INTERIM FINANCIAL REPORT FNAC #2015

FINANCIAL STATEMENTS AT JUNE 30

1 GROUPE FNAC IN THE FIRST HALF OF 2015 – KEY DATA

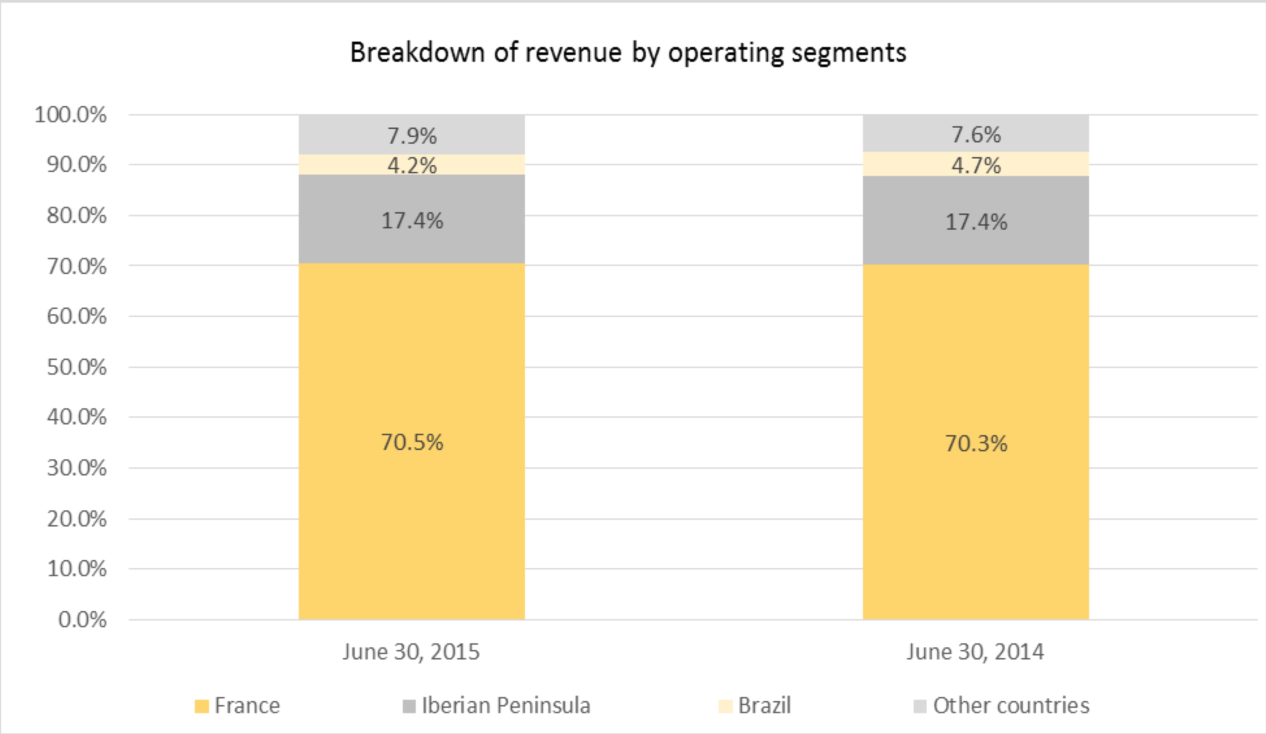
Group Consolidated Key Data

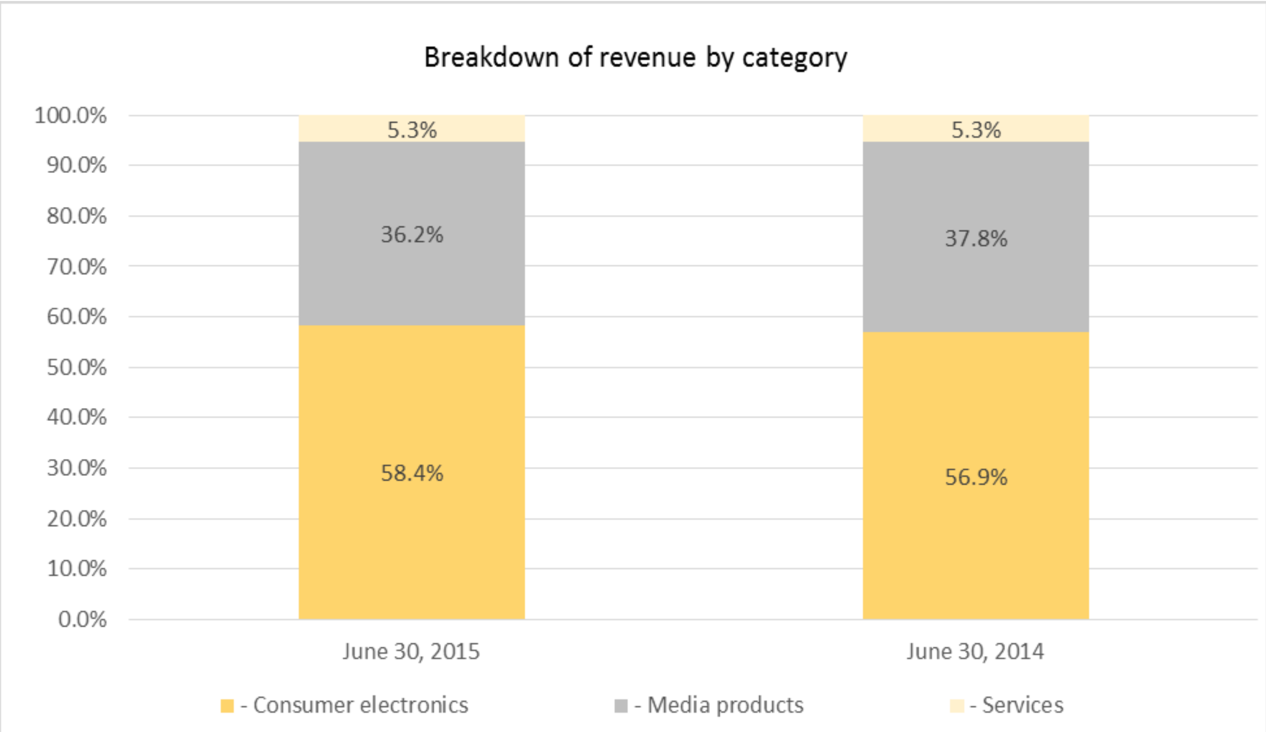
(€ million)	**June 30, 2015**	**June 30, 2014 Restated (1)**	**Change**
Revenues	1,628.2	1,639.4	(0.7%)
Gross margin	483.8	488.9	(1.0%)
as % of revenues	29.7%	29.8%	(0.1)pt
EBITDA (2)	1.4	11.2	(87.5%)
as % of revenues	0.1%	0.7%	(0.6)pt
Current operating income	(29.0)	(24.9)	(16.5%)
as % of revenues	(1.8%)	(1.5%)	(0.3)pt
Operating income	(30.7)	(32.5)	5.5%
as % of revenues	(1.9%)	(2.0%)	0.1pt
Net income, Group share	(42.8)	(42.2)	(1.4%)
Net income from continuing operations, Group share, excluding non-current items	(41.3)	(34.9)	(18.3%)
Net operating investments excluding finance leases	20.6	21.5	(4.2%)
Free cash flow from operations	(276.5)	(272.4)	(1.5%)
Shareholders' equity	548.9	514.2	6.7%
Group share	542.0	507.0	6.9%
Net financial debt	(256.8)	(196.4)	(30.8%)
Average workforce	11,914	12,266	(2.9%)

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

(2) EBITDA is defined as current operating income plus net allocations for depreciation, amortization and provisions on non-current operating assets recognized in current operating income.

Data per share (€)	**June 30, 2015**	**June 30, 2014**	**Change**
Net income, Group share	(2.57)	(2.55)	(1.1%)
continuing operations, excluding non-current items	(2.48)	(2.11)	(17.9%)


Breakdown of revenue by operating segments
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
7.9%
4.2%
17.4%
70.5%
7.6%
4.7%
17.4%
70.3%
June 30, 2015
June 30, 2014
France
Iberian Peninsula
Brazil
Other countries


Breakdown of revenue by category
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
5.3%
36.2%
58.4%
5.3%
37.8%
56.9%
June 30, 2015
June 30, 2014
- Consumer electronics
- Media products
- Services

2 BUSINESS REVIEW

1.1 FOREWORD – DEFINITIONS

Definition of reported, comparable and constant revenue

The Group's reported revenue (or profit from ordinary operations) corresponds to its published revenue. The Group also uses the notion of comparable data to measure the organic growth of its business activities. The notion of comparable revenue consists of revenue restated for currency translation differences on revenue recorded in 2014 by foreign subsidiaries and the adjustment in 2015 revenue for the impact of changes in consolidation that occurred in 2014 or 2015. Lastly, the notion of constant revenue measures the change in revenue by eliminating the stores that do not have, for those that are company-operated, a full business report for the twelve months of 2014.

Definition of current operating income

Groupe Fnac's total operating income includes all income and expenses directly related to Group activities, whether that income and expenses are recurring or arise from non-recurring and atypical decisions or transactions.

"Other non-current operating income and expenses" represents unusual items that could distort the assessment of the Group's economic performance, as defined by the French National Accounting Board (Commission des Normes Comptables – CNC) Recommendation No. 2013-03 of November 7, 2013.

As a result, Groupe Fnac monitors operating performance using current operating income, which is defined as the difference between total operating income and "other non-current operating income and expenses" (see Note 6 to the condensed consolidated half year financial statements), as the major management balance.

Current operating income is an intermediate aggregate that facilitates an understanding of the entity's operating performance and which can be used as a provisional approach to recurring performance. This indicator is in a consistent and stable manner over time in accordance with the principle of continuity and relevance of the financial information.

Definition of EBITDA and EBITDAR

In addition to its published results, the Group presents additional performance indicators that exclude the impact on current operating income of net charges to depreciation, amortization and provisions on non-current operating assets recognized in current operating income, for EBITDA, as well as rents excluding rental charges on simple leases for properties for the EBITDAR. The Group believes that this information can assist investors in analyzing the performance of the Group. These indicators are also used in the context of the financial covenants applicable under the Credit Facilities Agreement. EBITDA and EBITDAR are not indicators specified by IFRS, and are not included in the Group's consolidated financial statements. There is no standard definition for EBITDA and EBITDAR; as a result, the definition used by the Group may not correspond to the definitions given to these terms by other companies.

Definition of free cash flow from operations

The Group also uses an intermediate aggregate, the "Free cash flow from operations", to monitor its financial performance. This financial indicator measures net cash flows related to operating activities and gross operating investment flows (defined as acquisitions and disposals of non-current tangible and intangible assets, and changes in trade payables on non-current assets).

Definition of net financial debt

As defined by CNC Recommendation No. 2013-03 of November 7, 2013, net financial debt comprises gross borrowings, including interest accrued and not yet due, less net cash.

IFRS 5 – Non-current assets held for sale and discontinued operations

In accordance with IFRS 5 – Non-current assets held for sale and discontinued operations, the Group has presented certain activities as discontinued, sold or held for sale. Net income from these activities is presented on a separate line of the profit and loss statement, the "Net income from discontinued operations", and is restated in the statement of cash flows and the profit and loss statement for all reported periods.

The assets and liabilities from operations "sold or held for sale" are presented on separate lines in the Group's balance sheet, without restatement for prior periods. Assets and liabilities on "discontinued operations" are not presented on separate lines of the balance sheet.

Rounding

The following tables include data rounded off individually. The arithmetic calculations based on rounded off data can present differences with the aggregates or subtotals reported.

1.2 SIGNIFICANT EVENTS IN THE FIRST HALF OF THE YEAR

1.2.1 Launch of a new store concept

In the first half of 2015, Groupe Fnac launched a new concept of spaces dedicated entirely to connected and telephone products:

- **Launch of a new "Fnac Connect" concept**

Fnac continues its offensive in the market of connected devices and telephony with the launch of a new concept of spaces Fnac Connect, completely dedicated to these two product families. Developed in the form of dedicated boutiques (from 80 to 100 m2) or corners in Fnac stores (shop in shop), Fnac Connect offers the latest product trends.

Following the success of the flagship Fnac "Telephony and connected devices" on the Champs Elysées, which opened in June 2014, the first Connect Fnac store opened in Angoulême on March 19, 2015 covering 85m². Designed to give customers a unique and fun experience, the new store provides the largest offer of connected devices and telephony in the market along with a broad range of trendy designer accessories. Customers have the freedom to access self-service products, and demonstration areas let them discover their uses and the latest innovations.

- **The new concept wins an award**

The French Design Institute has recognized Fnac for its Fnac Connect concept. The concept won the "Janus du Commerce", an official label sponsored by the Ministries of Industry, Commerce and Foreign Trade.

1.2.2 Growth drivers

- **New stores opened in France**

The Group continued to increase its presence in France, opening 3 new franchise convenience stores in the first half of the year:

Aubenas (Ardèche)

A new franchised convenience store opened in Aubenas (Ardèche) on Thursday, March 19, 2015, replacing the Intermarché "Entertainment and Leisure" store. Aubenas is the third "Entertainment and Leisure" store to be rebranded Fnac. The new stores are the fruit of discussions between Intermarché's management and its franchisees.

The Fnac store in Aubenas covers 750m² and has a staff of 16.

Ajaccio (Corsica)

The first Fnac store in Corsica opened on Thursday, April 30, 2015 in Ajaccio. This new store will reinforce Fnac's expansion strategy in small and medium-sized towns, where it has not had a presence until now.

The Fnac store in Ajaccio has an area of 966m² and a staff of 17.

Dole (Jura)

Fnac opened a new store in Dole (Jura) on Tuesday, June 30, 2015.

Following Belleville-sur-Saône, Crest and Aubenas, Dole is the fourth Fnac store to open within the Intermarché network. This new store represents a first: while the three previous stores opened replaced existing "Entertainment and Leisure" stores, the Fnac store in Dole is the first new store to open as part of the Intermarché network.

The Fnac store in Dole cover 520m² and has a staff of 11.

- **A new franchise in a new country**

On May 19, 2015, Fnac opened its first store in Doha, Qatar, a franchise in partnership with Darwish Holding, a pioneer in large-scale and small retailing in the Middle East.

After Morocco, Qatar is the second country in which Fnac is establishing a franchise. By partnering with Darwish Holding, the brand will benefit from the full expertise of this group in both franchising and the distribution of technical products. Darwish Holding is in fact the Qatar distributor of more than 30 brands of technical products (Sony, Yamaha, Bose, Bang & Olufsen, etc.).

The Fnac store in Doha is located in the Lagoona Mall. The store covers 1,348m² on one floor and has a staff of 34.

1.2.3 Other

Furthermore, in May 2015 Alexandre Bompard informed the Board of Directors of his decision to reinvest the entire multi-year variable compensation, net of all taxes and social contributions, that he will receive in 2015, in Groupe Fnac shares. Alexandre Bompard has thus indicated his desire to strengthen his ties with the Group by taking an equity stake, further aligning his interests with those of its shareholders and reaffirming his confidence in the Group's continuing transformation. The shares will be purchased on the market and held in registered form for a minimum period of two years.

1.3 FIRST HALF OF 2015 BUSINESS REVIEW

1.3.1 Analysis of the Group's operational performance

The main financial indicators of Groupe Fnac for the first half of 2015 are presented below:

(€ million)	**June 30, 2015**	**June 30, 2014 Restated (1)**	**Change**
Revenues	1,628.2	1,639.4	(0.7%)
Gross margin	483.8	488.9	(1.0%)
as % of revenues	29.7%	29.8%	(0.1)pt
EBITDA (2)	1.4	11.2	(87.5%)
as % of revenues	0.1%	0.7%	(0.6)pt
Current operating income	(29.0)	(24.9)	(16.5%)
as % of revenues	(1.8%)	(1.5%)	(0.3)pt
Operating income	(30.7)	(32.5)	5.5%
as % of revenues	(1.9%)	(2.0%)	0.1pt
Net income, Group share	(42.8)	(42.2)	(1.4%)
Net income from continuing operations, Group share, excluding non-current items	(41.3)	(34.9)	(18.3%)
Net operating investments excluding finance leases	20.6	21.5	(4.2%)
Free cash flow from operations	(276.5)	(272.4)	(1.5%)
Shareholders' equity	548.9	514.2	6.7%
Group share	542.0	507.0	6.9%
Net financial debt	(256.8)	(196.4)	(30.8%)
Average workforce	11,914	12,266	(2.9%)

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

(2) EBITDA is defined as current operating income plus net allocations for depreciation, amortization and provisions on non-current operating assets recognized in current operating income.

The Group's first half performance is traditionally affected by the seasonal nature of its businesses, which generate the bulk of their earnings and free cash flow from operations in the second half of the year.

1.3.1.1 Revenues

Consolidated revenue from continuing operations for the first half of 2015 amounted to €1,628.2 million, down 0.7% from the first half of 2014 as reported and 0.9% at constant exchange rates.

On a same store basis, revenues declined by 0.9%.

(€ million)	**June 30, 2015**	***(as % of the total)***	**June 30, 2014**	***(as % of the total)***	**Change**	**Change at constant exchange rates**	**Change at constant exchange rates and consolidation**	**Change at constant exchange rates, consolidation and same-store basis**
France	1,147.9	70.5%	1,150.8	70.3%	(0.3%)	(0.3%)	(0.3%)	0.4%
Iberian Peninsula	283.8	17.4%	285.8	17.4%	(0.7%)	(0.7%)	(0.7%)	(3.1%)
Brazil	68.0	4.2%	77.4	4.7%	(12.2%)	(7.7%)	(7.7%)	(8.4%)
Other countries	128.5	7.9%	125.4	7.6%	2.6%	(2.8%)	(2.8%)	(2.8%)
Total	**1,628.2**	**100.0%**	**1,639.4**	**100.0%**	**(0.7%)**	**(0.9%)**	**(0.9%)**	**(0.9%)**

Despite an improvement in the macroeconomic situation in some countries in which the Group operates, the situation in our markets remains difficult. However, in Brazil, activity has slowed with the deterioration in key macroeconomic indicators. In Switzerland, consumption has been adversely impacted by the appreciation of the Swiss franc since the beginning of 2015.

The distribution of revenues by product category is analyzed in Note 4 "Operating segment" of the consolidated financial statements in this interim financial report.

At constant exchange rates, revenues from consumer electronics were up, driven by the sub-category "IT products," which benefited from the solid performance in sales of non-subscription telephones (primarily smartphones), while hardware suffered from a lack of new products in the tablet market. In the "Consumer electronics" sub-category, television sales dropped slightly due to the operations tied to the Soccer World Cup in 2014. The increase in Audio was insufficient to offset this negative impact.

Revenues from media products were down, penalized by the decline in the video and gaming markets, which recorded an historic high related to the new gaming consoles released in late 2013 and the success of the video games released in the first half of 2014. The decline in the "Discs and Gaming" sub-category could not be offset by the results from the Book segment and additional revenues from new Paper products, particularly in France, and Toys & Games.

New products (Home & Design, Toys and Games, Stationery, Telephony and Connected Products) represented 13.8% of Group merchandise revenues, an increase of 4.7 points over the first half of 2014.

Revenues from Services were stable, with the decrease in services related to sales of consumer electronics offset by the increase in commissions from the Marketplace and brand royalties related to the development of the franchise, and reinvoicing of deliveries of internet orders.

Internet activities accounted for 14.5% of the Group's sales, an increase of 1.3 points.

The development of the omni-channel strategy continued in all areas with the introduction of new functionalities, the development of the Marketplace and BtoB activities.

Membership remains a major component of the Group's marketing policy. The number of members continued to rise in the first half of 2015.

The growth in the store network continued with the opening of four new franchise stores in France (including one store with the new "Connect" concept) and one franchise store in Qatar.

1.3.1.2 Current operating income

Groupe Fnac reported a current operating loss of €29.0 million as of June 30, 2015, compared to a loss of €24.9 million in the first half of 2014.

The gross margin rate held up well (-10 bp). The decrease in the margin value due to the decline in revenues and the impact of updating valuation assumptions for provisions for the multi-annual variable compensation components (see note 5 on personnel expenses in Chapter 3) was partially offset by the solid execution of the plan to reduce expenses.

(€ million)	**June 30, 2015**	***(as % of the total)***	**June 30, 2014**	***(as % of the total)***	**Change**
France	(31.2)	107.6%	(26.3)	105.6%	(18.6%)
Iberian Peninsula	4.2	(14.5%)	4.7	(18.9%)	(10.6%)
Brazil	(1.8)	6.2%	(2.6)	10.4%	30.8%
Other countries	(0.2)	0.7%	(0.7)	2.8%	71.4%
Total	**(29.0)**	**100.0%**	**(24.9)**	**100.0%**	**(16.5%)**

1.3.1.3 EBITDA and EBITDAR

(€ million)	**June 30, 2015**	***(as % of revenues)***	**June 30, 2014**	***(as % of revenues)***	**Change**
Current operating income	**(29.0)**	**(1.8%)**	**(24.9)**	**(1.5%)**	**(16.5%)**
Net depreciation and amortization charges (1)	30.4	1.9%	36.0	2.2%	(15.6%)
EBITDA	**1.4**	**0.1%**	**11.2**	**0.7%**	**(87.5%)**
Rents (2)	66.7	4.1%	64.9	4.0%	2.8%
EBITDAR	**68.1**	**4.2%**	**76.1**	**4.6%**	**(10.5%)**

(1) Net depreciation and amortization charges correspond to the net depreciation and amortization charges and provisions on non-current operating assets recognized in current operating income.
(2) Rents correspond to property rents excluding rental charges on simple leases.

EBITDA for the first half of the year was €1.4 million, down €9.8 million from the first half of 2014.

EBITDAR for the first half of the year was €68.1 million, down €8.0 million from the first half of 2014.

1.3.1.4 Other non-current operating income and expenses

(€ million)	June 30, 2015	June 30, 2014
Non-current operating expenses	**(1.7)**	**(10.1)**
Restructuring costs	(1.7)	(10.1)
Non-current operating income	**-**	**2.5**
Litigation and disputes	-	2.5
Total	**(1.7)**	**(7.6)**

The Group's other non-current operating income and expenses reflect unusual and significant items that could distort the relevance of the tracking of the Group's economic performance.

At June 30, 2015, this item represented a net expense of €1.7 million and primarily included restructuring costs relating to organizational changes.

At June 30, 2014, this item represented a net expense of €7.6 million and included €10.1 million in restructuring costs, which was partially offset by reversals of provisions for litigation and disputes that had elapsed or ended in the amount of €2.5 million.

1.3.1.5 Net financial expenses

At June 30, 2015, the Group's net financial expenses can be broken down as follows:

(€ million)	June 30, 2015	June 30, 2014	Change
Cost of net financial debt	(0.3)	(0.3)	(0.0%)
Other financial income and expenses	(4.2)	(4.5)	6.7%
Total	**(4.5)**	**(4.8)**	**6.2%**

In the first half of 2015, the net financial result was a financial expense of €4.5 million compared with a €4.8 million financial expense for the same period in the previous year.

For the first six months of 2015, the cost of the Group's net debt remained stable compared to the same period in the previous year and stood at €0.3 million.

As of June 30, 2015, other financial income and expenses consisted primarily of expenses related to the syndicated line of credit totaling €2.2 million (spread on the origination cost and the fee for non-use), and the cost of consumer credit for €1.5 million.

1.3.1.6 Income tax

For the first half of 2015, the Group's income tax expenses can be analyzed as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Pre-tax income	(35.2)	(37.3)	55.9
Non-current items	(1.7)	(7.6)	(9.1)
Current income before tax	**(33.5)**	**(29.7)**	**65.0**
Total tax liability	(7.4)	(4.8)	(14.5)
Tax on non-current items	0.3	0.4	2.4
Current tax liability	**(7.7)**	**(5.2)**	**(16.9)**
Effective tax rate	**(21.0%)**	**(12.9%)**	**25.9%**
Current tax rate	**(23.0%)**	**(17.5%)**	**26.0%**

The income tax expense in the first half of the year is calculated on the basis of the estimated effective tax rate for the year for each tax entity or sub-group.

The total income tax expense includes a €4.2 million expense for CVAE for the first half of 2015 (€3.9 million for the first half of 2014).

1.3.1.7 Net income from continuing operations, Group share

For the first half of 2015, the Group share of consolidated net income from continuing operations of Groupe Fnac totaled -€42.8 million; it was stable compared with the same period of the previous year when it stood at -€42.2 million.

Adjusted for non-current items net of tax, the attributable net loss from continuing operations excluding non-current items was -€41.3 million as of June 30, 2015; it was -€34.9 million a year earlier.

1.3.1.8 Net income (loss) from discontinued operations, Group share

Discontinued operations include all assets (or group of assets) recognized in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations.

At June 30, 2015 and June 30, 2014, the Group share of net income from discontinued operations was zero.

1.3.1.9 Consolidated net income, Group share

The Group share of net loss totaled -€42.8 million as of June 30, 2015, a €0.6 million change from the first half of 2014, when it totaled -€42.2 million.

1.3.1.10 Net earnings per share

The weighted average number of Groupe Fnac shares used to calculate net earnings per share was 16,629,036.

At June 30, 2015, Groupe Fnac's net earnings per share was -€2.57. In the first half of the previous year it amounted to -€2.55.

Excluding non-current items, net earnings per share from continuing operations was -€2.48. In the first half of the previous year it was -€2.11.

1.3.2 Analysis of operating performance by operating segment

1.3.2.1 France

(€ million)	**June 30, 2015**	**June 30, 2014**	**Change**
Revenues	1,147.9	1,150.8	(0.3%)
Current operating income	(31.2)	(26.3)	(18.6%
as % of revenues	(2.7%)	(2.3%)	(0.4)pt
Operating income	(31.5)	(33.3)	5.4%
as % of revenues	(1.7%)	(2.9%)	0.2pt
Net operating investments excluding finance leases	17.6	17.9	(1.7%)
Average workforce	7,741	8,062	(4.0%)

Revenues for France

In France, the Group continued to face declining markets and a challenging retail environment. Revenues for the first half of 2015 totaled €1,147.9 million compared with €1,150.8 million for the first half of 2014, a slight decrease of 0.3%.

On a same-store basis, revenues were up by 0.4% after taking into account the two closings in 2014.

At the end of May 2015 (June data not yet available), the Group continued to gain market share in France.

The distribution of revenues by product category is analyzed in Note 4 "Operating segment" of the consolidated financial statements in this interim financial report.

Over the first half, revenues from consumer electronics rose primarily due to the increase in the sub-category "IT Products" which is benefiting from very strong growth in phone sales, and the roll-out of connected products corners in all the stores. The hardware sector is still suffering from a lack of new products in the tablet market where sales were down for the period. The "Consumer Electronics" sub-category was impacted by the historically high levels of TV sales related to the Soccer World Cup in 2014.

Revenues from media products were down, partially driven by the negative impact of the Disc and Gaming sub-category, and to a greater extent by the decline in the Video and Gaming segments. The Gaming segment suffered from the historic high reached following the launch of the new generation of consoles in late 2013. In the "Books, Games & Toys and Stationery" sub-category, all sectors recorded gains. The growth in book sales was combined with the solid performance of the Kids spaces and stationery sections, which continued to be rolled out during the period.

Services revenues remained relatively stable, with the decline in services related to sales of consumer electronics (due to the technical effect of warranty extensions) and the gift-box business offset by the increase in ticketing and box office services, commissions received on the Marketplace and the fee dedicated to the development of the franchise.

Internet activities continued to grow and represented 16.6% of Group sales in France in the first half of 2015, an increase of 1.5 points.

Current operating income for France

Current operating loss for France was -€31.2 million for the first half of 2015, versus a loss of -€26.3 million in 2014.

The current operating income margin deteriorated slightly from its level at the end of June 2014. The continuation of the cost-cutting plan partially limited the impact of the decline in the gross margin on current operating income.

1.3.2.2 Iberian Peninsula

(€ million)	**June 30, 2015**	**June 30, 2014**	**Change**
Revenues	283.8	285.8	(0.7%)
Current operating income	4.2	4.7	(10.6%)
as % of revenues	1.5%	1.6%	(0.2)pt
Operating income	3.6	3.4	5.9%
as % of revenues	1.3%	1.2%	0.1pt
Net operating investments excluding finance leases	2.2	2.3	(4.3%)
Average workforce	2,768	2,728	1.5%

Revenues in the Iberian Peninsula

Revenues generated in the Iberian Peninsula fell slightly in the first half of 2015. They totaled €283.8 million versus €285.8 million for the first half of 2014.

On a same-store basis (four stores were opened and one store was closed in 2014), revenues declined by 3.1%.

The opening of new stores in Portugal in late 2014 had a positive impact, while business in Spain remains difficult.

The distribution of revenues by product category is analyzed in Note 4 "Operating segment" of the consolidated financial statements in this interim financial report.

Revenues from consumer electronics were down very slightly. This performance is mainly due to a drop in sales in the "retail consumer electronics" sub-category, which was impacted by historically high levels of TV sales related to the Soccer World Cup in 2014. The "IT Products" sub-category is benefiting from the growth in telephone sales.

The drop in revenues from media products is primarily the result of the decline in the disk and gaming sub-category. The decline in the Gaming segment is related to the historic high generated at the introduction of the new generation of consoles. The sharp drop in video reflects the lack of new products in the first half of the year. In the "Books, games & toys and stationery" sub-category, the performance of the kids and stationery spaces partially offset the slight drop in revenues from Books.

Services revenues were up, driven by services related to consumer electronics sales, the gift-box business and commissions received on the two Marketplaces.

Internet activities increased in the first half of 2015 and now account for 8.9% of Group sales in the Iberian Peninsula, an increase of 0.2 points.

Current operating income in the Iberian Peninsula

Current operating income for the Iberian Peninsula was €4.2 million in the first half of 2015, versus a profit €4.7 million in the first half of 2014.

The current operating income margin was down slightly, falling from 1.6% to 1.5%. The decline in the gross margin and the increase in personnel expenses due to stores opened in late 2014 was only partially offset by continued optimization plans for other expenses.

1.3.2.3 Brazil

(€ million)	**June 30, 2015**	**June 30, 2014**	**Change**
Revenues	68.0	77.4	(12.1%)
Current operating income	(1.8)	(2.6)	30.8%
as % of revenues	(2.6%)	(3.4%)	0.7pt
Operating income	(2.0)	(0.2)	N/A
as % of revenues	(2.9%)	(0.3%)	(2.7)pt
Net operating investments excluding finance leases	0.1	0.5	(80.0%)
Average workforce	715	765	(6.5%)

Revenues in Brazil

In the first half of 2015, revenues in Brazil reached €68.0 million versus €77.4 million in the first six months of 2014, a decrease of 12.1%.

Revenues fell by 7.7% at constant exchange rates, and by 8.4% on a same-store basis.

The Brazilian economy remains in recession in 2015 while the consumer confidence index is very low.

The distribution of revenues by product category is analyzed in Note 4 "Operating segment" of the consolidated financial statements in this interim financial report.

The decline in revenues from consumer electronics is primarily due to the TV and hardware sectors. In the sub-category "retail consumer electronics", television sales were hurt by the historically high sales related to the Soccer World Cup in 2014. In the "IT Products" sub-category there was strong growth in the telephony sector driven by the concentration of marketing strategy on smartphones. However, this performance could not offset the decline in the Hardware sector.

Revenues from media products fell sharply across all sectors with the exception of stationery. In the "Discs and Gaming" sub-category, the video sector remains sluggish. The Gaming segment suffered significant declines in consoles in the first half of the year, combined with historically high sales driven by the launch of new consoles in early 2014. In the "Books, Games-Toys and Stationery" sub-category, the drop in book revenues is partly explained by an unfavorable history in the second quarter, due to the World Cup last year.

Services revenue declined due to the reduction of services attached to consumer electronics sales, which reflects the lower sales of televisions and computers.

Internet activities continued to grow and stood at 22.1% of Group sales in Brazil in the first half of the year, an increase of 3.7 points.

Current operating income in Brazil

Brazil recorded a current operating loss of -€1.8 million for the first half of 2015, compared with a loss of €2.6 million for the first half of 2014.

The current operating income margin improved from -3.4% to -2.6%. The decline in gross margin impacted by lower sales was more than offset by continued plans to cut personnel expenses and other current expenses.

1.3.2.4 Other countries

(€ million)	June 30, 2015	June 30, 2014	Change
Revenues	128.5	125.4	2.5%
Current operating income	(0.2)	(0.7)	71.4%
as % of revenues	(0.2%)	(0.6%)	0.4pt
Operating income	(0.8)	(2.4)	66.7%
as % of revenues	(0.6%)	(1.9%)	1.3pt
Net operating investments excluding finance leases	0.7	0.8	(12.5%)
Average workforce	690	711	(3.0%)

Revenues in Other Countries

Revenues in other countries (Belgium and Switzerland) totaled €128.5 million in the first half of 2015 versus €125.4 million in the first half of 2014, an increase of 2.5% as reported. Revenues were down 2.8% at constant exchange rates.

The distribution of revenues by product category is analyzed in Note 4 "Operating segment" of the consolidated financial statements in this interim financial report.

Revenues from consumer electronics rose. In the "Retail consumer electronics" sub-category, the decline in sales in the TV-video sector is due to the historically high sales related to the Soccer World Cup in 2014. This decline was, however, offset by the strong performance of the audio and photo segments as well as the successful roll-out of the "Home & Design" areas. In the "IT Products" sub-category the growth in telephony generally compensated for the negative performance of Hardware.

Revenues from media products were also down, reflecting the significant decline in the Discs and Gaming sub-category, which was hurt by the historically high sales recorded in gaming in 2014 driven by the introduction of new gaming consoles. The sub-category "Books, Toys-games and Stationery" was impacted by the decline in the Book segment, which was particularly impacted by the revaluation of the Swiss franc.

Revenue from Services rose, driven by the increase in services related to the sales of consumer electronics and the ticketing and box office business.

Current operating income in Other Countries

Other Countries recorded a current operating loss of -€0.2 million in the first half of 2015 versus -€0.7 million in the first half of 2014.

Current operating profitability improved from -0.6% to -0.2%, as the decrease in sales volume at constant rates was offset by cost savings.

1.4 COMMENTS ON THE GROUP'S FINANCIAL POSITION

Groupe Fnac's consolidated financial statements as of June 30 are typically affected by the seasonal nature of the Group's activities:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Goodwill	332.4	332.0	332.4
Other non-current assets	256.3	268.9	271.3
Other current assets and liabilities	(195.1)	(172.6)	(439.5)
Provisions	(101.5)	(110.5)	(103.9)
Capital employed	**292.1**	**317.8**	**60.3**
Assets held for sale	-	-	-
Shareholders' equity, Group share	542.0	507.0	588.7
Shareholders' equity held by non-controlling interests	6.9	7.2	6.7
Net cash at end of period	256.8	196.4	535.1

1.4.1 Capital employed

As of June 30, 2015, capital employed was down €25.7 million from June 30, 2014. This decrease was primarily driven by optimization of working capital requirements.

1.4.2 Goodwill

As of June 30, 2015, goodwill was stable compared to June 30, 2014 and stood at €332.4 million.

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Goodwill	332.4	332.0	332.4

1.4.3 Other non-current assets

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Non-current intangible assets	65.4	65.5	68.1
Non-current property, plant and equipment	150.7	165.8	163.2
Net non-current financial assets	7.2	6.9	6.9
Net deferred taxes	32.9	30.6	33.0
Different non-current assets	0.1	0.1	0.1
Other non-current assets	**256.3**	**268.9**	**271.3**

At June 30, 2015, other non-current assets declined, primarily under the impact of depreciation on intangible and tangible non-current assets and a controlled investment plan.

Deferred taxes essentially represent the deferred tax assets on provisions for pensions and other post-employment benefits in France, as well as the deferred tax assets in Spain, Portugal, Belgium and Switzerland.

1.4.4 Other current assets and liabilities

As of June 30, 2015, other current assets and liabilities totaled -€194.4 million, compared with -€172.6 million at June 30, 2014 and -€439.5 million as of December 31, 2014. They break down as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Net inventories	436.6	448.6	469.4
Net trade receivables	67.0	69.2	114.9
Net trade payables	(463.5)	(426.6)	(712.9)
Tax receivables and payables due	(5.1)	(6.5)	(7.1)
Other working capital requirements	(230.1)	(257.3)	(303.8)
Other current assets and liabilities	**(195.1)**	**(172.6)**	**(439.5)**

As of June 30, 2015, Groupe Fnac's current net assets and liabilities increased €244.4 million compared to the close of the 2014 financial year.

Changes in inventory resulted in a positive cash inflow of €33.0 million in the first half of 2015. This change is primarily due to the seasonal nature of the business. The improvement in inventory levels of €12.0 million over June 30, 2014 is the result of the Group's inventory optimization policy.

In the first half of 2015, the decrease in trade receivables generated a cash inflow of €49.0 million. This change is primarily the result of the seasonal nature of the Group's business activity.

In the first half of 2015, the decrease in trade payables generated a cash outflow of €252.9 million. This decrease is related to the strong seasonality of the business.

1.4.5 Provisions

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Provisions for pensions and similar benefits	76.3	68.1	69.1
Other provisions	25.2	42.4	34.8
Provisions	**101.5**	**110.5**	**103.9**

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Discount rate	1.25-2.05%	1.85-2.50%	1.25-1.70%

The general increase in interest rates observed in the principal geographic regions, including the eurozone, in the first half of 2015 resulted in an increase in the reference discount rates, which are the rates of top-rated corporate bonds. At the same time, the Group conducted a review of its actuarial assumptions, including a revision of employee turnover. An adjustment to the amount of the net liability was recognized in the interim financial statements.

The impact on shareholders' equity is presented in the section Other Elements of Comprehensive Income.

At June 30, 2015, provisions for pensions and other post-employment benefits amounted to €76.3 million.

Other provisions primarily include provisions for operational and fiscal risks and provisions for the 2015 restructuring plan. They decreased by €9.6 million from December 31, 2014, as a result of the utilization of €7.9 million and the non-use of €1.8 million.

1.4.6 Shareholders' equity

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Shareholders' equity - Group share	542.0	507.0	588.7
Shareholders' equity - Share attributable to non-controlling interests	6.9	7.2	6.7
Shareholders' equity	**548.9**	**514.2**	**595.4**

As of June 30, 2015, Groupe Fnac's consolidated shareholders' equity was down from the end of the previous fiscal year.

The share of equity attributable to the Group decreased by €46.7 million, primarily under the effect of a negative net income attributable to the Group of -€42.8 million.

The share of equity attributable to non-controlling interests was up €0.2 million to €6.9 million. This share is the result of the Fimalac Group's 50% stake in Kyro.

1.4.7 Net Cash

The Group's net cash is traditionally lower at the end of the first half of the financial year than at the end of the year due to the seasonal nature of its business. At June 30, 2015, Groupe Fnac's net debt stood at €256.8 million, analyzed as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Gross financial debt	(0.4)	(0.6)	(0.5)
Cash and cash equivalents	257.2	197.0	535.6
Net cash at end of period	**256.8**	**196.4**	**535.1**

Gross financial debt consists mainly of finance lease liabilities.

1.4.8 Solvency

The credit facility contracted by Groupe Fnac contained two financial covenants as of June 30, 2015, which are defined as follows as of that date:

- the solvency ratio (adjusted net financial debt of five times the property rental costs minus rental charges in relation to EBITDAR, calculated on a sliding 12-month basis) must be lower than or equal to 3.20;
- the equity ratio (the amount of the Group's equity) must be greater than €365.0 million;

As of June 30, 2015, all financial covenants for the half-year were met.

The target values of the covenants to be achieved vary for each test period.

1.4.9 Liquidity

As of June 30, 2015, Groupe Fnac held cash and cash equivalents of €257.2 million (€535.6 million as of December 31, 2014), plus a balance of €250.0 million on a confirmed line of credit not utilized on that date.

At June 30, 2015, cash and cash equivalents included marketable securities maturing in less than three months.

The Group is not exposed to a short-term liquidity risk.

The Group's loan agreements feature standard pari passu, cross default and negative pledge clauses.

The Group's financing contracts do not include any accelerated payment clause that would be triggered by a deterioration in the Group's financial rating (rating trigger).

1.4.10 Change in net financial debt

The change in net financial debt can be analyzed as follows:

(€ million)	June 30, 2015	June 30, 2014
Free cash flow from operations	(276.5)	(272.4)
Interest paid net of interest and dividends received	(1.5)	(1.7)
Acquisitions and disposals of subsidiaries net of cash acquired or transferred	(2.5)	-
Acquisitions and sales of other financial assets (net)	(0.4)	0.6
Acquisitions and sales of treasury shares	(1.0)	-
Capital increases/decreases	1.9	8.7
Other (1)	1.7	0.3
Change in net cash	**(278.3)**	**(264.5)**

(1) Mainly includes the impact of translation differences related to borrowings.

Net cash at January 1	**535.1**	**460.9**
Net cash at end of period	**256.8**	**196.4**

1.4.10.1 Free cash flow from operations

In the first half of 2015, free cash flow from operations was a negative -€276.5 million, compared with a negative -€272.4 million in the first half of 2014.

(€ million)	June 30, 2015	June 30, 2014
Cash flow from operations before tax, dividends and interest	**(9.9)**	**3.7**
Change in working capital requirements	(238.6)	(252.5)
Income tax paid	(7.4)	(2.1)
Net cash flows from operating activities	**(255.9)**	**(250.9)**
Operating investments net of disposals, excluding finance leases	(20.6)	(21.5)
Free cash flow from operations before investment in finance leases	**(276.5)**	**(272.4)**
Operating investments in finance leases	-	-
Free cash flow from operations after finance leases	**(276.5)**	**(272.4)**

Compared to the first half of 2014, free cash flow decreased by €4.1 million. It breaks down as follows:

- Cash flow from operations before tax, dividends and interest declined by €13.6 million;

- Net outflows from changes in working capital requirements decreased by €13.9 million;

- Net cash outflows relating to income tax rose €5.3 million;

- Cash outflows relating to investments declined by €0.9 million.

As of June 30, 2015, net operating investments amounted to €20.6 million. They declined from the first six months of 2014, and break down as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
France	(13.9)	(13.9)	(42.8)
Iberian Peninsula	(0.8)	(1.8)	(9.2)
Brazil	(0.1)	(0.3)	(0.6)
Other countries	(0.5)	(0.4)	(1.5)
Purchases of tangible and intangible non-current assets excluding investment in finance leases and excluding impact of changes in debt and receivables on non-current assets	**(15.3)**	**(16.4)**	**(54.1)**
Change in debt and receivables relating to non-current assets	(5.8)	(5.1)	5.4
Purchases of tangible and intangible non-current assets excluding finance leases and including changes in receivables and payables on non-current assets	**(21.1)**	**(21.5)**	**(48.7)**
Operating investments in finance leases	-	-	-
Purchases of tangible and intangible non-current assets including investments in finance leases and including changes in receivables and payables on non-current assets	**(21.1)**	**(21.5)**	**(48.7)**
Disposals of non-current tangible and intangible assets	0.5	-	-
Net operating investments	**(20.6)**	**(21.5)**	**(48.7)**
Net operating investments excluding finance leases	**(20.6)**	**(21.5)**	**(48.7)**

1.4.10.2 Net interest paid and dividends received

At June 30, 2015 and June 30, 2014, net cash outflows for net financial interest paid and dividends received primarily represented fees for the non-utilization of the line of credit.

1.4.10.3 Dividends paid

In the first half of both 2015 and 2014, no dividends were paid out by Groupe Fnac to its shareholders.

1.4.10.4 Acquisitions and disposals of subsidiaries

Cash outflows for subsidiary acquisitions carried out in the first half of 2015 primarily include the disbursement of the third tranche of the acquisition price for the Datasport group in the amount of €1.8 million and a price supplement related to the acquisition of Kyro.

1.4.10.5 Net acquisitions and disposals of other financial assets

Cash outflows for acquisitions of other financial assets in the 1st half of 2015 primarily correspond to deposits and security deposits for real estate leases. The figure for the 1st half of 2014 represents the return of deposits and security deposits on real estate leases.

1.4.10.6 Sales and purchases of treasury shares

Cash outflows to buy treasury shares are related to the acquisition of Groupe Fnac shares made under the liquidity contract opened June 19, 2013 with Rothschild & Cie Banque. At June 30, 2015, Groupe Fnac held 17,000 treasury shares.

1.4.10.7 Capital increase and reduction

As of June 30, 2015, capital was increased by the creation of 92,164 new shares to service the exercise of the first tranche of options under the performance options plan unwound in equity instruments, which was introduced in 2013.

As of June 30, 2014, the capital increase represented the share of the capital increase of the Kyro company, subscribed by the Fimalac Group, under the terms of the partnership between Groupe Fnac and the Fimalac Group to develop Ticketing solutions. Fimalac Group thus had a 50% stake in Kyro.

1.5 GROUPE FNAC NET INCOME

The Group's share of net loss at June 30, 2015 was €42.8 million versus a €42.2 million loss at June 30, 2014.

1.6 RELATED-PARTY TRANSACTIONS

At June 30, 2015, Groupe Artémis held 38.66% of the capital and 38.66% of the voting rights in Groupe Fnac.

In first half 2015, the main transaction between all the consolidated companies of Groupe Fnac and the Kering Group, a party related to Groupe Artémis, was the reinvoicing by the Kering Group of IT services amounting to €1.2 million.

1.7 POST-CLOSING EVENTS

There were significant events after the end of the first half of 2015.

1.8 PRINCIPAL RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

Groupe Fnac's companies and businesses are involved in a certain number of proceedings and litigation cases in the normal course of business, including disputes with tax, social security and customs authorities. A provision has been recorded for any expenses that may arise and are considered probable by those companies and their experts.

According to their experts, none of the disputes in which Groupe Fnac companies or businesses are involved threatens Groupe Fnac's normal and foreseeable course of business or its planned development.

Groupe Fnac is not aware of any litigation involving material risks that could affect its holdings, earnings or financial position for which a provision had to be recorded at year-end. No dispute, considered individually, is material at the level of the Company or Groupe Fnac.

Groupe Fnac is not aware of any other litigation or arbitration proceedings that are likely to have a material impact on the Company or Groupe Fnac's financial position, business or income, or which have had such an impact in the recent past.

The main risks and uncertainties to which the Group could be exposed in the second half of 2015 are further described in Section 6.6 of the 2014 Registration Document.

1.9 OUTLOOK

Performance in the first half of the year, achieved in a lackluster consumer environment, confirms the acceleration of the Group's transformation and the strengthening of its financial profile.
The Group intends to continue to gain market share in a consumer environment that remains uncertain for the rest of the year. It believes it is well positioned to benefit from improving market conditions thanks to the set of levers implemented under the Fnac 2015 plan: strengthen/develop the omni-channel model, continue its policy of enhancing its line of products and services, and ramp up the expansion of its convenience formats in France and other countries.
The Group will continue its operational efficiency improvement policy and reaffirms its cost savings target of €30 million to €40 million for 2015.
It will also continue its efforts to maximize cash generation.

In the longer term, the Group confirms its current operating profitability target of above 3%, after finalization of the transformation of its business model and under stabilized market and macroeconomic conditions.

3 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following tables include data rounded off individually. The arithmetic calculations based on rounded off data can present differences with the aggregates or subtotals reported.

CONSOLIDATED PROFIT AND LOSS STATEMENT

AS OF JUNE 30, 2015, JUNE 30, 2014 AND THE YEAR ENDED DECEMBER 31, 2014

(€ million)	Notes	June 30, 2015	June 30, 2014 Restated (1)	December 31, 2014
Income from ordinary activities		**1,628.2**	**1,639.4**	**3,895.1**
Cost of sales		(1,144.4)	(1,150.5)	(2,751.2)
Gross margin		**483.8**	**488.9**	**1,143.9**
Personnel expenses	5	(275.5)	(267.8)	(555.2)
Other current operating income and expenses		(237.3)	(246.0)	(511.6)
Current operating income		**(29.0)**	**(24.9)**	**77.1**
Other non-current operating income and expenses	6	(1.7)	(7.6)	(9.1)
Operating income		**(30.7)**	**(32.5)**	**68.0**
(Net) financial expense	7	(4.5)	(4.8)	(12.1)
Pre-tax income		**(35.2)**	**(37.3)**	**55.9**
Income tax	8	(7.4)	(4.8)	(14.5)
Share of profit from equity associates				
Net income from continuing operations		**(42.6)**	**(42.1)**	**41.4**
Group share		(42.8)	(42.2)	41.8
share attributable to non-controlling interests		0.2	0.1	(0.4)
Net income from discontinued operations				
Group share		-	-	-
share attributable to non-controlling interests		-	-	-
Consolidated net income		**(42.6)**	**(42.1)**	**41.4**
Group share		(42.8)	(42.2)	41.8
share attributable to non-controlling interests		0.2	0.1	(0.4)
Net income, Group share		**(42.8)**	**(42.2)**	**41.8**
Earnings per share (€)	9.1	(2.57)	(2.55)	2.53
Diluted earnings per share (€)	9.1	(2.53)	(2.53)	2.50
Net income from continuing operations, Group share		**(42.8)**	**(42.2)**	**41.8**
Earnings per share (€)	9.1	(2.57)	(2.55)	2.53
Diluted earnings per share (€)	9.1	(2.53)	(2.53)	2.50
Net income from continuing operations, Group share, excluding non-current items		**(41.3)**	**(34.9)**	**49.7**
Earnings per share (€)	9.2	(2.48)	(2.11)	3.00
Diluted earnings per share (€)	9.2	(2.44)	(2.09)	2.97

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group’s financial statements is detailed in Section 3, Note 2, paragraph 2.5.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(€ million)	Notes	June 30, 2015	June 30, 2014 Restated (1)	December 31, 2014
Net income		**(42.6)**	**(42.1)**	**41.4**
Currency translation adjustments		(1.7)	2.4	0.2
Items that may be reclassified subsequently to profit or loss		**(1.7)**	**2.4**	**0.2**
Revaluation of net liabilities for defined benefit plans (2)		(3.4)	(4.6)	(4.9)
Items that may not be reclassified subsequently to profit or loss		**(3.4)**	**(4.6)**	**(4.9)**
Other comprehensive income items, after tax	**10**	**(5.1)**	**(2.2)**	**(4.7)**
Total comprehensive income		**(47.7)**	**(44.3)**	**36.7**
Group share		(47.9)	(44.4)	37.1
share attributable to non-controlling interests		0.2	0.1	(0.4)

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

(2) Net of taxes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2015, JUNE 30, 2014 AND THE YEAR ENDED DECEMBER 31, 2014

ASSETS

(€ million)	Notes	June 30, 2015	June 30, 2014 Restated (1)	December 31, 2014
Goodwill		332.4	332.0	332.4
Intangible non-current assets		65.4	65.5	68.1
Property, plant and equipment		150.7	165.8	163.2
Non-current financial assets		7.2	6.9	6.9
Deferred tax assets		32.9	30.6	33.0
Other non-current assets		0.1	0.1	0.1
Non-current assets		**588.7**	**600.9**	**603.7**
Net inventories		436.6	448.6	469.4
Trade receivables		76.4	77.0	129.7
Tax receivables due		4.4	0.2	6.2
Other current financial assets		4.1	4.4	4.9
Other current assets (1)		121.0	136.8	143.1
Cash and cash equivalents	12	257.2	197.0	535.6
Current assets		**899.7**	**864.0**	**1,288.9**
Assets held for sale		**-**	**-**	**-**
Total assets		**1,488.4**	**1,464.9**	**1,892.6**

LIABILITIES

(€ million)	Notes	June 30, 2015	June 30, 2014 Restated (1)	December 31, 2014
Capital	11.1	16.7	16.6	16.6
Equity-related reserves		495.7	494.9	494.9
Translation reserves		(4.0)	(0.1)	(2.3)
Other reserves		33.6	(4.4)	79.5
Shareholders' equity, Group share		**542.0**	**507.0**	**588.7**
Shareholders' equity - Share attributable to non-controlling interests		6.9	7.2	6.7
Shareholders' equity		**548.9**	**514.2**	**595.4**
Long-term borrowings and financial debt	13	0.2	0.4	0.3
Provisions for pensions and other similar benefits		76.3	68.1	69.1
Deferred tax liabilities				
Non-current liabilities		**76.5**	**68.5**	**69.4**
Short-term borrowings and financial debt	13	0.2	0.2	0.2
Other current financial liabilities			5.0	2.5
Trade payables		493.7	491.7	767.7
Provisions		25.2	42.4	34.8
Tax liabilities payable		9.5	6.7	13.3
Other current liabilities		334.4	336.2	409.3
Current liabilities		**863.0**	**882.2**	**1,227.8**
Liabilities relating to assets held for sale		**-**	**-**	**-**
Total liabilities		**1,488.4**	**1,464.9**	**1,892.6**

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

CONSOLIDATED CASH FLOW STATEMENT

AS OF JUNE 30, 2015, JUNE 30, 2014 AND THE YEAR ENDED DECEMBER 31, 2014

(€ million)	**Notes**	**June 30, 2015**	**June 30, 2014 Restated (1)**	**December 31, 2014**
Net income from continuing operations		**(42.6)**	**(42.1)**	**41.4**
Income and expenses with no impact on cash		24.9	37.9	57.1
Cash flow from operations	15.1	**(17.7)**	**(4.2)**	**98.5**
Financial interest income and expense		2.4	2.9	5.7
Dividends received		-	-	(0.1)
Net tax liability payable		5.4	5.0	18.1
Cash flow from operations before tax, dividends and interest		**(9.9)**	**3.7**	**122.2**
Change in working capital requirements (1)		(238.6)	(252.5)	12.5
Income tax paid		(7.4)	(2.1)	(13.6)
Net cash flows from operating activities		**(255.9)**	**(250.9)**	**121.1**
Acquisitions of non-current tangible and intangible assets	15.2	(21.1)	(21.5)	(48.7)
Disposals of non-current tangible and intangible assets		0.5	-	-
Purchases of subsidiaries net of cash acquired	15.3	(2.5)	-	(2.7)
Disposals of subsidiaries net of cash transferred	15.3	-	-	-
Purchases of other financial assets		(0.4)	(0.2)	(0.2)
Sales of other financial assets		-	0.8	0.8
Interest and dividends received		0.6	0.4	0.8
Net cash flows from investing activities		**(22.9)**	**(20.5)**	**(50.0)**
Increase/Decrease in capital and other transactions with shareholders	15.4	1.9	8.7	8.5
Acquisitions or sales of treasury shares	15.5	(1.0)	-	-
Increase/Decrease in other financial debt	15.6	(0.1)	(0.2)	(0.3)
Interest and equivalent payments		(2.1)	(2.1)	(5.5)
Net cash flows from financing activities		**(1.3)**	**6.4**	**2.7**
Cash flows from discontinued operations		-	-	-
Impact of fluctuations in exchange rates		1.7	0.4	0.2
Net change in cash		**(278.4)**	**(264.6)**	**74.0**
Cash and cash equivalents at the beginning of the fiscal year	15	**535.6**	**461.6**	**461.6**
Cash and cash equivalents at the end of the fiscal year	15	**257.2**	**197.0**	**535.6**

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

(Before appropriation of earnings)	Number of shares outstanding (1)	Capital	Equity-related reserves	Treasury shares	Undated super-suborinated notes (TSSDI)	Translation reserves	Other reserves and net income	Shareholders' equity		
(€ million)								Group share	Non-controlling interests	Total
As of December 31, 2013 restated (1)	**16,595,610**	**16.6**	**494.9**		**60.0**	**(2.5)**	**(19.4)**	**549.6**		**549.6**
Total compehensive income in 1st half 2014						**2.4**	**(46.8)**	**(44.4)**	**0.1**	**(44.3)**
Capital increase/(decrease)							1.5	**1.5**	7.1	**8.6**
Treasury shares							0.1	**0.1**		**0.1**
Valuation of share-based payments							0.2	**0.2**		**0.2**
As of June 30, 2014 restated (1)	**16,595,610**	**16.6**	**494.9**		**60.0**	**(0.1)**	**(64.4)**	**507.0**	**7.2**	**514.2**
Total compehensive income in 2nd half 2014						**(2.2)**	**83.7**	**81.5**	**(0.5)**	**81.0**
Treasury shares							(0.2)	**(0.2)**		**(0.2)**
Valuation of share-based payments							0.4	**0.4**		**0.4**
As of December 31, 2014	**16,595,610**	**16.6**	**494.9**		**60.0**	**(2.3)**	**19.5**	**588.7**	**6.7**	**595.4**
Total compehensive income in 1st half 2015						**(1.7)**	**(46.2)**	**(47.9)**	**0.2**	**(47.7)**
Capital increase/(decrease)	92,164	0.1	1.8					**1.9**		**1.9**
Treasury shares				(1.0)				**(1.0)**		**(1.0)**
Valuation of share-based payments							0.3	**0.3**		**0.3**
As of June 30, 2015 (2)/(3)	**16,687,774**	**16.7**	**496.7**	**(1.0)**	**60.0**	**(4.0)**	**(26.4)**	**542.0**	**6.9**	**548.9**

(1) IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting principles resulting from first-time application of this interpretation have been applied retrospectively to January 1, 2013. The impact of this interpretation on the Group's financial statements is detailed in Section 3, Note 2, paragraph 2.5.

(2) Par value of shares of 1 euro.

(3) Number of shares of capital stock at June 30, 2015: 16,687,774

Notes to the condensed consolidated financial statements

Note 1 General information

1.1. General Information

Groupe Fnac, the Group's parent company, is a French joint stock company (Société Anonyme) with a Board of Directors. The company's registered office is located at 9 rue des Bateaux-Lavoirs, ZAC Port d'Ivry, 94200 Ivry-sur-Seine, France and listed on Euronext Paris. The Company is registered under No. 055 800 296 with the Créteil Business Register. Groupe Fnac is subject to all laws governing commercial companies in France, including the provisions of the French Commercial Code.

The consolidated financial statements at June 30, 2015 reflect the accounting position of Groupe Fnac and its subsidiaries and its interests in associated companies and joint ventures.

On July 30, 2015, the Board of Directors approved the consolidated financial statements for the period ended June 30, 2015 and authorized their publication on July 30, 2015.

1.2. Publication background

Groupe Fnac, which consists of the Groupe Fnac company and its subsidiaries (jointly referred to as "Groupe Fnac"), is the leader in the leisure and electronics retail market in France, and a major player in the other geographic markets where it operates, namely Spain, Portugal, Brazil, Belgium and Switzerland. Groupe Fnac also has franchise operations in Morocco and Qatar.

The admission of Groupe Fnac's securities for trading on a regulated market (NYSE Euronext Paris) that occurred on June 20, 2013, required that consolidated financial statements be established in accordance with the IFRS. The procedures for preparing these financial statements are detailed in Note 2 *Accounting Principles and Methods*.

Groupe Fnac's consolidated financial statements are presented in millions of euros.

Note 2 Accounting Principles and Methods

2.1. General principles and statement of compliance

Pursuant to European Regulation 1606/2002 of July 19, 2002, Groupe Fnac's condensed consolidated financial statements at June 30, 2015, have been prepared in accordance with international accounting standards as adopted by the European Union (available at http://ec.europa.eu/internal_market/accounting/ias/index_en.htm) and presented with comparative data for fiscal year 2014 prepared on the same basis.

The international standards are the IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards), as well as the interpretations of the IFRIC (International Financial Reporting Interpretation Committee).

The condensed consolidated financial statements as of June, 30, 2015 were prepared in accordance with IAS 34 – *Interim Financial Reporting*, as adopted by the European Union, which allows only selected financial information to be presented.

The financial statements do not take into account proposed standards and interpretations that on the closing date were still only at the survey stage at the IASB (International Accounting Standards Board) and IFRIC, or standards which are not yet mandatory in 2015.

The notes to the financial statements do not include all financial information required for the annual financial statements and must be read jointly with the annual financial statements for the year 2014.

2.2. IFRS guidelines applied

The interim financial statements are prepared in accordance with the accounting standards and interpretations applied by the Group for the financial statements for the 2014 fiscal year, with the exception of income tax and personnel benefits, which are valued using specific methods as described in Note 2.3.

2.2.1. Standards, amendments and interpretations adopted by the European Union and mandatory for reporting periods beginning on or after January 1, 2015:

- IFRIC Interpretation 21 – Levies Charged by Public Authorities;
- Amendments issued in the Annual Improvements to IFRS 2011-2013 Cycle.

IFRIC Interpretation 21 adopted by the European Union on June 17, 2014, was applied by the Group in the financial statements for the period ended December 31, 2014. This interpretation had not been applied in the interim statements at June 30, 2014. Note 2.5 details the impacts of this first application, in particular the recognition from January 1 of certain annual taxes creating a seasonality effect in the half year.

2.2.2. Principal standards, amendments and interpretations published by the IASB and which are not mandatory for reporting periods beginning on or after January 1, 2015:

- Amendments to IAS 19 - Employee Contributions adopted by the European Union on January 9, 2015, and applicable to reporting periods beginning on or after February 1, 2015;
- Amendments issued in the Annual Improvements to IFRS 2011-2012 Cycle adopted by the European Union on December 17, 2014 and applicable to reporting periods beginning on or after February 1, 2015.

The texts listed above, published by the IASB, have little or no significant impact on the financial statements at June 30, 2015.

2.2.3. Main standards, amendments and interpretations published by the IASB, not yet adopted by the European Union:

- IFRS 9 - Financial Instruments provides guidance on the recognition, classification and measurement of financial assets and financial liabilities. It will replace the existing principles in IAS 39 - Financial Instruments;
- IFRS 15 - Revenue from Contracts with Customers provides guidance on the recognition of revenue and will replace IAS 18 - Revenue from Ordinary Operating Activities;
- IFRS 14 – Regulatory Deferral Accounts;
- Amendments to IAS 1 - Disclosure Initiative;
- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortization;
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Arrangements;
- Amendments to IAS 27 – Equity Method in Separate Financial Statements;
- Amendments to IAS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
- Amendments issued in the Annual Improvements to IFRS 2012-2014 Cycle.

The impact of the application of these standards and amendments, published by the IASB and not yet adopted by the European Union, on Groupe Fnac’s financial statements is currently being assessed.

2.3. Features specific to the preparation of the interim financial statements

2.3.1. Income tax

The tax charge for the period (current and deferred) is determined from the estimated effective tax rate for the full year for each entity and tax sub-group. It is then adjusted for any operations specific to the current half-year.

2.3.2. Post-employment and other long-term employee benefits

The expense for the first half of the year for post-employment and other long-term employee benefits equals half of the net expense calculated for fiscal 2015.

In accordance with the requirements of IAS 19 and IAS 34, the amount of net liability for post-employment benefits takes into account significant changes in market conditions during the preparation of the interim financial statements. These significant changes are detailed in Note 10.

2.3.3. Seasonal nature of business activity

Income from ordinary activities, operating income and all operational indicators (including the working capital requirement) vary strongly by season due to high demand during the last quarter of the year, particularly in December. Consequently, the interim financial results as of June 30, 2015 are not necessarily representative of those expected for a full-year basis for 2015.

2.4. Use of estimates and judgment

The preparation of consolidated financial statements requires the use of estimates and assumptions by the Group's management that can affect the book values of certain assets and liabilities, income and expenses, and information disclosed in the notes to the financial statements. The Group's management reviews these estimates and assumptions on a regular basis in order to ensure their pertinence in view of past experience and the current economic environment. Depending on changes in these assumptions, the items shown in the Group's future financial statements may differ from current estimates. The impact of changes in accounting estimates is recognized in the period when the change occurs and in all future periods affected.

The main estimates made by Groupe Fnac Management to prepare the financial statements concern the valuation and the useful lives of operating assets, items of property, plant & equipment and intangible assets, and goodwill, the amount of the provisions for contingencies and other provisions relating to the business activities, as well as the assumptions used for the calculation of the obligations for employee benefits, share-based payments, deferred taxes, and financial instruments. In particular, the Group uses discount rate assumptions based on market data in order to estimate its long-term assets and liabilities.

Moreover, in addition to the use of estimates, Groupe Fnac Management has used its judgment to determine the appropriate accounting treatment of certain operations, pending clarification of certain IFRS standards or when the standards in force do not cover the problems in question.

2.5. Early application of IFRIC Interpretation 21

IFRIC Interpretation 21 adopted by the European Union on June 17, 2014 was applied in the financial statements for the period ended December 31, 2014. In accordance with IAS 8, changes in accounting methods resulting from first-time adoption of this interpretation have been applied retrospectively to January 1, 2013.

For Groupe Fnac, the fiscal impact of these changes concern social security and solidarity contributions and the tax on retail spaces, which will now be recognized in full on January 1, whereas the annual charge was previously spread over 12 months of the previous year.

Only Groupe Fnac's French companies are impacted by this interpretation.

The impact of this change in accounting methods is:

(€ million)	01/01/2013	12/31/2013	06/30/2014	12/31/2014	06/30/2015
Impact on other current income and expenses		0.1	(5.2)	1.2	(5.2)
Impact on Group share of reserves	9.7	9.7	9.8	9.8	11
Total impact on Group shareholders' equity	**9.7**	**9.8**	**4.6**	**11.0**	**5.8**
Impact on tax liabilities (excluding corporate tax)	(9.7)	(9.8)	(4.6)	(11.0)	(5.8)

Note 3 Significant events

To support the future development of ticketing solutions, the Group created the companies SwissBillet and Belgium Ticket in the first half of 2015.

Note 4 Operating segments

The information on the operating segments presented follows the same accounting rules as those used for the consolidated financial statements and described in the notes to the financial statements.

The assessment of the performance of each operating segment used by the main operating decision-maker is based on current operating income.

Income and expenses without cash impact primarily include current and non-current allocations to and reversals of amortization, depreciation and provisions for non-current assets, and provisions for risks and contingencies.

Gross acquisitions of intangible and tangible non-current assets correspond to acquisitions of non-current assets including changes in debt on non-current assets. They do not include capital investments under a finance-lease agreement.

Non-current segment assets consist of goodwill and other intangible, property plant and equipment, and other non-current assets. Segment assets consist of non-current segment assets, inventory, trade receivables, customer loans and other current assets. Segment liabilities consist of the financing for customer loans, trade payables, and other current liabilities.

Corporate costs are included in the France operating segment.

Information by operating segmen

(€ million)	France	Iberian Peninsula	Brazil	Other countries	Total
June 30, 2015					
Income from ordinary activities	**1,147.9**	**283.8**	**68.0**	**128.5**	**1,628.2**
- Consumer electronics	657.1	172.3	49.4	72.4	**951.2**
- Media products	417.3	103.3	17.2	52.3	**590.1**
- Services	73.5	8.2	1.4	3.8	**86.9**
Operating income	**(31.5)**	**3.6**	**(2.0)**	**(0.8)**	**(30.7)**
Income and expense with no impact on cash (1)	15.6	4.2	(0.3)	5.3	**24.9**
Acquisitions of tangible and intangible non-current assets (2)	18.1	2.2	0.1	0.7	**21.1**
Segment assets	**926.0**	**140.6**	**52.9**	**63.0**	**1,182.5**
Segment liabilities	**630.3**	**144.7**	**5.9**	**47.2**	**828.1**

(€ million)	France	Iberian Peninsula	Brazil	Other countries	Total
June 30, 2014					
Income from ordinary activities	**1,150.8**	**285.8**	**77.4**	**125.4**	**1,639.4**
- Consumer electronics	637.2	173.0	55.7	67.5	**933.4**
- Media products	439.9	105.2	19.8	54.3	**619.2**
- Services	73.7	7.6	1.9	3.6	**86.8**
Operating income	**(33.3)**	**3.4**	**(0.2)**	**(2.4)**	**(32.5)**
Income and expense with no impact on cash (1)	32.5	5.9	(2.7)	2.2	**37.9**
Purchases of tangible and intangible non-current assets (2)	17.9	2.3	0.5	0.8	**21.5**
Segment assets	**964.0**	**143.5**	**52.8**	**65.5**	**1,225.8**
Segment liabilities	**634.6**	**139.4**	**8.7**	**45.4**	**828.1**

(€ million)	France	Iberian Peninsula	Brazil	Other countries	Total
December 31, 2014					
Income from ordinary activities	**2,771.7**	**659.1**	**174.9**	**289.4**	**3,895.1**
- Consumer electronics	1,510.5	397.7	124.1	152.5	**2,184.8**
- Media products	1,092.1	244.3	46.9	129.0	**1,512.3**

- Services	169.1	17.1	3.9	7.9	**198.0**
Operating income	**40.9**	**20.5**	**1.5**	**5.1**	**68.0**
Income and expense with no impact on cash (1)	45.4	12.3	(4.1)	3.5	**57.1**
Purchases of tangible and intangible non-current assets (2)	37.6	8.7	0.8	1.6	**48.7**
Segment assets	**1,001.1**	**167.3**	**69.3**	**68.3**	**1,306.0**
Segment liabilities	**851.6**	**237.2**	**25.8**	**62.4**	**1,177.0**

(1) Income and expense with no impact on cash include:

- current and non-current amortization, depreciation & impairment, as well as impairment of non-current assets

- net current & non-current provisions for risks and contingencies

- allocations, reversals and discounting of provisions for pensions & other similar benefits

- non-disbursable income & expenses related to stock options and similar items

- proceeds from disposals of operating & financial assets

- net deferred taxes

(2) Purchase of tangible and intangible non-current assets excluding finance leases and including changes in receivables and payables relating to assets

Note 5 Payroll expenses

The application of IFRS 2 to share-based payments resulted in the recognition of payroll expenses distributed in a straight line over the vesting period as consideration for:

- an increase in equity for plans settled in equity instruments;
- a liability to personnel for cash-settled plans.

Payroll expenses for the period include a charge related to the application of this standard. This expense is recognized in the amount of the share of fair value of services rendered during the period. It concerns value unit plans and performance option plans.

Based on the assumptions described in the 2014 annual financial statements, this expense for the first half of 2015 amounts to €19.6 million versus €7.6 million for the same period the previous year and includes an update to employee benefit obligations for cash-settled plans to reflect changes in the Fnac share price.

Note 6 Other non-current operating income and expenses

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Non-current operating expenses	**(1.7)**	**(10.1)**	**(12.7)**
Restructuring costs	(1.7)	(10.1)	(12.7)
Non-current operating income	**-**	**2.5**	**3.6**
Litigation and disputes	-	2.5	3.6
Total	**(1.7)**	**(7.6)**	**(9.1)**

The Group's other non-current operating income and expenses reflect unusual and significant items that could distort the relevance of the tracking of the Group's economic performance.

At June 30, 2015, this item represented a net expense of €1.7 million and primarily included restructuring costs relating to organizational changes.

As of June 30, 2014, this item represented a net expense of €7.6 million and included €10.1 million in restructuring charges relating to the Fnac 2015 plan, which was partially offset by reversals of provisions for litigation and disputes that had elapsed or ended amounting to €2.5 million.

Note 7 (Net) financial expenses

Net financial expenses can be analyzed as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Cost of net financial debt	**(0.3)**	**(0.3)**	**(0.3)**
Other financial income and expenses	**(4.2)**	**(4.5)**	**(11.8)**
Fees for origination and non-utilization of lines of credit	(2.2)	(2.9)	(5.4)
Impact of discounting net debt related to defined benefit plans	(0.6)	(0.9)	(1.9)
Cost of consumer credit	(1.5)	(1.2)	(4.8)
Other net financial expenses	0.1	0.5	0.3
Total	**(4.5)**	**(4.8)**	**(12.1)**

In the first half of 2015, the net financial result was a financial expense of €4.5 million compared with a €4.8 million financial expense for the same period in the previous year.

For the first six months of 2015, the cost of the Group's net debt remained stable compared to the same period in the previous year and stood at €0.3 million.

As of June 30, 2015, other financial income and expenses consisted primarily of expenses related to spreading the origination cost of a syndicated line of credit and the non-utilization fee for a total €2.2 million, and a consumer credit expense of €1.5 million.

Note 8 Taxes

Breakdown of the income tax expense from continuing operations:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Pre-tax income	(35.2)	(37.3)	55.9
Non-current items	(1.7)	(7.6)	(9.1)
Current income before tax	**(33.5)**	**(29.7)**	**65.0**
Total tax liability	(7.4)	(4.8)	(14.5)
Tax on non-current items	0.3	0.4	2.4
Current tax liability	**(7.7)**	**(5.2)**	**(16.9)**
Effective tax rate	**(21.0%)**	**(12.9%)**	**25.9%**
Current tax rate	**(23.0%)**	**(17.5%)**	**26.0%**

Since January 1, 2013, Groupe Fnac has formed its own tax group covering all its French subsidiaries with the exception of Kyro.

The income tax expense in the first half of the year is calculated on the basis of the estimated effective tax rate for the year for each tax entity or sub-group.

The total income tax expense includes a €4.2 million expense for CVAE for the first half of 2015 (€3.9 million for the first half of 2014).

Note 9 Earnings per share

Net earnings per share are calculated on the basis of the weighted average number of shares outstanding less the weighted average number of shares held by the consolidated companies.

In the first half of 2015, Groupe Fnac held an average of 2,218 treasury shares under the liquidity contract entered into on June 19, 2013 with Rothschild & Cie Banque.

At June 30, 2014, Groupe Fnac held 17,000 treasury shares amounting to €1 million.

Net diluted earnings per share take into account the weighted average number of shares defined above, plus the weighted average number of potentially dilutive shares of common stock. Potentially dilutive shares are the shares allotted to employees in transactions in which payment is based on shares and which are settled with equity instruments.

For the first half of 2015, instruments issued by Groupe Fnac had a dilutive effect of 263,434 shares.

The number of shares that could potentially become dilutive during a subsequent fiscal year is 215,821.

9.1. Earnings per share

Earnings per share as of June 30, 2015

(€ million)	Consolidated Group	Group share Continuing operations	Discontinued operations
Net income attributable to common stock shareholders	**(42.8)**	**(42.8)**	**-**
Weighted average number of common shares issued	16,631,254	16,631,254	16,631,254
Weighted average number of treasury shares	(2,218)	(2,218)	(2,218)
Weighted average number of common shares	**16,629,036**	**16,629,036**	**16,629,036**
Base earnings per share (€)	**(2.57)**	**(2.57)**	**-**

(€ million)	Consolidated Group	Group share Continuing operations	Discontinued operations
Net income attributable to common stock shareholders	**(42.8)**	**(42.8)**	**-**
Convertible and exchangeable instruments	-	-	-
Diluted net income, Group share	**(42.8)**	**(42.8)**	**-**
Weighted average number of common shares	16,629,036	16,629,036	16,629,036
Potentially dilutive common shares	263,434	263,434	263,434
Weighted average number of diluted common shares	**16,892,470**	**16,892,470**	**16,892,470**
Diluted earnings per share (€)	**(2.53)**	**(2.53)**	**-**

Earnings per share as of June 30, 2014

(€ million)	Consolidated Group	Group share Continuing operations	Group share Discontinued operations
Net income attributable to common stock shareholders	**(42.2)**	**(42.2)**	**-**
Weighted average number of common shares issued	16,595,610	16,595,610	16,595,610
Weighted average number of treasury shares	(25,484)	(25,484)	(25,484)
Weighted average number of common shares	**16,570,126**	**16,570,126**	**16,570,126**
Base earnings per share (€)	**(2.55)**	**(2.55)**	**-**

(€ million)	Consolidated Group	Group share Continuing operations	Group share Discontinued operations
Net income attributable to common stock shareholders	**(42.2)**	**(42.2)**	**-**
Convertible and exchangeable instruments	-	-	-
Diluted net income, Group share	**(42.2)**	**(42.2)**	**-**
Weighted average number of common shares	16,570,126	16,570,126	16,570,126
Potentially dilutive common shares	117,572	117,572	117,572
Weighted average number of diluted common shares	**16,687,698**	**16,687,698**	**16,687,698**
Diluted earnings per share (€)	**(2.53)**	**(2.53)**	**-**

Earnings per share as of December 31, 2014

(€ million)	Consolidated Group	Group share Continuing operations	Group share Discontinued operations
Net income attributable to common stock shareholders	**41.8**	**41.8**	**-**
Weighted average number of common shares issued	16,595,610	16,595,610	16,595,610
Weighted average number of treasury shares	(41,931)	(41,931)	(41,931)
Weighted average number of common shares	**16,553,679**	**16,553,679**	**16,553,679**
Base earnings per share (€)	**2.53**	**2.53**	**-**

(€ million)	Consolidated Group	Group share Continuing operations	Group share Discontinued operations
Net income attributable to common stock shareholders	**41.8**	**41.8**	**-**
Convertible and exchangeable instruments	-	-	-
Diluted net income, Group share	**41.8**	**41.8**	**-**
Weighted average number of common shares	16,553,679	16,553,679	16,553,679
Potentially dilutive common shares	173,758	173,758	173,758
Weighted average number of diluted common shares	**16,727,437**	**16,727,437**	**16,727,437**
Diluted earnings per share (€)	**2.50**	**2.50**	**-**

9.2. Earnings per share from continuing operations excluding non-current items

Non-current items pertain to the item "Other non-current operating income and expenses" in the income statement for the amount net of tax and non-controlling interests.

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Net income from continuing operations attributable to common stock shareholders	**(42.8)**	**(42.2)**	**41.8**
Other non-current operating income and expenses	(1.7)	(7.6)	(9.1)
Taxes on other non-current operating income and expenses	0.3	0.4	2.4
Non-controlling interests in other non-current income and expenses	(0.1)	(0.1)	(1.2)
Net income excluding non-current items	**(41.3)**	**(34.9)**	**49.7**
Weighted average number of common shares issued	16,631,254	16,595,610	16,595,610
Weighted average number of treasury shares	(2,218)	(25,484)	(41,931)
Weighted average number of common shares	**16,629,036**	**16,570,126**	**16,553,679**
Base earnings per share excluding non-current items (€)	**(2.48)**	**(2.11)**	**3.00**
Net income excluding non-current items	**(41.3)**	**(34.9)**	**49.7**
Convertible and exchangeable instruments	-	-	-
Diluted net income, Group share	**(41.3)**	**(34.9)**	**49.7**
Weighted average number of common shares	16,629,036	16,570,126	16,553,679
Potentially dilutive common shares	263,434	117,572	173,758
Weighted average number of diluted common shares	**16,892,470**	**16,687,698**	**16,727,437**
Base earnings per share excluding non-current items (€)	**(2.44)**	**(2.09)**	**2.97**

Note 10 Other comprehensive income items

Other comprehensive income items primarily represent:

- profits and losses from the conversion of the financial statements for operations outside France;
- items relating to the assessment of employee benefit obligations: revaluation of net liabilities for defined benefit plans. The general increase in interest rates observed in the principal geographic regions, including the eurozone, in the first half of 2015 resulted in an increase in the reference discount rates, which are the rates of top-rated corporate bonds. The Group conducted a review of its actuarial assumptions. An adjustment to the amount of the net liability was recognized in the interim financial statements. The impact on equity is presented in the section Other Items of Comprehensive Income.

The discount rates adopted by the Group to calculate this impact are as follows:

(€ million)	**June 30, 2015**	**June 30, 2014**	**December 31, 2014**
Discount rate	1.25-2.05%	1.85-2.50%	1.25-1.70%

The amount of these items, before and after related income tax effects and adjustments for reclassification of results are as follows:

As of June 30, 2015

(€ million)	**Gross**	**Tax**	**Net**
Currency translation differences	(1.7)	-	(1.7)
Items that may be reclassified subsequently to profit or loss	**(1.7)**	**-**	**(1.7)**
Revaluation of net liabilities for defined benefit plans	(5.2)	1.8	(3.4)
Items that may not be reclassified subsequently to profit or loss	**(5.2)**	**1.8**	**(3.4)**
Other items of comprehensive income as of June 30, 2015	**(6.9)**	**1.8**	**(5.1)**

As of June 30, 2014

(€ million)	**Gross**	**Tax**	**Net**
Currency translation differences	2.4	-	2.4
Items that may be reclassified subsequently to profit or loss	**2.4**	**-**	**2.4**
Revaluation of net liabilities for defined benefit plans	(6.9)	2.3	(4.6)
Items that may not be reclassified subsequently to profit or loss	**(6.9)**	**2.3**	**(4.6)**
Other items of comprehensive income as of June 30, 2014	**(4.5)**	**2.3**	**(2.2)**

As of December 31, 2014

(€ million)	Gross	Tax	Net
Currency translation differences	0.2	-	0.2
Items that may be reclassified subsequently to profit or loss	**0.2**	**-**	**0.2**
Revaluation of net liabilities for defined benefit plans	(7.1)	2.2	(4.9)
Items that may not be reclassified subsequently to profit or loss	**(7.1)**	**2.2**	**(4.9)**
Other items of comprehensive income as of December 31, 2014	**(6.9)**	**2.2**	**(4.7)**

Note 11 Shareholders' equity

11.1. Capital

Capital stock at June 30, 2015 amounted to €16,687,774, consisting of 16,687,774 fully paid-up shares with a par value of €1. At June 30, 2015, capital was increased by the creation of 92,164 new shares to service the exercise of the first tranche of options under the performance options plan unwound with equity instruments, which was introduced in 2013.

There were no financial commitments affecting Groupe Fnac's consolidated shareholders' equity at June 30, 2015.

11.2. Appropriation of earnings

No dividend has been paid for fiscal years 2014 or 2015. The results of the 2013 and 2014 fiscal years were allocated to shareholders' equity.

11.3. Undated super-subordinated notes (TSSDI)

On April 24, 2013, Groupe Fnac issued 60 undated super-subordinated notes (TSSDI) with a nominal value of €1 million each, for a total nominal amount of €60 million. These notes are subordinated to all senior creditors and bear an 8% annual fixed-rate coupon. In accordance with IAS 32, and given its features (no mandatory redemption clauses, no obligation to pay a coupon except in the limited cases set forth in the agreement and at the issuer's initiative), this instrument is recognized in shareholders' equity.

11.4. Treasury shares

In the first half of 2015, Groupe Fnac held an average of 2,218 treasury shares under the liquidity contract entered into on June 19, 2013 with Rothschild & Cie Banque.

At June 30, 2015, Groupe Fnac held 17,000 treasury shares.

Note 12 Cash and cash equivalents

Cash and cash equivalents can be analyzed as follows:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Cash	131.7	52.4	159.1
Cash equivalents	125.5	144.6	376.5
Total	**257.2**	**197.0**	**535.6**

In 2013 and 2014, cash equivalents consisted of SICAVs (open-ended investment funds). The SICAVs also included €6.0 million allocated in the context of the liquidity contract. That contract is designed to promote transaction liquidity and consistency in Groupe Fnac's share price.

The items that Groupe Fnac recognizes as "Cash and cash equivalents" meet the strict criteria listed in the AMF Position issued in 2008 and updated in 2011. In particular, investments are regularly reviewed in compliance with Groupe Fnac procedures and in strict compliance with the qualification criteria defined by IAS 7 and AMF recommendations. As of June 30, 2015, these assessments did not result in any changes to the accounting classification previously adopted.

Note 13 Financial debt

(€ million)	June 30, 2015	N+1	N+2	N+3	Beyond	June 30, 2014	December 31, 2014
Long-term borrowings and financial debt	**0.2**	**-**	**0.1**	**0.1**	**-**	**0.4**	**0.3**
Finance lease liabilities	0.2	-	0.1	0.1		0.4	0.3
Short-term borrowings and financial debt	**0.2**	**0.2**	**-**	**-**	**-**	**0.2**	**0.2**
Finance lease liabilities	0.2	0.2	-	-	-	0.2	0.2
Bank overdrafts	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
Total	**0.4**	**0.2**	**0.1**	**0.1**	**-**	**0.6**	**0.5**
%		**50.0%**	**25.0%**	**25.0%**			

At June 30, 2015, Groupe Fnac's financial debt was composed of debts on finance-lease agreements.

Note 14 Net Cash

Groupe Fnac's net cash position breaks down as follows:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Gross financial debt	(0.4)	(0.6)	(0.5)
Cash and cash equivalents	257.2	197.0	535.6
Net cash	**256.8**	**196.4**	**535.1**

Note 15 Cash flow statement

Cash at June 30, 2015 amounted to €257.2 million, in the form of cash and cash equivalents as shown below:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Balance sheet cash and cash equivalents	257.2	197.0	535.6
Bank overdrafts	-	-	-
Cash and cash equivalents in the cash flow statement	**257.2**	**197.0**	**535.6**

15.1. Cash flow from operations

The composition of cash flow from operations was as follows:

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Net income from continuing operations	**(42.6)**	**(42.1)**	**41.4**
Current & non-current allocations and reversals on non-current assets and provisions for risks and contingencies	22.7	37.1	57.9
Current proceeds from the disposal of operating assets	(0.4)	0.2	1.1
Non-current proceeds from the disposal of operating assets	-	-	(0.1)
Deferred tax income and expenses	2.0	(0.2)	(3.6)
Discounting of provisions for pensions & other similar benefits	0.6	0.9	1.9
Other items without impact on cash	-	(0.1)	(0.1)
Cash flow from operations	**(17.7)**	**(4.2)**	**98.5**

15.2. Acquisitions and disposals of non-current tangible and intangible assets

Acquisitions of non-current tangible and intangible assets essentially reflect investments in points of sale, retail outlets and logistics platforms, as well as IT investments.

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Acquisitions of non-current intangible assets	(5.6)	(6.5)	(20.5)
Acquistions of property, plant & equipment excluding non-current assets under finance leases	(9.7)	(9.8)	(33.5)
Change in advances & installment on non-current assets	-	(0.1)	(0.1)
Change in debt for non-current assets	(5.8)	(5.1)	5.4
Total acquisitions of non-current assets	**(21.1)**	**(21.5)**	**(48.7)**
Disposals of non-current assets	0.5	-	-
Total acquisitions and disposals of non-current assets	**(20.6)**	**(21.5)**	**(48.7)**
Acquisition of non-current assets under finance-leases	-	-	-

15.3. Acquisitions and disposals of subsidiaries

(€ million)	June 30, 2015	June 30, 2014	December 31, 2014
Purchases of subsidiaries net of cash acquired	(2.5)	-	(2.7)
Disposals of subsidiaries net of cash transferred	-	-	-
Total	**(2.5)**	**-**	**(2.7)**

Acquisitions of subsidiaries in the first half of 2015 mainly included the disbursement of the third (final) tranche of the Datasport Group acquisition price in the amount of €1.8 million, as well as a price supplement related to the acquisition of Kyro.

Over the full year 2014, acquisitions of subsidiaries net of cash inflows included the disbursement of the second tranche of the Datasport Group acquisition price in the amount of €2.7 million.

15.4. Increase / Decrease in capital and other transactions with shareholders

As of June 30, 2015, capital was increased by the creation of 92,164 new shares to service the exercise of the first tranche of options under the performance options plan unwound in equity instruments, which was introduced in 2013.

The capital increase in 2014 represented the share of the capital increase of the Kyro company subscribed by the Fimalac Group, under the terms of the partnership between Groupe Fnac and the Fimalac Group to develop Ticketing solutions. Fimalac Group thus had a 50% stake in Kyro.

15.5. Acquisition and sale of treasury shares

In the first half of 2015, Groupe Fnac held an average of 2,218 treasury shares under the liquidity contract entered into on June 19, 2013 with Rothschild & Cie Banque.

At June 30, 2015, Groupe Fnac held 17,000 treasury shares.

15.6. Increase / Decrease in other financial debt

In the first half of 2015 and for 2014, no significant changes arose in other financial debt.

Note 16 Changes to contingent liabilities, unrecognized contractual commitments and contingent risks

Other commitments given and received with respect to contractual obligations, of pledges and security interests, have not changed significantly from those detailed in Chapter 5, Note 33 of the consolidated financial statements of December 31, 2014.

Legal actions and litigation

Groupe Fnac's companies and businesses are involved in a certain number of proceedings and litigation cases in the normal course of business, including disputes with tax, social security and customs authorities. A provision has been recorded for any expenses that may arise and are considered probable by those companies and their experts.

According to their experts, none of the disputes in which Groupe Fnac companies or businesses are involved threatens Groupe Fnac's normal and foreseeable course of business or its planned development.

Groupe Fnac is not aware of any litigation involving material risks that could affect its holdings, earnings or financial position for which a provision had to be recorded at year-end. No dispute, considered individually, is material at the level of the Company or Groupe Fnac.

Groupe Fnac is not aware of any other litigation or arbitration proceedings that are likely to have a material impact on the Company or Groupe Fnac's financial position, business or income, or which have had such an impact in the recent past.

Note 17 Related parties

At June 30, 2015, Groupe Artémis held 38.66% of the capital and 38.66% of the voting rights in Groupe Fnac.

In first half 2015, the main transaction between all the consolidated companies of Groupe Fnac and the Kering Group, a related party to Groupe Artémis, was the reinvoicing by the Kering Group for IT services amounting to €1.2 million.

Note 18 Post-closing events

There were no significant events after the end of the first half of 2015.

4 REPORT OF THE INDEPENDENT AUDITORS

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Report of the Independent Auditors on the interim financial information

For the period from January 1 to June 30, 2015

To the Shareholders,

In accordance with the mission entrusted to us by your Shareholders' Meetings and pursuant to the requirements of Article L.451-1-2 III of the French Monetary and Financial Code, we are hereby reporting to you on:

- the limited review of the interim condensed consolidated financial statements of Groupe Fnac for the period from January 1 to June 30, 2014, as attached to this report;
- the verification of the information contained in the interim management report.

These condensed consolidated interim financial statements have been established under the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

I- Conclusion on the financial statements

We conducted our review in accordance with the professional standards applicable in France. A limited review consists of making interviews with the persons responsible for financial and accounting matters, and applying cost accounting procedures. This work is substantially less extensive in scope than an audit conducted in accordance with professional standards applicable in France. Consequently, the assurance that the financial statements, considered as a whole, do not contain material anomalies in a limited review is moderate assurance, lower than that obtained in an audit.

Based on our limited review, we did not identify any material anomalies that could call into question the compliance of the interim condensed consolidated financial statements with IAS 34, the IFRS as adopted by the European Union applicable to interim financial reporting.

II- Specific verification

We also verified the information given in the interim management report on the condensed consolidated interim financial statements covered by our limited review. We have no observations to make concerning their accuracy and consistency with the condensed consolidated interim financial statements.

Paris La Défense and Neuilly-sur-Seine, July 30, 2015

The Independent Auditors

KPMG Audit
A department of KPMG SA

Hervé Chopin

Deloitte & Associés

Stéphane Rimbeuf

5 DECLARATION BY THE PERSON RESPONSIBLE FOR THE INTERIM FINANCIAL REPORT

I certify that, to my knowledge, the interim condensed consolidated financial statements for the last six months were prepared in accordance with applicable accounting standards and give a true and fair view of the holdings, financial position and results of all the companies included in the consolidation, and that the interim management report gives a fair description of material events that have occurred in the first six months of the fiscal year and their impact on the interim financial statements, the main related-party transactions, and a description of the principal risks and uncertainties for the remaining six months of the year.

Ivry-sur-Seine, July 30, 2015

Alexandre Bompard

Chairman and Chief Executive Officer