



FNAC ANALYST MEETING

April 26, 2013



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1. INTRODUCTION



AGENDA FOR THE DAY

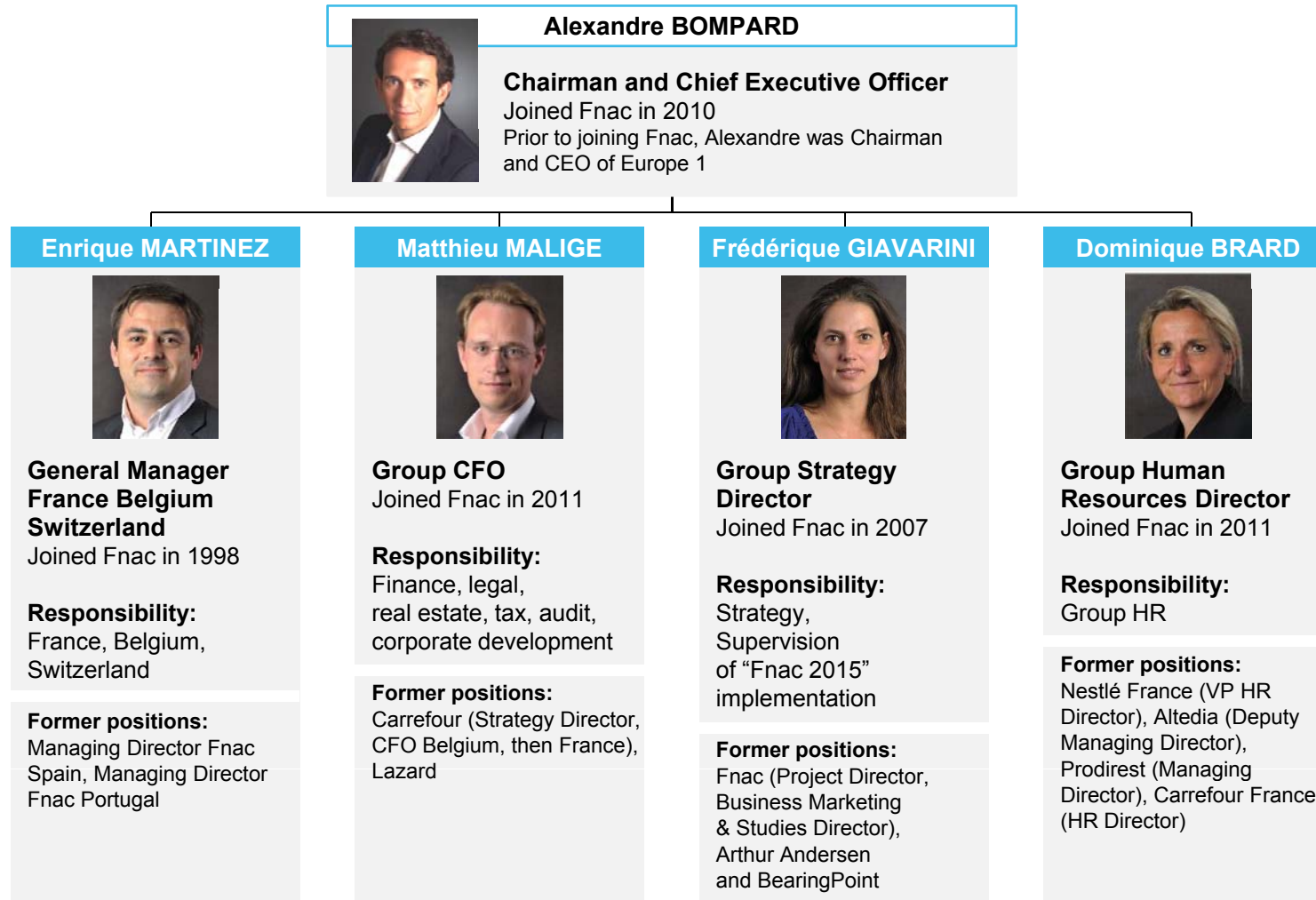
TIME	TOPIC	SPEAKER	POSITION
10.00 – 10.15	<ul style="list-style-type: none"> • Introduction 	<ul style="list-style-type: none"> – Alexandre Bompard – Matthieu Malige 	Chairman and CEO Group CFO
10.15 – 10.35	<ul style="list-style-type: none"> • Fnac's unique concept 	<ul style="list-style-type: none"> – Frédérique Giavarini 	Group Strategy Director
10.35 – 11.35	<ul style="list-style-type: none"> • Fnac 2015 overview 	<ul style="list-style-type: none"> – Enrique Martinez – Matthieu Malige 	GM France Belgium Switzerland Group CFO
11.35 – 11.45	<ul style="list-style-type: none"> • <i>Coffee Break</i> 		
11.45 – 12.15	<ul style="list-style-type: none"> • Financial Overview 	<ul style="list-style-type: none"> – Matthieu Malige 	Group CFO
12.15 – 13.00	<ul style="list-style-type: none"> • Conclusion and Q&A 	<ul style="list-style-type: none"> – Alexandre Bompard 	Chairman and CEO

Afternoon

13.00 – 14.30	<ul style="list-style-type: none"> • <i>Lunch</i> 		
14.30 – 16.00	<ul style="list-style-type: none"> • Site Tour 	<ul style="list-style-type: none"> – Fnac Store Ternes 	



SPEAKERS



REFRESHED MANAGEMENT TEAM WITH DIVERSE AND COMPLEMENTARY PROFILES



FNAC HAS A VALUABLE INVESTMENT PROPOSITION

**A LEADER WITH
SIGNIFICANT
COMPETITIVE EDGE
VS. OTHER PLAYERS**

- An iconic household brand benefiting from strong recognition
- A valuable pay member base
- An unrivalled and regularly renewed product offering
- A dense destination store network and a leading e-commerce website with substantial traffic

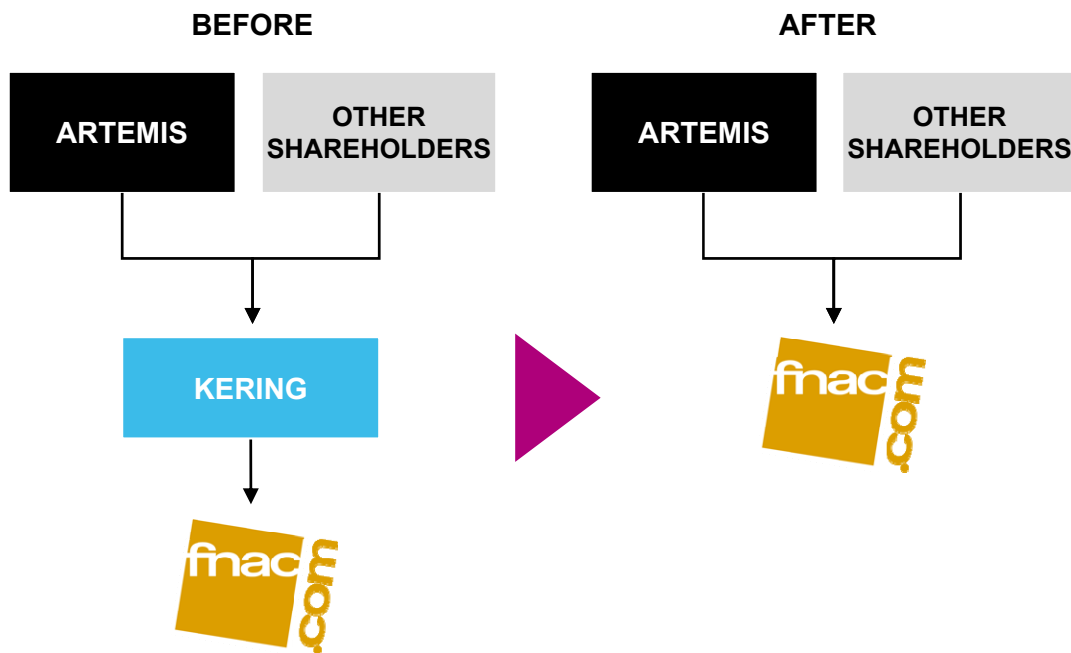
**TRANSFORMATION
UNDERWAY
DELIVERING EARLY
SUCCESSSES**

- Ongoing re-shaping of the commercial model through product offering extension and partnerships
- Transformation into a customer-centric organization
- Strengthening of the omni-channel model
- Multi-format store roll-out in France and targeted expansion abroad
- Efficiency improvement and cost reductions

TRI-PILLAR SUPPORT

- A conservative and standalone financial structure offering visibility throughout the transformation period
- A strong and successful reference shareholder
- A committed and renewed management team

TRANSACTION OVERVIEW



GOVERNANCE

- Governance based on best corporate governance practices
- Board composed of 10 members out of which:
 - CEO and Chairman: Alexandre Bompard
 - 3 Artemis representatives
 - 6 independent members

ARTEMIS INTENTION

- First 2 years holding at least 38.8% of share capital
- 3rd year holding at least 25% of share capital

DESCRIPTION

Kering AGM of June 18th, 2013 will resolve on the distribution in kind of Fnac shares to Kering shareholders, in the form of a distribution of allotment rights

PARITY

- 1 allotment right for 1 Kering share
- 1 Fnac share for 8 allotment rights

LISTING

- Fnac shares to be listed on NYSE Euronext Paris “Compartment B”
- First listing expected on June 20, 2013
- Allotment rights listed on NYSE Euronext Paris until September 30, 2013
- No double voting rights

INDICATIVE TIMETABLE

- **Analyst presentation** **April 26**
- **Submission by analysts of draft research reports** **May 17**
- **Comments on research reports⁽¹⁾, if any, returned** **May 20 - 22**
- **Publication of research reports** **May 23**
- **Beginning of blackout period at 00.01 Paris time** **May 24**
- **Kering AGM** **June 18**
- **Listing** **June 20**
- **End of blackout period** **July 11**

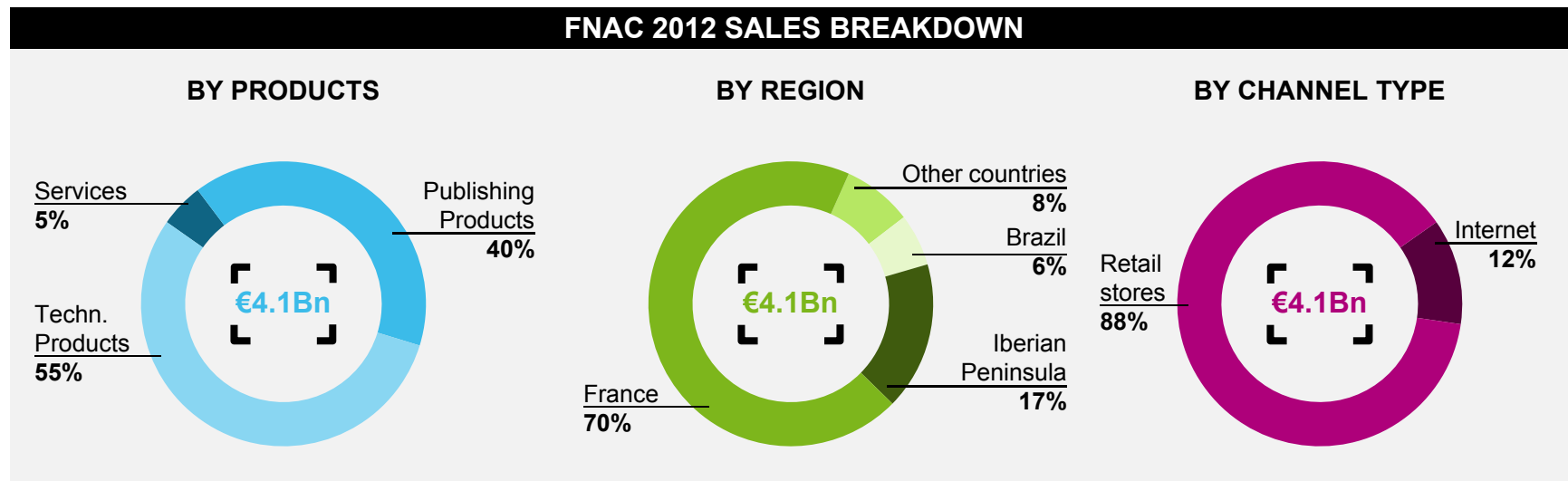
(1) Comments with respect to factual accuracy of research reports only

2. FNAC'S UNIQUE CONCEPT



FNAC AT A GLANCE

- A unique leader in retailing of leisure (CDs, DVDs, books, gaming) and technology products (photography, personal computers and tablets, TVs, sound systems, etc.) and services (tickets, insurance, after-sale service / repair, etc.)
- The strongest brand in the industry in most of its countries
- A dense network of 170⁽¹⁾ stores worldwide attracting a significant traffic, of which 103 in France
 - 20 million customers and c.130 million visits in stores in France in 2012
- One of the major e-commerce players in its countries
 - On average c.13.9m unique visitors per month in 2012 on Fnac.com
- c. 16,650 employees at end of December 2012⁽²⁾



(1) Incl. 14 "Travel" stores
 (2) FTE



A POWERFUL BRAND LEVERAGING ON THREE CORE FEATURES

FNAC RANKS FIRST ON ALMOST ALL OF ITS KEY PRODUCTS IN TERMS OF AWARENESS

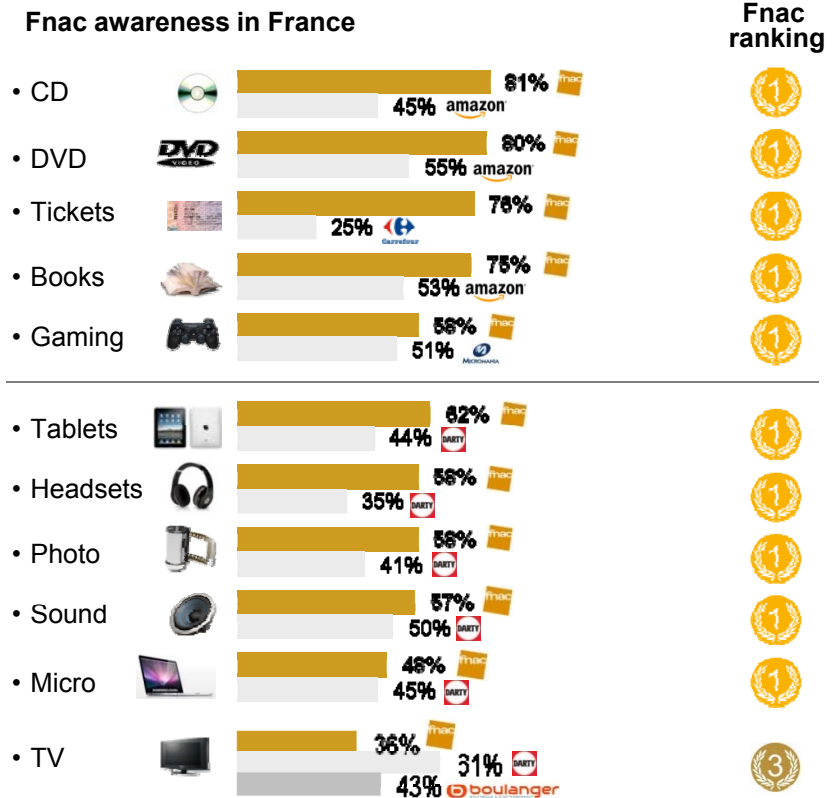
3 MAIN FEATURES OF THE FNAC BRAND

1 ▶ EXPERTISE

2 ▶ INDEPENDENCE

3 ▶ INITIATOR





















THE CLEAR REFERENCE ON ITS PRODUCTS



(1) Source: Harris "Baromètre produits été 2012"



A COMPREHENSIVE OMNI-CHANNEL PRODUCT OFFER

		EDITORIAL PRODUCTS			TECHNOLOGY PRODUCTS			OTHERS			SERVICES	
		 Music/Video	 Books	 Gaming	 TV / Video / Photo / Audio	 Micro	 Phone	 Games/Toys	 SHA ⁽¹⁾	 Gift cards / Boxes	 Ticketing	 Services
TRADITIONAL PLAYERS		●	●	●	●	●	●	●	●	●	●	●
				●	●	●	●		●	●		●
		●		●	●	●	●	●	●	●		●
		●	●	●				●		●	●	
		●	●	●							●	
ONLINE PLAYERS		●	●	●	●	●	●	●	●	●		
		●	●	●	●	●	●	●	●			
		●	●	●	●	●	●	●	●	●	●	●
		●	●	●	●	●	●	●	●	●		

(1) Source: Companies
 (2) (1) Small Home Appliances



BEYOND ITS CORE PRODUCT OFFER, FNAC ALSO LEVERAGES ITS BRAND, AUDIENCE AND CUSTOMER BASE ON MARGIN ACCRETIVE SERVICES

TICKETING

- **Undisputed market leader in France with c. 50% market share⁽¹⁾**
- **c.13m tickets sold in 2012, of which nearly half online**
- **More than 1,100 points of sales along with 2 leading websites (i.e. fnacspectacles.com and francebillet.com)**
- **Perfect fit with the cultural image conveyed by Fnac**

ADD-ON SERVICES

- **Wide range of add-on services including after-sales, delivery, installation, training, warranty or consumer credit**
- **Creation of dedicated areas to advise customers (27 stores with “Espace Services” as of end 2012)**
- **High level of client satisfaction and improvement of customer proximity**

- **THE TICKETING AND ADD-ON SERVICES ACTIVITIES ARE COMPLEMENTARY TO FNAC'S CORE PRODUCT OFFER**
- **SERVICES TEND TO FOSTER FNAC'S CASH GENERATION AS THEY HAVE HIGHER MARGINS AND LOW-CAPITAL INTENSITY**

(1) Source: Company estimates (based on size of ticketing sellers market)

A UNIQUE CONCEPT (1/2)

THE IN-STORE CONCEPT

- Qualitative customer environment
- Atmosphere of self experience and testing
- Latest innovations, exclusive products
- Strong opinion on products sold (Labeling)
- Forum areas dedicated to cultural activities
- Expertise and independence showcase



STORES IN PREMIUM LOCATIONS

- Mainly in city centers and at the heart of shopping districts
- With A-locations and very strong customer footfall



COMMERCIAL POLICY

- Pricing policy in line with the market, both online and offline
- Special offers and promotions
- Exclusive offers for members
- Selection of best value products at various price points



A POWERFUL WEBSITE

- Website launched in 1999
- A deep and increasing integration with the store network



A UNIQUE CONCEPT (2/2)

LARGEST AND UNIQUE ASSORTMENT

- Unique player offering editorial and technological products
- Almost 12 million references through website, marketplace and second hand



A QUALITATIVE SERVICE PROVIDER

- Numerous and expert staff
- Strong visibility given to services



A CULTURAL PLAYER

- Organizer of in-store and external cultural events
- More than 12,000 cultural events in 2012 in France and abroad
- Promotion of young and promising talents



SOCIETAL, ENVIRONMENTAL AND SOCIAL RESPONSIBILITY

	GOALS	KEY ISSUES	
HUMAN RESOURCES	<ul style="list-style-type: none"> Implementation of an ambitious diversity policy 	<ul style="list-style-type: none"> Promote diversity and equality Well-being of handicapped and old people 	<ul style="list-style-type: none"> 87% of staff believe that equality exists within the Group, regardless of origins diversity
ENVIRONMENT	<ul style="list-style-type: none"> Measure and limit transport related carbon impact 20% decrease of energy impact by 2014 	<ul style="list-style-type: none"> Carbon impact Energy consumption Staff health Reduce impacts on environment 	<ul style="list-style-type: none"> c. 10M KWh saved in 2012 vs 2011 20% increase in collected waste volume
SOCIAL	<ul style="list-style-type: none"> Make culture accessible to the highest possible number of people 	<ul style="list-style-type: none"> Reduce exclusion from digital tools 	<ul style="list-style-type: none"> Partnership with “Bibliothèques Sans Frontières” in order to collect cultural products Launch of a process enabling Fnac.com users to make gifts



Training to eco-friendly driving

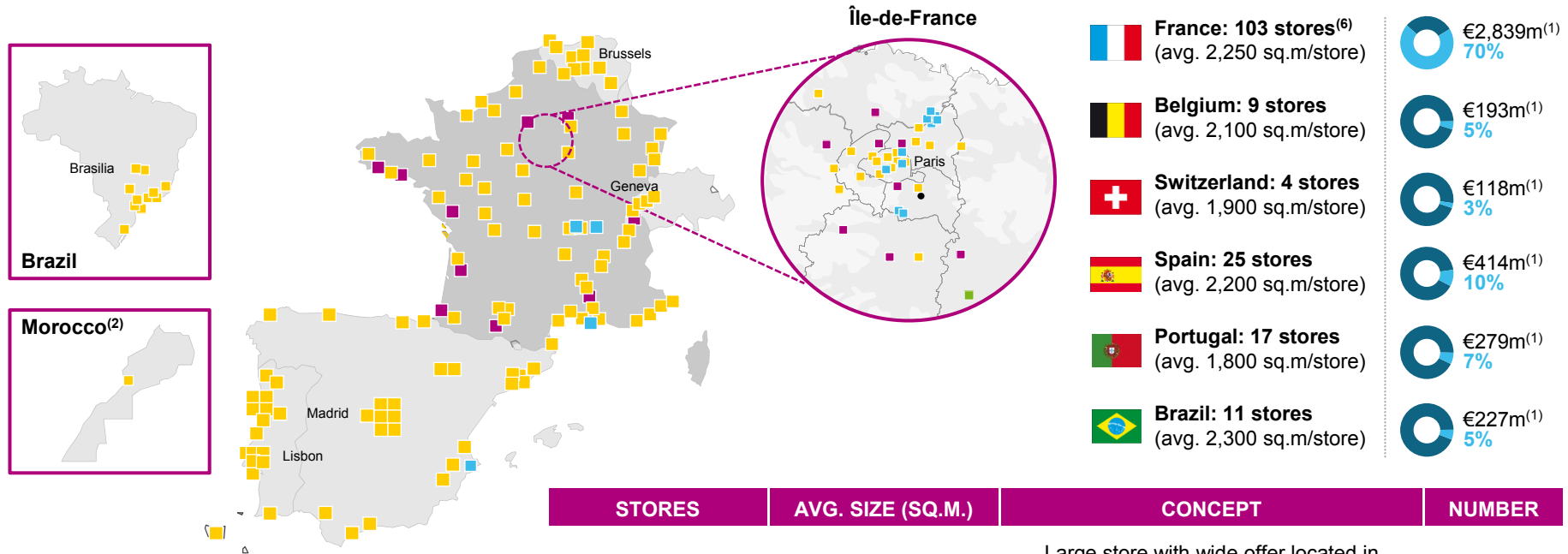


Promotion of electric cars



A NATIONWIDE MULTI-FORMAT NETWORK IN FRANCE AND FRENCH SPEAKING NEIGHBORING COUNTRIES COMBINED WITH A LEADING PRESENCE IN IBERIA

- **A dense existing network composed of 170 stores at end of December 2012 (156 at end of December 2011)**
 - 103 stores in France (92 at end 2011)
 - 66 stores in Spain, Portugal, Brazil, Belgium, Switzerland (64 at end 2011), plus 1 franchised store in Morocco



STORES	AVG. SIZE (SQ.M.)	CONCEPT	NUMBER
■ "Traditional" stores	2,400	Large store with wide offer located in premium location (the whole Fnac concept)	137 ⁽²⁾
■ "Périphérie" stores in France	2,000	Self service more developed, technical products emphasized	18 ⁽³⁾
■ "Travel" stores	220	Small store with limited offer focused on top sellers, mobility and accessories	14 ⁽⁴⁾
■ Proxi	300-900	Suitable for medium-sized cities	1 ⁽⁵⁾

Note: Excluding Italy disposed in 2012; including franchised stores
 (1) 2012 revenues and share of total revenues of Group Fnac
 (2) Including one traditional store in Casablanca (Morocco Mall)

(3) Including one franchised store (La Roche-sur-Yon)
 (4) Including one store in Spain (Valencia train station) and 13 franchised stores in France
 (5) Franchised store (Melun) (6) Including travel stores



A VALUABLE CUSTOMER AND PAY MEMBER BASE (1/2)

- **46m** customers globally
- **5.0m** being Fnac paying members (+22.2% vs 2010)



- **20m** customers in France
- **3.2m** in France

WHO ARE OUR CUSTOMERS (FRANCE)

	% MEN	AGE	% URBAN ⁽¹⁾	% CSP+	PARIS REGION	DAILY WEB VISITORS
MEMBERS	47%	45	68%	42%	39%	85%
CUSTOMERS	46%	44	60%	38%	30%	79%
FRENCH AVG.	48%	47	47%	27%	19%	63%

FNAC BENEFITS FROM EXTENSIVE HISTORICAL DATA ON MEMBERS

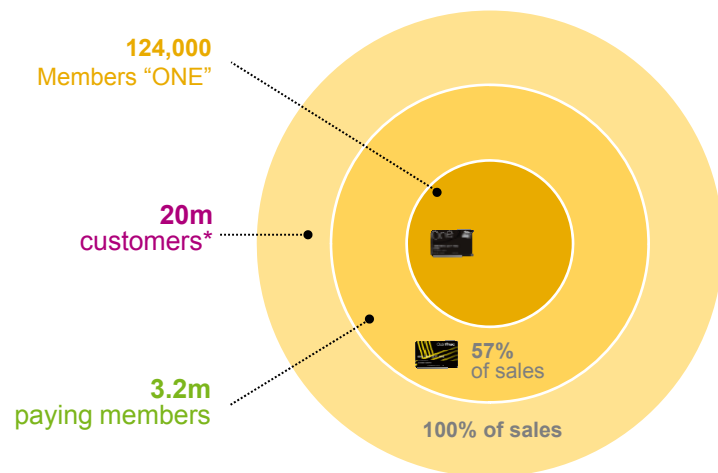
(1) Source: Fnac database
 (2) (1) Cities of more than 100,000 inhabitants



A VALUABLE CUSTOMER AND PAY MEMBER BASE (2/2)

FNAC CUSTOMER BASE BREAKDOWN (FRANCE)

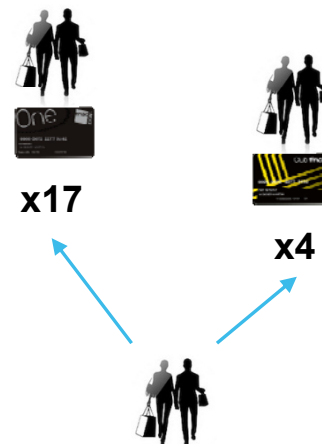
Fnac's best customers with highest cumulative spending and purchasing frequency



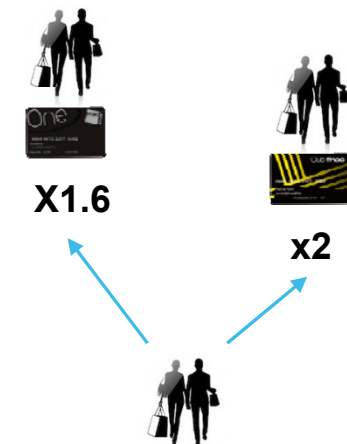
Higher purchasing frequency, average basket and spending than non-members

MEMBERS' CONSUMPTION HABITS (FRANCE)

PURCHASING FREQUENCY



AVERAGE BASKET PER VISIT













FNAC'S PAYING MEMBERS BASE IS COMPOSED OF 5 MILLION MEMBERS ACCOUNTING FOR MORE THAN 55% OF REVENUES (57% IN FRANCE)

*Source: Omnibus BVA 2012 & Fnac database

FNAC AND THE INTERNET: A HISTORICAL PRESENCE IN ALMOST ALL COUNTRIES OF OPERATIONS, OFFERING STRONG POTENTIAL FOR DEVELOPMENT

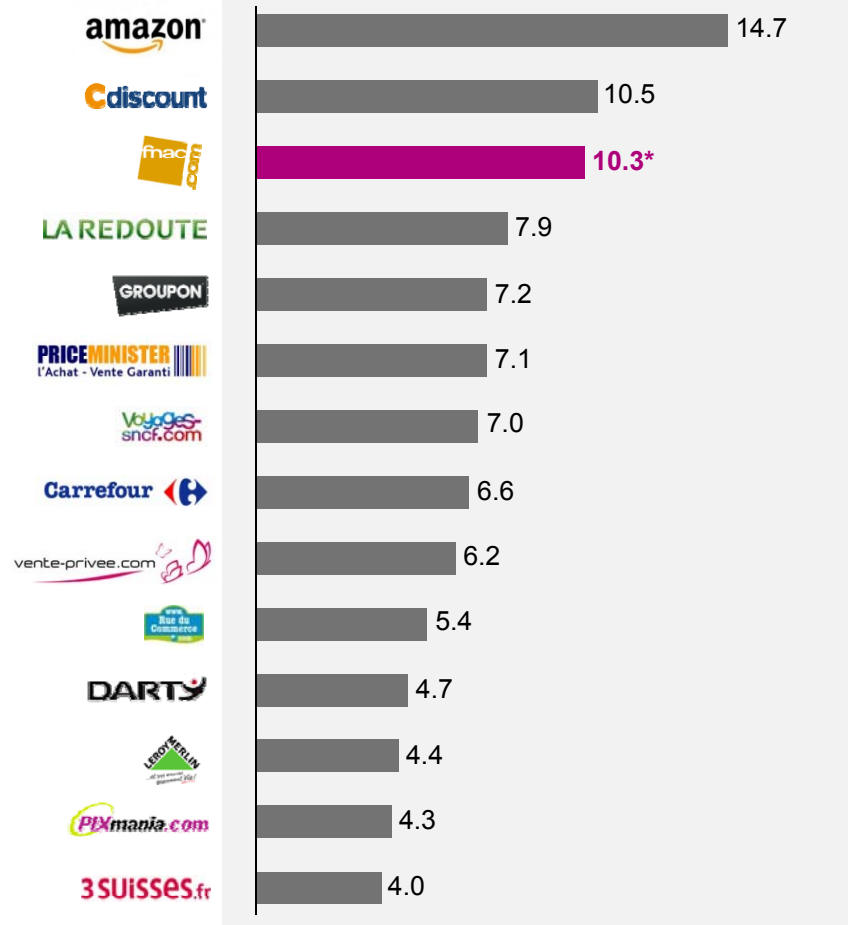
- **Development of Internet activities in France since 1999 and abroad since 2000**
- **High growth rates abroad**
- **Strong potential for development**
 - Limited percentage of sales generated online in Spain and Portugal to date
 - Implementation of French website functionalities in 2012 and 2013 expected to trigger strong revenue growth

	Fnac.com 	Fnac.es 	Fnac.pt 	Fnac.com.br 	Fnac.be 
LAUNCH DATE	1999	2000	2002	2005	2006
2012 REVENUES	€404m	€30m	€19m	€37m	€2m
% OF COUNTRY REVENUES	Web  14%	Web  7%	Web  7%	Web  16%	Web  1%
SITE RANKING	#3	#7	#1	n.a.	n.a.
# OF SKUs OFFERED	10 millions	500,000	390,000	c. 590,000	Idem Fnac.com
MARKET PLACE	✓	Launch in 2013	Launch in 2013	✗	✗
OMNI-CHANNEL FUNCTIONALITIES	✓	✓	✓	✗	✗

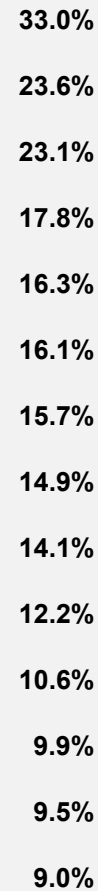


FNAC.COM, THE #3 E-COMMERCE PLAYER IN FRANCE AND THE #1 SITE AMONG TRADITIONAL “BRICK & MORTAR” RETAILERS

OF UNIQUE VISITORS PER MONTH (m)



INTERNET USERS COVERAGE



Q3 2012
#3



GAIN IN RANKING



Q2 2009
#5

Source : Fevad as of Q3 2012 (excl. Ebay)

* Number of unique visitors per month as measured by FNAC amounts to c. 13.2m



FOCUS ON FNAC'S STRENGTHS

1

A brand benefiting from strong recognition in its markets

2

A valuable pay member base

3

A dense store network and a powerful website increasingly integrated in the framework of an omni-channel strategy

4

A leading position in leisure and technology consumer goods retailing with a dense traffic on all channels and a very broad range of products and services

3. FNAC 2015 OVERVIEW



INTERNET IS A MARKET DISRUPTION

1

INTERNET DISRUPTION

Dematerialisation
of editorial products



International competitors
& new services standards



E-commerce

- Price transparency
- Aggressive new pricing
- More knowledgeable customers



2

MACROECONOMIC ENVIRONMENT

STRUCTURAL FACTORS AND MACROECONOMIC ENVIRONMENT
FORCE FNAC TO ADAPT ITS MODEL



EARLY 2011: TRANSFORMATION OF FNAC'S MODEL

A NEW BRAND TERRITORY

- **Extend Fnac brand territory from “Culture and Technology” to “Leisure and Technology”**
 - Introduction of new product categories on the leisure segment to better meet customer expectations
- **Focus on CSP+ families**
 - Introduction of family-oriented and design products with growth potential and high margins
 - Renew the store concept to reinforce attractiveness, self experience, easy buying and services
- **Focus on pay members to reinforce proximity and differentiate Fnac from competitors**

COLLABORATION WITH THIRD PARTIES

- **Seek third party expertise through specific commercial partnerships to enter growing markets rapidly**
 - Improve customer experience and product offering
 - Penetrate high growth segments unreachable on a standalone basis
- **Operate through franchises**
 - Deploy brand more rapidly leveraging on local expertise
 - Attractive financial model with limited capital employed
 - Benefit from operating input of franchisees – benchmark operating models

FOCUS ON EXECUTION IMPROVEMENT

- **Increase pressure on teams to properly execute strategy**
- **Culture of achieving goals**
- **Align incentives with strategic goals**

STRATEGIC APPROACH



CHANGE
IN MODEL



NEW
STRATEGIC
PLAN
"FNAC 2015"



1

RE-SHAPE FNAC'S COMMERCIAL
MODEL



2

BECOME CUSTOMER CENTRIC



3

GROW ONLINE AND EXPAND
OMNI-CHANNEL



4

DENSIFY STORE PRESENCE



5

IMPROVE OPERATIONAL
EFFICIENCY



STRATEGIC APPROACH



CHANGE
IN MODEL



NEW
STRATEGIC
PLAN
"FNAC 2015"



- 1 RE-SHAPE FNAC'S COMMERCIAL MODEL
- 2 BECOME CUSTOMER CENTRIC
- 3 GROW ONLINE AND EXPAND OMNI-CHANNEL
- 4 DENSIFY STORE PRESENCE
- 5 IMPROVE OPERATIONAL EFFICIENCY



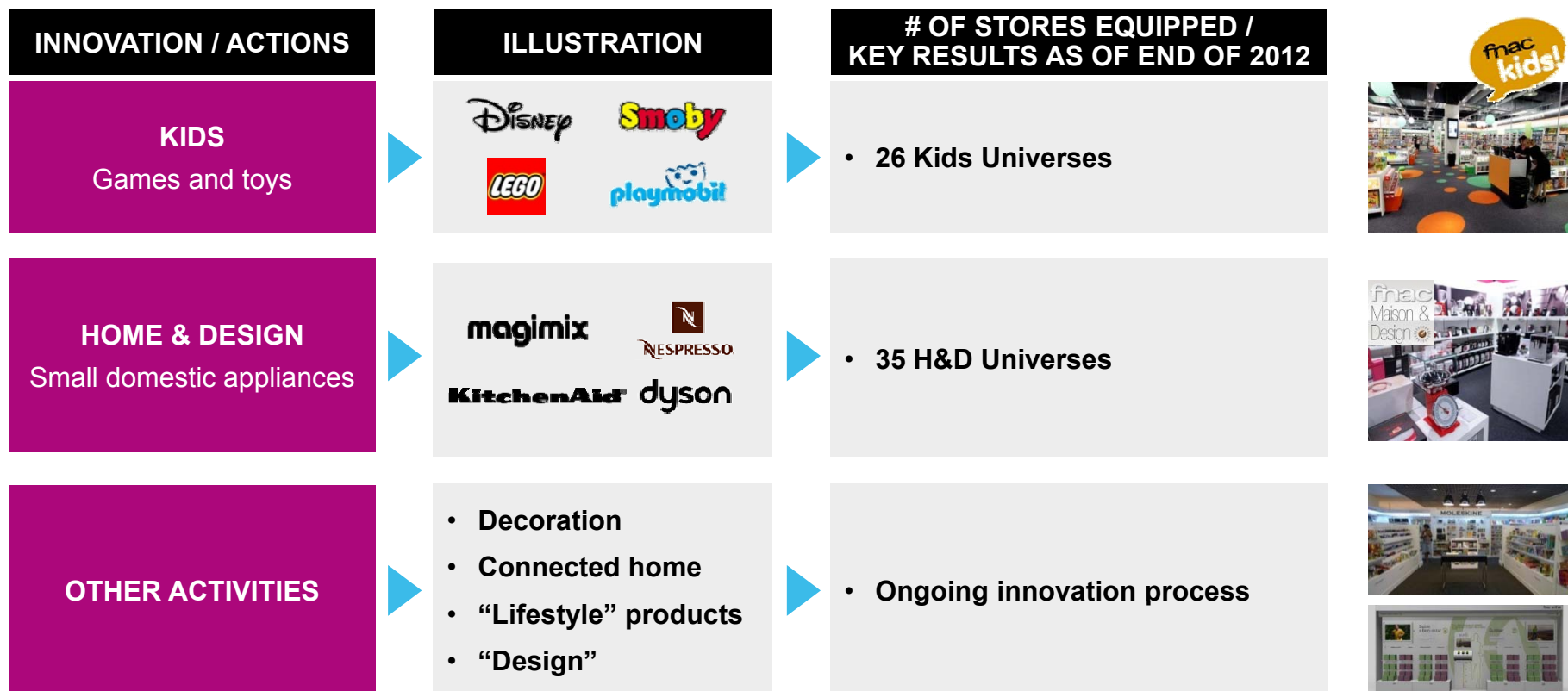
1. MARKET TRENDS REQUIRE ENTRY IN NEW GROWTH SEGMENTS

- ▶ **Fnac managed to gain market shares in a context of declining markets over the past few years**
 - Several competitors failed to adapt to new market trends

- ▶ **Fnac entered new product categories in order to compensate for the decline of some of its traditional markets**
 - New product categories targeted with attractive growth prospects

1. RE-SHAPE FNAC'S COMMERCIAL MODEL TO ACCOMPANY MARKETS' EVOLUTION: INTRODUCTION OF NEW PRODUCTS AND SERVICES

- Launch of high end products targeting CSP+ families to offset the decline of discs
- New disposition of products in thematic corners (universes)



IN 2012, NEW CATEGORIES COMPENSATED FOR THE DECLINE OF THE MUSIC SEGMENT



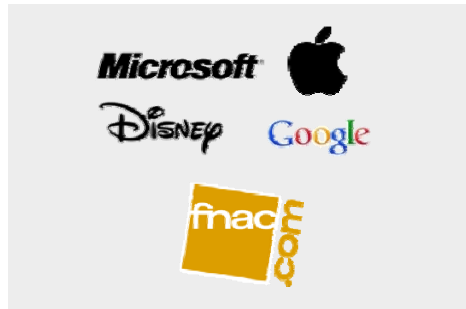
1. STRATEGIC PARTNERSHIPS WITH BEST-IN-CLASS OPERATORS

INNOVATION / ACTIONS

STRATEGIC PARTNERSHIPS WITH BEST-IN-CLASS OPERATORS



PARTNER



KEY RESULTS

- Leadership position in France
- **140,000** Kobo by Fnac sold in 2012 in France
- **550,000** e-books

- Fnac is recognised as the unique entry point for innovation on its markets
- Temporary exclusivities

- **66** SFR corners as of end of 2012
- c. **60%** of commercial acts are line openings



1. FNAC'S COMMERCIAL POLICY HAS BEEN THOROUGHLY RETHOUGHT

FOCUS COMMERCIAL POLICY ON PAY MEMBERS

- Reserve best offers to members (promotion and exclusivity offers)
- Attract new members by increasing the advantage gap between pay members and other clients



BUILD WEB AVAILABLE RANGES OF PRODUCTS

- Enlarge in-store range of products proposed on fnac.com and the marketplace
- Expand web-exclusive range of products
- Reduce in-store range of products: lower density of products and improved display



PROMOTE SERVICES

- Develop consumer credit activities to reach market standards
- Enrich offer of services
- Creation of dedicated areas

IMPROVE FNAC'S PRICE IMAGE

- Assortment: focus on attractive entry-level products / high price and high margin products
- External communication focused on entry-level products
- Coordinate entry-level product prices between stores and Internet vs. price differentiation policy for back catalogue products



STRATEGIC APPROACH



CHANGE
IN MODEL



NEW
STRATEGIC
PLAN
"FNAC 2015"



- 1 RE-SHAPE FNAC'S COMMERCIAL MODEL
- 2 BECOME CUSTOMER CENTRIC
- 3 GROW ONLINE AND EXPAND OMNI-CHANNEL
- 4 DENSIFY STORE PRESENCE
- 5 IMPROVE OPERATIONAL EFFICIENCY



2. INCREASE CLIENT FOCUS TO FAVOUR SATISFACTION AND LOYALTY

STRUCTURAL CHANGES	ACTIONS
Customers request proximity and an individualized approach	Improve customer knowledge and CRM ⁽¹⁾ effectiveness
New services standards	Develop presence on social networks
More knowledgeable customers	Improve customer service and professional attitude
	Leverage membership program

FROM A “PRODUCT” CENTRIC CULTURE TO A “CUSTOMER” CENTRIC CULTURE

(1) Customer Relationship Management

2. IMPROVE CUSTOMER KNOWLEDGE AND CRM EFFECTIVENESS

INNOVATION / ACTIONS

CENTRALIZED CUSTOMER INFORMATION REGARDLESS OF CONTACT POINT



ILLUSTRATION / KEY RESULTS

- Unique customer base filled through stores, website, call centers, after-sale services and ticketing customer information
- Availability of customized information to sales force to personalize offer and advice
- Enables a fine-tuned marketing policy and omni-channel development

DEVELOP CUSTOMIZED OMNI-CHANNEL ANIMATION



- Advice on products via email, texting, Internet (cross selling, up selling,...), mailing, mobile application, Internet
- Multiplication of thematic and targeted emails (ticketing, CD, etc.)
- Personalized contact with customer made available thanks to thorough knowledge of purchase history

2. DEVELOP PRESENCE ON SOCIAL NETWORKS

INNOVATION / ACTIONS

DEVELOP PRESENCE ON SOCIAL NETWORKS

ILLUSTRATION / KEY RESULTS



- Social networks allow Fnac to increase traffic on fnac.com and in stores
- 77% of web users are members of at least one social network
- 54% of web users utilize social networks to get information on products and brands
- 64% of Fnac pay members are members of at least one social network

2. INCREASE CUSTOMER SERVICE AND PROFESSIONAL ATTITUDE

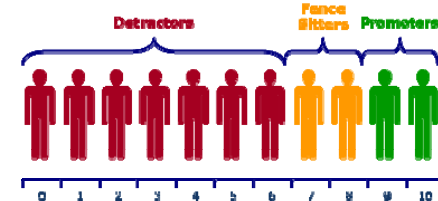
INNOVATION / ACTIONS

SPECIFIC TRAINING TO ENHANCE SERVICE

ILLUSTRATION / KEY RESULTS

- REVER program: specific employee training to enhance customer experience and satisfaction
- 2,000 employees in 18 stores trained under REVER in 2012
- REVER to be extended to all staff in contact with customers starting from 2013
- Favour omni-channel attitude
- Technical training on latest innovations

- 170 training sessions (REVER)
- 2,750 NPS clients re-contacted by phone
- 11,200 NPS clients re-contacted by e-mail



Net promoter score = % promoters - % detractors

CUSTOMER SATISFACTION MEASURE

- Net Promoter Score (“NPS”) launched in September 2012 to measure customers’ satisfaction thanks to email exchanges
- NPS Daily reporting enables to identify unsatisfied customers and address the issue
- Sales force incentive linked to NPS level

2. REINFORCE ATTRACTIVENESS OF MEMBERSHIP PROGRAM

REINFORCE ATTRACTIVENESS OF MEMBERSHIP PROGRAM

- **Premium customer service & experience**
- **Focus commercial efforts on pay members (membership fee of between €10 and €30)**
 - Discounts
 - Private sales
 - Gift certificates
 - Exclusive offers
- **Special benefits for top members: "One" members**
 - Dedicated help-desk
 - Priority check-out lines in stores
 - Dedicated telephone line available 7/7
 - Exclusive product pre-ordering privileges
 - Event bookings
 - Dedicated after-sales service helpline
 - Free shipping on all orders placed on fnac.com



STRATEGIC APPROACH



CHANGE
IN MODEL



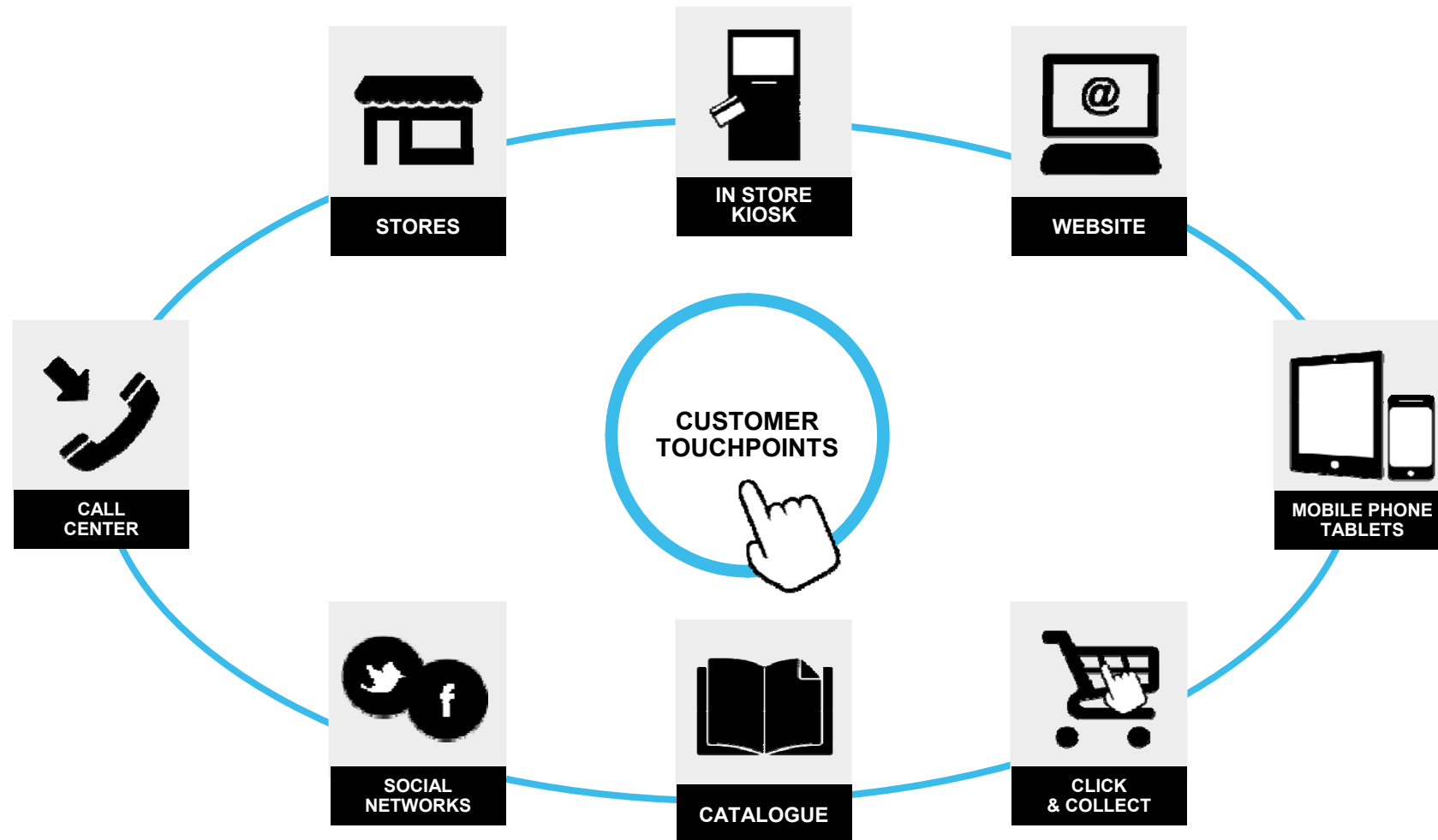
NEW
STRATEGIC
PLAN
"FNAC 2015"



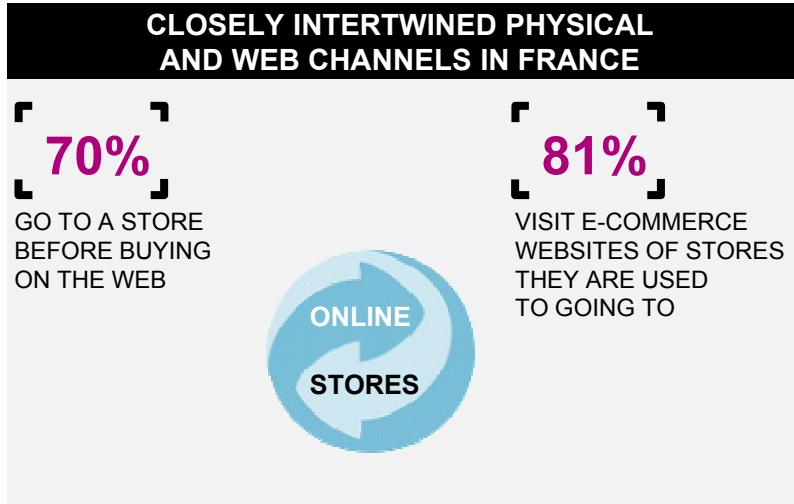
- 1 RE-SHAPE FNAC'S COMMERCIAL MODEL
- 2 BECOME CUSTOMER CENTRIC
- 3 GROW ONLINE AND EXPAND OMNI-CHANNEL
- 4 DENSIFY STORE PRESENCE
- 5 IMPROVE OPERATIONAL EFFICIENCY



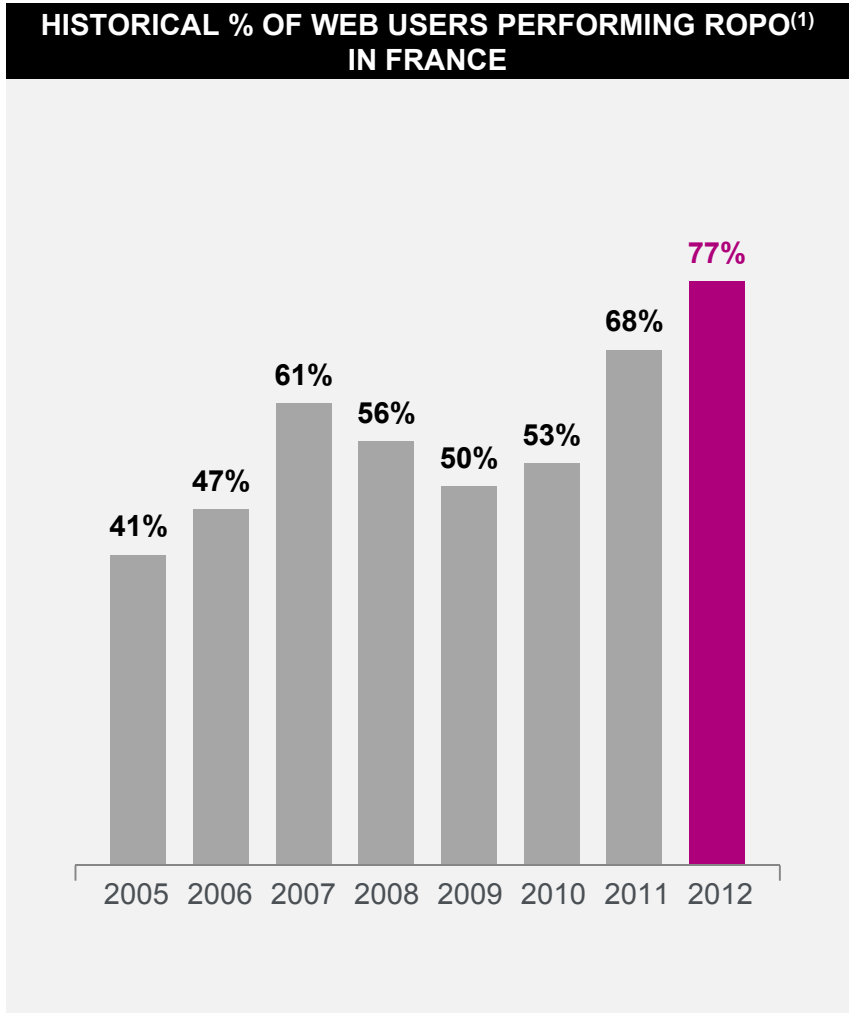
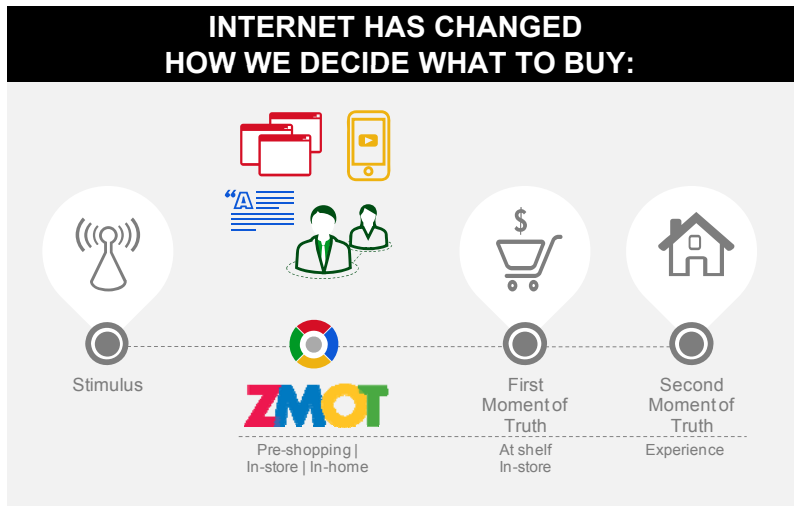
3. CONSUMERS INCREASINGLY MIX ONLINE AND OFFLINE CHANNELS IN THEIR PURCHASING HABITS



3. MAJOR SHOPPING CIRCUITS BECOME OMNI-CHANNEL



Source: Study Digitas – Vivaki expert center November 2011

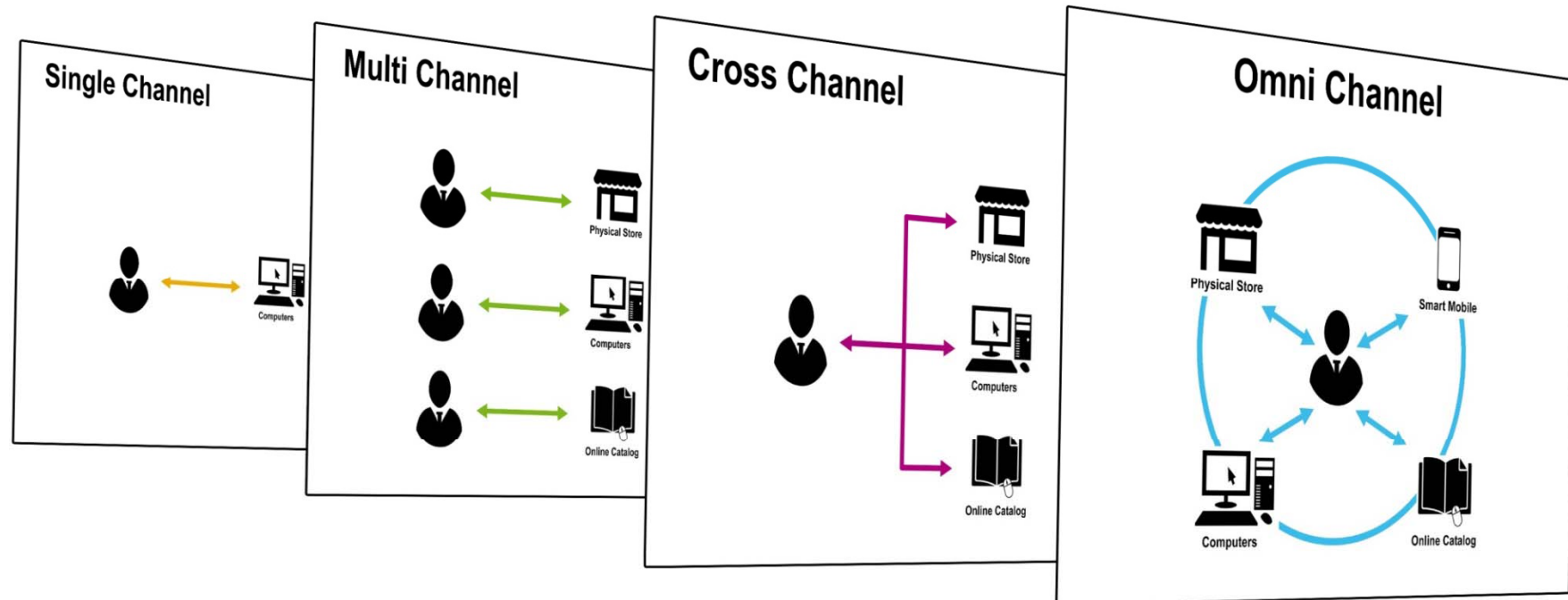


Source: FEVAD – Médiamétrie/NetRatings barometer on web users' purchasing behaviors (as of May 2012)

(1) ROPO: Research Online Purchase Offline



3. WHAT IS OMNI-CHANNEL?



Examples of omni-channel distribution benefits for clients:

- Savings on delivery time and costs regarding online orders as products can be picked-up quickly in stores
- Access a wide range of products when buying from a store with limited product offering thanks to online orders made in store



3. CONSOLIDATE E-COMMERCE MODEL

INNOVATION / ACTIONS	ILLUSTRATION / KEY RESULTS
ENRICH ON-LINE EXPERIENCE	<ul style="list-style-type: none">• Increase product offering and enlarge readily available products• Reduced preparation / shipping time• Enhance site efficiency and purchase funnel (conversion rate)• Attractive commercial policy and pricing
DEVELOP MARKET PLACE	<ul style="list-style-type: none">• Broad range of products potentially available• 1,500 professional selling partners• 19 million references• Attractive economic and financial model
UPGRADE INTERNATIONAL WEBSITES	<ul style="list-style-type: none">• Migration of international websites to French platform to benefit from its functionalities (marketplace, Myfnac, etc.)<ul style="list-style-type: none">- Done in Belgium and in Spain- Underway in Portugal and Brazil

3. SIGNIFICANT INVESTMENTS IN LOGISTICS FOR AN EFFICIENT OMNI-CHANNEL MODEL

OPENING OF A 3rd WAREHOUSE

- Omni-canal warehouse of 22,000 m² operating since 2012
- Primarily dedicated to large technical products (TV, Sound, IT etc.)
- ▶ Larger storage capacity available for fnac.com
- ▶ New product ranges offering



AUTOMATION OF ORDER PREPARATION

- Investments to modernize the logistics platform
- ▶ Reliability improvement
- ▶ Shorter delivery time
- ▶ Fixed-costs model benefiting from volume increase



KEY RESULTS

- Number of references in inventory increased by +94%

3. DEVELOPMENT OF FNAC OMNI-CHANNEL MODEL (1/2)

INNOVATION / ACTIONS

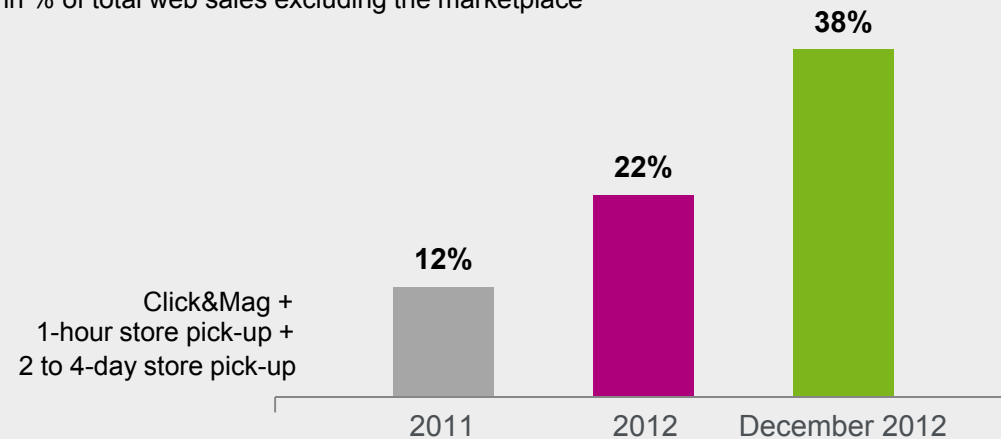
OFFER STORE / WEB FUNCTIONALITIES

ILLUSTRATION / KEY RESULTS

- Store pick-up for orders placed on fnac.com allows the customer to save on transport costs and sometimes to get its order faster than via a pure internet player
- "Click & Collect"
- "Click & Mag" } **already available in all stores in France**
- Omni-channel offer will be extended abroad

OMNI-CHANNEL SALES IN FRANCE

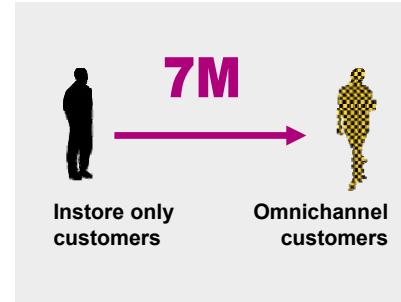
in % of total web sales excluding the marketplace



3. DEVELOPMENT OF FNAC OMNI-CHANNEL MODEL (2/2)

OMNI-CHANNEL TRAFFIC TARGETED THROUGH MARKETING INVESTMENTS

- Send to in-store-only shoppers customized offers specifically available on fnac.com
- Potential to convert 7 million in-store only customers into omni-channel customers in France

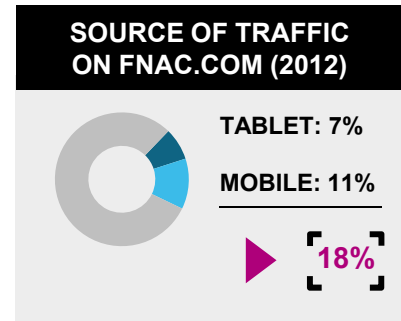


ANNUAL SPENDING BY CHANNEL (EG OF PAYING MEMBER)



DEVELOPMENT OF MOBILE APPLICATIONS TO BENEFIT FROM THE DEVELOPMENT OF "M-COMMERCE"

- Mobile site redesigned in July 2012
- Tick&Live and Fnac.com Android / IOS mobile applications
- M-commerce revenues have increased by 179% in 2011 and by 115% in 2012
- 18% of traffic generated from mobile & tablets



3. OUR ASSETS FOR THE FUTURE

✓ **Leading positions**

✓ **Attractive omni-channel customers offering**

✓ **Critical mass, both online & offline**

✓ **Profitable business model**

✓ **Strong brand recognition**

✓ **Strong offline & online traffic**

✓ **Cutting edge logistics & IT systems**

✓ **Dense physical network and attractive website allowing for a true nationwide coverage**

STRATEGIC APPROACH



CHANGE
IN MODEL



NEW
STRATEGIC
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"FNAC 2015"



- 1 RE-SHAPE FNAC'S COMMERCIAL MODEL
- 2 BECOME CUSTOMER CENTRIC
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4. NEW STORES FORMAT, MORE STORES, IN FRANCE AND ABROAD

KEY MARKET FACTS

1

Competitors' models adapted to smaller catchment areas

2

Clients shifting to omni-channel require stores close to them

3

Consumption modes favor instantaneity thus requesting more proximity



GOALS

Complement existing presence with stores in smaller catchment areas

Improve visibility of the Fnac brand and the penetration of fnac.com website

Asset-light expansion in selected, high-growth, geographies

4. ADAPTATION TO SMALLER CATCHMENT AREAS: THE PROXIMITY FORMAT

► Key features of Fnac's proximity model:

- Store space comprised between 300sq.m. and 1,000sq.m
- Located in medium-sized cities (population < 100,000)
- All Fnac products and services offer available (excluding TV)
- Click & Mag

► Example of Melun (opened in December 2012)

- Population of c.40,000⁽¹⁾ in Melun
- Fnac store located in the city centre of Melun
- Store space: 320 sq.m
- Very promising launch

EXAMPLE OF MELUN



(1) Insee, 2009

4. THE TRAVEL RETAIL FORMAT

FRANCHISE DEVELOPMENT THROUGH TRAVEL RETAIL STORES

- Travel retail stores located in high traffic areas (airports or train stations)
- Partnership with Lagardère Services in France allows Fnac to capitalize on Lagardère's specific expertise in travel retail while increasing Fnac's visibility at a lower cost
- Travel stores are divided into two sub-formats:
 - A 60 to 300 sqm format located in duty paid zones (such as Gare de l'Est or Orly-Ouest store) supplying:
 - Publishing products focused on best sellers and news
 - Technical products focused on mobility
 - A 60 to 100 sqm format located in duty free zones (for instance Roissy S4 or Lyon Saint-Exupéry store) supplying mainly technical products and mobility accessories
- 13 travel stores opened in France as of December 31, 2012



Paris - Gare de l'Est train station



Lyon - Saint-Exupéry airport



Paris - Orly-ouest airport

4. A COMPLETE RANGE OF FORMATS

FORMAT	SUMMARY OF FNAC'S STORE FORMAT					NEW COUNTRIES
	DUTY FREE	HIGH TRAFFIC	PROXI	"PERIPHERIE"	TRADITIONAL	
AVG. SIZE	c. 60 to 100 sq.m.	c.60 to 300 sq.m.	c. 300 to 900 sq.m.	c. 2,000 sq.m.	c. 2,400 sq.m.	
DESCRIPTION	Stores located in main international airports	Stores located in railway stations and airports	Small stores adapted to medium-sized cities	Middle-sized stores outside city centers	Stores located in city centers, at the heart of commercial districts	Stores located in big international cities
ACHIEVEMENTS AS OF 31/12/2012	13 stores already opened in France and 1 store in Spain		1 store already opened in Melun	1 store already opened in La Roche-sur-Yon		1 store already opened in Morocco



4. OVERVIEW OF THE FRANCHISE MODEL

KEY BENEFITS OF OPERATING WITH FRANCHISES

- ▶ Rapid expansion process
- ▶ Benefit from local market knowledge and contacts
- ▶ Benchmark franchise operations vs. owned stores

ECONOMIC AND FINANCIAL MODEL

- ▶ Profitable model with limited capex/ capital employed

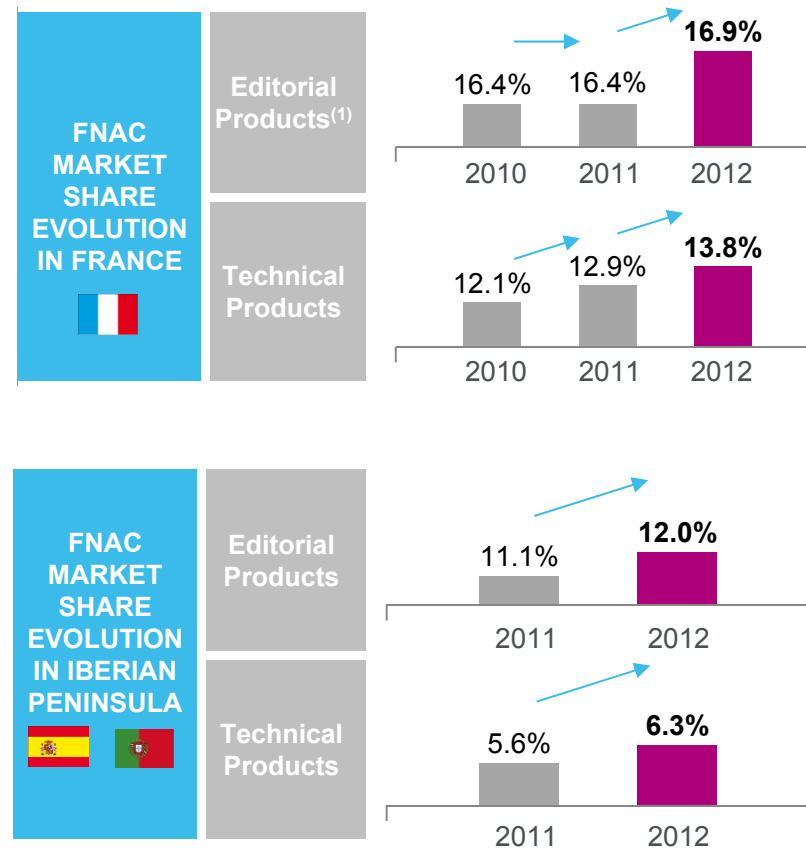
- SUCCESSFUL IMPLEMENTATION OF THE FRANCHISE BUSINESS BY A DEDICATED TEAM SINCE THE DEVELOPMENT OF THE CONCEPT
- CLEAR EXPANSION PROCESS IN PLACE

4. SUMMARY OF KEY ACHIEVEMENTS

	STRATEGIC AXIS		KEY RESULTS
1	RESHAPE FNAC'S COMMERCIAL MODEL	▶	<ul style="list-style-type: none">• Launch of new products and services (toys and small domestic appliances)• Strategic partnerships with best-in-class operators from various industries
2	BECOME CUSTOMER CENTRIC	▶	<ul style="list-style-type: none">• Creation of a unique customer base• Development of customized omni-channel animation• Development of Fnac's presence on social networks• Set up of a marketing strategy focused on traffic• Use of customer satisfaction measure tools
3	ONLINE AND OMNI-CHANNEL DEVELOPMENT	▶	<ul style="list-style-type: none">• "Click & Collect" (TP and EP) and "Click & Mag" are already available in all stores in France• Development of mobile applications to benefit from the development of "m-commerce"• Upgrade of international websites (done in Belgium, underway in other countries)• Launch of a marketplace
4	NEW STORES FORMAT, MORE STORES, IN FRANCE AND ABROAD	▶	<ul style="list-style-type: none">• 13 travel stores opened in France as of December 31, 2012• 1 proximity store opened in France as of December 31, 2012• Launch of a franchised store in Morocco

4. INCREASING MARKET SHARES DESPITE A STRONG COMPETITION

- Preliminary results of “Fnac 2015” strategy and new management team have enabled to regain market shares despite intense competitive pressure



(1) Excluding digital products

STRATEGIC APPROACH



CHANGE
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NEW
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5. AS PART OF FNAC 2015, FNAC IS COMMITTED TO COST REDUCTION

- Key levers to reduce costs while ensuring customer service and shopping experience are preserved

SOURCING CONDITIONS IMPROVED

- Mutualize sourcing between countries
- Establish Pan-European assortment when appropriate to massify volumes
- Joint business plan implemented with suppliers

GENERAL EXPENSES OPTIMIZATION

- Reshape inefficient processes
- Simplify level of services provided to Fnac
- Renegotiate all contracts with third parties
- Negotiate rent reductions
- Dedicated organization

PERSONNEL COST REDUCTION

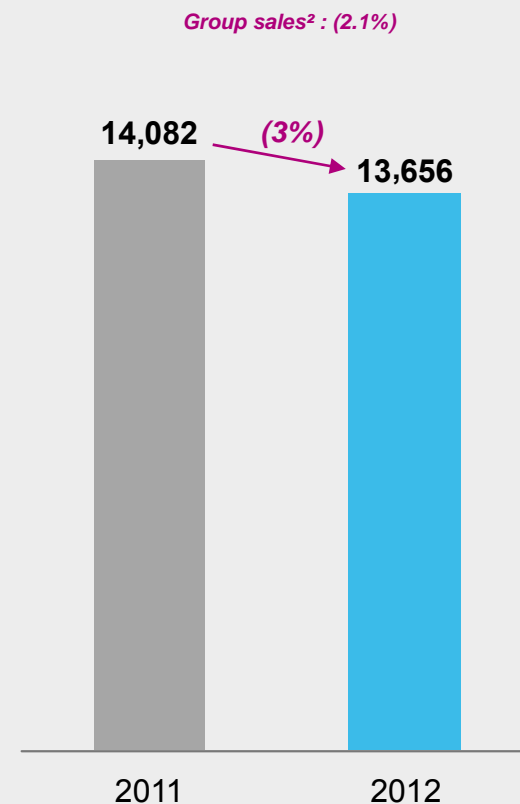
- Simplification of internal organization and processes
- Reshape compensation and benefits schemes

5. FOCUS ON HR 2012 TRANSFORMATION PLAN

KEY FACTS

- **A well monitored pay policy**
 - Moderate wages (2012, 2013)
 - Discussions with employee representatives regarding the exceptional profit sharing agreement (ongoing)
 - Health coverage for Spain
- **Cost savings through operational reorganization**
 - Headquarters
 - Reshaped functioning
 - Launch of an omni-channel commercial division
 - Stores
 - Centralization of stores support functions in the headquarters
 - Optimized commercial organization
 - International
 - Externalization of logistics in Switzerland and Belgium
 - Centralization of Switzerland and Belgium's headquarters in France

CHANGE IN TOTAL HEADCOUNT⁽¹⁾



(1) Average registered staff
(2) Pourcentage of change calculated at constant exchange rate

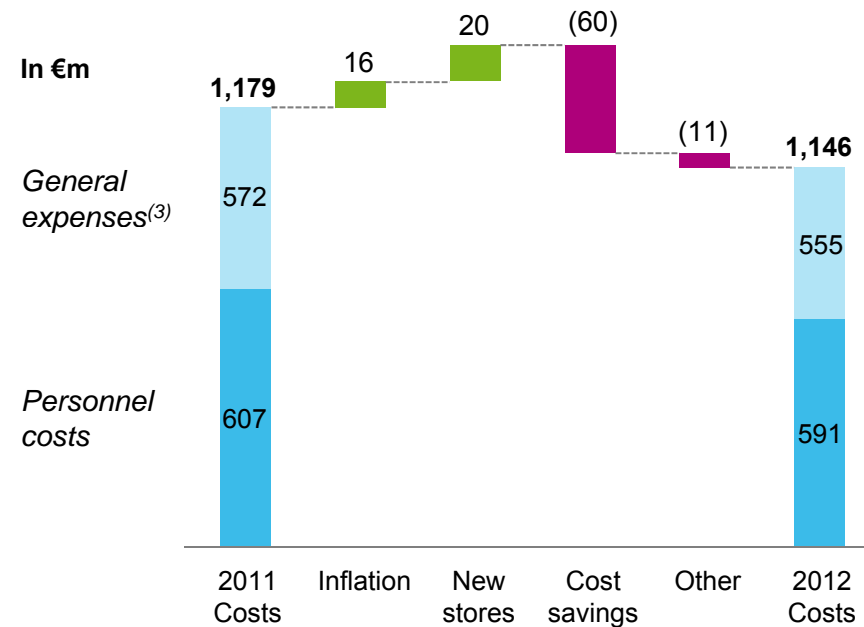
5. €80M COST SAVINGS GENERATED IN 2012

OBJECTIVES ANNOUNCED IN JANUARY 2012

- **€80m savings on full year basis (on a like for like basis):**
 - Implementation of all cost reduction levers
 - Headcount reduction (510 FTE¹)

2012 RESULTS

- ✓ **Achieved €80m cost savings on a full year**
 - i.e. €60m cost reduction for FY2012 vs. FY2011
- ✓ **426 FTE⁽²⁾ reduction (-3%)**



(1) FTE: Full-time equivalent

(2) Average registered staff in 2012 vs 2011

(3) Excluding Kering management fees

5. FNAC IS COMMITTED TO MAXIMIZE CASH GENERATION

INVENTORY REDUCTION

- Sourcing parameters refined
- Reshaped logistics flows
- Assortment review
- Accelerated return of editorial products to suppliers

OTHER WORKING CAPITAL OPTIMIZATION

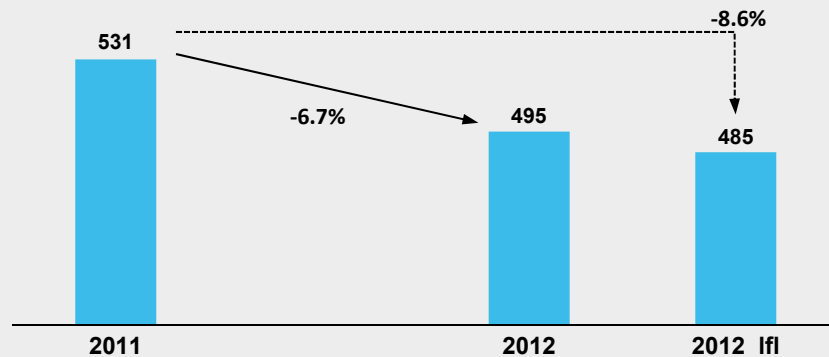
- Stringent management of suppliers payment terms
- Monitoring of cashing schedule for supplier rebates

CAPEX CONTROL

- All capex above 150k€ challenged and validated by Investment Committee
- Cost reduction program applied to third party capex providers

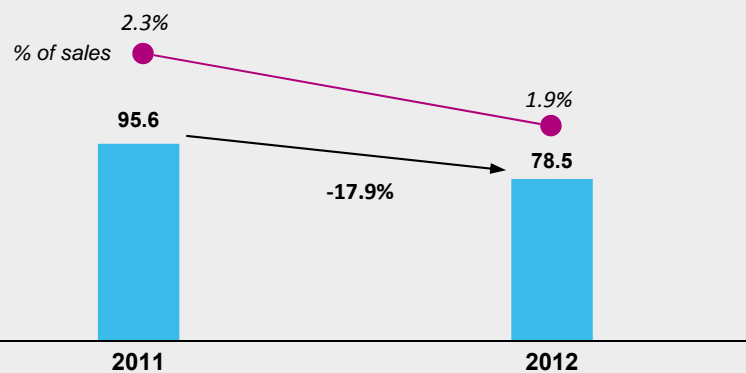
5. EVOLUTION OF INVENTORIES AND CAPITAL EXPENDITURES

INVENTORIES EVOLUTION (€m)



- **8.6% reduction (LFL) in inventories in 2012 resulting from:**
 - Supply chain optimization
 - Improved inventory control
 - Optimization of in-store assortment
 - Reallocation of available range of products in stores and on the website
- **Targeted further inventories reduction of 3% yoy**

CAPEX EVOLUTION (€m)



- **Tight control over capital expenditures in 2012**
- **Significant investments in:**
 - Store openings
 - Store renovations (new concepts)
 - Improvements of the website
 - Logistics platform
- **Targeted capex: €60-70m / year**

4. FNAC'S FINANCIAL PERFORMANCE



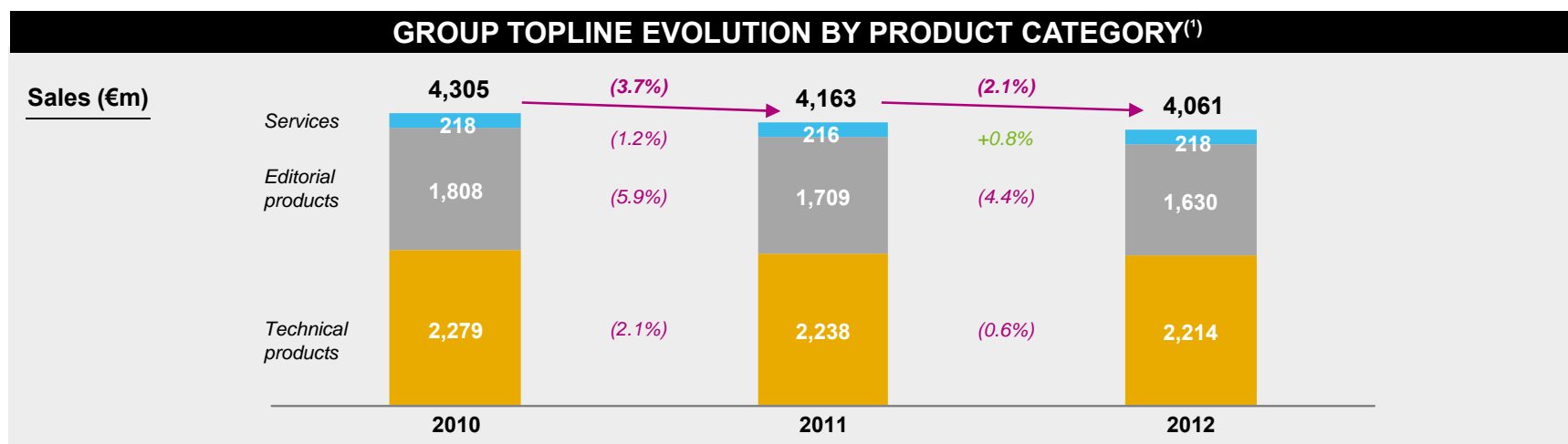
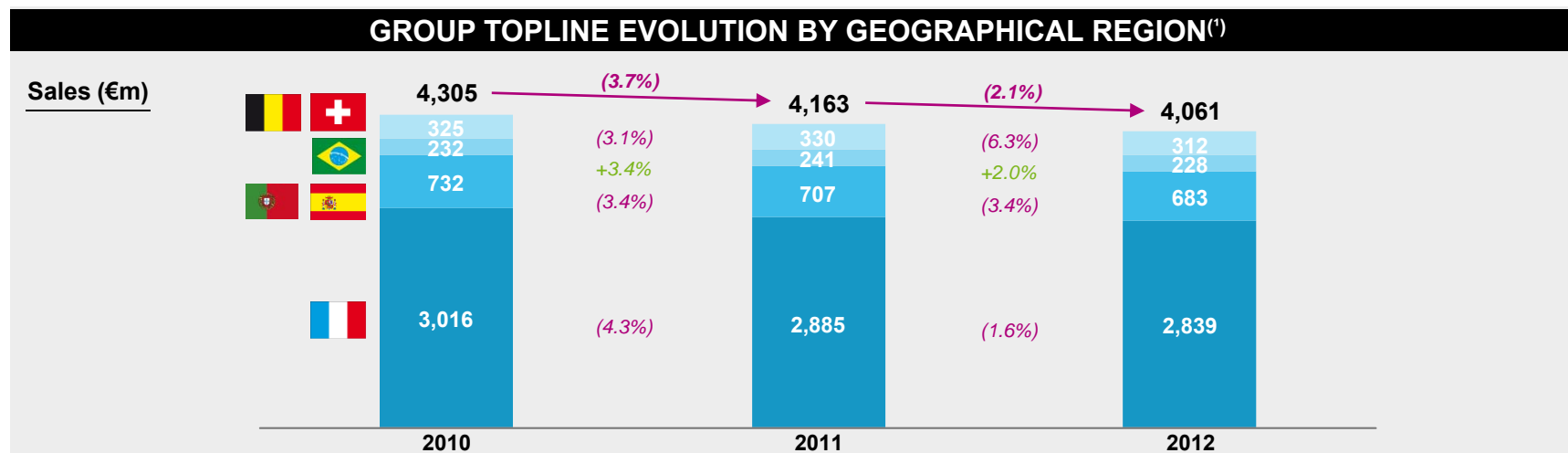
TRANSFORMATION OF FNAC MODEL IS CLEARLY VISIBLE IN 2012

P&L 2010A-2012A			
€m	FY2010	FY2011	FY2012
Revenue	4,305	4,163	4,061
<i>% yearly variation</i>		(3.3%)	(2.4%)
<i>% constant fx yearly variation</i>		(3.7%)	(2.1%)
Gross profit margin	1,317	1,271	1,219
<i>% revenue</i>	30.6%	30.5%	30.0%
Personnel costs	(599)	(607)	(591)
<i>% revenue</i>	(13.9%)	(14.6%)	(14.6%)
Other operating income and costs	(529)	(572)	(555)
<i>% revenue</i>	(12.3%)	(13.7%)	(13.7%)
EBIT before management fees	188	92	73
<i>% revenue</i>	4.4%	2.2%	1.8%
Management fees	(11)	(11)	(10)
EBIT after management fees	177	81	63
<i>% revenue</i>	4.1%	1.9%	1.6%
EBITDA after management fees	243	156	134
<i>% revenue</i>	5.6%	3.8%	3.3%



COMMENTS
<ul style="list-style-type: none"> • Limited decrease in FY2012 revenue in challenging market conditions <ul style="list-style-type: none"> - Sales generated by new products range compensating decrease of sales in music - Acceleration of market share gains in France and internationally • Limited gross margin rate decrease in 2012 <ul style="list-style-type: none"> - First positive results of pooling purchases program between France, Switzerland and Belgium - But pressure on gross profit margin due to stronger commercial intensity • Limited decrease in EBIT in 2012 thanks to positive implementation of cost reduction program

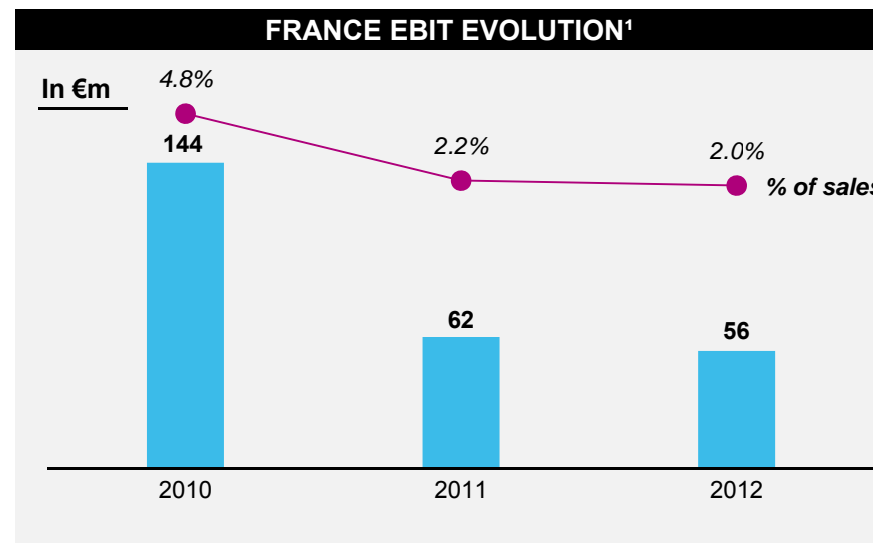
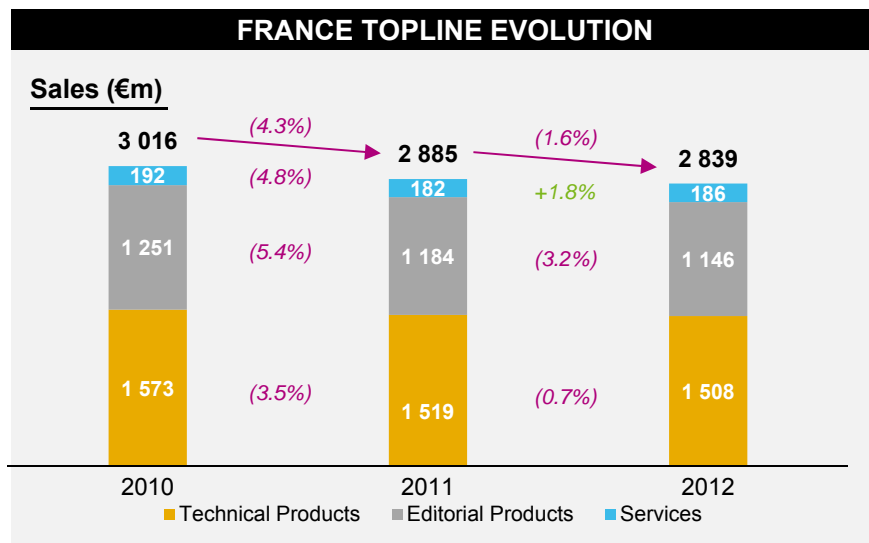
2010 - 2012: REVENUES HOLDING UP WELL IN DIFFICULT MARKETS



ACCELERATION OF MARKET SHARE GAINS

(1) Percentage of change calculated at constant exchange rates

FOCUS ON FRANCE: STRONG RESILIENCE UNDERPINNED BY FNAC 2015 INITIATIVES



SALES

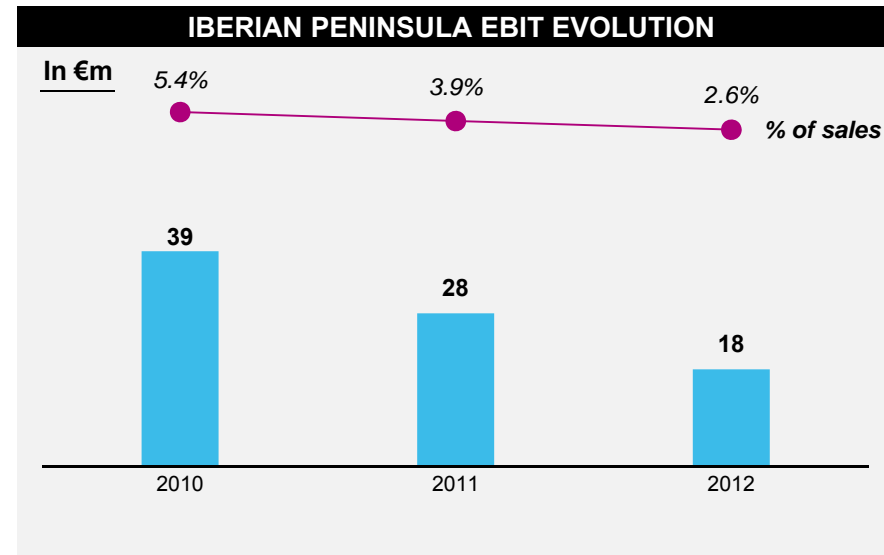
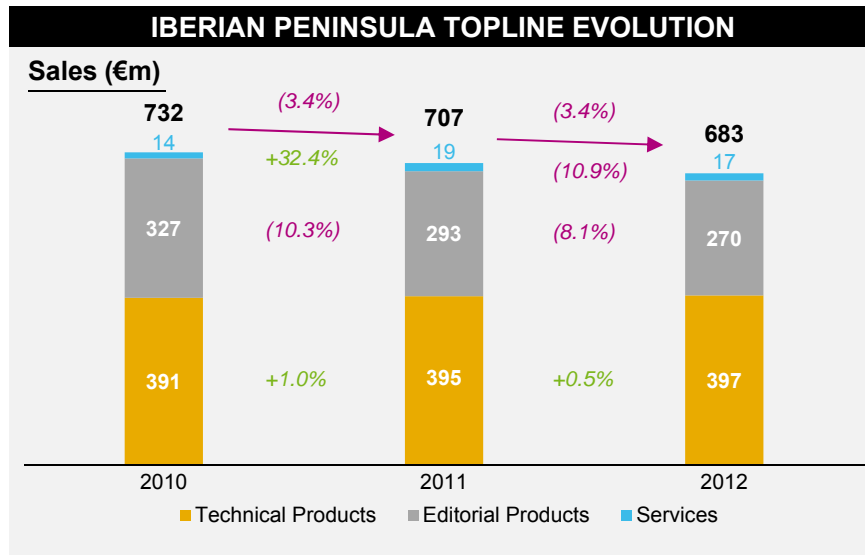
- Strong resilience of sales in a difficult market, leading to market share gains: +0.5% in Editorial Products and +0.9% in Technical Products in 2012
- Decrease in Editorial Products reflecting a sharp decrease in discs and gaming, partly offset by successful start of Fnac Kids
- Relative stability of Technical Products resulting from growth in “Maison & Design” and tablets, offset by strong decrease in TV
- Growth in services driven by ticketing and box office services, and commissions (SFR partnership, MarketPlace and income from franchises)
- Strong progression of web sales, representing 14% of revenues in France in 2012, with strong increase of omni-channel orders

EBIT

- EBIT is close to stabilize:
 - Decrease in sales and gross margin rate, resulting from targeted price investments and competitive pressure, mitigated by improved sourcing conditions
 - Positive impact from the execution of the cost savings plan

(1) Before management fees

FOCUS ON IBERIAN PENINSULA: ACCELERATION OF MARKET SHARE GAINS



SALES

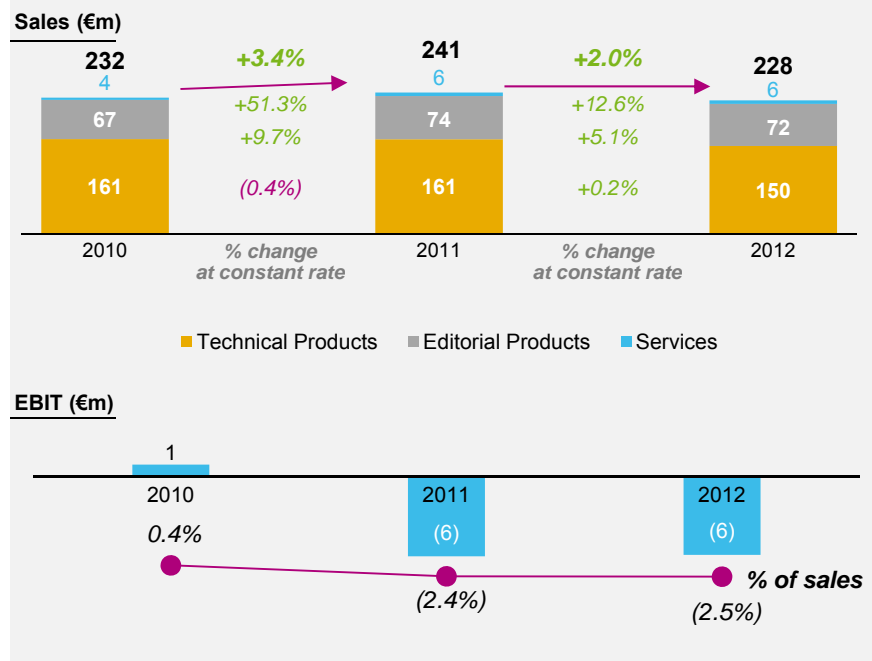
- Limited sales erosion in a challenging consumption environment, marked by economic recession and austerity policies
- Contrasted performance between Portugal and Spain
- Strong market share gains: +0.9% in Editorial Products and +0.7% in Technical Products in 2012
- Progression of Technical Products driven by tablet sales, and partly offset by a decrease in the retail consumer electronics category
- High progression of web sales driven by website improvement

EBIT

- Decrease in EBIT
 - Despite pressure on volumes and gross margin rates in a context of fierce commercial competition
 - Positive impact from the execution of the cost savings plan

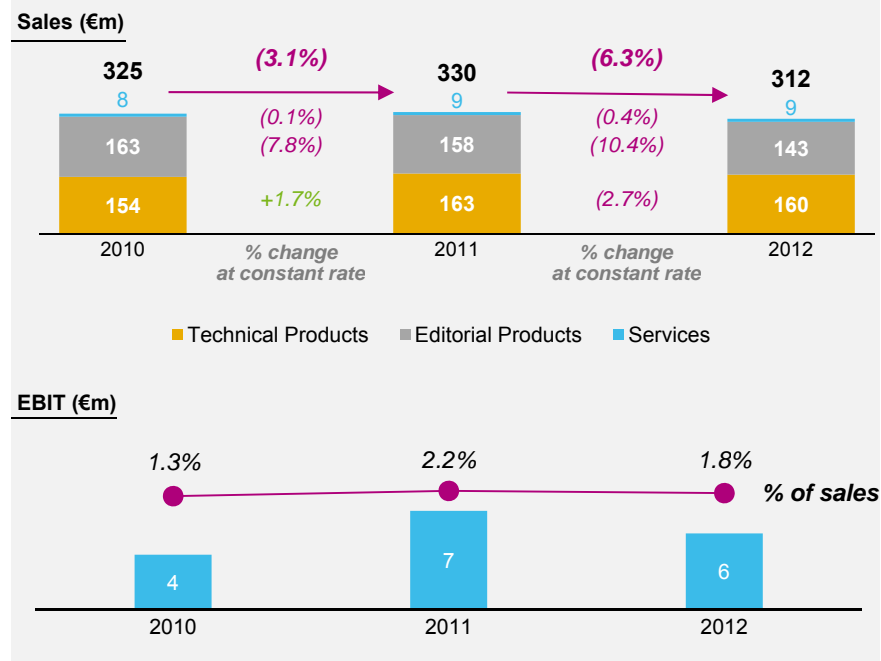
FOCUS ON BRAZIL & OTHER COUNTRIES

BRAZIL TOPLINE & EBIT EVOLUTION



- ▶ Slight progression of sales in Brazil
- ▶ Stable EBIT in 2012, resulting from efforts on cost base despite:
 - Pressure on gross margin, notably online
 - Strong inflation rates on cost base

OTHER COUNTRIES TOPLINE & EBIT EVOLUTION



- ▶ Pressure on sales, notably in Switzerland
- ▶ Stable EBIT in 2012:
 - Commercial pressure (sales, gross margin)
 - Strong benefits on margin rates from common sourcing program
 - Implementation of cost cutting initiatives

OTHER INCOME STATEMENT ITEMS

P&L 2010A-2012A			
€m	2010A	2011A	2012A
EBIT (pre management fees)	188	92	73
Management fees	(11)	(11)	(10)
EBIT	177	81	63
Restructuring charges	4	(7)	(37)
Asset Impairment	(3)	(5)	(93)
Litigations and contingencies	(5)	(19)	(0)
Other risks	(17)	(8)	(8)
Non-current operating expenses	(22)	(39)	(139)
Non-current operating revenues	30	0	8
Operating income	185	42	(67)
Financial charges	(15)	(18)	(15)
Tax	(62)	(44)	(34)
Net income from continuing operations	108	(19)	(116)
Net income from discontinued operations	(34)	(9)	(26)
Consolidated net income	75	(28)	(142)

- **2012 non-current expenses are mainly explained by:**
 - €37m of restructuring charges (January 2012)
 - €93m of goodwill impairment on French and Brazilian businesses
- **Financial charges and taxes: not representative of the future**
- **Net income from discontinued operations: charges related to exit from Italy**

CASH GENERATION

CF 2010A-2012A

€m	2010A	2011A	2012A
Cash flow from operations after non recurring operating income and expense and other financial income and expense, and before tax, dividends and interest	208	122	97
Non recurring operating income and expense (cash effect)	27	26	30
Other financial income and expense	10	8	10
Cash flow from operations before non recurring operating income and expense, other financial income and expense, tax, dividends and interest	246	155	138
Change in Working Capital (excl. Liab. re non curr. Assets)	84	(27)	(42)
Change in liabilities relating to non current assets	(13)	(15)	17
Change in Working Capital	71	(42)	(25)
Capex	(76)	(96)	(79)
Change in liabilities relating to non current assets	13	15	(17)
Capex	(63)	(81)	(95)
Free cash flow before non recurring operating income and expense, other financial income and expense, tax, dividends and interest	254	33	17
Income tax paid	(63)	(51)	(35)
Disposal of non current assets	0	16	0
Non recurring operating income and expense (cash effect)	(27)	(26)	(30)
Other financial income and expense	(10)	(8)	(10)
Free cash flow	153	(36)	(57)

SPIN-OFF IMPACTS

- ▶ **Post spin-off, Fnac will be an independent listed company and as a result**
 - will incur new costs mainly related to its listing and independent status
 - will no longer pay management fees to Kering, which amounted €10.8m and €10.0m in 2011 and 2012, respectively
- ▶ **Fnac's management estimates that ongoing central costs related to the listing should represent c. €10m to €11m, i.e close to the level of Kering management fees**

COSTS RELATED TO LISTING

- Listing fees
- Communication costs
- Investor relations team





COSTS RELATED TO INDEPENDENCE

- Hiring of new personnel to support existing Fnac personnel for departments whose management was partially shared with Kering (legal, accounting, etc.)

OTHERS

- Management also anticipates an impact on conditions of third-party contracts following spin-off
- Additional financial expenses (new RCF)

Q1 2013 SALES PERFORMANCE

Q1 SALES BY COUNTRY (€m)				
		Change vs Q1 12	Change at cst fx	Lfl change at cst fx
	FRANCE	-3.8%	-3.8%	-5.3%
	IBERIAN PENINSULA	-9.5%	-9.5%	-10.7%
	BRAZIL	-20.6%	-9.8%	-13.6%
	OTHER COUNTRIES	-6.1%	-5.5%	-5.5%
	TOTAL	-6.1%	-5.3%	-6.7%

COMMENTS

- 2013 Q1 performance is in line with 2012 trends
- Trading period impacted in particular by:
 - Negative calendar effect (-1.8%)
 - Macroeconomic contraction in Europe
- Good resistance in France despite a deteriorated consumption environment (consumer electronics market at c.-10%)
- Sales under pressure in Iberian Peninsula notably in Spain – positive performance in Portugal
- Difficult start of the year in Brazil but good reaction in March
- Other countries benefiting from good results in Belgium but pressured by Switzerland's performance still difficult at topline level

STRONG NET CASH POSITION

- ▶ High level of Shareholders' equity: c.€530m in December 2012 (pro forma)
- ▶ Strong year-end net cash position at €422m in December 2012 (pro forma) vs. average pro forma net cash in 2012 of c. €202m (after taking into account the seasonality of working capital)
- ▶ On top of current cash position, additional liquidity resources available to FNAC with €250m revolving credit facility

CAPITAL STRUCTURE PRO FORMA⁽¹⁾

€m	31/12/2012 PF
Shareholder's funds	527.0
<i>o/w equity</i>	467.0
<i>o/w TSSDI</i>	60.0
Net cash	422.0

(1) Including €130m additional recapitalization of Kering through a €60m TSSDI and €70m straight capital increase

KEY INFORMATION RELATIVE TO THE TSSDI

- ▶ **€60M of undated deeply subordinated bonds**
(*Titres super-subordonnés à durée indéterminée* - TSSDI)
- ▶ **TSSDI fully subscribed by Kering and to be issued by Group FNAC before listing**
- ▶ **Key terms of the TSSDI**
 - Instrument accounted as Shareholders' Equity in Groupe FNAC consolidated accounts under IFRS
 - Unsecured
 - Ranking: deeply subordinated
 - Maturity: perpetual
 - Callable by Fnac if under the revolving credit facility all loans have been repaid and all commitments have been cancelled
 - Annual coupon rate of 8%, accounted in shareholders' equity (not P&L)
 - Coupon is only due if dividend is paid, with a mechanism to equalize dividend and TSSDI yields

EXTRA FINANCIAL RESOURCES VIA €250M REVOLVING CREDIT FACILITY

- Provided by a pool of top ranking banks in order to finance the seasonality of the working capital
- Key terms:
 - Maturity: 3 years
 - Initial margin: 350bps
 - Margin grid based on Average Rent Adjusted Leverage Ratio
 - Commitment fee: 40% of margin
 - Financial covenants
 - Rent adjusted leverage ratio below thresholds between 1.65x and 3.35x
 - Minimum equity level above thresholds between €350m and €425m
 - Minimum liquidity level above thresholds between €290m and €335m
 - Dividend distribution (including TSSDI interest paid out) capped at 50% of the net income of the previous year

POOL OF BANKS EXTENDING THE RCF

 **CRÉDIT AGRICOLE**
CORPORATE & INVESTMENT BANK



 **NATIXIS**

 **SOCIÉTÉ GÉNÉRALE**
Corporate & Investment Banking

 **Crédit Mutuel**
LA banque à qui parler

 **"la Caixa"**

 **BANCO
ESPIRITO SANTO**

 **Crédit Mutuel
ARKEA**



BNP PARIBAS

CONCLUSION

- ▶ **Transformation of Fnac operating and financial model visible in 2012**
 - Resilient sales in difficult markets
 - Strong market share gains
 - Cost saving initiatives allowing to stabilize EBIT
 - Cash flow items (inventory, capex) under control

- ▶ **Fnac becoming independent with a robust financial situation:**
 - Strong net cash position
 - Extra financial resources through €250M Revolving Credit Facility

5. PROSPECTS & CONCLUSION



CONCLUSION

KEY COMPETITIVE ASSETS

- **Structural assets:**
 - a dense store network and a powerful website increasingly integrated in the framework of an omni-channel strategy
 - a valuable pay member base
 - a brand benefiting from strong recognition in its markets
 - a leading position in cultural and leisure consumer goods retailing with a dense traffic on all channels
- **The right strategy:**
 - reshape Fnac's commercial model
 - become customer centric
 - grow online and expand omni-channel
 - densify store presence
 - improve operational efficiency
- **Proven track record of rapid execution**

FITTED TO MEET FUTURE CHALLENGES

- **Promising prospects of the leisure market in developed economies**
- **Strong foothold in the field of innovation**
- **Proven ability to adapt to challenging markets**
- **Dedicated team with proven track record**
- **Sound financial situation offering financial flexibility**

MID-TERM OBJECTIVES

FINANCIAL METRICS

REVENUE

- Stabilizing revenues thanks to (i) the positive trend on market share gains and (ii) the increasing weight of new products within Fnac's total revenue which should represent a mid-single digit part of Fnac's total revenues in 2016

OPERATING PROFITABILITY

- Stabilizing gross margin thanks to (i) the positive impact of new products on the margin mix and (ii) the improvement of purchasing conditions
- Continuation of the cost saving program with the same ambition over the next 2 years (full effect in 2015)

CAPEX AND WORKING CAPITAL

- Annual capex situated in €60m to €70m range per year
- Reduction of inventories by 3% per year in average

DIVIDEND POLICY

- Depending on results and Fnac's financial situation, Fnac intends to have a dividend policy in line with its peers

2016 OBJECTIVES

IN THE LONG TERM, AFTER THE FULL TRANSFORMATION OF FNAC'S MODEL AND IN A STABILIZED MARKET ENVIRONMENT, FNAC HAS THE OBJECTIVE TO REACH AN EBIT MARGIN ABOVE 3%

FNAC HAS A VALUABLE INVESTMENT PROPOSITION

**A LEADER WITH
SIGNIFICANT
COMPETITIVE EDGE
VS. OTHER PLAYERS**

- An iconic household brand benefiting from strong recognition
- A valuable pay member base
- An unrivalled and regularly renewed product offering
- A dense destination store network and a leading e-commerce website with substantial traffic

**TRANSFORMATION
UNDERWAY
DELIVERING EARLY
SUCCESSSES**

- Ongoing re-shaping of the commercial model through product offering extension and partnerships
- Transformation into a customer-centric organization
- Strengthening of the omni-channel model
- Multi-format store roll-out in France and targeted expansion abroad
- Efficiency improvement and cost reductions

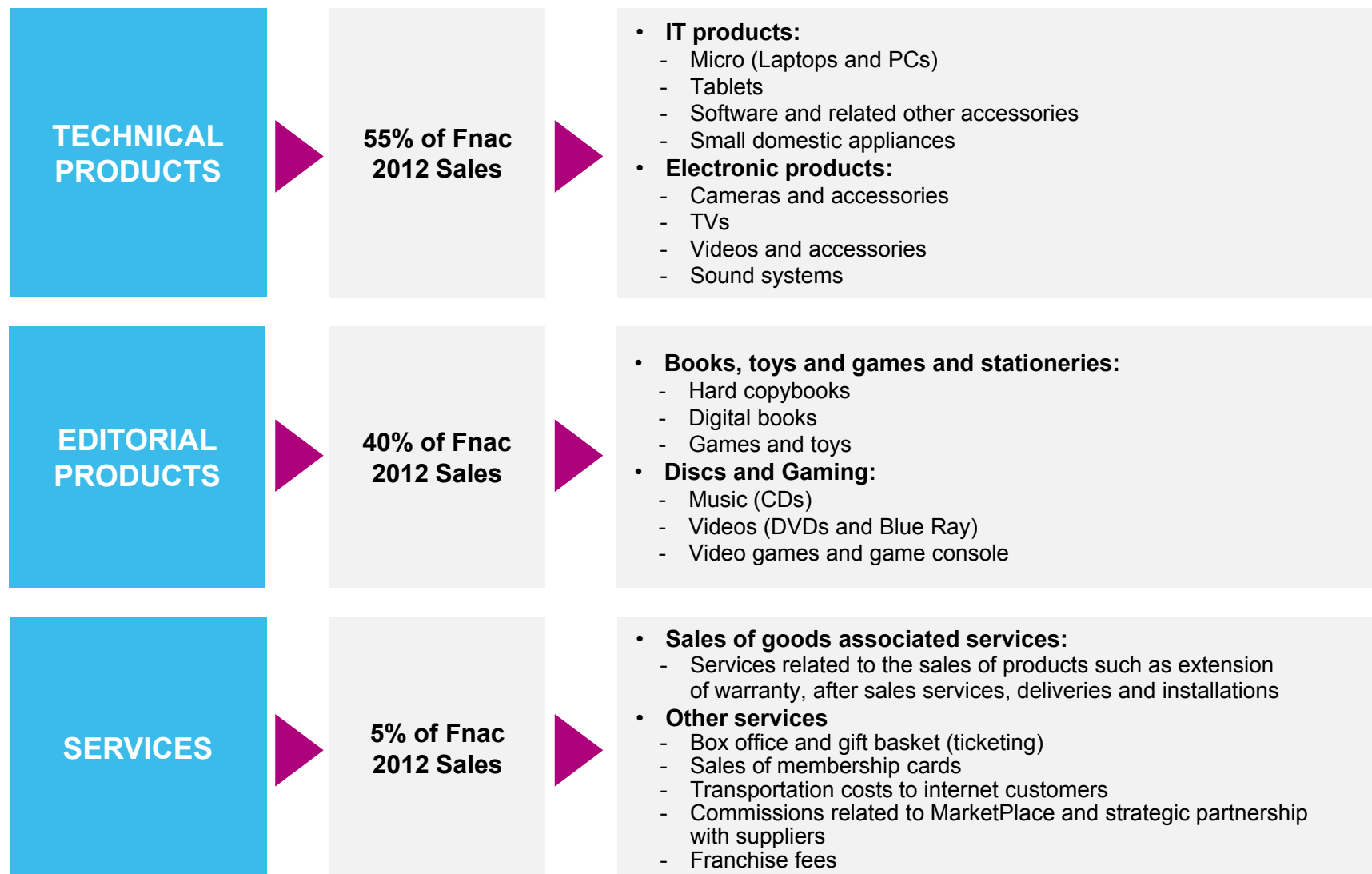
TRI-PILLAR SUPPORT

- A conservative and standalone financial structure offering visibility throughout the transformation period
- A strong and successful reference shareholder
- A committed and renewed management team

APPENDICES



FNAC'S PERIMETER



CORPORATE GOVERNANCE

BOARD

- **Board composed of 10 members out of which:**
 - CEO and Chairman: Alexandre Bompard
 - 3 Artémis representatives
 - 6 independent members

SPECIAL COMMITTEES

- **3 special committees**
 - Audit Committee
 - Appointments and Remuneration Committee
 - Social and environmental responsibility Committee

KEY TRANSACTION TERMS

LISTING

- Listing on NYSE Euronext Paris
- First listing expected on June 20, 2013

KEY DISTRIBUTION TERMS

- 1 allotment right for 1 Kering share
- 1 Fnac share for 8 allotment rights
- Allotment rights listed on NYSE Euronext Paris until September 30, 2013
- No double voting rights

NUMBER OF SHARES AND KEY SHAREHOLDERS

- Upon listing, Groupe Fnac's share capital will be composed of 16,595,610 shares
- As of April 26, 2013, Groupe Fnac's share capital and voting rights are fully owned by Kering directly and indirectly
- One voting right per share post transaction

EXPECTED SHAREHOLDING STRUCTURE AT THE DATE OF THE LISTING (expected on June 20, 2013)⁽¹⁾

SHAREHOLDERS	% CAPITAL AND VOTING RIGHTS
Groupe Artémis	38.88%
Baillie Gifford	4.79%
Groupe Kering	NM ⁽²⁾
Free float	56.33%
Total	100.00%

(1) Based on Kering's shareholding structure as of [April 15, 2013]

(2) Non meaningful

BALANCE SHEET

€m	2010A	2011A	2012A
ASSETS			
Goodwill	404	403	324
Intangible assets	64	74	73
Tangible assets	229	209	197
Non-current financial assets	7	28	6
Deferred tax assets	27	26	34
Other non-current assets	1	1	0
Non-current assets	731	742	634
Inventories	566	531	495
Accounts receivable	89	122	119
Current tax receivables	12	11	9
Other current financial assets	-	0	-
Other current assets	251	171	163
Cash & cash equivalents	252	81	306
Current assets	1,169	914	1,091
Assets held for sale	-	52	-
Total assets	1,900	1,707	1,725

	2010A	2011A	2012A
EQUITY AND LIABILITIES			
Share capital	6	6	546
Reserves related to equity	48	48	48
Conversion reserves	9	6	3
Other reserves	325	(30)	(200)
Equity	389	31	397
Long-term liabilities	1	0	1
Provisions for retirement and similar benefits	48	50	63
Deferred tax liabilities	-	-	-
Non-current liabilities	48	50	64
Short-term liabilities	61	233	13
Other current financial liabilities	-	-	-
Accounts payable	844	731	717
Provisions	46	54	52
Tax liabilities	18	8	11
Other current liabilities	493	552	472
Current liabilities	1,463	1,578	1,264
Liabilities associated with assets classified as held for sale	-	49	-
Total liabilities and equity	1,900	1,707	1,725

CASH FLOW STATEMENT

€m	2010A	2011A	2012A
Net income from continuing operations	108	(19)	(116)
D&A	64	84	168
Other non-cash items	(31)	6	2
Financial income and expenses	5	10	5
Dividends		(1)	-
Current tax	62	43	38
Operational cash flow before tax, dividends and interests	208	122	97
Change in Working Capital	71	(42)	(25)
Tax paid	(63)	(51)	(35)
Operational cash flow	216	29	38
Net Capex	(63)	(65)	(95)
Investments	-	-	0
Disposals of subsidiaries and joint ventures, net of ceded cash	57	46	0
Divesture / (acquisitions) of financial assets (net)	(8)	(1)	17
Interests and dividends received	0	2	1
Cash flow from investing activities	(15)	(17)	(78)
Increase / (decrease) in capital	-	-	540
Dividends paid		(326)	(21)
Loan repayment	-	-	(0)
Increase / (decrease) in other financial debts	(20)	222	(223)
Interests paid and equivalents	(5)	(11)	(6)
Cash flow from financing activities	(25)	(115)	290
Net cash flow from divested activities	(30)	(9)	(32)
Foreign currency impact	(1.3)	(7.3)	3.4
Net change in cash	146	(119)	222