

**JCDecaux**

**Business report FY 2016**

March 2<sup>nd</sup>, 2017

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## ANNUAL BUSINESS REVIEW – FY 2016

### ANNUAL FINANCIAL RELEASE – FY 2016

- Adjusted revenue up +5.8% to €3,392.8 million, adjusted organic revenue up +3.3%
- Adjusted operating margin of €646.5 million, down -7.0%
- Adjusted EBIT, before impairment charge, of €351.4 million, down -5.4%
- Net income Group share, before impairment charge, of €223.5 million, down -7.4%
- Net income Group share of €224.7 million, down -3.9%
- Adjusted free cash flow of €263.7 million, down -20.9%
- Dividend per share proposed for the year 2016, to €0.56, in line with 2015
- Adjusted organic revenue growth expected to be slightly negative in Q1 2017

Paris, 2<sup>nd</sup> March, 2017 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its results for the year ended 31<sup>st</sup> December, 2016. The accounts are audited and certified.

Following the adoption of IFRS 11 from 1<sup>st</sup> January, 2014, the operating data presented below is adjusted to include our prorata share in companies under joint control, and therefore is comparable with historical data prior to 2014. Please refer to the paragraph “Adjusted data” on page 5 of this release for the definition of adjusted data and reconciliation with IFRS.

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

*“2016 was for JCDecaux another year of record revenue at €3,392.8 million despite the significant slowdown in Greater China. While our free cash flow generation remains solid, our overall profitability declined due to both the integration of CEMUSA 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 premium digital portfolio which now represents 12.9% of our total revenue. New York City and London are now a digital showcase for JCDecaux and this will help us to gain market share in the largest and fourth largest advertising markets worldwide.*

*2016 was also a turning point in our organic growth strategy for Japan, the world’s third largest advertising market, with the award of several Street Furniture contracts in Tokyo, where we will enjoy long-term exclusive rights for almost all the bus shelters to sell premium advertising in a city with more than 13 million people which will host the Olympic and Paralympic Games in 2020. This creates a truly national Street Furniture network in all 41 biggest Japanese cities.*

*2016 was finally a year of further consolidation in the fragmented OOH market in Latin America with the bolt-on acquisitions of OUTFRONT Media and Top media which creates the largest OOH platform where we are covering all Top 10 wealthiest cities in the region. In addition, JCDecaux entered into a strategic alliance in June 2016 with Caracol Televisión in Colombia, reflecting our successful business development strategy which is also based on joint-ventures with local partners.*

*Given our solid free cash flow and an enhanced strong financial flexibility, we recommend the payment of a dividend of €0.56 per share, in line with 2015, at the Annual General Meeting which will take place on May 11<sup>th</sup>, 2017.*

*As far as Q1 2017 is concerned, given the strong comparable in Q1 2016 and an uncertain global economic as well as political outlook, we expect our adjusted organic revenue growth to be slightly negative.*

*In a media landscape increasingly fragmented, out-of-home advertising reinforces its attractiveness. With our well-diversified exposure to faster-growth markets, an increasing presence in the most influential cities in the world<sup>1</sup>, 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.”*

<sup>1</sup> According to Forbes 2014 ranking.

In order to quantify cities’ global influence, Forbes looked at eight factors: the amount of foreign direct investment they have attracted; the concentration of corporate headquarters; how many particular business niches they dominate; air connectivity (ease of travel to other global cities); strength of producer services; financial services; technology and media power; and racial diversity.

**ADJUSTED REVENUE**

As reported on 26<sup>th</sup> January, 2017, consolidated adjusted revenue increased by +5.8% to €3,392.8 million in 2016. Adjusted organic revenue growth of +3.3% was driven by France, the Rest of the World and the UK offsetting the softness of the Rest of Europe and Asia-Pacific. H2 2016 faced a significant slowdown mainly from Greater China. Street Furniture with a +5.2% organic growth was driven by an increasing digitisation of our prime locations, mainly in London and New York City. Transport posted a positive organic growth at +2.1% despite a significant slowdown in Greater China over the year. Billboard recorded a +0.9% organic growth thanks to a positive performance in France and a strong recovery in Russia.

**ADJUSTED OPERATING MARGIN <sup>(1)</sup>**

In 2016, adjusted operating margin decreased by -7.0% to €646.5 million from €695.2 million in 2015. The adjusted operating margin as a percentage of revenue was 19.1%, -260bp below prior year. Despite the slowdown of the revenue growth between H1 and H2 2016, the decrease in operating margin was less significant during the second part of the year.

|                  | 2016         |              | 2015         |              | Change 16/15 |                  |
|------------------|--------------|--------------|--------------|--------------|--------------|------------------|
|                  | €m           | % of revenue | €m           | % of revenue | Change (%)   | Margin rate (bp) |
| Street Furniture | 405.4        | 26.6%        | 441.6        | 31.7%        | -8.2%        | -510bp           |
| Transport        | 182.0        | 13.2%        | 201.5        | 14.9%        | -9.7%        | -170bp           |
| Billboard        | 59.1         | 11.9%        | 52.1         | 11.4%        | +13.4%       | +50bp            |
| <b>Total</b>     | <b>646.5</b> | <b>19.1%</b> | <b>695.2</b> | <b>21.7%</b> | <b>-7.0%</b> | <b>-260bp</b>    |

**Street Furniture:** In 2016, adjusted operating margin decreased by -8.2% to €405.4 million. As a percentage of revenue, the adjusted operating margin decreased by -510bp to 26.6%, compared to 2015, mainly impacted by the integration of CEMUSA, requiring some operational restructuring and investments to turnaround the business, and the ramp-up of the world's largest bus shelter advertising franchise with TfL in London.

**Transport:** In 2016, adjusted operating margin decreased by -9.7% to €182.0 million. As a percentage of revenue, the adjusted operating margin decreased by -170bp to 13.2%, compared to 2015, mainly due to the ramp-up of airports contracts in North America, the slowdown in Asia-Pacific and the impact of the Spanish airports from the integration of CEMUSA.

**Billboard:** In 2016, adjusted operating margin increased by +13.4% to €59.1 million. As a percentage of revenue, adjusted operating margin increased by +50bp to 11.9% compared to 2015, benefitting from the good performance in France and Russia.

**ADJUSTED EBIT <sup>(2)</sup>**

In 2016, adjusted EBIT before impairment charge decreased by -5.4% to €351.4 million compared to €371.4 million in 2015. As a percentage of revenue, this represented a -120bp decrease to 10.4%, from 11.6% in 2015. The consumption of maintenance spare parts was slightly down in 2016 compared to 2015. Net amortisation and provisions were down compared to 2015, thanks to a reversal on provisions for onerous contracts, related to the Purchase Accounting of CEMUSA and OUTFRONT Media Latam. Other operating income and expenses negatively impacted the P&L, mainly due to the restructuring costs spent for CEMUSA and OUTFRONT Media Latam.

No impairment charge on goodwill and on investments under equity method has been recorded in 2016 as in 2015. The €1.7 million reversal was related to a reversal of provisions for onerous contracts for €1.2 million and to a reversal of impairment on tangible and intangible assets for €0.5 million.

Adjusted EBIT after impairment charge decreased by -1.2% to €353.1 million compared to €357.5 million in 2015.

**NET FINANCIAL INCOME / (LOSS) <sup>(3)</sup>**

In 2016, net financial income was -€28.9 million compared to -€28.2 million, in line with 2015.

**EQUITY AFFILIATES**

In 2016, the share of net profit from equity affiliates was €95.2 million, higher compared to 2015 (€81.4 million), mainly attributed to the better performance of Russ Outdoor in Russia and to APG|SGA in Switzerland as well as some changes in scope.

**NET INCOME GROUP SHARE**

In 2016, net income Group share before impairment charge decreased by -7.4% to €223.5 million compared to €241.4 million in 2015.

Taking into account the impact from the impairment charge, net income Group share decreased by -3.9% to €224.7 million compared to €233.9 million in 2015.

**ADJUSTED CAPITAL EXPENDITURE**

In 2016, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €242.3 million compared to €229.4 million in 2015, with higher growth capex due to the acceleration of the digitisation of our Street furniture assets mainly in London and in New York City.

**ADJUSTED FREE CASH FLOW** <sup>(4)</sup>

In 2016, adjusted free cash flow was €263.7 million compared to €333.4 million in 2015. This decrease, due to a lower operating margin and higher growth capex, is offset by a good management of our working capital requirements which impacted positively our Group's cash position.

**DIVIDEND**

At the next Annual General Meeting of Shareholders on 11<sup>th</sup> May, 2017, the Supervisory Board will recommend the payment of a dividend of €0.56 per share for the 2016 financial year, in line with the previous year.

**NET DEBT** <sup>(5)</sup>

Net debt as of 31<sup>st</sup> December 2016 amounted to €418.6 million compared to €400.5 million as of 31<sup>st</sup> December 2015.

**BOND ISSUE**

JCDecaux has successfully placed 7-year notes for a principal amount of €750 million, maturing on 1<sup>st</sup> 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 1<sup>st</sup> 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 will 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, consistent with historical data prior to 2014, which is 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 2016, the impact of IFRS 11 on our adjusted aggregates is:

- -€418.3 million on adjusted revenue (-€400.5 million in 2015) leaving IFRS revenue at €2,974.5 million (€2,807.1 million in 2015).
- -€118.4 million on adjusted operating margin (-€112.5 million in 2015) leaving IFRS operating margin at €528.1 million (€582.7 million in 2015).
- -€100.8 million on adjusted EBIT before impairment charge (-€87.4 million in 2015) leaving IFRS EBIT before impairment charge at €250.6 million (€284.0 million in 2015).
- -€100.8 million on adjusted EBIT after impairment charge (-€87.4 million in 2015) leaving IFRS EBIT after impairment charge at €252.3 million (€270.1 million in 2015).
- -€14.7 million on adjusted capital expenditure (-€27.5 million in 2015) leaving IFRS capital expenditure at €227.6 million (€201.9 million in 2015).
- -€34.2 million on adjusted free cash flow (+€1.5 million in 2015) leaving IFRS free cash flow at €229.5 million (€334.9 million in 2015).

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

**ORGANIC GROWTH DEFINITION**

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

**NOTES**

- (1) **Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.
- (2) **EBIT:** Earnings Before Interests and Taxes = Operating Margin less Depreciation, amortisation and provisions (net) less Impairment of goodwill less Maintenance spare parts less Other operating income and expenses.

- (3) **Net financial income / (loss):** Excluding the impact of discounting and revaluation of debt on commitments to purchase non-controlling interests (+€10.1 million and -€5.5 million in 2016 and 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 non-controlling interests), including the non-cash IAS 39 impact on both debt and hedging financial derivatives.

**Next information:**

Q1 2017 revenue: 4<sup>th</sup> May, 2017 (after market)  
Annual General Meeting of Shareholders: 11<sup>th</sup> May, 2017

**Key Figures for JCDecaux**

- 2016 revenue: €3,393m
- JCDecaux is listed on the Eurolist of Euronext Paris and is part of the Euronext 100 and Euronext Family Business indexes
- JCDecaux is part of the FTSE4Good and Dow Jones Sustainability Europe indexes
- N°1 worldwide in street furniture (559,070 advertising panels)
- N°1 worldwide in transport advertising with more than 220 airports and 260 contracts in metros, buses, trains and tramways (354,680 advertising panels)
- N°1 in Europe for billboards (169,860 advertising panels)
- N°1 in outdoor advertising in Europe (721,130 advertising panels)
- N°1 in outdoor advertising in Asia-Pacific (219,310 advertising panels)
- N°1 in outdoor advertising in Latin America (70,680 advertising panels)
- N°1 in outdoor advertising in Africa (29,820 advertising panels)
- N°1 in outdoor advertising in the Middle-East (16,230 advertising panels)
- N°1 worldwide for self-service bike rental scheme: pioneer in eco-friendly mobility
- 1,117,890 advertising panels in more than 75 countries
- Present in 4,280 cities with more than 10,000 inhabitants
- Daily audience: more than 410 million people
- 13,030 employees

**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](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.

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**RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES**

| Profit & Loss                        | 2016           |   |                | 2015           |   |                |
|--------------------------------------|----------------|---|----------------|----------------|---|----------------|
|                                      | Adjusted       | Impact of companies under joint control | IFRS           | Adjusted       | Impact of companies under joint control | IFRS           |
| €m                                   |                |   |                |                |   |                |
| <b>Revenue</b>                       | <b>3,392.8</b> | <b>(418.3)</b>                          | <b>2,974.5</b> | <b>3,207.6</b> | <b>(400.5)</b>                          | <b>2,807.1</b> |
| Operating costs                      | (2,746.3)      | 299.9                                   | (2,446.4)      | (2,512.4)      | 288.0                                   | (2,224.4)      |
| <b>Operating margin</b>              | <b>646.5</b>   | <b>(118.4)</b>                          | <b>528.1</b>   | <b>695.2</b>   | <b>(112.5)</b>                          | <b>582.7</b>   |
| Maintenance spare parts              | (46.1)         | 1.0                                     | (45.1)         | (46.8)         | 1.4                                     | (45.4)         |
| Amortisation and provisions (net)    | (215.8)        | 16.6                                    | (199.2)        | (261.4)        | 22.9                                    | (238.5)        |
| Other operating income / expenses    | (33.2)         | 0.0                                     | (33.2)         | (15.6)         | 0.8                                     | (14.8)         |
| <b>EBIT before impairment charge</b> | <b>351.4</b>   | <b>(100.8)</b>                          | <b>250.6</b>   | <b>371.4</b>   | <b>(87.4)</b>                           | <b>284.0</b>   |
| Net impairment charge <sup>(1)</sup> | 1.7            | -                                       | 1.7            | (13.9)         | -                                       | (13.9)         |
| <b>EBIT after impairment charge</b>  | <b>353.1</b>   | <b>(100.8)</b>                          | <b>252.3</b>   | <b>357.5</b>   | <b>(87.4)</b>                           | <b>270.1</b>   |

<sup>(1)</sup> Including impairment charge on net assets of companies under joint control.

| Cash-flow Statement                                   | 2016         |   |              | 2015         |   |              |
|---|--------------|---|--------------|--------------|---|--------------|
|   | Adjusted     | Impact of companies under joint control | IFRS         | Adjusted     | Impact of companies under joint control | IFRS         |
| €m  |              |   |              |              |   |              |
| <b>Funds from operations net of maintenance costs</b> | <b>458.1</b> | <b>(19.0)</b>                           | <b>439.1</b> | <b>536.6</b> | <b>(21.6)</b>                           | <b>515.0</b> |
| Change in working capital requirement                 | 47.9         | (29.9)                                  | 18.0         | 26.2         | (4.4)                                   | 21.8         |
| <b>Net cash flow from operating activities</b>        | <b>506.0</b> | <b>(48.9)</b>                           | <b>457.1</b> | <b>562.8</b> | <b>(26.0)</b>                           | <b>536.8</b> |
| Capital expenditure                                   | (242.3)      | 14.7                                    | (227.6)      | (229.4)      | 27.5                                    | (201.9)      |
| <b>Free cash flow</b>                                 | <b>263.7</b> | <b>(34.2)</b>                           | <b>229.5</b> | <b>333.4</b> | <b>1.5</b>                              | <b>334.9</b> |

## **BUSINESS HIGHLIGHTS OF FY 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.

In July, JCDecaux announced that its Japanese subsidiary, MCDecaux (85% owned by JCDecaux and 15% by Mitsubishi Corporation) has won the competitive tender for advertising bus shelter contract awarded by the Bureau of Transportation, Tokyo Metropolitan Government, for a minimum duration of 15 years.

This exclusive contract is the largest bus shelter contract in Japan and covers the design, installation, maintenance and operation of advertising bus shelters. At least 400 shelters, featuring more than 800 2m<sup>2</sup> advertising panels, will be installed before the 2020 Olympic and Paralympic Games.

In September, JCDecaux announced today that its Japanese subsidiary, MCDecaux (85% owned by JCDecaux and 15% by Mitsubishi Corporation) has been awarded the bus shelter advertising contracts by Tokyo bus operators Fuji Express and Tokyu Bus Corporation, for 20 years. MCDecaux now holds contracts with 10 of the 11 main private bus operators in Tokyo, which represents a potential of more than 600 advertising bus shelters in the heart of the Japanese capital, in addition to the minimum of 400 proposed in the contract signed with the Tokyo Metropolitan Government on June 29<sup>th</sup>.

- **Rest of Europe**

In December, JCDecaux announced that following a competitive tender, its Irish subsidiary has signed a 5-year bus shelter advertising contract with the National Transport Authority (NTA).

- **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-Élysées 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 Élysées roundabout. Wi-Fi Champs-Élysées 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.

In July, JCDecaux announced that MédiaKiosk, its subsidiary specialising in the installation and management of newsstands, of which it is the majority shareholder (82.5%) alongside Presstalis (5%) and three publishing groups – Le Figaro (5%), Le Monde (5%) and Altice Media (2.5%) – has renewed the contract to design, supply, install, maintain and operate news and other types of kiosks in Paris. This will include managing kiosk advertising and the Paris kiosk staff network for a period of 15 years, beginning on 1 July 2016.

In October, JCDecaux announced that following a competitive tender, its street furniture contract with the city of Nice (340,000 inhabitants) has been renewed and extended for 12 years. This exclusive contract covers the installation, upkeep, operation and maintenance of over 194 street furniture units that have either 2 m<sup>2</sup> or 8 m<sup>2</sup> advertising faces (which may increase to 358 units) and 16 non-advertising street furniture units. Among the 194 advertising street furniture equipment, JCDecaux will propose new 84-inch high-definition iVision LCD digital screens, with unrivalled outdoor image quality.

- **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.

In November, JCDecaux has partnered with TECOM Group to pioneer state-of-the-art digital advertising solutions, at Dubai Media City, Dubai Internet City and Dubai Knowledge Park. This community transformation project will include the installation of smart digital outdoor solutions as part of a wider initiative across TECOM Business Parks. TECOM Group

said that it intends to reimagine its business communities, while spurring creativity through the installation of smart infrastructure which will enhance those innovative ecosystems.

- **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.

In December, JCDecaux and Top Media, leader in the outdoor advertising sector in Central America, announced they have signed an agreement to merge their activities. The new venture, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua.

### **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.

In July, JCDecaux announced the opening of the sixth JCDecaux OneWorld office in San Francisco in order to cover the West coast of the USA, with a particular focus on the nest of Tech companies and Start-ups within San Francisco and the Silicon Valley. This opening comes after London in 2009, Paris and New York in 2011, Shanghai in 2013 and Miami in 2014. This is a new location created within JCDecaux OneWorld, the division that provides international sales and marketing support for clients, media and advertising agencies in more than 75 markets where the Group operates.

In September, JCDecaux announced that following an evaluation by RobecoSAM (a company specialising in sustainable investing) and in partnership with S&P Dow Jones Indices (one of the largest providers of stock indices in the world), the Group has been included among the 24 European companies joining the Dow Jones Sustainability Europe Index on 19 September 2016.

- **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 annual results, **Jean-Charles Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

*“As far as Q1 2017 is concerned, given the strong comparable in Q1 2016 and an uncertain global economic as well as political outlook, we expect our adjusted organic revenue growth to be slightly negative.”*

**RELATED PARTIES**

Paragraph 9 of the “Notes to the annual consolidated financial statements” on page 58 reports on related parties.

## **RISK FACTORS**

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

### **1. Risks related to the Group's activities**

#### **- The Group's reputation:**

Our reputation and our history of integrity are essential factors that help us to procure contracts with local governments. Since 2001, we developed ethical rules applicable to our entire business. These rules have been regularly reviewed and distributed throughout the entire Group.

#### **- Reliance on key executive officers:**

The performance of the Group depends mainly on the continued services of the key executive officers. The Compensation and Nominating Committee has established a succession plan for Executive Board's members if this should occur.

#### **- Risks related to the economic environment:**

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

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

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

The Group has a customer diversified portfolio and resorts to a large number of suppliers. The Group isn't dependent on one customer or one supplier.

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

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

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

### **2. Legal and regulatory risks**

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

The outdoor advertising market is regulated at a local and a national level in most of the countries where the Group operates.

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

#### **- Risks related to the pending disputes:**

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

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

#### **- Risks related to intellectual property:**

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

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

### **3. Risks related to the external growth:**

#### **- Risks related to acquisitions:**

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

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

- **Risks related to the geopolitical environment:**

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

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

#### **4. Financial risks**

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

The Group's objective is to minimize such risks by choosing appropriate financial policies. However, the Group may need to manage residual positions. This strategy is monitored and managed centrally, by a dedicated team within the Group Finance Department. Risk management policies and hedging strategies are approved by Group management.

#### **5. IT risks**

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

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

#### **6. Environmental risks**

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

Risks related to extreme and more frequent climate events or related to the increase of sea level can impact locally the Group's activities.

JCDecaux's assets are insured against the risks related to climate events. In order to lower the impact of a climate change on the Group's activities, JCDecaux deploys its Sustainable Development Strategy since 2014.

- **Environmental risks related to the activity:**

Environmental risks related to the activity are limited. However, the Group has identified two ICPE sites notifiable in France and subject to all requested controls and follow-up.

The Group implemented a follow-up of the risks related to those sites and regular controls are done in order to reduce as much as possible the environmental risks related to those sites.

#### **7. Risks covered by insurance**

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

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

**ANNUAL CONSOLIDATED FINANCIAL STATEMENTS – FY 2016****ANNUAL CONSOLIDATED FINANCIAL STATEMENTS****STATEMENT OF FINANCIAL POSITION****Assets**

| <i>In million euros</i>                               |        | 31/12/2016     | 31/12/2015     |
|---|--------|----------------|----------------|
| Goodwill  | § 4.1  | 1,360.8        | 1,271.6        |
| Other intangible assets                               | § 4.1  | 312.7          | 300.2          |
| Property, plant and equipment                         | § 4.2  | 1,150.7        | 1,173.1        |
| Investments under the equity method                   | § 4.4  | 510.2          | 489.3          |
| Financial investments                                 | § 4.5  | 0.7            | 0.8            |
| Financial derivatives                                 | § 2.7  |                |                |
| Other financial assets                                | § 4.5  | 103.7          | 108.5          |
| Deferred tax assets                                   | § 4.10 | 134.9          | 48.6           |
| Current tax assets                                    |        | 1.1            | 1.2            |
| Other receivables                                     | § 4.6  | 30.2           | 32.9           |
| <b>NON-CURRENT ASSETS</b>                             |        | <b>3,605.0</b> | <b>3,426.2</b> |
| Other financial assets                                | § 4.5  | 5.1            | 10.3           |
| Inventories   | § 4.7  | 112.9          | 99.9           |
| Financial derivatives                                 | § 4.15 | 0.9            | 3.4            |
| Trade and other receivables                           | § 4.8  | 907.8          | 887.1          |
| Current tax assets                                    |        | 19.1           | 17.0           |
| Treasury financial assets                             | § 4.9  | 281.0          | 77.7           |
| Cash and cash equivalents                             | § 4.9  | 693.1          | 233.2          |
| <b>CURRENT ASSETS</b>                                 |        | <b>2,019.9</b> | <b>1,328.6</b> |
| <b>NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE</b> |        | <b>4,349.7</b> | <b>4,349.7</b> |
| <b>TOTAL ASSETS</b>                                   |        | <b>5,624.9</b> | <b>4,754.8</b> |

## Equity and liabilities

| <i>In million euros</i>                                    |               | 31/12/2016     | 31/12/2015     |
|--|---------------|----------------|----------------|
| Share capital  |               | 3.2            | 3.2            |
| Additional paid-in capital                                 |               | 596.7          | 587.0          |
| Consolidated reserves                                      |               | 1,583.1        | 1,492.6        |
| Consolidated net income (Group share)                      |               | 224.7          | 233.9          |
| Other components of equity                                 |               | 5.3            | 25.7           |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY</b> |               | <b>2,413.0</b> | <b>2,342.4</b> |
| Non-controlling interests                                  |               | 21.0           | (18.2)         |
| <b>TOTAL EQUITY</b>  | <b>§ 4.11</b> | <b>2,434.0</b> | <b>2,324.2</b> |
| Provisions   | § 4.12        | 408.9          | 302.4          |
| Deferred tax liabilities                                   | § 4.10        | 75.7           | 80.0           |
| Financial debt   | § 4.13        | 1,303.0        | 524.3          |
| Debt on commitments to purchase non-controlling interests  | § 4.14        | 78.2           | 86.9           |
| Other payables   |               | 16.1           | 9.9            |
| Financial derivatives                                      | § 4.15        | 0.0            | 0.0            |
| <b>NON-CURRENT LIABILITIES</b>                             |               | <b>1,881.9</b> | <b>1,003.5</b> |
| Provisions   | § 4.12        | 83.0           | 41.2           |
| Financial debt   | § 4.13        | 83.0           | 175.5          |
| Debt on commitments to purchase non-controlling interests  | § 4.14        | 32.0           | 33.8           |
| Financial derivatives                                      | § 4.15        | 2.2            | 0.2            |
| Trade and other payables                                   | § 4.16        | 1,058.2        | 1,118.8        |
| Income tax payable   |               | 45.2           | 42.8           |
| Bank overdrafts  | § 4.13        | 5.4            | 14.8           |
| <b>CURRENT LIABILITIES</b>                                 |               | <b>1,309.0</b> | <b>1,427.1</b> |
| <b>TOTAL LIABILITIES</b>                                   |               | <b>3,190.9</b> | <b>2,430.6</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |               | <b>5,624.9</b> | <b>4,754.8</b> |

## STATEMENT OF COMPREHENSIVE INCOME

## INCOME STATEMENT

| <i>In million euros</i>                                  |       | 2016           | 2015           |
|--|-------|----------------|----------------|
| <b>REVENUE</b>   | § 5.1 | <b>2,974.5</b> | <b>2,807.1</b> |
| Direct operating expenses                                | § 5.2 | (1,961.5)      | (1,768.2)      |
| Selling, general and administrative expenses             | § 5.2 | (484.9)        | (456.2)        |
| <b>OPERATING MARGIN</b>                                  |       | <b>528.1</b>   | <b>582.7</b>   |
| Depreciation, amortisation and provisions (net)          | § 5.2 | (197.5)        | (252.4)        |
| Impairment of goodwill                                   | § 5.2 | 0.0            | 0.0            |
| Maintenance spare parts                                  | § 5.2 | (45.1)         | (45.4)         |
| Other operating income                                   | § 5.2 | 8.1            | 8.9            |
| Other operating expenses                                 | § 5.2 | (41.3)         | (23.7)         |
| <b>EBIT</b>  |       | <b>252.3</b>   | <b>270.1</b>   |
| Financial income   | § 5.3 | 13.2           | 7.8            |
| Financial expenses                                       | § 5.3 | (32.0)         | (41.5)         |
| <b>NET FINANCIAL INCOME (LOSS)</b>                       |       | <b>(18.8)</b>  | <b>(33.7)</b>  |
| Income tax   | § 5.4 | (73.6)         | (72.9)         |
| Share of net profit of companies under the equity method | § 5.5 | 95.2           | 81.4           |
| <b>PROFIT OF THE YEAR FROM CONTINUING OPERATIONS</b>     |       | <b>255.1</b>   | <b>244.9</b>   |
| Gain or loss on discontinued operations                  |       |                |                |
| <b>CONSOLIDATED NET INCOME</b>                           |       | <b>255.1</b>   | <b>244.9</b>   |
| - Including non-controlling interests                    |       | 30.4           | 11.0           |
| <b>CONSOLIDATED NET INCOME (GROUP SHARE)</b>             |       | <b>224.7</b>   | <b>233.9</b>   |
| Earnings per share (in euros)                            |       | 1.057          | 1.071          |
| Diluted earnings per share (in euros)                    |       | 1.056          | 1.069          |
| Weighted average number of shares                        | § 5.7 | 212,495,553    | 218,317,778    |
| Weighted average number of shares (diluted)              | § 5.7 | 212,691,910    | 218,862,616    |

## STATEMENT OF OTHER COMPREHENSIVE INCOME

| <i>In million euros</i>  |  | 2016          | 2015         |
|--|--|---------------|--------------|
| <b>CONSOLIDATED NET INCOME</b>   |  | <b>255.1</b>  | <b>244.9</b> |
| Translation reserve adjustments on foreign transactions <sup>(1)</sup>                   |  | (23.1)        | 50.4         |
| Translation reserve adjustments on net foreign investments <sup>(2)</sup>                |  | 1.9           | (8.4)        |
| Cash flow hedges   |  | (0.2)         | (0.6)        |
| Tax on the other comprehensive income subsequently released to net income                |  | 1.4           | 0.2          |
| Share of other comprehensive income of companies under the equity method (after tax)     |  | 12.2          | 0.4          |
| <b>Other comprehensive income subsequently released to net income</b>                    |  | <b>(7.8)</b>  | <b>42.0</b>  |
| Change in actuarial gains and losses on post-employment benefit plans and assets ceiling |  | (13.7)        | 1.8          |
| Tax on the other comprehensive income not subsequently released to net income            |  | 3.0           | (0.7)        |
| Share of other comprehensive income of companies under the equity method (after tax)     |  | (0.8)         | (2.9)        |
| <b>Other comprehensive income not subsequently released to net income</b>                |  | <b>(11.5)</b> | <b>(1.8)</b> |
| <b>Total other comprehensive income</b>  |  | <b>(19.3)</b> | <b>40.2</b>  |
| <b>TOTAL COMPREHENSIVE INCOME</b>  |  | <b>235.8</b>  | <b>285.1</b> |
| - Including non-controlling interests  |  | 31.2          | 11.2         |
| <b>TOTAL COMPREHENSIVE INCOME - GROUP SHARE</b>  |  | <b>204.6</b>  | <b>273.9</b> |

(1) In 2016, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €(37.1) million in the United Kingdom, €(10.0) million in Mexico, €7.0 million in Hong Kong, €6.0 million in Brazil, €6.0 million in South Africa and €7.3 million in Guatemala. The item also included a €0.1 million transfer in the income statement related to the changes in scope.

In 2015, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €36.6 million in Hong Kong, €14.5 million in the United Kingdom, €(12.3) million in Brazil and €11.3 million in Belgium. The item also included a €0.1 million transfer in the income statement related to the changes in scope.

(2) In 2016, the translation reserve adjustments on net foreign investments included a €0.4 million transfer in the income statement related to loans previously qualified as net foreign investments.

In 2015, the translation reserve adjustments on net foreign investments included a €(5.8) million transfer in the income statement related to loans previously qualified as net foreign investments.

## STATEMENT OF CHANGES IN EQUITY

|  | Equity attributable to the owners of the parent company |                            |                 |                   |                            |                               |                                 |                      |  |                        | Non-controlling interests | Total        |             |              |
|--|---|----------------------------|-----------------|-------------------|----------------------------|-------------------------------|---------------------------------|----------------------|--|------------------------|---------------------------|--------------|-------------|--------------|
|  | Share Capital   | Additional paid-in capital | Treasury shares | Retained earnings | Other components of equity |                               |                                 |                      | Actuarial gains and losses / assets ceding | Total other components |                           |              |             |              |
|  |   |                            |                 |                   | Cash flow hedges           | Available-for sale securities | Translation reserve adjustments | Revaluation reserves |  |                        |                           |              |             |              |
| <i>In million euros</i>  |   |                            |                 |                   |                            |                               |                                 |                      |  |                        |                           |              |             |              |
| Equity as of 1 January 2015 restated                                     | 3.4   | 1,064.7                    | 0.0             | 1,606.9           | 0.9                        | (0.1)                         | 27.1                            | 0.9                  | (43.6)                                     | 0.8                    | (14.0)                    | 2,663.0      | (23.6)      | 2,639.4      |
| Capital increase <sup>(1)</sup>  | 0.0   | 19.2                       |                 | (0.3)             |                            |                               |                                 |                      |  |                        | 0.0                       | 18.9         | 0.6         | 19.5         |
| Treasury shares <sup>(2)</sup>   |   |                            |                 |                   |                            |                               |                                 |                      |  |                        |                           |              |             |              |
| Purchase   |   |                            | (502.8)         |                   |                            |                               |                                 |                      |  |                        |                           | (502.8)      |             | (502.8)      |
| Cancellation   | (0.2)   | (498.8)                    | 502.8           | (2.8)             |                            |                               |                                 |                      |  |                        |                           | 0.0          |             | 0.0          |
| Distribution of dividends  |   |                            |                 | (112.0)           |                            |                               |                                 |                      |  |                        |                           | (112.0)      | (12.7)      | (124.7)      |
| Share-based payments   |   | 2.9                        |                 |                   |                            |                               |                                 |                      |  |                        | 0.0                       | 2.9          |             | 2.9          |
| Debt on commitments to purchase non-controlling interests <sup>(3)</sup> |   |                            |                 |                   |                            |                               |                                 |                      |  |                        | 0.0                       | 0.0          | 3.2         | 3.2          |
| Change in consolidation scope <sup>(4)</sup>                             |   |                            |                 | (1.1)             |                            |                               |                                 |                      | (0.4)                                      |                        | (0.4)                     | (1.5)        | 3.0         | 1.5          |
| Consolidated net income  |   |                            |                 | 233.9             |                            |                               |                                 |                      |  |                        | 0.0                       | 233.9        | 11.0        | 244.9        |
| Other comprehensive income   |   |                            |                 |                   | (0.6)                      |                               | 42.4                            | 0.0                  | (1.8)                                      |                        | 40.0                      | 40.0         | 0.2         | 40.2         |
| <b>Total comprehensive income</b>  | <b>0.0</b>  | <b>0.0</b>                 | <b>0.0</b>      | <b>233.9</b>      | <b>(0.6)</b>               | <b>0.0</b>                    | <b>42.4</b>                     | <b>0.0</b>           | <b>(1.8)</b>                               | <b>0.0</b>             | <b>40.0</b>               | <b>273.9</b> | <b>11.2</b> | <b>285.1</b> |
| Other  |   |                            |                 | (0.1)             |                            |                               | 0.1                             |                      |  |                        | 0.1                       | 0.0          | 0.1         | 0.1          |
| Equity as of 31 December 2015  | 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 <sup>(1)</sup>  | 0.0   | 5.8                        |                 |                   |                            |                               |                                 |                      |  |                        | 0.0                       | 5.8          | (5.3)       | 0.5          |
| Distribution of dividends  |   |                            |                 | (118.9)           |                            |                               |                                 |                      |  |                        | 0.0                       | (118.9)      | (14.2)      | (133.1)      |
| Share-based payments   |   | 3.9                        |                 |                   |                            |                               |                                 |                      |  |                        | 0.0                       | 3.9          |             | 3.9          |
| Debt on commitments to purchase non-controlling interests <sup>(3)</sup> |   |                            |                 |                   |                            |                               |                                 |                      |  |                        | 0.0                       | 0.0          | 0.4         | 0.4          |
| Change in consolidation scope <sup>(4)</sup>                             |   |                            |                 | (24.2)            |                            |                               | (0.3)                           |                      |  |                        | (0.3)                     | (24.5)       | 27.2        | 2.7          |
| Consolidated net income  |   |                            |                 | 224.7             |                            |                               |                                 |                      |  |                        | 0.0                       | 224.7        | 30.4        | 255.1        |
| Other comprehensive income   |   |                            |                 |                   | (0.2)                      |                               | (8.6)                           | 0.0                  | (11.3)                                     |                        | (20.1)                    | (20.1)       | 0.8         | (19.3)       |
| <b>Total comprehensive income</b>  | <b>0.0</b>  | <b>0.0</b>                 | <b>0.0</b>      | <b>224.7</b>      | <b>(0.2)</b>               | <b>0.0</b>                    | <b>(8.6)</b>                    | <b>0.0</b>           | <b>(11.3)</b>                              | <b>0.0</b>             | <b>(20.1)</b>             | <b>204.6</b> | <b>31.2</b> | <b>235.8</b> |
| Other  |   |                            |                 | (0.3)             |                            |                               |                                 |                      |  |                        | 0.0                       | (0.3)        | (0.1)       | (0.4)        |
| Equity as of 31 December 2016  | 3.2   | 596.7                      | 0.0             | 1,807.8           | 0.1                        | (0.1)                         | 60.7                            | 0.9                  | (57.1)                                     | 0.8                    | 5.3                       | 2,413.0      | 21.0        | 2,434.0      |

(1) 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.

(2) In 2015, following the simplified public tender offer: buyback of treasury shares for a total of €502.8 million (of which €2.8 million of costs after tax related to the offer), then cancellation of these shares via a €(0.2) million capital decrease and a €(499.8) million deduction of additional paid-in capital.

(3) In 2016, exercise of a commitment to purchase non-controlling interests and new commitments. In 2015, exercise of a commitment to purchase non-controlling interests. Revaluation and discounting effects are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €10.1 million in 2016 compared to €(5.5) million in 2015.

(4) In 2016, changes in consolidation scope are mainly related to the asset swap with Top Media and to the purchase of the non-controlling interests in the company Wall AG. In 2015, changes in consolidation scope, primarily following the acquisition of 70% of Continental Outdoor Media group (Africa), the purchase of the non-controlling interests in the company Megaboard Soravia GmbH (Austria) and the acquisition of Cemusa group (Spain, USA, Brazil, Italy).

## STATEMENT OF CASH FLOWS

| <i>In million euros</i>  | 2016                 | 2015           |
|--|----------------------|----------------|
| <b>NET INCOME BEFORE TAX</b>   | <b>328.7</b>         | <b>317.8</b>   |
| Share of net profit of companies under the equity method   | § 5.5 (95.2)         | (81.4)         |
| Dividends received from companies under the equity method  | § 10.4 & § 11.3 93.2 | 84.8           |
| Expenses related to share-based payments   | § 5.2 3.9            | 2.9            |
| Depreciation, amortisation and provisions (net)  | § 5.2 & § 5.3 192.2  | 251.1          |
| Capital gains and losses and net income (loss) on changes in scope                                 | § 5.2 & § 5.3 1.1    | (3.4)          |
| Net discounting expenses   | § 5.3 (5.7)          | 12.9           |
| Net interest expense   | § 5.3 15.0           | 12.1           |
| Financial derivatives, translation adjustments and other   | 5.1                  | 28.2           |
| <b>Change in working capital</b>   | <b>18.0</b>          | <b>21.8</b>    |
| Change in inventories  | (15.9)               | 8.6            |
| Change in trade and other receivables  | (13.2)               | (6.1)          |
| Change in trade and other payables   | 47.1                 | 19.3           |
| <b>CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>556.3</b>         | <b>646.8</b>   |
| Interest paid  | (17.6)               | (20.3)         |
| Interest received  | 5.9                  | 7.8            |
| Income tax paid  | (87.5)               | (97.5)         |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>§ 6.1 457.1</b>   | <b>536.8</b>   |
| Cash payments on acquisitions of intangible assets and property, plant and equipment               | (233.9)              | (209.0)        |
| Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired     | (84.2)               | (99.2)         |
| Acquisitions of other financial assets   | (14.1)               | (45.9)         |
| <b>Total investments</b>   | <b>(332.2)</b>       | <b>(354.1)</b> |
| Cash receipts on proceeds on disposal of intangible assets and property, plant and equipment       | 6.3                  | 7.1            |
| Cash receipts on proceeds on disposal of financial assets (long-term investments) net of cash sold | 7.8                  | 5.6            |
| Proceeds on disposal of other financial assets   | 13.3                 | 5.3            |
| <b>Total asset disposals</b>   | <b>27.4</b>          | <b>18.0</b>    |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>§ 6.2 (304.8)</b> | <b>(336.1)</b> |
| Dividends paid   | (133.1)              | (124.7)        |
| Capital decrease   | (5.5)                | -              |
| Cash payments on acquisitions of non-controlling interests   | (21.3)               | (3.2)          |
| Purchase of treasury shares  | -                    | (502.8)        |
| Repayment of long-term borrowings  | (88.8)               | (175.7)        |
| Repayment of finance lease debt  | (7.8)                | (8.3)          |
| Acquisitions and disposals of treasury financial assets  | (201.0)              | -              |
| <b>Cash outflow from financing activities</b>  | <b>(457.5)</b>       | <b>(814.7)</b> |
| Cash receipts on proceeds on disposal of interests without loss of control                         | 8.8                  | -              |
| Capital increase   | 6.0                  | 19.5           |
| Increase in long-term borrowings   | 763.8                | 18.2           |
| <b>Cash inflow from financing activities</b>   | <b>778.6</b>         | <b>37.7</b>    |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>   | <b>§ 6.3 321.1</b>   | <b>(777.0)</b> |
| <b>CHANGE IN NET CASH POSITION</b>   | <b>473.4</b>         | <b>(576.3)</b> |
| <b>Net cash position beginning of period</b>   | <b>§ 4.13 218.4</b>  | <b>783.2</b>   |
| Effect of exchange rate fluctuations and other movements   | (4.1)                | 11.5           |
| <b>Net cash position end of period <sup>(1)</sup></b>  | <b>§ 4.13 687.7</b>  | <b>218.4</b>   |

(1) Including €693.1 million in cash and cash equivalents and €(5.4) million in bank overdrafts as of 31 December 2016, compared to €233.2 million and €(14.8) million, respectively, as of 31 December 2015.

## **NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS**

### **SIGNIFICANT EVENTS OF THE YEAR**

On 1 April 2016, the Group finalised through its subsidiaries JCDecaux Latin America and Corameq the acquisition of 100% of the Latin America business of Outfront Media Inc (with a percentage of financial interest of 85%), a group which operates in the large format and bus advertising segment, as well as in street furniture. From now on 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 had successfully placed 7-year notes for a principal amount of €750 million, maturing on 1 June 2023. The proceeds of these notes 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.

On 23 December 2016, the Group announced that it had signed an agreement to merge its activities with Top Media, leader in the outdoor advertising sector in Central America. The new venture, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. This merger reinforces JCDecaux's presence in Panama, Guatemala, Costa Rica and El Salvador, adding new assets in the large format and transport sectors that complement its street furniture and hoarding activities, as well as introducing the Group in Honduras and Nicaragua. With 15,700 advertising panels and a presence in 6 Central American countries, JCDecaux-Top Media will offer advertisers a full and diversified regional presence coupled with unrivalled visibility in Panama.

The primary partnerships and acquisitions from 2016 are detailed in Note 2.1 "Major changes in the consolidation scope in 2016".

### **1. ACCOUNTING METHODS AND PRINCIPLES**

#### **1.1. General principles**

The JCDecaux SA consolidated financial statements for the year ended 31 December 2016 include JCDecaux SA and its subsidiaries (hereinafter referred to as the "Group") and the Group's share in associates and joint ventures. Pursuant to European Regulation No. 1606/2002 of 19 July 2002, the 2016 consolidated financial statements were prepared in accordance with IFRS, as adopted by the European Union. They were approved by the Executive Board and were authorised for release by the Supervisory Board on 1 March 2017. These financial statements shall only be considered final upon approval by the General Meeting of Shareholders.

The principles used for the preparation of these financial statements are based on:

- All standards and interpretations adopted by the European Union and in force as of 31 December 2016. These are available on the European Commission website: [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_en.htm](http://ec.europa.eu/internal_market/accounting/ias/index_en.htm). Moreover, these principles do not differ from the IFRS standards published by the IASB;
- Accounting treatments adopted by the Group when no guidance is provided by current standards.

These various options and positions can be broken down as follows:

The Group has implemented the following 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.

Impacts due to the application of these amendments and annual improvements are not significant.

In the absence of specific IFRS provisions on the accounting treatment of debts on commitments to purchase non-controlling interests, the accounting principles used in the previous consolidated financial statements were maintained and are explained under Note 1.19 "Commitments to purchase non-controlling interests". In particular, subsequent revaluation and discounting effects of the debt arising from such commitments are recognised in net financial income and allocated to non-controlling interests in the income statement, with no impact on the net income (Group share).

In addition, the Group has opted not to apply in advance the new standards, amendments to standards and interpretations, endorsed or not by the European Union, which are not yet in force for the year ended 31 December 2016.

Regarding IFRS 15 on revenue recognition, the Group has detected impacts on specific transactions. The estimate of these impacts is being analysed.

The impacts of other standards and amendments applicable after 31 December 2016 are being analysed; in particular, the expected impacts of the application of IFRS 16 “Leases” are significant in the Group’s financial statements as they will lead globally to a classification as assets of a substantial part of Group’s commitments relating to lease, rent, and minimum and fixed franchise payment given in the ordinary course of business, in counterpart of debt.

## **1.2. Scope and methods of consolidation**

The financial statements of companies controlled by the Group are included in the consolidated financial statements from the date control is acquired to the date control ceases.

The equity method is adopted for joint ventures, companies under joint control, and for associates, companies over which the Group exercises a significant influence on the operating and financial policies.

All transactions between fully consolidated Group companies are eliminated upon consolidation.

Inter-company results are also eliminated. Capital gains or losses on inter-company sales realised by a company consolidated under the equity method are eliminated up to the percentage of ownership and offset by the value of the assets sold.

## **1.3. Recognition of foreign currency transactions in the functional currency of entities**

Transactions denominated in foreign currencies are translated into the functional currency at the rate prevailing on the transaction date. At the period-end, monetary items are translated at the closing exchange rate and the resulting gains or losses are recorded in the income statement.

Long-term monetary assets held by a Group entity in a foreign subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future are a part of the entity’s net investment in a foreign operation. Accordingly, pursuant to IAS 21 “The Effects of Changes in Foreign Exchange Rates”, exchange differences on these items are recorded in other comprehensive income until the investment’s disposal or disqualification. Otherwise, exchange differences are recorded in the income statement.

## **1.4. Translation of the financial statements of subsidiaries**

The Group’s consolidated financial statements are prepared using the Euro, which is the parent company’s presentation and functional currency.

Assets and liabilities of foreign subsidiaries are translated into the Group’s presentation currency at the year-end exchange rate, and the corresponding income statement is translated at the average exchange rate of the period. Resulting translation adjustments are directly allocated to other comprehensive income.

At the time of a total or partial disposal, with loss of control, or the liquidation of a foreign entity, or a step acquisition giving control, translation adjustments accumulated in equity are reclassified in the income statement.

## **1.5. Use of estimates**

As part of the process of preparing the consolidated financial statements, the valuation of some assets and liabilities requires the use of judgments, assumptions and estimates. This primarily involves the valuation of property, plant and equipment and intangible assets, the valuation of investments under the equity method, determining the amount of provisions for employee benefits and dismantling, and the valuation of commitments on securities. These judgments, assumptions and estimates are based on information available or situations existing at the financial statement preparation date, which in the future could differ from reality. Valuation methods are described in more detail, mainly in Note 1.10 “Impairment of intangible assets, property, plant and equipment and goodwill”, in Note 1.11 “Investments under the equity method”, in Note 1.20 “Provisions for retirement and other long-term benefits” and in Note 1.21 “Dismantling provisions”. The results of sensitivity tests are provided in Note 4.3 “Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests” for the valuation of goodwill, property, plant and equipment and other intangible assets, in Note 4.4 “Investments under the equity method and impairment tests” for the valuation of investments under the equity method, in Note 4.17 “Financial assets and liabilities by category” for the valuation of the debt on commitments to purchase non-controlling interests and in Note 4.12 “Provisions” for the valuation of dismantling provisions and provisions for employee benefits.

## **1.6. Current/non-current distinction**

With the exception of deferred tax assets and liabilities which are classified as non-current, assets and liabilities are classified as current when their recoverability or payment is expected no later than 12 months after the year-end closing date; otherwise, they are classified as non-current.

## **1.7. Intangible assets**

### **1.7.1. Development costs**

According to IAS 38, development costs must be capitalised as intangible assets if the Group can demonstrate:

- its intention, and financial and technical ability, to complete the development project,
- the existence of probable future economic benefits for the Group,
- the high probability of success for the Group,

- and that the cost of the asset can be measured reliably.

Development costs capitalised in the statement of financial position from 1 January 2004 onwards primarily include all costs related to the development, modification or improvement to the array of street furniture offerings in connection with contract proposals having a strong probability of success. Development costs also include the design and construction of models and prototypes.

The Group considers that it is legitimate to capitalise tender response preparation costs. Given the nature of the costs incurred (design and construction of models and prototypes), and the statistical success rate of the JCDecaux Group in its responses to street furniture bids, the Group believes that these costs represent development activities that can be capitalised under the aforementioned criteria. Indeed, these costs are directly related to a given contract, and are incurred to obtain it. Amortisation, spread out over the term of the contract, begins when the project is awarded. Should the bid be lost, the amount capitalised is expensed.

Development costs carried in assets are recognised at cost less accumulated amortisation and impairment losses.

### 1.7.2. Other intangible assets

Other intangible assets primarily involve Street Furniture, Billboard and Transport contracts recognised in business combinations, which are amortised over the contract term. They also include upfront payments, amortised over the contract term, and software. Only individualised and clearly identified software (ERP in particular) is capitalised and amortised over a maximum period of five years. Other software expenses are recognised in expenses for the period.

### 1.8. Business combinations, acquisition of non-controlling interests and disposals

IFRS 3 revised requires the application of “the acquisition method” to business combinations.

Goodwill represents the fair value of the consideration transferred (including the acquisition-date fair value of the acquirer's previously held equity interest in the company acquired), plus the amount recognised for any non-controlling interest in the acquired company, minus the net of the amounts of the identifiable assets acquired and the liabilities measured at their fair value and assumed on the acquisition date.

Goodwill is not amortised. The Group conducts impairment tests at least once a year at each statement of financial position date and at any time when there are indicators of impairment. Following these impairment tests, performed in accordance with the methodology described in Note 1.10 “Impairment of intangible assets, property, plant and equipment and goodwill”, a goodwill impairment loss is recognised if necessary. When recognised, such a loss cannot be reversed at a later period.

Negative goodwill, if any, is immediately recognised directly in the income statement.

When determining the fair value of assets and liabilities of the acquired entity, the Group assesses contracts at fair value and recognises them as intangible assets. When an onerous contract is identified, a liability is recognised.

Under IFRS, companies are granted a 12-month period, starting from the date of acquisition, to finalise the fair value measurement of assets and liabilities acquired.

Acquisition-related costs are recognised by the Group in other operating expenses, except for acquisition-related costs for non-controlling interests, which are recorded in equity.

For staged acquisitions, any gain or loss arising from the fair value revaluation of the previously held equity interest is recorded in the income statement, under other operating income and expenses, at the time control is acquired. The fair value of this revaluation is estimated on the basis of the purchase price less the control premium.

For every partial or complete disposal with loss of control, any gain or loss on the disposal as well as the re-measurement of retained interest are recorded in the income statement, under other operating income and expenses.

Furthermore, in application of IFRS 10, for acquisitions of non-controlling interests in controlled companies and the sale of interests without loss of control, the difference between the acquisition price or sale price and the carrying value of non-controlling interests is recognised in changes in equity attributable to the shareholders of the parent company. The corresponding cash inflows and outflows are presented under the line item “Net cash used in financing activities” of the statement of cash flows.

### 1.9. Property, plant and equipment (PP&E)

Property, plant and equipment (PP&E) are presented in the statement of financial position at historical cost less accumulated depreciation and impairment losses.

#### Street furniture

Street furniture (Bus shelters, MUPIs®, Seniors, Electronic Information Boards (EIB), Automatic Public Toilets, Morris Columns, etc.) is depreciated on a straight-line basis over the term of the contracts between 8 and 20 years. The digital screens are depreciated over a 5 to 10 year-period; their economic lifetime can be shorter than the term of the contracts. Street furniture maintenance costs are recognised as expenses.

The expected discounted dismantling costs at the end of the contract are recorded in assets, with the corresponding provision, and amortised over the term of the contracts.

#### Billboards

Billboards are depreciated according to the method of depreciation prevailing in the relevant countries in accordance with local regulations and economic conditions.

The main method of depreciation is the straight-line method over a period of 2 to 20 years.

Depreciation charges are calculated over the following normal useful lives:

**Depreciation periods***Property, plant and equipment:*

- |   |                |
|---|----------------|
| ▪ Buildings and constructions   | 10 to 50 years |
| ▪ Technical installations, tools and equipment<br>(Excluding street furniture and billboards) | 5 to 10 years  |
| ▪ Street furniture and billboards   | 2 to 20 years  |

*Other property, plant and equipment:*

- |                         |               |
|-------------------------|---------------|
| ▪ Fixtures and fittings | 5 to 10 years |
| ▪ Transport equipment   | 3 to 15 years |
| ▪ Computer equipment    | 3 to 5 years  |
| ▪ Furniture             | 5 to 10 years |

**1.10. Impairment of intangible assets, property, plant and equipment and goodwill**

Items of property, plant and equipment, intangible assets as well as goodwill are tested for impairment at least once a year.

Impairment testing consists in comparing the carrying value of a Cash-Generating Unit (CGU) or a CGU group with its recoverable amount. The recoverable amount is the highest of (i) the fair value of the asset (or group of assets) less costs of disposal and (ii) the value in use determined based on future discounted cash flows.

When the recoverable amount is assessed on the basis of the value in use, cash flow forecasts are determined using growth assumptions based either on the term of the contracts, or over a five-year period with a subsequent perpetual projection and a discount rate reflecting current market estimates of the time value of money. Growth assumptions used do not take into account any external acquisitions. Risks specific to the CGU tested are largely reflected in the assumptions adopted for determining the cash flows and the discount rate used.

When the carrying value of an asset (or group of assets) exceeds its recoverable amount, an impairment loss is recognised in the income statement to write down the asset's carrying value to the recoverable amount.

**Adopted methodology**

- Level of testing
  - For PP&E and intangible assets, impairment tests are carried out at the CGU-level corresponding to the operational entity,
  - For goodwill, tests are carried out at the level of each group of CGUs determined according to the operating segment considered (Street Furniture, Billboard, and Transport) and taking into account the expected level of synergies between the CGUs. Thus, tests are generally performed at the level where the operating segments and the geographical area meet, which is the level where commercial synergies are generated, and even beyond this level if justified by the synergy.
- Discount rates used

The values in use taken into account for impairment testing are determined based on expected future cash flows, discounted at a rate based on the weighted average cost of capital. This rate reflects management's best estimates regarding the time value of money, the risks specific to the assets or CGUs and the economic situation in the geographical areas where the business relating to these assets or CGUs is carried out.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate.

- Recoverable amounts

They are determined based on budgeted values for the first year following the closing of the accounts and growth and change assumptions specific to each market and which reflect the expected future outlook. The recoverable values are based on business plans for which the procedures for determining future cash flows differ for the various business segments, with a time horizon usually exceeding five years owing to the nature and business activity of the Group, which is characterised by long-term contracts with a strong probability of renewal. In general:

- for the Street Furniture and Transport segments, future cash flows are calculated over the remaining term of contracts, taking into account the likelihood of renewal after term, the business plans being realised over the duration of the contract, generally between 5 and 20 years, with a maximum term of 25 years,
- for the Billboard segment, future cash flows are calculated over a 5-year period with a perpetual projection using a 2% yearly growth rate for European countries, whose markets seem mature to us, and

a 3% rate for other countries, where large format billboard activity seems to be experiencing more favourable market conditions.

The recoverable amount of a group of CGUs corresponds to the sum of the individual recoverable amounts of each CGU belonging to that group.

#### 1.11. Investments under the equity method

Goodwill recognised on acquisition is included in the value of the investments under the equity method.

The share of amortisation of the assets recognised at the time of acquisition or the fair value adjustment of existing assets is presented under the heading "Share of net profit of companies under the equity method."

If the Group's share of losses of an equity-accounted entity equals or exceeds its interest in that entity, its share is reduced to zero. If the Group considers itself as involved in losses, a provision is recognised under provisions for contingencies for the share of losses exceeding the initial investment.

Investments under the equity method are subject to impairment tests on an annual basis, or when existing conditions suggest a possible impairment. When necessary, the related loss, which is recorded in "Share of net profit of companies under the equity method," is calculated on the asset's recoverable value which is defined as the higher of (i) the fair value of the asset less costs of disposal and (ii) its utility value based on the expected future cash flows less net debt. The method used to calculate the values in use is the same one applied for PP&E and intangible assets as described in Note 1.10 "Impairment of intangible assets, property, plant and equipment and goodwill".

#### 1.12. Financial investments (Available-for-sale assets)

This heading includes investments in non-consolidated entities.

These assets are initially recognised at their fair value, related to their acquisition price. In the absence of a listed price on an active market, they are then measured at the fair value that is close to the utility value, which takes into account the share of equity and the probable recovery amount.

Changes in values are recognised in other comprehensive income. When the asset is sold, cumulative gains and losses in equity are reclassified in the income statement. When the impairment is permanent, total cumulative gains are cleared entirely or for the amount of the loss. The net loss is recorded in the income statement if the total loss exceeds the total cumulative gains.

#### 1.13. Other financial assets

This heading mainly includes loans and loans to participating interests granted to companies under the equity method or non-consolidated entities, as well as deposits and guarantees.

On initial recognition, they are measured at fair value (IAS 39, Loans and receivables category).

After initial recognition, they are measured at amortised cost.

An impairment loss is recognised in the income statement when the recovery amount of these loans and receivables is less than their carrying amount.

#### 1.14. Inventories

Inventories mainly consist of:

- parts required for the maintenance of installed street furniture, and
- street furniture and billboards in kit form or partially assembled.

Inventories are valued at weighted average cost, and may include production, assembly and logistic costs.

Inventories are written down to their net realisable value when the net realisable value is lower than cost.

#### 1.15. Trade and other receivables

Trade receivables are recorded at fair value, which corresponds to their nominal invoice value, unless there is any significant discounting effect. After initial recognition, they are measured at amortised cost. A provision for depreciation is recognised when their recovery amount is less than their carrying amount.

#### 1.16. Managed Cash

The managed cash includes cash, cash equivalents and treasury financial assets. Those items are measured at fair value and changes in fair value are recognised in net financial income (loss).

Cash recognised as assets in the statement of financial position includes cash at bank and cash in hand. Cash equivalents consist of short-term investments and short-term deposits. Short-term investments and short-term deposits are easily convertible into a known cash amount and are subject to low risk of change in value, in accordance with IAS 7. Treasury financial assets are short-term liquid investments and cash owned by the Group but held in escrow accounts in connection with the execution of contracts. These 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. They are included in the calculation of net debt of the Group.

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

**1.17. Financial debt**

Financial debt is initially recorded at the fair value corresponding to the amount received less related issuance costs and subsequently measured at amortised cost.

**1.18. Financial derivatives**

A financial derivative is a financial instrument having the following three characteristics:

- an underlying item that changes the value of the contract,
- little or no initial net investment, and
- settlement at a future date.

Derivatives are recognised in the statement of financial position at fair value in assets or liabilities. Changes in subsequent values are offset in the income statement, unless they have been qualified as part of an effective cash flow hedge or as a foreign net investment.

Hedge accounting may be adopted if a hedging relationship between the hedged item (the underlying) and the derivative is established and documented from the time the hedge is set up, and its effectiveness is demonstrated from inception and at each period-end. The Group currently limits itself mainly to two types of hedges for financial assets and liabilities:

- Fair Value Hedge, which purpose is to limit the impact of changes in the fair value of assets, liabilities or firm commitments at inception, due to changes in market conditions. The change in the fair value of the hedging instrument is recorded in the income statement. However, this impact is cancelled out by symmetrical changes in the fair value of the hedged risk (to the extent of hedge effectiveness),
- Cash Flow Hedge, which purpose is to limit changes in cash flows attributable to existing assets and liabilities or highly probable forecasted transactions. The effective portion of the change in fair value of the hedging instrument is recorded directly in other comprehensive income, and the ineffective portion is maintained in the income statement. The amount recorded in other comprehensive income is reclassified to profit or loss when the hedged item itself has an impact on profit or loss.

The hedging relationship involves a single market parameter, which currently for the Group is either a foreign exchange rate or an interest rate. When a derivative is used to hedge both a foreign exchange and interest rate risk, the foreign exchange and interest rate impacts are treated separately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on a cash flow hedge as part of the hedging of a highly probable forecasted transaction recognised in other comprehensive income is maintained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to net financial income (loss) for the year.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recorded directly in net financial income (loss) for the year.

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

**1.19. Commitments to purchase non-controlling interests**

In the absence of any position from the IASB on the accounting treatment of commitments to purchase non-controlling interests, the accounting positions taken in the previous consolidated financial statements have been maintained for all Group commitments.

The application of IAS 32 results in the recognition of a liability relating to commitments to purchase shares held by non-controlling interests in the Group's subsidiaries, not only for the portion already recognised in non-controlling interests (reclassified in liabilities), but also for the excess resulting from the present value of the commitment. The amount of this excess portion is deducted from non-controlling interests in the liabilities of the statement of financial position.

In the absence of any position from the IASB on the accounting treatment of commitments to purchase non-controlling interests, subsequent changes in the fair value of the liability are recognised in net financial income and allocated to non-controlling interests in the income statement, with no impact on consolidated net income (Group share).

Commitments recorded in this respect are presented under the statement of financial position heading "Debt on commitments to purchase non-controlling interests".

**1.20. Provisions for retirement and other long-term benefits**

The Group's obligations resulting from defined benefit plans, as well as their cost, are determined using the projected unit credit method.

This method consists of measuring the obligation based on the projected end-of-career salary and the rights vested at the valuation date, determined in accordance with collective trade union agreements, company agreements or the legal rights in effect.

The actuarial assumptions used to determine the obligations vary according to the economic conditions prevailing in the country of origin and the demographic assumptions specific to each company.

These plans are either funded, with their assets being managed by an entity legally separate and independent from the Group, or partially funded or not funded, with the Group's obligations being covered by a provision in the statement of

financial position. The income from the plan's assets is estimated based on the discount rate used for the benefit obligation.

For the post-employment benefit plans, the actuarial gains and losses are immediately and entirely recognised in other comprehensive income with no possibility of recycling in the income statement. Past service costs are immediately and fully recorded in the income statement on acquired rights as well as on future entitlements.

For other long-term benefits, actuarial gains or losses and past service costs are recognised as income or expenses when they occur.

The effects of discounting of the provision for employee benefits are presented in the net financial income (loss).

### **1.21. Dismantling provisions**

Costs for dismantling street furniture at the end of a contract are recorded in provisions, when a contractual dismantling obligation exists at a foreseeable date. These provisions represent the entire estimated dismantling cost from the contract's inception and are discounted. Dismantling costs are offset under assets in the statement of financial position and amortised over the term of the contract. The discounting charge is recorded as a financial expense.

### **1.22. Share-based payment**

#### **1.22.1. Share purchase or subscription plans at an agreed unit price**

In accordance with IFRS 2 "Share-based payment", stock options granted to employees are considered to be part of compensation in exchange for services rendered over the period extending from the grant date to the vesting date.

The fair value of services rendered is determined by reference to the fair value of the financial instruments granted.

The fair value of options is determined at their grant date by an independent actuary, and any subsequent changes in the fair value are not taken into account. The Black & Scholes valuation model used is based on the assumptions described in Note 5.2 "Net operating expenses" hereafter.

The cost of services rendered is recognised in the income statement and offset under an equity heading on a basis that reflects the vesting pattern of the options. This entry is recorded at the end of each accounting period until the date at which all vesting rights of the plan in question have been fully granted.

The amount stated in equity reflects the extent to which the vesting period has expired and the number of options granted that, based on management's best available estimate, will ultimately vest.

Stock option plans are granted based on individual objectives and Group results. The exercise of stock options is subject to years of continuous presence in the company.

#### **1.22.2. Bonus shares**

The fair value of bonus shares is determined at their grant date by an independent actuary. The fair value of the bonus share is determined according to the price on the grant date less discounted future dividends.

All bonus shares are granted after a defined number of years of continuous presence in the Group, based on the plans.

The cost of services rendered is recognised in the income statement via an offsetting entry in an equity heading, following a pattern reflecting the procedures for granting bonus shares. The acquisition period begins from the time the Executive Board grants the bonus shares.

#### **1.22.3. Cash-settled share subscription and purchase plans**

The share subscription and purchase plans, which will be settled in cash, are assessed at their fair value, recorded in the income statement by offsetting with a liability. This liability is measured at each closing date up to its settlement.

### **1.23. Revenue**

The Group's revenue mainly comes from sales of advertising spaces on street furniture equipment, billboards and advertising in transport systems.

Advertising space revenue, rentals and provided services are recorded as revenue on a straight-line basis over the period over which the service is performed. The trigger event for advertising space revenue recognition is the execution of the advertising campaign, which has a duration ranging from 1 week to 6 years.

Advertising space revenue is recorded on a net basis after deduction of commercial rebates. In some countries, commissions are paid by the Group to advertising agencies and media brokers when they act as intermediaries between the Group and advertisers. These commissions are then deducted from revenue.

In agreements where the Group pays variable fees or revenue sharing, and insofar as the Group bears the risks and rewards incidental to the activity, the Group recognises all gross advertising revenue as revenue and books fees and the portion of revenue repaid as operating expenses.

Discounts granted to customers for early payments are deducted from revenue.

### **1.24. Operating margin**

The operating margin is defined as revenue less direct operating and selling, general and administrative expenses.

It includes charges to provisions net of reversals relating to trade receivables.

The operating margin is impacted by cash discounts granted to customers deducted from revenue, and cash discounts received from suppliers deducted from direct operating expenses. It also includes stock option or bonus share expenses recognised in the line item "Selling, general and administrative expenses".

**1.25. EBIT**

EBIT is determined on the basis of the operating margin less consumption of spare parts used for maintenance, depreciation, amortisation and provisions (net), goodwill impairment losses, and other operating income and expenses. Inventory impairment losses are recognised in the line item “Maintenance spare parts”.

Other operating income and expenses include the gains and losses generated by the disposal of property, plant and equipment, intangible assets, joint ventures and associates, the gains and losses generated by the loss of control of companies, any resulting gain or loss resulting from the fair value revaluation of a retained interest, any resulting gain or loss resulting from the fair value revaluation of a previously held equity interest at the time control is acquired with staged acquisitions, potential price adjustments resulting from events subsequent to the acquisition date, as well as any negative goodwill, acquisition-related costs, and non-recurring items.

Net charges related to the results of impairment tests performed on property, plant and equipment and intangible assets are included in the line item “Depreciation, amortisation and provisions (net)”.

**1.26. Current and deferred income tax**

Deferred taxes are recognised based on timing differences between the accounting value and the tax base of assets and liabilities. They mainly stem from consolidation restatements (standardisation of Group accounting principles and amortisation/depreciation periods for property, plant and equipment and intangible assets, finance leases, recognition of contracts as part of the purchase method, etc.). Deferred tax assets and liabilities are measured at the tax rate expected to apply for the period in which the asset is realised or the liability is settled, based on the tax regulations that were adopted at the year-end closing date.

Deferred tax assets on tax losses carried forward are recognised when it is probable that the Group will have future taxable profits against which these tax losses may be offset. Forecasts are prepared on the basis of a 3 to 5 year time frame adapted to the specific characteristics of each country.

In accordance with IFRS, the Group determined that the CVAE (French tax known as the *Cotisation sur la Valeur Ajoutée des Entreprises*) is an income tax expense. This qualification as an income tax gives rise to the recognition of a deferred tax liability calculated based on the depreciable assets of the companies subject to the CVAE. Moreover, as the CVAE can be deducted from the corporate tax, its recognition generates a deferred tax asset.

**1.27. Finance lease and operating lease**

Finance leases, which transfer to the Group almost all of the risks and rewards associated with the ownership of the leased item, are capitalised as assets in the statement of financial position upon inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to obtain a constant interest rate on the remaining balance of the liability. Finance charges are recognised directly in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and rewards incidental to ownership of the asset are considered as operating leases. Operating lease payments are recognised as an expense in the income statement.

## 2. CHANGES IN THE CONSOLIDATION SCOPE

### 2.1. Major changes in the consolidation scope in 2016

The main changes in the consolidation scope during 2016 are as follows:

#### Acquisitions (with acquisition of control)

On 1 April 2016, the subsidiaries JCDecaux Latin America and Corameq each acquired 50% of the Latin America business of OUTFRONT Media Inc. The Outfront Media group is fully consolidated.

On 5 July 2016, JCDecaux street furniture Belgium acquired 73.36% of DOOH, renamed JCDecaux Malls (Belgium) which operates mainly digital contracts in shopping malls. This company is fully consolidated.

On 23 December 2016, JCDecaux and Top Media have merged their activities. The new set-up, JCDecaux-Top Media, of which 71% of the capital is owned by JCDecaux and 29% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. This new set-up is fully consolidated.

#### Other variances

The other variances, mainly liquidations, sales and acquisitions of non-controlling interests are detailed in Note 12 "Scope of consolidation".

### 2.2. Impact of acquisitions

The acquisitions made in 2016 giving control of the Latin America business of Outfront Media, DOOH, Top Media 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's consolidated financial statements:

| <i>In million euros</i>   |                        | <b>Fair value at the date of acquisition</b> |
|---|------------------------|--|
| Non-current assets  |                        | 76.5   |
| Current assets  |                        | 18.1   |
| <b>Total assets</b>   |                        | <b>94.6</b>                                  |
| Non-current liabilities   |                        | 123.3  |
| Current liabilities   |                        | (22.6)                                       |
| <b>Total liabilities</b>  |                        | <b>100.7</b>                                 |
| <b>Fair value of net assets at 100%</b>                             | <b>(a)</b>             | <b>(6.1)</b>                                 |
| - of which non-controlling interests                                | <i>(b)</i>             | 1.3  |
| <b>Total consideration transferred</b>                              | <b>(c)</b>             | <b>102.3</b>                                 |
| - of which fair value of share previously held <sup>(2)</sup>       |                        | 17.3   |
| - of which purchase price   |                        | 85.0   |
| <b>Goodwill</b>   | <b>(d)=(c)-(a)+(b)</b> | <b>109.7</b>                                 |
| - including Goodwill allocated to companies under the equity method | <i>(e)</i>             | 0.2  |
| <b>Goodwill IFRS <sup>(1)</sup></b>                                 | <b>(f)=(d)-(e)</b>     | <b>109.5</b>                                 |
| <b>Purchase price</b>   |                        | <b>(85.0)</b>                                |
| Net cash acquired   |                        | 4.6  |
| <b>Acquisitions of long-term investments over the period</b>        |                        | <b>(80.4)</b>                                |

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

(2) Due to the asset swap with Top Media

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 consolidated income statement 2016. The main impacts in the consolidated income statement due to the recognition of the period of assets and contracts at fair value at the acquisition date of Cemusa are mainly related to the line item "Provision charge net of reversal" and are disclosed in the Note 5.2 "Net operating expenses".

The value of assets and liabilities acquired and goodwill relating to these acquisitions is determined on a temporary basis, with the exception of the purchase price allocation of Cemusa which is definitive, and is likely to change during the period required to finalise the allocation of the goodwill, which can be extended to a maximum of 12 months following the acquisition date.

The impact of these acquisitions on revenue and net income (Group share) is respectively €33.8 million and €(2.2) million. Had the acquisitions taken place as of 1 January 2016, the additional impact would have been an increase of €28.3 million on revenue and a decrease of €1.3 million on net income (Group share).

### 3. SEGMENT REPORTING

In 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 IFRS 11 leads to consolidation of the joint ventures under the equity method.

#### 3.1. Information related to operating segments

##### **Definition of operating segments**

##### **Street Furniture**

The Street Furniture operating segment covers, in general, the advertising agreements relating to public property entered into with cities and local authorities. It also includes advertising in shopping malls, as well as the renting of street furniture, the sale and rental of equipment, cleaning and maintenance and other various services.

##### **Transport**

The Transport operating segment covers advertising in public transport systems, such as airports, subways, buses, tramways and trains.

##### **Billboard**

The Billboard operating segment covers, in general, advertising on private property, including either traditional large format or back-light billboards. It also includes neon-light billboards and advertising wraps.

##### **Transactions between operating segments**

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

The breakdown of the 2016 segment reporting by operating segment is as follows:

| <i>In million euros</i>   | Street Furniture | Transport      | Billboard    | Total          |
|---|------------------|----------------|--------------|----------------|
| <b>Revenue</b>  | <b>1,523.7</b>   | <b>1,373.7</b> | <b>495.4</b> | <b>3,392.8</b> |
| <b>Operating margin</b>   | <b>405.4</b>     | <b>182.0</b>   | <b>59.1</b>  | <b>646.5</b>   |
| <b>EBIT <sup>(1)</sup></b>  | <b>194.8</b>     | <b>130.6</b>   | <b>27.7</b>  | <b>353.1</b>   |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals <sup>(2)</sup></b> | <b>178.2</b>     | <b>36.4</b>    | <b>27.7</b>  | <b>242.3</b>   |

(1) Including a net reversal related to impairment tests for €1.7 million: €1.6 million in Street Furniture and €0.1 million in Transport.

(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

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

| <i>In million euros</i>  | Adjusted data  | Joint ventures' impact <sup>(1)</sup> | IFRS data      |
|--|----------------|---------------------------------------|----------------|
| <b>Revenue</b>   | <b>3,392.8</b> | <b>(418.3)</b>                        | <b>2,974.5</b> |
| <b>Operating margin</b>  | <b>646.5</b>   | <b>(118.4)</b>                        | <b>528.1</b>   |
| <b>EBIT</b>  | <b>353.1</b>   | <b>(100.8)</b>                        | <b>252.3</b>   |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals</b> | <b>242.3</b>   | <b>(14.7)</b>                         | <b>227.6</b>   |

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

The impact of €(418.3) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(439.2) million of revenue made by the joint ventures – See Note 10 "Information on the joint ventures" – and +€20.9 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €2,974.5 million.

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The breakdown of the 2015 segment reporting by operating segment is as follows:

| <i>In million euros</i>  | Street Furniture | Transport | Billboard | Total   |
|--|------------------|-----------|-----------|---------|
| <b>Revenue</b>   | 1,394.3          | 1,355.4   | 457.9     | 3,207.6 |
| <b>Operating margin</b>  | 441.6            | 201.5     | 52.1      | 695.2   |
| <b>EBIT<sup>(1)</sup></b>  | 184.7            | 154.6     | 18.2      | 357.5   |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals<sup>(2)</sup></b> | 152.0            | 44.9      | 32.5      | 229.4   |

(1) Including a net depreciation related to impairment tests for €(13.9) million: €(16.4) million in Street Furniture and €2.5 million in Transport.

(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

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

| <i>In million euros</i>  | Adjusted data | Joint ventures' impact <sup>(1)</sup> | IFRS data |
|--|---------------|---------------------------------------|-----------|
| <b>Revenue</b>   | 3,207.6       | (400.5)                               | 2,807.1   |
| <b>Operating margin</b>  | 695.2         | (112.5)                               | 582.7     |
| <b>EBIT</b>  | 357.5         | (87.4)                                | 270.1     |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals</b> | 229.4         | (27.5)                                | 201.9     |

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

The impact of €(400.5) million resulting from IFRS 11 (change from the proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(413.5) million of revenue made by the joint ventures – See Note 10 “Information on the joint ventures” – and +€13.0 million of non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €2,807.1 million.

### 3.2. By geographical area

The 2016 information by geographical area breaks down as follows:

| <i>In million euros</i> | Europe <sup>(1)</sup> | Asia-Pacific | France | Rest of the world | United Kingdom | North America | Total   |
|-------------------------|-----------------------|--------------|--------|-------------------|----------------|---------------|---------|
| <b>Revenue</b>          | 886.2                 | 819.3        | 628.8  | 405.3             | 382.2          | 271.0         | 3,392.8 |

(1) Excluding France and the United Kingdom.

The 2015 information by geographical area breaks down as follows:

| <i>In million euros</i> | Europe <sup>(1)</sup> | Asia-Pacific | France | Rest of the world | United Kingdom | North America | Total   |
|-------------------------|-----------------------|--------------|--------|-------------------|----------------|---------------|---------|
| <b>Revenue</b>          | 829.8                 | 832.6        | 613.5  | 335.0             | 369.6          | 227.1         | 3,207.6 |

(1) Excluding France and the United Kingdom.

No single customer reaches the 10% threshold of Group revenue.

### 3.3. Other information

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

| <i>In million euros</i>  | Adjusted data | Joint ventures' impact <sup>(1)</sup> | IFRS data |
|--|---------------|---------------------------------------|-----------|
| <b>Net cash provided by operating activities</b>                                     | 506.0         | (48.9)                                | 457.1     |
| - Including Change in working capital  | 47.9          | (29.9)                                | 18.0      |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals<sup>(2)</sup></b> | (242.3)       | 14.7                                  | (227.6)   |
| <b>Free Cash Flow</b>  | 263.7         | (34.2)                                | 229.5     |

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

(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

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

| <i>In million euros</i>  | Adjusted data | Joint ventures' impact <sup>(1)</sup> | IFRS data |
|--|---------------|---------------------------------------|-----------|
| <b>Net cash provided by operating activities</b>                                     | 562.8         | (26.0)                                | 536.8     |
| - Including Change in working capital  | 26.2          | (4.4)                                 | 21.8      |
| <b>Acquisitions of intangible assets and PP&amp;E net of disposals<sup>(2)</sup></b> | (229.4)       | 27.5                                  | (201.9)   |
| <b>Free Cash Flow</b>  | 333.4         | 1.5                                   | 334.9     |

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

(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposal of intangible assets and property, plant and equipment.

## 4. COMMENTS ON THE STATEMENT OF FINANCIAL POSITION

## 4.1. Goodwill and other intangible assets

## 4.1.1. Goodwill

2016 and 2015 changes in net carrying amount:

| <i>In million euros</i>            | 2016           | 2015           |
|------------------------------------|----------------|----------------|
| <b>Net value as of 1 January</b>   | <b>1,271.6</b> | <b>1,170.8</b> |
| Impairment loss                    | 0.0            | 0.0            |
| Decreases                          | (5.0)          | (0.2)          |
| Changes in scope                   | 109.6          | 95.6           |
| Translation adjustments            | (15.4)         | 5.4            |
| <b>Net value as of 31 December</b> | <b>1,360.8</b> | <b>1,271.6</b> |

## 4.1.2. Other intangible assets

2016 changes in gross value and net carrying amount:

| <i>In million euros</i>                                      | Development costs | Patents, licences, advertising contracts, ERP <sup>(1)</sup> | Leasehold rights, payments on account, other | Total          |
|--|-------------------|--|--|----------------|
| <b>Gross value as of 1 January 2016</b>                      | <b>54.5</b>       | <b>736.9</b>   | <b>36.1</b>                                  | <b>827.5</b>   |
| Acquisitions/Increases                                       | 5.3               | 8.5  | 11.8   | 25.6           |
| Decreases  |                   | (47.8)   | (6.6)  | (54.4)         |
| Changes in scope <sup>(2)</sup>                              |                   | 15.8   |  | 15.8           |
| Translation adjustments                                      | 0.9               | (9.4)  | 0.3  | (8.2)          |
| Reclassifications <sup>(3)</sup>                             | (0.2)             | 25.8   | (15.3)                                       | 10.3           |
| Goodwill allocation  | (2.7)             | (2.5)  | (0.3)  | (5.5)          |
| <b>Gross value as of 31 December 2016</b>                    | <b>57.8</b>       | <b>727.3</b>   | <b>26.0</b>                                  | <b>811.1</b>   |
| <b>Amortisation / Impairment as of 1 January 2016</b>        | <b>(29.7)</b>     | <b>(478.1)</b>   | <b>(19.5)</b>                                | <b>(527.3)</b> |
| Amortisation charge  | (4.9)             | (48.3)   | (0.5)  | (53.7)         |
| Impairment loss  |                   | 0.1  |  | 0.1            |
| Decreases  |                   | 46.7   | 6.6  | 53.3           |
| Changes in scope <sup>(2)</sup>                              |                   | 23.9   |  | 23.9           |
| Translation adjustments                                      | (0.3)             | 4.4  | (0.4)  | 3.7            |
| Reclassifications <sup>(3)</sup>                             | (0.1)             | (2.8)  | 0.8  | (2.1)          |
| Goodwill allocation  | 2.0               | 1.7  |  | 3.7            |
| <b>Amortisation / Impairment loss as of 31 December 2016</b> | <b>(33.0)</b>     | <b>(452.4)</b>   | <b>(13.0)</b>                                | <b>(498.4)</b> |
| <b>Net value as of 1 January 2016</b>                        | <b>24.8</b>       | <b>258.8</b>   | <b>16.6</b>                                  | <b>300.2</b>   |
| <b>Net value as of 31 December 2016</b>                      | <b>24.8</b>       | <b>274.9</b>   | <b>13.0</b>                                  | <b>312.7</b>   |

(1) Includes the valuation of contracts recognised in connection with business combinations.

(2) Those amounts are linked to the entities acquisitions and liquidations over the period.

(3) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

2015 changes in gross value and net carrying amount:

| <i>In million euros</i>                                      | Development costs | Patents, licences, advertising contracts, ERP <sup>(1)</sup> | Leasehold rights, payments on account, other | Total          |
|--|-------------------|--|--|----------------|
| <b>Gross value as of 1 January 2015</b>                      | <b>47.5</b>       | <b>686.6</b>   | <b>31.1</b>                                  | <b>765.2</b>   |
| Acquisitions/Increases                                       | 5.5               | 9.0  | 9.4  | 23.9           |
| Decreases  |                   | (2.3)  | (0.1)  | (2.4)          |
| Changes in scope   | 2.4               | 27.3   | 1.9  | 31.6           |
| Translation adjustments                                      | (0.9)             | 13.8   | 0.3  | 13.2           |
| Reclassifications <sup>(2)</sup>                             |                   | 2.5  | (6.5)  | (4.0)          |
| <b>Gross value as of 31 December 2015</b>                    | <b>54.5</b>       | <b>736.9</b>   | <b>36.1</b>                                  | <b>827.5</b>   |
| <b>Amortisation / Impairment as of 1 January 2015</b>        | <b>(23.0)</b>     | <b>(422.3)</b>   | <b>(20.3)</b>                                | <b>(465.6)</b> |
| Amortisation charge  | (4.9)             | (47.9)   | (0.6)  | (53.4)         |
| Impairment loss  | (0.2)             | (0.1)  |  | (0.3)          |
| Decreases  |                   | 2.1  | 0.1  | 2.2            |
| Changes in scope   | (1.8)             | (2.4)  | (1.2)  | (5.4)          |
| Translation adjustments                                      | 0.2               | (9.1)  | (0.1)  | (9.0)          |
| Reclassifications <sup>(2)</sup>                             |                   | 1.6  | 2.6  | 4.2            |
| <b>Amortisation / Impairment loss as of 31 December 2015</b> | <b>(29.7)</b>     | <b>(478.1)</b>   | <b>(19.5)</b>                                | <b>(527.3)</b> |
| <b>Net value as of 1 January 2015</b>                        | <b>24.5</b>       | <b>264.3</b>   | <b>10.8</b>                                  | <b>299.6</b>   |
| <b>Net value as of 31 December 2015</b>                      | <b>24.8</b>       | <b>258.8</b>   | <b>16.6</b>                                  | <b>300.2</b>   |

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### Notes to the annual consolidated financial statements

(1) Includes the valuation of contracts recognised in connection with business combinations.

(2) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

#### 4.2. Property, plant and equipment (PP&E)

|  | 31/12/2016     | 31/12/2015                   |                |                |
|--|----------------|------------------------------|----------------|----------------|
| <i>In million euros</i>                      | Gross value    | Depreciation<br>or provision | Net value      | Net value      |
| Land   | 27.1           | (1.4)                        | 25.7           | 26.8           |
| Buildings                                    | 109.7          | (70.4)                       | 39.3           | 21.1           |
| Technical installations, tools and equipment | 2,974.3        | (2,035.8)                    | 938.5          | 991.2          |
| Vehicles                                     | 141.0          | (76.2)                       | 64.8           | 68.9           |
| Other property, plant and equipment          | 163.0          | (142.1)                      | 20.9           | 22.6           |
| Assets under construction and down payments  | 62.3           | (0.8)                        | 61.5           | 42.5           |
| <b>Total</b>                                 | <b>3,477.4</b> | <b>(2,326.7)</b>             | <b>1,150.7</b> | <b>1,173.1</b> |

2016 changes in gross value and net carrying amount:

| <i>In million euros</i>                              | Land         | Buildings     | Technical<br>installations, tools<br>& equipment | Other          | Total            |
|--|--------------|---------------|--|----------------|------------------|
| <b>Gross value as of 1 January 2016</b>              | <b>28.2</b>  | <b>89.4</b>   | <b>2,991.7</b>                                   | <b>351.8</b>   | <b>3,461.1</b>   |
| - of which finance lease                             |              | 2.4           | 5.4  | 42.7           | 50.5             |
| - of which dismantling cost                          |              |               | 152.5  |                | 152.5            |
| Acquisitions   | 0.1          | 1.4           | 144.1  | 88.8           | 234.4            |
| - of which acquisitions under finance lease          |              |               |  | 5.6            | 5.6              |
| - of which dismantling cost                          |              |               | 18.9   |                | 18.9             |
| - of which effect of rate change on dismantling cost |              |               | 0.9  |                | 0.9              |
| Decreases  | (0.1)        | (1.1)         | (135.3)  | (19.9)         | (156.4)          |
| - of which disposals under finance lease             |              |               |  | (4.9)          | (4.9)            |
| - of which dismantling cost                          |              |               | (10.4)   |                | (10.4)           |
| Changes in scope                                     | 1.6          | 17.8          | 3.3  | 2.8            | 25.5             |
| Reclassifications <sup>(1)</sup>                     |              | 0.3           | 38.0   | (54.0)         | (15.7)           |
| Goodwill allocation                                  |              | 3.8           | (67.3)   | (2.8)          | (66.3)           |
| Translation adjustments                              | (2.7)        | (1.9)         | (0.2)  | (0.4)          | (5.2)            |
| <b>Gross value as of 31 December 2016</b>            | <b>27.1</b>  | <b>109.7</b>  | <b>2,974.3</b>                                   | <b>366.3</b>   | <b>3,477.4</b>   |
| <b>Depreciation as of 1 January 2016</b>             | <b>(1.4)</b> | <b>(68.3)</b> | <b>(2,000.5)</b>                                 | <b>(217.8)</b> | <b>(2,288.0)</b> |
| - of which finance lease                             |              | (2.3)         | (5.4)  | (18.5)         | (26.2)           |
| - of which dismantling cost                          |              |               | (90.6)   |                | (90.6)           |
| Depreciation charge net of reversals                 |              | (3.4)         | (183.5)  | (21.4)         | (208.3)          |
| - of which finance lease                             |              |               |  | (7.5)          | (7.5)            |
| - of which dismantling cost                          |              |               | (15.7)   |                | (15.7)           |
| Impairment loss                                      |              |               |  | 0.4            | 0.4              |
| Decreases  |              | 1.0           | 130.5  | 18.1           | 149.6            |
| - of which finance lease                             |              |               |  | 4.1            | 4.1              |
| - of which dismantling cost                          |              |               | 8.0  |                | 8.0              |
| Changes in scope                                     |              |               | 6.9  | 0.3            | 7.2              |
| Reclassifications <sup>(1)</sup>                     |              | (0.1)         | 14.0   | (1.2)          | 12.7             |
| Goodwill allocation                                  |              |               | (5.6)  | 2.0            | (3.6)            |
| Translation adjustments                              |              | 0.4           | 2.4  | 0.5            | 3.3              |
| <b>Depreciation as of 31 December 2016</b>           | <b>(1.4)</b> | <b>(70.4)</b> | <b>(2,035.8)</b>                                 | <b>(219.1)</b> | <b>(2,326.7)</b> |
| <b>Net value as of 1 January 2016</b>                | <b>26.8</b>  | <b>21.1</b>   | <b>991.2</b>                                     | <b>134.0</b>   | <b>1,173.1</b>   |
| <b>Net value as of 31 December 2016</b>              | <b>25.7</b>  | <b>39.3</b>   | <b>938.5</b>                                     | <b>147.2</b>   | <b>1,150.7</b>   |

(1) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

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### Notes to the annual consolidated financial statements

2015 changes in gross value and net carrying amount:

| <i>In million euros</i>                     | Land         | Buildings     | Technical<br>installations, tools<br>& equipment | Other          | Total            |
|---|--------------|---------------|--|----------------|------------------|
| <b>Gross value as of 1 January 2015</b>     | <b>26.6</b>  | <b>85.7</b>   | <b>2,634.4</b>                                   | <b>340.6</b>   | <b>3,087.3</b>   |
| - of which finance lease                    |              | 4.3           | 5.4  | 41.2           | 50.9             |
| - of which dismantling cost                 |              |               | 134.8  |                | 134.8            |
| Acquisitions                                | 0.1          | 1.9           | 101.3  | 106.3          | 209.6            |
| - of which acquisitions under finance lease |              |               |  | 5.3            | 5.3              |
| - of which dismantling cost                 |              |               | 20.1   |                | 20.1             |
| Decreases                                   |              | (3.2)         | (131.7)  | (26.6)         | (161.5)          |
| - of which disposals under finance lease    |              | (1.9)         |  | (4.4)          | (6.3)            |
| - of which dismantling cost                 |              |               | (9.1)  |                | (9.1)            |
| Changes in scope                            | 0.4          | 4.7           | 295.5  | 11.2           | 311.8            |
| Reclassifications <sup>(1)</sup>            |              | 0.1           | 82.1   | (82.3)         | (0.1)            |
| Translation adjustments                     | 1.1          | 0.2           | 10.1   | 2.6            | 14.0             |
| <b>Gross value as of 31 December 2015</b>   | <b>28.2</b>  | <b>89.4</b>   | <b>2,991.7</b>                                   | <b>351.8</b>   | <b>3,461.1</b>   |
| <b>Depreciation as of 1 January 2015</b>    | <b>(1.4)</b> | <b>(66.1)</b> | <b>(1,784.1)</b>                                 | <b>(213.1)</b> | <b>(2,064.7)</b> |
| - of which finance lease                    |              | (4.2)         | (5.4)  | (14.1)         | (23.7)           |
| - of which dismantling cost                 |              |               | (80.0)   |                | (80.0)           |
| Depreciation charge net of reversals        |              | (2.2)         | (172.5)  | (21.7)         | (196.4)          |
| - of which finance lease                    |              |               |  | (7.3)          | (7.3)            |
| - of which dismantling cost                 |              |               | (13.2)   |                | (13.2)           |
| Impairment loss                             |              |               | (3.6)  | 1.2            | (2.4)            |
| Decreases                                   |              | 2.8           | 128.3  | 22.9           | 154.0            |
| - of which finance lease                    |              | 1.9           |  | 3.3            | 5.2              |
| - of which dismantling cost                 |              |               | 7.9  |                | 7.9              |
| Changes in scope                            |              | (2.7)         | (156.1)  | (5.5)          | (164.3)          |
| Reclassifications <sup>(1)</sup>            |              |               |  | (0.2)          | (0.2)            |
| Translation adjustments                     |              | (0.1)         | (12.5)   | (1.4)          | (14.0)           |
| <b>Depreciation as of 31 December 2015</b>  | <b>(1.4)</b> | <b>(68.3)</b> | <b>(2,000.5)</b>                                 | <b>(217.8)</b> | <b>(2,288.0)</b> |
| <b>Net value as of 1 January 2015</b>       | <b>25.2</b>  | <b>19.6</b>   | <b>850.3</b>                                     | <b>127.5</b>   | <b>1,022.6</b>   |
| <b>Net value as of 31 December 2015</b>     | <b>26.8</b>  | <b>21.1</b>   | <b>991.2</b>                                     | <b>134.0</b>   | <b>1,173.1</b>   |

(1) The net impact of reclassifications is not nil, as some reclassifications have an impact on other items in the statement of financial position.

As of 31 December 2016, the net value of property, plant and equipment under finance lease amounted to €21 million, compared to €24.3 million as of 31 December 2015. It breaks down as follows:

| <i>In million euros</i>             | 31/12/2016  | 31/12/2015  |
|-------------------------------------|-------------|-------------|
| Buildings                           | 0.1         | 0.1         |
| Vehicles                            | 20.9        | 23.9        |
| Other property, plant and equipment | 0.0         | 0.3         |
| <b>Total</b>                        | <b>21.0</b> | <b>24.3</b> |

Over 80% of the Group's property, plant and equipment are comprised of street furniture and other advertising structures. These assets represent a range of very diverse products (Seniors, MUPIs®, digital screens, columns, flag poles, bus shelters, public toilets, benches, bicycles, public litter bins, etc.). These assets are fully owned (controlled by the Group) and Group advertising revenue represents the sale of advertising spaces present in some of these structures. The net book value of buildings amounted to €39.3 million. The Group owns 99% of these buildings, the remaining is owned under finance lease. Buildings comprise administrative offices and warehouses, mainly in Mexico for €13.8 million, in Spain for €7.4 million, in Germany for €6.4 million and in France for €4.0 million.

**4.3. Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests**

Goodwill, property, plant and equipment and intangible assets refer to the following CGU groups:

| <i>In million euros</i>                                       | 31/12/2016     |   |                | 31/12/2015     |   |                |
|---|----------------|---|----------------|----------------|---|----------------|
|   | Goodwill       | PP&E /<br>intangible<br>assets <sup>(1)</sup> | Total          | Goodwill       | PP&E /<br>intangible<br>assets <sup>(1)</sup> | Total          |
| Street Furniture Europe (excluding France and United Kingdom) | 387.6          | 358.6   | 746.2          | 358.5          | 399.6   | 758.1          |
| Billboard Europe (excluding France and United Kingdom)        | 141.9          | 45.6  | 187.5          | 141.8          | 45.3  | 187.1          |
| Airports World <sup>(2)</sup>                                 | 123.5          | 71.6  | 195.1          | 122.5          | 60.3  | 182.8          |
| Billboard United Kingdom                                      | 149.6          | 52.4  | 202.0          | 173.8          | 54.0  | 227.8          |
| Billboard France  | 115.4          | 7.4   | 122.8          | 115.4          | 9.1   | 124.5          |
| Street Furniture France                                       | 86.4           | 354.1   | 440.5          | 86.4           | 385.5   | 471.9          |
| Other <sup>(3)</sup>  | 356.4          | 459.2   | 815.6          | 273.2          | 463.6   | 736.8          |
| <b>Total</b>  | <b>1,360.8</b> | <b>1,348.9</b>                                | <b>2,709.7</b> | <b>1,271.6</b> | <b>1,417.4</b>                                | <b>2,689.0</b> |

This table takes into account the impairment losses recognised on property, plant and equipment, intangible assets and goodwill. The goodwill, intangible assets and property, plant and equipment recognised in connection with the acquisition in 2016 of Outfront and Top Media, presented on the line "Other", were not subject of impairment tests (Top Media is in the process of allocation).

- (1) Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for €128.3 million and €26.8 million respectively as of 31 December 2016 and 31 December 2015, and less net deferred tax liabilities related to the contracts recognised in connection with business combinations, for €(13.8) million and €29.1 million respectively as of 31 December 2016 and 31 December 2015.
- (2) Intangible assets and property, plant and equipment for €71.6 million related to the CGU Airports World include €29.3 million belonging to the geographical area Rest of the World.
- (3) The amount of €356.4 million of goodwill and the amount of €459.1 million of intangible assets and property, plant and equipment on the line "Other" include respectively €151.3 million and €183.3 million related to the geographical area Rest of the World and for which the impairment and sensitivity tests were performed at the level of each group of CGUs of this geographical area.

Impairment tests carried out as of 31 December 2016 resulted in a €0.5 million net impairment reverse on intangible assets and property, plant and equipment, as well as a €1.2 million net product of provision for onerous contracts, both being recorded in the EBIT.

Impairment tests conducted for intangible assets and property, plant and equipment had a positive impact of €1.2 million on net income (Group share) compared to €(7.5) million in 2015.

The discount rate, the operating margin ratio and the perpetual growth rate for the Billboard business are considered to be the Group's key assumptions with respect to impairment testing.

The countries are broken down into five areas based on the risk associated with each country, and each area corresponds to a specific discount rate ranging from 7.0% to 19.0%, for the area presenting the highest risk. The after-tax rate of 7.0%, used in 2016 (as well as in 2015), was used particularly in Western Europe (excluding Spain, Portugal, Italy and Ireland), North America, Japan, Singapore, South Korea, Australia and Chile where the Group generates 59.0% of its adjusted revenue. The average discount rate for the Group came to 9.3% in 2016.

Sensitivity tests for which the results are presented below were carried out by the following way:

- In France, the United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific, three sensitivity tests were performed; on the one hand, by increasing the discount rate by 50 basis points, and on the other hand, by decreasing by 50 basis points both the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business.
- In the geographical area Rest of the World where there are countries much more exposed to economical and political volatility, three sensitivity tests were performed; on the one hand, by increasing the discount rate by 200 basis points, and on the other hand, by decreasing by 200 basis points both the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business.

The results of the sensitivity tests demonstrate that:

- an increase of 50 basis points in the discount rate for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(2.9) million on the Billboard Europe (excluding France and United Kingdom) goodwill. It would not lead to any additional impairment loss on intangible assets and property, plant and equipment of each of the CGUs of these geographical areas;
- an increase of 200 basis points in the discount rate for the geographical area Rest of the World would result in an impairment loss of €(4.1) million on goodwill. It would result in an additional impairment loss of €(2.4) million on intangible assets and property, plant and equipment of this geographical area;

- a decrease of 50 basis points in the operating margin ratio for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(1) million on Europe (excluding France and United Kingdom) intangible assets and property, plant and equipment and €(2) million on Asia-Pacific. It would not lead to any additional impairment loss on goodwill of each of the CGUs of these geographical areas;
- a decrease of 200 basis points in the operating margin ratio for the geographical area Rest of the World would result in an additional impairment loss of €(4.3) on intangible assets and property, plant and equipment. It would not lead to any additional impairment loss on goodwill of each CGUs of this geographical area;
- a decrease in the perpetual growth rate of the discounted cash flows by 50 basis points for the geographical areas France, United Kingdom, Europe (excluding France and United Kingdom) would result in an additional impairment loss of €(16) million on goodwill (without any additional loss on intangible assets and property, plant and equipment). A decrease in the perpetual growth rate of the discounted cash flows by 200 basis points for the geographical area Rest of the World would not lead to any additional impairment loss on intangible assets and property, plant and equipment or on goodwill of each of the CGUs of this geographical area.

#### 4.4. Investments under the equity method and impairment tests

| <i>In million euros</i>     | 31/12/2016   | 31/12/2015   |
|-----------------------------|--------------|--------------|
| Joint ventures              | 328.7        | 310.0        |
| Associates                  | 181.5        | 179.3        |
| <b>Total <sup>(1)</sup></b> | <b>510.2</b> | <b>489.3</b> |

(1) Including €70.2 million related to the Rest of the World area at 31 December 2016 compared to €61.4 million at 31 December 2015.

The information related to the joint ventures and associates is provided in application of IFRS 12 “Disclosure of Interests in Other Entities” and is detailed in Note 10 “Information on the joint ventures” and in Note 11 “Information on associates”.

No impairment loss was booked in 2016 as in 2015.

For companies consolidated under the equity method in France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific areas, varying the three key assumptions of the Group would not lead to any impairment loss: an increase of 50 basis points in the discount rate, reduction of 50 basis points applied, respectively, to the operating margin ratio and the perpetual growth rate of the discounted cash flows for the Billboard business.

For investments under the equity method belonging to the geographical area Rest of the World, the results of the sensitivity tests demonstrate that:

- a 200 basis point increase in the discount rate would lead to an impairment loss of €(6.1) million on the share of net profit of companies consolidated under the equity method;
- a 200 basis point decrease in the operating margin ratio would lead to an impairment loss of €(1.7) million on the share of net profit of companies consolidated under the equity method;
- a 200 basis point decrease in the perpetual growth rate of the discounted cash flows would not lead to an impairment loss on the share of net profit of companies consolidated under the equity method for which future cash flows are calculated based on a perpetual projection.

#### 4.5. Financial investments and other financial assets (current and non-current)

| <i>In million euros</i>          | 31/12/2016   | 31/12/2015   |
|----------------------------------|--------------|--------------|
| <b>Financial investments</b>     | <b>0.7</b>   | <b>0.8</b>   |
| Loans                            | 63.7         | 66.5         |
| Loans to participating interests | 9.1          | 9.0          |
| Other financial investments      | 36.0         | 43.3         |
| <b>Other financial assets</b>    | <b>108.8</b> | <b>118.8</b> |
| <b>Total</b>                     | <b>109.5</b> | <b>119.6</b> |

The decrease in other financial assets for €10.0 million as of 31 December 2016 was mainly related to the repayments of the guarantee deposits for the execution of operational contracts that have expired.

The maturity of other financial assets breaks down as follows:

| <i>In million euros</i> | 31/12/2016   | 31/12/2015   |
|-------------------------|--------------|--------------|
| ≤ 1 year                | 5.1          | 10.3         |
| > 1 year & ≤ 5 years    | 103.0        | 100.3        |
| > 5 years               | 0.7          | 8.2          |
| <b>Total</b>            | <b>108.8</b> | <b>118.8</b> |

#### 4.6. Other receivables (non-current)

| <i>In million euros</i>                                     | 31/12/2016   | 31/12/2015   |
|---|--------------|--------------|
| - Prepaid expenses  | 21.0         | 28.5         |
| - Miscellaneous receivables                                 | 11.2         | 6.4          |
| <i>Write-down for miscellaneous receivables</i>             | (2.0)        | (2.0)        |
| <b>Total Other receivables (non-current)</b>                | <b>32.2</b>  | <b>34.9</b>  |
| <b>Total Write-down for other receivables (non-current)</b> | <b>(2.0)</b> | <b>(2.0)</b> |
| <b>Total</b>  | <b>30.2</b>  | <b>32.9</b>  |

#### 4.7. Inventories

| <i>In million euros</i>    | 31/12/2016   | 31/12/2015  |
|----------------------------|--------------|-------------|
| Gross value of inventories | 142.6        | 128.6       |
| Write-down                 | (29.7)       | (28.7)      |
| <b>Total</b>               | <b>112.9</b> | <b>99.9</b> |

#### 4.8. Trade and other receivables

| <i>In million euros</i>  | 31/12/2016    | 31/12/2015    |
|--|---------------|---------------|
| - Trade receivables  | 762.7         | 772.2         |
| <i>Write-down for trade receivables</i>                                | (33.0)        | (34.8)        |
| - Miscellaneous receivables  | 36.9          | 18.8          |
| <i>Write-down for miscellaneous receivables</i>                        | (1.6)         | (1.8)         |
| - Other operating receivables  | 20.8          | 27.3          |
| <i>Write-down for other operating receivables</i>                      | (0.1)         | (0.2)         |
| - Miscellaneous tax receivables  | 45.9          | 46.5          |
| - Receivables on disposal of assets and equipment grant to be received | 0.8           | 1.3           |
| - Down payments  | 7.6           | 7.6           |
| - Prepaid expenses   | 67.8          | 50.2          |
| <b>Total Trade and other receivables</b>                               | <b>942.5</b>  | <b>923.9</b>  |
| <b>Total Write-down for trade and other receivables</b>                | <b>(34.7)</b> | <b>(36.8)</b> |
| <b>Total</b>   | <b>907.8</b>  | <b>887.1</b>  |

Changes in consolidation scope and in exchange rates contributed for respectively €23.6 million and for € (13.3) million to the €20.7 million increase in trade and other receivables as of 31 December 2016.

The balance of past-due trade receivables that had not been written down amounted to €240.2 million as of 31 December 2016, compared to €287.2 million as of 31 December 2015. 5.2% of non-written down trade receivables were past-due by more than 90 days as of 31 December 2016, compared to 7.4% as of 31 December 2015. These trade receivables are related to media agency and international groups that do not present a risk in terms of recovery.

#### 4.9. Managed cash

| <i>In million euros</i>                | 31/12/2016   | 31/12/2015   |
|--|--------------|--------------|
| Cash                                   | 128.0        | 157.5        |
| Cash equivalents                       | 565.1        | 75.7         |
| <b>Total cash and cash equivalents</b> | <b>693.1</b> | <b>233.2</b> |
| Treasury financial assets              | 281.0        | 77.7         |
| <b>Total managed cash</b>              | <b>974.1</b> | <b>310.9</b> |

As of 31 December 2016, the Group has €693.1 million of cash and cash equivalents (compared to €233.2 million as of 31 December 2015) and €281.0 million of treasury financial assets (compared to €77.7 million as of 31 December 2015). This increase of the managed cash is mainly explained by the issuance of a €750 million bond in June 2016.

Cash equivalents mainly includes short-term deposits and money market funds. €10.1 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2016, compared to €7.3 million as of 31 December 2015.

As of 31 December 2016 treasury financial assets were made of €243.4 million of short-term liquid investments (compared to €42.3 million as of 31 December 2015) and €37.6 million held in escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €35.4 million as of 31 December 2015). These financial assets have the main characteristics of cash equivalents but do not strictly comply with all the criteria which must be satisfied according to IAS 7.

#### 4.10. Net deferred taxes

##### 4.10.1. Deferred taxes recorded

Breakdown of deferred taxes:

| <i>In million euros</i>                                      | 31/12/2016  | 31/12/2015    |
|--|-------------|---------------|
| PP&E, intangible assets and provisions for onerous contracts | (56.2)      | (108.3)       |
| Tax losses carried forward                                   | 11.1        | 8.0           |
| Provisions for dismantling costs                             | 27.1        | 22.4          |
| Provisions for retirement and other benefits                 | 22.2        | 19.3          |
| Deferred rent  | 45.1        | 21.5          |
| Other  | 9.9         | 5.7           |
| <b>Total</b>   | <b>59.2</b> | <b>(31.4)</b> |

The €90.6 million increase of deferred tax assets net of the deferred tax liabilities 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 recognized following the purchase price allocation of Cemusa.

##### 4.10.2. Net deferred tax variation

| <i>In million euros</i>  | 31/12/2015    | Net expense | DT on actuarial gains and losses | Translation adjustments | Changes in scope | 31/12/2016  |
|--------------------------|---------------|-------------|----------------------------------|-------------------------|------------------|-------------|
| Deferred tax assets      | 48.6          | 5.9         | 0.4                              | 4.9                     | 75.1             | 134.9       |
| Deferred tax liabilities | (80.0)        | 6.2         | 2.5                              | 2.4                     | (6.8)            | (75.7)      |
| <b>Total</b>             | <b>(31.4)</b> | <b>12.1</b> | <b>2.9</b>                       | <b>7.3</b>              | <b>68.3</b>      | <b>59.2</b> |

##### 4.10.3. Unrecognised deferred tax assets on tax losses carried forward

Deferred tax assets on losses carried forward that had not been recognised amounted to €87.9 million as of 31 December 2016, compared to €64.7 million as of 31 December 2015.

#### 4.11. Equity

##### Breakdown of share capital

As of 31 December 2016, share capital amounted to €3,240,270.51 divided into 212,547,655 shares of the same class and fully paid up.

##### Reconciliation of the number of outstanding shares as of 1 January 2016 and 31 December 2016:

|  |                    |
|--|--------------------|
| Number of outstanding shares as of 1 January 2016          | 212 299 238        |
| Shares issued following the exercise of options            | 248 417            |
| <b>Number of outstanding shares as of 31 December 2016</b> | <b>212 547 655</b> |

As of 31 December 2016, JCDecaux SA did not hold any treasury shares.

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 amounted to €3.9 million in 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.

The non-controlling interests do not represent a significant portion of the 2015 and 2016 Group consolidated financial statements.

**4.12. Provisions**

Provisions break down as follows:

|   | 31/12/2015   | Allocations | Discount <sup>(2)</sup> | Reversals     |              | Actuarial gains and losses/ assets ceiling | Reclassifications | Translation adjustments | Changes in scope | 31/12/2016   |
|---|--------------|-------------|-------------------------|---------------|--------------|--|-------------------|-------------------------|------------------|--------------|
|   |              |             |                         | Used          | Not used     |  |                   |                         |                  |              |
| <i>In million euros</i>                         |              |             |                         |               |              |  |                   |                         |                  |              |
| Provisions for dismantling cost                 | 210.9        | 18.9        | 4.2                     | (9.4)         | (5.6)        |  |                   | (0.1)                   | 17.0             | 235.9        |
| Provisions for onerous contracts <sup>(1)</sup> | 26.8         |             |                         | (48.4)        |              |  |                   | 3.4                     | 146.5            | 128.3        |
| Provisions for retirement and other benefits    | 70.8         | 4.9         | 1.6                     | (6.8)         |              | 13.5                                       |                   | (1.1)                   | 1.1              | 84.0         |
| Provisions for litigation                       | 12.9         | 3.4         |                         | (0.4)         | (1.8)        |  | 2.7               | 1.8                     | 2.7              | 21.3         |
| Other provisions                                | 22.2         | 4.3         |                         | (6.2)         | (0.5)        |  | 2.3               | 0.2                     | 0.1              | 22.4         |
| <b>Total</b>                                    | <b>343.6</b> | <b>31.5</b> | <b>5.8</b>              | <b>(71.2)</b> | <b>(7.9)</b> | <b>13.5</b>                                | <b>5.0</b>        | <b>4.2</b>              | <b>167.4</b>     | <b>491.9</b> |

(1) Changes in scope include provisions for onerous contracts related to Cemusa and Oufont for respectively €136.9 million and €9.6 million.

(2) Including €0.9 million recognised versus PP&E..

**4.12.1. Provisions for dismantling costs**

Provisions consist mainly of provisions for dismantling costs regarding advertising assets in respect of Street Furniture and Transport businesses. They are calculated at the end of each accounting period and are based on the assets pool and their unitary dismantling cost (labour, cost of destruction and restoration of ground surfaces). As of 31 December 2016, the average residual contract term used to calculate the provision for dismantling costs is 8.9 years.

Provisions for dismantling are discounted at a rate of 1.5% as of 31 December 2016, the same as 31 December 2015. The use of a 1.0% discount rate (change of 50 basis points) would have generated an additional provision of approximately €10.6 million.

**4.12.2. Provisions for retirement and other benefits****4.12.2.1. Characteristics of the defined benefits plans**

The Group's defined employee benefit obligations mainly consist of retirement benefits (contractual termination benefits, pensions and other retirement benefits for senior executives of certain Group subsidiaries) and other long-term benefits paid throughout the employee's career, such as long service awards or jubilees.

The Group's retirement benefits mainly involve France, the United Kingdom and Austria.

In France, termination benefits paid at retirement are calculated in accordance with the "Convention Nationale de la Publicité" (Collective Bargaining Agreement for Advertising). A portion of the obligation is covered by contributions made to an external fund by the French companies of JCDecaux Group.

In the United Kingdom, retirement obligations mainly consist of a pension plan previously opened to some employees of JCDecaux UK Ltd. In December 2002, the vesting rights for this plan were frozen.

In Austria, the obligations mainly comprise mandatory termination benefits.

**4.12.2.2. Financial information**

Provisions are calculated according to the following assumptions:

|   | 2016  | 2015  |
|---|-------|-------|
| <b>Discount rate <sup>(1)</sup></b>                         |       |       |
| Euro Zone   | 1.50% | 2.10% |
| United Kingdom  | 2.60% | 3.70% |
| <b>Estimated annual rate of increase in future salaries</b> |       |       |
| Euro Zone   | 2.00% | 1.90% |
| United Kingdom <sup>(2)</sup>                               | NA    | NA    |
| <b>Inflation rate</b>                                       |       |       |
| Euro Zone   | 1.75% | 1.75% |
| United Kingdom  | 2.50% | 2.40% |

(1) The discount rates for the Euro Zone and the United Kingdom are taken from the Iboxx data and are determined based on the yield rate of bonds issued by highly rated companies (rated AA).

(2) As the UK plan was frozen, no salary increase was taken into account.

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Notes to the annual consolidated financial statements

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

▪ **In 2015:**

| <i>In million euros</i>   | Retirement benefits |              | Other long-term<br>benefits | Total        |
|---|---------------------|--------------|-----------------------------|--------------|
|   | unfunded            | funded       |                             |              |
| <b>Change in benefit obligation</b>                                 |                     |              |                             |              |
| <b>Benefit obligation at the beginning of the year</b>              | <b>15.4</b>         | <b>100.7</b> | <b>7.7</b>                  | <b>123.8</b> |
| Service cost  | 1.5                 | 2.8          | 0.4                         | 4.7          |
| Interest cost   | 0.4                 | 3.0          | 0.1                         | 3.5          |
| Settlements of plans  | (0.8)               |              |                             | (0.8)        |
| Acquisitions / disposals of plans                                   |                     |              | 0.2                         | 0.2          |
| Actuarial gains/losses <sup>(1)</sup>                               | (0.4)               | (0.4)        |                             | (0.8)        |
| Employee contributions  |                     | 0.1          |                             | 0.1          |
| Benefits paid   | (1.3)               | (2.7)        | (0.4)                       | (4.4)        |
| Translation adjustments   | 0.1                 | 2.7          |                             | 2.8          |
| Other   | 0.3                 |              |                             | 0.3          |
| <b>Benefit obligation at the end of the year</b>                    | <b>15.2</b>         | <b>106.2</b> | <b>8.0</b>                  | <b>129.4</b> |
| <i>including France</i>   | 9.6                 | 48.2         | 4.7                         | 62.5         |
| <i>including other countries</i>                                    | 5.6                 | 58.0         | 3.3                         | 66.9         |
| <b>Change in plan assets</b>  |                     |              |                             |              |
| <b>Assets at the beginning of the year</b>                          |                     | <b>51.8</b>  |                             | <b>51.8</b>  |
| Interest income   |                     | 1.9          |                             | 1.9          |
| Return on plan assets excluding amounts included in interest income |                     | 1.0          |                             | 1.0          |
| Employer contributions  |                     | 4.2          |                             | 4.2          |
| Employee contributions  |                     | 0.1          |                             | 0.1          |
| Benefits paid   |                     | (2.7)        |                             | (2.7)        |
| Translation adjustments   |                     | 2.3          |                             | 2.3          |
| Other   |                     |              |                             | 0.0          |
| <b>Assets at the end of the year</b>                                |                     | <b>58.6</b>  |                             | <b>58.6</b>  |
| <i>including France</i>   |                     | 7.4          |                             | 7.4          |
| <i>including other countries <sup>(2)</sup></i>                     |                     | 51.2         |                             | 51.2         |
| <b>Provisions</b>   |                     |              |                             |              |
| Funded status   | 15.2                | 47.6         | 8.0                         | 70.8         |
| Assets ceiling  |                     |              |                             | 0.0          |
| <b>Provisions at the end of the year</b>                            | <b>15.2</b>         | <b>47.6</b>  | <b>8.0</b>                  | <b>70.8</b>  |
| <i>including France</i>   | 9.6                 | 40.8         | 4.7                         | 55.1         |
| <i>including other countries</i>                                    | 5.6                 | 6.8          | 3.3                         | 15.7         |
| <b>Pension cost</b>   |                     |              |                             |              |
| Interest cost   | 0.4                 | 3.0          | 0.1                         | 3.5          |
| Interest income   |                     | (1.9)        |                             | (1.9)        |
| Service cost  | 1.5                 | 2.8          | 0.4                         | 4.7          |
| Amortisation of actuarial gains/losses on other long-term benefits  |                     |              |                             | 0.0          |
| Settlements of plans  | (0.8)               |              |                             | (0.8)        |
| Other   |                     |              |                             | 0.0          |
| <b>Charge for the year</b>  | <b>1.1</b>          | <b>3.9</b>   | <b>0.5</b>                  | <b>5.5</b>   |
| <i>including France</i>   | 0.8                 | 3.2          | 0.2                         | 4.2          |
| <i>including other countries</i>                                    | 0.3                 | 0.7          | 0.3                         | 1.3          |

(1) Including €0.1 million related to experience gains and losses, €(1.4) million related to change in financial assumptions and €0.5 million related to demographic assumptions.

(2) Mainly the United Kingdom.

▪ In 2016:

| <i>In million euros</i>   | Retirement benefits |              | Other long-term benefits | Total        |
|---|---------------------|--------------|--------------------------|--------------|
|   | unfunded            | funded       |                          |              |
| <b>Change in benefit obligation</b>                                 |                     |              |                          |              |
| <b>Benefit obligation at the beginning of the year</b>              | <b>15.2</b>         | <b>106.2</b> | <b>8.0</b>               | <b>129.4</b> |
| Service cost  | 1.2                 | 3.3          | 0.4                      | 4.9          |
| Interest cost   | 0.4                 | 2.9          | 0.1                      | 3.4          |
| Acquisitions / disposals of plans                                   | 0.9                 |              | 0.2                      | 1.1          |
| Plans amendments  | (0.4)               | 0.4          | (0.1)                    | (0.1)        |
| Actuarial gains/losses <sup>(1)</sup>                               | 1.5                 | 12.8         | (0.2)                    | 14.1         |
| Employee contributions  |                     | 0.2          |                          | 0.2          |
| Benefits paid   | (1.4)               | (3.4)        | (0.7)                    | (5.5)        |
| Translation adjustments   |                     | (7.6)        |                          | (7.6)        |
| Other <sup>(3)</sup>  |                     | 3.2          |                          | 3.2          |
| <b>Benefit obligation at the end of the year</b>                    | <b>17.4</b>         | <b>118.0</b> | <b>7.7</b>               | <b>143.1</b> |
| <i>including France</i>   | <i>10.9</i>         | <i>52.0</i>  | <i>4.6</i>               | <i>67.5</i>  |
| <i>including other countries</i>                                    | <i>6.5</i>          | <i>66.0</i>  | <i>3.1</i>               | <i>75.6</i>  |
| <b>Change in plan assets</b>  |                     |              |                          |              |
| <b>Assets at the beginning of the year</b>                          |                     | <b>58.6</b>  |                          | <b>58.6</b>  |
| Interest income   |                     | 1.8          |                          | 1.8          |
| Return on plan assets excluding amounts included in interest income |                     | 1.1          |                          | 1.1          |
| Employer contributions  |                     | 4.2          |                          | 4.2          |
| Employee contributions  |                     | 0.2          |                          | 0.2          |
| Benefits paid   |                     | (3.4)        |                          | (3.4)        |
| Translation adjustments   |                     | (6.5)        |                          | (6.5)        |
| Other <sup>(3)</sup>  |                     | 3.5          |                          | 3.5          |
| <b>Assets at the end of the year</b>                                |                     | <b>59.5</b>  |                          | <b>59.5</b>  |
| <i>including France</i>   |                     | <i>7.3</i>   |                          | <i>7.3</i>   |
| <i>including other countries <sup>(2)</sup></i>                     |                     | <i>52.2</i>  |                          | <i>52.2</i>  |
| <b>Provisions</b>   |                     |              |                          |              |
| Funded status   | 17.4                | 58.5         | 7.7                      | 83.6         |
| Assets ceiling  |                     | 0.4          |                          | 0.4          |
| <b>Provisions at the end of the year</b>                            | <b>17.4</b>         | <b>58.9</b>  | <b>7.7</b>               | <b>84.0</b>  |
| <i>including France</i>   | <i>10.9</i>         | <i>44.7</i>  | <i>4.6</i>               | <i>60.2</i>  |
| <i>including other countries</i>                                    | <i>6.5</i>          | <i>14.2</i>  | <i>3.1</i>               | <i>23.8</i>  |
| <b>Pension cost</b>   |                     |              |                          |              |
| Interest cost   | 0.4                 | 2.9          | 0.1                      | 3.4          |
| Interest income   |                     | (1.8)        |                          | (1.8)        |
| Service cost  | 1.2                 | 3.3          | 0.4                      | 4.9          |
| Amortisation of actuarial gains/losses on other long-term benefits  |                     |              | (0.1)                    | (0.1)        |
| Plans amendments  | (0.4)               | 0.4          | (0.1)                    | (0.1)        |
| Other <sup>(3)</sup>  |                     | (0.3)        |                          | (0.3)        |
| <b>Charge for the year</b>  | <b>1.2</b>          | <b>4.5</b>   | <b>0.3</b>               | <b>6.0</b>   |
| <i>including France</i>   | <i>0.8</i>          | <i>3.3</i>   | <i>0.2</i>               | <i>4.3</i>   |
| <i>including other countries</i>                                    | <i>0.4</i>          | <i>1.2</i>   | <i>0.1</i>               | <i>1.7</i>   |

(1) Including €(1.3) million related to experience gains and losses, €15.4 million related to change in financial assumptions and any impact related to demographic assumptions.

(2) Mainly the United Kingdom.

(3) Following a change in Belgium's legislation, defined contribution plans had been qualified as defined benefits plans.

As of 31 December 2016 the Group's benefit obligation amounted to €143.1 million and mainly involved three countries: France (47% of the total benefit obligation), United Kingdom (38%) and Austria (5%).

The valuations were performed by an independent actuary who also conducted sensitivity tests for each of the plans. The results of the sensitivity tests demonstrate that:

- a decrease of 50 basis points in the discount rate would lead to a €10.2 million increase in the benefit obligation's present value,
- an increase of 50 basis points in the annual rate of increase in future salaries would lead to a €4.3 million increase in the benefit obligation's present value,

- an increase of 50 basis points in the inflation rate would lead to a €2.4 million increase in the benefit obligation's present value.

The variances observed during the sensitivity tests do not call into question the rates adopted for the preparation of the financial statements, deemed to be the rates that most closely match the market.

Net movements in provisions for retirement and other benefits are as follows:

| <i>In million euros</i>  | <b>2016</b> | <b>2015</b> |
|--|-------------|-------------|
| <b>1 January</b>   | <b>70.8</b> | <b>72.0</b> |
| Charge for the year  | 6.0         | 5.5         |
| Translation adjustments  | (1.1)       | 0.5         |
| Contributions paid   | (4.2)       | (4.2)       |
| Benefits paid  | (2.1)       | (1.7)       |
| Change in actuarial gains and losses on post-employment benefit plans and assets ceiling | 13.5        | (1.8)       |
| Other  | 1.1         | 0.5         |
| <b>31 December</b>   | <b>84.0</b> | <b>70.8</b> |
| Which are recorded:  |             |             |
| - In EBIT  | 1.9         | 2.0         |
| - In Financial income (loss)   | (1.6)       | (1.6)       |
| - In Other comprehensive income  | (13.5)      | 1.3         |

The breakdown of the related plan assets is as follows:

|                     | <b>31/12/2016</b> |             | <b>31/12/2015</b> |             |
|---------------------|-------------------|-------------|-------------------|-------------|
|                     | <b>In M€</b>      | <b>In %</b> | <b>In M€</b>      | <b>In %</b> |
| Shares              | 22.2              | 36%         | 26.3              | 45%         |
| Bonds               | 24.8              | 42%         | 24.8              | 42%         |
| Corporate bonds     | 1.7               | 3%          | 1.3               | 2%          |
| Real Estate         | 2.3               | 4%          | 2.8               | 5%          |
| Insurance contracts | 8.1               | 14%         | 3.2               | 6%          |
| Other               | 0.4               | 1%          | 0.2               | 0%          |
| <b>Total</b>        | <b>59.5</b>       | <b>100%</b> | <b>58.6</b>       | <b>100%</b> |

The plan assets are assets that are listed, separately from real estate which is not listed.

#### **4.12.2.3. Information about the future cash flows**

Future contributions to pension funds for the year 2017 are estimated at €2.4 million.

The average weighted duration is respectively 11 years and 19 years for the Euro Zone and the United Kingdom.

The JCDecaux UK Ltd pension plan in the United Kingdom has been closed since December 2002. Today only the deferred or retirees remain in this plan. "Funding" evaluations are carried out every three years in order to determine the level of the plan's deficit with the agreement of the Trustees and the employer in compliance with the regulations. A schedule of contributions is determined up to 2024.

#### **4.12.2.4. Defined contribution plans**

Contributions paid for defined contribution plans represented €35.0 million in 2016 compared to €34.7 million in 2015.

#### **4.12.2.5. Multi-employer defined benefit plans**

The Group takes part in three multi-employer defined benefit plans covered by assets in Sweden (ITP Plan). An evaluation is performed according to the local standards each year. The benefit obligation of the company JCDecaux Sverige AB cannot currently be determined separately. As of 31 December 2015, the three plans were in a surplus position for a total amount of €2,568.0 million, at the national level, according to local evaluations specific to these commitments. The expense recognised in the consolidated financial statements for these three plans is the same as the contributions paid in 2016, i.e. €0.3 million. The future contributions of the three plans will be steady in 2017.

#### **4.12.3. Provisions for litigation**

Provisions for litigation amounted to €21.3 million as of 31 December 2016. Provisions for risks in "Other provisions" are reclassified directly from "Other provisions" to "Provisions for litigation" once proceedings begin.

The JCDecaux Group is party to several legal disputes regarding the terms and conditions of application for some of its contracts with its concession grantors and the terms and conditions governing supplier relations. In addition, the specific nature of its business (contracts with public authorities) may generate specific contentious procedures. The JCDecaux Group is party to litigation over the awarding or cancellation of street furniture and/or billboard contracts, as well as tax litigation.

The Group's Legal Department identifies all litigation (nature, amounts, procedure, risk level), regularly monitors developments and compares this information with that of the Finance Department. The amount of provisions to be

recognised for litigation is analysed case by case, based on the positions of the plaintiffs, the assessment of the Group's legal advisors and any decisions handed down by a court.

#### 4.12.4. Other provisions

Other provisions of €22.4 million comprised provisions for tax risks of €2.5 million, €2.3 million of provisions to hedge the share of the accumulated losses of companies under the equity method exceeding the original investment and other miscellaneous provisions of €17.6 million

#### 4.12.5. Contingent assets and liabilities

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognise a provision with respect to on-going proceedings, tax risks or the terms and conditions governing the implementation or awarding of contracts.

Subject to exceptions, no provision for dismantling costs regarding panels in respect of the Billboard business is recognised in the Group financial statements. Indeed, the Group deems that the dismantling obligation of the Billboard business corresponds to a contingent liability as either the obligation is hardly probable or it cannot be estimated with sufficient reliability due to the uncertainty of the probable dismantling date that influences the discounting impact. Regarding panels that resemble street furniture and most spectacular advertising structures, whose unitary dismantling cost is more significant than for dismantling traditional panels, as well as for dismantling programs related to panels for which a high probability of dismantling exists in a short term and at our initiative, the Group had estimated the overall non-discounted dismantling cost at €11.6 million as of 31 December 2016, compared to €7.7 million as of 31 December 2015. In exceptional cases where a short-term dismantling obligation is identified the Group may recognise a provision for dismantling costs regarding panels of the Billboard business.

#### 4.13. Financial debt

| In million euros  | 31/12/2016                 |                     |                | 31/12/2015      |                     |              |
|---|----------------------------|---------------------|----------------|-----------------|---------------------|--------------|
|   | Current portion            | Non-current portion | Total          | Current portion | Non-current portion | Total        |
| <b>Gross financial debt</b>   | <b>(1)</b>                 | <b>83.0</b>         | <b>1,303.0</b> | <b>175.5</b>    | <b>524.3</b>        | <b>699.8</b> |
| Financial derivatives assets  |                            | (0.9)               | (0.9)          | (3.4)           |                     | (3.4)        |
| Financial derivatives liabilities   |                            | 2.2                 | 2.2            | 0.2             |                     | 0.2          |
| <b>Hedging financial instruments</b>  | <b>(2)</b>                 | <b>1.3</b>          | <b>0.0</b>     | <b>(3.2)</b>    | <b>0.0</b>          | <b>(3.2)</b> |
| Cash and cash equivalents (*)   |                            | 693.1               | 693.1          | 233.2           |                     | 233.2        |
| Bank overdrafts   |                            | (5.4)               | (5.4)          | (14.8)          |                     | (14.8)       |
| <b>Net cash</b>   | <b>(3)</b>                 | <b>687.7</b>        | <b>0.0</b>     | <b>218.4</b>    | <b>0.0</b>          | <b>218.4</b> |
| <b>Treasury financial assets (**)</b>   | <b>(4)</b>                 | <b>281.0</b>        | <b>281.0</b>   | <b>77.7</b>     |                     | <b>77.7</b>  |
| <b>Net financial debt (excluding non-controlling interest purchase commitments)</b> | <b>(5)=(1)+(2)-(3)-(4)</b> | <b>(884.4)</b>      | <b>1,303.0</b> | <b>(123.8)</b>  | <b>524.3</b>        | <b>400.5</b> |

(\*) As of 31 December 2016, the Group had €693.1 million of cash and cash equivalents (compared to €233.2 million as of 31 December 2015) and €281.0 million of treasury financial assets (compared to €77.7 million as of 31 December 2015). Cash equivalents mainly included short-term deposits and money market funds. €10.1 million of the total of cash and cash equivalents are invested in guarantees as of 31 December 2016, compared to €7.3 million as of 31 December 2015.

(\*\*) As of 31 December 2016 treasury financial assets were made of €243.4 million of short-term liquid investments (compared to €42.3 million as of 31 December 2015) and €37.6 million held in escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €35.4 million as of 31 December 2015). 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 debt on commitments to purchase non-controlling interests is recorded separately and therefore is not included in the financial debt. They are described in Note 4.14 "Debt on commitments to purchase non-controlling interests".

Hedging financial instruments are described in Note 4.15 "Financial instruments".

The reconciliation of the cash flow variance with the change in financial debt is detailed in Note 6.4 "Reconciliation between the cash flows and the change in the net financial debt".

The debt analysis presented hereafter are based on the economic financial debt, which is equal to the gross financial debt on the statement of financial assets adjusted by the impact of the amortised cost:

| In million euros                                | 31/12/2016      |                     |                | 31/12/2015      |                     |              |
|---|-----------------|---------------------|----------------|-----------------|---------------------|--------------|
|   | Current portion | Non-current portion | Total          | Current portion | Non-current portion | Total        |
| <b>Gross financial debt</b>                     | <b>83.0</b>     | <b>1,303.0</b>      | <b>1,386.0</b> | <b>175.5</b>    | <b>524.3</b>        | <b>699.8</b> |
| Impact of amortised cost (IAS 39 remeasurement) | 2.1             | 5.5                 | 7.6            |                 | 5.5                 | 5.5          |
| <b>Economic financial debt</b>                  | <b>85.1</b>     | <b>1,308.5</b>      | <b>1,393.6</b> | <b>175.5</b>    | <b>529.8</b>        | <b>705.3</b> |

## Annual consolidated financial statements – FY 2016

Notes to the annual consolidated financial statements

The economic financial debt breaks down as follows:

| In million euros               | 31/12/2016      |                     |                | 31/12/2015      |                     |              |
|--------------------------------|-----------------|---------------------|----------------|-----------------|---------------------|--------------|
|                                | Current portion | Non-current portion | Total          | Current portion | Non-current portion | Total        |
| Bonds                          |                 | 1,250.0             | 1,250.0        |                 | 500.0               | 500.0        |
| Bank borrowings                | 29.4            | 21.8                | 51.2           | 127.4           | 0.3                 | 127.7        |
| Miscellaneous borrowings       | 35.2            | 21.0                | 56.2           | 31.4            | 11.6                | 43.0         |
| Finance lease debts            | 6.8             | 15.7                | 22.5           | 7.7             | 17.9                | 25.6         |
| Accrued interest               | 13.7            |                     | 13.7           | 9.0             |                     | 9.0          |
| <b>Economic financial debt</b> | <b>85.1</b>     | <b>1,308.5</b>      | <b>1,393.6</b> | <b>175.5</b>    | <b>529.8</b>        | <b>705.3</b> |

As of 31 December 2016 the Group's financial debt mainly comprises two bonds held by JCDecaux SA of €500 million issued in February 2013 maturing in February 2018 and €750 million issued in June 2016 maturing in June 2023.

The financial debt also includes:

- bank borrowings held by JCDecaux SA's subsidiaries, for a total amount of €51.2 million,
- miscellaneous borrowings for €56.2 million, mainly comprising borrowings from JCDecaux SA and its subsidiaries towards the joint ventures of the Group,
- finance lease debts for €22.5 million described in the last section of this Note,
- accrued interest for €13.7 million.

The average effective interest rate of JCDecaux SA's debts is approximately 1.5% for 2016.

As of 31 December 2016, JCDecaux SA had a €825.0 million unused committed revolving credit facility. The maturity of this credit facility has been extended to July 2021 following the exercise of a first extension option in May 2016. The contract includes a second extension option of one year, exercisable in 2017.

This facility requires to be compliant with the following ratio: net financial debt/operating margin strictly lower than 3.5. As of 31 December 2016, JCDecaux SA complies with this covenant, with a ratio significantly under 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 29 November 2016), with a stable outlook for both ratings.

### Maturity of financial debt (excluding unused committed credit facilities)

| In million euros                         | 31/12/2016     | 31/12/2015   |
|--|----------------|--------------|
| Less than one year                       | 85.1           | 175.5        |
| More than one year and less than 5 years | 553.0          | 529.1        |
| More than 5 years                        | 755.5          | 0.7          |
| <b>Total</b>                             | <b>1,393.6</b> | <b>705.3</b> |

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

|                                 | 31/12/2016     |             | 31/12/2015   |             |
|---------------------------------|----------------|-------------|--------------|-------------|
|                                 | In M€          | In %        | In M€        | In %        |
| Euro                            | 1,378.4        | 99%         | 711.7        | 101%        |
| US dollar                       | 185.7          | 13%         | 115.8        | 16%         |
| Chinese yuan                    | 56.1           | 4%          | 26.7         | 4%          |
| Israeli shekel                  | 44.6           | 3%          | 40.4         | 6%          |
| South African rand              | 24.7           | 2%          | 27.3         | 4%          |
| Emirati dirham <sup>(1)</sup>   | (49.0)         | (4)%        | (63.2)       | (9)%        |
| Hong Kong dollar <sup>(1)</sup> | (229.6)        | (16)%       | (185.1)      | (26)%       |
| Others <sup>(1)</sup>           | (17.3)         | (1)%        | 31.7         | 4%          |
| <b>Total</b>                    | <b>1,393.6</b> | <b>100%</b> | <b>705.3</b> | <b>100%</b> |

<sup>(1)</sup> Negative amounts correspond to lending positions.

### Breakdown of debt by interest rate (excluding unused committed credit facilities)

|               | 31/12/2016     |             | 31/12/2015   |             |
|---------------|----------------|-------------|--------------|-------------|
|               | In M€          | In %        | In M€        | In %        |
| Fixed rate    | 1,295.1        | 93%         | 537.0        | 76%         |
| Floating rate | 98.5           | 7%          | 168.3        | 24%         |
| <b>Total</b>  | <b>1,393.6</b> | <b>100%</b> | <b>705.3</b> | <b>100%</b> |

**Finance lease debts**

Finance lease debts are detailed in the following table:

| <i>In million euros</i>                  | 31/12/2016                                   |                 |                     | 31/12/2015                                   |                 |                     |
|--|--|-----------------|---------------------|--|-----------------|---------------------|
|  | Non discounted minimum future lease payments | Discount impact | Finance lease debts | Non discounted minimum future lease payments | Discount impact | Finance lease debts |
| Less than one year                       | 7.3  | (0.5)           | 6.8                 | 8.2  | (0.5)           | 7.7                 |
| More than one year and less than 5 years | 15.8   | (0.8)           | 15.0                | 18.4   | (0.9)           | 17.5                |
| More than 5 years                        | 0.7  | 0.0             | 0.7                 | 0.4  | 0.0             | 0.4                 |
| <b>Total</b>                             | <b>23.8</b>                                  | <b>(1.3)</b>    | <b>22.5</b>         | <b>27.0</b>                                  | <b>(1.4)</b>    | <b>25.6</b>         |

**4.14. Debt on commitments to purchase non-controlling interests**

The debt on commitments to purchase non-controlling interests amounted to €110.2 million as of 31 December 2016, compared to €120.7 million as of 31 December 2015.

The €(10.5) million decrease in the debt on commitments to purchase non-controlling interests between 31 December 2015 and 31 December 2016 corresponds mainly to the exercising of a purchase commitment, the revaluation and discounting effects and the accounting of new purchases commitments.

**4.15. Financial instruments**

The Group uses financial instruments mainly for foreign exchange rate hedging purposes. These instruments are primarily held by JCDecaux SA.

**Foreign exchange rate financial instruments**

The Group's foreign exchange risk exposure is mainly generated by its business in foreign countries. However, because of its operating structure, the JCDecaux Group is not very vulnerable to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business in their own country and inter-company services and purchases are relatively insignificant. Accordingly, most of the foreign exchange risk stems from the translation of local-currency-denominated accounts to the euro-denominated consolidated accounts.

The foreign exchange risk on flows is mainly related to financial activities (refinancing and recycling of cash with foreign subsidiaries pursuant to the Group's cash centralisation policy). The Group hedges this risk mainly with short-term currency swaps.

Since the inter-company loans and receivables are eliminated upon consolidation, only the value of the hedging instruments is presented in the assets or liabilities of the statement of financial position.

As of 31 December 2016, the main financial instruments contracted by the Group are as follows (net positions):

| <i>In million euros</i>                       | 31/12/2016 | 31/12/2015 |
|---|------------|------------|
| <b>Forward purchases against euro:</b>        |            |            |
| Hong Kong dollar                              | 193.9      | 174.0      |
| Emirati dirham                                | 47.4       | 61.6       |
| Australian dollar                             | 17.7       | 14.3       |
| Singaporean dollar                            | 10.0       | 7.5        |
| Norwegian krone                               | 8.8        | 6.5        |
| Saudi riyal                                   | 4.5        | 6.3        |
| American dollar                               | 0.0        | 71.1       |
| Others  | 13.0       | 12.9       |
| <b>Forward sales against euro:</b>            |            |            |
| American dollar                               | 111.0      | 0.0        |
| Israeli shekel                                | 44.7       | 40.8       |
| Brazilian real                                | 27.0       | 1.3        |
| South African rand                            | 24.5       | 27.3       |
| Danish krone                                  | 19.1       | 4.5        |
| Japanese yen                                  | 12.3       | 12.6       |
| British pound sterling                        | 11.8       | 29.9       |
| Others  | 14.8       | 45.6       |
| <b>Forward purchase against chinese yuan:</b> |            |            |
| Hong Kong dollar                              | 45.5       | 0.0        |
| American dollar                               | 0.0        | 19.9       |

As of 31 December 2016, the market value of the foreign exchange rate financial instruments amounted to € (1.3) million compared to €3.2 million as of 31 December 2015.

#### 4.16. Trade and other payables (current liabilities)

| <i>In million euros</i>                        | 31/12/2016     | 31/12/2015     |
|--|----------------|----------------|
| Trade payables and other operating liabilities | 698.2          | 741.9          |
| Tax and employee-related liabilities           | 199.3          | 198.7          |
| Deferred income                                | 105.8          | 110.6          |
| Payables on the acquisition of assets          | 8.1            | 10.0           |
| Other payables                                 | 46.8           | 57.6           |
| <b>Total</b>                                   | <b>1,058.2</b> | <b>1,118.8</b> |

Operating liabilities have a maturity of one year or less.

The variance over the period is mainly explained by the changes in consolidation scope and in exchange rates that are partially compensated by flows with cash impacts.

#### 4.17. Financial assets and liabilities by category

| <i>In million euros</i>  | 31/12/2016                          |                          |                           |                     |                               |                           |                  |
|--|-------------------------------------|--------------------------|---------------------------|---------------------|-------------------------------|---------------------------|------------------|
|  | Fair value through income statement | Cash flow hedges and NIH | Available-for-sale assets | Loans & receivables | Liabilities at amortised cost | Total net carrying amount | Fair value       |
| Financial derivatives (assets) (1)                                     | 0.8                                 | 0.1                      |                           |                     |                               | 0.9                       | 0.9              |
| Financial investments (2)  |                                     |                          | 0.7                       |                     |                               | 0.7                       | 0.7              |
| Other financial assets   |                                     |                          |                           | 108.8               |                               | 108.8                     | 108.8            |
| Trade and other receivables (non-current) (3)                          |                                     |                          |                           | 8.4                 |                               | 8.4                       | 8.4              |
| Trade, miscellaneous and other operating receivables (current) (3)     |                                     |                          |                           | 786.3               |                               | 786.3                     | 786.3            |
| Cash   | 128.0                               |                          |                           |                     |                               | 128.0                     | 128.0            |
| Cash equivalents (4)   | 565.1                               |                          |                           |                     |                               | 565.1                     | 565.1            |
| Treasury financial assets (1)  | 281.0                               |                          |                           |                     |                               | 281.0                     | 281.0            |
| <b>Total financial assets</b>  | <b>974.9</b>                        | <b>0.1</b>               | <b>0.7</b>                | <b>903.5</b>        | <b>0.0</b>                    | <b>1,879.2</b>            | <b>1,879.2</b>   |
| Financial debt (5)   |                                     |                          |                           |                     | (1,386.0)                     | (1,386.0)                 | (1,411.0)        |
| Debt on commitments to purchase minority interests (2)                 | (110.2)                             |                          |                           |                     |                               | (110.2)                   | (110.2)          |
| Financial derivatives (liabilities) (1)                                | (1.7)                               | (0.5)                    |                           |                     |                               | (2.2)                     | (2.2)            |
| Trade and other payables and other operating liabilities (current) (3) |                                     |                          |                           |                     | (738.8)                       | (738.8)                   | (738.8)          |
| Other payables (non-current) (3)                                       |                                     |                          |                           |                     | (12.6)                        | (12.6)                    | (12.6)           |
| Bank overdrafts (5.4)  |                                     |                          |                           |                     |                               | (5.4)                     | (5.4)            |
| <b>Total financial liabilities</b>                                     | <b>(117.3)</b>                      | <b>(0.5)</b>             | <b>0.0</b>                | <b>0.0</b>          | <b>(2,137.4)</b>              | <b>(2,255.2)</b>          | <b>(2,280.2)</b> |

(1) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b) except the cash held in escrow account for €37.6 million that are disclosed in the Treasury financial assets line and for which the change in fair value refers to an active market (Level 1 category in accordance with IFRS 13 (§93a and b)).

(2) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on non-observable market data (Level 3 category in accordance with IFRS 13 (§93a and b)). The main assumption impacting their fair value is the discounting rate, being at 1.5% as of 31 December 2016. A decrease of 50 bps of the discounting rate would lead to an increase of €4.6 million of the debt on commitments to purchase non-controlling interests.

(3) Employee and tax-related receivables and payables, down payments, deferred income and prepaid expenses that do not meet the IAS 32 definition of a financial asset or a financial liability are excluded from these items.

(4) The fair value measurement of these financial assets refers to quoted prices in an active market for €263.5 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €301.6 million.

(5) The fair value measurement of these financial liabilities refers to quoted prices in an active market for the bond for which the fair value amounts to €1,275.0 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €136.0 million.

## Annual consolidated financial statements – FY 2016

Notes to the annual consolidated financial statements

31/12/2015

| <i>In million euros</i>   | Fair value<br>through<br>income<br>statement | Cash<br>flow<br>hedges | Available-<br>for-<br>sale<br>assets | Loans &<br>receivables | Liabilities<br>at<br>amortise<br>d<br>cost | Total net<br>carrying<br>amount | Fair<br>value    |
|---|--|------------------------|--------------------------------------|------------------------|--|---------------------------------|------------------|
| Financial derivatives (assets) (1)  | 2.9  | 0.5                    |                                      |                        |  | 3.4                             | 3.4              |
| Financial investments (2)   |  |                        | 0.8                                  |                        |  | 0.8                             | 0.8              |
| Other financial assets  |  |                        |                                      | 118.8                  |  | 118.8                           | 118.8            |
| Trade and other receivables<br>(non- current) (3)                               |  |                        |                                      | 4.0                    |  | 4.0                             | 4.0              |
| Trade, miscellaneous and<br>other operating receivables<br>(current) (3)        |  |                        |                                      | 782.8                  |  | 782.8                           | 782.8            |
| Cash  | 157.5  |                        |                                      |                        |  | 157.5                           | 157.5            |
| Cash equivalents (4)  | 75.7   |                        |                                      |                        |  | 75.7                            | 75.7             |
| Treasury financial assets (1)   | 77.7   |                        |                                      |                        |  | 77.7                            | 77.7             |
| <b>Total financial assets</b>   | <b>313.8</b>                                 | <b>0.5</b>             | <b>0.8</b>                           | <b>905.6</b>           | <b>0.0</b>                                 | <b>1,220.7</b>                  | <b>1,220.7</b>   |
| Financial debt (5)  |  |                        |                                      |                        | (699.8)                                    | (699.8)                         | (717.5)          |
| Debt on commitments to<br>purchase minority interests (2)                       | (120.7)                                      |                        |                                      |                        |  | (120.7)                         | (120.7)          |
| Financial derivatives<br>(liabilities) (1)                                      |  | (0.2)                  |                                      |                        |  | (0.2)                           | (0.2)            |
| Trade and other payables<br>and<br>other operating liabilities<br>(current) (3) |  |                        |                                      |                        | (798.4)                                    | (798.4)                         | (798.4)          |
| Other payables (non-current) (3)  | (0.4)  |                        |                                      |                        | (5.9)                                      | (6.3)                           | (6.3)            |
| Bank overdrafts   | (14.8)                                       |                        |                                      |                        |  | (14.8)                          | (14.8)           |
| <b>Total financial liabilities</b>  | <b>(135.9)</b>                               | <b>(0.2)</b>           | <b>0.0</b>                           | <b>0.0</b>             | <b>(1,504.1)</b>                           | <b>(1,640.2)</b>                | <b>(1,657.9)</b> |

(1) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b) except the cash held in escrow account for €35.4 million that are disclosed in the Treasury financial assets line and for which the change in fair value refers to an active market (Level 1 category in accordance with IFRS 13 (§93a and b)).

(2) The fair value measurement of these financial assets and liabilities uses valuation techniques that are based on non-observable market data (Level 3 category in accordance with IFRS 13 (§93a and b)). The main assumption impacting their fair value is the discounting rate, being at 1.5% as of 31 December 2015. A decrease of 50 bps of the discounting rate would lead to an increase of €1.5 million of the debt on commitments to purchase non-controlling interests.

(3) Employee and tax-related receivables and payables, down payments, deferred income and prepaid expenses that do not meet the IAS 32 definition of a financial asset or a financial liability are excluded from these items.

(4) The fair value measurement of these financial assets refers to quoted prices in an active market for €45.0 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €30.7 million.

(5) The fair value measurement of these financial liabilities refers to quoted prices in an active market for the bond for which the fair value amounts to €515.7 million (Level 1 category in accordance with IFRS 13 (§93a and b)) and uses valuation techniques that are based on observable market data (Level 2 category in accordance with IFRS 13 (§93a and b)) for €201.8 million.

**5. COMMENTS ON THE INCOME STATEMENT****5.1. Revenue**

IFRS revenue increases by 6.0% from €2,807.1 million in 2015 to €2,974.5 million in 2016.

**5.2. Net operating expenses**

| <i>In million euros</i>  | <b>2016</b>      | <b>2015</b>      |
|--|------------------|------------------|
| Rent and fees  | (1,301.4)        | (1,135.9)        |
| Other net operational expenses   | (516.1)          | (495.4)          |
| Taxes and duties   | (6.7)            | (5.4)            |
| Staff costs  | (622.2)          | (587.7)          |
| <b>Direct operating expenses &amp; Selling, general &amp; administrative expenses <sup>(1)</sup></b> | <b>(2,446.4)</b> | <b>(2,224.4)</b> |
| <b>Provision charge net of reversals</b>   | <b>64.4</b>      | <b>0.1</b>       |
| <b>Depreciation and amortisation net of reversals</b>  | <b>(261.9)</b>   | <b>(252.5)</b>   |
| <b>Impairment of goodwill</b>  | <b>0.0</b>       | <b>0.0</b>       |
| <b>Maintenance spare parts</b>   | <b>(45.1)</b>    | <b>(45.4)</b>    |
| <b>Other operating income</b>  | <b>8.1</b>       | <b>8.9</b>       |
| <b>Other operating expenses</b>  | <b>(41.3)</b>    | <b>(23.7)</b>    |
| <b>Total</b>   | <b>(2,722.2)</b> | <b>(2,537.0)</b> |

(1) Including €(1,961.5) million in "Direct operating expenses" and €(484.9) million in "Selling, general & administrative expenses" in 2016 (compared to €(1,768.2) million and €(456.2) million in 2015, respectively).

**Rent and fees**

This item includes rent and fees that the Group pays for the right to advertise to landlords, municipal public authorities, airports, transport companies and shopping malls.

In 2016, rent and fees totalled €1,301.4 million:

| <i>In million euros</i>                                       | <b>Total</b>     | <b>Fixed expenses</b> | <b>Variable expenses</b> |
|---|------------------|-----------------------|--------------------------|
| Fees associated with Street Furniture and Transport contracts | (1,147.0)        | (866.8)               | (280.2)                  |
| Rent related to Billboard locations                           | (154.4)          | (118.3)               | (36.1)                   |
| <b>Total</b>  | <b>(1,301.4)</b> | <b>(985.1)</b>        | <b>(316.3)</b>           |

Variable expenses are determined based on contractual terms and conditions: rent and fees that fluctuate according to revenue levels are considered as variable expenses. Rent and fees that fluctuate according to the number of furniture items are treated as fixed expenses.

**Other net operational expenses**

This item includes five main cost categories:

- subcontracting costs for certain maintenance operations,
- cost of services and supplies relating to operations,
- fees and operating costs, excluding staff costs, of various Group services,
- operating lease expenses,
- billboard advertising stamp duties and taxes.

Operating lease expenses, amounting to €54.9 million in 2016, are fixed expenses.

**Research and development costs**

Research costs and non-capitalised development costs are included in "Other net operational expenses" and in "Staff costs" and amount to €10.5 million in 2016, compared to €9.1 million in 2015.

**Taxes and duties**

This item includes taxes and similar charges other than income tax. The principal taxes recorded under this item are property taxes.

**Staff costs**

This item includes salaries, social security contributions, share-based payments and employee benefits, including furniture installation and maintenance staff, research and development staff, the sales team and administrative staff.

It also covers the expenses associated with profit-sharing and investment plans for French employees.

| <i>In million euros</i>             | 2016           | 2015           |
|-------------------------------------|----------------|----------------|
| Compensation and other benefits     | (501.1)        | (473.2)        |
| Social security contributions       | (117.5)        | (112.0)        |
| Share-based payments <sup>(1)</sup> | (3.6)          | (2.5)          |
| <b>Total</b>                        | <b>(622.2)</b> | <b>(587.7)</b> |

(1) Including equity settled share-based payments for €(3.9) million and cash settled share-based payments in some of the Group's subsidiaries for €0.3 million in 2016 compared to €(2.9) million of equity settled share-based payments and cash settled share-based payments in some of the Group's subsidiaries for €0.4 million in 2015.

The Group did not grant any bonus share plan in 2015 and in 2016.

Breakdown of stock option plans <sup>(1)</sup>:

|  | 2016 Plan  | 2015 Plan  | 2014 Plan  | 2012 Plan  | 2011 Plan  |
|--|------------|------------|------------|------------|------------|
| Grant date   | 17/02/2016 | 16/02/2015 | 17/02/2014 | 21/02/2012 | 17/02/2011 |
| Vesting date   | 17/02/2019 | 16/02/2018 | 17/02/2017 | 21/02/2015 | 17/02/2014 |
| Expiry date  | 17/02/2023 | 16/02/2022 | 17/02/2021 | 21/02/2019 | 17/02/2018 |
| Number of beneficiaries  | 270        | 173        | 237        | 215        | 220        |
| Number of options granted                                      | 866,903    | 546,304    | 780,392    | 1,144,734  | 934,802    |
| Strike price before adjustment <sup>(2)</sup>                  | €34.01     | €31.29     | €31.69     | €19.73     | €23.49     |
| Strike price after adjustment <sup>(2)</sup>                   | N/A        | €31.12     | €31.51     | €19.62     | €23.36     |
| Repricing - Adjustment of the number of options <sup>(2)</sup> | N/A        | 3,145      | 3,992      | 2,437      | 1,015      |
| Number of options outstanding at the end of the period         | 851,538    | 494,773    | 601,637    | 229,434    | 130,698    |

(1) The Group did not grant any stock-option plans in 2013.

(2) Following the simplified public tender offer (OPAS) launched by JCDecaux SA in June 2015 at a unit price of €40, 12,500,000 shares were repurchased on 17 July 2015, and then subsequently cancelled. As a result, the number of options previously granted and still outstanding at the date of the OPAS was adjusted by an adjustment coefficient of 1.0056. The exercise price of the options was also adjusted to ensure that the effects of the OPAS on the rights of option holders would be neutral. The adjustment related to the OPAS had no impact on the IFRS 2 "Share-based payment" charge.

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

| PERIOD  | 2016              |   | 2015              |   |
|---|-------------------|---|-------------------|---|
|   | Number of options | Average share price at the date of exercise | Number of options | Average share price at the date of exercise |
| Number of options outstanding at the beginning of the period  | 1,746,633         | €28.02                                      | 2,159,097         | €24.82                                      |
| Options granted during the period                             | 866,903           | €34.01                                      | 546,304           | €31.29                                      |
| Repricing <sup>(1)</sup>                                      |                   |   | 10,589            | €27.88                                      |
| Options forfeited during the period                           | 57,039            | €30.98                                      | 107,328           | €24.09                                      |
| Options exercised during the period                           | 248,417           | €36.70                                      | 851,828           | €34.78                                      |
| Options expired during the period                             |                   |   | 10,201            | €21.25                                      |
| <b>Number of options outstanding at the end of the period</b> | <b>2,308,080</b>  | <b>€30.81</b>                               | <b>1,746,633</b>  | <b>€28.02</b>                               |
| <b>Number of options exercisable at the end of the period</b> | <b>1,575,464</b>  | <b>€29.60</b>                               | <b>1,166,834</b>  | <b>€26.41</b>                               |

(1) According to legislation, the number of options previously granted and still outstanding at the date of the OPAS was adjusted in July 2015 by the adjustment coefficient of 1.0056.

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

| Assumptions                            | 2016    | 2015    | 2014   | 2012   | 2011   |
|--|---------|---------|--------|--------|--------|
| - Price of underlying at grant date    | €34.90  | €31.75  | €31.57 | €20.21 | €24.00 |
| - Estimated volatility                 | 25.56%  | 25.51%  | 27.46% | 38.41% | 36.71% |
| - Risk-free interest rate              | (0.24)% | (0.03)% | 0.80%  | 1.35%  | 2.27%  |
| - Estimated option life (in years)     | 4.5     | 4.5     | 4.5    | 4.5    | 4.5    |
| - Estimated turnover                   | 4.70%   | 4.70%   | 4.70%  | 3.33%  | 3.33%  |
| - Dividend payment rate <sup>(1)</sup> | 1.77%   | 1.77%   | 1.42%  | 2.16%  | 1.20%  |
| - Fair value of options <sup>(2)</sup> | €6.09   | €5.51   | €6.42  | €5.72  | €7.45  |

(1) Consensus of financial analysts on future dividends (source: Bloomberg).

(2) The fair value does not include the impact of turnover.

The option life retained represents the period from the grant date to Management's best estimate of the most likely date of exercise.

As the Group had more historical data for the valuation of the 2011 to 2016 plans, it was able to refine its volatility calculation assumptions. Therefore, the first year of listing was not included in the volatility calculation, as it was considered abnormal due primarily to the sharp movements in share price inherent to the IPO and the effect of 11 September 2001.

Furthermore, based on observed behaviours, the Group considered at the issuance of the plans that the options would be exercised 4.5 years on average after the grant date.

### Depreciation, amortisation and provisions net of reversals

Net reversals of provisions increased by €64.3 million and depreciation and amortisation net of reversals increased by €(9.4) million. The net reversals of provisions mainly correspond to the reversals of provisions for onerous contracts related to the purchase price allocation for €47.2 million including €38.1 million for Cemusa and €8.1 million for Outfront.

In 2016, this item includes a reversal of depreciation following the impairment tests for €1.7 million of which a reversal of provision for onerous contract for €1.2 million and a reversal of amortisation for €0.5 million.

In 2015, this item comprised a depreciation following the impairment tests for €(13.9) million including a net amortisation for €(2.7) million and a net depreciation of provisions for onerous contracts for €(11.2) million.

### Maintenance spare parts

The item comprises the cost of spare parts for street furniture as part of maintenance operations for the advertising network, excluding glass panel replacements and cleaning products, and inventory impairment losses.

### Other operating income and expenses

Other operating income and expenses break down as follows:

| In million euros  | 2016          | 2015          |
|---|---------------|---------------|
| Gain on disposal of financial assets and gain on changes in scope | 2.0           | 4.9           |
| Gain on disposal of PP&E and intangible assets                    | 4.1           | 1.3           |
| Other management income   | 2.0           | 2.7           |
| <b>Other operating income</b>                                     | <b>8.1</b>    | <b>8.9</b>    |
| Loss on disposal of financial assets and loss on changes in scope | (5.9)         | (1.2)         |
| Loss on disposal of PP&E and intangible assets                    | (2.7)         | (1.6)         |
| Other management expenses   | (32.7)        | (20.9)        |
| <b>Other operating expenses</b>                                   | <b>(41.3)</b> | <b>(23.7)</b> |
| <b>Total</b>  | <b>(33.2)</b> | <b>(14.8)</b> |

In 2016, the gains on disposal of financial assets and changes in scope for €2.0 million are mainly related to liquidations.

In 2015, the gains on disposal of financial assets and changes in scope for €4.9 million were mainly related to the revaluation of the interests previously held for €3.1 million and to a price adjustment of €1.4 million.

In 2016, the loss on disposal of financial assets and loss on changes in scope for €(5.9) million are mainly related to the impact of allocation in affectation period of 2015 operations purchase price and to the impact of loss on disposal following the loss of control in a company in Europe.

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In 2016, other management expenses for €(32.7) million are mainly related to restructuring costs associated to the integration of acquisitions for €(18.7) million and to acquisition costs for €(4.6) million.

In 2015, other management expenses for €(20.9) million were mainly related to acquisition costs for €(9.5) million and to restructuring costs for €(8.5) million.

### 5.3. Net financial income (loss)

| <i>In million euros</i>                                       | 2016               | 2015          |
|---|--------------------|---------------|
| Interest income   | 7.1                | 7.3           |
| Interest expense  | (22.1)             | (19.4)        |
| <b>Net interest expense</b>                                   | <b>(15.0)</b>      | <b>(12.1)</b> |
| <b>Amortised cost impact</b>                                  | <b>(2.1)</b>       | <b>(2.1)</b>  |
| <b>Cost of net financial debt</b>                             | <b>(1)</b>         | <b>(14.2)</b> |
| <b>Net foreign exchange gains (losses) and hedging costs</b>  | <b>(4.3)</b>       | <b>(4.7)</b>  |
| <b>Change in fair value of derivatives and hedged items</b>   | <b>0.0</b>         | <b>0.0</b>    |
| <b>Net discounting losses</b>                                 | <b>5.7</b>         | <b>(12.9)</b> |
| <b>Bank guarantee costs</b>                                   | <b>(1.8)</b>       | <b>(1.7)</b>  |
| Charge to provisions for financial risks                      | (0.2)              | (0.3)         |
| Reversal of provisions for financial risks                    | 0.2                | 0.5           |
| <b>Provisions for financial risks - Net charge</b>            | <b>0.0</b>         | <b>0.2</b>    |
| <b>Net income (loss) on the sale of financial investments</b> | <b>0.0</b>         | <b>0.0</b>    |
| <b>Other</b>  | <b>(1.3)</b>       | <b>(0.4)</b>  |
| <b>Other net financial expenses</b>                           | <b>(2)</b>         | <b>(1.7)</b>  |
| <b>Net financial income (loss)</b>                            | <b>(3)=(1)+(2)</b> | <b>(33.7)</b> |
| <i>Total financial income</i>                                 | 13.2               | 7.8           |
| <i>Total financial expenses</i>                               | (32.0)             | (41.5)        |

Net financial income totalled €(18.8) million in 2016, compared to €(33.7) million in 2015, an improvement of €14.9 million.

The changes are mainly due to a decrease of €18.6 million of net discounting losses following the change in the fair value of debts on commitments to purchase non-controlling interests, offset by an increase of net interest expense for €(2.9) million related to the bond issuance of €750.0 million in June 2016.

### 5.4. Income tax

#### Breakdown between deferred and current taxes

| <i>In million euros</i>   | 2016          | 2015          |
|---------------------------|---------------|---------------|
| Current tax               | (85.7)        | (92.5)        |
| <i>Local tax ("CVAE")</i> | (6.8)         | (6.2)         |
| <i>Other</i>              | (78.9)        | (86.3)        |
| Deferred taxes            | 12.1          | 19.6          |
| <i>Local tax ("CVAE")</i> | 0.5           | 0.5           |
| <i>Other</i>              | 11.6          | 19.1          |
| <b>Total</b>              | <b>(73.6)</b> | <b>(72.9)</b> |

The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 31.5% in 2016 and 30.8% in 2015. The effective tax rate was 32.9% in 2016 and 30.1% in 2015 excluding the discounting and revaluation impacts of debts on commitments to purchase non-controlling interests.

#### Breakdown of deferred tax charge

| <i>In million euros</i>                      | 2016        | 2015        |
|--|-------------|-------------|
| Intangible assets and PP&E                   | (4.6)       | 9.4         |
| Tax losses carried forward                   | 1.2         | (2.2)       |
| Provisions for dismantling costs             | (0.6)       | 0.4         |
| Provisions for retirement and other benefits | 0.2         | (0.1)       |
| Deferred rent                                | 9.4         | 1.6         |
| Other  | 6.5         | 10.5        |
| <b>Total</b>                                 | <b>12.1</b> | <b>19.6</b> |

**Tax proof**

| <i>In million euros</i>  | 2016          | 2015          |
|--|---------------|---------------|
| <b>Consolidated net income</b>   | <b>255.1</b>  | <b>244.9</b>  |
| Income tax charge  | (73.6)        | (72.9)        |
| <b>Consolidated income before tax</b>  | <b>328.7</b>  | <b>317.8</b>  |
| Share of net profit of companies under the equity method                     | (95.2)        | (81.4)        |
| Taxable dividends received from subsidiaries                                 | 11.1          | 18.1          |
| Other non-taxable income   | (38.2)        | (41.3)        |
| Other non-deductible expenses  | 55.4          | 38.5          |
| <b>Net income before tax subject to the standard tax rate</b>                | <b>261.8</b>  | <b>251.7</b>  |
| Weighted Group tax rate <sup>(1)</sup>                                       | 24.70%        | 25.40%        |
| <b>Theoretical tax charge</b>  | <b>(64.7)</b> | <b>(63.9)</b> |
| Deferred tax on unrecognised tax losses                                      | (20.5)        | (7.9)         |
| Capitalization and use of unrecognised prior year tax losses carried forward | 2.9           | 2.3           |
| Other deferred tax (temporary differences and other restatements)            | 13.7          | 11.7          |
| Tax credits  | 4.7           | 6.3           |
| Withholding tax  | (6.1)         | (6.1)         |
| Tax on dividends   | (4.7)         | (5.9)         |
| Other  | 7.4           | (3.7)         |
| <b>Income tax calculated</b>   | <b>(67.3)</b> | <b>(67.2)</b> |
| Net Local tax ("CVAE")   | (6.3)         | (5.7)         |
| <b>Income tax recorded</b>   | <b>(73.6)</b> | <b>(72.9)</b> |

(1) National average tax rates weighted by taxable income.

**5.5. Share of net profit of companies under the equity method**

In 2016, the share of net profit of associates totalled €23.1 million compared to €18.6 million in 2015, and the share of net profit of joint ventures under the equity method totalled €72.1 million in 2016 compared to €62.8 million in 2015. In 2016 and in 2015, no impairment loss was booked.

The information related to joint ventures and to associates is provided in application of IFRS 12 "Disclosure of Interests in Other Entities" and are described in Note 10 "Information on joint ventures" and in Note 11 "Information on associates".

**5.6. Headcount**

As of 31 December 2016, the Group had 11,741 employees, compared to 11,550 employees as of 31 December 2015. These figures do not include the share of employees of joint ventures which represents 1,286 employees and 1,304 employees respectively as of 31 December 2016 and 31 December 2015.

The breakdown of employees for the years 2016 and 2015 is as follows:

|                             | 2016          | 2015          |
|-----------------------------|---------------|---------------|
| Technical                   | 6,323         | 6,377         |
| Sales and marketing         | 2,687         | 2,586         |
| IT and administration       | 2,039         | 1,934         |
| Contract business relations | 541           | 492           |
| Research and development    | 151           | 161           |
| <b>Total</b>                | <b>11,741</b> | <b>11,550</b> |

The breakdown of employees of joint ventures for the years 2016 and 2015 is as follows:

|                             | 2016         | 2015         |
|-----------------------------|--------------|--------------|
| Technical                   | 611          | 648          |
| Sales and marketing         | 370          | 344          |
| IT and administration       | 272          | 279          |
| Contract business relations | 33           | 33           |
| Research and development    | 0            | 0            |
| <b>Total</b>                | <b>1 286</b> | <b>1 304</b> |

**5.7. Number of shares for the earnings per share (EPS)/diluted EPS calculation**

|  | 2016               | 2015               |
|--|--------------------|--------------------|
| <b>Weighted average number of shares for the purposes of earnings per share</b>                      | <b>212,495,553</b> | <b>218,317,778</b> |
| Weighted average number of stock options potentially convertibles                                    | 2,514,156          | 2,344,970          |
| Weighted average number of stock options which would not be exercised at strike price <sup>(1)</sup> | (2,317,799)        | (1,800,132)        |
| <b>Weighted average number of shares for the purposes of diluted earnings per share</b>              | <b>212,691,910</b> | <b>218,862,616</b> |

(1) This average number reflects the number of stock options which would not be exercised due to a strike price granted greater than the market price.

Earnings per share are calculated based on the weighted average number of outstanding shares. The calculation of diluted earnings per share takes into account the dilutive effect from the exercise of stock options.

**5.8. Fees of the auditors**

The amount of the audit fees for EY is €1.997 thousand for 2016 compared to €1.633 thousand for 2015, and for KPMG is €1.839 thousand for 2016 compared to €1,791 thousand for 2015.

The non-audit services provided by the auditors of the Group for EY amounts to €224 thousand for 2016 compared to €306 thousand for 2015 and for KPMG amounts to €188 thousand for 2016 compared to €282 thousand for 2015.

## 6. COMMENTS ON THE STATEMENT OF CASH FLOWS

### 6.1. Net cash provided by operating activities

In 2016, net cash provided by operating activities for €457.1 million comprised:

- operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €538.3 million,
- a change in the working capital of €18.0 million,
- and the payment of net financial interest and tax of €(11.7) million and €(87.5) million, respectively.

In 2015, net cash provided by operating activities of €536.8 million included the operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €625.0 million, the change in the working capital of €21.8 million, the payment of net financial interest of €(12.5) million and the payment of tax of €(97.5) million.

### 6.2. Net cash used in investing activities

In 2016, net cash used in investing activities for €(304.8) million comprised:

- cash payments on acquisitions of intangible assets and PP&E for €(233.9) million (including €0.7 million of change in payables and receivables on intangible assets and PP&E),
- cash receipts on proceeds on disposal of intangible assets and PP&E for €6.3 million,
- cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired and sold for a total of €(76.4) million (including a €(0.8) million change in payables and receivables on financial investments). This amount mainly comprised the acquisitions of control of the Outfront Media group (Latin America) and the company DOOH (Belgium) as well as the increases in capital in companies under the equity method. The amount related to the acquisitions of control represents €(80.2) million including €4.6 million of cash acquired and a €0.2 million change in payables and receivables on financial investments,
- acquisitions of other financial assets net of disposals for a total of €(0.8) million.

In 2015, net cash used in investing activities for €(336.1) million included the cash payments on acquisitions of intangible assets and PP&E net of cash receipts for a total of €(201.9) million (including €1.1 million of change in payables and receivables on intangible assets and PP&E) and the cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired (for €26.0 million) for €(93.6) million (including €1.8 million of change in payables and receivables on financial investments) and acquisitions of other financial assets net of disposals for €(40.6) million.

### 6.3. Net cash provided by (used in) financing activities

In 2016, net cash provided by financing activities for €321.1 million comprised:

- net cash flows on borrowings of the controlled entities for €667.2 million, including the implementation of the bond issue for €750.0 million,
- acquisitions of treasury financial assets for €(201.0) million,
- dividends paid to the JCDecaux SA's shareholders for €(118.9) million and the payment of dividends by controlled companies of the Group to their minority shareholders for €(14.2) million,
- cash payments on acquisitions of non-controlling interests net of cash receipts for €(12.5) million,
- capital increase net of capital decrease for €0.5 million.

In 2015, net cash used in financing activities amounted to €(777.0) million, and concerned the purchase by JCDecaux SA of its treasury shares for €(500.0) million and costs related to the offer for €(2.8) million, payment of dividends for €(124.7) million, net cash flows on borrowings for €(165.8) million, capital increases for €19.5 million and the cash payments on acquisitions of non-controlling interests for €(3.2) million.

## 6.4. Reconciliation between the cash flows and the change in the net financial debt

| <i>In million euros</i>   |                        |        | 2016         | 2015         |
|---|------------------------|--------|--------------|--------------|
| <b>Net Financial Debt as of 1 January</b>   | (1)                    | § 4.13 | 400.5        | (83.5)       |
| Net cash provided by operating activities   | (2)                    |        | (457.1)      | (536.8)      |
| Net cash used in investing activities excluding net cash acquired and / or sold   | (3)                    |        | 308.5        | 362.0        |
| Net cash used in financing activities excluding changes in financial debts and treasury financial assets (**)   | (4)                    |        | 145.1        | 611.2        |
| <b>Total net cash flows</b>   | <b>(5)=(2)+(3)+(4)</b> |        | <b>(3.5)</b> | <b>436.4</b> |
| Translation differences, net impact of IAS39, consolidation scope variations, increase in finance lease debts and miscellaneous reclassifications on the net financial debt (***) | (6)                    |        | 25.3         | 73.5         |
| Net cash acquired and / or sold   | (7)                    |        | (3.7)        | (25.9)       |
| <b>Change in the net financial debt</b>   | <b>(8)=(5)+(6)+(7)</b> |        | <b>18.1</b>  | <b>484.0</b> |
| <b>Net Financial Debt as of 31 December</b>   | <b>(9)=(1)+(8)</b>     | § 4.13 | <b>418.6</b> | <b>400.5</b> |

(\*) Including €227.6 million related to the net cash flows used in intangible assets and PP&E and €80.9 million related to the net cash flows used in financial investments (excluding net cash acquired and /or sold and net cash payments on acquisitions and disposals of non-controlling interests) in 2016, compared to €201.9 million and €160.1 million, respectively, in 2015.

(\*\*) Including €12.5 million related to the net cash payments on acquisitions and disposals of non-controlling interests in 2016, compared to €3.2 million in 2015.

(\*\*\*) Mainly including €11.1 million of consolidation scope variations, €5.6 million of increase in finance lease debts and €5.4 million of translation differences in 2016 compared to €114.1 million, €5.3 million and €(9.0) million, respectively, in 2015.

## 6.5. Non-cash transactions

The increase in property, plant & equipment and financial debts related to finance lease contracts amounted to €5.6 million in 2016, compared to €5.3 million in 2015.

Non-cash transactions related to the asset swaps of the period represented €(17.3) million in the net cash used in investing activities and €17.3 million in the net cash provided by financing activities.

## 7. 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.

## 7.1. Risks relating to the business and management policies for these risks

## Liquidity and financing risk

The table below presents the contractual cash flows (interest cash-flows and contractual repayments) related to financial liabilities and financial instruments:

| <i>In million euros</i>                                  | Carrying amount | Contractual cash flows (*) | 2017         | 2018         | 2019        | 2020        | > 2020       |
|--|-----------------|----------------------------|--------------|--------------|-------------|-------------|--------------|
| Bonds  | 1,245.3         | 1,322.5                    | 17.5         | 517.5        | 7.5         | 7.5         | 772.5        |
| Bank borrowings at floating rate                         | 40.9            | 47.1                       | 23.0         | 2.0          | 2.0         | 15.2        | 4.9          |
| Bank borrowings at fixed rate                            | 7.4             | 7.5                        | 7.5          | 0.0          | 0.0         | 0.0         | 0.0          |
| Miscellaneous borrowings                                 | 56.2            | 58.2                       | 48.2         | 0.8          | 6.7         | 0.2         | 2.3          |
| Finance lease debts                                      | 22.5            | 22.5                       | 6.8          | 3.8          | 3.7         | 3.8         | 4.4          |
| Accrued interests (*)                                    | 13.7            | 0.0                        | 0.0          | 0.0          | 0.0         | 0.0         | 0.0          |
| Bank overdrafts  | 5.4             | 5.4                        | 5.4          | 0.0          | 0.0         | 0.0         | 0.0          |
| <b>Total financial liabilities excluding derivatives</b> | <b>1,391.4</b>  | <b>1,463.2</b>             | <b>108.4</b> | <b>524.1</b> | <b>19.9</b> | <b>26.7</b> | <b>784.1</b> |
| Foreign exchange hedges                                  | (1.3)           | (1.3)                      | (1.3)        | 0.0          | 0.0         | 0.0         | 0.0          |
| <b>Total financial instruments (**)</b>                  | <b>(1.3)</b>    | <b>(1.3)</b>               | <b>(1.3)</b> | <b>0.0</b>   | <b>0.0</b>  | <b>0.0</b>  | <b>0.0</b>   |

For revolving debt, the nearest maturity is indicated.

(\*) The interests' amounts are included in the contractual cash flows in each type of borrowing.

(\*\*) A positive amount represents a cash flow to be received.

The Group generates enough operating cash flows to self-finance its organic growth. In the Group's opinion, external growth opportunities could lead it to temporarily increase this net debt.

The Group's financing strategy consists of:

- centralising financing at the parent company level JCDecaux SA. Subsidiaries are therefore primarily financed through direct or indirect loans granted by JCDecaux SA. However, the Group may use external financing for certain subsidiaries, (i) depending on the tax or currency or regulatory environment: (ii) for subsidiaries that are not wholly owned by the Group; or (iii) for historical reasons (financing already in place when the subsidiary joined the Group),
- having financing resources available that (i) are diversified; (ii) have a term consistent with the maturity of its assets and (iii) are flexible, in order to cover the Group's growth and the investment and business cycles,
- having permanent access to a liquidity reserve such as committed credit facilities,
- minimising the risk of renewal of financing sources, by staggering instalments,
- optimising financing margins, through early renewal of loans that are approaching maturity, or by re-financing certain financing sources when market conditions are favourable, and
- optimising the cost of net debt by recycling excess cash flow generated by different Group entities as much as possible, in particular by repatriating the cash to JCDecaux SA through loans or dividend payments.

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 29 November 2016), with a stable outlook for both ratings.

As of 31 December 2016, the net financial debt (excluding debt on commitments to purchase non-controlling interests) was €418.6 million compared to €400.5 million as of 31 December 2015.

JCDecaux SA carries 92% of Group financial debt which has an average maturity of approximately 4.3 years.

As of 31 December 2016, the Group has €974.1 million of cash, cash equivalents and treasury financial assets (see Note 4.9 "Managed Cash") and €852.9 million in unused committed credit facilities.

JCDecaux SA financing sources are committed, and some of them require compliance with covenant for which the calculation is based on the consolidated financial statements. The nature of the ratio is described in Note 4.13 "Financial debt".

The Group holds cash in some countries where the funds cannot be immediately repatriated from, mainly because of regulatory restrictions. Nevertheless, the Group receives dividends on a regular basis from most of its subsidiaries located in these countries, and the cash is used for local purposes.

#### Interest rate risk

The Group is exposed to interest rate fluctuations as a result of its debt. Given the high correlation between the advertising market and the level of general economic activity of the countries where the Group operates, the Group's policy is to secure primarily floating-rate financing except when the interest rates are considered particularly low. The split between fixed rate and floating rate is described in Note 4.13 "Financial debt" and the hedging information is available in Note 4.15 "Financial instruments".

The following table breaks down financial assets and liabilities by interest rate maturity as of 31 December 2016:

| <i>In million euros</i>      | <b>31/12/2016</b>  |  |                     | <b>Total</b>     |
|------------------------------|--------------------|--|---------------------|------------------|
|                              | <b>≤ 1 year</b>    | <b>&gt; 1 year<br/>&amp; ≤ 5 years</b> | <b>&gt; 5 years</b> |                  |
| JCDecaux SA borrowings       | (26.1)             | (500.0)                                | (750.0)             | (1,276.1)        |
| Other borrowings             | (100.0)            | (15.4)                                 | (2.1)               | (117.5)          |
| Bank overdrafts              | (5.4)              |  |                     | (5.4)            |
| <b>Financial liabilities</b> | <b>(1)</b>         | <b>(131.5)</b>                         | <b>(752.1)</b>      | <b>(1,399.0)</b> |
| Cash and cash equivalents    | 693.1              |  |                     | 693.1            |
| Treasury financial assets    | 281.0              |  |                     | 281.0            |
| Other financial assets       | 108.8              |  |                     | 108.8            |
| <b>Financial assets</b>      | <b>(2)</b>         | <b>1,082.9</b>                         | <b>0.0</b>          | <b>1,082.9</b>   |
| <b>Net position</b>          | <b>(3)=(1)+(2)</b> | <b>951.4</b>                           | <b>(515.4)</b>      | <b>(316.1)</b>   |

*For fixed-rate assets and liabilities, the maturity indicated is that of the asset and the liability.*

*The interest rates on floating-rate assets and liabilities are adjusted every one, three or six months. The maturity indicated is therefore less than one year regardless of the maturity date.*

As of 31 December 2016, 93% of the Group's total economic financial debt, all currencies considered, was at fixed rate.

#### Foreign exchange risk

In 2016, net income generated in currencies other than the euro accounted for 58% of the Group's consolidated net income.

Despite its presence in more than 75 countries, the JCDecaux Group is relatively immune to currency fluctuations in terms of cash flows, as the subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.

However, as the presentation currency of the Group is the Euro, the Group's consolidated financial statements are affected by the conversion of financial statements denominated in local currencies into euros.

Based on the 2016 actual data, the table below details the Group's consolidated net income and reserves exposure to a (10) % change in the foreign exchange rates of each of the most represented currencies which are the Chinese yuan, the Swiss franc, the British pound sterling and the American dollar:

|   | Chinese yuan | Swiss franc | British sterling pound | American dollar |
|---|--------------|-------------|------------------------|-----------------|
| <b>Share of the currencies in the consolidated net income</b> | <b>28.8%</b> | <b>7.3%</b> | <b>5.5%</b>            | <b>(6.7%)</b>   |
| <b>Impact on consolidated income</b>                          | (2.9%)       | (0.7%)      | (0.5%)                 | (0.7%)          |
| <b>Impact on consolidated reserves</b>                        | (0.8%)       | (0.2%)      | (0.9%)                 | (0.4%)          |

As of 31 December 2016, the Group mainly holds foreign exchange currency hedges on financial transactions. Pursuant to its centralised financing policy, the Group implemented primarily short-term currency swaps to hedge intercompany loans and borrowings transactions. The Group can decide not to hedge some of the foreign exchange risks generated by inter-company loans when hedging arrangements are (i) too costly, (ii) not available, or (iii) when loan amounts are too small.

As of 31 December 2016, the Group considers that its earnings and financial position would not be materially affected by foreign exchange currency fluctuations.

#### **Management of cash and treasury financial assets**

As of 31 December 2016, the Group has €974.1 million of cash, cash equivalents and treasury financial assets, which included €693.1 million of cash and cash equivalents (including €565.1 million in cash equivalents) and €281.0 million of treasury financial assets. €10.1 million of the total of cash and cash equivalents are invested in guarantees.

#### **Management of equity and gearing ratio**

The Group is not subject to any external requirements in terms of management of its equity.

## **7.2. Risks related to financial management**

### **Risks related to interest rate and foreign exchange financial instruments**

The Group uses financial instruments solely to hedge foreign exchange risk.

### **Risks related to credit rating**

JCDecaux SA is rated "Baa2" by Moody's and "BBB" by Standard & Poor's as of the date of publication of these Notes, with a stable outlook for both ratings.

The €500 million bond issued in February 2013 and the €750 million bond issued in June 2016 both include in its terms and conditions a clause of change of control giving bond holders the possibility to demand early repayment in the event of a change of control when accompanied by a downgrade of the credit rating in speculative grade or credit rating exit. The Group's other primary financing sources (financing raised by the parent company), as well as principal hedging arrangements, are not subject to early termination in the event of a downgrade of the Group's credit rating.

### **Bank counterparty risk**

Group counterparty risks relate to the investment of the excess cash balances of the Group with banks and to other financial transactions mainly involving JCDecaux SA (via unused committed credit facilities and hedging commitments). The Group's policy is to minimise this risk by (i) reducing excess cash in the Group by centralising the subsidiaries' available cash at the JCDecaux SA level as much as possible, (ii) obtaining prior authorisation from the Group's Finance Department when opening bank accounts, (iii) selecting banks in which JCDecaux SA and its subsidiaries can make deposits (iv) and monitoring this counterparty risk on a regular basis.

### **Customer counterparty risk**

The counterparty risk in respect of trade receivables is covered by the necessary provisions if needed. The net book value of the trade receivables is detailed in Note 4.8 "Trade and other receivables". The Group maintains a low level of dependence towards any particular client, as no client represents more than 2.1% of the Group's revenue.

### **Risk related to securities and term deposits**

In order to generate interests on its excess cash position, the Group mainly subscribes short-term investments and makes short term deposits. The investments consist of money market securities. These instruments are invested on a short-term basis, earn interest at money market benchmark rates, are liquid, and involve only limited counterparty risk. The Group's policy is not to own marketable shares or securities other than money market securities and treasury shares. Therefore the Group considers its risk exposure arising from marketable shares and securities to be very low.

**8. COMMENTS ON OFF-BALANCE SHEET COMMITMENTS****8.1. Commitments on securities and other commitments**

| <i>In million euros</i>                           | 31/12/2016   | 31/12/2015   |
|---|--------------|--------------|
| <b>Commitments given <sup>(1)</sup></b>           |              |              |
| Business guarantees                               | 436.2        | 427.3        |
| Other guarantees                                  | 9.5          | 7.3          |
| Pledges, mortgages and collateral                 | 11.4         | 10.1         |
| Commitments on securities (put options granted)   | 0.4          | 0.6          |
| <b>Total</b>                                      | <b>457.5</b> | <b>445.3</b> |
| <b>Commitments received</b>                       |              |              |
| Securities, endorsements and other guarantees     | 0.0          | 0.0          |
| Commitments on securities (call options received) | 2.3          | 0.6          |
| Credit facilities                                 | 852.9        | 870.6        |
| <b>Total</b>                                      | <b>855.2</b> | <b>871.2</b> |

(1) Excluding commitments relating to lease, rent and minimum franchise payments, given in the ordinary course of business.

“Business guarantees” are granted mainly by JCDecaux SA and JCDecaux North America Inc. As such, JCDecaux SA and JCDecaux North America Inc. guarantee the performance of contracts entered into by subsidiaries, either directly to third parties, or by counter-guaranteeing guarantees granted by banks or insurance companies.

“Other guarantees” include securities, endorsements and other guarantees such as (i) guarantees covering lease payments, (ii) JCDecaux SA’s counter-guarantees of credit facilities granted by banks, and (iii) other commitments such as guarantees covering payments to suppliers.

“Pledges, mortgages and collateral” mainly comprise cash amounts given in guarantee, and the mortgage of land and buildings in Germany.

“Commitments on securities” are granted and received primarily as part of external growth transactions. As of 31 December 2016, commitments on securities also include the following options which are not estimated:

A commitment given regarding the company JCDecaux Bulgaria BV (Bulgaria), a put option granted to Limited Novacorp, exercisable from 9 June 2016 to 9 June 2017 on 50% of capital. The price of this option will be determined by an investment bank or under certain conditions, valued using a contractual calculation formula;

A commitment received regarding an Austrian company, in favour of Gewista Werbegesellschaft.mbh (Austria), which will benefit from a call enabling it to acquire an additional 8.4% interest in this company. The exercise price has not been set.

Moreover, under certain advertising contracts, JCDecaux North America Inc., directly and indirectly through its subsidiaries, and its joint venture partners have granted, under the relevant agreements, reciprocal put/call options in connection with their respective ownership in their shared companies.

Lastly, as part of agreements between shareholders, JCDecaux SA can grant, or receive, calls in the event either party’s contractual clauses are breached. Under partnership agreements, the Group and its partners benefit from pre-emptive rights, and sometimes rights to purchase, tag along or drag along, which the Group does not consider as commitments given or received. Moreover, the Group does not mention the commitments which are subject to exercise conditions which limit their probability of occurring.

Credit facilities include the committed revolving credit facility secured by JCDecaux SA for €825.0 million and the committed credit facility granted to subsidiaries for €27.9 million.

**8.2. Commitments relating to lease, rent, and minimum and fixed franchise payments given in the ordinary course of business**

In the ordinary course of business, JCDecaux has entered into the following agreements, primarily:

- contracts with cities, airports and transport companies, which entitle the Group to operate its advertising business and collect the related revenue, in return for payment of fees, comprising a fixed portion or guaranteed minimum (*minima garantis*),
- rental agreements for billboard locations on private property,
- lease agreements for buildings, vehicles and other equipment (computers, office equipment, or other).

These commitments given in the ordinary course of business break down as follows (amounts are neither inflated nor discounted):

| <i>In million euros</i>  | $\leq 1$ year | $>1 \leq 5$ years | $> 5$ years <sup>(1)</sup> | Total          |
|--|---------------|-------------------|----------------------------|----------------|
| Minimum and fixed franchise payments associated with Street Furniture or Transport contracts | 866.6         | 2,503.4           | 1,248.9                    | 4,618.9        |
| Rent related to Billboard locations  | 89.6          | 154.1             | 74.9                       | 318.6          |
| Operating leases   | 40.2          | 95.0              | 69.4                       | 204.6          |
| <b>Total</b>   | <b>996.4</b>  | <b>2,752.5</b>    | <b>1,393.2</b>             | <b>5,142.1</b> |

(1) Until 2041.

The amount related to these commitments amounted to €5,095.3 million as of 31 December 2015.

The increase, in 2016, compared to the amount of €5,095.3 million reported as of 31 December 2015 is mainly due to the gains and renewals of contracts and the effect of acquisitions partially offset by the rents due for the year.

**8.3. Commitments to purchase assets**

Commitments to purchase property, plant and equipment and intangible assets totalled €271.5 million as of 31 December 2016 compared to €244.1 million as of 31 December 2015.

**9. RELATED PARTIES****9.1. Definitions**

The following four categories are considered related party transactions:

- the portion of transactions with jointly-controlled companies and with associates not eliminated in the consolidated financial statements,
- transactions carried out between JCDecaux SA and its parent JCDecaux Holding,
- transactions carried out with the significant non-controlling interests,
- transactions with key management personnel and companies held by such personnel and over which they exercise a control.

## 9.2. Details regarding related party transactions

| In million euros   | 2016                                  |                                 |              |              | 2015                                  |                                 |              |              |
|--|---------------------------------------|---------------------------------|--------------|--------------|---------------------------------------|---------------------------------|--------------|--------------|
|  | Companies under the EM <sup>(1)</sup> | Parent Companies <sup>(2)</sup> | Other        | Total        | Companies under the EM <sup>(1)</sup> | Parent Companies <sup>(2)</sup> | Other        | Total        |
| <b>Statement of financial position</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| <b>Assets</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| Loans and loans to participating interests <sup>(*)</sup>                                    | 70.0                                  | 0.1                             | 0.2          | 70.3         | 71.3                                  |                                 | 0.2          | 71.5         |
| Other receivables  | 47.4                                  | 0.8                             | 3.5          | 51.7         | 22.4                                  | 0.2                             | 3.3          | 25.9         |
| <b>Total Assets</b>  | <b>117.4</b>                          | <b>0.9</b>                      | <b>3.7</b>   | <b>122.0</b> | <b>93.7</b>                           | <b>0.2</b>                      | <b>3.5</b>   | <b>97.4</b>  |
| <b>Liabilities</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| Financial debts and debt on commitments to purchase non-controlling interests <sup>(3)</sup> | 46.3                                  | 111.4                           |              | 157.7        | 39.6                                  | 121.6                           |              | 161.2        |
| Other debts  | 7.7                                   | 5.4                             | 0.3          | 13.4         | 9.5                                   | 4.3                             | 0.2          | 14.0         |
| <b>Total Liabilities</b>   | <b>54.0</b>                           | <b>116.8</b>                    | <b>0.3</b>   | <b>171.1</b> | <b>49.1</b>                           | <b>125.9</b>                    | <b>0.2</b>   | <b>175.2</b> |
| <b>Income Statement</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| <b>EBIT</b>  |                                       |                                 |              |              |                                       |                                 |              |              |
| Income   | 62.5                                  | 0.8                             | 3.2          | 66.5         | 46.2                                  | 0.8                             | 3.3          | 50.3         |
| Expenses   | (9.2)                                 | (6.2)                           | (12.8)       | (28.2)       | (14.9)                                | (5.9)                           | (12.4)       | (33.2)       |
| <b>EBIT</b>  | <b>53.3</b>                           | <b>(5.4)</b>                    | <b>(9.6)</b> | <b>38.3</b>  | <b>31.3</b>                           | <b>(5.1)</b>                    | <b>(9.1)</b> | <b>17.1</b>  |
| <b>Net financial income (loss)</b>   |                                       |                                 |              |              |                                       |                                 |              |              |
| Income <sup>(4)</sup>  | 2.0                                   | 10.1                            |              | 12.1         | 2.6                                   |                                 |              | 2.6          |
| Expenses <sup>(5)</sup>  | (1.2)                                 | (0.1)                           |              | (1.3)        | (1.6)                                 | (5.6)                           |              | (7.2)        |
| <b>Net financial income (loss)</b>   | <b>0.8</b>                            | <b>10.0</b>                     | <b>0.0</b>   | <b>10.8</b>  | <b>1.0</b>                            | <b>(5.6)</b>                    | <b>0.0</b>   | <b>(4.6)</b> |

(\*) Including accrued interests.

(1) Portion of transactions with joint ventures and with associates not eliminated.

(2) Transactions carried out between JCDecaux SA and its parent JCDecaux Holding and transactions carried out with the significant non-controlling interests.

(3) The debt on commitments to purchase non-controlling interests amounted to €110.2 million as of 31 December 2016 compared to €120.7 million as of 31 December 2015.

(4) Including €10.1 million in 2016 of net income of revaluation and discounting on debt on commitments to purchase non-controlling interests.

(5) Including €(5.5) million in 2015 of net expenses of revaluation and discounting on debt on commitments to purchase non-controlling interests.

Following the simplified public tender offer (OPAS) realised in 2015, JCDecaux SA had paid to its parent, JCDecaux Holding, and to key management personnel, an amount of €379.0 million recorded in deduction of the Equity, in relation with the share buyback.

The off-balance sheet commitments with related parties amount to €95.3 million as of 31 December 2016, primarily including commitments relating to rents for buildings held by related parties for €56.5 million and the commitments given as business guarantees with associates for €23.1 million.

## 9.3. Management compensation

Compensation owed to members of the Executive Board for the years 2016 and 2015 breaks down as follows:

| In million euros               | 2016       | 2015       |
|--------------------------------|------------|------------|
| Short-term benefits            | 8.9        | 8.6        |
| Fringe benefits                | 0.2        | 0.2        |
| Directors' fees                | 0.0        | 0.1        |
| Life insurance/special pension | 0.2        | 0.2        |
| Share-based payments           | 0.2        | 0.2        |
| <b>Total (*)</b>               | <b>9.5</b> | <b>9.3</b> |

(\*) Compensations received from associates are excluded.

In addition, since 31 December 2015, two Executive Board members have been entitled to receive a non-competition indemnity, potentially paid during a two year period and representing 33% of their fixed and variable compensation and calculated on the average of the last twelve months preceding the date of termination of contractual relations, if the members' employment contract were to be terminated.

Post-employment benefits booked in liabilities in the statement of financial position amounted to €2.8 million as of 31 December 2016, compared to €2.5 million as of 31 December 2015.

Directors' fees in the amount of €0.3 million were owed to members of the Supervisory Board for the year 2016.

**10. INFORMATION ON THE JOINT VENTURES**

The following information related to the joint ventures is provided by operating segment in application of IFRS 12 “Disclosure of Interests in Other Entities”.

**10.1. Income statement items****10.1.1. For the year 2016****10.1.1.1. Net income**

The net income in 2016 of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2016 is as follows:

| <i>In million euros</i>                         | Street<br>Furniture | Transport    | Billboard    | Total        |
|---|---------------------|--------------|--------------|--------------|
| <b>Net Income <sup>(1)</sup></b>                | <b>31.6</b>         | <b>128.5</b> | <b>(8.8)</b> | <b>151.3</b> |
| Impact of application of the holding percentage | (15.3)              | (70.9)       | 7.0          | (79.2)       |
| Impairment of joint ventures                    |                     |              |              | 0.0          |
| <b>Share of net profit of joint ventures</b>    | <b>16.3</b>         | <b>57.6</b>  | <b>(1.8)</b> | <b>72.1</b>  |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.1.1.2. Revenue**

The revenue for 2016 of the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2016 are as follows:

| <i>In million euros</i>  | Revenue      |
|--|--------------|
| <b>Street Furniture</b>  | <b>117.9</b> |
| <b>Transport</b>   | <b>567.4</b> |
| <b>Billboard</b>   | <b>179.2</b> |
| <b>Total <sup>(1)</sup></b>  | <b>864.5</b> |
| Impact of application of the holding percentage                                | (424.2)      |
| Elimination of the transactions inter-activities & with controlled entities    | (1.1)        |
| <b>Contribution of the joint ventures in the Consolidated adjusted Revenue</b> | <b>439.2</b> |

(1) IFRS data on a 100% basis before elimination of transactions made between the different activities and before elimination of transactions made with the controlled entities.

**10.1.1.3. Other items of the income statement**

The other items of the income statement for 2016 that are characteristic of the joint ventures are as follows <sup>(1)</sup>:

| <i>In million euros</i>                                | Street Furniture | Transport     | Billboard     |
|--|------------------|---------------|---------------|
| <b>Depreciation, amortisation and provisions (net)</b> | <b>(8.7)</b>     | <b>(12.8)</b> | <b>(18.1)</b> |
| <b>Cost of net financial debt</b>                      | <b>0.6</b>       | <b>2.4</b>    | <b>(20.3)</b> |
| <b>Income tax</b>                                      | <b>(7.0)</b>     | <b>(43.9)</b> | <b>(4.7)</b>  |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.1.2. For the year 2015****10.1.2.1. Net income**

The net income in 2015 of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2015 are as follows:

| <i>In million euros</i>                         | Street<br>Furniture | Transport    | Billboard     | Total        |
|---|---------------------|--------------|---------------|--------------|
| <b>Net Income <sup>(1)</sup></b>                | <b>29.8</b>         | <b>119.2</b> | <b>(27.9)</b> | <b>121.1</b> |
| Impact of application of the holding percentage | (14.1)              | (65.9)       | 21.7          | (58.3)       |
| Impairment of joint ventures                    |                     |              |               | 0.0          |
| <b>Share of net profit of joint ventures</b>    | <b>15.7</b>         | <b>53.3</b>  | <b>(6.2)</b>  | <b>62.8</b>  |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.1.2.2. Revenue**

The revenue in 2015 of the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2015 are as follows:

| <i>In million euros</i>  | <b>Revenue</b> |
|--|----------------|
| <b>Street Furniture</b>  | <b>130.0</b>   |
| <b>Transport</b>   | <b>554.1</b>   |
| <b>Billboard</b>   | <b>158.9</b>   |
| <b>Total <sup>(1)</sup></b>  | <b>843.0</b>   |
| Impact of application of the holding percentage                                | (425.3)        |
| Elimination of the transactions inter-activities & with controlled entities    | (4.2)          |
| <b>Contribution of the joint ventures in the Consolidated adjusted Revenue</b> | <b>413.5</b>   |

(1) IFRS data on a 100% basis before elimination of transactions made between the different activities and before elimination of transactions made with the controlled entities.

**10.1.2.3. Other items of the income statement**

The other items of the income statement for 2015 that are characteristic of the joint ventures are as follows <sup>(1)</sup>:

| <i>In million euros</i>                                | <b>Street Furniture</b> | <b>Transport</b> | <b>Billboard</b> |
|--|-------------------------|------------------|------------------|
| <b>Depreciation, amortisation and provisions (net)</b> | (13.5)                  | (17.0)           | (22.1)           |
| <b>Cost of net financial debt</b>                      | 0.4                     | 3.6              | (25.7)           |
| <b>Income tax</b>                                      | (5.0)                   | (40.2)           | 4.3              |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.2. Statement of other comprehensive income****10.2.1. For the year 2016**

Other comprehensive income for 2016 of the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2016 are as follows:

| <i>In million euros</i>   | <b>Street Furniture</b> | <b>Transport</b> | <b>Billboard</b> | <b>Total</b> |
|---|-------------------------|------------------|------------------|--------------|
| <b>Other comprehensive income <sup>(1)</sup></b>                    | <b>3.9</b>              | <b>1.5</b>       | <b>0.1</b>       | <b>5.5</b>   |
| Impact of application of the holding percentage                     | (1.9)                   | (0.9)            | (0.1)            | (2.9)        |
| Translation reserve adjustments on impairment of joint ventures     | 0.0                     | 0.0              | 0.4              | 0.4          |
| Translation reserve adjustments on goodwill & elimination of shares | 0.1                     | (1.9)            | 10.7             | 8.9          |
| <b>Share of other comprehensive income of the joint ventures</b>    | <b>2.1</b>              | <b>(1.3)</b>     | <b>11.1</b>      | <b>11.9</b>  |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.2.2. For the year 2015**

Other comprehensive income for 2015 of the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2015 are as follows:

| <i>In million euros</i>   | <b>Street Furniture</b> | <b>Transport</b> | <b>Billboard</b> | <b>Total</b> |
|---|-------------------------|------------------|------------------|--------------|
| <b>Other comprehensive income <sup>(1)</sup></b>                    | <b>6.5</b>              | <b>(8.5)</b>     | <b>0.1</b>       | <b>(1.9)</b> |
| Impact of application of the holding percentage                     | (3.2)                   | 4.9              | (0.5)            | 1.2          |
| Translation reserve adjustments on impairment of joint ventures     | 0.0                     | 0.0              | 1.9              | 1.9          |
| Translation reserve adjustments on goodwill & elimination of shares | (1.1)                   | 3.0              | (5.5)            | (3.6)        |
| <b>Share of other comprehensive income of the joint ventures</b>    | <b>2.2</b>              | <b>(0.6)</b>     | <b>(4.0)</b>     | <b>(2.4)</b> |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.3. Statement of financial position items****10.3.1. As of 31 December 2016****10.3.1.1 Net assets**

Net assets <sup>(1)</sup> as of 31 December 2016 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2016 are as follows:

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| <i>In million euros</i>                                   | Street Furniture | Transport    | Billboard    | Total        |
|---|------------------|--------------|--------------|--------------|
| <b>Non-current assets</b>                                 | 92.2             | 93.0         | 232.7        | 417.9        |
| <b>Current assets</b>                                     | 133.6            | 344.3        | 69.9         | 547.8        |
| <b>Non-current liabilities</b>                            | (17.1)           | (6.6)        | (249.0)      | (272.7)      |
| <b>Current liabilities</b>                                | (79.1)           | (215.3)      | (54.4)       | (348.8)      |
| <b>Net assets <sup>(1)</sup></b>                          | <b>129.6</b>     | <b>215.4</b> | <b>(0.8)</b> | <b>344.2</b> |
| Impact of application of the holding percentage           | (64.3)           | (101.5)      | 3.0          | (162.8)      |
| Impairment of joint ventures                              | 0.0              | (0.4)        | (10.0)       | (10.4)       |
| Goodwill and elimination of shares held by joint ventures | 12.9             | 75.2         | 58.4         | 146.5        |
| Negative Net Equity limitation                            |                  |              | 11.2         | 11.2         |
| <b>Investments under the equity method</b>                | <b>78.2</b>      | <b>188.7</b> | <b>61.8</b>  | <b>328.7</b> |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

### 10.3.1.2. Other items of the statement of financial position

The items related to the net financial debt as of 31 December 2016 characteristic of the joint ventures are as follows <sup>(1)</sup>:

| <i>In million euros</i>                                 | Street Furniture | Transport | Billboard |
|---|------------------|-----------|-----------|
| <b>Cash and cash equivalents net of bank overdrafts</b> | (12.8)           | 207.5     | 19.7      |
| <b>Financial debt (non-current)</b>                     | (0.7)            | (0.1)     | (238.2)   |
| <b>Financial debt (current)</b>                         | (0.2)            | (1.4)     | (1.2)     |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

### 10.3.2. As of 31 December 2015

#### 10.3.2.1. Net assets

Net assets <sup>(1)</sup> as of 31 December 2015 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2015 are as follows:

| <i>In million euros</i>                                   | Street Furniture | Transport    | Billboard   | Total        |
|---|------------------|--------------|-------------|--------------|
| <b>Non-current assets</b>                                 | 81,3             | 90,1         | 215,6       | 387,0        |
| <b>Current assets</b>                                     | 118,8            | 297,7        | 60,5        | 477,0        |
| <b>Non-current liabilities</b>                            | (13,5)           | (5,8)        | (205,1)     | (224,4)      |
| <b>Current liabilities</b>                                | (61,8)           | (177,1)      | (49,2)      | (288,1)      |
| <b>Net assets <sup>(1)</sup></b>                          | <b>124,8</b>     | <b>204,9</b> | <b>21,8</b> | <b>351,5</b> |
| Impact of application of the holding percentage           | (62,2)           | (95,9)       | (10,1)      | (168,2)      |
| Impairment of joint ventures                              | 0,0              | (0,4)        | (10,4)      | (10,8)       |
| Goodwill and elimination of shares held by joint ventures | 12,8             | 77,1         | 47,6        | 137,5        |
| <b>Investments under the equity method</b>                | <b>75,4</b>      | <b>185,7</b> | <b>48,9</b> | <b>310,0</b> |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

#### 10.3.2.2. Other items of the statement of financial position

The items related to the net financial debt as of 31 December 2015 characteristic of the joint ventures are as follows <sup>(1)</sup>:

| <i>In million euros</i>                                 | Street Furniture | Transport | Billboard |
|---|------------------|-----------|-----------|
| <b>Cash and cash equivalents net of bank overdrafts</b> | (4.2)            | 153.9     | 9.9       |
| <b>Financial debt (non-current)</b>                     | (0.8)            | (0.1)     | (197.9)   |
| <b>Financial debt (current)</b>                         | (0.2)            | (1.8)     | (0.7)     |

(1) IFRS data on a 100% basis without any elimination of transactions made between the different activities and without any elimination of transactions made with the controlled entities.

**10.4. Other items**

The dividends received from the joint ventures for the year 2016 break down as follows:

| <i>In million euros</i>   | Street Furniture | Transport | Billboard |
|---------------------------|------------------|-----------|-----------|
| <b>Dividends received</b> | 16.1             | 54.4      | 1.2       |

The dividends received from the joint ventures for the year 2015 break down as follows:

| <i>In million euros</i>   | Street Furniture | Transport | Billboard |
|---------------------------|------------------|-----------|-----------|
| <b>Dividends received</b> | 16.4             | 46.7      | 1.6       |

**11. INFORMATION ON ASSOCIATES****11.1. Income statement items**

Income statement items of the significant entity APG|SGA SA and the reconciliation with the income statement of the consolidated financial statements are as follows:

| <i>In million euros</i>                         | 2016<br>APG SGA SA | 2015<br>APG SGA SA |
|---|--------------------|--------------------|
| <b>Revenue</b>                                  | 289.3              | 293.1              |
| <b>Net income <sup>(1)</sup></b>                | 62.1               | 47.8               |
| Impact of application of the holding percentage | (43.5)             | (33.5)             |
| Impairment of associates                        | 0.0                | 0.0                |
| <b>Share of net profit of associates</b>        | 18.6               | 14.3               |

(1) IFRS data on a 100 % basis.

The contribution of the other companies in the share of net profit of associates totalled €4.5 million in 2016 and €4.3 million in 2015.

**11.2. Statements of financial position items**

Statements of financial position items<sup>(1)</sup> of the significant entity APG|SGA SA and the reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2016 and as of 31 December 2015 are as follows:

| <i>In million euros</i>                         | 2016<br>APG SGA SA | 2015<br>APG SGA SA |
|---|--------------------|--------------------|
| <b>Assets</b>                                   | 286.6              | 280.2              |
| <b>Liabilities</b>                              | (158.6)            | (149.4)            |
| <b>Equity</b>                                   | 128.0              | 130.8              |
| Impact of application of the holding percentage | (89.6)             | (91.6)             |
| Impairment of associates                        | 0.0                | 0.0                |
| Goodwill  | 82.9               | 82.9               |
| <b>Investments in associates</b>                | 121.3              | 122.1              |

(1) IFRS data on a 100 % basis.

The contribution of the other companies in investments in associates in the statement of financial position totalled €60.2 million and €57.2 million as of 31 December 2016 and as of 31 December 2015.

The valuation of 30 % of APG|SGA SA at the 30 December 2016 share price amounts to €374.6 million.

**11.3. Other items**

The dividends received from associates for the years 2016 and 2015 break down as follows:

| <i>In million euros</i>   | 2016       |                 |       | 2015       |                 |       |
|---------------------------|------------|-----------------|-------|------------|-----------------|-------|
|                           | APG SGA SA | other companies | Total | APG SGA SA | other companies | Total |
| <b>Dividends received</b> | 19.4       | 2.1             | 21.5  | 16.3       | 3.8             | 20.1  |

**12. SCOPE OF CONSOLIDATION****12.1. Identity of the parent company**

As of 31 December 2016, JCDecaux Holding holds 64.01% of the share capital of JCDecaux SA.

**12.2. List of consolidated companies**

| COMPANIES  |                 | Country    | % interest | Consol. Method | % control* |
|--|-----------------|------------|------------|----------------|------------|
| <b>STREET FURNITURE</b>  |                 |            |            |                |            |
| JCDecaux SA  |                 | France     | 100.00     | F              | 100.00     |
| JCDecaux FRANCE  | (1)             | France     | 100.00     | F              | 100.00     |
| SOPACT   |                 | France     | 100.00     | F              | 100.00     |
| SOMUPI   |                 | France     | 66.00      | F              | 66.00      |
| JCDecaux ASIE HOLDING  |                 | France     | 100.00     | F              | 100.00     |
| JCDecaux EUROPE HOLDING  |                 | France     | 100.00     | F              | 100.00     |
| JCDecaux AMERIQUES HOLDING   |                 | France     | 100.00     | F              | 100.00     |
| CYCLOCITY  |                 | France     | 100.00     | F              | 100.00     |
| JCDecaux AFRIQUE HOLDING   |                 | France     | 100.00     | F              | 100.00     |
| JCDecaux BOLLORE HOLDING   |                 | France     | 50.00      | E*             | 50.00      |
| JCDecaux FRANCE HOLDING  |                 | France     | 100.00     | F              | 100.00     |
| MEDIAKIOSK   |                 | France     | 87.50      | F              | 82.50      |
| MEDIA PUBLICITE EXTERIEURE   |                 | France     | 100.00     | F              | 100.00     |
| WALL GmbH (previously JCDecaux DEUTSCHLAND GmbH)                                 | (1) & (26)      | Germany    | 100.00     | F              | 100.00     |
| DSM DECAUX GmbH  |                 | Germany    | 50.00      | E*             | 50.00      |
| STADTREKLAME NÜRNBERG GmbH   |                 | Germany    | 35.00      | E              | 35.00      |
| WALL AG  | (14) & (26)     | Germany    | 100.00     | F              | 100.00     |
| GEORG ZACHARIAS GmbH   | (14) & (26)     | Germany    | 100.00     | F              | 100.00     |
| VVR WALL GmbH  | (1) (14) & (26) | Germany    | 100.00     | F              | 100.00     |
| DIE DRAUSSENWERBER GmbH  | (14)            | Germany    | 100.00     | F              | 100.00     |
| SKY HIGH TG GmbH   | (14)            | Germany    | 100.00     | F              | 100.00     |
| REMSCHIEDER GESELLSCHAFT FÜR STADTVERKEHRANLAGEN GbR.                            | (14)            | Germany    | 50.00      | E*             | 50.00      |
| JCDecaux ARGENTINA SA  |                 | Argentina  | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE Pty Ltd  |                 | Australia  | 100.00     | F              | 100.00     |
| JCDecaux AUSTRALIA Pty Ltd   |                 | Australia  | 100.00     | F              | 100.00     |
| ADBOOTH Pty Ltd  |                 | Australia  | 50.00      | F              | 50.00      |
| JCDecaux CITYCYCLE AUSTRALIA Pty Ltd   |                 | Australia  | 100.00     | F              | 100.00     |
| ARGE AUTOBAHNWERBUNG GmbH  |                 | Austria    | 67.00      | F              | 100.00     |
| JCDecaux AZERBAIJAN LLC  |                 | Azerbaijan | 100.00     | F              | 100.00     |
| JCD BAHRAIN SPC  |                 | Bahrain    | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE BELGIUM  | (1)             | Belgium    | 100.00     | F              | 100.00     |
| CITY BUSINESS MEDIA  |                 | Belgium    | 100.00     | F              | 100.00     |
| JCDecaux DO BRASIL S.A.  | (1)             | Brazil     | 100.00     | F              | 100.00     |
| JCDecaux SALVADOR S.A.   |                 | Brazil     | 100.00     | F              | 100.00     |
| JCDecaux LATAM SERVICIOS DE MANAGEMENT LTDA (previously JCDecaux SÃO PAULO S.A.) |                 | Brazil     | 100.00     | F              | 100.00     |
| CONCESSIONARIA A HORA DE SÃO PAULO S.A.  | (1)             | Brazil     | 100.00     | F              | 80.00      |
| CEMUSA DO BRASIL LTDA  |                 | Brazil     | 100.00     | F              | 100.00     |
| CEMUSA BRASILIA S.A.   |                 | Brazil     | 100.00     | F              | 100.00     |

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| COMPANIES  |      | Country       | % interest | Consol. Method | % control* |
|--|------|---------------|------------|----------------|------------|
| CEMUSA AMAZONIA S.A.   |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA RIO S.A.  |      | Brazil        | 100.00     | F              | 100.00     |
| CEMUSA SALVADOR S.A.   | (19) | Brazil        | 100.00     | F              | 100.00     |
| WALL SOFIA EOOD  |      | Bulgaria      | 50.00      | E*             | 50.00      |
| OUTFRONT JCDecaux STREET FURNITURE CANADA, Ltd   |      | Canada        | 50.00      | E*             | 50.00      |
| STAND OFF S.A.   | (1)  | Chile         | 85.00      | F              | 100.00     |
| JCDecaux PEARL&DEAN OUTDOOR ADVERTISING (CHINA) Co. Ltd  |      | China         | 100.00     | F              | 100.00     |
| BEIJING JCDecaux TIAN DI ADVERTISING Co., Ltd  | (2)  | China         | 100.00     | F              | 100.00     |
| BEIJING PRESS JCDecaux MEDIA ADVERTISING Co. Ltd   |      | China         | 50.00      | E*             | 50.00      |
| NINGBO JCDecaux Pearl & Dean ADVERTISING Co. Ltd (previously JCDecaux NINGBO Pearl & Dean ADVERTISING Co. Ltd)   |      | China         | 100.00     | F              | 100.00     |
| BEIJING JCDecaux PEARL & DEAN Advertising Co.,Ltd (previously JCDecaux BEIJING PEARL & DEAN Advertising Co.,Ltd) |      | China         | 100.00     | F              | 100.00     |
| EQUIPAMIENTOS URBANOS NACIONALES DE COLOMBIA Ltda  | (21) | Colombia      | 63.75      | F              | 75.00      |
| LLEGA S.A.S.   | (21) | Colombia      | 63.75      | F              | 100.00     |
| JCDecaux KOREA Inc.  |      | South Korea   | 80.00      | F              | 80.00      |
| EQUIPAMIENTOS URBANOS DE COSTA RICA S.A.   | (27) | Costa Rica    | 60.97      | F              | 100.00     |
| JCDecaux COTE d'IVOIRE   | (3)  | Ivory Coast   | 50.00      | E*             | 50.00      |
| AFA JCDecaux A/S   |      | Denmark       | 50.00      | F              | 50.00      |
| EL MOBILIARIO URBANO SLU   |      | Spain         | 100.00     | F              | 100.00     |
| JCDecaux ATLANTIS SA   |      | Spain         | 85.00      | F              | 85.00      |
| JCDecaux LATIN AMERICA INVESTMENTS HOLDING S.L.  |      | Spain         | 100.00     | F              | 100.00     |
| CORPORACION AMERICANA DE EQUIPAMIENTOS URBANOS SRL   |      | Spain         | 70.00      | F              | 70.00      |
| CEMUSA CORPORACION EUROPEA DE MOBILIARIO URBANO S.A. EL MOBILIARIO URBANO, S.L.U.                                |      | Spain         | 100.00     | F              | 100.00     |
| CORPORACION EUROPEA DE MOBILIARIO URBANO S.A.  | (1)  | Spain         | 100.00     | F              | 100.00     |
| JCDecaux EESTI OU  |      | Estonia       | 100.00     | F              | 100.00     |
| JCDecaux NEW YORK, Inc.  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux SAN FRANCISCO, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux MALLSCAPE, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux CHICAGO, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux NEW YORK, LLC   |      | United States | 100.00     | F              | 100.00     |
| OUTFRONT DECAUX STREET FURNITURE, LLC  |      | United States | 50.00      | E*             | 50.00      |
| JCDecaux NORTH AMERICA, Inc.   |      | United States | 100.00     | F              | 100.00     |
| JCDecaux BOSTON, Inc.  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux SREET FURNITURE, Inc.   |      | United States | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE GREATER BOSTON, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux STREET FURNITURE NEW YORK, LLC  |      | United States | 100.00     | F              | 100.00     |
| JCDecaux FINLAND Oy  | (1)  | Finland       | 100.00     | F              | 100.00     |
| JCDecaux GABON   | (3)  | Gabon         | 50.00      | E*             | 50.00      |

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| COMPANIES  |             | Country         | % interest | Consol. Method | % control* |
|--|-------------|-----------------|------------|----------------|------------|
| JCDecaux GUATEMALA, S.A. (previously EQUIPAMIENTOS URBANOS DE GUATEMALA, S.A.) | (27)        | Guatemala       | 60.97      | F              | 100.00     |
| PUBLIVALLAS DE GUATEMALA, S.A.   | (2)         | Guatemala       | 84.98      | F              | 99.98      |
| VISTA CENTROAMERICANA S.A.   | (27)        | Guatemala       | 60.97      | F              | 100.00     |
| JCDecaux CITYSCAPE HONG KONG Ltd   |             | Hong Kong       | 100.00     | F              | 100.00     |
| JCDecaux CITYSCAPE Ltd   |             | Hong Kong       | 100.00     | F              | 100.00     |
| IMMENSE PRESTIGE   |             | Hong Kong       | 100.00     | F              | 100.00     |
| BUS FOCUS Ltd  | (13)        | Hong Kong       | 40.00      | E              | 40.00      |
| VBM VAROSBUTOR ES MEDIA Kft.   | (14) & (16) | Hungary         | 67.00      | F              | 100.00     |
| JCDecaux HUNGARY Zrt   | (1)         | Hungary         | 67.00      | F              | 100.00     |
| JCDecaux ADVERTISING INDIA PVT Ltd   | (1)         | India           | 100.00     | F              | 100.00     |
| AFA JCDecaux ICELAND ehf   |             | Iceland         | 50.00      | F              | 100.00     |
| JCDecaux ISRAEL Ltd  |             | Israel          | 92.00      | F              | 92.00      |
| CEMUSA ITALIA Srl  | (29)        | Italy           | 60.00      | E*             | 60.00      |
| MCDECAUX Inc.  |             | Japan           | 85.00      | F              | 85.00      |
| CYCLOCITY Inc.   |             | Japan           | 100.00     | F              | 100.00     |
| RTS DECAUX JSC   |             | Kazakhstan      | 50.00      | F              | 50.00      |
| JCDecaux LATVIJA SIA   |             | Latvia          | 100.00     | F              | 100.00     |
| JCDecaux LIETUVA UAB   |             | Lithuania       | 100.00     | F              | 100.00     |
| JCDecaux LUXEMBOURG SA   | (1)         | Luxembourg      | 100.00     | F              | 100.00     |
| JCDecaux GROUP SERVICES SARL   |             | Luxembourg      | 100.00     | F              | 100.00     |
| JCDecaux MONGOLIA LLC  |             | Mongolia        | 51.00      | F              | 51.00      |
| JCDecaux MACAU   | (1)         | Macau           | 80.00      | F              | 80.00      |
| EQUIPAMIENTOS URBANOS DE MEXICO, S.A. DE C.V.                                  |             | Mexico          | 85.00      | F              | 100.00     |
| PASCOE, S.A. DE C.V.   | (25)        | Mexico          | 85.00      | F              | 100.00     |
| SERVICIOS DE COMERCIALIZACION DE PUBLICIDAD, S.A. DE C.V.                      |             | Mexico          | 85.00      | F              | 100.00     |
| SERVICIO Y TECNOLOGIA ESPECIALIZADA, S.A. DE C.V.                              |             | Mexico          | 85.00      | F              | 100.00     |
| TENEDORA DE ACCIONES DE MOBILIARIO, S.A. DE C.V.                               | (25)        | Mexico          | 85.00      | F              | 100.00     |
| MEDIOS DE PUBLICIDAD S.A. DE C.V.  |             | Mexico          | 85.00      | F              | 100.00     |
| EQUIPAMIENTOS URBANOS DE LA PENINSULA, S.A. DE C.V.                            |             | Mexico          | 85.00      | F              | 100.00     |
| JCDecaux OUT OF HOME MEXICO SA de CV   | (3)         | Mexico          | 85.00      | F              | 100.00     |
| JCDecaux OMAN  | (1) & (5)   | Oman            | 100.00     | F              | 100.00     |
| JCDecaux UZ  |             | Uzbekistan      | 70.25      | F              | 70.25      |
| JCDecaux PANAMA, S.A.  | (1) & (27)  | Panama          | 60.97      | F              | 100.00     |
| JCDecaux CENTRAL AMERICA HOLDINGS S.A.   |             | Panama          | 85.00      | F              | 100.00     |
| JCDecaux CENTROAMERICA HOLDING S.A.  | (27)        | Panama          | 60.97      | F              | 100.00     |
| JCDecaux NEDERLAND BV  |             | The Netherlands | 100.00     | F              | 100.00     |
| JCDecaux PORTUGAL - MOBILIARIO URBANO Lda                                      |             | Portugal        | 100.00     | F              | 100.00     |
| PURBE PUBLICIDADE URBANA & GESTAO Lda  |             | Portugal        | 100.00     | F              | 100.00     |
| ELAN DECAUX W.L.L  | (1)         | Qatar           | 50.00      | E*             | 49.00      |
| JCDecaux DOMINICANA, S.A. (previously EQUIPAMIENTOS URBANOS DOMINICANOS, S.A.) |             | Dominican Rep.  | 85.00      | F              | 100.00     |
| JCDecaux MESTSKY MOBILIAR Spol Sro   | (1)         | Czech Rep.      | 100.00     | F              | 100.00     |
| RENCAR MEDIA Spol Sro  |             | Czech Rep.      | 46.90      | F              | 100.00     |
| CLV CR Spol Sro  |             | Czech Rep.      | 23.45      | E*             | 50.00      |

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|--|-------------|----------------|------------|-------------------|------------|
| JCDecaux UK Ltd  | (1)         | United Kingdom | 100.00     | F                 | 100.00     |
| JCDecaux SMALL CELLS Ltd                                     |             | United Kingdom | 70.00      | F                 | 70.00      |
| IN FOCUS PUBLIC NETWORKS LIMITED                             |             | United Kingdom | 100.00     | F                 | 100.00     |
| JCDecaux EL SALVADOR, S.A. DE C.V.                           | (27)        | Salvador       | 60.97      | F                 | 100.00     |
| PUBLIVALLAS DE EL SALVADOR, S.A. DE C.V.                     |             | Salvador       | 85.00      | F                 | 100.00     |
| JCDecaux SINGAPORE Pte Ltd                                   |             | Singapore      | 100.00     | F                 | 100.00     |
| JCDecaux SLOVAKIA Sro  |             | Slovakia       | 100.00     | F                 | 100.00     |
| JCDecaux SVERIGE AB  |             | Sweden         | 100.00     | F                 | 100.00     |
| OUTDOOR AB   |             | Sweden         | 48.50      | E*                | 48.50      |
| JCDecaux SVERIGE FORSALJNINGSAKTIEBOLAG                      |             | Sweden         | 100.00     | F                 | 100.00     |
| JCDecaux CORPORATE SERVICES GmbH                             |             | Switzerland    | 100.00     | F                 | 100.00     |
| ERA REKLAM AS  | (14) & (35) | Turkey         | 100.00     | F                 | 100.00     |
| WALL SEHIR DIZAYNI LS  | (14)        | Turkey         | 100.00     | F                 | 100.00     |
| JCDecaux URUGUAY   | (6)         | Uruguay        | 100.00     | F                 | 100.00     |
| JCDecaux URUGUAY SA  |             | Uruguay        | 100.00     | F                 | 100.00     |
| OUTFRONT MEDIA URUGUAY S.A.                                  | (20)        | Uruguay        | 85.02      | F                 | 100.00     |
| PUBLIBUS SA  | (20)        | Uruguay        | 85.02      | F                 | 100.00     |
| <b>TRANSPORT</b>   |             |                |            |                   |            |
| MEDIA AEROPORTS DE PARIS                                     |             | France         | 50.00      | E*                | 50.00      |
| METROBUS   |             | France         | 33.00      | E                 | 33.00      |
| CONTINENTAL SPG OUTDOOR ADVERTISING (Pty Ltd)                |             | South Africa   | 35.00      | E*                | 50.00      |
| JCDecaux ALGERIE SARL  |             | Algeria        | 80.00      | F                 | 80.00      |
| JCDecaux AIRPORT ALGER EURL                                  |             | Algeria        | 80.00      | F                 | 100.00     |
| JCDecaux AIRPORT CENTRE SARL                                 |             | Algeria        | 49.00      | E                 | 49.00      |
| MEDIA FRANKFURT GmbH   |             | Germany        | 39.00      | E*                | 39.00      |
| JCDecaux AIRPORT MEDIA GmbH                                  |             | Germany        | 100.00     | F                 | 100.00     |
| TRANS-MARKETING GmbH   | (14)        | Germany        | 87.82      | F                 | 87.82      |
| JCDecaux ATA SAUDI LLC                                       |             | Saudi Arabia   | 60.00      | F                 | 60.00      |
| INFOSCREEN AUSTRIA GmbH                                      |             | Austria        | 67.00      | F                 | 100.00     |
| JCDecaux AIRPORT BELGIUM                                     |             | Belgium        | 100.00     | F                 | 100.00     |
| JCDecaux PUBLICIADE INNOVATE Ltda                            | (3)         | Brazil         | 100.00     | F                 | 100.00     |
| JCDecaux CAMEROUN  |             | Cameroon       | 50.00      | E*                | 50.00      |
| JCDecaux CHILE SA  | (1)         | Chile          | 85.00      | F                 | 100.00     |
| JCDecaux MOMENTUM SHANGHAI AIRPORT ADVERTISING Co. Ltd       |             | China          | 35.00      | E*                | 35.00      |
| JCDecaux ADVERTISING (BEIJING) Co. Ltd                       |             | China          | 100.00     | F                 | 100.00     |
| BEIJING TOP RESULT METRO Advertising. Co. Ltd                | (24)        | China          | 90.00      | E*                | 38.00      |
| JCDecaux ADVERTISING (SHANGHAI) Co. Ltd                      |             | China          | 100.00     | F                 | 100.00     |
| NANJING MPI Public TRANSPORTATION ADVERTISING Co.,Ltd        | (2)         | China          | 50.00      | F                 | 87.60      |
| CHONGQING MPI PUBLIC TRANSPORTATION ADVERTISING Co. Ltd      |             | China          | 60.00      | F                 | 60.00      |
| CHENGDU MPI PUBLIC TRANSPORTATION Advertising. Co. Ltd       |             | China          | 100.00     | F                 | 100.00     |
| JINAN ZHONGGUAN XUNHUA PUBLIC TRANSPORT Advertising. Co. Ltd | (23)        | China          | 30.00      | E                 | 30.00      |
| SHANGHAI SHENTONG JCDecaux METRO ADVERTISING Co. Ltd         |             | China          | 65.00      | E*                | 51.00      |

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| COMPANIES  |            | Country              | % interest | Consol. Method | % control* |
|--|------------|----------------------|------------|----------------|------------|
| NANJING METRO JCDecaux ADVERTISING Co., Ltd  |            | China                | 100.00     | F              | 100.00     |
| JCDecaux ADVERTISING CHONGQING Co., Ltd  |            | China                | 80.00      | F              | 80.00      |
| SUZHOU JCDecaux METRO ADVERTISING Co.Ltd (previously JCDecaux SUZHOU METRO ADVERTISING Co.Ltd) |            | China                | 80.00      | F              | 65.00      |
| NANJING JCDecaux BUS ADVERTISING Co., Ltd  |            | China                | 100.00     | F              | 100.00     |
| GUANGZHOU METRO JCDecaux ADVERTISING Co., Ltd  | (3)        | China                | 49.00      | E*             | 49.00      |
| JCDecaux DICON FZ CO   |            | United Arab Emirates | 75.00      | F              | 75.00      |
| JCDecaux ADVERTISING AND MEDIA LLC   |            | United Arab Emirates | 80.00      | F              | 49.00      |
| JCDecaux MIDDLE EAST FZ-LLC  |            | United Arab Emirates | 100.00     | F              | 100.00     |
| JCDecaux OUT OF HOME FZ-LLC (ABU DHABI)  |            | United Arab Emirates | 55.00      | F              | 55.00      |
| JCDecaux AIRPORT ESPANA S.A.U  | (2)        | Spain                | 100.00     | F              | 100.00     |
| JCDecaux TRANSPORT, S.L.U.   |            | Spain                | 100.00     | F              | 100.00     |
| JCDecaux AIRPORT, Inc.   |            | United States        | 100.00     | F              | 100.00     |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT LAWA, LLC                     |            | United States        | 92.50      | F              | 92.50      |
| JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT DALLAS, LLC                   | (2)        | United States        | 100.00     | F              | 100.00     |
| MIAMI AIRPORT CONCESSION, LLC  |            | United States        | 50.00      | E*             | 50.00      |
| JCDecaux AIRPORT CHICAGO, LLC  |            | United States        | 100.00     | F              | 100.00     |
| THE JOINT VENTURE FOR THE OPERATION OF THE ADVERTISING CONCESSION AT HOUSTON AIRPORTS, LLC     |            | United States        | 99.00      | F              | 99.00      |
| JCDecaux AIRPORT BOSTON, LLC   |            | United States        | 98.00      | F              | 98.00      |
| JCDecaux AIRPORT SPONSORSHIPS, LLC   |            | United States        | 50.00      | E*             | 50.00      |
| JCDecaux AIRPORT DALLAS FORT WORTH, LLC  | (3)        | United States        | 97.50      | F              | 100.00     |
| JCDecaux PEARL & DEAN Ltd  |            | Hong Kong            | 100.00     | F              | 100.00     |
| JCDecaux OUTDOOR ADVERTISING HK Ltd  |            | Hong Kong            | 100.00     | F              | 100.00     |
| JCDecaux INNOVATE Ltd  |            | Hong Kong            | 100.00     | F              | 100.00     |
| MEDIA PRODUCTION Ltd   |            | Hong Kong            | 100.00     | F              | 100.00     |
| JCDecaux CHINA HOLDING Ltd   |            | Hong Kong            | 100.00     | F              | 100.00     |
| BERON Ltd  | (13)       | Hong Kong            | 100.00     | F              | 100.00     |
| TOP RESULT PROMOTION Ltd   | (1)        | Hong Kong            | 100.00     | F              | 100.00     |
| MEDIA PARTNERS INTERNATIONAL Ltd   | (1)        | Hong Kong            | 100.00     | F              | 100.00     |
| MPI PRODUCTION Ltd   |            | Hong Kong            | 100.00     | F              | 100.00     |
| JCDecaux DIGITAL VISION (HK) Ltd.  |            | Hong Kong            | 100.00     | F              | 100.00     |
| IGPDECAUX Spa  | (1)        | Italy                | 60.00      | E*             | 60.00      |
| CNDECAUX AIRPORT MEDIA Co. Ltd   |            | Macau                | 30.00      | E              | 30.00      |
| JCDecaux NIGERIA OUTDOOR ADVERTISING Ltd   | (3) & (28) | Nigeria              | 49.00      | F              | 70.00      |
| JCDecaux NORGE AS  | (1)        | Norway               | 97.69      | F              | 100.00     |
| AEROTOP, S.A.  | (3) & (27) | Panama               | 60.97      | F              | 100.00     |
| CITY BUS STOP, S.A.  | (3) & (27) | Panama               | 48.78      | F              | 100.00     |
| JCDecaux AEROPUERTO DE LIMA SAC  |            | Peru                 | 100.00     | F              | 100.00     |
| EYE CATCHER MEDIA S.A.C.   | (1)        | Peru                 | 70.00      | F              | 70.00      |
| JCDecaux AIRPORT POLSKA Sp zoo   |            | Poland               | 100.00     | F              | 100.00     |
| JCDecaux AIRPORT PORTUGAL SA   |            | Portugal             | 85.00      | F              | 85.00      |

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|---|-------------|----------------|------------|-------------------|------------|
| RENCAR PRAHA AS   |             | Czech Rep.     | 46.90      | F                 | 70.00      |
| JCDecaux AIRPORT UK Ltd   |             | United Kingdom | 100.00     | F                 | 100.00     |
| CONCOURSE INITIATIVES Ltd   | (2)         | United Kingdom | 100.00     | F                 | 100.00     |
| JCDecaux ASIA SINGAPORE Pte Ltd   |             | Singapore      | 100.00     | F                 | 100.00     |
| JCDecaux OUT OF HOME ADVERTISING Pte Ltd  | (1)         | Singapore      | 100.00     | F                 | 100.00     |
| JCDecaux THAILAND Co., Ltd  |             | Thailand       | 98.00      | F                 | 49.50      |
| <b>BILLBOARD</b>  |             |                |            |                   |            |
| JCDecaux SOUTH AFRICA HOLDINGS (PROPRIETARY) LIMITED  |             | South Africa   | 100.00     | F                 | 100.00     |
| JCDecaux SOUTH AFRICA OUTDOOR ADVERTISING (PROPRIETARY) LIMITED                               | (22)        | South Africa   | 49.00      | F                 | 70.00      |
| JCDecaux SUB-SAHARAN AFRICA (Pty) Ltd (previously CONTINENTAL OUTDOOR MEDIA AFRICA (Pty) Ltd) |             | South Africa   | 70.00      | F                 | 100.00     |
| MERAFE RAIL   |             | South Africa   | 70.00      | F                 | 100.00     |
| MERAFE OUTDOOR  |             | South Africa   | 70.00      | F                 | 100.00     |
| CORPCOM OUTDOOR   |             | South Africa   | 70.00      | F                 | 100.00     |
| SUBURBAN INDUSTRIAL SIGN DESIGN   |             | South Africa   | 70.00      | F                 | 100.00     |
| RENT A SIGN LEBOWA  |             | South Africa   | 35.00      | E*                | 50.00      |
| JCDecaux SOUTH AFRICA (PTY) Ltd (previously CONTINENTAL OUTDOOR MEDIA (Pty) Ltd)              |             | South Africa   | 70.00      | F                 | 100.00     |
| OUTDOOR Co (Pty) Ltd  |             | South Africa   | 70.00      | F                 | 100.00     |
| BDEYE DESIGNS (Pty) Ltd   |             | South Africa   | 70.00      | F                 | 100.00     |
| KCF INVESTMENTS (Pty) Ltd   |             | South Africa   | 70.00      | F                 | 100.00     |
| NEWSHELF1001 (Pty) Ltd (Lease Co)   |             | South Africa   | 70.00      | F                 | 100.00     |
| SIYENZA GRAPHIC DESIGN (Pty) Ltd  |             | South Africa   | 70.00      | F                 | 100.00     |
| INTER OUTDOOR AFRICA (Pty) Ltd  |             | South Africa   | 70.00      | F                 | 100.00     |
| JCDecaux SUBSAHARAN AFRICA HOLDINGS (Pty) Ltd (previously CONTINENTAL OUTDOOR MEDIA HOLDING)  |             | South Africa   | 70.00      | F                 | 100.00     |
| CONTINENTAL OUTDOOR MEDIA (ANGOLA) Lda  |             | Angola         | 70.00      | F                 | 100.00     |
| URBANMEDIA ARGENTINA S.A.   | (18)        | Argentina      | 85.69      | F                 | 100.00     |
| CBS OUTDOOR ARGENTINA SA renamed JCDecaux Argentina OOH S.A.                                  | (20) & (34) | Argentina      | 100.00     | F                 | 100.00     |
| GEWISTA WERBEGESELLSCHAFT.mbH   | (1)         | Austria        | 67.00      | F                 | 67.00      |
| PROGRESS AUSSENWERBUNG GmbH   |             | Austria        | 42.34      | F                 | 51.00      |
| PROGRESS WERBELAND WERBE. GmbH  |             | Austria        | 34.17      | F                 | 51.00      |
| ISPA WERBEGES.mbH   |             | Austria        | 42.34      | F                 | 51.00      |
| USP WERBEGESELLSCHAFT.mbH   |             | Austria        | 50.25      | F                 | 75.00      |
| JCDecaux CENTRAL EASTERN EUROPE GmbH  |             | Austria        | 100.00     | F                 | 100.00     |
| GEWISTA SERVICE GmbH  |             | Austria        | 67.00      | F                 | 100.00     |
| ROLLING BOARD OBERÖSTERREICH WERBE GmbH   |             | Austria        | 25.13      | E*                | 50.00      |
| KULTURPLAKAT  |             | Austria        | 67.00      | F                 | 100.00     |
| MEGABOARD SORAVIA GmbH  |             | Austria        | 67.00      | F                 | 100.00     |
| ANKÜNDER GmbH   |             | Austria        | 16.68      | E                 | 24.90      |
| JCDecaux BILLBOARD BELGIUM  |             | Belgium        | 100.00     | F                 | 100.00     |
| JCDecaux ARTVERTISING BELGIUM   |             | Belgium        | 100.00     | F                 | 100.00     |
| INSERT BELGIUM SA   |             | Belgium        | 100.00     | F                 | 100.00     |
| DOOH renommée JCDecaux MALLS  | (3)         | Belgium        | 73.36      | F                 | 100.00     |
| JCDecaux BOTSWANA (PTY) LIMITED   |             | Botswana       | 70.00      | F                 | 100.00     |

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|--|-------------|----------------------|------------|----------------|------------|
| OUTFRONT MEDIA EXTERIOR Ltda   | (20)        | Brazil               | 72.71      | F              | 80.00      |
| EPPAR - EMPRESA DE PANEIS A PARTICIPACOES LIMITADA                                     | (20)        | Brazil               | 68.01      | F              | 80.00      |
| OUTFRONT MEDIA BRASIL Ltda renamed JCDecaux MIDIA BRASIL Ltda                          | (20)        | Brazil               | 84.13      | F              | 100.00     |
| TECHMIDIA PUBLICIDADE EXTERIOR SA renamed JCDecaux GRANDES FORMATOS MIDIA EXTERIOR SA  | (20)        | Brazil               | 84.53      | F              | 100.00     |
| JCDecaux OUTDOOR Ltda  | (3)         | Brazil               | 100.00     | F              | 100.00     |
| JCDecaux BULGARIA HOLDING BV   | (11)        | Bulgaria             | 50.00      | E*             | 50.00      |
| JCDecaux BULGARIA EOOD   |             | Bulgaria             | 50.00      | E*             | 50.00      |
| AGENCIA PRIMA AD   |             | Bulgaria             | 45.00      | E*             | 50.00      |
| MARKANY LINE EOOD  |             | Bulgaria             | 50.00      | E*             | 50.00      |
| A TEAM EOOD  |             | Bulgaria             | 50.00      | E*             | 50.00      |
| EASY DOCK EOOD   |             | Bulgaria             | 50.00      | E*             | 50.00      |
| PRIME OUTDOOR OOD  |             | Bulgaria             | 50.00      | E*             | 50.00      |
| INTERNATIONAL OUTDOOR ADVERTISING HOLDING COMPANY                                      | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOAHC INVESTMENTS URUGUAY COMPANY  | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOAHC INVESTMENTS COMPANY  | (20)        | Cayman Islands       | 85.02      | F              | 100.00     |
| IOA PROLIX COMPANY   | (20)        | Cayman Islands       | 68.01      | F              | 80.00      |
| OUTFRONT MEDIA CHILE S.A. renamed JCDecaux OOH CHILE S.A.                              | (20)        | Chile                | 85.02      | F              | 100.00     |
| CEE MEDIA HOLDING LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| DROSFIELD ENTERPRISES LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| OUTDOOR MEDIA SYSTEMS LIMITED  |             | Cyprus               | 50.00      | E*             | 50.00      |
| FEGPORT INVESTMENTS Ltd  |             | Cyprus               | 25.00      | E*             | 25.00      |
| ELACORP LIMITED  |             | Cyprus               | 18.75      | E*             | 25.00      |
| PUBLIVALLAS S.A.   | (17) & (27) | Costa Rica           | 60.97      | F              | 100.00     |
| TOP MEDIA COSTA RICA, S.A.   | (3) & (27)  | Costa Rica           | 60.97      | F              | 100.00     |
| EUROPLAKAT Doo   |             | Croatia              | 42.34      | F              | 51.00      |
| METROPOLIS MEDIA Doo   |             | Croatia              | 42.34      | F              | 100.00     |
| FULL TIME Doo  |             | Croatia              | 42.34      | F              | 100.00     |
| JCDecaux STREET FURNITURE FZ LLC   |             | United Arab Emirates | 100.00     | F              | 100.00     |
| JCDecaux ESPANA S.L.U.   | (1)         | Spain                | 100.00     | F              | 100.00     |
| CLEAR CHANNEL ESPANA, S.L.U. y CEMUSA - CORPORACION EUROPEA DE MOBILIARIO URBANO, S.A. |             | Spain                | 50.00      | E*             | 50.00      |
| INTERSTATE JCDecaux LLC  |             | United States        | 49.00      | E*             | 49.00      |
| JV INTELLIGENT SIGN NETWORK (ISN)  | (2)         | United States        | 51.00      | E*             | 51.00      |
| OUTFRONT MEDIA IOA HOLDINGS LLC renamed JCDecaux CARTELERA HOLDINGS LLC                | (20) & (2)  | United States        | 85.00      | F              | 100.00     |
| TM OUTDOOR, LCC  | (3) & (27)  | United States        | 60.97      | F              | 100.00     |
| TOP MEDIA GUATEMALA, S.A.  | (3) & (27)  | Guatemala            | 60.97      | F              | 100.00     |
| TOP MEDIA HONDURAS, S.A.   | (3) & (27)  | Honduras             | 60.97      | F              | 100.00     |
| POAD   |             | Hong Kong            | 49.00      | E              | 49.00      |
| DAVID ALLEN HOLDINGS Ltd   | (10)        | Ireland              | 100.00     | F              | 100.00     |
| DAVID ALLEN POSTER SITES Ltd   |             | Ireland              | 100.00     | F              | 100.00     |
| SOLAR HOLDINGS Ltd   |             | Ireland              | 100.00     | F              | 100.00     |
| JCDecaux IRELAND Ltd   |             | Ireland              | 100.00     | F              | 100.00     |

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Notes to the annual consolidated financial statements

| COMPANIES  |            | Country         | % interest | Consol. Method | % control* |
|--|------------|-----------------|------------|----------------|------------|
| BRAVO OUTDOOR ADVERTISING Ltd  |            | Ireland         | 100.00     | F              | 100.00     |
| JCDecaux LESOTHO (PTY) LTD   |            | Lesotho         | 70.00      | F              | 100.00     |
| JCDecaux MADAGASCAR SA   |            | Madagascar      | 56.00      | F              | 80.00      |
| JCDecaux MEDIA Sdn Bhd   |            | Malaysia        | 100.00     | F              | 100.00     |
| JCDecaux OUTDOOR ADVERTISING LTD   |            | Malawi          | 70.00      | F              | 100.00     |
| JCDecaux (MAURITIUS) Ltd   |            | Mauritius       | 70.00      | F              | 100.00     |
| JCDecaux (Mauritius) Ltd (previously CONTINENTAL OUTDOOR MEDIA MANAGEMENT COMPANY (MAURITIUS) Ltd) |            | Mauritius       | 70.00      | F              | 100.00     |
| VENDOR PUBLICIDAD S DE R.L. DE C.V.  | (20)       | Mexico          | 85.00      | F              | 100.00     |
| FUSIONANTE VENDOR S DE R.L DE C.V.   | (20)       | Mexico          | 85.00      | F              | 100.00     |
| SERVICIOS ADMINISTRATIVOS S DE R.L DE C.V.   | (20)       | Mexico          | 85.02      | F              | 100.00     |
| JCDecaux MOZAMBIQUE LDA  |            | Mozambique      | 70.00      | F              | 100.00     |
| JCDecaux NAMIBIA OUTDOOR ADVERTISING (Pty) Limited   |            | Namibia         | 70.00      | F              | 100.00     |
| TOP MEDIA NICARAGUA, S.A.  | (3) & (27) | Nicaragua       | 60.97      | F              | 100.00     |
| CONTINENTAL OUTDOOR MEDIA UGANDA Ltd   |            | Uganda          | 70.00      | F              | 100.00     |
| TOP MEDIA, S.A.  | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| COSMO PUBLICIDAD COMPANY, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| CENTRAL AMERICAN TOWER, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PUBLITOP DE PANAMA, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| DIGITAL TOP, S.A.  | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PUNTES TOP, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| TRANSTOP, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| PANAMERICAN OUTDOOR ADVERTISING INC  | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| SHOP TOP, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| TOP MEDIA PANAMA, S.A.   | (3) & (27) | Panama          | 60.97      | F              | 100.00     |
| EUROPOSTER BV  | (2)        | The Netherlands | 100.00     | F              | 100.00     |
| OUTDOOR SYSTEMS AMERICAS NETHERLANDS NEWCO BV  | (20)       | The Netherlands | 85.02      | F              | 100.00     |
| OUTFRONT MEDIA PP BV renamed JCDecaux CARTELERA B.V.   | (20)       | The Netherlands | 85.02      | F              | 100.00     |
| JCDecaux NEONLIGHT Sp zoo  |            | Poland          | 100.00     | F              | 100.00     |
| GIGABOARD POLSKA Sp zoo Poland   |            | Poland          | 67.00      | F              | 100.00     |
| RED PORTUGUESA - PUBLICIDADE EXTERIOR SA   |            | Portugal        | 96.38      | F              | 96.38      |
| AUTEDOR - PUBLICIDADE EXTERIOR Lda   |            | Portugal        | 49.15      | F              | 51.00      |
| RED LITORAL - PUBLICIDADE EXTERIOR Lda   |            | Portugal        | 72.29      | F              | 75.00      |
| DISTRIBUIDORA DE VALLAS DOMINICANA, S.A.   | (17)       | Dominican Rep.  | 85.00      | F              | 100.00     |
| EUROPLAKAT Spol Sro  |            | Czech Rep.      | 67.00      | F              | 100.00     |
| JCDecaux Ltd   |            | United Kingdom  | 100.00     | F              | 100.00     |
| JCDecaux UNITED Ltd  |            | United Kingdom  | 100.00     | F              | 100.00     |
| ALLAM GROUP Ltd  |            | United Kingdom  | 100.00     | F              | 100.00     |
| EXCEL OUTDOOR MEDIA Ltd  |            | United Kingdom  | 100.00     | F              | 100.00     |
| RUSS OUT OF HOME BV (RUSS OUTDOOR)   | (8)        | Russia          | 25.00      | E*             | 25.00      |
| ADVANCE GROUP LLC (previously ADVANCE HOLDING LLC)   |            | Russia          | 12.75      | E*             | 25.00      |
| ALMACOR UNDERGROUND LLC  | (33)       | Russia          | 21.25      | E*             | 25.00      |

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|  |            |                |                   |                       |                   |
|--|------------|----------------|-------------------|-----------------------|-------------------|
| ANZH LLC   | (32)       | Russia         | 25.00             | E*                    | 25.00             |
| <b>COMPANIES</b>   |            | <b>Country</b> | <b>% interest</b> | <b>Consol. Method</b> | <b>% control*</b> |
| APR CITY/TVD LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| BIG - MEDIA LLC (previously BIG - MEDIA LTD)             |            | Russia         | 25.00             | E*                    | 25.00             |
| BIGBOARD LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| DISPLAY LLC  |            | Russia         | 18.75             | E*                    | 25.00             |
| EDINY GOROD LLC  | (2)        | Russia         | 12.75             | E*                    | 25.00             |
| EKRAN LLC  | (33)       | Russia         | 25.00             | E*                    | 25.00             |
| EUROPEAN OUTDOOR COMPANY Inc.                            | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| EXPOMEDIA LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| FREGAT LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| HARDLINK SOLUTIONS LLC                                   |            | Russia         | 25.00             | E*                    | 25.00             |
| JSC MOSCOW CITY ADVERTISING                              | (2)        | Russia         | 24.67             | E*                    | 25.00             |
| WALL CIS LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| KIWI SERVICES LIMITED                                    | (9) & (30) | Russia         | 25.00             | E*                    | 25.00             |
| KRASNOGORSK SOUZ REKLAMA LLC                             | (33)       | Russia         | 15.00             | E*                    | 25.00             |
| MARS ART LLC   | (31)       | Russia         | 25.00             | E*                    | 25.00             |
| MEDIA INFORM LLC   | (31)       | Russia         | 12.75             | E*                    | 25.00             |
| MEDIA SUPPORT SERVICES Ltd                               | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| MERCURY OUTDOOR DISPLAYS Ltd                             | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| RUSS OUT OF HOME GmbH (previously NEWS OUT OF HOME GmbH) | (7)        | Russia         | 25.00             | E*                    | 25.00             |
| NIZHNOVREKLAMA LLC                                       | (32)       | Russia         | 25.00             | E*                    | 25.00             |
| NORTH WEST FACTORY LLC                                   | (31)       | Russia         | 25.00             | E*                    | 25.00             |
| NORTHERN OUTDOOR DISPLAYS Ltd                            | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| OMS LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| OUTDOOR LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| OUTDOOR MARKETING LLC                                    |            | Russia         | 25.00             | E*                    | 25.00             |
| OUTDOOR MEDIA MANAGEMENT LLC                             |            | Russia         | 25.00             | E*                    | 25.00             |
| OUTDOOR SYSTEMS LIMITED                                  | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| PETROVIK LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| PRESTIGE SERVICE LLC                                     | (31)       | Russia         | 25.00             | E*                    | 25.00             |
| PRIMESITE LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| PRIMESITE Ltd  | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| PUBLICITY XXI LLC  | (33)       | Russia         | 25.00             | E*                    | 25.00             |
| RCMO JSC   |            | Russia         | 12.50             | E*                    | 25.00             |
| REKART INTERNATIONAL LIMITED                             | (9) & (2)  | Russia         | 25.00             | E*                    | 25.00             |
| REKART MEDIA LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| REKTIME LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| RIM NN LLC   | (32)       | Russia         | 25.00             | E*                    | 25.00             |
| RIVER AND SUN LLC  | (32)       | Russia         | 25.00             | E*                    | 25.00             |
| ROSSERV LLC  | (32)       | Russia         | 25.00             | E*                    | 25.00             |
| RT VERSHINA LLC  | (33)       | Russia         | 25.00             | E*                    | 25.00             |
| RUSS INDOOR LLC  |            | Russia         | 25.00             | E*                    | 25.00             |
| RUSS OUTDOOR LLC   |            | Russia         | 25.00             | E*                    | 25.00             |
| RUSS OUTDOOR MEDIA LLC                                   |            | Russia         | 25.00             | E*                    | 25.00             |
| SCARBOROUGH ASSOCIATED SA                                | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| SCROPE TRADE & FINANCE SA                                | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| SENROSE FINANCE LIMITED                                  | (9)        | Russia         | 25.00             | E*                    | 25.00             |
| SOLVEX Ltd   | (9)        | Russia         | 25.00             | E*                    | 25.00             |

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Notes to the annual consolidated financial statements

| STOLITSA M CJCS   | (2)        | Russia      | 25.00      | E*             | 25.00      |
|---|------------|-------------|------------|----------------|------------|
| COMPANIES   |            | Country     | % interest | Consol. Method | % control* |
| TECHNO STROY LLC  | (32)       | Russia      | 24.75      | E*             | 25.00      |
| TERMOTRANS LLC  |            | Russia      | 25.00      | E*             | 25.00      |
| TRINITY NEON LLC  | (31)       | Russia      | 25.00      | E*             | 25.00      |
| UNITED OUTDOOR HOLDING Inc.   | (9)        | Russia      | 25.00      | E*             | 25.00      |
| VIVID PINK LIMITED  | (9) & (30) | Russia      | 25.00      | E*             | 25.00      |
| WILD PLUM LIMITED   | (9) & (30) | Russia      | 25.00      | E*             | 25.00      |
| TOP MEDIA EL SALVADOR, S.A. de C.V.   | (3) & (27) | Salvador    | 60.97      | F              | 100.00     |
| ISPA BRATISLAVA Spol Sro  |            | Slovakia    | 67.00      | F              | 100.00     |
| EUROPLAKAT INTERWEB Spol Sro  | (15)       | Slovakia    | 67.00      | F              | 100.00     |
| EUROPLAKAT Doo  |            | Slovenia    | 27.56      | E*             | 41.13      |
| PLAKATIRANJE Doo  |            | Slovenia    | 27.56      | E*             | 41.13      |
| SVETLOBNE VITRINE   |            | Slovenia    | 27.56      | E*             | 41.13      |
| MADISON Doo   |            | Slovenia    | 27.56      | E*             | 41.13      |
| METROPOLIS MEDIA Doo (SLOVENIA)   |            | Slovenia    | 27.56      | E*             | 41.13      |
| APGJSGA SA  |            | Switzerland | 30.00      | E              | 30.00      |
| JCDecaux SWAZILAND (PTY) LTD  |            | Swaziland   | 70.00      | F              | 100.00     |
| JCDecaux TANZANIA LTD (previously CONTINENTAL OUTDOOR MEDIA (TANZANIA) Ltd) |            | Tanzania    | 70.00      | F              | 100.00     |
| BIGBOARD B.V.   | (12)       | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD GROUP LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| ALTER-V LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| AUTO CAPITAL LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIG MEDIA LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD KHARKOV  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD KIEV LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD LVIV   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD SIMFEROPOL   | (2)        | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD VYSHGOROD  |            | Ukraine     | 50.00      | E*             | 50.00      |
| BIGBOARD ZAPOROZHIE   |            | Ukraine     | 50.00      | E*             | 50.00      |
| BOMOND LLC  |            | Ukraine     | 25.00      | E*             | 50.00      |
| GARMONIYA LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| MEDIA PARTNER - O   |            | Ukraine     | 50.00      | E*             | 50.00      |
| OUTDOORAUTO   |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER DNEPROPETROVSK   |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER DONETSK  |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER GROUP LLC  |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER LLC KIEV   |            | Ukraine     | 50.00      | E*             | 50.00      |
| POSTER ODESSA   |            | Ukraine     | 50.00      | E*             | 50.00      |
| REKSVIT UKRAINE LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| UKRAIYINSKA REKLAMA LLC   |            | Ukraine     | 50.00      | E*             | 50.00      |
| VULITCHNI MEBLI   | (2)        | Ukraine     | 50.00      | E*             | 50.00      |
| JCDecaux ZAMBIA LTD   |            | Zambia      | 70.00      | F              | 100.00     |
| JCDecaux ZIMBABWE (PVT) LTD   |            | Zimbabwe    | 70.00      | F              | 100.00     |

(1) Companies spread over two or three activities for segment reporting purposes, but listed in the above table according to their historical business activity.

(2) Companies liquidated in 2016.

- (3) Companies consolidated in 2016.
- (4) Companies sold in 2016.
- (5) This company is a representative office of JCDecaux Bahrain SPC.
- (6) This company is a representative office of JCDecaux France.
- (7) Company incorporated under Austrian law and operating in Russia.
- (8) Company incorporated under Dutch law and operating in Russia.
- (9) Company incorporated under British Virgin Islands and holding interests in Russia.
- (10) Company incorporated under British law and operating in Northern Ireland.
- (11) Company incorporated under Dutch law and operating in Bulgaria.
- (12) Company incorporated under Dutch law and operating in Ukraine.
- (13) Company incorporated under British Virgin Islands and holding interests in Hong Kong.
- (14) Acquisition of the non-controlling interests of Wall AG (Germany) to our partner by JCDecaux Deutschland GmbH (Germany). This transaction changes the percentage of financial interests in the companies held by Wall AG in Germany, Hungary and Turkey.
- (15) Europlakat Interweb Spol Sro (Slovakia) was absorbed by Ispa Bratislava Spol Sro (Slovakia) on 1 January 2016.
- (16) Sale of Vbm Varosbutor Es Media Kft (Hungary) held by Wall AG (Germany) to Gewista Werbegesellschaft.mBH (Austria) on 19 February 2016; leading to a percentage of financial interests of 67%.
- (17) The main activity of Distribuidora De Vallas Dominicana, S.A. (Dominican Republic) and Publivallas S.A. (Costa Rica) is Billboard from now on.
- (18) Urbanmedia Argentina S.A. (Argentina), held by JCDecaux Argentina S.A. (Argentina) and Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) had a capital increase entirely subscribed by Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) leading to a percentage of financial interests of 85.69%.
- (19) On 20 April 2016 acquisition of the non-controlling interests of Cemusa Salvador S.A. (Brazil) by JCDecaux Do Brasil S.A. (Brazil) leading to a percentage of financial interests of 100%.
- (20) On 1 April 2016, the subsidiaries JCDecaux Latin America and Corameq each acquired 50% of the Latin America business of OUTFRONT Media Inc. (85% of interest). The Outfront Media group is fully consolidated.
- (21) Sale without loss of control of 25% of Equipamientos Urbanos Nacionales De Colombia Ltda (Colombia) to our partner leading, for it and the company that it holds (Llega S.A.S), to a percentage of financial interests of 63.75% and a percentage of control of 75%.
- (22) Sale of JCDecaux South Africa Outdoor Advertising (Proprietary) Limited held by JCDecaux South Africa Holdings (Proprietary) Limited to JCDecaux South Africa (Pty) Ltd (previously Continental Outdoor Media (Pty) Ltd) leading to a percentage of financial interests of 49%.
- (23) Change of the consolidation method, from now on under equity method (under significant influence).
- (24) Beijing top result metro adv. Co. Ltd (China) is accounted for under equity method as a result of the joint control with the Group's partner in the Management.
- (25) Pascone, S.A. de C.V. (Mexico) and Tenedora De Acciones De Mobiliario, S.A. de C.V. (Mexico) were absorbed by Equipamientos Urbanos De Mexico, S.A. de C.V. (Mexico) on 1 July 2016.
- (26) Wall AG (Germany), Georg Zacharias GmbH (Germany) and Wall Vvr GmbH (Germany) were absorbed by JCDecaux Deutschland GmbH (Germany) with a retroactive effect starting on 1 January 2016.
- (27) In December 2016, JCDecaux and Top Media merged their activities. The new entity, JCDecaux-Top Media, of which 71.73% of the capital is owned by JCDecaux and 28.27% owned by Top Media, operates in Panama, Guatemala, Costa Rica, El Salvador, Honduras and Nicaragua. In the course of this transaction, the Group brought to the Top Media group the companies located in Panama, Guatemala, Costa Rica and Salvador leading to a percentage of financial interests of 60.97%.
- (28) JCDecaux Nigeria Outdoor Advertising Ltd (Nigeria) is held at 70 % by JCDecaux Subsaharan Africa (Pty) Ltd (South Africa) and at 30 % by a partner.
- (29) Sale of Cemusa Italia Srl (Italy) to IGPDecaux (Italy) leading the percentage of financial interests to 60%; from now on the company is accounted for under equity method (under joint control).
- (30) In Russia: Vivid Pink Limited, Wild Plum Limited and Kiwi Services Limited were absorbed by Scrope Trade & Finance SA in March 2016.
- (31) In Russia: North West Factory LLC, Trinity Neon LLC, Prestige Service LLC, Media Inform LLC and Mars Art LLC were absorbed by Russ Indoor LLC in July 2016.
- (32) In Russia: Rim Nn LLC, Techno Stroy LLC, Anzh LLC, Nizhnovreklama LLC, Rosserv LLC and River and Sun LLC were absorbed by Reftime LLC in September 2016.

- (33) In Russia: Ekran LLC, Publicity XXI LLC, Almacor Underground LLC, Krasnogorsk Souz Reklama LLC and RT Vershina LLC were absorbed by Rekart Media LLC in October 2016.
- (34) CBS Outdoor Argentina SA renamed JCDecaux Argentina OOH S.A. (Argentina), entity of Outfront Media, was sold internally to JCDecaux Amériques Holding (France) and JCDecaux Asie Holding (France) in December 2016.
- (35) Sale of Era Reklam As (Turkey) in January 2017.

*Note:*

*F = Full consolidation*

*\*E = Under the equity method (joint control)*

*E = Under the equity method (significant influence)*

*\* The percentage of control corresponds to the portion of direct ownership in the share capital of the companies except for the companies held by a company under joint control. For these companies, the percentage of control corresponds to the percentage of control of its owner.*

### **13. SUBSEQUENT EVENTS**

On 1<sup>st</sup> March 2017, the Supervisory Board decided to propose a €0.56 per share dividend distribution for 2016 at the General Meeting of Shareholders in May 2017, subject to the payment of a 3% dividend tax.

## **STATUTORY AUDITORS' REPORT**

**KPMG Audit**  
Département de KPMG S.A.  
Tour Eqho  
2, avenue Gambetta  
92066 Paris-La Défense Cedex

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

**ERNST & YOUNG et Autres**  
1/2, place des Saisons  
92400 Courbevoie – Paris-La Défense 1  
S.A.S. à capital variable

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles

### **JCDecaux S.A.**

Year ended December 31, 2016

#### **Statutory auditors' report on the consolidated financial statements**

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting, we hereby report to you, for the year ended December 31, 2016, on:

- the audit of the accompanying consolidated financial statements of JCDecaux S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the executive board. Our role is to express an opinion on these consolidated financial statements based on our audit.

#### **I. Opinion on the consolidated financial statements**

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the group as at December 31, 2016 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

## II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code ("*Code de commerce*") relating to the justification of our assessments, we bring to your attention the following matters:

- Items of property, plant and equipment, intangible assets, goodwill and investments accounted for under the equity method are subject to impairment tests based on the prospects of future profitability according to the method described in notes 1.10 "Impairment of intangible assets, property, plant and equipment and goodwill" and 1.11 "Investments under equity method" to the consolidated financial statements, the results of which are described in notes 4.3 "Goodwill, Property, plant and equipment (PP&E), and Intangible assets impairment tests" and 4.4 "Investments under the equity method and impairment tests" to the consolidated financial statements. We have assessed the appropriateness of the methodology applied and of the data and assumptions used by your group to perform these valuations. On these bases, we carried out the assessment of the reasonableness of these estimates.
- Note 1.19 "Commitments to purchase non-controlling interests" to the consolidated financial statements describes the accounting treatment of purchase commitments for non-controlling interests, which is not specifically described in IFRS as adopted by the European Union. We have assessed that this note gives the relevant information as to the method applied by your group.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

## III. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense, March 1<sup>st</sup>, 2017

The statutory auditors  
*French original signed by*

KPMG Audit  
*Département de KPMG S.A.*

ERNST & YOUNG et Autres

Jacques Pierre

Gilles Puissochet