



Paris, 25 March 2009

## NRJ GROUP

### 2008 full-year earnings:

- 324.1 million euros in revenues excluding NRJ Mobile, down 5.1%
- 27.9 million euros in EBIT excluding NRJ Mobile, down 48.2%
- -4.6 million euros in net income Group share, notably reflecting international asset write-downs
- 85 million euro net cash position at the end of December 2008
- In view of the lack of earnings, the Board of Directors proposes not to distribute dividend for 2008 in order to maintain the Group's financial leeway

At the Board meeting on 25 March 2009, chaired by Jean-Paul Baudecroux, the Directors approved the consolidated financial statements for 2008.

In million euros			
<b>At 31 December (12 months)</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>
<b>Revenues excluding barbers<sup>1</sup></b>	<b>331.3</b>	<b>359.7</b>	<b>-7.9%</b>
<b>EBIT excluding NRJ Mobile</b>	<b>27.9</b>	<b>53.9</b>	<b>-48.2%</b>
<b>EBIT</b>	<b>18.4</b>	<b>34.7</b>	<b>-47.0%</b>
<b>Net income Group share</b>	<b>(4.6)<sup>2</sup></b>	<b>51.5<sup>3</sup></b>	<b>ns</b>

  

	<b>31 Dec 08</b>	<b>31 Dec 07</b>	<b>Change</b>
<b>Net cash position</b>	<b>85.0</b>	<b>121.0</b>	<b>-29.7%</b>
<b>Shareholders' equity</b>	<b>447.2</b>	<b>504.0</b>	<b>-11.3%</b>

<sup>1</sup>: total consolidated revenues including dissimilar barbers came to 338.7 million euros at 31 December 2008, compared with 368.2 million euros at 31 December 2007.

<sup>2</sup>: of which, 11.4 million euros for the net negative impact relating to NRJ Mobile and 18.8 million euros for international asset write-downs.

<sup>3</sup>: of which, 27.0 million euro net dilution profit further to Crédit-Mutuel CIC raising its stake in NRJ Mobile to 50% in early 2007.

2008 was marked more specifically by the economic and financial crisis and the downturn in advertising investment, which has affected the media industry in general (source: Irep – France Pub 2008).

In this climate, the NRJ Group's revenues (excluding dissimilar barter) came to 331.3 million euros in 2008, compared with 359.7 million euros in 2007, down 7.9% (-4.3% at constant scope and exchange rates).

EBIT excluding mobile telephony came to 27.9 million euros in 2008, with the breakdown by business line revealing:

- A 47.5 million euro contribution by radio activities in France, reflecting a drop in revenues combined with a limited increase in expenses in view of the cost saving measures rolled out over the second half of 2008,
- A current operating loss of 22.3 million euros on the television business, on the back of a very satisfactory commercial performance and the effective management of development costs for the various channels,
- An operational breakeven for international radio activities, primarily factoring in the good commercial performance achieved despite a sluggish market context.

Total EBIT (including NRJ Mobile) represented 18.4 million euros in 2008, compared with 34.7 million euros in 2007.

Other non-current income and expenses totalled 0.9 million euros, including:

- A 11.6 million euro net profit following the sale of a 40% stake in NRJ Mobile at the beginning of May 2008;
- An 11 million euro provision for the impairment of goodwill at international level.

The Group recorded 5.3 million euros in financial income and a tax charge of 20.9 million euros (including 13.7 million euros in deferred tax expenses following the sale of 40% of NRJ Mobile's capital). Income from equity affiliates is negative, coming out at -7.8 million, after a 7.8 million euro provision for the impairment of the Group's 49% stake in Energy Zurich after Radio Z AG's licence was not renewed, although this decision is currently being appealed.

In view of these elements, net income Group share showed a 4.6 million euro loss in 2008, compared with a profit of 51.5 million euros in 2007.

The Group has achieved strong growth in net cash flow from operations, driven primarily by the improvement in working capital requirements.

In 2008, investments focused primarily on:

- As in 2007, the broadcasting business as well as equipment for the radio and television studios,
- At the end of 2008, the acquisition of the office building in which the television division is based.

The effects linked to NRJ Mobile had a positive impact on the cash position over 2008, representing 4.4 million euros for the sale of the 40% capital stake, compared with 30 million euros in net cash for 2007 thanks to the capital increase.

In total, notably following the payment of the 2007 dividend for 24.9 million euros and the 25.3 million euros paid out for the treasury stock buyback programme, the net cash position came to 85.0 million euros at 31 December 2008, compared with 121.0 million euros at 31 December 2007.

## Key business trends

In million euros			
<b>Contributions at 31 December (12 months)</b>	<b>2008</b>	<b>2007</b>	<b>Change</b>
<b>Revenues excluding barbers</b>	<b>331.3</b>	<b>359.7</b>	<b>-7.9%</b>
Radio in France	222.1	239.6	-7.3%
International radio	33.8	32.1	+5.3%
Television	25.0	8.7	+187.4%
Non-media	17.4	41.5	-58.1% <sup>(1)</sup>
Broadcasting	24.7	18.2	+35.7%
Other	1.1	1.3	ns
<b>Subtotal excl. Telephony</b>	<b>324.1</b>	<b>341.4</b>	<b>-5.1%</b>
Telephony	7.2	18.3	na <sup>(2)</sup>
<b>EBIT</b>	<b>18.4</b>	<b>34.7</b>	<b>-47.0%</b>
Radio in France	47.5	67.7	-29.8%
International radio	0.1	(1.8)	Ns
Television	(22.3)	(18.3)	+21.9%
Non-media	(4.3)	3.6	ns <sup>(1)</sup>
Broadcasting	5.7	2.6	+119.2%
Other	1.2	0.1	ns
<b>Subtotal excl. Telephony</b>	<b>27.9</b>	<b>53.9</b>	<b>-48.2%</b>
Telephony	(9.5)	(19.2)	na <sup>(2)</sup>

(1) Musical, Internet, events, merchandising, music label. In 2008, the musical "Le Roi Soleil" contributed 0.8 million euros to consolidated revenues (23.4 million euros in 2007) and did not contribute to consolidated EBIT (6.5 million euros in 2007).

(2) In 2007, as a result of the Crédit Mutuel-CIC Group increasing its stake in NRJ Mobile's capital to 50%, this activity's revenues were consolidated for 100% over January and February and 50% from 1 March. In 2008, revenues were consolidated for 50% from January to April and were no longer consolidated as of 1 May, since the Crédit Mutuel-CIC Group has held a 90% stake in NRJ Mobile's capital since early May 2008.

ns: not significant

In an unfavourable global environment for music radio stations and their audiences, and following a particularly difficult fourth quarter due to the economic and financial environment, the **radio business in France** recorded 47.5 million euros in EBIT over 2008, compared with 67.7 million euros in 2007, down -29.8%. This performance factors in the 7.3% drop in revenues and the limited increase in expenses (+2%). The slightly higher level of expenses over the year stems from a sharp rise over the first six months, offset to a great extent by the significant reduction achieved during the second half of the year thanks to the rapid implementation of the savings measures decided on by the Group, notably due to the deterioration in economic conditions, combined with the drop in revenues picking up pace.

EBIT on **international radio** activities was slightly positive, coming in at 0.1 million euros, compared with a negative contribution of 1.8 million euros in 2007. This change reflects the revenue growth achieved on each one of the regions, despite the economic climate, as well as the effective management of costs in general. In this climate, EBIT improved on each region.

**Television** activities continued their satisfactory development over 2008, with NRJ 12 achieving a national audience share of 1% on average in 2008, compared with 0.4% in 2007 (source: médiamétrie – médiamat annuel – target aged four and over). According to the latest surveys, NRJ 12 had a national audience share of 1.4% in February 2009, with the channel attracting more than 27.6 million viewers each week. The urban general interest "infotainment" channel NRJ Paris, launched in March 2008, is the leading channel in the Paris Region with close to 1 million weekly viewers (source: médiamétrie – review of the Paris Region from Sep to Dec 08 – target aged 15 and over), while NRJ Hits is now the third most popular music channel among 15-34 year olds on cable and satellite, attracting more than 5 million viewers every month (source: médiamétrie – MédiaCabsat – Sep 08 to Feb 09).

In this context, the current operating loss on television activities came to 22.3 million euros in 2008, compared with a loss of 18.3 million euros in 2007. This performance reflects the strong growth in revenues as well as the effectively managed increase in expenses set against the television division's development, and more specifically the cost of NRJ 12's programming schedules and support costs as well as costs linked to the launch of NRJ Paris.

EBIT on **non-media** activities is negative, coming in at -4.3 million euros for 2008, compared with a positive result of 3.6 million euros in 2007. In 2008, the Group did not record any contribution from the musical "Le Roi Soleil", compared with a positive contribution of 6.5 million euros in 2007. Excluding "Le Roi Soleil", the current operating loss of 4.3 million euros in 2008 compares with a 2.9 million euro current operating loss for 2007, up 1.4 million euros, primarily due to the increase in costs linked to the development of the Group's internet activities.

The **broadcasting** business has continued to develop strongly on the digital terrestrial television (DTTV) broadcasting market, as well as on FM, notably in connection with the frequency renewal plan. This division has achieved strong growth in revenues (+35.7%), while EBIT climbed to 5.7 million euros in 2008 from 2.6 million euros in 2007.

Lastly, **NRJ Mobile's** current operating loss came to 9.5 million euros in 2008, compared with a 19.2 million euro loss in 2007. NRJ Mobile has no longer been consolidated since 1 May 2008.

## **Trends and outlook**

The economic crisis is deep, with the advertising market seeing an unprecedented downturn in the history of the media:

- On radio in France: in Q1 2009, revenues contracted by more than the 14.6% drop recorded over Q4 2008, while visibility is particularly limited for the rest of the year,
- On television: the trend remains positive in light of the increase in audience shares for the Group's channels.

In this exceptional context, the Group is continuing to look for sources of savings.

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The Group will be releasing its first-quarter financials on 13 May 2009  
(press release published after close of trading on the Paris stock exchange)  
The Group's General Meeting will be held on 28 May 2009 at head office

### **Analyst and Investor Information**

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