JCDecaux

Business report FY 2017

March 8th, 2018

Contents

ANNUAL BUSINESS REVIEW – FY 2017

ANNUAL FINANCIAL RELEASE – FY 2017

- **Adjusted revenue up +2.3% to €3,471.9 million, adjusted organic revenue up +3.2%**
- **Adjusted operating margin of €653.5 million, up +1.1%**
- **Adjusted EBIT, before impairment charge, of €358.1 million, up +1.9%**
- **Net income Group share, before impairment charge, of €204.3 million, down -8.6%**
- **Net income Group share of €193.7 million, down -13.8%**
- **Adjusted free cash flow of €142.9 million, down -45.8%**
- **Dividend per share proposed for the year 2017, to €0.56, in line with 2016**
- **Adjusted organic revenue growth expected to be up around +2% in Q1 2018**

Paris, March 8th, 2018 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, announced today its results for the year ended December 31st, 2017. The accounts are audited and certified.

Following the adoption of IFRS 11 from January 1st, 2014, the operating data presented below is adjusted to include our *prorata* share in companies under joint control. Please refer to the paragraph "Adjusted data" on page 5 of this release for the definition of adjusted data and reconciliation with IFRS.

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

"2017 was for JCDecaux another year of record revenue at €3,471.9 million with a strong advertising revenue growth in H2 and China becoming the largest market for the Group. As expected, our Street Furniture operating margin slightly improved by 10bps mainly due to the successful launch of digital in global cities like London, New York, Berlin..., as well as the on-going turnaround of CEMUSA. However, our overall profitability declined by 30bps being affected by a margin reduction in Transport due to the ramp-up of new contracts and difficult market conditions mainly in China in H1 as well as in Billboard in line with revenue decline. Our free cash flow generation remains solid leading to a reduction of our net debt after dividend distribution and M&A transactions.

2017 was also marked by several strategic contracts wins such as Guangzhou Baiyun airport (Terminal 2) contract in China, 2 contracts in Brazil with São Paulo-Guarulhos airport and São Paulo metro, 2 concessions in Australia with the Yarra trams contract in Melbourne (trams and tram shelters) and the digital payphones contract with Telstra, as well as the Rotterdam Transport and Street Furniture contract. In France, we won several new contracts, of which Nantes, and renewed Lyon, Nice and Antibes. We also renewed Brussels airport. At last, driving the consolidation in Latin America, we successfully merged our businesses with América Móvil in October in Mexico, second advertising market of the continent with solid growth perspectives.

Given our strong financial flexibility, we recommend to maintain the payment of a dividend of €0.56 per share, in line with 2016, at the Annual General Meeting which will take place on May 17th, 2018.

As far as Q1 2018 is concerned, we expect our adjusted organic revenue growth to be up around +2%, which is significantly affected by the decision of the "Conseil d'Etat" to cancel the Paris "City Information Panels" interim contract, as well as the opening of Guangzhou Baiyun airport (Terminal 2) which is now due in Q2 2018.

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

ADJUSTED REVENUE

As reported on January 30th, 2018, consolidated adjusted revenue increased by +2.3% to €3,471.9 million in 2017. Adjusted organic revenue grew by +3.2%. This strong performance reflects a growing contribution from our digital Street Furniture assets and the recovery of our operations in China, combined with an improvement in France, as well as solid revenue growth in the US and in the Rest of Europe. The UK is weakening while the Rest of the World is starting to benefit from the market consolidation, especially in Latin America. Street Furniture, with a +4.4% organic growth rate, continues to benefit from the ongoing digitisation of our prime portfolio which now represents 14.0% of our Street Furniture revenue. Transport grew by +4.5% on an organic basis thanks to the recovery of our operations in China and a growing contribution from digital representing 22.2% of our Transport revenue. Billboard remains challenging in most European countries with an organic revenue decline of -4.2% due to both the lack of consolidation and a smaller contribution of digital which represents only 8.9% of our Billboard revenue.

ADJUSTED OPERATING MARGIN (1)

In 2017, adjusted operating margin increased by +1.1% to €653.5 million from €646.5 million in 2016. The adjusted operating margin as a percentage of revenue was 18.8%, -30bp below prior year.

	2017		2016		Change 17/16	
	€m	% of revenue	€m	% of revenue	Change (%)	Margin rate (bp)
Street Furniture	420.2	26.7%	405.4	26.6%	+3.7%	+10bp
Transport	177.7	12.7%	182.0	13.2%	-2.4%	-50bp
Billboard	55.6	11.2%	59.1	11.9%	-5.9%	-70bp
Total	**653.5**	**18.8%**	**646.5**	**19.1%**	**+1.1%**	**-30bp**

Street Furniture: In 2017, adjusted operating margin increased by +3.7% to €420.2 million. As a percentage of revenue, the adjusted operating margin increased by 10bp to 26.7%, compared to 2016, thanks to the digital expansion in the UK, the Rest of Europe and North America, as well as the on-going turnaround of CEMUSA, partly offset by the impact of a revenue decrease in France.

Transport: In 2017, adjusted operating margin decreased by -2.4% to €177.7 million. As a percentage of revenue, the adjusted operating margin decreased by 50bp to 12.7%, compared to 2016, mainly due to new contracts in Latin America, combined with difficult market conditions in Middle East and in China in H1.

Billboard: In 2017, adjusted operating margin decreased by -5.9% to €55.6 million. As a percentage of revenue, adjusted operating margin decreased by 70bp to 11.2% compared to 2016, in line with the revenue decline of the business segment.

ADJUSTED EBIT (2)

In 2017, adjusted EBIT before impairment charge increased by +1.9% to €358.1 million compared to €351.4 million in 2016. As a percentage of revenue, this represented a 10bp decrease to 10.3%, from 10.4% in 2016. The consumption of maintenance spare parts was virtually flat in 2017 compared to 2016. Net amortisation and provisions, which were up compared to last year due to a less important reversal on provisions for onerous contracts in 2017, related to the Purchase Accounting of CEMUSA and OUTFRONT Media Latam, were compensated by a positive impact of the other operating income and expenses variation mainly related to some assets disposals and one-off items.

No impairment charge on goodwill and on investments under equity method has been recorded in 2017 as in 2016. The €12.3 million impairment charge, resulting from the impairment test conducted for tangible and intangible assets, are related to a €2.9 million net provision for onerous contracts and to a €9.4 million impairment charge on tangible.

Adjusted EBIT after impairment charge decreased by -2.1% to €345.8 million compared to €353.1 million in 2016.

NET FINANCIAL INCOME / (LOSS) (3)

In 2017, net financial income was -€33.1 million compared to -€28.9 million, up compared to 2016, mainly due to net interest expenses of the new bond of €750 million issued in June 2016 that has been used to repay the 2013 bond for €500 million on February 8th, 2018.

EQUITY AFFILIATES

In 2017, the share of net profit from equity affiliates was €100.3 million, higher compared to 2016 (€95.2 million).

NET INCOME GROUP SHARE

In 2017, net income Group share before impairment charge decreased by -8.6% to €204.3 million compared to €223.5 million in 2016, affected by an unfavourable adjustment on deferred tax related to the change in US Federal tax rate, despite the positive impact of the income tax receivable for retroactive cancellation of the 3% dividend tax paid over 2013 to 2017 in France.

Taking into account the impact from the impairment charge, net income Group share decreased by -13.8% to €193.7 million compared to €224.7 million in 2016.

ADJUSTED CAPITAL EXPENDITURE

In 2017, adjusted net capex (acquisition of property, plant and equipment and intangible assets, net of disposals of assets) was at €289.7 million compared to €242.3 million in 2016, with higher growth capex due to new contracts mainly in China and in Brazil.

ADJUSTED FREE CASH FLOW (4)

In 2017, adjusted free cash flow was €142.9 million compared to €263.7 million in 2016. This decrease is mainly related to higher capex and to an unfavourable variation in our working capital requirements compared to 2016, mainly due to the strong revenue growth in Q4 2017 as well as pre-paid rentals on some new contracts.

NET DEBT (5)

Net debt as of December 31st, 2017 decreased to €384.4 million compared to €418.6 million as of December 31st, 2016.
In July 2017, the maturity of our unused, confirmed, revolving credit facility of €825m has been extended for one more year to July 2022.

DIVIDEND

At the next Annual General Meeting of Shareholders on May 17th, 2018, the Supervisory Board will recommend to maintain the payment of a dividend of €0.56 per share for the 2017 financial year, in line with the previous year.

ADJUSTED DATA

Under IFRS 11, applicable from January 1st, 2014, companies under joint control are accounted for using the equity method.
However, in order to reflect the business reality of the Group, operating data of the companies under joint control continue to be proportionately integrated in the operating management reports used to monitor the activity, allocate resources and measure performance.
Consequently, pursuant to IFRS 8, Segment Reporting presented in the financial statements complies with the Group's internal information, and the Group's external financial communication therefore relies on this operating financial information. Financial information and comments are therefore based on "adjusted" data which are reconciled with IFRS financial statements.
In 2017, the impact of IFRS 11 on our adjusted aggregates is:

- -432.1 million on adjusted revenue (-€418.3 million in 2016) leaving IFRS revenue at €3,039.8 million (€2,974.5 million in 2016).
- -€128.7 million on adjusted operating margin (-€118.4 million in 2016) leaving IFRS operating margin at €524.8 million (€528.1 million in 2016).
- -€110.2 million on adjusted EBIT before impairment charge (-€100.8 million in 2016) leaving IFRS EBIT before impairment charge at €247.9 million (€250.6 million in 2016).
- -€110.2 million on adjusted EBIT after impairment charge (-€100.8 million in 2016) leaving IFRS EBIT after impairment charge at €235.6 million (€252.3 million in 2016).
- -€14.9 million on adjusted capital expenditure (-€14.7 million in 2016) leaving IFRS capital expenditure at €274.8 million (€227.6 million in 2016).
- +€16.5 million on adjusted free cash flow (-€34.2 million in 2016) leaving IFRS free cash flow at €159.4 million (€229.5 million in 2016).

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

NOTES

(1) **Operating Margin:** Revenue less Direct Operating Expenses (excluding Maintenance spare parts) less SG&A expenses.
(2) **EBIT:** Earnings Before Interests and Taxes = Operating Margin less Depreciation, 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 (-€2.1 million and +€10.1 million in 2017 and 2016 respectively).
(4) **Free cash flow:** Net cash flow from operating activities less capital investments (property, plant and equipment and intangible assets) net of disposals.
(5) **Net debt:** Debt net of managed cash less bank overdrafts, excluding the non-cash IAS 32 impact (debt on commitments to purchase non-controlling interests), including the non-cash IAS 39 impact on both debt and hedging financial derivatives.

ORGANIC GROWTH DEFINITION

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

€m		Q1	Q2	Q3	Q4	FY
2016 adjusted revenue	**(a)**	**748.5**	**868.8**	**792.7**	**982.8**	**3,392.8**
2017 IFRS revenue	**(b)**	**670.2**	**770.6**	**712.1**	**886.9**	**3,039.8**
IFRS 11 impacts	(c)	87.4	113.2	99.9	131.6	432.1
2017 adjusted revenue	**(d) = (b) + (c)**	**757.6**	**883.8**	**812.0**	**1,018.5**	**3,471.9**
Currency impacts	(e)	(4.1)	1.0	21.5	30.6	49.0
2017 adjusted revenue at 2016 exchange rates	**(f) = (d) + (e)**	**753.5**	**884.8**	**833.5**	**1,049.1**	**3,520.9**
Change in scope	(g)	(12.4)	(2.9)	(1.9)	(2.5)	(19.7)
2017 adjusted organic revenue	**(h) = (f) + (g)**	**741.1**	**881.9**	**831.6**	**1,046.6**	**3,501.2**
Organic growth	**(i) = (h) / (a)**	**-1.0%**	**+1.5%**	**+4.9%**	**+6.5%**	**+3.2%**

€m	Impact of currency in 2017
GBP	25.3
USD	6.0
RMB	16.2
HKD	5.0
Other	(3.5)
Total	**49.0**

Average exchange rate	2017	2016
GBP	1.1407	1.2203
USD	0.8852	0.9034
RMB	0.1311	0.1360
HKD	0.1136	0.1164

Next information:
Q1 2018 revenue: May 14th, 2018 (after market)
Annual General Meeting of Shareholders: May 17th, 2018

Key Figures for JCDecaux

- *2017 revenue: €3,472m*
- *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 (543,050 advertising panels)*
- *N°1 worldwide in transport advertising with more than 215 airports and 250 contracts in metros, buses, trains and tramways (356,320 advertising panels)*
- *N°1 in Europe for billboards (141,630 advertising panels)*
- *N°1 in outdoor advertising in Europe (672,220 advertising panels)*
- *N°1 in outdoor advertising in Asia-Pacific (216,290 advertising panels)*
- *N°1 in outdoor advertising in Latin America (77,190 advertising panels)*
- *N°1 in outdoor advertising in Africa (26,770 advertising panels)*
- *N°1 in outdoor advertising in the Middle-East (18,650 advertising panels)*
- *Leader in self-service bike rental scheme: pioneer in eco-friendly mobility*
- *1,074,113 advertising panels in more than 75 countries*
- *Present in 4,033 cities with more than 10,000 inhabitants*
- *13,040 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 or directly on the Company website www.jcdecaux.com.
The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

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RECONCILIATION BETWEEN ADJUSTED FIGURES AND IFRS FIGURES

Profit & Loss

	2017			2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Revenue	**3,471.9**	**(432.1)**	**3,039.8**	**3,392.8**	**(418.3)**	**2,974.5**
Operating costs	(2,818.4)	303.4	(2,515.0)	(2,746.3)	299.9	(2,446.4)
Operating margin	**653.5**	**(128.7)**	**524.8**	**646.5**	**(118.4)**	**528.1**
Maintenance spare parts	(46.6)	1.3	(45.3)	(46.1)	1.0	(45.1)
Amortisation and provisions (net)	(239.7)	17.0	(222.7)	(215.8)	16.6	(199.2)
Other operating income / expenses	(9.1)	0.2	(8.9)	(33.2)	0.0	(33.2)
EBIT before impairment charge	**358.1**	**(110.2)**	**247.9**	**351.4**	**(100.8)**	**250.6**
Net impairment charge [(1)]	(12.3)	-	(12.3)	1.7	-	1.7
EBIT after impairment charge	**345.8**	**(110.2)**	**235.6**	**353.1**	**(100.8)**	**252.3**

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

Cash-flow Statement

	2017			2016		
€m	Adjusted	Impact of companies under joint control	IFRS	Adjusted	Impact of companies under joint control	IFRS
Funds from operations net of maintenance costs	**436.9**	**(25.4)**	**411.5**	**458.1**	**(19.0)**	**439.1**
Change in working capital requirement	(4.3)	27.0	22.7	47.9	(29.9)	18.0
Net cash flow from operating activities	**432.6**	**1.6**	**434.2**	**506.0**	**(48.9)**	**457.1**
Capital expenditure	(289.7)	14.9	(274.8)	(242.3)	14.7	(227.6)
Free cash flow	**142.9**	**16.5**	**159.4**	**263.7**	**(34.2)**	**229.5**

BUSINESS HIGHLIGHTS OF FY 2017

Key contracts wins

- ***Rest of Europe***

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

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

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

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

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

In July, JCDecaux announced that its subsidiary, JCDecaux Belgium, has renewed the 7-year exclusive advertising concession for Brussels Airport, following a competitive tender.

In September, JCDecaux that the city of Stockholm (population: 950,000) has awarded JCDecaux Sweden following a competitive tender the contract for bike sharing funded by advertising street furniture starting in April 2018.

- ***Asia-Pacific***

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

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

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

In November, JCDecaux has announced that its Australian company, JCDecaux Australia, has won, following a competitive tender, the 7-year exclusive contract for the entire portfolio of outdoor advertising assets (tram-shelters, Trams and billboards) operated by Yarra Trams in Melbourne, representing one of the largest outdoor advertising concessions in Australia.

In November, JCDecaux has announced that its Australian company, JCDecaux Australia has renewed, following a competitive tender, its partnership outdoor advertising agreement with Telstra which is the telecom market leader in Australia, for 15 years.

In December, JCDecaux has announced that, following a competitive tender, its Japanese subsidiary MCDecaux (JCDecaux: 85%; Mitsubishi Corporation: 15%), has been selected as exclusive Operator for a 250 City Information Panels (CIPs) network with digital advertising in the heart of Yokohama (population: more than 3.7 million), the second largest city in Japan for 20 years.

- ***France***

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

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

In September, JCDecaux announced that, following a competitive tender, it has won the 15-year smart street furniture and self-service bike rental contract for Lyon Métropole (population: 1.3 million).

In September, JCDecaux announced that it has won, following competitive tenders, 21 advertising street furniture contracts in France since January 2017: nine in the Ile-de-France region (five new contracts and four renewals or extensions) and twelve in French regions (eight new contracts and four renewals or extensions).

In October, JCDecaux has announced that, following a competitive tender, JCDecaux Airport, its airport advertising subsidiary, has renewed its advertising concession with Toulouse-Blagnac Airport for 10 years and its advertising concession with Toulon Hyères Airport for 10 years.

In December, JCDecaux has been awarded, following a competitive tender, the bike rental and parking contract for Nantes Métropole, for a period of 7 years (with the possibility of renewing it for a further 3 years).

In December, JCDecaux has renewed and extended its advertising street furniture contract for bus and tram shelters in Nice Côte d'Azur Métropole (Nice, 4th in the global smart city ranking and France's 5th largest city; Métropole's population: 536,300), for 18 years.

In December, JCDecaux has renewed its street furniture contract with the city of Antibes (population: 75,700) for a period of 15 years.

- ***Rest of the World***

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

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

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

In July, JCDecaux that it has won, following a competitive tender, the 10-year exclusive advertising concession for the São Paulo Guarulhos International Airport.

In July, JCDecaux that it has won with its Emirati partner, DXB Media Advertising, a new street furniture contract in Dubai (population 2.7 million) for 10 years, following a competitive tender by RTA (Roads and Transport Authority). This contract will be exercised jointly by an entity that will be ultimately 75% owned by JCDecaux and 25% by DXB Média Advertising.

In September, JCDecaux that it has entered the Bahrain market (population: 1.4 million) with the advertising contract for the Bahrain International Airport, awarded by Bahrain Airport Company (BAC). Operations at the new Airport are planned to commence July 2019.

In October, JCDecaux announced that it has won a 9-year advertising contract for the El Dorado International Airport of Bogota, the capital of Colombia.

In December, JCDecaux announced that it has won with its Emirati partner, DXB Media Advertising, a new street furniture contract in Dubai (population 2.7 million) for 10 years, following a competitive tender by RTA (Roads and Transport Authority). This contract will be exercised jointly by an entity that will be ultimately 75% owned by JCDecaux and 25% by DXB Média Advertising.

In December, JCDecaux announced that its Mexican subsidiary, JCDecaux Out Of Home Mexico, S.A. de C.V., a joint venture with América Móvil, has been selected for the design, installation, management, maintenance and advertising operation of the 125 bus shelters Line 7 of Metrobús, the Bus Rapid Transit system in Mexico City.

- ***North America***

In December, JCDecaux announced that it is completing the installation of 150 digital animated screens in the City of Chicago.

Acquisitions, divestitures and financial investments

- ***Rest of the World***

In June, JCDecaux and América Móvil, S.A.B. de C.V. ("AMX"), the leading wireless provider in Latin America and the third largest in the world in terms of equity subscribers, have announced the entering into a joint venture for the out-of-home ("OOH") advertising businesses in Mexico by merging each of Corporación de Medios Integrales, S.A. de C.V., a wholly-owned subsidiary of AMX ("CMI") and Eumex, S.A. de C.V., a controlled entity of JCDecaux SA ("Eumex") into JCD Out Of Home Mexico, S.A. Entities controlled by JCDecaux will ultimately own 60% shares of JCDecaux MX and the remaining 40% shares of such company will be owned by a wholly-owned subsidiary of AMX de C.V. ("JCDecaux MX"), a recently-formed entity controlled by JCDecaux SA which holds 100% shares of Fusionante Vendor, S. de R.L. de C.V. ("Vendor"), among other companies.

Other events

- ***JCDecaux OneWorld***

In August, JCDecaux announced the opening of 2 new JCDecaux OneWorld offices: Munich and Milan. These new branches cover German speaking international customers based in Germany, Austria and Switzerland and international customers in Italy, respectively. These openings are the newest addition to a network of branch offices that spans around the globe, with London, Paris, New York, Shanghai and San Francisco.

- ***Nomination***

In September, JCDecaux announced that Carole Brozyna-Diagne joined the Group's Finance and Administration Department as Director of Sustainable Development and Quality from September 18th, 2017.

- ***Rest of Europe***

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

- ***Rest of the World***

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

In July, JCDecaux announced the signing of a non-exclusive 10-year framework agreement with Vivo, number one in mobile communications in Brazil with 74 million clients, to deploy Small Cells in JCDecaux street furniture in Brazil.

PERSPECTIVES

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

"As far as Q1 2018 is concerned, we expect our adjusted organic revenue growth to be up around +2%, which is significantly affected by the decision of the "Conseil d'Etat" to cancel the Paris "City Information Panels" interim contract, as well as the opening of Guangzhou Baiyun airport (Terminal 2) which is now due in Q2 2018."

RELATED PARTIES

Paragraph 9 of the “Notes to the annual consolidated financial statements” on page 64 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 suffer from a period of economic or political instability.

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, through its sustainable development strategy, has put in place various measures of mitigation and adaptation to climate change.

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

Environmental risks related to the activity are limited. However, the Group has identified one 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 this site.

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.

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ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

Assets

In million euros		31/12/2017	31/12/2016
Goodwill	§ 4.1	1,341.3	1,360.8
Other intangible assets	§ 4.1	301.9	312.7
Property, plant and equipment	§ 4.2	1,156.3	1,150.7
Investments under the equity method	§ 4.4	476.0	510.2
Financial investments	§ 4.5	0.6	0.7
Other financial assets	§ 4.5	89.7	103.7
Deferred tax assets	§ 4.10	92.3	134.9
Current tax assets	§ 4.17	1.5	1.1
Other receivables	§ 4.6	23.8	30.2
NON-CURRENT ASSETS		**3,483.4**	**3,605.0**
Other financial assets	§ 4.5	3.7	5.1
Inventories	§ 4.7	123.8	112.9
Financial derivatives	§ 4.15	0.2	0.9
Trade and other receivables	§ 4.8	918.1	907.8
Current tax assets	§ 4.17	49.9	19.1
Treasury financial assets	§ 4.9	277.9	281.0
Cash and cash equivalents	§ 4.9	728.3	693.1
CURRENT ASSETS		**2,101.9**	**2,019.9**
TOTAL ASSETS		**5,585.3**	**5,624.9**

Equity and liabilities

In million euros		31/12/2017	31/12/2016
Share capital		3.2	3.2
Additional paid-in capital		602.4	596.7
Consolidated reserves		1,669.7	1,583.1
Consolidated net income (Group share)		193.7	224.7
Other components of equity		(117.6)	5.3
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		**2,351.4**	**2,413.0**
Non-controlling interests		60.7	21.0
TOTAL EQUITY	**§ 4.11**	**2,412.1**	**2,434.0**
Provisions	§ 4.12	385.7	408.9
Deferred tax liabilities	§ 4.10	79.3	75.7
Financial debt	§ 4.13	786.6	1,303.0
Debt on commitments to purchase non-controlling interests	§ 4.14	80.1	78.2
Other payables		11.8	16.1
Financial derivatives	§ 4.15	0.5	0.0
NON-CURRENT LIABILITIES		**1,344.0**	**1,881.9**
Provisions	§ 4.12	71.6	83.0
Financial debt	§ 4.13	586.0	83.0
Debt on commitments to purchase non-controlling interests	§ 4.14	21.9	32.0
Financial derivatives	§ 4.15	4.9	2.2
Trade and other payables	§ 4.16	1,092.4	1,058.2
Income tax payable	§ 4.17	39.6	45.2
Bank overdrafts	§ 4.13	12.8	5.4
CURRENT LIABILITIES		**1,829.2**	**1,309.0**
TOTAL LIABILITIES		**3,173.2**	**3,190.9**
TOTAL EQUITY AND LIABILITIES		**5,585.3**	**5,624.9**

STATEMENT OF COMPREHENSIVE INCOME

INCOME STATEMENT

In million euros		2017	2016
REVENUE	§ 5.1	**3,039.8**	**2,974.5**
Direct operating expenses	§ 5.2	(2,002.1)	(1,961.5)
Selling, general and administrative expenses	§ 5.2	(512.9)	(484.9)
OPERATING MARGIN		**524.8**	**528.1**
Depreciation, amortisation and provisions (net)	§ 5.2	(235.0)	(197.5)
Impairment of goodwill	§ 5.2	0.0	0.0
Maintenance spare parts	§ 5.2	(45.3)	(45.1)
Other operating income	§ 5.2	21.3	8.1
Other operating expenses	§ 5.2	(30.2)	(41.3)
EBIT		**235.6**	**252.3**
Financial income	§ 5.3	7.2	13.2
Financial expenses	§ 5.3	(42.4)	(32.0)
NET FINANCIAL INCOME (LOSS)		**(35.2)**	**(18.8)**
Income tax	§ 5.4	(98.7)	(73.6)
Share of net profit of companies under the equity method	§ 5.5	100.3	95.2
PROFIT OF THE YEAR FROM CONTINUING OPERATIONS		**202.0**	**255.1**
Gain or loss on discontinued operations			
CONSOLIDATED NET INCOME		**202.0**	**255.1**
- Including non-controlling interests		*8.3*	*30.4*
CONSOLIDATED NET INCOME (GROUP SHARE)		**193.7**	**224.7**
Earnings per share (in euros)		0.911	1.057
Diluted earnings per share (in euros)		0.910	1.056
Weighted average number of shares	§ 5.7	212,568,746	212,495,553
Weighted average number of shares (diluted)	§ 5.7	212,771,757	212,691,910

STATEMENT OF OTHER COMPREHENSIVE INCOME

In million euros	2017	2016
CONSOLIDATED NET INCOME	**202.0**	**255.1**
Translation reserve adjustments on foreign transactions (1)	(114.1)	(23.1)
Translation reserve adjustments on net foreign investments (2)	(5.6)	1.9
Cash flow hedges	(0.3)	(0.2)
Tax on the other comprehensive income subsequently released to net income	(0.3)	1.4
Share of other comprehensive income of companies under the equity method (after tax)	(16.9)	12.2
Other comprehensive income subsequently released to net income	**(137.2)**	**(7.8)**
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	(2.4)	(13.7)
Tax on the other comprehensive income not subsequently released to net income	1.1	3.0
Share of other comprehensive income of companies under the equity method (after tax)	5.0	(0.8)
Other comprehensive income not subsequently released to net income	**3.7**	**(11.5)**
Total other comprehensive income	**(133.5)**	**(19.3)**
TOTAL COMPREHENSIVE INCOME	**68.5**	**235.8**
- Including non-controlling interests	*(2.7)*	*31.2*
TOTAL COMPREHENSIVE INCOME - GROUP SHARE	**71.2**	**204.6**

(1) In 2017, the translation reserve adjustments on foreign transactions were related to changes in foreign exchange rates, of which €(48.6) million in Hong Kong, €(9.7) million in the United States, €(7.2) million in the United Kingdom, €(6.6) million in the United Arab Emirates, €(5.4) million in Mexico, €(7.7) million in Panama and €11.2 million in Brazil. The item also included a €2.2 million transfer in the income statement related to the changes in scope.
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.

(2) In 2017, the translation reserve adjustments on net foreign investments included a €1.9 million transfer in the income statement related to loans previously qualified as net foreign investments.

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.

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the parent company													
	Share Capital	Additionnal paid-in capital	Treasury shares	Retained earnings	Other components of equity							Total	Non-controlling interests	Total
In million euros					Cash flow hedges	Available-for sale securities	Translation reserve adjustments	Revaluation reserves	Actuarial gains and losses / assets ceiling	Other	Total other components			
Equity as of 1 January 2016 restated	**3.2**	**587.0**	**0.0**	**1,726.5**	**0.3**	**(0.1)**	**69.6**	**0.9**	**(45.8)**	**0.8**	**25.7**	**2,342.4**	**(18.2)**	**2,324.2**
Capital increase [(1)]	0.0	5.8									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	0.0	3.9
Debt on commitments to purchase non-controlling interests [(2)]											0.0	0.0	0.4	0.4
Change in consolidation scope [(3)]				(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)		(11.3)		(20.1)	(20.1)	0.8	(19.3)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**224.7**	**(0.2)**	**0.0**	**(8.6)**	**0.0**	**(11.3)**	**0.0**	**(20.1)**	**204.6**	**31.2**	**235.8**
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**
Capital increase [(1)]	0.0	2.9		(1.5)							0.0	1.4	(0.3)	1.1
Distribution of dividends				(119.0)							0.0	(119.0)	(12.7)	(131.7)
Share-based payments		2.8									0.0	2.8	0.0	2.8
Debt on commitments to purchase non-controlling interests [(2)]											0.0	0.0	10.3	10.3
Change in consolidation scope [(3)]				(17.6)			(0.4)				(0.4)	(18.0)	45.1	27.1
Consolidated net income				193.7							0.0	193.7	8.3	202.0
Other comprehensive income					(0.3)		(126.0)		3.8		(122.5)	(122.5)	(11.0)	(133.5)
Total comprehensive income	**0.0**	**0.0**	**0.0**	**193.7**	**(0.3)**	**0.0**	**(126.0)**	**0.0**	**3.8**	**0.0**	**(122.5)**	**71.2**	**(2.7)**	**68.5**
Other														
Equity as of 31 December 2017	**3.2**	**602.4**	**0.0**	**1,863.4**	**(0.2)**	**(0.1)**	**(65.7)**	**0.9**	**(53.3)**	**0.8**	**(117.6)**	**2,351.4**	**60.7**	**2,412.1**

(1) Increase in JCDecaux SA's additional paid-in capital related to the exercise of stock options and increase and decrease in the capital of controlled entities.
(2) In 2017, exercise of a commitment to purchase non-controlling interests and change in scope.
In 2016, exercise of a commitment to purchase non-controlling interests and new commitments.
Revaluation and discounting effects are recorded in the income statement under the line item "Consolidated net income" in "Non-controlling interests" for €(2.1) million in 2017 compared to €10.1 million in 2016.
(3) In 2017, changes in consolidation scope are mainly related to the purchase of the non-controlling interests in the company Mediakiosk and to the asset swap with AMX.
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.

STATEMENT OF CASH FLOWS

In million euros		2017	2016
NET INCOME BEFORE TAX		**300.7**	**328.7**
Share of net profit of companies under the equity method	§ 5.5	(100.3)	(95.2)
Dividends received from companies under the equity method	§ 10.4 & § 11.3	94.9	93.2
Expenses related to share-based payments	§ 5.2	2.8	3.9
Depreciation, amortisation and provisions (net)	§ 5.2 & § 5.3	233.7	192.2
Capital gains and losses and net income (loss) on changes in scope	§ 5.2 & § 5.3	(11.6)	1.1
Net discounting expenses	§ 5.3	7.0	(5.7)
Net interest expense	§ 5.3	19.3	15.0
Financial derivatives, translation adjustments and other		(13.2)	5.1
Change in working capital		**22.7**	**18.0**
Change in inventories		(14.2)	(15.9)
Change in trade and other receivables		(41.0)	(13.2)
Change in trade and other payables		77.9	47.1
CASH PROVIDED BY OPERATING ACTIVITIES		**556.0**	**556.3**
Interest paid		(25.2)	(17.6)
Interest received		5.4	5.9
Income tax paid		(102.0)	(87.5)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**§ 6.1**	**434.2**	**457.1**
Cash payments on acquisitions of intangible assets and property, plant and equipment		(294.2)	(233.9)
Cash payments on acquisitions of financial assets (long-term investments) net of cash acquired		(0.6)	(84.2)
Acquisitions of other financial assets		(18.4)	(14.1)
Total investments		**(313.2)**	**(332.2)**
Cash receipts on proceeds on disposals of intangible assets and property, plant and equipment		19.4	6.3
Cash receipts on proceeds on disposals of financial assets (long-term investments) net of cash sold		(0.1)	7.8
Proceeds on disposals of other financial assets		23.3	13.3
Total asset disposals		**42.6**	**27.4**
NET CASH USED IN INVESTING ACTIVITIES	**§ 6.2**	**(270.6)**	**(304.8)**
Dividends paid		(131.7)	(133.1)
Capital decrease		(2.4)	(5.5)
Cash payments on acquisitions of non-controlling interests		(12.3)	(21.3)
Repayment of long-term borrowings		(23.8)	(88.8)
Repayment of finance lease debts		(8.6)	(7.8)
Acquisitions and disposals of treasury financial assets		(0.9)	(201.0)
Cash outflow from financing activities		**(179.7)**	**(457.5)**
Cash receipts on proceeds on disposals of interests without loss of control		-	8.8
Capital increase		3.5	6.0
Increase in long-term borrowings		42.3	763.8
Cash inflow from financing activities		**45.8**	**778.6**
NET CASH USED IN (PROVIDED BY) FINANCING ACTIVITIES	**§ 6.3**	**(133.9)**	**321.1**
CHANGE IN NET CASH POSITION		**29.7**	**473.4**
Net cash position beginning of period	**§ 4.13**	**687.7**	**218.4**
Effect of exchange rate fluctuations and other movements		(1.9)	(4.1)
Net cash position end of period (1)	**§ 4.13**	**715.5**	**687.7**

(1) *Including €728.3 million in cash and cash equivalents and €(12.8) million in bank overdrafts as of 31 December 2017, compared to €693.1 million and €(5.4) million, respectively, as of 31 December 2016.*

NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

1. ACCOUNTING METHODS AND PRINCIPLES

1.1. General principles

The JCDecaux SA consolidated financial statements for the year ended 31 December 2017 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 2017 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 7 March 2018. 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 2017. These are available on the European Commission website: http://ec.europa.eu/internal_market/accounting/ias/index_en.htm. Moreover, these principles do not differ from the IFRS 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 2017:

- Amendment to IAS 7 "Disclosure initiative",
- Amendments to IAS 12 "Recognition of deferred tax assets for unrealized losses".

Impacts on the consolidated financial statements due to the application of these amendments 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 2017.

Regarding IFRS 15 on revenue recognition, the Group has detected limited impacts on specific transactions, particularly relating to the presentation of invoices of advertising taxes whose weight in the turnover is marginal. IFRS 15 will be applied as of January 1, 2018 using the retrospective method. Regarding IFRS 9 on financial instruments, the Group did not identify any significant impact at this stage.
The impacts of other standards and amendments applicable after 31 December 2017 are being analysed; in particular, the expected impacts of the application of IFRS 16 "Leases" are very 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 payments given by the Group in the ordinary course of business (see Note 8 "Comments on off-balance sheet commitments"), in counterpart of debt. Work to assess the financial impacts, which are very significant at Group level, is underway.

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 goodwill, 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 4.18 "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 (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. The 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 as well as loans and receivables.
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 value 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 a 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

Managed cash includes cash, cash equivalents and treasury financial assets. These items are measured at fair value and changes in fair value are recognised in net financial income.
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 bank overdrafts.

1.17. Financial debt

Financial debts are initially recorded at the fair value corresponding to the amount received less related issuance costs and are 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.

Financial 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 (effective position) 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, whose 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, whose 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 for the Group is currently 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 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 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 space 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 payment 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 2017

The main changes in the consolidation scope during 2017 are as follows:

Acquisitions (with acquisition of control)

On 27 July 2017, JCDecaux (Mauritius) Ltd acquired 100% of the company LC Outdoor (Reunion Island) in exchange for, notably, the contribution of 20% of the assets of JCDecaux (Mauritius) Ltd to the shareholder of the company LC Outdoor. This new set-up is owned at 80% by JCDecaux Sub-Saharan Africa (Pty) Ltd (South Africa) and at 20% by the partner and is fully consolidated.

On 4 October 2017, Equipamientos Urbanos de Mexico, SA de C.V. ("EUMEX") acquired from America Movil, S.A.B. de CV ("AMX") 100% of Corporacion de Medios Integrales, SA de CV ("CMI") and its Mexican subsidiaries, in exchange for the contribution of 36.3% of its interest in the company JCDecaux Out Of Home Mexico SA de CV and its subsidiaries which operate in Mexico. This new set-up is owned at 63.7% by EUMEX and at 36.3% by a subsidiary of AMX and is fully consolidated.

Acquisitions of non-controlling interests

During the first half of 2017, the subsidiary JCDecaux France Holding acquired 12.5% of the non-controlling interests of Mediakiosk (France) which is now owned at 100%. This subsidiary was already fully consolidated.

On 11 December 2017, the company JCDecaux Street Furniture Pty Ltd (Australia) acquired 50% of the non-controlling interests of the company Adbooth Pty Ltd (Australia) which is now owned at 100%. This subsidiary was already fully consolidated.

Variances in the interest percentage

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

On 20 October 2017, JCDecaux Central Eastern Europe GmbH (Austria) acquired an additional 8.4% interest in the company Ankünder GmbH (Austria). This company remains consolidated under the equity method, at 33.3% from now on, without any change in the significant influence.

Sales with loss of control

On 12 January 2017, the companies Wall Sehir Dizayni LS (Turkey) and Wall GmbH (Germany) sold respectively 90% and 10% of their interests in the company Era Reklam AS (Turkey).

On 26 October 2017, the company Wall GmbH (Germany) sold 100% of its interest in the company Wall Sehir Dizayni LS (Turkey).

Other variances

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

2.2. Impact of acquisitions

The main acquisitions made in 2017 giving control of the companies LC Outdoor and CMI and the purchase price allocation of the group Outfront Media and Top Media (acquired respectively in April and December 2016) within the 12-month period granted, had the following impacts on the Group's consolidated financial statements:

In million euros		Fair value at the date of acquisition
Non-current assets		24.4
Current assets		22.7
Total assets		**47.1**
Non-current liabilities		12.3
Current liabilities		8.4
Total liabilities		**20.7**
Fair value of net assets at 100%	**(a)**	**26.4**
- of which non-controlling interests	*(b)*	*9.0*
Total consideration transferred	**(c)**	**30.5**
- of which assets contributed (2)		*29.5*
- of which purchase price		*1.0*
Goodwill	**(d)=(c)-(a)+(b)**	**13.1**
- including Goodwill allocated to companies under the equity method	*(e)*	*-*
Goodwill IFRS (1)	**(f)=(d)-(e)**	**13.1**
Purchase price		**(1.0)**
Net cash acquired		8.8
Acquisitions of long-term investments over the period		**7.8**

(1) The option of the full goodwill calculation method was not used for any of the 2017 acquisitions.
(2) Due to the assets swaps with LC Outdoor, CMI and Top Media.

The value of assets and liabilities acquired and goodwill relating to these acquisitions is determined on a temporary basis 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, with the exception of the purchase price allocation of the group Outfront Media and the asset swap with Top Media which are definitive.
The impact of these 2017 acquisitions on revenue and net income (Group share) is respectively €3.4 million and €0.3 million. Had the acquisitions taken place as of 1 January 2017, the additional impact would have been an increase of €11.1 million on revenue and an increase of €0.3 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 shown in the Group's operating management reporting used by the Executive Board – the Chief Operating Decision Maker (CODM) – in order to monitor the business 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 under 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 2017 segment reporting by operating segment is as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Revenue	**1,576.2**	**1,398.1**	**497.6**	**3,471.9**
Operating margin	**420.2**	**177.7**	**55.6**	**653.5**
EBIT (1)	**211.3**	**116.4**	**18.1**	**345.8**
Acquisitions of intangible assets and PP&E net of disposals (2)	**173.2**	**85.4**	**31.1**	**289.7**

(1) Including a net depreciation related to impairment tests for €(12.3) million: €(6.1) million in Street Furniture, €(2.9) million in Transport and €(3.3) million in Billboard.
(2) Cash payments on acquisitions of intangible assets and property, plant and equipment net of cash receipts on proceeds on disposals of intangible assets and property, plant and equipment.

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

In million euros	Adjusted data	Joint ventures' impact (1)	IFRS data
Revenue	3,471.9	(432.1)	3,039.8
Operating margin	653.5	(128.7)	524.8
EBIT	345.8	(110.2)	235.6
Acquisitions of intangible assets and PP&E net of disposals	289.7	(14.9)	274.8

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

The impact of €(432.1) million resulting from IFRS 11 (change from proportionate consolidation to the equity method of joint ventures) on the adjusted revenue is split between €(445.1) million of revenue made by the joint ventures – See Note 10 "Information on the joint ventures" – and +€13.0 million for the non-eliminated part of intercompany revenue made by Group fully consolidated companies with joint ventures, under IFRS 11, leaving IFRS revenue at €3,039.8 million.

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

In million euros	Street Furniture	Transport	Billboard	Total
Revenue	**1,523.7**	**1,373.7**	**495.4**	**3,392.8**
Operating margin	**405.4**	**182.0**	**59.1**	**646.5**
EBIT (1)	**194.8**	**130.6**	**27.7**	**353.1**
Acquisitions of intangible assets and PP&E net of disposals (2)	**178.2**	**36.4**	**27.7**	**242.3**

(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 disposals of intangible assets and property, plant and equipment.

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

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

(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 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 for the 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.

3.2. By geographical area

The 2017 information by geographical area breaks down as follows:

In million euros	Europe (1)	Asia-Pacific	France	Rest of the world	United Kingdom	North America	Total
Revenue	**931.6**	**818.7**	**612.9**	**450.0**	**362.2**	**296.5**	**3,471.9**

(1) Excluding France and the United Kingdom.

The 2016 information by geographical area breaks down as follows:

In million euros	Europe (1)	Asia-Pacific	France	Rest of the world	United Kingdom	North America	Total
Revenue	**886.2**	**819.3**	**628.8**	**405.3**	**382.2**	**271.0**	**3,392.8**

(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 2017 is as follows:

In million euros	Adjusted data	Joint ventures' impact (1)	IFRS data
Net cash provided by operating activities	**432.6**	**1.6**	**434.2**
- Including Change in working capital	*(4.3)*	*27.0*	*22.7*
Acquisitions of intangible assets and PP&E net of disposals (2)	**(289.7)**	**14.9**	**(274.8)**
Free Cash Flow	**142.9**	**16.5**	**159.4**

(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 disposals of intangible assets and property, plant and equipment.

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

In million euros	Adjusted data	Joint ventures' impact (1)	IFRS data
Net cash provided by operating activities	**506.0**	**(48.9)**	**457.1**
- Including Change in working capital	*47.9*	*(29.9)*	*18.0*
Acquisitions of intangible assets and PP&E net of disposals (2)	**(242.3)**	**14.7**	**(227.6)**
Free Cash Flow	**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 disposals 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

2017 and 2016 changes in net carrying amount:

In million euros	2017	2016
Net value as of 1 January	**1,360.8**	**1,271.6**
Impairment loss	0.0	0.0
Decreases	0.0	(5.0)
Changes in scope	13.1	109.6
Translation adjustments	(32.6)	(15.4)
Net value as of 31 December	**1,341.3**	**1,360.8**

4.1.2. Other intangible assets

2017 changes in gross value and net carrying amount:

In million euros	Development costs	Patents, licences, advertising contracts, ERP (1)	Leasehold rights, payments on account, other	Total
Gross value as of 1 January 2017	**57.8**	**727.3**	**26.0**	**811.1**
Acquisitions/Increases	9.0	26.7	11.4	47.1
Decreases	(0.4)	(49.9)	(0.2)	(50.5)
Changes in scope (2)		13.2		13.2
Translation adjustments	(0.5)	(34.8)	(1.3)	(36.6)
Reclassifications (3)	2.5	26.7	(6.9)	22.3
Goodwill allocation				0.0
Gross value as of 31 December 2017	**68.4**	**709.2**	**29.0**	**806.6**
Amortisation / Impairment as of 1 January 2017	**(33.0)**	**(452.4)**	**(13.0)**	**(498.4)**
Amortisation charge	(6.7)	(51.7)	(0.4)	(58.8)
Impairment loss				0.0
Decreases	0.4	49.8	0.1	50.3
Changes in scope (2)		4.0		4.0
Translation adjustments	0.2	17.7	1.2	19.1
Reclassifications (3)	(1.5)	(15.2)	(4.2)	(20.9)
Goodwill allocation				0.0
Amortisation / Impairment loss as of 31 December 2017	**(40.6)**	**(447.8)**	**(16.3)**	**(504.7)**
Net value as of 1 January 2017	**24.8**	**274.9**	**13.0**	**312.7**
Net value as of 31 December 2017	**27.8**	**261.4**	**12.7**	**301.9**

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

(2) These amounts are linked to the acquisitions and liquidations of entities 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.

2016 changes in gross value and net carrying amount:

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

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

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

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

	31/12/2017			31/12/2016
In million euros	Gross value	Depreciation or provision	Net value	Net value
Land	23.3	(1.2)	22.1	25.7
Buildings	105.2	(69.8)	35.4	39.3
Technical installations, tools and equipment	2,910.8	(2,014.6)	896.2	938.5
Vehicles	141.5	(78.8)	62.7	64.8
Other property, plant and equipment	174.1	(132.1)	42.0	20.9
Assets under construction and down payments	98.1	(0.2)	97.9	61.5
Total	**3,453.0**	**(2,296.7)**	**1,156.3**	**1,150.7**

2017 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of 1 January 2017	**27.1**	**109.7**	**2,974.3**	**366.3**	**3,477.4**
- of which finance lease		*2.4*	*5.4*	*42.4*	*50.2*
- of which dismantling cost			*172.6*		*172.6*
Acquisitions	0.1	2.3	109.5	167.4	279.3
- of which acquisitions under finance lease				*9.7*	*9.7*
- of which dismantling cost			*22.5*		*22.5*
- of which effect of rate change on dismantling cost					*0.0*
Decreases	(3.3)	(4.4)	(150.2)	(28.7)	(186.6)
- of which disposals under finance lease				*(5.4)*	*(5.4)*
- of which dismantling cost			*(19.8)*		*(19.8)*
Changes in scope			3.1	0.2	3.3
Reclassifications (1)		(0.6)	61.3	(78.7)	(18.0)
Goodwill allocation	0.4	(0.1)	(1.5)		(1.2)
Translation adjustments	(1.0)	(1.7)	(85.7)	(12.8)	(101.2)
Gross value as of 31 December 2017	**23.3**	**105.2**	**2,910.8**	**413.7**	**3,453.0**
Depreciation as of 1 January 2017	**(1.4)**	**(70.4)**	**(2,035.8)**	**(219.1)**	**(2,326.7)**
- of which finance lease		*(2.3)*	*(5.4)*	*(21.5)*	*(29.2)*
- of which dismantling cost			*(103.2)*		*(103.2)*
Depreciation charge net of reversals	(0.1)	(3.6)	(183.5)	(21.9)	(209.1)
- of which finance lease				*(8.1)*	*(8.1)*
- of which dismantling cost			*(13.5)*		*(13.5)*
Impairment loss			(9.2)	(0.2)	(9.4)
Decreases	0.3	3.6	142.3	26.4	172.6
- of which finance lease				*4.0*	*4.0*
- of which dismantling cost			*15.0*		*15.0*
Changes in scope		0.2	2.4	0.8	3.4
Reclassifications (1)		0.1	14.9	(0.5)	14.5
Goodwill allocation					0.0
Translation adjustments		0.3	54.3	3.4	58.0
Depreciation as of 31 December 2017	**(1.2)**	**(69.8)**	**(2,014.6)**	**(211.1)**	**(2,296.7)**
Net value as of 1 January 2017	**25.7**	**39.3**	**938.5**	**147.2**	**1,150.7**
Net value as of 31 December 2017	**22.1**	**35.4**	**896.2**	**202.6**	**1,156.3**

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

2016 changes in gross value and net carrying amount:

In million euros	Land	Buildings	Technical installations, tools & equipment	Other	Total
Gross value as of 1 January 2016	**28.2**	**89.4**	**2,991.7**	**351.8**	**3,461.1**
- 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 (1)		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)
Gross value as of 31 December 2016	**27.1**	**109.7**	**2,974.3**	**366.3**	**3,477.4**
Depreciation as of 1 January 2016	**(1.4)**	**(68.3)**	**(2,000.5)**	**(217.8)**	**(2,288.0)**
- 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 (1)		(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
Depreciation as of 31 December 2016	**(1.4)**	**(70.4)**	**(2,035.8)**	**(219.1)**	**(2,326.7)**
Net value as of 1 January 2016	**26.8**	**21.1**	**991.2**	**134.0**	**1,173.1**
Net value as of 31 December 2016	**25.7**	**39.3**	**938.5**	**147.2**	**1,150.7**

(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 2017, the net value of property, plant and equipment under finance lease amounted to €21.1 million, compared to €21.0 million as of 31 December 2016. It breaks down as follows:

In million euros	31/12/2017	31/12/2016
Buildings	0.0	0.1
Vehicles	21.1	20.9
Other property, plant and equipment	0.0	0.0
Total	**21.1**	**21.0**

Over 77% 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.). The assets are fully owned (controlled by the Group) and Group advertising revenue represents the sale of advertising space present in some of these structures. The net book value of buildings amounted to €35.4 million. The Group owns almost all the buildings (98% of the total gross value), the remainder being held under finance leases. Buildings comprise administrative offices and warehouses, mainly in Mexico for €11.7 million, in Spain for €6.9 million, in Germany for €6.1 million, in France for €3.3 million, in Uruguay for €1.6 million, in Belgium for €1.5 million, and in Finland for €1.4 million.

4.3. Goodwill, Property, plant and equipment (PP&E), and intangible asset impairment tests

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

	31/12/2017			31/12/2016		
In million euros	Goodwill	PP&E / intangible assets (1)	Total	Goodwill	PP&E / intangible assets (1)	Total
Street Furniture Europe (excluding France and United Kingdom)	387.6	339.1	726.7	387.6	358.6	746.2
Billboard Europe (excluding France and United Kingdom)	142.0	43.5	185.5	141.9	45.6	187.5
Airports World (2)	123.8	88.0	211.8	123.5	71.6	195.1
Billboard United Kingdom	144.7	56.2	200.9	149.6	52.4	202.0
Billboard France	115.4	7.3	122.7	115.4	7.4	122.8
Street Furniture France	86.4	350.0	436.4	86.4	354.1	440.5
Street Furniture United Kingdom	57.5	50.7	108.2	57.9	54.2	112.1
Other (3)	283.9	419.4	703.3	298.5	405.0	703.5
Total	**1,341.3**	**1,354.2**	**2,695.5**	**1,360.8**	**1,348.9**	**2,709.7**

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 2017 of CMI and LC Outdoor, presented on the line "Other", were not subject of impairment tests (These acquisitions are in the process of allocation).

(1) Intangible assets and property, plant and equipment are presented net of provisions for onerous contracts, for €96.8 million and €128.3 million, respectively, as of 31 December 2017 and 31 December 2016, and increased by net deferred tax assets related to the contracts and the provisions for onerous contracts recognised in connection with business combinations, for €(7.2) million and €13.8 million, respectively, as of 31 December 2017 and 31 December 2016.

(2) Intangible assets and property, plant and equipment for €88.0 million related to the CGU Airports World include €23.5 million belonging to the geographical area Rest of the World, exposed to higher economic volatility.

(3) The amount of €283.9 million of goodwill and the amount of €419.4 million of intangible assets and property, plant and equipment on the line "Other" include, respectively, €150.8 million and €205.2 million related to the geographical area Rest of the World 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 2017 resulted in a €(9.4) million net impairment loss on property, plant and equipment, as well as a €(2.9) million net depreciation of provision for onerous contracts, both being recorded in the EBIT.

Impairment tests conducted for intangible assets and property, plant and equipment had a negative impact of €(10.6) million on net income (Group share) compared to €1.2 million in 2016.

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 2017 (as well as in 2016), was used, in particular, in Western Europe (excluding Spain, Portugal, Italy and Ireland), North America, Japan, Singapore, South Korea, and Australia where the Group generates 58% of its adjusted revenue. The average discount rate for the Group came to 9.3% in 2017.

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

- In France, the United Kingdom, Europe (excluding France and the 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 economic 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 of France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(6.7) million on the Billboard Europe (excluding France and the United Kingdom) goodwill. It would not lead to any additional impairment loss on the intangible assets and property, plant and equipment of any 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 €(8.5) million on goodwill. It would result in an additional impairment loss of €(2.1) million on the 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, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(0.7) million on the intangible assets and property, plant and equipment of the geographical area Europe (excluding France and the United Kingdom). It would not lead to any additional impairment loss on the goodwill of any 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 impairment loss of €(3.8) million on intangible assets and property, plant and equipment. It would not lead to any additional impairment loss on the goodwill of any of the CGUs of these geographical areas;
- a decrease in the perpetual growth rate of the discounted cash flows by 50 basis points for the geographical areas France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific would result in an additional impairment loss of €(4.8) 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 the intangible assets and property, plant and equipment or on the goodwill of any of the CGUs of this geographical area.

4.4. Investments under the equity method and impairment tests

In million euros	31/12/2017	31/12/2016
Joint ventures	288.7	328.7
Associates	187.3	181.5
Total (1)	**476.0**	**510.2**

(1) Including €62.8 million related to the Rest of the World area as of 31 December 2017 compared to €70.2 million as of 31 December 2016.

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 2017, as in 2016.

For companies consolidated under the equity method in France, the United Kingdom, Europe (excluding France and the United Kingdom) and Asia-Pacific areas, the results of the sensitivity tests demonstrate that:

- an increase of 50 basis points in the discount rate would lead to an impairment loss of €(3.1) million on the share of net profit of companies consolidated under the equity method;
- a 50 basis point decrease in the operating margin ratio would lead to an additional impairment loss of €(2.0) million on the share of net profit of companies consolidated under the equity method;
- a decrease of 50 basis points in the perpetual growth of the discounted cash flows for the billboard activity would lead to an impairment loss of €(0.7) million on the share of net profit of companies consolidated under the equity method;

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 €(7.3) 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 €(3.3) 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)

In million euros	31/12/2017	31/12/2016
Financial investments	**0.6**	**0.7**
Loans	52.8	63.7
Loans to participating interests	0.7	9.1
Other financial investments	39.9	36.0
Other financial assets	**93.4**	**108.8**
Total	**94.0**	**109.5**

The decrease in other financial assets for €15.4 million as of 31 December 2017 was mainly related to the repayments of loans and translation differences.

The maturity of other financial assets breaks down as follows:

In million euros	31/12/2017	31/12/2016
≤ 1 year	3.7	5.1
> 1 year & ≤ 5 years	84.8	103.0
> 5 years	4.9	0.7
Total	**93.4**	**108.8**

4.6. Other receivables (non-current)

In million euros	31/12/2017	31/12/2016
Prepaid expenses	19.7	21.0
Miscellaneous receivables	5.4	11.2
Total Gross value for Other receivables (non-current)	**25.1**	**32.2**
Write-down for miscellaneous receivables	(1.3)	(2.0)
Total Write-down for other receivables (non-current)	**(1.3)**	**(2.0)**
Total	**23.8**	**30.2**

4.7. Inventories

In million euros	31/12/2017	31/12/2016
Gross value of inventories	149.4	142.6
Write-down	(25.6)	(29.7)
Total	**123.8**	**112.9**

4.8. Trade and other receivables

In million euros	31/12/2017	31/12/2016
Trade receivables	761.2	762.7
Miscellaneous receivables	23.6	36.9
Other operating receivables	18.9	20.8
Miscellaneous tax receivables	53.8	45.9
Receivables on disposal of assets and equipment grant to be received	3.1	0.8
Down payments	12.2	7.6
Prepaid expenses	76.3	67.8
Total Gross value for Trade and other receivables	**949.1**	**942.5**
Write-down for trade receivables	(29.4)	(33.0)
Write-down for miscellaneous receivables	(1.5)	(1.6)
Write-down for other operating receivables	(0.1)	(0.1)
Total Write-down for Trade and other receivables	**(31.0)**	**(34.7)**
Total	**918.1**	**907.8**

The variance over the period is mainly explained by the changes in consolidation scope. The increase in working capital (flows with cash impacts) is globally offset by the foreign exchange rates effects.

The balance of past-due trade receivables that had not been written down amounted to €265.2 million as of 31 December 2017, compared to €240.2 million as of 31 December 2016. 5.6% of non-written down trade receivables were past-due by more than 90 days as of 31 December 2017, compared to 5.2% as of 31 December 2016. These trade receivables are mainly related to media agencies and international groups that do not present a risk in terms of recovery.

4.9. Managed cash

In million euros	31/12/2017	31/12/2016
Cash	385.3	128.0
Cash equivalents	343.0	565.1
Total cash and cash equivalents	**728.3**	**693.1**
Treasury financial assets	277.9	281.0
Total managed cash	**1,006.2**	**974.1**

As of 31 December 2017, the Group has €728.3 million of cash and cash equivalents (compared to €693.1 million as of 31 December 2016) and €277.9 million of treasury financial assets (compared to €281.0 million as of 31 December 2016).
Cash equivalents mainly include short-term deposits and money market funds. €8.0 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2017, compared to €10.1 million as of 31 December 2016.
As of 31 December 2017 treasury financial assets were made of €244.0 million of short-term liquid investments (compared to €243.4 million as of 31 December 2016) and €33.9 million held in an escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €37.6 million as of 31 December 2016). 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:

In million euros	31/12/2017	31/12/2016
PP&E, intangible assets and provisions for onerous contracts	(77.8)	(56.2)
Tax losses carried forward	17.6	11.1
Provisions for dismantling costs	21.3	27.1
Provisions for retirement and other benefits	23.6	22.2
Deferred rent	22.6	45.1
Other	5.7	9.9
Total	**13.0**	**59.2**

The €46.2 million decrease of deferred tax assets net of the deferred tax liabilities is mainly due to the decrease in the deferred tax rate in the United States with a negative impact on the deferred tax assets recorded in accordance with the deferred rent and the provisions for onerous contracts.

4.10.2. Net deferred tax variation

As of 31 December 2017, the net deferred tax variations are as follows:

In million euros	31/12/2016	Net expense	Reclassifications	DT on actuarial gains and losses	Translation adjustments	Changes in scope	31/12/2017
Deferred tax assets	134.9	(27.2)	(10.3)	0.5	(14.1)	8.5	92.3
Deferred tax liabilities	(75.7)	(5.2)	10.3	0.5	2.9	(12.1)	(79.3)
Total	**59.2**	**(32.4)**	**0.0**	**1.0**	**(11.2)**	**(3.6)**	**13.0**

As of 31 December 2016, the net deferred tax variations were as follows:

In million euros	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)
Total	**(31.4)**	**12.1**	**2.9**	**7.3**	**68.3**	**59.2**

4.10.3. Unrecognised deferred tax assets on tax losses carried forward

As of 31 December 2017, the amount of deferred tax assets on unrecognised losses carried forward is €86.3 million, compared to €87.9 million as of 31 December 2016.

4.11. Equity

Breakdown of share capital

As of 31 December 2017, share capital amounted to €3,242,237.80 divided into 212,676,701 shares of the same class and fully paid up.

Reconciliation of the number of outstanding shares as of 1 January 2017 and 31 December 2017:

Number of outstanding shares as of 1 January 2017	212,547,655
Shares issued following the exercise of options	129,046
Number of outstanding shares as of 31 December 2017	212,676,701

As of 31 December 2017, JCDecaux SA did not hold any treasury shares.

As of 13 February 2017, 344,108 stock options were granted, with an exercise price of €29.77.

The cost related to all the current plans amounted to €2.8 million in 2017.

At the General Meeting held on 11 May 2017, the decision was made to pay a dividend of €0.56 to each of the 212,547,655 shares making up the share capital as of 31 December 2016. This distribution is subject to the payment of a 3% dividend tax recorded under the line item “Income tax” in the income statement. This amount of tax paid is part of the total amount which is claimed in accordance with the historical payment related to the 3% dividend tax and recorded in income under the line item “Income tax” (see tax proof in paragraph 5.4 “Income tax”).

The non-controlling interests do not represent a significant portion of the 2016 and 2017 Group consolidated financial statements.

4.12. Provisions

Provisions break down as follows:

In million euros	31/12/2016	Allocations	Discount [1]	Reversals – Used	Reversals – Not used	Actuarial gains and losses/ assets ceiling	Reclassi-fications	Translation adjustments	Changes in scope	31/12/2017
Provisions for dismantling cost	235.9	22.5	3.5	(16.8)	(10.4)			(7.8)	(0.4)	226.5
Provisions for onerous contracts	128.3	4.1		(24.0)	(0.5)			(11.1)		96.8
Provisions for retirement and other benefits	84.0	5.0	1.4	(5.6)	(0.4)	2.4		(0.9)	(0.2)	85.7
Provisions for risks and litigation	43.7	17.8		(7.9)	(8.2)		1.9	(1.6)	2.6	48.3
Total	**491.9**	**49.4**	**4.9**	**(54.3)**	**(19.5)**	**2.4**	**1.9**	**(21.4)**	**2.0**	**457.3**

(1) No amount had been 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 2017, the average residual contract term used to calculate the provision for dismantling costs is 8.4 years.

Provisions for dismantling are discounted at a rate of 1.5% as of 31 December 2017, the same as 31 December 2016. The use of a 1.0% discount rate (change of 50 basis points) would have generated an additional provision of approximately €9.9 million.

4.12.2. Provisions for onerous contracts

The provisions for onerous contracts amounted to €96.8 million as of 31 December 2017 compared to €128.3 million as of 31 December 2016. They consist of provisions for onerous contracts recognised during the purchase price allocation exercise of €80.3 million and of provisions recognised following impairment tests of €16.5 million, compared to respectively €112.2 million and €16.1 million as of 31 December 2016.

4.12.3. Provisions for retirement and other benefits

4.12.3.1. 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.

4.12.3.2. Financial information

Provisions are calculated according to the following assumptions:

	2017	2016
Discount rate (1)		
Euro Zone	1.50%	1.50%
United Kingdom	2.50%	2.60%
Estimated annual rate of increase in future salaries		
Euro Zone	2.00%	2.00%
United Kingdom (2)	NA	NA
Inflation rate		
Euro Zone	1.75%	1.75%
United Kingdom	2.30%	2.50%

(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.

Retirement benefits and other long-term benefits (before tax) in 2017 break down as follows:

In million euros	Retirement benefits unfunded	Retirement benefits funded	Other long-term benefits	Total
Change in benefit obligation				
Benefit obligation at the beginning of the year	**17.4**	**118.0**	**7.7**	**143.1**
Service cost	1.2	3.3	0.5	5.0
Interest cost	0.3	2.3	0.1	2.7
Acquisitions / disposals of plans	(0.1)		(0.1)	(0.2)
Curtailments of plans	(0.4)			(0.4)
Actuarial gains/losses (1)	1.3	1.7	(0.2)	2.8
Employee contributions		0.2		0.2
Benefits paid	(1.0)	(3.3)	(0.3)	(4.6)
Translation adjustments	(0.3)	(2.4)		(2.7)
Benefit obligation at the end of the year	**18.4**	**119.8**	**7.7**	**145.9**
including France	*11.3*	*55.1*	*4.7*	*71.1*
including other countries	*7.1*	*64.7*	*3.0*	*74.8*
Change in plan assets				
Assets at the beginning of the year		**59.5**		**59.5**
Interest income		1.3		1.3
Return on plan assets excluding amounts included in interest income		0.3		0.3
Employer contributions		3.9		3.9
Employee contributions		0.2		0.2
Benefits paid		(3.2)		(3.2)
Translation adjustments		(1.8)		(1.8)
Assets at the end of the year		**60.2**		**60.2**
including France		*7.3*		*7.3*
including other countries (2)		*52.9*		*52.9*
Provisions				
Funded status	18.4	59.6	7.7	85.7
Assets ceiling				0.0
Provisions at the end of the year	**18.4**	**59.6**	**7.7**	**85.7**
including France	*11.3*	*47.8*	*4.7*	*63.8*
including other countries	*7.1*	*11.8*	*3.0*	*21.9*
Pension cost				
Interest cost	0.3	2.3	0.1	2.7
Interest income		(1.3)		(1.3)
Service cost	1.2	3.3	0.5	5.0
Amortisation of actuarial gains/losses on other long-term benefits			(0.3)	(0.3)
Curtailments of plans	(0.4)			(0.4)
Charge for the year	**1.1**	**4.3**	**0.3**	**5.7**
including France	*0.4*	*3.2*	*0.3*	*3.9*
including other countries	*0.7*	*1.1*	*0.0*	*1.8*

(1) Including €3.7 million related to experience gains and losses, €0.2 million related to financial assumptions and €(1.1) million related to demographic assumptions.
(2) Mainly the United Kingdom.

As of 31 December 2017 the Group's benefit obligation amounted to €145.9 million and mainly involved three countries: France (49% of the total benefit obligation), the United Kingdom (35%) and Austria (6%).

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 €9.5 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 €4.6 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 taken on 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:

In million euros	**2017**	**2016**
1 January	**84.0**	**70.8**
Charge for the year	5.7	6.0
Translation adjustments	(0.9)	(1.1)
Contributions paid	(3.9)	(4.2)
Benefits paid	(1.4)	(2.1)
Change in actuarial gains and losses on post-employment benefit plans and assets ceiling	2.4	13.5
Other	(0.2)	1.1
31 December	**85.7**	**84.0**
Which are recorded:		
- In EBIT	1.0	1.9
- In Financial income (loss)	(1.4)	(1.6)
- In Other comprehensive income	(2.4)	(13.5)

The breakdown of the related plan assets is as follows:

	31/12/2017		**31/12/2016**	
	In M€	**In %**	**In M€**	**In %**
Shares	21.7	37%	22.2	36%
Bonds	23.1	38%	24.8	42%
Corporate bonds	3.1	5%	1.7	3%
Real Estate	2.5	4%	2.3	4%
Insurance contracts	9.0	15%	8.1	14%
Other	0.8	1%	0.4	1%
Total	**60.2**	**100%**	**59.5**	**100%**

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

Retirement benefits and other long-term benefits (before tax) in 2016 break down as follows:

	Retirement benefits		Other long-term benefits	Total
In million euros	**unfunded**	**funded**		
Change in benefit obligation				
Benefit obligation at the beginning of the year	**15.2**	**106.2**	**8.0**	**129.4**
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
Plan amendments	(0.4)	0.4	(0.1)	(0.1)
Actuarial gains/losses (1)	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 (3)		3.2		3.2
Benefit obligation at the end of the year	**17.4**	**118.0**	**7.7**	**143.1**
including France	*10.9*	*52.0*	*4.6*	*67.5*
including other countries	*6.5*	*66.0*	*3.1*	*75.6*
Change in plan assets				
Assets at the beginning of the year		**58.6**		**58.6**
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 (3)		3.5		3.5
Assets at the end of the year		**59.5**		**59.5**
including France		*7.3*		*7.3*
including other countries (2)		*52.2*		*52.2*
Provisions				
Funded status	17.4	58.5	7.7	83.6
Assets ceiling		0.4		0.4
Provisions at the end of the year	**17.4**	**58.9**	**7.7**	**84.0**
including France	*10.9*	*44.7*	*4.6*	*60.2*
including other countries	*6.5*	*14.2*	*3.1*	*23.8*
Pension cost				
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)
Plan amendments	(0.4)	0.4	(0.1)	(0.1)
Other (3)		(0.3)		(0.3)
Charge for the year	**1.2**	**4.5**	**0.3**	**6.0**
including France	*0.8*	*3.3*	*0.2*	*4.3*
including other countries	*0.4*	*1.2*	*0.1*	*1.7*

(1) Including €(1.3) million related to experience gains and losses, €15.4 million related to financial assumptions and no 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.

4.12.3.3. Information about the future cash flows

Future contributions to pension funds for the year 2018 are estimated at €1.9 million.
The average weighted duration is respectively 11 years and 17 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 defined up to 2024.

4.12.3.4. Defined contribution plans

Contributions paid for defined contribution plans represented €35.9 million in 2017 compared to €35.0 million in 2016.

4.12.3.5. 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 2016, the three plans were in a surplus position for a total amount of €3,171.2 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 2017, i.e. €0.5 million. The future contributions of the three plans will be steady in 2018.

4.12.4. Provisions for risks and litigation

Provisions for risks and litigation amounted to €48.3 million as of 31 December 2017 compared to €43.7 million as of 31 December 2016.

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 risks and litigation (nature, amounts, procedure, risk level), regularly monitors developments and compares this information with that of the Finance Department. The amount of provisions recognised for risks and 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.

4.12.5. Contingent assets and liabilities

Subsequent to a risk analysis, the Group deemed that it was not necessary to recognise a provision with respect to some 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 programmes related to panels for which a high probability of dismantling exists in the short term and at our initiative, the Group had estimated the overall non-discounted dismantling cost at €13.3 million as of 31 December 2017, compared to €11.6 million as of 31 December 2016. 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

		31/12/2017			31/12/2016		
In million euros		Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	**(1)**	**586.0**	**786.6**	**1,372.6**	**83.0**	**1,303.0**	**1,386.0**
Financial derivatives assets		(0.2)		(0.2)	(0.9)		(0.9)
Financial derivatives liabilities		4.9	0.5	5.4	2.2		2.2
Hedging financial instruments	**(2)**	**4.7**	**0.5**	**5.2**	**1.3**	**0.0**	**1.3**
Cash and cash equivalents (*)		728.3		728.3	693.1		693.1
Bank overdrafts		(12.8)		(12.8)	(5.4)		(5.4)
Net cash	**(3)**	**715.5**	**0.0**	**715.5**	**687.7**	**0.0**	**687.7**
Treasury financial assets (**)	**(4)**	**277.9**	**0.0**	**277.9**	**281.0**		**281.0**
Net financial debt (excluding non-controlling interest purchase commitments)	**(5)=(1)+(2)-(3)-(4)**	**(402.7)**	**787.1**	**384.4**	**(884.4)**	**1,303.0**	**418.6**

(*) As of 31 December 2017, the Group had €728.3 million of cash and cash equivalents (compared to €693.1 million as of 31 December 2016) and €277.9 million of treasury financial assets (compared to €281.0 million as of 31 December 2016). Cash equivalents mainly included short-term deposits and money market funds. €8.0 million of the total of cash and cash equivalents is invested in guarantees as of 31 December 2017, compared to €10.1 million as of 31 December 2016.
(**) As of 31 December 2017 treasury financial assets were made of €244.0 million of short-term liquid investments (compared to €243.4 million as of 31 December 2016) and €33.9 million held in an escrow account by the Group in connection with operational contracts, where the cash belongs to the Group (compared to €37.6 million as of 31 December 2016). 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 debts on commitments to purchase non-controlling interests are recorded separately and therefore are 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 analyses presented hereafter are based on the economic financial debt, which is equal to the gross financial debt on the statement of financial position adjusted by the impact of amortised cost:

	31/12/2017			31/12/2016		
In million euros	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Gross financial debt	**586.0**	**786.6**	**1,372.6**	**83.0**	**1,303.0**	**1,386.0**
Impact of amortised cost (IAS 39 remeasurement)	1.2	4.4	5.6	2.1	5.5	7.6
Economic financial debt	**587.2**	**791.0**	**1,378.2**	**85.1**	**1,308.5**	**1,393.6**

The economic financial debt breaks down as follows:

	31/12/2017			31/12/2016		
In million euros	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Bonds	500.0	750.0	1,250.0		1,250.0	1,250.0
Bank borrowings	43.1	17.4	60.5	29.4	21.8	51.2
Miscellaneous borrowings	22.5	9.2	31.7	35.2	21.0	56.2
Finance lease debts	7.9	14.4	22.3	6.8	15.7	22.5
Accrued interest	13.7		13.7	13.7		13.7
Economic financial debt	**587.2**	**791.0**	**1,378.2**	**85.1**	**1,308.5**	**1,393.6**

As of 31 December 2017 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 €60.5 million,
- miscellaneous borrowings for €31.7 million, mainly comprising borrowings from JCDecaux SA and its subsidiaries towards the joint ventures of the Group,
- finance lease debts for €22.3 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 1.4% for 2017.

As of 31 December 2017, JCDecaux SA had also a €825.0 million unused committed revolving credit facility. The maturity of this credit facility has been extended to July 2022 following the exercise of a second extension option effective since July 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 2017, JCDecaux SA complies with this covenant, with a ratio significantly under the required limit.

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

Maturity of financial debt (excluding unused committed credit facilities)

In million euros	31/12/2017	31/12/2016
Less than one year	587.2	85.1
More than one year and less than 5 years	33.7	553.0
More than 5 years	757.3	755.5
Total	**1,378.2**	**1,393.6**

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

	31/12/2017		31/12/2016	
	In M€	In %	In M€	In %
Euro	1,275.7	93%	1,378.4	99%
US dollar	151.8	11%	185.7	13%
Chinese yuan	71.9	5%	56.1	4%
Israeli shekel	43.0	3%	44.6	3%
British pound sterling	28.0	2%	10.1	1%
South African rand	23.6	2%	24.7	2%
Emirati dirham (1)	(42.0)	(3)%	(49.0)	(4)%
Hong Kong dollar (1)	(187.3)	(14)%	(229.6)	(16)%
Others (1)	13.5	1%	(27.4)	(2)%
Total	**1,378.2**	**100%**	**1,393.6**	**100%**

(1) Negative amounts correspond to lending positions.

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

	31/12/2017		31/12/2016	
	In M€	In %	In M€	In %
Fixed rate	1,288.8	94%	1,295.1	93%
Floating rate	89.4	6%	98.5	7%
Total	**1,378.2**	**100%**	**1,393.6**	**100%**

Finance lease debts

Finance lease debts are detailed in the following table:

	31/12/2017			31/12/2016		
In million euros	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	8.4	(0.5)	7.9	7.3	(0.5)	6.8
More than one year and less than 5 years	14.5	(0.9)	13.6	15.8	(0.8)	15.0
More than 5 years	0.8	0.0	0.8	0.7	0.0	0.7
Total	**23.7**	**-1.4**	**22.3**	**23.8**	**(1.3)**	**22.5**

4.14. Debt on commitments to purchase non-controlling interests

The debt on commitments to purchase non-controlling interests amounted to €102.0 million as of 31 December 2017, compared to €110.2 million as of 31 December 2016.
The €8.2 million decrease in the debt on commitments to purchase non-controlling interests between 31 December 2016 and 31 December 2017 corresponds to the exercising of purchase commitments and to a change in scope partially offset by the revaluation and discounting effects of 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 inter-company loans and borrowings 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 2017, the main financial instruments contracted by the Group are as follows (net positions):

In million euros	31/12/2017	31/12/2016
Forward purchases against euro:		
Hong Kong dollar	157.6	193.9
Emirati dirham	41.7	47.4
Norwegian krone	15.8	8.8
Swedish crown	8.2	2.9
Singaporian dollar	7.7	10.0
Others	13.8	32.3
Forward sales against euro:		
American dollar	105.0	111.0
British pound sterling	50.2	11.8
Israeli shekel	43.3	44.7
South African rand	22.9	24.5
Danish krone	17.1	19.1
Mexican peso	13.3	0.0
Japanese yen	10.7	12.3
Others	12.7	41.8
Forward purchase against Chinese yuan:		
Hong Kong dollar	32.2	45.5
Forward purchase against British pound sterling:		
Brazilian real	10.3	0.0
Others	7.9	1.7

As of 31 December 2017, the market value of the foreign exchange rate financial instruments amounted to €(5.2) million compared to €(1.3) million as of 31 December 2016.

4.16. Trade and other payables (current liabilities)

In million euros	31/12/2017	31/12/2016
Trade payables and other operating liabilities	742.0	698.2
Tax and employee-related liabilities	203.5	199.3
Deferred income	82.6	105.8
Payables on the acquisition of assets	8.3	8.1
Other payables	56.0	46.8
Total	**1,092.4**	**1,058.2**

Operating liabilities have a maturity of one year or less.
The variance over the period is mainly explained by flows with cash impacts and changes in consolidation scope that are partially offset by the foreign exchange rates effects.

4.17. Net income tax payable (current and non-current liabilities)

In million euros	31/12/2017	31/12/2016
Income tax payable	39.6	45.2
Current tax assets	(51.4)	(20.2)
Total	**(11.8)**	**25.0**

The decrease of €36.8 million in the income tax payable is mainly explained by the receivable related to the exceptional refund of the tax on dividends in France.

4.18. Financial assets and liabilities by category

		31/12/2017						
In million euros		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)	0.2					0.2	0.2
Financial investments	(2)			0.6			0.6	0.6
Other financial assets					93.4		93.4	93.4
Trade and other receivables (non- current)	(3)				3.8		3.8	3.8
Trade, miscellaneous and other operating receivables (current)	(3)				775.7		775.7	775.7
Cash		385.3					385.3	385.3
Cash equivalents	(4)	343.0					343.0	343.0
Treasury financial assets	(1)	277.9					277.9	277.9
Total financial assets		**1,006.4**	**0.0**	**0.6**	**872.9**	**0.0**	**1,879.9**	**1,879.9**
Financial debt	(5)					(1,372.6)	(1,372.6)	(1,387.1)
Debt on commitments to purchase non-controlling interests	(2)	(102.0)					(102.0)	(102.0)
Financial derivatives (liabilities)	(1)	(5.4)					(5.4)	(5.4)
Trade and other payables and other operating liabilities (current)	(3)					(793.3)	(793.3)	(793.3)
Other payables (non-current)	(3)					(9.0)	(9.0)	(9.0)
Bank overdrafts		(12.8)					(12.8)	(12.8)
Total financial liabilities		**(120.2)**	**0.0**	**0.0**	**0.0**	**(2,174.9)**	**(2,295.1)**	**(2,309.6)**

(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 for the cash held in an escrow account for €33.9 million that is disclosed in the Treasury financial assets line and for which the change in fair value refers to quoted prices in 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 discount rate, being at 1.5% as of 31 December 2017. A decrease of 50 bps of the discount 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 €0.3 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 €342.7 million.

(5) The fair value measurement of these financial liabilities refers to quoted prices in an active market for bonds for which the fair value amounts to €1,264.5 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 €122.6 million.

In million euros		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
Total financial assets		**974.9**	**0.1**	**0.7**	**903.5**	**0.0**	**1,879.2**	**1,879.2**
Financial debt	(5)					(1,386.0)	(1,386.0)	(1,411.0)
Debt on commitments to purchase non-controlling 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)
Total financial liabilities		**(117.3)**	**(0.5)**	**0.0**	**0.0**	**(2,137.4)**	**(2,255.2)**	**(2,280.2)**

(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 for the cash held in an escrow account for €37.6 million that is disclosed in the Treasury financial assets line and for which the change in fair value refers to quoted prices in 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 discount rate, being at 1.5% as of 31 December 2016. A decrease of 50 bps of the discount 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 bonds 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.

5. COMMENTS ON THE INCOME STATEMENT

5.1. Revenue

IFRS revenue increased by 2.2% from €2,974.5 million in 2016 to €3,039.8 million in 2017.

5.2. Net operating expenses

In million euros	2017	2016
Rent and fees	(1,326.9)	(1,301.4)
Other net operational expenses	(550.6)	(516.1)
Taxes and duties	(6.5)	(6.7)
Staff costs	(631.0)	(622.2)
Direct operating expenses & Selling, general & administrative expenses (1)	**(2,515.0)**	**(2,446.4)**
Provision charge net of reversals	**42.6**	**64.4**
Depreciation and amortisation net of reversals	**(277.6)**	**(261.9)**
Impairment of goodwill	**0.0**	**0.0**
Maintenance spare parts	**(45.3)**	**(45.1)**
Other operating income	**21.3**	**8.1**
Other operating expenses	**(30.2)**	**(41.3)**
Total	**(2,804.2)**	**(2,722.2)**

(1) Including €(2,002.1) million in "Direct operating expenses" and €(512.9) million in "Selling, general & administrative expenses" in 2017 (compared to €(1,961.5) million and €(484.9) million in 2016, respectively).

Rent and fees

This item includes rent and fees that the Group pays to landlords, municipal public authorities, airports, transport companies and shopping malls, in return for locations for the advertising business.

In 2017, rent and fees totalled €1,326.9 million:

In million euros	Total	Fixed expenses	Variable expenses
Fees associated with Street Furniture and Transport contracts	(1,174.7)	(885.3)	(289.4)
Rent related to Billboard locations	(152.2)	(122.0)	(30.2)
Total	**(1,326.9)**	**(1,007.3)**	**(319.6)**

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,
- the cost of services and supplies relating to operations,
- the 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 €55.6 million in 2017, 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". They amounted to €10.3 million in 2017, compared to €10.5 million in 2016.

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 and retirement expenses.

In million euros	2017	2016
Compensation and other benefits	(507.4)	(501.1)
Social security contributions	(120.8)	(117.5)
Share-based payments (1)	(2.8)	(3.6)
Total	**(631.0)**	**(622.2)**

(1) Including equity settled share-based payments for €(2.8) million in 2017 compared to €(3.9) million of equity settled share-based payments and €0.3 million of cash settled share-based payments in some of the Group's subsidiaries in 2016.

The Group did not grant any bonus share plans in 2017 or in 2016.

Breakdown of stock option plans (1):

	2017 Plan	2016 Plan	2015 Plan	2014 Plan	2012 Plan	2011 Plan
Grant date	13/02/2017	17/02/2016	16/02/2015	17/02/2014	21/02/2012	17/02/2011
Vesting date	13/02/2020	17/02/2019	16/02/2018	17/02/2017	21/02/2015	17/02/2014
Expiry date	13/02/2024	17/02/2023	16/02/2022	17/02/2021	21/02/2019	17/02/2018
Number of beneficiaries	188	270	173	237	215	220
Number of options granted	344,108	866,903	546,304	780,392	1,144,734	934,802
Strike price before adjustment (2)	€29.77	€34.01	€31.29	€31.69	€19.73	€23.49
Strike price after adjustment (2)	N/A	N/A	€31.12	€31.51	€19.62	€23.36
Repricing - Adjustment of the number of options (2)	N/A	N/A	3,145	3,992	2,437	1,015
Number of options outstanding at the end of the period	340,880	834,972	485,321	594,664	179,553	61,918

(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 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	2017	Average share price at the date of exercise	Average strike price	2016	Average share price at the date of exercise	Average strike price
Number of options outstanding at the beginning of the period	2,308,080		€30.81	1,746,633		€28.02
- Options granted during the period	344,108		€29.77	866,903		€34.01
- Options forfeited during the period	25,834		€32.62	57,039		€30.98
- Options exercised during the period	129,046	€33.72	€22.59	248,417	€36.70	€23.48
- Options expired during the period						
Number of options outstanding at the end of the period	2,497,308		€30.98	2,308,080		€30.81
Number of options exercisable at the end of the period	**1,991,731**		**€30.80**	**1,575,464**		**€29.60**

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

Assumptions	2017	2016	2015	2014	2012	2011
- Price of underlying at grant date	€30.02	€34.90	€31.75	€31.57	€20.21	€24.00
- Estimated volatility	23.38%	25.56%	25.51%	27.46%	38.41%	36.71%
- Risk-free interest rate	(0.11)%	(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	4.5
- Estimated turnover	4.70%	4.70%	4.70%	4.70%	3.33%	3.33%
- Dividend payment rate (1)	2.21%	1.77%	1.77%	1.42%	2.16%	1.20%
- Fair value of options (2)	€4.32	€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 2017 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 decreased by €21.8 million and depreciation and amortisation net of reversals increased by €15.7 million.

In 2017, net reversals of provisions mainly corresponded to the reversals of provisions for onerous contracts related to the purchase price allocation for €22.6 million including €20.7 million for Cemusa and €1.0 million for Outfront.

In 2016, net reversals of provisions mainly corresponded 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 2017, this item included a net depreciation following impairment tests for €(12.3) million of which net amortisation on tangible assets for €(9.4) million and a net depreciation of provision for onerous contract for €(2.9) million.

In 2016, this item included a reversal of depreciation following 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.

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	2017	2016
Gain on disposals of financial assets and gain on changes in scope	4.6	2.0
Gain on disposals of intangible assets and PP&E	12.1	4.1
Other management income	4.6	2.0
Other operating income	**21.3**	**8.1**
Loss on disposals of financial assets and loss on changes in scope	(3.4)	(5.9)
Loss on disposals of intangible assets and PP&E	(0.7)	(2.7)
Other management expenses	(26.1)	(32.7)
Other operating expenses	**(30.2)**	**(41.3)**
Total	**(8.9)**	**(33.2)**

In 2017, the gains on disposals of financial assets and changes in scope for €4.6 million were mainly related to the price adjustment for Continental.

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

In 2017, the losses on disposals of financial assets and losses on changes in scope for €(3.4) million were mainly related to the impact of disposals of subsidiaries in Turkey.

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

In 2017, other management expenses for €(26.1) million were mainly related to restructuring costs for €(18.6) million associated notably with the integration of acquisitions and the Vélib' contract in Paris, and to acquisition costs for €(1.8) million.

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

5.3. Net financial income (loss)

In million euros		**2017**	**2016**
Interest income		6.0	7.1
Interest expense		(25.3)	(22.1)
Net interest expense		**(19.3)**	**(15.0)**
Amortised cost impact		**(2.2)**	**(2.1)**
Cost of net financial debt	**(1)**	**(21.5)**	**(17.1)**
Net foreign exchange gains (losses) and hedging costs		**(3.3)**	**(4.3)**
Net discounting losses		**(7.0)**	**5.7**
Bank guarantee costs		**(2.0)**	**(1.8)**
Charge to provisions for financial risks		(0.3)	(0.2)
Reversal of provisions for financial risks		1.2	0.2
Provisions for financial risks - Net charge		**0.9**	**0.0**
Net income (loss) on the sale of financial investments		**(0.9)**	**0.0**
Other		**(1.4)**	**(1.3)**
Other net financial expenses	**(2)**	**(13.7)**	**(1.7)**
Net financial income (loss)	**(3)=(1)+(2)**	**(35.2)**	**(18.8)**
Total financial income		*7.2*	*13.2*
Total financial expenses		*(42.4)*	*(32.0)*

Net financial income totalled €(35.2) million in 2017, compared to €(18.8) million in 2016, corresponding to a deterioration of €16.4 million.
The changes were mainly due to net discounting losses on debts on commitments to purchase non-controlling interests which had a positive impact last year (€10.1 million in 2016 of change in the fair value), to the increase of net interest expense for €4.3 million related to the €750.0 million bond issuance in June 2016, offset by a €1.0 million decrease of net foreign exchange gains (losses) and hedging costs.

5.4. Income tax

Breakdown between deferred and current taxes

In million euros	2017	2016
Current tax	(66.3)	(85.7)
Local tax ("CVAE")	*(6.2)*	*(6.8)*
Other	*(60.1)*	*(78.9)*
Deferred taxes	(32.4)	12.1
Local tax ("CVAE")	*0.0*	*0.5*
Other	*(32.4)*	*11.6*
Total	**(98.7)**	**(73.6)**

The effective tax rate before impairment of goodwill and the share of net profit of companies under the equity method was 49.3% in 2017 and 31.5% in 2016. Excluding the discounting and revaluation impacts of debts on commitments to purchase non-controlling interests, the effective tax rate was 48.7% in 2017 and 32.9% in 2016.

Breakdown of deferred tax charge

In million euros	2017	2016
Intangible assets, PP&E and provisions for onerous contracts	(15.0)	(4.6)
Tax losses carried forward	7.7	1.2
Provisions for dismantling costs	(4.1)	(0.6)
Provisions for retirement and other benefits	0.7	0.2
Deferred rent	(17.6)	9.4
Other	(4.1)	6.5
Total	**(32.4)**	**12.1**

Tax proof

In million euros	2017	2016
Consolidated net income	**202.0**	**255.1**
Income tax charge	(98.7)	(73.6)
Consolidated income before tax	**300.7**	**328.7**
Share of net profit of companies under the equity method	(100.3)	(95.2)
Taxable dividends received from subsidiaries	7.7	11.1
Other non-taxable income	(42.6)	(38.2)
Other non-deductible expenses	59.3	55.4
Net income before tax subject to the standard tax rate	**224.8**	**261.8**
Weighted Group tax rate (1)	23.27%	24.70%
Theoretical tax charge	**(52.3)**	**(64.7)**
Deferred tax on unrecognised tax losses	(14.3)	(20.5)
Capitalization and use of unrecognised prior year tax losses carried forward	4.9	2.9
Other deferred tax (temporary differences and other restatements)	(40.8)	13.7
Tax credits	3.5	4.7
Withholding tax	(3.6)	(6.1)
Tax on dividends	15.2	(4.7)
Other	(5.1)	7.4
Income tax calculated	**(92.5)**	**(67.3)**
Net Local tax ("CVAE")	(6.2)	(6.3)
Income tax recorded	**(98.7)**	**(73.6)**

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

In 2017, the other deferred tax amounting to €(40.8) million was mainly due to the change in the deferred tax rate in the United States from 42.0% to 28.5%.

In 2017, the tax on dividends amounting to €15.2 million was mainly due to the exceptional refund of the tax on dividends to be received in France.

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

In 2017, the share of net profit of associates totalled €22.0 million compared to €23.1 million in 2016, and the share of net profit of joint ventures under the equity method totalled €78.3 million in 2017 compared to €72.1 million in 2016.
In 2017 and in 2016, 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 is described in Note 10 "Information on joint ventures" and in Note 11 "Information on associates".

5.6. Headcount

As of 31 December 2017, the Group had 11,772 employees, compared to 11,741 employees as of 31 December 2016. These figures do not include the share of employees of joint ventures which represents 1,266 employees and 1,286 employees, respectively, as of 31 December 2017 and 31 December 2016.

The breakdown of employees for the years 2017 and 2016 is as follows:

	2017	2016
Technical	6,279	6,323
Sales and marketing	2,727	2,687
IT and administration	2,050	2,039
Contract business relations	554	541
Research and development	162	151
Total	**11,772**	**11,741**

The breakdown of employees of joint ventures for the years 2017 and 2016 is as follows:

	2017	2016
Technical	596	611
Sales and marketing	372	370
IT and administration	261	272
Contract business relations	37	33
Research and development	0	0
Total	**1,266**	**1,286**

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

	2017	2016
Weighted average number of shares for the purposes of earnings per share	**212,568,746**	**212,495,553**
Weighted average number of stock options potentially convertibles	2,612,865	2,514,156
Weighted average number of stock options which would not be exercised at strike price (1)	(2,409,854)	(2,317,799)
Weighted average number of shares for the purposes of diluted earnings per share	**212,771,757**	**212,691,910**

(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. Auditor fees

In 2017, the amount of the audit fees was as follows:

In thousand euros	EY et Autres	KPMG Audit
Audit of statutory and consolidated accounts and limited audit	1,919	1,916
JCDecaux SA and its french subsidiaries (1)	*599*	*538*
Others controlled entities (1)	*1,320*	*1,378*
Non-audit services	148	122
JCDecaux SA and its french subsidiaries (2)	*91*	*23*
Others controlled entities	*57*	*99*
Total	**2,067**	**2,038**

(1) The controlled entities taken into account are fully consolidated subsidiaries.
(2) The services provided cover the non-audit services required by the legal and regulatory texts as well as the ones requested by the entity. The targeted services concern the ones falling within the scope of the services usually returned in the extension of the statutory audit mission (drafting of particular attestations, carrying out of agreed procedures, acquisition due diligences).

In 2016, the amount of the audit fees was as follows:

In thousand euros	EY et Autres	KPMG Audit
Audit of statutory and consolidated accounts and limited audit	1,997	1,839
JCDecaux SA and its french subsidiaries (1)	*641*	*509*
Others controlled entities (1)	*1,356*	*1,330*
Non-audit services	224	188
JCDecaux SA and its french subsidiaries (2)	*150*	*131*
Others controlled entities	*74*	*57*
Total	**2,221**	**2,027**

(1) The controlled entities taken into account are fully consolidated subsidiaries.
(2) The services provided cover the non-audit services required by the legal and regulatory texts as well as the ones requested by the entity. The targeted services concern the ones falling within the scope of the services usually returned in the extension of the statutory audit mission (drafting of particular attestations, carrying out of agreed procedures, acquisition due diligences).

6. COMMENTS ON THE STATEMENT OF CASH FLOWS

6.1. Net cash provided by operating activities

In 2017, net cash provided by operating activities for €434.2 million comprised:

- operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €533.3 million,
- a change in the working capital of €22.7 million,
- and the payment of net financial interest and tax of €(19.8) million and €(102.0) million, respectively.

In 2016, net cash provided by operating activities of €457.1 million included the operating cash flows generated by EBIT and other financial income and expenses, adjusted for non-cash items, for a total of €538.3 million, the change in the working capital of €18.0 million, the payment of net financial interest of €(11.7) million and the payment of tax of €(87.5) million.

6.2. Net cash used in investing activities

In 2017, net cash used in investing activities for €(270.6) million comprised:

- cash payments on acquisitions of intangible assets and PP&E for €(294.2) million,
- cash receipts on proceeds on disposals of intangible assets and PP&E for €19.4 million,
- cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired and sold for a total of €(0.7) million (including a €(4.7) million change in payables and receivables on financial investments and €7.7 million of net cash acquired and sold). This amount mainly comprised the acquisition of the company under joint control Stoc SA de CV (Mexico), the takeover of the companies LC Outdoor (Reunion Island) and CMI (Mexico) as well as the increases in capital in companies under the equity method. The amount related to takeovers represented €7.8 million including €8.8 million of net cash acquired,
- disposals of other financial assets net of acquisitions for a total of €4.9 million.

In 2016, net cash used in investing activities for €(304.8) million included the cash payments on acquisitions of intangible assets and PP&E net of cash receipts for a total of €(227.6) million (including €0.7 million of change in payables and receivables on intangible assets and PP&E), the cash payments on acquisitions of long-term investments net of cash receipts and net of cash acquired (for €4.6 million) for €(76.4) million (including €(0.8) million of change in payables and receivables on financial investments) and acquisitions of other financial assets net of disposals for €(0.8) million.

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

In 2017, net cash used in financing activities for €(133.9) million comprised:

- dividends paid to the JCDecaux SA's shareholders for €(119.0) million and the payment of dividends by controlled companies of the Group to their minority shareholders for €(12.7) million,
- net cash flows on borrowings of the controlled entities for €9.9 million,
- acquisitions of treasury financial assets for €(0.9) million,
- cash payments on acquisitions of non-controlling interests for €(12.3) million,
- capital increase net of capital decrease for €1.1 million.

In 2016, net cash provided by financing activities amounted to €321.1 million, and concerned net cash flows on borrowings for €667.2 million, acquisitions of treasury financial assets for €(201.0) million, payment of dividends for €(133.1) million, the cash payments on acquisitions of non-controlling interests for €(12.5) million and capital increases net of decreases for €0.5 million.

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

In million euros			2017	2016
Net Financial Debt as of 1 January	**(1)**	**§ 4.13**	**418.6**	**400.5**
Net cash provided by operating activities	(2)		(434.2)	(457.1)
Net cash used in investing activities excluding net cash acquired and / or sold (*)	(3)		278.3	308.5
Net cash used in financing activities excluding changes in financial debts and treasury financial assets (**)	(4)		142.9	145.1
Total net cash flows	**(5)=(2)+(3)+(4)**		**(13.0)**	**(3.5)**
Translation differences, net impact of IAS39, consolidation scope variations, increase in finance lease debts and reclassifications on the net financial debt (***)	(6)		(13.5)	25.3
Net cash acquired and / or sold	(7)		(7.7)	(3.7)
Change in the net financial debt	**(8)=(5)+(6)+(7)**		**(34.2)**	**18.1**
Net Financial Debt as of 31 December	**(9)=(1)+(8)**	**§ 4.13**	**384.4**	**418.6**

(*) Including €274.8 million related to the net cash flows used in intangible assets and PP&E and €3.5 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 2017, compared to €227.6 million and €80.9 million, respectively, in 2016.
(**) Including €12.3 million related to the net cash payments on acquisitions and disposals of non-controlling interests in 2017, compared to €12.5 million in 2016.
(***) Mainly including €(27.4) million of reclassification of a joint venture's loan into equity, €9.7 million of increase in finance lease debts, €3.7 million of translation differences in 2017 compared to €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.

6.5. Non-cash transactions

The increase in property, plant & equipment and financial debts related to finance lease contracts amounted to €9.7 million in 2017, compared to €5.6 million in 2016.

Non-cash transactions related to the asset swaps in 2017 represented €(33.7) million in the net cash used in investing activities and €33.7 million in the net cash used in 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 risks management policies

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:

In million euros	Carrying amount	Contractual cash flows (*)	2018	2019	2020	2021	> 2021
Bonds	1,246.9	1,305.0	517.5	7.5	7.5	7.5	765.0
Bank borrowings at floating rate	56.4	61.3	42.7	14.3	1.3	1.2	1.8
Bank borrowings at fixed rate	1.6	1.6	1.6				
Miscelleanous borrowings	31.7	33.4	25.3	5.7	0.2	0.2	2.0
Finance lease debts	22.3	22.3	7.9	3.4	3.4	3.4	4.2
Accrued interest (*)	13.7						
Bank overdrafts	12.8	12.8	12.8				
Total financial liabilities excluding derivatives	**1,385.4**	**1,436.4**	**607.8**	**30.9**	**12.4**	**12.3**	**773.0**
Foreign exchange hedges	(5.2)	(5.2)	(5.2)				
Total financial instruments (**)	**(5.2)**	**(5.2)**	**(5.2)**	**0.0**	**0.0**	**0.0**	**0.0**

For revolving debt, the nearest maturity is indicated.
(*) The interest amounts are included in the contractual cash flows in each type of borrowing.
(**) A negative amount represents a cash flow to be paid.

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 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 5 July 2017, and Standard and Poor's on 19 July 2017), with a stable outlook for both ratings.

As of 31 December 2017, the net financial debt (excluding debt on commitments to purchase non-controlling interests) was €384.4 million compared to €418.6 million as of 31 December 2016.
JCDecaux SA carries 93% of Group financial debt which has an average maturity of approximately 3.3 years.

As of 31 December 2017, the Group has €1,006.2 million of cash, cash equivalents and treasury financial assets (see Note 4.9 "Managed Cash") and €855.8 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 from which the funds cannot be immediately repatriated, 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 2017:

In million euros		31/12/2017 ≤ 1 year	> 1 year & ≤ 5 years	> 5 years	Total
JCDecaux SA borrowings		(525.6)	0.0	(750.0)	(1,275.6)
Other borrowings		(86.8)	(13.7)	(2.1)	(102.6)
Bank overdrafts		(12.8)			(12.8)
Financial liabilities	**(1)**	**(625.2)**	**(13.7)**	**(752.1)**	**(1,391.0)**
Cash and cash equivalents		728.3			728.3
Treasury financial assets		277.9			277.9
Other financial assets		93.4			93.4
Financial assets	**(2)**	**1,099.6**	**0.0**	**0.0**	**1,099.6**
Net position	**(3)=(1)+(2)**	**474.4**	**(13.7)**	**(752.1)**	**(291.4)**

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 2017, 94% of the Group's total economic financial debt, all currencies considered, was at fixed rate.

Foreign exchange risk
In 2017, net income generated in currencies other than the euro accounted for 46% of the Group's consolidated net income.
Despite its presence in more than 75 countries, the JCDecaux Group is relatively immune to currency variations in terms of cash flows, as subsidiaries in each country do business solely in their own country and inter-company services and purchases are relatively insignificant.
However, as the Group presentation currency 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 2017 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 in the Group 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
Share of the currencies in the consolidated net income	**32.9%**	**8.1%**	**8.8%**	**(24.7%)**
Impact on consolidated income	(3.3%)	(0.8%)	(0.9%)	(2.5%)
Impact on consolidated reserves	(0.8%)	(0.2%)	(0.9%)	(0.6%)

As of 31 December 2017, 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 transactions when hedging arrangements are (i) too costly, (ii) not available, or (iii) when loan amounts are too small.
As of 31 December 2017, the Group considers that its earnings and financial position would not be materially affected by currency fluctuations.

Management of cash and treasury financial assets
As of 31 December 2017, the Group has €1,006.2 million of cash, cash equivalents and treasury financial assets, which includes €728.3 million of cash and cash equivalents (including €343.0 million in cash equivalents) and €277.9 million of treasury financial assets. €8.0 million of the total of cash and cash equivalents is 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 solely uses financial instruments 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 their terms and conditions a change of control clause giving bond holders the possibility to request early repayment in the event of a change of control when accompanied by a downgrade of the credit rating to speculative grade or a credit rating exit. The Group's other primary financing sources (financing raised by the parent company), as well as the main 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 risk relates to the investment of the Group's excess cash 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 within the Group by centralising the subsidiaries' available cash at JCDecaux SA level as much as possible, (ii) obtaining prior authorisation from the Group's Finance Department before 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 1.9% of the Group's revenue.

Risk related to securities and term deposits
In order to generate interest 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

In million euros	31/12/2017	31/12/2016
Commitments given (1)		
Business guarantees	454.6	436.2
Other guarantees	14.8	9.5
Pledges, mortgages and collateral	9.2	11.4
Commitments on securities (put options granted)	1.0	0.4
Total	**479.6**	**457.5**
Commitments received		
Securities, endorsements and other guarantees	0.0	0.0
Commitments on securities (call options received)	6.5	2.3
Credit facilities	855.8	852.9
Total	**862.3**	**855.2**

(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.

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 facilities granted to subsidiaries for €30.8 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 advertising business in return for locations and collect the related revenue, in consideration of 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):

In million euros	≤ 1 year	>1 & ≤ 5 years	> 5 years (1)	Total
Minimum and fixed franchise payments associated with Street Furniture or Transport contracts	865.8	2,578.7	1,514.9	4,959.4
Rent related to Billboard locations	85.8	155.7	80.1	321.6
Operating leases	39.9	81.4	57.8	179.1
Total	**991.5**	**2,815.8**	**1,652.8**	**5,460.1**

(1) Until 2042.

The amount related to these commitments amounted to €5,142.1 million as of 31 December 2016.

The increase, in 2017, compared to the amount of €5,142.1 million reported as of 31 December 2016 is mainly due to the gains and renewals of contracts partially offset by the rents and fees due for the year and the translation differences.

8.3. Commitments to purchase assets

Commitments to purchase property, plant and equipment and intangible assets totalled €452.4 million as of 31 December 2017 compared to €271.5 million as of 31 December 2016.

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	2017				2016			
	Companies under the EM (1)	Parent Companies (2)	Other	Total	Companies under the EM (1)	Parent Companies (2)	Other	Total
Statement of financial position								
Assets								
Loans and loans to participating interests (*)	52.7			52.7	70.0	0.1	0.2	70.3
Other reveivables	27.9	0.2	2.4	30.5	47.4	0.8	3.5	51.7
Total Assets	**80.6**	**0.2**	**2.4**	**83.2**	**117.4**	**0.9**	**3.7**	**122.0**
Liabilities								
Financial debts and debt on commitments to purchase non-controlling interests (3)	22.5	103.5		126.0	46.3	111.4		157.7
Other debts	5.9	5.8	1.2	12.9	7.7	5.4	0.3	13.4
Total Liabilities	**28.4**	**109.3**	**1.2**	**138.9**	**54.0**	**116.8**	**0.3**	**171.1**
Income Statement								
EBIT								
Income	49.2	0.1	4.3	53.6	62.5	0.8	3.2	66.5
Expenses	(11.4)	(7.6)	(13.4)	(32.4)	(9.2)	(6.2)	(12.8)	(28.2)
EBIT	**37.8**	**(7.5)**	**(9.1)**	**21.2**	**53.3**	**(5.4)**	**(9.6)**	**38.3**
Net financial income (loss)								
Income (4)	2.1			2.1	2.0	10.1		12.1
Expenses (5)	(1.1)	(2.1)		(3.2)	(1.2)	(0.1)		(1.3)
Net financial income (loss)	**1.0**	**(2.1)**	**0.0**	**(1.1)**	**0.8**	**10.0**	**0.0**	**10.8**

(*) Including accrued interest.
(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 €102.0 million as of 31 December 2017 compared to €110.2 million as of 31 December 2016.
(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 €(2.1) million in 2017 of net expenses of revaluation and discounting on debt on commitments to purchase non-controlling interests.

The off-balance sheet commitments with related parties amounted to €87.8 million as of 31 December 2017, primarily including commitments relating to rents for buildings held by related parties for €50.6 million and 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 2017 and 2016 breaks down as follows:

In million euros	2017	2016
Short-term benefits	7.0	8.9
Fringe benefits	0.2	0.2
Directors' fees	0.0	0.0
Life insurance/special pension	0.1	0.2
Share-based payments	0.1	0.2
Total (*)	**7.4**	**9.5**

(*) 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 €3.1 million as of 31 December 2017, compared to €2.8 million as of 31 December 2016.
Directors' fees owed to members of the Supervisory Board amounted to €0.3 million for the year 2017.

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 2017

10.1.1.1. Net income

The 2017 net income of the joint ventures and reconciliation with the income statement of the consolidated financial statements for 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Net Income [1]	**27.5**	**138.4**	**(1.2)**	**164.7**
Impact of application of the holding percentage	(13.4)	(76.5)	3.5	(86.4)
Impairment of joint ventures				0.0
Share of net profit of joint ventures	**14.1**	**61.9**	**2.3**	**78.3**

(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.

10.1.1.2. Revenue

The 2017 revenue for the joint ventures and reconciliation with their contribution in the consolidated adjusted revenue for 2017 are as follows:

In million euros	Revenue
Street Furniture	**116.0**
Transport	**592.3**
Billboard	**186.9**
Total [1]	**895.2**
Impact of application of the holding percentage	(448.7)
Elimination of the transactions inter-activities & with controlled entities	(1.4)
Contribution of the joint ventures in the Consolidated adjusted Revenue	**445.1**

(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 2017 that are characteristic of the joint ventures are as follows [1]:

In million euros	Street Furniture	Transport	Billboard
Depreciation, amortisation and provisions (net)	(8.8)	(14.7)	(18.8)
Cost of net financial debt	0.9	2.5	(20.7)
Income tax	(9.0)	(48.3)	(3.3)

(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.

10.1.2. For the year 2016

10.1.2.1. Net income

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

In million euros	Street Furniture	Transport	Billboard	Total
Net Income [1]	**31.6**	**128.5**	**(8.8)**	**151.3**
Impact of application of the holding percentage	(15.3)	(70.9)	7.0	(79.2)
Impairment of joint ventures				0.0
Share of net profit of joint ventures	**16.3**	**57.6**	**(1.8)**	**72.1**

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

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

(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 2016 that are characteristic of the joint ventures are as follows [1]:

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

(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.

10.2. Statement of other comprehensive income

10.2.1. For the year 2017

Other 2017 comprehensive income for the joint ventures and reconciliation with the statement of other comprehensive income of the consolidated financial statements for 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Other comprehensive income [1]	**(9.4)**	**(5.8)**	**(2.1)**	**(17.3)**
Impact of application of the holding percentage	4.7	2.9	0.8	8.4
Translation reserve adjustments on impairment of joint ventures	0.0	0.0	0.8	0.8
Translation reserve adjustments on goodwill & elimination of shares	(0.5)	(4.6)	(3.9)	(9.0)
Share of other comprehensive income of the joint ventures	**(5.2)**	**(7.5)**	**(4.4)**	**(17.1)**

(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 2016

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

In million euros	Street Furniture	Transport	Billboard	Total
Other comprehensive income [1]	**3.9**	**1.5**	**0.1**	**5.5**
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
Share of other comprehensive income of the joint ventures	**2.1**	**(1.3)**	**11.1**	**11.9**

(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 2017

10.3.1.1 Net assets

Net assets [(1)] as of 31 December 2017 of the joint ventures and reconciliation with the statement of financial position of the consolidated financial statements as of 31 December 2017 are as follows:

In million euros	Street Furniture	Transport	Billboard	Total
Non-current assets	70.2	84.8	206.6	361.6
Current assets	78.5	339.3	52.1	469.9
Non-current liabilities	(18.9)	(6.5)	(81.4)	(106.8)
Current liabilities	(71.0)	(190.8)	(186.4)	(448.2)
Net assets [(1)]	**58.8**	**226.8**	**(9.1)**	**276.5**
Impact of application of the holding percentage	(29.1)	(107.0)	9.6	(126.5)
Impairment of joint ventures		(0.2)	(9.3)	(9.5)
Goodwill and elimination of shares held by joint ventures	15.0	69.8	54.7	139.5
Negative Net Equity limitation			8.7	8.7
Investments under the equity method	**44.7**	**189.4**	**54.6**	**288.7**

(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.

10.3.1.2. Other items of the statement of financial position

The items related to the net financial debt as of 31 December 2017 characteristic of the joint ventures are as follows [(1)]:

In million euros	Street Furniture	Transport	Billboard
Cash and cash equivalents net of bank overdrafts	(14.9)	184.8	6.6
Financial debt (non-current)	(5.6)	(0.1)	(74.7)
Financial debt (current)	(0.2)	(1.0)	(144.6)

(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 2016

10.3.2.1. Net assets

Net assets [(1)] 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:

In million euros	Street Furniture	Transport	Billboard	Total
Non-current assets	92.2	93.0	232.7	417.9
Current assets	133.6	344.3	69.9	547.8
Non-current liabilities	(17.1)	(6.6)	(249.0)	(272.7)
Current liabilities	(79.1)	(215.3)	(54.4)	(348.8)
Net assets [(1)]	**129.6**	**215.4**	**(0.8)**	**344.2**
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
Investments under the equity method	**78.2**	**188.7**	**61.8**	**328.7**

(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.

10.3.2.2. 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 [1]:

In million euros	Street Furniture	Transport	Billboard
Cash and cash equivalents net of bank overdrafts	(12.8)	207.5	19.7
Financial debt (non-current)	(0.7)	(0.1)	(238.2)
Financial debt (current)	(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.

10.4. Other items

The dividends received from the joint ventures for the year 2017 break down as follows:

In million euros	Street Furniture	Transport	Billboard
Dividends received	17.1	53.1	2.3

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

In million euros	Street Furniture	Transport	Billboard
Dividends received	16.1	54.4	1.2

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:

	2017	2016
In million euros	APG|SGA SA	APG|SGA SA
Revenue	270.5	289.3
Net income [1]	**55.9**	**62.1**
Impact of application of the holding percentage	(39.1)	(43.5)
Impairment of associates	0.0	0.0
Share of net profit of associates	**16.8**	**18.6**

(1) IFRS data on a 100% basis.

The contribution of the other companies in the share of net profit of associates totalled €5.2 million in 2017 and €4.5 million in 2016.

11.2. Statement of financial position items

Statement of financial position items[1] 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 2017 and as of 31 December 2016 are as follows:

	2017	2016
In million euros	APG|SGA SA	APG|SGA SA
Assets	222.8	286.6
Liabilities	(96.1)	(158.6)
Equity	**126.7**	**128.0**
Impact of application of the holding percentage	(88.8)	(89.6)
Impairment of associates	0.0	0.0
Goodwill	82.9	82.9
Investments in associates	**120.8**	**121.3**

(1) IFRS data on a 100% basis.

The contribution of other companies in investments in associates in the statement of financial position totalled €66.5 million and €60.2 million as of 31 December 2017 and as of 31 December 2016.

The valuation of 30% of APG|SGA SA at the 29 December 2017 share price amounts to €350.1 million.

11.3. Other items

The dividends received from associates for the years 2017 and 2016 break down as follows:

	2017			2016		
In million euros	APG|SGA SA	other companies	Total	APG|SGA SA	other companies	Total
Dividends received	19.8	2.6	**22.4**	19.4	2.1	**21.5**

12. SCOPE OF CONSOLIDATION

12.1. Identity of the parent company

As of 31 December 2017, JCDecaux Holding holds 63.97% of the share capital of JCDecaux SA.

12.2. List of consolidated companies

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
STREET FURNITURE					
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	(18)	France	100.00	F	100.00
MEDIA PUBLICITE EXTERIEURE		France	100.00	F	100.00
WALL GmbH	(1)	Germany	100.00	F	100.00
DSM DECAUX GmbH		Germany	50.00	E*	50.00
STADTREKLAME NÜRNBERG GmbH		Germany	35.00	E	35.00
DIE DRAUSSENWERBER GmbH		Germany	100.00	F	100.00
SKY HIGH TG GmbH		Germany	100.00	F	100.00
REMSCHEIDER GESELLSCHAFT FÜR STADTVERKEHRSANLAGEN GbR.		Germany	50.00	E*	50.00
JCDecaux ARGENTINA S.A.		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	(21)	Australia	100.00	F	100.00
JCDecaux CITYCYCLE AUSTRALIA Pty Ltd		Australia	100.00	F	100.00
ARGE AUTOBAHNWERBUNG GmbH		Austria	67.00	F	100.00
DIGITAL OUT HOME OO GmbH	(3)	Austria	33.50	E*	50.00
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 MALLS	(37)	Belgium	73.36	F	73.36
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		Brazil	100.00	F	100.00
CONCESSIONARIA A HORA DE SÃO PAULO LTDA	(1)	Brazil	100.00	F	86.67
CEMUSA BRASILIA S.A.		Brazil	100.00	F	100.00
CEMUSA AMAZONIA LTDA		Brazil	100.00	F	100.00
CEMUSA RIO S.A.		Brazil	100.00	F	100.00
CEMUSA SALVADOR S.A.		Brazil	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
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) & (16)	Chile	86.68	F	100.00
JCDecaux PEARL&DEAN OUTDOOR ADVERTISING (CHINA) Co. Ltd		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		China	100.00	F	100.00
BEIJING JCDecaux PEARL & DEAN ADVERTISING Co.,Ltd		China	100.00	F	100.00
EQUIPAMIENTOS URBANOS NACIONALES DE COLOMBIA SAS	(16)	Colombia	65.01	F	75.00
LLEGA S.A.S.	(16)	Colombia	65.01	F	100.00
JCDecaux KOREA Inc.		South Korea	80.00	F	80.00
EQUIPAMIENTOS URBANOS DE COSTA RICA S.A.	(16) & (38)	Costa Rica	63.06	F	100.00
JCDecaux COTE D'IVOIRE		Ivory Coast	50.00	E*	50.00
AFA JCDecaux A/S		Denmark	50.00	F	50.00
JCDecaux STREET FURNITURE FZ LLC	(17)	United Arab Emirates	100.00	F	100.00
JCDecaux DXB MEDIA FZ LLC	(3)	United Arab Emirates	75.00	F	75.00
JCDecaux ECUADOR SA.	(3)	Ecuador	100.00	F	100.00
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 SL.	(16)	Spain	73.36	F	73.36
CEMUSA CORPORACION EUROPEA DE MOBILIARIO URBANO S.A. EL MOBILIARIO URBANO, S.L.U.	(2)	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	(27)	Gabon	40.00	E*	40.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
JCDecaux GUATEMALA, S.A.	(16) & (38)	Guatemala	63.06	F	100.00
VISTA CENTROAMERICANA S.A.	(16) & (38)	Guatemala	63.06	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.		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
JCDecaux - CEMUSA OOH ITALY (formerly CEMUSA ITALIA Srl)	(44)	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.	(16)	Mexico	86.68	F	100.00
SERVICIOS DE COMERCIALIZACION DE PUBLICIDAD, S.A. DE C.V.	(16)	Mexico	86.68	F	100.00
SERVICIO Y TECNOLOGIA ESPECIALIZADA, S.A. DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
MEDIOS DE PUBLICIDAD S.A. DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
EQUIPAMIENTOS URBANOS DE LA PENINSULA, S.A. DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
JCDecaux OUT OF HOME MEXICO SA DE CV	(16) & (39)	Mexico	55.21	F	63.70
ESCATO URBANO, S.A. DE C.V.	(3) & (39)	Mexico	55.21	F	100.00
STOC SA DE CV	(3) & (40)	Mexico	43.34	E*	50.00
FMIDecaux Co., Ltd.	(3) & (31)	Myanmar	60.00	F	60.00
JCDecaux OMAN	(1) & (5)	Oman	100.00	F	100.00
JCDecaux UZ	(42)	Uzbekistan	72.26	F	72.26
JCDecaux PANAMA, S.A.	(1) & (16) & (38)	Panama	63.06	F	100.00
JCDecaux CENTRAL AMERICA HOLDINGS S.A.	(16)	Panama	86.68	F	100.00
JCDecaux TOP MEDIA SA (formerly JCDecaux CENTROAMERICA HOLDING S.A.)	(16) & (38)	Panama	63.06	F	72.75
TOCUMEN TOP PROPERTIES INC.	(16) & (29)	Panama	63.06	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
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.	(16)	Dominican Rep.	86.68	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
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.	(16) & (38)	Salvador	63.06	F	100.00
PUBLIVALLAS DE EL SALVADOR, S.A. DE C.V.	(2)	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	(4) & (35)	Turkey	100.00	F	100.00
WALL SEHIR DIZAYNI LS	(4) & (34)	Turkey	100.00	F	100.00
JCDecaux URUGUAY	(6)	Uruguay	100.00	F	100.00
JCDecaux URUGUAY SA		Uruguay	100.00	F	100.00
JCDecaux OOH URUGUAY SA (formerly OUTFRONT MEDIA URUGUAY S.A.)	(16) & (45)	Uruguay	100.00	F	100.00
PUBLIBUS SA	(16) & (46)	Uruguay	93.34	F	100.00
TRANSPORT					
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		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 PUBLICIDADE INNOVATE Ltda	(2)	Brazil	100.00	F	100.00
CEMUSA DO BRASIL LTDA	(23)	Brazil	100.00	F	100.00
JCDecaux MIDIA AEROPORTOS LTDA (formerly JCDecaux MIDIA BRASIL Ltda)	(16) & (24)	Brazil	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
JCDecaux CAMEROUN		Cameroon	50.00	E*	50.00
JCDecaux CHILE SA	(1) & (16)	Chile	86.68	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	(43)	China	90.00	E*	38.00
JCDecaux ADVERTISING (SHANGHAI) Co. Ltd		China	100.00	F	100.00
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		China	30.00	E	30.00
SHANGHAI SHENTONG JCDecaux METRO ADVERTISING Co. Ltd	(15)	China	60.00	E*	51.00
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		China	80.00	F	65.00
NANJING JCDecaux BUS ADVERTISING Co., Ltd		China	100.00	F	100.00
GUANGZHOU METRO JCDecaux ADVERTISING Co., Ltd		China	49.00	E*	49.00
GUANGZHOU JCDECAUX AEROTROPOLIS ADVERTISING Co., Ltd	(3) & (26)	China	100.00	F	100.00
JCDecaux DICON FZCO		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 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
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		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

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
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		Nigeria	49.00	F	70.00
JCDecaux NORGE AS	(1)	Norway	97.69	F	100.00
AEROTOP, S.A.	(16) & (38)	Panama	63.06	F	100.00
CITY BUS STOP, S.A.	(16) & (38)	Panama	50.45	F	80.00
PUBLICIDAD AEROPUERTO DE TOCUMEN S.A.	(3) & (38)	Panama	63.06	F	100.00
JCDecaux AEROPUERTO DE LIMA SAC		Peru	100.00	F	100.00
EYE CATCHER MEDIA S.A.C.	(1) & (32)	Peru	100.00	F	100.00
JCDecaux AIRPORT POLSKA Sp zoo		Poland	100.00	F	100.00
JCDecaux AIRPORT PORTUGAL SA		Portugal	85.00	F	85.00
RENCAR PRAHA AS		Czech Rep.	46.90	F	70.00
JCDecaux AIRPORT UK Ltd		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
BILLBOARD					
JCDecaux SOUTH AFRICA HOLDINGS (PROPRIETARY) LIMITED		South Africa	100.00	F	100.00
JCDecaux SOUTH AFRICA OUTDOOR ADVERTISING (PROPRIETARY) LIMITED		South Africa	49.00	F	70.00
JCDecaux SUB-SAHARAN 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		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-AFRICA OUTDOOR ADVERTISING (SOUTH AFRICA) (PTY) Ltd (formerly INTER OUTDOOR AFRICA (PTY) Ltd)		South Africa	70.00	F	100.00
JCDecaux SUBSAHARAN AFRICA HOLDINGS (Pty) Ltd		South Africa	70.00	F	100.00
CONTINENTAL OUTDOOR MEDIA (ANGOLA) Lda		Angola	70.00	F	100.00
URBANMEDIA ARGENTINA S.A.	(16) & (20)	Argentina	100.00	F	100.00
JCDecaux ARGENTINA OOH S.A.		Argentina	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
GEWISTA WERBEGESELLSCHAFT.mbH	(1)	Austria	67.00	F	67.00
PROGRESS AUSSENWERBUNG GmbH	(36)	Austria	45.10	F	51.00
PROGRESS WERBELAND WERBE. GmbH		Austria	34.17	F	51.00
ISPA WERBEGES.mbH	(36)	Austria	45.10	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	(36)	Austria	45.10	F	51.00
ANKÜNDER GmbH	(36)	Austria	22.31	E	33.30
PROGRESS TIROL-VORARLBERG AUSSENWERBUNG GmbH	(3) & (36)	Austria	45.10	F	51.00
JCDecaux BILLBOARD BELGIUM		Belgium	100.00	F	100.00
JCDecaux ARTVERTISING BELGIUM		Belgium	100.00	F	100.00
INSERT BELGIUM SA	(14)	Belgium	100.00	F	100.00
JCDecaux BOTSWANA (PTY) LIMITED		Botswana	70.00	F	100.00
JCDecaux MIDIA EXTERIOR LTDA (formerly OUTFRONT MEDIA EXTERIOR Ltda)	(16) & (45) & (47) & (2)	Brazil	100.00	F	80.00
EPPAR - EMPRESA DE PANEIS A PARTICIPACOES LIMITADA	(2)	Brazil	68.01	F	80.00
JCDecaux GRANDES FORMATOS MIDIA EXTERIOR SA	(16) & (45)	Brazil	100.00	F	100.00
JCDecaux OUTDOOR Ltda		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	(2)	Bulgaria	45.00	E*	50.00
MARKANY LINE EOOD	(22)	Bulgaria	25.00	E*	50.00
A TEAM EOOD	(2)	Bulgaria	50.00	E*	50.00
EASY DOCK EOOD		Bulgaria	50.00	E*	50.00
PRIME OUTDOOR OOD		Bulgaria	50.00	E*	50.00
JCDecaux IMAGE JSC	(3) & (25)	Bulgaria	25.00	E*	50.00
INTERNATIONAL OUTDOOR ADVERTISING HOLDING COMPANY	(16) & (46)	Cayman Islands	100.00	F	100.00
IOAHC INVESTMENTS URUGUAY COMPANY	(16) & (46)	Cayman Islands	100.00	F	100.00
IOAHC INVESTMENTS COMPANY	(16) & (2) & (46)	Cayman Islands	100.00	F	100.00
IOA PROLIX COMPANY	(16) & (46)	Cayman Islands	80.00	F	80.00
JCDecaux OOH CHILE S.A.	(16)	Chile	86.68	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 DE COSTA RICA S.A. (formerly PUBLIVALLAS S.A.)	(16) & (38)	Costa Rica	63.06	F	100.00
TOP MEDIA COSTA RICA, S.A.	(16) & (38)	Costa Rica	63.06	F	100.00
EUROPLAKAT Doo	(36)	Croatia	45.10	F	51.00
METROPOLIS MEDIA Doo	(19)	Croatia	45.10	F	100.00
FULL TIME Doo	(19)	Croatia	45.10	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
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
TM OUTDOOR, LCC	(16) & (38) & (2)	United States	63.06	F	100.00
TOP MEDIA GUATEMALA, S.A.	(16) & (38)	Guatemala	63.06	F	100.00
TOP MEDIA HONDURAS, S.A.	(16) & (38)	Honduras	63.06	F	100.00
POAD		Hong Kong	49.00	E	49.00
LC OUTDOOR	(3) & (33)	Reunion Island	56.00	F	100.00
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	(1)	Ireland	100.00	F	100.00
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	(33)	Mauritius	56.00	F	80.00
CONTINENTAL OUTDOOR MEDIA MANAGEMENT COMPANY (MAURITIUS) Ltd		Mauritius	70.00	F	100.00
VENDOR PUBLICIDAD S DE R.L. DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
FUSIONANTE VENDOR S DE R.L DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
SERVICIOS ADMINISTRATIVOS AMERICA, S DE R.L DE C.V.	(16) & (39)	Mexico	55.21	F	100.00
CORPORACION DE MEDIOS INTEGRALES, S.A. DE C.V.	(3) & (39)	Mexico	55.21	F	100.00
PUBLITOP DE OCCIDENTE, S.A. DE C.V.	(3) & (39)	Mexico	55.21	F	100.00
PUBLITOP, S.A. DE C.V.	(3) & (39)	Mexico	55.21	F	100.00
JCDecaux MOZAMBIQUE LTDA	(41)	Mozambique	50.05	F	71.50
JCDecaux NAMIBIA OUTDOOR ADVERTISING (Pty) Limited		Namibia	70.00	F	100.00
TOP MEDIA NICARAGUA, S.A.	(16) & (38)	Nicaragua	63.06	F	100.00
JCDecaux OUTDOOR ADVERTISING UGANDA Ltd (formerly CONTINENTAL OUTDOOR MEDIA UGANDA Ltd)		Uganda	70.00	F	100.00
TOP MEDIA, S.A.	(16) & (30)	Panama	63.06	F	100.00
COSMO PUBLICIDAD COMPANY, S.A.	(16) & (29)	Panama	63.06	F	100.00
CENTRAL AMERICAN TOWER, S.A.	(16) & (29)	Panama	63.06	F	100.00
PUBLITOP DE PANAMA, S.A.	(16) & (38)	Panama	63.06	F	100.00
JCDecaux TOP MEDIA SERVICIOS DE PANAMA, S.A. (formerly DIGITAL TOP, S.A.)	(16) & (38)	Panama	63.06	F	100.00
PUENTES TOP, S.A.	(16) & (29)	Panama	63.06	F	100.00
TRANSTOP, S.A.	(16) & (29)	Panama	63.06	F	100.00
TOP MEDIA PANAMA, S.A. (formerly PANAMERICAN OUTDOOR ADVERTISING INC)	(16) & (38)	Panama	63.06	F	100.00
SHOP TOP, S.A.	(16) & (29)	Panama	63.06	F	100.00
TOP MEDIA PANAMA, S.A.	(16) & (29)	Panama	63.06	F	100.00
OUTDOOR SYSTEMS AMERICAS NETHERLANDS NEWCO BV	(16)	The Netherlands	86.69	F	100.00
JCDecaux CARTELERA B.V.	(16)	The Netherlands	86.69	F	100.00
JCDecaux NEONLIGHT Sp zoo		Poland	100.00	F	100.00

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
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.	(16)	Dominican Rep.	86.68	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		Russia	12.75	E*	25.00
APR CITY/TVD LLC		Russia	25.00	E*	25.00
BIG - MEDIA LLC	(28)	Russia	25.00	E*	25.00
BIGBOARD LLC		Russia	25.00	E*	25.00
DISPLAY LLC		Russia	18.75	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
WALL CIS LLC		Russia	25.00	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	(7)	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	(28)	Russia	25.00	E*	25.00
PRIMESITE LLC		Russia	25.00	E*	25.00
PRIMESITE Ltd	(9)	Russia	25.00	E*	25.00
RCMO JSC		Russia	12.50	E*	25.00
REKART MEDIA LLC		Russia	25.00	E*	25.00
REKTIME LLC		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

COMPANIES		COUNTRY	% INTEREST	CONSOL. METHOD	% CONTROL*
SENROSE FINANCE LIMITED	(9)	Russia	25.00	E*	25.00
SOLVEX Ltd	(9)	Russia	25.00	E*	25.00
TERMOTRANS LLC		Russia	25.00	E*	25.00
UNITED OUTDOOR HOLDING Inc.	(9)	Russia	25.00	E*	25.00
MERIDIAN LLC	(3)	Russia	12.75	E*	25.00
RINGROADMEDIA LLC	(3)	Russia	12.75	E*	25.00
VA LLC	(3)	Russia	11.25	E*	25.00
TOP MEDIA EL SALVADOR, S.A. DE C.V.	(16) & (38)	Salvador	63.06	Glob.	100.00
ISPA BRATISLAVA Spol Sro		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
APG|SGA SA		Switzerland	30.00	E	30.00
JCDecaux SWAZILAND (PTY) Ltd		Swaziland	70.00	F	100.00
JCDecaux 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 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
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 2017.

(3) Companies consolidated in 2017.

(4) Companies sold in 2017.

(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 law 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 law and holding interests in Hong Kong.

(14) The company Insert Belgium SA (Belgium) was absorbed by JCDecaux Billboard Belgium (Belgium) with retroactive effect starting on 1 January 2017.

(15) On 1 January 2017, decrease from 65% to 60% of the financial interest in the company Shanghai Shentong JCDecaux Metro Advertising Co. Ltd. (China).

(16) On 2 February 2017, dilution of the non-controlling interests of Corporacion Americana de Equipamientos Urbanos SRL (Spain) by a capital increase of JCDecaux Latin America Investments Holding S.L. (Spain) leading to a change in the percentage of ownership of the companies held by Corporacion Americana de Equipamientos Urbanos SRL (Spain) of 73.36% compared to 70% previously.

(17) The main activity of the company JCDecaux Street Furniture FZ LLC (United Arab Emirates) is Street Furniture from now on.

(18) Following the exercise of commitments to purchase non-controlling interests, JCDecaux France Holding (France) acquired the non-controlling interests of Mediakiosk (France) in the 1st semester 2017. The percentages of control and interest are now 100%.

(19) The companies Metropolis Media Doo (Croatia) and Full Time Doo (Croatia) were absorbed by Europlakat Doo (Croatia) on 28 June 2017.

(20) On 31 October 2017, sale of Urbanmedia Argentina S.A. (Argentina) held by Equipamientos Urbanos de Mexico, S.A. DE C.V. (Mexico) to JCDecaux Argentina OOH S.A. (Argentina) leading to a percentage of interest of 100%.

(21) On 11 December 2017, acquisition of the non-controlling interests of Adbooth Pty Ltd (Australia) by JCDecaux Street Furniture Pty Ltd (Australia) leading to a percentage of interest of 100%.

(22) On 18 October 2017, sale of Markany Line EOOD (Bulgaria) held by JCDecaux Bulgaria EOOD (Bulgaria) to JCDecaux Image JSC (Bulgaria) resulting in a decrease in the percentage of interest to 25%.

(23) The main activity of the company Cemusa Do Brasil LTDA (Brazil) is Transport from now on.

(24) The main activity of the company JCDecaux Midia Aeroportos Ltda (Brazil) is Transport from now on.

(25) JCDecaux Image JSC (Bulgaria) is held at 50% in joint control by JCDecaux Bulgaria EOOD (Bulgaria) and at 50% by a partner.

(26) Guangzhou Airport (China) is held at 100% by JCDecaux Advertising (Shanghai) Co. Ltd (China).

(27) On 23 October 2017, entry of a partner in the capital of JCDecaux Gabon (Gabon) leading to a percentage of interest of 40%. The company remains accounted for under the equity method (joint control).

(28) In Russia: Big-Media LLC and Petrovik LLC were absorbed by Bigboard LLC on 30 June 2017.

(29) In Panama, the entities Top Media Panama, S.A., Cosmo Publicidad Company, S.A., Central American Tower, S.A., Puentes Top, S.A., Transtop, S.A., Shop Top, S.A., and Tocumen Top Properties Inc. were absorbed by Panamerican Outdoor Advertising Inc. (Panama) on 31 August 2017.

(30) The entity Top Media, S.A. (Panama) was absorbed by JCDecaux Top Media Servicios de Panama, S.A. (Panama) on 31 August 2017.

(31) FMIDecaux Co., Ltd. (Myanmar) is held at 60% by JCDecaux Asia Singapore Pte Ltd (Singapore) and at 40% by a partner.

(32) On 30 November 2017, acquisition of the non-controlling interests of Eye Catcher Media S.A.C. (Peru) by JCDecaux Amériques Holding (France) leading to a percentage of interest of 100%.

(33) On 27 July 2017, JCDecaux (Mauritius) Ltd acquired 100% of the company LC Outdoor (Reunion Island) in exchange for the contribution of 20% of the assets of JCDecaux (Mauritius) Ltd to a partner. This new set-up is owned at 80% by JCDecaux Sub-Saharan Africa (Pty) Ltd (South Africa). The percentage of interest is 56%.

(34) On 26 October 2017, sale of the company Wall Sehir Dizayni LS (Turkey).

(35) On 12 January 2017, sale of the company Era Reklam As (Turkey).

(36) On 20 October 2017, increase of 8.40% in the ownership of the company Ankünder GmbH (Austria) by Gewista Werbegesellschaft.mbH (Austria), thus increasing the percentage of financial interest from 16.68% to 22.31%. In return Gewista Werbegesellschaft.mbH (Austria) brought to Ankünder GmbH (Austria) 49% of its interest in Megaboard Soravia GmbH (Austria) and Progress Tirol-Vorarlberg Aussenwerbung GmbH (Austria). This transaction also increased the percentage of interest of the following companies: Progress Aussenwerbung GmbH (Austria), Ispa Werbeges.mbH (Austria), and Europlakat Doo (Croatia).

(37) The main activity of the company JCDecaux Malls (Belgium) is in malls, included in the Street Furniture segment.

(38) Following an adjustment of the acquisition price of Top Media SA (Panama), the percentage of control of JCDecaux –Top Media SA (Panama) increased from 71.37% to 72.75% which had the effect of increasing the percentage of ownership of the entities held by Top Media SA (Panama).

(39) On 4 October 2017, asset swap with America Movil, S.A.B. de CV which had the effect of the entry in the consolidation scope of the Mexican companies Corporacion de Medios Intergrales, S.A. de C.V., Escato Urbano S.A. de C.V., Publitop, S.A. de C.V., Publitop de Occidente, S.A. de C.V. and the decrease in the percentage of interest to 55.21% in JCDecaux Out of Home Mexico SA de CV (Mexico) and the companies it holds.

(40) On 24 November 2017, acquisition of a 50% interest in Stoc SA de CV (Mexico) by Equipamientos Urbanos de Mexico, S.A. de C.V. (Mexico). The company is consolidated under the equity method (joint control) at 50%. The percentage of interest is 43.34%.

(41) On 4 August 2017, capital increase of 28.5% in JCDecaux Mozambique Lda (Mozambique) reserved for a new shareholder. The percentage of control is 71.5% and the percentage of interest is 50.05%.

(42) On 28 February 2017, increase in the percentage of control and interest in the company JCDecaux UZ (Uzbekistan) (72.26% compared to 70.25% previously) following the absorption of the non-consolidated company JCDTransreklama LLC (Uzbekistan) and the new ownership structure.

(43) Beijing Top Result Metro Advertising. Co. Ltd (China) is accounted for under the equity method as a result of the joint control with the Group's partner in Management.

(44) The entity JCDecaux - Cemusa OOH Italy (Italy) was absorbed by IGPDecaux Spa (Italy) with retroactive effect starting on 1 January 2017.

(45) On 23 November 2017, sale of JCDecaux OOH Uruguay S.A (Uruguay) by JCDecaux OOH Chile S.A. (Chile) to JCDecaux Amériques Holding (France) leading to an increase in the percentage of interest of 100%. This transaction had the effect of changing the percentage of interest of the companies it holds.

(46) On 25 July 2017, sale of International Outdoor Advertising Holding Company (Cayman Islands) by JCDecaux Amériques Holding (France) and Outdoor Systems Americas Netherlands Newco BV (The Netherlands) to JCDecaux Latin America Investments Holding S.L. (Spain) leading to an increase of the percentage of interest of 100%. The percentage of interest in the companies it holds increased therefore to 100% for IOAHC Investments Uruguay Company (Cayman Islands) and IOAHC Investments Company (Cayman Islands), 80% for IOA Prolix Company (Cayman Islands) and 93.34% for Publibus SA (Uruguay).

(47) On 6 November 2017, sale of JCDecaux Midia Extérior Ltda (Brazil) by JCDecaux OOH Uruguay S.A. (Uruguay) to JCDecaux Midia Aeroportos Ltda (Brazil) leading to an increase in the percentage of interest of 100%.

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 or indirect 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.
For controlled companies and companies under equity method they hold, the voting rights percentage is normally determined based on the percentage of control, with the exception of a few companies in China, where it is determined by representation in the governance bodies, given that local legal and regulatory specificities do not allow it to be assessed otherwise, and in Thailand, where the voting rights percentage is 95%.

13. SUBSEQUENT EVENTS

In February 2018, JCDecaux SA proceeded with the reimbursement of its €500 million bond, issued in February 2013.

On 7 March 2018, the Supervisory Board decided to propose a €0.56 per share dividend distribution for 2017 at the General Meeting of Shareholders in May 2018.

STATUTORY AUDITORS’ REPORT

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Commissaire aux Comptes
Membre de la compagnie
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S.A.S. à capital variable
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes
Membre de la compagnie
régionale de Versailles

JCDecaux SA

Year ended December 31, 2017

Statutory auditors’ report on the consolidated financial statements

To the Annual General Meeting of JCDecaux SA,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of JCDecaux SA for the year ended December 31, 2017.

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 of December 31, 2017 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.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of Ethics *(Code de déontologie)* for statutory auditors.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

■ Valuation of goodwill, intangible and tangible assets, investments under equity method

Risk identified	As of December 31, 2017, the goodwill, tangible and intangible assets, and investments under equity method amounts to M€ 3,275.5. The intangible and tangible assets, investments under equity method and goodwill are tested for impairment at least once a year. Your Group performs impairment tests at the level of Cash-Generating Units (CGU) corresponding to operational entities for the intangible and tangible assets, and investments under equity method as well as at the level of each group of CGU according to the operating segment considered (Street Furniture, Billboard, and Transport) for the goodwill. Therefore, the tests are performed at the junction between operating segments and the geographical area for the goodwill. The methodology used by your group is described in the notes 1.10 et 1.11 of the consolidated financial statements. We have considered that the valuation of these assets is a key audit matter because of their importance in the accounts and the estimations and judgments necessary to their valuation. Indeed, these tests include, to determine the recoverable value, forecast data relevant to each operating segment. These data include, the management's view of the prospects of future profitability, and assumptions relating to renewal rate of contracts for the operating segments Street Furniture and Transport, as well as the long term growth rate for the operating segment Billboard.
Our response	Our work consisted in particular to : - become aware of the processes and analysis conducted by JCDecaux SA in order to carry out those evaluations; - reconcile with the consolidated accounts the net value of the assets that being tested for impairment; - check on sample data the arithmetic correctness of the model used to determine the utility values; - assess by discussion with financial management and the board of directors of your group the reasonable character of the main assumptions used, and compare with the data used for previous impairment tests, as well as, where appropriate, the performance history of concerned subsidiaries; - evaluate the reasonable character of discount rate, long term growth rate, and contract renewal rate; - implement sensitivity analysis on the main assumptions used; - assess the appropriateness of the information provided in the notes of the consolidated financial statements.

Dismantling provision valuation

Risk identified	As of December 31, 2017, the provisions booked in order to comply with the dismantling obligations amounts M€ 226.5. The rules and accounting methods regarding these provisions and their evaluations are described in the notes 1.21 et 4.12.1 « Dismantling provisions » of the consolidated financial statements. Costs for dismantling street furniture at the end of a contract are accrued, when a contractual dismantling obligation exists at a foreseeable date. These provisions represent the estimated dismantling cost from the contract's inception and are discounted. Dismantling costs are offset under assets in the statement of financial position and amortized over the term of the contract. The discounting charge is recorded as a financial expense. They are updated at each closing according to the number of installed items and the unitary cost of dismantling. We have considered that the evaluation of dismantling provisions is a key audit matter due to the estimations and judgement necessary to their assessment.
Our response	Our work consisted of : - evaluate the relevance of the methodology implemented by the company JCDecaux SA; - evaluate the internal control processes relevant to the dismantling provision evaluation and identifying the main controls relevant to our audit; - assess on a sampling basis the assumptions concerning the contracts durations and the coherence of cost estimations used in the calculation of the provision with the budgets and quotations available as well as past cost statistics; - assess the coherence of the assumptions concerning the inflation and discounting rates; - assess the appropriateness of the information provided in the notes of the consolidated financial statements.

Verification of the Information Pertaining to the Group Presented in the Management Report

As required by law, we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the board of directors.

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

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as statutory auditors of JCDecaux SA by the annual general meeting held on May 10th, 2006 for KPMG Audit, and on June, 20th 2000 for ERNST & YOUNG et Autres.

As at December 31, 2017, KPMG Audit was in the 12th year of total uninterrupted engagement and ERNST & YOUNG et Autres in the 18th year (including 17 years since securities of the Company were admitted to trading on a regulated market).

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the executive board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

■ Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

► Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

► Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

► Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

► Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La-Défense March 8, 2018

The Statutory Auditors
French original signed by

KPMG Audit, Département KPMG
KPMG International

Jacques Pierre

ERNST & YOUNG et Autres

Gilles Puissochet