



Paris, 30 August 2011

## Half-yearly earnings 2011

### EARNINGS STRONGLY UP

Revenues excluding dissimilar barbers **up by 12.1%** at 185.2 million euros  
 Current EBIT **up by 41.5%** at 27.3 million euros  
 Net income group share **up by 62.6%** at 16.1 million euros

6 months to 30 June In million euros	2011	2010 <sup>(R)</sup>	Change
Revenues excluding dissimilar barbers	185.2	165.2	+12.1%
Revenues including dissimilar barbers	187.3	168.6	+11.1%
Current EBIT excluding dissimilar barbers	27.1	19.4	+39.7%
Current EBIT	27.3	19.3	+41.5%
Net income group share	16.1	9.9	+62.6%

  

In million euros	30/06/2011	31/12/2010	Change
Net cash surplus*	87.9	108.9	-19.3%
Consolidated equity	458.2	475.8	-3.7%

\* current cash net of current and non-current financial liabilities

(R) – NRJ GROUP made accounting changes with insignificant effects on the historical balance sheet and income statement.

In the 1<sup>st</sup> half-year 2011, NRJ GROUP saw a strong increase in its earnings through the growth in the current EBIT of each of its business divisions, and particularly that of the television division, which, as forecast, approached breakeven.

The **current EBIT** stood at 27.3 million euros in the first half-year 2011, against 19.3 million euros in the first half-year 2010, up by 41.5%.

After taking into account negative non-current operational income and expenditure of 0.1 million euros, positive financial income of 0.7 million euros, the tax charge on earnings of 11.5 million euros, the negative share in the earnings of associated companies of 0.1 million euros and a share attributable to minority interests of 0.2 million euros, the **net income group share** for the first half of 2011 stood at 16.1 million euros compared to 9.9 million euros for the first half of 2010, representing an increase of 62.6%.

The **net cash surplus** on 30 June 2011 stood at 87.9 million euros, down by 21 million euros compared to 31 December 2010, particularly bearing in mind the payment of the NRJ GROUP dividend and the share buyback for 9.5 million euros.

## Revenue and current EBIT (excluding barter) per activity

6 months to 30 June In million euros	2011	2010	Change
Music Media and Events	105.2	99.1	+6.2%
Television	40.1	29.9	+34.1%
International Business	19.0	17.1	+11.1%
Shows and Other Productions	0.9	3.4	-73.5%
Broadcasting	20.0	15.7	+27.4%
<b>Revenues excluding dissimilar barter</b>	<b>185.2</b>	<b>165.2</b>	<b>+12.1%</b>
Dissimilar barter	2.1	3.4	-38.2%
Revenues including dissimilar barter	187.3	168.6	+11.1%

  

6 months to 30 June In million euros	2011	2010	Change
Music Media and Events	22.6	21.4	+5.6%
Television	(0.8)	(4.4)	-81.8%
International Business	0.8	0.3	+166.7%
Shows and Other Productions	0.7	0.5	+40.0%
Broadcasting	4.1	3.0	+36.7%
Other activities	(0.3)	(1.4)	-78.6%
<b>Current EBIT excluding dissimilar barter</b>	<b>27.1</b>	<b>19.4</b>	<b>+39.7%</b>
Earnings on dissimilar barter	0.2	(0.1)	-300.0%
<b>Current EBIT</b>	<b>27.3</b>	<b>19.3</b>	<b>+41.5%</b>

During the first half of 2011, the **Music Media and Events division** generated 105.2 million euros in revenues, compared with 99.1 million euros for the first half of 2010, up 6.2%. The revenue of the Radio activity, the main activity of the division, increased by 5.3% (including +3.3% in the 2<sup>nd</sup> quarter).

This increase in revenue was accompanied in the 1<sup>st</sup> half of 2011 by an automatic increase in copyright fees and an increase in purchases over sales for the events activity, which was dynamic in the first half-year. Also, the other expenses for the division increased, particularly for the radio stations, for which resources were enhanced after two years of necessary reduction, in order to reinvigorate the audiences for the Group's radio stations.

In total, the current EBIT for the Music Media and Events division stood at 22.6 million euros in the first half of 2011, compared to 21.4 million euros for the first half of 2010, representing an increase of 5.6%

Concerning radio audiences, according to the latest Médiamétrie survey carried out over the April-June 2011 period, with its four radio stations, NRJ GROUP had 11.8 million daily listeners and had the strongest audience increase of all the radio groups<sup>(1)</sup>. **The aggregate audience for NRJ, France's number two radio station, has increased by 519,000 daily listeners over one year. Thus, NRJ had the strongest growth<sup>(2)</sup> in all radio stations and beat its own historical growth record<sup>(3)</sup>.**

(Source: Médiamétrie 126,000 radio April-June 2011, average Monday to Friday, 5 am to midnight, target 13 year olds and over – (1) aggregate audience growth vs. April-June 2010 - (2) audience share and aggregate audience growth vs. April-June 2010 - (3) aggregate audience growth in one year on NRJ).

In **Television**, revenue stood at 40.1 million euros during the 1<sup>st</sup> half of 2011, compared to 29.9 million euros in the 1<sup>st</sup> half of 2010, representing a strong increase of 34.1% (+32.4% in the 2<sup>nd</sup> quarter).

According to recent surveys, the Group's channels have continued to see a very satisfactory rate of audience growth:

- With a national audience share of 2.6% in June 2011, **NRJ 12 has confirmed its position as the number three digital terrestrial television (DTTV) channel, achieving the strongest rates of growth among DTTV channels.** NRJ 12 is now watched every day by 9,400,000 viewers (source Médiamétrie – Médiamat, aggregate audience, June 2011 vs. May 2011 and vs. June 2010 - PDA).
- **NRJ PARIS once again confirmed its position as the number one local channel in the Paris Region** over the first half of 2011, with more than 1 million weekly viewers. (source: Médiamétrie - Review of local digital terrestrial television channels in Paris Region, January-June 2011, basis 15 years and over equipped with TV in Paris Region).

- **NRJ HITS has beaten its own records and further strengthened its position as the number one music channel** in the cable-satellite and ADSL sector, with nearly 6.5 million viewers each month. At all times, NRJ HITS has a 133% lead over its closest rival.

*(source: Médiamétrie – Médiamat thématik campaign stage 21 from 3 January to 19 June 2011 vs. campaign stages 20 and 19, Monday to Sunday 03:00/27:00 – 4 weeks coverage – 4 year olds and over).*

The expenses for the division were up, particularly due to the controlled development of the programme schedule of NRJ 12 and the increase in variable charges and advertising department expenses in line with the growth in activity.

In total, due to the strong increase in revenue, the current operating loss (excluding dissimilar barter) for the Television division was strongly down, approaching operating breakeven for the division overall from the 1<sup>st</sup> half-year, since it stood at 0.8 million euros in the 1<sup>st</sup> half of 2011, against a loss of 4.4 million euros in the 1<sup>st</sup> half of 2010.

Revenues on the **International Business division** totalled 19.0 million euros, compared with 17.1 million euros for the 1<sup>st</sup> half of 2010, an increase of 11.1% (+8.6% on a comparable basis and at constant exchange rates), thanks more specifically to revenue growth in the French and German-speaking regions.

The operational expenditure for the division overall was up, in spite of savings made in Belgium and Norway, particularly due to the costs of developing new stations in Germany (Frankfurt) and Austria (Styria) that were launched in 2010.

In total, due to the significant increase in revenue, the current EBIT before dissimilar barter for the International Business division stood at 0.8 million euros in the first half of 2011, against 0.3 million euros in the first half of 2010, a very strong increase of 166.7%.

The **Shows and Other Productions** division posted 0.9 million euros in revenues for the first half of 2011, compared with 3.4 million euros for the first half of 2010. For reference, during the 1<sup>st</sup> half of 2010, the musical "Cléopâtre" contributed 2.6 million euros for its final performances given in January 2010.

In total, the current EBIT for the Shows and Other Productions division stood at 0.7 million euros in the first half of 2011, against 0.5 million euros in the first half of 2010. The contribution of "Cléopâtre", which was negligible in 2011 (0.1 million euros), is compared to a contribution of 0.4 million euros in the 1<sup>st</sup> half of 2010.

Lastly, the Group's **Broadcasting division** has continued to develop strongly, particularly in connection with the phasing out of analogue broadcasting and the switch to "all digital" on television. Its contribution to consolidated revenues represented 20.0 million euros over the first half of 2011, up 27.4% from the 15.7 million euros recorded over the first half of 2010.

Operational charges (essentially external expenditure for broadcasting, personnel costs and depreciation) were up, in line with the development in the activity.

EBITDA\* stood at 8.3 million euros in the 1<sup>st</sup> half of 2011, against 7.2 million euros in the 1<sup>st</sup> half of 2010 and the current EBIT excluding dissimilar barter stood at 4.1 million euros in the 1<sup>st</sup> half of 2011, compared to 3.0 million euros in the 1<sup>st</sup> half of 2010.

*\* Earnings (excluding dissimilar barter) before interest, tax, depreciation and amortisation*

The current EBIT excluding dissimilar barter for the **Other Activities division**, which includes expenses and income related to the management and re-invoicing of support functions, stood at a loss of 0.3 million euros on 30 June 2011, compared to a loss of 1.4 million euros on 30 June 2010.

## **Recent developments and prospects**

At the beginning of July and August, the Group recorded an increase in its advertising revenues in France compared with the same period last year. This increase appeared to be continuing in September.

In radio in France, the Group is continuing its efforts to develop the audience as in the 1<sup>st</sup> half year, when the resources for the radio stations were enhanced and studies were carried out on the brands and programming, in view of the radio back period at the end of August 2011.

In television, the Group is continuing to develop its channels NRJ 12, NRJ PARIS and NRJ HITS with the aim of reaching operational breakeven\* for the division for the whole of the year 2011. Particularly on NRJ 12, the programme schedule for the end of the holidays is again enhanced with totally new concepts under the channel's brands. Also, the Group will be applying to the French Audiovisual Board to create a new national free-of-charge DTTV channel.

*\*Current EBIT excluding dissimilar barbers*

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Additional information:

- The summary consolidated financial statements for the first half of 2011 were approved by the Board Meeting on 30 August 2011. They were the subject of a limited examination in which the statutory auditors found no significant anomalies likely to call into question the compliance of the summary consolidated half-yearly financial statements with the IAS 34 standard.
- The 2011 half-yearly financial report will be available on the Group's Internet site [www.nrjgroup.fr](http://www.nrjgroup.fr) no later than 31 August 2011.

The Group will publish its financial information for the 3<sup>rd</sup> quarter on 7 November 2011  
(press release published after close of trading on the Paris Stock Exchange)

### **Analyst and Investor Information**

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