

## Fnac goes on the offensive and launches a five year strategic plan

Fnac's senior management today presented its new five year strategic plan to employees and labor and management representatives. With this plan, known as "Fnac 2015", Fnac is going on the offensive as the sector experiences in-depth technological transformations, rapidly evolving modes of consumption and renewed competition, notably on the internet.

Its strategic offensive is based on three key principles:

- **Expanding the product range** to encompass a wider array thus making Fnac the "Leisure and Technology" specialist. This new range will include the current offer and more. It will focus on technical and cultural products and enable Fnac to better meet its customers' expectations.
- **Giving priority to customer relations.** To date, Fnac's product range has been the driving force behind its entire activity. Now, Fnac's obsession is to place the customer at the heart of its businesses and organization.
- **Focusing especially on the family market** to offer all family members and especially children the solutions they expect from Fnac as far as products, services and easy buying are concerned. Its brand position and enlarged product range thus give Fnac all the legitimacy it needs to cater for these needs.

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To bring about this transformation, Fnac and its teams will take five courses of action:

1. **Expand the store network.** Fnac will implement two major initiatives. First, it will enlarge its network by launching a wide-scale program to open 30 new stores in five years in France (notably in city outskirts) and in other countries where it is already present. Second, it will innovate by developing a new network of about fifty smaller stores (approximately 300 square meters) which will be operated initially as wholly-owned outlets and then under franchise contracts.
2. **Renew the store concept.** Fnac will take advantage of the convergence of cultural content and technical equipment to gradually set up "worlds" inside its stores, creating spaces that group all the products from one sector as well as the latest, most innovative offers. The first "world" it will create will be the world of music, with a range of CDs, music videos, digital players, associated products, ticket sales, head phones, etc. At the same time, Fnac will ensure that its products are presented in a more intuitive, better laid-out manner, to help customers circulate and chose their products more easily.

3. **Create a "Kids world" in each store.** A new range of products will soon be available in the stores for Fnac's youngest customers (0 to 12 year olds). This Kids world will include a full and new range of edutainment games and toys, as well as books, CDs, videos, technical products, services and special events.
4. **Fully integrate the internet and store product ranges.** Fnac, the only brand with strong sales in both distribution channels, plans to optimize the combination of its website and store ranges by reviewing how it distributes its products with the full range available on the internet and a selection available in the stores. It aims to develop a host of services combining both distribution channels (for example, customers may collect items ordered and reserved online from the stores, interactive terminals will be installed in the stores supplementing the expert advice provided by Fnac sales personnel, etc.).
5. **Create a range of new services.** Fnac will draw on the improved knowledge of customers it has achieved by revamping its membership program and optimizing its IT tools to roll out a new range of personalized, innovative services: trade-in and subscription offers for some technical product categories; training courses; setup assistance; tailored remote assistance, etc...

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Alexandre Bompard, Fnac Chairman and CEO commented: "Fnac is a brand in motion that has always been in tune with its times. In keeping with this spirit, 'Fnac 2015' is a plan for conquest and expansion, designed to cater for new customer requirements, technological changes and new modes of consumption".

#### **About Fnac**

Fnac, a subsidiary of PPR, is the leading retailer of cultural and technology products in France. It operates 152 stores (at 19 July 2011): 82 in France and 70 elsewhere in the world (Belgium, Brazil, Spain, Italy, Portugal and Switzerland). Its [www.fnac.com](http://www.fnac.com) website is one of the foremost BtoC e-commerce sites in France in terms of the public it reaches, with an average of 750,000 unique visitors daily. Fnac employs more than 15,000 people and reported €4,473 million in sales in 2010.

#### **About PPR**

PPR nurtures a group of high-growth global brands distributed in more than 120 countries. PPR generated revenue of €14.6 billion in 2010, and had approximately 60,000 employees at December 31, 2010. The PPR share is listed on Euronext Paris (FR 0000121485, PRTP.PA, PPF.P).

To explore the PPR brand universe, please visit [www.ppr.com](http://www.ppr.com) : the Luxury brands (Gucci, Bottega Veneta, Yves Saint Laurent, Balenciaga, Boucheron, Sergio Rossi, Alexander McQueen and Stella McCartney), the Sport & Lifestyle brands (Puma, Volcom, Cobra, Tretorn and Electric), Fnac and Redcats (La Redoute, Vertbaudet, Somewhere, Cyrillus, Daxon, Ellos, The Sportsman's Guide, The Golf Warehouse and large size division brands).

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