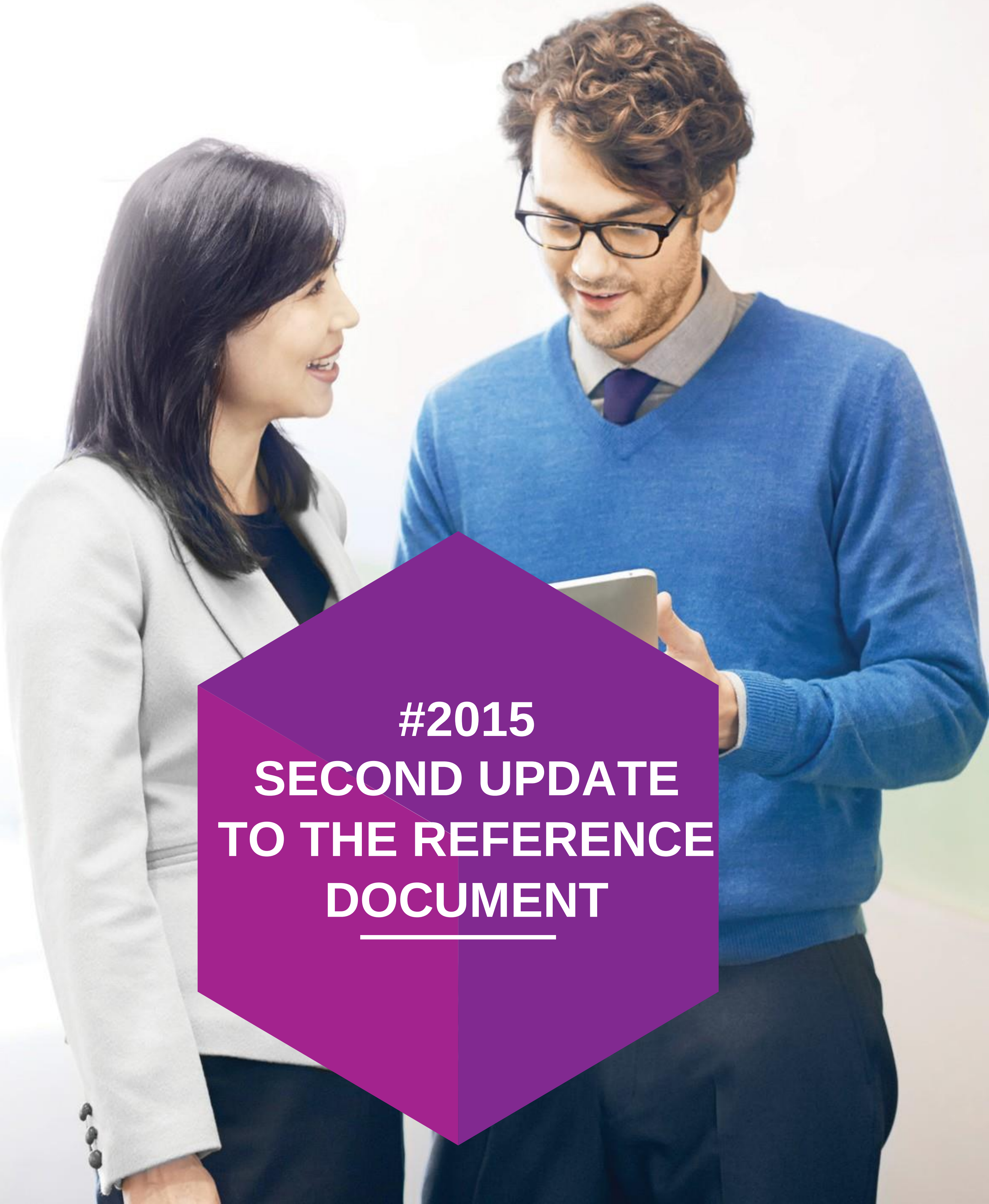

#2015 SECOND UPDATE TO THE REFERENCE DOCUMENT

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This update to the Reference Document (*Document de référence*) was filed with the French financial markets authority (*Autorité des marchés financiers* — the "**AMF**") on 1st December 2016 pursuant to its general regulations. It updates the reference document filed with the AMF on 29 April 2016 under number D.16-0438 (the **"Reference Document"**) as well as the first update to the Reference Document filed with the AMF on 17 October 2016 under number D. 16-0438-A01 (the **"First Update to the Reference Document"**) It may be used in connection with an offering of securities if accompanied with a securities note (*note d'opération*) approved by the AMF. This document has been prepared by the issuer and engages the responsibility of the signatories.

Copies of this update to the Reference Document are available free of charge from SoLocal Group S.A. at its registered office at 204, Rond-Point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex, France; on SoLocal Group's website at www.solocalgroup.com; and on the AMF's website at www.amf-france.org

SOLOCAL GROUP
A public limited liability company with a share capital of 233,259,384 euros
Registered office: 204, Rond-Point du Pont de Sèvres, 92649 Boulogne-Billancourt Cedex Nanterre Trade and Companies Register No. 552 028 425

Unofficial translation of the* "deuxième actualisation du document de référence 2015" *filed with the AMF on 1st December 2016, under number D. 16-0438-A02, for information purpose only.

1 PERSONS RESPONSIBLE FOR THE UPDATE TO THE REFERENCE DOCUMENT

1.1 Responsibility for the update to the Reference Document
1.2 Attestation of the persons responsible for the update to the Reference Document

In this update to the Reference Document, the terms "SoLocal Group" or "the Company" refer to the SoLocal Group S.A. 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 update to 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 update to the Reference Document.

1.2 Attestation of the persons responsible for this Reference Document

We hereby attest that the information in this update to the Reference 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 have obtained a letter from the statutory auditors stating that they have completed their work and verified the information on the financial situation and accounts provided in this document and read through the entire Reference Document.

Boulogne-Billancourt, 1st December 2016

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 Principal Statutory Auditors
2.2 Deputy Statutory Auditors

2.1 Principal Statutory Auditors

BEAS
195 avenue Charles de Gaulle
92524 Neuilly sur Seine Cedex

(Auditor member of the regional association of Versailles)

Represented by Joël Assayah

Named co-principal statutory auditor of the company by decision of the combined general meeting of 19 October 2016 for a duration of six financial years ending after the general assembly which will rule in 2022 on the accounts of the financial years ending 31 December 2021.

Auditex (Ernst & Young group)
Tour First
1, place des Saisons
92400 Courbevoie, Paris La Défense 1

(Auditor member of the regional association of Versailles)

Represented by Vincent de La Bachelerie

Named co-Principal Statutory Auditor of the company by decision of the combined general meeting of 19 October 2016 for a duration of six financial years ending after the general assembly which will rule in 2022 on the accounts of the financial years ending 31 December 2021.

2.2 Deputy Statutory Auditors

The Deputy Statutory Auditors of the Company will be named during a subsequent general meeting.

3 SELECTED FINANCIAL INFORMATION

The information concerning this chapter is described in the Reference Document and in the First Update to the Reference Document. At the date of this update to the Reference Document, this information remains correct and is updated by the information provided below.

3.1 Consolidated balance sheet statement

CONSOLIDATED INCOME STATEMENT (in million euros)	Period ended 30 September 2016 (1)				Period ended 30 September 2015 (1)			
	Consolidated	Divested activities	Continued activities (1)		Consolidated	Divested activities	Continued activities (1)	
			Recurring	Non-recurring			Recurring	Non-recurring
Revenues	**601.9**	**-**	**601.9**	**-**	**663.4**	**5.0**	**658.4**	**-**
Internet	**477.8**	**-**	**477.8**	**-**	**482.0**	**5.0**	**477.0**	**-**
Print & Voice	**124.1**	**-**	**124.1**	**-**	**181.4**	**-**	**181.4**	**-**
Recurring EBITDA[2]	**171.1**	**-**	**171.1**	**-**	**209.3**	**(7.8)**	**217.0**	**-**
Internet	**136.6**	**-**	**136.6**	**-**	**147.5**	**(7.8)**	**155.3**	**-**
Print & Voice	**34.5**	**-**	**34.5**	**-**	**61.8**	**-**	**61.8**	**-**
EBITDA[3]	**168.6**	**-**	**171.1**	**(2.5)**	**200.6**	**(12.4)**	**217.0**	**(4.1)**
Operating Income	**124.6**	**-**	**127.1**	**(2.5)**	**155.7**	**(22.4)**	**182.2**	**(4.1)**
Net financial expense	**(55.8)**	**-**	**55.8**	**-**	**(64.1)**	**(0.0)**	**(64.1)**	**-**
INCOME FOR THE PERIOD (GROUP SHARE)	**38.8**	**-**	**40.5**	**(1.6)**	**50.9**	**(13.1)**	**66.5**	**(2.5)**

(1) Information not audited by the Company's statutory auditors.

(2) Recurring EBITDA corresponds to EBITDA before taking into account exceptional items (such as restructuring and integration costs)

(3) EBITDA is equal to revenue before deduction of net external expenses, salaries and social charges (employee participation and share-based compensation included) and restructuration and integration costs.

3.2 Financial situation statement

Assets *(In millions euros)*	As at 30 September 2016		As at 31 December 2015	As at 30 September 2015	
Non-current assets	260.1		251.1	235.1	
Of which net goodwill	95.5		95.1	79.7	
Current assets	426.2		507.8	430.8	
Of which net trade debtors	252.6		352.6	263.2	
Of which cash and cash equivalents	92.5		53.7	71.7	
Total Assets	686.3		759.0	665.9	
Shareholders' Equity (Group share)	(1,293.6)		(1,327.9)	(1,309.7)	
Non-current liabilities	121.0		1,244.2	1,238.8	
Of which non-current financial liabilities and derivatives	1.3		1,118.3	1,130.3	
Current liabilities	1,858.8		842.8	736.8	
Of which trade creditors	85.5		95.4	90.3	
Of which deferred income	380.0		483.3	423.9	
Total Liabilities	686.3		759.0	665.9	
Net cash flow	19.8		58.3	52.6	
Consolidated Net Debt for the Group	(1,085.0)		(1,090.5)	(1,078.4)	
Consolidated group indebtedness less cash and cash equivalents, excluding fair value of financial instruments and issuance costs of borrowings	(1,097.5)		(1,108.9)	(1,098.7)	
Cash generated by the activity of the consolidated Group	68.6		134.4	106.0	

4 RISK FACTORS

4.1 Inability to comply with bank covenants and effects of a possible debt refinancing
4.2 Other risk factors since 30 June 2016

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

With net debt(1) established at €1,097 million as at 30 September 2016, the Group's financial leverage covenant comes out at more than 4.00 times the consolidated EBITDA as defined in the agreement entered into with the financial institutions. Consequently, the Group is not observing its bank covenant on financial leverage as at 30 September 2016. It is observing all the other bank covenants, however.

As announced on 1 August 2016, the Company otherwise failed to observe the financial leverage covenant as at 30 September 2016. This confers on the creditors voting by a two-thirds' majority (excluding Debt Tranche C1) the right to pronounce at any time (subject to the essential provisions of the French Commercial Code) the immediate payability of SoLocal Group's entire financial debt, i.e. €1.164M (as at 30 September 2016, excluding own debt).

Within the scope of the restructuring plan, the creditors voting in favour of the plan are expected to waive their right to claim for early redemption or the exercise of any other appeal against the Company owing to non-observance of the covenants (the "**Waiver of Early Redemption**"). Consequently, the financial restructuring plan being adopted by the creditors on 30 November 2016, the adoption by shareholders and the ratification by the Commercial court in Nanterre would render these non-observances of the covenant inapplicable.

The implementation of the restructuring operations remains subject to:

- the approval from the general shareholders' meeting of the Company to be held on 15 December 2016 on first notice and in particular to the vote on the first resolution relating to the reduction of the share capital by reduction to ten (10) euro cents of the nominal value per share of the shares of the Company;
- the settlement of the accelerated financial safeguard plan as approved by the creditors' committee of 30 November 2016, by a ruling of the Commercial Court in Nanterre expected on 16 December 2016;
- obtaining by the three creditors representing approximately 37% of the Company's debt, parties to the agreement on a revised financial restructuring plan with the Company, the conclusion of which was announced on 3 November 2016, of a derogation from the AMF in order not to launch a public offering on the Company's shares pursuant to Article 234-9 2 ° of the AMF's general regulations; and
- the completion of the Rights Issue, which will be the subject of a prospectus previously filed with the AMF for its approval.

In the event of non-completion of these transactions, the Group's existing debt under the Existing Credit Facility Agreement could not be restructured in accordance with the proposed amendment to the accelerated financial safeguard plan. In such a case, amendments to the accelerated financial safeguard plan would not take effect. In addition, the Waiver of Early Redemption would lose its effects. In addition, the Company, having announced that it will not pay interest on 1st December 2016, in a context where the Company's cash position is reduced and where PagesJaunes SA, the Company's principal subsidiary, will not grant more new advances to the Company in order to protect its financial capacity, to pursue its operational activity normally and to meet its commitments, could be in a state of cessation of payments. In the very short term, the creditors could avail themselves of various defects that had occurred or had to occur, in order to render their debt immediately due, upon a two-thirds majority decision. In such cases, the Company will have to consider the opening of collective proceedings in a way that is not yet determined. The Company considers that in the event that this debt repayment is decided, the continuity of the Company's operations would be compromised.

If the restructuring measures envisaged are not successfully completed, the SoLocal Group may no longer be able to realise its assets and pay off its debts within the normal scope of its activities.

Furthermore, the following financial ratings were attributed to SoLocal Group at the date of publication of this update to the Reference Document:

- Ca attributed in August 2016 by Moody's with a negative outlook;
- C attributed in August 2016 by Fitch Ratings.

Changes in ratings are presented below:

		30/09/2016		31/12/2015		31/12/2014		31/12/2013	
		Fitch Ratings	**Moody's**	**Fitch Ratings**	**Moody's**	**Fitch Ratings**	**Moody's**	**Fitch Ratings**	**Moody's**
SoLocal Group	**Rating**	C	Ca	B-	B3	B-	B3	B-	Caa1
	Outlook	-	Negative	Negative	Negative	Stable	Negative	Negative	Negative
PagesJaunes Finance (2)	**Rating**	C	Ca	B	B3	B+	B3	B+	Caa1
	Outlook	-	Negative	-	Negative	-	Negative	-	Negative

(1) Net debt is the total gross financial debt minus cash and cash equivalents.

(2) Relating to the bond issue for 350 million euros maturing in 2018.

4.2 Other risk factors since 30 June 2016

PagesJaunes was the subject of a subpoena by a supplier for a sudden breach of contract. PagesJaunes vigorously disputes the terms of this subpoena. Since it was not in a position to reliably estimate the financial consequences of this dispute, it was unable to establish provisions as at 30 September 2016 for this risk, which was therefore treated as a contingent liability. This supplier accounted for less than 3% of the Group's total external expenses in 2015.

Moreover, PagesJaunes received in the course of the 2016 financial year a notification of adjustment by the URSSAF of a monetary amount of €3.0 million for the years 2013 to 2015. This risk was provisioned for 0.8 million in the accounts as of 30 September 2016, corresponding to various operational subjects that the company does not dispute. The balance was not provisioned in the accounts as of 30 September 2016, the company challenging the remedies and considering it was able to obtain a favourable decision.

Finally, refer to Note 13 "Disputes" in the notes to the consolidated condensed accounts as at 30 September 2016 in paragraph 20.1 of this update to the Reference Document and in paragraph 10.2 "Continuity of operations" for more details.

5 INFORMATION ON THE ISSUER

Section 5.2 "Investments" of the Reference Document and chapter 5 of the First Update to the Reference Document are updated as follows:

5.2 Investments

5.2.1 Main investments as at 30 September 2016

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.

At the end of September 2016, the Group's investments concentrated on:

- for *Local Search*, notably on the portal pagesjaunes.fr with heightened user-friendliness, relevance and quality of content and on the mobile use of PagesJaunes services;
- for Digital Marketing, the development of the Website production platform, 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 processes associated with offers and content; and
- the development of its new CityLights registered office in Boulogne-Billancourt for a move to that site

	Period ended 30 September 2016		Period ended 30 September 2015	
(in million euros)	Consolidated	Continued activities	Consolidated	Continued activities
Revenues	601.9	601.9	663.4	658.4
Acquisitions of tangible and intangible fixed assets	**48.8**	**48.8**	**53.2**	**52.8**
As a percentage of revenues	8.1%	8.1%	8.0%	8.0%

6 OVERVIEW OF BUSINESSES

The information contained in chapter 6 of the Reference Document and of the First Update to the Reference Document remains correct at the date of this update to the Reference Document and is supplemented by the information provided below.

The financial data in this Chapter covers the scope of activities continued, excluding activities discontinued in 2015.

As a reminder, in 2015 the Group totally abandoned its non-growing and unprofitable Internet activities, namely: State-owned Internet Display Horyzon Media, ZoomOn social media, Lookingo “daily deals” and Sotravo online work estimates.

6.1 Business lines
6.2 Business organisation: Overview of the five vertical business units

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 over the period January-July 2016, with a monthly average of 26 million unique visitors (monthly average between January and July 2016) on fixed and mobile Internet, thus representing more than 1 out of 2 Internet users in France.

As at the end of September 2016, the Group generated more than 1.8 billion visits. Mobile equipment, which plays an increasingly important role in SoLocal’s strategy, represented 44% of the Group’s Internet audience as at the end of September 2016, a 26% increase compared to the end of September 2015.

With more than 4,400 full-time equivalent contributors and a sales force team of 1,900 consultants specialising in the five vertical segments (Home, Services, Commerce, Health & Public, BtoB) and internationally, the Group offers communication solutions suited to its customers’ requirements.

The SoLocal Group generated revenues of €602 million* as at the end of September 2016, its Internet and Print & Voice activities representing 79% and 21%, respectively. Internet activities, in slight increase as at the end of September 2016 (+0.2%), include the two main digital activities, namely Search Local and Digital Marketing.

6.1 Business lines

6.1.1 Internet

As at the end of September 2016, SoLocal Group recorded €478 million Internet revenues, representing 79% of Group revenues, in slight increase (+0.2%) compared to the end of September 2015.

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. As at the end of September 2016, this Local Search activity posted revenues of €363 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).

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

- Second, we create and provide Internet users with the best local and customised content about professionals. As at the end of September 2016, this Digital Marketing activity represented revenues of €115 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+8% as at the end of September 2016). They include sites & content, local programming and transactional services. We made innovations to these product ranges in 2015, with an upgrading of the range of our offer of websites and product & store locators and the successful launch of the Adhesive targeting offer, which makes use of our data on Internet users' local buying intentions. And our transactional services have been renamed PagesJaunes Resto and PagesJaunes Doc, taking advantage and increasing the power of the traffic generated on PagesJaunes.

6.1.1.1 Local Search

Overall as at the end of September 2016, the Local Search business generated revenues of €363 million (approximately 76% of total Internet revenues), declining by -2% compared to the first half of 2015. 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 benefitting from 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 2016, over the 4 million of local businesses listed in our database in France, approximately 500,000 are Internet clients of SoLocal Group, thanks to our unique coverage of the French market.

As at the end of September 2016, we had over 1.8 billion visits on the fixed and mobile Internet, an increase of 9% compared to the end of September 2015. The mobile Internet represents a growing share of visits, which accounts for 44% as at the end of September 2016. SoLocal Group's mobile applications (mainly PagesJaunes and Mappy) have been downloaded nearly 46 million times on smartphones and tablets in France, an increase of 11% compared to the end of September 2015.

In 2015, audiences specifically directed towards clients exceeded 1.1 billion visits as at the end of September 2016, growing by 14% compared to the end of September 2015.

Bolstered by the performance of our brands (PagesJaunes, Mappy and Ooreka are ranked by Médiamétrie Nielsen in the Top 110 most visited sites; NB: the adjustment to Ooreka ranking following change of name of its site in second half of 2015), SoLocal Group reached one out of two French Internet users as at the end of September 2016. Our Group's media continue to generate sizeable audiences with 26 million unique visitors to fixed and mobile websites (SoLocal is ranked 6th among the most visited fixed and mobile sites in France over the 7 months between January and July 2016, according to Médiamétrie Nielsen).

Audiences (in million visits)	End of September 2016	End of September 2015	Change
PagesJaunes	**1,323**	**1,201**	**10%**
of which mobile & tablet	566	432	31%
Mappy	**289**	**274**	**5%**
of which mobile & tablet	132	121	10%
Ooreka	**126**	**123**	**3%**
of which mobile & tablet	62	53	18%
Autres	**84**	**80**	**5%**
of which mobile & tablet	37	27	38%
Total	**1,822**	**1,678**	**9%**
of which mobile & tablet	797	632	26%
of which fixed	1,025	1,046	-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.

As at the end of September 2016, audiences from syndication accounted for 494 million of Internet visits, corresponding to 44% 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 clients □ Technical management of SEM campaigns in France
Bing	□ Brand and PagesJaunes' data highlighted in Local Search in France exclusively □ 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!	□ Incorporation of PagesJaunes' results into Yahoo's result list, for Local Search in France exclusively □ Direct access to detailed 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 □ Launch of the "Tract Digital" offer in October 2016 to develop local digital communication for very small businesses/SME.

Since 2015, SoLocal Group has become 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 is also 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 Centre". 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 the 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.
Ooreka is ranked 110th among the websites most visited in France over the period from January to July 2016 (according to Médiamétrie/Nielsen), with more than five million different visitors.
It should be noted that the brand change that took place in the second half of 2015 had an unfavourable impact on Ooreka's ranking in the early months of 2016, which has been reversed over several months.

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 the SoLocal Group in 2004, provides geographic services (maps, trip planners, geographical representations, Local Search and GPS navigation) on fixed and mobile Internet in France and Belgium. Its website, "mappy.com", had over 11 million unique visitors over the period January-July 2016 (according to Médiamétrie/Net Ratings) and ranked as the 35th 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 nearly 7 million times at the end of September 2016.

6.1.1.2 Digital Marketing

Digital Marketing generated a revenue of €115 million (approximately 24% of total Internet revenues) as at the end of September 2016, an increase of 8% compared to the end of September 2015. 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). As at the end of September 2016, we managed approximately 380,000 sites in France and abroad. The sites developed by SoLocal Group are 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 "*Pack Visibilité Internet*" (PVI - Internet Visibility Pack) and an entry-level product marketed as a 12- or 24-month subscription, called "*Site Présence*" (Website Presence). Since mid-2014, the PVI has been gradually replaced by a new type of verticalised site, the "*Sites Visibilité Internet*" (SVI – Internet Visibility Websites), 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*" (Privilege Website), 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 search engines, fixed and mobile partner websites. These websites 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 September 2014, offers to its clients fully customised mini-websites 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 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 websites: real estate sector (A Vendre A Louer), major accounts and networks, creation of websites with guaranteed visits offers (PJMS' "*Site Connect*"), dedicated offers (restaurants and health professionals);
- creation of websites abroad: "*Solucion Web*" websites, paid and natural listing and creation of videos in Spain (QDQ Media); and
- 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 20,000 clients at the end of September 2016. 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 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 business sectors of 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 September 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 re-expose them 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 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:

- A 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.fr and 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 a 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 the 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 real estate agencies and real estate professionals. “Avendrealouer.fr”, whose new website was launched in September 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

As at the end of September 2016, the Print & Voice activities generated revenues of €124 million, i.e. 21% of the Group’s consolidated revenues. This business line includes the publication, distribution and sale of advertising space in website, and users can also printed directories (PagesJaunes, PagesBlanches), as well as the telephone directory enquiry and reverse directory services.

Print

The 2015 edition consisted of 239 different directories (129 PagesJaunes directories, 93 PagesBlanches directories and 17 Annuaire Directories). Publication of these directories is staggered throughout the year.

Following the sale of its 39% stake in Editus in September mapping assets and 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 business units

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 (Retail, Services, Home, BtoB and Health & Public). 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’ 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 at the end of September 2016 for each of the six business units.

Internet revenues (in million euros)	End of September of 2015	End of September of 2016	Change
Home	136	138	1%
Retail	96	92	-4%
Health & Public	53	56	+5%
Services	92	92	0%
BtoB	83	82	-1%
International*	16	17	+10%
INTERNET REVENUES	**477**	**478**	**0%**
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; and
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	End of September of 2015	End of September of 2016	Change
Internet revenues (in million euros)(1)	136	138	1%
Audience (in million searches)	93	96	+4%
Number of Internet clients (in thousands)	117	110	-7%
ARPA(2) - Local Search	€944	€997	+6%
Penetration rate - Digital Marketing(3)	24%	25%	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	End of September of 2015	End of September of 2016	Change
Internet revenues (in million euros)[1]	96	92	-4%
Audience (in million searches)	443	476	+7%
Number of Internet clients (in thousands)	147	135	-9%
ARPA[2] - Local Search	€517	€532	+3%
Penetration rate - Digital Marketing[3]	16%	17%	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 Retail business unit
The market of the Retail business unit includes local businesses offering services in the following various segments:

i) merchants presenting transactional potential (restaurants, beauty institutes, accommodation professionals),
ii) local merchants, including small town-centre businesses, such as florists, wine merchants, dry cleaners or grocers, sports clubs and cultural establishments,
iii) chains (supermarkets, clothes stores and DIY stores).

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; and
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; and
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	End of September of 2015	End of September of 2016	Change
Internet revenues (in million euros)(1)	53	56	+5%
Audience (in million searches)	389	426	+10%
Number of Internet clients (in thousands)	83	84	+1%
ARPA(2) - Local Search	€551	€568	+3%
Penetration rate - Digital Marketing(3)	10%	15%	5 pts

(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; and

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 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	End of September of 2015	End of September of 2016	Change
Internet revenues (in million euros)(1)	92	92	0%
Audience (in million searches)	191	211	+11%
Number of Internet clients (in thousands)	77	72	-7%
ARPA(2) - Local Search	€913	€960	+5%
Penetration rate - Digital Marketing(3)	24%	25%	+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 “*Coût Pour Mille*” (CPM – Cost Per Thousand) ()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*" (Showcase Pack), 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 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), Refleximmo (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.

SoLocal BtoB

SoLocal BtoB	End of September of 2015	End of September of 2016	Change
Internet revenues (in million euros)[(1)]	83	82	-1%
Audience (in million searches)	161	168	+5%
Number of Internet clients (in thousands)	88	79	-10%
ARPA[(2)] - Local Search	€781	€832	+7%
Penetration rate - Digital Marketing(3)	18%	19%	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 centres, 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, etc.;

- craftsmen: furniture manufacturers, upholsterers and decorators, fashion designers, costume 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.

9 ANNUAL ACTIVITY REPORT AS OF 30 SEPTEMBER 2016

The information shown in Chapter 9 of the Reference Document and of the First Update to the Reference Document is, on the date of this update to the Reference Document, accurate and is supplemented by the information shown below.

Information

The consolidated company accounts of the SoLocal Group as at 31 December 2015 have been approved by the general shareholders' meeting held on 19 October 2016.

9.1 Overview
9.2 Commentary on the results as of 30 September 2016

9.1 Overview

As Europe's top local digital communication provider, SoLocal Group fulfils a general-interest mission with strong potential which consists in "revealing local know-hox, everywhere and stimulating the local activity of companies".

Within the scope of continued activities, SoLocal Group generated revenues of €602 million euros as at 30 September 2016, of which revenues from its Internet activities represented 79% and revenues from its Print & Voice activites represented 21%. Internet business is driven by two primary business lines: Local Search and Digital Marketing.

Internet
As at 30 September 2016, SoLocal Group recorded €478 million Internet revenues, representing 79% of Group revenues.

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. As at 30 September 2016, this Local Search activity posted revenues of €363 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. As at 30 September 2016, this Digital Marketing activity represented revenues of €115 million. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+8% as at 30 September 2016 compared to 30 September 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 €124 million as at 30 September 2016. 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.

9.2 Commentary on the results as at 30 September 2016

During the 2015 financial year, the Group disposed of four non-profitable and no-growth activities ("disposed activities"):
- Horyzon Media web agency display;
- ZoomOn social local media;
- Lookingo "daily deals";
- Sotravo online home project quotes.

The accounts published by the Group as at 30 September 2016 are made up as follows:

Consolidated, Continued activities, Divested activities.

in million euros	As at 30 September 2016				As at 30 September 2015			
	Consolidated	**Divested activities**	**Continued activities**		**Consolidated**	**Divested activities**	**Continued activities**	
			Recurring	**Non-recurring**			**Recurring**	**Non-recurring**
Revenues	601.9	-	**601.9**	**-**	663.4	5.0	**658.4**	**-**
Recurring EBITDA	171.1	-	**171.1**	**-**	209.3	(7.8)	**217.0**	**-**
EBITDA	168.6	-	**171.1**	**(2.5)**	200.6	(12.4)	**217.0**	**(4.1)**
Operating income	124.6	-	**127.1**	**(2.5)**	155.7	(22.4)	**182.2**	**(4.1)**
Income before tax	68.8	-	**71.3**	**(2.5)**	91.7	(22.4)	**118.2**	**(4.1)**
Income for the period	38.8	-	**40.5**	**(1.6)**	50.9	(13.1)	**66.5**	**(2.5)**

Starting in 2015, SoLocal Group is isolating the momentum of the continued activities from that of the activities that it has divested from. The comments on the financial performance indicators concern the scope of continued activities. Recurring EBITDA excludes nonrecurring items, such as restructuring costs.

Consolidated income statement for continued activities, as at 30 September 2016 and as at 30 September 2015

SoLocal Group	**Continued activities**						
in million euros	**As at 30 September 2016**			**As at 30 September 2015**			**Change recurring 2016/2015**
	Total	**Recurring**	**Non-recurring**	**Total**	**Recurring**	**Non-recurring**	
Revenues	**601.9**	**601.9**	**-**	**658.4**	**658.4**	**-**	**-8.6%**
Net external expenses	(156.4)	(156.4)	-	(149.2)	(149.2)	-	4.8%
Personnel expenses	(274.4)	(274.4)	-	(292.2)	(292.2)	-	-6.1%
Recurring EBITDA	**171.1**	**171.1**	**-**	**217.0**	**217.0**	**-**	**-21.2%**
As % of revenues	*28.4%*	*28.4%*	-	*33.0%*	*33.0%*	-	
Non-recurring items	(2.5)	-	(2.5)	(4.1)	-	(4.1)	- - -
EBITDA	**168.6**	**(171.1)**	**(2.5)**	**213.0**	**217.0**	**(4.1)**	**-21.2%**
As % of revenues	*28.0%*	*28.4%*	-	*32.4%*	*33.0%*	-	
Depreciation and amortisation	(44.1)	(44.1)	-	(34.9)	(34.9)	-	- 26.4%
Operating income	**124.6**	**127.1**	**(2.5)**	**178.1**	**182.2**	**(4.1)**	**-30.2%**
As % of revenues	*20.7%*	*21.1%*	-	*27.1%*	*27.7%*	-	
Financial income	0.8	0.8	-	1.6	1.6	-	- -50.0%
Financial expenses	(56.6)	(56.6)	-	(65.7)	(65.7)	-	-13.9%
Net financial expense	**(55.8)**	**(55.8)**	**-**	**(64.1)**	**(64.1)**	**-**	**-12.9%**
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100.0%
Income before tax	**68.8**	**71.3**	**(2.5)**	**114.1**	**118.2**	**(4.1)**	**-39.7%**
Corporate income tax	(30.0)	(30.8)	0.9	(50.1)	(51.6)	1.5	-40.3%
Income for the period	**38.8**	**40.5**	**(1.6)**	**64.0**	**66.5**	**(2.5)**	**-39.1%**

Details on the revenues and recurring EBITDA of continued activities, as at 30 September 2016 and as at 30 September 2015:

SoLocal Group	**Continued activities**		
in million euros	**As at 30 September 2016**	**As at 30 September 2015**	**Change 2016/2015**
Internet	477.8	477.0	0.2%
Print & Voice	124.1	181.4	-31.6%
Revenues	**601.9**	**658.4**	**-8.6%**
Internet revenues as % of total revenues	*79.4%*	*72.4%*	
Internet	136.6	155.3	-12.0%
Print & Voice	34.5	61.8	-44.2%
Recurring EBITDA[1]	**171.1**	**217.0**	**-21.2%**
As % of revenues			
Internet	*28.6%*	*32.6%*	
Print & Voice	*27.8%*	*34.1%*	

[1] The breakdown of quarterly EBITDA between the Internet and Printed & Voice segments for the year 2015 has been adjusted to the margin (for amounts between €1 and €3 million) compared to the publication of the consolidated financial information as of 30 September 2015, in order to have indicators drawn up on comparable methods between 2015 and 2016. These restatements have no impact on the quarterly recurring EBITDA for 2015, and no such restatements were made in 2016.

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

As at 30 September 2016, revenues stood at to €601.9 million, down -8.6% compared to 30 September 2015:

- Internet revenues at €477.8 million as at 30 September 2016 (representing 79.4% of total revenues, 7.0 points) stable relative as at 30 September 2015, the positive dynamic of Digital Marketing offsetting the downturn of the Search Local:
- Print & Voice revenues at €124.1 million were down by -31.6% over the period, mainly due to the stronger decline of PagesBlanches.

Recurring EBITDA was €171.1 million as at 30 September 2016, down -21.2% compared to 30 September 2015.

The EBITDA to revenue margin was 28.4% as at 30 September 2016, down 4.6 points compared to 30 September 2015, mainly due to the decline in revenues partially offset by a decrease in personnel costs.

9.2.2. Analysis of consolidated operating income for continued activities

The table below shows the Group's consolidated operating income for continued activities as at 30 September 2015 and as at 30 September 2016:

SoLocal Group	**Continued activities**						
in million euros	**As at 30 September 2016**			**As at 30 September 2015**			**Change recurring 2016/2015**
	Total	**Recurring**	**Non-recurring**	**Total**	**Recurring**	**Non-recurring**	
Recurring EBITDA	**171.1**	**171.1**	**-**	**217.0**	**217.0**	**-**	**-21.2%**
Non-recurring items	(2.5)	-	(2.5)	(4.1)	-	(4.1)	-
EBITDA	**168.6**	**171.1**	**(2.5)**	**213.0**	**217.0**	**(4.1)**	**-21.2%**
Depreciation and amortisation	(44.1)	(44.1)	-	(34.9)	(34.9)	-	26.4%
Operating income	**124.6**	**127.1**	**(2.5)**	**178.1**	**182.2**	**(4.1)**	**-30.2%**
As % of revenues	*20.7%*	*21.1%*	*-0.4%*	*27.1%*	*27.7%*	*-0.6%*	

Depreciation and amortisation for the Group stands at -€44.1 million as at 30 September 2016 compared to -€34.9 million as at 30 September 2015, an increase of +9.2 million euros (+26.4%) due to the investment linked to revamping the IT tools.

The Group's recurring operating income at €127.1 million decreased by -30.2% compared to 30 September 2015. This decrease of -€55.1 million stems from the -€45.9 million drop in recurring EBITDA and from the increase in depreciation and amortisation of -€9.2 million.

9.2.3. Analysis of the results for continued activities

The table below shows the Group's results for continued activities as at 30 September 2015 and as at 30 September 2016:

SoLocal Group	Continued activities						
in million euros	As at 30 September 2016			As at 30 September 2015			Change recurring 2016/2015
	Total	Recurring	Non-recurring	Total	Recurring	Non-recurring	
Operating income	**124.6**	**127.1**	**(2.5)**	**178.1**	**182.2**	**(4.1)**	**-30.2%**
Financial income	0.8	0.8	-	1.6	1.6	-	-50.0%
Financial expenses	(56.6)	(56.6)	-	(65.7)	(65.7)	-	-13.9%
Net financial expense	**(55.8)**	**(55.8)**	**-**	**(64.1)**	**(64.1)**	**-**	**-12.9%**
Share of profit or loss of an associate	-	-	-	0.1	0.1	-	-100.0%
Income before tax	**68.8**	**71.3**	**(2.5)**	**114.1**	**118.2**	**(4.1)**	**-39.7%**
Corporate income tax	(30.0)	(30.8)	0.9	(50.1)	(51.6	1.5	-40.3%
Income for the period	**38.8**	**40.5**	**(1.6)**	**64.0**	**66.5**	**(2.5)**	**-39.1%**

9.2.3.1. Net financial income

Net financial expenses of Group amounted to -€55.8 million as at 30 September 2016, in reduction of -12.9%, mainly due to the maturing of hedging instruments in September 2015.

9.2.3.2. Recurring results for the period

Corporate income tax was a charge of -€30.8 million as at 30 September 2016, in reduction of -40.3% compared to 30 September 2015, in accordance with the result before tax.

Recurring income amounted to +€40.5 million as at 30 September 2016, in reduction of -39.1% compared to recurring income from continued activities as at 30 September 2015.

9.2.3.3 Result for the period of continued activities

Net income from divested activities is nil as at 30 September 2016, the divestment of non-growing and unprofitable Internet businesses has been fully achieved in 2015.

The Group's net income was €38.8 million as at 30 September 2016, down -39.4% compared to 30 September 2015.

9.2.3.4 Presentation of the results and the consolidated cash flows with the detail for "Continued activities" and "Disposed activities"

(Amounts in thousands of euros)	**As at 30 September 2016**				**As at 30 September 2015**			
	Consolidated	**Divested activities**	**Continued activities**		**Consolidated**	**Divested activities**	**Continued activities**	
			Recurring	**Non recurring**			**Recurring**	**Non recurring**
Revenues	601,893	-	601,893	-	663,384	4,977	658,407	-
Net external expenses	(156,404)	-	(156,404)	-	(156,791)	(7,580)	(149,211)	-
Personnel expenses	(274,365)	-	(274,365)	-	(297,338)	(5,178)	(292,160)	-
Recurring EBITDA	**171,123**	**-**	**171,123**	**-**	**209,255**	**(7,781)**	**217,036**	**-**
Non-recurring items	(2,502)	-	-	(2,502)	(8,636)	(4,570)	-	(4,066)
EBITDA	**168,621**	**-**	**171,123**	**(2,502)**	**200,619**	**(12,351)**	**217,036**	**(4,066)**
Depreciation and amortization	(44,064)	-	(44,064)	-	(44,920)	(10,058)	(34,862)	-
Operating income	**124,557**	**-**	**127,059**	**(2,502)**	**155,700**	**(22,409)**	**182,175**	**(4,066)**
Financial income	815	-	815	-	1,605	-	1,605	-
Financial expenses	(56,596)	-	(56,596)	-	(65,710)	(2)	(65,708)	-
Net financial expenses	**(55,781)**	**-**	**(55,781)**	**-**	**(64,105)**	**(2)**	**(64,103)**	**-**
Share of profit or loss of associated companies	-	-	-	-	107	-	107	-
Income before tax	**68,776**	**-**	**71,278**	**(2,502)**	**91,702**	**(22,411)**	**118,179**	**(4,066)**
Corporate income tax	(29,951)	-	(30,812)	862	(40,805)	9,285	(51,635)	1,545
Income for the period	**38,825**	**-**	**40,466**	**(1,640)**	**50,897**	**(13,126)**	**66,544**	**(2,521)**

In million euros	As at 30 September 2016	As at 30 September 2015
Recurring EBITDA	**171.1**	**217.0**
Non-monetary items included in EBITDA	4.3	9.3
Net change in working capital	(52.3)	(31.7)
Acquisition of tangible and intangible fixed assets	(48.8)	(52.8)
Cash financial income	(35.2)	(55.3)
Non-recurring items	(21.7)	(20.0)
Corporate income tax paid	2.3	(8.6)
Net Cash flow from continued activities	**19.8**	**58.0**
Net Cash flow from divested activities	-	(5.4)
Net cash flow	**19.8**	**52.6**
Increase (decrease) in borrowings and bank overdrafts	11.5	(30.3)
Capital increase net of costs	(0.0)	2.6
Others	5.7	0.7
Net cash variation	**36.9**	**25.6**
Net cash and cash equivalents at beginning of period	53.3	43.6
Net cash and cash equivalents at end of period	**90.2**	**69.2**

9.3 Quarterly financial data

Revenues by Quarter

In million euros	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Internet revenues	**157.9**	**167.3**	**151.8**	**163.2**	**157.1**	**164.6**	**156.1**
Local search	**126.3**	**126.4**	**118.7**	**124.9**	**117.6**	**125.8**	**119.8**
Number of visits (in million)	*555*	*553*	*568*	*560*	*595*	*611*	*616*
ARPA[1] (in €)	*234*	*237*	*226*	*243*	*232*	*253*	*245*
Number of clients (in thousand)	*539*	*534*	*525*	*515*	*506*	*496*	*490*
Digital marketing	**31.6**	**40.9**	**33.1**	**38.3**	**39.6**	**38.7**	**36.3**
Penetration rate (in number of clients)[2]	*22%*	*22%*	*22%*	*22%*	*23%*	*23%*	*23%*
Print & Voice revenues	**49.0**	**72.0**	**60.5**	**51.0**	**32.8**	**50.2**	**41.1**
Revenues from continued activities	**206.9**	**239.3**	**212.3**	**214.2**	**190.0**	**214.8**	**197.2**
Revenues from divested activities	2.4	1.7	0.9	0.3	-	-	-
Consolidated revenues	**209.2**	**241.0**	**213.2**	**214.6**	**190.0**	**214.8**	**197.2**

[1] Average Revenue Per Advertiser
[2] % of Internet clients benefiting from a Digital marketing product

Recurring EBITDA by Quarter [1]

In million euros	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Internet recurring EBITDA	42.8	56.2	56.3	43.8	43.0	46.5	47.1
EBITDA / revenue margin	27%	34%	37%	27%	27%	28%	30%
Print & Voice recurring EBITDA	14.0	25.8	22.0	9.5	8.5	13.6	12.4
EBITDA / revenue margin	29%	36%	36%	19%	26%	27%	30%
Recurring EBITDA from continued activities	**56.8**	**82.0**	**78.3**	**53.3**	**51.5**	**60.0**	**59.5**
EBITDA / revenue margin	27%	34%	37%	25%	27%	28%	30%
Recurring EBITDA from divested activities	(2.6)	(2.4)	(2.8)	(1.7)	-	-	-
Consolidated recurring EBITDA	**54.2**	**79.6**	**75.5**	**51.6**	**51.5**	**60.0**	**59.5**
EBITDA / revenue margin	26%	33%	35%	24%	27%	28%	30%

[1] The breakdown of quarterly EBITDA between the Internet and Printed & Voice segments for the year 2015 has been adjusted to the margin (for amounts between €1 and €3 million) compared to the publication of the consolidated financial information as of 30 September 2015, In order to have indicators drawn up on comparable methods between 2015 and 2016. These restatements have no impact on the quarterly recurring EBITDA for 2015, and no such restatements were made in 2016.

Income Statement by Quarter

In million euros	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Group revenues	**206.9**	**239.3**	**212.2**	**214.2**	**190.0**	**214.8**	**197.2**
Net external expenses	(47.6)	(50.6)	(51.0)	(59.0)	(50.5)	(55.0)	(50.9)
Personnel expenses	(102.5)	(106.7)	(83.0)	(101.9)	(87.9)	(99.7)	(86.7)
Recurring EBITDA	**56.8**	**82.0**	**78.3**	**53.3**	**51.5**	**60.0**	**59.5**
Non-recurring items	(0.4)	(1.8)	(1.8)	(45.0)	(0.3)	(1.7)	(0.5)
EBITDA from Continued activities operations	**56.4**	**80.1**	**76.5**	**8.3**	**51.2**	**58.3**	**59.1**
Depreciation and amortisation	(11.4)	(10.4)	(13.0)	(17.3)	(14.1)	(14.7)	(15.2)
Operating income	**44.9**	**69.7**	**63.4**	**(9.0)**	**37.1**	**43.6**	**43.8**
Net financial expense	(22.1)	(20.9)	(21.2)	(19.5)	(18.2)	(18.6)	(18.9)
Share of the result from associated companies	0.1	-	-	-	-	-	-
Income before tax	**23.0**	**48.9**	**42.3**	**(28.6)**	**18.9**	**25.0**	**24.9**
Corporate income tax	(7.9)	(22.4)	(19.9)	7.1	(7.5)	(11.2)	(11.3)
Corporate income tax rate	*34.2%*	*45.8%*	*47.0%*	*24.7%*	*39.4%*	*45.0%*	*45.2%*
Net income from continued activities	**15.1**	**26.5**	**22.4**	**(21.5)**	**11.4**	**13.7**	**13.6**
Net income from divested activities	(2.7)	(4.9)	(5.5)	(2.8)	-	-	-
Net income	**12.4**	**21.6**	**16.9**	**(24.2)**	**11.4**	**13.7**	**13.6**

Cash flow Statement by Quarter

In million euros	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Recurring EBITDA	**56.8**	**82.0**	**78.3**	**53.3**	**51.5**	**60.0**	**59.5**
Non-monetary items included in EBITDA	2.9	1.9	4.5	0.5	(0.9)	0.8	3.8
Net change in working capital	(4.5)	(2.8)	(24.4)	21.1	(9.0)	(9.6)	(33.7)
Acquisition of tangible and intangible fixed assets	(15.9)	(18.3)	(18.6)	(22.8)	(18.9)	(16.7)	(13.2)
Cash financial income	(12.4)	(30.1)	(12.8)	(24.2)	(2.6)	(15.9)	(16.8)
Non-recurring items	(5.1)	(7.8)	(7.2)	(7.8)	(3.1)	(11.6)	(6.5)
Acquisition costs of shares and assets	-	-	-	-	-	-	-
Corporate income tax paid	0.1	(0.7)	(7.9)	(11.3)	0.3	10.2	(8.2)
Net Cash flow from continued activities	**21.9**	**24.2**	**11.8**	**8.8**	**17.5**	**17.2**	**(15.1)**
Net Cash flow from divested activities	(1.2)	(1.7)	(2.5)	(3.1)	-	-	-
Net cash flow	**20.7**	**22.5**	**9.3**	**5.7**	**17.5**	**17.2**	**(15.1)**
Increase (decrease) in borrowings and bank overdrafts	(18.6)	(1.3)	(10.4)	(3.5)	12.0	3.0	(3.5)
Capital increase net of costs	-	2.6	-	(0.1)	-	-	(0.0)
Others	(3.7)	6.6	(2.1)	(17.9)	(1.2)	5.9	1.1
Net cash variation	**(1.6)**	**30.3**	**(3.2)**	**(15.8)**	**28.3**	**26.1**	**(17.5)**
Net cash and cash equivalents at beginning of period	43.6	42.0	72.3	69.2	53.3	81.6	107.7
Net cash and cash equivalents at end of period	**42.0**	**72.3**	**69.2**	**53.3**	**81.6**	**107.7**	**90.2**

10 CASH

The information contained in Chapter 10 of the Reference Document and of the First Update to the Reference Document remains correct at the date of this update to the Reference Document and is supplemented by the information provided below.

10.1 Consolidated liquidities, capital resources and investment expenses

The table below shows the cash flows for continued activities of the Group as at 30 September 2015 and 30 September 2016:

SoLocal Group	**Continued activities**		
in million euros	**Period ended 30 September 2016**	**Period ended 30 September 2015**	**Change 2016/2015**
Net cash from operations	68.6	111.3	(42.7)
Net cash used in investing activities	(43.5)	(49.0)	5.5
Net cash provided by (used in) financing activities	11.8	(31.0)	42.9
Impact of changes in exchange rates on cash	(0.1)	0.0	(0.1)
Net increase (decrease) in cash position	**36.9**	**31.2**	**5.6**

The net cash flow from operations amounted to €68.6 million as at 30 September 2016 compared to €111.3 million as at 30 September 2015, representing a decrease of -€42.7 million due mainly to:

- recurring EBITDA for continued activities of €171.1 million as at 30 September 2016, down -€45.9 million compared to 30 September 2015,
- an increase of €1.6 million in non-recurring items (including restructuring costs),
- an increase in the working capital requirement of €52.3 million as at 30 September 2016 compared to an increase of €31.7 million as at 30 September 2015, representing an unfavourable change of €20.6 million between the two periods, driven by pressure from customers and suppliers, given the uncertainty surrounding the Group's financial restructuring.
- a net disbursement of €35.2 million by way of financial interest as at 30 September 2016 compared to €55.3 million as at 30 September 2015, i.e. a favourable change of €20.0 million between the two periods partly associated with a time difference in the payment of interest for the 1st quarter 2017 (approx. €8 million) and the maturity of the hedging instruments at the end of 2015 (€11 million).
- a net receipt of €2.3 million which is explained by the repayment of the tax claim registered as at 31 December 2015 following deduction of the instalments paid compared to a net disbursement of €8.6 million as at 30 September 2015.

The net cash flow used in investing activities represents a disbursement of €43.5 million as at 30 September 2016, an increase compared to a disbursement of €49.0 million recorded as at 30 September 2015, mainly comprising:

- €48.8 million in respect of acquisitions of tangible and intangible fixed assets as at 30 September 2016 compared to €52.8 million as at 30 September 2015,
- €4.1 million paid as a guarantee deposit on the CityLights premises in Boulogne;
- €9.0 million by way of reinstatement of the cash collateral paid in 2014 to guarantee two commercial lease agreements on buildings before completion.

Net cash flows allotted to financing transactions comprise receipts of €11.8 million as at 30 September 2016 compared to disbursements of €31.0 million as at 30 September 2015, i.e. a change of €42.9 million mainly including the following:

- The drawdown on the revolving credit facilities for a net amount of €41.1 million as at 30 September 2016 compared to a repayment of those same facilities of €31.0 million as at 30 September 2015;
- The contractual repayment of the excess cash flow of tranche A7 of the bank borrowing for an amount of €15.2 million;
- The repayment of further borrowing for an amount of €1.7 million;
- The reduction in the debt (no longer as a cash equivalent) resulting from the buyback of a portion of the bond borrowing for an amount of €12.2 million applied in 2015.

The table below shows the **consolidated Group's cash position** as of 30 September 2016, as of 31 December 2015 and as of 30 September 2015:

SoLocal Group (Consolidated) in million euros	**Period ended 30 September 2016**	**Period ended 31 December 2015**	**Period ended 30 September 2015**
Accrued interest not yet due	0.0	0.1	0.0
Cash and cash equivalents	92.5	53.6	71.7
Cash	**92.5**	**53.7**	**71.7**
Bank overdrafts	(2.2)	(0.4)	(2.5)
Net cash	**90.2**	**53.3**	**69.2**
Bank borrowing	783.6	800.5	798.8
Bond loan	337.8	350.0	350.0
Revolving credit facility	41.1	-	-
Loan issue expenses	(12.5)	(18.4)	(20.3)
Capital leases	0.4	0.7	0.8
Fair value of hedging instruments	-	-	3.1
Earn-outs	2	2.8	1.0
Accrued interest not yet due	17.2	4.1	11.7
Other financial liabilities	5.6.	4.2	5.5
Gross financial debt	**1,175.2**	**1,143.9**	**1,147.6**
of which current	*1,173.8*	*25.6*	*17.3*
of which non-current	*1.3*	*1,118.3*	*1,130.3*
Net debt	**1,085.0**	**1,090.5**	**1,078.4**
Net debt excl. fair value of hedging instruments and loan issue expenses	**1,097.5**	**1,108.9**	**1,098.7**

The Group's net debt is down €6.6 million compared to 30 September 2015 and down €5.6 million compared to 31 December 2015. It stood at €1,085.0 million as at 30 September 2016 compared to €1,090.5 million as at 31 December 2015 and €1,078.4 million as at 30 September 2015.

As at 30 September 2016, it mainly comprised:

- of a tranche A7 bank loan, for a total amount of €783.6 million, the final maturity is March 2018 (or March 2020 on option);
- a revolving credit line drawn in full as at 30 September 2016 for €41.1 million;
- a bond loan amounting to a total of €337.8 million at a fixed rate of 8.875% repayable in September 2018.

Excluding loan issue expenses of €12.5 million, the net debt amounted to €1,097.5 million as at 30 September 2016.

10.2 Risks and uncertainties relating to the last quarter of 2016

The Group has reviewed the risks that might have a significant unfavourable effect on its business, its financial situation or its results (or its capacity to achieve its objectives):

- Risks related to the implementation of the Group's strategy: Implementation of the Group's strategy, as communicated in particular under the "*Conquérir 2018*" plan, presents a number of risks that could significantly reduce the Group's cash Annual Net Flow Average before debt service. In view of its digital profile in a constantly evolving competitive environment, SoLocal Group needs a financial structure that gives it the agility necessary to cope with market risks and business risks such as competitive pressure, in particular In its verticals such as Commerce and Services, the accelerating decline or rising production costs of the Printed & Vocal business, the growing pressure on prices in Digital Marketing (notably a convergence of these Prices to US prices), an unanticipated evolution of Search Local's business model in the event of increased penetration of performance-based products or a major deterioration in working capital requirements.

  Each of these risks could have a negative impact on the Group's net cash flow before servicing the accumulated debt to the plan horizon, corresponding from six months to twelve months of average net cash flow, which could have A significant negative impact on the Group's activities, financial position or results or on its ability to achieve its objectives.

- Inability to comply with its bank covenants and the effects of a possible refinancing of the debt: with a net debt of €1,068 million at 30 June 2016, the Group's leverage covenant is higher than 4.00 times consolidated EBITDA as defined in the syndicated credit agreement. Accordingly, as announced on 1st August 2016, the Company did not comply with the leverage covenant as at 30 June 2016. However, it complies with all other bank covenants.

  This confers on the creditors voting by a two-thirds' majority the right to pronounce at any time (subject to the essential provisions of the French Commercial Code) the immediate payability of SoLocal Group's entire financial debt, i.e. €1.164 Bn (as at 30 June 2016, excluding treasury shares).

  The Company has not observed the bank covenant on financial leverage as at 30 September 2016. This has the same consequences as non-observance of the bank covenant on financial leverage as at 30 September 2016.

  Within the scope of the restructuring plan, the creditors voting in favour of the plan are expected to waive their claims against the Company owing to non-observance of the covenants. Consequently, the financial restructuring plan having been adopted by the creditors on 30 November 2016, the adoption by shareholders and the Nanterre Commercial Court renders this non-observance of the covenant inapplicable.

  If the restructuring measures envisaged are not successfully completed, the SoLocal Group may no longer be able to realise its assets and pay off its debts within the normal scope of its activities. Refer to paragraph 4.1 "Inability to comply with its bank covenants and the effects of any refinancing of the debt" in this update to the Reference Document for further information.

- Legal aspects: the occurrence of major arbitration or litigation proceedings, uncertainty or tightening of applicable regulations, in particular the application of restrictions on the Group's right to collect personal data, could have a significant adverse effect On the Group's activity, results, financial situation or ability to achieve its objectives.

- Market risks: due to its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk. The company has indicated a plan to drastically reduce its debt. Failure to achieve this plan could undermine the company's ability to regain solid fundamentals, implement its strategy and return to growth.

- Continuity of operations: refer to the note on continuity of operations (see note 2 "Context of publication and basis of preparation of condensed consolidated financial statements" in the notes to the consolidated condensed accounts as at 30 September 2016) which Includes the latest developments in financial restructuring.

10.3 Events after the statement as at 30 September 2016

Please refer to note 15 "Events after the statement as at 30 September 2016" to the appendix of the consolidated condensed accounts as at 30 September 2016 contained in paragraph 20.1 of this update to the Reference Document as well as paragraph 10.2 "Business continuity" and in chapters 12 "Information on trends", 14 "Administrative and management bodies" and 18 "Main shareholders".

12 INFORMATION ON TRENDS

Financial restructuring

Following the discussions held under the aegis of Maître Abitbol and then Maître Bourbouloux, the SoLocal Group had presented a first financial restructuring plan seeking to reduce its debt by two-thirds. The terms of the plan were approved by the creditors' committee meeting held on 12 October 2016 but were later rejected by its shareholders at the Company's 'general shareholders' meeting on 19 October 2016 l.

A revised draft plan was therefore prepared and approved unanimously by the Board of Directors of the Company, the RegroupementPPLocal association and a group of creditors representing approximately 37% of the outstanding debt on 3 November 2016 This group of creditors consists of funds managed or advised by Paulson & Co., Inc., Monarch Alternative Capital (Europe) Ltd. and Amber Capital UK Holdings Ltd. To the Company's knowledge, as at 10 November 2016, none of these creditors held more than 1% of the Company's share capital. This plan was approved by the creditors' committee on 30 November 2016 and will have to be approved by the general shareholders' meeting of the Company to be held on 19 October 2015 on first notice, then by a ruling of the Commercial Court in Nanterre expected on 16 December 2016.

Increase in equity

The financial restructuring would include a portion of the increase in equity using the following operations:

. a share capital increase with shareholders' preferential subscription rights for a maximum amount of around €400 million[1] (including the issuance premium), with the possibility of raising it to a maximum amount of around €460 million in the event of the full exercise of the extension clause, at a price of one euro (€1) per share, i.e. the issue of a maximum of 400 million shares (the "**Rights Shares**") which may be extended to a maximum of approximately 460 million shares in the event of full exercise of the extension clause, guaranteed by all the lenders, which should be launched in the month of January 2017, and which settlement should take place in the month of February 2017, according to the indicative schedule (the "**Rights Issue**"). The creditors would come as a guarantee for this capital increase at the subscription price of €1 per nominal receivable (for information purposes, the Company's bond debt was rated at around 60% of its nominal value in September 2016). The portion of the Rights Issue issued in cash and the funds so raised would be allocated by the Company to the reimbursement of the Existing Credit Facility Agreement (€20 million nevertheless being retained by the Company if the subscriptions in cash to the Rights Issue Exceed €20 million). The Rights Issue will form the subject of a prospectus previously filed with the AMF for its approval;

a. a free allotment of 58,314,846 shares, in January 2017 according to the indicative schedule, to all Company shareholders registered in the accounts before settlement of the PSR Issue, at a rate of three (3) shares per two (2) existing share (the "**Free Shares**");

b. (i) a share capital increase without shareholders' preferential subscription rights in favour of the lenders under the Existing Credit Facility Agreement (as defined below), by the issue of new shares (the "**Lenders Shares**") and (ii) the possible issuance of warrants for the exclusive benefit of these lenders, each granting the right to subscribe to one new Company share at a unit price of two euros (€2) (the "**Lenders Warrants**"). The Lenders Share issue will be subscribed for by way of set-off to nominal against certain, liquid and payable receivables. The nominal amount of the Lenders Share issue, the number of Lenders Shares, their subscription price (between €2.14 and €4.73 per share[2]) and the number of the Lenders Warrants to issue depend on the amount of funds actually raised in connection with the DPS issue. In the event that the amount for the Rights Issue is at least equal to €250 million, no Lenders Warrants will be issued. Settlement of the Lenders Share issue should take place in February 2017 according to the indicative schedule; the Lenders Warrants shall be admitted to trading on the regulated market of Euronext Paris; and

c. a possible issuance of bonds with a conversion option and repayable in shares (or in cash at the Company's option) at a rate of one share per bond, issued without preferential subscription rights to the benefit of the lenders under the Existing Credit Facility Agreement (as defined below), for a nominal value of two euros (€2) per unit (the "**MCBs**"). Subscriptions to the MCB issue will be made by way of set-off to nominal against certain, liquid and payable receivables. The number of MCBs to be issued, capped at 101,000,000, will be based on the amount actually raised in connection with the Rights Issue. In the event that the subscription amount for the Rights Issue in cash will be at least equal to €300 million, no MCB will be issued. Settlement of the MCB issue should take place in February 2017 according to the indicative schedule. The MCBs shall be admitted to trading on the regulated market of Euronext Paris.

[1] *For an outstanding debt under the credit agreement dated 24 October 2006, as amended by amendments, of a total amount by way of principal of €1,164,000,000 at the date of implementation of the restructuring transactions.*

[2] *The minimum subscription price would be €2.12 taking into account the Company's maximum financial debt of €1,172,000,000 at the date of implementation of the restructuring transactions.*

The Company will inform its shareholders of the exact date of the Rights Issue and of the final award date of the Free Shares in the prospectus on the Rights Issue that will be filed with the AMF for its approval.

Reduction in the long-term financial debt by two-thirds

The information contained in the paragraph "Reduction in the long-term financial debt by two-thirds" in Chapter 12 of the First Update to the Reference Document remains as of the date of this update to the Reference Document, accurate, except for the third point of the second subparagraph appearing on page 37 of the First Update to the Reference Document which is entirely deleted and replaced by the following sentence:

> "The Company would have the option, at any time, of redeeming the bonds early at 100% of their nominal value."

Report of the independent expert

It is stated that an independent expert, cabinet Didier King et Associés, was appointed to give an opinion on the equitable nature of the subscription price proposed for the issues of securities reserved for the lenders of SoLocal Group in the context of the envisaged financial restructuring. Its report was made available to the shareholders on 30 November 2016. The conclusions of this report are included in the transaction note which has obtained the AMF's approval today.

Conditions for the performance of the financial restructuring transactions

The performance of the aforesaid transactions remains subject to the following:

- The approval of the Company's general shareholders' meeting to be held on 15 December 2016 on the first call, and in particular the vote on the first resolution on the reduction in share capital by reducing the nominal unit value of the Company's shares to ten (10) euro cents;
- The ratification of the accelerated financial safeguard (*sauvegarde financière accélérée*) plan as approved by the creditors' committee by judgment of the Commercial Court in Nanterre to be pronounced on 16 December 2016; and
- The obtaining by the three creditors representing approximately 37% of the Company's debt, who were parties to the agreement on a revised financial restructuring plan with the Company, the conclusion of which was announced on 3 November 2016, of a derogation from the AMF in order not to launch a public offer on the Company's shares pursuant to Article 234-9 2° of the AMF's General Regulations; and
- Implementation of the Rights Issue that will form the subject of a prospectus previously filed with the AMF for its approval.

The creditors' committee was called to a meeting and met on 30 November 2016 to vote on the entire financial restructuring plan. The creditors' committee decided to approve the revised financial restructuring plan.

Having been approved by the creditors, the plan will be submitted for approval by the general shareholders' meeting on 15 December 2016. In the event of a favourable vote cast by the general shareholders' meeting, it will be submitted for approval by the Commercial Court in Nanterre.

13 PROFIT FORECASTS OR ESTIMATES

Annual outlook 2016

Projected information

The outlook expected for 2016, concerning the scope of continued activities, is as follows:

- Growth in Internet revenues of 0 to 2%

- Recurring EBITDA/revenue margin at 28% or higher

The outlook for the Company appearing in the First Update to the Company's Reference Document is thus confirmed.

Moreover, subject to the approval of the revised draft financial restructuring by shareholders, the implementation of the "*Conquérir 2018*" plan, as described in the table below, is postponed for 6 months due to the delay in the restructuring plan, which impacts on business performance and cash flow generation.

Revised "*Conquérir 2018*" Plan

	Revised "*Conquérir 2018*"				**Initial "*Conquérir 2018*"**
In million euros	2015	2018	Median annual 2015-2018	Growth Rate 2017-2018	Growth Rate 2017-2018
Internet revenues	**640**	**735**	**+5%**	**+9%**	**+10%**
ARPA Search Local (in €)	*940*	*1,014*	*+3%*	*+3%*	*+4%*
Customers number (in K)	*528*	*474*	*-4%*	*+1%*	*+3%*
Penetration rate (in customer numbers)	*22%*	*27%*	*+5pts*	*+1pt*	*+3pts*
Revenue	**873**	**826**	**-2%**	**+3%**	**+3%**
Recurring EBITDA	**270**	**235**	**-5%**	**+5%**	**+9%**
EBITDA/Revenue	*31%*	*28%*			

14 ADMINISTRATIVE AND MANAGEMENT BODIES

Current composition of the Board of Directors

The Company's general shareholders' meeting of 19 October 2016 confirmed the appointment of Robert de Metz, Chairman of the Board of Directors, whose dismissal had been requested in the meeting by certain shareholders.

In addition, the appointment of Ms Monica Menghini proposed by the Board of Directors was approved at this meeting.

In addition, concerning the seven candidates proposed by the Regroupement PP Local association and various shareholders who indicated that they represented together approximately 18% of the Company's voting rights at the time of the meeting, Mr Alexandre Loussert, Mr Jacques-Henri David and Mr Arnaud Marion have been appointed by the shareholders. The appointments of Mrs Anne-Marie Cravero, Mr Benjamin Jayet, Mr Philippe Besnard and Mr Roland Wolfrum were rejected.

In addition, subject to the adoption of the revised financial restructuring plan, the governance arrangement would be revised as follows:

- If the plan is approved by the creditors and the shareholders, the Board of Directors will immediately co-opt a director and appoint a censor (provided that the General Meeting which decides on the revised plan modifies the articles of the appointment of censors) representing the three creditors party to the agreement entered into on 3 November 2016 with the Company on a revised financial restructuring plan.
- Then, within three months of the financial restructuring, the Ordinary General Meeting would meet in particular to decide on any changes to be made to the composition of the Board of Directors following the financial restructuring; on this occasion the Board of Directors would propose the appointment of directors in such a way that the representation on the Board of Directors of the three creditors party to the agreement with the Company is proportional to their shareholding in the post-financial restructuring capital with a minimum of 2 members.
- The three creditors party to the agreement with the Company intend to declare themselves in concert with the Company. They applied to the AMF for a waiver of the obligation to file a public offer for the Company's shares, assuming that they would cross the threshold of 30% of the Company's share capital or voting rights; the obtaining of this derogation is a condition precedent to the revised plan.

In addition, Mr Benjamin Jayet requested the addition of three draft resolutions to the agenda of the general shareholders' meeting to be held on 15 December 2016, for the appointment of new directors, including Benjamin Jayet, not approved by the Board of Directors for the following reasons: the composition of the Board of Directors was supplemented at the General Meeting of 19 October 2016; It has also been announced that a General shareholders' meeting will be held within three months of the effective date of the revised plan if it is adopted; it is on the occasion of this meeting and in the light of the post-restructuring shareholding that the shareholders will have to decide on a possible recomposition of the Board of Directors. Moreover, these appointments do not comply with the rules governing gender representation on boards of directors set by the Afep-Medef Code. It is also recalled that the candidature of Benjamin Jayet was rejected only a month ago by the General Shareholders' Meeting.

In addition, D & P Finance, represented by Didier Calmels and Gilles Brenier, Christian Louis-Victor, Baudoin de Pimodan and Benoît Marzloff, requested the addition of fifteen draft resolutions to the agenda to revoke six directors (including the Chairman and the Chief Executive Officer in his capacity as director) and the appointment of nine new directors (including Didier Calmels, Baudoin de Pimodan, Benjamin Jayet and Philippe Besnard): for the reasons detailed above, the Board decided not to approve these draft resolutions. It is also recalled that the candidature of Philippe Besnard was rejected only a month ago by the General Shareholders' Meeting.

Lastly, it is recalled that a change in the composition of the Board of Directors is likely to constitute a change in control of the documentation relating to senior bonds issued in 2011 by PagesJaunes Finance & Co SCA.

Under this clause, there would be a change of control if, during any period of two consecutive years, directors who represent a majority on the Board of Directors at the beginning of that period, alone or together with directors whom they have approved, cease to constitute a majority on the Board of Directors.

The appointments described in this paragraph could be followed by other governance developments as soon as the new allocation of post-restructuring capital is known.

18 MAIN SHAREHOLDERS

18.1 Company shareholders

On 10 November 2016, and based on the information brought to the attention of the Company, the change in SoLocal Group shareholders emerged as follows:

	10/11/2016				08/08/2016*				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	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
Edmond de Rothschild AM	2,347,974	6.0%	2,347,974	6.0%	2,347,974	6.0%	2,347,974	6.0%	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%
DNCA	1,960,333	5.0%	1,960,333	5.0%	1,960,333	5.0%	1,960,333	5.0%	1,960,333	5.0%	1,960,333	5.1%	-	-	-	-	-	-	-	-
Benjamin Jayet and BJ Invest company[1]	1,188,826	3.1%	1,188,826	3.1%																
Public	33,105,532	85.2%	33,152,757	85.3%	34,282,304	88.2%	34,298,679	88.3%	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%
SoLocal Group employees [2]	220,328	0.6%	220,328	0.6%	221,668	0.6%	221,668	0.6%	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%
Treasury shares held [3]	53,571	0.1%	0	0.0%	64,285	0.2%	0	0.0%	86,788	0.2%	0	0.0%	2,165,208	0.2%	0	0.0%	3,932,749	1.4%	0	0.0%
Amber Capital	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	76,636,383	6.6%	76,636,383	6.6%	-	-	-	-
Paulson	0	0.0%	0	0.0%	0	0.0%	0	0.0%	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%	0	0.0%	0	0.0%	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%
Total [4]	**38,876,564**	**100%**	**38,870,218**	**100%**	**38,876,564**	**100%**	**38,828,654**	**100%**	**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 10/11/2016, 08/08/2016, 31/12/2015, 31/12/2014 and 31/12/2013, respectively.

[1] For more information about the shareholding of Benjamin Jayet and BJ Invest, please refer to the statement of crossing of the threshold dated 5 October 2015, mentioned below.

[2] Under the SoLocal Group's Group Savings Plan (PEG).

[3] 53,571 treasury shares are held under a liquidity agreement as of 2 December 2012.

[4] The capital increase completed on 6 June 2014 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.

The reverse stock split completed on 26 October 2015 increased the number of Company shares to 38,876,564 as of 31 December 2015.

To date, the Company has noted the following shareholding developments since 8 August 2016:

Shareholding disclosure thresholds

- on 7 September 2016, Aleph Holding Limited II Sarl informed the company that it had fallen below the threshold stipulated in the articles of 2.0% of the SoLocal Group capital as at 1 September 2016.
- on 19 September 2016, Aleph Holding Limited II Sarl declared that it had fallen below the statutory threshold of 1.0% of the capital of SoLocal Group as at 14 September 2016;
- on 23 September 2016, Benjamin Jayet, on agreement with BJ Invest, declared that he held 1,764,476 company shares representing 4.54% of the share capital;
- on 27 September 2016, Credit Suisse Group AG declared that it held 776,521 shares representing 1.99% of the share capital;
- On 4 October 2016, DNCA Investments declared that it held 1,960,333 shares and had fallen below the threshold of 5% of the company's voting rights;
- On 5 October 2016, Benjamin Jayet, the company BJ Invest, Philippe Besnard and the company Pentagram Media declared that they held 2,755,513 shares representing 7.0879% of the share capital and 6.9785% of the Company's voting rights. This crossing of threshold results from an acquisition of shares on the market, the conclusion of a share loan agreement over 1,336,767 shares and the conclusion of a shareholder agreement constituting concerted action (*action de concert*) between Benjamin Jayet and Philippe Besnard;
- On 7 October 2016, the association RegroupementPPLocal declared, under the proxies obtained, that it held 2,047,763 shares representing 5.27% of the share capital and 5.19% of the Company's voting rights;
- On 7 October 2016, Family office Amar informed the Company that it held 917,975 shares in the Company, representing 2.36% of its share capital;
- On 14 October 2016, the association RegroupementPPLocal declared to the Company having crossed, following receipt of proxies, the thresholds of 6% and 7% of the share capital and voting rights of the Company.
- On 18 October 2016, the RegroupementPPLocal association declared that it exceeded on 17 October 2016, by virtue of proxies obtained in view of the Company's general shareholders' meeting of 19 October 2016 for

which the declarant may exercise the voting rights freely in the absence of specific instructions from the shareholders concerned, the thresholds of 10% of the Company's share capital and voting rights and hold 4,108,984 shares of the Company representing 10 or more voting rights, 57% of the share capital and 10.56% of the voting rights of the Company;

- On 24 October 2016, the RegroupementPPLocal association declared to have crossed the threshold in a downward direction on 20 October 2016, following the expiration of proxies received from shareholders of the Company after the general shareholders' meeting held on 19 October 2016, the thresholds of 10% and 5% of the share capital and voting rights of the Company and hold 50 shares of the Company representing the same number of voting rights;

- On 23 November 2016, Boussard & Gavaudan Partners Limited, acting in the name and on behalf of BG Master Fund ICAV, Boussard & Gavaudan SICAV and Amundi Absolute Return BG Enhanced Master Represents as of 22 November 2016 the equivalent of 1.25% of the share capital of the Company by holding 486,085 shares on that date; and

- On 30 November 2016, Joseph Melloul, representative of JMPI Ltd, declared to the Company that, on 30 November 2016, JMPI Ltd crossed the thresholds of 1%, 2%, 3% and 4% of the Company's capital by holding 1,337,300 shares on that date.

The Company will continue to communicate without delay on the statutory thresholds declared to it until the general shareholders' meeting called to meet on 15 December 2016.

As at 10 November 2016 on the basis of the shareholding study and as far as the Company is aware, the interests held by the largest shareholders are as follows: Edmond de Rothschild Asset Management (6%), DNCA Investments (5%), Family office Amar (2.4%) and the concert formed by Benjamin Jayet and BJ Invest (3.06%).

A double voting right in relation to that granted to the other shares, having regard to the share capital they represent, is allocated to all fully paid shares for which registration in the name of the same shareholder for at least two years shall be proven (Article L. 225-123 of the French Commercial Code and Article 30 of the Company's Articles of Association).

20 FINANCIAL INFORMATION REGARDING THE ISSUER'S ASSETS, FINANCIAL POSITION AND RESULTS

20.1 Consolidated condensed accounts as at 30 September 2016

Consolidated income statement

(Amounts in thousands of euros, except data rel	Notes	**As at 30 September 2016**	**As at 30 September 2015**
Revenues		601,893	663,384
Net external expenses		(156,404)	(156,791)
Personnel expenses		(274,365)	(297,338)
Recurring EBITDA		**171,123**	**209,255**
Non recurring items		(2,502)	(8,636)
EBITDA		**168,621**	**200,619**
Depreciation and amortization (*)		(44,064)	(44,920)
Operating income		**124,557**	**155,700**
Financial income		815	1,605
Financial expenses		(56,596)	(65,710)
Net financial expense	5	**(55,781)**	**(64,105)**
Share of profit or loss of an associate		-	107
Corporate income tax	6	(29,951)	(40,805)
Income for the period		**38,825**	**50,897**
Income for the period attributable to:			
- Shareholders of SoLocal Group		38,821	50,890
- Non-controlling interests		4	7
Net earnings per share (in euros)			
Net earnings per share of the consolidated group based on a weighted average number of shares			
- basic		1.00	1.49
- diluted		0.96	1.41
Net earnings per share of the consolidated group based on a year end number of existing shares (as at 30 September)			
- basic		1.00	1.31
- diluted		0.96	1.24

(*) including impairment on goodwill & earn out variations (inc. personnel costs)

Statement of comprehensive income

(Amounts in thousands of euros)	Notes	As at 30 September 2016	As at 30 September 2015
Income for the period report		**38,825**	**50,897**
Net (loss) /gain on cash flow hedges			
- Gross		-	8,601
- Deferred tax		-	(1,401)
- Net of tax		**-**	**7,200**
ABO reserves :			
- Gross		(6,982)	-
- Deferred tax		2,404	-
- Net of tax		**(4,578)**	**-**
Exchange differences on translation of foreign operation		(331)	0
Other comprehensive income		**(4,909)**	**7,200**
Total comprehensive income for the period, net of t		**33,916**	**58,097**
Total comprehensive income for the period attributable to:			
- Shareholders of SoLocal Group		33,912	58,090
- Non-controlling interests		4	7

Statement of financial position

(Amounts in thousands of euros)	Notes	As at 30 September 2016	As at 31 December 2015	As at 30 September 2015
Assets				
Net goodwill		95,507	95,107	79,692
Other net intangible fixed assets		125,243	123,384	123,369
Net tangible fixed assets		32,260	28,381	22,993
Available-for-sale assets		178	179	183
Other non-current financial assets		6,726	4,097	4,683
Net deferred tax assets	6	169	-	4,140
Total non-current assets		**260,083**	**251,148**	**235,060**
Net inventories		245	653	207
Net trade accounts receivable		252,593	352,623	263,168
Acquisition costs of contracts		27,711	37,714	31,502
Other current assets		29,604	24,096	38,306
Current tax receivable		2,214	16,815	2,567
Prepaid expenses		12,770	9,374	10,684
Other current financial assets		8,595	12,866	12,740
Cash and cash equivalents	7	92,452	53,695	71,658
Total current assets		**426,184**	**507,836**	**430,832**
Total assets		**686,267**	**758,983**	**665,892**
Liabilities				
Share capital		233,259	233,259	233,259
Issue premium		364,544	364,544	364,544
Reserves		(1,911,857)	(1,938,165)	(1,938,032)
Income for the period attribuable to shareholders of SoLocal Group		38,821	26,639	50,890
Other comprehensive income		(13,659)	(9,081)	(15,177)
Own shares		(4,770)	(5,209)	(5,269)
Equity attributable to equity holders of the SoLocal Group		**(1,293,662)**	**(1,328,014)**	**(1,309,786)**
Non-controlling interests		95	79	76
Total equity		**(1,293,567)**	**(1,327,935)**	**(1,309,710)**
Non-current financial liabilities and derivative	7	1,319	1,118,265	1,130,274
Employee benefits - non-current		97,746	84,986	94,574
Provisions - non-current		17,299	33,654	13,919
Other non-current liabilities		2	2	-
Deferred tax liabilities	6	4,645	7,248	-
Total non-current liabilities		**121,011**	**1,244,155**	**1,238,767**
Bank overdrafts and other short-term borrow	7	1,158,892	21,907	8,099
Accrued interest	7	17,193	4,061	11,686
Provisions - current		30,168	32,968	18,964
Trade accounts payable		85,486	95,391	90,310
Employee benefits - current		97,485	120,904	96,577
Other current liabilities		69,689	84,163	71,419
Corporation tax		19,957	59	15,859
Deferred income		379,954	483,309	423,921
Total current liabilities		**1,858,823**	**842,764**	**736,834**
Total liabilities		**686,267**	**758,983**	**665,892**

Statement of changes in equity

(Amounts in thousands of euros)	Number of shares in circulation	Share capital	Issue premium	Own shares	Income and reserves	Cash flow hedges & actuarial differences	Translation reserve	Group equity	Non-controlling interests	Total equity
Balance as at 1 January 2015	**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					50,890			**50,890**	7	**50,897**
Other comprehensive income, net of tax						7,200	-	**7,200**		**7,200**
Comprehensive income for the period, net of tax					**50,890**	**7,200**	**-**	**58,090**	**7**	**58,097**
Capital increase, net of related costs after tax	4,569,773	914	1,645		-			**2,559**		**2,559**
Share-based payment					(3,844)			**(3,844)**	-	**(3,844)**
Shares of the consolidating company net of tax effect	(377,851)			1,882				**1,882**	-	**1,882**
Balance as at 30 September 2015	**1,163,661,905**	**233,259**	**364,544**	**(5,269)**	**(1,887,154)**	**(15,177)**	**12**	**(1,309,785)**	**76**	**(1,309,709)**
Total comprehensive income for the period, net of tax					(24,251)			**(24,251)**	3	**(24,248)**
Other comprehensive income, net of tax						6,096	6	**6,101**		**6,101**
Comprehensive income for the period, net of tax					**(24,251)**	**6,096**	**6**	**(18,150)**	**3**	**(18,147)**
Regrouping shares impact of 26 October 2015	(1,120,820,984)							**-**		**-**
Capital increase as part of the employee offerin	152,326				(92)			**(92)**		**(92)**
Share-based payment					(47)			**(47)**	-	**(47)**
Shares of the consolidating company net of tax effect	(11,550)			60				**60**	-	**60**
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)**
Total comprehensive income for the period, net of tax					38,821			**38,821**	4	**38,825**
Other comprehensive income, net of tax						(4,578)	(331)	**(4,909)**		**(4,909)**
Comprehensive income for the period, net of tax					**38,821**	**(4,578)**	**(331)**	**33,912**	**4**	**33,916**
Shares of the consolidating company net of tax effect	78,862			439				**439**	-	**439**
Subscription minority in Dubai Effilab capital									12	**12**
Balance as at 30 September 2016	**38,868,638**	**233,259**	**364,544**	**(4,770)**	**(1,872,723)**	**(13,659)**	**(313)**	**(1,293,662)**	**95**	**(1,293,567)**

Cash flow statement

(Amounts in thousands of euros)	Notes	**As at 30 September 2016**	**As at 30 September 2015**
Income for the period attribuable to shareholders of SoLocal Group		**38,821**	**50,890**
Depreciation and amortisation of fixed assets		43,858	41,156
Change in provisions		(14,866)	(4,764)
Share-based payment		-	2,912
Capital gains or losses on asset disposals		206	4,022
Interest income and expenses	5	55,781	52,998
Hedging instruments	5	-	11,107
Tax charge for the period	6	29,951	40,805
Share of profit or loss of an associate		-	(107)
Non-controlling interests		4	7
Decrease (increase) in inventories		408	1,046
Decrease (increase) in trade accounts receivable		99,306	176,297
Decrease (increase) in other receivables		1,244	4,435
Increase (decrease) in trade accounts payable		(13,159)	(8,963)
Increase (decrease) in other payables		(140,084)	(202,005)
Net change in working capital		**(52,285)**	**(29,191)**
Dividends and interest received		842	345
Interest paid and rate effect of net derivatives		(36,083)	(55,604)
Corporation tax paid		2,334	(8,567)
Net cash from operations		**68,563**	**106,008**
Acquisition of tangible and intangible fixed assets		(48,824)	(53,163)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		5,371	3,781
Net cash used in investing activities		**(43,453)**	**(49,381)**
Increase (decrease) in borrowings		11,454	(30,288)
Capital increase net of costs		(0)	2,559
Other cash from financing activities o/w own shares		379	(3,321)
Net cash provided by (used in) financing activities		**11,833**	**(31,050)**
Impact of changes in exchange rates on cash		(69)	2
Net increase (decrease) in cash position		**36,874**	**25,579**
Net cash and cash equivalents at beginning of period		53,330	43,578
Net cash and cash equivalents at end of period	8	**90,204**	**69,157**

Notes to the consolidated financial statements

Note 1 – Description of the business

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

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

SoLocal Group is a public limited company listed on Euronext Paris (LOCAL).

This information was approved by the Board of Directors of SoLocal Group on 24 November 2016.

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

The consolidated financial statements of Solocal Group, drawn up for the period of nine months ending on 30 September 2016, were prepared in accordance with the provisions of IAS 34 – Interim Financial Reporting. As these are summary statements, they do not include all of the information required by IFRS standards and must be read in relation with the Group's annual consolidated financial statements for the year ended 31 December 2015 available on (http://www.solocalgroup.com/en/finances), subject to the particularities inherent with drawing up interim financial statements described hereinafter.

The accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2015, with the exception of new standards, amendments and interpretations which are mandatory with effect from 1 January 2016, but which have no significant impact:

- IFRS 14 Regulatory Deferral Accounts
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- IAS 16 et IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation
- IAS 27 Equity Method in Separate Financial Statements
- Improvements to IFRSs 2012-2014 Cycle
- IAS 1 Disclosure Initiative
- IFRS 10, IFRS12 and IAS 28 Investment Entities: Applying the Consolidation Exception

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 30 September 2016.

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 2016, as set out in the reference framework published by the IASB, but which are not yet mandatory in the reference framework endorsed by the European Union.

The Group is not applying the following instruments, which were not adopted by the European Union as at 30 September 2016:

- IFRS 15 Revenue from Contracts with Customers (applicable on 1 January 2018)
- 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)
- IFRS 16 Leases (applicable on 1 january 2019)
- IAS 12 Recognition of deferred tax asset for unrealised losses (applicable on 1 january 2017)
- IAS 7 Disclosure iniative (applicable on 1 january 2017)
- Clarifications to IFRS 15 (applicable on 1 january 2018)
- IFRS 2 Classification and measurement of share-based payment transactions (applicable on 1 january 2018)
- IFRS 4 Applying IFRS 9 financial instruments with IFRS 4 insurance contracts (applicable on 1 january 2018)

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

All of the standards and interpretations adopted by the European Union as at 30 September 2016 are available on the website of the European Commission at the following address:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm

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

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

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

Impairment test as at 30 September 2016
In the absence of an indication of impairment, it was not necessary to carry out, as at 30 September 2016, impairment tests on goodwill and intangible fixed assets.

Note on going concern
The company initiated, under the auspices of a *mandataire ad hoc*, negotiations with its creditors aimed at restructuring its financial debt. This debt is comprised of syndicated credit facilities that include in particular a tranche (C1 Tranche) made available by PagesJaunes Finance & Co SCA (an entity that is not an affiliate of SoLocal Group but is included in its scope of consolidation), which financed this tranche through the issuance of bonds (the "Bonds")

The loans under these credit facilities, maturing in March and June 2018 respectively, each contain provisions purporting to make it possible to accelerate repayment in particular in the event of (i) appointment of a *mandataire ad hoc* or a *conciliateur*, (ii) breach of the financial covenants and (iii) non-payment of interests.

The appointment of a *mandataire ad hoc* or of *conciliateur* is an event of default under the terms of the Bonds and automatically results in their acceleration except if waived by bondholders representing a majority in principal amount of Bonds. To the knowledge of SoLocal Group, the acceleration of the bond debt has not been suspended by a majority of the bond holders following the appointment of a *conciliateur* on 4 November.
The acceleration of the bonds should trigger the acceleration of the C1 Tranche, however under French law, the event of default related to the appointment of a *mandataire ad hoc* or a *conciliateur* is pursuant to article L.611-16 of the Commercial Code deemed not to be written and therefore is unenforceable against SoLocal Group.

As at 30 June 2016, the leverage covenant in SoLocal Group’s syndicated credit facilities has been breached. As a result, all of the debt (Tranche A7, RCF line and Bond debt) has been reclassified as current debt. The creditors could vote, as a result of this covenant breach, in accordance with both the terms of the credit agreement and legal requirements, for the acceleration of the debt. This covenant is also breached as at 30 September 2016.

A preliminary agreement has been reached with more than 50% of the creditors on 1st August. The financial restructuring plan, adopted by the committee of bank creditors (Creditors’ Committee) on 12nd October was rejected by the general Meeting of Shareholders on 19 October.

A draft revised plan will be submitted to creditors at a Creditors’ Committee convened for 30 November 2016 and to shareholders at a Extraordinary General Meeting on 15 December 2016 in the perspective of a hearing at the Commercial Court of Nanterre scheduled on 16 December 2016.

Besides, PagesJaunes SA has decided not to grant any longer new cash advance to SoLocal Group. Consequently, SoLocal may be obliged not to pay the next interest term to its financial debt (1st December 2016 term for 15 millions of euros). The payment of interests would be delayed till the date of the implementing of the revised plan (if adopted). Non-payment of interests is an event of default which allows creditors to vote for immediate acceleration of the debt in accordance with both the terms of the credit agreement and legal requirements.

This situation creates uncertainty about going concern.

SoLocal Group has prepared its consolidated financial statements on the basis of going concern accounting principles assuming that both Creditors' Committee convened for 30 November 2016 and Extraordinary General Meeting of Shareholders convened for 15 December 2016 will approved the revised plan.

In case of this revised plan would not be adopted by shareholders or creditors according to the expected scheduled, SoLocal Group would be in a state of suspension of payments if interests cannot be paid. Creditors would rapidly and certainly prevail over non-payments that had occurred or that would occur to claim for immediate collection of payments and exercise their guaranties on PagesJaunes SA subsidiary.
If such a case, SoLocal Group may no longer be in a position to realise its assets and to settle its debts in the normal framework of its activity. Implementing accounting principles that usually are applied in a normal background may prove irrelevant, especially for valuing assets and liabilities.

Besides, should other principles than going concern be applied, SoLocal Group cannot estimate to date potential impacts.

Note 3 – Presentation of Financial Statements

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

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

EBITDA corresponds to operating income before taking depreciation and amortisation into account. Recurring EBITDA corresponds to EBITDA before taking non recurring 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".

Note 4 –Segment Information

As Europe's top local digital communication provider, SoLocal Group fulfils a general-interest mission with strong potential which consists in "revealing local know-how, everywhere and stimulating the local activity of companies".

Within the scope of continued activities, Solocal Group generated revenues of 602 million euros as at 30 September 2016, of which revenues from its Internet activities represented 79% and revenues from its Print & Voice activities represented 21%. Internet business is driven by two primary business lines: Local Search and Digital marketing.

Internet
As at 30 September 2016, SoLocal Group recorded 478 million euros Internet revenues, representing 79% of Group revenues.

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

o First, we offer digital services and solutions to clients which enable them to enhance their visibility and develop their local contacts. As at 30 September 2016, this Local Search activity posted revenues of 363 million euros 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).

o Second, we create and provide Internet users with the best local and customised content about professionals. As at 30 September 2016, this Digital Marketing activity represented revenues of 115 million euros. These highly differentiating technologies have been created over the last five years and have generated rapid growth (+8% as at 30 September 2016 compared to as at 30 September 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 124 million euros revenues as at 30 September 2016. 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.

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

Amounts in thousands of euros	**As at 30 September 2016**			**As at 30 September 2015**		
	Consolidated	**Divested activities**	**Continued activities**	**Consolidated**	**Divested activities**	**Continued activities**
Revenues	**601,893**	**-**	**601,893**	**663,384**	**4,977**	**658,407**
- Internet	477,773	-	477,773	481,956	4,977	476,979
- Print & Voice	124,120	-	124,120	181,428	-	181,428
Recurring EBITDA [1]	**171,123**	**-**	**171,123**	**209,255**	**(7,781)**	**217,036**
- Internet	136,649	-	136,649	147,527	(7,747)	155,274
- Print & Voice	34,474	-	34,474	61,728	(34)	61,762

[1] The split between Internet and Print & Voice EBITDA was slightly revised for 2015 data compared to consolidated financial information as at 30 September 2015 so that indicators should be established according consistent principles

Note 5 – Net financial income

The net financial income is made up as follows:

(Amounts in thousands of euros)	**As at 30 September 2016**	**As at 30 September 2015**
Interest and similar items on financial assets	699	256
Result of financial asset disposals	(9)	7
Change in fair value of hedging instruments	-	1,342
Dividends received	125	-
Financial income	**815**	**1,605**
Interest on financial liabilities	(48,144)	(48,692)
Income / (expenses) on hedging instruments	-	(11,107)
Amortisation of loan issue expenses	(5,840)	(5,483)
Change in fair value of financial assets and liabilities	-	3,006
Other financial expenses & fees	(1,071)	(2,431)
Accretion cost (1)	(1,541)	(1,003)
Financial expenses	**(56,596)**	**(65,710)**
Net financial expense	**(55,781)**	**(64,105)**

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

Note 6 – Corporation tax

6.1 – Group tax analysis

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

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

Amounts in thousands of euros	As at 30 September 2016	As at 30 September 2015
Pretax net income from businesses	68,776	91,702
Share of profit or loss of an associate	-	107
Pretax net income from businesses and before Share of profit or loss of an associate	**68,776**	**91,594**
Statutory tax rate	34.43%	34.43%
Theoretical tax	**(23,682)**	**(31,539)**
Loss-making companies not integrated for tax purposes, net of the tax impact of divested activities	(665)	(1,211)
Share-based payment	-	1,654
Foreign subsidiaries	860	611
Recognition of previously unrecognised tax losses	(445)	(956)
Non-deductible amortisation	-	(129)
Corporate value added contribution (after tax)	(4,567)	(5,272)
Ceiling of interest expense deductibility	(4,091)	(5,097)
Adjustment corporation tax of prior years	217	-
Additional tax 10,7%	-	(3,170)
Other non-taxable / non-deductible items	2,421	4,305
Effective tax	**(29,951)**	**(40,805)**
of which current tax	*(32,439)*	*(40,970)*
of which deferred tax	*2,488*	*165*
Effective tax rate	**43.5%**	**44.5%**

6.2 – Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	As at 30 September 2016	As at 31 December 2015	As at 30 September 2015
Retirement benefits	28,797	24,793	29,457
Legal employee profit-sharing	2,020	2,204	2,856
Non-deductible provisions	1,536	2,344	650
Other differences	1,458	1,285	1,522
Subtotal deferred tax assets	**33,811**	**30,626**	**34,485**
Loan issue costs	(6,882)	(7,186)	(7,602)
Other differences	(2,178)	-	-
Depreciations accounted for tax purposes	(29,227)	(30,688)	(22,743)
Subtotal deferred tax liabilities	**(38,287)**	**(37,874)**	**(30,345)**
Total net deferred tax assets / (liabilities)	**(4,476)**	**(7,248)**	**4,140**
Deferred tax assets	*169*	-	*4,140*
Deferred tax liabilities	*(4,645)*	*(7,248)*	-

No deferred tax asset relating to loss carryforwards of QDQ Media was recognised in the balance sheet. The amount of deferred tax not recognised as at 30 September 2016 is estimated at 65.3 million euros.

The deferred tax liabilities in the balance sheet decreased from 7.2 million euros as at 31 December 2015 to 4.6 million euros as at 30 September 2016.

In the balance sheet as at 30 September 2016, corporation tax represents a receivable of 2.2 million euros and a liability of 20.0 million euros. In the balance sheet as at 30 September 2015, corporation tax represented a receivable of 2.6 million euros and a liability of 15.9 million euros.

Amounts in thousands of euros	**As at 30 September 2016**	**As at 31 December 2015**	**As at 30 September 2015**
Opening balance	**(7,248)**	**6,928**	**6,928**
Changes recognized in equity	2,470	(6,106)	(2,953)
Changes recognized in income	2,488	(8,070)	165
Others changes	(2,186)	-	-
Closing balance	**(4,476)**	**(7,248)**	**4,140**

Note 7 – Cash and cash equivalents, net financial debt

Net financial debt corresponds to the total gross financial debt less cash and cash equivalents.

(in thousands of euros)	**As at 30 September 2016**	**As at 31 December 2015**	**As at 30 September 2015**
Accrued interest not yet due	1	122	1
Cash equivalents	10,243	36,602	57,511
Cash	82,208	16,971	14,146
Gross cash	**92,452**	**53,695**	**71,658**
Bank overdrafts	(2,248)	(365)	(2,502)
Net cash	**90,204**	**53,330**	**69,157**
Bank loan	783,638	800,483	798,805
Bond loan	337,846	350,000	350,000
Revolving credit facility drawn	41,089	-	-
Loans issue expenses	(12,545)	(18,385)	(20,270)
Lease liability	353	708	805
Price supplements on acquisition of securities	1,988	2,759	1,009
Accrued interest not yet due	17,193	4,061	11,686
Other financial liabilities	5,594	4,242	5,522
Gross financial debt	**1,175,156**	**1,143,868**	**1,147,557**
of which current	*1,173,837*	*25,603*	*17,283*
of which non-current	*1,319*	*1,118,265*	*1,130,274*
Net debt	**1,084,952**	**1,090,538**	**1,078,400**

Cash and cash equivalents

As at 30 September 2016, cash equivalents amounted to 10.2 million euros and are primarily comprised of UCITS, non-blocked, remunerated, fixed-deposit accounts.

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

Bank overdraft

The Group has authorised overdrafts totalling 10 million euros granted by a number of its banks.

Bank loan (syndicated credit agreement)

The syndicated credit agreement was amended in September 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 over the residual term of the agreement (EBITDA and consolidated net debt as defined in the 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 agreement with the financial institutions);
- if the Leverage Ratio is higher than 3.50, a maximum amount of investments of 70 million euros during the following financial year.

The Company's syndicated credit agreement also includes compulsory early repayment clauses including in particular:

- a compulsory early repayment clause that applies in the event of a change of control of the Company resulting from the acquisition of the shares of the Company; and

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

The Company's syndicated credit agreement also includes certain commitments (subject to certain exceptions) to apply or not to apply to the Company and/or to its subsidiaries, including the following commitments in particular:

- obligation to maintain certain authorisations;
- restrictions concerning the granting of sureties;
- restrictions concerning the carrying out of mergers, spin-offs or other restructuring;
- commitment to not change the general nature of the activities of the Company and of the Group with regards to their activity on the conclusion date of the syndicated credit agreement;
- restrictions concerning the financial debt that can be incurred by the Company's subsidiaries; and
- the Company is not allowed to engage in distributing dividends, amortising and reducing its capital and other cash distributions concerning its capital as long as the Leverage Ratio is higher than 3.00.

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

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

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

Moreover, PagesJaunes Finance & Co SCA and the Company have signed a separate agreement that provides for certain commitments in particular (subject to certain exceptions) to apply or not to apply to the Company and/or to its subsidiaries, including in particular commitments concerning the same subjects as those provided for in the Company's aforementioned syndicated credit agreement and the following commitments:

- restrictions concerning the financial debt that can be incurred by the Company and it's subsidiaries; and
- prohibition to carry out certain payments in particular with regards to distributing dividends, acquisitions and granting loans.

The reference rate is Euribor or Libor plus a margin.

As at 30 September 2016, bank debt can be broken down as follows:

- Tranche A7 at a nominal of 783.6 million euros: maturity March 2018 with a faculty to extend it to March 2020 (with the condition of refinancing the bond loan of 350 million euros before March 2018), repayable *in fine* less the partial repayments described hereinabove, margin of 400 bps if the Leverage Ratio is higher than 3.00 (325 bps if the Ratio is between 2.50 and 3.00 and, 250 bps if it is less than 2.50);
- RCF 3 revolving credit line: at a nominal of 41.1 million euros as at 30 September 2016, depreciable by 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.

Bond borrowings

Moreover, SoLocal Group has, via PagesJaunes Finance & Co SCA, a non-affiliated and consolidated entity, a 350 million euro bond loan. This loan has a fixed rate of 8.875% and is repayable on 1 June 2018. As at 30 September 2016, the amount is 337.8 million euros following the partial repurchase of 12.2 million euros by the Group.

Please refer to going concern note 2 which is updated with the latest developments on financial restructuring.

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 30 September 2016, these were estimated to be 2.0 million euros.

Other financial liabilities

The other financial liabilities primarily comprise a debit current account with PagesJaunes Outre-mer, a wholly owned non-consolidated subsidiary of SoLocal Group and the pre-financing of the CICE (Tax Credit for Competition and Employment).

Note 8 – Deferred income

Deferred income decreased from 424 million euros as at 30 September 2015 to 380 million euros as at 30 September 2016. This drop must be examined with the significant drop in the level of the "Print & Voice" business, a deformation in the product mix towards products with a shorter lifespan and, to a lesser degree, a prospecting rate that continues to change slightly following the transformation phase of the Group's commercial activity.

Note 9 – Share-holders' equity

As at 30 September 2016, SoLocal Group held a total of 7,926 of its own shares stated as a deduction from equity including:

- 3,988 shares under the liquidity contract,
- 3,938 shares directly, outside the liquidity contract.

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).

Note 10 – Changes in the scope of consolidation

		As at 30 September 2016		As at 31 décember 2015	
Entities	**Country**	**Interest**	**Voting right**	**Interest**	**Voting right**
Fully consolidated companies (Exclusive control)					
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 Worldwide	Spain	100%	100%	100%	100%
Yelster Digital	Austria	100%	100%	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	-	-	- (*)	- (*)
Effilab	France	100%	100%	100%	100%
Effilab Australia ([1])	Australia	51%	51%	-	-

Effilab Dubaï (2)	United Arab Emirates	51%	51%	-	-

(1) created March 7, 2016
(2) created January 1, 2016
(*) Material misstatement in the consolidate financial statements as at 31 December 2015, consolidation based on sole control as indicated in "Note 26 - Cash and cash equivalents, net financial debt" and "Note 31 - Contractual obligations and off-balance-sheet commitments" in the consolidate financial statements for 2015.

Note 11 – Information on related parties

There were no new significant transactions or changes with related parties as at 30 September 2016.

Note 12 – Off-balance-sheet commitments

There were no new significant commitments as at 30 September 2016.

Note 13 – Disputes – significant changes for the period

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 filed for legal recourse before this same tribunal against a decision to refuse authorisation on hierarchical recourse filed by another employee.
This dossier is ongoing.

Moreover, more than 200 legal proceedings have been brought before industrial tribunals 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.

Moreover, the Cour d’Appel of Rennes which did not wish to stay the proceedings while waiting for a decision from the Cour de cassation, in a judgement of 9 March 2016, sentenced PagesJaunes to pay a provision to the 20 claimants on this compensation corresponding to 6 months' remuneration.

To date, 26 decisions were ruled. In the majority of cases, the company was sentenced for payment amounted to the minimum legal threshold of compensation in application of Article L.1235-16 of the French Labour Code, i.e. a six month compensation; the overall extra claims are set aside.
However some rulings differed :

- A ruling set the cancelling of one lay-off and sentenced the company to higher payments
- Two rulings set termination of employment for two specific cases in which proceedings were initiated before the laying-off
- Two rulings dismissed of two employees their claims

Rulings related to other claims are expected between end of November 2016 and the first half of 2017.

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.

The Company recognised in the consolidated financial statements 2015 the exceptional impact linked to the court decisions that cancelled the validation by the DIRECCTE of the job safeguarding plan. This additional provision is 35 million euros and recognised in the consolidated financial statements as at 31 December 2015. It corresponds to a prudent hypothesis in a context of high legal uncertainty, recently reinforced by contradictory decisions of the employee claims courts. Many actions of legal recourse have been initiated by SoLocal Group to dispute these decisions. As at 30 September 2016, the remaining provision on the statements was 31.8 million euros.

The company continued with the deployment of its reorganisation and therefore relaunched a PSE procedure (Job Safeguard Procedure) for the employees that were not able to be made redundant due to this invalidation; Among the employees concerned by this plan, 4 employees still at work, formed application for annulment of the approval decision of the DIRECCTE (in the absence of an agreement, a unilateral document was drawn up by the company and approved by the DIRECCTE on 22 April 2016). These 4 employees furthermore filed claims for compensation in the framework of legal proceedings for the judicial cancellation of their employment contracts brought before the CPH of Boulogne Billancourt and Nantes.
Proceedings initiated before the Tribunal administratif of Cergy Pontoise and the conseils de prudhommes of Boulogne Billancourt and Nantes ended and employees abandoned the proceedings.

PagesJaunes has received a legal proceeding related to a supplier for sudden breach of contract. PagesJaunes is vigorously disputing the terms of this proceeding. No provision was recognized as at 30 September 2016 because the financial consequences of this dispute cannot be estimated reliably. It was therefore considered as a contingent liability.

PagesJaunes has received a notice from URSSAF for social tax adjustments which was partially recognized as at 30 September 2016. PagesJaunes is contesting one adjustment and is expected a favorable decision.

Note 14 – Information on continued and disposed activities, as at 30 September 2016

Consolidated income statement

(Amounts in thousands of euros)	As at 30 September 2016				As at 30 September 2015			
	Consolidated	Divested activities	Continued activities		Consolidated	Divested activities	Continued activities	
			Recurring	Non recurring			Recurring	Non recurring
Revenues	601,893	-	601,893	-	663,384	4,977	658,407	-
Net external expenses	(156,404)	-	(156,404)	-	(156,791)	(7,580)	(149,211)	-
Personnel expenses	(274,365)	-	(274,365)	-	(297,338)	(5,178)	(292,160)	-
Recurring EBITDA	**171,123**	**-**	**171,123**	**-**	**209,255**	**(7,781)**	**217,036**	**-**
Non recurring items	(2,502)	-	-	(2,502)	(8,636)	(4,570)	-	(4,066)
EBITDA	**168,621**	**-**	**171,123**	**(2,502)**	**200,619**	**(12,351)**	**217,036**	**(4,066)**
Depreciation and amortization	(44,064)	-	(44,064)	-	(44,920)	(10,058)	(34,862)	-
Operating income	**124,557**	**-**	**127,059**	**(2,502)**	**155,700**	**(22,409)**	**182,175**	**(4,066)**
Financial income	815	-	815	-	1,605	-	1,605	-
Financial expenses	(56,596)	-	(56,596)	-	(65,710)	(2)	(65,708)	-
Net financial expense	**(55,781)**	**-**	**(55,781)**	**-**	**(64,105)**	**(2)**	**(64,103)**	**-**
Share of profit or loss of an associate	-	-	-	-	107	-	107	-
Income before tax	**68,776**	**-**	**71,278**	**(2,502)**	**91,702**	**(22,411)**	**118,179**	**(4,066)**
Corporate income tax	(29,951)	-	(30,812)	862	(40,805)	9,285	(51,635)	1,545
Income for the period	**38,825**	**-**	**40,466**	**(1,640)**	**50,897**	**(13,126)**	**66,544**	**(2,521)**

Consolidated cash flow statement

(Amounts in thousands of euros)	As at 30 September 2016			As at 30 September 2015		
	Consolidated	**Divested activities**	**Continued activities**	**Consolidated**	**Divested activities**	**Continued activities**
Recurring EBITDA	**171,123**	**-**	**171,123**	**209,255**	**(7,781)**	**217,036**
Non monetary items included in EBITDA	4,304	-	4,304	9,916	649	9,267
Net change in working capital	(52,285)	-	(52,285)	(29,191)	2,494	(31,685)
Acquisition of tangible and intangible fixed assets	(48,824)	-	(48,824)	(53,163)	(390)	(52,773)
Recurring operational cash flow	**74,319**	**-**	**74,319**	**136,818**	**(5,028)**	**141,846**
Cash financial income	(35,241)	-	(35,241)	(55,259)	(1)	(55,258)
Cash non recurring items	(21,660)	-	(21,660)	(20,404)	(375)	(20,029)
Corporation tax paid	2,334	-	2,334	(8,567)	30	(8,597)
Free cash flow	**19,752**	**-**	**19,752**	**52,588**	**(5,374)**	**57,961**
Increase (decrease) in borrowings and bank overdrafts	11,454			(30,288)		
Capital increase net of costs	(0)			2,559		
Others	5,668			720		
Net cash variation	**36,874**			**25,579**		
Net cash and cash equivalents at beginning of period	53,330			43,578		
Net cash and cash equivalents at end of period	**90,204**			**69,157**		

Note 15 – Events subsequent to the closing date of 30 September 2016

Following the General Meeting of Shareholders held on 19 October 2016 which rejected the proposed financial restructuring plan, the Company and creditors have resumed discussions under the aegis of the *mandataire ad* hoc to improve the terms of such plan with respect to shareholders and the Company.

SoLocal Group announces on 2 November 2016 that it has reached an agreement on a draft revised plan, with three of its creditors who together account for about 37% of the syndicated loan of SoLocal Group.This revised plan makes substantial improvements compared to the initial financial restructuring plan.

The three creditors parties to the agreement with the Company agreed, provided that the revised financial restructuring plan is adopted, to abstain from requesting the acceleration of SoLocal Group's debt, as a result of the breach of covenant leverage as of 30 June 2016 and, if applicable, as of 30 September 2016.

The revised plan would be submitted to the creditors at a creditors committee that would be convened on 30 November 2016 and to the shareholders at an Extraordinary General Meeting of Shareholders that would be held on 15 December 2016.

Moreover, the Company has obtained from the President of Commercial Court of Nanterre the opening of a conciliation procedure on 4 November 2016. Mrs. Hélène Bourbouloux has been appointed as conciliator for a period of four months, possibly renewable for one month.
The opening of the conciliation procedure constitutes an event of default under the documentation of the € 350M 8.875% Senior Secured Notes due 2018 issued by PagesJaunes Finance & Co S.C.A, this event of default has the effect of triggering the automatic acceleration of these notes, as it was already the case for the opening of mandat ad hoc in June 2016. However, this opening has no effect on the the acceleration of SoLocal Group's debt.

The three creditors representing approximately 37% of the outstanding debt and parties to the agreement with the Company on the revised financial restructuring plan announced on 3 November 2016, sent a letter to SoLocal Group on 21 November 2016 stating that they would no longer support a financial restructuring plan that would not be accepted by the shareholders, and recommended that the Company cancels the convening of the Creditors' Committee planned for 30 November 2016 and the shareholders' Extraordinary General Meeting planned for 15 December 2016.
These creditors also indicate in this letter that they recommend to all creditors of SoLocal Group to exercise all of their rights as creditors to obtain reimbursement of the amounts owed by SoLocal Group, including their pledge.
The Company recalls that the revised plan, whose criticity to the Company has been affirmed several times, was prepared with the different stakeholders, including the aforementioned creditors and Directors, representatives of the shareholders elected by the General Meeting of Shareholders, and is to be adopted as part of a conciliation process to be completed by March 2017 at the latest.
In view of this, the Company indicated that the Creditors' Committee has already been convened for 30 November 2016 by the "commissaire à l'exécution du plan" and that a General Meeting of Shareholders to be convened and held on 15 December 2016.
Finally, a hearing at the Commercial Court of Nanterre is scheduled on 16 December for approval of the amendment to the 2014 accelerated financial safeguard plan agreed.

On this basis, the Group has prepared its consolidated financial statements on the basis of going concern accounting principles.

Given the recent communications of some shareholders and some creditors of SoLocal Group, the approval of the plan remains uncertain. This will lead the Company to the non payment of the next interest term to its financial debt (1st December 2016 term for 15 millions of euros) regarding the financial background in which SoLocal Group cash is decreasing and its main subsidiary PagesJaunes SA will soon no longer grant any cash advance to SoLocal Group in order to protect its own financial position, to continue usually its operational activities and to meet its own liabilities.

The payment of interests will be delayed till the date of the implementing of the revised plan (if adopted).

In case of this revised plan would not be adopted by shareholders or creditors according to the expected scheduled, SoLocal Group would be in a state of suspension of payments if interests cannot be paid. Creditors would rapidly and certainly prevail over non-payments that had occurred or that would occur to claim for immediate collection of payments and exercise their guaranties on PagesJaunes SA subsidiary. If such a case, SoLocal Group would consider the opening of collective procedures according to terms presently unknown. During the hearing scheduled on 16 December, the Commercial Court of Nanterre would rule on SoLocal Group situation.

20.2 Verification of the historical financial information

Statutory auditors' review report on the condensed consolidated financial statements

This is a free translation into English of the statutory auditors' review report on the condensed consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and is construed in accordance with, French law and professional standards applicable in France.

To the Chief Executive Officer,

In our capacity as statutory auditors of SoLocal Group and in accordance with your request in connection with the financial restructuring undertaken by your company, we have performed a review of the accompanying condensed consolidated financial statements the (the "Condensed Consolidated Financial Statements") for the period from January 1, to September 30, 2016.

The comparative information for the period from January 1, 2015 to September 30, 2015 has not been reviewed.

The preparation of these Condensed Consolidated Financial Statements is the responsibility of your Board of Directors. Our role is to express a conclusion on these Condensed Consolidated Financial Statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (*Compagnie nationale des commissaires aux comptes)* relating to this engagement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Consolidated Financial Statements are not prepared, in all material respects, in accordance with IAS 34 – the IFRS guidelines as adopted in the European Union on interim financial reporting.

Without qualifying the conclusion expressed above, we draw your attention to the paragraph “Note on going concern” of note 2 “Context of the publication and basis of preparation” to the Condensed Consolidated Financial Statements which sets out the uncertainties on going concern, which could be compromised, in particular if the amended debt restructuring plan was not approved by the creditors committee or by the extraordinary general shareholders' meeting, respectively convened on November 30, 2016 and December 15, 2016.

Neuilly-sur-Seine and Paris-La Défense, November 25, 2016

The Statutory Auditors,

French original signed by

BEAS	AUDITEX Member of the Ernst & Young Global Limited network
Joël Assayah	Vincent de La Bachelerie

20.3 Litigation and arbitration

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 13 ("Disputes") to the consolidated condensed half-year accounts as at 30 September 2016 and in Chapter 4, "Risk Factors", of this update to the Reference Document, 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.

20.4 Significant change in financial or business position

The significant events occurring between the balance sheet date and 24 November 2016, when the consolidated condensed accounts for the period ended 30 September 2016 were approved by the Board of Directors, are described in Note 15 "Events after the statement as at 30 September 2016" of the appendix to the condensed consolidated financial statements for the period ended 30 September 2016, and also in Chapter 12, "Information on trends", of this update to the Reference Document.

21 ADDITIONAL INFORMATION

The information provided in Chapter 21 of the Reference Document remains correct at the date of this update to the Reference Document and is supplemented by the information provided below.

AUTHORISED UNISSUED SHARE CAPITAL

The Company's combined general shareholders' meeting to be held on 15 December 2016 on the first call will be called to delegate the following authorizations to the Board of Directors, under the conditions detailed in the table below:

Securities concerned	Period of authorization and expiry	Maximum amount of the debt securities	Maximum nominal amount of the increase in capital
Issue of shares with pre-emptive subscription rights (increase in capital by issue of ordinary shares)	12 months 14 December 2017	N/A	€40.5 M[3]
Free allotment of ordinary shares to all the shareholders	12 months 14 December 2017	N/A	€5.85 M
Issues of bonds with a conversion option repayable in shares with elimination of the pre-emptive subscription rights in favour of a category of persons having specific characteristics	12 months 14 December 2017	€202 M	€10.1 M
Issue of ordinary shares and of share subscription bonds, with elimination of the pre-emptive subscription right in favour of a category of persons having specific characteristics	12 months 14 December 2017	N/A:	€8.2 M and €4.6M on exercise of the SSBs
Increase in capital in favour of persons accepting the business saving plan or plans and/or employees	26 months 14 February 2019	—	€50,000

The foregoing nominal amounts assume a reduction in the Company's share capital by reducing the nominal value of the shares, forming the subject of the fifteenth resolution put to the vote of the Company's combined general shareholders' meeting to be held on 15 December 2016 on the first call.

Section 21.1.4 "History of the capital and voting rights" of the Reference Document is updated as follows:

Month	Lowest price *(in euros)*	Highest price *(in euros)*	Last price *(in euros)*	Volume of securities exchanged	Capitals *(in euros)*
January 2015	17.400	23.100	22.410	9,040,754	182,813,063
February 2015	18.300	23.580	20.040	6,885,300	144,044,604
March 2015	17.160	20.310	18.540	5,048,618	93,837,089
April 2015	14.790	19.890	15.000	6,429,985	113,505,446
May 2015	13.530	15.450	13.650	4,396,737	63,827,259
June 2015	10.530	14.070	13.350	8,451,149	104,877,278
July 2015	12.000	14.310	12.300	4,166,526	54,190,638
August 2015	9.000	12.390	9.870	4,489,159	48,223,326
September 2015	6.420	10.500	6.840	9,697,330	76,719,777
October 2015	6.780	9.210	7.411	7,702,467	65,057,319
November 2015	6.922	9.490	7.557	8,849,677	71,721,495
December 2015	6.402	7.550	6.900	5,199,479	35,975,218
January 2016	5.651	6.995	6.220	4,047,929	25,125,445
February 2016	3.435	6.483	3.730	8,581,980	36,539,304
March 2016	3.765	5.740	4.502	8,352,221	40,723,308

[3] Up to €46.575M in the event of full exercise of the extension clause provided for by the third resolution.

April 2016	4.082	5.630	5.200	4,959,603	24,046,273
May 2016	2.862	5.380	3.253	8,300,959	31,120,290
June 2016	2.001	3.350	2.159	5,286,215	14,497,454
July 2016	2.073	3.500	3.399	7,035,628	19,461,225
August 2016	2.350	3.585	2.610	6,868,733	19,324,950
September 2016	2.100	4.248	3.813	12,579,251	36,653,549
October 2016	3.010	4.277	3.162	10,890,248	37,982,939

Source: Euronext.

24 DOCUMENTS MADE AVAILABLE TO THE PUBLIC

The statute, 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 RECENT DEVELOPMENTS

25.1 Main press releases subsequent to the registration of the First Update to the Reference Document

The main press releases published by the Group since 19 October 2016 are reproduced thereafter:

Boulogne-Billancourt, 19 October 2016

Business performance at the end of September 2016 and threshold crossing of the Regroupement PP Local association

During its Combined General Shareholders' meeting to be held today, SoLocal Group will communicate to its shareholders the key elements of its business performance at the end of September 2016. The business dynamics and audience records indeed confirm the end of the period of the Group transformation and the growth of its Internet activities.

Business dynamics in line with the first half of the year

SoLocal Group records a strong growth of the **Internet sales orders of + 10%** at the end of September 2016 compared to the end of September 2015, driven by the growth of **+ 41% of Digital Marketing sales orders** over the period and +1% for Local Search sales orders.
This is a significant progress compared to the sales order performance over the same period in 2015, where Internet orders recorded a decline of -5%.

New audience record

Thanks to the power of its Internet audience measured by ***Reach*** (**57%** up to + 2 points compared to July 2015), SoLocal Group is the **5th Group** whose websites are the most visited in France on fixed and mobile.

The Group recorded a **new quarterly record of visits with 616 million** in the 3rd quarter of 2016 on its fixed and mobile platforms. The Internet audience of websites of the Group grew by **+9%** at the end of September 2016 compared to the end of September 2015, in particular thanks to the steady growth in the number of visits on mobile Internet of **+27%**.

Declaration of thresholds crossing

Moreover, SoLocal Group took note of the declaration of the Regroupement PP Local association, of the thresholds crossing up eight and nine percent, then ten percent of the Company's capital and voting rights, respectively as of 14 October 2016 and 17 October 2016.

The financial results of the 3rd quarter will be released mid November 2016.

Boulogne-Billancourt, 21 October 2016

Combined General Shareholder's meeting of 19 October 2016

The Combined General Shareholders' meeting of SoLocal Group, European leader in local online communication, was held on 19 October 2016, under the presidency of Robert de Metz, Chairman of the Board of Directors.

I. Financial restructuring plan rejected, "Conquer 2018" confirmed

Resolutions related to the financial restructuring plan have not received a favourable opinion of two-thirds of shareholders. Therefore the Company will engage today further discussions with its creditors and shareholders to seek in the best timing the new terms for its financial restructuring. The challenge is to quickly implement its "Conquer 2018" strategic plan, praised by many shareholders present for the development potential it offers to the business and that builds up on a successful digital transformation. This plan aims to accelerate the Internet growth of SoLocal Group and to reinforce its position of leader.

A court hearing is scheduled on next 2 November with the Commercial Court of Nanterre, this date has been set prior to this Combined General Shareholders's meeting, in anticipation of the proposed amendment of the accelerated financial safeguard plan filed with the Court.

II. Maintained and enlarged governance

The Combined General Shareholders' meeting has also confirmed the mandate of Robert de Metz, Chairman of the Board of Directors, whose dismissal was requested during the Combined General Shareholders' meeting by some shareholders.
Moreover, the appointment of Ms. Monica Menghini proposed by the Board of Directors was approved.
Finally, the seven candidates proposed by the Regroupement PP Local association and various shareholders who have indicated together representing about 18% of the Company's voting rights, Mr. Alexandre Loussert, Mr. Jacques-Henri David and Mr. Arnaud Marion have been appointed by shareholders. The appointments of Ms. Anne-Marie Cravero, Mr. Benjamin Jayet, Mr. Philippe Besnard and Mr. Roland Wolfrum have been rejected.

It is reminded that in case of change of control, under the documentation related to the 8.875% Senior Secured Notes issued by PagesJaunes Finance & Co. S.C.A, the Company would be required to redeem at 101% of the €350 million of the Group's bond (as reflected in the *Document de reference* and the prospectus of bonds available on the website of Bourse.lu).

This new composition of the Board of Directors allows to engage a constructive dialogue for the benefit of the Company and all its stakeholders.

The Board of Directors of SoLocal Group, in its new composition, met on 20 October in a climate of very constructive work, in particular to define next steps and potential adjustments of the terms of the financial restructuring plan to enable the Company to implement its "Conquer 2018" plan. Its financial sub-committee formed to define the financial restructuring plan was expanded to include the new directors.

III. Other ordinary resolutions

The following resolutions have been approved:

- the annual and consolidated financial statements for the year 2015;
- regulated agreements entered into during the year ended December 31, 2015;
- granting of tenure of BEAS and Auditex firms as auditors of the Company for a period of 6 years;
- the authorization for the Board of Directors to trade Company shares (purchase or transfer SoLocal Group's shares);
- ratification of the transfer of Company's headquarters in Boulogne-Billancourt.

The compensation components, under the 2015 financial year, of Mr Robert de Metz, Chairman of the Board of Directors, Mr Jean-Pierre Remy, Chief Executive Officer and Mr Christophe Pingard, Deputy Chief Executive Officer of SoLocal Group received an unfavourable opinion.

The Board of Directors on the advice of the Remuneration Committee will decide at a future session on the action it intends to give to shareholders' expectations following the non-binding vote of the combined General Shareholders' meeting on the remuneration of the Chairman of the Board of Directors, the Chief Executive Officer and the Deputy Chief Executive Officer.

The voting results are available on the corporate website www.solocalgroup.com:
http://www.solocalgroup.com/sites/default/files/documents/CP_AGE_resultats_des_votes_20oct2016.pdf

Boulogne-Billancourt, 24 October 2016

Precisions following the Combined General Shareholders' meeting of 19 October 2016

I. Details of the change of control of the clause related to Senior Secured Notes issued by PagesJaunes Finance & Co SCA of a nominal amount of €350 million

Following various questions raised by shareholders after the Combined General Shareholders' meeting held on 19 October 2016, the Company wishes to clarify the change of control clause relating to Senior Secured Notes issued in 2011 by PagesJaunes Finance & Co SCA ("Notes"), to which reference was made during this Combined General Shareholders' meeting. The clause is defined in the Notes prospectus dated 12 May 2011, which is posted on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The main features of this clause are detailed below:

Under the terms of the Notes, the occurrence of any of the following constitutes a Change of Control:

(i) the sale in one transaction or a series of related transactions, of all or substantially all of the assets of SoLocal Group,

(ii) the adoption of a plan relating to the liquidation of SoLocal Group,

(iii) where one or more persons acting in concert becomes the beneficial owner of more than 50% of the voting rights of SoLocal Group, or

(iv) the replacement of the majority of members of the SoLocal Group's Board of Directors by new members who have not been elected or approved Directors by the Board of Directors (assessed on a 24-month rolling period).

In the event of a Change of Control,

(i) the issuer (PagesJaunes Finance & Co SCA) has the obligation to offer to noteholders to repurchase their Notes at a price equal to 101% of the nominal value; and

(ii) the proportionate share of the C1 loan (granted by PagesJaunes Finance & Co SCA to SoLocal Group) equal to 101% of the nominal amount of the Notes whose redemption is requested by the noteholders becomes due and payable (i.e. a maximum of 101 % of €350 million).

It is noted that the changes in the governance of the Company decided on 19 October 2016 (appointment of four new Directors including three of them who are not approved by the Board of Directors, with a Board of Directors now consisting of 12 members) do not constitute a Change of Control.

Regarding the other tranches of SoLocal Group's debt (tranches A7 and B3), a change of control occurs if, a person or group of persons acting in concert acquires control (in accordance with Article 233-3 of the *Code de Commerce*) of the Company as a result of the acquisition of the Company's shares. Thus, for these two tranches, the change in the Board of Directors composition is not in itself a change of control which may lead to the acceleration of these debt tranches.

It is specified that a default under the Notes constitutes an event of default in respect of tranches A7 and B3, enabling the creditors to (subject to the mandatory provisions of the *Code of Commerce*) immediately accelerate the entire financial indebtedness of SoLocal Group.

II. Further information concerning the discussions with creditors

As already mentioned, the rejection of the financial restructuring plan by the Combined General Shareholders' meeting has resulted in releasing the creditors who were parties to agreements with the Company of their undertaking to waive their rights to accelerate the debt of SoLocal Group, in respect of the breach of leverage covenant as of 30 June 2016 and (potentially) 30 September 2016. As a result, the creditors (by a two-thirds majority (excluding Tranche C1)) are again able to accelerate at any time (subject to the mandatory provisions of the *Code de Commerce*) the entire debt of SoLocal Group.

On 20 October 2016, creditors have sent a letter to this effect to the Company's Chairman of the Board of Directors stating that they were now released from their undertaking to waive their rights as mentioned above and that they consider the plan which was submitted to the Combined General Shareholders' meeting of 19 October 2016 was the only viable solution to end the financial difficulties of the Company.

The Company wishes to engage new discussions from today with its creditors and shareholders to seek in the best timing the terms for its financial restructuring.

The Commercial Court of Nanterre will consider on 2 November 2016 the Company's situation under the accelerated financial safeguard plan approved in 2014, this hearing convened before the Combined General Shareholders' meeting of 19 October was initially scheduled to rule on the motion to amend the plan.

The Company will keep its shareholders informed of the progress of discussions as well as the Commercial Court's decision, where appropriate. In the meantime, the suspension of share is extended.

III. Declaration of thresholds crossing

Moreover, SoLocal Group took note of the declaration of the Regroupement PP Local association, following the expiry of proxies from shareholders of SoLocal Group after the Combined General Shareholders' meeting, of the thresholds crossing down ten and five percent of the Company's capital and voting rights dated 24 October 2016.

Boulogne-Billancourt, 25 October 2016

Denial of SoLocal Group following the press release of Regroupement PP Local

SoLocal Group took note of the press release issued today by the Regroupement PP Local association which was opposed at the Combined General Shareholders' meeting of 19 October 2016 to the debt restructuring plan proposed by the Board of Directors and management of the Company.

SoLocal Group wishes to clarify that contrary to the allegations of this association, the Company is not aware of "concrete proposals" made by the Regroupement PP Local to the Board of SoLocal Group, but simple ideas unequally adapted to the situation and require background work to look like concrete proposals.

Boulogne-Billancourt, 3 November 2016

SoLocal Group announces an agreement on a draft revised financial restructuring plan

Agreement between all stakeholders on the financing plan of "Conquer 2018"

Maintained structure of the financial restructuring plan, changes aiming at improving the terms for the Company and the shareholders

The draft revised plan was unanimously approved by the Board of Directors of SoLocal Group, RegroupementPPLocal association and a group of creditors representing approximately 37% of the outstanding financial debt:

- Granting to the existing shareholders of 3 free shares for 2 existing shares (compared to the granting of one free share for every existing share in the project approved by creditors and rejected by shareholders ("Initial Plan"))
- Substantial reduction in the number of warrants subscribed by the creditors ("creditors warrants") : 45 million creditors warrants in the absence of any new capital raised, no creditors warrants beyond € 250M of new capital raised (as compared to 45 to 155 million creditors warrants in the Initial Plan)
- Reinstated debt of € 400M: the Company shall have the opportunity at any time to redeem the newly issued bonds at 100% of their nominal value (compared to 101% in the Initial Plan)
- Continued search for investors to participate in strengthening the capital of the Company and support the implementation of the rights issue with preferential subscription rights of shareholders (the "Rights Issue")
- Governance : All stakeholders parties to this agreement support "Conquer 2018" plan and its implementation with the current CEO ; In addition, if the restructuring plan is approved by creditors and shareholders, the Board of Directors will co-opt a director without delay and appoint one non-voting member representating the creditors parties to the agreement with the Company. Depending on the level of new capital raised (in particular in the Rights Issue), the Board of Directors will propose at a General Meeting which will take place after the financial restructuring the appointment of directors representing creditors parties to the agreement with the Company (who intend to declare themselves in concert) in proportion to their share in the capital of the Company post financial restructuring.

Following the General Meeting of Shareholders held on 19 October 2016 which rejected the proposed financial restructuring plan, the Company, with the involvement of its financial subcommittee, extended to new directors elected at the request of individual shareholders, and creditors have resumed discussions under the aegis of Maître Bourbouloux to improve the terms of such plan with respect to shareholders and the Company.

SoLocal Group announces today that it has reached an agreement on a draft revised plan, with three of its creditors (funds managed or advised by Paulson & Co., Inc., Monarch Alternative Capital (Europe) Ltd and Amber Capital UK Holdings Ltd) who together account for about 37% of the syndicated loan of SoLocal Group.

This revised plan makes substantial improvements which are likely to promote both subscription by Shareholders to the Rights Issue with preferential subscription rights, and the interest of new investors.

Free shares for existing shareholders

The revised plan provides for the distribution to the existing shareholders of the Company of 3 free shares for 2 existing shares, representing approximately 58.5 million free shares.

Creditors warrants

Creditors would still receive warrants at a strike price of € 2 per share with a maturity of 5 years, but the number of creditors warrants would be substantially reduced :

- 45 million warrants if the amount of cash raised as part of the Rights Issue and the reserved issue for new investors (see below) is nil,
- no warrant if this amount exceeds € 250M,
- the number of warrants reduces, within the limits mentioned above, linearly when the amount of cash raised is between 0 and € 250M.

Reinstated debt

The conditions of the new debt would be improved in favor of the Company: The Company will now have the ability to redeem its new debt (at any time) without any penalty (a penalty of 1% of the repaid amount was included in the Initial Plan).

Active search for investors

The terms of the € 400M-Rights issue at a subscription price of € 1, would remain unchanged. But the Company is actively looking for new investors identified, who are likely to participate in the strengthening of the equity of the Company. In this regard, the revised plan provides that for a maximum of € 35M (share issue premium included), such investors could participate in a capital increase which would be reserved for them at a subscription price of € 1 per share. The amount of the Rights Issue would be reduced accordingly. Such capital increase reserved for such investors would be carried out before the Rights Issue, so that they would participate in the Rights Issue with preferential subscription rights attached to the shares that they would have subscribed to (and to which such investors would commit). This would increase the cash subscription rate of the Rights Issue, and thus facilitate its implementation.

Governance

The governance arrangements would be revised as follows :

- If the plan is approved by creditors and shareholders, the Board of Directors will immediately co-opt a director and appoint a non-voting member (provided that the General Meeting which shall have approved the revised plan which shall amend the by-laws of the Company to allow for the appointment of non-voting members) representing the three creditors who reached an agreement with the Company today.
- Then within three months following the completion of the financial restructuring, the Ordinary General Meeting would meet, in particular to decide on possible changes in the composition of the Board as a result of the financial restructuring; on this occasion, the Board of Directors would propose the

appointment of directors so that the representation on the Board of Directors of the three creditors parties to the agreement with the Company is proportional to their participation in the post financial restructuring capital with a minimum of two members.

- The three creditors parties to the agreement with the Company intend to declare themselves in concert vis-à-vis the Company. They will seek a derogation from the Autorité des Marchés Financiers (AMF) of the obligation to launch a public offer on the shares of the Company, in the event that they would collectively cross the 30%-threshold of capital or voting rights; obtaining this waiver is a suspensive condition of the revised plan.

A draft revised plan approved by the Board of Directors of SoLocal Group, RegroupementPPLocal Association and creditors representing approximately 37% of the outstanding financial debt

The draft revised plan has been agreed unanimously in principle by the Board of SoLocal Group.

The RegroupementPPLocal Association has indicated its support to the new plan.

In addition, all stakeholders involved in this agreement support “Conquer 2018” plan and its implementation with the current CEO.

Given this agreement reached today between the Company and three of its main creditors regarding this draft revised plan, the Commercial Court of Nanterre has been requested, at its hearing yesterday (2 November 2016), to convey a new hearing before the end of the year to rule the new modification of the 2014 accelerated financial safeguard plan after the vote of the creditors in a creditors committee and the shareholders in a General Meeting.

Timetable for adoption of revised plan

According to the indicative timetable, the revised plan would be submitted to the creditors at a creditors committee that would be convened on Wednesday 30 November 2016 and to the shareholders at an Extraordinary General Meeting of Shareholders that would be held on Thursday 15 December 2016. If all the conditions for the adoption of the revised plan (see below) are met, the capital increase operations would be carried out during the first quarter of 2017.

The revised plan is subject to various suspensive conditions, including:

- the agreement of creditors of the Company to amend the accelerated financial safeguard plan (which requires a favorable vote of at least two thirds of the creditors committee of SoLocal Group);
- the approval by the Extraordinary General Meeting of Shareholders of SoLocal Group of all resolutions related to the transaction ;
- the amendment of the accelerated financial safeguard plan and its approval by the Commercial Court of Nanterre ;
- the obtention of an exemption from the AMF for the creditors parties to the agreement with the Company acting in concert from having to make a public offer pursuant to Article 234-9 2° of the AMF General Regulation.

Breach of leverage covenant

As previously announced, the Company has not complied with the leverage covenant as of 30 June 2016 and may not comply with this covenant as of 30 September 2016. This provides creditors (excluding Tranche C1) with the right to accelerate at any time (subject to the mandatory provisions of the Commercial Code) the payment of the entire amount SoLocal Group’s financial debt, i.e. € 1.164 bn (as of 30 June 2016, excluding financial debt held by SoLocal Group and its subsidiaries).

The three creditors parties to the agreement with the Company agreed, provided that the revised financial restructuring plan is adopted, to abstain from requesting the acceleration of SoLocal Group’s debt, as a result of the breach of covenant leverage as of 30 June 2016 and, if applicable, as of 30 September 2016.

The adoption of the revised financial restructuring plan would nullify the effect of such breach of covenant.

Appendices

Summary of key terms of the draft revised financial restructuring plan

Rights issue		Conversion debt to equity		Reserved capital increase to creditors		Reinstated debt and MCBs (M€)		Shareholders free shares	Creditors warrants	
Cash raised (€ M)	Issue price	Amount (€ M)	Issue price	Amount (€ M)	Issue price	Reinstated debt	MCBs	Number of shares (m)	Number of warrants (m)	Issue price
400	1.00 €	0	1.00 €	384	4.73 €	400	0	58	0	2.00 €
300	1.00 €	100	1.00 €	384	4.73 €	400	0	58	0	2.00 €
250	1.00 €	150	1.00 €	351	4.36 €	400	33	58	0	2.00 €
200	1.00 €	200	1.00 €	318	3.98 €	400	67	58	9	2.00 €
100	1.00 €	300	1.00 €	251	3.20 €	400	133	58	27	2.00 €
0	1.00 €	400	1.00 €	164	2.14 €	400	200	58	45	2.00 €

Summary of the number of shares issued in the context of the draft revised financial restructuring plan

Cash raised (€ M)	Number of existing shares (m)	Number of created shares (m) through :					Number of shares (m) after conversion of MCBs et before dilution of warrants	Number of created shares (m) through the exercice of creditors	Number of shares (m) ater dilution of MCBs and creditors warrants
		Free shares	Augmentation de Capital en espèces	Debt conversion	MCBs conversion	Reserved capital increase			
	Shareholders	Shareholders	Shareholders	Creditors	Creditors	Creditors		Creditors	
400	**39**	58	400	0	0	81	**578**	0	**578**
300	**39**	58	300	100	0	81	**578**	0	**578**
250	**39**	58	250	150	17	81	**594**	0	**594**
200	**39**	58	200	200	33	80	**610**	9	**619**
100	**39**	58	100	300	67	79	**642**	27	**669**
0	**39**	58	0	400	100	77	**674**	45	**719**

Summary of the percentage ownership post financial restructuring for shareholders and creditors, without considering investors who may participate in the capital increase of the Company

Cash raised (M€)	% capital ownership after conversion of MCBs and before exercice of creditors warrants		% capital ownership after conversion of MCBs and after exercice of creditors warrants	
	Shareholders	Creditors	Shareholders	Creditors
400	86.0%	14.0%	86.0%	14.0%
300	68.7%	31.3%	68.7%	31.3%
250	58.4%	41.6%	58.4%	41.6%
200	48.7%	51.3%	48.0%	52.0%
100	30.7%	69.3%	29.5%	70.5%
0	14.4%	85.6%	13.5%	86.5%

<u>Summary of the percentage ownership post financial restructuring for shareholders and creditors, considering investors who may participate in the capital increase of the Company for €200M</u>

Cash raised (M€)	% capital ownership after conversion of MCBs and before exercice of creditors warrants			% capital ownership after conversion of MCBs and after exercice of creditors warrants		
	Shareholders	Investor	Creditors	Shareholders	Investor	Creditors
400	51.4%	34.6%	14.0%	51.4%	34.6%	14.0%
300	34.1%	34.6%	31.3%	34.1%	34.6%	31.3%
250	24.8%	33.7%	41.6%	24.8%	33.7%	41.6%
200	15.9%	32.8%	51.3%	15.7%	32.3%	52.0%

Summary of average subscription price for shareholders and creditors, without considering investors who may participate in the capital increase of the Company

Cash raised (€ M)	Subscription price of shareholders after considering free shares	Average subscription price of creditors after conversion of MCBs, before exercice of warrants	Average subscription price of creditors after conversion of MCBs, after exercice of warrants
400	0.87 €	4.73 €	4.73 €
300	0.84 €	2.68 €	2.68 €
250	0.81 €	2.16 €	2.16 €
200	0.77 €	1.87 €	1.87 €
100	0.63 €	1.54 €	1.56 €
0	0.00 €	1.32 €	1.37 €

Summary of average subscription price for shareholders and creditors, considering investors who may participate in the capital increase of the Company for €200M

Cash raised (€ M)	Subscription price of shareholders after considering free shares	Subscription price of a new investor	Average subscription price of creditors after conversion of MCBs, before exercice of warrants	Average subscription price of creditors after conversion of MCBs, after exercice of warrants
400	0.77 €	1.00 €	4.73 €	4.73 €
300	0.63 €	1.00 €	2.68 €	2.68 €
250	0.46 €	1.00 €	2.16 €	2.16 €
200	0.00 €	1.00 €	1.87 €	1.87 €

Boulogne-Billancourt, 4 November 2016

Convening of the Extraordinary General Meeting

The Board of Directors of SoLocal Group has convened an Extraordinary General Meeting, called to approve the revised financial restructuring plan, on 15 December 2016 at Espace Grande Arche of La Défense. The notice of the General Meeting will be published in the BALO (*Bulletin des Annonces Légales Obligatoires*) on Wednesday 9 November 2016.

Given the agreement on 2 November 2016 with three of its main creditors on a revised plan, the Commercial Court of Nanterre decided to set a new hearing on 16 December 2016 to approve the amendment of the 2014 accelerated financial safeguard plan after the vote of creditors in committee and of shareholders at the General Meeting.

Moreover, the Company has obtained from the President of Commercial Court of Nanterre the opening of a conciliation procedure. Mrs. Hélène Bourbouloux has been appointed as conciliator for a period of four months, possibly renewable for one month.

The opening of the conciliation procedure constitutes an event of default under the documentation of the € 350M 8.875% Senior Secured Notes due 2018 issued by PagesJaunes Finance & Co S.C.A, this event of default has the effect of triggering the automatic acceleration of these notes, as it was already the case for the opening of *mandat ad hoc* in June 2016. However, this opening has no effect on the the acceleration of SoLocal Group’s debt.

The share quotation of SoLocal Group will resume on Monday 7 November 2016.

Boulogne-Billancourt, 4 November 2016

Share quotation resumes

SoLocal Group has requested from Euronext Paris that the trading of its shares (LOCAL FR0012938884) resumes **from the opening of the Paris Stock Exchange on Monday, 7 November 2016**.

Boulogne-Billancourt, 9 November 2016

Additional information concerning the draft revised financial restructuring plan

Independent expert

The Notice of the Extraordinary General Meeting of 15 December 2016 was published today.

In preparation for this Meeting, the Board of Directors of SoLocal Group has appointed the firm Didier Kling & Associés as an independent expert, to give an opinion on the fairness of the subscription price for issues under the revised financial restructuring plan. According to the indicative timetable, their report should be made available to the shareholders on 30 November 2016.

Impact of the draft revised financial restructuring plan for the shareholders

As announced on 3 November 2016, the revised financial restructuring plan makes substantial improvements which are likely to promote both the subscription by shareholders to the rights issue with preferential subscription rights (the "Rights Issue"), and the interest of new investors.

The table below shows the impact on the capital ownership by the different stakeholders and the average subscription price for each of them. For the purpose of this table, the following assumptions have been made:

- Subscription by new investors (on the one hand in connection with the capital increase which would be reserved for them and on the other hand by exercise of preferential subscription rights attached to the shares subscribed in connection with the Rights Issue) of € 0, € 90M, € 149M or € 200M; the Company is currently looking for such investors and can give no assurance on the amount which would be invested by these new investors, if any.
- Subscription to the Rights Issue by current shareholders or assignees of preferential subscription rights held by these shareholders, for an amount of € 100M.

As a reminder, the shareholders will be able to subscribe to the Rights Issue with preferential subscription rights:

- **on an irreducible basis**, up to their preferential subscription rights
- **on a reducible basis**, for the entire Rights Issue with preferential subscription rights

Orders on an irreducible basis will be fully filled.

Orders on a reducible basis will be filled depending on the total demand: if the operation is oversubscribed, all reducible orders will be proportionately reduced. If the operation is not fully subscribed, reducible orders will be fully filled.

In the illustrative table below, reducible and irreducible orders are assumed to represent €100M in total (excluding orders on an irreducible basis to new investors) meaning that the operation was not fully subscribed and hence all non-reducible orders were fully filled.

Analysis of the main parameters of the draft revised plan, depending on the amount that would be invested by new investors

Invested amount from new investors	**€ 0m**	**€ 90m**	**€ 149m**	**€ 200m**
of which invested amount via Reserved Capital Increase	€ 0m	€ 10m	€ 20m	€ 33m
of which invested amount via Rights Issue	€ 0m	€ 80m	€ 129m	€ 167m
Target amount of Rights Issue	**€ 400m**	**€ 400m**	**€ 400m**	**€ 400m**
of which Reserved Capital Increase to new investors	€ 0m	€ 10m	€ 20m	€ 33m
of which Rights Issue	€ 400m	€ 390m	€ 380m	€ 367m
Parity of Rights Issue	**10.3x**	**8.0x**	**6.5x**	**5.1x**
Amount of Rights Issue	**€ 400m**	**€ 390m**	**€ 380m**	**€ 367m**
-of which subscribed amount from existing shareholders - assumption	€ 100m	€ 100m	€ 100m	€ 100m
-of which subscribed amount from new investors	€ 0m	€ 80m	€ 129m	€ 167m
-of which converted amount into equity from creditors (= non-subscribed amount in cash)	€ 300m	€ 210m	€ 151m	€ 100m
Cash raised	**€ 100m**	**€ 190m**	**€ 249m**	**€ 300m**
Number of shares issued from MCB conversion	**67m**	**37m**	**17m**	**0 m**
Number of shares issued from the exercise of creditors warrants	**27m**	**11m**	**0m**	**0 m**
Pro forma shareholding structure including MCB and creditors warrants				
1. Existing shareholders	**29.5%**	**31.6%**	**33.2%**	**34.1%**
-of which existing shares (38m)	5.8%	6.2%	6.5%	6.7%
-of which free shares (58m)	8.7%	9.3%	9.8%	10.1%
Sub-total existing shareholders before Rights Issue subscription	**14.5%**	**15.6%**	**16.3%**	**16.8%**
-of which Rights Issue subscription amounting to €100M	14.9%	16.0%	16.8%	17.3%
Average subscription price	*€ 0.63*	*€ 0.63*	*€ 0.63*	*€ 0.63*
2. New investors	**0.0%**	**14.4%**	**25.1%**	**34.6%**
Average subscription price	*n.a.*	*€ 1.00*	*€ 1.00*	*€ 1.00*
3. Creditors	**70.5%**	**54.0%**	**41.8%**	**31.3%**
-of which Ad Hoc Group	26.3%	20.2%	15.6%	11.7%
-of which others	44.2%	33.9%	26.2%	19.6%
Average subscription price	*€ 1.56*	*€ 1.82*	*€ 2.15*	*€ 2.67*

Boulogne-Billancourt, 21 November 2016

SoLocal Group reaffirms its determination to achieve its financial restructuring plan

The Company confirms the timetable of the revised financial restructuring plan

The revised plan will be therefore, as announced, submitted to creditors at a meeting scheduled on 30 November 2016 and to shareholders at an Extraordinary General Shareholders' Meeting on 15 December 2016, in the perspective of a hearing at the Commercial Court of Nanterre scheduled on 16 December 2016.

The revised financial restructuring plan proposes substantial improvements for shareholders compared to the initial plan.

Its approval is critical to ensure the going concern and to sustain the future of the Company. This revised financial restructuring plan is intended to drastically reduce SoLocal Group's debt and to strengthen its equity. This plan was established with the support of the RegroupementPPLocal association who called SoLocal Group shareholders for their mobilization to approve its terms during the next Extraordinary General Shareholders' Meeting. This revised plan was approved unanimously by the members of the Board of Directors, including the three new directors appointed at the Combined General Shareholders' Meeting of 19 October 2016, members of the financial sub-committee of the Board of Directors in charge of the refinancing.

Suspension of interest payment and consequences of the potential rejection of the revised financial restructuring plan

In the light of the latest statements from some shareholders of SoLocal Group on the one hand and creditors on the other hand, approval of this plan remains uncertain. In this context, SoLocal Group will be forced to not proceed with the payment of the next deadline for interest on financial debt (due 1 December 2016, for an amount of around €15 million) and this in a context where the Treasury of SoLocal Group is reduced and where PagesJaunes SA, main subsidiary of SoLocal Group, may no longer be able soon to grant additional overdrafts to SoLocal Group in order to protect its financial capacity, to normally continue its operational activities and to meet its commitments.

This payment of interests would be deferred to the date of the implementation of the revised plan (if approved).

In the event that this revised plan would not be approved by the shareholders or the creditors according to this timetable, SoLocal Group may be insolvent as it could not pay its interests. On their side, the creditors will probably claim, in the very short term, various defaults that have occurred or to be occured, and request the immediate acceleration of their debt. In such case, SoLocal Group will have to consider the opening of collective proceedings in a manner that have not yet been determined. At its hearing on 16 December, the Commercial Court of Nanterre will rule on the situation of the Company.

Financial agenda

In accordance with the calendar of financial communication, SoLocal Group will announce its results of the 3rd quarter of 2016 on next 25 November before the opening of the Paris stock exchange.

Boulogne-Billancourt, 23 November 2016

Changes in the position of creditors on the financial restructuring plan

Creditors (funds managed or advised by Paulson & Co., Monarch Alternative Capital (Europe) Ltd and Amber Capital UK Holdings Ltd) representing approximately 37% of the outstanding debt and parties to the agreement with the Company on the revised financial restructuring plan announced on 3 November 2016, have sent a letter to SoLocal Group stating that they will no longer support a financial restructuring plan that would not be accepted by the shareholders, and recommend that the Company cancels the convening of the Creditors' Committee planned for 30 November 2016 and the shareholders' Extraordinary General Meeting planned for 15 December 2016.

These creditors also indicate in this letter that they recommend to all creditors of SoLocal Group to exercise all of their rights as creditors to obtain reimbursement of the amounts owed by SoLocal Group, including their pledge.

The Company recalls that the revised plan, whose criticity to the Company has been affirmedseveral times, was prepared with the different stakeholders, including the aforementioned creditors and Directors, representatives of the shareholders elected by the General Meeting of Shareholders, and is to be adopted as part of a conciliation process to be completed by March 2017 at the latest.
In view of this, the Company indicates that the Creditors' Committee has already been convened for 30 November 2016 by the "*commissaire à l'exécution du plan*".

The Company wants each of the stakeholders to assume its responsibilities to finalize the financial restructuring and will also submit the revised financial restructuring plan for approval at a General Meeting of Shareholders to be convened and held on 15 December 2016.
Finally, a hearing at the Commercial Court of Nanterre is scheduled on 16 December for approval of the amendment to the 2014 accelerated financial safeguard plan agreed.

Boulogne-Billancourt, 25 November 2016

SoLocal Group provides details on the Extraordinary General Meeting aiming at deciding on the revised financial restructuring plan

Extraordinary General Meeting of 15 December 2016 confirmed to decide on the revised financial restructuring plan

The Board of Directors of the Company, which met on 24 November 2016, confirmed the convening of the Extraordinary General Shareholders' Meeting to be held on Thursday 15 December 2016 at 4pm to decide on the revised financial restructuring plan presented on 3 November 2016 ("Revised Plan").

Discussions have been held with some investors (non-creditors of the Company) who expressed an interest in acquiring a shareholding in SoLocal Group. In the absence of firm subscription commitments from identified investors, the Board of Directors decided not to submit to the Extraordinary General Meeting of 15 December the draft resolution which would have permitted the reserved issuance of shares for these investors.

The raising of new capital will therefore take place, if the Revised Plan is adopted, exclusively through the Rights issue of € 400 million at a price of € 1 per share.

If new investors wish to participate in the Rights issue, they will be able to acquire preferential subscription rights enabling them to subscribe on an irreducible but also reducible basis to this Rights issue (i.e. beyond the share of the capital represented by their preferential subscription rights which will be granted) or to act as first-rate guarantors of the success of the transaction. It is in this perspective that discussions with potential investors continue.

This Revised Plan, which brings substantial improvements for shareholders, has been unanimously approved by the Board of Directors of SoLocal Group, including by the new directors elected at the request of the shareholders, by the RegroupementPPLocal association and by an agreement of a group of creditors representing approximately 37% of outstanding financial debt.

The final text of draft resolutions to be submitted to the Extraordinary General Meeting of 15 December 2016 will be published in the *Bulletin des Annonces Légales Obligatoires* on 30 November 2016.

In addition, a presentation of the contents, the objectives and the improvements for shareholders of the draft resolutions concerning the financial restructuring Revised Plan will be published on the SoLocal Group website (http://www.solocalgroup.com/assemblee-generale-extraordinaire-2016).

Requests by some shareholders for the registration of points or draft resolutions at the Extraordinary General Meeting not approved by the Board of Directors of SoLocal Group

The Company has received requests from shareholders or groups of shareholders having justified for the holding of respectively 0.6%, 1.06% and 0.82% of the capital of the Company to add points or draft resolutions on the agenda. These requests have been posted on the SoLocal Group website www.solocalgroup.com.

A press release on the actions taken by the Board of Directors, on the advice of the remuneration and appointments Committee, to the negative advisory opinion issued by the General Assembly of October 19, 2016 on the compensation of the Chairman of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officer will be published shortly in full compliance with the new guidelines issued on last 24 November by *Afep-Medef*. In accordance with PEG Orange's request (justifying in its request for the holding of 234,917 shares, i.e. 0.6% of the capital), information will be provided at the General Meeting of 15 December.

Concerning the eight draft resolutions tabled by Benjamin Jayet[4] (justifying in his request the holding of 411,130 shares, i.e. 1.06% of the capital), they are not approved by the Board of Directors of the Company for the following reasons:

- Three draft resolutions are related to the characteristics of the Revised Plan and are intended to amend and supplement, in part, the resolutions concerning the Revised Plan presented by the Board of Directors; these three draft resolutions supplement and do not modify the draft resolutions approved by the Board of Directors of the Company concerning the Rights issue and the reserved issue of shares for creditors (MCB and shares with warrants); the first and second draft resolutions

[4] At the general meeting of 19 October 2016, Benjamin Jayet justified the holding of a total of 1,188,826 shares, ie 3.06% of the capital, through its holding company BJ Invest or through securities lending. This made Benjamin Jayet at this General Meeting the third shareholder of the Company.

are intended to increase the number of shares to be allocated to existing shareholders to seven (7) free shares for one existing share (instead of three (3) free shares for two (2) shares existing shares in the Revised Plan) and the third draft resolution seeks to grant to existing shareholders, in addition to the free shares, warrants to subscribe for each existing share to two new shares for a unit price of € 2; these amendments are not part of the Revised Plan approved by the Board of Directors, which has been submitted to the vote of the Creditors' Committee meeting on next 30 November.

- Three draft resolutions are related to the appointment of new directors, including Benjamin Jayet: the composition of the Board of Directors was supplemented at the General Meeting of 19 October 2016; it has also been announced that a General Shareholders' Meeting will be held within three months of the effective date of the Revised Plan if it is adopted; it is on the occasion of this meeting and in the light of the post-restructuring capital ownership that the shareholders will have to decide on a possible recomposition of the Board of Directors. Moreover, these appointments do not comply with the diversity rules of Boards of Directors set by the *Afep-Medef Code*. It is also reminded that the application of Benjamin Jayet was rejected only a month ago by the General Shareholders' Meeting.
- A draft resolution concerns with the suspension of payment of directors' fees until a dividend has been paid to the shareholders; tying the payment of directors' fees to the payment of a dividend did not appear to be desirable, whereas the contribution of the directors does not depend on the beneficiary situation or not of the Company; the *Afep-Medef Code* recommends that attendance fees be allocated according to actual attendance at Board meetings and that non-executive directors should be granted variable remuneration.
- A draft resolution seeks to limit the highest remuneration paid by the Company to its officers and employees at twenty-five times the lowest remuneration; as mentioned above, information will be provided at the General Meeting of 15 December on the follow-up given to the negative advisory opinion issued by the General Meeting of 19 October 2016 on the remuneration of corporate officers.

As regards the seventeen draft resolutions submitted by D&P Finance, represented by Didier Calmels, as well as Gilles Brenier, Christian Louis-Victor, Baudoin de Pimodan and Benoît Marzloff (justifying in their request for the holding together of 321,005 shares, i.e. 0.82% of the capital):

- Fifteen draft resolutions are related to the dismissal of six directors (including the Chairman, the Chief Executive Officer as director) and the appointment of nine new directors (including Didier Calmels, Baudoin de Pimodan, Benjamin Jayet and Philippe Besnard): for the reasons detailed above, the Board of Directors decided not to approve these draft resolutions. It is also reminded that the application of Philippe Besnard was rejected only a month ago by the General Shareholders' Meeting.
- Two draft resolutions have the same purpose as the last two draft resolutions tabled by Benjamin Jayet and are not approved by the Board of Directors.

Shareholders are reminded that a change in the composition of the Board of Directors may constitute a change in control under the documentation relating to senior secured notes issued in 2011 by PagesJaunes Finance & Co SCA (see the Company's press release dated 24 October 2016).

Under this clause, there would notably be a change of control if, for any period of two consecutive years, directors who represented a majority on the Board of Directors at the beginning of that period, either alone or together with directors whom they have approved, cease to form a majority on the Board of Directors.

Independent Expertise

It is reminded that an independent expert, Kling & Associés, has been appointed to give an opinion on the fairness of the proposed subscription price for the reserved issuances of shares for creditors of SoLocal Group in the context of the Revised Plan. Its report will be made available to shareholders on 30 November 2016 (according to the indicative timetable).

Consequences of a rejection of the Revised Plan

As indicated in the Company's press release dated 21 November 2016, the Company will not pay interest on 1 December 2016 (approximately € 15 million). Should the Revised Plan be adopted, payment of this interest will occur on the effective date of the plan.

As a reminder, in the event that the Revised Plan is not adopted by the shareholders or by the creditors in the indicative timetable, SoLocal Group may be in a state of cessation of payments. For their part, the creditors would be able to claim, in the very short term, various defaults that have occurred or to be occured, and request the immediate acceleration of their debt and exercise their pledge. In such cases, SoLocal Group should consider the opening of collective proceedures in a manner that has not yet been determined.

At its hearing on 16 December 2016, the Commercial Court of Nanterre will rule on the situation of the Company.

Boulogne-Billancourt, 25 November 2016

Confirmation of outlook for 2016 in spite of business inflection due to the delay in the financial restructuring plan

Q3 2016 results:

- Internet revenues of €156 M (representing 79% of total revenues), up +3%[5]
- EBITDA[6]: €60 M, down -24%[1], EBITDA/revenue margin[7] of 30%

Outlook for 2016 confirmed:

- Internet revenue growth rate between 0% and +2%
- EBITDA/revenue margin[2]: ≥ 28%

"Conquer 2018" plan postponed by 6 months due to the delay in the financial restructuring plan impacting the commercial performance and cash flow generation.

Jean-Pierre Remy, Chief Executive Officer of SoLocal Group, stated: "*The financial performance in Q3 2016 confirms the annual outlook. However the uncertainty around the financial restructuring plan is hurting our operations and since last October has been affecting the sales momentum, the cash flow generation and the outlook for 2018.*

We urgently need more visibility on our refinancing to be able to work on our business priorities and to focus on mid term growth objectives."

I.

[5] In Q3 2016, compared to Q3 2015
[6] Total (Internet + Print & Voice) recurring EBITDA
[7] Total (Internet + Print & Voice) recurring EBITDA to revenue margin

Revenues and EBITDA

The Board of Directors approved the Group's consolidated accounts on the basis of going concern as of 30 September 2016.

In millions of euros	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Internet revenues	**152**	**156**	**+3%**	**477**	**478**	**0%**
Local Search	**119**	**120**	**+1%**	**371**	**363**	**-2%**
Number of visits (in million)	*569*	*616*	*+8%*	*1 678*	*1 822*	*+9%*
ARPA [1] (in €)	*226*	*245*	*+8%*	*698*	*728*	*+4%*
Number of clients (in thousand)	*525*	*490*	*-7%*	*532*	*499*	*-6%*
Digital Marketing	**33**	**36**	**+10%**	**106**	**115**	**+8%**
Penetration rate (in number of clients)	*22%*	*23%*	*+1pt*	*22%*	*23%*	*+1pt*
Print & Voice revenues	**60**	**41**	**-32%**	**181**	**124**	**-32%**
Revenues	**212**	**197**	**-7%**	**658**	**602**	**-9%**

The Group posted revenues of €197 million in Q3 2016 a decrease of -7% compared to Q3 2015:

- **Internet revenues** at €156 million in Q3 2016 (representing 79% of total revenues) are **up +3% versus Q3 2015:**
  - **Audience growth**: Internet visits record a growth +8% in Q3 2016 vs Q3 2015 of which +24% mobile (representing 47% of total audience).
  - **Local Search revenues**: +1% in Q3 2016 vs Q3 2015 resulting from
    - **Local Search ARPA[1]**: +8% in Q3 2016 vs Q3 2015, leading to year-to-date Local Search ARPA growth of +4% in line with historical trends
    - **Client base**: -7% in Q3 2016 vs Q3 2015, still limited by reduced investments in telesales client acquisition.
    - **Digital Marketing revenues**: +10% in Q3 2016 vs Q3 2015, with a steady growth of local programmatic, not yet fully reflecting sales order dynamic.
- **Print & Voice revenues** at €41 million in Q3 2016 are **down by -32% over the period**, mainly due to the strong decline of PagesBlanches.

In millions of euros	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Internet recurring EBITDA	**56**	**47**	**-16%**	**155**	**137**	**-12%**
EBITDA / revenue margin	37%	30%	*-7 pts*	33%	29%	*-4 pts*
Print & Voice recurring EBITDA	**22**	**12**	**-44%**	**62**	**34**	**-44%**
EBITDA / revenue margin	36%	30%	*-6 pts*	34%	28%	*-6 pts*
Recurring EBITDA	**78**	**60**	**-24%**	**217**	**171**	**-21%**
EBITDA / revenue margin	37%	30%	*-7 pts*	33%	28%	*-5 pts*

Note: Internet EBITDA and Print & Voice EBITDA for 2015 quarterly data have been adjusted to have indicators computed on comparable methods between 2015 and 2016

Recurring EBITDA was **€60 million** in Q3 2016, down -24% versus Q3 2015, mainly driven by the drop in Print & Voice EBITDA.

The **EBITDA to revenue margin** was **30%** in Q3 2016, down -7 points compared to Q3 2015, due to a strong decline in Print & Voice revenues (-32%).

II.

Net income and financial structure

In millions of euros	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Recurring EBITDA	**78**	**60**	**-24%**	**217**	**171**	**-21%**
Depreciation and amortisation	(13)	(15)	+17%	(35)	(44)	+26%
Net financial expense	(21)	(19)	-11%	(64)	(56)	-13%
Corporate income tax	(21)	(11)	-44%	(50)	(30)	-40%
Recurring income from continued activities	**24**	**14**	**-41%**	**68**	**41**	**-39%**
Contribution to net income from non recurring items	(1)	(0)	-73%	(4)	(3)	-38%
Net income from divested activities	(6)	-	na	(13)	-	na
Net income	**17**	**14**	**-19%**	**51**	**39**	**-24%**

Depreciation and amortisation amounted to -**€15 million** in Q3 2016, up +17% compared to Q3 2015, due to impact of IT refoundation investments.

Net financial expenses was -€19 million in Q3 2016, reduced by -11% compared to Q3 2015, as the hedging instruments matured at the end of 2015.

Corporate income tax expense was -€11 million in Q3 2016, reduced by -44% compared to Q3 2015, and in line with the profit before tax.

Recurring net income from continued activities amounted to €14 million Q3 2016, down -41% compared to Q3 2015.

Net income from divested activities was nil in Q3 2016 as the divestment of non-growing and non-profitable Internet businesses has been fully achieved in 2015.

The Group's **net income** was **€14 million** in Q3 2016, down -19% compared to Q3 2015.

Net debt[8] totalled €1,097 million as of 30 September 2016. **The Group is in breach with its leverage bank covenant but complies with all other bank covenants.** This provides creditors (excluding Tranche C1) with the right to accelerate at any time (subject to the mandatory provisions of the Commercial Code) the payment of the entire amount of SoLocal Group's financial debt owed to external creditors. The three creditors parties to the agreement with the Company agreed, provided that the revised financial restructuring plan is adopted, to abstain from requesting the acceleration of SoLocal Group's debt, as a result of the breach of covenant leverage.

The Group's **free cash flow** was **-€15 million** in Q3 2016, down -€24 M compared to Q3 2015, mainly driven by drop in EBITDA and negative working capital impact due to higher pressure from clients and suppliers given the uncertainty linked to the financial restructuring of the Group.

As of 30 September 2016, the Group had a net cash position of €90 million[9].

III.

[8] Net debt is the gross financial debt plus or minus the fair net asset value of asset and/or liability derivative instruments used for cash flow hedging purposes, minus cash and cash equivalents

[9] Net of bank overdrafts, including own bonds

Outlook

The Group confirms its outlook for 2016 and expects:

- o Internet revenue growth between 0% and +2%[10]
- o EBITDA to revenue margin ≥ 28%[11]

Subject to the approval of the revised financial restructuring plan by creditors and shareholders, **the implementation of "Conquer 2018" plan has been delayed by 6 months** due to the delay in the financial restructuring plan impacting the commercial performance and cash flow generation.
IV.

[10] in 2016 compared to 2015
[11] Total (Internet + Print & Voice) recurring EBITDA to revenue margin

Appendices

During the 2015 financial year, the Group disposed of four non-profitable and no-growing activities (Horyzon Media web agency display, ZoomOn social local media, Lookingo "daily deals" and Sotravo online home improvement quotes).

The accounts as of 30 September 2016 published by the Group are made up as follows: Consolidated, Divested activities and Continued activities.

Starting in 2015, SoLocal Group is isolating the momentum of continued activities from that of the activities that it has divested from. The comments on the financial performance indicators concern the scope of continued activities. Recurring EBITDA excludes non recurring items, such as restructuring and integration costs.

Consolidated Income statement

In millions of euros	Q3 2016				Q3 2015			
	Consolidated	Divested activities	Continued activities		Consolidated	Divested activities	Continued activities	
			Recurring	Non recurring			Recurring	Non recurring
Revenues	197	-	197	-	213	1	212	-
Net external expenses	(51)	-	(51)	-	(53)	(2)	(51)	-
Personnel expenses	(87)	-	(87)	-	(85)	(2)	(83)	-
Recurring EBITDA	**60**	**-**	**60**	**-**	**75**	**(3)**	**78**	**-**
Non recurring items	(0)	-	-	(0)	(0)	2	-	(2)
EBITDA	**59**	**-**	**60**	**(0)**	**75**	**(1)**	**78**	**(2)**
Depreciation and amortization	(15)	-	(15)	-	(22)	(9)	(13)	-
Operating income	**44**	**-**	**44**	**(0)**	**54**	**(10)**	**65**	**(2)**
Financial income	0	-	0	-	1	-	1	-
Financial expenses	(19)	-	(19)	-	(22)	-	(22)	-
Net financial expense	**(19)**	**-**	**(19)**	**-**	**(21)**	**-**	**(21)**	**-**
Share of profit or loss of an associate	-	-	-	-	-	-	-	-
Income before tax	**25**	**-**	**25**	**(0)**	**33**	**(10)**	**44**	**(2)**
Corporate income tax	(11)	-	(11)	0	(16)	4	(21)	1
Effective tax rate	*45%*	*na*	*45%*	*34%*	*48%*	*43%*	*47%*	*38%*
Income for the period	**14**	**-**	**14**	**(0)**	**17**	**(6)**	**24**	**(1)**

In millions of euros	9M 2016				9M 2015			
	Consolidated	Divested activities	Continued activities		Consolidated	Divested activities	Continued activities	
			Recurring	Non recurring			Recurring	Non recurring
Revenues	602	-	602	-	663	5	658	-
Net external expenses	(156)	-	(156)	-	(157)	(8)	(149)	-
Personnel expenses	(274)	-	(274)	-	(297)	(5)	(292)	-
Recurring EBITDA	**171**	**-**	**171**	**-**	**209**	**(8)**	**217**	**-**
Non recurring items	(3)	-	-	(3)	(9)	(5)	-	(4)
EBITDA	**169**	**-**	**171**	**(3)**	**201**	**(12)**	**217**	**(4)**
Depreciation and amortization	(44)	-	(44)	-	(45)	(10)	(35)	-
Operating income	**125**	**-**	**127**	**(3)**	**156**	**(22)**	**182**	**(4)**
Financial income	1	-	1	-	2	-	2	-
Financial expenses	(57)	-	(57)	-	(66)	(0)	(66)	-
Net financial expense	**(56)**	**-**	**(56)**	**-**	**(64)**	**(0)**	**(64)**	**-**
Share of profit or loss of an associate	-	-	-	-	0	-	0	-
Income before tax	**69**	**-**	**71**	**(3)**	**92**	**(22)**	**118**	**(4)**
Corporate income tax	(30)	-	(31)	1	(41)	9	(52)	2
Effective tax rate	*44%*	*na*	*43%*	*34%*	*44%*	*41%*	*44%*	*38%*
Income for the period	**39**	**-**	**40**	**(2)**	**51**	**(13)**	**67**	**(3)**

Consolidated Cash Flow Statement

In millions of euros	Q3 2015	Q3 2016	Change	9M 2015	9M 2016	Change
Recurring EBITDA	**78**	**60**	**-24%**	**217**	**171**	**-21%**
Non monetary items included in EBITDA and other	5	4	-15%	9	4	-54%
Net change in working capital	(24)	(34)	38%	(32)	(52)	65%
Acquisition of tangible and intangible fixed assets	(19)	(13)	-29%	(53)	(49)	-7%
Cash financial income	(13)	(17)	31%	(55)	(35)	-36%
Non recurring items	(7)	(7)	-10%	(20)	(22)	8%
Acquisition costs of shares	-	-	na	-	-	na
Corporate income tax paid	(8)	(8)	3%	(9)	2	-127%
Net Cash flow from continued activities	**12**	**(15)**	**-227%**	**58**	**20**	**-66%**
Net Cash flow from divested activities	(3)	-	-100%	(5)	-	-100%
Net cash flow	**9**	**(15)**	**-262%**	**53**	**20**	**-62%**
Increase (decrease) in borrowings and bank overdrafts	(10)	(4)	-66%	(30)	11	-138%
Capital increase	-	(0)	na	3	(0)	-100%
Other	(2)	1	-153%	1	6	687%
Net cash variation	**(3)**	**(17)**	**449%**	**26**	**37**	**44%**
Net cash and cash equivalents at beginning of period	72	108	49%	44	53	22%
Net cash and cash equivalents at end of period	**69**	**90**	**30%**	**69**	**90**	**30%**

Consolidated Balance Sheet

In million of euros			
ASSETS	**30-Sep-15**	**31-Dec-15**	**30-Sep-16**
Total non-current assets	**235**	**251**	**260**
Net goodwill	80	95	96
Other net intangible fixed assets	123	123	125
Net tangible fixed assets	23	28	32
Other non-current assets of which deferred tax assets	9	4	7
Total current assets	**431**	**508**	**426**
Net trade accounts receivable	263	353	253
Acquisition costs of contracts	32	38	28
Prepaid expenses	11	9	13
Cash and cash equivalents	72	54	92
Other current assets	54	54	41
TOTAL ASSETS	**666**	**759**	**686**

LIABILITIES			
Total equity	**(1,310)**	**(1,328)**	**(1,294)**
Total non-current liabilities	**1,239**	**1,244**	**121**
Non-current financial liabilities and derivatives	1,130	1,118	1
Employee benefits (non-current)	95	85	98
Other non-current liabilities	14	41	22
Total current liabilities	**737**	**843**	**1,859**
Bank overdrafts and other short-term borrowings	20	26	1,176
Deferred income	424	483	380
Employee benefits (current)	97	121	97
Trade accounts payable	90	95	85
Other current liabilities	106	117	120
TOTAL LIABILITIES	**666**	**759**	**686**

Revised "Conquer 2018" plan

In millions of euros	Revised Conquer 2018				Initial Conquer 2018
	2015	2018	CAGR 2015-2018	Growth 2017-2018	Growth 2017-2018
Internet revenues	**640**	**735**	**+5%**	**+9%**	**+10%**
ARPA Local Search (en €)	*940*	*1 014*	*+3%*	*+3%*	*+4%*
Number of clients (en K)	*528*	*474*	*-4%*	*-1%*	*+3%*
Penetration rate (en nombre de clients)	*22%*	*27%*	*+5pts*	*+1pt*	*+3pts*
Group revenues	**873**	**826**	**-2%**	**+3%**	**+3%**
Recurring EBITDA	**270**	**235**	**-5%**	**+5%**	**+9%**
EBITDA / revenue margin	*31%*	*28%*			

Internet new orders

Internet new orders (in% of total new orders)	**9M 2014**	**9M 2015**	**9M 2016[1]**	**Change 9M 2015 vs 9M 2014**	**Change 9M 2016[1] vs 9M 2015**
Local Search	78%	78%	73%	-4%	+1%
Digital Marketing	22%	22%	27%	-6%	+34%
Internet	**70%**	**75%**	**81%**	**-5%**	**+8%**

[1] Adjusted since 10/19/2016 for double counting of some websites orders, without any accounting impact

Boulogne-Billancourt, 30 November 2016

Approval of the financial restructuring plan by creditors

Approval of the revised financial restructuring plan by creditors

SoLocal Group announces that more than two-thirds of the creditors have approved today its revised financial restructuring plan.

The plan will now be submitted to the vote of shareholders at the Extraordinary General Shareholders' Meeting on 15 December 2016, which will be decisive for the implementation of both the financial restructuring plan and "Conquer 2018" plan. In this respect, the Company reminds that the adoption of the revised plan is urgent in regard to the recent evolution of its activity. This adoption is critical to ensure the continuity of the business, safeguard its social entity and guarantee the future of the Company.

As a reminder, in case of approval by the General Shareholders' Meeting, the plan will still have to be submitted to the approval of the Commercial Court of Nanterre.

Independent expert report

Moreover, SoLocal Group announces to its shareholders that the report issued by Didier Kling & Associés, who acted as an independent expert with the mission to provide a fairness opinion of the proposed subscription prices for the reserved issuances of shares concerning the financial restructuring plan of the Group, is now available.

This report issued by Didier Kling & Associés is available on the Company's website: http://www.solocalgroup.com.

The conclusion of the Didier Kling & Associés report is the following:

" The revised financial restructuring plan satisfies the desire to address the particularly delicate situation which SoLocal faces with debt of1.164 M€ due and payable. Its approval appears absolutely critical at a time when the company's continuity is threatened. Creditors have indicated that they will not support the restructuring project if it is not accepted by the shareholders.

This plan was developed with the assistance of an *ad hoc* agent and has been approved by the current parties. The goal of this restructuring plan is to implement a balanced solution for each stakeholder with, first, shareholders which will be diluted to varying degrees depending on whether they decide to subscribe for the capital increase and, second, creditors which will have to waive a signification portion of their debt.

The planned mechanism is designed to reduce the level of SoLocal's indebtedness to 400 M€, *i.e.*, a level deemed sustainable to allow SoLocal to continue its business and roll out its "*Conquer 2018*" strategic plan.

The procedures for this restructuring are particularly complex. Also, it is difficult to model the plan's consequences. These consequences are related to multiple factors, including:

- the individual behaviour of each shareholder, as well as the collective behaviour of all shareholders;
- the post-restructuring SOLOCAL stock price, which is particularly uncertain given the current situation and the uncertainties related to the success of the financial restructuring.

An analysis of the impact of the restructuring based on the current conditions prior thereto does not seem appropriate. Continuation of SoLocal's business without a financial restructuring would be compromised. Such a scenario would lead a reduction in the value of SoLocal's current debt to its enterprise value, which is not sustainable and would result in the SoLocal share price dropping to zero.
The work we completed to assess SoLocal's value led us to value the company using the discounted cash flow method with net financial debt after restructuring:

- enterprise value (core value) of 1.480 M€;
- net financial debt of 432 M€;
- i.e., owners' equity of 1.048 M€ and a value per share between €1.53 and €1.81 (based on the number of shares after the capital increases)

These values assume that the financial restructuring will be approved.

The initial financial restructuring plan was based on procedures which had been assessed by an independent expert who concluded that these procedures were fair to SoLocal shareholders. The terms offered to shareholders under the revised plan are more favourable than those under the prior plan, which was rejected at the 19 October 2016 shareholders' meeting, included, *inter alia*, a grant of additional free shares and a reduction in the number of warrants assigned to creditors.

Shareholders are encouraged to subscribe for the capital increase at a price of €1, which is a discount if one uses the value per share after the restructuring based on our analysis (€1.53 to €1.81) as a reference. Subscription will allow them to materially limit their dilution. The dilution will be eased by the grant of free shares.

Creditors may subscribe at €1, with a continuation of the preferential subscription right, to guarantee the capital increase. The other issues (new shares with warrants and MCB) specify a subscriptions price for creditors between €1.94 and €4.73, which is higher than the value per share based on our analysis (€1.53 to €1.81) and the subscription price offered to shareholders.

Upon conclusion of the various stages of the restructuring, the status of creditors may be assessed using the nominal value of the receivables that they hold from the company and the value of the assets (shares, residual debts and any cash) that they will hold after the plan is approved. Creditors will subscribe by setting of receivables at nominal value which, from a legal perspective, is justified because repayment for at nominal value is contractually provided. As a result, it seems to us appropriate to analyse the effects of the restructuring using the value of the debt at nominal value by comparing it with the post-restructuring SoLocal value per share. Accordingly, creditors will be granted terms which may result in a premium or discount (from -20% to +10%) compared to the "counter-value" received in exchange for a portion their face debt. For information, this "counter-value" would lead to discounts or premiums between -20% to +84% if one applies a 0 to 40% discount to debt face value.

They will receive SoLocal shares and, if appropriate, warrants, which will allow them to realize a potential value which remains difficult to quantify and which will depend on changes in the SoLocal share price after the restructuring.

This approach is designed to grant these terms to creditors and is based on the fact that creditors benefit from a priority ranking over equity holders and that, as at the date hereof, there is no credible alternative for the company to survive the financial impasse which it faces.

In summary and in light of the foregoing, the terms of the various issues seem to us to be fair to the shareholders from a financial point of view as they will ensure the company's continuity."

Threshold crossings

Furthermore, SoLocal Group took note of the following threshold crossings:

- As of 23 November 2016, Boussard & Gavaudan Partners Limited in the name of and on behalf of BG Master Fund ICAV, Boussard & Gavaudan SICAV, Amundi Absolute Return BG Enhanced Master Fund regarding their holding of 486 085 shares, representing 1.25% of the capital of the company.

- As of 30 November 2016, JMPI Limited holding 1 337 300 shares, representing 3.44% of the capital of the Company.

A APPENDICES

Glossary

Average Annual Net Cash Flow before debt service: total cash flow generated by the operating activities. It is determined based on the EBITDA, the change in the working capital requirement, investments, corporation tax before the deduction of financial interest (including CVAE), non-monetary items and non-recurring items. It excludes financial interest on the debt.

Internet revenues: sum of the revenues of the Local Search and Digital Marketing activities.

Local Search revenues: these revenues relate to the Local Search activities composed of the local communication services offered by the Group on its websites, particularly PagesJaunes, Mappy, Ooreka (new name for ComprendreChoisir) and A Vendre A Louer or through its partners, particularly Google, Bing, Apple and Facebook.

Digital Marketing revenues: these revenues relate to Digital Marketing structured around 3 product lines:

- Transactional services: particularly making appointments with doctors (PagesJaunes Doc) and reservations and ordering meals at restaurants (PagesJaunes Resto) and good professional plans. The SoLocal Group is abandoning the “daily deals”, which have not increased loyalty, and is concentrating on the good PagesJaunes plans more valued by its customers.

Local programming: the SoLocal Group is solely focusing on local programming which presents the strongest growth opportunities. The Group is speeding up its investments in this technology by relying on the wealth of its local data and the success of its ADhesive offer launched at the beginning of the year.

Websites and content: this product line is now the Group’s leading Digital Marketing activity. Widely present internationally through partnerships or its subsidiaries (QDQ, Leadformance and SoLocal UK), the Group is continuing to develop these activities to ensure the best promotion of the local know-how of its customers.

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.

Number of Local Search customers: average number of customers over the period (average number of customers present at the beginning and end of the period in question) owning a product in the Local Search range.

Local ARPA: revenues for the period in question in relation to the number of average customers over the period.

Digital Marketing penetration rate: average number of customers over the period in question owning a product in the Digital Marketing range, in relation to the average number of customers owning a product in the Local Search range over the same period.

Reach (audience indicator created and published by Nielsen Médiamétrie):

- Number of unique visitors of a website: number of Internet users / mobile users / tablet users over a given month
- *Reach:* represents the number of unique visitors of a website or group over a given month. It may be expressed as a volume (number of unique visitors) or as a ratio (in relation to 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.

Audiences (visits indicator measures by SoLocal Group):

- Syndicated: indirect audiences on PagesJaunes brand content outside the PagesJaunes digital media (particularly Bing, Yahoo!, Ooreka, etc.).

- Direct & SEO:

    - SEO & affiliates: audiences on the PagesJaunes digital media originating from affiliated partners (MSN, Nosibay, Free et Alice, Planet, L'internaute) and search engines (SEO, "Search Engine Optimisation").

    - PagesJaunes: audiences following a user's expressed desire to access the PagesJaunes digital media (direct access and brand search on a search engine).

Concordance table

Annex I to Commission Regulation (EC) No 809/2004:

Information	Chapters of the present update to the Reference Document
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