

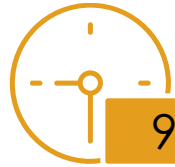


# FULL-YEAR RESULTS 2017

February  
22<sup>nd</sup>, 2018

# AGENDA

---



9.30 am

## **INTRODUCTION AND 2017 STRATEGIC ACHIEVEMENTS**

Enrique Martinez, *CEO*

---



10.00 am

## **2017 ANNUAL RESULTS PRESENTATION**

Jean-Brieuc Le Tinier, *CFO*

---



10.30 am

## **CONCLUSION AND Q&A SESSION**



# FNAC DARTY

---

## STRATEGIC REVIEW

---

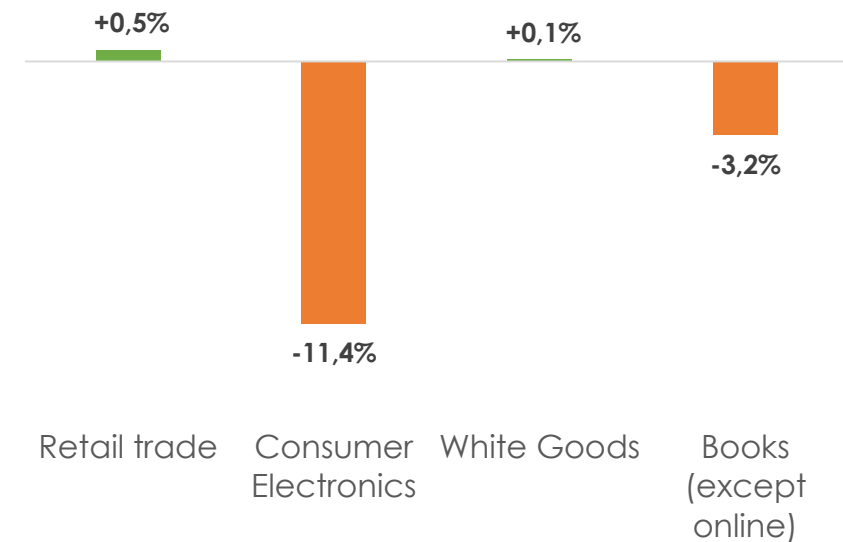
# 2017 ECONOMIC ENVIRONMENT

## Macroeconomic Environment

- ◆ French GDP: **+1.9% in 2017** vs. **+1.1% in 2016<sup>(1)</sup>**
- ◆ French household consumption spending slowing down in **2017 at +1.3%** vs. **+2.1% in 2016<sup>(1)</sup>**
  - Net slowdown in household consumption spending in goods at **+1.7% in 2017** vs. **+2.4% in 2016<sup>(1)</sup>**
- ◆ Slight recovery in Iberia in a tough political context, consumption spending still sluggish
- ◆ Sustained GDP growth in Benelux

<sup>(1)</sup> Source : INSEE

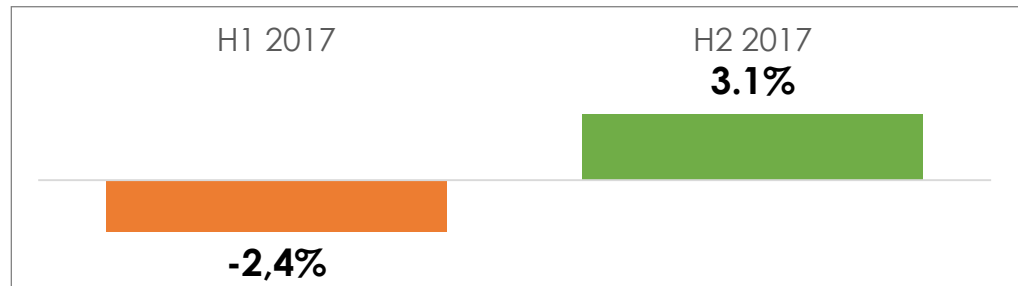
## French Market Specialized Retail Evolution in 2017



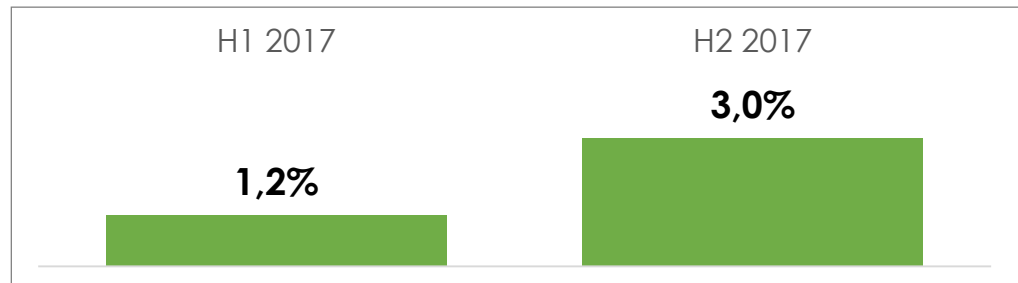
Retail Trade - Banque de France data for 2017

# IN 2017 FNAC DARTY CONDUCTED A SOUND EXECUTION

## Group sales evolution H1 & H2 – like-for-like <sup>(1)</sup>



## Group sales evolution H1 & H2 – excl. TV <sup>(2)</sup>



## Fnac Darty showed growth in 2017 despite a challenging environment

- ◆ H1 impacted by unfavorable base effect due to TV digital switch in April 2016
- ◆ Good growth in H2 driven by a favorable products line-up
- ◆ Success of Black Friday: commercial execution creating value

**66 FNAC DARTY MARKET SHARE GAINS 99**

<sup>(1)</sup> Excluding FX, perimeter and expansion effects

<sup>(2)</sup> Pro Forma: taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016

# FNAC DARTY INTEGRATION PROGRESSED RAPIDLY IN 2017

COMMERCIAL  
INITIATIVES  
OBJECTIVE :  
€20m

## Crossed Click & Collect

- Pickup of Fnac.com purchases in the Darty network

## Digital expertise & Marketplaces

IN PROGRESS

- Darty.com on Fnac.com marketplace

## Services & Deliveries

IN PROGRESS

- Fnac TV delivery by Darty
- Photo printing corners at Darty
- Launch of Darty+
- Cross-fertilization of best practices (warranty, insurance...)

## Shop-in-Shop rollout

IN PROGRESS

- 20 Shop-in-shops in test
- Opening of the first store branded Fnac & Darty

OPERATIONAL  
SYNERGIES  
OBJECTIVE:  
€110m

## Purchasing optimization

## Specialized logistics centers

IN PROGRESS

- Distribution centres' mutualisation

## IT systems convergence

IN PROGRESS

- Launch of IT platforms convergence

## Mutualized Support functions

- Common Group HQ organization
- Single Belgian HQ
- Group Ex. Committee

**“ AT END 2017, €85m OF SYNERGIES DEPLOYED VS. €65m INITIALLY PLANNED ”**

# STRONG RESULTS

## ❖ Tight commercial policy

Gross margin up 50bps **at 30.4%**

## ❖ Rapid progress of Fnac Darty integration:

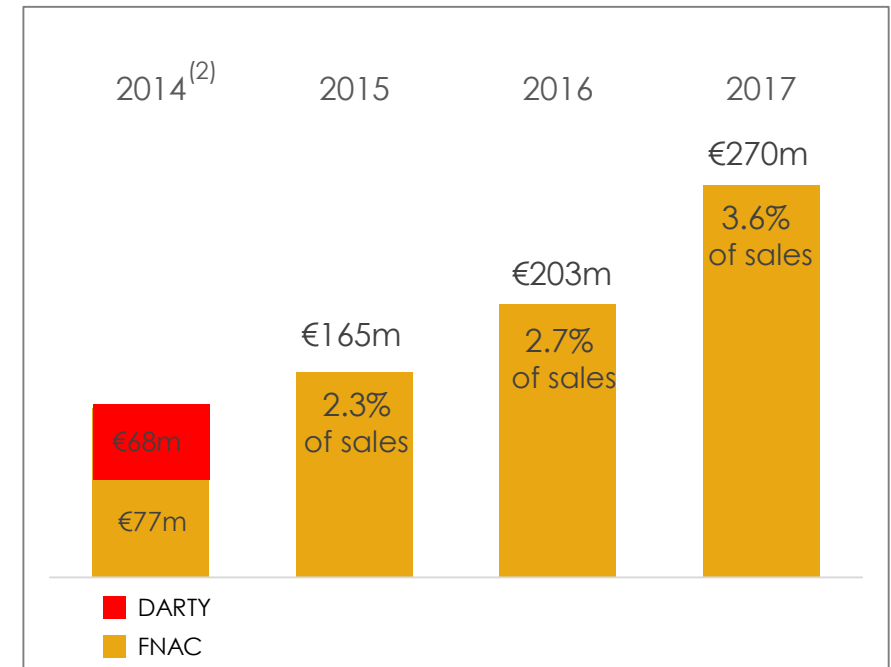
**65%** of synergies generated at the end of 2017 out of **€130m** targeted in 2018

## ❖ Strong increase in Current Operating Income at **€270m**

## ❖ Operational Free Cash Flow raised to **€199m**

## ❖ Net result<sup>(3)</sup> **+€100m** vs 2016

EBIT evolution by year – Pro Forma<sup>(1)</sup>



## “ FNAC DARTY SOLID RESULTS ”

(1) Pro Forma: taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016

(2) Ebit reported on a stand-alone basis. Sources : company financial statements. EBIT equal to Current Operating Income definition for Fnac and equal to EBITDA –D&A for Darty (before exceptional items and profit on disposal of PP&E and intangible assets)

(3) Continuing operations

# OMNICHANNEL PLATFORM IMPROVEMENT IN 2017

## NETWORK EVOLUTION

### Fnac Darty Network at December 31, 2017



<b>FRANCE</b>	<b>160</b>	<b>350</b>
Franchise stores	72 <sup>1</sup>	132
<i>Openings in 2017</i>	20	36
Directly operated stores	88	218
<i>Openings in 2017</i>	0	6
<b>INTERNATIONAL</b>	<b>76</b>	<b>142</b>
<b>TOTAL</b>	<b>236</b>	<b>492</b>

### ↔ 78 openings in 2017

62 in France

3 in Spain

5 In Portugal

8 in Belgium

Of which 58 franchisees

### ↔ c.20 shop-in-shops opened at year-end

### ↔ Click & Collect offer upgraded

- c.280 Darty shops eligible vs. 80 in 2016

**66 DENSE MULTIFORMAT STORE NETWORK WITH 728 STORES**



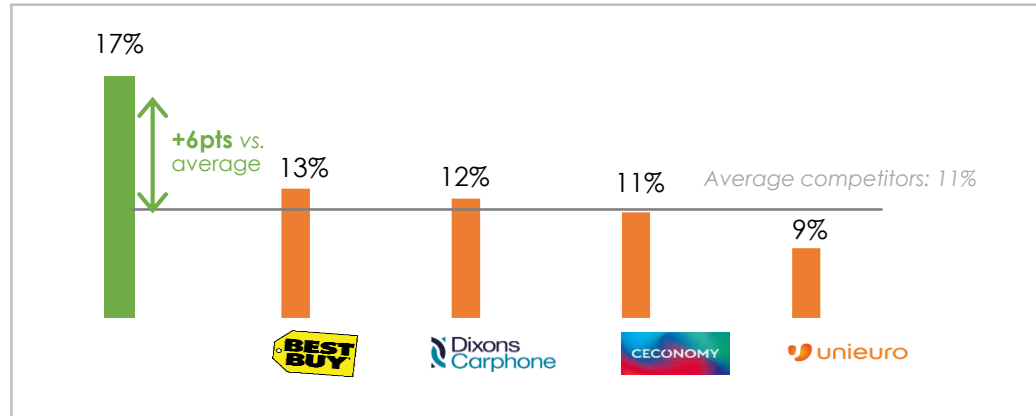
<sup>1</sup>Including franchise operations in Qatar, Morocco, Ivory Coast, Congo and Cameroon, and a Fnac Darty store



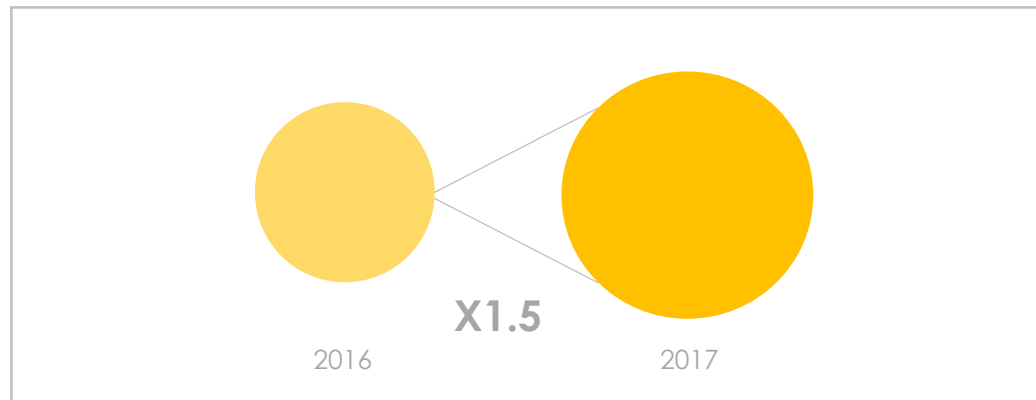
# OMNICHANNEL PLATFORM IMPROVEMENT IN 2017

## DIGITAL CAPABILITIES REINFORCED

### Fnac Darty is the most digital omnichannel retailer<sup>1</sup>



### Marketplace



◆ Strong performance in digital in 2017, **+1pt** vs 2016

◆ **47%** of online sales are omnichannel, **+2pt** vs. 2016

### ◆ Marketplace :

- GMV : **c.50%** growth in 2017
- **30M** references available
- **2,000** professional vendors
- Darty space opening on Fnac.com

◆ **Mid-term objective : GMV x3** compared to 2016

<sup>1</sup>Source: latest published figures, Group level, except for Best Buy (Domestic sales)

# OMNICHANNEL PLATFORM IMPROVEMENT IN 2017

## CUSTOMER EXPERIENCE PROGRESS

### CUSTOMER EXPERIENCE IMPROVEMENT

- ✓ **Common brand platform**
- ✓ **Fnac+ & Darty+**
- ✓ **In-store customer experience improvement in services** (dedicated corner)
- ✓ **Store Digitalization**  
(180 Fnac and Darty stores at the end of 2017)

### SERVICES AND OPERATIONS PROGRESS

- ✓ **2-hour delivery** service extended
- ✓ **Cut-off at midnight** for next-day delivery in Paris area
- ✓ Click & Collect for fnac.com purchases available in **c.280 Darty stores** at end 2017
- ✓ Launch of **in-store repair initiatives** linked with one centralized spare part distribution platform
- ✓ **Connected after-sales services**

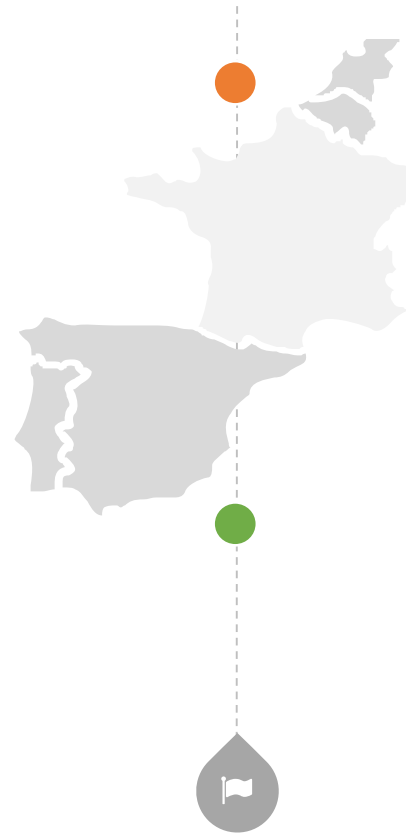
**FNAC DARTY OFFERS**  
**66 BEST IN CLASS CLIENT EXPERIENCE 99**

# OMNICHANNEL PLATFORM IMPROVEMENT IN 2017

## INTERNATIONAL

### IBERICA

- Sales growth
- Robust expansion pace (+8 stores)
- Opening of the first franchise in Portugal
- Rapid deployment of SDA offer under the Fnac Home banner



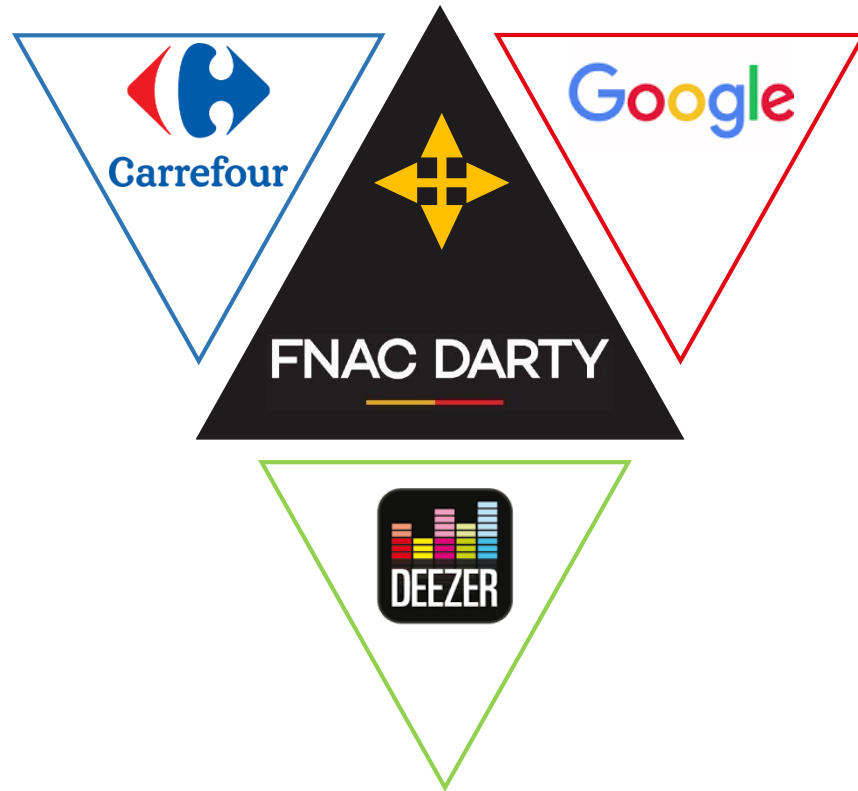
### BENELUX

- Sales growth
- Common HQ for Vanden Borre and Fnac in Belgium
- Solid expansion pace (+8 stores)
- Double-digit growth of web sales in Belgium
- Improved profitability in the Netherlands

“ STRATEGIC POSITIONS REINFORCED ABROAD ”

# OMNICHANNEL PLATFORM IMPROVEMENT IN 2017

## MULTIPLE PARTNERSHIPS CREATED



### ❖ **Carrefour**

- Purchasing Agreement partnership for domestic appliances and consumer electronics in France
- Cooperation effective for the 2018 supplier negotiations but full benefits expected for 2019

### ❖ **Google**

- "Bouton Darty" integrated into the Google Home ecosystem

### ❖ **Deezer**

- Exclusive offers for Fnac Darty customers
- Digitalization of in-store musical experience



**OPENING THE PLATFORM  
REINFORCES OUR VALUE PROPOSITION**





# FNAC DARTY

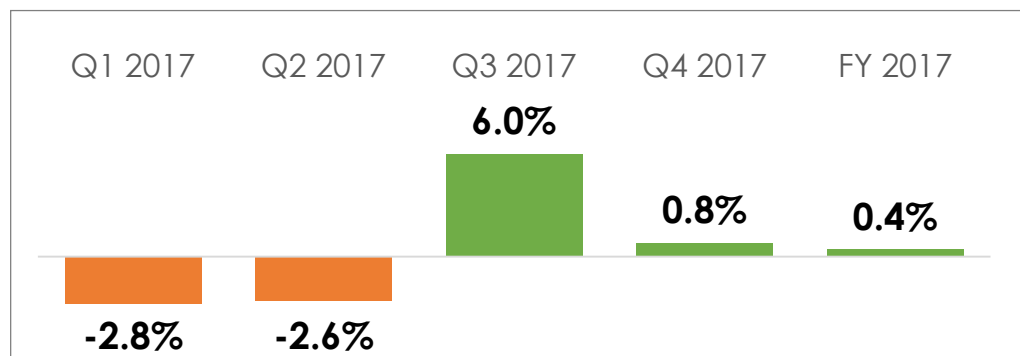
---

## 2017 FINANCIALS

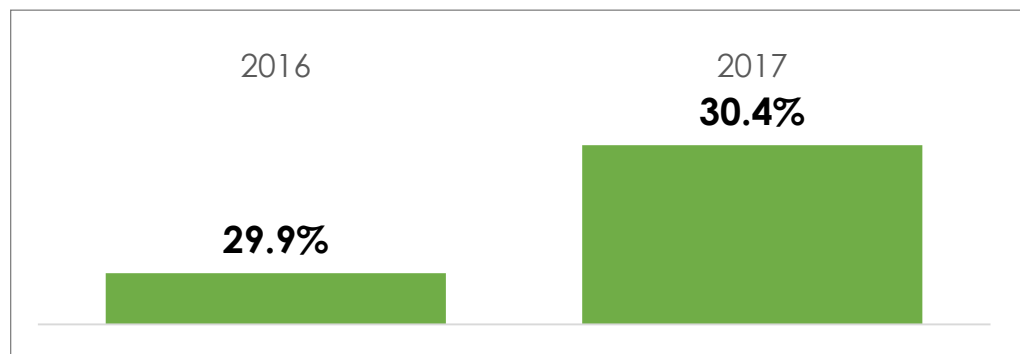
---

# FY 2017 GROUP SALES : +0.4%

## Group sales evolution by quarter – Pro Forma <sup>(1)</sup>



## Gross margin evolution – Pro Forma <sup>(2)</sup>



(1) Pro Forma at comparable scope of consolidation and at constant forex

(2) Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016

## Context

- Sluggish consumption in France
- Continuing tough competition
- Consumer electronics market impacted in 2017 by TV digital switchover in France in April 2016
- Q4 marked by Black Friday spread out in Europe

## Fnac Darty growth profile in 2017

- Decline in H1 due to TV switch in 2016
- Strong growth in H2: +3,1% (like-for-like)
- Strong growth in digital and omnichannel sales
- Double-digit growth of Services activities
- Smart execution of Black Friday

## Strong improvement of gross margin

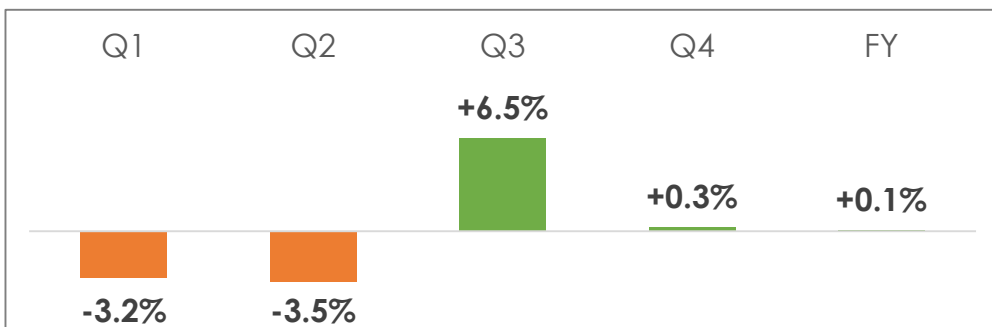
- +50 bp in FY 2017 despite dilution from franchises, reflecting the effect of synergies and a well-managed commercial policy

# FRANCE AND SWITZERLAND IN 2017



€m	2016 Pro Forma <sup>(1)</sup>	2017	% Change
Revenues	<b>5,854</b>	<b>5,856</b>	0.0%
<b>Like-for-like<sup>(2)</sup></b>			<b>0.5%</b>
Current operating income	<b>172</b>	<b>234</b>	<b>36.0%</b>
Operating margin	2.9%	4.0%	+110bp

## 2017 sales evolution Pro Forma <sup>(3)</sup>



(1) Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

(2) Like-for-like : excluding FX, perimeter and expansion effects

(3) Pro Forma at comparable scope of consolidation and at constant forex

- ❖ Growth despite a strong comparison basis due to TV digital switch in April 2016
- ❖ **Excluding TV, sales up +2.2%**
- ❖ Mid-teen growth of online sales at Fnac.com
- ❖ Acceleration of network expansion: **62** store openings
- ❖ Good execution of synergies plan
- ❖ Strong growth in operating margin **(+110bp at 4.0%)**

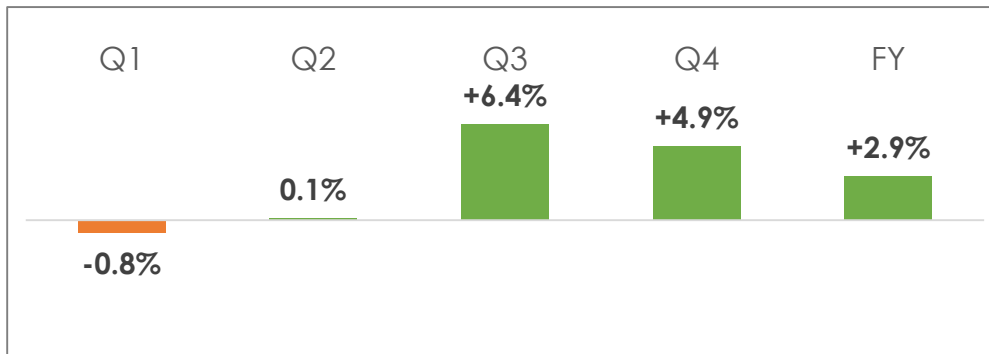


# IBERIAN PENINSULA IN 2017



€m	2016 Pro Forma <sup>(1)</sup>	2017	% Change
Revenues	<b>656</b>	<b>676</b>	<b>+2.9%</b>
<b>Like-for-like<sup>(2)</sup></b>			<b>+2.3%</b>
Current operating income	<b>23</b>	<b>24</b>	<b>+1.7%</b>
Operating margin	3.5%	3.5%	FLAT

## 2017 sales evolution Pro Forma <sup>(3)</sup>



(1) Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

(2) Like-for-like : excluding FX, perimeter and expansion effects

(3) Pro Forma at comparable scope of consolidation and at constant forex

- ◆ Growth despite tough market partly due to political context in Spain
- ◆ Expansion pace is accelerating: **+8** stores in 2017
- ◆ Mid-teen growth of online sales
- ◆ Operating margin maintained at a high level



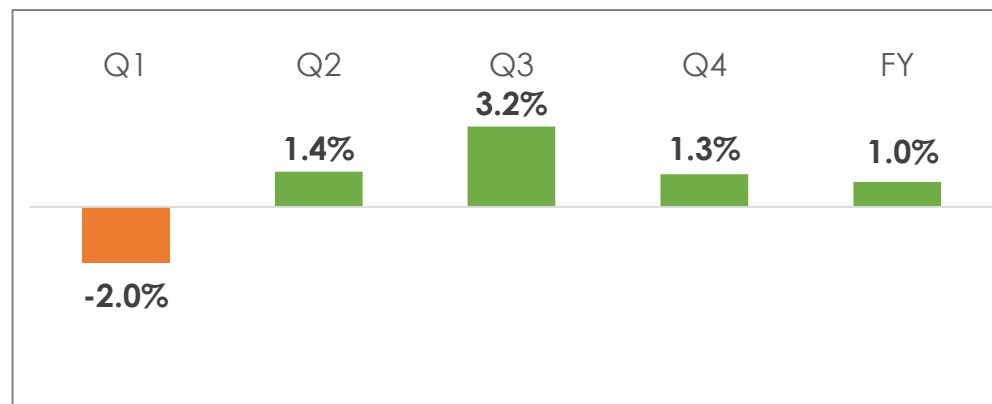


# BENELUX IN 2017



€m	2016 Pro Forma <sup>(1)</sup>	2017	% Change
Revenues	908	917	1.0%
<b>Like-for-like<sup>(2)</sup></b>			<b>-1.3%</b>
Current operating income	8	12	60%
Operating margin	0.8%	1.3%	+50bp

## 2017 sales evolution Pro Forma <sup>(3)</sup>



(1) Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

(2) Like-for-like : excluding FX, perimeter and expansion effects

(3) Pro Forma at comparable scope of consolidation and at constant forex

- ◆ Highly competitive environment in Q4
- ◆ Expanding store network, +8 stores in 2017
- ◆ Strong results of the plan implemented in the Netherlands with improved profitability
- ◆ Strong operating margin growth, +50bp in 2017



# 2017 GROUP CURRENT OPERATING INCOME UP **33%** TO **€270M** PRO FORMA

€m	2016 Pro Forma <sup>(1)</sup>	2017	% Change
Revenues	<b>7,418</b>	<b>7,448</b>	<b>0.4%</b>
Gross Margin <i>% Revenues</i>	<b>2,215</b> 29.9%	<b>2,261</b> 30.4%	<b>+50bp</b>
Total costs <i>% Revenues</i>	<b>-2,012</b> -27.1%	<b>-1,991</b> -26.7%	<b>-40bp</b>
Current operating income	<b>203</b>	<b>270</b>	<b>+33%</b>
<i>% Revenues</i>	<b>2.7%</b>	<b>3.6%</b>	<b>+90bp</b>

<sup>(1)</sup> Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

## ❖ Gross Margin up **50bps**

- Positive impact of synergies
- Negative product mix effect
- Franchise dilution around 30bps

## ❖ Current operating income up **33%**






- €76m of synergies in 2017
- Cost saving programs offsetting inflation

## ❖ Current operating income up **€73m excluding real estate disposals in 2016**

## ❖ Operating margin up **+90bps**

# 2017 GROUP REPORTED FINANCIAL RESULTS

€m	2016 Reported <sup>(1)</sup>	2017 reported
<b>Current operating income</b>	<b>162</b>	<b>270</b>
Non current operating income and expenses	<b>-38</b>	<b>-53</b>
<b>Operating income</b>	<b>124</b>	<b>217</b>
Financial charges	-76	-44
<i>o/w cost of net indebtedness</i>	-53	-34
<i>o/w other financial charges (net)</i>	-23	-10
Tax charges	-23	-48
<i>o/w non recurring items</i>	0	15
<b>Net income from continuing operations</b>	<b>24</b>	<b>125</b>
Discontinued operations	-22	-87

-  Reported operating income growth driven by full consolidation of Darty
-  Non recurring costs: faster than expected deployment of optimization plan, and synergies
-  Financial result reflecting full-year cost of bond, bank debt and cost of consumer credit
-  2017 effective tax charges impacted by multiple one-off effects:
  - Positive impact of deferred tax activation
  - Negative impact of special taxation in France, following dividend tax rejection by the French Conseil Constitutionnel
-  Discontinued operations include the impacts of the disposal of Brazil

<sup>(1)</sup> Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

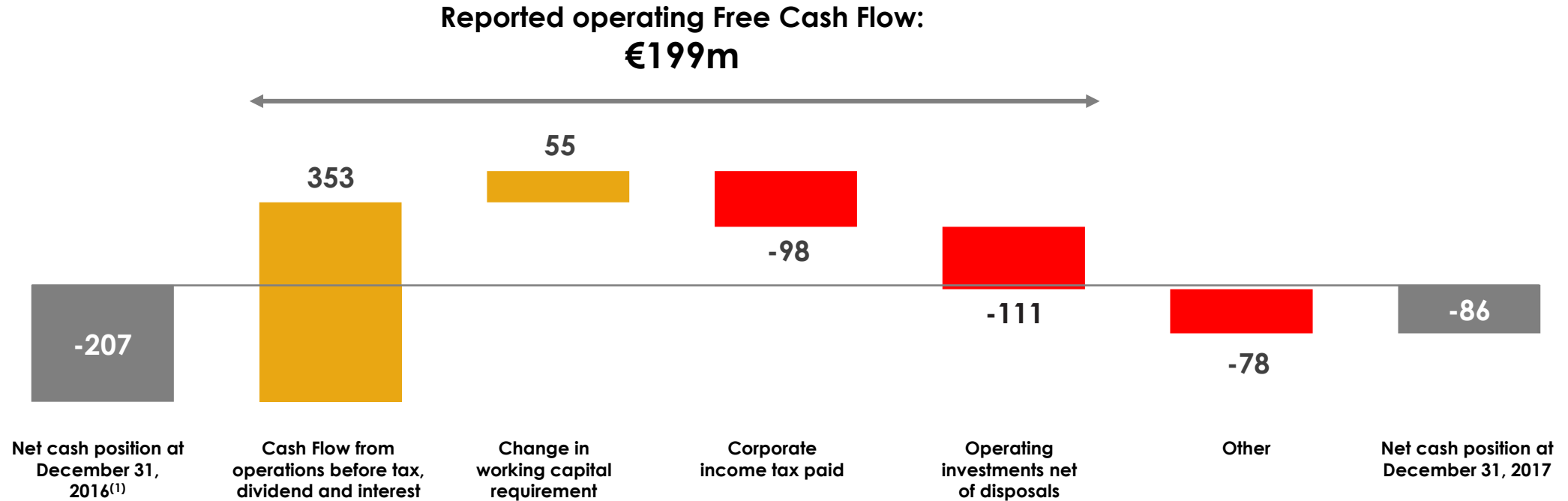
# STRONG FREE CASH FLOW GENERATION IN 2017

€m	2016 Pro Forma <sup>(1)</sup>	2017	% Change
<b>Cash flow from operations before tax, dividends and interest</b>	<b>208</b>	<b>353</b>	<b>70.0%</b>
Change in working capital	133	55	-58.7%
CAPEX	-117	-113	-3.8%
Property disposals	15	2	-86.5%
Tax	-46	-98	114%
<b>Operating Free Cash flow Pro Forma</b>	<b>193</b>	<b>199</b>	<b>3.3%</b>

- ◆ Current Free Flow Cash reached **€199m**
- ◆ Continued improvement of working capital mainly driven by alignment of payment terms between Fnac and Darty
- ◆ Capex under control
- ◆ Reduced contribution from real estate disposals (paused in August 2016)

<sup>(1)</sup> Pro Forma taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016, restated for the measurement of Darty's identifiable assets and liabilities

# CHANGE IN NET DEBT



<sup>(1)</sup> Restated for the measurement of Darty's identifiable assets and liabilities



# FNAC DARTY

---

## CONCLUSION

---

# 2017 HIGHLIGHTS

---

- ❖ **Rapid progress of Fnac Darty integration**
- ❖ **Growth higher than markets**
- ❖ **Gross margin and Ebit improvement**
- ❖ **Strong cash-flow generation**

# 2018 OUTLOOK & ROADMAP

---

## ❖ **Environment**

- GDP growth in France and Europe
- Consumption recovery to be confirmed

## ❖ **Business driver**

- World Cup

## ❖ **Confiance+ rollout**

## ❖ **Complete Fnac Darty integration**

- €130m of synergies at the end of 2018 confirmed

## ❖ **Engage our people: Employee Capital Increase**

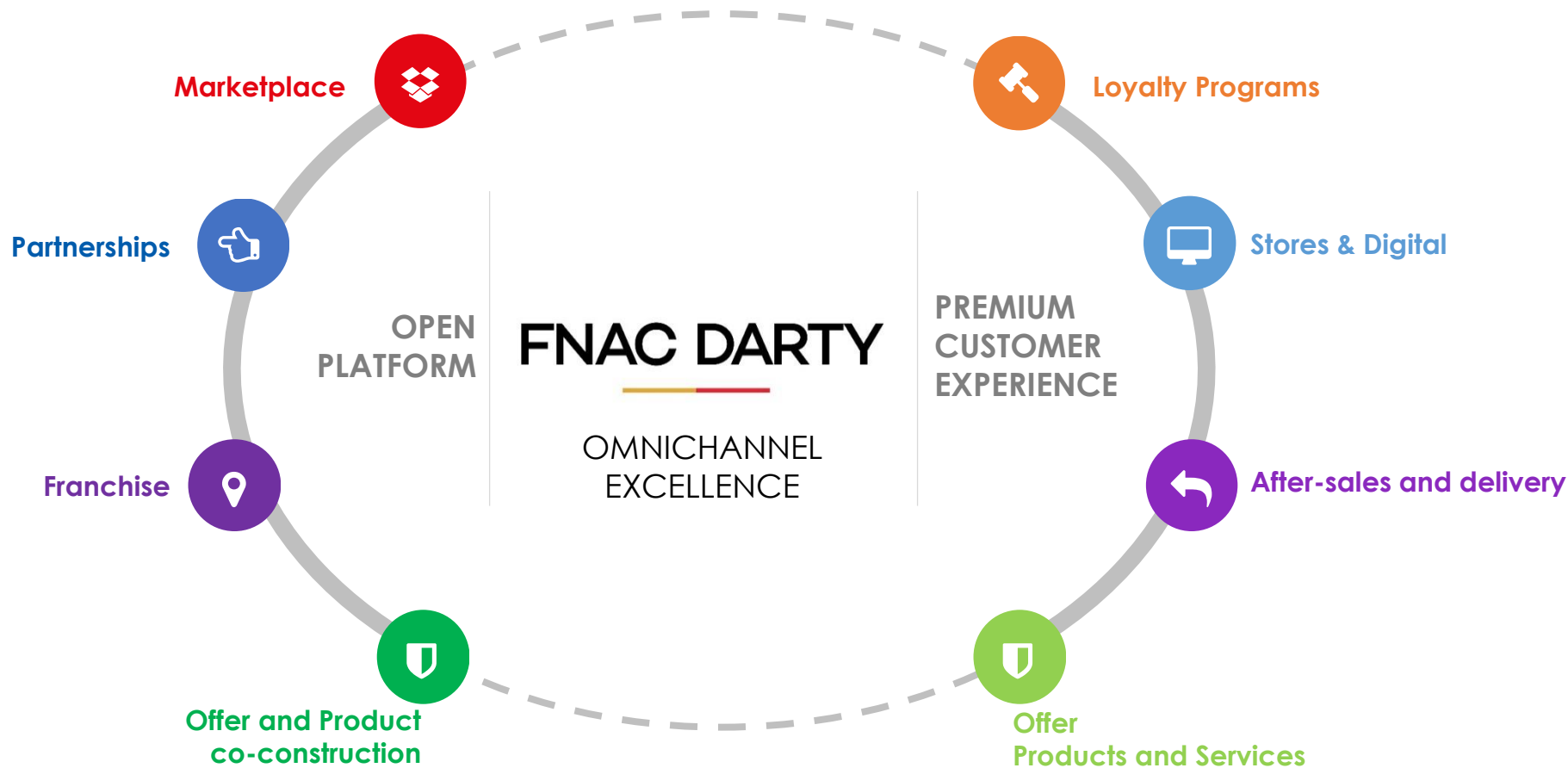
- Slight non recurring impacts on dilution and Ebit

## ❖ **Carrefour purchase agreement execution**

- Limited positive impact on profit in 2018, full effect in 2019



# ROLLING OUT CONFIANCE+ FNAC DARTY: A DIFFERENTIATED OPEN PLATFORM FOR CUSTOMERS AND PARTNERS



**MIDTERM OBJECTIVES:  
HIGHER GROWTH THAN “MARKETS”  
CURRENT OPERATING MARGIN OF 4.5% TO 5%**





SERVICES  
APRÈS-VENTE

**FNAC DARTY**

---

Q&A

---



SERVICES  
APRÈS-VENTE

**FNAC DARTY**

---

APPENDICES

---

# DEFINITIONS

---

## ❖ **Pro-forma**

- The figures present the situation by taking into account Darty's inclusion in the scope of consolidation as from January 1, 2016.
- The pro-forma financial information includes the consolidated income statements of Fnac and Darty produced on an individual basis after alignment of the accounting policies and impacts of purchase price allocation.

## ❖ **Definition of current operating income**

- The monitoring of the Group's operating performance uses the current operating income as the main operating balance. It is defined as the difference between the total operating profit and the "Other non-current operating income and expenses."
- Recurring operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance that can be used as a way to estimate recurring performance.

## ❖ **Definition of EBITDA and EBITDAR**

- EBITDA = Current operating income before depreciation, amortization and provisions on fixed operational assets.
- EBITDAR = EBITDA before rent costs.

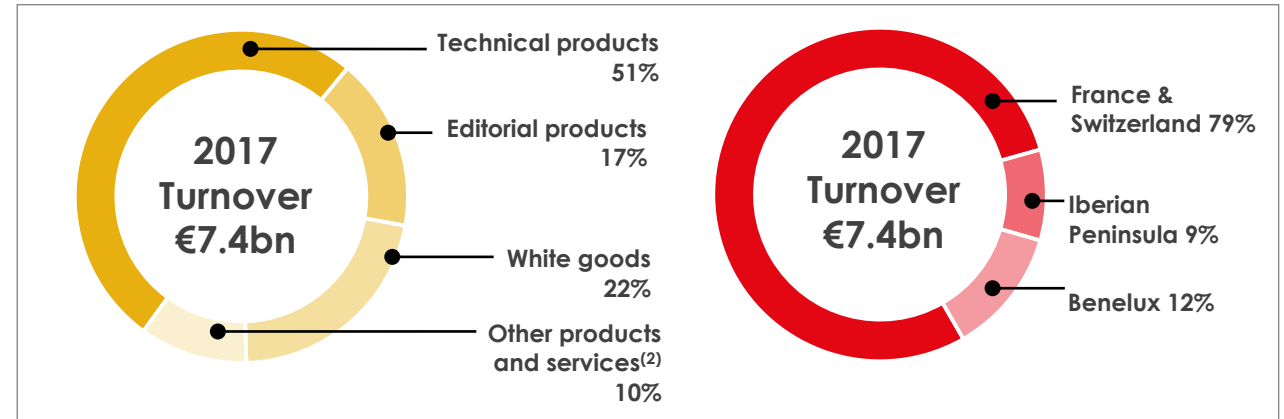
## ❖ **Definition of free cash flow from operations**

- This financial indicator measures net operating cash flow and gross operating investment flow (defined as purchases and sales of tangible and intangible non-current assets, and the change in supplier accounts payable for non-current assets).

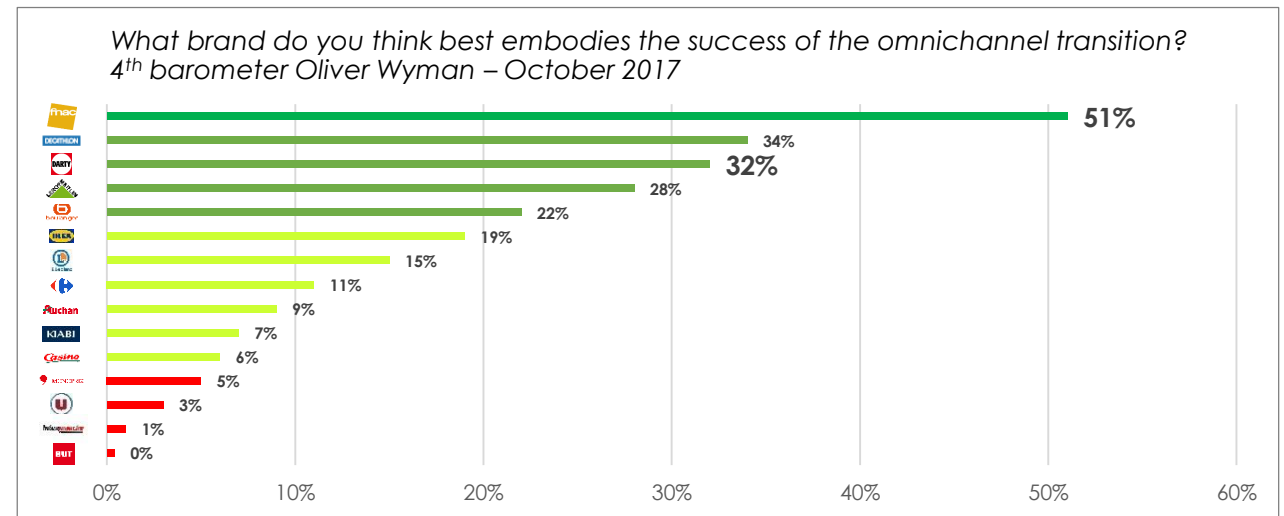
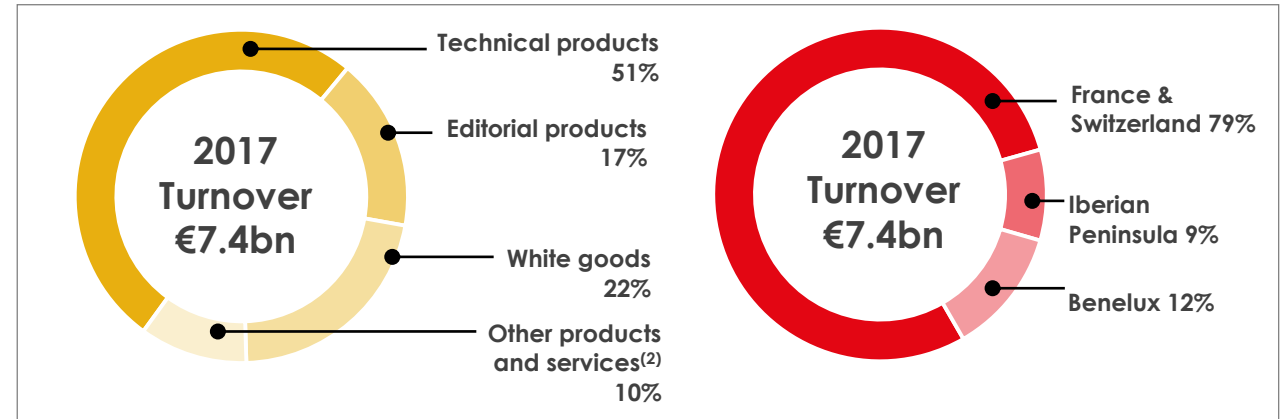
# FNAC DARTY PROFILE

- ❖ €7.4bn revenue – 26,000 employees
- ❖ Top 3 European Omnichannel Retailer
- ❖ 720+ multiformat stores in 11 countries
- ❖ 2<sup>nd</sup> e-commerce retailer in France<sup>(1)</sup>
- ❖ 81 million transactions
- ❖ 1<sup>st</sup> after-sales service in France
- ❖ 7 million loyalty members
- ❖ 47% of online sales are omnichannel

## Sales by products



## Sales by geography



(1) Fevad/Médiamétrie 2017 (2) Include: Ticketing, B2B, after sales service, membership fees, franchise fees, insurance, consumer credit

## Q4 AND FY REVENUE VS 2016 REPORTED

€m	Q4 2017	Change vs. Q4 2016		
		Reported	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
France and Switzerland	1,940	0.1%	0.3%	0.4%
Iberian Peninsula	235	4.9%	4.9%	1.9%
Benelux	266	1.3%	1.3%	-0.6%
<b>Group</b>	<b>2,441</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.4%</b>

2017	Change vs. 2016		
	Reported	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
5,856	38.8%	38.9%	38.9%
676	2.9%	2.9%	2.3%
917	85.4%	85.4%	83.7%
<b>7,448</b>	<b>38.7%</b>	<b>38.8%</b>	<b>38.6%</b>

## Q4 AND FY REVENUE VS 2016 PRO FORMA

€m	Q4 2017	Change vs. Q4 2016		
		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
France and Switzerland	1,940	0.1%	0.3%	0.4%
Iberian Peninsula	235	4.9%	4.9%	1.9%
Benelux	266	1.3%	1.3%	-0.6%
<b>Group</b>	<b>2,441</b>	<b>0.7%</b>	<b>0.8%</b>	<b>0.4%</b>

2017	Change vs. 2016		
	Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
5,856	0.0%	0.1%	0.5%
676	2.9%	2.9%	2.3%
917	1.0%	1.0%	-1.3%
<b>7,448</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.5%</b>

# Q1-Q2-Q3 REVENUE VS 2016 PRO FORMA

€m	Q1 2017	Change vs. Q1 2016			Q2 2017	Change vs. Q2 2016			Q3 2017	Change vs. Q3 2016		
		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
France and Switzerland	1,306	-3.1%	-3.2%	-2.8%	1,211	-3.5%	-3.5%	-2.9%	1,400	6.4%	6.5%	6.4%
Iberian Peninsula	147	-0.8%	-0.8%	0.7%	134	0.1%	0.1%	1.5%	160	6.4%	6.4%	5.2%
Benelux	222	-2.0%	-2.0%	-2.9%	197	1.4%	1.4%	-0.7%	232	3.2%	3.2%	2.5%
<b>Group</b>	<b>1,675</b>	<b>-2.8%</b>	<b>-2.8%</b>	<b>-2.5%</b>	<b>1,541</b>	<b>-2.6%</b>	<b>-2.6%</b>	<b>-2.3%</b>	<b>1,792</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.8%</b>



# H1 AND H2 REVENUE VS 2016 PRO FORMA

€m	H1 2017	Change vs. H1 2016			H2 2017	Change vs. H2 2016		
		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX		Pro forma	At constant FX and comparable scope of consolidation	Like-for-like at constant FX
France and Switzerland	2,517	-3.3%	-3.3%	-2.8%	3,339	2.7%	2.8%	3.9%
Iberian Peninsula	281	-0.4%	-0.4%	1.1%	395	5.5%	5.5%	3.3%
Benelux	418	-0.4%	-0.4%	-1.9%	499	2.2%	2.2%	-1.6%
<b>Group</b>	<b>3,216</b>	<b>-2.7%</b>	<b>-2.7%</b>	<b>-2.4%</b>	<b>4,232</b>	<b>2.9%</b>	<b>3.0%</b>	<b>3.1%</b>

# PRO FORMA EBITDA & EBITDAR

	2016 <sup>(1)</sup>	2017
<b>Current operating income</b>	<b>203</b>	<b>270</b>
Net depreciation and amortization charges	104	100
<b>EBITDA</b>	<b>307</b>	<b>370</b>
Rents	206	212
<b>EBITDAR</b>	<b>512</b>	<b>582</b>

<sup>(1)</sup> Restated for the measurement of Darty's identifiable assets and liabilities

# CASH FLOW STATEMENT

€m	2016 <sup>(1)</sup>	2017
<b>Net cash as of January 1</b>	<b>544</b>	<b>-207</b>
Operating Free Cash Flow	151	199
Interest paid net of interest and dividends received	-24	-26
Acquisition / disposal of subsidiaries net of cash transferred	-1,028	-0
Acquisition / disposal of other financial assets (net)	1	-2
Increase / decrease in equity and other transactions with shareholders	157	12
Cash flow related to discontinued activities	-9	-57
Others	1	-5
<b>Change in Net Cash</b>	<b>-751</b>	<b>121</b>
<b>Net Cash as of December 31</b>	<b>-207</b>	<b>-86</b>

(1) Restated for the measurement of Darty's identifiable assets and liabilities

# WORKING CAPITAL

€m	As of December 31, 2016 <sup>(1)</sup>	As of December 31, 2017
Inventories	1,057	1,073
Accounts receivable	190	243
Accounts payable	-1,448	-1,594
Other operational working capital	-616	-602
<b>Operational Working capital</b>	<b>-817</b>	<b>-880</b>
Financial accounts receivable	16	4
Accounts receivable and payable relative to tax	-43	3
<b>Working capital</b>	<b>-844</b>	<b>-873</b>

(1) Restated for the measurement of Darty's identifiable assets and liabilities

# BALANCE SHEET

€m	12/31/2016 <sup>(1)</sup>	12/31/2017
Shareholders' equity	<b>1,049</b>	<b>1,103</b>
Net Debt	<b>207</b>	<b>86</b>

- ❖ Strong equity
- ❖ Reasonable leverage
- ❖ Ownership of a significant real estate portfolio from Darty

<sup>(1)</sup> Restated for the measurement of Darty's identifiable assets and liabilities

# BALANCE SHEET

Assets in €m	FY 2016 <sup>(1)</sup>	FY 2017
Goodwill	1,541	1,541
Intangible assets	462	473
Tangible assets	613	611
Investments in associates	20	22
Non-current financial assets	16	16
Deferred tax assets	42	60
Other non-current assets	0	0
<b>Non-current assets</b>	<b>2,694</b>	<b>2,723</b>
Inventories	1,057	1,073
Accounts receivable	209	265
Current tax receivables	19	50
Other current financial assets	26	22
Other current assets	340	358
Cash & cash equivalents	656	775
<b>Current assets</b>	<b>2,307</b>	<b>2,543</b>
Assets held for sale	64	3
<b>Total assets</b>	<b>5,065</b>	<b>5,270</b>

<sup>(1)</sup> Restated for the measurement of Darty's identifiable assets and liabilities

Equity and Liabilities in €m	FY 2016 <sup>(1)</sup>	FY 2017
Share capital	26	27
Reserves related to equity	978	989
Conversion reserves	-4	-5
Other reserves	43	86
<b>Equity Group Share</b>	<b>1,043</b>	<b>1,096</b>
Equity attributable to minority interests	7	7
<b>Equity</b>	<b>1,049</b>	<b>1,103</b>
Long-term liabilities	855	854
Provisions for retirement and similar benefits	186	180
Other non current liabilities	192	195
Deferred tax liabilities	189	193
<b>Non-current liabilities</b>	<b>1,422</b>	<b>1,421</b>
Short-term liabilities	8	7
Other current financial liabilities	10	19
Accounts payable	1,598	1,766
Provisions	32	73
Tax liabilities	62	47
Other current liabilities	846	829
<b>Current liabilities</b>	<b>2,556</b>	<b>2,740</b>
Liabilities associated with assets classified as held for sale	38	6
<b>Total liabilities and equity</b>	<b>5,065</b>	<b>5,270</b>

# STORE NETWORK

	December 31, 2016			December 31, 2017		
	Owned	Franchised	Total	Owned	Franchised	Total
France and Switzerland <sup>(1)</sup>	313	152	465	312	204	516
Iberian Peninsula	50	2	52	55	4	59
Benelux	147	0	147	153	0	153
<b>Group</b>	<b>510</b>	<b>154</b>	<b>664</b>	<b>520</b>	<b>208</b>	<b>728</b>

(1) Included 8 Fnac foreign stores: 2 in Morocco, 2 in Qatar and 2 in Ivory Coast, 1 in the Congo, 1 in Cameroon, and 7 Fnac overseas stores; 7 Darty overseas stores: 1 in Martinique, 1 in Guadeloupe, 1 in French Guiana, 1 in Réunion et 3 in New Caledonia.

## 2016 FIGURES REPORTED

€m	Reported		
	2016	2017	Var.
<b>Revenues</b>	5,369	7,448	38.7%
<b>Current operating income</b>	162	270	67.0%
Non-current operating income and expenses	-38	-53	-40%
<b>Operating income</b>	<b>124</b>	<b>217</b>	<b>+75.5%</b>
Financial charges	-76	-44	+42.3%
Tax	-23	-48	
<b>Consolidated net income from continuing operations</b>	24	125	
Net income discontinued operations	-22	-87	
<b>Consolidated net income</b>	<b>3</b>	<b>38</b>	
Operating free cash flow	151	199	32.1%

<sup>(1)</sup> Restated for the measurement of Darty's identifiable assets and liabilities





# 2017 NETWORK EXPANSION

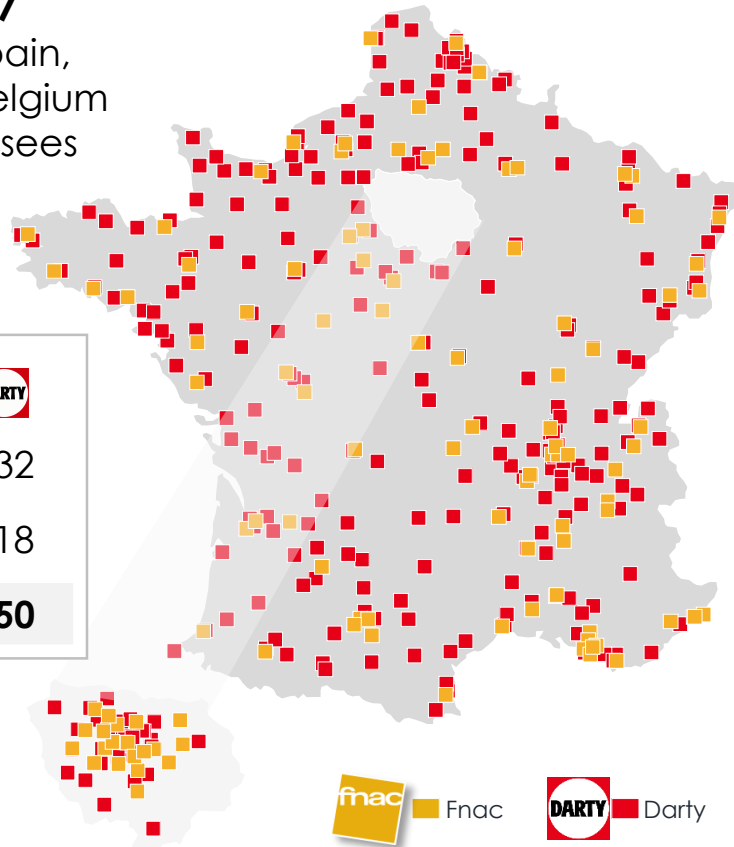
## Complementary networks in France as of 31-Dec-17<sup>(1)</sup>

### 78 openings in 2017

- 62 in France, 3 in Spain, 5 in Portugal, 8 in Belgium
- Of which 58 franchisees

### 14 store closings

		
Franchise	72 <sup>(2)</sup>	132
Directly operated	88	218
<b>Total</b>	<b>160</b>	<b>350</b>



(1) Squares can indicate more than one store  
 (2) Including franchise operations in Qatar, Morocco, Ivory Coast, Congo and Cameroon, and a Fnac Darty store

## International presence as of 31-Dec-17

	Spain: <b>31</b> stores	
	Portugal: <b>28</b> stores	
	Belgium: <b>82</b> stores	 
	Netherlands: <b>71</b> stores	
	Switzerland: <b>6</b> stores	

## Diversified store formats

# DISCLAIMER

---

## **Confidential**

**IMPORTANT NOTICE: By attending the meeting where this presentation is given, or by reading the presentation slides, you agree to be bound by the following limitations and qualifications:**

Certain information included in this presentation is not based on historical facts but on forward-looking statements. Such forward-looking statements speak only as of the date of this presentation and Groupe Fnac expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this presentation to reflect any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Such forward looking statements are for illustrative purposes only. Investors are cautioned that forward-looking information and statements do not guarantee future performance and are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Groupe Fnac, and could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking information and statements. These risks and uncertainties include those discussed or identified in Chapter 6 "Facteurs de Risques" of the Groupe Fnac 2015 registration document which has been registered with the French Autorité des marchés financiers ("AMF") under n°R16-023 on April 19<sup>th</sup>, 2016, and which is available on the AMF's website at [www.amf-france.org](http://www.amf-france.org) and on Groupe Fnac's website at [www.groupe-fnac.com](http://www.groupe-fnac.com).

This material was prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in the United States of America or any other jurisdiction. Likewise it does not give and should not be treated as giving investment advice. It does not reflect in any way to the specific investment objectives, financial situation or particular needs of any recipient. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein. It should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this material are subject to change without notice.

The presentation is being provided to you solely for your information, and it may not be reproduced, redistributed or published (whether internally or externally to your company), directly or indirectly, in whole or in part, to any other person. Failure to comply with these restrictions may result in the violation of legal restrictions in some jurisdictions.