

**fnac**

NOTIFICATION  
& INFORMATION  
BROCHURE  
FNAC  
#2014  
ORDINARY GENERAL MEETING

Thursday 15 May 2014  
at 3PM  
Espace Grande Arche  
Esplanade de La Défense  
92044 La Défense



Notification  
& information  
brochure

| **2014**

## A Brief Introduction to Groupe Fnac

**With revenues of nearly €4 billion and over 15,000 employees in 2013, Fnac is the leader in the leisure and entertainment retail market in France and a major market player on the other countries where it operates, such as Spain, Portugal, Brazil, Belgium and Switzerland.**

Fnac offers an unrivaled range of editorial products (40% of sales) and consumer electronics (55% of sales), along with a full range of other services (5% of sales) that complement its core product offering, as well as ticketing and box office services.

Fnac is a strong brand that encompasses the values of innovation, independence and expertise. It is the leading player in almost all of the product categories it offers and enjoys an excellent reputation and brand recognition.

Fnac has a dense network of 176 multi-format stores in key locations combined with a fast-developing internet offering that attracts a high number of visitors. With over 10 million hits per month, fnac.com is the third-largest e-commerce website in France, and the most visited e-commerce website of all brick & mortar retailers. In 2013, online sales accounted for 13% of Fnac's revenues.

This gives Fnac a "click-and-mortar" network that enables it to benefit from synergies between its retail store network and its internet presence and implement its omni-channel strategy.

The brand's reputation and marketing concept enable it to generate a huge amount of traffic both in-store and online. As a result, Fnac has a large customer base, with a core platform of five million members who account for more than half of its revenues. This is unique in the retail sector. These loyalty program members are customers with high purchasing power and are generally more urban-based and more adept internet users than the average consumer.

To address the structural changes in the markets and the deterioration of macroeconomic conditions, in September 2011, Fnac implemented a new strategic plan called Fnac 2015, which is based around four objectives:

- \* Ramping up the omni-channel strategy
- \* Developing closer ties with customers
- \* Developing levers for growth, both in terms of new product categories and new store formats
- \* Improving operational efficiency

*The English language version of this document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is an accurate representation of the original. However in all matters of interpretation of information, views or opinion expressed therein the original language version of the document in French takes precedence over the translation.*

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# ■ How to participate in the General Meeting:

## WHAT CONDITIONS MUST BE FULFILLED TO PARTICIPATE IN THE GENERAL MEETING?

All shareholders, regardless of the number of shares they hold, have the right to participate in the General Meeting. To do so, they must demonstrate ownership of their shares, which must be recorded in their name, whether they are in registered or bearer form, as of the third business day before the General Meeting; (Monday, May 12, at midnight Paris time) (hereinafter, "D-3").

Should you transfer shares after giving notice of your intention to vote by mail but before D-3, the financial intermediary must give notice of the transfer and send the necessary information. After May 12, 2014 at midnight, no notification may take place.

As a result:

- ★ **For registered shareholders**, the registration of their shares in the Company register (managed by CACEIS Corporate Trust, depository of the register of shareholders and central organizer of the General Meeting mandated by the Company) by D-3 is sufficient; **no other procedure** is necessary.
- ★ **For bearer shareholders**, institutions holding bearer share ("financial intermediaries") shall provide evidence directly for the shareholder status of their clients to CACEIS Corporate Trust (mandated by the Company) by producing a **shareholding certificate** that they attach to the single voting form or the request for an admission card.

## SHOULD YOU WISH TO EXERCISE YOUR RIGHT TO VOTE

You have four options:

- ★ **personally attend** the General Meeting;
- ★ **vote by mail**;
- ★ **give proxy to the Chairman** of the General Meeting;
- ★ **give proxy to a third party** (any person of your choice).

In all cases, you must **fill out, date and sign the hereto attached single voting form and admission card request and send it to your financial intermediary no later than May 12, 2014.**

- ★ **Shareholders with registered shares may use the prepaid envelope that was provided along with the single voting form or, in its absence, send the form by mail (at the current postal rate) to CACEIS Corporate Trust – Service Assemblées Générales Centralisées 14, rue Rouget de Lisle – 92862 ISSY-LES-MOULINEAUX Cedex 9, France;**
- ★ **Shareholders with bearer shares must obtain the single voting form from their financial intermediary and return it to their intermediary by mail (at the current postal rate). (The intermediary will forward the single voting form, accompanied by the shareholding certificate that they will have previously drawn up.)**

Shareholders who have already voted by mail, sent a proxy or requested an admission card can no longer choose another mode of participation. They may however transfer all or part of their shares.

However, if the share transfer takes place before the third business day prior to the meeting (May 12, 2014 at midnight Paris time) the company will consequently invalidate or modify, as applicable, the vote sent by mail, the proxy, the admission card or the certificate

of shareholding. To this end, the financial intermediary shall give notice of the share transfer to the company or to CACEIS and send to CACEIS the necessary information.

No share transfer or any other operation performed after May 12, 2014 at midnight Paris time shall be reported by the financial intermediary or taken into consideration by the company whatever the means used, notwithstanding any agreement to the contrary.

## You wish to attend the General Meeting personally

- \* **If you hold REGISTERED shares**, you may :
  - request an admission card giving you faster access to the meeting room by checking box A and returning the single voting form in the prepaid envelope that was sent to you;
  - or present yourself directly at the counter specially provided for the purpose with an identification document.

If you not have received your admission card by May 12, 2014 at the latest, you may contact CACEIS Corporate Trust from Monday to Friday, 8:30 AM to 6:00 PM (Paris time) at: 00 33 (0)1 57 78 34 44 or by e-mail (ct-contact@caceis.com) for any information regarding processing.

- \* **If you hold BEARER shares**, you must **request an admission card**, which is essential for admission to the Meeting:

- by checking box A in the upper part of the single voting form;
- by returning this form as soon as possible to the financial intermediary managing your securities account, who will forward your request accompanied by a shareholding certificate.

In any event, if you have not received your admission card by May 12, 2014, at the latest, you should request your financial intermediary to issue you a shareholding certificate that will enable you to demonstrate your shareholder status as of D-3 in order to be admitted to the General Meeting.

### Directions to the meeting

Espace Grande Arche  
Esplanade de La Défense  
92044 La Défense

#### **Using public transit:**

Exit at "Sortie A – Grande Arche"  
at the La Défense Grande Arche station  
Métro: Line 1  
RER: Line A  
Train (SNCF): Lines from Paris to any of the following: Saint-Lazare, Saint-Nom-la-Bretèche or Versailles-RD, Saint-Quentin-en-Yvelines, La Verrière)  
Bus: Lines 73, 141, 144, 159, 258, 262, 272, 275, 278, 360, 378, 161, 174, 178

#### **By car from Paris and the Boulevard Périphérique:**

Porte Maillot exit toward La Défense  
At La Défense, exit onto the Boulevard Circulaire  
Exit at "Parking CNIT" (parking area for visitors and exhibitors)  
Two other parking options: La Défense 4 Parking Centre exit  
- La Défense 6 Parking Coupole exit

## You do not wish to attend the General Meeting in person

If not personally attending the General Meeting, you may choose one among the following formulas:

- \* **To vote by mail:** check the box "vote by post" of the individual form and, where applicable, shade the boxes corresponding to the resolutions you do not approve of;
- \* **To give proxy to the Chairman of the General Meeting:** check the box "I hereby give proxy to the Chairman of the General Meeting" in the individual form. In this case, the Chairman will vote in favor of the draft resolutions and amendments presented or agreed to by the board of directors, or against them if the Board of directors does not approve the draft resolutions and/or amendments.
- \* **To give proxy to a third party (any person of your choice):** check the box "I hereby appoint" in the individual form and indicate the name and address of the person you authorize to attend the General Meeting and vote on your behalf. (Authorizations are revoked under the same formal conditions as those used to grant them.)

In accordance with the provisions of Article R. 225-79 of the French Commercial Code, notice of the appointment and revocation of a proxy may likewise be given electronically as follows:

- **registered shareholders:** by e-mail to the following address:

ct-mandataires-assemblees-fnac@caceis.com, specifying their first and last name, address and CACEIS Corporate Trust ID for direct registered shareholders (information available on the upper left side of their securities account statements) or, for managed registered shareholders, their financial intermediary's ID, along with the surname and name of the proxy appointed or revoked;

- **bearer shareholders:** by e-mail to the following address:

ct-mandataires-assemblees-fnac@caceis.com, specifying their first and last name, address and complete bank details along with the surname and name of the proxy appointed or revoked, and then requesting the financial intermediary to send a written confirmation (by mail) to CACEIS Corporate Trust – Service Assemblées Générales Centralisées 14, rue Rouget de Lisle – 92862 ISSY-LES-MOULINEAUX Cedex 9, France (or by fax to 00 33 (0)1.49.08.05.82).

In accordance with the law, all the documents that must be presented to this General Meeting are available to shareholders at the Groupe Fnac registered office and on the company's website <http://www.groupe-fnac.com>. They can also be sent on request from CACEIS Corporate Trust (see attached form).

# HOW TO PARTICIPATE IN THE GENERAL MEETING

## How to complete the form

### STEP I

#### STATE HOW YOU WANT TO PARTICIPATE

- \* **IF YOU WANT TO ATTEND THE MEETING:** check box **A** to receive your admission card; then date and sign the lower part of the form.
- \* **IF YOU WON'T BE ATTENDING THE MEETING:** choose absentee voting method **1**, **2** or **3** below.

#### 1 TO VOTE BY POST:

Check here; then date and sign the lower part of the form

- Vote YES to a resolution by leaving the box of that resolution number empty.
- Vote NO to a resolution or abstain from voting by shading the box of that resolution number.

#### 2 TO GIVE PROXY TO THE CHAIRMAN OF THE GENERAL MEETING:

Check here; then date and sign the lower part of the form.

#### 3 TO GIVE PROXY TO A THIRD PARTY (ANY INDIVIDUAL OR LEGAL PERSON OF YOUR CHOICE) TO REPRESENT YOU AT THE MEETING:

Check here, write the address of that person, then date and sign the lower part of the form.

**IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - Important : Before selecting please refer to instructions on reverse side**  
**Quelle que soit l'option choisie, noircir comme ceci  la ou les cases correspondantes, dater et signer au bas du formulaire - Whichever option is used, shade box(es) like this  date and sign at the bottom of the form**

**A**  Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.  
**B**  J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / I prefer to use the postal voting form or the proxy form as specified below.

**GROUPE FNAC**  
 Société anonyme au capital de 16 595 610 €  
 Siège social : 9, rue des Bateaux-Lavoisirs, ZAC Port d'Ivry  
 94868 Ivry-sur-Seine  
 055 800 296 R.C.S. CRETEIL

**CADRE RÉSERVÉ À LA SOCIÉTÉ - FOR COMPANY'S USE ONLY**

Identifiant - Account	Nominatif / registered	Vote simple / Single vote
Nombre d'actions / Number of shares		Vote double / Double vote
Nombre de voix - Number of voting rights	Porteur / Bearer	

**1 JE VOTE PAR CORRESPONDANCE / I VOTE BY POST**  
 Cf. au verso (2) - See reverse (2)

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directeur ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci  la case correspondante et pour lesquels je vote NON ou je m'abstiens.  
 I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box - like this  for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directeur ou la Gérance, je vote en noircissant comme ceci  la case correspondant à mon choix.  
 On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice - like this

1	2	3	4	5	6	7	8	9	Oui / Yes	Non/No	Oui / Yes	Non/No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A <input type="checkbox"/>	<input type="checkbox"/>	F <input type="checkbox"/>	<input type="checkbox"/>
10	11	12	13	14	15	16	17	18	B <input type="checkbox"/>	<input type="checkbox"/>	G <input type="checkbox"/>	<input type="checkbox"/>
19	20	21	22	23	24	25	26	27	C <input type="checkbox"/>	<input type="checkbox"/>	H <input type="checkbox"/>	<input type="checkbox"/>
28	29	30	31	32	33	34	35	36	D <input type="checkbox"/>	<input type="checkbox"/>	J <input type="checkbox"/>	<input type="checkbox"/>
37	38	39	40	41	42	43	44	45	E <input type="checkbox"/>	<input type="checkbox"/>	K <input type="checkbox"/>	<input type="checkbox"/>

**2 JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**  
 Cf. au verso (3)  
**I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING**  
 See reverse (3)

**3 JE DONNE POUVOIR À : Cf. au verso (4)**  
**I HEREBY APPOINT : See reverse (4)**  
 M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name  
 Adresse / Address

**ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.**  
**CAUTION : if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.**

Nom, prénom, adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement). Cf au verso (1)  
 Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary). See reverse (1)

**STEP III**  
 Whatever you choose, **date and sign here.**

**STEP II**  
 ENTER HERE  
 your surname and address or check that they are already shown.

à la banque / to the bank  
 à la société / to the company

## IF YOU WANT TO ASK A QUESTION

During the General Meeting, you will have the chance to ask questions during the Q&A session that precedes voting on the resolutions.

You may likewise send in your **written questions** prior to the meeting, addressed to the Chairman of the Board of Directors, **at the latest**, on the fourth business day before the date of the General Meeting; i.e., **Friday, May 9, 2014**:

- \* by certified mail with confirmation of receipt, to Groupe Fnac, 9, rue des Bateaux-Lavois, ZAC Port d'Ivry, 94200 Ivry-sur-Seine; or
- \* by e-mail to: [actionnaires@groupe-fnac.com](mailto:actionnaires@groupe-fnac.com).

Written questions must be accompanied by a shareholding certificate.

## Brief overview of Group activities

Commenting on the Groupe Fnac's annual results for 2013, Alexandre Bompard said: "2013 was a positive year for Fnac. In addition to our successful stock exchange listing, the results achieved show general growth for the company in terms of its operational performance, commercial dynamics (as illustrated

by market share growth) and sound financial structure. This performance, which is the result of a strong commitment from all of our teams, confirms the relevance of the choices made and the objectives we have set for 2016, encouraging us to continue moving forward with our transformation."

(€ millions)	2012	2013	Change
<b>Revenues</b>	<b>4,061</b>	<b>3,905</b>	<b>(3.8%)</b>
<i>Chg. at constant exchange rates</i>			<i>(3.1%)</i>
<b>Current operating income</b>	<b>63</b>	<b>72</b>	<b>+13.3%</b>
Consolidated net income	(142)	15	N/A
<b>Net current income<sup>(a)</sup></b>	<b>13</b>	<b>43</b>	<b>+244%</b>
<b>Free cash flow from operations</b>	<b>(57)</b>	<b>48</b>	<b>N/A</b>
<b>Net cash and liquid assets<sup>(b)</sup></b>	<b>292</b>	<b>461</b>	<b>N/A</b>
<b>Shareholders' equity</b>	<b>397</b>	<b>540</b>	<b>+36%</b>

(a) Net current income from continuing operations, Group share, excluding non-current items.

(b) Pro forma net cash 2012: €422M (after accounting for operations to strengthen equity undertaken at the start of 2013).

### Highlights of the Financial Year

Fnac reported an increase in current operating income (€9 million, i.e. +13%) which reflects the improvement in the company's performance.

The financial profile changed with a return to cash generation (free cash flow of €48 million). The already sound financial structure became even stronger.

The Group consolidated its leading position in its various markets and continued to achieve gains in market share. They are the result of good execution of the "Fnac 2015" plan and an offensive commercial strategy. The 4th quarter of 2013 marked an acceleration in revenues and market share gains.

#### The success of the omni-channel proposal

In 2013, the Group continued to strengthen its omni-channel strategy. Thanks to these efforts, omni-channel sales (internet sales with a link to the store) rose considerably in 2013 and accounted for almost 30% of the total sales of Fnac.com (an eight-point increase compared with 2012).

The growth in omni-channel sales was the result of more effective coordination between the store network and the internet and mobile sites.

Thanks to investment in m-commerce solutions, mobile sales doubled. The increase in sales on the website was also due to a major increase of the marketplace in France, and the successful launch of the Spanish marketplace.

#### Offensive commercial policy

Major marketing investments gave rise to increased competitiveness as regards both traditional and pure-play competitors. These price investments were supported by powerful, visible commercial operations.

At the same time, customer services were strengthened through concrete measures, including the development of sales force cashing and a significant reduction in the preparation time of Fnac.com orders. The NPS customer satisfaction score has risen by 10 points since the fall of 2012.

The Fnac membership program now has over five million members (+7% compared with 2012).

#### Growth levers: success of new product categories and new store formats

The deployment of new product categories (Games & Toys, Home & Design, Stationery, No-Contract Phones and Connected Devices) accelerated in 2013 in all countries where the Group has a presence. At the end of December 2013, the Games & Toys and Home & Design departments were deployed throughout the entire store network. Deployment was begun on the Stationery, Telephony and Connected Devices departments. These new categories extended the brand territory to leisure products, thereby targeting more families. The sales performance of these products was highly satisfactory. These new product categories accounted for almost 6% of revenues in 2013.



The Group continued to expand its store network in France, mainly through new formats for development in high-traffic areas (travel format) or smaller areas (proximity format). These stores, operated in franchise, benefit from omni-channel functionalities and thereby contribute to the development of Fnac.com. At the end of December, the store network in France comprised 20 stores with these new formats (five of which were opened in 2013). These new store formats have been deployed abroad, with the opening of a travel store and a proximity store in Lisbon. The Group also announced that it had signed a franchise agreement with Darwish Holding, a pioneer in the specialist retailing segment in the Middle East, to establish a presence in Qatar. The first store operating under the Fnac banner will open in the fall of 2014.

### **Continuation of cost-saving policy**

To complement these sales initiatives, the Group continued with its cost-saving and organizational efficiency policy. This policy resulted in €55 million in new cost savings actions <sup>(1)</sup> in 2013, as part of the 2013-2014 objective of €80 million. Over the 2012-2013 period, the cost base was reduced by almost 12%.

### **A successful initial public offering**

Simultaneously, the Group successfully began trading on the stock market on June 20, 2013. In the second half of the year, new shareholders entered the capital, thereby demonstrating their confidence in the Group's strategy and outlook.

## **Operational Performance in 2013**

Throughout 2013, the Group's **consolidated revenues** amounted to €3,905 million, a 3.8% decrease compared with 2012.

There was a negative exchange rate impact of 0.7%, primarily due to the fall in the Brazilian real against the euro. At constant exchange rates, the decline in the Group's consolidated revenues was 3.1% for the year.

The **gross margin** rate in 2013 was 29.8%, compared with 30.0% in 2012, and was resilient despite major investments in pricing and promotion. The pooling of goods purchases between France, Switzerland and Belgium, combined with good management of commercial operations and closer collaboration with certain key suppliers, largely offset the investments made in pricing and promotion.

In 2013, the Group continued its efforts to improve operational efficiency and reduce costs. The cost reduction measures implemented in 2013 generated €55 million of savings <sup>(1)</sup> over the

period. They are part of an overall ambition to achieve €80 million of savings between 2013 and 2014 (full-year effect). Costs fell by 5.5% in 2013, and represent 28.0% of revenues, compared with 28.5% in 2012.

After decreasing for two years, the **current operating income** of the Group rose by 13.3% compared with 2012 to reach €72 million.

### **Highlights by Reporting Segment**

Revenues decreased by 2.7% **in France** against the backdrop of a deteriorating consumer environment and declining markets in most categories. The Group continued to outperform the market, in both cultural and technical products, with market share gains of 0.5 points and 0.6 points respectively (Source: GFK). The growth of internet sales accelerated in the second half of the year. The Group continued its expansion with the opening of five franchise stores (three travel stores and two proximity stores) and a directly operated store (Beaugrenelle). The operational margin was 1.5%, compared with 1.6% in 2012.

In 2013, macroeconomic conditions remained unfavorable in the **Iberian Peninsula**, resulting in a 4.2% drop in revenues in the region. Portugal showed resilience, with stable sales throughout the year, gaining a substantial market share and thereby reinforcing its leading position in the market. In September, Fnac Spain's sales trend reversed, thanks to the chain's strengthened sales dynamics and a gradual improvement in customer confidence. Internet sales in the Iberian Peninsula enjoyed sustained growth, with a clear acceleration in the second half of the year. Current operating income increased by 20%. The operational margin was 3.3% (compared with 2.6% in 2012).

Revenues in **Brazil** fell by 1.0% at constant exchange rates (-13.3% at current exchange rates). After a disappointing start to the year, sales performance gradually improved, sustained by the sales recovery plan launched in the first half. Revenues rose by 6% in the second half of the year, compared with a decrease of 8.9% in the first half. Internet sales underpinned the improvement in activity. Current operating income was positive for the period (€0.7 million, compared with an operational loss of €5.7 million in 2012) thanks to good operational management.

Sales in the **"other countries"** region, which includes Switzerland and Belgium, dropped by 5.6% at constant exchange rates (-6.3% at current exchange rates) in deteriorated markets. Despite difficult sales performance, current operating income rose by 24.6% thanks to the benefits of the pooling of purchases with France and cost reduction efforts.

(1) Including the beneficial impact of the CICE.

### Financial Performance

**Other non-current operating income and expenses** constituted a net expense of €29 million in 2013 and were down from 2012 (-€130 million). In particular, they included the cost of organizational changes and provisions for risks and charges.

The improvement in **net financial income** reflects a stronger Group financial position.

The decrease in **tax** expenses was mainly linked to establishment of a tax consolidation group in France in January 2013.

**Net income from continuing operations, Group share**, amounted to a positive €16 million in 2013, a significant improvement compared with 2012 (loss of €116 million).

Excluding non-current items, **current net income from continuing activities** was €43 million in 2013, compared to €13 million in 2012, an increase of +224%.

### Financial Structure

**Free cash flow from operations** amounted to €48 million in 2013. This figure was a negative €57 million in 2012. This significant improvement in cash generation was the result of good management of operating investments and effective actions implemented to optimize working capital requirements, in particular the ongoing inventory reduction policy.

The Group strengthened its **financial position** during the period.

Equity capital amounted to €540 million as of December 31, 2013 (compared to €527 million as of December 31, 2012 on a pro forma basis <sup>(1)</sup>).

Available cash amounted to €461 million as of December 31, 2013 (compared to €422 million on a pro forma basis as of December 31, 2012 <sup>(1)</sup>).

### Conclusions and Outlook

The 2013 results demonstrate the rapid execution of strategic initiatives to adapt the Group's business and financial model according to market developments. They also reflect the banner's solidity, based on the strength of the Fnac brand, a large customer base, a loyalty program unique to the sector, and a powerful and effective omni-channel proposal.

In markets that are expected to remain difficult in 2014, the Group intends to continue to gain market share by stepping up the redesign of its business model, which is mainly based on the continuing deployment of new product categories, ongoing establishment of the omni-channel strategy and accelerated expansion of new formats in France and abroad.

It will also continue its cost-saving and organizational efficiency policy.

(1) After accounting for operations to strengthen equity undertaken at the start of 2013.

## ■ Net financial income of Groupe Fnac for the last five years

	2013	2012	2011	2010	2009
<b>Capital at year end</b>					
Share capital <i>(in euros)</i>	16,595,610.0	545,718,719.0	6,131,671.0	6,131,671.0	6,131,671.0
Number of ordinary shares in circulation	16,595,610.0	6,131,671.0	875,953.0	875,953.0	875,953.0
Maximum number of future shares to be created					
by conversion of bonds					
by the exercise of stock options					
<b>Operations and earnings for the year</b> <i>(in thousands of euros)</i>					
Income from ordinary activities	8,200.0	0.0	0.0	0.0	0.0
Earnings before tax, employee profit-sharing, and provisions for amortization and depreciation	(9,034.7)	(5,920.8)	170,373.6	50,216.7	(11,758.2)
Employee profit-sharing payable for the year	0.0	0.0	0.0	0.0	0.0
Income tax (expense)/credit	10,200.0	0.0	(707.3)	0.0	0.0
Earnings after tax, employee profit-sharing, and provisions for amortization and depreciation	1,165.0	(331,968.2)	172,571.4	40,090.1	(13,152.7)
Distributed earnings	0.0	0.0	0.0	325,854.5	0.0
<b>Data per share</b> <i>(in euros)</i>					
Earnings after tax and employee profit-sharing, but before provisions for amortization and depreciation	0.07	(0.97)	194.50	57.33	(13.42)
Earnings after tax, employee profit-sharing, and provisions for amortization and depreciation	0.07	(54.14)	197.01	45.77	(15.02)
Dividend:					
net dividend per share	0.0	0.0	23.44	372.0	0.0
<b>Personnel</b>					
Average number of employees during the year	5.0	0.0	0.0	0.0	0.0
Total payroll for the year <i>(in thousands of euros)</i>	9,581.0	24.3	31.9	31.6	31.5
Amount paid for employee benefits for the year <i>(in thousands of euros)</i>	3,599.8	0.0	0.0	0.0	0.0

## ■ Composition of the Board of Directors

Name	Main position in the company
Alexandre BOMPARD	Chairman, Chief Executive Officer
Patricia BARBIZET	Director, Vice Chairman
Stéphane BOUJNAH <sup>(a)</sup>	Director
Carole FERRAND <sup>(b)</sup>	Director
Antoine GOSSET-GRAINVILLE <sup>(a)</sup>	Director
Alban GRÉGET <sup>(b)</sup>	Director
Nonce PAOLINI <sup>(a)</sup>	Director
Arthur SADOUN <sup>(a)</sup>	Director
Brigitte TAITTINGER-JOUYET <sup>(a) (b)</sup>	Director
Jacques VEYRAT <sup>(a)</sup>	Director

(a) Independent directors.

(b) Directors subject to renewal of term by the Ordinary General Meeting of Shareholders of May 15, 2014.

### Personal information concerning the directors whose renewal of term is subject to the approval of the Annual General Meeting of May 15, 2014

#### Patricia Barbizet – Vice Chairman of the Board of Directors

Graduate of the École Supérieure de Commerce de Paris. Ms. Barbizet started her career in the Renault Group as Treasurer of Renault Véhicules Industriels before becoming Chief Financial Officer of Renault Crédit International. She joined the Pinault Group in 1989 as a financial officer. In 1992, she became the Chief Executive Officer of Artémis, and in 2004, Chief Executive Officer of Financière Pinault. She is currently the Chief Executive Officer of Artémis Group, Vice Chairman of the Board of Directors of Kering and the Chairman of Christie's International.

the French subsidiary of the consumer and professional electronic branch of the Sony Corporation group, as Financial Director before becoming Secretary General in 2002. In 2011, she held the position of Chief Financial Officer of the Europacorp group. Since January 2013, she has been Chief Financing Officer of the Artémis Group.

#### Carole Ferrand – Director

Graduate of the École des Hautes Études Commerciales (class of 1992). Ms. Ferrand started her career at PriceWaterhouseCoopers, where she was an auditor and later a financial advisor in the Transaction Services division. In 2000, she joined Sony France,

#### Alban Gréget – Director

Graduate of l'École Supérieure des Sciences Économiques et Commerciales. Mr. Gréget was an analyst in Corporate Finance at Société Générale in Paris and then in London (1997-2000). From 2001 to 2008, he was an Analyst and Associate before becoming Vice President of mergers and acquisitions at Merrill Lynch in Paris. Since March 2008, he has been Director of Investments for the Artémis group, where he is in charge of new investments, merger and acquisition transactions and the strategic and financial oversight of certain investments. He is a Director of several Groupe Kering companies.

**Notice of Ordinary General Meeting**

Shareholders are informed that they are called to attend the Ordinary General Meeting **on Thursday, May 15, 2014 at 3:00 PM at the following address:**

Espace Grande Arche  
Esplanade de La Défense  
92044 La Défense

## ■ Agenda of the Ordinary General Meeting

1. Approval of corporate financial statements for the financial year ended on December 31, 2013.
2. Approval of consolidated financial statements for the financial year ended on December 31, 2013.
3. Allocation of income from the financial year ended on December 31, 2013.
4. Approval of a regulated agreement concluded between Kering and Groupe Fnac in accordance with Article L. 225-42 paragraph 3 of the French Commercial Code.
5. Approval of the non-compete commitment of Alexandre Bompard, Chairman and Chief Executive Officer, in accordance with Articles L. 225-42-1 paragraph 6 and L. 225-38 et seq. of the French Commercial Code.
6. Approval of the commitment regarding to the participation of Alexandre Bompard, Chairman and Chief Executive Officer to a supplementary pension scheme, in accordance with Articles L. 225-42-1 paragraph 6 and L. 225-38 et seq. of the French Commercial Code.
7. Approval of the agreement between Groupe FNAC and Kering BV regarding the issuance of perpetual deeply subordinated notes (TSSDI) by Groupe Fnac SA in accordance with Article L. 225-38 et seq. of the French Commercial Code.
8. Approval of the agreement on removal from tax consolidation between Kering SA and Groupe Fnac SA and its French subsidiaries, in accordance with Article L. 225-38 et seq. of the French Commercial Code.
9. Approval of the agreement on tax consolidation between Groupe Fnac SA and its French subsidiaries, in accordance with Article L. 225-38 et seq. of the French Commercial Code.
10. Renewal of term of director of Ms. Carole Ferrand.
11. Renewal of term of director of Ms. Brigitte Taittinger-Jouyet.
12. Renewal of term of director of Mr. Alban Gréget.
13. Authorization for the Board of Directors to trade in the Company shares.
14. Opinion regarding compensation components due or attributed to Alexandre Bompard, Chief Executive Officer, for the financial year ended on December 31, 2013.
15. Powers to accomplish formalities.

## ■ Draft resolutions submitted to the Ordinary General Meeting of May 15, 2014, and Objectives

### **Approval of annual accounts and allocation of net income**

#### **Objectives of the Resolutions 1 to 3**

The purpose of the **First Resolution** is to approve the corporate financial statements of Groupe Fnac for FY 2013, which record a net income of €1,109,726.36.

The purpose of the **Second Resolution** is to approve the consolidated financial statements of Groupe Fnac for FY 2013.

The purpose of the **Third Resolution** is to allocate the income.

#### **First Resolution**

##### **Approval of corporate financial statements for FY 2013**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, having reviewed the management report of the Board of Directors and the auditors' report, approves the corporate financial statements for the financial year ended on December 31, 2013, as presented, comprising the balance sheet, the income statement and the notes, as well as the transactions reflected in these statements and summarized in these reports.

#### **Second Resolution**

##### **Approval of consolidated financial statements for FY 2013**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the management report of the Board of Directors and the statutory auditors' report, approves the consolidated financial statements for the financial year ended on December 31, 2013, as presented, comprising the balance sheet, the income statement and the appendix, as well as the transactions reflected in these statements and summarized in these reports.

#### **Third Resolution**

##### **Allocation of net income from the financial year ended on December 31, 2013**

The General Meeting, having reviewed the report of the Board of Directors, and deciding under the conditions of quorum and majority required by Ordinary General Meetings, notes that the financial statements established on December 31, 2013 and approved by the Meeting show a net income of €1,109,726.35 for the financial year and decides, upon proposal of the Board of Directors:

- ★ to allocate the 2013 fiscal year's net income of €1,109,726.36
- ★ as retained earnings, which, given the previous balance
- ★ of -€1,692,591.42, will result in a new balance of -€582,865.06.

In accordance with the law, the General Meeting notes that, for the three financial years prior to FY 2013, the dividends distributed and income eligible for the tax reduction referred to in 3.2 of Article 158 of the French General Tax Code (CGI) were as follows:

FY ending on December 31	Number of dividend- bearing shares	Dividend per share (in euros)	Total (in euros)	Distributed earnings per share (in euros)	
				Eligible for 40% tax reduction as per 3.2 of Art. 158 CGI	Not eligible for 40% tax reduction as per 3.2 of Art. 158 CGI
2010	875,953	372	325,854,516	372	0
2011	875,953	23.44	20,533,612.13	23.44	0
2012	0	0	0	0	0

## **Regulated Agreements**

### **Objectives of the Resolutions 4 to 9**

In the **Fourth Resolution**, you are asked to approve the regulated agreement mentioned in the special statutory auditors' report in Section 3.7 of the Registration Document, concluded in the course of the financial year in accordance with Article L. 225-42 paragraph 3 of the French Commercial Code. This agreement concerns the allocation between Kering and Groupe Fnac of the extraordinary expenses relating to the admission of the company shares for trading on the Euronext Paris stock market, at the end of which Groupe Fnac invoiced a net amount of €3,005,876.88, excluding taxes.

In the **Fifth Resolution**, you are asked to approve the regulated agreement mentioned in the statutory auditors' special report in Section 3.7 of the Registration Document, concluded in the course of FY 2013 in accordance with Article L. 225-42-1 paragraph 6 of the French Commercial Code. This regards a non-compete commitment between the company and its Chairman and Chief Executive Officer, Alexandre Bompard, authorized as per deliberation of the company Board of Directors on July 30, 2013. This commitment, limited to a term of two years starting from the end of Alexandre Bompard's term, covers the sector of distribution specializing in cultural and/or technological and leisure products for the general public in France, Belgium, Spain, Switzerland, Portugal and Brazil. In return for this commitment, Alexandre Bompard shall receive a gross compensation payment amounting to 80% of his fixed monthly compensation for a period of two years starting from the effective end of his term of office, whereby it is specified that the Board of Directors may waive implementation of this clause.

In the **Sixth Resolution**, you are asked to approve the regulated agreement mentioned in the statutory auditors' special report in Section 3.7 of the Registration Document, authorized as per deliberation of the company Board of Directors on July 30, 2013, and concluded in the course of FY 2013 in accordance with Article L. 225-42-1 paragraph 6 of the French Commercial Code. This regards the participation of Alexandre Bompard, Chairman and Chief Executive Officer, to the fixed-contribution supplementary pension scheme for all executives of Groupe Fnac in France. The contributions entailed in this measure amount to €7,589.56 for 2013.

In the **Seventh Resolution**, you are asked to approve the regulated agreement mentioned in the statutory auditors' special report in Section 3.7 of the Registration Document, concluded in the course of FY 2013 in accordance with Article L. 225-38 et seq. of the French Commercial Code. This agreement concerns the issuance of perpetual deeply subordinated notes ("TSSDI") by Groupe Fnac SA for an amount of €60 million, authorized as per deliberation of the company Board of Directors on April 17, 2013. This issuance was fully subscribed in cash by Kering BV on April 24, 2013. This issuance is represented by 60 bonds with a nominal value of €1 million per unit, at an annual interest of 8%, specifying that the interest should only be paid in the event of a contractual repayment of the TSSDI, a distribution of dividends, premiums or reserves, an amortization or a reduction of corporate capital, or a buyback by the company of its own shares through a takeover bid that it initiates. These bonds are issued for an unspecified duration, except in cases of mandatory repayment and the option of advanced repayment at the discretion of the company, under certain conditions.

In the **Eighth Resolution**, you are asked to approve the regulated agreement mentioned in the statutory auditors' special report in Section 3.7 of the Registration Document, concluded in the course of FY 2013 in accordance with Article L. 225-38 of the French Commercial Code. This agreement concerns an understanding of removal from tax consolidation between Kering SA and Groupe Fnac SA and the French subsidiaries of this latter, authorized as per deliberation of the Company Board of Directors on April 17, 2013.

In the **Ninth Resolution**, you are requested to approve the regulated agreement mentioned in the statutory auditors' special report in Section 3.7 of the Registration Document, concluded in the course of FY 2013 in accordance with Article L. 225-38 of the French Commercial Code. This agreement concerns an understanding of tax consolidation between Groupe Fnac SA and its French subsidiaries effective as of January 1, 2013, authorized as per deliberation of the Company Board of Directors on April 17, 2013.

### **Fourth Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves the agreement concluded between Kering and Groupe Fnac in the course of the financial year in accordance with Article L. 225-42 of said Code.

### **Fifth Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-42-1 paragraph 6 and L. 225-38 et seq. of the French Commercial Code, approves the non-compete commitment of Alexandre Bompard, Chairman and Chief Executive Officer, as mentioned in this report.



### **Sixth Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-42-1 paragraph 6 and L. 225-38 et seq. of the French Commercial Code, approves the participation of Alexandre Bompard, Chief Executive Officer, to the fixed-contribution supplementary pension scheme, as mentioned in this report.

### **Seventh Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves the agreement between Groupe FNAC and Kering BV regarding the issuance of perpetual deeply subordinated notes ("TSSDI") by Groupe Fnac SA for an amount of €60 million, as mentioned in this report.

### **Eighth Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves the agreement on removal from tax consolidation between Kering SA and Groupe Fnac SA and its French subsidiaries, as mentioned in this report.

### **Ninth Resolution**

#### **Approval of a regulated agreement – Special auditors' report**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the special statutory auditors' report on the transactions and agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, approves the agreement on tax consolidation between Groupe Fnac SA and its French subsidiaries, effective as of January 1, 2013, as mentioned in this report.

## **Renewal of Directors**

### **Objectives of Resolutions 10 to 12**

The information on the Directors proposed for renewal is reflected in Section 3.1.1. "Corporate Governance" of the registration document and on page 10 of the present brochure.

In order to facilitate the staggered renewal of the terms of the Board of Directors, and in accordance with the Internal Regulations of the board of directors, lots have been drawn to distribute the directors into three groups, and they are respectively obliged to resign from their offices before the General Meetings of 2014 and 2015.

Brigitte Taittinger-Jouyet and Carole Ferrand, along with Alban Gréget, have thus resigned from their offices prior to this General Meeting. The proposal of the Committee of Nominations and Compensations is for you to renew their term of office for a three-year period.

In the **Tenth, Eleventh and Twelfth Resolutions**, we are asking you to renew the terms of office of Brigitte Taittinger-Jouyet and Carole Ferrand and Alban Gréget for a period of three years, expiring at the close of the General Meeting to be held in 2017, to approve the financial statements for the financial year ending on December 31, 2016.

Accordingly, at the close of the General Meeting, the Board of Directors would be composed of ten members, six of them independent, and three women.

### **Tenth Resolution**

#### **Renewal of the term of Carole Ferrand as Director**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the report of the Board of Directors, renews the term of Carole Ferrand as director for a period of three years, up to the close of the General Meeting to be held in 2017 called to approve the financial statements for the financial year ending on December 31, 2016.

### **Eleventh Resolution**

#### **Renewal of the term of Brigitte Taittinger-Jouyet as Director**

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the report of the Board of Directors, renews the term of Brigitte Taittinger-Jouyet as director for a period of three years, up to the close of the General Meeting to be held in 2017 called to approve the financial statements for the financial year ending on December 31, 2016.



## Twelfth Resolution

### Renewal of the term of Alban Greget as Director

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the report of the Board of Directors, renews the term

of Alban Greget as director for a period of three years, up to the close of the General Meeting to be held in 2017 called to approve the financial statements for the financial year ending on December 31, 2016.

## **Buyback of Shares**

### **Objectives of the Resolution 13**

The authorization granted by the General Meeting to the Board of Directors on April 17, 2013 to trade in the shares of the Company will be expiring on October 17, 2014. In the **Thirteenth Resolution**, we ask you to authorize the Board of Directors once more to trade in the Company shares for a period of 18 months at a maximum purchase price of €55 per share, not inclusive of acquisition fees.

This authorization would enable the Board of Directors to acquire a number of Company shares representing at most 10% of the company's share capital, primarily for the:

- allocation or transfer of them to employees and/or corporate officers of the company and/or Group companies (in particular, for share purchase options and performance shares);
- use of them in the context of operations for external expansion;
- delivery of the shares upon exercise of the rights attaching to securities that give access to the capital;
- cancellation of them;
- market-making under liquidity contracts.

## Thirteenth Resolution

### Authorization for the Board of Directors to trade in Company shares

The General Meeting, deciding under the conditions of quorum and majority required by Ordinary General Meetings, and having reviewed the report of the Board of Directors, authorizes the Board of Directors to purchase or cause the purchase of company shares, with the capacity to delegate under the terms determined by the law in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, primarily for the:

- \* implementation of any share purchase option plan for company shares under the provisions of Articles L. 225-177 et seq. of the French Commercial Code, or any similar plan; or
- \* allocation or sale of shares to employees as their part in company profits, or implementing any company or Group savings plan (or similar plan) under the conditions provided under law, primarily Articles L. 3332-1 et seq. of the French Labor Code, or providing a free allocation of such shares in connection with a contribution in company securities and/or as a substitute for the discount, according to the applicable legislative and regulatory provisions; or
- \* allocation of free shares under the provisions of Articles L. 225-197-1 et seq. of the French Commercial Code; or
- \* generally, honoring of obligations associated with stock option programs or other allocations of shares to employees or executives of the Company or of an associate company; or

- \* awarding of shares when exercising the rights attached to securities conferring access to the capital through buyback, conversion, exchange, presentation of a warrant or in any other way; or
- \* cancellation of all or part of the securities thus bought back; or
- \* delivery of shares (in exchange, as payment or otherwise) in connection with acquisitions, mergers, demergers or capital contributions; or
- \* stimulation of the secondary market or the liquidity of Groupe Fnac shares through a market maker under a liquidity contract compliant with the ethics charter recognized by the Autorité des Marchés Financiers.

This program is also intended to enable the implementation of any market practice that would be accepted by the Autorité des Marchés Financiers, and, more broadly, the execution of any other transaction compliant with the regulations in force. In such an event, the Company will advise its shareholders through a press release.

The purchase of company shares may entail a number of shares, such that:

- \* The number of shares purchased by the company during the buyback program does not exceed 10% of the shares comprising the corporate capital at any time whatsoever, this percentage applying to a capital adjusted in accordance with the operations subsequently affecting this General Meeting, whereby it is specified that (i) the number of shares acquired

for safekeeping and subsequent application in the context of a merger, demerger or capital contribution operation cannot exceed 5% of the corporate capital, and (ii) where the shares are bought back to promote liquidity under the conditions defined by the General Regulations of the Autorité des Marchés Financiers, the number of shares taken into account for the calculation of the 10% limit provided for in the first paragraph corresponds to the number of shares purchased, less the number of shares resold during the term of the authorization;

- \* The number of shares the company shall hold at any time whatsoever cannot exceed 10% of the shares comprising the corporate capital as of the date under consideration.

Shares may be acquired, disposed of or transferred at any time within the limits set by the legal provisions and regulations in force, albeit not during a period of public tender, and by any means, on regulated markets, multilateral trading facilities, systematic internalizers, or over-the-counter transactions, including block acquisition or disposal (without limits to the part of the buyback program that may be executed by this means), by public bidding or exchange, or through the use of optional mechanisms or other financial forward instruments traded on the regulated markets, multilateral trading facilities, systematic internalizers, or over-the-counter transactions, or through the delivery of shares following the issuance of securities giving access to the corporate capital by conversion, exchange, repayment, exercise of a bond or by any other manner, either directly or indirectly, through the intermediation of an investment broker acting under the terms of Article L. 225-206, II, of the French Commercial Code.

The maximum purchase price per share in the context of this resolution is set at fifty-five euros (€55) (or the equivalent of this amount in any other currency as of the same date).

The General Meeting delegates the power to adjust the maximum purchase price above to the Board of Directors in case of modification of share nominal value, increase of capital due to the incorporation of reserves, free allocation of shares, division or regrouping of shares, distribution of reserves or of any other assets, amortization of capital, or any other transaction entailing equity, in order to take account of the effect that these operations have on share value.

The overall amount allocated to the aforementioned share buyback program authorized may not exceed €91,275,855.

This authorization is given for a term of eighteen months starting at this General Meeting and puts an end, effective this same date, to the authorization granted for the same purpose to the Board of Directors by the Ordinary and Extraordinary General Meeting of April 17, 2013 (Seventeenth Resolution).

The General Meeting grants to the Board of Directors all powers, with the ability to delegate under the conditions of law: to decide and implement this authorization to specify, where necessary, the terms and define the conditions thereof; to undertake the purchase program; and, in particular to place any trading order, conclude any agreement, allocate or reallocate the shares acquired to the objectives pursued under the conditions applicable by virtue of the laws and regulations; and, where appropriate, to set the conditions and manner by which the preservation of the rights of the holders of securities or options will be ensured, in accordance with the provisions of laws, regulations and contracts; to make any statements to the Financial Markets Authority and any other competent authority; to perform any other formalities, and, in general, to take all necessary measures.

## **Opinion regarding compensation components due or attributed for FY 2013**

### **Objectives of the Resolution 14**

In accordance with the recommendations of the AFEP-MEDEF Code as amended in June 2013 (Article 24.3), to which the company refers as regards application of Article L. 225-37 of the French Commercial Code, the following compensation components due or attributed to each executive director of the company for the financial year that has ended are subject to the recommendation of the shareholders:

- fixed portion
- variable annual portion and, where applicable, multi-year variable portion with the targets contributing to determine such variable portion
- extraordinary compensation
- stock options, performance shares and any other long-term compensation component
- indemnities linked to the assumption or termination of functions
- supplementary pension plan
- benefits of any type.

In the **Fourteenth Resolution**, you are asked to give an opinion regarding the compensation components due or attributed to Alexandre Bompard, Chairman and Chief Executive Officer and sole corporate executive director, for FY 2013 (the breakdown of all these items is given in Section 3.3. of the Registration Document.)

Consequently, in the Fourteenth Resolution, you are asked to give a favorable opinion regarding the following items of compensation due or attributed to Alexandre Bompard, Chairman and Chief Executive Officer, for FY 2013:

**Compensation components due or attributed to Alexandre Bompard, Chairman and Chief Executive Officer, for FY 2013**

**2013 fixed compensation**

For FY 2013, the gross fixed annual compensation for the Chairman and Chief Executive Officer has been set at an annual gross amount of €900,000. The amount paid for 2013 totals €670,000, given the effective date of his term as Chairman and Chief Executive Officer of Groupe Fnac.

For the period between January 1 and April 2, 2013 prior to the effective date of his term of office, Alexandre Bompard received fixed compensation from Fnac SA of €193,182.

The sum paid as settlement for his salary by Fnac SA as of April 2, 2013 amounts to €92,683.

**2013 variable annual compensation (paid in 2014)**

For FY 2013, the annual variable compensation of the Chairman and Chief Executive Officer was a maximum of 105% of his fixed compensation.

It was distributed in the proportion of 80% on financial targets and 20% on quality targets.

The 2013 financial targets set with regard to the variable portion are specified below:

- Group current operating income (COI)
- Group free cash flow (FCF)
- Group revenues
- Group market share evolution.

The sum due for 2013 amounts to €867,329.

**Variable multi-year compensation**

Alexandre Bompard benefits from two variable multi-year compensation plans.

The first plan provides for the attribution of value units and will culminate in July 2015. Value units are based on the average share trading price of Groupe Fnac. If the share price of Groupe Fnac in July 2015 is lower than a predefined price, there will be no payment.

The associated cash payment shall be made in October 2015 and July 2016, conditional upon employment as of each limit date. By virtue of this plan, Alexandre Bompard has been credited with 197,925 value units.

These units of value are assessed in the corporate accounts as of December 31, 2013 (method used: IFRS 2) for a payable amount of €1,349,570. This amount is recorded in Groupe Fnac's accounts but is not acquired yet by the corporate officer, given the performance and employment conditions.

The second plan consists of an allocation of performance options to associate Alexandre Bompard to company performance through the increase of Groupe Fnac's share value. These options shall only be fully acquired in a gradual way, by tranches, at the end of three successive acquisition periods (December 2013 - March 2015, December 2013 - March 2016 and December 2013 - March 2017), subject to his continued employment within the Group at the end of the period in question and a condition of Groupe Fnac marketplace performance defined for each of the three periods. These options shall be paid in cash. At the end of the March 31, 2015 term, 67,160 options may be acquired based on conditions of employment and performance; at the end of the March 31, 2016 term, 79,959 options; and at the end of the March 31, 2017 term, 115,495 options.

These options are assessed in the corporate accounts as of December 31, 2013 (method used: IFRS 2) for a payable amount of €130,186. This amount is recorded in Groupe Fnac's accounts but is not acquired yet by the corporate officer, given the performance and employment conditions.

**Non-compete commitment**

The Board of Directors on July 30, 2013 approved a non-compete commitment with Alexandre Bompard, with respect to the distribution sector specializing in cultural and/or technological and leisure products for the general public in France, Belgium, Spain, Switzerland, Portugal and Brazil. This non-compete commitment is limited to two years starting at the end of his term of office. As compensation for this commitment, Alexandre Bompard will receive a gross compensation payment of 80% of his fixed monthly compensation for a two-year period starting from the effective completion of his term of office. The Board of Directors may waive the application of this clause.

No amount is due for financial year 2013.

This commitment provided for by Article L. 225-42-1, Paragraph 6 of the French Commercial Code is contained in Resolution 5 submitted to the General Meeting that will approve the financial statements for year ended December 31, 2013.

With the exception of the non-compete commitment, no payment or benefits due or likely to be due for termination of contract or change of duties are planned for Alexandre Bompard.

**Supplementary pension plan**

The Board of Directors approved on July 30, 2013 the participation of Alexandre Bompard to a supplementary fixed-contribution pension plan of Groupe Fnac executives in France.

The sum of contributions for 2013 amounts to €7,589.56.

This commitment provided for by Article L. 225-42-1, Paragraph 6 of the French Commercial Code is contained in the Sixth Resolution submitted to the General Meeting that will approve the financial statements for year ended December 31, 2013.

**Attendance fees**

The sum of attendance fees due to Alexandre Bompard for the term of office exercised in the Groupe Fnac Board of Directors in 2013 amounts to €18,720.

**Other Benefits**

Alexandre Bompard benefits from Health and Welfare Plans (2013 contributions of €4,514) with the same benefits as Fnac employees, as well as an unemployment insurance and a complementary education annuity for which no contribution has been paid for FY 2013.

Finally, he is assigned a company car, which represents a benefit in kind of €4,765 for 2013.

**Fourteenth Resolution**

**Recommendation on items of compensation due or attributed to Alexandre Bompard, Chairman and Chief Executive Officer, for FY 2013**

The General Meeting, having reviewed the report of the Board of Directors, and deciding under the conditions of quorum and

majority required by ordinary General Meetings, issues a favorable recommendation regarding the items of compensation due or attributed to Alexandre Bompard, Chairman and Chief Executive Officer for the financial year ending on December 31, 2013, as reflected in Registration Document 2013, 3.3.1 of the Management Report, paragraph "Compensation and benefits paid to corporate executives and directors".

**Powers to accomplish formalities**

**Objectives of the Resolution 15**

The **Fifteenth Resolution** grants full powers to the bearer of an original, extract or copy of the minutes of this General Meeting conduct any submissions or formalities necessary in this regard, including the use of virtual channels with electronic signature, in accordance with the laws in force.

**Fifteenth Resolution**

**Powers to accomplish formalities**

The General Meeting, deciding under the conditions of quorum and majority required by ordinary General Meetings, grants full powers to the bearer of an original, extract or copy of the minutes of its deliberations conduct any submissions and formalities required by law.

# Statutory Auditors' Report on the Annual Financial Statements closed on December 31, 2013

## Financial year closed on December 31, 2013

To the Shareholders,

In execution of the mission entrusted to us by your General Meetings, we are presenting our report for the financial year ended on December 31, 2013, regarding:

- \* Our audit of the financial statements of Groupe Fnac SA, as appended to this report;
- \* The justification for our assessments;
- \* The specific verifications and information provided for by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### 1 Opinion on the financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform tests and procedures so as to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes the examination of evidence supporting the amounts and disclosures in the financial statements using sample-testing techniques or other selection methods. It also involves an assessment of the appropriateness of the accounting principles used and of the significant estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We certify that, with regard to French accounting rules and principles, the financial statements are regular, accurate, and reflect a faithful image of the results of the operations of the past financial year as well as the company's financial position and assets as of the end of that year.

### 2 Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the justification of our assessments, we hereby draw the following matters to your attention:

Note 2.1 to the financial statements explains the accounting rules and methods relating to the valuation of financial assets.

In the course of our assessment of the accounting rules and principles followed by your company, we have checked the suitability of the accounting methods specified above and ascertained their correct application.

These assessments were performed as part of our audit approach for the financial statements taken as a whole and thus contributed to the expression of our opinion in the first part of this report.

### 3 Specific verifications and information

We have also conducted the specific verifications provided for by law, in accordance with the professional standards applicable in France.

We have no observations to make as to the fair presentation and consistency with the financial statements of the information given in the Board of Directors' management report and in the documents provided to shareholders on financial position and annual accounts.

As regards the information provided pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation and considerations paid to corporate executives and the undertakings granted to them, we have checked their concordance with the accounts or with the data serving to establish these, and, where called for, with the items obtained by your company from companies controlling it or controlled by it. Based on this work, we certify to the accuracy and fairness of this information.

In accordance with the law, we have made certain that you have been provided with the various information relating to the identity of shareholders and voters in the management report.

Paris La Défense and Neuilly-sur-Seine, March 18, 2014

Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.

Hervé CHOPIN

**Deloitte & Associés**

Antoine DE RIEDMATTEN

# ■ Statutory Auditors' Report on the Annual Consolidated Financial Statements ended on December 31, 2013

## Financial year ended on December 31, 2013

To the Shareholders,

In execution of the mission entrusted to us by your General Meetings, we are presenting our report for the financial year ended on December 31, 2013, regarding:

- \* Our audit of the consolidated financial statements of Groupe Fnac SA, as appended to this report;
- \* The justification for our assessments;
- \* The specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on our audit.

### 1 Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform tests and procedures so as to obtain reasonable assurance that the consolidated financial statements are free from material misstatement. An audit includes the examination of evidence supporting the amounts and disclosures in the financial statements using sample-testing techniques or other selection methods. It also involves an assessment of the appropriateness of the accounting principles used and of the significant estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We hereby certify that the consolidated financial statements for the financial year in question present a true and fair view of the net assets, financial position and income of the entity formed by the consolidated entities, in accordance with IFRS guidelines, as adopted by the European Union.

### 2 Justification of our assessments

Pursuant to the provisions of Article L. 823-9 of the French Commercial Code regarding the justification of our assessments, we hereby draw the following matters to your attention:

- \* During the second half of the financial year, your Company systematically tested goodwill for impairment, and also assessed whether there was any evidence of impairment of long-term assets, in accordance with the procedures set out

in Note 2.10 to the consolidated financial statements. We have reviewed the procedures for implementing these impairment tests together with the forecast cash flows used, and have verified that Note 18 to the consolidated financial statements provides appropriate disclosures.

- \* Where applicable, your company assesses the impairment of inventory in accordance with the procedures set out in Note 2.9 to the consolidated financial statements. We have ascertained the appropriateness of the method, and the reasonable nature of the assumptions used to assess and measure inventory impairment.
- \* Note 2.16 to the consolidated financial statements specifies the methods of evaluating considerations for personnel subsequent to employment and other long-term employee benefits. These commitments have been measured by external actuaries. Our work consisted in reviewing the data used, assessing the assumptions made, and verifying that Notes 7 and 25 to the consolidated financial statements provide appropriate disclosures.

These assessments were performed as part of our audit approach for the consolidated financial statements taken as a whole and contributed to the expression of our opinion in the first part of this report.

### 3 Specific verification

We have also performed the specific verification required by law on the information about the Group given in the management report, in accordance with the professional standards applicable in France.

We have no comment to make on its fair presentation, and on its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, March 18, 2014

Statutory Auditors

<b>KPMG Audit</b>	<b>Deloitte &amp; Associés</b>
A department of KPMG S.A. Hervé CHOPIN	Antoine DE RIEDMATTEN



## ■ Special Statutory Auditors' Report on the Regulated Agreements and undertakings referred to in Articles L. 225-38 and L. 225-42-1 of the French Commercial Code

### General Meeting to approve the financial statements for the financial year ended on December 31, 2013

To the Shareholders,

In our capacity as the statutory auditors of your company, we are presenting our report on regulated agreements and commitments.

Based on the data that we have been given, it is our responsibility to inform you of the essential features and forms of the agreements and commitments we were told about, or that we may have discovered in the course of our mission, without having to express opinions as to their utility or suitability, or having to investigate other agreements and commitments. In the terms of Article R. 225-31 of the French Commercial Code, it is up to you to assess the interest attached to the conclusion of these agreements and commitments with a view to their approval.

In addition, it is our task to inform you, where appropriate, of the data stipulated in Article R. 225-31 of the French Commercial Code regarding the execution of agreements and commitments in the course of the last financial year that were already approved by the General Meeting.

We have applied the procedures we considered necessary with regard to the professional standards of the national auditing body (Compagnie Nationale des Commissaires aux Comptes) with regard to this mission. These procedures consisted of checking the consistency of the data we were given against the basic documents from which they were drawn.

## AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE GENERAL MEETING

### Agreements and commitments authorized during the last financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been informed of the following agreements and commitments that were subject to the prior authorization of your Board of Directors.

#### Non-compete commitment for Alexandre Bompard, Chief Executive Officer

\* Person concerned

Alexandre Bompard, Chairman and Chief Executive Officer of Groupe Fnac, SA

\* Nature and subject

In a decision dated July 30, 2013, the Board of Directors of your company gave prior authorization to a non-compete commitment concluded between your company and its Chairman and Chief Executive Officer, Alexandre Bompard.

\* Forms

This commitment, limited to a term of two years starting from the end of Alexandre Bompard's term of office, covers the distribution sector specializing in cultural and/or technological and leisure products for the mass market in France, Belgium, Spain, Switzerland, Portugal and Brazil.

In return for this commitment, Alexandre Bompard shall receive a gross compensation payment amounting to 80% of his fixed monthly compensation for a period of two years to be counted from the effective end of his term of office, whereby it is specified that the Board of Directors may waive implementation of this clause.

#### Inclusion of Alexandre Bompard, Chairman and Chief Executive Officer, in a supplementary pension plan

\* Person concerned

Alexandre Bompard, Chairman and Chief Executive Officer of Groupe Fnac, SA.

\* Nature and subject

In a decision dated July 30, 2013, the Board of Directors of your company gave prior authorization for the inclusion of Alexandre Bompard, Chairman and Chief Executive Officer of your company, in the supplementary pension scheme of fixed contributions benefiting all executives of Groupe Fnac in France.

\* Forms

Alexandre Bompard benefits from a supplementary pension scheme of fixed contributions identical to that of all Groupe Fnac executives in France.

**Issuance of undated, deeply subordinated securities ("TSSDI") by Groupe Fnac SA for an amount of €60 million, fully subscribed in cash by Kering BV**

\* Persons concerned

Michel Friocourt and Gilles Linard, directors of Groupe Fnac SA up to June 20, 2013 and directors of Kering BV.

\* Nature and subject

In a decision dated April 17, 2013, the Board of Directors of your company gave prior authorization for the issuance by Groupe Fnac SA of perpetual deeply subordinated notes ("TSSDI") for an amount of €60,000,000. This issuance was fully subscribed in cash by Kering BV, a company controlled by Kering SA, on April 24, 2013.

\* Forms

This issuance is represented by 60 bonds with a unit face value of €1,000,000 at an annual interest of 8%, with the understanding that the interest should only be paid in full in the event of a contractual repayment of the TSSDI, and in full or in part depending on contract provisions in the event of a distribution of dividends, premiums or reserves, an amortization or a reduction of corporate capital, or a buyback by your company of its own shares through a takeover bid that it initiates.

These bonds are issued for an unspecified duration, under reservation of cases of mandatory repayment and the option of advanced repayment at the discretion of your company, under certain conditions.

**Agreement on removal from tax consolidation group between Kering SA and Groupe Fnac SA and its French subsidiaries**

\* Persons concerned

Kering SA, a shareholder availing of a fraction of the voting rights in excess of 10% up to June 18, 2013, and Jean-François Palus, director of Groupe Fnac SA up to June 20, 2013 and director of Kering SA.

\* Nature and subject

On January 1, 2013, Kering SA turned over slightly more than 5% of the capital of Groupe Fnac SA to the Dutch company KERNIC MET BV. This disposal brought about the removal of Groupe Fnac SA and its French subsidiaries held by at least 95%, from the Kering SA sphere of tax consolidation, effective as of January 1, 2013.

By a decision dated April 17, 2013, the Board of Directors of your company gave prior authorization for the removal of Groupe Fnac SA and its French subsidiaries from the tax consolidation sphere of Kering SA, to which it had been subject. This agreement was signed on April 23, 2013.

\* Forms

The removal of these companies from the tax consolidation sphere of Kering SA has given rise to the signature of an agreement of removal from tax consolidation to be concluded between Kering SA and Groupe Fnac SA and its French subsidiaries. The agreement primarily provides that the tax deficits, net long-term capital losses and tax credits accrued during the period of belonging to the consolidated Kering group will remain posted to the consolidated Kering group.

**Tax consolidation agreement between Groupe Fnac SA and certain subsidiaries**

\* Persons concerned

Jean-François Palus, director of Groupe Fnac SA up to June 20, 2013 and director of Fnac SA up to June 18, 2013, and Alexandre Bompard, Chairman and Chief Executive Officer of Groupe Fnac SA and Fnac SA.

\* Nature and subject

Your company has opted for the creation of a tax consolidation group with those of its French subsidiaries in which it holds at least 95%, starting January 1, 2013. In March, these subsidiaries agreed to belong to the integrated group formed by Groupe Fnac SA.

By a decision dated April 17, 2013, the Board of Directors of your company gave prior authorization for the agreement that was submitted to it. This agreement was signed on July 1, 2013.

\* Forms

By way of contribution to the payment of consolidated taxes, and whatever the actual amount of said consolidated taxes, each integrated subsidiary will pay Groupe Fnac SA an amount equal to the taxes in full that would have been due had it been separately taxable. At the close of a negative financial year, an integrated subsidiary shall not be entitled to any credit from Groupe Fnac SA by reason of this situation.



## Agreements and commitments not previously authorized

Pursuant to Articles L. 225-42 and L. 823-12 of the French Commercial Code, we point out that the following agreements and commitments have no prior authorization from your Board of Directors.

It falls upon us to inform you of the circumstances why the procedure of authorization was not followed.

### Distribution between Kering SA and Groupe Fnac SA of the extraordinary expenses linked to the admission of the company shares for trading on the Euronext Paris market

#### \* Person concerned

Ms. Patricia Barbizet, director of Groupe Fnac SA and Kering SA

#### \* Nature and subject

Following the decision of the General Meeting of Kering SA dated June 18, 2013, to allocate the shares of Groupe Fnac SA to the shareholders of Kering SA, Groupe Fnac SA shares were admitted for trading on the Euronext Paris market on June 20, 2013.

In the framework of the admission of Groupe Fnac SA shares for trading on the Euronext Paris market, extraordinary expenses were incurred by Groupe Fnac SA and Kering SA. These extraordinary expenses became the subject of an agreement of expense distribution between Groupe Fnac SA and Kering SA in the course of FY 2013.

#### \* Forms

At the end of this agreement, Groupe Fnac SA invoiced Kering SA for a net amount of €3,005,876.88, not inclusive of taxes, in the course of FY 2013.

Due to an omission, this agreement did not follow the authorization procedure.

## AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

We are informing you that we have not been given notice of any agreement or commitments already approved by the General Meeting, the execution of which may have taken place in the course of the past financial year.

Paris La Défense and Neuilly-sur-Seine, on March 18, 2014

Statutory Auditors

#### **KPMG Audit**

Department of KPMG S.A.  
Hervé CHOPIN

#### **Deloitte & Associés**

Antoine DE RIEDMATTEN

## ■ Statutory Auditors' Report prepared in accordance with Article L. 225-235 of the French Commercial Code regarding the Report of the Chairman of the Board of Directors of Groupe Fnac SA

### Financial year ended on December 31, 2013

To the Shareholders,

In our capacity as statutory auditors of Groupe Fnac SA and pursuant to the provisions of Article L. 225-235 of the French Commercial Code, we are presenting our conclusions on the report drawn up by the chairman of your company in accordance with the provisions of Article L. 225-37 of the French Commercial Code for the financial year ended December 31, 2013.

It is the chairman's task to draw up a report setting forth the internal control and risk management procedures in place in the company, giving account of those other items of information required by Article L. 225-37 of the French Commercial Code primarily regarding the company's mechanism of governance, and to submit this for approval to the Board of Directors.

Our task is to:

- ★ inform you of the observations that the particulars contained in the chairman's report on the procedures of internal control and relative risk management related to the preparation and processing of accounting and financial data provoke on our part, and
- ★ certify that the report reflects those other items of information required by Article L. 225-37 of the French Commercial Code, specifying that we are not responsible for verifying the truth of these other items of information.

We conducted our work in accordance with the professional standards applicable in France.

### Information concerning the internal control and risk management procedures related to the preparation and processing of accounting and financial data

Professional standards require that we perform tests and examinations so as to assess the truth of the information regarding the procedures of internal control and relative risk management related to the preparation and processing of the accounting and financial data contained in the Chairman's report.

These tests and examinations primarily consist of:

- ★ reviewing the procedures of internal control and risk management related to the preparation and processing of the accounting and financial data underlying the information presented in the Chairman's report and in the existing documentation;
- ★ reviewing the work that has given rise to the preparation of this information and the existing documentation;
- ★ determining whether the major deficiencies of internal control related to the preparation and processing of accounting and financial data that we have noted in the course of our mission have been appropriately reflected in the Chairman's report.

Based on this work, we have no observation to raise on the information given regarding the company procedures of internal control and risk management with regard to the preparation and processing of accounting and financial data contained in the report of the Chairman of the Board of Directors, prepared in accordance with Article L. 225-37 of the French Commercial Code.

### Other Information

We certify that the report of the Chairman of the Board of Directors reflects those other items of information required by Article L. 225-37 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 18, 2014

Statutory Auditors

**KPMG Audit**

A department of KPMG S.A.  
Hervé CHOPIN

**Deloitte & Associés**

Antoine DE RIEDMATTEN

# ■ Independent Third-Party Report on the Consolidated Social, Environmental and Corporate Information reflected in the Management Report

**Financial year closed on December 31, 2013**

To the Shareholders,

In our capacity as a professional accounting expert appointed as independent third party whose accreditation was approved by the COFRAC, we are presenting our report on the consolidated social, environmental and corporate information presented in the management report (hereinafter, "CSR information"), prepared for the financial year ended December 31, 2013, pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

## Corporate Responsibility

The Board of Directors is tasked with preparing a management report containing the CSR information specified in Article R. 225-105-1 of the French Commercial Code in accordance with the company benchmark (hereinafter, the "Benchmark"), the summary of which is reflected in the methodology note available on request at its registered office.

## Independence and Quality Control

Our independence is defined by the regulations and code of ethics governing the profession, enshrined in the decree dated March 30, 2012, with regard to exercising the activity of accounting expert. In addition, we have set up a system of quality control in compliance with the professional standards of quality control governing our profession.

## Responsibility of the Independent Third Agency

It falls upon us, based on our work:

- \* To certify that the CSR information legally required is contained in the management report or, in the event of omission, is the subject of an explanation pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Certification of the existence CSR information);
- \* To express a conclusion of moderate assurance regarding the fact that the CSR information, altogether taken, is presented in all its significant aspects, truthfully, and in accordance with the Benchmark (Documented opinion on the truth of the CSR information).

Our work was conducted by a team of four between the start of January 2014 and the end of February 2014, for a term of approximately 4 weeks. To aid us in the conduct of our tasks, we called upon our CSR experts.

## 1 Certification of the existence of CSR Information

In accordance with the professional standards applicable to specific certifications and the Order dated May 13, 2013 determining the methods used by independent third agencies to conduct their mission, we performed the following tasks:

- \* Based on interviews with the persons responsible for the departments concerned, we took cognizance of the orientations presented as regards sustainable development in accordance with the social and environmental consequences linked to the company's activity and its social commitments and, where applicable, the activities or programs arising from these.
- \* We compared the CSR information presented in the management report with the list stipulated by Article R. 225-105-1 of the French Commercial Code.
- \* In the event of certain missing consolidated information, we checked to see that explanations were provided in accordance with the provisions of Article R. 225-105 paragraph 3 of the French Commercial Code.
- \* We ascertained that the CSR information presented a consolidated coverage, i.e., the company along with its subsidiaries as defined by Article L. 233-1 and the companies that it controls as defined by Article L. 233-3 of the French Commercial Code within the limits specified in the methodology note set forth in paragraphs 2.2 of the management report.

Based on this work, we certify the existence of the CSR information legally required in the management report.

## 2 Justified opinion on the truth of the CSR information

In accordance with the professional standards applicable to specific certifications, the Order of May 13, 2013 determining the methods used by independent third parties to conduct their mission, and the "International Standard on Assurance Engagements" (ISAE 3000), we performed the following tasks:

We conducted two interviews with the persons responsible for the preparation of the CSR information in the departments charged with the data collection process and, where applicable, the persons responsible for internal control and risk management in order to:

- \* Assess the adequacy of the Benchmark with regard to its pertinence, thoroughness, reliability, neutrality and comprehensibility, taking into consideration, where applicable, the good practices of the sector;
- \* Verify the implementation of a data collection, compilation, processing and control procedure aimed at the thoroughness and coherence of the CSR information, having reviewed the internal control and risk management procedures relating to the preparation of CSR information.

We determined the nature and extent of our tests and procedures in accordance with the nature and significance of the CSR information as it related to the characteristics of the company, the social and environmental stakes entailed in its activities, its orientations with regard to sustainable development and the good practices of the sector.

As regards the CSR information we considered most significant <sup>(1)</sup>:

- \* On the level of the consolidating entity and establishments, we consulted documentary sources and conducted interviews to corroborate qualitative data (organization, policies, activities); conducted analyses on the quantitative data and checked calculations as well as data consolidation based on surveys; and ascertained their coherence and consistency with the other data reflected in the management report;
- \* On the level of a representative sampling of establishments that we selected <sup>(2)</sup> based on activity, their contribution to the consolidated indicators, their implantation, and risk analysis, we conducted interviews to verify the proper application

of procedures and carried out tests of detail on samplings, which entailed verifying the calculations made and contrasting the data with vouchers. The sample selected in this manner represents 66% of the study population, and between 70% and 100% of the quantitative environmental data.

We assessed the consistency of other consolidated CSR information in relation to our knowledge of the company.

Lastly, we assessed the pertinence of the explanations regarding the total or partial lack of certain data, where applicable.

We consider that the sampling methods and sample sizes that we used in applying our professional judgment enable us to arrive at a conclusion of moderate assurance; a higher level of assurance would have required a more extensive job of verification. Recourse to the use of sampling techniques as well as other limitations inherent to the operation of any information and internal control system cannot totally eliminate the risk of failure to detect a significant anomaly in CSR information.

### Conclusion

Based on our work, we have not detected any significant anomaly of such a nature as to raise doubts about whether the CSR information as a whole has been presented truthfully, in accordance with the Benchmark.

### Observations

Without calling the above conclusion into question, we draw attention to the following items: for calculating environmental indicators — in particular, consumption of materials, energy and waste production — a lack of formality and automation as regards monitoring documents was detected in several establishments.

Paris, February 26, 2014

The Independent Third Party

Grant Thornton

French member of Grant Thornton International

Vincent Papazian

Partner

(1) Qualitative indicators: personnel by age and sex; hours of training; waste production; cardboard consumption; energy consumption, CO<sub>2</sub> emissions linked to transport.

Qualitative information regarding equality in treatment; territorial, economic and social impact of Fnac activity (implantation in French towns of over 10,000 inhabitants and cultural activities of outlets); environmental labeling system; second life of technological products.

(2) Logistic platform of Massy, Fnac France, Fnac Belgium, Fnac Saint-Lazare store.

# Notes



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## ■ Request for documents and information

### (Art. R. 225-88 of the French Commercial Code)

I, the undersigned:

LAST NAME .....

First name(s) .....

Address .....

E-mail address .....

Owner of ..... SHARE(S) of Groupe Fnac

requests the documents and information regarding the Ordinary General Meeting of **May 15, 2014**, as stipulated in Article R. 225-83 of the French Commercial Code on commercial companies in the following format:

- paper
- electronic files to the e-mail address above

Done in....., on.....

Signature

NOTE: Registered shareholders may, through a single request, obtain the documents and information stipulated in Articles R. 225-81 and R. 225-83 of the French Commercial Code from the company at each of the subsequent shareholders' meetings.



## **FNAC**

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