H1 2015 Results

Out of Home
Media

Algeria
Angola
Argentina
Australia
Austria
Azerbaijan
Belgium
Botswana
Brazil
Bulgaria
Cameroon
Canada
Chile
China
Colombia
Costa Rica
Croatia
Czech Republic
Denmark
El Salvador
Estonia
Finland
France
Germany
Guatemala
Hungary
Iceland
India
Ireland
Israel
Italy
Japan
Kazakhstan
Korea
Latvia
Lesotho
Lithuania
Luxembourg
Madagascar
Malawi
Mauritius
Mexico
Mongolia
Mozambique
Namibia
Norway
Oman
Panama
Peru
Poland
Portugal
Qatar
Russia
Saudi Arabia
Singapore
Slovakia
Slovenia
South Africa
Spain
Swaziland
Sweden
Switzerland
Tanzania
Thailand
The Dominican Republic
The Netherlands
Turkey
Uganda
Ukraine
United Arab Emirates
United Kingdom
United States
Uruguay
Uzbekistan
Zambia
Zimbabwe

- **Adjusted revenues up +11.9% to €1,459.7 million**
- **Adjusted organic revenues up +2.9%, with a moderate Q2 (+2.0%)**
- **Adjusted operating margin of €285.7 million, up +11.3%**
- **Adjusted EBIT, before impairment charge, of €134.6 million, up +8.2%**
- **Net income Group share, before impairment charge, of €78.6 million, up 6.4%**
- **Adjusted free cash flow of €109.2 million, up +7.8%**
- **Organic growth of adjusted revenues in Q3 expected to be in line with our H1 performance**

Paris, 30th July, 2015 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2015 half year financial results.

Following the adoption of IFRS 11 from 1st January, 2014, the operating data presented below is adjusted to include our prorata share in companies under joint control, and therefore is comparable with historical data. Please refer to the paragraph "Adjusted data" on page 6 of this release for the definition of adjusted data and reconciliation with IFRS.
The 2014 comparative figures are restated from the retrospective application of IFRIC 21 "Levies", applicable from 1st January, 2015. The application of IFRIC 21 leads to the recognition in full of the levies immediately when the obligation event arises in accordance with the legislation. The impact on previously published H1 2014 figures is -€5.2 million on Net income Group share (of which -€6.7 million on the Adjusted operating margin and on the Adjusted EBIT) and has a nil impact on the Adjusted free cash flow.

Commenting on the 2015 first half results, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"We are pleased to report an increase of 11.9% of our H1 2015 revenues at €1,459.7 million. Our organic revenue growth of 2.0% in Q2 is in line with our guidance and leads to an organic growth rate of 2.9% in H1 driven by the performance of Street Furniture and Transport which was partly offset by the weakness of our Billboard division. Our digital revenues were up very strongly and now represent 10% of total revenues with a growing contribution from our Street Furniture division where we recently installed the very first 84" LCD screens in the best locations of cities like Hamburg and Edinburgh. More cities will follow in the second half of this year.

Our overall operating margin rate was almost flat. Our margin expansion in Street Furniture was offset by a margin reduction in both Transport and Billboard due to the slowdown in some emerging countries and a different revenue mix in our large Chinese Transport division. Free cash flow generation was strong despite higher capex.

Bearing in mind the limited visibility and the on-going volatility in most markets, we currently anticipate Q3 organic revenue growth to be in line with our H1 performance.

Looking forward, we remain convinced that out-of-home retains its strength and attractiveness in an increasingly fragmented media landscape. With our accelerating exposure to emerging markets, our growing premium digital portfolio, our ability to win new contracts and the high quality of our teams across the world, we believe we are well positioned to outperform the advertising market and increase *our leadership position in the outdoor advertising industry through profitable market share gains. The strength of our balance sheet is a key competitive advantage that will allow us to pursue further external growth opportunities as they arise."*

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ADJUSTED REVENUES

Adjusted revenues for the six months ending 30th June 2015 increased by 11.9% to €1,459.7 million from €1,304.8 million in the same period last year. On an organic basis (i.e. excluding the positive impact from foreign exchange variations – especially emerging market currencies – and the positive impact from changes in perimeter), adjusted revenues grew by 2.9%. Adjusted advertising revenues, excluding revenues related to sale, rental and maintenance, increased by 2.9% on an organic basis in the first half of 2015.

In the second quarter, adjusted revenues increased by 10.9% to €810.7 million. On an organic basis, adjusted revenues grew by 2.0% compared to Q2 2014.
Adjusted advertising revenues, excluding revenues related to sale, rental and maintenance, increased by 2.0% on an organic basis in Q2 2015.

Adjusted revenues

€m	2015			2014			Change 15/14		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	291.3	364.2	**655.5**	260.3	337.3	**597.6**	+11.9%	+8.0%	**+9.7%**
Transport	268.9	325.3	**594.2**	216.7	266.4	**483.1**	+24.1%	+22.1%	**+23.0%**
Billboard	88.8	121.2	**210.0**	97.1	127.0	**224.1**	-8.5%	-4.6%	**-6.3%**
Total	**649.0**	**810.7**	**1,459.7**	**574.1**	**730.7**	**1,304.8**	**+13.0%**	**+10.9%**	**+11.9%**

Adjusted organic revenues growth (a)

	Change 15/14		
	Q1	Q2	H1
Street Furniture	+5.8%	+4.7%	**+5.2%**
Transport	+6.6%	+2.9%	**+4.5%**
Billboard	-6.3%	-6.9%	**-6.6%**
Total	**+4.0%**	**+2.0%**	**+2.9%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange

Adjusted revenues by geographic area

€m	H1 2015	H1 2014	Reported growth	Organic growth(a)
Europe(b)	389.8	362.1	+7.6%	+7.8%
Asia-Pacific	364.6	286.6	+27.2%	+5.6%
France	299.8	304.2	-1.4%	-1.4%
United Kingdom	163.6	150.6	+8.6%	-3.2%
Rest of the World	145.4	124.8	+16.5%	+0.3%
North America	96.5	76.5	+26.1%	+2.9%
Total	**1,459.7**	**1,304.8**	**+11.9%**	**+2.9%**

(a) Excluding acquisitions/divestitures and the impact of foreign exchange
(b) Excluding France and the United Kingdom

Please note that the geographic comments below refer to organic revenue growth.

STREET FURNITURE

First half adjusted revenues increased by 9.7% to €655.5 million (+5.2% on an organic basis), driven by a strong performance in Europe and emerging countries.
First half adjusted advertising revenues, excluding revenues related to sale, rental and maintenance were up 5.6% on an organic basis compared to the first half of 2014.

In the second quarter, adjusted revenues increased by 8.0% to €364.2 million. On an organic basis, adjusted revenues increased by 4.7% compared to the same period last year. Adjusted advertising revenues, excluding revenues related to sale, rental and maintenance were up 5.5% on an organic basis in Q2 2015 compared to Q2 2014.

TRANSPORT

Adjusted revenues increased by 23.0% to €594.2 million (+4.5% on an organic basis) during the first half of 2015, driven by Europe and the Rest of the World.

In the second quarter, adjusted revenues increased by 22.1% to €325.3 million compared to the same period last year (+2.9% on an organic basis, reflecting the slowdown in Greater China).

BILLBOARD

Adjusted revenues during the first half of 2015 fell by 6.3% to €210.0 million (-6.6% on an organic basis). Our Billboard business continues to suffer from both a lack of consolidation in Europe and the difficult economic situation in Russia. In France, JCDecaux complies with the new law “Engagement national sur l’environnement”, also called “Loi Grenelle 2” since July 2015, the dismantling of the billboards is expected to have a slight impact on the segment’s performance in H2 this year.

In the second quarter, adjusted revenues decreased by 4.6% to €121.2 million compared to Q2 2014 (-6.9% on an organic basis).

ADJUSTED OPERATING MARGIN (1)

In the first half of 2015, adjusted operating margin increased by 11.3% to €285.7 million from €256.8 million in the same period last year. The adjusted operating margin as a percentage of revenues was 19.6%, -10bp below prior year.
On an organic basis, adjusted operating margin increased by €9.0m, i.e. a 3.5% growth compared to the same period last year.

	H1 2015		H1 2014		Change 15/14	
	€m	% of revenues	€m	% of revenues	Change (%)	Margin rate (bp)
Street Furniture	198.3	30.3%	174.6	29.2%	+13.6%	+110bp
Transport	75.8	12.8%	70.1	14.5%	+8.1%	-170bp
Billboard	11.6	5.5%	12.1	5.4%	-4.1%	+10bp
Total	**285.7**	**19.6%**	**256.8**	**19.7%**	**+11.3%**	**-10bp**

Street Furniture: In the first half of 2015, adjusted operating margin increased by 13.6% to €198.3 million. As a percentage of revenues, the adjusted operating margin increased by +110bp to 30.3%, compared to the first half of 2014, mainly driven by the increase in revenues.

Transport: In the first half of 2015, adjusted operating margin increased by 8.1% to €75.8 million. As a percentage of revenues, the adjusted operating margin decreased by -170bp to 12.8% compared to the first half of 2014, primarily due to a different revenue mix in China and the beginning of the new contract of the Metro of Guangzhou.

Billboard: In the first half of 2015, adjusted operating margin decreased by -4.1% to €11.6 million. As a percentage of revenues, adjusted operating margin increased by +10bp to 5.5% compared to the first half of 2014. The decrease in value of the adjusted operating margin is mainly due the decrease in revenues linked to the economic situation in Russia. The adjusted operating margin ratio improved thanks to a decrease in operating costs across all geographies.

ADJUSTED EBIT (2)

In the first half of 2015, adjusted EBIT before impairment charge increased by 8.2% to €134.6 million compared to €124.4 million in the first half of 2014. As a percentage of revenues, this represented a -30bp decrease to 9.2%, from 9.5% in H1 2014. The consumption of maintenance spare parts was slightly up in H1 2015 compared to H1 2014. Net amortization and provisions were up compared to the same period last year. Other operating income and expenses impacted the P&L negatively.
No impairment charge on goodwill and tangible, intangible assets and investments under equity method has been recorded in the first half of 2015. A €1.2 million reversal on provisions for onerous contracts has been recognized.
Adjusted EBIT, after impairment charge increased by 12.2% to €135.8 million compared to €121.0 million in H1 2014.

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NET FINANCIAL INCOME / (LOSS) (3)

In the first half of 2015, net financial income was -€13.1 million compared to -€15.6 million in the first half of 2014, mainly due to the positive impact from foreign exchange variations on some local borrowings.

EQUITY AFFILIATES (4)

In the first half of 2015, the share of net profit from equity affiliates was €29.4 million, higher compared to the same period last year (€24.7 million), largely attributed to the negative impact of the impairment of Ukraine, last year.

NET INCOME GROUP SHARE (5)

In the first half of 2015, net income Group share before impairment charge increased by 6.4% to €78.6 million compared to €73.9 million in H1 2014.
Taking into account the impact from the impairment charge, net income Group share increased by 13.2% to €79.5 million compared to €70.2 million in H1 2014.

ADJUSTED CAPITAL EXPENDITURE

In the first half of 2015, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €107.9 million compared to €71.0 million during the same period last year, with both higher renewal (Paris bus shelters contract) and growth capex.

ADJUSTED FREE CASH FLOW (6)

In the first half of 2015, adjusted free cash flow was €109.2 million compared to €101.3 million in the same period last year. This increase is due to a higher operating margin and favourable movements from change in working capital, offset by higher capex.

NET DEBT (7)

Net debt as of 30th June 2015 amounted to €62.7 million compared to a net debt position of €113.3 million as of 30th June 2014, representing 0.1 times the last 12 months operating margin. A debt of €500 million (not included in the net debt as of 30th June, 2015) was recorded in liabilities in the consolidated statement of financial position relating to the commitment to purchase our own shares as part of the simplified public tender offer ("offre publique d'achat simplifiée", OPAS). Taking into account the impact of the OPAS, net debt as of 30th June, 2015 would have been €562.7 million.

DIVIDEND

The dividend of €0.50 per share for the 2014 financial year, approved at the Annual General Meeting of Shareholders on 13th May 2015, was paid on 20th May 2015, for a total amount of €112.0 million.

RESULT OF THE OPAS

On the back of strong operating and financial performance, resulting in a net positive cash position of €83.5 million for the Group as at 31st December, 2014, the Executive Board of Directors has decided to optimize the Group's financial structure *via* a simplified public tender offer ("offre publique d'achat simplifiée", OPAS) to buy back 12,500,000 of its own shares at a price per share of €40, which ended on 9th July 2015.

194,419,422 shares, accounting for 87% of the share capital, were tendered to the offer. Out of these, 61% of the free float were tendered to the offer. The success of the OPAS is reflected in the total number of shares tendered, which exceeds the 12,500,000 shares subject to the offer. As a consequence and in accordance with article 233-5 of the general regulations of the AMF, the buyback allocation was determined through a *pro rata* reduction on an equal basis between all shareholders based on the number of shares tendered to the offer. In line with the maximum size announced for the offer, JCDecaux bought back a total of 12,500,000 shares, for a consideration of €500 million.
The Decaux Family (including JCDecaux Holding SAS) tendered all its shares to the share buyback. The Family now holds 65.0% of JCDecaux SA.

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ADJUSTED DATA

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, pursuant to IFRS 8, Segment Reporting presented in the financial statements shall comply with the Group's internal information, and the Group's external financial communication will therefore rely on this operating financial information. Financial information and comments will therefore be based on "adjusted" data, consistent with historical data, which will be reconciled with IFRS financial statements. 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.

In the first half of 2015, the impact of IFRS 11 on our adjusted aggregates was:

- -€172.0 million on adjusted revenues (-€153.7 million in H1 2014) leaving IFRS revenues at €1,287.7 million (€1,151.1 million in H1 2014).
- -€45.4 million on adjusted operating margin (-€39.2 million in H1 2014) leaving IFRS operating margin at €240.3 million (€217.6 million in H1 2014).
- -€32.9 million on adjusted EBIT before impairment charge (-€29.1 million in H1 2014) leaving IFRS EBIT before impairment charge at €101.7 million (€95.3 million in H1 2014).
- -€32.9 million on adjusted EBIT after impairment charge (-€24.6 million in H1 2014) leaving IFRS EBIT after impairment charge at €102.9 million (€96.4 million in H1 2014).
- +€19.4 million on adjusted capital expenditure (€8.3 million in H1 2014) leaving IFRS capital expenditure at €88.5 million (€62.7 million in H1 2014).
- -€13.7 million on adjusted free cash flow (-€16.0 million in H1 2014) leaving IFRS free cash flow at €95.5 million (€85.3 million in H1 2014).

The full reconciliation between IFRS figures and adjusted figures is provided on page 8 of this release.

NOTES

(1) **Operating Margin:** Revenues less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses. H1 2014 figures are proforma of the retrospective impact of IFRIC 21 "Levies". The impact on the previously published H1 2014 adjusted operating margin was -€6.7 million.

(2) **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. H1 2014 figures are proforma of the retrospective impact of IFRIC 21 "Levies". The impact on the previously published H1 2014 adjusted EBIT was -€6.7 million.

(3) **Net financial income / (loss):** Excluding the impact of actualization of debt on commitments to purchase minority interests (+€3.6 million and -€2.1 million in H1 2015 and H1 2014 respectively).

(4) **Equity affiliates:** H1 2014 figures is proforma of the retrospective impact of IFRIC 21 "Levies". The impact on previously published H1 2014 figures is -€0.6 million.

(5) **Net income Group share:** H1 2014 figures is proforma of the retrospective impact of IFRIC 21 "Levies". The impact on previously published H1 2014 figures is -€5.2 million.

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

(7) **Net debt:** Debt net of managed cash 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. Net debt is presented excluding the €500 million of own shares repurchased on 17th July, 2015 as part of the simplified public tender offer ("offre publique d'achat simplifiée", OPAS).

Next information:
Q3 2015 revenues: 5th November, 2015 (after market)

Key Figures for JCDecaux

- *2014 revenues: €2,813m, H1 2015 revenues: €1,460m*
- *JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 index*
- *N°1 worldwide in street furniture (491,950 advertising panels)*
- *N°1 worldwide in transport advertising with 140 airports and 279 contracts in metros, buses, trains and tramways (379,060 advertising panels)*
- *N°1 in Europe for billboards (180,590 advertising panels)*
- *N°1 in outdoor advertising in the Asia-Pacific region (215,350 advertising panels)*
- *N°1 in outdoor advertising in Latin America (51,150 advertising panels)*
- *N°1 in outdoor advertising in Africa (36,000 advertising panels)*
- *N°1 worldwide for self-service bicycle hire: pioneer in eco-friendly mobility*
- *1,078,370 advertising panels in more than 70 countries*
- *Present in 3,700 cities with more than 10,000 inhabitants*
- *12,300 employees*

Forward looking statements

This news release 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.

***Communications Department*:** Agathe Albertini
+33 (0) 1 30 79 34 99 – agathe.albertini@jcdecaux.fr
***Investor Relations*:** Arnaud Courtial
+33 (0) 1 30 79 79 93 – arnaud.courtial@jcdecaux.fr

RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss	H1 2015			H1 2014 [1]		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenues	**1,459.7**	**(172.0)**	**1,287.7**	**1,304.8**	**(153.7)**	**1,151.1**
Operating costs	(1,174.0)	126.6	1,047.4	(1,048.0)	114.5	(933.5)
Operating margin	**285.7**	**(45.4)**	**240.3**	**256.8**	**(39.2)**	**217.6**
Spare parts	(20.1)	0.5	(19.6)	(18.7)	0.6	(18.1)
Amortization and provisions (net)	(124.0)	11.8	(112.2)	(120.6)	9.4	(111.2)
Other operating income/ expenses	(7.0)	0.2	(6.8)	6.9	0.1	7.0
EBIT before impairment charge	**134.6**	**(32.9)**	**101.7**	**124.4**	**(29.1)**	**95.3**
Impairment charge [2]	1.2	-	1.2	(3.4)	4.5	1.1
EBIT after impairment charge	**135.8**	**(32.9)**	**102.9**	**121.0**	**(24.6)**	**96.4**

[1] H1 2014 figures are proforma of the retrospective impact of IFRIC 21 "Levies". The impact on the previously published H1 2014 figures was -€6.7m on Adjusted operating margin and -€5.8m on IFRS operating margin.
[2] Including impairment charge on net assets of companies under joint control.

Cash-flow Statement	H1 2015			H1 2014 [1]		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**210.0**	**1.5**	**211.5**	**183.1**	**(5.1)**	**178.0**
Change in working capital requirement	7.1	(34.6)	(27.5)	(10.8)	(19.2)	(30.0)
Net cash flow from operating activities	**217.1**	**(33.1)**	**184.0**	**172.3**	**(24.3)**	**148.0**
Capital expenditure	(107.9)	19.4	(88.5)	(71.0)	8.3	(62.7)
Free cash flow	**109.2**	**(13.7)**	**95.5**	**101.3**	**(16.0)**	**85.3**

[1] H1 2014 figures are proforma of the retrospective impact of IFRIC 21 "Levies". The impact on the previously published H1 2014 figures was -€6.7m on Funds from operations net of maintenance costs, +€6.7m on Change in working capital requirement on adjusted figures (vs. respectively -€5.8m and +€5.8m on IFRS figures), no impact on Cash flow from operating activities.