

JCDecaux

showcasing the world

# H1 2013 RESULTS

July 29<sup>th</sup>, 2013



Two 10m<sup>2</sup>, HD digital screens at JFK airport, New York, USA



# BUSINESS OVERVIEW



(In million €, except %, under IFRS standards)

	H1 2013	H1 2012	
▶ Revenues	1,263.5	1,240.2	+1.9%
▶ Operating margin	267.8	270.2	-0.9%
▶ EBIT <sup>(1)</sup>	139.2	134.8	+3.3%
▶ Net income Group share <sup>(1)</sup>	87.5	82.9	+5.5%
▶ Net cash flow from operating activities	149.4	219.9	-32.1%
▶ Free cash flow	62.2	150.3	-58.6%
▶ Net debt as of end of period	90.2	114.1	
<i>Net debt / Operating margin</i> <sup>(2)</sup>	0.2x	0.2x	

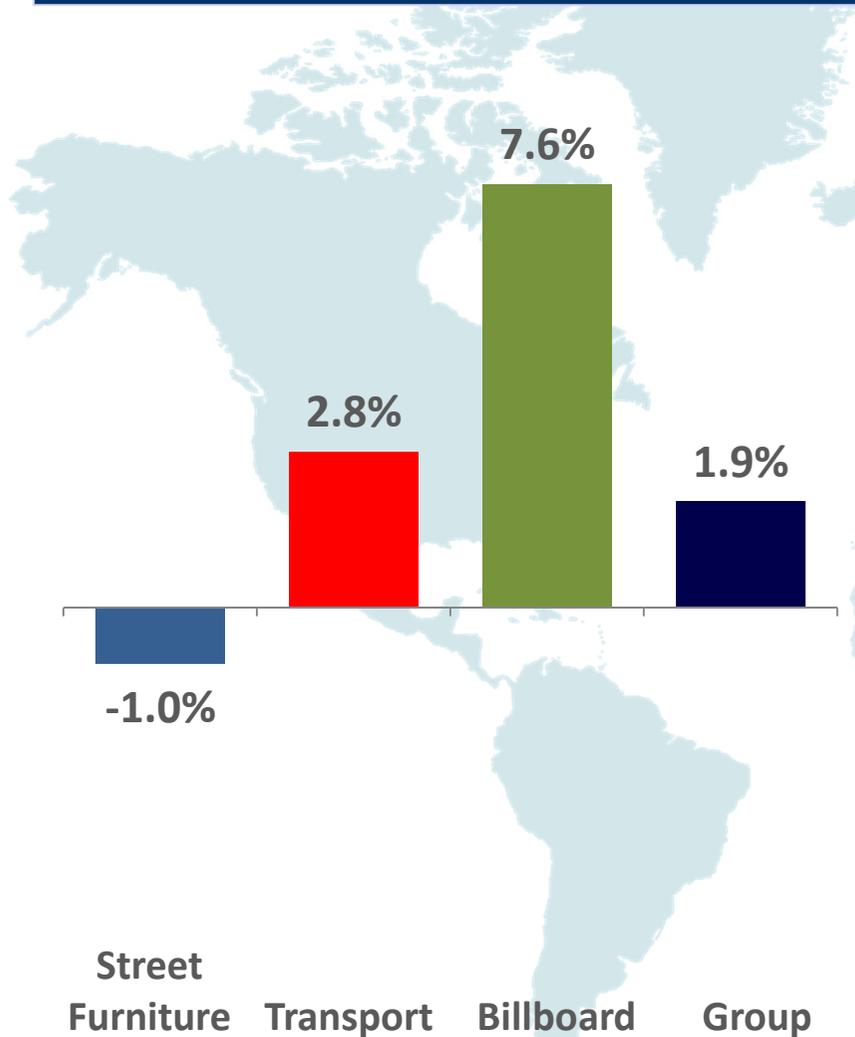
<sup>(1)</sup> H1 2012 figures are proforma of (i) the impact of IAS 19 (revised) regarding employee benefits and (ii) the change in the P&L presentation of the discounting effects on the provisions for employee benefits (reclassification from the EBIT to the net financial income / loss). The impact on previously published H1 2012 EBIT is €1.5 million and €0.5m on net income Group share

<sup>(2)</sup> Trailing 12 months operating margin

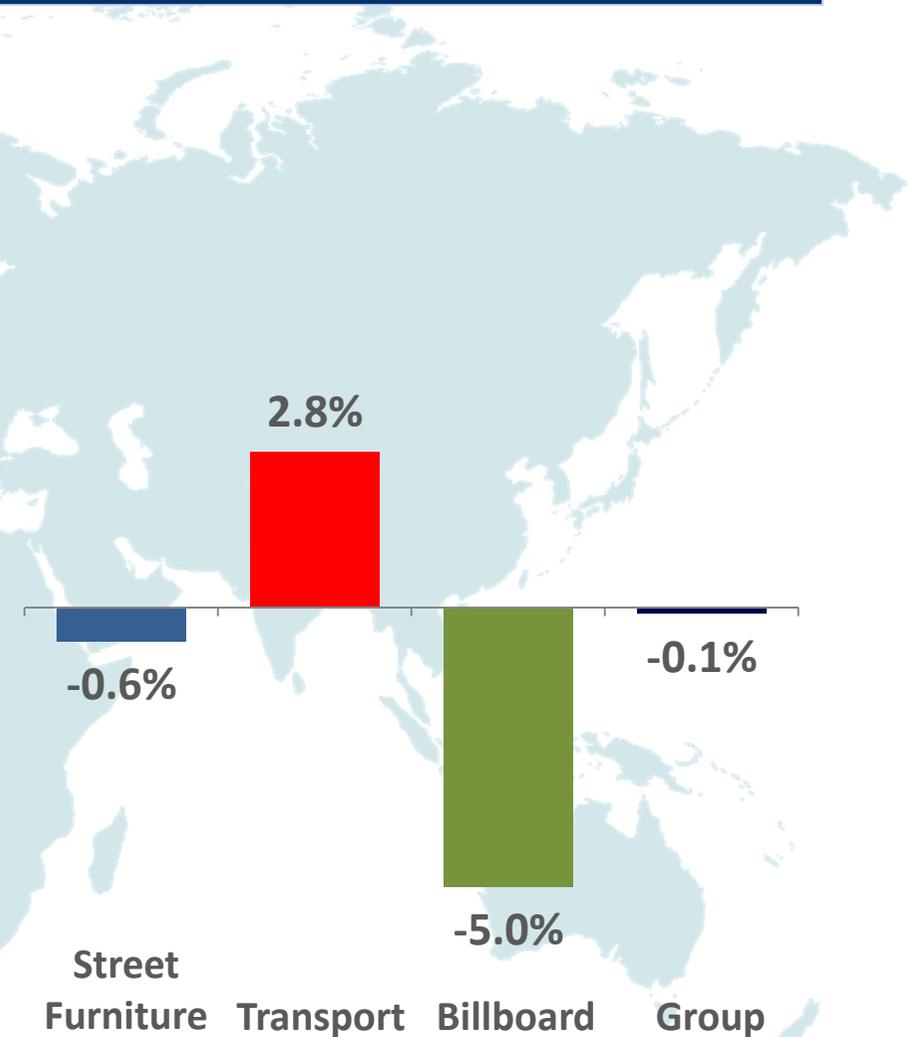
Please refer to page 40 for financial definitions

# H1 2013 REVENUE GROWTH BY SEGMENT

## Reported growth (%)



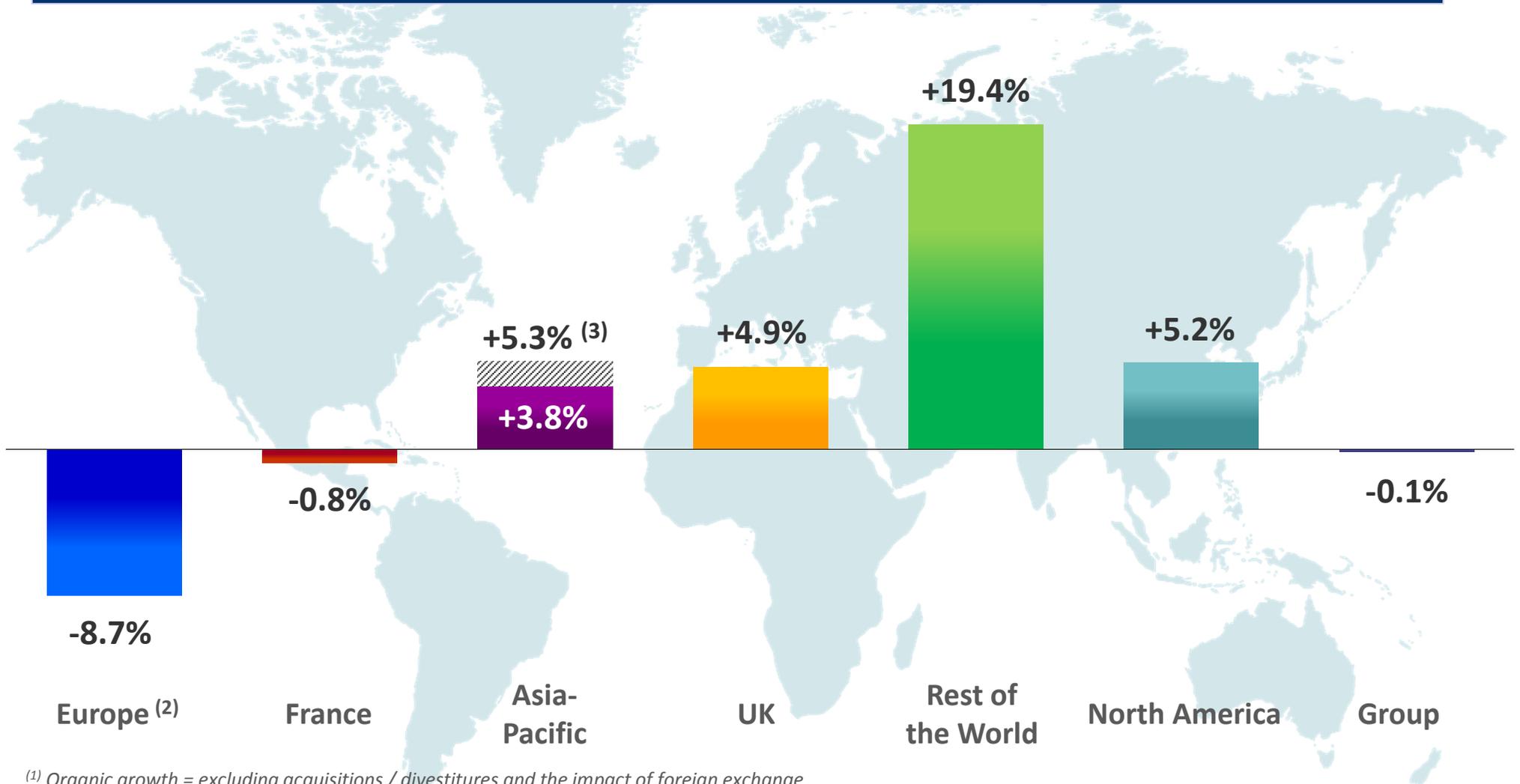
## Organic growth (%) <sup>(1)</sup>



<sup>(1)</sup> Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange

# H1 2013 REVENUE GROWTH BY REGION

## Organic growth (%) <sup>(1)</sup>



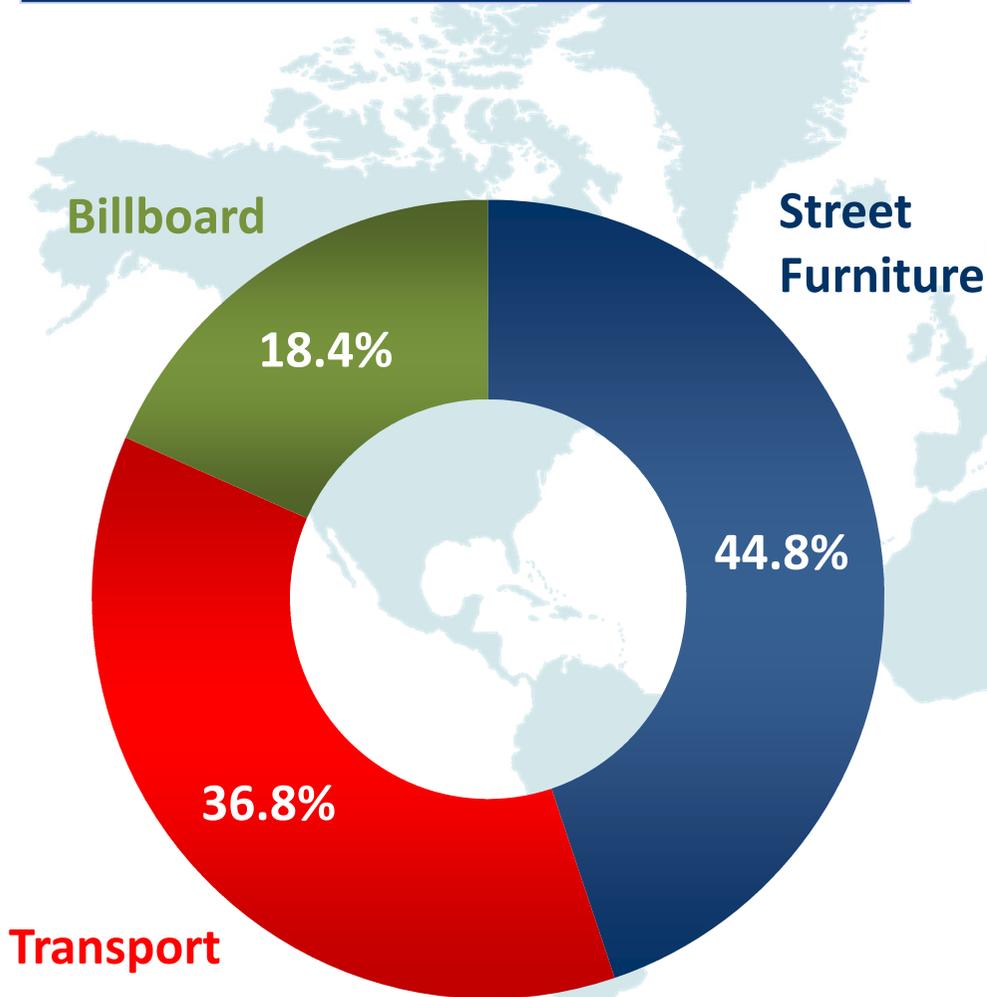
<sup>(1)</sup> Organic growth = excluding acquisitions / divestitures and the impact of foreign exchange

<sup>(2)</sup> Excluding France and the United Kingdom

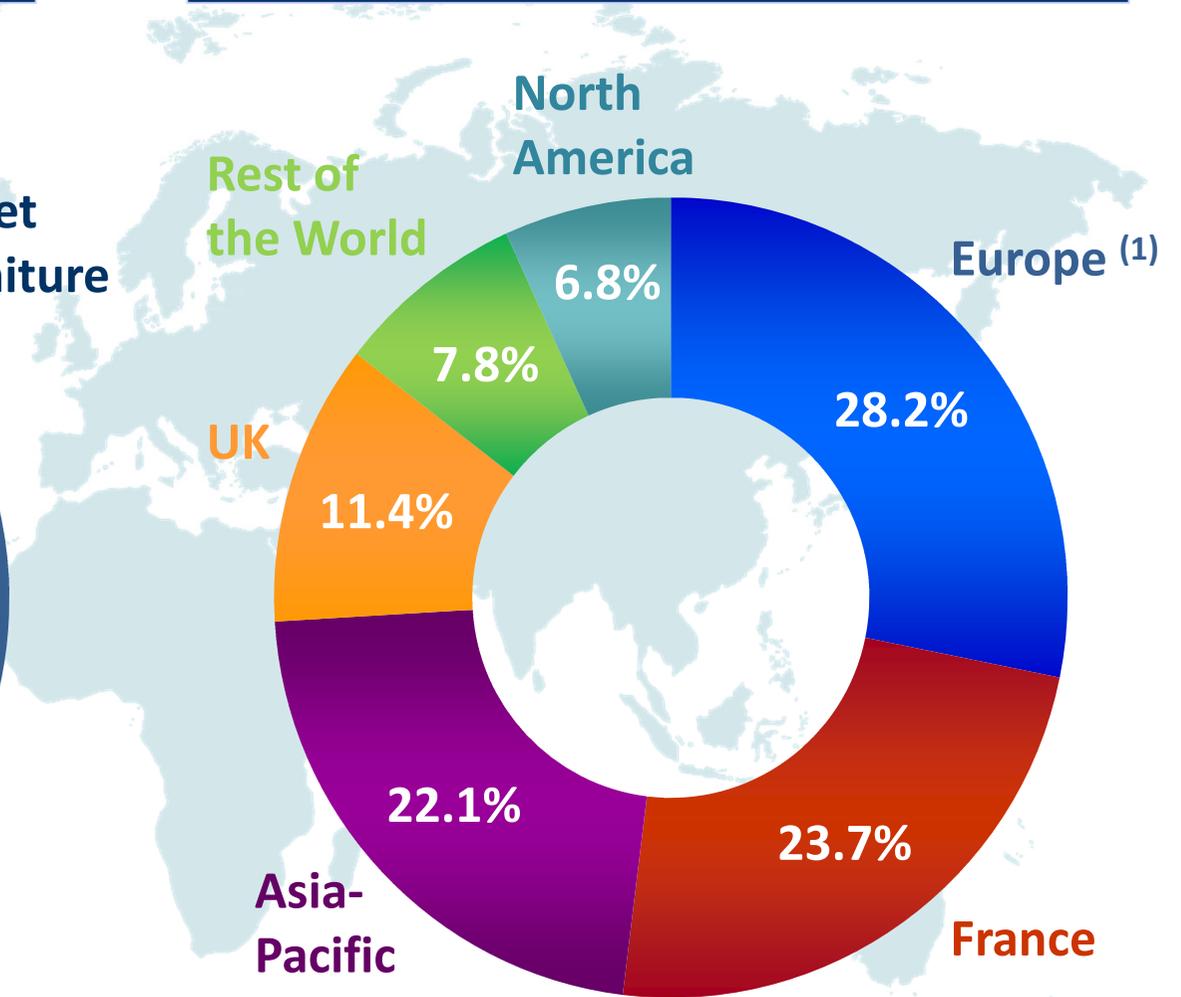
<sup>(3)</sup> Excluding the one-off impact of the introduction of VAT and the suppression of business tax in China

# H1 2013 REVENUE BREAKDOWN

By business (% of total)



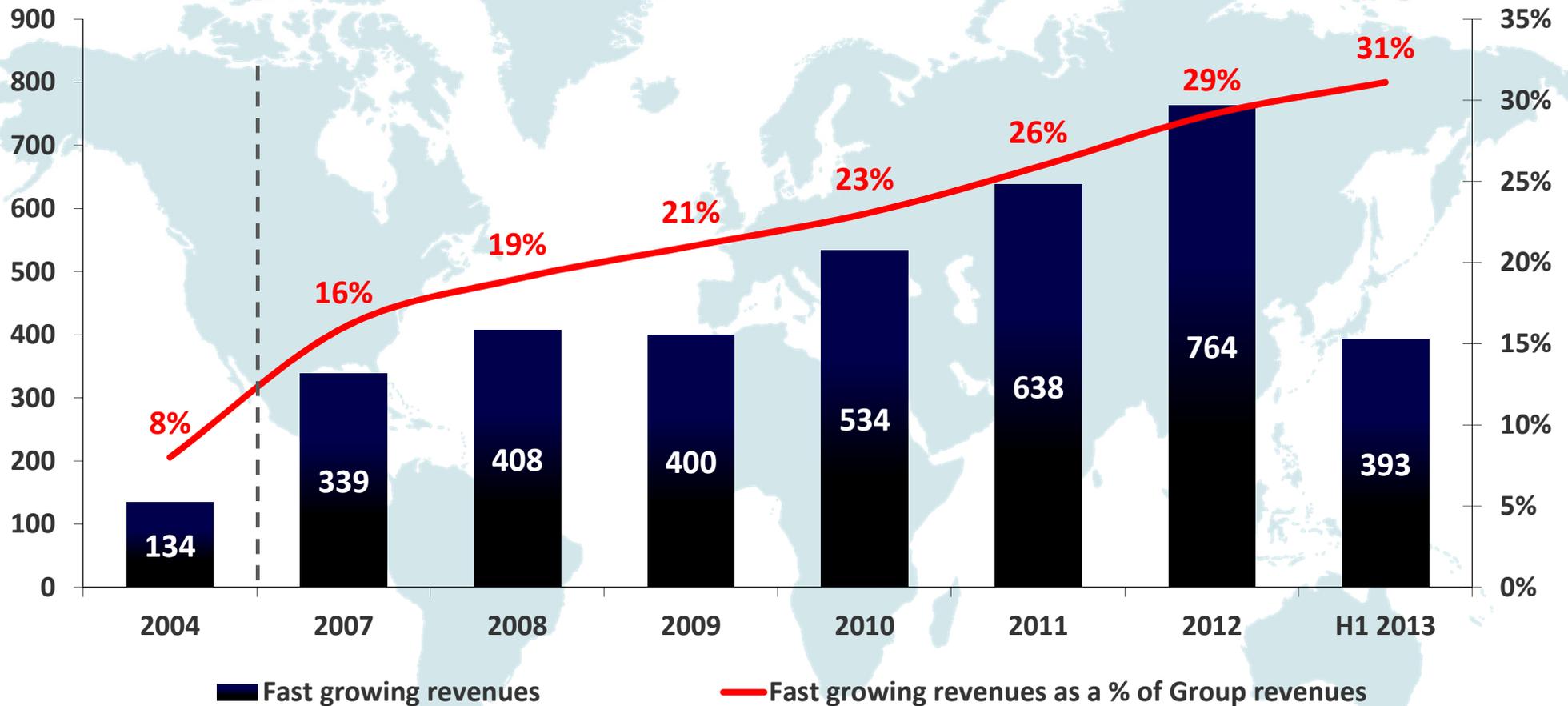
By region (% of total)



<sup>(1)</sup> Excluding France and the United Kingdom

# FAST-GROWING COUNTRIES NOW EXCEEDING 30% OF TOTAL REVENUES

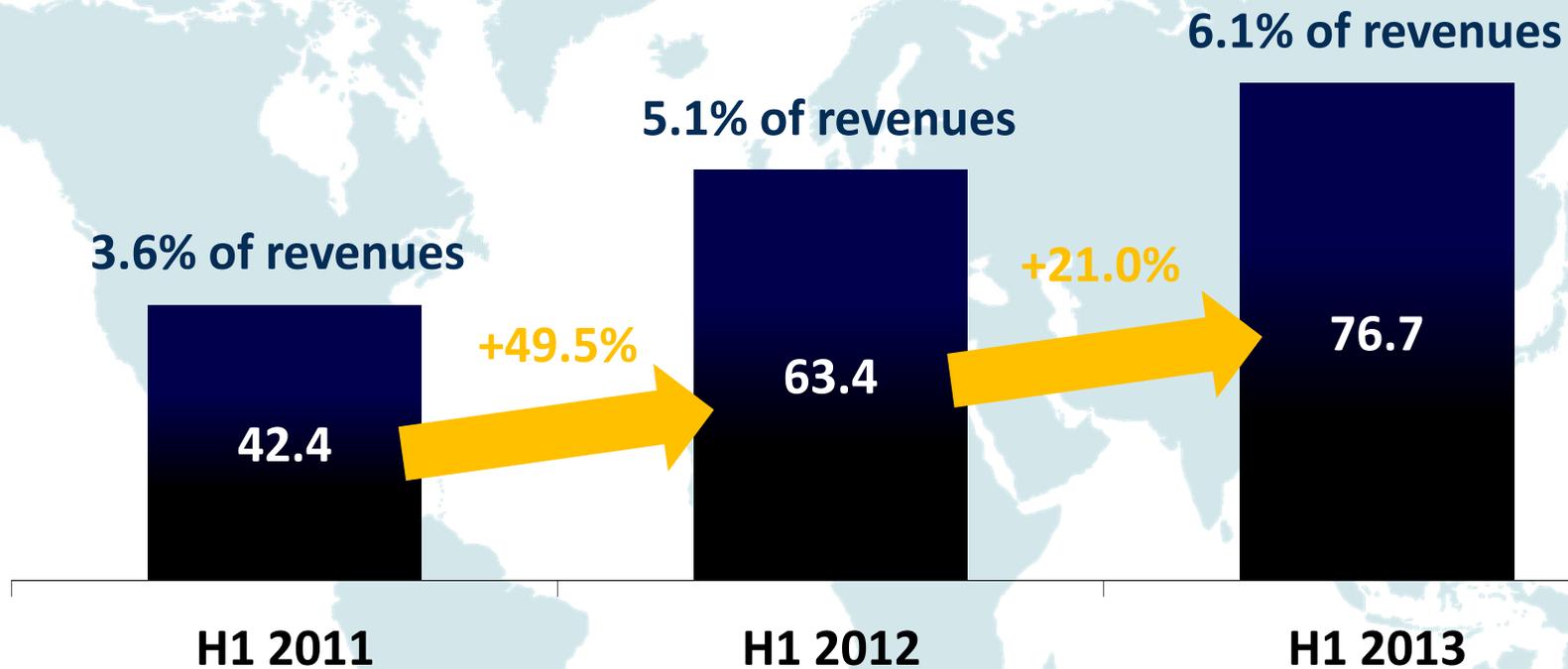
In million €



"Fast growing countries" include Central & Eastern Europe (excl. Austria), Baltic countries, Russia, Turkey, Ukraine, Latin America, Asia (China incl. Hong Kong and Macau, Thailand, South Korea, Malaysia, Singapore, India), Africa, Middle East, Central Asia

# ON-GOING STRONG GROWTH FROM DIGITAL

In million €



- ▶ **Organic growth & renewals**
- ▶ **Installation of first digital advertising clocks in Sao Paulo**
- ▶ **Strong contribution from digital in the UK**
- ▶ **Changing outdoor advertising landscape in Russia**
- ▶ **Growing airport network in the Middle East**
- ▶ **Increasing contribution from the Rest of the World**

# RECENT ORGANIC GROWTH & RENEWALS

## New contracts

### STREET FURNITURE

-  **China** Ningbo bus shelters
-  **Qatar** City Center mall
-  **Russia** Kazan bikes
-  **Lithuania** Vilnius bikes

### TRANSPORT

-  **Spain** Madrid metro
-  **China** Shanghai Metro TV Network
-  **China** 3 metro lines in Beijing metro
-  **China** Shenyang airport T3
-  **India** Delhi Airport Metro Express
-  **UAE** Abu Dhabi airports
-  **UAE** Concourse D at Dubai airport

### BILLBOARD

-  **USA** Chicago (100% digital)

## Contract renewals / extensions

### STREET FURNITURE

-  **Ireland** Dublin bikes
-  **France** Several mid-size cities

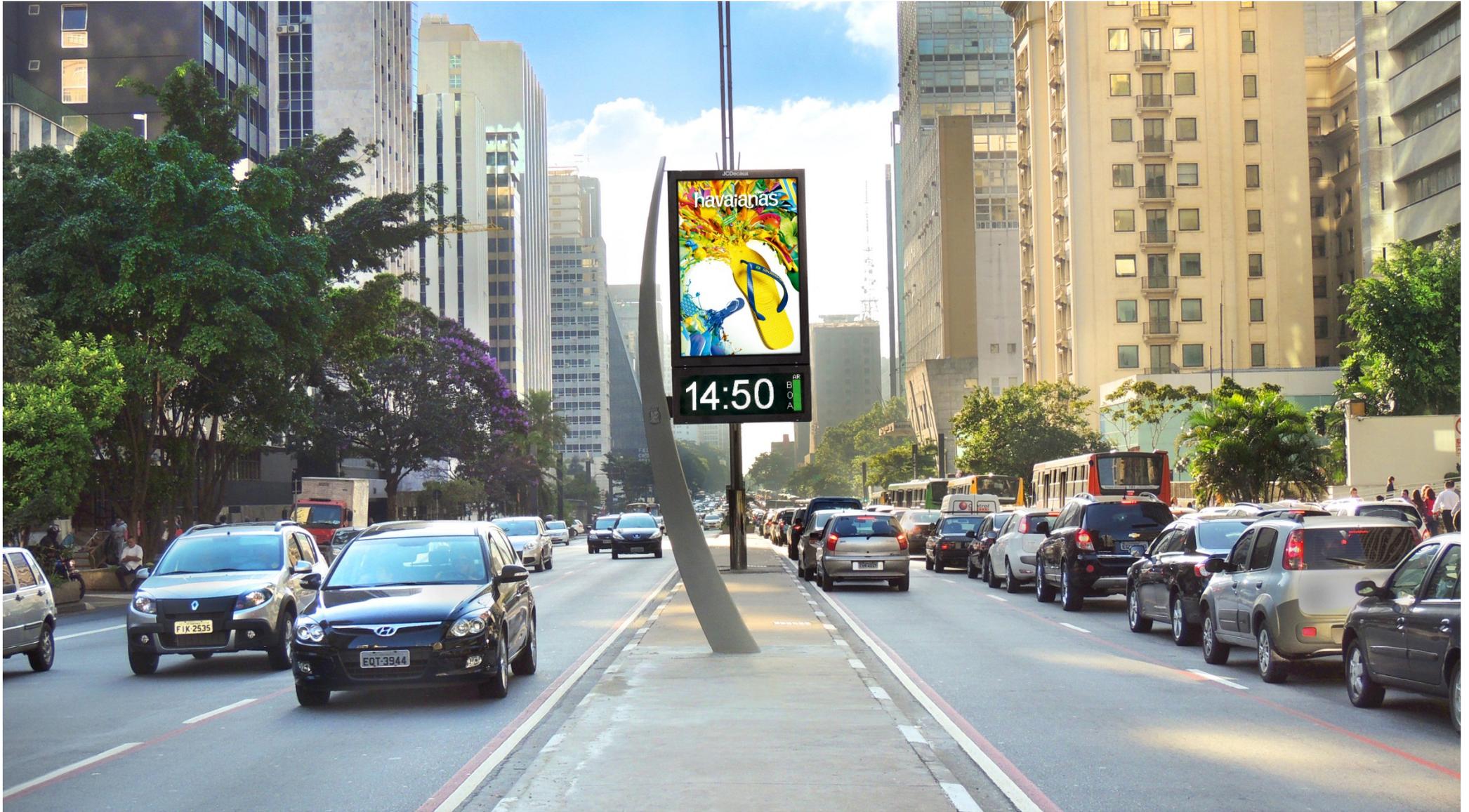
### TRANSPORT

-  **USA** Houston airport
-  **France** Cannes airport

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# ROLL-OUT OF DIGITAL ADVERTISING CLOCKS ON TRACK IN SÃO PAULO



Paulista avenue, São Paulo, Brazil



# UK GROWTH DRIVEN BY DIGITAL

- ▶ Strong network with major London stations and Heathrow airport
- ▶ Digital accounted for c. 20% of total UK revenues in H1



LED HD Transvision screen – Victoria Station, London, UK



## VELI'K: FREE BIKES SCHEME IN KAZAN

- ▶ 8<sup>th</sup> largest city in Russia with a population of 1.1 million
- ▶ 260 bikes and 12 self-service bicycle docking stations across the city
- ▶ First infrastructure project in Russia since investing in Russ Outdoor
- ▶ Latest example of the on-going beautification process in Russia



# GROWING AIRPORT NETWORK IN THE MIDDLE EAST

- ▶ JCDecaux won 3 new airports including Abu Dhabi Airport International
- ▶ JCDecaux now operates 31 airports in the Middle East
- ▶ JCDecaux reaches 150m PAX/year in the region (2/3 of the total flow)
- ▶ In 2012, 15% increase in PAX in airports served by JCDecaux in the region



Dubai international airport, UAE



# INCREASING CONTRIBUTION FROM THE REST OF THE WORLD

- ▶ 8% of total revenues in H1 2013 compared to 1% five years ago
- ▶ Dynamic regions: Latam, Middle East, Russia, Africa
- ▶ Double-digit growth from Street Furniture and Transport in H1
- ▶ Flagship contracts include São Paulo, Almaty and Dubai



Astana, Kazakhstan



Doha, Qatar



# FINANCIAL HIGHLIGHTS



(In million €, except %, under IFRS standards)

	H1 2013	H1 2012	
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▶ Operating margin	267.8	270.2	-0.9%
▶ EBIT <sup>(1)</sup>	139.2	134.8	+3.3%
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▶ Net debt as of end of period	90.2	114.1	
<i>Net debt / Operating margin</i> <sup>(2)</sup>	0.2x	0.2x	

<sup>(1)</sup> H1 2012 figures are proforma of (i) the impact of IAS 19 (revised) regarding employee benefits and (ii) the change in the P&L presentation of the discounting effects on the provisions for employee benefits (reclassification from the EBIT to the net financial income / loss). The impact on previously published H1 2012 EBIT is €1.5 million and €0.5m on net income Group share

<sup>(2)</sup> Trailing 12 months operating margin

Please refer to page 40 for financial definitions

# ANALYSIS OF OPERATING MARGIN

(In million €, except %, under IFRS standards)

	H1 2013	H1 2012	Var.
<b>▶ Revenues</b>	<b>1,263.5</b>	<b>1,240.2</b>	<b>+1.9%</b>
• Rent and fees	(486.2)	(464.4)	+4.7%
• Other net operational expenses	(509.5)	(505.6)	+0.8%
<b>▶ Operating margin</b>	<b>267.8</b>	<b>270.2</b>	<b>-0.9%</b>

*Please refer to page 40 for financial definitions*

- ▶ **Increase in rent and fees mainly due to Russ Outdoor integration and new contracts**
- ▶ **Organic decrease in other net operational expenses**
- ▶ **Strong emphasis on cost-control initiatives**
  - ✓ **Throughout all the geographies**
  - ✓ **To be continued in H2 and in 2014**

*Please refer to page 40 for financial definitions*

# OPERATING MARGIN TO EBIT

(In million €, under IFRS standards)

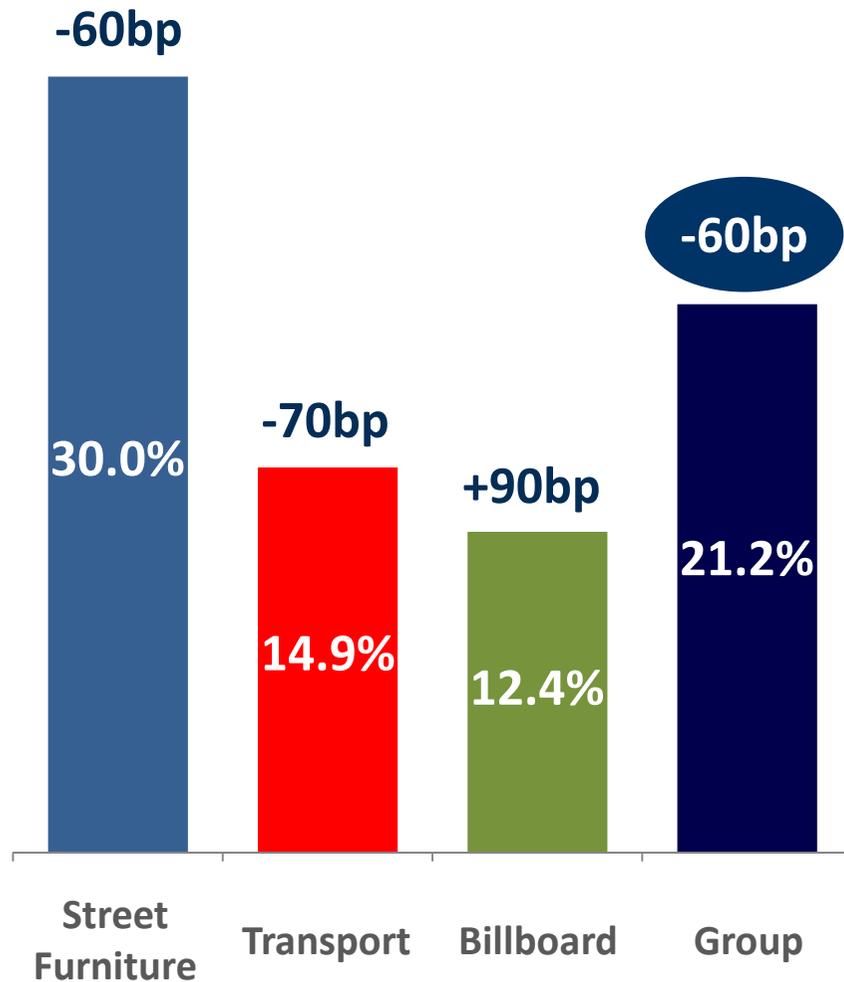
	H1 2013	H1 2012	Var.
<b>► Operating margin</b>	<b>267.8</b>	<b>270.2</b>	<b>-0.9%</b>
• Spare parts	(18.0)	(18.6)	
• Depreciation and provisions (net)	(117.1)	(115.4)	
○ <i>Of which net depreciation of PP&amp;E and intangible assets</i>	(113.6)	(108.6)	
○ <i>Of which impact of PPA depreciation</i>	(8.4)	(10.2)	
○ <i>Of which impairment charge, excluding goodwill (A)</i>	(0.3)	0.5	
○ <i>Of which net provision charge</i>	5.2	2.9	
• Other operating income and expenses	6.5	(1.4)	
• Goodwill impairment (B)	-	-	
<b>► EBIT <sup>(1)</sup></b>	<b>139.2</b>	<b>134.8</b>	<b>+3.3%</b>
• Impairment charges = (A) + (B)	0.3	(0.5)	
<b>► EBIT before impairment charges</b>	<b>139.5</b>	<b>134.3</b>	<b>+3.9%</b>

<sup>(1)</sup> H1 2012 figures are proforma of (i) the impact of IAS 19 (revised) regarding employee benefits and (ii) the change in the P&L presentation of the discounting effects on the provisions for employee benefits (reclassification from the EBIT to the net financial income / loss). The impact on previously published H1 2012 EBIT is €1.5 million  
Please refer to page 40 for financial definitions

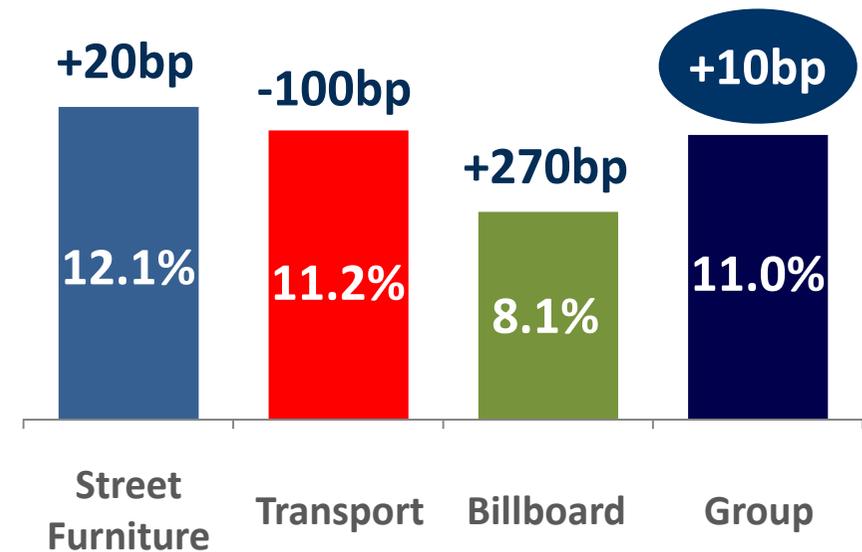
(Under IFRS standards)

## MARGINS BY SEGMENT

### Operating margin (% of revenues)



### EBIT (% of revenues)



# EBIT TO NET INCOME

(In million €, under IFRS standards)

	H1 2013	H1 2012	Var.
<b>▶ EBIT <sup>(1)</sup></b>	<b>139.2</b>	<b>134.8</b>	<b>+3.3%</b>
• Financial income / (expenses) <sup>(2)</sup>	(13.5)	(15.7)	
• Tax	(38.1)	(36.1)	
• Equity affiliates	6.9	6.6	
• Minority interests <sup>(2)</sup>	(7.0)	(6.7)	
<b>▶ Net income Group share <sup>(1)</sup></b>	<b>87.5</b>	<b>82.9</b>	<b>+5.5%</b>
• Net impact of impairment charges	0.3	(0.4)	
<b>▶ Net income Group share before impairment charges</b>	<b>87.8</b>	<b>82.5</b>	<b>+6.4%</b>

<sup>(1)</sup> H1 2012 figures are proforma of (i) the impact of IAS 19 (revised) regarding employee benefits and (ii) the change in the P&L presentation of the discounting effects on the provisions for employee benefits (reclassification from the EBIT to the net financial income / loss). The impact on previously published H1 2012 EBIT is €1.5 million and €0.5m on net income Group share

<sup>(2)</sup> Excluding the impact of actualization of debt on commitments to purchase minority interests (-€3.8m and -€4.7m in H1 2013 and H1 2012 respectively)

# CASH FLOW STATEMENT

(In million €, except %, under IFRS standards)

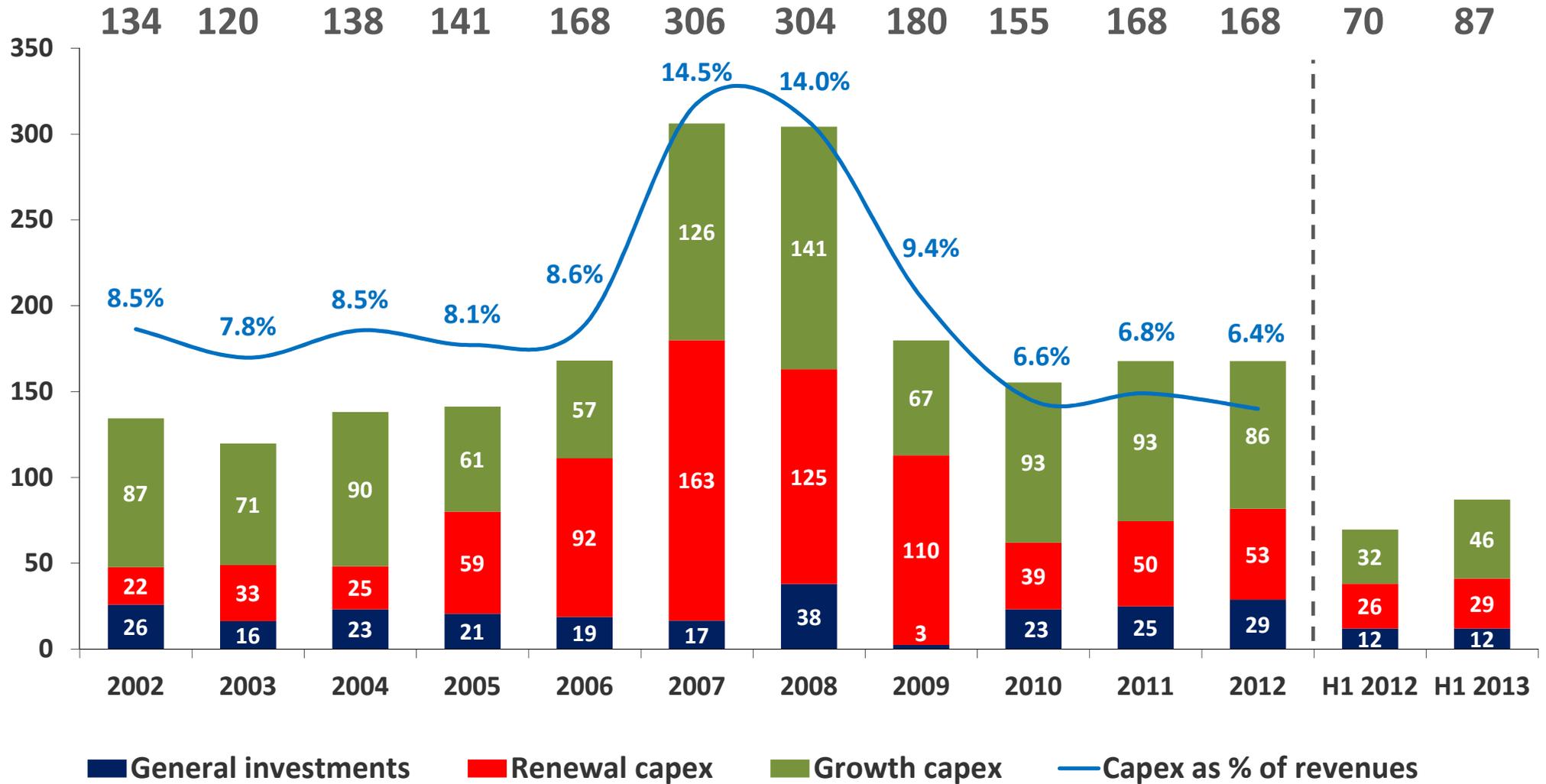
	H1 2013	H1 2012	Var.
▶ <b>Funds from operations net of maintenance costs</b>	<b>180.8</b>	<b>197.6</b>	<b>-8.5%</b>
• Change in working capital requirement	(31.4)	22.3	
▶ <b>Net cash flow from operating activities</b>	<b>149.4</b>	<b>219.9</b>	<b>-32.1%</b>
• Capital expenditure	(87.2)	(69.6)	
▶ <b>Free cash flow</b>	<b>62.2</b>	<b>150.3</b>	<b>-58.6%</b>
• Dividends	(106.5)	(105.4)	
• Equity increase	0.7	0.2	
• Financial investments (net) <sup>(1)</sup>	(74.7)	(8.4)	
• Others <sup>(2)</sup>	(6.8)	(3.3)	
▶ <b>Change in net debt (Balance Sheet)</b>	<b>125.1</b>	<b>(33.4)</b>	
▶ <b>Net debt as of end of period</b>	<b>90.2</b>	<b>114.1</b>	
<i>Net debt / Operating margin</i> <sup>(3)</sup>	<i>0.2x</i>	<i>0.2x</i>	

<sup>(1)</sup> Excluding net cash acquired <sup>(2)</sup> Non cash variations (mainly due to consolidation scope variations, translation differences on net financial debt, the impact of IAS 39 and finance lease) <sup>(3)</sup> Trailing 12 months operating margin

Please refer to page 40 for financial definitions

# BREAKDOWN OF CAPEX

In m€



# H1 2013 FINANCIAL HIGHLIGHTS

- ▶ **Sequential improvement in Q2 – organic revenues flat in H1**
- ▶ **Steady operating margin, improving EBIT and net income Group share**
- ▶ **Free cash flow generation below H1 2012 level :**
  - **Higher capex over the period (including São Paulo)**
  - **Unfavorable one-offs, mainly impacting change in WCR**
- ▶ **Continuous commitment to:**
  - **Cost control throughout all geographies**
  - **Consistent investment policy to drive profitable growth**

# GROWTH STRATEGY AND OUTLOOK



# GLOBAL URBANISATION WILL DRIVE MORE WEALTH INTO CITIES

Top 10 cities in terms of 2012 GDP			Expected GDP growth CAGR 2012-2025
1		Tokyo	+1.7%
2		New York	+1.8%
3		Los Angeles	+1.6%
4		Seoul	+2.3%
5		London	+2.2%
6		Paris	+1.6%
7		Osaka/Kobe	+1.1%
8		Chicago	+2.1%
9		Moscow	+3.2%
10		Shanghai	+6.6%



London, UK 

Source: PWC, McKinsey

Value of audience is increasing

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# MEGACITIES WILL KEEP ATTRACTING MORE PEOPLE



Top 10 cities in terms of 2012 GDP			Expected pop. increase 2012-2025
1		Tokyo	+4.0M
2		New York	+2.0M
3		Los Angeles	+0.8M
4		Seoul	-0.9M
5		London	+2.1M
6		Paris	+1.6M
7		Osaka/Kobe	+0.5M
8		Chicago	+1.7M
9		Moscow	+1.0M
10		Shanghai	+2.4M

Source: PWC, McKinsey

**Absolute audience is increasing**

# JCDECAUX WILL BENEFIT FROM FAST GROWING ECONOMIES

Top 15 cities in terms of projected GDP (2025) Fast growing markets are in red			JCDecaux today		
					
1	 New York			✓	
2	 Tokyo				
3	 <b>Shanghai</b>			✓	
4	 London	✓	✓		✓
5	 <b>Beijing</b>			✓	
6	 Los Angeles	✓	✓		
7	 Paris	✓	✓		✓
8	 Chicago	✓			✓
9	 <b>Shenzhen</b>			✓	
10	 <b>Tianjin</b>			✓	
11	 Dallas			✓	
12	 Washington DC			✓	
13	 Houston			✓	
14	 <b>São Paulo</b>	✓			
15	 <b>Moscow</b>	✓			✓



37m<sup>2</sup> LED screen at Shanghai Pudong airport, China



## A UNIQUE AIRPORT NETWORK EXPERTISE

- ▶ JCDecaux has the leading coverage of air passenger traffic with c. 30%
- ▶ 160 airports as of today with more than half outside Europe
- ▶ Network allows strong international campaigns



*Miami international airport, USA*



# TRANSPORT CONTINUES TO LEAD DIGITAL TRANSFORMATION

- ▶ Transport is a premium environment with a valuable and captive audience
- ▶ In H1 2013, JCDecaux digital revenues account for 14% of Transport
- ▶ 8 out of our top 10 airports have a digital offer



17 m<sup>2</sup> HD screen at Paris Orly airport, France

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# ICONIC DIGITAL SCREENS IN MAJOR HUBS

 Paris CDG: 39m<sup>2</sup>

 Shanghai Pudong: 37m<sup>2</sup>

 Dubai: 32m<sup>2</sup>

 Paris Orly: 17m<sup>2</sup>

 Singapore: Digital 360

 JFK: 25m<sup>2</sup>

 Heathrow: towers

 Hong Kong: 18m<sup>2</sup>



Digital 360, Changi airport, Singapore



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# DIGITAL: DYNAMIC, REACTIVE, GEO-TARGETED



UK campaign that only runs when the pollen count is high, alerting hayfever sufferers



JCDecaux

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# OUTDOOR ADVERTISING DRIVES INTERNET SEARCH AND TRIGGERS TWEETS



**Victoria Beckham** @victoriabeckham

22 Jun

Look who I saw at Beijing airport! Proud mummy x vb

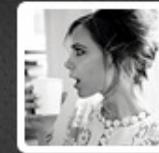
[pic.twitter.com/wXeo6MUKh5](https://pic.twitter.com/wXeo6MUKh5)

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6,378,792 FOLLOWERS

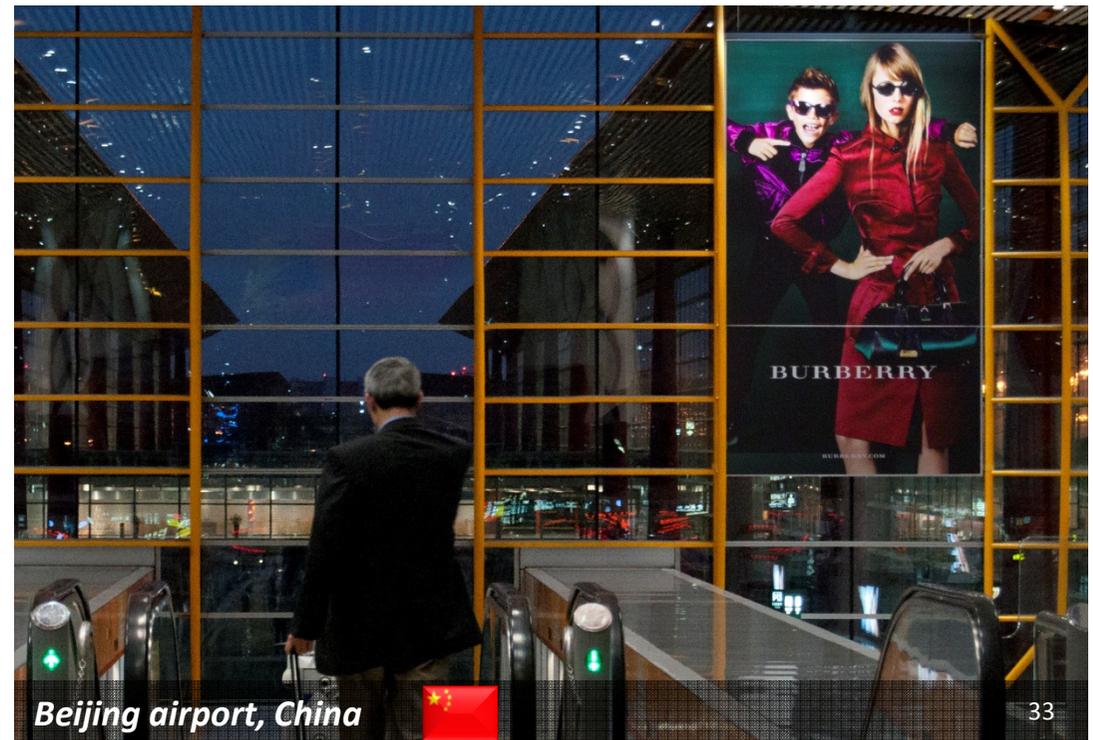


**Victoria Beckham** ✓

@victoriabeckham

The Official Twitter page for Victoria Beckham

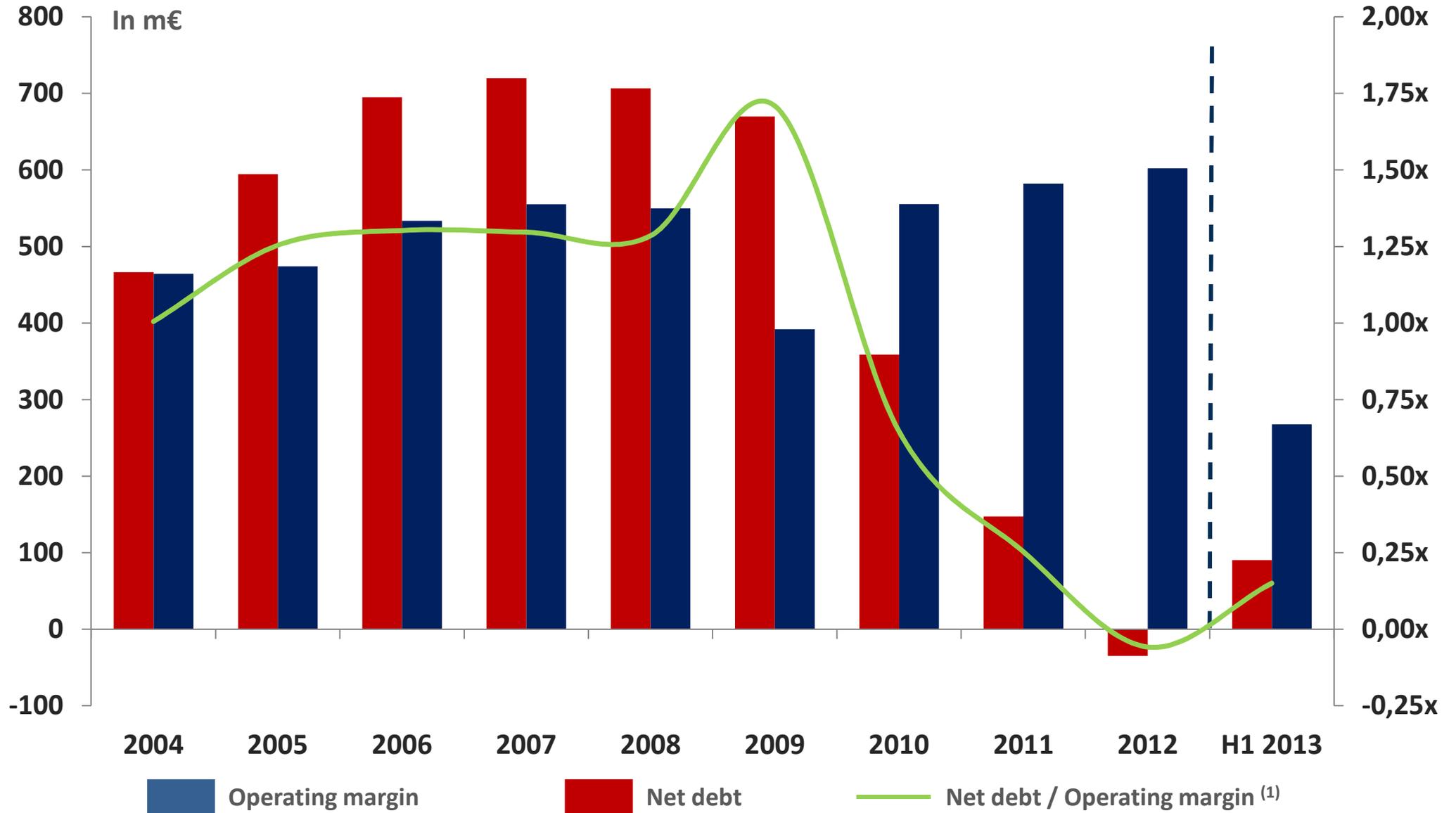
Los Angeles · [victoriabeckham.com](http://victoriabeckham.com)



Beijing airport, China



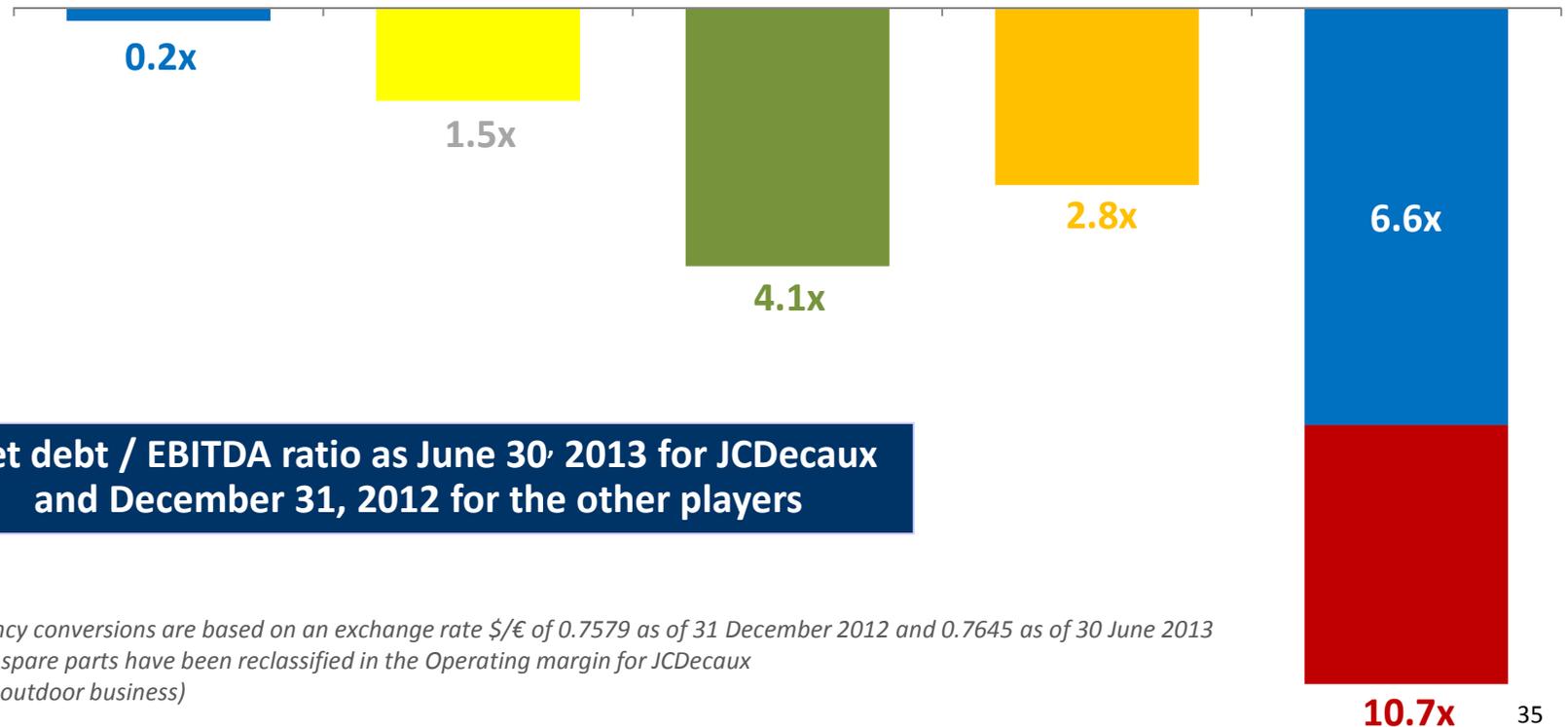
# STRONG CASH GENERATION



<sup>(1)</sup> Trailing 12 months operating margin for H1 2013

# JCDECAUX HAS THE STRONGEST BALANCE SHEET IN THE INDUSTRY

	JCDecaux	CBS <sup>(2)</sup>	Lamar	Ströer	CCO/CCMH
Net debt / EBITDA <sup>(1)</sup>	0.2x	1.5x	4.1x	2.8x	6.6x/10.7x
Gross debt	\$1.0bn	\$5.9bn	\$2.2bn	\$453m	\$4.9bn/\$20.7bn
Maturity date	2013-2018	2014-2042	2014-2023	2017	2020-2022/2013-2028
Credit Rating (S&P)	BBB	BBB	BB-	NA	NA / CCC+
Credit Rating (Moody's)	Baa2	Baa2	Ba3	NA	NA / Caa2



Sources: Company news releases - Currency conversions are based on an exchange rate \$/€ of 0.7579 as of 31 December 2012 and 0.7645 as of 30 June 2013

<sup>(1)</sup> For consistency purpose, maintenance spare parts have been reclassified in the Operating margin for JCDecaux

<sup>(2)</sup> Include all CBS' activities (not only the outdoor business)

# MAIN TENDERS EXPECTED 2013/2014

## Street Furniture

### Europe

 Frankfurt, Cologne, Berlin, Bonn, Hanover, Essen, Darmstadt, Düsseldorf

 The Hague

 Oslo

 Paris bus shelters

### North America

 Public payphones in New York (RFI)

### Rest of the World

 Several 2014 World Cup cities

 Moscow

 St. Petersburg

## Transport

### Europe

 Spanish railways

 Rome airport

### US airports

 Boston, Atlanta

### Asia-Pacific

 New metros in Chinese cities

 New terminals in Chinese airports

### Rest of the World

 St. Petersburg airport

 Algiers metro

## Billboard

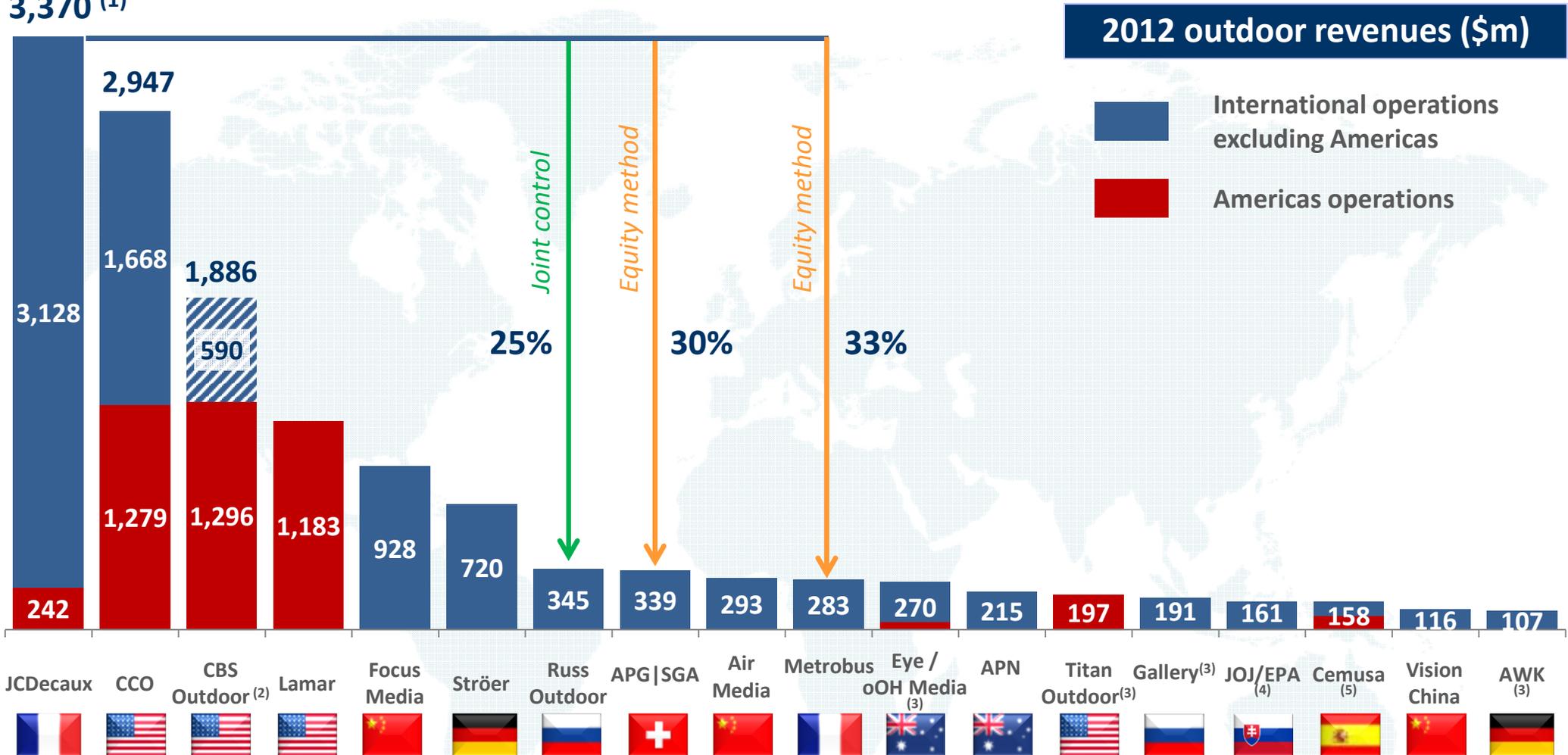
### Rest of the World

 Moscow

 St. Petersburg

# COMPETITIVE LANDSCAPE

3,370 <sup>(1)</sup>



2012 outdoor revenues (\$m)

International operations excluding Americas  
Americas operations

Sources: Company news releases. Currency conversions are based on an annual average exchange rate \$/€ of 0.7783, CHF/€ of 0.8297 and AUD/€ of 0.8060 in 2012

<sup>(1)</sup> Does not include revenues from APG|SGA and Metrobus, companies integrated through the equity method in JCDecaux's financial statements  
<sup>(2)</sup> On July, 16<sup>th</sup> 2013, a PE made an offer to purchase the international assets of CBS Outdoor. The transaction is subject to completion of works council consultation and other conditions  
<sup>(3)</sup> JCDecaux's estimate of 2012 revenue – the revenue figures for Eye / oOH Media corresponds to the total revenue (Americas + International)  
<sup>(4)</sup> In November 2012, JOJ Media House (Slovakia) announced the acquisition of EPAMEDIA. One month later (in December) JCDecaux purchased EPA Hungary from JOJ Media  
<sup>(5)</sup> The revenue figure corresponds to the total revenue (Americas + International)

- ▶ **Solid financial achievements in H1 2013**
  - ✓ Resilient topline despite difficult macro environment
  - ✓ Improving EBIT and net income Group share
  - ✓ Strong financial flexibility
  
- ▶ **JCDecaux: a strategic position in its industry**
  - ✓ N°1 outdoor advertising company in the world
  - ✓ Strong exposure to fast growing countries
  - ✓ Digital upside driven by Transport
  - ✓ Streets ahead in product innovation
  - ✓ Strong organic and external growth opportunities

***“As far as Q3 is concerned, comparables will be tougher due to the strong positive impact that the 2012 London Olympic Games had on our activity in the UK. While visibility remains low and revenues somewhat volatile, we currently expect a slight decrease in organic revenues.”***

## **Operating margin**

Revenues less Direct Operating Costs (excluding Maintenance spare parts) and including SG&A costs

## **EBIT (Earnings Before Interests and Taxes)**

Operating margin less maintenance spare parts, amortization & provisions, impairment of goodwill and other operating income and expenses

## **Free cash flow**

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

## **Net debt**

Debt net of cash managed 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 financial derivatives and including the restatement of loans related to the proportionately consolidated companies

# FORWARD LOOKING STATEMENTS

*This presentation 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](http://www.amf-france.org) or directly on the Company website [www.jcdecaux.com](http://www.jcdecaux.com).*

*The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.*

