JCDecaux

Half-year financial report
H1 2017

July 27th, 2017

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HALF-YEAR BUSINESS REVIEW – H1 2017

HALF-YEAR FINANCIAL RELEASE – H1 2017

- **Adjusted revenue up +1.5% to €1,641.4 million**
- **Adjusted organic revenue up +0.4%, with an accelerating Q2 at +1.5%**
- **Adjusted operating margin of €255.0 million, down -3.6%**
- **Adjusted EBIT, before impairment charge, of €115.1 million, down -4.5 %**
- **Net income Group share of €74.1 million, down -7.8%**
- **Adjusted free cash flow of €30.1 million, down -69.4%**
- **Adjusted organic revenue growth rate expected to be around +3% in Q3 2017**

Paris, 27th July, 2017 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2017 half year financial results.

Following the adoption of IFRS 11 from 1st January, 2014, the operating data presented below is adjusted to include our *prorata* share in companies under joint control. Please refer to the paragraph "Adjusted data" on page 6 of this release for the definition of adjusted data and reconciliation with IFRS.

Commenting on the 2017 first half results, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"Our H1 2017 revenue of €1,641.4 million which is up +1.5% on a reported basis and +0.4% on an organic basis was driven by a better than expected Q2 with an organic growth rate of +1.5% reflecting a solid June with an improvement of our Chinese business. Street Furniture's good performance was mainly due to a very strong increase in our digital revenue coming from the ongoing digitisation of our premium Street Furniture assets around the world including London and New York City while our Transport segment was virtually flat being negatively impacted by the revenue decline in both Greater China and the Rest of the World. Our Billboard segment declined despite a good performance from our digital billboards reflecting the lack of consolidation of the Billboard market in Europe. Our digital revenue, which now represent 15.6% of our total revenue, continued to grow strongly leading to market share gains especially in the UK and in the US.

As anticipated, our Street Furniture operating margin increased by +100bp to 23.4% due to both the strong digital revenue increase of our bus-shelter contract in London where we now operate nearly 700 84" screens and the positive impact of the ongoing turnaround of CEMUSA. However, the overall operating margin declined by -90bp to 15.5% being negatively impacted by a margin reduction in both Transport and Billboard.

As far as organic growth is concerned, we won several significant advertising contracts in faster-growth markets such as the Guangzhou Baiyun International airport (Terminal 2), São Paulo-Guarulhos International airport, São Paulo metro, Tocumen International airport in Panama and Street Furniture in Dubai as well as the global franchise for Rotterdam bus shelters, buses, trams and metro.

Following our merger with Top Media in December 2016 in Central America, we continued to further consolidate the Latin American fragmented OOH market with the merger of our OOH business into a joint-venture with América Móvil in Mexico in order to strengthen our position in the 2nd largest advertising market in the region. The closing of this transaction is subject to the satisfaction of certain conditions, including the approval of the Mexican Federal Competition Commission.

Bearing in mind the reduced visibility, we currently expect our Q3 adjusted organic revenue growth rate to accelerate to reach around +3%, reflecting the return to growth in China and the good momentum in both the US and Europe, while France remains challenging and the UK starts to slow down.

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

ADJUSTED REVENUE

Adjusted revenue for the six months ending 30th June 2017 increased by +1.5% to €1,641.4 million from €1,617.3 million in the same period last year. On an organic basis (i.e. excluding the positive impact from foreign exchange variations and the positive impact from changes in perimeter), adjusted revenue grew by +0.4%. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance, increased by +0.5% on an organic basis in the first half of 2017.

In the second quarter, adjusted revenue increased by +1.7% to €883.8 million. On an organic basis, adjusted revenue grew by +1.5% compared to Q2 2016.
Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance, increased by +1.3% on an organic basis in Q2 2017.

Adjusted revenue

€m	H1 2017			H1 2016			Change 17/16		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	343.1	403.4	**746.5**	333.4	392.5	**725.9**	+2.9%	+2.8%	**+2.8%**
Transport	302.1	349.1	**651.2**	312.0	342.7	**654.7**	-3.2%	+1.9%	**-0.5%**
Billboard	112.4	131.3	**243.7**	103.1	133.6	**236.7**	+9.0%	-1.7%	**+3.0%**
Total	**757.6**	**883.8**	**1,641.4**	**748.5**	**868.8**	**1,617.3**	**+1.2%**	**+1.7%**	**+1.5%**

Adjusted organic revenue growth (a)

	Change 17/16		
	Q1	Q2	H1
Street Furniture	+1.9%	+2.8%	**+2.4%**
Transport	-3.3%	+2.6%	**-0.2%**
Billboard	-3.3%	-5.0%	**-4.3%**
Total	**-1.0%**	**+1.5%**	**+0.4%**

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

Adjusted revenue by geographic area

€m	H1 2017	H1 2016	Reported growth	Organic growth(a)
Europe(b)	437.7	428.6	+2.1%	+2.5%
Asia-Pacific	372.9	387.9	-3.9%	-3.8%
France	297.1	310.4	-4.3%	-4.3%
Rest of the World	216.6	183.8	+17.8%	-0.9%
United Kingdom	175.9	183.1	-3.9%	+6.1%
North America	141.2	123.5	+14.3%	+10.8%
Total	**1,641.4**	**1,617.3**	**+1.5%**	**+0.4%**

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

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

STREET FURNITURE

First half adjusted revenue increased by +2.8% to €746.5 million (+2.4% on an organic basis), driven by Europe and the Rest of the World.
First half adjusted advertising revenue, excluding revenue related to sale, rental and maintenance were up +2.3% on an organic basis compared to the first half of 2016.

In the second quarter, adjusted revenue increased by +2.8% to €403.4 million. On an organic basis, adjusted revenue increased by +2.8% compared to the same period last year. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance were up +2.4% on an organic basis in Q2 2017 compared to Q2 2016.

TRANSPORT

First half adjusted revenue decreased by -0.5% to €651.2 million (-0.2% on an organic basis), mainly due to a revenue decline in Greater China and in the Middle East partially offset by a good performance in Europe and a strong double-digit growth in North America.

In the second quarter, adjusted revenue increased by +1.9% to €349.1 million. On an organic basis, adjusted revenue increased by +2.6 % compared to the same period last year.

BILLBOARD

First half adjusted revenue increased by +3.0% to €243.7 million (-4.3% on an organic basis). Reported growth was fuelled by the contribution of OUTFRONT Media Latam in Q1 2017 (consolidated in our accounts since 1st April, 2016).

In the second quarter, adjusted revenue decreased by -1.7% to €131.3 million. On an organic basis, adjusted revenue decreased by -5.0% compared to the same period last year.

ADJUSTED OPERATING MARGIN (1)

In the first half of 2017, adjusted operating margin decreased by -3.6% to €255.0 million from €264.5 million in the first half of 2016. The adjusted operating margin as a percentage of revenue was 15.5%, -90bp below prior year.

	H1 2017		H1 2016		Change 17/16	
	€m	% of revenue	€m	% of revenue	Change (%)	Margin rate (bp)
Street Furniture	174.9	23.4%	162.6	22.4%	+7.6%	+100bp
Transport	66.0	10.1%	82.7	12.6%	-20.2%	-250bp
Billboard	14.1	5.8%	19.2	8.1%	-26.6%	-230bp
Total	**255.0**	**15.5%**	**264.5**	**16.4%**	**-3.6%**	**-90bp**

Street Furniture: In the first half of 2017, adjusted operating margin increased by +7.6% to €174.9 million. As a percentage of revenue, the adjusted operating margin increased by +100bp to 23.4%, compared to the first half of 2016, driven by the turnaround of CEMUSA and the ramp-up of the world's largest bus shelter advertising franchise with TfL in London, however offset by the impact of a revenue decrease in France.

Transport: In the first half of 2017, adjusted operating margin decreased by -20.2% to €66.0 million. As a percentage of revenue, the adjusted operating margin decreased by -250bp to 10.1% compared to the first half of 2016, primarily due to the revenue decrease in Greater China and in the Middle East.

Billboard: In the first half of 2017, adjusted operating margin decreased by -26.6% to €14.1 million. As a percentage of revenue, adjusted operating margin decreased by -230bp to 5.8% compared to the first half of 2016, driven by a revenue decline in Europe and in the Rest of the World.

ADJUSTED EBIT (2)

In the first half of 2017, adjusted EBIT before impairment charge decreased by -4.5% to €115.1 million compared to €120.5 million in the first half of 2016. As a percentage of revenue, this represented a -50bp decrease to 7.0%, from 7.5% in H1 2016. The consumption of maintenance spare parts was slightly up in H1 2017 compared to H1 2016. Net amortization and provisions were up compared to the same period last year, due to a less important reversal on provisions for onerous contracts in H1 2017, related to the Purchase Accounting of CEMUSA than in H1 2016. Other operating income and expenses impacted the P&L positively, mainly due to lower restructuring costs booked in H1 2017 compared to those booked in H1 2016, mostly relating to CEMUSA's turnaround, and due to some assets disposals.
No impairment charge on goodwill and tangible, intangible assets and investments under equity method has been recorded in the first half of 2017 like in H1 2016. A €3.0 million reversal of amortization of tangible and intangible assets and a €0.6 million reversal on provisions for onerous contracts have been recognized in H1 2017 (a €0.6 million reversal on provisions for onerous contracts and a €0.1 million reversal of amortization of tangible and intangible assets were booked in H1 2016).

Adjusted EBIT, after impairment charge decreased by -2.1% to €118.7 million compared to €121.2 million in H1 2016.

NET FINANCIAL INCOME / (LOSS) (3)

In the first half of 2017, net financial income was -€15.3 million compared to -€13.2 million in the first half of 2016, mainly due to net interest expenses of the new bond of €750 million issued in June 2016.

EQUITY AFFILIATES

In the first half of 2017, the share of net profit from equity affiliates was €46.5 million, higher compared to the same period last year (€45.7 million).

NET INCOME GROUP SHARE

In the first half of 2017, net income Group share before impairment charge decreased by -10.0% to €72.0 million compared to €80.0 million in H1 2016.

Taking into account the impact from the impairment charge, net income Group share decreased by -7.8% to €74.1 million compared to €80.4 million in H1 2016.

ADJUSTED CAPITAL EXPENDITURE

In the first half of 2017, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €93.2 million compared to €78.9 million during the same period last year, mainly due to the digitisation across all segments.

ADJUSTED FREE CASH FLOW (4)

In the first half of 2017, adjusted free cash flow was €30.1 million compared to €98.3 million in the same period last year. This decrease is mainly due to a lower operating margin, an increase in our working capital requirements and higher capex.

DIVIDEND

The dividend of €0.56 per share for the 2016 financial year, approved at the Annual General Meeting of Shareholders on 11th May 2017, was paid on 18th May 2017, for a total amount of €119.0 million.

NET DEBT (5)

Net debt as of 30th June 2017 amounted to €551.4 million compared to a net debt position of €547.0 million as of 30th June 2016.

ADJUSTED DATA

Under IFRS 11, applicable from 1st January, 2014, companies under joint control are accounted for using the equity method.
However in order to reflect the business reality of the Group, operating data of the companies under joint control continue to be proportionately integrated in the operating management reports used to monitor the activity, allocate resources and measure performance.
Consequently, pursuant to IFRS 8, Segment Reporting presented in the financial statements complies with the Group's internal information, and the Group's external financial communication therefore relies on this operating financial information. Financial information and comments are therefore based on "adjusted" data which are reconciled with IFRS financial statements. As regards the P&L, it concerns all aggregates down to the EBIT. As regards the cash flow statement, it concerns all aggregates down to the free cash flow.

In the first half of 2017, the impact of IFRS 11 on our adjusted aggregates is:

- -€200.6 million on adjusted revenue (-€202.6 million in H1 2016) leaving IFRS revenue at €1,440.8 million (€1,414.7 million in H1 2016).
- -€59.0 million on adjusted operating margin (-€54.6 million in H1 2016) leaving IFRS operating margin at €196.0 million (€209.9 million in H1 2016).
- -€51.5 million on adjusted EBIT before impairment charge (-€45.8 million in H1 2016) leaving IFRS EBIT before impairment charge at €63.6 million (€74.7 million in H1 2016).
- -€51.5 million on adjusted EBIT after impairment charge (-€45.8 million in H1 2016) leaving IFRS EBIT after impairment charge at €67.2 million (€75.4 million in H1 2016).
- -€6.4 million on adjusted capital expenditure (-€5.4 million in H1 2016) leaving IFRS capital expenditure at €86.8 million (€73.5 million in H1 2016).
- -€31.5 million on adjusted free cash flow (-€36.7 million in H1 2016) leaving IFRS free cash flow at -€1.4 million (€61.6 million in H1 2016).

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

ORGANIC GROWTH DEFINITION

The Group's organic growth corresponds to the adjusted revenue growth excluding foreign exchange impact and perimeter effect. The reference fiscal year remains unchanged regarding the reported figures, and the organic growth is calculated by converting the revenue of the current fiscal year at the average exchange rates of the previous year and taking into account the perimeter variations *prorata temporis*, but including revenue variations from the gains of new contracts and the losses of contracts previously held in our portfolio.

NOTES

(1) **Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.
(2) **EBIT:** Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortization and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses.
(3) **Net financial income / (loss):** Excluding the net impact of discounting and revaluation of debt on commitments to purchase minority interests (-€1.1 million and -€1.0 million in H1 2017 and H1 2016 respectively).
(4) **Free cash flow:** Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.
(5) **Net debt:** Debt net of managed cash less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase minority interests), including the non-cash IAS 39 impact on both debt and hedging financial derivatives.

Forward looking statements

This news release may contain some forward-looking statements. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of publication of this release, they are by their nature subject to risks and uncertainties which could cause actual performance to differ from those indicated or implied in such statements.
These risks and uncertainties include without limitation the risk factors that are described in the annual report registered in France with the French Autorité des Marchés Financiers.
Investors and holders of shares of the Company may obtain copy of such annual report by contacting the Autorité des Marchés Financiers on its website www.amf-france.org or directly on the Company website www.jcdecaux.com.
The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

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RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss

	H1 2017			H1 2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**1,641.4**	**(200.6)**	**1,440.8**	**1,617.3**	**(202.6)**	**1,414.7**
Net operating costs	(1,386.4)	141.6	(1,244.8)	(1,352.8)	148.0	(1,204.8)
Operating margin	**255.0**	**(59.0)**	**196.0**	**264.5**	**(54.6)**	**209.9**
Maintenance spare parts	(24.4)	0.7	(23.7)	(21.6)	0.5	(21.1)
Amortization and provisions (net)	(123.0)	6.6	(116.4)	(98.4)	8.3	(90.1)
Other operating income / expenses	7.5	0.2	7.7	(24.0)	-	(24.0)
EBIT before impairment charge	**115.1**	**(51.5)**	**63.6**	**120.5**	**(45.8)**	**74.7**
Net impairment charge [(1)]	3.6	-	3.6	0.7	-	0.7
EBIT after impairment charge	**118.7**	**(51.5)**	**67.2**	**121.2**	**(45.8)**	**75.4**

[(1)] Including impairment charge on net assets of companies under joint control.

Cash-flow Statement

	H1 2017			H1 2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**137.6**	**20.7**	**158.3**	**160.7**	**(24.8)**	**135.9**
Change in working capital requirement	(14.3)	(58.6)	(72.9)	16.5	(17.3)	(0.8)
Net cash flow from operating activities	**123.3**	**(37.9)**	**85.4**	**177.2**	**(42.1)**	**135.1**
Capital expenditure	(93.2)	6.4	(86.8)	(78.9)	5.4	(73.5)
Free cash flow	**30.1**	**(31.5)**	**(1.4)**	**98.3**	**(36.7)**	**61.6**

BUSINESS HIGHLIGHTS OF H1 2017

Key contracts wins

- ***Rest of Europe***

In March, JCDecaux announced that its Berlin based company, Wall GmbH, has renewed its street furniture contract with the city of Mannheim for 16 years following a competitive tender. The new contract will start on January 1, 2019 and last until June 30, 2035.

In March, JCDecaux announced that its German subsidiary, Wall GmbH, has entered into an agreement with BVG (Berliner Verkehrsbetriebe AöR) to extend its existing contract for advertising bus-shelters in West-Berlin (1,271 bus-shelters) from May 21, 2017 to December 31, 2018. The other BVG advertising franchise agreements remain unchanged.

In May, JCDecaux announced that its Dutch company, JCDecaux Netherlands, has been awarded the 5-year exclusive contract for the entire portfolio of outdoor advertising assets owned by the Rotterdam Public transport company, RET, one of the largest in the country.

In June, JCDecaux announced that its Belgium subsidiary has won the 15-year street furniture contract for the city of Liege (population: 196,000) in Belgium, following a competitive tender.

In June, JCDecaux announced that, following a tender process, it has won the 20-year exclusive contract for advertising across the 1,500 bus and tram shelters in Helsinki (population: 636,000).

- ***Asia-Pacific***

In January, JCDecaux announced that its Japanese subsidiary MCDecaux (JCDecaux: 85%; Mitsubishi Corporation: 15%) has been awarded exclusive management of the bus shelter advertising panels owned by the Tokyo Metropolitan Government Bureau of Transportation, as well as their maintenance.

In June, JCDecaux announced that its wholly owned subsidiary, JCDecaux Cityscape, the number one street furniture advertising company in Hong Kong, has been awarded a five-year contract for 'Full Body and Interior Tram' advertising by Hong Kong Tramways Limited. Effective since 1st May 2017, JCDecaux Cityscape is the exclusive advertising agent for the entire fleet of 160 Tramcars in Hong Kong (population: 7.3 million).

In June, JCDecaux announced that following a competitive tender, its wholly-owned subsidiary JCDecaux Advertising (Shanghai) Co., Ltd. has won the contract to install and operate the advertising concession at Guangzhou Baiyun International Airport (GBIA) Terminal 2 and Ground Transportation Centre (GTC). This contract will cover advertising spaces within GBIA Terminal 2 and GTC for 5 to 8 years starting from 1 February, 2018. As part of this strategic contract, it will further expand JCDecaux's airport media platform in China (currently covering Shanghai, Beijing, Chengdu, Chongqing, Shenyang, Hong Kong and Macau), and consolidate JCDecaux's leadership in China's outdoor advertising market.

- ***France***

In January, JCDecaux announced that it has won three street furniture contracts in the Basque region, following competitive tenders. The Group renewed and extended its existing contracts with the city of Bayonne (47,500 inhabitants) for 18 years and the city of Anglet (40,500 inhabitants) for 15 years. It also won a new 17-year contract for bus shelters in the seven cities operated by the STACBA transport association (Syndicat de Transports de l'Agglomération Côte Basque Adour).

In April, JCDecaux announced it has won the street furniture contracts for Nantes, the 6th French city, and six communes in Nantes Métropole for 20 years, following a competitive negotiation that began in 2015 initiated by Nantes Métropole (total population: 620,000).

- ***Rest of the World***

In January, JCDecaux and Vodacom, part of Vodafone Group and a leading African mobile communication company providing a wide range of communication services, announced that they have joined forces in rebranding the iconic Soweto Towers, in South Africa, following the Vodacom Soweto Towers Competition launched in March 2016 to give a new look to the towers.

In May, JCDecaux announced it has won, following a competitive tender, the 15-year street furniture contract of Guayaquil (population: 2.7 million), Ecuador's business capital and main harbour city.

In June, JCDecaux announced that its subsidiary, JCDecaux Top Media, has won the exclusive advertising contract for the Tocumen International Airport in Panama City, following a competitive tender.

Acquisitions, divestitures and financial investments

- ***Rest of the World***

In June, JCDecaux and América Móvil, S.A.B. de C.V. ("AMX"), the leading wireless provider in Latin America and the third largest in the world in terms of equity subscribers, have announced the entering into a joint venture for the out-of-home ("OOH") advertising businesses in Mexico by merging each of Corporación de Medios Integrales, S.A. de C.V., a wholly-owned subsidiary of AMX ("CMI") and Eumex, S.A. de C.V., a controlled entity of JCDecaux SA ("Eumex") into JCD Out Of Home Mexico, S.A. Entities controlled by JCDecaux will ultimately own 60% shares of JCDecaux MX and the remaining

40% shares of such company will be owned by a wholly-owned subsidiary of AMX de C.V. ("JCDecaux MX"), a recently-formed entity controlled by JCDecaux SA which holds 100% shares of Fusionante Vendor, S. de R.L. de C.V. ("Vendor"), among other companies. The closing of the transaction is subject to the satisfaction of certain conditions, including the approval of the Mexican Federal Competition Commission.

Other events

- ***Rest of Europe***

In February, JCDecaux and Cellnex Telecom, the Europe's leading independent operator of wireless telecommunications infrastructure, have signed a commercial cooperation agreement to speed up the roll-out of the new mobility broadband networks based on "small cells" and DAS (distributed antenna system) technologies.

- ***Rest of the World***

In February, JCDecaux is working with Panama City in its move to turn itself into a "Smart City" by rolling out innovative digital services. JCDecaux has been Panama City's bus shelter concession holder since 2002. Working in tandem with Wigo, Panama's largest free hotspot network with more than 1.3 million unique users, JCDecaux launched free Wi-Fi service on 16 January this year at 50 bus shelters in the country's capital. In mid-December 2016, for example, JCDecaux joined with Telefónica SA to install a pilot 3G small cell in a Panama City bus shelter, in order to test the device's performance. A multi-year national framework contract has also been signed to help the operator replicate this initiative in other street furniture in Panama, where JCDecaux operates more than 550 bus shelters. To expand its range of new innovative digital services in Panama City, JCDecaux has installed 10 digital CIPs on masts, and manages, sells and maintains them. With a broad range of connected services and interactivity options, this premium network is a huge benefit to both advertisers and the city government, which uses it for real-time public-service or emergency announcements on Panama City's main traffic arterial routes

PERSPECTIVES

Commenting on the 2017 first half results, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

“Bearing in mind the reduced visibility, we currently expect our Q3 adjusted organic revenue growth rate to accelerate to reach around +3%, reflecting the return to growth in China and the good momentum in both the US and Europe, while France remains challenging and the UK starts to slow down.”

RELATED PARTIES

Paragraph 7 of the “Notes to the condensed interim consolidated financial statements” on page 25 reports on related parties.

RISK FACTORS

The main risk factors identified by the Group are the following:

1. Risks related to the Group's activities

- **The Group's reputation**

Our reputation and our history of integrity are essential factors that help us to procure contracts with local governments.

Since 2001, we developed ethical rules applicable to our entire business. These rules have been regularly reviewed and distributed throughout the entire Group.

- **Reliance on key executive officers**

The performance of the Group depends mainly on the continued services of the key executive officers.

The Compensation and Nominating Committee has established a succession plan for Executive Board's members if this should occur.

- **Risks related to the economic environment**

In the event of a worldwide recession, the advertising and communications sector is quite susceptible to business fluctuations as many advertisers may cut their advertising budgets. The Group must deal with the cyclical nature of the advertising market.

The geographical distribution of the Group allows it to minimise the effects of any general decline in the sector since reactions are disparate and occur at different times on the markets in the various countries in which it operates.

- **Counterparty risks related to the dependence on customers and suppliers**

The Group has a customer diversified portfolio and resorts to a large number of suppliers.

The Group isn't dependent on one customer or one supplier.

- **Risks related to public procurement procedures**

Concluding contracts with local governments and administrations in France and elsewhere is subject to complex statutory and regulatory provisions.

Over time the Group has accrued teams of lawyers with specialized knowledge in public and administrative law to manage bids in France and elsewhere.

2. Legal and regulatory risks

- **Risks related to the particular regulations applicable to the Group**

The outdoor advertising market is regulated at a local and a national level in most of the countries where the Group operates.
The Group relies on its legal teams to ensure the implementation of regulations in each country and to monitor all evolutions.

- **Risks related to the pending disputes**

JCDecaux Group is involved in several disputes, related to the normal conduct of business.

As far as we are aware, there are no courts, arbitration or administrative proceedings, including any that have been suspended or threatened, likely to have or which have had material effects on the financial situation or profitability of the company and/or the Group over the past 12 months, to our knowledge.

- **Risks related to intellectual property**

The Group owns around the world labels, designs and models, patents and domain names.

The Group protects with exclusives rights, in France as well as in the key countries where it operates, its items of intellectual property used for the conduct of business.

3. Risks related to the external growth

- **Risks related to acquisitions:**

An element of our growth strategy involves acquisitions of additional outdoor advertising companies, on the French market but on foreign markets as well.

In order to limit the risks related to acquisitions, each acquisition is subject to a careful analysis by the executive management, Corporate Mergers, Acquisitions and Development Department and the Legal Department. Furthermore, the Group surrounds itself with specialized advisers throughout the all acquisition process.

- **Risks related to the geopolitical environment**

As a result of its implementation in many countries, the Group may be exposed to political risks such as property seizure or prohibition of repatriation of funds.

The international development of the Group requires a diversified geographical distribution in order to limit the concentration of this risk to a specific country.

4. Financial risks

As a result of its business, the Group may be more or less exposed to varying degrees of financial risks (especially liquidity and financing risk, interest rate risk, foreign exchange rate risk and risks related to financial management, in particular, counterparty risk).

The Group's objective is to minimize such risks by choosing appropriate financial policies. 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.

5. IT risks

The Group uses complex information systems to support its commercial, industrial and management activities. The main risks are related to the protection of confidentiality, integrity and the maintenance of an operational capacity of its systems.

These systems are protected on several levels: our data centers are secure, access to our software controlled, and our billboard systems audited.

6. Environmental risks

- **Risks related to the climate change, risk reduction measures and low carbon strategy**

Risks related to extreme and more frequent climate events or related to the increase of sea level can impact locally the Group's activities.
JCDecaux's assets are insured against the risks related to climate events. In order to lower the impact of a climate change on the Group's activities, JCDecaux deploys its Sustainable Development Strategy since 2014.

- **Environmental risks related to the activity**

Environmental risks related to the activity are limited. However, the Group has identified two ICPE sites notifiable in France and subject to all requested controls and follow-up.
The Group implemented a follow-up of the risks related to those sites and regular controls are done in order to reduce as much as possible the environmental risks related to those sites.

7. Risks covered by insurance

Given the similarity of the operations in various countries, the strategy is to cover essential risks centrally under worldwide insurance policies taken out by JCDecaux SA with major international insurers. The Group therefore obtains coverage for risks of damage to property and operating losses, as well as for public liability risks.

As a matter of policy, the JCDecaux Group does not obtain coverage from insurers unless they have very high credit rating.

JCDecaux will be exposed, for the second half of 2017, to the usual risk factors and business uncertainties, which are inherent to the Group's activity as described above.

HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS – H1 2017

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		30/06/2017	31/12/2016
Goodwill		1,343.7	1,360.8
Other intangible assets		287.9	312.7
Property, plant and equipment		1,117.0	1,150.7
Investments under the equity method		454.0	510.2
Financial investments		0.3	0.7
Financial derivatives	§ 4.2	0.0	0.0
Other financial assets		95.4	103.7
Deferred tax assets		127.9	134.9
Current tax assets		1.2	1.1
Other receivables		26.6	30.2
NON-CURRENT ASSETS		**3,454.0**	**3,605.0**
Other financial assets		3.7	5.1
Inventories		131.5	112.9
Financial derivatives	§ 4.2	0.0	0.9
Trade and other receivables		954.9	907.8
Current tax assets		47.2	19.1
Treasury financial assets	§ 4.2	255.3	281.00
Cash and cash equivalents	§ 4.2	560.3	693.1
CURRENT ASSETS		**1,952.9**	**2,019.9**
TOTAL ASSETS		**5,406.9**	**5,624.9**

Equity and Liabilities

In million euros		30/06/2017	31/12/2016
Share capital		3.2	3.2
Additional paid-in capital		598.2	596.7
Consolidated reserves		1,683.2	1,583.1
Consolidated net income (Group share)		74.1	224.7
Other components of equity		(80.9)	5.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,277.8**	**2,413.0**
Non-controlling interests		17.9	21.0
TOTAL EQUITY	**§ 4.1**	**2,295.7**	**2,434.0**
Provisions		403.0	408.9
Deferred tax liabilities		85.8	75.7
Financial debt	§ 4.2	793.4	1,303.0
Debt on commitments to purchase non-controlling interests	§ 4.3	79.1	78.2
Other payables		13.8	16.1
Financial derivatives	§ 4.2	0.0	0.0
NON-CURRENT LIABILITIES		**1,375.1**	**1,881.9**
Provisions		68.9	83.0
Financial debt	§ 4.2	561.8	83.0
Debt on commitments to purchase non-controlling interests	§ 4.3	21.9	32.0
Financial derivatives	§ 4.2	3.9	2.2
Trade and other payables		1,050.1	1,058.2
Income tax payable		21.6	45.2
Bank overdrafts	§ 4.2	7.9	5.4
CURRENT LIABILITIES		**1,736.1**	**1,309.0**
TOTAL LIABILITIES		**3,111.2**	**3,190.9**
TOTAL EQUITY AND LIABILITIES		**5,406.9**	**5,624.9**

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		1st half of 2017	1st half of 2016
REVENUE		**1,440.8**	**1,414.7**
Direct operating expenses		(990.2)	(968.6)
Selling, general and administrative expenses		(254.6)	(236.2)
OPERATING MARGIN		**196.0**	**209.9**
Depreciation, amortisation and provisions (net)		(112.8)	(89.4)
Impairment of goodwill		0.0	0.0
Maintenance spare parts		(23.7)	(21.1)
Other operating income		12.4	4.2
Other operating expenses		(4.7)	(28.2)
EBIT	**§ 4.4**	**67.2**	**75.4**
Financial income		3.7	3.1
Financial expenses		(20.1)	(17.3)
NET FINANCIAL INCOME (LOSS)	**§ 4.5**	**(16.4)**	**(14.2)**
Income tax	§ 4.6	(18.1)	(20.4)
Share of net profit of companies under the equity method	§ 4.7	46.5	45.7
PROFIT FROM CONTINUING OPERATIONS		**79.2**	**86.5**
Gain or loss on discontinued operations		0.0	0.0
CONSOLIDATED NET INCOME		**79.2**	**86.5**
- Including non-controlling interests	§ 4.8	*5.1*	*6.1*
CONSOLIDATED NET INCOME (GROUP SHARE)		**74.1**	**80.4**
Earnings per share (in euros)		0.349	0.378
Diluted earnings per share (in euros)		0.348	0.378
Weighted average number of shares		212,551,825	212,445,454
Weighted average number of shares (diluted)		212,684,037	212,772,099

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	1st half of 2017	1st half of 2016
CONSOLIDATED NET INCOME	**79.2**	**86.5**
Translation reserve adjustments on foreign operations (1)	(71.4)	(38.2)
Translation reserve adjustments on net foreign investments	(5.8)	3.9
Cash flow hedges	(1.5)	1.4
Tax on the other comprehensive income subsequently released to net income	0.6	0.0
Share of other comprehensive income of companies under equity method (after tax)	(12.9)	(0.6)
Other comprehensive income subsequently released to net income	**(91.0)**	**(33.5)**
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	(1.1)	(13.8)
Tax on the other comprehensive income not subsequently released to net income	0.4	3.7
Share of other comprehensive income of companies under equity method (after tax)	2.1	(6.4)
Other comprehensive income not subsequently released to net income	**1.4**	**(16.5)**
Total other comprehensive income	**(89.6)**	**(50.0)**
TOTAL COMPREHENSIVE INCOME	**(10.4)**	**36.5**
- Including non-controlling interests	*0.4*	*5.6*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**(10.8)**	**30.9**

(1) For the first half of 2017, translation reserve adjustments on foreign transactions were mainly related to changes in exchange rates, of which €(32.0) million in Hong Kong, €(7.6) million in Turkey, €(6.4) million in the United States, €(5.1) million in the United Kingdom, €(5.1) million in Panama and €(4.4) million in the United Arab Emirates. The item included a €7.3 million transfer in the income statement of translation reserve adjustments related to the changes in the scope of consolidation.
For the first half of 2016, translation reserve adjustments on foreign transactions were mainly related to changes in exchange rates, of which €(28.7) million in the United Kingdom. The item also included a €1.9 million transfer in the income statement of translation reserve adjustments related to the changes in the scope of consolidation.

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2016

	Equity attributable to the owners of the parents company													
					Other components of equity									
In million euros	ShareCapital	Additional paid-in capital	Treasury shares	Consolidated reserves	Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components	Total	Non- controlling interests	Total
Equity as of 1 January 2016	**3.2**	**587.0**	**0.0**	**1,726.5**	**0.3**	**(0.1)**	**69.6**	**0.9**	**(45.8)**	**0.8**	**25.7**	**2,342.4**	**(18.2)**	**2,324.2**
Capital increase [(1)]	0.0	5.7									0.0	5.7	0.2	5.9
Distribution of dividends				(118.9)							0.0	(118.9)	(9.4)	(128.3)
Share-based payments		2.0									0.0	2.0		2.0
Debt on commitments to purchase non-controlling interests [(2)]											0.0	0.0	13.3	13.3
Change in consolidation scope [(3)]				(3.3)							0.0	(3.3)	(1.0)	(4.3)
Consolidated net income				80.4							0.0	80.4	6.1	86.5
Other comprehensive income					1.4		(34.4)		(16.5)		(49.5)	(49.5)	(0.5)	(50.0)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**80.4**	**1.4**	**0.0**	**(34.4)**	**0.0**	**(16.5)**	**0.0**	**(49.5)**	**30.9**	**5.6**	**36.5**
Other				0.1			0.1				0.1	0.2	0.1	0.3
Equity as of 30 June 2016	**3.2**	**594.7**	**0.0**	**1,684.8**	**1.7**	**(0.1)**	**35.3**	**0.9**	**(62.3)**	**0.8**	**(23.7)**	**2,259.0**	**(9.4)**	**2,249.6**

(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and share of non-controlling interests in capital increase of controlled entities.

(2) Exercise of a commitment to purchase non-controlling interests. Moreover, revaluation and discounting effects of debt on commitments to purchase non-controlling interests are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(1.0) million for the first half of 2016.

(3) Changes in the scope of consolidation, primarily following the disposal without loss of control of shares in a company in Latin America and the acquisition of non-controlling interests in a company in Europe.

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2017

	Equity attributable to the owners of the parents company													
					Other components of equity									
In million euros	ShareCapital	Additional paid-in capital	Treasury shares	Consolidated reserves	Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components	Total	Non- controlling interests	Total
Equity as of 1 January 2017	**3.2**	**596.7**	**0.0**	**1,807.8**	**0.1**	**(0.1)**	**60.7**	**0.9**	**(57.1)**	**0.8**	**5.3**	**2,413.0**	**21.0**	**2,434.0**
Capital increase / decrease [(1)]		0.1		(1.6)							0.0	(1.5)	(0.1)	(1.6)
Distribution of dividends				(119.0)							0.0	(119.0)	(10.3)	(129.3)
Share-based payments		1.4									0.0	1.4		1.4
Debt on commitments to purchase non-controlling interests [(2)]											0.0	0.0	10.3	10.3
Change in consolidation scope [(3)]				(4.2)			(1.2)		(0.1)		(1.3)	(5.5)	(3.4)	(8.9)
Consolidated net income				74.1							0.0	74.1	5.1	79.2
Other comprehensive income					(1.5)		(84.9)		1.5		(84.9)	(84.9)	(4.7)	(89.6)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**74.1**	**(1.5)**	**0.0**	**(84.9)**	**0.0**	**1.5**	**0.0**	**(84.9)**	**(10.8)**	**0.4**	**(10.4)**
Other				0.2			(0.1)		0.1		0.0	0.2		0.2
Equity as of 30 June 2017	**3.2**	**598.2**	**0.0**	**1,757.3**	**(1.4)**	**(0.1)**	**(25.5)**	**0.9**	**(55.6)**	**0.8**	**(80.9)**	**2,277.8**	**17.9**	**2,295.7**

(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and capital increases and decreases of controlled entities.

(2) Exercise of commitments to purchase non-controlling interests. Moreover, revaluation and discounting effects of debt on commitments to purchase non-controlling interests are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(1.1) million for the first half of 2017.

(3) Changes in the scope of consolidation, primarily following the acquisition of non-controlling interests in a company in Europe.

STATEMENT OF CASH FLOWS

In million euros		1st half of 2017	1st half of 2016
Net income before tax		97.3	106.9
Share of net profit of companies under the equity method	§ 4.7	(46.5)	(45.7)
Dividends received from companies under the equity method		85.5	36.4
Expenses related to share-based payments		1.4	2.0
Depreciation, amortisation and provisions (net)		111.5	83.4
Capital gains and losses and net income (loss) on changes in scope		(10.0)	1.5
Net discounting expenses		3.7	3.2
Net interest expense		9.7	6.7
Financial derivatives, translation adjustments and other		(15.2)	(6.6)
Change in working capital		**(72.9)**	**(0.8)**
Change in inventories		(20.7)	(33.0)
Change in trade and other receivables		(75.6)	(0.4)
Change in trade and other payables		23.4	32.6
CASH PROVIDED BY OPERATING ACTIVITIES		**164.5**	**187.0**
Interest paid		(21.2)	(14.2)
Interest received		2.3	2.7
Income tax paid		(60.2)	(40.4)
NET CASH PROVIDED BY OPERATING ACTIVITIES		**85.4**	**135.1**
Cash payments on acquisitions of intangible assets and property, plant and equipment		(93.8)	(74.6)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired (1)		0.3	(84.6)
Acquisitions of other financial assets		(12.5)	(3.8)
Total investments		**(106.0)**	**(163.0)**
Cash receipts on proceeds on disposal of intangible assets and property, plant and equipment		7.0	1.1
Cash receipts on proceeds on disposal of financial assets (long-term investments) net of cash sold (1)		(0.1)	0.0
Proceeds on disposal of other financial assets		15.2	7.6
Total asset disposals		**22.1**	**8.7**
NET CASH USED IN INVESTING ACTIVITIES		**(83.9)**	**(154.3)**
Dividends paid		(129.3)	(128.3)
Capital decrease		(2.2)	-
Cash payments on acquisitions of non-controlling interests		(8.1)	(14.0)
Repayment of long-term borrowings		(24.4)	(80.8)
Repayment of finance lease debt		(4.5)	(3.9)
Acquisitions and disposals of treasury financial assets		24.3	22.9
Cash outflow from financing activities		**(144.2)**	**(204.1)**
Cash receipts on proceeds on disposal of interests without loss of control		-	1.4
Capital increase		0.6	5.9
Increase in long-term borrowings		7.6	753.6
Cash inflow from financing activities		**8.2**	**760.9**
NET CASH USED IN (PROVIDED BY) FINANCING ACTIVITIES		**(136.0)**	**556.8**
CHANGE IN NET CASH POSITION		**(134.5)**	**537.6**
Net cash position beginning of period	§ 4.2	**687.7**	**218.4**
Effect of exchange rate fluctuations and other movements		(0.8)	(1.2)
Net cash position end of period (2)	§ 4.2	**552.4**	**754.8**

(1) Including €0.1 million of net cash acquired and sold for the 1st half of 2017, compared to €3.9 million for the 1st half of 2016.
(2) Including €560.3 million in cash and cash equivalents and €7.9 million in bank overdrafts as of 30 June 2017, compared to €768.3 million and €13.5 million, respectively, as of 30 June 2016.

NOTES TO THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The condensed consolidated financial statements for the first half of 2017, approved by the Executive Board on 21 July 2017, have been prepared in accordance with IAS 34 "Interim financial reporting".
As these are condensed accounts, the half-year consolidated financial statements do not include all the financial information and disclosures required in the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2016 included in the listing file transmitted to the AMF, and with the particularities specific to the preparation of interim financial statements as described hereafter.

1.2. Main accounting policies

The accounting policies adopted for the preparation of the condensed consolidated financial statements for the first half of 2017 are in accordance with IFRS standards and interpretations, as adopted by the European Union. These are available on the European Commission website: https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_fr.
The accounting policies adopted are identical to those used for the preparation of the consolidated financial statements for the year ended 31 December 2016, with the exception of the adoption of the following new standards, amendments to standards and interpretations to be adopted by 31 December 2017 by the European Union and applicable from 1 January 2017:

- Amendments to IAS 12 "Income Taxes",
- Amendments to IAS 7 "Statement of Cash Flows",
- Annual Improvements to IFRS 2014-2016 cycle: amendment to IFRS 12 "Disclosure of Interests in Other Entities".

In addition, the Group has not opted for the early adoption of the new standards, amendments to standards and interpretations, endorsed or not by the European Union, which are not yet in force for the first half of 2017. The impacts of these standards and amendments are being analysed. Regarding IFRS 15, the Group detected impacts on certain specific transactions, mainly related to the presentation of the advertising taxes recharged to customers, of which the weight in the turnover is not material. Regarding IFRS 16, the work on the impacts, very significant for the group, is still in progress.

1.3. Accounting principles used in connection with the interim consolidated financial statements

1.3.1. Income tax

Income tax for the half-year is calculated for each country on the basis of an average effective tax rate estimated on an annual basis and applied to the half-year income before tax of each country. This average estimated effective tax rate takes into account if such is the case the use and the recognition or not of the tax losses carried forward.

1.3.2. Impairment tests

Without indication of an impairment loss leading to a depreciation of assets, the Group did not record as of 30 June 2017 any impairment on the items of property, plant and equipment, intangible assets and goodwill nor on investments under equity method.

1.3.3. Discount rates

The discount rates used to calculate the provision for employee benefits as of 30 June 2017 is 2.5% in the UK (compared to 2.6% as of 31 December 2016) and 1.6% in the Euro zone (compared to 1.5% as of 31 December 2016). The discount rate used to calculate dismantling provision and debt on commitments to purchase non-controlling interests is 1.5% (the same as 31 December 2016).

2. CHANGES IN THE SCOPE OF CONSOLIDATION

2.1. Major changes in the scope of consolidation for the first half of 2017

The main changes in the scope of consolidation that took place during the first half of 2017 are as follows:

Variances in the interest percentage

On 1 January 2017, the percentage of financial interest of the Group in the company Shanghai Shentong JCDecaux Metro Advertising Co., Ltd (China) decreased of 5% according to the contract with the partner. This company remains consolidated under the equity method at 60% from now on, without any change of the joint control.

During the first half of 2017, the subsidiary JCDecaux France Holding acquired 12.5% of non-controlling interests of Mediakiosk (France). This subsidiary was already fully consolidated.

Sales with loss of control

On 12 January 2017, the subsidiary Wall Sehir Dizayni LS sold 100% of Era Reklam AS (Turkey).

2.2 Impact of acquisitions

On the first half of 2017, the Group has not acquired company with acquisition of control.

Impacts due to the finalization of the purchase price allocation of Outfront Media acquired the 1st April 2016 within the 12-month period granted are not significant on 2017 half-year consolidated financial statements.
The value of assets and liabilities acquired and goodwill related to the asset swap with Top Media in 2016 had been determined on a temporary basis and is likely to change during the period required to finalize the allocation of the goodwill, which can be extended up to 12 months maximum following the acquisition date.

3. SEGMENT REPORTING

In the segment reporting, the data related to joint ventures, companies under joint control, is proportionately consolidated as in the Group's operating management reporting used by the Executive Board – the Chief Operating Decision Maker (CODM) – in order to monitor the activity, allocate resources and measure performances. Consequently, pursuant to IFRS 8, operating data presented hereafter, in line with internal communication, is "adjusted" to take into consideration the joint ventures proportionately consolidated. The "adjusted" data is reconciled with the IFRS financial statements for which the IFRS 11 leads to consolidation of the joint ventures under the equity method.

3.1. Information related to operating segments

3.1.1. First half of 2017

The information by operating segments for the first half of 2017 is as follows:

In million euros	Street furniture	Transport	Billboard	Total
Revenue	**746.5**	**651.2**	**243.7**	**1,641.4**
Operating margin	**174.9**	**66.0**	**14.1**	**255.0**
EBIT	**79.2**	**42.4**	**(2.9)**	**118.7**
Acquisitions of intangible assets and PP&E net of disposals	**59.9**	**21.0**	**12.3**	**93.2**

The reconciliation of these operating data from Adjusted to IFRS breaks down as follows:

In million euros	Adjusted data	Joint ventures' impact [1]	IFRS data
Revenue	1,641.4	(200.6)	1,440.8
Operating margin	255.0	(59.0)	196.0
EBIT	118.7	(51.5)	67.2
Acquisitions of intangible assets and PP&E net of disposals	93.2	(6.4)	86.8

[1] *Impact of change from proportionate consolidation to the equity method of joint ventures.*

The impact of €(200.6) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(207.4) million of revenue made by the joint ventures and +€6.8 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €1,440.8 million.

3.1.2. First half of 2016

The information by operating segments for the first half of 2016 is as follows:

In million euros	Street furniture	Transport	Billboard	Total
Revenue	**725.9**	**654.7**	**236.7**	**1,617.3**
Operating margin	**162.6**	**82.7**	**19.2**	**264.5**
EBIT	**56.1**	**63.9**	**1.2**	**121.2**
Acquisitions of intangible assets and PP&E net of disposals	**58.3**	**12.0**	**8.6**	**78.9**

The reconciliation of these operating data from Adjusted to IFRS breaks down as follows:

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Revenue	1,617.3	(202.6)	1,414.7
Operating margin	264.5	(54.6)	209.9
EBIT	121.2	(45.8)	75.4
Acquisitions of intangible assets and PP&E net of disposals	78.9	(5.4)	73.5

[(1)] *Impact of change from proportionate consolidation to the equity method of joint ventures.*

The impact of €(202.6) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(209.7) million of revenue made by the joint ventures and +€7.1 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €1,414.7 million.

3.2. Information by geographical area

3.2.1. First half of 2017

The information by geographical area for the first half of 2017 is as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Total
Revenue	**437.7**	**372.9**	**297.1**	**216.6**	**175.9**	**141.2**	**1,641.4**

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

3.2.2. First half of 2016

The information by geographical area for the first half of 2016 is as follows:

In million euros	Europe [(1)]	Asia-Pacific	France	Rest of the world	United-Kingdom	North America	Total
Revenue	**428.6**	**387.9**	**310.4**	**183.8**	**183.1**	**123.5**	**1,617.3**

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

3.3. Other Information

3.3.1. First half of 2017

The reconciliation of the free cash flow from Adjusted to IFRS for the first half of 2017 is as follows:

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash provided by operating activities	**123.3**	**(37.9)**	**85.4**
- Including Change in working capital	*(14.3)*	*(58.6)*	*(72.9)*
Acquisitions of intangible assets and PP&E net of disposals	**(93.2)**	**6.4**	**(86.8)**
Free Cash Flow	**30.1**	**(31.5)**	**(1.4)**

[(1)] *Impact of change from proportionate consolidation to the equity method of joint ventures.*

3.3.2. First half of 2016

The reconciliation of the free cash flow from Adjusted to IFRS for the first half of 2016 is as follows:

In million euros	Adjusted data	Joint ventures' impact [(1)]	IFRS data
Net cash provided by operating activities	**177.2**	**(42.1)**	**135.1**
- Including Change in working capital	*16.5*	*(17.3)*	*(0.8)*
Acquisitions of intangible assets and PP&E net of disposals	**(78.9)**	**5.4**	**(73.5)**
Free Cash Flow	**98.3**	**(36.7)**	**61.6**

[(1)] Impact of change from proportionate consolidation to the equity method of joint ventures.

4. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION AND ON THE INCOME STATEMENT

4.1. Equity

As of 30 June 2017, share capital amounted to €3,240,365.87 divided into 212,553,910 fully paid-up shares of the same category.

Reconciliation of the number of outstanding shares as of 1 January 2017 and 30 June 2017:

Number of outstanding shares as of 1 January 2017	212,547,655
Shares issued following the exercise of options	6,255
Number of outstanding shares as of 30 June 2017	**212,553,910**

As of 13 February 2017, 344,108 stock options were granted, with an exercise price of €29.77. The cost related to all the current plans amounts to €1.4 million for the first half of 2017.

At the General Meeting held on 11 May 2017, the decision was made to pay a dividend of €0.56 to each of the 212,547,655 shares making up the share capital as of 31 December 2016. This distribution is subject to the payment of a 3% dividend tax recorded under the line item “Income tax” in the income statement.

4.2. Financial debt

		30/06/2017			31/12/2016		
In million euros		Current portion	Non current portion	Total	Current portion	Non current portion	Total
Gross financial debt	**(1)**	**561.8**	**793.4**	**1,355.2**	**83.0**	**1,303.0**	**1,386.0**
Financial derivatives assets				-	(0.9)		(0.9)
Financial derivatives liabilities		3.9		3.9	2.2		2.2
Hedging financial instruments	**(2)**	**3.9**	**-**	**3.9**	**1.3**	**-**	**1.3**
Cash and cash equivalents (*)		560.3		560.3	693.1		693.1
Bank overdrafts		(7.9)		(7.9)	(5.4)		(5.4)
Net cash	**(3)**	**552.4**	**-**	**552.4**	**687.7**	**-**	**687.7**
Treasury financial assets (**)	**(4)**	**255.3**	**-**	**255.3**	**281.0**	**-**	**281.0**
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**(242.0)**	**793.4**	**551.4**	**(884.4)**	**1,303.0**	**418.6**

(*) As of 30 June 2017, the Group has €560.3 million of cash and cash equivalents (compared to €693.1 million as of 31 December 2016). Cash equivalents mainly include short-term deposits and money market funds. €7.8 million of the total of cash and cash equivalents are invested in guarantees as of 30 June 2017, compared to €10.1 million as of 31 December 2016.
(**) As of 30 June 2017, treasury financial assets are made of €243.6 million of short-term liquid investments (compared to €243.4 million as of 31 December 2016) and €11.7 million (compared to €37.6 million as of 31 December 2016) held in escrow account by the Group in connection with operational contracts, where the cash belongs to the Group. These financial assets have the main characteristics of cash equivalents but do not strictly comply with all the criteria to be qualified as such according to IAS 7.

The impact of the fair value revaluation arising from amortised cost (IAS 39 restatements) breaks down as follows:

		30/06/2017			31/12/2016		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	(1)	561.8	793.4	1,355.2	83.0	1,303.0	1,386.0
Impact of amortised cost (IAS39 remeasurement)	(2)	2.1	4.4	6.5	2.1	5.5	7.6
Economic financial debt	(3)=(1)+(2)	563.9	797.8	1,361.7	85.1	1,308.5	1,393.6

The Group's financial debt mainly comprises two bonds held by JCDecaux SA of €500 million issued in February 2013 maturing in February 2018 and €750 million issued in June 2016 maturing in June 2023.

As of 30 June 2017, JCDecaux SA holds a €825 million unused committed revolving credit facility. Following the exercise of a first extension option in May 2016, the maturity of this credit facility has been extended to July 2021. The maturity of this credit facility has been extended for a further year in June 2017 following the exercise of the second extension option. This second extension is effective from July 2017 and leads maturity to July 2022.

This revolving credit facility requires the Group to be compliant with the following ratio: net financial debt/operating margin strictly lower than 3.5. As of 30 June 2017, JCDecaux SA is compliant with this covenant, with values significantly under required limit.

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (last Moody's rating on 5 July 2017 and Standard and Poor's on 19 July 2017), with a stable outlook for both ratings.

4.3. Debt on commitments to purchase non-controlling interests

The debt on commitments to purchase non-controlling interests amounted to €101.0 million as of 30 June 2017, compared to €110.2 million as of 31 December 2016 which represents a decrease of €9.2 million due to the exercise of purchase commitments offset by the revaluation and discounting effects of commitments.

4.4. EBIT

During the first half of 2017, EBIT totalled €67.2 million compared to €75.4 million during the first half of 2016. This decrease is due to the decrease of the operating margin partly offset by a decrease of net expenses recorded between this aggregate and EBIT. The other net operating expenses decreased in connection with the acquisition costs and restructuring costs related to acquisitions recorded during the first half of 2016; this positive effect is partially offset by a decrease of reversal of provision for onerous contract which totalled €11.8 million during the first half of 2017 compared to €31.6 million during the first half of 2016. Those reversals of provisions correspond mainly to the reversals of provisions for onerous contracts related to the purchase price allocation and concern primarily Cemusa.

4.5. Net Financial income (Loss)

During the first half of 2017, the financial result totalled €(16.4) million compared to €(14.2) million during the first half of 2016. This decrease is mainly due to the increase of net interest expense following the bond issuance of €750 million in June 2016 and to lower investments performance.
Excluding the impact of discounting and revaluation of debt on commitments to purchase non-controlling interests, the net financial income is €(15.3) million for the first half of 2017, compared to €(13.2) million for the first half of 2016.

4.6. Income tax

Group income tax during the first half of 2017 totalled €(18.1) million compared to €(20.4) million during the first half of 2016. The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 35.6% during the first half of 2017 compared to 33.3% during the first half of 2016. Excluding the discounting and revaluation impact of debts on commitments to purchase non-controlling interests, the effective tax rate was 34.9% during the first half of 2017 compared to 32.8% during the first half of 2016.

4.7. Share of net profit of companies under the equity method

During the first half of 2017 the share of net profit of associates totalled €8.9 million compared to €13.3 million during the first half of 2016, and the share of net profit of joint ventures totalled €37.6 million during the first half of 2017 compared to €32.4 million during the first half of 2016.

4.8. Non-controlling interests

Non-controlling interests totalled €5.1 million during the first half of 2017, compared to €6.1 million during the first half of 2016.

5. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

The main source of significant change in the level of off-balance sheet commitments as of 30 June 2017 compared to those existing as of 31 December 2016 is an increase of approximately €81 million in commitments relating to purchase of assets, leases, rent, and minimum and fixed franchise payments given in the ordinary course of business. This increase is mainly due to the gains and renewals of contracts, partially offset by the payments of rents and fees, the acquisitions of assets and the variations of the foreign exchange rates during the first half of the year 2017.

6. SEASONALITY

All the operational indicators are marked by a strong seasonality generally translated by a lower level of activity on the first half of the civil calendar year. Consequently, the half year results as of 30 June 2017 are not necessarily representative of the expected 2017 full year results.

7. INFORMATION ON RELATED PARTIES

As of 30 June 2017, the relations between the Group and the related parties did not change significantly compared to 31 December 2016 except the €36.3 million increase of other receivables with joint ventures consolidated under the equity method concerning mainly dividends to be received. The transactions made with the related parties and impacting the income statement are comparable to those existing in the first half of 2016.

8. SUBSEQUENT EVENTS

No significant subsequent matter has been identified.

STATUTORY AUDITORS' REPORT

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Membre de la compagnie
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S.A.S. à capital variable

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

JCDecaux S.A.

Period from January 1 to June 30, 2017

Statutory auditors' review report on the half-yearly financial information

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of JCDecaux SA, for the period from January 1 to June 30, 2017,
- the verification of the information presented in the half-yearly management report.

These condensed interim consolidated financial statements are the responsibility of the executive board. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed interim consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris-La Défense, July 26, 2017

The statutory auditors

French original signed by

KPMG Audit
Department of KPMG S.A.

Jacques Pierre

ERNST & YOUNG et Autres

Gilles Puissochet

DECLARATION BY THE PERSON RESPONSIBLE OF THE HALF-YEAR REPORT

“I certify, to the best of my knowledge, that the accounts have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Company and all the undertakings included in the JCDecaux Group consolidation, and that the half-year financial report presents a fair review of the information mentioned in Article 222-6 of the General Regulations of the Autorité des Marchés Financiers.”

Jean-François Decaux
Chairman of the Board and co-Chief Executive Officer