Q1 2016 – Business review

Paris, May 10th, 2016 – JCDecaux SA (Euronext Paris: DEC), the number one outdoor advertising company worldwide, published today its business review for the first quarter of 2016.

FIRST QUARTER 2016: BUSINESS HIGHLIGHTS

Key contracts wins

- ***United Kingdom***

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

- ***North America***

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

- ***France***

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

Other events

- ***North America***

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

- ***United Kingdom***

In January, JCDecaux announced the launch of its London based digital creative hub ‘JCDecaux Dynamic’ with the appointment of BBH’s Alex Matthews and Rick Burgess. JCDecaux Dynamic will focus on the creative side of digital content and technical creativity for out-of-home enabling JCDecaux’s clients to deliver contextually aware advertising and innovative creative.

- ***France***

In January, JCDecaux announced that two appointments have been made, following the retirement of Patrick Gourdeau, Group General Counsel, as of 31 May 2016. Bertrand Allain, who is joining JCDecaux on 1 February 2016, is appointed Group General Counsel, with effect as of 1 June 2016. Nicolas Dufouleur is appointed Deputy Group General Counsel in charge of International Affairs as of 1 February 2016.

FIRST QUARTER 2016 AND OUTLOOK

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, and therefore is comparable with historical data. Please refer to the paragraph “Adjusted data” on page 3 of this release for the definition of adjusted data and reconciliation with IFRS.

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JCDecaux

Adjusted revenue for the first quarter increased by 15.3% to €748.5 million compared to €649.0 million in Q1 2015.
Excluding the negative impact from foreign exchange variations and the positive impact from changes in perimeter, adjusted revenue grew by 10.5%.
Adjusted advertising revenue, excluding revenue related to sale, rental and maintenance, increased by 10.9% on an organic basis in the first quarter of 2016.

Q1 2016 adjusted revenue	**2016 (€m)**	**2015 (€m)**	**Reported growth**	**Organic growth[(a)]**
Street Furniture	333.4	291.3	+14.5%	+9.7%
Transport	312.0	268.9	+16.0%	+12.9%
Billboard	103.1	88.8	+16.1%	+5.9%
Total	**748.5**	**649.0**	**+15.3%**	**+10.5%**

a. Excluding acquisitions/divestitures and the impact of foreign exchange

Please note that the geographic comments below refer to organic revenue growth.

STREET FURNITURE

First quarter adjusted revenue increased by 14.5% to €333.4 million (+9.7% on an organic basis). Europe (including France and the UK), Asia-Pacific and the Rest of the World delivered strong growth. North America showed good growth.
First quarter adjusted advertising revenue, excluding revenue related to sale, rental and maintenance was up 11.6% on an organic basis compared to the first quarter of 2015.

The rollout of the world's largest digital Street Furniture network with 1,000 84" screens in London is taking longer than expected mainly due to the complexity surrounding the installation of this major construction project with the involvement of several contractual partners in the operational model from TfL. As a result, we started Q2 2016 with only 20 screens instead of 300 and the expected advertising revenue loss against our original plan will be significant for our UK Street Furniture business in H1 2016. We now expect to have 200 screens at the end of Q2 2016 instead of 500 but the good news is the success achieved with our planning consents in the inner boroughs which is greater than expected. This will ensure a first-class digital network with a lot of prime locations such as Oxford Street, Park Lane, The Strand, Kensington High Street… We are therefore confident that the end result will more than compensate the initial delay.

TRANSPORT

First quarter adjusted revenue increased by 16.0% to €312.0 million (+12.9% on an organic basis). Europe (including France and the UK) delivered good growth. Asia-Pacific and the Rest of the World were up double-digit. North America was slightly negative.

BILLBOARD

First quarter adjusted revenue increased by 16.1% to €103.1 million (+5.9% on an organic basis). Europe (including France and the UK) was up. The Rest of the World showed solid growth.

Our Billboard business is slightly improving with a positive performance in Europe thanks to the on-going digitization in the UK but the lack of consolidation in Europe remains the main problem, while in Russia the market consolidation continues following the default in Moscow rent payments from some local operators paving the way for increased revenue. Our Chicago digital billboard network is now well under way with 43 screens out of 60 in operation, achieving the best billboard yields in the third largest DMA while the city has already displayed over 24 million messages to commuters travelling by car along the Chicago expressways. Other large US cities have expressed an interest in this program and the State of California will soon make a decision on a proposal to issue an RFP for a pilot program for the upgrade of a portion of the freeway changeable message signs into state of the art digital displays with Amber alerts, road condition reports and advertising.

Commenting on the 2016 first quarter revenue, **Jean-François Decaux, Chairman of the Executive Board and Co-CEO of JCDecaux**, said:

"We are very pleased to report Q1 2016 revenue of €748.5 million, up 15.3% versus last year representing a 10.5% organic growth rate. JCDecaux was firing on all cylinders both in terms of segments as well as geographies with a growing contribution from our prime digital asset portfolio which now represents 11.5% of revenue. Our Street Furniture business strong performance was mainly driven by France and the UK which benefits from the London bus-shelter contract. Our Transport business continues to benefit from both digital which represents nearly 20% of revenue and a strong exposure to faster-growth markets (notably China). Our Billboard business is slightly improving with a positive performance in Europe and a good revenue increase in Russia.

The integration of the recent acquisitions is progressing well. As far as CEMUSA is concerned, the integration of the United States, Brazil and Italy is already completed and we expect to finalize the Spanish one in June. We started in Q1 2016 the optimization of the New York City Street Furniture network with the installation of advertising bus-shelters on 5th avenue between 58th street and 34th street which is the most expensive retail street in the world and the digitization of more advertising panels will happen in Q3 / Q4 2016. With the closing of OUTFRONT Media in Latin America, we strengthened our leading position in this region where we are present in the 10 wealthiest cities of the continent. In Africa, Continental Outdoor Media is now fully integrated in the 14 countries.

As far as Q2 2016 is concerned, and given the slowdown of the world economy, we currently expect an organic revenue growth around 3%.

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

ADJUSTED 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 will continue to be proportionately integrated in the operating management reports used to monitor the activity, allocate resources and measure performance.
Consequently, pursuant to IFRS 8, Segment Reporting presented in the financial statements complies with the Group's internal information, and the Group's external financial communication therefore relies on this operating financial information. Financial information and comments are therefore based on "adjusted" data, consistent with historical data, which are reconciled with IFRS financial statements.
In Q1 2016, the impact of IFRS 11 on adjusted revenue was -€93.0 million (-€72.1 million in Q1 2015) leaving IFRS revenue at €655.5 million (€576.9 million in Q1 2015).

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.

FINANCIAL SITUATION

The evolution of revenues is the major factor which to impact the operating margin, free cash flow or net debt during Q1 2016.