



Paris, March 17, 2015
NRJ Group 2014 annual results

**2014: the NRJ Group stepped up its development,
backed by its strong financial position.**

Current operating profit (ROC)¹ of €50.3 million
Net profit Group share of €9.3 million, impacted by non-recurring stock depreciation
Strong financial position with net cash of €119.0 million

- **Radio in France (MME):** in a difficult economic climate , ROC¹ fell due to the high comparison base.
- **Television:** downward movement of ROC¹ linked primarily to the cost of HD roll-out of Chérie 25 in France and the drop in revenue from NRJ 12.
- **International:** strong increase in ROC¹ driven by the three main geographic areas.
- **Broadcasting:** high profit growth sustained through development of the activity and positive non-recurrent items in 2014.
- **Non-recurring depreciation of €35.8 million** posted for stocks of TV programs which no longer fit the Group's audience targets.

In a statement made at the time of publication of the annual results, Jean-Paul Baudecroux, CEO of NRJ GROUP, said: "2014 will be a year of transition for the NRJ Group. The difficult economic climate has had a major impact on our activities. Our results also suffered from non-recurrent depreciation posted for program stocks in the TV division. The changes we embarked on in 2014 will continue throughout the 2015 fiscal year. Our strong financial position allows us to reaffirm our objective to consolidate our leading position on the radio market and to win new audience shares in television."

Key income figures

12 months rolling to December 31 (in € million)	2014	2013^(R)	Change
Revenue excluding dissimilar barter	372.3	404.3	-7.9%
Revenue including dissimilar barter	376.9	409.4	-7.9%
Current operating profit excluding dissimilar barter	50.3	56.8	-11.4%
Current operating profit	49.9	56.6	-11.8%
Non-current operating income and costs	(36.8)	(4.8)	unknown
Operating profit	13.1	51.8	-74.7%
Net income Group share	9.3	19.8	-53.0%
At December 31 (in € million)	2014	2013^(R)	Change
Net cash position*	119.0	102.6	+16.0%
Shareholder's equity (Group share)	509.7	513.8	-0.8%

^(R) As a result of application of the IFRS 11 standard, retrospectively to January 1, 2013, the companies which were previously proportionally consolidated are now consolidated by the equity method; the figures for the full 12 months of 2013 have thus been restated and will not match those in the published 2013 annual results.
 * Current cash net of financial liabilities related to financing operations.

¹ Current operating profit excluding dissimilar barter.

Current operating profit (excluding barter) by activity

12 months rolling to December 31 (in € million)	2014	2013 ^(R)	Change
Music Media and Events	42.6	53.1	-19.8%
Television	(24.6)	(21.9)	-12.3%
International Activities	9.4	8.1	+16.0%
Shows and Other Productions	2.1	3.9	-46.2%
Broadcasting	20.4	14.7	+38.8%
Other activities	0.4	(1.1)	NA
Current operating profit excluding dissimilar barter	50.3	56.8	-11.4%
Operating profit from dissimilar barter	(0.4)	(0.2)	<i>unknown</i>
Current operating profit	49.9	56.6	-11.8%

Music Media and Events (MME): ROC¹ of €42.6 million (-19.8%) in 2014

In the difficult economic climate of 2014, the Music Media and Events division posted revenues of €193.7 million, down 4.2%. It does however continue to have strong fundamentals: the Group's radio stations are listened to every day by close to **12.4 million listeners** and **NRJ**, which has confirmed its position as **the number 1 radio in France** with 152,000 more listeners than the radio station ranked second brings together **6,635,000 French people** every day².

The current operating profit for **Radio in France** fell as a result of:

- lower revenues linked to the difficult economic climate which had an adverse effect on advertisers' buying decisions;
- a high comparison base: €3.7 million of positive non-recurring items in 2013.

The **Digital** sector, which makes a marginal contribution to the current operating profit of the MME division (around 4%), posted a significant increase in profitability (+25.0%).

In 2015, the Group intends:

- to increase its audience shares through its "flagship" NRJ and its three adult stations (Radio Nostalgie, Chérie FM and Rire & Chansons) which should reap the benefit of the editorial work that has been ongoing for the last few months;
- to increase sales team resources, against a backdrop of competitive and financial pressure;
- to continue its digital investments in the entertainment sector in order to: improve data qualification and monetization; launch new brands (websites/apps); capitalize on the listing of new websites and apps; improve the marketing of Group content on third party websites.

Television: ROC¹ of -€24.6 million in 2014 (vs -€21.9 million in 2013)

In 2014, the Television division posted revenues of €74.8 million, down 7.2%.

The additional €2.7 million operating loss generated by the television division was due to:

- a fall in NRJ 12 revenue;
- a significant increase in TNT HD broadcasting costs for Chérie 25, as a result of the channel's roll-out schedule in France.

The NRJ Group begins 2015 determined to win audience shares. To confirm this commitment, it posted €35.8 million of non-recurring depreciation for stocks of programs which no longer fit the Group's audience target. The Television division enters 2015 in a stronger position and this will allow it to deploy an offensive editorial strategy with a view to gaining audience numbers.

2015 will be a year of transition marked by an increase in scheduling costs (of somewhere between 30% and 40%) and sales team resources. However, the increase in program scheduling costs should not impact revenues until the second half of 2015. The full impact of the higher audience numbers and revenue should be felt in 2016. Backed by a stronger editorial line-up, the NRJ Group is targeting break-even for its Television division in 2017.

² Médiamétrie, 126,000 Radio, November-December 2014, LâV 13+, NRJ, 5 am-midnight, cumulative audience.

International Activities: ROC¹ of €9.4 million (+16.0%) in 2014

In 2014, the International Activities division posted revenues of €38.7 million, up 4.6%.

As stated in the annual revenue figures announced, revenues for Finland are no longer posted to "revenue" but to "other income" since the Group embarked on a commercial cooperation with the MTV MEDIA group on November 1, 2014. In 2014, Finland generated revenues of €4.1 million. The practice of posting revenue to "other income" does not impact the current operating profit calculation.

The International Activities make an important contribution to Group results. Indeed, the current operating profit excluding dissimilar barbers grew 16.0% to €9.4 million in 2014.

This strong growth reflects an increase in current operating profit in Germany and Belgium, driven by higher revenues and cost control, and an improvement in the current operating profit generated by Austria which benefited in particular from the 2013 closure of the loss-making radio stations in Styria.

In 2015, the Group plans to pursue profitable growth by strengthening its position on high-potential markets (particularly Germany and Belgium), while continuing to keep costs very much under control.

Shows and Other Productions: ROC¹ of €2.1 million (-46.2%) in 2014

In 2014, the Shows and Other Productions division posted revenue of €4.2 million (versus €29.1 million in 2013) and a current operating profit excluding dissimilar barbers of €2.1 million (versus €3.9 million in 2013).

The "1789 Les Amants de la Bastille" show contributed €0.4 million to current operating profit compared to its 2013 contribution of €1.2 million as a result of the musical closing on January 5, 2014.

The current operating profit from the music label segment also fell €1.1 million to €1.5 million. This was caused by a fall in the market for physical sales and a high comparison base which included two editions of the NRJ Music Awards (usually one). Despite this, the Music label segment sustained a high level of profitability (operating margin of 53.6% in 2014).

Broadcasting: ROC¹ of €20.4 million (+38.8%) in 2014

In 2014, the Broadcasting division posted revenues of €60.9 million, up 9.9%.

EBITDA³ was €31.1 million in 2014 compared to €28.4 million in 2013. The current operating profit excluding dissimilar barbers was €20.4 million in 2014 compared to a 2013 figure of €14.7 million, up 38.8%.

This increase reflects the development of the Broadcasting division and positive changes for a value of almost €4 million in non-recurring items between 2013 and 2014, including nearly €2 million posted to 2014.

In terms of 2015, the Group has announced that the Audiovisual Council (*Conseil Supérieur de l'Audiovisuel*) decided on January 21, 2015 to postpone the deployment phase of the R5, R7 and R8 networks, originally planned for April 7, 2015 (phase 12). In addition, 10% of the TNT contracts will be renewed in 2015 and are likely to suffer from fierce competition.

Over the 2014 fiscal year, the NRJ Group generated a **current operating profit excluding barbers** of €50.3 million, which was down 11.4% on the previous year.

The Group generated operating profit of €13.1 million (compared to €51.8 million in 2013). This includes non-recurring depreciation of €35.8 million for program stocks in the Television division which no longer fit the audience target.

The net profit Group share was €9.3 million in 2014 compared to €19.8 million in 2013. It includes a profit of €1.3 million and a tax charge on profit of €6 million.

The net cash surplus* as at December 31, 2014 was €119.0 million, up €164 million on the December 31, 2013 figure, i.e. growth of 16.0%.

The Board of Directors, at a meeting on March 17, 2015, **canceled 2,663,689 treasury shares**, equating to 3.28% of the capital. The share capital now stands at €784,178.46 divided into 78,417,846 shares.

The Board of Directors will also propose that the General Shareholders' Meeting on May 20 approves a **new share buy-back scheme**.

³ Current operating profit excluding dissimilar barbers before amortization and provisions.

Finally, in view of the investments it will make in the Television division in 2015 and the still uncertain economic climate, the Group will exercise caution in its use of available cash. As a result, the Board of Directors will propose to the General Shareholders' Meeting that **no dividend is paid for fiscal year 2014**.

Outlook

Outlook: In 2015, the Group will continue to implement the changes which began in 2014. This will be a year of transition, marked particularly by investment in television and an increase in the sales team resources in both Television and Radio. The Group will also capitalize on its continued profitable growth on the international market and the development of its broadcasting activity.

Next dates: Publication of the financial information for the first quarter of 2015 on May 6, 2015 (after close of trading). The Group's General Shareholders' Meeting will be held on May 20, 2015.

Additional information :

The NRJ Group's corporate and consolidated accounts for fiscal year 2014 were approved by the Board of Directors at its meeting on March 17, 2015.

The corporate and consolidated accounts have been duly audited. The certification reports will be issued once the formalities for filing the Registration Document have been completed or the annual financial report has been published.

About NRJ GROUP

NRJ GROUP is one of the leading French private media groups and an international player present in 15 other countries, either directly or under licensing agreements with the NRJ/ENERGY brand, the number one international radio brand, and/or NOSTALGIE/NOSTALGIA. In France, the Group is the private radio market leader and one of the new players on the television market. The Group is also a significant player on the radio broadcasting market, through its subsidiary towerCast, number two on the French broadcasting market. NRJ GROUP is a publisher, producer and broadcaster, and markets its own media spaces. For several years, it has been supported by the strength of its radio media and its NRJ, NOSTALGIE, CHERIE FM and RIRE & CHANSONS brands, as well as its marketing expertise and commercial power for deploying new media, particularly in the Television division, or new ways to access its media, principally the internet, and related activities around partnerships in order to follow and anticipate consumer developments, while offering a wider range of advertising services for its clients.

*NRG GROUP shares are listed on the Euronext in Paris (compartment B).
Codes - ISIN: FR00012169; Reuters: SONO.PA; Bloomberg: NRG FP.*

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