



London, Ivry-sur-Seine, 6 November 2015

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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.

GROUPE FNAC S.A. AND DARTY PLC AGREEMENT ON KEY OFFER TERMS

The Boards of Groupe Fnac S.A. ("Fnac") and Darty plc ("Darty") are pleased to announce that they have reached agreement on the key terms of a possible recommended pre-conditional offer to be made by Fnac for the entire issued and to be issued share capital of Darty (the "Possible Offer"). The Boards of Fnac and Darty believe that the proposed transaction will benefit both groups and represents a unique value creation opportunity for both Darty and Fnac shareholders.

Terms of Possible Offer

Under the terms of the Possible Offer, which is intended to be implemented by way of a court sanctioned scheme of arrangement, Darty shareholders will be entitled to receive **1 Fnac share for every 37 Darty shares held. Fnac will also make available a partial cash alternative ("PCA") up to a maximum aggregate amount of €95 million.**

The Board of Darty has indicated to Fnac that, should a Firm Offer (as defined below) from Fnac be forthcoming on the terms set out above, it would intend to recommend unanimously such an offer to Darty shareholders.

Based on the closing price of €60.4 per Fnac share on 5 November 2015 (being the last business day prior to the date of this announcement), the terms of the Possible Offer represent:



- a value of approximately 116 pence per Darty share¹;
- a premium of approximately 47 per cent.² to the closing price of 81 pence per Darty share on 29 September 2015; and
- a value of approximately £615 million for Darty's entire issued and to be issued share capital.

As described above, under the terms of the Possible Offer, Fnac will make available a PCA of up to a maximum aggregate amount of €95 million (payable in pounds sterling and calculated by reference to the £/€ exchange rate on the last business day prior to any firm offer announcement). Under this facility, Darty shareholders (other than certain overseas shareholders) would have the opportunity to elect to receive cash in lieu of part or all of the new Fnac shares to which they would otherwise be entitled under the terms of the Possible Offer. If Darty shareholders' elections for cash cannot be satisfied in full, they will be scaled down on a pro rata basis. Further details of the PCA will be set out in any firm offer announcement made under Rule 2.7 of the Code (the "Firm Offer").

Upon completion of the transaction, it is anticipated that Darty shareholders will hold up to a maximum of approximately 46 per cent. of the issued share capital of the combined group.

Under the terms of the Possible Offer, Darty shareholders who were on the register as at 23 October 2015 will also be entitled to receive and retain the final dividend of 2.625 euro cents payable on 13 November 2015. In addition, Darty shareholders will continue to receive future dividends in the ordinary course prior to completion.

The posting of the scheme document will be subject to the satisfaction or waiver of pre-conditions relating to anti-trust clearances in France and Belgium.

¹ Based on exchange rate of 1.4043 as at 5 November 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 2.625 euro cents, payable on 13 November 2015

Reverse break-fee

Fnac has agreed to a reverse break fee of €12 million payable to Darty in the event that the transaction fails to close as a result of the failure to obtain (i) certain regulatory clearances or (ii) the approval of Fnac shareholders, or (iii) in the event that the Board of Fnac withdraws its recommendation in support of the Possible Offer.

Pre-conditions and implementation

The announcement of a Firm Offer is subject to the satisfaction of the following pre-conditions:

- a) confirmation from the Board of Darty that it intends to unanimously recommend such Firm Offer, and the execution of irrevocable undertakings to vote in favour of the transaction from members of the Darty Board, in a form acceptable to Fnac;
- b) satisfactory completion of reciprocal due diligence;
- c) finalisation of a satisfactory co-operation agreement; and
- d) final approval by the Board of Fnac.

The Boards of Fnac and Darty fully support the terms of this Possible Offer and expect (subject to the matters above) to give their formal approvals immediately prior to any Firm Offer announcement.

Fnac reserves the right to waive in whole or in part any of the pre-conditions to the making of an offer set out in this announcement.

Fnac and Darty will continue to work together to satisfy the pre-conditions to the announcement of a Firm Offer as set out above.

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Shareholder support

In addition, and as previously announced by Fnac on 25 October 2015, Fnac has received shareholder support from holders of 23.63% of the issued share capital of Darty.

Knight Vinke Asset Management LLC, the holder of 75,974,709 Darty shares (equating to 14.34% of the share capital of Darty), has provided Fnac with an irrevocable undertaking to support the Possible Offer. It has also undertaken to Fnac that it will elect to receive 100 per cent. of the consideration due to it pursuant to the terms of the Possible Offer in the form of Fnac shares and has undertaken not elect to receive cash under the terms of the PCA, thereby increasing the amount of cash available for other shareholders.

Fnac has also received a letter of intent from DNCA Finance S.A., the holder of 35,283,000 Darty shares (equating to 6.66% of the share capital of Darty) and 13,950,000 derivative instruments capable of physical settlement (equating to 2.63% of the share capital of Darty), to support the Possible Offer. DNCA Finance S.A. has indicated its intention to elect to receive 100 per cent. of the consideration due to it pursuant to the terms of the Possible Offer in the form of Fnac shares and does not currently intend to elect to receive cash under the terms of the PCA.

Further details regarding the shareholder support referred to above which have been refreshed and renewed since the announcement made by Fnac on 25 October 2015 in order to reflect the revised terms of the Possible Offer can be found in Appendix I of this announcement.

Additional information

Fnac reserves the following rights:

- a) make an offer at any time at a value below the equivalent of 1 Fnac share for every 37 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):
 - i with the agreement and recommendation of the Board of Directors Darty, or
 - ii if Darty announces, declares or pays any special dividend or any other distribution to shareholders (excluding dividends paid in the ordinary course prior to completion, as detailed below) , in which case Fnac reserves the right to make an equivalent reduction in its offer price; and/or
- b) vary the form and/or mix of consideration of any offer.

In accordance with the announcement on 26 October 2015 of the extension of the PUSU deadline, Fnac has until 5.00 p.m. on 11 November 2015 to announce a firm intention to make an offer for Darty under Rule 2.7 of the Code or announce that it does not intend to make an offer for Darty. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

A further announcement will be made when appropriate.



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Dividends in the ordinary course prior to completion

Darty shareholders will continue to receive future dividends in the ordinary course prior to completion in addition to the 2015 final dividend identified above. In particular, those shareholders who are on the register as at 4 March 2016 will be entitled to the 2016 interim dividend for the period to 31 October 2015 of not more than 0.875 euro cents expected to be paid on 30 March 2016. In the event that a Phase 2 referral is required in order to secure the required regulatory clearances and these clearances have not been received by the record date for the 2016 final dividend, expected to be on or around 21 October 2016, Darty shareholders on the register at that date will be entitled to receive in full the final dividend payable in relation to the Company's 2016 financial year of not more than 2.625 euro cents.

Important notices relating to financial advisers

N.M. Rothschild & Sons Limited, which is authorised by the Prudential Regulation Authority (the "PRA") and regulated by the Financial Conduct Authority (the "FCA") and the PRA in the UK, is acting exclusively for Fnac and no one else in connection with the Possible Offer and will not be responsible to anyone other than Fnac for providing the protections



afforded to its clients or for providing advice in relation to the Possible Offer or any other matters referred to in this Announcement.

Ondra LLP, which is authorised and regulated by the FCA in the UK, is acting exclusively for Fnac and no one else in connection with the Possible Offer and will not be responsible to anyone other than Fnac for providing the protections afforded to its clients or for providing advice in relation to the Possible Offer or any other matters referred to in this Announcement.

Lazard & Co., Limited, which is authorised and regulated by the FCA in the UK, is acting exclusively as financial adviser to Darty and no one else in connection with the Possible Offer and will not be responsible to anyone other than Darty for providing the protections afforded to clients of Lazard & Co., Limited nor for providing advice in relation to the Possible Offer or any other matters referred to in this Announcement. Neither Lazard & Co., Limited nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard & Co., Limited in connection with this Announcement, any statement contained herein or otherwise.

Morgan Stanley & Co. International plc, which is authorised by the PRA and regulated by the FCA and the PRA in the UK, is acting for Darty and no one else in connection with the Possible Offer. In connection with such matters, Morgan Stanley & Co. International plc, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Possible Offer or any other matters referred to in this Announcement.

UBS Limited, which is authorised by the PRA and regulated by the FCA and the PRA in the UK, is acting exclusively for Darty and no one else in connection with the Possible Offer. In connection with such matters, UBS Limited, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Possible Offer or any other matters referred to in this Announcement.

Important Notice

The announcement does not constitute an offer or impose any obligation on Fnac to make an offer, nor does it evidence a firm intention to make an offer within the meaning of the Code. There can be no certainty that a formal offer will be made even if the pre-conditions set out in the announcement are satisfied or waived.

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.

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at www.groupe-fnac.com and www.dartygroup.com. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

Disclosure requirements of the Code

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.



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).

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.

Details of the offeree and offeror companies in respect of whose relevant securities Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at 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 a Dealing Disclosure.

About Fnac – www.groupe-fnac.com

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, 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, 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 5 November 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.

About Darty – www.dartygroup.com

Darty group is a leading multi-channel service led electrical retailer operating 400 stores in three European countries. It generated an annual turnover of over €3.5 billion in 2014/15 through operations in Darty and Mistergooddeal.com in France, Vanden Borre in Belgium and BCC in the Netherlands.

Darty's ordinary shares are listed with the UK Listing Authority and trade on the market for listed securities on the London Stock Exchange under the symbol DRTY.L. It is also listed on the NYSE Euronext Paris.

In accordance with Rule 2.10 of the Code, Darty announces that as at the close of business on 5 November 2015 its issued share capital consisted of 529,553,216 ordinary shares of 0.30 euros each.

The International Securities Identification Number for Darty's ordinary shares is: GB0033040113.

APPENDIX I

DETAILS OF IRREVOCABLE UNDERTAKINGS

Name of Darty Shareholder	Number of Darty Shares	Percentage of Darty issued share capital
Knight Vinke Asset Management LLC	75,974,709	14.34%

DETAILS OF LETTERS OF INTENT

Name of Darty Shareholder	Number of Darty Shares/Interests in Darty Shares	Percentage of Darty issued share capital
DNCA Finance S.A.	35,283,000 ordinary shares 13,950,000 derivatives capable of physical settlement	6.66% 2.63%

(1) Fnac has received an Irrevocable Undertaking from Knight Vinke Asset Management LLC ("Knight Vinke"), in the event that the Possible Offer is implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "Scheme"), to vote in favour of the Scheme, or, in the event that the Possible Offer is to be implemented by way of a contractual offer as defined in Chapter 3 of Part 28 of the Companies Act 2006 (the "Offer"), to deliver fully executed forms of acceptance in respect of the Offer (the "Irrevocable Undertaking"). As part of the terms of the Irrevocable Undertaking, Knight Vinke has, subject to the below, undertaken not to support or accept an offer with respect to a competing transaction and has undertaken (unless the Panel on Takeovers and Mergers has determined that Knight Vinke is not acting in concert with Fnac) not to deal in Darty shares. Knight Vinke has irrevocably undertaken to elect to receive new Fnac shares and not cash, to the fullest extent possible in consideration for the Darty Shares it holds. The Irrevocable Undertaking will automatically terminate if (i) an announcement in accordance with Rule 2.7 of the Code is not released by 5:00 p.m. on 11 November 2015 (or such later time as may otherwise be agreed or permitted under Rule 2.6 of the Code); (ii) the Scheme does not become effective, or lapses in accordance with its terms (or, if applicable, the Offer does not become or is not declared wholly unconditional, or lapses in accordance with its terms); (iii) Fnac announces, with consent of the Takeover Panel, that it does not intend to proceed with the Possible Offer; or (iv) a third party announcement is made, in accordance with Rule 2.7 of the Takeover Code, of a competing transaction (or thereafter a revision to a competing transaction is announced) on terms which represent an improvement of greater than 30 per cent. of the value of the Possible Offer, determined as at the date on which the competing transaction is announced, provided that Fnac has not announced an improvement to the terms of the Possible Offer, within 10 business days, such that the terms of the improved offer are at least as favourable with regard to the value of the consideration offered pursuant to the terms of the competing transaction. In addition, the Irrevocable Undertaking will cease to be effective if, the investors, whose funds Knight Vinke manage, withdraw their mandates or adjust their investment



instructions. In such circumstances, the number of shares which are subject to the Irrevocable Undertaking shall be reduced accordingly.

The Irrevocable Undertaking supersedes and replaces in its entirety the deed of irrevocable undertaking executed and delivered by Knight Vinke on 25 October which shall be of no further force or effect.

2) Fnac has received a letter of intent from DNCA Finance S.A. confirming its intention, in the event that the Possible Offer is implemented by way of a Scheme, to vote in favour of the Scheme, or, in the event that the Possible Offer is to be implemented by way of an Offer, to deliver fully executed forms of acceptance in respect of the Offer. DNCA Finance S.A. has confirmed its intention to elect to receive new Fnac shares and not cash, to the fullest extent possible in consideration for the Darty Shares (and interests in Darty Shares) it holds. DNCA Finance S.A. has also confirmed its intention to not sell or otherwise dispose of any of the Darty shares (including any interest therein) set out above.

The DNCA Letter of Intent referred to above supersedes and replaces in its entirety the letter of intent signed by DNCA Finance S.A. on 25 October 2015 which shall be of no further force or effect.