

FY results postview - Small Caps

Price (15 March 2010)	EUR14.7
Market cap./Free float (EURm)	234.4/86.2
EV (EURm)	215.0
3m avg. volume (EURm)	0.1
Reuters/Bloomberg	NXTV.PA/NXTV.FP

Financial data	12/08	12/09e	12/10e	12/11e
Adjusted EPS (EUR)	0.16	0.10	0.96	1.50
EPS - IBES (EUR)	0.06	(0.04)	0.77	1.26
Net dividend (EUR)	0.04	0.00	0.00	0.00
Sales (EURm)	121	123	142	151
Adjusted EBIT (EURm)	10.0	8.2	26.2	32.7
Adj. net profit (EURm)	2.4	1.5	15.9	25.0
Adj. net debt / EBITDA (x)	3.8	2.7	0.1	-

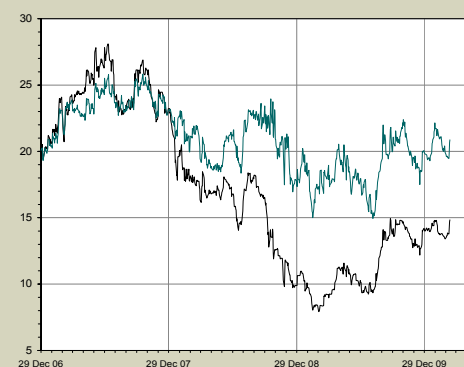
Stockmarket ratios*	12/08	12/09e	12/10e	12/11e
P/E (x)	104.1	110.9	15.4	9.8
P/BV (x)	2.3	1.5	1.8	1.5
Net yield (%)	0.2	0.0	0.0	0.0
FCF yield (%)	5.8	2.3	7.1	11.3
EV/Sales (x)	2.2	1.3	1.5	1.3
EV/EBITDA (x)	22.2	21.9	7.8	5.6
EV/EBIT (x)	26.8	19.5	8.2	5.8

* Yearly average prices for FY to end-12/08, 12/09

Performance* (%)	1w	1m	3m	12m
Absolute	7	7	17	76
Rel. Media	7	1	12	28
Rel. SBF 120	7	(1)	14	20

* In listing currency, with dividend reinvested

Price relative to SBF 120



— NextRadioTV — Relative to SBF 120

Outperform

Target price	EUR20 (+36%)
Sector rating	Outperform

2009 below estimates - Strong start to 2010

► 2009 below expectations on higher losses than expected at BFM TV

Recurring EBIT was EUR4.5m, far below our EUR8.2m forecast. The main discrepancy with our estimate stemmed from higher operating charges than expected at BFM TV (EBITA loss of EUR9.6m vs EUR6.5m expected). Radio EBIT was EUR17.1m (29% EBIT margin, stable vs 2008) vs EUR17.7m estimated. The EBITA loss at Groupe 01 was EUR2.7m, lower than our EUR3.0m estimate, implying flat EBITA in H2 10, which is good news. This difference at the EBITA level explains the discrepancy between the reported EUR6m net loss and our estimated EUR2.8m loss.

► Strong start into 2010 and no expected change to our 2010 forecasts

Radio advertising is up by between 5% and 10% in Q1 10 (vs a stable radio advertising market). The rest of the year should be supported the soccer World Cup and the opening up of the online gaming market. Our forecast of a 10% rise over the year is unchanged. The company says BFM TV's revenues are up 50% in Q1 10, EBIT is positive in March and H1 10 EBITDA should be positive (before EUR1m of amortisation). We leave unchanged our forecast of EUR1.6m EBIT for FY10, implying a first year of profit for the TV asset. For Groupe 01, the full impact of the costs savings activated in 2009 makes us confident that our EUR2.5m EBITA forecast will be achieved. Consequently, we will tweak our forecasts today but are likely to leave our FY10 group EBIT broadly unchanged at EUR26m.

► Outperform rating maintained

Our Outperform rating is founded on the attractive valuation level (8.2x 2010e EV/EBITA) and strong earnings momentum in 2010. Momentum in radio advertising is strong; BFM TV should move into the black, implying a valuation call on the asset; Groupe 01 should benefit from the restructuring programme initiated in 2009.

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Funding Analysis

NextRadioTV

Gross cash position at 31 Dec. 08						
EURm	Dec. 09	Dec. 10	Dec. 11	Dec. 12	Dec. 13	Dec. 14
FCF	4	17	27	33	39	45
Gross debt reimbursements ¹			(18)	(18)	(18)	
New funds (debt, capital, divestment)	20					
Other cash outflows (acquisitions etc)						
Dividend base case	(0)	0	(3)	(5)	(8)	(11)
Share buybacks						
SURPLUS/(SHORTFALL)						
Annual	34	17	6	10	13	34
Cumulative	34	51	57	66	80	114
Annual if div is 0 from Dec. 10	na	17	8	15	21	45
Cumulative if div is 0 from Dec. 10	na	51	59	74	95	140
Available credit lines	0		0			

Covenant(s):	Net debt/EBITDA<4.5x in 2008 and then 3x through to 2011 Net debt/shareholders' funds<1.1x					
Net Debt / EBITDA ²	2.7x	0.1x	(0.7x)	(1.3x)	(2.0x)	(2.7x)
Minimum EBITDA threshold	8	2	8			
% change to breach covenants	8%	(93%)	8%			
Gearing ²	17%	2%	(14%)	(27%)	(38%)	(47%)
Minimum Equity threshold	21	5	21			
% change to breach covenants	(81%)	(96%)	(81%)			

¹ Gross debt reimbursement post Dec. 14: EUR0m

² Ratio based on our estimates

► Net debt/EBITDA covenant ratio expected to be broken in 2009 but the EUR20m capital increase planned in September will fix the situation. EUR55m OBSAAR to be redeemed in 2011, 2012 and 2013 while we expect the company to be in a net cash position in 2011. (Comment updated on 28 Jul. 09)

Source: Exane BNP Paribas estimates

Forthcoming events

Date	Event
15 Apr. 2010	Q1 2010 Sales
20 May 2010	AGM
26 Jul. 2010	Q2 2010 Sales and Results
21 Oct. 2010	Q3 2010 Sales
25 Jan. 2011	Q4 2010 Sales
10 Mar. 2011	FY 2010 Results

Commitment of transparency (see www.exane.com/disclosureequitiesuk for details. Complete disclosures available on www.exane.com/compliance)

Exane is independent of BNP Paribas (BNPP) and the agreement between the two companies is structured to guarantee the independence of Exane's research, published under the brand name "Exane BNP Paribas". Nevertheless, to respect a principle of transparency, we separately identify potential conflicts of interest with BNPP regarding the company/(ies) covered by this research document.

Exane								
Investment banking	Distributor	Liquidity provider	Corporate links	Analyst's personal interest	Equity stake		Amended after Disclosure to company	Additional material conflicts
					US Law	French Law		
NO	NO	YES	NO	NO	NO	NO	NO	YES*

*Exane was indirectly interested in the success of the Nextradio TV rights issue where BNPP acted as joint bookrunner (08/2009)

Source: Exane

BNP Paribas

BNP acted as Joint bookrunner for the rights issue (08/2009)

Source: BNP Paribas

Price at 15 Mar. 10 / Target Price

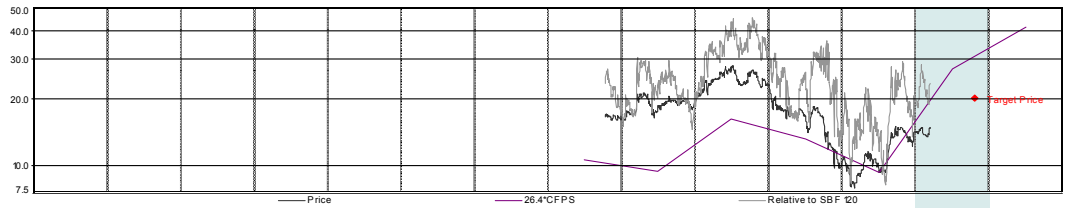
EUR14.7 / EUR20 +36%

Reuters / Bloomberg: NXTV.PA / NXTV.FP Analyst: Nicolas Gindre (+33) 1 42 99 52 66

NEXTRADIOTV (Outperform)

Broadcasting & Entertainment | Media (Outperform) - France

Company Highlights				EURm
Enterprise value				215
Market capitalisation				234
Free float				86
3m average volume				0
Performance (*)				
	1m	3m	12m	
Absolute	7%	17%	76%	
Rel. Sector	1%	12%	28%	
Rel. SBF 120	(1%)	14%	20%	
12m Hi/Lo (EUR) : 14.9 -2% / 8.4 +76%				
CAGR				2003/2009
EPS restated (**)	NC	NC	284%	
CFPS	NC	NC	111%	



PER SHARE DATA (EUR)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
No of shares year end, basic, (m)	10,833	10,833	10,833	12,494	12,494	16,666	14,100	15,943	15,943	15,943
Average no of shares, diluted, excl. treasury stocks (m)	10,833	10,833	10,833	11,248	12,494	8,353	15,383	14,742	16,666	16,666
EPS reported	(530.4)	16.90	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EPS restated	(0.74)	(0.24)	0.01	0.15	0.23	0.19	0.16	0.10	0.96	1.50
% change	NS	67.9%	NS	1897.1%	48.8%	(14.3%)	(19.8%)	(34.6%)	840.2%	57.0%
CFPS	(0.91)	(0.30)	0.02	0.40	0.36	0.61	0.50	0.36	1.03	1.58
Book value (BVPS) (a)	2.5	2.5	2.6	5.6	5.8	5.7	7.0	7.3	8.3	9.8
Net dividend	0.00	0.00	0.00	0.00	0.00	0.03	0.04	0.00	0.00	0.00

STOCK MARKET RATIOS	YEARLY AVERAGE PRICES for end Dec. 05 to Dec. 09									
	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e	
P / E (P/ EPS restated)				108.8x	82.5x	124.7x	104.1x	110.9x	15.4x	9.8x
P / E relative to SBF 120				699%	478%	724%	721%	813%	101%	77%
P / CF				41.2x	51.9x	39.5x	32.5x	31.6x	14.3x	9.3x
FCF yield				5.2%	0.6%	(0.5%)	5.8%	2.3%	7.1%	11.3%
P / BVPS				2.94x	3.21x	4.25x	2.30x	1.54x	1.77x	1.50x
Net yield				0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%
Payout				(0.0%)	(0.0%)	0.0%	16.5%	25.8%	3.5%	0.0%
EV / Sales				4.48x	4.25x	2.26x	2.22x	1.30x	1.52x	1.25x
EV / Restated EBITDA				24.5x	42.2x	24.8x	22.2x	21.9x	7.8x	5.6x
EV / Restated EBIT				27.9x	55.4x	31.4x	26.8x	19.5x	8.2x	5.8x
EV / OpFCF				16.3x	118.3x	86.3x	14.6x	21.6x	8.3x	5.7x
EV / Capital employed (incl. gross goodwill)				2.8x	3.3x	1.7x	2.2x	1.3x	1.7x	1.5x

ENTERPRISE VALUE (EURm)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
Market cap				179	227	237	268	160	215	190
+ Adjusted net debt				186	233	202	249	166	234	234
+ Other liabilities and commitments				2	3	62	46	20	3	(22)
+ Revalued minority interests				2	2	2	2	2	2	2
- Revalued investments				0	12	12	29	28	24	24

P & L HIGHLIGHTS (EURm)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
Sales	13	24	32	40	54	105	121	123	142	151
Restated EBITDA (b)	(8)	(2)	3	7	5	10	12	7	28	34
Depreciation	(1)	(1)	(1)	(1)	(1)	(2)	(2)	(1)	(1)	(1)
Restated EBIT (b) (**)	(9)	(3)	2	6	4	8	10	8	26	33
Reported operating profit (loss)	(9)	(3)	2	6	4	8	10	8	26	33
Net financial income (charges)	(1)	(1)	(1)	(1)	(1)	(4)	(6)	(4)	(2)	1
Affiliates	0	0	0	0	0	0	0	0	0	0
Other	0	5	2	0	(2)	(20)	(1)	(7)	0	1
Tax	4	0	(1)	(3)	0	5	(1)	1	(7)	(8)
Minorities	1	(0)	(0)	(1)	(0)	(0)	(0)	(1)	(1)	(2)
Goodwill amortisation	(15)	-	-	-	-	-	-	-	-	-
Net attributable profit reported	(21)	1	1	2	2	(12)	2	(3)	16	25
Net attributable profit restated (c)	(21)	(3)	0	2	3	2	2	1	16	25

CASH FLOW HIGHLIGHTS (EURm)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
EBITDA (reported)	(8)	(2)	3	7	5	10	12	7	28	34
EBITDA adjustment (b)	0	0	0	0	0	0	0	0	0	0
Other items	0	0	0	0	0	0	0	3	0	1
Change in WCR	0	(5)	(2)	4	(3)	(4)	8	(1)	0	0
Operating cash flow	(8)	(7)	1	11	2	6	20	9	28	35
Capex	0	(0)	(0)	(0)	(1)	(3)	(2)	(1)	(2)	(2)
Operating free cash flow (OpFCF)	(8)	(8)	1	11	2	3	18	7	26	33
Net financial items + tax paid	(1)	(1)	(1)	(1)	(1)	(4)	(4)	(3)	(9)	(7)
Free cash flow	(10)	(9)	(0)	10	1	(1)	15	4	17	27
Net financial investments & acquisitions	0	0	0	(3)	0	(78)	13	0	0	0
Other	0	2	0	(4)	(2)	(13)	(11)	0	0	0
Capital increase (decrease)	0	0	0	33	0	33	0	20	0	1
Dividends paid	0	0	0	0	0	(0)	(1)	(0)	(3)	(3)
Increase (decrease) in net financial debt	10	7	(0)	(35)	1	59	(16)	(24)	(17)	(25)
Cash flow, group share	(10)	(3)	0	5	4	5	8	5	17	26

BALANCE SHEET HIGHLIGHTS (EURm)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
Fixed operating assets, incl. gross goodwill	53	52	51	63	63	142	130	130	130	130
WCR	1	5	6	2	5	1	(6)	(5)	(5)	(5)
Capital employed, incl. gross goodwill	54	57	57	65	68	143	124	125	125	126
Shareholders' funds, group share	27	27	28	70	73	95	99	116	133	156
Minorities	1	2	2	1	1	1	1	2	3	5
Provisions/ Other liabilities	10	5	4	3	3	14	6	10	9	4
Net financial debt (cash)	30	37	37	2	3	62	46	22	5	(20)

FINANCIAL RATIOS (%)	Dec. 02	Dec. 03	Dec. 04	Dec. 05	Dec. 06	Dec. 07	Dec. 08	Dec. 09e	Dec. 10e	Dec. 11e
Sales (% change)	NS	78.4%	33.6%	26.4%	33.7%	96.4%	14.9%	1.7%	15.3%	6.9%
Organic sales growth		78.4%	33.6%	26.4%	33.7%	20.3%	16.5%	1.7%	15.3%	6.9%
Restated EBIT (% change) (**)	NS	64.0%	NS	244.4%	(36.0%)	84.1%	32.5%	(18.2%)	221.0%	24.7%
Restated attributable net profit (% change) (**)	NS	67.9%	NS	1973.6%	65.2%	(42.7%)	47.6%	(37.3%)	963.0%	57.0%
Personnel costs / Sales	68.2%	49.7%	42.7%	41.4%	42.7%	44.8%	43.7%	45.2%	40.7%	39.2%
Restated EBITDA margin	(63.8%)	(10.1%)	8.5%	18.2%	10.1%	9.1%	10.0%	5.9%	19.5%	22.6%
Restated EBIT margin	(70.7%)	(14.2%)	5.9%	16.0%	7.7%	7.2%	8.3%	6.7%	18.5%	21.6%
Tax rate	NC	NC	29.9%	55.7%	NC	NC	26.7%	NC	29.3%	23.7%
Net margin	(167.3%)	4.3%	5.3%	5.8%	3.6%	(10.9%)	1.8%	(1.5%)	12.0%	17.8%
Capex / Sales	NC	1.1%	0.4%	1.0%	0.9%	2.8%	1.5%	1.1%	1.1%	1.2%
OpFCF / Sales	(63.8%)	(32.4%)	3.3%	27.5%	3.6%	2.6%	15.2%	6.0%	18.3%	22.1%
WCR / Sales	9.2%	20.8%	20.3%	5.8%	9.9%	1.2%	(4.9%)	(4.0%)	(3.5%)	(3.2%)
Capital employed (excl. gross goodwill) / Sales	35.8%	32.7%	26.2%	15.7%	18.0%	7.4%	0.2%	1.1%	1.2%	1.3%
ROE (before goodwill)	(29.9%)	(9.4%)	0.3%	2.4%	3.9%	1.7%	2.4%	1.3%	12.0%	16.0%
Gearing	108%	128%	121%	3%	5%	65%	46%	17%	2%	(14%)
EBITDA / Financial charges	NC	NC	2.3x	6.1x	9.4x	2.5x	1.9x	1.7x	12.0x	NC
Adjusted financial debt / EBITDA	NC	NC	14.0x	0.3x	0.6x	6.5x	3.8x	2.7x	0.1x	NC
ROCE, excl. gross goodwill	NS	(29.2%)	15.0%	68.5%	28.5%	65.1%	NS	NS	NS	NS
ROCE, incl. gross goodwill	(15.0%)	(4.0%)	2.2%	6.6%	4.0%	3.5%	5.4%	4.4%	14.0%	19.9%
WACC	NC	NC	NC						6.0%	6.0%

(a) Intangibles: EUR123.50m, or EUR9 per share. (b) adjusted for capital gains/losses, impairment charges, exceptional restructuring charges, capitalized R&D, pension charge replaced by service cost
(c) adj. for capital gains losses, imp. charges, capitalized R&D, am. of intangibles from M&A, exceptional restructuring, (*) In listing currency, with div. reinvested, (**) also adjusted for am. of intangibles from M&A, or for am. of goodwill for pre IFRS years