Ivry, April 24, 2014

First quarter confirms improved sales trend

- Revenues resisted well in the first quarter, with a -1.5% decrease (at constant exchange rates and comparable scope of consolidation) compared to a -5.1% decrease in the first nine months of 2013 and a -3.1% decrease overall for 2013.
- Sales up in the Iberian Peninsula and in Brazil.
- Limited decline in sales in France (-0.7% on a same store basis).
- Continued gains in market share in France and in the Iberian Peninsula.

First quarter revenues

	Q1 2014 in €m	Change compared with Q1 2013		
		Reported	Constant exchange rates and comparable scope of consolidation	Same store basis*
France	585.1	-1.4%	-1.5%	-0.7%
Iberian Peninsula	152.8	+0.6%	+0.6%	-0.3%
Brazil	38.2	-17.9%	+0.9%	+0.9%
Other countries	63.2	-7.0%	-7.1%	-7.1%
Group	**839.3**	**-2.4%**	**-1.5%**	**-1.1%**

* at constant exchange rates and comparable scope of consolidation

First quarter 2014 revenues

The Group's consolidated revenues amounted to €839 million in the first quarter of 2014, a -1.5% decline at constant exchange rates and comparable scope of consolidation.
This confirms the improving trend that began in the fourth quarter of 2013. As a comparison, sales dropped –3.1% in the full year 2013 and –5.1% in the first nine months of 2013 at constant exchange rates.
There was a negative -0.9% exchange rate impact, which was primarily due to the depreciation of the Brazilian real against the euro. The Group's consolidated revenues declined by -2.4% on a reported basis.

The Group's markets remained difficult, in a context of sluggish consumer environment in Europe.

The Iberian Peninsula and Brazil once again experienced growth in sales of +0.6% and +0.9% at constant exchange rates, respectively.
In France, sales decreased slightly (-0.7%) on a same store basis, a performance that is far better than the -3.6% drop for 2013 on a same store basis.
Sales in the Other Countries area, which includes Switzerland and Belgium, fell by -7.1% against a backdrop of deteriorated and highly competitive markets.

The Group has continued to benefit from the sales and strategic initiatives that it has implemented and has pursued its market share gains momentum in its two main geographic areas, France and the Iberian Peninsula.

It has further bolstered its omni-channel strategy in both France and the Iberian Peninsula, introducing new functionalities (like the click & collect with payment and pick up in stores) and benefiting from the rapid development of Marketplaces. Growth in Internet sales has been sustained in the main countries of the Group. Omni-channel sales continued to grow significantly in France and the Iberian Peninsula.

Sales of new product categories surged, carried forward by their roll-out in 2013 and in the first quarter, and by good sales performance. They represented about 8% of the Group's turnover in the first quarter, an increase of more than 3 points compared to the same period in 2013.

New format stores (travel retail or proximity) produced satisfactory results. The expansion momentum on the new formats will continue in France and abroad. In France, four proximity format stores will be opened as franchises in 2014. Spain will open a franchise store in Andorra in the second quarter of 2014 and a first travel-retail store will be opened in Brazil, at São Paolo international airport, in the second quarter.

France

On a same-store basis, the drop in sales was limited to -0.7%, a performance comparable to that achieved in the 4th quarter of 2013 (-0.9%).
Total sales receded by -1.4%, taking into account the Aubervilliers and Odéon store closings and the addition of the company Datasport to the consolidation scope.
Weak consumption trends and a less favorable product line-up compared to last year, especially in the area of editorial products, have weighed down markets, some of which have experienced significant setbacks.

Fnac France continued to outperform the market in both editorial and technical products.

Omni-channel sales (Internet sales with a link to the store) have continued to increase. They accounted for 32% of total Fnac.com sales in March, an increase of 5 points over March 2013.
Business volume on the web increased sustainably, driven notably by the development of the Marketplace, where sales increased by nearly 25% in the first quarter.

The sim-free mobile phones sections were introduced in February and March. Initial results are convincing. Stationary sections will be deployed in some thirty stores in the second quarter.

The densification of the store network will gain momentum in upcoming months with the scheduled opening of four proximity stores (Puy-en-Velay, Boulogne-sur-Mer, Compiègne, Beauvais).

Iberian Peninsula

Sales in the area increased by +0.6% in the first quarter, with the markets being less buoyant than in the fourth quarter.
The Group has continued to pursue gains in market share in the region.

Internet sales increased at a sustained pace in both Spain and Portugal.
Fnac Spain registered very significant traffic on its web site, spurred by high performing exclusive sales campaigns implemented on Fnac.es and by the tremendous success of Marketplace.
Fnac Portugal continued to develop its omni-channel strategy through implementation of the click & collect functionality with payment and pickup in stores and the ramping up of Marketplace, now accessible to professional sellers.

In Portugal, sales performance of the two stores with the new formats produced highly satisfactory results over the quarter.

Brazil

Brazil confirmed its improved sales performance of the second semester of 2013, with sales increasing by +0.9% in the first quarter at constant exchange rates.
Sales growth was driven by the Internet site, which achieved a double digit increase in sales.

Fnac Brazil will open a Travel Retail store at the São Paulo international airport in the second quarter.

Other countries

Sales in the area (Switzerland and Belgium) declined by -7.1% at constant exchange rates, in a context of high promotional intensity on the Group's markets.

The roll-out of new products sections in stores continued in the first quarter, especially in Swiss stores, where connected products sections have been implemented. Stationary sections will be deployed in Belgium and Switzerland in 2014.

Outlook

Sales performance in the first quarter confirms the improving trend that began in the fourth quarter of 2013.
The Group continues to strengthen its leadership in a backdrop of weak consumer demand through the implementation of the Fnac 2015 plan and an offensive commercial strategy, which are limiting the impact of receding markets on its sales figures.

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.

2014 FIRST-QUARTER REVENUE

Matthieu Malige will host a conference call for Investors and Analysts
on Thursday April 24th, 2014
at 7:00p.m. (Continental time); 6:00p.m. (UK); 1:00p.m.(East Coast USA).

Conference call dial-in:
France: +33 1 70 77 09 42
UK: +44 203 367 9459
US: +1 866 907 5923

Replay dial-in (until Monday May 9th, 2014)
France: +33 1 72 00 15 00
UK: +44 203 367 9460
US: +1 877 642 3018
Replay access code: 286911#

NEXT PUBLICATION

Groupe Fnac will announce its 2014 Half-Year Results on Wednesday 30th July 2014 after market close

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APPENDICES

Store network

	Dec. 31, 2013	Mar. 31-2014
France	**108**	**108**
Wholly owned	87	87
Franchised *	21	21
Iberian peninsula	**44**	**44**
Wholly owned	44	44
Franchised	0	0
Brazil	**11**	**11**
Wholly owned	11	11
Franchised	0	0
Other countries	**13**	**13**
Wholly owned	13	13
Franchised	0	0
Group	**176**	**176**
Wholly owned	155	155
Franchised	21	21

**including the store in Morocco*