the current parity for exercise of each option multiplied by a ratio of 1/30 (corresponding to the number of shares forming the capital following regrouping divided by the number of shares forming the capital prior to regrouping, taking into account the waiver of regrouping of 23 old shares by one Company shareholder); it being stipulated that (i) for all the options from which each holder benefits under a plan, the result (per beneficiary and per plan) is rounded down to the nearest whole number of new shares and (ii) the other characteristics of the options remain unchanged.

Consequently, any holder of options who could (prior to the adjustment of 2015), by exercising an option, subscribe for one (1) share with a nominal value of €0.20 at a specific strike price, may now, by exercising that same option, subscribe to one-thirtieth of a share with a nominal value of €6 at the adjusted strike price. In this respect, a holder of options who could (prior to the adjustment of 2015), by exercising all the options he holds under a plan, subscribe for thirty-one (31) shares with a nominal value of €0.20 for a total price of €179.40 (€5.78 times 31), may now, by exercising those same options, subscribe for one (1) share with a nominal value of €6 for a total price of €173.61.

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED DURING THE YEAR TO EACH EXECUTIVE CORPORATE OFFICER BY THE SHARE ISSUER AND BY ANY GROUP COMPANY

Name of executive corporate officer	Plan No. and date	Type of option (purchase or subscription)	Valuation of options according to the method used for the consolidated financial statements	Number of options granted during the year	Exercise price	Exercise period
Robert de Metz	–	–	–	–	–	–
Jean-Pierre Remy	–	–	–	–	–	–
Christophe Pingard	–	–	–	–	–	–
TOTAL						

SHARE SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH EXECUTIVE CORPORATE OFFICER

Name of executive corporate officer	Plan No. and date	Number of options exercised during the year	Exercise price
Robert de Metz	–	–	–
Jean-Pierre Remy	23 July 2009	None	–
	27 July 2010	None	–
Christophe Pingard	–	–	–
TOTAL			

In accordance with Article L. 225-184 of the French Commercial Code, information on the granting and exercise of Company stock options in 2015 is provided below:

SHARE SUBSCRIPTION OR PURCHASE OPTIONS GRANTED TO AND EXERCISED BY THE TEN EMPLOYEES WHO ARE NOT CORPORATE OFFICERS

Share subscription or purchase options granted to and exercised by the ten employees who are not corporate officers in 2015	Total number of options granted / shares subscribed or purchased	Average weighted price
Options granted during the year by the issuer and by the companies included in the stock option plan, to the ten employees of the issuer or of the said companies who received the most options (general information)	None	–
Options held in the issuer and in the aforementioned companies that were exercised during the year by the ten employees of the issuer or of the said companies who exercised the most options (general information)	None	–

History of share subscription or purchase options grants

OPTION TO SUBSCRIBE FOR OR PURCHASE SHARES INFORMATION[1]

Shareholder meeting	12 April 2005	11 June 2009	11 June 2009	11 June 2009	11 June 2009	11 June 2009
Date of Board of Directors meeting and name of plan	20 December 2007	23 July 2009	29 October 2009	17 December 2009	27 July 2010	16 December 2010
Total number of shares that can be subscribed or purchased at 31 December 2014	143,517	46,976	1,147	5,063	56,725	5,736
of which the number available for subscription by corporate officers[2]	–	–	–	–	–	–
Jean-Pierre Remy	–	9,450	–	–	7,717	–
Christophe Pingard	–	–	–	–	–	–
Start date for option exercise / share vesting	20 December 2010	23 July 2012	29 October 2012	17 December 2012	27 July 2013	16 December 2013
Expiry date	20 December 2017	23 July 2019	29 October 2019	17 December 2019	27 July 2020	16 December 2020
Subscription or purchase price	€214.20	€99.39	€130.98	€115.86	€127.20	€105.09
Terms of exercise (if plan comprises multiple tranches)	–	–	–	–	–	–
Number of shares subscribed)	0	0	0	0	0	0
Total number of cancelled or lapsed share subscription or purchase options	10,429	1,890	1,147	2,362	6,546	—
Number of share subscription or purchase options remaining at year end	133,088	45,086	0	2,700	50,179	5,736

(1) Following the adjustment made, as a result of the reverse stock split on 26 October 2015, for each individual plan, to the parity used for exercise of the options by adopting a new parity equal to the current parity for exercise of each option multiplied by a ratio of 1/30; it being stipulated that, for all the options from which each holder benefits under a plan, the result (per beneficiary and per plan) is rounded down to the nearest whole number of new shares.

(2) Joëlle Obadia, elected Director and employee representative on 7 April 2016, does not feature in the table above, her appointment having occurred after 31 December 2015 (see Chapter 14).

No other Board member holds share subscription or purchase options granted by SoLocal Group.

Granting of performance-based shares

The 2006 and 2008 plans

The Extraordinary General Shareholders' Meeting of 19 April 2006 authorised the Board of Directors to introduce a performance share plan pursuant to Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, for the benefit of certain Group senior executives and employees as incentive toward the Company's development. This authorisation was granted for a period of 38 months with the total allotment of free shares being limited to 0.5% of the Company's capital as of the date of the aforementioned shareholders' meeting, i.e. to 1,393,948 shares.

The Board of Directors set forth the terms of the first share allotment plan on 30 May 2006. This plan resulted in an initial allotment of 602,361 shares to 591 Group employees on 30 May 2006. Since the performance targets were not met, the beneficiaries were not entitled to receive these free shares.

A second free share plan, approved on 20 November 2006, resulted in the allotment of 778,638 shares to 611 Group employees. Given that the performance targets were not met in one of the two relevant years, only 50% of these shares were vested as of 20 November 2008.

A third plan, approved on 14 February 2008, resulted in the allotment of 12,940 shares to 15 Group employees. Since the performance targets were not met, the beneficiaries were not entitled to receive these free shares.

The 2011, 2012 and 2013 plans

SoLocal Group shareholders, at the Combined Shareholders' Meeting of 7 June 2011, authorised the Board of Directors to implement a performance share allotment plan pursuant to Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, for the benefit of certain senior executives and employees of SoLocal Group and affiliated companies. This plan resulted in an initial allotment of 1,226,000 shares to 41 Group employees on 26 October 2011.

A second share allotment plan approved on 16 December 2011 resulted in the allotment of 84,000 shares to three Group employees. Since only some of the performance targets of these two plans were met, approximately 45% of these shares were vested.

A third share allotment plan was adopted on 11 December 2012 and resulted in the allotment of 2,624,000 shares to 47 beneficiaries, and a fourth was adopted on 11 December 2013 and resulted in the allotment of 280,000 shares to 10 beneficiaries. At its meeting of 19 June 2014, the Board of Directors decided to adjust the allotment of the performance shares allotted under the plans approved on 11 December 2012 and 11 December 2013 to account for the effect of the capital increase with maintenance of pre-emptive subscription rights. Since only some of the performance targets of these two plans were met, approximately 70.7% of these shares were vested.

The 2014 and 2015 plans

SoLocal Group shareholders, at an Extraordinary Meeting on 29 April 2014, authorised the Board of Directors to implement a performance share plan pursuant to Articles L. 225-197-1 and subsequent of the French Commercial Code, for the benefit of certain senior executives and employees of SoLocal Group and affiliated companies.

On 19 June 2014, this plan resulted in the allotment of 45,221,000 shares to 112 beneficiaries. A second share allotment plan was approved on 9 February 2015 and resulted in the granting of 2,305,000 shares to 12 Group employees.

The CEO, using the powers conferred on him by the Company's Board of Directors at its meeting on 21 July 2015, resolved, by decisions taken on 26 October 2015, to adjust the number of performance shares allotted in December 2013, June 2014 and February 2015 to take into account the reverse stock split according to the following procedure: adjustment of the number with reference to the parity adopted for the regrouping of shares, i.e., for each allottee of performance shares, by applying a un ratio of 1/30 (corresponding to the number of shares forming the capital following regrouping divided by the number of shares forming the capital prior to regrouping but taking into account the waiver of regrouping of 23 old shares by one Company shareholder) to the number of performance shares to which the holder would have been entitled in the absence of an adjustment; it being stipulated that (i) the result (per beneficiary and per plan) is rounded down to the nearest whole number of shares and (ii) the other characteristics of the performance shares remain unchanged.

Consequently, a beneficiary of performance shares who (prior to the adjustment of 2015), under a plan, is entitled to thirty-one (31) performance shares with a nominal value of €0.20 each will now be entitled to one (1) share with a nominal value of €6 under that same plan.

PERFORMANCE SHARES ALLOTTED TO EACH CORPORATE OFFICER

Performance shares allotted at the General Shareholders' Meeting during the year to each corporate officer by the issuer or a Group company (listed)(1)	Plan No. and date	Number of shares allotted during the year	Valuation of shares according to method applied for the consolidated accounts	Vesting date	End of lock-up period	Performance target
Jean-Pierre Remy	-	-	-	-	-	-
Christophe Pingard	-	-	-	-	-	-

(1) Joëlle Obadia, elected Director and employee representative on 7 April 2016, does not feature in the table above, her appointment having occurred after 31 December 2015 (see Chapter 14).

Performance shares that can be sold by each corporate officer(1)	Plan date	Number of shares released from lock-up during the year	Vesting terms
Jean-Pierre Remy	26 October 2011	None	GOM
	11 December 2012	None	Revenues and GOM
	19 June 2014	None	Organic annual revenue growth
Christophe Pingard	16 December 2011	None	GOM
	11 December 2012	None	Revenues and GOM
	19 June 2014	None	Organic annual revenue growth
TOTAL			

(1) Joëlle Obadia, elected Director and employee representative on 7 April 2016, does not feature in the table above, her appointment having occurred after 31 December 2015 (see Chapter 14).

Jean-Pierre Remy and Christophe Pingard must hold in registered form 33% of the performance shares allotted in 2011, 25% of the performance shares awarded in 2012 (while accounting for changes in taxation between the two years) and 25% of the performance shares granted in 2014 until the end of their terms of office.

	February 2015 SoLocal Group plan
Number of performance shares allotted to the 9 employees who are not corporate officers and who were allotted the most shares	
	69,996(1)

(1) After adjustment carried out after the reverse stock split on 26 October 2015.

History of performance share allotments[1]

INFORMATION ON SHARE PERFORMANCE[2]

Date of Shareholders' Meeting	7 June 2011	7 June 2011	29 April 2014	29 April 2014
Date of Board meeting and name of plan	11 December 2012	11 December 2013	19 June 14	9 February 2015
Total number of shares allotted (balance as at of 31 December 2014)	194,864	23,580	1,476,430	76,832 (as at 9 February 2015)
of which number allocated to company representatives				
Jean-Pierre Remy	25,270	-	290,000	-
Christophe Pingard	12,635	-	128,333	-
Share acquisition date	31 March 2015	31 March 2016	19 June 2016 19 June 2017 19 June 2018	9 February 2017 9 February 2018 9 February 2019
End date of holding period	31 March 2017	31 March 2018	19 June 2018 19 June 2019 19 June 2020	9 February 2019 9 February 2020 9 February 2021
Conditions of performance	Total revenues and GOM	Total revenues and GOM	Organic annual revenue growth	Organic annual revenue growth
Number of shares acquired	194,864	20,212	-	-
Number of shares cancelled or lapsed	-	3,368	91,400	6,837
Performance shares remaining at year end	0	0	1,385,030	69,995

(1) Plans pending acquisition in 2015.
(2) After adjustment carried out after reverse stock split on 26 October 2015.

The exercise of all 236,789 share subscription options allotted and of all 1,475,238 shares freely allotted may lead to the creation of 1,712,027 new shares. The total number of shares forming the share capital would thus increase from 38,876,564 to 40,588,591, i.e. a maximum potential dilution of 4.22%. As of 31 December 2015, 352,011 shares remain authorised by the SoLocal Group's General Shareholders' Meeting that could be freely allotted. Taking the latter into account but neutralising the 236,789 share subscription options that are all out of the money, the maximum potential dilution could be 4.49%.

These calculations do not take into account either the 3,939 treasury shares that could be allotted to these plans or possible acquisitions that could be made between now and the acquisition of these shares by the allottees.

17.2 Voluntary and mandatory profit-sharing agreements

Participation

The Group signed a mandatory profit-sharing agreement on 26 June 2006 with five trade unions (CFE/CGC, CFDT, FO, CGT and the independent PagesJaunes union). This agreement covers the Group's French companies in which the Company's interest exceeds 50%. Clic Rdv and Fine Media joined the Group plan with effect from 1 January 2011, and Chronoresto with effect from 1 January 2013, and Retail Explorer, and Netvendeur with effect from 1 October 2014 and Leadformance with effect from 1 January 2014. The Group's special mandatory profit-sharing reserve is the total of the special profit-sharing reserves of each participating subsidiary, which are calculated using a specific formula.

The special mandatory profit-sharing reserve is allocated to the beneficiaries as follows: 30% in proportion to length of service and 70% in proportion to gross annual salary. Individual allocations may either be invested in the Group Savings Plan and locked in for five years, or received directly and immediately.

The table below shows the mandatory profit-sharing distributed or to be distributed for the most recent year:

Group agreement (in millions of euros)	Mandatory profit-sharing to be distributed to Group employees
2015	6.4
2014	8
2013	10.8 (excluding an additional 1.5 million euros)

Voluntary profit-sharing

The Group has set up several voluntary incentive schemes.

The following French subsidiaries have implemented the following Voluntary Profit-Sharing Agreements:

- on 26 June 2012, PJMS signed a new Voluntary Profit-sharing Agreement for 2013, 2014 and 2015;
- on 23 June 2010, PagesJaunes signed a new Voluntary Profit-sharing Agreement for 2010, 2011 and 2012. In June 2013, the new agreement proposed for 2013, 2014 and 2015 was not signed by the unions;
- on 27 June 2011, SoLocal Group also signed a new Voluntary Profit-sharing Agreement for 2011, 2012 and 2013;
- on 18 June 2012, PagesJaunes Outre-Mer signed a new Voluntary Profit-sharing Agreement for 2012, 2013 and 2014;
- on 27 june 2014, Mappy signed a new Voluntary Profit-sharing Agreement for 2014, 2015 and 2016.

(in thousands of euros)	2014 voluntary profit-sharing paid in 2015	2013 voluntary profit-sharing paid in 2014	2012 voluntary profit-sharing paid in 2013
Voluntary profit-sharing paid in the Group	280	98	4,968

Company savings plan

On 12 February 2007, Management and trade unions signed an agreement to set up a Group savings plan.

An amendment to the Group savings plan was agreed on 21 December 2012, after the change in the mutual funds proposed in the Group Savings Plan (PEG).

The Board of Directors of the Company decided on 9 February 2015 to launch a capital increase reserved to employees and former employees of the Group. The subscription price has been set to 0.56 euro per share, corresponding to 80% of the average price of the twenty trading days prior to the subscription had been opened from 9 to 29 March. 1,045 employees or former employees subscribed to the capital increase (over a total of 4,697 beneficiaries, i.e. a subscription rate of 22.25%). Total subscriptions amounted to approximately 1.5 million euros. This operation has consequently given rise to 4,569,773 new share subscriptions.

Supplementary retirement scheme

On 22 November 2007, Management and trade unions signed an agreement to implement a supplementary retirement scheme. This agreement provided for:

- a PERCO (Collective Retirement Savings Plan) that tops up employee contributions with an employer contribution. For 2008 and subsequent years, the maximum annual employer contribution is 502 euros gross for an employee contribution of 1,500 euros. To launch the PERCO plan in 2007 and enable as many employees as possible to participate, the maximum employer contribution was 701 euros for an employee contribution of 1,500 euros. An amendment was also signed on 21 December 2012 following the modification of the mutual funds available under the PERCO plan;
- a defined-contribution supplementary retirement plan, pursuant to Article 83 of the French Tax Code, for Group subsidiary managerial staff ("cadres") with effect as of 1 January 2008. Membership in this plan is compulsory and requires a contribution of 5.50% of the employee's tranche B and C remuneration (i.e. above the maximum tranche A remuneration limit of 3,170 euros per month in 2015). Employees pay 40% of this contribution (2.20%) and the Company pays the remaining 60% (3.30%). An amendment was signed on 29 October 2013 to allow the participating employees to make additional and voluntary contributions into the supplementary retirement plan, pursuant to Article 163 *quater vicies* of the French Tax Code.

18 MAIN SHAREHOLDERS

18.1 Shareholdings

The table below shows the change in SoLocal Group shareholders over the past three years:

	31/12/2015*				31/12/2014				31/12/2013			
	Number of shares	As a % of the share capital	Voting rights	As a % of the voting rights	Number of shares	As a % of the share capital	Voting rights	As a % of the voting rights	Number of shares	As a % of the share capital	Voting rights	As a % of the voting rights
Amber Capital	0	0.0 %	0	0.0 %	76,636,383	6.6 %	76,636,383	6.6 %	-	-	-	-
Paulson	0	0.0 %	0	0.0 %	68,000,000	5.9 %	68,000,000	5.9 %	2,256,308	0.8 %	2,256,308	0.7 %
Médiannuaire Holding	0	0.0 %	0	0.0 %	4,450,786	0.4 %	4,450,786	0.4 %	51,960,627	18.5 %	89,021,254	28.3 %
DNCA	1,960,333	5.0 %	1,960,333	5.1 %	-	-	-	-	-	-	-	-
Edmond de Rothschild AM	2,350,354	6.0 %	2,350,354	6.1 %	58,399,288	5.0 %	58,399,288	5.0 %	14,368,891	5.1 %	14,368,891	4.6 %
SoLocal Group employees (1)	225,964	0.6 %	225,964	0.6 %	2,510,672	0.2 %	2,510,672	0.2 %	1,225,937	0.4 %	1,225,937	0.4 %
Public	34,253,125	88.1 %	34,259,374	88.3 %	949,564,833	81.7 %	950,206,281	81.9 %	207,240,242	73.8 %	207,854,080	66.0 %
Treasury shares held (2)	86,788	0.2 %	0	0.0 %	2,165,208	0.2 %	0	0.0 %	3,932,749	1.4 %	0	0.0 %
Total (3)	**38,876,564**	**100.0 %**	**38,796,025**	**100.0 %**	**1,161,727,170**	**100.0 %**	**1,160,203,410**	**100.0 %**	**280,984,754**	**100.0 %**	**314,726,470**	**100.0 %**

Number of shares on the settlement dates of 31/12/2015, 31/12/2014 and 31/12/2013, respectively.

* Study of shareholdings carried out on 31/12/2015.

(1) Under the SoLocal Group's Group Savings Plan (PEG).

(2) 82,850 treasury shares are held under a liquidity agreement as of 2 December 2012.

(3) The capital increase completed on 6 June 2004 resulted in the creation of 880,742,416 new shares and the reverse stock split completed on 26 October 2015 increased the number of Company shares to 38,876,564 as of this date.

Information on the execution of the share buyback programme during the year is provided in section 20.3 (the Board of Directors Report to the General Shareholders' Meeting).

Shareholding disclosure thresholds**

- on 28 April 2015, Edmond de Rothschild Asset Management reported that it held 70,553,905 shares in the Company, representing 6.06% of its share capital and voting rights as of 23 April 2015;
- on 4 May 2015, Paulson Credit Opportunities Master Ltd. reported that it held 57,643,576 shares in the Company, representing 4.96% of its share capital and voting rights as of 30 April 2015; the Company also reported that it is acting in conjunction with PP Opportunities Ltd. which held 848,026 shares at the same date representing 848,026 voting rights;
- on 7 May 2015, Paulson Credit Opportunities Master Ltd. reported that it held 56,591,602 shares in the Company, representing 4.87% of its share capital and voting rights as of 4 May 2015;
- on 11 May 2015, Sycomore Asset Management reported that it held 11,456,124 shares in the Company, representing 0.99% of its share capital and voting rights as of 4 May 2015;
- on 29 June 2015, Amundi Asset Management reported that it held 11,619,982 shares in the Company, representing 0.99% of its share capital and voting rights;
- on 23 July 2015, Natixis Asset Management reported that it held 10,137,996 shares in the Company, representing 0.869% of its capital as of 22 July 2015;
- on 28 July 2015, Paulson Credit Opportunities Master Ltd. reported that it held 45,031,643 shares in the Company, representing 3.86% of its share capital and 3.83% of the voting rights as of 23 July 2015;
- on 3 August 2015, Paulson Credit Opportunities Master Ltd. reported that it held 34,649,965 shares in the Company, representing 2.97% of its share capital and 2.95% of the voting rights as of 31 July 2015;
- on 13 August 2015, Credit Suisse Group AG reported that it held 26,896,768 shares in the Company, representing 2.31% of its share capital.
- on 19 August 2015, Paulson Credit Opportunities Master Ltd. reported that it held 22,192,601 shares in the Company, representing 1.90% of its share capital and 1.89% of the voting rights as of 14 August 2015;
- on 13 October 2015, Norges Bank reported that it held 34,558,471 shares in the Company, representing 2.96% of its share capital as of 6 October 2015;
- on 16 October 2015, Amber Capital UK LLP reported that it held 53,311,606 shares in the Company, representing 4.57% of its share capital and 4.55% of the voting rights as of 12 October 2015;
- on 22 October 2015, Paulson Credit Opportunities Master Ltd. reported that it held 10,444,155 shares in the Company, representing 0.9% of its share capital and voting rights as of 20 October 2015;
- on 3 November 2015, Credit Suisse Group AG reported that it held 1,335,062 shares in the Company, representing 3.43% of its share capital;
- on 9 November 2015 Credit Suisse Group AG reported that it held 1,071,099 shares in the Company, representing 2.75% of its share capital;

** Before and after the reverse stock split completed on 26 October 2015 which brought the number of shares to 38,876,564 on that date.

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- on 19 November 2015, Credit Suisse Group AG reported that it held 1,224,255 shares in the Company, representing 3.15% of its share capital;
- on 12 February 2016, BJ Invest reported that it held 777,570 shares in the Company, representing 2.0001% of its share capital and 1.9998% of its voting rights;
- on 22 February 2016, BJ Invest reported that it held 777,696 shares in the Company, representing 2.0004% of its share capital and 2.0001% of its voting rights;
- on 22 March 2016, Credit Suisse Group AG reported that it held 1,130,896 shares in the Company, representing 2.90% of its share capital.

18.2 Voting rights

All registered shares in the Company that are fully paid up and have been registered in the name of the same shareholder for at least two years carry a double voting right (see section 21.1).

18.3 Persons exercising or able to exercise control over the Company

Until 27 March 2013, the Company was controlled by Médiannuaire Holding. After that date, Médiannuaire Holding's shareholding fell below several statutory thresholds (on 18 November 2014, Promontoria Holding 55 B.V informed the Company that on 6 November 2014 it had fallen below the statutory threshold of 1% capital and voting rights, directly and indirectly via Médiannuaire Holding which it controls) and since then, no individual or legal entity, directly or indirectly, jointly or in concert, exercises control over the Company, to the best of the Company's knowledge.

18.4 Shareholder agreements

In a letter received on 4 April 2013, which was supplemented most notably by a letter received on 5 April 2013, the French financial markets authority (Autorité des marchés financiers) was informed of the signing, on 27 March 2013, of a shareholder agreement between the Luxembourg limited liability company Sèvres III, and certain entities managed or held by Goldman Sachs Capital Partners and/or Goldman Sachs Mezzanine Partners and Promontoria Holding 55 B.V., towards Médiannuaire Holding SAS and SoLocal Group, who declared that they are not acting in concert in respect of Médiannuaire Holding SAS and SoLocal Group.

As Médiannuaire Holding having undergone liquidation, the said agreement terminated once this liquidation was completed, in compliance with the clause that specifies the term of the agreement.

18.5 Pledged assets

Under the bank lending agreement, the Company pledged a securities account that includes all of its shares in PagesJaunes as collateral for all sums owed to the lending banks for the financing provided (including principal, interest, commissions, fees and costs).

The Company also agreed to pledge to the lending banks a securities account consisting of the securities of any subsidiary that becomes a "material subsidiary", pursuant to the terms of the lending agreement, as collateral for all sums owed (including principal, interest, commissions, fees and costs).

PLEDGES OF THE ISSUER'S INTANGIBLE AND TANGIBLE ASSETS AND LONG-TERM INVESTMENTS

Type of pledge/mortgage (in thousands of euros)	Start date	Expiry date	Amount of assets pledged (a)	Total balance sheet item (b)	% pledged (a/b)
On non-current intangible assets	—	—	—	—	—
On non-current tangible assets	—	—	—	—	—
On long-term investments	24 October 2006	—	4,005,038 (267,002,531 PagesJaunes shares)	4,058,137	99.9%
TOTAL			**4,005,038**	**4,058,137**	**99.9%**

19 RELATED-PARTY TRANSACTIONS

The Company has identified the following agreements in 2015 that may fall within the scope of application of Article L. 225-38 of the French Commercial Code:

- the terms and conditions of the appointment of Mr Jean-Pierre Remy as Chief Executive Officer (described in section 15.1 of the Reference Document), which the Board of Directors had approved at its meeting of 17 May 2009;
- the terms and conditions of the appointment of Mr Christophe Pingard as Deputy Chief Executive Officer (described in section 15.1 of the Reference Document), which the Board of Directors had approved at its meeting of 26 October 2011.

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Statutory Auditors' special report on regulated agreements and commitments

General Shareholders' Meeting for the approval of the financial statements for the financial year ended 31 December 2015

To the shareholders,

In our capacity as your Company's auditors, we present below our report on regulated agreements and commitments.

Based on the information provided, we are required to report to shareholders on the characteristics, main terms and conditions of and the grounds for the Company's interest in the agreements and commitments that have been disclosed to us or which were brought to light as a result of our assignment, without commenting on their relevance or substance and without determining whether other such agreements or commitments exist. Under Article R. 225-31 of the French Commercial Code, it is the responsibility of shareholders to determine whether the agreements and commitments are appropriate and should be approved.

We are also required to report to you the information set out in Article R. 225-31 of the French Commercial Code regarding operations carried out during the year under agreements and commitments approved by shareholders in previous years.

We have performed those duties deemed necessary by us in accordance with the professional guidelines of France's national auditing body, the CNCC, as applicable to this engagement. These measures consisted of verifying the consistency of the information given to us with the contents of the source documents.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments authorised during the previous financial year

No agreements or commitments were authorised during the previous financial year to be submitted for the approval of the General Shareholders' Meeting pursuant to Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments approved in previous years and which were still in effect in the previous financial year

In accordance with Article R. 225-30 of the French Commercial Code, we were informed that the following agreements and commitments, which were approved by shareholders in prior years, were still in effect in the previous financial year.

Agreements with senior executives

1. With Mr Jean-Pierre Remy, your Company's Chief Executive Officer

Nature and purpose

At its meetings of 17 May 2009 and 10 March 2014, the Board of Directors set forth the terms and conditions of Mr Jean-Pierre Remy's appointment as Chief Executive Officer. These terms and conditions of the commitments made in favour of Mr Jean-Pierre Remy relate to a severance payment and/or an allowance in return for a non-competition clause from which the latter benefits.

Terms and conditions

The remuneration and other terms and conditions of Mr Remy's appointment were proposed by the Remuneration Committee on 17 May 2009.

Mr Remy will be entitled to your Company's current supplementary pension scheme, to "mutual" life and health insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Remy may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. The amount of this severance pay would be equivalent to his annual gross remuneration (both fixed and variable with targets achieved), provided that Mr Remy has achieved at least 80% of his objectives over the last three years. The severance payment would not be made until the Board of Directors has verified that Mr Remy's performance obligation, as amended, has been achieved.

A non-competition obligation will come into effect if Mr Remy ceases to be the Company's Chief Executive Officer. The terms of the compensation provided in consideration of this obligation are identical to those that were approved at the General Shareholders' Meeting of 10 June 2010. This obligation would not exceed twenty-four months and would cover all of France.

The combined total of the severance payment and the non-competition compensation may not exceed two years of fixed and variable remuneration.

Your Company will have the option to release Mr Remy from this non-competition clause by informing him of its decision to do so no later than fifteen calendar days after the Board of Directors' meeting where the termination of Mr Remy's term of office as Chief Executive Officer is acknowledged or decided.

2. With Mr Christophe Pingard, your Company's Deputy Chief Executive Officer

Nature and purpose

On 26 October 2011, your Board of Directors set forth the terms and conditions of Mr Christophe Pingard's appointment as Deputy Chief Executive Officer.

Terms and conditions

The remuneration and other terms and conditions of Mr Christophe Pingard's appointment were proposed by the Remuneration Committee on 20 October 2011.

Mr Christophe Pingard's will be entitled to your Company's current supplementary pension scheme, to "mutual" life and healthcare insurance plans under the same terms that apply to the Company's management staff, or to a similar plan, and to civil liability insurance.

Mr Pingard may receive severance pay if he is forced to leave the Company as a result of a change in its control or strategy, or of a change in the execution of its strategy. This severance pay would be equal to twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of his term of office. If he leaves before the end of the first year after being hired, this severance pay will be equal to six months of remuneration at the average monthly rate of the total gross remuneration he will have received.

A non-competition obligation will come into effect if Mr Pingard ceases to be Deputy Chief Executive Officer for any reason and in any way whatsoever. This obligation would not exceed twenty-four months and would cover all of France.

The compensation to be paid in consideration for observing this non-competition obligation for twenty-four months would be twelve months of remuneration at the average monthly rate of the total gross remuneration over the last twelve months of Mr Christophe Pingard's term of office as Deputy Chief Executive Officer. One fourth of this compensation would be paid to Mr Pingard at the end of each six-month period.

When Mr Pingard's employment is terminated, the Company may waive the non-competition obligation, in which case it will not have to pay the corresponding compensation.

Paris-La Défense and Neuilly-sur-Seine, 15 February 2016

The Statutory Auditors

ERNST & YOUNG Audit	DELOITTE & ASSOCIÉS
Denis THIBON	Ariane BUCAILLE

20 FINANCIAL INFORMATION ON HOLDINGS, ISSUER'S FINANCIAL POSITION AND RESULTS

20.1 Consolidated financial statements

Consolidated income statement

		As at 31 December	
(amounts in thousands of euros, except data relating to shares)	Notes	2015	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	10	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	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	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		(1,938,165)	(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 borrowings	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)**
IFRIC21					*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)**
IFRIC21					*(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)**

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

Consolidated cash flow statement

(amounts in thousands of euros)	Notes	As at 31 December 2015	2014 (*)
Income for the period attributable 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.

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.

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.

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, Print & Voice. 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.

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 BtoB, 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:

	As at 31 December					
	2015			2014		
(amounts in thousands of euros)	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

	As at 31 December	
(amounts in thousands of euros)	2015	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)

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.

6 Personnel costs

		As at 31 December	
(in thousands of euros, except staff count)		2015	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

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.

8 Net financial expenses

Net financial expense is made up as follows:

	As at 31 December	
(amounts in thousands of euros)	2015	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)
Amortization 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)

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:

	As at 31 December	
(amounts in thousands of euros)	2015	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	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	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)

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).

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:

	As at 31 December			As at 31 December			
	2015			2014 (*)			Change
(in thousands of euros)	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 (1)	-	(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.

12 Other intangible fixed assets

	31 December 2015			31 December 2014		
(in thousands of euros)	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:

	31 December	
(in thousands of euros)	2015	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 amortization	(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.

13 Tangible fixed assets

	31 December					
	2015			2014		
(in thousands of euros)	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:

	31 December	
(in thousands of euros)	2015	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
Reclassifications	-	-
Disposals and accelerated amortisation	(37)	(12)
Depreciation charge	(10,548)	(9,681)
CLOSING BALANCE	**28,381**	**25,269**

14 Other available-for-sale assets

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

15 Other non-current financial assets

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

16 Derivative financial instruments

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

	As at 31 December	
(in thousands of euros)	2015	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.

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.

18 Trade debtors

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

	As at 31 December	
(in thousands of euros)	2015	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:

			Overdue and not impaired (1)					
(in thousands of euros)	Total (1)	Not due (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.

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.

20 Other current assets

The other current assets are made up as follows

	As at 31 December	
(in thousands of euros)	2015	2014
VAT receivable	17,161	21,406
Sundry accounts receivable	92	18
Trade payables - Advances and instalments	3,310	3,680
Other current assets	3,533	3,928
Total	**24,096**	**29,032**

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 [1]	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.

22 Shareholders' 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.

23 Trade creditors

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

24 Personnel benefits, provisions and other liabilities

These are made up as follows:

	As at 31 December	
(in thousands of euros)	2015	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

	As at 31 December	
(in thousands of euros)	2015	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)

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)	-	-

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.

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.

	As at 31 December	
(in thousands of euros)	2015	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.

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.

28 Financial instruments

28.1 Financial instruments in the balance sheet

(in thousands of euros)	Carrying amount in balance sheet	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
		Breakdown according to IAS 39					
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	Fair value recognised in profit or loss	Derivative instruments	Available-for-sale assets	Loans and receivables (amortised cost)	Financial liabilities (amortised cost)	Others
		Breakdown according to IAS 39					
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)**						

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
Variable rate				
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:

	Carrying amount in balance sheet		2016		2017		2018	
(in millions of euros)	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.

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.

	31 December	
(in thousands of euros)	2015	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.

31

Contractual obligations and off-balance-sheet commitments

Significant off-balance-sheet commitments are as follows:

	2015				2014
		Payments due per period			
Contractual obligations (in thousands of euros)	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 m^2, 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:

	2015				2014
		Payments due per period			
Contractual obligations (in thousands of euros)	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:

	2015				2014
		Payments due per period			
Contractual obligations (in thousands of euros)	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.

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.

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.

Consolidated income statement

(amounts in thousands of euros, except data relating to shares)	As at 31 december							
	2015				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 associate	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)**
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	-

Consolidated cash flow statement

(amounts in thousands of euros)	As at 31 december					
	2015			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**		

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%**

35 Scope of consolidation

Entities	Country	As at 31 December 2015		As at 31 December 2014	
		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

36 Events subsequent to the closing date

None

20.2 Annual financial statements as of 31 December 2015

Balance sheet

in thousands of euros	Notes	Gross	Depreciation, amortisation and provisions	2015 Net	2014 Net	Variation
ASSETS						
Intangible fixed assets	3.1	424	(394)	30	229	(198)
Tangible fixed assets	3.1	10,185	(0)	10,185	22	10,162
Interests and other securities	3.2	4,203,639	(1,954,599)	2,249,041	3,882,035	(1,632,994)
Loans to undertakings	3.2	24,525	(10,500)	14,025	6,108	7,917
Other long-term investments		10,006	(1,015)	8,991	10,674	(1,683)
TOTAL FIXED ASSETS		**4,248,780**	**(1,966,508)**	2,282,272	**3,899,068**	**(1,616,797)**
Advances and prepayments		457		457	54	403
Trade debtors	3.3	183		183	29	154
Tax and social security claims		18,540		18,540	19,027	(486)
Claims on subsidiaries (tax integration)	3.10	303		303	33	270
Subsidiary current accounts	3.4	50,452	(1,859)	48,593	35,434	13,159
Sundry claims		2,741		2,741	2,976	(235)
Marketable securities and treasury shares	3.4	24,957	(46)	24,910	35,103	(10,193)
Cash and cash equivalents	3.4	5,326		5,326	8,188	(2,861)
Prepaid expenses		108		108	169	(61)
TOTAL CURRENT ASSETS		**103,067**	**(1,905)**	101,161	**101,013**	**149**
TOTAL ASSETS		**4,351,848**	**(1,968,414)**	**2,383,433**	**4,000,081**	**(1,616,648)**
LIABILITIES						
Capital				233,259	232,345	914
Issue premium				348,819	347,174	1,645
Legal reserve				5,620	5,620	-
Other reserves				18,284	18,284	-
Retained earnings				1,233,024	1,365,217	(132,193)
Profit/loss for the year				(1,785,325)	(132,193)	(1,653,132)
Regulated provisions				903	1,059	(157)
EQUITY	**3.5**			54,585	**1,837,507**	**(1,782,922)**
Provisions for risks and expenses				1,679	1,308	371
PROVISION FOR RISKS AND EXPENSES	**3.7**			**1,679**	**1,308**	**371**
Financial debts	3.8			2,214,760	2,141,256	73,504
Long-term loans and debts from financial institutions				800,303	835,458	(35,155)
Sundry loans and financial debts				935,919	936,220	(301)
Subsidiary current accounts				478,520	369,578	108,942
Special bank loans				19	0	19
Operating debts				18,532	10,869	7,663
Supplier debts and related accounts				12,104	5,210	6,894
Tax and social security debts	3.9			6,429	5,659	769
Other debts				93,828	9,107	84,721
Subsidiary debts (tax integration)	3.10			88,588	7,681	80,907
Sundry debts				5,240	1,426	3,814
Deferred income				0	0	-
TOTAL DEBT				2,327,121	**2,161,232**	**165,888**
Unrealised losses from foreign exchange				49	34	15
TOTAL LIABILITIES				**2,383,433**	**4,000,081**	**(1,616,648)**

Income statement

in thousands of euros	Notes	Income Statement as of 31 December 2015	2014	Variation
Provision of services	3.11	9,373	8,732	641
Related revenues	3.11	397	336	61
Writeback of provisions and transfers of expenses		193	3	190
Other revenues		3,084	0	3,084
Operating revenues		**13,047**	**9,071**	**3,976**
Purchases and provision of services		289	443	(154)
Purchases of materials and supplies not stocked		25	46	(21)
External services		1,142	1,441	(300)
Other external services		8,839	36,112	(27,273)
Duties and taxes and similar payments		283	481	(198)
Salaries		8,294	7,536	759
Social security contributions		3,997	5,791	(1,793)
Other charges		3,552	371	3,181
Depreciation and amortisation and provisions on current assets		27	30	(3)
Allocations to provisions for risks and expenses		333	211	122
Expenses		**26,780**	**52,462**	**(25,682)**
Operating expenses		**(13,733)**	**(43,391)**	**29,658**
Proceeds from interests - dividend		4,096	-	4,096
Financial revenues on marketable securities and claims on fixed assets		1,222	2,007	(784)
Other financial revenues		-	-	-
Writeback of provisions		25,568	3,703	21,864
Foreign exchange gains		1	-	1
Financial revenues		**30,887**	**5,710**	**25,177**
Interest and similar expenses		109,996	82,565	27,431
Other financial expenses		16,099	18,267	(2,168)
Allocations to provisions		1,644,323	49,520	1,594,803
Foreign exchange losses		2	2	0
Financial expenses		**1,770,419**	**150,353**	**1,620,066**
Financial income/expenses	**3.12**	**(1,739,532)**	**(144,643)**	**(1,594,889)**
Current income/expenses		**(1,753,266)**	**(188,035)**	**(1,565,231)**
Exceptional income on management transactions		-	-	-
Exceptional income on capital transactions		492	45	447
Writeback of provisions and transfer of expenses		9,829	7	9,823
Exceptional income		**10,321**	**52**	**10,269**
Exceptional expenses on management transactions		6,756	7	6,749
Exceptional expenses on capital transactions		21,361	76	21,284
Depreciation, amortisation and provisions		175	280	(106)
Exceptional expenses		**28,292**	**364**	**27,928**
Exceptional income/expenses	**3.13**	**(17,970)**	**(312)**	**(17,659)**
Employee profit sharing		-	-	-
Tax on profits	3.10	14,089	(56,153)	70,242
Net income/expenses		**(1,785,325)**	**(132,193)**	**(1,653,132)**

APPENDIX

1 BUSINESS ACTIVITIES

SoLocal Group is a holding company whose subsidiaries provide local information, primarily in France, via online and printed directories and online content that helps the users of its websites find products and services and make purchasing decisions. SoLocal Group's subsidiaries are engaged in two complementary business activities: providing content, services, and media. SoLocal Group offers a diversified range of products and services for businesses and consumers.

The accounting information provided below covers the 12-month period from 1 January 2015 to 31 December 2015.

2 ACCOUNTING RULES AND METHODS

SoLocal Group's annual financial statements were prepared in accordance with legal requirements and generally accepted accounting practices in France and with ANC regulation No. 2014-03 on the revision of the French General Chart of Accounts.

Accounting conventions observe the principle of conservatism and assume continuity of operations, permanence of the accounting methods between years and the accruals principle, in accordance with the general rules for preparing and presenting annual financial statements.

The main methods employed are described below.

All figures are in thousands of euros (€K).

2.1 Income and expense recognition

Income and expenses are recognised in compliance with the French General Chart of Accounts.

2.2 Tangible and intangible fixed assets

Intangible fixed assets include software, which is amortised on a prorated basis over 3 years.

Tangible fixed assets consist of office equipment and furniture as well as construction work in progress.

2.3 Investments in associates and other non-current securities

Equity interests in associates are recorded at their historical acquisition cost, which includes any costs directly related to the acquisition.

Impairment is recognised if the historical cost of these securities is greater than their value in use, as determined by SoLocal Group's management on the basis of various criteria, such as market value, the outlook for growth and profitability, shareholders' equity and each equity interest's specific characteristics.

The value in use is determined by discounting expected cash flows adjusted to account for net debt. Cash flows are determined using the following method:

- the cash flows used are those projected in business plans that cover a sufficiently long period, which is usually 5 years;
- beyond this period, cash flows are extrapolated using a perpetual growth rate that reflects the forecast long-term growth rate of the market for each specific business activity;
- cash flows are discounted at rates that are deemed appropriate given the nature of the business activity and the country.

2.4 Trade debtors

The impairments recorded on trade receivables depend on the assessed risk of non-collection. Impairment may be based on an individual or a statistical assessment of non-collection risk.

2.5 Cash and cash equivalents, marketable securities and treasury shares

Cash and cash equivalents at 31 December 2015 consisted of immediately available cash assets and short-term investments with a maturity of no more than three months when acquired. Any provisions on treasury shares are based on their average price during the last month of the year.

2.6 Provisions for risks and contingencies

French law requires a payment to employees upon retirement that is proportional to their length of service and final salary. The actuarial gains and losses on post-employment benefits are determined using the corridor method, which spreads gains and losses that exceed 10% of the greater of the value of the commitment/obligation or the value of hedging assets over the remaining service lives of plan participants.

The method used to calculate this provision is based on an actuarial assessment and includes the following parameters:

- the "mortality tables by generation of men" (TGH 05) for men, and the "mortality tables by generation of women" (TGF 05) for women;
- employee turnover rates, which vary with length of service, age and socio-professional category;
- the selected retirement age used, which is 64 for managers and 62 for office staff, technicians and supervisors;
- salary increase tables, which vary with age and socio-professional category;
- the discount rate, which is 2.25% for the 2015 expense;
- the probable average remaining length of service, which was 15.79 years at 31 December 2015.

The other provisions for the risks to which SoLocal Group is exposed are based on the best possible estimates.

2.7 Net financial income

The net financial income or loss is mainly determined by:

- dividends;
- the interest expense on debt;
- the interest paid on debtor and creditor current accounts with Group subsidiaries;
- gains and losses on treasury shares held under the liquidity contract;
- income and expenses associated with short-term investments, including those held under the liquidity contract;
- allocations to and reversal of impairment on securities and receivables.

2.8 Corporate income tax

Under the tax consolidation agreement between SoLocal Group and its subsidiaries within the tax consolidation group, SoLocal Group, as the head of the tax group, recognises any consolidated tax gain as income for the year.

At 31 December 2015, the tax group included 10 companies, including SoLocal Group, the head of the tax group.

3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

3.1 Tangible and intangible fixed assets

Gross	31 December 2014	Acquisition	Reduction	31 December 2015
Software	424	-	-	424
Hardware and office furniture	23	-	-	23
Fixed assets in course of construction	171	9,991	-	10,162
GROSS TOTAL	**618**	**9,991**	**-**	**10,609**

Amortisation	31 December 2014	Allowances	Amounts released	31 December 2015
Software	367	27	-	394
Hardware and office furniture	0	1	-	1
TOTAL AMORTISATION	**367**	**27**	**-**	**394**

3.2 Investments in associates and related receivables

The table below shows the change in investments in associates and related receivables:

(in €K)	Financial year ended 31 December				
	2015				2014
	% of interest	Gross value	Provision	Net book value	Net book value
Interests					
PagesJaunes	100%	4,005,038	(1,821,529)	2,183,509	3,823,538
QDQ Media	100%	91,719	(91,719)	-	-
Mappy	100%	18,048	(14,000)	4,048	4,048
PJMS	100%	7,275	-	7,275	7,275
Euro Directory	100%	13,251	(13,251)	0	3,651
Horyzon Média	100%	-	-	-	7,879
Yelster digital	100%	14,997	(14,100)	897	897
Sotravo	100%	-	-	-	-
PagesJaunes Outre-mer	100%	76	-	76	76
NetVendeur	100%	200	-	200	200
Cristallerie 3	100%	-	-	-	-
Cristallerie 5	100%	6	-	6	-
Fine Média	100%	12,240	-	12,240	12,240
ClicRDV	100%	6,485	-	6,485	6,485
Digital To Store	100%	188	-	188	188
Effilab	100%	18,883	-	18,883	-
Leadformance	100%	9,801	-	9,801	9,801
Orbit Interactive	100%	76	-	76	76
Chronoresto (CD & Co)	100%	5,281	-	5,281	5,287
TOTAL		**4,203,564**	**(1,954,599)**	**2,248,966**	**3,881,642**
Other non-current securities					
Idenum	5%	75	-	75	75
Relaxnews				-	318
TOTAL		**75**	**-**	**75**	**393**
TOTAL INTERESTS AND OTHER SECURITIES		**4,203,639**	**(1,954,599)**	**2,249,041**	**3,882,035**
Claims related to interests					
QDQ Media (participating loan)		18,300	(10,500)	7,800	-
QDQ accrued interest not yet due		208	-	208	209
Mappy		3,500	-	3,500	3,500
Mappy accrued interest not yet due		4	-	4	4
Leadformance		2,496	-	2,496	2,383
Leadformance accrued interest not yet due		18	-	18	13
TOTAL		**24,525**	**(10,500)**	**14,025**	**6,108**

During the year:

On 16 October 2015, SoLocal Group transferred 100% of the Horyzon Media securities.

On 21 December 2015, SoLocal Group finalised the transfer of the Sotravo securities with effect from 31 December 2015.

On 23 December 2015, SoLocal Group acquired 100% of the shares and voting rights in Effilab. Set up in 2011, this French start-up is an agency specialising in the management of online advertising campaigns on search engines and the social networks.

Price supplements could be paid if certain conditions of operational performance were fulfilled. They were estimated based on the probability of fulfilment of the conditions of performance and form an integral part of the acquisition price and were recognised as debts.

In 2015, the PagesJaunes securities were depreciated in the sum of €1,640 million, bringing the provision to €1,822 million. This depreciation is the result of the normal process of asset evaluation tests carried out every year and does not affect business cash. It is associated with the accelerated decline of the printed directories business and a lower growth in Internet activities, in a context of marked financial constraint, despite a program for major investment in the digital transformation of the Group, particularly in the commercial, marketing and technology fields.

Moreover, the depreciation of all the securities of the Luxembourgian subsidiary Euro Directory is associated with the latter's increase in dividend, following the transfer of all the securities of its subsidiary Editus.

3.3 Trade debtors, impairment of receivables and other receivables

	Financial year ended 31 December	
(in €K)	2015	2014
Gross trade debtors	183	29
Depreciation	-	-
Net trade debtors	**183**	**29**

The above receivables include the services that SoLocal Group invoices to its subsidiaries.

All trade debtors and other receivables are less than one year.

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3.4 Cash and cash equivalents, marketable securities, current accounts and debt

	Financial year ended 31 December	
(in €K)	2015	2014
Net asset current accounts	48,593	35,434
of which accrued interest not yet due	*-*	*1*
Treasury shares	672	4,973
Treasury shares - provision	(46)	(3,683)
Other marketable securities	24,284	33,813
Cash and cash equivalents	5,326	8,188
CASH AND CASH EQUIVALENTS, MARKETABLE SECURITIES AND CURRENT ACCOUNTS	**78,830**	**78,725**
Loans and financial debts from credit institutions	798,805	813,803
Revolving credit facility drawn (RCF)	-	20,000
Accrued interest not yet due	1,498	1,655
LOANS AND FINANCIAL DEBTS FROM CREDIT INSTITUTIONS SUBTOTAL	**800,303**	**835,458**
Loans and financial debts from Group companies	580,000	580,000
Accrued interest not yet due	585	650
PagesJaunes Finance&Co SCA loan	350,000	350,000
Interest accrued on PagesJaunes Finance&Co SCA loan	2,594	2,594
Debt relating to future claims transferred - CICE	2,739	2,976
LOANS AND FINANCIAL DEBTS SUBTOTAL	**935,919**	**936,220**
Liability current accounts	478,520	369,578
of which accrued interest not yet due	*-*	*-*
Other financial debts - bank overdrafts	19	-
GROSS FINANCIAL DEBT	**2,214,760**	**2,141,256**
Portion due in less than one year	*1,081,122*	*977,452*
Portion due after more than one year	*1,133,638*	*1,163,803*
NET CASH (DEBT)	**(2,135,930)**	**(2,062,530)**

Marketable securities

At 31 December 2015, marketable securities totalled 24.3 million euros and consist mainly of shares in mutual funds.

Loans and borrowings from credit institutions

The syndicated credit facility agreement (a bank loan) was amended in 2014 and now includes the following financial covenants:

- the **"Leverage Ratio"** which is consolidated net debt over consolidated EBITDA must not exceed 4.00 on the last day of each calendar quarter over the remaining term of the agreement (EBITDA and consolidated net debt are defined in the agreement with the financial institutions; note that the definition of EBITDA for the calculation of the covenants is different from that of EBITDA reported in these accounts);
- the ratio of consolidated EBITDA over the net consolidated interest expense must be at least 3.00 on the last day of each calendar quarter over the remaining term of the contract (EBITDA and consolidated net debt are defined in the agreement with the financial institutions);
- as of 2015, and if the Leverage Ratio exceeds 3.50, investments will be capped at 70 million euros the following year.

At 31 December 2015, these financial covenants were observed and no non-current debt needs to be reclassified as current debt. The aforementioned ratios were 3.79 and 3.89 respectively.

The management of the Company remains constrained by its bank covenants, however. The Group continues to explore all the debt-refinancing options, and the prospects for 2016 will depend on the direction taken.

In terms of sensitivities, a 1% reduction in EBITDA (covenant) gives an increase in the financial Leverage Ratio of 0.04. A 2% reduction in the debt gives a reduction in the same ratio of 0.07.

The Company's syndicated credit agreement also includes the following acceleration clauses:

- compulsory early repayment if the acquisition of the Company's shares results in a change of control; and
- partial early repayment each calendar year, of a percentage of the Group's consolidated cash flow minus the cost of debt service, this percentage depending on the Leverage Ratio (67% if it exceeds 3.00, 50% if between 2.50 and 3.00 and 25% if less than 2.50).

The Company's syndicated credit agreement also includes certain commitments (subject to certain exceptions) to carry out measures or otherwise, applicable to the Company and/or its subsidiaries, including the following in particular:

- obligation to maintain certain authorisations;
- restrictions on the granting of securities;
- restrictions on the execution of mergers, demergers or other restructuring;
- undertaking not to change the general nature of the Company's and Group's activities in relation to their activities on the date of conclusion of the syndicated credit agreement;
- restrictions on the financial debt that may be incurred by the Company's subsidiaries; and
- prohibition on the Company making distributions of dividends, amortisations and reductions in its capital and other cash distributions relating to its capital while the Leverage Ratio is higher than 3.00.

Finally, the Company's syndicated credit agreement includes the usual default clauses (particularly in the event of non-payment, non-observance of the Company's financial covenants or commitments (including the commitments referred to above), cross default and the commencement of proceedings for the prevention or handling of business difficulties) allowing lenders to declare forfeiture of the term of the credits granted to the Company and to cancel their commitments in respect of the Company's syndicated credit agreement.

The bond loan in the sum of €350 million referred to above was issued by the entity PagesJaunes Finance & Co SCA (which is not affiliated to the Company) and its proceeds were used by the latter to finance a tranche C1 made available to the Company under the Company's syndicated credit agreement.

The clause on the compulsory early repayment of the Company's syndicated credit agreement in the event of a change in control is not applicable to tranche C1. In the event of a change in control of the Company, the Company will have to pay PagesJaunes Finance & Co SCA (which is the only lender in respect of tranche C1) an amount in respect of tranche C1 such as to allow PagesJaunes Finance & Co SCA to buy back from bond holders so wishing their bonds provided in respective of the aforesaid bond loan.

PagesJaunes Finance & Co SCA and the Company also concluded a separate agreement providing for certain commitments in particular (subject to certain exceptions) to take measures or otherwise, applicable to the Company and/or its subsidiaries, including in particular commitments on the same subjects as those provided for by the Company's syndicated credit agreements referred to above and the following commitments:

- restrictions on the financial debt that may be incurred by the Company and its subsidiaries; and
- prohibition from making certain payments, particularly in respect of distributions of dividends, acquisitions and the granting of loans.

The reference rate is the Euribor or Libor plus a spread.

As of 31 December 2015, the bank debt comprises the following:

- Tranche A7 with a nominal value of €798.8 million (of which €15.2 million in cash sweep): matures in March 2018 with an option to extend until March 2020 (provided that the 350 million euros bond is refinanced before March 2018) and is to be repaid in whole upon maturity less the partial repayments described above, with an interest rate margin of 400 bps if the Leverage Ratio is greater than 3.00 (325 bps if between 2.50 and 3.00, and 250 bps if less than 2.50); and
- RCF 3 revolving credit facility not drawn down: with a nominal value of €49.2 million as of 31 December 2015, to be repaid at rate of €2.7 million each quarter, maturing at the end of March 2018 with an option to extend until March 2020; same margin as tranche A7.

During the second quarter, the Company partially redeemed its bank debt for a nominal value of €15 million. This portion of debt was extinguished.

Loans and borrowings

SoLocal Group has issued a 350 million euros bond to PagesJaunes Finance & Co SCA that bears interest at a fixed rate of 8.895% and is redeemable on 1 June 2018.

SoLocal Group has also received two loans from its subsidiary PagesJaunes, one for 430 million euros and one for 150 million euros, for a total of 580 million euros. The two loans were renewed in 2015 for renewable periods of one year, with the 150 million euros loan maturing on 13 February 2016 and the 430 million euros loan maturing on 18 December 2016.

They bear interest at the 3-month Euribor rate plus a margin.

In 2015, SoLocal Group used its CICE tax credit to obtain a 2.7 million euro bank loan. The cash received increased debt by a corresponding amount. The claim on the government was reclassified as a claim on the bank.

Current accounts

Current accounts with subsidiaries are subject to a cash-management agreement with each subsidiary. They bear interest at the EONIA rate plus or minus a margin, depending on whether the account has a debit or credit balance.

All net current account receivables (48.6 million euros) are due in less than one year.

3.5 Share capital and changes in shareholders' equity

The share capital of SoLocal Group is composed of 38,876,564 shares with a nominal value of €6.00 each, i.e. a total sum of €233,259,384.

Date	Description	Number of shares	Unit value	Capital in €K
31 December 2014	Share capital at year-end	1,161,727,170	0.2	232,345,434
31 December 2015	Share capital at year-end	38,876,564	6	233,259,384

Share capital

Following the grouping of the Company shares decided by the combined general shareholders' meeting of 11 June 2015 by awarding 1 new ordinary share with a nominal value of €6 for 30 old ordinary shares with a nominal value of €0.20 each, implemented by the Board of Directors on 21 July 2015, at the date of this document the Company's share capital amounts to €233,259,384 divided into 38,876,564 fully paid-up shares with a nominal value of €6, all of the same class. The regrouping of shares took effect on 26 October 2015.

Change in shareholders' equity

The table below breaks down the increase in SoLocal Group's shareholders' equity in 2015:

(in €K)	Number of shares	Share capital	Issue premium	Legal reserve	Other reserves	Retained earnings	Profit/Loss	Regulated provisions	Equity
As of 31 December 2014	1,161,727,170	232,345	347,174	5,620	18,284	1,365,217	(132,193)	1,059	1,837,507
Increase in capital	4,569,773	914	1,645						2,559
Grouping of shares	(1,127,420,379)	-	-	-	-	-	-	-	-
Appropriation of 2014 profit/loss	-	-	-	-	-	(132,193)	132,193	-	-
2015 profit/loss	-	-	-	-	-	-	(1,785,325)	-	(1,785,325)
Allocation to regulated provisions 2015	-	-	-	-	-	-	-	(157)	(157)
As of 31 December 2015	**38,876,564**	**233,259**	**348,819**	**5,620**	**18,284**	**1,233,024**	**(1,785,325)**	**903**	**54,585**

3.6 Stock options and freely allotted shares

Stock options

The Board of Directors was authorised by the extraordinary shareholders' meeting of 29 April 2014 authorised the Board of Directors to set up a free share allotment plan (involving either existing shares or shares to be issued), pursuant to Articles L. 225-197-1 and subsequent of the French Commercial Code, to certain Group senior executives and employees as incentive to further the Company's development. This authorisation was granted for a period of 38 months. The number of free shares thus allotted cannot exceed 5% of the Company's capital after the settlement and delivery of the share issues approved at this Shareholders' Meeting.

On 19 June 2014, the Board of Directors set forth the terms for a free share allotment plan involving 45,221,000 shares. Beneficiaries will be fully entitled to these shares upon completion of vesting periods ending on 19 June 2016, 19 June 2017 and 19 June 2018, provided that they are still a senior executive or employee of the Group and that performance targets are achieved.

On 9 February 2015, the Board of Directors drew up the conditions of a free share plan for 2,305,000 shares. These shares will be finally acquired following acquisition periods ending on 9 February 2017, 9 February 2018 and 9 February 2019, provided that the beneficiary is still an employee or manager of the Group and the conditions of performance are satisfied.

All these allotments were made before the regrouping of shares in October 2015 which led to the multiplication of the nominal value by 30.

The allotment date used to determine the corresponding expense is the date of the Board meeting at which the options were approved, the time allowed to inform the beneficiaries having been considered reasonable.

25.2 - Change in stock option and free share allotment plans in the financial year

	Balance at 31 December 2014	New volume conversion (after share issue of 26 October 2015)	Granted	Exercised	Cancelled or lapsed	Balance at 31 December 2015	Exercise price (adjusted post-stock split)
Stock option 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 allotment plans	**50,928,460**	**1,694,873**	**76,833**	**-**	**(296,469)**	**1,475,238**	**Vesting date**
February 2015	-	-	18,944	-	(2,279)	16,665	09/02/2017
February 2015	-	-	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

At 31 December 2015, options under all share subscription plans could be exercised.

3.7 Provisions for risks and contingencies

(in thousands of euros)	Post-employment benefits	Other long-term benefits	Total 31 December 2015	Total 31 December 2014
Variation in value of commitments				
Total value of commitments at start of period	**1,473**	**83**	**1,556**	**1,229**
Cost of services rendered	131	10	141	187
Updating cost	36	2	38	32
Contributions paid by employees	-	-	-	-
Change in system	-	-	-	-
Reductions/Payments	-	-	-	-
Actuarial (gains) or losses	4	(7)	(3)	108
Benefits paid	-	-	-	-
Acquisitions	-	-	-	-
Assignments/Transfers of business	-	-	-	-
Change in scope	-	-	-	-
Other: (exchange-rate differences)	-	-	-	-
Total value of commitments at end of period: (A)	**1,645**	**88**	**1,732**	**1,556**
Commitments at end of period relating to systems totally or partially financed	-	-	-	-
Commitments at end of period relating to non-financed systems	1,645	88	1,732	1,556
Variation in hedge assets				
Fair value of hedge assets at start of period				
Financial proceeds on hedge assets	-	-	-	-
Gains/Losses on hedge assets	-	-	-	-
Contributions paid by the employer	-	-	-	-
Contributions paid by the employees	-	-	-	-
Reductions/Payments	-	-	-	-
Benefits paid by the fund	-	-	-	-
Change in scope	-	-	-	-
Other (exchange-rate differences)	-	-	-	-
Fair value of hedge assets at end of period: (B)	**-**	**-**	**-**	**-**
Financial cover				
Situation of system (A) – (B)	1,645	88	1,732	1,556
Unrecognised actuarial gains or (losses)	(245)	-	(245)	(248)
Unrecognised cost of past services	-	-	-	-
Adjustment connected with the asset limit	-	-	-	-
Provision / (Assets) at end of period	**1,400**	**88**	**1,488**	**1,308**
Pension expense				
Cost of services rendered	131	10	141	187
Updating cost	36	2	38	32
Expected return on assets from the system	-	-	-	-
Depreciation of actuarial (gains) or losses	7	(7)	(0)	24
Depreciation of cost of past services	-	-	-	-
Effect of reductions/payments	-	-	-	-
Assignments/Transfers of business	-	-	-	-
Adjustment connected with the asset limit	-	-	-	-
TOTAL PENSION EXPENSE	**174**	**5**	**179**	**243**
Development in Provision (Assets)				
Provision / (Assets) at start of period	**1,226**	**83**	**1,309**	**1,065**
Pension expense	174	5	179	243
Contributions paid by the employer	-	-	-	-
Benefits paid directly by the employer	-	-	-	-
Variation in scope	-	-	-	-
Other (acquisition differences)	-	-	-	-
Provision/ (Asset) at end of period	**1,400**	**88**	**1,488**	**1,308**
Amount entered in income statement	**174**	**5**	**179**	**243**

(in €K)	31 December 2014	Allowance for the financial year	Amount released for the financial year (provision used)	31 December 2015
Pension and similar commitments	1,308	179	-	1,487
TOTAL PROVISIONS FOR RISKS AND EXPENSES	**1,308**	**179**	**-**	**1,487**

The net impact of the expenses incurred on operating and financial income is shown below:

(in €K)	Allowance for the financial year	Amount released for the financial year
Operating income/expense	141	-
Financial income/expense	38	-

The provisions for pension and similar commitments include vested rights to lump-sum retirement payments and seniority bonuses.

3.8 Debt maturity schedule

	Financial year ended 31 December 2015		
(in €K)	Gross amount	up to one year	more than one year
Loans and financial debts from credit institutions	800,303	16,665	783,638
Debt relating to future claims transferred - CICE	2,739	2,739	
Loans and financial debts from Group companies	580,585	580,585	-
PagesJaunes Finance&Co SCA loan	352,594	2,594	350,000
LOANS AND FINANCIAL DEBTS SUBTOTAL	**1,736,221**	**602,583**	**1,133,638**
Current accounts	478,520	478,520	-
Special bank loans	19	19	-
Supplier debts and related accounts	12,104	12,104	0
Tax and social security debts	6,429	6,429	-
Subsidiary debts (tax integration)	88,588	88,588	0
Sundry debts	5,240	2,000	3,240
TOTAL	**2,327,121**	**1,190,243**	**1,136,878**

3.9 Accrued income and expenses

Income receivable	Financial year ended 31 December	
(in €k)	2015	2014
Trade debtors – invoices to be drawn up	113	-
Tax and social security claims – corporate income tax	16,392	18,287
Tax and social security claims – VAT	1,587	413
Sundry claims – Financial income receivable	-	1
TOTAL	**18,093**	**18,702**

Expenses payable	Financial year ended 31 December	
(in €k)	2015	2014
Financial debts – accrued interest not yet due	4,677	4,899
Trade creditors and related accounts	9,567	2,533
Tax and social security debts – VAT, taxes, salaries and social security contributions	4,221	3,905
Tax and social security debts – corporate income tax	-	-
Sundry debts	-	726
TOTAL	**18,465**	**12,063**

3.10 Corporate income tax

Tax consolidation

On 3 December 2004, SoLocal Group opted to comply with the rules that apply to tax groups pursuant to Articles 223A and subsequent of the French Tax Code, for a renewable period of five years as of 1 January 2005. In doing so, SoLocal Group made itself solely liable for the corporate income tax on all of the earnings of the tax consolidation group formed by itself and the companies in which it directly or indirectly holds at least 95% of the share capital and which agreed to join this group.

The tax consolidated subsidiaries at 31 December 2015 are PagesJaunes, PJMS, NetVendeur, Mappy, PagesJaunes Outre-Mer, ClicRDV, Fine Media, Chronoresto, Leadformance and Retail Explorer.

A tax consolidation gain of 14.1 million euros was recognised in 2015.

The net corporate tax receivable for 2015, after the application of tax credits, is 16.4 million euros.

Balance sheet position

	Financial year ended 31 December	
(in €K)	2015	2014
Asset tax integration current accounts	303	33
State – corporate income tax claim	16,392	18,287
Liability tax integration current accounts	(88,588)	(7,681)
State – corporate income tax due	-	-
NET BALANCE SHEET POSITION - ASSETS / (LIABILITIES)	**(71,893)**	**10,639**
Group corporate income tax due after tax credit	(16,392)	(18,287)
GROUP CORPORATE INCOME TAX NET DEBT (CLAIM)	**(16,392)**	**(18,287)**

Tax consolidation current accounts with subsidiaries show a net receivable of 71.9 million euros at 31 December 2015. This balance consists of the share of 2015 corporate tax owed by each subsidiary under the tax consolidation agreements.

Underlying and deferred tax position

(in €K)	Gross
Future tax debt relief	
Provision for lump-sum retirement payments	1,400
Hidden gain on mutual funds	8
Special depreciation allowances	(1,006)
TOTAL	**402**

The expenses recognised in 2015 and in preceding years, but which were added back to taxable income, totalled 401 thousand euros at 31 December 2015 and represented a 103 thousand euros decrease in the future tax liability, at the corporate income tax rate in effect at that date.

In 2015, SoLocal Group used its CICE tax credit to obtain a 2.7 million euro bank loan. The cash received increased debt by a corresponding amount. The claim on the government was reclassified as a claim on the bank.

3.11 Breakdown of revenues

Revenues totalled 9.8 million euros in 2015, versus 9.1 million in 2014, and consisted of:

	Financial year ended 31 December	
(in €K)	2015	2014
Assistance for subsidiaries	8,066	7,336
Passing-on of employee expenses	1,307	1,396
Other	382	336
REVENUES	**9,754**	**9,068**

3.12 Financial income

The financial income for 2015 comprises dividends received from a subsidiary for €4.1 million, writebacks of provisions for the depreciation of securities and current accounts. It also comprises financial expenses relating to derivative instruments for €11.1 million. It also includes the depreciation of non-current securities for €1,644 million and income from transfers of claims for an amount of €35,164 million.

	Financial year ended 31 December	
(in €K)	2015	2014
Dividends	4,096	-
Financial income relating to derivative instruments	-	-
Other financial income	1,222	2,007
Amounts released from provisions	25,568	3,703
Exchange-rate gain	1	-
FINANCIAL INCOME	**30,887**	**5,710**
Interest on loans and sundry financial debts	74,829	82,564
Financial expenses relating to derivative instruments	11,107	14,470
Other financial expenses	4,995	3,797
Accretion expense on pension commitments	38	32
Allowances for financial provisions	1,644,284	49,488
Gross value of claims transferred	35,164	-
Exchange-rate losses	2	2
FINANCIAL EXPENSES	**1,770,419**	**150,353**
FINANCIAL INCOME/EXPENSES	**(1,739,532)**	**(144,643)**

3.13 Extraordinary income

	Financial year ended 31 December	
(in €K)	2015	2014
Proceeds from transfer	492	45
Amount released on provision and depreciation	331	7
Other proceeds	2,742	-
Transfer of expenses	6,756	
EXCEPTIONAL INCOME	**10,321**	**52**
Net book value of asset items transferred	21,361	76
Special depreciation allowances	175	280
Other expenses	6,756	7
EXCEPTIONAL EXPENSES	**28,292**	**364**
EXCEPTIONAL INCOME/EXPENSES	**(17,970)**	**(312)**

The exceptional deficit of €18.0 million comprises proceeds on the buy-back of the SoLocal Group discounted debt, a transfer of charge as well as the net book value of the securities transferred in 2015.

4 OTHER

4.1 Off-balance sheet commitments

Individual right to training – DIF

As from 1 January 2015, the Employee Training Account (CPF) replaced the individual right to training (DIF).

The rights acquired under the DIF up to 31 December 2014 will be retained by employees and may be utilised until 1 January 2021. The CPF is now attached to the person while the DIF was attached to the employment contract.

In 2015, the DIF was transferred into the CPF by every employee.

Employee training account – CPF

SoLocal Group has not made any internal commitment to the CPF. There is no longer any commitment for the Company.

Securities pledged

Under the bank lending agreement described in note 3.4, the Company pledged a securities account that includes all of its shares in PagesJaunes as collateral for all sums owed (including principal, interest, commissions, fees and costs) to the lending banks for the financing provided.

The Company also agreed to pledge to the lending banks a securities account consisting of the securities of any subsidiary that becomes a "material subsidiary", pursuant to the terms of the lending agreement, as collateral for all sums owed (including principal, interest, commissions, fees and costs).

Interest rate derivative instruments

SoLocal Group signed swap and collar contracts with several financial institutions for a total nominal amount of 800 million euros for November 2013 and September 2015.

These contracts hedge the interest rate risk incurred on the variable-rate loan agreed in 2006 (see note 3.4). They are recognised for on a prorated basis.

In 2015, SoLocal Group booked a financial expense of 11.1 million euros on these contracts, vs. 14.4 million euros in 2014.

These instruments matured in September 2015.

As of 31 December 2015, there was no longer any commitment relating to this type of instrument.

Bank commitments

SoLocal Group has a 49.2 million euros revolving credit facility. At 31 December 2015, there was no drawdown on this facility, which is described in section 3.4.

The presentation of the off-balance sheet commitments does not exclude the possibility that a significant off-balance sheet item was omitted under applicable accounting standards.

Leases

In 2014 and 2015, SoLocal Group signed two agreements with two investors to lease commercial premises in high-rise buildings of the "Citylights" property development, which is under renovation at Boulogne-Billancourt.

The final lease agreements were signed for a term of 10 years, as SoLocal Group waived its option allowing it to terminate the agreements every three years. The lease agreements are therefore scheduled to come into effect on 9 May 2016 and to expire on 8 May 2026.

The leased premises cover a total surface area of 35,702 sqm. The total combined financial commitment under the leases is 126 million euros, excluding service charges and rent indexation.

Independent first-demand guarantees, each of which is equivalent to 12 months of rent including taxes, have been provided to the lessors to protect them from the risk that SoLocal Group fails to honour its commitment when the leases come into effect. These guarantees shall remain valid until 31 October 2016 and required the payment of 9 million euros in accumulated cash collateral.

4.2 Directors' fees and compensation of corporate officers

Directors' fees paid totalled 468,000 euros for 2015 and 371,000 euros for 2014.

Gross compensation paid to corporate officers totalled 1,623,000 euros in 2015 and 1,522,000 euros in 2014.

4.3 Workforce

	Financial year ended 31 December	
(Average full-time equivalent)	2015	2014
Executives	39.6	39.6
Employees	3.0	3.5
TOTAL	**42.6**	**43.1**

4.4 Affiliated companies

At 31 December 2015, SoLocal Group's share capital totalled 233.3 million euros and consisted of 38,876,564 ordinary shares with a par value of 6 euros each. Share capital is fully paid up.

At 31 December 2015, no shareholder owned more than 10% of the share capital.

SoLocal Group companies

Financial year ended 31 December 2015

(in €K)	Income		Expenses		Claims [1]		Debts [1]	
Associated company	operating	financial [2]	operating	financial	operating	financial	operating	financial
PagesJaunes	9,853		798	10,318	114		-	1,057,458
QDQ Media	34	208	-	-	-	8,745	-	-
PJMS	714	-	5	-	-	3,621	-	-
Mappy	399	125	-	-	-	16,641	-	-
RETAIL	-	-	-	-	-	701	-	-
Yelster digital GmbH	10	-	-	-	-	3,353	-	-
Horyzon Média	263	-	-	-	-		-	-
Horyzon Média Worlwide	-	-	-	-	-	459	-	-
PagesJaunes Outre-Mer	125	-	-	-	-		-	1,473
Leadformance	587	118	-	-	-	3,607	-	-
NetVendeur	12	-	-	-	-	625	-	-
Euro Directory	13	-	-	-	13		-	174
Sotravo	45	8,723	-		-		-	-
ClicRDV	238	-	-	-	-	1,153	-	-
Digital to Store LTD	-	-	-	-	-	2,081	-	-
Fine Media	403	-	-	-	-	1,086	-	-
Orbit Interactive	-	-	-	-	-	1,200	-	-
Effilab	-	-	-	-	-	1,692	-	-
Chronoresto-CD&Co	29	-	-	-	-	5,486	-	-
TOTAL	**12,725**	**9,174**	**803**	**10,318**	**127**	**50,450**	**-**	**1,059,105**

Financial year ended 31 December 2014

(in €K)	Income		Expenses		Claims [1]		Debts [1]	
Associated company	operating	financial [2]	operating	financial	operating	financial	operating	financial
PagesJaunes	5,889	-	783	11,810	12	-	1,262	949,166
QDQ Media	37	209	-	-	-	1,703	-	-
PJMS	552	10	16	-	-	4,264	8	-
Mappy	840	145	-	-	-	12,759	-	-
Yelster digital GmbH	32	5	340	-	-	5,012	-	-
Horyzon Média	331	6	-	-	-	7,645	-	-
Horyzon Média Worlwide	-	1	-	-	-	340	-	-
PagesJaunes Outre-Mer	109	-	-	1	-	-	-	1,050
Leadformance	305	96	-	-	-	1,083	-	-
NetVendeur	6	-	-	-	-	-	-	12
Euro Directory	16	-	2	-	-	-	-	-
Sotravo	51	12	-	-	-	10,587	-	-
ClicRDV	251	1	-	-	-	307	-	-
Digital to Store LTD	-	-	-	-	-	182	-	-
Fine Media	275	-	-	-	-	396	-	-
Orbit Interactive	14	1	-	-	-	518	-	-
Chronoresto	31	1	-	-	-	1,694	-	-
TOTAL	**8,739**	**487**	**1,141**	**11,811**	**12**	**46,490**	**1,270**	**950,228**

(1) Excluding current tax consolidation accounts (see note 3.9).

(2) Excluding dividends (see note 3.11).

4.5 Post-balance sheet date events

As of the date of this report, no significant event after the balance sheet date of 31 December 2015 was observed.

4.6 Consolidation

SoLocal Group draws up its own consolidated accounts.

4.7 Table of subsidiaries and associates

Subsidiaries and interests (in thousands of euros)	Capital	Equity excluding capital and before appropriation of income/ expenses	Portion of capital held as a %	Book value of securities held: Gross	Book value of securities held: Net	Loans and advances granted by the company, not yet repaid (excluding current accounts)	Amount of bonds or guarantees given by the company	Revenues from last financial year ended	Net income/ expense from last financial year ended	Dividends collected by the Company during the financial year	Observations
Detailed information on subsidiaries and interests											
1/ Subsidiary: more than 50% held by the company											
NetVendeur (former: Cristallerie 2 SA) 7 avenue de la Cristallerie 92317 Sèvres Cedex SIREN : 493 023 485	200	-159	100%	200	200	-	-	14	-651	-	
Euro Directory SA 2, avenue Charles de Gaulle L-1653 Luxembourg RCS Luxembourg B48461	169	-3,492	100%	13,251	0	-	-	46	3,547	4,096	Unaudited preliminary data
Mappy SA 9 rue Maurice Mallet 92130 Issy les Moulineaux SIREN : 402 466 643	212	-4,327	100%	18,048	4,048	3,500	-	12,589	-4,369	-	
PagesJaunes SA 7 avenue de la Cristallerie 92317 Sèvres Cedex SIREN : 444 212 955	4,005,038	-144,739	100%	4,005,038	2,183,509	-	-	823,064	-1,676,818	-	
PJMS SA 25 quai Gallieni 92150 Suresnes SIREN : 422 041 426	7,275	6,980	100%	7,275	7,275	-	-	22,307	-2,608	-	
PagesJaunes Outre-Mer SA 7 avenue de la Cristallerie 92317 Sèvres Cedex SIREN : 420 423 477	75	316	100%	76	76	-	-	4,721	164	-	Unaudited preliminary data
QDQ Media SAU Calle de la Haya 4 28044 Madrid - Spain RCS Madrid : A81745002	5,500	12,556	100%	91,719	0	18,300	-	17,126	-2,130	-	
Yelster digital GmbH Linke Wienzeile 8, Top 9 1060 Vienna - Austria RCS Vienna: FN 298562 m	44	-2,258	100%	14,997	897	-	-	2,701	-1,216	-	2014 data
Fine Media SAS 108 rue des Dames 75017 Paris SIREN : 494 447 550	47	2,845	100%	12,240	12,240	-	-	7,766	-527	-	Unaudited preliminary data
ClicRDV SASU 9 rue Maurice Mallet 92130 Issy les Moulineaux SIREN : 492 374 442	50	152	100%	6,485	6,485	-	-	3,766	-1,303	-	
Orbit Interactive Nearchore Park - 1100 boulevard El Qods 11000 Casablanca Sidi Maarouf RC Casablanca : 268969	77	610	100%	76	76	-	-	2,689	98	-	
Chronoresto SASU (CD&Co) 23 boulevard Jean Jaurès 93400 Saint Ouen SIREN : 503 573 487	40	-1,678	100%	5,281	5,281	-	-	1,650	-3,374	-	Unaudited preliminary data

Subsidiaries and interests (in thousands of euros)	Capital	Equity excluding capital and before appropriation of income/expenses	Portion of capital held as a %	Book value of securities held Gross	Book value of securities held Net	Loans and advances granted by the company, not yetrepaid (excluding current accounts)	Amount of bonds or guarantees given by the company	Revenues from last financial year ended	Net income/expense from last financial year ended	Dividends collected by the Company during the financial year	Observations
Leadformance SARL 7 Avenue des Ducs de Savoie 73000 Chambery SIREN : 440 743 763	1,722	-5,726	100%	9,801	9,801	2,496	-	3,210	-1,335	-	Unaudited preliminary data
Digital To Store Ltd 64 Great Eastern Street London - United Kingdom Company number : 08865471	204	-346	100%	188	188			2,614	-500	-	
EFFILAB 150 rue Gallieni 92100 Boulogne-Billancourt SIREN : 531 205 565	2	760	100%	18,883	18,883			2,107	907		Unaudited preliminary data
Cristallerie 5 7 avenue de la Cristallerie 92317 Sèvres SIREN: 809 343 734	6		100%	6	6						
2/ Interests (between 10 and 50%)											

Annual Financial Statements for the year ended 31 December 2015

Ladies and Gentlemen,

We have called you to this General Shareholders' Meeting, pursuant to French law and our Company's articles of association, to report on the Company's business activity in the financial year from 1 January 2015 to 31 December 2015 and to submit the Company annual and consolidated accounts for your approval.

I. Year's highlights

On the SoLocal Group shareholdings portfolio, the year 2015 was basically characterised by the following events.

In April 2015, SoLocal Group initiated a plan for the divestment of its non-profitable and non-growing Internet business. Thus, on 2 October 2015, the local social media Zoom On was transferred to the Reworld group; on 16 October 2015, SoLocal Group finalised the transfer of Horyzon Media and, on 21 December 2015, SoLocal Group also finalised the transfer of Sotravo to Mybestpro, formerly Wengo, an entity of the Vivendi group. Finally SoLocal Group transferred the so-called Lookingo "daily deals" business.

On 5 January 2016, SoLocal Group announced the acquisition of 100% of the capital of Effilab. Set up in 2011, certified and recognised as one of the main specialist agencies of Google AdWords™ and Facebook Ads™, Effilab specialises in the management of online advertising campaigns on the search engines and social networks. This acquisition provided the opportunity for SoLocal Group to increase its portfolio of AdWords solutions and to position itself at the forefront in a very quickly developing market.

II. SoLocal Group business activity, key financial figures and presentation of annual financial statements

SoLocal Group is an Internet Group whose task is to "raise awareness of local know-how everywhere and promote the local business of trustworthy companies". The Group offers its customers digital services and solutions to increase their visibility and local contacts and creates and updates the best personalised professional local content for users.

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

Operating income

The SoLocal Group company posted annual revenues of 9.8 million euros in 2015, compared with 9.1 million euros in 2014. These revenues were mainly generated from services provided directly to customers and from reinvoicing personnel expenses to subsidiaries. The other operating income consists of the reinvoicing to the subsidiary PagesJaunes SA of the cost of acquisition of the free shares acquired by its personnel.

Operating expenses

Personnel expenses totalled 12.3 million euros in 2015, compared with 13.3 million euros in 2014 and an average workforce of 43 in 2015, stable compared with 2014.

Other operating expenses increased from 39.1 million euros in 2014 to 14.5 million euros in 2015. These expenses consist mainly of the costs of purchase of free shares in 2015 for 3.1 million euros which formed the subject of reinvoicing to PagesJaunes SA. The cost of refinancing debt and increasing capital, which totalled 30.1 million euros in 2014. When these expenses are excluded, operating expenses were stable.

SoLocal Group posted an operating loss of 13.7 million euros in 2015, compared with an operating loss of 43.4 million euros in 2014.

Net financial income

Gross financial income was 30.9 million euros in 2015, compared with 5.7 million euros in 2014. This income consisted mainly of:

- dividends received from a subsidiary for 4.1 million euros;
- income on current account receivables and cash investments, which totalled 1.2 million euros in 2015, compared with 2.0 million euros in 2014;
- the reversal of a provision for depreciation of stocks and current accounts along with marketable securities (equity shares and liquidity contract) for 25.6 million euros in 2015, compared with 3.7 million euros in 2014.

Financial expenses totalled 1,770.4 million euros in 2015, compared with 150.3 million euros in 2014. These expenses consisted mainly of:

- interest expense on bank loans and on loans and current account payables owed to subsidiaries, which totalled 110.0 million euros in 2015, compared with 82.6 million euros in 2014;
- other financial expenses for a total of 16.1 million euros, of which mainly interest expenses on hedging instruments: 12.4 million euros in 2015, compared with 18.3 million euros in 2014;
- impairment of shares in PagesJaunes and Euro Directory, and of treasuring shares: 1,644.3 million euros in 2015, compared with 49.5 million euros in 2014.

The average interest rate of the Group's external debt increased slightly by 17 basis points from 6.20% in 2014 to 6.37% in 2015 owing to a greater weight as of 31 December 2015 than as of 31 December 2014 of the bond borrowing in the sources of financing partially offset by a more favourable hedging policy.

The net financial loss was 1,739.5 million euros in 2015, compared with 144.6 million euros in 2014.

Exceptional income

There was a net exceptional loss of €18.0 million in 2015 compared with €0.3 million in 2014.

The exceptional income amounts to €10.3 million. It mainly consists of proceeds from the redemption of the SoLocal Group discounted debt and a transfer of exceptional expenses connected with the cost of acquisition of the free shares.

The exceptional expenses amount to €28.3 million and mainly cost of the net book value of the Relaxnews, Horyzon Media and Sotravo securities transferred during the financial year 2015.

Corporate income tax

On 3 December 2004, SoLocal Group opted to comply with the rules that apply to tax groups pursuant to Articles 223-A et seq. of the French Tax Code, for a renewable period of five years. In doing so, SoLocal Group made itself solely liable for the corporate income tax on all of the earnings of the tax consolidation group formed by itself and the companies in which it directly or indirectly holds at least 95% of the share capital and which agreed to join this group.

The tax consolidated subsidiaries at 31 December 2015 are PagesJaunes, PJMS, NetVendeur, Mappy, PagesJaunes Outre-mer, ClicRDV, Fine Media, Chronoresto, Retail Explorer and Leadformance.

With the gain from the tax consolidation, SoLocal Group recognised a net tax expense of 14.1 million euros in 2015, compared with 55.6 million euros in 2014.

Net income

SoLocal Group posted a net loss of 1,785.3 million euros in 2015, compared with a loss of 132.2 million euros in 2014.

Appended to this report there is, pursuant to Article R. 225-102 of the French Commercial Code, a table of our Company's earnings over the past five fiscal years.

III. Share capital structure

The following table shows SoLocal Group's shareholders and the number of shares held at 31 December 2015:

	31/12/2015				31/12/2014				31/12/2013			
	Number of shares	% of share capital	Voting rights	% of voting rights	Number of shares	% of share capital	Voting rights	% of voting rights	Number of shares	% of share capital	Voting rights	% of voting rights
Amber Capital	0	0.0%	0	0.0%	76,636,383	6.6%	76,636,383	6.6%	-	-	-	-
Paulson	0	0.0%	0	0.0%	68,000,000	5.9%	68,000,000	5.9%	2,256,308	0.8%	2,256,308	0.7%
Médiannuaire Holding	0	0.0%	0	0.0%	4,450,786	0.4%	4,450,786	0.4%	51,960,627	18.5%	89,021,254	28.3%
DNCA	1,960,333	5.0%	1,960,333	5.1%	-	-	-	-	-	-	-	-
Edmond de Rothschild AM	2,350,354	6.0%	2,350,354	6.1%	58,399,288	5.0%	58,399,288	5.0%	14,368,891	5.1%	14,368,891	4.6%
SoLocal Group employees(1)	225,964	0.6%	225,964	0.6%	2,510,672	0.2%	2,510,672	0.2%	1,225,937	0.4%	1,225,937	0.4%
Public	34,253,125	88.1%	34,259,374	88.3%	949,564,833	81.7%	950,206,281	81.9%	207,240,242	73.8%	207,854,080	66.0%
Treasury shares(2)	86,788	0.2%	0	0.0%	2,165,208	0.2%	0	0.0%	3,932,749	1.4%	0	0.0%
Total(3)	**38,876,564**	**100.0%**	**38,796,025**	**100.0%**	**1,161,727,170**	**100.0%**	**1,160,203,410**	**100.0%**	**280,984,754**	**100.0%**	**314,726,470**	**100.0%**

Number of shares on the settlement date, respectively 31 December 2015, 31 December 2014 and 31 December 2013.

(1) Under the SoLocal Group savings plan (PEG).

(2) 82,850 treasury shares are held under a liquidity agreement as of 2 December 2012.

(3) The capital increase completed on 6 June 2014 resulted in the creation of 880,742,416 new shares and the reverse stock split finalised on 26 October 2015 brings the number of Company shares to 38,876,564 as of 31/12/2015.

Authorised and unissued share capital

The Extraordinary and Combined General Meetings of the Company's shareholders held respectively on 29 April 2014 and 19 June 2014 authorised the Board of Directors to undertake the following transactions:

Securities concerned	Term of the authorisation and expiration	Maximum amount of debt securities	Maximum par value of the capital increase
Issuance with pre-emptive subscription right (share capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€40 million
Issuance through public offerings without pre-emptive subscription rights (capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issuance through an offer pursuant to Section II of Article L. 411-2 of the French Monetary and Financial Code without pre-emptive subscription rights (capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issuance of common shares and marketable securities with right to acquire common shares in the event of a public exchange offer initiated by the Company	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issuance of common shares and marketable securities with right to acquire common shares as compensation for in-kind contributions to the Company	26 months 19 August 2016	Debt securities: €300 million	10% of capital at the date that the authorisation was granted
Capital increase by incorporation of reserves, profits or premiums	26 months 19 August 2016	–	€40 million
Capital increase for the benefit of members of Company and/or employee savings plans	26 months 19 August 2016	–	2% of share capital
Authorisation to award free shares in the Company	38 months 29 June 2017		5% of share capital

As of the date of this report, with the exception of the authorisation to grant performance shares, SoLocal Group's Board of Directors has used none of the above authorisations.

IV. Related-party transactions and commitments subject to Articles L. 225-38 and L. 225-102-1 of the French Commercial Code

The following agreements and/or commitments are subject to Article L. 225-38 of the French Commercial Code and were entered into in 2015, or in a previous year and were still in effect in 2015:

- the terms and conditions of the appointment of Mr Jean-Pierre Remy as Chief Executive Officer (described in section 15.1 of the 2015 SoLocal Group Reference Document), which the Board of Directors had approved at its meeting of 17 May 2009;
- the terms and conditions of the compensation, severance payment and non-competition obligation of the appointment of Mr Christophe Pingard as Deputy Chief Executive Officer (described in section 15.1 of the 2015 SoLocal Group Reference Document), which the Board of Directors had approved at its meeting of 26 October 2011.

No agreement referred to in Article L. 225-102-1 of the French Commercial Code has been concluded.

V. Corporate officers and Directors

The following table presents the duties and terms of office of SoLocal Group's corporate officers and directors as of the date of this report:

Name	Nationality	Duty(ies)	Date appointed	Date term of office expires	Other duties and main offices in other companies during the past five years
Nathalie Balla La Redoute 57, rue Blanchemaille 59100 Roubaix France	French	Director Member of the Audit Committee	29 July 2014	AGM to be held in 2018	Chairwoman of BCR SAS (France) Chairwoman of New R SAS (France) Permanent representative of New R SAS, Chairwoman of La Redoute SAS (France) CEO of Relais Colis SAS (France) Director of La Redoute Sverige (Sweden) Director of Redcats (UK) Ltd (UK) Liquidator of La Redoute Mag SAS (France) Deputy Director of La Redoute Catalogue Benelux SA (Belgium) Director of La Redoute Switzerland SA (Switzerland) Chairwoman of La Redoute Catalogue Benelux SA (Belgium) Permanent representative of La Redoute, Chairwoman of Les Aubaines Mag SAS (France) Director of FEVAD (France) **Offices no longer held:** Chairwoman of Ref Brésil SA (France) Liquidator of Ellos France SAS (France) Permanent representative of La Redoute Mag, director of Ref Brésil SA (France) Director and vice-president of PICOM (France) Chairwoman of La Redoute Mag SAS (France) Chairwoman of Ellos France SAS (France) Director of Redcats Brands Ltd (UK) Director of Redcats Finance Ltd (UK) Director of Holdsworth Collections Ltd (UK)
Sandrine Dufour Proximus (Belgacom) Boulevard du Roi Albert II, 27 1030 Brussels Belgium	French	Director Chairwoman of the Audit Committee	23 April 2013	AGM to be held in 2018	Financial Director and member of the Management Board of Proximus (Belgium) Director of BICS (Belgacom International Carrier Services) (Belgium) Director of Proximus Group Services SA (Belgium) Director of Connectimmo (Belgium) Director of Proximus Art Asbl (Belgium) **Offices no longer held:** Executive Director of Finance and Strategy of Groupe SFR (France) Chairwoman and CEO of CID SA (France) Chairwoman and CEO of SNBL SA (France) Permanent Representative of SFR, Director of SFD SA (France) Director of SHD SA (France) Permanent Representative of SFR, Director of Service Client SA (France) Permanent Representative of SFR, Director of SFR Collectivités SA (France) Director of Société Financière de Communication et du Multimedia SA (France) Permanent Representative of SFR, Director of Ltb-R SA (France) Member of the Supervisory Committees of Foncière Rimbaud 1 SAS, Foncière Rimbaud 2 SAS, Foncière Rimbaud 3 SAS, Foncière Rimbaud 4 SAS (France) Member of the Strategic and Financial Committee of La Poste Telecom SAS (France) Member of the Supervisory Committee of Numergy SAS (France) Chairwoman of the Board of LDCom Italy (Italy) Chairwoman of the Board of LDCom Switzerland (Switzerland) Member of the Audit Committee of Maroc Telecom (Morocco) Director of CEREP (France) CEO and Director of Watchever Group (formerly Vivendi Mobile Entertainment) (France) Director of Groupe Telindus France Director of SIG 75 (France)

Name	Nationality	Duty(ies)	Date appointed	Date term of office expires	Other duties and main offices in other companies during the past five years
Robert de Metz Dexia Group Bastion Tower Place du Champ de Mars, 5 B-1050 Brussels Belgium	French	Director Chairman of the Board of Directors Chairman of the Remuneration and Appointments Committee	5 November 2014	AGM to be held in 2019	Chairman of the Board and independent Director of Dexia SA (Belgian public company) Chairman of the Board and Director of Dexia Crédit Local (Belgium) Executive Director of La Fayette Investment Management Ltd (UK) Executive Director of La Fayette Management Ltd (UK) Director and Chairman of the Audit Committee of Media Participations (Franco-Belgian) Deputy Chairman of Bee 2 Bees SA (Belgium) Member of the Executive Committee of the Fondation pour les Monuments Historiques (France) **Offices no longer held:** Member of the Supervisory Board of Canal Plus France SA (France) Non-executive Director and member of the Audit Committee of Belfius Banque (Dexia Banque Belgium) (Belgium).
Cécile Moulard Sixième Continent 5, rue de la Baume 75008 Paris France	French	Director Member of the Remuneration and Appointments Committee	26 March 2013	AGM to be held in 2019	Director of MilleMercis (French public company) Director of Truffle Capital, an Internet incubator holding company (France) Director of AXA France (IARD-Vie) (France) **Offices no longer held:** Director of Foncière INEA (France)
Jean-Pierre Remy SoLocal Group 7, avenue de la Cristallerie 92310 Sèvres France	French	Director Chief Executive Officer	17 May 2009	AGM to be held in 2018	Chairman of the Board and Director of PagesJaunes (France)* Director of PJMS (France)* Director of Mappy (France)* Chairman of the Board and Director of QDQ Media (Spain)* **Offices no longer held:** Chairman of the Board of SoLocal Group (French public company) CEO of PagesJaunes (France) Chairman of the Board of Directors and Director of Médiannuaire Holding (France)
Rémy Sautter RTL 22, rue Bayard 75008 Paris France	French	Director Member of the Audit Committee Member of the Remuneration and Appointments Committee	27 May 2004	AGM to be held in 2018	Director of Partner Re (United States) Director of Les Girondins de Bordeaux (France) **Offices no longer held:** Chairman and CEO of Bayard d'Antin (France) Chairman of the Supervisory Board of Ediradio/RTL (France) Member of the Supervisory Board of M6 (France) Chairman of the Board of Directors and Director of Technicolor (France)
Jean-Marc Tassetto Coorpacademy – EPFL Innovation Park Bâtiment I 1015 – Lausanne Switzerland	French	Director Member of the Remuneration and Appointments Committee	5 November 2014	AGM to be held in 2019	Chairman of the Board of Directors of Coorpacademy Director of Paper.li (Switzerland) **Offices no longer held:** Independent consultant to the Board of Directors of Fullsix (France)

*A SoLocal Group subsidiary.

Ms Abeille Deniau was elected Director and employee representative on 30 June 2015. In this context, she attended several meetings of the Company's Board of Directors. Following an application filed by a union organisation, the regional court of Boulogne Billancourt, by a ruling of 18 December 2015, declared the elections of 30 June 2015 void. New elections for the Director and employee representative need to be organised.

VI. Compensation and benefits granted to SoLocal Group corporate officers by SoLocal Group

To executive corporate officers:

Summary table of each executive corporate officer's compensation

	2015		2014	
	Owed amount	Paid amount	Owed amount	Paid amount
Robert de Metz, Chairman of the Board of Directors[1]				
Fixed compensation	–	–	–	–
Variable compensation	–	–	–	–
Exceptional compensation	–	–	–	–
Directors' fees	90,000[3]	95,133	5,133	0
Benefits in kind[2]	–	–	–	–
Total	**90,000**	**95,133**	**5,133[4]**	**0**
Jean-Pierre Remy, Chief Executive Officer				
Fixed compensation	520,000	520,000	520,000	520,000
Variable compensation	468,000	494,000	494,000	390,000
Exceptional compensation	–	–	–	–
Directors' fees	41,000	10,265	33,531	23,266
Benefits in kind[2]	20,233	20,233	20,089	20,089
Total	**1,049,233**	**1,044,498**	**1,067,620**	**963,274**
Christophe Pingard, Deputy Chief Executive Officer				
Fixed compensation	370,000	370,000	370,000	370,000
Variable compensation	200,000	166,500	166,500	185,000
Exceptional compensation	–	–	–	–
Directors' fees	–	–	–	–
Benefits in kind[2]	18,785	18,785	18,375	18,375
Total	**588,785**	**555,285**	**554,875**	**573,375**

(1) Robert de Metz was co-opted and appointed Chairman of the Board of Directors on 5 November 2014.

(2) Availability of a company car and assumption of unemployment insurance contributions.

(3) According to the rules on the distribution of Directors' fees decided by the Board of Directors and in force in 2015, Robert de Metz received €90,000 as a lump sum for his participation on the Board of Directors.

(4) This amount does not include the fees received by a company whose main shareholder is Robert de Metz for consulting services, he provided between September 2013 and May 2014 as part of the financial restructuring of the Company. The total of the fees paid to the company whose main shareholder is Robert de Metz for these services amounted to 433,000 euros excluding taxes.

Information relating to the terms for application of the variable share of the Chief Executive officer and of the Deputy chief executive officer is given in Chapter 15.1 of the Reference Document.

To non-executive directors:

At the Combined General Shareholders' Meeting of 11 June 2015 allocated an annual 490,000 euros in Directors' fees for Board members from this year on and until otherwise decided at a General Shareholders' Meeting.

According to the rules on the distribution of Directors' fees decided by the Board of Directors in force in 2015, the directors receive the following for their participation on the Board of Directors:

- €4,000 per meeting of the Board of Directors;
- €4,000 per meeting of a Committee;
- €10,000 fixed for the Chairman of the Audit Committee;
- €90,000 as a lump sum for the Chairman of the Board of Directors.

The Directors' fees payable to the members of the Board of Directors for the year 2015 amount to €468,000.

Directors' fees and other compensation received by non-executive officers

Non-executive Directors	Amounts due in 2015	Amounts paid in 2015*	Amounts due in 2014	Amounts paid in 2014*
Nathalie Balla(1)				
Directors' fees	59,000	69,266	10,266	—
Other compensation	—	—	—	—
Thierry Bourguignon(2)				
Directors' fees	20,000	20,531	41,212	20,681
Other compensation	134,458	134,458	128,369	128,369
François de Carbonnel(3)				
Directors' fees	8,000	8,000	58,644	58,644
Other compensation	—	—	—	—
Élie Cohen(4)				
Directors' fees	—	—	23,266	23,266
Other compensation	—	—	—	—
Abeille Deniau(5)				
Directors' fees	16,000	0	—	—
Other compensation	64,793	64,793	—	—
Sandrine Dufour				
Directors' fees	63,000	12,832	36,098	23,266
Other compensation	—	—	—	—
Steven Mayer(6)				
Directors' fees	—	—	7,755	7,755
Other compensation	—	—	—	—
Médiannuaire Holding(7)				
Directors' fees	—	—	36,135	36,135
Other compensation	—	—	—	—
Lee Millstein(8)				
Directors' fees	—	—	20,681	20,681
Other compensation	—	—	—	—
Cécile Moulard				
Directors' fees	51,000	51,000	51,552	51,552
Other compensation	—	—	—	—
Rémy Sautter				
Directors' fees	72,000	18,606	47,689	29,082
Other compensation	—	—	—	—
Marc Simoncini(9)				
Directors' fees	—	—	10,340	10,340
Other compensation	—	—	—	—
Jean-Marc Tassetto(10)				
Directors' fees	48,000	48,000	7,699	7,699
Other compensation	—	—	—	—

*The amounts indicated for 2015 do not take into account the 30% withholding tax for foreign tax residents and the 21% withholding tax for French tax residents. The amounts indicated for 2014 do not take into account the 30% withholding tax for foreign tax residents and the 21% withholding tax for French tax residents.

(1) Nathalie Balla was co-opted at the Board of Directors meeting of 29 July 2014. This co-optation was ratified by the General Shareholders' Meeting of 11 June 2015.

(2) The term of office of Thierry Bourguignon, director and employee representative, ended on 20 July 2015.

(3) François de Carbonnel resigned during the Board of Directors Meeting on 27 April 2015.

(4) Élie Cohen resigned during the Board of Directors meeting of 19 June 2014.

(5) Abeille Deniau was elected Director and employee representative on 30 June 2015. Within this scope, she participated in several meetings of the Company's Board of Directors. Following an appeal filed by a trade union, by a judgment pronounced on 18 December 2015, the Regional Court of Boulogne Billancourt annulled the elections of 30 June 2015. New elections of the director and employee representative have to be organised.

(6) Steven Mayer resigned during the Board of Directors meeting of 19 June 2014.

(7) At its meeting of 5 November 2014 the Board of Directors noted the resignation of Médiannuaire Holding.

(8) Lee Millstein resigned during the Board of Directors meeting of 29 July 2014.

(9) Marc Simoncini resigned during the Board of Directors meeting of 5 November 2014.

(10) Jean-Marc Tassetto was co-opted at the Board of Directors of 5 November 2014. This co-optation was ratified by the General Shareholders' Meeting of 11 June 2015.

Compensation requiring shareholder approval

In accordance with the AFEP/MEDEF Corporate Governance Code, as revised in November 2015, which serves as the Company's governance guidelines pursuant to Article L. 225-37 of the French Commercial Code, shareholders will be asked in the 6th, 7th and 8th resolutions to be proposed to the General Shareholders' Meeting ruling on the financial statements for the year ended 31 December 2015, to approve the compensation owed to or to be attributed to Messrs Robert de Metz, Jean-Pierre Remy and Christophe Pingard in 2015.

ROBERT DE METZ, CHAIRMAN OF THE BOARD OF DIRECTORS

Items of remuneration due or attributed during the financial year ended		
	Amounts or valuation put to the vote	Presentation
Fixed portion	N/A	No fixed remuneration
Amount of annual variable portion	N/A	No variable remuneration
Valuation of deferred variable portion	N/A	The principle of allotment of deferred variable remuneration is not provided for
Valuation of multiannual variable remuneration	N/A	There is no multiannual variable remuneration mechanism
Amount of exceptional remuneration	N/A	No exceptional remuneration
Valuation of share options and performance shares or any other item of long-term remuneration	N/A	No attribution
Directors' fees	€90,000	€90,000 lump sum for his term of office as Chairman of the Board of Directors
Valuation of benefits of any kind	N/A	

Items of remuneration due or attributed during the financial year ended that form the subject or have formed the subject of a vote by the General Meeting with regard to the procedure on agreements and regulated commitments		
Amount payable on termination of office: • Severance payment	N/A	N/A
• Non-competition compensation	N/A	N/A
Amount payable under a supplementary retirement plan	N/A	N/A

JEAN-PIERRE REMY, CHIEF EXECUTIVE OFFICER

Items of remuneration due or attributed during the financial year ended		
	Amounts or valuation put to the vote	Presentation
Fixed portion	€520,000	€520,000 in 2014
Amount of annual variable portion	€468,000	Jean-Pierre Remy is eligible for a variable portion of 100% of the annual fixed portion on attaining targets varying between 0 and 200%, based (i) for 50% on a target common to the entire Executive Committee varying between 0 and 200%, based on criteria mainly connected with the growth in sales, EBITDA, transformation of information systems and human resources, and (ii) for 50% on particular qualitative targets connected with the transformation of SoLocal Group, varying between 0 and 200%. For the financial year 2015, the Board of Directors noted that Jean-Pierre Remy's annual performance in respect of his quantitative and qualitative targets amounted to 120% (60% (vs 50% on targets attained) on the quantitative portion and 60% (vs 50% on targets attained) on the qualitative portion). In view of the trend of the share price noted during the financial year, however, the Board of Directors decided, on the joint proposal of the Remuneration Committee and Mr Remy, to limit the amount of the variable portion paid for the year 2015 to 90%. Accordingly, the Board of Directors fixed Jean-Pierre Remy's bonus for 2015 at €468,000, i.e. a 2015 bonus equal to 90% of the objective (45% on the quantitative portion (vs 50% on targets attained) and 45% on the qualitative portion (vs 50% on targets attained)) and to 90% of the fixed annual remuneration.
Valuation of deferred variable portion	N/A	The principle of allotment of deferred variable remuneration is not provided for
Valuation of multiannual variable remuneration	N/A	There is no multiannual variable remuneration mechanism
Amount of exceptional remuneration	N/A	No exceptional remuneration
Valuation of share options and performance shares or any other item of long-term remuneration	N/A	No attribution during the financial year 2015
Directors' fees	€41,000	€4,000 per meeting of the Board of Directors
Valuation of benefits of any kind	€20,233	Availability of a company car and assumption of unemployment insurance contributions

Items of remuneration due or attributed during the financial year ended that form the subject or have formed the subject of a vote by the General Meeting with regard to the procedure on agreements and regulated commitments		
Amount payable on termination of office: • Severance payment	No amount is payable for the financial year ended	Since Jean-Pierre Remy does not benefit from any employment contract, the Board of Directors decided to introduce a severance payment, in the event of his departure from the Company caused by and connected with a change of control or strategy or the implementation thereof, the amount of which would be equal to his flat-rate gross annual remuneration (fixed and variable on attaining targets), provided that Jean-Pierre Remy attains at least 80% of his annual targets in the last three years. The payment would only be made once the Company's Board of Directors finds that the performance condition applicable has been fulfilled.
• Non-competition compensation	No amount is payable for the financial year ended	A non-competition obligation is provided for in the event of termination of the term of office of the Company's Chief Executive Officer, Jean-Pierre Remy, for any reason and in any form whatsoever. This prohibition from competition would be limited to a period of 24 months commencing on the day of actual termination of his duties, and would cover the entire French territory. The corresponding compensation would be equal to 12 months' remuneration calculated based on the monthly average of his total gross remuneration for the last 12 months preceding the date of termination of duties. It would be paid to Jean-Pierre Remy at the end of each half-year at a rate of one-quarter of the total amount of the compensation. The Company will be entitled to release Jean-Pierre Remy from this non-competition clause by informing him of its decision within 15 calendar days of the meeting of the Board of Directors recording or deciding to terminate the term of office of the Company's Chief Executive Officer, Jean-Pierre Remy, at the latest. The total of the severance payment and the non-competition compensation may not exceed two years' remuneration, both fixed and variable. These commitments were previously approved by the Board of Directors at its meetings on 17 May 2009 and 10 March 2014 and by the General Shareholders' Meetings on 10 June 2010 and 19 June 2014.
Amount payable under a supplementary retirement plan	No amount is payable for the financial year ended	Defined-contribution supplementary retirement plan (Art. 83 of the French Tax Code) resulting in a contribution of 5.50% applied to remuneration tranches B and C. This contribution is borne in an amount of 40% by Jean-Pierre Remy, i.e. 2.20%, and in an amount of 60% by the company, i.e. 3.30%. This commitment was previously approved by the Board of Directors at its meetings on 17 May 2009 and 10 March 2014 and by the General Shareholders' Meetings on 10 June 2010 and 19 June 2014.

CHRISTOPHE PINGARD, DEPUTY CHIEF EXECUTIVE OFFICER

Items of remuneration due or attributed during the financial year ended		
	Amounts or valuation put to the vote	Presentation
Fixed portion	€370,000	€370,000 in 2014
Amount of annual variable portion	€200,000	Christophe Pingard is eligible for a variable portion of 60% of the annual fixed portion on attaining targets varying between 0 and 120%, based (i) for 50% on a target common to the entire Executive Committee varying between 0 and 200%, based on criteria mainly connected with the growth in sales, EBITDA, transformation of information systems and human resources, and (ii) for 50% on particular qualitative targets connected with the transformation of SoLocal Group, varying between 0 and 200%. For the financial year 2015, the Board of Directors noted that Christophe Pingard's annual performance in respect of his quantitative and qualitative targets amounted to 120% (60% (vs 50% on targets attained) on the quantitative portion and 60% (vs 50% on targets attained) on the qualitative portion). In view of the trend of the share price noted during the financial year, however, the Board of Directors decided, on the joint proposal of the Remuneration Committee and Mr Pingard, to limit the amount of the variable portion paid for the year 2015 to 90%. Accordingly, the Board of Directors fixed Christophe Pingard's bonus for 2015 at €200,000, i.e. a 2015 bonus equal to 90% of the objective (45% on the quantitative portion (vs 50% on targets attained) and 45% on the qualitative portion (vs 50% on targets attained)) and to 54% of the fixed annual remuneration.
Valuation of deferred variable portion	N/A	The principle of allotment of deferred variable remuneration is not provided for
Valuation of multiannual variable remuneration	N/A	There is no multiannual variable remuneration mechanism
Amount of exceptional remuneration	N/A	No exceptional remuneration
Valuation of share options and performance shares or any other item of long-term remuneration	N/A	No attribution during the financial year 2015
Directors' fees	N/A	Christophe Pingard is not a Company Director and does not receive any Directors' fees
Valuation of benefits of any kind	€18,785	Availability of a company car and payment of unemployment contributions

Items of remuneration due or attributed during the financial year ended that form the subject or have formed the subject of a vote by the General Meeting with regard to the procedure on agreements and regulated commitments		
Amount payable on termination of office: • Severance payment	No amount is payable for the financial year ended	Since Christophe Pingard does not benefit from any employment contract, the Board of Directors decided to introduce a severance payment, in the event of his departure from the Company caused by and connected with a change of control or strategy or the implementation thereof (whatever the form of departure: dismissal, non-renewal or resignation), subject to observance of the following performance condition: the average development in turnover of the last three years, as indicated in the Group's consolidated accounts drawn up by the Board of Directors prior to the date of Christophe Pingard's departure shall be equal to or greater than the average development in the turnover provided for in the budgets for the same period. Compensation shall only be paid once the Board of Directors finds that the performance condition has been fulfilled. The amount of this payment shall be equal to 12 months' remuneration calculated on the basis of the monthly average of the total gross remuneration of the last 12 months' work prior to the date of cessation of duties.
• non-competition compensation		A non-competition obligation shall be implemented in the event of termination of office of the Deputy Chief Executive Officer, Christophe Pingard, for any reason and in any form whatsoever. This prohibition from competition shall be limited to a period of 24 months commencing on the day of actual termination of his duties, and shall cover the entire French territory. The corresponding compensation shall be equal, based on a period of non-competition of 24 months, to 12 months' remuneration calculated based on the monthly average of his total gross remuneration for the last 12 months preceding the date of termination of his duties. It shall be paid to Christophe Pingard at the end of each half-year at a rate of one-quarter of the total amount of the compensation. On termination of his duties, the Company may waive the benefit of the competition commitment (in which case it shall not be required to pay the corresponding compensation). These commitments were previously approved by the Board of Directors at its meetings on 26 October 2011 and 29 April 2014 and by the General Shareholders' Meetings on 6 June 2012 and 19 June 2014.
Amount payable under a supplementary retirement plan	No amount is payable for the financial year ended	Defined-contribution supplementary retirement plan (Art. 83 of the French Tax Code) resulting in a contribution of 5.50% applied to remuneration tranches B and C. This contribution is borne in an amount of 40% by Christophe Pingard, i.e. 2.20%, and in an amount of 60% by the company, i.e. 3.30%. This commitment was previously approved by the Board of Directors at its meetings on 26 October 2011 and 29 April 2014 and by the General Shareholders' Meetings on 6 June 2012 and 19 June 2014.

VII. Amount of remuneration and benefits of any kind received by corporate officers of SoLocal Group during the financial year from companies controlled by SoLocal Group

(in euros)

Corporate officers of SoLocal Group	Fixed remuneration paid during the financial year 2015	Variable remuneration and sundry premiums paid during the financial year 2015	Profit-sharing, participations and employer contributions paid during the financial year 2015	Benefits in kind granted during the financial year 2015	Directors' fees payable during the financial year 2015
Thierry Bourguignon	71,429	59,462	3,332	235	20,000
Abeille Deniau	62,359	700	1,734	0	16,000

VIII. Compensation and benefits received in 2015 by SoLocal Group corporate officers from the company that controls SoLocal Group

NONE

IX. Commitments that arise or may arise upon assuming or leaving office or thereafter

Concerning Mr Jean-Pierre-Remy:

There were no new commitments made to Mr Remy in 2015.

Commitments made to Mr Remy in 2009 were approved at the General Shareholders' Meetings of 10 June 2010 and 19 June 2014.

Concerning Mr Christophe Pingard:

There were no new commitments made to Mr Pingard in 2015.

Commitments made to Mr Pingard in 2011 were approved at the General Shareholders' Meetings of 6 June 2012 and 19 June 2014.

X. SoLocal Group stock options

Stock options

2005 plan

The Company set up a share subscription option plan on 28 June 2005 which, having matured on 28 June 2015, has been cancelled.

2007 plan

The Company also implemented a second share subscription option plan on 20 December 2007 involving 2,927,900 options with an exercise price of 14.46 euros (before adjustments following the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), and the same characteristics as the first plan, i.e. a term of ten years and full vesting of options after three years.

2009 plan

In 2009, the Company set up three share subscription option plans, on 23 July 2009 for 1,145,000 options at an exercise price of 6.71 euros (before adjustments following the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), on 29 October 2009 for 87,000 options at an exercise price of 8.84 euros (before adjustments following the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015), and on 17 December 2009 for 75,000 options at an exercise price of 7.82 euros (before adjustments following the capital Increase of 6 June 2014 and the reverse stock split on 26 October 2015). These plans have the same characteristics as the first plan, i.e. a term of ten years and full vesting of options after three years.

Concerning the plan of 23 July 2009, the Board of Directors adopted the proposal of the Remuneration and Appointments Committee to grant 140,000 options to Jean-Pierre Remy.

All of these options are subject to the following performance obligation, in accordance with the AFEP/MEDEF Corporate Governance Code: attainment by Jean-Pierre Remy of his 2009, 2010 and 2011 targets. Since the Remunerations Committee granted Jean-Pierre Remy, based on attainment of his targets, 150%, 130% and 50% of his variable portion during the course of the years 2009, 2010 and 2011, the average is 110% and, implementing this plan, 140,000 options are finally allotted (9,450 options following adjustments).

Mr Remy will be required to reinvest 33% of the net capital gain obtained from the sale of the shares acquired by exercising his options in SoLocal Group shares. He must keep these shares registered in his own name until he has completed his term as Chief Executive Officer.

2010 plan

In 2010, the Company set up two share subscription plans: one on 27 July 2010 for 1,336,000 options at an exercise price of 8.58 euros (before adjustments following the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015) and another on 16 December 2010 for 166,000 options at an exercise price of 7.09 euros (before adjustments following the capital increase of 6 June 2014 and the reverse stock split on 26 October 2015).

As with the first plan, these plans have terms of 10 years and are fully vested after three years.

Concerning the plan of 27 July 2010, the Board of Directors adopted the proposal of the Remuneration and Appointments Committee to grant 140,000 options to Jean-Pierre Remy.

All of these options are subject, in accordance with the AFEP/MEDEF Corporate Governance Code, to the following performance obligation: that Jean-Pierre Remy achieve his annual targets for 2010, 2011 and 2012. Since the Remunerations Committee granted Jean-Pierre Remy, based on attainment of his targets, 130%, 50% and 65% of his variable portion during the course of the years 2010, 2011 and 2012, the average is 81.67% and, implementing this plan, 114,333 options are finally allotted (7,717 options following adjustment).

Mr Remy will be required to reinvest 33% of the net capital gain obtained from the sale of the shares acquired by exercising these options in SoLocal Group shares. He must keep these shares registered in his own name until he has completed his term as Chief Executive Officer.

Given the capital increase that was completed on 6 June 2014 (see Chapter 5 of this document) and in accordance with the laws, regulations and rules that govern each of these plans, the Board of Directors decided, at its meeting of 19 June 2014, to adjust the terms of the share option subscription plans with respect to the option exercise price and the number of shares that may be subscribed by exercising an option.

Similarly, in order to take into account the Company's reverse stock split on 26 October 2015, the Chief Executive Officer, making use of the powers conferred on him by the Board of Directors on 21 July 2015, decided to adjust the exercise parity of the options for each individual plan, adopting a new parity equal to the current exercise parity of each option multiplied by a ratio of 1/30 (corresponding to the number of shares forming the capital following the reverse stock split divided by the number of shares forming the capital before the reverse stock split by taking into account the waiver by a Company shareholder of the reverse stock split of 23 old shares); it being stipulated that (i) for all the options from which each holder benefits under a plan, the result (per beneficiary and per plan) shall be rounded down to the nearest whole number of new shares and that (ii) the other characteristics of the options shall remain unchanged.

Consequently, any holder of options who could (before the 2015 adjustment) by exercising an option, subscribe for one (1) share with a nominal value of €0.20 at a specific exercise price, can now, by exercising that same option, subscribe for one-thirtieth of a share with a nominal value of €6 at the adjusted exercise price. Thus, a holder of options who could (before the 2015 adjustment), by exercising all the options it held under a plan, subscribe for thirty-one (31) shares with a nominal value of €0.20 for an overall price of €179.40 (€5.78 times 31) can now, by exercising those same options, subscribe for one (1) share with a nominal value of €6 for an overall price of €173.61.

OPTIONS TO SUBSCRIBE FOR NEW SHARES OR TO PURCHASE EXISTING SHARES GRANTED DURING THE YEAR TO EACH CORPORATE OFFICER BY THE SHARE ISSUER OR BY ANY GROUP COMPANY

Name of corporate officer	Plan No. and date	Type of stock option (subscription or purchase)	Options valuation using the consolidated accounts method	Number of options granted during the year	Exercise price	Exercise period
Robert de Metz	–	–	–	–	–	–
Jean-Pierre Remy	–	–	–	–	–	–
Christophe Pingard	–	–	–	–	–	–

Share subscription or purchase options exercised during the year by each executive corporate officer

Name of the executive corporate officer	Plan No. and date	Number of options exercised during the year	Exercise price
Robert de Metz	–	–	–
Jean-Pierre Remy	23 July 2009 27 July 2010	None None	–
Christophe Pingard	–	–	–

SoLocal Group performance share incentive plan:

The 2006 and 2008 plans

The Extraordinary Shareholders' Meeting of 19 April 2006 authorised the Board of Directors to set up, on behalf of certain Group senior executives and employees, a performance share incentive plan, within the meaning of Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to enable them to profit from the Company's development. This authorisation was granted for a period of 38 months and the total number of shares freely allotted under this resolution may not represent more than 0.5% of the Company capital at the date of this General Shareholders' Meeting, i.e. 1,393,948 shares.

The Board of Directors drew up the conditions of an initial share allotment plan on 30 May 2006. This plan gave rise to the initial allotment of 602,361 shares to 591 Group personnel on 30 May 2006. Failing satisfaction of the performance conditions, the allottees' right to receive these shares free of charge is forfeit.

A second share allotment plan was drawn up on 20 November 2006 and gave rise to the allotment of 778,638 shares to 611 Group personnel. Bearing in mind the fact that the performance conditions were not satisfied in one of the two years concerned, only 50% of these shares were finally acquired by the beneficiaries on 20 November 2008.

A third plan was drawn up on 14 February 2008, giving rise to the allotment of 12,940 shares to 15 Group personnel. Failing satisfaction of the performance conditions, the allottees' right to receive these shares free of charge is forfeit.

The 2011, 2012 and 2013 plans

The shareholders of SoLocal Group, meeting at the Combined General Shareholders' Meeting on 7 June 2011, authorised the Board of Directors to implement a share allotment plan based on performance to certain managers and employees of SoLocal Group and its associated companies, within the meaning of Articles L. 225-197-1 to L. 225-197-6 of the Commercial Code.

This plan gave rise to the initial allotment of 1,226,000 shares to 41 Group personnel on 26 October 2011. A second share allotment plan was drawn up on 16 December 2011 and gave rise to the allotment of 84,000 shares to three Group personnel. Bearing in mind the partial satisfaction of the performance conditions on these two plans, around 45% of these shares were finally acquired by the beneficiaries. A third allotment plan was drawn up on 11 December 2012 and gave rise to the allotment of 2,624,000 shares to 47 beneficiaries. A new allotment plan was drawn up on 11 December 2013 and gave rise to the allotment of 280,000 shares to 10 beneficiaries.

At its meeting of 19 June 2014, the Board of Directors decided to adjust the allotment of the performance shares granted under the plans approved on 11 December 2012 and 11 December 2013 to account for the effect of the capital increase with maintenance of the PSR. Bearing in mind the partial satisfaction of the performance conditions on these two plans, around 70.7% of these shares were finally acquired by the beneficiaries.

The 2014 and 2015 plans

SoLocal Group shareholders, at an Extraordinary Meeting on 29 April 2014, authorised the Board of Directors to set up, on behalf of certain officers and employees of SoLocal Group and affiliated companies, a performance share incentive plan pursuant to Articles L. 225-197-1 et seq. of the French Commercial Code.

On 19 June 2014, this plan gave rise to the allotment of 45,221,000 shares to 112 beneficiaries. A second share allotment plan was drawn up on 9 February 2015 and gave rise to the allotment of 2,305,000 shares to 12 Group personnel.

The Chief Executive Officer, making use of the powers conferred on him by the Company's Board of Directors at its meeting on 21 July 2015 decided, by decisions taken on 26 October 2015, to adjust the number of performance shares allotted in December 2013 and June 2014 in order to take into account the Company's reverse stock split according to the following procedure: adjustment with reference to the parity adopted for the reverse stock split, i.e. for each allottee of performance share, by applying a ratio of 1/30 (corresponding to the number of shares forming the capital following the reverse stock split divided by the number of shares forming the capital before the reverse stock split but taking into account the waiver by a Company shareholder of the reverse stock split of 23 old shares) to the number of performance shares to which the holder would have been entitled in the absence of an adjustment; it being stipulated that (i) the result (per beneficiary and per plan) shall be rounded down to the nearest whole number of new shares and that (ii) the other characteristics of the performance shares shall remain unchanged.

Thus a beneficiary of performance shares who (before the 2015) adjustment under a plan is entitled to thirty-one (31) performance share with a nominal value of €0.20 will now be entitled, under that same plan, to one (1) share with a nominal value of €6.

PERFORMANCE SHARES ALLOTTED TO EACH CORPORATE OFFICER

Performance shares allotted during the year by the General Shareholders' Meeting to each corporate officer by the issuer or a Group company (nominative list)	Plan No. and date	Number of shares allotted during the year	Valuation of shares using the consol. accounts method	Vesting date	End of lock-up period	Performance target
Jean-Pierre Remy	-	-	-	-	-	-
Christophe Pingard	-	-	-	-	-	-

Performance shares made available for each corporate officer	Date of plan	Number of shares made available during financial year	Conditions of acquisition
Jean-Pierre Remy	26 October 2011	None	Amount of GOM
	11 December 2012	None	Amount of revenues and GOM
	19 June 2014	None	Organic annual revenue growth
Christophe Pingard	16 December 2011	None	Amount of GOM
	11 December 2012	None	Amount of revenues and GOM
	19 June 2014	None	Organic annual revenue growth
TOTAL			

Jean-Pierre Remy and Christophe Pingard must hold as registered shares 33% of the performance shares allotted in 2011, 25% of the performance shares allotted in 2012 (taking account of changes in taxation between these two dates) and 25% of the performance shares allotted in 2014, up until cessation of their mandate.

	SoLocal Group Plan February 2015
Number of performance shares allotted to the Group's nine largest allottees who are not corporate officers	
	69,996(1)

(1) After adjustment made after reverse stock split completed on 26 October 2015.

XI. Corporate officer transactions involving SoLocal Group shares

NONE

XII. SoLocal Group's trading in its own shares during the year

Summary of the transactions performed within the scope of the programme approved by the Combined General Shareholders' Meeting of 11 June 2015

At the date of 11 June 2015, the date on which the Combined General Shareholders' Meeting approved the 2015 Buy-Back Programme, the Company held 2,987,578 Company shares.The transactions performed within the scope of the 2015 Buy-Back Programme are summarised as follows prior to the reverse stock split:

Table updated to 25 October 2015 (before the reverse stock split)

Number of shares forming the capital of SoLocal Group as of 11 June 2015:	1,166,296,943
Treasury shares held directly or indirectly as of 11 June 2015 at opening:	**2,987,578**
Number of shares bought between 11 June 2015 and 25 October 2015	18,484,874
Gross weighted average price of shares bought (euros)	**0.350**
Number of shares sold between 11 June 2015 and 25 October 2015	19,473,249
Gross weighted average price of shares sold (euros)	**0.354**
Number of shares cancelled in the last 24 months	-23
Treasury shares held directly or indirectly as of 25 October 2015	**1,999,180**
Book value of the portfolio (valued at purchase price) as of 25 October 2015 (euros)	586,467
Market value of the portfolio as of 25 October 2015 (euros)	**569,766**

As of 25 October 2015 before the reverse stock split, the 1,999,180 shares held by the Company were assigned:

(i) in an amount of 1,881,030 shares, to the liquidity target;

(ii) in an amount of 118,150 shares, to the aim of introducing and honouring all obligations connected with the share option programmes or other share allotments to employees of the Company or associated companies.

Following the SoLocal Group's reverse stock split, based on an exchange parity of 30 old shares for 1 new share, the number of SoLocal Group shares forming the capital has amounted to 38,876,564 since 26 October 2015.

At the date of 26 October 2015, following the reverse stock split, the Company held 66,639 Company shares. The transactions performed within the scope of the 2015 Buy-Back Programme are summarised as follows:

Table updated to 31 December 2015

Number of shares forming the capital of SoLocal Group as of 26 October 2015:	38,876,564
Treasury shares held directly or indirectly as of 26 October 2015 at opening:	**66,639**
Number of shares bought between 11 June 2015 and 31 December 2015	133,298
Gross weighted average price of shares bought (euros)	**7.655**
Number of shares sold between 11 June 2015 and 31 December 2015	113,149
Gross weighted average price of shares sold (euros)	**7.964**
Number of shares cancelled in the last 24 months	0
Treasury shares held directly or indirectly as of 31 December 2015	**86,788**
Book value of the portfolio (valued at purchase price) as of 31 December 2015 (euros)	625,602
Market value of the portfolio as of 31 December 2015 (euros)	**593,543**

As of 31 December 2015, the 86,788 shares held by the Company were assigned:

(i) in an amount of 82,850 shares, to the liquidity target;

(ii) in an amount of 3,938 shares, to the aim of introducing and honouring all obligations connected with the share option programmes or other share allotments to employees of the Company or associated companies.

XIII. Significant factors in the event of a public bid

NONE

XIV. Material post balance sheet events

NONE

XV. Human resources report

SoLocal Group employed 42 people as at 31 December 2015 (compared with 42 and 46 at the end of 2014 and 2013 respectively. This is a sufficient number of staff for the holding company of a public group.

All information concerning SoLocal Group's human resources may be found in chapter 17 of the SoLocal Group 2015 Reference Document and in the sections concerning the Company's corporate social responsibility appended to this report.

XVI. Employee profit-sharing

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, we are informing you of the status of employee profit-sharing, which amounts to 225,964 shares held by employees out of the 38,876,564 shares forming the share capital as of 31 December 2015.

XVII. Research and development

At the forefront of its industry, SoLocal Group's expert staff and numerous partnerships enable it to conduct cutting-edge research and development. These teams bring together the best specialists in their respective fields with the aim of promoting innovation and excellence.

XVIII. Environmental impact of the Company's activities and sustainable development commitments

This information may be found in the sections concerning the Company's corporate social responsibility appended to this report.

XIX. Preventing discrimination and promoting diversity

This information may be found in the sections concerning the Company's corporate social responsibility appended to this report.

XX. Main risks and uncertainties

FOREIGN EXCHANGE RISK

See Note 29 of the Notes to the consolidated accounts.

LIQUIDITY RISK

See Note 29 of the Notes to the consolidated accounts.

INTEREST RATE RISK

See Note 29 of the Notes to the consolidated accounts.

CREDIT COUNTERPARTY RISK

See Note 29 of the Notes to the consolidated accounts.

EQUITY RISK

See Note 29 of the Notes to the consolidated accounts.

XXI. Non tax-deductible expenditures

Pursuant to Article 223 quater of the French General Tax Code, we inform you that the expenditures and expenses subject to paragraph 4 of Article 39 of said code totalled 76,820 euros in 2015 and that the corresponding tax was 29,192 euros.

XXII. Supplier payment times

All of the trade payables on the balance sheet at 31 December 2015, which total 2.5 million euros (excluding accrued expenses) are payable within 60 days.

XXIII. Business development outlook

The Company continues to explore all the options for refinancing its debt and the prospects for 2016 will depend on the direction taken.

XXIV. Business activity of main subsidiaries

The Digital 2015 programme transformed SoLocal into an Internet Group whose task is to "raise awareness of local know-how everywhere and promote the local business of trustworthy companies". The Group offers its customers digital services and solutions to increase their visibility and local contacts and creates and updates the best personalised professional local content for users.

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

Internet

The Group's Internet growth is based on two product lines: "Local Search" and "Digital Marketing".

The "Local Search" products constitute the historical basis of SoLocal Group's Internet activities and represent the bulk of its Internet turnover.

The Group is diversifying increasingly into so-called "Digital Marketing" activities, mainly by offering new services to its existing "Local Search" customer base.

- Local Search: The main products are the creation and marketing of contents and advertising space, listing, targeted advertising and provision of advertising space to local and national advertisers (activity often called "display"), along with a range of services allowing provision and distribution of information with local content. The related products are very broadly based on the Group's main media "pagesjaunes.fr", "Mappy" and "Ooreka" (former "ComprendreChoisir") and on the partnerships established by the Group with Bing, Google and Apple in particular.
- Digital Marketing: The Digital Marketing products and services enable the significance of the presence of the Group's customers on the Web to be increased and are divided into three lines:
  - Sites and content: among the digital presence solutions, SoLocal Group proposes website creation and hosting and their listing on pagesjaunes.fr, affiliated partners and search engines (SEO, natural listing, or SEM, paid listing). The sites developed by SoLocal Group on behalf of its clients are compatible with mobile use.
  - Local programming and AdWords: solutions for retargeting Internet users (ADhesive offer) enable the visibility of the Group customers' websites to be extended to the partners' premium portals. The Group has also developed its expertise in the management of AdWords campaigns on behalf of its customers by acquiring Effilab at the end of 2015.

- Transactional services: the Group also offers transactional services adapted to the specific requirements of certain professionals, PagesJaunesdoc dedicated to health professionals and PagesJaunesresto, an online ordering service for the delivery of cooked dishes to listed restaurants in the vicinity.

Print & Voice

The printing, distribution and selling of advertising space in printed directories (PagesJaunes and l'Annuaire) is SoLocal Group's historic business.

In commercial terms, the Group is organised around 6 business units, 5 "market" verticals, SoLocal Retail, SoLocal BtoB, SoLocal Home, SoLocal Services, SoLocal Health & Public, and SoLocal Network dedicated to brands and networks, large accounts and international clients.

This organisation seeks to improve client experience and best respond to their expectations, in particular with the development and marketing of services and products adapted to the requirements of the various markets.

During the 2015 financial year, the Group divested itself of four non-profitable and non-growth activities ("divested activities"):

- Internet display Horyzon Media's Internet display;
- local social media ZoomOn;
- Lookingo's "daily deals";
- Sotravo's online work estimates.

The accounts published by the Group at 31 December 2015 are broken down as follows: Consolidated, Continued Activities, Divested Activities. In the presentation of its figures, SoLocal Group isolates the dynamic of continued activities from that of those activities of which it has divested itself. The financial performance indicators are commented on the perimeter of continued activities.

At 31 December 2015, net income from divested activities totals -€15.9 million, down -18% compared to 31 December 2014.

SoLocal Group	Continued activities						
	Period ended 31 December 2015			Period ended 31December 2014*			recurrent variation
(in millions of euros)	Total	Recurrent	Exceptional	Total	Recurrent	Exceptional	2015/2014*
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%
Recurrent 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 revenues	1.9	1.9	-	1.6	1.6	-	18.8%
Financial expenses	(85.5)	(85.5)	-	(99.7)	(99.7)	-	-14.2%
Net financial expenses	**(83.6)**	**(83.6)**	**-**	**(98.1)**	**(98.1)**	**-**	**-14.8%**
Share of incomdee of associated businesses	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%**

(*) Adjusted by retroactive application of interpretation of IFRIC 21 (cf. note 2)

Breakdown of revenues and consolidated EBITDA of continued activities, at 31 December 2015.

SoLocal Group	Continued activities		
(in millions of euros)	Period ended 31 December 2015	Period ended 31 December 2014*	Variation 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%
Recurrent EBITDA	**270.3**	**310.7**	**-13.0%**
as % of revenues			
Internet	*31.5%*	*32.7%*	
Print & Voice	*29.6%*	*35.8%*	

(*) Adjusted by retroactive application of interpretation of IFRIC 21 (cf. note 2)

Revenues were €872.6 million in 2015, down -5.3% compared to 2014:

- Internet revenues rose by +3.6%, mainly due to acceleration of the Digital Marketing activity (+9.3%) thanks to local programmatic and Internet sites and contents, and the growth of the Local Search ARPA, attenuated partially by lower investments to win clientele.
- Print & Voice revenues fell by -23.4% over the period.

  Recurrent EBITDA was €270.3 million in 2015, down by -13.0% compared to 2014, mainly due to the partial offsetting of Print revenues by a reduction of costs of -1% in all activities.

  The EBITDA/revenues margin was 31% in 2015, a limited fall of 2.7 points compared to 2014, thanks to realisation of the operational improvement plan:

  - divestment of four non-profitable non-growth Internet activities;
  - strong discipline in management of resources and costs and in implementation of the voluntary department plan;
  - rationalisation of processes;

Group depreciation and amortisation totalled -€52.2 million in 2015 compared to -€47.2 million in 2014, i.e. an increase of +€5.0 million (+10.6%) which is mainly explained by an increase in allocations to online amortisation with the 2015 Digital investment programme.

The Group's recurrent operating income fell by -17.2% compared to 2014 to €218.2 million. This drop of -€45.4 million results, for €40.4 million, from the fall in recurrent EBITDA and from the increase in allocations to amortisation of €5.0 million.

Corporate income tax totals -€62.1 million in 2015, down -13.1% compared to 2014.

Recurrent income from continued activities totals +€72.6 million in 2015, i.e. a drop of -22.8% compared to 2014.

Sèvres, 10 February 2015
The Board of Directors

Financial performance over the past five years (pursuant to Articles 133-135-148 of the Decree of 23 March 1967)

Units for figures (other than share capital, all amounts are in thousands of euros)	2011	2012	2013	2014	2015
1. Share capital and outstanding shares at year-end					
a) Share capital	56,196,951	56,196,951	56,196,951	232,345,434	233,259,384
b) Number of outstanding ordinary shares	280,984,754	280,984,754	280,984,754	1,161,727,170	38,876,565
2. Key financial figures					
a) Annual revenues, net of tax	10,563	10,233	10,345	9,071	13,047
b) Earnings before tax, profit-sharing, depreciation, amortisation and provisions	125,881	125,723	77,276	(142,015)	(152,278)
c) Corporate income tax	(63,300)	(55,410)	(57,839)	(56,153)	14,089
d) Employee profit-sharing	-	-	-	-	-
e) Earnings after tax, depreciation, amortisation and provisions	187,724	166,731	(51,438)	(132,193)	(1,785,325)
f) Earnings distributed in n+1*	-	-	-	-	
3. Key financial figures per share (in euros)					
a) Earnings after tax & profit-sharing but before depreciation, amortisation and provisions	0.67	0.64	0.48	-0.07	-4.28
b) Earnings after tax, profit-sharing, depreciation, amortisation and provisions	0.67	0.59	-0.18	-0.11	-45.92
c) Dividend per share paid in n+1*	0.00	0.00	0.00	0.00	0.00
4. Personnel					
a) Average number of salaried employees during the year	38	38	45	43	43
b) Total payroll	8,645	7,342	8,721	7,536	8,107
c) Benefit payment	3,465	4,163	4,216	5,791	3,997

*or submitted to the General Meeting for the last fiscal year (before deduction of treasury shares).

20.4 Verification of historical financial accounts

Statutory auditors' report on the annual financial statements

For the year ended 31 December 2015

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2015:

- our auditing of SoLocal Group's annual financial statements, as appended hereto;
- the justification of our assessments;
- the specific verifications and information required by law.

The approval of the annual financial statements is the responsibility of the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

I. Opinion on the annual financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the annual financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the annual financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

We certify that the annual financial statements are, under French accounting principles and rules, correct and true and fairly present the results of the previous year's transactions and the company's financial position and assets at the end of that year.

II. Justification of assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

Your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Results may differ significantly from these estimates since actual business conditions may differ from expectations. In our auditing of the annual financial statements, we estimated that the company's equity interests (see Note 3.2 to the annual financial statements) involved the most significant estimates and required a justification of our assessments.

In accordance with the professional standards that govern the assessment of accounting estimates, we assessed, among other things, the data and assumptions used as the basis for the estimates of the value of the equity interests (and most notably the projected cash flows estimated by your company's operational departments), reviewed your company's calculations and the sensitivity of the main values in use, compared the accounting estimates of previous years with actual figures and reviewed management's procedure for approving these estimates.

Furthermore, as indicated in an annex, the syndicated credit agreement is subject to quarterly covenant clauses. We have assessed the information communicated in Note 3.4 of the annex on these covenants.

These assessments were made within the framework of our overall audit of the annual financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

III. Specific verifications and information

In accordance with professional standards in France, we also carried out the specific verifications required by law.

We have no matters to report regarding the fair presentation and consistency of the annual financial statements with the information provided in the management report from the Board of Directors and in the documents provided to shareholders on the financial position and the annual financial statements.

Concerning the information provided pursuant to Article L. 225-102-1 of the French Commercial Code relating to remuneration and benefits received by the corporate officers and any other commitments made to them, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information your company has obtained from companies that control your company or are controlled by it. On the basis of this work, we certify the accuracy and fair presentation of this information.

In accordance with French law, we have ensured that the required information on the acquisition of controlling interests and other equity investments and on the identity of the holders of share capital and voting rights have been provided in the management report.

Paris-La Défense and Neuilly-sur-Seine, 16 February 2016

The statutory auditors

Ernst & Young Audit	Deloitte & Associés
Denis THIBON	Ariane BUCAILLE

Statutory auditors' report on the consolidated accounts

Financial year ended 31 December 2015

To the shareholders,

Pursuant to the task with which you have entrusted us at your General Shareholders' Meeting, we present our report on the following for the year ended 31 December 2015:

- our audit of SoLocal Group's consolidated financial statements as appended hereto;
- the justification of our assessments;
- the specific verification required by law.

The approval of the consolidated financial statements is the Board of Directors' responsibility. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with French auditing standards. These standards require that we plan and perform our audit so as to enable reasonable assurance about whether or not the consolidated financial statements are free of material misstatement. An audit consists of verifying, on a test basis or using other selection methods, the elements that support the amounts and information provided in the consolidated financial statements. It also consists of evaluating the accounting policies observed, the significant estimates used, and the overall presentation of financial statements. We believe that the information we collected is sufficient and appropriate to serve as a basis for our opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and net income of the consolidated companies and entities, in accordance with IFRS standards as adopted in the European Union.

II. Justification of assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code on the justification of our assessments, we call your attention to the following:

As specified in Note 2 to the consolidated financial statements, your company's management makes estimates and assumptions that affect the amounts presented in its financial statements and the accompanying notes. Note 2 also indicates that results may differ significantly from these estimates, since actual business conditions may differ from expectations. In our auditing of the consolidated financial statements as at 31 December 2015, we estimated that the accounts that involved the most significant estimates and required a justification of our assessments were goodwill, provisions for risks and contingencies on your company's reorganisation, salesmen remuneration debts, acquisition costs of contracts, and employee benefits.

In accordance with the professional standards that govern the assessment of accounting estimates, we focused mainly on the following:

- with respect to goodwill: the data and assumptions on which the estimates are founded and in particular, the definition of cash-generating units and the projected cash flows estimated by your company's operational departments. We reviewed your company's calculations and the sensitivity of the main values in use and assessed the principles and methods used to determine fair values;
- with respect to the disputes brought by the former employees following confirmation of invalidation of the employment protection plan by the Council of State, the legal arguments leading to the recognition of a provision in the accounts as well as the data and assumptions on which the estimates are based, particularly the estimated number of months of compensation to be paid and the unit average cost;
- with respect to the provision for risks and contingencies in relation to your company's "voluntary leaving plan", the information and assumptions on which you based your estimates, and in particular the number of employees affected by the leaving plan and the average "unitary cost";
- with respect to salesmen remuneration debts, the data and assumptions on which the estimates are based, particularly the attainment of performance targets and the relia-bility of the underlying information systems;
- with respect to the acquisition costs of contracts: the nature of the costs capitalised and whether their capitalisation is justified, and the data and assumptions on which the estimates are based;
- with respect to personnel benefits: the method used to determine provisions. Our work consisted in examining the data used, assessing actuarial assumptions, reviewing calculations and verifying that Note 3.16 and Note 24 to the consolidated financial statements provide appropriate information.

Moreover, as stated in the notes, the syndicated credit agreement is subject to quarterly covenant clauses. We have taken into consideration the information provided in Note 26 of the notes on these covenants.

These assessments were made within the framework of our overall audit of the consolidated financial statements and therefore served as a basis for our opinion, as expressed in the first part of this report.

III. Specific verification

In accordance with professional standards in France, we also carried out the specific verification required by law on the information concerning the group provided in the management report.

We have no matters to report regarding the fair presentation of this information or its consistency with the consolidated financial statements.

Neuilly-sur-Seine, 11 February 2016

The Statutory Auditors

Ernst & Young Audit	Deloitte & Associés
Denis THIBON	Ariane BUCAILLE

20.5 Dividend distribution policy

Dividend for 2010

The General Shareholders' Meeting of 7 June 2011 approved the payment of a dividend of 0.58 euro per share.

Dividend for 2011

The General Shareholders' Meeting of 6 June 2012 decided not to pay a dividend for 2011.

Dividend for 2012

The General Shareholders' Meeting of 5 June 2013 decided not to pay a dividend for 2012.

Dividend for 2013

The General Shareholders' Meeting of 19 June 2014 decided not to pay a dividend for 2013.

Dividend for 2014

The General Shareholders' Meeting of 11 June 2015 decided not to pay a dividend for 2014.

Dividend for 2015

The Board meeting of 10 February 2016 decided to propose to the Annual General Shareholders' Meeting approval of the 2015 accounts and not to pay a dividend for 2015.

20.6 Litigation and arbitration proceedings

In the normal course of its business activities, the Company may be involved in a certain number of legal, arbitration and administrative proceedings.

Provisions are only constituted for expenses contingent on such proceedings when such expenses are considered to be likely and their amount can be either quantified or estimated within a reasonable range. If this is the case, the amount provisioned represents the lowest estimate in the range. The amount of the provisions is based on a case-by-case assessment of the risk level, and does not depend primarily on the progress of the proceedings. However, it should be noted that events during proceedings may result in a reassessment of this risk.

With the exception of the proceedings described in Note 32 ("Disputes") to the consolidated financial statements, neither the Company nor any of its subsidiaries are parties in any court or arbitration proceedings (and the Company is aware of no such proceedings that may be envisaged by any government authority or third party), which the Company's Management estimates that the probable outcome could reasonably have a material negative impact on its earnings, business or consolidated financial position.

There are no other government, court or arbitration proceedings, including any proceedings of which the Company is aware, pending or threatened, that could have or has had a significant effect on the financial position or the profitability of the Company and/or of the Group during the last twelve months.

20.7 Significant change in financial or business position

The significant events occurring between the balance sheet date and 10 February 2016, when the financial statements were approved by the Board of Directors, are described in Note 36 to the consolidated financial statements.

20.8 Auditors' fees

A table of auditor fees is provided in chapter 20.1 (Historical financial information) of Note 34 to the consolidated financial statements.

21 ADDITIONAL INFORMATION

21.1 Share capital

Rights and obligations attached to shares (Article 10 of the Articles of Association)

Each share entitles the holder to a share in the profits, ownership of Company assets and in the liquidation dividend, in a proportion equal to the share of capital it represents. In addition, each share entitles its holder to vote and be represented at General Shareholders' Meetings, in accordance with the law and the Articles of Association. Ownership of shares automatically implies full adherence to the Company's Articles of Association and to decisions taken at the General Shareholders' Meeting.

Shareholders are liable for losses only in the amount of their contribution to capital.

The heirs, creditors, assignees or representatives of a shareholder may not request that the Company's assets, securities or shares be placed under seal, divided or put up for public auction, nor may they interfere in the Company's management. In order to exercise their rights, they must refer to corporate inventories and decisions taken at General Shareholders' Meetings.

Where exercising a particular right requires multiple shares to be owned, shareholders who do not own the required number of shares are responsible to form a group and, where appropriate, purchasing or selling shares as necessary.

The provisions of the Articles of Association stipulating the existence of a double voting right, as adopted by the General Shareholders' Meeting of 7 June 2011, became effective on 1 May 2013. A double voting right is attributed to all fully paid-up registered shares of the Company that have been registered in the name of the same holder for at least two years.

In the event that the capital is increased by incorporation of reserves, profits or issue premiums, this double voting right will apply, as soon as they are issued, to new shares granted to a shareholder on the basis of existing shares for which he already holds this right. Any share converted to a bearer share or for which ownership is transferred will lose the double voting right, subject to exceptions provided for by law. These provisions entered into effect on 1 May 2013.

21.1.1 Share capital

Following the regrouping of the Company shares resolved by the combined general sharesholders' meeting of 11 June 2015 by the allotment of one (1) new ordinary share with a nominal value of 6 euros for thirty (30) old ordinary shares with a nominal value of 0.,20 euro each, and implemented by the Board of Directors on 21 July 2015, the Company's share capital, as of this date, amounts to 233,259,384 euros divided into 38,876,564 shares fully paid-up with a nominal value of 6 euros each, all in the same class.

Notice of the regrouping of the Company shares published on 9 September 2015 in the Bulletin des Annonces Légales Obligatoires and the Euronext press release published that same day informed the market of the terms and conditions of the aforesaid regrouping. Implementation of the regrouping was recorded by decisions of the Chief Executive Officer of 26 October 2015.

These new shares will benefit from double voting rights (subject to being held in registered form), if at the date of consolidation, each of the old shares, from which they were created, have also benefited from double voting rights. In the case of consolidation of old shares, that were in registered form to which different dates applied, the date selected for the application of double voting rights to the new shares would be the latest registration date for the existing shares.

AUTHORISED CAPITAL NOT ISSUED

The Extraordinary and Combined General Shareholders' Meetings of 29 April 2014 and 19 June 2014 delegated to the Board of Directors the following authorities, under the conditions set out in the table below:

Securities concerned	Duration of the authorisation and expiration	Maximum amount of debt securities	Maximum nominal amount of capital increase
Issue with pre-emptive subscription right (share capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€40 million
Issue through public offerings without pre-emptive subscription rights (capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issue through offerings made within the scope of article L. 411-2 of the French Monetary and Financial Code without pre-emptive subscription rights (capital increase including all marketable securities)	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issue of common shares and marketable securities giving rights to common shares in the event of a public exchange offer initiated by the Company	26 months 19 August 2016	Debt securities: €150 million	€20 million
Issue of common shares and marketable securities giving rights to common shares as remuneration for in-kind contributions made to the Company	26 months 19 August 2016	Debt securities: €300 million	10% of the capital at the date when the delegation takes effect
Capital increase by incorporation of reserves, profits or premiums	26 months 19 August 2016	—	€40 million
Authorisation to award free shares of the Company	38 months 29 June 2017	—	5% of the share capital
Capital increase for the benefit of members of Company and/or employee savings plan(s)	26 months 19 August 2016	—	2% of the share capital

With the exception of the authorisation to award performance shares (see section 17.2 of this Reference Document), the Board of Directors of SoLocal Group has not, on the date of this Reference Document, implemented these authorisations.

OTHER SECURITIES GIVING RIGHTS TO CAPITAL

At the registration date of this Reference Document, there were no other securities giving rights to the Company's capital.

21.1.2 Non-equity shares

At the registration date of this Reference Document, there were no non-equity shares.

21.1.3 Acquisition by the Company of its own shares

In accordance with articles 225-209 ff. of the French Commercial Code, the Combined General Shareholders' Meeting of 11 June 2015 authorised the Board of Directors to acquire Company shares, up to a maximum of 10% of the existing share capital at the date when the delegation takes effect, under the following conditions:

- the maximum purchase price may not exceed 2 euros per share. In the event of capital transactions, including incorporation of reserves, allotment of free shares and/or stock splits or reverse splits, this price will be adjusted accordingly;
- the maximum amount of the provisions intended for the buy-back programme stands at 232,345,434 euros;
- this authorisation is valid for an 18-month period; any acquisitions made by the Company under this authorisation may not, under any circumstances, lead to owning, directly or indirectly, more than 10% of the shares composing the share capital;
- shares may be acquired or transferred at any time, except during public offering periods, in compliance with legal or regulatory requirements, by any method, in particular, on the market, on multi-lateral trading facilities or over-the-counter, including block purchases or sales, and by the use of derivative financial instruments traded in regulated markets, multi-lateral trading facilities, or over-the-counter services.

At the General Shareholders' Meeting called to rule on the 2015 accounts, the shareholders will be asked to give their opinion on this share buyback programme.

SHARE SUBSCRIPTION AND PURCHASE OPTION PLANS

The Combined General Shareholders' Meeting of 12 April 2005 authorised the Board of Directors, in accordance with Articles L. 225-177 ff. of the French Commercial Code, to grant share subscription and purchase options, on one or more occasions, for Company shares. The total number of options granted not being able to give rights to subscribe to or acquire a number of common stock that would represent, on the allotment date, more than 2% of the Company's share capital as at the date of this Meeting.

Under the terms of this authorisation, at its meeting on 28 June 2005 the Board of Directors decided to implement a SoLocal Group share subscription option plan, for the whole Group except QDQ Media, together with a specific SoLocal Group share subscription option plan for QDQ Media, giving the right to subscribe to 3,830,400 new shares (i.e. approximately 1.35% of the capital at the date of the Combined General Shareholders' Meeting of 12 April 2005). The subscription price was set at 19.30 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 28 June 2005. This plan, expiring on 28 June 2015, was cancelled. At its meeting on 20 December 2007, the Board of Directors decided to implement a new share subscription option plan for the whole Group, giving the right to subscribe to 2,927,900 new shares. The subscription price was set at 14.46 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 20 December 2007.

The Combined General Shareholders' Meeting of 11 June 2009 renewed this authorisation, in accordance with Articles L. 225-177 ff. of the French Commercial Code, to grant, on one or more occasions, options to subscribe to, or acquire, Company shares, the total number of options granted not being able to give rights to subscribe to or acquire a number of common shares that would represent, on the allotment date, more than 1% of the Company's share capital as at the date of this Meeting.

Under this authorisation, the Board of Directors granted the following allotments:

- at its meeting on 23 July 2009, the Board of Directors decided to implement a share subscription option plan for subscription to SoLocal Group shares for the whole Group, giving the right to subscribe to 1,145,000 new shares. The subscription price was set at 6.71 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 23 July 2009;
- at its meeting on 29 October 2009, the Board of Directors decided to implement a share subscription option plan for subscription to SoLocal Group shares for the whole Group, giving the right to subscribe to 87,000 new shares. The subscription price was set at 8.84 euros per share, corresponding to the average of the prices recorded in the 20 trading sessions preceding 29 October 2009;
- at its meeting on 17 December 2009, the Board of Directors decided to implement a plan for subscription to SoLocal Group shares for the entire Group, giving the right to subscribe to 75,000 new shares. The subscription price was set at 7.82 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 17 December 2009;
- at its meeting on 27 July 2010, the Board of Directors decided to implement a share subscription option plan for subscription to SoLocal Group shares for the whole Group, giving the right to subscribe to 1,336,000 new shares. The subscription price was set at 8.58 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 27 July 2010;
- at its meeting on 16 December 2010, the Board of Directors decided to implement a plan for subscription to SoLocal Group shares for the entire Group, giving the right to subscribe to 166,000 new shares. The subscription price was set at 7.09 euros per share, corresponding to the average price recorded over the 20 trading sessions preceding 16 December 2010.

Given the increase in capital that was completed on 6 June 2014, and in accordance with the law and regulations applying to each plan, the Board of Directors decided, at its meeting of 19 June 2014, to adjust the conditions of the existing share subscription options, with regard to both the option exercise price and the number of shares that can be obtained by exercising the options.

Similarly, in order to take into account the regrouping of the Company shares implemented on 26 October 2015, the Chief Executive Officer, making use of the powers conferred by the Board of Directors on 21 July 2015, decided to adjust, for each individual plan, (for plans adopted by the meetings of the Board of Directors on 20 December 2007, 23 July 2009, 29 October 2009, 17 December 2009, 27 July 2010 and 16 December 2010), the parity used for exercise of the options by adopting a new parity equal to the current parity for exercise of each option multiplied by a ratio of 1/30 (corresponding to the number of shares forming the share capital following the regrouping divided by the number of shares forming the share capital before the regrouping but taking into account the waiver by one Company shareholder of the regrouping of 23 old shares); it being stipulated that (i) for all the options from which each holder benefits under a plan, the result (per beneficiary and per plan) is rounded down to the nearest whole number of new shares and that (ii) the other characteristics of the options remain unchanged.

Consequently, any holder of options who could (prior to the adjustment of 2015), by exercising an option, subscribe for one (1) share with a nominal value of 0.20 euro at a specific strike price, may now, by exercising that same option, subscribe for one-thirtieth of a share with a nominal value of 6 euros at the adjusted strike price. In this connection, a holder of options who could (prior to the adjustment of 2015), by exercising all the options he held under a plan, subscribe for thirty-one (31) shares with a nominal value of 0.20 euro each for a global price of 179.40 euros (5.78 euros times 31), may now, by exercising those same options, subscribe for one (1) share with a nominal value of 6 euros for a global price of 173.61 euros.

ALLOTMENT OF PERFORMANCE SHARES

The General Shareholders' Meeting of 19 April 2006 authorised the Company's Board of Directors to allot, on one or more occasions, under conditions it will determine, existing or new common performance shares.

Under the terms of this authorisation, the Board of Directors decided at its meetings on 30 May 2006, 20 November 2006 and 14 February 2008 to implement three performance share plans:

- under the plan of 30 May 2006, 602,361 shares were initially granted to 591 Group employees;
- under the plan of 20 November 2006, 778,638 shares were initially granted to 611 Group employees;
- a third plan was drawn up on 14 February 2008 giving rise to a grant of 12,940 shares to 15 Group employees.

The General Shareholders' Meeting of 7 June 2011 renewed this authorisation. Accordingly, the Board of Directors, at its meetings on 26 October, 16 December 2011, 11 December 2012 and 11 December 2013 decided to implement four performance share plans:

- under the plan of 26 October 2011, 1,226,000 shares were initially granted to 41 Group employees;

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- under the plan of 16 December 2011, 84,000 shares were initially granted to 3 Group employees;
- under the plan of 11 December 2012, 2,624,000 shares were initially granted to 47 Group employees;
- under the plan of 11 December 2013, 280,000 shares were initially granted to 10 Group employees.

For performance shares granted under the plans of 11 December 2012 and 11 December 2013, the Board of Directors decided, at its meeting on 19 June 2014, to apply an adjustment reflecting the impact of the capital increase in cash with pre-emptive subscription rights.

The Extraordinary General Shareholders' Meeting of 29 April 2014, authorised the Board of Directors to introduce a performance share plan for the benefit of certain executives and employees of SoLocal Group and affiliated companies, as defined in Articles L. 225-197-1 ff. of the French Commercial Code. This plan was put in place on:

- 19 June 2014, for the allocation of 45,221,000 shares to 112 beneficiaries;
- 9 February 2015 for the allocation of 2,305,000 shares to 12 beneficiaries.

The Chief Executive Officer, making use of the powers conferred by the Board of Directors at its meeting on 21 July 2015, decided, by decisions taken on 26 October 2015, to adjust the number of performance shares allotted in December 2013, June 2014 and February 2015 in order to take the regrouping of the Company shares into account according to the following terms: implementation of the adjustment with reference to the parity adopted for the grouping of shares, i.e. for each allottee of performance shares, by applying a ratio of 1/30 (corresponding to the number of shares forming the share capital following regrouping divided by the number of shares forming the share capital prior to the regrouping but taking into account the waiver by one Company shareholder of the regrouping of 23 old shares) to the number of performance shares to which the holder would have been entitled in the absence of an adjustment; it being stipulated that (i) the result (per beneficiary and per plan) is rounded down to the nearest whole number of new shares and that (ii) the other characteristics of the performance shares remain unchanged.

Consequently, a beneficiary of performance shares who (prior to the adjustment of 2015), under a plan, is entitled to thirty-one (31) performance shares with a nominal value of 0.20 euro will now be entitled, under that plan, to one (1) share with a nominal value of 6 euros.

CONVERTIBLE SECURITIES, EXCHANGEABLE SECURITIES OR EQUITY WARRANTS

At the registration date of this Reference Document, there were no convertible or exchangeable securities or equity warrants.

INFORMATION ON THE CONDITIONS GOVERNING ANY ACQUISITION RIGHTS AND/OR ANY OBLIGATIONS ATTACHED TO CAPITAL SUBSCRIBED BUT NOT PAID UP

Information relating to authorisations to issue shares given to the Board of Directors by the General Shareholders' Meeting is set out in section 21.1.1.

INFORMATION ON THE CAPITAL OF ANY OF THE GROUP'S MEMBERS SUBJECT TO AN OPTION OR A CONDITIONAL OR UNCONDITIONAL AGREEMENT

At the registration date of this Reference Document, no member of the Group had any option or agreement of this type.

21.1.4 History of share capital and voting rights

Information on the distribution of the Company's share capital is provided in chapter 18 – Main shareholders of this document.

Statement of change in share capital

Date	Operation	Number of shares issued	Nominal amount of capital increase (in euros)	Premium per share (in euros)	Total amount of premium (in euros)	Successive capital amounts (in euros)	Number of shares	Par value (in euros)
Combined General Shareholders' Meeting of 27 May 2004	Stock split	274,050,000	–	–	–	54,810,000	274,050,000	0.20
Initial Public Offering July 2004	Capital increase reserved for employees of France Télécom Group	4,739,610	947,922	11.10	52,609,671	55,757,922	278,789,610	0.20
15 January 2007	Recognition of capital increase resulting from share subscription options exercised in 2006	1,477,170	295,434	17.60	25,990,960.40	56,053,356	280,266,780	0.20
15 January 2008	Recognition of capital increase resulting from share subscription options exercised in 2007	377,670	75,534	11.52	4,350,758.40	56,128,890	280,644,450	0.20
25 February 2009	Recognition of capital increase resulting from performance shares allotted in 2008	340,304	68,060.80	–	–	56,196,950.80	280,984,754	0.20
6 June 2014	Capital increase with preferential subscription rights and increase in reserved capital	880,742,416	440,371,208	0.50	264,222,724	232,345,434	1,161,727,170	0.20
29 April 2015	Capital increase reserved for employees of SoLocal Group	4,569,773	913,954.60	0.36	921,266.37	233,259,388.60	1,166,296,943	0.20
26 October 2015	Regrouping of Company shares by allotment of one (1) new ordinary share with a nominal value of 6 euros for thirty (30) old ordinary shares with a nominal value of 0.20 euro each	–	–	–	–	233,259,384	38,876,564	6

COMMENTS ON MATERIAL CHANGES IN THE BREAKDOWN OF THE COMPANY'S SHARE CAPITAL DURING THE LAST THREE YEARS

None.

PLEDGES

See section 18.5 of this document.

MARKET FOR COMPANY SHARES

Month	Low *(in euros)*	High *(in euros)*	Last price *(in euros)*	Volume traded	Capital *(in euros)*
January 2015	17.850	22.800	22.410	9,040,754	182,813,063
February 2015	19.080	23.070	20.040	6,885,300	144,044,604
March 2015	17.730	19.860	18.540	5,048,618	93,837,089
April 2015	15.000	19.590	15.000	6,429,985	113,505,446
May 2015	13.650	15.000	13.650	4,396,737	63,827,259
June 2015	10.680	14.040	13.350	8,451,149	104,877,278
July 2015	12.030	14.100	12.300	4,166,526	54,190,638
August 2015	9.630	12.180	9.870	4,489,159	48,223,326
September 2015	6.510	10.200	6.840	9,697,330	76,719,777
October 2015	6.780	9.210	7.411	7,702,467	65,057,319
November 2015	6.985	8.900	7.557	8,849,677	71,721,495
December 2015	6.422	7.455	6.900	5,199,479	35,975,218
January 2016	5.744	6.884	6.220	4,047,929	25,125,445
February 2016	3.450	6.169	3.730	8,581,980	36,539,304
March 2016	4.460	5.244	4.502	8,352,221	40,723,308

Source: Euronext.

21.2 Articles of incorporation and association

21.2.1 Corporate purpose

In accordance with Article 3 of the Articles of Association, the Company's corporate purpose, in France and abroad, is to:

- acquire and hold shares, interests or other securities in French or foreign legal entities, to define the policies to be implemented by subsidiary companies and to provide any and all services to companies in which it holds shares;
- acquire by any means, without exception or reservation, to hold by any means and in any capacity, to manage and, if appropriate, to transfer by any means, without exception or reservation, all or part of any majority or minority interests that may be directly or indirectly related to the Company's corporate purpose and to any similar or ancillary purpose.

In addition, the Company's purpose, in France and abroad, directly or indirectly, is to:

- publish, on its own behalf or on behalf of third parties, all directories using any current or future publication processes and means, to provide information services by any current or future processes and means and to carry on the business of advertising in all its forms, by any method and for any purpose;
- advise, research, design, produce, update and maintain all services related to any type of information distribution system on an open or closed network, whether connected via computer or telephone, wire-based, satellite, cable or other methods, as well as any other activity related to such services, and especially to Internet or Intranet sites;
- collect, acquire, enhance, manage, process, market, or host data and files of any kind;
- perform all activities directly or indirectly related to such services or that are a prerequisite or accessory to or a condition or extension of such services, or which are likely to encourage or develop them;
- and, in general, to undertake any industrial, commercial, financial, civil, real or personal property operations that may be directly or indirectly related to any of the aforementioned purposes or to any similar or related corporate purposes.

PROVISIONS IN THE ARTICLES OF INCORPORATION, ARTICLES OF ASSOCIATION AND THE INTERNAL REGULATIONS OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

The Company is administered by a Board of Directors composed of three to 18 members (subject to legal exceptions in the event of a merger). There are currently eight Directors on the Board.

Directors are elected by the shareholders at Ordinary General Shareholders' Meetings. Each Director must hold at least one Company share. Pursuant to the Company's Articles of Association, each director is elected for a four-year term. There is no limit to the number of times a director may be re- elected.

The Board of Directors includes a director who represents the Company's employees as well as the employees of its direct or indirect subsidiaries (as defined in Article L. 225-27 of the French Commercial Code) whose registered office is located on French territory.

This director is elected in two rounds by majority vote. All staff members who meet the conditions set by law are eligible to vote and stand for election. Each candidacy must include, in addition to the candidate's name, the name of a substitute who may replace him or her in the event of absence for any reason.

The director representing the employees is elected for a four-year term. The first director representing the employees shall assume his or her position on the Board at the first meeting of the Board of Directors, held after publication of the complete results of the first elections. The next director representing the employees shall assume his or her position on expiry of the term of the outgoing director representing the employees.

If a director representing the employees ceases to be a member of staff, his or her responsibilities as a director are terminated.

The Board of Directors elects a Chairman from among its members. The Chairman is elected for his or her entire term as a director, and may be re- elected.

The Board of Directors meets on a notice from the Chairman. Meetings may be called by any method, including verbally in an emergency, and as often as the Chairman deems necessary. They may be held at the registered office or any other location indicated in the notice of meeting.

When the Board of Directors has not met for more than two months, at least one-third of the Board members may ask the Chairman at any time to call a Board meeting based on a specific agenda. The Chief Executive Officer may also ask the Chairman at any time to call a meeting of the Board of Directors based on a given agenda.

The Board of Directors' deliberations are valid only if at least half of its members are present.

Decisions are taken by a majority vote of the members who are present or represented. In the event of a tied vote, the Chairman of the meeting shall cast the deciding vote.

Subject to legal and regulatory provisions, meetings of the Board of Directors may be held by means of videoconference or any other means of telecommunication. Any director participating in a Board meeting by means of videoconference or other means of telecommunication is deemed to be in attendance for the purposes of quorum and majority. The Board of Directors sets out the overall strategic direction for the Company's business activities and ensures it is implemented. Subject to any powers expressly granted to Shareholders' Meetings and within the limits of the corporate purpose, the Board deals with all matters relating to the proper functioning of the Company and governs the Company's business through its deliberations.

The Board of Directors may carry out any controls and checks it deems appropriate.

The Chairman or the Company's Chief Executive Officer is required to provide each director with all documents and information they need to fulfil their duties.

The Company's Articles of Association also provide that the Ordinary General Shareholders' Meeting can appoint one or more non-voting Board members censors. These non-voting Board members may be shareholders or outside persons, and are chosen on the basis of their public profile or experience.

INTERNAL REGULATIONS

Internal regulations for the Board of Directors were defined at the Board of Directors' meeting of 23 September 2004. These internal regulations specify the guiding principles for the operation of the Board and the rights and duties of the directors.

The main provisions of the Board's internal regulations are summarised below.

PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

Strategic direction

Pursuant to Article 17 of the Articles of Association, the Board of Directors determines the overall strategic orientation of the Company's activities and ensures, it is implemented.

This means that the Board makes all decisions related to the Company's major strategic, economic, social, financial and technological objectives and ensures that these decisions are implemented.

The medium-term objectives for the Group's activities are defined, each year, in a strategic plan, which is prepared and presented by the Chief Executive Officer to the Board of Directors for approval. This draft includes, projected trends for the Group's key operational and financial indicators in particular. The Chief Executive Officer presents a draft annual budget based on these objectives.

The Chief Executive Officer is responsible for implementing the objectives set out in the strategic plan.

The Chief Executive Officer informs the Board of Directors of any problems or, more generally, any matter which may affect the achievement of any of the objectives of the strategic plan.

Committees of the Board of Directors

In order to prepare its work, the Board of Directors has created an Audit Committee and a Remuneration and Appointments Committee.

The operating conditions and areas of authority of each Committee are stipulated in the Charters of these Committees, which are approved by the Board of Directors.

DUTIES AND RESPONSIBILITIES OF THE DIRECTORS

Directors' duty of confidentiality

Directors are bound by an absolute obligation of confidentiality with regard to the content of discussions and deliberations by the Board and its Committees and any information presented to them.

Director's duty of independence

In carrying out the mandate entrusted to them, directors must make all decisions independently of any interest other than that of the Company.

Each director is required to inform the Chairman of any situation affecting him that could create a conflict of interest with the Company or any Group Company. Where appropriate, the Chairman may seek the opinion of the Remuneration and Appointments Committee.

At the end of this process, it is the responsibility of the director in question to act accordingly, under the terms of the applicable legislation.

Duties of directors with regard to securities of the Company

Each Director must hold at least one Company share.

Any Company shares held by directors at the time they join the Board must be registered in their own names, as well as any shares they acquire during their term of office.

Directors are forbidden to:

- execute any transaction on the securities of the traded companies of the Group as long as they hold privileged information;
- make short sales on these securities directly or indirectly.

The first prohibition applies in particular during the period of preparation and presentation of the Group's annual and semi-annual results and quarterly information.

It also applies during special periods when projects or transactions that warrant such a prohibition are being prepared.

The Ethics Charter, which specifies the rules relating to inside information, applies to the directors.

Director's duty of care

In accepting the office entrusted to them, directors agree to fully assume all their responsibilities and, in particular, to:

- devote whatever time is required to study matters dealt with by the Board and, if applicable, any Committees of which they are members;
- request all additional information, they consider useful;
- ensure that these Regulations are applied;
- freely form their opinion before any decision, considering only the Company's interest;
- actively participate in all Board meetings, unless they are unable to do so;
- formulate all proposals to improve the working conditions of the Board and its Committees.

The Board constantly seeks to improve the information communicated to shareholders. Each director must play a part in achieving this goal, particularly through his or her contribution to the work of the Board's Committees.

Directors agree to tender their resignation to the Board when they believe, in good faith, that they are no longer able to fully assume their responsibilities.

ETHICS CHARTER

At its meeting on 23 September 2004, the Board of Directors adopted a Professional Ethics charter (available on the PagesJaunes Groupe website at http://www.solocalgroup.com).

This Charter sets out the Group's values and presents its principles for dealing with customers, shareholders, employees, suppliers, and competitors, and with respect to the environment and the countries in which it operates.

In addition, it stipulates a number of principles of personal conduct that each Group employee, director and executive must respect, and which encourage honest and ethical conduct on their part, as well as accurate, complete and timely communication of published information.

The Professional Ethics charter refers to the principles and rules applicable to stock market ethics and the requirement to comply with them scrupulously. It imposes certain preventive measures including, closed periods when "permanent insiders", such as members of the Board of Directors and other executives, are not permitted to trade in the Company's shares.

The Professional Ethics charter applies to each member of the Board of Directors and to all of the Group's executives and employees.

CHAIRMAN OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Chairman of the Board of Directors is an individual elected by the Board from among its members. Furthermore, the Board of Directors may decide whether to separate or combine the positions of Chairman of the Board and Chief Executive Officer. If the decision is taken to separate these roles, the Board of Directors appoints the Chief Executive Officer.

At its meeting of 5 November 2014, the Board of Directors decided to separate the positions of Chairman of the Board and Chief Executive Officer (these positions had been combined into a single post at a Board meeting on 11 December 2012).

The Chief Executive Officer, subject to the power expressly granted to Shareholders' Meetings and the Board of Directors, and within the limits of the corporate purpose, is vested with the widest powers to act, in all circumstances, in the name of the Company, with the following stipulations:

(i) the Chief Executive Officer must present a draft strategic plan to the Board of Directors each year defining the Group's medium-term business objectives including projected trends for the Group's key operational and financial indicators, in addition to a draft annual budget;

(ii) the following decisions are subject to prior approval by the Board of Directors:

- approval of the annual budget as well as any other significant change to said budget,
- approval of the annual and three-year business plans,
- the acquisition or disposal of any business by SoLocal Group or one of its subsidiaries, not included in the annual budget, for a total amount, including all liabilities and other off-balance sheet commitments, in excess of 10 million euros per year,
- any investments or divestments not included in the annual budget for fixed assets for an amount, including all liabilities and other off-balance sheet commitments, in excess of 10 million euros,
- amendments to the employment contract, hiring/appointment/dismissal/removal of the Chief Financial Officer of SoLocal Group; any amendment to the employment contract, hiring/appointment or dismissal/removal of any other Group executive, whose gross annual compensation exceeds 200,000 euros shall not require prior authorisation by the Board of Directors, but shall require the prior agreement of the Remuneration and Appointments Committee,
- any increase in the total indebtedness of SoLocal Group or its subsidiaries in a total amount greater than the amount authorised under the financing or loan contracts previously authorised by the Board of Directors of SoLocal Group,
- the execution of any agreement in order to create a joint-venture with a third party, not included in the annual budget and generating a commitment for SoLocal Group or one of its subsidiaries for a total amount greater than 10 million euros over the duration of the joint-venture,
- any decision to begin proceedings to list marketable securities of SoLocal Group or any of its subsidiaries on a regulated market and any subsequent transactions for the purpose of additional listings of marketable securities of SoLocal Group, or any of its subsidiaries whose shares are already traded on a regulated market,

- any decision to delist or buy back shares (except share purchases under liquidity agreements previously authorised by the Board of Directors),
- the acquisition or subscription, by SoLocal Group or any of its subsidiaries, of shares, interests or any capital instrument or securities providing rights to the capital of any company (x) for a value including all liabilities and other off-balance sheet commitments assumed greater than 10 million euros where the liability of SoLocal Group or its subsidiaries is limited and the transaction is not included in the annual budget, and (y) irrespective of the amount invested, where SoLocal Group or any of its subsidiaries is acting as an unlimited liability partner in such a company,
- any diversification of the business of SoLocal Group or one of its subsidiaries bearing no relation to the activities previously carried out, or any diversification related to activities previously carried out but not included in the annual budget, implying a commitment to a sum in excess of 10 million euros,
- any transfer or cessation of one of the main businesses of SoLocal Group or one of its subsidiaries not included in the annual budget or the three-year business plan,
- any implementation of an incentives plan (as defined by French labour law or any other similar legal provision in other countries, with the exception of incentives and mandatory profit-sharing) within SoLocal Group or its subsidiaries, or any measure leading employees to acquire directly or indirectly shares of stock in SoLocal Group or its subsidiaries,
- any authorisation or instruction given to a subsidiary of SoLocal Group to study or undertake any of the operations referred to in this annex,
- the execution of any agreement not included in the annual budget that would imply payments or supply of goods or services by SoLocal Group or its subsidiaries for an annual amount greater than a total of 10 million euros,
- any decision relating to plans for the merger or demerger of any SoLocal Group subsidiary, to a spin-off of assets of a business of one of the subsidiaries of SoLocal Group, or to the lease-management of the business of one of SoLocal Group's subsidiaries, where this is not provided for in the annual budget or three-year business plan, and excluding internal reorganisation with no material impact on the position of SoLocal Group,
- any transfer or sale in order to provide collateral, any decision to grant a security interest or pledge by SoLocal Group or one of its subsidiaries, in order to meet debts or honour guarantees given to third parties not included in the annual budget for a total amount greater than 10 million euros per year,
- all loans made by SoLocal Group or one of its subsidiaries, the total amounts of which are greater than 5 million euros and which have not been provided for, in the annual budget.

DEPUTY CHIEF EXECUTIVE OFFICER

On the recommendation of the Chief Executive Officer, the Board of Directors may appoint one or more individuals charged with assisting the Chairman, with the title of Deputy Chief Executive Officer. The maximum number of Deputy Chief Executive Officers is five. In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and duration of powers given to Deputy Chief Executive Officers.

RIGHTS, PRIVILEGES AND RESTRICTIONS ATTACHED TO EACH CLASS OF EXISTING SHARES

Fully paid-up shares may be in registered or bearer form, at the shareholder's discretion. They must be registered until they are fully paid up. They are registered in the Company's records or with an authorised intermediary under the terms and conditions set out in law.

In order to be able to identify bearer shares, under current legal and regulatory conditions and subject to applicable legal or regulatory penalties, the Company may, among other things, request any organisation or intermediary, including the central custodian of financial instruments, for information required by law or regulations enabling the identification of holders of Company shares giving immediate or future voting rights at shareholders' meetings and, in particular, the number of shares held by each of them and, if applicable, any restrictions that may apply to those shares.

Any intermediary registered on behalf of an owner who is not resident within France is required, under the terms set out in Article L. 228-1 of the French Commercial Code, to reveal the identity of the owners of such shares within 10 days, on request by the Company or its legal representative at any time.

Where the Company has reasons to believe that holders of registered or bearer shares who are known to the Company are holding those shares on behalf of third-party shareholders, it is entitled to request those holders to reveal the identities of the owners of said shares under the terms set out above.

Where a person to whom a request is made in accordance with the above provisions does not provide the requested information within legal and regulatory time limits, or provides incomplete or incorrect information relative either to his capacity or to the identity of the shares' owners, the shares or securities providing immediate or future entitlement to share capital for which that person is the registered account holder shall have no voting rights at any shareholders' meetings until such time as all matters relating to identity are settled, and payment of any corresponding dividends shall be deferred until that date.

In addition, if a person registered as a holder of shares knowingly disregards the above provisions, the Court in whose jurisdiction the Company's registered office is located may, at the request of the Company or one or more shareholders, holding at least 5% of the capital, order the full or partial withdrawal, for a total period not exceeding five years, of any voting rights attached to the shares in question and, possibly for the same period, the right to any corresponding dividends.

Where any legal entity owns shares in the Company and has a holding of more than one-fortieth of the capital or voting rights, the Company may ask that entity to disclose the identities of any persons who directly or indirectly hold more than one-third of the entity's share capital or voting rights exercised at the entity's General Shareholders' Meetings.

ACTIONS REQUIRED TO MODIFY SHAREHOLDERS' RIGHTS

At the registration date of this Reference Document, the Articles of Association contain no provisions stricter than those set out in the law relating to changes to shareholders' rights.

21.2.2 General Shareholders' Meetings (Article 11 and Articles 26 to 32 of the Articles of Association)

ACCESS, PARTICIPATION AND VOTING AT GENERAL SHAREHOLDERS' MEETINGS

General Shareholders' Meetings are made up of all shareholders whose shares have been fully paid up and registered in their name as justifying the right to participate in General Shareholders' Meetings, or if the shareholder is not domiciled in France, in the name of the representative acting on the shareholder's behalf, on the second working day prior to the General Shareholders' meeting at 12:00 midnight (Paris time).

In order to attend, vote remotely, or be represented at General Shareholders' Meetings, owners of bearer shares or shares registered in an account not held by the Company must file a certificate prepared by the intermediary holding their account, indicating that the shares will not be transferable before the date of the General Shareholders' Meeting, at the place indicated in the notice of meeting, no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

In order to attend, vote remotely or be represented at General Shareholders' Meetings, owners of shares registered in an account held by the Company must have their shares registered in their account held by the Company by no later than 3 p.m. (Paris time) on the day prior to the General Shareholders' Meeting.

Access to the General Shareholders' Meeting is open to its members with proof of their status and identity. If it deems this useful, the Board of Directors may ensure that shareholders are sent personal admission cards with names and demand that these cards be shown at the General Shareholders' Meeting.

Owners of Company shares, who are not residents of France, may be registered in the accounts and represented at General Shareholders' Meetings by any intermediary who is registered on their behalf and holds a general securities management mandate, provided that such intermediaries have previously declared themselves as intermediaries holding shares on behalf of third parties at the time the account is opened with the Company or account-holding financial intermediary, in accordance with legal and regulatory provisions.

The Company is entitled to request any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders it represents whose rights would be exercised at the General Shareholders' Meeting.

Each member of a General Shareholders' Meeting has as many votes as the number of shares he or she owns or represents, provided that his or her voting rights have not been withdrawn.

Any shareholder may, subject to legal and regulatory conditions, vote remotely or issue powers to any person of his or her choice in order to be represented and vote at a General Shareholders' Meeting.

Remote voting is carried out under the terms and conditions stipulated by legal and regulatory provisions. The Company must receive voting forms no later than 3 p.m. (Paris time) on the day before the General Shareholders' Meeting.

Powers, remote voting forms and certificates of non-transferability of shares may be submitted in electronic form duly signed under the terms set out in applicable legal and regulatory provisions.

Shares are indivisible with regard to the Company. Joint owners of shares must arrange for one of them to act as their representative with the Company, who shall be considered to be the sole owner and representative. In the event of failure to agree, the sole representative may be appointed by the Court at the request of the first joint owner to so request. Unless the Company is properly notified of any agreement to the contrary, beneficial owners have the right to vote at Ordinary General Shareholders' Meetings and bare owners have the right to vote at Extraordinary General Shareholders' Meetings.

General Shareholders' Meetings may be held by videoconference or by any other means of telecommunication, including the Internet, which enables shareholders to be identified under the conditions set out in applicable legal and regulatory texts.

If the Board of Directors so decides at the time of convening the Meeting, forms may be completed and signed electronically directly on a site set up by the Company. This site must use a process including a username and password, in accordance with the terms set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code, or any other process which meets the conditions set out in the first sentence of paragraph two of Article 1316-4 of the French Civil Code.

Powers or votes cast in this way prior to the Meeting by such electronic means, and any receipts which are provided for them, shall be considered to be fully enforceable, irrevocable written records, subject to the points set out below. By derogation, in the case of a sale of shares occurring prior to midnight (Paris time) on the second working day preceding the Meeting the Company shall invalidate or alter accordingly, as the case may be, the proxy expressed or the vote cast prior to the Meeting, using the electronic method set up by the Board of Directors.

Owners of Company shares who are not resident on the French territory may be registered in the accounts and represented at the Meeting by any intermediary who is registered on their behalf and holds a general securities management mandate, provided such intermediaries have previously declared themselves as intermediaries holding shares on behalf of others at the time when shares are registered in the accounts with the Company or account-holding financial intermediary, in accordance with legal and regulatory provisions.

The Company is entitled to ask any intermediary who is registered on behalf of shareholders not residing in France and who holds a general mandate to provide a list of the shareholders they represent and whose rights would be exercised at the Meeting.

Ordinary General Shareholders' Meetings

Ordinary General Shareholders' Meetings are called to make all decisions that do not amend the Articles of Association. They are held at least once a year within six months of the end of the financial year, to approve the financial statements for the previous financial year, unless this period is extended by Court order.

Ordinary General Shareholders' Meetings cannot validly deliberate, on the first notice of meeting, unless shareholders present, represented or voting remotely, hold at least one-fifth of shares with voting rights. Upon a second notice of meeting, no quorum is required. Decisions are made by majority vote of the shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Ordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

Extraordinary General Shareholders' Meetings

Only Extraordinary General Shareholders' Meetings are authorised to amend any provisions in the Articles of Association. However, they may not increase shareholders' commitments except through transactions resulting from a properly executed share consolidation.

Subject to legal stipulations applicable to share capital increases by the incorporation of reserves, profits or issue premiums, Extraordinary General Shareholders' Meetings cannot validly deliberate unless shareholders present, represented or voting remotely, hold on the first notice of meeting at least one-quarter, or on the second notice of meeting one-fifth of the shares with voting rights. If the latter quorum cannot be reached, the second meeting may be reconvened up to two months after the original date, at which point a one-fifth quorum is again required.

Subject to the same conditions, decisions are made by a two-thirds majority vote of shareholders who are present, represented or have voted remotely.

For the purposes of calculating quorum and majority, shareholders are deemed to be present if they take part in an Extraordinary General Shareholders' Meeting by videoconference or any other means of telecommunication enabling them to be identified, the nature and terms of use of which are defined by applicable laws and regulations.

FORM AND DEADLINES FOR NOTICES OF MEETING (ARTICLE 28 OF THE ARTICLES OF ASSOCIATION)

The Board of Directors calls General Shareholders' Meetings under the conditions provided for by law.

Otherwise, General Shareholders' Meetings may also be called by the auditors or by any person authorised for this purpose.

A notice informing shareholders of the next General Shareholders' Meeting is published at least 35 days prior to the Meeting in the French bulletin of mandatory legal announcements (BALO).

Except where provided for legally, notices are issued at least fifteen clear days before the scheduled date of a General Shareholders' Meeting. This period is reduced to ten clear days for General Shareholders' Meetings held after a second notice of meeting and for reconvened General Shareholders' Meetings.

The notices of meetings are issued by a notice in a newspaper publishing legal announcements in the département where the registered office is located, and in the French bulletin of mandatory legal announcements (BALO). Moreover, shareholders who have held registered shares for at least one month prior to the notice of meeting are summoned to the General Shareholders' Meeting by ordinary letter. They may ask to be notified by registered post, provided they pay the registered postage fee to the Company.

The Meetings shall take place at the date, time and place stated in the notice of meeting.

Notices of meeting must include the agenda for the meeting.

OFFICERS OF GENERAL SHAREHOLDERS' MEETINGS (ARTICLE 30 OF THE ARTICLES OF ASSOCIATION)

General Shareholders' Meetings are chaired by the Chairman of the Board of Directors or, in his or her absence, by a director appointed by the Board for this purpose. Failing this, the General Shareholders' Meeting elects its own Chairman.

The two members of the General Shareholders' Meeting with the highest number of votes, who accept this role, shall serve as tellers.

The officers of a General Shareholders' Meeting appoint a secretary, who is not required to be a shareholder.

AGENDA

The Agenda of General Shareholders' Meeting is prepared by the author of the notice of meeting.

One or more shareholders representing the percentage of capital required by applicable regulatory provisions and acting in accordance with legal conditions and time limits may request that proposed resolutions be added to the agenda.

Requests for proposed resolutions to be added to the agenda must be sent by registered letter with recorded delivery as of publication of the notice of meeting in the French bulletin of mandatory legal announcements (BALO), and up to 25 days prior to the Meeting (however, if the notice is published more than 45 days prior to the Meeting, proposed must be sent within 20 days of publication of the notice). The authors must provide proof that they possess or represent the required proportion of share capital, prior to transmission of the request, by registering the shareholders on the Company registers.

Only matters on the agenda may be discussed at General Shareholders' Meetings. However, the meeting may at any time dismiss and replace one or more members of the Supervisory Board and, under certain conditions, dismiss one or more members of the Management Board.

The agenda may not be amended where a second notice of meeting has been issued, or in the event of a meeting being reconvened.

CONDITIONS FOR EXERCISING VOTING RIGHTS

At all General Shareholders' Meetings, each shareholder has as many votes as the number of shares he or she owns or represents, with no limitations other than those which may arise from legal provisions or the Articles of Association, subject to a Court order in certain cases. The provisions of the Articles of Association stipulating the existence of a double voting right, as adopted by the General Shareholders' Meeting of 7 June 2011, became effective on 1 May 2013. A double voting right is attributed to all fully paid-up registered shares of the Company that have been registered in the name of the same holder for at least two years.

21.2.3 Sale and transfer of shares (Article 9 of the Articles of Association)

Shares are freely negotiable, subject to applicable legal and regulatory provisions. They are registered in an account and transferred under the terms and conditions set out in the applicable legal and regulatory provisions.

21.2.4 Declaration of thresholds (Article 9 of the Articles of Association)

In addition to the legal requirement to inform the Company when certain percentages of capital or voting have been exceeded or are not met, anyone acting alone or in concert who comes to hold or ceases to hold directly or indirectly a fraction of the capital, voting rights or securities giving future rights to the Company's share capital that is equal to or greater than 1% or a multiple of this fraction, will be required, no later than before the close of trading on the fourth trading day after the day this threshold was exceeded or not met, to notify the Company, by registered letter with acknowledgement of receipt, of the total number of shares, voting rights or securities giving equity rights which it holds directly or indirectly, alone or in concert.

This notification must be renewed under the aforementioned conditions every time a new threshold of 1% is reached or crossed, upwards or downwards, for any reason, including above the threshold of 5%.

In the event of non-compliance with the aforementioned requirements, and if one or more shareholders holding at least 1% of the share capital so requests from the General Shareholders' Meeting, the shareholders in question shall, without prejudice to potential suspensions of voting rights decided by a court, under the conditions and limits specified by law, be deprived of the voting rights for the shares exceeding the thresholds subject to declaration.

21.2.5 Change in capital clause

At the registration date of this Reference Document, the Articles of Association contain no provisions stricter than those set out in the law relating to changes in capital.

22 SIGNIFICANT CONTRACTS

The Company signed a bank financing agreement described in chapter 10 of this document.

As of this date, the Company has not signed any major contracts, other than those signed in the normal course of its business, that create a major obligation or commitment for the whole Group.

23 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND ANY DECLARATION OF INTEREST

None

24 DOCUMENTS MADE AVAILABLE TO THE PUBLIC

The Articles of Association, minutes of General Shareholders' Meetings, Statutory Auditors' Reports and other corporate documents may be consulted at the Company's registered office. Moreover, all regulatory information provided for under Article 221-1 of the General Regulations of the AMF (the French financial markets authority), certain information on the Group's organisation and business activities, and an up-to-date version of its Articles of Association are available on the Group's website at www.solocalgroup.com.

25 INFORMATION ON HOLDINGS

The Company holds no equity interest in companies other than those indicated in section 7.2 "List of main subsidiaries and equity interests" that could have a material impact on the assessment of its assets, financial position or earnings.

Glossary

Advertising representative: an individual or legal entity responsible for selling advertising space in content produced by a third party, and whose rights and obligations are defined by an advertising representation contract.

Audiences (visits indicator measured by SoLocal Group):

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

Average cost of total debt:

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

Company: SoLocal Group.

Consolidated Group: Consolidated Group means the group of companies formed by the Company and all of its subsidiaries.

Directory: a directory is a compilation of lists of professionals and/or individuals, the subscribers of a fixed-line or mobile operator, for publication alphabetically or by professional category on printed or electronic media.

EBITDA (Earnings before interests, taxes, depreciation and amortisation):

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

Group: Group means the group of companies formed by the Company and all of its subsidiaries.

Group consolidated revenues: the Group's revenues taking into account activities pursued and activities divested or ceased.

Internet revenues:

- Sum of the revenues of the Local Search and Digital Marketing activities (see description in chapter 6.1).

Intranet: a local network that uses the same protocols and technologies as the Internet, but which privately connects computers, i.e. without being open to all Internet users. Examples: corporate Intranet, community Intranet, etc.

Net external expenses:

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

Net financial debt:

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

PagesJaunes or PagesJaunes SA: the company PagesJaunes SA.

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 traditional direct marketing (telemarketing, logistics, posting mailings), telephone and SMS directory enquiry services (118 008), the QuiDonc reverse directory.

Publisher: the individual or legal entity that assumes responsibility for the content it publishes.

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 (Website reach rate): the number of unique visitors of a website, expressed as a percentage of a reference population during a given month.

The SoLocal Group's Reach indicator applies only to the Group's services and excludes all external syndicated partner media.

Salaries and charges:

- Include personnel expenses for all SoLocal Group personnel categories, but exclude legal employee profit-sharing, share-based payments and restructuring costs (i.e. the "PSE", Employment Protection Plan).

Concordance table

The 2015 annual financial report, prepared in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the General Regulations of the Autorité des marchés financiers, comprises the following sections of the Reference Document identified in the table below. Included in this table is the concordance table with the sections of Appendix I of Regulation (EC) No. 809/2004 of the European Commission:

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Group's Management Report	9
Company Annual Financial Statements	20.2
Statutory Auditors' report on the Annual Financial Statements	20.4
Board of Directors' report	20.3
Attestation of the persons responsible for this document	1.2
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6.2 Presentation of business	6.1-6.2
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6.6 Competitive position	6.2
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SOLOCAL GROUP

Public limited company
with a capital of 233 259 384 euros

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