FNAC DARTY

Ivry, February 20th, 2019

Strong growth of 2018 results
Success of the Fnac Darty integration

- **Strong growth in results:** current operating income up +10% at €296 million and current operating margin at 4.0%, an increase of +0.4 pt
- **2018 revenues were up +0.4%, despite a consumption environment marked by strong negative effects**
- **Success of the Fnac Darty integration:** €131 million in synergies deployed at year-end 2018, one year ahead of the Group's initial commitment
- **Net income from continuing operations rose +20%,** to €150 million
- **Solid financial structure:** return to a positive net cash position only two years after the Darty acquisition
- **Rapid roll-out of the Confiance+ plan and acceleration in digital, which represents 19% of sales**

Enrique Martinez, Chief Executive Officer of Fnac Darty, declared: *"In a context marked by exceptional events that had a profound impact on the consumption environment, our Group delivers growth in sales and profits, thanks to the commitment of its teams, and demonstrates both the solidity of its strategic positioning and the quality of its execution. The Fnac Darty integration is a success and the Group has delivered the promised synergies one year ahead of its initial plan. The power of the Fnac Darty model, based on the complementarity of its products and services offering, and our commitment to offer the most educated choice, will continue to benefit our customers and enhance their preference for our brands. 2019 will be a year of acceleration in our search for excellence in digital, in customer experience, and in our commitments to the sustainability of our products. We confirm our medium-term objectives of higher growth than our markets and a current operating margin of 4.5% to 5%. "*

KEY FIGURES

(€ millions)	2017	2018	Change
Revenues	**7,448**	**7,475**	**+0.4%**
Change on a like-for-like basis[1]			*+0.3%*
Current operating income (COI)	**270**	**296**	**+10%**
Operating margin	*3.6%*	*4.0%*	*+0.4pt*
Free cash flow from operations	**199**	**153**	
Reported net income from continuing operations	**125**	**150**	**+20%**
Consolidated net income	**38**	**150**	**+€112 m**
Net cash reported at December 31[2]	**(86)**	**7**	**+€93 m**

[1] Like-for-like data: excluding effect of changes in foreign exchange rates, changes in scope, and the openings and closures of stores

[2] A plus sign indicates a net cash position; a minus sign indicates a net debt position

FNAC DARTY

2018 HIGHLIGHTS

Very solid results in 2018 in a complex market environment

Fnac Darty revenues totaled €7,475 million, an increase of +0.3%[1] on a like-for-like basis. This strong performance occurred in a market environment marked by multiple exceptional events that impacted commercial activity, particularly in France: weather conditions in the first quarter of 2018, social movements in the second quarter, and "yellow vests" protests at the end of the year.

Gross margin rate reached 30.3%, up +20 basis points, excluding the dilutive effect of the franchise business (-30 basis points in 2018).

Current operating income was up +10%, reaching €296 million under the combined effect of the synergies and the quality of the operational execution.

The Group continued its strong generation of operating free cash-flow at €173 million[2], incorporating -€38 million in non-recurring cash costs related to the integration.

This solid performance reflects the agility of the Group and its ability to simultaneously drive the successful integration of the two banners, the roll-out of its new strategic plan, and a perfectly controlled commercial execution in a lackluster consumption environment.

Success of the Fnac Darty integration

An ambitious project completed one year ahead of schedule

The year 2018 marked the success of the Fnac Darty integration, which had started in 2016 when the two banners merged. At that time, the Group had announced an objective of €130 million in synergies to be deployed before the end of 2019, an ambitious goal in regards to the pro forma current operating income of €194 million recorded by Fnac Darty in 2016, excluding synergies.

The multiple actions conducted by Fnac Darty since 2016 allowed the roll-out of the announced plan one year ahead of schedule, and demonstrate the agility of the Group, which even exceeded its target by delivering €131 million in synergies at the end of 2018.

A successful commercial integration

Fnac Darty has implemented a number of commercial initiatives between its two banners.

The complementary features of the Group's e-commerce platforms were leveraged, with the opening of a Darty section on the Marketplace of fnac.com, and a ticketing section on darty.com.

The Group's customers can pick up their fnac.com purchases in 320 stores of the Darty network, and their Darty.com purchases in 30 stores of the Fnac network, thus expanding the strength of the Group's geographical coverage. Darty's logistical expertise in delivering bulky products has also been leveraged by Fnac, as Darty now delivers televisions for the entire Group.

[1] Like-for-like data: excluding effect of changes in foreign exchange rates, changes in scope, and the openings and closures of stores
[2] Excluding the €20 million fine paid to the French Competition Authority

Fnac Darty also continued to expand its offering of cross-banner products and services. At the end of 2018 in France, 31 Fnac stores hosted a Darty shop-in-shop, while two Darty stores hosted Fnac shop-in-shops. A first point of sales combining both a Fnac and a Darty store was also opened in 2017. As regards services, the many exchanges of expertise between banners drove the development of the services offering, particularly around insurance and IT security. Around forty corners dedicated to Photo Works were also opened within the Darty network, capitalizing on Fnac’s experience in this area.

Internationally, the small household appliances offering is rolled out under the Fnac Home banner with more than 30 stores equipped in the Iberian Peninsula.

Finally, the Group’s loyalty programs continued to grow, with a total of nearly 8 million members at the end of 2018. Fnac+ and Darty+ together have 1.5 million subscribers and offer a joint approach to loyalty, as customers holding only one of these cards can benefit from premium and free delivery within the two banners.

An operational integration creating value

The Group also took advantage of its new size in order to strengthen its relationship with suppliers, in order to benefit from better purchasing terms and improves its gross margin rate. It stood at 30.3% of revenues at year-end 2018, up from 29.9% at the end of 2016, despite the dilutive effect of the franchise network expansion (-0.3pt in 2017 and 2018). Leading its markets, Fnac Darty is now established as a key platform, which allows it to benefit from a number of exclusive offers and to support its partners in the promotion of innovation and product launches.

The Group has also taken advantage of the merger of the two banners to optimize its indirect purchasing, particularly by pooling or renegotiating its service contracts. This solid management of its costs base has generated substantial savings.

The specialization of inventories and logistics centers is now in place in France, which allowed the transfer of the Wissous 2 warehouse. The implementation of a new logistics structure generates significant savings through the redefinition of the transport plan across the whole of the French territory. In France, the optimization of the after-sales service network in 2018 reduced the number of repair shops by half, and created a central parts warehouse that supplies all the after-sales platforms. These platforms have been pooled in order to handle product flows from both banners, with the Bezons platform, for example, handling the TV and small household appliance after-sales services for both Fnac and Darty. In Belgium, the new logistics structure is finalized and Fnac.be can now deliver its orders using the Vanden Borre inventory.

As regards information systems, the Group continued to optimize the systems of the two banners in 2018, with the launch of a shared inventory management system that allows each banner to offer the inventory of the entire Group.

Finally, the new organizational structure for headquarters is in place, and the relocation of teams was finalized in 2018. Darty’s London headquarters was closed in 2016, and the Belgian Fnac and Vanden Borre teams were combined on the same site in 2017.

This new structure has made a significant contribution to the development of a common culture among the teams, based on the initial vision: “One Group, two banners”. The Group’s employees are now mobilized around the roll-out of the strategic plan: Confiance+.

Rapid roll-out of the Confiance+ plan

In 2018, the Confiance+ strategic plan was rolled out rapidly, in parallel to the successful Fnac Darty integration.

A reinforced omnichannel platform

First-class digital and logistics capabilities

The Group continued to roll out its initiatives intended to expand its omnichannel footprint, particularly by developing its digital and logistical capabilities.

E-commerce activities now represent near 19% of Group revenues, up from around 17% last year. The performance of the Group's e-commerce platforms was solid in the fourth quarter, with double-digit growth in all geographical areas. In 2018, the expansion of online sales was marked by strong international growth and the continued rapid growth of "marketplaces".

The Group strengthened its delivery offer by establishing D+1 delivery for its entire range of bulky products, including services (installation, and removal of product), covering 80% of the French territory. Last year, the Group also rolled out test stores for the reservation of gaming products and books from in-store inventory, giving the Group's customers an option to pick up their purchases in one hour.

Finally, in-store omnichannel initiatives continued, with over 250 stores digitalized at the end of 2018. At the end of the year, the Group also launched its first tests for "Pay&Go", an innovative solution that allows customers to pay via their phones, without going through the cash register.

The share of omnichannel sales is now 49% of online orders, up from 47% in 2017.

Continued expansion of the store network

The expansion of the store network continued at a sustained pace in 2018, with a total of 66 openings, including two in a new country – Tunisia. Fnac opened 26 stores in 2018 (19 in France, 1 in Tunisia, 1 in Morocco, 2 in Switzerland and 3 in Spain), 22 of which were franchises. Darty opened 40 stores in 2018 (38 in France, 1 in Tunisia, and 1 in Belgium), including 33 franchised stores.

In 2018, the Group also launched "shop-in-shop" tests, using a franchise format, in hypermarkets or supermarkets. Fnac Darty thus opened the first Fnac "shop-in-shop" within the retail space of an Intermarché store, in addition to the 13 Fnac "shop-in-shops" already present in Intermarché commercial galleries, as well as two Darty "shop-in-shops" in the Carrefour hypermarkets in Limoges and Ville-du-Bois, in Essonne.

An enhanced customer experience

A reinforced diversification of the product offering

Diversification of the product offering continued in 2018, with the opening of corners dedicated to small household appliances in Fnac stores in Spain, Portugal, Switzerland and France. At the end of 2018, more than sixty small household appliance spaces were opened within the network under the Darty or Fnac Home banners.

Kitchen continued to expand with the opening of 25 new points of sale during the year, including the first three stores dedicated exclusively to this offering. As a result, the Group had more than 130 Kitchen points of sale at the end of 2018.

Finally, the diversification categories continued their strong expansion, with double-digit growth over the year, and a very strong performance from the Games & Toys and Home & Design categories.

Services as a major vector of differentiation

Fnac Darty also continued to develop its services offering, a major vector of differentiation and value creation, which capitalizes particularly on Fnac's client advice expertise and Darty's after-sales service know-how. Services recorded double-digit growth in sales in 2018.

The services initiatives in 2018 were marked by the desire to anchor the Group firmly as a key player in the circular economy, which promotes the extension of the life cycle of products. As a result, the Group launched the after-sales service barometer to allow the consumer to monitor changes in the repairability and durability of products. This barometer is completed by the establishment of a repairability index for products sold, and by the launch of website sav.darty.com at the end of 2018, which is a community platform that brings together years of Darty experience and advice. A joint service to lease electronic products, with the after-sales service included for the entire term of the contract, was also introduced. Finally, the acquisition of WeFix, a leader in smartphone express repair in France, in October 2018, is intended to position Fnac Darty as a benchmark in smartphone repairs and related services and to offer an enriched ecosystem to customers.

Enriched content to serve subscribers

The Group's loyalty programs continued to grow in 2018. Fnac+ and Darty+ together have around 1.5 million subscribers and, since the launch of Darty+, provide a first joint approach to loyalty. Customers holding only one of these cards can benefit from premium, free delivery within the two banners.

In 2018, the Group strengthened its strategic alliance with Deezer, a major international player in music streaming and the French leader. Thanks to an exclusive commercial partnership, Fnac is now able to offer its customers the best in music streaming in addition to the Group's physical offering. As part of subscription programs or simply during the purchase of audio and music products, Fnac and Darty customers will benefit from advantageous access offers to Deezer services. Anyone purchasing a High Tech product from one of the two banners benefits from a free 3-month subscription to Deezer Premium.

Finally, the Group expanded its loyalty program with the launch of the Pass Partenaires, which allows customers holding a Fnac, Fnac One, Fnac+, or Darty+ card and customers holding a Darty Visa or Fnac MasterCard to benefit from attractive discounts at more than 50 partner banners, which can be combined with current promotional offers.

Expansion of Fnac Darty's ecosystem of partnerships

The Group's omnichannel platform was also enhanced through new partnerships in order to reinforce the value proposition both for customers and for partners.

The Group implemented an industrial agreement with Carrefour to conduct shared purchases for consumer electronics and household appliances in France, illustrating the Group's abilities in building product lines and negotiating. In addition, this partnership was strengthened in 2018 with the testing of two Darty "shop in shops", under a franchise format, offering household appliances and gray and brown goods (IT equipment, TV, etc.) in two Carrefour hypermarkets located in Limoges and Ville-du-Bois in Essonne.

The Group also signed a partnership with Google. The Google offering is now available in dedicated spaces for all Group stores, including around fifty corners. At the same time, the "Darty Button" was integrated in the Google Home ecosystem, allowing customers to benefit directly from dedicated assistance with a simple voice command. The Group accelerated the integration of Google Assistant in its services strategy within the launch of the transactions functionality on Google Assistant, which gives Fnac Darty customers the benefit of voice purchases on their compatible phones.

In 2018, Fnac Darty signed a partnership with Bouygues Telecom to sell its landline and mobile offers in Fnac Connect stores. Through this partnership, the goal of Fnac Darty is to create close to fifty new Fnac Connect stores where Bouygues Telecom services will be offered to customers.

The Group also reinforced its partnership with Orange to encourage the spread out of new modes of digital reading thanks to an innovative offering of audio books. Fnac Darty thus consolidated its leadership position in editorial products distribution.

Finally, the agreement with Wehkamp in the Netherlands was implemented late in 2018 and is making rapid progress. It allows the Dutch subsidiary BCC to provide Wehkamp with its entire line of products, and manage the purchases (electronic products and household appliances) of both banners. In return, the Group benefits from its partner's digital expertise and logistics capabilities on small parcels.

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ANALYSIS OF OPERATIONAL PERFORMANCE

4th quarter of 2018

The Group posted solid revenue growth in the 4th quarter at +3.1% on a like-for-like basis, carried by a slight, positive calendar effect of +0.2pt, and impacted by the revenue losses related to the “yellow vests” movement, estimated at €45 million. As a result, the impact on revenues in France was very negative in December 2018.

Despite a consumption environment marked by these unprecedented protests in France, Group sales were up over the year-end period thanks to the strong execution of Black Friday and market share gains in the 4th quarter. The Group’s operational excellence, driven by good anticipation of sales and a controlled commercial policy, helped protect the gross margin.

During the quarter, sales benefited from growth in all product categories, particularly the dynamic performance of the Gaming, Telephony and Games & Toys segments. The Group's digital platforms posted double-digit growth in all geographical regions.

Sales in **France-Switzerland** were up +2.5% on a like-for-like basis, as the very strong Black Friday performance compensated the impact of the “yellow vests” protests at the end of the year. However, this atypical increase in weight of sales with lower margins than those of December had an overall negative impact on the gross margin rate.

Network expansion was steady, with 25 openings in France-Switzerland over the quarter.

Revenues in the **Iberian Peninsula** were up +4.5% in reported data, driven by the expansion of the store network and by solid growth on a like-for-like basis. Both Spain and Portugal contributed to the growth over the quarter, with a strong performance from Books and Services.

Benelux was up +8.0% over the quarter, on a like-for-like basis. Growth in Belgium was driven by Vanden Borre. In the Netherlands, the Group significantly benefited from the launch of the Wehkamp partnership this quarter, with web sales more than doubling. In a continuing tight commercial context, the Group remains focused on the roll-out of its transformation plan, with an additional store closing this quarter.

2018 by reporting segment

France-Switzerland

Revenues for the France-Switzerland segment were almost stable over the year, at -0.1% on a like-for-like basis[1], despite a year marked by a number of exceptional elements (weather conditions in the first quarter, strikes in the second, and social movements in the fourth quarter). The very strong sales performance achieved over the Black Friday period compensated the negative impact of the “yellow vests” protest at the end of the year.

The year saw a decline in sales of consumer electronics, resulting primarily from a lower momentum in the IT and imaging markets, impacted by a low point in the innovation cycle. This trend was partially offset by the dynamic performance of the Sound sector, driven by the very strong performance of headsets and connected speakers, and the continued growth of the Telephony segment. Editorial products benefited from the very strong performance of the Gaming segment. However, the “yellow vests” protest at the end of the year penalized traffic in stores and had a negative impact on the book segment. The increase in revenues from household appliances was driven equally by the growth in small household appliances, which benefited from innovation in the vacuum cleaners segment, but also by large appliances, which was driven by the sale of more premium products. Diversification categories, as well as services, continued their strong growth in 2018.

The franchise expansion continued at a dynamic rate, with the opening of 54 new franchise stores over the year.

Current operating income rose +13%, despite the decrease in revenues. This performance includes the loss of December sales related to the “yellow vests” protests, which structurally have better margins, and reflects the gains associated with the finalization of the Fnac Darty synergies plan. The operational margin was up significantly at 4.5% (versus 4.0% in 2017).

Iberian Peninsula

Sales in the Iberian Peninsula rose +4.1% in 2018 and +1.4% on a like-for-like basis[1]. Both Portugal and Spain contributed to the like-for-like growth over the year. Sales of consumer electronics and editorial products grew, and services posted double-digit growth over the year.

The area benefited from the continued expansion of the network, with the opening of three stores, including a new franchise store in Spain. The web channels also boasted double-digit growth in the area.

Current operating income was up +8% to €25 million, reflecting the increase in the gross margin rate, despite higher costs in a context of strong expansion. The operating margin rose +10bp, to 3.6%.

Benelux

Revenues for the Benelux area were up +2.1% in reported data and on a like-for-like basis[1].

The activity was driven mainly by the strong momentum of the Internet channel, and the first effects of the partnership with Wehkamp in the Netherlands. One Vanden Borre store opened in Belgium and seven BCC stores were closed during the year as part of the banner’s transformation plan.

Benelux current operating income was €5 million, down from 2017. This decline reflects technical elements (allocations of headquarters costs) and reflects the growing competitive pressure in the Netherlands, along with an increase in logistics costs in the country. Belgium recorded a solid performance over the year.

The Benelux current operating margin decreased by 70 basis points to 0.6%.

[1] Like-for-like: excludes effect of changes in foreign exchange rates, changes in scope, store openings and closings

ANALYSIS OF FINANCIAL RESULTS

Results up strongly

Revenues were up +0.4% versus 2017, displaying solid sales resistance in a sluggish consumption climate, particularly in France.

The **gross margin rate** was 30.3% in 2018, up +0.2 points over 2017, excluding the dilutive effect of franchises (around -30bp), reflecting a controlled commercial policy.

The +10% increase in **current operating income,** to €296 million, reflects the Group's solid operational execution and the synergy gains related to the success of the Fnac Darty integration.

Current operating margin rose significantly to reach 4.0%, up from 3.6% one year earlier.

Non-current operating expenses totaled -€39 million in 2018. They primarily represent the costs of implementation of synergies and the €20 million fine levied by the French Competition Authority.

Net financial income represented a net expense of -€43 million, an improvement from 2017 (-€44 million) and includes €6 million in non-recurring costs related to the renegotiation of the bank debt conducted early in 2018.

Taxes showed an expense of -€65 million over the year, representing an effective tax rate of 30%.

Net income from continuing operations was thus €150 million in 2018, an improvement of +20% over 2017.

Strong cash generation

The Group maintained solid cash generation in 2018. **Operating free cash flow** amounted to €173 million versus €199 million in 2017, excluding the €20 million fine levied by the French Competition Authority, and including -€38 million in non-recurring cash costs related to the integration. Working capital stabilized at a more normative level in 2018, with an improvement of €1 million after two years of strong increases following the integration of the two banners. The Group continued a controlled investment policy. Investments net of asset disposals amounted to €118 million versus €112 million in 2017.

FINANCIAL STRUCTURE

The Group's **net cash** was €7 million at December 31, 2018 compared with -€86 million at December 31, 2017. Free cash flow generation remained high in 2018 despite a strong base effect. Operational excellence and financial discipline drove a rapid decline in the Group's net debt. Thus, the Group returned to a positive net cash position only two years after the Darty acquisition.

Cash and cash equivalents amounted to €919 million at the end of 2018.

At December 31, 2018, the Group's financing covenants were met. The €400 million revolving facility was undrawn.

In the first half of 2018, the Group renegotiated its bank debt, improving conditions and extending its debt maturity by two years. The success of this operation demonstrates the confidence expressed by banking partners in Fnac Darty's strategy. The Group's financial strength was also confirmed by Standard & Poor's, which raised Fnac Darty's rating outlook to positive in April 2018.

Attentive to opportunities for return to its shareholders, Fnac Darty announced the implementation of a share buyback program up to a limit of 535,000 shares, i.e. around 2% of capital, for a duration of 24 months. The buyback operation is being implemented at a maximum price set by the General Meeting, which cannot exceed €130 per share.
These shares are intended to be canceled in order to reduce the dilutive effects of the performance share plans or past stock option plans.
These buybacks are made under the authorizations granted by the General Meeting of May 18, 2018, which authorized a share buyback program of up to 10% of share capital in accordance with the description published in the 2017 Registration Document filed on April 3, 2018.

As of December 31, 2018, 198,250 shares had been purchased and canceled.

On February 18, 2019, Fnac Darty announced the signing of a loan agreement for €100 million with the European Investment Bank (EIB). Executed within the framework of the "Juncker Plan", this loan will be used to finance the digital transformation investments of Fnac Darty to support the deployment of Confiance+. This financing has a maximum maturity of 9 years under very attractive terms. The Group has 18 months to draw this line.

In addition, the Group also received a BBB- rating from Scope Ratings. This rating comes as an addition to the BB ratings (positive outlook) and Ba2 (stable outlook) received respectively from Standard & Poor's and Moody's.

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CONCLUSION AND OUTLOOK

In 2018, Fnac Darty recorded solid results, boasting strong growth. The Group was able to handle the turbulences in its markets throughout the year thanks to a controlled commercial policy and continuous operational agility. This strong performance was achieved in a context of successful Fnac Darty integration and the launch of the Group's new strategic plan: Confiance+.

The Fnac Darty integration is a success and the Group now intends to accelerate the roll-out of the Confiance+ plan in order to strengthen its omnichannel and multi-format specialized retail model. In 2019, the Group will focus its efforts on improving the customer experience, accelerating digital development, strengthening its positioning in the circular economy, and providing an educated differentiating choice for its customers. These projects will be supported by continued best in class operational execution, carried by the commitment of the Group's teams.

The Group confirms its medium-term objectives for higher growth than its markets and a current operating margin of 4.5% to 5%.

PRESENTATION OF 2018 RESULTS

On February 21st, 2019, a live **webcast** of the presentation of the 2018 Annual Results will be available at 9:30 am (Paris time).

www.fnacdarty.com

This presentation is also directly accessible by clicking **here**.
A replay will also be available on the Group's website.

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APPENDICES

The Board of Directors of Fnac Darty SA met on February 20th, 2019 under the chairmanship of Jacques Veyrat to approve the consolidated financial statements for the year 2018. The audit procedures for the Group's consolidated financial statements were performed and the certification report will be issued after the verification of the management report is finalized.

Definitions and methods

Definition of current operating income
The monitoring of the Group's operating performance uses current operating income as the main management balance. It is defined as the difference between the total operating profit and the "Other non-current operating income and expenses".
Recurring operating income is an intermediate line item intended to facilitate the understanding of the entity's operating performance that can be used as a way to estimate recurring performance.

EBITDA = Current operating income before depreciation, amortization and provisions on fixed operational assets.

Free cash flow from operations
This financial indicator measures net operating cash flow and gross operating investment flow (defined as acquisitions and disposal of property, plant and equipment and intangible assets, and the change in trade payables for non-current assets).

SUMMARY INCOME STATEMENT

	In €m		
	2017	2018	Change
Revenues	**7,448**	**7,475**	**+0.4%**
Gross margin	**2,261**	**2,265**	**+0.2%**
As a % of revenues	*30.4%*	*30.3%*	
Total costs	**1,991**	**1,969**	**-1%**
As a % of revenues	*26.7%*	*26.3%*	
Current operating income	**270**	**296**	**+10%**
As a % of revenues	*3.6%*	*4.0%*	
Other non-current operating income and expenses	(53)	(39)	
Operating income	**217**	**257**	**+19%**
Net financial expense	(44)	(43)	
Income tax	(48)	(65)	
Net income from continuing operations for the year	**125**	**150**	**+20%**
Net income from discontinued operations	(87)**	0	
Consolidated net income, Group share	**37**	**150**	**€+113 m**
EBITDA	**370**	**399**	**+8%**
As a % of revenues	*5.0%*	*5.3%*	

** Including the cumulative historical operating losses and the amount of capitalization in connection with the sale of Fnac Brazil to Livraria Cultura in July 2017

BALANCE SHEET

Assets (€ millions)	As at December 31, 2017	As at December 31, 2018
Goodwill	1,541	1,560
Intangible non-current assets	473	480
Tangible non-current assets	611	620
Investments in companies accounted for using the equity method	22	20
Non-current financial assets	16	21
Deferred tax assets	60	67
Other non-current assets	0	0
Non-current assets	**2,723**	**2,767**
Inventory	1,073	1,092
Trade receivables	265	272
Tax receivables due	50	42
Other current financial assets	22	14
Other current assets	358	406
Cash and cash equivalents	775	919
Current assets	**2,543**	**2,744**
Assets held for sale	**3**	**0**
Total assets	**5,270**	**5,511**

Liabilities (€ millions)	As at December 31, 2017	As at December 31, 2018
Share capital	27	27
Equity-related reserves	989	995
Translation reserves	(5)	(5)
Other reserves	86	236
Shareholders' equity, Group share	**1,096**	**1,254**
Shareholders’ equity – Share attributable to non-controlling interests	7	8
Shareholders’ equity	**1,103**	**1,261**
Long-term borrowings and financial debt	854	855
Provisions for pensions and other equivalent benefits	180	162
Other non-current liabilities	195	191
Deferred tax liabilities	193	190
Non-current liabilities	**1,421**	**1,398**
Short-term borrowings and financial debt	7	56
Other current financial liabilities	19	16
Trade payables	1,766	1,877
Provisions	73	52
Tax liabilities payable	47	44
Other current liabilities	829	806
Current liabilities	**2,740**	**2,851**
Liabilities relating to assets held for sale	**6**	**1**
Total liabilities	**5,270**	**5,511**

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CASH FLOW STATEMENT

(€ millions)	2017	2018
Cash flow from operations before tax, dividends and interest*	**353**	**361**
Change in working capital requirement	56	1
Income tax paid	(98)	(72)
Net cash flows from operating activities	**311**	**290**
Operating investments	(113)	(123)
Change in debt and receivables relating to non-current assets	(1)	5
Operating divestments	2	0
Net cash flows from operating investment activities	**(112)**	**(118)**
Free cash flow from operations*	**199**	**173**

* *Excluding the impact of the €20-million fine paid at the request of the Competition Authority*

FOURTH QUARTER 2018 REVENUES

	Q4 2018 in €M	Change compared with Q4 2017		
		Actual	at constant exchange rates	Like-for-like data*
France and Switzerland	**1,994**	2.8%	2.6%	2.5%
Iberian Peninsula	**246**	4.5%	4.5%	2.9%
Benelux	**284**	6.8%	6.8%	8.0%
Group	**2,524**	**3.4%**	**3.2%**	**3.1%**

2018 REVENUES

	2018 in €m	Change compared with 2017		
		Actual	at constant exchange rates	Like-for-like data*
France and Switzerland	**5,835**	-0.4%	-0.3%	-0.1%
Iberian Peninsula	**703**	4.1%	4.1%	1.4%
Benelux	**936**	2.1%	2.1%	2.1%
Group	**7,475**	**0.4%**	**0.4%**	**0.3%**

* *at constant exchange rates, comparable scope of consolidation and on a same-store basis*

CURRENT OPERATING INCOME (COI) – BY SEGMENT

(€ millions)	2017	As a % of revenues	2018	As a % of revenues	Change
France and Switzerland	234.4	4.0%	265.4	4.5%	+13%
Iberian Peninsula	23.6	3.5%	25.4	3.6%	+8%
Benelux	12.1	1.3%	5.2	0.6%	-57%
Group	**270.1**	**3.6%**	**296.0**	**4.0%**	**+10%**

STORE NETWORK

	Dec. 31, 2017	Opening	Closing	Dec. 31, 2018
France and Switzerland*	**516**	**62**	**7**	**571**
Traditional Fnac	86	5	0	91
Suburban Fnac	14	0	0	14
Travel Fnac	19	5	0	24
Proximity Fnac	42	11	0	53
Fnac Connect	5	2	1	6
Darty	349	39	6	382
Fnac Darty France:	1	0	0	1
Of which franchised stores	*204*	*54*	*3*	*255*
Iberian Peninsula	**59**	**3**	**0**	**62**
Traditional Fnac	42	3	0	45
Travel Fnac	2	0	0	2
Proximity Fnac	13	0	0	13
Fnac Connect	2	0	0	2
Of which franchised stores	*4*	*1*	*0*	*5*
Benelux	**153**	**1**	**7**	**147**
Traditional Fnac	10	0	0	10
Proximity Fnac	1	0	0	1
Darty	142	1	7	136
Fnac Darty Group	**728**	**66**	**14**	**780**
Traditional Fnac	138	8	0	146
Suburban Fnac	14	0	0	14
Travel Fnac	21	5	0	26
Proximity Fnac	56	11	0	67
Fnac Connect	7	2	1	8
Darty	491	40	13	518
Fnac/Darty	1	0	0	1
Of which franchised stores	*208*	*55*	*3*	*260*

* Including 10 foreign Fnac stores: one in Tunisia, three in Morocco, one in the Congo, one in Cameroon, two in Ivory Coast and two in Qatar and one foreign Darty store in Tunisia; 15 stores in the French Overseas departments and territories

FNAC DARTY

DEFINITIONS OF ALTERNATIVE PERFORMANCE INDICATORS

CHANGE IN REVENUES AT CONSTANT EXCHANGE RATES AND COMPARABLE SCOPE OF CONSOLIDATION

The change in revenues at constant exchange rates and comparable scope of consolidation means that the impact of exchange rate fluctuations has been excluded and that the effect of changes in scope is corrected to not take account of modifications (acquisition, sale of subsidiary). The exchange rate impact is eliminated by recalculating sales for financial year N-1, based on the exchange rates used for financial year N. The revenues of subsidiaries acquired or sold since January 1 of financial year N-1 are excluded from the calculation of the change. This indicator can be used to measure the change in revenues excluding the effects of exchange rates and scopes of consolidation.

CHANGE IN PRO-FORMA REVENUES AT CONSTANT EXCHANGE RATES, COMPARABLE SCOPE OF CONSOLIDATION AND ON A SAME-STORE BASIS

The change in revenues on a like-for-like basis means that the impact of exchange rate fluctuations has been excluded, that the effect of changes in scope is corrected to not take account of modifications (acquisition, sale of subsidiary) and that the effect of directly-owned store openings and closures since January 1 of year N-1 has been excluded. This indicator can be used to measure revenues excluding the effects of exchange rates, scopes of consolidation and directly-owned store openings and closings.

EBITDA

EBITDA corresponds to current operating income before net depreciation, amortization and provisions on fixed operating assets. It is a key indicator for measuring the Group's performance.

Table showing the change in EBITDA

(€ millions)	Year ended December 31, 2017	Year ended, December 31, 2018
Current operating income	**270.1**	**296.0**
Net depreciation, amortization and provisions (1)	100.1	103.0
EBITDA	**370.2**	**399.0**

(1) Net depreciation, amortization and provisions correspond to net allocations for depreciation and amortization and provisions on non-current operational assets recognized as current operating income