



Paris, 27 August 2009

## 2009 first-half earnings

- Revenues (excluding barter) of 166.2 million euros
- EBIT of 10.6 million euros
- Net income, Group share of 3.0 million euros
- Net cash of 106.2 million euros

The Board of Directors meeting on 27 August 2009 approved the summary consolidated financial statements for the first half of 2009.

<i>Six months to 30 June (in million euros)</i>	<b>2009</b>	<b>2008</b>	<b>Change</b>
Revenues excluding barter and NRJ Mobile	166.2	165.1	+0.7%
<b>Revenues excluding barter</b>	<b>166.2</b>	<b>172.3</b>	<b>-3.5%</b>
EBIT before barter	11.2	5.6	99.3%
<b>EBIT</b>	<b>10.6</b>	<b>5.0</b>	<b>112.0%</b>
<b>Net income, Group share</b>	<b>3.0</b>	<b>2.6</b>	<b>15.4%</b>

<i>(in million euros)</i>	<b>30/06/2009</b>	<b>31/12/2008</b>	<b>Change</b>
<b>Net cash</b>	<b>106.2</b>	<b>85.0</b>	<b>+24.9%</b>
<b>Shareholders' equity</b>	<b>448.1</b>	<b>447.2</b>	<b>+0.2%</b>

In the exceptionally difficult economic environment prevailing in the first six months of 2009, the Group's activities were impacted by mixed trends:

- mature activities (Media, Musicals and Events and International Business) suffered the impact of the economic crisis and posted sharp declines in revenues. To counter this steep downturn, the Group continued the cost-cutting measures it introduced in the second half of 2008, particularly in France,
- in activities being developed (Television, Shows and Other Productions and Broadcasting), the Group continues to post sharp growth in revenues while also seeking to improve their contribution to earnings by rigorous cost control.

In this context, **EBIT** increased by 112.0% to 10.6 million euros for the first half of 2009 as against 5.0 million euros for the corresponding period last year. Excluding NRJ Mobile, first-half 2009 EBIT of 10.6 million euros fell by 26.4% from 14.4 million in the first half of 2008.

Taking into account net non-current operating expenses of 1.7 million euros, net financial income of 0.8 million, the tax charge of 5.1 million euros, the share of losses of equity affiliates of 0.4 million euros and minority interests share of net income of 1.2 million euros, **net income, Group share** for the first half of 2009 totals 3.0 million. This compares with 2.6 million euros for the first half of 2008, during which the Mobile Telephony activity made a negative net contribution of 7.7 million euros to net income, Group share.

The Group held **net cash** at 30 June 2009 of 106.2 million euros, up by 21.2 million euros after, in particular, the receipt during the period of tax refunds in respect of prior years of 18.4 million euros and an increase of 7.5 million euros in inventories of programmes purchased by the Television division.

## Revenues and EBIT by activity

Note on the application of IFRS 8 Operating Segments. The Group has applied IFRS 8 Operating Segments since 1 January 2009. In accordance with this standard, segment information is based on the internal reports used by the Chairman-Chief Executive Officer and the Deputy Directors in line with the new organisation rolled out at the end of June 2008 following the change of the Group's administration and management structure. Within this context, the Media, Musicals and Events division groups together Radio activities as well as Internet and Events activities in France, while the International Business division includes all income and expenses linked to international activities (excluding broadcasting). Cost of central functions that are not allocated to the divisions, which were previously shown under the Radio division, are now shown under "Other".

Six months to 30 June (in million euros)	2009	2008	Change
Media, Musicals and Events	98.1	120.4	-18.5%
Television	19.8	11.4	+73.7%
International Business	16.4	18.9	-13.2%
Shows and Other Productions	18.2	2.4	+658.3%
Broadcasting	13.7	12.0	+14.2%
<b>Revenues excluding barbers and Mobile Telephony</b>	<b>166.2</b>	<b>165.1</b>	<b>+0.7%</b>
Mobile Telephony	-	7.2	n/a
<b>Revenues excluding barbers</b>	<b>166.2</b>	<b>172.3</b>	<b>-3.5%</b>

Six months to 30 June (in million euros)	2009	2008	Change
Media, Musicals and Events	16.4	26.1	-37.2%
Television	(9.7)	(11.2)	-13.4%
International Business	(0.6)	1.4	-142.9%
Shows and Other Productions	3.9	(0.1)	n/a
Broadcasting	2.9	3.0	-3.3%
Other	(1.7)	(4.2)	-59.5%
<b>EBIT excluding barbers and Mobile Telephony</b>	<b>11.2</b>	<b>15.0</b>	<b>-25.3%</b>
EBIT from barbers	(0.6)	(0.6)	+0.0%
<b>EBIT including barbers, excluding Mobile Telephony</b>	<b>10.6</b>	<b>14.4</b>	<b>-26.4%</b>
Mobile Telephony	-	(9.4)	n/a
<b>TOTAL EBIT including barbers</b>	<b>10.6</b>	<b>5.0</b>	<b>+112.0%</b>

n/a: not applicable

Revenues of the **Media, Musicals and Events** division totalled 98.1 million euros for the six months to 30 June 2009, compared with 120.4 million euros for the corresponding period last year, a decrease of 18.5%. In this historically difficult context for media activities, the Group has continued to implement the savings measures it introduced in the second half of 2008. Thus, operating expenses of 81.7 million euros for the first half of 2009 are 12.6 million euros lower than in the first half of 2008, a reduction of 13.4%. This significant improvement has been achieved through rigorous cost management in terms of both external and internal charges.

EBIT excluding barbers for the Media, Musicals and Events division came to 16.4 million euros for the first half of 2009, down from 26.1 million euros. The decline was, however, limited to just 9.7 million euros despite a 22.3 million euros decrease in revenues.

In radio, according to the latest Médiamétrie survey for the period from April to June 2009 and despite the reduction in its audience figures, NRJ has confirmed its status as France's leading radio station for the under 60 age group, as well as the number one music radio station(1). Each day, the NRJ Group's four stations are listened to by a total of 11.7 million people (Source: Médiamétrie – aggregate audience April-June 2009 – Monday to Friday – 5 am to midnight – target 13 year olds and over).

Revenues continued their sharp rise in the **Television** division, totalling 19.8 million euros for the six months to 30 June 2009 compared with 11.4 million euros to 30 June 2008, an increase of 73.7%. Audience numbers for the Group's Television division continue to show satisfactory growth:

- NRJ 12 is now the fifth most watched private general interest channel in France, with 1.5% of the national audience (*Source: Médiamétrie – Médiamat basis for private general interest channels excluding pay-channels – June 2009*),
- NRJ PARIS was once again the leading local channel in the Paris Region over the first half of 2009, according to the recent survey published by Médiamétrie (*Source: Médiamétrie – Local TV research January-June 2009 basis 15 years and over equipped with TV in Paris Region*)
- NRJ HITS is the second most popular music channel in the CabSat sector and the leading music channel on key commercial targets: Housewives – 50 or 25-49 year olds (*Source: Médiamétrie – Médiacabsat v 17 from 29 December 2008 to 14 June 2009, basis ¼ hour average per target for music channels Monday to Sunday 3 am / midnight*).

NRJ 12's programming developments underlie most of the Television division's 6.9 million euros increase in expenses between the first halves of 2008 and 2009.

In all, given the increase in revenues and the well-controlled increase in expenses, the Television division is now the second-largest contributor to Group revenues and its EBIT losses excluding barbers are declining, from a loss of 11.2 million euros in the first half of 2008 to a loss of 9.7 million euros in the first half of 2009.

Revenues in the **International Business** division declined by 13.2% to 16.4 million euros compared with the first half of 2008. The division's operating expenses declined slightly – by 0.5 million euros – relative to the first half of 2008, following a similar decline last year. Expenses are declining in the division's German and Nordic activities, and are stable in its francophone activities. Overall, taking into account the 2.5 million euros decline in revenues and despite the continuing decline in expenses, EBIT excluding barbers of the International Business division deteriorated by 2.0 million euros relative to the first half of 2008 to a loss of 0.6 million euros.

The **Shows and Other Productions** division posted revenues of 18.2 million euros for the period, compared with 2.4 million euros for the six months to 30 June 2008. This 658.3% increase was due to the success of the musical "Cléopâtre", which contributed 17.2 million euros to consolidated revenues in the first half of 2009 and to the strong sales of compilation discs by NRJ MUSIC, the Group's music label, despite the lacklustre disc market. EBIT excluding barbers of 3.9 million euros in the first half of 2009 was up sharply compared with the corresponding period last year given the positive 3.2 million euros contribution from "Cléopâtre".

Note concerning "Cléopâtre": given the requirement for accounting purposes to spread pre-production costs over all tour dates, profitability in the first half, which in particular included the higher revenues from Paris productions, was exceptionally high.

Revenues in the **Broadcasting** division continued to grow, in particular due to the ongoing growth in broadcasting activities on the supplementary digital terrestrial television network and also to an increase in FM revenues. The Broadcasting division contributed 13.7 million euros to Group revenues for the six months to 30 June 2009, up by 14.2% from 12.0 million euros in the corresponding period last year. EBIT excluding barbers of 2.9 million euros was virtually stable relative to the first half of 2008, mainly as a result of higher property rental expenses (indexation and new broadcasting sites) and personnel expenses (recruitment linked to the division's growth).

EBIT excluding barbers shown under "**Other**", which comprises the balance of expenses of central functions not allocated to the operating divisions, shows an improvement of 2.5 million euros, mainly derived from lower personnel expenses and external rental and service expenses.

## **Trends and outlook**

In an economic environment that remains very difficult for media activities, at this stage the Group has seen only a slight improvement in advertising revenue trends over the summer months. Visibility remains very limited over the rest of the year and for the third quarter given the importance of the month of September.

In this context, the Group will maintain its efforts over the second half-year to control expenses in its historical activities, following on from the reduction seen in the second half of 2008 and the 1<sup>st</sup> half of 2009, as well as to limit the increase in expenses in its developing activities. Concerning the Media, Musicals and Events division, the Group is reorganising its teams with the particular aim of improving audience figures for its radio stations, the new autumn programming schedules for which are being put in place with, notably, the new NRJ morning show with Nikos Aliagas.

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The Group will release its third-quarter financials on 12 November 2009  
(press release issued after close of trading on the Paris stock exchange)

### **Analyst and Investor information**

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