

Strong resilience of sales in Q3 2018

- In spite of a particularly high comparison basis, due to numerous product launches last year (+6% growth in Q3 2017), Q3 2018 sales reached €1,751 million, at -2.2% on a reported basis.
- Q3 2018 Group revenues stood almost stable at -0.7% excluding calendar effect. Compared to Q3 2016¹, the Group posted +3.6% growth on a reported basis.
- The Fnac Darty integration is nearing completion and the Group confirms its target of €130 million synergies to be achieved by end of 2018.
- The Group announces the launch of a share buyback program of a maximum of 535,000 shares, representing approximately 2% of share capital.

Enrique Martinez, Chief Executive Officer of Fnac Darty, declared: *"In spite of a high comparison basis with a strong calendar effect, the Group showed solid resilience of its business and won market share over the quarter. The rapid roll-out of Confiance+, particularly through our strengthened partnerships with key players, and our recent innovations, allow Fnac Darty to offer its customers the best experience in retail of household appliances, electronics and cultural products. These major assets put us in a good position to seize growth opportunities in the crucial year-end period."*

2018 THIRD QUARTER REVENUE

	Q3 2018 in €m	Change vs Q3 2017	
		Reported	Like-for-like ²
France and Switzerland	1,359	-2.9%	-2.7%
Iberian Peninsula	164	+2.6%	-0.6%
Benelux	229	-1.6%	-1.0%
Group	1,751	-2.2%	-2.3%

¹ Pro-forma data

² Like-for-like basis: excluding the impact of currency, the scope of consolidation, openings and closures of integrated stores

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THIRD QUARTER 2018 HIGHLIGHTS

Good resilience of sales in Q3 2018

Group revenue amounted to €1,751 million in the third quarter of 2018, down -2.3% on a like-for-like basis and -2.2% on a reported basis.

The Group faced a highly unfavourable comparison basis during the quarter (+6% in Q3 2017) due to the significant number of product launches in 2017, particularly in the telephony segment. Compared to the third quarter of 2016, the Group posted revenue growth of +3.6%. The quarter was also impacted by a strong negative calendar effect; excluding this effect, the Group's revenue would have remained almost stable at -0.7% on a reported basis.

In a context of lacklustre markets throughout the retail sector, the Group successfully took advantage of growth in white goods, mainly thanks to market share gains. The IT and imaging segments remain in decline, impacted by an unfavourable innovation cycle. Telephony is more resilient as a result of products launched mainly in September of this year. Sales of editorial products are down, still impacted by the downturn in the audio and video segments.

July and August were negatively impacted by a drop in store traffic due to the weather conditions. The quality of the Group's operational execution during the "back to school" period nevertheless resulted in solid growth in September, excluding the calendar effect.

Business in the third quarter was very resilient in all geographic regions, with -2.7% in France-Switzerland, -0.6% in the Iberian Peninsula and -1.0% in Benelux on a like-for-like basis. At Group level, the calendar effect was -1.5 points over the quarter.

Launch of a share buyback program

Fnac Darty announces the implementation of a 24-month share buyback program of a maximum of 535,000 shares, equivalent to approximately 2% of its share capital. The buyback is carried out at a price set by the General Meeting and will not exceed €130 per share.

The purpose of the buyback program is to offset the dilutive effect of past performance share plans or stock-option plans.

This program is made under the authorizations given by the Annual General Meeting held on May 18, 2018 which cover the repurchase of up to 10% of the company's share capital, and as per the share buyback program description published in the 2017 registration document filed on April 3, 2018.

In order to fulfil this program, the Group will grant a full or partial mandate to an independent investment services provider.

Roll-out of Confiance+ and completion of the Fnac Darty integration

The Confiance+ strategic plan is being rapidly deployed in parallel with the completion of the Fnac Darty integration. The synergy roll-out is expected to be completed, in line with the objective, by the end of the year.

During the quarter, e-commerce activities were marked by solid performance internationally, with double-digit sales growth and marketplaces continuing to grow rapidly. In France, performance was still mixed during the quarter, mainly impacted by lower consumer electronics sales due to the unfavourable innovation cycle.

During the quarter the Group continued to strengthen its territorial coverage at a sustained pace of expansion, opening 12 new stores, including 11 franchise stores. The store network now boasts 758 stores, 244 of which

are franchise stores. The Group has opened 39 stores, including 37 franchise stores, since the beginning of the year.

In addition, following the launch in the first half of the year of D+1 delivery for its entire range of products, including bulky products with services included (installation and return), the Group continued to strengthen its omnichannel offerings by deploying pilot stores this quarter for the reservation of gaming products directly from store inventory. The new service gives the Group's customers the option of picking up their purchases within an hour.

Fnac Darty has continued to develop its range of services, and is now offering a unified rental service for consumer electronics, including the provision of after-sales service throughout the contract. It takes just 10 minutes for the customer to sign up in-store with a salesperson equipped with a dedicated tablet.

Diversification categories were reinforced during the quarter, with double-digit growth within the Toys & Games and Home & Design segments.

The opening of 10 spaces dedicated to small household appliances in Fnac stores in Spain, Portugal, Switzerland and France, has enhanced the range of products offered to customers. Finally, the Kitchen segment continued to expand with 7 new points of sale opened during the quarter.

The Group's partnerships, which are at the heart of the Confiance+ strategy, continued to be rolled out. The Google offer is now available in dedicated areas in all Group stores, including around 50 corners. The European Retail Alliance, which was established with MediaMarktSaturn, was officially launched in August during the IFA 2018 trade show in Berlin. The agreement with Wehkamp in the Netherlands is progressing rapidly. It will enable the Dutch subsidiary BCC to provide Wehkamp with its entire product range and manage the purchases (electronic products and household appliances) of the two brands. In return, the Group will benefit from its partner's digital expertise and logistics capabilities on small parcels. Finally, the partnership with Carrefour will be reinforced in the fourth quarter, with the launch of Darty shop-in-shops tests in two hypermarkets.

Acquisition of a majority stake in WeFix

In the third quarter, Fnac Darty acquired a majority stake in WeFix, France's leading express repair firm for smartphones. The deal was closed in early October 2018.

The aim of the acquisition is to position Fnac Darty as a key provider of smartphone repair and related services as well as to offer customers an enhanced ecosystem. It also highlights the Group's ambitions in terms of innovative services that will enable Fnac Darty to remain the leader in this area.

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ANALYSIS OF REVENUE BY REPORTING SEGMENT

France-Switzerland

In the third quarter, sales in France-Switzerland amounted to €1,359 million, down -2.9% in reported figures, negatively impacted by a high comparison basis (+6.4% growth on a like-for-like basis in Q3 2017). Given the lacklustre consumption environment, sales showed good resilience at -2.7% on a like-for-like basis. The sales trend shows a monthly sequential improvement during the quarter.

The performance of consumer electronics was adversely impacted by unfavourable trends in the IT and photography segments. In editorial products, the good performance of Gaming only partially offset the sharp decline in the audio and video segments. White goods posted strong growth during the quarter, driven by both large and small household appliances. Finally, the diversification categories of Games & Toys and Home & Design, continued their strong growth during the quarter.

During the period, the Group opened 11 franchise stores, of which 8 Darty and 3 Fnac.

Iberian Peninsula

Revenue in the Iberian Peninsula reached €164 million, up +2.6% on a reported basis and almost stable -0.6% on a like-for-like basis.

Sales in Portugal are growing, driven by the expansion of the network as well as the strong momentum of services and diversification categories. Sales in Spain showed good resilience on a like-for-like basis, mainly thanks to the good performance of telephony and gaming segments as well as the double-digit growth in services.

Digital platforms in the region once again posted double-digit growth over the quarter.

Benelux

Revenue for the Benelux segment reached €229 million, down -1.6% based on a reported basis and -1.0% on a like-for-like basis.

In a context of still intense competition in Belgium, sales growth was negatively impacted by sluggish Television and Imaging markets. E-commerce posted sustained growth during the quarter.

In the Netherlands, the Group recorded growth in sales on a like-for-like basis, driven in particular by the strong performance of white goods. E-commerce posted very strong growth and represents, as a percentage of BCC sales, an improvement of more than 6 points over the previous year.

Level of gross margin still satisfactory

Excluding the dilutive effect of franchising, gross margin remained stable in the third quarter, reflecting the Group's solid operational execution in a challenging competitive environment.

OUTLOOK

Fnac Darty remains focused on its operational excellence and cost control. Its unique ecosystem of partnerships will enable the Group to seize every growth opportunity related to the end-of-year consumer campaigns. Its leadership position and innovative capabilities should allow the Group to outperform its markets in the fourth quarter.

Expansion will continue over the end of 2018, mainly through the opening of franchise stores. The Group should open close to 70 stores in 2018.

The Fnac Darty integration is nearing completion, and the Group confidently reaffirms its objective of €130 million in synergies to be deployed by the end of 2018.

Fnac Darty also confirms its mid-term objectives and aims to achieve higher growth than its markets and a current operating margin between 4.5% and 5%.

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2018 THIRD QUARTER REVENUE

Jean-Brieuc Le Tinier, Group Chief Financial Officer, will host a conference call for investors and analysts on Thursday, October 18, 2018, at 6:00 p.m. (CET); 5:00 p.m. (UK); 12:00 p.m. (East Coast USA).

Conference call dial-in numbers:

France: +33 1 72 72 74 03

Germany: +49 692 22225429

UK: + 44 207 194 3759

US: +1 646 722 4916

Access code: 82208950#

Replay dial-in numbers (available until Friday, January 18, 2019)

France: +33 1 70 71 01 60

Germany: +49 211 97190087

UK: +44 20 3364 5147

US: +1 646 722 4969

Replay access code: 418794724#

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APPENDICES

STORE NETWORK

	31-Dec-2017	Opening	Closing	30-Sep-2018
France and Switzerland	516	37	3	550
<i>Traditional Fnac</i>	86	2	0	88
<i>Suburban Fnac</i>	14	0	0	14
<i>Travel Fnac</i>	19	3	0	22
<i>Proximity Fnac</i>	42	8	0	50
<i>Fnac Connect</i>	5	2	0	7
<i>Darty</i>	349	22	3	368
<i>Fnac Darty France:</i>	1	0	0	1
<i>Of which franchise stores</i>	204	37	1	240
Iberian Peninsula	59	2	0	61
<i>Traditional Fnac</i>	42	2	0	44
<i>Travel Fnac</i>	2	0	0	2
<i>Proximity Fnac</i>	13	0	0	13
<i>Fnac Connect</i>	2	0	0	2
<i>Of which franchise stores</i>	4	0	0	4
Benelux	153	0	6	147
<i>Traditional Fnac</i>	10	0	0	10
<i>Proximity Fnac</i>	1	0	0	1
<i>Darty</i>	142	0	6	136
Groupe Fnac Darty	728	39	9	758
<i>Traditional Fnac</i>	138	4	0	142
<i>Suburban Fnac</i>	14	0	0	14
<i>Travel Fnac</i>	21	3	0	24
<i>Proximity Fnac</i>	56	8	0	64
<i>Fnac Connect</i>	7	2	0	9
<i>Darty</i>	491	22	9	504
<i>Fnac/Darty</i>	1	0	0	1
<i>Of which franchise stores</i>	208	37	1	244

The France-Switzerland segment includes 9 stores abroad: 3 in Morocco, 1 in Congo, 1 in Cameroon, 2 in Côte d'Ivoire and 2 in Qatar; 15 stores in the French Overseas Departments and Territories.

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9-MONTH CUMULATIVE REVENUE

	9 months 2018 in €m	Change vs 9 months 2017	
		Reported	Like-for-like ¹
France and Switzerland	3,841	-1.9%	-1.4%
Iberian Peninsula	458	+3.9%	+0.7%
Benelux	652	+0.2%	-0.3%
Group	4,951	-1.1%	-1.1%

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUE AT CONSTANT EXCHANGE RATES, COMPARABLE SCOPE OF CONSOLIDATION AND ON A LIKE-FOR-LIKE BASIS

The change in revenue on a like-for-like basis means that the impact of exchange rate fluctuations has been excluded, that the effect of changes in scope has been corrected (acquisition, disposal of subsidiary) and that the effect of directly-owned store openings and closings since January 1 of financial year N-1 has been excluded. This indicator can be used to measure revenue excluding the effects of exchange rates, scopes of consolidation and directly-owned store openings and closings.

¹ Like-for-like basis: excluding the impact of currency, the scope of consolidation, openings and closures of integrated stores