



Paris, 28 August 2008

## NRJ GROUP

### Earnings for H1 2008

Turnover 172.3 million euros  
 EBIT 5.0 million euros (14.4 million exc. impact of NRJ Mobile)  
 Net income Group share 2.6 million euros  
 Net cash position 141.9 million euros (before the payment of dividend)

The Board of Directors met on 27 August 2008 under the Chairmanship of Mr Jean-Paul Baudecroux, appointed as Chief Executive Officer on 27 June and approved the consolidated financial statements for H1 2008.

in millions of euros

At 30 June (6 months)	2008	2007	Change
Revenues excluding barbers <sup>1</sup>	172.3	187.9	-8.3%
EBIT	5.0	27.6	-81.9%
<i>EBIT exc. impact of NRJ Mobile</i>	14.4	36.8	-60.9%
Net income Group share	2.6 <sup>2</sup>	49.5 <sup>3</sup>	-94.7%

	30/06/08	31/12/07	Change
Net cash position	141.9 <sup>4</sup>	121.0	+17.3%
Shareholders' equity	480.2	504.0	-4.7%

<sup>1</sup> : total consolidated revenues including dissimilar barbers amounted to 175.7 million euros in H1 2008 compared with 191.8 million euros in H1 2007.

<sup>2</sup> : inc. 7.7 million euros of negative impact relating to NRJ Mobile

<sup>3</sup> : inc. 32.3 million euros of dilution profit following the increase of Crédit-Mutuel CIC to 50% in the capital of NRJ Mobile at the start of 2007.

<sup>4</sup> : before the payment of the dividend related to fiscal year 2007 for an amount of 24.9 million euros

In H1 2008, NRJ GROUP EBIT was 5.0 million euros compared with 27.6 million euros in H1 2007, this change, which in particular includes the consequences of the successive changes made to the NRJ Mobile consolidation method, as well as the effect of the end of the musical "le Roi Soleil" after its last shows in July 2007. Excluding mobile telephony and "Roi Soleil", EBIT for NRJ GROUP was 14.2 million euros compared with 31.1 million euros for H1 2007. The main reason for this worsening was:-

- the decreased EBIT of radio activities in France, which fell from 37.6 million euros to 22.5 million euros,
- the planned increase in development costs of the television branch, the current operational loss increased from 7.4 million euros to 11.1 million euros,

After taking into account the other elements of the income statement, in particular dilution profit of 12.2 million euros resulting from the sale of 40% of the capital of NRJ Mobile to the Groupe Crédit Mutuel - CIC for 15 million euros at the beginning of May 2008, the positive financial result of 3.2 million euros and a tax charge of 16.1 million euros (inc. 10.7 million euros of deferred tax charge following the sale of 40% of the capital of NRJ Mobile), net income Group share amounted to 2.6 million euros in H1 2008 compared with 49.5 million euros in H1 2007. Exc. impacts linked to NRJ Mobile, net income Group share amounted to 10.3 million euros in H1 2008.

Cash flows generated by the activity amounted to 32.8 million euros in H1 2008 compared with 12.0 million euros in H1 2007, an increase of 20.8 million euros as a result of the improvement in the working capital requirement. Net investment flows had a negative impact on the cash position in H1 2008 of 9.8 million euros (including +4.4 million euros for the sale of NRJ Mobile securities, net of the effect of the deconsolidation of the company with effect from 1 May 2008) compared with net cash of 15.0 million euros in the first half of 2007 (including +30 million euros relating to the increase in NRJ Mobile capital by the Groupe Crédit Mutuel - CIC).

In total, given that payment of the 2007 dividend in the amount of 24.9 million euros was made at the beginning of July 2008, net cash flow at 30 June 2008 amounted to 141.9 million euros compared with 121.0 million euros at 31 December 2007 (133.9 million euros at 30 June 2007).

## Key business trends

in millions euros

<b>Contributions at 30 June (6 months)</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>
<b>Revenues excluding swaps</b>	<b>172.3</b>	<b>187.9</b>	<b>-8.3%</b>
Radio in France	114.1	120.0	-4.9%
International radio	17.4	16.2	+7.4%
Television	11.3	3.8	+197.4%
Non-media	9.8	29.9	-67.2% <sup>(1)</sup>
Broadcasting	12.0	8.2	+46.3%
Other	0.5	0.6	Ns
Sub-total exc. Telephony	165.1	178.7	-7.6%
Telephony	7.2	9.2	<sup>(2)</sup>
<b>EBIT</b>	<b>5.0</b>	<b>27.6</b>	<b>-81.9%</b>
Radio in France	22.5	37.6	-40.2%
International radio	1.1	(0.5)	Ns
Television	(11.1)	(7.4)	+50.0%
Non-media	(2.1)	5.1	Ns
Broadcasting	3.2	1.3	+146.2%
Other	0.8	0.7	Ns
Sub-total exc. Telephony	14.4	36.8	-60.9%
Telephony	(9.4)	(9.2)	<sup>(2)</sup>

(1) Musical, Internet, events, merchandising, musical label. In H1 2008, the Roi Soleil musical contributed 0.6 million euros to consolidated revenues compared with 21.1 million euros in H1 2007.

(2) In 2007, following the 50% stake taken by Crédit Mutuel - CIC in the capital of NRJ Mobile, revenues for this activity were consolidated at 100% for January-February and at 50% with effect from 1 March. In 2008, revenues were consolidated at 50% from January to April and were no longer consolidated from 1 May, the Crédit Mutuel - CIC holding, since the start of May 2008, 90% of the capital of NRJ Mobile.

ns : not significant

EBIT on radio activities in France stands at EUR 22.5 million for the first six months of 2008 compared to EUR 37.6 million for the first six months of 2007, down - 40.2%. In addition to the fall in revenues, this evolution also incorporates an increase in charges, particularly at the level of programmes and promotion and central structures in the context of the Group's multimedia development.

EBIT from **international radio** activities were back in the black again, at EUR 1.1 million compared with a loss of EUR 0.5 million at the end of June 2008, with the contributions from German and Nordic zones breaking even and showing a profit respectively.

The Group's **television activities** have continued to exhibit the strong growth shown in the first six months of 2008. The NRJ 12 audience share is up 2.5% in the TNT universe for the first six months of 2008 and up 1% in the national universe for the month of June 2008, drawing in excess of 18.5 million viewers per week. (source Médiamétrie Médiamat). Additionally, the NRJ Paris general urban « infotainment » channel, launched in March 2008, made a good start, posting encouraging initial viewing figures.

In this context, the operating loss in television activities is up to EUR 11.1 million for the first six months of 2008 compared to EUR 7.4 million for the first six months of 2007. This evolution reflects the sharp rise in revenues and the increase in charges in accordance with the business plan, particularly as regards the programming costs, staff charges with the launch of NRJ Paris and the broadcasting costs with the increase in TNT's population coverage.

Earnings from **non media** activities were negative, standing at EUR -2.1 million for the first six months of 2008 compared to a positive figure of EUR 5.1 million for the first six months of 2007. In the first six months of 2008, the contribution of the musical « Le Roi Soleil » amounted to EUR 0.2 million compared to EUR 5.7 million in the same period of 2007. The evolution of the operating result for non-media activities also reflects increased charges within the framework of the development of Internet activities.

The current operating loss of **NRJ Mobile** is up to EUR 9.4 million for the first six months of 2008, compared to a loss of EUR 3.9 million using comparable data. NRJ Mobile is no longer consolidated with effect from May 1 2008.

Finally, the Group's **broadcasting** activity has continued to show strong growth, particularly in the broadcasting of TNT. In this context, the earnings from operations are up to EUR 3.2 million for the first six months of 2008, a sharp increase on the same six months of 2007 (+146,2%) despite the increase in charges, in particular the hiring of sites, due to the increase in business activity.

## **Trends and outlook**

In the context of the increase in advertising revenues in France (Radio + TV) for the July-August period, up on the previous year, the new management of the Group is continuing with the implementation of its strategy refocused on the media:

- In radio, while activity is almost stable over the 2 months of the summer, the channels are organising their programming for the new season, under the responsibility of Christophe Sabot, Director of Music, Entertainment and Internet Media.
- The Television sphere, which always shows a sharp increase in revenues over the summer, is continuing to grow, particularly through the increasing strength of the NRJ12 channel, with bigger and better programming for the new season.
- As regards the Internet, the Group is continuing to grow its aggregated advertising product range, seeking to enrich its own sites, expanding their search engine referencing and introducing commercial agreements with partners, as in the case of the local agreement signed with AOL.
- Finally the sales department, NRJ Global, is pursuing the development of the advertising offer leaning on the power of its commercial network in regions.

At international level, the Group is pursuing its development and proposals for partnership projects in Germany and Finland are still being studied. Contacts of various types have been made, without anything having yet been confirmed.

As regards its broadcasting subsidiary, the Group has commissioned a investment bank and the search for potential partners, to speed up the development of towerCast is underway.

Finally, the Group notes that the Board of Directors has proceeded with the reallocation and voiding of 287 700 own shares (0.33% of capital) previously acquired to cover the stock option plans that have now expired.

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The Group will be announcing its revenues for Q3 on November 13 2008  
(press release published after the close of trading on the Paris Stock Exchange)

**Analyst and Investor information**

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