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**THIS IS AN ANNOUNCEMENT OF A POSSIBLE OFFER FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE"). THIS IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY OFFER MIGHT BE MADE.**

## Potential acquisition of Darty plc

Groupe Fnac SA ("Fnac") confirms that it has made a proposal (the "Possible Offer") to the Board of Directors of Darty plc ("Darty") regarding a potential acquisition of Darty.

Fnac believes that the combination of Fnac and Darty constitutes a compelling strategic and financial opportunity for both groups by creating a leader in the French electronics, editorial and home appliances retail market. The combination, based on a strong industrial rationale, would benefit from several key differentiating factors:

- two strong brands, benefiting from a strong recognition of their respective customer bases;
- an enlarged product offering, including technical goods, editorial goods and white goods;
- a complementary and efficient store network;
- an enhanced multichannel offering through two complementary websites; and
- broader international exposure, with a focus on Europe and a presence spanning seven countries, with combined sales of over €7 billion.

In addition, Fnac believes that a combination presents significant potential for synergies.

The Possible Offer, made on 28 September 2015, consists of an all-share acquisition of 100% of Darty's issued and to be issued share capital. Fnac's proposal would entitle each Darty shareholder to receive 1 Fnac share for every 39 Darty shares held.

This values each Darty share at 101<sup>1</sup> pence and values the existing issued share capital of Darty at £533 million (based on Fnac's closing share price of €53.0 on 29 September 2015). In addition, Darty shareholders would be entitled to retain the final dividend of 2.625 cents payable on 13 November 2015 to those shareholders on the register as at 23 October 2015.

The Possible Offer represents a premium of:

- 27.4 %<sup>2</sup> on Darty's closing share price of 81 pence on 29 September 2015, being the last business day preceding the date of this announcement; and
- 23.8 %<sup>2</sup> based on the one-month volume-weighted average share prices ("VWAP") to 29 September 2015.

The Possible Offer is made on the basis that no further dividends will be declared, payable or paid by Darty following the date of the Possible Offer (being 28 September 2015) until completion of any transaction, other than the final dividend for the financial year ending 30 April 2015, payable on 13 November 2015.

Fnac believes that the proposed transaction will benefit both groups, in particular their respective employees and customers, and represents a unique value creation opportunity for both Darty and Fnac shareholders.

Fnac and Darty will engage shortly into common workstreams and a further announcement will be made as appropriate.

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### **About Groupe Fnac – [www.groupe-fnac.com](http://www.groupe-fnac.com)**

*Groupe FNAC is a leading French retail distributor of entertainment and leisure products (including consumer electronics) and a notable player in several other countries in which it operates (e.g., Spain and Portugal), and also has a number of stores in Brazil, Belgium, Switzerland and Morocco.*

*At year-end 2014, Groupe FNAC's multi-format network included a total of 186 stores (114 of which were located in France). The Group's network also includes e-commerce websites, including Fnac.com, the third largest French e-commerce website based on average unique visitors (c. 11 million unique visitors per month). An established multi-channel player, Groupe FNAC's consolidated revenues totaled €3.9 billion in 2014 and it had more than 14,500 employees.*

*In accordance with Rule 2.10 of the Code, Fnac announces that as at the close of business on 29 September 2015 its issued share capital consisted of 16,687,774 ordinary shares of €1 each.*

*The International Securities Identification Number for Fnac's ordinary shares is: FR0011476928.*

- 1 Based on exchange rate of 1.3491 as at 29 September 2015
- 2 The premia are computed on the basis of the reference share prices minus the final dividend to be paid to Darty shareholders of 2.625c, payable on 13 November 2015.

Fnac reserves the right to:

- (i) make an offer at any time at a value below the equivalent of 1 Fnac share for every 39 Darty shares held (taking the value of a Fnac share and the exchange rate at the date of announcement of a firm intention to make an offer): (a) with the agreement and recommendation of the Board of Directors Darty, or (b) if Darty announces, declares or pays any dividend or any other distribution to shareholders (excluding the final dividend for the financial year ending 30 April 2015) , in which case Fnac reserves the right to make an equivalent reduction in its offer price; and/or
- (ii) vary the form and/or mix of consideration of any offer.

A further announcement will be made as appropriate.

## **ENQUIRIES:**

**Rothschild (Fnac financial adviser)**      Tel: 020 7280 5000

N M Rothschild & Sons Limited, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting for Fnac and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Fnac for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

**Ondra Partners (Fnac financial adviser)**      Tel: 020 7082 8750

Ondra LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting for Fnac and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Fnac for providing the protections afforded to its clients or for providing advice in connection with the subject matter of this announcement.

## **Important Notice**

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available for inspection on Fnac's website at [www.groupe-fnac.com](http://www.groupe-fnac.com). The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

In accordance with Rule 2.6(a) of the City Code on Takeovers and Mergers (the "Code"), Fnac notes that it is required, by not later than 5.00 p.m. on 28 October 2015, being 28 days after today's date, to either announce a firm intention to make an offer for Darty in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

This announcement is for information purposes only, and is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction.

The distribution of this announcement in jurisdictions outside France and the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe, such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

## **Disclosure requirements of the Code**

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later,

following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii)

any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.