JCDecaux

showcasing the world

2006 Annual Report

Document de Référence

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 2005:

- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "*Document de référence*" filed on 7 April 2006 under number D.06-218 (pages 42 to 113 and 191, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "*Document de référence*" filed on 7 April 2006 under number D.06-218 (pages 114 to 134 and 192, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "*Document de référence*" filed on 7 April 2006 under number D.06-218 (pages 193 and 194).

2. Relating to fiscal year 2004:

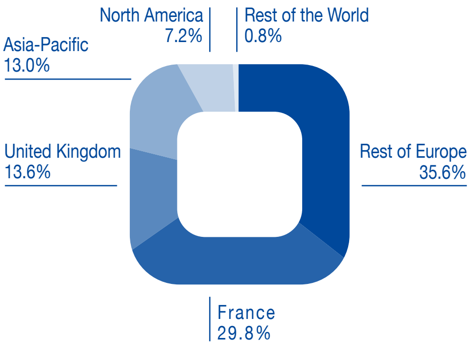
- The Management Discussion and Analysis and consolidated financial statements, including the statutory auditors' report, set forth in the "*Document de référence*" filed on 7 April 2005 under number D.05-0364 (pages 38 to 77 and 161, respectively).
- The corporate financial statements of JCDecaux SA, their analysis, including the statutory auditors' report, set forth in the "*Document de référence*" filed on 7 April 2005 under number D.05-0364 (pages 91 to 107 and 163, respectively).
- The statutory auditors' special report on regulated agreements with certain related parties, set forth in the "*Document de référence*" filed on 7 April 2005 under number D.05-0364 (pages 164 and 165).

Otherwise, the information set forth in those two "*Documents de référence*" has been replaced and/or updated, as the case may be, by the information set forth in this "*Document de référence*".

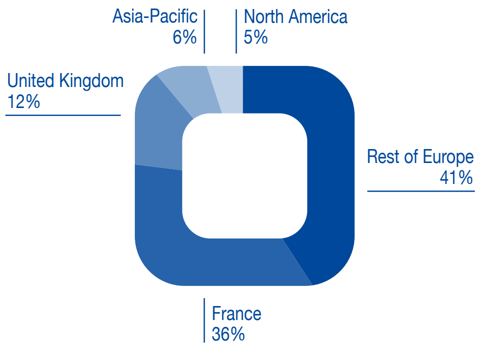
COMPANY OVERVIEW

FINANCIAL HIGHLIGHTS

2006 REVENUES BY REGION

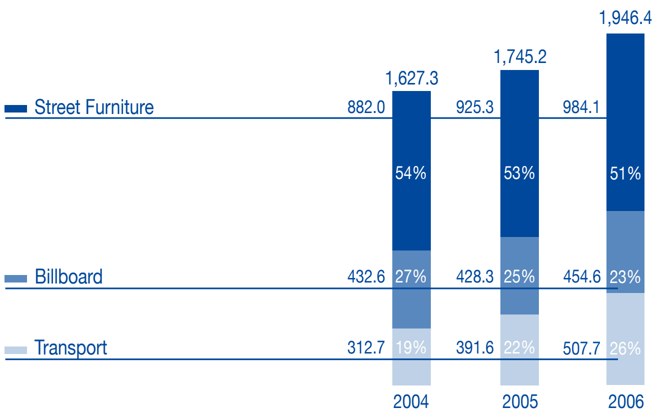


2006 OPERATING MARGIN BY REGION



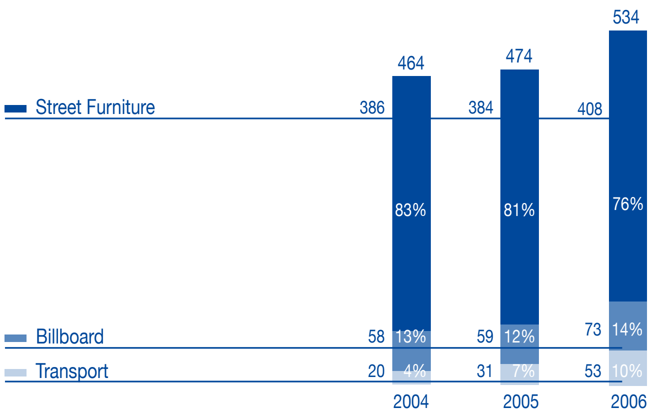
REVENUES BY BUSINESS

(in € million, segment's share in %)



OPERATING MARGIN BY BUSINESS

(in € million, segment's share in %)



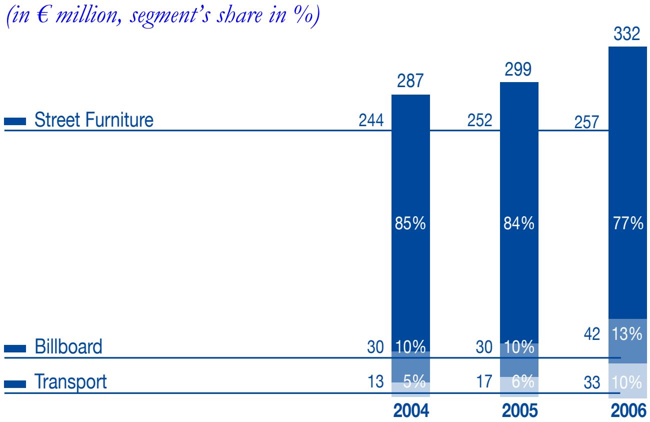
In 2006, the Group's revenues increased by 11.5% to €1,946.4 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 7.7%. Street Furniture revenues were €984.1 million, an increase of 6.4%. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 5.6%. Transport revenues grew by 29,6 % to €507.7 millions. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 14.3%. Billboard revenues grew by 6.1% to €454.6 million. Excluding acquisitions and the impact of foreign exchange, organic revenue growth was 6.2%.

The operating margin[1] increased by 12.6% to €533.6 million from €474.1 million in 2005. The operating margin as a percentage of consolidated revenues was 27.4%, up 20 basis points compared to the prior period (2005: 27.2%), reflecting a slight decrease in the Street Furniture operating margin as a percentage of revenues offset by very strong increases in operating margin in Billboard and in the lower-margin Transport division.

[1] *Operating margin: Revenues less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.*

EBIT BY BUSINESS

(in € million, segment's share in %)

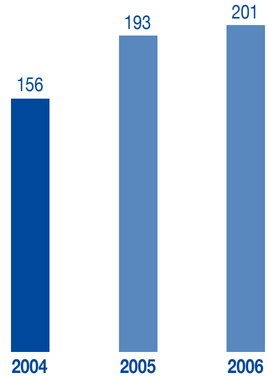


EBIT[2] increased by 10.9% to €331.9 million, up from €299.0 million in 2005. The Group's EBIT margin was maintained at 17.1% of consolidated revenues.

[2] *EBIT: Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions less Maintenance spare parts less Other operating income and expenses.*

NET INCOME GROUP SHARE

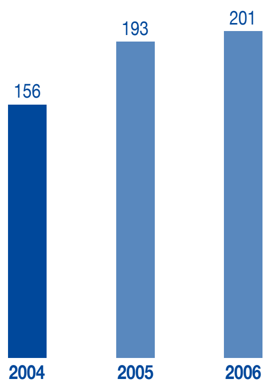
(in € millions)



Net income Group share increased by 4.1% to €201.1 million, compared to €193.2 million in 2005. This performance was driven by the increase in EBIT and equity affiliates as well as the decrease in minority interests, partially offset by a rise in tax, financial charges and a one-off impairment charge of €4.0 million.

FREE CASH FLOW

(in € million)

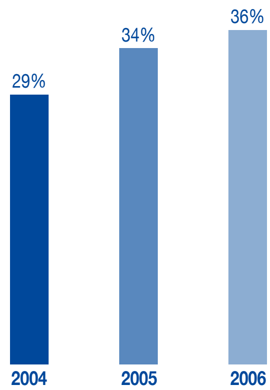


Free cash flow[3] decreased by 5.1% to €179.5 million compared to 2005.
Net debt as of 31 December 2006 was €695.0 million.

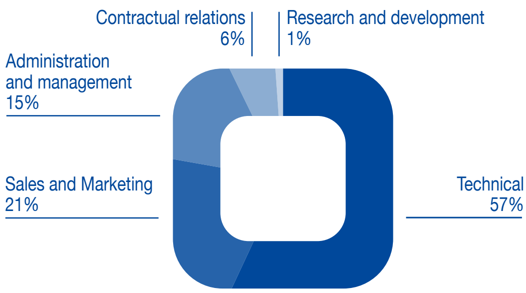
The Group is rated « Baa2 » by Moody's and « BBB+ » by Standard and Poor's.

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

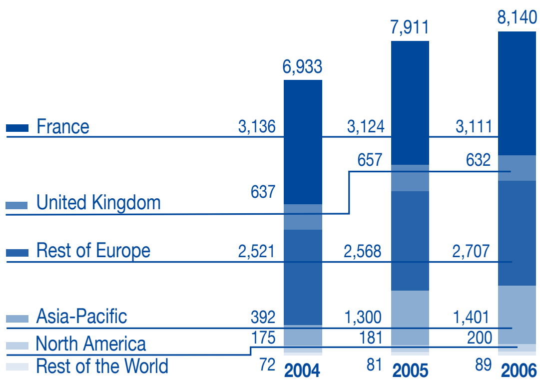
FINANCIAL NET DEBT / EQUITY RATIO



2006 EMPLOYEE BREAKDOWN BY EXPERTISE



EMPLOYEE BREAKDOWN BY REGION



THE YEAR 2006

In 2006, we pursued our development primarily through organic growth and strengthened our position as the world leader in Street Furniture and airport advertising. We also made several acquisitions to penetrate new markets, or to consolidate our position in mature markets. In 2006, we also acquired VVR-Berek, the leader in outdoor advertising in Berlin, established presences in Russia, the Ukraine and Central Asia, accelerated growth in our Street Furniture business in Japan and created a Middle East-Africa-Eastern Europe-Central Asia Division dedicated to rapid penetration of new, high-growth markets.

1. CONTRACTS

Europe

- In France, we renewed and extended Street Furniture agreements in Cannes and in the metropolitan area of Le Mans Métropole for a duration of 15 years.

  We won the contract for Street Furniture and bicycles in Aix-en-Provence for a duration of 13 years. This agreement involves 950 advertising faces, 200 bicycles, and 16 Cyclocity® stations. We also won the Street Furniture contract for trams and self-service bicycles for the metropolitan area of Marseilles Provence Métropole for a duration of 15 years. It will involve installing 1,000 self-service bicycles and 130 Cyclocity® stations.

  We also renewed and extended for a duration of 15 years the contract for bus and tram shelters for the Nice Côte d'Azur urban area (24 communities). In addition, we won the contract for city information panels, Seniors® and advertising columns in Nice for a duration of 10 years.

  Lastly, during 2006, we won 22 Street Furniture contracts in the Ile-de-France region. The towns involved have a combined population of more than 850,000 people. These contracts involved nearly 2,500 2m² advertising faces and 500 8m² faces.

- In Spain, El Mobiliaro Urbano (our Spanish subsidiary) renewed the street furniture contract for Barcelona, providing for exclusive operation of 3,500 faces for 10 years. In addition to the renovation and maintenance of the existing inventory, the new contract involves installation of 700 new bus shelters, 1,100 bus stops, 600 bus platforms, 250 city information panels and 15 automated public toilets.

- In the United Kingdom, we won the contract with the British Airport Authority ("BAA"), the biggest airport operating authority in the world, for 10 years (seven years, plus an option for three years), or until March 2017. This new contract involves the seven British airports operated by BAA: Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Aberdeen and Southampton, as well as the Heathrow Express rail link.

- In Portugal, ANA, Aeroportos de Portugal, which is responsible for operating the airports of Lisbon, Porto, Faro, Ponta Delgada, Horta, Santa Maria and Flores, renewed the exclusive advertising operating agreement with JCDecaux Airport for interior and exterior spaces at the seven airports until December 2012.

Asia-Pacific

- In China, JCDecaux Pearl & Dean (our wholly-owned subsidiary in Hong Kong) renewed its exclusive advertising contract for the Hong Kong airport (HKIA). This agreement, for a duration of 10 years, involves advertising space at the airport, both inside and outside, as well as the SkyPlaza terminal extension and advertising space in SkyCity, the business and commercial centre of the airport.

- JCDecaux Texon, a wholly-owned subsidiary and the leader in Street Furniture in Hong Kong, won a five-year concession from Hong Kong Tramways Ltd for wrap-around advertising on trams. Since 2 May 2006, JCDecaux Texon has held the exclusive right for advertising on the entire line of 140 trams.

- In India, JCDecaux Advertising India Pte Ltd (a wholly-owned subsidiary) won the exclusive 15-year bus shelter advertising contract for central New Delhi, in response to a bid solicitation. We will handle 197 bus shelters, representing 591 advertising faces in the most prestigious locations in the centre of New Delhi.

- In Japan, MCDecaux (a joint venture between JCDecaux SA and Mitsubishi Corporation in which we own 60%) won the bus shelter advertising contract for Osaka, following a bid solicitation, with an offer of 500 bus shelters, or 900 advertising faces, for a duration of 20 years. The third-largest city in Japan, Osaka is the capital of Kansai Prefecture, Japan's second-largest economic region.

  MCDecaux also won four new agreements for 20-year durations with transport companies in Fukuoka (the eighth-largest city in Japan), Hiroshima (its eleventh-largest city), Niigata (its seventeenth-largest city), and Shizuoka (its eighteenth-largest city).

Central Asia

- JCDecaux took a new step in its international expansion with the signature of an exclusive Street Furniture advertising contract with the city of Tashkent. Lasting 25 years, this agreement covers the operation of bus shelters, telephone shelters and information displays. With 2.1 million people, Tashkent, the capital of Uzbekistan (population 26 million), is the largest city in Central Asia.

North America

- We won the concession for advertising at LAX and Ontario airports by a unanimous vote of the City Council of Los Angeles. This agreement, lasting for 10 years, includes an optional extension period of four years. With more than 60 million passengers per year, LAX is the fifth-largest airport in the world and was the last airport of that size without advertising.

2. PARTNERSHIPS AND ACQUISITIONS

Europe

- In September 2006, we acquired the Berlin outdoor advertising company VVR-Berek[(1)], which has been in business since 1921. VVR-Berek has 83 employees and manages exclusive long term contracts with the city of Berlin and the transport company BVG. In Street Furniture, its large portfolio of advertising displays includes 3,000 columns (the largest number installed in any city in the world), lighting columns and public clocks in connection under a seven-year contract, with an option to extend it for five additional years. In Transport, VVR-Berek manages 1,240 busses, 400 of which are double-decker, and a total of thousands of advertising faces in the Berlin metro, one of the largest in Europe, under a 15-year agreement, with an option to extend it for five additional years.
- In October 2006, we extended our network in Eastern Europe with the acquisition of MAG International BV through Europlakat International (EPI), a 50/50 joint venture with Affichage Holding SA. MAG International BV owns and manages Metropolis Media, which ranks number two in outdoor advertising in Slovenia, Croatia and Serbia and Montenegro.

Ukraine / Russia

- In September 2006, we announced our first investment in Ukraine and Russia, with the signature of a partnering agreement with BigBoard SA to operate an existing network for outdoor advertising and to develop other outdoor advertising activities. A joint venture company, BigBoard BV, was formed through the contribution of the existing operations of BigBoard SA in Ukraine and Russia and a capital injection from JCDecaux SA. Following this transaction, we owned 40% of BigBoard BV and BigBoard SA owned 60% of BigBoard BV.

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(1) *In March 2007, we announced that we had participated in an asset exchange with the German company Wall AG, in which we hold a 35% interest. In this transaction, 100% of VVR-Decaux was transferred to Wall AG in exchange for 100% of Wall Netherlands, an additional 10% interest in Wall USA and 100% of Wall Russia.*

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. Advertising on street furniture (bus shelters, free-standing information panels (MUPI®), large-format (Senior® 8m²) advertising panels and multi-service columns) is the newest. Other outdoor advertising activities, such as advertising on shopping trolleys or in gas stations, are grouped together as "Ambient Media".

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, based on our knowledge of the market, we estimate that in 2006, Billboard accounted for more than 51% of worldwide outdoor advertising spending, Transport accounted for approximately 30%, Street Furniture accounted for approximately 19% (*source: JCDecaux*).

1.2. The place of outdoor advertising in the advertising market

In 2006, outdoor advertising spending worldwide was approximately €20.2 billion, or 5.9% of worldwide advertising spending (compared to 5.8% in 2005), which was estimated at €342.5 billion *(source: ZenithOptimedia December 2006 estimates, now including the Chinese outdoor advertising industry, based on an average annual Euro/U.S. dollar exchange rate in 2006 of €0.80 to US$1).* 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 2006, outdoor advertising accounted for 9.4% of the overall advertising market in this region, compared to only 3.6%, 7.3%, and 3.4% of the overall advertising market in North America, Europe, and South America, respectively. In the countries of Central and Eastern Europe (including Russia), outdoor advertising accounted for 10% of total advertising spending, which was the highest market share in the world.

2. OUTDOOR ADVERTISING: AN INCREASINGLY RELEVANT COMMUNICATION CHANNEL

2.1. A growing audience

The audience for outdoor advertising has grown significantly in recent years as people become increasingly urbanised. According to a UN study published in 2001, 60% of the world's people will be living in cities in 2060, compared to 47% in 2000 and 50% in 2007. This trend is particularly strong in the developing world, where people are migrating in growing numbers toward large urban centres.

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. Supported by this phenomenon of increased mobility, the audience for outdoor advertising will continue to grow in years to come.

Consequently, the average commute time between home and work has increased in most countries, which means that motorists are increasingly exposed to outdoor advertising. A 2003 study by the Royal Automobile Club in the United Kingdom showed that the average commute of drivers in the European Union from home to work took 37 minutes, and that automobile traffic on major British roads had increased by more than 200% between 1994 and 2004. In 2005, a poll taken in connection with the "UK National Travel Survey" also showed that people spend an increased amount of time in transport in the United Kingdom, indicating that the time spent between home and workplace and for business and professional travel amounted to eight hours per week, on average, or more than 4,600 kilometres travelled per year. 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, the average number of vehicles per 1,000 inhabitants rose by 23% between 1995 and 2005, with Spain showing the biggest growth, an increase of 40%, over this period *(source: Comité des Constructeurs Français d'Automobiles)*. In South Korea, where we have several Street Furniture contracts in Seoul, growth was 76% over this period. In China, even though the number of vehicles per 1,000 inhabitants is relatively low, the volume of vehicle sales is close to overtaking the level in the United States.

In addition to the greater amount of time spent in cars going to work, people are spending more and more time outside their homes. The "Daily Life" study on the use of personal time, which we conducted with the BBC in the United Kingdom, shows that people spend on average 7.9 hours per day outside the home, with working people spending an average of nine hours per day outside the home. 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.

Lastly, in the area of air travel, international passenger volumes continued to grow in 2006, especially as air travel became increasingly accessible to numerous segments of the population. According to the International Air Travel Association ("IATA"), international passenger volumes grew by 4% in 2006. IATA forecasts annual average growth in passenger volumes for the next four years (2007-2010) of more than 4.3% (*source: IATA Passenger Forecast*, October 2006). This growth should be fuelled by good economic prospects worldwide, the rebound of air traffic in Asia, the continued expansion of the European Union, and deregulation of air travel, which should lead to lower fares, in turn making air travel more accessible for more people. IATA further predicts that passenger volumes in all regions of the world will grow during the next four years, with particularly dynamic growth in Asia (driven by China and India), the Middle East and Central Europe.

2.2. Growing fragmentation of traditional media

As many studies show, outdoor advertising continues to benefit from the increasing fragmentation of "in-home" advertising, where increasing numbers of cable, satellite, and broadcast television channels, as well as Internet sites, compete for the viewer's attention. Our "Daily Life" study (discussed above) showed that waking time spent at home is taken up by more and more activities, squeezed into shorter and shorter time slots. As a result, people who stay at home are "multi-tasking" and are less attentive to the media that surround them.

This situation is magnified by the rapid growth in the number of consumers receiving **digital TV service**, especially in the United Kingdom where the number of sets per household is the highest in the world (70%) (*source: Ofcom International Communications Report*, November 2006). 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. In many households, television is now rarely consumed as a primary activity in its own right, according to the "Daily Life" study, and 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.

Fragmentation is a result of expanding channel choice, and the digital delivery of this choice is increasingly leading to devices in homes that allow consumers to become their own television schedulers. The most recent expansion in the number of households with the latest generation of digital video recorders, such as TiVO in the United States or Sky+ in the United Kingdom, has started to reach penetration levels that are affecting viewing habits. Households with these digital video recorders are able to fast-forward through advertising breaks and avoid advertising altogether. The rapid drop in price of recorders and the growth in digital television service has fuelled consumer enthusiasm for these devices, which make it possible to avoid advertising breaks on TV. In September 2006, Ofcom announced that 1.7 million subscribers to Sky+ had already signed up for this service.

Furthermore, the strong growth of "freeview" by telephone represents a new threat for traditional broadcast television. In the United Kingdom, British Telecom has just introduced a "freeview" service, offering content without any advertising and downloadable at home via a digital TV decoder.

In addition, with the arrival of digital audio broadcasting ("DAB") and satellite radio, **radio** advertising will also be increasingly subject to fragmentation: consumers will have access to a much broader array of stations as well as the ability to avoid advertising by live pause and fast forwarding combinations. The Ofcom Report indicates that the United Kingdom has the highest penetration of DAB. This new trend can also be seen in other European countries, especially Germany, where the penetration rate is 82%. The podcasting phenomenon, where consumers download a radio programme in order to play it on a MP3 player, and Internet delivery of radio programmes mean that radio listeners are also increasingly able to customise listening habits to suit themselves, further fragmenting home radio listening. In this environment, outdoor advertising becomes the only mass medium that consumers will find difficult to avoid, leading to significant opportunities for growth, thereby rendering it more attractive than traditional mass media.

In the United States, the strong growth of the **Internet** is threatening the effectiveness of television advertising. An ongoing study at the University of Southern California's Annenberg Center for the Digital Future entitled "The Digital Future Report" confirms that American consumers are increasingly surfing the Internet instead of watching television. The study, conducted annually for the last six years, shows that the average number of hours online per week has grown steadily since The Digital Future Report began in 2000. In 2006, 78% of Americans were connected to the Internet, and the number of hours spent online continued to grow. In 2006, more than two thirds of Americans (68%) had Internet access at home, a substantial increase from the 46.9% of users who reported home Internet access in 2000. This study also showed that Internet users spent 4.6 fewer hours watching television than non-users (28% less time).

The strong growth of high-speed Internet, now used by 78% of American users (*source: "The Bandwidth Report"*, January 2007) has also had a significant impact on media consumption habits in the United States. The Digital Future Report showed 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 tended to go online in short bursts, coinciding with television commercial breaks. U.S. penetration of broadband Internet access, while rising, remains below Asian rates, but this trend is likely to increase in the future, as Europe and the United States catch up with Asia in broadband penetration. As shown in the Ofcom Report, Europe surpassed the United States in the number of households equipped with broadband access, and certain European countries have already surpassed Asia. Thus, the rate of high-speed broadband Internet access is 58% in the Netherlands and 45% in Sweden, compared to 44% in Japan. 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.

Following the "Daily Life" media use study, we decided to participate in a similar study by the Institute of Practitioners in Advertising ("IPA") called "Touchpoints", which involved 10 media owners, including JCDecaux. The goal of this study was to provide a link between the UK media industry's various research currencies (including Postar for outdoor advertising) through a time-based consumer study that will track media consumption throughout the day. In effect, the media currencies will be joined within one multimedia hub, or Touchpoint. The study consists of two main parts: a detailed paper questionnaire about lifestyle, media habits and demographic information, and an electronic diary to record media and travel habits at half-hour intervals over seven days. This information was processed and analysed in 2006 to create a multimedia picture of consumer habits. Touchpoints' data, the results of which have been available since the end of 2006, are believed to be the only system in the world to combine available media research tools in one single study. This system provides a unique, cross-media planning tool. We have taken a proactive position to ensure the inclusion of outdoor advertising in the firm belief that it will improve the scope and variety in the use of the medium. The results of the Touchpoints study confirmed analyses from other studies and enabled us to demonstrate the advantages of outdoor advertising to permit advertisers to target audiences no longer as easily reachable through traditional media.

Finally, **daily newspapers and magazines** are also affected by increasing fragmentation, especially as a result of free newspapers and the increase in theme-based magazines.

2.3. A more attractive medium

Our capacity for innovation means that we are able to offer advertisers communications media that are increasingly attractive and support the growth of outdoor advertising. In addition to recent technological and qualitative innovations that we have developed, such as scrolling panels, electronic updating of furniture and plasma screens, in 2006 we significantly expanded and developed the presence of our "JCDecaux Innovate" concept.

"JCDecaux Innovate", initiated in the United Kingdom, has been adopted in 34 of the 48 countries where we 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. These would 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 for their product campaigns, driving interest in the medium and stimulating diversity in our customer base and, ultimately revenue growth.

A good example of this type of campaign is 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. Customers including Walt Disney, Ford, Nokia, Sony Ericsson, Lancôme, Vodafone, O2, Channel 4 Television and Wonda in Japan have all used a range of technologies to allow consumers to interact with outdoor advertising posters via our street furniture. These campaigns allow consumers to explore and engage with their products, adding value to the media buy. For example, after several pilot campaigns in 2006 for major local and international brands, beginning in January 2007 we initiated a worldwide first: the launch in Paris of a network of 54 fully interactive $8m^2$ panels, sold by weekly time slots. For example, an advertiser can choose the "Night" slot for 7 days (from 9 p.m. to 7 a.m.), which is one of the four time slots available, and use it for the digital content of its choice (such as sound, video, promotions and games). At each change of time slot, the digital content shown to the public changes in real time to that of the next advertiser. The initial results in terms of the number of messages downloaded are extremely encouraging and confirm the interest of brands in this new type of advertising.

Among other "JCDecaux Innovate" products we have developed are "Interact", which allows a consumer to select and obtain desired information directly via the advertising medium, "Showscreen", which integrates an interactive television screen into an advertising panel, allowing for transmission of several messages to a consumer, and, most recently, "Bluecasting", where details of a customer's products, such as television programmes or a film, can be transferred to a consumer's mobile phone via Bluetooth technology. The possibility of a combination of a mass medium like outdoor advertising and individual reception of digital content via mobile telephone is in greater and greater demand by our advertisers, since it allows them to interact with consumers. Thus, in 2006, BBC in the United Kingdom, Unilever in Ireland, Motorola in Spain, Nokia in Singapore, and Calvin Klein in Hong Kong all chose this new type of billboard campaign.

We have also been a leader in other non-digital dynamic images, allowing advertisers to strengthen the impact of visual advertising and facilitate reception of their message. As a result of an innovative lens, we can now offer advertisers, at reduced cost, an interactive product that makes it possible to display different images through the same medium based on the angle at which a panel is viewed. This approach multiplies visual contacts and facilitates reception of the message. Peugeot used it in France in particular in connection with the launch of the Peugeot 1007 in 2005, and it has since been used by several other brands, such as Dior and Disney in 2006.

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.

In France alone, "JCDecaux Innovate" made more than 35 innovations in outdoor advertising in 2006, a significant part of which was for brands from markets that are not normally considered captive, such as food and beverage and beauty/hygiene. In the United Kingdom, where the idea has been present for some time, 115 billboard campaigns used "JCDecaux Innovate" technology in 2006, or more than two campaigns per week on average. This capacity for perpetual innovation allows our salesforce to attract new advertisers to outdoor advertising. A significant number of "JCDecaux Innovate" campaigns were also launched in the rest of Europe, in Asia and in the United States.

2.4. Competitive cost per contact

Outdoor advertising continues to offer a cost per contact that is significantly lower than that of other media.

In the United Kingdom, advertising rates increased in 2006, except for radio, producing a decline in the number of contacts reached per €1,000 spent. Despite this increase in rates, outdoor advertising was still the most competitive medium in the United Kingdom, as shown in the following table.

Contacts reached per €1,000 spent – United Kingdom	**2006**	**2005**
Outdoor advertising (Street Furniture – Billboard)	463,762	525,997
Television (broadcast, satellite, cable) – 30 sec. spot	115,547	131,372
Radio (30 sec. spot)	378,739	258,647
Daily newspapers	148,416	150,071
Movies (30 sec. spot)	19,770	20,567

This pattern is reflected in many major markets.

The table below shows a comparison of costs per thousand contacts in four different markets by breakdown of advertising spending per medium.

In each of these countries, outdoor advertising is the most cost-efficient medium.

Contacts reached per €1,000 spent	**United Kingdom**	**France**	**Ireland**	**Sweden**
Outdoor advertising (Street Furniture – Billboard)	463,762	637,614	213,220	215,118
Television (broadcast, satellite, cable) – 30 sec. spot	115,547	151,349	113,616	109,227
Radio (30 sec. spot)	378,739	258,647	227,439	305,673
Daily newspaper	148,416	164,345	66,070	63,248
Movies (30 sec. spot)	19,770	36,602	27,349	17,014
Internet	113,117	166,667	127,730	73,528

Source: Initiative Futures (for all media except for outdoor).
Outdoor: Audience rating agencies in various countries.

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 WorldLink, we have pioneered the development of audience measurement for outdoor advertising. In 2006, we made significant 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.

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 made for outside advertising thus involve the principal parties affected and are produced by independent agencies that include the key companies in the industry. As for television, quantitative surveys measure "opportunities to view" the medium.

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 automobile or pedestrian traffic and measuring the visibility of the advertisement (whether the panel is back-lit 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.

For each of these branches of the methodology, the method of data collection can vary from one country to another. Collection of information about pedestrian movements, for example, can be made using GPS systems, as in Chicago and certain major Italian cities. 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, should 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 will thus be 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, and Finland. In the United Kingdom, where the system has been in place longer than in other countries, and, more recently, in Ireland and Sweden, we believe that the audience-measurement methodologies have allowed us to raise our prices due to demonstrably higher audiences for high-quality panels.

In France, our key market, each operation is now measured and, whether it involves Street Furniture or Billboard, its performance is measured by Affimétrie®, the major measurement agency, which positions the products of JCDecaux and Avenir at the top of all major indicators. As a result, we will have a more complete measurement of the outdoor medium in France, Europe's largest outdoor advertising market.

Similarly, in 2005, the outdoor industry in Spain further enhanced its measurement system, Geomex, to cover Spain more comprehensively. This development allowed us to strengthen our promotion of outdoor and our product network with advertisers in 2006.

In connection with the development of its expertise for the advertising industry, JCDecaux Airport France has worked for four years in partnership with Ipsos on an on-site, single-source audience poll. "Media Aéroport Performances" ("MAP"), which is conducted each year, 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 measurement of coverage, number of contacts, GRP (Gross Rating Point) and cost per thousand of persons reached – by face or by network. This is 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.

Following work we conducted in Denmark, participants in the outdoor advertising activity in the United States, Italy and Switzerland have developed audience measurement systems that they have attempted to improve by employing GPS devices to monitor the movement of representative samples of people. Gathering such data via GPS could provide a major methodological improvement. Previously, analysis of movements was based on the recollections of people surveyed. In 2005, the Italian outdoor advertising industry launched Audiposter, the first industry study of this type on a national level to measure the movement of people passing by posters by GPS as part of the system for establishing the audience delivery of the outdoor medium. These studies were further developed in 2006, and we believe that they will significantly help to make this medium more attractive in these markets. The leading advertising market in Europe, Germany, has also decided to employ this method of data collection, and it is in the process of implementation.

Following this development, in 2005, various participants in the outdoor advertising industry in the United States and Australia solicited bids for full-scale reach and frequency audience measurement in their major advertising markets. This initiative follows the successful audience measurement trials in Chicago and the launch of an improved system of traffic counting by the Traffic Audit Bureau for outdoor advertising panels in all United States advertising markets. The bid solicitation for reach and frequency research in further markets in the United States, the largest outdoor advertising market in the world, implicitly follows the best practice we have been promoting. This project is a significant development for outdoor advertising in the United States and, through the expertise of our subsidiary JCDecaux Worldlink, we have been deeply involved in further developments. Results of the solicitation in the United States and in Australia were announced in 2006, and implementation work has begun. In the United States, the objective is to supply media buyers with the results of these audience measurements for the principal U.S. markets beginning in 2008.

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. Thus in Finland, following the 2006 launch of the "Outdoor Impact" measurement system, advertisers can now measure the audience of our multi-media campaigns (Street Furniture, Billboard, busses and shopping malls) and make comparisons between different media. This type of tool will enable us to energise sales by attracting new investment.

2.6. 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 an area where a campaign is being conducted (such as Angers) and an area where it is not (such as Le Mans). 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 50 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 both when used to support a brand and to launch a new product.

3. COMPETITIVE ENVIRONMENT

Three major global players

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

In the area of outdoor advertising, several major international companies operate in all three principal market segments (Billboard, Street Furniture, and Transport) and in multiple countries. Our major competitors worldwide are Clear Channel Outdoor and CBS Corporation, acting through their respective outdoor advertising affiliates.

Many local competitors

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

- France: Metrobus (Transport), 33%-owned by JCDecaux since September 2005, and Liote/Citylux (Illuminated Panels).
- United Kingdom: Titan Outdoor (Billboard) and Primesight (Billboard).
- Belgium: Belgian Poster (Billboard) and Business Panel (Billboard).
- Germany: Ströer (Billboard, Street Furniture, and advertising in train stations), Wall (Street Furniture), 35%-owned by JCDecaux, AWK (Billboard), Degesta (Street Furniture).
- Austria: EPA (formed by the merger of Aussenwerbung/Ankünder and Heimatwerbung) (Billboard), Aukünder Steiemark (Street Furniture).
- Spain: Cemusa (Street Furniture), Instalaciones espaciales de Publicidad Exterior (Street Furniture and Billboard) and Emociona Comunicación (Street Furniture and Billboard).
- United States: Lamar Advertising Company (Billboard), Regency (Billboard), Adams Outdoor (large format Billboard), Van Wagner (Billboard and telephone booths), and Tri-State/PNE Media (Billboard).
- China: Clear Media (Street Furniture) (majority-owned by Clear Channel Outdoor), Tom Group (Billboard), and Focus Media (Plasma Screens in public areas).
- Canada: Pattison Outdoor (Street Furniture, Billboard, and Transport), Astral Media (Street Furniture, Billboard).
- Australia: APN (Transport) acting especially for Buspak (Transport), and Adshel (Street Furniture), Cody & Australian Posters (Billboard) and Eye Corporation (Transport).
- Russia: News Outdoor (Street Furniture, Billboard, and Transport).

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 and Asia.

The table below shows the fourteen largest outdoor advertising groups in terms of market share, based on 2006 revenues, set forth in order of magnitude:

Company	Nationality	Revenues *(in millions of $)*	Geographic Presence
Clear Channel Outdoor	United States	2,898	United States, Europe, Asia-Pacific South America, Africa
JCDecaux[(1)]	France	2,432	Europe, United States, Asia-Pacific, North & South America
CBS Outdoor	United States	2,103	United States, Mexico, Europe, Asia-Pacific
Lamar	United States	1,120	United States
Ströer[(2)]	Germany	500	Germany, Poland
News Outdoor[(2)]	Russia	400	Russia
Affichage Holding	Switzerland	267	Switzerland, Eastern Europe
Titan Outdoor[(2)]	United States	255	United Kingdom, Ireland, United States
Focus Media	China	213	China
Metrobus	France	187	France
AWK[(2)]	Germany	160	Germany
Cemusa	Spain	148	Spain, Portugal, Italy, Mexico, South America, United States
Wall	Germany	124	Germany, the Netherlands, Turkey, Russia, United States
Van Wagner[(2)]	United States	110	United States, United Kingdom
Pattison[(2)]	Canada	90	Canada

Source: Research reports, press releases, Internet sites of the companies and JCDecaux estimates, with currency transactions based on an average quarterly $/€ exchange rate of €0.8004/US$1 in 2006 and an average annual US$/£ exchange rate of £ 0.5430/US$1 and at $/CHF rate of CHF 1.2527/US$1 in 2006

(1) This amount does not include revenues generated by Affichage Holding, a Swiss company in which we are the principal shareholder with a 30% interest, nor revenues generated by Wall AG, a German company in which we own a 35% interest, nor revenues generated by Metrobus, a French company in which we have a 33% interest.

(2) JCDecaux estimate.

ONE BUSINESS THREE SEGMENTS

1. OUR STRATEGY

Each day, we reach over 170 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 in order to continue to increase and improve profitability, which is already one of the highest in the industry.

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

- 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;
- make strategic, targeted acquisitions that enable us to gain a leadership position, or strengthen our existing position in our 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;
- 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 each country that offer a 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 bid 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 target their audience 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 pan-European 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 solid financial structure 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.

This strategy enables us to grow 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 nine countries of 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 tender in Naples and Turin, in renewing our contract in Milan, and in signing the partnership agreement to display advertising in the Rome airports.

More recently, 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 busses of major Chinese cities.

We believe that we have been successful in integrating the companies that we have acquired and with which we have formed alliances in recent years, especially in France, Sweden, the Netherlands, Germany, Spain, Portugal, Italy and Austria. On the strength of this experience, we also were successful in integrating recently acquired companies in the Baltic countries (Unicom, wholly-owned since April 2005), and in China, following the acquisition of MediaNation and Media Partners International in 2005.

Our acquisition strategy focuses on the following main objectives:

- acquiring, or establishing partnerships 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; and
- centralising and reducing costs.

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 and 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 pan-European 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;
- use sophisticated socio-demographic behavioural, consumer, movement and audience studies of target audiences to build networks that meet the advertising objectives of our customers; and
- provide 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 "street furniture" around 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 40 years, we have been designing and developing street furniture products that combine design and public service for cities with advertising effectiveness for advertisers.

We:

- design innovative, state-of-the-art products, or offer services that enhance the quality of urban life, such as: bus shelters, free-standing information panels (MUPI®), automatic public toilets, larger format advertising panels (Senior®), multi-service columns (such as the Morris columns in France), self-service bicycle racks (such as the Cyclocity® programme in Paris, Lyons, Marseilles, Aix-en-Provence, and Brussels), 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, Christophe Pillet, 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 equipment 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 our maintenance service in connection with our street furniture contracts. As of 31 December 2006, approximately two-thirds of our Street Furniture employees were responsible for the cleaning and maintenance of our street furniture and for poster management. We require all of our maintenance employees and those responsible for the hanging of posters to undergo rigorous training in our in-house facilities to ensure that they will maintain our know-how and the excellent reputation for maintenance service of our street furniture, which contributes to our international renown.

2.2. Street Furniture contracts

Characteristics of contracts

Most of the Street Furniture contracts into which we enter with cities, towns, and other government agencies today result from a process of competitive bidding 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 (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 or 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. In exchange, we are granted the right to sell the advertising space located 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 mutually agreed upon.

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 2006, we paid 15.3% 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. Any new mall acquired or developed by the operators during the term of our master agreement becomes covered by that master agreement. Principal provisions common to most of the Street Furniture contracts in shopping malls are as follows:

- a term of ten to fifteen years, with a right of early termination upon material breach of the agreement by either party;
- an obligation to design, construct, install, and maintain wall displays, advertising displays and public message boards at our expense. Maintenance costs, as well as the amount of capital expenditures required in connection with such contracts, however, are less than those incurred in connection with street furniture contracts involving the public domain;
- an exclusive right to use the common areas of the mall to market and sell advertising space on fixed and scrolling panels, in exchange for payment of a fee proportional to the net revenues earned from such displays, together with payment of a minimum rent, in certain cases;
- provisions under which the mall's managing agent may ask us to move billboards, at our expense, to another location in the mall.

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 2006, our Street Furniture contracts had an average remaining term of 8 years and 2 months (weighted by 2006 advertising revenues and adjusted to account for projected revenues from new contracts, excluding shopping malls and taking into consideration contracts renewed and signed during the first quarter of 2007). In France, the average remaining term of Street Furniture contracts is 6 years and 1 month (weighted by 2006 advertising revenues and taking into consideration the renewal of the SOMUPI contract in Paris). Outside France, the average remaining term of Street Furniture contracts was 9 years and 2 months. Between 1 January 2007 and 31 December 2009, 19% of our Street Furniture contracts (weighted by 2006 advertising revenues and taking into consideration contracts renewed and signed during the first quarter of 2007) will come up for renewal.

The natural attrition rate of our contract portfolio over the next three years is provided for indicative purposes only and does not necessarily reflect the evolution of either the commercial value of advertising faces that are sold as advertising network packages or of Street Furniture revenues.

Contracts may generally be terminated in the event of material breach, as well as for public policy reasons. In the latter case, however, we may be able to claim compensation.

High rate of success in competitive bids

We continue to renew our existing Street Furniture contracts successfully through competitive bids and to win a high proportion of the new contracts for which we bid. In 2006, we maintained a high rate of success in competitive bids in France, involving the renewal of existing contracts and the awarding of new contracts. Overall, in 2006, we won 83% of the competitive bids for Street Furniture advertising contracts (renewals and new) on which we bid worldwide and 93% in France. In France we successfully renewed 89% of the contracts on which we bid for renewal.

2.3. Geographic presence

Number 1 worldwide in Street Furniture

We are number one worldwide in Street Furniture in terms of revenues and number of advertising faces. As of 31 December 2006, we had street furniture contracts in approximately 1,750 cities of more than 10,000 inhabitants, totalling almost 334,000 advertising faces in 41 countries. We have a portfolio of Street Furniture contracts that is unique in the world and includes advertising contracts in 32 of the 50 largest cities in the European Union. In addition to our operations in public areas, we are also present in nearly 1,000 shopping malls around the world.

In 2006, Street Furniture accounted for 51% 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 undertake pan-European advertising campaigns.

As of 31 December 2006, the geographic coverage of our Street Furniture business was as follows:

Countries	Number of advertising faces
France	94,300
United Kingdom	18,800
Rest of Europe(1)	175,900
Asia-Pacific (2)	26,500
North America(3)	14,600
Rest of World (4)	3,700
TOTAL	**333,800**

(1) Includes Germany, the Netherlands, Belgium, Luxembourg, Spain, Portugal, Sweden, Norway, Finland, Denmark, Austria, Croatia, Bosnia, Hungary, Italy, Serbia, Montenegro, Slovenia, Iceland, Latvia, Lithuania, Estonia, Czech Republic, Russia, Ukraine and Slovakia. Among these countries, the majority of advertising faces are located in Austria, Germany, the Netherlands, Belgium, Sweden, Portugal and Finland.

(2) Includes Australia, Japan, Korea, China, Singapore, Thailand and China (including Hong Kong and Macau).

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

(4) Includes Argentina, Brazil, Uruguay and Uzbekistan.

A street furniture network unique in Europe

We have an exceptional presence in Europe as a result of a contract portfolio that is unique in large European cities in terms of population. As of 31 December 2006, and taking into account the contracts managed by Wall (of which we own 35%), we had street furniture contracts in 32 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	7.17	JCDecaux/ Clear Channel Outdoor
2	Berlin	Germany	3.39	JCDecaux / Wall(2)
3	Madrid	Spain	3.13	JCDecaux / Cemusa
4	Rome	Italy	2.55	Clear Channel Outdoor
5	Paris	France	2.14	JCDecaux
6	Bucharest	Romania	1.92	EPA
7	Hamburg	Germany	1.73	JCDecaux
8	Budapest	Hungary	1.70	EPA / Mahir / EPI
9	Warsaw	Poland	1.69	AMS
10	Vienna	Austria	1.65	JCDecaux(3)
11	Barcelona	Spain	1.61	JCDecaux
12	Milan	Italy	1.31	IGPDecaux(4)
13	Munich	Germany	1.25	JCDecaux - Ströer
14	Prague	Czech Republic	1.18	JCDecaux
15	Sofia	Bulgaria	1.14	*Tender in progress*
16	Brussels	Belgium	1.04	JCDecaux
17	Naples	Italy	0.98	IGPDecaux(4)
18	Birmingham	United Kingdom	0.97	JCDecaux/ Clear Channel Outdoor
19	Cologne	Germany	0.97	JCDecaux
20	Turin	Italy	0.90	IGPDecaux(4)
21	Marseilles	France	0.81	JCDecaux
22	Valencia	Spain	0.81	JCDecaux/Cemusa
23	Lodz	Poland	0.77	AMS
24	Stockholm	Sweden	0.77	JCDecaux
25	Krakow	Poland	0.76	AMS
26	Athens	Greece	0.75	Alma
27	Amsterdam	The Netherlands	0.74	JCDecaux
28	Riga	Latvia	0.73	JCDecaux
29	Seville	Spain	0.70	JCDecaux(5)/Cemusa
30	Palermo	Italy	0.67	Damir
31	Saragossa	Spain	0.65	JCDecaux
32	Frankfurt	Germany	0.64	Ströer
33	Breslau	Poland	0.64	AMS
34	Glasgow	United Kingdom	0.63	JCDecaux
35	Genoa	Italy	0.62	Cemusa
36	Dortmund	Germany	0.59	Wall(2)/Ruhfus
37	Essen	Germany	0.59	Ströer
38	Stuttgart	Germany	0.59	JCDecaux
39	Rotterdam	The Netherlands	0.59	CBS Outdoor
40	Düsseldorf	Germany	0.57	JCDecaux/Wall(2)
41	Poznan	Poland	0.57	AMS
42	Helsinki	Finland	0.56	JCDecaux
43	Malaga	Spain	0.56	Cemusa
44	Lisbon	Portugal	0.56	JCDecaux /Cemusa
45	Bremen	Germany	0.54	JCDecaux
46	Vilnius	Lithuania	0.54	JCDecaux
47	Hanover	Germany	0.52	Ströer
48	Duisburg	Germany	0.51	Ströer
49	Dublin	Ireland	0.51	Clear Channel Outdoor / JCDecaux(5)
50	Copenhagen	Denmark	0.50	JCDecaux

Source: Government census reports and T. Brinkhof "The principle agglomerations of the world" (http://www.citypopulation.de).

(1) As of 31 December 2006, 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) JCDecaux owns 35% of Wall's share capital.

(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) Advertising faces sold through Billboard networks.

In 2006, our Street Furniture concessions in these 32 European cities accounted for approximately 30.8% of our Street Furniture advertising revenues. These contracts had an average remaining term of nearly 8 years and 2 months (weighted by 2006 revenues, taking into consideration contracts renewed and signed during the first quarter of 2007).

In Europe, we renewed several significant Street Furniture contracts, particularly in France and Spain.

In France, we have exceptional territorial coverage, with Street Furniture contracts in 624 cities and towns, including Paris, Lyons, Marseilles, Bordeaux, Strasbourg, Toulouse, Nice, Grenoble, Clermont-Ferrand, and Saint Etienne - the largest French cities by population. Although France, the birthplace of our company, remains our largest country for Street Furniture, its relative share of our Street Furniture revenues continues to decline gradually as our international business develops (30% in 2006, compared to 32% in 2005).

In France, in 2006, we renewed Street Furniture contracts with the cities of Nice, Cannes, Strasbourg, Le Mans, Clermont-Ferrand, Aix-en-Provence, Tarbes, La Roche-sur-Yon, Compiègne and Cagnes-sur-mer …

Conversely, we did not renew the Street Furniture contracts for Lille and Evreux.

We manage, in whole or in part, Street Furniture advertising contracts in 17 of the 20 largest French cities, as set forth in the table below:

	City	Population	Comments
1	Paris	2,125,000	
2	Marseilles	798,000	
3	Lyons	445,000	
4	*Toulouse*	*390,000*	*Waiting for new bid solicitation (Current operator: JCDecaux)*
5	Nice	343,000	
6	*Nantes*	*270,000*	*Waiting for new bid solicitation for bicycles and advertising displays (Current Street Furniture operator: Clear Channel Outdoor)*
7	Strasbourg	264,000	
8	Montpellier	225,000	
9	Bordeaux	215,000	
10	*Rennes*	*206,000*	*Waiting for new bid solicitation (Current operator: Clear Channel Outdoor)*
11	Le Havre	191,000	
12	Reims	187,000	
13	*Lille*	*185,000*	*Clear Channel Outdoor / CBS Outdoor*
14	Saint-Etienne	180,000	
15	Toulon	161,000	
16	Grenoble	153,000	
17	Angers	151,000	
18	Dijon	150,000	
19	Brest	150,000	
20	Le Mans	146,000	

Outside France, we renewed significant agreements, including the one for Barcelona in Spain.

Cyclocity®, an innovative self-service bicycle product and an ecological response to urban travel

In 2006, Cyclocity® came into its own as a true means of "individual mass transit". With Vienna in Austria, Cordoba and Gijón in Spain and Lyons, Brussels, Aix-en-Provence, Marseilles, and most recently Paris, we are today the number one provider of self-service bikes in the world. The implementation of Cyclocity® is now an integral part of our overall Street Furniture product line, with advertising revenues completely or partially paying the cost of making bicycles available to the public. In connection with bid solicitations made by local governments, provision can be made for the franchisee to keep all or part of the proceeds from bike rentals.

The general public, as our experience in Lyons demonstrates, is also taking to this form of mobility, which involves a new way to share public space, thanks to its permanent availability, simplicity, and environmental appeal.

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 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 USA was increased to 60%. As of 31 December 2005, we held, directly or indirectly, Street Furniture contracts for four of the five largest urban centres in the United States (Los Angeles, Chicago, Boston and San Francisco) and are thus in a position to offer unique coverage to advertisers.

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.

The Group extends its expertise to shopping malls

We are also developing our Street Furniture business in the United States in shopping malls, which we view as the real "downtown" of many cities in the United States. In fact, Americans make most of their essential consumer purchases (except for automobiles) in malls, where they also visit movie theatres and restaurants. In addition to a large audience, shopping malls offer the advantage of having a commercial purpose and provide advertisers with an opportunity to advertise next to points of sale. Present in 99 shopping malls in the United States, we have a 40% market share in shopping malls in the 20 largest American urban areas. Our contracts with shopping malls 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).

We have also successfully launched street furniture advertising in shopping malls in other countries. As of 31 December 2006, we had street furniture panels in approximately 720 shopping malls in 15 countries in Europe (Belgium, Bosnia, the Czech Republic, Spain, Finland, France, Hungary, Portugal, Latvia, Norway, Serbia, Slovakia, Slovenia, Sweden, and the United Kingdom), as compared to 566 malls in 2004. This growth compared to 2005 is due to continued growth in our business in Hungary and in Serbia, as well as in the Tesco supermarkets in the United Kingdom.

We have also developed rapidly in Japan: in addition to our advertising operations with Aeon/Jusco, MCDecaux, our 60%-owned subsidiary in Japan, was also awarded a 15-year exclusive contract for installation of MUPI® advertisements in shopping malls operated by Ito Yokado, which has 179 malls across Japan, with a very high concentration in the area of greater Tokyo, where Ito Yokado has 116 malls. As of 31 December 2006, we were present in 110 shopping malls located in Japan's largest cities, compared to 83 in 2005.

We have also successfully developed this business in Argentina, Singapore and Hong Kong with 28 malls.

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 in Sydney in Australia, Singapore, Bangkok in Thailand, Macau in China and Seoul in South Korea (taxi shelters and bus shelters).

In 2004, we won the bid to put advertising in bus shelters in Yokohama, the second largest city in Japan. Advertising on street furniture had previously been prohibited, but now that this restriction has been lifted we see significant growth potential in this market and in 2005 we expanded our business in Japan by winning the tenders for exclusive 20-year Street Furniture contracts in Nagoya and Kobe. In 2006, we won Street Furniture Contracts, again for 20 years, in Osaka, the third-largest city in Japan and capital of Kansai Prefecture, the country's second largest economic area, as well as in Fukuoka, Hiroshima, Niigata and Shizuoka. This rapid growth has made us today the number one company in Street Furniture in Japan, with a presence in nine of the 20 largest Japanese cities.

In 2005, we significantly grew our footprint in China with the acquisitions of Texon Media, the leading street furniture advertiser in Hong Kong. Texon manages more than 4,800 advertising faces on Hong Kong bus shelters under long-term agreements with the three principal local bus companies. In Beijing, together with GeHua, we installed 500 double-face advertising displays, located in the most attractive locations of the Chinese capital. Lastly, with the acquisition in 2005 of MediaNation, we are now managing the contract for newspaper kiosks in Shanghai. In 2006, JDTexon won the advertising concession for complete wrap-around ads awarded by Hong Kong Tramways Ltd for 5 years. JCDecaux Texon today has exclusive rights to manage advertising on the entire stock of 140 trams.

South America, a growth area

In South America, we hold Street Furniture contracts in Salvador de Bahia and Sao Paulo in Brazil, Montevideo in Uruguay, and Buenos Aires in Argentina (shopping malls).

Future public bids: a reservoir for growth

We believe that the Street Furniture business has significant growth potential and intend to pursue international growth in the coming years. New Street Furniture contracts could be put out for bid in Europe, South America, with Sao Paulo in Brazil and Buenos Aires in Argentina, and in Asia-Pacific, with certain first-tier Japanese and Chinese cities.

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 seven 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 2003, in France, for example, we created Distingo®, a network of 2m² advertising faces (bus shelters and MUPI®) specifically targeting highly sophisticated urban women. Likewise, in 2004 we offered a network of 2m² advertising faces, FamiliConso®, which allows for specific targeting of households with above-average weekly income, particularly adapted to advertisers of high-consumption products. This strategy was further pursued in 2005, with the creation of a network of 2,000 faces (DIVA®) targeting households with the highest levels of disposable income, a target market for many products. In 2006 we launched the new network "Cité Jeunes Actifs", targeting young people from 15 to 25 years old, and "Créamix", an innovative concept giving advertisers the possibility to maximise advertising space that may be available to them at various times during the day. Thus, a company can promote two different products simultaneously over the same network. The faces of the network are selected very precisely to reach specific targets for each product. The Créamix concept may also be used on scrolling panels, allowing an advertiser to share daily advertising time among different products and communicate at the most appropriate time, when a targeted consumer has the highest likelihood of being near a display.

In the Netherlands, we have developed a Shoppers network consisting of 1000 panels near shopping centres, malls and supermarkets. We also have a Movie & Culture network in the major cities of Amsterdam, The Hague and Utrecht, near places visited by young people and places of entertainment, allowing us to maximise the desire of entertainment customers to use the medium.

We also have successfully launched a Magazine network with panels in several cities, highly targeted close to magazine sales outlets.

The expansion of "JCDecaux Innovate" (see page 10) to 34 countries continues to have a positive effect on our business. "JCDecaux Innovate" teams throughout the JCDecaux Group have developed a range of products and a deep understanding of how technologies from other emerging communication industries can be combined with outdoor advertising to help make the medium more interactive and attractive. By developing this expertise, we anticipated the needs of advertisers wishing to invest in increasingly innovative media. Given the volume of advertising messages bombarding consumers every day, various media have to offer advertisers campaigns that involve consumers in an original way. "JCDecaux Innovate" teams are constantly proposing new and innovative concepts for our customers' product campaigns, driving interest in the outdoor medium and stimulating diversity in our customer base and ultimately revenue growth.

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 2006, such activities generated revenues of €100.3 million, representing 10.2% 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, busses, trams and other mass transit systems, as well as the express train terminals serving international airports around the world. In addition to the 141 advertising concessions we hold in airports, we also have the right to sell advertising space in over 299 metro, train, bus and tramway systems in approximately 175 cities in Europe, Asia-Pacific, and South America. Altogether, we manage over 213,000 advertising faces in transport systems in 22 countries, with nearly 27,500 faces in airports. This number excludes small-scale advertisements on airport luggage trolleys and in bus, tram, train and metro interiors.

In 2006, Transport accounted for 26% of our revenues. This very strong performance means that Transport is now the number two performer among our businesses. Airport advertising accounted for 51% of our Transport revenues, with advertising in other transport systems accounting for 38%. Marginal operations conducted by subsidiaries in our Transport business, like billboard or cinema advertisements, represented nearly 11% of Transport revenues.

Characteristics of transport contracts
Contracts for advertising in airports and other transport systems vary considerably. Such variations reflect the importance of the role that the grantor of the concession tries to play in managing the content of the advertising space it provides. This choice of approach can affect the terms and conditions of the contract, such as duration, the amount of any fees, ownership of the equipment, termination and the degree of exclusivity, as well as location and advertising content.

Principal terms and conditions common to most of our transport advertising contracts are as follows:

- a term of between five to fifteen years;
- payment of a fee proportional to revenues realised, including a minimum in some cases;
- depending on the particular requirements of the grantors, we may design, build, install, and maintain at our expense wall supports, digital screens (such as Aéo®, see page 26), dioramas, advertising panels, or any other type of furniture. We also provide to certain grantors information panels and information systems and advertising, such as local maps;

- we may receive exclusive rights, or, in some cases, non-exclusive rights, to conduct advertising in all or part of the terminals. 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;
- the choice of initial location for billboard installations is generally made by mutual agreement. Occasionally, advertising content may be subject to the grantor's approval. Our rights may also be limited by airlines that have sublet space from the airport and, accordingly, may have rights to determine the location and content of advertising faces in their space.

3.1. Airport advertising

According to the International Air Travel Association (IATA), 2.1 billion passengers flew in 2006, or nearly a third more airline passengers compared to 2003, after three years of stagnant air traffic due to the attacks of 11 September 2001, the SARS epidemic in Asia, and the war in Iraq. This strong upward trend was confirmed in 2006, with 4% growth in worldwide air traffic. We benefited from that growth and enjoyed sharply higher revenues in 2006, strengthening our position as worldwide leader in airport advertising.

3.1.1. Geographic presence

Under a single trade name, "JCDecaux Airport", we reach approximately 29% of worldwide airport traffic with presences:

- in Europe, with 102 airports, the three largest of which are London, Paris, and Frankfurt. We manage the advertising concessions for 39 airports in France, including those for Aéroports de Paris (Charles-de-Gaulle and Orly), the seven British airports of the British Airport Authority ("BAA") (including Heathrow, Gatwick and Stansted), the Frankfurt airport in Germany (in partnership with the Frankfurt airport authority), the Stockholm airport (Arlanda) in Sweden, 22 airports in Spain (including Barcelona, Palma de Mallorca, Malaga and Alicante), the Milan airports (Malpensa and Linate), and the Rome airports through IGPDecaux in Italy, as well as all of the airports in Portugal and Poland. In May 2006, we won the concession for the international airport in Riga, Latvia (the largest airport in the Baltics);
- in Asia, with the January 2006 renewal and extension for 10 years of the concession for the Hong Kong airport (Chek Lap Kok), the major entry point into the region, the Macau airport, the concession for the Shanghai airports (Pudong International Airport and Hongqiao Domestic Airport) since 2005, and, in September 2006, the addition of a new airport in Bangkok (Suvarnabhumi);
- in the United States, with concessions in 34 airports, including New York (JFK, La Guardia, as well as Newark), Los Angeles and Ontario (new contracts won in the fall of 2006), Houston, Miami, Seattle and Washington D.C.

The following table sets forth our activities in the 10 largest airports in the world by passenger volume in 2006:

Airport	Passengers *(in millions)*	Holder of the contract
London	134	**JCDecaux**
New York	103	**JCDecaux**
Chicago	94.2	Clear Channel Outdoor
Tokyo[(1)]	96.6	Local company
Atlanta	84.4	Clear Channel Outdoor
Paris	81.7	**JCDecaux**
Los Angeles	68.2	**JCDecaux**
Dallas	66.1	Clear Channel Outdoor / **JCDecaux**
Frankfurt	55.7	**JCDecaux** / Fraport[(2)]
Houston	50.5	**JCDecaux**

Source ACI, November 2005-October 2006

(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 141 airports.

(2) We own a 39% stake in Media Frankfurt, a joint venture with the Frankfurt airport authority.

We hold advertising concessions in airports in 14 countries, mainly in Europe. In 2006, we won or renewed significant contracts, which strengthened our position as world leader in airport advertising. JCDecaux Airport renewed the contract with the seven airports of the British Airport Authority (Heathrow, Gatwick, Stansted, Glasgow, Edinburgh, Aberdeen and Southampton), and the Heathrow Express rail link. In September 2006, we won the 10-year advertising contract for the airports of Los Angeles (the fifth-largest airport in the world) and Ontario.

In addition to a major presence in China, with the airports of Hong Kong, Macau, and Shanghai, we consolidated our position in Asia with the addition of Bangkok Suvarnabhumi (the fourth-largest airport in Asia by number of passengers).

We operate, either alone or in alliances, advertising contracts in three of the five largest airports in Asia, Tokyo Haneda (in cooperation with Tokyu Space Creation), Hong Kong, and Bangkok.

Airports	**Passenger Traffic*** ***(in millions)***	**Holder of the contract**
Tokyo Haneda	64.9	JCDecaux in cooperation with Tokyu Space Creation
Beijing	47.6	White Horse Asdhel and Guangzhou Baiyun Ad
Hong Kong	43.3	**JCDecaux**
Bangkok	42.0	**JCDecaux**
Singapore	34.5	Eye Corporation

** Source ACI Passenger traffic – November 2005-October 2006*

As of 1 January 2007, the geographic coverage of our advertising faces in airports was as follows:

Country/ Region	**Number of airports**	**Number of advertising faces**
France	39	6,170
United Kingdom	8	3,000
Rest of Europe(1)	55	9,636
North America(2)	34	6,210
Asia-Pacific(3)	5	2,670
TOTAL	**141**	**27,686**

1) Spain, Germany, Italy, Norway, Poland, Portugal, Sweden, Denmark and Latvia.
2) United States. Advertising faces in Los Angeles and Ontario airports (presence beginning 1 January 2007) are not included.
3) Hong Kong, Macau, Shanghai and Bangkok (presence beginning 1 January 2007 – advertising faces not included).

3.1.2. Airport advertising contracts

We seek to obtain the exclusive right to place advertising in airports under concessions granted by the authorities operating the airports. Concessions are granted through competitive bids, for a term that typically ranges between five and fifteen years. As of 31 December 2006, the average remaining life of our airport advertising contracts (weighted by 2006 revenues) was six years and two 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, our initial capital investment, which is often assumed by the airport or by advertisers, as well as our ongoing maintenance expenses, are much less than those incurred under our 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. Airport advertising represents one of the best ways for advertisers to reach this affluent audience that generally has little free time. This advantage is also important given the fragmentation of audiences observed in recent years (due to media such as the Internet and mobile telephones) and, more than ever, airport advertising is becoming one of the most important ways to reach a major audience.

IATA forecasts annual growth of air traffic of 4.3% on average for the next four years (2007-2010). This growth should be supported by good worldwide economic prospects and by continued deregulation of the airline industry, which should make air travel more accessible for all (given that a proliferation of low-cost carriers should lead to lower air travel prices).

Also according to IATA, all regions of the world should see growth over the next four years, with particularly dynamic performance in Asia (driven by the People's China and India), the Middle East, and Central Europe. In 2006, Europe remained the largest market worldwide in terms of international air passengers transported, with a market share of nearly 29%.

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. In this connection, we believe that our presence in 141 airports around the world, especially in the major airports of London, New York, Paris, Los Angeles, Frankfurt, Hong Kong and Shanghai, 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 maximize their advertising revenues per passenger.

One 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 of 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 oversized models of their products, which have a maximum impact on incoming and outgoing road traffic.

Targeting and measuring the audience for airport media

A pioneer in audience measurement, we were the first outdoor advertising group to develop a system of audience measurement specifically designed for airports (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 the advertising faces. With this tool, we can offer advertisers advertising networks that target a specific audience, such as passengers travelling first class, passengers taking domestic flights or passengers taking long-haul international flights.

Over the last four years, a major innovation was introduced in airport media in France through the development of a study of audience measurement able to provide advertisers with data on media performance by face or by network. *Média Aéroport Performances* (MAP) is a survey that now makes it possible to quantify exactly various airport audience profiles and measure the performance of advertising through a specially-adapted media planning software package. Since 2005, *Média Aéroport Performances* has strengthened its reach and is now able to measure performance of event structures and relational marketing in addition to traditional media.

The model of this study is now providing a basis for new airport audience studies in Germany and Asia.

Airports in the digital era: Aéo®, first televisual medium for the airport-passenger relationship

In 2003, JCDecaux Airport inaugurated the "Aéo®", the first 100% digital soundless televisual medium dedicated to the airport-passenger relationship, tested in Paris's Charles de Gaulle airport. Since then, we have installed more than 200 Aéo® monitors in the Paris Orly Ouest terminal and in Terminals 2 and 3 and part of Terminal 1 of Paris's Charles de Gaulle airport in connection with its renovation plan. Aéo® broadcasts information in real time to passengers, including European and world news, airport information, lifestyle programmes and cultural documentaries, as well as advertising. Since 1 January 2007, the Aéo® network in departure areas has been equipped with Bluetooth technology, allowing advertisers to communicate individually and directly with passengers (via photo and video downloads). In coming years, JCDecaux Airport should be able to extend the Aéo® channel to all Paris airports to create a network of more than 350 screens. This cutting-edge innovative medium now allows us to position ourselves not just as a simple operator of airport advertising, but as an actual provider of services to air passengers.

Based on this experience, we are preparing to deploy a series of digital networks in the London airports, which will include more than 1,000 screens.

JCDecaux creates an airport event

To take advantage of the increase in waiting time resulting from heightened security measures (90 minutes on average), JCDecaux Airport has also developed several relational marketing actions. These actions are intended to present, test or describe products or services to passengers by taking advantage of the unique opportunity offered by airports for this particular kind of contact. These targeted advertising campaigns enhance the airport environment.

In France, in 2006, JCDecaux Airport engaged in a relational marketing event that is particularly representative of this development of the medium toward new forms of advertising by creating a virtual boutique using the Ferrero Rocher brand. Hostesses distributed chocolates to passengers at the Orly-Sud terminal of Orly Airport in Paris.

The airport medium, because of its exceptional environment and international and national reach, is a strategic method for launching a new product or service. In April 2006, JCDecaux Airport designed a major eight-month campaign to introduce the new telephone information service "118 000" in France. JCDecaux Airport covered all of the taxi stands at Paris Charles-de-Gaulle, Orly, Marseilles, Lyons, Toulouse and Bordeaux airports, as well as several large format billboards in the baggage areas.

In China, Dior decided to use a very large format display in the heart of the departure lounge of Shanghai airport.

JCDecaux Airport is constantly looking for product innovations to attract more advertisers to the advantages of airport advertising.

In 2006, we thus developed a "JCDecaux Innovate" group (see page 10) to specialize in airports, and implemented several innovative ideas within French airports: an innovative lens display for Lexus, a luminescent display for Armani Code and a window with artificial snow falling for the country of Andorra …

3.2. Metro and other transport advertising

As of 31 December 2006, we had nearly 300 advertising contracts in metros, trains, busses, trams, and rapid transit systems serving airports around the world.

3.2.1. Geographic presence

In 2006, we significantly strengthened our presence in the Chinese market after the acquisition in 2005 of MediaNation and Media Partners International, leading companies in managing advertising contracts on metros and busses. As a result of this rapid expansion, we became the leading outdoor advertising company in China and the operator for nearly 25,000 advertising contracts on busses in 17 Chinese cities, as well as for the metros in Beijing, Shanghai, Guangzhou, Nanjing and Tianjin, for a total of nearly 72,000 faces.

In addition, in May 2006, we won the advertising contract on the Hong Kong trams for a duration of 5 years.

We also hold the contract for the new line 1 of the metro in Tianjin, China's sixth-largest city. We will have a priority right to provide advertising for its next four metro lines, to be built between now and 2010.

Lastly, we also hold the advertising concession contract for five urban lines of the Mass Transit Railway (MTR) system of the Hong Kong metro, as well as the contract for the express train serving the airport (Airport Express). With more than 841 million passengers per year, the Hong Kong metro is one of the largest in the world and provides a solid base for the growth of our advertising business in Asia.

In addition to Asia-Pacific, we have advertising contracts for the metros in Turin (since April 2006), Santiago de Chile, Bilbao, Barcelona, Milan, Rome, Vienna, Prague, and Oslo, and we hold the advertising contracts for the Eurostar in London, the Eurotunnel areas on both sides of the English Channel, and for the rapid transit trains serving the airports of Oslo and Heathrow.

Lastly, we also hold several advertising contracts in or on busses, trams, and trains around the world, including those for Melbourne, Vienna, Oslo, Rome, Milan, Barcelona, Prague and Budapest, and, at a national level, Italy and Sweden.

3.2.2. Metro and other transport advertising contracts

The term of our metro contracts is typically between three and ten years. As of 31 December 2006, the average remaining term (weighted for 2006 revenues) of our metro and other transportation system contracts was five years and three months. As the initial investment and ongoing maintenance expenses required in metro contracts are typically lower than those required in Street Furniture contracts, we pay the concession grantors a variable fee, in the form of a percentage of our advertising revenues.

3.2.3. Audience and traffic

The metro-riding population is comparable to that which views our billboards and street furniture displays. We use the same geomarketing techniques to maximize the impact of these advertising networks on the metro audience, and the effectiveness of our advertisers' commercial offerings. As indicated above, the effectiveness of audience measurement of transport advertising is gradually improving, as it becomes included in measuring systems that are further developed, as is the case in Sweden, Ireland and the United Kingdom. We believe that this tendency will become more pronounced as time goes by.

3.2.4. Sales and marketing

In 2006, our transit media experienced great success with advertisers as a result of certain highly visible advertising actions.

We installed the first 3-D mobile advertising display on the rails of the Hong Kong MTR. This new advertising concept for this brand has made it possible to present major products in 3-D, moving along the rails, thereby making it possible to reach a vast audience to promote the Sony Ericsson Walkman line of telephones.

Additionally, through our subsidiary Gewista, we successfully marketed electronic billboards in the Vienna metro. Placed on metro platforms in nine stations and on certain rails, the screens of the "Infoscreen" system continuously broadcast information programmes, cartoons, weather forecasts, entertainment and advertising, reaching a weekly audience of 3 million people.

4. BILLBOARD

We are the leading Billboard advertising company in Europe in terms of sales. In 2006, Billboard represented 23% of our revenues.

Our billboards generally appear prominently near the principal commuter routes of cities and their suburbs, allowing our advertisers to reach a wide audience. Our billboard networks are situated in high-visibility locations in such major cities as Paris, London, Brussels, Vienna, Madrid and Lisbon, and offer advertisers extensive territorial coverage in each country.

Our Billboard activities also include illuminated advertising (JCDecaux Artvertising), consisting essentially of the creation and installation of large-format neon signs. We also offer wall wrap advertising. Present in 17 countries, with 164 neon signs, we currently cover the major European capitals and aim to become stronger in Asia and Central Europe. In 2006, illuminated advertising operations generated revenues of €16 million, accounting for 3.5% of total Billboard revenues.

4.1. Characteristics 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 process of competitive bidding. 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, with such terms being 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 facility;
- provisions relating to the type of billboard, the type and surface area of the faces that may be displayed and the rent to be 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 2005, we had almost 216,000 advertising faces in 28 European countries (or nearly 3,000 European cities of more than 10,000 people) and three Asia-Pacific countries (Thailand, Singapore, and the People's Republic of China). In 2006, we pursued our strategy of improving the quality of our large-format billboards by dismantling certain low-quality panels and replacing them with better, more state-of-the-art displays, which are scrolling or back-lit. The increase in the number of advertising faces in 2006 reflects the addition of new faces in Ukraine and Russia, following our strategic alliance with BigBoard, as well as the successful bid for the contract to place advertising in telephone call boxes in the United Kingdom (sold through the Billboard division). As of 31 December 2006, we had approximately 47,700 large-format billboard faces in France.

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

As of 31 December 2006, the geographic coverage of our Billboard advertising faces was as follows:

Country	Number of advertising faces
France	47,700
United Kingdom	31,700
Rest of Europe(1)	136,200
Asia-Pacific (2)	200
TOTAL	**215,800**

(1) Includes Germany, Austria, the Netherlands, Belgium, Italy, Spain, Portugal, Ireland, Sweden, Norway, Finland, Denmark, Bosnia, Bulgaria, Croatia, Estonia, Lithuania, Latvia, Hungary, Czech Republic, Russia, Serbia, Montenegro, Slovakia, Slovenia and Ukraine.

(2) Includes Thailand, Singapore and China.

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 regulation. 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 illuminated, which we estimate increases their audience size by up to 40%.

Our new billboards feature 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. Each 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 back-lit scrolling panels called "Vitrines®".

As of 31 December 2006, we had installed over 2,000 Vitrines® in France, over 250 in the United Kingdom and approximately 300 spread over ten other European markets, mainly in Belgium, Austria, Sweden and Spain.

In 2006, in France, 43% of the advertising faces offered in our short-term campaigns were illuminated, significantly exceeding that of our competitors' networks in France, which had only 33% of their billboards back-lit on average. In the United Kingdom, we also invested in this segment to increase the number of back-lit panels. In 2003, we were the first national company to exceed a 50% illumination level. By 2006, we had increased further this level to 54%, compared to 49% for our competitors *(source: Postar)*. 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 large format offerings (the "Premiere" line). These are large back-lit panels, both horizontal and vertical to capture synergies with street furniture creative forms, in a range of sizes from 18 to 83m² and situated at only at the most prestigious and highest audience flow locations. As of 31 December 2006 we had 584 of these panels, compared with 265 as of 31 December 2004. After London, we expanded the product to key locations in the other major cities of the United Kingdom, including Manchester, Birmingham, Glasgow and Leeds. The largest Premiere 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 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. 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 the Netherlands, in 2006 we launched a new advertising structure of more than 160 m² in Diemen, along the A1 motorway, a very high-density traffic artery.

Lastly, we are present in 17 countries, particularly through our subsidiary JCDecaux Artvertising, which offers advertisers unusual formats that involve event announcements and illuminated advertising. These create real added value in terms of advertising draw and impact. With more than 70 locations in France, the JCDecaux Artvertising displays are at the cutting edge of innovation in terms of creativity, quality, and integration with the environments in which they are located.

4.4. Sales and marketing

We market our Billboard network under the Avenir trademark in France and Spain, under the JCDecaux trademark in the United Kingdom, Ireland, the Netherlands and several other European countries, under the Gewista trademark in Austria, under the Europlakat trademark in Central Europe, under the Belgoposter trademark in Belgium, and under the IGPDecaux trademark 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 from one to three years also contribute significantly to our revenues (22.2% in 2006). Long-term packages tend to be purchased in order to provide directions to the location of a particular advertiser or to promote its trademark 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.

Since its creation in 2000, JCDecaux One Stop Shop, a subsidiary that specialises in the coordination of advertising campaigns internationally (see page 33), has undertaken pan-European advertising campaigns for prestigious advertisers like Alcatel, Levi's, Gap, H&M and Mitsubishi. In addition, we have entered into a certain number of pan-European, multi-year strategic alliances with international advertisers, including Unilever and Masterfoods, for which we have become the preferred partner in the area of outdoor advertising.

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 possible 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 based on an aggregate of 4,593 faces, including 2,686 2m² faces and 1,907 8m² faces.

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 property 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 also allows us to sell our billboard networks as a "time-share". 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 *périphérique* (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 new 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.

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 back-lit structure. We financed this innovation and own the exclusive marketing rights to use it for our customers.

OUR ADVERTISERS

1. KEY ADVERTISERS

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

In 2006, the expansion of our business in Asia-Pacific, especially in China and Japan, further enhanced the diversification of our revenue stream.

In 2006, revenues from only six advertisers amounted to more than 1% each of our consolidated advertising revenues. Ford, our second-largest customer in 2005, became our largest advertiser in 2006, whereas Unilever, our largest customer in 2005, significantly reduced its advertising spend, although it remained one of our largest customers. Other advertisers significantly increased their spending, especially Nestlé and L'Oréal, which once again ranked among our top ten advertisers in 2006. Samsung, which chose us for our expertise in international campaigns, once again increased its advertising spend. Lastly, Sony joined the ranks of our top ten advertisers for the first time.

Our ten largest advertisers, accounting for approximately 11% of our consolidated advertising revenues, were: Ford Motor Company, France Télécom, Samsung Electronics, PSA (Peugeot-Citroën), LVMH, Unilever, Sony Corporation, Mulliez, Nestlé and L'Oréal.

Breakdown of advertisers by industry
The following table shows the distribution of our advertising revenues by industry in 2005 and 2006:

	% of Total Revenues	
Industry	**2006**	**2005**
Leisure/entertainment/film	13.8	14.6
Retail stores	13.5	11.9
Banking/Finance	9.0	8.3
Food and beverage	7.9	8.2
Luxury and beauty products	7.7	6.9
Automobile	7.4	8.4
Services	7.3	8.0
Fashion	6.4	6.7
Telecom/technology	5.8	4.9
Travel	5.8	6.0
Wine and spirits	2.7	2.9
Beer	2.4	2.2
Government	2.4	2.6
Tobacco	0.9	1.3
Internet	0.6	0.7
Others	6.4	6.4
TOTAL	**100%**	**100%**

In 2006, our advertising revenues included full-year revenues from our subsidiaries in China (now our third-largest market in terms of revenues) for the first time, which had an impact on the distribution of our revenues among various categories of advertisers.

In 2006, companies in the leisure and film industries continued to represent the biggest customer category for us, accounting for 13.8% of our consolidated advertising revenues. In a media market that remained difficult and in which advertisers found it harder to connect with their audiences, outdoor advertising continued to be the "media's medium". Subject to increasing competition, the large television, film, radio and print companies have turned increasingly to outdoor advertising to promote their products.

The retail industry, excluding clothing, remained our second-largest customer category, accounting for 13.5% of our consolidated advertising revenues in 2006, compared to 11.9% in 2005. This increase reflected the significance of this category of advertiser in all parts of our business and especially in China, where this industry was especially driven by the home improvement/home decoration segment. Advertising spend by Mulliez (which includes Auchan, Décathlon and Leroy Merlin) continued to grow in 2006, and this retailer held onto eighth place in our customer portfolio. In France, major retailers saw stronger growth than other businesses. Strong growth by this customer group was also seen in Italy, Germany, and the United Kingdom. In the United Kingdom, for example, DFS (furniture) continued to transfer into 2006 part of its advertising budget from television and press into outdoor, especially during peak promotional periods. In most markets, increased competition and store expansion drove the growth in spending in this segment in a broad range of markets.

Revenues from the financial industry experienced significant growth in 2006, becoming our third-largest sector and accounting for 9% of our consolidated advertising revenues in 2006, compared to 8.3% in 2005. This growth trend was present right across the group and appears to result from growing recognition of the strength of outdoor advertising as a communication medium for this sector, particularly amongst banks. Strong local competition between banking and insurance products aided growth in the sector with several companies using outdoor advertising for the first time in 2006, particularly in the newer members of the European Union and in China, but also in our largest markets, especially Spain and Italy.

The advertising spending of food and beverage companies (including Kraft, The Coca-Cola Company and Nestlé) and household products companies (including Unilever and Reckitt Benckiser) showed slightly below-average growth in 2006, and is now our fourth-largest group of advertisers, at 7.9% of our consolidated advertising revenues. This increase resulted from the inclusion for the first time of revenues from China on a full-year basis. The weight of this category of advertisers in total advertising spend is particularly significant. We also experienced sustained growth in other Asian markets, particularly Thailand and Japan, as well as in European markets, where dynamism in the industry in France and Spain made it possible to offset relative weakness in other countries.

The revenues form the major luxury and beauty products companies (L'Oréal, LVMH, and Clarins) grew strongly in most countries where we do business. Growth was particularly significant in China, but also in the rest of Asia, in the United States, and in most European countries.

After strong growth in 2005, activity with the automobile industry slowed in 2006. Advertising spending by this group of advertisers showed a strong correlation with new product launches, which were less numerous in 2006 than in 2005. The portion of this group of advertisers in our consolidated advertising revenues, however, grew strongly in several countries, especially the United States, Australia, Germany and China, but this growth did not make it possible to offset the decline in advertising spend by most automobile manufacturers in France.

Following strong growth in 2005, revenues from the services industry stabilised in 2006, even though mobile phone operators (including Orange, France Télécom, Deutsche Telekom and Telefonica) continued to compete heavily. Advertising campaigns particularly focussed on sustaining brand position and awareness of their networks, as well as on significant rebranding activity following consolidation in the industry. Additionally, a number of telephone service providers heavily promoted third generation (3G) services, especially in China, where we earned significant revenues with China Mobile, the leading mobile telephone operator. At the same time, advertising spending in the technology/telecommunications segment increased 30% in 2006. This industry benefited from numerous new mobile telephone product launches with increasingly innovative features (such as integrated photography and video functions).

As was the case in 2005, despite a slight increase in advertising spending, the percentage of our consolidated advertising revenues represented by advertisers in the fashion industry declined slightly in 2006. In 2006, there were encouraging signs of a range of new clients in this industry, particularly in Central Europe and Italy (such as Calzedonia, Prada). Certain advertisers who joined us in 2005, such as Kenvelo, also increased their budgets. In the United Kingdom, Marks & Spencer increased its spend with us again, evidence of its awareness of the effectiveness of television-linked advertising campaigns.

Advertising spending by the travel industry continued its slow growth in 2006, especially in our largest markets. Travel remained an important industry for us, accounting for 5.8% of consolidated advertising revenues.

Revenues from government sources have typically been dependent to a large degree on the cycle of national elections. In 2006, the proportion of revenues from government sources declined slightly to 2.4% of our consolidated advertising revenues.

In 2006, revenues from beer advertising were up slightly, in large part due to a highly competitive market situation in France and the United Kingdom, which caused advertising spend to increase sharply. The ongoing public health debate in many countries on the need to restrict spending on advertising for alcoholic beverages, however, continued to exert pressure on sales in the wine and spirits sector. As a proportion of our advertising revenues, alcohol (including beer) remained at 5.1% in 2006.

Advertising for tobacco continued to decline in most of the markets where it is still permitted, and now accounts for less than 1.0% of advertising revenues. Advertising spending in this sector increased in certain countries, in anticipation of legal prohibitions taking effect in 2007.

Advertising spending by Internet and Internet-related companies remained steady in 2006 and accounted for only 0.6% of our consolidated advertising revenues.

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 street furniture 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.

Street Furniture is also characterised by long reservation periods for advertising campaigns, from three to four months on average, but up to one year at times, which moderates the effect of business cycle variations.

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 number of panels and week(s) reserved, the unit prices, the overall budget, and the applicable taxes. The 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 ONE STOP SHOP: SERVING OUR INTERNATIONAL ADVERTISERS

In 2000, we created our subsidiary JCDecaux One Stop Shop, whose purpose is to simplify the process of purchasing international campaigns for advertisers who develop their media strategy on a European scale. Located in London, JCDecaux One Stop Shop is also responsible for developing and managing alliances with international advertisers in the 48 countries where we do business. Since its creation, JCDecaux One Stop Shop has successfully completed 450 pan-European campaigns for customers such as Levi's, Nokia, Logitech, Oakley, the Greek National Tourist Office, Prada, Armani and Fox Films.

JCDecaux One Stop Shop creates innovative campaigns by emphasizing the creative and universal aspects of a display in order to create a truly international advertisement.

In 2001, JCDecaux One Stop Shop entered into a pan-European business alliance with Unilever. As a result of this agreement, we became the preferred partner for Unilever brands in the 24 European countries covered under the partnering agreement. We have also entered into ten other alliances in the areas of consumer products, automobiles, large-scale retail and cosmetics.

These international alliances enable us to strengthen the attractiveness of outdoor advertising for our major customers.

SUSTAINABLE DEVELOPMENT

Improve the quality of life, beautify cities, control water and energy use, reduce visual pollution, recycle and reuse waste products, but also implement dynamic management of human resources based on dialogue and teamwork: for many years, we have tried to act as a responsible corporate citizen and have taken concrete steps, from the design of our street furniture products to our relationship with employees, customers and suppliers, to act according to this principle.

In addition to environmental protection, we are involved in good citizenship activities, the purposes of which are to:

- develop a sense of loyalty to the ethical values we all share;
- offer more services to people;
- act to promote environmentally-friendly means of transport in cities and towns;
- facilitate accessibility by the handicapped to urban infrastructures, with structures and services that are specially designed and adapted;
- support operations designed to show solidarity.

Our commitments and performance in the area of sustainable development are evaluated and recognised by ethics rating agencies as well as fund managers and analysts specialising in socially responsible investment. As a result of our membership in the ASPI Eurozone® Index in 2003, we were listed in the FTSE4Good Index in 2005.

The FTSE4Good Index includes 723 companies around the world, 42 of which are French. Companies listed in the FTSE4Good Index meet a set of strict criteria for social responsibility.

The ASPI Eurozone® Index consists of 120 companies that are publicly traded in the Euro zone (50 of which are French) with the best performance in terms of sustainable development.

1. HUMAN RESOURCES

Present in 48 countries, our employees are at the heart of our growth strategy and share our core values: professionalism, know-how, transparency and integrity. 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.

Changes in the number of employees
As of 31 December 2006, we employed approximately 8,140 people, an increase of 229 people, or 2.9% compared to 2005. The number of our employees grew more moderately than in 2005, when it increased 14.1%. The increase in the number of our employees in 2005 was significantly affected by various acquisitions we made in China. Our headcount in Asia continued to grow, however, because of strong growth in that zone (an increase of 101 people, or 7.8% compared to 2005). Headcount in the United Kingdom decrease slightly, by 3.8%, mainly due to the removal of Cestrian Imaging (44 people) from the scope of consolidation. For the rest of Europe, the total increase in headcount of 5.4% is mainly due to the acquisitions of VVR-Berek in Germany (85 people) and MAG International in Eastern Europe (25 people).

With nearly 3,100 employees (representing 40% of our operating headcount), France represented 38% of our total headcount at the end of fiscal year 2006. More than 1,800 people, or 58% of our French staff, are based in the Paris region (*Ile-de-France*), and work in our offices at Plaisir and Neuilly-sur-Seine, in our poster preparation and manufacturing warehouses in Plaisir and Maurepas, or in our five Paris sales offices. Our other employees are spread evenly over 13 regions in France.

Strategy of internal recruitment
We favour internal job mobility and promotion from within to encourage growth in our existing talent. Our "Job Market" service, available on our Intranet site and accessible to all employees, allows for easy access to information about job opportunities. 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 transmission of knowledge.

Organisation of work time
Each subsidiary is responsible for organising work time in light of applicable legal requirements.

In France, the organization of work time in our various companies is based on a French agreement called the Organisation and Reduction of Working Time Agreement *(Accord d'Aménagement et Réduction du Temps de Travail)*, initially signed in 1998 and updated in 2002. This agreement provides for effective work time of all our itinerant staff of 35 hours per week, with other employees receiving days off *(journées de Réduction du Temps de Travail)*. For part-time employees, the organization of working time is defined on a case-by-case basis by our Department of Human Resources.

Working conditions: safety as a priority
Continuous improvement in employee safety and working conditions is a key objective. In 2006, we continued our efforts in the area of safety training by providing nearly 22,000 hours of training to more than 2,000 participants (France alone representing almost 50% of such training). 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 2006, in France, we were awarded the *Trophée Laplace* prize, which recognizes companies for the actions they take to prevent workplace accidents and work-related illnesses. In 2006, the prize focused on road safety measures for employees. We were recognized for a significant reduction in the number of accidents involving liability (a 16% decrease compared to 2005) obtained in connection with the "Black Gold" (*"Or Noir"*) program, whose goal was to promote careful driving.

Compensation strategy and social insurance contributions
Salary and compensation policy is determined at the level of each subsidiary based on applicable legal requirements, employment agreements and financial resources.

In 2006, we granted salary increases of approximately 3% in France. This adjustment includes general increases and individual adjustments. Particular attention is paid to young managers.

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 for travelling employees to encourage them and reward individual results.

To promote equal opportunity, we have a chart of ethics prohibiting any form of discrimination on account of age, religion, or gender. An ethics committee has been created to ensure compliance with this charter. We are in compliance with all legal requirements relating to social insurance and other contributions relating to compensation.

In 2006, we won a prize for social security and health benefits provided to expatriate employees. The prize was awarded in connection with the trade show on international mobility and commerce and recognised JCDecaux, which has nearly forty expatriate employees in 16 countries, for implementing "an effective and attractive policy of employee protection and benefits that is reassuring for its beneficiaries".

Balanced employee relations
We pay considerable attention to the views of our employees, which are expressed in an organised and centralised institutional framework. We attempt to reach formal agreements that are fair to the parties involved in all circumstances.

We benefit from the presence of the five major French unions (CFDT, CGT, CFTC, FO, CGC). Employee relations are conducted through a single Workers' Council, whose membership is much larger than the statutory minimum (15 principal members and 15 alternates instead of the nine principal members and nine alternates provided in the French Labour Code), employee representatives and 16 Occupational Safety and Health Committees (*CHSCT*). This new organisation was the subject of a new collective bargaining agreement in 2006 (the employee cooperation agreement of 27 September 2006), which, among other things, grants to employee representatives a greater role and resources than are provided in the Labour Code.

Employee profit sharing
The principles applicable to sharing of profits with employees depend on each subsidiary. In France, profit-sharing agreements apply to all employees. The aggregate of all amounts paid in respect of profit sharing during the fiscal year ended 31 December 2006 was €6.4 million. The amount of profit sharing paid in France during the last three fiscal years is as follows:

In thousands of euros	**2006**	**2005**	**2004**
Profit sharing	6,123	5,732	6,097
Participation	361	58	47
Contribution	(1)	81	123
TOTAL	**6,484**	**5,790**	**6,267**

(1) Not available

Continuing education
For many years, employee training and continuing education has been one of our key focus areas. In 2006, a total of 75,000 hours of training were given to more than 5,000 employees throughout our subsidiaries (representing 61% of our total headcount).

In France, our training centre in Plaisir, near Paris, offers a wide variety of internal and external courses covering all of the aspects of our business, including new technologies relating to street furniture. In 2006, nearly 1,500 trainees from all regions of France took 22,000 hours of classes, a total educational investment of €1.92 million.

For the third consecutive year, developing the skill level of our sales forces in France was a major focus of our continuing education strategy: nearly 300 trainees took the JCDecaux Media Academy course (for a total of more than 3,800 hours of training). Created in 2004, the JCDecaux Media Academy is a training course dedicated to media expertise, outdoor advertising, and sales, the purpose of which is to transmit to the sales force high-level commercial knowledge and abilities adapted to our business. This course received the *Trophée d'Argent* (Silver Trophy) for the best continuing education course from the magazine *Action Commerciale* in November 2005.

Attracting young talent
To develop a group of high-potential young managers, we work closely with universities and institutions of higher education. In France, 100 interns from various backgrounds interned at JCDecaux in 2006 for periods ranging from a few weeks to one year. Such internships are an excellent way to identify future potential and a unique source for recruiting new talent.

Employment of persons with disabilities
We comply with all laws regarding employment of persons with disabilities. In France, we renewed service contracts in 2006 with a protected workshop that employs persons with disabilities. Three principal focus areas were determined for 2007: recruitment of employees with disabilities, continued employment of employees needing medical leave, and greater use of protected workshops.

JCDecaux joins the circle of the "25 Best Workplaces in France"

JCDecaux ranked among the "companies that are a great place to work" by Great Place To Work® Institute France. This distinction was awarded in conjunction with the magazine *Management*, which published the list of the "25 Best Workplaces" in its 23 March 2006 issue.

This survey of our employees in France (including 250 salaried employees, technicians, supervisors, and executives) sought to measure how employees felt about their relationship with management and with fellow employees, as well as their perceptions of how their work was valued.

To decide a company was a "great place to work", the Great Place To Work team applied 5 criteria:

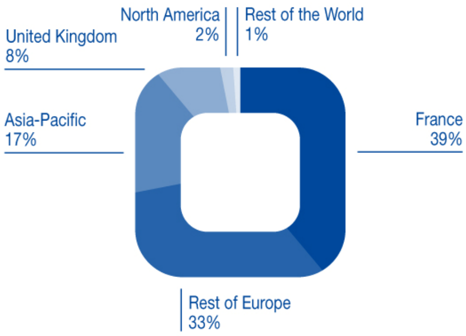
- credibility: communicativeness, honesty, and competence of management;
- respect: support for, and recognition of, an employee's value and his or her personal and professional contributions;
- fairness: fair and equitable sharing of opportunities and compensation, diversity;
- pride: the value attached to work, to individual contributions, and company image; and
- conviviality: atmosphere, welcome and mutual support.

Ranked 25th out of the 58 companies chosen, the results disclosed that both our management and our employees demonstrate fairness. Our employees are proud to work for JCDecaux and feel respected by other employees.

Breakdown of employees by region

As of 31 December	2006	2005	2004
France	3,111	3,124	3,136
United Kingdom	632	657	637
Rest of Europe	2,707	2,568	2,521
Asia-Pacific	1,401	1,300	392
North America	200	181	175
Rest of the World	89	81	72
Total Group	**8,140**	**7,911**	**6,933**

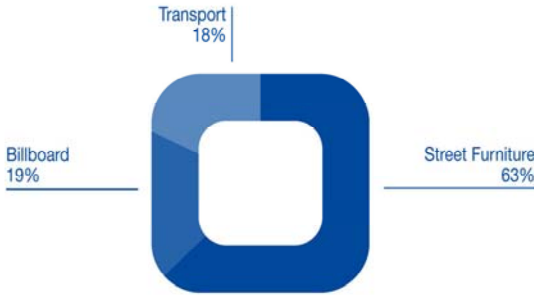
As of 31 December 2006



Breakdown of employees by segment

Au 31 December	2006	2005	2004
Street Furniture	5,163	5,000	4,799
Billboard	1,543	1,556	1,524
Transport	1,434	1,355	610
Total Group	**8,140**	**7,911**	**6,933**

As of 31 December 2006



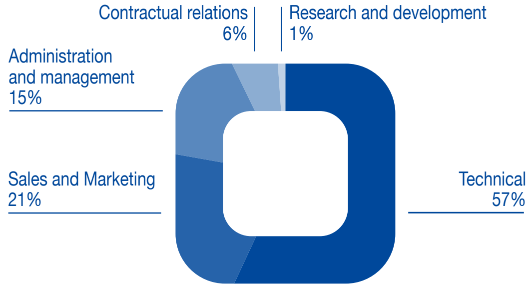
2006 Breakdown of employees by gender

2006 Breakdown of employees by gender (excluding field and technical staff)

Breakdown of employees by expertise

As of 31 December	2006	2005	2004
Technical	4,692	4,618	4,351
Sales and Marketing	1,701	1,625	1,122
Admin. and Management	1,198	1,146	949
Contractual Relations	455	434	420
Research and Development	94	88	91
TOTAL	**8,140**	**7,911**	**6,933**
France	3,111	3,124	3,136
Outside France	5,029	4,787	3,797

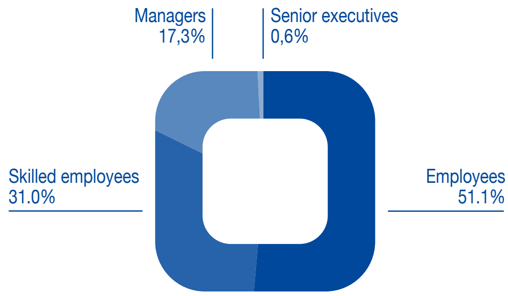
As of 31 December 2006



Breakdown of employees in France by category

As of 31 December	2006	2005	2004
Senior Executives	19(1)	20(1)	22(1)
Executives	538	519	522
Skilled Employees	965	957	966
Employees	1,589	1,628	1,626
Total Group	**3,111**	**3,124**	**3,136**

(1) *Senior executives based in France having responsibilities for French subsidiaries, or for International.*



JCDecaux Code of Ethics: Integrity as a Priority

Following our acquisition of Avenir and in order to instil a set of common values among employees of the two entities, in 2001 we adopted a set of rules of good business conduct in the form of a Code of Ethics applicable to all employees.

This Code of Ethics was revised in 2004 and implemented in early 2005. It is now organised around two sets of rules:

- Fundamental Ethical Rules which apply to dealings with government agencies, shareholders and financial markets. A Group Ethics Committee, consisting of the Chairman of the Audit Committee, the General Counsel and the Vice President for Internal Audit, is responsible for ensuring compliance with these rules, including an absolute prohibition of any form of corruption, active or passive, which are essential to our existence and success. One matter, currently under investigation, was brought to the attention of the Group Ethics Committee in 2006.
- A 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 law and regulations. Compliance with them is the responsibility of the Group's general managers, both in France and elsewhere.

In France, this Code has already been put into effect, following the creation of an Advertising Ethics Committee whose purpose is to ensure the compliance of certain forms of visual advertising (alcohol, violence, indirect pornography, etc.) with applicable law and regulations, morality, and our Group image. In 2006, six matters were brought to the attention of this Committee, which denied approval to five Billboard campaigns.

In addition, a Code of Ethics for Suppliers was distributed in 2005 to our major suppliers in France. It is now systematically distributed to all new suppliers and sets out in particular the principles we apply in our relations with our suppliers.

2. RELATIONS WITH CUSTOMERS AND SUPPLIERS

Constant Adaptation to Customer Needs

Our success is based on the recognized quality of our products and services, as well as our ability to understand and anticipate our customers' needs, whether they involve cities, towns, transport companies or advertisers. Our keen sensitivity to quality is supported by the ISO 9001 certification of certain subsidiaries, particularly in France, Spain, Portugal and Ireland. Our constant sensitivity to advertisers through our marketing, commercial, or "concession relations" teams is supplemented by periodic customer satisfaction surveys conducted at the initiative of each subsidiary with principal advertisers and local governments.

A Central Purchasing Facility for the Group

Located at our Industrial Department in Plaisir (Yvelines, France), our purchasing division acts as a central procurement and supply facility for our Group. ISO 9001 certified for over nine years and recently ISO 14001 certified, our Industrial Department is responsible for designing street furniture, procuring parts and subassemblies and assembling them for delivery to our various subsidiaries. Our Industrial Department also supplies, on behalf of our subsidiaries, various spare parts and other items necessary for the repair and maintenance of street furniture.

The Industrial Department primarily works with small- and medium-sized French suppliers. In 2006, 80% of the Industrial Department's purchases were made from approximately 79 suppliers, representing 10% of the total range of suppliers. In 2006, no supplier represented more than 11% of our annual production expenses. These suppliers are selected based on their ability to respond to our price, quality, environmental, and ethical requirements. We periodically audit our principal suppliers, enabling us to make them into real partners motivated by a spirit of progress.

These principles for selecting, working with and auditing suppliers are also applied by all of our subsidiaries, which ensure, prior to choosing a supplier, that it adheres to our principles of ethics and to applicable law and regulations, especially in the areas of working conditions and environmental protection.

3. RELATIONS WITH THE COMMUNITY

JCDecaux, a supporter of major causes

Since our formation, we have been actively involved in many humanitarian and charitable activities to support major causes such as the fight against disease, protection of the environment, protection of the disadvantaged or road safety. Every day, we work with our employees to help to contribute to the welfare of the greater community. In 2006, we put up free of charge approximately 30,000 posters on our networks in support of various causes.

Among the various organizations that seek to fight disease to which we have provided displays free of charge in 2006 are the cancer awareness campaign sponsored conducted in the United Kingdom by Macmillan and the campaign of the "*Open du Coeur*" association to help disadvantaged, sick or handicapped children. We have also participated for more than ten years in community initiatives to fight AIDS both in France and internationally.

We also actively support protection of the environment. In 2006, we supported the Nicolas Hulot Foundation. Our German subsidiary put up posters promoting forest conservation free of charge, and our U.K. subsidiary focussed specifically on issues relating to sorting, removal and recycling of household waste products in London.

Community values that involve all of our employees

In 2006, our employees and we worked for the fifth year in a row with the *Association Française contre les Myopathies* (AFM) and its *Téléthon*. For an entire week, nearly 400 employees volunteered their time and experience to help fight this disease. We also posted, and contributed 50% of the cost of printing, 12,000 posters and contributed vehicles (cranes, gondolas and trucks) to support the *Téléthon*'s logistics. Our varied efforts helped raise more than €72,000 for the *Téléthon*.

4. ENVIRONMENT

As a major contributor to urban beautification, we participate actively in protecting the urban environment. We have developed a complete environmental protection programme, which includes reduction of energy, water and raw material consumption, use of renewable energy sources, recycling of tons of posters and renovation of structures. Additionally, we made our capacity for innovation available to local governments with developments such as the Cyclocity system (a self-service bicycle rental system available 24/7 that is the only one of its kind in the world, with an automated payment system) and street furniture designed for waste collection.

Our internal environmental audit, conducted in 2002, confirmed that our business operations are not heavy polluters, but that the level of control of environmental risks could be further improved. As a result, we have created an Environment Task Force, the purpose of which is to develop and implement environmental action programmes to reduce the level of potential environmental risk and to improve our environmental performance.

Our goal is to meet the highest international standards in the area of environmental protection. For example, our Spanish and Norwegian subsidiaries, as well as part of our U.K. subsidiary, were awarded the ISO 14001 certification. In 2006, our manufacturing operations in France applied for this certification, as did our Portuguese operations. They both obtained ISO 14001 certification in February 2007.

Goals	Objectives	Actions
Improve the quality of urban life	Improve the urban environment	Reduce our display inventory through use of scrolling panels.
		Create multifunctional structures: Bus shelters incorporating glass recycling bins, Morris Columns with telephone booths, etc...
	Develop environmentally friendly solutions for urban movement	Design 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.
	Raise awareness of the need for conservation	Free posting of information campaigns supporting environmental protection.
Reduce consumption of water, energy, and raw materials	Reduce water consumption	Systematic recycling of water used for cleaning automatic toilets.
		Search for alternatives for cleaning structures (such as cleaning with distilled water, recovery of rainwater).
	Reduce energy consumption	Systematic use of low-energy equipment to reduce energy consumption related to illuminating structures (energy savings of approximately 25%).
		Use of high yield fluorescent tubes for lighting certain structures (T5 type) generating energy savings of up to 40%.
		Generalize use of self-extinguishing lighting systems in common areas of our buildings.
	Use renewable energy sources	Use solar panels for lighting certain urban structures.
	Reduce fuel consumption	Implementation of a programme to reduce consumption of fuel by vehicles (the "Black Gold" plan).
	Protect biodiversity	Monitor the origin of materials to ensure they do not involve the use of protected plant species.
	Reduce consumption of disposable office products	Implementation of the "Ecoreflex" program to sensitise employees to good environmental practices
Control pollution related to our operations	Control industrial waste	Recycle structures at the end of their useful lives.
		Maximize shipping conditions of products and spare parts by use of reusable metal racks for storage and transport.
		Use of "long-lasting" fluorescent tubes to reduce the frequency of changing such tubes.
	Sort and recycle waste	Selective sorting of industrial waste and treatment by authorized processing companies, with emphasis on recycling.
		Consideration when designing structures of end-of-life constraints (eco-design).

The bicycle: an ecological response to urban transport

A year after introducing Vélo'v® in Lyons and Villeurbanne, this innovative system of self-service bikes came into its own in 2006 as a true alternative system of individual mass transit.

By travelling nearly 12 million kilometres in 2006, or almost 5,000 kilometres per bicycle, the people of Lyons demonstrated that their daily routine now includes this new ideal of urban mobility and sustainable development, and that they recognize the need to promote environmentally friendly modes of transport. The 5.5 million rentals in 2006 reflected an average of 15,000 rentals per day, with peak periods sometimes exceeding 30,000 rentals on special occasions, such as the Music Festival.

The Cyclocity system, designed and developed by JCDecaux and introduced in Greater Lyons under the name Vélo'v®, has since been extended to Paris, Marseilles, Aix-en-Provence and Brussels. A growing number of towns and local governments include Cyclocity in planning new urban transport policies.

We have won four institutional prizes* for this innovation, which has yet to be matched anywhere in the world on such a scale. In addition, the public itself has taken to this unexpected means of transport and have made it their own, opening up a new public spaces, thanks to its permanent availability, simplicity of use and respect for the environment.

According to a BVA study conducted in May 2006, more than 9 out of 10 people surveyed in Lyons and Villeurbanne believed that Vélo'v® was a good initiative (more pleasant city, less pollution and health benefits).

** The 2005 Trophée du vélo, the 2005 Trophée l'Usine Nouvelle, the 2006 Janus de l'industrie award and the 2006 Prix Entreprises et Environnement.*

Solar energy: more than 1,000 bus shelters installed by JCDecaux
We also put our ability to innovate to work for the environment. Working with Solarcentury, an English company that specializes in solar energy research, 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 the fall of 2003. Since then, similar shelters have been installed in Nottingham, Leicester, Vancouver, Chicago and Los Angeles. In 2006, the number of bus shelters with solar panels installed by us amounted to nearly 1,000 (700 in the United Kingdom). We are currently slated to install more than 300 bus shelters with solar panels in Chicago and Melbourne, Australia in 2007.

This system of bus shelters with solar panels is also being installed in certain cities in France, Australia, Germany and Slovakia. Research being conducted by our research centre should make it possible in the medium term to integrate solar technology into advertising on bus shelters and other street furniture.

Systematic research to reduce consumption of electricity by our structures
After the systematic installation of low energy lighting sources in all of our illuminated structures generated energy savings of approximately 25%, our research centre continued its research into ways to reduce the electricity used by our structures. A new lighting system was thus developed and is being installed on all of our illuminated structures. This new system makes it possible to generate additional energy savings of 30 to 40% with an equivalent quality of lighting, due particularly to the reduction of the number of fluorescent tubes required and the use of high-yield fluorescent tubes. In addition, these new generation tubes have a life three times as long as normal tubes and offer the enormous advantage of being able to be lit even in deep cold.

Nearly 10% fuel savings for vehicles in France as a result of the "Black Gold" ("*Or Noir*") plan
In early 2005, we launched a programme to reduce fuel consumption by our vehicles. This programme, called the "Black Gold" plan (plan "Or Noir"), consists, among other things, of changing the driving habits of our drivers by putting in place a good driving guide and theoretical and practical training courses. A first year of testing in 2005 on our 1,700 vehicles in France led to fuel savings of 10% (the equivalent of 1,221 fewer tons of carbon dioxide generated). In 2006, we rolled this programme out for our vehicles in Germany, Portugal, Spain and Belgium, with just as promising results due to these improved driving habits. In addition, these improved driving habits have significantly reduced the number of traffic accidents involving liability, with a 16% decrease in France compared to 2005.

Clean cars: developing new solutions
Our environmental strategy also involves developing and using a vehicle fleet that is responsive to the environmental concerns of today and tomorrow, especially in respect of carbon dioxide emissions. In renewing and developing our vehicle fleet, we consider vehicles that are the cleanest available. For example, our Spanish subsidiary recently invested in vehicles using biofuels. The 32 vehicles involved in operating our street furniture in Barcelona use biofuels, and the subsidiary is looking into ways to transition its entire fleet to environmentally friendly vehicles.

Ecological cleaning of street furniture using rainwater

In connection with our cultural displays in Paris, we equipped 500 columns installed during the second half of 2006 with a rainwater collection system, which we expect to extend to all of our agencies and outlets in France in 2007 (a total of 60 sites). The objective is to ensure a completely autonomous water supply at these sites for washing vehicles and street furniture. In addition to the substantial savings in drinking water, using rainwater for cleaning purposes has many ecological advantages. Its natural cleaning properties put an end to the need to use detergents (and to their release into the sewer system) and to rinsing after washing.

Selective sorting of waste

We pay particular attention to controlling waste generated at all stages of our operations. A selective sorting of waste is undertaken at each production and operating facility by using waste collection equipment specifically dedicated to recovering posters, fluorescent tubes, waste packaging materials, iron, aluminium, glass, gravel and other ordinary waste. All waste thus recovered is taken to licensed treatment centres for treatment. In 2006, in connection with the new European Directive on treatment of Waste Electrical and Electronic Equipment (WEEE), we implemented means to ensure the dismantling and treatment of electrical and electronic products that contain heavy metals at the end of their useful lives. Likewise, following the success of Vélo'v in Lyons, we implemented a waste recycling plant for used bicycle tyres. After shredding, such tyres can be used as fuel for cement factories.

Provisions, bonds and indemnities for environmental risks

Our facilities are not required to be bonded and are not subject to special financial undertakings for emergency measures that might be required because of pollution risks. No court judgments or orders were issued or outstanding against the Company for environmental damage in 2006.

ecoreflex®

Ecoreflex: Raising employee awareness of sound environmental practices

In 2006, we inaugurated Ecoreflex®, a programme designed to raise the awareness of all of our employees to sound environmental practices. Using an interactive Internet site, announcements and displays, we encourage them to take simple and concrete steps on a daily basis to limit consumption of paper, energy and water. The impressive results obtained in 2006 in France at the Plaisir and Neuilly sites, especially the 12% reduction in paper use in offices, has encouraged us to extend this programme to all of our subsidiaries.

RESEARCH AND DEVELOPMENT

Our success is due to our strong commitment to research and development since our inception, resulting in a unique capacity for innovation in the market for outdoor advertising and the development of numerous new products to help build the city of tomorrow.

We work with internationally known architects and designers such as Philippe Starck, Lord Norman Foster, Robert A.M. Stern, Mario Bellini, Martin Szekely, and Jean-Michel Wilmotte to create innovative, high quality street furniture. In 2006 alone, we worked on a number of new projects with Tadao Ando, Jean-Marie Duthilleul, Ora-ïto, Patrick Jouin, André Poitiers and Porsche Design Studio. Our agreements with these architects provide for the design of street furniture, transfer of the copyright to us, and include exclusivity clauses prohibiting them from creating street furniture for third parties.

Aesthetics and functionality are at the heart of our approach to Street Furniture. We use an integrated Research & Development and Design department with which we work on the development of our new products. We try to include a maximum of functionalities in the advertising structures we develop to minimize street clutter and increase services to the public.

We are highly committed to respecting the environment and culture of the cities where we provide services. In each country, we use local architects to design customized street furniture that fits in harmoniously with local architecture and which respects the characteristics and the culture of each city.

After Lyons in 2005, in 2006 Aix-en-Provence, Marseilles, and Brussels were chosen for the automated bicycle rental system Cyclocity®.

Cyclocity, an innovative system of self-service bicycles

Protected by 20 patents, Cyclocity® was developed around a simple concept: combining accessibility, safety, freedom of movement and ecology within an urban area. Our experience in Lyons enabled our design studio to work with a new, technologically innovative generation of bikes (durability and safety of the bicycles, automated rental and payment system), allowing for improved service and user comfort. Covering nearly 12 million kilometres in 2006, or approximately 5,000 km per bicycle, the people of Lyons demonstrated that their daily routine can now accommodate new methods of transportation and sustainable development, and that they recognize the need to promote environmentally friendly forms of transport. The 5.5 million rentals in 2006 reflect an average of 15,000 rentals per day, reaching more than 30,000 rentals on case of special occasions such as the annual Music Festival.

Representatives of many cities from around the world who come to Lyons see the effectiveness and interest of such a system for a city. Cyclocity® has also received prestigious recognition, since we were awarded the *Usine Nouvelle des Ingénieurs* prize in 2005 in the category of "sustainable development", the *Janus de l'Industrie* prize awarded by the *Institut Français du Design*, and the second "Ecoproduit" prize for sustainable development awarded by the French Ministry for Ecology and Sustainable Development.

To have our emphasis on sustainable development officially recognised by outside agencies, our Manufacturing Department has begun the process of ISO 14000 certification and obtained ISO 14001 certification in February 2007. Reduction of electricity consumption by our structures, rationalisation of our recycling systems and the search for "environmentally friendly" materials are parts of our development strategy that we emphasized in responding to bid solicitations in 2006.

To maximise our product line, we have pursued an ambitious development strategy that combines diversity of designs, maximum standardisation of basic components, and rationalisation of production costs. As a major means of communication for city dwellers, Street Furniture today benefits from improvements and advances in the technology of information and communication, in the area of visual information (giant LCD screens, TFT for 2m² screens, and Cholesterics for 8m² screens), radio communications (wide use of GPRS technologies to interconnect structures without tearing up the street and Bluetooth to connect people with Street Furniture), nanotechnology (such as microprocessors embedded in bicycles), computer technologies from the Internet and mobile Internet environment, so as to provide a more and more proactive and personalised level of service to people. With integrated Research & Development, New Technologies and Graphic Arts departments, we have all the assets and the weight needed to respond quickly to any bid tenders and to design innovative structures perfectly adapted to our customers' needs and requirements both in France and the rest of the world. Our Manufacturing Department has been ISO 9001 certified since June 2003.

During the last four years, we have spent significant amounts on research and development (€7.4 million in 2006, €7.6 million in 2005, €7.7 million in 2004 and €8.3 million in 2003), while making every effort to maximize our product line and research efforts.

The €7.4 million we spent on research and development in 2006 was mainly spent in France (€6.7 million), in connection almost entirely with our Street Furniture segment (€7.2 million).

Our investment strategy, as well as our principal present and future investments, is described on page 55 of this annual report.

FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS OF GROUP CONSOLIDATED FINANCIAL STATEMENTS

I. DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

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. Pursuant to European Union Regulation no. 1606/2002, dated July 19, 2002, the consolidated financial statements for 2006 have been prepared in accordance with international accounting standards ("IAS/IFRS") adopted by the European Union and applicable as of the balance sheet date of such financial statements, i.e. December 31, 2006, and presented with comparative financial information for 2005 prepared in accordance with the same standards.

Introduction

Group revenues mainly consists in the sale of advertising space for the following three activities: street furniture advertising ("Street Furniture"), transport advertising ("Transport") and large-format billboard advertising ("Billboard"). There is also a non-advertising business consisting in the sale, leasing and maintenance of street furniture, as well as the development 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 and, in 2005, China.

Summary of operations for the 2005-2006 period

Group revenues rose by 11.5% in 2006. Excluding the acquisitions and foreign exchange impact, revenues increased by 7.7%. The Group's operating margin increased by 12.6% in 2006, representing 27.4% of revenues compared to 27.2% in 2005. Group EBIT rose by 10.9% in 2006, representing 17.1% of revenues in 2006, as was the case in 2005.

Street Furniture revenues grew by 6.4% in 2006. Excluding the acquisitions and foreign exchange impact, revenues grew by 5.6%. The Street Furniture operating margin made up 41.4% of the activity's revenues in 2006, compared to 41.5% in 2005. EBIT represented 26.1% of this segment's revenues in 2006, compared to 27.2% in 2005.

Transport revenues grew by 29.6% in 2006. Excluding the acquisitions and foreign exchange impact, revenues grew by 14.3%. The Transport operating margin represented 10.4% of this segment's revenues in 2006, compared to 7.9% in 2005. EBIT represented 6.6% of Transport revenues in 2006 compared to 4.3% in 2005.

Billboard revenues rose by 6.1% in 2006. Excluding the acquisitions and foreign exchange impact, revenues increased by 6.2%. The Billboard operating margin reached 16.0% of this activity's revenues in 2006, compared to 13.7% in 2005. EBIT represented 9.2% of the segment's revenues in 2006, compared to 7.1% in 2005.

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 2005 and 2006.

Fiscal Year ended December 31

In million of euros, except for percentages	2006	2005
STREET FURNITURE		
Revenues		
- Advertising	883.8	826.8
- Sale, rental, and maintenance	100.3	98.5
Total revenues	**984.1**	**925.3**
Operating margin	**407.8**	**384.4**
Operating margin / revenues	*41.4%*	*41.5%*
EBIT	**256.9**	**251.9**
EBIT/ revenues	*26.1%*	*27.2%*
TRANSPORT		
Revenues	**507.7**	**391.6**
Operating margin	**52.9**	**31.1**
Operating margin / revenues	*10.4%*	*7.9%*
EBIT	**33.3**	**16.9**
EBIT/ revenues	*6.6%*	*4.3%*
BILLBOARD		
Revenues	**454.6**	**428.3**
Operating margin	**72.9**	**58.6**
Operating margin / revenues	*16.0%*	*13.7%*
EBIT	**41.7**	**30.5**
EBIT/ revenues	*9.2%*	*7.1%*
TOTAL		
Revenues	**1,946.4**	**1,745.2**
Operating margin	**533.6**	**474.1**
Operating margin /revenues	***27.4%***	***27.2%***
EBIT	**331.9**	**299.3**
EBIT/revenues	***17.1%***	***17.1%***

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 advertising networks depends on three 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 concessions 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.

Occupancy rate
Occupancy rate is a business concept that can be defined as the ratio of actual revenues realized by a network compared to the potential revenues of such network at a given time.

1.1.1. Organic and reported growth

Group organic growth reflects growth in revenues excluding acquisitions, investments and asset disposals, 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 asset disposals and foreign exchange rates.

1.1.2. Advertising revenues

Revenue resulting from the sale of advertising space is 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 royalties or pays back a part of its advertising revenue, the Group classifies gross advertising revenue as revenue and books royalties and the portion of revenue repaid 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. Revenues from these activities are recorded in Street Furniture. The Group also markets innovative technical solutions for Street Furniture advertising campaigns, under the name "JCDecaux Innovate".

1.2. Revenue growth

In 2006, Group revenues totaled €1,946.4 million, compared to €1,745.2 million in 2005. Acquisition or partnership transactions during the year contributed €66.4 million to revenue. Foreign exchange fluctuations between 2005 and 2006 had a positive impact of €0.1 million on revenues. Excluding the acquisitions and foreign exchange impact, organic revenue growth reached 7.7% in 2006. This performance reflects the steadiness of the Street Furniture and Billboard segments, which posted organic growth of 5.6% and 6.2%, respectively, while Transport recorded double-digit organic growth of 14.3%.

1.2.1. Revenues by segment

Street Furniture
Street Furniture revenues totaled €984.1 million in 2006, compared to €925.3 million in 2005, up by 6.4%.

Acquisitions contributed €6.0 million to the growth of Street Furniture revenues. They concern the increase in the Group's interest in Unicom in the Baltic States to 100% and the acquisition of MediaNation and Texon during 2005, the purchase of an interest in Adbooth in Australia at the end of December 2005 and the acquisition of VVR-Berek in Germany at the end of September 2006.

Foreign exchange fluctuations between 2005 and 2006 generated an annual positive effect of €0.7 million on Street Furniture revenues.

- Advertising revenues

Advertising revenues rose by 6.9% in 2006.

Excluding the acquisitions and foreign exchange impact, organic growth of Street Furniture advertising revenues was 6.0% in 2006. Italy, Norway and the Baltic States posted double-digit growth. Solid growth was also recorded in France, the Netherlands, Sweden and Spain, as well as North America. Double-digit revenue growth continued in the Rest of the World and Asia-Pacific, where Japan, Korea, Thailand and Australia stood out in particular.

- **Non-advertising revenues**

Non-advertising revenues totaled €100.3 million in 2006, compared to €98.5 million in 2005, for an increase of 1.8%. Half of this growth came from non-recurring equipment sales, and half from services, benefiting from an increase in billing for innovative technical solutions associated with street furniture advertising campaigns. Street furniture rentals and maintenance services continued to decline.

Transport

Transport revenues totaled €507.7 million in 2006, compared to €391.6 million in 2005, for an increase of 29.6%.

Acquisitions contributed €61.2 million to Transport revenue growth. They concern the acquisition of MediaNation and Media Partners International in China and the Viacom transport activities in Finland in 2005, and the acquisition of VVR-Berek in Germany at the end of September 2006.

Foreign exchange fluctuations had a negative impact of €1.1 million on revenues for this segment in 2006.

Excluding the acquisitions and foreign exchange impact, Transport revenues recorded growth of 14.3% in 2006. France, Germany, Scandinavia, Central Europe, Spain, Chile, the United States and Hong Kong posted double-digit growth over the period. There was also significant growth in Italy and Portugal.

Billboard

Billboard revenues amounted to €454.6 million in 2006, compared to €428.3 million in 2005, an increase of 6.1%. Foreign exchange fluctuations had a positive impact of €0.5 million.

Changes in scope (in the United Kingdom: consolidation of Cestrian in 2005 and deconsolidation at the end of 2006, consolidation of Allam in 2006; in Central Europe: acquisition of Metropolis in 2006) had a negative impact of €0.8 million.

Excluding the acquisitions and foreign exchange impact, revenues increased 6.2% in 2006. Austria and Portugal posted double-digit growth. Solid growth was also recorded in the United Kingdom, Ireland, Spain and France.

1.2.2. Revenues by region

Year ended December 31	**2006**		**2005**	
In millions of euros, except for percentages	**Revenues**	**% of total**	**Revenues**	**% of total**
France	580.4	29.8	555.0	31.8
United Kingdom	265.3	13.6	258.5	14.8
Rest of Europe	692.7	35.6	637.4	36.5
Asia-Pacific	251.9	13.0	172.7	9.9
North America	140.7	7.2	110.9	6.4
Rest of the world (1)	15.4	0.8	10.7	0.6
TOTAL	**1,946.4**	**100.0**	**1,745.2**	**100.0**

(1) In 2005 and 2006, "Rest of the World" included Brazil, Argentina, Chile, and Uruguay.

Revenues in France totaled €580.4 million in 2006, an increase of 4.6% compared to 2005, driven by two-digit growth in the Transport segment and growth in the Street Furniture and Billboard segments.

United Kingdom revenues represented €265.3 million, up 2.6% in relation to 2005.

Excluding the acquisitions and foreign exchange impact, United Kingdom revenues increased 3.3% thanks to the turnaround in the Billboard activity.

Rest of Europe revenues amounted to €692.7 million, up 8.7% compared to 2005.

Excluding the acquisitions and foreign exchange impact, Rest of Europe revenues grew by 6.9%, led by double-digit growth in Central Europe. The solid performance of Germany, the Netherlands, Ireland, Italy and Scandinavia also contributed to the results of this region.

Revenues from Asia-Pacific amounted to €251.9 million, up 45.9% compared to 2005. Foreign exchange fluctuations had a negative effect of €1.2 million, while the impact from the 2005 acquisitions is €58.2 million.

Most of the acquisitions in this region took place in 2005, the most important being the Chinese entities MediaNation and Media Partners International.

Excluding the acquisitions and foreign exchange impact, the increase in Asia-Pacific revenues was 12.9% compared to 2005, fuelled by economic growth in most of the region's countries, namely Australia, Korea, Japan and Thailand.

Revenues from North America amounted to €140.7 million, up by 26.9% compared to 2005. Foreign exchange fluctuations had a negative impact of €1.1 million.

Excluding the foreign exchange impact, North America revenues grew by 27.9%. The region also benefited from the outstanding performances of the Chicago, Los Angeles and US airport contracts.

Rest of the World revenues totaled €15.4 million, growing 43.9% compared to 2005. Foreign exchange fluctuations had a positive impact of €0.9 million.

Excluding the foreign exchange impact, Rest of the World revenues grew 36.0% due to the significant revenue growth recorded by all countries of the region.

Regarding the relative weight of each geographic region within the Group, the 2005 acquisitions in China significantly increased the contribution of the Asia-Pacific region to consolidated revenues, rising from 9.9% in 2005 to 13.0% in 2006. Conversely, the relative weight of France, the United Kingdom and the Rest of Europe declined, while North America and the Rest of the World posted double-digit growth.

1.3. Impact of acquisitions on Group revenues

The impact of acquisitions and partnership arrangements on consolidated revenues represented €66.4 million in 2006, including €6.0 million in Street Furniture, €61.2 million in Transport and €(0.8) million in Billboard.

This impact resulted mainly from the following transactions:

- the acquisition of MediaNation, Media Partners International and Texon in China in 2005;
- the acquisition of Viacom's transport business in Finland in 2005;
- the consolidation of Cestrian Imaging in the United Kingdom in 2005 and deconsolidation as of October 1, 2006;
- the increase in the JCDecaux stake in Unicom, number one in outdoor advertising in the Baltic States, to 100% in 2005;
- the acquisition of an interest in Adbooth in Australia at the end of December 2005;
- acquisition of Allam in the United Kingdom in 2006;
- the acquisition of VVR-Berek, involved in street furniture and transport activities in Germany, at the end of September 2006;
- acquisition of Metropolis, present in Croatia, Serbia and Montenegro and Slovenia, in 2006.

2. OPERATING MARGIN

2.1. Definitions

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

- Operating margin,
- EBIT.

Using this structure the Group is able to monitor 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), 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 reclassified in revenue and cash discounts received from suppliers reclassified in direct operating expenses. Stock option expenses, recognized in staff costs, also influence the operating margin.

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 the increase of such expenses is 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 tries 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. The 2.9% increase in the Group's headcount, which grew from 7,911 in 2005 to 8,140 in 2006, comprises 148 persons in terms of organic growth and 81 persons in terms of acquisitions and other changes in scope, representing a third of the increase.

2.2. Changes in the operating margin

In 2006, the Group operating margin stood at €533.6 million and amounted to 27.4% of revenues, compared to 27.2% in 2005. Thus, the operating margin grew by 12.6% compared to the 2005 operating margin, which was €474.1 million.

Street Furniture
The Street Furniture operating margin was €407.8 million in 2006, compared to €384.4 million in 2005. The operating margin represented 41.4% of the segment's revenues compared to 41.5% in 2005.

The operating margin as a percentage of revenues remains high compared to the other Group businesses. This is primarily due to the fact that a significant portion of the costs generated by Street Furniture operations consists of the depreciation of capital expenditures for property, plant and equipment. Including charges to depreciation, amortizations and provisions, EBIT from Street Furniture operations amounted to 26.1% of revenues, compared to 27.2% in 2005.

The 6.1% increase in the Street Furniture operating margin in 2006 reflects the steady profitability of this activity compared to 2005.

Transport
The Transport operating margin stood at €52.9 million in 2006, compared to €31.1 million in 2005, an increase of 70.3%. The operating margin amounted to 10.4% of Transport revenues, compared to 7.9% in 2005.

This strong growth essentially resulted, on the one hand, from the performance of existing entities in this segment and, on the other hand, from the 2005 acquisitions of companies in China, where the operating margin, as a percentage of revenues, is generally higher than that of current Transport operations.

Billboard
The Billboard operating margin, amounting to €72.9 million in 2006, compared to €58.6 million in 2005, rose by 24.4%. The operating margin represented 16.0% of Billboard revenues, compared to 13.7% in 2005.

The Billboard operating margin benefited from organic growth and the control of operating costs, particularly the rent for advertising locations. The strongest growth occurred in the United Kingdom and Central Europe.

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, and other operating income and expenses. Net charges for inventory write-downs are recognized in the line item, "Maintenance spare parts". 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)".

Street Furniture is depreciated over the average life of the contract, between 9 and 20 years.

Billboards are depreciated according to methods specific to the country involved and are determined on the basis of local regulations and economic conditions. The principal method of depreciation is straight-line, with a term of between 2 and 10 years.

3.2. Changes in EBIT

In 2006, EBIT stood at €331.9 million, compared to €299.3 million in 2005, an increase of 10.9%. EBIT represented 17.1% of revenues in 2006, as in 2005. The €32.6 million increase in relation to 2005 is due to the €59.5 million improvement in the operating margin, tempered by an increase of €26.9 million in other charges, i.e. depreciation, amortization and provisions, spare parts for maintenance and other operating income and expenses.

Depreciation and amortization totaled €176.4 million, an increase of €21.6 million over 2005. The change stems primarily from the increase in street furniture investments, particularly for the renewal of contracts in France, and the consolidation of new entities.

Provision charges amounted to €13.9 million, compared to €12.1 million in 2005, with a reversal of €20.4 million, compared to €21.1 million in 2005.

The "Maintenance spare parts" line item stood at €28.9 million in 2006, compared to €27.3 million in 2005, an increase of €1.6 million.

The "Other operating income and expenses" line time reflects a charge of €2.9 million in 2006, compared to a charge of €1.7 million in 2005.

Street Furniture
EBIT for Street Furniture rose 2.0% in 2006, amounting to €256.9 million, compared to €251.9 million in 2005. It represented 26.1% of revenues, compared to 27.2% in 2005.

Depreciation and amortization charges represented €127.9 million in 2006, compared to €113.2 million in 2005.

Provision charges represented a charge of €7.9 million, compared to €8.2 million in 2005, and a reversal of €12.8 million, compared to €15.8 million in 2005.

The "Maintenance spare parts" line item comprises a charge of €25.5 million, an increase over the €23.9 million charge recorded in 2005.

The "Other operating income and expenses" line time represents a charge of €2.3 million in 2006, compared to a charge of €2.9 million in 2005.

Transport
Transport generated EBIT of €33.3 million in 2006, compared to €16.9 million in 2005. Transport EBIT represented 6.6% of this activity's revenues in 2006, compared to 4.3% in 2005.

The higher EBIT for this segment is attributable to the operating margin for €21.8 million, partially offset by the €5.4 million increase in depreciation, amortization and provision charges. The increase in these two aggregates essentially stems from the consolidation of the entities acquired in China in 2005, and in Germany in 2006.

Depreciation, amortization and provision charges are significantly lower than those of Street Furniture and Billboard. They represented €19.1 million in 2006, or 3.8% of revenues, compared to €14.0 million or 3.6% of revenues in 2005. The increase in the ratio of depreciation and amortization to revenues is mainly the result of acquisitions in 2006. The low level of depreciation, amortization and provision charges compared to the two other segments reflects the fact that, overall, the Group invests little in transport contracts, whose terms are shorter than street furniture contracts (from 5 to 10 years), but whose fees are higher.

Billboard
Billboard EBIT amounted to €41.7 million in 2006, compared to €30.5 million in 2005, a 36.7% increase. It represented 9.2% of the activity's revenues, compared to 7.1% in 2005.

In 2006, Billboard EBIT benefited from a €14.3 million increase in the operating margin, partially offset by an increase in depreciation, amortization and provision charges, spare parts and other operating income and expenses.

The latter items represented €31.2 million in 2006, an increase of €3.1 million compared to 2005.

4. FINANCIAL RESULT

In 2006, the financial result was €(45.1) million, which compares unfavorably with 2005 by €17.4 million. It consists largely of interest on debt net of cash for €(28.3) million, discounting charges in the amount of €(11.7) million, and foreign exchange losses of €(6.2) million mainly relating to forex losses recognized on inter-company loans denominated in Hong Kong dollars.

5. IMCOME TAXES

In 2006, consolidated income taxes totaled €91.4 million, compared to €84.3 million in 2005.

The effective tax rate, excluding the goodwill impairment loss and the Group's share of net profit of associates, was stable at 31.9%, compared to 31.0% in 2005.

6. NET INCOME

Net income (Group share) amounted to €201.1 million in 2006, compared to €193.2 million in 2005. The improvement in 2006 is attributable to the growth in EBIT, the increase in the share of net profit of associates, the decrease in the portion of net income attributable to minority interests and, despite an unfavorable difference in the net financial result, an increase in the tax charge and recognition of a goodwill impairment loss.

The increase in the share of net profit of associates is mainly due to the improved results of Affichage Holding.

A €4.0 million goodwill impairment loss was recognized for VVR Decaux GmbH following an exchange of assets between Wall and the JCDecaux group, concluded in March 2007.

Net income before impairment of goodwill stood at €208.0 million in 2006, compared to €196.8 million in 2005.

7. CASH FLOW

As of December 31, 2006, Group net debt (excluding commitments to purchase minority interests, as described in greater detail in Note 3.16 to the Consolidated Financial Statements) stood at €695.0 million, compared to €594.5 million as of December 31, 2005, for an increase of €100.5 million.

7.1. Net cash provided by operating activities

Net cash provided by operating activities amounted to €347.6 million, compared to €330.5 million in 2005.
Cash provided by operating activities represented €464.6 million, compared to €426.1 million in 2005. The item was primarily generated by the €533.6 million operating margin, less consumption of spare parts for maintenance totaling €28.9 million, and changes in working capital for €(43.2) million. Of note:

- a €65.0 million increase in trade and other receivables mainly related to higher revenues and fee advances on the awarding of major contracts;
- a €6.7 million increase in inventories, primarily related to an increase in central inventories in France due to plans for the renewal of street furniture contracts;
- these two increases were offset by a €28.5 million increase in trade and other payables, mainly involving the United Kingdom, the United States and Hong Kong.

Net financial interest paid in 2006 amounted to €27.5 million compared to €19.2 million in 2005.

Income taxes paid in 2006 totaled €89.5 million compared to €76.4 million in 2005, for an increase of €13.1 million, including €4.5 million in the United Kingdom, €4.0 million in China and €2.5 million in Sweden.

7.2. Net cash used in investing activities

In 2006, net cash used in investing activities consisted of €168.1 million worth of net capital expenditures for property, plant and equipment and intangible assets, €214.0 million to acquire long-term investments, €18.0 million to acquire other financial assets, €6.1 million from disposals of long-term investments, and €2.2 million from disposals of financial assets.

Acquisitions of property, plant and equipment and intangible assets amounted to €175.1 million, while disposals totaled €7.0 million, generating a net flow of €168.1 million. Group acquisitions of property, plant and equipment and intangible assets include €151.5 million for new street furniture and billboards and €23.6 million for general investments, consisting mainly of tooling, vehicles, computer equipment and software, real estate, and improvements.

In 2005, the Group recorded €124.4 million for acquisitions of new street furniture and billboards and €23.9 million for general investments.

Street Furniture accounted for 79% of the Group's capital expenditures for property, plant and equipment and intangible assets in 2006, amounting to €138.0 million, an increase over the €111.8 million recorded in 2005. This significant increase resulted in large part from the implementation of contracts signed in recent years. Of note are the column contracts for Paris and the Urban Community of Lyons in France, Chicago and Vancouver in North America, Milan, Naples and Turin in Italy, Santander in Spain, Oslo in Norway, Seoul in Korea, and New Delhi in India, and the growth of Street Furniture contracts in Japan, especially in Yokohama.

Transport capital expenditures for property, plant and equipment and intangible assets totaled €9.2 million in 2006, compared to €7.8 million in 2005.

In 2006, capital expenditures for property, plant and equipment and intangible assets for the large-format Billboard activity amounted to €27.9 million, compared to €28.7 million in 2005.

Acquisitions of long-term investments, amounting to €214.0 million in 2006, primarily correspond to acquisitions for €209.6 million involving VVR-Berek (Germany), BigBoard (Ukraine/Russia), Allam (United Kingdom) and Metropolis (Croatia/Slovenia/Serbia), purchases of minority interests for €8.3 million, including €3.7 million relating to the additional interest in JCDecaux Sverige, and the €(3.9) million impact on net cash arising from an increase in the proportional consolidation of MNI Beijing Metro from 38% to 90%.

Acquisitions of other financial assets totaled €18.0 million, including a €11.4 million loan granted by JCDecaux SA to Europlakat International (EPI) for the acquisition of Metropolis.

7.3. Net cash provided by financing activities

The Group increased its net indebtedness by €100.5 million in 2006. The amount comprises a €105.7 million increase in gross debt, a €6.7 million increase in net derivative financial liabilities and a €2.1 million decrease in cash and cash equivalents net of bank overdrafts. These changes were offset by a €14.0 million increase in loans to proportionately consolidated companies.

Foreign exchange fluctuations, the net impact of IAS 39 on indebtedness and financial derivatives, changes in the scope of consolidation and various reclassifications contributed €(6.1) million to the increase in gross financial indebtedness, net of hedging financial derivatives.

7.3.1. Indebtedness

In 2006, the net cash flow from borrowings and repayments amounted to €118.5 million at Group level. Most of the new borrowings were secured by JCDecaux SA. The Group subsidiaries secured borrowings net of repayments in the amount of €(6.1) million.

In 2006, debt repayments and financings occurred in the following countries:

	Debt repayments
Germany	2.3
Autria	2.3
Belgium	1.0
China	5.7
Korea	0.9
Croatia	0.7
Denmark	3.8
France (JCDecaux SA)	0.4
Great Britain	1.9
Hong Kong	9.2
The Netherlands	0.4
Thailand	2.2
Other	0.5
TOTAL	**31.3**
Subsidiaries excluding JCDSA	**30.9**

	New borrowings
Germany	1.5
Autria	12.3
Australia	1.2
Korea	1.6
United States	0.4
France (JCDecaux SA)	125.0
India	4.7
Japan	0.5
Slovenia	1.2
Other	1.4
TOTAL	**149.8**
Subsidiaries excluding JCDSA	**24.8**
Borrowings net of repayments	**118.5**
Subsidiaries excluding JCDSA	**(6.1)**

7.3.2. Shareholders' equity and dividends

In 2006, JCDecaux SA paid dividends in the amount of €88.3 million.

Certain JCDecaux SA subsidiaries, in which there are minority stakes, made dividend payments amounting to €5.0 million. In addition, the Group received dividends from unconsolidated companies in the amount of €0.5 million, and dividends from subsidiaries accounted for under the equity method in the amount of €8.5 million.

The increase in shareholders' equity of €14.0 million is related to issues of 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 2006, are described on pages 98 to 100 of the Notes to the Consolidated Financial Statements in this document.

9. COMMITMENTS OTHER THAN THOSE RELATING TO FINANCIAL MANAGEMENT

The Group's material off-balance sheet commitments as of December 31, 2006 are listed and analyzed in Note 7 of the Notes to the Consolidated Financial Statements.

II. RECENT DEVELOPMENTS AND OUTLOOK

The Group expects strong revenue growth for the first quarter of 2007. In 2007, organic revenue growth should reach the 2006 level, and JCDecaux will continue to orient its strategy principally towards organic growth. Numerous opportunities should come to fruition in 2007, particularly in Europe and Asia.

Since December 31, 2006, the Group's business and financial condition has not experienced any material change requiring discussion in this document.

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 new contracts, as well as recurring investments necessary for ongoing business operations (vehicles, computers, tooling and buildings).

In 2006, the Group spent €151.5 million in growth investments mainly relating to advertising contracts for telephone booths in Australia, Tesco shopping centers in the United Kingdom, the cities of Chicago, in the United States, Vancouver in Canada, New Delhi in India, Yokohama in Japan, Seoul in Korea, Naples and Turin in Italy, and Oslo in Norway, as well as the renewal of expiring contracts in France (columns for Paris, Urban Community of Lyons, Cannes, Grenoble, and Saint-Etienne), in Italy (Milan) and in Spain (Santander). The Group also spent €23.6 million on general investments (building improvements, tooling, vehicles and computer systems).

In 2005, these investments amounted to €124.4 million and €23.9 million, respectively.

2. MAIN FUTURE INVESTMENTS

Investments in 2007 will be primarily devoted to further development and installation of street furniture programs in connection with new or renewed agreements: the airports of New York and Los Angeles, the cities of Los Angeles and Chicago in the United States, Strasbourg, Nice, Marseilles, Aix-en-Provence, Le Mans, the Urban Community of Lyons and Paris in France, Dublin in Ireland, Stockholm in Sweden, Barcelona in Spain, Nagoya and Kobe in Japan, and various projects in China.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET

Assets

In million euros	12/31/2006	12/31/2005 Restated (1)	12/31/2004 Restated (1)
Goodwill	1,287.3	1,217.5	1,041.2
Other intangible assets	190.6	135.6	40.9
Property, plant and equipment	941.7	921.0	888.0
Investments in associates	299.6	233.0	209.7
Financial investments	8.3	6.3	6.9
Financial derivatives	2.5	0.3	0.7
Other financial investments	34.8	23.9	17.0
Deferred tax assets	7.2	12.5	7.2
Current tax assets	0.9	0.9	0.9
Other receivables	64.1	34.0	28.1
NON-CURRENT ASSETS	**2,837.0**	**2,585.0**	**2,240.6**
Other financial investments	4.0	1.1	0.6
Inventories	87.7	81.5	75.8
Financial derivatives	4.3	0.0	0.0
Trade and other receivables	601.6	571.9	500.2
Current tax assets	8.3	3.0	1.4
Cash and cash equivalents	119.8	114.7	52.7
CURRENT ASSETS	**825.7**	**772.2**	**630.7**
TOTAL ASSETS	**3,662.7**	**3,357.2**	**2,871.3**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

Liabilities and Equity

In million euros	12/31/2006	12/31/2005 Restated [1]	12/31/2004 Restated [1]
Share capital	3.4	3.4	3.4
Additional paid-in capital	961.9	945.6	933.2
Consolidated reserves	744.4	637.2	510.2
Net income for the period (Group share)	201.1	193.2	156.0
Translation adjustments	1.8	7.5	(2.6)
Minority interests	(46.8)	(33.0)	(16.4)
TOTAL EQUITY	**1,865.8**	**1,753.9**	**1,583.8**
Provisions	167.6	155.4	152.6
Deferred tax liabilities	105.6	103.0	78.8
Financial debt	746.0	631.7	447.4
Debt on commitments to purchase minority interests	80.5	63.0	60.0
Other payables	8.7	9.0	2.5
Financial derivatives	34.6	20.3	35.5
NON-CURRENT LIABILITIES	**1,143.0**	**982.4**	**776.8**
Provisions	16.1	12.3	9.7
Financial debt	37.7	46.3	23.9
Debt on commitments to purchase minority interests	0.0	3.8	0.0
Financial derivatives	0.0	1.1	1.0
Trade and other payables	546.1	509.6	435.3
Current tax payable	29.8	30.8	26.2
Bank overdrafts	24.2	17.0	14.6
CURRENT LIABILITIES	**653.9**	**620.9**	**510.7**
TOTAL LIABILITIES AND EQUITY	**3,662.7**	**3,357.2**	**2,871.3**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

INCOME STATEMENT

In million euros	2006	2005 Restated [1]	2004 Restated [1]
NET REVENUES	**1,946.4**	**1,745.2**	**1,627.3**
Direct operating expenses	(1,085.4)	(962.2)	(871.1)
Selling, general and administrative expenses	(327.4)	(308.9)	(291.9)
OPERATING MARGIN	**533.6**	**474.1**	**464.3**
Depreciation, amortization and provisions (net)	(169.9)	(145.8)	(141.2)
Maintenance spare parts	(28.9)	(27.3)	(37.3)
Other operating income and expenses	(2.9)	(1.7)	1.3
EBIT	**331.9**	**299.3**	**287.1**
Net interest expenses	(28.3)	(19.2)	(20.8)
Other net financial expenses	(16.8)	(8.5)	(10.8)
FINANCIAL RESULT	**(45.1)**	**(27.7)**	**(31.6)**
Income tax	(91.4)	(84.3)	(93.8)
Share of net profit of associates	12.6	9.5	6.5
NET INCOME BEFORE IMPAIRMENT OF GOODWILL AND RESULT FROM DISCONTINUED OPERATIONS	**208.0**	**196.8**	**168.2**
Result from discontinued operations			
Impairment of goodwill	(4.0)		(3.0)
CONSOLIDATED NET INCOME	**204.0**	**196.8**	**165.2**
Minority interests	2.9	3.6	9.2
NET INCOME (GROUP SHARE)	**201.1**	**193.2**	**156.0**
Earnings per share (in euros) [2]	0.908	0.874	0.705
Diluted Earnings per share (in euros) [2]	0.905	0.871	0.703
Weighted average number of shares [2]	221,427,121	221,129,562	221,411,893
Weighted average number of shares (diluted) [2]	222,272,053	221,853,793	221,808,944

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements.
(2) After deduction of treasury shares acquired by JCDecaux SA in 2002 and in 2005, and cancelled in 2005.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In million euros	Group: Share Capital	Group: Additional paid-in capital	Group: Treasury shares	Group: Retained earnings	Group: Other reserves: Financial derivatives instruments	Group: Other reserves: Available For Sale securities	Group: Other reserves: Translation reserve adjustment	Group: Total	Minority interests	Total
Restated equity as of December 31, 2003	**3.4**	**923.6**	**(2.1)**	**511.8**	**(0.1)**	**(0.7)**	**0.0**	**1,435.9**	**(13.7)**	**1,422.2**
Deferred tax recognized directly in equity				0.2				0.2		0.2
Other				1.1				1.1	0.5	1.6
Net income recognized directly in equity	0.0	0.0	0.0	1.3	0.0	0.0	0.0	1.3	0.5	1.8
Net income for the period				156.0				156.0	9.2	165.2
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**157.3**	**0.0**	**0.0**	**0.0**	**157.3**	**9.7**	**167.0**
Change in translation adjustment							(2.6)	(2.6)	0.2	(2.4)
Capital increase [(1)]		6.1						6.1		6.1
Distribution of dividends								0.0	(12.5)	(12.5)
Share-based payments		3.5						3.5		3.5
Change in consolidation scope								0.0	(0.1)	(0.1)
Restated equity as of December 31, 2004	**3.4**	**933.2**	**(2.1)**	**669.1**	**(0.1)**	**(0.7)**	**(2.6)**	**1,600.2**	**(16.4)**	**1,583.8**
Available-for-sale assets						0.5		0.5	0.1	0.6
Cash flow hedge					(0.1)			(0.1)		(0.1)
Deferred tax on cash flow hedge								0.0		0.0
Deferred tax recognized directly in equity				(0.5)				(0.5)		(0.5)
Net income recognized directly in equity	0.0	0.0	0.0	(0.5)	(0.1)	0.5	0.0	(0.1)	0.1	0.0
Net income for the period				193.2				193.2	3.6	196.8
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**192.7**	**(0.1)**	**0.5**	**0.0**	**193.1**	**3.7**	**196.8**
Change in translation adjustment							10.1	10.1	(0.1)	10.0
Capital increase [(1)]		8.4						8.4		8.4
Distribution of dividends								0.0	(9.6)	(9.6)
Share-based payments		4.0						4.0		4.0
Treasury shares:										
- Purchase			(28.9)					(28.9)		(28.9)
- Cancellation			31.0	(31.0)				0.0		0.0
Debt on commitments to purchase minority interests								0.0	(0.6)	(0.6)
Change in consolidation scope								0.0	(10.0)	(10.0)
Restated equity as of December 31, 2005	**3.4**	**945.6**	**0.0**	**830.8**	**(0.2)**	**(0.2)**	**7.5**	**1,786.9**	**(33.0)**	**1,753.9**
Available-for-sale assets						2.0		2.0	0.7	2.7
Deferred tax on available-for-sale assets						(0.3)		(0.3)	(0.2)	(0.5)
Other				0.3				0.3		0.3
Net income recognized directly in equity	0.0	0.0	0.0	0.3	0.0	1.7	0.0	2.0	0.5	2.5
Net income for the period				201.1				201.1	2.9	204.0
Balance of income and expenses recognized for the period	**0.0**	**0.0**	**0.0**	**201.4**	**0.0**	**1.7**	**0.0**	**203.1**	**3.4**	**206.5**
Change in translation adjustment							(5.7)	(5.7)	(0.4)	(6.1)
Capital increase [(1)]		14.0						14.0	(0.4)	13.6
Distribution of dividends				(88.3)				(88.3)	(5.0)	(93.3)
Share-based payments		2.3						2.3		2.3
Debt on commitments to purchase minority interests								0.0	(9.0)	(9.0)
Change in consolidation scope								0.0	(2.3)	(2.3)
Other				0.3				0.3	(0.1)	0.2
Equity as of December 31, 2006	**3.4**	**961.9**	**0.0**	**944.2**	**(0.2)**	**1.5**	**1.8**	**1,912.6**	**(46.8)**	**1,865.8**

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

CASH FLOW STATEMENT

In million euros	2006	2005 Restated [1]	2004 Restated [1]
Net income before tax	295.4	281.1	259.0
Share of net profit of associates	(12.6)	(9.5)	(6.5)
Dividends received from non-consolidated subsidiaries	(0.5)	(0.1)	(0.3)
Expenses related to share-based payments	2.3	4.0	3.5
Depreciation, amortization and provisions	170.2	143.9	145.5
Capital gains and losses	(2.0)	(1.5)	(0.3)
Discounting expenses	11.7	11.8	8.0
Net financial interest expenses	28.3	19.2	20.8
Financial derivatives and translation adjustments	15.0	(14.4)	(2.5)
Change in working capital	(43.2)	(8.4)	(7.2)
Change in inventories	(6.7)	(4.4)	20.0
Change in trade and other receivables	(65.0)	(17.5)	(34.8)
Change in trade and other payables	28.5	13.5	7.6
CASH PROVIDED BY OPERATING ACTIVITIES	**464.6**	**426.1**	**420.0**
Net financial interest paid	(27.5)	(19.2)	(21.3)
Income taxes paid	(89.5)	(76.4)	(65.2)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**347.6**	**330.5**	**333.5**
Acquisitions of intangible assets and property, plant and equipment	(175.1)	(148.3)	(151.2)
Acquisitions of financial assets (long-term investments)	(214.0)	(240.7)	(14.8)
Acquisitions of financial assets (other)	(18.0)	(15.3)	(5.6)
Total investments	**(407.1)**	**(404.3)**	**(171.6)**
Proceeds on disposal of intangible assets and property, plant and equipment	7.0	7.0	9.7
Proceeds on disposal of financial assets (long-term investments)	6.1	0.4	0.7
Proceeds on disposal of financial assets (other)	2.2	1.1	1.4
Total disposals of assets	**15.3**	**8.5**	**11.8**
NET CASH USED IN INVESTING ACTIVITIES	**(391.8)**	**(395.8)**	**(159.8)**
Dividends paid	(93.3)	(9.6)	(12.5)
Capital decrease	(0.4)		
Purchase of treasury shares		(28.9)	
Repayment of long-term debt	(28.0)	(88.6)	(349.2)
Repayment of debt (finance lease)	(3.3)	(2.7)	(2.3)
Cash outflow from financing activities	**(125.0)**	**(129.8)**	**(364.0)**
Dividends received	9.0	6.1	4.9
Capital increase	14.0	8.4	6.9
Increase in long-term borrowings	149.8	237.6	72.5
Cash inflow from financing activities	**172.8**	**252.1**	**84.3**
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	**47.8**	**122.3**	**(279.7)**
Effect of changes in exchange rate	(5.7)	2.6	(0.9)
CHANGE IN NET CASH POSITION	**(2.1)**	**59.6**	**(106.9)**
Net cash position beginning of period	**97.7**	**38.1**	**145.0**
Net cash position end of period	**95.6**	**97.7**	**38.1**

(1) See Note 2 Reconciliation of the 2005 and 2004 restated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MAJOR EVENTS OF THE YEAR

In 2006, JCDecaux pursued its development strategy through organic growth and strengthened its worldwide leading position in Street Furniture and airport advertising. In addition the Group carried out several acquisitions to penetrate new strong-growth markets and consolidate its position in mature markets. In 2006, the Group acquired VVR-Berek, Berlin's leading outdoor advertising company, established itself in Russia, Ukraine and Central Asia, and stepped up the development of its Street Furniture activity in Japan.

Financing

During the year, the Group increased its financing capacities through:

- the renegotiation of the committed revolving credit facility agreement set up in 2005, raising this credit facility from €540 million to €850 million. As of December 31, 2006, the Group had drawn €280 million from this facility;
- set-up of a new credit facility for €75 million.

Partnerships and acquisitions

The principal partnerships and acquisitions are detailed in Note 3.1 *Changes in the consolidation scope in 2006*.

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended December 31, 2006 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 2006 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 13, 2007. 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, 2006;
- standards that will be enforceable after December 31, 2006 but for which the Group has decided to make an early application;
- accounting treatments adopted by the Group in cases where no guidance is provided by current standards.

These various options and positions are detailed as follows:

The Group has implemented the following standards, amendments and interpretations with an effective date of January 1, 2006:

- Amendment to IAS 21 *Net investment in a foreign operation* released on December 15, 2005 by the IASB;
- Amendment to IAS 39 *Cash flow hedge accounting of forecast intra-group transactions*;
- Amendment to IAS 19 *Employee benefits, actuarial gains and losses, group plans and disclosures*, with the exception of the option allowing actuarial gains or losses to be recognized immediately through equity;
- IFRIC 4 *Determining whether an arrangement contains a lease.*

These changes in accounting policies have been applied retrospectively, with the restatement of comparative financial information. The only impact on the consolidated financial statements published in 2005 arises from the application of the amendment to IAS 21. The impact is detailed in Note 2 *Reconciliation of the 2005 and 2004 restated financial statements.*

In addition, the Group has opted:

- for an early adoption of IFRS 7 *Financial instruments: disclosures* applicable as of January 1, 2007, and for the IAS 1 Amendment, *Capital Disclosures*, arising from IFRS 7;
- and not to apply the IAS 39 amendment on the fair value option applicable as of January 1, 2006.

Finally, accounting positions have been adopted pursuant to Notes 10 and 12 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* in the absence of specific IFRS provisions. These positions primarily concern:

- Commitments to purchase minority interests. The policies adopted are described in Note 1.20 *Commitments to purchase minority interests*;
- step acquisitions in companies consolidated under the proportionate method with no change in method. The policies adopted are described in Note 1.9 *Business combinations*;

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 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 balance sheet 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 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 significant 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.

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 a separate component of 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 a separate component of equity.

At the time of a total or partial disposal, or the liquidation of a foreign entity, translation adjustments accumulated in equity are recorded 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 (referred to in Notes 1.9 *Business combinations* and 1.11 *Impairment of intangible assets, property, plant and equipment and goodwill*), financial assets (referred to in Notes 1.12 *Investments in associates*, 1.13 *Financial investments* and 1.14 *Other financial assets*), determining the amount of provisions (referred to in Notes 1.16 *Trade and other receivables*, 1.22 *Provisions for retirement and other long-term benefits* and 1.23 *Provision for dismantling*), valuation of net financial debt (referred to in Notes 1.17 *Cash and cash equivalents*, 1.18 *Financial debt* and 1.19 *Financial derivatives*) or inventory write-downs (referred to in Note 1.21 *Inventories*), and the valuation of deferred taxes (referred to in Note 1.28 *Current and deferred income tax*). These judgments, assumptions and estimates are made on the basis of information available or situations existing at the financial statement preparation date, which could prove to be different from reality in the future.

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;
- that it is probable that the future economic benefits attributable to such development costs will flow to the Group;
- and that the cost of the asset can be measured reliably.

Development costs capitalized in the balance sheet from January 1, 2004 onwards 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.

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 costs. 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

Patents are amortized over useful life.

Only software that is significant (such as ERP), individualized and clearly identified 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 requires the application of the purchase method to business combinations, which consists of valuing at fair value all identifiable assets, liabilities and contingent liabilities of the entity acquired.

Goodwill is the excess of the consideration paid over the share in fair value of all identified assets, liabilities and contingent liabilities at acquisition date. Negative goodwill, if any, is recognized immediately against income.

Determining the fair value of assets, liabilities and contingent liabilities of the acquired entity, leads the Group to assessing contracts at fair value and recognizing them as intangible assets. When an onerous contract is identified, a provision for onerous contract is made.

IFRS grant companies with a 12-month period starting from the date of acquisition to finalize the valuation of the fair value of the assets, liabilities and contingent liabilities received in the combination.

For acquisitions achieved in stages, the purchase method applies to each transaction until control is acquired. Hence, for acquisitions of minority interests concerning companies over which the Group already exercises control, only goodwill is recognized.

In the case of an acquisition of an additional stake in a company that is already consolidated through the proportionate method, and when this method continues to apply, the excess of the consideration paid over the share of net worth acquired is only recognized as goodwill, in the absence of specific IFRS guidance on the subject.

Goodwill is not amortized but tested for impairment in accordance with IAS 36. When particular circumstances exist (significant changes in the technical, legal or market environment, insufficient profitability…), an impairment loss is recognized on the goodwill in accordance with the methodology detailed in Note 1.11 *Impairment of intangible asset, property, plant and equipment and goodwill.* When recognized, such a loss cannot be reversed at a later period.

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

Property, plant and equipment (PP&E) are presented on the balance sheet 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 life of the contracts (between 9 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 (excluding street furniture and billboards)	5 to 10 years
▪ 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 *Impairment of assets*, items of property, plant and equipment, intangible fixed assets as well as goodwill are tested for impairment at least annually.

Impairment testing is carried out at the Cash Generating Unit (CGU) level or at the group of CGU level and consists of a comparison between the carrying value of the CGU or group of CGU tested and its recoverable value. The recoverable value is the highest of (i) the fair value less cost to sell and (ii) the value in use determined on the basis of future discounted cash flows.

When the recoverable value is determined on the basis of the value in use, forecasted future cash flows are determined using growth assumptions based either on the duration of the contracts or over a five year period with a subsequent projection to infinity. They also include a discount rate which reflects the current market's estimate of the time value of money. Risks inherent to a CGU tested are reflected to a large extent in the assumptions made for the computation of the discounted cash flows, and also in the discount rate used.

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

Methodology followed

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

Values in use as taken into account in the impairment tests are determined based up on the expected future cash flows before tax, and discounted at the pre-tax rate of 8.8% in 2006 (compared to 8.5% in 2005) which derives from the Weighted Average Cost of Capital. Given that the Group has around 90% of its operations in geographical areas with similar risk profiles such as Europe, North America and Australia, this rate is applied equally across the Group, except for China and South America where a specific approach was made, using a rate of 12.9% and 15.5% in 2006 respectively (compared to 12.5% and 15% respectively in 2005), taking into account the particular risks prevailing in those two areas.

- Recoverable values

They are determined following two methods:

  - The first level of testing consists in identifying affiliates for which their assets might be impaired. This test is based on a projection of the 2006 operating margin following a pattern that depends on the business segments considered. Thus, for the Street Furniture and Transport segments, the residual duration of the contracts is used assuming a 3% yearly growth rate on average and the use of a discount rate as described above. For the Billboard activity a 15-year duration 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 projection of the operating margin does not reflect the expected future cash flows. Again, in this method, the future cash flows are calculated following patterns that depend on the business segment considered. Generally, the time horizon exceeds five years owing to the nature of the Group's activity:
  - in the Street Furniture segment and in the Transport segment, future cash flows are computed over the remaining life of contracts, taking into account the likelihood of the renewal after term.
  - in the Billboard segment, future cash flows are computed over a five-year period with a perpetual projection using on average, a yearly growth rate of 3%.

The recoverable value of a group of CGUs corresponds to the sum of the individual recoverable values 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 amortization charge arising from the depreciation of assets recognized on the 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. Where necessary, the related loss is recorded in "Share of net profit of associates". With respect to the discount rate used to calculate the values in use based on the expected future cash flows before tax, a specific approach was followed for the Ukraine and Russia, with the application of a respective rate of 15.0% and 11.5% in 2006, taking into account the risks specific to these two geographical areas.

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 cost 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 shareholders' equity and the probable recovery value.

Changes in values are recognized in a separate item within shareholders' equity. However, when the asset is sold, cumulative gains and losses recognized in equity are cleared by an offsetting entry 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 assets

This heading includes loans to long-term investments, current account advances granted to associated or non-consolidated entities as well as loans, deposits and guarantees.

On initial recognition, they are measured at fair value plus set-up costs that are directly attributable (IAS 39, Loans and receivables category).

At each balance sheet date, they are measured at amortized cost.

A loss in value is recorded in the income statement when the recovery value 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 shareholders' equity. Gains or losses on disposals are also recorded in equity and do not contribute to profit or loss for the year.

1.16. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value. A provision for bad debt is recognized when their recovery value is less than their carrying amount.

1.17. Cash and cash equivalents

Cash in the balance sheet comprises cash at bank and in hand and short-term deposits.

Cash equivalents in the balance sheet are comprised of short-term investments. They are easily convertible into a known cash amount and submitted to a low risk of change in valuation. They are measured at fair value and changes in fair value are recorded within financial result.

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

1.18. Financial debt

Financial debt is initially recorded at the value corresponding to the amount received less related issuance costs.

It is subsequently measured at amortized cost.

1.19. 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 balance sheet 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 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 as 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 directly offset against equity, and the ineffective portion is maintained as profit or loss. The amount included 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 qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the cash flow hedge for the hedge of a highly probable forecasted transaction, derivatives recognized in equity is maintained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is transferred to financial result 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 as financial result for the year.

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

1.20. Commitments to purchase minority interests

The application of IAS 32 results in the recognition of a financial liability relating to commitments to purchase shares held by minority interests in the Group's subsidiaries, not only for the portion already recognized in minority interests (transferred to liabilities), but also for the excess resulting from the current value of the commitment. In the absence of precision of the standard on this issue, the Group has decided to deduct the excess portion from minority interests within shareholders' equity. Subsequent changes in the fair value of the liability are recognized in financial result and allocated to the minority interests.

Commitments recorded in this respect are presented under the balance sheet heading "Debt on commitments to purchase minority interests."

1.21. 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 the cost.

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 balance sheet.

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 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. These provisions represent the entire dismantling cost from the contract's inception and are discounted. As an offset entry, dismantling costs are recognized under fixed assets in the balance sheet and amortized over the term of the contract. The reverse discounting charge is recorded in financial result.

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 to all stock option plans granted on or after November 7, 2002 for which the rights to exercise these options were not fully vested as of January 1, 2005.

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 against a corresponding increase in equity on a basis that reflects the vesting pattern of the options. This entry is recorded at the end of every 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 awards that, based on management's best available estimate, will ultimately vest.

No specific performance conditions are to be met for the stock options to be vested.

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 two years of continuous presence in the Group.

The cost of services rendered is recognized in the income statement via an offsetting entry in an equity heading, following a profile that reflects the procedures for granting bonus shares, i.e. two years. The 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.

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 specialists 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, the Group classifies gross advertising revenues as revenues and books fees and the portion of revenues repaid as operating expenses, insofar as the Group is not dealing as an agent but bears the risks and rewards incidental to the activity.

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, depreciation, amortization and provisions (net), 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, 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), and other operating income and expenses. Net charges for inventory reserve 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, as well as 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”.

1.28. Current and deferred income tax

The Group records deferred tax resulting from temporary differences and tax losses carried forward.

Deferred tax assets are recorded at their net estimated realization value. Deferred tax assets and liabilities are adjusted in order to take into account the impact of changes in tax legislation and in national income tax rates prevailing at closing date. Deferred tax assets and liabilities are not discounted.

The amount of deferred tax recorded results mainly from consolidation adjustments (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 acquisition method, etc.), and from temporary differences between the accounting value and the tax base of assets and liabilities. Deferred tax assets on tax losses carried forward are recognized when it is probable that the Group will incur future taxable profits against which those tax losses may be offset.

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 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 cancellation of shares and the exercise of stock options.

2. RECONCILIATION OF THE RESTATED 2005 AND 2004 FINANCIAL STATEMENTS

The 2005 and 2004 consolidated financial statements have been restated for the following two impacts:

- the retrospective application for 2005 and 2004 of the IAS 21 amendment , *Net Investment in a Foreign Operation*, applicable as of January 1, 2006, as explained in Note 1.1 *General principles* above;
- and the finalization within the 12-month allocation period of the valuation of goodwill identified upon the acquisitions of MediaNation International (MNI) in the first half of 2005 and Media Partners International Holdings Inc. (MPI) in the last quarter of 2005.

The resulting negative impact on consolidated net income for 2005 and 2004 is €(2.2) million and €(0.2) million, respectively. It breaks down as follows:

	2005			2004	
In million euros	**Amendment to IAS 21**	**MNI/MPI**	**Total impact**	**Amendment to IAS 21**	**Total impact**
EBIT		0.3	**0.3**		**0.0**
Foreign exchange gains/(losses)	(3.1)		**(3.1)**		**0.0**
Income tax	0.5		**0.5**	(0.2)	**(0.2)**
Share of net profit of associates		0.1	**0.1**		**0.0**
Net income/(loss)	**(2.6)**	**0.4**	**(2.2)**	**(0.2)**	**(0.2)**

The impact on equity as of December 31, 2005 is €1.0 million, compared to an impact of nil as of December 31, 2004. It breaks down as follows:

	December 31, 2005			December 31, 2004	
In million euros	**Amendment to IAS 21**	**MNI/MPI**	**Total impact**	**Amendment to IAS 21**	**Total impact**
Intangible assets		(22.2)	(22.2)		0.0
Property, plant and equipment		0.9	0.9		0.0
Goodwill		19.4	19.4		0.0
Deferred tax assets		(7.8)	(7.8)		0.0
Other non-current assets		(5.6)	(5.6)		0.0
Current assets		(1.8)	(1.8)		0.0
Total Assets	**0.0**	**(17.1)**	**(17.1)**	**0.0**	**0.0**
Provisions		(16.4)	(16.4)		0.0
Trade and other payables		0.3	0.3		0.0
Deferred tax liabilities		(2.0)	(2.0)		0.0
Increase in Equity	**(0.0)**	**1.0**	**1.0**	**0.0**	**0.0**
Consolidated reserves	*(0.5)*		*(0.5)*	*0.2*	*0.2*
Net income for the period (Group share)	*(2.6)*	*0.5*	*(2.1)*	*(0.2)*	*(0.2)*
Translation adjustments	*3.1*		*3.1*		*0.0*
Minority interests	*0.0*	*0.5*	*0.5*		*0.0*
Total Liabilities and Equity	**(0.0)**	**(17.1)**	**(17.1)**	**0.0**	**0.0**

3. COMMENTS ON THE BALANCE SHEET

3.1. Changes in the consolidation scope in 2006

The main changes that took place in the consolidation scope during 2006 are as follows:

Entries into the scope of consolidation

On January 12, 2006, JCDecaux UK Ltd acquired 100% of the Allam Group for €18.6 million (of which €0.3 million in acquisition costs and after deduction of net cash acquired for €18.4 million). This company is fully consolidated.

In July 2006, the JCDecaux Group signed a partnership agreement with the BigBoard group to develop in the Ukrainian and Russian outdoor advertising markets. A joint venture, BigBoard BV, was created in which JCDecaux Central Eastern Europe subscribed for a 40% stake, entitling it to 50% of the profits for €65.8 million (of which €1.1 million in acquisition costs and a €20.6 million loan). This company is 50% consolidated using the equity method.

On September 25, 2006, JCDecaux Deutschland acquired 100% of VVR-Berek (Germany), renamed VVR Decaux GmbH, for €102.0 million (of which €1.7 million in acquisition costs and after deduction of net cash acquired for €3.2 million). This company is fully consolidated.

On September 30, 2006, Europlakat International (EPI) in Austria acquired for €47.2 million 100% of Metropolis Media, a group comprising four companies operating in Slovenia, Serbia and Croatia (of which €0.6 million in acquisition costs and after deduction of net cash acquired for €(1.2) million). The four companies acquired were resold to three holding companies, Europlakat Proreklam Doo (Croatia), Proreklam Europlakat Doo (Slovenia) and Alma Quattro (Serbia), wholly owned by EPI with the exception of Proreklam Europlakat Doo, which is 33% held. EPI and Proreklam Europlakat Doo are proportionately consolidated for 50% and 16.5% respectively. The impact of this acquisition amounts to €18.3 million in the Group financial statements (total acquisition cost of €23.2 million less €4.9 million relating to the sale of the Slovene company). The four companies are proportionately consolidated.

In November 2005, JCDecaux Pearl & Dean signed a 30-year agreement for the creation of a joint venture, Beijing Gehua JCD Advertising Co, in partnership with the Beijing Gehua Cultural Development Group. This company is 50% consolidated under the proportionate method for the first time in 2006.

Internal restructuring

In 2006, the Group conducted an internal restructuring resulting in a simplified legal structure with the grouping of subsidiary holdings by geographical area. In France, this restructuring gave rise to the creation of three holding companies: JCDecaux Europe Holding, JCDecaux Asie Holding and JCDecaux Amériques Holding. The shares of companies held by JCDecaux SA in Europe, Asia and America were respectively transferred to each of the three holding companies.

Mergers

In Spain, the formerly fully consolidated companies Planigrama Exclusivas Publicitarias S.A. and JCDecaux & Sign S.A. were merged into El Mobiliario Urbano S.L. (also fully consolidated) as of January 1, 2006.

Changes in percentage of ownership and in method of consolidation

On April 3, 2006, JCDecaux SA purchased the additional 1.77% interest in JCDecaux Sverige for €3.7 million, bringing the percentage of ownership to 100%.

MNI Beïjing Metro (China), a company that was formerly 38% consolidated using the proportionate method, has been 90% consolidated using the same method since August 31, 2006.

Removals from the scope of consolidation

WFA Wartehallen Finanz AG in Germany and Univier Communications B.V. in the Netherlands were wound up as of December 31, 2006.

In the United Kingdom, Cestrian Imaging Ltd has been deconsolidated since September 30, 2006, following the Group's waiver of its purchase right to 75% of the company's shares. This company, over which the Group exercised control because of potential voting rights though it held no shares, was consolidated for the first time in 2005.

3.2. Impacts of acquisitions (controlling interests)

The control of Allam Group, VVR-Berek and Metropolis had the following impacts on the Group consolidated financial statements:

In million euros	Recognized values after purchase accounting adjustments	Purchase accounting adjustments	Carrying amounts before purchase accounting adjustments
Non-current assets	99.6	(9.9) (3)	109.5
Current assets	28.5		28.5
Total assets	**128.1**	**(9.9)**	**138.0**
Non-current liabilities	34.9	18.4	16.5
Current liabilities	12.1		12.1
Total liabilities	**47.0**	**18.4**	**28.6**
Net asset at fair value	**81.1**	**(28.3)**	**109.4**
Goodwill	**79.1** (1)		
Price paid	**160.2**		
Net cash acquired	(21.3)		
Acquisitions of financial assets (long-term investments)	**138.9** (2)		

(1) *The amount of goodwill for €79.1 million differs from the €83.9 million mentioned in the schedule of change in goodwill (see Note 3.3), since the goodwill of MNI China Kiosk Development Ltd and JCDecaux Sverige (these companies were already controlled before the additional purchase) for €3.9 million and other acquisitions for €0.9 million are not taken into account.*

(2) *In the above table, the acquisitions of financial assets do not include the acquisitions of the financial assets of MNI China Kiosk Development Ltd, MPI Holding and JCDecaux Sverige for €5.2 million (these companies had already been fully consolidated prior to the acquisition of the additional interest), the acquisition of shares of BigBoard BV for €65.8 million (as the control was not effective in this company consolidated under equity method), non-consolidated investments in JCDecaux Group for €4.2 million, cash acquired following the entry of Beijing Gehua and JCDecaux Macao into the scope of consolidation for €0.9 million, and finally cash following changes in the consolidation method of MNI Beijing Metro for €3.9 million. The acquisitions of equity investments do not take into account the resale of the Metropolis companies to other Group companies consolidated at different rates and representing an amount of €4.9 million.*

(3) *This amount includes the cancellation of the purchased goodwill recognized in the corporate financial statements for €95.2 million, as it was reallocated in the valuation of the contracts and in goodwill at the Group level.*

The amount of revenues and net income, over 12 months, for the various entities acquired, as though these acquisitions had been realized as of January 1, 2006, amounted to respectively €48.5 million and €1.3 million at Group level.

The control of the following entities in 2005:

- MediaNation Inc., 100% acquired for €42.3 million in 2005 and fully consolidated;
- Texon International, 100% acquired in May 2005 for €17.2 million and fully consolidated;
- Univier Communications BV, in which the Group acquired an additional 25% interest on April 1, 2005 for €6.7 million and which was fully consolidated as of this date;
- JCDecaux Transport Finland Oy, 100% acquired on October 7, 2005 for €0.7 million and fully consolidated;
- Media Partners International Holdings Inc., in which the Group acquired a 99.43% interest for €58.5 million on October 26, 2005 and which was fully consolidated;
- Adbooth Pty, acquired at the end of December 2005 at 50%, for €0.7 million, and consolidated using the proportionate method;

had the following impacts on the Group consolidated financial statements:

In million euros	**Recognized values after purchase accounting adjustments**	**Purchase accounting adjustments**	**Carrying amounts before purchase accounting adjustments**
Non-current assets	126.9	28.9	98.0
Current assets	103.3	(1.4)	104.7
Total assets	**230.2**	**27.5**	**202.7**
Non-current liabilities	62.8	29.2	33.6
Current liabilities	72.2	1.2	71.0
Total liabilities	**135.0**	**30.4**	**104.6**
Net asset at fair value	**95.2**	**(2.9)**	**98.1**
Goodwill	**89.9**		
Price paid	**185.1**		
Net cash acquired	(59.0)		
Acquisitions of financial assets (long-term investments)	**126.1** (1)		

(1) The acquisitions of financial assets do not include in the above table the acquisitions of the financial assets of Sopact, JCD Nederland BV and V.K.M. BV for €91.7 million (these companies had already been fully consolidated prior to the acquisition of the additional 50% interest), the acquisition of shares of Metrobus for €18.0 million (as the control was not effective in this company consolidated under equity method), non-consolidated investments in JCDecaux Group for €3.2 million and, finally, cash following changes in the consolidation method of DSM Decaux GmbH and Slovenia for €1.7 million.

The acquisition of WFA Wartehallen Finanz AG in 2004 for an amount of €4.5 million did not have any significant impact on the Group consolidated financial statements.

3.3. Goodwill and other intangible assets

Changes in gross value and net carrying amount:

In million euros	Goodwill	Development costs	Patents, licences, advertising contracts, ERP(3)	Leasehold rights, payments on account, other	Total
Gross value as of January 1, 2004 (restated)	**1,036.7**	**0.0**	**47.8**	**25.3**	**1,109.8**
Acquisitions	6.9	3.3	2.0	6.8	19.0
Disposals				(0.4)	(0.4)
Changes in scope	(0.4)		0.6	0.7	0.9
Translation adjustments	1.0		(0.7)		0.3
Reclassifications (1)		0.6	12.5	(10.1)	3.0
Gross value as of December 31, 2004 (restated)	**1,044.2**	**3.9**	**62.2**	**22.3**	**1,132.6**
Amortization / Impairment loss as of January 1, 2004 (restated)	**0.0**	**0.0**	**(23.2)**	**(18.0)**	**(41.2)**
Amortization charge		(0.1)	(8.4)	(0.1)	(8.6)
Impairment loss	(3.0)				(3.0)
Disposals				0.4	0.4
Changes in scope			2.2	(0.3)	1.9
Translation adjustments			0.2		0.2
Reclassifications (1)		(0.1)	(1.8)	1.7	(0.2)
Amortization / Impairment loss as of December 31, 2004 (restated)	**(3.0)**	**(0.2)**	**(31.0)**	**(16.3)**	**(50.5)**
Net value as of January 1, 2004 (restated)	**1,036.7**	**0.0**	**24.6**	**7.3**	**1,068.6**
Net value as of December 31, 2004 (restated)	**1,041.2**	**3.7**	**31.2**	**6.0**	**1,082.1**
Gross value as of January 1, 2005 (restated)	**1,044.2**	**3.9**	**62.2**	**22.3**	**1,132.6**
Acquisitions	176.9	4.0	6.0	3.9	190.8
Disposals		(0.2)	(0.5)	(1.7)	(2.4)
Changes in scope	(5.8) (2)		167.8	1.4	163.4
Translation adjustments	5.2		5.7	0.1	11.0
Reclassifications (1)			11.8	(8.4)	3.4
Gross value as of December 31, 2005 (restated)	**1,220.5**	**7.7**	**253.0**	**17.6**	**1,498.8**
Amortization / Impairment loss as of January 1, 2005 (restated)	**(3.0)**	**(0.2)**	**(31.0)**	**(16.3)**	**(50.5)**
Amortization charge	NA	(1.2)	(17.7)	(0.1)	(19.0)
Impairment loss	0.0				0.0
Disposals	NA	0.2	0.5	1.7	2.4
Changes in scope	NA		(74.0)	(0.5)	(74.5)
Translation adjustments	NA		(3.3)	(0.1)	(3.4)
Reclassifications (1)	NA	0.1	(0.8)		(0.7)
Amortization / Impairment loss as of December 31, 2005 (restated)	**(3.0)**	**(1.1)**	**(126.3)**	**(15.3)**	**(145.7)**
Net value as of January 1, 2005 (restated)	**1,041.2**	**3.7**	**31.2**	**6.0**	**1,082.1**
Net value as of December 31, 2005 (restated)	**1,217.5**	**6.6**	**126.7**	**2.3**	**1,353.1**
Gross value as of January 1, 2006 (restated)	**1,220.5**	**7.7**	**253.0**	**17.6**	**1,498.8**
Acquisitions	83.9	4.8	8.6	2.5	99.8
Disposals			(26.0)	(1.6)	(27.6)
Changes in scope			68.0	0.2	68.2
Translation adjustments	(10.1)		(12.9)		(23.0)
Reclassifications (1)			13.1	(0.9)	12.2
Gross value as of December 31, 2006	**1,294.3**	**12.5**	**303.8**	**17.8**	**1,628.4**
Amortization / Impairment loss as of January 1, 2006 (restated)	**(3.0)**	**(1.1)**	**(126.3)**	**(15.3)**	**(145.7)**
Amortization charge	NA	(1.4)	(24.4)	(0.3)	(26.1)
Impairment loss	(4.0)				(4.0)
Disposals	NA		24.6	1.6	26.2
Changes in scope	NA		(0.1)		(0.1)
Translation adjustments	NA		7.0		7.0
Reclassifications (1)	NA		(8.0)	0.2	(7.8)
Amortization / Impairment loss as of December 31, 2006	**(7.0)**	**(2.5)**	**(127.2)**	**(13.8)**	**(150.5)**
Net value as of January 1, 2006 (restated)	**1,217.5**	**6.6**	**126.7**	**2.3**	**1,353.1**
Net value as of December 31, 2006	**1,287.3**	**10.0**	**176.6**	**4.0**	**1,477.9**

(1) *The net impact of the reclassifications is not zero, as some reclassifications have an impact on other balance sheet items.*

(2) *Includes the goodwill recognized on the acquisition of the additional 25% interest in Univier Communications BV for €(5.9) million. This acquisition resulted in the first-time application of the purchase method and a reallocation of a portion of the consolidated goodwill (for €14.1 million) generated during previous acquisitions in intangible assets (for €8.0 million).*

(3) *Includes the recognition of contracts in applying the purchase method.*

The change in goodwill over 2006 breaks down as follows:

In million euros	Goodwill
As of January 1, 2006 (restated)	**1,217.5**
New goodwill arising during the period	83.9
Allam Group	4.7
VVR-Berek	67.2
Metropolis	7.2
MNI China Kiosk Development Ltd	0.7
JCDecaux Sverige	3.2
Other	0.9
Impairment loss	(4.0)
Translation adjustments	(10.1)
As of December 31, 2006	**1,287.3**

As of December 31, 2006, goodwill amounted to €1,287.3 million, compared to €1,217.5 million as of December 31, 2005.

The sale of VVR Decaux GmbH included in the operation which took place after the balance sheet date as described in Note 12 *Subsequent events* resulted in goodwill impairment losses of €4.0 million that were recorded as of December 31, 2006.

As of December 31, 2006, net intangible assets, excluding goodwill, amounted to €190.6 million, compared to €135.6 million as of December 31, 2005.

This increase was due, in the amount of €67.9 million, to the acquisitions of Allam Group, VVR-Berek and Metropolis. The application of the purchase method, as required by IFRS 3 *Business combinations* resulted in the recognition of contracts as intangible assets for €67.6 million of which €18.3 million for Allam Group, €32.6 million for VVR-Berek and €16.7 million for Metropolis. These intangible assets are amortized over the term of contracts.

These intangible asset values and the residual goodwill relating to these transactions described above are determined on a provisional basis. The values are likely to change over the goodwill allocation period, which ends twelve months after the date of acquisition.

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

Breakdown by type of asset:

	12/31/2006			12/31/2005 Restated	12/31/2004 Restated
In million euros	Gross value	Depreciation or Provision	Net value	Net value	Net value
Land	32.7	0.9	31.8	31.7	30.8
Buildings	68.6	41.2	27.4	30.0	31.6
Technical installations, tools and equipment	1,796.5	987.1	809.4	791.4	756.5
Vehicles	99.8	74.5	25.3	25.4	23.3
Other	115.8	94.5	21.3	23.7	26.2
Assets under construction and advance payments	26.8	0.3	26.5	18.8	19.6
Total	**2,140.2**	**1,198.5**	**941.7**	**921.0**	**888.0**

As of December 31, 2006, net property, plant and equipment in the Street Furniture segment amounted to €755.2 million, compared to €735.6 million as of December 31, 2005.

As of December 31, 2006, net property, plant and equipment in the Transport segment amounted to €31.6 million, compared to €32.7 million as of December 31, 2005.

As of December 31, 2006, net property, plant and equipment in the Billboard segment amounted to €154.9 million, compared to €152.7 million as of December 31, 2005.

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, 2004 (restated)	**31.2**	**81.6**	**1,462.0**	**241.4**	**1,816.2**
- including finance lease		*3.9*	*3.9*	*9.3*	*17.1*
Acquisitions	2.2	0.7	105.6	40.8	149.3
- including acquisitions under finance lease			*0.9*	*1.3*	*2.2*
Disposals	(0.4)	(14.7)	(37.9)	(32.1)	(85.1)
- including disposals under finance lease				*(2.5)*	*(2.5)*
Changes in scope	0.0		3.7	0.3	4.0
Reclassifications	(1.0)	(0.6)	25.9	(17.8)	6.5
Translation adjustments	0.0		(7.4)	(0.4)	(7.8)
Gross value as of December 31, 2004 (restated)	**32.0**	**67.0**	**1,551.9**	**232.2**	**1,883.1**
Depreciation as of January 1, 2004 (restated)	**(1.6)**	**(45.6)**	**(711.7)**	**(174.1)**	**(933.0)**
- including finance lease		*(1.1)*	*(0.5)*	*(4.4)*	*(6.0)*
Net depreciation charge / reversal	(0.1)	(3.8)	(109.3)	(18.1)	(131.3)
- including finance lease		*(0.3)*	*(0.4)*	*(1.0)*	*(1.7)*
Impairment loss					0.0
Decreases	0.1	13.7	32.7	29.2	75.7
- including finance lease				*1.5*	*1.5*
Changes in scope			(1.3)	0.2	(1.1)
Reclassifications	0.4	0.3	(7.9)	(0.6)	(7.8)
Translation adjustments			2.1	0.3	2.4
Depreciation as of December 31, 2004 (restated)	**(1.2)**	**(35.4)**	**(795.4)**	**(163.1)**	**(995.1)**
Net value as of January 1, 2004 (restated)	**29.6**	**36.0**	**750.3**	**67.3**	**883.2**
Net value as of December 31, 2004 (restated)	**30.8**	**31.6**	**756.5**	**69.1**	**888.0**
Gross value as of January 1, 2005 (restated)	**32.0**	**67.0**	**1,551.9**	**232.2**	**1,883.1**
- including finance lease		*3.9*	*4.8*	*8.1*	*16.8*
Acquisitions	0.5	0.5	116.4	33.9	151.3
- including acquisitions under finance lease			*0.4*	*3.5*	*3.9*
Disposals	(0.3)	(0.2)	(37.5)	(15.8)	(53.8)
- including disposals under finance lease				*(1.0)*	*(1.0)*
Changes in scope		2.3	12.1	5.7	20.1
Reclassifications		0.4	25.5	(19.2)	6.7
Translation adjustments	0.8	0.3	29.5	2.8	33.4
Gross value as of December 31, 2005 (restated)	**33.0**	**70.3**	**1,697.9**	**239.6**	**2,040.8**
Depreciation as of January 1, 2005 (restated)	**(1.2)**	**(35.4)**	**(795.4)**	**(163.1)**	**(995.1)**
- including finance lease		*(1.4)*	*(0.9)*	*(3.9)*	*(6.2)*
Net depreciation charge / reversal	(0.1)	(3.4)	(113.5)	(17.1)	(134.1)
- including finance lease		*(0.2)*	*(0.4)*	*(1.8)*	*(2.4)*
Impairment loss			(1.6) (1)		(1.6)
Decreases		0.2	27.1	14.8	42.1
- including finance lease				*0.8*	*0.8*
Changes in scope	0.0	(1.7)	(5.7)	(3.1)	(10.5)
Reclassifications	0.0	0.1	(7.3)	(1.0)	(8.2)
Translation adjustments	0.0	(0.1)	(10.1)	(2.2)	(12.4)
Depreciation as of December 31, 2005 (restated)	**(1.3)**	**(40.3)**	**(906.5)**	**(171.7)**	**(1,119.8)**
Net value as of January 1, 2005 (restated)	**30.8**	**31.6**	**756.5**	**69.1**	**888.0**
Net value as of December 31, 2005 (restated)	**31.7**	**30.0**	**791.4**	**67.9**	**921.0**
Gross value as of January 1, 2006 (restated)	**33.0**	**70.3**	**1,697.9**	**239.6**	**2,040.8**
- including finance lease		*3.9*	*5.2*	*10.6*	*19.7*
Acquisitions		1.0	84.9	90.9	176.8
- including acquisitions under finance lease			*0.2*	*2.7*	*2.9*
Disposals	(0.1)	(4.0)	(74.0)	(18.7)	(96.8)
- including disposals under finance lease				*(1.5)*	*(1.5)*
Changes in scope	0.3	0.2	28.7	1.0	30.2
Reclassifications	(1.1)	1.1	71.7	(69.0)	2.7
Translation adjustments	0.6		(12.7)	(1.4)	(13.5)
Gross value as of December 31, 2006	**32.7**	**68.6**	**1,796.5**	**242.4**	**2,140.2**
Depreciation as of January 1, 2006 (restated)	**(1.3)**	**(40.3)**	**(906.5)**	**(171.7)**	**(1,119.8)**
- including finance lease		*(1.6)*	*(1.3)*	*(4.9)*	*(7.8)*
Net depreciation charge / reversal		(3.2)	(128.2)	(16.5)	(147.9)
- including finance lease		*(0.2)*	*(0.5)*	*(2.4)*	*(3.1)*
Impairment loss			(1.8) (2)		(1.8)
Decreases		2.7	62.8	17.6	83.1
- including finance lease				*1.3*	*1.3*
Changes in scope			(10.4)	(0.2)	(10.6)
Reclassifications	0.4	(0.5)	(6.1)	0.5	(5.7)
Translation adjustments		0.1	3.1	1.0	4.2
Depreciation as of December 31, 2006	**(0.9)**	**(41.2)**	**(987.1)**	**(169.3)**	**(1,198.5)**
Net value as of January 1, 2006 (restated)	**31.7**	**30.0**	**791.4**	**67.9**	**921.0**
Net value as of December 31, 2006	**31.8**	**27.4**	**809.4**	**73.1**	**941.7**

(1) Impairment loss on Brazil

(2) Impairment loss on JCDecaux Atlantis

The net impact of reclassifications amounts to €(3) million as of December 31, 2006, compared to €(1.5) million as of December 31, 2005.

As of December 31, 2006, the net value of property, plant and equipment under finance lease amounted to €11.2 million, compared to €11.9 million as of December 31, 2005:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Buildings	2.0	2.3	2.5
Panels	3.4	3.9	3.9
Vehicles	5.6	4.7	3.8
Other property, plant and equipment	0.2	1.0	0.4
Total	**11.2**	**11.9**	**10.6**

Over 80% of the Group's property, plant and equipment is comprised of street furniture, and other advertising structures. These assets represent a range of very different products (Seniors Vitrine and large format, MUPIs®, columns, flag poles, bus shelters, public toilets, benches, public bicycles, public litter bins, etc.) for which the unit value ranges from approximately €100 to €126,000. These assets are fully owned and the Group revenues represent the sale of advertising spaces present in some of this furniture.

3.5. Investments in associates

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Switzerland			
Affichage Holding	131.7	129.6	129.8
Germany			
Stadtreklame Nürnberg GmbH	9.2	9.3	8.8
Wall AG	70.1	68.7	66.2
United States			
Wall Holdings Inc. / Wall USA Inc.	4.3	5.5	4.9
Hong Kong			
Bus Focus Ltd [(1)]	0.3	0.5	
Poad	1.3	1.2	
France			
Metrobus	18.5	18.2	
Ukraine / Russia			
BigBoard	64.2		
Total	**299.6**	**233.0**	**209.7**

(1) Subsidiary of Texon International

The balance sheet items representative of these associates are as follows (*):

In million euros	% of interest	12/31/2006 Total assets	12/31/2006 Total liabilities (excluding equity)	12/31/2006 Total equity	12/31/2005 Restated Total assets	12/31/2005 Restated Total liabilities (excluding equity)	12/31/2005 Restated Total equity	12/31/2004 Restated Total assets	12/31/2004 Restated Total liabilities (excluding equity)	12/31/2004 Restated Total equity
Switzerland										
Affichage Holding	30%	265.3	115.6	149.7	223.5	80.3	143.2	221.1	81.3	139.8
Germany										
Stadtreklame Nürnberg GmbH	35%	12.3	4.5	7.8	10.7	3.2	7.5	11.2	4.8	6.4
Wall AG	35%	147.2	88.7	58.5	121.9	85.7	36.2	101.0	57.1	43.9
United States										
Wall Holdings Inc. / Wall USA Inc.	50%	14.5	15.6	(1.1)	19.0	20.3	(1.3)	13.6	14.9	(1.3)
Hong Kong										
Bus Focus Ltd (1)	40%	2.1	1.4	0.7	2.6	1.6	1.0	NA	NA	NA
Poad	49%	9.4	6.8	2.6	8.0	5.7	2.3	NA	NA	NA
France										
Metrobus	33%	89.3	74.0	15.3	99.4	85.0	14.4	NA	NA	NA
Ukraine / Russia										
BigBoard	50%	141.6	22.4	119.2	NA	NA	NA	NA	NA	NA

(1) Subsidiary of Texon International

(*) On a 100% basis restated according to IFRS

Changes in investments in associates for 2006 are as follows:

In million euros	12/31/2005 Restated	Income/ (loss)	Dividends	Change in consolidation scope	Others	Translation adjustments	12/31/2006
Affichage Holding	129.6	6.1	(3.6)		0.8	(1.2)	131.7
Stadtreklame Nürnberg GmbH	9.3	0.4	(0.5)				9.2
Wall AG	68.7	2.8	(1.5)			0.1	70.1
Wall Holdings Inc. / Wall USA Inc.	5.5	(0.5)				(0.7)	4.3
Metrobus	18.2	1.6	(1.3)				18.5
Poad	1.2	1.0	(0.8)			(0.1)	1.3
Bus Focus Ltd (1)	0.5	0.7	(0.8)			(0.1)	0.3
BigBoard		0.5		65.8		(2.1)	64.2
Total	**233.0**	**12.6**	**(8.5)**	**65.8**	**0.8**	**(4.1)**	**299.6**

(1) Subsidiary of Texon International

3.6. Financial investments

The total of financial investments is about €8.3 million as of December 31, 2006, compared to €6.3 million as of December 31, 2005 and €6.9 million as of December 31, 2004.

3.7. Other financial assets

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Loans	31.5	18.6	11.6
Loans to participating interests	0.8	0.8	0.2
Other financial investments	6.5	5.6	5.8
Total	**38.8**	**25.0**	**17.6**

As of December 31, 2006, other financial assets increased by €13.8 million in relation to December 31, 2005.

This change is mainly attributable to the €11.4 million loan granted by JCDecaux SA to Europlakat International for the acquisition of Metropolis Media.

Maturity of other financial assets:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
≤ 1 year	3.8	0.8	0.6
> 1 year ≤ 5 years	32.4	20.7	13.8
> 5 years	2.6	3.5	3.2
Total	**38.8**	**25.0**	**17.6**

3.8. Other receivables (non-current assets)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
- Miscellaneous receivables	15.0	12.1	2.3
Provisions for miscellaneous receivables	(1.3)	(1.8)	(1.2)
- Tax receivables	0.5	0.4	1.1
- Prepaid expenses	49.9	23.3	25.9
Total Other receivables (non-current)	**65.4**	**35.8**	**29.3**
Total Provisions for other receivables (non-current)	**(1.3)**	**(1.8)**	**(1.2)**
Total	**64.1**	**34.0**	**28.1**

As of December 31, 2006, the Group's other receivables (non-current) increased by €30.1 million compared to December 31, 2005. This change is primarily due to the reclassification of €16.1 million into non-current prepaid expenses of greater than 1 year relating to the fees paid in 2005 by JCDecaux Airport Inc. to the firm managing the New York airports.

3.9. Inventories

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Gross value of inventories	112.1	106.6	99.7
Raw materials, supplies and goods	*69.4*	*68.5*	*64.4*
Finished and semi-finished goods	*42.7*	*38.1*	*35.3*
Depreciation	(24.4)	(25.1)	(23.9)
Raw materials, supplies and goods	*(15.1)*	*(23.1)*	*(23.3)*
Finished and semi-finished goods	*(9.3)*	*(2.0)*	*(0.6)*
Total	**87.7**	**81.5**	**75.8**

The gross value of inventories as of December 31, 2006 increased by €5.5 million compared to December 31, 2005. The change is mainly attributable to the French companies, whose gross inventories increased by €5.9 million. Inventory increases are generally due to planned furniture installations that have not been carried out, following contract gains or renewals.

3.10. Trade and other receivables (net)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
- Trade receivables	523.0	477.1	435.3
Provisions for trade receivables	(28.7)	(31.6)	(30.7)
- Miscellaneous receivables	6.8	17.3	6.7
Provisions for miscellaneous receivables	(0.5)	(1.8)	(2.8)
- Other operating receivables	14.9	17.9	27.1
Provisions for other operating receivables	(0.3)	(2.1)	(0.2)
- Miscellaneous tax receivables	29.8	31.0	27.8
- Receivables from sales of PP&E and intangible assets	0.0	0.0	0.1
- Advance payments	5.7	5.1	5.0
- Prepaid expenses	50.9	59.0	31.9
Total Trade and other receivables	**631.1**	**607.4**	**533.9**
Total Provisions for trade and other receivables	**(29.5)**	**(35.5)**	**(33.7)**
Total	**601.6**	**571.9**	**500.2**

As of December 31, 2006, trade and other receivables increased by €29.7 million, compared to December 31, 2005. This increase is due to the growth in JCDecaux's business activity in the United States, Asia, and Europe.

As of December 31, 2005, the entry of Media Partners International Holdings Inc. and MediaNation Inc. into the scope of consolidation mainly explains the €71.7 million increase.

Operating receivables are receivables with a maturity of less or equal to one year, except for the €2.4 million in trade receivables for which provisions have been recorded as of December 31, 2006.

3.11. Cash and cash equivalents

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Cash	115.2	113.3	50.0
Cash equivalents	4.6	1.4	2.7
Total	**119.8**	**114.7**	**52.7**

As of December 31, 2006, the Group had €119.8 million in available cash, of which €4.6 million was invested in short-term investments and €10.2 million was invested in guarantees mainly:

- to cover future investments of a contract in China for €5.3 million;
- for bank loans granted to subsidiaries based in continental China for €2.4 million.

3.12. Tax receivable and payable

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Tax receivable	9.2	3.9	2.3
Tax payable	(29.8)	(30.8)	(26.2)
Total	**(20.6)**	**(26.9)**	**(23.9)**

3.13. Net deferred taxes

3.13.1. Deferred taxes recorded

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Deferred tax assets	7.2	12.5	7.2
Deferred tax liabilities	(105.6)	(103.0)	(78.8)
Total	**(98.4)**	**(90.5)**	**(71.6)**

Net deferred tax liabilities increased by €7.9 million between 2005 and 2006, primarily attributable to the United Kingdom for €5.5 million, the United States for €1.8 million and, Croatia for €1.6 million.

This was offset by a decrease of €2.5 million in China.

Breakdown of deferred taxes:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
PP&E and intangible assets	(119.8)	(117.6)	(94.6)
Tax losses carried forward	12.9	17.7	19.6
Dismantling provision	9.8	8.8	5.9
Other	(1.3)	0.6	(2.5)
Total	**(98.4)**	**(90.5)**	**(71.6)**

3.13.2. Unrecognized deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that have not been recognized amounted to €31.3 million as of December 31, 2006 compared to €29.5 million as of December 31, 2005 and €25.4 million as of December 31, 2004.

3.14. Equity

Breakdown of share capital

As of December 31, 2006, share capital amounted to €3,380,029.81 divided into 221,715,260 shares of the same category and fully paid up. At the time of conversion of share capital into euros, in June 2000, the reference to a par value in our by-laws was eliminated.

Reconciliation of the number of outstanding shares as of January 1, 2006 and December 31, 2006:

Number of outstanding shares as of 01/01/2006	220,825,551
Shares issued following the exercise of options	889,709
Number of outstanding shares as of 12/31/2006	**221,715,260**

As of December 31, 2006, the Group did not hold any treasury shares.

Delegations of authority to increase share capital granted by the General Meeting of Shareholders to the Executive Board are as follows:

Date of Shareholders' Meeting	Authority granted to the Executive Board
May 11, 2005	- Perform a capital increase on one or more occasions by issuing – with preferential subscription rights attached – shares (with the exception of preferred shares) and/or securities giving access to shares of JCDecaux SA and/or securities granting access to debt, up to a maximum aggregate nominal amount of €2,000,000 and determine the terms and conditions thereof. This authority was granted for 26 months. The same authority was granted providing for elimination of the preferential subscription right. - Issue shares without preferential subscription rights up to an amount equal to 10% of the share capital, in consideration of contributions to capital consisting of shares or securities convertible into shares, this authority to remain in effect for 26 months. - Perform a capital increase on one or more occasions by capitalizing premiums, reserves, or earnings up to a maximum nominal amount of €2,000,000, this authority to remain in effect for 26 months. - Increase the number of shares to be issued (over-allotment option) in connection with a share capital increase, with or without preferential subscription rights, at the same price as the initial issue, this authority to remain in effect for 26 months. - Perform a capital increase, on one or more occasions, up to a maximum nominal amount of €20,000, by issuing shares or securities convertible into shares reserved to employees of JCDecaux SA and its subsidiaries, this authority to remain in effect for 26 months. - Grant stock options of JCDecaux SA to some or all employees or officers of the Group and up to a total of 4% of the share capital, this authority to remain in effect for 26 months and to supersede the authority granted at the Extraordinary General Meeting of Shareholders held on May 23, 2002. - Make grants of shares issued and outstanding or to be issued, without consideration, to employees or officers of the Group, or some of them, up to an amount equal to 0.5% of the share capital, this authority to remain in effect for 26 months.

In addition, following the Combined General Meeting of Shareholders held on May 10, 2006, the Executive Board received the authorization to:

- to buy back JCDecaux SA shares on the market for up to €30 per share for a total maximum amount of €662,476,650, this authority to remain in effect for 18 months;
- decrease share capital by the cancellation of treasury shares, also for a period of 18 months.

3.15. Provisions

Provisions break down as follows:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Provisions for retirement and other benefits	30.4	26.2	23.5
Provisions for contingencies and losses	153.3	141.5	138.8
Total	**183.7**	**167.7**	**162.3**

Change in provisions for contingencies and losses

In million euros	12/31/2005 Restated	Charges	Discount	Reversals Used	Reversals Not used	Reclassifi-cations	Translation adjustments	Change in scope	12/31/2006
Provisions for dismantling costs	113.3	14.7	5.9	(9.0)	(6.3)		(1.1)	5.3	122.8
Provisions for retirement and other benefits	26.2	4.5	0.1	(0.2)	(0.3)		0.1		30.4
Provisions for litigation	7.2	4.2		(1.0)	(0.2)				10.2
Other provisions	21.0	9.0		(4.7)	(4.4)	(0.3)	(0.3)		20.3
Total	**167.7**	**32.4**	**6.0**	(14.9)	(11.2)	**(0.3)**	**(1.3)**	**5.3**	**183.7**

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

Provisions for litigation amounted to €10.2 million as of December 31, 2006. All Group litigation has been reviewed by the Group's Legal Department. Risks related to litigation have been evaluated on a case-by-case basis depending on plaintiff claims, opinions of Group's legal consultants and any lower court decisions.

Provisions for contingencies and losses increased by €16.0 million for the year, primarily because of a €9.5 million increase in provisions for dismantling costs, of which €6.0 million involved Germany and the acquisition of VVR-Berek.

Reversals of unused provisions for the year amounted to €11.2 million. Provisions for dismantling costs contributed in the amount of €6.3 million.

Litigation

The Group is regularly involved in legal proceedings within the normal course of its business. These business activities often involve contracts with municipalities and public authorities in France and elsewhere that might create a context where litigation becomes a sensitive issue.

The principal legal proceedings currently ongoing that involve the Group and for which necessary provisions have been set aside are the following:

In France:

- Avenir is in litigation with a service provider that is claiming approximately €4 million following the cancellation of a sub-contracting agreement for the assembly of advertising media. In 2004, a lower court ordered Avenir to pay €200,000. The decision was appealed.
- Due to a significant decline in advertising installations for 2001, JCDecaux SA was sued by certain suppliers on the grounds of a sudden breach in business relations. As street furniture installations are by nature cyclical and largely non-plannable for the long term, in France and abroad, the company is subject to postponed concession signings, early terminations initiated by local authorities and its own success rate in tender bids. The company is thus a defendant in several suits where it is faulted by suppliers for not having maintained prior order volumes, despite fluctuations in the street furniture installations it was to carry out.
- On June 30, 2005, the French Competition Authority (*Conseil de la Concurrence*) imposed a €10 million fine on five of the Group's French companies (including €6.4 million to JCDecaux SA) in connection with an examination of the injunctions ordered in 1998 and their application. In a ruling dated February 21, 2006, the Paris Court of Appeal set aside the Competition Board's decision and exonerated four of the companies concerned. JCDecaux Mobilier Urbain was ordered to pay a €2 million penalty by the Court of Appeal.
- JCDecaux SA is or has been party to a certain number of administrative procedures it has engaged or procedures incurred by competitors against public authorities, following contract cancellations or decisions to award contracts. Disputes are ongoing over the payability or amount of taxes relating to advertising media.

Abroad:

- In the United States, a supplier of IT solutions for airport advertising is claiming compensation from JCDecaux Airport Inc., invoking the Group's unauthorized use of the IT solutions;
- In Thailand, a competitor has sued JCDecaux Thailand over model counterfeiting and concession violation. An initial legal decision in November 2006 sided with JCDecaux Thailand. A new decision is expected in the second half of 2007.
- In Belgium, a Group subsidiary has initiated a procedure against a municipality following its decision to award a contract to one of the Group's competitors.

- In Spain, following the positive opinion handed down by the Council of State in May 2005, the litigation involving Planigrama group's subsidiary and the City of Madrid, over the performance of an advertising clock contract, was settled in favor of Planigrama, thus ending the lawsuit.

The amount of the provisions established for these cases results from an analysis made under the supervision of the Legal Department of the Group, on the basis of the claims, the defenses, the case law, and the status of the proceedings. The amount of the provisions is not indicated for each case because indicating it might be seriously prejudicial to JCDecaux Group in these litigations.

Contingent assets and liabilities other than litigation
In the absence of a contractual obligation to dismantle billboards, no provision for dismantling costs is recognized in the Group financial statements. However, certain companies (in France, Austria, the United Kingdom) operate large format panels similar to street furniture for which the unitary dismantling cost is material. Accordingly, the overall dismantling cost is estimated at €5.3 million as of December 31, 2006 compared to €4.5 million as of December 31, 2005.

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

The Group's retirement benefits are mainly related to 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 represent €23.8 million at the end of December 2006 compared to €21.7 million at the end of December 2005.

There are two multi-employer defined benefit plans in Sweden (ITP) and in Finland (TEL). These plans have not been subject to an actuarial valuation, insofar as they are national plans for which the necessary information is not available to date.

Provisions are calculated according to the following assumptions:

	2006	2005 Restated	2004 Restated
Discount rate			
Euro Zone	4.4%	4.1%	4.5%
United Kingdom	5.0%	4.7%	5.2%
Australia	5.7%	5.3%	5.9%
Estimated annual rate of increase in future salaries			
Euro Zone	2.5%	2.3%	2.3%
United Kingdom	0.0%	0.0%	1.75%
Australia	5.5%	5.5%	5.0%
Estimated annual rate of increase in post-employment benefits			
Euro Zone	0.0%	0.0%	0.0%
United Kingdom	3.2%	3.0%	3.0%
Australia	0.0%	0.0%	0.0%
Expected return of related plan assets			
Euro Zone	4.9%	4.9%	4.9%
United Kingdom	7.0%	7.0%	7.0%
Australia	N/A	N/A	N/A

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

- **In 2004:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	9.3	46.0	2.6	57.9
Service cost	0.6	1.4	0.2	2.2
Interest cost	0.5	2.6	0.1	3.2
Amendments to plans				0.0
Actuarial gains/losses	0.7	3.7		4.4
Benefits paid	(0.8)	(1.1)	(0.2)	(2.1)
Other (exchange gains/losses)		(0.2)		(0.2)
Benefit obligation at the end of the year	**10.3**	**52.4**	**2.7**	**65.4**
including France	*6.7*	*13.2*	*1.3*	*21.2*
including other countries	*3.6*	*39.2*	*1.4*	*44.2*
Change in plan assets				
Opening balance		27.4		27.4
Actual return on plan assets		1.7		1.7
Actuarial gains/losses		0.5		0.5
Employer contributions		2.1		2.1
Benefits paid		(1.0)		(1.0)
Other (exchange gains/losses)		(0.1)		(0.1)
Fair value of assets at the end of the year		**30.6**		**30.6**
including France		*4.1*		*4.1*
including other countries		*26.5*		*26.5*
Provision				
Funded status	10.3	21.8	2.7	34.8
Unrecognized actuarial gains/losses	(0.6)	(3.2)		(3.8)
Unrecognized past service cost	(1.3)	(3.1)		(4.4)
Assets unrecognized		0.1		0.1
Provision at the end of the year (1)	**8.4**	**15.6**	**2.7**	**26.7**
including France	*4.7*	*5.9*	*1.3*	*11.9*
including other countries	*3.7*	*9.7*	*1.4*	*14.8*
Periodic pension cost				
Service cost	0.6	1.4	0.2	2.2
Interest cost	0.5	2.6	0.1	3.2
Expected return on plan assets		(1.7)		(1.7)
Actuarial gains/losses recognized in the year	0.1			0.1
Past service cost recognized in the year	0.1	0.1		0.2
Other				0.0
Charge for the year	**1.3**	**2.4**	**0.3**	**4.0**
including France	*0.6*	*1.4*	*0.1*	*2.1*
including other countries	*0.7*	*1.0*	*0.2*	*1.9*

(1) The amount of €26.7 million includes €23.5 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.0) million of reimbursement rights relating to the Austrian retirement benefit plan and €4.2 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.

- **In 2005:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	10.3	52.4	2.7	65.4
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.5	2.7	0.1	3.3
Amendments to plans				0.0
Actuarial gains/losses (1)	1.7	7.5	0.3	9.5
Benefits paid	(0.8)	(1.6)	(0.2)	(2.6)
Other (exchange gains/losses)		1.1		1.1
Benefit obligation at the end of the year	**12.3**	**63.7**	**3.2**	**79.2**
including France	*7.8*	*14.8*	*1.4*	*24.0*
including other countries	*4.5*	*48.9*	*1.8*	*55.2*
Change in plan assets				
Opening balance		30.6		30.6
Actual return on plan assets (2)		2.1		2.1
Actuarial gains/losses (3)		3.1		3.1
Employer contributions		2.6		2.6
Benefits paid		(1.6)		(1.6)
Other (exchange gains/losses)		0.7		0.7
Fair value of assets at the end of the year		**37.5**		**37.5**
including France		*4.3*		*4.3*
including other countries		*33.2*		*33.2*
Provision				
Funded status	12.3	26.2	3.2	41.7
Unrecognized actuarial gains/losses	(2.3)	(7.6)		(9.9)
Unrecognized past service cost	(1.3)	(2.9)		(4.2)
Assets unrecognized		0.2		0.2
Provision at the end of the year (4)	**8.7**	**15.9**	**3.2**	**27.8**
including France	*5.2*	*6.9*	*1.4*	*13.5*
including other countries	*3.5*	*9.0*	*1.8*	*14.3*
Periodic pension cost				
Service cost	0.6	1.6	0.3	2.5
Interest cost	0.5	2.7	0.1	3.3
Expected return on plan assets		(2.1)		(2.1)
Actuarial gains/losses recognized in the year			0.3	0.3
Past service cost recognized in the year	0.1	0.2		0.3
Other				0.0
Charge for the year	**1.2**	**2.4**	**0.7**	**4.3**
including France	*0.7*	*1.5*	*0.3*	*2.5*
including other countries	*0.5*	*0.9*	*0.4*	*1.8*

(1) *Including €11.2 million related to changes in assumptions and €(1.7) million related to experience gains and losses.*
(2) *The rates of return on pension funds were determined in each country concerned based on the change in the hedging asset over the last 12 months.*
(3) *Actuarial gains or losses generated by hedging assets are experience gains and losses.*
(4) *The amount of €27.8 million includes €26.2 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.0) million of reimbursement rights relating to the Austrian retirement benefit plan and €2.6 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.*

- **In 2006:**

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Opening balance	12.3	63.7	3.2	79.2
Service cost	0.8	1.7	0.3	2.8
Interest cost	0.5	2.8	0.1	3.4
Amendments to plans				0.0
Actuarial gains/losses (1)	0.7	4.0	(0.2)	4.5
Benefits paid	(0.7)	(1.5)	(0.2)	(2.4)
Other (exchange gains/losses)		1.0		1.0
Benefit obligation at the end of the year	**13.6**	**71.7**	**3.2**	**88.5**
including France	*9.0*	*17.9*	*1.4*	*28.3*
including other countries	*4.6*	*53.8*	*1.8*	*60.2*
Change in plan assets				
Opening balance		37.5		37.5
Actual return on plan assets (2)		2.5		2.5
Actuarial gains/losses (3)		1.5		1.5
Employer contributions		2.7		2.7
Benefits paid		(1.5)		(1.5)
Other (exchange gains/losses)		0.8		0.8
Fair value of assets at the end of the year		**43.5**		**43.5**
including France		*4.5*		*4.5*
including other countries		*39.0*		*39.0*
Provision				
Funded status	13.6	28.2	3.2	45.0
Unrecognized actuarial gains/losses	(2.9)	(8.1)		(11.0)
Unrecognized past service cost	(1.2)	(2.7)		(3.9)
Assets unrecognized				0.0
Provision at the end of the year (4)	**9.5**	**17.4**	**3.2**	**30.1**
including France	*5.9*	*7.8*	*1.4*	*15.1*
including other countries	*3.6*	*9.6*	*1.8*	*15.0*
Periodic pension cost				
Service cost	0.8	1.7	0.3	2.8
Interest cost	0.5	2.8	0.1	3.4
Expected return on plan assets		(2.5)		(2.5)
Actuarial gains/losses recognized in the year	0.1	2.0	(0.2)	1.9
Past service cost recognized in the year	0.1	0.2		0.3
Other		(0.2)		(0.2)
Charge for the year	**1.5**	**4.0**	**0.2**	**5.7**
including France	*0.8*	*1.5*	*0.0*	*2.3*
including other countries	*0.7*	*2.5*	*0.2*	*3.4*

(1) Including €1.9 million related to changes in assumptions and €2.6 million related to experience gains and losses.
(2) The rates of return on pension funds were determined in each country concerned based on the change in the hedging asset over the last 12 months.
(3) Actuarial gains or losses generated by hedging assets are experience gains and losses.
(4) The amount of €30.1 million includes €30.4 million of provisions accrued as a provision in the balance sheet with respect to employee-related commitments, €(1.1) million of reimbursement rights relating to the Austrian retirement benefit plan and €0.8 million included in "other liabilities" and corresponding to a part of the employee benefit obligation in the United Kingdom.

Unrecognized actuarial losses as of December 31, 2006 amount to €11.0 million and are essentially related to the UK fund, and French and Italian companies.

Unrecognized past service cost as of December 31, 2006 amounts to €3.9 million and corresponds to the surplus resulting from application of the new French law ("*loi Fillon*"). The surplus is amortized over the average period until the benefits are vested.

Net movements in retirement and other benefits are as follows:

In million euros	2006	2005 Restated	2004 Restated
January 1	**27.8**	**26.7**	**25.9**
Charge for the year	5.7	4.3	4.0
Translation adjustments	0.2	0.4	(0.1)
Contributions paid	(2.7)	(2.6)	(2.1)
Benefits paid	(0.9)	(1.0)	(1.1)
Other			0.1
December 31	**30.1**	**27.8**	**26.7**

The breakdown of the related plan assets is as follows:

	2006		2005 Restated		2004 Restated	
	In M€	%	In M€	%	In M€	%
Shares	22.2	51%	19.5	52%	19.1	63%
Bonds	16.2	37%	15.3	41%	9.9	32%
Real Estate	0.5	1%	0.4	1%	0.7	2%
Other	4.6	11%	2.3	6%	0.9	3%
Total	**43.5**	**100%**	**37.5**	**100%**	**30.6**	**100%**

Future contributions to hedging assets for fiscal year 2007 are estimated at €2.1 million.

3.16. Net financial debt

In million euros		12/31/2006 Current portion	12/31/2006 Non-current portion	12/31/2006 Total	12/31/2005 Restated Current portion	12/31/2005 Restated Non-current portion	12/31/2005 Restated Total	12/31/2004 Restated Current portion	12/31/2004 Restated Non-current portion	12/31/2004 Restated Total
Bonds			368.2	368.2		377.0	377.0		367.8	367.8
Banks borrowings		28.5	383.6	412.1	38.3	259.0	297.3	18.7	98.8	117.5
Miscellaneous facilities and other financial debt		2.4	21.5	23.9	2.0	8.9	10.9	0.2	7.4	7.6
Finance lease liabilities		2.8	9.3	12.1	3.1	9.6	12.7	2.3	9.1	11.4
Accrued interests		4.0		4.0	2.9		2.9	2.7		2.7
Economic financial debt	**(1)**	**37.7**	**782.6**	**820.3**	**46.3**	**654.5**	**700.8**	**23.9**	**483.1**	**507.0**
Impact of amortized cost			(2.3)	(2.3)		(2.3)	(2.3)		(1.7)	(1.7)
Impact of fair value hedge			(34.3)	(34.3)		(20.5)	(20.5)		(34.0)	(34.0)
IAS 39 remeasurement	**(2)**	**0.0**	**(36.6)**	**(36.6)**	**0.0**	**(22.8)**	**(22.8)**	**0.0**	**(35.7)**	**(35.7)**
Gross balance sheet financial debt	**(3)=(1)+(2)**	**37.7**	**746.0**	**783.7**	**46.3**	**631.7**	**678.0**	**23.9**	**447.4**	**471.3**
Financial derivatives (assets)		(4.3)	(2.5)	(6.8)		(0.3)	(0.3)		(0.7)	(0.7)
Financial derivatives (liabilities)			34.6	34.6	1.1	20.3	21.4	1.0	35.5	36.5
Hedging financial instruments	**(4)**	**(4.3)**	**32.1**	**27.8**	**1.1**	**20.0**	**21.1**	**1.0**	**34.8**	**35.8**
Cash and cash equivalents		119.8		119.8	114.7		114.7	52.7		52.7
Overdrafts		(24.2)		(24.2)	(17.0)		(17.0)	(14.6)		(14.6)
Net cash	**(5)**	**95.6**	**0.0**	**95.6**	**97.7**	**0.0**	**97.7**	**38.1**	**0.0**	**38.1**
Restatement of the loans granted to the proportionately consolidated companies	**(6)**	**18.3**	**2.6**	**20.9**	**0.0**	**6.9**	**6.9**	**0.0**	**2.4**	**2.4**
Net financial debt (excluding minority interest purchase commitments)	**(7)=(3)+(4) -(5)-(6)**	**(80.5)**	**775.5**	**695.0**	**(50.3)**	**644.8**	**594.5**	**(13.2)**	**479.8**	**466.6**

From an economic point of view, the Group judges that it is more relevant to comment the changes in the financial debt based on its repayment value rather than on its book value. In this purpose, "economic" financial debt is defined as the financial debt after cancellation of fair value due to hedging and amortized cost adjustments (resulting from the application of IAS 39).

The net financial debt is restated of the loans granted to the proportionately consolidated companies when their funding is shared between the different shareholders. The debt on commitments to purchase minority interests is recorded separately and therefore is not included in financial debt, as broken down in Note 3.17.

Financial derivatives and debt characteristics before and after hedging are described in Note 3.18.

In 2006, the Group increased its financing capacity through:

- the renegotiation of the committed revolving credit facility increasing the amount of the facility from €540 million to €850 million. Thanks to the improvement of market conditions, the Group has extended the maturity of the facility and reduced the margin;
- the implementation of a new banking facility of €75 million with a 5-year maturity.

The Group's main financial debts are held by JCDecaux SA, the drawn amount being as follows as of December 31, 2006:

In million euros	Economic value	Carrying amount	Market value (1)	Issuing date	Maturity date
US private placement	368.2	332.5	338.3	April 2003	between April 2010 and April 2015
Committed revolving credit facility	280.0	279.1	280.0	March 2005 amended in June 2006	June 2011 with 2 options of extension of 1 year each
Bank loans	75.0	75.0	75.0	October 2006	October 2011
Total	**723.2**	**686.6**	**693.3**		

(1) *The US Private Placement (USPP) was revalued at market value. However, given that the revolving credit facility and the bank facility were renegotiated or implemented in 2006, the Group has considered that the value stated in its books was close to the market value.*
The Group's financial debt is not quoted on an active market, and the values mentioned here have been computed based notably on information communicated by banks. The use of different assumptions or valuation methods could result in values that could vary from those mentioned.

These sources of funding held by JCDecaux SA are committed, but they require compliance with various restrictive covenants. As of December 31, 2006, the Group was compliant with all covenants, with values significantly distant from required limits.

The average effective rate of these debts after interest rate hedging is around 4% for the year 2006.

Financial debt also includes:

- bank loans held by JCDecaux SA's direct and indirect subsidiaries, for a total amount of €57.1 million;
- finance lease liabilities for €12.1 million described in the final section of this paragraph;
- miscellaneous facilities and other financial debt for €23.9 million, comprising shareholder loans held by subsidiaries not wholly owned by JCDecaux SA and granted by the other shareholders of such entities;
- accrued interests for €4.0 million.

In addition, the Group has a total of €570 million available committed credit facilities as of December 31, 2006 (available amount of the committed revolving credit line).

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Less than one year	37.7	46.3	23.9
More than one year and less than 5 years	486.0	124.8	99.1
More than 5 years	296.6	529.7	384.0
Total	**820.3**	**700.8**	**507.0**

Breakdown of financial debt by currency

Breakdown of debt by currency (before basis and currency swaps)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Euro	548.3	406.5	249.4
US dollar	219.6	228.4	218.5
Chinese yuan	12.3	19.3	0.0
Hong Kong dollar	0.0	10.3	0.0
Danish krone	5.9	9.1	12.3
Chilean peso	5.8	6.1	4.8
Norwegian krone	0.0	0.0	5.5
Other	28.4	21.1	16.5
Total	**820.3**	**700.8**	**507.0**

Breakdown of debt by currency (after basis and currency swaps)

	12/31/2006		12/31/2005 Restated		12/31/2004 Restated	
In million euros	In M€	In %	In M€	In %	In M€	In %
Euro	490.0	60%	427.0	61%	380.9	75%
Hong Kong dollar	178.8	22%	133.1	19%	0.0	0%
US dollar	73.3	9%	92.3	13%	67.3	13%
Pound Sterling	16.5	2%	0.0	0%	0.0	0%
Thai Bath	12.8	2%	0.0	0%	0.0	0%
Chinese yuan	12.3	1%	19.3	2%	0.0	0%
Norwegian krone	11.8	1%	12.9	2%	11.5	2%
Danish krone	8.9	1%	12.4	2%	16.9	4%
Canadian dollar	7.7	1%	0.0	0%	0.0	0%
Chilean peso	5.8	1%	6.1	1%	4.8	1%
Other	2.4	0%	(2.3)	0%	25.6	5%
Total	**820.3**	**100%**	**700.8**	**100%**	**507.0**	**100%**

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	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Fixed rate	266.0	259.2	254.1
Floating rate	554.3	441.6	252.9
Total	**820.3**	**700.8**	**507.0**

Breakdown of debt by interest rate (after committed and optional interest rate derivatives) – Additional information on hedging is disclosed in Note 3.18

	12/31/2006		12/31/2005 Restated		12/31/2004 Restated	
	In M€	In %	In M€	In %	In M€	In %
Fixed rate	51.4	6%	37.2	5%	44.9	9%
Floating rate hedged with option	175.0	21%	110.0	16%	95.0	19%
Floating rate	593.9	73%	553.6	79%	367.1	72%
Total	**820.3**	**100%**	**700.8**	**100%**	**507.0**	**100%**

Finance lease liabilities

Finance lease liabilities break down as follows:

In million euros	12/31/2006 Minimum future lease payments	Interest	Principal	12/31/2005 Restated Minimum future lease payments	Interest	Principal	12/31/2004 Restated Minimum future lease payments	Interest	Principal
≤ 1 year	3.3	0.5	2.8	3.6	0.5	3.1	3.0	0.7	2.3
> 1 year and ≤ 5 years	8.5	1.1	7.4	8.1	1.1	7.0	7.4	1.5	5.9
> 5 years	1.9	0.0	1.9	2.7	0.1	2.6	3.6	0.4	3.2
Total	**13.7**	**1.6**	**12.1**	**14.4**	**1.7**	**12.7**	**14.0**	**2.6**	**11.4**

3.17. Debt on commitment to purchase minority interests

The debt on commitment to purchase minority interests amounts to €80.5 million as of December 31, 2006, compared to €66.8 million as of December 31, 2005.

The item comprises primarily a purchase commitment given to the partner Progress, for its interest in Gewista, exercisable between January 1, 2009 and December 31, 2009, for a present value on the balance sheet of €66.2 million and for which this partner is also committed not to sell its shares before January 1, 2009.

3.18. Financial derivatives

The Group uses derivatives solely for interest rate and foreign exchange rate hedging purposes. The use of those derivatives primarily concerns JCDecaux SA.

3.18.1. 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 such US dollar funding needs 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 the issuance of its private placement to hedge against the change in fair value of the debt.

As of December 31, 2006, the bond debt is as follows – before and after hedging -:

	Tranche A	Tranche B	Tranche C	Tranche D	Tranche E
Principal amount before hedging	US$100 million	US$100 million	€100 million	US$50 million	€50 million
Maturity date	April 2010	April 2013	April 2013	April 2015	April 2015
Repayment	At maturity	At maturity	At maturity	At maturity	At maturity
Interest rate before hedging	US$ Fixed rate	US$ Fixed rate	EURIBOR rate	US$ Fixed rate	EURIBOR rate
Hedging instrument	Interest rate swap : receiving fixed rate / paying floating rate (LIBOR)	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	US$100 million	€94.8 million	€100 million	€47.4 million	€50 million
Interest rate after hedging	LIBOR rate	EURIBOR rate	EURIBOR rate	EURIBOR rate	EURIBOR rate

These 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 closing date:

In million euros	IAS 39 treatment	Market value as of 12/31/06	Market value as of 12/31/05	Market value as of 12/31/04
Interest rate swap	hedging of changes in fair value of debt relating to changes in interest rate	(6.2)	(5.1)	0.7
Basis swap	hedging of changes in fair value of debt relating to changes in foreign exchange rate	(28.4)	(15.2)	(34.2)
		(34.6)	**(20.3)**	**(33.5)**

3.18.2. Interest rate instruments (excluding financial instruments related to bond issues)

a – Hedging against an increase in short-term euro interest rates of JCDecaux SA's debt indexed to a floating rate (€820.3 million outstanding as of December 31, 2006):

Most of the Group's debt is denominated in euros and indexed to floating rates, and in order to limit the impact of an increase in Euribor rates on its cost of debt, the Group has set up medium-term hedges in the form of caps sometimes funded by sales of caps or floors.

During 2006, €35 million of hedges matured. The Group set up new hedges with a 3-year maturity for €100 million through double strike caps and cap spreads funded by sales of floors.

Accordingly, as of December 31, 2006, the euro positions contracted by the Group are as follows:

- caps purchased for €175 million maturing between 2009 and 2010; these were in the money on December 31, 2006;
- caps sold for €125 million maturing between 2009 and 2010; none was in the money on December 31, 2006;
- floors sold for €100 million maturing in 2009; none was in the money based on a 3-month EURIBOR of 3.725% as of December 31, 2006.

In accordance with the definitions of IAS 39, the effectiveness of these financial instruments in relation to the hedged items is not perfect. The Group currently does not wish to apply hedge accounting to these instruments. Consequently, only the market value of these instruments is recorded on the balance sheet, with changes in fair value recorded in the income statement.

The market values used for this type of derivative are the valuations communicated by first rank banks.

As of December 31, 2006, the market value of these financial instruments amounts to €2.5 million, compared to €0.3 million as of December 31, 2005.

b – Hedging of subsidiary debt:

To hedge bank loans denominated in Danish krones and indexed on floating rates, the Danish subsidiary has set up pay-fixed receive-floating interest rate swaps with an amortizing profile and a final maturity in January 2009. The outstanding amount as of December 31, 2006 is 26.6 million Danish krones (i.e. €3.6 million).

Most of these swaps qualify as cash flow hedges within the meaning of IAS 39.

The market value of these swaps qualified as hedges is therefore presented on the balance sheet and changes in value of the efficient portion are recorded in equity. Changes in value of the portion of these financial instruments that does not qualify as a hedge are recorded in the income statement.

The market values of these derivatives were valued by discounting the future cash flow differential based on zero coupon rates prevailing as of the closing date.

As of December 31, 2006, the market value of these swaps is not significant.

3.18.3. 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. It 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 covers this risk 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 balance sheet.

As of December 31, 2006, the hedging transactions implemented by the Group are as follows (net positions):

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Forward purchases against Euro:			
Australian dollar	9.4	1.9	
Swedish krone	8.2	7.2	
American dollar	4.9		9.0
Singapore dollar	2.6	3.4	3.5
Pound sterling		23.3	
Other			2.2
Forward sales against Euro:			
Hong Kong dollar	178.8	122.9	
Norwegian krone	12.1	12.9	5.9
Pound sterling	11.4		
Thai Bath	8.8		
American dollar		6.1	
Canadian dollar	5.1	5.7	
Czech koruna	4.4	6.2	9.3
Danish krone	3.0	3.4	4.6
Other	1.5	0.5	

As of December 31, 2006, the market value of these financial instruments amounts to €4.3 million compared to €(1.1) million as of December 31, 2005.

3.19. Trade and other payables (current liabilities)

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Trade payables	219.7	195.6	150.9
Tax, employee and other social liabilities	136.2	130.6	128.0
Other operating liabilities	107.0	101.3	104.3
Payables: purchase of fixed assets	12.9	8.8	1.9
Other liabilities	8.0	13.6	6.8
Down payments received	9.2	5.2	4.2
Unearned income	53.1	54.5	39.2
Total	**546.1**	**509.6**	**435.3**

As of December 31, 2006, the €36.5 million marked increase in current liabilities is attributable for €24.1 million to the increase in trade payables, particularly in England, due to the growth in the Senior and Street Furniture business activity.

The trade and other payables have a maturity of less or equal to one year.

4. NOTES TO THE INCOME STATEMENT

4.1. Net operating expenses

In million euros	2006	2005 Restated	2004 Restated
Rents and fees	(621.9)	(542.3)	(492.7)
Other net operating expenses	(391.8)	(349.9)	(321.9)
Taxes and duties	(17.3)	(18.1)	(18.1)
Staff costs	(381.8)	(360.8)	(330.3)
Net provision charge	6.5	9.0	(0.6)
Net depreciation and amortization	(176.4)	(154.8)	(140.6)
Maintenance spare parts	(28.9)	(27.3)	(37.3)
Other operating income and expenses	(2.9)	(1.7)	1.3
Total	**(1,614.5)**	**(1,445.9)**	**(1,340.2)**

Rents and fees

This item includes rents and fees that the Group pays to landlords, public authorities, airports, transport companies and shopping malls.

In 2006, fees paid for the right to advertise total €621.9 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	470.9	320.3	150.6
Rents related to Billboard locations	151.0	122.3	28.7
Total	**621.9**	**442.6**	**179.3**

Variable expenses are determined based on contractual terms and conditions: rents and fees that fluctuate according to revenue levels are considered as variable expenses. Rents and fees that fluctuate according to the number of furniture items or the number of passengers in the case of airports are considered as fixed expenses.

Other net operating expenses

This item includes four principal cost categories:

- Costs incurred in hiring subcontractors to perform some of maintenance operations of the Group;
- Billboard advertising stamp duties;
- Operating lease expenses;
- The fees and operating costs, excluding staff costs, of the different services of the Group.

Operating lease expenses, amounting to €26.3 million in 2006, are fixed expenses.

Research costs and non-capitalized development costs are also included in "Other net operating expenses" and amount to €3.5 million in 2006, compared to €5.0 million in 2005.

Taxes and duties

This item includes taxes and similar charges other than income taxes. The principal taxes recorded under this item are business tax (*taxe professionnelle*) and real estate taxes.

Staff costs

This item includes salaries, benefits, share-based payments and social security including installation and maintenance staff, research and development staff, sales force and administrative staff.

It also covers profit-sharing and investment plans and related expenses for French employees.

Staff costs include:

In million euros	2006	2005 Restated	2004 Restated
Compensation and other benefits	297.8	277.9	253.7
Social security contributions	81.7	78.9	73.1
Share-based payment expenses	2.3	4.0	3.5
Total	**381.8**	**360.8**	**330.3**

Staff costs in respect of post-employment benefits break down as follows:

In million euros	2006	2005 Restated	2004 Restated
Retirement benefits and pensions	5.5	3.6	3.7
Other long-term benefits	0.2	0.7	0.3
Total Provision for retirement and other benefits (1)	**5.7**	**4.3**	**4.0**

(1) Including €4.0 million of expenses related to retirement benefits and pensions and other post-employment benefits included in "Net provision charge" in 2006 against €2.5 million in 2005.

Share-based payment expenses recognized pursuant to IFRS 2 total €2.3 million in 2006 compared to €4.0 million in 2005 and €3.5 million in 2004.

Breakdown of bonus share plan:

	2006 Plan
Grant date	February 3, 2006
Number of beneficiaries	2
Number of bonus shares	25,974
Fair value of bonus shares	€ 19.56

Breakdown of stock option plans:

	2006 Plan	2005 Plan	2004 Plan	2003 Plan	2002 Plan	2001 Plan	2001 Plan	2001 Plan
Grant date	February 20, 2006	March 4, 2005	March 5, 2004	January 16, 2003	December 13, 2002	December 14, 2001	July 20, 2001	June 21, 2001
Vesting date	February 20, 2009	March 4, 2008	March 5, 2007	January 16, 2006	December 13, 2005	December 14, 2004	July 20, 2004	June 21, 2004
Expiry date	February 20, 2013	March 4, 2012	March 5, 2011	January 16, 2010	December 13, 2009	December 14, 2008	July 20, 2008	June 21, 2008
Number of beneficiaries	4	140	120	20	2	49	771	5,540
Number of options	70,758	690,365	678,711	209,546	88,096	340,996	479,024	3,283,684
Exercise price	€ 20.55	€ 19.81	€ 15.29	€ 10.78	€ 10.67	€ 11.12	€ 15.46	€ 16.50

Stock option movements during the period and average exercise price by category of options:

Period	2006	Average exercise price in euros	2005	Average exercise price in euros	2004	Average exercise price in euros
Number of options outstanding at the beginning of the year	**3,898,046**	**16.03**	**3,868,161**	**15.38**	**3,718,177**	**15.46**
Options granted during the period	70,758	20.55	690,365	19.81	678,711	15.29
Options forfeited during the period	78,504	16.73	128,598	16.43	135,818	15.80
Options exercised during the period	889,709	15.79	531,882	16.09	392,909	15.86
Options expired during the period	0	NA	0	NA	0	NA
Number of options outstanding at the end of the period	**3,000,591**	**16.19**	**3,898,046**	**16.03**	**3,868,161**	**15.38**
Number of options exercisable at the end of the period	**2,257,813**	**15.41**	**2,737,031**	**15.33**	**3,044,026**	**15.65**

The average strike price per plan of options exercised during the year was as follows:

Plan	Grant date	Options exercised in 2006	Average exercice price in euros	Options exercised in 2005	Average exercice price in euros	Options exercised in 2004	Average exercice price in euros
2001	June 2001	694,090	21.35	442,172	20.48	279,625	19.71
	July 2001	74,779	22.16	56,891	19.91	82,794	19.34
	December 2001	74,450	21.39	18,847	20.12	27,499	20.99
2002	2002	0	0	0	0	0	0
2003	2003	26,118	21.57	8,843	20.34	2,991	21.49
2004	2004	15,819	21.16	5,129	19.76	0	0
2005	2005	4,453	21.09	0	0	0	0
2006	2006	0	0	0	0	0	0
Total		**889,709**	**21.42**	**531,882**	**20.53**	**392,909**	**19.78**

The residual terms of option plans outstanding as of December 31, 2006, 2005 and 2004 were as follows:

		12/31/2006			12/31/2005			12/31/2004		
Plan	Grant date	In options	Residual term in years	Average strike price in euros	In options	Residual term in years	Average strike price in euros	In options	Residual term in years	Average strike price in euros
2001	June 2001	1,127,964	1.47	16.50	1,864,014	2.47	16.50	2,384,932	3.47	16.50
	July 2001	90,999	1.55	15.46	168,925	2.55	15.46	229,643	3.55	15.46
	December 2001	205,871	1.95	11.12	286,987	2.95	11.12	305,834	3.95	11.12
2002	2002	88,096	2.95	10.67	88,096	3.95	10.67	88,096	4.95	10.67
2003	2003	161,258	3.04	10.78	187,376	4.04	10.78	200,641	5.04	10.78
2004	2004	605,241	4.18	15.29	627,927	5.18	15.29	659,015	6.18	15.29
2005	2005	650,404	5.18	19.81	674,721	6.18	19.81	0		
2006	2006	70,758	6.15	20.55	0			0		
Total		**3,000,591**		**16.19**	**3,898,046**		**16.03**	**3,868,161**		**15.38**

The plans were valued using the Black & Scholes model based on the following assumptions:

	Plan				
Assumptions	**2006**	**2005**	**2004**	**2003**	**2002**
- Price of underlying at date of grant	€20.70	€19.70	€16.19	€11.78	€10.49
- Estimated volatility	29.43%	32.84%	50.00%	50.00%	50.00%
- Risk-free interest rate	3.11%	2.96%	3.61%	3.96%	4.00%
- Estimated option life (in years)	4.5	4.5	7.0	7.0	7.0
- Estimated turnover	0%	5%	2%	2%	2%
- Options fair value	€5.11	€6.21	€9.23	€6.88	€5.86

The estimated option life 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 start point. It was assumed that options will be exercised at the end of their life.

As the Group had more historical data for the valuation of the 2005 and 2006 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 on the issuance of the 2005 and 2006 plans, that the option would be exercised 4.5 years on average after the grant date.

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 net charges for inventory write-down.

Other operating income and expenses
Amounting to €(2.9) million in 2006, the item primarily comprises €(1.4) million in France (expense essentially related to an adjustment following an audit performed by URSSAF, the French social security administration, that was provided for) and €(1.4) million in the United Kingdom.

4.2. Financial result

In million euros	2006	2005 Restated	2004 Restated
Interest income	5.4	6.5	6.2
Interest expenses	(33.7)	(25.7)	(27.0)
Net interest expenses (1)	**(28.3)**	**(19.2)**	**(20.8)**
Dividends	**0.5**	**0.1**	**0.3**
Net foreign exchange gains / (losses)	**(6.2)**	**4.3**	**0.1**
Impact of IAS 39 - foreign exchange	(0.5)	0.6	0.0
Impact of IAS 39 - interest rate	0.0	(0.1)	(0.2)
Variation in fair value of derivatives not qualified as hedges	2.2	1.4	0.9
Amortized cost impact	(0.5)	(1.6)	(1.1)
Impact of IAS 39	**1.2**	**0.3**	**(0.4)**
Discounting charges	**(11.7)**	**(11.8)**	**(8.0)**
Bank guarantee costs	**(0.6)**	**(0.7)**	**(1.5)**
Charge to provisions for financial risks	(2.3)	(2.4)	(2.3)
Reversal of provisions for financial risks	2.9	1.4	1.5
Provisions for financial risks - Net charge	**0.6**	**(1.0)**	**(0.8)**
Proceeds from the sale of financial investments	6.1	0.4	1.7
Expenses on the sale of financial investments	(6.7)	(0.1)	(2.3)
Net income / (loss) on the sale of financial investments	**(0.6)**	**0.3**	**(0.6)**
Other	0.0	0.0	0.1
Other net financial expenses (2)	**(16.8)**	**(8.5)**	**(10.8)**
Financial result (3) = (1)+(2)	**(45.1)**	**(27.7)**	**(31.6)**

The financial result totals €(45.1) million in 2006 compared to €(27.7) million in 2005, representing a decrease of €17.4 million. The financial result in 2006 is mainly comprised of:

- The €(28.3) million net interest expense which increased by €9.1million as a result of the increase in average net debt;
- The €(6.2) million foreign exchange loss mainly attributable to foreign exchange losses on inter-company loans in Hong Kong dollars that were not hedged at inception. Because of the currency decline over the period, the positive net foreign exchange gains posted in 2005 on these unhedged loans became negative in 2006. All loans in Hong Kong dollars from JCDecaux SA to its subsidiaries are now hedged.

4.3. Income tax

Breakdown between deferred and current taxes

In million euros	2006	2005 Restated	2004 Restated
Current taxes	(92.3)	(77.5)	(74.5)
Deferred taxes	0.9	(6.8)	(19.3)
Total	**(91.4)**	**(84.3)**	**(93.8)**

The effective tax rate before impairment of goodwill and the share of net profit of associates, was 36.7% in 2004, 31.0% in 2005 and 31.9% in 2006.

The 2006 deferred tax charge breaks down as follows:

- net deferred tax charge of €(8.2) million,
- reversal of deferred tax asset provisions in the amount of €9.1 million.

Breakdown of deferred tax charge

In million euros	2006	2005 Restated	2004 Restated
Intangible assets and PP&E	4.5	(5.7)	(7.6)
Tax losses carried forward	(4.5)	(4.3)	(11.1)
Dismantling provision	1.1	2.9	0.9
Other	(0.2)	0.3	(1.5)
Total	**0.9**	**(6.8)**	**(19.3)**

Tax proof:

In million euros	2006	2005 Restated	2004 Restated
Consolidated net income	**204.0**	**196.8**	**165.2**
Income tax charge	(91.4)	(84.3)	(93.8)
Consolidated income before tax	**295.4**	**281.1**	**259.0**
Impairment of goodwill	4.0	0.0	3.0
Share of net profit of associates	(12.6)	(9.5)	(6.5)
Expenses related to share-based payments	2.3	4.0	3.5
Financial expenses on liabilities on commitments to purchase minority interests	4.7	6.2	2.7
Parent / Subsidiary tax regime	1.9	1.6	3.6
Non-taxable income	(11.1)	(8.0)	(3.4)
Non-deductible expenses	25.6	24.2	13.7
Miscellaneous	0.0	(0.8)	5.3
Net income before tax subject to the standard tax rate	**310.2**	**298.8**	**280.9**
Weighted Group tax rate	31.52%	32.23%	33.01%
Theoretical tax charge	**(97.8)**	**(96.3)**	**(92.7)**
Deferred tax on unrecognized tax losses	(5.4)	(1.7)	(4.3)
Use of unrecognized prior year tax losses carried forward	2.2	7.0	0.7
Recognition of prior year tax losses carried forward	2.5	6.7	0.0
Other unrecognized deferred tax assets	1.6	0.3	2.8
Miscellaneous (1)	5.5	(0.3)	(0.3)
Income tax calculated	(91.4)	(84.3)	(93.8)
Income tax recorded	**(91.4)**	**(84.3)**	**(93.8)**

(1) In 2006, Spain contributed €5.7 million (€2.4 million reversal of the provision on the dividend tax credit and a €3.3 million reversal of deferred tax liabilities).

4.4. Number of shares for the earnings per share (EPS) / diluted EPS computation

	2006	2005 Restated	2004 Restated
Weighted average number of shares for the purposes of earnings per share	221,427,121	221,129,562	221,411,893
Weighted average number of stock options	3,554,958	3,505,394	4,133,805
Weighted average number of stock options issued at the market price	(2,710,026)	(2,781,163)	(3,736,754)
Weighted average number of shares for the purposes of diluted earnings per share	222,272,053	221,853,793	221,808,944

As of December 31, 2006, the February 20, 2006 stock option plan is excluded from the calculation, since it has an anti-dilutive effect.

4.5. Share of net profit of associates

In million euros	2006	2005 Restated	2004 Restated
Affichage Holding	6.1	3.9	3.9
Bus Focus Ltd (1)	0.7	0.4	
Metrobus	1.6	0.2	
Poad	1.0	0.2	
Stadtreklame Nürnberg GmbH	0.4	0.8	0.7
Wall AG	2.8	4.2	2.3
Wall Holdings Inc. / Wall USA Inc.	(0.5)	(0.2)	(0.4)
BigBoard	0.5		
Total	**12.6**	**9.5**	**6.5**

(1) *Subsidiary of Texon International*

Key income statement items of associates are as follows (1):

		2006		2005 Restated		2004 Restated	
In million euros	% interest 12/31/2006	Net Income	Net Revenues	Net Income	Net Revenues	Net Income	Net Revenues
Switzerland							
Affichage Holding	30%	20.3	212.7	15.5	191.4	14.6	194.3
Germany							
Stadtreklame Nürnberg GmbH	35%	1.1	11.1	2.3	11.5	2.0	11.1
Wall AG	35%	8.0	99.6	7.4	91.1	5.9	82.2
United States of America							
Wall Holdings Inc./Wall USA Inc.	50%	(1.1)	6.2	(0.5)	6.1	(0.9)	4.9
Hong Kong							
Bus Focus Ltd	40%	1.8	4.4	0.7	4.4	NA	NA
Poad	49%	2.0	23.4	0.4	3.3	NA	NA
France							
Metrobus	33%	4.9	149.5	0.6	24.7	NA	NA
Ukraine / Russia							
BigBoard	50%	1.0	17.2	NA	NA	NA	NA

(1) *on a 100% basis restated according to IFRS*

4.6. Impairment of goodwill

Goodwill impairment losses total €4.0 million in 2006, compared to 0 in 2005 and €3.0 million in 2004. The €4.0 million impairment loss in 2006 is analysed in Note 3.3 *Goodwill and other intangible assets*.

4.7. Headcount

In 2006, the Group had 8,140 employees compared to 7,911 employees in 2005.

The Group's share of employees of proportionately consolidated companies is 392 as of December 31, 2006 (included in the above total of 8,140 employees).

The breakdown of employees by function for 2006, 2005 and 2004 is as follows:

	2006	2005	2004
Technical	4,692	4,618	4,351
Sales and marketing	1,701	1,625	1,122
IT and administration	1,198	1,146	949
Contract business relations	455	434	420
Research and development	94	88	91
Total	**8,140**	**7,911**	**6,933**

5. COMMENTS ON THE CASH FLOW STATEMENT

5.1. Cash flows of proportionately consolidated companies

Cash flows of proportionately consolidated companies break down as follows:

- Net cash from operating activities in 2006 was €31.8 million compared to €20.7 million in 2005 and €14.8 million in 2004.
- Net cash used in investing activities was €(34.6) million in 2006 compared to €(17.9) million in 2005 and €(11.4) million in 2004.
- Net cash from financing activities was €13.9 million in 2006 compared to €2.6 million in 2005 and net cash used in financing activities of €(1.6) million in 2004.

5.2. Non-cash transactions

The increase in property, plant and equipment and liabilities related to finance lease contracts amounted to €2.9 million in 2006 compared to €3.9 million in 2005 and €2.2 million in 2004.

6. MARKET RISKS

As a result of its operations, the Group is exposed to different degrees of market risks. 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 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. Direct and indirect subsidiaries are therefore financed, in priority, through inter-company loans made by JCDecaux SA. However, the Group may have external financing for certain subsidiaries, especially (i) where the tax or currency situation is unfavorable (withholding tax, on-shore or off-shore interest rate terms, etc.); (ii) for subsidiaries that are not wholly owned by the Group; (iii) for historical reasons (financings already in place when the subsidiary joined the Group);
- having financing resources available (i) that are diversified, especially to avoid being exclusively dependent on the banking market; (ii) which maturity is in line with the medium and long-term life of its assets; (iii) that are flexible, in order to absorb fluctuations in Group net debt;
- having permanent access to a liquidity reserve in the form of committed, but unused 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, with a stable outlook in both cases.

As of December 31, 2006, balance sheet debt excluding hedging instruments amounts to €783.7 million. After deduction of net cash of €95.6 million and impact of the loans granted to the proportionately consolidated companies of €20.9 million, Group net debt is €667.2 million.

Pursuant to IFRS, this debt balance includes the fair value revaluation of hedged debt and the impact of amortized cost (IAS 39 adjustments). This debt balance should, however, be corrected for these adjustments in order to assess its repayment value. Debts on commitments to purchase minority interests (IAS 32 adjustments) are recorded in a separate line of the balance sheet and are not included in financial debt.

As of December 31, 2006, the "economic" net debt is €695.0 million, representing a debt/equity (Group share) ratio of 36.4%, compared to €594.5 million and a debt/equity (Group share) ratio of 33.3% as of December 31, 2005.

In 2006, in accordance with the financing policy:

- JCDecaux SA:
  - renegotiated its bank credit facilities set up in 2005. The Group increased this bank credit facility from €540 million to €850 million. The Group took advantage of favorable market conditions to extend the debt maturity (five-year maturity with two one-year extension options) and to reduce the margin;
  - implemented a new banking facility of €75 million with a five-year maturity.
- 89% of Group financial debt is carried by JCDecaux SA and has an average maturity of more than five years.
- As of December 31, 2006, the Group has cash of €119.8 million and unused committed credit facilities of €570 million (see Note 3.11 *Cash and cash equivalents*).

JCDecaux SA financing sources are confirmed but they require compliance with a number of covenants. Breach of these covenants could, if conditions are met, trigger early repayment of loans and credit facilities. As of December 31, 2006, the Group was compliant with all covenants. When this document is released, no exceptional event likely to trigger these covenants at March 31, 2007 occurred.

Interest rate risk

The Group is exposed to interest rate fluctuations as a result of its debt, including, but not limited to, the euro, the Hong Kong dollar and the U.S. 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 strategy to secure primarily floating-rate financing. Hedging operations are mainly centralized at the JCDecaux SA level.

The cost of the JCDecaux SA gross debt after hedging would be impacted over the year 2006 by changes in the EURIBOR rate as follows:

Change in basis points of EURIBOR rates compared to rates as of Dec. 31, 2006	-100bp	+100bp	+200bp	+300bp
Impact in basis points on the cost of gross debt	-88bp	+92bp	+189bp	+285bp

Interest rate hedges totaling €35 million matured during 2006. The Group negotiated new hedges in the form of cap spreads and double strike caps partially funded by sales of floors in the amount of €100 million.

As of December 31, 2006, 6% of total Group gross debt, all currencies combined, was at fixed rates, 21% was hedged against an increase in short-term interest rates in the currencies concerned; 7% of the total Group euro-denominated[2] gross debt was at fixed rates and 36% was hedged against an increase in EURIBOR rates.

Foreign exchange risk

Despite its presence in 48 countries, the Group is relatively immune to currency fluctuations, 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 currency of financial statements of the Group is the euro, these Group financial statements are affected by the conversion into euro of financial statements denominated in local currencies. In 2006, revenues realized in currencies other than the euro accounted for 42.1% of Group revenues.

In 2006, the Group mainly implemented 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) the loan amount is limited;
- the Group implemented swaps covering the full term of operations, for the portion of its long-term debt denominated in US dollars[2] not used to finance the current expansion of activities in the United States.

As of December 31, 2006, the Group considers that its financial position and earnings would not be materially affected by exchange rate fluctuations.

Management of excess cash positions

As of December 31, 2006, the Group excess cash position totals €119.8 million, spread across more than 40 countries.

Out of the total amount of €119.8 million, €4.6 million is invested in short-term investments and €10.2 million is used as guarantees.

Management of capital and the debt/equity (Group share) ratio

The Group is not subject to any externally imposed capital requirement.

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[1] *Euro-denominated debt after adjustment for currency swaps and issue swaps*

[2] *Private placement issued in the United States in 2003*

The Group financial policy is to optimize the debt/equity (Group share) balance. As part of that objective, the Group aims – unless in the case of any exceptional acquisition - to maintain debt within a range of 2 to 2.5 times its operating margin, which would result in a net debt/total equity (Group share) ratio of 55% to 70%.

Net debt refers to net financial debt as disclosed in the Note 3.16 *Net financial debt* (excluding debt on commitments to purchase minority interests). Total equity (Group share) corresponds to the equity disclosed in the balance sheet adjusted by IAS 39 items (cash flow hedges and financial investments available for sale).

As of December 31, 2006, those ratios amount respectively to 1.3% and 36.4%.

6.2. Risks related to financial management

Risks related to interest rate and foreign exchange derivatives
The Group does not use derivatives except for hedging 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. 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.

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 (i) by minimizing excess cash flows within the Group through the internal recycling strategy, with the remaining counterparty risk being managed by authorizing the opening of bank accounts with first rate banks only and (ii) by entering into these financial transactions also with first rate banks only.

Risk related to portfolio securities
To earn a return on excess cash position, the Group occasionally invests in short tem investments. The investments acquired consist of money market securities (mutual funds and money-market SICAV funds that are not sensitive; certificates of deposits issued by first rate banks; short-term government securities etc.). These instruments are acquired on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk, as indicated above.

Group strategy 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.

7. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

7.1. Security and other commitments

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Commitments given (1)			
Business guarantees	68.7	66.9	59.5
Other guarantees	4.1	4.4	7.5
Pledges, mortgages and collateral	10.2	22.9	2.1
Commitments on securities	126.3	66.5	72.5
Total	**209.3**	**160.7**	**141.6**
Commitments received			
Guarantees	1.1	3.1	2.7
Commitments on securities	101.6	42.0	46.9
Credit facilities	570.0	310.0	600.0
Total	**672.7**	**355.1**	**649.6**

(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 granted mainly by JCDecaux SA: (i) covering payments under building lease agreements, and car rentals of its subsidiaries; (ii) as counter-guarantees for guarantee lines granted by banks to subsidiaries; (iii) covering payments related to financial debt of non-consolidated subsidiaries or equity associates; (iv) covering payments related to financial debts of proportionately consolidated companies when the guarantee amount exceeds the Group's percentage of interest.

The "pledges, mortgages and collateral" mainly comprise amounts of cash given in guarantees. A breakdown is provided in Note 3.11 *Cash and cash equivalents*.

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, 2006, commitments on securities given in favor of different partners comprise the following options:

- A call option with the following exercise period: December 1, 2008 to December 31, 2008. This option concerns the Group's 35% interest in the Wall Group. The exercise price will be at least €66.6 million. The contractual calculation formula values this commitment at approximately €68 million as of December 31, 2006. The agreement signed on March 8, 2007 as described in Note 12 *Subsequent events* puts an end to this call option.
- Additional consideration of €0.8 million which can be claimed up to December 14, 2007 if the Group acquires over 50% of the share capital of Wall Group.
- Regarding the 34% interest held by the Group's partner Publicis in Somupi, two put options have been granted:
  - the first, valid from September 15, 2005 to March 31, 2014, will be exercisable only in the event of a change in the control of JCDecaux Group. The exercise price will be determined in accordance with a contractual calculation formula;
  - the second, valid from April 1, 2014 is exercisable in the event that JCDecaux Group wishes to transfer its entire interest to a third party. The exercise price will be determined in good faith by the parties or by an expert.
- A call option with the 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 €58 million as of December 31, 2006.

Furthermore, the Group is committed to sell, in 2009, a 12.5% interest in AQMI for a consideration of €1.3 million.

As of December 31, 2006, commitments on securities received by the Group comprise the following options:

- A put option exercisable from December 1, 2008 to December 31, 2008. The option concerns the Group's 35% interest in the Wall Group. The exercise price will be at least €44 million for a 23.88% interest. The contractual calculation formula values this commitment at approximately €46 million. The contractual calculation formula values the commitment regarding the additional 11.12% interest at approximately €22 million.
- Regarding the 33% interest in the Metrobus Group, three put options have been received:
  - the first, valid from September 15, 2005 to March 31, 2014 can only be exercised in the event of change in the control of Publicis Group. Its exercise price will be determined in accordance with the contractual calculation formula,
  - the second, valid from April 1, 2014 to September 30, 2014 can be exercisable if the RATP renews its contract with Metrobus. The exercise price will be determined by investment banks,
  - the last, valid from April 1, 2014 is exercisable in the event that the Publicis Group wishes to transfer its entire interest to a third party. The exercise price will be determined in good faith by the parties or by an expert.
- A call option exercisable from April 15, 2009 to May 15, 2009. The option covers a capital increase subscription in the BigBoard Group, increasing JCDecaux's control from 40% to 50%.
- A call option with the two exercise periods: from April 1, 2011 to September 30, 2011 or from June 1, 2011 to November 30, 2011. This option concerns our partner's 50% interest in the BigBoard Group. The contractual calculation formula values this commitment at approximately €58 million as of December 31, 2006.

Lastly, the Group benefits from pre-emptive rights under certain partnership agreements, which are not considered as commitments given or received.

Credit facilities comprise the confirmed revolving credit line secured in March 2005 and renegotiated in 2006 of €850 million. As of December 31, 2006, €570 million of this credit line was not drawn.

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, etc.).

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	338.9	1,058.4	1,152.5	2,549.8
Rents related to Billboard locations	84.9	119.6	30.3	234.8
Operating leases	22.4	48.0	14.8	85.2
Total	**446.2**	**1,226.0**	**1,197.6**	**2,869.8**

(1) *until 2031.*

7.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets total €230.1 million and €0.3 million respectively as of December 31, 2006.

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 3.15 *Provisions*.

8. SEGMENT REPORTING

Pursuant to IAS 14 *Segment Reporting*, primary segment information is reported by line of business and secondary segment information is reported by geographical area. This distinction is based on the internal organization systems and management structure of the Group. The primary segment information reflects the three business models suitable for each of the three lines of business.

8.1. By line of business

Definition of business segments

Street Furniture
The Street Furniture line of business covers, in general, the advertising agreements relating to public property entered into with cities and local authorities. It also includes advertising in shopping malls, 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 line of business covers advertising in public transport systems, including airports, subways, buses, tramways and trains.

Billboard
The Billboard line of business covers advertising on private property, including both traditional billboards and back-light billboards. It also includes neon-type activity.

Transactions between business lines
Transfer prices between business lines are equal to prices determined on an arm's length basis, as in transactions with third parties.

The breakdown of the 2006 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	984.1	507.7	454.6	0.0	1,946.4
- inter-segment revenues	21.1	1.2	13.4	(35.7)	0.0
Total	**1,005.2**	**508.9**	**468.0**	**(35.7)**	**1,946.4**
Operating margin	**407.8**	**52.9**	**72.9**	**0.0**	**533.6**
EBIT	**256.9**	**33.3**	**41.7**	**0.0**	**331.9**
Impairment of goodwill	(4.0)				(4.0)
Segment profit/loss	**252.9**	**33.3**	**41.7**	**0.0**	**327.9**
Financial result					(45.1)
Income tax					(91.4)
Share of net profit of associates	3.4	1.6	7.6		12.6
Consolidated net income					**204.0**
Segment assets	1,674.4	612.3	962.0	(75.7)	3,173.0
Investments in associates	83.9	18.5	197.2		299.6
Financial investments					8.3
Other financial investments					38.8
Financial derivatives					6.8
Cash and cash equivalents					119.8
Tax assets					16.4
Total assets					**3,662.7**
Segment liabilities	450.7	168.1	195.4	(75.7)	738.5
Balance sheet financial debt					783.7
Debt on commitment to purchase minority interests					80.5
Financial derivatives					34.6
Bank overdrafts					24.2
Tax liabilities					135.4
Total equity					1,865.8
Total liabilities and equity					**3,662.7**
Acquisitions of intangible assets and PP&E (1)	138.0	9.2	27.9		175.1
Depreciation and amortization (2)	127.9	20.0	28.5		176.4
Non-cash expenses other than depreciation and amortization	(4.3)	(2.0)	0.6		(5.7)

(1) *excluding sales of intangible assets and PP&E*

(2) *including impairment losses on intangible assets and PP&E*

The breakdown of the 2005 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	925.3	391.6	428.3	0.0	1,745.2
- inter-segment revenues	24.9	3.6	10.3	(38.8)	0.0
Total	**950.2**	**395.2**	**438.6**	**(38.8)**	**1,745.2**
Operating margin	**384.4**	**31.1**	**58.6**	**0.0**	**474.1**
EBIT	**251.9**	**16.9**	**30.5**	**0.0**	**299.3**
Impairment of goodwill					0.0
Segment profit/loss	**251.9**	**16.9**	**30.5**	**0.0**	**299.3**
Financial result					(27.7)
Income tax					(84.3)
Share of net profit of associates	5.2	0.2	4.1		9.5
Consolidated net income					**196.8**
Segment assets	1,541.9	604.8	885.2	(70.4)	2,961.5
Investments in associates	83.9	18.2	130.9		233.0
Financial investments					6.3
Other financial investments					25.0
Financial derivatives					0.3
Cash and cash equivalents					114.7
Tax assets					16.4
Total assets					**3,357.2**
Segment liabilities	423.1	151.0	182.6	(70.4)	686.3
Balance sheet financial debt					678.0
Debt on commitment to purchase minority interests					66.8
Financial derivatives					21.4
Bank overdrafts					17.0
Tax liabilities					133.8
Total equity					1,753.9
Total liabilities and equity					**3,357.2**
Acquisitions of intangible assets and PP&E (1)	111.8	7.8	28.7		148.3
Depreciation and amortization (2)	113.2	15.0	26.6		154.8
Non-cash expenses other than depreciation and amortization	(7.1)	0.4	(0.2)		(6.9)

(1) excluding sales of intangible assets and PP&E

(2) including impairment losses on intangible assets and PP&E

The breakdown of the 2004 segment reporting by line of business is as follows:

In million euros	Street Furniture	Transport	Billboard	Eliminations	Total
Net revenues					
- to third parties	882.0	312.7	432.6	0.0	1,627.3
- inter-segment revenues	21.7	1.3	8.0	(31.0)	0.0
Total	**903.7**	**314.0**	**440.6**	**(31.0)**	**1,627.3**
Operating margin	**385.6**	**20.5**	**58.2**	**0.0**	**464.3**
EBIT	**243.7**	**13.6**	**29.8**	**0.0**	**287.1**
Impairment of goodwill	(2.9)	0.0	(0.1)	0.0	(3.0)
Segment profit/loss	**240.8**	**13.6**	**29.7**	**0.0**	**284.1**
Financial result					(31.6)
Income tax					(93.8)
Share of net profit of associates	2.6		3.9		6.5
Consolidated net income					**165.2**
Segment assets	1,430.7	352.0	902.4	(110.9)	2,574.2
Investments in associates	80.0		129.7		209.7
Financial investments					6.9
Other financial investments					17.6
Financial derivatives					0.7
Cash and cash equivalents					52.7
Tax assets					9.5
Total assets					**2,871.3**
Segment liabilities	387.4	123.8	199.8	(110.9)	600.1
Balance sheet financial debt					471.3
Debt on commitment to purchase minority interests					60.0
Financial derivatives					36.5
Bank overdrafts					14.6
Tax liabilities					105.0
Total equity					1,583.8
Total liabilities and equity					**2,871.3**
Acquisitions of intangible assets and PP&E (1)	108.8	5.9	36.5		151.2
Depreciation and amortization (2)	104.3	8.3	28.0		140.6
Non-cash expenses other than depreciation and amortization	16.8	(1.3)	3.3		18.8

(1) excluding sales of intangible assets and PP&E
(2) including impairment losses on intangible assets and PP&E

8.2. By geographical area

The 2006 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	580.4	265.3	692.7	140.7	251.9	15.4		1,946.4
Segment assets	821.6	429.9	1,275.2	138.6	236.5	14.8	(50.1)	2,866.5
Unallocated assets								306.5
Acquisitions of intangible assets and PP&E (1)	78.7	17.6	58.4	5.4	13.6	1.4		175.1

(1) excluding sales of intangible assets and PP&E

Unallocated assets of €306.5 million comprise goodwill of the Transport business line not allocated by geographical area. Global coverage is a key success factor in the Transport business line from both a commercial point of view and with regards to securing the renewal of contracts. As such, Transport goodwill is not allocated to a specific geographical area. This also applies to impairment tests.

The 2005 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net revenues	555.0	258.5	637.4	110.9	172.7	10.7		1,745.2
Segment assets	784.4	389.4	1,123.2	146.5	233.7	15.6	(46.9)	2,645.9
Unallocated assets								315.6
Acquisitions of intangible assets and PP&E (1)	62.0	13.2	57.5	9.2	6.1	0.3		148.3

(1) excluding sales of intangible assets and PP&E

Unallocated assets of €315.6 million comprise goodwill of the Transport business line not allocated by geographical area.

The 2004 segment reporting by geographical area breaks down as follows:

In million euros	France	United Kingdom	Rest of Europe	North America	Pacific-Asia	Rest of the world	Eliminations	Total
Net Revenues	559.8	245.0	612.3	99.7	103.0	7.5		1,627.3
Segment assets	740.2	387.6	1,070.5	107.6	71.3	15.4	(38.0)	2,354.6
Unallocated assets								219.6
Acquisitions of intangible assets and PP&E (1)	54.4	15.3	58.3	15.4	7.2	0.6		151.2

(1) excluding sales of intangible assets and PP&E

Unallocated assets of €219.6 million comprise goodwill of the Transport business line not allocated by geographical area.

9. RELATED PARTIES

9.1. Related party transactions

Loans granted to related parties as of December 31, 2006 totaled €29.7 million, including a loan of €14.0 million to Europlakat International Werbe GmbH located in Austria, a loan of €7.4 million to Wall USA Inc. and a loan of €2.7 million to CBS Outdoor JCDecaux Street Furniture Canada Ltd.

Borrowings secured from related parties as of December 31, 2006 totaled €16.2 million, including €14.0 million from Affichage Holding located in Switzerland and €1.7 million from DSM Decaux GmbH in Germany.

Liabilities to related parties as of December 31, 2006 totaled €7.3 million, including €4.1 million towards Shanghai Metro Advertising Corp. in China, and €1.5 million towards Dopravni Podnik in the Czech Republic.

Receivables on the related parties as of December 31, 2006 totaled €9.8 million, including €5.8 million with IGP Decaux Spa in Italy.

Income realized with related parties totaled €17.4 million in 2006, including €7.9 million realized with IGP Decaux Spa in Italy.

Purchases from related parties totaled €28.8 million in 2006, including €10.7 million of rent charges with the companies SCI Clé Saint Pierre and Troisjean in France, Belgium, Spain and the United Kingdom, €7.1 million of rents and fees with Shanghai Metro Advertising Corp. in China and €3.0 million with Dopravni Podnik in the Czech Republic.

In 2006, financial income realized with related parties totaled €1.3 million and financial expenses totaled €0.4 million.

9.2. Executive officer compensation

Compensation paid to members of the Executive Board breaks down as follows:

In million euros	2006	2005	2004
Short-term benefits	6.8	7.0	7.1
Life insurance/special pension	0.3	0.3	0.2
Share-based payments	0.8	0.7	0.8
Total	**7.9**	**8.0**	**8.1**

In addition, three of the five members of the Executive Board will receive end-of-career bonuses, under the terms of which compensation of up to one to two years' salary would be payable on termination of their employment contract by the Group.

Post-employment benefits booked in the balance sheet amount to €0.4 million as of December 31, 2006 against €0.3 million as of December 31, 2005 and December 31, 2004.

Directors' fees of €0.1 million were paid to members of the Supervisory Board in respect of 2006.

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 as of December 31, 2006, 2005 and 2004, recorded in the consolidated financial statements, is as follows:

In million euros	12/31/2006	12/31/2005 Restated	12/31/2004 Restated
Non-current assets	65.3	41.8	11.3
Current assets	80.8	64.3	41.8
Total Assets	**146.1**	**106.1**	**53.1**
Non-current liabilities	49.8	31.4	14.6
Current liabilities	54.2	41.5	33.5
Total Liabilities (excluding equity)	**104.0**	**72.9**	**48.1**
Equity	**42.1**	**33.2**	**5.0**
including net income	**14.8**	**10.6**	**5.0**
including profits	*154.8*	*111.8*	*92.2*
including losses	*140.0*	*101.2*	*87.2*

The increase in equity of €8.9 million breaks down as follows:

- €3.3 million in respect of MNI Beijing Metro whose consolidation percentage increased from 38% to 90%,
- €2.4 million in respect of changes in equity, notably with respect to the Italian company IGP Decaux,
- €0.5 million in respect to the entry into the scope of the Metropolis Media companies in 2006.

11. SCOPE OF CONSOLIDATION

11.1. Identity of the parent company

As of December 31, 2006, 69.93% of the share capital of JCDecaux SA is held by JCDecaux Holding.

11.2. List of consolidated companies

See following pages.

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
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
GEORG ZACHARIAS GmbH	Germany	50.00	F	50.00
RGS	Germany	25.00	F	50.00
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	Germany	50.00	F	50.00
WALL AG	Germany	35.00	E	35.00
WFA WARTEHALLEN FINANZ AG (1)	Germany	100.00	F	100.00
VVR Decaux GmbH (formerly VVR-BEREK) (2)	Germany	100.00	F	100.00
JCDECAUX UK Ltd (2)	United Kingdom	100.00	F	100.00
JCDECAUX ARGENTINA S.A.	Argentina	99.93	F	99.93
JCDECAUX STREET FURNITURE Pty Ltd	Australia	100.00	F	100.00
JCDECAUX AUSTRALIA Pty Ltd	Australia	100.00	F	100.00
ADBOOTH Pty	Australia	50.00	P	50.00
AQMI GmbH (3)	Austria	29.31	P	50.00
JCDECAUX BELGIUM PUBLICITE SA	Belgium	100.00	F	100.00
ACM SA	Belgium	100.00	F	100.00
JCDECAUX DO BRASIL Ltda	Brazil	100.00	F	100.00
JCDECAUX SALVADOR S.A.	Brazil	100.00	F	100.00
CBS OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd (formerly VIACOM OUTDOOR JCDECAUX STREET FURNITURE CANADA Ltd)	Canada	50.00	P	50.00
JCD P&D Outdoor Advertising Co	China	100.00	F	100.00
MNI CHINA KIOSK DEVELOPMENT Ltd (formerly MNI KIOSK)	China	100.00	F	100.00
BEIJING GEHUA JCD ADVERTISING CO	China	50.00	P	50.00
IPDECAUX, Inc.	Korea	50.00	P	50.00
AFA JCDECAUX A/S (2)	Denmark	50.00	F	50.00
EL MOBILIARIO URBANO S.L.	Spain	100.00	F	100.00
JCDECAUX ATLANTIS S.A.	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
JCDECAUX NORTH AMERICA Inc.	United States	100.00	F	100.00
WALL HOLDINGS Inc. (4)	United States	50.00	E	50.00
JCDECAUX FINLAND Oy	Finland	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
JCDecaux TEXON (2) (5)	Hong Kong	100.00	F	100.00
IWI JCDECAUX TEXON INTERNATIONAL LTD	Hong Kong	100.00	F	100.00
JCDECAUX ADVERTISING INDIA PVT LTD	India	100.00	F	100.00
AFA JCDECAUX ICELAND ehf	Iceland	50.00	F	100.00
MCDECAUX Inc. (6)	Japan	60.00	P	60.00
JCDECAUX LATVIJA SIA (formerly JCDECAUX UNICOM BALTIC SIA)	Latvia	100.00	F	100.00
JCDECAUX LIETUVA UAB (formerly JCDECAUX UNICOM 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 (2)	Macau	80.00	F	80.00
JCDECAUX NEDERLAND BV	The Netherlands	100.00	F	100.00
V.K.M. BV	The Netherlands	100.00	F	100.00
UNIVIER COMMUNICATIONS BV (1)	The Netherlands	100.00	F	100.00
JCDECAUX PORTUGAL Lda	Portugal	100.00	F	100.00
PURBE Lda	Portugal	100.00	F	100.00
JCDECAUX MESTSKY MOBILIAR Spol Sro	Czech Rep.	100.00	F	100.00
ALMA QUATTRO (3)	Serbia	29.31	P	50.00
JCDECAUX SINGAPORE Pte Ltd	Singapore	100.00	F	100.00
JCDECAUX OUT OF HOME ADVERTISING PTE LTD (formerly JCDECAUX PEARL & DEAN Pte Ltd)	Singapore	100.00	F	100.00
JCDECAUX SLOVAKIA Sro	Slovakia	100.00	F	100.00
JCDECAUX SVERIGE AB (2)	Sweden	100.00	F	100.00
JCDECAUX THAÏLAND Co., Ltd (2)	Thailand	95.15	F	95.15
JCDECAUX URUGUAY (7)	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
JCDECAUX AIRPORT UK Ltd	United Kingdom	100.00	F	100.00
INFOSCREEN AUSTRIA GmbH	Austria	67.00	F	100.00
JCDECAUX CHILE S.A.	Chile	100.00	F	100.00
JCD MOMENTUM SHANGHAI ADVERTISING AIRPORT Co Ltd	China	35.00	P	35.00
MNI BUS (2)	China	80.00	F	80.00
MNI SHANGHAI METRO	China	90.00	F	90.00
MNI BEIJING METRO (6)	China	90.00	P	90.00
MPI TRANSPORT (SHANGHAI)	China	100.00	F	100.00
MPI METRO-ADS (SHANGHAI) (6)	China	90.00	P	90.00
MPI METRO-DONGHU (SHANGHAI)	China	70.00	F	70.00
MPI METRO (NANJING)	China	70.00	F	70.00
MPI METRO (GUANGZHOU)	China	32.50	P	32.50
MPI BUS (NANJING)	China	50.00	F	50.00
MPI BUS (CHONGQINQ)	China	100.00	F	100.00
MPI BUS (CHENGDU)	China	50.00	F	50.00
JCDECAUX AIRPORT ESPAÑA S.A.	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
JCDECAUX TRANSPORT FINLAND OY	Finland	100.00	F	100.00
JCDECAUX PEARL & DEAN Ltd	Hong Kong	100.00	F	100.00
MNI HOLDING	Hong Kong	100.00	F	100.00
MPI HOLDING (8)	Hong Kong	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
JCDECAUX OUTDOOR ADVERTISING HK LTD (formerly MPI HONG KONG)	Hong Kong	100.00	F	100.00
JCDECAUX INNOVATE LIMITED (formerly MPI HK - SIGNMAKER)	Hong Kong	100.00	F	100.00
MEDIA PRODUCTION Limited (9)	Hong Kong	100.00	F	100.00
JCDECAUX CHINA HOLDING LTD (10)	Hong Kong	100.00	F	100.00
IGP DECAUX Spa (2)	Italy	32.35	P	32.35
AEROPORTI DI ROMA ADVERTISING Spa	Italy	24.10	P	32.35
JCDECAUX NORGE AS (2)	Norway	97.69	F	100.00
JCDECAUX AIRPORT POLSKA Sp zoo	Poland	100.00	F	100.00
JCDECAUX AIRPORT PORTUGAL S.A.	Portugal	85.00	F	85.00
RENCAR PRAHA AS	Czech Rep.	48.24	F	72.00
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
CESTRIAN IMAGING Ltd (11)	United Kingdom	0.00	F	100.00
ALLAM GROUP Ltd	United Kingdom	100.00	F	100.00
GEWISTA WERBEGES.mbH (2)	Austria	67.00	F	67.00
EUROPLAKAT INTERNATIONAL WERBE GmbH	Austria	33.50	P	50.00
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 (formerly USP WERBEGES.mbH)	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
JCDECAUX BILLBOARD (formerly BELGOPOSTER)	Belgium	100.00	F	100.00
AFFICHAGE NOUVEL ESSOR NV	Belgium	61.15	F	61.15
JCDECAUX ARTVERTISING BELGIUM	Belgium	100.00	F	100.00
EUROPLAKAT Doo (BANJA LUKA) (3)	Bosnia	23.45	P	50.00
EUROPLAKAT Doo (SARAJEVO) (3)	Bosnia	23.45	P	50.00
EUROPLAKAT-PROREKLAM Doo (3)	Croatia	17.09	P	50.00
METROPOLIS MEDIA Doo (CROATIA) (3)	Croatia	17.09	P	50.00
JCDECAUX ESPANA SL (2)	Spain	100.00	F	100.00
JCDECAUX PUBLICIDAD LUMINOSA SL	Spain	100.00	F	100.00
POAD	Hong Kong	49.00	E	49.00
AVENIR BUDAPEST Kft (3)	Hungary	18.43	P	50.00
JCDECAUX NEONLIGHT BUDAPEST Kft (3)	Hungary	27.47	P	50.00
EUROPLAKAT Kft (3)	Hungary	22.78	P	50.00
PERON REKLAM Kft (3)	Hungary	5.70	E	25.00
DAVID ALLEN HOLDINGS Ltd (12)	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
JCDECAUX MEDIA Sdn Bhd (formerly JCD Pearl & Dean Media Sdn Bhd)	Malaysia	100.00	F	100.00

COMPANIES	Country	% interest	Consolidation method	% control
MAG INTERNATIONAL BV (3)	The Netherlands	33.50	P	50.00
EUROPOSTER BV	The Netherlands	100.00	F	100.00
JCDECAUX NEONLIGHT Sp zoo	Poland	60.00	F	60.00
RED PORTUGUESA S.A.	Portugal	94.86	F	94.86
PLACA Lda	Portugal	100.00	F	100.00
CENTECO Lda	Portugal	70.00	F	70.00
AUTEDOR Lda	Portugal	51.00	F	51.00
GREEN Lda	Portugal	54.02	F	55.00
RED LITORAL Lda	Portugal	71.14	F	75.00
AVENIR PRAHA	Czech Rep.	90.00	F	90.00
AUSSENW.TSCHECH.-SLOW.BETEILIGUNGS GmbH (13)	Czech Rep.	67.00	F	100.00
EUROPLAKAT Spol Sro	Czech Rep.	67.00	F	100.00
EUROPLAKAT YU Doo (3)	Serbia	33.50	P	50.00
AIR MEDIA (3)	Serbia	29.31	P	50.00
INTERNATIONAL METROPOLIS MEDIA Doo (SERBIA) (3)	Serbia	29.31	P	50.00
ISPA BRATISLAVA Spol Sro	Slovakia	67.00	F	100.00
EUROPLAKAT INTERWERB Spol Sro	Slovakia	67.00	F	100.00
INREKLAM PROGRESS Doo (3)	Slovenia	11.05	P	50.00
PROREKLAM-EUROPLAKAT Doo (3)	Slovenia	11.05	P	50.00
PLAKATIRANJE Doo (3)	Slovenia	11.05	P	50.00
SVETLOBNE VITRINE (3)	Slovenia	11.05	P	50.00
MADISON Doo (3)	Slovenia	11.05	P	50.00
METROPOLIS MEDIA Doo (SLOVENIA) (3)	Slovenia	11.05	P	50.00
AFFICHAGE HOLDING	Switzerland	30.00	E	30.00
BIGBOARD BV (14)	Ukraine/ Russia	50.00	E	40.00

Note: F = *Full consolidation* P = *Proportional consolidation* E = *Equity method*

(1) Company liquidated as at December, 31 2006.

(2) Companies operating on each of the three activities have their data split for the purpose of information by segment activity, but are disclosed depending on their historical activity in this table.

(3) Held by Europlakat International Werbe GmbH, company 50% owned by JCDecaux Group and 50 % by Affichage Holding (consolidated under the equity method).

(4) 50% held by the JCDecaux Group and 50% by Wall AG (consolidated under the equity method).

(5) Including Bus Focus Ltd, company consolidated under the equity method.

(6) The MCDecaux Inc. (Japan), MNI Beijing Metro (China) and MPI Metro-ADS Shanghai (China) companies are consolidated under the proportional method according to the joint management with the partner of the Group.

(7) This company is a representative office of JCDecaux Mobilier Urbain.

(8) MPI Holding includes 13 companies (dormant or holding).

(9) Consolidated company previously included in MNI Holding.

(10) This company has held shares in the MNI and MPI holding companies, formerly held by JCDecaux Pearl & Dean Ltd., since November 2006.

(11) Company deconsolidated as at September 30, 2006.

(12) UK registered company operating in Northern Ireland.

(13) Company registered in Austria and operating in the Czech Republic.

(14) Company incorporated under Dutch law and operating in the Ukraine and Russia.

12. SUBSEQUENT EVENTS

On February 1, 2007, Moody's confirmed the JCDecaux Group's Baa2 rating with a stable outlook.

On February 27, 2007, Somupi, a subsidiary of the JCDecaux Group (66% owned by JCDecaux and 34% owned by Médias and Régies Europe – Publicis Group) entered into a 10-year contract with the City of Paris to provide free bicycle services and street furniture. The conclusion of this contract, which the Mayor of Paris had been authorized to sign, pursuant to the unanimous vote of the Paris City Council on February 12, 2007, is a result of the February 23, 2007 decision of the urgent applications judge of the Paris Administrative Court that rejected Clear Channel's request to cancel the call for tenders relating to this contract.

On March 8, 2007, the JCDecaux Group has strengthened its partnership with the Wall AG Group by signing an agreement pursuant to which (i) the JCDecaux Group transfers its subsidiaries VVR Decaux GmbH and Georg Zacharias to Wall AG and (ii) Wall transfers to the JCDecaux Group 100% of its subsidiaries, Wall Nederland and Wall Russie, and 10% of its subsidiary Wall USA (already 50% held by the JCDecaux Group). This agreement terminates the put option held by Wall on JCDecaux's 35% interest in Wall AG.

During the second half of 2007, in Central Europe, the JCDecaux Group plans to acquire direct control of EPI's subsidiaries in Croatia and Slovenia, with Affichage Holding acquiring direct control of EPI's subsidiaries in Bosnia, Bulgaria, Hungary, Montenegro and Serbia. This rationalization is being conducted with the support of Affichage Holding, JCDecaux Group's partner within EPI.

MANAGEMENT DISCUSSION AND ANALYSIS OF CORPORATE FINANCIAL STATEMENTS

In accordance with Article 148 of the French Decree of March 23, 1967, a table setting forth the Company's financial results for the last five fiscal years is appended hereto.

1. DISCUSSION OF OPERATIONS

In an advertising market that posted a modest recovery but was still characterized by intense competition, the Company pursued its strategy of protecting market share in France and selectively limiting capital expenditures and operating costs.

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 in the administrative, technical, IT, legal, real estate, employee relations and industrial areas for the various JCDecaux Group subsidiaries;
- Investment management.

2. DISCUSSION OF THE FINANCIAL STATEMENTS

2.1. Revenue

Revenue for 2006 stood at €638.7 million, an increase of €55.1 million compared to 2005.

This change reflects the growth in equipment sales for €18.4 million, primarily due to the renewal of contracts in France, and the Milan contract, which generated significant sales with the French and Italian subsidiaries. It was accompanied by an increase in re-invoicing for technical services with respect to the French subsidiaries, particularly for installation services for renewed contracts.

Advertising revenue rose 6.4% or €18.5 million, standing at €305.9 million in 2006. It represented 47.9% of revenue in 2006, compared to 49.2% in 2005.

2.2. Operating expenses

Operating expenses totaled €608.2 million in 2006, compared to €562.6 million in 2005.

The increase is mainly attributable to higher furniture manufacturing costs related to an increase in equipment sales, technical sub-contracting related to installation plans, and fees paid to municipalities for renewed contracts.

Employee-related expenses stood at €127.9 million, compared to €123.2 million in 2005, an increase of 3.8%. The rise is due to a general increase in salaries and premiums and slight growth in the number of employees.

Depreciation, amortization and provisions totaled €27.2 million in 2006, compared to €25.9 million in 2005.

Depreciation and amortization charges decreased by €2.8 million, mainly due to other property, plant and equipment such as vehicles and office equipment whose depreciation schedule had come to an end, and a reduction in deferred charges.

Charges to provisions on current assets increased by €3.1 million, mainly due to charges to provisions for bad debt.

Other expenses increased by €5.0 million in 2006, standing at €10.4 million. The increase primarily concerns fees paid to municipalities.

Non-deductible expenses for income tax purposes, as provided under Article 223 quater of the French Tax Code, amounted to €38,629, generating an estimated tax charge of €13,300.

2.3. Operating income

Operating income posted a profit of €61.4 million in 2006, compared to €48.7 million in 2005.

2.4. Net financial income

Net financial income stood at €62.7 million in 2006, compared to 38.3 million in 2005, for an increase of €24.4 million. The change is primarily explained by:

- The €30.8 million decrease in net change of provisions for long-term investments, primarily related to the impairment of the Affichage Holding securities in 2005;
- €7 million increase in interest cost.

2.5. Non-recurring income

Non-recurring income stood at €3.5 million in 2006, mainly due to the reversal of a provision for foreign operations and employee-related contingencies, compared to a €3.0 million loss in 2005.

It also includes the share transfer to three sub-holding companies created in 2006 and wholly owned by JCDecaux SA. These transfers were realized at the net carrying amount and have no impact on net income for the period.

2.6. Net income

Net income amounted to €114.0 million in 2006, compared to €80.0 million in 2005.

3. RECENT DEVELOPMENTS AND OUTLOOK

Although it remains subject to changes in the economy, advertising revenue should continue to grow in 2007, thanks in particular to the contracts renewed in 2005 and 2006. The equipment supply activity should increase substantially, in line with investment forecasts, which project a rise in the Street Furniture business for France. The activity of JCDecaux SA will be particularly marked by the renewal of the contract between SOMUPI and the City of Paris.

CORPORATE FINANCIAL STATEMENTS AND NOTES

BALANCE SHEET ASSETS

In million euros		2006	2005	2004
Intangible assets	Gross value	46.7	44.1	42.0
	Amortization	(33.8)	(27.6)	(23.9)
	Net value	12.9	16.5	18.1
Property, plant and equipment	Gross value	147.0	144.5	148.4
	Depreciation	(120.6)	(115.2)	(108.7)
	Net value	26.4	29.3	39.7
Long-term investments	Gross value	2,851.7	2,660.9	2,341.7
	Amortization	(58.0)	(66.2)	(29.6)
	Net value	2,793.7	2,594.7	2,312.1
NON-CURRENT ASSETS		**2,833.0**	**2,640.5**	**2,369.9**
Inventories	Gross value	63.7	57.9	55.5
	Provision	(16.5)	(16.6)	(17.3)
	Net value	47.2	41.3	38.2
Trade receivables	Gross value	173.0	199.0	180.0
	Provision	(6.3)	(5.1)	(5.5)
	Net value	166.7	193.9	174.5
Other receivables	Gross value	19.7	22.9	25.2
	Provision	0	(1.8)	(1.8)
	Net value	19.7	21.1	23.4
Miscellaneous	Cash and cash equivalents	3.2	2.4	6.7
Prepaid expenses		6.6	7.0	7.1
CURRENT ASSETS		**243.4**	**265.7**	**249.9**
	Deferred charges	2.2	2.3	3.0
	Unrealized translation losses	11.8	3.5	16.7
TOTAL		**3,090.4**	**2,912.0**	**2,639.5**

BALANCE SHEET LIABILITIES AND EQUITY

In million euros		2006	2005	2004
Share capital		3.4	3.4	3.4
Premium on share issues, mergers and contributions		1,115.0	1,100.9	1,092.5
Reserves		23.3	23.3	25.9
Retained earnings		640.9	649.2	534.0
Net income for the year		114.0	80.0	143.6
Tax-driven provisions		7.7	9.9	9.6
EQUITY		**1,904.3**	**1,866.7**	**1,809.0**
PROVISIONS FOR CONTINGENCIES AND LOSSES		**16.8**	**18.2**	**17.2**
Long-term debt	Other bonds	371.1	379.8	370.2
	Bank borrowings	370.7	239.0	68.4
	Miscellaneous facilities and other financial debt	247.7	239.1	216.4
Operating liabilities	Trade payables and related accounts	66.5	59.8	62.2
	Tax and social security liabilities	66.1	60.7	60.1
Miscellaneous liabilities	Amounts due on non-current assets and related accounts	9.2	16.9	1.3
	Other liabilities	7.7	6.5	9.7
Deferred income		10.0	10.4	8.2
LIABILITIES		**1,149.1**	**1,012.2**	**796.5**
	Unrealized translation gains	20.2	14.9	16.8
TOTAL		**3,090.4**	**2,912.0**	**2,639.5**

INCOME STATEMENT

In million euros	2006	2005	2004
NET REVENUES	**638.7**	**583.6**	**549.6**
Change in inventories of finished goods and work-in-progress	4.3	0.4	(0.8)
Own work capitalized	2.0	2.1	11.9
Reversals of amortization, depreciation, provisions, expense reclassifications	8.3	9.6	6.6
Other revenue	16.3	15.6	15.4
TOTAL OPERATING INCOME	**669.6**	**611.3**	**582.7**
Purchase of raw materials and other supplies	79.0	68.2	59.9
Other purchases and external charges	354.3	331.5	315.8
Taxes and similar charges	9.4	8.5	9.0
Wages and salaries	90.1	86.7	83.7
Employer social security contributions	37.8	36.4	33.4
Amortization, depreciation and provisions	27.2	25.9	38.5
Other charges	10.4	5.4	6.6
TOTAL OPERATING CHARGES	**608.2**	**562.6**	**546.9**
NET OPERATING INCOME	**61.4**	**48.7**	**35.8**
NET FINANCIAL INCOME	**62.7**	**38.3**	**117.2**
CURRENT INCOME BEFORE TAXES	**124.1**	**87.0**	**153.0**
Non-recurring income	880.8	8.3	3.4
Non-recurring charges	877.3	11.4	12.6
NON-RECURRING INCOME/ (CHARGES)	**3.5**	**(3.0)**	**(9.2)**
Employee profit-sharing	0.0	0.0	0.0
Income taxes	13.6	3.9	0.2
NET INCOME	**114.0**	**80.0**	**143.6**

NOTES TO THE CORPORATE FINANCIAL STATEMENTS

The corporate financial statements of JCDecaux SA for the year ended December 31, 2006 were approved by the Executive Board on March 2, 2007 and show revenues of €638.7 million, net income of €114.0 million and total assets of €3,090.4 million.

1. ACCOUNTING POLICIES AND METHODS

1.1. General principles

The corporate financial statements for the twelve-month period ended December 31, 2006 have been prepared in accordance with current legal provisions and regulations and with generally accepted accounting principles:

- going concern
- consistency,
- accrual basis.

The items recorded in the accounts are valued using the historical cost method.

1.2. Main principles used

1.2.1. Non-current assets

Non-current 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 prevailing 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 expensed.

1.2.1.2. Property, plant and equipment

The depreciation methods and periods used are as follows:

▪ Buildings	straight-line - 20 years
▪ Fixtures and fittings in buildings	Straight-line - 5 or 10 years
▪ Technical installations, machinery and equipment	straight-line or declining balance - 5 or 10 years
▪ Transport equipment	straight-line - 4 years
▪ Office and computer equipment	straight-line or declining balance - 3 or 5 years
▪ Furniture	straight-line - 10 years
▪ Street furniture	straight-line 7.25 years or contract term

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 utility value, assessed for each subsidiary, is less than the acquisition cost.

The Company has reviewed the value of assets by comparing it with the value in use resulting from the impairment tests performed for the JCDecaux SA Group consolidated financial statements. This value was primarily calculated using discounted cash flows.

The value in use takes into account the share in net equity and profitability projections when the latter provide reasonable assurance.

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, while semi-finished and finished goods are valued at cost, including direct and indirect production costs.

A depreciation loss is recognized on the basis of value in use and the probability of future sale.

1.2.2.2. Receivables

Provisions for impairment based on the risk of non-recovery are recognized for bad or aging debt.

1.2.2.3. Prepaid expenses

In accordance with the accrual basis principle, expenses relating to 2007 and thereafter are recorded in this account.

1.2.3. Liabilities

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 probable.

1.2.3.2. Provisions for retirement and similar benefits

JCDecaux SA 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 prevailing 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 income or expense when they occur.

1.2.3.3. Deferred income

In accordance with the accrual basis principle, income relating to 2007 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 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 and losses” within assets and liabilities.

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 first-rate banking counterparts. 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. MAJOR EVENTS OF THE YEAR

The Company's accounts for fiscal years 2003, 2004 and 2005 have been the subject of a government tax audit since September 2006. A reassessment proposal was received in December 2006 with respect to fiscal year 2003, to which the Company responded in January 2007. At this stage of the proceedings and considering the arguments set forth, the Company has not recorded any provision in its accounts with respect to this audit for the year ended December 31, 2006.

3. 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

4. INTANGIBLE ASSETS

In million euros	Amount as of 01/01/2006	Increase	Decrease	Amount as of 12/31/2006
Gross value	44.1	2.6		46.7
Amortization and provisions	(27.6)	(6.2)		(33.8)
Net value	**16.5**	**(3.6)**		**12.9**

Gross value *In million euros*	Amount as of 01/01/2006	Increase	Decrease	Amount as of 12/31/2006
Patents, licenses and software	43.0	1.5	-	44.6
Purchased goodwill	0.1	-	-	0.1
Intangible assets under development	1.0	1.1	-	2.0
TOTAL	**44.1**	**2.6**	**-**	**46.7**

Amortization *In million euros*	Amount as of 01/01/2006	Increase	Decrease	Amount as of 12/31/2006
Patents, licenses and software	(27.6)	(6.2)	-	(33.8)
TOTAL	**(27.6)**	**(6.2)**	**-**	**(33.8)**

5. PROPERTY, PLANT AND EQUIPMENT

In million euros	Amount as of 01/01/2006	Increase	Decrease	Amount as of 12/31/2006
Gross value	144.5	7.1	4.6	147.0
Depreciation and provisions	(115.2)	(8.6)	(3.2)	(120.6)
Net value	**29.3**	**(1.5)**	**1.4**	**26.4**

Gross value *In million euros*	**Amount as of 01/01/2006**	**Increase**	**Decrease**	**Amount as of 12/31/2006**
Land	0.2	-	-	0.2
Buildings	24.5	0.3	1.9	22.9
Street furniture	0.3	-	-	0.3
Technical installations, machinery and equipment	27.5	1.4	0.3	28.6
Fixtures and fittings	34.6	0.3	-	34.9
Transport equipment	39.4	2.2	1.9	39.7
Office and computer equipment	17.2	2.6	0.4	19.4
Other	0.1	-	-	0.1
PPE under construction	0.6	0.3	0.1	0.8
Advances and payments on account	0.1	-	-	0.1
TOTAL	**144.5**	**7.1**	**4.6**	**147.0**

Depreciation

In million euros	**Amount as of 01/01/2006**	**Increase**	**Decrease**	**Amount as of 12/31/2006**
Buildings	(13.9)	(1.3)	(0.8)	(14.4)
Street furniture	(0.1)	(0.1)	-	(0.2)
Technical installations, machinery and equipment	(24.1)	(1.5)	(0.2)	(25.4)
Fixtures and fittings	(26.7)	(1.8)	-	(28.5)
Transport equipment	(36.0)	(1.6)	(1.8)	(35.8)
Office and computer equipment	(14.1)	(2.3)	(0.4)	(16.0)
Other	(0.1)	-	-	(0.1)
PPE under construction	(0.2)	-	-	(0.2)
TOTAL	**(115.2)**	**(8.6)**	**(3.2)**	**(120.6)**

6. LONG-TERM INVESTMENTS

In million euros	**Amount as of 01/01/2006**	**Increase**	**Decrease**	**Amount as of 12/31/2006**
Equity investments	2,254.0	1,043.1	872.1	2,425.0
Loans to affiliates	148.6	98.4	178.0	69.0
Loans and other long-term investments	258.2	346.6	247.1	357.7
Gross value	**2,660.8**	**1,488.1**	**1,297.2**	**2,851.7**
Provision for impairment	(66.2)	(13.4)	(21.6)	(58.0)
Net value	**2,594.6**	**1,474.7**	**1,275.6**	**2,793.7**

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 change in equity investments is due to:

- the share transfer to three wholly owned sub-holding companies created in 2006. These transfers were realized at the net carrying amount.
- the JCDecaux Belgium capital increase subscription.

The change in equity investments breaks down as follows:

In million euros	Increase	Decrease
JCDecaux Argentine		8.4
JCDecaux North America		293.8
JCDecaux Chile		0.2
JCDecaux Do Brasil		4.0
JCDecaux Amériques Holding	297.0	
JCDecaux Singapore		4.5
JCDecaux Asia		23.4
JCDecaux Média (Malaysia)		0.8
JCDecaux Street Furniture (Australia)		26.5
JCDecaux Asie Holding	50.7	
JCDecaux CEE		199.8
Abribus City Media SA (Belgium)		4.3
A.C.M GmbH		1.7
JCDecaux Deutschland		60.5
JCDecaux Finland		58.7
JCDecaux UK		7.9
JCDecaux Lietuva	11.7	11.7
JCDecaux Luxembourg		1.5
JCDecaux Latvija	2.2	2.2
JCDecaux Nederland		45.0
V.K.M		21.0
JCDecaux Norge		12.0
PURBE		37.9
PLACA		5.1
R.E.D Portuguesa		10.2
JCDecaux Sverige	3.7	30.8
JCDecaux Slovakia		0.2
JCDecaux Europe Holding	510.6	
JCDecaux Belgium	156.0	
JCDecaux Eesti	10.8	
JCDecaux Ouzbekistan	0.1	
UDC JCDecaux Airport Mexico	0.2	
Change in equity investments	**1,043.1**	**872.1**

7. INVENTORIES

In million euros	2006	2005
Raw materials and supplies	28.5	27.0
Work-in-progress	1.8	0.9
Semi-finished goods	20.3	17.8
Finished goods	13.1	12.2
Gross value	**63.7**	**57.9**
Provision for impairment	(16.5)	(16.6)
Net value	**47.2**	**41.3**

8. MARKETABLE SECURITIES AND OTHER FINANCIAL INSTRUMENTS

As of December 31, 2006, the portfolio of JCDecaux SA does not contain any marketable security.

9. CASH AND CASH EQUIVALENTS

In million euros	2006	2005
Bank and current accounts	3.2	2.4
Cash	N/M	N/M
TOTAL	**3.2**	**2.4**

10. DEFERRED CHARGES

In million euros	2006	2005
Loan issuing costs	2.2	2.3
TOTAL	**2.2**	**2.3**

Loan issuing costs relate primarily to the 2003 issue of the private placement 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.

11. 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	621.5	219.8	401.7	-
Payables	1,149.1	183.6	673.3	292.2

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 under "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 in the United States in 2003, for €368.2 million, repayable between 2010 and 2015;
- a €280 million draw-down on a revolving credit facility, set up in March 2005. This credit facility was amended in June 2006 to increase the limit from €540 million to €850 million. The facility now has a five-year maturity with two one-year extension options. The Company has also capitalized on improved market conditions to reduce the margin. Consequently, as of December 31, 2006, the Company had available confirmed credit facilities amounting to €570 million, with a final maturity in June 2011.
- a €75 million credit facility set up in October 2006 with an October 2011 maturity.

While JCDecaux SA financing sources are confirmed, they impose compliance with a number of covenants. As of December 31, 2006, the Group was compliant with all covenants, with values far from required limits.

12. PREPAID EXPENSES AND DEFERRED INCOME

In million euros	2006	2005
Leasing of advertising sites	4.7	5.8
Miscellaneous costs (maintenance, leasing, etc.)	1.9	1.2
Prepaid expenses	**6.6**	**7.0**
Sales of advertising space	9.9	10.3
Miscellaneous	0.1	0.1
Deferred income	**10.0**	**10.4**

13. EQUITY

In million euros	01/01/2006	Allocation of 2005 net income	Change 2006	12/31/2006
Share capital	3.4			3.4
Additional paid-in capital	697.8		14.1	711.9
Merger premium	159.1			159.1
Contribution premium	244.0			244.0
Legal reserve	0.3			0.3
Other reserves	23.0			23.0
Retained earnings	649.2	(8.3)		640.9
Net income for the period	80.0	(80.0)	114.0	114.0
Equity	**1,856.8**	**(88.3)**	**128.1**	**1,896.6**
Tax-driven provisions	9.9		(2.2)	7.7
Total equity	**1,866.7**	**(88.3)**	**125.9**	**1,904.3**

As of December 31, 2006, share capital amounts to €3,380,029.81, consisting of 221,715,260 fully paid-up shares. During the year, 889,709 shares were created following the exercise of stock options.

As part of the share subscription option plan authorized by the General Meeting of Shareholders of May 11, 2005, the Executive Board granted 70,758 options during fiscal year 2006.

As of December 31, 2006, 5,841,180 stock options, broken down as follows, were allocated under the stock option plans authorized by the General Meetings of Shareholders of March 23, 2001, May 23, 2002, and May 11, 2005:

Date of issuance	**06/21/2001**	**07/20/2001**	**12/14/2001**	**12/13/2002**	**01/16/2003**	**03/05/2004**	**03/04/2005**	**02/20/2006**
Number of options issued	3,283,684	479,024	340,996	88,096	209,546	678,711	690,365	70,758
Option strike price	€16.50	€15.46	€11.12	€10.67	€10.78	€15.29	€19.81	€20.55
Expiry date	06/21/2008	07/20/2008	12/14/2008	12/13/2009	01/16/2010	03/05/2011	03/04/2012	02/20/2013

As of December 31, 2006, JCDecaux Holding held 69.935% of the Company's share capital (i.e. 155,056,749 shares).

The Company distributed a dividend of €0.40 per share in 2006, for a total of €88,330,220.40.

Tax-driven provisions consist of a single provision for accelerated depreciation, as the provision for foreign operations was reversed in 2006.

14. PROVISIONS FOR CONTINGENCIES AND LOSSES

In million euros	**Amount as of 01/01/2006**	**Charges 2006**	**Reversals 2006**	**Amount as of 12/31/2006**
Provisions for contingences				
Litigation	4.1	2.6	0.2	6.5
Subsidiary contingencies	3.6		3.0	0.6
Foreign exchange losses	0.1	0.5	0.1	0.5
Other long-term benefits	2.7		2.2	0.5
Provisions for losses				
Provision for retirement benefits and long-service bonuses	7.7	1.0		8.7
TOTAL	**18.2**	**4.1**	**5.5**	**16.8**

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	**2006**
Discount rate	4.4%
Salary revaluation rate	2.5%
Expected return on plan assets	4.5%
Average remaining working lives of employees	17 years

Retirement and other long-term benefits break down as follows:

In million euros	Pension plans	Other commitments	Total
Change in benefit obligation			
Opening balance	14.6	0.9	15.5
Service cost	0.9	0.1	1.0
Interest cost	0.6	-	0.6
Actuarial gains / losses	2.3	(0.1)	2.2
Benefits paid	(0.5)	-	(0.5)
Benefit obligation at the end of the period	**17.9**	**0.9**	**18.8**
Change in plan assets			
Opening balance	4.3	-	4.3
Expected return on plan assets	0.2	-	0.2
Actuarial gains / losses	-	-	-
Benefits paid by the fund	(0.5)	-	(0.5)
Employer contribution to the fund	0.5	-	0.5
Fair value of assets at the end of the period	**4.5**	**-**	**4.5**
Provision			
Funded status	13.3	0.9	14.2
Unrecognized actuarial gains / losses	(2.9)	-	(2.9)
Unrecognized past service cost	(2.7)	-	(2.7)
Provision at the end of the period	**7.7**	**0.9**	**8.6**
Net periodic pension cost			
Service cost	0.9	0.1	1.0
Interest cost	0.6	-	0.6
Expected return on plan assets	(0.2)	-	(0..2)
Net actuarial gains / losses recognized in the year	-	(0.1)	(0.1)
Net past service cost recognized in the year	0.2	-	0.2
Charge for the year	**1.5**	**-**	**1.5**

Net changes during the year are as follows:

In million euros	2006
As of January 1, 2006	**7.7**
Cost according to the income statement	1.5
Benefits paid	(0.5)
As of December 31, 2006	**8.7**

The breakdown of assets is as follows:

	2006	
In million euros	Principal amount	%
Shares	0.4	9.3 %
Bonds	3.7	81.4 %
Real estate	0.4	9.3 %
TOTAL	**4.5**	**100 %**

15. UNRECOGNIZED TAX ASSETS OR LIABILITIES

Decrease (+) and increase (-) in the future tax base

In million euros	2006	2005
Losses	-	1.2
Net long-term capital losses	-	11.4
Retirement benefits	7.7	6.8
Provisions for contingencies and losses	1.1	2.6
Provision for NER receivables	0.4	0.5
Provisions for other receivables	1.8	-
Social security tax	0.7	0.6
Unrealized foreign exchange gains /losses	3.6	5.2
Other	0.5	(0.5)
TOTAL	**15.8**	**27.9**

16. BREAKDOWN OF REVENUES

In million euros	2006	2005
France	569.7	522.7
Export	69.0	60.9
TOTAL	**638.7**	**583.6**

In million euros	France	Export
Administrative and financial services	31.7	7.0
Sales of advertising space	287.3	18.6
Sales of street furniture	75.8	36.8
Other services	174.9	6.6
TOTAL	**569.7**	**69.0**

Revenues include the sale of advertising space for the Street Furniture business in France, the provision of services to non-advertiser clients (local authorities), the sale of street furniture to French and foreign subsidiaries, as well as technical and administrative services provided to all of the Group's French companies.

17. NET FINANCIAL INCOME

Net financial income amounted to €62.7 million in 2006, compared to €38.3 million in 2005, an increase of €24.4 million.

The change is primarily explained by:

- The €30.8 million decrease in net change of provisions for long-term investments primarily related to the impairment of the Affichage Holding securities in 2005.
- €7 million increase in interest cost paid on borrowings.

18. NON-RECURRING INCOME AND CHARGES

In million euros	2006
Net carrying amount of tangible and intangible assets sold	1.3
Net carrying amount of financial assets sold (transfer)	872.1
Accelerated depreciation charge	2.8
Charge to provisions for contingencies	-
Other long-term benefits	1.1
Total non-recurring charges	**877.3**

In million euros	2006
Proceeds from disposals of tangible and intangible assets	1.5
Proceeds from disposals of financial assets (transfer)	858.2
Reversal of equity provisions (transfer)	13.9
Reversal of accelerated depreciation	2.6
Reversal of tax-driven provisions	2.3
Reversal of provisions for contingencies	2.2
Other	0.1
Total non-recurring income	**880.8**

19. ACCRUED INCOME AND EXPENSES

In million euros	2006	2005
ACCRUED EXPENSES		
Long-term debt		
Other bonds	2.9	2.7
Bank borrowings	1.0	0.2
Other borrowings and long-term debt	-	0.6
Operating liabilities		
Trade payables and related accounts	36.8	30.3
Tax and social security liabilities	28.2	24.8
Miscellaneous liabilities		
Amounts due on non-current assets and related accounts	0.2	1.1
Other liabilities	5.8	2.8

In million euros	2006	2005
ACCRUED INCOME		
Long-term investments		
Loans to affiliates	0.2	0.3
Loans	3.9	0.2
Operating receivables		
Trade receivables and related accounts	13.2	28.3
Other receivables	0.9	5.1
Miscellaneous receivables		
Cash instruments	6.1	6.2
Cash and cash equivalents	-	**0.4**

20. BREAKDOWN OF INCOME TAX

In million euros	Income before taxes	Taxes	Income after taxes
Current income	124.1	12.6	111.5
Non-recurring income / (charge)	3.5	1.0	2.5
Net income	127.6	13.6	114.0

A tax consolidation agreement, in which JCDecaux SA is the head of a consolidated tax group, came into effect as of January 1, 2002 and included the following companies:

- JCDecaux Mobilier Urbain
- Avenir
- JCDecaux Airport France
- JCDecaux Artvertising
- SEMUP
- DPE

As of January 1, 2006, SOPACT rejoined 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.

In the event that one of the Group's subsidiaries leaves the consolidated tax group, the parties shall meet to analyze the consequences.

21. OFF-BALANCE SHEET COMMITMENTS OTHER THAN FINANCIAL INSTRUMENTS

In million euros	12/31/2006	12/31/2005
Commitments given		
Business guarantees (1)	42.6	41.9
Other guarantees (2)	48.8	29.4
Pledges, mortgages and collateral	-	-
Commitments given on shares (3)	95.8	78.7
TOTAL	**187.2**	**150.0**
Commitments Received		
Commitments received on shares (4)	-	-
Available credit facility	570.0	310.0
Debt forgiveness (return to profit clause)	13.5	13.5
TOTAL	**583.5**	**323.5**

(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, 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 amount actually drawn up as of the closing date.

Commitments given and received on shares are primarily related to acquisition transactions.

(3) Commitments given on shares include:

- *A put option in favor of our partners, estimated at €76.6 million as of December 31, 2006, that may be exercised between January 1, 2009 and December 31, 2009, along with a commitment from partners not to sell their shares before January 1, 2009.*
- *A put option exercisable from March 31, 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 €19.2 million as of December 31, 2006.*

Commitments given on shares also include:

- *A put option exercisable from September 15, 2005 to March 31, 2014. This option concerns the 34% interest held by the Group's partner Publicis in Somupi, and the exercise price will be determined in accordance with a contractual calculation formula. This option can only be exercised in the event of a change in control of JCDecaux Group.*
- *A put option exercisable from March 31, 2014. This option concerns the 34% interest held by the Group's partner Publicis in Somupi, and the exercise price will be determined in good faith by the parties or an independent expert. This option can only be exercised should JCDecaux Group wish to transfer its entire interest to a proposed transferee.*

(4) Commitments received on shares comprise:

- *A put option exercisable from March 31, 2014 to September 30, 2014. This option concerns the Group's 33% interest in 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.*
- *A put option exercisable from September 15, 2005 to March 31, 2014. This option concerns the 33% interest held by the Group in Metrobus Group, and the exercise price will be determined in accordance with a contractual calculation formula. This option can only be exercised in the event of a change in control of the Publicis Group.*
- *A put option exercisable from March 31, 2014. This option concerns the Group's 33% interest in Metrobus Group, and the exercise price will be determined in good faith by the parties or an independent expert. This option can only be exercised should Publicis Group wish to transfer its entire interest to a proposed transferee.*

22. 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 A	Tranche B	Tranche C	Tranche D	Tranche E
Amount before hedging	USD 100 million	USD 100 million	EUR 100 million	USD 50 million	EUR 50 million
Maturity date	April 2010	April 2013	April 2013	April 2015	April 2015
Repayment	In fine	In fine	In fine	In fine	In fine
Interest rate before hedging	USD fixed	USD fixed	Euribor	USD fixed	Euribor
Amount after hedging	USD 100 million	EUR 94.8 million	EUR 100 million	EUR 47.4 million	EUR 50 million
Interest rate after hedging	Libor	Euribor	Euribor	Euribor	Euribor

The market value of the financial instruments portfolio as of December 31, 2006 (theoretical cost of liquidation) is €(34.6) million.

b) Hedging of foreign exchange risk

The Company is exposed to foreign exchange rate risk on the activities of its subsidiaries abroad. Such risks are primarily related to:

- commercial transactions: purchases of equipment and raw materials
- financial transactions:
  - refinancing and recycling of cash flows for foreign subsidiaries, hedged by foreign exchange swaps (the latest maturity of these agreements is April 2007),
  - 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, 2006, 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	75.3	220.9	(145.6)	147.1	0.0	1.5
CAD	5.7	0	5.7	(5.1)	0.0	0.6
GBP	15.0	0.6	14.4	(11.4)	0.0	3.0
SGD	1.0	2.8	(1.8)	2.6	0.0	0.8
SEK	0.4	8.4	(8.0)	8.2	0.0	0.2
AUD	0.2	9.4	(9.2)	9.4	0.0	0.2
NOK	12.3	-	12.3	(12.1)	0.0	0.2
DKK	3.2	-	3.2	(3.0)	0.0	0.2
JPY	0.1	0.1	0.0	0.0	0.0	0.0
HKD	185.8	-	185.8	(178.8)	0.0	7.0
THB	9.2	-	9.2	(8.8)	0.0	0.4
CZK	4.4	-	4.4	(4.4)	0.0	0.0
Other currencies	1.9	0.2	1.7	(1.5)	0.0	0.2
TOTAL	**314.5**	**242.4**	**72.1**	**(57.8)**	**0.0**	**14.3**

(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, 2006 (theoretical cost of liquidation) is €4.3 million.

c) Hedging of interest rate risk

The Company is exposed to interest rate risk on:

- bonds issued directly at a floating rate or at a 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 Euribor rates, the Company has entered into hedges in the form of fixed-rate swaps, purchases of straight caps, or caps financed by sales of caps or floors.

As of December 31, 2006, the Company had entered into the following interest rate hedging agreements:

- Caps purchased for €175 million, maturing between April 2009 and April 2010, all of them were in the money as of December 31, 2006;
- Caps sold for €125 million, maturing between June 2009 and April 2010, none of which were in the money as of December 31, 2006.
- Floors sold for €100 million, maturing between April 2009 and June 2009, none of which were in the money based on the Euribor 3-month as of December 31, 2006, i.e. 3.725%.

The market value of these financial instruments as of December 31, 2006 (theoretical cost of liquidation) is €2.4 million.

23. COMPENSATION OF SENIOR EXECUTIVES

Attendance fees paid to members of the Supervisory Board in respect of 2006 amount to €117,835.

Compensation paid to the members of the Executive Board amount to €2,844,632.

24. HEADCOUNT

The headcount breakdown by employee category is as follows:

Category	2006	2005
Executives	378	361
Supervisors	688	674
Employees	1,453	1,487
TOTAL	**2,519**	**2,522**

25. TRANSACTIONS CARRIED OUT WITH RELATED COMPANIES

In million euros

Balance sheet items *(gross value)*	2006	2005
Long-term investments		
Equity investments	2,425.0	2,254.0
Loans to affiliates	69.0	148.6
Loans	356.1	256.7
Deposits and sureties paid	1.1	0.3
Receivables		
Trade receivables and related accounts	68.8	105.4
Other receivables	1.1	1.7
Prepaid expenses	4.7	5.8
Liabilities		
Miscellaneous loans and long-term debt	247.7	239.1
Trade payables and related accounts	24.2	21.7
Other liabilities	1.7	1.0
Amounts due on non-current assets and related accounts	NM	0.6
Deferred income	0.1	NM

Income statement items	2006	2005
Operating expenses	**242.5**	**228.2**
Operating income	**341.3**	**303.2**
Finance costs		
Interest and similar charges	6.3	6.2
Financial income		
Income from equity investments	83.7	85.2
Interests	18.6	10.4
Non-recurring income		
Income from the disposal of non-current assets	858.3	4.5

In addition to companies likely to be fully consolidated, related companies include companies that are proportionately consolidated in the JCDecaux Group financial statements.

26. SUBSIDIARIES AND EQUITY INVESTMENTS AS OF 12/31/2006

COMPANIES	Share capital in K€	Other long-term benefits 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 excl. tax for the year 2006 in K€	Net income (loss) for the year 2006 in K€	Dividends received by the Company during the year in K€
				Gross	Net					
A – FRENCH SUBSIDIARIES held at over 50%										
SOPACT	229	8,605	100	30,031	30,031	-	-	17,275	2,116	1,206
JCDECAUX Mobilier Urbain	993	79,829	100	233,677	233,677	41,900	-	220,049	26,962	35,186
SEMUP	831	9,757	100	39,471	39,471	72	-	27,638	4,615	5,287
AVENIR	26,805	176,279	100	608,462	608,462	-	-	183,992	(5,879)	17,583
JCDECAUX Artvertising	778	1,146	100	30,390	30,390	-	-	11,081	1,020	1,174
JCDECAUX Airport France	768	5,185	100	98,799	88,434	400		44,584	4,435	1,182
JCDECAUX Asie Holding	50,748	-	100	50,748	50,748	-	-	-	(7)	-
JCDECAUX Amériques Holding	297,000	-	100	297,000	297,000	-	-	-	(727)	-
JCDECAUX Europe Holding	510,569	-	100	510,569	510,569	-	-	-	81,338	-
SOMUPI	762	3,802	66	1,135	1,135	-	-	19,543	1,236	2,079
CYCLOCITY (non-consolidated)	37	-	100	37	37	-	-	-	-	-
B – Equity investments in France held at between 10% and 50%										
METROBUS	1,840	27,086	33	17,886	17,886	-	-			1,353
DPE	152	24	27.71	3,168	3,168	2,700	-	8,999	172	91

(1) Equity excluding share capital and net income for the year.

COMPANIES	Share capital in K currency	Other equity (1) in K currency	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 excl. tax for the year 2006 in K€	Net income (loss) for the year 2006 in K€	Dividends received by the Company during the year in K€
C – Foreign subsidiaries held at over 50%										
JCD Belgium Publicité SA	EUR201	EUR165,588	100	198,193	198,193	300	-	28,678	2,681	-
JCD ESPANA SL	EUR29,050	EUR83,351	100	111,656	111,656	-	-	35,640	9,511	2,479
JCDECAUX Eesti	EUR40	EUR79,146	100	10,838	10,838	-	-	54,661	22,705	-
JCD MESTSKY MOBILIAR Spool Sro	CZK120,000	CZK16,051	96.20	3,092	3,092	4,148	-	6,702	2,096	1,638
JCD SALVADOR S.A.	BRL5,200	BRL(21,788)	90	2,330	2,330	14,420	133	2,531	(1,634)	-
JCD MACAU	MOP1,000	MOP1,061	80	114	114	-	408	909	124	-
MC DECAUX INC.	JPY910,000	JPY(819,008)	60	3,943	3,943	-	2,752	7,244	1,215	-
IP DECAUX Inc.	KRW1,000,000	KRW(1,561,263)	50	385	385	1,814	5,944	8,144	775	-
AFA JCDECAUX A/S	DKK7,200	DKK31,212	50	2,209	2,209	2,951	3,816	14,116	1,233	-
MC DECAUX TAIWAN (non-consolidated)	TWD1,000	NA	100	33	33	-	-	NA	NA	-
JCDECAUX UZ (non-consolidated)			80	84	84	-	-	-	-	-
UDC-JCDECAUX Airport (non-consolidated)	MXN12,600	MXN(12,400)	50	772	78	91	-	-	-	-
D – Foreign equity investments held at between 10% and 50%										
Affichage Holding	CHF33,750	CHF144,709	30	134,414	100,865	-	-	-	13,875	3,609
IGP DECAUX Spa	EUR11,086	EUR57,829	20.48	34,861	34,861	-	-	148,482	4,148	-
VBM (non-consolidated)	HUF120,000	NA	33.33	596	0	-	-	NA	NA	-
E – Other Foreign equity investments held at less than 10% but whose gross value exceeds 1% of the company's capital										
JCD Artvertising Belgique	EUR1,735	EUR(182)	9.29	274	274	-	-	482	(21)	-
JCD PORTUGAL Lda	EUR1,247	EUR11,007	0.15	253	253	-	-	40,876	6,929	62

(1) Equity excluding share capital and net income for the year.

27. FIVE-YEAR FINANCIAL SUMMARY

Type of data	2002	2003	2004	2005	2006
I -CAPITAL AT THE END OF THE FISCAL YEAR					
a) Share capital (in euros)	3,378,284	3,378,284	3,384,274	3,366,466	3,380,030
b) Number of common shares	221,600,760	221,600,760	221,993,669	220,825,551	221,715,260
c) Maximum number of future shares to be created (stock options)	4,191,800	4,401,346	4,687,148	3,895,898	
II -OPERATIONS AND INCOME FOR THE FISCAL YEAR (in euros)					
a) Revenues excluding taxes	577,865,331	551,028,006	549,606,687	583,634,027	638,686,328
b) Income before taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	80,973,816	244,911,913	177,558,052	138,468,132	132,225,776
c) Income tax	(7,548,673)	(493,718)	192,997	4,894,074	13,534,833
d) Employee profit-sharing	347,036	29,043	22,145	33,774	41,763
e) Income after taxes, profit-sharing and calculated charges (depreciation, amortization and provisions)	54,559,112	215,836,942	143,639,313	79,977,350	113,952,229
f) Dividends paid	-	-	-	88,330,220	(1)
III -EARNINGS PER SHARE (in euros)					
a) Income after taxes and profit-sharing but before calculated charges	0.40	1.11	0.80	0.61	0.54
b) Income after taxes, profit-sharing and calculated charges	0.25	0.97	0.65	0.36	0.51
c) Net dividend allocated to each share	-	-	-	0.40	(1)
IV - PERSONNEL					
a) Average headcount during the fiscal year	2,726	2,609	2,510	2,522	2,519
b) Total payroll for the fiscal year (in euros)	85,335,562	84,417,060	83,650,042	86,748,722	90,089,881
c) Total amounts paid during the fiscal year for employee-related benefits (social security, welfare organizations, etc.) (in euros)	32,273,264	31,581,498	33,416,275	36,405,945	37,799,970

(1) Subject to approval by the General Meeting of Shareholders of the proposed allocation of income for 2006

LEGAL INFORMATION

CORPORATE GOVERNANCE AND INTERNAL CONTROL

Since 2000, our Company has been organised as a French corporation *(Société Anonyme)* with an Executive Board and a Supervisory Board.

We comply with the recommendations contained in the AFEP/MEDEF Report on Corporate Governance of Publicly Traded Companies of October 2003, which consolidates the so-called "Viénot" and "Bouton" Reports (named for their principal authors) of 1995, 1999, and 2002. Any discrepancies or points of divergence from the AFEP/MEDEF Report are indicated and explained in this Annual Report.

1. COMPOSITION OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

1.1. Executive Board

Under our Articles of Association, the Executive Board may consist of no fewer than two and no more than seven members, who are appointed by the Supervisory Board for terms of three years. The term of office of the members of the Executive Board expires at the end of the General Meeting of Shareholders that reviews 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.

The members of the Executive Board must be individuals and need not be chosen from among the shareholders. Incumbent members may be re-appointed. They may be removed at any time by the General Meeting of Shareholders or by the Supervisory Board. The Supervisory Board appoints a Chairman from among the members of the Executive Board, whose length of term it determines.

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 or she reaches that age, unless the Supervisory Board decides to allow the member to serve out the balance of his or her term.

Our Executive Board currently consists of 5 members:

Mr. Jean-Charles DECAUX

37 years old
Chairman of the Executive Board of JCDecaux SA (annual rotation between Jean-Charles Decaux and Jean-François Decaux)

Date first appointed:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Charles Decaux joined our Company in 1989. He started the Spanish subsidiary and then created and developed, mostly through organic growth, all of our subsidiaries in Southern Europe, Asia, and South America.

Jean-Charles Decaux has been Chairman of the Executive Board of JCDecaux SA since 10 May 2006.

As of 31 December 2006, Jean-Charles Decaux owned 1,712,210 shares of JCDecaux SA.

Mr. Jean-François DECAUX

48 years old

Chief Executive Officer of JCDecaux SA

Date first appointed:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-François Decaux joined our Company in 1982 and started and developed our German subsidiary. He also ensured the development of all of our subsidiaries in Northern and Eastern Europe and then successfully undertook our moves into the United States and Australia.

Jean-François Decaux has been Chief Executive Officer since 10 May 2006.

As of 31 December 2006, Jean-François Decaux owned 1,796,179 shares of JCDecaux SA.

Both Jean-Charles Decaux and Jean-François Decaux have the same authority to represent the Company *vis-à-vis* third parties, and use the title of Group Co-Chief Executive Officer for business and public relations purposes.

Mr. Robert CAUDRON

58 years old

Member of the Executive Board of JCDecaux SA

Date first appointed:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Mr. Robert Caudron, Chief Operating Officer, joined the Company in 1984 as Finance Director and in 1995 was appointed President of JCDecaux Services and Managing Director of the Group.

Prior to joining the Company, he was with Eternit and Ciments Français, where he was responsible for finance and investment.

As of 31 December 2006, Robert Caudron owned 19,420 shares of JCDecaux SA.

Mr. Gérard DEGONSE

59 years old

Member of the Executive Board of JCDecaux SA

Date first appointed:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Gérard Degonse, Chief Financial Officer, joined the Company in June 2000.

Prior to joining the Company, he was Corporate Treasurer of Elf-Aquitaine and VP Treasurer-Company Secretary of Euro Disney.

As of 31 December 2006, Gérard Degonse did not directly own any shares of JCDecaux SA.

Mr. Jeremy MALE

48 years old

Member of the Executive Board of JCDecaux SA

Date first appointed:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Jeremy Male, Managing Director for Northern and Central Europe, joined the Company in August 2000. Previously, he was Managing Director of European Operations for Viacom Outdoor and held management positions with companies in the food and beverage industry such as Jacobs Suchard and Tchibo.

As of 31 December 2006, Jeremy Male did not directly own any shares of JCDecaux SA.

1.2. Supervisory Board

Our Articles of Association provide that the Supervisory Board may consist of no fewer than three and no more than 18 members, who are appointed by the annual General Meeting of Shareholders for a maximum term of six years. The term of office of its Members expires at the end of the General Meeting of Shareholders that reviews the financial statements for 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 at any time by a General Meeting of Shareholders. The Supervisory Board appoints a Chairman and a Vice Chairman, who must be individuals, from among its Members. They are appointed for a term that is equal in length to their term of office on the Supervisory Board. They may always be re-appointed.

The number of members of the Supervisory Board over the age of 75 may not be greater than one-third of the incumbent members. 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.

The Supervisory Board currently has five members, each elected for a term of three years:

Mr. Jean-Claude DECAUX

69 years old

Chairman of the Supervisory Board

Date first elected:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Jean-Claude Decaux is the founder of JCDecaux.

As of 31 December 2006, Jean-Claude Decaux owned 8,175 shares of JCDecaux SA.

Mr. Jean-Pierre DECAUX

63 years old

Vice-Chairman of the Supervisory Board

Date first elected:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92000 Neuilly-sur-Seine, France

Throughout his career with the Company, which he joined at its founding in 1964, Jean-Pierre Decaux has held several offices, notably:

- from 1975 to 1988: Chairman and Chief Executive Officer of SOPACT (*Société de Publicité des Abribus et des Cabines Téléphoniques*)
- from 1980 to 2001: Chairman and Chief Executive of RPMU (*Régie Publicitaire de Mobilier Urbain*)
- from 1989 to 2000: Chief Executive of Decaux SA (now JCDecaux SA)
- from 1995 to 2001: Chairman and Chief Executive of Semup (*Société d'Exploitation du Mobilier Urbain Publicitaire*)

As of 31 December 2006, Jean-Pierre Decaux owned 1,574 shares of JCDecaux SA.

Mr. Pierre-Alain PARIENTE

71 years old

Independent member of the Supervisory Board

Date first elected:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Pierre-Alain Pariente held various positions in our Company from 1970 to 1999, notably as Sales and Marketing Director of RPMU (*Régie Publicitaire de Mobilier Urbain*).

As of 31 December 2006, Pierre-Alain Pariente owned 1,020 shares of JCDecaux SA.

Mr. Xavier de SARRAU

56 years old

Independent member of the Supervisory Board

Date first elected:	14 May 2003
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Xavier de Sarrau, an attorney, specialises in advising private companies and family businesses. He holds a degree from the French school of business administration HEC (*Hautes Etudes Commerciales*) and holds a doctorate in tax law.

He began his career in 1973 with Arthur Andersen as a lawyer 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 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, management of private assets, complex financial instruments, mergers and reorganisations. He has also written several books and articles in the area of international tax law and has 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*).

As of 31 December 2006, Xavier de Sarrau owned 11,000 shares of JCDecaux SA.

Mr. Christian BLANC

64 years old

Independent member of the Supervisory Board

Date first elected:	9 October 2000
Expiration of term of office:	30 June 2009
Professional address:	17, rue Soyer, 92200 Neuilly-sur-Seine, France

Christian Blanc holds a degree from the School of Political Science of Bordeaux and was Chairman and Chief Executive of the Paris Transit Authority (*RATP*) from 1989 to 1992, then, from 1993 to 1997, Chairman and Chief Executive of Air France and Air France Europe.

From 2000 to 2001, Christian Blanc was a Vice-President of Merrill Lynch Europe and President of Merrill Lynch France.

Christian Blanc was elected to the French Parliament in 2002.

As of 31 December 2006, Christian Blanc owned 1,500 shares of JCDecaux SA.

Under the internal By-Laws of the Supervisory Board, which were adopted on 3 July 2003, a member of the Board is considered "independent" if he or she meets the following conditions:

- is not an employee, director or executive officer of our Company, an employee or director of our parent company or any of its consolidated subsidiaries, and has not held any of those positions during the past five years;
- is not an executive officer of a company in which our Company is (directly or indirectly) a director or member of the Supervisory Board or in which an executive officer or a designated employee of our Company (presently or during the past five years) is a director or member of the Supervisory Board;
- is not a significant client, supplier, investment banker or commercial banker of our Company or our Group, or for which our Company or our Group represents a material portion of their respective businesses;
- does not have close family ties with one of our directors or members of our senior management;
- has not been an auditor of our Company during the past five years;
- has not been a member of our Supervisory Board or a director for more than 12 years.

These criteria of independence are those recommended in the AFEP/MEDEF Report of October 2003 on Corporate Governance, consolidating the so-called Viénot and Bouton Reports of 1995, 1999, and 2000.

The By-Laws provide that, to ensure the objectivity required for it to discharge its responsibilities, the Board must, at all times during the year, consist of at least one third independent members, as stated in the AFEP/MEDEF Report, which recommends that companies like JCDecaux SA, which have a controlling shareholder and whose share capital is not widely held, have at least one-third of its Board members be independent.

Until 10 May 2006, the date of the General Meeting of Shareholders, three of the six members constituting the Supervisory Board (or half of the members of the Supervisory Board) met the independence criteria: Christian Blanc, Lothar Späth, and Xavier de Sarrau.

After that date, as a result of Mr. Lothar Späth's wish not to be reappointed a member of the Supervisory Board, two of the five members constituting the Supervisory Board (or more than one third of its members) met the independence criteria: Mr. Christian Blanc and Mr. Xavier de Sarrau.

The Compensation and Nominating Committee, which meets in March, reviews each year whether each of the members of the Supervisory Board meets the independence criteria.

At its meeting on 13 March 2007, the Supervisory Board found that, based on the conclusions of the Compensation and Nominating Committee, three of the five members constituting the Supervisory Board (or more than half its members) met the independence criteria set forth in the internal By-Laws: Mr. Christian Blanc, Mr. Pierre-Alain Pariente, and Mr. Xavier de Sarrau.

As a practical matter, we exceed the public recommendations and requirements set forth in our internal By-Laws.

Article 17 of our Articles of Association provides that each member of the Board must own at least two shares in the Company during his or her term of office. The obligation of owning shares set forth in the Articles does not apply to employees who may be elected members of the Supervisory Board.

1.3. Nature of family ties between/among 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 and Jean-François Decaux, Chairman of the Executive Board and Chief Executive Officer, respectively, are sons of Jean-Claude Decaux.

2. AUTHORITY AND FUNCTIONING OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

2.1. Executive Board

Powers and Responsibilities of the Executive Board

Our Executive Board has the broadest possible authority to act in all circumstances on behalf of our Company, exercising its authority within the limits prescribed by our corporate purposes and subject to the powers expressly reserved to the shareholders and the Supervisory Board.

The role of the Executive Board is to define our broad strategic direction, to implement it and to monitor proper performance. For purposes of implementing and monitoring the performance of our strategic direction, the Executive Board relies on a system of delegation of authority to internal operating and functional divisions and departments, on an internal control manual, and on strong ethical principles that are set forth in a group Code of Ethics.

Functioning of the Executive Board

The Executive Board meets as often as our corporate interest requires, at our registered office or at any other place indicated in the notice of meeting. Meetings of the Executive Board are called by the Chairman, or, in his absence, by at least half of its members, by any appropriate means, including orally.

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.

If the Executive Board consists of only two members, both must be present, and actions must be taken unanimously. If it has more than two members, at least half of the members need to be present in order to take valid decisions ; actions are then taken by a majority of the members present in person or by proxy. In the event of a tie, the person chairing the meeting has the deciding vote.

The Executive Board generally meets every month for an entire day. In 2006, the Executive Board met 12 times. All members of the Executive Board were present at these meetings. The Executive Board also holds a weekly telephone conference to keep abreast of current developments.

The Executive Board meetings are generally divided into three parts:

- review and discussion of our Company's business and affairs, the level of commercial activity, prospects for the year, and development of revenues;
- presentation and analysis of organic or external growth operations, new bids, and proposed acquisitions. In this connection, the Executive Board sets objectives, allocates resources and reviews risks relating to these transactions;
- review of pending matters that are either:
    - recurrent, such as the results of audits, the computer and management information plan, the terms and conditions of executive compensation (bonuses, stock-options and free shares), review and approval of six-month and annual financial statements, the results of the reviews and audits by Statutory Auditors, financing of our Group and coverage of the risks of our Group;
    - or non-recurrent, such as, during 2006: the Code of Ethics, selection of the Statutory Auditors, sustainable development, lists of insiders for insider trading purposes, share repurchase programs, insurance policies, nominations and reorganization of the Company's holdings.

Depending on the subject, employees or third parties may be asked to attend and participate in an Executive Board meeting.

Minutes are prepared of each Executive Board meeting.

The Executive Board does not have By-Laws.

The Executive Board is responsible for ensuring, under its control and supervision, financial disclosures to the market. As a practical matter, this matter is handled by Mr. Jean-Charles Decaux and Mr. Jean-François Decaux, our co-Chief Executive Officers, Gérard Degonse, our Chief Financial Officer, and Alexandre Hamain, Manager of Financial Communications and Investor Relations.

2.2. Supervisory Board

Authority of the Supervisory Board

The Supervisory Board oversees the management of our Company by the Executive Board. The Supervisory Board may review or investigate our Company's operations at any time it deems appropriate and may obtain any documents that it believes are necessary for this purpose. At least once every quarter, the Executive Board must report to the Supervisory Board on our 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.

Functioning of the Supervisory Board

The Supervisory Board meets as often as our corporate interests require and at least once every quarter to hear the report of the Executive Board, at our registered office or at such other location indicated in the notice of meeting.

Meetings of the Supervisory Board are chaired by its Chairman of the Supervisory Board or, in his absence, by the Vice-Chairman or, otherwise, by any member chosen by the Supervisory Board at the beginning of the meeting. At least half of the Board members must be present for the Supervisory Board to transact business validly. Actions must be taken by a majority of the members present in person or by proxy. In the event of a tie, the person chairing the meeting has the deciding vote.

The Supervisory Board is assisted by two Committees: the Audit Committee and the Compensation and Nominating Committee. In addition, the Chairmen of the Audit Committee and of the Compensation and Nominating Committee report to it on their work.

In 2006, the Supervisory Board met seven times, including two meetings by telephone conference, in March, May, July, August, September and December. At three meetings, all Supervisory Board members were present. At four meetings, one member was absent and gave a proxy to another member of the Supervisory Board.

At each Supervisory Board meeting:

- the two Co-Chief Executive Officers always report on:
  - the Group's operations, its results of operations, and its financial condition;
  - proposed bids and material external growth projects and, more generally, implementation of our Group's strategy and possible changes to it.
- various matters are discussed, including:
  - recurring subjects, such as the annual or half-year financial statements, forecasts as provided by Article L.232.2 of the French Commercial Code (at the Board meetings held in March and September), review of documents prepared in connection with the annual General Meeting of Shareholders, guarantees and security interests and other forms of surety, executive compensation, evaluation of the work of the Supervisory Board, intergroup invoices and capital increases related to exercises of stock options;
  - non-recurring matters are also discussed, such as, in 2006: company strategy, re-appointment of the Chairman and Vice-Chairman of the Supervisory Board, renewal of the terms of office of the members of the Executive Board, reorganization of the Company's equity interests and legislative and regulatory developments, both within France and at the EU level, in the areas of securities law and corporate governance.

Representatives of the Central Workers' Council attended meetings of the Supervisory Board, on a purely advisory basis.

At its meeting held on 13 March 2007, the Supervisory Board also reviewed and approved the content of Report of the Chairman on the operations of the Board and internal controls.

During the fiscal year just ended, the Supervisory Board did not approve any agreements or commitments with related parties subject to Article L.225.86 of the French Commercial Code. In addition, it has not given any approvals along these lines since the end of 2006.

By-Laws of the Supervisory Board

The Supervisory Board adopted By-Laws on 3 July 2003. In addition to provisions relating to the independence of Board members, described on page 143, they include the following other principal provisions:

- use of video-conferencing and other means of telecommunication is permitted on the terms and conditions provided by applicable law and regulations and must allow for identification of the members and ensure their effective participation in Board meetings. This technique was used on 27 July and 11 August 2006;
- the distribution among Supervisory Board members of the aggregate amount of directors' fees approved at the General Meeting of Shareholders. The directors' fees paid in 2006, amounting to €168,760, are divided as follows under the By-Laws:
  - a fixed amount of €62,600 is distributed among the members of the Supervisory Board on an equal basis. This fixed base amount is payable each quarter, on the condition that the Board meet at least once during the quarter involved;
  - a variable portion (€3,075 per member per meeting) is paid on the basis of effective presence of the members at Supervisory Board meetings.
  - except for the Supervisory Board meeting held in May, the purpose of which is to ensure the rotation of the offices of Chairmen and which does not give rise to payment of the variable portion of the directors' fees, but any additional meeting over and above the meetings of March, July, September, and December does give rise to a variable payment of €2,050 per member present.

The amounts allocated in respect of the fixed base amount are pro-rated when terms of office begin or end during the course of a fiscal year.

The By-Laws also provide that members of the Supervisory Board will receive specific fees in respect of their service on committees. Out of the total amount of fees approved by the annual General Meeting of Shareholders, the By-Laws allocate €23,600 to committees, as follows:

Audit Committee	
Chairman	€8,200
Member	€6,200

Compensation and Nominating Committee	
Chairman	€5,100
Member	€4,100

Fees are paid to members of the Supervisory Board and committees quarterly, in arrears.

The total amount paid to members of the Supervisory Board, including with respect to service on committees, excluding reimbursement of out-of-pocket expenses, may not exceed €168,760, the amount approved at the annual General Meeting of Shareholders.

Mr. Jean-Claude Decaux waived his fees as a member of the Supervisory Board and Chairman of the Compensation and Nominating Committee.

- The By-Laws establish the rights and responsibilities of members of the Board, which include:
  - each member may receive continuing education on specific issues relating to our Company, its operations and its industry;
  - in connection with the right to be kept informed, members are entitled to receive any information necessary for them to perform their duties and to be provided with any information they deem useful. As a practical matter, to assist them in their discussions, members receive (at least one week before a Supervisory Board meeting) the documents to be discussed during the meeting;
  - they are required to disclose transactions they may undertake in respect of our Company's shares under terms and conditions prescribed by law, and, in accordance with legal requirements, must refrain from such transactions during certain periods. As a practical matter, the members are advised of the periods during the year when they may not trade in our shares, based on the dates for making public disclosure of financial information.

- The Board must set as an agenda item for at least one of its meetings an evaluation of its operations, especially in respect of the following points:
  - the adequacy of the information provided and the subjects discussed, the performance of its responsibilities, the frequency and length of its meetings, and of the information that it, and each of its members, has available to enable it to make informed decisions;
  - the quality of the preparatory work of the committees and their membership, which membership should ensure sufficient objectivity for the preparation of the matters to be considered;
  - the desirability of reserving certain types of decisions to the Supervisory Board; and
  - the independence of the members of the Supervisory Board.

For fiscal year 2006, this evaluation took place at the Supervisory Board meeting held on 13 March 2007 and, among other things, was based on the responses of Supervisory Board members to a questionnaire submitted to them by the Compensation and Nominating Committee related to the operation of the Supervisory Board during the fiscal year under consideration.

The Supervisory Board members were asked to indicate their degree of satisfaction with, and any comments on, the following points:

- the general operation and membership of the Supervisory Board, in terms of independence, abilities, and number of its members;
- the definition of the Supervisory Board's responsibilities, the adequacy of the frequency and duration of its meetings to fulfil its responsibilities of permanent supervision and oversight of management by the Executive Board, the performance of all appropriate audits and reviews;
- the conduct of Supervisory Board meetings: lead time for notices of meetings, availability and presentation of information required to make informed decisions, clarity of the items on the agenda, relevance of subjects discussed, general conduct of meetings in terms of discussion, opportunity to participate and exchange points of view, accuracy of transcription of discussions and actions taken in the minutes, length of meetings;
- the processes for reviewing, considering, and adopting the financial statements: availability, on a timely basis, of the information required to make informed decisions; quality of the explanations given and discussions that occurred in analysing the financial statements; participation of the Audit Committee in the review process, considering and adopting the financial statements;
- the processes for approving guarantees and security deposits: availability, on a timely basis, of the information required to make informed decisions;
- review of the documents prepared in connection with the Annual General Meeting of Shareholders: availability of the information required to make informed decisions; sufficiency of the explanations given, especially regarding the substance of the financial approvals;
- with respect to the Audit Committee and the Compensation and Nominating Committee: definition of their responsibilities, membership, frequency of their meetings, resources made available and timeliness thereof, quality of the information provided.

On the basis of the responses given by the members, the Compensation and Nominating Committee unanimously concluded that the Supervisory Board had functioned satisfactorily during the fiscal year ended 31 December 2006.

In connection with its constant effort to improve its methods of operation, the By-Laws are regularly reviewed by the Supervisory Board and, if necessary, adapted to reflect changes in applicable law and regulations in the area of corporate governance as well as the wishes of the members themselves.

2.3. Committees of the Supervisory Board

The Audit Committee and the Compensation and Nominating Committee each have their own by-laws, annexed to the By-Laws of the Supervisory Board, containing provisions relating to their membership, their purposes, and the terms and conditions of their operation.

Minutes are prepared for each meeting of such Committees. These minutes are kept with the Company's books and records.

The Audit Committee

Membership

The Audit Committee consists of no fewer than two members and no more than three members, the majority of whom are appointed from among the independent members of the Supervisory Board. Given the limited number of members of the Supervisory Board, it did not seem appropriate to follow the recommendations of the AFEP/MEDEF Report of October 2003, which recommended that such a Committee consist of three to five members.

The Audit Committee currently has two members: Xavier de Sarrau, Chairman, and Christian Blanc, both independent members of the Supervisory Board.

We thus exceed the recommendations of the AFEP/MEDEF Report, which recommends that the Audit Committee consist of two-thirds independent members. We generally follow the U.S. Sarbanes-Oxley Act, which recommends that all members of an Audit Committee be independent.

Committee Responsibilities

The responsibilities of the Audit Committee are mainly as follows:

- review the accounting methods and principles used, or make recommendations for changing such methods and principles, and ensure their consistent application or the soundness of any proposed changes;
- review any changes in the scope of consolidation;
- review drafts of the semi-annual and annual corporate and consolidated financial statements;
- provide oversight of external and internal audits of our company;
- become familiar with pending litigation and request any appropriate explanations related thereto;
- lead the process for selecting the Statutory Auditors and, as a general matter, ensure compliance with rules guaranteeing their independence.

Functioning of the Committee

The Audit Committee may validly conduct business either by meeting in person or by telephone or videoconference, upon notice given by its Chairman or Secretary, as long as at least half of its members participate in the meeting. Notices of meetings must include an agenda and may be given verbally, or by any other means.

As a practical matter, a calendar of meetings is agreed at the end of each fiscal year for the following year. Notices of meetings are sent in writing, at least one week prior to the meeting, together with the necessary preparatory documents.

The Audit Committee acts if at least half of its members are present.

The Audit Committee meets as often as necessary and, in any event, at least twice a year, in March and September, in connection with the preparation of the annual and half-year financial statements.

In 2006, the Audit Committee met a total of four times, in March, July, September and December. All members attended these meetings of the Audit Committee.

During each Audit Committee meeting, various matters were discussed, including:

- recurrent subjects, such as: review of the independence of the Statutory Auditors, proposed annual and semi-annual company and consolidated financial statements, planned projects of the Statutory Auditors, pending litigation, and planned projects and actions of the internal audit group;
- non-recurring subjects, such as: selection of the Statutory Auditors and review of measures to ensure independence of the Company from its controlling shareholder

The members of the Committee also met with the Statutory Auditors, Company management, the Vice President and Financial Director, the Director of Financial Controls and the Director of Internal Audit, to whom they have a right of direct access.

The Compensation and Nominating Committee

Membership

The Compensation and Nominating Committee consists of no fewer than two members and no more than three, at least half of whom must be independent members of the Supervisory Board. Given the limited number of members of the Supervisory Board, it did not seem appropriate to follow the recommendations of the AFEP/MEDEF Report of October 2003, which recommended that such a Committee consist of three to five members.

The Compensation and Nominating Committee presently has two members:

Mr. Jean-Claude Decaux, Chairman, and Mr. Christian Blanc, who is an independent member of the Supervisory Board.

Thus, half of the Compensation and Nominating Committee consists of independent members. While it is true that the AFEP/MEDEF Report recommends that a majority of the Compensation and Nominating Committee be independent, it also recommends that, where such Committee also performs responsibilities in the area of nominations, as is the case with our Committee, the Chairman also be a member.

Committee Responsibilities
The responsibilities of the Compensation and Nominating Committee consist mainly of the following:

- regarding compensation, it must make recommendations to the Supervisory Board, in particular about:
  - the amounts and criteria for awarding directors' fees to members of the Supervisory Board;
  - compensation of any kind for members of the Executive Board;
  - the general policy for granting options.

The Compensation and Nominating Committee, therefore, is responsible for ensuring that the compensation of our officers is justified and justifiable under relevant criteria, such as the practices of our competitors in the area involved, or the size and complexity of the company, while also taking into consideration the responsibilities and risks assumed by our Executive Board members.

The Compensation and Nominating Committee must define the rules applicable to the variable portion of compensation, ensuring the consistency of these rules with the annual performance appraisals of our Executive Board members and our Company's strategy in the medium term. The Compensation and Nominating Committee must oversee the annual application of these rules.

- regarding nominations, it must make recommendations to the Supervisory Board relating to:
  - appointment of members to the Executive Board;
  - membership of the Supervisory Board, taking into consideration, among other things, the composition and changes in our Company's shareholder structure and the existence of potential conflicts of interest.

Functioning of the Committee
The Compensation and Nominating Committee may validly conduct business either by meeting in person, or by telephone or videoconference, upon notice given by its Chairman or Secretary, as long as half of the members participate in the meeting. Notices of meetings must include an agenda and may be given verbally or by any other means.

As a practical matter, a calendar of meetings is agreed at the end of each fiscal year for the next fiscal year. In addition, notices of meetings are sent in writing, at least one week prior to the meeting, together with the necessary preparatory documents.

The Compensation and Nominating Committee may validly act if at least half of its members are present.

The Compensation and Nominating Committee meets as often as necessary and, in any event, at least once per year.

The Compensation and Nominating Committee held two meetings during the fiscal year just ended, one in March and one in December. All members were present at one meeting. At the other meeting, one member was absent.

At each meeting of the Compensation and Nominating Committee, various subjects are discussed, including: consideration and evaluation of the operation of the Supervisory Board and review of the independence of members of Supervisory Board and proposals regarding compensation of members of the Executive Board and directors' fees for members of the Supervisory Board.

- Regarding compensation of members of the Executive Board in 2006:
  - changes in the fixed, base amount for members of the Executive Board was comparable to that of all executives of the Group, or consistent with their employment agreement
  - changes in the variable portion of the compensation of members of the Executive Board (bonuses, stock-options and free shares) were defined on the basis of objective criteria based both on overall performance and on achievement of personal objectives (for example, the awarding or renewal of major contracts).

- Regarding directors' fees for members of the Supervisory Board in 2006:
  - the aggregate amount of directors' fees was fixed at the General Meeting of Shareholders in 2005 at €168,760.

3. OFFICES AND DIRECTORSHIPS

The offices and directorships held by members of the Executive Board and the Supervisory Board in any company in 2006 are as follows:

Executive Board
All of the offices and directorships held by members of the Executive Board in 2006 were in direct or indirect subsidiaries of JCDecaux SA or in companies in the area of outdoor advertising in which we held a significant stake.

Mr. Jean-Charles Decaux – Chief Executive Officer

Offices and Directorships held during 2006 in all companies of our Group:

JCDecaux Holding (France)	Director - Acting Chief Executive Officer
Avenir (France)	Chairman
JCDecaux Airport France (France)	Chairman (until 20 March 2006)
Metrobus (France)	Director
JCDecaux España (Spain)	Chairman - Acting Chief Executive Officer
El Mobiliario Urbano SA (Spain)	Chairman - Acting Chief Executive Officer
JCDecaux & Sign SA (Spain)	Chairman - Acting Chief Executive Officer (until 5 June 2006)
JCDecaux Atlantis (Spain)	Chairman - Acting Chief Executive Officer
JCDecaux & Cevasa SA (Spain)	Chairman of the Board of Directors
MediaNation Inc. (Hong Kong)	Director (until 5 May 2006)
Media Partners Internat. Hold. Inc. (Hong Kong)	Director (until 19 May 2006)

Offices and directorships held during the last five years in companies outside our Group: None

Mr. Jean-François Decaux – Chairman of the Executive Board

Offices and Directorships held during 2006 in all companies of our Group:

JCDecaux Holding (France)	Director – Acting Chief Executive Officer
Metrobus (France)	Director
Media Frankfurt GmbH (Germany)	Vice Chairman of the Supervisory Board
Europlakat International Werbe (Austria)	Member of the Supervisory Board
Gewista Werbegesellschaft MbH (Austria)	Vice Chairman of the Supervisory Board
JCDecaux Central Eastern Europe (Austria)	Managing Director (until 2 May 2006)
JCDecaux Street Furniture Pty Ltd. (Australia)	Chairman (until 29 December 2006)
David Allen Ltd. (Ireland)	Director (until 23 November 2006)
Leesons Advertising Ltd. (Ireland)	Director (until 23 November 2006)
Summerbrook Enterprises Ltd. (Ireland)	Director (until 23 November 2006)
Affichage Holding (publicly traded company - Switzerland)	Director

Offices and directorships held during the last five years in companies outside our Group: None

Mr. Robert Caudron - Member of the Executive Board

Offices and Directorships held during 2006 in all companies of our Group:

S.E.M.U.P. (France)	Chairman (until 28 April 2006)
S.O.M.U.P.I. (France)	Chairman – Chief Executive Officer (until 27 October 2006)
JCDecaux Mobilier Urbain (France)	Chairman (until 28 April 2006)
S.O.P.A.C.T. (France)	Director – Chief Executive Officer (until 9 May 2006)
JCDecaux Artvertising (France)	Chairman (until 28 April 2006)
JCDecaux UK Ltd. (United Kingdom)	Director
Belgoposter (Belgium)	Director
Ste Holding de Gestion et de Participation (Belgium)	Director
JCDecaux Nederland BV (The Netherlands)	Member of the Supervisory Board (until 8 September 2006)
SIMU BV (The Netherlands)	Member of the Executive Board
JCDecaux Group Services (Luxembourg)	Managing Director
JCDecaux Sverige AB (Sweden)	Director (until 8 September 2006)
AFA JCDecaux A/S (Denmark)	Director
JCDecaux Finland Oy (Finland)	Director (until 16 June 2006)
JCDecaux Portugal Mobiliario Urbano & Publicidade Ltda (Portugal)	Managing Director
JCDecaux Do Brasil (Brazil)	Representative of JCDecaux SA
JCDecaux Transport Finland Oy (Finland)	Director (until 16 June 2006)
Centre de Formation JCDecaux Communicat. Ext. (France)	Managing Director

Offices and directorships held during the last five years in companies outside our Group: None

Mr. Gérard Degonse - Member of the Executive Board

Offices and Directorships held during 2006 in all companies of our Group:

JCDecaux United Ltd. (United Kingdom)	Director (until 3 April 2006)
JCDecaux UK Ltd. (United Kingdom)	Director
JCDecaux Finland Oy (Finland)	Director (until 16 June 2006)
Affichage Holding (publicly traded company - Switzerland)	Director
JCDecaux Transport Finland Oy (Finland)	Director (until 16 June 2006)

Offices and directorships held during the last five years in companies outside our Group:

B.D.T. (France)	Director (from 20 Dec. 2000 to 12 June 2003)
Bouygues Télécom (France)	Director (from 16 Dec. 2000 to 19 Feb. 2004)

Mr. Jeremy Male - Member of the Executive Board

Offices and Directorships held during 2006 held in all companies of our Group:

JCDecaux Finland Oy (Finland)	Chairman of the Board of Directors (until 16 June 2006)
Xpomera AB (Sweden)	Director
JCDecaux Sverige AB (Sweden)	Chairman of the Board of Directors
AFA JCDecaux A/S (Denmark)	Director
AFA JCDecaux Iceland Ehf (Iceland)	Director (until 23 May 2006)
JCDecaux Norge (Norway)	Chairman of the Board of Directors (until 20 April 2006)
JCDecaux Media Services Ltd. (United Kingdom)	Director (until 3 April 2006)
JCDecaux Airport UK Ltd. (United Kingdom)	Director
JCDecaux UK Ltd. (United Kingdom)	Director
JCDecaux Ireland (Ireland)	Director (until 23 November 2006)
Street Furniture Ltd. (Ireland)	Chairman
JCDecaux Nederland BV (The Netherlands)	Member of the Executive Board (until 4 October 2006)
Verkoop Kantoor Media BV (The Netherlands)	Member of the Executive Board (until 25 July 2006)
SIMU BV (The Netherlands)	Member of the Supervisory Board
Univier Communications BV (The Netherlands)	Member of the Supervisory Board (until 12 December 2006)
JCDecaux Stadtmoblierung GmbH (Germany)	Managing Director (until 2 August 2006)
Abribus City Media GmbH (Germany)	Managing Director (until 2 August 2006)
JCDecaux Deutschland GmbH (Germany)	Managing Director (until 26 April 2006)
JCDecaux Airport Polska SpZoo (Poland)	Chairman of the Supervisory Board (until 29 May 2006)
JCDecaux Transport Finland Oy (Finland)	Chairman of the Board of Directors (until 16 June 2006)

Offices and directorships held during the last five years in companies outside our Group: None

Supervisory Board

Mr. Jean-Claude Decaux – Chairman of the Supervisory Board

Offices and Directorships held during 2006 in all companies of our Group:

S.O.P.A.C.T. (France)	Chairman

Offices and directorships held during the last five years in companies outside our Group:

JCDecaux Holding (France)	Chairman-Chief Executive Officer
S.C.I Troisjean (France)	Managing Director
S.C.I. Clos de la Chaîne (France)	Managing Director
S.C.I Lyonnaise d'Entrepôt (France)	Managing Director (until 30 June 2006)
HSBC (formerly Crédit Commercial de France) (France)	Director (from May 2003 to 12 May 2004)
Bouygues Télécom (France)	Representative of JCDecaux Holding, Director

Mr. Jean-Pierre Decaux - Vice Chairman of the Supervisory Board

Offices and Directorships held during 2006 in all companies of our Group: None

Offices and directorships held during the last five years in companies outside our Group:

S.C.I. de la Plaine St-Pierre (France)	Managing Director
S.C. Bagavi (France)	Managing Director
S.C.I. CRILUCA (France)	Managing Director
Assor (France)	Director
Société Foncière de Joyenval (France)	Director

Mr. Pierre-Alain Pariente - Member of the Supervisory Board

Offices and Directorships held during 2006 in all companies of our Group: None

Offices and directorships held during the last five years in companies outside our Group:

SCEA La Ferme de Chateluis (France)	Managing Director
Arthur SA (France)	Director

Mr. Christian Blanc - Member of the Supervisory Board

Offices and Directorships held during 2006 in all companies of our Group: None

Offices and directorships held during the last five years in companies outside our Group:

Principal occupation: Member of Parliament

Carrefour (France)	Director (term of office expired in February 2005)
Thomson Multimédia (France)	Director (term of office expired in December 2006)
COFACE (France)	Director
Cap Gemini (France)	Director (term of office expired in December 2006)

Mr. Xavier de Sarrau - Member of the Supervisory Board

Offices and Directorships held during 2006 in all companies of our Group: None

Offices and directorships held during the last five years in companies outside our Group: None

Principal occupation: Attorney-at-law

4. INTERESTS OF MANAGEMENT

4.1. Management Compensation

The amount of gross compensation and other benefits paid to each officer by JCDecaux SA, by JCDecaux Holding, and by other companies in our Group in 2006 was as follows:

Members of the Executive Board
The amounts shown as paid in France are the amounts paid by JCDecaux SA aggregated with the amounts paid by JCDecaux Holding, controlling shareholder of JCDecaux SA.

The criteria for calculating variable compensation (bonus, etc.) of the members of the Executive Board are set forth on page 149 of this Annual Report.

For compensation paid in pounds sterling, the exchange rate used was the exchange rate as of 31 December 2006, 1 pound sterling for €1.489. Unless otherwise stated, the bonuses paid in 2006 to members of the Executive Board are based on the results of operations for 2005.

Mr. Jean-Charles Decaux

(in euros)	Salary and profit share	Bonus and other	Life insurance/ Supplemental retirement
France	598,000	540,000	20,000
Foreign Subsidiaries	469,000	498,000	-

Mr. Jean-Charles Decaux has the use of a company car in France and Spain. In addition, he also has the use of a company residence in Spain.

Mr. Jean-Charles Decaux is not entitled to receive any special compensation upon the termination of his responsibilities.

Mr. Jean-François Decaux

(in euros)	Salary and profit share	Bonus and other	Life insurance/ Supplemental retirement
France	598,000	540,000	20,000
Foreign Subsidiaries	471,000	813,000(*)	-

(*) *the bonuses paid in 2006 to Mr. Jean-François Decaux by foreign subsidiaries were based on results for fiscal year 2006.*

Mr. Jean-François Decaux has the use of a company car in the United Kingdom.

Mr. Jean-François Decaux is not entitled to receive any special compensation upon the termination of his responsibilities.

Mr. Robert Caudron

(in euros)	Salary and profit share	Bonus and other	Life insurance/ Supplemental retirement
France	306,000	-	17,000
Foreign Subsidiaries	133,000	40,000	-

Mr. Robert Caudron has the use of a company car in France.

In the event the employment agreement is terminated at the Company's initiative, Mr. Robert Caudron will be entitled to receive compensation equal to 23 months of his aggregate salary, in addition to compensation or indemnities provided by law or collective agreement.

Mr. Gérard Degonse

(in euros)	Salary and profit share	Bonus and other	Life insurance/ Supplemental retirement
France	384,000	80,000	-
Foreign Subsidiaries	67,000	-	-

Mr. Gérard Degonse has the use of a company car in France.

In the event his employment agreement is terminated at the Company's initiative, Mr. Gérard Degonse will be entitled to receive:

- retirement compensation equal to two years of base and variable salary, including indemnities provided by law or collective agreement; and
- a non-competition indemnity equal to 1.5 years of base and variable salary for two years.

Mr. Jeremy Male

(in euros)	Salary and profit share	Bonus and other	Life insurance/ Supplemental retirement
France	-	-	-
Foreign Subsidiaries	729,000	546,000	207,000

Mr. Jeremy Male has the use of a company car in the United Kingdom.

Mr. Jeremy Male is entitled to have a contribution made on his behalf to a retirement fund equal to 15% of his annual salary and bonus.

If his employment agreement is terminated at the Company's initiative, Mr. Male is entitled to receive compensation equal to one year's salary and the average of his performance bonuses paid for the preceding two years.

In addition, stock options and free shares were granted by the Executive Board during fiscal year 2006 to Gérard Degonse and Jeremy Male. This information is set forth in the table on page 173 of this Annual Report.

Mr. Jean-François Decaux and Mr. Jean-Charles Decaux do not have any stock options or free shares, as they have waived the right to receive them.

During the period, Robert Caudron and Jeremy Male exercised, respectively, 650 and 20,000 stock options.

Members of the Supervisory Board
During the fiscal year ended 31 December 2006, the members of the Supervisory Board received the following gross amounts by JCDecaux SA in the form of directors' fees:

Christian Blanc	€24,820
Jean-Pierre Decaux	€21,745
Pierre-Alain Pariente	€24,820
Xavier de Sarrau	€24,820
Lothar Späth (term of office ended at the Shareholders' Meeting of 10 May 2006)	€3,130

During the same period, the following members of the Supervisory Board received the following gross amounts in connection with their service on Committees:

Audit Committee

Xavier de Sarrau	€8,200
Christian Blanc	€6,200

Compensation and Nominating Committee

Christian Blanc	€4,100

Jean-Claude Decaux has waived receipt of directors' fees for his service as Chairman of the Supervisory Board and Chairman of the Compensation and Nominating Committee.

In 2006, Mr. Jean-Claude Decaux received compensation of €45,700 for his service as Chairman of Sopact as well as compensation of €195,100 as Chairman and Chief Executive Officer of JCDecaux Holding.

The aggregate of amounts provisioned or paid by our Company and its subsidiaries in respect of pensions, retirement, and other benefits to members of the Executive Board and the Supervisory Board is set forth on pages 106 and 107 of this Annual Report.

4.2. Shares owned by officers and directors

During the fiscal year just ended, the following officers and directors and persons affiliated with them engaged in the following transactions in respect of our Company's shares:

- Jean-Pierre Decaux: sale of 5,000 shares. Various persons related to Jean-Pierre Decaux also sold 245,000 shares during the fiscal year just ended;
- Jeremy Male: sale of 20,000 shares following an exercise of stock options
- Robert Caudron: sale of 650 shares following an exercise of stock options

As of 31 December 2006, the members of the Executive Board and of the Supervisory Board owned an aggregate of 3,551,078 of our Company's shares (accounting for approximately 1.60% of the share capital and voting rights), distributed as follows:

Holdings as of 31 December 2006

Directors and Officers	Number of shares	% of share capital	% of voting rights
Jean-François Decaux	1,796,179	0.810	0.810
Jean-Charles Decaux	1,712,210	0.772	0.772
Jean-Claude Decaux	8,175	0.004	0.004
Jean-Pierre Decaux	1,574	0.001	0.001
Robert Caudron	19,420	0.009	0.009
Xavier de Sarrau	11,000	0.005	0.005
Christian Blanc	1,500	0.001	0.001
Pierre-Alain Pariente	1,020	-	-

As of 31 December 2006, members of the Executive Board and of the Supervisory Board owned, with full legal title or limited legal title (*nue-propriété*), 1,300,030 shares of JCDecaux Holding (accounting for approximately 67% of the share capital and voting rights of that company), which itself owns 70% of the Company's shares.

4.3. Total number of stock options granted for our shares

Stock options awarded to directors and officers during fiscal year 2006 are set forth on page 173 of this Annual Report.

4.4. Assets belonging directly or indirectly to our directors and officers and members of their family

4.4.1. Real estate assets

All premises where we conduct business are owned by us or leased under commercial leases.

Some premises belong to companies controlled by JCDecaux Holding, which owns approximately 70% of our shares. Our registered office in Neuilly-sur-Seine, for example, and our premises in Plaisir, Maurepas (Yvelines), and Puteaux, our offices in London, Brussels, and Madrid belong to SCI Troisjean, a subsidiary of JCDecaux Holding. We occupy premises under commercial leases that have been entered into based on market conditions. These market conditions were verified by an independent expert in November 2004. The aggregate amount of rent paid by us during the fiscal year ended 31 December 2006, under such commercial leases was €10,306,096.

4.4.2. Intellectual property

We protect intellectual property necessary for our business (trademarks, designs and models, patents, domain names) by exclusive rights both in France and in the principal countries where we have operations. The trademark "JCDecaux" is protected in many countries.

Under a trademark co-existence agreement with Mr. 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 structures.

As of 31 December 2006, we own more than 698 secondary trademarks. Over 900 designs and models registered in France and abroad protect products such as bus shelters, columns, billboards and interactive kiosks, some of which are designed by internationally known architects. Patents protect technical innovations such as the computer system that regulates the provision of bicycle rentals or our automatic public toilets. As of 31 December 2006, we owned more than 211 patents in France and abroad. As fees applicable to our patents become due, we regularly review the appropriateness of maintaining the monopoly on the inventions these patents protect.

4.5. Agreements with the Company, loans, security interests made by our Company

- The Supervisory Board has not approved any agreement, or commitment with related parties, as would be governed by Article L.225-86 of the French Commercial Code. There are no service agreements between our Company and any officers conferring a benefit at the end of such agreement.
- During the fiscal year just ended, no loan or security was made or granted by our Company in favour of any member of the Executive Board or Supervisory Board.

4.6. Transactions by our Company with affiliates

Comments on these transactions with respect to fiscal year 2006 are set forth in the Notes to the Consolidated Financial Statements and on page 106 of this Annual Report. The rent paid by us to SCI Troisjean, a subsidiary of JCDecaux Holding, represents the most significant transaction amount, *i.e.* 35% of the total purchases made in transactions with related entities in 2006. This rent was made under market conditions, as verified by an independent expert in November 2004.

The total amount of rent paid by us under such commercial leases was €10,306,096 in 2006 and €9,800,330 in 2005.

The amount of rent paid to SCI Troisjean during the first quarter of 2007 was €2,727,448.

4.7. Adverse judgements, penalties and conflicts of interest

No judgement for fraud has been entered against any member of the Executive Board or the Supervisory Board during the last five years.

No official citation or penalty has been entered against any of them by any legal or regulatory authority. Among 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 last 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 last five years.

Except for the conflict of interest mentioned by Mr. Gérard Degonse, whose spouse was appointed Chief Executive Officer of the insurance company Chubb France, which is involved in several insurance programmes with our Group, there is no conflict of interest between the responsibilities of members of the Executive Board or members of the Supervisory Board and their private interests and/or other responsibilities that they may have.

5. EMPLOYEE PROFIT SHARING AND BENEFIT PLAN

In France, the employee profit sharing plans for JCDecaux SA, Avenir and JCDecaux Airport France were renewed in 2004 and supplemented with a Group agreement. These plans are intended not only to give employees a stake in the performance of their company, but also to enhance their loyalty to our Group. Other agreements are pending for JCDecaux Artvertising (formerly JCDecaux Publicité Lumineuse), JCDecaux Holding and, JCDecaux Mobilier Urbain.

Each such agreement was made for three years and covers the employees of the companies involved who have at least three months' service with our Group during the fiscal year giving rise to the profit share.

In France, a Group participation plan was adopted in 2001 providing for a profit pooling agreement among its parties (JCDecaux SA, JCDecaux Airport France, Avenir, 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 profit share. The calculation of the benefit is made pursuant to the provisions of Article L.442.2 of the French Labour Code.

The amounts of the profit share and participation paid for France for the last three fiscal years is set forth on page 35 of this document.

JCDecaux SA, Avenir, JCDecaux Airport France, JCDecaux Artvertising, JCDecaux Mobilier Urbain, and JCDecaux Holding each have a Company Savings Plan (*Plan d'Epargne d'Entreprise*), and each of these Plans was renewed in 2002. The covered employees can make voluntary contributions to a fund consisting of JCDecaux shares, allowing employees to invest in JCDecaux SA's share capital.

6. INTERNAL CONTROL

6.1. Internal control procedures

The purpose of the internal control and audit procedures is to ensure effective operations, compliance with applicable law and regulations, and the reliability of financial and accounting information.

One of the objectives of our internal control and audit procedures is to prevent and control risks resulting from our Company's business and the risk of negligence or fraud, in particular in the areas of accounting and finance. Like any system of control, it cannot, however, provide an absolute guarantee that such risks have been completely eliminated.

Our internal control procedures are the result of an analysis of the financial and operating risks arising from our Company's business. They have been defined by reference to the Committee of Sponsoring Organizations of the Treadway Commission (COSO) system. They are distributed broadly to the employees concerned, and their application is the responsibility of operating management of our Group: the Finance and Control Department, Legal Department and Management Information Services Department. The Internal Audit Department is responsible for verifying compliance with the procedures adopted and identifying any weaknesses in such procedures.

6.1.1. Risk analysis

Our business is organized around four processes: asset management, commercial management, operations and financial management. The management committees of our Group's subsidiaries reflect this organization.

Asset management

Since our Company's purpose is to market advertising space, the acquisition of new sites and the renewal of existing occupancy rights is an important activity for us. This process covers all of the operations involved in the preparation of bid tenders, the negotiation of agreements and the performance of contracts.

The risks associated with this process are legal risks relating to compliance with applicable law and rules of competition. Over time we have developed a department of lawyers with specialised knowledge in public and administrative law to manage our bids in France and elsewhere. This legal team analyses the content of the public tenders and ensures 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 bid tenders that exceed certain criteria are systematically referred to the Executive Board for approval.

Commercial management

Since we market advertising space principally through networks, this process covers the following phases: definition of products and prices, definition of our commercial strategy, taking orders and making contracts, management planning and scheduling and sales administration. The Sales and Marketing Departments are responsible for relations with our advertisers and their advertising agencies.

The essential risk in this process is the integrity of our revenues. Over and above the commercial, accounting and financial procedures in place, we rely on the integration of management information systems (assets, commercial and financial) to ensure the integrity of revenues.

Operations
This process covers all operational functions that range from installation of structures or billboards, to posting posters and maintenance of structures.

The major risks relating to these operations are controlled by an organization and the existence of procedural safeguards relating to:

- diversification of sources of supply, means of production, and transportation of posters to their display sites, delays in which can directly affect the level of sales;
- operations, which include most of our employees: working conditions and safety are checked on a regular basis by our Occupational Safety and Health Committees;
- in addition, we have installed facilities to make it possible to continue our operations, even in the event of a major casualty, fire, etc.
- Finally, information systems are protected from intrusions and physical risks by a private detection and firewall network (with alarms in real time) and the doubling up of systems and the regular back-up of stored data at various sites.

Finance
The process for producing financial information and the procedures implemented for reducing risks are described on pages 159 to 162.

6.1.2. Rules and procedures

Code of Ethics
The change in our Group's size beginning in 1999 led us to adopt a Code of Ethics in 2001, formalising the rules of conduct which have been integral to our success from our inception.

In late 2004, the Code of Ethics was updated and now consists of two sets of rules:

- Fundamental Ethical Rules which apply to dealings with government agencies, shareholders, and the financial markets; a Group Ethics Committee is responsible for ensuring compliance with these rules, which are essential to our existence and success and which include the absolute prohibition of any form or corruption, active or passive.
- A Code of Good Conduct covering relations with suppliers, clients and fellow employees within our Company. The rules it contains must be implemented in each company of the Group, in accordance with applicable local law and 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 in early 2005. It has been widely disseminated and is available via Intranet, or, on request, from the Human Resources Department of each of our companies. In addition, each employee receives a copy of the Code of Ethics at the time he or she is hired.

The Ethics Committee consists of three members: the Chairman of the Audit Committee of the Supervisory Board, the General Counsel, and the Director of Internal Audit.

The role of the Ethics Committee is to be informed of and handle violations of the Fundamental Ethical Rules, while ensuring strict confidentiality.

The Ethics Committee is also responsible for:

- dealing with any matter relating to our Group's ethics and making any recommendations it deems necessary;
- ensuring distribution of the Code of Ethics and recommending any changes to it;
- conducting, or causing to be conducted, any investigation, proposing any corrective measures, and, if appropriate, preparing any responses to claims against, or questions to, our Group relating to the appropriateness of its practices in respect of its ethics policies.

In 2006, the Ethics Committee adopted a set of by-laws governing the membership, responsibilities, and operation of the Committee.

One matter was brought to the attention of the Ethics Committee in 2006. It is currently being investigated.

In 2006, the Executive Board decided to take additional steps to enhance the awareness and responsibility of our senior managers with respect to ethics matters by implementing awareness programs.

Delegations of authority
Since our Group's operating structure is based on fully operational subsidiaries in France and in the other countries where we do business, 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 elsewhere.

Thus, in three areas of particular sensitivity to us, the Executive Board has limited the authority of subsidiaries to make binding commitments:

- in responding to bid tenders;
- in opening and maintaining bank accounts with instructions in these areas to be covered in an annual review;
- in entering into commitments other than those relating to banking transactions: commercial agreements, employment agreements, purchases and sales of real estate and registration of patents, trademarks and models, etc.

In addition, within JCDecaux SA, two levels of delegation were created:

- a first tier of delegation in the area of Operations and Finance;
- a second tier of delegation for managers who report to the first tier, particularly in the areas of Operations, Human Resources, Legal, Information Systems, Financial Control, Treasury Management and Development.

Internal Control Manual and Self-Evaluation
In 2003, we prepared an Internal Control Manual with the help of an outside consultant. This Manual was presented to all Financial Directors of our Group in June 2003 and sent to all subsidiaries. The preparation of this Manual enabled us to identify the principal decision-making processes and to define the major risks with respect to each of them.

On the basis of the Internal Control Manual, we developed a self-evaluation questionnaire to obtain feedback from the Financial Directors of our subsidiaries regarding the administrative processes and the related risks for which they were responsible.

This questionnaire made it possibly to identify certain weak points in our internal controls over certain administrative cycles with respect to which corrective actions have been included in action plans implemented beginning in 2004. These weaknesses are not considered to be material deficiencies in our internal controls.

Lastly, beginning on the same date, we undertook an analysis of the various stages of each of the processes identified to define the most appropriate points of control. With respect to each of such points, the subsidiaries were asked to describe the internal controls they applied and evaluate the suitability and adequacy of such controls. Since 2005, six principal processes have been covered:

- sales cycle (from order taking to invoicing);
- purchasing cycle (from submitting an order to payment);
- cycle for managing assets (leases, city contracts, etc.)
- information systems (security, availability and business continuity)
- fixed asset cycle (recording, depreciation/amortisation and dismantling);
- financial control and treasury.

The responses from the subsidiaries, although they did not expose major deficiencies in our internal controls, helped identify corrective actions that should now be implemented.

6.1.3. Implementation

The application of internal controls within our Group is done through the Legal, Finance and IT Departments, and through a Quality Control Department.

Each year in June and December, our Corporate Legal Department inventories and classifies from subsidiaries and their outside counsel all litigation (type, subject matter, amounts, proceedings, level of risk) and tracks and monitors it on a regular basis, comparing this information with the information developed by International management control and reporting thereon to the Audit Committee and to the Statutory Auditor.

The Finance Department tracks the performance of the subsidiaries on the basis of the information they report, prepares comparisons among subsidiaries, and makes specific analyses of costs and investments. Within the Finance Department, a group of controllers is responsible for the financial monitoring of our foreign subsidiaries. The Financial Directors meet on a regular basis to analyse and discuss technical and ethical developments and their responsibilities in the area of controls.

The IT Department works in three areas with respect to internal controls: security of data and information, harmonisation of systems, and hosting of systems.

The Quality Assurance Department verifies, among other things, compliance with new standards and laws and regulations relating to the environment.

6.1.4. Internal Audit

Since our initial public offering in 2001, we have sought to strengthen internal controls and develop a culture of risk management by developing the Internal Audit Department.

A new organisation took effect as of 1 April 2004; the position of Internal Audit Director was created, and the existing staff and level of expertise were strengthened.

The Internal Audit Department reports to our Co-Chief Executive Officer who does not hold the office of Chairman of the Executive Board. The members of the Audit Committee and the Chairman of the Supervisory Board have direct access, outside normal reporting lines, to this Department and may assign specific tasks and responsibilities to it.

In 2006, as set forth in the Action Plan, the Internal Audit Department:

- conducted audits of the Management Information Systems Department and Commercial Department, as well as of the accounting procedures for suppliers in France;
- conducted audits of leases and purchases in Italy;
- conducted a financial audit in Sweden;
- conducted audits of financial controls, treasury, sales, and purchases in China;
- conducted audits of the procedures for purchases and sales of advertising structures not belonging to the Company in Austria and of the processes for booking fixed assets and inventories;
- supervised the evaluation of internal control processes by the subsidiaries.

6.2. Process for Producing Financial and Accounting Information

The process for producing the financial and accounting information of JCDecaux SA is intended to:

- provide to members of the Executive Board and to operating management the information they need to manage our Company and its subsidiaries;
- permit accounting consolidation, management of operations through reporting and budgeting;
- ensure proper financial communication within the Group.

The process of producing financial and accounting information is organized around three cycles: budget, reporting and consolidation. These three cycles apply to all legal entities and follow an identical format (scope, definitions, treatment) set forth in the "Finance Manual". This Manual contains all the accounting and management principles, rules and procedures within our Group.

- The budget is prepared in the fall and covers closing forecasts for the end of the fiscal year then pending, the budget for the year N+1, and forecasts for the years N+2 and N+3. Approved by the Executive Board in December, it is sent out to the subsidiaries before the beginning of the year involved. 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.
- Reporting prepared monthly, except for January and August, includes several parts: 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 quarterly, but distributed on a half-yearly basis. They include an income statement, balance sheet and a cash flow statement and notes. Consolidation is centralized (no consolidation cut-off).

All of these cycles are under the responsibility of the Chief Financial Officer's Office, organized as follows:

- A Financial Control Department consisting of a Budget and Reporting Group, a Consolidation Group and an International Management Control Group responsible for tracking the financial performance of foreign subsidiaries;
- A Treasury Management and Development Department consisting of a Financing-Treasury Group, a Corporate Development-Acquisitions Group and a Quality Control and Tax Group;
- A Financial Communications and Investor Relations Department.

The managers that head these Departments have global and interdivisional responsibility for all subsidiaries. The Chief Financial Officer has operational authority over the finance Departments of all of our subsidiaries. This structure is strengthened by the delegations of authority described above.

When the financial statements are closed, the General Managers and Financial Directors of the subsidiaries prepare "letters of confirmation" signed jointly and sent to the Corporate Controller.

Involvement of outside auditors

Our financial statements are audited twice a year by our statutory auditors, in connection with the annual closing (full audit) and half-year closing (limited examination) 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 significant subsidiaries.

TRENDS

We believe we have a strong and coherent system of internal control, well adapted to our business. We will continue to evaluate it, however, on a regular basis and make any changes that appear necessary.

The work undertaken with subsidiaries, which are asked to describe and evaluate the adequacy and appropriateness of control points, will be continued.

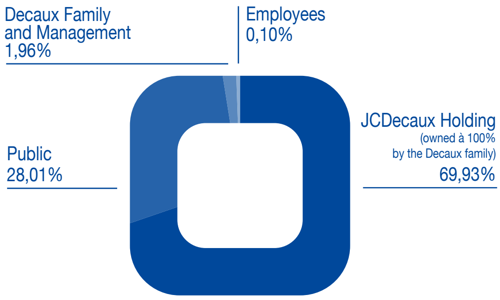
SHAREHOLDERS AND TRADING INFORMATION

1. BREAKDOWN OF SHARE CAPITAL

As of 31 December 2006, the ownership of the share capital was as follows:

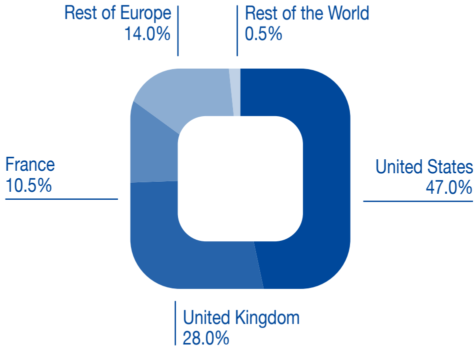
- registered shares: 159,651,416 shares owned by 64 shareholders,
- bearer shares: 62,063,844 shares.

As of 31 December 2006



DISTRIBUTION OF LISTED FLOATING SHARES BY GEOGRAPHIC AREA

As of 31 December 2006



Source: Thomson Financial/Euroclear (on the basis of shares identified (98.79% of the float)).

2. PRINCIPAL SHAREHOLDERS

As of 31 December 2006, our Company's shares were held as follows:

Shareholders	Number of shares	Percentage of share capital	Percentage of voting rights
JCDecaux Holding	155,056,749	69.935	69.935
Public (Bourse)	62,103,578	28.01	28.01
Jean-François Decaux	1,796,179	0.810	0.810
Jean-Charles Decaux	1,712,210	0.772	0.772
Jean-Sébastien Decaux	768,824	0.347	0.347
Employee shareholders (FCPE JCDecaux Développement)	213,400	0.096	0.096
Robert Caudron	19,420	0.009	0.009
Annick Piraud	18,572	0.008	0.008
Xavier de Sarrau	11,000	0.005	0.005
Jean-Claude Decaux	8,175	0.004	0.004
Danielle Decaux	3,059	0.001	0.001
Jean-Pierre Decaux	1,574	0.001	0.001
Christian Blanc	1,500	0.001	0.001
Pierre-Alain Pariente	1,020	-	-
Treasury shares	0	-	-
TOTAL	**221,715,260**	**100%**	**100%**

To our knowledge, there are no agreements among the shareholders listed above relating to their respective interests in the Company. We were not party to any shareholder agreements whether relating to a publicly traded company, or to non-publicly traded subsidiaries containing provisions that could have a material effect on our share price.

To our knowledge, no shareholder other than JCDecaux Holding owns, directly or indirectly or with others, 5% or more of our share capital or voting rights.

Our principal shareholders do not have different voting rights. No shares have double voting rights.

3. 2006 STOCK PERFORMANCE

JCDecaux shares are traded on Eurolist by Euronext Paris (Section A), and only on that market. JCDecaux shares have been among the shares constituting the SBF 120 index since 26 November 2001, and the Euronext 100 index since 2 January 2004. Since 3 January 2005, we have also joined a new stock index, called the CAC Mid100 index. This index consists of the 100 first market capitalisations that follow the 60 largest stocks that make up the CAC 40 and CAC Next20 indices. Since 22 September 2003, we have 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. Finally, as of 21 March 2005, we have been included in the FTSE4Good Index, another share index of socially responsible companies.

As of 31 December 2006, the number of shares outstanding was 221,715,260, and there were no treasury shares. The weighted average number of shares was 221,427,121 during fiscal year 2006. On average 290,445 shares were traded per day.

Our shares closed the year at €21.68, up 10% compared to 2005.

4. TREND IN TRADING PRICE AND TRADING VOLUME

Since 1 January 2005, the trading price and transaction volumes of JCDecaux shares have been as follows:

	PRICE			VOLUME		
	High *(in euros)*	Low *(in euros)*	Closing price *(in euros)*	Number of shares traded	Average shares traded	Market capitalisation(1) *(in M€)*
2005						
January	21.63	20.16	20.51	3,627,214	172,724	4,545.10
February	20.57	19.26	19.43	6,640,137	332,007	4,313.30
March	21.08	19.37	21.06	7,211,601	643,410	4,675.20
April	21.81	19.83	20.48	4,626,340	220,302	4,546.40
May	20.97	19.70	19.70	4,477,255	203,512	4,373.30
June	21.36	19.83	20.95	4,587,773	208,535	4,650.80
July	21.10	19.05	19.24	7,195,061	342,622	4,271.20
August	19.91	18.90	18.95	7,186,288	312,447	4,206.80
September	19.78	18.11	18.36	12,119,769	550,899	4,072.10
October	18.35	16.20	17.06	9,662,089	460,099	3,783.80
November	18.75	16.89	18.45	8,956,919	407,133	4,092.10
December	19.74	18.51	19.70	4,447,149	211,769	4,369.30
2006						
January	20.98	19.67	20.44	10,497,707	477,169	4,513.70
February	21.69	20.17	21.05	7,116,373	355,819	4,448.37
March	23.46	21.10	22.33	7,640,885	332,212	4,931.03
April	24.57	22.26	23.70	4,360,288	242,238	5,233.56
May	23.96	20.85	22.23	6,554,439	297,929	4,908.95

	PRICE			VOLUME		
	High	Low	Closing price	Number of shares traded	Average shares traded	Market capitalisation(1)
	(in euros)	*(in euros)*	*(in euros)*			*(in M€)*
2006						
June	22.41	19.62	20.66	6,759,171	307,235	4,562.26
July	20.66	19.10	20.17	7,551,858	359,612	4,454.06
August	22.00	19.93	21.65	2,790,239	121,315	4,780.88
September	22.74	20.72	21.33	5,657,148	269,388	4,710.21
October	21.69	20.00	20.00	5,979,826	271,810	4,416.52
November	21.91	20.06	21.30	6,190,979	281,408	4,719.73
December	22.09	21.25	21.68	2,674,148	148,564	4,803.93
2007						
January	22.70	21.24	22.70	3,783,588	164,504	5,029.95
February	23.29	21.63	21.63	4,472,839	223,642	4,792.85

(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

2005 trading data

Highest price (26 April 2006) (1)	24.57
Lowest price (18 July 2006) (1)	19.10
Market capitalisation (2)	4,803.93
Number of shares as of 31 December 2006	221,715,260
Average daily trading volume	290,445

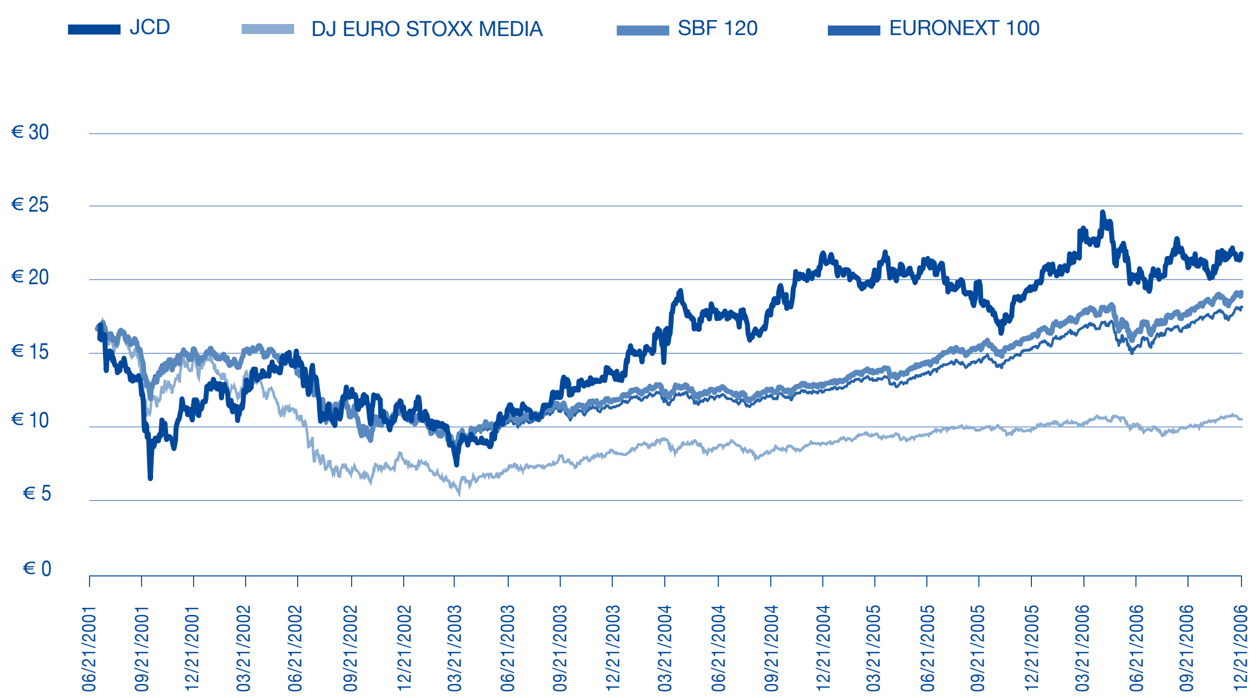
Source: Thomson Financial

(1) In euros, closing price
(2) In million of euros, as of 31 December 2006

TREND OF TRADING PRICES

Evolution of share price and trading volumes in 2006

Performance of our share price since the IPO on 21 June 2001 compared to the SBF 120, DJ Euro Stoxx Media and Euronext 100 Indices



5. SHAREHOLDER RELATIONS

Alexandre Hamain

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Market Information is available to shareholders at the Internet site: www.jcdecaux.com.

Tentative Investor Relations calendar

Date	Event
9 May 2007	First quarter 2007 revenues
10 May 2007	Annual General Meeting of Shareholders
24 July 2007	Second quarter 2007 revenues
12 September 2007	2007 half year results
6 November 2007	Third quarter 2007 revenues and results

SHARE CAPITAL

1. GENERAL INFORMATION

1.1. Provisions in the Articles of Association relating to changes in the share capital and voting rights

Any changes in our share capital or voting rights are subject to applicable law. Our Articles of Association do not provide for any other restrictions.

The breakdown of our shareholding structure is set forth on page 164 of this Annual Report.

1.2. Share capital

As of 31 December 2006, our share capital was €3,380,029.81 and consisted of 221,715,260 shares, all of the same class and fully paid.

When our share capital was converted into Euros in June 2000, the reference to nominal value of the shares was deleted from the Articles of Association.

Delegations of authority currently outstanding granted to our Executive Board to increase the share capital are as follows:

Date of Shareholders' Meeting	Description of authority delegated to Executive Board	Use made of delegation by our Executive Board in 2006
11 May 2005	- Increase the share capital on one or more occasions by issuing shares and/or securities carrying the right to acquire shares of the Company and/or securities carrying the right to acquire securities exchangeable for or convertible into shares – with or without preferential subscription rights attached – up to an aggregate maximum nominal amount of €2,000,000, and determine the terms and conditions thereof. The authority was delegated for 26 months. The same authority was delegated with the power to eliminate the preferential subscription right of existing shareholders.	None of these delegations was used during the fiscal year just ended
	- Issue shares without the preferential right of existing shareholders, in consideration for contributions in kind relating to equity securities or securities carrying the right to acquire shares, up to a limit of 10% of the share capital, such authority being delegated for 26 months.	
	- Increase the share capital on one or more occasions through capitalisation of premiums, reserves, or earnings in the aggregate maximum amount of €2,000,000, such authority being delegated for 26 months.	
	- Increase the number of shares to be issued (over-allotment option), in the event of a capital increase with or without preferential subscription rights, at the same price as that of the initial issue, such authority being delegated for 26 months.	
	- Increase the share capital on one or more occasions by issuing shares or securities carrying the right to acquire shares to participants in company savings plans with elimination of the preferential subscription right for their benefit in a maximum nominal amount of €20,000, such authority being delegated for 26 months.	
	- Grant share subscription or purchase options to some or all officers or employees of the Group, up to a limit of 4% of the share capital, such authority to last for 26 months.	Pursuant to this delegation, the Executive Board, on 20 February 2006, granted 70,758 stock options.
	- Award free of charge existing shares, or shares to be issued, to some or all officers and employees of the Group, up to a limit of 0.5% of the share capital, such authority being delegated for 26 months.	Pursuant to this delegation of authority, the Executive Board, on 3 February 2006, granted 25,974 free shares.

The Combined Extraordinary and Ordinary General Meeting of Shareholders held on 10 May 2006 also authorised our Executive Board:

- to purchase the Company's shares in the market within the limit of €30 per share and up to an aggregate maximum amount of €662,476,650, for a period of 18 months; and
- to reduce the share capital by cancelling treasury shares, also for a period of 18 months.

During 2006, the Executive Board undertook no transactions in connection with these two delegations of authority.

New share repurchase programme

A new share repurchase programme, together with a resolution authorising cancellation of the shares repurchased, will be submitted to the Shareholders for their action at the Combined Extraordinary and Ordinary Meeting of Shareholders scheduled for 10 May 2007.

The main characteristics of this programme are as follows:

- Affected shares: Shares of our Company (except for preference shares)
- Maximum percentage authorized to be repurchased: 10% of the shares of our Company's share capital outstanding at any time, such percentage to apply to an amount of share capital adjusted based on transactions affecting it subsequent to the General Meeting of Shareholders to be held on 10 May 2007, or, for indicative purposes, 221,715,260 shares as of 31 December 2006.
- Maximum unit price authorised: €30
- Maximum aggregate amount of the programme: €665,145,780 for 22,171,526 shares.
- Objectives of such programme:
    - implementation of any Company stock option plan under Articles L.225-177 *et seq.* of the French Commercial Code; or
    - grants of shares to employees to reward them for contributing to our Company's growth and implement any stock savings plan on the terms and conditions provided by law and especially under Articles L.443-1 *et seq.* of the French Labour Code; or
    - grants of free shares as provided under Articles L.225-197-1 *et seq.* of the French Commercial Code; or
    - delivery of shares upon exercise of rights attached to 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 of the 15th Resolution submitted to the Combined Meeting of Shareholders scheduled for 10 May 2007 and according to the terms indicated therein; or
    - delivery of shares in respect of an exchange, payment, or otherwise in connection with acquisitions under applicable law and regulations; or
    - support for a secondary market or for the liquidity of JCDecaux SA shares by an investment bank in connection with a liquidity contract that complies with the ethical standards of the *Autorité des Marchés Financiers (AMF).*

This authority will also allow our Company to conduct transactions for any other purpose that is authorised, or that may be authorised, by applicable law or regulations. In such case, the Company will advise the shareholders through a press release.

- Length of the programme: this programme is valid for 18 months from the General Meeting of Shareholders held on 10 May 2007, that is, until 10 November 2008.

Changes in the Company's share capital over the last three years

Date	Transaction	Number of shares issued/ cancelled	Nominal amount of the capital increase/ decrease *in euros*	Issue premium/ per share *in euros*	Aggregate amount of issue premium *in euros*	Successive amounts of share capital *in euros*	Aggregate number of shares	Nominal value
30-June-04	Capital increase in connection with exercises of stock options	20,010	305.05	15.12	302,474.81	3,378,589.32	221,620,770	(1)
31-Dec-04	Capital increase in connection with exercises of stock options	372,899	5,684.81	15.66	5,840,738.71	3,384,274.13	221,993,669	(1)
3-June-05	Capital reduction by cancellation of treasury shares	200,000	3,049.98	10.26	2,052,536.12	3,381,225.15	221,793,669	(1)
7-July-05	Capital increase in connection with exercises of stock options	233,684	3,562.49	15.51	3,623,707.45	3,384,787.64	222,027,353	(1)
8-Dec-05	Capital reduction by cancellation of treasury shares	1,500,000	22,867.37	19.29	28,937,721.06	3,361,920.27	220,527,353	(1)
31-Dec-05	Capital increase in connection with exercises of stock options	298,198	4,546	16.06	4,787,921.07	3,366,466.27	220,825,551	(1)
30-June-06	Capital increase in connection with exercises of stock options	758,285	11,559.99	15.84	12,010,224.60	3,378,026.26	221,583,836	(1)
31-Dec-06	Capital increase in connection with exercises of stock options	131,424	2,003.55	15.31	2,012,769.18	3,380,029.81	221,715,260	(1)

(1) Upon the conversion of the share capital into euros, reference to a nominal, or par, value of the shares was deleted from the Articles of Association.

Changes in our shareholders over the last three years

Shareholders	31 December 2004			31 December 2005			31 December 2006		
	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights
JCDecaux Holding	155,056,745	69.847	69.91	155,056,749	70.217	70.217	155,056,749	69.935	69.935
Public	62,118,856	27.982	28.007	61,168,267	27.7	27.7	62,103,578	28.01	28.01
Jean-François Decaux	1,796,179	0.809	0.81	1,796,179	0.813	0.81	1,796,179	0.810	0.810
Jean-Charles Decaux	1,712,210	0.771	0.772	1,712,210	0.775	0.775	1,712,210	0.772	0.772
Jean-Sébastien Decaux	768,824	0.346	0.347	768,824	0.348	0.347	768,824	0.347	0.347
FCPE JCDecaux Développement	248,900	0.112	0.112	254,000	0.115	0.115	213,400	0.096	0.096
Treasury shares	200,000	0.09	0	0	0	0	0	0	0
Jean-Pierre Decaux	31,723	0.014	0.014	6,574	0.003	0.003	1,574	0.001	0.001
Robert Caudron	19.420	0.009	0.009	19.420	0.009	0.009	19,420	0.009	0.009
Annick Piraud	18,572	0.008	0.008	18,572	0.008	0.008	18,572	0.008	0.008
Xavier de Sarrau	11,000	0.005	0.005	11,000	0.005	0.005	11,000	0.005	0.005
Jean-Claude Decaux	8,175	0.004	0.004	8,175	0.004	0.004	8,175	0.004	0.004
Danielle Decaux	3,059	0.001	0.001	3,059	0.001	0.001	3,059	0.001	0.001
Christian Blanc	2	-	-	1,500	0.001	0.001	1,500	0.001	0.001
Pierre-Alain Pariente	2	-		1,020	-	-	1,020	-	-
Lothar Späth	2	-	-	2	-	-	-	-	-
TOTAL	**221,993,669**	**100**	**100**	**220,825,551**	**100**	**100**	**221,715,260**	**100**	**100**

The difference between the percentage of share capital and the number of voting rights, if any, is due to the number of treasury shares.

2. STOCK OPTIONS

At the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2005, the Executive Board was authorised to grant options carrying the right to subscribe for issued and outstanding or new shares of the Company, up to a limit of 4% of the share capital, for 26 months from the date of that Meeting, to salaried employees and, if applicable, officers of the Company and its French and non-French subsidiaries or groups at least 50%-owned by our Company and JCDecaux Holding. This authority replaced the authority granted at the General Meeting of Shareholders held on 23 May 2002.

Under the authority granted at the Combined General Meeting of Shareholders held on 23 March 2001, 4,103,704 stock options were granted by the Executive Board to 6,254 employees during fiscal year 2001.

Under the authority granted by the Combined General Meeting of Shareholders held on 23 May 2002, 1,666,718 options were awarded by the Executive Board to 159 employees during fiscal years 2002, 2003, 2004 and 2005.

Under the authority granted at the General Meeting of Shareholders held on 11 May 2005, 70,758 options were granted by the Executive Board to four employees during financial year 2006.

Grants and exercises of stock options during 2006

Stock options awarded to, and exercised by, officers	Number of options	Price in euros	Expiry date	Plan
Options awarded to officers during the fiscal year (date of grant: 20 February 2006):				
- Jeremy Male	33,528	20.55	20 Feb. 2013	11 May 2005
- Gérard Degonse	18,345	20.55	20 Feb. 2013	11 May 2005
Options exercised by officers during the fiscal year:				
- Robert Caudron	650	21.60	23 Mar. 2008	23 Mar. 2001
- Jeremy Male	20,000	23.40	23 Mar. 2008	23 Mar. 2001

Stock options awarded to, and exercised by, non-officer employees	Number of options awarded/ exercised	Weighted average price in euros	Expiry date	Plan
Options awarded during the fiscal year to the ten employees of our Company and of any company included within the scope of qualifying companies, whose number of options awarded is the highest (date of grant: 20 February 2006)	18,885	20.55	20 Feb. 2013	11 May 2005
Options exercised by the ten employees of our Company within the scope of qualified employees having the highest number of options exercised during the fiscal year	148,711	15.12		

Summary of terms of our 2001, 2002, and 2005 Stock Option Plans

	2001 Plan	2002 Plan	2005 Plan
Date of Extraordinary Shareholders' Meetings authorising the stock option plans	23 March 2001	23 May 2002	11 May 2005
Dates of option grants and number of options per date of grant	21 June 2001: 3,283,684 options 20 July 2001: 479,024 options 14 December 2001: 340,996 options	13 December 2002: 88,096 options 16 January 2003: 209,546 options 5 March 2004: 678,711 options 4 March 2005: 690,365 options	20 February 2006: 70,758 options
Total number of beneficiaries under all grants	6,254	160	4
Types of options	Stock Options	Stock Options	Stock Options
Total number of shares under options granted, including:	4,103,704	1,666,718	70,758
- officers	250,919	334,742	51,873
- top ten employees	183,485	362,628	18,885
Expiry date	7 years from date of grant	7 years from date of grant	7 years from date of grant
Exercise price for options granted	- 21 June 2001: €16.50 - 20 July 2001: €15.46 - 14 December 2001: €11.12	- 13 December 2002: €10.67 - 16 January 2003: €10.78 - 5 March 2004: €15.29 - 4 March 2005: €19.81	20 February 2006: €20.55

Criteria for exercising options

Beneficiaries under an employment agreement with a French company:

- 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. A three-year holding period applies to any shares so acquired;
- 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. A two-year holding period applies to any shares so acquired;
- 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. A one-year holding period applies to any shares so acquired.

Beneficiaries under an employment agreement with a foreign company:

- no option may be exercised before the first anniversary of the date of grant of these options by the Executive Board;
- each beneficiary may exercise on the first anniversary of the date of grant of these options by the Executive Board up to one third of the options granted;
- each beneficiary may exercise on the second anniversary of the date of grant of these options by the Executive Board up to two thirds of the options granted;
- each beneficiary may exercise from and after the third anniversary and up to the seventh anniversary of the date of grant of these options by the Executive Board up to all of the Options awarded.

As of 31 December 2006, 1,814,500 options had been exercised. Taking into consideration the options exercised and options cancelled, there remained as of that date 3,000,591 options to be exercised.

If all such options are exercised, the employees of our Company and its subsidiaries and of JCDecaux Holding will own 1.33% of our Company's shares (excluding FCPE), taking into consideration options exercised as of 31 December 2006.

3. FREE SHARES

At the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2005, the Executive Board was authorised to make grants of free shares, either issued and outstanding shares or new shares of the Company (excluding preference shares), up to a limit of 0.5% of the share capital, for 26 months from the date of that Meeting, to salaried employees of the Company and its French and non-French subsidiaries or groups and to certain officers.

Acting under the authority granted at the Combined Extraordinary and Ordinary General Meeting of Shareholders held on 11 May 2005, the Executive Board awarded 25,974 shares to two of its members in 2006.

Grants of free shares during 2006

Shares granted to Company officers	Number of shares	Price in euros	Expiration date	Plan
Shares awarded during the fiscal year to Company officers (grant dated 3 February 2006):				
Jeremy Male	16,788	20.52	3 February 2010	11 May 2005
Gérard Degonse	9,186	20.52	3 February 2010	11 May 2005

Summary of terms for the 2006 grants of free shares:

	2005 Plan
Date of Extraordinary Shareholders' Meeting authorising the grant of free shares	11 May 2005
Date of grant of free shares and number of shares granted per date of grant	3 February 2006: 25,974 options
Total number of beneficiaries under all grants	2
Types of shares	To be issued
Total number of free shares awarded	25,974
- to officers	*2*
- to the top ten non-executive employees	*0*
Expiration date	3 February 2010
Price	3 February 2006: €20.52

Criteria for exercising shares:

- Beneficiaries: non-executive employees or officers and certain of them still employed by the Company at the end of the acquisition period.
- The beneficiaries vest as owners of the free shares only at the end of the two-year acquisition period.
- The holding period of the free shares is two years.

4. CONDITIONAL OR UNCONDITIONAL CALL OPTION OR AGREEMENT ON SHARES OF COMPANIES IN OUR GROUP

Such options or agreements are described in Notes to the Consolidated Financial Statements, on pages 89, 99 and 100 of this Annual Report.

5. COMPANIES THAT OWN A CONTROLLING INTEREST IN OUR COMPANY

Our Company's principal shareholder is JCDecaux Holding, which is majority owned by the Decaux family, and whose corporate purpose is principally to give strategic direction to companies in which it holds interests, directly or indirectly.

As of 31 December 2006, the share capital of JCDecaux Holding was distributed as follows:

	Number of shares	
Shareholders	**Full legal title**	**Bare legal title *(Nue propriété)***
Jean-Claude Decaux	30	-
Jean-François Decaux	103,935	-
JFD Investissement	117,000	-
JFD Participations		429,000[(1)]
Jean-Charles Decaux	45,435	604,500[(1)]
Jean-Sébastien Decaux	45,435	604,500[(1)]
Jean-Pierre Decaux	65	-
Robert Caudron	65	-
Danielle Decaux	35	-
Subtotal	**312,000**	**1,638,000**
TOTAL	**1,950,000**	

(1) Jean-Claude Decaux is the beneficial owner of these shares.

JCDecaux Holding exercises control of our Company subject to the following:

Neither the Articles of Association nor the By-Laws of the Supervisory Board contain provisions having the effect of delaying, deferring, or preventing a change of the control presently held by JCDecaux Holding.

No double voting rights or other advantages, such as awards of shares without consideration, have been granted to the controlling shareholder, JCDecaux Holding.

With respect to the Company's corporate governance bodies, half of the members of the Supervisory Board are independent, as are half of the members of the Compensation and Nominating Committee. The Audit Committee is completely independent.

The agreements with JCDecaux Holding or with family companies, especially leases, as set forth on page 157 of this Annual Report, were made under normal market terms and conditions.

Lastly, it should be noted that the compensation of our Company's directors and officers who are members of the family is reviewed annually by the Compensation and Nominating Committee. The compensation of members of the family who have positions within our Group, but are not members of management, is set in a manner which is identical to that of persons who perform similar jobs within the Company.

6. PLEDGES, SECURITY INTERESTS AND GUARANTEES

As of 31 December 2006, no material pledges, security interests or guarantees on or over or in respect of shares of our Company existed.

7. DIVIDENDS

The General Meeting of Shareholders acknowledges that the following dividend payments have been made during the last three fiscal years:

- Fiscal year 2003: None
- Fiscal year 2004: None
- Fiscal year 2005: a dividend of €0.40 per share, eligible for the deduction of 40%

Our Executive Board has decided to propose at the General Meeting of Shareholders scheduled to be held on 10 May 2007 a dividend of €0.42 per share in respect of fiscal year 2006.

Unclaimed dividends will revert to the French State five years from the payment date.

OTHER LEGAL INFORMATION

1. GENERAL INFORMATION

Company name	JCDecaux SA
Registered office	17, rue Soyer 92200 Neuilly-sur-Seine
Principal administrative office	Ste Apolline 78378 Plaisir Cedex
Telephone number	33 (0)1 30 79 79 79
Registry of Commerce and Companies (*Registre du Commerce et des Sociétés*)	307 570 747 (Nanterre)
Legal form	French corporation (*Société Anonyme*) with Executive Board and Supervisory Board
Governing law	French law
Date of formation	5 June 1975
Expiration Date	5 June 2074 (unless prematurely dissolved or extended)
Fiscal year	From 1 January to 31 December

The Company's purposes, in France and elsewhere (Article 2 of the Articles of Association) are:

- 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 performance of all services, including advisory and public relations services; transport of goods, directly or indirectly, by public ways and leasing of vehicles for transport of such goods;
- advertising, marketing of advertising space on all types of street furniture, advertising displays, as well as 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 securities, particularly relating to advertising and especially display advertising, 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 which may be related, directly or indirectly, to the corporate purposes, or likely to further or develop them. In particular, the Company may organize a centralized 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.

2. HISTORY

1964:	Jean-Claude Decaux invents the concept of street furniture and forms JCDecaux. First street furniture concession in Lyons.
The 1970s:	We invest in Portugal and Belgium.
1972:	First citylight information panels (MUPI®). Street furniture contract for Paris.
1973:	Introduction of the short-term (seven-day) ad campaign.
The 1980s:	Expansion in Europe, in Germany (Hamburg), the Netherlands (Amsterdam), and Northern Europe.
1980:	Installation of the first automatic public toilets in Paris.
1981:	First electronic information boards.
1988:	Introduction of "Senior®", the first larger format advertising panels (8 m²).

The 1990s: We are present on three continents: in Europe, the United States, and Asia-Pacific.

1994: First street furniture contract in San Francisco.

1998: We extend the concept of street furniture to shopping malls in the United States.

1999: Acquisition of Avenir and diversification of our business into Billboard and Transport advertising. We become a world leader in outdoor advertising.

2001: Partnership with Gewista in Central Europe and IGPDecaux in Italy. We become number 1 in Billboard in Europe. We win contracts for Los Angeles and Chicago, in the United States.

2002: We sign the Chicago contract in the United States and, in partnership with CBS Outdoor, win the tender for the city of Vancouver in Canada.

2003: JCDecaux increases to 67% its interest in Gewista, a leader in outdoor advertising in Austria.

2004: We renew the street furniture contract for Lyons. In Asia-Pacific, we sign the first exclusive bus shelter advertising contracts in Yokohama, the second largest city in Japan, and win the contract to manage advertising space in the airports of Shanghai, in partnership with them.

2005: We make three major acquisitions in China and become number one in outdoor advertising in this fast-growing market. We simultaneously pursue our growth in Japan.

2006: We make several acquisitions in order to penetrate new, high-growth markets, or consolidate our positions in mature markets. We thus acquire VVR-Berek, the leading outdoor advertiser in Berlin, and invest in Russia and the Ukraine. We accelerate our growth in Japan.

3. ARTICLES OF ASSOCIATION

Our Articles of Association were amended in accordance with applicable law and regulations.

3.1. Allocation of earnings

Our 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. Following the General Shareholders' Meeting held on 23 May 2002 to approve the financial statements for the fiscal year ended 31 December 2001, the legal reserve was fully funded.

3.2. General Shareholders' Meetings

General Shareholders' Meetings are called and transact business on the terms and conditions provided by law. They may be held at our registered office or at any other location in France.

General Shareholders' Meetings are open to all shareholders, regardless of the number of shares they own, as long as their shares have been fully paid, to the extent that payment is due.

The right to be present in person or by proxy at a shareholders' meeting is subject to the shareholder being identified to us at least five full days before the date of the meeting. The Executive Board, however, acting for all shareholders, may reduce this time period.

Shareholders owning bearer shares must deposit such shares, their certificate of deposit, or their certificate of safekeeping (*certificat d'immobilisation*) at the place indicated in the notice of meeting, at least five days prior to the date of the General Shareholders' Meeting.

An intermediary that meets the requirements set forth in 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 Shareholders' Meeting. Prior to transmitting the proxy or votes to the General Shareholders' Meeting, the intermediary is required to supply a list of the non-resident shareholders with respect to which the voting rights attach, at the request of the Company or its representative. This list must be provided on the terms and conditions set forth in Articles L228-2 or L228-3, as appropriate, of the French Commercial Code.

The vote or proxy issued by an intermediary that either has not registered as such, or has not disclosed the shareholder's name, may not be counted.

General Shareholders' meetings 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.

Each share has the right to one vote. Our Articles of Association prohibit shares having the rights to more than one vote.

A proposal to amend the Articles of Association will be made at the Combined Annual General Meeting of Shareholders to be held on 10 May 2007, relating to access to Shareholders' Meetings in order to bring them into compliance with Decree n°2006-1566 dated 11 December 2006.

3.3. Exceeding certain thresholds

In addition to the filings for crossing thresholds required to be made on the terms and conditions set forth in the first and second paragraphs of Article L.233-7 of the French Commercial Code, Article 9 of our Articles of Association provides, in particular, that any person or entity acting alone or in concert with others who becomes the owner, directly or indirectly, through one or more companies that it controls for purposes of Article L.233-3 of the French Commercial Code, of a number of shares representing 2% or more of our share capital or our voting rights, must notify us by registered mail with return receipt within five trading days of crossing such threshold of the total number of shares and voting rights the person then owns, as well as of any securities convertible into shares or voting rights which may potentially be attached. The same notice requirement applies to each increase of more than 1% above 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 thresholds set forth above.

Any individual or entity that fails to comply with such notice requirements will be deprived of voting rights with respect to the shares in excess of the relevant threshold upon the request at the General Shareholders' Meeting of one or more shareholders holding at least 5% of our share capital or voting rights, duly recorded in the minutes of the General Shareholders' Meeting, until the end of a two-year period following the date on which such person or entity complies with the notification requirements.

4. MATTERS THAT COULD BE RELEVANT IN CASE OF A PUBLIC OFFERING

Not applicable.

5. RISK FACTORS

5.1. Reputational risk

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 2004 and implemented in early 2005, and have been broadly distributed throughout all companies in our 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.

Our employees' awareness of these ethical rules was strengthened in 2006.

5.2. Specific risks relating to our business

Reliance on key executives
We depend to a large extent on the continued services of our key executive officers, especially Jean-Charles Decaux and Jean-François Decaux, both members of the Executive Board and each a Co-Chief Executive Officer, and Jean-Claude Decaux, the Chairman of our Supervisory Board and founder of the Group. The loss of the services of any of our key executive officers, for any reason, could have an adverse effect upon our business.

5.3. Legal risks

Risks relating to public procurement procedures
The making of contracts with local governments in France and elsewhere is subject to complex statutory and regulatory provisions.

Our public sector contracts include concessions to display advertising on public property, made in accordance with rules and conditions set by the governmental authorities involved, and contracts for street furniture, whether or not they carry advertising.

A degree of uncertainty exists as to the exact legal status of contracts for street furniture carrying advertising in certain countries (such as the Netherlands). In France, they have been characterised as public procurement contracts since the publication on 4 November 2005 of two decisions by France's highest administrative court, the *Conseil d'Etat* (Council of State). Consequently, the *Code des Marchés Publics* (Public Procurement Code) applies as a general rule in France to such contracts.

The changing legal environment means that local government authorities must constantly adapt their procedures to various reforms and to developments in case law. We have developed internal rules and procedures, which are systematically applied in conducting our business.

Nevertheless, we cannot rule out the possibility that we will become involved in litigation. Our competitors have challenged the procedures for making contracts before they are signed with increasing frequency, especially in France.

In accordance with the rules contained in the *Code general des Collectivités territoriales* (General Code of Local Governmental Authorities), public procurement contracts made by local governmental authorities are transmitted to the Office of the Prefect, the local representative of the central government (the *préfet*), for legal review.

If a public procurement contract is voided by a court decision, compensation is awarded to the counterparty, but it does not necessarily cover the total amount of the loss.

Additionally, under French law, any governmental authority that is party to a public procurement contract may terminate it at any time, in whole or in part, for reasons of general public interest, regardless of whether or not such termination right is specifically provided in the contract. The compensation to which such termination gives rise as a legal right in such case is supposed to cover the entire amount of the loss, the amount and extent of which is determined by a court.

Between 1 January 2007 and 31 December 2009, 19% of our Street Furniture contracts (weighted by 2006 advertising revenues and taking into consideration contracts renewed and signed during the first quarter of 2007) will come up for renewal. In connection with such procedures, we could, upon signing such contracts, be placed in the position of making investments greater than those made in the past, or be required to refund a significant part of our advertising revenues to local governments. Furthermore, if we should lose contracts that are made subject to competitive bidding procedures in key cities, we could encounter difficulties attracting advertisers that are as prestigious as our present clients and in setting prices that are appropriate to our high-quality structures.

Risks related to changes in law and regulations applicable to outdoor advertising

The outdoor advertising industry is subject to significant governmental regulation at both the national and local level, particularly in Europe and the United States, relating to the 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).

In the principal markets where we do business:

- In France, the Environment Code (Law n° 79-1150, dated 29 December 1979) sets forth the general rules applicable to advertising, to signs and indications visible from any thoroughfare open to the public. The law authorizes this type of advertising in urban areas subject to compliance with certain conditions and prohibits advertising in rural areas, natural parks and on buildings designated as historic landmarks or monuments, or listed on an additional registry of historical monuments, in the absence of prior approval from local governmental authorities. Illuminated advertising is subject to specific regulation regarding size and may not be installed until after local governmental approval, on a case-by-case basis. A system of prior approval applies to advertising and signs under a provision of Decree n° 96-946 dated 24 October 1996.
- In the United States, each state or municipality has its own laws and regulations. Governmental authorities have discretion to add new limitations (such as the obligation to provide additional information or obtain prior approval).
- In the United Kingdom, outdoor advertising is subject to regulation under the Town and Country Planning (Control of Advertisements) Regulations of 1992. Similar to French regulations, these rules permit large-format billboard advertising subject to compliance with certain conditions relating to size, location, content and illumination. However, installations that have already been in place a certain length of time set by law are deemed to have tacit approval. As a general matter, installation of most advertising panels requires the express prior approval of the local planning and zoning authorities. The principal conditions to be met by advertisers relate to public safety and harmonisation with local surroundings.
- In China, at the national level, the Advertising Law of the People's Republic of China of 1994 prohibits billboards in certain places, such as historical landmarks. In addition, installation of billboards and advertising displays is subject to issuance of a certificate from the State Administration for Industry and Commerce defining the conditions of the advertisement, its form, and the length of time it can remain posted. At the local level, each city has specific rules with which to comply in addition to national law. In Beijing, for example, under the Registration Regulation of Outdoor Advertisement dated 15 November 1998, the length of time an advertisement may remain posted may not exceed two years, renewable by administrative authorisation. Likewise, in Shanghai, the length of time an advertisement may be displayed may not exceed three years, renewable by governmental authorisation (in accordance with the Display and Supervision Rules On Outdoor Advertisement dated 1 April 2005). In Hong Kong, installation of advertising and billboards is subject to governmental authorisation under certain circumstances. The Advertisements Regulations under the Public Health and Municipal Services Ordinance impose installation rules and prohibit advertising in certain places and under certain circumstances where advertising might have an adverse impact on local aesthetics or circulation. Furthermore, several decisions relating to various advertising themes (indecency, illness, banking activities) limit advertising.

- In Spain, it is illegal to put advertising displays on any location close to government property, including within eight metres from either side of motorways and high-speed roads and three metres from either side of secondary roads. Non-compliance with these standards is subject to a fine of €6,000 to €150,000, for which the owner of the structures and the media company are jointly liable. Except for these prohibitions, advertising is permitted in urban areas (in town and on any land characterised as urban by zoning plan). The size of advertising structures is regulated by municipal ordinances that relate only to support structures (as opposed to mural displays).

To our knowledge, there is no proposed legislation that would have the effect of significantly limiting our ability to display advertising in the principal countries where we do business. Local law and regulations, however, are moving in the direction of reducing the total number of advertising spaces, and local authorities are becoming stricter in applying existing law and regulations. A portion of our advertising media, especially in the area of Billboard, may thus have to be withdrawn or repositioned at some point, both in France and elsewhere.

Risks related to changes in regulations applicable to other media

The application in France of the EU Directive on "Cross-Border Television" (*Télévision sans Frontières*) broadcasts, dated 3 October 1989, involves a progressive opening of all media to all industries. In France, the Decree dated 7 October 2003 provides for gradual access for large retailers to television advertising, with all televised media (local channels, cable, satellite and broadcast channels) becoming open to large retailer advertising beginning 1 January, 2007. Such access could have a negative impact on outdoor advertising media. In the past, we have been able to adapt our business to changes in applicable law and regulations. Revenues we generated from large retailers in France accounted for 6% of our consolidated revenues in 2006.

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 Cross-Border Television, which harmonises legislation in this area.

In particular, outdoor advertising of tobacco products is prohibited in France, the United Kingdom, Spain, Italy, Finland, Portugal, the Netherlands, Ireland, Denmark, Belgium, Austria and Sweden, with minor exceptions in Sweden. Tobacco products advertising is permitted, subject to restrictions, in Germany.

- In Spain, since 27 December 2005, tobacco advertising is a violation punishable by a fine from €10,000 to €600,000, applicable jointly to the advertising agency, the advertiser and the owner of the advertising space. It can also involve measures such as temporary suspension of a company's business operations or temporary closure of its facilities.
- In China, outdoor advertising of tobacco is subject to the Advertising Law of the People's Republic of China dated 27 October 1994, which requires prior approval from local or provincial authorities and the inclusion of a warning that "smoking is dangerous to health". In Hong Kong, tobacco advertising is prohibited.
- In the United States, the Master Settlement Agreement, dated 23 November 1998 among the major manufacturers of tobacco products and 46 states (including New York, Illinois, and California) prohibits outdoor advertising for tobacco products and provides for development of an anti-tobacco campaign. Each state, moreover, has its own laws, and the general trend is to restrict advertising near schools and playgrounds and even in public spaces, such as airports.

In 2006, tobacco advertising in Europe accounted for 0.8% of our consolidated revenues, as in 2005.

Risks related to regulations applicable to alcoholic beverage advertising

The European Directive on television broadcasting, dated 30 June 1997, regulates the advertising of alcoholic beverages. Regulation in this area varies considerably from country to country, from complete prohibition of advertising to permission only at points of sale. Most countries, however, have adopted laws that restrict the content, presentation and/or timing of such advertising.

Alcoholic beverage advertising is strictly regulated in France by the "Evin" law of 10 January 1991. Alcoholic beverage advertising must contain a health warning stating that abuse of alcohol is dangerous to health.

- In Spain, such advertising is currently subject to regulation at the local level (it is prohibited, in particular, in Valladolid, Salamanca, and Burgos) and at the regional level. A law, adopted on 27 June 2005 by the city of Madrid, for example, limits alcohol advertising. An agreement signed on 8 April 2005 between the city of Madrid and Autocontrol, the outdoor advertising representative, interprets this law as prohibiting advertising on public property, but allows it on private property, subject, however, to certain restrictions, including restrictions on display size.
- In the United States, certain municipalities prohibit advertising of alcoholic beverages near schools and churches; other towns prohibit it completely. Moreover, makers of alcoholic beverages attempt to avoid having such advertising reach persons who are under the legal drinking age.
- In the United Kingdom, such advertising is not prohibited, but the industry applies self-regulatory mechanisms and thus prohibits promotion of alcoholic beverages near schools, hospitals or workplaces.
- In China, advertising of alcoholic beverages is subject to regulation under the Regulatory Rules on Alcoholic Beverage Advertising, dated 17 November 1995. These rules require obtaining a certificate issued by the "Inspection by the Food Quality Inspection Organ" for alcohol made in China and obtaining a Health Certificate from the "Supervision and Control over Import Foods" for imported alcoholic products. Advertising of wine must comply with health regulations requiring that terms analogous to medical or health care terms not be used. In Hong Kong, there are no laws prohibiting advertising of alcoholic beverages.

Measures involving the total prohibition of this type of advertising could have a negative impact on our business.

Risks relating to regulation of competition

An element of our growth strategy involves acquisitions of additional outdoor advertising companies and properties, 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.

Risks related to the environment

As a major participant in urban beautification, we also have a responsibility for protecting the urban environment. As a result, we have developed a complete programme of actions intended to protect the environment: reduction of energy, water and raw materials consumption, use of renewable energy sources, recycling of posters, and renovation of structures. At the same time, we make our capacity for innovation available to local governments, as demonstrated by the development of the Cyclocity system (a system unique in the world for renting bicycles on a self-service basis, 24 hours a day and seven days a week) or the design of structures to collect waste.

An internal environmental audit conducted in 2002 confirmed that our business activities do not involve a serious risk of pollution, but that our management of potential environmental risks could be improved. As a result, we have created an Environment Department which, working with the Technical Departments of our subsidiaries, is responsible for applying new standards and legal requirements in the area of environmental regulation.

Our goal is to meet the highest international standards of environmental protection. Our subsidiaries in Spain, Norway and part of our U.K. subsidiary have received ISO 14001 certification. This standard was also implemented in our Industrial Department, and in our Portuguese subsidiary, which obtained ISO 14001 certification in February 2007.

A risk of accidental pollution cannot be ruled out, even though our operations do not expose us to a significant degree of risk.

Litigation

We are regularly involved in legal proceedings within the normal course of our business activities. Our business activities with local governmental authorities, in France and elsewhere, can, however, lead to greater vulnerability to legal proceedings.

The principal legal proceedings currently pending that involve our Group and for which necessary reserves have been set aside are the following:

In France:

- Avenir is also involved in a case with a service provider, which claims approximately €4 million in damages as a result of the termination of a subcontract for installing advertising structures that it had with Avenir. A judgment entered by the court of first instance in 2004 held Avenir liable for €200,000. This judgment has been appealed.
- Because of a significant decline in advertising structures that we suffered in 2001, JCDecaux SA has been sued by certain suppliers claiming sudden and unjustified termination of business relations.
- The cyclical character of our street furniture installations in France and elsewhere, which makes long-term planning difficult, is largely unavoidable, because of postponements in the signing of agreements, premature terminations at the initiative of local governmental authorities, and our success rates in our responses to bid solicitations. Consequently, we are frequently the target of claims or actions by suppliers who argue that, despite fluctuations in orders for the installation of advertising structures they were contracted to provide, a volume of business was not forthcoming.
- On 30 June 2005, the French Competition Commission (*Conseil de la concurrence*) imposed a fine of €10 million on five of our French companies (including €6.4 million against JCDecaux SA) in connection with the verification of compliance with orders entered in 1998. In a decision of 21 February 2006, the Court of Appeal of Paris reversed the decision of the Competition Commission and dismissed claims against four of the companies involved. The Court of Appeal imposed a fine of €2 million only on JCDecaux Mobilier Urbain.
- Lastly, we are, or have been, party to a number of administrative proceedings, both initiated by us or brought against us at the behest of competitors, as a result of termination of contracts or decisions to grant public contracts to our competitors.

  Litigation is pending regarding liability for or the amount of taxes relating to advertising structures.

Outside France:

- In the United States, a supplier of computer and management information services intended for use in airport advertising has sought damages from our subsidiary, JCDecaux Airport Inc., claiming unauthorised use of its computer services by us. An agreement was reached with this supplier in March 2007;
- In Thailand, a competitor has brought an action against JCDecaux Thailand claiming infringement of a model and violation of a license. An initial court decision upheld the position of our subsidiary, JCDecaux Thailand, in November 2006. A new decision is expected in the second half of 2007.

- In Belgium, one of our subsidiaries is party to a proceeding that it brought against a town following a decision to award a contract to one of our competitors.
- In Spain, following a favourable opinion by the Spanish Council of State in May 2005 in favour of our subsidiary Planigrama against the city of Madrid for performance of an agreement for advertising clocks, a favourable settlement agreement was reached with the city of Madrid terminating this case.

The amount of the reserves established for each of these cases is the result of an analysis, conducted under the supervision of our Legal Department, of the basis for the claims and possible defences against them, the applicable case law, and the status of the proceedings. This analysis has been presented and explained to the Audit Committee and the Statutory Auditors. The amount of the reserves is not indicated, as indicating them might be seriously prejudicial to us.

To the best of our knowledge, there are no court, arbitration or administrative proceedings that have recently been commenced, or are threatened, that could have a material effect on the financial condition or profitability of our Group.

Insurance

- *Organisation*

Given the similarity of our operations in various countries, our strategy is to cover essential risks centrally under worldwide insurance policies obtained by JCDecaux SA from major insurers with international operations. We thus obtain coverage for risks of damage to property and operating losses, as well as for civil liability risks and directors' and 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.

Our principal insurance policies were renewed on 1 July 2006 for a period of three years.

We may also obtain local and/or specific coverage to comply with locally applicable law and regulations, or to meet specific requirements. Purely local risks, such as vehicle insurance, are covered separately in each country under its responsibility.

For essential risks, our worldwide coverage applies under various conditions and at different levels of coverage where local coverage is not sufficient.

In addition, to obtain the most value for our insurance investment and have full control of risks, we self-insure low-level or mid-range risks, essentially through Business Interruption/Damage and Civil Liability policies.

- *Strategy*

Our insurance management strategy is to identify major catastrophic risks by analysing the consequences of which would be most important for third parties, for our employees and for our Group.

Our policy is not to work with insurers that do not have the highest rating.

All of these insurance programmes include levels of deductibles which ensure that only non-recurring risks are covered, and levels of coverage that, in light both of our past risk history, in particular the severe storms of 1999 in Europe, and the study undertaken of our essential industrial facilities, have the objective of insuring major risks that are exceptional in character.

- Implementation – principal Group policies

Since July 2006, our principal coverage under Group policies, obtained for 3 years, is as follows:

  - Civil liability

We self-insure risks in a unit amount of €3,000 in general, which may go up to €10,000 for certain countries that have a high level of recurring risks.

Above these levels of self-insurance, we put in place three successive levels of coverage the amounts of which have been determined after analysis of risk factors specific to our business and their possible consequences. These three levels cover all our subsidiaries around the world.

The basic deductible of these group policies is €1 million; below that level, specific policies have been obtained in each country.

In 2006, we had no major claims.

  - Property damage – Business interruption

A single insurance program implemented for principal European countries (a "free servicing agreement") was continued in 2006 (in particular for France, the United Kingdom, Germany, Spain, Portugal, and Belgium). Our other main subsidiaries are covered under a worldwide programme that provides reinsurance of local policies (particularly in Denmark, the United States, Hong Kong, Finland, Thailand, Singapore and Sweden).

The smallest foreign subsidiaries are insured locally, and our Group policy provides coverage in cases of losses under different conditions and/or limits.

Advertising structures are covered up to €15 million per event.

Operating facilities, especially facilities where posters are prepared, are insured up to €100 million per event. 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 disruption of operations, the deductible is three days.

In 2006, there were no major claims or losses. Policies obtained are typical for the market. They include specific endorsements for certain events, consistent with the market.

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.

No assurance can be given that we will not be subject to an uninsured loss.

5.4. Market risks

Market risks are discussed in the Notes to the Consolidated Financial Statements (pages 98 to 100 of this Annual Report).

6. PRINCIPAL SUBSIDIARIES AND AFFILIATES

A simplified organisation chart of companies owned by JCDecaux SA as of 31 December 2006 is set forth on page 186. A list of companies controlled by JCDecaux SA is set forth in the Notes to the Consolidated Accounts, appearing on page 108. None of these companies owns any equity interest in JCDecaux SA.

We have subsidiaries in 48 countries: these subsidiaries conduct most of their operations locally (including sales to advertisers and local operating expenses). Thus, there exists little in the way of operating expenses and income that flows between and among the various countries where we do business. Our principal subsidiaries are located in France (29.8% of our revenues in 2006), the United Kingdom (13.6% of revenues in 2006), and the Rest of Europe (35.6% of revenues in 2006). The financial information by principal groups of subsidiaries are set forth in the Notes to the Consolidated Accounts on page 106 of this Annual Report (sector information).

JCDecaux SA provides its French and non-French subsidiaries with support in the areas of finance and control, legal and insurance services, management and administration. Such services are billed to the subsidiaries in proportion to the gross margin of revenues 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 2006, JCDecaux SA thus billed its subsidiaries €27.0 million.

In addition, JCDecaux SA invoices the use by its subsidiaries of intellectual property rights belonging to it. The amount billed in this respect in 2006 was €15.2 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, non-advertising services to clients (local governments), sale of street furniture to our subsidiaries and technical and administrative services provided to all of our French companies).

7. RELATIONSHIP 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.

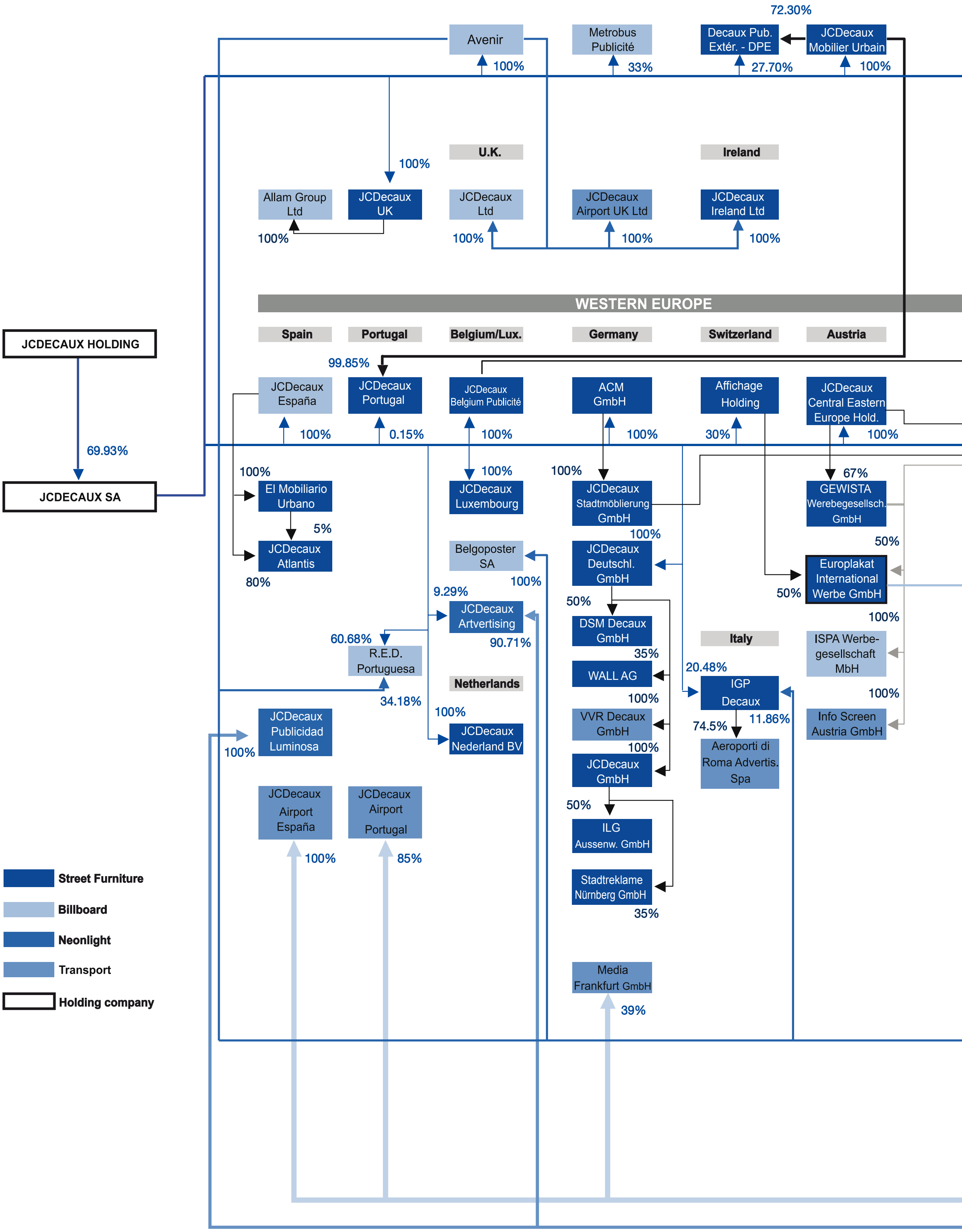
In 2006, JCDecaux Holding billed JCDecaux SA €762,245 under this agreement. This amount has not changed since 2000.

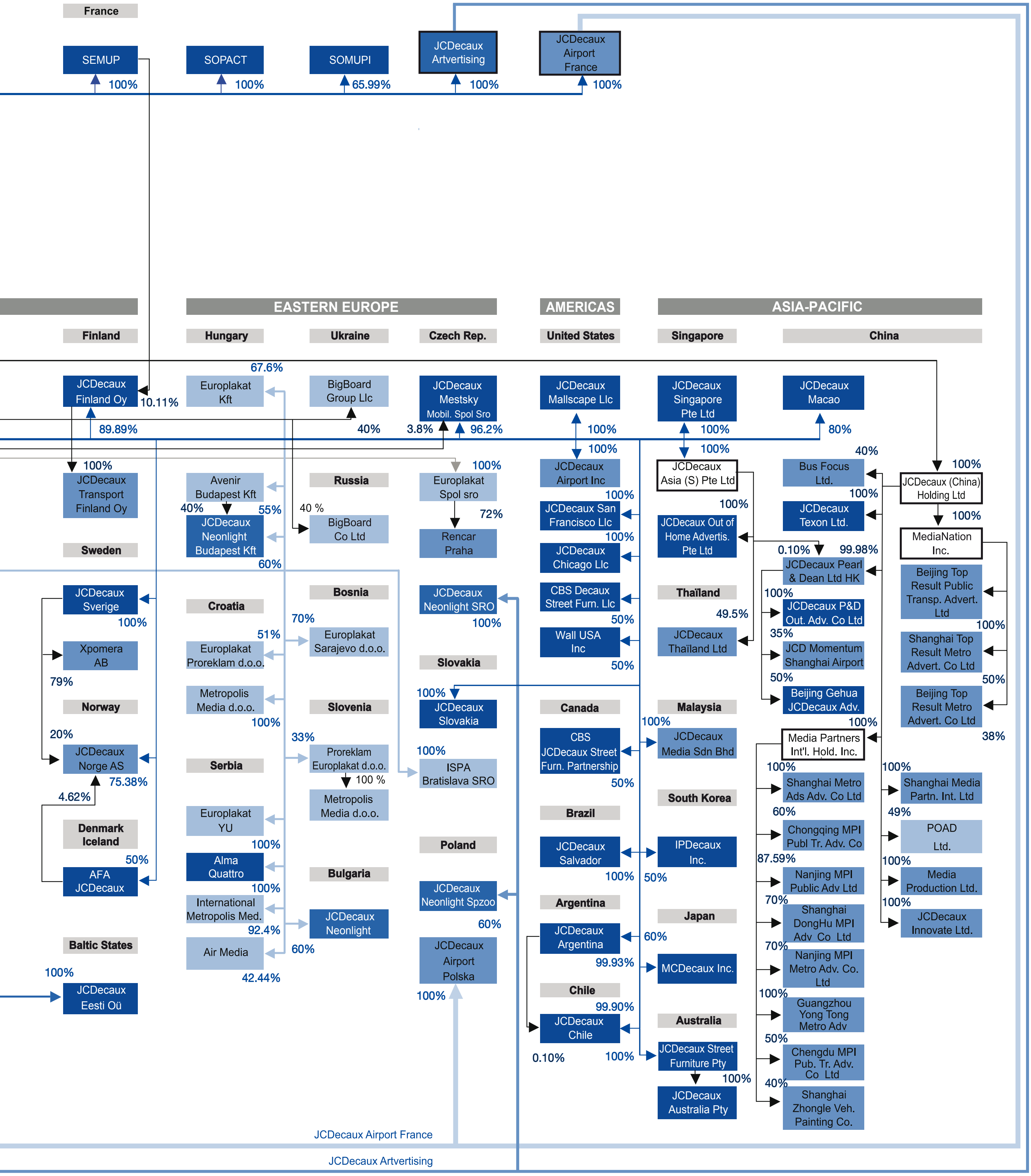
8. PUBLICLY AVAILABLE DOCUMENTS

During the entire time *"Document de Référence"* is outstanding, the following documents may be consulted at our registered office electronically:

- our Articles of Association;
- all reports, letters, evaluations, statements prepared by an expert at our request which are included, in whole or in part, in this Annual Report;
- historical financial information of JCDecaux SA and its subsidiaries for the last three fiscal years;
- as well as the "Document d'Information Annuel".

9. SIMPLIFIED ORGANISATION CHART AS OF 31 DECEMBER 2006




France
SEMUP
100%
SOPACT
100%
SOMUPI
65.99%
JCDecaux Artvertising
100%
JCDecaux Airport France
100%
EASTERN EUROPE
AMERICAS
ASIA-PACIFIC
Finland
JCDecaux Finland Oy
10.11%
89.89%
100%
JCDecaux Transport Finland Oy
Sweden
JCDecaux Sverige
100%
Xpomera AB
79%
Norway
20%
JCDecaux Norge AS
75.38%
4.62%
Denmark Iceland
50%
AFA JCDecaux
Baltic States
100%
JCDecaux Eesti Oü
Hungary
67.6%
Europlakat Kft
Avenir Budapest Kft
40%
55%
JCDecaux Neonlight Budapest Kft
60%
Croatia
51%
Europlakat Proreklam d.o.o.
Metropolis Media d.o.o.
100%
Serbia
Europlakat YU
100%
Alma Quattro
100%
International Metropolis Med.
92.4%
Air Media
42.44%
Ukraine
BigBoard Group Llc
40%
40 %
BigBoard Co Ltd
Russia
Bosnia
70%
Europlakat Sarajevo d.o.o.
Slovenia
33%
Proreklam Europlakat d.o.o.
100 %
Metropolis Media d.o.o.
Bulgaria
60%
JCDecaux Neonlight
Czech Rep.
JCDecaux Mestsky Mobil. Spol Sro
3.8%
96.2%
100%
Europlakat Spol sro
72%
Rencar Praha
JCDecaux Neonlight SRO
100%
Slovakia
100%
JCDecaux Slovakia
100%
ISPA Bratislava SRO
Poland
JCDecaux Neonlight Spzoo
60%
JCDecaux Airport Polska
100%
United States
JCDecaux Mallscape Llc
100%
100%
JCDecaux Airport Inc
100%
JCDecaux San Francisco Llc
100%
JCDecaux Chicago Llc
CBS Decaux Street Furn. Llc
50%
Wall USA Inc
50%
Canada
CBS JCDecaux Street Furn. Partnership
50%
Brazil
JCDecaux Salvador
100%
Argentina
JCDecaux Argentina
99.93%
Chile
99.90%
JCDecaux Chile
0.10%
100%
Singapore
JCDecaux Singapore Pte Ltd
100%
100%
JCDecaux Asia (S) Pte Ltd
100%
JCDecaux Out of Home Advertis. Pte Ltd
Thaïland
49.5%
JCDecaux Thaïland Ltd
Malaysia
100%
JCDecaux Media Sdn Bhd
South Korea
IPDecaux Inc.
50%
Japan
60%
MCDecaux Inc.
Australia
JCDecaux Street Furniture Pty
100%
JCDecaux Australia Pty
China
JCDecaux Macao
80%
40%
Bus Focus Ltd.
100%
JCDecaux Texon Ltd.
0.10%
99.98%
JCDecaux Pearl & Dean Ltd HK
100%
JCDecaux P&D Out. Adv. Co Ltd
35%
JCD Momentum Shanghai Airport
50%
Beijing Gehua JCDecaux Adv.
100%
Media Partners Int'l. Hold. Inc.
100%
Shanghai Metro Ads Adv. Co Ltd
60%
Chongqing MPI Publ Tr. Adv. Co
87.59%
Nanjing MPI Public Adv Ltd
70%
Shanghai DongHu MPI Adv Co Ltd
70%
Nanjing MPI Metro Adv. Co. Ltd
100%
Guangzhou Yong Tong Metro Adv
50%
Chengdu MPI Pub. Tr. Adv. Co Ltd
40%
Shanghai Zhongle Veh. Painting Co.
100%
JCDecaux (China) Holding Ltd
100%
MediaNation Inc.
Beijing Top Result Public Transp. Advert. Ltd
100%
Shanghai Top Result Metro Advert. Co Ltd
50%
Beijing Top Result Metro Advert. Co Ltd
38%
100%
Shanghai Media Partn. Int. Ltd
49%
POAD Ltd.
100%
Media Production Ltd.
100%
JCDecaux Innovate Ltd.
JCDecaux Airport France
JCDecaux Artvertising

COMBINED ANNUAL GENERAL MEETING OF SHAREHOLDERS – 10 MAY 2007

AGENDA

I. ORDINARY SESSION

1) Approval of 2006 corporate financial statements.

2) Approval of 2006 consolidated financial statements.

3) Allocation of income.

4) Expenses and charges described in Article 39-4 of the French General Tax Code.

5) Agreements with related parties ("Regulated agreements").

6) Authority to the Executive Board to conduct transactions in the shares of the Company.

II. EXTRAORDINARY SESSION

7) Delegation of authority to the Executive Board to increase the share capital by issuing – with preferential subscription rights attached - shares and/or securities convertible into shares of the Company and/or by issuing securities granting access to debt.

8) Delegation of authority to the Executive Board to increase the share capital by issuing – without preferential subscription rights - shares and/or securities convertible into shares of the Company and/or by issuing securities granting access to debt.

9) Authority to issue shares or securities carrying the right to obtain shares without preferential subscription rights in consideration for contributions in kind consisting of equity securities or securities carrying the right to obtain equity securities

10) Delegation of authority to the Executive Board to increase the share capital through capitalisation of reserves, premiums, earnings, or otherwise.

11) Delegation of authority to the Executive Board to increase the number of shares to be issued (over-allotment option) in case of a capital increase with or without preferential subscription rights.

12) Delegation of authority to the Executive Board to increase the share capital by issuing shares or securities convertible into shares reserved to participants in company savings plans, with elimination of preferential subscription rights in favour of such participants.

13) Delegation of authority to the Executive Board to grant options to subscribe for, or purchase, shares to some or all of the employees or officers of the Company.

14) 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 of the employees or officers of the Company.

15) Delegation of authority to the Executive Board to reduce the share capital by cancellation of treasury shares.

16) Modifications to Articles of Association.

17) Authority with respect to formalities.

SUMMARY OF PROPOSED RESOLUTIONS

1. ORDINARY SESSION

- *In the 1st and 2nd Resolutions*, we ask that you approve the corporate and consolidated financial statements for the fiscal year ended 31 December 2006, as they have been presented to you, and grant a discharge to members of the Executive Board and the Supervisory Board in connection with the performance of their respective offices during such year.

- *The 3rd Resolution* relates to allocation of the net income from the fiscal year, of €113,952,228.91. We are proposing to declare and pay a dividend in the aggregate amount of €93,120,409.20, or €0.42 per share, with the balance of €20,831,819.71 to be allocated to "Other Provisions".

- *The 4th Resolution* takes note of the amount of expenses and charges under Article 39-4 of the French General Tax Code, which amounted to €38,629 during fiscal year 2006.

- In the *5th Resolution*, we request that you find that the Statutory Auditors have not advised the existence of any new agreement approved by the Supervisory Board during the fiscal year just ended.

- In the *6th Resolution*, we ask you to authorise the Executive Board to conduct transactions in the shares of the Company for a new period of eighteen months, on the following terms and conditions:

    - the maximum number of shares that the Company will be authorised to repurchase or to hold at any time in its Treasury under this Resolution will not exceed 10% of the share capital, which, for illustrative purposes, would be a maximum of 22,171,526 shares as of 31 December 2006;
    - the maximum purchase price per share will be €30.

  The authority given to the Executive Board will give it the right to sub-delegate authority to take action and implement such actions.

2. EXTRAORDINARY SESSION

- In the *7th and 8th Resolutions* we ask that you delegate authority to the Executive Board (with the right to sub-delegate authority) to increase the share capital by issuing, with or without preferential subscription rights, shares and/or securities convertible into shares of the Company and/or issue securities granting access to debt.

  The capital increases through issuance of shares and/or securities convertible into shares of the Company, with or without preferential subscription rights, shall be limited to €3 billion, including issue premiums. Additionally, this amount shall constitute the aggregate limit set forth in Article L. 225-129-2 of the French Commercial Code, and shall apply to the *7th*, *8th*, *9th*, *10th*, *11th*, *12th*, *13th*, *and 14th resolutions*; provided, however, that the amount of such aggregate limit shall be increased by the amount of the issuances that may be made as a result of the exercise by the Executive Board of the over-allotment option described in the *11th resolution.*

  This authority would be valid for 26 months.

  If capital increases are undertaken without preferential subscription rights, the issue price of shares issued will be equal at least to the minimum set forth in applicable laws and regulations, that is, the weighted average of the trading price during the three trading sessions on Eurolist by Euronext preceding the setting of the subscription price for the capital increase, less 5%.

- If you approve the *9th resolution*, the Executive Board will be able to issue shares or securities convertible into shares, without preferential subscription rights, in consideration for contributions in kind consisting of equity securities or securities convertible into equity securities, up to a limit of 10% of the share capital. This authority would be valid for 26 months.

- In the *10th resolution*, we are asking that you delegate authority to the Executive Board to increase the share capital by capitalisation of premiums, reserves, earnings, and otherwise, by awarding free shares and/or increasing the nominal value of the share capital, up to an aggregate maximum limit of €3 billion, including issue premium (which will be included in the aggregate amount set forth in the *7th resolution*). This authority would be valid for 26 months.

- The purpose of the *11th resolution* is to allow the Executive Board to increase the number of shares to be issued, in connection with the capital increases undertaken in respect of the *7th and 8th resolutions* (with, or without, preferential subscription rights), to increase the number of shares to be issued (over-allotment option) at the same price as that used for the initial issue, within the time periods and limits provided by applicable law and regulations (as of the date hereof, within 30 days of the end of the subscription period and up to 15% of the initial issue). The amount of issues to be made in connection with the use by the Executive Board of this authority would be added to the amount of the aggregate maximum limit set forth in the *7th resolution.* This authority would be valid for 26 months.

- The *12th resolution*, if you approve it, will grant authority to the Executive Board to increase the share capital by issuing shares or securities convertible into shares, reserved to participants in company savings plans, with elimination of preferential subscription rights in their favour, up to an aggregate maximum limit of €30 million, including issue premium (which will be included in the aggregate amount set forth in the *7th resolution*). This authority would be valid for 26 months.

- In the *13th resolution*, we are asking you to authorise the Executive Board to grant options to subscribe for or to purchase shares to non-executive employees or officers of the Company, such shares to which the options shall give right not to exceed more than 4% of the share capital on the date of the decision of the General Meeting of Shareholders (and which will be included in the aggregate amount set forth in the *7th resolution*). This authority would be valid for 26 months.

  The price to be paid upon exercise of the share subscription or share purchase options would be set by the Executive Board on the date the options were granted, it being noted that:

  - in the case of share subscription options, such price may not be lower than 80% of the average of the opening trading prices of our shares on Eurolist by Euronext during the twenty trading sessions preceding the date on which such stock options were granted, and
  - in the case of share purchase options, such price may not be lower than either the value set forth above, or 80% of the average trading price of shares held in the Treasury of the Company.

- In the *14th resolution*, we are asking you to grant authority to the Executive Board to make grants of free shares from issued and outstanding shares, or shares to be issued, to non-executive employees or officers of the Company, up to a limit of 0.5% of the share capital on the date of the decision of the General Meeting of Shareholders (which will be included in the aggregate amount set forth in the *7th resolution*). This authority would be valid for 26 months.

- The purpose of the *15th resolution* is to allow the Executive Board to reduce the share capital by cancelling shares held in our Treasury, up to a limit of 10% of the share capital, over a period of twenty-four months. This authority would be valid for 18 months.

- The *16th resolution* provides for amendments to the Company's Articles of Association to reflect the provisions of Decree n° 2006-1566, dated 11 December 2006, that, among other things, amended the rules relating to access of Shareholders to Shareholders' Meetings.

- The *17th resolution* grants any and all authority to undertake and perform any and all required formalities.

PROPOSED RESOLUTIONS

I. ORDINARY SESSION

FIRST RESOLUTION

(Approval of 2006 corporate financial statements)

The Shareholders, after reviewing the reports of the Executive Board, the Supervisory Board, and the Statutory Auditors, hereby resolve to approve such reports in their entirety, together with the corporate financial statements for the fiscal year ended 31 December 2006, as presented to them, such financial statements showing net income of €113,952,228.91.

Accordingly, they resolve to approve the transactions reflected in such financial statements and summarised in such reports and to grant a discharge to the members of the Executive Board and the Supervisory Board in connection with the performance of their respective offices.

SECOND RESOLUTION

(Approval of the 2006 consolidated financial statements)

The Shareholders, after reviewing the reports of the Executive Board, the Supervisory Board, and of the Statutory Auditors, hereby resolve to approve such reports in their entirety, together with the consolidated financial statements for the fiscal year ended 31 December 2006, as presented to them.

Accordingly, they resolve to approve the transactions reflected in such financial statements and summarised in such reports.

THIRD RESOLUTION

(Allocation of income)

The Shareholders, after reviewing the report of the Executive Board, and finding that:

- net income as of 31 December 2006, was: €113,952,228.91

Hereby resolve to make the following allocations:

- declaration and payment of a dividend of: €93,120,409.20
- other provisions: €20,831,819.71

Consequently, there shall be paid, with respect to each of the shares constituting the share capital, a dividend of €0.42. Such dividend shall be payable on 11 June 2007.

After such allocation of net income, other provisions will amount to €684,713,503.88. Such dividend shall give rise to a withholding tax as provided Section 3.2 of Article 158 of the French General Tax Code when the recipients thereof are individuals residing in France for tax purposes. It shall not give rise to such withholding tax in other cases.

If, in connection with payment of this dividend, the Company should hold any of its own shares, the amount of distributable income corresponding to the dividend not paid on account of holding such shares shall be credited to retained earnings.

In connection with the last three fiscal years, the following dividend payments have been made:

Fiscal year 2003: None

Fiscal year 2004: None

Fiscal year 2005: a dividend of €0.40 per share, eligible for a deduction of 40%.

FOURTH RESOLUTION

(Expenses not deductible for tax purposes under Article 39-4 of the French General Tax Code)

As required under Article 223 *quater* of the French General Tax Code, the Shareholders hereby take note of the fact that the expenses and charges not deductible for tax purposes and described in Article 39-4 of such Code during the fiscal year ended 31 December 2006 amounted to €38,629 and generated a tax charge of €13,300.

FIFTH RESOLUTION

(Agreements with related parties)

The Shareholders hereby take note that, according to the Special Report of the Statutory Auditors, no new agreement with related parties was approved by the Supervisory Board during the fiscal year ended 31 December 2006.

SIXTH RESOLUTION

(Authority to the Executive Board to conduct transactions in the Company's shares)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to Ordinary Meetings of Shareholders, and after reviewing the Report of the Executive Board:

• hereby resolve to authorise the Executive Board, with the right to sub-delegate authority as provided in Article L. 225-209 *et seq.* of the French Commercial Code, to repurchase, or cause to be repurchased, shares of the Company for the following purposes:

- implementing any stock option plan of the Company under Article L. 225-177 *et seq.* of the French Commercial Code; or
- the grant or sale of shares to employees in respect of their contribution to the results of the Company's growth and the implementation of any employee savings plan on the terms and conditions provided by law, including, but not limited to, Article L. 443-1 *et seq.* of the French Labour Code; or
- the grant of free shares under Article L. 225-197-1 *et seq.* of the French Commercial Code; or
- the delivery of shares upon exercise of rights attached to securities carrying the right to acquire shares through redemption, conversion, exchange, presentation of a coupon, or otherwise; or
- cancellation of all or part of the equity securities so acquired, subject to the adoption by the Extraordinary Session of the General Meeting of Shareholders of the 15th Resolution hereafter on the terms set forth therein; or
- delivery of shares in connection with an exchange, payment, or otherwise in respect of acquisition, merger, split-up or spin-off, or contribution transactions; or
- encouraging active trading or liquidity in JCDecaux SA shares by an investment services provider in connection with a liquidity agreement in accordance with the professional code adopted by the *Autorité des marchés financiers*; or
- the making of purchase, sale, or transfer transactions by any means by an investment services provider, especially in connection with over-the-counter transactions.

This authority shall also allow the Company to act with any other authorised purpose, or that may be authorised by applicable laws and regulations. In such case, the Company shall inform the Shareholders through a press release.

The acquisition of shares of the Company may involve a number of shares, such that:

• the number of shares that the Company acquires during the term of the repurchase program shall not exceed 10% of the shares constituting the Company's share capital at any time (for illustrative purposes, 221 715 260 shares as of 31 December 2006), 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, provided, however, that the number of shares acquired with a view to their retention and delivery in connection with a merger, split-up or spin-off or contribution transaction may not exceed 5% of its share capital;

• the number of shares that the Company holds at any time shall not exceed 10% of the shares constituting the Company's share capital on the relevant date.

The acquisition, sale, or transfer of the shares may be made at any time (including during a public offering) and by any means, on the market, or in private transactions between individuals, including by acquisition or sale in block trades (without limiting the portion of the repurchase programme that may be made by this mean), by public tender offer, or by use of options or other forward financial instruments traded on a regulated securities exchange or in private transactions between individuals, or by delivery of shares following an issuance of securities carrying the right to acquire shares of the Company 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), such maximum price to apply both to acquisitions undertaken as from the date of this General Meeting of Shareholders and to future transactions undertaken under the authorisation given at the previous General Meeting of Shareholders and providing for acquisition of shares subsequently to the date of this General Meeting of Shareholders.

Accordingly, for illustrative purposes, the maximum amount that the Company may pay to acquire its shares shall be €665,145,780, corresponding to a maximum price per share of €30 and to a maximum of 22,171,526 shares (subject to adjustments).

This authorisation shall replace and supersede from and after the date hereof any prior delegation of authority to the Executive Board to conduct transactions in the Company's shares.

This authorisation shall be granted for a period of eighteen months from the date hereof.

The Shareholders hereby delegate to the Executive Board, in the event of a change in the nominal value of the shares, of 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 Company's share capital, the power to adjust the price set forth above to reflect the impact of such transactions on the value of the shares.

The Shareholders hereby grant any and all authority to the Executive Board, with power of to sub-delegate under applicable legal terms and conditions, to implement this authority, to specify the terms and conditions hereof, if necessary, and to determine on the terms and conditions thereof to complete the repurchase programme, including, but not limited to, for placing any order on a market, entering into any agreement, with a view to maintaining records of sales and purchases of sales, making any filings or filing any statements with the *Autorité des marchés financiers* and any other authority or agency that may be substituted therefor, meeting or fulfilling any other formality and, as a general matter, do whatever may be necessary.

II. EXTRAORDINARY SESSION

SEVENTH RESOLUTION

(Delegation of authority to the Executive Board to increase the share capital by issuing – with preferential subscription rights attached – shares and/or securities convertible into shares and/or securities granting access to debt)

The Shareholders, acting pursuant to the quorum and majority conditions applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and the Special Report of the Statutory Auditors, and as provided in Article L. 225-129 *et seq.* of the French Commercial Code and particularly Article L. 225-129-2 and Article L. 228-92 *et seq.* of the French Commercial Code:

1. Hereby resolve to authorise the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to increase the share capital on one or more occasions, in France or elsewhere, in the proportion(s) and at such time(s) as it may decide, either in euros, or in any other currency, by issuing shares (excluding preference shares) or securities convertible into new or existing shares, or securities granting access to debt, for valuable consideration or free of charge, and subject to Article L. 228-91 *et seq.* of the French Commercial Code, provided, however, that the subscription for the shares and other securities shall be made for cash, by setoff against liabilities, or by capitalisation of reserves, earnings, or premiums.

2. Hereby resolve to authorise the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to issue securities convertible into shares of the Company that, directly or indirectly, make up more than half of its share capital, or that of companies of which it owns, directly or indirectly, more than half of the share capital.

3. Hereby resolve to fix, as follows, the maximum amounts of the capital increases authorised in the event the Executive Board should avail itself of this delegation of authority:

• the maximum amount of the capital increases to be made immediately or in the future under this delegation of authority shall be €3 billion, including issue premium, or the equivalent thereof on the issue date in any other currency, provided, however, that the aggregate maximum amount of the capital increases that may be made pursuant to this delegation and other delegations of authority that may be granted by the Shareholders at this Shareholders' Meeting in the 8th, 9th, 10th, 12th 13th, and 14th resolutions shall be fixed at €3 billion, issue premium included (or the equivalent, on the date hereof, in any other currency);

• there shall be added to these limits, as applicable, (i) the amount of issuances that may be made pursuant to the exercise by the Executive Board of its authority to increase the number of shares to be issued in the event of a capital increase by the Company in accordance with the terms and conditions set forth in the 11th Resolution and (ii) the amount of the additional shares to be issued, if any, in the event of new financial transactions, to protect the rights of holders of securities convertible into shares.

4. Hereby resolve to set at twenty-six months from the date hereof the length of time during which the delegation of authority made hereby shall remain valid;

5. In the event the Executive Board uses the authority delegated hereby:

• Hereby resolve that the issuances shall be reserved on a priority basis to shareholders that may subscribe on a non-reducible basis therefor in proportion to the number of shares they already own;

• Hereby take note that the Executive Board has the right to institute a right to subscribe on a reducible basis;

• Hereby take note that this delegation of authority shall cause automatically and of right ("*de plein droit*") a waiver in favour of the holders or owners of issued securities convertible into shares of the Company by the shareholders of their preferential right to subscribe for the shares to which such securities might entitle them immediately or in the future;

• Hereby take note that, if the subscriptions on an non-reducible basis and on a reducible basis, if any, do not take up the entire amount of the capital increase, the Executive Board may do one or more of the following, in accordance with the terms and conditions provided by law and in the order that it shall determine:

- limit the capital increase to the amount of the subscriptions received therefor, on the condition that it account for at least three-quarters of the approved increase;
- freely distribute all or part of the shares, or, in the case of securities convertible into shares, those securities whose issuance has been approved, but which have not been subscribed;
- offer in a public offering all or part of the shares, or, in case of securities convertible into shares, those securities which have not been subscribed, on the French market and/or elsewhere;

• Hereby resolve that issuances of share subscription warrants that the Company may make may be made by subscription, but also by grant free of charge to owners of existing shares;

• Hereby resolve that, in the event of free awards of warrants, the Executive Board shall have the authority to determine that awards that result in the creation of fractional shares shall not be negotiable, and that the shares corresponding thereto shall be sold;

6. Hereby resolve that the Executive Board shall have any and all authority, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to implement the delegation of authority granted hereby for the purposes, among other things, of:

• deciding to conduct a capital increase and determining the securities to be issued;

• deciding on the amount of the capital increase, the issue price, and the amount of the premium, if any, that may be requested in connection with the issuance;

• determining the dates and terms and conditions of the capital increase, the type and characteristics of the securities to be created; determining, in addition, in the case of bonds or other debt securities, including securities granting access to debt securities described in Article L. 228-91 of the French Commercial Code, whether they should be subordinated or not (and, if so, their rank of subordination, as set forth in Article L. 228-97 of the French Commercial Code) and fixing the rate of interest thereof (including, but not limited to, interest at a fixed or variable rate, or on a zero coupon, or indexed) and providing, if applicable, for the event of the mandatory or optional suspension or non-payment of interest, providing for the term thereof (definite or indefinite), the possibility of increasing or decreasing the nominal value of the securities and the other terms and conditions of the issuance (including granting security interests and/or guarantees in respect thereof) and amortisation (including redemption by delivery of assets of the Company); if applicable, such securities may include warrants carrying the right to receive, purchase, or subscribe for, bonds or other debt securities, or providing for the right of the Company to issue debt securities (whether linked to an underlying interest or not) in payment of interest whose payment may have been suspended by the Company, or taking the form of complex or combination debt securities within the meaning set by securities regulation authorities (due, for example, to their terms and conditions of repayment or compensation, or other rights, such as indexation or the right to options in respect thereof); changing or amending the terms and conditions described above during the term of the securities involved, in compliance with formalities applicable thereto;

• determining the method of paying the nominal value of the shares or securities convertible into shares to be issued immediately, or in the future;

• fixing, if need be, the terms and conditions for exercising the rights attaching to the shares or securities convertible into shares to be issued and in particular, deciding the date, even retroactively, at which the new shares shall become effective, determining the terms and conditions for exercising the rights, if any, to conversion, exchange, or reimbursement, including through delivery of assets of the Company, such as securities of the Company already issued, as well as any and all other terms and conditions for completing the capital increase;

• fixing the terms and conditions according to which the Company shall have the right to purchase or exchange, as the case may be, in the market at any time or from time to time, the securities issued, or to be issued, immediately or in the future, with the purpose of cancelling them or not, in accordance with applicable law;

• providing for the right to suspend the exercise of the rights attaching to such shares in accordance with applicable law and regulations;

• in its sole discretion, charging the expenses of the capital increase against the amount of the premiums relating thereto and charging against such amount the sums required to ensure that the legal reserve is one-tenth of the new share capital after each capital increase;

• fixing and making any and all adjustments intended to take into consideration the impact of transactions in the Company's share capital, especially in the event of a change to the nominal value thereof, capital increases by capitalisation of reserves, awards of free shares, stock splits or amalgamations, or any other transaction involving the share capital and fixing the terms and conditions according to which they shall occur, including, but not limited to, protecting the rights of holders of securities convertible into shares;

• determining the completion of each capital increase and making any amendments to the Articles of Association relating thereto;

• as a general matter, entering into any agreement, particularly agreements for ensuring the proper completion of the proposed issuances, taking steps and completing any and all formalities useful or necessary in connection with the issuance, listing, trading, and financial servicing of the shares issued in connection with this delegation of authority, as well as exercising the rights attaching thereto;

7. Hereby resolve to take note that such delegation of authority replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority having the same purpose, that is, any general delegation or grant of authority relating to a capital increase with maintenance of preferential subscription rights, covering the securities and transactions as described in this Resolution;

8. Hereby resolve to take note that, in the event the Executive Board avails itself of the authority delegated in this Resolution, it shall report to the next Ordinary General Meeting of Shareholders, in accordance with applicable laws and regulations, on the uses made of the authority delegated in this Resolution.

EIGHTH RESOLUTION

(Grant of authority to the Executive Board to increase the share capital by issuing – without preferential subscription rights– shares and/or securities convertible into shares of the Company and/or the securities granting access to debt)

The Shareholders, acting pursuant to the quorum and majority conditions applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and the Special Report of the Statutory Auditors, and as provided in Article L. 225-129 *et seq.* of the French Commercial Code, and particularly Articles L. 225-129-2, L. 225-135, L. 2005-148, and Article L. 228-92 *et seq.* of such Code:

1. Hereby resolve to authorise the Executive Board, with the right to grant sub-delegate authority in accordance with the terms and conditions provided by law, to increase the share capital on one or more occasions in the proportion(s) and at such time(s) as it may decide, subject to Article L. 233-32 *et seq.* of the French Commercial Code , in France or elsewhere, by public offering in Euros or any other currency, by issuing shares (excluding preference shares), or securities convertible into new or existing shares of the Company, or securities granting access to debt, for valuable consideration or free of charge, subject to Article L. 228-91 *et seq.* of the French Commercial Code, provided, however, that the subscription for the shares or other securities may be made for cash, by setoff against liabilities, or by capitalisation of reserves, earnings or premiums. These securities may be issued for the purpose, among other things, to pay for securities that may be contributed to the Company in connection with a public exchange offer in France or elsewhere pursuant to local rules (for example, in connection with a "reverse merger" as it is known in common-law jurisdictions) for securities meeting the conditions set forth in Article L. 225-148 of the French Commercial Code.

2. Hereby resolve to authorise the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to issue shares or securities convertible into shares of the Company to be issued following issuance by companies of which the Company owns, directly or indirectly, more than half the share capital, or by companies that own, directly or indirectly, more than half of its share capital, securities convertible into shares of the Company;

This issuance shall cause a waiver in favour of the holders or owners of securities to be issued by the companies of our Group by the shareholders of the Company of their preferential right to subscribe for the shares or securities convertible into shares of the Company to which such securities might entitle them.

3. Hereby resolve to authorise the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to issue securities convertible into shares of the company that owns, directly or indirectly, more than half of its share capital, or companies of which it owns, directly or indirectly, more than half of the share capital.

4. Hereby resolve to fix as follows the maximum amounts of the capital increases authorised in the event the Executive Board should avail itself of this delegation of authority:

• the maximum amount of capital increases that may be made immediately or in the future pursuant to this delegation of authority is fixed at €3 billion, issue premium included, or the equivalent thereof on the issue date in any other currency, provided, however, that such amount shall be included in the amount of the aggregate limit provided in paragraph 3 of the 7th Resolution approved at this Shareholders' Meeting;

• the maximum amount of the capital increases that may be made immediately or in the future pursuant to this delegation of authority shall be fixed at €3 billion, including issue premium, or the equivalent thereof on the issue date in any other currency, provided, however, that such amount shall be included in the amount of the aggregate limit set forth in paragraph 3 of the 7th Resolution approved at this Shareholders' Meeting;

• there shall be added to these limits , as applicable, (i) the amount of issuances that may be made pursuant to the exercise by the Executive Board of its authority to increase the number of shares to be issued in the event of a capital increase by the Company, in accordance with the terms and conditions set forth in the 11th Resolution and (ii) the amount of additional shares that may be issued, in the event of new financial transactions, to protect the rights of holders of securities convertible into shares.

5. Hereby resolve to fix at twenty-six months from the date of hereof the length of time during which the delegation of authority made hereby shall remain valid;

6. Hereby resolve to eliminate the preferential subscription right of the shareholders to acquire the securities that are covered by this Resolution, retaining the right, however, of the Executive Board, pursuant to paragraph 2 of Article L. 225-135, to grant to shareholders, for a period and on terms and conditions to be decided in accordance with applicable law and regulations, for all or part of the relevant issuance, a priority subscription period not giving rise to negotiable rights, which may be exercised in proportion to the number of shares owned or held by each shareholder and that may be supplemented by a subscription, on a non-reducible basis, provided, however, that unsubscribed shares shall be the subject of a public placement in France and/or elsewhere;

7. Hereby resolve to take note that, if the amount of subscriptions, including those of shareholders, as applicable, is lower than the entire issuance, the Executive Board may limit the amount of the transaction to the amount of subscriptions received, on the condition that they amount at least to three-quarters of the authorized issuance;

8. Hereby resolve to take note that this delegation of authority shall cause, automatically and of right ("*de plein droit*"), an express waiver by the Shareholders in favour of holders of issued securities convertible into shares of the Company, of their preferential right to subscribe for the shares to which their securities would entitle them;

9. Hereby resolve to take note that, as provided in paragraph 1.1 of Article L. 225-136 of the French Commercial Code:

• the issue price of the shares issued directly shall be at least equal to the minimum provided in the applicable laws and regulations (as of the date hereof, the weighted average of the trading price during the last three trading sessions of Eurolist by Euronext preceding the fixing of the subscription price, less a discount of 5%) after correction, if applicable, of such average in the event of a difference among the effective dates;

• the issue price of securities convertible into shares shall be such that the amount received immediately by the Company, increased by the amount that it may subsequently receive, if applicable, shall be, for each share issued as a result of the issuance of such securities, at least equal to the minimum subscription price set forth in the preceding paragraph;

• the conversion, reimbursement/repayment, or generally the conversion into shares of each security convertible into shares shall be made in a number of shares, taking into consideration the nominal value of the debt security or of such security, such that the amount received by the Company for each share shall be at least equal to the minimum subscription price set forth in the first subparagraph of this paragraph 9;

10. Hereby resolve that the Executive Board shall have any and all authority, with the right to sub-delegate authority in accordance with the conditions provided by law, to implement the authority granted hereby, for the purposes, among other things, of:

• engaging in a capital increase and determining the securities to be issued;

• deciding the amount of the capital increase, the issue price, and the amount of the premium, if any, that may be requested in connection with the issuance;

• determining the dates and terms and conditions of the capital increase, the type and characteristics of the securities to be created; determining, in addition, in the case of bonds or other debt securities, including securities granting access to debt described in Article L. 228-91 of the French Commercial Code, whether they should be subordinated or not (and, if so, their rank of subordination, as set forth in Article L. 228-97 of the French Commercial Code) and fixing the rate of interest thereof (including, but not limited to, interest at a fixed or variable rate, or on a zero coupon, or indexed) and providing, if applicable, for the event of the mandatory or optional suspension or non-payment of interest, providing for the term thereof (definite or indefinite), the possibility of increasing or decreasing the nominal value of the securities and the other terms and conditions of the issuance (including granting security interests and/or guarantees in respect thereof) and amortisation (including redemption by delivery of assets of the Company); if applicable, such securities may include warrants carrying the right to receive, purchase, or subscribe for, bonds or other debt securities representing claims or equity interests, or providing for the right for the Company to issue debt securities (whether linked to an underlying interest or not) in payment of interest whose payment may have been suspended by the Company, or taking the form of complex or combination debt securities within the meaning set by securities regulation authorities (due, for example, to their terms and conditions of repayment or compensation, or other rights, such as indexation, or the right to options in respect thereof); changing or amending the terms and conditions described above during the term of the securities involved, in compliance with formalities applicable thereto;

• determining the method of paying the nominal value of the shares or securities convertible into shares to be issued immediately, or in the future;

• fixing, if need be, the terms and conditions for exercising the rights attaching to the shares or securities convertible into shares to be issued and, in particular, deciding the date, even retroactively, at which the new shares shall become effective, determining the terms and conditions for exercising the rights, if any, to conversion, exchange, or reimbursement, including through delivery of assets of the Company, such as securities of the Company already issued, as well as any and all other terms and conditions for completing the capital increase;

• fixing the terms and conditions according to which the Company shall have the right to purchase or exchange, as the case may be, in the market at any time or from time to time, the securities issued, or to be issued, immediately or in the future with to the purpose of cancelling them or not, in accordance with applicable law;

• providing for the right to suspend the exercise of the rights attaching to such securities in accordance with applicable law and regulations;

• in the event of an issuance of securities in payment for securities contributed in connection with a public tender offer that consists, in whole or in part, of an exchange offer, determining the list of securities contributed in the exchange offer, fixing the terms and conditions of the issuance, the exchange ratio, as well as the amount of any balance, if applicable, to be paid in cash and determining the terms and conditions of the issuance of a public exchange offer, of an alternative offer of purchase or exchange, or of a public tender offer or exchange coupled with a public exchange offer, or of a public tender offer as a subsidiary matter, or any other form of public offer or public tender offer in accordance with the law and regulations applicable to such public offer;

• in its sole discretion, charging the expenses of the capital increase against the amount of the premiums relating thereto and charging against such amount the sums required to ensure that the legal reserve is one-tenth of the new share capital after each capital increase;

• fixing and making any and all adjustments intended to take into consideration the impact of transactions in the Company's share capital, especially in the event of a change to the nominal value thereof, capital increases by capitalisation of reserves, awards of free shares, stock splits or amalgamations, or any other transaction involving the share capital and fixing the terms and conditions according to which they shall occur, including, but not limited to, protecting the rights of holders of securities convertible into shares;

• determining the completion of each capital increase and making any amendments to the Articles of Association relating thereto;

• as a general matter, entering into any agreement, particularly agreements for ensuring the proper completion of the proposed issuances, taking steps and completing any and all formalities useful or necessary in connection with the issuance, listing, trading, and financial servicing of the shares issued in connection with this delegation of authority, as well as exercising the rights attaching thereto;

11. Hereby resolve to take note that such delegation of authority replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority having the same purpose, that is, any general delegation or grant of authority relating to a capital increase without the preferential subscription rights, covering the securities and transactions as described in this Resolution.

12. Hereby resolve to take note that, if the Executive Board avails itself of the authority delegated hereby, it shall report to the next Ordinary General Meeting of Shareholders next following, in accordance with applicable law and regulations, on the uses made of the authority delegated in this Resolution.

NINTH RESOLUTION

(Authority to issue shares or securities carrying the right to acquire shares without preferential subscription rights in consideration for contributions in kind consisting of equity securities or securities carrying the right to obtain equity securities)

The Shareholders, pursuant to the quorum and majority requirements applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and as provided in Article L. 225-129 *et seq.* of the French Commercial Code, and in particular paragraph 6 of Article L. 225-147 of the French Commercial Code:

1. Hereby resolve to grant any and all authority to the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to pay for any contributions in kind made to the Company and consisting of shares of capital stock or securities convertible into shares, up to a limit of 10% of the share capital at any time, such percentage to apply to the amount of share capital as adjusted on the basis of transactions affecting it after the date of this General Meeting of Shareholders (representing, for illustrative purposes, 221,715,260 shares as of 31 December 2006), when the provisions of Article L. 225-148 of the French Commercial Code do not apply, to determine the list of securities contributed, to fix the terms and conditions of the issuance, approve or reduce (if the contributors agree thereto) the valuation of the contributions and the grant of special benefits and determine the completion of the capital increase.

2. Hereby take note that this delegation of authority replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority having the same purpose, that is, any general delegation or grant of authority relating to an issuance of shares or securities convertible into shares, without preferential subscription rights, to pay for contributions in kind of equity securities or securities carrying the right to obtain shares.

This authorisation shall be valid for a period of twenty-six months from the date hereof.

TENTH RESOLUTION

(Delegation of authority to the Executive Board to increase the share capital by capitalisation of reserves, premiums, earnings, or otherwise)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and as provided in Article L. 225-130 of the French Commercial Code:

1. Hereby resolve to authorise the Executive Board to increase the share capital, on one or more occasions, in the proportions, and at the times, it shall determine, by capitalisation of premiums, reserves, earnings, or otherwise, the capitalisation of which may be permitted by law and by the Articles of Association, in the form of issuances and awards of free shares, or by increasing the amount of the nominal value of the share capital, or by a combination of these two methods. The maximum amount of the capital increases that may be made in pursuant to this delegation of authority shall not exceed €3 billion, including issue premiums, or the equivalent thereof on the issue date in any other currency, provided, however, that such amount shall be deduced from the amount of the aggregate limit set forth in paragraph 3 of the 7th Resolution approved at this General Meeting of Shareholders;

2. Hereby resolve that, if the Executive Board should avail itself of the authority granted hereby, it shall have any and all authority, with the right to sub-delegate authority, on the terms and conditions provided by law, to implement this delegation of authority, for the following purposes, among others:

• fixing the amount and type of the sums to be capitalised, fixing the number of new shares to be issued and/or the amount by which the share capital shall be increased, determining the date, even retroactively, at which the new shares shall become effective, or on which the increase of the nominal value shall take effect;

• deciding, in the event of distribution of free shares:

- that the rights leading to the creation of fractional shares shall not be negotiable, and that the shares corresponding thereto shall be sold; the amounts resulting from the sale shall be allocated to the owners or holders of the rights on the terms and conditions provided by applicable law and regulations;

- to make any and all adjustments intended to reflect the impact of transactions in the Company' share capital, particularly in the event of changes in the nominal value of shares, of increases in the share capital by capitalisation of reserves, grants of free shares, stock splits or amalgamations, distributions of reserves or of any assets, amortisation of the share capital, or any other transaction involving the share capital, and fixing the terms and conditions ensuring the protection of the rights of the holders or owners of securities convertible into shares, as the case may be;
- to determine the completion of each capital increase and make any amendments to the Articles of Association relating thereto;
- as a general matter, entering into any agreement, particularly agreements for ensuring the proper completion of the proposed issuances, taking steps and completing any and all formalities useful or necessary in connection with the issuance, listing, trading, and financial servicing of the shares issued in connection with this delegation of authority, as well as exercising the rights attaching thereto;

3. Hereby resolve to take note that such delegation of authority replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority having the same purpose, that is, any general delegation or grant of authority relating to a capital increase through capitalisation of premiums, reserves, earnings, or otherwise.

This authorisation shall be valid for a period of twenty-six months from the date hereof.

ELEVENTH RESOLUTION

(Delegation of authority to the Executive Board to increase the number of shares to be issued (over-allotment option) in case of a capital increase with or without preferential subscription rights)

The Shareholders, acting pursuant to quorum and majority requirements applicable to extraordinary meetings of shareholders and as provided in Article L. 225-135-1 of the French Commercial Code:

1. Hereby resolve to authorise the Executive Board, with the right to sub-delegate authority in accordance with the terms and conditions provided by law, to increase the number of shares to be issued in the event of capital increases of the Company, with or without preferential subscription rights, at the same price as that applicable to the initial issuance, within the time periods and limits provided by the law and regulations applicable on the date of the issue (as of the date hereof, thirty days from the close of the subscription period and within the limit of 15% of the initial issuance), in particular for the purpose of granting an over-allotment option in accordance with market practices.

2. Hereby resolve that the amount of the capital increases implemented under this Resolution shall be added to the amount of the total limit, if applicable, set forth in paragraph 3 of the 7th Resolution adopted at this General Meeting of Shareholders;

This authorisation shall be valid for a period of twenty-six months from the date hereof.

TWELFTH RESOLUTION

(Delegation of authority to the Executive Board to increase the share capital by issuing shares or securities convertible into shares reserved to participants in company savings plans, with elimination of preferential subscription rights in favour of such participants)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and the Special Report of the Statutory Auditors, and as provided in Articles L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Article L. 443-1 *et seq.* of the French Labour Code:

1. Hereby resolve to delegate authority to the Executive Board to increase the share capital, on one or more occasions, in the maximum amount of €30 million, including issue premium, or the equivalent thereof in any other currency, by issuing shares or securities convertible into shares reserved to the participants in one or more company savings plans (or other plans with respect to the participants of which Article L. 443-5 of the French Labour Code makes it possible to reserve a capital increase on equivalent terms and conditions) that may be adopted by the Group consisting of the Company and French and non-French companies that are within the scope of consolidation or combination for purposes of the Company's financial statements under Article L. 444-3 of the French Labour Code; provided, however, that the maximum amount of the capital increase that may be made immediately or in the future under this delegation shall be included in the aggregate amount of the limit set forth in paragraph 3 of the 7th Resolution adopted at this General Meeting of Shareholders;

2. Hereby resolve that this authorisation shall be valid for a period of twenty-six months from the date hereof;

3. Hereby resolve that the issue price of the new shares or securities convertible into shares shall be determined in accordance with the terms and conditions set forth in Article L. 443-5 of the French Labour Code and shall not be less than 80% of the Reference Price (as defined below), or 70% of the Reference Price, when the holding period provided by such plan under Article L. 443-6 of the French Labour Code is equal to, or greater than, 10 years; the Shareholders, however, hereby resolve to authorise the Executive Board expressly, if it so decides, to reduce or eliminate the above-mentioned discounts within the limits allowed by applicable law and regulations to reflect relevant legal, accounting, tax, and employment law considerations applicable locally; for purposes of this paragraph, the Reference Price shall mean the average of the opening trading price of the Company's shares on Eurolist by Euronext during the twenty trading sessions preceding the date on which the opening date of the subscription period is decided for participants in a company savings plan;

4. Hereby resolve to authorise the Executive Board to grant to the above-described participants free of charge, in addition to the shares or securities convertible into shares to be subscribed in cash shares or securities convertible into shares to be issued, or previously issued, in substitution for all or part of the discount from the Reference Price and/or for the employer contribution thereto under Articles L. 443-5 and L. 443-7 of the French Labour Code.

5. Hereby resolve to eliminate, in favour of the participants hereinabove described, the preferential subscription rights of the shareholders to the shares and securities convertible into shares whose issuance is the subject of this delegation of authority, such shareholders hereby additionally waiving any right to shares or securities convertible into shares that may be issued free of charge pursuant to this Resolution;

6. Hereby resolve that the Executive Board shall have any and all authority to implement the foregoing delegation of authority, with the right to sub-delegate authority in accordance with the terms and conditions of applicable law, within the limits and pursuant to the terms and conditions set forth above, for the following purposes, among others:

• deciding, on applicable legal terms and conditions, the list of companies the employees of which, as participants, may subscribe to acquire the shares or securities convertible into shares thus issued and benefit from, as the case may be, the shares securities convertible into shares to be granted without consideration;

• deciding that the subscriptions may be made directly or through company mutual funds or other structures or entities allowed under applicable legal and regulatory provisions;

• determining the terms and conditions, including, but not limited to, those relating to length of service, that need to be met by participants of the capital increases;

• deciding the opening and closing dates of the subscription periods;

• fixing the amounts of the issuances to be made under this delegation of authority and the characteristics of the shares or securities to be issued and deciding, among other things, the issue prices, dates, time periods, terms and conditions of subscription, payment, delivery and effectiveness of the shares (even retroactively), as well as the other terms and conditions of the issuances, within the limits of applicable legal and regulatory provisions;

• in the case of grants of shares or securities convertible into shares free of charge pursuant to paragraph 4 of this Resolution, fixing the number of shares or securities convertible into shares to be issued, the number to be granted to each participant, and of deciding the dates, time periods, terms and conditions, within the limits set by applicable law and regulations and, in particular, choosing between substitution in whole or in part of the grant of such shares or securities convertible into shares for the discounts from the Reference Price set forth above, or charging the equivalent value of such shares or securities convertible into shares against the aggregate amount of the employer contribution, or combining these two possibilities;

• determining the completion of the capital increase in the amount of the shares for which subscriptions may be made (after any reduction in the event of over-subscription);

• if applicable, charging the costs of the capital increases against the amount of the premiums relating thereto and deducting against such amount the sums necessary to bring the legal reserve to 10% of the new share capital following each capital increase;

• entering into any agreements, or performing, directly or indirectly by representative or agent, any and all transactions and terms and conditions, including undertaking any and all formalities relating to such capital increases and making the amendments to the Articles of Association relating thereto;

• as a general matter, entering into any agreement, particularly for ensuring the proper completion of the proposed issuances, taking any steps and completing any and all formalities useful or necessary in connection with the issuance, listing, trading, and financial servicing of the shares issued in connection with this delegation of authority, as well as exercising the rights attaching to or resulting from the completed capital increases;

7. Hereby resolve that this authorization replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority to the Executive Board having the effect of increasing the Company's share capital by an issuance of shares reserved to participants in employee savings plans, with elimination of preferential subscription rights in favour thereof.

THIRTEENTH RESOLUTION

(Delegation of authority to the Executive Board to grant options to subscribe for, or purchase, shares to some or all of the employees or officers of the Company)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and the Special Report of the Statutory Auditors:

1. Hereby resolve to authorise the Executive Board, under Articles L. 225-177 to L. 225-185 of the French Commercial Code, to grant, on one or more occasions, to employees it shall determine from among non-executive employees and, possibly, officers of the Company and of companies or groups that are related to it in accordance with the terms and conditions provided in Article L. 225-180 of the French Commercial Code, options to subscribe for new shares of the Company to be issued in connection with an increase in its share capital as well as options to purchase shares of the Company in connection with repurchases thereof made by the Company in accordance with the terms and conditions provided by law;

2. Hereby resolve that the options to subscribe for or purchase shares granted under this delegation of authority shall not give rise to an aggregate number of options greater than 4% of the share capital as of the date of this Meeting of Shareholders, and that the amount of the capital increases resulting from the exercise of the options granted pursuant to this delegation of authority shall be included in the aggregate amount of the limit set forth in paragraph 3 of the 7th Resolution adopted at this Shareholders' Meeting;

3. Hereby resolve that the price to be paid upon exercise of the options to subscribe for or purchase shares shall be fixed by the Executive Board on the date on which the options are granted, and that (i) in the case of grants of options to subscribe for shares, such price shall not be less than 80% of the average of the opening trading prices of the Company's shares on Eurolist by Euronext during the twenty trading sessions preceding the date on which the subscription options are granted and (ii) in the case of grants of options to purchase shares, such price shall not be less than either the value indicated in (i) above, or 80% of the average trading price of the shares held by the Company in respect of Articles L. 225-208 and L. 225-209 of the French Commercial Code. If the Company undertakes transactions contemplated under Article L. 225-181 of the French Commercial Code, the Executive Board shall take the measures necessary, in accordance with the terms and conditions set forth by applicable laws and regulations, to protect the interests of the beneficiaries, including, as the case may be, by adjusting the number of shares that may be obtained through the exercise of the options granted to beneficiaries to take account of the impact of such transaction;

4. Hereby determine that this authorisation shall have the effect of causing an express waiver, in favour of the beneficiaries of the stock options, by the Shareholders of their preferential right to subscribe for the shares that may be issued during the course of exercise of the stock options. The capital increase that may result from the exercise of stock options shall be final and completed by the sole fact of the filing of the statement of exercise of the option along with the subscription form and the payment of the price, which may be made in cash, or by setoff against liabilities of the Company;

5. Accordingly, the Shareholders hereby resolve to grant any and all authority to the Executive Board to implement this delegation of authority and for the following purposes, among others:

• establishing the list of beneficiaries of the options and the number of options awarded to each thereof;

• fixing the terms and conditions of the options and especially:

- the period during which the options shall remain valid, provided that the options shall be exercised within a maximum period of seven years;
- the date(s) or period(s) for exercising the options, provided, however, that the Executive Board may (a) accelerate the dates and periods for exercising the options, (b) maintain the exercisability of the options, or (c) modify the dates or periods during which the shares obtained by exercise of the options may not be transferred or put into bearer form;
- establishing any clauses or provisions prohibiting immediate resale of all or part of the shares, such standstill period not to exceed three years from the date of exercise of the option, provided, however, that, with respect to options granted to officers described in Article L. 225-185 of the French Commercial Code, the Supervisory Board shall either (i) decide that the options may not be exercised by the affected persons prior to the end of their responsibilities, or (ii) set the number of shares resulting from the exercise of options that they may be required to keep in registered form until the end of their responsibilities;
- if applicable, limiting, suspending, restraining or prohibiting the exercise of options or the transfer or putting in bearer form of shares obtained from the exercise of options during certain periods or for periods beginning from certain events, its decision bearing on all or part of the options or shares or concerning all or part of the beneficiaries thereof;

• deciding the effective date, even retroactively, of the new shares resulting from exercise of the subscription options;

6. Hereby resolve that the Executive Board shall also have the right to sub-delegate, in accordance with the conditions prescribed by law, any authority to determine the completion of the capital increases in the amount of the shares actually subscribed through exercise of the subscription options, amend the Articles of Association accordingly, and, in its sole discretion, if it so deems appropriate, charge the expenses of the capital increases against the amount of the premiums relating to such transactions and deduct from such amount the sums necessary to bring the legal reserve to 10% of the new share capital following each capital increase and undertake any and all formalities required for the shares so issued to be publicly traded, make any statements or filing with any agencies, and generally do whatever may be required.

This authorisation shall be valid for a period of twenty-six months from the date hereof.

7. Hereby resolve that this authorisation shall replace and supersede, from and after the date hereof, and in the amount, if any, of the unused portion thereof, any previous delegation of authority to the Executive Board to grant options to subscribe for or purchase shares. This authorisation shall be valid for a period of twenty-six months from the date hereof.

FOURTEENTH 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 of the employees or officers of the Company)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary meetings of shareholders, after reviewing the Report of the Executive Board and the Special Report of the Statutory Auditors:

1. Hereby resolve to authorise the Executive Board to make grants, under Article L. 225-197 *et seq.* of the French Commercial Code, on one or more occasions, of free shares from existing shares or shares to be issued (but excluding preference shares) to the beneficiaries it may determine from among employees of the Company or of companies or groupings that may be related to it in accordance with the terms and conditions set forth in Article L. 225-197-2 of the French Commercial Code and the officers described in Article L. 225-197-1, II, on the terms and conditions set forth hereafter;

2. Hereby resolve that shares that are existing or to be issued pursuant to such authority may not account for more than 0.5% of the share capital as of the date of this General Meeting of Shareholders; provided, however, that the maximum amount of the increases in share capital that may be made immediately or in the future under this delegation of authority shall be included in the aggregate limit set forth in paragraph 3 of the 7th Resolution adopted at this Shareholders' Meeting;

3. Hereby resolve that the grant of such shares to the beneficiaries thereof shall be, and become, final:

- either at the end of the minimum acquisition period of two years, and the beneficiaries shall retain such shares for a minimum period of two years from the date of final grant of such shares;
- or, for beneficiaries who may not qualify to benefit from the favourable tax treatment set forth in Articles 80 *quaterdecies* and 200A, 6 *bis* of the French General Tax Code and who may be exposed to taxation upon expiration of the holding period, at the end of an acquisition period of four years (such beneficiaries not then being bound by any holding period);

  provided, however, that, in each case, the shares shall become freely tradable in the event of disability of the beneficiaries in accordance with the classifications in the second and third categories set forth in Article L. 341-4 of the French Social Security Code (*Code de la Sécurité Sociale*).

4. Hereby resolve to grant any and all authority to the Executive Board, with the right to sub-delegate authority in accordance with the applicable terms and conditions of law, to implement this delegation of authority for the following purposes, among others:

• determining the identities of the beneficiaries of the shares from among employees and officers of the Company, or the companies or groupings described above, and the numbers of shares to be granted to each of them;

• establishing the terms and conditions and, if needed, the criteria for granting shares, including, but not limited to, the minimum acquisition period and the length of the holding period required of each beneficiary, in accordance with the terms and conditions set forth above; provided, however, that, with respect to shares granted free of charge to officers described in Article L. 225-197-1 of the French Commercial Code, the Supervisory Board shall (i) decide that the shares granted free of charge may not be sold or transferred by the affected persons prior to the end of their responsibilities, or (ii) set the number of such shares that they shall be required to keep in registered form until the end of their responsibilities;

• providing for the right to suspend on a temporary basis the right to grants;

• determining the dates of final grant and the dates as of which the shares may be freely sold and transferred, in accordance with applicable legal restrictions;

• recording the shares granted free of charge, if any, in a registered account in the name of the holder thereof indicating the limits on transfer applicable thereto and the length of such standstill or holding period and releasing from such restriction the shares in any and all cases in which applicable law and regulations so permit;

• making adjustments, if applicable, to the number of shares granted free of charge that may be necessary to protect the rights of beneficiaries thereof, in respect of any transactions that may have an impact on the Company's share capital, under the circumstances set forth in Articles L. 225-181 and L. 228-99 of the French Commercial Code;

• in the event new shares are issued, charging against reserves, earnings, or issue premiums, as the case may be, the amounts required to pay the nominal/par value or paid-in capital amount for such shares;

5. Hereby resolve to take note that, in the event of grants of new free shares, this delegation of authority shall also constitute authorisation to increase the share capital by capitalisation of reserves, earnings, or premiums in favour of the beneficiaries of such shares, with related waiver by the shareholders in favour of the beneficiaries of such shares of their preferential right to subscribe for such shares.

6. Hereby resolve to take note that, if the Executive Board avails itself of the delegation of authority made hereby, it shall report thereon to the Shareholders at the Ordinary General Meeting of Shareholders each year, as provided in Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code and in accordance with the terms and conditions set forth in Article L. 225-197-4 of the French Commercial Code;

7. Hereby resolve to take note that this delegation of authority replaces and supersedes, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority to the Executive Board for the purpose of making grants of shares that are already existing or are to be issued to some or all of the employees or officers of the Group.

8. Hereby resolve that this authorisation shall be valid for a period of twenty-six months from the date hereof.

FIFTEENTH RESOLUTION

(Delegation of authority to the Executive Board to reduce the share capital by cancellation of shares held in the Treasury)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders and after reviewing the report of the Executive Board and the Special Report of the Statutory Auditors, hereby resolve to authorise the Executive Board to decrease the share capital on one or more occasions, in the proportions and at the times it may decide, by cancelling any number of shares held in the treasury that it may decide within the limits permitted by law and as provided 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, it being understood that this limit shall apply to an amount of the Company's share capital that shall be adjusted to take into consideration transactions affecting the share capital that are subsequent to this General Meeting of Shareholders.

This authorisation shall replace and supersede, as from the date hereof and in the amount, if any, of the unused portion thereof, any previous delegation of authority to the Executive Board for the purpose of reducing the share capital by cancellation of treasury shares.

The authority granted hereby shall remain in effect for a period of eighteen months from the date hereof.

The Shareholders hereby resolve to grant to the Executive Board any and all authority, with power of delegation, to complete such transactions cancelling or decreasing the share capital that may be made under this authorisation, and to amend the Articles of Association as a consequence and carry out any formalities.

SIXTEENTH RESOLUTION

(Modifications to Articles of Association)

The Shareholders, acting pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders and after reviewing the report of the Executive Board hereby resolve to modify as follows Article 23 of the Articles of Association ("General Meetings of Shareholders") to reflect the provisions of Decree n° 2006-1566 dated 11 December 2006 amending the Decree dated 23 March 1967 on business companies.

The 2nd paragraph of point 2 thereof shall hereafter read as follows:

"The right to attend a general meeting of shareholders in person or by proxy shall be subordinated to recording or registration of the shareholder in the accounting books and records either in a registered shareholder account kept by the Company, or in an account of bearer shares kept by an authorised agent, in accordance with the terms and conditions and for the periods fixed by applicable law and regulations."

All other provisions thereof shall remain unchanged.

SEVENTEENTH RESOLUTION

(Authority with respect to formalities)

The Shareholders hereby resolve to grant any and all necessary authority to a bearer of copies or abstracts of the Minutes of this Meeting for the purpose of making any statements and completing any legal, filing, publication or other formalities.

OTHER INFORMATION

REPORT OF STATUTORY AUDITORS ON CONSOLIDATED FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report includes information specifically required by French law in all audit reports, whether qualified or not, and this is presented below the opinion on the financial statements. This information includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. The report also includes information relating to the specific verification of information in the group management report.

This report, together with the statutory auditors' report addressing financial and accounting information in the Chairman's report on internal control, should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders of JCDecaux S.A.,

Following our appointment as Statutory Auditors by your Shareholders' Meeting, we have audited the accompanying consolidated financial statements of JCDecaux S.A. for the year ended December 31, 2006.

These consolidated financial statements have been approved by the Executive Board of Directors. 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 the 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our 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 31 December 2006 and of the results of its operations for the year then ended in accordance with IFRSs as adopted by the EU.

II. JUSTIFICATION OF ASSESSMENTS

In accordance with the requirements of article L. 823-9 of French Company Law (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters:

- Note 1.20 to the financial statements describes the accounting treatment of purchase commitments for minority interests, which is not specifically described in IFRS as adopted in the European Union. We have assessed that this note gives the relevant information as to the method used by the company.
- Tangibles and intangibles fixed assets and goodwill are subject to impairment tests based on the prospects of future profitability following the method described in Note 1.11 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.

The assessments were thus made in the context of the performance of our audit of the consolidated financial statements taken as a whole and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

In accordance with professional standards applicable in France, we have also verified the information given 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 13th, 2007

French original signed by
The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Frédéric Quélin

ERNST & YOUNG et Autres

Gilles Galippe   Patrick Cassoux

REPORT OF STATUTORY AUDITORS ON CORPORATE FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditor's report issued in French and 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 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 captions or on information taken outside of the financial statements. 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,

Following our appointment as Statutory Auditors by your shareholders' meeting, we hereby report to you, for the year ended December 31, 2006, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the Company's financial position and its assets and liabilities, as of December 31, 2006 and of the results of its operations for the year then ended in accordance with the accounting rules and principles applicable in France.

II. JUSTIFICATION OF OUR ASSESSMENTS

In accordance with the requirements of article L.823-9 of the Commercial Code relating to the justification of our assessments, we bring to your attention the following matters:

As specified in Note 1.2.1.3 to the financial statements, JCDecaux's Management carries out a valuation of equity investments based on the prospects of future profitability.

In compliance with French professional standards applicable to accounting estimates, we analyzed the data and assumptions on which these estimates are based, notably relating to the determination of the fair value of these assets to be used as a comparison with their book value. We assessed the reasonableness of these estimates.

The assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of the opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATIONS AND INFORMATION

We have also performed the specific verifications required by law in accordance with professional standards applicable in France.

We have no matters to report regarding:

- 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 the shareholders with respect to the financial position and the financial statements,
- the fair presentation of the information given in the management report in respect of remunerations and benefits granted to the relevant directors and any commitments given to them in connection with, or after, their appointment, termination or change in function.

In accordance with French law, we ascertained that the information relating to the acquisition of shares and controlling interests and the identity of shareholders and holders of voting rights were given in the management report.

Paris La Défense and Neuilly-sur-Seine, March 13th, 2007

French original signed by
The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Frédéric Quélin

ERNST & YOUNG et Autres

Gilles Galippe Patrick Cassoux

SPECIAL REPORT OF STATUTORY AUDITORS ON AGREEMENTS AND THE COMMITMENTS WITH RELATED PARTIES ("*CONVENTIONS RÉGLEMENTÉES*")

This is a free translation into English of a report issued in the French language and 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 report on the regulated agreements and commitments.

AGREEMENTS AND COMMITMENTS ENTERED INTO BY THE COMPANY IN 2006

We are not required to ascertain whether any 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. It is not our role to determine whether they are beneficial or appropriate. It is your responsibility, under the terms of article 117 of the Decree of 23 March 1967, to evaluate the benefits arising from these agreements and commitments prior to their approval.

We inform you that we have not been advised of any agreements or commitments mentioned in article L.225-86 of the Commercial Code.

CONTINUING AGREEMENTS AND COMMITMENTS WHICH WERE ENTERED INTO IN PRIOR YEARS

Moreover, in accordance with the Decree of 23 March 1967, we have been informed of the following agreements and commitments, which were approved during previous years and which were applicable during the period:

With JCDecaux SA

Nature and purpose
Your Supervisory Board meeting held on March 15, 2005, authorized the payment to Mr. Gérard Degonse, a Member of the Executive Board, of retirement indemnities equivalent to two years of his fixed and variable salary, including indemnities provided for under French law and a non-competition indemnity, in the event that his employment contract should be terminated by the Company.

Nature and purpose
Your Supervisory Board meeting held on March 15, 2005, authorized the redefinition of the terms and conditions for calculating the pension due to Mr. Jeremy Male, a Member of the Executive Board. This pension will be equal to 15% of his total salary and bonuses.

We conducted our work in accordance with professional standards applicable in France; those standards require that we perform the procedures deemed necessary so as to verify that the information provided to us is in agreement with the underlying documentation from which it was extracted.

Paris La Défense and Neuilly-sur-Seine, March 13th, 2007

French original signed by
The Statutory Auditors

KPMG Audit *Department of KPMG S.A.*	ERNST & YOUNG et Autres	
Frédéric Quélin	Gilles Galippe	Patrick Cassoux

REPORT ON THE REPORT PREPARED BY THE CHAIRMAN OF THE SUPERVISORY BOARD DEALING WITH INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND TREATMENT OF FINANCIAL AND ACCOUNTING INFORMATION

This is a free translation into English of a report issued in the French language and 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 JCDecaux S.A., and in accordance with article L. 225-235 of the Commercial Code, we report to you on the report prepared by the Chairman of the Supervisory Board of your company in accordance with article L. 225-68 of the Commercial Code for the year ended December 31, 2006.

It is for the Chairman to give an account, in his report, notably of the conditions in which the duties of Supervisory Board are prepared and organized and the internal control procedures in place within the company.

It is our responsibility to report to you our observations on the information and assertions set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information.

We performed our procedures in accordance with professional guidelines applicable in France. These require us to perform procedures to assess the fairness of the information and assertions set out in the Chairman's report on the internal control procedures relating to the preparation and processing of financial and accounting information. These procedures notably consisted of:

- obtaining an understanding of the objectives and general organization of internal control, as well as the internal control procedures relating to the preparation and processing of financial and accounting information, as set out in the Chairman's report;
- obtaining an understanding of the work performed to support the information given in the report.

On the basis of these procedures, we have no matters to report in connection with the information and the assertions given on the internal control procedures relating to the preparation and processing of financial and accounting information, contained in the Chairman of the Supervisory Board's report, prepared in accordance with article L. 225-68 of the Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 13th, 2007

French original signed by
The Statutory Auditors

KPMG Audit
Department of KPMG S.A.

Frédéric Quélin

ERNST & YOUNG et Autres

Gilles Galippe   Patrick Cassoux

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

"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 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 207 and 208 of this annual report, as well as those incorporated by reference for the 2005 and 2004 fiscal years on, respectively, pages 191 and 192 of the 2005 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 7 April 2006 under no. D.06-218) and pages 161 to 163 of the 2004 Annual Report (a French-language version of which was filed with the *Autorité des Marchés Financiers* on 7 April 2005 under no. D.05-0364).
The statutory auditors' report on the 2005 corporate financial statements contains a comment."

April 4, 2007

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. Gilles Galippe,
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 Département Audit
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 - Fg 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, 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
Alexandre Hamain
Manager for Investor Relations and Financial Communications
Téléphone: +33 1 30 79 43 77 - Fax : 01 30 79 77 91

This document constitutes the English language translation of JCDecaux's 2006 *Document de référence*, which was filed with the French *Autorité des marchés financiers (AMF)* on 4 April 2007, as provided in Article 212-13 of the Rules and Regulations of the *Autorité des marchés financiers*. It may not be used to support a financial transaction unless it is completed with an operation note approved by the *Autorité des marchés financiers (AMF)*.

Only the French version of the 2006 *Document de Référence* is legally binding.

This document was designed and produced by
JCDecaux SA's Corporate Finance Department / Financial Communications
and Investor Relations

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JCDecaux

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