50 YEARS OF PASSION AND INNOVATION

JCDecaux

# H1 2014 RESULTS

## July 31th, 2014

# BUSINESS OVERVIEW

**Jean-Charles Decaux**
**Chairman of the Board and Co-CEO**



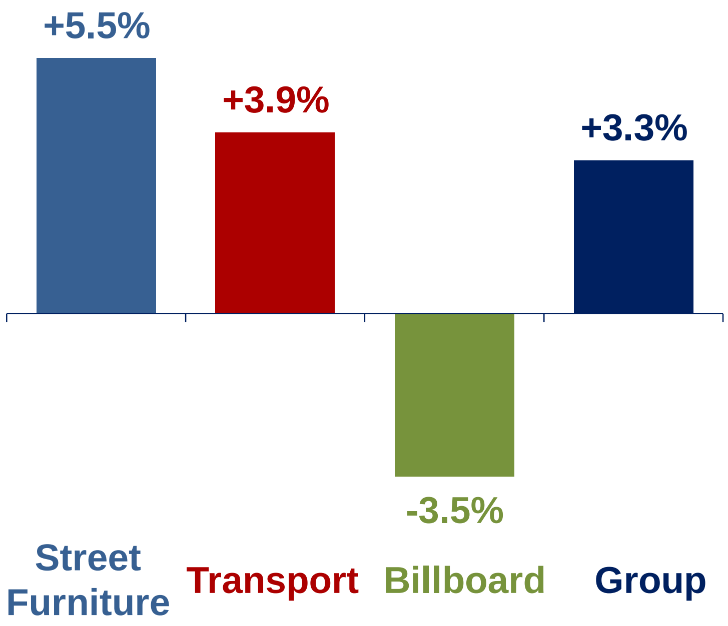
# H1 2014 RESULTS

| In million Euros, except %. Adjusted figures [1] except when IFRS. | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ **Revenues** | **1,304.8** | **1,263.5** | **+3.3%** |
| ▶ **Operating margin** | **263.5** | **267.8** | **-1.6%** |
| ▶ **EBIT before impairment charge** [2] | **131.1** | **139.5** | **-6.0%** |
| ▶ **Net income Group share before impairment charge, IFRS** [3] | **79.1** | **87.8** | **-9.9%** |
| ▶ **Net cash flow from operating activities** | **172.3** | **149.4** | **+15.3%** |
| ▶ **Free cash flow** | **101.3** | **62.2** | **+62.9%** |
| ▶ **Net debt** [4] **as of end of period, IFRS** | **113.3** | **179.5** | |
| *Net debt / Operating margin* [5] | *0.2x* | *0.4x* | |

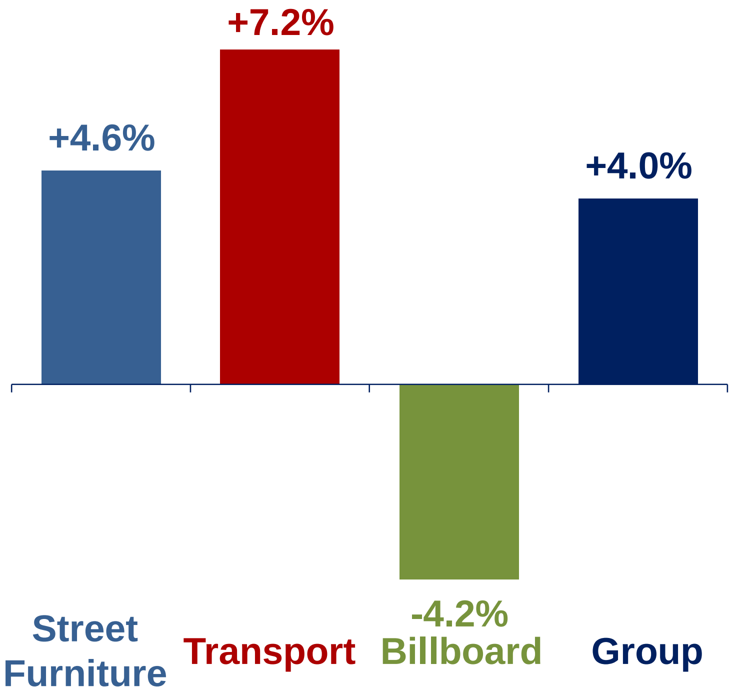
*[1] Adjusted figures include our prorata share in companies under joint control (accounted for using the equity method under IFRS 11).*
*[2] The impact of the impairment charge on EBIT corresponds to a €4.5m impairment undertaken on the net assets of some of our companies under joint control in H1 2014 (€0.0m in H1 2013) following the impairment tests conducted, and a €1.1m reversal on provisions for onerous contracts (the comparable figure was €0.3m in H1 2013)*
*[3] The negative impact of the impairment charge (described in note 2) on Net income Group share corresponds to €3.7m (the €0.3m difference being the tax effect). The comparable figure was -€0.3m in H1 2013*
*[4] H1 2013 IFRS Net debt figure is proforma of the impact of IFRS 11 (under which companies under joint control are accounted for using the equity method). The impact on previously published H1 2013 Net debt is +€89.3m*
*[5] Trailing 12 months operating margin*
*Please refer to page 48 for financial definitions*

# H1 2014 ADJUSTED REVENUE GROWTH BY SEGMENT

## Reported growth (%)



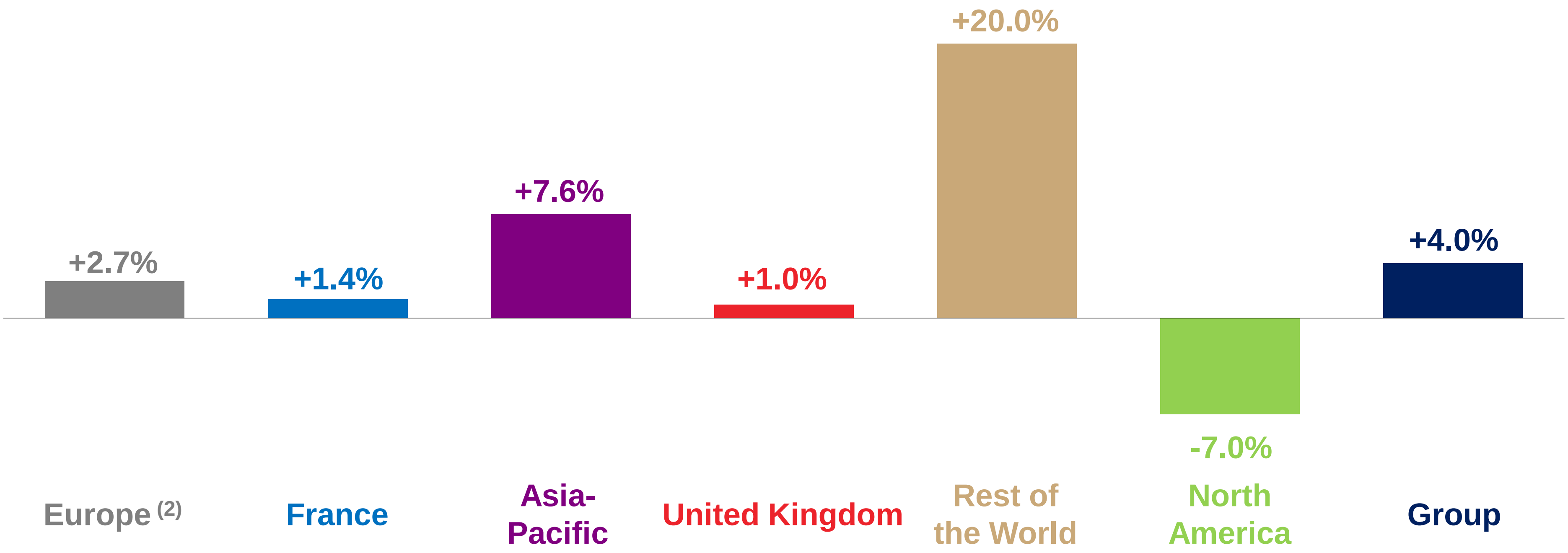

## Organic growth (%) [1]




[1] *Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange.*

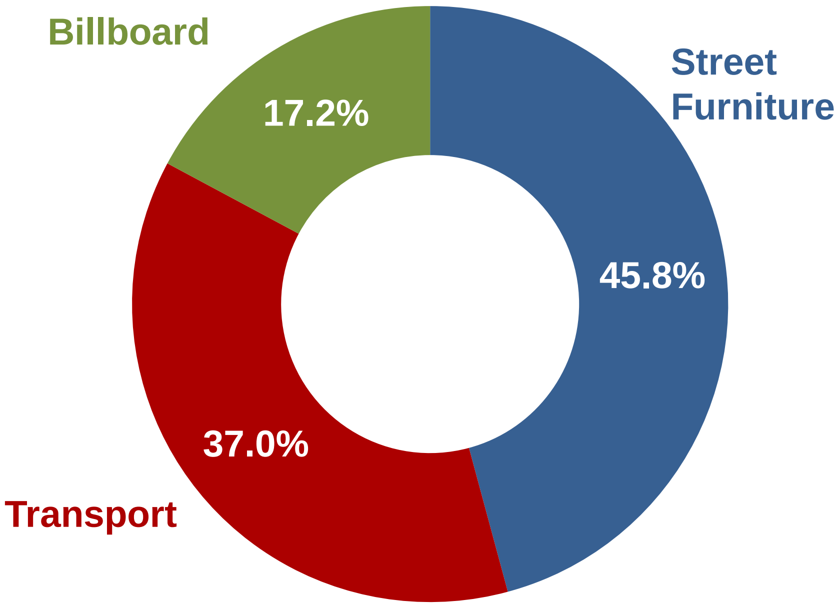
# H1 2014 ADJUSTED REVENUE GROWTH BY REGION

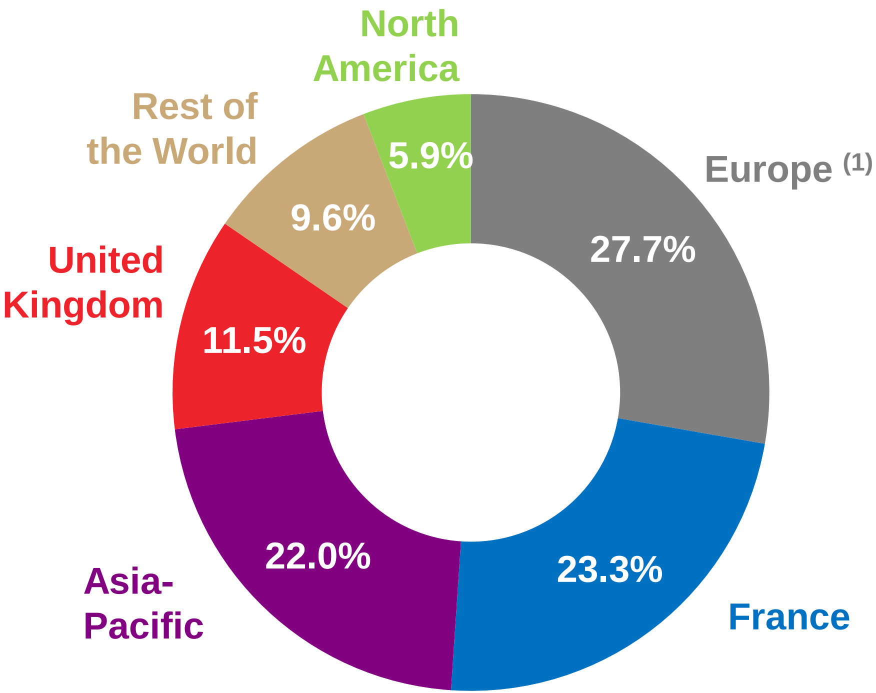
## Organic growth (%) [1]




*[1] Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange.*
*[2] Excluding France and the United Kingdom.*

# H1 2014 ADJUSTED REVENUE BREAKDOWN

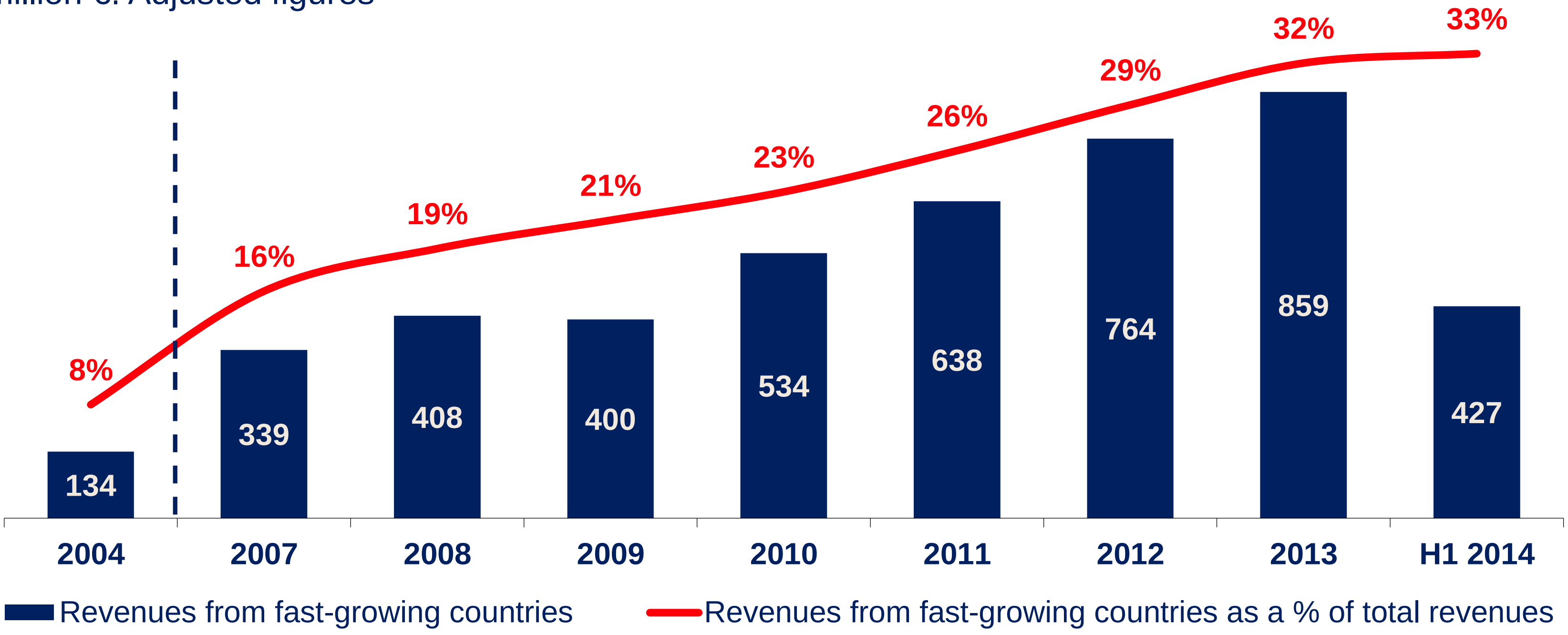



(1) *Excluding France and the United Kingdom.*

# FAST-GROWING COUNTRIES NOW A THIRD OF GROUP REVENUES

In million €. Adjusted figures

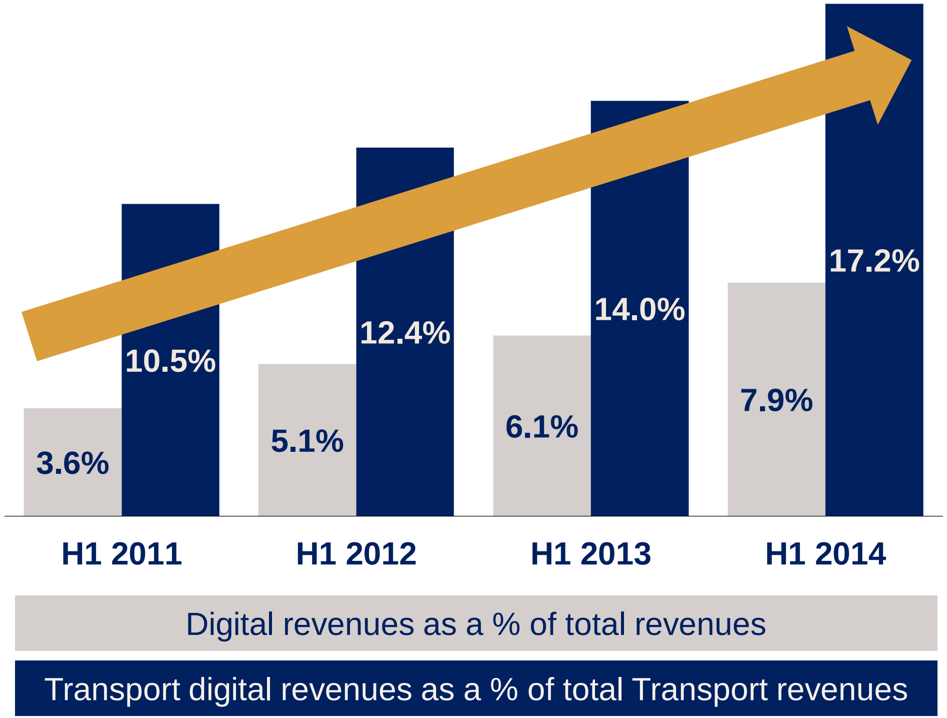



*"Fast growing countries" include Central & Eastern Europe (excl. Austria), Baltic countries, Russia, Turkey, Ukraine, Latin America, Asia (China incl. Hong Kong and Macau, Thailand, South Korea, Malaysia, Singapore, India), Africa, Middle East, Central Asia.*

# STRONG GROWTH FROM DIGITAL

- **The UK, Greater China and the US are still the largest contributors**


*37sqm, ultra-thin LED screen at Shanghai Pudong airport, China*




*Adjusted figures*

# BUSINESS HIGHLIGHTS

- Organic growth & renewals
- Continued improvement in Europe
- JCDecaux's Tesco SmartScreen channel goes live across the UK
- Installation of Chicago digital billboards underway
- World Cup fever in São Paulo
- Completion of the Eumex acquisition
- Announcement of an agreement to acquire Cemusa [(1)]
- JCDecaux celebrates its 50th anniversary

[(1)] *The closing of the transaction is subject to the usual regulatory requirements*

# RECENT CONTRACT WINS & RENEWALS

## New contracts

### STREET FURNITURE

India — New Delhi Connaught Place

### TRANSPORT

Belgium — Brussels metro and buses

Oman — Muscat International Airport and Salalah Airport

### BILLBOARD

UK — Leeds

## Contract renewals / extensions

### STREET FURNITURE

Germany — Cologne bus/tram shelters & free-standing 2m²

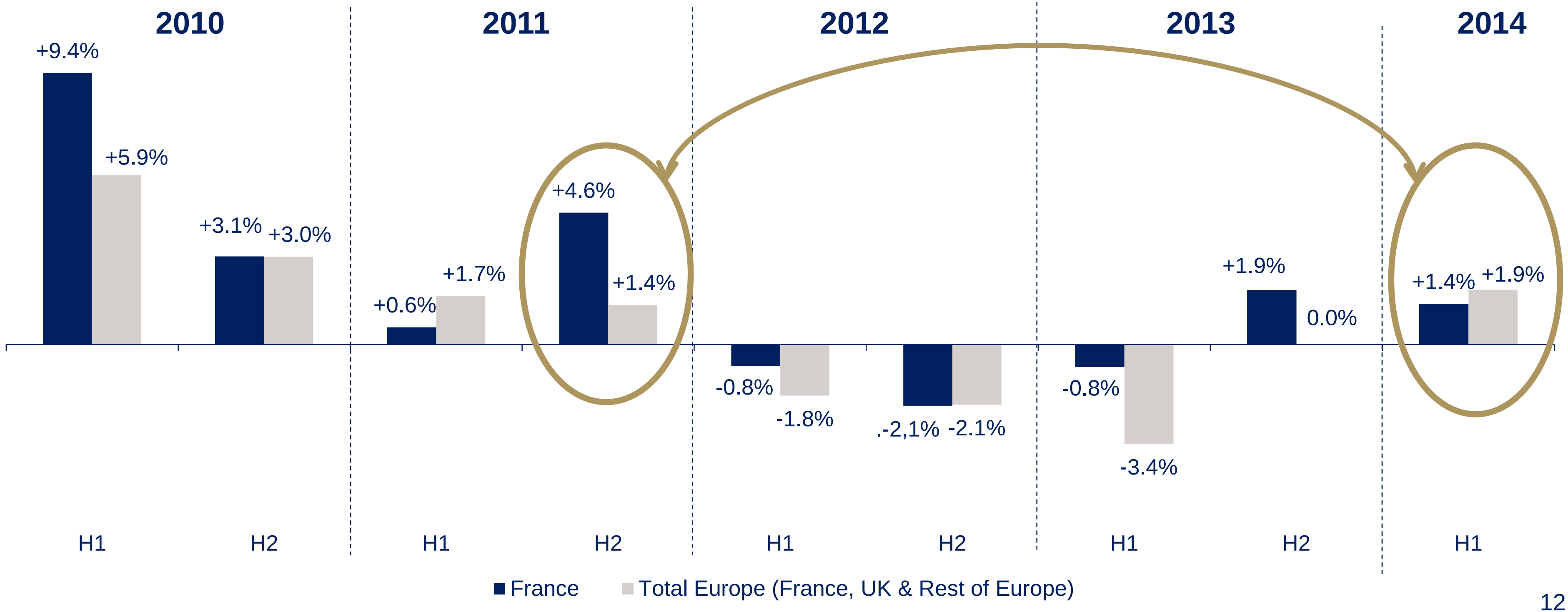
# LANDMARK CONTRACT RENEWAL IN GERMANY

- **15 year renewal of our Cologne contract, city number 4 in Germany**
- **First digital Street Furniture panels in Germany**
- **JCDecaux remains the leader in the premium German Street Furniture segment**


***Old CIP to be replaced by a digital CIP on the Schildergasse, Cologne, Germany***

# CONTINUED IMPROVEMENT IN EUROPE

**JCDecaux saw positive organic growth in France <u>and</u> Europe for the first time in over 2 years**



# TESCO SMARTSCREEN CHANNEL GOES LIVE ACROSS THE UK

- **400 screens across 400 Tesco stores in the UK**
- **Optimized scheduling based on audience behaviour/sales**


***Lunch time at a Tesco store in London, UK***

# INSTALLATION OF CHICAGO DIGITAL BILLBOARDS UNDERWAY

- **6 digital billboards (11 screens total) installed as of end of July 2014**


***Digital billboard (20x60 feet ) on the Eisenhower Expressway, Chicago, USA***

# WORLD CUP FEVER IN SÃO PAULO

- Commercial success of the launch of our premium advertising network
- Public could follow live scores of the World Cup games on the clocks
- National team supporters sent messages to be displayed all over São Paulo via the web


*São Paulo, Brazil*

# JCDECAUX IS THE NUMBER ONE OUTDOOR ADVERTISING COMPANY IN LATAM

- **Eumex acquisition closed on March, 7th**

- **Strong presence in 11 countries and the largest Latam cities**

- **Solid growth potential for OOH in the region: +11% in 2014 and 2015 (Source: ZenithOptimedia)**


*San Jose, Costa Rica*

# CEMUSA ACQUISITION [1]: STRONGER FOOTPRINT IN THE AMERICAS AND IN SOUTHERN EUROPE

## United States

| City | Street Furniture |
|---|---|
| New York | Cemusa |
| Los Angeles | JCDecaux / CBSO |
| Chicago | JCDecaux |
| Boston | JCDecaux |
| San Francisco | JCDecaux |

## Brazil

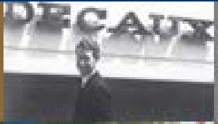
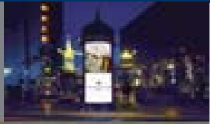
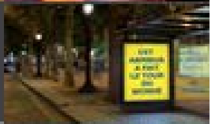
| City | Street Furniture |
|---|---|
| São Paulo | JCDecaux |
| Rio de Janeiro | Cemusa, CCO |
| Manaus | Cemusa |
| Salvador de Bahia | Cemusa, JCDecaux |
| Brasilia | Cemusa |

## Southern Europe

- **Media market in Southern Europe: -40% in value since 2007**
- **2 dominant TV players in Spain: 86% of total TV adspend**
- **Internet in Southern Europe: +16% CAGR since 2007**

*[1] The closing of the transaction is subject to the usual regulatory requirements*
*Sources : Zenith Optimedia for the media market data in Southern Europe, JPMorgan for the Spanish TV market data*

# JCDECAUX CELEBRATES ITS 50TH ANNIVERSARY!

| | | | | | |
|---|---|---|---|---|---|
| 1964 | Group creation and invention of the advertising Street Furniture concept |  | 1996 | 1st Street Furniture program in North America |  |
| 1972 | Landmark Paris bus shelter contract |  | 1999 | Acquisition of Avenir |  |
| 1972 | First Citylight information panels (MUPI) |  | 2001 | IPO |  |
| 1975 | First signage systems |  | 2005 | N°1 outdoor player in China |  |
| 1977 | First large format scrolling panels |  | 2007 | 20,000 bikes in Paris for Vélib' |  |
| 1979 | First automatic public toilets |  | 2011 | N°1 outdoor player worldwide |  |
| 1989 | JCDecaux expands in Eastern Europe following the fall of the Berlin Wall |  | 2014 | Renewal of landmark Paris bus shelter contract |  |

# FINANCIAL HIGHLIGHTS

**Laurence Debroux**
**Executive Vice-President, Finance & Administration**



# H1 2014 RESULTS

| In million Euros, except %. Adjusted figures [1] except when IFRS. | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ Revenues | 1,304.8 | 1,263.5 | +3.3% |
| ▶ Operating margin | 263.5 | 267.8 | -1.6% |
| ▶ EBIT before impairment charge [2] | 131.1 | 139.5 | -6.0% |
| ▶ Net income Group share before impairment charge, IFRS [3] | 79.1 | 87.8 | -9.9% |
| ▶ Net cash flow from operating activities | 172.3 | 149.4 | +15.3% |
| ▶ Free cash flow | 101.3 | 62.2 | +62.9% |
| ▶ Net debt [4] as of end of period, IFRS | 113.3 | 179.5 | |
| *Net debt / Operating margin [5]* | *0.2x* | *0.4x* | |

*[1] Adjusted figures include our prorata share in companies under joint control (accounted for using the equity method under IFRS 11).*
*[2] The impact of the impairment charge on EBIT corresponds to a €4.5m impairment undertaken on the net assets of some of our companies under joint control in H1 2014 (€0.0m in H1 2013) following the impairment tests conducted, and a €1.1m reversal on provisions for onerous contracts (the comparable figure was €0.3m in H1 2013)*
*[3] The negative impact of the impairment charge (described in note 2) on Net income Group share corresponds to €3.7m (the €0.3m difference being the tax effect). The comparable figure was -€0.3m in H1 2013*
*[4] H1 2013 IFRS Net debt figure is proforma of the impact of IFRS 11 (under which companies under joint control are accounted for using the equity method). The impact on previously published H1 2013 Net debt is +€89.3m*
*[5] Trailing 12 months operating margin*
*Please refer to page 48 for financial definitions*

# ANALYSIS OF OPERATING MARGIN

| In million Euros, except %. Adjusted figures | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ **Revenues** | **1,304.8** | **1,263.5** | **+3.3%** |
| • Rent and fees | (508.7) | (486.2) | |
| • Other net operational expenses | (532.6) | (509.5) | |
| ▶ **Operating margin** | **263.5** | **267.8** | **-1.6%** |

*Please refer to page 48 for financial definitions*

- **Increase in rent and fees mainly concentrated on Transport (new contracts), and also impacted by Moscow higher rents**
- **Continued emphasis on cost-control throughout all geographies in a context of development in fast-growing markets**

# OPERATING MARGIN TO EBIT

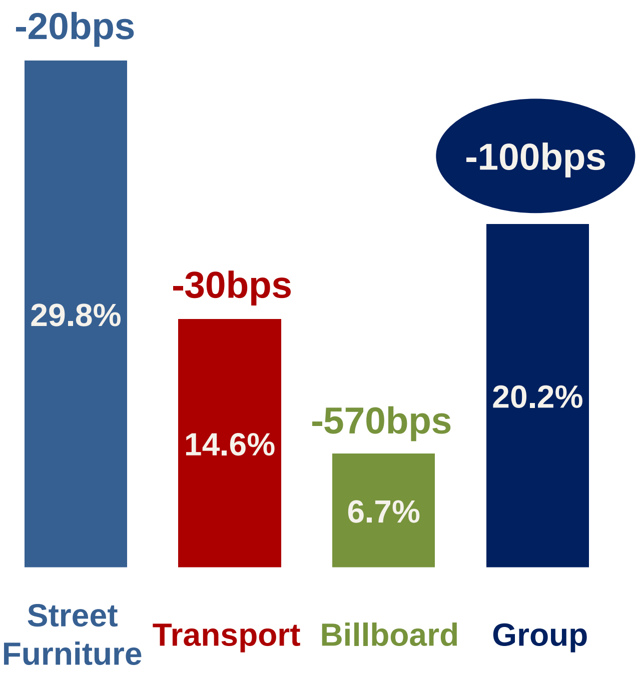
| In million Euros, except %. Adjusted figures | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ **Operating margin** | **263.5** | **267.8** | **-1.6%** |
| • Maintenance spare parts | (18.7) | (18.0) | |
| • Amortization and provisions (net) | (120.6) | (116.8) | |
| o *Of which net depreciation of PP&E and intangible assets* | *(118.9)* | *(113.6)* | |
| o *Of which impact of PPA depreciation* | *(9.7)* | *(8.4)* | |
| o *Of which net provision charge* | *8.0* | *5.2* | |
| • Other operating income and expenses | 6.9 | 6.5 | |
| ▶ **EBIT before impairment charge** | **131.1** | **139.5** | **-6.0%** |
| • Impairment charge, excluding goodwill [1] | (3.4) | (0.3) | |
| • Goodwill impairment | - | - | |
| ▶ **EBIT after impairment charge** | **127.7** | **139.2** | **-8.3%** |

*[1] Including impairment charge on net assets of companies under joint control*

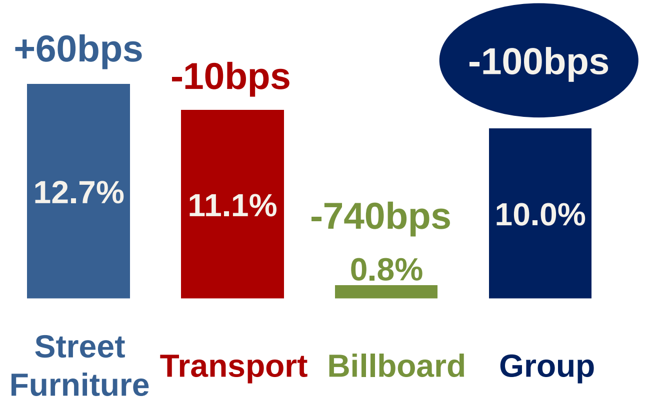
*Please refer to page 48 for financial definitions.*

# MARGINS BY SEGMENT

## Operating margin (% of revenues)
**Adjusted figures**




## EBIT [1] (% of revenues)
**Adjusted figures**




[1] *Before impairment charge*

# EBIT TO NET INCOME

| In million Euros, except % | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ **Adjusted EBIT after impairment charge** | **127.7** | **139.2** | -8.3% |
| • Restatement of EBIT from companies under joint control | (25.5) | (35.6) | |
| ▶ **EBIT after impairment charge, IFRS** | **102.2** | **103.6** | -1.4% |
| • Financial income / (expenses) [1] | (15.6) | (11.9) | |
| • Tax | (28.9) | (27.2) | |
| • Equity affiliates | 25.3 | 30.0 | |
| • Minority interests [1] | (7.6) | (7.0) | |
| ▶ **Net income Group share, IFRS** | **75.4** | **87.5** | -13.8% |
| • Net impact of impairment charge | 3.7 | 0.3 | |
| ▶ **Net income Group share before impairment charge, IFRS** | **79.1** | **87.8** | -9.9% |

[1] *Excluding the impact of actualization of debt on commitments to purchase minority interests (-€2.1m and -€3.8m in H1 2014 and H1 2013 respectively)*

*H1 2013 IFRS figures are proforma of the impact of IFRS 11 (under which companies under joint control are accounted for using the equity method). The impact on previously published H1 2013 figure is -€35.6m on EBIT after impairment charge, +€1.6m on Financial income, +€10.9m on Tax, +€23.1m on Equity Affiliates, with no impact on Net income Group share.*

*Please refer to page 48 for financial definitions.*

# CASH FLOW STATEMENT

| In million Euros, except % | H1 2014 | H1 2013 | |
|---|---|---|---|
| ▶ **Adjusted funds from operations net of maintenance costs** | **189.8** | **180.8** | **+5.0%** |
| • Adjusted change in working capital requirement | (17.5) | (31.4) | |
| ▶ **Adjusted net cash flow from operating activities** | **172.3** | **149.4** | **+15.3%** |
| • Adjusted capital expenditure | (71.0) | (87.2) | |
| ▶ **Adjusted free cash flow** | **101.3** | **62.2** | **+62.9%** |
| • Restatement of free cash flow from companies under joint control | (16.0) | (16.8) | |
| ▶ **Free cash flow, IFRS** | **85.3** | **45.4** | |
| • Dividends | (113.9) | (106.5) | |
| • Equity increase (net) | 8.1 | 0.7 | |
| • Financial investments (net) [1] | (68.4) | (74.0) | |
| • Others [2] | (22.7) | 5.7 | |
| ▶ **Change in Net debt (Balance Sheet), IFRS** | **111.6** | **128.7** | |
| ▶ **Net debt as of end of period, IFRS** | **113.3** | **179.5** | |

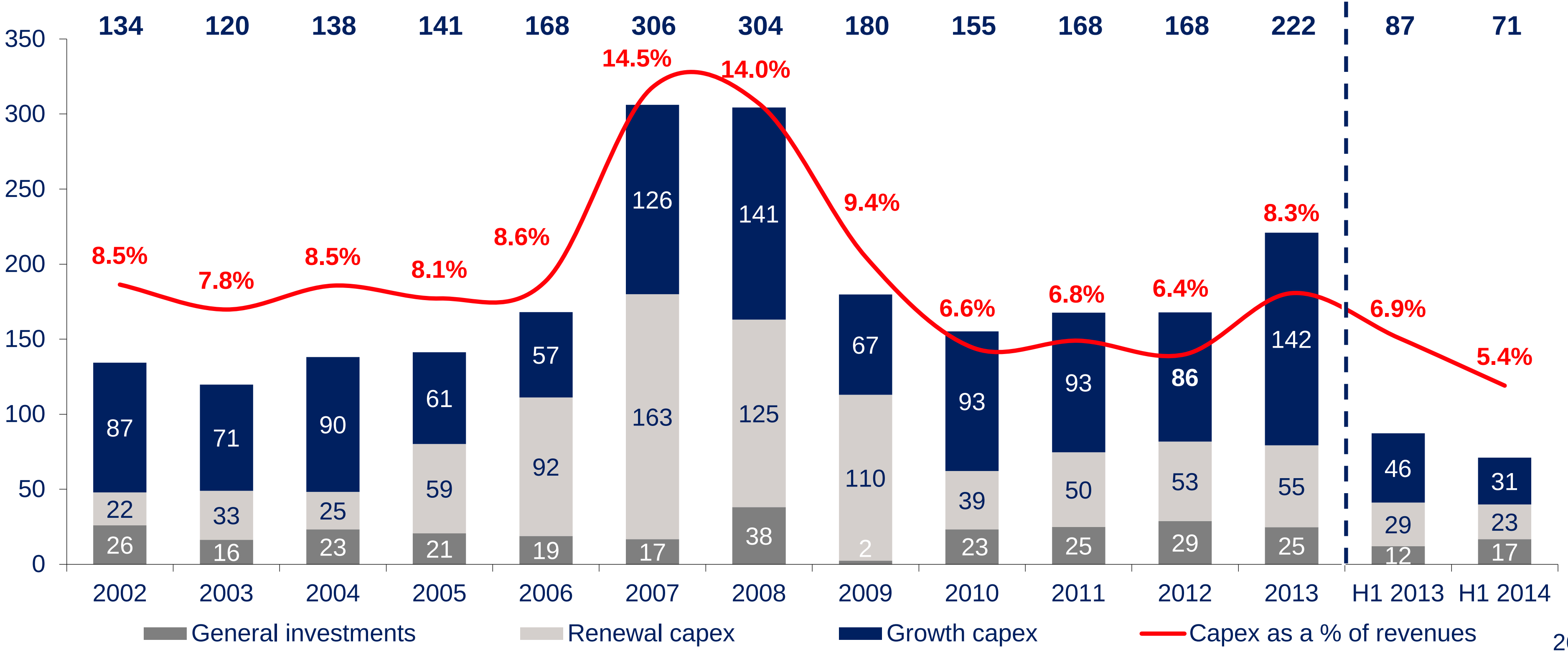
*[1] Excluding net cash acquired*

*[2] Non cash variations (mainly due to consolidation scope variations, translation differences on net financial debt, the impact of IAS 39 and finance lease)*

*H1 2013 IFRS figures are proforma of the impact of IFRS 11 (under which companies under joint control are accounted for using the equity method). The impact on previously published H1 2013 figures is -€16.8m on Free cash flow, +€0.7m on Financial investments, +€12.5m on Others, with a total impact of +€3.6m on Change in Net debt.*

# BREAKDOWN OF CAPEX

In million €. Adjusted figures



# H1 2014 FINANCIAL HIGHLIGHTS

- **Organic revenue up 4.0% in H1**
- **Q2 up 5.3% with continued improvement in Europe**
- **Half-year profitability impacted by Russia**
- **Strong increase in free cash flow**
- **Continuous commitment to:**
  - **Control costs throughout all geographies**
  - **Pursue a consistent investment policy to drive profitable growth**

# GROWTH STRATEGY AND OUTLOOK

**Jean-François Decaux**
**Co-CEO**

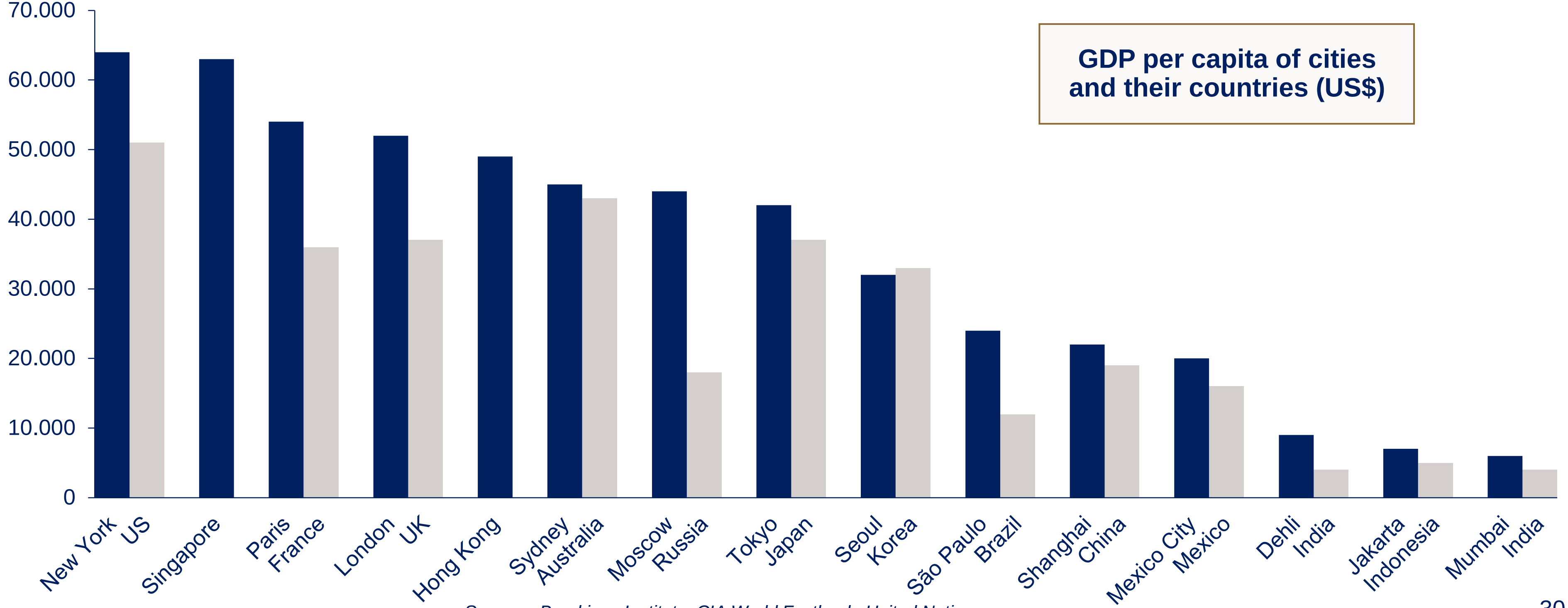


# URBANIZATION ACCELERATES

- Up to 2050, the world's urban population will increase at twice the pace of the global population
- In 2032, **61%** of the world's population will live in a city compared to 52% in 2012 (+1.5bn urban dwellers)
- Urbanization goes hand in hand with the emergence of a wealthy middle class

# CONSUMER BUYING POWER IS CONCENTRATED IN CITIES

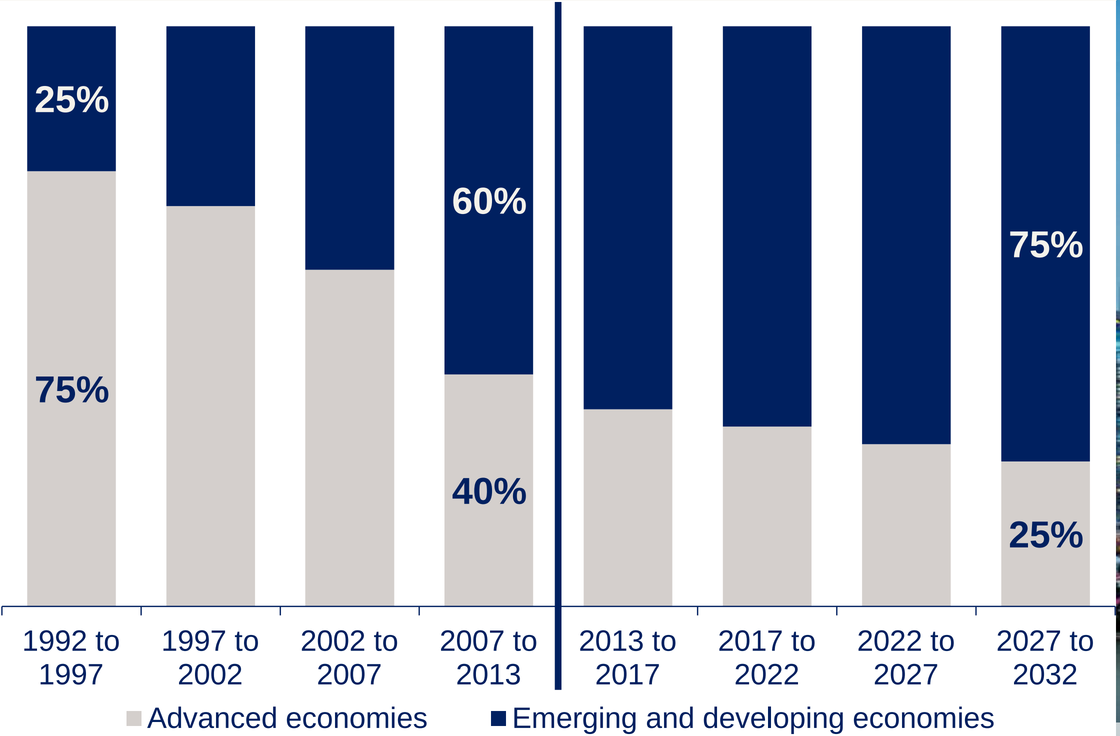
- **GDP per capita of cities is typically above the GDP per capita of the country in which the city is located**




*Sources: Brookings Institute, CIA World Factbook, United Nations*

# EMERGING ECONOMIES ARE DRIVING GLOBAL ECONOMIC GROWTH

## World GDP growth share (%)




*Sources: IHS Global Insight, Airbus*

***Shanghai, China***

# AIR PASSENGER TRAFFIC IS BOOMING

- **Population growth and urbanization will continue to drive air traffic**
- **Long-haul daily air passenger traffic to/from/via megacities will triple by 2032**
- **Air passenger CAGR until 2032: Asia: +5.5%, Latam: +6.0% and Middle-East: +7.1%** *Source: Airbus*

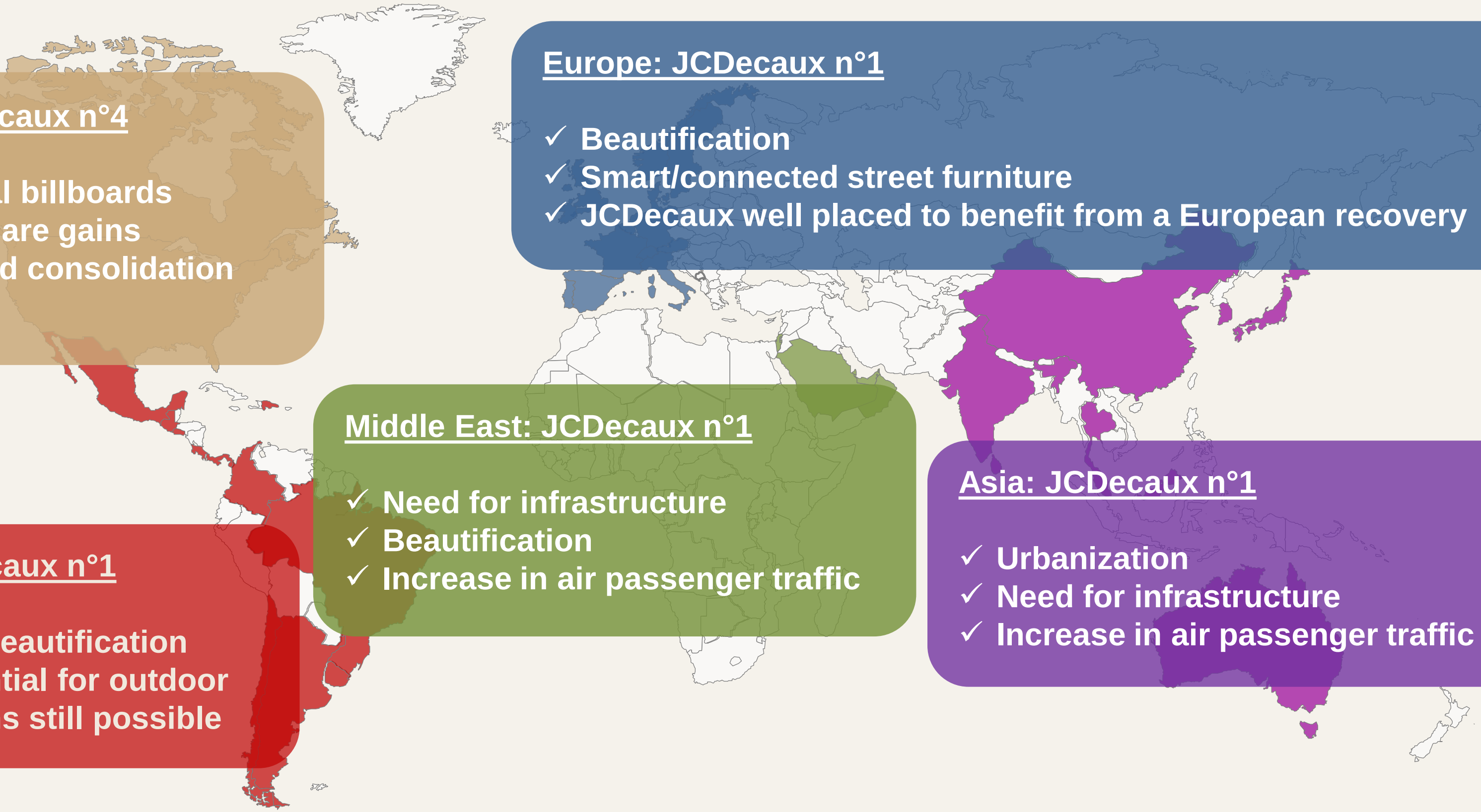

***Shenyang airport, China***

# A UNIQUE AIRPORT EXPERTISE

- JCDecaux has the leading coverage of air passenger traffic with 26% of total passengers
- 148 airports as of today with more than half outside Europe
- Present in 12 of the 20 largest hubs worldwide
- Global network allows strong powerful international campaigns


*Dubai airport, UAE*

# A STRONG INDUSTRY POSITIONING IN KEY GEOGRAPHIES



**North America: JCDecaux n°4**

- ✓ Transition to digital billboards
- ✓ Outdoor market share gains
- ✓ Organic growth and consolidation opportunities

**Europe: JCDecaux n°1**

- ✓ Beautification
- ✓ Smart/connected street furniture
- ✓ JCDecaux well placed to benefit from a European recovery

**Middle East: JCDecaux n°1**

- ✓ Need for infrastructure
- ✓ Beautification
- ✓ Increase in air passenger traffic

**Asia: JCDecaux n°1**

- ✓ Urbanization
- ✓ Need for infrastructure
- ✓ Increase in air passenger traffic

**Latin America: JCDecaux n°1**

- ✓ Urbanization and beautification
- ✓ Solid growth potential for outdoor
- ✓ Bolt-on acquisitions still possible

# BUYERS' OPINION[1]:

## Outdoor remains attractive despite the growth of internet and mobile

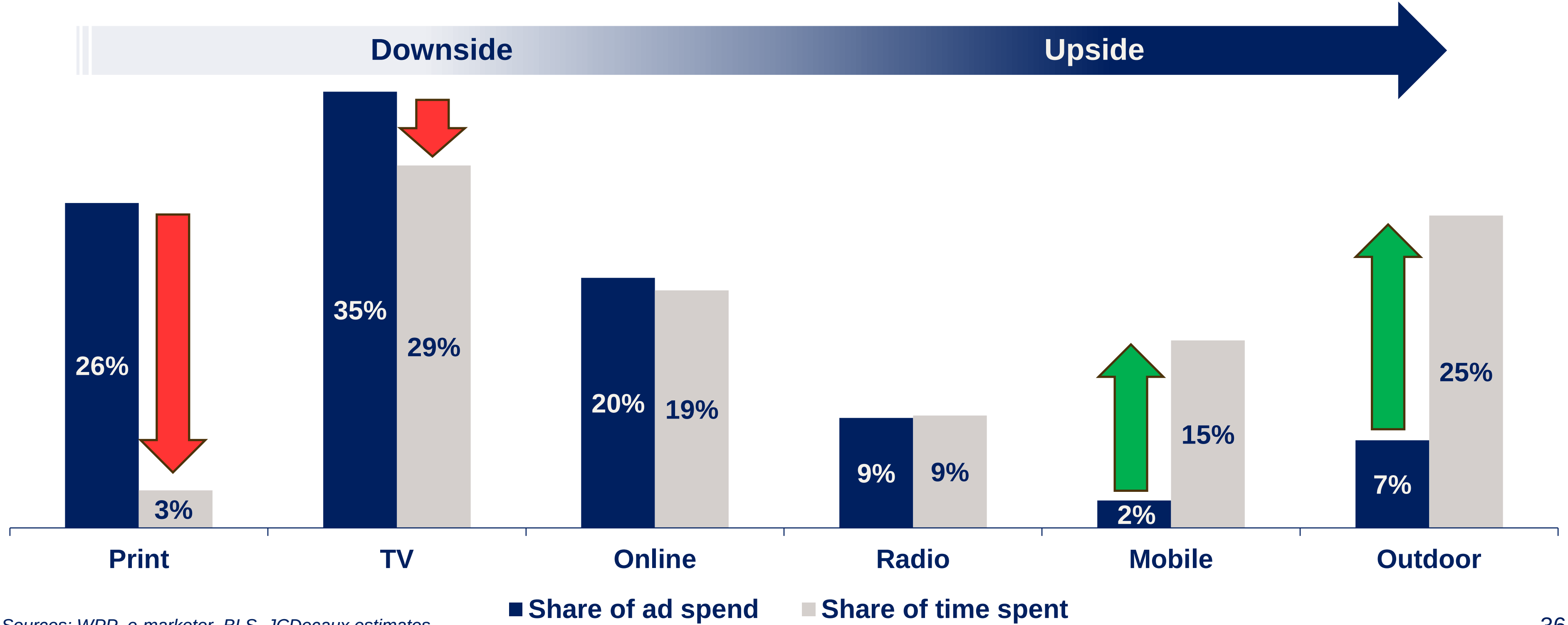
## Key drivers:

- ✓ Innovation in **new formats (digital)**
- ✓ Municipalities' growing appetite for **ad-funded street furniture**
- ✓ Provides **mass reach in premium locations**

[1] *Source: Magna Global, June 2014*

# OUTDOOR ADSPEND IS BOUND TO INCREASE

- **A realignment between consumer time spent and ad spend should benefit outdoor**




*Sources: WPP, e-marketer, BLS, JCDecaux estimates*

# TRANSPORT CONTINUES TO LEAD DIGITAL TRANSFORMATION

- **Transport provides a premium environment with a valuable and captive audience**
- **8 of our top 10 airports have a digital offer**
- **In H1 2014, JCDecaux Transport digital revenues = 17% of Group Transport revenues**


***The new 120-foot Story Board and 72-foot Time Tower at Tom Bradley International Terminal in Los Angeles airport, USA***

# US: DIGITAL BILLBOARDS ON PUBLIC PROPERTIES ?

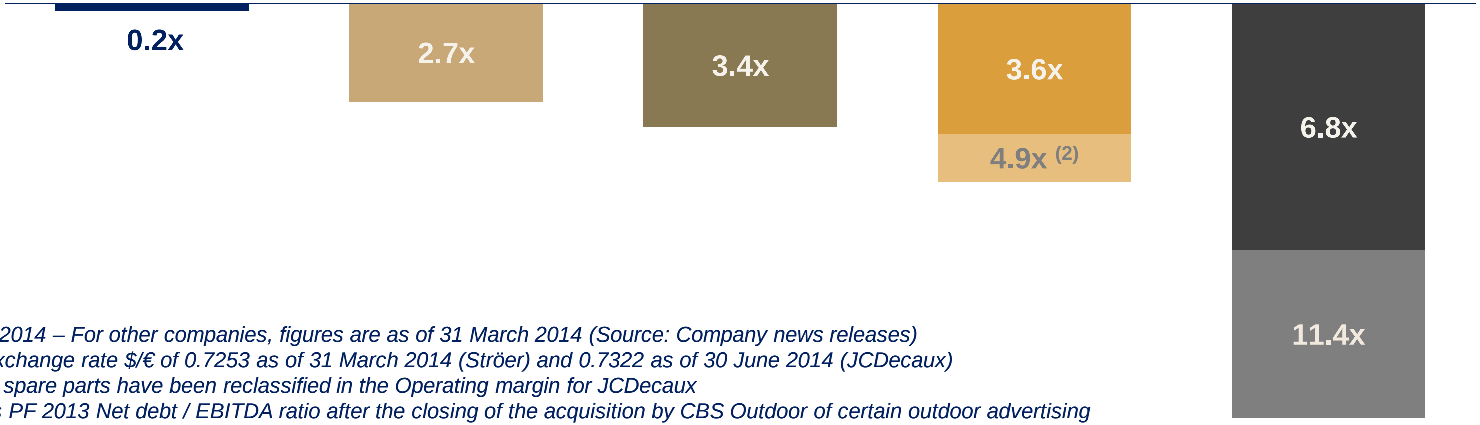
- **Court of Appeals declared permits for almost 100 digital billboards on private property in Los Angeles illegal; these have now gone dark**
- **LA officials are now considering their options, including digital billboards on public property like in Chicago**


*Digital billboard gone dark in LA*


*JCDecaux digital billboard in Chicago*

# JCDECAUX HAS THE STRONGEST BALANCE SHEET IN THE INDUSTRY

| | JCDecaux | Ströer | Lamar | CBS Outdoor | CCO / CCMH |
|---|---|---|---|---|---|
| Net debt / EBITDA [1] | 0.2x | 2.7x | 3.4x | 3.6x | 6.8x / 11.4x |
| Gross debt | $1.0bn | $507m | $1.9bn | $1.6bn | $4.9bn / $20.4bn |
| Maturity date | 2014-2019 | 2019 | 2019-2024 | 2021-2024 | 2020-2022 / 2016-2027 |
| Credit Rating (S&P) | BBB | NA | BB- | BB- | NA / CCC+ |
| Credit Rating (Moody's) | Baa2 | NA | Ba3 | Ba3 | NA / Caa2 |




*For JCDecaux, figures are as of 30 June 2014 – For other companies, figures are as of 31 March 2014 (Source: Company news releases)*
*Currency conversions are based on an exchange rate $/€ of 0.7253 as of 31 March 2014 (Ströer) and 0.7322 as of 30 June 2014 (JCDecaux)*
*[1] For consistency purpose, maintenance spare parts have been reclassified in the Operating margin for JCDecaux*
*[2] JCDecaux's estimate of CBS Outdoor's PF 2013 Net debt / EBITDA ratio after the closing of the acquisition by CBS Outdoor of certain outdoor advertising businesses from Van Wagner Communications (announced on 21July 2014)*

# MAIN TENDERS EXPECTED 2014-2016

## Street Furniture

**Europe**
- Frankfurt, Berlin
- Gent, Brussels bus shelters
- **London (TFL bus shelters)**
- The Hague
- **Oslo bus shelters and bikes**
- Copenhagen
- Stockholm
- Madrid CIPs
- Lisbon
- Istanbul

**North America**
- **Public payphones in New York**
- Seattle

**Rest of the World**
- St. Petersburg
- Belo Horizonte

## Transport

**Europe**
- Istanbul
- Rome metro and buses
- Lisbon metro
- London metro

**North America**
- Atlanta airport (RFQ)
- New York metro and buses

**Asia-Pacific**
- New metros in Chinese cities
- New terminals in Chinese airports

**Rest of the World**
- Algiers metro
- South African airports
- Panama metro

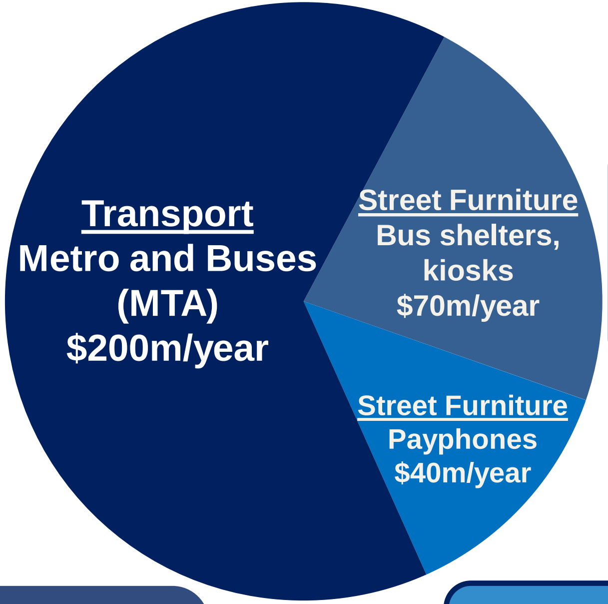
## Billboard

**France**
- **Scaffoldings / building sites in Paris**

**Rest of the World**
- St. Petersburg
- Moscow (remaining billboard)

***In red: on-going tenders***

# NEW YORK CITY: OPPORTUNITIES AHEAD

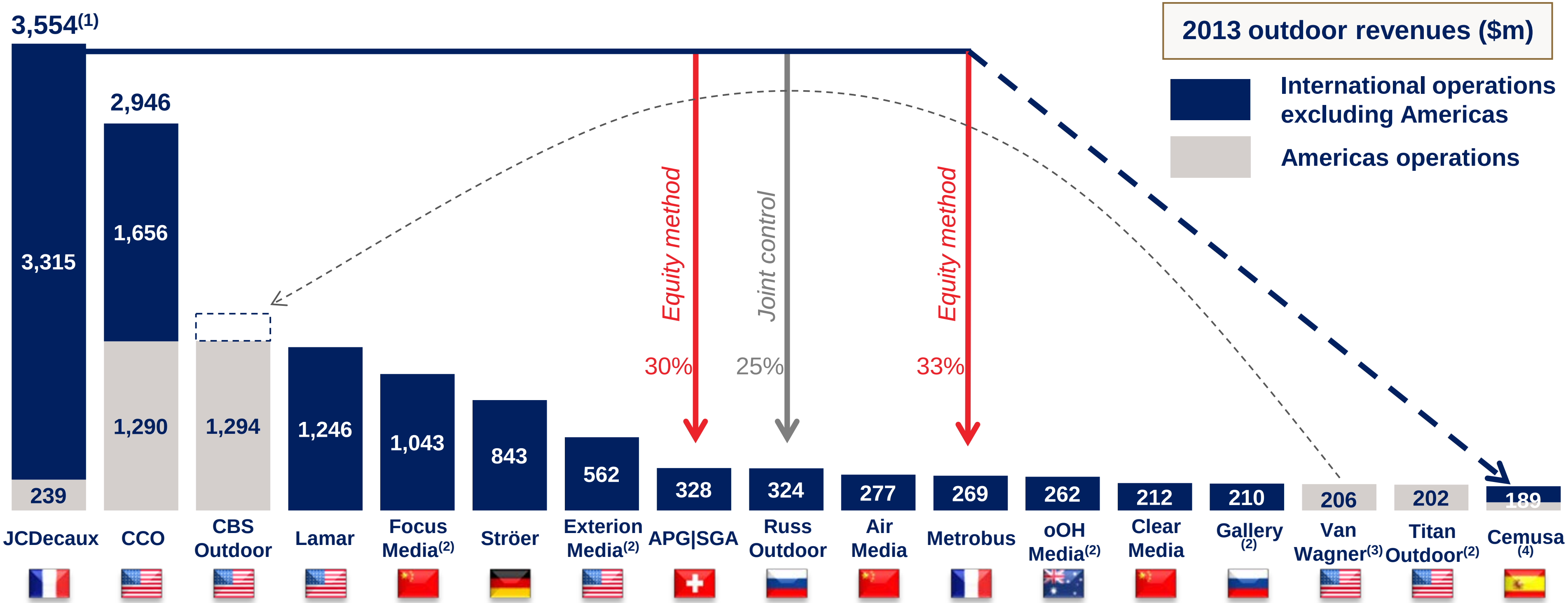

**Current operator:** Cemusa
**Termination date :** 2026
**Contract length:** 20 years
**Status :** Waiting for City's answer on the change of control clause


**Current operator:** CBS Outdoor
**Termination date :**
- 2015 (metro)
- End of 2015 (buses)

**Contract length:** 10 years

**Current operators:** Van Wagner, Titan
**Contract termination:** 2014 (tender on-going)
**Future contract length:** 12+3 years

# CONSOLIDATION RESUMES




*Sources: Company news releases. Currency conversions are based on an annual average exchange rate $/€ of 0.7529, CHF/€ of 0.8123, HKD/€ of 0.0971 and AUD/€ of 0.7258 in 2013.*
*[1] Does not include revenues from APG|SGA and Metrobus, companies integrated through the equity method in JCDecaux's financial statements. [2] JCDecaux's estimate of 2013 revenues. [3] On 21 July 2014, CBS Outdoor announced that it has executed a definitive agreement to acquire certain outdoor advertising businesses from Van Wagner Communications. [4] On 17 March 2014, JCDecaux announced that it has signed an agreement for the acquisition of 100% of Cemusa. The closing of the transaction is subject to standard regulatory conditions.*

# CONCLUSION

- **Solid financial achievements in H1**
  - **Organic revenue up 4.0% in H1**
  - **Q2 up 5.3% with continued improvement in Europe**
  - **Half-year profitability impacted by Russia**
  - **Strong increase in free cash flow**
- **Investments for future growth**
  - **On-going installation of the Chicago digital billboards**
  - **Announcement of the acquisition of 100% of Cemusa [1]**
- **JCDecaux: a strategic position in its industry**
  - **Strong exposure to fast growing countries**
  - **Digital upside driven by Transport**
  - **Streets ahead in product innovation**
  - **Strong organic and external growth opportunities**

[1] *The closing of the transaction is subject to the usual regulatory requirements*

# Q3 2014 OUTLOOK

***"Bearing in mind the limited visibility, the continued volatility in most markets, and some geo-political tensions, we currently anticipate Q3 organic growth to be slightly below H1 level"***

# IMPLEMENTATION OF IFRS 11

- Under IFRS 11, applicable from 1st January 2014, companies under joint control are accounted for using the equity method.
- However in order to reflect the business reality of the Group, operating data of the companies under joint control will continue to be proportionately integrated in the operating management reports used to monitor the activity, allocate resources and measure performance.
- Consequently, the operating data presented in this document is "adjusted" to reflect the contribution of companies under joint control, and is therefore consistent with historical data.
- As regards the P&L, it concerns all aggregates down to the EBIT. As regards the cash flow statement, it concerns all aggregates down to the free cash flow.
- The full reconciliation between IFRS figures and adjusted figures is provided on slide 46 and 47.

# RECONCILIATION BETWEEN IFRS FIGURES AND ADJUSTED FIGURES – P&L

| | H1 2014 | | | H1 2013 | | |
|---|---|---|---|---|---|---|
| | Adjusted | Impact of companies under joint control | IFRS | Adjusted | Impact of companies under joint control | IFRS |
| ▶ **Revenues** | **1,304.8** | **(153.7)** | **1,151.1** | **1,263.5** | **(155.9)** | **1,107.6** |
| • Operating costs | (1,041.3) | 113.6 | (927.7) | (995.7) | 108.5 | (887.2) |
| ▶ **Operating margin** | **263.5** | **(40.1)** | **223.4** | **267.8** | **(47.4)** | **220.4** |
| • Maintenance spare parts | (18.7) | 0.6 | (18.1) | (18.0) | 0.5 | (17.5) |
| • Amortization and provisions (net) | (120.6) | 9.4 | (111.2) | (116.8) | 9.4 | (107.4) |
| • Other operating income / expenses | 6.9 | 0.1 | 7.0 | 6.5 | 1.9 | 8.4 |
| ▶ **EBIT before impairment charge** | **131.1** | **(30.0)** | **101.1** | **139.5** | **(35.6)** | **103.9** |
| • Impairment charge [1] | (3.4) | 4.5 | 1.1 | (0.3) | - | (0.3) |
| ▶ **EBIT after impairment charge** | **127.7** | **(25.5)** | **102.2** | **139.2** | **(35.6)** | **103.6** |

[1] *Including impairment charge on net assets of companies under joint control*

# RECONCILIATION BETWEEN IFRS FIGURES AND ADJUSTED FIGURES – CASH FLOW STATEMENT

| | H1 2014 | | | H1 2013 | | |
|---|---|---|---|---|---|---|
| | **Adjusted** | **Impact of companies under joint control** | **IFRS** | **Adjusted** | **Impact of companies under joint control** | **IFRS** |
| ► **Funds from operations net of maintenance costs** | 189.8 | (6.0) | 183.8 | 180.8 | (19.2) | 161.6 |
| • Change in working capital requirement | (17.5) | (18.3) | (35.8) | (31.4) | (1.9) | (33.3) |
| ► **Net cash flow from operating activities** | **172.3** | **(24.3)** | **148.0** | **149.4** | **(21.1)** | **128.3** |
| • Capital expenditure | (71.0) | 8.3 | (62.7) | (87.2) | 4.3 | (82.9) |
| ► **Free cash flow** | **101.3** | **(16.0)** | **85.3** | **62.2** | **(16.8)** | **45.4** |

# FINANCIAL DEFINITIONS

**Operating margin**
Revenues less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses

**EBIT** (Earnings Before Interests and Taxes)
Operating Margin less Depreciation, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses

**Free cash flow**
Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals

**Net debt**
Debt net of cash managed less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase minority interests), including the non-cash IAS 39 impact on both debt and hedging financial derivatives

# FORWARD LOOKING STATEMENTS

This presentation may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.

These risks and uncertainties include without limitation the risk factors that are described in the annual report registered in France with the French Autorité des Marchés Financiers.

Investors and holders of shares of the Company may obtain copy of such annual report by contacting the Autorité des Marchés Financiers on its website *www.amf-france.org* or directly on the Company website *www.jcdecaux.com*.

The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

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YEARS OF PASSION AND INNOVATION

JCDecaux