

## JCDecaux: update on Vélib'

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**JCDecaux SA** (Euronext Paris: DEC), the number one outdoor advertising company worldwide and the number one player in self-service bicycle hire schemes, would like to emphasise the following factors concerning Vélib' and SOMUPI, the Group subsidiary responsible for operating this service, in response to the article reported in Le Parisien on Monday, 12 September 2016 entitled "L'addition salée des Vélib'".

### Extension of the contract by 10 months

The contract for the operation of Vélib' was due to expire on 28 February 2017. The 10-month extension that was voted for by the Paris City Council in July 2016 was initiated by the City of Paris.

### Transparency of the financial statements

SOMUPI, the JCDecaux subsidiary responsible for operating Vélib', has submitted its parent company financial statements, as approved by the statutory auditors, to the City of Paris every year, and the monthly financial report of mandated receipts, as set out in the contractual agreement.

### Cost of operation for the City of Paris

In 2013, the year referenced in the article, the City's revenue was in line with and even exceeded its expenditure. In fact, expenses amounted to €16.7m and revenue amounted to €20.1m. Revenue includes receipts from hiring and subscription by users, which are paid to the City of Paris, i.e. €16.1m in 2013 (€15 to 18m depending on the year, €17.3m in 2015). It also includes royalties for the use of a public space to the amount of €4m paid by SOMUPI to the City in the context of the use of street furniture for advertising, which finances the service.

### Theft and vandalism

Before the launch of the Vélib' service, theft was estimated at 5% of the total network of 1,000 Vélib' bicycles a year. In reality, it has been between 12 and 19 times higher depending on the year.

Theft and vandalism costs are contractually covered by the City, up to €400 (excluding tax) per Vélib' bike stolen or vandalised, up to a limit of 21% of the Vélib' bike network, representing a total of €1.6m in 2015 for 3,600 Vélib' bikes compensated. The remainder is paid for by SOMUPI.

### Extension of the Vélib' service to the suburb

The extension to the suburbs was requested by the City of Paris, approved by the Council of State, and invoiced as set out in the relevant contract schedule at €8m per annum in 2015 for 300 bike terminals and 3,000 Vélib' bikes. The City of Paris wants to extend the Vélib' service under the next contract; each municipality will be asked to contribute financially to the new service.

### Financing of investments

The total investment was financed by SOMUPI. JCDecaux had already demonstrated its expertise in 2002 with successful self-service bike hire systems in France (Lyon) and outside of France (Vienna, Cordoba, Gijon). The City of Paris benefited well in advance from this experience and from all of the Group's R&D, notably 27 patents registered before the Vélib' tender.

It is also worth noting that JCDecaux was awarded four enterprise trophies before Vélib':

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A public limited corporation with an Executive Board and Supervisory Board

Registered capital of 3,240 205.36 euros - # RCS: 307 570 747 Nanterre - FR 44307570747

- 2005 Bicycle Trophy

In 2005, Cyclocity received the “Bicycle Trophy” with Vélo’v, as part of the 16<sup>th</sup> Congrès des villes cyclables (Congress of towns open to bicycles), rewarding the system of self-service bikes on offer as a complementary form of public transport in the Greater Lyon urban area.

- 2005 L’Usine Nouvelle Trophy

This award highlighted the response that Cyclocity offered in the field of sustainable development, responding to three key criteria: environmental protection, economic viability and social responsibility.

- 2nd “Prix Entreprises et Environnement 2006”

Cyclocity was a winner of the Enterprise and Environment 2006 award for its shared service concept.

- Janus 2006 de l’Industrie

The system was awarded the “Janus 2006 de l’Industrie” for improving the lifestyle of its users and helping to preserve their environment.

Since its launch in 2007, Vélib’, the world’s largest self-service bike hire system, has confirmed its unprecedented popularity among Parisians, and announces the following figures for 2015:

- 23,600 bikes available at 1,751 bike terminals in Paris and in 30 surrounding districts
- 298,139,249 bike rentals since initial launch
- 108,000 bike trips a day on average
- 238,000 km travelled a day
- 75 Vélib’ bikes hired every minute
- A churn rate of 6.4
- 88% of users satisfied
- 95% of annual subscribers would subscribe to Vélib’ again

And during summer 2016, the number of subscribers surpassed 300,000.

**Jean-Michel Geffroy, Chairman of SOMUPI and General Manager Products at JCDecaux**, said: “Vélib’ has been a success thanks to our capacity to innovate and provide an environmentally friendly service for a dense network that is accessible to all. We also owe this success to the work and dedication of 320 employees who have guaranteed the operation of Vélib’ every day without interruption since 2007. Our teams move an average of more than 3,000 bikes a day to ensure that all terminals are supplied. They repair more than 52,000 bikes each year at our workshops in the Greater Paris area. 88% of users say they are satisfied with Vélib’ and our client service centre based in Paris was named Client Service of the Year in 2016\* in the Individual Transport category, a recognition by the professional sphere of the quality of service offered.

*It is regrettable that these claims attempt to tarnish a record of which the City of Paris, JCDecaux and SOMUPI are proud. I would query their publication at a time when a tender process is underway to name the operator of the future Vélib’.*”

\*Inference Operations survey – Viséo Conseil – May to July 2015 – More information on : [www.escca.fr](http://www.escca.fr).