Financial report
as at 30 June 2013

Board of Directors of 24 July 2013

Unofficial translation of the French-language "*Rapport financier au 30 juin 2013*" of Solocal Group, for information purposes only.

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Solocal Group
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Commercial and Companies Register Nanterre 552 028 425

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1. ACTIVITY REPORT AS AT 30 JUNE 2013

1.1. Overview

The Group core business is to provide local information, principally in France, through online and printed directories publishing, and as well as the publication of editorial content to facilitate the search and choice of users. Through its subsidiaries, Solocal Group (formerly PagesJaunes Groupe) conducts three complementary businesses: providing content and services, media and advertising representation. Its offers include a diversified range of products and services associated with this activity for the general public and businesses.

The Group business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either globally or by segment, among clients.

The Group activities are organised in three segments:

- Internet:

These are the activities carried out through Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly performed in France, but also in Spain (QDQ Media), Luxembourg (Editus, until September 2012) and in 12 countries through Yelster Digital (formerly 123people).

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

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

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

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

- Printed directories:

This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire, and the directories of QDQ Media in Spain in 2012 and Editus in Luxembourg until September 2012).

- Other businesses:

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

1.2. Commentary on the results as at 30 June 2013

Solocal Group	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Revenues	**500.3**	**525.0**	**-4.7%**
Net external expenses	(102.9)	(109.0)	5.6%
Salaries and charges	(182.0)	(183.8)	1.0%
Gross Operating Margin	**215.5**	**232.1**	**-7.2%**
As % of revenues	*43.1%*	*44.2%*	
Legal employee profit-sharing	(7.0)	(6.8)	-2.9%
Share-based payment	(1.3)	(0.4)	na
Depreciation and amortisation	(20.0)	(17.0)	-17.6%
Other income and expenses	(2.2)	(0.2)	na
Operating income	**184.9**	**207.8**	**-11.0%**
As % of revenues	*37.0%*	*39.6%*	
Financial income	2.2	2.5	-12.0%
Financial expenses	(69.0)	(67.6)	-2.1%
Net financial income	**(66.8)**	**(65.1)**	**-2.6%**
Share of profit or loss of an associate	(0.1)	(0.4)	75.0%
Income before tax	**118.0**	**142.3**	**-17.1%**
Corporate income tax	(47.4)	(55.2)	14.1%
Income for the period	**70.6**	**87.1**	**-18.9%**
of which attributable to:			
- Shareholders of Solocal Group	70.6	87.1	-18.9%
- Non-controlling interests	0.0	(0.0)	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

Excluding 123people, the number of visits to the Group's websites as a whole totalled 914.0 million as at 30 June 2013, up 7.6% compared to 30 June 2012 on a like-for-like basis, with a number of visits on mobile Internet up 58.3%. Mobile represents 23.2% of the Group's internet audience. The number of visits to the Group's websites as a whole, in France and internationally, totalled 1,069.7 million as at 30 June 2013, representing a decrease of 0.8% compared to 30 June 2012 on a like-for-like basis.

In an advertising market that is still on a downward trend continuously in France, consolidated revenues for Solocal Group stand at 500.3 million euros as at 30 June 2013, down 4.7% compared to 30 June 2012 based on published figures. Internet revenues increased 2.4% over the half-year and represent 63.2% of the Group's revenues as at 30 June 2013 compared to 58.8% as at 30 June 2012. Revenues from printed directories are down 14.3% compared to 30 June 2012.

The Group's gross operating margin stands at 215.5 million euros as at 30 June 2013, down 7.2% compared to 30 June 2012. In a context of slowdown of the Display activities, controlling costs has allowed the Group to maintain a high gross operating margin rate of 43.1% as at 30 June 2013 compared to 44.2% as at 30 June 2012. The margin for the 1st half of the year is impacted by an increase in business costs linked to the new method of accounting for fixed compensation adopted in the 4th quarter of 2012; this effect will be absorbed progressively over the course of the year.

The Group’s operating income decreased by 11.0% compared to 184.9 million euros as at 30 June 2012. The 22.8 million euro decrease in operating income was partially due to the decrease in the gross operating margin as well as the increase in the depreciation and amortisation charge, amounting to 3.0 million euros, due to the increase in Internet investments since 2010.

The Group’s financial result is a net expense of 66.8 million euros which increased 2.6% between 30 June 2012 and 30 June 2013. The average interest rate on debt increased 110 basis points changing from 5.81% as at 30 June 2012 to 6.91% as at 30 June 2013 (158 basis points including the effect of the drawing of the RCF in January 2012). The increase of 110 basis points is the result of the new conditions coming from the refinancing in autumn 2012.

The apparent tax rate was 40.1% as at 30 June 2013 compared to 38.7% as at 30 June 2012; this increase is primarily linked to the partial deductibility of financial interest introduced by the Finance Law at the end of 2012.

Income for the period amounted to 70.6 million euros, down 18.9% compared to 30 June 2012.

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

Solocal Group	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Internet	316.0	308.5	2.4%
Printed directories	173.5	202.4	-14.3%
Other businesses	10.7	14.1	-24.1%
Revenues	**500.3**	**525.0**	**-4.7%**
Internet revenues as % of total revenues	*63.2%*	*58.8%*	
Internet	132.7	134.1	-1.0%
Printed directories	79.8	93.5	-14.7%
Other businesses	3.1	4.6	-32.6%
Gross Operating Margin	**215.5**	**232.1**	**-7.2%**
As % of revenues	*43.1%*	*44.2%*	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

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

The following table shows the revenues and gross operating margin of the Internet segment as at 30 June 2012 and as at 30 June 2013:

Internet	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Revenues	**316.0**	**308.5**	**2.4%**
Gross Operating Margin	**132.7**	**134.1**	**-1.0%**
As % of revenues	*42.0%*	*43.5%*	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

Internet segment revenues rose 2.4% as at 30 June 2013 to 316.0 million euros. The strong decline observed on Display activities has burdened the Internet growth.

The Group's gross operating margin for the Internet segment amounted to 132.7 million euros as at 30 June 2013, down 1.0% compared to 30 June 2012. The gross operating margin rate is down and changed from 43.5% as at 30 June 2012 to 42.0% as at 30 June 2013, impacted notably by the overlap of non-recurring income (including investment tax credits from 2008 and 2009 recorded in 2012) as well as the strong deterioration of activity Display which dampened Internet margin.

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

The following table shows the revenues and gross operating margin of the Printed directories segment as at 30 June 2012 and as at 30 June 2013:

Printed directories	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Revenues	**173.5**	**202.4**	**-14.3%**
Gross Operating Margin	**79.8**	**93.5**	**-14.7%**
As % of revenues	*46.0%*	*46.2%*	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

The revenues of the Printed directories segment decreased by 14.3% as at 30 June 2013 to 173.5 million euros. At the end of 2012, the Group discontinued its Printed directories business in Spain without any significant impact on the revenues and margin for the segment. The decline in printed directories remains contained, in particular thanks to an adapted rate policy.

The gross operating margin of the Printed directories segment amounted to 79.8 million euros as at 30 June 2013, down 14.7% compared to 30 June 2012. The rate of gross operating margin is down 0.2 point, at 46.0% as at 30 June 2013. The preservation of the margin rate reflects the continuation of sustained efforts to reduce the production, printing and distribution costs of Printed directories, which declined significantly by 24% over the 1st half of the year.

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

The following table shows the revenues and gross operating margin of the Other businesses segment as at 30 June 2012 and as at 30 June 2013:

Other businesses	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Revenues	**10.7**	**14.1**	**-24.1%**
Gross Operating Margin	**3.1**	**4.6**	**-32.6%**
As % of revenues	*29.0%*	*32.6%*	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

The revenues of the Other businesses segment decreased by 24.1% as at 30 June 2013 to 10.7 million euros. This was due to the sharp decrease in revenues from telephone directory enquiry services, and in revenues from advertisers and from calls made by users of this service.

The gross operating margin of the Other businesses segment amounted to 3.1 million euros as at 30 June 2013, down 32.6% compared to 30 June 2012. The gross operating margin rate decreased from 32.6% as at 30 June 2012 to 29.0% as at 30 June 2013. The decrease in the margin rate stems directly from the decrease in revenues. As the advertising expenses to promote the telephone directory enquiry services (118 008) were discontinued in 2012, efforts in optimising the margin are now based primarily on controlling production costs and continuing with initiatives to save on call processing costs.

1.2.4. Analysis of consolidated operating income

The table below shows the Group's consolidated operating income as at 30 June 2012 and as at 30 June 2013:

Solocal Group	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Gross Operating Margin	**215.5**	**232.1**	**-7.2%**
Legal employee profit-sharing	(7.0)	(6.8)	-2.9%
Share-based payment	(1.3)	(0.4)	na
Depreciation and amortisation	(20.0)	(17.0)	-17.6%
Other income and expenses	(2.2)	(0.2)	na
Operating income	**184.9**	**207.8**	**-11.0%**
As % of revenues	*37.0%*	*39.6%*	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

1.2.4.1. Employee profit-sharing and share-based payment

The legal employee profit-sharing in the Group amounted to 7.0 million euros as at 30 June 2013, up 2.9% compared to 30 June 2012. This increase can be explained by the social contribution increasing from 8% to 20% which entered into force in the 3rd quarter of 2012, and of which the effect is partially offset by the drop in the profit-sharing itself.

The Group's share-based payment expense amounted to 1.3 million euros as at 30 June 2013 compared to 0.4 million euros as at 30 June 2012. The expense as at 30 June 2012 resulted from the stock option plans established in 2009 and 2010 as well as the granting of free shares that took place in October and in December 2011, that as at 30 June 2013 resulted from the same plans as well as the granting of free shares that took place in December 2012.

1.2.4.2. Depreciation and amortisation

The Group's depreciation and amortisation charges amounted to 20.0 million euros as at 30 June 2013 compared to 17.0 million euros as at 30 June 2012, an increase of 17.6%. This rise reflects the increase in investments carried out by the Group which are essential for its digital transformation, particularly in the context of the launch of new products and services for customers and the enrichment of the functionalities of the Group's fixed and mobile websites.

1.2.4.3. Operating income

The Group operating income amounted to 184.9 million euros as at 30 June 2013, down 11.0% compared to 30 June 2012. The rate of the Group's operating margin as a proportion of revenues decreased from 39.6% as at 30 June 2012 to 37.0% as at 30 June 2013.

1.2.5. Analysis of income for the period

The table below shows the Group's income for the period as at 30 June 2012 and as at 30 June 2013:

Solocal Group	**As at 30 June**		
in million euros	**2013**	**2012 ***	**Change 2013/2012**
Operating income	**184.9**	**207.8**	**-11.0%**
Financial income	2.2	2.5	-12.0%
Financial expenses	(69.0)	(67.6)	-2.1%
Gain (loss) on foreign exchange	-	-	-
Net financial income	**(66.8)**	**(65.1)**	**-2.6%**
Share of profit or loss of an associate	(0.1)	(0.4)	75.0%
Income before tax	**118.0**	**142.3**	**-17.1%**
Corporate income tax	(47.4)	(55.2)	14.1%
Income for the period	**70.6**	**87.1**	**-18.9%**
of which attributable to:			
- Shareholders of Solocal Group	70.6	87.1	-18.9%
- Non-controlling interests	0.0	(0.0)	

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R

1.2.5.1. Financial income

The Group's financial result was a loss of 66.8 million euros as at 30 June 2013 compared to a loss of 65.1 million euros as at 30 June 2012. The financial result essentially comprises the interest expense relating to the bank loan, amounting to 1,368.0 million euros as at 30 June 2013 (1,600.0 million euros as at 30 June 2012), and relating to the bond loan issued in 2011 for an amount of 350.0 million euros.

As at 30 June 2013, the bank loan is hedged for about 88% by swaps until November 2013 and between 63% and 70% by forward swaps for the period November 2013 - September 2015.

The total interest expense is stable and amounts to 61.4 million euros as at 30 June 2013 compared to 59.9 million euros as at 30 June 2012. The average interest rate on the debt rose from 5.81% as at 30 June 2012 (excluding RCF drawing) to 6.91% as at 30 June 2013, which is an increase of 110 basis points associated particularly with the refinancing operations conducted in autumn 2012. The debt decrease has allowed to offset almost fully the impact of the average interest rate increase.

The financial result also includes the amortisation of loan issue expenses amounting to 6.0 million euros as at 30 June 2013 compared to 4.4 million euros as at 30 June 2012. Investment income amounted to 0.6 million euros as at 30 June 2013 compared to 2.2 million euros as at 30 June 2012 which was favourably impacted by investment income stemming from the RCF drawing. The change in the fair value of hedging instruments (portion recognised in profit or loss) represented non-cash income of 1.5 million euros as at 30 June 2013 compared to a net expense of 1.3 million euros as at 30 June 2012.

1.2.5.2. Corporation tax

As at 30 June 2013, the Group recorded a corporation tax charge of 47.4 million euros, down 14.1% compared to 30 June 2012. The apparent tax rate was 40.1% as at 30 June 2013 compared to 38.7% as at 30 June 2012; this increase is primarily linked to the partial deductibility of financial interest introduced by the Finance Law at the end of 2012. For the record, the apparent tax rate was 41.3% over the entire 2012 financial year.

1.2.5.3. Income for the period

The Group's income for the period amounted to 70.6 million euros as at 30 June 2013 compared to 87.1 million euros as at 30 June 2012, a decrease of 18.9% between the two periods.

1.3. Consolidated liquidities, capital resources and investment expenses

The table below shows the changes in the Group's cash position as at 30 June 2013, as at 31 December 2012, and as at 30 June 2012:

Solocal Group	**As at 30 June**	**As at 31 December**	**As at 30 June**
in million euros	**2013**	**2012**	**2012**
Accrued interest not yet due	0.0	0.0	0.0
Cash and cash equivalents	107.9	111.5	487.7
Cash	**107.9**	**111.5**	**487.7**
Bank overdrafts	(2.0)	(19.6)	(2.5)
Net cash	**105.9**	**91.9**	**485.2**
Bank borrowing	1,368.2	1,368.2	1,600.1
Bond loan	350.0	350.0	350.0
Revolving credit facility	-	75.8	281.4
Loan issue expenses	(31.6)	(37.6)	(29.3)
Capital leases	0.1	0.1	0.2
Fair value of hedging instruments	34.4	54.6	59.0
Accrued interest not yet due	7.0	16.7	6.7
Earn-outs	5.2	4.9	8.5
Other financial liabilities	1.0	0.8	1.1
Gross financial debt	**1,734.3**	**1,833.6**	**2,277.6**
of which current	*138.8*	*147.0*	*289.9*
of wich non current	*1,595.6*	*1,686.6*	*1,987.7*
Net debt	**1,628.5**	**1,741.7**	**1,792.5**
Net debt excl. fair value of hedging instruments and debt-related fees	**1,625.6**	**1,724.7**	**1,762.7**

The Group net debt is down 164.0 million euros compared to 30 June 2012 and down 113.2 million euros compared to 31 December 2012. It amounts to 1,628.5 million euros as at 30 June 2013 compared to 1,741.7 million euros as at 31 December 2012 and 1,792.5 million euros as at 30 June 2012.

As at 30 June 2013, it mainly comprised:

- a bank loan, for a total amount of 1,368.0 million euros, comprised of 3 tranches:
  - Tranche A1 for an amount of 49.6 million euros maturing in November 2013,
  - Tranche A3 for an amount of 962.0 million euros of which 7.5 million euros maturing in September 2013, 30.0 million euros maturing in 2014 and the balance, which is 924.5 million euros, maturing in 2015,
  - Tranche A5 for an amount of 356.4 million euros of which 13.6 million euros maturing in September 2013, 54.3 million euros maturing in 2014 and the balance, which is 288.5 million euros, maturing in 2015.
- of the fair value of hedging instruments which represents a debt of 34.4 million euros as at

30 June 2013. Since the end of 2012, the bank debt has been 88% hedged by swaps until November 2013 and between 63% and 70% (taking scheduled repayments into account) by forward swaps for the period November 2013 - September 2015.

- of two revolving credit lines not drawn as at 30 June 2013, the total amount available is 95.8 million euros.

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

- of net cash flow of 105.9 million euros.

As at 30 June 2013, revolving credit lines were not drawn, the amount available as such amounts to 95.8 million euros. Including the cash flow as at 30 June 2013, available cash thus amounts to 201.7 million euros.

Excluding the fair value of interest rate hedging instruments, representing a liability of 34.4 million euros as at 30 June 2013, compared to a liability of 59.0 million euros as at 30 June 2012, and excluding loan issue expenses of 31.6 million euros as at 30 June 2013, compared to 29.3 million euros as at 30 June 2012, the net debt amounted to 1,625.6 million euros as at 30 June 2013, compared to 1,762.7 million euros as at 30 June 2012.

The table below shows the cash flows of the consolidated Group as at 30 June 2012 and as at 30 June 2013:

Solocal Group	**As at 30 June**		
in million euros	**2013**	**2012**	**Change 2013/2012**
Net cash from operations	116.4	149.2	(32.8)
Net cash used in investing activities	(23.4)	(21.8)	(1.6)
Net cash provided by (used in) financing activities	(79.1)	279.7	(358.8)
Impact of changes in exchange rates on cash	-	0.0	(0.0)
Net increase (decrease) in cash position	**14.0**	**407.1**	**(393.1)**
Net cash and cash equivalents at beginning of period	91.9	78.1	13.8
Net cash and cash equivalents at end of period	**105.9**	**485.2**	**(379.3)**

Net cash and cash equivalents for the Group amounted to 105.9 million euros as at 30 June 2013, compared to 485.2 million euros as at 30 June 2012.

The net cash from operations amounted to 116.4 million euros as at 30 June 2013 compared to 149.2 million euros as at 30 June 2012, representing a decrease of 32.8 million euros due mainly to:

- a gross operating margin of 215.5 million euros as at 30 June 2013, down 16.6 million euros compared to 30 June 2012,

- a decrease in the working capital requirement of 25.4 million euros as at 30 June 2013 compared to a decrease of 29.4 million euros as at 30 June 2012, representing a lesser resource of 4.0 million euros between the two periods,

- a net disbursement of 71.4 million euros in respect of net financial interest as at 30 June 2013 compared to 60.9 million euros as at 30 June 2012, of which a shift of 10 million euros of 2012 interest disbursed in 2013,

- a disbursement of 48.3 million euros in respect of corporation tax as at 30 June 2013 compared to 48.8 million euros as at 30 June 2012. This quasi-stability can be explained by the fact that the disbursements for 2012 were favourably affected by the applying of an overpayment made during the previous period. Recall that the tax is paid on the basis of the results from the previous period.

The net cash used in investing activities represents a disbursement of 23.4 million euros as at 30 June 2013, compared to a disbursement of 21.8 million euros recognised as at 30 June 2012. That represents a rise of 1.6 million euros, mainly comprising:

- 21.6 million euros in respect of acquisitions of tangible and intangible fixed assets as at 30 June 2013 compared to 19.9 million euros as at 30 June 2012,

The net cash used in financing activities represents a disbursement of 79.1 million euros as at 30 June 2013 compared to receipts of 279.7 million euros as at 30 June 2012, representing a change of 358.8 million euros due mainly to:

- 75.8 million euros corresponding to repaying the balance of the revolving credit lines as at 30 June 2013 compared to drawings on the single revolving credit line for 281.4 million euros as at 30 June 2012.

1.4. Risks and uncertainties relating to the second half of 2013

The main risks and uncertainties identified by the Group concern:

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

- The financial aspects: in view of its financial structure, the Group is exposed to interest rate risk, liquidity risk and credit risk.

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

2. Consolidated condensed accounts

2.1 - Consolidated income statement

(Amounts in thousands of euros, except data relating to shares)	Notes	**As at 30 June 2013**	**As at 30 June 2012***	**2nd Quarter 2013**	**2nd Quarter 2012***
Revenues		500,333	524,993	272,340	290,229
Net external expenses		(102,872)	(109,013)	(56,935)	(56,827)
Personnel expenses : - Salaries and charges		(181,970)	(183,838)	(95,932)	(99,956)
Gross Operating Margin		**215,491**	**232,142**	**119,473**	**133,445**
- Legal employee profit-sharing		(7,021)	(6,774)	(4,105)	(3,955)
- Share-based payment		(1,289)	(421)	(655)	(18)
Depreciation and amortisation		(20,031)	(17,029)	(10,113)	(8,778)
Other income and expenses		(2,226)	(166)	(2,228)	(150)
Operating income		**184,924**	**207,752**	**102,372**	**120,544**
Financial income		2,170	2,540	1,213	1,335
Financial expenses		(68,979)	(67,595)	(33,980)	(34,120)
Net financial income	4	**(66,809)**	**(65,054)**	**(32,767)**	**(32,785)**
Share of profit or loss of an associate		(114)	(404)	21	(281)
Corporate income tax	5	(47,391)	(55,163)	(28,006)	(32,801)
Income for the period		**70,610**	**87,130**	**41,620**	**54,677**
Income for the period attributable to:					
- Shareholders of Solocal Group		70,606	87,131	41,606	54,633
- Non-controlling interests		4	(1)	14	44
Net earnings per share (in euros)					
Net earnings per share of the consolidated group					
- basic		0.25	0.31		
- diluted		0.24	0.31		

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

2.2 - Statement of comprehensive income

(Amounts in thousands of euros)	As at 30 June 2013	As at 30 June 2012*	2nd Quarter 2013	2nd Quarter 2012*
Income for the period report	**70,610**	**87,130**	**41,620**	**54,677**
Net (loss) /gain on cash flow hedges				
- Gross	18,596	(1,274)	8,970	(760)
- Deferred tax	(6,741)	438	(3,237)	260
- Net of tax	**11,855**	**(836)**	**5,733**	**(500)**
ABO reserves :				
- Gross	(576)	-	(296)	-
- Deferred tax	208	-	107	-
- Net of tax	**(368)**	**-**	**(189)**	**-**
Exchange differences on translation of foreign operatic	1	-	(1)	-
Other comprehensive income	**11,488**	**(836)**	**5,543**	**(500)**
Total comprehensive income for the period, net o	**82,098**	**86,294**	**47,163**	**54,177**
Total comprehensive income for the period attributable to:				
- Shareholders of Solocal Group	82,094	86,295	47,149	54,133
- Non-controlling interests	4	(1)	14	44

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

2.3 - Statement of financial position

(Amounts in thousands of euros)	Notes	As at 30 June 2013	As at 31 December 2012	As at 30 June 2012*
Assets				
Net goodwill		83,874	82,278	93,897
Other net intangible fixed assets		72,170	69,387	69,927
Net tangible fixed assets		24,062	25,480	26,820
Investment in an associate		6,113	7,494	4,478
Available-for-sale assets		515	195	207
Other non-current financial assets		1,398	1,414	1,351
Net deferred tax assets	5	22,432	26,023	22,405
Total non-current assets		**210,564**	**212,272**	**219,085**
Net inventories		2,066	2,367	2,528
Net trade accounts receivable		350,675	429,883	391,102
Acquisition costs of contracts		64,874	68,889	-
Other current assets		34,907	26,567	37,317
Current tax receivable		896	2,996	449
Prepaid expenses		12,291	5,620	118,683
Other current financial assets		7,516	6,084	400
Cash and cash equivalents	7	107,892	111,488	487,714
Total current assets		**581,118**	**653,893**	**1,038,194**
Total assets		**791,681**	**866,165**	**1,257,279**
Liabilities				
Share capital		56,197	56,197	56,197
Issue premium		98,676	98,676	98,676
Reserves		(2,099,879)	(2,259,769)	(2,227,823)
Income for the period attribuable to shareholders of Solocal Group		70,606	158,600	87,131
Other comprehensive income		(38,974)	(50,461)	(37,623)
Own shares		(10,110)	(10,010)	(9,898)
Equity attributable to equity holders of the Solocal Group		**(1,923,484)**	**(2,006,768)**	**(2,033,340)**
Non-controlling interests		9	5	55
Total equity		**(1,923,475)**	**(2,006,763)**	**(2,033,285)**
Non-current financial liabilities and derivative:	7	1,595,551	1,686,567	1,987,700
Employee benefits - non-current		89,560	83,324	55,907
Provisions - non-current		7,089	6,333	6,271
Other non-current liabilities		-	-	12
Deferred tax liabilities	5	814	1,002	1,137
Total non-current liabilities		**1,693,014**	**1,777,226**	**2,051,027**
Bank overdrafts and other short-term borrow	7	133,760	149,882	285,794
Accrued interest	7	7,039	16,720	6,684
Provisions - current		168	193	139
Trade accounts payable		79,904	78,325	88,092
Employee benefits - current		114,851	124,373	107,958
Other current liabilities		87,089	94,040	94,448
Corporation tax		159	97	1,977
Deferred income		599,172	632,072	654,444
Total current liabilities		**1,022,142**	**1,095,702**	**1,239,536**
Total liabilities		**791,681**	**866,165**	**1,257,279**

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

2.4 - Statement of changes in equity

(Amounts in thousands of euros)	**Number of shares in circulation**	**Share capital**	**Issue premium**	**Own shares**	**Income and reserves**	**Cash flow hedges & actuarial difference**	**Translation reserve**	**Group equity**	Non-controlling interests	**Total equity**
Balance as at 31 December 2012	**277,656,043**	**56,197**	**98,676**	**(10,010)**	**(2,101,169)**	**(50,461)**	**-**	**(2,006,767)**	**5**	**(2,006,762)**
Total comprehensive income for the period, net of tax					70,606			**70,606**	4	**70,610**
Other comprehensive income, net of tax						11,487	1	**11,488**		**11,488**
Comprehensive income for the period, net of tax					**70,606**	**11,487**	**1**	**82,094**	**4**	**82,098**
Share-based payment					1,289			**1,289**	-	**1,289**
Shares of the consolidating company net of tax effect	(126,167)			(100)				**(100)**	-	**(100)**
Balance as at 30 June 2013	**277,529,876**	**56,197**	**98,676**	**(10,110)**	**(2,029,274)**	**(38,974)**	**1**	**(1,923,484)**	**9**	**(1,923,475)**

2.5 - Cash flow statement

(Amounts in thousands of euros)	Notes	**As at 30 June 2013**	**As at 30 June 2012***	**2nd Quarter 2013**	**2nd Quarter 2012***
Income for the period attributable to shareholders of Solocal Group		**70,606**	**87,131**	**41,606**	**54,633**
Depreciation and amortisation of fixed assets		20,031	17,029	10,113	8,778
Change in provisions		3,732	1,885	2,882	1,486
Share-based payment		1,289	421	655	18
Capital gains or losses on asset disposals		116	153	118	150
Interest income and expenses	4	53,810	50,303	28,308	24,309
Hedging instruments	6	12,999	14,751	4,459	8,476
Unrealised exchange difference		-	(6)	-	-
Tax charge for the period	5	47,391	55,163	28,006	32,801
Share of profit or loss of an associate		114	404	(21)	281
Non-controlling interests		4	(1)	14	44
Decrease (increase) in inventories		301	(928)	620	1,598
Decrease (increase) in trade accounts receivable		78,633	47,179	65,458	67,027
Decrease (increase) in other receivables		(9,554)	(16,492)	5,246	8,625
Increase (decrease) in trade accounts payable		3,324	(5,682)	7,139	8,492
Increase (decrease) in other payables		(47,331)	5,303	(73,692)	(73,292)
Net change in working capital		**25,373**	**29,380**	**4,771**	**12,451**
Dividends and interest received		634	2,313	342	1,254
Interest paid and rate effect of net derivatives		(71,395)	(60,913)	(60,749)	(38,318)
Corporation tax paid		(48,262)	(48,818)	(27,288)	(33,962)
Net cash from operations		**116,442**	**149,196**	**33,216**	**72,401**
Acquisition of tangible and intangible fixed assets		(21,552)	(19,938)	(12,092)	(11,807)
Acquisitions / disposals of investment securities and subsidiaries, net of cash acquired / sold and other changes in assets		(1,826)	(1,862)	(1,755)	(546)
Net cash used in investing activities		**(23,378)**	**(21,800)**	**(13,846)**	**(12,353)**
Increase (decrease) in borrowings		(78,853)	279,875	(1,859)	(2,312)
Other cash from financing activities ow own shares		(197)	(173)	(59)	(160)
Net cash provided by (used in) financing activities		**(79,050)**	**279,702**	**(1,918)**	**(2,472)**
Impact of changes in exchange rates on cash		-	6	-	-
Net increase (decrease) in cash position		**14,013**	**407,104**	**17,452**	**57,576**
Net cash and cash equivalents at beginning of period		91,872	78,074	88,434	427,602
Net cash and cash equivalents at end of period	7	**105,885**	**485,178**	**105,885**	**485,178**

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

2.6 – Notes to the consolidated financial statements

Note 1 - Description of the business

For over sixty years, Solocal Group has provided a diversified range of products and services for consumers and businesses, with its printed and online French and international directories constituting its core business. The Group's main activities are described in note 3.

The accounting year for the companies in the Group extends from 1 January to 31 December. The currency used in presenting the consolidated condensed 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 July 2013.

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

The consolidated financial statements of Solocal Group, drawn up for the period of six months ending on 30 June 2013, 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 2012 included in the reference document filed with the AMF on 29 April 2013 under the number D. 13-0470, subject to specific requirements set out for the preparation of interim accounts as described below.

The accounting policies used are consistent with those used in the preparation of the annual consolidated financial statements for the year ending 31 December 2012, with the exception of new standards, amendments and interpretations which are mandatory with effect from 1 January 2013, but which have no significant impact:

- IFRS 13: Fair value measurement
- Amendment IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters
- Amendment IAS 12: Deferred tax: Recovery of Underlying Assets
- Amendment IAS 1: Presentation of financial statements – presentation of items of other comprehensive income
- Amendments IFRS 9 et IFRS 7: Mandatory Effective Date and Transition Disclosures
- Amendment IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendment IFRS 1: Government Loans
- Improvements to IFRSs (2009-2011):
  - IAS 1 – Presentation of Financial Statements
  - IAS 16 – Property, Plant and Equipment
  - IAS 32 – Financial Instruments: Presentation
  - IAS 34 – Interim Financial Reporting
- IFRIC 20: Stripping Costs in the Production Phase of a Surface Mine

None of these new standards and interpretations has had a significant effect on the consolidated financial statements as at 30 June 2013.

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 2013, 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.

Moreover, the Group did not opt for early application of the standards and interpretations adopted by the European Union and which are mandatory application is after 1 January 2013:

- IAS 27 revised: Separate Financial Statements
- IAS 28 revised: Investments in associates and joint ventures
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint arrangements
- IFRS 12: Disclosures of Interests in other entities
- Amendment IAS 32: Offsetting Financial Assets and Financial Liabilities

Finally, the Group is not applying the following instruments, which were not adopted by the European Union as at 30 June 2013:

- Amendments to IFRS 10, 11, 12 - Transition guidance
- IFRS 10, IFRS 12 and IAS 27: Investment Entities
- IAS 36: Recoverable Amount Disclosures for Non Financial Assets
- IAS 39: Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21: Levies

Nonetheless, the Group is currently reviewing the practical consequences of these new instruments and the effects of their implementation on its future financial statements. At this stage of the review, the impacts on its consolidated financial statements are expected to be as follows:

IFRS 12 requires the publication of very detailed information on the determination of the scope of consolidation and on the risks associated with interests in other entities (subsidiaries, joint ventures, associated entities, SPVs, non-consolidated entities).

It should be noted that IFRS 10, IFRS 11, IFRS 12 and IAS 28 revised in 2011 are all required to be applied on the same date.

All of the standards and interpretations adopted by the European Union as at 30 June 2013 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 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.

Expensing of fixed costs of the sales force
In light of the insignificant nature, the financial statements as at 30 June 2012 were not restated for the impact de la expensing of fixed costs of the sales force of which the principles were listed in note 2 of the 2012 consolidated financial statements. For the record, the annual impact in 2012 amounted to 6.9 million euros i.e. 1.5% of the consolidated GOM (4.4 million euros after tax i.e. 2.8% of net income).

Impairment test as at 30 June 2013
An analysis of the impairment tests as at 30 June 2013 resulted in an examination of the situation of certain CGUs. The latter did not result in the recognition of any impairment due to the nature deemed as temporary in the degradation of certain tests as at 30 June 2013.

Note 3 – Segment information

The Group core business is to provide local information, principally in France, through online and printed directories publishing, and as well as the publication of editorial content to facilitate the search and choice of users. Through its subsidiaries, Solocal Group (formerly PagesJaunes Groupe) conducts three complementary businesses: providing content and services, media and advertising representation. Its offers include a diversified range of products and services associated with this activity for the general public and businesses.

The Group business model is based on that of the media: i.e. offering quality content which generates an audience and then monetising this audience, either globally or by segment, among clients.

The Group activities are organised in three segments:

- Internet:

  These are the activities carried out through Internet. The main products are the creation and marketing of content and advertising space, listing, targeted advertising and the provision of advertising space for local and national advertisers (often referred to as display), as well as a complete range of products and services for the provision and distribution of information with local content. The Group's Internet activity is mainly performed in France, but also in Spain (QDQ Media), Luxembourg (Editus, until September 2012) and in 12 countries through Yelster Digital (formerly 123people).

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

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

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

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

- Printed directories:

  This is the Group historical activity, involving the publication, distribution and sale of advertising space in printed directories (PagesJaunes, l'Annuaire, and the directories of QDQ Media in Spain in 2012 and Editus in Luxembourg until September 2012).

- Other businesses:

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

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

Amounts in thousands of euros	**As at 30 June 2013**	**As at 30 June 2012***	**2nd Quarter 2013**	**2nd Quarter 2012***
Revenues	**500,333**	**524,993**	**272,340**	**290,229**
- Internet	316,039	308,539	160,654	158,187
- Printed directories	173,545	202,378	106,676	125,566
- Other businesses	10,749	14,077	5,010	6,475
Gross Operating Margin	**215,491**	**232,142**	**119,473**	**133,445**
- Internet	132,677	134,116	68,576	72,311
- Printed directories	79,764	93,476	49,730	59,967
- Other businesses	3,050	4,550	1,167	1,167
Amortisation of tangible and intangible fixed assets	**(20,031)**	**(17,029)**	**(10,113)**	**(8,778)**
- Internet	(13,745)	(14,349)	(6,523)	(7,233)
- Printed directories	(5,893)	(2,373)	(3,416)	(1,400)
- Other businesses	(393)	(307)	(174)	(145)
Acquisitions of tangible and intangible fixed assets	**21,552**	**19,938**	**12,092**	**11,807**
- Internet	20,932	19,442	11,768	11,504
- Printed directories	393	461	223	280
- Other businesses	227	35	101	23

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

Note 4 - Financial income

The financial result is made up as follows:

(Amounts in thousands of euros)	As at 30 June 2013	As at 30 June 2012	2nd Quarter 2013	2nd Quarter 2012
Interest and similar items on financial assets	241	87	98	63
Result of financial asset disposals	393	2,068	244	1,034
Change in fair value of hedging instruments	1,536	228	871	81
Dividends received	-	157	-	157
Financial income	**2,170**	**2,540**	**1,213**	**1,335**
Interest on financial liabilities	(48,442)	(46,719)	(25,700)	(22,633)
Income / (expenses) on hedging instruments	(12,999)	(13,221)	(4,459)	(6,946)
Change in fair value of hedging instruments	-	(1,530)	-	(1,530)
Amortisation of loan issue expenses	(6,021)	(4,445)	(3,011)	(2,222)
Other financial expenses & fees	(273)	(245)	(218)	(109)
Accretion cost (1)	(1,244)	(1,435)	(592)	(680)
Financial expenses	**(68,979)**	**(67,595)**	**(33,980)**	**(34,120)**
Net financial income	**(66,809)**	**(65,054)**	**(32,767)**	**(32,785)**

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

Note 5 – Corporation tax

5.1 - Group tax analysis

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

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

Amounts in thousands of euros	**As at 30 June 2013**	**As at 30 June 2012***	**2nd Quarter 2013**	**2nd Quarter 2012***
Pretax net income from continuing businesses	118,001	142,293	69,626	87,478
Share of profit or loss of an associate	(114)	(404)	21	(281)
Pretax net income from continuing businesses and before Share of profit or loss of an associate	**118,115**	**142,697**	**69,605**	**87,759**
Statutory tax rate	34.43%	34.43%	34.43%	34.43%
Theoretical tax	**(40,671)**	**(49,135)**	**(23,967)**	**(30,218)**
Loss-making companies not integrated for tax	(242)	(136)	(127)	(81)
Share-based payment	(444)	(145)	(226)	(6)
Foreign subsidiaries	12	(23)	10	90
Corporate value added contribution (after tax)	(4,084)	(4,406)	(2,173)	(2,441)
Ceiling of interest expense deductibility	(2,475)	-	(1,302)	-
Adjustment corporation tax of prior years	1,523	-	7	-
Additional tax 5%	(1,929)	(2,313)	(1,136)	(1,393)
Other non-taxable income	918	995	907	1,250
Effective tax	**(47,391)**	**(55,163)**	**(28,006)**	**(32,801)**
of which current tax	*(50,424)*	*(55,952)*	*(29,240)*	*(33,129)*
of which deferred tax	*3,033*	*789*	*1,234*	*328*
Effective tax rate	**40.1%**	**38.7%**	**40.2%**	**37.4%**

* no restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

5.2 - Taxes in the balance sheet

The net balance sheet position is detailed as follows:

Amounts in thousands of euros	As at 30 June 2013	As at 31 December 2012	As at 30 June 2012*
Retirement benefits	27,483	26,060	16,306
Employee profit-sharing	4,378	4,278	4,450
Non-deductible provisions	4,573	4,573	4,396
Hedging instruments	11,563	18,859	20,344
Tax loss carryforward	847	593	366
Other differences	1,043	1,071	1,023
Subtotal deferred tax assets	**49,887**	**55,434**	**46,885**
Corporate value added contribution	(66)	(90)	(128)
Loan issue costs	(11,648)	(13,184)	(10,158)
Brand 123people	(1,132)	(1,132)	(1,132)
Depreciations accounted for tax purposes	(15,423)	(16,007)	(14,199)
Subtotal deferred tax liabilities	**(28,269)**	**(30,413)**	**(25,617)**
Total net deferred tax assets / (liabilities)	**21,618**	**25,021**	**21,268**
Deferred tax assets	*22,432*	*26,023*	*22,405*
Deferred tax liabilities	*(814)*	*(1,002)*	*(1,137)*

* No restated for the expensing of fixed costs of the sales force and for early adoption of IAS 19R (cf. note 2)

No deferred tax asset relating to loss carryforwards of QDQ Media was recognised in the balance sheet, as this company recorded a net loss as at 30 June 2013. The amount of deferred tax not recognised is estimated at 63.5 million euros.

The deferred tax assets in the balance sheet decreased from 26.0 million euros as at 31 December 2012 to 22.4 million euros as at 30 June 2013.

In the balance sheet as at 30 June 2013, corporation tax represents a receivable of 0.9 million euros and a liability of 0.2 million euros. In the balance sheet as at 30 June 2012, corporation tax represented a receivable of 0.4 million euros and a liability of 2.0 million euros. The tax disbursed as at 30 June 2013 is 48.3 million euros compared to 48.8 million euros as at 30 June 2012.

Note 6 - Derivative financial instruments

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

These operations provide a cash flow hedge relating to the variable rate debt (cf. note 7). Prospective effectiveness tests performed on the inception of these operations and retrospective tests carried out on 31 December 2012 and 30 June 2013 showed that these financial instruments offered a totally effective cash flow hedge in relation to this debt.

Accounting and assets/liabilities relating to these derivative financial instruments

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

(in thousands of euros)	**As at 30 June 2013**	**As at 31 December 2012**	**As at 30 June 2012**
Interest rate swaps – cash flow hedge	(32,015)	(50,611)	(57,380)
Interest rate swap – fair value hedge	-	-	(98)
Collars – fair value hedge	*(2,433)*	*(3,969)*	(1,529)
Assets / (Liability)	**(34,448)**	**(54,580)**	**(59,007)**
Of which non-current	*(21,489)*	*(21,507)*	*(58,910)*
Of which current	*(12,959)*	*(33,073)*	*(97)*

The change in the fair value of derivative financial instruments (qualified as cash flow hedges) between 31 December 2012 and 30 June 2013, i.e. an increase of 18.6 million euros, was stated in transferable equity, after recognition of deferred tax of 6.7 million euros.

The change in the collar (qualified as fair value hedging) was recognised in financial expenses (cf. note 4), for an amount of 1.5 million euros. Deferred tax of 0.6 million euros was recorded in this respect.

No ineffectiveness was recorded with regard to cash flow hedges.

Note 7 - Cash and cash equivalents, net financial debt

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

(in thousands of euros)	**As at 30 June 2013**	**As at 31 December 2012**	**As at 30 June 2012**
Accrued interest not yet due	14	18	6
Cash equivalents	94,342	106,747	482,788
Cash	13,536	4,723	4,920
Gross Cash position	**107,892**	**111,488**	**487,714**
Bank overdrafts	(2,007)	(19,616)	(2,536)
Net Cash	**105,885**	**91,872**	**485,178**
Bank loan	1,368,202	1,368,224	1,600,000
Bond borrowings	350,000	350,000	350,000
Revolving credit line drawn	-	75,807	281,386
Loan issuance expenses	(31,610)	(37,631)	(29,278)
Capital leases	75	119	163
Fair value of hedging instruments (cf. note 6)	34,448	54,580	59,007
Price supplements on acquisition of securities	5,231	4,898	8,485
Accrued interest not yet due	7,039	16,720	6,684
Other financial liabilities	958	836	1,195
Gross financial debt	**1,734,343**	**1,833,553**	**2,277,642**
of which current	*138,792*	*146,986*	*289,942*
of which non-current	*1,595,551*	*1,686,567*	*1,987,700*
Net debt	**1,628,458**	**1,741,681**	**1,792,464**

Cash and cash equivalents

As at 30 June 2013, cash equivalents amounted to 94.3 million euros and mainly comprised UCITS, of which some invested under the liquidity contract and non-blocked, remunerated, fixed-deposit accounts.

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

Bank loan

The facility agreement amended in November 2012 notably includes default and mandatory prepayment clauses, as well as the following progressive financial covenants:

- the ratio of consolidated net debt to an aggregate close to the consolidated GOM must be less than or equal to 4.00 from 30 June 2013 to 30 September 2013, and 3.75 thereafter (GOM and consolidated net debt as defined in the agreement with the financial institutions);
- the ratio of an aggregate close to the consolidated GOM to the consolidated net interest expense must be greater than or equal to 3.0 over the residual term of the agreement (GOM and consolidated net debt as defined in the agreement with the financial institutions).

As at 30 June 2013, these financial covenants were met and there are no grounds for reclassifying non-current debt as current. These ratios were respectively at 3.63 and 3.75.

It also includes a compulsory early repayment clause in the event of a change of control of the Company resulting from the acquisition of the shares of the Company.

The reference rate is Euribor or Libor plus a margin.

As at 30 June 2013, bank debt can be broken down as follows:

- Tranche A1: principal of 49.6 million euros maturing in November 2013, with a margin of 175 bps;
- Tranche A3: principal of 962.0 million euros of which 7.5 million euros maturing in September 2013, 30.0 million euros maturing in 2014 and the balance, which is 924.5 million euros, maturing in 2015, margin of 400 bps;
- Tranche A5: principal of 356.4 million euros of which 13.6 million euros maturing in September 2013, 54.3 million euros maturing in 2014 and the balance, which is 288.5 million euros, maturing in 2015, margin of 360 bps;
- Revolving credit line RCF 1: principal of 22.0 million euros maturing in November 2013, with a margin of 175 bps, not drawn as at 30 June 2013;
- Revolving credit line RCF 3: principal of 73.8 million euros of which 2.8 million euros maturing in September 2013, 11.2 million euros maturing in 2014 and the balance, which is 59.8 million euros, maturing in 2015, margin of 360 bps, not drawn as at 30 June 2013.

Bond borrowings

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

Price supplements on acquisition of securities

As part of the acquisitions completed in 2011, 2012 and 2013, price supplements may be paid between 2013 and 2014 if certain operating performance conditions are fulfilled. As at 30 June 2013, these were estimated to be 5.2 million euros.

Other financial liabilities

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

Note 8 - Share-holders’ equity

Through the liquidity contract, as at 30 June 2013, the Company held 1,454,878 of its own shares (1,328,711 as at 31 December 2012), stated as a deduction from equity and 1.6 million euros of liquidities classified as cash and cash equivalents.

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

As at 30 June 2013, Solocal Groupe consequently held 3,454,878 of its own shares.

Solocal Group is a subsidiary of Médiannuaire Holding, which controls 18.49% of the capital and 27.94% of the voting rights.

Note 9 – Digital 2015: Operational transformation and additional digital growth

In Februray 2013, the Group launched « Digital 2015", a program aimed at transforming Solocal Group into a Digital Group. In respect of this program, a project of the evolution of the organization and the model of PagesJaunes SA was presented in May 2013 to the personnel representatives of PagesJaunes SA. Discussions regarding this project are planned to be held with the same personnel representatives during the third quarter of 2013. As at 30 June 2013, the company could not record an accrual with respect to this project, which is consequently treated as a contingent liability.

Note 10 – Changes in the scope of consolidation

The scope of consolidation did not change significantly during the first half of 2013.

Note 11 - Information on related parties

There were no new significant transactions or changes with related parties during the first half of 2013.

Note 12 – Off-balance-sheet commitments

There were no new significant commitments during the first half of 2013.

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

There were no new significant changes concerning disputes during the first half of 2013.

Note 14 - Events subsequent to the closing date of 30 June 2013

On the date this report was established, no significant event was observed subsequent to the closing date of 30 June 2013.

3. STATEMENT BY THE PERSON RESPONSIBLE

I certify that based on my knowledge, the first half 2013 condensed consolidated financial statements have been prepared in accordance with the applicable accounting standards and fairly present the assets and liabilities, financial condition, and results of operations of the company and of its consolidated subsidiaries, and that the half-yearly management report fairly presents the material events which occurred during the first six months of the financial year, their impact on the interim financial statements, the main transactions between related parties, as well as a description of the main risk factors and uncertainties for the remaining six months of the financial year.

Sèvres, 24 July 2013
Chairman and CEO,
Jean-Pierre Remy

4. STATUTORY AUDITORS' REPORT ON THE FIRST HALF-YEAR FINANCIAL INFORMATION FOR 2013

To the Shareholders,

In compliance with the assignment entrusted to us by your Shareholders' meeting and in accordance with the requirements of Article L. 451-1-2 III of the French monetary and financial code ("*Code Monétaire et Financie*r"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Solocal Group, for the period from January 1, 2013 to June 30, 2013, and
- the verification of information contained in the interim management report.

These condensed half-year consolidated financial statements have been prepared under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. CONCLUSION ON THE FINANCIAL STATEMENTS

We conducted our limited review in accordance with professional standards applicable in France. A review of interim financial information mainly consists in 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 half-year consolidated financial statements are not prepared in all material respects in accordance with IAS 34 – IFRS as adopted by the European Union applicable to interim financial information.

2. SPECIFIC VERIFICATIONS

We have also verified the information provided in the interim management report commenting the condensed half-year consolidated financial statements that were subject to our review. We have no matters to report on the fair presentation and consistency of this information with the condensed half-year consolidated financial statements.

French original signed at Paris-La-Défense and Neuilly-sur-Seine, on 25 July 2013, by
The statutory auditors

Ernst & Young Audit
Denis THIBON

Deloitte & Associés
Ariane BUCAILLE