2010 Annual report
Document de Référence

JCDecaux
showcasing the world

TABLE OF CONTENTS

Incorporation by reference

In accordance with Article 28 of EU Regulation n°809/2004 dated 29 April 2004, the reader is referred to previous "Documents de référence" containing certain information:

1. Relating to fiscal year 2009:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 16 April 2010 under number D 10-0283 (pages 57 to 124 and 224 to 225, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 16 April 2010 under number D. 10-0283 (pages 125 to 145 and 226 to 227, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 16 April 2010 under number D. 10-0283 (page 229).

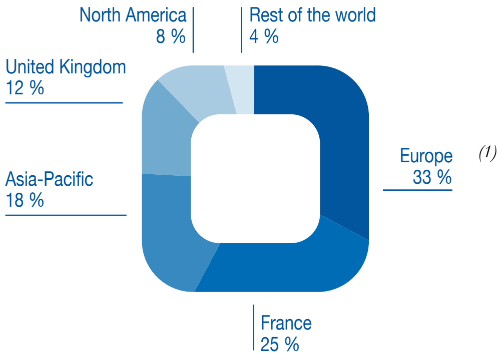
2. Relating to fiscal year 2008:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "Document de référence" filed on 10 April 2009 under number D.09-0229 (pages 51 to 117 and 213, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "Document de référence" filed on 10 April 2009 under number D.09-0229 (pages 118 to 141 and 214, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "Document de référence" filed on 10 April 2009 under number D.09-0229 (page 216).

COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

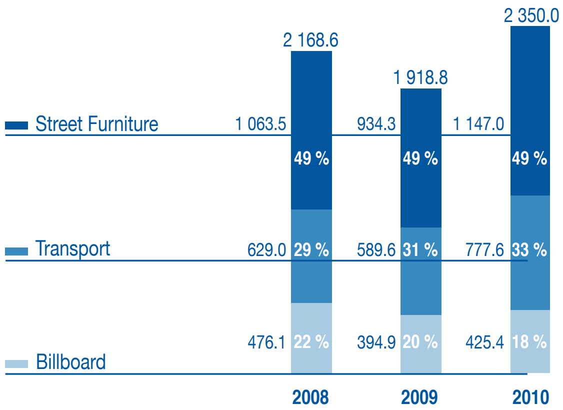
2010 REVENUES BY REGION



(1) Excluding France and the United Kingdom

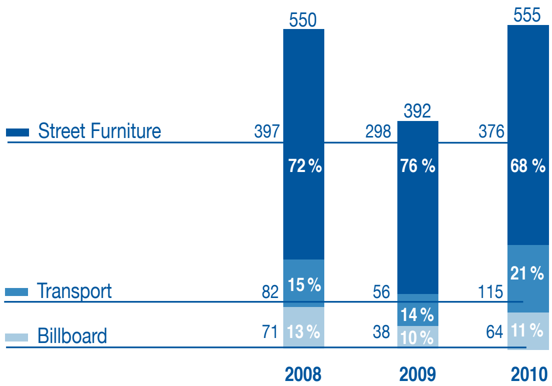
REVENUES BY BUSINESS

(in € million, segment's share in %)



OPERATING MARGIN BY BUSINESS

(in € million, segment's share in %)



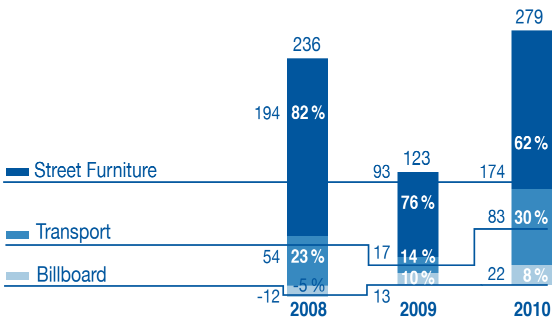
In 2010, the Group's revenue increased by 22.5% to €2,350.0 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 9.1%. Street Furniture revenues were €1,147.0 million, a increase of 22.8%. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 7.3%. Transport revenues grew by 31.9% to €777.6 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 15.6%. Billboard revenues increased by 7.7% to €425.4 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 3.8%.

Operating margin[1] increased by 41.7% to €555.4 million from €392.0 million in 2009. Operating margin as a percentage of consolidated revenue was 23.6%, up 320 basis points compared to the prior period (2009: 20.4%), reflecting strong operating leverage in 2010.

(1) Operating margin: Revenue less Direct operating expenses (excluding Maintenance spare parts) less SG&A expenses.

EBIT BY BUSINESS

(in € million, segment's share in %)

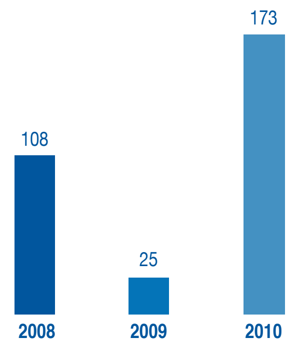


EBIT[1] increased by 127.2% to €279.0 million, down from €122.8 million in 2009. The Group's EBIT margin was 11.9% of consolidated revenues (2009: 6.4%).

[1]EBIT: Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions, less Maintenance spare parts, less impairment charges, less other operating income and expenses.

NET INCOME GROUP SHARE

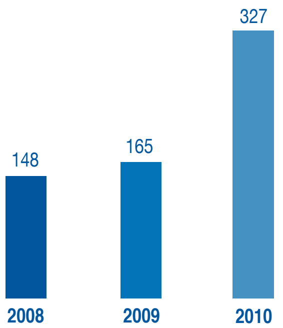
(in € million)



Net income Group share increased sevenfold to €173.3 million, compared to €24.5 million in 2009. This growth reflects principally the increase of EBIT and the performance of equity affiliates.

FREE CASH FLOW

(in € million)

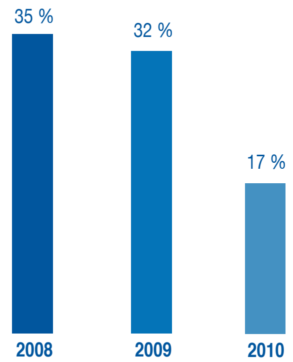


Free cash flow[1] amounted to €327.4 million in 2010, compared to €164.8 million in 2009, reflecting the rebound in net cash flow from operating activities, a tight control of working capital, and lower capital expenditure.

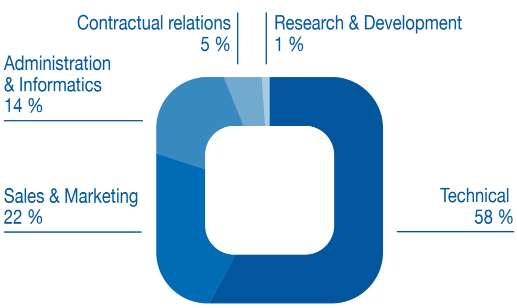
In 31 December 2010 the net debt decreased by €311.2 million to €358.8 million compared to €670.0 million as of 31 December 2009.

[1] Free Cash Flow: Net cash flow from operating activities less net capital investments (tangible and intangible assets).

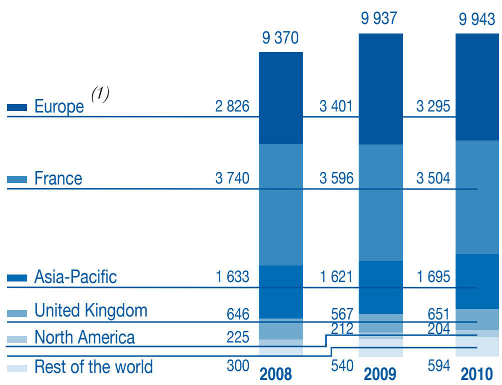
FINANCIAL NET DEBT /EQUITY RATIO



2010 EMPLOYEE BREAKDOWN BY EXPERTISE



EMPLOYEE BREAKDOWN BY REGION



[1] Excluding France and the United Kingdom

THE YEAR 2010

In 2010 we continued our strategy of organic and external growth and became the number one outdoor advertising company in the world. 2010 saw a rebound in advertising spending in all markets where the Group operates.

In 2010, as in 2009, the tender activity remained limited, specifically in France. Nevertheless JCDecaux won important new and renewed contracts in developed markets, such as the contracts with Aéroports de Paris or British Airport Authority or the contract to provide advertising bus shelters for Montpellier's tramway and bus network, a contract that we lost in 2000. We were also active in fast growing markets with the gain of the Singapore Changi airport, considered as the best airport in the world in terms of passenger service or the gain of the concession for the 26 airports in Saudi Arabia. We also deployed the concept of self-service bicycle outside of Europe with the launch of the systems in Brisbane, Australia, and Toyama, Japan.

Finally in January 2010, JCDecaux acquired certain assets of Titan Outdoor UK Ltd in the United Kingdom, which significantly reinforced our Transport division.

1. OUR CONTRACTS

Europe

- **In France,** we won the following public tenders:
  - the street furniture contract with the city of Tours (136,500 inhabitants), the Joué-les-Tours suburb (36,500 inhabitants) and the Intercommunal Transport Union of the Touraine Urban Community (SITCAT) for a 15 year period. This advertising street furniture contract covers the installation and maintenance of 222 MUPI® (free-standing information panels) and 75 large-format (8m²) Senior® billboards for Tours and Joué-les-Tours, 5 advertising columns and 5 public toilets, including 4 offering universal access for Tours. JCDecaux will also install 100 shelters for Tours' first tramway line and 207 bus shelters for the SITCAT.
  - through JCDecaux Aiport, the advertising contract at Bordeaux Airport for an 8 year period. Handling a total of 3.3 million passengers in 2009, Bordeaux Airport is France's fifth largest regional airport. Innovative digital and experiential advertising networks will be set up, that will further enhance advertisers' ability to reach audiences and will make a significant contribution to our commitment to sustainable development.
  - through JCDecaux Aiport, the renewal of its contract to operate indoor and outdoor advertising space in Lille-Lesquin Airport for an 8 year and a half period. Handling a total of 1.14 million passengers in 2009, Lille-Lesquin Airport is France's tenth largest airport.
  - the contract to provide advertising bus shelters for Montpellier's tramway and bus network for a period of 19 years and 6 months. Held by Clear Channel Outdoor for the past 10 years, the contract was signed by the Montpellier Transport Authority (TAM) on behalf of the Montpellier urban Community (France's 19th largest conurbation with a total of 412,000 inhabitants, Montpellier : France 8th largest city). The contract covers the installation and maintenance of 561 advertising bus shelters for tramway lines 1 and 3 in addition to the entire bus network serving both the city and the surrounding urban area. The contract covers a total of 1,560 6-sheet (2m²) advertising panels.

    Otherwise, we have been awarded the street furniture advertising contract by the city of Montpellier (population: 257,000, the 8th largest city in France) for a period of 15 years. This contract covers the installation and maintenance of 300 2m² MUPI® scrolling information panels, 65 large-format (8m²) Senior® billboards, 20 columns for displaying information about cultural events, 2 digital units 2m² and 2 digital billboards 8m², a total of 1,069 advertising panels. JCDecaux has designed all the street furniture that will be installed under the contract.
  - the renewal of 11 street furniture contracts in the Ile-de-France region comprising 2,152 2m² advertising panels and 441 8m² billboards. The towns with a combined population of over 620,400 inhabitants are: Antony, Créteil, Ivry-sur-Seine, Le Pré-Saint-Gervais, Malakoff, Montesson, Romainville, Saint-Maurice, Suresnes, the urban community of Saint-Quentin-en-Yvelines and the Val de Seine municipalities (Boulogne-Billancourt and Sèvres).
  - the renewal of street furniture contract by the city of Angers and the Angers Loire Métropole urban community (Communauté d'Agglomération d'Angers Loire Métropole, 283,000 inhabitants) for a 15 year period. This contract covers the installation and maintenance of 306 bus shelters, 156 MUPI® (free standing information panels), 50 large-format (8m²) Senior® billboards, 13 columns for displaying information about cultural events, and 5 beacons marking the entrances to the city and urban areas. JCDecaux will also install 42 shelters for Angers' first tramway line. This contract covers 926 advertising panels.
- **In France,** following public tenders, we won also a partnership with Aéroports de Paris with a view to creating a future joint venture primarily to leverage and commercialise advertising space and secondly to operate a televisual medium

focusing on passenger/airport relations at the Paris-Charles de Gaulle, Paris-Orly and Paris-Le Bourget airports. This new entity, which is to start its activities on 1 July 2011, will be owned in equal parts by Aéroports de Paris and JCDecaux and will operate for a period of 9 years and 6 months. The plans to establish the company will be submitted in advance to the European competition authorities.

- **In the United Kingdom,** we won the following public tenders:
  - the advertising franchise contracts with BAA, the world's leading airport operator for Heathrow, Heathrow Express, Aberdeen, Edinburgh and Glasgow airports for a potential 8-year term. This contract cements JCDecaux's leading position in airport advertising which includes 7 of the top 10 airport hubs: London, New York, Paris, Los Angeles, Dallas, Shanghai and Beijing We currently operate advertising concessions in 163 airports worldwide, providing advertisers with a potential audience of 1.1 billion passengers a year.
  - the contract covering all advertising in Network Rail's 18 managed stations for a term of five years with a potential two year extension. The contract covers advertising at stations such as Waterloo, Euston, Liverpool Street and Manchester Piccadilly, and is expected to generate revenue of around £160 million in the first five years. The contract was previously held by Titan Outdoor Advertising Ltd, certain assets of which were acquired by JCDecaux UK Ltd earlier this year.

- **In Spain,** following a public tender, we won the street furniture and self-service bicycle contract for Valencia for a 20 year period. Ranked among the top 25 European cities, Valencia is Spain's 3rd largest city with a population of 800,000. With a 16 year track-record in Valence, we will operate under the new agreement 455 2m² MUPI® (free-standing information panels), 45 large-format (8m²) Senior® billboards, 15 columns and 180 flagpoles, a total of 1,460 advertising panels.

Asia-Pacific

- In **Singapore,** we won the advertising contract for Changi Airport Singapore. The 7-year contract follows a competitive tender and will run from January 1, 2011. Changi Airport is the seventh busiest international airport for international travellers, with 37.2 million passengers in 2009 and 30.8 million passenger movements from January to September 2010 and has won more awards than any other airport with 2010 awards. We will create all new 'landmark' advertising sites in the Departure Halls of Terminals 1, 2 & 3 and introduce a larger 70-inch LCD digital screen network with an increased footprint at more than 70 sites. In 2012, this new digital experience concept will be further enhanced by 6 large format LED digital screens in each of the three main terminals' arrival plazas, plus totem backlights at motor vehicle drop off points.
- In **China**, through Nanjing MetroJCDecaux Advertising Co., Ltd.1, we have expanded our advertising operations beyond the first phase of Nanjing Metro's Line 1, and now operates also on Line 2 and the recently completed Line 1 extension that commenced operations in May 2010. JCDecaux now owns a total of 3,335 Lightboxes at Nanjing Metro stations. This exclusive media contract will last through 2023 and marks a further deepening of cooperation between JCDecaux and Nanjing Metro Company Ltd.

North America

- **In USA**, following a competitive tender process, it has been awarded a new 9 year contract, including extension options, for the advertising concession at Washington Reagan National and Washington Dulles International airports. With more than 40 million annual passengers, these airports are the gateways to the American Capital, covering both domestic and international passengers. The new contract also includes marketing and sponsorship development opportunities. JCDecaux has operated the advertising concessions at the two airports since 1996.

Rest of the World

- In **Latin America,** JCDecaux, the exclusive holder of the advertising concession for the Santiago Metro in Chile, has renewed its advertising contract for a 7 year period following a competitive tender process. This new contract covers approximately 20,000 m² of backlit advertising space with 445 scrolling MUPI® Citylight panels and 750 backlit 6m² billboards that will be further enhanced by a wide range of innovative systems: station domination initiatives, train branding operations, digital and interactive furniture. This partnership comes as Santiago Metro embarks upon a modernisation and extension programme. By the end of 2010, the Santiago Metro will comprise 108 stations on five lines, serving an estimated 634.5 million passengers per year, representing a daily average of 1.7 million passengers.
- In **Kazakhstan**, through our Kazakh joint-venture RTSDecaux, we have been awarded an exclusive 25-year street furniture contract with the City of Almaty (population: 1.4 million). The contract covers the installation of 500 bus shelters, 250 MUPI® (free-standing information panels) and 250 city-scrolling billboards between now and 2014. These street furniture items will enhance the existing kiosk and bus shelter-based advertising network in the city centre. More than 50% of the Kazakh outdoor advertising revenues are generated in Almaty today.
- In **Saudi Arabia**, through our subsidiary JCDecaux ATA, we have entered into a 10-year contract for the exclusive advertising concession covering all 26 airports in Saudi Arabia. JCDecaux ATA is a 60/40 joint venture between JCDecaux and its Saudi Arabian partner ATA. JCDecaux is the leading outdoor advertising player in the Middle East North Africa region thanks to a unique premium outdoor advertising platform that includes prime locations targeting

high-profile audiences in these fast growing markets. The contract covers 4 international airports in Saudi Arabia: King Abdulaziz International Airport in Jeddah, King Khaled International Airport in Riyadh, King Fahd Airport in Dammam and Prince Mohammad Bin Abdulaziz Airport in Madinah, and 22 domestic airports across the country.

- In **Dubaï** (United Arab Emirates), through our subsidiary JCDecaux Dicon, we have entered into a 10-year contract with Dubai Airports for the exclusive advertising concession at Dubai World Central-Al Maktoum International (DWC). Upon completion, DWC will have the capacity to be the world's largest airport in terms of volume and size, offering world-class facilities and services. It will feature five runways, up to four terminal buildings, and have the capacity to handle 160 million passengers a year, almost double the 88 million passengers of the world's busiest airport in 2009. The first phase of DWC was opened for cargo operations on 27 June 2010. Dubai Airports owns and manages the operation and development of both Dubai's airports, Dubai International as well as DWC.

2. PARTNERSHIPS, ACQUISITIONS AND REORGANISATIONS

United Kingdom

- JCDecaux UK has purchased certain assets of Titan Outdoor UK Advertising Ltd, including the retail and rail advertising business, subsequent to the company being placed in administration. Titan has a leading position in the railway and retail advertising sectors in the UK, following the purchase of Maiden Outdoor in March 2006. Titan has been instrumental in driving digital outdoor.

THE OUTDOOR ADVERTISING INDUSTRY

1. SEGMENTS OF THE OUTDOOR ADVERTISING INDUSTRY

1.1. Three main segments

Outdoor advertising consists of three principal segments: advertising on billboards ('Billboard'), advertising on and in public transportation vehicles, stations and airports ('Transport'), and advertising on Street Furniture ('Street Furniture'). Billboard is the most traditional and continues to be the most utilized form of outdoor advertising. Other outdoor advertising activities, such as advertising on shopping trolleys or in gas stations, are grouped together as 'Ambient Media'.

The newest is advertising on Street Furniture: bus shelters, free-standing information panels (2m² MUPI®), large-format advertising panels (Senior® 8m²) and multi-service columns.

There are not as many reliable and comparable sources of data for outdoor advertising as there are for other types of media. Consequently, to provide the most accurate possible data, we have used various sources. Where these sources contain inconsistent information, we have tried to harmonise it based on our knowledge of the market. Therefore, we estimate that in 2010, Billboard accounted for approximately 53% of worldwide outdoor advertising spending, Transport accounted for approximately 27% and has been growing share, particularly in Asia, and Street Furniture accounted for approximately 20% *(source: JCDecaux)*.

1.2. The place of outdoor advertising in the advertising market

In 2010, outdoor advertising spending worldwide was approximately $29.4 billion, or 6.6% of worldwide advertising spending, which was estimated at $444.5 billion *(source: ZenithOptimedia estimates, December 2010)*. This average market share results from variations in penetration rate in different countries. For example, outdoor advertising spending, expressed as a percentage of the overall display advertising market, is especially high in the Asia-Pacific region, because of the particularly significant market share of outdoor advertising in Japan and China, the main advertising markets in the region. In 2010, outdoor advertising accounted for 10.4% of the overall advertising market in this region, compared to only 4.6%, 6.3%, and 4.1% of the overall advertising market in North America, Europe, and South America, respectively.

2. OUTDOOR ADVERTISING: AN INCREASINGLY RELEVANT COMMUNICATION CHANNEL

In recent years there has been a major shift in the media landscape occasioned by the growing ubiquity of digital platforms and devices. This has led to people using the digital platforms to use media in entirely new ways. This structural change has for most major traditional display media caused a decline or a fracturing of audiences. For press this has mostly caused a strong readership decline. In the case of television although audiences have not always declined overall as the new digital platforms have increased choice, the balance of audiences for the mass delivery options has swung towards target groups less desirable to advertisers. Conversely the audiences to out of home are structurally increasing as the world's population becomes increasingly urban in nature and digital technology has contributed to outdoor advertising becoming a more relevant and flexible communications channel than before while retaining its broad reach of the population. The nature of outdoor advertising also means that it fits well into the changing patterns of consumer interaction with advertisers' messages. Unlike most major media the growing audience means that this relevance and interaction comes at a low cost per contact. The outdoor industry also invested in meaningful tools of accountability with respect to audience and return on investment, and generated the interest in such tools from the advertisers and their advertising agencies allowing them to quantify the contribution of the medium.

In the new socially connected world outdoor emerges as the last mass medium best positioned to work in collaboration with an increasingly urban, mobile and digitally enabled audience.

2.1. A fast-growing and changing audience

The significant growth in the out of home audience is in part driven by structural changes in populations, which are increasingly urbanised. According to the UN study, World Urbanization Prospects: 2009 Revision, published in 2010, 3.5 billion people, nearly 51% of the world's population, now live in cities and this will rise by almost one and a half billion people in the next 15 years. In fact, 70% of the world's people will be living in cities in 2050 with rural areas in all parts of the world with exception of Africa seeing declining populations and city populations growing..2008 was the pivotal year for the urbanisation of the global population where as many people lived in cities globally as in rural areas for the first time. This trend is particularly strong in the developing world, where people are migrating in growing numbers toward large urban centres. The developed world already has levels of urbanisation well in excess of 50% but this structural change is evident even within Europe where more people are predicted to move to cities

Furthermore, people are becoming more and more mobile and are spending more time outside of their homes, whether driving or walking on the street, or in trains, railway stations, or airports. Outdoor advertising displays have rapidly developed in city centres, along highly-travelled roads, in airports, shopping malls, supermarkets and car parks. It is predicted that the audience for outdoor advertising will continue to grow in years to come, fuelled by people's increasing mobility.

Consequently, the average commute time between home and work has increased in most countries, which means that motorists are increasingly exposed to outdoor advertising. In France, the average distances travelled per person have more than doubled in the last 20 years. In many countries, the average number of vehicles per 1,000 inhabitants has been growing steadily, which means constant growth in road traffic. In the European Union, an area with an already relatively high density of vehicles, the average number of vehicles per 1,000 inhabitants rose by a further 10% in the decade between 2000 and 2009, with Poland, an example of a recently emerged market, showing the biggest growth, an increase of 73% during this period and is now approaching levels similar to more developed markets *(source: Comité des Constructeurs Français d'Automobiles)*. In China, even though the number of vehicles per 1,000 inhabitants is relatively low, the volume of vehicle sales is still the largest in the world, surpassing the US, and sales are reported to be up approximately 33% in 2010 *(Source: China Association of Automobile Manufacturers CAAM)*. By comparison, U.S. auto sales rose only 11% in 2010.

In addition to the greater amount of time spent in cars going to work, people are spending more and more time outside their homes. Building on our own "Daily Life" study on the use of personal time, which we conducted with the BBC in the United Kingdom in 2005, the third Touchpoints study by the IPA in the UK published in 2010 shows that people spend on average 7 hours per day outside the home, with working people spending an average of 8.5 hours per day outside the home. With the proliferation of smart phones and other devices, accessing internet 'on-the-move' has increased over 100% from the years 2005-2010. Inasmuch as the people studied spent half of this time outside of their place of work, advertisers have ever-increasing opportunities to reach this mobile audience whether in city centres or retail locations. Outdoor is uniquely placed to integrate with new media in engaging with this increasingly mobile audience.

Finally in air transport, according to ACI, (Airports Council International) after a recessionary period for traffic in 2009 (-2.6%) which was largely confined to the first half of that year and not as severe as predicted, 2010 showed a return to the long term trend in growth for air passenger level with a 6.2% increase in passenger traffic. Regionally, there was strong growth in the Middle East (+13%) where we have recently announced a long term partnerhip with Saudi Airports. Asia-Pacific grew by 8.2% and Europe, despite the severe disruption caused by the volcanic ash in Iceland and harsh winter conditions in 2010, saw an increase of 6.9%.

2.2. Growing fragmentation of traditional major media

As many studies show, outdoor advertising continues to benefit from the increasing fragmentation of "in-home" advertising, where ever more cable, satellite, and broadcast television channels, as well as Internet sites, compete for of the viewer's attention.

Television fragmentation

Fragmentation is a consequence of an ever-larger choice of TV channels and changes in the way viewers consume their television content. This process has accelerated in recent years with 2009/10 seeing significant developments in many important advertising markets. Television is now received from a varied range of platforms spurred by competition between traditional broadcasters, satellite, internet, cable and telephony providers.

The rapid growth in consumers receiving a digital TV service, specifically Digital Terrestrial Television (DTT), has resulted in several markets having completed "digital switchover" (DSO, the phased or instant removal of analogue television provision in favour of the digital platform). Following DSO in the Netherlands, Sweden and Germany, the US implemented an overnight DSO in mid 2009 and Spain completed their phased DSO in 2010. A number of other markets such as France, the UK, Italy, Canada and Japan are due to complete the process in 2011 or 2012. This has spurred high levels of take up of a digital television service where there are significantly more channels available for viewing. This is particularly notable in the United Kingdom and in Spain where a recent report from Ofcom highlights that the number households where the main television set is digital are the highest in the world (91%) *(Source: Ofcom International Communications Market 2009)*. However the report notes that viewing levels have not increased with the increased supply implying a fragmentation of audience. The result is a significant expansion in the number of households with high numbers of television channels available to them, bringing in consumers who were reluctant to pay for satellite and cable options. Ofcom oberve that there appears to be a correlation between a move from analogue to digital platform availability and a reduction in viewing to the major channels reducing their ability to deliver large audiences easily.

Reception of channels via digital delivery has increasingly led to devices in homes that allow consumers to become their own television schedulers. The continued expansion in the number of households with the latest generation of digital video recorders, such as TiVO in the United States, MySky in Italy or Sky+ in the United Kingdom, with these devices increasingly bundled with pay TV packages, has reached penetration levels that are affecting viewing habits. According to Screen Digest report the equipement rate increased by 26% in the US and 40% in the UK in 2009 spurred by the digital switchover. In the UK for example in 2009 nearly 8 million or two fifths of homes had at least one pay-DVR. *(Source: Ofcom, The International Communications Market October 2010)*. The UK also has a sizeable free-to-air DVR market, with four million such devices sold by the end of 2009. In addition through pay TV sources via cable and telephony housholds have increasing access to Video On Demand (VOD) services and to Internet Protocol Television (IPTV) where they may also schedule their viewing activity. As these are accompanied by the digital facility to pause live viewing and fast forward, consumers are in control of what they watch and often choose to avoid all but the programme content.

The same Ofcom report in 2009 showed that over three quarters of those viewing television this way usually fast forward through the advertising breaks. While there may be techniques to reduce the negative impact of this behaviour, it is one of the factors contributing to the the declining return on investment experienced by television as reported by, amongst others, Brand Science, the econometric modelling company within the Omnicom advertising agency group (Brand Science/OAA). Many more consumers are now also viewing television over the web and are increasingly able to avoid advertising in this medium.

In many markets, the rapid penetration of this type of service by cable, satellite, or high-speed Internet allows a continually expanding audience to watch programs without advertising content and downloadable at home via a digital unscrambler. In fact a key driver of this has been the rapid expansion in broadband penetration to homes in recent years. Ofcom report that fixed broadband takeup has developed rapidly in all the major tracked markets with the exception of India. Netherlands has the highest penetration levels at 85% of households followed by Canada (80%) the US (71%) and the UK (70%).

In addition, in many households, television is now rarely consumed as a primary activity in its own right. A string of studies now confirm what we previously reported in our own "Daily Life" study that most viewers are distracted by another activity, or television itself is a secondary activity, while the consumer's primary activity is often something else, such as eating, talking on the phone, sending SMS messages, or surfing the Internet, or even consuming music while the television is on. A report by Forrester Research for Cisco Systems in June 2010 highlighted the impact of laptop and tablet computing upon behaviour of individuals. In a wireless world laptop viewing of the new digital video streams can occur anywhere in the household making it easy and convenient to do so. This has a strong impact not only on multitasking but breaks the link with fixed devices such as the television and desktop computers for home entertainment.

In many markets the strong growth of the Internet access is threatening the effectiveness of television advertising. We have reported in previous years the ongoing long term US study at the University of Southern California's Annenberg Center for the Digital Future entitled "The Digital Future Report". This report, part of a global collaboration by academic institutions throughout the world, confirms that American consumers are increasingly surfing the Internet instead of watching television. The study, first published in 2001 and conducted annually for the last nine years, shows that the average number of hours online per week has grown every year since The Digital Future Report began in 2000, and in the 2010 study, they reported it had passed 19 hours per week. Significantly the largest year on year increases have been reported in the last two years of the report indicating an acceleration in the fragmentation of in home media consumption engendered by the Internet. In 2010 more than 80% of US users had access to the internet at home and more than 80% of these users accessed internet via broadband connection.

The Digital Future Report has previously shown that Internet users without high-speed connections tended to connect to the Internet for relatively long periods of 30 minutes, whereas users with high-speed access tend to go online in short bursts, coinciding with television commercial breaks. The growing penetration of high-speed Internet will continue to reduce the effectiveness of television and could raise questions about its position as a mass medium. This process appears to be accelerating and provides an opportunity for the development of the outdoor medium.

Radio fragmentation

Radio advertising is also increasingly subject to fragmentation: consumers have access to a much broader array of stations as well as the ability to avoid advertising. This process has been accelerated by the increasingly high levels of broadband penetration in most markets which makes it possible for consumer to easily listen to channels broadcast anywhere in the world. France has the highest level of listening to the Radio via the Internet with 41% of people claiming to do this in Ofcom's October 2010 study. In addition the increased popularity of portable digital listening devices and the integration of these platforms within mobile phones and smartphones have also allowed individuals considerable freedom to become there own schedulers. Downloads of not only muic but also podcasts of radio programme material at no cost from a wide variety of sources have impacted upon audiences to commercial radio stations. In Ofcom's International Communications Report 2010 the highest level of home downloading of such material was in Italy with 48% of people doing this, while the UK was closer to the average at 40%.

.As happened with television, radio is now seeing an increasing number of subscription-based services without advertising. In 2009, the Ofcom International Communications Report 2010 observes that although global advertisng revenue declined by 14% year on year, subscription radio revenues increased by a little over 5%, flying in the face of the recession. Some 35 million people in the US and Canada pay for a subscription service which differentiates itself from other free to listen carriers by having music channels with no advertisements. The platform are particularly popular with motorists and in commercial out of home venues such as retail outlets, hotels and restaurants. The European Commission has approved two suppliers of a similar service for Europe. Although the recession has slowed progress here and in and Middle East countries this type of product is likely to develop in the next few years.

Daily newspaper and magazine fragmentation

Finally, daily newspapers and magazines are also affected by increasing fragmentation, especially as a result of free newspapers and the increase in themed magazines. The tendency of people to access not only news but also entertainment via the Internet, especially amongst the young, has a negative impact on the effectiveness of this medium. This tendency has gained further momentum in 2010 with the Digital Futures Report recording the highest levels of this activity since it began studying the issue. 18% of those internet users reported cancelling subscriptions to traditional newspapers or magazines as a result of their ability to access content online. This trend is set to continue as younger audiences, who would in the past read newspapers as adults, never acquire this habit. In effect there is limited replacement of lost readers. This long term project, part of a global collaboration by academic institutions throughout the world, observes that the new forms of electronic reader (such as the iPad) becoming ever more popular in the last year or so have finally made the online newspaper experience comparable to reading a physical newspaper, accelerating the decline in the purchase and relevance of newspapers themselves. Although this may in some part arrest the decline in reading copy the digital nature is likely to fragment readership further.

2.3. An ever more attractive medium

The fundamental change in the way media is consumed outlined in the previous section, both in and out of home, will have a dramatic impact upon the how advertisers will need to conduct their communication with consumers. This is particularly true of younger groups who will have grown up with forms of media communication unknown in their parents' formative years. For younger groups particularly, outdoor is well placed to be a more relevant and integral part of the conversation that advertisers will increasingly seek to have with potential customers. There are two key reasons for this. Firstly the younger and technically savvy groups are disproportionately highly exposed to out of home. Secondly this group is increasingly averse to an interrupt model of advertising and looks to a dialogue with their peer groups about brands and lifestyle choices. Outdoor is not perceived as interruptive but welcomed in the context of the urban environment as both ambient and useful. As the growth in mobile broadband gathers pace, increasing amounts of social interaction will take place online but a high proportion will be on mobile platforms. Outdoor will be well placed to interact with, and be part of, this increasingly significant conversation style of communication between advertiser and customer

The development of technologies that allow consumers to use their personal mobile devices, principally their mobile phones, to interact with a poster message and to receive information and entertainment from an advertiser will become commonplace and out of home will be a particularly relevant location for this interaction to occur.

These interactive campaigns, both powerful and targeted, have been very popular, especially with leisure, luxury and mobile telephone advertisers. In 2010 JCDecaux significantly developed the capability of this form of communication, putting the infra structure and engineering expertise of our group behind a new mobile marketing platform, USnap. Developed with a technology partner, USnap allows advertisers to provide enriched content for their brands via the mobile telephone. Consumers merely have to download a simple app from their usual app store which will allow them to photograph an advertiser's posters and be connected to this enriched content. Beginning with iPhones in France this platform is being rolled out to other markets and smartphone platforms.

Our broad reach to valuable target groups make outdoor particularly suitable for this type of interaction. These campaigns allow consumers to explore and engage with their products, adding value to the advertising investment. JCDecaux continues to invest in developing these ideas for application throughout our global network and foresee an increasing interaction between outdoor advertising and mobile communication as a growth driver for the industry.

Increased interaction

Via the continued expansion of our JCDecaux Innovate concept in 2010 we continue to develop the means of generating the types of conversation our advertisers are seeking.

JCDecaux Innovate, initiated in the United Kingdom in 2001, has been adopted in 43 of the 56 countries where we now do business. JCDecaux Innovate teams around the world have developed a range of products and a sophisticated understanding of how technologies from other emerging communications industries can be combined with outdoor advertising to make the outdoor medium more attractive and interactive. In doing so, we have anticipated the increasing desire from advertisers and their agencies for media that deliver engagement. Given the high volume of advertising messages to which consumers are exposed every day, new and innovative methods are required by media owners to persuade consumers to engage with the communication. Such methods will involve actual relational marketing that flourishes in an urban environment by offering the unexpected. JCDecaux Innovate teams are constantly on the lookout for new and innovative advertising concepts for our customers' product campaigns, driving interest in the medium and stimulating diversity in our customer base and, ultimately revenue growth.

Among other JCDecaux Innovate products that we have developed is "Interact", which allows a consumer to select desired information directly from the advertising medium, and "Showscreen", which involves introducing an interactive television screen into an advertising display, making it possible to transmit several messages to the consumer. These two JCDecaux Innovate products were in great demand from advertisers during 2010, and the interactive campaigns allowed us to win new advertisers in the Street Furniture segment and thereby enhance our portfolio of new clients looking for innovative solutions, over and above those that customarily use this type of campaign (mobile telephones, cinema, and television). In 2010, advertisers that invested in such campaigns included H&M, the Coca-Cola Company, Bonella, IBM, Samsung, Sony Ericsson and Nokia.

"Showcase" also allowed us to bring in new advertising contracts. The process involved transforming MUPI® 2m² scrolling panels or bus shelters into an outdoor show window exposing an advertiser's products, as in a store. This JCDecaux Innovate product was particularly attractive to advertisers in the fashion and sports equipment industry (Mango, Lacoste), beauty products (Nivea), mobile telephones and telephony (Sony Ericsson,Vodafone) and drinks retailers (the Coca-Cola Company, Heineken).

All these innovative products, to which we have added sound, ultra-violet light, and modern forms of moving lights, have changed the image of outdoor advertising for advertisers, which contributes to the medium's growth.

Our largest markets have a new JCDecaux Innovate based campaign virtually every week driving in many cases new advertisers to the medium. In France JCDecaux Innovate ran 75 innovations in outdoor advertising in 2010, to 60 in 2009, a significant part of which was for brands from markets that are not normally considered captive, such as food and beauty/hygiene. In the United Kingdom, where the idea has been present for some time, 69 campaigns used JCDecaux Innovate technology in 2010, and we managed 45 campaigns in the USA, 61 in Italy, 29 in Spain or 24 in Belgium. This capacity for perpetual innovation allows our sales force to attract new advertisers to outdoor advertising. A significant number of JCDecaux Innovate campaigns were also launched in other parts of Europe, Australia and in Asia.

Digitally Enhanced Product

Our capacity for "product" innovation also means that we are able to offer advertisers communications media that are increasingly attractive and support the growth of outdoor advertising. Of particular note in 2010 was the increased use of digital screens to deliver advertising messages, particularly in the transport sector. In airports as far apart as Shanghai, Dubai, Los Angeles, London and Frankfurt, and in the Hong Kong, Shanghai and Beijing undergrounds we have introduced digital screens making the medium more attractive and flexible in delivering our customers' advertising messages. The quality of both the screens and their locations make this a significant potential driver of revenues in the coming years. A significant element of the concession gained in Singapore Changi Airport and the renewal of our contract for the Paris Airports will be the provision in 2011 of a digital platform within the airports.

Finally, major new contract wins, in the Street Furniture and Transport segments, mean we can offer a more extensive and sophisticated product line.

Online/Outdoor

There is a growing understanding of the ability of outdoor advertising to drive website traffic and makes these media highly complementary. A case history in the UK for one of our retail customers in 2009, Marks & Spencer, showed that during a promotion for clothing the period of outdoor activity coincided with a significantly higher levels of online search for the promoted products and product group from the company, and ultimately higher levels of sales. This fact may also explain a good growth in revenue from Internet search companies such as Google and Sohu in China, who are utilising our products to drive customers to their own websites. Whereas the plethora of websites available makes it difficult for this medium to achieve mass reach, outdoor reaches a mass audience more quickly and cheaply than any major medium.

2.4. Competitive cost per contact

In the difficult trading conditions experienced in 2009, with a relative softness in demand for all the main media, historic price levels were difficult to maintain. Advertising rates were at their cheapest for more than a decade, which led to a lower cost per contact in 2009 compared to 2008. No medium was exempt from downward pressure on pricing, even where audience was rising. In 2010 we saw an improvement in rates for major media driven by a rebound in advertising demand however it is still difficult to distinguish long term trends from the severe impacts on media rates occasioned by the economic crisis.

We believe that, as the economic recovery continues to gather pace through 2011, the structural pressures present before the crisis will remerge and outdoor advertising will continue to be seen as an increasingly cost effective means to deliver a broad reach of valuable customer groups to advertisers. The progress of digital technology will negatively impact upon the ability of both free to air television and the press to provide advertisers with effective display advertising possibilities and will drive up the cost of reaching ever declining audiences. It is likely that major broadcasters will need to change their business models to a more pay to consume basis, further restricting supply. Outdoor conversely, where the advertising message is the medium, is likely to benefit from the expansion of digital technology.

In 2010, outdoor advertising continues to offer a cost per contact that is significantly lower than that of other media. This may be demonstrated by reference to the United Kingdom, one of the advertising markets most challenged by the economic downturn.

Contacts reached per €1,000 spent	United Kingdom
Outdoor advertising (Street Furniture – Billboard)	714 870
Television (broadcast, satellite, cable) – 30 sec. spot	183 300
Radio (30 sec. spot)	568 109
Daily newspaper	115 302
Cinema (30 sec. spot)	14 702
Internet	490 197

Source: United Kingdom Group M Forecasts for television, radio and internet, Pearl & Dean for cinema, Brad for daily press and JCDecaux for ousside advertising

2.5. Reliability and improvements in audience measurement

In the media world, the most advanced forms of advertising have analytical tools that allow purchasers of advertising space to plan their campaigns effectively. Outdoor advertising, unlike other major media, has traditionally lacked reliable audience measurement tools. For several years, through our subsidiary JCDecaux OneWorld, we have pioneered the development of audience measurement for outdoor advertising. In 2010, we made developments that will further enhance the attractiveness of this medium to advertisers.

We have significantly contributed to the development of a consistent approach to outdoor audience measurement in Europe, the United States and the Asia-Pacific region. Using our reputation, we developed a reference methodology, or "best practice", in audience measurement, together with other key companies in the outdoor advertising industry. These early initiatives were strengthened in 2008 following the creation of a new research group under the aegis of the international research institute, ESOMAR, the purpose of which was to develop audience measurement standards specific to outdoor advertising, the "Global Guidelines for Out Of Home Audience Measurement". We served on its decision-making committee and also chaired the technical committee of this research group. Other members included the World Federation of Advertisers and other participants in the advertising world. Only television and the Internet have undertaken similar audience measurement initiatives so far, and this step shows the increasing importance that advertisers attach to outdoor advertising in formulating their advertising strategy. The completed guidelines were released and referenced in 2009, to assist markets throughout the world to develop true accountability, permitting outdoor to compete more effectively with other media for advertisers' advertising spend.

Generally speaking, regardless of the type of medium, the development of a method of audience measurement requires active participation by the various parties involved (principal vendors, advertising agencies and advertisers). They must agree on the measurement criteria to be used. This step is a fundamental prerequisite that conditions acceptance of the results of the audience measurement technique by the advertising market and the various participants. Audience measurements carried out for out of home advertising thus involve the principal parties affected and are produced by independent agencies that include the key companies in the industry.

The reference methodology used by us and other participants in the industry is built around three fundamental ideas: identifying the movements of a sample of the population over a period of one to two weeks, measuring vehicular or pedestrian traffic and measuring the visibility of the advertisement (whether the panel is backlit or not, visibility of the panel from the traffic flow position, and in relation to the direction of traffic flow, etc.). For each panel, a probability factor of being seen can be assigned, based on its potential visibility. As for television, quantitative surveys measure only "opportunities to view" the medium.

For each of these branches of the methodology, the method of data collection can vary from one country to another. Collection of information about movements, for example, can be made using GPS systems, as was the case recently in Germany, Switzerland and certain major Italian cities. This GPS technique is currently also being used to update the UK and Netherlands studies and for a new study in Austria. The essential point is that the method makes it possible to gather reliable data about patterns of movement.

This methodology, which has been gradually implemented with success in various regions of the world, improve the level of coverage and increase the frequency of audience measurement for outdoor advertising in order to allow comparability both with other main advertising media and from one outdoor advertising segment to another. Global advertisers are thus able to develop a worldwide strategy for purchasing advertising space from one medium to another, increasing the ease of use and effectiveness of the medium. This reference methodology has already been adopted by the United Kingdom, Norway, Sweden, Ireland, Finland, Germany, Austria, the USA, Australia and the Netherlands. In the United Kingdom, where the system has been in place longer than in other countries, and, more recently, in Ireland, Sweden, and in Finland, we believe that the audience-measurement methodologies have allowed us to raise our prices due to demonstrably higher audiences for high-quality panels.

In Germany, new audience measurement results were published during 2008. In this major market, as well as in Australia, our clients are able more easily to quantify the value of outdoor advertising in making their advertising choices, which should continue to support mid-term the medium's growth. Furthermore, GPS technology was used in refreshed audience measurements in the United Kingdom and in the Netherlands for which results currently being finalised and will be published during the course of 2011.

A significant development in 2010 was the introduction during the year of a new audience measurement system in the US, Eyes-On, based upon the reference methodology. Replacing simple traffic counting it covers from the first release the major roadside elements of US outdoor in all of the over 200 Designated Marketing Areas (DMAs) which are used for media trading in the US. It is therefore a significant task for the media planners and buyers to evaluate the impact on their media strategies, providing metrics similar to those for other media traded in the market. Eyes-On permits the inclusion of out of home in media planning tools, including econometric modelling, in the US for the first time and we expect this to have significant impact on their ability to compare the value of out of home to other major media in the coming years. Work in conjunction with the US government has already commenced to bring the formats in transport environments into this Eyes-On system as soon as possible.

Early in 2008 we introduced our first audience measurement in China using this reference methodology. This audience measurement was carried out for all of our different types of advertising media in Shanghai. Our objective is to extend this measurement to the principal advertising markets in China, which should significantly strengthen our competitive position there. In 2009 we delivered to the market a study using this reference methodology for the metro products in Beijing and will provide consistent audience accountability for advertisers using our products in this rapidly growing market. Due to the rapid pace of change in infrastructure within Shanghai, the study of audience measurement has been updated in 2010 with results becoming available in 2011. Similarly in emerging markets in Central and Eastern Europe this reference methodology has the potential to enhance understanding of the role outdoor can play in the media mix. In 2008 we introduced the system nationally in Slovenia, for example, and updated in 2010 for publication in January of 2011.

In France, our key market, each operation is measured and, whether it involves Street Furniture or Billboard, its performance is measured by Affimétrie®, which positions the products of JCDecaux and Avenir at the top of all major indicators. Several improvements in methodology were made by Affimétrie in 2007 in particular to the effects of back-lighting and scrolling displays on the "visibility" of a display. These improvements, which are particularly useful, allow our advertisers to measure the effectiveness and the quality of our networks. A very complete measurement of the outdoor medium is now available to advertisers in France, Europe's largest outdoor advertising market.

In connection with the development of its expertise for the advertising industry, JCDecaux Airport France has conducted an on-site, single-source audience poll with Ipsos every year for the last five years. Média Aéroport Performances (MAP) is designed first and foremost to understand the media audience better by providing precise quantitative measurements of the airport audience.

This survey will also make it possible, as a result of specifically designed media software, to measure the performance of media through indicators widely used by the advertising industry, such as coverage, number of contacts, GRP (Gross Rating Point) and cost per thousand persons reached – by face or by network. This was a major innovation for this type of medium, which can now measure its impact, as do print, television, or radio media in France. In the United Kingdom, a similar audience measurement system, RADAR, has been implemented at Heathrow Airport and the revised Postar will incorporate advertising in major UK Airports into the industry study for the first time.

Similarly, in 2007, the outdoor industry in Spain further enhanced its measurement system, Geomex, to cover a larger number of formats. This development allowed us to strengthen our promotion of outdoor and our product network with advertisers.

In most of the markets described above, the audience measurement techniques, which were previously used only in the Billboard business, have been extended to all types of outdoor advertising, including Transport advertising and, more recently, advertising structures located near points of sale. This development will soon allow advertisers to plan their campaigns more easily and purchase outdoor advertising networks more coherently.

Measuring the effect of media on sales

In many markets, we have invested significantly in studies to analyse the effectiveness of outdoor advertising campaigns which, when conducted over a broad range of campaigns, are of particular relevance to our advertisers. Since 2003, in Sweden and the Netherlands, these effectiveness studies have been enhanced by the use of the Internet to gather information. This information makes it possible to measure the effectiveness of a larger number of campaigns at lower cost and to provide the results more rapidly to our advertisers and their agencies. Similar studies conducted by traditional survey methods are periodically undertaken by all our subsidiaries.

In France, working with MarketingScan, a subsidiary of GFK, we are now in a position to measure the effect of advertising media on the sale or market share of mass-market products. The goal of these studies is to measure the difference in sales of a product between a town or city where a campaign is being conducted and a town or city where it is not. This methodology makes it possible to identify accurately the impact of outdoor advertising, including in the context of a multi-disciplinary campaign. To date, more than 53 surveys have been conducted in the food and beverage industry and health and beauty products industry, using a wide variety of strategies. They have produced the largest database available in the area of comparative effectiveness. These studies show that, used alone or together with other media, outdoor advertising very often accelerates sales whether used to support a brand or to launch a new product. Of JCDecaux and Avenir campaigns tested during the last three years, 79% generated positive short-term results in terms of sales for the brand.

In 2009 the OAA in the UK, of which we are a leading member, commissioned a meta analysis of independent return on investment research conducted by the econometric company within the Omnicom agency group, Brand Science. This study revealed considerable benefits for advertisers in a number of product sectors, particularly retail and fast moving consumer goods in diverting advertising expenditure from television or press into outoor. They highlighted a trend in declining effectiveness in television particularly and recommended advertisers increase the proportion of outdoor used in the media mix to improve advertising return on investment. In 2010 Brand Science extended this analysis to markets outside of Europe taking in the USA, Asia and Australia. This broadening of the analysis delivered the same overall findings suggesting that increasing proportions of budget devoted to outdoor would deliver improved communication effectiveness. We believe that a number of advertisers recognise the need to do this, particularly amongst the world's largest advertisers.

3. COMPETITIVE ENVIRONMENT

Three major global players

In general, we compete for advertising revenues against other media such as television, radio, newspapers, daily, weekly and monthly magazines, cinema and the Internet.

In the area of outdoor advertising, several major international companies operate in all three principal market segments. Our major competitors worldwide are Clear Channel Outdoor and CBS Corporation, on behalf of its outdoor advertising subsidiary, CBS Outdoor.

Many local competitors

Besides, we also face competition from local competitors, especially in Billboard, the largest of which are as follows:

- **France**: Liote/Citylux (Illuminated panels), Insert (Micro-billboard), Metrobus (Transport) for which we own 33% of the shares, Védiaud Publicité (Street Furniture) and other competitors;
- **United Kingdom**: Primesight (Billboard);
- **Belgium**: Belgian Poster (Billboard) and Business Panel (Billboard);
- **Germany**: Ströer (Billboard, Street Furniture, and advertising in railway stations), AWK (Billboard), Degesta (Street Furniture);
- **Austria**: Epamedia (Billboard), Ankünder Steiermark (Street Furniture);
- **Spain**: Cemusa (Street Furniture), Instalaciones especiales de Publicidad Exterior (Street Furniture and Billboard) and Emociona Comunicación (Street Furniture and Billboard) and Redext (Billboard and Street Furniture);
- **United States**: Lamar Advertising Company (Billboard), Regency (Billboard), Adams Outdoor (Billboard), Van Wagner (Billboard and telephone call boxes), Titan Outdoor (Transport), Tri-State/PNE Media (Billboard) and Titan Outdoor (Transport).;
- **China**: Clear Media (Street Furniture), majority owned by Clear Channel Outdoor, Tom Group (Billboard), AirMedia (Airport), VisionMedia (Transport) and other operators;
- **Canada**: Pattison Outdoor (Street Furniture, Billboard, and Transport), Astral Media (Street Furniture, Billboard);
- **Australia**: APN (Transport), acting in particular on behalf of Buspak (Transport), and Adshel (Street Furniture), Cody & Australian Posters (Billboard) and Eye Corporation (Transport);
- **Russia**: News Outdoor (Street Furniture, Billboard and Transport), Gallery (Billboard);
- **Poland**: AMS (Billboard and Street Furniture), News Outdoor (Billboard and Street Furniture), Ströer (Billboard and Street Furniture);
- **Turkey**: Stroër (Billboard and Street Furniture).

In other countries, we also face significant local competition, and some competitors have leading positions in their areas, especially in certain markets in South America, Asia and Middle-East.

The table below shows the 15 largest outdoor advertising groups based on 2010 revenues (published or estimated), in order of magnitude:

Company	Country of origine	Revenue (in million of US$)	Geographic presence
JCDecaux [(1)]	France	3,115	Europe, Asia-Pacific, North and South America, Africa and Middle East
Clear Channel Outdoor	USA	2,798	United States, Canada, Europe, Asia-Pacific, South America
CBS Outdoor	USA	1,819	United States, Canada, Europe, Asia-Pacific, South America
Lamar	USA	1,092	United States, Canada
Ströer	Germany	704	Germany, Poland, Turkey
Affichage Holding	Switzerland	292	Switzerland, Greece, Eastern Europe
Metrobus	France	289	France, Spain
News Outdoor[(2)]	Russia	280	Russia, Eastern Europe
Air Media	China	237	China
APN	Australia	221	Hong Kong, Malaisia, Indonesia, Australia, New Zealand
Titan Outdoor[(2)]	USA	180	United States
Epamedia[(2)]	Austria	175	Austria, Eastern Europe
Cemusa	Spain	171	Spain, Portugal, Italy, Mexico, South America, United States
Eye[(3)]	Australia	147	Australia, New Zealand, United Kingdom
Vision Media	China	138	China

Source: Press releases, Internet sites of the companies and JCDecaux estimates, with currency transactions based on an average annual US$/€ exchange rate of €0.7543/US$ in 2010, and an average annual US$/CHF exchange rate of CHF 0.7244/US$, a US$/HKD exchange rate of HKD 0,0970/US$ and a US$/AUD rate of AUD 0,699/US$ in 2010.

(1) *This amount does not include revenues generated by Affichage Holding, Metrobus companies consolidate by JCDecaux under the equity method*

(2) *JCDecaux estimate for 2010 revenues..*

(3) *As of 30 June 2010.*

ONE BUSINESS, THREE SEGMENTS

1. OUR STRATEGY

Each day, we reach about 300 million people around the world through our unique network of outdoor advertising displays. Our objective is to continue extending and strengthening our product line in areas of high population density and high living standards to continue to increase and improve our profitability, which is already among the highest in the industry.

To achieve this goal, our strategy focuses on three main objectives:

- to continue our development through organic growth by winning new advertising contracts with the cities, local governments, metros, and airports that we deem the most attractive;
- to make strategic, targeted acquisitions that enable us to gain a leadership position, or strengthen our existing position in the industry, and to increase our share of the outdoor advertising segment by developing a national network, thereby building our capacity to achieve high returns on our investments;
- to maximise the commercial potential and profitability of our advertising networks in all the countries where we do business.

1.1. Continuing organic growth

We intend to continue building the most attractive advertising network for our advertisers in each of our three lines of business. To reach this goal, we use the following methods:

- targeting cities, local governments, airports and other transport systems in countries that offer high commercial potential in order to develop a national advertising network;
- creating new products and services that meet or anticipate the needs of cities, airports and other transport systems and providing unequalled products and services to win tenders for advertising contracts in these locations;
- using proprietary market research and geomarketing research tools to build flexible advertising systems that meet the demands and budgets of our advertisers (complete national or regional coverage, targeted networks, time-share campaigns, etc.);
- offering an ever-larger audience to advertisers who can target potential customers both in city centres, through a system of street furniture unique in Europe, and on the outskirts of population centres, through a national display network in most European countries;
- developing a comprehensive international presence in each of our business segments to respond to the growing demand from international advertisers in this area;
- developing operating methods that make it possible to adapt and build networks based on the requirements of our advertisers.

1.2. Participating in the consolidation of outdoor advertising

We believe our robust financial structure, solid track record and powerful advertising network, especially in Europe and Asia-Pacific, give us a significant edge in seizing the acquisition and partnership opportunities needed to enter new markets or strengthen our leading position in existing markets.

Our acquisition strategy focuses on the following main objectives:

- acquiring or establishing alliances with companies holding strong positions in their markets;
- capitalising on our resources (products, operating expertise, commercial strength) to grow and maximise the potential of these new markets;
- developing commercial synergies;
- centralising and reducing costs.

This strategy enables us to grow through external growth in cities where Street Furniture contracts have already been awarded and capitalise on the synergies of these activities nationally, while, at the same time, extending our product range. Our partnership with Gewista, created in 2001 and strengthened in 2003 by the increase in our equity stake to 67%, enabled us to grow our Billboard and Street Furniture networks in Central Europe and become a major player in Street Furniture in Austria. In Italy, where we have had a partnership with IGP since 2001, IGPDecaux is the leader in outdoor advertising and now has a truly national presence in Billboard and Transport advertising. This national dimension has strengthened the business reach of our Group in Italy, which has been helpful in winning the Street Furniture tenders in Naples and Turin, in renewing our contract in Milan, and in signing the partnership agreement to display advertising in the Rome airports.

In 2005, we became the leader in outdoor advertising in China, by making three acquisitions, thanks to which we rapidly gained a significant presence in the metros and on the buses of major Chinese cities.

We also took our first steps into the Ukraine and Russia in 2006, signing a partnership deal with the Bigboard group, the Ukrainian market leader in outdoor advertising and a middle-ranked player in the Russian market. JCDecaux has owned 40% of Bigboard since 2006, and the access this gives us to its billboard network means we can now develop these new markets for outdoor advertising. In 2009 JCDecaux raised its holding to 50% following the exercise of a subscription option for a capital increase in the BigBoard group.

In 2007, we entered into strategic partnerships in Central Asia and the Middle East.

In 2009 JCDecaux acquired a complementary 49.18% share of the capital of Wall AG, increasing its holding in the company to 89.18%. JCDecaux bought a first 11% stake in the company in 2001 and then raised its holding to 35% and 40% in 2003 and 2007 respectively. Wall is one of the leader of outdoor advertising in Germany and its integration within JCDecaux reinforced JCDecaux's position in the German outdoor market.

In January 2010, JCDecaux UK has purchased certain assets of Titan Outdoor UK Advertising Ltd, including the retail and rail advertising business, subsequent to the company being placed in administration. Titan has a leading position in the railway and retail advertising sectors in the UK, following the purchase of Maiden Outdoor in March 2006. Titan has been instrumental in driving digital outdoor.

1.3. Maximising the potential of our advertising network

We will continue to maximise the growth and profitability potential of our network. To do so, we rely on our more than forty years of experience in outdoor advertising, our unique geographic coverage, our state-of-the-art product line and our innovative marketing and business approach.

In this way, we seek to:

- retain control of the key locations of our street furniture products and maximise visibility of faces so that we can offer networks to advertisers that ensure the success of their advertising campaigns;
- continue our product and marketing innovations and maintain a pricing policy that reflects the superior quality of our networks;
- capitalise on the synergies among our Street Furniture, Billboard and Transport businesses to build international and/or multiformat business alliances for major international advertisers;
- continue to develop outdoor market research and audience measurement techniques to reinforce the attractiveness of the outdoor medium for advertisers and enhance its use:
  - by using sophisticated socio-demographic behavioural, consumer, movement and audience studies of target audiences to build networks that meet the advertising objectives of our customers;
  - by providing quantitative audience information and data making it possible to measure the impact of our networks with respect to a specific audience.

2. STREET FURNITURE

2.1. The concept of Street Furniture

A simple but innovative idea
In 1964, Jean-Claude Decaux invented the concept of the Street Furniture market with a simple but innovative idea: to provide well-maintained street Furniture free of charge to cities and towns in exchange for the right to place advertising on these structures. From the beginning, Street Furniture became a very attractive medium for advertisers, because it gave them access to advertising space in city centres in areas where advertising was generally very restricted.

State of the art products
For over 47 years, we have been designing and developing street furniture products that offer cities good design and public service and advertisers an effective medium for their campaigns. We:

- design products that are innovative and have high added-value, or offer services that enhance the quality of urban life, such as: bus shelters, free-standing information panels (MUPI®), automated public toilets, large-format advertising panels (Senior®), multi-service columns (such as the Morris columns in France), self-service bicycle schemes, kiosks for flowers or newspapers, public trash bins, benches, citylight panels, public information panels, streetlights, street signage, bicycle racks and shelters, recycling bins for glass, batteries or paper, electronic message boards and interactive computer terminals;
- develop a coordinated range of street furniture by working closely with internationally renowned architects and designers, such as Mario Bellini, Philip Cox, Peter Eisenman, Sir Norman Foster, Patrick Jouin, Philippe Starck, Robert Stern, Martin Szekely and Jean-Michel Wilmotte;

- determine, according to the advertising potential, the amount of advertising space needed to finance a city's street furniture needs;
- select advertising locations and position our products to maximise the impact of advertising.

Priority given to maintenance and service
We are recognised by cities, towns and advertisers for the quality of the maintenance service provided under our Street Furniture contracts. As of 31 December 2010, 58.3% of our Street Furniture employees were responsible for the installation, the cleaning and maintenance of our street furniture and for poster management. We put all of our maintenance staff and bill posters through a rigorous training programme in our in-house facilities to ensure they keep alive the company know-how and preserve our excellent reputation for maintaining our street furniture, a key element in our international renown.

2.2. Street Furniture contracts

Characteristics of Street Furniture contracts
Most of the Street Furniture contracts into which we enter with cities, towns and other government agencies today result from a competitive tender process specific to public procurement procedures. Street Furniture is installed primarily in city centre locations and along major commuting routes where pedestrian and automobile traffic is the highest. Street Furniture contracts generally require us to supply products which contain advertising space, such as bus shelters, free-standing information panels (2m² MUPI®), columns, etc. and may also require us to supply and install non-advertising products, such as benches, public trash bins, electronic message boards or street signage and bicycles. Contracts tend to differ depending on the needs of the local government and the volume of non-advertising street furniture desired.

Our strategy is to install and maintain street furniture at our expense in cities and towns with which we have a contractual relationship. We are granted the right to sell the advertising space placed on some of the street furniture. Some contracts also include an exclusive right to install additional street furniture and specify the conditions under which we can display advertising in the areas covered by our contracts. In general, contracts provide for installation of additional street furniture as new needs develop. The initial location of street furniture is usually the subject of mutual agreement.

Certain towns and local governments may prefer to charge a fee, instead of receiving street furniture or services. When we pay an advertising fee, the cost of such fee is generally offset, in whole or in part, by the fact that we install few or no non-advertising products. In 2010, we paid 22.8% of Street Furniture revenues to cities and towns in the form of advertising rents and fees.

Historically, almost all of our Street Furniture contracts were made with cities or towns granting us the right to install street furniture in public areas. Few Street Furniture contracts were concluded with private landowners. For several years, we have expanded our Street Furniture business to serve shopping malls, in particular in the United States, Europe, South America and Japan. Under the agreements reached with the owners of these shopping malls, we now install Street Furniture in private as well as public areas.

Street Furniture contracts for shopping malls
Shopping mall contracts for Street Furniture generally take the form of master agreements made with the operators of malls and a separate agreement made with the managing agent of each mall. The terms and conditions of the separate agreements incorporate the provisions of the master agreement and may contain specific provisions reflecting the size, design, and character of the mall. Master agreements provide that operators will afford us the opportunity to enter into individual concessions with all of the malls that they control, and that they will use their best efforts to convince the malls in which they have an investment, but do not control, to enter into individual agreements with us.

Long-term contracts
Our Street Furniture contracts have terms of 8 to 25 years. In France, the contract term is generally 10 to 15 years. As of 31 December 2010, our Street Furniture contracts had an average remaining term of 7 years and 1 month (weighted by 2010 advertising revenues and adjusted to account for projected revenues from new contracts, excluding shopping malls). In France, the average remaining term of Street Furniture contracts (weighted by 2010 advertising revenues) is 6 years and 10 months. Outside France, the average remaining term of Street Furniture contracts was 7 years and 2 months.

High rate of success in competitive tenders
We continue to renew our existing Street Furniture contracts successfully through competitive tenders and to win a high proportion of the new contracts for which we bid. In 2010 tender activity slightly increased but remained lower than in the 2005-2008 period. Altogether, in 2010, we won 92% of the competitive tenders for Street Furniture advertising contracts (renewals and new) for which we bid worldwide, up from the already high 84% in 2009 and 100% in France as in the previous year.

2.3. Geographic presence

Number 1 worldwide in Street Furniture

We are number one worldwide in Street Furniture in terms of revenue and number of advertising faces *(source: JCDecaux)*. As of 31 December 2010, we had Street Furniture contracts in approximately 1,800 cities of more than 10,000 inhabitants, totalling more than 427,000 advertising faces in 45 countries. We have a portfolio of Street Furniture contracts that is unique in the world and includes advertising contracts in 35 of the 50 largest cities in the European Union. In addition to our operations in public areas, we are also present in over 1,500 shopping malls around the world. In 2010, Street Furniture accounted for 49% of our revenues.

We believe that having Street Furniture contracts in major cities in each country is essential to being able to offer a national advertising network to advertisers. As a result of this unique presence in Europe, we are the only outdoor advertising group able to create networks that enable advertisers to run pan-European advertising campaigns.

As of 31 December 2010, the geographic coverage of our Street Furniture business was as follows:

Country	Number of advertising faces
Europe[(1)]	232,700
France	104,400
Asia-Pacific[(2)]	35,800
United Kingdom	26,200
North America[(3)]	13,800
Rest of World[(4)]	14,300
Total	**427,200**

[(1)] *Includes Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden and Turkey. Among these countries, the majority of advertising faces are located in Austria, Germany, the Netherlands, Belgium, Spain, Sweden, Portugal and Finland.*

[(2)] *Includes Australia, Japan, South Korea, Singapore, Thailand, China (including Hong Kong and Macau), and India.*

[(3)] *Includes Canada and the United States. The majority of faces are in the United States.*

[(4)] *Includes Russia, Ukraine, Algeria, Argentina, Brazil, Chile, Uruguay, Israel, Kazakhstan, Uzbekistan and Qatar.*

A Street Furniture network unique in Europe

We have an exceptional presence in Europe thanks to our unique portfolio of contracts in Europe's most populous cities. As of 31 December 2010, we had Street Furniture contracts in 35 of the 50 largest cities of the European Union(1), as indicated in the table below.

	City	Country	Population (in millions)	Principal operators of Street Furniture
1	London	United Kingdom	7.62	JCDecaux / Clear Channel Outdoor
2	Berlin	Germany	3.43	Wall (2
3	Madrid	Spain	3.21	JCDecaux / Cemusa
4	Rome	Italy	2.72	Clear Channel Outdoor
5	Paris	France	2.18	JCDecaux
6	Bucharest	Romania	1.94	EPA
7	Hamburg	Germany	1.77	JCDecaux / Ströer
8	Budapest	Hungary	1.71	Wall (2 / EPA / Mahir
9	Warsaw	Poland	1.71	AMS
10	Vienna	Austria	1.69	JCDecaux(3)
11	Barcelona	Spain	1.62	JCDecaux
12	Munich	Germany	1.33	JCDecaux - Ströer
13	Milan	Italy	1.30	IGPDecaux(4)
14	Prague	Czech Republic	1.23	JCDecaux
15	Sofia	Bulgaria	1.16	Wall (2 / News Outdoor
16	Brussels	Belgium	1.05	JCDecaux
17	Birmingham	United Kingdom	1.01	JCDecaux / Clear Channel Outdoor
18	Cologne	Germany	1.00	JCDecaux / Ströer
19	Naples	Italy	0.96	IGPDecaux(4)
20	Turin	Italy	0.91	IGPDecaux(4)
21	Marseille	France	0.84	JCDecaux
22	Stockholm	Sweden	0.81	JCDecaux / Clear Channel Outdoor
23	Valencia	Spain	0.81	JCDecaux / Cemusa
24	Krakow	Poland	0.76	AMS
25	Amsterdam	Netherlands	0.76	JCDecaux
26	Lodz	Poland	0.75	AMS
27	Athens	Greece	0.75	Affichage / Master / Remedy Outdoor
28	Riga	Latvia	0.71	JCDecaux
29	Seville	Spain	0.70	JCDecaux(5) / Cemusa
30	Zaragoza	Spain	0.67	JCDecaux / Cemusa / Clear Channel
31	Frankfurt	Germany	0.66	Ströer
31	Palermo	Italy	0.66	Damir
33	Glasgow	United Kingdom	0.64	JCDecaux
34	Wroclaw	Poland	0.63	AMS
35	Genoa	Italy	0.61	Cemusa
36	Stuttgart	Germany	0.60	JCDecaux / Ströer / EAW
37	Rotterdam	Netherlands	0.59	CBS Outdoor
38	Dortmund	Germany	0.58	Wall (2 / Ruhfus
39	Düsseldorf	Germany	0.58	Wall (2) / Stroër
40	Essen	Germany	0.58	Ströer
41	Helsinki	Finland	0.58	JCDecaux / Clear Channel Outdoor
42	Malaga	Spain	0.57	Cemusa
43	Poznan	Poland	0.56	AMS
44	Bremen	Germany	0.55	JCDecaux / Deutsche Telekom
45	Vilnius	Lithuania	0.55	JCDecaux
46	Hannover	Germany	0.52	Ströer
47	Copenhagen	Denmark	0.51	JCDecaux
48	Leipzig	Germany	0.51	JCDecaux / Ströer
49	Dresden	Germany	0.51	JCDecaux / Ströer
50	Dublin	Ireland	0.51	JCDecaux / Clear Channel Outdoor

Source: Government census reports and T. Brinkhof "The Principal Agglomerations of the World" (http://www.citypopulation.de).

(1) *As of 31 December 2010 the European Union consisted of the following countries: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands, and the United Kingdom.*

(2) *We are present in Berlin, Dortmund, Dusseldorf, Budapest and Sofia via our subsidiary Wall, of which we own 90.1%*

(3) *We are present in Vienna via our subsidiary Gewista, of which we own 67%*

(4) *JCDecaux owns 32.35% of IGPDecaux's share capital*

(5) *We carry out our activities in Seville through El Mobiliario Urbano, a wholly-owned subsidiary*

We also own a Street Furniture contract in Istanbul, Turkey, through our subsidiary Wall, Ströer and Clear Channel also have operations in Istanbul. With 12.9 million people as of 31 December 2010, Istanbul is the most crowded European city.

In 2010, our Street Furniture concessions in these 35 European cities accounted for approximately 32.8% of our Street Furniture advertising revenues.

In France, we have exceptional territorial coverage, with Street Furniture contracts in 640 cities and towns, including Paris, Lyon, Marseille, Bordeaux, Strasbourg, Toulouse, Nice, Grenoble, Cannes and Nantes. Although France, the birthplace of our company, remains our largest country for Street Furniture, its relative share of divisional revenues has in recent years begun to decline gradually as our international business develops.

In France the renewal cycle has stabilised. In 2010 we renewed Street Furniture contracts for Angers, Aubagne, Bourges, Limoges, Mandelieu, Nevers, Orange, Poitiers, Tours and towns close to Paris such as: Ivry-sur-Seine, Malakoff, Plaisir and Saint Quentin-en-Yvelines;. We also gained a new contract in Montesson and Montpellier.

Elsewhere in Europe we won new advertising faces in Reading in the UK, Leper, Brugge and Mechelen in Belgium, and in Gothenburg, the second largest city in Sweden, through the street furniture contract for self-service bicycles, which added to our existing strong presence in this city. We also renewed significant tenders for bus shelters in Milan in Italy and Haarlem in the Netherlands..

Outside of Europe we gained new advertising faces in significant Asia Pacific cities like Delhi in India,, and in North Sydney in Australia, where in 2010 we also launched the first Australian self-service bicycles scheme in Brisbane. We have also been developed our first self-service bicycle scheme in Japan in the city of Toyama, a contract awarded in 2009. In Seoul, the capital of South Korea, we renewed our existing street furniture contracts and added a new one, strengthening our already significant presence in this key Asian market.

Cyclocity®: an innovative self-service bicycle product financed by advertising, a true revolution in urban travel.

We launched the self-service bicycle concept in Vienna, Austria, in 2003. This was quickly followed by schemes in Cordoba and Gijón in Spain before moving into France with the successful Lyon Vélo'v in 2005. Now, JCDecaux runs its innovative Cyclocity service in an increasing number of towns: Seville, Valencia, Gijon and Santander (Spain), Brussels (Belgium), Dublin (Ireland), Paris (including 30 suburb cities), Marseilles, Aix-en-Provence, Toulouse, Rouen, Besançon, Mulhouse, Amiens, Luxembourg, Nantes and Nancy, and 2 Communautés d'Agglomération (La Plaine and Cergy-Pontoise). As of 31 December 2010 159 million uses have been recorded in 67 cities. Toyama, Gothenburg and as mentioned Brisbane started operations in the course of 2010.

The rollout of Cyclocity has been carried out according to different economic models, based on the advertising potential of the media financing the bicycle service. When the advertising potential is large, as in Paris or Lyon, advertising revenues completely finance the fleet of bicycles. When the medium is smaller, as in Marseilles, advertising revenues partially finance the bicycles and are supplemented by a fee paid by the city, as well as by advertising on the bicycles. Finally, where the advertising medium is more modest, as in Toulouse, the system is financed by the city, partly financed by Street Furniture advertising, and we also receive revenues from advertising on the bicycles and annual subscriptions.

Self-service bicycles are now an established feature of global capitals where sustainable mobility is now a big issue in transport planning.

North America, a niche market

We have been present in the United States since 1994, when we won our first Street Furniture contract in San Francisco. In 2001, in partnership with CBS Outdoor, we won the Street Furniture contract with Los Angeles for a term of 20 years. Then, in 2002, we won a contract with Chicago, also for a term of 20 years, as well as our first Street Furniture contract in Canada, with Vancouver, the third-largest Canadian city. Vancouver was won in partnership with CBS Outdoor.

In 2003, we acquired 50% of Wall Decaux Holdings the mother company of Wall USA, a company that holds the Street Furniture contract with Boston until 2021. In March 2007, in connection with an exchange of assets with Wall AG, our interest in Wall Decaux Holdings was increased to 60%. On 30 November 2009, we bought an additional 40% of the shares of Wall Decaux Holding, raising our shareholding to 100% of the shares.

In 2005, CBS-Decaux (a 50/50 joint venture company with CBS Outdoor) won an exclusive 10-year contract to supply and maintain street furniture in West Hollywood, a very attractive area located in the heart of Los Angeles. In 2007, we strengthened our advertising network in area by winning the Street Furniture contract for the City of Glendale, located in the wealthy outskirts of Los Angeles.

As of 31 December 2010, we held Street Furniture contracts in four of the five largest urban areas of the United States (Los Angeles, Chicago, Boston and San Francisco) and are in a position to market a unique product line to advertisers. In 2009, the US Industry published the first national audience measurement study for US outdoor advertising which was updated at the end of 2010. This will substantially improve our ability to justify the value of outdoor in the advertising media mix during the course of 2011 and beyond.

The Group extends its expertise to shopping malls

We operate in 96 shopping malls in the United States and have a 43% market share in shopping malls in the 20 largest American urban areas. Our contracts include some of the most prestigious malls in the United States, including Roosevelt Field (New York), The Mall at Short Hills (New Jersey), Water Tower Place in Chicago (Illinois), and Century City and Beverly Center in Los Angeles (California). Following the termination of a non profitable contract covering 60 malls operated by the company Simon, the Group will mainly focus on the higher standard malls operated by the company Taubmann.

We have also developed this business successfully in other countries. As of 31 December 2010, we were present in 1 304 shopping malls in 14 European countries (Belgium, Croatia, Estonia, Finland, France, Germany, Latvia, Norway, Portugal, Slovakia, Slovenia, Spain, Sweden , and the United Kingdom) compared to 782 in 2009.

We have also developed rapidly in Japan: in addition to our advertising operations with Aeon/Jusco, MCDecaux, our 60%-owned subsidiary in Japan, was awarded a 15-year exclusive contract for installation of MUPI® advertisements in shopping malls operated by Ito Yokado, which has 179 malls that cover Japan but are most heavily concentrated in the greater Tokyo area, where it has 116 malls. As of 31 December 2010, we were present in 163 shopping malls located in Japan's largest cities, compared to 157 in 2008.

We have also successfully developed this business in Argentina, Kazakhstan, Singapore, and Hong Kong with presences in 18 further major malls.

In 2010 we developed our mall business for the first time to the Middle East through our joint venture QMedia Decaux which was awarded the significant contract for Villaggio, the largest mall in Doha, the capital of Qatar in 2009. This business provides a sound platform for further development in this sector in the region

Key positions in Asia-Pacific

We believe there is significant potential to develop our Street Furniture business in the Asia-Pacific region, an area where the concept of Street Furniture is still relatively new. Present in this region since the early 1990s, we already have Street Furniture contracts among others in Sydney in Australia, Singapore, Bangkok in Thailand, Macau in China and Seoul in South Korea (taxi shelters and bus shelters).

In 2004, following a competitive tender and working through MCDecaux, our joint-venture company with Mitsubishi Corporation, we won the advertising bus shelter contract for Yokohama, the second largest city in Japan. Advertising on street furniture had previously been prohibited, but that the lift on this restriction represented a significant growth potential in this market.

In 2010 we gained new advertising faces in Tokyo via a contract with the Kokusai Kogyo bus operator. We expect further expansion of faces in Tokyo improving our presence in this key city through 2011 onwards, significantly enhancing our national offering. As of the December 31st, 2010 we are present with street furniture in nineteen of the twenty largest Japanese cities and 38 out of the top 50 Japanese cities, representing a potential resident audience of over 46 million people. In this way, we have created the first national outdoor advertising network to be offered in Japan providing a realistic alternative to television for advertisers seeking a mass audience.

In 2005, we significantly grew our footprint in China with the acquisitions of Texon Media, the leading Street Furniture advertiser in Hong Kong. Now trading as JCDecaux Cityscape, the company manages 5,100 advertising faces on Hong Kong bus shelters under long-term agreements with the three principal local bus companies. In 2006, JCDecaux Cityscape won the advertising concession for complete wrap-around ads awarded by Hong Kong Tramways Ltd for 5 years. JCDecaux Cityscape today has exclusive rights to manage advertising on the entire stock of 140 trams.

In 2009 we were awarded the contract to provide self-service bicycles in Brisbane, Australia's third largest city. This gives a potential of 600 new advertising faces, of both large and small format, in this key Australian market .As of December 31, 2010 we have started to build out the network and are marketing over 400 advertising panels.

South America and the Middle East: developing markets

In South America, we have Street Furniture contracts in Salvador de Bahía in Brazil, Montevideo in Uruguay and Buenos Aires in Argentina (shopping malls). During 2008, we also won a major Street Furniture contract in Santiago, the capital of Chile. This is our first street furniture contract in Chile.

In Qatar, we are the exclusive operator for street furniture in the capital, Doha, through the joint venture QMedia Decaux. We operate over 1,600 faces under this contract, which is our first street furniture contract in the Middle East and allows the Group to showcase its expertise and know-how in the region.

Future public tenders: a reservoir for growth

We believe that the Street Furniture business has significant growth potential and intend to pursue international growth in coming years. New Street Furniture contracts are likely to be put out to tender in Europe, in Asia-Pacific, including certain first-tier Japanese, Chinese and Indian cities, as well as in the Middle East.

2.4. Sales and marketing

We market our Street Furniture products as a premium quality advertising medium. Grouped in networks, these spaces are sold for advertising campaigns that last between 7 days in France and the majority of European countries, to 15 days in Spain and the United Kingdom, to one month in the United States. We market and sell all of our advertising space through our own sales forces to advertisers and their advertising or media agencies. Our rates are specified on standard rate cards, and it is our policy not to offer discounts, other than volume discounts. Rates across our network may vary according to the size and quality of the network, the commercial attractiveness of the city, the time of year and the occurrence of special events, such as the Olympic Games or the Soccer World Cup.

To respond to the diversity of our customers' advertising needs, we offer both very powerful mass media networks and targeted networks built on the basis of sophisticated socio-demographic and geographic databases to offer a special appeal for precise targets. This selectivity of faces makes it possible to realise higher value from our assets.

In many markets we see increasing demands to create events within the public space, enhancing consumer engagement with our advertier's brands. Through our think tank JCDecaux Innovate, set up to enhance the impact and originality of marketing campaigns, and expanded to 43 countries in 2011, we have been running campaigns that have since become landmarks in the outdoor advertising sector. In parallel with the innovation that saw the traditional bus shelter display turned into part of the advertised event itself, other revolutionary communication techniques were launched, such as the privatisation of advertising sites for a given period so they could be turned into Street Art on behalf of the brands.

In 2010 JCDecaux Innovate brought devices allowing customers to intereact with the brand in ever greater numbers and were utilised by our largest customers such as H&M, the Coca-Cola Company, Unilever and L'Oreal to provide street level brand interaction beyond the display of an advertising message.

Of particular note in the UK in 2010 was our collaboration with a mainstream televison programme, The Gadget Show, where our Innovate concepts on outdoor were pitted against the Internet to determine the most effective communication platform for the show. Following brainstorming sessions by our dedicated Innovate team on how best to deliver deeper brand engagement we deployed interactive posters at bus shelters, digital games on poster sites, floor stickers, a Gadget Show 'studio' at a bus stop and a giant 2D image of Suzi Perry towering over the city were among the futuristic techniques deployed by JCDecaux UK to turn Manchester's Piccadilly Gardens into a Gadget Show Zone. In a UK first, 'Augmented Reality' posters created a 'virtual' Suzi Perry on the streets. The public were invited to hold up cards to a bus shelter poster to generate a virtual Suzi Perry in the palm of their hand and were then able to download a video of the presenter onto their mobile phones from the digital poster by using Bluetooth. Leading global advertising agency Ogilvy and Mather judged JCDecaux's outdoor communication to be the most effective, the competition triumph over the Internet being subsequently screened on national television.

In 2010 we created similar augmented activity for Samsung in the Netherlands. Also in the Netherlands we created outdoor an outdoor event for CelaVita by having popular a TV chef cooking in bus shelters and in the USA in 2010 turning shelters into outdoor lounges for Absolut Vodka.

In Doha, Qatar in 2010 we hosted the first Innovate exhibition in the Middle East expanding these ideas throughout the region, a practical example of how our international presence allows us to advance concepts that drive interest and growth in the outdoor industry.

In the UK we have developed the "Fast Forward" printing hub which allows us to take a client's poster design electronically, proof it and print it at regional depots so allowing us to post national campaigns within two days of receiving the campaign artwork. This innovation and increased flexibility has allowed us to compete for short term tactical campaigns, particularly from entertainment clients, that may otherwise have gone to other media.

In 2010 JCDecaux entrenched and refined its Street Furniture network in France, its relevance in the publicity market being confirmed throughout the year.

JCDecaux Street Furniture continued to develop its cutting edge expertise in territorial issues at the heart of the communication strategies of a number of brands, notably through the development of the exclusive City renge. The City range networds, versatile an build on sophisticated geo-marketing analyses, have taken considerable strides in the publicity market.

All around the world, JCDecaux Innovate teams are forging real partnerships with advertisers and agencies to continuously push forward the boundaries of brands' urban marketing.

Because of our unique presence and advertising network in Europe, we are able to offer advertiser's pan-European, multi-display and/or multi-format campaigns. Our global sales and marketing division, JCDecaux OneWorld provides a single point of entry for international clients wishing to access our sales, research tools and JCDecaux Innovate products worldwide, further enhancing established partnerships. JCDecaux OneWorld specialise in the international coordination of advertising campaigns, has undertaken pan-European advertising campaigns for prestigious advertisers (see page 33) supported by unrivalled tools and research expertise to enhance our client's outdoor communication.

2.5. Contracts for the sale, lease and maintenance of Street Furniture

Principally in France and in the United Kingdom, we sell, lease and maintain street furniture, which generates revenues that are recorded in the Street Furniture segment of our financial statements. In 2010, such activities generated revenues of €114 million, representing 9.9% of our total Street Furniture revenues.

These non-advertising revenues also included sale of innovative technical solutions associated with innovative Street Furniture campaigns (JCDecaux Innovate).

3. TRANSPORT

Our Transport advertising business includes the world's leading airport advertising business, advertising concessions in metros, trains, buses, trams and other mass transit systems, as well as the express train terminals serving international airports around the world. In addition to the 184 advertising concessions we hold in airports, we also have the right to sell advertising space in over 287 metro, train, bus and tram concessions in Europe, Asia-Pacific and South America. Altogether, we manage nearly 370,000 advertising faces in transport systems in 25 countries, with over 44,000 faces in airports. This figure excludes small advertising faces on airport trolleys and inside buses, trams, trains and metros.

In 2010, the Tranport business represented 33% of the Group's revenues. Airport advertising represented 45.8% of Transport business revenues and transit advertising 43.1%. Other operations conducted by subsidiaries in our Transport business, like print displays, sale of non-advertising products, marketing and sale of Innovate® media, or cinema advertisements, represented nearly 11.1% of Transport revenues.

Characteristics of transport advertising contracts

Our advertising contracts in airports and other transport systems vary considerably. This variety reflects the extensive role that grantors look for in managing the advertising space awarded. This flexibility may mean that contracts vary with regard to term, fees, ownership of equipment, termination clauses, level of exclusivity, location or advertising content.

Some of the most common terms and conditions in the Group's transport contracts are listed below:

- A term of between five and fifteen years;
- Payment of a fee in proportion to our realised revenues, combination of minimum fees in certain cases;
- A joint-venture partnership with airport authorities as is the case for the airports in Frankfurt, Rome and Shanghai;
- Depending on the particular requirements of the grantors, we may design, build, install, and maintain at our expense wall supports, digital screens, advertising panels, or any other type of furniture. We also supply certain grantors with information and advertising panels and supports such as drawings;
- With a very few exceptions, the Group has exclusive rights to conduct its advertising business in airports. Most grantors are willing to extend our rights to include external bus shelters and other outside furniture, as well as terminal areas such as arrival platforms, but also passenger services such as NICT charging stations;
- The initial choice regarding the location of advertising panels is generally made by mutual agreement. However, in certain cases, the advertising content may be subject to the grantor's approval. The Group's rights may also be limited in this respect by airlines which have sub-leased areas within an airport and may therefore have certain rights in determining the location and content of the advertising visuals in these spaces.

3.1. Airport advertising

3.1.1. Geographical presence

The Group holds advertising contracts for 184 airports in 18 countries.

In France in 2010, at the conclusion of competitive tenders, JCDecaux was retained to handle contracting work for advertising spaces in the Bordeaux and Lille airports as well as retained by the Paris airport authority with a view to the creation of a co-enterprise dedicated to the use of all advertising spaces on the grounds of the Paris airport authority. This new entity, whose constitution first will be submitted to the European competition authorities, is set to begin work on the 1 July 2011. What is more, it could be owned in equal parts by the Paris airport authority and by JCDecaux and would operate for nine and a half years.

Likewise in the United Kingdom and in the United States, at the conclusion of competitive tenders, JCDecaux has been retained to handle advertising contract work at Heathrow, Aberdeen, Edinburgh, Glasgow and London-Luton airports as well as Washington's two airports (Washington Reagan National and Washington Dulles International).

In the Middle East, the Group's presence has been significantly reinforced with the winning of contracts to manage advertising space for Saudi Arabia's 26 airports as well as the new World Central-Al Maktoum international airport in Dubai. These two advertising contracts will be in effect for 10 years.

Finally, in Asia, the Group also carried off a competitive tender of first importance with the winning of a contract to manage advertising space for the Changi Singapore airport for seven years. Meanwhile, in Beijing, JCDecaux has consolidated its position by becoming the lead operator in airport Terminal 3 thanks to 75 additional light boxes.

Under a single trade name, "JCDecaux Airport", we reach approximately 29% of worldwide airport traffic and are present on four continents.

- In Europe, the Group manages advertising contracts for 102 airports, the three largest of which are London, Paris and Frankfurt. More specifically, JCDecaux is present in:
  - 36 airports in France, including those operated by Aéroports de Paris (Charles de Gaulle and Orly);
  - 5 British airports including London Heathrow and London-Lutton;
  - 6 airports in Germany, including Frankfurt airport in a joint venture with Fraport;
  - Brussels International Airport in Belgium;
  - 23 airports in Spain (including Barcelona, Palma de Mallorca, Malaga and Alicante);
  - All airports in Portugal (9 concessions);
  - 5 airports in Italy, including the major hubs of Milan (Malpensa and Linate) and Rome via our subisidiary IGPDecaux;
  - 5 airports in Poland including Warsaw;
  - 12 airports in Scandinavia (Sweden, Norway) including Stockholm-Arlanda and Bromma.
- In Asia, JCDecaux originally began operations in 1998 in Hong Kong airport (Chek Lap Kok), a major gateway for this zone, followed by Macau. The Group has undergone significant expansion throughout this continent in recent years, initially via a joint venture with the Shanghai Pudong and Hongqiao airport authorities (2005) and then in 2006 with Bangkok Suvarnabhumi airport, a major strategic hub for South Eastern Asia, and finally in 2007, with part of the new Terminal T3 in Beijing airport for the 2008 Olympic Games and Bangalore International Airport, India's fourth largest airport. In 2008, JCDecaux reinforced its presence when it was awarded the contract to manage indoor and outdoor advertising in the new Qingdao international airport in China, then, in the Changi Singapore airport, in 2010.
- In the United States, the Group manages advertising contracts in 25 airports, including New York (JFK, La Guardia and Newark), Houston, Miami, Minneapolis-St. Paul, Washington D.C., Los Angeles, Ontario and Orange County.
- Africa/Middle East: JCDecaux is present in 19 airports in Algeria, including the advertising concession for Algiers airport. JCDecaux also has the exclusive advertising concession for the Dubai and Sharjah airports. JCDecaux's visibility among air passengers in the Middle East increased considerably in 2010 with the winning of advertising concession contracts at the World Central-Al Maktoum airport in Dubai and at 26 Saudi airports (representing passenger traffic of 42 million persons in 2009).

JCDecaux's presence in the 10 largest airport hubs worldwide in terms of passengers during 2010:

Airport	**Passengers** ***(in millions)***	**Contract holder**
London	128.1	**JCDecaux** / EyeCorp
New York	103.1	**JCDecaux**
Tokyo[(1)]	97.7	Tokyu Space Création[(1)]
Atlanta	88.8	Clear Channel Outdoor
Chicago	83.8	Clear Channel Outdoor
Paris	83.2	**JCDecaux**
Beijing	72.8	**JCDecaux** / local companies
Shanghai	70.0	**JCDecaux**
Dallas	64.4	**JCDecaux** / Clear Channel Outdoor
Los Angeles	63.2	**JCDecaux**

Source: ACI for the period November 2009-October 2010

(1) In 2004 we entered into an agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for joint marketing of advertising space in 26 Japanese airports (including Tokyo) and our 184 airports.

As of 1 January 2011, with the winning of the competitive tender from the Changi Singapore airport, JCDecaux is operating, alone or in partnership, 7 advertising contracts in Asia's ten largest airports:

Airport	Passagers (in millions)	Contract holder
Beijing	72.8	**JCDecaux** (Sites in the new international Terminal T3) and other local operators for the Terminals T1, T2, T3
Tokyo Haneda	63.4	Tokyu Space Creation [1]
Hong Kong	49.8	**JCDecaux**
Jakarta	43.0	Local companies
Bangkok Suvarnabhumi	42.5	**JCDecaux**
Singapore	41.5	**JCDecaux**
Guangzhou	40.8	In-house sale agency
Shanghai Pudong	39.8	**JCDecaux**
Tokyo Narita	34.2	Tokyu Space Creation [1]
Kuala Lumpur	33.6	Meru Utama

Source: ACI Passenger traffic (November 2009-October 2010)

(1) In 2004 we entered into an agreement with Tokyu Space Creation, a subsidiary of the fourth-largest Japanese advertising agency, for joint marketing of advertising space in 26 Japanese airports (including Tokyo) and our 184 airports.

As of 1 January 2010, the geographic coverage of our advertising faces in airports was as follows:

Country/region	Number of airports	Number of advertising faces
France	36	6,779
United Kingdom	5	4,842
Europe[1]	61	10,570
North America	25	13,871
Africa/Middle East	48	2,215
Asia-Pacific	9	6,416
Total	**184**	**44,693**

(1) Germany, Belgium, Spain, Italy, Norway, Poland, Portugal and Sweden.

3.1.2. Airport advertising contracts

JCDecaux prefers exclusive contracts for the marketing of advertising space in airports. These contracts are subject to tender procedures and are generally awarded for a term of 5 to 15 years. As of 31 December 2010 the average remaining term (weighted for 2010 revenues) of our airport advertising contracts was 6 years and 7 months.

We pay a percentage of our advertising revenues to airport authorities under our concession agreements, varying between 50% to 70%, on average, of our realised revenues. However, the investment, as well as the operating costs linked to maintaining these panels are much lower than those for street furniture contracts.

3.1.3. Audience and traffic

Advertisers particularly value airport audiences, as they typically include a high percentage of business travellers, who are difficult to reach through traditional media. These travellers spend a considerable amount of time waiting for flights and luggage, and thus constitute a captive, targeted audience relatively open to receiving an advertiser’s message. The strengthening of security procedures in recent years has also contributed significantly to the lengthening of waiting time for travellers. Airport advertising represents one of the best ways for advertisers to reach this affluent audience that generally has little free time. This is also a very significant asset given the fragmentation of audiences observed in recent years (Internet, mobile telephony, etc.). More than ever, the airport is a strategic meeting point to reach out to this valuable audience.

According to the ACI, after a period of reduced traffic in 2009 (-2.6%), 2010 marked the return of passenger traffic growth with an expected increase of about 6.2%. The Asia-Pacific region, the Middle East and Latin America have largely contributed to this performance by handling much larger volumes of passenger traffic than before the economic crisis. On the other hand, in the United States and in Europe, passenger volume has not returned to pre-crisis levels despite the increase in traffic. Nevertheless, Europe in 2010 should be the world's No. 1 region in the number of passengers, thereby dethroning the USA from its position as leader for the first time. However, it must be noted that this situation is bound to change rapidly. In fact, in its "2010-2029" traffic forecast report, the ACI predicts that, starting in 2012, the Asia-Pacific zone will occupy second place in terms of passenger traffic and reach first place in 2013 at the current pace of traffic growth in Asia. By 2029, this zone should represent nearly 40% of world traffic (vs. 27% in 2010).

3.1.4. Sales and marketing

We sell advertising packages for individual airports as well as packages that allow international advertisers to display their advertisements in multiple airports around the world. We believe that our presence in 184 airports around the world, especially in the major airports of London, New York, Paris, Los Angeles, Frankfurt, Hong Kong, Shanghai and Dubai, is a major asset both with respect to international advertisers, for which we can design national and international campaigns, and with respect to the airport authorities that benefit from our ability to generate greater sales and value per face as a result of marketing advertising displays nationally or globally.

Our global dimension in the area of airport advertising played a major role in the decision of the Frankfurt, Stockholm, Rome and Shanghai airports, which previously had in-house agencies, to work with us in managing their advertising over a long period to maximise their advertising revenues per passenger.

Another major advantage is that we design and position our own airport advertising structures to blend in with the overall design and architecture of airport terminals and provide our advertisers with the best possible exposure to, and impact on, their target audience.

Our products include a wide range of advertising structures in different formats, as well as exhibition spaces and advertising faces mounted on trolleys. These panels are placed where passengers tend to congregate, such as at check-in areas, passenger lounges, gate areas, passenger corridors and baggage carousel areas, offering advertisers the opportunity to interact with their target audience close to points of sale and to the commercial areas of the airport. We also design custom-made advertising structures for our advertisers, such as 3-D products or giant display panels, which have a maximum impact on incoming and outgoing airport traffic.

Targeting and measuring the audience for airport media

Pioneer in audience measurement, we were the first outdoor advertising group to develop a system of audience measurement specifically designed for airports in Great Britain (RADAR), which makes it possible to inventory advertising faces, establish their proximity to points of sale and determine the socio-demographic characteristics of the public that is likely to see such advertising faces. With this tool, we can offer advertisers targeted advertising networks.

In France, JCDecaux provides its customers and media agencies with tools to evaluate the performance of airport media and measure their audience, thus enabling them to compare this with other major media. The study of French airports was designed to evaluate performance by face, location and combination of media and non-media devices using a tailored media-planning application. This study, which is known as *Media Aéroport Performances*, MAP, also facilitates an analysis of the audience profile per airport in terms of socio-demographics, trip frequency, consumption profile, etc., and to determine waiting times. The data from this study offer a strategic and exclusive tool for this media to optimise airport offerings and the pricing policy.

More recently, JCDecaux presented a new study on the consumption mode/consultation of digital screens in airports conducted by Eyetracker, the only European agency specialised in "eye tracking"; this study used cutting-edge technology to accurately observe what passengers focus their gaze on. Eyetracker glassers are equipped with two small cameras which record the field of vision and follow the gaze of those wearing them. This research provides the first confirmation of the high visibility of digital media. The 20 participants who wore the Eyetracker glasses produced 1,985 unique points of impact, or an average of 99.25 impacts per person. This proves that each passenger sees on average 100 advertising faces as they pass through the airport.

In 2010, JCDecaux Airport presented its first "Airportstories" study, exclusively conducted with Opinionway among more than 500 airline passengers in order to decode, analyze and better understand the role and the perception of brand names in airports. The Airportstories study demonstrates that the airport, a unique place of exchange and mobility, makes it possible to build an unmatchable brand experience that creates mutal values. In fact, the airport confers a status to brands (92% of persons interviewed said that advertising in an airport confers an international status to brands and 81% said that that reinforces their high-quality position). Moreover, the results of the Airportstories study demonstrate that the perception of brands inside airports has a value-enhancing effect and creates a novel experience for its targets.

Events and services: growth levers for airport media

Advertisers are always looking for ways to differentiate their products to really assert their brand within the airport. JCDecaux Airport offers personalised mechanisms to enlarge and multiply the impact of a campaign, using, for example, giant display panels, 3D displays, interactive furniture, exhibition spaces or relationship marketing. Devices advertising passenger services also form part of the communications solutions favoured by advertisers. In 2010, all subsidiaries worldwide multiplied their event campaigns and the sponsoring of passenger services.

Regarding the sponsoring, one of the most convincing examples is the NICT (New Information and Communication Technologies) charging stations, which allow passengers to work and charge their MP3 player or mobile before boarding, while preserving the battery on their electronic device. This invaluable service is a fine example of how passengers can maximise their time in the airport. New-York JFK was the first to introduce this service in 2003 with the roll out of 50 charging stations designed by JCDecaux and sponsored by Samsung. In 2009, this device was rolled out in a large number of new locations with charging stations in airports in Paris, Hong Kong, Frankfurt, Milan and Dubai. New sponsors also entered the field of play; in addition to Samsung who sponsors this service in five airports throughout the USA and France, the most visible brands include Oracle, LG and the One World air alliance. HSBC is sponsoring high-tech electrical recharging kiosks and Internet spaces in Terminal 2 of Shanghai Hongqiao International Airport.

Another emblematic example is clock sponsorship by a world-renowned brand. Accordingly, Rolex, which had already been present for many years in New York's JFK airport and the Hong Kong airport, chose to develop its skill and brand design in three additional airports in JCDecaux Airport's network: Paris Charles de Gaulle, Shanghai Pudong and Los Angeles. Throughout 2010, some 70 clocks with the Rolex logo were installed at Paris CDG, with 49 installed at the Shanghai airport. In Los Angeles, installation was to be carried out during the 1st quarter of 2011.

Regarding event advertising, examples are many and growing worldwide, for example, Volkswagen, is increasingly competitive, to catch the attention of passengers. To show off the new 2010 Tiguan in Shanghai, Volkswagen set up an ultra-modern booth with a captivating scene in which the car appears every 30 seconds through a curtain-wall that changes colours in order to better hold passengers' attention. In Barcelona, an even more audacious exposition area was installed in order to show the Touareg model in its natural habitat: the desert. The JCDecaux teams, working under the supervision of a team of experts and veterinarians, constructed a giant terrarium covered with sand and vegetation and inhabited by around ten giant snakes more than two metres long.

The airport: a laboratory for new technologies

Digital screens are a key feature of the airport environment, whether for broadcasting information, advertising messages or content aimed at entertaining passengers. With their closed environments and extended waiting times, airports are a place where digital media are highly efficient and could prove useful in increasing trade for travel retail spaces, for example. With more than 2,300 screens in use in its network of airports worldwide, JCDecaux currently offers a rich selection of solutions for advertisers.

At the cutting edge of technology, JCDecaux's digital supports enable direct interaction with the privileged target of airline passengers and delivers information in real time. JCDecaux Airport UK and JCDecaux Airport France have set the example by broadcasting the results of two major sports events in 2010: the football World Cup and the Wimbledon tennis tournament. In the Paris airports during the football World Cup, all matches broadcast live by TF1 were relayed in their entirety on a selection of Aéo screens (Paris airport television with a focus on passenger-airport relations). When there were no matches broadcast, the entire range of Aéo programs focused on football. In partnership with LCI, many subjects directly linked to the World Cup were developed, in "news" and "best of" programmes. Likewise at Heathrow airport, IBM kept tennis fans informed of the latest match results from Wimbledon. Seventy-three digital screens carefully arranged in the terminals were programmed to show match highlights and features on players with connections to departing flights. This campaign enabled IBM to inform Wimbledon fans of the players' progress in real time. Another example in the United Kingdom, where JCDecaux Airport UK has joined with onthesnow.co.uk to broadcast live snow reports on digital screens in British airports, including Heathrow. Passengers saw live reports about the opening of ski trails, about snow conditions and about weather forecasts for ski resorts worldwide.

Finally, in New York, the Digital Interactive show was set up in Terminal 8 of the airport for ten days, with several leading advertisers on display, including Accenture, IBM, Samsung, and more. Nearly 200 advertisers and advertising agencies attended this unique event. Among the emblematic spaces, some of which are still in place, are:

- The Sprint wall and the MiFi Hotspot (a technology between WiFi and 3G), giving travellers free access to MiFi. Such a space enables Sprint to reaffirm its position as the leader in wireless technology;
- The IBM "Smarter City" interactive wall, endowed with a sound system and displaying a virtual city, which enables travellers to navigate within the city and choose the content they would like to discover;
- The Digital Brand Experience (DBE), composed of 40 LCD screens equipped with a sound system and placed on the walls of a 45 meter-long corridor. It is the biggest space of its kind in an airport;
- The Accenture Interactive Wall (AIW), which gives passengers access to a large array of content such as world news, weather and sports highlights.

3.2. Metro and other transit advertising

As of 1 January 2010, we had 287 advertising contracts representing 325,227 advertising spaces in metros, trains, buses, trams and rapid transit systems serving airports around the world.

3.2.1. Geographical presence

In 2010, JCDecaux won, renewed and extended numerous contracts, including:

Pertaining to the tube systems:

- In Australia, JCDecaux won the competitive tender for small-format advertising spaces in the Melbourne tube system (15 lines, 212 stations, 214 million passenger trips per year). This exclusive contract comes on top of the already existing JCDecaux tender and guarantees the Group's leadership in outdoor advertising in the business districts of Melbourne;
- In Chile, JCDecaux has renewed its advertising contract with the Santiago metro system for another seven years. This contract covers some 20,000 square metres of backlit advertising spaces and a large array of innovative spaces: station decoration, train branding, interactive and digital furniture pieces;
- In Norway, the express shuttle to the Oslo airport (Flytoget) has renewed the JCDecaux advertising concession contract. This agreement includes digital screens installed onboard the Flytoget shuttle as well as display spaces on the platforms and in the Oslo Central, Lillestrom and Oslo Airport stations;
- Finally, in Asia, JCDecaux has extended its activity in Nanjing metro. In addition to the advertising space on Line 1, JCDecaux now manages advertising on the new Line 1 extension as well as on Line 2, both of which went into service in May 2010. This exclusive 13-year contract covers 3,335 lighted spaces.

As for the other transportation systems (trains, trams, buses), in the wake of winning two competitive tenders in the United Kingdom, JCDecaux obtained part of the advertising contract in the Network Rail stations, concerning 18 stations (including Waterloo, Euston, Liverpool Street and Manchester Piccadilly) and the advertising concession on the High Speed One (HS1) line for the international stations at London St. Pancras, Stratford and Ebbsfleet. Furthermore, through the purchase of certain assetsof Titan Outdoor UK Ltd in retail and rail, at the end of 2010, JCDecaux was operating in 539 stations and 235 cities in the United Kingdom.

Confident in these developments, at the end of 2010, JCDecaux was operating in ground transportation systems in 25 countries. With a massive presence, JCDecaux is the leading outdoor transport communication company in China. The Group holds advertising contracts for more than 29,000 buses in 9 Chinese cities. In metro, JCDecaux has held the MTR (Mass Transit Railway) advertising concession and the Airport Express Line (AEL) in Hong Kong since 1977. We also manage advertising spaces in Beijing, Nanjing, Tianjin, Shanghai and Chongqing. With more than 75% of the market share, the Group's presence in Chinese metro systems cannot be ignored. Thanks to JCDecaux China's advertising networks, an advertiser can purchase spaces in 5 different cities, something which was unheard of in the past. As well as simplifying the purchase process for advertisers and agencies, this unique network also offers opportunities in terms of creativity and innovation, thus improving the impact of communication in Chinese metro systems.

In metro systems outside the Asia-Pacific zone, JCDecaux holds the advertising contracts in the metro in Santiago in Chile, Turin, Milan, Rome, Budapest, Vienna, Prague and Oslo. In Spain, JCDecaux manages event advertising for the entire Madrid metro system, as well as all advertising on new lines created since 2007. We have also been managing advertising concessions for the Barcelona metro (major medium for Spanish advertisers and agencies) and the Bilbao metro since 1999. Finally, in Germany, with the acquisition of a majority stake in Wall, JCDecaux is now in the Berlin U-Bahn.

In the other transport systems, JCDecaux has several advertising contracts worldwide, including in Algeria (bus), Germany (trams and trucks), Austria (trams and buses), China (buses), Spain (buses), Finland (trains and buses), Ireland (trams), Hong Kong (trams), Norway (trams and buses), the Czech Republic (trams and buses), and Qatar (buses and taxis), with national coverage in Italy (buses/trams).

3.2.2. Metro and other transit advertising contracts

The term of our metro contracts is typically between three and ten years. As of 31 December 2010, the average remaining term (weighted for 2010 revenues) of our metro and other transportation system contracts was 5 years and 10 months. The initial investment sum and the operating costs linked to maintaining advertising panels in the metro are generally lower than those for street furniture contracts. We also pay a variable fee to grantors, in the form of a percentage of our advertising revenue.

3.2.3. Audience and traffic

The metro-riding population is comparable to the one for outdoor advertising (Large-format Billboard and Street Furniture). We use the same geomarketing techniques to maximise the impact of these advertising networks on the metro audience, and the effectiveness of our commercial offerings to advertisers. In China, where JCDecaux is the leader in transport advertising, we conducted the first audience measurement study for the Shanghai metro in 2008; this study was extended to the Beijing metro in 2009. The R&F (Reach & Frequency) audience study quantifies the impact of each advertising campaign in the metro system. Based on reliable and objective media-planning indicators such as audience quantification, repetition, GRPs or contacts, these data allow advertisers and agencies to make clear choices and to optimise their campaign performance. The R&F study for the Beijing metro follows the external general audience measurement principles established by the Global Guidelines on Out-of-Home Audience Measurement (GGOOHAM) industrial committee, which issues global audience measurement directives for outdoor advertising.

The R&F study for the Beijing metro reveals that a traditional advertising campaign can reach more than 58% of the adult population in Beijing in just four weeks. This means that an advertiser can make 428 GRPs or 42 million effective visual contacts with a standard network of 100 illuminated panels. The figures are even better for targeted campaigns of particular interest to young people, graduates or high earners, for example. For example, 607 GRPs are reached among white-collar workers, 42% above the average. The study therefore confirms that our metro network not only has a high advertising impact within a closed environment, but also facilitates highly effective contacts among the targeted public.

3.2.4. Sales and marketing

In 2010, our transit media experienced great success with advertisers as a result of certain highly original advertising events.

JCDecaux creates advertising events in the metro

To encourage agencies and advertisers to be more creative in their use of metro media, JCDecaux China has created two major events: the Best of the Best Awards and the Innovate Festival. The aim of these awards is to create high added value for our advertising spaces while creating, in collaboration with our partners, a harmonious and creative metro culture.

The Best of The Best Awards, created in 2007, aims to encourage exceptional advertising campaigns and award the best campaigns displayed in the metro systems in five large cities (Shanghai, Peking, Nanjing, Chongqing and Tianjin). Throughout the course of the evening, widely considered the most important annual event for China's outdoor advertising sector, JCDecaux presents 32 awards in ten different categories; the most prestigious awards are the platinum "Best of the Best Awards" for the "Best use of media", "Creativity", and the "Best digital campaign", respectively. The winners are selected by a panel of experts from the worlds of media, advertising, multimedia design and universities. In a move to promote interaction, JCDecaux China invited metro users to participate by voting for different categories such as the "Most popular charity campaign", thus establishing a platform for communication and exchange with the public.

The Innovate Festival in Hong Kong, organised by JCDecaux Transport in collaboration with MTR (Mass Transit Railway) Corporation, aims to promote the creative potential of MTR media. From October to December, zones with the highest passenger traffic in key stations throughout the network are dedicated to creative advertising campaigns. Advised by JCDecaux Transport experts, brands and agencies are told to let their imagination run wild and design innovative campaigns, whether this be through the use of technology, interaction with MTR users or dramatic use of the space. MTR is the ideal platform for creative advertising, reaching millions of people every day, making their commute more enjoyable.

MTR users are invited to participate in the festival by playing the Thumbs-up lottery organised by Innovative Advertising. Via interactive touch-screens located near the exhibition zones, they can vote for their favourite campaign based on creativity and the quality of the execution.

The rapid rail systems of Europe and Latin America (Santiago) are also spaces of expression that are highly valued by advertisers for the "Innovate" campaigns. These campaigns compete in originality to surprise and captivate public transport users. For example, eBay was quick to transform Madrid's Callao station into a giant display table: more than 700 square metres in size and no fewer than 24,000 classified advertisements displayed gradually over a month-long period. This spectacular campaign was later extended to the Milan metro system.

Also in Spain, Nissan chose the Madrid metro to expose 30 winning creations of the Streetart WW_Urbanlife contest that it organized on its Internet site. On top of the fact that such a campaign shows how well the Internet and Outdoor Advertising work together, it created a space rich in colours to immerse travellers in the world of the Nissan Qashqai, thanks to giant stickers and a video projection on the ground.

In September 2010, Coca Cola used ground projection, combined with metro platform stickers and a large-format display for a large-scale campaign in the Santiago, Chile metro. A high-tech panel was also deployed with the use of Bluetooth transmitters installed inside train cars and inside vending machines, to send messages related to the advertising campaign to mobile phones; it also included an audio space inside the train asking passengers to experience the famous soft drink each time the train stopped in a station participating in the event.

The metro and other transit systems: laboratories for new technologies

As is the case with airports, the closed environment of the metro provides an ideal location for digital media.

The business models are of two orders:

- One hundred per cent advertising (or a very great advertising predominance). Aimed at an mass audience that is very mobile inside the stations and whose waiting time is limited (two to three minutes), the proposed programme loops are kept short in order to optimise advertisers' visibility. This model is predominant in Asia (where JCDecaux manages more than 800 screens in the Hong Kong, Shanghai and Beijing rapid transit systems), the United Kingdom and Germany. It is also the model that was used to roll out 67 screens in the Milan metro at the beginning of July 2010, giving advertisers the advantage of the very first digital display system in an Italian rapid transit system;
- content media aimed at informing and entertaining passengers, with an advertising panel. For example, in Austria, JCDecaux's dynamic display network in the public transport system, called Infoscreen, was launched in 1998 with three screens in the Vienna metro. It reaches 48% of Vienna residents and, with an expansion to the cities of Linz, Innsbruck, Klagenfurt and Eisenstadt (totalling more than 900 screens all over Austria), Infoscreen offers advertisers national coverage of 16.8% of the population (1.2 million people). Programme content is split between 30% advertising messages and 70% information content (international news, politics, briefs, sports and culture) updated by 12 editors and graphic

designers. The non-advertising content is provided by outside partners such as the national press, online media, radio stations, television stations and Reuters. Regarding advertising panels, in 2010, JCDecaux developed an additional tool to enhance advertising campaigns, thanks to Bluetooth downloads. In fact, it is now possible for Vienna metro users to download via Bluetooth ring tones, coupons and receipts on their mobile telephones. Several thousand people have already downloaded offers of the most varied kind. For example, the recipes that call for ingredients that are readily available in any supermarket have been a great success. Through this offer, JCDecaux is growing even closer to consumers' daily lives.

Also in 2010, the 100% digital station concept was introduced in Berlin's Friedrichstrasse station. In this high-traffic station (some 47,500 travellers per day), 26 digital advertising spaces, composed of 14 digital City Light Poster (d-CLP) showcases in the corridors leading to the train platforms and 12 digital City Light Board (d-CLB) spaces that can be seen from the platforms were set up, providing advertisers with a unique setting for enhancing their brands. On the platform, two interactive "bluespot" kiosks provide additional interactive possibilities (Internet access, telephone, useful information). Thus, it is the world's first tube station to be endowed exclusively with advertising support.

4. BILLBOARD

We are the leading Billboard advertising company in Europe in terms of sales *(source: JCDecaux).* In 2010, Billboard accounted for 18% of our revenues.

Our billboards are generally prominently located near major city and suburban commuter routes, allowing our advertisers to reach a wide audience. Our Billboard networks are in high-visibility locations in such major cities as Paris, London, Berlin, Brussels, Vienna, Madrid and Lisbon and offer advertisers extensive territorial coverage in each country.

The Billboard activity also includes illuminated advertising (JCDecaux Artvertising), basically the creation and installation of large-format neon signs. We also offer wall wrap advertising. Present in 10 countries, with 67 neon signs, we currently cover the major European capitals and aim to strengthen our position in Asia and Central Europe. In 2010, illuminated and wall wrap advertising generated revenues of €14.2 million, accounting for 3.4% of total Billboard revenue.

4.1. Characteristic of Billboard contracts

We lease the sites of our billboards principally from private landowners or building owners (private law contracts) and, to a lesser extent, from city authorities (public law contracts), railway authorities, universities, or real estate companies. We pay rent directly to the owners of such land or buildings. Where state or local government property is involved, billboard contracts are generally awarded after a competitive tender process. In the United Kingdom, we also own certain sites where we install billboards.

Principal terms and conditions common to most of our private billboard contracts are as follows:

- a term of six years from the date of signature, with, for France, automatic renewal from year to year after expiration of the initial term, unless terminated earlier on three months' notice prior to expiration. Terms are longer in countries where the term is not limited by law;
- free access to the location to the extent required for installation and maintenance of the installation;
- provisions relating to the type of billboard, the type and surface area of the faces that may be displayed and the rent paid to the landlord;
- landlord responsibility for ensuring that the billboards remain visible, especially with respect to vegetation.

4.2. Geographic presence

As of 31 December 2010, we had 226,700 advertising faces. These were placed in 21 countries in Europe (covering nearly 2,900 European towns and cities of more than 10,000 people), three countries in the Asia-Pacific region (Thailand, Singapore and China), in Russia, in the Ukraine, two in Central Asia (Kazakhstan and Uzbekistan), and two in the Middle East/Africa (Qatar and Algeria). In 2010, we continued to pursue our strategy of improving the quality of our billboards by dismantling certain low-quality panels and replacing them with more state-of-the-art displays, backlit and scrolling panels. In 2010 we also further controlled costs by the removal of uneconomic panels altogether in a number of the more mature markets.

The neon sign advertising business is located principally in France, but we also operate this business in other countries, such as Spain, Portugal, Poland, and Belgium.

As of 31 December 2010, the geographic distribution of our billboards was as follows:

Country	Number of advertising faces
Europe(1)	133,300
France	46,800
Asia-Pacific(2)	200
United Kingdom(3)	35,600
Rest of the world(4)	10,800
Total	**226,700**

(1) *Includes Austria, Belgium, Croatia, Czech Republic, Denmark, Estonia, Finland, Germany, Italy, Latvia, Lithuania, Netherlands, Portugal, Republic of Ireland, Slovakia, Slovenia, Spain, Sweden and Turkey.*

(2) *Includes Thailand, Singapore, and China.*

(3) *Includes 25 800 Telephone Kiosk panels*

(4) *Includes Russia, Algeria, Kazakhstan, Qatar, Ukraine and Uzbekistan.*

4.3. Our product offering

Our Billboard offering includes a broad range of products, with general coverage packages offering advertisers a true mass media audience over a wide geographic area, and more targeted packages that offer contact with specific audiences having certain demographic or socio-economic characteristics.

The size and format of our billboards vary across our networks, primarily according to local regulations. In all areas, though, our billboards and neon signs are characterised by a high level of quality and visibility, which is essential to attracting our advertisers' target audience. Our premium billboards are also backlit, which we estimate increases their audience by up to 40%.

The new billboards incorporate successful Street Furniture concepts, such as backlighting and scrolling panels. The use of scrolling panels increases the number of faces that can be marketed per display and creates new marketing opportunities, such as timesharing. Since the acquisition of Avenir in 1999, we have invested significantly to improve the quality of our Billboard network, especially in the major markets of France and the United Kingdom. This qualitative improvement has enabled us to strengthen the advertising effectiveness of our networks and differentiate our product offering to advertisers. For the most visible and prestigious displays, for example, we have continued to replace fixed panels with 8, 12 and 18 m² backlit scrolling panels called "Vitrines®". In 2009 in the UK we expanded our coverage of these scrolling billboard products by winning public tenders for their provision at high traffic flow locations in the important cities of Southampton and Trafford (Manchester).

As of 31 December 2010, the Billboard division had installed over 3,400 Vitrines® in France, over 290 in the United Kingdom, over 140 in Belgium, and over 380 spread across nine other European markets, mostly Portugal, Norway, Sweden, Italy and Spain.

In 2010 in France, 47% of the advertising faces offered in our short-term campaigns were illuminated. This is considerably better than our French competitors' networks, which had only 39% of their billboards backlit on average. In the United Kingdom, we also invested in recent years in this segment to increase the number of backlit panels.

In 2003, we were the first national UK Company to exceed a 50% illumination level. In 2010, we offer the largest supply of illuminated billboard panels in the UK *(source: Postar, Issue 115 2009)*. This should enable us to continue increasing average revenues generated per face, since these panels reach a more significant audience.

In fact, impact studies by Carat, the leading French media agency, and Postar, an audience survey institute for outdoor advertising in the United Kingdom, showed that an advertising campaign posted on scrolling panels (such as "Vitrines®") had as much impact as an advertising campaign posted on a fixed panel, even though the exposure time is shorter. The mobility of the panel attracts attention and reinforces the effectiveness of the advertising message, making this type of panel particularly attractive to advertisers.

In some markets, particularly the United Kingdom, we have continued to bring forward new, large, landmark billboards (the Premiére line). These are large backlit panels, both horizontal and vertical to capture synergies with street furniture creative forms, in a range of sizes from 18 to 83 m² and situated only at the most prestigious and highest audience flow locations. As of December 2010, we had installed 767 of these high-quality panels, compared to 757 as of 31 December 2009, and 265 as of 31 December 2004, the year the Première offering was launched, the year the Premier offering was launched. After London, we have expanded this product to key locations in the other major cities of the United Kingdom, including Manchester, Birmingham, Glasgow and Leeds. The largest Premiére sites, 4.6m high by 18m long, include the Cromwell Road in London (a high-traffic route from the city centre to Heathrow Airport) and a new site next to Junction 2 on the M1 motorway (London's major gateway to the north). In addition we continue to support sales in 2011 with the completion of a landmark site in Manchester, the Trafford Arch, which is the only site in the UK to span a major highway. The arch spans a full 46m and carries an 83m² advertising face.

In September 2005, we added M4 Tower, the United Kingdom's tallest purpose-built advertising structure (28.5 meters tall, as high as a seven-storey building), which is positioned for maximum visibility on the main highway to Heathrow Airport from London. Designed for JCDecaux by the award-winning architects Foster and Partners, the two 50m² panels on the structure reach over 1.6 million consumers every week. Through innovative design incorporating thousands of mini-LEDs, the structure can change colour to reflect the corporate identity of the advertiser. In 2006, we continued building this type of unusual advertising display in locations near major, high-density traffic arteries. Thus, we erected the Torch on the M4 motorway in London, not far from the Foster M4 Tower, as well as a similar structure on the A3 motorway.

In 2009 we continued to invest in these high profile superstructures sites, strategically placed to expand our landmark offering and reinforce our London dominance in the run up to the Olympics in 2012. Two further towers were built on the M3 motorway and the A40M motorway in London next to the new Westfield shopping centre, the largest inner city mall in Europe. This development has allowed us to leverage the most sophisticated network of sites leading into the city to develop business in the run up to the Olympic Games. In 2010 we have further developed the Premiére offer geographically, expanding our landmark tower programme to include high audience sites in Trafford, Manchester and next to the M5 Motorway in Birmingham, the major artery for the UK's second largest city. We will continue to develop this geographic spread in 2011 to enhance our national offering surrounding the Olympic games and beyond.

We continue to invest in or digital roadside platform. In 2010 we completed a further upgrade of the iconic Torch site with improved digital screens giving this sight on the key route from London Heathrow airport into the city the best resolution in large format screens available in the UK, enhancing the communication for our clients and the value of this key location to our customers. In early 2011 we continued this process with the completeion of the Stratford Digital Sail, a 36m² digital panel situated on the major commuting route passing the Olympic Park. With these developments JCDecaux remains at the forefront of roadside digital offerings in the UK and indeed Europe. Such locations can be sold in conjunction with a Street Furniture network in order to increase the visual impact of a campaign, because of the unusual size of their structures.

In 2008, we also introduced 20 new digital billboard displays at high-impact locations in central London. These new structures are part of the Premiére line and enhance the attractiveness of these high value-added systems for advertisers, which is also particularly relevant in this key period before the 2012 Olympic Games. The new billboard structures offer advertisers the best digital display in the United Kingdom and have made it possible for us to attract new clients. These 18m² LED billboards enable an advertiser to see its display downloaded automatically on 20 digital screens, to send multiple messages and to change the text in real time. The advertising displays are shown 60 times per hour and more than 20,000 times in two weeks. This platform, located on prime commuting routes, gives new opportunities to develop relationships with our customers. Tapping into commuters' desire to know what is happening in the world in 2010 we continued our partnership with Sky News to uniquely bring content to roadside outdoor. Updated via a live data feed, London PrimeTime provides the latest headlines in business news, sport, show business and weather as part of the display on the 20 digital boards.

In all of these developments we have consistently removed old outdated formats such as trionic panels and replaced them with modern backlit vinyl, scrolling or digital adverting opportunities. [In addition JCDecaux has replaced a significant quantity of it's traditional billboard stock with high definition billboards which carry a one-piece completely recyclable polyethylene poster. This conversion will not only make it possible for us to reduce their environmental impact, as a result of lower consumption of paper pasted to structures, but also to speed up the posting process and improve their visibility.] This commitment to raising the quality of large format advertising is recocognised within the buying marketplace and we believe gives us a competitive advantage.

4.4. Sales and marketing

Our Billboard network markets itself under several brand names: Avenir in France and Spain, JCDecaux in the United Kingdom, Ireland, the Netherlands and several other European countries, Gewista in Austria, Europlakat in Central Europe, WallDecaux in Turkey, Belgoposter in Belgium, and IGPDecaux in Italy.

All advertising space is sold by our own sales forces to advertisers or to their advertising or media agencies.

A large proportion of our Billboard business comes from short-term seven- to fifteen-day advertising campaigns, although in some countries, such as France, long-term packages ranging mainly from one to three years also contribute significantly to revenue. Long-term packages tend to be purchased in order to provide directions to the location of a particular advertiser or to promote its brand or corporate image.

Because of our unique presence and advertising network in Europe, we are able to offer advertisers' pan-European, multi-display and/or multi-format campaigns. Our global sales and marketing division, JCDecaux OneWorld provides a single point of entry for international clients wishing to access our sales, research tools and JCDecaux Innovate products worldwide, further enhancing established partnerships. JCDecaux OneWorld specialise in the international coordination of advertising campaigns, has undertaken pan-European advertising campaigns for prestigious advertisers (see page 33) supported by unrivalled tools and research expertise to enhance our client's outdoor communication.

Unlike Street Furniture advertising, prices may be discounted from our standard rate cards, consistent with market practice. This practice led us to develop a system that allows our sales force to optimise Billboard network sales. Thanks to our Yield Management system, our sales force can follow in real time the development of supply and demand for our advertising networks and can appropriately adjust discounts offered to advertisers in order to sell each Billboard network at the highest best price.

In France, an additional strategy was introduced in 2007, with the first mixed national display associating JCDecaux 2m² and Avenir 8m² faces: NOVEO. This idea involves sale at a price net of any discount. In 2009, we extended it through the launch of our exclusive CITY networks which includes City Trade, City Life and City Move. Those networks have been built upon sophisticated geo-marketing analysis in collaboration with Experian, a global micromarketing and data processing provider. In 2010, Avenir continued to refine its French national network offerings through an optimisation of coverage aiming at improving their attractiveness.

Each Billboard network is assembled in conjunction with audience measurement studies. These audience measurements are compiled on the basis of geomarketing data and tools, such as "Geo-Logic®", a unique geomarketing tool that compiles socio-demographic data on movement, behaviour, consumption and sectors of activity on the basis of geography crossed with net worth information. We use these data to help our customers to tailor their advertising campaigns to the characteristics of their target audience, such as age, gender, income, Internet usage or the proximity of panels to particular retail stores. This tool has also helped us in optimising the placement of our panels and selecting new sites.

Constructed with the help of these geomarketing tools and audience measurement studies, our Billboard networks address the specific communication objectives of our advertisers. Advertisers can buy networks that provide them with homogenous national or regional advertising coverage, or that focus coverage in a key city, or that are located near stores, movie theatres or metro stations. Use of these tools allows us, among other things, to sell our billboard networks on a time-share basis. With the advent of scrolling billboards and remote control technology, we are now able to manage in a very precise manner the display face that appears on a billboard at a given time. We offer our advertisers the option of targeting their potential audience at the times that such audience is most likely to be in the vicinity of a given billboard. Along the Paris Peripherique (ring road), for example, we now sell separate advertising packages on our panels during the morning, afternoon and evening hours. The same is true with the Paris network Chrono Connect, involving interactive content for mobile telephones. Similarly, we developed a unique line of targeted display systems in France at the national level. Avenir, our Billboard subsidiary in France, is the only operator today able to offer this to advertisers, due in large part to the quality of its national coverage.

Since 2008 our Billboard proposition has also been supported by the introduction of the Fast Forward concept. In particular retail clients took advantage of the rapid posting made possible. A good example was major food retailer Morrisons who used the increased flexibility and turnaround time on posting to promote money off vouchers available in the national press. Other clients included McDonalds, Asos (Internet clothing), finance brands Nationwide, ING Direct and Hiscock, Expedia, in media The Times and car company Mazda. In many case clients moved money that would have been spent in the press and in some cases were still able to use outdoor even if the creative was approved late on standard campaigns. For major retailer Tesco we have been able to secure longer term bookings where the client is able to change copy each week based upon analysis of their own sales data. This was the third year that Tesco has taken advantage of our ability to respond to their tactical needs with considerabkle sales success in the key pre Xmas sales period. This initiative supported revenue in a broad range of sectors including retail which as a result did not decline as much as other parts of our UK business.

Our Billboard offering also benefits from the developments of our JCDecaux Innovate concept. We have been able to attract new advertisers with imaginative uses of our scrolling billboards, by adding LCD panels to large format boards and by using lens technology and special lighting techniques. Finally, in the United Kingdom, we have developed a new, innovative billboard technology called Chameleon, which makes it possible to put up two completely different displays, night and day, on a single backlit structure. We financed this innovation and own the exclusive marketing rights to use it for our customers.

OUR ADVERTISERS

1. KEY ADVERTISERS

We have constantly sought to broaden and diversify our customer base. Diversification provides opportunities for growth and protection against the volatility of certain types of advertisers' budgets.

In 2010, as economic conditions gradually improved around the world, we believe that the positions we have established in emerging markets, especially in China and the Middle East region, and the long term partnerships we have fostered with leading advertisers helped us recover more quickly than some other media owners with a less diverse international base.

With revenues from only four advertisers accounting for more than 1% of our consolidated Group advertising revenue, JCDecaux maintained in 2010 a low dependency upon one single client. Nevertheless our leading advertisers remained remarkably stable with nine of our top ten advertisers remaining the same in 2010 as in 2009. Our established long term collaborative arrangements with leading customers on a national and international basis meant that as confidence returned, particularly in the area of branding and image, we were well positioned as a cost effective media supplier. For example, HSBC, who did not lower its advertising spending with JCDecaux during the 2009 downturn, significantly increased their level of investment with us in 2010, becoming our largest customer. Hennes & Mauritz, having recently returned to outdoor advertising, following a temporary shift to television, also entered our top 10 customers with a significant increase in spend year on year in 2009, significantly further increased investment with us in 2010. A renewed confidence in the luxury products area brought LVMH back into our group of largest advertisers, meaning Vodafone dropped out of the group despite a marginal increase in spend with us. Similarly L'Oreal significantly increased spend in 2010 as did the Coca-Cola Company, which remains one of our leading advertisers thanks to an ever closer international relationship based upon our unique offering. Finally, Volkswagen Group, which entered our top ten investor list in 2009, significantly increased investment in our group in 2010.

Our top ten advertisers in 2010 accounted for approximately 10.9% of our consolidated revenues, compared to 11.8% in 2009 and are: HSBC Group, Samsung, L'Oréal,Unilever, Volkswagen, Hennes & Mauritz (H&M), Coca-Cola, LVMH, McDonald's and France Télécom.

Breakdown of advertisers by industry
The following table shows the breakdown of our advertising revenues by industry in 2009 and 2010:

	% of the total	
Industry	**2010**	**2009**
Retail sales	13.9	14.8
Leisure / Entertainment / Film	13.4	13.3
Bankink/Finance	10.1	8.8
Luxury and beauty products	8.9	7.8
Food and Beverage	8.3	9.0
Services	7.7	8.7
Telecom / Technology	7.5	7.0
Fashion	6.5	5.9
Automobile	6.2	6.5
Travel	5.2	5.4
Government	3.0	3.3
Restaurants	2.5	2.5
Wines and spirits	2.3	2.4
Beer	1.8	1.8
Tobacco	0.8	0.7
Internet	0.5	0.7
Other	1.4	1.4
Total	**100%**	**100%**

Cyclicality and seasonality

Advertising spending is highly dependent on general economic conditions. In periods of sluggish economic activity, companies often cut their advertising budgets more drastically than their spending in other areas. Consequently, our advertising business is dependent on the business cycle. The location of street furniture in city centres makes it particularly attractive for advertisers, limiting its susceptibility to economic swings. This phenomenon allowed us to maintain growth in Street Furniture revenues during the recessions that occurred in France in 1994, 1995, 1996, 2001 and 2002. In 2009 the unprecedented magnitude of the advertising recession did not enable Street Furniture to be significantly more resilient than the rest of the traditional media industry.

Traditionally, and particularly in France, our business slows down in July and August, as well as during January and February. To offset these slowdowns, we grant discounts on our advertising prices during July and August.

2. CHARACTERISTICS OF ADVERTISING CONTRACTS

Advertising contracts are generally entered into by advertising agencies hired by advertisers, but may also be entered into directly with advertisers themselves.

We sell advertising space on structures where the faces are grouped into networks. Advertising campaigns normally last from 7 to 28 days (short term), or over a period of 6 months to 3 years (long term).

Most often, contracts relate to one advertising campaign and specify the panels and week(s) reserved the unit, prices, the overall budget, and the applicable taxes. Posters are supplied by the advertisers. Each week we prepare the posters ourselves prior to distributing them to regional or local agencies for posting across the network. Once the campaign is launched, we check that the actual advertisements posted correspond to the terms of the contract. Billing for the campaign is calculated on the basis of actual advertisements posted.

3. JCDECAUX ONEWORLD: SERVING OUR INTERNATIONAL ADVERTISERS

The decision in January 2009 to merge our long established international sales and marketing divisions to form JCDecaux OneWorld has benefited us in 2010 with a further strong increase in the revenue stream from this centralised source following similar success in 2009. JCDecaux OneWorld has given our leading international clients a single clear point of access to the Group's international portfolio, across all business sectors, and permits us to better service and new develop business opportunities with these customers. The centralised resource simplifies the process of purchasing international campaigns for advertisers that develop their media strategy on a European or international scale and we believe has allowed JCDecaux to show leadership in developing tools for our customers to improve and evaluate their outdoor communication effectiveness.

Located in London, JCDecaux OneWorld is also responsible for developing and managing alliances with international advertisers in the 56 countries where we do business. Based upon their success in this respect over the last two years, driving new business growth via a streamlined international co-ordination of our international client relationships, we have expanded the resource with two new Global Client Service Directors based in New York and Paris for 2011. Part of the OneWorld team they will also work closely with the commercial directors of the French and USA markets to simplify the global interaction with our group of clients based within these markets. We believe that will allow the group to deepen and broaden usage of our products throughout our global footprint for our largest clients and encourage smaller businesses in these markets to utilise JCDecaux when expanding into new territories.

Recently, JCDecaux OneWorld has successfully completed international campaigns for customers such as, Calvin Klein, Dolce & Gabbana, Guess, Stefanel, Intimissimi, UGGs, Prada, Armani and Vans (part of the fashion VF Group). The centralised resource has allowed us to enhance our relationship with Procter & Gamble with respect to our airport division particularly. JCDecaux OneWorld is also instrumental in fostering relationships with various airlines and international tourist offices. Of particular note in 2010 was a collaboration which resulted in advertiser Acer utilising out of home for the first time in both our airport and roadside divisions in several markets. The co-ordination offered by JCDecaux OneWorld also resulted in 2010 in an expansion of expenditure by Esteé Lauder.

JCDecaux OneWorld creates innovative campaigns by emphasizing the creative and universal aspects of a display in order to create a truly international advertisement. We have developed tools with global application such as the Outdoor Creative Optimiser, which allow clients to optimise the effectiveness of their campaign communication and have shown leadership in the development of increased outdoor industry accountability. In addition JCDecaux OneWorld manages international co-ordination of JCDecaux Innovate, a means by which the Group shares creative and innovative ideas throughout the world, and allows us to develop and attract new customers beyond individual country borders.

Our group has also entered into long term international alliances, such as the one with Unilever, which was previously renewed and extended to 41 countries around the world. We have also entered into other alliances in the areas of finance, consumer products, technology, large-scale retail and cosmetics. These international alliances managed by JCDecaux OneWorld from now on, enable us to strengthen the attractiveness of outdoor advertising for our major customers.

SUSTAINABLE DEVELOPMENT

The JCDecaux Group has been committed to a policy of continuous improvement of its business since 1999. Created in 2007 under the authority of the Executive Board, the corporate Sustainable Development and Quality Control Department plays a role at key points in the value chain and is also involved in the company's day-to-day business.

Its field of operations embraces all our activities and its task is to:

- Define and implement the Group's strategic objectives in terms of sustainable development;
- Unite the subsidiaries in the implementation of action plans;
- Consolidate the Group's leading role.

After consultation with our subsidiaries, in 2008 we issued our *Sustainable Development Statement* to JCDecaux employees and our external stakeholders via the Group's website. Several communications were issued to subsidiaries throughout the year to ensure their continued support for the Group's policy.

Sustainable Development Statement

Since the beginning, the JCDecaux Group has been committed to working proactively with cities, transport companies, airports and advertisers as well as media and advertising agencies to improve the urban environment.

The Group has become one of the world's leading outdoor advertising companies by developing innovative products, taking a bold attitude, and respecting rigorous standards of ethics.

It is JCDecaux's continued dedication to these values that will maintain its industry leading position.

JCDecaux and its subsidiaries endeavour to:

- pursue and increase the implementation of measures aimed at reducing the impact of the company's activities on the environment: in particular, by reducing energy and water consumption and recycling billboards and other waste, in addition to other measures;
- pursue eco-design in the re-engineering of existing products and the creation of new products; intensify the use of lifecycle analysis; and increase the development and implementation of "green" products;
- accelerate the ISO 14001 certification process;
- develop and implement a policy to reduce carbon emissions;
- proactively support, by offering our products and services, the sustainable development policies of the cities, transport companies, airports, corporate landlords, advertisers and media and advertising agencies that we work with;
- develop a specific measurement tool to monitor improvements;
- encourage and support internal professional development without discrimination;
- provide a safe, sound and efficient working environment for our employees;
- maintain our commitment to causes that the Group has chosen to support;
- involve all our teams, through local initiatives, in the Group's day-to-day commitment to developing sustainability.

The great challenge of the 21st century is to pursue economic development while at the same time respecting mankind and the environment; this is at the core of our company culture and values. The continued involvement of JCDecaux's teams on these subjects underlines the Group's dedication to fulfil its global corporate responsibility commitments.

Code of Ethics: encouraging community engagement at JCDecaux

The Group's Code of Ethics is reviewed regularly. The first edition was issued in 2001 and it was updated in 2005 and again in 2009. It was signed by all managerial staff in 2009, as well as all those whose duties may give rise to the possibility of making commitments on behalf of the Group, both towards government agencies as well as customers and suppliers. It has been translated into several languages and has been published on the Group's Intranet site; a public version is now available under the Sustainable Development section of the Group's website.

The Code is organised around two sets of rules:

- Fundamental Ethical Rules which apply to dealings with government agencies, shareholders and financial markets, and in particular:
  - Compliance with European and national laws and regulations on free and fair competition between companies;
  - An absolute obligation to refrain from all active or passive corrupt activity;
  - Compliance with the fundamental principles of labour law as established by the International Labour Organization.

A Group Ethics Committee, consisting of the Chairman of the Audit Committee, who is an independent member of the Supervisory Board, the General Counsel and the Director of Internal Audit, is responsible for ensuring compliance with these rules essential to our existence and success.

- Code of Good Conduct regarding relations with suppliers and customers, as well as with fellow employees within our Company. The rules it contains must be implemented in each of our companies, in accordance with applicable local laws and regulations. Compliance with them is the responsibility of the Group's directors, both in France and elsewhere.

An internationally-recognised programme of continuous improvement

The Group's commitments to sustainable development are in line with its continuous improvement strategy. The efforts undertaken are continued and intensified year on year. For example, sustainable development reporting, established in the Group a few years ago, is reviewed annually to confirm its relevance by referring to the best internationally recognised benchmarks (GRI, ISO 26000, etc.). In 2010, the Group acquired a new reporting software to make the collection and analysis of sustainable development indicators faster and more secure than with the system currently in use.

Our commitment and performance are reviewed and recognised by extra-financial rating agencies as well as by fund managers and analysts specialising in socially responsible investment. This recognition helps show that JCDecaux is a socially-responsible group, careful to develop its business in accordance with ethical, human, social and environmental values.

For several years, JCDecaux has been included in the three leading ethical investment indexes, which list the best companies according to strictly defined criteria of corporate social responsibility.

We have been part of:

- since 2003, the ASPI Eurozone® index which consists of the 120 companies in the DJ Stoxx SM universe that achieve the highest CSR ratings from Vigeo.
- since 2005, the FTSE4Good index (compiled by the Financial Times and London Stock Exchange).
- since 2007, the DJSI (Dow Jones Sustainability Index).
- since 2009, in the *Excellence Investment Register* drawn up by Forum Ethibel. This register identifies those companies which are pioneering or leading the field in terms of CSR within their business sector.

1. HUMAN RESOURCES

With operations across five continents and in 56 countries, we employ a total of 9,937 people; these employees are managed within each individual subsidiary. This flexibility allows us to adapt its operating mode to better suit the specific context and local regulations, while complying with the Group's Code of Ethics.

Human resource management is decentralised in each subsidiary to allow the Group to adapt our operating mode to fit the specific context and local regulations, while complying with the JCDecaux Code of Ethics.

With 3,504 employees (representing 59% of our operating headcount), France accounted for 35.2% of our worldwide headcount.

ATTRACT AND ENGAGE

Optimise our human capital, encourage the development of our employees:

We have experienced strong and steady growth in our headcount since the company was first founded. To keep pace with our rapid development, in France and abroad, we regularly recruit new employees. We can offer exciting professional opportunities in all business lines and in many different regions. We give priority to permanent employment agreements, rather than using part-time temporary workers or subcontractors. This strategy is directly linked to our quality standards, where priority is given to the transfer of know-how. At local level, the Group's subsidiaries also run human-resources management programmes, including for example career management and induction programmes for new employees.

In France, since 2008, new employees have attended induction programmes. This programme for managerial staff takes place over three days during their first month with the Group. They are introduced to the different departments and business lines at JCDecaux. The strategic and cross-disciplinary vision of this programme, as well as the friendly exchanges that take place, make this programme a key stage in welcoming new employees to the Group. Also, since 2007, evaluation tools have been in place in France to develop the quality of managerial relationships between employees and their managers and implement a comprehensive career-management process called SCOPE (Supervision of Competences, Orientation, Potential and Evolution). Since 2009, Chief Executive Officers have been holding Scope Committee meetings with managers to discuss their career development targets and find solutions for employees who are looking for very short-term career development options (less than a year).

The width of activities within JCDecaux leads to a panel of more than 100 different jobs within the Group. This ensures that employees have several avenues of development open to them (technical, hierarchical, geographical). By logging on to the mobility area, Mov'in, accessible on the Intranet, they can consult all job vacancies within the Group and thus ensure that they do not miss out on the opportunities available to them. In this way, employees play an active role in their development within the company.

Encouraging learning and attracting young talent

To develop a pool of high-potential young managers, we work closely with selected universities and institutions of higher education.

In France in 2010, 107 trainees from various backgrounds interned at JCDecaux in France for periods of a few weeks to one year. These internships are an excellent way to identify future potential and represent a unique source for recruiting new talent. Engaging these young people in long-term internships (six months minimum) facilitates their integration into the company, offering them "real" operational duties and identifying a mentor to advise and help the intern in their daily work. In 2010, 33 "long-term" interns joined the company and more than 25% of them were employed with permanent or fixed-term contracts. For example, 54% of vacancies for new graduates were filled by long-term trainees who were integrated.

Developing an ambitious training policy

Many training programmes are run each year to help employees in all areas related to the business: management, operations, technical, security, languages, communication, marketing, sales, software, etc. Employee training and continuing education have been one of our key focus areas. Overall, in 2010, more than 7,184 employees participated in over 69,150 hours of training throughout all the Group's subsidiaries.

In France, over 37,000 hours of training were given to more than 3,400 trainees, representing an investment of more than one million euros. Since 2004, we have had our own school for sales training, the JCDecaux Media Academy.

The school offers modules to enhance sales effectiveness on the ground with workshops, one-to-one coaching, *team-building* and 'à la carte' training programmes. In 2010, the Sales and Development Department provided training to more than 226 trainees.

Also, the JCDecaux Management Academy encourages the implementation of the managerial standard developed in 2007, with the active participation of 16 of the company's managers representing the different business lines and the diversity of JCDecaux. Since 2007, all managers in JCDecaux's French subsidiaries have taken part in this training course on management techniques. Training has been available since 2008 and is aimed at supervisors and foremen. In 2010, it was extended to CYCLOCITY® and nearly 80 local managers, nearly half of whom were from CYCLOCITY, completed this training.

Promotion of diversity and anti-discrimination

The Human Resources Departments in our various subsidiaries work hard to create working conditions in which all our employees can thrive and fulfil their potential.

One of our key aims is to encourage pluralism, pursuing diversity in the workforce through hiring and career management. We view professional integration of people of diverse ethnic, social and cultural backgrounds as an opportunity to enrich our values. Anti-discrimination policies are an integral part of our Code of Ethics.

To help the inclusion of vulnerable youths in France, JCDecaux is a partner of the *Fondation Agir contre l'Exclusion* (Foundation for action against exclusion), collaborating in their *Un but pour l'emploi* (A goal for employment) programme. It is also a member of the *Conseil National des Entreprises pour la Banlieue* (National council of companies for deprived areas) created by the French government in 2009 and is also a partner of the *Nos quartiers ont des talents* association, which helps young graduates from working-class areas find employment. JCDecaux has helped them with their advertising campaign, providing them with advertising spaces, free of charge, in spring and summer 2009 and has also provided sponsorship. In 2009, the Director of Human Resources received an award, on behalf of JCDeacaux France, recognising the Group's social commitment in relation to the work of this association.

Still in France, in 2010, JCDecaux reaffirmed to its service providers, temporary staffing agencies and recruitment agencies, its principle that all the stages of its recruitments must comply strictly with non-discrimination rules.

In France, our ambition is to steadily increase the number of people with disabilities working in the Group to achieve our target of 6% as soon as possible. In this respect, JCDecaux has an action plan in partnership with Agefiph (Association for the management of funding for the integration of disabled people) for: the recruitment of people with disabilities (partnerships with the Capemploi networks, specialist Internet agents, participation in local and national forums on employment for the disabled); helping retain disabled employees within the company (training programmes on re-evaluation in conjunction with the *Services d'Aide au Maintien dans l'Emploi des Travailleurs Handicapés* (Services to help keep disabled workers in employment), preventive measures to reduce the risk of developing musculoskeletal problems); and support for disabled employees (support unit for different administrative tasks). Specific training is also offered to managers and teams who have a disabled team member.

An increasing number of projects are also being put in place to encourage the local and social economy.

As part of a contest entitled "Let's change attitudes" organised by the Paris City Hall, Cyclocity was used as an example by the Aires (an Association for successful integration in the company and in society) in a clip that demonstrated that at the workplace, disabled people could fit in on an equal footing, and carry out the same tasks, without any discrimination.

Encourage
Because every employee has their own contribution to make to the Group's innovation and dynamism, we have created structures where staff can express their ideas and suggest new services or procedures, either to improve the company's business or day-to-day working life.

A HEALTHY AND EFFICIENT WORKING ENVIRONMENT

Balanced employee relations
We attempt to reach formal agreements that are fair to the parties involved in all circumstances.

In France, professional elections took place in 2010 for the UES JCDecaux, AVENIR, AIRPORT, CYCLOCITY and redefined union representation within the Group. JCDecaux staff is hence represented as follows:

- JCDecaux SA and JCDecaux MU: UES Workers' Council, comprising 15 members and 15 substitutes, well beyond the legal minimum (nine members/nine substitutes), plus five union representatives (one per representative trade union organisation). A total of 21 establishments have Employee Representative Committees while 17 have Occupational Safety and Health Committees (CHSCT).
- Avenir: a Workers' Council comprising eight members and eight substitutes (over the legal minimum) and three union representatives. A total of 17 establishments have Employee Representative Committees while one has an Occupational Safety and Health Committees (CHSCT).
- JCDecaux Airport France: one single Employee Representative Committee comprising three members and three substitutes.

More than 60 collective agreements have been signed since September 2006 for all of the French entities of which the most significant concerned JCDecaux SA and the employment of senior citizens, the classification of activities in the billboard production workshop and operational activities, social relations and triennial profit-sharing. For Avenir, agreements were established relating to the employment of senior citizens and triennial profit-sharing.

At Cyclocity, 2010 was marked by the signing of a unanimous agreement, a cornerstone for a genuine social status for the Company's employees. For example, it created a specific classification for professions related to self-service bicycle rentals, thus increasing career development opportunities for employees. This agreement also established a system of annualised working hours for employees working on the ground. The system improved their working conditions by making them work a little bit more during the summer months so they could take days off later on, in particular during days of bad weather in the winter. Lastly, with this agreement, the Company is developing job skill training. All these measures were accompanied by a significant change in the compensation structure (salary grid, seniority bonus, revaluation of occupational bonuses, etc.)

Professional elections took place within Cyclocity in 2010. The Workers' Council consists of six members and six substitutes, as well as three union representatives (one per representative trade union organisation). Two Occupational Safety and Health Committees (CHSCT) operate within Cyclocity, one in Ile de France and the other in the Rhône-Alpes region. There are also Employee Representatives Committees in Paris, and in Ile-de-France, Lyon and Marseille. As a reminder, nine agreements were signed between April 2008 and the end of 2009. They concerned the employment of senior citizens, membership of inter-company Profit-Sharing and Savings Plans systems, the creation of Occupational Safety and Health Committees, collective guarantees, the reimbursement of health costs, negotiation procedures, night work, collective profit-sharing, as well as the pre-election agreement protocol and the amendment thereto.

Working conditions: safety prioritised
Continuous improvement in employee safety and working conditions is a key objective. Our policy and strategy for improving safety and working conditions is directed by the technical departments of each subsidiary, based on applicable legal requirements, and primarily involves controlling risks relating to working at elevated locations, road safety and electrical safety.

In 2010, the Group provided 24,115 hours of safety training. In France, the budget earmarked for safety actions accounted for over 35% of training expenditure in 2010.

Some Group subsidiaries are also certified under the OHSAS 18001 or SA 8000 management systems.

Organisation of working time

Each subsidiary is responsible for managing working time in compliance with contractual and legal provisions. In France, working time at the different entities is based on Collective Agreements for the Management and Reduction of Working Time first signed in 1998 and updated in 2000 and 2002, for different group entities. These agreements lay down that the effective working time for all itinerant staff is 35 hours. Administrative and managerial staff can claim Working Time Reduction days off.

Compensation strategy and social insurance contributions

Salary policy is decided at the level of each subsidiary in accordance with regulations in force, based on agreements negotiated annually and the financial resources of the subsidiaries.

Employee compensation is based on objective criteria, such as job profile, qualification, and experience. For managers, a strategy of variable compensation and bonuses based on individual objectives is generally used. At the same time, bonuses for 'performance quality' are awarded to field staff to encourage them and reward individual results.

Involve employees in the company's growth

The principles applicable to sharing of profits with employees depend on each subsidiary. In France, profit-sharing agreements apply to all employees. The total of all sums paid by way of profit-sharing in the fiscal year ending 31 December 2010 amounts to €8.5 million. The amount of profit sharing paid in France during the last three fiscal years is as follows:

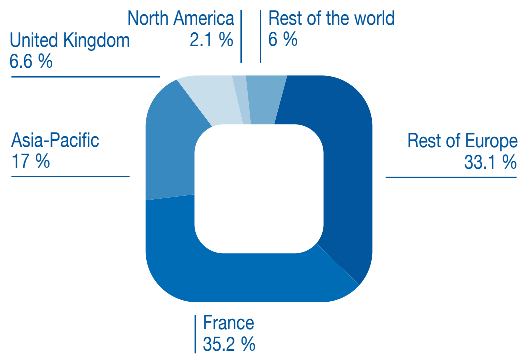
In € thousands	2010	2009	2008
Profit sharing	7,131	1,945	6,796
Participation	1,327	833	933
Contribution[(1)]		87	92
Total	**8,458**	**2,865**	**7,729**

(1) Refers to the company's contribution of a collective profit-sharing payment to the Employee Stock Purchase Plans

Breakdown of employees by geographic region (FTE)

As of 31 December	2010	2009	2008
Rest of Europe	3,295	3,401	2,826
France	3,504	3,596	3,740
Asia-Pacific	1,695	1,621	1,633
United Kingdom	651	567	646
North America	204	212	225
Rest of World	594	540	300
Group Total	**9,943**	**9,937**	**9,370**

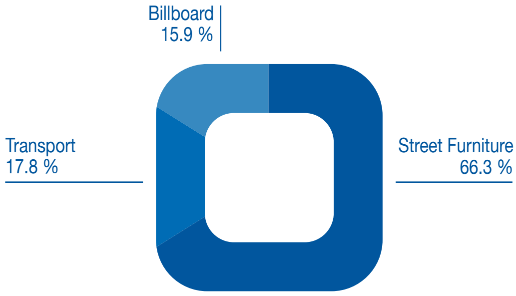
As of 31 December 2010



Breakdown of employees by segment (FTE)

As of 31 December	2010	2009	2008
Street Furniture	6,591	6,631	6,149
Transport	1,769	1,722	1,683
Billboard	1,583	1,584	1,538
Group Total	**9,943**	**9,937**	**9,370**

As of 31 December 2010



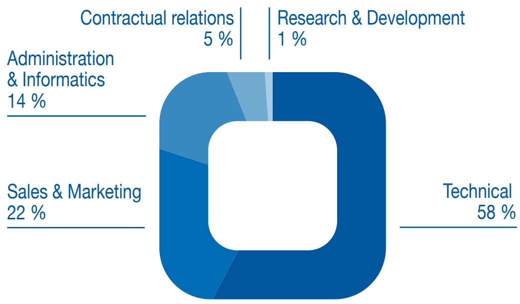
Breakdown of 2010 employees by gender (FTE)

Breakdown of 2010 employees by gender (excluding field and technical staff - FTE)

Breakdown of employees by expertise (FTE)

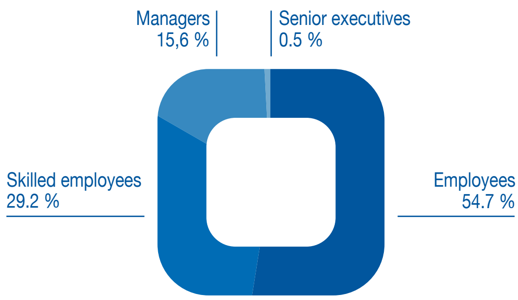
As of 31 December	2010	2009	2008
Technical	5,785	5,836	5,529
Sales and Marketing	2,148	2,059	2,007
Administration and IT	1,408	1,472	1,285
Contractual Relations	515	474	465
Research and Development	87	96	84
Total	**9,943**	**9,937**	**9,370**
France	3,504	3,596	3,740
Outside France	6,439	6,341	5,630

As of 31 December 2010



Breakdown of employees in France by category (FTE)

As of 31 December	2010	2009	2008
Senior executives	21[1]	20[1]	19[1]
Managers	561	561	588
Skilled Employees	1,077	1,049	1,049
Employees	1,845	1,966	2,084
Group Total	**3,504**	**3,596**	**3,740**

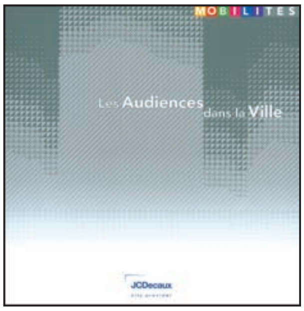


[1] *Senior executives based in France having responsibilities for French subsidiaries, or for International business.*

2. RELATIONS WITH CUSTOMERS AND SUPPLIERS

Our success is based on the recognised quality of our products and services, as well as our ability to understand and anticipate the needs of our customers, whether local governments, transport companies, corporate landlords or advertisers. To ensure long-term growth, we must not only offer innovative and high-quality products and services but also help and support our customers to develop sustainably.

Support our partners in their reflections
JCDecaux has a long-term approach to its relationships with local communities. This vision makes it both an observer and stakeholder in the development of cities and their progress in embracing sustainable development as well as their efforts to adopt a more eco-friendly behaviour.



Since 2006, the Group has lead many discussions on the future of cities and transport in France. This research, and in particular the 2006 and 2008 publications dedicated to these issues, provide local governments and our media agency and advertiser customers with tools to help understand these urban problems.

Because the city is a constantly-changing environment with an incredible capacity for endless regeneration, JCDecaux created in 2008, a city watch & forecast tool. 'Tendances Mobilités' deals with topics as diverse as new technologies and brand creativity in cities worldwide, with a bimonthly special focus on a specific theme.

The newsletter initially intended for in-house circulation has been available for several months now on a special blog, (www.tendances-mobilites.fr) and now covers the entire market.

In 2010 JCDecaux Airport completed its first "Airportstories" study, exclusively carried out with 500 airline passengers to decode, analyse and better understand the role and perception of brands at airports. The outcome of this study clearly shows the positive image of brands and their communication at airports.

Constant adaptation to the needs of our advertising customers
One of our core aims is to encourage loyalty among our customers by continuously providing differentiating value in an increasingly competitive market. Our constant adaptation to customer needs through our marketing, commercial, or "contractual relations" teams is supplemented by periodic customer satisfaction surveys conducted at the initiative of each subsidiary with principal advertisers and local governments.

Otherwise, the professionalism, know-how and creativity of our teams have often been recognised and awarded. The awards obtained underline our long-term commitment to building confidence among our customers.

The ISO 9001 certifications for the business of certain subsidiaries, particularly in France, Spain, Italy, Portugal, Hong Kong and Ireland, demonstrate the relentless efforts to satisfy customers and partners. For example, in 2010, Ireland received an ISO 2001-2008 compliance certificate for the Dublinbikes project.

To meet the requirements of local communities and corporate landlords, JC Decaux has created an Advertising Ethics Committee in France, made up of the heads of the legal, marketing, asset management and sales departments. This committee makes sure that particularly sensitive forms of visual advertising (lingerie/nudity/respect of the individual, religion, violence, products targeted at young people, politics, sustainable development, etc.) comply with regulations, ethics and the Group image. In 2010, the committee rejected 51 displays.

In the UK, JCDecaux's StreetTalk was voted Media Brand of the Year at the prestigious Marketing Excellence Awards ceremony organised in February 2010 by the UK Chartered Institute of Marketing.

For the second year running, in November 2010, JCDecaux Spain received the 'Premier Prix de la Meilleure Entreprise de Publicité Extérieure' (Best outdoor advertising company) at the latest edition of the Control Awards, which has been organised for more than 40 years now by Revue Control, a monthly publication and pioneer of specialist information related to advertising and marketing. This award was confirmed by the Mediascope survey, which placed JCDecaux Spain in the lead of the ranking for quality, effectiveness in terms of sales and marketing.

JCDecaux Singapore was elected Outdoor Communication Company of the Year during the 2010 edition of the annual survey conducted by Marketing Magazine, the Asian benchmark in communication, marketing and media.

JCDecaux India won the gold medal for "best media company" of the year at the sixth edition of the Outdoor Advertising Convention (OAC 2010).

JCDecaux Australia won the trophy of Media Sales Team of the Year at the B&T Awards ceremony. All the panellists used the term "Innovation" to describe JCDecaux's sales of advertising space.

Purchasing is governed by a Code of Ethics for Suppliers

At the beginning of 2009, the Group created a corporate purchasing department to buy furniture, furniture parts and subassemblies, in order to assemble the most complicated structures for delivery to its subsidiaries. This department is also in charge of the sourcing and distribution, on behalf of our subsidiaries and for France, of main items of furniture and some of the spare parts and consumables required for the repair and maintenance of street furniture.

In 2009, the Group redefined its Code of Ethics governing its relations with its suppliers, emphasising the following values: quality, honouring commitments, transparency, as well as principles relating to compliance with regulations (social, environmental), unfair competition and integrity. The Code of Ethics is signed by all strategic suppliers managed by the Purchasing, Supply Chain and Production Department and is passed on to any new supplier. The Code and all technical documents and specifications are available on the dedicated Extranet site.

In the past three years, the Purchasing department has developed and upgraded an annual rating tool to measure the financial, quality, logistics, sales and engineering performance of the main JCDecaux suppliers. This tool is also used to identify and track the efficiency and progress focuses of these suppliers. In 2010, the tool was completed with environmental and social criteria. Otherwise, we are increasingly looking to collaborate with our suppliers to encourage the social inclusion of disabled or vulnerable persons. The repair of street furniture or certain elements of advertising campaigns are therefore entrusted to people with disabilities, thus enabling them to participate in our projects.

In tandem with the various self-service bicycle schemes running in France, we took part in community programmes encouraging the social inclusion of vulnerable youngsters. Agreements were struck, notably, with EPIDE (public organisation for social inclusion in the La Défense district) and FACE (Foundation for action against exclusion). Since the end of 2008, bike repairs have been carried out by a sheltered workshop, in collaboration with ADAPEI (Regional association of friends and family of the mentally disabled) in the French department l'Oise.

3. RELATIONS WITH THE COMMUNITY

We deal with a wide range of groups with highly disparate concerns, not just local government and our customers (advertisers and agencies), commercial partners, public bodies and associations, but also their employees and shareholders. To meet the challenge of sustainable development, we mobilise our resources and creativity and we include citizens in these processes, the aim of which is:

- to unite our teams around common ethical values;
- to provide citizens with ever more services;
- to act to promote urban safety;
- to facilitate access to urban infrastructures for people with disabilities, by means of specially adapted equipment and services;
- to support operations designed to show solidarity.

Outdoor advertising is a medium that affects a huge number of people around the world and is a prime medium for mounting awareness-raising campaigns. Since our inception, we have been actively involved in many humanitarian and charitable activities to support major causes such as the fight against disease, support for the disadvantaged, protection of the environment and road safety. Every year, the Group provides advertising space on our networks, free of charge, in support of various causes. In this way, we work with our employees to help to contribute to the welfare of the greater community.

In 2010, JCDecaux became actively involved in the Born HIV Free campaign. It accepted to display an advertising campaign on JCDecaux networks in nine European capitals free of charge: London, Berlin, Madrid, Rome, Stockholm, Oslo, Copenhagen, Amsterdam and Paris. The Global Fund to Fight AIDS, launched the Born HIV Free campaign, on 19 May 2010, to galvanise public opinion around the question of AIDS-related child mortality.

In Austria, JCDecaux participated in a campaign to fight violence against women. The campaign 'Adopt the right attitude – condemn violence' initiated by Sandra Frauenberger, a city councillor for women's rights, in collaboration with the Vienna association of women refugees (Verein Wiener Frauenhäuser) was aimed at drawing the attention of the general public to the extent of this problem and to stop considering the subject as untouchable. The campaign was launched with celebrities who expressed their viewpoint on violence against women and young girls on 300 MUPIs (free-standing information panels) in Vienna. It also called for the active support of citizens. On 50 MUPIs placed at strategic locations, passers-by could tear off large Post-its with the words 'Send me to take a stand' written on them.

JCDecaux China was the first company in China to support the Earth Hour event in 2009. In 2010, it partnered with the WWF for the second year running to promote this global event that asks companies and individuals to turn off all non-essential lights for one hour on 27 March 2010. A fleet of 250 buses with JCDecaux China advertising displays bearing the Earth Hour colours travelled the streets of Shanghai to communicate the message to Shanghai residents. These advertisements were then displayed on 300 illuminated panels installed in the stations of the Beijing metro line 4 (operated by JCDecaux) and in the Tianjin metro.

Still in China, Shentong JCDecaux launched the campaign: 'Become a hero, reduce your carbon footprint!'. In partnership with the Climate Group (an international NGO that provides governments and businesses with support in achieving global growth compatible with environmental concerns) and the association 'LOVE – responsible life' created by the Chinese Li BingBing, who is also a Goodwill Ambassador of the United Nations Environmental Programme (UNEP). The purpose of this campaign is to promote a less energy-consuming life style by asking people to make a commitment to reduce their day-to-day carbon balance.

In France, the first MUPI with an automated external defibrillator was inaugurated in November 2010, in Boulogne-Billancourt. This event, which was a first in France, is a joint initiative between the RMC/BFM Association and JCDecaux. The main objective of this association is to facilitate public access to defibrillators in public areas and inside companies. This is based on the observation that more than 40,000 people die each year in France from a cardiac arrest that occurs outside a hospital setting. In France, the survival rate is between 2 and 3% while it is more than 20% in Seattle in USA, where there defibrillators are massively installed outside the hospital setting.. In France, since a decree of 4 May 2007, anybody can use a defibrillator, even if they are not doctors. In 2011, a total of 10 MUPIs will be equipped with defibrillators in Boulogne-Billancourt.

4. PROTECTING THE ENVIRONMENT

The JCDecaux Group views its environmental responsibility as an ongoing commitment. Continuous improvement of the processes in place and the exploration of new areas of environmental responsibility will guarantee sustainable development and maintain respect for our values.

Throughout the value chain, we strive to optimise the use of natural resources, to hold down consumption of water and energy, to limit the environmental impact of our operations and to maximise recycling and reuse of waste. Platforms are constantly being set up to share best practices between subsidiaries. We also place our innovative capacity at the service of the environment.

Goals	Objectives	Actions
Improve the quality of urban life	***Improve the urban environment***	Reduce our display inventory through use of scrolling billboards
		Create multifunctional structures: bus shelters incorporating glass recycling bins, Morris columns with telephone booths, etc.
	Develop environmentally-friendly solutions for urban movement	Design of the Cyclocity system (automated, self-service bicycle rental system available 24/7)
	Assist in waste collection	Create collection bins for certain types of waste, such as batteries, glass and paper Since 1995, more than four million batteries and 20 million tons of glass have been collected.
	Raise awareness of the need for conservation	Free billboard posting of information campaigns supporting environmental protection
Reduce consumption of water, energy, and raw materials	***Control water consumption***	Recycling water units used for cleaning automated toilets
		Investigate alternative methods for cleaning street furniture (collecting rainwater)
		Incorporate rainwater collection tanks into urban furniture
	Control energy consumption	Use of electronic ballasts for light structures (energy savings of approximately 25%)
		Use of scalable electronic ballasts for lighting certain furniture, generating additional energy savings of 25%
		Optimise the power systems for street furniture (energy savings of 60% and more)
		Research and application of timed lighting systems for some furniture and inside our buildings
		Investigate less energy intensive solutions for new digital media
	Use renewable energy sources	Use solar panels for lighting certain street furniture
		Purchase green electricity to power street furniture and advertising spaces
		Voluntary carbon offsetting of emissions linked to the operation of street furniture and advertising spaces or our buildings
	Reduce fuel consumption	Implementation of a programme to reduce fuel consumption by vehicles (the "Black Gold" plan)
		Optimisation of delivery and maintenance routes
	Protect biodiversity	Implement a forestry policy to prevent the use of protected plant species and to use wood certified by recognised bodies
	Reduce consumption of disposable office products	Implementation of the Ecoreflex® programme to raise awareness among employees of good environmental practices
Control industrial waste	***Reduce industrial waste***	Eco-design: street furniture design which takes into account how it will be treated at the end of its useful life
		Use reusable metal racks when shipping and storing street furniture and spare parts
		Use "long-lasting" fluorescent tubes to reduce the frequency of changing such tubes
	Sort and recycle waste	Selective sorting of industrial waste and treatment by authorised processing companies where possible. Emphasis on recycling

ISO 14001 certification

Our goal is to meet the highest international standards in the area of environmental protection. In 2009, the Swedish subsidiary gained ISO 14 001 certification, bringing the total number of certified subsidiaries to seven: Spain (2003), Norway (2006), France (2007), Portugal (2007), Italy (2007), United Kingdom (2008), Sweden (2009) representing more than 45% of the Group's 2010 revenues.

The Sustainable Development Department has written best practice guidelines for setting up an environmental management system that is ISO 14001 compliant. These guidelines have been distributed to all subsidiaries.

Cleaning of street furniture using rainwater and without detergent

Because rainwater is naturally demineralised, using it allows us to reduce the quantity of detergents and water required for cleaning our structures, thereby minimising our environmental impact.

We have continued to increase our total rainwater recovery capacity in the last two years to over 730,000 litres, in particular in France, Belgium and Australia.

We are investigating the possibility of systematically incorporating water collectors into our street furniture. As well as the rain collectors incorporated into advertising columns in Paris, the new toilet units rolled out in 2009 were also equipped with collectors, thus reducing the consumption of drinking water.

Eco-design and waste reduction

Our teams constantly strive to inject more innovation into the products developed. We therefore incorporate eco-design strategies when creating new products. The materials used are all of the highest quality and maximum strength to ensure durability. Modular design, reduced energy consumption, adaptation to useful life and recyclability are at the core of our design processes. To consolidate this approach, in 2011, the design department will acquire a software tool for analysing the life cycle of furniture.

In February 2010, JCDecaux France received the Janus ecodesign label for the Vélib' from the French Institute of Design. This new label created in 2009, and established with the financial backing of the French Environment and Energy Management Agency (ADEME), is awarded after the competing projects have been analysed by EVEA, a firm that is specialised in eco-design and eco-innovation. The award enhances the value of projects that demonstrate the level of development of the company's eco-design approach and the environmental qualities of a product.

In December 2009, the Chicago Athenaeum, Museum of Architecture and Design, in association with The European Centre for Architecture Art Design and Urban Studies rewarded JCDecaux:

- the 'Good Design 2009' Award for the Vélib' self-service bicycle scheme in Paris in the 'Environment' category;
- the 'Green Good Design 2009' Award for the Stern solar bus shelter in the 'Products/Industrial Design 2009' category

This contest rewards the integration of sustainable development into the design of industrial products.

Waste is selectively sorted at each production and operating facility, in accordance with local regulations in each country and the options for recycling and reuse available, such as recovering billboards, fluorescent tubes, waste packaging materials, iron, aluminium, glass and gravel. We sort more than 50% of the waste we produce. Moreover, the proportion of hazardous waste in the volume of waste is less than 1% of the total waste produced.

Ecoreflex: raising awareness of environmental best practices

The internal Ecoreflex® programme aims to raise awareness among employees of environmental best practices.

Through an interactive website, notices and displays, we provide them with suggestions of simple, daily, meaningful gestures that they can adopt to limit consumption of paper, energy and water.

The programme also promotes environmental best practices among subsidiaries. A certain number of key messages concerning the measures implemented were created in 2009 for communication on JCDecaux exhibition sites.

For example, office paper consumption per employee, which fell by almost 20% between 2006 and 2008 in France, decreased a further 13% between 2008 and 2009. In 2010, we reduced our waste by 4% compared with 2009.

In France, the company's transport plan has been implemented gradually since 2007. The second phase was introduced in spring 2009, with the roll-out of a new function, an inter-site car pool forum for central sites in Ile de France. This initiative follows on from Car Pool and Public Transport modules introduced. Discussions are also underway with partners and businesses in the region to share best practices and promote the use of public transport. To enable employees to travel "smart", bicycle parking has been provided and premises have been adapted at certain sites, as in France and the United Kingdom for example.

5. CARBON POLICY

Looking beyond the actions already undertaken, we are progressively implementing a carbon policy aimed at reducing energy consumption and greenhouse gases, tailored to the circumstances of each subsidiary. Structural changes are under investigation and we have already put in place a series of specific measures in several countries which it aims to implement systematically across the group: a reduction in the electricity consumption of our street furniture, increased use of clean vehicles, optimisation of transport, reduction in the consumption of electricity or heating in our buildings, carbon offsetting of our activities, etc.

Since 2008, data concerning CO_2 emissions have been published in the Carbon Disclosure Project report covering the entire Group. These data, made reliable overtime thanks to sustainable development reporting, are used to develop a carbon policy for the Group's main subsidiaries.

In 2010, these countries developed action plans covering all direct emissions and electricity consumption for buildings and furniture based on the principles of EN 16001 (energy management system). When carbon emissions cannot be further reduced, subsidiaries can consider the use of carbon offsetting.

These action plans are managed at the highest level of the countries concerned, and the Sustainable Development Department presents updates to the Executive Board.

In France, we have made a commitment to operation 1010, a mobilisation campaign launched in France by Yann Arthus-Bertrand and his GoodPlanet foundation, which invites all persons, organisations and businesses to voluntarily reduce their greenhouse gas emissions.

Reduce electricity consumption of street furniture

The JCDecaux Research Department is continuously seeking ways to reduce the power consumed by our street furniture. An inventory of the different lighting techniques used in our street furniture and products was conducted. Both traditional and new techniques were subjected to comparative tests and their durability was also taken into account. The aim of the Research Department is to optimise the energy performance of street furniture or public service products.

A number of improvements have been made in recent years, especially the use of natural light in public toilets (Jouin model), yielding a 30% reduction in the consumption of electricity in comparison with the previous model.

In France, thanks to the implementation of capacity control systems on the back lighting mechanism of 2 sq.m. panels, the Ministry of Ecology, Energy and Sustainable Development gave JCDecaux energy-saving certificates amounting to 6,433,830 cumulative kilowatt-hours. These certificates are proof of the efforts that we have made to reduce the electricity consumption of our furniture and our greenhouse gas emissions.

In the United Kingdom, JCDecaux Airport worked closely with suppliers to optimise lighting for the airport environment. The introduction of LED lighting in several airports in 2009 resulted in a 60% reduction in consumption for each advertising space concerned. Such initiatives will be continued in 2010.

Eco-friendly cars: developing new solutions

Our carbon policy also involves developing and using a vehicle fleet that is responsive to environmental concerns, especially in respect of CO_2 emissions. In renewing and developing our vehicle fleet, we look for the cleanest available vehicles for our activities. The group's determination is hampered by the insufficient number of facilities that propose alternative fuel solutions in these operating areas.

This environmental approach also involves ongoing research into ways to make travel more efficient, even including the use of environmentally-friendly logistics systems, as has been proposed for Paris in connection with the Vélib' contract. Journeys made by operations agents are done by bike or clean vehicles (NGV, electric); the storage of maintenance equipment at each station facilitates on-site repairs; and major repairs are performed in an "easily accessible workshop" aboard a barge with 12 docking points.

Also, we expanded our programme to reduce fuel consumption by vehicles at the Group's subsidiaries. This "Black Gold" plan aims to change our drivers' driving habits through theoretical and practical training. Sweden has created a programme recognising the best eco-driver of the month.

The implementation of systems for tracking journeys is under investigation in several subsidiaries to allow further optimisation, and so reduce greenhouse gas emissions.

Use of alternative energies

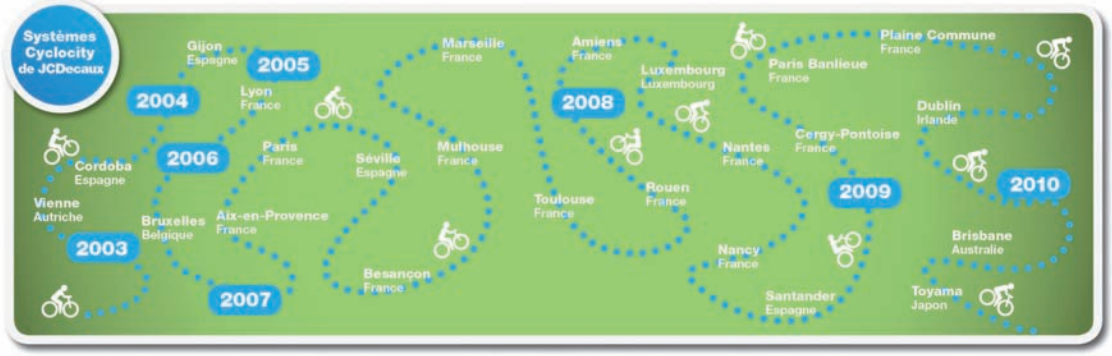
We developed a bus shelter equipped not with advertising panels, but with solar panels that can remain illuminated at night without using electrical energy. The first solar shelters were installed in Plymouth, in the United Kingdom, in 2003. Since then, contracts for similar shelters have been signed across the world. 16 bus shelters using solar panels will be installed in Seoul by May 2011

Work by the Research & Development Department continues to assess how solar technologies can be integrated into other street furniture.

The increasing integration of energy from renewable sources forms part of our daily management, as has been the case with the supply of the main buildings belonging to our Spanish subsidiary in Madrid since 2009. The roll out of solar roofs is also under investigation in certain subsidiaries, in cases where renovations are required.

The buying of green electricity to power street furniture and advertising spaces has been extended, as is the case in France and the United Kingdom.

The bicycle: an environmentally friendly form of urban transport



In 2007, Cyclocity, a self-service bicycle system designed and developed by us, established itself as a real 'personal public transport' solution. Taken together, the schemes now up and running in 67 European cities, including 52 in France, prevent the emission of 31,554 tonnes of CO_2 each year[1], assuming each use of a bike replaces a car journey, and there are 45,500 self-service bicycle journeys a day over an average distance of 9.5 kilometres, which totals 157,771,250 km a year. The self-service bicycle systems have recorded nearly 147 million individual rentals since they first came into service.

In 2010, the systems have also been introduced in Australia, Japan and Sweden.

This form of "personal public transport" has become an established part of the daily lives of its users. A study by the Paris Town Hall illustrates trends specific to Vélib', however these are shared by all the self-service bicycle systems operated by JCDecaux. The study shows that since its launch in July 2007, users have adjusted to Vélib' and 94% are satisfied[2]. The fight against pollution (90%), interconnection with means of transport (86%), health benefits (85%) and the low cost (69%), are qualities clearly associated with the Vélib'. These results show that the services proposed by the Group for all self-service bicycle systems meet user needs.

The Irish chamber of commerce rewarded the most dynamic local authorities for their standards of excellence at the 'Chambers Ireland Excellence in Local Government Awards 2010' held in Dublin on 28 October 2010. On this occasion, dublinbikes received the first prize in the sustainable development category for their significant role in city life and their contribution towards sustainable development.

[1] ADEME *estimate: the current set of private vehicles driving in urban settings generates on average 200 g of CO2 epr kilometer travelled.*

[2] *Satisfaction questionnaire conducted by the TNS Sofres Institute among 853 Vélib' users; the questionnaire was conducted online on 26 and 27 March 2009.*

RESEARCH AND DEVELOPMENT

The success of JCDecaux within the outdoor advertising market has always been based upon an ambitious research and development policy and a unique capacity for innovation. By constantly developing new street furniture and public service supports, by expanding its offering with new and innovative products such as the self-service bicycle system, JCDecaux plays its role as Cityprovider to the full and actively contributes to creating the city of tomorrow but also to making the environment within transport infrastructures (airports, metros, etc.) more serviceable and harmonious for users.

Grouped together within the Research, Production and Operations Department, the Research and Development Department and the Design Department work together to develop new products. Quality, aesthetics, functionality and environmental performance are the main features of JCDecaux creations.

The Group therefore works with internationally recognised architects and designers. These include Philippe Starck, Lord Norman Foster, Robert A.M. Stern, Mario Bellini, Riccardo Bofill, Jean-Michel Wilmotte, André Poitiers and Patrick Jouin. The contracts signed guarantee exclusivity for JCDecaux over the work of its creators for the types of products defined, thus ensuring their maximum creativity.

Our teams constantly strive to incorporate more innovative services into the products they develop, with their main concern being their integration into their environment, whether this is urban or indoor.

Product design is guided by ecodesign principles. We therefore incorporate eco-design strategies when creating new products. The materials used are of the highest quality and maximum strength. Reduced energy consumption, adaptation to useful life and recyclability are at the core of our design processes. A reduced ecological footprint is therefore ensured for each of our products.

The constant search for design excellence and the integration of sustainable development into our design activities has been rewarded on several occasions, through such prestigious awards as the Good Design (the world's oldest and most prestigious award) and the Green Good Design which rewards the integration of sustainable development into the design of industrial products and promotes public awareness of these eco-responsible companies.

The consistent efforts and results obtained in terms of mastering the design process and the commitment to sustainable development have also been recognised by the renewal of research and development activities managed by the Research, Production and Operations Department following the external audit for ISO 9001 and ISO 14001 certifications.

In 2010, we confirmed and consolidated the changes in organisation initiated in 2009 to make them even more adaptable and more responsive to technological changes as well as to the new needs of our principals and advertisers. This strengthened our cross-disciplinary approach and activity management in Project mode.

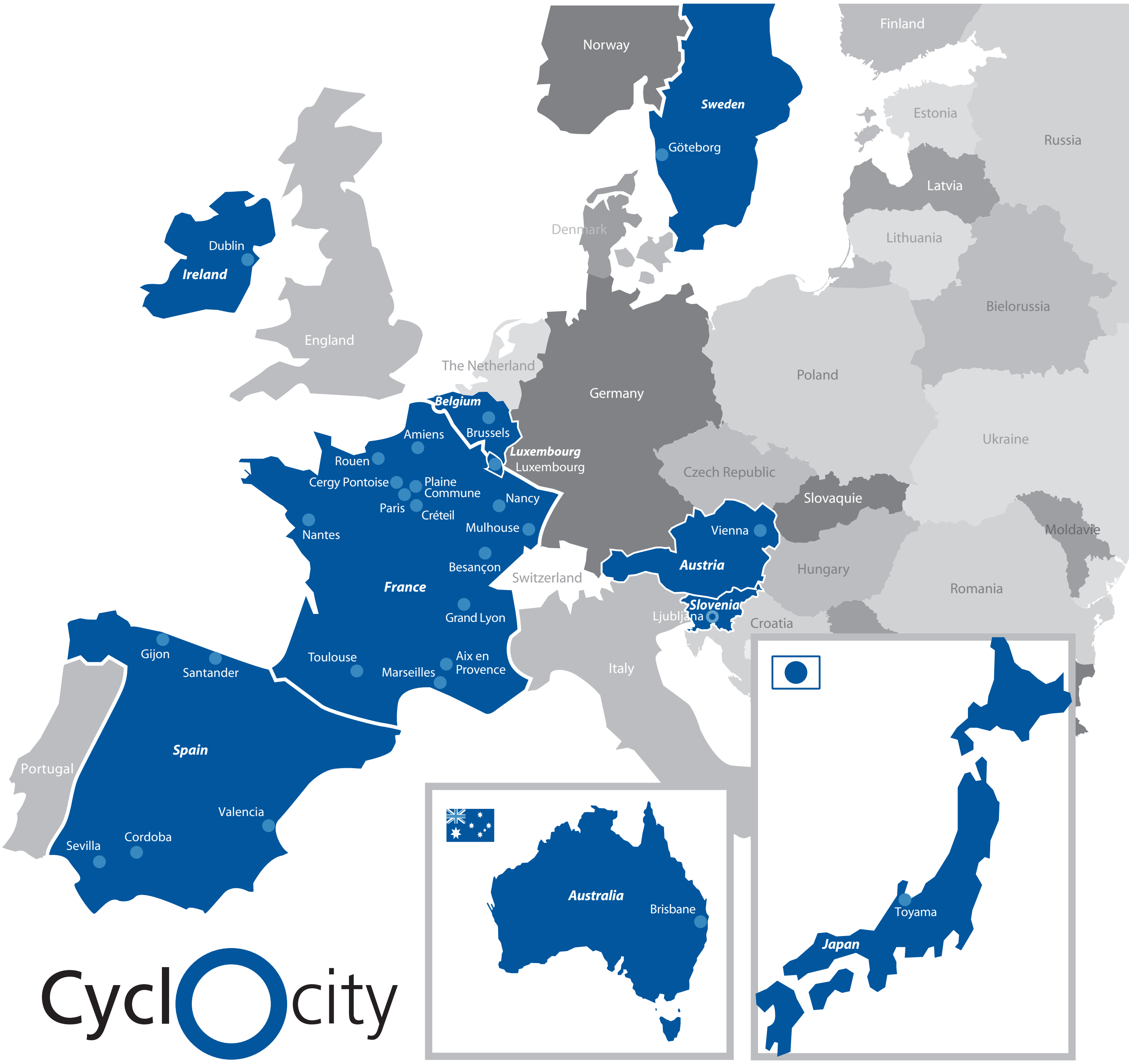
We made significant breakthroughs in the area of acquisition of expertise and the development of products based on Digital technologies. Our R&D, Purchasing and Digital Media teams put out a full range of equipment for meeting indoor and outdoor needs. These included: LCD and PLASMA displays in formats ranging between 17” and 103”, LED displays with a 10mm or 6mm pitch depending on use and allowing formats of several tens of square metres. These products were developed and selected after very extensive assessment procedures (tests in laboratories, tests under real-life conditions, and comparative tests in the presence of manufacturers). They ensure that JCDecaux has the most technically efficient products to create the most value for the company. These developments were implemented with the installation of billboards both in Europe (The Torch advertising tower in London) and in Asia (Shanghai Airports).

We also worked in collaboration with the IT Department to select a centralised monitoring platform for the controlled and secure presentation of content on all the digital advertising units operated by the Group worldwide and also to provide technical monitoring and remote maintenance.

Against a 2010 background of a convalescent global economy, JCDecaux chose to continue investment in research and development: €8.4 million have been invested, which is comparable with previous years (€6.4 million in 2009 and €8.8 million in 2008)

These efforts resulted in a sustained innovation level such for example, the design and deployment in the City of Boulogne-Billancourt of a new range of urban furniture with built-in defibrillators that can be used by the general public to save heart attack victims in case of an emergency.

In 2010, the portfolio included 739 patents and models, thus demonstrating our commitment to this policy as well as the creative vitality and innovative power of our teams.



CyclOcity

Country	City	Start date
Austria	Vienna	October 03
Belgium	Brussels	May 09
France	Amiens	February 08
	Aix en Provence	June 07
	Besançon	September 07
	Cergy Pontoise	March 09
	Créteil	April 10
	Grand Lyon	May 05
	Marseilles	October 07
	Mulhouse	September 07
	Nancy	September 08
	Nantes	May 08
	Paris	July 07
	Plaine Commune	June 09
	Rouen	December 07
	Toulouse	November 07
Luxembourg	Luxembourg	May 08
Spain	Cordoba	September 03
	Gijon	July 04
	Santander	September 08
	Sevilla	July 07
	Valencia	June 10
Ireland	Dublin	September 09
Sweden	Göteborg	August 10
Australia	Brisbane	October 10
Japan	Toyama	March 10
Slovenia	Ljubljana	May 11

- Bicycle stations already in operation
- Planned bicycle stations

FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

I. DISCUSSION OF THE FINANCIAL STATEMENTS

The following discussion of the Group's financial position and results of operations should be read in conjunction with the audited consolidated financial statements and the related notes thereto, as well as the other financial information included elsewhere in this Reference Document. As required by European Union Regulation no. 1606/2002, dated July 19, 2002, the consolidated financial statements for 2010 have been prepared in accordance with international accounting standards ("IAS/IFRS") adopted by the European Union and applicable on the balance sheet date, i.e. as of December 31, 2010, and presented with comparative financial information for 2009 prepared in accordance with the same standards.

Introduction

Group revenues mainly consist of the sale of advertising space for the following three activities: street furniture advertising ("Street Furniture"), transport advertising ("Transport") and large-format billboard advertising ("Billboard"). Non-advertising revenues relate to the sale, leasing and maintenance of street furniture, as well as to the self-service bicycle business and to the marketing of innovative technical solutions for street furniture advertising campaigns.

From 1964, when it was created, to 1999, the Group's expansion was mainly due to organic growth, and Street Furniture was the principal business of JCDecaux. In 1999, JCDecaux acquired Havas Média Communication Publicité Extérieure (also known as Avenir) from the Havas group, thereby expanding the outdoor advertising business into Billboard and Transport advertising. Since 2001, the Group has continued to grow organically and externally, successfully completing acquisitions and entering into partnership agreements in several European countries. It has also ventured into new geographical areas, namely China in 2005 and the Middle East beginning in 2008. By the end of December 2009, JCDecaux had become the majority shareholder of Wall AG, number two in outdoor advertising in Germany and Turkey. In January 2010, JCDecaux acquired certain advertising assets of Titan Outdoor UK Ltd in the retail and rail sectors.

Summary of operations for the 2010 period

The Group's revenues climbed by 22.5% to €2.35 billion as of 31 December 2010. Excluding the acquisitions and foreign exchange impact, revenues were up by 9.1%. The Group's operating margin totaled €555.4 million, up by 41.7% and accounted for 23.6% of revenues, compared to 20.4% in 2009. The Group's EBIT jumped by 127.2% to €279 million as of 31 December 2010 and accounted for 11.9% of 2010 revenues, compared to 6.4 % in 2009.

As of 31 December 2010, the Group had a headcount of 9,943 employees.

The following table summarizes revenues, operating margin, EBIT, and operating margin and EBIT as a percentage of revenues for each of the Group's three business segments in 2009 and 2010.

Fiscal Year ended December 31

In million of euros, except for percentages	2010	2009
STREET FURNITURE		
Revenues		
- Advertising	1,033.0	828.7
- Sale, rental and maintenance	114.0	105.6
Total revenues	**1,147.0**	**934.3**
Operating margin	**375.9**	**298.4**
Operating margin/revenues	*32.8 %*	*31.9 %*
EBIT	**173.8**	**93.5**
EBIT/revenues	*15.2 %*	*10.0 %*
TRANSPORT		
Revenues	**777.6**	**589.6**
Operating margin	**115.4**	**55.6**
Operating margin/revenues	*14.8 %*	*9.4 %*
EBIT	**83.3**	**16.6**
EBIT/revenues	*10.7 %*	*2.8 %*
BILLBOARD		
Revenues	**425.4**	**394.9**
Operating margin	**64.1**	**38.0**
Operating margin/revenues	*15.1 %*	*9.6 %*
EBIT	**21.9**	**12.7**
EBIT/revenues	*5.1 %*	*3.2 %*
TOTAL GROUP		
Revenues	**2,350.0**	**1,918.8**
Operating margin	**555.4**	**392.0**
Operating margin/revenues	***23.6 %***	***20.4 %***
EBIT	**279.0**	**122.8**
EBIT/revenues	***11.9 %***	***6.4 %***

Where Group companies are active in several business segments, they are grouped according to their dominant segment. Where minority operations are significant, the revenues, operating margin and EBIT of the companies involved are allocated to the various activities carried out. Changes in the portfolio of activities may result in an adjustment to the income allocations for the three business segments.

1. REVENUES

1.1. Definitions

The amount of advertising revenues generated by the Group advertising networks depends on two principal factors:

Networks
The Group sells networks that include advertising faces located on street furniture and other outlets and charges advertisers according to the size and quality of these advertising networks. Although the pricing of networks is impacted by an increase in the number of faces resulting from the installation of new advertising displays as part of new contracts or the installation of scrolling panels, or, conversely, a reduction in the number of faces due to the loss of one or more concessions, there is no direct correlation between the change in the number of advertising faces in a network and revenue growth, because of the specific characteristics of each network.

Prices
The Group endeavors to charge prices that reflect the superior quality of its advertising displays, which are generally located at the best locations in city centers and come in network packages that enable advertisers to maximize the launch of their advertising campaigns. The pricing policy thus depends on the quality of displays, their location, the size of the network, and the general state of the advertising sector and the economy.

1.1.1. Organic and reported growth

Group organic growth reflects growth in revenues excluding acquisitions and disposals of long term investments, at a constant foreign exchange rate, but including revenues from new concessions. Reported growth reflects organic growth increased by revenues generated by acquired companies and by companies recently included within the scope of consolidation (in connection with partnership arrangements) and decreased by the negative impact on revenues arising from disposals of long term investments and foreign exchange rates.

1.1.2. Advertising revenues

Revenues resulting from the sale of advertising spaces are recorded on a net basis after deduction of commercial rebates. For the Billboard segment and in some countries, commissions are paid by the Group to advertising agencies and buying groups when they act as intermediaries between the Group and advertisers. These commissions are then deducted from revenue. In agreements where the Group pays variable fees or revenue sharing, the Group classifies gross advertising revenue as revenue and books variable fees and revenue sharing as operating charges, insofar as the Group is not dealing as an agent but bears the risks and rewards incidental to the activity. Discount charges are deducted from revenue.

1.1.3. Non-advertising revenues

In addition to the sale of advertising space on street furniture, the Group also generates revenues from the sale, rental, and maintenance of street furniture, principally in France and the United Kingdom, the revenues being recorded under Street Furniture segment. The Group also generates non-advertising revenues from its self-service bicycle business and the marketing of innovative technical solutions for Street Furniture advertising campaigns, under the name "JCDecaux Innovate".

1.2. Revenue growth

In 2010, Group revenues totaled €2,350.0 million, compared to €1,918.8 million in 2009. Acquisitions, disposals of long term investments and partnership transactions in 2009 and 2010 had a positive impact of € 194.1 million on revenues. Foreign exchange fluctuations between 2009 and 2010 had a positive impact of €61.9 million on revenues. Excluding the acquisitions and foreign exchange impact, organic revenue increased by 9.1% in 2010. This reflects the performance of the three divisions of the Group - Street Furniture, Transport and Billboard - which posted organic growth of 7.3%, 15.6% and 3.8% respectively.

1.2.1. Revenues by segment

Street Furniture
Street Furniture revenues totaled €1,147.0 million in 2010, compared to €934.3 million in 2009, up 22.8%.

Changes in scope had a positive impact of €118.9 million. Foreign exchange fluctuations between 2009 and 2010 generated an annual positive impact of €25.6 million on Street Furniture revenues, essentially related to the US and Australian dollar and the British pound.

- ***Advertising revenues***

Advertising revenues increased by 24.7% in 2010.

Excluding the acquisitions and foreign exchange impact, Street Furniture advertising revenue increased by 8.0% in 2010. European markets, including France and the UK, reported robust growth in their 2010 revenues while North America and Asia Pacific reported double-digit growth.

- ***Non-advertising revenues***

Non-advertising revenues totaled €114.0 million in 2010, compared to €105.6 million in 2009, an increase of 8.0%. Excluding the acquisitions and foreign exchange impact, non-advertising revenue was up by 2.0%. As this revenue is not driven by advertising contracts, related operations shrank considerably less in 2009 than advertising revenue. As a result, non-advertising revenue grew at a slower pace in 2010 compared to the growth of advertising revenue.

Transport

Transport revenues totaled €777.6 million in 2010, compared to €589.6 million in 2009, for an increase of 31.9%.

Changes in scope in 2010 had a positive impact of €64.5 million on the full year revenue for 2010. Foreign exchange fluctuations had a positive impact of €31.4 million on revenues for this segment in 2010, relating to activity in the United States, China, Hong Kong and the United Kingdom.

Excluding the acquisitions and foreign exchange impact, Transport revenue climbed by 15.6% in 2010, driven by sharp double-digit revenue growth from France, North America and Asia Pacific.

Billboard

Billboard revenues amounted to €425.4 million in 2010, compared to €394.9 million in 2009, an increase of 7.7%.

Changes in scope in 2009 had a positive impact of €10.7 million on the full year revenue for 2010. Foreign exchange fluctuations between 2009 and 2010 generated an annual positive impact of €4.8 million on Billboard revenues in 2010, essentially related to the British pound.

Excluding acquisitions and the impact of foreign exchange, organic revenues increased by 3.8%. The United Kingdom and France recorded a double-digit and mid-single digit organic revenue growth respectively in 2010. Further rationalisation of the advertising inventory occurred in France. Billboard organic revenues in the rest of Europe declined slightly reflecting more challenging markets in Southern Europe.

Revenues by region

Fiscal year ended December 31	**2010**		**2009**	
In million of euros, except for percentages	**Revenues**	**% of total**	**Revenues**	**% of total**
Europe (1)	787.6	33.4	650.9	33.9
France	598.2	25.5	563.7	29.4
Asia-Pacific	420.6	17.9	300.9	15.7
United Kingdom	271.9	11.6	183.8	9.6
North America	187.8	8.0	146.2	7.6
Rest of the World (2)	83.9	3.6	73.3	3.8
Total	**2,350.0**	**100.0**	**1,918.8**	**100.0**

(1) *Excluding France and the United Kingdom*

(2) *Rest of the World included South America, Russia, Ukraine, Central Asia, Middle-East and Africa*

- Revenues in France totaled €598.2 million in 2010, up 6.1% compared to 2009;
- United Kingdom revenues represented €271.9 million, up 47.9% compared to 2009; this performance was considerably boosted by the acquisition of Titan's assets in early 2010.

  Excluding the acquisitions and foreign exchange impact, United Kingdom revenues increased by 6.2%;
- Europe revenues, excluding France and the United Kingdom, amounted to €787.6 million, up 21.0% compared to 2009;

  The acquisition of the Wall group companies at the end of December 2009 gave a significant boost to the growth achieved by Europe excluding France and the UK. Excluding the acquisitions and foreign exchange impact, revenues increased by 2.4%.
- Revenues from Asia-Pacific amounted to €420.6 million, up 39.8% compared to 2009;

  There were no changes in scope in 2010 concerning the Asia-Pacific region.

  Excluding the acquisitions and foreign exchange impact, Asia-Pacific revenue increase stood at 29.3% compared to 2009, driven by a double-digit growth in China, Honk Kong, South Korea, Singapore and India.
- Revenues from North America amounted to €187.8 million, up by 28.5% compared to 2009;

  There were no changes in scope in 2010 concerning the North America region.

  Excluding the foreign exchange impact, North America revenues increased by 21.9%;
- Rest of the World revenues totaled €83.9 million, up 14.5% compared to 2009;

  Excluding the foreign exchange impact, Rest of the World revenues decreased by 9.3%, reflecting the decline in the revenue generated from operations at the Dubai airport, due to very high comparables in 2009.
- Regarding the relative weight of each geographic region within the Group, the strong growth of the Asia-Pacific region in 2010 boosted its contribution to Group consolidated revenues from 15.7% in 2009 to 17.9% in 2010. The UK's contribution also increased, rising from 9.6% in 2009 to 11.6% in 2010, which is even slightly higher than the relative weight reached in 2008. North America's contribution also grew from 7.6 % to 8.0%. However, and in spite of a robust organic growth, the relative weight of France declined, dropping from 29.4% to 25.5%, explained by the lack of foreign exchange or acquisition impacts.

1.3. Impact of acquisitions on Group revenues

The impact of acquisitions, disposals of long term investments and partnership arrangements on Group consolidated revenues represented a positive impact of €194.1 million in 2010, including €118.9 million in Street Furniture, €64.5 million in Transport and €10.7 million in Billboard.

This impact resulted mainly from the following transactions:

- at the end of December 2009, JCDecaux became the majority shareholder of Wall AG, number 2 in outdoor advertising in Germany and in Turkey;
- in January 2010, JCDecaux UK acquired certain advertising assets of Titan Outdoor UK, Ltd in the retail and rail sectors, following the decision to place the company in receivership;
- since January 2010, RTS Decaux (Kazakhstan), previously consolidated on a proportional basis, is now fully consolidated with a financial interest of 50%, following an amendment to the shareholder agreement;
- in July 2009, JCDecaux made a bolt-on acquisition of 8.13% in Proreklam-Europlakat Doo in Slovenia, which also owns a Kosovar company; this transaction boosted the full year revenue for 2010;
- in November 2009, the basis of consolidation for the BigBoard Group, which operates in Russia and in Ukraine, was changed from the equity method to 50% proportional consolidation as a result of a change of governance; this transaction boosted the full year revenue for 2010;
- in April 2010, Immobiliengesellschaft Oranienburger Tor GmbH and Ilg Aussenwerbung GmbH were sold in Germany.

2. OPERATING MARGIN

2.1. Definitions

The Group measures its performance using a certain number of indicators. With respect to the monitoring of operations, the Group uses two indicators:

- Operating margin;
- EBIT.

Using this structure, the Group is able to direct the two components of its financial model, namely the advertising space and asset management activities.

The operating margin is defined as revenue less direct operating and SG&A expenses, excluding consumption of spare parts used for maintenance, inventory write-downs, depreciation, amortization and provisions (net), goodwill impairment losses and other operating income and expenses. It includes charges to provisions net of reversals relating to trade receivables. The operating margin is impacted by cash discounts granted to customers deducted from revenue and cash discounts received from suppliers deducted from direct operating expenses, as well as stock option expenses recognized in "Selling, general and administrative expenses".

Approximately 80% of operating expenses are fixed and do not vary directly based on revenues. When the Group expands its network, the level of fixed operating expenses – such as fixed fees paid to concession grantors, rent, and maintenance expenses – increases, but not in direct proportion to the increase in advertising revenues. The principal costs that vary as a function of advertising revenues are variable rent and fees paid in connection with advertising contracts and the subcontracting of certain operations relating to the posting of advertising panels. The proportion of variable operating expenses is structurally weaker in the Billboard and Street Furniture activities than in Transport.

Since operating expenses are mostly fixed, the level of revenues is the principal factor that determines the analysis of the operating margin as a percentage of revenues. As a result, the Group is able to exercise a significant influence over the operating margin as a percentage of revenues by optimizing its pricing (yield management) and introducing innovative marketing techniques. On the other hand, a decline or stagnation in revenues has the effect of reducing the operating margin as a percentage of revenues.

The Group nevertheless strives to control costs as much as possible by taking advantage of synergies among its various businesses, and maximizing the productivity of its technical teams and its purchasing and operating methods.

2.2. Changes in the operating margin

The Group operating margin stood at €555.4 million in 2010, compared to €392.0 million in 2009, representing an increase of 41.7% of revenues. The operating margin represented 23.6% of revenues in 2010 compared to 20.4% in 2009.

Street Furniture
The Street Furniture operating margin was €375.9 million in 2010, up 26.0% compared to 2009. The operating margin as a percentage of revenues represented 32.8% of the segment's revenues, compared to 31.9% in 2009. Excluding the contribution of Wall and Titan to the Urban Furniture division, operating margin accounted for 33.8% of revenue, i.e., 190 basis points more than the 31.9% recorded over the same period the previous year, reflecting good operating leverage on most markets where the Group operates.

Transport
The operating margin increased more than twofold to €115.4 million, and as a percentage of revenues represented 14.8 % of the segment's revenues, compared to 9.4% in 2009. The sharp increase in operating margin can be explained by the revenue growth recorded in Asia-Pacific and in North America, combined with the contribution of new assets, specifically, the Titan rail contracts.

Billboard
The Billboard operating margin increased by 68.7%, amounting to €64.1 million in 2010. The operating margin as a percentage of revenues represented 15.1% of Billboard revenues in 2010, compared to 9.6% in 2009. The Billboard division was boosted by higher revenues, primarily in France and in the UK, and by the positive effects of the recurring cost-cutting measures launched in 2009 on the markets where the Group operates.

3. EBIT

3.1. Definitions

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, net charges to depreciation, amortization and provisions, goodwill impairment losses, and other operating income and expenses. Inventory write-downs are recognized in the line item "Maintenance spare parts". Other operating income and expenses include gains and losses on disposal of property, plant and equipment, intangible assets, gains and losses on disposals linked to the loss of control in fully-consolidated or proportionally-consolidated holdings, together with any profit or loss arising from the re-measurement of the share retained at fair value, any profit or loss arising from the re-measurement at fair value of the previously-held interest in the event of a business combination with acquisition of control, as well as any negative goodwill, direct costs linked to acquisition and non-recurring items. The net charges related to impairment tests performed on property, plant and equipment and intangible assets are recognized in the line item, "Depreciation, amortization, and provisions (net)".

Street furniture is depreciated over the average life of the contracts, between 8 and 20 years.

Billboards are depreciated according to the methods prevailing in the relevant countries, in accordance with local regulations and economic conditions. The main method of depreciation is straight-line, with a term of between 2 and 10 years.

3.2. Changes in EBIT

In 2010, EBIT stood at €279.0 million, compared to €122.8 million in 2009, an increase of 127.2%. EBIT represented 11.9% of the revenues in 2010, compared to 6.4% in 2009. The €156.2 million increase over 2009 can be explained by the €163.4 million increase in operating margin and by the €7.2 million increase in other expense items, namely, depreciation, amortisation and provisions, maintenance spare parts and other operating income and expenses.

Depreciation and amortization totaled €231.6 million, compared to €223.0 million in 2009. The €8.6 million increase stems from the €16.1 million depreciation and amortisation expense for Wall and Titan assets, included in the scope of consolidation respectively at the end of December 2009 and in January 2010; €12.0 million from the depreciation and amortisation of the contracts of acquired companies, measured under the "acquisition method", partly offset by the decline in exceptional asset write-downs; and goodwill impairment of €25.4 million.

Net provision charges in 2010 are made of a charge of €21.2 million, compared to €24.0 million in 2009, while reversals amounted to €29.2 million, compared to €16.1 million in 2009.

Goodwill impairment totaled €0.5 million in 2010, compared to 0 in 2009.

The "Maintenance spare parts" line item stood at €39.8 million in 2010, compared to €38.3 million in 2009, an increase of €1.5 million.

"Other operating income and expenses" represented a charge of €12.5 million in 2010, comprising €5.4 million of restructuring expense linked to the acquisitions of Wall in Germany and Titan in the UK. This line item represented a net amount of €0 million in 2009.

Street Furniture

EBIT for Street Furniture increased by 85.9% in 2010, amounting to €173.8 million, compared to €93.5 million in 2009. It represented 15.2% of revenues, compared to 10.0% in 2009.

Depreciation, amortization and goodwill impairment losses represented €163.9 million in 2010, compared to €174.0 million in 2009, a decrease of €10.1 million linked to the €34.5 million decline in exceptional asset write-downs, partly offset by the depreciation and amortisation expense of Wall and Titan assets, which amounted to €20.7 million, including contracts measured under the "acquisition method".

Provision charges in 2010 amounted to €13.5 million, compared to €5.6 million in 2009, while reversals amounted to €22.7 million, compared to €11.4 million in 2009.

The "Maintenance spare parts" line item comprises a charge of €37.5 million, an increase over the €35.3 million charge recorded in 2009 mainly due to the change in consolidation scope.

The "Other operating income and expenses" line time represents an expense of €9.9 million in 2010, compared to an expense of €1.4 million in 2009. This increase can be explained by the €4.3 million of changes in restructuring costs for the 2010 financial year, due to the acquisitions of Wall and Titan.

Transport

Transport generated EBIT of €83.3 million in 2010, compared to €16.6 million in 2009. Transport EBIT represented 10.7% of this activity's revenues in 2010, compared to 2.8% in 2009.

The higher EBIT for this segment is attributable to the €59.8 million increase in the operating margin, the €12.8 million drop in net provisions charges and a favorable change in other operating income and expenses of €2.9 million, partly offset by the €8.3 million increase in depreciation and amortisation, €2.9 million of which stems from changes in scope.

Depreciation, amortization (excluding exceptional asset write-downs) and provision charges for the Transport activity are substantially lower than those of Street Furniture and Billboard activities. They represented €29.3 million in 2010, or 3.8% of revenues. The low level of depreciation, amortization charges compared to the two other segments reflects the fact that, overall, transport contracts, which have shorter terms than urban furniture contracts and generate higher fees, require less investments.

Billboard

Billboard EBIT amounted to €21.9 million in 2010, compared to €12.7 million in 2009. It represented 5.1% of the activity's revenues, compared to 3.2% in 2009.

Billboard EBIT increased by €9.2 million primarily due to the €26.1 million increase in operating margin, partly offset by the €10.5 million increase in exceptional asset write-downs and the negative change to other operating income and expenses by €6.9 million.

Depreciation, amortization (excluding exceptional asset write-downs) represented €30.5 million in 2010.

4. NET FINANCIAL INCOME/(LOSS)

In 2010, net financial income amounted to €-34.8 million, an increased loss of €15.2 million compared to 2009. This can be primarily explained by the €5.9 million increase in discount expenses and the impact in 2009 of the waiving of a €10.7 million debt for the Group. Excluding the 2009 debt waiver, financial interests fell by €2.5 million, primarily due to the drop in average net financial debt.

5. INCOME TAX

In 2010, consolidated income taxes totaled €78.8 million, compared to €38.0 million in 2009. The €40.8 million increase in taxes can be explained by the surge in EBIT, as a result of the upturn in business operations in 2010.

The 2010 effective tax rate, excluding goodwill impairment losses and the Group's share of net profit of associates, stood at 32.2%, compared to 36.8% in 2009. The 2010 effective tax rate comes off at 31.2% compared to 35.6% in 2009 while excluding the discounting impact of debts on commitments to purchase non-controlling interests.

6. NET INCOME

Net income (Group share) amounted to €173.3 million in 2010, compared to €24.5 million in 2009. The increase in 2010 net income, Group share, can mainly be explained by the sharp increase in EBIT and by the change in the net profits of associates, the impact of which was mitigated by higher income tax resulting from the expansion of the taxable base.

7. CASH FLOW

As of December 31, 2010, Group net debt (excluding commitments to purchase minority interests, as described in greater detail in Note 3.15 to the Consolidated Financial Statements) stood at €358.8 million, compared to €670.0 million as of December 31, 2009, for a decrease of €311.2 million.

7.1. Net cash provided by operating activities

Net cash provided by operating activities amounted to €561.8 million in 2010, compared to €419.2 million in 2009. The €142.6 million increase is primarily related to a €163.4 million increase in the operating margin. The 2010 cash flows were primarily generated by the €555.4 million operating margin less maintenance spare parts excluding inventory write-downs for €34.9 million and other management income and expenses for €5.6 million, added to which the change in working capital requirement which generated a positive cash flow of €52.8 million. Of note:

- a decrease in inventories for €16.6 million, mainly observed in France;
- an increase in trade and other receivables for €63.7 million relating to the business upturn and tight control over collection periods;
- an increase in trade and other payables for €99.9 million.

Net financial interest paid represented €16.3 million, compared to €21.7 million in 2009, down due to the decline of average financial net debt.

Income taxes paid represented €62.9 million, compared to €53.0 million in 2009, for an increase of €9.9 million, of which €11.2 million in France.

Net cash from operating activities in 2010 represented €482.6 million, compared to €344.5 million in 2009.

7.2. Net cash used in investing activities

Net cash used in investing activities consisted of €155.2 million worth of net capital expenditures for property, plant and equipment and intangible assets, €0.3 million to acquire long-term investments, €18.3 million to acquire other financial assets, €0.8 million from changes in payables on financial investments, less € 14.6 million from disposals of other financial assets.

Acquisitions of property, plant and equipment and intangible assets amounted to €158.5 million, while disposals totaled €3.3 million, generating a net flow of €155.2 million. Group acquisitions of property, plant and equipment amounting to €136.1 million include €117.3 million for new street furniture and billboards and €18.8 million for general investments, consisting mainly of tooling, vehicles, computer equipment and software, real estate, and improvements. Group acquisitions of intangible assets amounting to €22.4 million include €12.1 million in new advertising rights and capitalized development costs, as well as €10.3 million in general investments, essentially comprising software.

In 2009, the Group recorded €175.4 million for acquisitions of new street furniture and billboards, new advertising rights and capitalized development costs, and €22.4 million for general investments.

Street Furniture accounted for 79% of the Group's acquisitions of property, plant and equipment, amounting to €107.2 million in 2010 (€159.2 million in 2009). Acquisitions of intangible assets, primarily comprising capitalized software, amounted to €11.9 million in 2010.

Transport acquisitions of property, plant and equipment totaled €16.3 million in 2010, while acquisitions of intangible assets amounted to €6.7 million. Total investments for the Transport activity amounted to €18.0 million in 2009.

In 2010, Billboard acquisitions of property, plant and equipment totaled €12.5 million, while acquisitions of intangible assets amounted to €3.9 million. Total investments for the Billboard activity amounted to €20.6 million in 2009.

The Group made no significant equity acquisitions in 2010 and disposals of equity investments had no material impact on the Group's 2010 consolidated financial statements.

Acquisitions of other financial assets amounted to €18.3 million including primarily €10.1 million of loans granted by JCDecaux SA to Metrobus and €4.9 million corresponding to the non-eliminated portion of the additional loan granted by JCDecaux SA to its Japanese subsidiary, MCDecaux Inc..

Disposals of financial assets represented €14.6 million and mainly concerned a repayment of the loan granted by JCDecaux SA to Metrobus for €6.4 million and €1.7 million concerning the non-eliminated portion of repayments received from proportionately-consolidated companies.

7.3. Net cash used in financing activities

7.3.1. Net cash from financial activities

The Group decreased its net debt by €311.2 million in 2010. This decline can be primarily explained by the €185.4 million drop in gross financial debt on the balance sheet, a drop of €8.6 million in net liabilities financial derivatives and a €109.9 million increase in net cash.

The change in gross financial debt on the balance sheet and hedging instruments stood at -€194.0 million and breaks down into:

- -€217.6 million of repayment flows net of financing;
- +€23.6 million linked to foreign exchange impacts, the net impact of IAS 39 on debt and derivatives, to changes in scope and various reclassifications.

7.3.2. Net cash from acquisitions of non-controlling interests

In 2010, acquisitions of non-controlling interests amounted to €4.2 million and comprised the payment of €3.6 million for commitments to purchase minority interests in Germany and in Turkey, and €0.6 million for the bolt-on acquisition in Avenir Praha Spol Sro.

7.3.3. Shareholders' equity and dividends

In 2010, JCDecaux SA did not pay any dividends.

Certain JCDecaux SA subsidiaries, in which there are minority stakes, made dividend payments amounting to €5.8 million. In addition, the Group received dividends from non-consolidated companies in the amount of €0.1 million, and dividends from associates for €1.0 million.

The €4.9 million increase in shareholders' equity is linked to the issue of €3.5 million new shares by JCDecaux SA as a result of the exercise of stock options.

8. FINANCIAL MANAGEMENT

The type of financial risks arising from the activity conducted by the Group and its risk management policy, as well as an analysis of the management of such risks in 2010, are described in the Notes to the Consolidated Financial Statements (pages 70 to 122 of this document).

9. COMMITMENTS OTHER THAN THOSE RELATING TO FINANCIAL MANAGEMENT

The Group's material off-balance sheet commitments as of December 31, 2010 are listed and analyzed in Note 7 to the Consolidated Financial Statements.

II. RECENT DEVELOPMENTS AND OUTLOOK

As of December 31, 2010, the Group's business and financial position had not experienced any material change requiring discussion in this document. So far, 2011 seems promising, but any revenue forecast will be premature given the lack of sufficient visibility. JCDecaux continues to invest selectively in projects that promote the Group's development.

III. INVESTMENT POLICY

1. MAIN INVESTMENTS COMPLETED

Most of the Group’s capital expenditures relate to the construction and installation of street furniture and advertising panels in connection with renewals and new contracts, as well as recurring investments necessary for ongoing business operations (vehicles, computers, tooling and buildings).

In 2010, the Group devoted €133.5 million in investments linked to new contracts or renewal of existing contracts, compared to €179.1 million in 2009.

The Group also spent €25.0 million, versus €18.7 million in 2009, on building improvements, tooling, vehicles and computer systems, aside from projects for new contracts or renewal of existing contracts.

2. MAIN FUTURE INVESTMENTS

Investments in 2011 will primarily be devoted to furthering the development of street furniture installation programs in connection with new or renewed contracts.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		12/31/2010	12/31/2009 Restated (1)
Goodwill	§ 3.3	1,342.6	1,335.0
Other intangible assets	§ 3.3	318.9	329.4
Property, plant and equipment	§ 3.4	1,137.7	1,171.8
Investments in associates	§ 3.5	141.2	134.0
Financial investments		2.1	2.7
Other financial investments	§ 3.6	17.8	15.4
Deferred tax assets	§ 3.12	15.3	15.9
Current tax assets	§ 3.11	1.9	1.3
Other receivables	§ 3.7	49.5	53.0
NON-CURRENT ASSETS		**3,027.0**	**3,058.5**
Other financial investments	§ 3.6	11.7	4.3
Inventories	§ 3.8	97.4	110.2
Financial derivatives	§ 3.17	0.0	1.6
Trade and other receivables	§ 3.9	712.6	601.4
Current tax assets	§ 3.11	3.7	11.8
Cash and cash equivalents	§ 3.10	211.5	90.9
CURRENT ASSETS		**1,036.9**	**820.2**
TOTAL ASSETS		**4,063.9**	**3,878.7**

(1) *See Note 2 "Reconciliation of the restated 2009 financial statements".*

Liabilities and Equity

In million euros		12/31/2010	12/31/2009 Restated [1]
Share capital		3.4	3.4
Additional paid-in capital		1,001.6	996.3
Consolidated reserves		1,063.4	1,042.8
Consolidated net income (Group share)		173.3	24.5
Other components of equity		5.7	(37.3)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,247.4**	**2,029.7**
Non-controlling interests		(24.7)	(21.6)
TOTAL EQUITY	**§ 3.13**	**2,222.7**	**2,008.1**
Provisions	§ 3.14	195.8	186.5
Deferred tax liabilities	§ 3.12	106.7	108.6
Financial debt	§ 3.15	459.3	533.4
Debt on commitments to purchase non-controlling interests	§ 3.16	73.6	78.7
Other payables		14.3	12.5
Financial derivatives	§ 3.17	19.3	29.6
NON-CURRENT LIABILITIES		**869.0**	**949.3**
Provisions	§ 3.14	36.0	28.9
Financial debt	§ 3.15	83.8	195.1
Debt on commitments to purchase non-controlling interests	§ 3.16	12.9	3.2
Financial derivatives	§ 3.17	0.5	0.4
Trade and other payables	§ 3.18	788.0	665.4
Current tax payable	§ 3.11	28.9	16.9
Bank overdrafts	§ 3.15	22.1	11.4
CURRENT LIABILITIES		**972.2**	**921.3**
TOTAL LIABILITIES		**1,841.2**	**1,870.6**
TOTAL LIABILITIES AND EQUITY		**4,063.9**	**3,878.7**

(1) See Note 2 "Reconciliation of the restated 2009 financial statements".

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		2010	2009
NET REVENUES		**2,350.0**	**1,918.8**
Direct operating expenses	§ 4.1	(1,432.1)	(1,214.3)
Selling, general and administrative expenses	§ 4.1	(362.5)	(312.5)
OPERATING MARGIN		**555.4**	**392.0**
Depreciation, amortization and provisions (net)	§ 4.1	(223.6)	(230.9)
Impairment of goodwill	§ 4.1	(0.5)	0.0
Maintenance spare parts	§ 4.1	(39.8)	(38.3)
Other operating income	§ 4.1	2.3	10.9
Other operating expenses	§ 4.1	(14.8)	(10.9)
EBIT		**279.0**	**122.8**
Financial income	§ 4.2	11.9	24.1
Financial expenses	§ 4.2	(46.7)	(43.7)
NET FINANCIAL INCOME (LOSS)		**(34.8)**	**(19.6)**
Income tax	§ 4.3	(78.8)	(38.0)
Share of net profit of associates	§ 4.5	3.9	(30.7)
PROFIT OF THE YEAR FROM CONTINUING OPERATIONS		**169.3**	**34.5**
Gain or loss on discontinued operations			
CONSOLIDATED NET INCOME		**169.3**	**34.5**
- Including non-controlling interests		*(4.0)*	*10.0*
CONSOLIDATED NET INCOME (GROUP SHARE)		**173.3**	**24.5**
Earnings per share (in euros)		0.782	0.110
Diluted Earnings per share (in euros)		0.782	0.110
Weighted average number of shares	§ 4.4	221,489,982	221,322,760
Weighted average number of shares (diluted)	§ 4.4	221,707,844	221,389,683

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	2010	2009 Restated (1)
CONSOLIDATED NET INCOME	**169.3**	**34.5**
Translation reserve adjustment on foreign operations (2)	35.7	6.7
Translation reserve adjustments on net foreign investments	3.3	4.2
Available-for-sale securities	0.1	(1.7)
Revaluation reserves	0.0	0.9
Share of other comprehensive income of associates	4.2	(2.6)
- Translation reserve adjustments of associates	4.0	(2.2)
- Available-for-sale securities of associates	(0.1)	(0.2)
- Gains and losses on disposal of treasury shares of associates	0.3	(0.2)
Other comprehensive income before tax	**43.3**	**7.5**
Tax on other comprehensive income (3)	**0.0**	**0.0**
TOTAL COMPREHENSIVE INCOME	**212.6**	**42.0**
- Including non-controlling interests	*(3.5)*	*8.7*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**216.1**	**33.3**

(1) See Note 2 "Reconciliation of the restated 2009 financial statements".

(2) Translation reserve adjustment on foreign operations is related to changes in foreign exchange rates, of which €17.1 million in Hong Kong, €9.9 million in Australia and €4.2 million in Argentina. The item also includes a € (1.4) million transfer to profit and loss following the acquisition of control of RTS Decaux JSC.

(3) No other comprehensive income item has a tax impact as of December 31, 2010, as was the case as of December 31, 2009.

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent company										
	Share Capital	Additional paid-in capital	Retained earnings	Other components of equity					Total	Non-controlling interests	Total
In million euros				Available-for-sale securities	Translation reserve adjustment	Reva-luation reserves	Other	Total Other components			
Equity as of December 31, 2008	**3.4**	**993.5**	**1,043.5**	**1.2**	**(47.8)**	**0.0**	**0.5**	**(46.1)**	**1,994.3**	**(24.6)**	**1,969.7**
Capital increase (1)		1.0						0.0	1.0	6.6	7.6
Distribution of dividends								0.0	0.0	(5.6)	(5.6)
Share-based payments		1.8						0.0	1.8		1.8
Debt on commitments to purchase non-controlling interests (2)								0.0	0.0	(9.7)	(9.7)
Change in consolidation scope								0.0	0.0	3.3	3.3
Consolidated net income			24.5					0.0	24.5	10.0	34.5
Other comprehensive income				(1.3)	9.4	0.9	(0.2)	8.8	8.8	(1.3)	7.5
Total comprehensive income	**0.0**	**0.0**	**24.5**	**(1.3)**	**9.4**	**0.9**	**(0.2)**	**8.8**	**33.3**	**8.7**	**42.0**
Other			(0.7)					0.0	(0.7)	(0.3)	(1.0)
Equity as of December 31, 2009 restated (3)	**3.4**	**996.3**	**1,067.3**	**(0.1)**	**(38.4)**	**0.9**	**0.3**	**(37.3)**	**2,029.7**	**(21.6)**	**2,008.1**
Capital increase (1)		3.7	(0.2)					0.0	3.5	1.4	4.9
Distribution of dividends								0.0	0.0	(5.8)	(5.8)
Share-based payments		1.6						0.0	1.6		1.6
Debt on commitments to purchase non-controlling interests (2)								0.0	0.0	3.4	3.4
Change in consolidation scope (4)			(3.2)					0.0	(3.2)	0.9	(2.3)
Consolidated net income			173.3					0.0	173.3	(4.0)	169.3
Other comprehensive income					42.5		0.3	42.8	42.8	0.5	43.3
Total comprehensive income	**0.0**	**0.0**	**173.3**	**0.0**	**42.5**	**0.0**	**0.3**	**42.8**	**216.1**	**(3.5)**	**212.6**
Other			(0.5)		0.2			0.2	(0.3)	0.5	0.2
Equity as of December 31, 2010	**3.4**	**1,001.6**	**1,236.7**	**(0.1)**	**4.3**	**0.9**	**0.6**	**5.7**	**2,247.4**	**(24.7)**	**2,222.7**

(1) *The increase in JCDecaux SA's share capital and additional paid-in capital is related to the exercise of stock options and bonus shares.*

(2) *In 2009, impact of new purchase commitments with Daniel Wall and Emre Kamçili and exercise of the put option on Wall Decaux Holdings, Inc.'s shares. In 2010, impact of the additional acquisition of Wall AG's shares and of the put option exercised on ERA Reklam AS' shares by Emre Kamçili. Discounting impacts are recorded in the income statement in "Consolidated net income" under "Non-controlling interests" for €(7.8) million in 2010 against €(3.7) million in 2009. The changes are explained in Note 3.16 "Debt on commitments to purchase non-controlling interests".*

(3) *See Note 2 "Reconciliation of the restated 2009 financial statements".*

(4) *Changes in consolidation scope due to the additional acquisition of Wall AG's shares, to the put option exercised on ERA Reklam AS' shares and to the acquisition of control of RTS Decaux JSC (Kazakhstan).*

STATEMENT OF CASH FLOWS

In million euros		**2010**	**2009**
Net income before tax		248.1	72.5
Share of net profit of associates		(3.9)	30.7
Dividends received from non-consolidated subsidiaries		(0.1)	(0.1)
Expenses related to share-based payments		1.6	1.8
Depreciation, amortization and provisions (net)		221.8	228.2
Capital gains and losses		7.0	(0.8)
Discounting expenses (income)		19.8	13.9
Net interest expense		16.3	8.1
Financial derivatives and translation adjustments		(1.6)	(5.7)
Change in working capital		**52.8**	**70.6**
Change in inventories		16.6	27.6
Change in trade and other receivables		(63.7)	96.9
Change in trade and other payables		99.9	(53.9)
CASH PROVIDED BY OPERATING ACTIVITIES		**561.8**	**419.2**
Net interest paid		(16.3)	(21.7)
Income taxes paid		(62.9)	(53.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES	§ 5.1	**482.6**	**344.5**
Acquisitions of intangible assets and property, plant & equipment		(164.9)	(194.6)
Acquisitions of long-term investments		0.3	(77.8)
Acquisitions of other financial assets		(18.3)	(6.2)
Change in payables on intangible assets and property, plant & equipment		6.4	(3.2)
Change in payables on financial investments		(0.8)	(1.4)
Total investments		**(177.3)**	**(283.2)**
Proceeds on disposal of intangible assets and property, plant & equipment		20.7	18.1
Proceeds on disposal of long-term investments		0.0	14.7
Proceeds on disposal of other financial assets		14.6	11.1
Change in receivables on intangible assets and property, plant & equipment		(17.4)	0.0
Total asset disposals		**17.9**	**43.9**
NET CASH USED IN INVESTING ACTIVITIES	§ 5.2	**(159.4)**	**(239.3)**
Dividends paid		(5.8)	(5.6)
Capital decrease		0.0	(0.1)
Acquisitions of non-controlling interests		(4.2)	-
Repayment of long-term debt		(368.2)	(157.7)
Repayment of debt (finance lease)		(2.6)	(3.0)
Cash outflow from financing activities		**(380.8)**	**(166.4)**
Dividends received		1.1	7.3
Capital increase		4.9	1.8
Increase in long-term borrowings		153.2	29.0
Cash inflow from financing activities		**159.2**	**38.1**
NET CASH USED IN FINANCING ACTIVITIES	§ 5.3	**(221.6)**	**(128.3)**
Effect of exchange rate fluctuations and other movements		8.3	(2.4)
CHANGE IN NET CASH POSITION		**109.9**	**(25.5)**
Net cash position beginning of period		**79.5**	**105.0**
Net cash position end of period		**189.4**	**79.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. MAJOR EVENTS OF THE YEAR

In January 2010, JCDecaux had purchased the advertising assets of Titan Outdoor UK Ltd, subsequent to the company being placed in administration. Titan had a leading position in the railway and retail advertising sectors in the UK, following the purchase of Maiden Outdoor in March 2006. Titan has been instrumental in driving digital outdoor advertising with its Transvision and Digital 6-sheets systems installed in shopping malls and railway stations.

Partnerships and principal acquisitions

The principal partnerships and acquisitions are detailed in Note 3.1 *Changes in the consolidation scope in 2010*.

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended December 31, 2010 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "Group") and the Group's share in associates or companies under joint control.

Pursuant to European Regulation No. 1606/2002 of July 19, 2002, the 2010 consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union. They were approved by the Executive Board and were authorized for release by the Supervisory Board on March 8, 2011. These financial statements shall only be definitive upon the approval of the General Meeting of Shareholders.

The principles used in the preparation of these financial statements are based on:

- all standards and interpretations adopted by the European Union and in force as of December 31, 2010. These are available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm. Moreover, these principles do not differ from the IFRS standards published by IASB;
- accounting treatments adopted by the Group in cases where no guidance is provided by current standards.

These various options and positions break down as follows:

The Group has implemented the following standards, amendments to standards and interpretations adopted by the European Union and applicable from January 1, 2010:

- Amendment to IFRS 2 Group cash-settled share-based payment transactions;
- IFRS 3 Revised Business combinations;
- IAS 27 amended Consolidated and separate financial statements;
- Amendment to IAS 39 Financial instruments: Recognition and measurement: Eligible hedged items;
- IFRIC 12 Service concession arrangements;
- IFRIC 15 Agreements for the construction of real estate;
- IFRIC 16 Hedges of a net investment in a foreign operation;
- IFRIC 17 Distributions of non-cash assets to owners;
- IFRIC 18 Transfers of assets from customers;
- Amendment to IFRS 1 Additional exemptions for first-time adopters;
- 2009 IFRS annual improvements;
- Amendment to IFRS 5 from the 2008 IFRS annual improvements.

The adoption of these standards did not have a material impact on the consolidated financial statements.

In the absence of specific IFRS provisions on the accounting treatment of debts on commitments to purchase non-controlling interest, the 2009 accounting positions have been maintained. In particular, subsequent changes in the fair value of the debt arising from such commitments are recognized in net financial income and allocated to non-controlling interests in the income statement, with no impact on the net income (Group share).

In addition, the Group has not opted for the early adoption of the following new standards, amendments to standards and interpretations which have not been endorsed by the European Union, or which are not yet in force for the year ended December 31, 2010:

- Standards and amendments adopted by the European Union but which are not yet in force for the year ended December 31, 2010
  - IAS 24 Revised Related party disclosures;
  - Amendment to IFRS 1 Limited exemption from comparative IFRS 7 Disclosures for first-time adopters;
  - Amendment to IAS 32 Financial instruments: Presentation: Classification of rights issues;
  - Amendment to IFRIC 14 Prepayments of a minimum funding requirement;
  - IFRIC 19 Extinguishing financial liabilities with equity instruments.
- Standards and amendments not adopted by the European Union
  - IFRS 9 Financial instruments;
  - Amendment to IAS 12 Deferred tax: Recovery of Underlying Assets;
  - Amendment to IFRS 1 Severe hyperinflation and removal of fixed dates for first-time adopters;
  - Amendment to IFRS 7 Financial Instruments: Disclosures - Transfers of financial assets;
  - 2010 IFRS annual improvements.

Management believes that the application of these standards will not have a material impact on the consolidated financial statements.

1.2. First-time adoption of IFRS

With a January 1, 2004 transition date, the December 31, 2005 financial statements were the first to be prepared by the Group in compliance with IFRS. IFRS 1 provides for exceptions to the retrospective application of IFRS on the transition date. The Group adopted the following options:

- The Group decided to apply IFRS 3 *Business combinations* on a prospective basis starting from January 1, 2004. Business combinations that occurred before January 1, 2004 have not therefore been restated;
- The Group decided not to apply the provisions of IAS 21 *The effects of changes in foreign exchange rates* for the cumulative amount of foreign exchange differences existing at the date of transition to IFRS. Accordingly, the cumulative amount of foreign exchange differences for all foreign activities is considered to be zero as of January 1, 2004. As a result, any profits and losses realized on the subsequent sale of foreign activities exclude the exchange differences existing before January 1, 2004, but include any subsequent differences;
- The Group, in connection with IAS 19 *Employee benefits*, decided to recognize in equity all cumulative actuarial gains and losses existing as of the date of transition to IFRS. This option for the opening statement of financial position does not call into question the use of the "corridor" method used for cumulative actuarial gains and losses generated subsequently;
- The Group applied IFRS 2 *Share-based Payment* to stock option plans granted on or after November 7, 2002, but not yet vested as of January 1, 2005;
- The Group decided not to apply the option allowing property, plant and equipment to be remeasured at fair value at the date of transition.

1.3. Scope and methods of consolidation

The financial statements of companies controlled by the Group are included in the consolidated financial statements from the date control is acquired to the date control ceases. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Companies that are jointly controlled by the Group are consolidated using the proportionate method.

Companies over which the Group exercises a significant influence on the operating and financial policies are accounted for under the equity method.

All transactions between Group fully consolidated companies are eliminated upon consolidation. Transactions with companies consolidated under the proportionate method are eliminated up to the percentage of consolidation.

Inter-company results are also eliminated. Capital gains or losses on inter-company sales realized by an associate are eliminated up to the percentage of ownership and offset by the value of the assets sold.

1.4. Recognition of foreign currency transactions in the functional currency of entities

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing on the transaction date. At the period-end, monetary items are translated at the closing exchange rate and the resulting gains or losses are recorded in the income statement.

Long-term monetary assets held by a Group entity in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity's net investment in that foreign operation. Accordingly, pursuant to IAS 21 *The effects of changes in foreign exchange rates*, exchange differences on these items are recorded in other comprehensive income in equity until the investment's disposal. In the opposite case, exchange differences are recorded in the income statement.

1.5. Translation of the financial statements of subsidiaries

The Group consolidated financial statements are prepared in euro, which is the parent company's presentation and functional currency.

Assets and liabilities of foreign subsidiaries are translated into the Group's presentation currency at the year-end exchange rate, and the corresponding income statement is translated at the average exchange rate of the period. Resulting translation adjustments are directly allocated to other comprehensive income in equity.

At the time of a total or partial disposal, with loss of control, or the liquidation of a foreign entity, or a step acquisition, translation adjustments accumulated in equity are reclassified in the income statement. At the time of a partial disposal without loss of control, the share of translation adjustments accumulated in equity relating to the portion sold is reclassified in the income statement.

1.6. Use of estimates

As part of the process for the preparation of the consolidated financial statements, the assessment of some assets and liabilities requires the use of judgments, assumptions and estimates. This primarily involves the valuation of property, plant and equipment and intangible assets, the valuation of investments in associates, determining the amount of provisions for employee benefits and dismantling, and the valuation of commitments on securities. These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could differ from future reality. Valuation methods are more specifically described, mainly in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill* and in Note 1.23 *Dismantling provision*. The results of sensitivity tests are provided in Note 3.3 *Goodwill and other intangible assets* for the valuation of goodwill, property, plant and equipment and other intangible assets, in Note 4.5 *Share of net profit of associates* for the valuation of investments in associates and in Note 3.14 *Provisions* for the valuation of provisions for employee benefits and dismantling.

1.7. Current/non-current distinction

With the exception of deferred tax assets and liabilities which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date; otherwise, they are classified as non-current.

1.8. Intangible assets

1.8.1. Development costs

According to IAS 38, development costs must be capitalized as intangible assets if the Group can demonstrate:

- its intention, its financial and technical ability to complete the development project;
- the existence of probable future economic benefits for the Group;
- the high probability of success of the Group;
- the existence of a market;
- and that the cost of the asset can be measured reliably.

Development costs capitalized in the statement of financial position from January 1, 2004 onwards primarily include all costs related to the development, modification or improvement to street furniture ranges in connection with contract proposals having a strong probability of success. Development costs also include the design and construction of models and prototypes.

Given JCDecaux's statistical success rate in its responses to street furniture bids for tender, the Group considers that it is legitimate to capitalize tender response preparation costs. Indeed, these costs are directly related to a given contract, and are incurred to obtain it. Amortization, spread out over the term of the contract, would begin when the project is awarded. Should the bid be lost, the amount capitalized would be expensed.

Development costs carried in assets are recognized at cost less accumulated amortization and impairment losses.

1.8.2. Other intangible assets

Other intangible assets primarily involve Street Furniture, Billboard and Transport contracts, which are amortized over the contract term.

Only individualized and clearly identified software (such as ERP) is capitalized and amortized over a maximum period of 5 years. Other software is recognized in expenses for the period.

1.9. Business combinations

IFRS 3 Revised requires the application of the acquisition method to business combinations, which consists of measuring at fair value all identifiable assets, liabilities and contingent liabilities of the entity acquired.

Goodwill represents the acquisition-date fair value of the consideration transferred (including the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree) minus the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Negative goodwill, if any, is recognized immediately against income.

When determining the fair value of assets, liabilities and contingent liabilities of the acquired entity, the Group assesses contracts at fair value and recognizes them as intangible assets. When an onerous contract is identified, a provision is recognized.

Under IFRS, companies are granted a 12-month period, starting from the date of acquisition, to finalize the fair value measurement of assets, liabilities and contingent liabilities acquired.

Acquisition-related costs are recognized by the Group in other operating expenses, except for acquisition-related costs for non-controlling interests, which are recorded directly in equity.

For step acquisitions, in the case of the acquisition of control, any gain or loss arising from the fair value remeasurement of the previously held equity interest is recorded in the income statement, under other operating income and expenses. In the case of a complementary acquisition leading to the joint control of a company that was previously accounted for as an entity subject to significant influence, any gain or loss arising from the fair value remeasurement of the previously held equity interest is recognized in equity.

Furthermore, in application of IAS 27 revised, for acquisitions of non-controlling interests in controlled companies and sales of shares to non-controlling interests without loss of control, the difference between the acquisition cost or disposal cost and the carrying value of non-controlling interests is recognized in changes in equity attributable to JCDecaux SA. For every partial or complete disposal with loss of control, the remeasurement of any previously held share in connection with the acquisition or loss of control is recorded in the income statement, under other operating income and expenses.

Goodwill is not amortized. The Group conducts impairment tests at least once a year at each statement of financial position date and at any time when there are indicators of impairment. When justified by particular circumstances (significant changes in the technical, legal or market environment, insufficient profitability, etc.), a goodwill impairment loss is recognized in accordance with the methodology detailed in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill*. When recognized, such a loss cannot be reversed at a later period.

Cash flows from the acquisition of an additional interest in a controlled subsidiary and cash flows from changes in the level of ownership interest in a controlled subsidiary that do not result in a loss of control are presented on the line *Net cash used in financing activities* of the cash flow statement.

1.10. Property, plant and equipment (PP&E)

Property, plant and equipment (PP&E) are presented on the statement of financial position at historical cost less accumulated depreciation and impairment losses.

Street furniture
Street furniture (Bus shelters, MUPIs®, Seniors, Electronic Information Boards (EIB), Automatic Public Toilets, Morris Columns, etc.) is depreciated on a straight-line basis over the average term of the contracts (between 8 and 20 years).

Street furniture maintenance costs are recognized as expenses.

The discounted dismantling costs expected to be paid at the end of the contract are recorded in assets, with the corresponding provision, and amortized over the term of the contract.

Billboards
Billboards are depreciated according to the method of depreciation prevailing in the relevant countries in accordance with local regulations and economic conditions.

The main method of depreciation is the straight-line method over a period of 2 to 10 years.

Depreciation charges are calculated over the following normal useful lives:

DEPRECIATION PERIOD

Property, plant and equipment:

▪ Buildings and constructions	10 to 50 years
▪ Technical installations, tools and equipment	5 to 10 years
▪ (excluding street furniture and billboards)	
▪ Street furniture and billboards	2 to 20 years

Other property, plant and equipment:

▪ Fixtures and fittings	5 to 10 years
▪ Transport equipment	3 to 10 years
▪ Computer equipment	3 to 5 years
▪ Furniture	5 to 10 years

1.11. Impairment of intangible assets, property, plant and equipment and goodwill

As set out by IAS 36, items of property, plant and equipment, intangible assets as well as goodwill are tested for impairment at least annually.

Impairment testing consists in comparing the carrying value of a Cash-Generating Unit (CGU) or a CGU group and its recoverable amount. The recoverable amount is the highest of (i) the fair value of the asset (or group of assets) less costs to sell and (ii) the value in use determined on the basis of future discounted cash flows.

When the recoverable amount is assessed on the basis of the value in use, forecast cash flows are determined using growth assumptions based either on the term of the contracts, or over a five-year period with a subsequent perpetual projection and a discount rate reflecting current market estimates of the time value of money. Growth assumptions used do not take into account any external strategic acquisitions. Risks specific to the CGU tested are largely reflected in the assumptions adopted for determining the cash flows and the discount rate used.

When the carrying value of an asset or group of assets exceeds its recoverable amount, an impairment loss is recognized in the income statement to write down the asset's carrying value to the recoverable amount.

Methodology followed

- Level of testing
  - For items of PP&E and intangible assets, impairment tests are carried out at the CGU level corresponding to the entity.
  - For goodwill, tests are carried out at the level of each group of CGUs determined according to the operating segment considered (Street Furniture, Billboard, and Transport) and taking into account the level of synergies expected between the CGUs. Thus, tests are generally performed at the level where the operating segments and the geographical area meet, which is the level where commercial synergies are generated, or even beyond this level if justified by the synergy.
- Discount rates used

The values in use taken into account for impairment testing are determined based on expected future cash flows, discounted at a rate based on the weighted average cost of capital. This rate reflects management's best estimates regarding the time value of money, the risks specific to the assets or CGUs and the economic situation in the geographical areas where the activity relating to these assets or CGUs is carried out.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate ranging from 7.1% to 19.1%, for the area presenting the most risk. An after-tax rate of 7.1%, used in 2010 as well as in 2009, was determined for areas such as Western Europe, North America, Japan and Australia, where the Group conducts nearly 80% of its activity.

- Recoverable amounts

They are determined in accordance with the following two methods:

  - An initial level of testing consists in identifying entities whose assets may be impaired. This test is based on a projection of the 2010 operating margin according to a term and procedures specific to each operating segment considered. Thus, for the Street Furniture and Transport segments, the residual duration of the contracts is used assuming an average yearly growth rate of 3%, in line with past internal growth rates and the use of a discount rate as described above. For the Billboard activity, a 15-year term is used.

- On the basis of a business plan when entities' assets have not passed this first level of testing or when the Group estimates that the projected operating margin does not reflect the expected future cash flows. Here again, the procedures for determining future cash flows depend on the business segment considered, with a time horizon usually exceeding 5 years owing to the nature and activity of the Group, characterized by long-term contracts with a strong probability of renewal. In general:
  - for the Street Furniture and Transport segments, future cash flows are computed over the remaining term of contracts, taking into account the likelihood of renewal after term, the business plans being realized over the duration of the contract, generally between 5 and 20 years, with a maximum term of 24 years;
  - for the Billboard segment, future cash flows are computed over a five-year period with a perpetual projection using a yearly growth rate of between 2% and 3%.

The recoverable amount of a group of CGUs corresponds to the sum of the individual recoverable amounts of each CGU belonging to that group.

1.12. Investments in associates

Goodwill recognized on acquisition is included in the value of the investments.

The share of the depreciation charge arising from the impairment of assets recognized on acquisition or the fair value adjustment of existing assets is presented under the heading "Share of net profit of associates."

Investments in associates are subject to impairment tests on an annual basis, or when existing conditions would suggest a possible impairment. When necessary, the related loss, which is recorded in "Share of net profit of associates," is calculated from the values in use based on the expected future cash flows less net debt. The method used to calculate the values in use is the same one applied for PP&E and intangible assets as described in Note 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill.*

1.13. Financial investments (Available-for-sale assets)

This heading includes investments in non-consolidated entities.

These assets are initially recognized at their fair value, generally represented by their acquisition price plus transaction costs. In the absence of an active market, they are then measured at fair value or the value in use, which takes into account the share of equity and the probable recovery amount.

Changes in values are recognized in other comprehensive income. When the asset is sold, cumulative gains and losses in equity are reclassified in the income statement. When the impairment loss is permanent, total cumulative gains are cleared in the amount of the loss. The net loss is recorded in the income statement if the total loss exceeds the total cumulative gains.

1.14. Other financial investments

This heading includes loans to long-term investments, current account advances granted to associates or non-consolidated entities, the non-eliminated portion of loans to proportionately consolidated companies, as well as deposits and guarantees.

On initial recognition, they are measured at fair value plus transaction costs (IAS 39, Loans and receivables category).

After initial recognition, they are measured at amortized cost.

A loss in value is offset in the income statement when the recovery amount of these loans and receivables is less than their carrying amount.

1.15. Treasury shares

Treasury shares are recognized at their acquisition cost and deducted from equity. Gains or losses on disposals are also recorded in equity and do not contribute to profit or loss for the year.

1.16. Inventories

Inventories mainly consist of:

- parts necessary for the maintenance of installed street furniture;
- street furniture or billboards in kit form or partially assembled.

Inventories are valued at weighted average cost, which may include production, assembly and logistic costs.

Inventories are written down to their net realizable value when the net realizable value is less than cost.

1.17. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value, unless there is any significant discounting effect. After initial recognition, they are measured at amortized cost. An impairment loss is recognized when their recovery amount is less than their carrying amount.

1.18. Cash and cash equivalents

Cash in the statement of financial position comprises cash at bank and in hand. Cash equivalents in the statement of financial position comprise short-term investments and short-term deposits.

Short-term investments are easily convertible into a known cash amount and subject to little risk of change in value. They are measured at fair value and changes in fair value are recorded in net financial income.

For the consolidated cash flow statement, net cash consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

1.19. Financial debt

Financial debt is initially recorded at the value corresponding to the amount received less related issuance costs and subsequently measured at amortized cost.

1.20. Financial derivatives

A derivative is a financial instrument having the following three characteristics:

- an underlying item that changes the value of the contract (in particular, the interest rate or the foreign exchange rate);
- little or no initial net investment;
- settlement at a future date.

Derivatives are recognized in the statement of financial position at fair value. Changes in subsequent values are offset in the income statement, unless they have been qualified as cash flow hedges or as foreign net investment.

Hedge accounting may be adopted if a hedging relationship between the hedged item (the underlying) and the derivative is established and documented from the time the hedge is set up and its effectiveness is demonstrated from inception and at each period-end. The Group currently limits itself to two types of hedges for financial assets and liabilities:

- Fair Value Hedge, the purpose of which is to limit the impact of changes in the fair value of assets, liabilities or firm commitments at inception, due to changes in market conditions. Included in this category are, for example, receive-fixed pay-floating interest rate swaps used to transform a fixed-rate liability into a floating-rate liability. From an accounting point of view, the change in the fair value of the hedging instrument is recorded in profit or loss. However, this impact is cancelled out by symmetrical changes in the fair value of the hedged risk (to the extent of hedge effectiveness);
- Cash Flow Hedge, the purpose of which is to limit changes in cash flows attributable to existing assets and liabilities or highly probable forecasted transactions. Included in this category are, for example, pay-fixed receive-floating interest rate swaps used to lock in the cost of a floating-rate borrowing. From an accounting point of view, the effective portion of the change in fair value of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion is maintained as profit or loss. The amount recorded in other comprehensive income in equity is reclassified to profit or loss when the hedged item itself has an impact on profit or loss.

The hedging relationship involves a single market parameter, which currently for the Group is either a foreign exchange rate or an interest rate. When the same derivative hedges both a foreign exchange and interest rate risk, the foreign exchange and interest rate impacts are treated separately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualified for hedge accounting. At that point in time, any cumulative gain or loss on a cash flow hedge as part of the hedging of a highly probable forecasted transaction recognized in other comprehensive income is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in other comprehensive income is transferred to net financial income for the year.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recorded directly in net financial income for the year.

The accounting classification of derivatives in current or non-current items is determined by that of the related underlying item.

1.21. Commitments to purchase non-controlling interests

In the absence of specific IFRS provisions on the accounting treatment of debts on commitments to purchase non-controlling interests, the accounting positions taken in the 2009 consolidated financial statements have been maintained for all Group commitments.

The application of IAS 32 results in the recognition of a liability relating to commitments to purchase shares held by non-controlling interests in the Group's subsidiaries, not only for the portion already recognized in non-controlling interests (reclassified in liabilities), but also for the excess resulting from the present value of the commitment. This excess portion is deducted from non-controlling interests in the statement of financial position liabilities. Subsequent changes in the fair value of the liability are recognized in net financial income and allocated to non-controlling interests in the income statement, with no impact on Consolidated net income (Group share).

Commitments recorded in this respect are presented under the statement of financial position heading "Debt on commitments to purchase non-controlling interests."

1.22. Provision for retirement and other long-term benefits

The Group's obligations resulting from defined benefit plans, as well as their cost, are determined using the projected unit credit method.

This method consists in measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, branch agreements or prevailing legal rights.

The actuarial assumptions used to determine the obligations vary according to the economic conditions prevailing in the country of origin and the demographic assumptions specific to each company.

These plans are either funded, their assets being managed by an entity legally separate from the Group, or partially funded or unfunded, the Group's obligations being covered by a provision in the statement of financial position.

For post-employment defined benefits, actuarial gains or losses exceeding 10% of the present value of the defined benefit obligation or the fair value of the related plan assets are amortized over the remaining average working lives of employees within the Group. Past service costs are amortized on a straight-line basis, over the average period until the benefits become vested.

For other long-term benefits, actuarial gains or losses and past service costs are recognized as income or expense when they occur.

1.23. Dismantling provision

Costs for dismantling street furniture at the end of a contract are recorded in provisions, where a contractual dismantling obligation exists. These provisions represent the entire estimated dismantling cost from the contract's inception and are discounted. Dismantling costs are offset under assets in the statement of financial position and amortized over the term of the contract. The discounting charge is recorded as a financial expense.

1.24. Share purchase or subscription plans at an agreed price and bonus shares

1.24.1. Share purchase or subscription plans at an agreed price

In accordance with IFRS 2 *Share-based payment*, employee stock options are considered to be part of compensation in exchange for services rendered over the period extending from the grant date to the vesting date.

The fair value of services rendered is determined by reference to the fair value of the financial instruments granted.

The Group has decided to apply IFRS 2 with respect to option exercise rights that were not fully vested as of January 1, 2005 for all stock option plans granted on or after November 7, 2002.

The fair value of options is determined at their grant date by an independent actuary, and any subsequent changes in the fair value are not taken into account. The Black & Scholes valuation model is used based on the assumptions described in Note 4.1 *Net operating expenses* hereafter.

The right to exercise options is vested over successive tiers over a period of three years (graded vesting). All plans are exclusively settled in shares.

The cost of services rendered is recognized in the income statement and offset under an equity heading on a basis that reflects the vesting pattern of the options. This entry is recorded at the end of each accounting period until the date at which all vesting rights of the considered plan have been fully granted.

The amount stated in equity reflects the extent to which the vesting period has expired and the number of options granted that, based on management's best available estimate, will ultimately vest.

Stock option plans are attributed on a basis of individual objectives and Group results. No specific performance conditions are to be met for the stock options to be vested but individuals are subject to length of service conditions.

1.24.2. Bonus shares

The fair value of bonus shares is determined at their grant date by an independent actuary. The fair value of the bonus share is determined based on the price on the grant date less discounted future dividends.

All bonus shares are granted after a defined number of years of continuous presence in the Group, based on the plans.

The cost of services rendered is recognized in the income statement via an offsetting entry in an equity heading, following a pattern that reflects the procedures for granting bonus shares. The acquisition period begins from the time the Executive Board grants the bonus shares.

1.25. Revenues

Group revenues mainly consist in sales of advertising spaces on street furniture equipment, billboards and advertising in transport systems.

Advertising space revenues, rentals and services provided are recorded as revenues on a straight-line basis over the realization period of the transaction. The triggering event for the sale of advertising space is the launch of the advertising campaign, which has a duration ranging from 1 week to 6 years.

Revenues resulting from the sale of advertising spaces are recorded on a net basis after deduction of commercial rebates. In some countries, commissions are paid by the Group to advertising agencies and media brokers when they act as intermediaries between the Group and advertisers. These commissions are then deducted from revenues.

In agreements where the Group pays variable fees or revenue sharing, and insofar as the Group bears the risks and rewards incidental to the activity, the Group recognizes all gross advertising revenues as revenues and books fees and the portion of revenues repaid as operating expenses.

Discounts granted to customers for early payments are deducted from revenues.

1.26. Operating margin

The operating margin is defined as revenues less direct operating and SG&A expenses, excluding consumption of spare parts used for maintenance, inventory impairment loss, depreciation, amortization and provisions (net), goodwill impairment losses, and other operating income and expenses.

It includes charges to provisions net of reversals relating to trade receivables.

The operating margin is impacted by cash discounts granted to customers deducted from revenues, and cash discounts received from suppliers deducted from direct operating expenses. It also includes stock option expenses recognized in the line item "Selling, general and administrative expenses".

1.27. EBIT

EBIT is determined based on the operating margin less consumption of spare parts used for maintenance, depreciation, amortization and provisions (net), goodwill impairment losses, and other operating income and expenses. Inventory impairment losses are recognized in the line item "Maintenance spare parts".
Other operating income and expenses include the gains and losses generated on the disposal of property, plant and equipment, and intangible assets, the gains and losses generated on the loss of control of shares of companies fully or proportionately consolidated, any resulting gain or loss resulting from the fair value re-measurement of a previously held equity interest in a business combination with acquisition of control, as well as any negative goodwill, acquisition-related costs, and non-recurring items.

Net charges related to impairment tests performed on property, plant and equipment and intangible assets are included in the line item "Depreciation, amortization and provisions (net)".

1.28. Current and deferred income tax

Deferred taxes are recognized on the basis of temporary differences between the accounting value and the tax base of assets and liabilities. They mainly stem from consolidation restatements (standardization of Group accounting principles and amortization/depreciation periods for property, plant and equipment and intangible assets, finance leases, recognition of contracts as part of the purchase method, etc.). Deferred tax and assets liabilities are measured at the tax rate expected to apply for the period in which the asset is realized or the liability is settled, based on the tax regulations that were adopted at the year-end closing date.

Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will generate future taxable profits against which those tax losses may be offset.

The 2010 Finance Act abolished the business license tax for French tax entities in favor of two new contributions: a local property tax based on property rental values (known as the *Cotisation Foncière des Entreprises* (CFE)), and a local tax based on corporate added value (known as the *Cotisation sur la Valeur Ajoutée des Entreprises* (CVAE).

Following this taxation change and in accordance with IFRS, the Group determined that the CVAE fell within the scope of IAS 12, as an income tax expense. This qualification as an income tax gives rise to the recognition of a deferred tax liability calculated based on the depreciable assets subject to the CVAE. Moreover, as the CVAE can be deducted from the corporate tax, its recognition generates a deferred tax asset.

1.29. Finance lease and operating lease

Finance leases, which transfer to the Group substantially all the risks and rewards associated with the ownership of the leased item, are capitalized in the statement of financial position assets at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to obtain a constant interest rate on the remaining balance of the liability. Finance charges are recognized directly in profit and loss.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards incident to ownership of the asset are considered as operating leases. Operating lease payments are recognized as an expense in the income statement.

1.30. Earnings per share

Earnings per share are calculated based on the weighted average number of outstanding shares adjusted for treasury shares. The calculation of diluted earnings per share takes into account the dilutive effect of the issuance and buyback of shares and the exercise of stock options.

2. RECONCILIATION OF THE RESTATED 2009 FINANCIAL STATEMENTS

The 2009 consolidated financial statements have been restated for the finalization, within the 12-month allocation period, of the valuation of goodwill identified upon the acquisition of Wall AG at the end of December 2009.

The impact on equity as of December 31, 2009 is €(1.2) million and breaks down as follows:

In million euros	December 31, 2009 Total Impact
Goodwill	(1.3)
Other intangible assets	(4.3)
Property, plant & equipment	0.6
Deferred tax assets	(3.8)
Total assets	**(8.8)**
Other components of Equity	*(0.8)*
Net consolidated income Group share	*0.0*
Non-controlling interests	*(0.4)*
Total Equity	**(1.2)**
Provisions	(0.7)
Deferred tax liabilities	(6.9)
Total liabilities and equity	**(8.8)**

The finalization, within the 12-month allocation period, of the valuation of goodwill identified upon the acquisition of Wall AG has no impact on the 2009 income statement.

3. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

3.1. Changes in the consolidation scope in 2010

The main changes that took place in the consolidation scope during 2010 are as follows:

Acquisitions (controlling interests)
As of January 1, 2010, RTS Decaux JSC (Kazakhstan) which was previously proportionately consolidated, is now fully consolidated with a financial interest of 50%, due to a change in the shareholders' agreement.

This acquisition of control led to the recognition of a loss on remeasurement of the previously held interest for an amount of €(1.5) million in the income statement.

Other entries into the scope of consolidation
On January 18, 2010, JCDecaux UK Ltd (United Kingdom) purchased advertising assets including the retail and rail advertising business of Titan Outdoor Advertising Ltd subsequent to the company being placed in administration, for an amount of

€8.7 million, comprising receivables with a net value of €5.8 million, and billboards with a net value of €2.9 million. This acquisition was treated as a business combination, and following the revaluation of certain assets, it generated negative goodwill of €1.2 million recorded in the income statement.

On October 1, 2010, JCDecaux ATA Saudi LLC (Saudi Arabia) was fully consolidated for the first time with a 60% interest. This company was created in order to manage the advertising contract for the Saudi Arabian airports.

Change in holding percentages and consolidation methods

On April 1, 2010, JCDecaux Deutschland GmbH (Germany) purchased a 0.91% additional interest in Wall AG (Germany) for €1.4 million, bringing its interest in this fully consolidated company to 90.09%.

On April 6, 2010, Wall AG purchased a 10% additional interest in Era Reklam AS (Turkey), following the exercise by the partner of its put option, for an amount of €2.2 million, bringing its interest in this fully consolidated company to 100%.

On May 12, 2010, Europoster BV (The Netherlands) purchased a 10% additional interest in Avenir Praha Spol Sro (Czech Republic) for €0.6 million, bringing its interest in this fully consolidated company to 100%.

Mergers

On April 12, 2010, Wall Decaux Holdings Inc. (United States of America), previously fully consolidated, was absorbed by JCDecaux Boston Inc.

Disposals

In April 2010, Immobiliengesellschaft Oranienburger Tor GmbH (Germany) and Ilg Aussenwerbung GmbH (Germany) were sold without any significant impact on the Group consolidated financial statements.

3.2. Financial assets and liabilities by category

		12/31/2010						12/31/2009 Restated					
In million euros		Fair value through profit or loss	Available-for-sale assets	Loans & receivables	Liabilities at amortised cost	Total net carrying amount	Fair value	Fair value through profit or loss	Available-for-sale assets	Loans & receivables	Liabilities at amortised cost	Total net carrying amount	Fair value
Financial investments			2.1			2.1	2.1		2.7			2.7	2.7
Financial derivatives (assets)	(2)							1.6				1.6	1.6
Other financial assets				29.5		29.5	29.5			19.7		19.7	19.7
Trade and other receivables (non-current)	(4)			7.4		7.4	7.4			7.6		7.6	7.6
Trade, miscellaneous and other operating receivables (current)	(4)			618.4		618.4	618.4			516.0		516.0	516.0
Cash				60.1		60.1	60.1			89.5		89.5	89.5
Cash equivalents	(1)	94.2		57.2		151.4	151.4	1.4				1.4	1.4
Total financial assets		**94.2**	**2.1**	**772.6**	**0.0**	**868.9**	**868.9**	**3.0**	**2.7**	**632.8**	**0.0**	**638.5**	**638.5**
Financial debt					(543.1)	(543.1)	(540.0)				(728.5)	(728.5)	(725.3)
Debt on commitments to purchase minority interests	(3)	(86.5)				(86.5)	(86.5)	(81.9)				(81.9)	(81.9)
Financial derivatives (liabilities)	(2)	(19.8)				(19.8)	(19.8)	(30.0)				(30.0)	(30.0)
Trade and other payables and other operating liabilities (current)	(4)				(528.0)	(528.0)	(528.0)				(437.0)	(437.0)	(437.0)
Other payables (non-current)	(4)				(12.0)	(12.0)	(12.0)				(12.5)	(12.5)	(12.5)
Bank overdrafts					(22.1)	(22.1)	(22.1)				(11.4)	(11.4)	(11.4)
Total financial liabilities		**(106.3)**	**0.0**	**0.0**	**(1,105.2)**	**(1,211.5)**	**(1,208.4)**	**(111.9)**	**0.0**	**0.0**	**(1,189.4)**	**(1,301.3)**	**(1,298.1)**

(1) The fair value measurement of these financial assets refers to an active market.
(2) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on observable market data.
(3) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on non-observable market data.
(4) Employee and tax-related receivables and payables, advance payments, deferred income and prepaid expenses that do not meet the IAS 32 definition of a financial asset or a financial liability are excluded from these items.

3.3. Goodwill and other intangible assets

2009 changes in gross value and net carrying amount:

In million euros	Goodwill	Development costs	Patents, licences, advertising contracts, ERP(1)	Leasehold rights, payments on account, other	Total
Gross value as of January 1, 2009	**1,240.8**	**20.6**	**378.9**	**60.0**	**1,700.3**
Acquisitions/Increases	126.0	1.9	6.0	3.7	137.6
Decreases			(7.5)		(7.5)
Changes in scope			104.5	0.3	104.8
Translation adjustments	(1.8)	0.1	(3.3)	(0.9)	(5.9)
Reclassifications (2)			1.0	(17.9)	(16.9)
Gross value as of December 31, 2009 Restated	**1,365.0**	**22.6**	**479.6**	**45.2**	**1,912.4**
Amortization / Impairment loss as of January 1, 2009	**(30.0)**	**(7.1)**	**(178.5)**	**(16.1)**	**(231.7)**
Amortization charge		(2.0)	(25.0)	(0.8)	(27.8)
Impairment loss			(3.2)	0.1	(3.1)
Decreases			7.5		7.5
Changes in scope			(10.1)	(0.2)	(10.3)
Translation adjustments		(0.1)	1.6	(0.1)	1.4
Reclassifications (2)			16.1	(0.1)	16.0
Amortization / Impairment loss as of December 31, 2009 Restated	**(30.0)**	**(9.2)**	**(191.6)**	**(17.2)**	**(248.0)**
Net value as of January 1, 2009	**1,210.8**	**13.5**	**200.4**	**43.9**	**1,468.6**
Net value as of December 31, 2009 Restated	**1,335.0**	**13.4**	**288.0**	**28.0**	**1,664.4**

(1) *Includes the valuation of contracts recognized in connection with business combinations.*
(2) *The net impact of reclassifications is not nil, as some reclassifications have an impact on other statement of financial position items.*

2010 changes in gross value and net carrying amount:

In million euros	Goodwill	Development costs	Patents, licences, advertising contracts, ERP(1)	Leasehold rights, payments on account, other	Total
Gross value as of January 1, 2010	**1,365.0**	**22.6**	**479.6**	**45.2**	**1,912.4**
Acquisitions/Increases	2.3	3.4	21.4	4.0	31.1
Decreases	(2.8)		(20.7)	(1.5)	(25.0)
Changes in scope			2.5		2.5
Translation adjustments	8.6	0.1	21.3	2.9	32.9
Reclassifications (2)		0.2	17.4	(16.7)	0.9
Gross value as of December 31, 2010	**1,373.1**	**26.3**	**521.5**	**33.9**	**1,954.8**
Amortization / Impairment loss as of January 1, 2010	**(30.0)**	**(9.2)**	**(191.6)**	**(17.2)**	**(248.0)**
Amortization charge		(2.2)	(39.2)	(1.3)	(42.7)
Impairment loss	(0.5)		(4.8)		(5.3)
Decreases			10.3	1.3	11.6
Changes in scope			(1.0)		(1.0)
Translation adjustments		(0.2)	(7.5)	(0.1)	(7.8)
Reclassifications (2)		0.1	(0.2)		(0.1)
Amortization / Impairment loss as of December 31, 2010	**(30.5)**	**(11.5)**	**(234.0)**	**(17.3)**	**(293.3)**
Net value as of January 1, 2010	**1,335.0**	**13.4**	**288.0**	**28.0**	**1,664.4**
Net value as of December 31, 2010	**1,342.6**	**14.8**	**287.5**	**16.6**	**1,661.5**

(1) *Includes the valuation of contracts recognized in connection with business combinations.*
(2) *The net impact of reclassifications is not nil, as some reclassifications have an impact on other statement of financial position items.*

The change in goodwill over 2010 breaks down as follows:

In million euros	Goodwill
As of January 1, 2010 (Restated)	**1,335.0**
Impact of the acquisition of RTS Decaux JSC (Kazakhstan) (1)	(0.5)
Impairment loss	(0.5)
Translation adjustments	8.6
As of December 31, 2010	**1,342.6**

(1) The acquisition of control of RTS Decaux JSC gave rise to the removal of goodwill of €2.8 million following the revaluation of the previously held 50% interest, and to the recognition of new goodwill in the amount of €2.3 million.

Goodwill, property, plant and equipment and intangible assets refer to the following CGU groups:

	12/31/2010			12/31/2009 Restated		
In million euros	Goodwill	PP&E / intangible assets (1)	Total	Goodwill	PP&E / intangible assets (1)	Total
Street Furniture Europe (excluding France and United Kingdom)	357.8	471.5	829.3	357.8	481.0	838.8
Billboard Europe (excluding France and United Kingdom)	259.6	85.6	345.2	259.7	100.1	359.8
Airports World	159.4	27.3	186.7	159.4	27.8	187.2
Billboard United Kingdom	156.5	48.5	205.0	156.4	52.1	208.5
Billboard France	138.9	16.1	155.0	138.9	21.3	160.2
Other (2)	270.4	768.2	1,038.6	262.8	773.1	1,035.9
Total	**1,342.6**	**1,417.2**	**2,759.8**	**1,335.0**	**1,455.4**	**2,790.4**

This table takes into account the impairment losses recognized on intangible assets and property, plant and equipment and goodwill.

(1) Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for respective amounts of €3.2 million and €4.1 million as of December 31, 2010 and 2009, and net of deferred tax liabilities relating to the recognition of intangible assets acquired, for respective amounts of €36.2 million and €41.7 million as of December 31, 2010 and 2009.

(2) The goodwill of Jinan in China was impaired for €0.5 million.

Impairment tests conducted as of December 31, 2010 resulted in the recognition in EBIT of a €4.8 million net impairment reversal for intangible assets and property, plant and equipment, a €(0.5) million impairment of goodwill and a net reversal of a provision for losses on completion for €0.6 million.

Impairment tests conducted as of December 31, 2010 for goodwill, intangible assets and property, plant and equipment have a positive impact of €6.8 million on net income, Group share.

Given the weight of investments in the activity, the discount rate is considered to be the Group's key assumption with respect to impairment testing.

Sensitivity tests demonstrate that an increase of 50 basis points in the discount rate would result in an impairment loss of €(1.0) million on goodwill, intangible assets and property, plant and equipment.

Especially a reasonable change in the discount rate could increase the carrying amount over the recoverable amount for the following CGU: The Billboard Europe CGU (excluding France and the United Kingdom) if the discount rate increased by 73 basis points.

Sensitivity tests demonstrate that a decrease of 50 basis points in the normative growth rate of the operating margin would result in an impairment loss of €(0.7) million on goodwill, intangible assets and property, plant and equipment.

The results of impairment tests conducted on associates are described in Note 4.5 *Share of net profit of associates*.

Other intangible assets

As of December 31, 2010, other net intangible assets, excluding goodwill, amounted to €318.9 million, compared to €329.4 million as of December 31, 2009.

3.4. Property, plant and equipment (PP&E)

In million euros	12/31/2010 Gross value	12/31/2010 Depreciation or provision	12/31/2010 Net value	12/31/2009 Restated Net value
Land	23.1	(0.8)	22.3	25.9
Buildings	81.9	(56.4)	25.5	27.7
Technical installations, tools and equipment	2,455.7	(1,466.8)	988.9	999.8
Vehicles	127.0	(83.2)	43.8	44.5
Other	133.6	(115.2)	18.4	18.6
Assets under construction and advance payments	40.5	(1.7)	38.8	55.3
Total	**2,861.8**	**(1,724.1)**	**1,137.7**	**1,171.8**

2009 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of January 1, 2009	**19.0**	**67.4**	**2,047.1**	**281.3**	**2,414.8**
- including finance lease		*4.3*	*5.4*	*10.6*	*20.3*
- including dismantling cost			*86.9*		*86.9*
Acquisitions		0.8	78.2	116.1	195.1
- including acquisitions under finance lease				*1.3*	*1.3*
- including dismantling cost			*10.8*		*10.8*
Decreases	(5.9)	(3.0)	(43.1)	(15.9)	(67.9)
- including disposals under finance lease				*(3.0)*	*(3.0)*
- including dismantling cost			*(6.3)*		*(6.3)*
Changes in scope	6.9	12.7	160.6	27.7	207.9
Reclassifications	5.8	3.0	76.4	(99.2)	(14.0)
Translation adjustments	1.1	0.2	25.2	1.8	28.3
Gross value as of December 31, 2009 Restated	**26.9**	**81.1**	**2,344.4**	**311.8**	**2,764.2**
Depreciation as of January 1, 2009	**(0.7)**	**(48.2)**	**(1,132.1)**	**(177.2)**	**(1,358.2)**
- including finance lease		*(2.5)*	*(2.9)*	*(6.2)*	*(11.6)*
- including dismantling cost			*(44.6)*		*(44.6)*
Depreciation charge net of reversals		(3.2)	(154.2)	(17.4)	(174.8)
- including finance lease		*(0.3)*	*(0.6)*	*(1.9)*	*(2.8)*
- including dismantling cost			*(7.0)*		*(7.0)*
Impairment loss		2.4	(20.7)	0.8	(17.5)
Decreases		0.7	33.6	14.9	49.2
- including finance lease				*2.7*	*2.7*
- including dismantling cost			*4.6*		*4.6*
Changes in scope	(0.3)	(4.4)	(76.9)	(13.2)	(94.8)
Reclassifications		(0.6)	19.6		19.0
Translation adjustments		(0.1)	(13.9)	(1.3)	(15.3)
Depreciation as of December 31, 2009 Restated	**(1.0)**	**(53.4)**	**(1,344.6)**	**(193.4)**	**(1,592.4)**
Net value as of January 1, 2009	**18.3**	**19.2**	**915.0**	**104.1**	**1,056.6**
Net value as of December 31, 2009 Restated	**25.9**	**27.7**	**999.8**	**118.4**	**1,171.8**

The net impact of reclassifications amounted to €5.0 million as of December 31, 2009.

2010 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of January 1, 2010	**26.9**	**81.1**	**2,344.4**	**311.8**	**2,764.2**
- including finance lease		*4.3*	*5.4*	*9.7*	*19.4*
- including dismantling cost			*100.2*		*100.2*
Acquisitions	0.1	1.1	86.4	58.9	146.5
- including acquisitions under finance lease				*1.0*	*1.0*
- including dismantling cost			*9.4*		*9.4*
Decreases	(0.1)	(1.0)	(66.1)	(11.7)	(78.9)
- including disposals under finance lease				*(1.2)*	*(1.2)*
- including dismantling cost			*(11.8)*		*(11.8)*
Changes in scope	(4.1)		1.1	(0.7)	(3.7)
Reclassifications	(0.3)	0.2	36.3	(61.8)	(25.6)
Translation adjustments	0.6	0.5	53.6	4.6	59.3
Gross value as of December 31, 2010	**23.1**	**81.9**	**2,455.7**	**301.1**	**2,861.8**
Depreciation as of January 1, 2010	**(1.0)**	**(53.4)**	**(1,344.6)**	**(193.4)**	**(1,592.4)**
- including finance lease		*(2.8)*	*(3.5)*	*(5.8)*	*(12.1)*
- including dismantling cost			*(51.3)*		*(51.3)*
Depreciation charge net of reversals		(3.5)	(173.5)	(16.7)	(193.7)
- including finance lease		*(0.4)*	*(0.5)*	*(1.4)*	*(2.3)*
- including dismantling cost			*(9.1)*		*(9.1)*
Impairment loss			9.6		9.6
Decreases		0.8	48.8	11.0	60.6
- including finance lease				*1.1*	*1.1*
- including dismantling cost			*8.4*		*8.4*
Changes in scope			(0.1)	0.7	0.6
Reclassifications	0.3		21.9	0.4	22.6
Translation adjustments	(0.1)	(0.3)	(28.9)	(2.1)	(31.4)
Depreciation as of December 31, 2010	**(0.8)**	**(56.4)**	**(1,466.8)**	**(200.1)**	**(1,724.1)**
Net value as of January 1, 2010	**25.9**	**27.7**	**999.8**	**118.4**	**1,171.8**
Net value as of December 31, 2010	**22.3**	**25.5**	**988.9**	**101.0**	**1,137.7**

The net impact of reclassifications amounted to €(3.0) million as of December 31, 2010.

As of December 31, 2010, the net value of property, plant and equipment under finance lease amounted to €5.9 million, compared to €7.3 million as of December 31, 2009, and breaks down as follows:

In million euros	12/31/2010	12/31/2009 Restated
Buildings	1.1	1.5
Panels	1.4	1.9
Vehicles	3.4	3.8
Other property, plant and equipment	0.0	0.1
Total	**5.9**	**7.3**

Over 80% of the Group's property, plant and equipment are comprised of street furniture, and other advertising structures. These assets represent a range of very diverse products (Seniors, MUPIs®, columns, flag poles, bus shelters, public toilets, benches, bicycles, public litter bins, etc.) for which the unit value ranges from approximately €200 to €106,000. These assets are fully owned and the Group revenues represent the sale of advertising spaces present in some of these structures. The net book value of buildings is €25.5 million. Buildings comprise administrative offices and warehouses, mainly in Germany and in France respectively for €9.2 million and €6.3 million. The Group owns 96% of these buildings, the remaining 4% are owned under finance lease.

3.5. Investments in associates

In million euros	12/31/2010	12/31/2009 Restated
Germany		
Stadtreklame Nürnberg GmbH	9.6	9.3
Austria		
Werbeplakat Soravia GmbH	0.8	0.7
China		
Shanghai Zhongle Vehicle Painting Co. Ltd	0.2	0.2
France		
Metrobus	10.8	9.9
Hong Kong		
Bus Focus Ltd (1)	0.6	0.4
Poad	3.3	1.8
Switzerland		
Affichage Holding	115.9	111.7
Macau		
CNDecaux Airport Media Co. Ltd (2)	0.0	-
Total	**141.2**	**134.0**

(1) Subsidiary of JCDecaux Cityscape Hong Kong Ltd.
(2) Company created in 2007 and consolidated for the first time in 2010.

The items representative of the statement of financial position of these associates are as follows (*):

In million euros	12/31/2010				12/31/2009 Restated			
	% of consolida-tion	Total assets	Total liabilities (excluding equity)	Total equity	% of consolida-tion	Total assets	Total liabilities (excluding equity)	Total equity
Germany								
Stadtreklame Nürnberg GmbH	35%	14.7	5.5	9.2	35%	13.5	5.0	8.5
Austria								
Werbeplakat Soravia GmbH	33%	6.4	4.8	1.6	33%	4.4	3.2	1.2
China								
Shanghai Zhongle Vehicle Painting Co. Ltd	40%	0.7	0.4	0.3	40%	0.8	0.5	0.3
France								
Metrobus	33%	58.5	66.5	(8.0)	33%	55.8	66.7	(10.9)
Hong Kong								
Bus Focus Ltd (1)	40%	2.1	0.6	1.5	40%	1.4	0.3	1.1
Poad	49%	13.4	6.8	6.6	49%	10.1	6.5	3.6
Switzerland								
Affichage Holding (2)	30%	224.1	113.9	110.2	30%	245.2	149.1	96.1
Macau								
CNDecaux Airport Media Co. Ltd (3)	30%	0.6	0.5	0.1	-	-	-	-

(*) On a 100% basis restated according to IFRS.
(1) Subsidiary of JCDecaux Cityscape Hong Kong Ltd.
(2) Valuation of 30% of Affichage Holding at the December 31, 2010 share price amounts to €100.8 million.
(3) Company created in 2007 and consolidated for the first time in 2010.

Changes in investments in associates for 2010 are as follows:

In million euros	12/31/2009 Restated	Income/ (loss)	Dividends	Translation adjustments	Other	12/31/2010
Stadtreklame Nürnberg GmbH	9.3	0.9	(0.6)			9.6
Werbeplakat Soravia GmbH	0.7	0.2	(0.1)			0.8
Shanghai Zhongle Vehicle Painting Co. Ltd	0.2	0.0				0.2
Metrobus	9.9	1.0 (1)			(0.1)	10.8
Bus Focus Ltd (2)	0.4	0.5	(0.3)			0.6
Poad	1.8	1.3		0.2		3.3
Affichage Holding	111.7	0.0 (3)		4.0	0.2	115.9
CNDecaux Airport Media Co. Ltd (4)	0.0	0.0				0.0
Total	**134.0**	**3.9**	**(1.0)**	**4.2**	**0.1**	**141.2**

(1) *Including a reversal of the exceptional impairment loss of €2.2 million.*
(2) *Subsidiary of JCDecaux Cityscape Hong Kong Ltd.*
(3) *Including a reversal of the exceptional impairment loss of €12.8 million.*
(4) *Company created in 2007 and consolidated for the first time in 2010.*

3.6. Other financial investments (current and non-current)

In million euros	12/31/2010	12/31/2009 Restated
Loans	19.4	11.7
Loans to participating interests	4.5	0.6
Other financial investments	5.6	7.4
Total	**29.5**	**19.7**

Other financial investments are mainly comprised of current account advances granted to associates or non-consolidated companies, the non-eliminated portion of loans to proportionately consolidated companies, as well as deposits and guarantees.

As of December 31, 2010, other financial investments had increased by €9.8 million compared to December 31, 2009. This change is mainly attributable to the loan granted by JCDecaux SA to Metrobus for €3.7 million and the non-eliminated portion of the additional loan for €4.2 million granted by JCDecaux SA to its subsidiary in Japan, MCDecaux Inc., consolidated using the proportionate method.

The maturity of other financial investments breaks down as follows:

In million euros	12/31/2010	12/31/2009 Restated
≤ 1 year	11.7	4.3
> 1 year & ≤ 5 years	16.2	13.9
> 5 years	1.6	1.5
Total	**29.5**	**19.7**

3.7. Other receivables (non-current)

In million euros	12/31/2010	12/31/2009 Restated
- Miscellaneous receivables	9.5	9.6
Write-down for miscellaneous receivables	(2.1)	(2.0)
- Tax receivables	0.8	0.8
- Prepaid expenses	41.3	44.6
Total other receivables (non-current)	**51.6**	**55.0**
Total write-down for other receivables (non-current)	**(2.1)**	**(2.0)**
Total	**49.5**	**53.0**

3.8. Inventories

In million euros	12/31/2010	12/31/2009 Restated
Gross value of inventories	122.2	132.6
Raw materials, supplies and goods	*84.4*	*90.3*
Finished and semi-finished goods	*37.8*	*42.3*
Write-down	(24.8)	(22.4)
Raw materials, supplies and goods	*(17.6)*	*(15.8)*
Finished and semi-finished goods	*(7.2)*	*(6.6)*
Total	**97.4**	**110.2**

In 2010, the €12.8 million decrease in inventories is attributable to the completion of street furniture installation programs.

3.9. Trade and other receivables

In million euros	12/31/2010	12/31/2009 Restated
- Trade receivables	595.6	511.0
Write-down for trade receivables	(26.2)	(27.8)
- Miscellaneous receivables	12.6	12.0
Write-down for miscellaneous receivables	(1.3)	(1.2)
- Other operating receivables	13.6	15.3
Write-down for other operating receivables	(1.0)	(0.9)
- Miscellaneous tax receivables	38.6	37.1
- Receivables on disposal of intangible assets and PP&E	17.5	0.0
- Receivables on disposal of financial investments	7.6	7.6
- Advance payments	8.8	5.7
- Prepaid expenses	46.8	42.6
Total trade and other receivables	**741.1**	**631.3**
Total write-down for trade and other receivables	**(28.5)**	**(29.9)**
Total	**712.6**	**601.4**

As of December 31, 2010, trade and other receivables had increased by €111.2 million year on year, primarily attributable to higher Group revenue and the foreign exchange gains.

The balance of past due trade receivables that have not been provided amounted to €240.1 million as of December 31, 2010, compared to €202.5 million as of December 31, 2009. Less than 7% of trade receivables were past due by more than 90 days as of December 31, 2010, compared to less than 6% as of December 31, 2009. No provisions were recorded for impairment since these trade receivables do not present a risk of non-recovery.

3.10. Cash and cash equivalents

In million euros	12/31/2010	12/31/2009 Restated
Cash	60.1	89.5
Cash equivalents	151.4	1.4
Total	**211.5**	**90.9**

As of December 31, 2010, the Group had €211.5 million in cash and cash equivalents of which €9.5 million invested in guarantees, compared to €90.9 million in cash and cash equivalents as of December 31, 2009.

Cash equivalents are impacted in 2010 by a €40.3 million reclassification of short-term deposits in China previously recorded in cash.

3.11. Current tax receivable and payable

In million euros	12/31/2010	12/31/2009 Restated
Tax receivable	5.6	13.1
Tax payable	(28.9)	(16.9)
Total	**(23.3)**	**(3.8)**

3.12. Net deferred taxes

3.12.1. Deferred taxes recorded

In million euros	12/31/2010	12/31/2009 Restated
Deferred tax assets	15.3	15.9
Deferred tax liabilities	(106.7)	(108.6)
Total	**(91.4)**	**(92.7)**

Breakdown of deferred taxes:

In million euros	12/31/2010	12/31/2009 Restated
PP&E and intangible assets	(123.1)	(125.7)
Tax losses carried forward	6.0	10.0
Dismantling provision	15.5	14.2
Other	10.2	8.8
Total	**(91.4)**	**(92.7)**

3.12.2. Unrecognized deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that have not been recognized amounted to €26.7 million as of December 31, 2010, compared to €27.3 million as of December 31, 2009.

3.13. Equity

Breakdown of share capital

As of December 31, 2010, share capital amounted to €3,378,304.92 divided into 221,602,115 shares of the same class and fully paid up.

Reconciliation of the number of outstanding shares as of January 1, 2010 and December 31, 2010

Number of outstanding shares as of January 1, 2010	221,369,929
Shares issued following the granting of bonus shares	10,588
Shares issued following the exercise of options	221,598
Number of outstanding shares as of December 31, 2010	**221,602,115**

As of December 31, 2010, the Group did not hold any treasury shares.

3.14. Provisions

Provisions break down as follows:

In million euros	12/31/2010	12/31/2009 Restated
Provisions for dismantling cost	156.3	151.2
Provisions for retirement and other benefits	36.6	32.7
Provisions for litigation	14.8	5.8
Other provisions	24.1	25.7
Total	**231.8**	**215.4**

Provisions consist mainly of provisions for dismantling costs in respect of street furniture. They are calculated at the end of each accounting period and based on the street furniture asset pool and their unitary dismantling cost (labor, cost of destruction and restoration of ground surfaces).

Provisions for dismantling are discounted at a rate of 3.90% as of December 31, 2010, instead of a rate of 4.50% as of December 31, 2009. The use of a 3.65% discount rate (change of 25 basis points) would have generated an additional financial expense of approximately €2.9 million, while the use of a 3.40% discount rate (change of 50 basis points) would have generated an additional financial expense of approximately €5.9 million.

Provisions for litigation amounted to €14.8 million as of December 31, 2010. Provisions for risk set in other provisions are reclassified directly from "Other provisions" to "Provisions for litigation" on initiation of proceedings.

The JCDecaux Group is a party to several legal disputes regarding the terms and conditions of application for certain contracts with its concession grantors and the terms and conditions governing supplier relations. In addition, the specificity of its activity (contracts with government authorities in France and abroad) may generate specific contentious procedures. The JCDecaux Group is thus party to litigation over the awarding or cancellation of street furniture and/or billboard contracts, as well as taxation litigation.

The Group's Legal Department identifies all litigation (nature, amounts, procedure, risk level), regularly monitors developments and compares this information with that of the Financial Control Department. The amount of provisions to be recognized for this litigation is analyzed case by case, based on the positions of the plaintiffs, the assessment of the Group's legal advisors and any decisions handed down by a lower court.

The other provisions for €24.1 million comprise contingency provisions regarding contractual relations with partners or concession grantors not subject to proceedings for €7.3 million, provisions for tax and employee-related contingencies for €6.4 million, provisions for losses on completion for €3.2 million, primarily in Finland and China, and other miscellaneous provisions for €7.2 million.

Change in provisions

In million euros	12/31/2009 Restated	Charges	Discount	Reversals Used	Reversals Not used	Reclassifi-cations	Translation adjustments	Change in Scope	12/31/2010
Provisions for dismantling cost	151.2	9.4	11.9	(9.1)	(10.9)	0.2	3.5	0.1	156.3
Provisions for retirement and other benefits	32.7	6.3		(1.8)	0.0	(0.8)	0.2		36.6
Provisions for litigation	5.8	6.2		(0.4)	(4.7)	7.6	0.3	0.0	14.8
Other provisions	25.7	8.1		(2.7)	(1.9)	(7.4)	2.3	0.0	24.1
Total	**215.4**	**30.0**	**11.9**	**(14.0)**	**(17.5)**	**(0.4)**	**6.3**	**0.1**	**231.8**

Total provisions rose by €16.4 million over the year. Provisions for dismantling cost increased by €5.1 million, provisions for retirement and other benefits increased by €3.9 million, mainly in France, provisions for litigation increased by €9 million and other provisions decreased by €1.6 million.

Contingent assets and liabilities

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognize a contingency provision with respect to ongoing procedures, tax risks or the terms and conditions governing the implementation or awarding of contracts.

In the absence of a contractual obligation to dismantle panels of Billboard activity, no provision for dismantling costs is recognized in the Group financial statements. However, certain companies (such as France, Austria, and the United Kingdom) operate large format panels similar to street furniture for which the unitary dismantling cost is material. Accordingly, the overall non-discounted dismantling cost is estimated at €6.5 million as of December 31, 2010 against €9.0 million as of December 31, 2009.

Furthermore, as of December 31, 2010, the average residual contract term used to calculate the dismantling provision is between 7 years and 8 years.

Provision for retirement and other benefits

The Group's defined employee benefit obligations mainly consist in retirement benefits (contractual termination benefits, pensions and other retirement benefits for executive officers of certain Group subsidiaries) and other long-term benefits paid during the working life such as long service awards.

The Group's retirement benefits mainly involve France, the United Kingdom, Austria and the Netherlands.

In France, the termination benefits paid at the retirement date are calculated in accordance with the "*Convention Nationale de la Publicité*" (Collective Bargaining Agreement for Advertising). A portion of the obligation is covered by contributions made to an external fund by the French companies of JCDecaux Group.

In the United Kingdom, retirement obligations mainly consist in a pension plan previously open to some employees of JCDecaux UK Ltd. In December 2002, the related vested rights were frozen.

In Austria, the obligations mainly comprise termination benefits.

In the Netherlands, retirement obligations mainly relate to a pension plan partially covered by the contributions paid to an external fund.

Contributions paid for defined contribution plans represented €28.6 million in 2010 (including €0.7 million for the contributions paid for the defined contribution multi-employer plan in Finland), compared to €27.9 million in 2009.

The Group takes part in three multi-employer defined benefit plans covered by assets in Sweden (ITP Plan). The benefit obligation of the company JCDecaux Sverige AB cannot be determined separately to date. As of December 31, 2009, these three plans were in a surplus position for a total amount of €10 billion according to local evaluations specific to these commitments. The expense recognized in the consolidated financial statements for these three plans is the same as the contributions paid in 2010, i.e. €0.3 million. Of the three plans, only one reduced the level of contributions in 2010, the financing policy of the two other plans calling for the creation of a reserve. Therefore, the company does not expect any increase in future contributions in the mid-term.

Provisions are calculated according to the following assumptions:

	2010	2009 Restated
Discount rate (1)		
Euro Zone	4.50%	5.00%
United Kingdom	5.40%	5.60%
Estimated annual rate of increase in future salaries		
Euro Zone	2.55%	2.68%
United Kingdom (2)	NA	NA
Estimated annual rate of increase in post-employment benefits		
Euro Zone	1.94%	1.92%
United Kingdom	3.70%	3.70%

(1) *The index adopted as a benchmark for the Euro and United Kingdom areas is taken from the Bloomberg data on the AA rated securities.*

(2) *As the UK plan was frozen, no salary revaluation was taken into account.*

Retirement benefits and other long-term benefits (before tax) break down as follows:

- In 2009:

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	12.4	55.1	3.9	71.4
Service cost	0.6	2.0	0.4	3.0
Interest cost	0.7	3.3	0.2	4.2
Acquisitions	0.3		0.7	1.0
Actuarial gains/losses (1)	0.5	5.4	(0.2)	5.7
Benefits paid	(1.1)	(3.2)	(0.3)	(4.6)
Other (foreign exchange gains/losses)		2.2		2.2
Benefit obligation at the end of the year	**13.4**	**64.8**	**4.7**	**82.9**
including France	*9.2*	*22.0*	*2.2*	*33.4*
including other countries	*4.2*	*42.8*	*2.5*	*49.5*
Change in plan assets				
Opening balance		31.7		31.7
Expected return on plan assets (2)		1.9		1.9
Actuarial gains/losses (3)		2.8		2.8
Employer contributions		1.9		1.9
Benefits paid		(2.5)		(2.5)
Other (foreign exchange gains/losses)		1.6		1.6
Fair value of assets at the end of the year		**37.4**		**37.4**
including France		*4.9*		*4.9*
including other countries		*32.5*		*32.5*
Provision				
Funded status	13.4	27.4	4.7	45.5
Unamortized actuarial gains/losses	(2.2)	(7.7)		(9.9)
Unamortized past service cost	(0.8)	(2.1)		(2.9)
Assets unrecognized				0.0
Provision at the end of the year	**10.4**	**17.6**	**4.7**	**32.7**
including France	*6.8*	*11.9*	*2.2*	*20.9*
including other countries	*3.6*	*5.7*	*2.5*	*11.8*
Periodic pension cost				
Service cost	0.6	2.0	0.4	3.0
Interest cost	0.7	3.3	0.2	4.2
Expected return on plan assets		(1.9)		(1.9)
Amortization of actuarial gains/losses		0.7	(0.2)	0.5
Amortization of past service cost	0.1	0.2		0.3
Other				0.0
Charge for the year	**1.4**	**4.3**	**0.4**	**6.1**
including France	*1.0*	*2.2*	*0.2*	*3.4*
including other countries	*0.4*	*2.1*	*0.2*	*2.7*

(1) Including €6.1million related to changes in assumptions and €(0.4) million related to experience gains and losses.
(2) The rates of return on pension funds were determined in each country concerned, based on the allocation of assets observed for each fund as of December 31, 2008.
(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.

- In 2010:

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	13.4	64.8	4.7	82.9
Service cost	0.7	2.1	0.4	3.2
Interest cost	0.7	3.5	0.2	4.4
Amendments to plans	(0.1)	(0.4)		(0.5)
Actuarial gains/losses (1)	1.5	0.8	0.2	2.5
Benefits paid	(0.8)	(3.3)	(0.4)	(4.5)
Other (foreign exchange gains/losses)	0.1	1.3		1.4
Benefit obligation at the end of the year	**15.5**	**68.8**	**5.1**	**89.4**
including France	*10.6*	*25.4*	*2.5*	*38.5*
including other countries	*4.9*	*43.4*	*2.6*	*50.9*
Change in plan assets				
Opening balance		37.4		37.4
Expected return on plan assets (2)		2.2		2.2
Actuarial gains/losses (3)		2.3		2.3
Employer contributions		2.5		2.5
Benefits paid		(3.3)		(3.3)
Other (foreign exchange gains/losses)		1.0		1.0
Fair value of assets at the end of the year		**42.1**		**42.1**
including France		*5.1*		*5.1*
including other countries		*37.0*		*37.0*
Provision				
Funded status	15.5	26.7	5.1	47.3
Unamortized actuarial gains/losses	(3.6)	(5.2)		(8.8)
Unamortized past service cost	(0.6)	(1.5)		(2.1)
Assets unrecognized		0.2		0.2
Provision at the end of the year	**11.3**	**20.2**	**5.1**	**36.6**
including France	*7.5*	*13.7*	*2.5*	*23.7*
including other countries	*3.8*	*6.5*	*2.6*	*12.9*
Periodic pension cost				
Service cost	0.7	2.1	0.4	3.2
Interest cost	0.7	3.5	0.2	4.4
Expected return on plan assets		(2.2)		(2.2)
Amortization of actuarial gains/losses	0.1	1.2	0.2	1.5
Amortization of past service cost	0.1	0.2		0.3
Other		0.2		0.2
Charge for the year	**1.6**	**5.0**	**0.8**	**7.4**
including France	*1.1*	*2.5*	*0.4*	*4.0*
including other countries	*0.5*	*2.5*	*0.4*	*3.4*

(1) Including €5.3 million related to changes in assumptions and €(2.8) million related to experience gains and losses.
(2) The rates of return on pension funds were determined in each country concerned, based on the allocation of assets observed for each fund as of December 31, 2009.
(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.

As of December 31, 2010 the Group's benefit obligation amounted to €89.4 million and mainly involves four countries: France (43% of the total obligation), United Kingdom (36%), the Netherlands (8%) and Austria (7%).

The valuations were performed by an independent actuary who also conducted sensitivity tests for each of the plans.

The results of the sensitivity tests demonstrate that a decrease of 50 basis points in the discount rate would lead to a €7.4 million increase in the amount of the obligation's present value.

The variances observed do not call into question the rates adopted for the preparation of the financial statements, as they are considered the rates that most closely match the market.

Unamortized actuarial losses as of December 31, 2010 amounted to €(8.8) million and are mainly related to the French companies.

As of December 31, 2010, unamortized past service cost amounted to €(2.1) million and corresponds on the one hand to the surplus resulting from application of the 2003 French law on retirement benefits ("*loi Fillon*") and on the other hand to the profit resulting from application of the 2010 French law ("*loi Fillon*") on the progressive raising of the lawful age of retirement (from 61 years to 62 years) for the non-executive staff. This amount is amortized over the average employee working period until the benefits are vested.

Net movements in retirement and other benefits are as follows:

In million euros	2010	2009 Restated
January 1	**32.7**	**29.3**
Charge for the year	7.4	6.1
Translation adjustments	0.2	0.3
Contributions paid	(2.5)	(1.9)
Benefits paid	(1.2)	(2.1)
Other	0.0	1.0
December 31	**36.6**	**32.7**

The breakdown of the related plan assets is as follows:

	2010				2009 Restated			
	Breakdown of the plan assets at closing		Expected return of the plan assets for the year (1)		Breakdown of the plan assets at closing		Expected return of the plan assets for the year (1)	
	In M€	%	Euro Zone	United Kingdom	In M€	%	Euro Zone	United Kingdom
Shares	17.9	43%	6.5%	7.2%	15.5	41%	6.5%	6.9%
Bonds	14.9	35%	4.1%	4.7%	14.2	38%	4.1%	3.9%
Real Estate	0.6	1%	4.7%		0.3	1%	4.7%	
Other	8.7	21%	4.8%	7.2%	7.4	20%	5.0%	6.9%
Total	**42.1**	**100%**	**4.7%**	**6.1%**	**37.4**	**100%**	**4.7%**	**5.5%**

(1) The expected long-term returns on plan assets are determined based on historical performances and current and long-term outlooks for pension fund assets.

Future contributions to pension funds for fiscal year 2011 are estimated at €1.6 million.

Retrospective information on post-employment benefits is as follows:

In million euros	2010	2009 Restated	2008	2007	2006
Benefit obligation at the end of the year	89.4	82.9	71.4	80.0	88.5
Fair value of assets at the end of the year	42.1	37.4	31.7	43.0	43.5
Funded status	47.3	45.5	39.7	37.0	45.0
Actuarial experience gains / losses on the benefit obligation	(2.8)	(0.4)	0.1	1.0	2.6
in % of the benefit obligation	*(3.1)%*	*(0.5)%*	*0.1%*	*1.3%*	*2.9%*
Actuarial experience gains / losses on the assets	2.3	2.8	(8.2)	(1.8)	1.5
in % of the assets	*5.5%*	*7.5%*	*(25.9)%*	*(4.2)%*	*3.4%*

3.15. Net financial debt

In million euros		12/31/2010 Current portion	Non-current portion	Total	12/31/2009 Restated Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**83.8**	**459.3**	**543.1**	**195.1**	**533.4**	**728.5**
Financial derivatives (assets)				0.0	(1.6)		(1.6)
Financial derivatives (liabilities)		0.5	19.3	19.8	0.4	29.6	30.0
Hedging financial instruments	**(2)**	**0.5**	**19.3**	**19.8**	**(1.2)**	**29.6**	**28.4**
Cash and cash equivalents		211.5		211.5	90.9		90.9
Overdrafts		(22.1)		(22.1)	(11.4)		(11.4)
Net cash	**(3)**	**189.4**	**0.0**	**189.4**	**79.5**	**0.0**	**79.5**
Restatement of the loans related to the proportionately consolidated companies (*)	(4)	9.1	5.6	14.7	1.4	6.0	7.4
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**(114.2)**	**473.0**	**358.8**	**113.0**	**557.0**	**670.0**

(*) The net financial debt is restated for the loans granted to the proportionately consolidated companies when their funding is shared between the different shareholders. Since January 1, 2010, the net financial debt is also restated for the loans granted by the proportionately consolidated companies. The amount of net financial debt as of December 31, 2009 has not been restated over this change in definition, the €(0.7) million impact being non-material.

The debt on commitments to purchase non-controlling interests is recorded separately and therefore is not included in financial debt, as described in Note 3.16 *Debt on commitments to purchase non-controlling interests.*

Financial derivatives and debt characteristics before and after hedging are described in Note 3.17 *Financial derivatives.*

The debt analyses presented hereafter are based on the economic financial debt which is determined on the debt carrying amount (gross financial debt in the statement of financial position) that is adjusted for the fair value revaluation arising from hedging and amortized cost (IAS 39 restatements):

In million euros		12/31/2010 Current portion	Non-current portion	Total	12/31/2009 Restated Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**83.8**	**459.3**	**543.1**	**195.1**	**533.4**	**728.5**
Impact of amortized cost			1.8	1.8		1.3	1.3
Impact of fair value hedge			19.6	19.6		29.5	29.5
IAS 39 remeasurement	**(2)**	**0.0**	**21.4**	**21.4**	**0.0**	**30.8**	**30.8**
Economic financial debt	**(3)=(1)+(2)**	**83.8**	**480.7**	**564.5**	**195.1**	**564.2**	**759.3**

As of December 31, 2010, the economic financial debt breaks down as follows:

In million euros	12/31/2010 Current portion	Non-current portion	Total	12/31/2009 Restated Current portion	Non-current portion	Total
Bonds		292.3	292.3	69.4	292.3	361.7
Banks borrowings	69.3	165.5	234.8	114.8	250.0	364.8
Miscellaneous facilities and other financial debt	9.5	18.6	28.1	5.6	16.1	21.7
Finance lease liabilities	2.3	4.3	6.6	2.3	5.8	8.1
Accrued interest	2.7		2.7	3.0		3.0
Economic financial debt	**83.8**	**480.7**	**564.5**	**195.1**	**564.2**	**759.3**

In 2010, the Group repaid US$100 million corresponding to the Tranche A of the bond debt maturing in April 2010. The credit facility for €75 million maturing in October 2011 and the majority of Wall AG's bank debts have also been repaid.

A new confirmed credit facility for €100 million maturing in 2014 and 2015 has been set up.

The Group's main financial debts are held by JCDecaux SA, the drawn amount being as follows as of December 31, 2010:

In million euros	Economic value	Carrying amount	Market value	Issuing date	Maturity date
Bond debt (US private placement)	292.3	272.3	268.3	April 2003	April 2013 and April 2015
Bank loans [1]	100.0	99.1	100.0	March 2010	March 2014 and March 2015
Total	**392.3**	**371.4**	**368.3**		

(1) The Group considers that the value stated in its books for the bank facility approximate the market value.
As the Group's financial debts are not quoted on an active market, the values mentioned have been estimated based primarily on information communicated by banks. The use of different assumptions or valuation methods could result in values that vary from those mentioned.

The committed revolving credit facility of JCDecaux SA maturing in June 2012 and June 2013 is not used as of December 31, 2010.

These funding sources held by JCDecaux SA are committed, but they require compliance with various restrictive covenants, based on the consolidated financial statements.

They require the Group to maintain specific financial ratios:

- Interest coverage ratio: operating margin / net financial expenses strictly greater than 3.5;
- Net debt coverage ratio: net financial debt / operating margin strictly less than 3.5.

As of December 31, 2010, the Group is compliant with these covenants, with values significantly distant from required limits, with respective ratios of 32.8 and 0.7.

The average effective interest rate of these debts after interest rate hedging was approximately 1.8% for 2010.

Financial debt also includes:

- bank loans held by JCDecaux SA's direct and indirect subsidiaries, for a total amount of €134.8 million;
- finance lease liabilities for €6.6 million described in the final section of this note;
- miscellaneous facilities and other financial debt for €28.1 million, comprising shareholder loans subscribed by subsidiaries not wholly owned by JCDecaux SA and granted by the other shareholders of such entities;
- accrued interest for €2.7 million.

In addition, the Group has a total of €850.0 million in unused committed credit facilities as of December 31, 2010, representing the JCDecaux SA's committed revolving credit line (undrawn as of December 31, 2010).

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	12/31/2010	12/31/2009 Restated
Less than one year	83.8	195.1
More than one year and less than 5 years	469.3	458.1
More than 5 years	11.4	106.1
Total	**564.5**	**759.3**

Breakdown of financial debt by currency

Breakdown of debt by currency (before basis and currency swaps)

In million euros	12/31/2010	12/31/2009 Restated
Euro	314.8	458.2
US dollar	147.9	214.5
Chinese yuan	39.5	27.1
Thai baht	18.0	15.5
Indian rupee	13.6	8.6
Chilean peso	10.2	8.2
Japanese yen	6.3	10.6
Other	14.2	16.6
Total	**564.5**	**759.3**

Breakdown of debt by currency (after basis and currency swaps)

	12/31/2010		12/31/2009 Restated	
	In M€	**In %**	**In M€**	**In %**
Euro	460.8	82%	608.5	80%
Chinese yuan	39.5	7%	27.1	4%
Israeli shekel	23.4	4%	13.9	2%
Japanese yen	22.9	4%	13.5	2%
US dollar	18.6	3%	36.0	5%
Thai baht	18.0	3%	15.5	2%
Pound sterling	16.0	3%	22.4	3%
Indian rupee	13.6	3%	8.5	1%
Chilean peso	10.2	2%	8.2	1%
Australian dollar (1)	(17.6)	-3%	(17.5)	-2%
Hong Kong dollar (1)	(36.9)	-7%	7.8	1%
Other (1)	(4.0)	-1%	15.4	1%
Total	**564.5**	**100%**	**759.3**	**100%**

(1) Negative amounts correspond to lending positions.

Breakdown of debt by interest rate (excluding unused committed credit facilities)

Breakdown of debt by interest rate (before committed and optional interest rate derivatives)

In million euros	12/31/2010	12/31/2009 Restated
Fixed rate	163.3	243.8
Floating rate	401.2	515.5
Total	**564.5**	**759.3**

Breakdown of debt by interest rate (after committed and optional interest rate derivatives)

	12/31/2010		12/31/2009 Restated	
	In M€	**In %**	**In M€**	**In %**
Fixed rate	21.0	4%	72.1	9%
Floating rate hedged with options	105.0	19%	125.8	17%
Floating rate	438.5	77%	561.4	74%
Total	**564.5**	**100%**	**759.3**	**100%**

Finance lease liabilities

Finance lease liabilities break down as follows:

	12/31/2010			12/31/2009 Restated		
In million euros	**Minimum future lease payments**	**Interest**	**Principal**	**Minimum future lease payments**	**Interest**	**Principal**
Less than one year	2.2	0.1	2.3	2.7	0.4	2.3
More than one year and less than 5 years	4.2	0.1	4.3	6.0	0.3	5.7
More than 5 years				0.1		0.1
Total	**6.4**	**0.2**	**6.6**	**8.8**	**0.7**	**8.1**

3.16. Debt on commitments to purchase non-controlling interests

The debt on commitment to purchase non-controlling interests amounted to €86.5 million as of December 31, 2010, compared to €81.9 million as of December 31, 2009.

The item primarily comprises a purchase commitment given to the partner Progress, for its interest in Gewista Werbe GmbH, exercisable between January 1, 2019 and December 31, 2019, for a present value in the statement of financial position liabilities of €59.7 million.

The €4.6 million increase in the debt on commitments to purchase non-controlling interests between December 31, 2009 and December 31, 2010 represents:

- a net discounting loss for €7.8 million, of which €3.3 million was related to a change in the discount rate from 4.5% to 3.9% for all current debts;
- a foreign exchange impact for €0.2 million on the purchase commitment given to the partner Emre Kamçili;
- decreased by the additional acquisition of 0.91% in Wall AG interest previously held by the Wall family for €(1.4) million;
- and the exercise of the put option by the partner Emre Kamçili for its remaining 10% interest in Era Reklam AS (a subsidiary of Wall AG in Turkey) for €(2) million.

3.17. Financial derivatives

The Group uses derivatives solely for interest rate and foreign exchange rate hedging purposes. The use of these derivatives primarily concerns JCDecaux SA.

3.17.1. Hedging derivative instruments related to bond issues

In connection with the issuance of its bond debt (US private placement) in 2003, JCDecaux SA raised funds, a significant portion of which (US$250 million) were denominated in US dollars and carried a fixed coupon. As the Group did not generate US dollar funding needs in such an amount and in compliance with its policy to have its medium and long-term debt indexed to floating rates, JCDecaux SA entered into swap transactions combined with its bond issue to hedge against the change in fair value of the debt.

As of December 31, 2010, the bond debt (USPP), before and after hedging, is as follows:

	Tranche B	Tranche C	Tranche D	Tranche E
Principal amount before hedging	US$100 million	€100 million	US$50 million	€50 million
Maturity date	April 2013	April 2013	April 2015	April 2015
Repayment	At maturity	At maturity	At maturity	At maturity
Interest rate before hedging	US$ Fixed rate	Euribor rate	US$ Fixed rate	Euribor rate
Hedging instrument	interest rate swaps combined with basis swaps: receiving fixed rate / paying floating rate (Euribor)	NA	interest rate swaps combined with basis swaps: receiving fixed rate / paying floating rate (Euribor)	NA
Principal amount after hedging	€94.8 million	€100 million	€47.4 million	€50 million
Interest rate after hedging	Euribor rate	Euribor rate	Euribor rate	Euribor rate

The interest rate hedging on Tranche A and the underlying debt matured in April 2010.

These issue swaps meet the conditions required to qualify as fair value hedges within the meaning of IAS 39. The features of the hedged debt and the hedging instrument being identical, the hedge is effective.

As the debt is measured at fair value, the changes in value of the hedged debt are offset by symmetrical changes in value of the derivatives. The impacts on the income statement are therefore cancelled out.

The market values of these derivatives were determined by discounting the future cash flow differential based on zero coupon rates prevailing as of the closing date of the statement of financial position:

In million euros	IAS 39 treatment	Market value as of 12/31/10	Market value as of 12/31/09
Interest rate swap	hedging of changes in fair value of debt relating to changes in interest rate	10.9	9.6
Basis swap	hedging of changes in fair value of debt relating to changes in foreign exchange rate	(30.0)	(38.1)
Total		**(19.1)**	**(28.5)**

3.17.2. Other interest rate derivative instruments

As of December 31, 2010, the Group held €100 million in interest rate hedges in the form of spread caps and the sale of floors maturing in 2014 and €5 million in the form of a cap maturing in 2012. These hedges are not in the money as of December 31, 2010.

In accordance with the definitions of IAS 39, the effectiveness of these financial instruments in relation to the hedged items is not demonstrated. The Group currently does not wish to apply hedge accounting to these instruments. Consequently, only the market value of these instruments is recorded in the assets or liabilities of the statement of financial position, with changes in fair value recorded in the income statement.

The market values used for this type of derivative are the valuations communicated by banks.

As of December 31, 2010, the market values of these financial instruments amount to €(0.2) million, against €(1.2) million as of December 31, 2009..

3.17.3. Foreign exchange rate instruments (excluding financial instruments related to bond issues)

The foreign exchange risk exposure of the Group is generated by its business in foreign countries. However, because of its operating structure, the JCDecaux Group is not very vulnerable to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant. Accordingly, most of the foreign exchange risk stems from the translation of local-currency-denominated accounts to the euro-denominated consolidated accounts.

The foreign exchange risk on flows is mainly related to financial activities (refinancing and recycling of cash deposits with foreign subsidiaries pursuant to the Group's cash centralization policy). The Group hedges this risk mainly with short-term currency swaps.

Since the inter-company loans and receivables are eliminated on consolidation, only the value of the hedging instruments is presented in the assets and liabilities of the statement of financial position.

As of December 31 2010, the net positions contracted by the Group are as follows:

In million euros	12/31/2010	12/31/2009 Restated
Forward purchases against the Euro		
Hong Kong dollar	33.4	0.0
Australian dollar	17.6	18.8
Singapore dollar	8.6	4.8
Emirati dirham	5.6	1.3
Swedish krone	3.6	0.0
Norwegian krone	1.5	1.2
Chinese yuan	0.4	0.0
US dollar	0.0	38.0
Forward sales against the Euro		
Israeli shekel	23.8	14.6
Pound sterling	19.6	21.2
US dollar	17.2	0.0
Japanese Yen	17.1	3.3
Canadian dollar	3.4	3.3
Danish krone	1.3	4.0
Saudi riyal	0.8	0.0
Hong Kong dollar	0.0	7.8
Swedish krone	0.0	2.2
Other	0.8	0.2
Options		
Turkish Lira	0.0	3.7

As of December 31, 2010, the market value of these financial instruments amounts to €(0.5) million, compared to €1.3 million as of December 31, 2009.

3.18. Trade and other payables (current liabilities)

In million euros	12/31/2010	12/31/2009 Restated
Trade payables	283.3	252.9
Tax and employee-related liabilities	170.9	148.9
Other operating liabilities	200.3	146.4
Payables on the acquisition of PP&E and intangible assets	15.5	10.0
Payables on the acquisition of financial investments	14.2	14.2
Other liabilities	14.7	13.5
Payments on account received	14.4	6.4
Deferred income	74.7	73.1
Total	**788.0**	**665.4**

The €122.6 million increase in current liabilities as of December 31, 2010 is primarily related to the growth of Group activity and the foreign exchange gains.

Operating liabilities have a maturity of one year or less.

4. NOTES TO THE INCOME STATEMENT

4.1. Net operating expenses

In million euros	2010	2009
Rent and fees	(857.1)	(716.9)
Other net operational expenses	(456.1)	(386.3)
Taxes and duties	(7.0)	(14.3)
Staff costs	(474.4)	(409.3)
Direct operating expenses & Selling, general & administrative expenses (1)	**(1,794.6)**	**(1,526.8)**
Provision charge net of reversals	**8.0**	**(7.9)**
Depreciation and amortization net of reversals	**(231.6)**	**(223.0)**
Impairment of goodwill	**(0.5)**	**0.0**
Maintenance spare parts	**(39.8)**	**(38.3)**
Other operating income	**2.3**	**10.9**
Other operating expenses	**(14.8)**	**(10.9)**
Total	**(2,071.0)**	**(1,796.0)**

(1) Including €(1,432.1) million of "Direct operating expenses" and €(362.5) million of "Selling, general & administrative expenses" in 2010 (compared to respectively €(1,214.3) million and €(312.5) million in 2009).

Rent and fees
This item includes rent and fees that the Group pays to landlords, municipal public authorities, airports, transport companies and shopping centers.

In 2010, fees paid for the right to advertise totaled €857.1 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	(713.6)	(451.0)	(262.6)
Rent related to Billboard locations	(143.5)	(113.8)	(29.7)
Total	**(857.1)**	**(564.8)**	**(292.3)**

Variable expenses are determined based on contractual terms and conditions: rent and fees that fluctuate according to revenue levels are considered as variable expenses. Rent and fees that fluctuate according to the number of furniture items are treated as fixed expenses.

Other net operational expenses
This item includes four main cost categories:

- Subcontracting costs for certain maintenance operations;
- Billboard advertising stamp duties and taxes;
- Operating lease expenses;
- Fees and operating costs, excluding staff costs, for different Group services.

Operating lease expenses, amounting to €38.0 million in 2010, are fixed expenses.

Research and development costs
Research costs and non-capitalized development costs are included in "Other net operational expenses" and in "Staff costs" and amounted to €5.0 million in 2010, compared to €4.6 million in 2009.

Taxes and duties
This item includes taxes and similar charges other than income taxes. The principal taxes recorded under this item are property taxes.

Staff costs
This item includes salaries, social security contributions, share-based payments and employee benefits, including furniture installation and maintenance staff, research and development staff, sales team and administrative staff.

It also covers profit-sharing and investment plans and related expenses for French employees.

In million euros	2010	2009
Compensation and other benefits	(375.1)	(316.4)
Social security contributions	(97.7)	(91.1)
Share-based payment expenses	(1.6)	(1.8)
Total	**(474.4)**	**(409.3)**

Staff costs in respect of post-employment benefits break down as follows:

In million euros	2010	2009
Retirement benefits and pensions	(6.6)	(5.7)
Other long-term benefits	(0.8)	(0.4)
Total (1)	**(7.4)**	**(6.1)**

(1) *Including €(4.5) million of expenses related to retirement benefits and pensions and other long-term benefits included in the line item "Provision charge net of reversals" in 2010, against €(2.1) million in 2009.*

Share-based payment expenses recognized pursuant to IFRS 2 totaled €1.6 million in 2010, compared to €1.8 million in 2009.

Breakdown of bonus share plans:

	2010 Plan		2009 Plan	
Grant date	12/01/2010	12/01/2010	02/23/2009	02/23/2009
Number of beneficiaries	1	1	1	1
Acquisition date	12/01/2012	12/01/2014	02/23/2011	02/23/2013
Number of bonus shares	27,056	19,211	21,188	29,446
Risk-free interest rate (%)	1.06	1.69	1.56	2.31
Value at grant date (in €)	19.93	19.93	9.999	9.999
Dividend / share expected Y+1 (in €) (1)	0.16	0.16	0.24	0.24
Dividend / share expected Y+2 (in €) (1)	0.27	0.27	0.32	0.32
Dividend / share expected Y+3 (in €) (1)	-	0.31	-	0.33
Dividend / share expected Y+4 (in €) (1)	-	0.48	-	0.42
Fair value of bonus shares (in €)	19.53	18.89	9.48	8.88

(1) *Consensus of financial analysts on future dividends (Bloomberg source)*

The February 15, 2008 bonus share plan expired this year. Share capital increased by 10,588 shares to fully cover this plan.

Breakdown of stock option plans:

	2010 Plan	2009 Plan	2008 Plan	2007 Plan	2006 Plan	2005 Plan	2004 Plan
Grant date	December 01, 2010	February 23, 2009	February 15, 2008	February 20, 2007	February 20, 2006	March 4, 2005	March 5, 2004
Vesting date	December 01, 2013	February 23, 2012	February 15, 2011	February 20, 2010	February 20, 2009	March 4, 2008	March 5, 2007
Expiry date	December 01, 2017	February 23, 2016	February 15, 2015	February 20, 2014	February 20, 2013	March 4, 2012	March 5, 2011
Number of beneficiaries	2	2	167	178	4	140	120
Number of options	76,039	101,270	719,182	763,892	70,758	690,365	678,711
Exercise price	€ 20.20	€ 11.15	€ 21.25	€ 22.58	€ 20.55	€ 19.81	€ 15.29

Stock option movements during the period and average exercise price by category of options:

Period	2010	Average share price on the date of exercise	Average strike price in euros	2009	Average share price on the date of exercise	Average srike price in euros
Number of options outstanding at the beginning of the period	**2,433,433** *(1)*		**€ 19.84**	**2,494,913**		**€ 19.91**
Options granted during the period	76,039		€ 20.20	101,270		€ 11.15
Options forfeited during the period	44,146		€ 21.21	74,398		€ 21.47
Options exercised during the period	221,598	€ 20.97	€ 16.01	89,345	€ 12.26	€ 10.78
Options expired during the period	35,277		€ 10.78	0		€ 0.00
including plan of January 16, 2003	35,277					
Number of options outstanding at the end of the period	2,208,451		€ 20.35	2,432,440		€ 19.84
Number of options exercisable at the end of the period	**1,843,838**		**€ 20.59**	**1,695,272**		**€ 19.67**

(1) The number of options outstanding at the beginning of the period was increased by 993 options declared lost in 2009. A retiring beneficiary was declared as a resignation.

Option plans outstanding as of December 31, 2010 and 2009 were as follows:

	12/31/2010			12/31/2009		
PLAN / Grant date	**In number of options**	**Residual term in years**	**Average strike price in euros**	**In number of options**	**Residual term in years**	**Average strike price in euros**
2003	0	0	0.00	35,277	0.04	10.78
2004	166,285	0.18	15.29	354,732	1.18	15.29
2005	494,650	1.18	19.81	534,708	2.18	19.81
2006	70,758	2.14	20.55	70,758	3.15	20.55
2007	653,879	3.14	22.58	669,148	4.15	22.58
2008	645,570	4.13	21.25	666,547	5.13	21.25
2009	101,270	5.15	11.15	101,270	6.15	11.15
2010	76,039	6.92	20.20			
Total	**2,208,451**		**20.35**	**2,432,440**		**19.84**

The plans were valued using the Black & Scholes model based on the following assumptions:

	Plans						
Assumptions	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
- Price of underlying at grant date	€19.93	€9.99	€20.46	€22.86	€20.70	€19.70	€16.19
- Estimated volatility	36.56%	31.74%	24.93%	28.66%	29.43%	32.84%	50.00%
- Risk-free interest rate	1.69%	2.31%	3.37%	4.02%	3.11%	2.96%	3.61%
- Estimated option life (in years)	4.5	4.5	4.5	4.5	4.5	4.5	7.0
- Estimated turnover	0%	0%	2%	5%	0%	5%	2%
- Dividend payment rate *(1)*	1.08%	2.41%	2.56%	2.0%	1.9%	-	-
- Fair value options	€5.82	€2.00	€3.77	€5.76	€5.11	€6.21	€9.23

(1) Consensus of financial analysts on future dividends (Bloomberg source).

The option life retained represents the period from the grant date to management's best estimate of the most likely date of exercise.

Stock option plans granted between 2002 and 2004 were valued at the date of transition to IFRS based on historical volatility, with the date of the stock market initial public offering (IPO) as the starting point. It was assumed that options would be exercised at the end of their life.

As the Group had more historical data for the valuation of the 2005 to 2010 plans, it was able to refine its volatility calculation assumptions. Therefore, the first year of listing was not included in the volatility calculation, as it was considered abnormal due primarily to the sharp movements in share price inherent to the IPO and the effect of September 11, 2001.

Furthermore, based on observed behavior, the Group considered upon the issuance of the 2005 to 2010 plans, that the option would be exercised 4.5 years on average after the grant date.

Depreciation, amortization and provision charge net of reversals
In 2010, this item comprises a net reversal of €5.4 million relating to impairment tests, including a €0.6 million reversal of a provision for losses on completion. In 2009, this line item comprised an exceptional impairment loss on intangible assets and PP&E for €(22.8) million, including a provision for losses on completion for €(2.2) million.

Impairment of goodwill
In 2010, a goodwill impairment loss was recognized in China for €0.5 million.

Maintenance spare parts
The item comprises the cost of spare parts for street furniture as part of maintenance operations for the advertising network, excluding glass panel replacements and cleaning products, and inventory impairment losses.

Other operating income and expenses
Other operating income and expenses break down as follows:

In million euros	2010	2009
Gain on disposal of financial assets	0.0	0.1
Gain on disposal of PP&E and intangible assets	0.3	6.5
Other management income	2.0	4.3
Other operating income	**2.3**	**10.9**
Loss on disposal of financial assets	(1.5)	0.0
Loss on disposal of PP&E and intangible assets	(5.7)	(5.9)
Other management expenses	(7.6)	(5.0)
Other operating expenses	**(14.8)**	**(10.9)**
Total	**(12.5)**	**0.0**

In 2010, other management income for €2.0 million mainly comprises negative goodwill related to the acquisition of Titan Outdoor UK Ltd's assets in United Kingdom for €1.2 million.

The loss on disposal of financial assets for €(1.5) million is attributable to the revaluation of the previously held interest in RTS Decaux JSC in Kazakhstan, at the time of the acquisition, pursuant to IFRS 3 revised.

Other management expenses for €(7.6) million include staff restructuring costs in Germany related to the acquisition of Wall AG for €(3.8) million and restructuring costs relating to the acquisition of Titan Outdoor UK Ltd's assets in United Kingdom for €(1.6) million.

In 2009, gains on disposal of PP&E and intangible assets for €6.5 million primarily related to the sale of a building in the United Kingdom for €6.1 million.

Other management income for €4.3 million mainly comprised a €3.7 million indemnity received as compensation for the termination of a contract in Norway.

Other management expenses included a €(3.1) million accounting impact for an Asian subsidiary, victim of a misappropriation detected by internal control.

4.2. Net financial income / loss

In million euros	**2010**	**2009**
Interest income	7.9	19.3
Interest expense	(24.2)	(27.4)
Net interest expense (1)	**(16.3)**	**(8.1)**
Dividends	**0.1**	**0.1**
Net foreign exchange gains / losses	**3.0**	**(2.0)**
Impact of IAS 39 - foreign exchange	(0.2)	4.7
Impact of IAS 39 - interest rate	0.0	0.0
Variation in fair value of derivatives not qualified as hedges	1.0	(0.3)
Amortized cost impact	(0.6)	(0.5)
Impact of IAS 39	**0.2**	**3.9**
Net discounting income / losses	**(19.8)**	**(13.9)**
Bank guarantee costs	**(1.1)**	**(1.1)**
Charge to provisions for financial risks	(0.2)	(0.3)
Reversal of provisions for financial risks	0.1	1.8
Provisions for financial risks - Net charge	**(0.1)**	**1.5**
Net income / loss on the sale of financial investments	**0.0**	**0.1**
Other	(0.8)	(0.1)
Other net financial expenses (2)	**(18.5)**	**(11.5)**
Net financial income (loss) (3) = (1)+(2)	**(34.8)**	**(19.6)**
Total financial income	*11.9*	*24.1*
Total financial expenses	*(46.7)*	*(43.7)*

Net financial income totaled €(34.8) million in 2010 compared to €(19.6) million in 2009, representing a decrease of €(15.2) million.

This decrease in net financial income is primarily explained by the increase of the net discounting loss for €5.9 million and the impact of a €10.7 million debt waiver in favor of the Group in 2009.

Excluding the 2009 debt waiver, the net interest expense decreased by €2.5 million, primarily explained by the decrease in average net financial debt.

A net discounting loss of €(19.8) million was recorded in 2010, of which €(11.9) million for the dismantling provision and €(7.8) million for discounting losses on debts on commitments to purchase non-controlling interests.

4.3. Income tax

Breakdown between deferred and current taxes

In million euros	**2010**	**2009**
Current taxes	(81.7)	(45.3)
Local tax ("CVAE")	(6.2)	0.0
Other	(75.5)	(45.3)
Deferred taxes	2.9	7.3
Including local tax ("CVAE")	0.6	(3.8)
Other	2.3	11.1
Total	**(78.8)**	**(38.0)**

The effective tax rate before impairment of goodwill and the share of net profit of associates is 32.2% in 2010 against 36.8% in 2009. Excluding the discounting impact of debts on commitments to purchase non-controlling interests, the effective tax rate is 31.2% in 2010, compared to 35.6% in 2009.

Breakdown of deferred tax charge

In million euros	**2010**	**2009**
Intangible assets and PP&E	5.7	5.6
Tax losses carried forward	(4.6)	(2.5)
Dismantling provision	0.7	1.5
Other	1.1	2.7
Total	**2.9**	**7.3**

Tax proof

In million euros	2010	2009
Consolidated net income	**169.3**	**34.5**
Income tax charge	(78.8)	(38.0)
Consolidated income before tax	**248.1**	**72.5**
Impairment of goodwill	0.5	0.0
Share of net profit of associates	(3.9)	30.7
Taxable dividends received from subsidiaries	2.9	1.7
Non-taxable other income	(5.5)	(7.6)
Non-deductible other expenses	19.2	20.5
Net income before tax subject to the standard tax rate	**261.3**	**117.8**
Weighted Group tax rate	28.55%	27.16%
Theoretical tax charge	**(74.6)**	**(32.0)**
Deferred tax on unrecognized tax losses	(4.1)	(6.5)
Recognition or use of unrecognized prior year tax losses carried forward	7.5	8.4
Other unrecognized deferred tax assets	0.0	(4.4)
Miscellaneous [(1)]	(2.0)	0.3
Income tax calculated	**(73.2)**	**(34.2)**
CVAE (Local Tax on added value)	(5.6)	(3.8)
Income tax recorded	**(78.8)**	**(38.0)**

(1) Including €(4.3) million in tax credits in 2010.

4.4. Number of shares for the earnings per share (EPS) / diluted EPS computation

	2010	2009
Weighted average number of shares for the purposes of earnings per share	**221,489,982**	**221,322,760**
Weighted average number of stock options	1,004,546	187,987
Weighted average number of stock options issued at the market price	(786,684)	(121,064)
Weighted average number of shares for the purposes of diluted earnings per share	**221,707,844**	**221,389,683**

As of December 31, 2010, the December 1, 2010, February 15, 2008, February 20, 2007 and February 20, 2006 stock option plans are excluded from the calculation, since they have an anti-dilutive effect.

4.5. Share of net profit of associates

In million euros	2010	2009
Stadtreklame Nürnberg GmbH	0.9	0.6
Wall AG [(1)]	-	(4.2)
Werbeplakat Soravia GmbH	0.2	0.1
Shanghai Zhongle Vehicle Painting Co. Ltd	0.0	0.0
Metrobus	1.0	(7.0)
Bus Focus Ltd [(2)]	0.5	0.4
Poad	1.3	1.0
Affichage Holding	0.0	(23.0)
BigBoard [(3)]	-	1.4
CNDecaux Airport Media Co. Ltd [(4)]	0.0	-
Total	**3.9**	**(30.7)**

(1) Company fully consolidated as of December 31, 2009.
(2) Subsidiary of JCDecaux Cityscape Hong Kong Ltd.
(3) Company proportionately consolidated as of November 1, 2009.
(4) Company created in 2007 and consolidated for the first time in 2010.

In 2010, the share of net profit of associates for €3.9 million includes:

- For Affichage Holding, a reversal of the entire exceptional impairment loss recognized in 2009, for €12.8 million, representing an impairment loss of €(10.8) million recorded in 2009 and a foreign exchange impact of €2.0 million;
- For Metrobus, in the amount of €2.2 million, a partial reversal of the exceptional impairment loss of €(4.0) million recognized in 2009.

Sensitivity tests demonstrate that an increase of 50 basis points in the discount rate would result in an impairment loss of €(0.4) million on the share of net profit of associates and that a decrease of 50 basis points in the normative growth rate of the operating margin would result in an impairment loss of €(0.3) million on the share of net profit of associates.

Key income statement items of associates are as follows [1]:

		2010		2009	
In million euros	**% of consolidation**	**Net Income**	**Net Revenues**	**Net Income**	**Net Revenues**
Germany					
Stadtreklame Nürnberg GmbH	35%	2.4	10.8	1.8	9.6
Wall AG	49.6% [2]	-	-	(8.9)	103.2
Austria					
Werbeplakat Soravia GmbH	33%	0.5	4.9	0.2	4.6
China					
Shanghai Zhongle Vehicle Painting Co. Ltd	40%	0.0	0.6	0.0	0.9
France					
Metrobus	33%	3.0	218.0	(21.3)	175.5
Hong Kong					
Bus Focus Ltd	40%	1.2	4.6	1.1	4.3
Poad	49%	2.7	30.7	2.1	24.4
Switzerland					
Affichage Holding	30%	0.0	220.5	(76.7)	225.2
Ukraine / Russia					
BigBoard [3]	50%	-	-	2.8	15.3
Macau					
CNDecaux Airport Media Co. Ltd [4]	30%	0.1	0.4	-	-

(1) On a 100% basis restated according to IFRS.
(2) 40% consolidated until September 30, 2009, 49.6% until December 31, 2009 and fully consolidated from December 31, 2009.
(3) Company consolidated using the equity method until October 31, 2009 and proportionately consolidated from November 1, 2009.
(4) Company created in 2007 and consolidated for the first time in 2010.

4.6. Headcount

As of December 31, 2010, the Group had 9,943 employees, compared to 9,937 employees on December 31, 2009.

The Group's share of employees of proportionately consolidated companies is 787 as of December 31, 2010, included in the above total of 9,943 employees.

The breakdown of employees by function for 2010 and 2009 is as follows:

	2010	**2009**
Technical	5,785	5,836
Sales and marketing	2,148	2,059
IT and administration	1,408	1,472
Contract business relations	515	474
Research and development	87	96
Total	**9,943**	**9,937**

5. COMMENTS ON THE STATEMENT OF CASH FLOWS

5.1. Net cash provided by operating activities

In 2010, net cash provided by operating activities for €482.6 million comprised:

- operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €509.0 million;
- a change in the working capital for €52.8 million, the favorable impacts of which are mainly related to lower inventory level and a strict control on receivables and payables during the year;
- and the payment of net financial interest and tax for €(16.3) million and €(62.9) million, respectively.

5.2. Net cash used in investing activities

In 2010, net cash used in investing activities for €(159.4) million comprised:

- acquisitions of intangible assets and PP&E net of the change in payables on intangible assets and PP&E for €(158.5) million;
- sales of intangible assets and PP&E net of the change in receivables on intangible assets and PP&E for €3.3 million;
- acquisitions of long-term investments and other financial assets, net of disposals and net of the change in payables on financial investments, for a total of €(4.2) million.

In 2009, net cash used in investing activities for €(239.3) million included the acquisitions of intangible assets and PP&E net of disposals and net of the change in payables on intangible assets and PP&E, for a total of €(179.7) million and the acquisitions of long-term investments and other financial assets, net of disposals and net of the change in payables on financial investments for €(59.6) million.

5.3. Net cash used in financing activities

In 2010, net cash used in financing activities for €(221.6) comprised:

- net cash flows on borrowings for €(217.6) million mainly in France and in Germany;
- the payment of the commitments to purchase non-controlling interests in Germany and in Turkey for €(3.6) million and the acquisition of an additional interest in the capital of Avenir Praha Spol Sro for €(0.6) million;
- the payment of dividends by Group companies to their minority shareholders for €(5.8) million;
- capital increases for €4.9 million, including €3.5 million for the exercise of stock options in JCDecaux SA;
- dividends received from associates for €1.0 million and dividends received from non-consolidated subsidiaries for €0.1 million.

In 2009, the item amounted to €(128.3) million, and mainly concerned the net cash flows on borrowings for €(131.7) million.

5.4. Cash flows of proportionately consolidated companies

Cash flows of proportionately consolidated companies break down as follows:

- Net cash provided by operating activities was €55.9 million in 2010 compared to €43.5 million in 2009;
- Net cash used in investing activities was €(12.3) million in 2010 compared to €(13.4) million in 2009;
- Net cash used in financing activities was €(29.4) million in 2010 compared to €(22.5) million in 2009.

5.5. Non-cash transactions

The increase in property, plant & equipment and liabilities related to finance lease contracts amounted to €1.0 million in 2010, compared to €1.3 million in 2009.

6. FINANCIAL RISKS

As a result of its operations, the Group is exposed to varying degrees of financial risk (notably liquidity and financing risk, interest rate risk, foreign exchange rate risk, and risks related to financial management, in particular, counterparty risk). The objective is to minimize such risks by pursuing appropriate financial strategies. However, the Group may need to manage residual positions. This strategy is monitored and managed centrally, by a dedicated team within the Group Finance Department. Risk management policies and hedging strategies are approved by Group management.

6.1. Risks relating to operations and strategy for managing such risks

Liquidity and financing risk

The following table presents the contractual cash flows (contractual interest cash-flows and contractual repayments) related to financial liabilities and derivative instruments:

In million euros	Carrying amount	Contractual cash flows	01/01/2011 to 06/30/2011	07/01/2011 to 12/31/2011	01/01/2012 to 12/31/2013	01/01/2014 to 12/31/2015	> 12/31/2015
Bonds	272.3	291.0	4.8	4.8	189.7	91.7	0.0
Bank borrowings at floating rate	224.7	229.4	202.9	6.7	16.7	1.3	1.8
Bank borrowings at fixed rate	10.1	10.9	2.4	1.0	6.9	0.6	0.0
Miscelleanous facilities and other financial debt	28.1	29.1	13.8	8.4	2.2	2.1	2.6
Finance lease liabilities	6.6	6.6	1.2	1.1	2.2	2.1	0.0
Accrued interest	2.7	2.7	2.7	0.0	0.0	0.0	0.0
Overdrafts	22.1	22.2	22.2	0.0	0.0	0.0	0.0
Total financial liabilities excluding derivatives	**566.6**	**591.9**	**250.0**	**22.0**	**217.7**	**97.8**	**4.4**
Swaps on bonds	(19.1)	(9.5)	(1.7)	(1.7)	(4.5)	(1.6)	0.0
Interest rate hedges	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0
Foreign exchange hedges	(0.5)	(0.5)	(0.5)	0.0	0.0	0.0	0.0
Total derivatives	**(19.8)**	**(10.0)**	**(2.2)**	**(1.7)**	**(4.5)**	**(1.6)**	**0.0**

For revolving debt, the nearest maturity is indicated. This is the case, in particular, of the JCDecaux SA bank loan for €100 million maturing in March 2014 and March 2015 and of the committed revolving credit facility for Somupi for €30 million maturing in December 2012 (with a decrease of €15 million per year until the maturity date).

The Group generates significant operating cash flows that enable it to self-finance organic growth. In the Group's opinion, acquisition opportunities could lead it to temporarily increase this net debt.

The Group's financing strategy consists of:

- centralizing financing at the parent company level. Subsidiaries are therefore primarily financed through direct or indirect loans granted by JCDecaux SA. However, the Group may use external financing for certain subsidiaries, (i) depending on the tax or currency or regulatory situation (withholding tax, etc.); (ii) for subsidiaries that are not wholly owned by the Group; or (iii) for historical reasons (financing already in place when the subsidiary joined the Group);
- having financing resources available (i) that are diversified; (ii) having a term consistent with the maturity of its assets and (iii) flexible, in order to cover Group development and the investment and activity cycles;
- having permanent access to a liquidity reserve in the form of committed credit facilities;
- minimizing the risk of non-renewal of financing sources, by staggering annual installments;
- optimizing financing margins, through early renewal of loans that are approaching maturity, or by re-financing certain financing sources when market conditions are favorable; and
- optimizing the cost of net debt, by recycling excess cash flow generated by different Group companies as much as possible, in particular by repatriating the cash to JCDecaux SA through loans or dividend payments.

Group medium and long-term debt is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (Last Moody's rating on March 16, 2010, and Standard and Poor's on October, 13, 2010), with a stable outlook for both ratings, instead of the negative outlook in December 31, 2009.

As of December 31, 2010, the net financial debt (excluding non-controlling interest purchase commitments) is €358.8 million, representing a debt/equity attributable to owners of the parent company ratio of 16.0%, compared to €670.0 million and a debt/equity (Group share) ratio of 33.0% as of December 31, 2009. This debt is described in Note 3.15 *Net financial debt*.

70% of Group financial debt is carried by JCDecaux SA and has an average maturity of around 3.3 years.

As of December 31, 2010, the Group has cash of €211.5 million (see Note 3.10 *Cash and cash equivalents*) and unused committed credit facilities of €850 million.

JCDecaux SA financing sources are confirmed but they require compliance with a number of covenants, based on consolidated financial statements. The breakdown and the amounts of the ratios are described in Note 3.15 *Net financial debt*.

Interest rate risk

The Group is exposed to interest rate fluctuations as a result of its debt, including the euro, the Chinese yuan , the Israeli shekel, the Japanese yen and the US dollar. Given the high correlation between the advertising market and the level of general economic activity of the countries where the Group operates, it is Group policy to secure primarily floating-rate financing. Hedging operations are mainly centralized at the JCDecaux SA level. The split between fixed rate and floating rate is described in Note 3.15 *Net financial debt* and the hedging information is available in Note 3.17 *Financial derivatives*.

The following table breaks down financial assets and liabilities by interest rate as of December 31, 2010.

In million euros		≤ 1 year	> 1 year & ≤ 5 years	> 5 years	Total
JCDecaux SA borrowings		(250.0)	(142.3)	0.0	(392.3)
Other borrowings		(160.1)	(12.1)	0.0	(172.2)
Financial liabilities	**(1)**	**(410.1)**	**(154.4)**	**0.0**	**(564.5)**
Financial assets	**(2)**	**29.5**	**0.0**	**0.0**	**29.5**
Net position before hedging	**(3)=(1)+(2)**	**(380.6)**	**(154.4)**	**0.0**	**(535.0)**
Issue swaps on USPP		0.0	142.3	0.0	142.3
Other interest rate hedging		105.0	0.0	0.0	105.0
Off balance sheet	**(4)**	**105.0**	**142.3**	**0.0**	**247.3**
Net position after hedging	**(5)=(3)+(4)**	**(275.6)**	**(12.1)**	**0.0**	**(287.7)**

For fixed-rate assets and liabilities, the maturity indicated is that of the asset and the liability.

The interest rates on floating-rate assets and liabilities are adjusted at one, three or six-month intervals. The maturity indicated is therefore less than one year regardless of the maturity date. This is particularly true for the JCDecaux SA bank borrowing for €100 million and the Somupi committed revolving credit line for €30 million.

In the event of change in the Euribor rates, the cost of the JCDecaux SA gross debt (after taking into account hedging) would be impacted over 2010 as follows:

Euribor rates	**Rates at 0**	**+100bp vs. rates as of Dec. 31, 2010**	**+200bp vs. rates as of Dec. 31, 2010**	**+300bp vs. rates as of Dec. 31, 2010**
Impact in basis points on the cost of gross debt vs. rates as of December 31, 2010	-82bp	+91bp	+174bp	+262bp

As of December 31, 2010, 4% of total Group economic gross debt, all currencies combined, was at fixed rates, 18% was hedged against an increase in short-term interest rates in the currencies concerned, 2% of total Group euro-denominated[1] economic gross debt was at fixed rates, and 22% was hedged against an increase in Euribor rates.

Foreign exchange risk

In 2010, revenues generated in currencies other than the euro accounted for 47.9% of Group revenues.

Despite its presence in 56 countries, the Group is relatively immune to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.

However, as the presentation currency of the Group is the euro, the Group consolidated financial statements are affected by the conversion into euro of financial statements denominated in local currencies.

Based on the 2010 actual data, Group exposure to the pound sterling, Chinese yuan, US dollar and Hong Kong dollar is as follows:

The portion of the Group's revenues denominated in pound sterling represents 11.7%. A variance of -5% in the pound sterling exchange rate would have an impact of -0.6% and -0.4%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in Chinese yuan represents 9.2%. A variance of -5% in the Chinese yuan exchange rate would have an impact of -0.5% and -0.5%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in US dollars represents 7.8%. A variance of -5% in the US dollar exchange rate would have an impact of -0.4% and -0.3%, respectively, on the Group's revenues and operating margin.

The portion of the Group's revenues denominated in Hong Kong dollars represents 4.6%. A variance of -5% in the Hong Kong dollar exchange rate would have an impact of -0.2% and -0.1%, respectively, on the Group's revenues and operating margin.

1 *Euro-denominated debt after adjustment for currency swaps and issue swaps.*

In 2010, the Group mainly holds foreign currency hedges of financial transactions:

- pursuant to application of its centralized financing policy and its multi-currency excess cash position, and in order to hedge inter-company loan transactions, the Group implemented short-term currency swaps. The Group does not hedge positions generated by inter-company loans when hedging arrangements are (i) too costly (ii) not available or (iii) when the loan amount is limited;
- the Group implemented issue swaps covering the full term of operations, for the portion of its long-term debt denominated in US dollars[1] not used to finance the current expansion of activities in the United States. The hedging information is available in Note 3.17 *Financial derivatives*.

As of December 31, 2010, the Group considers then that its financial position and earnings would not be materially affected by exchange rate fluctuations.

Management of excess cash positions

As of December 31, 2010, the Group's excess cash and cash equivalents position totaled €211.5 million, of which, €151.4 million is invested as cash equivalents and €9.5 million is used as guarantees.

Management of capital and the net debt/equity ratio

The Group is not subject to any externally imposed capital requirement. The Group Financial policy is to optimize the net debt/equity balance.

Net debt refers to net financial debt as disclosed in the Note 3.15 *Net financial debt* (excluding non-controlling interest purchase commitments). Total equity corresponds to the equity attributable to owners of the parent company disclosed in the statement of financial position adjusted for IAS 39 items (cash flow hedges and financial investments available for sale).

As of December 31, 2010, the debt/operating margin ratio stood at 0.7 and the debt/equity ratio at 16.0%, compared to, respectively, 1.7 and 33.0% as of December 31, 2009.

6.2. Risks related to financial management

Risks related to interest rate and foreign exchange derivatives

The Group uses derivatives solely to hedge foreign exchange and interest rate risks, which is done centrally.

Risks related to credit rating

The Group is rated "Baa2" by Moody's and "BBB" by Standard & Poor's as of the date of publication of these Notes, with a stable outlook for both ratings instead of the negative outlook of December 31, 2009. The Group's principal financing sources (financing raised by the parent company), as well as principal hedging arrangements are not subject to early termination in the event of a downgrade of the Group's credit rating.

Bank counterparty risk

Group counterparty risks relate to the investment by the subsidiaries of their excess cash balances with banks and to other financial transactions principally involving JCDecaux SA (via unused committed credit facilities and hedging commitments). The Group strategy is to minimize this risk by (i) reducing excess cash flows within the Group by centralizing the subsidiaries' available cash at the JCDecaux SA level as much as possible, (ii) obtaining the prior authorization of the Group's financial management for the opening of bank accounts, and (iii) selecting banks in which the Group and its subsidiaries can make deposits.

Customer counterparty risk

The counterparty risk in respect of trade receivables is covered by the necessary provisions if needed.

Risk related to portfolio securities

To earn a return on its excess cash position, the Group may subscribe to short-term investments. The investments acquired consist of money market securities (mutual funds and money-market SICAV funds; certificates of deposit; short-term government securities, etc.). These instruments are invested on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk.

Group policy is not to own marketable shares or securities other than money market securities and treasury shares. As such, the Group considers its risk exposure arising from marketable shares and securities to be very low.

---

1 Bond debt issued in the United States in 2003

7. COMMENTS ON OFF-STATEMENT OF FINANCIAL POSITION COMMITMENTS

7.1. Security and other commitments

In million euros	12/31/2010	12/31/2009
Commitments given [(1)]		
Business guarantees	123.9	113.5
Other guarantees	18.7	7.3
Pledges, mortgages and collateral	25.0	24.4
Commitments on securities	16.7	15.5
Total	**184.3**	**160.7**
Commitments received		
Guarantees	0.4	1.5
Commitments on securities	17.1	16.2
Credit facilities	850.0	775.0
Total	**867.5**	**792.7**

(1) Excluding commitments relating to lease, rent and minimum franchise payments, given in the ordinary course of business.

Business guarantees are granted mainly by JCDecaux SA. As such, JCDecaux SA guarantees the performance of contracts entered into by subsidiaries, either directly to third parties or by counter-guaranteeing guarantees granted by banks or insurance companies.

"Other guarantees" include guarantees such as: (i) covering payments under building lease agreements and car rentals of its subsidiaries; (ii) JCDecaux SA's counter-guarantees for guarantee lines granted by banks to subsidiaries; (iii) other commitments such as the better fortune clause on debt waiver.

The "pledges, mortgages and collateral" mainly comprise the mortgage of a building in Germany, and amounts of cash given in guarantees.

Guarantees received are mainly related to the representations and warranties received.

Commitments on securities are mainly granted and received in the context of acquisitions.

As of December 31, 2010, commitments on securities given in favor of different partners comprise the following options:

- Regarding the BigBoard group, a call option with two exercise periods: from October 1, 2011 to September 30, 2012 or from December 1, 2011 to November 30, 2012. This option concerns the Group's 50% interest in the BigBoard group. The contractual calculation formula values this commitment at approximately €15.6 million as of December 31, 2010. This amount is subject to uncertainty regarding market trends in Russia and the Ukraine and the currencies of these two countries.
- Regarding the company Proreklam-Europlakat Doo (Slovenia), a put option granted to the local partner of the Group exercisable from January 1, 2012, on 8.13% of this company's shares. The contractual calculation formula values this commitment at approximately €1.1 million.
- Regarding the Wall group, a call option of a Group partner covering a share of the capital of Nextbike GmbH.

As of December 31, 2010, commitments on securities received by the Group comprise the following options:

- Regarding the Metrobus group, a put option, valid from April 1, 2014 to September 30, 2014. The option covers the Group's 33% interest in the Metrobus group. It can be exercised if the RATP renews its contract with Metrobus. The exercise price will be determined by investment banks.
- Regarding the BigBoard group, a call option with two exercise periods: from April 1, 2011 to September 30, 2011 or from June 1, 2011 to November 30, 2011. This option concerns the partner's 50% interest in the BigBoard group. The contractual calculation formula values this commitment at approximately €15.6 million as of December 31, 2010. This amount is subject to uncertainty regarding market trends in Russia and the Ukraine and the currencies of these two countries.
- Regarding the company Proreklam-Europlakat Doo (Slovenia), a call option that can be exercised beginning January 1, 2014 by Europlakat International Werbe GmbH over the partner of the Group covering 8.13% of the share capital of this company. A contractual calculation formula values this commitment at approximately €1.1 million.
- Regarding the Wall group, a call option that can be exercised by Wall AG for a maximum of 24.8% of the share capital of Nextbike GmbH bringing the Group's interest to 50% plus one vote. A contractual calculation formula values this commitment at €0.4 million.

In addition, as part of their binding cooperation agreement, JCDecaux SA and Affichage Holding have granted reciprocal calls should contractual clauses not be respected or in case of transfer of certain assets and in case of change in control.

Lastly, the Group benefits from pre-emptive rights under certain partnership agreements, and can provide for emptive or option rights, which are not considered as commitments given or received.

Credit facilities primarily comprise the committed revolving credit line secured by JCDecaux SA for €850.0 million.

7.2. Commitments relating to lease, rent and minimum franchise payments given in the ordinary course of business

In the ordinary course of business, JCDecaux has entered into the following agreements:

- contracts with cities, airports and transport companies, which entitle the Group to operate its advertising business and collect the related revenues, in return for payment of fees, comprising a fixed portion or guaranteed minimum (minima garantis);
- rental agreements for billboard locations on private property;
- lease agreements for buildings, vehicles and other equipment (computers, office equipment, or other).

Such commitments given in the ordinary course of business break down as follows (amounts are not discounted):

In million euros	≤ 1 year	>1 & ≤ 5 years	> 5 years (1)	Total
Minimum franchise payments associated with Street Furniture or Transport contracts	461.5	1,570.3	1,428.0	3,459.8
Rent related to Billboard locations	90.8	161.0	30.8	282.6
Operating leases	30.7	71.5	28.3	130.5
Total	**583.0**	**1,802.8**	**1,487.1**	**3,872.9**

(1) Until 2035.

7.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets totaled €260.0 million and €4.5 million, respectively, as of December 31, 2010.

7.4. Commitments relating to employee benefits

Pursuant to IAS 19 *Employee benefits*, and in accordance with the Group decision to apply the corridor method, a portion of actuarial gains and losses, and past service costs, is not recognized as provisions. A breakdown is provided in Note 3.14 *Provisions*.

8. SEGMENT REPORTING

The information communicated to the Executive Board is based on the business segment, as adopted pursuant to the application of IFRS 8 *Operating segments*.

8.1. Information related on operating segments

Definition of operating segments

Street Furniture
The Street Furniture operating segment covers, in general, the advertising agreements relating to public property entered into with cities and local authorities. It also includes advertising in shopping centers, as well as the renting of street furniture, the sale and rental of equipment, and other various services such as cleaning and maintenance.

Transport
The Transport operating segment covers advertising in public transport systems, including airports, subways, buses, tramways and trains.

Billboard
The Billboard operating segment covers advertising on private property, including either traditional large format or back-light billboards. It also includes neon-type activity.

Transactions between operating segments
Transfer prices between operating segments are equal to prices determined on an arm's length basis, as in transactions with third parties.

The breakdown of the 2010 segment reporting by operating segment is as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Net revenues	**1,147.0**	**777.6**	**425.4**	**2,350.0**
Operating margin	**375.9**	**115.4**	**64.1**	**555.4**
EBIT (=Segment profit)	**173.8**	**83.3**	**21.9**	**279.0**
Acquisitions of intangible assets and PP&E net of disposals (1)	117.4	22.4	15.4	155.2

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*

The breakdown of the 2009 segment reporting by operating segment is as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Net revenues	**934.3**	**589.6**	**394.9**	**1,918.8**
Operating margin	**298.4**	**55.6**	**38.0**	**392.0**
EBIT (=Segment profit)	**93.5**	**16.6**	**12.7**	**122.8**
Acquisitions of intangible assets and PP&E net of disposals (1)	157.4	17.8	4.5	179.7

(1) *Including sales of intangible assets and PP&E and changes in payables on fixed assets.*

8.2. Other information

The 2010 information by geographical area breaks down as follows:

In million euros	France	United Kingdom	Europe (2)	North America	Pacific-Asia	Rest of the world	Total
Net revenues	598.2	271.9	787.6	187.8	420.6	83.9	2,350.0
Acquisitions of intangible assets and PP&E net of disposals (1)	35.9	16.5	60.0	2.3	26.3	14.2	155.2

(1) *Including sales of intangible assets and PP&E and changes in payables and receivables on fixed assets.*
(2) *Excluding France and United Kingdom.*

The 2009 information by geographical area breaks down as follows:

In million euros	France	United Kingdom	Europe (2)	North America	Pacific-Asia	Rest of the world	Total
Net revenues	563.7	183.8	650.9	146.2	300.9	73.3	1,918.8
Acquisitions of intangible assets and PP&E net of disposals (1)	111.3	(9.2)	45.3	2.9	16.0	13.4	179.7

(1) *Including sales of intangible assets and PP&E and changes in payables on fixed assets.*
(2) *Excluding France and United Kingdom.*

No single client represents more than 10% of Group revenues.

9. RELATED PARTIES

9.1. Definitions

Related party transactions break down into the following five categories:

- the portion of transactions with proportionately consolidated companies not eliminated in the consolidated financial statements,
- transactions between JCDecaux SA and its parent JCDecaux Holding,
- transactions between a fully consolidated company and its significant non-controlling interests,
- the portion of transactions with equity associates not eliminated in the Group consolidated financial statements,
- transactions with key management personnel and companies held by such personnel and over which they exercise control.

9.2. Related party transactions

Loans granted to related parties as of December 31, 2010 totaled €16.6 million, primarily including a loan of €6.3 million to MC Decaux Inc. (Japan), a loan of €3.9 million to Proreklam-Europlakat Doo (Slovenia), a loan of €3.7 million to Metrobus (France), as well as a loan of €1.7 million to CBS Outdoor JCDecaux Street Furniture Canada, Ltd.

Receivables on related parties as of December 31, 2010 totaled €8.8 million, primarily including €1.2 million from Beijing Press JCDecaux Media Advertising Co. Ltd. (China) and €1.0 million from Shanghai Shentong JCDecaux Metro Advertising Co. Ltd. (China).

Borrowings secured from related parties and debt on commitments to purchase non-controlling interests as of December 31, 2010 totaled €95.9 million, primarily including €59.7 million in purchase commitments given to the partner Progress, €14.0 million in purchase commitments given to Media Regies regarding Somupi and €12.8 million in purchase commitments given to the Wall Family regarding Wall AG and a borrowing for €2.4 million from Media Regies concerning the co-financing of Somupi.

Liabilities to related parties as of December 31, 2010 totaled €10.6 million, including €3.2 million with Affichage Holding and €1.7 million with Shanghaï Shentong JCDecaux Metro Advertising Co. Ltd. (China).

Operating income generated with related parties amounted to €12.4 million in 2010, primarily including €4.4 million in operating income with Shanghaï Shentong JCDecaux Metro Advertising Co. Ltd. (China).

Operating expenses with related parties represented €23.6 million in 2010, of which €12.2 million in rent charges with SCI Troisjean, JCDecaux Holding, and Decaux Frères Real Estate.

In 2010, financial expenses represented €8.2 million, including €6.3 in discounting losses regarding the commitment to purchase the non-controlling interests of Gewista Werbe GmbH.

Financial income represented €0.3 million in 2010.

9.3. Executive officer compensation

Compensation owed to members of the Executive Board in respect of 2010 and 2009 breaks down as follows:

In million euros	**2010**	**2009**
Short-term benefits	8.0	3.5
Non-current compensation and retirement benefit (1)	1.2	-
Fringe benefits	0.1	0.1
Director's fees	0.1	0.1
Life insurance/special pension	0.2	0.2
Share-based payments	1.3	0.6
Total	**10.9**	**4.5**

(1) At the end of his term of office as at December 31, 2010 due to retirement, an Executive Board member received compensation covering retirement benefits and the recognition of his performance for the Group since 2000.

In addition, a member of the Executive Board will receive severance payments, under the terms of which compensation of up to one to two years' payment would be payable on termination of his employment contract by the Group.

Post-employment benefits booked in the statement of financial position amount to €0.4 million as of December 31, 2010 against €0.7 million as of December 31, 2009.

Directors' fees of €0.1 million were owed to members of the Supervisory Board in respect of 2010.

10. PROPORTIONATELY CONSOLIDATED COMPANIES

The Group holds a number of investments which are proportionately consolidated.

The Group's share in the assets, liabilities and earnings of these joint ventures (included in the consolidated financial statements) is as follows as of December 31, 2010 and 2009:

In million euros	12/31/2010	12/31/2009 Restated
Non-current assets	50.5	38.2
Current assets	115.1	100.0
Total Assets	**165.6**	**138.2**
Non-current liabilities	27.4	39.6
Current liabilities	91.1	77.4
Total Liabilities (excluding net equity)	**118.5**	**117.0**
Net equity	**47.1**	**21.2**
including net income	**36.2**	**22.0**
including profits	*238.8*	*176.7*
including losses	*(202.6)*	*(154.7)*

The €25.9 million increase in net equity is mainly attributable to:

- the positive net profit of €36.2 million of the proportionately consolidated companies;
- decreased by dividend distributions of €(19.0) million;
- foreign exchange positive impacts for €6.3 million, mainly in Ukraine and in Asia;
- scope changes with a positive impact of €1.7 million, mainly due to the change in consolidation method of RTS Decaux JSC in Kazakhstan;
- other changes in equity for €0.7 million.

11. SCOPE OF CONSOLIDATION

11.1. Identity of the parent company

As of December 31, 2010, 70.41% of the share capital of JCDecaux SA is held by JCDecaux Holding.

11.2. List of consolidated companies

COMPANIES	Country	% interest	Consolidation Method	% control
STREET FURNITURE				
JCDECAUX SA	France	100.00	F	100.00
JCDECAUX MOBILIER URBAIN	France	100.00	F	100.00
SOPACT	France	100.00	F	100.00
SEMUP	France	100.00	F	100.00
DPE - DECAUX PUBLICITE EXTERIEURE	France	100.00	F	100.00
SOMUPI	France	66.00	F	66.00
JCDECAUX ASIE HOLDING	France	100.00	F	100.00
JCDECAUX EUROPE HOLDING	France	100.00	F	100.00
JCDECAUX AMERIQUES HOLDING	France	100.00	F	100.00
CYCLOCITY	France	100.00	F	100.00
ACM GmbH	Germany	100.00	F	100.00
JCDECAUX STADTMOBLIERUNG GmbH	Germany	100.00	F	100.00
JCDECAUX DEUTSCHLAND GmbH	Germany	100.00	F	100.00
DSM DECAUX GmbH	Germany	50.00	P	50.00
JCDECAUX GmbH	Germany	100.00	F	100.00
STADTREKLAME NÜRNBERG GmbH	Germany	35.00	E	35.00
ILG AUSSENWERBUNG GmbH (2)	Germany	50.00	F	50.00
WALL AG (3)	Germany	90.09	F	90.09
GEORG ZACHARIAS GmbH (3)	Germany	90.09	F	100.00
VVR WALL GmbH (1) & (3)	Germany	90.09	F	100.00
DIE DRAUSSENWERBER GmbH (3)	Germany	90.09	F	100.00
WALL MOBILIARE GmbH (3)	Germany	90.09	F	100.00
SKY HIGH TG GmbH (3)	Germany	90.09	F	100.00
IMMOBILIENGESELLSCHAFT ORANIENBURGER TOR GmbH (2)	Germany	89.18	F	100.00
STAUDENRAUS AUSSENWERBUNG GmbH	Germany	100.00	F	100.00
JCDECAUX UK Ltd (1)	United Kingdom	100.00	F	100.00
JCDECAUX ARGENTINA SA (4)	Argentina	99.82	F	99.82
JCDECAUX STREET FURNITURE Pty Ltd	Australia	100.00	F	100.00
JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	F	100.00
ADBOOTH Pty Ltd	Australia	50.00	P	50.00
JCDECAUX CITYCYCLE AUSTRALIA Pty Ltd	Australia	100.00	F	100.00
AQMI GmbH	Austria	67.00	F	100.00
ARGE AUTOBAHNWERBUNG	Austria	33.50	P	50.00
WERBEPLAKAT SORAVIA GmbH	Austria	22.11	E	33.00
JCD BAHRAIN HOLDING SPC (5)	Bahrain	99.98	F	100.00
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	F	100.00
ACM SA	Belgium	100.00	F	100.00
JCDECAUX DO BRASIL SA	Brazil	100.00	F	100.00
JCDECAUX SALVADOR SA	Brazil	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
WALL SOFIA EOOD (3)	Bulgaria	90.09	F	100.00
CBS OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd.	Canada	50.00	P	50.00
JCD P&D OUTDOOR ADVERTISING Co. Ltd	China	100.00	F	100.00
TOP RESULT KIOSK (SHANGHAI) DEVELOPMENT Co. Ltd	China	100.00	F	100.00
BEIJING GEHUA JCD ADVERTISING Co. Ltd	China	50.00	P	50.00
BEIJING PRESS JCDECAUX MEDIA ADVERTISING Co. Ltd	China	50.00	P	50.00
IPDECAUX Inc.	Korea	50.00	P	50.00
AFA JCDECAUX A/S	Denmark	50.00	F	50.00
JCDECAUX MIDDLE EAST FZ-LLC (5)	United Arab Emirates	99.98	F	99.98
JCDECAUX STREET FURNITURE (5)	United Arab Emirates	99.98	F	100.00
EL MOBILIARIO URBANO SLU	Spain	100.00	F	100.00
JCDECAUX ATLANTIS SA	Spain	85.00	F	85.00
JCDECAUX EESTI OU	Estonia	100.00	F	100.00
JCDECAUX NEW YORK, Inc.	United States	100.00	F	100.00
JCDECAUX SAN FRANCISCO, LLC	United States	100.00	F	100.00
JCDECAUX MALLSCAPE, LLC	United States	100.00	F	100.00
JCDECAUX CHICAGO, LLC	United States	100.00	F	100.00
JCDECAUX NEW YORK, LLC	United States	100.00	F	100.00
CBS DECAUX STREET FURNITURE, LLC	United States	50.00	P	50.00
JCDECAUX NORTH AMERICA, Inc.	United States	100.00	F	100.00
WALL DECAUX HOLDINGS, Inc. (6)	United States	100.00	F	100.00
JCDECAUX BOSTON, Inc (6)	United States	100.00	F	100.00
JCDECAUX FINLAND Oy (1)	Finland	100.00	F	100.00
JCDECAUX CITYSCAPE HONG KONG LTD (previously JCDECAUX TEXON INTERNATIONAL LTD) (7)	Hong Kong	100.00	F	100.00
INTELLECT WORLD INVESTMENTS LTD	Hong Kong	100.00	F	100.00
JCDECAUX ADVERTISING INDIA PVT LTD (1)	India	100.00	F	100.00
AFA JCDECAUX ISLAND ehf	Iceland	50.00	F	100.00
JCDECAUX ISRAEL Ltd (8)	Israel	92.00	F	92.00
MCDECAUX Inc. (9)	Japan	60.00	P	60.00
CYCLOCITY Inc.	Japan	100.00	F	100.00
RTS DECAUX JSC (10)	Kazakhstan	50.00	F	50.00
JCDECAUX LATVIJA SIA	Latvia	100.00	F	100.00
JCDECAUX LIETUVA UAB	Lithuania	100.00	F	100.00
JCDECAUX LUXEMBOURG SA	Luxembourg	100.00	F	100.00
JCDECAUX GROUP SERVICES SARL	Luxembourg	100.00	F	100.00
JCDECAUX MACAO (1)	Macau	80.00	F	80.00
JCDECAUX UZ (11)	Uzbekistan	70.10	F	70.10
JCDECAUX NEDERLAND BV	The Netherlands	100.00	F	100.00
VERKOOP KANTOOR MEDIA (V.K.M) BV	The Netherlands	100.00	F	100.00
JCDECAUX PORTUGAL - MOBILIARO URBANO Lda	Portugal	100.00	F	100.00
PURBE PUBLICIDADE URBANA & GESTAO Lda	Portugal	100.00	F	100.00
Q. MEDIA DECAUX WLL (1) & (5)	Qatar	49.99	P	49.00
JCDECAUX MESTSKY MOBILIAR Spol Sro	Czech Rep.	100.00	F	100.00
JCDECAUX – BIGBOARD AS	Czech Rep.	50.00	P	50.00
JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
JCDECAUX OUT OF HOME ADVERTISING Pte Ltd (1)	Singapore	100.00	F	100.00
JCDECAUX SLOVAKIA Sro	Slovakia	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
JCDECAUX SVERIGE AB (1)	Sweden	100.00	F	100.00
OUTDOOR AB	Sweden	48.50	P	48.50
JCDECAUX THAÏLAND Co., Ltd (1)	Thailand	95.15	F	95.15
ERA REKLAM AS (3)	Turkey	89.76	F	100.00
WALL SEHIR DIZAYNI LS (3)	Turkey	89.72	F	99.58
JCDECAUX URUGUAY (12)	Uruguay	100.00	F	100.00

TRANSPORT

JCDECAUX AIRPORT FRANCE	France	100.00	F	100.00
METROBUS	France	33.00	E	33.00
MEDIA FRANKFURT GmbH	Germany	39.00	P	39.00
JCDECAUX AIRPORT MEDIA GmbH	Germany	100.00	F	100.00
TRANS – MARKETING GmbH (3)	Germany	70.60	F	78.36
JCDECAUX AIRPORT UK Ltd	United Kingdom	100.00	F	100.00
JCDECAUX ALGERIE Sarl (5)	Algeria	79.98	F	80.00
JCDECAUX AIRPORT ALGER (5)	Algeria	79.98	F	100.00
JCDECAUX ATA SAUDI LLC. (13)	Saudi Arabia	60.00	F	60.00
INFOSCREEN AUSTRIA GmbH	Austria	67.00	F	100.00
JCDECAUX AIRPORT BELGIUM	Belgium	100.00	F	100.00
JCDECAUX CHILE SA (1)	Chile	100.00	F	100.00
JCD MOMENTUM SHANGHAI AIRPORT ADVERTISING Co. Ltd	China	35.00	P	35.00
JCDECAUX ADVERTISING (BEIJING) Co. Ltd	China	100.00	F	100.00
SHANGHAI TOP RESULT METRO ADVERTISING Co. Ltd (14)	China	90.00	F	90.00
BEIJING TOP RESULT METRO ADV. Co. Ltd (9)	China	90.00	P	38.00
JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd	China	100.00	F	100.00
SHANGHAI METRO-ADS ADVERTISING Co. Ltd (14)	China	90.00	P	90.00
SHANGHAI DONGHU MPI ADV. Co. (14)	China	70.00	F	70.00
NANJING MPI METRO ADVERTISING Co. Ltd	China	70.00	F	70.00
GUANGZHOU YONG TONG METRO ADV. Ltd	China	32.50	P	32.50
NANJING MPI TRANSPORTATION ADVERTISING	China	50.00	F	87.60
CHONGQING MPI PUBLIC TRANSPORTATION ADVERTISING Co. Ltd	China	100.00	F	100.00
CHENGDU MPI PUBLIC TRANSPORTATION ADV. Co. Ltd	China	50.00	F	50.00
SHANGHAI ZHONGLE VEHICLE PAINTING Co. Ltd	China	40.00	E	40.00
JINAN CHONGGUAN SHUNHUA PUBLIC TRANSPORT ADV. Co. Ltd	China	30.00	P	30.00
SHANGHAI SHENTONG JCDECAUX METRO ADVERTISING Co. Ltd	China	65.00	P	51.00
JCDECAUX XINCHAO ADV. (XIAMEN) LIMITED Co	China	80.00	F	80.00
NANJING METRO JCDECAUX ADVERTISING Co., Ltd (13)	China	98.00	F	98.00
JCDECAUX-DICON FZCO (5)	United Arab Emirates	74.99	F	75.00
JCDECAUX ADVERTISING AND MEDIA (5)	United Arab Emirates	79.98	F	49.00
JCDECAUX AIRPORT ESPANA SA	Spain	100.00	F	100.00
JCDECAUX-PUBLIMEDIA UTE (15)	Spain	70.00	F	70.00
JCDECAUX & CEVASA SA	Spain	50.00	P	50.00
JCDECAUX ESPANA SL Y PUBLIMEDIA SISTEMAS PUBLICITARIOS - METRO DE BARCELONA (15)	Spain	70.00	F	70.00

COMPANIES	Country	% interest	Consolidation Method	% control
JCDECAUX TRANSPORT, SLU (13)	Spain	100.00	F	100.00
JCDECAUX AIRPORT, Inc.	United States	100.00	F	100.00
JCDECAUX TRANSPORT INTERNATIONAL, LLC	United States	100.00	F	100.00
JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT LAWA, LLC	United States	92.50	F	92.50
JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT SAN DIEGO, LLC	United States	100.00	F	100.00
JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT DALLAS, LLC	United States	100.00	F	100.00
JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	F	100.00
JCDECAUX OUTDOOR ADVERTISING HK Ltd (1)	Hong Kong	100.00	F	100.00
JCDECAUX INNOVATE Ltd	Hong Kong	100.00	F	100.00
MEDIA PRODUCTION Ltd	Hong Kong	100.00	F	100.00
JCDECAUX CHINA HOLDING Ltd	Hong Kong	100.00	F	100.00
TOP RESULT PROMOTION Ltd	Hong Kong	100.00	F	100.00
MEDIA PARTNERS INTERNATIONAL Ltd	Hong Kong	100.00	F	100.00
DIGITAL VISION (MEI TI BO LE GROUP)	Hong Kong	100.00	F	100.00
IGPDECAUX Spa (1)	Italy	32.35	P	32.35
AEROPORTI DI ROMA ADVERTISING Spa	Italy	24.10	P	32.35
CNDECAUX AIRPORT MEDIA Co. Ltd (13)	Macau	30.00	E	30.00
JCDECAUX NORGE AS (1)	Norway	97.69	F	100.00
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	F	100.00
JCDECAUX AIRPORT PORTUGAL SA	Portugal	85.00	F	85.00
RENCAR PRAHA AS	Czech Rep.	47.79	F	71.33
JCDECAUX ASIA SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
XPOMERA AB	Sweden	79.00	F	79.00

BILLBOARD				
AVENIR	France	100.00	F	100.00
JCDECAUX ARTVERTISING	France	100.00	F	100.00
JCDECAUX MEDIA SERVICES Ltd	United Kingdom	100.00	F	100.00
MARGINHELP Ltd	United Kingdom	100.00	F	100.00
JCDECAUX Ltd	United Kingdom	100.00	F	100.00
JCDECAUX UNITED Ltd	United Kingdom	100.00	F	100.00
ALLAM GROUP Ltd	United Kingdom	100.00	F	100.00
EXCEL OUTDOOR MEDIA Ltd	United Kingdom	100.00	F	100.00
GEWISTA WERBEGESELLSCHAFT mbH (1)	Austria	67.00	F	67.00
EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	67.00	F	100.00
PROGRESS AUSSENWERBUNG GmbH	Austria	67.00	F	100.00
PROGRESS WERBELAND WERBE. GmbH	Austria	34.17	F	51.00
ISPA WERBEGES.mbH	Austria	67.00	F	100.00
USP UNI SERVICE PLAKAT GmbH	Austria	50.25	F	75.00
JCDECAUX INVEST HOLDING GmbH	Austria	100.00	F	100.00
JCDECAUX SUB INVEST HOLDING GmbH	Austria	100.00	F	100.00
JCDECAUX CENTRAL EASTERN EUROPE GmbH	Austria	100.00	F	100.00
GEWISTA SERVICE GmbH	Austria	67.00	F	100.00
AUSSENW.TSCHECH.-SLOW.BETEILIGUNGS GmbH	Austria	67.00	F	100.00

COMPANIES	Country	% interest	Consolidation Method	% control
PSG POSTER SERVICE GmbH	Austria	32.83	P	49.00
ROLLING BOARD OBERÖSTERREICH WERBE GmbH	Austria	25.13	P	50.00
KULTURPLAKAT	Austria	46.90	F	70.00
JCDECAUX BILLBOARD	Belgium	100.00	F	100.00
JC DECAUX ARTVERTISING BELGIUM	Belgium	100.00	F	100.00
CITY BUSINESS MEDIA	Belgium	100.00	F	100.00
HDE INVESTISSEMENT	Belgium	100.00	F	100.00
OUTDOOR MEDIA SYSTEMS	Cyprus	50.00	P	50.00
CEE MEDIA HOLDING	Cyprus	50.00	P	50.00
DROSFIELD ENTERPRISES	Cyprus	50.00	P	50.00
FEGPORT INVESTMENTS	Cyprus	50.00	P	50.00
EUROPLAKAT-PROREKLAM Doo	Croatia	34.17	F	51.00
METROPOLIS MEDIA Doo (CROATIA)	Croatia	34.17	F	100.00
FULLTIME Doo	Croatia	34.17	F	100.00
JCDECAUX ESPANA SLU (1)	Spain	100.00	F	100.00
JCDECAUX PUBLICIDAD LUMINOSA SL	Spain	100.00	F	100.00
POAD	Hong Kong	49.00	E	49.00
DAVID ALLEN HOLDINGS Ltd (16)	Ireland	100.00	F	100.00
DAVID ALLEN POSTER SITES Ltd	Ireland	100.00	F	100.00
SOLAR HOLDINGS Ltd	Ireland	100.00	F	100.00
JCDECAUX IRELAND Ltd	Ireland	100.00	F	100.00
N.B.S.H. PROREKLAM-EUROPLAKAT PRISHTINA	Kosovo	20.67	P	41.13
JCDECAUX MEDIA Sdn Bhd	Malaysia	100.00	F	100.00
EUROPOSTER BV	The Netherlands	100.00	F	100.00
MAG INTERNATIONAL BV	The Netherlands	67.00	F	100.00
BIGBOARD B.V.	The Netherlands	50.00	P	50.00
JCDECAUX NEONLIGHT Sp zoo	Poland	60.00	F	60.00
RED PORTUGUESA – PUBLICIDADE EXTERIOR SA	Portugal	94.86	F	94.86
PLACA Lda	Portugal	100.00	F	100.00
CENTECO - PUBLICIDADE EXTERIOR Lda	Portugal	70.00	F	70.00
AUTEDOR - PUBLICIDADE EXTERIOR Lda	Portugal	51.00	F	51.00
GREEN - PUBLICIDADE EXTERIOR Lda	Portugal	54.02	F	55.00
RED LITORAL - PUBLICIDADE EXTERIOR Lda	Portugal	71.14	F	75.00
JCDECAUX NEONLIGHT (PORTUGAL)	Portugal	67.04	F	67.04
AVENIR PRAHA Spol Sro (17)	Czech Rep.	100.00	F	100.00
EUROPLAKAT Spol Sro	Czech Rep.	67.00	F	100.00
WALL GUS	Russia	50.00	P	50.00
BIG – MEDIA Ltd.	Russia	50.00	P	50.00
BIGBOARD Co., Ltd.	Russia	50.00	P	50.00
X – FORMAT PLUS, Ltd.	Russia	50.00	P	50.00
PETROVIK KRASNODAR	Russia	50.00	P	50.00
ISPA BRATISLAVA Spol Sro	Slovakia	67.00	F	100.00
EUROPLAKAT INTERWEB Spol Sro	Slovakia	67.00	F	100.00
INREKLAM PROGRESS Doo	Slovenia	27.56	P	41.13
PROREKLAM-EUROPLAKAT Doo	Slovenia	27.56	P	41.13
PLAKATIRANJE Doo	Slovenia	27.56	P	41.13
SVETLOBNE VITRINE	Slovenia	27.56	P	41.13
MADISON Doo	Slovenia	27.56	P	41.13
METROPOLIS MEDIA Doo (SLOVENIA)	Slovenia	27.56	P	41.13
INTERFLASH doo LJUBLJANA	Slovenia	27.56	P	41.13

COMPANIES	Country	% interest	Consolidation Method	% control
AFFICHAGE HOLDING	Switzerland	30.00	E	30.00
BIGBOARD GROUP	Ukraine	50.00	P	50.00
BIGBOARD KIEV	Ukraine	50.00	P	50.00
BIGBOARD KHARKHOV	Ukraine	50.00	P	50.00
BIGBOARD DONETSK	Ukraine	50.00	P	50.00
BIGBOARD KRIVOY ROG	Ukraine	50.00	P	50.00
BIGBOARD SIMFEROPOL	Ukraine	50.00	P	50.00
BIGBOARD NIKOLAEV	Ukraine	50.00	P	50.00
BIGBOARD VYSHGOROD	Ukraine	50.00	P	50.00
AUTO CAPITAL	Ukraine	50.00	P	50.00
MEDIA CITY	Ukraine	50.00	P	50.00
BIGBOARD LVIV	Ukraine	50.00	P	50.00
POSTER GROUP	Ukraine	50.00	P	50.00
POSTER KIEV	Ukraine	50.00	P	50.00
POSTER DNEPROPETROVSK	Ukraine	50.00	P	50.00
POSTER ODESSA	Ukraine	50.00	P	50.00
REKSVIT UKRAINE	Ukraine	50.00	P	50.00
ALTER – V	Ukraine	50.00	P	50.00
UKRAYINSKA REKLAMA	Ukraine	50.00	P	50.00
BOMOND	Ukraine	25.00	P	50.00
GARMONIYA	Ukraine	25.00	P	50.00
BIG MEDIA	Ukraine	50.00	P	50.00
UKRAINSKYY MEDIA MONITOR (17)	Ukraine	50.00	P	50.00
MEDIA CITY	Ukraine	50.00	P	50.00

(1) Companies spread over each of the three activities for segment reporting purposes, but listed here according to their historical activity.
(2) Companies sold in 2010.
(3) In 2010, purchase of 0.91 % of non-controlling interest in the capital of Wall AG; impact on the percentage of interest in Wall AG and its subsidiaries in Germany, Bulgaria and Turkey. Moreover, exercise of the put option on the remaining 10% interest in Era Reklam AS, now wholly owned and increase in the capital of Trans-marketing GmbH.
(4) Decrease in the capital of JCDecaux Argentina SA. The Group's ownership decreases from 99.93% to 99.82%.
(5) 2010 sale to the partner of two JCDecaux Middle East FZ-LLC shares held by JCDecaux Asie Holding; impact on the percentage of interest in the subsidiaries JCDecaux Bahrain Holding SPC, JCDecaux Street Furniture, JCDecaux-Dicon FZCO, JCDecaux Algérie Sarl, JCDecaux Airport Alger, Q. media Decaux WLL and JCDecaux Advertising and Media.
(6) Wall Decaux Holdings, Inc. was absorbed by JCDecaux Boston, Inc.
(7) Including Bus Focus Ltd, an associate.
(8) In 2010, share capital was increased for the benefit of third parties. JCDecaux Israël Ltd is now 92% held against 100% previously.
(9) MCDecaux Inc. (Japan) and Beijing Top Result Metro Adv. Co Ltd (China) are proportionately consolidated due to joint control over management with the Group's partner.
(10) In 2010, the acquisition of control of RTS Decaux JSC by the Group led to the full consolidation of this company without any change in the percentage of interest.
(11) The capital decrease and increase of JCDecaux UZ for the benefit of third-parties changed the Group's ownership from 71.35% to 70.10%.
(12) This company is a representative office of JCDecaux Mobilier Urbain.
(13) Companies consolidated for the first time in 2010.
(14) Companies liquidated in 2010.
(15) JCDecaux-Publimedia UTE was liquidated in 2010 and replaced with JCDecaux Espagne SL y Publimedia Sistemas Publicitarios-Metro de Barcelona. This company is a representative office of JCDecaux España SLU.
(16) Company incorporated under UK law and operating in Northern Ireland.
(17) Acquisition of 10% of non-controlling interests in the share capital of Avenir Praha Spol Sro; this company is now 100% held.

Note: F = Full consolidation P = Proportionate consolidation E = Equity accounted

12. SUBSEQUENT EVENTS

On January 14, 2011, the Group acquired control of IP Decaux Inc. in South Korea following the purchase of 50% of the company, bringing the Group's stake to 100%, for an amount of 13.4 billion of South Korean wons, i.e. an approximate amount of €9 million.

MANAGEMENT DISCUSSION AND ANALYSIS OF JCDECAUX SA CORPORATE FINANCIAL STATEMENTS

1. COMMENTS ON ACTIVITY, EARNINGS, PROGRESS MADE AND DIFFICULTIES ENCOUNTERED DURING THE FISCAL YEAR

Fiscal year 2010 was highlighted by a modest recovery in the advertising market, following the sharp decline in advertising investments observed in 2009. JCDecaux SA thus pursued a rigorous control policy over operating costs and investments during the year.

The Company's activities cover the following areas:

- Marketing of advertising space for JCDecaux Mobilier Urbain, SOPACT and SOMUPI;
- Installation, maintenance, repair and removal of street and sidewalk furniture;
- Supply of street furniture and spare parts for Group subsidiaries;
- Assistance and consulting services covering administrative, technical, IT, legal, real estate, employee relations and industrial issues for the various JCDecaux Group subsidiaries;
- Investment management.

2. COMMENTS ON THE FINANCIAL STATEMENTS

2.1. Revenue

Revenue for 2010 amounted to €594 million, compared to €710.9 million in 2009, for a decrease of 16.4%.

Advertising revenue increased by 6.1%, standing at €325.6 million in 2010, compared to €306.9 million in 2009, representing 54.8% of 2010 revenue, compared to 43.2% in 2009.

Sales of street furniture and other goods fell by 47.2%, amounting to €75.6 million in 2010, compared to €143 million in 2009, representing 12.7% of revenue in 2010, compared to 20.1% in 2009. The sales decrease is primarily explained by declining street furniture investments for the Group's French subsidiaries in fiscal year 2010.

Revenue from other company services essentially covering the assembly, maintenance, and display of street furniture and all the assistance and consulting services for Group subsidiaries amounted to €192.8 million in 2010, compared to €261 million in 2009. The change is mainly explained by a decrease in amounts billed to the French subsidiaries whose furniture was subject to service price adjustments with effect from January 1, 2010, in order to better reflect the economic value of the services provided.

Inventorie of goods amounts to -€8.8 million, compared to -€18.3 million in 2009. We pursued in 2010 the efforts initiated in 2008 to reduce finished goods inventories.

Other revenue decreased by €1.9 million in 2010 due to the decrease in brand licensing fees billed to subsidiaries based on their 2009 earnings, which were significantly impacted by the crisis.

2.2. Operating expenses

Operating expenses amounted to €614.8 million in 2010, compared to €644.1 million in 2009, for a €29.3 million decrease representing 4.6%.

The decrease is essentially due to fewer purchases of raw materials and other supplies for €33.2 million, in line with lower street furniture sales and inventory reductions.

Other purchases and external charges stood at €365.9 million in 2010, compared to €367.1 million in 2009.

In 2010, employee-related expenses amounted to €144.0 million, compared to €135.2 million in 2009, for an increase of 6.5% mainly due to higher profit-sharing.

Depreciation, amortization and provisions were relatively lower, amounting to €20.7 million, compared to €22.5 million in 2009, largely due to amortization.

The €0.9 million decrease in other expenses is mainly attributable to the decline in brand licensing fees paid to JCDecaux Mobilier Urbain.

Non-deductible expenses, as provided under Article 223 *quater* of the French Tax Code, amounted to €56,462, generating an estimated tax charge of €19,422.

2.3. Net financial income

Net financial income stood at €209.8 million in 2010, compared to a loss of €131.1 million in 2009, for an increase of €340.9 million primarily explained by:

- the net change in equity investment impairment for +€312.1 million, relating to €135.2 million in net reversals with respect to 2009 net impairments of €176.9 million, reflecting the recovery in the advertising market and the renewal of a certain number of contracts, particularly in North America;
- a €26.3 million increase in foreign exchange gains net of foreign exchange losses;
- an €8.7 million decrease in interest paid on borrowings offset by a €1.1 million decrease in interest received;
- a €20.8 million debt waiver granted on December 30, 2009 to the subsidiary SOMUPI;
- a €25.9 million decrease in revenue from equity investments.

2.4. Non-recurring income

Non-recurring income amounted to €0.3 million in 2010, compared to €2.3 million in 2009, for a decrease of €2 million compared to 2009. The item essentially comprises movements in accelerated depreciation.

2.5. Net income

Net income posted a profit of €211.3 million in 2010, compared to a loss of €48.0 million in 2009.

3. RECENT DEVELOPMENTS AND OUTLOOK

Following a rebound in advertising spending in 2010, the advertising revenue growth should be moderate in 2011. Accordingly, we will continue our strict cost and investment control policy.

JCDECAUX SA CORPORATE FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET ASSETS

(In million euros)		2010	2009
Intangible assets	Gross value	62.8	58.6
	Amortization	(53.1)	(49.0)
	Net value	9.7	9.6
Property, plant and equipment	Gross value	160.7	159.7
	Depreciation	(143.3)	(139.6)
	Net value	17.4	20.1
Long-term investments	Gross value	2,984.5	2,977.0
	Amortization	(124.4)	(259.6)
	Net value	2,860.1	2,717.4
FIXED ASSETS		**2,887.2**	**2,747.1**
Inventories	Gross value	51.0	66.2
	Impairment	(13.4)	(12.3)
	Net value	37.6	53.9
Trade receivables	Gross value	176.7	190.6
	Impairment	(4.3)	(5.0)
	Net value	172.4	185.6
Other receivables	Gross value	26.7	25.3
	Impairment	0.0	0.0
	Net value	26.7	25.3
Miscellaneous	Cash and cash equivalents	106.0	7.3
Prepaid expenses		8.0	6.8
CURRENT ASSETS		**350.7**	**278.9**
	Deferred charges	1.8	1.3
	Unrealized translation losses	5.1	4.4
TOTAL		**3,244.8**	**3,031.7**

BALANCE SHEET LIABILITIES AND EQUITY

(In million euros)		2010	2009
Share capital		3.4	3.4
Premium on share issues, mergers and contributions		1,145.4	1,141.7
Reserves		696.9	745.0
Retained earnings		0.5	0.5
Net income/(loss) for the year		211.3	(48.0)
Tax-driven provisions		7.0	7.2
EQUITY		**2,064.5**	**1,849.8**
PROVISIONS FOR CONTINGENCIES AND LOSSES		**17.7**	**19.9**
Long-term debt	Other bonds	293.9	363.7
	Bank borrowings	121.1	156.2
	Miscellaneous facilities and other financial debt	545.8	446.1
Operating liabilities	Trade payables and related accounts	99.5	73.5
	Tax and social security liabilities	65.9	59.8
Miscellaneous liabilities	Amounts due on fixed assets and related accounts	1.9	1.2
	Other liabilities	19.2	27.3
Deferred income		10.1	11.6
LIABILITIES		**1,157.4**	**1,139.4**
	Unrealized translation gains	5.2	22.6
TOTAL		**3,244.8**	**3,031.7**

INCOME STATEMENT

(In million euros)	2010	2009
NET REVENUES	**594.0**	**710.9**
Change in inventories of finished goods and work-in-progress	(8.8)	(18.3)
Self-created assets	3.9	2.8
Reversals of amortization, depreciation, provisions and expense reclassifications	12.5	10.3
Other revenue	18.2	20.1
TOTAL OPERATING INCOME	**619.8**	**725.8**
Purchase of raw materials and other supplies	51.4	84.6
Other purchases and external charges	365.9	367.1
Taxes	9.8	10.8
Wages and salaries	100.5	92.7
Social security contributions	43.5	42.5
Amortization, depreciation and provisions	20.7	22.5
Other charges	23.0	23.9
TOTAL OPERATING CHARGES	**614.8**	**644.1**
NET OPERATING INCOME	**5.0**	**81.7**
NET FINANCIAL INCOME/(LOSS)	**209.8**	**(131.1)**
CURRENT INCOME/(LOSS) BEFORE TAXES	**214.8**	**(49.4)**
Non-recurring income	3.6	4.5
Non-recurring charge	3.3	2.2
NON-RECURRING INCOME/(CHARGES)	**0.3**	**2.3**
Employee-profit sharing	(0.2)	(0.4)
Income taxes	(3.6)	(0.5)
NET INCOME/(LOSS)	**211.3**	**(48.0)**

NOTES TO THE JCDECAUX SA CORPORATE FINANCIAL STATEMENTS

The corporate financial statements of JCDecaux SA for the year ended December 31, 2010 were approved by the Executive Board on March 3, 2011 and show revenues of €594.0 million, net income of €211.3 million and total assets of €3,244.8 million.

1. ACCOUNTING POLICIES AND METHODS

1.1. General principles

The corporate financial statements for the twelve-month period ended December 31, 2010 have been prepared in accordance with current laws and regulations and with generally accepted accounting principles:

- going concern,
- consistency,
- accrual basis.

The items recorded in the accounts are valued according to the historical cost method.

1.2. Main methods used

1.2.1. Fixed assets

Fixed assets are valued at acquisition cost in accordance with accounting standards. There has been no change in valuation methods.

1.2.1.1. *Intangible assets*

Intangible assets consist mainly of software. They are amortized on a straight-line basis, over a period of 3 to 5 years.

Expenses incurred, both internal and external, to develop significant software (core business line IT applications) are carried in intangible assets and amortized on a straight-line basis over 5 years. In accordance with current accounting regulations, only expenses incurred in the detailed design, programming and configuration, testing and acceptance phases are recorded under intangible assets.

In order to benefit from tax provisions, the Company records the difference between accounting and tax depreciation in accelerated depreciation (12 months).

Any research and development expenditure incurred over the year is booked as an expense.

1.2.1.2. *Property, plant and equipment*

Depreciation methods and periods are as follows:

- Buildings.. straight-line - 20 years
- Fixtures and fittings in buildings................................ straight-line - 5 or 10 years
- Technical installations, tools and equipment........... straight-line or declining balance - 5 or 10 years
- Vehicles .... straight-line - 4 or 5 years
- Office and other equipment .... straight-line or declining balance - 3 or 5 years
- Furniture... straight-line - 10 years
- Street furniture... term of contracts

1.2.1.3. *Long-term investments*

Equity investments are presented on the balance sheet at acquisition cost. An impairment loss is recognized when their value in use is less than the acquisition cost.

Value in use is calculated based on discounted future cash flows, less net debt.

When equity investments are sold, the FIFO method is applied.

1.2.2. Current assets

1.2.2.1. *Inventories and work-in-progress*

Inventories of raw materials are valued at purchase price. Semi-finished and finished goods are valued at cost, including direct and indirect production costs.

A provision is recognized on the basis of value in use and the probability of future use.

1.2.2.2. *Receivables*

Provisions are recognized based on the risk of non-recovery for disputed debt or bad debt due to age.

1.2.2.3. *Marketable securities*

Marketable securities are valued at acquisition cost. An impairment loss is recognized if the year-end carrying value is lower than cost.

1.2.2.4. *Prepaid expenses*

In accordance with the accrual basis principle, expenses relating to 2011 and thereafter are recorded in this account.

1.2.3. Liabilities and equity

1.2.3.1. *Provisions for contingencies and losses*

Provisions are recognized to meet legal or implicit obligations, arising from past events existing at the balance sheet date and for which an outflow of resources is expected.

1.2.3.2. *Provisions for retirement and similar benefits*

JCDecaux SA's obligations resulting from defined benefit plans, as well as their cost, are determined using the actuarial projected unit credit method.

This method consists in measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, Company-wide agreements or current legal rights.

For post-employment defined benefits, actuarial gains or losses exceeding the greater of 10% of the present value of the defined benefit obligation or the fair value of the related plan assets are amortized over the remaining average working lives of employees within the Group. Past service costs are amortized on a straight-line basis, over the average period until the benefits become vested.

For long-term benefits, actuarial gains or losses and past service costs are recognized as an income or expense when they occur.

1.2.3.3. *Deferred income*

In accordance with the accrual basis principle, income relating to 2011 and thereafter is recorded in this account.

1.2.4. Foreign currency transactions and financial instruments

1.2.4.1. *Foreign currency transactions*

Payables, receivables and cash denominated in foreign currencies are shown on the balance sheet at their euro equivalent value using year-end exchange rates. Any difference resulting from the revaluation of these foreign currency payables and receivables is recorded in the balance sheet under unrealized translation gains or losses.

Unrealized foreign exchange losses that are not hedged are covered by a foreign exchange loss provision.

1.2.4.2. *Financial instruments*

The purpose of interest rate hedging is to limit the impact of fluctuations in short-term interest rates on loans secured by the Company.

Items are hedged by means of over-the-counter instruments with leading banking counterparties. The financial instruments used are mainly swaps, forward rate agreements and interest rate options.

The purpose of foreign exchange hedging is to protect the Company against foreign currency fluctuations affecting the euro. The instruments used are mainly forward purchases and sales of foreign currencies against the euro and foreign exchange options.

.

2. NAME AND ADDRESS OF THE CONSOLIDATING PARENT COMPANY

Although the Company publishes consolidated financial statements, its corporate financial statements are fully consolidated into the consolidated financial statements of the following company:

JCDecaux Holding
17, Rue Soyer
92200 Neuilly sur Seine

3. INTANGIBLE ASSETS

(In million euros)	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Gross value	58.6	7.8	3.6	62.8
Amortization and impairment	(49.0)	(4.1)		(53.1)
Net value	**9.6**	**3.7**	**3.6**	**9.7**

Gross value *(In million euros)*	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Patents, licenses and software	56.6	3.9		60.5
Purchased goodwill	0.1			0.1
Intangible assets under development	1.9	3.9	3.6	2.2
Total	**58.6**	**7.8**	**3.6**	**62.8**

Amortization and impairment *(In million euros)*	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Patents, licenses and software	(49.0)	(4.1)		(53.1)
Total	**(49.0)**	**(4.1)**		**(53.1)**

4. PROPERTY, PLANT AND EQUIPMENT

(In million euros)	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Gross value	159.7	5.0	4.0	160.7
Depreciation and impairment	(139.6)	(7.1)	(3.4)	(143.3)
Net value	**20.1**	**(2.1)**	**0.6**	**17.4**

Gross value *(In million euros)*	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Land	0.2			0.2
Buildings	24.1	0.1		24.2
Street furniture	1.4	0.1		1.5
Technical installations, machinery and equipment	33.1	0.4	0.2	33.3
Fixtures and fittings	36.5	0.3		36.8
Vehicles	42.5	2.4	2.9	42.0
Office and other equipment	21.2	1.2	0.5	21.9
Other	0.1			0.1
PPE under construction	0.6	0.5	0.4	0.7
Advances and payments on account	0.0			0.0
TOTAL	**159.7**	**5.0**	**4.0**	**160.7**

Depreciation and impairment *(In million euros)*	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Buildings	(17.7)	(1.0)		(18.7)
Street furniture	(1.2)	(0.1)		(1.3)
Technical installations, machinery and equipment	(29.6)	(1.3)	(0.1)	(30.8)
Fixtures and fittings	(33.3)	(1.2)		(34.5)
Vehicles	(38.2)	(2.3)	(2.9)	(37.6)
Office and other equipment	(19.2	(1.2)	(0.4)	(20.0)
Other	(0.1)			(0.1)
PPE under construction	(0.3)			(0.3)
TOTAL	**(139.6)**	**(7.1)**	**(3.4)**	**(143.3)**

5. LONG-TERM INVESTMENTS

(In million euros)	Amount as of 01/01/2010	Increase	Decrease	Amount as of 12/31/2010
Equity investments	2,582.9			2,582.9
Loans to affiliates	246.9	68.3	105.1	210.1
Loans and other long-term investments	147.2	286.2	241.9	191.5
Gross value	**2,977.0**	**354.5**	**347.0**	**2,984.5**
Impairment	(259.6)	(0.3)	(135.5)	(124.4)
Net value	**2,717.4**	**354.2**	**211.5**	**2,860.1**

The increase or decrease in "Loans to affiliates" corresponds to new loans and to the repayment of loans granted to subsidiaries.

Changes in "Loans and other long-term investments" correspond to new loans exceeding one year and the repayments of subsidiaries.

The reversals of equity investment impairment reflect the recovery in the advertising market and the renewal of a certain number of contracts, particularly in North America.

6. INVENTORIES

(In million euros)	**2010**	**2009**
Raw materials and supplies	28.0	34.5
Work-in-progress	0.2	0.8
Semi-finished goods	12.6	18.0
Finished goods	10.2	12.9
Gross value	**51.0**	**66.2**
Impairment	(13.4)	(12.3)
Net value	**37.6**	**53.9**

7. MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS

As of December 31, 2010, marketable securities amounted to €94.2 million.

8. CASH AND CASH RECEIVABLES

(In million euros)	**2010**	**2009**
Bank	11.9	7.3
Cash	NM	NM
Total	**11.9**	**7.3**

9. DEFERRED CHARGES

(In million euros)	**2010**	**2009**
Loan issuing costs	1.8	1.3
Total	**1.8**	**1.3**

Loan issuing costs relate to the 2003 private placement issue in the United States and the renewal of the revolving credit line in 2005, which was subsequently amended in 2006. These costs are expensed over the respective term of each loan. In 2008, the Club Deal loan was extended. Related costs for €568,000 were spread over the remaining term of the credit line, i.e. 5 years. A new loan was secured on March 31, 2010. The loan issuing costs amounting to €1,031,000 are spread over the loan term, i.e. 5 and 6 years according to the brackets.

10. MATURITY OF RECEIVABLES AND PAYABLES

(In million euros)	Total	Less than 1 year	More than 1 year but less than 5 years	More than 5 years
Receivables	612.6	228.2	371.7	12.7
Payables	1,157.4	222.9	934.5	-

The amounts shown in receivables include loans to affiliates, loans, other long-term investments, as well as trade receivables and related accounts, other receivables and prepaid expenses.

The amounts appearing in payables include bond debt, bank debt and other long-term debt with respect to subsidiaries, as well as trade payables and related accounts, other liabilities and deferred income.

JCDecaux SA's long-term debt with respect to companies that are not directly or indirectly owned subsidiaries consists of:

- a private placement issued for USD 150 million and €150 million in 2003 in the United States, repayable between 2013 and 2015, and valued at €292.2 million as of December 31, 2010, hedging included;
- a €100 million credit facility set up in March 2010 and maturing in March 2014 for €20 million and March 2015 for €80 million. As of December 31, 2010, the debt amounted to €100 million;
- a credit facility set up in March 2005 and amended in 2006 and 2008. This committed revolving credit facility for €850 million matures in June 2012 for €140 million and June 2013 for €710 million, with a one-year extension option that was exercised and accepted by the banking pool in June 2008 in the amount of €710 million. As of December 31, 2010, this facility had not been used, leaving the Company with available committed credit facilities amounting to €850 million;
- a €75 million credit facility set up in October 2006 and maturing in October 2011 was repaid in advance in 2010.

While JCDecaux SA financing sources are confirmed, they impose compliance with a number of covenants. As of December 31, 2010, the Group was compliant with all covenants, with values significantly distant from required limits.

11. PREPAID EXPENSES AND DEFERRED INCOME

(In million euros)	2010	2009
Leasing of advertising sites	5.2	5.3
Miscellaneous costs (maintenance, leasing, etc.)	2.8	1.5
Prepaid expenses	**8.0**	**6.8**
Sales of advertising space	10.1	11.6
Miscellaneous	NM	NM
Deferred income	**10.1**	**11.6**

12. EQUITY

(In million euros)	01/01/2010	Allocation of 2009 income	Change 2010	12/31/2010
Share capital	3.4		NM	3.4
Additional paid-in capital	738.6		3.8	742.4
Merger premium	159.1			159.1
Contribution premium	244.0			244.0
Legal reserve	0.3			0.3
Other reserves	744.7	(48.0)	(0.2)	696.5
Retained earnings	0.5			0.5
Net income for the period	(48.0)	48.0	211.3	211.3
Net worth	**1,842.6**	**0.0**	**214.9**	**2,057.5**
Tax-driven provisions	7.2		(0.2)	7.0
Total equity	**1,849.8**	**0.0**	**214.7**	**2,064.5**

As of December 31, 2010, share capital amounted to €3,378,304.92 consisting of 221,602,115 fully paid-up shares.

During the year, 221,598 shares were created following the exercise of stock options, and 10,588 shares were created in accordance with the bonus share allotment plan of February 15, 2008.

As part of the share subscription option plan authorized by the General Meeting of Shareholders of May 13, 2009, the Executive Board granted 76,039 options during fiscal year 2010. As of December 31, 2010, a total of 3,309,763 options, broken down as follows, were allocated under the stock option plans authorized by the General Meetings of Shareholders of May 23, 2002, May 11, 2005, May 10, 2007 and May 13, 2009:

Date of issuance	01/16/2003	03/05/2004	03/04/2005	02/20/2006	02/20/2007	02/15/2008	02/23/2009	12/01/2010
Number of options issued	209,546	678,711	690,365	70,758	763,892	719,182	101,270	76,039
Option strike price	€10.78	€15.29	€19.81	€20.55	€22.58	€21.25	€11.15	€20.20
Expiry date	01/16/2010	03/05/2011	03/04/2012	02/20/2013	02/20/2014	02/15/2015	02/23/2016	12/01/2017

As of December 31, 2010, JCDecaux Holding held 70.41% of the Company's share capital (i.e. 156,030,573 shares).

Tax-driven provisions consist of accelerated depreciation.

13. PROVISIONS FOR CONTINGENCIES AND LOSSES

(In million euros)	Amount as of 01/01/10	Charges 2010	Reversals 2010	Amount as of 12/31/10
Provisions for contingencies				
Litigation	5.9	0.5	4.7	1.7
Foreign exchange losses	0.2	0.1	0.2	0.1
Other	0.2			0.2
Provisions for losses				
Provisions for retirement benefits and long-service bonuses	13.6	2.1		15.7
Total	**19.9**	**2.7**	**4.9**	**17.7**

Reversals of provisions for contingencies break down as follows:

(In million euros)	Provisions used	Provisions unused	Total
Provisions for contingencies	0.1	4.8	4.9

JCDecaux SA's commitments in respect of defined-benefit plans for employees are mainly made up of retirement benefits pursuant to the applicable collective bargaining agreement and long-service bonuses.

The retirement benefit plan is financed in part by a special fund.

Provisions are calculated according to the following assumptions:

As of December 31	2010
Discount rate	4.50%
Salary revaluation rate	2.70%
Expected return on plan assets	4.50%
Average remaining working lives of employees	16 years

Retirement and other long-term benefits break down as follows:

(In million euros)	Retirement benefits	Other commitments	Total
Change in benefit obligations			
Opening balance	22.0	1.8	23.8
Service cost	1.4	0.1	1.5
Interest cost	1.1	0.1	1.2
Actuarial gains/losses	1.5	0.1	1.6
Benefits paid	(0.6)	(0.1)	(0.7)
Benefit obligation at the end of the period	**25.4**	**2.0**	**27.4**
Change in plan assets			
Opening balance	4.9	-	4.9
Expected return on plan assets	0.2	-	0.2
Actuarial gains/losses	-	-	-
Benefits paid by the fund	-	-	-
Employer contribution to the fund	-	-	-
Fair value of assets at the end of the period	**5.1**	**-**	**5.1**

Provision			
Funded status	20.3	2.0	22.3
Actuarial gains or losses to be amortized	(5.0)	-	(5.0)
Past service cost to be amortized	(1.6)	-	(1.6)
Closing provision	**13.7**	**2.0**	**15.7**
Net periodic pension cost			
Service cost	1.4	0.1	1.5
Interest cost	1.0	0.1	1.1
Expected return on plan assets	(0.2)	-	(0.2)
Amortization of actuarial gains or losses	0.1	0.1	0.2
Amortization of past service cost	0.2	-	0.2
Charge for the year	**2.5**	**0.3**	**2.8**

Net changes during the year were as follows:

(In million euros)	2010
As of 01/01/2010	**13.6**
Cost based on the income statement	2.8
Benefits paid	(0.7)
Au 12/31/2010	**15.7**

The breakdown of assets is as follows:

	2010	
(In million euros)	Amount	%
Shares	0.7	13.3%
Bonds	4.1	80.5%
Real estate	0.3	6.2%
Total	**5.1**	**100%**

14. UNRECOGNIZED TAX ASSETS OR LIABILITIES

Decrease (+) and increase (-) in the future tax debt

(In million euros)	2010	2009
Retirement benefits	13.7	11.9
Other provisions	0.4	0.5
Social security tax	0.6	0.8
Unrealized foreign exchange gains/losses	0.1	18.9
Provisions for NER receivables	0.4	0.4
Total	**15.2**	**32.5**

15. BREAKDOWN OF REVENUE

(In million euros)	2010	2009
France	529.2	650.4
Export	64.8	60.5
Total	**594.0**	**710.9**

(In million euros)	France	Export
Sales of advertising space	311.1	14.5
Sales of street furniture and other assets	42.3	33.3
Other services	175.8	17.0
Total	**529.2**	**64.8**

Revenue includes the sale of advertising space for the street furniture business in France, services rendered to non-advertiser clients (local authorities), the sale of street furniture to French and foreign subsidiaries, as well as assistance and consulting services provided to the various JCDecaux group subsidiaries covering administrative, technical, IT and legal, real estate, labor relations and industrial issues. Prices for services billed to the French subsidiaries that own furniture were reviewed with effect from January 1, 2010, in order to better reflect the economic value of the services provided.

16. NET FINANCIAL INCOME

Net financial income stood at €209.8 million in 2010, compared to €(131.1) million in 2009, for an increase of €340.9 million, primarily explained by:

- the net change in equity investment impairment for +€312.1 million, relating to €135.2 million in net reversals of 2009 net impairments totaling €176.9 million;
- a €26.3 million increase in foreign exchange gains net of foreign exchange losses;
- an €8.7 million decrease in interest paid on borrowings offset by a €1.1 million decrease in interest received;
- a €20.8 million debt waiver granted on December 30, 2009 to the subsidiary SOMUPI;
- a €25.9 million decrease in revenue from equity investments.

17. NON-RECURRING INCOME AND CHARGES

(In million euros)	2010
Net carrying amount of PP&E and intangible assets sold	0.1
Net carrying amount of financial assets sold	-
Accelerated depreciation charge	3.2
Total non-recurring charges	**3.3**

(In million euros)	2010
Price of PP&E and intangible assets sold	0.2
Reversal of accelerated depreciation	3.4
Reversal of provisions for contingencies	-
Other	-
Total non-recurring income	**3.6**

18. ACCRUED INCOME AND EXPENSES

(In million euros)	2010	2009
ACCRUED EXPENSES		
Long-term debt		
Other bonds	1.6	2.1
Bank borrowings	-	-
Other borrowings and long-term debt	1.1	0.9
Operating liabilities		
Trade payables and related accounts	54.0	57.8
Tax and social security liabilities	32.3	24.6
Miscellaneous liabilities		
Amounts due on non-current assets and related accounts	0.4	0.8
Other liabilities	11.3	24.1

(In million euros)	2010	2009
ACCRUED INCOME		
Long-term investments		
Loans to affiliates	0.7	0.8
Loans	1.3	0.5
Operating receivables		
Trade receivables and related accounts	17.2	16.5
Other receivables	2.0	1.1
Miscellaneous receivables		
Cash instruments	4.6	1.7
Cash and cash equivalents	0.5	1.0

19. BREAKDOWN OF INCOME TAX

(In million euros)	Income before taxes	Taxes	Income after taxes
Current income	214.8	3.6	211.2
Non-recurring income	0.3	0.1	0.2
Employee-profit-sharing	(0.2)	(0.1)	(0.1)
Net income	214.9	3.6	211.3

A tax consolidation agreement, under which JCDecaux SA is the head company, came into effect as of January 1, 2002 and comprised the following companies:

- JCDecaux Mobilier Urbain
- Avenir
- JCDecaux Airport France
- JCDecaux Artvertising
- SEMUP
- DPE

As of January 1, 2006, SOPACT joined the consolidation group as a consolidated company.

As of January 1, 2007, Cyclocity, JCDecaux Asie Holding, JCDecaux Amériques Holding and JCDecaux Europe Holding joined the consolidation group as consolidated companies.

As of January 1, 2009, International Bike Technology joined the consolidation group as a consolidated company.

Pursuant to the provisions of this agreement and in accordance with prevailing regulations, each tax-consolidated company determines its taxable income and calculates its corporate income tax as if there were no tax consolidation. The tax expense is recorded by the tax-consolidated company, and the corporate income tax is paid by the consolidating company. In the event of a tax loss for the consolidated company, the tax saving represents an immediate gain for the consolidating company.

Should one of the Group's subsidiaries leave the consolidated tax group, the parties shall meet to analyze the consequences.

20. OFF-BALANCE SHEET COMMITMENTS OTHER THAN FINANCIAL INSTRUMENTS

(In million euros)	12/31/2010	12/31/2009
Commitments given		
Business guarantees (1)	71.2	74.7
Other guarantees (2)	141.3	123.2
Pledges, mortgages and collateral	-	-
Commitments given on shares (3)	15.9	15.9
Total	**228.4**	**213.8**
Commitments received		
Commitments received on shares (4)	-	-
Available credit facility	850.0	775.0
Debt waiver (financial recovery clause)	20.8	20.8
Total	**870.8**	**795.8**

(1) *Business guarantees correspond to guarantees issued whereby the Company guarantees, either directly or through counter–guarantees with respect to banks or insurance companies, the performance of concession agreements by subsidiaries.*

(2) *The "Other guarantees" line item consists of the guarantees issued in respect of settlement of lease payments, long-term debt, and vehicle rental for certain subsidiaries or counter-guarantees to banks within the scope of collateral security granted to certain subsidiaries. It should be noted that the amount of the guarantees with regard to long-term debt (credit facilities and bank overdrafts) and collateral security corresponds to the actual amount as of the closing date.*

Commitments given and received on shares are primarily related to acquisition transactions.

(3) *Commitments given on shares comprise:*

- *A put option exercisable from April 1, 2014 to September 30, 2014. This option concerns the 34% interest held by the Group's partner Publicis in Somupi, and the exercise price will be determined by investment banks. It is estimated at €15.9 million as of December 31, 2010.*

(4) *Commitments received on shares comprise:*

- *A put option exercisable from April 1, 2014 to September 30, 2014. This option concerns the 33% interest held by the Group in the Metrobus group, and the exercise price will be determined by investment banks. This option can only be exercised if the RATP renews its contract with Metrobus.*

In addition, as part of their binding cooperation agreement, JCDecaux SA and Affichage Holding have granted each other reciprocal calls in the event of non-compliance with contractual clauses, transfers of certain assets or a change in control.

Lastly, the Group benefits from pre-emptive rights under certain partnership agreements, and can provide for emption or option rights, which are not considered as commitments given or received.

The available credit facility comprises the JCDecaux SA confirmed revolving credit line.

21. FINANCIAL INSTRUMENTS

The Company uses derivative instruments solely for interest rate and foreign exchange rate hedging purposes.

a) Financial instruments related to bond issues

In connection with the issuance of its US private placement in 2003, JCDecaux SA raised funds, a significant portion of which ($250 million) were denominated in US dollars and carried a fixed coupon. As the Group did not generate US dollar funding needs for such an amount and in compliance with its policy to have its medium and long-term loans indexed to floating rates, JCDecaux SA entered into issue swap transactions in tandem with the issuance of its private placement:

	Tranche B	Tranche C	Tranche D	Tranche E
Amount before hedging	USD 100 million	EUR 100 million	USD 50 million	EUR 50 million
Maturity date	April 2013	April 2013	April 2015	April 2015
Repayment	On maturity	On maturity	On maturity	On maturity
Interest rate before hedging	USD fixed	Euribor	USD fixed	Euribor
Amount after hedging	EUR 94.8 million	EUR 100 million	EUR 47.4 million	EUR 50 million
Interest rate after hedging	Euribor	Euribor	Euribor	Euribor

The interest rate hedge on tranche A and the underlying liability matured in April 2010 for USD 100 million.

The market value of the financial instruments portfolio as of December 31, 2010 (theoretical cost of liquidation) is €(19.1) million.

b) Hedging of foreign exchange risk

The Company is exposed to foreign exchange rate risk on the activities of its foreign subsidiaries. Such risks are primarily related to:

- commercial transactions:
- financial transactions:
    - refinancing and transfer of cash flows of foreign subsidiaries, hedged by foreign exchange swaps (the latest maturity of these agreements is June 2011);
    - loans denominated in US dollars and converted into euros, hedged through issue swaps with the same maturity as the loans (see paragraph a).

As of December 31, 2010, the Company had entered into the following hedging agreements:

(In million euros)	Financial and commercial assets	Financial and commercial liabilities	Assets – Liabilities	Off-balance sheet [1]	Contingent positions	Difference
USD	16.4	(146.6)	(130.2)	127.4		(2.8)
CAD	3.7	-	3.7	(3.4)		0.3
GBP	20.6	(6.4)	14.2	(20.4)		(6.2)
SGD	9.8	(19.8)	(10.0)	8.6		(1.4)
SEK	1.1	(5.1)	(4.0)	3.6		(0.4)
AUD	0.6	(22.3)	(21.7)	17.6		(4.1)
NOK	-	(2.0)	(2.0)	1.5		(0.5)
DKK	1.5	-	1.5	(1.3)		0.2
JPY	18.9	(0.2)	18.7	(17.2)		1.5
HKD	20.5	(57.3)	(36.8)	32.8		(4.0)
THB	0.2	(0.1)	0.1	(0.2)		(0.1)
CZK	0.1	-	0.1	(0.1)		0.0
CNY		(0.2)	(0.2)	0.0		(0.2)
SAR	0.1	-	0.1	(0.8)		(0.7)
CHF	-	(0.6)	(0.6)	0.0		(0.6)
ILS	26.2	(0.8)	25.4	(23.8)		1.6
AED	8.4	(14.0)	(5.6)	5.6		0.0
TRY	-	-	-	(0.3)		(0.3)
PLN	0.1	-	0.1	(0.2)		(0.1)
Total	**128.2**	**(275.4)**	**(147.2)**	**129.4**		**(17.8)**

[1] *Issue swaps and short-term foreign exchange swaps. Issue swaps are valued at the hedging rate in the same way as the corresponding financial liabilities. The other swaps are valued at the year-end rate.*

The market value of the short-term financial instrument portfolio (foreign exchange swaps, excluding issue swaps covered above) as of December 31, 2010 (theoretical cost of liquidation) was €(0.2) million.

c) Hedging of interest rate risk

The Company is exposed to interest rate risk on:

- bonds issued directly at a floating or fixed rate but converted into a floating rate upon issue of the bonds, throughout their term;
- bank loans indexed to a floating interest rate.

Thus, the loans subscribed by the Company are mainly indexed to money market rates. In order to protect itself against a rise in rates, the Company has entered into hedges in the form of purchases of straight caps, or caps financed by sales of caps or floors.

As of December 31, 2010, the Company had generated €100 million from spread caps and the sale of floors maturing in 2014. These hedges were not in the money as of December 31, 2010.

The market value of these financial instruments as of December 31, 2010 (theoretical cost of liquidation) was €(0.2) million).

22. COMPENSATION OF SENIOR EXECUTIVES

Attendance fees paid in 2010 to members of the Supervisory Board amounted to €132,250.

Compensation and benefits paid in 2010 to members of the Executive Board, with respect to their terms of office, amounted to €1,097,501.

23. HEADCOUNT

The headcount breakdown by employee category is as follows:

Category	2010	2009
Executives	406	416
Supervisors	742	740
Employees	1,407	1,490
Total	**2,555**	**2,646**

24. TRANSACTIONS CARRIED OUT WITH RELATED COMPANIES

(In million euros)

Balance sheet items (gross value)	**2010**	**2009**
Long-term investments		
Equity investments	2,432.0	2,432.0
Loans to affiliates	206.5	246.9
Loans	190.1	145.5
Deposits and sureties paid	0.9	1.1
Receivables		
Trade receivables and related accounts	61.5	76.4
Other receivables	7.0	4.9
Prepaid expenses	5.2	5.3
Liabilities		
Miscellaneous loans and long-term debt	544.4	436.7
Trade payables and related accounts	61.6	33.6
Other liabilities	4.4	28.9
Amounts due on non-current assets and related accounts	0.1	0.1
Deferred income	NM	NM

Income statement items	**2010**	**2009**
Total operating charges	**273.0**	**256.5**
Total operating income	**263.0**	**404.7**
Interest expense		
Interest and similar charges	3.9	28.1
Interest income		
Income from equity investments	59.5	81.3
Interest	8.9	10.0
Non-recurring income		
Income from the disposal of non-current assets	0.1	0.1

In addition to companies likely to be fully consolidated, related companies include companies that are proportionately consolidated in the JCDecaux Group financial statements.

25. SUBSEQUENT EVENTS

None

26. SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 12/31/2010

COMPANIES	Share capital in K€	Other equity (1) in K€	Share in capital in %	Net carrying amount of shares held in K€ Gross	Net	Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2010 in K€	Net income (loss) for 2010 in K€	Dividends received by the Company during the year in K€
A – SUBSIDIARIES in France Held at over 50%										
SOPACT	229	4,387	100	30,031	30,031			17,381	2,401	2,550
JCDecaux Mobilier Urbain	993	37,047	100	233,677	233,677	113,480		218,220	22,190	
SEMUP	831	3,922	100	39,471	39,471	34,832		20,735	2,170	
AVENIR	26,805	124,953	100	608,462	608,462			189,529	31,487	
JCDecaux Artvertising	778	761	100	30,390	30,037			12,367	2,100	56
JCDecaux Airport France	768	1,559	100	98,799	75,862	400		47,451	5,377	6,240
JCDecaux Asie Holding	6,525	37,998	100	54,691	54,691				4,562	
JCDecaux Amériques Holding	297,000	(153,276)	100	297,000	212,782				73,392	
JCDecaux Europe Holding	581,922	143,599	100	622,224	622,224				28,860	46,554
SOMUPI	762	3,290	66	1,135	1,135	12,701		57,841	(626)	
CYCLOCITY	37	222	100	37	37	2,910		27,510	2,078	2,072
International Bike Technology (non consolidated)	37	(21)	100	37	37				(6)	
JCDecaux Newco (non consolidated)	0,5	(4)	100	0.5	0.5				(4)	
B – EQUITY INVESTMENTS in France held at between 10% and 50%										
METROBUS	1,840	25,599	33	17,886	10,802	3,650		217,961	(3,545)	
DPE	153	(199)	27,70	3,168	3,168	2,200		8,148	105	

(1) *Equity excluding share capital and net income for the year.*

COMPANIES	Share capital in K€	Other equity (1) in K€	Share in capital in %	Net carrying amount of shares held in K€		Loans and advances granted by the Company and not repaid in K€	Amount of guarantees and securities given by the Company in K€	Net revenues excluding tax for 2010 in K€	Net income (loss) for 2010 in K€	Dividends received by the Company during the year in K€
				Gross	Net					
C – Foreign subsidiaries held at over 50%										
JCDecaux Belgium Publicité SA	EUR 269	EUR 356,438	100	355,493	355,493			31,472	7,968	
JCDecaux Eesti	EEK 40	EEK 171,718	100	10,838	10,838			3,353	936	
JCDecaux MESTSKY MOBILIAR Spool Sro	CZK 120,000	CZK 12,000	96.20	3,092	3,092			6,380	1,887	1,916
JCDecaux SALVADOR S.A.	BRL 5,200	BRL (33,013)	90	2,330	2,330	14,419		3,494	478	
IP DECAUX Inc.	KRW 1,000,000	KRW 8,380,686	50	1,424	1,424			9,912	2,298	
AFA JCDecaux A/S	DKK 7,200	DKK 83,523	50	2,209	2,209	1,341		18,752	2,679	
JCDecaux UZ	UZS 2,998,861	UZS 801,930	70.10	1,197	1,197			562	20	45
JCDecaux ISRAEL	ILS 109	ILS (32,123)	100	19	19	23,369		6,151	(3,012)	
UDC-JCDecaux Airport (non consolidated)			50	772	0	90				
D – Foreign equity investments held at between 10% and 50%										
Affichage Holding	CHF 7,800	CHF 180,210	30	133,084	133,084			220,439	(37,894)	
IGP Decaux Spa	EUR 11,086	EUR 68,206	20.48	34,861	34,861			122,715	760	
E – Other foreign equity investments held at less than 10% but whose gross value exceeds 1% of the company's capital										
JCDecaux Artvertising Belgium	EUR 1,735	EUR 24	9.29	274	274			197	(14)	
JCDecaux PORTUGAL Lda	EUR 1,247	EUR 4,295	0.15	253	253			33,499	8,315	62

(1) *Equity excluding share capital and net income for the year.*

FIVE-YEAR FINANCIAL SUMMARY

Type of data	2006	2007	2008	2009	2010
I - CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital (in euros)	3,380,030	3,400,558	3,373,251	3,374,765	3,378,305
b) Number of common shares	221,715,260	223,061,788	221,270,597	221,369,929	221,602,115
c) Maximum number of future shares to be created (stock options)					
II - OPERATIONS AND INCOME FOR THE FISCAL YEAR (in euros)					
a) Revenue excluding taxes	638,686,328	764,462,923	764,931,112	710,923,182	593,984,646
b) Income before taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	132,225,776	107,404,556	163,734,757	140,508,118	89,778,731
c) Income tax	13,534,833	17,522,262	604,470	445,202	3,593,281
d) Employee profit-sharing	41,763	291,890	379,224	443,987	248,830
e) Income after taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	113,952,229	67,151,154	130,410,809	(48,000,020)	211,277,392
f) Dividends paid	93,120,409	97,655,886	-	-	(1)
III - EARNINGS PER SHARE (in euros)					
a) Income after taxes and profit-sharing but before calculated charges	0.54	0.40	0.74	0.63	0.39
b) Income after taxes, profit-sharing and calculated charges	0.51	0.30	0.59	(0.22)	0.95
c) Net dividend allocated to each share	0.42	0.44	-	-	(1)
IV - PERSONNEL					
a) Average headcount during the fiscal year	2,519	2,642	2,693	2,646	2,555
b) Total payroll for the fiscal year (in euros)	90,089,881	94,987,691	98,112,159	92,682,118	100,540,064
c) Total amounts paid during the fiscal year for employee-related benefits (social security, welfare organizations, etc.) (in euros)	37,799,970	41,389,650	43,159,848	42,487,982	43,473,119

(1) *Subject to approval of the 2010 proposed income allocation by the General Meeting of Shareholders*

LEGAL INFORMATION

CORPORATE GOVERNANCE, INTERNAL CONTROL AND RISK MANAGEMENT

1. REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD ON CORPORATE GOVERNANCE, AND INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

This report was approved by the Supervisory Board on 8 March 2011

The Company refers to the AFEP-MEDEF Corporate Governance Code of December 2008 for drawing up this report pursuant to Article L.225-68 of the French Commercial Code in accordance with the Law of 3 July 2008 and the Poupart-Lafarge report on audit committee.

Any points of divergence from this Code are, where applicable, stated and explained within the said report.

Since 2000, our Company has been organised as a French corporation (*Société Anonyme*) with an Executive Board and a Supervisory Board

1.1. Corporate governance

1.1.1. Composition, preparation and organisation of the Executive Board's work

Composition
At 31 December 2010, the Executive Board was composed of four members appointed by the Supervisory Board: Jean-Charles Decaux (Chairman of the Executive Board), Jean-François Decaux (Chief Executive Officer), Gérard Degonse and Jeremy Male. Their term of office is for 3 years.

The Chairman is appointed for one year (annual rotation between Jean-Charles Decaux and Jean-François Decaux). By means of the Articles of Association, the CEO has the same authority to represent the Company as the Chairman of the Executive Board.

For the record, Laurence Debroux has been a member of the Executive Board since 1st January 2011. She was appointed at the Supervisory Board meeting of 7 December 2010 to replace Gérard Degonse, whose term expired at the end of 31 December 2010 following his retirement.

Operation
The Executive Board manages the Company, pursuant to the law and to the Articles of Association.

The Executive Board's role is to define the Company's broad strategic direction, to implement it and to monitor proper performance. It relies on the overall coordination and implementation of the strategy of the Management Committees in each geographic area or, for larger countries, in each country.

The Executive Board meets at least once a month and for an entire day.

Each Executive Board meeting results in the drafting of a preparatory file covering the points on the agenda. Employees or third parties are invited to participate in Executive Board meetings. The Statutory Auditors are also heard during meetings held to review the financial statements. Executive Board meetings are recorded in a summary of decisions. A quarterly report is submitted to the Supervisory Board.

The Executive Board does not have by-laws.

Work
In 2010, the Executive Board met 14 times with a 100% attendance rate of its members.

The Executive Board's work covers in particular:

- the Company's business and affairs (the level of commercial activity, outlook for the year, and trends in operating results);
- organic or external growth operations, new bids, and proposed acquisitions;
- periodic subjects, such as the presentation of the results of audits, budgets, review and approval of half-yearly and annual financial statements, the results of the reviews and audits by Statutory Auditors, financing of the Group and coverage of Group risks, guarantees and other forms of security and sureties, stock options and free shares allocation as well as relating capital increases, the terms and conditions of compensation of the Group's senior executives and preparation of all documents issued for the General Meeting of Shareholders;
- specific subjects such as the impacts of the new French transfer pricing regulations, the validation of a new Group procurement policy and the continued application of AFEP-MEDEF recommendations.

1.1.2. Composition, preparation and organisation of the Supervisory Board's work

Composition

At 31 December 2010, the Supervisory Board was composed of five members appointed for three years by the General Meeting of Shareholders: Jean-Claude Decaux (Chairman), Jean-Pierre Decaux (Vice Chairman), Pierre Mutz, Pierre-Alain Pariente and Xavier de Sarrau.

Members are chosen for their abilities, integrity, independence and determination to take account of the shareholders' interests.

- **Independence of members of the Supervisory Board**

Pursuant to AFEP-MEDEF recommendations, integrated in the Corporate Governance Code of December 2008 and under the terms of the Supervisory Board's by-laws, the Board deemed that a member is independent when he has no relations of any kind whatsoever with the Company, its Group or its Management, that could compromise his ability to judge freely. On this basis, the Board has opted for, in order to guide it in assessing the independence of its members, AFEP-MEDEF criteria, namely:

- not being or having been an employee or director of JCDecaux SA; employee or director of JCDecaux Holding or a company that it consolidates over the past five years;
- not being an employee or director of a company in which JCDecaux SA or one of its employees or directors is a director or member of the Supervisory Board;
- not having business relations with the JCDecaux Group representing a significant proportion of the activity of the member of the Supervisory Board under consideration;
- not having a close family tie with a member of JCDecaux SA's Executive Board;
- not having been an auditor of JCDecaux SA over the past five years;
- not having been a member of JCDecaux SA's Supervisory Board for more than 12 years.

Each year the Compensation and Nominating Committee reviews whether each member of the Supervisory Board meets the independence criteria, and reports on it to the Supervisory Board.

Following this review, the Supervisory Board deemed that three of the five members that form it are independent: Pierre Mutz, Pierre-Alain Pariente and Xavier de Sarrau.

In practice, the Company exceeds its by-laws, which stipulate that the proportion of independent members must be at least a third.

- **Change in the composition of the Supervisory Board**

The Supervisory Board of 8 March 2011 has decided to submit to the General Meeting of 11 May 2011, a motion for the appointment of Mrs Monique Cohen as member of the Supervisory Board thereby raising the number of members of said Board from five to six. Mrs Monique Cohen meets the AFEP-MEDEF criteria on independence, which means that, if appointed, four of of the six members of the Supervisory Board (i.e., 2/3) would be independent.

Operation

The Supervisory Board's role, defined by law and the Company's Articles of Association, is the continuous supervision of the Company's management by the Executive Board.

The Board meets as often as required by the Company and at least once per quarter.

By-laws set out the guiding principles concerning operating rules: the holding of meetings (number of meetings, participation by videoconference) and the creation of committees (tasks, operating rules).

Each Board meeting results in the drafting of a preparatory file covering the points on the agenda and sent several days before the meeting. During the meeting, a detailed presentation of the points on the agenda is made by the Chairman of the Executive Board and the other members of the Executive Board as well as by the Board's Secretary.

Presentations are questioned and debated before the resolutions are voted on, where applicable. Supervisory Board meetings are recorded in detailed and written minutes. These minutes are then sent to Supervisory Board members for review and comments before approval by the Supervisory Board during the next meeting.

The Statutory Auditors are also heard during meetings held to review the financial statements.

Representatives of the Workers' Council attend meetings of the Supervisory Board, on a purely advisory basis.

- **Assessment of the Supervisory Board**

The Board annually assesses its composition, organisation and operation as well as that of its Committees, using individual questionnaires filled out by members. The questionnaire includes a section, specific to each Committee, enabling members of these Committees to assess the operation of the latter. This assessment, which focuses on the Board's operating procedures, also checks that important questions are suitably prepared and debated.

Action proposals (if required) are drawn up from the summary of the answers given, for adoption by the Board. The Board discusses this subject once a year.

- By-laws of the Supervisory Board

Under the terms of the Company's by-laws:

  - members of the Supervisory Board are required to disclose any transactions undertaken in respect of the Company's shares under terms and conditions prescribed by law, and, in accordance with legal requirements, must refrain from such transactions during certain periods. In practice, Board members are advised of the periods during the year when they may not trade in shares, based on the dates for making public disclosure of financial information;
  - each member of the Supervisory Board must own at least 1,000 of the Company's shares, registered in a nominative form.

Work

In 2010, the Supervisory Board met five times, with a 92% attendance rate of its members.

During each Supervisory Board meeting, Executive Board members reported on Group activity, its results and financial position, proposed bids and major external growth projects and, more generally, implementation of Group strategy and possible changes to it.

Moreover, the following subjects were discussed:

  - periodic subjects, such as the review of Company documents and all the documents prepared for the Annual General Shareholders' Meeting (review of the Executive Board's draft annual report, draft agendas, distribution of profits, draft resolutions submitted to the General Meeting of Shareholders and preparation of the report to the General Meeting of Shareholders), prior authorisation of sureties and guarantees for bids, the appointment of the Chairman of the Executive Board and CEO and the review of the Audit Committee and Compensation and Nominating Committee minutes respectively;
  - more specific subjects such as the appointment of Laurence Debroux to the Executive Board, authorisation for regulated agreements with certain related parties, concerning the remuneration of company officers as set out in their employment contracts.

1.1.3. Committees

The Supervisory Board is assisted by two Committees.

The Audit Committee

Composition

At 31 December 2010, the Audit Committee is composed of two members: Xavier de Sarrau, independent member who has the required financial expertise and Pierre Mutz, also an independent member.

The motion for the appointment of Mrs Monique Cohen to the Supervisory Board, which will be submitted to the General Meeting on 11 May 2011, would, subject to her appointment to the Audit Committee by the Supervisory Board, bolster the membership of the Audit Committee which would then comprise three members, all independent and accordingly meet the recommendations of the Poupart-Lafarge Report on the Audit Committee.

Operation

The Audit Committee is reported to, jointly or separately, by the Financial Control, Legal, and Internal Audit Departments and by external auditors. By calling on the professional experience of its members, it monitors the preparation process of financial information, the legal control process of financial statements (including consolidated financial statements), accounting methods used as well as the existence, organisation, operation and application of internal control procedures and risk management ensuring any risks incurred are reasonably planned for. The Audit Committee also reviews the choice and renewal of the external auditors: it reviews their selection procedure, gives its opinion on their choices and examines the nature of their work and the amount of their fees.

The Audit Committee meets at least twice a year, and systematically before the Supervisory Board meetings that review the annual or half-yearly financial statements.

The Audit Committee can call on outside experts. A memo on the Company's accounting, financial and operational particularities is organised on request for any member of the Audit Committee.

Each meeting results in the drafting of a preparatory file sent several days before it takes place. At the meeting, each point on the agenda is presented by the Director of Financial Controls, the Chief Financial and Administrative Officer, the General Counsel, the Director of Internal Audit and the Statutory Auditors and is subsequently discussed.

Audit Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Audit Committee meeting.

Work
In 2010, the Audit Committee met five times, with a 100% attendance rate of its members.

The following subjects were discussed:

- periodic subjects such as the annual and half-yearly Company and consolidated financial statements, the financial development of the group, the Statutory Auditors' planned projects relating to the auditing of accounts, pending Group litigation, review of risks, planned projects and actions of the internal audit group, measures guaranteeing the independence of the Company in relation to its controlling shareholder, the review of the independence of the Statutory Auditors and the review of fees paid to external auditors for the previous fiscal year;
- subjects on more specific issues such as the procedure implemented within the Group concerning the validation of private and public contracts, a presentation of risk mapping and existing or future procedures to reduce the occurrence and possible impacts of identified risks, and the integration of changes concerning the duties of the Audit Committee (AMF recommendation of 14 June 2010).

The Compensation and Nominating Committee

Composition
At 31 December 2010, the Compensation and Nominating Committee was composed of two members: Jean-Claude Decaux (Chairman) and Pierre Mutz.

The Company meets the recommendations of the AFEP-MEDEF Corporate Governance Code, which stipulates that this Committee must not include any corporate officer. Furthermore, one in two members is an independent director.

Operation
Its purpose is also to periodically review changes in the Supervisory Board and to submit candidates for new members to be approved by the General Meeting of Shareholders. The Committee submits to the Supervisory Board all of the conditions for the compensation and exercising of the terms of office of members of the Executive Board and Supervisory Board. These proposals include allocations of share options and free shares.

The Compensation and Nominating Committee meets at least once a year.

It can review the compensation policies of the other senior executives introduced by the Executive Board as well as authorisation requests for the allocation of share options by the latter to the Supervisory Board.

Each meeting results in the drafting of a preparatory file sent several days before it takes place. At the meeting, each point on the agenda will be presented and discussed.

The Compensation and Nominating Committee meeting can be attended by specialist external advisors.

Compensation and Nominating Committee meetings are recorded in written minutes. Minutes are read out to the Supervisory Board after each Compensation and Nominating Committee meeting.

Work
In 2010, the Compensation and Nominating Committee met twice, with a 100% attendance rate of its members.

The following subjects were discussed:

- periodic subjects, such as the review of the independence of members of Board, drawing up the questionnaire relating to the operation and composition of the Board and its processing, the fixed and variable compensation of members of the Executive Board and directors' fees for members of the Board. The Committee then proposed to the Board the principles for the distribution of the directors' fees between the Board and the Committees;
- less frequent subjects such as the proposal made to the supervisory Board to appoint Laurence Debroux as a member of the Executive Board.

1.2. Compensation

The principles and regulations finalised by the Supervisory Board to determine the compensation and any benefits granted to members of the Executive Board and Supervisory Board are set out in the compensation report below on pages 155 to 167; they are part of this report.

1.3. Internal control and risk management procedures introduced by the Company

The Chairman of the Supervisory Board has assigned the Director of Internal Audit and the General Counsel to collect the information to compile this report on internal control and risk management procedures introduced by the Company.

The Company's internal control process refers to the reference framework on the internal control plan, supplemented by the Application Guide drawn up under the aegis of the *Autorité des Marchés Financiers* (French Financial Markets Authority).

This information has been presented to the Executive Board, which considers it compliant with the existing plans in the Group. It has also sent it to the Statutory Auditors for them to draw up their own report as well as the Audit Committee and Supervisory Board.

Objectives of the internal control

Policies in place within the Group aim to ensure that its activities and the behaviour of its members comply with laws and regulations, the internal standards and good practices applicable, as part of the objectives set out by the Company, in order to preserve Group assets, that the financial and accounting information sent both internally and externally provide a true picture of the situation of Group activity and comply with current accounting standards.

Generally, the Group's internal control plan must contribute to controlling its activities, the efficiency of its transactions and the effective use of its resources.

As with any control system, it cannot, however, provide an absolute guarantee that such risks have been completely eliminated.

Our internal control procedures apply to companies that are fully and proportionally consolidated in the consolidated financial statements of JCDecaux SA, and do not apply to companies that are accounted for by the equity method. These procedures are the result of an analysis of the principal financial and operating risks arising from the Company's business in accordance with its objectives.

They are widely circulated to the personnel concerned and their implementation rests on the Group's operational departments. The Internal Audit is responsible for verifying compliance with the procedures adopted and identifying any weaknesses in such procedures.

Risk management

To ensure continuity in the development of its business, the Group must permanently monitor the prevention and strict control of risks (principally operating risks linked to the business and finance) to which it is exposed.

In 2010 the Group continued its existing actions, which include the implementation of appropriate procedures and controls in order to manage these risks and to limit the financial impact.

The Executive Board regularly monitors this risk management policy and reports on it to the Supervisory Board.

The risk identification area concerns the Company, its direct and indirect subsidiaries as well as the companies in which the Company holds a non majority stake but has a managerial control.

Risk management is based on risk mapping. The mapping lists the main risks faced by the Group and its subsidiaries.

It is organised around six actions:

- Identify: a working group composed of the Director of Internal Audit, Finance Director, General Counsel and Director of Sustainable Development and led by the Chief Financial and Administrative Officer regularly reviews the risk mapping identified and makes the necessary adaptations.
- Quantify: the risks are assessed according to probability and impact at the Group and subsidiary levels, resulting in a risk percentage being shown.
- Validate: the working group validates the risks assessed and sends them to the operating teams for comments. Any amendment suggestion made by the operating teams is then analysed and incorporated by the working group.
- Formalise: all risks defined as "significant" are listed on a detailed sheet. This sheet validated by the working group sets out the risk and the key elements that have enabled the risk level to be reached. It includes the controls to be introduced, the person in charge, the actions and monitoring to undertake. Each sheet is then sent to the operating teams, which are then invited to ensure that the appropriate solutions are introduced at the local level.
- Ensure the consistency of the process: the review of the risk mapping is included in the procedures for preparing the Annual Report, the Internal Audit Plan and updates of the control lists of the Internal Control.
- Review annually: each year the working group reviews the elements to amend the risk mapping in order to ensure its exhaustiveness and validity and the opportunity for control points for each risk. The control points are determined thanks to the Internal Control and Self-Evaluation Manual set out on page 153.

Control environment

The control environment is an important factor in the management of the risks of the Group.

This control environment rests on the Operational Departments (Asset Management, Sales and Marketing, Operations) and the Internal Audit, Legal, Finance, IT, Quality Control and Sustainable Development Departments.

Since the initial public offering in 2001, the Company has sought to strengthen internal control and develop a culture of risk management. Thus, the Internal Audit Department was created on 1st April 2004. The Internal Audit Department reports directly to the CEO. Members of the Audit Committee and the Chairman of the Supervisory Board have direct access, outside normal reporting lines, to the Internal Audit Department and may assign specific tasks to it.

The Internal Audit checks the compliance, relevance and effectiveness of the internal control procedures as part of audits that it performs in Group companies according to a schedule finalised beforehand by the Directors of the subsidiaries and presented to the Group's Audit Committee. This schedule is monitored by this Audit Committee. In 2010, the Group strengthened the resources of its Internal Audit team.

The Internal Audit's work rests on audits and operating methods that are constantly reviewed and improved. The audits' conclusions are sent to the Executive Board and systematically followed up with corrective action plans if necessary. This work and the conclusions are communicated to and exchanged with the Statutory Auditors.

The Legal Department takes an inventory of all Group companies and litigation (type, amounts, proceedings, level of risk) and tracks and monitors it on a regular basis, comparing this information with the information held by the Financial Control Department and reports on the major cases to the Audit Committee and the Statutory Auditors twice a year.

The Financial Control Department tracks the trend in performance of the French and foreign subsidiaries on the basis of the information they report, prepares comparisons among subsidiaries, and carries out specific analyses of costs and investments. Within the Financial Control Department, a group of controllers is responsible for the financial monitoring of our foreign subsidiaries. The Finance Directors of the subsidiaries meet on a regular basis to analyse and discuss technical and ethical developments and their responsibilities in terms of controls.

The IT Department works, with regard to internal control, according to four strategies: safeguarding data and information, standardising systems, hosting systems and a business recovery plan.

The Department of Quality Control and Sustainable Development verifies, among other things, compliance with new standards and laws and regulations relating to the environment.

This control environment is supplemented by:

- **the Group Code of Ethics**

Since 2001 the Group has formalised the rules of conduct that have been integral to its success from its inception. There was a first update in 2005 and a second in 2009.

The Code is composed of two series of rules:

  - Fundamental Ethical Rules which apply to dealings with government agencies, shareholders, financial markets and compliance with free competition rules; a Group Ethics Committee is responsible for ensuring compliance with these rules, which are essential to the Group's existence and success and which include the absolute prohibition of any form of corruption, active or passive;
  - a Code of Good Conduct regarding Group relations with Suppliers and Customers, as well as the rights and responsibilities of fellow employees within the Company. The rules it contains must be implemented in each company of the Group, in accordance with applicable national regulations. Compliance with them is the responsibility of the Group's local general managers, both in France and elsewhere.

This new version of the Code of Ethics took effect during the second quarter 2009. It has been widely circulated inside the entire Group (and has been individually accepted by the 2,402 Group employees who are authorised to make binding decisions on behalf of the Group when dealing with third parties) to bring employees up to date with the Group's ethical rules and the importance of complying with these rules.

The Code of Ethics is accessible via JCDecaux's Intranet and on request from the Human Resources Department of each of the Group companies. Furthermore, each new employee (executive) receives a copy of the Code of Ethics when hired.

The Group Ethics Committee consists of three members: the Chairman of the Audit Committee, the Group General Counsel and the Director of Internal Audit. These persons are members of the Committee in as much as they exercise their functions in their official capacity within JCDecaux SA.

Its purpose is to deal with questions in relation to the Fundamental Ethical Rules of the JCDecaux Group and formulate with the Executive Board any recommendation that it deems necessary to examine, by complying with the strictest confidentiality, any situation that is contrary to the Fundamental Ethical Rules that could be brought in good faith to its attention by an employee or by a third party, to put forward any amendment to the Code of Ethics, prepare any response to claims against, or questions to, the Group made in good faith relating to the Fundamental Ethical Rules.

It meets as often as required, has the widest powers to obtain the facts related to a situation contrary to Fundamental Ethical Rules and can be assisted by specialist external advisors. It reports on its work to the Chairman of the Executive Board and to the Supervisory Board.

It can be approached directly by any Group employee on the Group's major risks.

A matter was not referred to the Group Ethics Committee in 2010.a system of delegations

- **A system of delegations**

Since the Group's operating structure is based on fully operational subsidiaries in France and in other countries where it operates, the general management of these companies is vested by law with the appropriate authority.

In 2004, however, the Executive Board adopted a system of more specific delegations of authority by function for subsidiaries in France and in other countries, a system that it recently reviewed for the purpose of adapting it to the Group's new organisation, implemented in France in April 2007.

In three areas of particular sensitivity for the Group, the Executive Board has limited the authority of its French and foreign subsidiaries (responses to bids, opening and operation of bank accounts, obligations other than bank transactions).

- **a uniform Group procedure for signing and validating private and public contracts**

The Group has just finalised a new procedure that will be established at the beginning of fiscal year 2011. This consists, on one hand, in reinforcing controls concerning all corruption issues and, on the other hand, obtaining a uniform treatment of contracts across the Group, in particular with a double signature, by a very limited number of identified persons, so-called "qualified" contracts (urban furniture contracts, with public and private transport authorities and contracts signed with lobbyists and brokers) that guarantee the validation by different competencies and an excellent knowledge of contractual commitment.

In any event, other contracts must be signed by two persons.

This procedure applies to all subsidiaries and joint ventures managed by JCDecaux SA.

- **an internal Control Manual and Self-Evaluation**

In 2003, the Group prepared an Internal Control Manual with the assistance of an outside consultant. This Manual was presented to all of the Group's Finance Directors in June 2003 and sent to all subsidiaries. The preparation of this Manual enabled them to identify the principal decision-making processes and to define their major risks.

On the basis of the Internal Control Manual, the Group developed a self-evaluation questionnaire to obtain feedback from the Finance Directors of the subsidiaries regarding the administrative processes and the related risks for which they were responsible.

This questionnaire was used to identify certain weak points in the internal control over certain administrative cycles with respect to which corrective actions have been included in action plans implemented in 2004. These weaknesses are not considered to be material deficiencies in the internal control.

Lastly, beginning on the same date, the Group reviewed the various stages of each of the processes identified to define the most appropriate points of control. With respect to each of these points, the subsidiaries were asked to describe the internal control they applied and evaluate the suitability and adequacy of such controls. Between 2005 and 2007, six principal processes were covered: sales cycle (from placing the order to billing), purchasing cycle (from dispatch of the order to payment), asset management cycle (leases, town contracts, etc), information systems (security, availability and business continuity), fixed assets cycle (registration, depreciation, dismantling) and financial and treasury controls. The responses from the subsidiaries, although they did not expose major deficiencies in the internal control, helped identify corrective actions that are now being implemented.

In 2008, subsidiaries updated their responses based on the 24 control points considered to be the most important. Exchanges with subsidiaries will thus be even more dynamic, and facilitate the identification and sharing of best practices in the area of internal control.

The work undertaken with subsidiaries, which are asked to describe and evaluate the adequacy and appropriateness of control points, has been continued in 2009 and 2010.

- **a process for producing financial and accounting information**

This process for producing JCDecaux SA's financial and accounting information is intended to provide to members of the Executive Board and to operating management the information they need to manage the Company and its subsidiaries, to permit accounting consolidation, manage the business through reporting and the budget and to ensure the Group's financial communications.

This process of producing financial and accounting information is organised around three cycles: budget, reporting and consolidation. These three cycles apply to all legal entities and follow an identical format (scope, definitions, treatment) set out in the "Finance Manual". This manual contains all the current accounting and management principles, rules and procedures applicable within the Group.

  - The budget is prepared in the autumn and covers closing forecasts for the end of the fiscal year then pending, the budget for the year Y+1. Approved by the Executive Board in December, it is sent out to the subsidiaries before the start of the year under consideration. In addition to information, which is strategic and commercial, the budget includes an operating income account and a table of source and application of funds prepared according to the same format as the consolidated financial statements;
  - The reporting prepared monthly, except for January and July, includes several sections: an operating income account, monitoring of investments, treasury and cash flow reporting, and monitoring of headcount. In addition to the usual comparisons with prior periods and budget, the reports include an updated forecast of the closing forecasts;
  - The consolidated financial statements are prepared monthly, except for the months of January and July, and distributed on a half-yearly basis. They include a profit and loss account, balance sheet and a cash flow statement and appendices. Consolidation is centralised (no consolidation cut-off).

All of these cycles are under the responsibility of the following Departments of the Corporate Finance and Administration Department:

- the Financial Control Division, made up of a Consolidation department and a Planning and Control department, in charge of the Budget, Reporting and international management control;
- the Mergers, Acquisitions, and Cash Flow Management Department consisting of a Financing-Cash Flow Management Department and a Mergers-Acquisitions and Development Department;
- the Tax Department.

The Executive Officers that head these Departments have global and interdivisional responsibility for all subsidiaries. The Chief Financial and Administrative Officer has operational authority over the Finance Directors of all of the subsidiaries. This structure is strengthened by the aforementioned delegations of authority.

When the financial statements are closed, the General Managers and Finance Directors of the subsidiaries prepare "letters of confirmation" signed jointly and sent to the Director of Financial Controls.

The financial statements are audited twice a year by the Statutory Auditors, in connection with the annual closing (full audit) and half-year closing (limited review) of the consolidated financial statements and company accounts of JCDecaux SA.

In connection with the annual closing, subsidiaries within the scope of consolidation are audited. For the half-year closing, targeted audits are conducted on key subsidiaries.

The Group considers that it has a strong and coherent internal control system, well adapted to the business. However, it will continue to evaluate the system on a regular basis and make any changes that appear necessary.

- **the control bodies**

The Supervisory Board exercises its control over the Group's management by referring to quarterly reports of the Executive Board's activity that are sent to it and the work of the Audit Committee according to the terms already set out (minutes, reports, etc).

The Executive Board is closely involved in the internal control. It exercises its control as part of its monthly meetings. It also refers to existing reports (particularly the work of the Corporate Finance and Administration Department).

1.4. Matters that could be relevant in case of a public offering and on the structure of the Company's capital

The structure of the Company's capital
These items are listed in the "Shareholders" paragraph on page 174 and in the "Share Capital" paragraph on page 181 herein.

Direct or indirect shareholding in the Company's capital of which it is aware by virtue of Articles L.233-7 and L.233-12 of the French Commercial Code.

This information is given in the "Distribution of share capital over the past three fiscal years" paragraph on page 175 herein.

The control mechanisms provided for in any employee shareholding system, when the control rights have not been exercised by the latter.

None to the Company's knowledge.

Agreements stipulating indemnities for members of the Executive Board or the employees, if they resign or are made redundant without just cause or if their job comes to an end due to a public offering.

Termination indemnities for members of the Executive Board are stipulated in the paragraph "Compensation for members of the Executive Board" on page 156 herein.

The rules applicable for the nomination and replacement of members of the Executive Board as well as the amendment of the Company's articles of association.

These rules comply with the regulations in force. The rules applicable to the composition, operation and powers and responsibilities of members of the Executive Board are listed in the paragraph "Composition, preparation and organisation of the Executive Board's work" on page 147 herein.

The rules applicable to the amendment of the Company's articles of association comply with the regulations in force, with the amendment of the articles of association falling within the exclusive remit of the Extraordinary General Meeting of Shareholders, except in the cases expressly stipulated by law.

The powers and responsibilities of the Executive Board, in particular share issues or repurchases.

The powers and responsibilities granted to the Executive Board with regard to the issue or repurchase of shares stated on pages 182 and 183.

The statutory restrictions on the exercising of voting rights and transfers of shares or clauses of agreement brought to the attention of the Company pursuant to Article L.233-11 of the French Commercial Code; the list of holders of any title including special control rights and the description of them; agreements between shareholders of which the Company is aware and which can lead to restrictions in share transfers and the exercise of voting rights.

There is no restriction in the Articles of Association concerning the exercise of voting rights or share transfers, or shares with special control rights.

To the best of the Company's knowledge, there is no agreement between shareholders that may lead to restrictions on the transfer of shares and the exercise of voting rights.

Agreements signed by the Company that are amended or come to an end in the event of a change in control of the Company, unless this disclosure seriously affects its interests.

The Company has not signed an agreement that would be amended or terminated in the event of a change in control of the Company that could have a material impact on the Company.

Terms relating to the participation of shareholders in the General Meeting
The terms relating to the participation of shareholders in the General Meeting are set out in the articles of association on page 185 to 192; they are part of this report.

2. COMPENSATION, STOCK OPTIONS AND FREE SHARES

2.1. Report on compensation for members of the Executive Board and Supervisory Board (Article L.225-102 of the French Commercial Code)

The Company has decided to comply fully with the *AFEP-MEDEF* recommendations of October 2008 such as incorporated into the *AFEP-MEDEF* Corporate Governance Code of December 2008 regarding its legal representatives, Jean-Charles Decaux and Jean-François Decaux, who alternatively have the authority to represent the Company with regard to third parties, as Chairman of the Executive Board and Co-CEO. Both have a compensation structure that fully complies with *AFEP-MEDEF* recommendations.

Regarding Gerard Degonse until 31 December 2010, and Jeremy Male, both members of the Executive Board without being legal representatives, the Supervisory Board considers that the level of the conformity to the *AFEP-MEDEF* recommendations of the Chairman of the Executive Board and Co-CEO of the Company is sufficient to meet the objectives sought for these recommendations.

For the record, Laurence Debroux, a member of the Executive Board since 1st January 2011 receives a compensation package under her employment contract in accordance with the AFEP/MEDEF recommendations.

In fact, the purpose of the corporate governance rules is to define the terms for exercising and distributing the authority to guarantee that the Company is managed in accordance with the corporate interest and that of its shareholders.

In a family group such as JCDecaux, more than 70% held by JCDecaux Holding, and for which the principal shareholders are legal representatives of the Company, the ability to ensure that the interests of members of the Executive Board are fully in line with the interests of the shareholders is already effectively assured within the Company by the composition of its shareholders and its corporate bodies.

Furthermore, the specific position of Gerard Degonse, Chief Financial and Administrative Officer until 31 December 2010, then Laurence Debroux from 1st January 2011 and Jeremy Male, as CEO for United Kingdom and Northern Europe respectively, demonstrates that it is mainly in their capacity as employees and under their operational duties that they served or serve the interests of the Company and Group. Therefore, the internal rules for hierarchical subordination, inherent in an employment contract, guarantee continuous and effective control of their performances.

Consequently, and taking account of the situation of Gerard Degonse up to 31 December 2011 and Jeremy Male, the Supervisory Board deemed that it was not necessary to impose a renegotiation of the employment contracts of Gerard Degonse and Jeremy Male to comply with the objective sought by *AFEP* and *MEDEF*.

The information on the compensation elements for fiscal year 2010 of all the members of the Executive Board, namely Jean-Charles Decaux, Jean-François Decaux, Gerard Degonse and Jeremy Male, is provided in this annual report complying with the AMF recommendations of 22 December 2008 relating to the information to be set out in the annual reports on compensation for corporate officers.

2.1.1. Compensation for members of the Executive Board

Principles and rules for determination

Criteria for calculating base salary and bonus (variable portion)
The amounts shown are those paid by JCDecaux SA together with those paid by JCDecaux Holding, JCDecaux SA's controlling shareholder and those paid by JCDecaux SA's foreign subsidiaries. The members of the Executive Board receive no compensation from the French subsidiaries.

For compensation paid in pounds sterling, the exchange rate used is 2010 average of exchange rates month by month of £1 to € 1.169016.

Bonuses paid in 2010 are based on results of operations during the fiscal year 2009. As an exception, the exceptional bonus paid in the United Kingdom to Jeremy Male in 2010 is based on results of operations for the fiscal year 2010. Bonuses paid in 2011 are based on results of operations for fiscal year 2010.

The compensations for members of the Executive Board and their evolutions, their bonuses and any benefits are approved by the Supervisory Board, on the recommendation of the Compensation and Nominating Committee, after analysis by it of the Group's performance during the year.

Bonuses correspond to a percentage of fixed annual base salary.

For Jean-François Decaux and Jean-Charles Decaux, bonuses may reach 150% of the annual base salary, 50% with respect to financial objectives tied to EBIT and to Free Cash Flow and 100% in respect of achievement of strategic objectives by head office, as and when they occur (for example, signing new contracts and acquisition of new companies). In connection with particularly major contracts, a special bonus may be awarded.

For Jeremy Male, under application of its employment contract, the bonus may total 75% of his annual base salary, if the operating income of the countries in his area of responsibility grows by at least 15%, 50% if profits increase by at least 10%. This may be increased in the event of exceptional profits.

For Gerard Degonse, under application of its employment contract, the reference annual bonus is €150,000, 50% of which is guaranteed and 50% is awarded based on the achievement of financial objectives tied to EBIT and Free Cash Flow, the achievement of specific objectives set by the Executive Board, and the achievement of personal objectives linked to the departments for which he is responsible. This reference amount is not a limit.

As from 1st January 2011, in accordance with her employment contract, the annual bonus of Laurence Debroux will be calculated subject to her having met performance criteria. It may not exceed 60% of her annual fixed salary.

Termination indemnities.
Jean-François Decaux and Jean-Charles Decaux are not entitled to receive any special compensation upon the termination of their responsibilities.

In the case of the termination of the employment agreement of Gerard Degonse the Company was entitled to pay:

- a termination indemnity equal to 2 years of base and variable salary, including indemnities provided by law or collective agreement if employment agreement is terminated by the Compagny;
- a non-competition indemnity equal to 1.5 years of base and variable salary for two years.

Since Gérard Degonse has retired, his termination indemnity was not due. However, the Supervisory Board paid him an end-of-office indemnity on the proposal of the Compensation and Nominating Committee, in respect of his performance in the Group since his appointment as member of the Executive Board in 2000. He will be entitled to receive a non-competition allowance in 2011.

If Jeremy Male's employment agreement is terminated by JCDecaux UK Ltd, he will be entitled to receive from it, a compensation equal to one year's salary and the average of his performance bonuses paid for the preceding two years

Since 1st January 2011, in the event of the termination of the employment contract, the Company may have to pay Laurence Debroux a non-competition allowance corresponding to two years of fixed salary paid in 24 monthly instalments.

Fringe benefits
The fringe benefits valued above relate to the use of company vehicles for Jean-François Decaux and Jeremy Male in the United Kingdom, for Gerard Degonse in France until 31 December 2010, and for Laurence Debroux since 1st January 2011 and an allocation of free shares to Gerard Degonse until 31 December 2010 and Jean-François Decaux, as compensation for their services as Directors of Affichage Holding (a publicly listed company in Switzerland, in which JCDecaux owns a minority holding).

Life insurance/special retirement
A contribution is made on behalf of Jeremy Male to a retirement fund equal to 15% of his annual salary and bonuses.

Stock options and free shares
Jean-François Decaux and Jean-Charles Decaux do not receive stock options or free share awards, since they have waived their right to do so, since the IPO in 2001.

Under their employment contract, Gérard Degonse (until 31 December 2010) and Jeremy Male receive 100% of their annual fixed salary in stock options, unconditional on performance. Gérard Degonse (until 31 December 2010) and Jeremy Male receive under their employment contract, the equivalent of 50% of their annual fixed salary in free shares. Pursuant to their employment contract, this allotment is not conditioned by performance.

The valuation of the stock options and free shares awarded to Gerard Degonse and Jeremy Male in 2009 and 2010 is set out in the tables below. The assessment criteria for the calculation of these values are presented in the appendices to the consolidated financial statements on pages 101 and 103.

As from 1st January 2011, Laurence Debroux will be entitled to the stock option plan established within the Group, based on the annual consolidated objectives set by the Executive Board. The equivalent value of the stock options that Laurence Debroux may receive cannot be more than 150% of her annual fixed salary.

Amounts paid

Jean-Charles DECAUX – Chairman of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2009	2010
Compensation paid for the fiscal year (listed in table 2)	1,145,970	1,975,842
Valuation of options granted during the year	0	
Valuation of shares granted during the year	0	
TOTAL	**1,145,970**	**1,975,842**

2. Summary of the compensation (in euros)

	2009		2010	
	Amounts paid in 2010 and 2009 for 2009	Amounts paid in 2009 for 2009	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010
Fixed compensation	**1,119,510**	**1,119,510**	**1,119,510**	**1,119,510**
- JCDecaux Holding	96,075	96,075	96,075	96,075
- JCDecaux SA and controlled companies	1,023,435	1,023,435	1,023,435	1,023,435
Variable compensation	**0**	**0**	**839,632***	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	839,632	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**10,582**	**10,582**	**0**	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	10,582	10,582	0	0
Life insurance/specific pension	**15,878**	**15,878**	**16,700**	**16,700**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	15,878	15,878	16,700	16,700
TOTAL	**1,145,970**	**1,145,970**	**1,975,842**	**1,136,210**

*** 50% of the maximum bonus**

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Jean-François DECAUX – Co-CEO – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2009	2010
Compensation paid for the fiscal year (listed in table 2)	1,228,525	2,079,604
Valuation of options granted during the year	0	0
Valuation of shares granted during the year	0	0
TOTAL	**1,228,525**	**2,079,604**

2. Summary of the compensation (in euros)

	2009		2010	
	Amounts paid in 2010 and 2009 for 2009	Amounts paid in 2009 for 2009	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010
Fixed compensation	**1,119,510**	**1,119,510**	**1,119,510**	**1,119,510**
- JCDecaux Holding	96,075	96,075	96,075	96,075
- JCDecaux SA and controlled companies	1,023,435	1,023,435	1,023,435	1,023,435
Variable compensation	**0**	**0**	**839,632***	**0**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	839,632	0
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**42,851**	**42,851**	**70,605**	**70,605**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	37,500	37,500
- Affichage Holding (Switzerland)	29,632	29,632	19,166	19,166
- Société Générale d'Affichage (Switzerland)	13,219	13,219	13,939	13,939
Fringe benefits	**50,257**	**50,257**	**33,126**	**33,126**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	40,431	40,431	33,126	33,126
- Affichage Holding (Switzerland)	9,826	9,826	0	0
Life insurance/specific pension	**15,907**	**15,907**	**16,731**	**16,731**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	15,907	15,907	16,731	16,731
TOTAL	**1,228,525**	**1,228,525**	**2,079,604**	**1,239,972**

*** 50% of the maximum bonus**

3. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
	✓		✓		✓		✓

Gerard DEGONSE – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2009	2010
Compensation paid for the fiscal year (listed in table 2)	594,297	1,747,087
Valuation of options granted during the year (listed in table 3)	44,189	272,499
Valuation of shares granted during the year (listed in table 5)	85,603	528,469
TOTAL	**724,089**	**2,548,055**

2. Summary of the compensation (in euros)

	2009		2010	
	Amounts paid in 2010 and 2009 for 2009	Amounts paid in 2009 for 2009	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010
Fixed compensation	**472,500**	**472,500**	**472,500**	**472,500**
- JCDecaux Holding	41,250	41,250	41,250	41,250
- JCDecaux SA and controlled companies	431,250	431,250	431,250*	431,250*
Variable compensation	**79,652**	**0**	**127,503**	**127,503**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	79,652	0	127,503	127,503
Non-recurring compensation	**0**	**0**	**1,122,895****	**1,122,895****
Directors' fees	**30,348**	**30,348**	**22,497**	**22,497**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	0	0	0	0
- Affichage Holding (Switzerland)	30,348	30,348	22,497	22,497
Fringe benefits	**11,797**	**11,797**	**1,692**	**1,692**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	1,692	1,692	1,692	1,692
- Affichage Holding (Switzerland)	10,105	10,105	0	0
Life insurance/specific pension	**0**	**0**	**0**	**0**
TOTAL	**594,297**	**514,645**	**1,747,087**	**1,747,087**

* Of which €21,069 of outstanding paid leave.

** At the end of his term on 31 December 2010 due to retirement, Gérard Degonse received an end-of-office indemnity amounting to a total of €1,245,000. This sum included (i) €122,105 as a retirement benefit mentioned in table 7 and (ii) €1,122,895 based on his performance in the Group since 2000.

3. Stock or share purchase options granted in 2009 and 2010

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)	Number of options granted during the year	Exercise price (in euros)	Period of exercise
12/1/2010	Stock options	272,499	46,782	20.20	From 12/1/2011 to 12/1/2017
Date of the plan	**Type of options**	**Valuation of the options according to the method chosen for consolidated financial statements in 2009 (in euros)**	**Number of options granted during the year**	**Exercise price (in euros)**	**Period of exercise**
02/23/2009	Stock options	44,189	42,377	11.15	From 02/23/2010 to 02/23/2016

4. Stock or share purchase options exercised during the year

Date of the plan	Number of options exercised during the year	Exercise price (en euros)
03/5/2004	35,513	15.29
Total	**35,513**	

5. Free shares granted in 2009 and 2010

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)	Acquisition date	Availability date	Performance conditions
12/1/2010	27,056	528,469	12/1/2012	12/1/2014	None
Date of the plan	**Number of shares granted during the year**	**Valuation of the options according to the method chosen for consolidated financial statements in 2009 (in euros)**	**Acquisition date**	**Availability date**	**Performance conditions**
02/23/2009	21,188	85,603	02/23/2011	02/23/2013	None

6. Free shares that became available during the year

Date of the plan	Number of shares that became available during the year	Purchase conditions
02/15/2008	10,588	2-year holding period after purchase

7. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓			✓	✓*		✓**	

* Mr Gérard Degonse received a retirement benefit of €122,105 when he retired from office on 31 December 2010.

** In accordance with the provisions of his employment contract, in 2011, Gérard Degonse will receive a non-competition allowance of €933,750 and representing one and a half years of fixed and variable salary.

Jeremy MALE – Member of the Executive Board

1. Summary of the compensation and options and free shares granted (in euros)

	2009	2010
Compensation due for the fiscal year (listed in table 2)	924,072	**3,650,281**
Valuation of options granted during the year (listed in table 3)	61,411	**8,555**
Valuation of shares granted during the year (listed in table 5)	55,659	**7,453**
TOTAL	**1,041,142**	**3,666,289**

2. Summary of the compensation (in euros)

	2009		2010	
	Amounts paid in 2010 and 2009 for 2009	Amounts paid in 2009 for 2009	Amounts paid in 2011 and 2010 for 2010	Amounts paid in 2010 for 2010
Fixed compensation	**590,987**	**590,987**	**616,071**	**616,071**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	590,987	590,987	616,071	616,071
Variable compensation	**147,747**	**147,747**	**2,840,547***	**2,381,645**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	147,747	147,747	2,840,547	2,381,645
Non-recurring compensation	**0**	**0**	**0**	**0**
Directors' fees	**0**	**0**	**0**	**0**
Fringe benefits	**21,339**	**21,339**	**22,494**	**22,494**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	21,339	21,339	22,494	22,494
Life insurance/specific pension	**163,999**	**163,999**	**171,169**	**171,169**
- JCDecaux Holding	0	0	0	0
- JCDecaux SA and controlled companies	163,999	163,999	171,169	171,169
TOTAL	**924,072**	**924,072**	**3,650,281**	**3,191,379**

* This represents 100% of the maximum bonus in addition to an exceptional allowance for the acquisition of certain assets of Titan Outdoor UK Ltd.

3. Stock or share purchase options granted in 2009 and 2010

Date of the plan	Type of options	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)	Number of options granted during the year	Exercise price (in euros)	Period of exercise
12/1/2010	Stock options	8,555	29,257	20.20	From 12/1/2011 to 12/1/2017
Date of the plan	**Type of options**	**Valuation of the options according to the method chosen for consolidated financial statements in 2009 (in euros)**	**Number of options granted during the year**	**Exercise price (in euros)**	**Period of exercise**
02/23/2009	Stock options	61,411	58,893	11.15	From 02/23/2010 to 02/23/2016

4. Stock or share purchase options exercised during the year:

Date of the plan	Number of options exercised during the year	Exercise price (in euros)
03/5/2004	10,000	15.29
Total	**10,000**	

5. Free shares granted in 2009 and 2010

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2010 (in euros)	Acquisition date	Availability date	Performance conditions
12/1/2010	19,211	7,453	12/1/2014	12/1/2014	None

Date of the plan	Number of shares granted during the year	Valuation of the options according to the method chosen for consolidated financial statements in 2009 (in euros)	Acquisition date	Availability date	Performance conditions
02/23/2009	29,446	55,659	02/23/2013	02/23/2013	None

6. Free shares that became available during the year

Date of the plan	Number of shares that became available during the year	Purchase conditions
-	-	4-year holding period after allocation

7. Other information

Employment contract		Supplementary pension		Indemnities or benefits due or likely to be due for ceasing or changing office		Indemnities relating to a non-competition clause	
Yes	No	Yes	No	Yes	No	Yes	No
✓		✓		✓			✓

2.1.2. Compensation for members of the Supervisory Board

Principles and rules for determination

The amount of Directors' fees, which totals €180,000 since 1st January 2008 (authorisation granted by the General Meeting of Shareholders of 14 May 2008) is distributed as follows in accordance with the Internal By-Laws:

Supervisory Board (per member - four meetings)			Audit Committee (four meetings)		Compensation and Nominating Committee (two meetings)	
Base portion	Variable portion	Additional meeting	Variable portion Chairman	Variable portion Member	Variable portion Chairman	Variable portion Member
14,000	13,000	2,050	15,000	7,500	6,000	5,000

The amounts awarded in respect of the fixed base amount are pro-rated when terms of office begin or end during the course of a fiscal year. Directors' fees are paid to members of the Board and committees quarterly, in arrears.

Beyond 4 meetings, any Board meeting gives rise to an additional payment when the meeting is not held by conference call.

Members of the Supervisory Board do not have stock options or free shares.

Gross amounts paid (in euros)

Mr Jean-Claude DECAUX - Chairman of the Supervisory Board

	Amounts paid in 2009	Amounts paid in 2010
Directors' fees*	0	0
Other compensation:		
SOPACT	46,969	46,969
JCDecaux Holding	198,549	198,549
Including fringe benefits (car)	10,670	10,670
TOTAL	**245,518**	**245,518**

* Jean-Claude Decaux waived his Directors' fees as a member of the Supervisory Board and Chairman of the Compensation and Nominating Committee.

Mr Jean-Pierre DECAUX – Member of the Supervisory Board

	Amounts paid in 2009	Amounts paid in 2010
Directors' fees:		
Supervisory Board	23,750	23,750
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**23,750**	**23,750**

Mr Pierre MUTZ – Independent Member of the Supervisory Board

	Amounts paid in 2009	Amounts paid in 2010
Directors' fees:		
Supervisory Board	20,250	27,000
Audit Committee	5,625	7,500
Compensation and Nominating Committee	2,500	5,000
Other compensation	-	-
TOTAL	**28,375**	**39,500**

Mr Pierre-Alain PARIENTE – Independent Member of the Supervisory Board

	Amounts paid in 2009	Amounts paid in 2010
Directors' fees:		
Supervisory Board	27,000	27,000
Audit Committee	-	-
Compensation and Nominating Committee	-	-
Other compensation	-	-
TOTAL	**27,000**	**27,000**

Mr Xavier de SARRAU – Independent Member of the Supervisory Board

	Amounts paid in 2009	Amounts paid in 2010
Directors' fees:		
Supervisory Board	27,000	27,000
Audit Committee	15,000	15,000
Compensation and Nominating Committee *(member until 13 May 2009)*	2,500	-
Other compensation	-	-
TOTAL	**44,500**	**42,000**

The aggregate amount provisioned or recorded by the Company and its subsidiaries for payment of pensions, retirement benefits, or other benefits to members of the Executive Board and Supervisory Board is shown on page 114 of this Annual Report.

2.1.3. Transactions on JCDecaux SA shares carried out by executives or persons stipulated in Article L.621-18-2 of the French Monetary and Financial Code during 2010 (Article 223-26 of the AMF's General Regulations)

In 2010, Gérard Degonse and Jeremy Male, members of the Executive Board, declared the following transactions on Company shares:

Member	Type of Transaction	Date of Transaction	Price per share (in euros)	Amount of Transaction (in euros)
Gérard Degonse	Exercise of 35,513 stock options	06.16.10	15.29	542,993.77
	Sale of 33,000 shares	06.17.10	21.2605	701,596.50
Jeremy Male	Exercise of 10,000 stock options	12.22.10	15.29	152,900.00
	Sale of 10,000 shares	12.22.10	23.1263	231,263.00

No other person pursuant to Article L.621-18-2 of the French Monetary and Financial Code has declared a transaction on Company shares.

2.1.4. Stock options as of 31 December 2010

Summary of the principal terms for allocation of the stock option plans

Under the authority granted by the Combined General Meeting of Shareholders held on 23 May 2002, 1,578,622 options were granted by the Executive Board to 160 employees during fiscal years 2003, 2004 and 2005.

Under the authority granted by the Combined General Meeting of Shareholders held on 11 May 2005, 834,650 options were granted by the Executive Board to 182 employees during fiscal years 2006 and 2007.

Under the authority granted by the Combined General Meeting of Shareholders held on 10 May 2007, 820,452 options were granted by the Executive Board to 167 employees during fiscal years 2008 and 2009.

At the Combined General Meeting of Shareholders held on 13 May 2009 the Executive Board was authorised to grant stock up to a limit of 4% of the Company's share capital for a period expiring 26 months from the date of the Shareholders' Meeting, to all or some of Group employees or executives.

This authority replaced the authority granted at the General Meeting of Shareholders held on 10 May 2007.

Under the authority granted by the Combined General Meeting of Shareholders held on 13 May 2009, the Executive Board granted 76,039 stock options to two employees during fiscal year 2010.

	2002 Plan	2005 Plan	2007 Plan	2009 Plan
Dates of Extraordinary Shareholders' Meetings authorising the stock option plans	23 May 2002	11 May 2005	10 May 2007	13 May 2009
Dates of option grants and number of options per date of grant	16 January 2003: 209,546 options 5 March 2004: 678,711 options 4 March 2005: 690,365 options	20 February 2006: 70,758 options 20 February 2007: 763,892 options	15 February 2008: 719,182 options 23 February 2009: 101,270 options	1 December 2010: 76,039 options
Total number of beneficiaries under all grants	160	182	167	2
Types of options	Stock Options	Stock Options	Stock Options	Stock Options
Total options granted	1,578,622	834,650	820,452	76,039
to Executive Board members:				
. Gérard Degonse**	62,923	38,274	63,553	46,782
. Jeremy Male	111,239	65,965	91,090	29,257
. Robert Caudron*	72,484	29,229	-	-
Top ten employees	362,628	114,717	113,576	76,039
Number of shares subscribed at 31.12.10	702,516	0	2,666	0
Total number of shares cancelled or become null and void at 31.12.10	215,171	110,013	70,946	0
Options remaining at 31.12.10	660,935	724,637	746,840	76,039
Expiry Date	7 years from date of grant	7 years from date of grant	7 years from date of grant	7 years from date of grant
Exercise price for options granted :	16 January 2003: €10.78 5 March 2004: €15.29 4 March 2005: €19.81	20 February 2006: €20.55 20 February 2007: €22.58	15 February 2008: €21.25 23 February 2009: €11.15	1 December 2010: €20.20

* Robert Caudron resigned from the Executive Board on 16 July 2007.

** Gérard Degonse resigned from the Executive Board on 31 December 2010.

At 31 December 2010, 705,182 options had been exercised. Taking into consideration the options exercised and options cancelled, there remained as of that date 2,208,451 options to be exercised. If all such options are exercised, the employees of our Company and its subsidiaries and of JCDecaux Holding will own 0.99% of our Company's shares (excluding FCPE), taking into consideration options exercised at 31 December 2010.

Features of the stock options

- no option may be exercised before the first anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise up to one third of the options granted on the first anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise up to two thirds of the options granted on the second anniversary of the date of the meeting of the Executive Board at which these options were granted;
- each beneficiary may exercise all of the options granted from and after the third anniversary and until the seventh anniversary of the date of the meeting of the Executive Board at which these options were granted.
- For employees receiving these stock options under an employment contract with a French company, the shares thus acquired may not be transferred before the fourth anniversary of the date of the Executive Board meeting that granted the stock options.

Special report of the Executive Board on transactions carried out under the provisions of Articles L.225-177 to L.225-186 of the French Commercial Code (Article L.225-184 of the French Commercial Code)

1. Options granted

Options granted to members of the Executive Board

The number, maturity dates and price of stock or share purchase options which, during the 2010 fiscal year and due to the terms of office and directorships exercised within the Company, were granted to each of the members of the Executive Board by the Company are set out in the Report on Compensation, on page 155.

During the 2010 fiscal year no stock or share purchase option was granted to members of the Executive Board of the Company by companies that are linked within the meaning of Article L.225-197-2 of the French Commercial Code or by companies controlled by the Company within the meaning of Article L.233-16 of the French Commercial Code.

Members of the Executive Board must retain a number of shares issued from exercising options as specified on page 167.

Members of the Supervisory Board do not benefit from the granting of stock options.

Options granted to non-members of the Executive Board

During the 2010 fiscal year no stock or share purchase option was granted to non-executive employees of the Company by the Company or by companies or groupings that are linked to it within the meaning of Article L.225-197-2 of the French Commercial Code.

2. Options exercised

Options exercised by members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the year, by each of the members of the Company's Executive Board are shown in the Report on Compensation, on page 155.

Options exercised by non-members of the Executive Board

The number and price of shares purchased by exercising one or several options, during the year, by each of the ten non-members of the Executive Board of the Company and for whom the number of shares thus purchased was the highest are shown below.

Members	Number of options exercised during the year	Average weighted price (in euro)
Jean-Luc Decaux	9,810	21.29
Stéphane Prigent	8,225	18.78
Xavier Dupré	7,468	21.12
Stephen Wong Hon Chiu	7,337	21.59
Emmanuel Bastide	7,045	23.27
Jean-Michel Geffroy	6,968	21.39
Bernard Borach	6,534	21.57
Rémi Pheulpin	5,982	19.00
Klaus Kuhanen	5,887	20.19
Albert Asseraf	5,770	23.35

The Executive Board

Stock options held by members of the Executive Board as of 31 December 2010

Members	Number of options	Date of grant
Jean-François Decaux	None	None
Jean-Charles Decaux	None	None
Gérard Degonse	27,410	03/04/2005
	18,345	02/20/2006
	19,929	02/20/2007
	21,176	02/15/2008
	42,377	02/23/2009
	46,782	12/01/2010
Total	**176,019**	
Jeremy Male	52,491	03/05/2004
	48,748	03/04/2005
	33,528	02/20/2006
	32,437	02/20/2007
	32,197	02/15/2008
	58,893	02/23/2009
	29,257	12/1/2010
Total	**287,551**	

2.1.5. Free shares as of 31 December 2010

Summary of the principal terms for allocation of the free shares plans:

At the Combined General Meeting of Shareholders held on 10 May 2007 the Executive Board was authorised to grant existing or future free shares (to the exclusion of preferential shares) up to a limit of 0.5% of the Company's share capital for a period expiring 26 months from the date of such Shareholders' Meeting, for Group employees or executives, or certain of them.

This authority replaced the authority granted at the General Meeting of Shareholders held on 11 May 2005.

Acting under the authority granted at the Combined General Meeting of Shareholders held on 11 May 2005, the Executive Board made grants of 35,961 free shares to two of its Members during fiscal years 2006 and 2007.

Acting under the authority granted at the Combined General Meeting of Shareholders held on 10 May 2007, the Executive Board made grants of 93,127 free shares to two of its Members during fiscal years 2007, 2008 and 2009.

At the Combined General Meeting of Shareholders held on 13 May 2009 the Executive Board was authorised to grant existing or future free shares (to the exclusion of preferential shares) up to a limit of 0.5% of the Company's share capital for a period expiring 26 months from the date of such Shareholders' Meeting, for Group employees or executives, or certain of them.

This authority replaced the authority granted at the General Meeting of Shareholders held on 10 May 2007.

Acting under the authority granted by the Combined General Meeting of Shareholders held on 13 May 2009, the Executive Board allotted 46,267 shares to two of its Members during fiscal year 2010.

	2005 Plan	2007 Plan	2009 Plan
Date of Extraordinary General Meetings of Shareholders authorising grants of free shares	11 May 2005	10 May 2007	13 May 2009
Date of grant of free shares and number of shares per date of grant	3 February 2006: 25,974 shares 20 February 2007: 9,987 shares	10 May 2007: 15,807 shares 15 February 2008: 26,686 shares 23 February 2009: 50,634 shares	1 December 2010: 46,267 shares
Total number of beneficiaries under all grants	2	2	2
Types of shares	to be issued	to be issued	to be issued
Total free shares granted	35,961	93,127	46,267
- Number of corporate officers involved	*2*	*2*	*2*
- Number of employees involved (excluding corporate officers)	*0*	*0*	*0*
Total free shares granted and not yet acquired as of 31 December 2010	0	82,539	46,267
- to Gérard Degonse	*0*	*21,188*	*27,056*
- to Jeremy Male	*0*	*61,351*	*19,211*
Expiry date	grant of 3 February 2006: 3 February 2010 grant of 20 February 2007: 20 February 2011	grant of 10 May 2007: 10 May 2011 grant of 15 February 2008: 15 February 2012 grant of 23 February 2009: 23 February 2013	grant of 1 December 2010: 1 December 2014
Price	3 February 2006: €20.52 20 February 2007: €22.58	10 May 2007: €23.06 15 February 2008: €21.25 23 February 2009: €11.15	1 December 2010: €20.20

Features of the free shares

- beneficiaries: employees or members of the Executive Board of the Group, or certain of them;
- requirement of employment by the Group on the purchase date;
- two-year acquisition period and two-year lock-up period. The acquisition period is four years for beneficiaries residing abroad who do not qualify for the special tax treatment set out in Articles 80 quaterdecies and 200A, 6 bis of the French General Tax Code without a lock-up period.

Special report of the Executive Board on transactions carried out under the provisions of Articles L.225-197-1 to L.225-197-5 of the French Commercial Code (*Article L.225-197-4 of the French Commercial Code*)

1. Free shares granted to members of the Executive Board

The number and value of the shares which, during the 2010 fiscal year and due to the terms of office and Directorships exercised within the Company, were granted free of charge to members of the Executive Board by the Company are set out in the Report on Compensation, on page 155.

No free share was granted to members of the Executive Board of the Company by companies that are linked or by companies controlled by the Company within the meaning of Article L.223-16 of the French Commercial Code.

Members of the Executive Board must hold shares in their name as stated paragraph 2.1.6 hereinafter

Members of the Supervisory Board do not benefit from the granting of free shares.

2. Free shares granted to employees non-members of the Executive Board

No free share was granted to non-executive employees of the Company by companies or groupings that are linked within the meaning of Article L.225-197-2 of the French Commercial Code.

The Executive Board

2.1.6. Terms and conditions for holding stock options and free shares by members of the Executive Board

The Supervisory Board meeting of 7 December 2007 decided that members of the Executive Board must hold in their name all of the allocations made from 1st January 2008:

- a number of shares from the exercising of options corresponding to 25% of the gross purchase capital gain released by the interested party during the exercising of the said options;
- 10% of the total number of shares granted free of charge.

2.1.7. Number of shares that can be created

As of 31 December 2010, taking account of all of the various securities outstanding that could give rise to dilution (stock options and free shares), the maximum potential percentage of dilution is 1.05%.

3. EMPLOYEE PROFIT SHARING AND BENEFIT PLANS

In France, three new triennial collective profit-sharing agreements were entered into between JCDecaux SA, Avenir and JCDecaux Airport France. These agreements cover 2010, 2011 and 2012 and will serve to make employees feel more involved in their entity's performance. Furthermore, in 2010, a collective profit-sharing supplement was paid exceptionally to these three entities.

The JCDecaux Artvertising and JCDecaux Holding profit sharing agreements as well as the JCDecaux Mobilier Urbain agreement are in the process of application; the same applies for Cyclocity.

In France, a Group benefit plan was adopted in 2001 providing for a profit pooling agreement among its parties (JCDecaux SA, JCDecaux Airport France, Avenir and JCDecaux Artvertising). This agreement applies to all employees having served at least three months with our Group during the fiscal year giving rise to the benefit. The calculation of the benefit is made pursuant to the provisions of Article L.3324-1 of the French Labour Code.

The amounts of the profit sharing and benefits paid for France for the last three fiscal years is set out on page 43 of the Annual Report.

JCDecaux SA, Avenir, JCDecaux Airport France, JCDecaux Artvertising, JCDecaux Mobilier Urbain, and JCDecaux Holding each have a Company Savings Plan, and each Plan was renewed in 2002; payments of sums from the profit sharing are supplemented by the employer. The covered employees can make voluntary contributions to a fund consisting of JCDecaux SA shares, allowing employees to invest in JCDecaux SA's share capital.

4. INFORMATION ON MEMBERS OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

All of the offices and Directorships held by members of the Executive Board in 2010 were in direct or indirect subsidiaries of JCDecaux SA or in companies in the area of outdoor advertising in which the Group held a significant stake.

4.1. Terms of office of the Executive Board

Jean-Charles Decaux – Chairman of the Executive Board

Aged 41

Chairman of the Executive Board (annual rotation with Jean-François Decaux) since 19 May 2010, for a term of one year, in accordance with the Company's principle of alternating general management responsibilities.

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Charles Decaux joined the Group in 1989. He created and developed the Spanish subsidiary and then set up all of the subsidiaries in Southern Europe, Asia, South America and the Middle East.

The list of the other terms of office and directorships exercised, in 2010, in all Group companies, is as follows:

JCDecaux Holding (France)	Director – CEO (1st appointment: 22 June 1998)
Avenir (France)	Chairman (1st appointment: 3 May 2000)
Metrobus (France)	Director (1st appointment: 18 November 2005)
SCI du Mare (France)	Managing Director (1st appointment: 14 December 2007)
Decaux Frères Investissements (France)	CEO (1st appointment: 24 October 2007)
JCDecaux España SLU (Spain)	Chairman – Acting Director – Director (1st appointment: 30 June 2000)
El Mobiliario Urbano SLU (Spain)	Chairman of the Board of Directors (1st appointment: 14 March 2003) Acting Director (1st appointment: 17 December 1998) Director (1st appointment: 1st October 2003)
JCDecaux Atlantis (Spain)	CEO – Acting Director (1st appointment: 25 April 1997)
JCDecaux & Cevasa SA (Spain)	Chairman of the Board of Directors (1st appointment: 1st March 2000)
IGPDecaux Spa (Italy)	Vice Chairman of the Board of Directors (1st appointment: 1st December 2001)

No term of office or directorship was exercised, over the past five years, in companies outside the Group.

Jean-François Decaux – Chief Executive Officer

Aged 52

CEO since 19 May 2010, for a term of one year, in accordance with the Company's principle of alternating general management responsibilities.

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	Brentford, 991 Great West Road, TW8 9DN Middlesex (United Kingdom)

Jean-François Decaux joined the Company in 1982 and started and developed our German subsidiary. He also oversaw the development of all of the subsidiaries in Northern and Eastern Europe and then successfully managed the Company's moves into North America and Australia.

The list of the other terms of office and directorships exercised, in 2010, in all Group companies, is as follows:

JCDecaux Holding (France)	Director - CEO (1st appointment: 15 June 1998).
Metrobus (France)	Director (1st appointment: 18 November 2005)
SCI Congor (France)	Managing Director (1st appointment: 17 January 2000)
Europlakat International Werbe (Austria)	Member of the Supervisory Board (1st appointment: 3 December 2002)
Decaux Frères Investissements (France)	CEO (1st appointment: 24 October 2007)
Gewista Werbegesellschaft MbH (Austria)	Vice Chairman of the Supervisory Board (1st appointment: 9 August 2003)
Affichage Holding (publicly traded company (Switzerland)	Chairman of the Board of Directors (1st appointment: 26 May 2010) Director (1st appointment: 7 February 2002)
Société Générale d'Affichage (Switzerland)	Chairman of the Board of Directors (1st appointment: 26 May 2010) Director (1st appointment: 11 December 2007)
Media Frankfurt GmbH (Germany)	Vice Chairman of the Supervisory Board (1st appointment: 3 April 2001)
WALL AG (Germany)	Vice Chairman of the Supervisory Borad and Member of the Supervisory Board (1st appointment: 20 January 2004)
DF Real Estate (Luxembourg)	Director (1st appointment: 17 December 2007)

No term of office or directorship was exercised, over the past five years, in companies outside the Group.

Jeremy MALE – Member of the Executive Board

Aged 53

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	Summit House, 27 Sale Place, W2 1YR, London, United Kingdom

Jeremy Male, CEO for UK and Northern Europe, joined the Group in August 2000.

Previously, he was Managing Director of European Operations for Viacom Affichage and held management positions with companies in the food and beverage industry such as Jacobs Suchard and Tchibo.

The list of the other terms of office and directorships exercised, in 2010, in all Group companies, is as follows:

JCDecaux Sverige AB (Sweden)	Chairman of the Board of Directors (1st appointment: 31 December 2001)
JCDecaux Sverige Forsaljningsaktiebolag AB (Sweden)	Chairman of the Board of Directors (1st appointment: 16 April 2009)
AFA JCDecaux A/S (Denmark)	Chairman of the Board of Directors (1st appointment: 5 March 2002)
JCDecaux UK Ltd. (United Kingdom)	Director (1st appointment: 1 September 2000)

No term of office or directorship was exercised, over the past five years, in companies outside the Group.

Gérard DEGONSE – Member of the Executive Board until 31 December 2010

Aged 63

Member of the Executive Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	31 December 2010
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Gérard Degonse, Chief Financial and Administrative Officer, joined the Company in June 2000.

Prior to joining the Group, he was Corporate Treasurer of Elf-Aquitaine and VP Treasurer-Company Secretary of Euro Disney.

The list of the other terms of office and directorships exercised, in 2010, in all Group companies, is as follows:

JCDecaux UK Ltd. (United Kingdom)	Director (until 31 December 2010)
Affichage Holding (publicly traded company Switzerland)	Director (until 26 May 2010)

No term of office or directorship was exercised, over the past five years, in companies outside the Group.

Laurence DEBROUX – Member of the Executive Board since 1st January 2011

Aged 41

Member of the Executive Board since:	1st January 2011
Expiry date of the term of office:	30 June 2014
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Laurence Debroux, Chief Financial and Administrative Officer, joined the Company in July 2010.

Prior to this position, she had spent 14 years at Sanofi in various functions. After having occupied the position of Treasury and Finance Director, and then Director of the Strategic Plan, Laurence Debroux was promoted to Group CFO in 2007 before becoming Chief Strategic Officer and member of the Sanofi Aventis Executive Committee in 2009.

Prior to joining Sanofi, Laurence Debroux had worked for the Merrill Lynch and the Finance Division of Elf Aquitaine.

No other term of office or directorship was exercised, in 2010, in all Group companies.

The list of the other terms of office and directorships exercised, over the past five years, in companies outside the Group, is as follows:

Natixis (France)	Director (1st appointment: 1st April 2010)

The list of the other terms of office and directorships exercised, over the past five years, in all Group companies, is as follows:

Merial Ltd (The United Kingdom)	Director (until 19 May 2010)
ZENTIVA N.V. (The Netherlands)	Director (until 22 September 2009)
SANOFI 4 (France)	Managing Director (until 11 September 2009)
SANOFI Pasteur Holding (France)	Director (until 11 September 2009)
SANOFI AVENTIS Groupe (France)	CEO (until 28 July 2009)
SANOFI AVENTIS Amérique du Nord (France)	Managing Director (until 24 July 2009)
SANOFI 1(France)	Chairman (until 24 July 2009)
SANOFI AVENTIS Participations (France)	CEO (until 24 July 2009)
SANOFI 3 (France)	Managing Director (until 29 May 2007)
BIOCITECH SAS (France)	Chairman (until 23 March 2007)
Aventis Pharma Participation (France)	CEO and Director (until 30 April 2006)
RHONE COOPER (France)	Permanent representative of AVENTIS Pharma France, director (until 31 May 2006)
SANOFI AVENTIS Amérique du Nord (France)	Permanent representative of AVENTIS Pharma Participations, managing director (until 30 April 2006)
AVENTIS Groupe (France)	Permanent representative of SANOFI AVENTIS, director (until 31 December 2005)

4.2. Terms of office of members of the Supervisory Board

Jean-Claude DECAUX – Chairman of the Supervisory Board

Aged 73

Chairman of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Claude Decaux is the founder of JCDecaux.

The list of the other terms of office and directorships exercised, in 2010, in all Group companies, is as follows:

SOPACT (France)	Chairman (1st appointment: 18 February 1972)

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

JCDecaux Holding (France)	Chairman (1st appointment: 19 September 1994)
SCI Troisjean (France)	Managing Director (1st appointment: 9 April 1984)
SCI Clos de la Chaîne (France)	Managing Director (1st appointment: 31 December 1969)
Bouygues Télécom (France)	Representative of JCDecaux Holding, Director (1st appointment: 19 February 2004)
SCI Lyonnaise d'Entrepôt (France)	Managing Director (until 30 June 2006)

Jean-Pierre DECAUX – Vice Chairman of the Supervisory Board

Aged 67

Vice Chairman of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92000 Neuilly-sur-Seine, France

Throughout his career with the Group, which he joined at its founding in 1964, Jean-Pierre Decaux has held several offices, in particular:

- from 1975 to 1988: Chairman and CEO of SOPACT (Société de Publicité des Abribus et des Cabines Téléphoniques)
- from 1980 to 2001: Chairman and CEO of RPMU (Régie Publicitaire de Mobilier Urbain)
- from 1989 to 2000: Chief Executive Officer of Decaux SA (now JCDecaux SA)
- from 1995 to 2001: Chairman and CEO of SEMUP (Société d'Exploitation du Mobilier Urbain Publicitaire)

No other term of office or directorship was exercised, in 2010, in any of the Group companies.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

SCI de la Plaine St-Pierre (France)	Managing Director (1st appointment: 14 October 1981)
SC Bagavi (France)	Managing Director (1st appointment: nc)
SCI CRILUCA (France)	Managing Director (1st appointment: nc)
Assor (France)	Member of the Supervisory Board (1st appointment: nc)
RMA	Chairman (1st appointment: nc)
Société Foncière de Joyenval (France)	Director (until 2008)

Pierre MUTZ – Independent Member of the Supervisory Board

Aged 68

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	13 May 2009
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

A graduate from the military academy in Saint-Cyr, Pierre Mutz began his career in the Army in 1963, then joined the Prefectural Corps in 1980, where he was Chief of Cabinet to the Commissioner of Police in Paris, Executive Civil Servant, Staff Sub-Manager of the Police Headquarters and Director of Cabinet to the Commissioner of Police in Paris.

He also served as the Prefect of Essonne, from 1996 to 2000, Prefect of the Limousin region and Prefect of Haute-Vienne (administrator) from 2000 to 2002, Director General of the National Gendarmerie from 2002 to 2004 as well as the Commissioner of Police from 2004 to 2007.

Then he held the office of Prefect of the Ile-de-France region and Prefect of Paris between May 2007 and October 2008. Lastly, Pierre Mutz was appointed Prefect (administrator) on 9 October 2008.

Pierre Mutz is a Commandeur de la Légion d'honneur and Commandeur de l'Ordre national du Mérite.

No other term of office or directorship was exercised, in 2010, in any of the Group companies.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

Thalès (France) (listed company)	Director (1st appointment: June 2009)
Eiffage (France) (listed company)	Advisor to the Chairman (1st appointment: December 2008)
Groupe Logement Français (France)	Chairman of the Supervisory Board (1st appointment: December 2008)
Axa France IARD (France)	Director (1st appointment: December 2008)
CIS (France)	Director (1st appointment: January 2009)
Ecole Normale Supérieure	Director (1st appointment:December 2010)
RATP (France) (listed company)	Director (until 30 October 2008)
Agence de l'eau Seine-Normandie (France)	Chairman of the Supervisory Board (until 30 October 2008)

Pierre-Alain PARIENTE – Independent Member of the Supervisory Board

Aged 75

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	9 October 2000
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Pierre-Alain Pariente held various positions in our Company from 1970 to 1999, in particular Sales and Marketing Director of RPMU (Régie Publicitaire de Mobilier Urbain)

No other term of office or directorship was exercised, in 2010, in any of the Group companies.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

SCEA La Ferme de Chateluis (France)	Managing Director (1st appointment: 23 July 2001)
Arthur SA (France)	Director (1st appointment: nc)

Xavier de SARRAU – Independent Member of the Supervisory Board

Aged 60

Member of the Supervisory Board since:	13 May 2009
Date of first appointment:	14 May 2003
Expiry date of the term of office:	30 June 2012
Work address:	17 rue Soyer, 92200 Neuilly-sur-Seine, France

Xavier de Sarrau, an attorney, specialises in advising private companies and family businesses. He began his career in 1973 as a lawyer with Arthur Andersen in their Legal and Tax Department.

He has also held the following positions:

- from 1989 to 1993: Managing Partner of Arthur Andersen – Tax and Legal for France
- from 1993 to 1997: Chairman of Arthur Andersen for all operations in France
- from 1997 to 2000: Chairman of Arthur Andersen for Europe, Middle East, India, and Africa. Based in London;
- from 2000 to 2002: Managing Partner – Global Management Services. Based in London and in New York. He also served multiple terms on the Board of Directors of Arthur Andersen.

All of this experience has enabled him to acquire expertise in the areas of international taxation, ownership structures and management of private assets, complex financial instruments, mergers and reorganisations. He has also written several books and articles on international tax law and lectured at the World Economic Forum.

Xavier de Sarrau is a Chevalier de la Légion d'Honneur and a former member of the National Bar Council (Conseil National des Barreaux).

No other term of office or directorship was exercised, in 2010, in all the Group companies.

The list of terms of office and directorships exercised, during the past five years, in companies outside the Group, is the following:

Lagardère SCA (France)	Chairman of the Supervisory Board (1st appointment: 2010)
Bernardaud	Member of the Supervisory Board (1st appointment: 2009)
Financière Atlas	Member of the Supervisory Board until 2010
Continental Motors Inns SA (Luxembourg)	Member of the Supervisory Board (1st appointment: 2008)
Thala SA (Switzerland)	Member of the Supervisory Board (1st appointment: 2008)
Dombes SA (Switzerland)	Chairman of the Supervisory Board (1st appointment: 2010)

4.3. Nature of family ties between members of the Executive Board and Supervisory Board

Jean-Claude and Jean-Pierre Decaux, Chairman and Vice Chairman respectively, of the Supervisory Board, are brothers.

Jean-Charles Decaux and Jean-François Decaux, Chairman of the Executive Board and Co-CEO respectively, are sons of Jean-Claude Decaux.

4.4. Convictions, penalties and conflicts of interest of members of the Executive Board and the Supervisory Board

No judgement for fraud has been entered against any member of the Executive Board or the Supervisory Board during the past five years.

No official citation or penalty has been entered against any of them by any legal or regulatory authority. Amongst other things, none of them has been prevented or prohibited by a court from acting as a member of a corporate governance body or from participating in the management or conduct of the business and affairs of a company during the past five years.

No member of the Executive Board or of the Supervisory Board has been associated as a member of a corporate governance body with any insolvency or bankruptcy or receivership or liquidation proceeding of a company during the past five years.

4.5. Assets belonging directly or indirectly to members of the Executive Board and the Supervisory Board

Real Estate Assets

Some premises belong to companies controlled by JCDecaux Holding, which owns 70.41% of the Company's shares. Thus, the premises situated in France, in Neuilly-sur-Seine, Plaisir, Maurepas and Puteaux, in London in the United Kingdom, in Brussels in Belgium and in Madrid in Spain belong to SCI Troisjean, a subsidiary of JCDecaux Holding.

The Group occupies these premises under commercial leases that have been entered into based on market conditions. The amount of rent paid is stated on page 196.

Intellectual property

The Group protects intellectual property necessary for the business (trademarks, designs and models, patents, domain names) by exclusive rights both in France and in the principal countries where it operates.

The majority of trademarks belong to JCDecaux SA. Certain trademarks belong to JCDecaux Mobilier Urbain and Avenir, which are both wholly owned subsidiaries of JCDecaux SA.

The trademark "JEAN-CLAUDE DECAUX" belongs to Jean-Claude Decaux, who agreed, in an agreement dated 8 February 2001, not to use it in the same line of business as the Group's. This trademark is kept for defensive purposes, in France, to prevent use of it by third parties, but it is not used by the Group, which uses the trademark JCDecaux.

The trademark "JCDecaux" is thus protected in 96 countries.

Under a trademark co-existence agreement in 2001 with Jean-Claude Decaux, JCDecaux SA and its subsidiaries have the exclusive right, royalty-free, to use and file on an unlimited basis JCDecaux trademarks, as well as any trademark containing the words "JCDecaux", in the operations relating to use and sale of advertising space on street furniture, billboards, and illuminated advertising.

All the other intellectual property rights used by the group belong to JCDecaux SA, with the exception of several secondary rights that belong to JCDecaux SA subsidiaries.

As of 31 December 2010, the Group owns more than 314 secondary trademarks. Over 675 designs and models registered in France and abroad protect products such as bus shelters, columns, billboards, interactive kiosks, bicycles, automatic public toilet, some of which are designed by internationally renowned architects. Patents protect technical innovations such as the computer system that regulates the provision of bicycle rentals or the automatic public toilets.

As of 31 December 2010, the Group owns 64 patents in France and abroad.

4.6. Agreements with related parties, loans and guarantees granted by our Company

The agreements concluded during the exercise under application of Article L.225-86 and L.225-87 of the French Commercial Code and mentioned in the Special Report of the Statutory Auditors page 226 are:

The Supervisory Board meeting of 7 December 2010 has decided:

- to grant an end-of-term indemnity, conditional upon performance, of €1,245,000, to Gérard Degonse;
- to authorise the payment of a non-competition allowance to Laurence Debroux, corresponding to 200% of her annual fixed salary paid in 24 monthly instalments should her employment contract be terminated by the Company.

The Supervisory Board meeting of 8 March 2011 has decided:

- to approve the performance conditions linked to the retirement commitment that the Company is to pay Jeremy Male;
- to approve the performance conditions linked to the severance pay that the Company could pay to Jeremy Male.

There are no service agreements between the Company and any corporate officers conferring a benefit at the end of such agreement. During the fiscal year just ended, no loan or guarantee was made or granted by the Company to members of the Executive Board or Supervisory Board.

SHAREHOLDERS AND TRADING INFORMATION

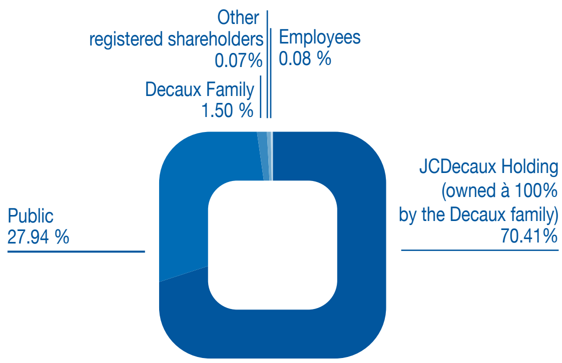
1. SHAREHOLDERS AS OF 31 DECEMBER 2010

1.1. Distribution between registered shares and bearer shares

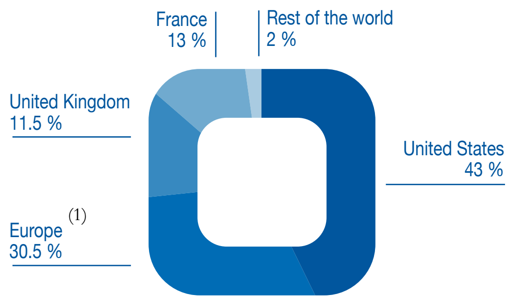
At 31 December 2010, the share capital was €3,378,304.92 divided amongst 221,602,115 shares, distributed as follows:

- registered shares: 159,687,102 held by 142 shareholders;
- bearer shares: 61,915,013 shares.

1.2. Principal shareholders



1.3. Distribution of publicly-traded floating shares by geographic area



Source: Thomson Financial/Euroclear
(on the basis of identified shares (97.52% of the publicly-traded floating shares))

(1) *Excluding France and the United Kingdom*

2. TREND IN SHAREHOLDERS

Distribution of the share capital over the past three years

Shareholders		31 December 2008			31 December 2009			31 December 2010		
		Number of shares	Number of shares	% of share capital	% of voting rights	% of share capital	% of voting rights	% of voting rights	% of share capital	% of voting rights
	JCDecaux Holding	156,030,573	70.516%	70.516%	156,030,573	70.484%	70.484%	156,030,573	70.410%	70.410%
Members of the Executive Board and Supervisory Board	Jean-Charles Decaux	1,712,210	0.774%	0.774%	1,712,210	0.773%	0.773%	1,712,210	0.773%	0.773%
	Jean-François Decaux	1,156,179	0.523%	0.523%	1,156,179	0.522%	0.522%	1,156,179	0.522%	0.522%
	Gérard Degonse	9,186	0.004%	0.004%	19,173	0.009%	0.009%	32,274	0.015%	0.015%
	Jeremy Male	16,788	0.008%	0.008%	16,788	0.008%	0.008%	16,788	0.008%	0.008%
	Jean-Claude Decaux	8,175	0.004%	0.004%	8,175	0.004%	0.004%	8,175	0.004%	0.004%
	Jean-Pierre Decaux	1,574	0.001%	0.001%	1,574	0.001%	0.001%	1,574	0.001%	0.001%
	Pierre Mutz	-	-	-	1,000	-	-	1,000	0.000%	0.000%
	Pierre-Alain Pariente	1,020	-	-	1,020	-	-	1,020	0.000%	0.000%
	Xavier de Sarrau	11,000	0.005%	0.005%	11,000	0.005%	0.005%	11,000	0.005%	0.005%
Other registered shares	Jean-Sébastien Decaux	435,000	0.197%	0.197%	435,000	0.197%	0.197%	435,000	0.196%	0.196%
	Danielle Decaux	3,059	0.001%	0.001%	3,059	0.001%	0.001%	3,059	0.001%	0.001%
	Annick Piraud	18,572	0.008%	0.008%	18,572	0.008%	0.008%	18,572	0.008%	0.008%
	FCPE JCDecaux Développement	199,900	0.090%	0.090%	207,300	0.094%	0.094%	186,400	0.084%	0.084%
	Others	92,316	0.042%	0.042%	169,008	0.076%	0.076%	73,278	0.033%	0.033%
Subtotal registered shares	Total	159,695,552	72.172%	72.172%	159,790,631	72.183%	72.183%	159 687 102	72,060%	72,060%
Shareholders having filed a declaration of crossing a threshold	ING *	13,427,377	6.068%	6.068%	13,427,377	6.066%	6.066%	13,427,377	6.059%	6.059%
	Shares held in the Treasury	0	0.000%	0.000%	0	0.000%	0.000%	0	0,000%	0.000%
	Public	48,147,668	21.760%	21.760%	48,151,921	21.752%	21.752%	48,487,636	21.880%	21.880%
TOTAL		**221,270,597**	**100.000%**	**100.000%**	**221,369,929**	**100.000%**	**100.000%**	**221,602,115**	**100.000%**	**100.000%**

** according to the latest declaration of threshold crossing dated 07.14.08*

Share capital and voting rights at 31 December 2010

The number of voting rights at 31 December 2010 was 221,602,115 shares equal to the number of shares forming the capital. At 31 December 2010, in the absence of own shares held by the Company and in the absence of double voting rights, there is no difference between the percentage of share capital and percentage of voting rights.

To the Company's knowledge, there are no shareholder agreements or concerted actions.

At 31 December 2010, the percentage held by the personnel directly or by the intermediary of specialist investment organisations was 0.084%.

At 31 December 2010, certain members of the Executive Board and of the Supervisory Board, listed above owned 2,940,220 of the Company's shares, accounting for approximately 1.33% of the share capital and voting rights.

At 31 December 2010, certain members of the Executive Board (Jean-François and Jean-Charles Decaux) and the Supervisory Board (Jean-Claude and Jean-Pierre Decaux) listed on page 176, owned in full legal title and bare legal title 1,299,965 shares of JCDecaux Holding (accounting for approximately 67% of the capital and voting rights of that company), which, in turn, owns approximately 70.41% of our Company's shares.

At 31 December 2010, certain members of the Executive Board, listed on page 162 held securities granting access to the Company's share capital.

At 31 December 2010, no material pledges, security interests or guarantees in respect of shares of our Company existed.

Dividends

For the past three fiscal years, the following dividend payments have been made:

- Fiscal year 2007: a dividend of €0.44 per share, eligible for a deduction of 40%;
- Fiscal year 2008: none.
- Fiscal year 2009: none.

Unclaimed dividends will revert to the French State five years from the payment date.

3. COMPANIES THAT OWN A CONTROLLING INTEREST IN THE COMPANY

The Company's principal shareholder is JCDecaux Holding, Société par Actions Simplifiée, which is majority owned by the Decaux family, and the corporate purpose of which is principally to give strategic direction to companies in which it directly or indirectly holds interests.

As of 31 December 2010, the share capital of JCDecaux Holding was held as follows:

Shareholders	Number of shares			% of share capital
	Full legal title	Bare legal title		
Jean-François Decaux	45,435			2.330%
Jean-Charles Decaux	45,435	604,500	(1)	33.331%
Jean-Claude Decaux	31			0.002%
Jean-Pierre Decaux	64			0.003%
JFD Investissement	175,500			9.000%
JFD Participations		429,000	(1)	22.001%
Open 3 Investimenti	45,435			2,330%
Jean-Sébastien Decaux		604,500		31.001%
Danielle Decaux	35		(1)	0.002%
Subtotal	**311,935**	**1,638,000**		**100.000%**
Total	**1,949,935**			**100.000%**

(1) *Jean-Claude Decaux has the beneficial ownership of these shares.*

JCDecaux Holding controls the Company within the following limitations:

Neither the articles of association, nor the Internal By-Laws of the Board contain provisions that delay, defer or prevent a change of the control presently held by JCDecaux Holding.

No double voting rights or other advantages, such as awards of free shares, have been granted to the controlling shareholder, JCDecaux Holding.

With regard to JCDecaux SA's corporate governance bodies, more than half of the members of the Supervisory Board are independent. Half of the Compensation and Nominating Committee consists of independent members. The Audit Committee is fully independent.

The agreements with JCDecaux Holding or with family companies, especially leases and benefits services, as set out on page 196 of this Annual Report, were made under normal market terms and conditions.

Lastly, it should be noted that the compensation of the corporate officers, who are members of the Decaux family, is reviewed annually by JCDecaux SA's Compensation and Nominating Committee. The compensation of members of the Decaux family who have positions within the Group, but are not members of management, is set out in a manner that is identical to that of persons who perform similar roles within the Group.

4. CONDITIONAL OR UNCONDITIONAL CALL OPTION OR AGREEMENT ON SHARES OF GROUP COMPANIES

Such options or agreements are listed in the Appendices to the Consolidated Financial Statements 97 and 111 of this Annual Report.

5. JCDECAUX STOCK PERFORMANCE IN 2010

JCDecaux shares are traded on Euronext Paris by NYSE Euronext (Section A), and only on that market.

JCDecaux shares have been among the shares on the SBF 120 index since 26 November 2001, and the Euronext 100 index since 2 January 2004.

Since 3 January 2005, JCDecaux has also joined a new stock index, called the CAC Mid100 index. This index consists of the Mid100 first market capitalisations that follow the 60 largest stocks that make up the CAC 40 and CAC Next20.

Since 22 September 2003, JCDecaux has also been part of the ASPI Eurozone Index, a European index used by investors who wish to invest in companies committed to sustainable development and social responsibility.

Since 21 March 2005, the Group has been included in the FTSE4Good Index, a leading share index of socially responsible companies.

Lastly, since 6 September 2007 the Group has been included among the new companies that are part of the Dow Jones Sustainability (DJSI) index, another index of socially responsible companies.

As of 31 December 2010, the number of shares outstanding was 221,602,115 and the share capital included no shares held in the Treasury. The weighted average number of shares outstanding in fiscal year 2010 was 221,489,982 shares. On average 195,156 shares were traded per day.

JCDecaux shares closed the year 2010 at €23,2 up 35% compared to 31 December 2009.

6. TREND IN TRADING PRICE AND TRADING VOLUME

Since 1st January 2009, the trading price and trading volumes of JCDecaux shares have been as follows:

	PRICES			VOLUMES		
	Highest *(in euros)*	Lowest *(in euros)*	Closing price *(in euros)*	Number of shares traded	Average of shares traded	Stock market capitalisation[1] *(in € millions)*
2009						
January	13.94	9.82	10.79	7,032,208	334,867	2,385.50
February	10.35	9.79	10.19	7,252,781	362,639	2,251.81
March	10.70	7.32	8.52	12,742,479	579,204	1,885.22
April	11.11	8.29	10.84	10,502,837	525,142	2,398.57
May	12.46	10.30	11.57	10,226,130	511,307	2,559.11
June	13.48	10.50	11.32	6,715,107	305,232	2,503.79
July	14.88	10.51	14.40	7,628,710	331,683	3,185.33
August	15.92	13.75	15.11	5,936,528	282,692	3,343.55
September	16.49	14.35	14.80	4,971,879	225,995	3,274.95
October	15.56	13.60	13.77	4,236,030	192,547	3,047.03
November	16.50	14.01	15.15	4,361,012	207,667	3,352.40
December	17.50	14.80	17.04	2,963,914	134,723	3,769.51
2010						
January	19.27	16.71	18.60	4,226,474	211,324	4,117.48
February	19.20	17.42	18.33	3,292,159	173,272	4,057.71
March	20.87	18.61	20.69	4,197,517	182,501	4,580.14
April	22.69	20.65	21.66	3,673,121	183,656	4,793.76
May	22.03	17.73	19.43	6,294,753	299,750	4,300.31
June	22.10	18.88	19.23	4,607,430	209,429	4,257.14
July	20.69	18.29	19.71	4,054,759	184,307	4,363.41
August	21.10	17.80	18.86	4,156,184	188,917	4,174.13
September	20.60	18.41	19.37	4,704,657	213,848	4,287.03
October	22.20	18.81	21.05	3,656,788	174,133	4,658.95
November	22.11	19.20	19.35	4,232,650	192,393	4,282.60
December	24.04	19.41	23.03	3,064,981	133,260	5,097.28
2011						
January	24.44	21.82	23.37	3,563,387	169,685	5,178.83
February	25.14	22.10	23.40	2,853,839	142,692	5,184.37

(1) *Source: Thomson Financial (on the basis of the last closing trading price of the month)*

Stock information

ISIN Code	FR 0000077919
SRD/PEA Eligibility	Yes/Yes
Reuters Code	JCDX.PA
Bloomberg Code	DEC FP

2010 trading data

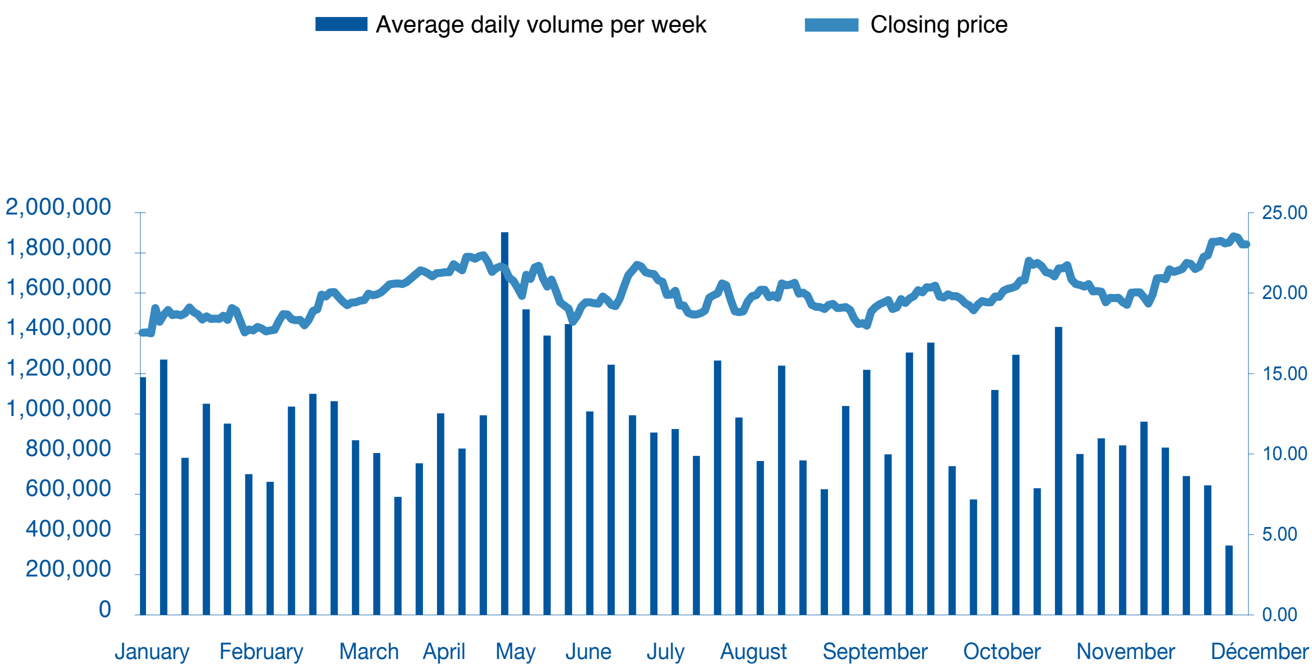
Highest price (12/29/10) (1)	24.04
Lowest price (01/01/10) (1)	16.71
Stock market capitalisation (2)	5,097.82
Number of shares as of 31/12/2010	221,602,15
Average daily volume	195,156

Source: Thomson Financial

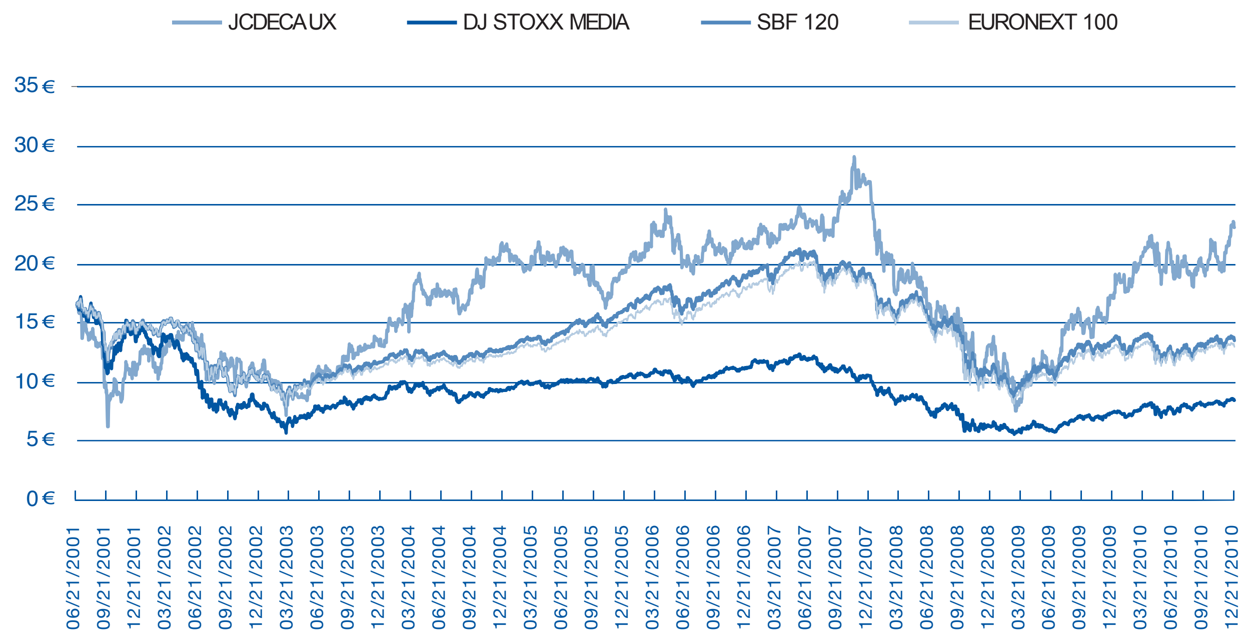
(1) *In euros, closing price*

(2) *In millions of euros, as of 31 December 2010*

Change in JCDecaux share price and trading volumes in 2010



Performance in JCDecaux share price since the IPO on 21 June 2001 compared to the SBF 120, Euronext 100, and DJ Euro Stoxx Media indices



7. SHAREHOLDERS INFORMATION

Martin Sabbagh

Manager of Financial Communications and Investor Relations

Tel.: 33 (0)1 30 79 44 86

Fax: 33 (0)1 30 79 77 91

E-mail: actionnaires@jcdecaux.fr

Market Information is available to shareholders at the following website: www.jcdecaux.com.

Provisional financial communications calendar

Date	Event
9 May 2011	First quarter 2011 revenues and quarterly information
11 May 2011	Annual General Meeting of Shareholders
29 July 2011	Second quarter 2011 revenues and half-year 2011 results of operations Half-year financial report
7 November 2011	Third quarter 2011 revenues and quarterly information

SHARE CAPITAL

1. GENERAL INFORMATION

1.1. Amount of share capital

As of 31 December 2010, the Company's share capital totalled €3,378,304.92, divided into 221,602,115 shares all of the same class and fully paid up. The breakdown of the shareholding structure is set out on pages 174 and 175 of this Annual Report.

1.2. Provisions in the articles of association relating to changes in the share capital and voting rights

Any changes in the share capital or voting rights are subject to applicable law. The articles of association do not provide for any other restrictions.

1.3. Change in the share capital over the past three years

Date	Transaction	Number of shares issued/cancelled	Nominal amount of the increase/reduction in share capital *in euros*	Issue premium per share *in euros*	Total amount of the issue premium *in euros*	Successive amounts of share capital *in euros*	Total number of shares	Nominal value
31-Dec-07	Capital increase in connection with exercises of stock options	1,346,528	20,527.70	15.15	20,401,052.82	3,400,557.51	223,061,788	(1)
07-May-08	Increase in capital by the allocation of free shares	25,974	395.97	21.48	558,045.03	3,400,953.48	223,087,762	(1)
04-Dec-08	Decrease in capital by the cancellation of repurchased shares	2,106,724	32,116.82	-	-	3,368,836.66	220,981,038	(1)
31-Dec-08	Capital increase in connection with exercises of stock options	289,559	4,414.30	16.29	4,718,324.38	3,373,250.96	221,270,597	(1)
7-May-09	Increase in capital by the allocation of free shares	9,987	152.25	10.58	105,709.95	3,373,403.21	221,280,584	(1)
31-Dec-09	Capital increase in connection with exercises of stock options	89,345	1,362.06	10.77	962,176.12	3,374,765.27	221,369,929	(1)
6-May-10	Increase in capital by the allocation of free shares	10,588	161.41	17.13	181,422.79	3,374,926.68	221,380,517	(1)
31-Dec-10	Capital increase in connection with exercises of stock options	221,598	3,378.24	16	3,545,502.06	3,378,304.92	221,602,115	(1)

(1) *When the share capital was converted into euros in June 2000, the reference to the nominal value of the shares was deleted from the articles of association.*

1.4. Outstanding delegations of authority granted to the Executive Board to increase share capital, used and valid, during the financial year

Date of Shareholders' Meeting	Description of authority delegated to Executive Board	Maximal amount authorised	Authority expiry date	Beneficiaries	Use made of delegation by the Executive Board in 2010
May 13, 2009	Increase the Company's share capital, on one or more occasions, by issuing shares and/or others securities carrying the rignt to acquire shares immediately or in the future – with shareholders' preferential subscription rights maintended – up to a limit of a maximum amount and set the terms and conditions thereof. The same authority was granted with a provision eliminating the preferential subscription right.	€2.3 million	07.12.2011	Shareholders	Not used
May 13, 2009	Issue shares or negotiable securities convertible into shares without a preferential subscription right, in consideration for contributions in kind consisting of equity securities or securities convertible into shares.	10% of the share capital	07.12.2011	Shareholders	Not used
May 13, 2009	Increase the Company's share capital, on one or more occasions, through capitalisation of bonuses, reserves or earnings.	€2.3 million	07.12.2011	Shareholders	Not used
May 13, 2009	Increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights.	Maximum of 15% of the initial issue and in the limit of the maximum threshold as set for the initial issue of shares or securities.	07.12.2011	Beneficiaries of the initial transaction	Not used
May 13, 2009	Increase the Company's share capital for the benefit of employees (acquisition under a Company Savings Plans, apart from stock options).	Maximum nominal amount of €20 000 (Issue price corresponding to 20% or 30% discount to average share price during last 20 trading days)	07.12.2011	Subscribers to Company Savings Plans	Not used
May 13, 2009	Grant Company stock and share purchase options.	4% of the share capital (Issue price corresponding to an average share price during last 20 trading days)	07.12.2011	Employees or Company officers or some of them	The Executive Board granted 76,039 stock options on 1st December 2010
May 13, 2009	Grant free shares, from shares outstanding or to be issued.	0,5% of the share capital (Issue price corresponding to an average share price during last 20 trading days)	07.12.2011	Employees or Company officers or some of them	The Executive Board granted 46,267 free shares on 1st December 2010

2. BUYBACK OF THE COMPANY'S OWN SHARES

2.1. Buyback by the Company of its own shares during 2009 fiscal year

The Combined General Meeting of Shareholders held on 13 May 2009, granted the authority for a period of 18 months, to the Executive Board to buyback the Company's shares on the market up to the limit of €20 per share and up to an aggregate maximum amount of €442,541,180, with a view to cancelling the said shares.

This delegation was not used during the 2010 fiscal year by the Executive Board.

The Combined General Meeting of Shareholders held on 19 May 2010, granted the authority for a period of 18 months, to the Executive Board to buyback the Company's shares on the market up to the limit of €25 per share and up to an aggregate maximum amount of €553,424,800, with a view to cancelling the said shares.

This delegation was not used during the 2010 fiscal year by the Executive Board.

2.2. New share buyback programme

A new share buyback programme, together with a resolution authorising cancellation of the shares repurchased, will be submitted to the Shareholders for their authorisation at the Combined General Meeting of Shareholders to be held on 11 May 2011.

The main features of this programme are as follows:

- Affected shares: the Company's shares
- Maximum percentage authorised to be repurchased by the General Meeting of Shareholders: 10% of the shares of the Company's share capital outstanding at any time, such percentage to apply to an amount of adjusted share capital based on transactions affecting it subsequent to the General Meeting of Shareholders to be held on 11 May 2011, or, for indicative purposes, 221,602,115 shares as of 31 December 2010.
- Maximum unit price authorised: €30.
- Maximum amount of the programme: €664,806,330 for 22,160,211 shares.
- Objectives of such programme:
  - implementation of any Company stock option plan under the provisions of Articles L.225-177 *et seq.* of the French Commercial Code; or
  - grants or sell of shares to employees to reward them for contributing to the Company's growth and implementation of any stock savings plan under the terms and conditions provided by law and particularly under Articles L.3332-1 *et seq.* of the French Labour Code; or
  - grants of free shares as provided under the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code; or
  - delivery of shares upon exercise of rights attached to negotiable securities carrying the right to acquire shares by redemption, conversion, exchange, or presentation of a bond, or in any other manner; or
  - cancellation of all or part of the shares thereby acquired, subject to approval at the Combined General Meeting of Shareholders to be held on 11 May 2011 and according to the terms indicated therein; or
  - delivery of shares in respect of an exchange, payment, or otherwise in connection with external growth transactions, merger, spin-off, or contribution transactions; or
  - support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in connection with a liquidity contract that complies with the ethical standards of the *Autorité des Marchés Financiers*.

This authority would also allow the Company to conduct transactions for any other authorised purpose, or that may be authorised, by applicable law or regulations. In such case, the Company would advise the shareholders by means of a press release.

- Length of the programme: this programme would expire 18 months from the date on which the General Meeting of Shareholders is held, scheduled for 11 May 2011, that is, until 11 November 2012.

OTHER LEGAL INFORMATION

1. GENERAL INFORMATION

Company name	JCDecaux SA
SA registered office	17, rue Soyer 92200 Neuilly-sur-Seine
Principal administrative office	Sainte Apolline 78378 Plaisir Cedex
Telephone number	33 (0)1 30 79 79 79
Companies' Register	307 570 747 (Nanterre)
Legal form	French corporation with an Executive Board and Supervisory Board
Governing law	French law
Date of formation	5 June 1975
Expiry date	5 June 2074 (except in the event of early dissolution or extension)
Fiscal year	from 1st January to 31st December

2. HISTORY

1964:	Jean-Claude Decaux invents the concept of street furniture and forms JCDecaux. First street furniture concession in Lyon.
1970s:	The Group invests in Portugal and Belgium.
1972:	Free-standing information panel (MUPI®). Street furniture contract for Paris.
1973:	Launch of the short-term (seven-day) advertising campaign.
1980s:	Expansion in Europe, Germany (Hamburg), the Netherlands (Amsterdam), and Northern Europe.
1980:	Installation of the first automatic public toilets in Paris.
1981:	First electronic information boards.
1988:	Creation of "Senior®", first large format billboard and street furniture of 8 m².
1990s:	JCDecaux is present on three continents: in Europe, the United States and Asia-Pacific.
1994:	First street furniture contract in San Francisco.
1998:	JCDecaux extends the concept of street furniture to shopping malls in the United States.
1999:	Acquisition of Avenir and diversification of the business into Billboard and Transport advertising. JCDecaux becomes a world leader in outdoor advertising.
2001:	Partnership with Gewista in Central Europe and IGPDecaux in Italy. JCDecaux becomes the leading Billboard company in Europe. JCDecaux wins contracts for Los Angeles and Chicago, in the United States.
2002:	JCDecaux signs the Chicago contract in the United States and, in partnership with CBS Outdoor, wins the tender for the city of Vancouver in Canada.
2003:	JCDecaux increases its stake in Gewista to 67%, a leader in outdoor advertising in Austria.
2004:	JCDecaux renews the street furniture contract for Lyon. In Asia-Pacific, the Group signs the first exclusive bus shelter advertising contracts in Yokohama, the second largest city in Japan, and wins the contract to manage advertising space in Shanghai airports, in partnership with the latter.
2005:	JCDecaux makes three major acquisitions in China and becomes number one in outdoor advertising in this fast-growing market. The Group simultaneously pursues its growth in Japan.
2006:	JCDecaux makes several acquisitions in order to penetrate new, high-growth markets, or consolidate positions in mature markets. JCDecaux thus acquires VVR-Berek, the leading outdoor advertiser in Berlin, and invests in Russia and the Ukraine. The Group accelerates its growth in Japan.

2007 and 2008: JCDecaux renews a number of major contracts, particularly in France, and introduces self-service advertising-financed bicycle systems, including the Vélib' programme in Paris. The Street Furniture business accelerates its expansion in Japan, adding four new contracts, and the Group pursues its growth in India and China, with the renewal and extension of the advertising contract for the Shanghai underground. JCDecaux makes acquisitions and alliances to penetrate new high-growth markets, particularly in the Middle East and Central Asia.

2009: JCDecaux reinforces its market position in Germany through the acquisition of the majority ownership in Wall AG.

2010: JCDecaux acquired certain rail and retail advertising assets of Titan Outdoor UK Ltd in the United Kingdom.

3. ARTICLES OF ASSOCIATION

The text of the Company's Articles of Association is stated below. They can be amended in accordance with applicable laws and regulations.

ARTICLE 1 - FORM

The Company is in the form of a limited liability company.

ARTICLE 2 – PURPOSE

The Company's purpose in France and abroad is:

- the study, invention, development, manufacture, repair, assembly, maintenance, leasing, and sale of all articles or equipment destined for industrial or commercial use, and especially the manufacture, assembly, maintenance, sale, and operation of all types of street furniture, whether advertising or not, and the provision of all services, including advisory and public relations services;
- transport of goods, directly or indirectly, by road and leasing of vehicles for transport of such goods;
- advertising, marketing of advertising space on all types of street furniture, billboards, as well as on any other media, including neon signs, façades, television, radio, the Internet, and all other media, and the undertaking on behalf of third parties of all sales, leasing, display, installation, and maintenance of advertising displays and street furniture;
- management of investments in negotiable securities, particularly relating to advertising and especially billboards, and use of its resources to invest in securities, especially through acquisition of, or subscription for, shares, equity interests, bonds, bills and notes, or other securities issued by French or foreign companies and relating particularly to advertising;

and more generally, engaging in any financial, commercial, business or real estate transactions that may be related, directly or indirectly, to the corporate purposes, or likely to extend or develop them more easily;

In particular, the Company may organise a centralised treasury management system with all companies in which it has a direct and/or indirect equity interest, for the purpose of optimising its credit, such as by investing its surplus cash, in any manner permitted by law at that time.

ARTICLE 3 – COMPANY NAME

The name of the Company is: **JCDecaux SA**

ARTICLE 4 – REGISTERED OFFICE

The registered office is located at NEUILLY-SUR-SEINE (Hauts de Seine), 17, rue Soyer.

It may be transferred pursuant to the legal provisions in force.

ARTICLE 5 – TERM

The term of the Company is 99 years from 5 June 1975; it will expire on 5 June 2074, except in the event of early dissolution or extension.

ARTICLE 6 - CAPITAL

The share capital totals €3,378,304.92 (three million three hundred and seventy-eight thousand three hundred and four euros, ninety-two cents) divided into 221,602,115 (two hundred and twenty-one million six hundred and two thousand one hundred and fifteen) shares of the same category and fully paid-up.

ARTICLE 7 – CALL ON SHARES

Any share subscription in cash must be accompanied by a payment of at least a quarter of the nominal amount of the shares subscribed to and, where applicable, the entirety of the issue premium. The balance is payable in one or several instalments at the times and in the proportions that will be determined by the Executive Board, in accordance with the law. Notice of calls shall in each case be served on shareholders fifteen days at least before the time fixed for such payment, either by registered letter with acknowledgment of receipt, or by a notice published in legal notices publications at the place of the registered office.

If the sums called in respect of a share are not paid on expiry of the period determined by the Executive Board, interest shall fall due on the sums by operation of law without the need for legal action or formal notice, for each late day calculated from the due date, at the legal interest rate increased by two points, all without prejudice to enforcement measures provided by the law.

ARTICLE 8 – RIGHTS AND OBLIGATIONS ATTACHED TO EACH SHARE

Each share shall carry the right to a share in the Company's assets, a share in the profits and in the liquidation surplus, proportional to the number of existing shares.

Each time that it is necessary to hold a certain number of shares to exercise a right, holders who do not hold this number must group together the required shares.

Each shareholder has as many votes as shares he holds or represents.

ARTICLE 9 – FORM OF SHARES

1) Identification of shareholders

Shares are nominative or to the bearer, at the shareholder's choosing, under the conditions provided for in the legal provisions in force. These shares, whatever their form, must be registered in the account in the name of their holder.

However, when their holder does not reside on French territory, within the meaning of Article 102 of the French Civil Code, any intermediary can be registered on behalf of this owner. This registration can be in the form of a group account or in several individual accounts each corresponding to one owner.

The intermediary registered must, at the time of opening his account with either the issuing Company, or the financial intermediary authorised account holder, declare, under the conditions decreed, his capacity as an intermediary holding shares on behalf of others.

In view of identifying holders of bearer shares, the Company can request at any time from the central custodian which is the account holder for issuing its shares, depending on the case, the name, nationality, year of birth or formation and the address of the shareholders granting immediately or in the future a right to vote in its own meetings as well as the quantity of shares held by each of them and, where applicable, any restrictions that apply to the shares.

The Company shall have the right to request, in view of the list provided by the aforementioned organisation, either by the intervention of this organisation or directly, under the same conditions and under penalty of sanctions provided for in Article L.228-3-2 of the French Commercial Code, from persons named on this list and whom the Company deems to be registered on behalf of third parties, information concerning the holders of the shares. These persons must, when they have the status of an intermediary, disclose the identity of the holders of these shares. The information is provided directly to the financial intermediary holding the account, in order that the latter send it, depending on the case, to the Company or the aforementioned organisation.

If it involves shares in a nominative form, granting immediately or in the future access to the capital, the intermediary shall register them under the conditions stipulated in Article L.228-1 of the French Commercial Code and must, within a time period decreed, disclose the identity of the holders of these shares, as well as the quantity of shares held by each of them on first request of the Company or its agent, which can be made at any time.

As long as the Company deems that certain holders whose identity has been disclosed to it are holders on behalf of third parties, it has the right to request that these holders disclose the identity of the holders of these shares, as well as the quantity of the shares held by each of them, under conditions stipulated in Articles L.228-2 II and L.228-3 of the French Commercial Code.

At the end of these transactions, and without prejudice to the obligations to declare major shareholdings pursuant to Articles L.233-7, L.233-12 and L.233-13 of the French Commercial Code, the Company can request that any company holding its shares and holding shares exceeding $1/40^{th}$ of the capital or voting rights, disclose the identity of the persons holding directly or indirectly more than one third of its capital or voting rights.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the French Commercial Code, acting under general authority to manage securities, may transmit the vote or warrant of a shareholder for any General Meeting as set out in paragraph 3 of the same Article.

Prior to transmitting the warrants or votes to the General Meeting, the intermediary registered in accordance with Article L.228-1 of the French Commercial Code, is required to supply a list of the non-resident shareholders with respect to which the voting rights are attached as well as the shares held by each of them, at the request of the Company or its representative. This list is provided under the terms and conditions set out in Articles L.228-2 or L.228-3, as appropriate, of the French Commercial Code.

The vote or warrant issued by an intermediary that either has not registered as such, or has not disclosed the shareholder's name, may not be counted.

The breach of the obligations resulting from the aforementioned paragraphs is sanctioned in accordance with the provisions of Article L.228-3-3 of the French Commercial Code.

2) Crossing certain thresholds

In addition to the filings for crossing thresholds expressly provided for under the first and second paragraphs of Article L.233-7 of the French Commercial Code, any individual or entity acting alone or in unison with others who becomes the owner, directly or indirectly, through one or more companies that it controls within the meaning of Article L.233-3 of the French Commercial Code, of a number of shares representing 2% or more of the share capital or the voting rights, must notify the Company by registered letter with acknowledgment of receipt within five trading days of crossing such threshold of the total number of shares and voting rights the individual then owns, as well as of any securities convertible into shares or voting rights which may potentially be attached. The same notice requirement applies each time a change of more than 1% in shareholding occurs in respect of such threshold.

Such notice must also be given to the Company when a shareholder's ownership of shares or voting rights falls below one of the aforementioned thresholds.

The legal penalties in the event of the non-observation of the obligation to declare the crossing of the legal thresholds also applies in the event of the non-declaration of the thresholds stipulated in these articles of association, upon the request at the General Meeting of Shareholders of one or more shareholders holding at least 5% of the Company's share capital or voting rights.

ARTICLE 10 – TRANSFER AND INDIVISIBILITY OF SHARES

Shares can be traded freely.

Shares are transferred from one account to another on the signed instructions of the assignor or his authorised representative.

ARTICLE 11 – ADMINISTRATION OF THE COMPANY

The Company is managed by an Executive Board, which carries out its duties under the control of a Supervisory Board.

ARTICLE 12 – EXECUTIVE BOARD – COMPOSITION

The Executive Board is composed of at least two members and at most seven members appointed by the Supervisory Board.

Members of the Executive Board must be individuals and need not be chosen from among the shareholders.

No acting member of the Supervisory Board can be part of the Executive Board.

A member of the Executive Board can only be appointed to the Executive Board or as the sole Co-CEO of another company, under the conditions stipulated by the French Commercial Code.

Furthermore, a member of the Executive Board cannot be appointed as a legal representative of a company that JCDECAUX SA does not directly or indirectly control without having been authorised by the Chairman of the Supervisory Board.

In one case or the other, the member of the Executive Board who has not complied with the provisions stipulated in the previous two paragraphs, must resign either from his duties as a member of the Executive Board, or his unauthorised duties, within a period of three years from his appointment to the unauthorised duties.

ARTICLE 13 – TERMS OF OFFICE OF MEMBERS OF THE EXECUTIVE BOARD – COMPENSATION

The Executive Board is appointed for a term of three years. The terms of office of its members expire at the end of the General Meeting of Shareholders ruling on the financial statements for the fiscal year just ended and held during the year in which such term of office is due to expire. In the event of a vacancy due to death, resignation or removal, the Supervisory Board must, within a period of two months from the vacancy arising, fill the vacant position, for the time left to run until renewal by the Executive Board.

The acceptance and exercise of the term of office of a member of the Executive Board results in the undertaking, for each interested party, that at all times he meets the conditions and obligations required by current laws, particularly concerning the number of terms of office.

Any member of the Executive Board is eligible for re-election.

No one past the age of seventy may serve on the Executive Board. Any Executive Board member who reaches that age is deemed to have retired at the close of the meeting of the Supervisory Board following the date on which he reaches that age, unless the Supervisory Board decides to allow the member to serve out the balance of his term.

The Supervisory Board sets out in the appointment contract the method and the amount of compensation for each member of the Executive Board.

Members of the Executive Board or the sole Co-CEO may be removed by the General Meeting of Shareholders or the Supervisory Board. If the removal is decided without just cause, it can give rise to damages and interest. In the event that the interested party has signed an employment contract with the Company, the removal of his duties as a member of the Executive Board will not terminate this contract.

ARTICLE 14 – ORGANISATION AND OPERATION OF THE EXECUTIVE BOARD

The Supervisory Board confers on one of the members of the Executive Board the office of Chairman and fixes the term of his duties. It can also confer on one of the members of the Executive Board the office of Vice Chairman.

The Executive Board meets as often as the Company's interests require, at the registered office or at any other place indicated in the notice of meeting.

It is convened by the Chairman or, in the event he is hindered in so doing, by at least half of its members.

Notifications are made by all means, even verbally.

Meetings of the Executive Board are chaired by its Chairman or, in his absence, by the Vice Chairman or, in his absence, by a member of the Executive Board chosen at the beginning of the meeting. The Executive Board may also appoint a secretary who may or may not be chosen from among its members.

If the Executive Board has two members, both must be present for business to be validly conducted, if it has more than two members, at least half of the members must be present.

A member of the Executive Board can authorise another member to represent him at an Executive Board meeting by means of a letter, fax or telegram. Each member of the Executive Board may only represent one other member.

An attendance register is kept at the registered office and is signed by all the members participating in each Executive Board meeting.

It the Executive Board is comprised of two members, decisions are taken by a unanimous vote. If it has more than two members, decisions are taken on a majority of the votes of members present or represented; in the event that the votes are evenly split, the Chairman's vote shall be decisive. The Executive Board can draw up Internal By-Laws setting out its organisation or operating method.

Deliberations are recorded in minutes signed by the Chairman and one member of the Executive Board or, in the event the Chairman is absent, by two members of the Executive Board.

These minutes are either reproduced on a special register or collated.

The copies or extracts of these minutes are certified by the Chairman of the Executive Board or by one of its members, and during liquidation by a liquidator.

Members of the Executive Board who participate in the meeting by means of videoconference or telecommunications, the nature and conditions of application of which are stipulated by the French Commercial Code, which enables the identification of the members and which guarantees their actual participation are deemed to be present for calculating quorum and majority;

The Chairman of the Executive Board represents the Company in its relations with third parties.

The Supervisory Board can attribute the same power of representation to one or several members of the Executive Board who then bear(s) the title of "Co-CEO".

ARTICLE 15 – POWERS AND DUTIES OF THE EXECUTIVE BOARD

The Executive Board has the broadest possible authority to act in all circumstances on behalf of the Company with regard to third parties, subject to the powers expressly granted at Shareholders' Meetings and by the Supervisory Board, under the law and the articles of associations, particularly concerning the operations set out in paragraphs 4 and 5 of this Article and Article 18 below.

The Executive Board has the option to delegate part of its authority when it deems it suitable.

Members of the Executive Board can, with the authorisation of the Supervisory Board, distribute the management tasks between them. However, this distribution can in no case have the effect of removing from the Executive Board its purpose as a body collectively carrying out the Company's general management.

The Executive Board carries out its duties under the control of the Supervisory Board. It must notably present to the Supervisory Board:

- at least once a quarter, a report on the Company's business and affairs;
- within three months following the end of each fiscal year, the financial statements for review and approval.

Guarantees and security deposits for third parties can only be granted by the Executive Board after authorisation by the Supervisory Board.

The Supervisory Board can set, for a maximum period of one year, an overall sum or a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

The sale of properties by accounting item, the full or partial sale of shareholdings, the forming of sureties must be authorised beforehand by the Supervisory Board. The Board can determine by transaction a sum below which an authorisation shall not be necessary. Non-compliance with these provisions is only binding on third parties in cases stipulated by law.

ARTICLE 16 - COMPOSITION OF THE SUPERVISORY BOARD

The ongoing control of the Company's management by the Executive Board is exercised by the Supervisory Board composed of at least three members and eighteen at most, subject to the exemptions provided for under Article L.225-95 of the French Commercial Code.

Members of the Supervisory Board are appointed by the General Shareholders' Meeting for a maximum term of four (4) years. However, the term of office of members of the Supervisory Board shall continue until the end of the General Shareholders' Meeting approving the financial statements for the past fiscal year and held in the year during which this member of the Supervisory Board's term of office expires.

The term of office of a member of the Supervisory Board expires at the end of the General Shareholders' Meeting that considers and acts on the financial statements of the fiscal year just ended and that is held during the year in which such term of office is due to expire.

Members of the Supervisory Board are eligible for re-election.

They may be removed by the General Meeting of Shareholders.

The number of members of the Supervisory Board over the age of 75 may not be greater than one-third of the serving members. Any appointment contrary to this provision shall be null and void. When this limit is passed, the oldest member is deemed to have left office. In addition, starting at age 75, the term of office is annual.

A legal entity can be appointed as member of the Supervisory Board. During its appointment, it must name a permanent representative.

In the event of a vacancy arising due to death, age limit or resignation, the Supervisory Board can, between two General Meetings of Shareholders, make interim appointments. These appointments are subject to ratification at the next General Shareholders' Meeting.

A member of the Supervisory Board appointed as a replacement for another, whose term of office has not expired, only remains in office for the time remaining to run of his predecessor's term of office.

If the number of members of the Supervisory Board falls below the legal minimum, the Executive Board, or failing this the Supervisory Board, must immediately convene a General Shareholders' Meeting with a view to adding to the members of the Supervisory Board.

A member of the Supervisory Board can only be appointed to the Supervisory Board of another company, under the conditions stipulated by the French Commercial Code.

ARTICLE 17 – ORGANISATION AND OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board elects from among its members a Chairman and a Vice Chairman in charge of convening the Board and chairing discussions. The Board determines the amount of their compensation. The Chairman and Vice Chairman must be individuals rather than legal entities. They are elected for a term that is equal in length to their term of office on the Supervisory Board. They are always eligible to be re-elected.

The Supervisory Board may appoint a secretary who can be chosen from outside the shareholders.

The Supervisory Board meets at the registered office or at such other location indicated in the notice of meeting, on convening by its Chairman or Vice Chairman, as often as the Company's interests require and at least once every quarter to hear the Executive Board's report.

The Chairman or Vice Chairman must convene the Board to a meeting, the date of which can be no more than 15 days later when at least one member of the Executive Board or at least a third of the members of the Supervisory Board presents it with a justified request for this purpose. If the request goes unheeded, its authors may convene the meeting, by stating the meeting's agenda.

Meetings can be convened by all means, even verbally.

Any member of the Supervisory Board can authorise another member to represent him at a Supervisory Board meeting by means of a letter, fax or telegram. Each member of the Supervisory Board can only have during the same meeting one proxy; these provisions are applicable to the representative of a legal entity member of the Supervisory Board.

At least half of the Board members must be present for the Supervisory Board to transact business validly.

Meetings of the Supervisory Board are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman or, otherwise by any member chosen by the Supervisory Board.

Decisions must be taken by a majority of the members present in person or represented by proxy.

In the event of a tie, the person chairing the meeting has the deciding vote.

Members of the management can assume a consultative role at the meetings of the Supervisory Board on the Chairman's initiative.

An attendance register is kept at the registered office and is signed by all the members participating in each Supervisory Board meeting.

Minutes are drawn up and the copies or extracts of the deliberations are delivered and certified in accordance with the applicable legal and regulatory provisions.

The Supervisory Board may draw up Internal By-Laws stipulating the creation of one or more committees within it, whose duties it will define as well as the fact that for the calculation of the quorum and majority, members of the Supervisory Board who participate in the meetings by means of videoconference or telecommunications under the conditions stipulated by the French Commercial Code are deemed present.

Members of the Supervisory Board, as well as any other person attending the Supervisory Board meetings, must exercise discretion concerning the deliberations of the Board and regarding information of a confidential nature or presented as such by the Chairman.

ARTICLE 18 – RESPONSIBILITIES OF THE SUPERVISORY BOARD

The Supervisory Board oversees the management of the Company by the Executive Board.

The Supervisory Board may review or investigate the Company's operations at any time it deems appropriate and may obtain any document that it believes is necessary for this purpose.

At least once every quarter, the Executive Board must report to the Supervisory Board on the Company's business and affairs.

Within three months following the end of each fiscal year, the Executive Board must present to the Supervisory Board, for its review and approval, the financial statements for the period.

The Supervisory Board must present its report to the annual General Meeting of Shareholders on the report of the Executive Board, as well as on the financial statements for the period.

The Supervisory Board appoints a Chairman from among the members of the Executive Board, whose length of term and compensation it determines. It attributes where applicable the authority to represent the Company to one or more members of the Executive Board and authorises their accumulation of terms of office as a member of the Executive Board or as the sole Co-CEO of another company.

It can convene the General Meeting of Shareholders.

The Supervisory Board – under the conditions stipulated in Article 15 of the articles of association – grants its prior authorisation to the Executive Board for guarantees and security deposits for third parties, on the one hand, the sale of properties by accounting item, the full or partial sale of shareholdings and the forming of sureties, on the other hand, and sets the limits below which this authorisation is not required.

It authorises the agreements set out in Article 20 below.

It can move the registered office within the same French department or in a neighbouring department, subject to ratification, in accordance with the aforementioned Article 4.

It can confer on one or several of its members all special terms of office for one or several definite objects.

ARTICLE 19 – COMPENSATION FOR MEMBERS OF THE SUPERVISORY BOARD

An annual sum, in terms of Directors' fees, can be allocated to members of the Supervisory Board, in compensation for their work, the amount of which is charged to the Company's operating expenses, and determined by the General Meeting of Shareholders and continues until a contrary decision is made by the meeting. The Supervisory Board freely distributes this allocation between its members.

Furthermore, the Board can allocate to certain members non-recurring payments for work or offices entrusted to them.

ARTICLE 20 – AGREEMENTS WITH A RELATED PARTY

Any agreement taking place directly or by means of a person intervening between the Company and one of the members of the Executive Board or Supervisory Board, a shareholder holding a proportion of the voting rights greater than 10% or, if it involves a shareholder company, the company controlling it, within the meaning of Article L.233-3 of the French Commercial Code, must be subject to the Supervisory Board's prior authorisation.

The same applies to agreements in which one of the persons cited in the previous paragraph is indirectly involved.

Agreements taking place between the Company and a company are also subject to the prior authorisation, if one of the members of the Executive Board or the Supervisory Board of the Company is an owner, associate, manager, Director, member of the Supervisory Board or, generally, manager of this company.

The interested party cannot take part in the vote on the authorisation sought.

These agreements are subject to the approval of the General Meeting of Shareholders under the conditions stipulated in the French Commercial Code.

These provisions are not applicable to agreements relating to day-to-day management operations and agreed under normal conditions. However, these agreements, with the exception of those, which, due to their object or their financial implications, are not significant for any of the parties, are sent by the interested party to the Chairman of the Supervisory Board. The Chairman sends its list and object to members of the Supervisory Board and to the Statutory Auditors. Any shareholder has the right to obtain a copy of it.

Members of the Executive Board and members of the Supervisory Board other than legal entities are prohibited from contracting, in any form whatsoever, loans from the Company and from being granted an overdraft in a current account or other account by it, as well as it standing surety or guaranteeing their obligations towards third parties. The same ban applies to permanent representatives of legal entities that are members of the Supervisory Board.

It also applies to spouses, descendants and ascendants of persons cited in the previous paragraph as well as any other intermediate person.

ARTICLE 21 – STATUTORY AUDITORS

The Ordinary General Meeting of Shareholder determines, for the term, under the conditions and with the responsibilities stipulated by law, one or more statutory auditors and one or more alternate statutory auditors.

ARTICLE 22 – GENERAL MEETINGS OF SHAREHOLDERS

1. General Meetings of Shareholders are held and transact business under the terms and conditions provided by law. They may be held at the registered office or at any other location in France.

2. General Meetings of Shareholders are open to all shareholders, regardless of the number of shares they hold, as long as their shares have been fully paid up, to the extent that payment is due.

The right to be present in person or represented by proxy at a shareholders' meeting is subject to the shareholder being registered either in the books and records of registered shareholders kept by the Company, or in accounts for bearer shares held in registered form by an authorised broker or agent, under the terms and conditions and subject to the deadlines provided under applicable law and regulations.

An intermediary that meets the requirements set out in paragraphs 7 and 8 of Article L.228-1 of the French Commercial Code, acting under general authority to manage securities, may transmit the vote or proxy of a shareholder for any General Meeting of Shareholders as set out in paragraph 3 of the same article.

3. Shareholders may participate in a Meeting of Shareholders by videoconference or any other means of telecommunication permitted by applicable law and regulation and be deemed present for quorum purposes and determination of required majorities at such Shareholders' Meeting, upon a decision allowing such participation taken by the Executive Board and published in the notice of the meeting.

4. The Workers' Committee of the Company may propose resolutions for inclusion in the agenda of Shareholders' Meetings.

It can also request that the courts appoint a representative in charge of convening the General Meeting of Shareholders in the event of an emergency.

Two members of the Workers' Committee, one from the category of technicians and supervisors (shop stewards), the other from the category of employees and workers, or, if applicable, the persons indicated in the third and fourth paragraphs of Article L.432-6 of the French Labour Code, may be appointed by the Workers' Committee to attend General Meetings of Shareholders. They have the right to be heard, upon request, in respect of any matter requiring unanimity that may come before the Meeting.

5. General Meetings of Shareholders are chaired by the Chairman of the Supervisory Board or, in his absence, by the Vice Chairman of the Supervisory Board or, in his absence, by a member of the Supervisory Board specially delegated for such purpose by the Supervisory Board. Otherwise, the shareholders may elect their own person to chair the meeting.

ARTICLE 23 – FISCAL YEAR

The fiscal year begins on 1st January and ends on 31st December of each year.

ARTICLE 24 – DISTRIBUTION OF PROFITS

The Shareholders, after making any necessary credit to the legal reserve, may allocate any amount of net distributable income that they choose to retained earnings, any special reserve fund, or any other special or ordinary purpose. The remainder is to be distributed among all shareholders, in proportion to their equity interest in the share capital.

ARTICLE 25 – LIQUIDATION

1. Subject to compliance with the legal regulations in force, liquidation of the Company shall comply with the regulations below, with the observation made that Articles L.237-14 to L.237-31 of the French Commercial Code shall not be applicable.

2. Shareholders at the Extraordinary General Meeting appoint under conditions of quorum and majority stipulated in the Ordinary General Meetings, from among them or from outside, one or more liquidators whose duties and compensation they will determine.

This appointment brings to an end the terms of office of members of the Executive Board and Supervisory Board and, unless the Meeting decides otherwise, those of the Statutory Auditors.

The Ordinary General Meeting of Shareholders can still remove or replace the liquidators and extend or restrict their powers.

The liquidators' term of office is, unless otherwise stipulated, assigned for the entire term of the liquidation.

3. The liquidators have, jointly or separately, the widest powers to realize, at the price, charges and conditions that they deem suitable, any Company asset and discharge its liabilities.

The liquidator(s) can, during the liquidation, distribute payments and, at the end of the liquidation, distribute the balance available without the need for any advertising formality or deposit of funds.

Sums dues to associates or creditors and not claimed by them shall be paid to the *Caisse des Dépôts et Consignations* (French Deposit and Consignment Office) within the year that follows the termination of the liquidation.

The liquidators have, even separately, the capacity to represent the Company with regard to third parties, particularly public or private authorities, as well as to bring legal proceedings before any courts both as applicant or defendant.

4. During the liquidation, the General Meetings are held as often as required in the Company's interest without however it being necessary to comply with the stipulations of Articles L.237-23 *et seq.* of the French Commercial Code.

General Meetings are legally convened by a liquidator or by shareholders representing at least a tenth of the share capital.

Meetings are chaired by one of the liquidators or, in his absence, by the shareholder with the greatest number of votes. They deliberate under the same conditions of quorum and majority as before the dissolution.

5. At the end of the liquidation, the shareholders meet in an Ordinary General Meeting ruling on the final account of the liquidation, the discharge of the liquidators' management and their term of office.

They record, under the same conditions, the termination of the liquidation.

If the liquidators neglect to convene the Meeting, the presiding judge of the commercial court, ruling by summary order can, on the request of any shareholder, appoint an agent to carry out this notification.

If the closing meeting cannot deliberate or if it refuses to approve the liquidation accounts, it is ruled on by a decision of the commercial court, on the request of the liquidator or any interested party.

6. The amount of shareholders' equity remaining, after reimbursement of the nominal amount of the shares, is shared equally between all the shares.

During reimbursement of the share capital, the burden of any taxes that the Company must deduct at source will be distributed between the shares indistinctly in proportion uniformly to the capital reimbursed to each of them without it having to take account of the different issue dates nor the origin of the various shares.

ARTICLE 26 – DISPUTES

Any disputes that could arise during the operation of the Company or its liquidation, either between the shareholders, or between the Company and the shareholders themselves concerning the interpretation or performance of these articles of association or generally on the subject of corporate affairs will be submitted to the competent courts under the conditions of general law.

4. RISK FACTORS

The Company's internal control procedures describe the organisation and procedures introduced within the Group to manage risks, page 150.

4.1. Risks run as part of the business

The Group relies on its legal teams to ensure the application of regulations in each country and monitor related changes.

The Group's reputation
Our business is closely linked to the quality and integrity of the relations we have with local governmental authorities, essentially with respect to our Street Furniture business. Our reputation for, and our history of, integrity are essential factors that help us to procure contracts with local governments.

Beginning in 2001, we developed ethical rules applicable to our entire business. These rules were revised in 2005 and in 2009 and have been broadly distributed throughout the Group. They have been clarified with terms and conditions of application adapted to our lines of business in order to avoid any misunderstanding as to their interpretation.

Reliance on key executives
We depend to a large extent on the continued services of the key executive officers, particularly Jean-François Decaux and Jean-Charles Decaux, both members of the Executive Board and Jean-Claude Decaux, Chairman of the Supervisory Board and founder of the Group. The loss of the services of any of the key executive officers, for any reason, could have an adverse effect upon the business.

Risks related to public procurement procedures
Concluding contracts with local governments in France and elsewhere is subject to complex statutory and regulatory provisions.

Over time the Group has accrued teams of lawyers with specialised knowledge in public and administrative law to manage the bids in France and elsewhere. These teams analyse the content of the public tenders and ensure strict compliance with procedures and standard specifications issued by the procurement authority.

The preparation of responses to public tenders follows a precise process that includes all of the relevant departments of our Company, under the supervision of a member of the Executive Board. Reponses to tenders that don't meet certain criteria or that exceed certain limits are systematically referred to the Executive Board for approval.

The complexity of the procedures and the multiplicity of the existing paths of recourse, before and after signing the contract increase the possibility of the Group being involved in litigation.

Furthermore, if a public procurement contract is voided by a court decision, compensation is awarded to the counterparty, but it does not necessarily cover the full amount of the loss.

Lastly, in certain countries where the Group exercises its business, including France, any local authority that is part of a contract under public law can terminate it at any time, in whole or in part, for reasons in the general interest. The scope of the compensation due to offset the loss of the counterparty remains in this case up to the court's assessment.

Risks related to the change in applicable regulations

- **Risks related to regulations applicable to billboards**

The outdoor advertising industry is subject to significant governmental regulation at both the national and local level, particularly in Europe and the United States, in Asia, Middle East or Latin America relating to the luminosity, density, size and location of billboards and street furniture in urban and other areas, and regulation of the content of outdoor advertising (including bans and/or restrictions in certain countries on tobacco and alcohol advertising). Local law and regulations, however, are moving in the direction of reducing the total number of advertising outlets, and local authorities are becoming stricter in applying existing law and regulations. Part of the advertising outlets, in particular in the area of billboards, could therefore, in the future, have to be removed or relocated in certain countries.

Note that in France, a reform of the Environmental Code is underway as part of the "Grenelle 2" global environment project, which may significantly impact the Billboard activity in France. In this respect, the "Grenelle 2" law was promulgated on 12 July 2010 and the Minister for Ecology issued a draft application decree for public consultation in February 2011.

- **Risks related to changes in applicable regulations**

    - ***Risks related to regulations applicable to alcoholic beverage advertising***

The European Directive dated 30 June 1997 regulates advertising of alcoholic beverages. Laws and regulations in this area vary considerably from one European country to another, from complete prohibition of advertising to permission only at points of sale. However, the majority of the European Union States have adopted laws that restrict the content, presentation and/or timing of such advertising.

In China, advertising of alcoholic beverages is subject to regulation under the Regulatory Rules on Alcoholic Beverage Advertising, dated 17 November 1995, in particular submitting it to a prior health certificate.

An extension to these restrictions may have a negative impact on the revenue from the relevant countries.

In 2010, alcohol advertising accounted for 3.1 % of the Group's consolidated revenue, compared to 4.2% in 2009.

- ***Risks related to regulations applicable to tobacco advertising***

Anti-tobacco campaigns have become a major priority in the European Union, and European countries have taken steps to harmonise the legislation against advertising tobacco products, especially in light of EU Directive 89/552 EEC, as amended by Directive 97/36/EC on Television without Frontiers, which harmonises the ban on advertising tobacco products.

Tobacco advertising on billboards is banned in Saudi Arabia, Australia, Belgium, Denmark, Spain, Finland, France, Norway, Ireland, Iceland, Italy, Luxembourg, Uzbekistan, The Netherlands, Poland, Portugal, UK, Slovakiaand Sweden, as well as the majority of the States in the US. Tobacco products advertising is permitted, subject to restrictions, in Germany, Austria and China. An extension to these restrictions may have a negative impact on the revenues from the relevant countries.

In 2010, tobacco advertising accounted for 0.8 % of our consolidated revenue, compared to 0.7% in 2009

- ***Other risks related to applicable regulation on advertising content***

Local regulations may decide to temporarily or permanently ban certain advertising contents that may be against public interest. For example, the local government of Beijing in China decided in March 2011 to ban advertisements on outdoor advertising displays that extol overly hedonistic or upscale life styles as a response to the population's concerns about the widening gap between the rich and the poor in the country.

- **Risks related to regulations applicable to other media**

The application in France of the EU Television without Frontiers Directive, dated 3 October 1989, has involved a gradual opening of media to all industries. In France, the Decree dated 7 October 2003 provides for gradual access for large retailers to television advertising, and all televised media (local channels, cable, satellite and broadcast channels) became open to large retailer advertising from 1 January 2007. This access has had an unfavourable impact on outdoor advertising since 2007.

- **Counterparty risks related to dependence towards customers and suppliers**

The Group has a diversified customer portfolio and as presented on page 37, does not depend on a single customer or a group of specific customers to achieve its revenues. Similarly, the Group resorts to a large number of suppliers for both finished products and services and its strategic supplies are not concentrated on a limited number of suppliers in such a way as would lead to excessive dependence on them.

4.2. Risks related to regulation of competition

An element of our growth strategy involves acquisitions of additional outdoor advertising companies, many of which are likely to require the prior approval of national and/or European competition authorities.

The European Commission or national competition authorities could prevent us from making certain acquisitions or impose conditions limiting such acquisitions.

In connection with our business, we bring actions and other proceedings with national competition authorities, or are the subject of actions and proceedings brought by our competitors.

4.3. Legal risks

The JCDecaux Group is involved in several disputes relating to the terms of implementation of some of its agreements with its licensors and with relations with suppliers.

Moreover, its business activities with local governmental authorities, in France and abroad, can lead to specific legal proceedings. Thus, the JCDecaux Group is implicated in disputes concerning the attribution or termination of street furniture and/or billboard contracts, as well as disputes relating to the taxation of its business.

To the best of our knowledge, there are no other courts, arbitration or administrative proceedings including any that have been suspended or are threatened and likely to have or which have had material effects on the financial situation or profitability of the company and/or Group over the past 12 months.

4.4. Environmental risks

Since we were formed, we have been actively involved, together with local governments, transportation companies, airport authorities, advertisers, and advertising and media agencies in improving the urban environment.

In 2008 the Group publicised on its website a Sustainable Development Statement which sets out in detail its willingness to pursue economic development that respects humans and the environment.

The Group has confirmed the following objectives: reduce the impact of its business on the environment (reduction in energy and water consumption, recycling of posters and other waste), pursue eco-design, and increase the use of life-cycle analysis and "green" products, and reduce carbon emissions

The Group also intends to accelerate the ISO 14001 certification process in order to satisfy the highest international standards. Industrial activities managed by the Department for Reseach, Production & Operations, in France and the Group subsidiaries in Spain, Norway, the United Kingdom, Portugal, Italy, Sweden and Finland are already ISO 14001 certified. Work is underway in several subsidiaries to obtain or extend the scope of certification.

In order to coordinate all of its commitments, the Group is equipped with a Quality Control and Sustainable Development Department, placed directly under the authority of one of the members of the Executive Board, whose task is to define and implement the Group's broad strategic direction with regard to sustainable development.

At the same time, the Group supports sustainable development in a proactive way, through its products and its services, as for example the Vélib' self-service bicycle system and the design of structures to collect waste.

Lastly, although the Group's business activities do not involve a serious risk of pollution, the level of risk management concerning potential environmental damage, such as accidental pollution, is always being improved.

4.5. Risks covered by insurance

Policy

Given the similarity of the operations in various countries, the strategy is to cover essential risks centrally under worldwide insurance policies taken out by JCDecaux SA with major international insurers. The Group therefore obtains coverage for risks of damage to property and operating losses, as well as for public liability risks and corporate officers' insurance.

This strategy enables us both to obtain a significant level of coverage on the basis of worldwide premium rates, but also to ensure that the degree of coverage applicable to our companies, both in France and elsewhere, is consistent with the potential risks that have been identified and with our Group strategy for risk coverage.

We may also obtain local and/or specific coverage to comply with locally applicable laws and regulations, or to meet specific requirements. Purely local risks such as covering risks associated with motor vehicles are covered by each country, under its responsibility.

For essential risks, our worldwide coverage applies where there are differences or gaps in the terms and conditions or limits of coverage under local policies.

Implementation

The insurance management policy is to identify major catastrophic risks by assessing those, the consequences of which would be most significant for third parties, employees and for the Group.

All material risks are covered under a worldwide Group insurance programme, with self-insurance (deductibles) provided only in respect of frequent risks. Accordingly, to obtain the most value for insurance costs and have full control over risks, the Group self-insures, under insurance deductibles, for recurring operating risks and mid-range or low-level risks, essentially through Business Interruption/Casualty, Third-party Liability and Automobile Fleet policies.

The aggregate amount of premiums paid in 2010 totalled €2,057,000.

As a matter of policy the JCDecaux Group does not obtain coverage from insurers unless they have the highest rating.

All of these insurance programmes include levels of deductibles, which include levels of coverage that, in light both of the Group's past risk history, in particular the severe storms of 1999 in Europe, and the study undertaken of the essential industrial facilities, have the objective of insuring major risks that are exceptional in character.

Principal Group policies

The principal coverage under Group policies in force since 1 July 2010 and extended until 1 July 2012 is as follows:

- **Civil liability**

The Group self-insures risks in unit amounts below or equal to €3,000 in general, except, as from 1 January 2010, for operations in France and in the UK (deductible of €10,000), in Spain (deductible of €5,000) and in the United States (deductible of €7,500).

Above these deductibles, the Group put in place successive levels of coverage, the amounts of which have been determined after analysis of risk factors specific to the Group's business and their possible consequences. These three levels cover all the global subsidiaries.

The basic deductible of these Group policies is €1 million; below that level, specific policies have been obtained in each country.

In 2010, there were no major claims.

- **Property damage - Business interruption**

A single insurance programme implemented for principal European countries (a "free servicing agreement") was continued in 2010. The Group's other main foreign subsidiaries are covered under a worldwide programme that provides reinsurance of local policies (particularly in the United States, Hong Kong, Thailand and Singapore).

The smaller foreign subsidiaries are insured locally, and the Group policy provides coverage in cases of losses under different conditions and/or limits.Advertising structures are covered up to €15 million per claim.

Operating facilities, especially facilities where posters are prepared, are insured up to €100 million per claim. Coverage limitations include business interruption losses as a result of a covered event.

An absolute deductible of €50,000 applies to each claim. This deductible was reduced to €15,000 for the smallest subsidiaries.

In terms of business interruption, the applicable deductible of 10% of the amount of the claim, with a minimum of €15,000 and a maximum of €1,000,000, has been continued.

The strategy described above is provided as an illustration of a situation over a given period and should not be considered as representative of a permanent situation.

Our insurance strategy may change at any time, depending on the occurrence of insurable events, the appearance of new risks, or market conditions.

4.6. Market risks

Market risks are discussed in the Note to the Consolidated Financial Statements on page 108 of this Annual Report.

The Group's medium and long term debt is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (Moody's last rating was on 5 April 2011, and Standard and Poor's on 13 October 2010), each of these ratings had a "stable outlook", although they were negative at 31 December 2009.

5. RELATIONS WITH THE CONTROLLING SHAREHOLDER AND WITH THE PRINCIPAL SUBSIDIARIES AND AFFILIATES

5.1. Relations with JCDecaux Holding

JCDecaux Holding provides JCDecaux SA with services in the areas of conception and implementation of strategic plans, alliances, financing and organisation under an Agreement dated 21 January 2000.

In 2010, JCDecaux Holding billed JCDecaux SA €762,245 under this agreement. This amount has not changed since 2000 and is not indexed.

Furthermore, JCDecaux SA provides to JCDecaux Holding support in the area of finances and management control, legal and tax services, human resources, management and administration. In 2010, JCDecaux SA billed JCDecaux Holding an amount of €123,900 under this agreement.

These agreements, having been signed for a fixed price in accordance with market conditions, has not been considered as an agreement with a related party (*convention réglementée*).

5.2. Transactions by our Company with affiliates

With respect to the rental of premises, the total amount of rent the Group paid to JCDecaux Holding, JCDecaux SA's parent company, to SCI TroisJean, a subsidiary of JCDecaux Holding, and to JCDecaux Frères Real Estate, a subsidiary of JCDecaux Holding was €12.2 million in 2010 with SCI TroisJean having waived applying the contractual indexing clause for rents during the 2010 fiscal year in order to take account of advertising market conditions.

This rent is consistent with market prices, which was confirmed by an appraisal conducted by an independent appraiser. The leases are commercial leases conforming to market standards. This rent represents the largest amount of the operating expenses incurred with related parties in 2010, or 51.3% of such expenses.

Comments on transactions with related parties in respect of fiscal year 2010 are set out in the Notes to the Consolidated Financial Statements and on page 113 of this Annual Report.

5.3. Principal subsidiaries and affiliates

A simplified organisation chart of companies owned by JCDecaux SA at 31 December 2010 appears on page 198. A list of companies controlled by JCDecaux SA is set out in the Notes to the Consolidated Financial Statements, appearing on page 116. None of these companies owns any equity interest in JCDecaux SA.

We are not aware of minority interests that pose, or could pose, a risk to our Group's structure.

The Group has subsidiaries in 56 countries: these subsidiaries conduct most of their operations locally (including sales to advertisers and local operating expenses, etc.). Thus, there exists little in the way of operating expenses and income that flows between and among the various countries where we do business. The Group's principal subsidiaries are located in France (25.5% of revenue in 2010), the United Kingdom (11.6% of revenue in 2010), Europe [1] (33.4% of revenue in 2010) and in Asia Pacific (17.9% of revenue in 2010). The financial information by principal groups of subsidiaries is set out in the Notes to the Consolidated Financial Statements on page 112 of this Annual Report (segment information).

JCDecaux SA provides its French and non-French subsidiaries with support in the areas of finance and control, legal affairs and insurance services, management and administration. Such services are billed to the subsidiaries in proportion to the gross margin of revenue that they represent, when they involve general assistance, and based on key factors of the type of service actually rendered to such subsidiaries when they involve pooling of resources. In 2010, JCDecaux SA billed €7.2 million to its subsidiaries.

In addition, JCDecaux SA invoices the use by its subsidiaries of intellectual property rights belonging to it. The amount billed in this respect in 2010 was €16.4 million.

JCDecaux SA, in addition to its role as a parent company, also has its own business operations in France (sale of advertising space on Street Furniture, services to non-advertising clients (local governments), sale of street furniture to the Group's subsidiaries and technical and administrative services provided to all of the Group's French companies).

[1] Excluding France and the UK

6. SIMPLIFIED GLOBAL ORGANISATION CHART(1) AS OF 31 DECEMBER 2010

JCDECAUX HOLDING

70,41%

JCDECAUX SA

France

Company	*Country*	*%*	*Activity*	*Note*
AVENIR	France	100.00	B	
JCDECAUX MOBILIER URBAIN	France	100.00	SF	
SOPACT	France	100.00	SF	
SEMUP	France	100.00	SF	
CYCLOCITY	France	100.00	SF	
JCDECAUX ARTVERTISING	France	100.00	B	
JCDECAUX AIRPORT FRANCE	France	100.00	T	
SOMUPI	France	66.00	SF	
METROBUS	France	33.00	T	

Europe

Company	*Country*	*%*	*Activity*	*Note*
JCDECAUX EUROPE HOLDING:	France	100.00	SF *	
- JCDECAUX ESPANA SLU	Spain	100.00	B	
• EL MOBILIARIO URBANO SLU	Spain	100.00	SF	
- RED PORTUGUESA PUBLICIDADE EXTERIOR SA	Portugal	94.86	B	(2)
- JCDECAUX LUXEMBOURG SA	Luxembourg	100.00	SF	(3)
- JCDECAUX FINLAND Oy	Finland	100.00	SF	(4)
- JCDECAUX SVERIGE AB	Sweden	100.00	SF	
- JCDECAUX NORGE AS	Norway	97.69	T	(5)
- JCDECAUX NEDERLAND BV	The Netherlands	100.00	SF	
- JCDECAUX UK Ltd	United-Kingdom	100.00	SF	
- JCDECAUX CENTRAL EASTERN EUROPE GmbH	Austria	100.00	B *	
• GEWISTA WERBEGESELLSCHAFT mbH	Austria	67.00	B	
· EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	100.00	B *	(6)
·· EUROPLAKAT-PROREKLAM Doo	Croatia	51.00	B	(6)
·· PROREKLAM-EUROPLAKAT Doo	Slovenia	41.13	B	(6)
· EUROPLAKAT Spol Sro	Rep. Czech	100.00	B	
·· RENCAR PRAHA AS	Rep. Czech	71.33	T	
• BIGBOARD Co., Ltd	Russia	50.00	B	
• BIGBOARD GROUP	The Ukraine	50.00	B	
- JCDECAUX LATVIJA SIA	Latvia	100.00	SF	
- JCDECAUX LIETUVA UAB	Lithuania	100.00	SF	
- JCDECAUX SLOVAKIA Sro	Slovakia	100.00	SF	
- JCDECAUX DEUTSCHLAND GmbH	Germany	100.00	SF	
• DSM DECAUX GmbH	Germany	50.00	SF	
• WALL AG	Germany	90.09	SF	
- VVR WALL GmbH	Germany	100.00	SF	
- WALL SEHIR DIZAYNI VE TICARET LTD SIRKETI	Turkey	99.58	SF	

JCDECAUX AIRPORT ESPANA SA	Spain	100.00	T	(7)
JCDECAUX PORTUGAL MOBILARIO URBANO Lda	Portugal	100.00	SF	(8)
IGP DECAUX Spa :	Italy	32.35	T	(9)
- AEROPORTI DI ROMA ADVERTISING Spa	Italy	74.50	T	
AFA JCDECAUX A/S:	Denmark	50.00	SF	
- AFA JCDECAUX ICELAND ehf	Iceland	100.00	SF	
EUROPOSTER BV	The Netherlands	100.00	B *	(10)
AFFICHAGE HOLDING	Switzerland	30.00	B	
JCDECAUX IRELAND Ltd	Ireland	100.00	B	(11)
JCDECAUX AIRPORT UK Ltd	United-Kingdom	100.00	T	(12)
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	SF	
JCDECAUX BILLBOARD	Belgium	100.00	B	(13)
JCDECAUX AIRPORT BELGIUM	Belgium	100.00	T	
MEDIA FRANKFURT GmbH	Germany	39.00	T	(14)
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	T	(15)
JCDECAUX EESTI OU	Estonia	100.00	SF	
JCDECAUX MESTSKY MOBILIAR Spol Sro	Rep. Czech	100.00	SF	(16)

SF Street Furniture

B Billboard

T Transport

* Holding Companies

(1) For ease of reference, this simplified organization chart does not feature all of consolidated companies, a list of which is included in the notes to the consolidated financial statements.

(2) 94.86 % of which 60.66 % owned by JCDecaux Europe Holding and 34.20 % owned by Europoster BV.

(3) 100% of which 99.995 % owned by JCDecaux Europe Holding and 0,005 % owned by JCDecaux Belgium Publicité SA.

(4) 100 % of which 89.89 % owned by JCDecaux Europe Holding and 10.11 % owned by SEMUP.

(5) JCDecaux Norge AS capital is as follows: 75.38 % owned by JCDecaux Europe Holding, 4.62 % owned by AFA JCDecaux A/S and 20.00% owned by JCDecaux Sverige AB.

(6) Restructuring of assets of Europlakat International was underway as of 1st July 2007 but remained subject to approval from the local competition authorities, pending as of 31 December 2010, in addition to local legal formalities. This concerns subsidiairies in the following countries: Bosnia, Bulgaria, Hungary and Serbia.

(7) 100% owned by JCDecaux Airport France.

(8) 100% of which 99% owned by JCDecaux Mobilier Urbain and 1% owned by JCDecaux SA.

(9) 32.35 % of which 20.48 % owned by JCDecaux SA and 11.87 % owned by Europoster BV.

(10) 100% owned by Avenir.

(11) 100% owned by Avenir.

(12) 100% owned by Avenir.

(13) 100 % owned by Europoster BV.

(14) 39% owned by JCDecaux Airport France.

(15) 100% owned by JCDecaux Airport France.

(16) 100% of which 96.20% owned by JCDecaux SA and 3.80% owned by JCDecaux Europe Holding.

(17) 100% owned by JCDecaux Belgium Publicité SA.

(18) 100 % of which 99.90 % owned by JCDecaux Amériques Holding and 0.1% owned by JCDecaux Argentina SA.

(19) 100% owned by JCDecaux Mobilier Urbain.

Asia - Pacific - Middle East - Africa

Company	*Country*	*%*	*Activity*	*Note*
JCDECAUX ASIE HOLDING:	France	100.00	SF *	
- RTS DECAUX JSC	Kazakhstan	50.00	SF	
- JCDECAUX MIDDLE EAST FZ-LLC :	United Arab Emirates	99.98	SF *	
• JCDECAUX ATA SAOUDI LLC	Saoudi Arabia	60.00	T	
• Q. MEDIA DECAUX WLL	Qatar	49.00	SF	
• JCDECAUX ALGERIE sarl	Algeria	80.00	T	
• JCDECAUX - DICON FZCO	United Arab Emirates	75.00	T	
- MCDECAUX Inc.	Japan	60.00	SF	
- JCDECAUX MEDIA Sdn Bhd	Malaysia	100.00	B	
- JCDECAUX THAÏLAND Co., Ltd	Thailand	49.50	SF	
- JCDECAUX ADVERTISING INDIA PVT LTD	India	100.00	SF	
- JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	SF	
- JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	SF	

JCDECAUX (CHINA) HOLDING Ltd:	Hong Kong	100.00	T *	(17)
- JCDECAUX CITYSCAPE HONG KONG Ltd	Hong Kong	100.00	SF	
- JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	T	
SHANGHAI SHENTONG JCDECAUX METRO ADV.Co. Ltd	China	51.00	T	
JCDECAUX ADVERTISING (BEIJING) Co Ltd	China	100.00	T	
- MEDIA PARTNERS INTERNATIONAL Ltd	Hong Kong	100.00	T *	
JCD MOMENTUM SHANGHAI AIRPORT ADV. Co. Ltd	China	35.00	T	
JCDECAUX ADVERTISING (SHANGHAI) Co. Ltd	China	100.00	T	
NANJING MPI TRANSPORTATION ADVERTISING	China	87.60	T	
- BEIJING TOP RESULT METRO ADV. Co. Ltd	China	38.00	T	
- JCDECAUX MACAU Limitada	Macao	80.00	SF	
IPDECAUX Inc.	South Korea	50.00	SF	
JCDECAUX UZ	Uzbekistan	70.10	SF	

Americas

Company	*Country*	*%*	*Activity*	*Note*
JCDECAUX AMERIQUES HOLDING:	France	100.00	SF *	
- JCDECAUX ARGENTINA SA	Argentina	99.82	SF	
- JCDECAUX DO BRASIL Ltda	Brazil	100.00	SF	
- JCDECAUX CHILE SA	Chile	100.00	T	(18)
- JCDECAUX NORTH AMERICA, Inc.	United States	100.00	SF *	
• JCDECAUX SAN FRANCISCO, LLC	United States	100.00	SF	
• JCDECAUX CHICAGO, LLC	United States	100.00	SF	
• JCDECAUX MALLSCAPE, LLC	United States	100.00	SF	
• CBS DECAUX STREET FURNITURE, LLC	United States	50.00	SF	
• JCDECAUX BOSTON Inc.	United States	100.00	SF	
• CBS OUTDOOR JCD. STREET FURNITURE CANADA, Ltd.	Canada	50.00	SF	
• JCDECAUX AIRPORT, Inc.	United States	100.00	T	
- JOINT VENTUREFOR THE OPERATING OF THE ADVERTISING CONCESSION AT LAWA, LLC	United States	92.50	T	
JCDECAUX URUGUAY	Uruguay	100.00	SF	(19)

7. PUBLICLY AVAILABLE DOCUMENTS

During the entire time this Annual Report is outstanding, the following documents may be consulted at the registered office at 17 rue Soyer in Neuilly-sur-Seine (92200) and, where applicable, on the Internet (www.jcdecaux.fr):

- the articles of association;
- all reports, letters, evaluations, statements prepared by an expert at the Company's request which are included, in whole or in part, in this Annual Report;
- historical financial information of the JCDecaux Group for the past three fiscal years;
- as well as the Annual Information Document.

COMBINED GENERAL MEETING OF SHAREHOLDERS OF 11 MAY 2011

AGENDA

I. ORDINARY SESSION

1. Approval of the 2010 corporate financial statements.
2. Approval of the 2010 consolidated financial statements.
3. Allocation of corporate income.
4. Expenses and charges described in Article 39-4 of the French General Tax Code.
5. Appointment of a new member of the Supervisory Board .
6. Agreement with related parties.
7. Agreement with related parties.
8. Agreement with related parties.
9. Special reports of the statutory auditors; approval of transactions set out in Articles L 225-86 *et seq*. of the French Commercial Code.
10. Determination of the amount of director's fees.
11. Authority to the Executive Board to conduct transactions in the Company shares.

II. EXTRAORDINARY SESSION

12. Delegation of authority to the Executive Board to decide on a capital increase, through the issue – with preferential subscription right – of shares and/or securities giving access to the Company's capital and/or securities giving the right to the allotment of debt securities.
13. Delegation of authority to the Executive Board to decide on a capital increase, through the issue – without preferential subscription right – of shares and/or securities giving access to the Company's capital and/or securities giving the right to the allotment of debt securities through a public offering.
14. Delegation of authority to the Executive Board to decide on a capital increase, through the issue – without preferential subscription right – of shares and/or securities giving access to the Company's capital and/or securities giving the right to the allotment of debt securities through a private placement as set out in Article L. 411-2, II of the French Monetary and Financial Code.
15. Possibility of issuing shares or securities giving access to capital without preferential subscription rights in exchange for contributions in kind concerning equity securities or securities giving access to the capital.
16. Delegation of authority to the Executive Board to decide on a capital increase through capitalisation of premiums, reserves, earnings and others items.
17. Delegation of authority to the Executive Board to increase the number of shares to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription right.
18. Delegation of authority to be granted to the Executive Board to decide on a capital increase through the issue of shares or securities giving access to the Company's capital, reserved to participants in company savings plans with elimination of their preferential subscription right in favour of such participants.
19. Delegation of authority to be granted to the Executive Board to grant options to subscribe for, or purchase, shares to all or some group employees and corporate officers.
20. Delegation of authority to be granted to the Executive Board to allot free existing or future shares to all or some group employees and corporate officers.
21. Authority to be given to the Executive Board to reduce share capital by cancellation of treasury shares.
22. Auhority with respect to formalities.

SUMMARY OF PROPOSED RESOLUTIONS

I. ORDINARY SESSION

In the *fist and second resolutions* we request that you approve the corporate and consolidated financial statements for the fiscal year ended 31 December 2010, as they have been presented to you.

The *third resolution* moves that you allocate the profit for the year of €211,277,392.03 plus the previous retained earnings of €491,300.48, making a total of €211,768,692.51, to others reserves.

The *fourth resolution* takes note of the amount of expenses and charges described in Article 39-4 of the French General Tax Code.

The *fifth resolution* requests that you appoint a new member of the Supervisory Board

The *sixth, seventh, eighth and ninth* resolutions concern the approval of regulated agreements with related parties.

The *tenth resolutio*n concerns the determination of the total amount of Directors' fees, which we move that you set at €200,000 as from fiscal year 2011.

With the *eleventh resolution* we request that you renew, for a period of 18 months, the authority granted to the Executive Board by the General Meeting of Shareholders on 19 May 2010 to conduct transactions in the Company's share capital under the following conditions:

- the number of shares that the Company may purchase or hold at any time under this resolution may not exceed 10% of the share capital. For the record, as at 31 December 2010, this represented 22,160,211 shares, with the understanding that (i) the number of shares acquired with a view to retention and future delivery in connection with a merger, spin-off or contribution may not exceed 5% of its share capital, and (ii) in the event of share buybacks made to promote market liquidity under the terms and conditions defined by the general regulations of the French market regulator, AMF, the number of shares taken into account to calculate the 10% threshold will correspond to the number of shares bought, less the number of shares resold during the duration of the authority;
- the maximum purchase price per share will be €30 ;
- the overall maximum amount to repurchase the Company's shares may not exceed €664,806,330.

Authorisation granted to the Executive Board includes that of sub-delegating, implementing this decision by placing, in particular, all stock exchange orders, and completing all formalities and filings.

II. EXTRAORDINARY SESSION

The *twelfth resolution g*rants authority to the Executive Board to decide to increase the Company's share capital by issuing, shares and/or others securities giving access to the Company's capital and/or to issue securities giving access to the allotment of debt securities, with preferential subscription right, up to a maximum nominal amount of €2.3 million. This represents the issuance of approximately 151 million shares, which based on a share price of €20, would correspond to a maximum capital increase, including issue premiums, of approximately €3 billion.

This authority would be granted for a period of 26 months.

It is understood that the total maximum nominal amount of all capital increases set out in this resolution and in resolutions 13th, 14th, 15th, 16th,17th, 18th 19th and 20th shall be capped at €2.3 million.

The *thirteenth resolution* gives the Executive Board the authority to decide to increase the Company's share capital by issuing shares and/or other securities giving access to the Company's capital and/or to issue securities giving access to the allotment of debt securities, without preferential subscription right through a public offering, for a maximum nominal amount of €2.3 million. This authority would be granted for a period of 26 months.

The *fourteenth resolution* gives the Executive Board the authority to decide on a capital increase by issuing shares and/or others securities giving access to the Company's capital and/or to issue securities giving access to the allotment of debt securities, without preferential subscription right *through a private investment as set out in article L 411-2, II of the French Monetary and Financial Code*. This authority would be granted for a period of 26 months.

The *fifteenth resolution* authorises the Executive Board to issue shares or securities giving access to the Company's capital without preferential subscription right up to a limit of 10% of the share capital, which, on the basis of the share capital as at 31 December 2010, was 22,160,211 shares, in exchange for contributions in kind consisting of equity securities or securities giving access to share capital. This authority would be granted for a period of 26 months.

The *sixteenth resolution* gives the Executive Board the authority to decide to increase the Company's share capital through capitalisation of premiums/bonuses ?, reserves, profits or other items up to a maximum amount of €2.3 million. This authority would be granted for a period of 26 months.

The purpose of the *seventeenth resolution* is to authorise the Executive Board, during capital increases with or without preferential subscription rights, to increase the number of securities to be issued within 30 days of the end of the subscription period after the subscription has closed and not exceeding 15% of the initial issue as well as at the same price as the initial issue. This authority would be granted for a period of 26 months.

The *eighteenth resolution* authorises the Executive Board to decide on a capital increase through the issue of shares or securities giving access to the Company's capital, reserved for participants of company savings plans (with elimination of their preferential subscription right), for a maximum nominal amount of €20,000. This authority would be granted for a period of 26 months.

The *nineteenth resolution* authorises the Executive Board to grant options to subscribe for, or purchase, shares to some or all Group employees or corporate officers, for a total number of shares not exceeding 4% of the share capital on the day the Executive Board's decision. This represents approximately 8,864,084 options based on the Company's share capital as at 31 December 2010. This authority would be granted for a period of 26 months.

The *twentieth resolution* authorises the Executive Board to make grant of free shares, by issuing new shares or from issued and outstanding shares to some or all Group employees or corporate officers, for a total number of shares not exceeding 0.5% of share capital on the day the Executive Board's decision. This represents approximately 1,108,010 shares based on the Company's share capital as at 31 December 2010. This authority would be granted for a period of 26 months.

The *twenty-first resolution* authorises the Executive Board to reduce share capital by cancellation of treasury shares, up to 10% of the share capital over a period of 24 months. Based on the share capital as at 31 December 2010, this represents €337,830. This authority would be granted for a period of 18 months.

The *twenty-second resolution* grants all authority to undertake and complete the required formalities.

PROPOSED RESOLUTIONS

I. ORDINARY SESSION

FIRST RESOLUTION

(Approval of 2010 corporate financial statements)

The General Meeting of Shareholders, having reviewed the reports of the Executive Board, the Supervisory Board, and his Chairman, as well as the reports of the Statuory Auditors, hereby approves such reports in their entirety, together with the corporate financial statements for the annual year ended 31 December 2010, as presented to them, such financial statements showing a net income of €211,277,392.03.

Accordingly, they approve the transactions reflected in such financial statements and summarised in such reports and grant a discharge to the members of the Executive Board and the Supervisory Board in connection with the performance of their respective offices during such period.

SECOND RESOLUTION

(Approval of 2010 consolidated financial statements)

The General Meeting of Shareholders, having reviewed the reports of the Executive Board, the Supervisory Board, and his Chairman, as well as the reports of the Statuory Auditors, hereby approves such reports in their entirety, together with the consolidated financial statements for the fiscal year ended 31 December 2010, as presented to them.

Accordingly, they approve the transactions reflected in such financial statements and summarised in such reports.

THIRD RESOLUTION

(Allocation of corporate income)

The General Meeting of Shareholders, having reviewed the report of the Executive Board and the comments of the Supervisory Board, notes that the distributable profit is as follows:

▪ the net income for fiscal year terminating on 31 December 2010 amounts to:	€211,277,392.03
▪ the retained earnings amount to:	€491,300.48
▪ the legal reserve amounts to:	€340,055.75
▪ the others provisions amount to:	€696,511,943.03

The General Meeting of Shareholders decides that the profit for the year ended 31 December 2010 as well as the retained earnings will be allocated to the other reserves, and therefore decides to allocate distributable profit as follows:

▪ the legal reserve:	€340,055.75
▪ other provisions:	€908,280,635.54

It is recalled that, in accordance with the law, for the last three fiscal years, the Company made the following dividend payments:

Fiscal year 2007: a dividend of €0.44 per share, eligible for a deduction of 40% as set forth in 2° of 3 of Article 158 of the French General Tax Code.

Fiscal year 2008: no dividend.

Fiscal year 2009: no dividend.

FOURTH RESOLUTION

(Expenses and charges described in Article 39-4 of the French General Tax Code)

As required under Article 223 quater of the French General Tax Code, the General Meeting of Shareholders hereby takes note that the expenses and charges described in Article 39-4 of such Code totalled €56,462 during the fiscal year 2010 and generated a tax charge estimated at €19,422.

FIFTH RESOLUTION

(Appointment of a new member of the Supervisory Board)

The General Meeting of Shareholders, having reviewed the Executive Board's report, appoints as a Supervisory Board member Mrs Monique COHEN, her term of office expiring at the end of the Ordinary General Meeting of Shareholders to review and approve the financial statements for the fiscal year ended 31 December 2013.

Mme Monique COHEN has stated that she accepted this term of office and that she is not affected by any measure likely to prevent her from performing it.

SIXTH RESOLUTION

(Agreement with related parties)

The General Meeting of Shareholders, having reviewed the Special Report of the Statutory Auditors on the execution and performance during fiscal year 2010 of agreements subject to Article L. 225-86 of the French Commercial Code, ruling in accordance with Article L 225-90-1 of the French Commercial Code, approves said report and the new agreements set out therein concerning the indemnity that was paid to Gerard Degonse upon the termination of his duties.

SEVENTH RÉSOLUTION

(Agreement with related parties)

The General Meeting of Shareholders, having reviewed the Statutory Auditors' special report on the conclusion and performance in fiscal year 2010 of the agreements set out in Article L.225-86 of the French Commercial Code, ruling in accordance with Article L 225-90-1 of the French Commercial Code, approves said report and the new agreements set out therein concerning commitments made in favour of Jeremy Male.

EIGHTH RÉSOLUTION

(Agreement with related parties)

The General Meeting of Shareholders, having reviewed the Statutory Auditors' special report on the conclusion and performance in fiscal year 2010 of the agreements set out in Article L.225-86 of the French Commercial Code, ruling in accordance with Article L 225-90-1 of the French Commercial Code, approves said report and the new agreements set out therein concerning the non-competition indemnity that would be paid to Laurence Debroux in the event of the effective termination of her employment contract.

NINTH RESOLUTION

(Special report of the statutory auditors; endorsement of the operations covered by Articles L.225-86 et seq. of the French Commercial Code)

The General Meeting of Shareholders, having reviewed the Statutory Auditor's special report on the agreements and commitments which are subject to the conditions set out by Articles L.225-86 et seq. of the French Commercial Code, approves the report in its entirety, as well as the new agreements that are the object of said report, which were approved by the Supervisory Board during the year ended 31 December 2010 and subsequent to it.

TENTH RESOLUTION

(Determination of the amount of directors' fees)

The General Meeting of Shareholders, having reviewed the report of the Executive Board, sets the total amount of directors' fees at €200,000 as from fiscal 2011. It is the responsibility of the Supervisory Board to decide on the distribution of this amount among its members.

ELEVENTH RESOLUTION

(Authorisation to the Executive Board to conduct transactions in the Company's shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, and having reviewed the Executive Board's report, authorises the Executive Board, with the right to sub-delegate authority under the conditions stipulated by the law, pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code, to purchase, or cause to be purchased, Company shares for in particular the following purposes:

- implementation of any Company stock option plan under Articles 225-177 *et seq.* of the French Commercial Code or any similar plan; or
- the grant or sale of shares to employees in respect of their contribution to the results of the Company's growth or the implementation of any employee or group savings plan (or related plan) under the terms and conditions provided by law, in particular Articles L. 3332-1 *et seq.* of the French Labour Code; or
- the grant of free shares under Articles L. 225-197-1 *et seq.* of the French Commercial Code; or
- generally, fulfil all obligations related to stock options or other share allotments to employees or company officers of the issuer or a related company; or
- delivery of shares upon exercise of rights attached to securities convertible into shares by redemption, conversion, exchange, or presentation of a coupon, or in any other manner; or
- cancellation of all or part of the equity securities so acquired, subject to the adoption by the Extraordinary General Meeting of Shareholders of the 21th resolution set forth below and under the terms and conditions set forth therein; or

- delivery of shares (in connection with an exchange, payment, or otherwise) in respect of external growth transactions, merger, spin-off, or contribution transactions; or
- support for a secondary market or for the liquidity of JCDecaux SA shares by an investment service provider in the framework of a liquidity contract that complies with the ethical standards approved by the Autorité des Marchés Financiers (French Financial Markets Authority/AMF).

The plan is also intended to permit the implementation of any market practice that may be approved by the *Autorité des Marchés Financiers*, and generally, the performance of any other transaction that complies with applicable regulations. In such case, the Company will advise shareholders through a press release.

The acquisition of Company shares may involve a number of shares, such that:

- the number of shares that the company buys during the share buyback programme does not exceed 10% of the shares of the Company's share capital at any time whatsoever. This percentage applies to an amount of adjusted share capital based on transactions that may have an impact on the company after this General Meeting of Shareholders. For the record, as at 31 December 2010, this was 22,160,211 shares, with the understanding that (i) the number of shares acquired with a view to their retention and future delivery in connection with a merger, spin-off or contribution may not exceed 5% of its share capital, and (ii) where the shares are acquired to favour market liquidity under the terms and conditions defined by the AMF's general regulations, the number of shares taken into account in calculating the 10% limit as provided in the first paragraph , corresponds to the number of shares bought less the number of shares resold during the duration of the authorisation;
- the number of shares that the Company holds at any time shall not exceed, in any event, 10% of the shares constituting the Company's share capital on the relevant date.

Shares may be acquired sold or transferred at any time, except during a public offering period, within the limits authorised by applicable laws and regulations, and by any means, on regulated markets, multilateral trading systems, with systematic internalisers or over-the-counter markets, including by acquisition or sale of block shares (without limiting the portion of the buyback programme that may be made by this means), by public offering or exchange, or by use of stock options or other forward financial instruments traded on regulated markets, multilateral trading systems, with systematic internalisers or over-the-counter markets, or by delivery of shares following an issuance of securities convertible into Company shares by conversion, exchange, redemption, exercise of a coupon, or otherwise, either directly or indirectly through an investment services provider.

The maximum purchase price of shares in connection with this resolution shall be €30 per share (or the equivalent thereof in any other currency on the same date).

The General Meeting of Shareholders hereby delegates to the Executive Board, in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity, the power to adjust the price set forth above to reflect the impact of such transactions on the value of the shares.

The overall amount allocated to the share buyback programme authorised above may not exceed €664,806,330.

This authorisation shall replace and supersede as of the date hereof the unused portion of any previous delegation of authority granted to the Executive Board to conduct transactions in the Company's shares. It is granted for a period of eighteen months as from this date.

The General Meeting of Shareholders hereby grants full powers to the Executive Board, who may further delegate this authority as permitted by law, to implement this authority, to specify the terms and conditions, if necessary, to complete the buyback programme, including, but not limited to, placing any order on a market, entering into any agreement, allocating or reallocating the shares purchased to the various objectives pursued in compliance with applicable legal and regulatory conditions, determining the terms and conditions ensuring, as the case may be, the preservation of rights of holders of marketable securities or options, in accordance with legal, regulatory and contractual provisions, making any declaration and carrying out any other formality with the AMF and with any other competent authority and, generally doing whatever may be necessary.

II. EXTRAORDINARY SESSION

TWELFTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – with preferential subscription right attached – shares and/or securities convertible into shares of the Company and/or by issuing of securities convertible into debt securities).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-129-2 of the said Code, and pursuant to Articles L. 228-91 *et seq.* of the said Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in France or abroad, in the proportion and at the times it deems appropriate, either in euros, or in any other currency or unit of currency established by reference to several currencies, by issuing shares (excluding preferred shares) or securities convertible into shares of the Company (whether new or existing shares), issued against consideration or free of charge, governed by Articles L. 228-91 *et seq.* of the French Commercial Code, provided, however, that the subscription of shares and other securities may be transacted either in cash, or by offsetting receivables, or by capitalisation of reserves, earnings or premiums or, under the same conditions, to decide to issue securities convertible into debt securities regulatedby Articles L. 228-91 *et seq.* of the French Commercial Code;

2. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue securities convertible into shares of the Company, which owns, directly or indirectly, more than half its share capital or companies in which it owns, directly or indirectly, more than half the share capital;

3. decides to set as follows the limits of the amount of capital increases authorised in the event of use by the Executive Board of this delegation of authority:

- the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation is set at €2.3 million, provided, however, that the aggregate maximum nominal amount of capital increases likely to be carried out under this delegation and that conferred under the 13th, 14th, 15th, 16th, 17th, 18th, 19th and the 20th resolutions of this meeting is set at €2.3 million;
- to these limits is added, if applicable, the nominal amount of additional shares that may be issued, in the event of new financial transactions, to protect the rights of bearers of securities convertible into shares.

4. sets at 26 months, as of the date of this meeting, the term of validity of the delegation of authority that is the subject of this resolution;

5. in the event of use by the Executive Board of this delegation:

- decides that share issue(s) will be reserved in priority for shareholders who will be able to subscribe in proportion to the number of shares then held by them and the shares subscribed for may not be decreased (irreducible subscriptions);
- takes note that the Executive Board has the authority to institute a subscription right that may be decreased (reducible subscriptions);
- takes note that this delegation of authority implies, as of right for the benefit of bearers of securities issued convertible into Company shares, waiver by the shareholders of their preferential subscription right to the shares to which these securities grant the right immediately or in the future;
- takes note that, in accordance with Article L. 225-134 of the French Commercial Code, if the irreducible subscriptions and, if applicable, the reducible subscriptions, have not absorbed all of the capital increase, the Executive Board will be able to use, under the terms and conditions provided by law and in the order that it will determine, one and/or the other of the options below:
  - limit the capital increase to the amount of subscriptions subject to the condition that it reaches at least three quarters of the increase decided on;
  - freely distribute all or part of the shares or, in the case of securities convertible into shares, the said securities for which the issuance has been decided but not having been subscribed for;
  - offer to the public all or part of the shares or, in the case of securities convertible into shares, the said securities, not subscribed for, on the French market or abroad;
- decides that the issuance of Company warrants on shares may be carried by free allocation to holders of the old shares, provided, however, that the Executive Board shall have the authority to decide that the fractional rights to allocation shall not be negotiable and that the corresponding securities shall be sold;

6. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:
   - deciding to increase the capital and determining the securities to be issued;
   - deciding on the amount of the capital increase, the issue price as well as the amount of the premium, which may, if applicable, be requested at issuance;
   - determining the dates and terms and conditions of the capital increase, the nature, number and characteristics of the securities to be created; in addition, deciding, in the case of bonds or other debt securities (including securities convertible into debt securities under Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their rank of subordination, in accordance with Article L. 228-97 of the French Commercial Code), setting their interest rate (in particular fixed or variable interest rate or zero bond or indexed) and providing, if applicable, for required or optional cases of suspension or non-payment of interest, determining their term (definite or indefinite), the possibility of reducing or increasing the nominal amount of the securities and other issue terms and conditions (including conferring on them security interests or guarantees) and amortisation (including reimbursement by deduction of Company assets); if applicable, these securities could include warrants with a right to allocation, acquisition or subscription of bonds or other debt securities, or providing the option for the Company to issue debt securities (comparable or not) by payment of interest, the payment of which has been suspended by the Company, or again taking the form of complex bonds as determined by the stock market authorities (e.g., with respect to their terms and conditions of redemption or remuneration or other rights such as indexing, options); amending, during the term of the securities involved, the above terms and conditions, in accordance with applicable formalities;
   - determining the method of paying up the shares or securities convertible into shares, to be issued immediately or in the future;
   - setting, if applicable, the terms and conditions for exercising rights (if applicable, conversion, exchange, redemption rights, including by deduction of Company assets such as securities already issued by the Company) attached to shares or securities convertible into shares to be issued and, in particular, deciding on the date, even retroactive, from which one may benefit from the rights attached to the new shares, as well as any other terms and conditions for carrying out the capital increase;
   - setting the terms and conditions under which the Company shall have, if applicable, the authority to buy or exchange on the stock market, at any time or during given periods, securities issued or to be issued immediately or in the future, with a view to cancelling or not cancelling them, pursuant to applicable laws and regulations;
   - providing for the authority to suspend the exercise of rights attached to these securities in accordance with applicable laws and regulations;
   - on its own initiative, charging the costs of the capital increase to the amount of premiums relating to it and deducting from this amount the sums required to fund the legal reserve;
   - determining and carrying out all adjustments intended to take into account the impact of transactions on the Company's share capital, in particular in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of dividends, reserves or premiums or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or the share capital (including through a public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of the holders of securities convertible into shares will be assured, if applicable (including by means of cash adjustments).
   - noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
   - in general, finalising any agreement, in particular to successfully complete the planned issues, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it;
7. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any delegation of authority relating to the capital increase with the preferential subscription right attached, covering the securities and transactions under this resolution;
8. takes note that, should the Executive Board use the delegation of authority conferred on it under this resolution, the Executive Board shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the use of the authorisations conferred under this resolution.

THIRTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing – without preferential subscription right – shares and/or securities convertible into the share of the Company and/or by issuing securities convertibile into debt securities by public offering)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135, L. 225-136 and L. 225-148 of the said Code, and pursuant to Articles L. 228-91 *et seq.* of the said Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in the proportion and at the times it deems appropriate, subject to the provisions of Article L. 233-32 of the French Commercial Code, in France or abroad, by a public offering, either in euros, or in any other currency or unit of currency established by reference to several currencies, by issuing shares (excluding preferred shares) or securities convertible into Company shares (whether new or existing shares), issued against consideration or free of charge, governed by Articles L. 228-91 *et seq.* of the French Commercial Code, provided, however, that the subscription of shares and other securities can be transacted either in cash, or by offsetting receivables, or by capitalisation of reserves, earnings or premiums or, under the same conditions, to decide to issue securities convertible into debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code. These securities can in particular be issued for the purpose of compensating the securities that are contributed to the Company, as part of a public offer of exchange carried out in France or abroad under local rules (for example as part of an Anglo-American type reverse merger) on securities meeting the conditions stipulated in Article L. 225-148 of the French Commercial Code;

2. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue shares or securities convertible into Company shares to be issued following the issue, by companies in which the Company owns, directly or indirectly, more than half the share capital or by companies which own, directly or indirectly, more than half its share capital, securities convertible into Company shares;

This decision implies, as of right for the benefit of holders of securities likely to be issued by companies of the Company's group, waiver by the Company's shareholders of their preferential subscription right to the shares or securities convertible into Company capital to which these securities grant the right;

3. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to issue securities convertible into shares of the Company, which owns, directly or indirectly, more than half its share capital or companies in which it owns, directly or indirectly, more than half the share capital;

4. decides to set as follows the limit of the amount of capital increases authorised in the event of use by the Executive Board of this delegation:

- the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation is set at €2.3 million, provided, however, that this amount will be charged to the amount of the aggregate limit provided in paragraph 3 of the 12th resolution of this meeting or, if applicable, to the amount of any aggregate limit provided in a resolution of the same type, which could replace this resolution during the term of validity of this delegation;
- to these limits is added, if applicable, the nominal amount of additional shares that may be issued, in the event of new financial transactions, to protect the rights of bearers of securities convertible into shares;

5. sets at 26 months, as of the date of this meeting, the term of validity of the delegation of authority that is the subject of this resolution;

6. decides to eliminate the shareholders' preferential subscription right to securities under this resolution, leaving, however, the Executive Board the authority under Article L. 225-135, 2nd paragraph, to confer on the shareholders, during a period and under the terms and conditions that it will set in accordance with applicable laws and regulations and for all or part of an issue carried out, a subscription priority period not giving rise to the creation of negotiable rights and which must be exercised in proportion to the number of shares held by each shareholder and may be completed by a reducible subscription, provided, however, that the securities not thus subscribed for will be subject to public distribution in France or abroad.

7. takes note that if the subscriptions, including, if applicable, those of the shareholders, have not absorbed all of the issue, the Executive Board may limit the amount of the transaction to the amount of the subscriptions received on condition that this reaches at least three quarters of the issue decided on;

8. takes note that this delegation implies, as of right for the benefit of bearers of securities issued convertible into Company shares, express waiver by the shareholders of their preferential subscription right to the shares to which these securities grant the right;

9. takes note that, in accordance with Article L. 225-136 1° 1st paragraph of the French Commercial Code:

- the issue price of the shares issued directly shall be at least equal to the minimum provided by the regulatory provisions applicable on the date of the issue (to date, the weighted average of the prices over the last three sessions on the Euronext Paris regulated market preceding the setting of the subscription price for the capital increase less 5%), after, if applicable, correction of this average in the event of a difference between the dates on which one benefits from the rights attached to such issue;
- the issue price of the securities convertible into Company shares and the number of shares which can grant the right to the conversion, redemption or generally the transformation of each security convertible into Company shares, shall be such that the sum immediately received by the Company, increased, if applicable, by the sum

likely to be received by it in future, is, for each share issued as a consequence of the issue of these securities, at least equal to the minimum subscription price set forth in the previous paragraph.

10. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- deciding to increase the capital and determining the securities to be issued;
- deciding on the amount of the capital increase, the issue price as well as the amount of the premium, which may, if applicable, be requested at issuance;
- determining the dates and terms and conditions of the capital increase, the nature, number and characteristics of the securities to be created; in addition, deciding, in the case of bonds or other debt securities (including securities convertible into debt securities under Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, if applicable, their rank of subordination, in accordance with Article L. 228-97 of the French Commercial Code), setting their interest rate (in particular fixed or variable interest rate or zero coupon or indexed) and providing, if applicable, for required or optional cases of suspension or non-payment of interest, determining their term (definite or indefinite), the possibility of reducing or increasing the nominal amount of the securities and other issue terms and conditions (including conferring on them security interests or guarantees) and amortisation (including reimbursement by deduction of Company assets); if applicable, these securities could include warrants with a right to allocation, acquisition or subscription of bonds or other debt securities, or providing for the Company to issue debt securities (comparable or not) by payment of interest, the payment of which has been suspended by the Company, or again taking the form of complex bonds as determined by the stock market authorities (e.g. with respect to their terms and conditions of redemption or remuneration or other rights such as indexing, options); amending, during the term of the securities involved, the above terms and conditions, in accordance with applicable formalities;
- determining the method of paying up the shares or securities convertible into shares, to be issued immediately or in future;
- setting, if applicable, the terms and conditions for exercising rights (if applicable, conversion, exchange, redemption rights, including by delivery of Company assets such as treasury shares or securities already issued by the Company) attached to shares or securities convertible into shares to be issued and, in particular, deciding on the date, even retroactive, from which one may benefit from the rights attached to the new shares, as well as any other terms and conditions for carrying out the capital increase;
- setting the terms and conditions under which the Company shall have, if applicable, the authority to buy or exchange on the stock market, at any time or during given periods, securities issued or to be issued immediately or in the future, with a view to cancelling or not cancelling them, pursuant to applicable laws and regulations;
- providing for the authority to suspend the exercise of rights attached to securities issued in accordance with applicable laws and regulations;
- in the event of issuing securities to remunerate securities contributed as part of a takeover bid pursuant to an exchange of securities (OPE), determining the list of securities contributed to the exchange, setting the conditions of the issue, the exchange parity without applying the methods for determining the price in paragraph 9 of this resolution, as well as, if applicable, the amount of the outstanding cash adjustment to be paid and determining the terms of issue within the context either of an OPE, an alternative purchase or exchange bid, or a single bid proposing the purchase or exchange of the securities described against payment in securities and in cash, or a public purchase bid (OPA) or principal takeover bid, accompanied by a subsidiary OPE or OPA, or by any other form of public bid in accordance with laws and regulations applicable to the said public bid;
- on its own initiative, charging the cost of the capital increase to the amount of premiums relating to it and deducting from this amount the sums required to fund the legal reserve;
- carrying out all adjustments intended to take into account the impact of transactions of the Company's share capital, particularly in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or share capital (including by means of public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of the holders of securities convertible into shares shall be assured, if applicable;
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, finalising any agreement, in particular to successfully complete the planned issues, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it;

11. notes that this delegation of authority shall replace and supersede as of the date hereof any unused portion, any previous delegation of authority with the same purpose, that is, any comprehensive delegation of authority related to a capital increase without preferential subscription right through a public offering covering the securities and transactions mentioned in this resolution;

12. takes note that should the Executive Board use the delegation of authority conferred on it under this resolution, the Executive Board shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the use of the authorisations conferred under this resolution.

FOURTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to decide to increase the share capital, through the issue – without preferential subscription right – of shares and/or securities giving access to the company's capital and/or securities giving the right to the allotment of debt securities through a private placement as set out in Article L. 411-2, II of the French Monetary and Financial Code.

The General Meeting of Shareholders voting with the quorum and majority required for Extraordinary General Meetings, having reviewed the reports of the Executive Board and the special report of the statutory auditors in accordance with the provisions of Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Articles L. 225-129-2, L. 225-135 and L. 225-136 of said Code, and with the provisions of Articles L. 228-91 *et seq.* of said Code:

1. delegates to the Executive Board, which may further delegate this authority as permitted by law, its authority to decide to increase the Company's share capital, one or more times, in the proportion and at the times it deems appropriate, subject to the provisions of Article L. 233-32 of the French Commercial Code, in France or abroad, through an offering set out in Article L. 411-2, II of the French Monetary and Financial Code, in euros or in any other monetary unit established in reference to several currencies, through the issue of shares (with the exception of preference shares) or securities granting access to the Company's capital (new or existing shares), issued for free or in return for payment, governed by Articles L. 228-91 et seq. of the French Commercial Code, with the understanding that the subscription of shares and other securities may be carried out in cash or through the offsetting of claims, by capitalisation of reserves, profits or share premiums or, under the same conditions, to decide on the issue of securities giving access to the allotment of debt securities governed by Articles L. 228-91 *et seq.* of the French Commercial Code;

2. delegates to the Executive Board, which may further delegate, under the conditions prescribed by law, authority to issue shares or securities giving access to the Company's capital to be issued following the issue, by companies in which it holds, directly or indirectly, more than half the share capital or by companies that hold, directly or indirectly, more than half the Group's share capital, of securities giving access to the Company's capital;

This decision automatically entails a waiver by shareholders of their preferential subscription right on shares or securities giving access to Company capital to which the securities give the right, in favour of bearers of securities that may be issued by group companies.

3. delegates its authority to the Executive Board, which may further delegate this authority as permitted by law, to decide on the issue of securities granting access to the share capital of the company that directly or indirectly holds more than 50% of its share capital or companies in which it directly or indirectly holds more than half of the share capital;

4. decides to set, as follows, the limits of the amounts of authorised capital increases in the event of the use of this delegation of powers by the Executive Board:

- the maximum nominal amount of capital increases likely to be carried out immediately or in the future under this delegation is set at €2.3 million, with the understanding that this amount will be charged against the threshold set out in paragraph 4 of the thirteenth resolution of this meeting and on the aggregate maximum amount set out in paragraph 3 of the twelfth resolution or, if necessary on the thresholds specified by resolutions of the same kind that may replace said resolutions during the period of validity of this delegation of authority;
- in any event, issues of equity securities made under this delegation of authority will not exceed the limits defined by applicable regulations on the day of the issue (to date, 20% of share capital per year); and
- plus, if applicable, the nominal amount of shares that may be issued in the event of any new financial transactions, to preserve the rights of holders of securities giving access to the company's share capital;

5. sets the validity of the delegation of authority hereunder at twenty-six months, as from the date of this meeting;

6. decides to disapply the preferential subscription right of shareholders to securities concerned by this resolution;

7. notes that if the subscriptions do not absorb the entire issue, the Executive Board may limit the amount of the transaction to the amount of subscriptions received, on condition that this amount be at least three-quarters of the issue decided;

8. notes that this delegation of authority automatically prevails in favour of holders of issued securities giving access to the Company's shares, the express disapplication of the preferential subscription right of shareholders to shares to which they will be entitled through these securities;

9. notes that, in accordance with Article L. 225-136 1° paragraph 1 of the French Commercial Code:

- the issue price of the shares issued directly will be at least equal to the minimum amount set out in regulatory provisions that will be applicable on the date of the issue (to date, the weighted average of the share price of the last three trading sessions on the Euronext Paris regulated market prior to the fixing of the subscription price of the adjustment of this average less 5%), after any adjustment of this average in the event of a difference between the effective dates;

- the issue price of securities giving access to capital and the number of shares to which the conversion, redemption or more generally the transformation of each security that gives access to capital may entitle the holder, will be such that the immediate proceeds by the Company and, if applicable, any future proceeds likely to be received by it for each share issued as a result of the issue of these securities, would be at least equal to the minimum subscription price defined in the previous paragraph.

10. decides that the Executive Board will have full powers, that it may further delegate under the conditions set by law, to implement this delegation of authority primarily to:

- decide on a capital increase and determining the securities to be issued;
- decide on the amount of the capital increase, the issue price as well as the amount of the premium that may be requested during the issue;
- determine the dates and conditions of the capital increase, the nature, number and characteristics of the securities to create. Also determine, in the case of bonds or other debt securities and (including securities that entitle the holder to the allotment of debt securities referred to in Article L. 228-91 of the French Commercial Code), whether or not they are subordinated (and, in this case, their order of subordination, pursuant to the provisions of Article L. 228-97 of the French Commercial Code), set their interest rates (in particular fixed or variable interest rates or zero or indexed coupons) and provide for any mandatory or optional cases of suspension or non-payment of interests, provide for their duration (fixed or indefinite), the possibility of reducing or increasing the nominal amount of securities and other issue conditions (including the fact of conferring guarantees or sureties) and amortisation (including the redemption by the delivery of the Company's assets); if necessary, these securities may be accompanied by warrants entitling holders to the allotment, acquisition or subscription to bonds or other securities representing debts on the issuing company or provide for the possibility for the Company to issue debt securities (whether or not considered) as payment for interests, the payment of which may have been suspended by the Company, or even take the form of complex bonds within the meaning given by the stock market authorities (for example, because of their terms of redemption or remuneration or other rights such as indexation, option feature); change the above-mentioned terms and conditions, during the life cycle of the securities concerned in accordance with applicable formalities;
- determine the mode of paying up the shares or securities giving access to capital to be issued immediately or in the future;
- decide, if applicable, on the terms and conditions of exercise of rights (if necessary, conversion, exchange and redemption rights, including through the delivery of the Company's assets such as treasury shares or securities already issued by the Company) attached to shares or securities that give access to capital to be issued and in particular, determine the date, which may be retroactive, as from which new shares shall earn dividends, as well as all other terms and conditions applicable to the capital increase;
- set the conditions under which the Company may, as required, purchase or trade securities issued or to be issued on the stock exchange, at any time or during specific periods, whether or not to cancel them, as provided by law;
- provide for the option to suspend, if necessary, the exercise of rights attached to the securities issued in accordance with legal and regulatory provisions,
- at its discretion, charge the cost of capital increase against the amount of the premium connected thereto, and to deduct from that account the sums necessary for bringing the legal reserve to its legal threshold,
- carry out all adjustments to take into account the impact of transactions on the Company's share capital, in particular, in the event of a change in the nominal value of the share, a capital increase by capitalization of reserves, allotment of free shares, share split or consolidation, distribution of reserves or any other assets, amortisation of capital, or any other operation involving shareholders' equity or capital (including through a public offering and/or a change in control) and to establish the procedures that may be necessary to preserve the rights of bearers of securities giving access to share capital;
- to record the performance of each capital increase, and to amend the articles of association accordingly;
- generally, enter into all agreements, in particular to ensure the completion of planned issues, take all steps and complete all formalities required for the issue, listing and financial service of the securities issued by virtue of this delegation of authority, as well as the exercise of the rights attached thereto;

11. ascertains that as this delegation of authority is not a blanket delegation of authority on the capital increase without preferential subscription rights, but a delegation of authority on the increase in the Company's capital through an issue without preferential subscription right through an offering set out in Article L. 411-2, II of the French Monetary and Financial Code, and therefore does not have the same purpose as the thirteenth resolution of this Meeting; and consequently notes that this delegation does not cancel the thirteenth resolution of this General Meeting, the validity and term of which are not affected by this delegation;

12. notes that this delegation of authority shall replace and supersede as of the date hereof any unused portion of any previous delegation of authority of similar purpose, that is to say, any delegation of authority relating to the capital increase without preferential subscription right by an offering set out in Article L. 411-2 of the French Monetary and Financial Code covering the securities and transaction referred to in this resolution;

13. takes note that, should the Executive Board use the delegation of authority conferred on it under this resolution, the Executive Board shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the use of the authorisations conferred under this resolution.

FIFTEENTH RESOLUTION

(Possibility of issuing shares or securities convertible into shares without preferential subscription right in consideration for contributions in kind consisting of equity securities or securities convertible into shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditors' special report, and pursuant to Articles L. 225-129 *et seq.* of the French Commercial Code, in particular Article L. 225-147, 6th paragraph of the said Code:

1. authorises the Executive Board, with power to sub-delegate in accordance with applicable laws, to increase the Company's share capital, one or more times, within the limit of 10% of the share capital at any time whatsoever, such percentage to apply to the share capital as adjusted on the basis of transactions that may occur subsequent to this General Meeting of Shareholders, i.e. for indicative purposes, on 31 December 2010, 22,160,211 shares, with a view to compensating the contributions in kind granted to the Company and consisting of equity securities or securities convertible into Company shares, when provisions of Article 225-148 of the French Commercial Code are not applicable, by issuing, one or more times, shares (excluding preferred shares) or securities convertible into Company shares, provided, however, that the maximum nominal amount of capital increases likely to be carried out immediately or in the future under this resolution shall be charged to the nominal limit of capital increases without preferential subscription right authorised by this meeting in paragraph four of the 13th resolution and to the amount of the aggregate limit provided in paragraph three of the 12th resolution, or if applicable, to the amount of the limits stipulated in resolutions of the same type, which may replace the said resolutions during the term of validity of this delegation;

2. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this resolution, for the purpose in particular of:

- deciding to increase the capital compensating the contributions and determining the securities to be issued;
- finalising the list of securities contributed, approving the valuation of the contributions, setting the conditions for issue of securities compensating the contributions, as well as, if applicable, the amount of the outstanding cash adjustment to be paid, approving the granting of special benefits, and reducing, if the contributors consent, valuation of the contributions or compensation of the special benefits;
- determining the characteristics of the securities compensating the contributions and setting the terms and conditions according to which shall be assured, if applicable, the protection of the rights of the holders of securities convertible into shares;
- on its own initiative, charging the costs of the capital increase to the amount of premiums relating to it and deducting from this amount the sums required to fund the legal reserve;
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to them;

3. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any delegation allowing issue of shares or securities convertible into shares without preferential subscription right in remuneration of contributions in kind concerning equity securities or securities convertible into shares. It shall be granted for a period of 26 months from the date hereof.

SIXTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the share capital through capitalisation of premiums, reserves, earnings or otherwise).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and pursuant to the provisions of Article L. 225-130 of the French Commercial Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, in the proportion and at the times it deems appropriate by capitalising premiums, reserves, earnings or others, the capitalisation of which shall be legally possible and possible under the Articles of Association, in the form of the issue of new shares or increasing the amount of share capital or by jointly using these two methods.

The maximum nominal amount of the capital increases likely to be carried out may not exceed €2.3 million, provided, however, that this amount shall be charged to the aggregate limit provided for in paragraph three of the twelfth resolution of this meeting or, if applicable, to the amount of any aggregate limit stipulated in a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;

2. in the event of use by the Executive Board of this delegation of authority, delegates to the latter all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- setting the amount and nature of the sums to be incorporated into the capital, determining the number of new shares to be issued and/or the share capital shall be increased, deciding on the date, even retroactive, from which the new shares may be used, or that on which the increase in share capital shall become effective;
- deciding in the event of distributions of free shares, that the fractional rights to allocation shall not be negotiable and that the corresponding shares shall be sold; the proceeds from the sale shall be allocated to the holders of rights in accordance with applicable laws;
- carrying out all adjustments intended to take into account the impact of transactions on the Company's share capital, particularly in the event of a change in the nominal value of the shares, a capital increase through capitalisation of reserves, grants of free shares or shares, stock splits or amalgamations, distribution of reserves or any other assets, amortisation of the share capital, or any other transaction involving the shareholders' equity or share capital (including by means of public offering and/or in the event of a change of control), and setting the terms and conditions according to which protection of the rights of holders of securities convertible into shares will be assured, if applicable.
- noting the completion of each capital increase and making the corresponding amendments to the Articles of Association;
- in general, taking all measures and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to them;

3. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation with the same object, i.e. any overall delegation of authority relating to the capital increase by capitalising premiums, reserves, earnings or otherwise. It shall be granted for a period of 26 months from the date hereof.

SEVENTEENTH RESOLUTION

(Delegation of authority to the Executive Board to increase the number of securities to be issued (over-allocation option) in the event of a capital increase with or without preferential subscription rights).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditor's special report, and pursuant to the provisions of Article L. 225-135-1 of the French Commercial Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide on the number of shares to issue in the event of an increase in the Company's share capital with or without preferential subscription right, at the same price as that chosen for the initial issue, within the time periods and limits stipulated by the applicable regulations on the date of the issue (on the date hereof, within 30 days of the end of the subscription period and within the limit of 15% of the initial issue), particularly with a view to granting an over-allocation option in accordance with market practices;

2. decides that the nominal amount of capital increases decided by virtue of this resolution will be charged against the threshold applicable during the initial issue and on the aggregate maximum amount set out in paragraph 3 of the twelfth resolution of this meeting or, if necessary, on the thresholds specified by resolutions of a similar nature that may replace said resolutions during the period of validity of this delegation of authority.

The authority granted herein shall remain in effect for a period of 26 months from the date hereof.

EIGHTEENTH RESOLUTION

(Delegation of authority to the Executive Board to decide to increase the Company's share capital by issuing shares and/or securities convertible into shares reserved to participants of company savings plans, with elimination of the preferential subscription right in favour of such participants).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditor's special report, and pursuant to the provisions of Articles L. 225-129-2, L. 225-129-6 and L. 225-138-1 of the French Commercial Code, and those of Articles L. 3332-18 to L. 3332-24 of the French Labour Code:

1. delegates to the Executive Board, with power to sub-delegate in accordance with applicable laws, the authority to decide to increase the Company's share capital, one or more times, by a maximum nominal amount of €20,000, by the issue of shares or other securities convertible into shares reserved for participants of one or several company savings plans (or any other plan for participants under which Articles L. 3332-1 *et seq.* of the French Labour Code or any similar law or regulation would enable a capital increase to be reserved under equivalent conditions) put in place within a company or group of French or foreign companies, within the scope of consolidation or combination of Company accounts pursuant to Article L. 3344-1 of the French Labour Code; provided, however, that this resolution may be used for the purposes of implementing leverage plans and that the maximum nominal amount of capital increases likely to be carried out immediately or in the future pursuant to this delegation will be charged to the aggregate limit provided for in paragraph four of the thirteenth resolution of this meeting or, if applicable, to the amount of any aggregate limit provided for by a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;
2. sets at 26 months, as of the date of this meeting, the term of validity of the issue delegation that is the subject of this resolution;
3. decides that the issue price of the new shares or securities convertible into shares shall be determined under the terms and conditions provided for in Articles L. 3332-18 *et seq.* of the French Labour Code and shall be at least equal to 80% of the Reference Price (such as this expression is defined below) or 70% of the Reference Price when the lock-up period provided under the plan pursuant to Articles L. 3332-25 and L. 3332-26 of the French Labour Code is greater than or equal to ten years; for the purposes of this paragraph, the Reference Price refers to the average of the first listed prices of the Company's share on the Euronext Paris regulated market during 20 market sessions preceding the date of the decision setting the opening date of the subscription for participants of a company or group savings plan (or related plan);
4. authorises the Executive Board to grant, free of charge, to the aforementioned beneficiaries, in addition to shares or securities convertible into shares to be subscribed for in cash, shares or securities convertible into shares to be issued immediately or in the future, for the substitution of all or part of the discount in relation to the Reference Price and/or contribution, it being understood that the benefit resulting from this allocation may not exceed the legal or regulatory limits applicable under the terms of Articles L. 3332-10 *et seq.* of the French Labour Code;
5. decides to eliminate for the aforementioned beneficiaries, the shareholders' preferential subscription right to shares and securities convertible into shares issued under this delegation, moreover, with the said shareholders waiving, in the event of the free allocation of shares or securities convertible into shares to the aforementioned beneficiaries, any right to the said shares or securities convertible into shares, including the proportion of the reserves, earnings or premiums which are included in the capital through capitalisation and due to the free allocation of the said shares under the said resolution;
6. authorises the Executive Board under the terms and conditions of this delegation, to transfer shares to participants of a company or group savings plan (or related plan) as stipulated in Article L. 3332-24 of the French Labour Code, provided, however, that the shares transferred with a discount to participants of one or more company savings plans under this resolution shall be charged up to the nominal amount of the shares transferred to the amount of the limits stated in the aforementioned paragraph 1;
7. decides that the Executive Board shall have any and all authority, with power to sub-delegate pursuant to applicable laws, to implement this delegation of authority, for the purpose in particular of:
    - determining pursuant to applicable laws the list of companies in which the aforementioned beneficiaries may subscribe for shares or securities convertible into shares thus issued and, if applicable, benefit from the shares or securities convertible into shares freely allocated;
    - deciding that the subscriptions may be carried out directly by the beneficiaries, participants of a company or group savings plan (or related plan), or through the intermediary of company investment funds or other structures or entities authorized by the applicable legal or regulatory provisions;
    - determining the conditions, particularly seniority, that the beneficiaries of capital increases must fulfil;
    - determining the opening and closing dates of subscriptions;
    - setting the amounts of the issues that shall be carried out pursuant to this authorisation and determining the issue prices, dates, time periods, terms and conditions of subscription, payment, issue and benefit of the shares (even retroactive), the reduction rules applicable in the event of over-subscription as well as the other terms and conditions of issue, within the applicable legal or regulatory limits;

- in the event of the free allocation of shares or securities convertible into shares, setting the type, the characteristics and number of shares or securities convertible into shares to be issued, the number to be allocated to each beneficiary, and determining the dates, time periods, terms and conditions of allocating these shares or securities convertible into shares up to the legal and regulatory limits in force and notably choosing either to fully or partially substitute the allocation of these shares or securities convertible into shares at discounts in relation to the aforementioned Reference Price, i.e. to charge the equivalent amount of these shares or securities to the total amount of the contribution, i.e. to combine these two possibilities;
- in the event of an issue of new shares, charging, if applicable, to the reserves, earnings or issue premium, the amount required for the said shares to be fully paid up;
- recording the capital increases up to the amount of the shares that shall actually be subscribed for;
- if applicable, charging the cost of the capital increase to the amount of premiums relating to it and deducting from this amount the sums required to fund the legal reserve to a tenth of the new capital resulting from these capital increases;
- signing all agreements, finalising directly or indirectly by an agent all the transactions and formalities including those relating to capital increases and the subsequent changes to the Articles of Association;
- in general, finalising any agreement, in particular to successfully complete the proposed issues, taking all measures, making all decisions and completing all formalities required for the issue, listing and financial service of the securities issued under this delegation, as well as the exercise of the rights attached to it or further to the capital increases;

8. decides that this authorisation shall replace and supersede as of the date hereof any unused portion of any previous delegation of authority granted to the Executive Board to increase the Company's capital by issuing shares or securities that grant access to the Company's capital reserved for subscribers of savings plans, with disapplication of preferential subscription right in favour of subscribers, and all transactions referred therein..

NINETEENTH RESOLUTION

(Delegation of authority to the Executive Board to grant option to subscribe for, or purchase, shares to some or all group corporate officers or employees).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditor's special report:

1. gives the Executive Board, in the framework of the provisions of Articles L. 225-177 to L. 225-185 of the French Commercial Code, the authority, which it may sub-delegate within the limits of the law, to grant, on one or more occasions, to the persons it so chooses among Company employees and corporate officers or those of the companies or entities to which it is linked under the conditions stipulated by Article L. 225-180 of said Code, options that confer a right to subscribe new Company shares issued in the framework of a capital increase, as well as options that confer a right to buy Company shares that stem from acquisitions made by the Company, in accordance with the law;

2. decides that the subscription options and the purchase options granted under this authorisation shall not grant the right to a total number of shares exceeding 4% of the share capital on the day of the Executive Board's decision and that the nominal amount of the capital increases resulting from the exercising of share subscription options granted under this delegation of authority shall be charged to the aggregate limit provided for in paragraph three of the twelfth resolution of this meeting or, if applicable, to the amount of any aggregate limit provided for by a resolution of the same nature that could replace the said resolution during the term of validity of this delegation;

3. decides that the price to pay to exercise the subscription or share purchase options shall be determined by the Executive Board on the day the options are granted pursuant to the law, and that this price shall not be less than the average of the first listed prices of the Company's share on the Euronext Paris regulated market during the twenty stock market sessions preceding the day on which the subscription options are granted. If the Company carries out one of the transactions stipulated under Article L. 225-181 of the French Commercial Code, or Article R. 225-138 of the French Commercial Code, the Company shall take, under the conditions provided in the regulations then in force, the necessary measures to protect the interests of the beneficiaries, including, if applicable, by adjusting the number of shares that are obtained by exercising options granted to the beneficiaries to take into account the impact of this transaction;

4. takes note that this delegation implies, as of right for the benefit of the beneficiaries of the subscription options, the express waiver by the shareholders of their preferential subscription right to the shares that shall be issued as and when the share options are exercised. The increase in the share capital resulting from the exercise of the subscription options shall be completed solely due to the declaration of exercising the option together with subscription forms and transfers of payments in cash or offset of the Company's debts;

5. consequently, the General Meeting of Shareholders grants any and all authority to the Executive Board to implement this authorisation and particularly with the effect of:

- to determine the identity of the beneficiaries, or the categories of beneficiaries of the options granted and the number of options allotted to each beneficiary;

- setting the terms and conditions of the options, and in particular:
  - the term of the validity of the options, provided, however, that the options must be exercised within a maximum period of seven years;
  - the dates or exercise periods of the options, provided, however, that the Executive Board may (a) advance the dates or exercise periods of the options, (b) maintain the exercisable nature of the options, or (c) modify the dates or periods during which the shares obtained by exercising options may be transferred or provided to the bearer;
  - any clauses prohibiting the immediate resale of all or part of the shares with a lock-up period that shall not exceed three years from the exercise date of the option, provided, however, that with respect to shares granted to corporate officers under Article L.225-185 of the French Commercial Code, the Supervisory Board must, either (a) decide that the options may not be exercised by the interested parties before the cessation of their terms of office, or (b) set the quantity of shares that they hold as registered shares until the cessation of their terms of office;
- if applicable, limit, suspend, restrict or prohibit the exercise of the options or the transfer or the delivery to the bearer of shares obtained by exercising options, during certain periods or under certain events, and such decision may relate to all or part of the options or shares or to all or some of the beneficiaries;
- to determine the date of benefit, even retroactive, of new shares issued pursuant to the exercise of subscription options;

6. decides that the Executive Board shall also have the power to sub-delegate in accordance with applicable laws, any and all authority to increase capital up to the amount of the shares that shall actually be subscribed for pursuant to the exercise of subscription options, to amend the Articles of Association accordingly, and under its sole decision and, if it deems it opportune, to charge the costs for capital increases to the amount of the premiums relating to these transactions and deduct from this amount the amount required to fund the legal reserve to a tenth of the new capital after each increase, and to carry out all the formalities required for listing the issued shares, all filings to all organisations and do all that is otherwise required;

7. decides that this authorisation shall replace and supersede as of the date hereof any unused portion of any prior delegation of authority to the Executive Board to grant subscription or share purchase options.

It shall be granted for a period of 26 months from the date hereof.

TWENTIETH RESOLUTION

(Delegation of authority to the Executive Board to make grants of free shares by issuing new shares or from issued and outstanding shares to some or all group corporate officers and employees).

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to Extraordinary General Meetings of Shareholders, and having reviewed the Executive Board's report and the Statutory Auditors' special report:

1. authorises the Executive Board, under Articles L. 225-197-1 *et seq.* of the French Commercial Code, to grant, in one or more times, for no consideration existing shares or shares to be issued (excluding preferred shares), to beneficiaries or categories of beneficiaries that it shall choose from among the Company's salaried employees or companies and groups linked to it as set forth in Article L. 225-197-2 of the said Code and the corporate officers of the Company or companies or groups linked to it and that meet the conditions set forth in Article L. 225-197-1, II of the said Code, under the conditions set forth below;

2. decides that existing shares or shares to be issued under this authorisation shall not represent more than 0.5% of the share capital on the day the decision is made by the Executive Board; provided, however, that the maximum nominal amount of the capital increases likely to be carried out immediately or in the future under this delegation of authority shall be charged to the aggregate limit provided in paragraph three of the twelfth resolution of this meeting or, if applicable, from the aggregate limit provided for by a resolution of the same nature, which could replace the said resolution during the term of validity of this delegation of authority;

3. decides that grant of the said shares to their beneficiaries shall become final either (i) at the end of a minimum acquisition period of two years and that the beneficiaries then must retain the said shares for a minimum period of two years from the final grant of the said shares, or (ii) at the end of a minimum acquisition period of four years, the beneficiaries not then being limited to any lock-up period, provided, however, that the granting of the said shares to their beneficiaries shall become final before expiry of the aforementioned acquisition period in the event of invalidity of the beneficiary corresponding to classification in the second or third category stipulated in Article L.341-4 of the French Social Security Code and that the said shares shall be freely assignable in the event of invalidity of the beneficiary corresponding to classification in the aforementioned categories of the French Social Security Code;

4. decides that the Executive Board shall have any and all authority, with power to sub-delegate in accordance with applicable laws, to implement this delegation of authority, for the purpose in particular of:

- determining whether the shares granted free of charge are future or existing shares;

- determining the identity of the beneficiaries, or the category(ies) of beneficiaries, the grants of shares among the members of staff and corporate officers of the Company or aforementioned companies or groups and the number of shares granted to each of them;
- setting the conditions and, if applicable, the criteria for granting shares, in particular the minimum acquisition period and the lock-up period required for each beneficiary, under the conditions provided above, provided, however, that with regard to shares granted free of charge to corporate officers, the Supervisory Board must, either (a) decide that the shares granted free of charge may not be transferred by the persons concerned before they leave office, or (b) set the quantity of shares granted free of charge that they must keep in registered form until they leave office;
- providing for the option to temporarily suspend granting rights;
- noting the final granting dates and the dates as of which the shares may be freely assigned, subject to legal limitations;
- registering the shares granted free of charge in a nominative account in the name of their holder, setting forth the unavailability and term of such unavailability, and making the shares available under any circumstance authorized under applicable regulations;
- in the event of issuing new shares, charging, if applicable, to the reserves, earnings or issue premiums, the amount required to fully pay up said shares, noting the completion of capital increases carried out under this authorisation, making the corresponding amendments to the Articles of Association and, in general, completing all the necessary acts and formalities;

5. decides that the Company may carry out, if applicable, adjustments to the necessary number of shares granted free of charge for the purpose of protecting the beneficiaries' rights, in accordance with any transactions relating to the Company's share capital under the circumstances provided for in Article L. 225-181 and L. 228-99 of the French Commercial Code. It is specified that the shares granted under these adjustments shall be deemed to have been granted on the same day as the shares initially granted;

6. notes that in the event of granting new shares free of charge, this authorisation shall imply, as and when the said shares are finally granted, an increase of capital through capitalisation of reserves, earnings or issue premiums to the beneficiaries of the said shares and corresponding waiver, for the benefit of holders of the said shares, of the shareholders' to preferential subscription right over the said shares;

7. takes note that, in the event that the Executive Board uses this authorisation, each year it shall inform the Ordinary General Meeting of Shareholders of the transactions carried out under Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, under the conditions stipulated by Article L. 225-197-4 of the said code;

8. takes note that this delegation shall replace and supersede as of the date hereof any unused portion of any prior delegation granted to the Executive Board with the effect of the making of grants of free shares or by issuing shares or from issued and outstanding shares to some or all group corporate officers and employees.

9. It shall be granted for a period of 26 months from the date hereof.

TWENTY-FIRST RESOLUTION

(Delegation of authority to the Executive Board decrease the share capital by cancellation of treasury shares)

The General Meeting of Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders and having reviewed the Executive Board's report and the Statutory Auditors' special report, hereby decides to authorise the Executive Board to decrease the share capital, in one or more times, in the proportions and at the times it may decide, by cancelling any number of treasury shares that it may decide, within the limits authorized by the law and as provided for in Articles L. 225-209 *et seq.* of the French Commercial Code.

The maximum number of shares that may be cancelled by the Company pursuant to this authorisation during a period of twenty-four months shall be ten percent (10%) of the Company's issued and outstanding shares, at any time, i.e. for indicative purposes, on 31 December 2010, 22,160,211 shares, provided, however, that this limit shall apply to an amount of the Company's share capital as adjusted to take into account transactions affecting the share capital that are subsequent to this General Meeting of Shareholders.

This authorisation shall replace and supersede, as of the date hereof and in the amount, if any, of the unused portion of, any previous delegation of authority to the Executive Board for the purpose of decreasing the share capital by cancellation of treasury shares. This authorisation shall be granted for a period of eighteen months from the date hereof.

The General Meeting of Shareholders hereby decides to grant to the Executive Board any and all authority, with power of delegation, to complete such transaction(s) cancelling or decreasing the share capital that may be made under this authorisation, and to amend the Articles of Association accordingly and complete any formalities.

TWENTY-SECOND RESOLUTION

(Authority with respect to formalities)

The General Meeting of Shareholders grants all authority to the bearer of an original, copy or extract of the minutes of their deliberations to carry out any filings and formalities required by the law.

OTHER INFORMATION

REPORT OF STATUTORY AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions or disclosures. This report also includes information relating to the specific verification of information given in the group's management report. This report should be read in conjunction with and construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying consolidated financial statements of JCDecaux S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Executive Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2010 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the matter set out in note 1.1 to the consolidated financial statements regarding the new standards and interpretations implemented by your Company during the year.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L. 823-9 of the French commercial code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Tangible and intangible fixed assets, goodwill and investments in associates are subject to impairment tests based on the prospects of future profitability following the method described in notes 1.11 and 1.12 to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates.
- Note 1.21 to the financial statements describes the accounting treatment of purchase commitments for minority interests, which is not specifically described in IFRS as adopted by the European Union. We have assessed that this note gives the relevant information as to the method used by your Company.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATION

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, March 8, 2011

French original signed by
The Statutory Auditors

KPMG Audit	Ernst & Young et Autres
A division of KPMG S.A.	
Frédéric Quélin	Pierre Jouanne
Partner	Partner

REPORT OF STATUTORY AUDITORS ON CORPORATE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditor's report on the financial statements issued in French and it is provided solely for the convenience of English-speaking users. The statutory auditor's report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the financial statements and includes an explanatory paragraph discussing the auditor's assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2010, on:

- the audit of the accompanying financial statements of JCDecaux S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as of December 31, 2010 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the French Commercial Code ('Code de commerce') relating to the justification of our assessments, we bring to your attention the following matter:

- Equity investments are subject to impairment tests based on the prospects of future profitability following the method described in note 1.2.1.3 to the financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by the group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates.
- These assessments were made as part of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code ('Code de commerce') relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlaying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlling your Company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we verified that the information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, March 8, 2011

French original signed by
The Statutory Auditors

KPMG Audit	Ernst & Young et Autres
A division of KPMG S.A.	
Frédéric Quélin	Pierre Jouanne
Partner	Partner

SPECIAL REPORT OF STATUTORY AUDITORS ON REGULATED AGREEMENTS AND THE COMMITMENTS WITH RELATED PARTIES ("*CONVENTIONS ET ENGAGEMENTS RÉGLEMENTÉS*")

This is a free translation into English of a Statutory auditors' report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present to you our special report on the agreements and commitments with related parties.

We are not required to ascertain whether any other agreements or commitments exist but to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements and commitments of which we were notified, without expressing an opinion on their usefulness and their merit or searching for other agreements and commitments. It is your responsibility, under the terms of article R.225-58 of the French Commercial Code ('Code de commerce'), to assess the interest or entering into these agreements and commitments with a view to approving them..

Where applicable, it is our responsibility to report to you the information pursuant to Article R.225-58 of the French Commercial Code, relating to the continuing agreements and commitments previously approved by the Shareholders.

We conducted the procedures we deemed necessary in accordance with professional standards applicable in France; those standards require that we verify that the information provided to us agrees with the underlying documentation from which it was extracted. with the underlying documentation from which it was extracted.

I. AGREEMENTS AND COMMITMENTS TO BE APPROVED BY THE SHAREHOLDERS' MEETING

AGREEMENTS AND COMMITMENTS THAT WERE AUTHORIZED DURING FISCAL YEAR ENDED DECEMBER 21, 2010

Pursuant to Article L.225-88 of the French Commercial Code, we have been advised of the following agreements and commitments entered into by the Company, which have been previously authorized by your Supervisory Board.

Termination benefit

- *Member concerned*

  M. Gérard Degonse (member of the Executive Board until December 31, 2010)
- *Nature and purpose*

  Grant of a termination benefit, subject to the realization of specific performance conditions.
- *Conditions*

  During its meeting held on December 7, 2010, as a consequence of Mr. Gérard Degonse's retirement, the Supervisory Board decided to grant him with a termination benefit, subject to the realization of specific performance conditions, for an amount of €1,245,000. This benefit has been granted to him as a result of his realized performances since he was appointed member of the Executive Board on October 9, 2000, including:

  - Financial results of the Company over the past two years;
  - Contribution to the management of the financial crisis during the year 2009, and to the end of the crisis in the year 2010;
  - Implementation of a financial strategy that helped the Company to smoothly go through the crisis during the years 2008-2010;
  - Major contribution in the transformation of the Company since its Initial Public Offering: organization, quality and reliability of the financial information.

<u>Non-competion clause</u>

- *Member concerned*

  Mrs Laurence Debroux (member of the Executive Board since January 1, 2011)

- *Nature and purpose*

  Grant of a non-competition indemnity

- *Conditions*

  During its meeting held on December 7, 2010, the Supervisory Board decided to authorize the grant to Mrs. Laurence Debroux, in case of termination of her employment contract by the Company, with a non-competition indemnity, that would represent two hundred percent of her fixed salary, to be paid over a twenty four month period.

AGREEMENTS AND COMMITMENTS THAT WERE AUTHORIZED SINCE FISCAL YEAR ENDED DECEMBER 31, 2010

We have been advised of the following agreements and commitments entered into by the Company which have been previously authorized by your Supervisory Board, since last fiscal year end.

Termination and special retirement benefit

- *Member concerned*

  M. Jeremy Male (member of the Executive Board)

- *Nature and purpose*

  Grant of a termination and a special retirement benefit, subject to the realization of specific performance conditions.

- *Conditions*

  During its meeting held on March 8, 2011, the Supervisory Board decided to authorize the grant to Mr. Jeremy Male, subject to the realization of specific performance conditions, of:

  - a termination benefit equivalent to one year of fixed salary increased by the average bonus on results obtained over the past two years;
  - a special retirement contribution to be paid annually to a pension fund for a total amount representing 15% of his fixed and variable salary.

The payment of the termination benefit is subject to the realization of the following performance conditions:

  - 50% of the benefit will be paid under the condition that the Group consolidated revenue and operating margin increase, as published by JCDecaux S.A., between January 1, 2001 (i.e. the first full fiscal year since Mr. Jeremy Male joined the Group) and the 31st of December of the fiscal year prior to his termination, is more than 4%;
  - 50% of the benefit will be paid under the condition that each of the Group consolidated revenue and operating margin, as published by JCDecaux S.A., increase by at least 4% during one of the 3 fiscal year ends preceding the termination of Jeremy Male.

The contribution made to the pension fund is subject to realization of the following performance conditions:

  - 50% of the annual contribution will be paid under the condition that the Group consolidated revenue and operating margin increase, as published by JCDecaux S.A., between January 1, 2001 (i.e. the first full fiscal year since Mr. Jeremy Male joined the Group) and the 31st of December of the fiscal year preceding the date when the payment is made, is of at least 4%;
  - 50% of the annual contribution will be paid under the condition that each of the Group consolidated revenue and operating margin, as published by JCDecaux S.A., increase by at least 4% during one of the 3 fiscal year ends preceding the date of payment.

AGREEMENTS AND COMMITMENTS APPROVED BY THE SHAREHOLDERS' MEETING IN PREVIOUS YEARS

a) Continuing agreements and commitments having effects during the year

Pursuant to Article R.225-57 of the French Commercial Code, we have been advised that the following agreements and commitments, approved by the Shareholders' Meeting in previous years, have had continuing effect during the year.

With Mr. Gérard Degonse

- *Nature, purpose and conditions*

  Your Supervisory Board meeting held on March 15, 2005, authorized the grant to Mr. Gérard Degonse, a Member of the Executive Board, in the event of the termination of his employment decided by the Company of a non-competition indemnity equivalent to one and a half year of his fixed and variable salary for an obligation of two years. The amount paid to Mr. Gérard Degonse amounts to €933,750.

b) Continuing agreements and commitments with no effect during the year

Also, we have been advised that the following continuing agreement and commitment, approved by the Shareholders' Meeting in previous years, did not have any effect during the year.

With the Company SOMUPI S.A.

- *Nature, purpose and conditions*

  Your Supervisory Board authorized a debt waiver on December 4, 2009, including a redemption provision clause, to the company SOMUPI S.A.. The debt waiver was concluded on December 30, 2009 for a total amount of €20.77 million. There was no reimbursement during fiscal year ended December 31, 2010 under the execution of the redemption clause.

Paris La Défense and Neuilly-sur-Seine, March 8, 2011

French original signed by
The Statutory Auditors

KPMG Audit *A division of KPMG S.A.*	Ernst & Young et Autres
Frédéric Quélin Partner	Pierre Jouanne Partner

STATUTORY AUDITOR'S REPORT PREPARED IN ACCORDANCE WITH ARTICLE L. 225-235 OF THE FRENCH COMMERCIAL CODE ('CODE DE COMMERCE'), ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD OF JCDECAUX S.A.

This is a free translation into English of a report issued in French and it is provided solely for the convenience of English-speaking readers. This report should be read in conjunction and is construed in accordance with French law and the professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of JCDecaux S.A., and in accordance with Article L.225-235 of the French Commercial Code ('Code de commerce'), we hereby report to you on the report prepared by the Chairman of your company in accordance with Article L.225-68 of the French Commercial Code ('Code de commerce') for the year ended December 31, 2010.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by Article L.225-68 ('Code de commerce')particularly in terms of the corporate governance measures.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L.225-68 of the French Commercial Code ('Code de commerce'), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

These professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and of existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with Article L.225-68 of the French Commercial Code ('Code de Commerce').

Other information

We confirm that the report prepared by the Chairman of the Supervisory Board also contains the other information required by Article L. 225-68 of the French Commercial Code ('Code de commerce').

Paris La Défense and Neuilly-sur-Seine, March 8, 2011.

French original signed by
The Statutory Auditors

KPMG Audit
A division of KPMG S.A.

Frédéric Quélin
Partner

Ernst & Young et Autres

Pierre Jouanne
Partner

PERSON RESPONSIBLE FOR THE ANNUAL REPORT AND PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS

1. PERSON RESPONSIBLE FOR THIS DOCUMENT

Mr. Jean-Charles Decaux
Chairman of the Executive Board of JCDecaux SA.

2. CERTIFICATE OF THE PERSON RESPONSIBLE FOR THIS DOCUMENT AND THE ANNUAL FINANCIAL REPORT

"I hereby certify, after taking every reasonable step for such purpose, that the information contained in this Annual Report is, to my knowledge, true to reality and does not omit any information required to make it not misleading.

I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the consolidation, and that the management report presents a fair review of the development and performance of the business and financial position of the Company and all the undertakings included in the consolidation as well as a description of the main risks and uncertainties to which they are exposed.

I have obtained from persons legally responsible for auditing the financial statements a "*lettre de fin de travaux*" in which they state that they have conducted an audit of the information relating to the financial condition and accounting data in this Annual Report, as well as having read the entire Annual Report.

The historical financial information presented in this annual report has been the subject of the reports of the statutory auditors included on pages 222, 223, 224 and 225 of this annual report, as well as those incorporated by reference for the 2009 and 2008 fiscal years on, respectively, pages 212, 213 and 214 of the 2009 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 16 April 2010 under no. D.10-0283) and pages 213 to 214 of the 2008 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 10 April 2009 under no. D.09-0229). The report of statutory auditors on consolidated financial statements ending 31 December 2010 includes an observation relating to note 1.1. to the consolidated financial statements regarding the new standards and interpretations implemented by the Company during the year."

April 14, 2011

Jean-Charles Decaux
Chairman of the Executive Board

3. PERSONS RESPONSIBLE FOR THE AUDIT OF THE FINANCIAL STATEMENTS AND THE INVESTOR INFORMATION

PRINCIPAL STATUTORY AUDITORS

Ernst & Young et Autres
41, rue Ybry
92200 Neuilly-sur-Seine
represented by Mr. Pierre Jouanne,
appointed on 20 June 2000, the engagement of which, renewed by the General Meeting of Shareholders of 10 May 2006, will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

KPMG SA
1, cours Valmy
92923 Paris La Défense Cedex
represented by Mr. Frédéric Quélin,
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

ALTERNATE STATUTORY AUDITORS

AUDITEX,
11, allée de l'Arche - Faubourg de l'Arche
92400 Courbevoie
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

SCP Jean-Claude ANDRE & Autres
2 bis, rue de Villiers
92300 Levallois Perret
appointed on 10 May 2006, the engagement of which will expire at the General Meeting of Shareholders reviewing and approving the financial statements for the fiscal year ended 31 December 2011.

PERSON RESPONSIBLE FOR SHAREHOLDER AND INVESTOR INFORMATION

Martin Sabbagh
Manager for Investor Relations and Financial Communications
Téléphone: +33 (0)1 30 79 44 86
Fax : +33 (0)1 30 79 77 91

This Annual Report was filed with the French Autorité des Marchés Financiers (AMF) on 14 April 2011, as stipulated in Article 212-13 of the rules and regulations of the AMF.
It may not be used to support a financial transaction unless it is supplemented with an operation note approved by the AMF. This document was prepared by the issuer and is binding upon its signatories.

This document has been designed and produced by
the Corporate Finance Department/Financial Communication Department
and JCDecaux SA Investor Relations.

JCDecaux SA
17, rue Soyer
92523 Neuilly-sur-Seine Cedex
Tel.: + 33 (0)1 30 79 79 79
www.jcdecaux.com

JCDecaux

showcasing the world