Ivry, February 17th 2016

Improved 2015 results
Fnac well positioned to face new challenges

- Consolidated revenues stable in 2015
- Continued growth in France
- Good commercial performance in the 4th quarter, driven by France (sales up +1.1%)
- Increase in current operating income to €85m (+10.2%)
- Net income up to €48m (+16.7%)
- Significant increase in free cash flow: +17% from 2014 to €85m
- Solid financial structure: €544m in net cash available and shareholders' equity of €564m as of December 31, 2015[1]

Alexandre Bompard, Chairman and CEO of Groupe Fnac, said: *"In a still fragile economic environment, in 2015, we once again achieved positive results: sales growth in France, improved Group profitability, higher net income and increased generation of free cash flow. This good performance confirms the improved momentum of the Group's financial results and demonstrates the relevance of the strategy we have been pursuing for the past 4 years. It allows Fnac to begin 2016, a year in which many new challenges await us, from a good position."*

KEY FIGURES

(€ millions)	2014	2015	Change
Revenues	**3 895**	**3 876**	**-0.5%**
Change on a comparable basis and at constant exchange rates			*-0.2%*
Change on a same-store basis			*-0.6%*
Current operating income (COI)	**77**	**85**	**10.2%**
Net income	**41**	**48**	**16.7%**
Net current income (1)	50	57	13.7%
Free cash flow from operations	**72**	**85**	**17.0%**
Net cash	**535**	**544**	**1.7%**

(1) Group share - excluding non-current items

[1] After repayment of the perpetual deeply subordinated notes ("TSSDI") for a total amount of €68m

HIGHLIGHTS OF THE FINANCIAL YEAR

Financial results continue to improve

In 2015, Fnac's financial results continued to improve.

- Consolidated revenues were stable (-0.2% at comparable scope of consolidation and constant exchange rates) for the second consecutive year.
- The Group's profitability continued to improve with a +10.2% increase in current operating income, which totaled €85 million.
- Net income rose +16.7% to €48 million.
- Cash generation also improved. Free cash flow increased by +17.0%, compared with 2014, to €85 million.
- The Group further enhanced its financial flexibility. With shareholders'equity of €564m and net cash available of €544m[2] as of December 31, 2015, its balance sheet is solid.

Growing contribution of transformation levers

This performance was achieved in an environment of fragile consumption recovery in the main countries where the Group is present and markets that are still on the decline. It confirms the validity of the strategy that was launched with the Fnac 2015 plan and the growing contribution from transformation levers.

- Internet growth was still dynamic in 2015. The Group continued to strengthen its omnichannel organization during the year through the launch of the new Fnac.com site in France, the launch of mobile sites in Spain and Portugal, and the deployment of new omnichannel features internationally (Iberian Peninsula and Belgium). Omnichannel sales represented 46% of Fnac.com online orders in 2015, compared to 35% in 2014. The growth of marketplaces continued at a steady pace. They represent nearly 20% of internet business volume in 2015. Mobile traffic grew markedly and contributed to nearly 40% of Fnac.com traffic.

- The Group continued to reap the success of its product range diversification strategy. New product families accounted for 15% of consolidated revenues (compared to 11% in 2014). Fnac significantly strengthened its market share in France in Telephony and connected devices notably through the deployment of *Fnac Connect*, a new concept entirely dedicated to those growing, high-potential categories. At the end of 2015, the Group expanded its range of products available on the Fnac.com marketplace in the Sport category, and it intends to continue its diversification initiatives in 2016.

- The pace of expansion accelerated in 2015, with a total of 15 openings (compared to 11 openings in 2014). The Group continued to expand its store network in France in the proximity and travel retail formats. Most of these stores are franchises. It also continued its international expansion in its other countries of operation (one opening in Switzerland and 2 openings in Spain, of which one was the first franchise store in the country) and in "new territories" offering high potential (opening of the first stores in Qatar and the Ivory Coast).

[2] After repayment of the TSSDI notes for a total amount of €68m

Potential Acquisition of Darty Plc

On November 20, 2015, Groupe Fnac announced a recommended pre-conditional offer to acquire the entire share capital of Darty Plc (the "Proposed Acquisition"). The Proposed Acquisition received the support of Darty shareholders having over 23% of the capital of Darty.

The Proposed Acquisition would create a market leader in electronics, editorial and home appliances in France, with an enhanced European footprint, and offer attractive growth prospects, a solid financial profile and strong value creation potential for the customers, employees and shareholders of the new group.

As part of the Proposed Acquisition, Groupe Fnac established financing lines that were successfully syndicated in December with a pool of European banks.

The acquisition process continues to proceed in accordance with the timetable presented when the Proposed Aquisition was announced on November 20, 2015.
The French Competition Authority in France was formally notified on February 17, 2016. The group has planned to notify the Belgian Competition Authority within the next few days.

Additional information about the Proposed Acquisition is available on the Groupe Fnac website:http://www.groupe-fnac.com/

OPERATIONAL PERFORMANCE

4th quarter of 2015

The Group's sales performance in the 4th quarter was good despite an unfavorable commercial environment (Paris attacks, terrorist alerts in Belgium and Switzerland).
The Group's revenues increased by 0.2% at constant exchange rates, thanks mainly to France, which posted sales growth of +1.1%. Performance of technical products was particularly good, with an increase of +6% in the 4th quarter thanks to strong gains in market share.
Iberian Peninsula revenues fell by -1.4%. Market conditions were tougher in Spain in a context of high promotional intensity. In this environment, Fnac Spain has chosen to preserve its margins while maintaining its market share. In markets that remain bearish, Fnac Portugal continued its good momentum and gained market share.
In Brazil, sales were down -10.3% at constant exchange rates in a deteriorating macroeconomic environment.
Revenues for the Switzerland and Belgium region showed a limited decline (-1.1% at constant exchange rates) thanks to the ramp-up of the internet channel in Belgium and the Conthey store opening in Switzerland.
Like the previous two seasons, the 2015 Christmas season demonstrated the operational excellence of the Fnac teams, both commercially and logistically, and their responsiveness in adapting to the specific environment of this 2015 campaign.
The contribution of new product families reached 16.5% of revenues.
Expansion was particularly strong, with a total of 8 openings (5 in France, 2 in Spain and 1 in the Ivory Coast).
Web channel growth was maintained, especially in France. Omnichannel sales continued to grow and represented nearly half (46%) of Fnac.com online orders.

The year of 2015

Over the whole of 2015, the Group's **consolidated revenues** remained stable (-0.2% at comparable scope of consolidation and constant exchange rates).
The exchange rate impact was low (-0.3%) as the adverse impact of the decline in the Brazilian real against the euro was largely offset by the appreciation of the Swiss franc.

As reported, the Group's consolidated revenue amounted to €3.876 billion, down slightly (-0.5%) compared to 2014.

The **gross margin** rate was 29.6% in 2015, up +20 basis points compared with the previous fiscal year. The increase in the gross margin rate, which occurred in the 2nd half of the year, was notably the result of good management of year-end commercial operations and increased collaboration with key suppliers.

The Group continued its policy of improving **operational efficiency**, thus generating €50 million in cost savings for 2015, an amount higher than the target of 30 to 40 million euros.

Current operating income increased for the third consecutive year. It totaled €85 million, up +10.2%.

2015 by reporting segment

France, which had returned to growth in 2014, again showed positive sales growth (+0.4%). On a same-store basis, sales increased +0.7%.
Activity was more dynamic in the second half of the year with sales up 0.9% despite a high basis for comparison and the disruption caused by the terrorist attacks. In markets that still trend downward, Fnac increased its market share.
Current operating profit rose +12%. The operational margin was 1.9%, compared with 1.7% in 2014.

The **Iberian Peninsula** posted almost stable sales (-0.3%), which benefited in particular from the accelerating expansion of the proximity formats. On a same store basis, revenues declined by -3%.
Improved macroeconomic conditions in Spain began to benefit Fnac's markets, which were nevertheless still marked by strong competitive pressure. In Portugal, where consumer trends in our markets have been unfavorable, Fnac strengthened its leadership and posted sales growth.
Operating income increased +2.1%. The operational margin was 3.7%, compared with 3.6% in 2014.

Revenues in **Brazil** fell by -7.5% at constant exchange rates (-21.8% at current exchange rates). In a recessionary environment, Fnac Brazil activity demonstrated good resilience thanks to the premium positioning of the brand and the growth of the Internet channel. The continued very strict management of the company and costs helped offset the impact of lower sales on operating income, which remains very close to break even.

Sales from the "**Other Countries**" area, which includes Switzerland and Belgium, were down -1.8% at constant exchange rates and up +3.0% at current exchange rates.
Market conditions were more difficult in Switzerland as the appreciation of the Swiss franc had the effect of decreasing traffic at stores close to the border and increasing competition. Fnac Belgium benefited from the rapid development of its website and the gradual roll-out of the omnichannel functionalities.
Operating income increased +18.8%. The operational margin was 2.8%, compared with 2.4% in 2014.

FINANCIAL PERFORMANCE

Other non-current operating income and expenses constituted a net expense of -€9 million in 2015 and remained stable compared to 2014.

Consolidated net income totaled €48 million, up +16,7% compared to 2014.

Adjusted for non-recurring items, **net current income**, Group share, amounted to €57 million in 2015, compared to €50 million in 2014, an increase of +13.7%.

Diluted earnings per share (excluding non-current items) amounted to €3.33 in 2015, compared to €2.97 in 2014, an increase of +12.1% compared to 2014.

Cash generation was solid once again in 2015. **Operational free cash flow** amounted to €85 million in 2015, up 17.0% compared to 2014 (€72 million).
This favorable trend is the result of improved operational performance and continued good management of working capital requirements. Inventories fell -1.7%. Investments are kept under control and totaled €58 million (compared to €54 million in 2014).

FINANCIAL STRUCTURE

The Group's **financial structure** is very solid.
Net cash amounted to €544 million at December 31, 2015 (versus €535 million at December 31, 2014).
Equity capital amounted to €564 million as of December 31 (compared to €595 million as of December 31, 2014).
At December 31, 2015, all financial covenants were met.

On December 30, 2015, the Group repaid the perpetual deeply subordinated notes (TSSDIs) issued to Kering on June 19, 2013. The amount paid to Kering totaled €68 million on the basis of a nominal amount of €60 million and capitalized annual interest of 5%.

CONCLUSION AND OUTLOOK

The results for 2015 confirm the Group's successful transformation, which was implemented as part of the Fnac 2015 strategic plan.

In 2016, Fnac is well positioned to continue its market share gains in a consumer environment that remains uncertain. In particular, it intends to accelerate the growth of its retail network in France and internationally, continue its strategy to enrich its range of products, especially online, and increase its initiatives in the book and ticketing markets.

The Group will pursue its operational efficiency improvement policy and has set a cost savings target for the Group, on a stand alone basis, of €30 million to €40 million for 2016.
It will also continue its efforts to maximize cash generation.

In the longer term, Fnac, on a stand-alone basis and irrespective of the Darty transaction, 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.

PRESENTATION OF 2015 RESULTS

A live webcast of the presentation of the 2015 Annual Results and the presentation slides will be available at 10 am (Paris time) on February 18, 2016 on the home page of the site www.groupe-fnac.com.

This presentation is also directly accessible by clicking here.

A replay will also be available on our website in the late afternoon.

CONTACTS

ANALYSTS / INVESTORS	Nadine Coulm	nadine.coulm@fnac.com +33 (0)1 55 21 18 63
PRESS	Laurent Glepin	laurent.glepin@fnac.com +33 (0)1 55 21 53 07

The Board of Directors met on February 17, 2016 to prepare the financial statements for 2015. The auditing procedures for the Groupe Fnac consolidated financial statements as at December 31, 2015 have been completed. The certification report will be issued after completion of the procedures required for the purposes of approval of the registration document.

Summary income statement

(€ millions)	2014	2015	Change
Revenues	**3 895**	**3 876**	**-0.5%**
Gross margin	**1 144**	**1 146**	**0.2%**
As a % of revenues	*29.4%*	*29.6%*	
Total costs	**1 067**	**1 061**	**0.6%**
As a % of revenues	*-27,5%*	*-27.4%*	
Current operating income	**77**	**85**	**10.2%**
As a % of revenues	*2.0%*	*2.2%*	
Other non-current operating income and expenses	-9	-9	-2.2%
Operating income	**68**	**76**	**11.3%**
Net financial expense	-12	-13	-8.3%
Income tax	-15	-14	1.4%
Consolidated net income	**41**	**48**	**16.7%**
Of which attributable to owners of the company	42	48	14.4%
Consolidated net income, Group share	**50**	**57**	**13.7%**
EBITDA	**147**	**146**	**-1.1%**
As a % of revenues	*3.8%*	*3.8%*	

APPENDICES

Current operating Income (COI) by operating segment

(COI in € millions)	2014	As a % of revenues	2015	As a % of revenues	% change
France	47,5	1.7%	53,2	1.9%	12.0%
Iberian Peninsula	23,6	3.6%	24,1	3.7%	2.1%
Brazil	-0,9	-0,5%	-0,5	-0,4%	44.4%
Other Countries	6,9	2.4%	8,2	2.8%	18.8%
Group	**77.1**	**2.0%**	**85.0**	**2.2%**	**10.2%**

4th quarter revenues by operating segment

(Rev. in € millions)	Q4 2015	Change compared with Q4 2014		
		published	at comparable scope of consolidation and constant exchange rates	on a same-store basis*
France	1 023	1.1%	1.1%	1.0%
Iberian Peninsula	223	-1.4%	-1.4%	-4.1%
Brazil	39	-30.8%	-10.3%	-10.9%
Other Countries	103	3.5%	-1.1%	-4.0%
Group	**1 388**	**-0.4%**	**0.2%**	**-0.5%**

* at comparable scope of consolidation and constant exchange rates

2015 revenues by operating segment

(Rev. in € millions)	2015	Change compared with 2014		
		published	at comparable scope of consolidation and constant exchange rates	on a same-store basis*
France	2 784	0.4%	0.4%	0.7%
Iberian Peninsula	657	-0.3%	-0.3%	-3.0%
Brazil	137	-21.8%	-7.5%	-8.1%
Other Countries	298	3.0%	-1.8%	-3.2%
Group	**3 876**	**-0.5%**	**-0.2%**	**-0.6%**

* at comparable scope of consolidation and constant exchange rates

Store network

	Dec. 31, 2014	Dec. 31, 2015
France	**112**	**124**
Traditional *	72	74
Suburban	14	14
Travel	16	18
Proximity	10	16
Connect	0	2
Including franchised stores	*27*	*38*
Iberian Peninsula	**47**	**49**
Traditional	40	40
Travel	2	2
Proximity	5	7
Including franchised stores	*0*	*1*
Brazil	**12**	**12**
Traditional	11	11
Travel	1	1
Other Countries	**13**	**14**
Traditional	13	14
Group	**184**	**199**
Traditional	136	139
Suburban	14	14
Travel	19	21
Proximity	15	23
Connect	0	2
Including franchised stores	*27*	*39*

** including stores in Morocco, Qatar and the Ivory Coast*