



Paris, November 8, 2016
Financial information for the 3rd quarter 2016

Radio operations still undermined by inaccurate audience figures ⁽¹⁾

3rd quarter 2016

Consolidated Group revenue⁽²⁾: €82.5 million

9 months 2016

Consolidated Group revenue⁽²⁾: €265.1 million

In millions of euros	3 rd quarter			9 months to date		
	2016	2015	Change	2016	2015	Change
Music Media and Events	42.9	44.8 [®]	-4.2%	135.4	139.7 [®]	-3.1%
Television	18.4	19.2	-4.2%	62.1	60.9	2.0%
International Activities	8.2	8.0	2.5%	25.5	24.7	3.2%
Broadcasting	13.0	15.6	-16.7%	42.1	47.4	-11.2%
Revenue excluding dissimilar barbers	82.5	87.6	-5.8%	265.1	272.7	-2.8%
Dissimilar barbers	0.8	0.8	0.0%	2.8	2.4	16.7%
Revenue including dissimilar barbers	83.3	88.4	-5.8%	267.9	275.1	-2.6%

[®] Restated after aggregation of the segment «Shows and Other Productions» and «Music Media and Events» into a single operating segment.

MUSIC, MEDIA AND EVENTS (MME): AN ATYPICAL ENVIRONMENT

The MME division posted revenue⁽²⁾ of €42.9 million in the third quarter of 2016, a 4.2% decrease which is primarily attributable to radio operations, which saw a decline of more than 6% in national advertising income due to inaccurate audience figures.

The audience results in the April-June 2016 "126 000 Radio" study conducted by the Médiamétrie audience measurement company were distorted due to the long-running and large-scale campaign⁽³⁾ broadcast through Fun Radio (subsidiary of RTL / Bertelsmann) since at least February 2015 that encouraged its listeners to give a false account of their listening habits.

The Paris Commercial Court⁽⁴⁾ and the Paris Court of Appeal⁽⁵⁾ concluded that the messages broadcast through Fun Radio constituted manipulation of the audience measurement process. They also determined that there was a link between the broadcast of the messages on Fun Radio and the increase in the station's audience results. As a result, these messages led to false audience results for other radio stations, including NRJ Group stations.

The wrongful behaviour of Fun Radio had a significant adverse effect on the advertising revenue of NRJ Group's radio operations since the start of 2016, especially during the third quarter.

Digital operations, meanwhile, generated a 21.1% increase in revenue⁽²⁾. With over 220 Internet radio stations, in September 2016 the Group posted record growth (+28%⁽⁶⁾ over one year) and was ranked first in the French web radio segment (46.6 million active listening sessions in France⁽⁷⁾ and over 56.4 million in the world⁽⁷⁾). The Group's four radio brands constitute the top 4 digital radio brands⁽⁷⁾.

Amidst this growth momentum, in September the Group launched the NRJ PLAY digital hub, which offers the best of the Group's video and audio content, and NRJ ACTIVE, a job search and advice portal aimed at Millennials (the "digital natives" generation).

TELEVISION

The high volatility effect of this quarter occurred in a competitive environment notably marked by special sporting events such as Euro 2016 and the Olympic Games, and by an overall weak advertising market in September. The revenue⁽²⁾ of the TV division amounted to €18.4 million (-4.2%), marked by a sharp decline in September, a trend that did not continue into October for the Group's TV division.

In the third quarter of 2016, the combined audience share of the two free channels among all audiences was 2.6%, versus 2.7% in the third quarter of 2015⁽⁸⁾.

NRJ 12 posted an audience share of 1.5% among all audiences, compared to 1.9% one year earlier⁽⁹⁾. The channel continued to innovate and presented enhanced programming for the 2016/2017 season, with new content (*La Revanche des ex*, *The Game of Love*, *Undressed*, and more) that is expected to boost audience figures.

Chérie 25 continued to grow more successful, with an audience share of 1.1% among all audiences in the third quarter of 2016 (with an all-time record of 1.2% in August⁽¹⁰⁾), compared to 0.8% one year earlier⁽¹¹⁾. The channel has benefited from its successful film programming and from its offer of signature, federating magazine-style shows.

Finally, **NRJ Hits**, remaining true to its "100% Music, 100% Hits" concept, capitalised on its position as the top cable-satellite-ADSL music channel⁽¹²⁾ with nearly 4.9 million viewers each month⁽¹³⁾.

INTERNATIONAL ACTIVITIES

The Group's international activities posted a 2.5% increase in revenue⁽²⁾, which amounted to €8.2 million, chiefly driven by Germany, the largest contributor to the division's business.

BROADCASTING

The broadcasting division recorded revenue⁽²⁾ of €13.0 million, an anticipated decline of 16.7% (-€2.6 million) due to the early termination of its broadcasting contracts (multiplexes R5 and R8). The Group nonetheless continued to expand its broadcasting business on the Radio and Digital Terrestrial Television markets, strengthening its market share (29% market share in private FM and 23% market share in DTT broadcasting at the end of September 2016).

In the framework of its share buy-back program, NRJ GROUP will sign a share buy-back mandate with an Investment Services Provider (ISP) for the buy-back of NRJ GROUP shares up to a maximum of 3% of its share capital. As required by law, during the mandate the Company will regularly inform the market about the shares bought back.

Next release: Full Year 2016 revenue: on February 2, 2017 after close of trading.

Notice: Some of the information contained in this financial release may be provisional. This information reflects either trends or objectives and cannot be taken as a forecast of results or of any other performance indicator. By its very nature, such information is subject to risks and uncertainties which may, in certain cases, be beyond the Company's control. More details on these risks and uncertainties can be found in the Company's Registration Document which is available on its website (www.nrjgroup.fr) in the "Finances/ Publications financières/ Rapports financiers" section.

Sources :

(1)

<http://www.mediametrie.fr/mediametrie/communiqués/decision-de-mediamedetrie-sur-la-126000-radio.php?id=1488>

<http://www.mediametrie.fr/radio/communiqués/l-audience-de-la-radio-en-france-sur-la-periode-avril-juin-2016.php?id=1498>

⁽²⁾ Excluding dissimilar barbers.

⁽³⁾ June 2016 report by CESP (the French Centre for the Study of Advertising Media)

⁽⁴⁾ Ruling of the Paris Commercial Court (Tribunal de commerce de Paris) of 12 July 2016 (RG 2016042716)

⁽⁵⁾ Judgement of the Paris Court of Appeal (Cour d'appel de Paris) of 20 September 2016

Sources: ACPM-OJD, Global digital radio broadcasting, NRJ Group.

⁽⁶⁾ Annual evolution record, Worldwide data, September 2016 vs September 2015.

⁽⁷⁾ September 2016, (Worldwide: 56.431.877 active listening sessions + 30 seconds, France: 46.598.441 active listening sessions + 30 seconds).

Sources: Médiаметrie-Médiamat, Audience Share (%), Day of viewing, aged 4 years +, Monday to Sunday, 3h-27h.

⁽⁸⁾ (NRJ 12 + Chérie 25), Audience share, Annual change, Q3 2016 (07/04/16-10/02/16) vs Q3 2015 (06/29/15-09/27/15)

⁽⁹⁾ NRJ 12, Audience share, Annual change, Q3 2016 (07/04/16-10/02/16) vs Q3 2015 (06/29/15-09/27/15).

⁽¹⁰⁾ Chérie 25, Audience share, August 2016.

⁽¹¹⁾ Chérie 25, Audience share, Annual change, Q3 2016 (07/04/16-10/02/16) vs Q3 2015 (06/29/15-09/27/15).

Sources: Médiаметrie-Médiamat/Thematik, consolidated audience, full wave 31 (January 2016-June 2016), Monday to Sunday, 3h-27h, aged 4 years +.

⁽¹²⁾ Ranking TME.

⁽¹³⁾ Coverage 4 weeks viewing threshold 10 consecutive seconds.

About NRJ GROUP

NRJ GROUP is one of France's leading private media groups in the publishing, production and broadcasting sectors and also markets its own media spaces.

In France, the Group tops the private radio market with its four brands (NRJ, CHERIE FM, NOSTALGIE and RIRE & CHANSONS), is a significant player on the television market where it operates and develops two free national channels (NRJ 12 and CHERIE 25) and a paying channel (NRJ HITS, the number 1 cable-satellite-ADSL music channel) and, through its subsidiary towerCast, ranks number two on the French broadcasting market. Backed by its strong brands, marketing expertise and commercial performance, the Group has expanded its digital offering in recent years (8 websites, over 220 Internet radio stations and 7 mobile apps) to offer a wider range of advertising services to its clients and to monitor and anticipate future media consumption. Today, NRJ Group is the number 1 Internet radio group in France.

On the international market, the Group is present in 14 other countries, either directly or through NRJ/ENERGY, the number one international radio brand, and/or NOSTALGIE/NOSTALGIA licensing agreements.

NRJ GROUP shares are listed on the Euronext in Paris (compartment B).

Codes - ISIN: FR000121691; Reuters: SONO.PA; Bloomberg: NRG FP.

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