JCDecaux

Half-year financial report H1 2016

July 28th, 2016

Contents

HALF-YEAR BUSINESS REVIEW – H1 2016

HALF-YEAR FINANCIAL RELEASE – H1 2016

- **Adjusted revenue up +10.8% to €1,617.3 million**
- **Adjusted organic revenue up +6.6%, with a lower Q2 at +3.4%**
- **Adjusted operating margin of €264.5 million, down -7.4%**
- **Adjusted EBIT, before impairment charge, of €120.5 million, down -10.5%**
- **Net income Group share of €80.4 million, up +1.1%**
- **Adjusted free cash flow of €98.3 million, down -10.0%**
- **Adjusted organic revenue growth rate expected to be low-single digit in Q3 2016**

Paris, July 28th, 2016 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its 2016 half year financial results.

Following the adoption of IFRS 11 from January 1st, 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 2016 first half results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"We are pleased to report an increase of 10.8% of our H1 2016 revenue at €1,617.3 million. Our organic revenue growth of 3.4% in Q2 is in line with our guidance and leads to an organic growth rate of 6.6% in H1 mainly driven again by a strong performance across all segments and geographies as well as our prime digital asset portfolio. Our digital revenues continued to be up very strongly and now represent 11.5% of our total revenue with a growing contribution from our Street Furniture division which starts to benefit from the installation of large Street Furniture digital networks such as London. More cities, such as New York City, Sydney and Stockholm, will follow in the second half of this year.

As anticipated, our operating margin declined to 16.4% of revenue due to both the integration of CEMUSA, requiring some operational restructuring and investments to turnaround the business, and the contract structure of the world's largest bus shelter advertising franchise with TfL in London. These two strategic decisions are paving the way to accelerate the growth of our digital portfolio in some of the most important advertising markets worldwide. The margin decline in Street Furniture was partially offset by a margin expansion in our Billboard division mainly due to the contribution of the Rest of the World including the integration of our billboard platform in Africa and the recovery of our business in Russia while Transport margin was almost flat. Free cash flow generation remained solid.

Following the closing in April, we are now integrating OUTFRONT Media business in Latin America in order to strengthen our No.1 position in this region where we are now present in 12 countries with 62,000 advertising panels.

Furthermore, we have won the iconic contract of Tokyo's advertising bus shelters for a period of 15 years. We now hold a key strategic position in the 3rd largest advertising market in the world, with the only national Street Furniture advertising network across 41 cities in Japan, including the 20 largest cities, with a total of more than 8,000 advertising panels at maturity. As the inventor of the advertising bus shelter and the world leader in Street Furniture, we are delighted to have renewed Paris, won London, become the partner of New York City and added Tokyo.

GDP growth forecast revisions for 2016 have now confirmed the global economic slowdown we mentioned at the end of Q1 with the additional uncertainty concerning the impact of Brexit. As a result, we currently expect our Q3 adjusted organic revenue growth rate to be low-single digit.

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 2016 increased by +10.8% to €1,617.3 million from €1,459.7 million in the same period last year. On an organic basis (i.e. excluding the negative impact from foreign exchange variations and the positive impact from changes in perimeter), adjusted revenue grew by +6.6%. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance, increased by +6.9% on an organic basis in the first half of 2016.

In the second quarter, adjusted revenue increased by +7.2% to €868.8 million. On an organic basis, adjusted revenue grew by +3.4% compared to Q2 2015.
Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance, increased by +3.8% on an organic basis in Q2 2016.

Adjusted revenue

€m	H1 2016			H1 2015			Change 16/15		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Street Furniture	333.4	392.5	**725.9**	291.3	364.2	**655.5**	+14.5%	+7.8%	**+10.7%**
Transport	312.0	342.7	**654.7**	268.9	325.3	**594.2**	+16.0%	+5.3%	**+10.2%**
Billboard	103.1	133.6	**236.7**	88.8	121.2	**210.0**	+16.1%	+10.2%	**+12.7%**
Total	**748.5**	**868.8**	**1,617.3**	**649.0**	**810.7**	**1,459.7**	**+15.3%**	**+7.2%**	**+10.8%**

Adjusted organic revenue growth (a)

	Change 16/15		
	Q1	Q2	H1
Street Furniture	+9.7%	+2.4%	**+5.7%**
Transport	+12.9%	+5.9%	**+9.0%**
Billboard	+5.9%	0.0%	**+2.5%**
Total	**+10.5%**	**+3.4%**	**+6.6%**

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

Adjusted revenue by geographic area

€m	H1 2016	H1 2015	Reported growth	Organic growth(a)
Europe(b)	428.6	389.8	+10.0%	0.0%
Asia-Pacific	387.9	364.6	+6.4%	+10.2%
France	310.4	299.8	+3.5%	+3.5%
Rest of the World	183.8	145.4	+26.4%	+12.0%
United Kingdom	183.1	163.6	+11.9%	+18.5%
North America	123.5	96.5	+28.0%	+0.6%
Total	**1,617.3**	**1,459.7**	**+10.8%**	**+6.6%**

(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 +10.7% to €725.9 million (+5.7% on an organic basis), driven by a strong performance in the UK, thanks to the TfL bus shelters contract, and in France. The roll-out of the world's largest digital Street Furniture network with 1,000 84" screens in London is taking longer than expected due to the complexity surrounding the installation of this major construction project with the involvement of several contractual partners in the operational model from TfL. As a result, we started Q3 2016 with 200 screens (in line with our last forecast given in our Q1 financial release) instead of 500 in our original plan. The expected advertising revenue loss against our original forecast will be significant against our UK Street Furniture business plan for H2 2016. Given the uncertainty surrounding the impact of the Brexit decision on the UK economy and advertising revenue, we are reviewing the number of screens we are deploying until we can evaluate the economic conditions and have improved visibility. We are confident that the increase in the key central locations like Oxford Street (Europe's busiest shopping street) where we already operate 44 screens and other important retail zones such as Kensington & Chelsea will partly compensate.
First half adjusted advertising revenue, excluding revenue related to sale, rental and maintenance were up +6.8% on an organic basis compared to the first half of 2015.

In the second quarter, adjusted revenue increased by 7.8% to €392.5 million. On an organic basis, adjusted revenue increased by +2.4% compared to the same period last year. Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance were up +3.0% on an organic basis in Q2 2016 compared to Q2 2015.

TRANSPORT

First half adjusted revenue increased by +10.2% to €654.7 million (+9.0% on an organic basis), driven by Asia-Pacific (with a slowdown between Q1 and Q2 in Greater China), the Rest of the World, the UK and France.

In the second quarter, adjusted revenue increased by +5.3% to €342.7 million. On an organic basis, adjusted revenue increased by +5.9% compared to the same period last year.

BILLBOARD

First half adjusted revenue increased by +12.7% to €236.7 million (+2.5% on an organic basis) driven by the Rest of the World with a market consolidation in Russia which continues following the default in Moscow billboard rent payments from some local operators paving the way for their billboard panels to be taken down and leading to market share gains. Finally, the lack of consolidation in Western Europe continues to be a drag on revenue growth.

In the second quarter, adjusted revenue increased by +10.2% to €133.6 million compared to Q2 2015. On an organic basis, adjusted revenue were flat compared to the same period last year.

ADJUSTED OPERATING MARGIN (1)

In the first half of 2016, adjusted operating margin decreased by -7.4% to €264.5 million from €285.7 million in the first half of 2015. The adjusted operating margin as a percentage of revenue was 16.4%, -320bp below prior year.

	H1 2016		H1 2015		Change 16/15	
	€m	% of revenue	€m	% of revenue	Change (%)	Margin rate (bp)
Street Furniture	162.6	22.4%	198.3	30.3%	-18.0%	-790bp
Transport	82.7	12.6%	75.8	12.8%	+9.1%	-20bp
Billboard	19.2	8.1%	11.6	5.5%	+65.5%	+260bp
Total	**264.5**	**16.4%**	**285.7**	**19.6%**	**-7.4%**	**-320bp**

Street Furniture: In the first half of 2016, adjusted operating margin decreased by -18.0% to €162.6 million. As a percentage of revenue, the adjusted operating margin decreased by -790bp to 22.4%, compared to the first half of 2015, mainly impacted by the integration of CEMUSA, requiring some operational restructuring and investments to turnaround the business, and the contract structure of the world's largest bus shelter advertising franchise with TfL in London.

Transport: In the first half of 2016, adjusted operating margin increased by +9.1% to €82.7 million. As a percentage of revenue, the adjusted operating margin decreased by -20bp to 12.6% compared to the first half of 2015, primarily due to the impact of CEMUSA's airports concession in Spain which posted a negative margin.

Billboard: In the first half of 2016, adjusted operating margin increased by +65.5% to €19.2 million. As a percentage of revenue, adjusted operating margin increased by +260bp to 8.1% compared to the first half of 2015, driven by an accretive contribution of Continental Outdoor Media and Russia.

ADJUSTED EBIT (2)

In the first half of 2016, adjusted EBIT before impairment charge decreased by -10.5% to €120.5 million compared to €134.6 million in the first half of 2015. As a percentage of revenue, this represented a -170bp decrease to 7.5%, from 9.2% in H1 2015. The consumption of maintenance spare parts was slightly up in H1 2016 compared to H1 2015. Net amortization and provisions were down compared to the same period last year, thanks to a reversal on provisions for onerous contracts, related to the Purchase Accounting of CEMUSA. Other operating income and expenses impacted the P&L negatively, mainly due to the restructuring costs spent for CEMUSA's turnaround.
No impairment charge on goodwill and tangible, intangible assets and investments under equity method has been recorded in the first half of 2016 like in H1 2015. A €0.6 million reversal on provisions for onerous contracts and a €0.1 million reversal of amortization of tangible and intangible assets have been recognized in H1 2016 (a €1.2 million reversal on provisions for onerous contracts were booked in H1 2015).

Adjusted EBIT, after impairment charge decreased by -10.8% to €121.2 million compared to €135.8 million in H1 2015.

NET FINANCIAL INCOME / (LOSS) (3)

In the first half of 2016, net financial income was -€13.2 million compared to -€13.1 million in the first half of 2015.

EQUITY AFFILIATES

In the first half of 2016, the share of net profit from equity affiliates was €45.7 million, higher compared to the same period last year (€29.4 million).

NET INCOME GROUP SHARE

In the first half of 2016, net income Group share before impairment charge increased by +1.8% to €80.0 million compared to €78.6 million in H1 2015.

Taking into account the impact from the impairment charge, net income Group share increased by +1.1% to €80.4 million compared to €79.5 million in H1 2015.

ADJUSTED CAPITAL EXPENDITURE

In the first half of 2016, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €78.9 million compared to €107.9 million during the same period last year with the Paris bus shelter investment.

ADJUSTED FREE CASH FLOW (4)

In the first half of 2016, adjusted free cash flow was €98.3 million compared to €109.2 million in the same period last year. This decrease is due to a lower operating margin, partly offset by favourable movements from change in working capital and lower capex. Adjusted free cash flow remained solid.

DIVIDEND

The dividend of €0.56 per share for the 2015 financial year, approved at the Annual General Meeting of Shareholders on 19th May 2016, was paid on 26th May 2016, for a total amount of €118.9 million.

NET DEBT (5)

Net debt as of 30th June 2016 amounted to €547.0 million compared to a net debt position of €62.7 million as of 30th June 2015.

BOND ISSUE

JCDecaux has successfully placed 7-year notes for a principal amount of €750 million, maturing on 1st June 2023. The spread has been fixed at 80 basis points above the swap rate leading to a coupon of 1.000%. Subscribed more than 3 times, this note has been placed quickly with high quality investors.
The proceeds of this note will be dedicated to general corporate purposes and particularly in anticipation of the maturity of the current bond issue in February 2018 for €500 million.

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 2016, the impact of IFRS 11 on our adjusted aggregates is:

- -€202.6 million on adjusted revenue (-€172.0 million in H1 2015) leaving IFRS revenue at €1,414.7 million (€1,287.7 million in H1 2015).
- -€54.6 million on adjusted operating margin (-€45.4 million in H1 2015) leaving IFRS operating margin at €209.9 million (€240.3 million in H1 2015).
- -€45.8 million on adjusted EBIT before impairment charge (-€32.9 million in H1 2015) leaving IFRS EBIT before impairment charge at €74.7 million (€101.7 million in H1 2015).
- -€45.8 million on adjusted EBIT after impairment charge (-€32.9 million in H1 2015) leaving IFRS EBIT after impairment charge at €75.4 million (€102.9 million in H1 2015).
- +€5.4 million on adjusted capital expenditure (€19.4 million in H1 2015) leaving IFRS capital expenditure at €73.5 million (€88.5 million in H1 2015).
- -€36.7 million on adjusted free cash flow (-€13.7 million in H1 2015) leaving IFRS free cash flow at €61.6 million (€95.5 million in H1 2015).

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

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 (-€1.0 million and +€3.6 million in H1 2016 and H1 2015 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 2016**			**H1 2015**		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**1,617.3**	**(202.6)**	**1,414.7**	**1,459.7**	**(172.0)**	**1,287.7**
Net operating costs	(1,352.8)	148.0	(1,204.8)	(1,174.0)	126.6	1,047.4
Operating margin	**264.5**	**(54.6)**	**209.9**	**285.7**	**(45.4)**	**240.3**
Maintenance spare parts	(21.6)	0.5	(21.1)	(20.1)	0.5	(19.6)
Amortization and provisions (net)	(98.4)	8.3	(90.1)	(124.0)	11.8	(112.2)
Other operating income / expenses	(24.0)	-	(24.0)	(7.0)	0.2	(6.8)
EBIT before impairment charge	**120.5**	**(45.8)**	**74.7**	**134.6**	**(32.9)**	**101.7**
Net impairment charge (1)	0.7	-	0.7	1.2	-	1.2
EBIT after impairment charge	**121.2**	**(45.8)**	**75.4**	**135.8**	**(32.9)**	**102.9**

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

Cash-flow Statement	**H1 2016**			**H1 2015**		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**160.7**	**(24.8)**	**135.9**	**210.0**	**1.5**	**211.5**
Change in working capital requirement	16.5	(17.3)	(0.8)	7.1	(34.6)	(27.5)
Net cash flow from operating activities	**177.2**	**(42.1)**	**135.1**	**217.1**	**(33.1)**	**184.0**
Capital expenditure	(78.9)	5.4	(73.5)	(107.9)	19.4	(88.5)
Free cash flow	**98.3**	**(36.7)**	**61.6**	**109.2**	**(13.7)**	**95.5**

BUSINESS HIGHLIGHTS OF H1 2016

Key contracts wins

- ***Asia-Pacific***

In April, JCDecaux announced the renewal of its advertising concession with Singapore Changi Airport for 5 years, from 2018 until 2022. The current concession ends in December 2017.

In May, JCDecaux announced that its wholly-owned Hong Kong subsidiary, JCDecaux Transport, has successfully won the competitive tender to operate the advertising concession at Hong Kong International Airport for a period of 5 years starting from April 9, 2016.

- ***France***

In March, JCDecaux announced that it has renewed with SNCF Réseau, following a competitive tender, the occupancy agreement relating to "non-station" advertising space for a period of eight years.

In May, JCDecaux announced that its world leading airport advertising subsidiary, JCDecaux Airport, has renewed a new 10 year advertising concession with Aéroports de la Côte d'Azur and its subsidiaries, following a successful bid process. The new contract, which includes Nice Côte d'Azur Airport (covering its business passenger and helicopter terminals), as well as the Cannes-Mandelieu, Saint-Tropez airports and Sky Valet Terminal at Le Bourget, starts from January 2017 (January 2018 for Saint-Tropez Airport).

In June, JCDecaux announced on the eve of UEFA Euro 2016 and following a consultation by the Champs-Elysées Committee, JCDecaux is deploying an outdoor Wi-Fi network that will be available along the length of the avenue between the Place de l'Etoile and the Champs Elysées roundabout. Wi-Fi Champs-Elysées benefits from an optimal coverage resulting from the combined density of Wi-Fi access points in businesses (boutiques, cafés and restaurants) and the JCDecaux Morris columns®, ideally positioned along the Avenue.

- ***United Kingdom***

In February, JCDecaux announced that it has been awarded the Bus Shelter advertising contract for the Royal Borough of Kensington and Chelsea.

- ***Rest of the World***

In May, JCDecaux announced that following a competitive tender, it has been awarded the Montevideo advertising smart clocks contract in Uruguay, for a period of 15 years.

- ***North America***

In March, JCDecaux announced that it has been awarded a 10-year concession contract to provide advertising and sponsorship services at Dallas Fort Worth International Airport. The new program will count 75% of digital advertising displays, including a network of 70 inch digital screens, high definition spectacular video walls, and interactive directories in the baggage claim areas.

Acquisitions, divestitures and financial investments

- ***France***

In June, JCDecaux announced that it has unfortunately had to decide not to pursue to increase its stake in Metrobus group from 33% to 100%. In an advertising market that is experiencing a major digital transformation, the economic and strategic interests of the transaction were undermined by the excessive commitments required by the French Competition Authority, despite the significant undertakings which were offered by JCDecaux and confirmed by the market test.

- ***Rest of the World***

In April, JCDecaux announced that its subsidiaries JCDecaux Latin America/Corameq, which are 85% owned by JCDecaux SA, have today finalised the acquisition of 100% of the Latin America business of OUTFRONT Media Inc, a group which operates in the large format and bus advertising segment, as well as in street furniture.

In June, JCDecaux and Caracol Televisión the number one in TV audience in Colombia, announced they have formed a strategic alliance. Caracol Televisión is acquiring a 25% stake of the Capital of the Colombian subsidiary, Eucol.

Other business highlights

- ***Group***

In June, JCDecaux announced that it has successfully placed 7-year notes for a principal amount of €750 million, maturing on June 1st 2023. The spread has been fixed at 80 basis points above the swap rate leading to a coupon of 1.000%. Subscribed more than 3 times, this note has been placed quickly with investors of high quality.

- ***France***

In January, JCDecaux announced the appointment of Bertrand Allain, following the retirement of Patrick Gourdeau, Group General Counsel, as of 31 May 2016. Bertrand Allain, who joined JCDecaux on 1 February 2016, was appointed Group General Counsel, with effect as of 1 June 2016.

- ***North America***

In January, JCDecaux and Verizon Wireless, the operator of America's most reliable wireless network with 108.6 million retail connections nationwide, announced that they have signed a multi-year contract to deploy Verizon’s 4G LTE small cells integrated in JCDecaux’s USA street furniture assets.

PERSPECTIVES

Commenting on the 2016 first half results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"GDP growth forecast revisions for 2016 have now confirmed the global economic slowdown we mentioned at the end of Q1 with the additional uncertainty concerning the impact of Brexit. As a result, we currently expect our Q3 adjusted organic revenue growth rate to be low-single digit."

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 advertising business activities

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 lets it 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.

2. Risks run as part of the business

- **The Group's reputation:**

Our reputation for, 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 loss of any of the key executive officers could have an adverse effect upon the business.

- **Risks related to public procurement procedures:**

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

Over time the Group has accrued teams of lawyers with specialised knowledge in public and administrative law to manage bids in France and elsewhere. These teams analyse the content of the public tenders and ensure strict compliance with procedures and standard specifications issued by the procurement authority.

- **Risks related to the change in applicable regulations:**

The Group relies on its legal teams to ensure the implementation of regulations in each country and to monitor all evolutions.

3. Risks related to regulation of competition

An element of our growth strategy involves acquisitions of additional outdoor advertising companies, many of which are likely to require the prior approval of national or European competition authorities.

In connection with our business, we bring actions and other proceedings with national competition authorities, or may be subject to actions and proceedings brought by our competitors, due to our strong positions on the markets.

4. Legal risks

The JCDecaux Group is involved in several disputes, such as those relating to the terms of implementation of some of its agreements with its licensors and to relations with suppliers.

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 Group over the past 12 months, to our knowledge.

5. 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.

6. 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 minimise 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.

7. IT risks

The Group uses complex information systems to support its commercial, industrial and management activities.

In order to improve the security of our IT systems on a continuous basis and to limit the consequences of any malfunctions, the various risks (incidents affecting data centres, failure of equipment or telecommunications systems, security breaches, human error, etc.) are regularly assessed.

Based on these assessments, the resources in place are strengthened or new protective measures developed to clamp down on any attempted security breaches, disclosure of confidential information, data loss or corruption, loss of traceability, etc.

8. Political risks

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.

JCDecaux will be exposed, for the second half of 2016, to the usual risk factors and business uncertainties, which are inherent to the Group's activity as described above.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS – H1 2016

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		30/06/2016	31/12/2015
Goodwill	§ 4.1	1,377.0	1,271.6
Other intangible assets		285.5	300.2
Property, plant and equipment		1,090.1	1,173.1
Investments under the equity method		486.2	489.3
Financial investments		0.7	0.8
Other financial assets		108.1	108.5
Deferred tax assets	§ 4.2	122.4	48.6
Current tax assets		1.5	1.2
Other receivables		26.7	32.9
NON-CURRENT ASSETS		**3,498.2**	**3,426.2**
Other financial assets		5.3	10.3
Inventories		132.5	99.9
Financial instruments	§ 4.5	5.0	3.4
Trade and other receivables		895.7	887.1
Current tax assets		30.0	17.0
Treasury financial assets	§ 4.5	54.2	77.7
Cash and cash equivalents	§ 4.5	768.3	233.2
CURRENT ASSETS		**1,891.0**	**1,328.6**
TOTAL ASSETS		**5,389.2**	**4,754.8**

Equity and Liabilities

In million euros		30/06/2016	31/12/2015
Share capital		3.2	3.2
Additional paid-in capital		594.7	587.0
Consolidated reserves		1,604.4	1,492.6
Consolidated net income (Group share)		80.4	233.9
Other components of equity		(23.7)	25.7
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,259.0**	**2,342.4**
Non-controlling interests		(9.4)	(18.2)
TOTAL EQUITY	**§ 4.3**	**2,249.6**	**2,324.2**
Provisions	§ 4.4	412.4	302.4
Deferred tax liabilities	§ 4.2	95.0	80.0
Financial debt	§ 4.5	1,287.8	524.3
Debt on commitments to purchase non-controlling interests	§ 4.6	89.0	86.9
Other payables		17.3	9.9
NON-CURRENT LIABILITIES		**1,901.5**	**1,003.5**
Provisions	§ 4.4	78.1	41.2
Financial debt	§ 4.5	71.7	175.5
Debt on commitments to purchase non controlling interests	§ 4.6	19.4	33.8
Financial instruments	§ 4.5	1.5	0.2
Trade and other payables		1,028.6	1,118.8
Income tax payable		25.3	42.8
Bank overdrafts	§ 4.5	13.5	14.8
CURRENT LIABILITIES		**1,238.1**	**1,427.1**
TOTAL LIABILITIES		**3,139.6**	**2,430.6**
TOTAL EQUITY AND LIABILITIES		**5,389.2**	**4,754.8**

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		1st half of 2016	1st half of 2015
REVENUE		**1,414.7**	**1,287.7**
Direct operating expenses		(968.6)	(831.1)
Selling, general and administrative expenses		(236.2)	(216.3)
OPERATING MARGIN		**209.9**	**240.3**
Depreciation, amortisation and provisions (net)		(89.4)	(111.0)
Impairment of goodwill		0.0	0.0
Maintenance spare parts		(21.1)	(19.6)
Other operating income		4.2	1.9
Other operating expenses		(28.2)	(8.7)
EBIT	**§ 4.7**	**75.4**	**102.9**
Financial income		3.1	5.9
Financial expenses		(17.3)	(15.4)
NET FINANCIAL INCOME (LOSS) (1)	**§ 4.8**	**(14.2)**	**(9.5)**
Income tax	§ 4.9	(20.4)	(30.6)
Share of net profit of companies under the equity method	§ 4.10	45.7	29.4
PROFIT FROM CONTINUING OPERATIONS		**86.5**	**92.2**
Gain or loss on discontinued operations		0.0	0.0
CONSOLIDATED NET INCOME		**86.5**	**92.2**
- Including non-controlling interests	§ 4.11	*6.1*	*12.7*
CONSOLIDATED NET INCOME (GROUP SHARE)		**80.4**	**79.5**
Earnings per share (in euros)		0.378	0.354
Diluted earnings per share (in euros)		0.378	0.354
Weighted average number of shares		212,445,454	224,353,599
Weighted average number of shares (diluted)		212,772,099	224,789,653

(1) Excluding the impact of put, the net financial income is €(13.2) million for the first half of 2016, compared to €(13.1) million for the first half of 2015.

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	1st half of 2016	1st half of 2015
CONSOLIDATED NET INCOME	**86.5**	**92.2**
Translation reserve adjustments on foreign operations (1)	(38.2)	75.7
Translation reserve adjustments on net foreign investments	3.9	(0.5)
Cash flow hedges	1.4	(0.9)
Tax on the other comprehensive income subsequently released to net income	0.0	0.2
Share of other comprehensive income of companies under equity method (after tax)	(0.6)	21.9
Other comprehensive income subsequently released to net income	**(33.5)**	**96.4**
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	(13.8)	0.0
Tax on the other comprehensive income not subsequently released to net income	3.7	(0.1)
Share of other comprehensive income of companies under equity method (after tax)	(6.4)	(2.2)
Other comprehensive income not subsequently released to net income	**(16.5)**	**(2.3)**
Total other comprehensive income	**(50.0)**	**94.1**
TOTAL COMPREHENSIVE INCOME	**36.5**	**186.3**
- Including non-controlling interests	*5.6*	*14.3*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**30.9**	**172.0**

(1) 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.
For the first half of 2015, translation reserve adjustments on foreign transactions were mainly related to changes in exchange rates, of which €23.8 million in the United Kingdom and €21.2 million in Hong Kong.

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2015

In million euros	Equity attributable to the owners of the parents company													
					Other components of equity									
	ShareCapital	Additional paid-in capital	Treasury shares	Retained earnings	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 2015 restated (1)	**3.4**	**1,064.7**	**0.0**	**1,608.9**	**0.9**	**(0.1)**	**27.1**	**0.9**	**(43.6)**	**0.8**	**(14.0)**	**2,663.0**	**(23.6)**	**2,639.4**
Capital increase (2)	0.0	16.3		(0.3)							0.0	16.0	0.6	16.6
Treasury shares (3)														
Purchase			(502.4)								0.0	(502.4)		(502.4)
Cancellation											0.0	0.0		0.0
Distribution of dividends				(112.0)							0.0	(112.0)	(8.3)	(120.3)
Share-based payments		1.5									0.0	1.5		1.5
Debt on commitments to purchase non-controlling interests (4)											0.0	0.0		0.0
Change in consolidation scope (5)				0.1							0.0	0.1	12.4	12.5
Consolidated net income				79.5							0.0	79.5	12.7	92.2
Other comprehensive income					(0.9)		95.7		(2.3)		92.5	92.5	1.6	94.1
Total comprehensive income	**0.0**	**0.0**	**0.0**	**79.5**	**(0.9)**	**0.0**	**95.7**	**0.0**	**(2.3)**	**0.0**	**92.5**	**172.0**	**14.3**	**186.3**
Other				0.2							0.0	0.2		0.2
Equity as of 30 June 2015	**3.4**	**1,082.5**	**(502.4)**	**1,576.4**	**0.0**	**(0.1)**	**122.8**	**0.9**	**(45.9)**	**0.8**	**78.5**	**2,238.4**	**(4.6)**	**2,233.8**

(1) *The figures were restated by the retrospective application of IFRIC 21.*
(2) *Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and the delivery of bonus shares and share of non-controlling interests in capital increases of controlled entities.*
(3) *Following the simplified public tender offer: buyback of treasury shares for a total of €502.4 million (of which €2.4 million of costs after tax related to the offer).*
(4) *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 €3.6 million for the first half of 2015.*
(5) *Changes in the scope of consolidation, primarily following the acquisition of 70% of Continental Outdoor Media group.*

STATEMENT OF CHANGES IN EQUITY AS OF 30 JUNE 2016

In million euros	Equity attributable to the owners of the parents company													
					Other components of equity									
	ShareCapital	Additional paid-in capital	Treasury shares	Retained earnings	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 CASH FLOWS

In million euros		1st half of 2016	1st half of 2015
Net income before tax		106.9	122.8
Share of net profit of companies under the equity method	§ 4.10	(45.7)	(29.4)
Dividends received from companies under the equity method		36.4	51.8
Expenses related to share-based payments		2.0	1.5
Depreciation, amortisation and provisions (net)		83.4	110.3
Capital gains and losses & net income (loss) on changes in scope		1.5	0.1
Net discounting expenses		3.2	(1.0)
Net interest expense		6.7	5.5
Financial derivatives, translation adjustments & other		(6.6)	13.0
Change in working capital		**(0.8)**	**(27.5)**
Change in inventories		(33.0)	(12.4)
Change in trade and other receivables		(0.4)	(31.7)
Change in trade and other payables		32.6	16.6
CASH PROVIDED BY OPERATING ACTIVITIES		**187.0**	**247.1**
Interest paid		(14.2)	(15.9)
Interest received		2.7	3.8
Income taxes paid		(40.4)	(51.0)
NET CASH PROVIDED BY OPERATING ACTIVITIES		**135.1**	**184.0**
Cash payments on acquisitions of intangible assets and property, plant and equipment		(74.6)	(94.0)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired (1)		(84.6)	(92.3)
Acquisitions of other financial assets		(3.8)	(23.2)
Total investments		**(163.0)**	**(209.5)**
Cash receipts on proceeds on disposal of intangible assets and property, plant and equipment		1.1	5.5
Cash receipts on proceeds on disposal of financial assets (long-term investments) net of cash sold (1)		0.0	1.5
Proceeds on disposal of other financial assets		7.6	2.0
Total asset disposals		**8.7**	**9.0**
NET CASH USED IN INVESTING ACTIVITIES		**(154.3)**	**(200.5)**
Dividends paid		(128.3)	(120.3)
Purchase of treasury shares		0.0	(2.4)
Cash payments on acquisitions of non-controlling interests		(14.0)	(0.2)
Repayment of long-term borrowings		(80.8)	(170.3)
Repayment of finance lease debt		(3.9)	(4.0)
Acquisitions and disposals of treasury financial assets		22.9	0.0
Cash outflow from financing activities		**(204.1)**	**(297.2)**
Cash receipts on proceeds on disposal of interests without loss of control		1.4	0.0
Capital increase		5.9	16.6
Increase in long-term borrowings		753.6	10.2
Cash inflow from financing activities		**760.9**	**26.8**
NET CASH USED IN FINANCING ACTIVITIES		**556.8**	**(270.4)**
CHANGE IN NET CASH POSITION		**537.6**	**(286.9)**
Net cash position beginning of period	§ 4.5	**218.4**	**783.2**
Effect of exchange rate fluctuations and other movements		(1.2)	14.4
Net cash position end of period (2)	§ 4.5	**754.8**	**510.7**

(1) Including €3.9 million of net cash acquired and sold for the 1st half of 2016, compared to €10.8 million for the 1st half of 2015.
(2) Including €768.3 million in cash and cash equivalents and €13.5 million in bank overdrafts as of 30 June 2016, compared to €526.2 million and €15.5 million, respectively, as of 30 June 2015.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MAJOR EVENTS OF THE HALF-YEAR

On 1 April 2016, the Group announced that its subsidiaries JCDecaux Latin America/Corameq, which are 85% owned by JCDecaux SA, have finalised the acquisition of 100% of the Latin America business of Outfront Media Inc. a group which operates in the large format and bus advertising segment, as well as in street furniture. With more than 62,000 advertising displays in 12 Latin American countries, JCDecaux has strengthened its positioning in the region's 3 largest advertising markets which are Brazil, Mexico and Argentina, as well as in Chile and Uruguay

On 26 May 2016, JCDecaux announced that it has placed 7-year notes for a principal amount of €750 million, maturing on 1 June 2023. The proceeds of this note will be dedicated to general corporate purposes and particularly in anticipation of the maturity of the current bond issue in February 2018 for €500 million

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The condensed consolidated financial statements for the first half of 2016, approved by the Executive Board on 22 July 2016, 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 2015 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 2016 are in accordance with IFRS standards and interpretations, as adopted by the European Union. These are available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.
The accounting policies adopted are identical to those used for the preparation of the consolidated financial statements for the year ended 31 December 2015, with the exception of the adoption of the following new standards, amendments to standards and interpretations adopted by the European Union and applicable from 1 January 2016:

- Amendment to IAS 1 “Disclosure initiative”,
- Amendments to IAS 16 and IAS 38 “Clarification of Acceptable Methods of Depreciation and Amortisation”,
- Amendment to IAS 19 “Defined Benefit Plans: Employee Contributions”,
- Annual Improvements to IFRS: 2010-2012 cycle,
- Amendments to IFRS 11 “Accounting for Acquisitions of Interests in Joint Operations”,
- Annual Improvements to IFRS: 2012-2014 cycle.

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 2016. The impacts of these standards and amendments are being analysed.

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 2016 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 2016 is 2.75% in the UK (compared to 3.7% as of 31 December 2015) and 1.2% in the Euro zone (compared to 2.1% as of 31 December 2015). The discount rate used to calculate dismantling provision and debt on commitments to purchase non-controlling interests is 1.1% (compared to 1.5% as of 31 December 2015).

2. CHANGES IN THE SCOPE OF CONSOLIDATION

2.1. Major changes in the scope of consolidation for the first half of 2016

The main change in the scope of consolidation that took place during the first half of 2016 is as follows:

Acquisitions (with acquisition of control)

On 1 April 2016, the subsidiaries JCDecaux Latin America/Corameq, which are 85% owned by JCDecaux SA, have finalised the acquisition of 100% of the Latin America business of Outfront Media Inc. The group Outfront Media is fully consolidated.

2.2 Impact of acquisitions

The acquisition giving control of the Latin America business of Outfront Media realised during the first half of 2016 and the purchase price allocation of Cemusa (acquired at the end of 2015) within the 12-month period granted, had the following impacts on the Group half-year 2016 consolidated financial statements:

In million euros		Fair value at the date of acquisition
Non-current assets		3.4
Current assets		14.6
Total assets		**18.0**
Non-curent liabilities		101.7
Current liabillities		(45.6)
Total liabilities		**56.1**
Fair value of net assets at 100%	**(a)**	**(38.1)**
- of which non-controlling interests	*(b)*	*4.0*
Total consideration transferred	**(c)**	**84.7**
- of which purchase price		*84.7*
Goodwill	**(d)=(c)-(a)+(b)**	**126.8**
- including goodwill allocated to companies under the equity method	(e)	0.2
Goodwill IFRS [(1)]	**(f)=(d)-(e)**	**126.6**
Purchase price		**(84.7)**
Net cash acquired		3.9
Acquisitions of long-term investments over the period		**(80.8)**

(1) The option of the full goodwill calculation method was not used for any of the 2016 acquisitions.

Impacts due to the purchase price allocation of Cemusa within the 12-month period granted are not significant on the 2015 income statement. This non-material impact is recorded in the income statement of the first half of 2016.
The mains impacts due to the recognition of assets and contracts at fair value at the acquisition date are mainly related to the line item “Depreciation, amortisation and provisions (net)” and are disclosed in the Note 4.7 “EBIT”.

The value of assets and liabilities acquired and goodwill relating to the acquisition of Outfront Media in 2016 is determined on a temporary basis and are likely to change during the period required to finalise the allocation of the goodwill, which can extend 12 months maximum following the acquisition date.
The impact of this acquisition on revenue and net income (Group share) is respectively €10.3 million and €(3.4) million. Had the acquisitions taken place as of 1 January 2016, the additional impact would have been an increase of €10.1 million on revenue and a decrease of €4.7 million on net income (Group share).

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 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.

3.1.2. First half of 2015

The information by operating segments for the first half of 2015 is as follows:

In million euros	Street furniture	Transport	Billboard	Total
Revenue	**655.5**	**594.2**	**210.0**	**1,459.7**
Operating margin	**198.3**	**75.8**	**11.6**	**285.7**
EBIT	**88.1**	**52.5**	**(4.8)**	**135.8**
Acquisitions of intangible assets and PP&E net of disposals	**72.0**	**23.6**	**12.3**	**107.9**

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	1,459.7	(172.0)	1,287.7
Operating margin	285.7	(45.4)	240.3
EBIT	135.8	(32.9)	102.9
Acquisitions of intangible assets and PP&E net of disposals	107.9	(19.4)	88.5

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

The impact of €(172.0) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(178.8) 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 €1,287.7 million.

3.2. Information by geographical area

3.2.1. 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	United-Kingdom	Rest of the world	North America	Total
Revenue	**428.6**	**387.9**	**310.4**	**183.1**	**183.8**	**123.5**	**1,617.3**

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

3.2.2. First half of 2015

The information by geographical area for the first half of 2015 is as follows:

In million euros	Europe (1)	Asia-Pacific	France	United-Kingdom	Rest of the world	North America	Total
Revenue	**389.8**	**364.6**	**299.8**	**163.6**	**145.4**	**96.5**	**1,459.7**

(1) Excluding France and the United Kingdom.

3.3. Other Information

3.3.1. 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.

3.3.2. First half of 2015

The reconciliation of the free cash flow from Adjusted to IFRS for the first half of 2015 is as follows:

In million euros	Adjusted data	Joint ventures' impact (1)	IFRS data
Net cash provided by operating activities	**217.1**	**(33.1)**	**184.0**
- Including Change in working capital	*7.1*	*(34.6)*	*(27.5)*
Acquisitions of intangible assets and PP&E net of disposals	**(107.9)**	**19.4**	**(88.5)**
Free Cash Flow	**109.2**	**(13.7)**	**95.5**

(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. Goodwill

Goodwill totalled €1,377.0 million as of 30 June 2016, compared to €1,271.6 million as of 31 December 2015. The €105.4 million increase is mainly due to the goodwill which arose from the changes in the scope of consolidation as described in Note 2.2 "Impact of acquisitions" and to variations of the foreign exchange rates.

4.2. Net deferred tax

Deferred tax assets net of the deferred tax liabilities totalled €27.4 million as of 30 June 2016, compared to €(31.4) million as of 31 December 2015. The €58.8 million increase is mainly due to the recognition of deferred tax on the fair value revaluation on tangible and intangible assets and on the provision for onerous contracts recognised following the purchase price allocation of Cemusa.

4.3. Equity

As of 30 June 2016, share capital amounted to €3,240,205.36 divided into 212,543,382 fully paid-up shares of the same category.

Reconciliation of the number of outstanding shares as of 1 January 2016 and 30 June 2016:

Number of outstanding shares as of 1 January 2016	212,299,238
Shares issued following the exercise of options	244,144
Number of outstanding shares as of 30 June 2016	**212,543,382**

As of 17 February 2016, 866,903 stock options were granted, with an exercise price of €34.01. The cost related to all the current plans amounts to €2.0 million for the first half of 2016.

At the General Meeting held on 19 May 2016, the decision was made to pay a dividend of €0.56 to each of the 212,299,238 shares making up the share capital as of 31 December 2015. This distribution is subject to the payment of a 3% dividend tax recorded under the line item "Income tax" in the income statement.

4.4. Provisions

Provisions totalled €490.5 million as of 30 June 2016, compared to €343.6 million as of 31 December 2015. This €146.9 million increase is mainly due to the provisions for onerous contracts recognised in the opening balance sheet of Cemusa entities for €138.7 million and reversed for €30.5 million for the first half of 2016.

4.5. Financial debt

		30/06/2016			31/12/2015		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**71.7**	**1,287.8**	**1,359.5**	**175.5**	**524.3**	**699.8**
Financial instruments assets		(5.0)		(5.0)	(3.4)		(3.4)
Financial instruments liabilities		1.5		1.5	0.2		0.2
Hedging financial instruments	**(2)**	**(3.5)**	**0.0**	**(3.5)**	**(3.2)**	**0.0**	**(3.2)**
Cash and cash equivalents (*)		768.3		768.3	233.2		233.2
Overdrafts		(13.5)		(13.5)	(14.8)		(14.8)
Net cash	**(3)**	**754.8**	**0.0**	**754.8**	**218.4**	**0.0**	**218.4**
Treasury financial assets (**)	**(4)**	**54.2**	**0.0**	**54.2**	**77.7**		**77.7**
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**(740.8)**	**1,287.8**	**547.0**	**(123.8)**	**524.3**	**400.5**

(*) As of 30 June 2016, the Group has €768.3 million of cash and cash equivalents (compared to €233.2 million as of 31 December 2015). Cash equivalents mainly include short-term deposits and money market funds. €7.7 million of the total of cash and cash equivalents are invested in guarantees as of 30 June 2016, compared to €7.3 million as of 31 December 2015.
(**) As of 30 June 2016, treasury financial assets are made of €42.5 million of short-term liquid investments (compared to €42.3 million as of 31 December 2015) and €11.7 million (compared to €35.4 million as of 31 December 2015) 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:

		30/06/2016			31/12/2015		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**71.7**	**1,287.8**	**1,359.5**	**175.5**	**524.3**	**699.8**
Impact of amortised cost		2.3	6.3	8.6		5.5	5.5
IAS39 remeasurement	**(2)**	**2.3**	**6.3**	**8.6**	**0.0**	**5.5**	**5.5**
Economic financial debt	**(3)=(1)+(2)**	**74.0**	**1,294.1**	**1,368.1**	**175.5**	**529.8**	**705.3**

The Group's financial debt mainly comprises two bonds issued by JCDecaux SA of respectively €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 2016, JCDecaux SA holds a €825 million undrawn 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 extension is effective starting July 2016. The contract includes a second extension option of one year, exercisable in 2017.
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 2016, JCDecaux SA is compliant with this covenant, with values significantly far from the required limit.

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard and Poor's (last Moody's rating on 4 July 2016 and Standard and Poor's on 17 November 2015), with a stable outlook for both ratings.

4.6. Debt on commitments to purchase non-controlling interests

The debt on commitments to purchase non-controlling interests amounted to €108.4 million as of 30 June 2016, compared to €120.7 million as of 31 December 2015 which represents a decrease of €12.3 million due to the exercise of a purchase commitment offset by the revaluation and discounting effects of commitments.

4.7. EBIT

During the first half of 2016, EBIT totalled €75.4 million compared to €102.9 million during the first half of 2015. This decrease is mainly due to the decrease of the operating margin partially compensated by a decrease of net expenses recorded between the operating margin and the EBIT. These latter include a reversal of provision for onerous contract of €31.6 million during the first half of 2016 (including a €31.0 million reversal of provision for onerous contract related to the purchase price allocation, of Cemusa mainly) compared to a reversal of provision for onerous contract of €1.2 million during the first half of 2015; this positive impact is partly compensated by an increase of non-recurring expenses during the first half of 2016.

4.8. Net Financial income (Loss)

During the first half of 2016, the financial result totalled €(14.2) million compared to €(9.5) million during the first half of 2015. This decrease is mainly due to the increase of net discounting losses for €4.2 million including €4.6 million on debt on commitments to purchase non-controlling interests.

4.9. Income tax

Group income tax during the first half of 2016 totalled €(20.4) million compared to €(30.6) million during the first half of 2015 due to the general decrease of profit before tax of the Group. The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 33.3% during the first half of 2016 compared to 32.8% during the first half of 2015. Excluding the discounting and revaluation impact of debts on commitments to purchase non-controlling interests, the effective tax rate was 32.8% during the first half of 2016 compared to 34.1% during the first half of 2015.

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

During the first half of 2016 the share of net profit of associates totalled €13.3 million compared to €9.0 million during the first half of 2015, and the share of net profit of joint ventures totalled €32.4 million during the first half of 2016 compared to €20.4 million during the first half of 2015.

4.11. Non-controlling interests

Non-controlling interests totalled €6.1million during the first half of 2016, compared to €12.7 million during the first half of 2015. This decrease is mainly due to an increase of net revaluation and discounting expenses on the debt on commitments to purchase non-controlling interests.

5. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS

The main source of difference in the level of off-balance sheet commitments as of 30 June 2016 compared to those existing as of 31 December 2015 is an increase of approximately €350 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, the acquisitions of assets and the variations of the foreign exchange rates during the first half of the year 2016.

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 2016 are not necessarily representative of the expected 2016 full year results.

7. INFORMATION ON RELATED PARTIES

As of 30 June 2016, the relations between the Group and the related parties did not change significantly compared to 31 December 2015. The transactions made with the related parties and impacting the income statement are comparable to those existing in the first half of 2015.

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, 2016

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 S.A., for the period from January 1 to June 30, 2016,
- 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.

1. 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.

2. 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 27, 2016

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-Charles Decaux
Chairman of the Board and co-Chief Executive Officer